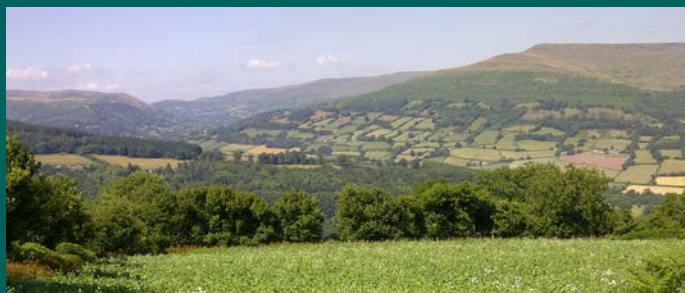


The Responsible Choice



2016 Review



Frontier is the largest crop production and grain marketing company in the UK, formed in 2005 as a joint venture between Associated British Foods and Cargill plc. We employ 1,000 people and turn over £1.5 billion. Our vision is to be the first choice partner for crop production and grain marketing, and the first choice employer in UK agriculture.

Our business approach is underpinned by our values of ICE – integrity, customer focus and expertise – which drive our behaviour and are key to our success. Our ambition is to grow our business and we intend to do it responsibly, doing things properly because it's the right thing to do. We will use our expertise, our scale and our leadership position to make a difference to others.

Some companies call this sustainability.

At Frontier, we call it...

The
Responsible
Choice



ICE

PEOPLE • PARTNERSHIPS • PLANET • PROSPERITY



Our values of Integrity, Customer Focus and Expertise are the foundation of The Responsible Choice.

Frontier is successful because of the hard work, commitment and behaviour of our people. Our values of ICE are firmly embedded in our culture and are recognised by our customers, with whom we enjoy close relationships. The Responsible Choice is a natural extension of our values of integrity, customer focus and expertise, providing a focus on those areas in which we can have a positive impact for the future. We have identified five areas in which we will take actions to ensure the long term, sustainable and responsible growth of our business:



People



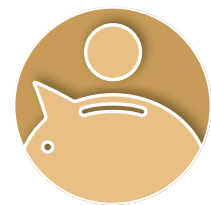
Partnership



Planet



Production



Prosperity

Management of The Responsible Choice

At a company level, a steering group takes care of the overall direction and ongoing management of The Responsible Choice. The steering group meets quarterly to agree priorities, review progress and manage budgets.



Sharon Kennett (Chair)



Mark Aitchison



Charlie Whitmarsh



Jon Berry



Richard Pollard

The five pillars are each sponsored by a member of our Senior Management Team, providing senior focus and ensuring that The Responsible Choice becomes part of our day to day activities.

At a local level, six regional volunteer groups have been created. Each group has identified areas that its members find of particular interest, some community-related, others focused on the way we look after people and the environment. A number of projects are underway, which you can read about on page 14.

The Responsible Choice



Frontier's success would not be possible without the commitment, hard work and expertise of our 1,000 employees.

Our vision is to be the first choice employer in UK agriculture and we measure progress against that goal using the Great Place to Work Institute. We are currently ranked in the top 25 large companies in both the UK and Europe, with an overall engagement score of 79%. Our results over the last five years have shown continual improvement across all the measured categories and more than 90% of our people say they are proud to work for Frontier. Our next survey takes place in early 2017.



Our number 1 priority

The safety of our employees is our number one priority and this is reflected in the way our senior management team takes personal responsibility for individual sites. Our ongoing Stop, Think, Work Safely campaign keeps health and safety at the forefront of people's minds.



STOP



THINK



WORK SAFELY

In 2016, Frontier continued its focus on reducing accidents. Employees are actively encouraged to report 'Near-Miss Incidents' and site audits demonstrated a further improvement in average scores.



In November, Phil Durham, an IT helpdesk operator at our Sandy office, won our annual Health and Safety award for his tireless efforts to promote our health and safety culture both in his own role and in the wider business.

People


In 2016, 648 people benefited from professional training at Frontier with a total of 984 places taken at training events. Our Leadership Development Programme (LDP), which is modular training delivered over a two year period, has now been completed by 82 managers in the business, with a further 32 still part-way through. Graduates of the LDP work together in buddy groups once the course is completed, to help each other implement the techniques and maximise the opportunities to use what they have learned. Everybody in the business benefits from the improvement in leadership and management and this is another way in which we help all our people reach their potential.

Modern Slavery

Agriculture has been identified as a high risk industry for modern slavery and Frontier takes very seriously our duty to ensure our business and supply chains are free of it. We have made three commitments in support of the Modern Slavery Act 2015:

- We are committed to ethical principles, and require all employees to comply with employment legislation and supply chain management legislation in the countries in which we operate.
- We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business or our supply chain.
- We are committed to ensuring transparency in our own business and in our approach to tackling modern slavery throughout our supply chains.

The Modern Slavery Compliance Group, comprising senior people from across the business, is working on plans for supply chain risk assessment in 2017.



“This is about making sure we have the right people in the right jobs and giving them the tools, training and working environment they need to do their jobs well. We want to support everybody’s ambitions, inside and outside of work, and take an active involvement in our communities. We want everybody to be proud of what we do and share in the success we have.”

Steve Wooldridge

Learning and Development

We are committed to helping everybody at Frontier reach their potential through training, development and constructive line management. We want everybody to be the best they can be in their roles, enabling them to achieve their ambitions in our business. In Spring 2016, 93% of our people had a structured discussion with their line manager, to talk about performance, expectations and development needs. We use these discussions to set clear, measurable objectives, but also to recognise and nurture talent. The output feeds into our Learning and Development programme, helping us to focus our resources in the areas they are needed most.

The Responsible Choice



Frontier Agriculture is recognised for its close customer relationships with farmers and grain consumers but our focus on working in partnership extends to suppliers, colleagues and the wider industry too.

Collaboration is at the heart of Frontier's approach to building relationships, both internally and with our external partners. In order to unlock the potential in all our relationships, we focus on listening, collaborating and making the right decision for both parties. With senior managers acting as Champions, we have put energy and resource into creating opportunities for collaboration, giving people the freedom to work together to make decisions and solve problems. This is leading to better customer service, better communication and better engagement for our people.

The Centre for Applied Crop Science

Our collaboration with others in the industry led to the creation in March of a national Centre for Applied Crop Science (CACS), as part of the Government's Agri-Tech strategy. With £21.3m of government investment, CACS will lead the way in developing solutions to the challenges facing world agriculture, bringing together the best expertise, knowledge and insight from leading research organisations and industries in the sector.

This collaboration between academia and industry is designed to give farmers access to the best and most sustainable technologies, strategies and protocols to improve crop performance. As a core partner, with board representation, Frontier is influential in identifying and selecting projects that will make a significant difference at the farm gate.





Partnership



Developing our supply chains

Frontier is the UK's leading grain marketing business and over the last two years has developed strategic partnership arrangements with a number of regional farmer-owned storage and processing cooperatives. 2016 was the first full year of our partnership with Camgrain, and the two companies have worked closely together to create a customer-focused approach that delivers value back to Camgrain's members through their pool values. One of the reasons the new partnership works so well is that we have shared values. Customers recognise this and feedback shows they see our approach as aligning the best of both sectors.

Broadening our service offering

Our close relationships with farmer customers gives us a unique insight into the challenges they face and we are committed to providing the advice, products and service they need to meet those challenges. We are continually finding new ways of helping growers and 2016 has seen the development of the new MyCropMarketing, an online platform which allows customers to market their grain at any time to suit them. In crop production, we have acquired two new businesses to extend our services: IntraCrop, which specialises in biostimulants and novel chemistry, and Anglia Grain Services, which provides a mobile cleaning service for farmers wishing to farm-save seed. Both companies help to strengthen the range of services we offer our customers.



“Long term relationships with people who share our values are important to us. We want to encourage collaboration with each other and with our farmer and consumer customers, working together to achieve mutual success. We want to promote high standards of behaviour, so others can have confidence in us. We want to use our leadership position to help our partners and our communities solve their challenges.”

Andrew Ainslie & Simon Christensen

The Responsible Choice



We recognise that Frontier's operations, which process and transport over 6 million tonnes of grain every year, will always have

an impact on the environment. Whilst we are focusing on reducing this as much as possible, we also aim to offset it by maximising the positive impact of our farmer customers and by improving habitats for wildlife on our own sites.

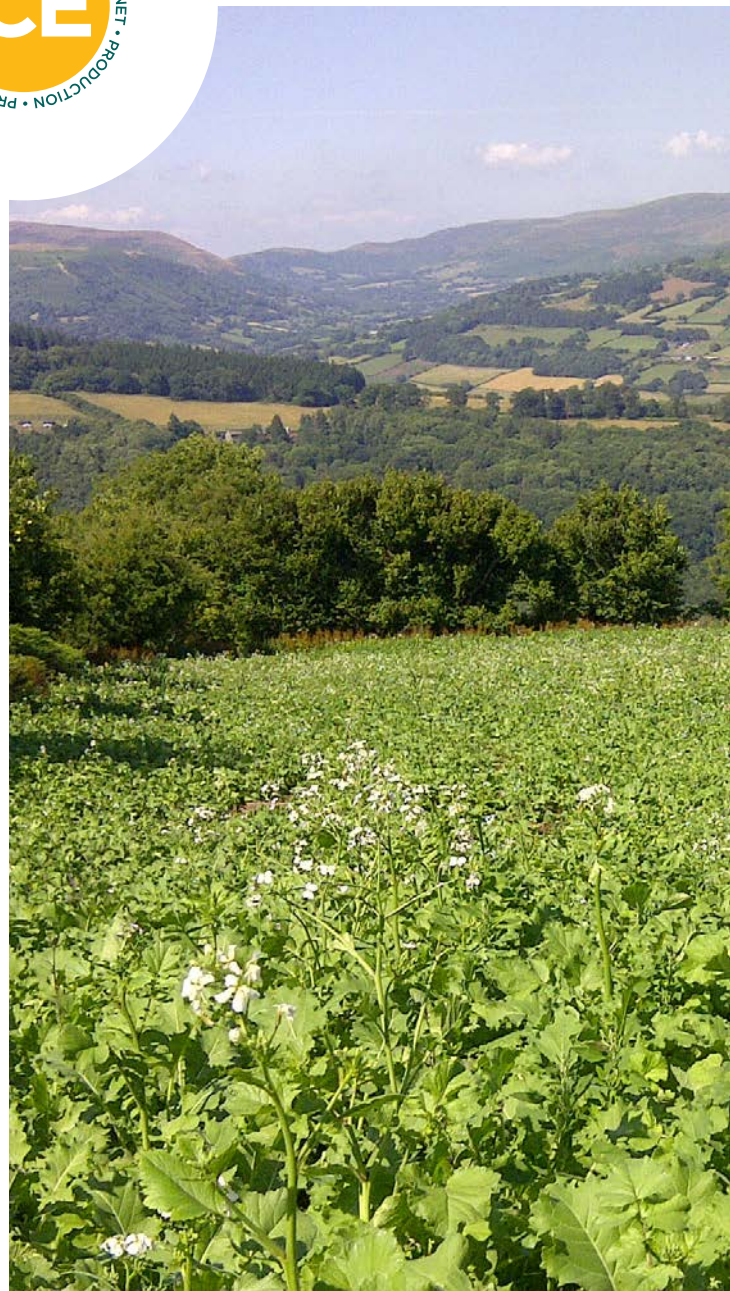
In the last ten years, Frontier has reduced the amount of waste sent to landfill by 90% on average across our sites. We have introduced waste streaming on all our 46 sites and every site manager has a professional qualification in 'managing environmental responsibilities' through the Institute of Safety and Health. All sites are now benchmarked against a target of 95% waste diverted from landfill, allowing us to monitor performance and take action where necessary. In 2016 a new process has been introduced to manage chemical revocations, which we expect to reduce the disposal of unsold stock to zero.



Managing our resources

Frontier's recent Energy Saving Opportunity Scheme (ESOS) report revealed a number of areas in which we could improve our energy management. As a result, we have introduced LED lighting, controlled by motion sensors, in all new-build or refurbished offices, warehouses and plant. All our sites respond to the TRIAD warning scheme, which turns power off at peak times to allow the National Grid to focus on supplying domestic users and sites such as hospitals and schools.

Solar panels have been installed at our sites in Berwick, Holme on Spalding Moor, Cranswick and Wingham. In 2015/16 our solar production was 1.285 megawatts which represents 12.8% of the power used on Frontier sites.



Our water use is fairly low and mainly restricted to offices, but in 2016 we introduced new cooling units for the water used by the Hagberg machines in all our laboratories.

The cooling system enables us to recirculate the water in the machines, rather than relying on continuous flow tap water, saving thousands of litres of water and reducing the CO₂ footprint of the machines by 90%.



Planet



“We want to focus on reducing any negative impact we have in our operations and maximise the positive impact our farmer customers can have, resulting in a net positive contribution to the environment.”

Steve Wooldridge



Creating habitats for wildlife

Frontier has 46 sites across the country, many in rural areas, and is committed to enabling the creation of habitats for wildlife wherever possible. We are lucky enough to have nesting pairs of peregrine falcons at two of our sites, in Boston and at the Southampton Grain Terminal (SGT), which we run as a joint venture company. The peregrines at SGT first appeared two years ago and tried to nest unsuccessfully on a platform on the silo. In conjunction with the local ornithological society, our site manager positioned a nest box and since then they have returned to nest twice, raising six young. The chicks are ringed and records show that the number of breeding pairs in the Hampshire area has increased from 11 to 17 since 2014, to which we are delighted to have contributed.



Frontier’s carbon footprint is largely made up of our haulage operations and we have put a range of measures in place to improve the efficiency of our fleet. All LGV trucks have Euro 5 or 6 diesel engines and microlise driver management systems to monitor performance. Every commercial driver receives specialist training to improve efficiency and is rewarded for his achievements in this area, with one driver annually awarded the ‘Driver of the Year’ award. 90% of our car fleet have less than 160g CO₂.

The Responsible Choice



Frontier provides advice to farmers growing crops across 750,000 hectares of land in the UK. We take an integrated approach

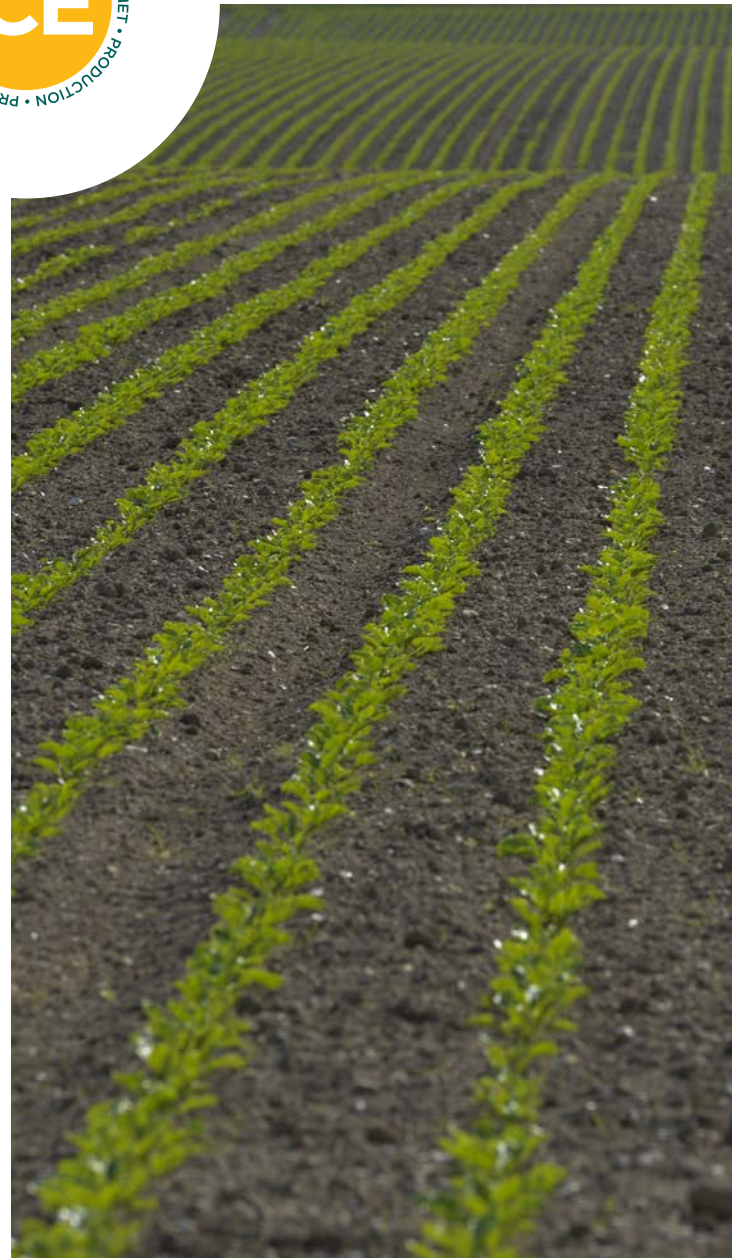
to crop production, maximising yield whilst protecting soils and using inputs wisely. We work closely with our growers to understand their businesses and we invest in research and innovation to find solutions to the challenges they face.

Solving the black-grass problem

Frontier's 3D thinking programme is one of the UK's leading research programmes, with 21 sites and over 12,000 replicated trials plots. Our aim is to lead the industry in innovation and we employ highly skilled agronomists and expert technical advisors to develop growing protocols for our customers.



A key issue for many farmers is the prevalence of resistant black-grass. Frontier's 3D thinking trials programme is at the forefront of research into the cultural control of black-grass, in a long term project looking at rotations and establishment methods. Growers are invited to visit the site, at Staunton le Vale, throughout the season, to see firsthand the differences in the black-grass population caused by different cultivation methods, drilling dates and cropping patterns. An additional trial also considers the financial implications of not controlling black-grass and of leaving the ground fallow.



Soil vitality

During 2016 Frontier has been working with some key customers to analyse the health and vitality of soil, using a range of criteria to really understand its physical, chemical and biological status. The long term viability of our farmland depends on growers finding ways to preserve and improve soil structure and nutrient levels. Results from our Soil Life service allow us to make long term recommendations that will help the soil to sustain high crop yields.



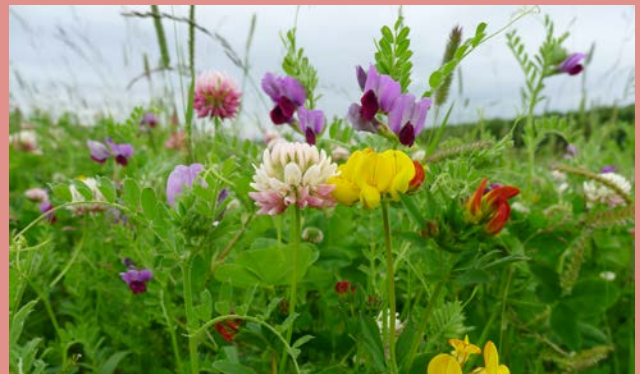
Production

The efficient use of crop inputs is a vital part of managing a successful farm business and Frontier is a leading player in precision crop production through its divisional company, SOYL. GPS mapping, combined with soil analysis, allows customers to apply seed, fertiliser and other inputs in a targeted way, preventing waste, reducing run off into water courses and improving cost efficiency.



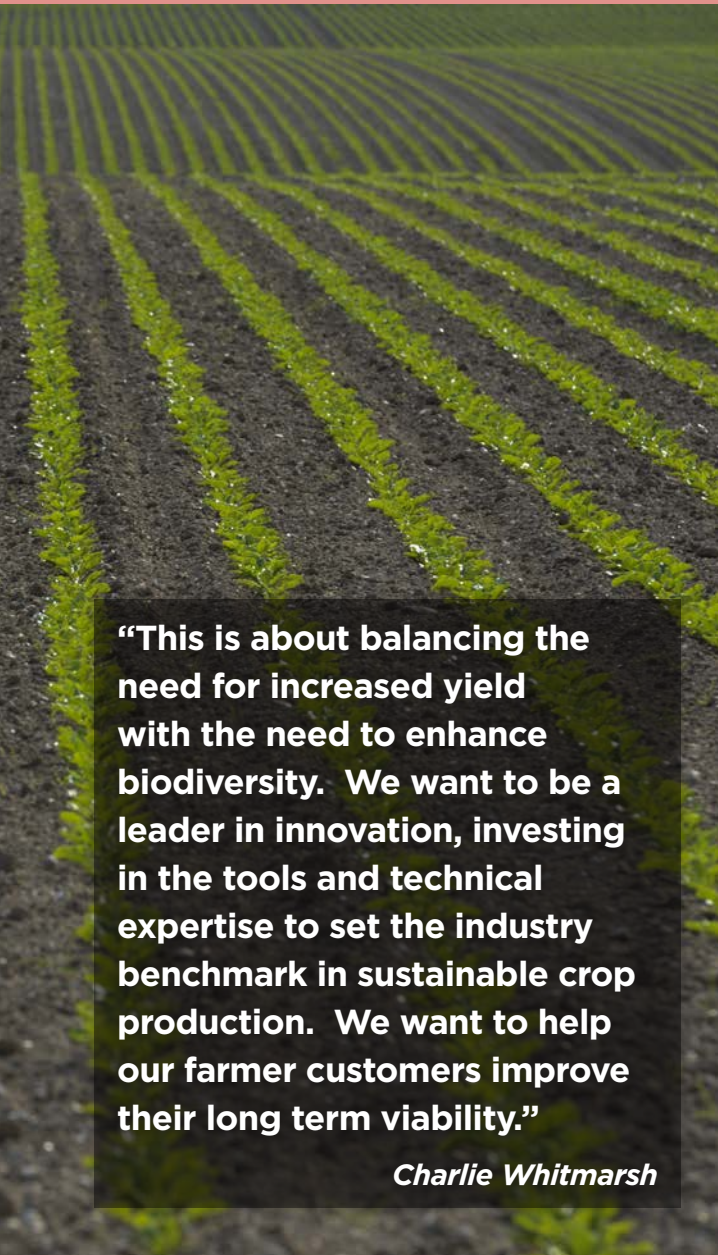
Stewardship and specialist crops

Environmental stewardship requires specialist advice and Frontier provides that through its division, Kings. Working closely with Natural England, Kings develops seed mixtures to fit the requirements of stewardship schemes in England and Scotland, helping customers stay within legislation whilst making the most of their environmental opportunities.



This year has seen continued growth in the use of cover crops to improve soil structure and manage weed and pest burdens. Kings is working with a number of organisations to research the benefits of cover crops in environmental management, including a unique trial in Dorset, where we are testing the effects of cover crops on fertiliser run off into Poole Harbour.

Kings has partnered with the Game and Wildlife Conservation Trust at its Loddington Estate for over five years now, researching the benefits of specific habitat creation for pollinating species. This year we have extended our association to include an assessment of the benefits of cover crops on farmland habitats as well as on soil and water health.

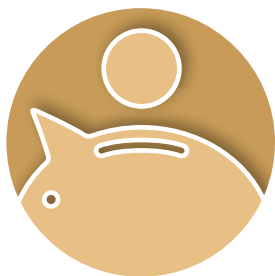


“This is about balancing the need for increased yield with the need to enhance biodiversity. We want to be a leader in innovation, investing in the tools and technical expertise to set the industry benchmark in sustainable crop production. We want to help our farmer customers improve their long term viability.”

Charlie Whitmarsh



The Responsible Choice



As a leader in UK agriculture, Frontier takes its responsibility to the industry seriously. We believe that everyone we deal with should benefit from working with Frontier, realising value throughout the supply chain.

Frontier is in a distinctive position in UK farming, operating an inputs-outputs model that gives us a unique insight into the supply chain. We work closely with consumer customers in animal feed, milling, brewing, distilling and biofuels markets, as well as with export customers worldwide, marketing 6m tonnes of grain each year. At the other end of the supply chain, we deal with 10,000 farmer customers, growing 750,000ha of the UK arable crop.



Our strong relationships at both ends of the supply chain allow Frontier to create partnership agreements that benefit everyone. With Molson Coors, Frontier has created and managed a Growers' Group for the last ten years, providing farmers with growing protocols and a guaranteed grain contract, and Molson Coors with high quality malting barley to the required specification and volumes. This is just one example of the way in which we are able to bring growers and consumers together to the benefit of all.





Prosperity



Making our voice heard

Frontier is a key member of the Agricultural Industries Confederation (AIC), a body that represents the interests of agriculture. We recognise the importance of contributing to the debate about key issues that affect the future of farming, and do this either directly or through our membership of AIC. Frontier works closely with the National Farmers' Union and is a major sponsor of its annual conference, as well as with the Chemicals Regulation Directorate (CRD) which manages the supply of many crop inputs in the UK. Frontier is able to provide the link between farmers, suppliers and government, managing issues such as the emergency approval granted for neonicotinoid seed treatment last year professionally and efficiently.

Promoting agriculture

Frontier has been a principal sponsor of Open Farm Sunday (OFS), the scheme which opens farms to the public on one Sunday in June, for the last six years and this year we have renewed our association for a further three years. Open Farm Sunday provides up to 450,000 people from all walks of life with the opportunity to visit a farm, sometimes seeing for the first time where their food

comes from. Many of Frontier's customers are involved, and our own employees give up their free time to help their growers open their farms, taking the opportunity to get other people excited about farming.



“We want to help create value for everyone in our supply chains, taking a long term view rather than focusing on today, in order that we all prosper long term. As part of this we will promote the contribution agriculture makes to society.”

Andrew Flux

The Responsible Choice



In 2016 we formed six volunteer groups for The Responsible Choice, chaired and managed regionally, offering all employees the opportunity to become involved in projects at a local level. Feedback from our last Great Place to Work survey had shown that people wanted a greater involvement in their local communities and we were delighted that almost 10% of our employees volunteered to be part of their regional group.

Each group was asked to put forward ideas for local projects in areas of The Responsible Choice that were of specific interest to the members. The Chairs of the groups worked together to make sure that ideas were shared and, where groups had similar interests, cross-region committees were formed. In the summer of 2016, sixteen projects were agreed by the Steering Group across a wide range of interests.



Wessex Chalk Stream & Rivers Trust

There is a keen interest in our Andover group in protecting our rivers. The local group is involved in the Sediment Pathways Project, run by the Wessex Chalk Stream and Rivers Trust, and is working with farmers in the area to promote the benefits of improving water quality and preventing run off into water from adjacent land. A series of meetings and farm walks has been arranged with local agronomists and farm traders taking part. This is a good example of how Frontier's expertise is being used for the benefit of the local area under The Responsible Choice.

Our Cranswick group is developing plans to create natural habitats to help increase biodiversity on site. This area will also provide somewhere peaceful for employees to enjoy and relax.



In Diss, we are supporting the development of a wildlife garden of one acre as part of a larger economic and social regeneration project in the town. Frontier is a large employer in Diss and group members were keen to be involved in a project that would have an impact locally. Again, we are donating seed and our local agronomists are advising the project on growing it successfully.

Regional round up

Mental health awareness was top of the list for our Witham St Hughs group. Agriculture has been identified by the Government as a high risk occupation for depression. The group felt strongly that we should not only raise awareness of this problem within our own business but find a way of supporting our farmer customers should they be in need of it. The project is currently in the planning stage but is expected to launch during 2017.

Cross-region committees have been formed where several groups had similar ideas.

The Careers committee is working on proposals to introduce a structured work experience programme in Frontier, open to the children of our own people but also to children from local schools. They are also considering how we can encourage people to join Inspiring the Future, sending ambassadors into schools.

The Charity committee plans to relaunch our existing Give as You Earn (GAYE) scheme as part of a plan to restructure the way we manage charitable donations. Frontier contributes around £180,000 per year to charity and the committee is working on a proposal to make it easier for people to ask for support for their own fund-raising activities, individually and at site level.



Our Sandy office has focused its attention on improving our environmental impact by introducing better management of waste. A pilot scheme in the office makes it easier for people to recycle by providing more bins with better labelling, and the group is also investigating opportunities for recycling the



grain waste from the yard and the laboratory. These ideas will be rolled out to other sites as part of our overall waste management plan once tested in Sandy.

For further information contact Sharon Kennett on 01522 860026
or email: sharon.kennett@frontierag.co.uk
www.frontierag.co.uk/theresponsiblechoice

The logo for Frontier, featuring the word "frontier" in a lowercase, white, sans-serif font. The letters are partially overlaid by a stylized graphic element consisting of a white shape that tapers to a point on the left and a yellow shape that tapers to a point on the right, meeting at the center behind the text.

frontier