



Environmental statement

Summary of our primary aims to meet our environmental commitments:

- We are working hard to be carbon net zero by 2040
- To operate a 100% clean, zero carbon transport fleet by 2030
- To ensure all our energy requirements are met from 100% renewable sources by 2025
- To eliminate wherever possible by 2030 the use of non-recyclable packaging from our own label products
- To source 100% of our feed materials from 100% sustainable and environmentally friendly sources by 2025

Our environmental commitment:

We are working hard to be carbon net zero by 2040

We recognise the climate challenge and are working hard to reduce the impact of our business on the environment. We have developed a road map of how we aim to meet our environmental commitments and have identified key areas of our business where we feel our efforts will have the greatest positive effect.

We will report regularly on our progress and be science-led, adapting and amending plans as necessary. As new technology emerges, offering further solutions to the global environmental challenge, we will embrace these to help our business move in a practical and sustainable way to meet our net zero commitment.

Importantly, we recognise the role we play in the wider agricultural sector, and we are already on the journey, taking action to help our Shareholders and farming customers meet their environmental commitments. We also recognise our role in our agricultural and retail supply chains and the active part we must play within them to lead towards net zero.

British agriculture will play a vital and positive role in addressing climate change. British agriculture leads the world with efficient production systems, an increasing sustainability focus and high animal welfare standards. We will build on these and be a driver for change, supporting our Shareholders and farming customers and working with the industry to continue raising environmental standards and communicate this progress to the wider public.

Whilst we will take the steps we can, the environmental challenge facing the world is significant and complicated. No business or organisation can achieve this transformational change alone. It requires an appropriate political and legal framework to help governments, businesses and consumers tackle the challenges and reduce carbon emissions.

Key areas we are tackling

We are committed to reducing our carbon footprint in the areas we have control over. Through benchmarking of our scope 1 and 2 (operational) emissions, we have identified priority areas that will enable us to make the biggest difference and consequently give the greatest positive impact on the environment. Tackling scope 3 (value chain) emissions is harder, with measurement more difficult and with less control on how they are addressed. However, we are taking actions to reduce our carbon footprint in all our identified priority areas.

1. Transport

It is our ambition to eliminate all carbon emissions associated with transport (haulage, deliveries, company vehicles). We anticipate we will not purchase conventional fuel vehicles into our fleet (which includes light and heavy goods vehicles) from 2030.

Our aim is to operate a 100% clean, zero carbon transport fleet by 2030

We anticipate hydrogen-powered trucks will be viable in the next five to ten years and we will move when we can to this type of alternative fuel. We are also investigating the viability of trialling hydrotreated vegetable oil (HVO) fuels as an alternative fuel source.

We are already reducing our transport related energy consumption by investing in a number of electric-hybrid and fully electric vehicles. We will continue to increase the number of electric vehicles in our fleet in the years ahead.

We are striving to maximise the efficient use of transport and delivery networks across the business and to reduce unnecessary journeys. In our ecommerce business we are working to minimise the number of deliveries made to fulfil orders and where possible we are seeking to distribute to customers directly from suppliers to reduce road miles.

2. Energy use

Electricity usage represents a significant proportion of our energy emissions and we will be sourcing our energy requirements from renewable sources.

Our aim is to ensure all our energy requirements are met from 100% renewable sources by 2025.

Currently the energy for our feed mill in Dorchester comes from an anaerobic digester whilst over 50% of the electrical energy used at our central distribution warehouse is generated by solar arrays on the site.

We are in a process of moving our retail store estate to LED lighting and generally are working across our business to be as energy efficient as possible.

A number of our retail stores in the southwest of England are already generating their own solar power from roof mounted solar PV arrays, with additional sites earmarked for further solar projects.

We are also in the process of installing EV chargers at a number of our sites, for our customers' use.

3. Packaging

The challenge of packaging for all businesses and across society is huge. In many instances we need technological developments to provide us all with suitable options to remove single use plastics and other environmentally harmful materials from supply chains. We have phased out plastic bags in our retail stores and we are working hard to reduce single use plastics and introduce environmentally friendly materials across our business. We also want to make it easier for our customers to recycle packaging.

It is our aim that by 2030 we will eliminate wherever possible the use of non-recyclable packaging from our own label products. We also aim to ensure that where plastic must be used for packaging, we will include as much recycled content as possible.

We recognise that there will be instances where external factors outside of our control dictate that the use of recycled and/or recyclable plastic is not possible. However, we will strive to ensure this is only in unavoidable circumstances.

We are also committed to working closely with our suppliers to encourage them to provide more environmentally friendly packaging solutions for their products.

In our ecommerce business, we are aiming to eliminate the use of plastics and waste in our packaging of goods for home delivery. Our objective is for our packaging materials, as far as is practical, to be sourced from recycled materials and for themselves to be recyclable.

4. Feed material sourcing in our Agri manufacturing businesses

We are members of the Round Table on Responsible Soy Association (RTRS) and Round Table on Sustainable Palm Oil (RSPO). This means for every tonne of soya bean meal and soya hulls or palm kernel and palm oil we buy for use in compounds or blends produced in Mole Valley Farmers' mills, additional purchased 'credits' will be put towards the production of responsibly grown crops.

This will support the aims of the respective Round Table organisations which include encouraging zero deforestation, promoting good agricultural practices and responsible labour conditions.

Our aim is to source 100% of our feed materials from 100% sustainable and environmentally friendly sources by 2025

We have introduced a carbon footprint declaration to our feed labels for compounds and blends to help identify higher and lower carbon footprint products to our customers.

We also have a selection of no palm, no soy products and our Great British Feeds range includes only materials grown in Britain as the main ingredients.

How are we helping our customers and the wider agricultural sector?

As one of the largest suppliers of agricultural inputs in the UK, we recognise the role we must play in helping our farmers meet their environmental commitments. Across Mole Valley Farmers, we are committed to helping farmers lower their farm's environmental footprint.

Some of the environmental steps we've already taken include:

- We can calculate the carbon footprint of an individual herd's diet
- We are supporting responsible sourcing of soy and palm
- We have a selection of no palm, no soy products
- We can calculate the nitrogen and methane impact of different diets
- We have launched the Great British Feeds range
- We understand the carbon footprint of our mills
- We are focusing on soils, fertilisers and forages; investigating the potential of soil sequestration and how this can be measured through soil carbon audits
- We are supporting improvements to animal management, health and welfare, advising on efficient rearing policies and investing in products to boost animal health
- We can offer farmers guidance on using carbon foot printing tools, identifying carbon hotspots and reducing a farm's carbon footprint

You can read more about the steps we are taking under our Climate Positive Agriculture initiative at <https://www.moleonline.com/climate-positive-agriculture>

Across our business we provide a growing range of services to help our customers reduce their carbon footprints. These include solar PV, battery storage and electric vehicle installations and a business energy contract switching service, with renewable energy options available.

In summary

The scale of the challenge is significant. We are on the journey and are committed to an open and honest approach to meeting these challenges and working collaboratively to find solutions to the issues we must address for our business and as part of the wider agricultural sector.

We are working hard and are already making good progress in helping our farmers lower their environmental footprints whilst optimising productivity, profitability and sustainability. By working together across the industry, through supply chains and with government, we are committed to helping UK agriculture achieve net zero.