



**WE ALWAYS WERE
AND WILL BE
RESPONSIBLE
2020**

AGROFERT

20
20



AGROFERT in 2020

Company Registration No.: 26185610

AGROFERT, a.s.
Pyšelská 2327/2, Chodov,
149 00 Prague 4
Czech Republic

www.agrofert.cz

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AGROFERT

**With Respect
to True Values**

The world has changed, our values remain

It has been 28 years since Agrofert was founded. A lot has changed in that time. Our Group has significantly shifted, grown and expanded its field of activity. But some things have remained the same – just like then, we are well aware today that our business is based on people. And we're lucky to have them. That's why our mission is to be there for them, no matter what.

Difficult and uncertain times have shown us how important the people around us actually are. It is not usually easy to find people who share the same values and visions as you. But we found them. We have people around us that we can lean on, and we are honoured that we can also lend a helping hand when they need it.



During the coronavirus pandemic, we did not dismiss a single person due to Covid-19 disease. Why would we do that? It is no exaggeration to say that our people are heroes to us. Heroes who, day after day, contribute to the operation of the Czech Republic's critical infrastructure in this difficult period. Regardless of current coronavirus statistics, they get up every morning and bake fresh bread, milk a cow or make a new batch of sanitiser. They deserve huge thanks for that.

The pandemic has raised a wave of solidarity in all of us. We've pulled together and we're sticking together. Once again,

the real values that matter have been demonstrated. What is there more than cooperation, tolerance, humility and human belonging? At AGROFERT, we have never learned anything more powerful in the last 28 years.

And so, in the times of coronavirus crisis, we are trying to help across the whole Group in places that need it. In view of the critical and unpredictable situation at the beginning of the pandemic, we donated raw materials for the production of 500,000 litres of sanitiser – ethanol and glycerine worth a total of EUR 457 thousand.

The Association of Social Service Providers received nearly 3,000 test kits and ten Covid mobile analysers from us. At a time when tests were a scarce commodity, our assistance positively affected especially the elderly, who have long been among the most vulnerable groups in the country. We also took part in a food collection where we donated non-perishable foodstuffs such as milk, flour and baked goods. We donated butter, quark, yoghurt and meat to the Na Bulovce Hospital. In a difficult time, we supported many single parents, children's homes and sick people, to whom the food was distributed. The total amount of our donations amounted to more than one million crowns. Before Christmas we also joined the traditional Christmas collection of the Agrofert Foundation, which is called "Helping Baby Jesus". Through this project, we were able to grant Christmas wishes to hundreds of children from disadvantaged families.

We donated several hundred tons of meat to the "We Cook for the Indispensable" pro-



ject, which was launched by Czech chefs Zdeněk Pohlreich and Jan Punčochář. The chefs prepared great lunches from it. These were then delivered primarily to rescue workers, firefighters and police officers, who provide indispensable support for the Czech Republic. It is characteristic of tough times that you learn who you can count on. At Agrofert, we have been doing everything we can for more than a quarter of a century to ensure that our suppliers, employees and customers have our support. Our relationships are not fragile. We establish long-term cooperation, which we appreciate. Regardless of the pandemic we always look for ways that are practicable for all parties involved, and when we give our word to someone, we keep it. This is important at any time.





Warranty

**We Have Been Standing
by our Decisions and Standing
Behind You for 27 Years**

We have been proving to our employees, suppliers and customers for more than a quarter of a century that they can rely on us in any situation. We guarantee this with the most valuable thing we have – our own name.

This year's coronavirus crisis was a big test for us. Despite the difficult situation and regardless of the number of complications or the size of the costs, we managed to stand together. We did not close down a single operation; we did not dismiss a single person on the grounds of Covid-19. We did not halt cooperation with our business partners.

We are a stable and reliable company, where people have always been, are and will be in the first place.

We realize every day that we are responsible for 23 thousand employees in the Czech Republic and another 10 thousand in 16 countries on 4 continents. We offer our people a wide range of various benefits. We take care of their health, pay their pension contributions and emphasise their rest. "Agroferters" know they have a good job with a good employer. And we guarantee that whatever happens. The reward for our long-term efforts is their loyalty, which goes across generations within families. Of course, we try to build

mutual trust and cultivate long-term good relationships with others as well. Among other things, with our suppliers from the ranks of Czech tradesmen and companies. There are more than 10 thousand of them in total. In the previous year alone, we purchased goods and services from them for tens of billions of crowns. We are and will be an important and reliable partner for them amid the complexities of the world today.

32 thousand employees

**22 thousand employees
in the Czech Republic**

AGROFERT owns companies in 16 countries:

Czech Republic, Slovak Republic, Germany, Hungary, Romania, Croatia, Italy, Switzerland, Poland, Spain, France, the Netherlands, Great Britain, Russia, USA and Brazil.

10,659 suppliers

3,012 sole traders

5,006 limited liability companies

1,195 joint stock companies

1,446 other entities

€0.49 billion

This amount was paid by the Czech companies that are part of AGROFERT on the salaries and levies of the state for one year.*

€6.6 million

Pension contribution for our employees.*

€7.6 million

Costs of providing quality catering for employees.

€5.6 million

Investments in the safety of our employees.

€2.92 billion

That is the total of what we paid in one year to tradesmen and companies for their products or services.*

*Data are based on the audited results and financial statements of the AGROFERT Group for 2020.



Development

We Invest
in the Future Generations

In the 28 years, we have experienced many successes and failures. Everyone has given us valuable experience. Which one taught us most? Probably looking further than our competitors. That is why we are constantly investing in development.

We invest out of our own pocket

We do not send the earned money to anonymous accounts in tax havens, but we give it back to the development of our company. In the last 12 years, it has been more than EUR 3.81 billion. Of these, only 126 million came from grants. That is less than the amount of money AGROFERT pays in taxes and social and health insurance in a single year in the Czech Republic. Although our critics like to say this, the development of AGROFERT does not really stand and fall with investment or other grants.

Last year, we implemented more than 70 large investment projects worth more than EUR 305.8 million.

Among them, we invested to the new ammonia production in DUSLO, new poultry cutting plant in Vodňanská drůbež or reconstruction and modernisation of the biological wastewater treatment plant in DEZA.

We would not be able to achieve that without supporting R&D

To be effective, our investments need to reflect current and future trends. That is why we also invest hundreds of millions of crowns in research, development and innovation.

We cooperate with a number of prestigious institutions, such as the University of Pardubice, the Faculty of Chemical Technology or Mendel University in Brno, the Faculty of AgriScience of MENDELU, and a number of other academic workplaces. We are also involved in innovative projects outside the Czech Republic.

€91.4 million

AGRICULTURE AND PRIMARY PRODUCTION

€20.9 million

TECHNIQUE AND MACHINERY

€95.3 billion

FOOD INDUSTRY

€1.8 million
MEDIA

€389 million
Investments in 2020*

€6.5 million
LOGISTICS

€2.7 million
Lipra Pork
Reconstruction of the halls

€2.1 million
VÝKRM TŘEBÍČ
New halls

€9 million

(Investments of €45.7 billion in total)
Fatra
New rolling mill

€2.93 million

LOVOCHEMIE
New fertiliser plant

€163.8 billion
CHEMICAL INDUSTRY

€8 million

FORESTRY AND WOODWORKING

€2.1 million

(The total investment amount: €13.7 million)
Wotan Forest
Development of the Solnice premises



* Data are based on the audited results and financial statements of the AGROFERT Group for 2020.



Responsibility

We Are Not Only
About Protecting
Our Own Interest

We realise that we significantly influence the places and people where we operate. We try to give help where it is most needed.



€38.1 thousand

Donation of food to the Hospital Na Bulovce

We donated butter, milk, yoghurts, cottage cheese, gluten-free pastries, Pikao, Jesenka, meat and ham to the Hospital Na Bulovce.



€457 million

We handed out thousands of litres of disinfectants

In the first wave of coronavirus, we donated raw materials for the production of half a million litres of Anti-Covid to the state. Subsequently, we also produced and donated the disinfectants ourselves to hospitals, municipalities, police officers or firefighters.



€38.1 thousand

We donated Covid-19 analysers

We donated 10 mobile Covid-19 analysers to the Association of Social Service Providers and thousands of other one-time tests. The analysers can detect the infection within 15 minutes.



12 tons of food

We contributed to the National Food Collection

Our trucks delivered flour, baby semolina, durable milk and durable meat products to the logistics centre of the Czech Federation of Food Banks.

We accept our share of social responsibility.

In the long-term, we donate part of our profits to those who genuinely need help. We fund the AGROFERT Foundation, which is celebrating its 10th anniversary this year. During that time, it distributed an amount exceeding EUR 17.6 million, of which EUR 1.6 million was distributed in 2019. One of its main goals is social assistance, for example, for handicapped people or single parents in need. It helped more than two thousand of them to pay the rent or contributed to studies, school lunches or hobby and sports clubs.

We support sports and culture.

We are a long-term partner of cultural, sporting and social events. We are also

a partner of theatres and musicals, sporting events and series of races.

We support the environment in which we do business.

We have our surroundings at heart. In 2019, for example, we supported the construction of a tennis hall for youth tennis with an amount of EUR 229 thousand through our company DEZA. Through Fatra, we supported music festivals, and with the help of Oseva, we were able to support those who were not very lucky in life as part of the "Helping with Seeds" project. In the Litoměřice region, we donated EUR 38 thousand in the form of a grant for the hobby activities of handicapped youth.

€0.2 million
Support of education

€0.4 million
Support of sports

€4 million

Total donations in 2020 out of which:

€1.8 million
AGROFERT Foundation

€2.2 million
companies of the
AGROFERT Group



Fairness

Handshake Still Means
Something to Us

We play fair. We do not seek quick profit, but a long-term success. Therefore, compliance with applicable laws and signed contracts and openness to the public has been, is and will always remain our priority.

AGROFERT has long neglected communication with the public. We focused mainly on ensuring that everything runs smoothly in the company. We have worked on our growth and stabilisation, ecology, corporate culture, team building, education and maintaining traditional crafts.

We continue to do so, but the extensive experience with media in the recent years has convinced us that if only clear and truthful information about our company is to circulate, we need to participate in sharing it. Therefore, we began to communicate openly and fairly. On the website famyfakta.cz, we dispel some myths that are circulating about us. On our original website

agrofert.cz, we inform about what is going on within the company – whether it is news, interesting facts or noteworthy events. Besides that, we are active on our social media. **You can find us on Facebook, Twitter, Instagram and LinkedIn. We publish the AGROFERT magazine for our employees and the public.**

For employees and business partners

Code of Ethics

At AGROFERT, we emphasise that legal regulations, rules of ethics, morals and fair trade are observed. That is why we adopted the so-called Compliance Program in 2013. It also includes a Code of Ethics containing the basic policy, values and rules of the Group.

Notification of a breach of these rules can be made through the Tell Us ethics helpline at www.agrofert.cz. It can be used by both the employees of the AGROFERT Group and our partners and customers.



For the public

We also communicate through social media



Rumours and facts

The answers to the most common rumours and media spins are given in a broader context at the website www.famyfakta.cz



Photo gallery

From the daily life of the AGROFERT Group – official Instagram of the **AGROFERT group - [Instagram.com/agrofertgroup/](https://www.instagram.com/agrofertgroup/)**

The truth about rapeseed

Everything you ever wanted to know about the most discussed oilseed crop can be found at www.zlutajedobra.cz



Video gallery

It offers stories from our daily life of the group [youtube.com/AGROFERTgroup](https://www.youtube.com/AGROFERTgroup)



For fast and effective communication

with journalists, we have the one official twitter account [Twitter.com/KoncernAGROFERT](https://twitter.com/KoncernAGROFERT)



Communication tool

with professionals and the labour market [linkedin.com/company/koncern-agrofert](https://www.linkedin.com/company/koncern-agrofert)



Environment

We Live and Farm
in Nature

It is in our interest to be environment friendly and preserve nature. When our fields thrive, so does our business.

We treat nature with respect

As good farmers, we realise that our results are directly related to healthy nature. That is why we treat the soil, water resources, air and the landscape as such with consideration. In the fields, we regularly rotate crops and build in-field patches. We also plant millions of new trees every year.

We are introducing more environment friendly technologies

We have become a pioneer in agricultural ecology and care of landscape. Modern technologies are an invaluable help for us. Computers in conjunction with GPS navigation and satellite imagery can effectively design the dosage and accurate application of fertilisers and plant protection products. This way, we gradually reduce the amount of

agrochemistry used and with it the impacts of agricultural production on the environment.

We are also gradually introducing new trends in industry. The Green Deal is a plan to ensure the sustainability of the economy of the European Union. That is why we are also working on how to deal with this new EU policy in our expert groups.



We have results

Over the last 10 years, we have managed to reduce sulphur dioxide emissions by as much as 59% and nitrogen oxides emissions by 23%. We handle raw materials economically – we reduce the weight of plastic packaging and water consumption in production. We reduce the emissions released into the air. Thanks to AdBlue, we contribute to minimising emissions from internal combustion engines.

Our efforts in the field of environment are regularly evaluated by independent experts. Thanks to this, AGROFERT facilities can boast various prestigious certificates.

We are also successfully removing old environmental burdens from the times of the previous regime. An example is the landfill of 700 tons of hazardous waste in Kyjov, which we managed to dispose of.

We sort waste, collect used batteries and try to ride a bike to work. We believe that small acts can make big difference. Especially when it is multiplied by 33,000 employees.

*Data are based on the audited results and financial statements of the AGROFERT Group for 2020.



Respect
We Respect
Honourable Trade

It doesn't matter if you are a blue-collar worker, a shop assistant, a scientist, a tractor driver or a manager. We appreciate everyone who does an honest job, knows their craft or is trying to learn it.

We value all generations. We value the older generation for their experience and we give young people with energy and creative ideas an opportunity in our graduate programmes.

Our business is based on traditional crafts, so we cooperate long-term with forty schools to popularise and sometimes save traditional fields, such as baker, butcher, zootechnician and others.

We invest in the lifelong learning and development of our employees and appreciate those, who are innovative and inventive. The entire generations have often joined their careers with us, when “the grandfather, daughter and grandson” have worked or are working in our companies. That is also one of the reasons why people do not quit in our companies. We strive to be the good kind of employer that provides its people with

the security of work, earnings and the background of a strong company.

We regularly reward our people celebrating their jubilee and it is a great honour for us when former employees in a well-deserved retirement accept an invitation to meet us.

We promote traditional crafts

Through our Children's Farm, we introduce traditional crafts to children in kindergartens and above



We cooperate with and support

32 schools

including vocational schools, high schools and universities



We value our employees

€3.4 million

Supporting our employees from social funds



As many as **105 000** pupils in the ninth grade have participated in the competition Looking for the Best Chemist in the Czech Republic, which we founded 10 years ago and which we further support

We invest

€2.3 million

in the education and development of our employees





Tradition

This Is Our Home

Although AGROFERT itself was incorporated 28 years ago, the history of some of our brands dates back to the First Republic. We have been building on the work of many previous generations. We have saved many companies and we are further developing traditional Czech companies, legendary brands and products dating back to the 19th century.

Czech chemical plants such as Fatra, Deza, Lovochemie, Synthesia and Precheza have come a long way since their foundation and today are among the best companies in their field in the Czech Republic. The same is true for agricultural companies – more than 70 of them have undergone major modernisation and all have long maintained the status of progressive and efficient companies. Olma, Tatra, Kostelecké uzeniny, Vodňanská drůbež and Penam are now popular food companies, but many of them were not competitive and were on the verge of survival before becoming part of the AGROFERT Group. Often, at the cost of considerable financial investment, we brought them to life again, maintaining production and tradition in the region.

As it turned out, the strong tradition of all these brands is, with a slight exaggeration, stronger than the coronavirus pandemic. Companies from our group managed to withstand the threat of Covid-19. Needless to say, it was often not easy at all, however – we managed to bridge the worst period. Many thanks to all our employees who showed their best efforts and, if necessary, filled in for a sick colleague. However, thanks are also due to the managers of our companies, who were able to react to the current development of the situation without delay and, with the help of clearly defined strategies, they managed to keep the companies running smoothly.

Strict security measures have been taken in all our factories since the beginning of the pandemic, employees have been divided into teams, external visits have been reduced, home office has been introduced where possible, employees have been provided with all protective equipment and antigen tests have been performed even before it became mandatory. We set a goal to protect the health of our employees and ensure continuity of production.

Our agricultural and food companies are part of the critical infrastructure of the Czech Republic. We are fully aware of the responsibility that goes with that. The idea of shutting down some of our companies because of coronavirus is unacceptable. We therefore ensure good hygiene – it has always been, is and will be our main priority. Strict hygienic measures in the form of face masks, gloves and disinfectants are a matter of course for employees in our companies. However, with the arrival of coronavirus, the already stringent measures have been further tightened. It was important to ensure the supply of food to the Czech market and avoid jeopardising the food self-sufficiency of our country by a failure of supplies from our companies.



Although AGROFERT does not have a significant share in Czech food self-sufficiency, it cannot be neglected. In respect of pork, AGROFERT contributes more than 16% to the food self-sufficiency of the Czech Republic. In chicken meat, the share of AGROFERT is around 32%, in beef it is 3%. However, our companies do not lag behind in the dairy industry either – AGROFERT companies account for 14% of Czech butter production. As for eggs, the share of our group is around 10%. In the event that one of our food or agricultural companies limits its operation, the Czech citizen would notice this outage in the form of a lack of food on store shelves.

However, we feel we bear the same responsibility in the chemical industry. A chemical factory cannot be stopped overnight. Chemistry involves continuous processes, that cannot be stopped in the middle. Likewise, many of our chemical plants are an energy source for the town in which they are located. The shutdown would therefore also affect the supply of electricity to households.

The tradition of our companies is essential to our business. People rely on them at all times. And so we will continue to do our best not to disappoint their trust.



more than 16%

Share of AGROFERT on the food self-sufficiency of the Czech Republic

A Company Can Only Be Successful If It Takes Responsibility for Its Business

Although the past year has been a year of enormous and difficult changes, our company has not stopped operating. On the contrary, it has come a long way. The changes were mainly driven by the field of social responsibility. That is because we believe that a company can only be successful if it takes full responsibility for its business and listens to its surroundings.

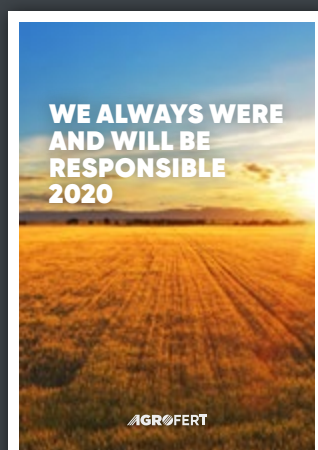
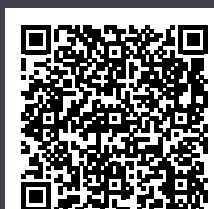
Our steps are accompanied mainly by three cornerstones on which we decided to build our business – people, ecology and a strict economy. Our entire corporate world stands and falls with good people, which is why they are so important for us. We perceive environmental investments as crucial – we care about the environment in which we live. This can be demonstrated on the example of environmental investments of our chemical plants, which have reached EUR 267 million in the last ten years. As far as the economy is concerned, we want to continue to focus much of our attention on transparent business, because only through such business can a company function and prosper in a healthy manner.

A number of challenges await us in the period ahead. We want to focus primarily on reducing the packaging materials on our products, more efficient water management and reducing emissions. We would like to invest in new technologies, develop new products and further increase work efficiency. In addition, we want to be a good neighbour in the places where we do business, so we will focus more on what we can do for our surroundings and for the people who live there.



€267 million

of environmental investments
in chemical plants over
the last 10 years





AGROFERT, a.s.

Pyšelská 2327/2, Chodov,
149 00 Prague 4
Czech Republic

www.agrofert.cz