

# SUSTAINABILITY

OUR DEDICATION TO

**ENVIRONMENTAL  
SUSTAINABILITY**



**The**  **Andersons**<sup>®</sup>



# A LETTER FROM CEO PAT BOWE

[INTRODUCTION](#)

[COMPANY PROFILE](#)

[ENVIRONMENTAL SUSTAINABILITY](#)

[INTRODUCTION](#)

[THE SUPPLIER LOCK PROCESS](#)

[CO<sub>2</sub> EMISSIONS \(GHG\)](#)

[SUSTAINABLE AGRICULTURE](#)

[SUSTAINABLE DEVELOPMENT GOALS](#)

Last year, The Andersons published its first-ever Sustainability Review. It was exciting to share it as part of an ongoing dialogue with our customers and key partners in the ag supply chain. The publication successfully communicated the actions we are taking on a wide variety of issues and how we are participating in the important conversation on sustainability.

As you know, the first step to manage something is to measure it. I am proud to say that we have made significant progress measuring our greenhouse gases and are now able to report our results. The following Sustainability Review is not a year-end company narrative. It is intended as an abbreviated update focusing on the environmental metrics on which we have been working on in 2021. Please refer to our [2020 Sustainability Review](#) for a broader discussion of our sustainability activities.

Stay tuned for Earth Day 2022 when The Andersons will publish its next review. Humble beginnings for sure, but from humble beginnings come great things.

A handwritten signature in black ink, appearing to read 'Pat', is positioned above the printed name.

**Pat Bowe**  
President and CEO  
The Andersons



# A LETTER FROM **EVP CHRISTINE CASTELLANO**

Good business is not just about what a company makes or the services it offers. Good business is about the care that a company provides for its stakeholders, including its employees, communities, and the planet. For example, good business happens when employees collectively give of their time, talent, and treasure to the communities where they live. Every day, The Andersons and its employees strive to live up to our mission statement and in accordance with our **Statement of Principles**. As our environmental, social, and governance (ES&G) programs continue to mature, it is easy to see how supporting our communities and doing what we can to make the world a better place for all, along with other elements of sustainability, work together to define what it means to be a good neighbor.

This year, we hired our first full-time professional in the sustainability space, Tim Venverloh, who brings a strong background in both ESG and the agricultural sector. Today, I am pleased that we are providing some key environmental sustainability metrics (the E in ES&G) in an abbreviated report for your review. Determining our carbon footprint, with 2020 as the baseline, is the first step to engagement in a more meaningful and transparent way throughout the ag supply chain.

We are proud of what we have accomplished in 2021 and didn't want to wait to get this information to you. Going forward, Earth Day will represent the new cadence for our annual ES&G publication, which will include activities and metrics in the environmental, social, and governance areas.

**Christine Castellano**

Executive Vice President, General Counsel & Corporate Secretary  
The Andersons





# COMPANY PROFILE

Pro Forma Excluding Rail Segment

INTRODUCTION

COMPANY PROFILE

ENVIRONMENTAL SUSTAINABILITY

INTRODUCTION

THE SUPPLIER LOCK PROCESS

CO<sub>2</sub> EMISSIONS (GHG)

SUSTAINABLE AGRICULTURE

SUSTAINABLE DEVELOPMENT GOALS

FOUNDED	LISTED (NASDAQ)	HEADQUARTERS	MARKET CAP	EMPLOYEES	LOCATIONS	REVENUE <sup>1</sup>	ADJUSTED EBITDA <sup>1,2</sup>
1947	1996, ANDE	MAUMEE, OH	~\$1.2B	~2,400	~120	\$11.3B	\$294M

## THREE OPERATING SEGMENTS

### TRADE

- Purchase and merchandise grain, provide value-added risk management services to growers and customers
- Operate a broad network of storage and handling
- Merchandise a broad array of food and feed ingredients and specialty grains
- Provide logistics and transload services for grain and energy products

**77 FACILITIES**  
**~31M METRICS TONNES TRADED**

### ETHANOL

- Refine corn into ethanol and other high-value products
- Partner with Marathon Petroleum, the nation's largest ethanol blender
- Own the state-of-the-art biorefinery, ELEMENT, LLC
- Supply corn oil and other low-carbon feedstocks to the renewable diesel industry

**5 FACILITIES**  
**~550M GALLONS PRODUCED**

### PLANT NUTRIENT

- Supply primary nutrients; strong warehouse and farm center network in Eastern Corn Belt
- Manufacture engineered granular products for lawn and other diverse markets
- Manufacture and distribute specialty liquid ag and industrial products

**37 FACILITIES**  
**~2.3M TONS SOLD**

**OUR VISION: TO BE THE MOST NIMBLE AND INNOVATIVE NORTH AMERICAN AG SUPPLY CHAIN COMPANY**

# A LETTER FROM ES&G DIRECTOR TIMOTHY VENERLOH

INTRODUCTION

COMPANY PROFILE

ENVIRONMENTAL SUSTAINABILITY  
INTRODUCTION

THE SUPPLIER LoCT PROCESS

CO<sub>2</sub> EMISSIONS (GHG)

SUSTAINABLE AGRICULTURE

SUSTAINABLE DEVELOPMENT GOALS



Last November, we published our first Sustainability Review which focused on our dedication to service and sustainability. In 2021, we concentrated on our impact to the environment as an element of our role in a sustainable future. This report focuses on our greenhouse gas (GHG) impact. We intend to continue to track and report our metrics as part of our contribution to a sustainable future. As a first step, this year, we participated in the Supplier Leadership on Climate Transformation (Supplier LoCT) process to establish our baseline GHG impact. Moving forward, we expect our annual ES&G disclosure to include items like environmental impact improvements, trends, projects, and partnerships, as well as our social and governance data and information.

We believe that a better understanding of our environmental impact will lead to opportunities to produce and promote more sustainable products and prepare us for what everyone expects to be an exciting future for sustainable agriculture.

The Andersons has a long tradition of improvement and innovation. By integrating sustainability programs into our operations and supply chain reach, we are furthering that practice. We look forward to creating a new level of collaboration with our employees, customers, farmer producers, and the communities where we live and work.

**Timothy Venerloh**

Director, Environmental, Social, and Governance  
The Andersons

# THE SUPPLIER LoCT PROCESS

INTRODUCTION

COMPANY PROFILE

ENVIRONMENTAL SUSTAINABILITY

INTRODUCTION

THE SUPPLIER LoCT PROCESS

CO<sub>2</sub> EMISSIONS (GHG)

SUSTAINABLE AGRICULTURE

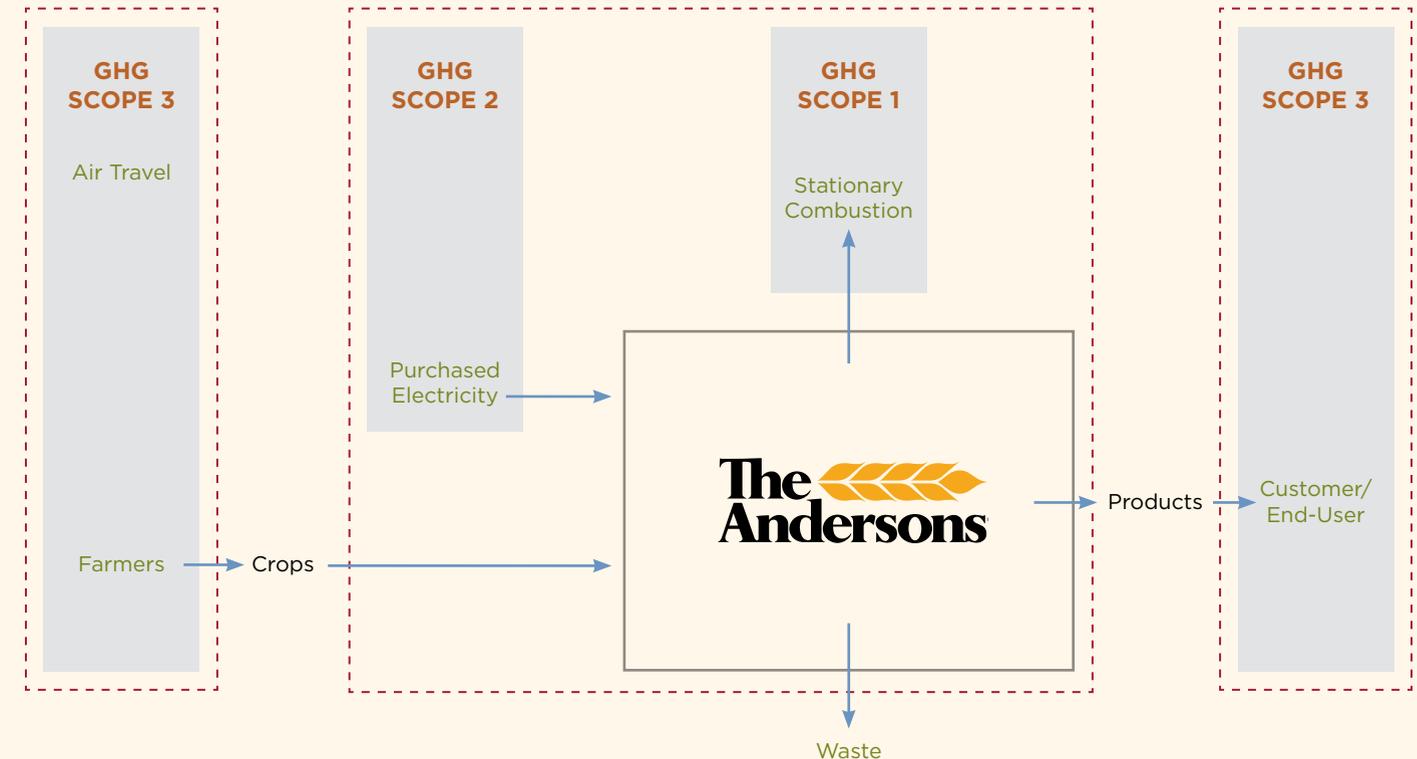
SUSTAINABLE DEVELOPMENT GOALS

The Andersons recognizes the many benefits that reducing energy use and conserving raw materials and natural resources provides to the world and to business sustainability.

Increasingly, our customers are becoming interested in their supply chain impact. In order to provide them with our footprint and collaborate with others along our supply chain, we participated in the Supplier LoCT process. In partnership with Guidehouse, supplier companies work through the foundational activities of GHG footprinting and express the results as a weight of carbon dioxide equivalent (e.g. mtCO<sub>2</sub>e).

Over the past year, The Andersons pulled together energy usage information across facilities in North America<sup>1</sup>. This process allowed The Andersons to complete a baseline study of its Scope 1 and Scope 2 GHG emissions and identify the challenges involved in calculating accurate Scope 3 GHG emissions. A simplified operating boundary is shown on the right.

The Andersons recognizes the many benefits that reducing energy use and conserving raw materials and natural resources provides to the world and to business sustainability.



As an important part of the agricultural supply chain, we strive to better understand the risks and opportunities associated with a sustainable and evermore resilient world. We anticipate taking concrete steps in this regard, which include:

- a) on-going tracking of energy and natural resources use at our major facilities
- b) evaluation of trends to identify opportunities for sustainability-related projects
- c) establishment of impact goals based upon consideration of trending data
- d) monitoring of our progress and transparent reporting via established platforms

<sup>1</sup> In August, 2021, The Andersons sold its Rail leasing business. At the same time, the company announced its intention to divest the Rail repair business. These assets and operations have been classified as discontinued operations in our financial statements, and were not included in the calculation of GHG emissions.

# CO<sub>2</sub> EMISSIONS (GHG)

INTRODUCTION

COMPANY PROFILE

ENVIRONMENTAL SUSTAINABILITY

INTRODUCTION

THE SUPPLIER LoCT PROCESS

CO<sub>2</sub> EMISSIONS (GHG)

SUSTAINABLE AGRICULTURE

SUSTAINABLE DEVELOPMENT GOALS

## SCOPE 1 AND SCOPE 2 GHG EMISSIONS

This is our first year calculating our overall GHG footprint. The content of this report presents our Scope 1 and 2 GHG impact and represents our baseline going forward. We conducted this process to engage with a world that is accelerating toward carbon reductions. Our customers and investors want to know their impact throughout the supply chain. We want to not only present this information to them, but to be a part of an innovative and creative future that is researching, discovering, and inventing mechanisms and practices that will bring about a net zero future.

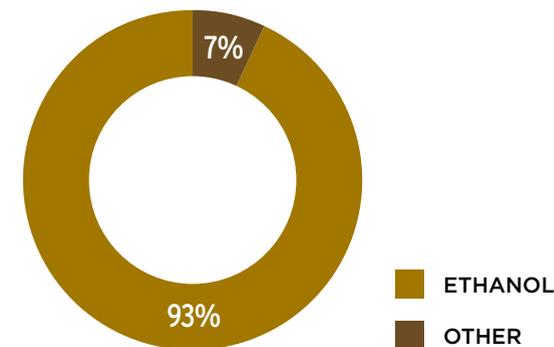
Relative to others in our industry, and as would be expected due to our size and scope, The Andersons have a modest combined Scope 1 and Scope 2 GHG impact of approximately 880,000 mtsCO<sub>2</sub>e<sub>q</sub> (see graphic). Consistent with the Supplier LoCT process, we will work to refine these calculations and begin trending and reporting our impact.

Our Scope 1 and 2 GHG impact is produced from the ownership and operations of just under 100 facilities located within the U.S. and Canada. And not surprisingly, the majority of Scope 1 emissions are from our five ethanol plants. All five ethanol plants are owned as part of joint ventures, with The Andersons having an approximate 51% ownership.

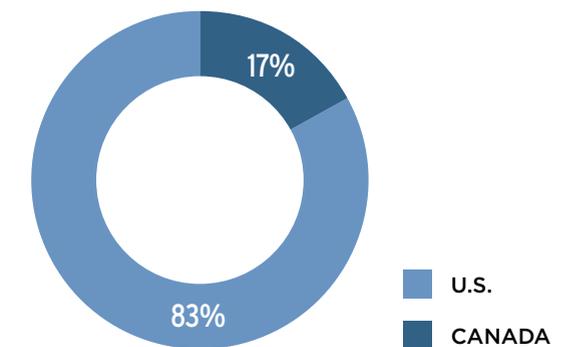
## THE ANDERSONS' 2020 GHG IMPACT (BASELINE)



## IMPACT BY PLANT TYPE<sup>1</sup>



## IMPACT BY GEOGRAPHY<sup>2</sup>



# CO<sub>2</sub> EMISSIONS (GHG)

INTRODUCTION

COMPANY PROFILE

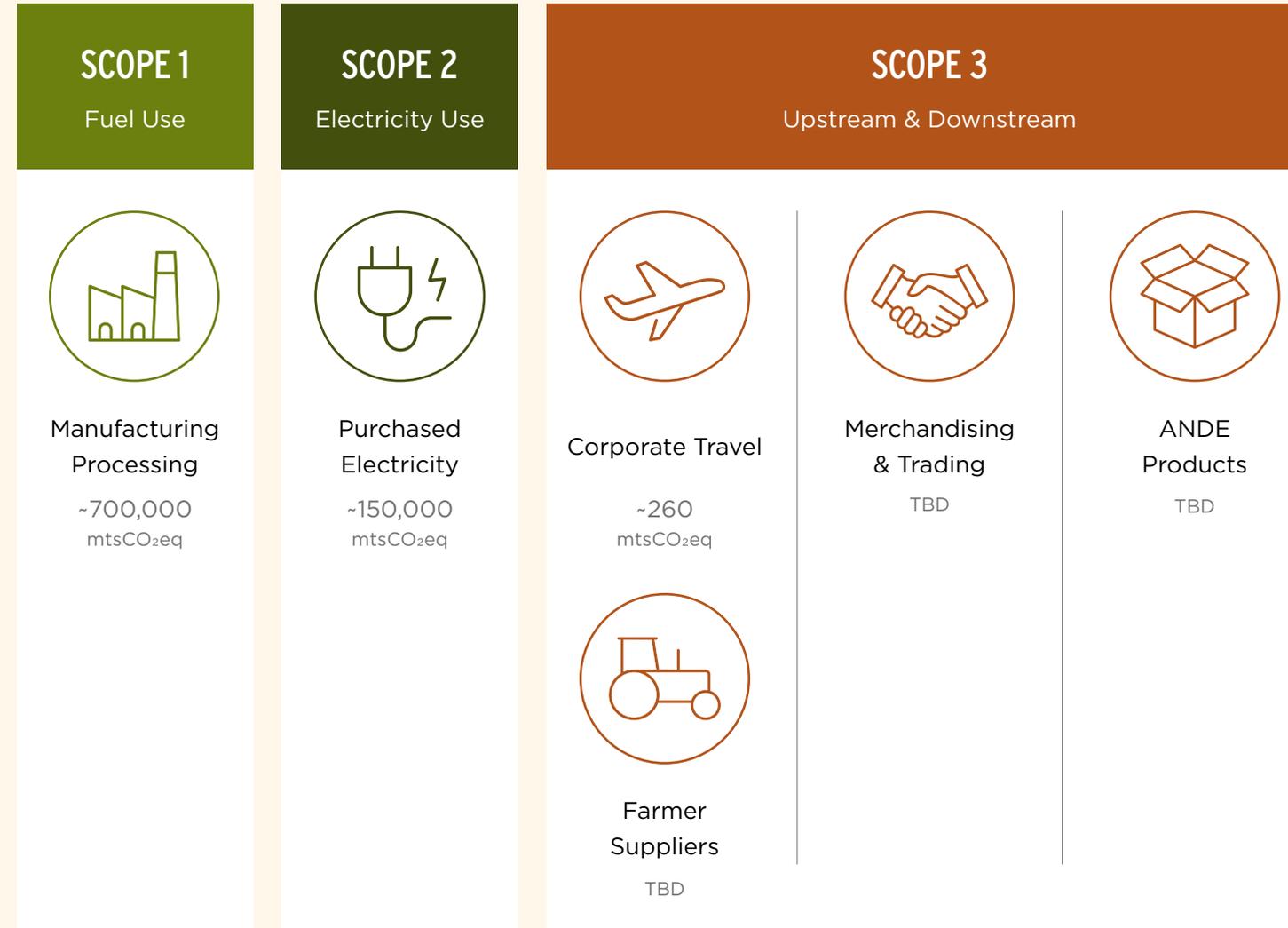
ENVIRONMENTAL SUSTAINABILITY  
INTRODUCTION

THE SUPPLIER LoCT PROCESS

CO<sub>2</sub> EMISSIONS (GHG)

SUSTAINABLE AGRICULTURE

SUSTAINABLE DEVELOPMENT GOALS



## SCOPE 3 GHG EMISSIONS

The Andersons have not yet completed an estimate of our Scope 3 GHG emissions. Intuitively, we believe the majority of our upstream Scope 3 emissions will come from our farmer suppliers, as is generally the case for others in our industry. This is an emission source best estimated by proxy and will take some time to refine as we partner with our suppliers and others. We hope to include more information in the future as we continue to evaluate our impact in order to determine the best path forward. We intend to provide solutions to our customers through product innovation and to continue to work with our trusted farmer suppliers to bring about a better future for all.

# SUSTAINABLE AGRICULTURE

## FIELD TO MARKET®

In October of 2021, The Andersons became members of Field to Market. Along with member farmers, member customers, and others in our supply chain, we look forward to advancing sustainable agriculture and making a positive impact. We have initiated sustainable sourcing projects with our farmer suppliers and key customers to help us with this important work. In many cases, our value chain allows us direct contact with farmer suppliers and with the customers we serve. In cases where direct grower contact is more difficult, we look forward to partnering with other important influencers and organizations to create projects and advance solutions.



## 4R NUTRIENT STEWARDSHIP

The Andersons continues to be an active participant and partner of the 4R Nutrient Stewardship program which promotes the achievement of social, economic, and environmental goals. The 4R's provide a fertilizer application framework focused on using the Right Source of nutrients at the Right Rate, at the Right Time, and in the Right Place, maximizing crop uptake of nutrients while minimizing nutrient loss to the environment.



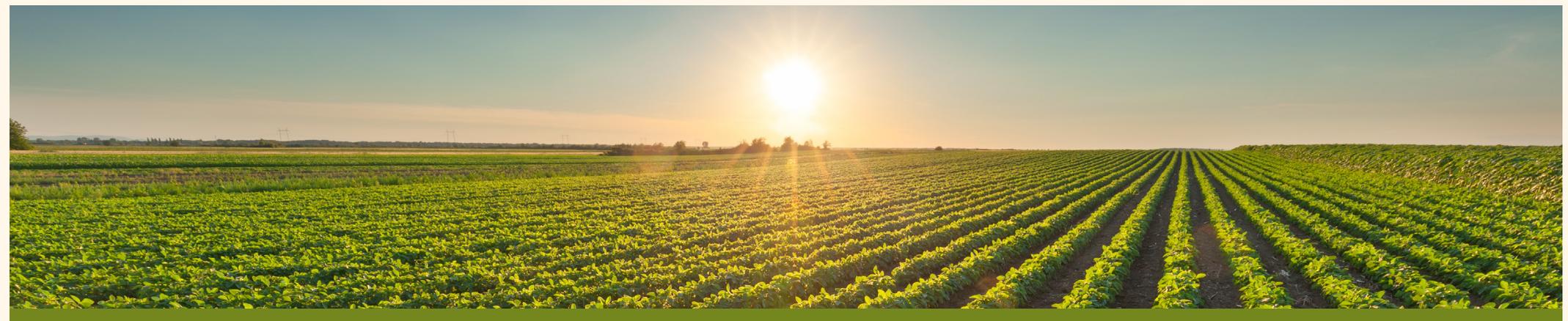
The company remains committed to maintaining the current certifications of five of our own farm center facilities, but also with working as an advocate encouraging other retail customers to obtain certification by assisting in training and offering financial support.

## RESPONSIBLEAG

The Andersons continues to be aligned and active with the ResponsibleAg organization. ResponsibleAg is an industry-led stewardship organization promoting public welfare by assisting agribusinesses as they seek to comply with federal environmental, health, safety, and security rules.



The company has continued to support our retail customers in understanding these requirements, and we currently have three of our own certified facilities. Audits are conducted every three years by a certified industry auditor on 17 different topics and more than 400 related questions.



# SUSTAINABLE DEVELOPMENT GOALS

INTRODUCTION

COMPANY PROFILE

ENVIRONMENTAL SUSTAINABILITY

INTRODUCTION

THE SUPPLIER LoCT PROCESS

CO<sub>2</sub> EMISSIONS (GHG)

SUSTAINABLE AGRICULTURE

SUSTAINABLE DEVELOPMENT GOALS

The United Nations Development Program created the Sustainable Development Goals (SDGs) as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The 17 SDGs provide clear guidelines and targets for countries and governments, with industry playing an important partner to achieve a better tomorrow for all.

Our influence today is predominately in North America, but we also know that positive sustainable impact is important no matter the limits of a company's scope and reach. With this in mind, The Andersons anticipates our growing support of the United Nations Sustainable Development Goals aligned with those identified below.



Source: <https://www.un.org/sustainabledevelopment/>

