

For People, Animals and the Planet

ESG REPORT

Published: June 2022

Phibro ANIMAL HEALTH CORPORATION™

HEALTHY ANIMALS.
HEALTHY FOOD.
HEALTHY WORLD.®



PUTTING A STAKE IN THE GROUND: OUR INAUGURAL ESG REPORT

This Environmental, Social and Governance (ESG) Report describes Phibro Animal Health Corporation's (Nasdaq: PAHC) ESG efforts and performance through December 31, 2021, and reflects consolidated company operations, unless otherwise noted. Included in this Report are disclosures containing relevant, industry-specific data and information aligned with the Sustainability Accounting Standards Board (SASB) framework, along with select disclosures aligned with the Global Reporting Initiative (GRI) framework.

Content within this Report should not be considered a substitute for Phibro's SEC filings, including, but not limited to, our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

This inaugural ESG Report captures the myriad ways Phibro empowers our people, protects the environment, acts with integrity and engages with the communities in which we operate globally.

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A LETTER FROM OUR PRESIDENT, CEO AND CHAIRMAN OF THE BOARD

HEALTHY ANIMALS. HEALTHY FOOD. HEALTHY WORLD.®

We at Phibro are proud to serve livestock producers, veterinarians, nutritionists and advisors around the world who are committed to animal care and producing healthy food. They face new challenges every day, yet they persevere with hard work, humility and deep respect through their roles as animal care providers and stewards of our earth.

It's in the face of adversity that we can choose to rise to the occasion or stand on the sidelines. At Phibro, we rise to the challenge.

What our world has experienced in the past two years is unprecedented in my lifetime – a global pandemic, political polarization, economic upheaval, soaring food and fuel prices, and the recent Russian invasion of Ukraine. The backdrop to this evolving landscape is an urgent call to action by the United Nations to achieve aggressive Sustainable Development Goals (SDGs) by 2030 – addressing pressing needs to tackle hunger, poverty, education disparities, gender inequality, climate change and more.

Healthy animals play a pivotal role. That is not lost on us.

We're proud to contribute to making our world a better place, and with the publication of our inaugural Environmental, Social and Governance (ESG) Report, we are putting more emphasis than ever before on benchmarking and sharing our progress against meaningful environmental and social outcomes.

We have a broad portfolio of safe and effective animal health products – encompassing vaccines, medicated feed additives and science-based nutritional products. We provide a range of effective technologies and solutions that protect cattle, poultry, swine, aquaculture and companion animals. From our state-of-the-art manufacturing facilities to our local in-field experts, we bring research-based, proven solutions supported by a "roll-up-your-sleeves" team of exceptional problem solvers dedicated to animal health and customer success.

We're boldly branching off into other important sectors too: consumer, plant nutrition and renewable energy – all with an eye toward being better stewards of our earth, each and every day.

Our first ESG Report highlights our accomplishments and demonstrates the commitment of the entire Phibro team. Throughout history, raising healthy animals has been foundational to a healthy, affordable food supply and ultimately, to our survival as a civilization. As the world population grows and challenges mount, we at Phibro have a responsibility to meet the demand for safe, affordable protein and do it more sustainably.

We're all in.

Our compass is our commitment to do the right thing for our customers and the animals in their care, our employees, the public and the planet. Always.



JACK BENDHEIM
President, CEO and Chairman of the Board

2.0

WE STAND FOR HEALTH

PURPOSE

Optimize animal health and nutrition for better lives and a more sustainable world.

MISSION

Provide safe and effective solutions for our customers' unique challenges.

Our story begins simply – with an authentic commitment to contribute to a healthy, affordable food supply by helping farmers, ranchers and veterinarians responsibly care for their animals.

For years, Phibro (Nasdaq: PAHC) has delivered an ever-expanding portfolio of innovative animal health solutions and exceptional support to our customers in the United States and around the world.

We're proud of a visionary research and development team that continually works on new technologies to improve the health and welfare of animals. It's because of their dedication to finding solutions that we offer a range of proven products: vaccines, medicated feed additives and nutritional and mineral products.



Our broad portfolio, backed by in-house manufacturing, continues to evolve with a focus on natural, sustainably produced products.

With determination and integrity, we have grown into a global company, serving customers in more than 80 countries and expanding beyond food animal health to the companion animal, plant nutrition, consumer and energy sectors. Now over 1,700 employees strong, our team doesn't take lightly the trust placed in our products and the trust of our customers as we stand together as partners.

155 million people in 55 countries experienced acute hunger requiring urgent food assistance in 2020.

Source: World Food Programme

OUR ESG JOURNEY BEGINS: MATERIALITY ASSESSMENT AND CORPORATE ESG POLICY

A FAMILY COMPANY AT OUR CORE

Phibro is serious about ESG because the principles of ESG align with how we've done business since the very beginning. We care about our employees, our customers, our impact on communities, and the natural resources entrusted to our care. We understand that providing animals with quality nutrition and treating them with respect and compassion leads to healthy animals. And healthy animals drive a more abundant supply of quality protein for consumers around the world.

OUR ESG JOURNEY BEGINS

Phibro's success depends on understanding and responding to the changing world. In 2021, we conducted our first Materiality Assessment to identify the ESG topics that are perceived to be most important to our customers, employees and stakeholders and are most relevant to our business. With the assistance of a third party, we initially completed the Materiality Assessment using this process:

- Looked to peers in animal health and life sciences to understand the ESG frameworks most relevant to Phibro.
- Sourced materiality topics specific to the industry from applicable frameworks, starting with the Sustainability Accounting Standards Board (SASB) to identify initial metrics, and leveraging Global Reporting Initiative (GRI), MSCI and S&P Global to develop a more holistic list.
- Surveyed key stakeholders including employees, executives, investors, sell side analysts, creditors and trade associations, and calibrated the content of this Report to ensure it responds to our stakeholders' needs and expectations.

BELIEFS

At Phibro Animal Health Corporation we believe in:

KEEPING ANIMALS HEALTHY
Keeping animals healthy helps keep families healthy and helps feed a growing world

DOING THE RIGHT THING
Doing the right thing for our customers builds meaningful relationships

FOCUSING ON OUR CUSTOMERS
Focusing on our customers' needs inspires our most inventive solutions

CONTINUOUS INVESTMENT IN OUR PEOPLE
Continuous investment in our people, our company and our industry is essential for future growth

SUCCESS IS BUILT ON A PASSION FOR EXCELLENCE
Success is built on a passion for excellence and the willingness of every team member to roll up their sleeves - we're in this together

INDIVIDUALS MAKE AN IMPACT
Maintaining our flexibility, urgency and an environment where individuals make an impact is essential no matter how large we grow

OUR ESG JOURNEY BEGINS (CONTINUED)

As part of our journey, we identified SASB metrics most applicable to our unique business. This Report contains select metrics from the Meat, Poultry & Dairy and Food Retailers & Distributors industries.

At Phibro, a global, cross-functional team is working diligently to design, develop and institutionalize our ESG initiatives. As a next step, we will develop key performance indicators (KPIs), targets and actions for the material topics that ranked as high impact for Phibro and of high importance to our stakeholders, in order to qualitatively and quantitatively measure our progress.

We're committed to ESG. It's simply an extension of our long-held commitment to do the right thing and ensure the health and welfare of animals, which yields a heathier and more sustainable food supply.

CONTINUITY AND COMMITMENT

The company traces our roots to 1914 when Siegfried Bendheim launched Philipp Brothers, Inc. upon immigrating to New York City. Siegfried and his son Charles formed Philipp Brothers Chemicals, Inc. in 1946. We changed our name to Phibro Animal Health Corporation (PAHC) in 2003 to reflect our focus on keeping animals healthy. PAHC became a publicly held company in 2014.

Siegfried's grandson, Jack Bendheim, is celebrating his 53-year anniversary with the company.

"I have had the privilege to work here since 1969. In my 50+ years with the company, I have seen a lot of change, but nothing compares to the global challenges we have faced most recently. What hasn't changed are the values foundational to this company, including our commitment to our people, our industry, our shareholders and to protecting the planet."



President, CEO and Chairman of the Board

OUR CORPORATE ESG POLICY

True to our legacy as a dynamic, family-run company that takes care of our employees, their families and the communities in which we operate, Phibro is committed to the health of animals and support for the people who care for them. Healthier animals will help create a healthier future for people and our planet.

ESG is embedded in our operations through our strategic decision-making and business processes as we continue to work with our customers and communities to reach common goals. Phibro has a proven track record of evolving with the changing times, and it is our sincere intent to accelerate our ESG journey.

Leadership at Phibro starts with our Board of Directors, CEO and senior management and cascades across the company.

We are committed to investing in our ESG program, including gathering input from stakeholders. While developing our first ESG Report, we surveyed key stakeholders to understand their perspective on priority areas. We were pleased to see strong alignment between their interests and ours, thus forming the basis of the content of our Report.

The animal health community plays a key role in feeding the world. Despite continuous efforts of all in food and agriculture, there is more work to do. According to the United Nations, nearly 690 million people, or 8.9 percent of the world population, are hungry. That's why ESG is more than a scorecard to us, it's our commitment – a commitment that's integral to our company: **Healthy Animals. Healthy Food. Healthy World.®**

OUR COMMITMENT TO SDGs

Healthy animals play a vital role in the United Nations' ambitious Sustainable Development Goals (SDGs). The SDGs are a call-to-action by developed and developing countries to address global challenges by 2030.

In many parts of the world, hunger, malnutrition and starvation are daily realities. While animal protein provides sustenance, the contribution of healthy animals goes beyond food.

Healthy animals give families in underdeveloped and developing countries a way to make a living – raising them out of poverty, providing access to well-rounded diets, giving women more opportunity to farm, providing better healthcare and education and improving local economies.

The nutritional and societal contributions of healthy animals around the world are truly transformative. Phibro intends to work toward contributing to five of the seventeen SDGs we believe are core to our industry, as outlined on the following page.



DIRECT CONTRIBUTIONS OF HEALTHY ANIMALS TO SDGs



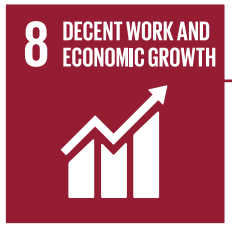
NO POVERTY

In certain parts of the world, animals raised for food are an essential driver of economic growth. Consider that more than 1 billion people, 1 in 6 people worldwide, are employed in livestock production. Their livelihood depends on animal health.



ZERO HUNGER

In developing regions, a single, healthy animal can provide food for a family, manure for their plants and labor to help till the field. It can also provide an income that allows them to buy more fruits, vegetables and grains for improved nutrition and a well-rounded diet.



DECENT WORK AND ECONOMIC GROWTH

Healthy animals support sustainable, inclusive economic growth. Consider that women reinvest up to 90% of their earnings back into their households. Increased income means affording education opportunities and better quality food for improved health.



RESPONSIBLE CONSUMPTION AND PRODUCTION

Farmers take great care of their natural resources to assure a sustainable food supply. Consider the circular nature of the farm. Many livestock farmers also grow crops that are used to feed the animals, whose manure is used to fertilize the crops in a continuous, sustainable cycle.



CLIMATE ACTION

Even though the carbon footprint of animal agriculture is relatively small, we can do better. The industry continues to improve management practices through efforts that include using animal health products to reduce stress and disease, improve genetics and increase animal productivity.

For more information, visit: HealthForAnimals

OUR COMMITMENT TO CUSTOMERS

In light of the importance of animals in global efforts to achieve SDGs, improving animal health can accelerate efforts to achieve success. Phibro delivers a comprehensive portfolio of solutions for animal and plant health and the fuel industry.

Our research and development teams continually work on new technologies, developing and manufacturing safe, innovative and effective products and delivery systems to ensure the success of our customers, globally.

FOR LIVESTOCK & AQUACULTURE

Phibro provides a broad range of proven products for beef cattle, swine, poultry, dairy cattle and aquaculture. We have top-of-the-line products, backed by experts dedicated to serving farmers, ranchers, nutritionists and veterinarians.

MEDICATED FEED ADDITIVES. Giving animals a healthy start is vital to solving global challenges including hunger, poverty, public health and climate change. The reality is, 20 percent of livestock worldwide is lost to disease every year – 1 in 5 animals, according to the World Organisation for Animal Health (OIE). That's why medicated feed additives are so important. Our products prevent and treat disease, which leads to an improvement in overall animal health.

VACCINES. Our vaccines provide effective protection against disease, prevent animal suffering and help farmers meet the highest standards of animal care. Outside the U.S., we offer a broad portfolio of innovative vaccines for poultry, backed with on-farm technical support and continual innovation. In the U.S., we develop, manufacture and supply autogenous,* or custom-made, vaccines that protect against bacterial and viral diseases for poultry, swine and cattle.

*Potency and efficacy of autogenous biologics have not been established by the USDA.



PRECISION IN PREVENTIVE MEDICINE

While some companies rely solely on "off-the-shelf" vaccines, Phibro can tailor vaccines to specific diseases on the farm – giving veterinarians and farmers a valuable tool to keep animals healthy. Known as autogenous vaccines, these precisely calibrated products are important for protection against emerging strains of bacteria and viruses.



OUR COMMITMENT TO CUSTOMERS

NUTRITIONAL SPECIALTY PRODUCTS.
We set ourselves apart as a leading provider of nutritional specialty products, based on extensive research and proven results. Our innovative, science-based solutions help our customers achieve optimal animal health. We offer proprietary nutritional specialty products that have been developed in cooperation with private research companies and leading university partners. We go the extra mile, conducting field trials to confirm our products are effective and help achieve the animal health and production goals of our customers.

MINERAL NUTRITION.
We develop and manufacture custom trace mineral pre-mix blends that fortify and maintain an optimal balance of minerals in the diet. Our diverse mineral portfolio includes a wide array of trace and macro mineral products including copper, zinc, cobalt, iron, selenium, manganese, magnesium, iodine and others. We have expanded our offering to include the GemStone® line of organic trace minerals, selenium yeast and chromium tripicolinate.

Our production facilities include Quincy and Chillicothe, Illinois, USA and Omaha, Nebraska, USA. Our extensive sourcing capabilities combined with the Quincy plant located near the Mississippi River allow us to bring in bulk micronutrient elements by eco-friendly barge.

In today's environment, understanding and managing the source of minerals and ensuring their quality is essential. Our rigorous Dynamic Quality Assurance® (DQA®) program provides added security and inspires confidence that our products are safe and effective so they can help contribute to healthy animals and a healthy food supply. DQA® brings together Phibro's experts in Material Science and Biological Research to source ingredients for, formulate and deliver trace mineral pre-mix blends of the highest quality.

Many Phibro products are customized for individual customers to deliver optimal mineral nutritional balance in animal diets. Good nutrition is as important for animals as it is for people.



FOR PLANTS

Global population growth combined with limited land and water resources makes it more important than ever to maximize crop yields. Phibro's plant nutrition products are used primarily in the production of grains, forages, fruits and vegetables and include microbials and macro and trace elements. Microbials are used in seed treatment or foliar application to protect plants against harmful organisms and pests. Macro and trace element products provide a supplemental source of nutrients required for optimal plant health and production.

FOR FUEL, DISTILLERS GRAIN & DISTILLERS CORN OIL

Phibro Ethanol is dedicated to providing a process that creates cleaner fuels, cleaner air and better co-products to serve the animal feed and biofuel industry. Our growing line of products helps control bacteria, treat fermentation infections and enhance cleaning to improve the performance of ethanol producers. Ultimately, Phibro Ethanol provides cost effective treatment to optimize plant operations.

FOR INDUSTRY

Through our legacy chemical business, Performance Products, we manufacture and market several specialty ingredients for use in the personal care, industrial chemical and chemical catalyst industries.

Performance Products include PhibroChem (a division of Phibro Animal Health Corporation), Ferro Metal & Chemical Corporation Limited and Phibro-Tech, Inc.

PhibroChem and Ferro Metal & Chemical Corporation supply specialty chemicals to the U.S. and European markets for use in coatings, personal care, metal finishing and a range of industrial applications.

Phibro-Tech, Inc. is a metal-based industrial recycler and a manufacturer of copper-based products.





OUR COMMITMENT TO THE AGRICULTURAL COMMUNITY

Global challenges require collective effort. That's why Phibro participates in the following organizations with meaningful missions that share our commitment to ESG.

HEALTH FOR ANIMALS

Phibro is a proud member of HealthforAnimals. Based in Brussels, Belgium, the not-for profit organization represents animal health companies and industry associations globally, including manufacturers of veterinary pharmaceuticals, vaccines and other animal health products throughout the world.

People, animals and the planet share "One Health." What affects one may directly affect the others. An outbreak of a livestock disease can reduce production of meat, milk or eggs. Meanwhile, pathogens in wildlife can cross over into vulnerable populations of people and domestic animals, as we saw with COVID-19. It's why improving the health of animals can strengthen efforts to achieve SDGs by 2030.

The role of HealthforAnimals is to foster a greater understanding of the interconnected nature of animal health, human health and the environment. Additionally, the organization promotes the predictable, science-based regulatory environment that facilitates the supply into the marketplace of innovative, quality products that contribute to the supply of safe, healthy food and to high standards of health and welfare for animals and people.

Phibro serves in various leadership roles, directly contributing to HealthforAnimals resources leveraged by the broader animal health sector and amplifying the organization's important messages.

INSTITUTE FOR FEED EDUCATION & RESEARCH

The mission of the Institute of Feed Education & Research (IFEEDER) is to advance understanding and trust in a sustainable animal feed and pet food supply chain through timely research and education. Founded in 2009 by the American Feed Industry Association (AFIA), the non-profit seeks to earn public trust through transparency and collaboration that engages diverse perspectives.

ANIMAL HEALTH SECTOR'S PRINCIPLES OF SUSTAINABILITY

PRINCIPLE 1:
STRENGTHEN GLOBAL COOPERATION

PRINCIPLE 2:
DATA-DRIVEN DECISION MAKING

PRINCIPLE 3:
MINIMIZE OUR FOOTPRINT

PRINCIPLE 4:
INNOVATE FOR A BETTER WORLD

PRINCIPLE 5:
SUPPORT ANIMAL CARETAKERS

PRINCIPLE 6:
PRIORITIZE ANIMAL HEALTH & WELFARE

For more information, visit HealthforAnimals



Specifically, IFEEDER:

- Funds critical animal feed and pet food research to support AFIA legislative and regulatory positions
- Develops messaging to policymakers, consumer influencers and stakeholders highlighting the industry's positive contributions to the availability of safe, wholesome and affordable food, and preservation of our natural resources

Current and future initiatives include supporting the Clarity and Leadership for Environmental Awareness and Research (CLEAR) Center at University of California Davis. Led by Dr. Frank Mitloehner and based in the Department of Animal Science in the College of Agricultural and Natural Resources, CLEAR uses research and communication to help animal agriculture operate more efficiently in order to meet demands of a growing population and lesson its impact on the environment and climate. Research includes the important work of quantifying and mitigating greenhouse gas emissions from livestock.

In addition, IFEEDER continues work on a Sustainability Roadmap, a pivotal component of its efforts to lower animal agriculture's environmental footprint and advance industry solutions. The roadmap is designed to provide life cycle data up and down the production chain and explore the scope of sustainability guidance and resources needed by the animal food industry for continuous improvement.

IFEEDER supports the North American Meat Institute (NAMI) and AFIA's involvement in several like-minded organizations such as the U.S. Roundtable for Sustainable Beef, U.S. Farmers & Ranchers in Action (USFRA) and others. Working with these groups not only helps expand the reach of the feed industry's message through consumer influencers, but also allows IFEEDER to amplify the messages of others.

Phibro is a member of AFIA and a contributor to IFEEDER, providing ongoing sponsorship and amplifying the good work of IFEEDER. Phibro representatives have served on the organization's board of directors in the past and continue to do so today.

PHIBRO ALSO PARTICIPATES IN...

ANIMAL AGRICULTURE ALLIANCE:

AAA brings together farmers, ranchers, veterinarians, animal feed companies, animal health companies, processors, allied associations and others involved in the agri-food value chain.

DAIRY SUSTAINABILITY ALLIANCE:

This multi-stakeholder group includes companies and organizations across the dairy community dedicated to contributing to dairy's social responsibility journey.

DISTILLERS GRAINS TECHNOLOGY COUNCIL:

DGTC is a non-profit organization that provides educational and technical services to improve the quality, value and utilization of distillers grains in the fuel ethanol, beverage alcohol and livestock industries.

INTERNATIONAL POULTRY COUNCIL:

IPC is the voice of the global poultry meat industry, comprised of national sector associations, poultry businesses and other key industry stakeholders like Phibro.

NATIONAL CHICKEN COUNCIL:

NCC is a trade association in the U.S. that advocates for companies raising and processing chickens for meat (called broilers).

OUR DAIRY VALUES™ AND VITAL INSIGHT™

The Phibro Our Dairy Values program is just one way our commitment to farmer success is illustrated. Businesses and organizations function better when there's clarity around identity – clearly defining who they are and what they stand for. Our Dairy Values is an interactive and comprehensive process that helps dairies define their unique purpose and values, instill that foundation in farm work culture and publicly communicate the dairy practices and work that brings their values to life.

A companion initiative, Vital Insight, is a comprehensive and anonymous employee assessment survey for dairies. Phibro works in partnership with Purdue University Center for Food and Agricultural Business to bring this program to our customers and partners. Vital Insight is an important step in helping dairy leaders identify what's working and what can be improved on their farms. The desired outcome is creating an attractive workplace for both current and prospective employees.

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3.0

ENVIRONMENTAL STEWARDSHIP

The pursuit of more efficient, sustainable operations and customer solutions is core to Phibro's DNA. Our R&D and manufacturing facilities strive to uphold the highest standards, and our raw materials have long been sourced in a responsible manner. Employee-led sustainability committees at our manufacturing facilities spearhead efforts to recycle and reduce waste and energy consumption. Companywide, this inaugural ESG Report establishes our intention from this point forward to benchmark and report our progress against meaningful environmental sustainability milestones.

As global demand for protein increases and Earth's natural resources remain constrained, the need for efficient food production has never been more urgent. Our animal health products can be used to help prevent and manage disease outbreaks and enhance nutrition to support natural defenses against diseases. Animal health interventions beget more productive animals, enabling farmers and ranchers to demonstrably lower emissions and use less land, crops for feed and water.

Phibro's product portfolio features innovative solutions for climate-smart agriculture and renewable energy. For example:



SPREADING SUSTAINABLE PRACTICES:
"PECUÁRIA DO CONHECIMENTO"

With a mix of classroom and field-based trainings on genetics, nutrition and pasture management, this program fosters efficient, profitable and sustainable cattle ranching.

Phibro, in conjunction with the Secretary of Agriculture and Supply of the State of São Paulo, has hosted more than 100 training sessions in Brazil since 2012.

PHIBRO STRIVES TO REDUCE WASTE AND CREATE PRODUCTS THROUGH RECYCLING

Over the last 10 years, one of our sites in Brazil has significantly reduced production waste consisting of ammonium sulfate, methanol and ammonium hydroxide.

By redesigning the process flow and investing in equipment, the facility now separates and purifies the methanol and ammonium sulfate. The recovered methanol is approximately 95 percent pure and is reused in the process. The recovered ammonium hydroxide is used by fertilizer manufacturers and other industries as a raw material. The facility reduced its ammonium hydroxide waste by 81 percent with a cost reduction of 90 percent. Methanol losses were reduced by about 70 percent, with a savings of nearly $155,000 annually since 2020.



BIOAUGMENTATION: NATURE'S POLLUTION SOLUTION

Bioaugmentation, or the use of beneficial microbes to drive complex chemistry, is a powerful tool for neutralizing environmental pollutants through natural biological digestion. Its practical applications span industrial manufacturing, municipal wastewater treatment, manure storage facilities on farms and the waste we generate at home.

The bioaugmentation solutions made by Phibro's Osprey Biotechnics unit are safe to handle and non-pathogenic to humans. Osprey screens large libraries of microbes to select for activity against a target compound and produces specific formulations via fermentation technology. Companies that specialize in the sales and service of these products distribute them under their own brand names to the industrial, environmental management and remediation markets and household consumer markets.

Osprey's products have earned Safer Choice recognition from the U.S. Environmental Protection Agency since 2003. We acquired the business in 2019.

REALIZING ETHANOL'S POTENTIAL: A CLEANER PROCESS FOR FUEL, AIR & AGRICULTURE CO-PRODUCTS

Ethanol is a renewable biofuel typically made from grains and crops with high starch and sugar content such as corn, sorghum, barley, sugar cane and sugar beets. Phibro has a growing product line designed to help treat fermentation infections and enhance cleaning to improve the performance of ethanol producers. This enhances the generation of renewable energy for myriad industries and the production of animal feed ingredients, such as distillers grains and distillers corn oil, that help farmers and ranchers adopt climate-smart agricultural practices.

Phibro Ethanol's portfolio includes antimicrobials, yeast, process cleaning products and corn oil recovery products that deliver value to a plant's bottom line and result in a cleaner plant that produces more ethanol, better animal nutrition co-products and less air pollution.

IN CLOSING: IT'S OUR RESPONSIBILITY

Phibro is committed to operating and growing our business in a way that helps our customers thrive and that balances our current and future needs while being responsible environmental stewards.



REDUCING THE NEED TO MINE METALS

Phibro-Tech, Inc. (PTI) recycles and manufacturers copper and iron-based products and recycles permitted waste, with and without metals, primarily from the electronics industry. It has an inherently circular business model, annually receiving approximately 60 million pounds of industrial waste streams and recovering copper and other metals from within those streams. By eliminating our customers' need to extract new materials and avoiding the need to dispose of waste that contains recoverable metals, this process is more environmentally friendly and cost-efficient versus traditional methods. PTI earned bronze-level recognition for its business sustainability efforts as determined through an audit by Ecovadis.

RISK MANAGEMENT: CLIMATE CHANGE

Phibro and our Board of Directors are committed to sound and transparent corporate governance principles that strengthen accountability, oversight and alignment with key stakeholders. The company's intent is to work toward aligning our metrics and reporting to the framework developed by the Task Force on Climate-Related Financial Disclosures (TCFD).

Our principles, which focus on effectively managing risk and preserving long-term, sustainable value for the benefit of our shareholders, our employees and the broader ecosystem in which we operate, are outlined in the Fair and Transparent Governance section of this Report.

In the fiscal year ending June 30, 2021, Phibro performed our first global Strategic Risk Assessment. Each risk was assigned to an owner, our strategy to monitor and mitigate the risk was defined and agreed upon, and the results were shared with the Board of Directors with further actions taken where necessary. We plan to refresh this process annually. In addition to the information set forth in this ESG Report, we acknowledge the risks set forth in the "Risk Factors" section of the Annual Report, and in our subsequent reports filed with the SEC, could materially affect our business, including those risks related to climate change.

For details, see our 2021 Annual Report on Form 10-K.

Phibro recognizes climate change could have a material adverse impact on our operations and our customers' businesses. Our companywide ESG initiative, in part, will address this risk on a go-forward basis.

CAPITAL INVESTMENT TARGETS AIR EMISSIONS

Six years ago, Phibro's facility in Neot Hovav, Israel, invested more than $6.5 million to install a Regenerative Thermal Oxidation (RTO) system that connects to every piece of equipment and process in the plant. The system was designed to treat 20,000 cubic meters of air flow per hour. According to our estimates, the RTO annually incinerates more than 20 tons of organic materials emissions, on a total carbon (TOC) basis, that otherwise would be emitted into the air.

KEY PRIORITIES AND PROGRESS

Based on Phibro's Materiality Assessment, we plan to track and report our progress against the following Environmental Stewardship topics on a go-forward basis: Greenhouse Gas Emissions, Energy Management, Water Management and Waste & Hazardous Substance Management. Relevant SASB and GRI metrics, along with our baseline data, follow:

GREENHOUSE GAS (GHG) EMISSIONS

The below GHG emissions figures include global, companywide manufacturing and R&D facilities and exclude administrative offices.

CODE	TOPIC	DATA			
		2021	2020	2019	
SASB FB-MP-110a. 1	Greenhouse Gas Emissions: Gross global Scope 1 emissions	25,387	23,341	23,253	Metric Tons CO_2

	2021	2020	2019
Revenue in Millions	$879	$798	$813
GHG Scope 1 (MT CO_2)	25,387	23,341	23,253
GHG Scope 2 (MT CO_2)	14,999	14,420	13,885
Total GHG (MT CO_2)	40,386	37,760	37,138
Intensity Score per $1 Million in Revenue	**46**	**47**	**46**

Note: Revenue in the tables above reflects calendar year revenues, in millions of U.S. dollars.

For context, we are providing company wide site Scope 1, Scope 2 and Total GHG emissions as a factor of Phibro's total revenue, for a year-on-year comparison that accounts for the company's growth trajectory (the "Intensity Score"). As a company that manufactures the majority of our own products, Phibro management believes the Intensity Score is the best measure of our relative metrics and is a preferred metric among some in our peer group in the context of our GHG, energy management, water management and waste management. While the absolute measurements in these categories may go up or down year to year, we believe that when divided by our annual revenue, these scores will help make annual comparisons more meaningful, and better reflect the results of our efforts in these areas.

Phibro uses an "intensity score" based on the "intensity ratio" concept defined by Global Reporting Initiative (GRI) Guidelines. The intensity scores shown here are intended to normalize environmental impact data by defining the metric in the context of Phibro's annual revenue. The intensity score is calculated by dividing the absolute environmental metric (the numerator) by annual revenue (the denominator). In combination with Phibro's absolute environmental impact data, the intensity scores helps to contextualize the organization's efficiency and track progress by improving year to year comparability.

ENERGY MANAGEMENT

CODE	TOPIC	DATA			
		2021	2020	2019	
SASB FB-MP-130a. 1	**Energy Management:**				
	1 Total energy consumed,	885,179	857,611	857,836	Total energy consumed
	2 percentage grid electricity,	49.4%	50.1%	48.9%	Percentage grid electricity
	3 percentage renewable	.5%	N/A	.N/A	Percentage renewable

ENERGY SOURCING

Sources of Purchased Electricity for Manufacturing Facilities	2021	2020	2019
Renewable-Solar	0.9%	1.1%	0.8%
Renewable-Wind	7.0%	7.1%	6.7%
Renewable-Hydroelectric	42.0%	43.0%	43.0%
Nuclear	3.0%	4.1%	2.7%
Geothermal	0.1%	0.1%	0.1%
Biomass	5.4%	6.0%	6.0%
Non-renewable	41.6%	38.6%	40.7%

Note: Many of Phibro's manufacturing facilities are located in areas with strong access to renewable-sourced electricity. As a result, greater than 50% of Phibro's 3rd party sourced electricity needs for manufacturing are from green or renewable sources.

	2021	2020	2019
Revenue in Millions	$879	$798	$813
Energy in Gigajoules (GJ)	885,179	857,611	857,836
Intensity Score per $1 Million in Revenue	**1,007**	**1,097**	**1,055**

For context, we are providing companywide Total Energy Consumed as a factor of Phibro's total revenue, the Intensity Score. The below figures include global, companywide manufacturing and R&D facilities and exclude administrative offices.

WATER MANAGEMENT

For context, we are providing companywide Total Water Withdrawn in cubic meters (M^3) and Total Water Discharged in cubic meters as a factor of Phibro's total revenue, the Intensity Score. The below figures include global, companywide manufacturing and R&D facilities and exclude administrative offices.

	2021	2020	2019
Revenue in Millions	$879	$798	$813
Total Water Withdrawn (M^3)	1,074,459	862,995	841,698
Intensity Score per $1 Million in Revenue	**1,222**	**1,081**	**1,035**
Total Water Discharge (M^3)	435,283	513,019	496,173
Intensity Score per $1 Million in Revenue	**495**	**665**	**610**

WASTE AND HAZARDOUS SUBSTANCE MANAGEMENT

For context, we are providing companywide total amounts of Hazardous Waste, Non-Hazardous Waste and Recycling in metric tons (MT) as a factor of Phibro's total revenue, the Intensity Score. The below figures include global, companywide manufacturing and R&D facilities and exclude administrative offices.

CODE	TOPIC	DATA
GRI 306-2	**Waste:** a) Actions, including circularity measures, taken to prevent waste generation in the organization's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated. b) If the waste generated by the organization in its own activities is managed by a third party, a description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations. c) The processes used to collect and monitor waste-related data.	In accordance with Phibro's Waste Management Policy, minimizing waste is an ongoing practice at all our facilities driven by cost and/or sustainability. Most of our facilities have recycling best practices in place for pallets, plastics, cardboard, etc. Certain facilities reuse yield from dust collectors into new batches. Certain facilities that have hazardous waste practice substitution of hazardous chemicals, as well as waste minimization. Certain facilities work on larger scale projects. For example, Phibro Brazil's Braganca Paulista location eliminated 90% of its methanol and ammonium sulfate waste.

	2021	2020	2019
Revenue in Millions	$879	$798	$813
Hazardous Waste (MT)	9,852	12,333	13,137
Intensity Score per $1 Million in Revenue	**11.2**	**14.5**	**16.1**
Non-Hazardous Waste (MT)	13,459	15,575	17,505
Intensity Score per $1 Million in Revenue	**15.3**	**19.5**	**21.5**
Recycling Quantities (MT)	22,924	20,562	21,012
Intensity Score per $1 Million in Revenue	**26**	**26**	**26**

SOCIAL RESPONSIBILITY AND WELL-BEING

Phibro employees are our greatest strength and most valuable asset. When we equip team members to apply their skills, talent and passions to contribute and make a positive impact, everyone succeeds. When we thrive as individuals and teams, Phibro thrives.

Working closely together, our human resource team has recently implemented a global cloud-based HR Information System (HRIS). We are standardizing and advancing our Diversity, Equity and Inclusion (DEI) and training and development initiatives. Fiscal year 2022 is a significant year for strategic planning to enhance our approach to DEI, and we look forward to rolling out new programs in the coming year.

As of December 31, 2021, we employed more than 1,700 people in 55 locations spanning 26 countries. To attract and retain the highest-caliber employees, we provide competitive compensation and benefit programs, comprehensive training and development programs, health and safety initiatives, and work environments conducive to success. Employee safety is paramount. We have and will continue to take the necessary daily precautions that comply with Phibro's global safety guidelines and standards recommended by local government authorities to keep our employees safe.



CULTIVATING ONE LEADER AT A TIME

Phibro's proprietary Leadership Model guides how our people plan and act to advance company priorities. Each executive/manager/employee:

- Sees what needs to be done (Strategy, Vision, Growth)
- Gets it done (Execution)
- Gets it done the right way (How you do it)

Recognizing that leadership is exhibited differently by an individual contributor versus a first-line manager versus an upper-level manager, all Phibro employees are consistently expected to demonstrate leadership behaviors.

ROAD TO ZERO —

EMPLOYEE-DRIVEN IMPROVEMENT IN SAFETY, QUALITY & PERFORMANCE

Launched in 2017, Road to Zero utilizes teaming concepts to elevate employee involvement in project-based improvement activities.

Participation drives a strong culture of safety and quality. Road to Zero provides a formal system for engagement, shared responsibility, leadership opportunities, meaningful contributions and accountability.

OUR PEOPLE:

LIVING PHIBRO'S MISSION, PURPOSE & BELIEFS

Talent development is a strategic priority at Phibro, and we offer opportunities for growth at all levels of the company. Our goal is to ensure we have the right colleagues with the right skills in the right roles with the appropriate support to build leadership capabilities and drive organizational results.

As business priorities evolve and we seek to innovate, we work to nurture and develop current talent to best serve future needs. We take a programmatic and focused approach to developing our people, which includes annual performance reviews and regular coaching and feedback rooted in our Leadership Model.

The Leadership Model provides the framework for all of our processes to attract, retain and motivate employees. It outlines a shared vision of aspirations as leaders and provides a common way to talk about leadership.
A relatively new addition to our retention arsenal is a "talent profile" in our HRIS that employees complete to provide visibility into professional background, education, skills, certifications, interests and desire to travel or relocate. This supports succession planning and career path discussions between managers and employees.

In addition to traditional professional development, we offer a robust, cloud-based online training curriculum from Precipio™, one of the leading providers of development material for learning-focused organizations. In 2021, our employees engaged the platform over 1,400 times to access various media, including e-courses, book recommendations, job aids and videos.

A new mentoring program helps colleagues succeed and advance through enhanced business acumen, heightened self-awareness and constructive feedback. Our pilot program consisted of participants from all of Phibro's global regions.

OUR CULTURE:

SURVEY SAYS, HIGH PERFORMING ORGANIZATION

We nurture a strong culture where team members are empowered and have opportunities for growth and development. The Denison Organizational Culture survey was administered to all employees globally in 2017 and 2021, with a 75 percent response rate each time. The survey assessed:

- Mission (Do we know and communicate where we are going?)
- Consistency (Do our systems create leverage?)
- Involvement (Are our employees aligned and engaged?)
- Adaptability (Are we listening to the marketplace?)

FINDINGS SHOW:

- Employees are committed to the organization, feel a strong personal connection to Phibro and recommend it as a good place to work.
- Employees feel they are appropriately involved in ongoing business planning and decision-making and feel they can have a positive impact.
- We have strong values that guide how we do business.
- People across the business share a common perspective, and there is a clear sense of the right way to do things.
- There is a high level of trust in leadership to make sound business decisions.

Phibro employee engagement and commitment scores remained consistent in 2017 and 2021 at 82 percent favorable for engagement and 76 percent favorable for commitment. We are intently focused on maintaining these results across the organization.

OUTSIDE OF THE U.S., WE OFFER:

- Our 437 employees in Israel, representing 25 percent of our global employee population, retirement bonus programs, as well as financial assistance in planning for retirement.
- Our 406 employees in Brazil, representing 23 percent of our global employee population, social security contributions of 20 percent equivalent to 20 percent of an employee's annual salary, as well as a pension plan to participate in, to which the company makes additional contributions.
- Other international employees retirement benefits at the local level, based on legal and market requirement practices.

EMPLOYEE RETIREMENT READINESS, BY THE NUMBERS

We are proud to offer competitive and comprehensive healthcare and retirement savings benefits to our U.S. and international colleagues. In the U.S., according to Phibro's 401k plan administrator, our employees are well-situated regarding plan participation rates and overall retirement readiness as of December 31, 2021:

- Of the 690 employees eligible to participate in the 401K plan representing 38 percent of our global employee population, we have a 94 percent active participation rate versus a same-size peer company average of 78 percent.

Of those who chose to participate in the 401k plan:

- 90 percent of the participants are achieving a 10 percent saving rate, which includes both employee and employer contributions, versus a same-size peer company average of 48 percent.
- Participants are achieving an annual average employee dollar contribution amount of $9,166 versus a same-size peer company average of $7,183.

WEATHERING A PANDEMIC: IT TAKES A VILLAGE

As Phibro was classified a critical business during the COVID-19 pandemic, we kept our plants operating on a regular basis. To maintain a safe work environment, multiple initiatives were implemented such as: distribution of masks, implementation of mask use requirements, temperature check at entry gates, reduction in cafeteria operations to 50 percent of capacity and installation of physical barriers for the tables, improved communication regarding social distancing and other public health measures, and additional hand sanitizer stations.

In Brazil, Phibro provided thermometers, sanitizing solutions, masks and oximeters to local hospitals through a Phibro corporate donation of $20,000 USD to each plant in Brazil, Guarulhos and Bragança Paulista. The level of poverty in Brazil increased significantly due to the pandemic, and the Making a Difference project responded with more than 500 baskets of food donated to local communities.

In other communities globally where our plants are located, Phibro donated both cash and material contributions to provide general crisis support to community hospitals, food pantries and schools.

OUR COMMUNITIES:

MAKING AN IMPACT

We are proud of the long tenure of many of our employees, reflecting that Phibro takes care of its employees, their families and the communities in which we operate.
For example, Phibro-Brazil employees are highly involved in **Making a Difference**, a local initiative. Annual events include the **Warm Campaign**, which generates donations of blankets, clothes, food, toys and sporting equipment for underprivileged children, as well as entrepreneurship workshops (crafts, cooking) to develop income sources for low-income families. They also support a community garden, donate company computers to teenagers and host a literary picnic where employees read books to children.



OUR PRODUCTS:

THE "ONE HEALTH" APPROACH IN ACTION

One Health is an integrated, unifying approach that aims to sustainably balance and optimize the health of people, animals and ecosystems.

Improving animal health through optimal nutrition, vaccines and medication accelerates the journey toward more sustainable food systems. Poor health and welfare in animals limit their potential, representing a missed opportunity to produce more food and build a more resilient livelihood for farmers. Farmers with healthy herds use less feed, water, medicine and land. Healthy animals that receive proper nutrition are better able to digest feed and use resources efficiently. Protecting animals against infection reduces the need for antibiotics and the risk of cross-species illness.

Growth on both sides of the equality divide places unprecedented pressure on animal agriculture to provide more safe, nutritious and affordable meat, milk, fish and eggs.

More than one billion people worldwide earn a living through raising and selling livestock, while billions more depend on the protein and nutrients provided by animal-sourced foods. Rising populations in developing regions indicate demand for animal proteins will grow in the next decade, even if consumption falls in some developed nations.

In many parts of the world, livestock are healthier and more productive than ever before, but we believe the global loss of one in every five animals to disease is too high a price for society to bear. This is what drives Phibro's scientists on multiple continents to continue to explore new preventive medicine approaches, more economical and practical vaccine formats, and advanced disease remediation strategies.



STEPPING UP FOR OUR INTERNATIONAL NEIGHBORS IN CRISIS

Humanitarian aid has been in high demand as Ukraine faces mounting casualties, property destruction and economic hardship, in light of the Russain military invasion. We encouraged employees to help provide assistance to those in need, consistent with our corporate values and in recognition of the employees with relatives in Ukraine. Phibro matched $50,000 USD in donations made by employees around the world to designated relief organizations. In addition, an outside resource was hired to work with employees who have family in the conflict zone to facilitate access to agencies that can provide on-the-ground support.

STRENGTH THROUGH DIVERSITY

Phibro creates a positive and supportive work environment for our employees. Our approach enables opportunity for inclusion and encourages diverse perspectives and thinking to maximize the achievement of innovative and successful outcomes. We aim to protect employees from being discriminated against because of gender, sexual orientation, age, marital status, race, religion, political beliefs, ethnic background, country of origin, language or non-job-related disabilities, and we follow these same principles when recruiting new talent to our organization.

We recognize our success in the marketplace is directly related to the trust that we place in and receive from our employees. We promote from within wherever possible, safeguard the confidentiality of employee records and keep employees informed of issues affecting them. In response to the findings of our recent culture survey, Phibro implemented a new DEI training program to foster awareness and acceptance across our administration, R&D and manufacturing facilities in 2022.

OUR RESEARCH:

TAKING THE 3Rs TO HEART

At Phibro, we deliver innovation that we believe improves the health of animals, the livelihood of people who care for animals and the planet we inhabit together. Our animal welfare policy describes the responsibilities, guiding principles and philosophy associated with research conducted by Phibro. The guiding philosophy is our commitment to the 3Rs – refining, reducing and replacing animals in research where possible. Our goal is to maintain the highest moral and ethical standards for the care and treatment of animals to minimize discomfort and pain.
(FB-FR-430a.3)



BREAKTHROUGH IN VACCINE DELIVERY

Phibro's pHi-Tech® **poultry vaccination management system** is a safer, more accurate and efficient way to administer vaccines as compared to other traditional methods. pHi-Tech empowers farm owners and animal caretakers to control the vaccination process through cloud-and app-based tracking that supports state-of-the-art precision livestock farming.

This hand-held device is currently available for poultry and will soon be available for aquaculture.

OUR RESPONSIBILITY

ANTIBIOTIC STEWARDSHIP

The potential for increased bacterial resistance to certain antibiotics used in some food-producing animals is the subject of worldwide discussions. In certain instances, resistance concerns have led to government restrictions on the use of antibiotics in these food-producing animals.

Phibro works closely with regulators and veterinarians to ensure antibiotics are used responsibly and in compliance with all applicable regulations and regulatory guidance, to minimize the risk of resistance development.

As a company dedicated to the health and welfare of animals, we believe healthy animals are key to solving some of the world's most pressing issues. We are focused on best animal welfare practices around the world, and we believe the responsible use of antibiotics is one important component to prevent and/or relieve animal suffering.

Phibro provides innovative solutions to help reduce the need for antibiotics by providing other medications, vaccines and nutritional specialty products, which improve intestinal integrity and support immune function. These products help improve overall animal health and aid in controlling bacterial infections, viruses and other organisms that can cause sickness.

(FB-FR-430a.3)



ASK DR. DORMAN:

INSIGHT FROM A VETERINARIAN & MOM

Dr. Leah Dorman is a respected veterinarian, farmer and mother of three children, committed to an honest dialogue about animal health issues. She takes seriously her oath to protect animal health and promote human health, which she does every day as Phibro's Director of Communication and Consumer Engagement. Dr. Dorman describes herself as a "tell it like it is" type of person who advocates for transparency and open communications throughout the agricultural sector and food system. She welcomes questions from the public at AskDrDorman@pahc.com, and her responses are published on the ExploreAnimalHealth.org website where visitors can explore how farm animal care connects to a healthy food supply and environment.



PHIBRO PROUD:

OSHA REPORTABLE INCIDENT RATE AVERAGES 60% LOWER THAN PEERS IN GENERAL MANUFACTURING SECTOR

We are committed to manufacturing safe products and achieving a safe workplace. Our Environmental Health and Safety (EHS) Global Director, along with regional and site-based EHS professionals, manage environmental, health and safety matters throughout Phibro. The site managers are responsible for implementing the established EHS controls. To protect employees, we have established health and safety policies, programs and processes at all manufacturing sites. External EHS audits are performed as needed.

ELEVATING THE CUSTOMER EXPERIENCE

PHIBRO EMPLOYEES DELIVER EXPERTISE ALONG WITH PRODUCT PORTFOLIO

Within Phibro's Animal Health and Mineral Nutrition segments, more than 400 employees in sales, marketing and technical support roles deliver our portfolio of more than 1,600 products to livestock producers and veterinarians in more than 80 countries. We interact with customers at the corporate level where applicable, and on-premises at farms, ranches and aquaculture sites, fostering an in-depth understanding of their needs.

Our technical support and research personnel are also important contributors to our customers' success. We have a total of approximately 220 technical, field service and quality control/quality assurance personnel throughout the world. Among our field team, many have more than 20 years of experience in animal health, and many have been with Phibro for more than 10 years. These professionals interface directly with customers to provide practical solutions and ensure they achieve optimum benefits from our products.

KEY PRIORITIES AND PROGRESS

Based on Phibro's Materiality Assessment, we plan to track and report our progress against the following Social Responsibility & Well-Being topics on a go-forward basis: Employee Recruitment, Development & Retention, Diversity, Equity & Inclusion (DEI), Employee Health & Safety, Labor Practices, Cybersecurity & Privacy and Customer Engagement & Welfare. Relevant SASB and GRI metrics along with our baseline data follow:



EMPLOYEE RECRUITMENT, DEVELOPMENT & RETENTION

CODE	TOPIC	DATA
Phibro metric	**Employee Training:** Number of training hours completed per employee	2021 Avg Hours: 40
SASB HC-BP-330a.1	**Employee Recruitment, Development, & Retention:** Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Phibro recruiting efforts for specialized roles in R&D utilizes search firms that focus on relevant scientific areas. In addition, we rely on professional and university networks of existing scientific personnel to identify candidates. When qualified candidates are identified, we provide relocation assistance, immigration assistance if necessary and/or other support.

EMPLOYEE RECRUITMENT, DEVELOPMENT & RETENTION

CODE	TOPIC	DATA
SASB HC-BP-330a.2	**Employee Recruitment, Development, & Retention:** 1) Voluntary and 2) involuntary turnover rate for: a) executives/senior managers, b) mid-level managers, c) professionals, and d) all others	

SASB: HC-BP-330A.2

2021 TURNOVER

	Voluntary	Rate	Involuntary	Rate
Executive	4	0.2%	2	0.1%
Sr. Dir/Dir	8	0.5%	3	0.2%
Mid-level Mgr	21	1.2%	7	0.4%
Supervisor/Prof	49	2.8%	21	1.2%
Entry/intermediate	120	6.8%	61	3.4%
Total	202	11.4%	94	5.3%

SASB: HC-BP-330A.2

2020 TURNOVER

	Voluntary	Rate	Involuntary	Rate
Executive	2	0.1%	2	0.1%
Sr. Dir/Dir	4	0.2%	8	0.5%
Mid-level Mgr	16	0.9%	11	0.6%
Supervisor/Prof	49	2.8%	15	0.8%
Entry/intermediate	88	5.0%	50	2.8%
Total	159	9.0%	86	4.9%



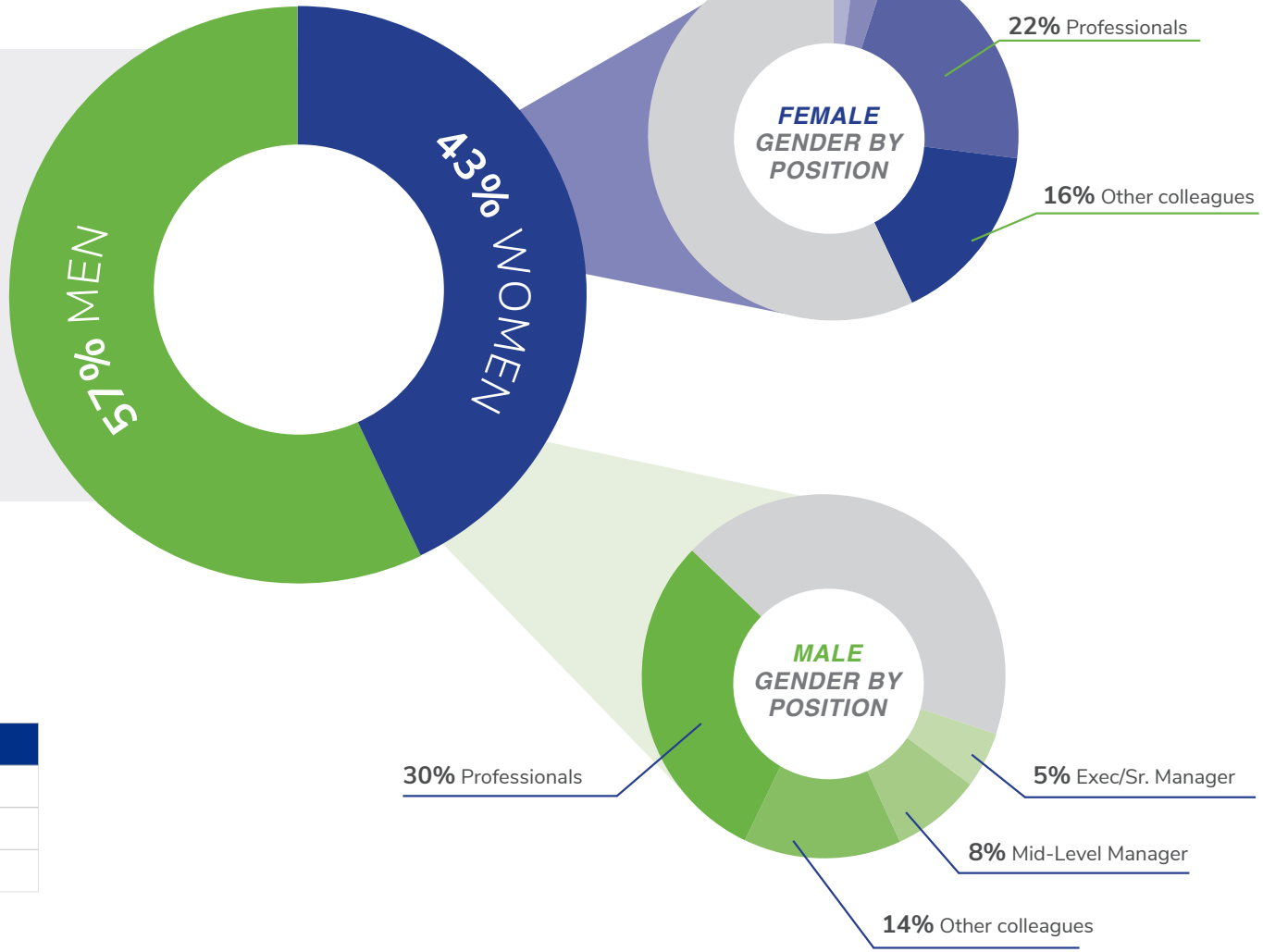
EMPLOYEE RECRUITMENT, DEVELOPMENT & RETENTION

CODE	TOPIC	DATA
GRI 201-3	**Economic Performance:** a) If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities. b) If a separate fund exists to pay the plan's pension liabilities: i) the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them; ii) the basis on which that estimate has been arrived at; iii) when that estimate was made. c) If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage. d) Percentage of salary contributed by employee or employer. e) Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.	In the U.S.: a) As of June 30, 2021, the U.S. pension plan was 103% funded. b) We have assets managed by a third-party advisor (New England Pension Consultants or NEPC for short) that invests in multiple funds, but it is generally one overall portfolio. The assets are measured at Fair Value. The liability is measured by our actuary (AON) with the difference being recorded on the balance sheet. Currently our plan is 103% funded, so we have an asset on our books for the overfunding. The asset or liability is calculated on an annual basis (June 30). There are several factors that go in the estimate of the liability (mortality rate, return on assets, etc.). In order to pay plan participants, our advisor (NEPC) sells investments to generate the cash on an as needed basis. c) N/A d) Employer contribution percentage is under the Company's 401(k) plan is 100% of up to the first 6% of employees' contributions. That contribution amount is for the 401K Plan, not the pension plan. For the Pension Plan, the company makes the required contributions based on the actuarial analysis. e) The pension plan is currently frozen. No new employees have been eligible for the pension plan since January 1, 2014 (as disclosed in our Annual Report). There are currently 626 active and inactive participants. Under the 401K plan offered to U.S. employees, we have a 93% active participation rate. Outside the U.S., Phibro offers retirement benefits at the local level, based on legal and market requirement practices.
GRI 202-2	**Market Presence:** Proportion of senior management hired from the local community. a) Percentage of senior management at significant locations of operation that are hired from the local community. b) The definition used for 'senior management'. c) The organization's geographical definition of 'local'. d) The definition used for 'significant locations of operation'	All (100%) from local community. Recruiting for all positions utilizes a mix of platforms to include posting vacancies on corporate careers webpage, recruiting platforms such as Indeed and LinkedIn as well as professional networking career sites. For executive level positions we utilize retained search firms to assist with candidate identification. Our recruitment geography for roles is focused on the local communities near our site locations. It is not our practice to relocate employees globally.
GRI 401-2	**Employment:** a) Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum: i) life insurance; ii) health care; iii) disability and invalidity coverage; iv) parental leave; v) retirement provision; vi) stock ownership; vii) others. b) The definition used for 'significant locations of operation'	Significant area of operation: U.S. Benefits are provided to employees who work at least 30 hours each week. These benefits include life insurance, health care (including dental, and vision), short- and long-term disability insurance, accidental death and dismemberment insurance, travel assistance, retirement savings and pension plans and paid time off.

PHIBRO VALUES DIVERSITY, EQUITY AND INCLUSION (DEI)

2021 NONPRODUCTION GENDER GROUP BY LEVEL

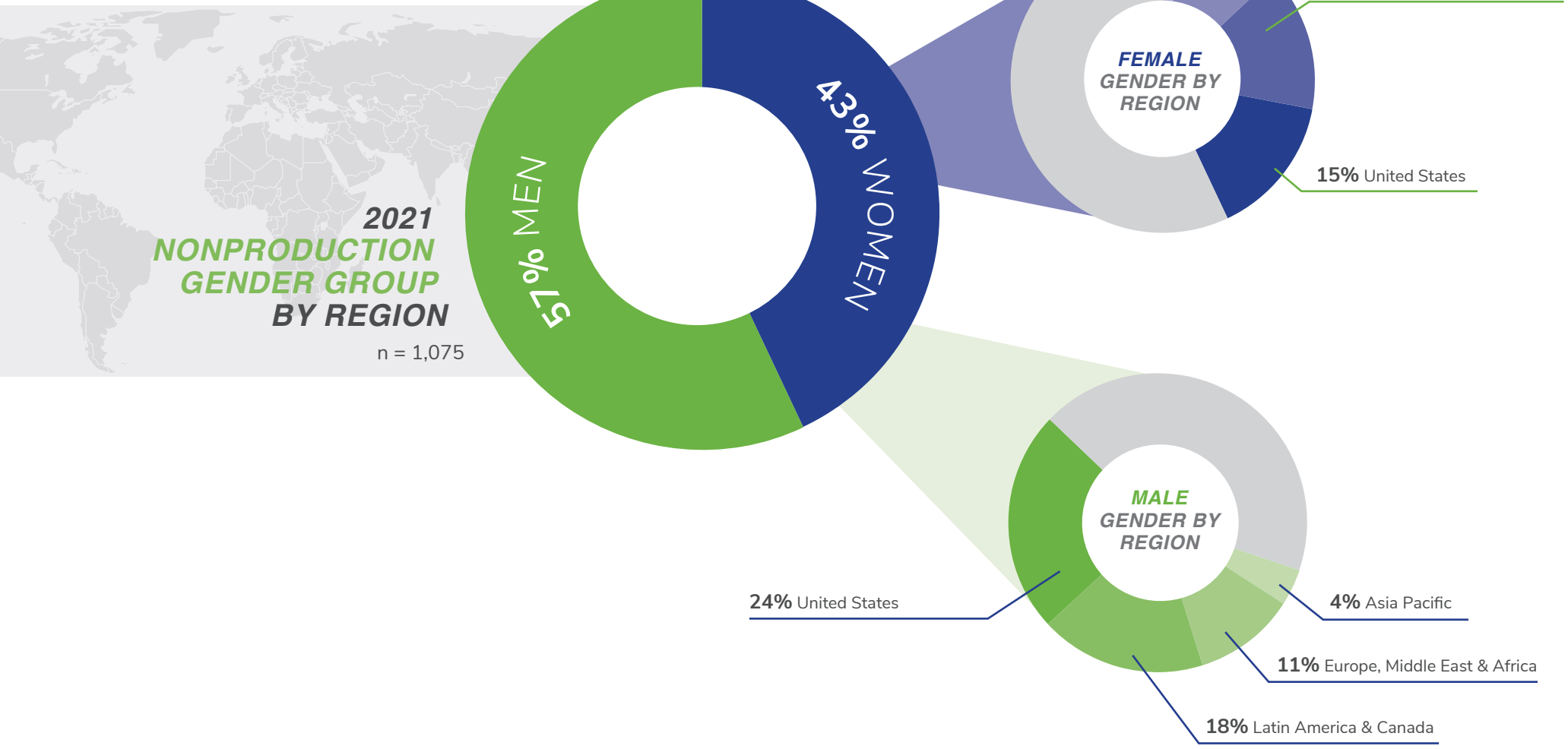
n = 1,075



	Female	Male
Production	10%	90%
Nonproduction	43%	57%
Grand Total	30%	70%

*Note: Production line item shown here includes manufacturing, warehousing, and maintenance.

PHIBRO VALUES DIVERSITY, EQUITY AND INCLUSION (DEI)



PHIBRO VALUES DIVERSITY, EQUITY AND INCLUSION (DEI)



2021 ETHNIC GROUP USA REPRESENTATION

n = 668

U.S. All Levels by Ethnicity		
	Count	% of Total
White	499	75%
Hispanic or Latinx	94	14%
Black or African American	31	5%
Asian	25	4%
Two or More Races	15	2%
American Indian or Alaska Native	4	1%
Total	668	100%

U.S. Management Level by Ethnicity		
	Count	% of Total
White	159	83%
Hispanic or Latinx	16	8%
Black or African American	3	2%
Asian	13	7%
Two or More Races	1	1%
American Indian or Alaska Native	0	0%
Total	192	100%

EMPLOYEE HEALTH & SAFETY

CODE	TOPIC	DATA
GRI 403-1	**Occupational Health & Safety:** a) A statement of whether an occupational health and safety management system has been implemented, including whether: i) the system has been implemented because of legal requirements and, if so, a list of the requirements; ii) the system has been implemented based on recognized risk management and/or management system standards/ guidelines and, if so, a list of the standards/guidelines. b) A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered	There are no specific legal EH&S System requirements for Phibro or requirements by any specific industry other than requirements by OSHA, EPA, DOT and other federal and local laws. However, Phibro has a management system in place which includes over 30 EH&S policies that integrate all of our facilities despite their location internationally. Phibro Corporate policies serve as an umbrella for all our sites, but each site has site specific adjustments based on their local laws. List of EH&S Programs and Policies that are maintained and updated periodically (they are also available on our intranet site). These documents drive our EH&S Management system and cover all our employees: factory, offices, sales, fleet, labs as well as employees working remotely. **Phibro Corporate Programs** • EH&S Management System • Management of Safety Data Sheets & Formulations • Internal and External Audits • Employee Participation • Hazardous Communication • Waste Management • Job Hazard Analysis • Fleet Safety • Sustainability • Industrial Hygiene • Hazardous Materials Transportation • Ergonomics • Biosafety Program • Armed Intruder Policy **Phibro Corporate Policies** • Incident Communication • Forklift • Ladder Safety • Hot Work • Lock Out and Tag Out • Bloodborne Pathogens • Emergency Response • Laboratory Safety • Contractor Safety • Fire Extinguisher • Fall Protection • Machine Guarding • Confined Space • Compressed Gas Cylinders • Automated External Defibrillators • General Safe Work Practices • Respiratory Protection • Personal Protective Equipment • Incident Reporting • Hearing Conservation • Electrical Safety Procedures • Slips, Trips, and Falls • First Aid • Safety Showers & Eye Wash • Workers Compensation • Cold Stress Prevention Program • Heat Stress Prevention Program • Pathogen Positive Test Result Response Plan **Phibro Corporate Forms** • Phibro Incident Communication Policy Checklist

EMPLOYEE HEALTH & SAFETY

CODE	TOPIC	DATA
FB-MP-320a.1	**Workforce Health & Safety:** 1) Total recordable incident rate (TRIR) and 2) fatality rate	1) 2021: 1.14, 2020: 0.57, 2019: 1.66 2) 0
FB-MP-320a.2	**Workforce Health & Safety:** Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions	Phibro takes the respiratory health condition of its employees and air quality of all its facilities very seriously. To ensure the respiratory safety of our employees we have developed and implemented two main policies (Industrial Hygiene and Respiratory Protection). These policies help drive a program that supports periodic evaluations, training, engineering controls, PPE and administrative support all in an effort to mitigate acute and chronic respiratory health conditions.
GRI 403-3	**Occupational Health & Safety:** A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.	We have a number of policies to ensure that employees have the health service function needed to support them in their daily work. We have policies that provide EH&S Training. Programs that provide participation and incentives. We have agreements with local occupational doctors and therapy centers to prevent small injuries from becoming bigger issues. Our site EH&S Managers along with the Global Director of EH&S meet monthly to discuss an evaluate the over EH&S program. We look at the data such as OSHA Incident Rate, workers' compensation claims, fleet safety claims, types of injuries. Depending on our evaluation we adjust our program or target initiatives to improve the program. We have a clear EH&S Goal to maintain every year and we work to meet that goal.
GRI 403-4	**Occupational Health & Safety:** a) A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers. b) Where formal joint management–worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees	Employee engagement, involvement and participation in occupational health and safety is a priority for Phibro. We understand that without employee buy in for a good safety culture it would be impossible to run a healthy EH&S program. Therefore, we have a specific policy that was implemented over a decade ago. Where all facilities are asked to include employees in their EH&S programs by participation in EH&S Committees, First Aid Teams, regular safety programs and other community type safety outreach programs like training with the local fire departments. There are incentives programs as well and suggestion boxes for safety program improvements.

LABOR PRACTICES

CODE	TOPIC	DATA
SASB FB-FR-310a.1	**Labor Practices:** 1) Average hourly wage and 2) percentage of in-store and distribution center employees earning minimum wage, by region	Hourly Wage of production employees: Brazil: Not meaningful; only apprentices paid hourly Israel: 62.43 ILS US: $21.47 Note: Part 2 does not apply to Phibro employees.
SASB FB-FR-310a.2	**Labor Practices:** Percentage of active workforce covered under collective bargaining agreements	Argentina: 28% Brazil: 100% EU: 11% Israel: 63% US: 0%
SASB FB-FR-310a.3	**Labor Practices:** 1) Number of work stoppages and 2) total days idle	1) 0 2) 0
SASB FB-FR-310a.4	**Labor Practices:** Total amount of monetary losses as a result of legal proceedings associated with: 1) labor law violations and 2) employment discrimination	1) None 2) None

CYBERSECURITY & PRIVACY

CODE	TOPIC	DATA
SASB FB-FR-230a.2	**Data Security:** Description of approach to identifying and addressing data security risks	Phibro has documented policies as it relates to IT and Cybersecurity, developed in collaboration with HR and Legal. Data security and privacy are significant priorities and tools are in place to ensure the safety and well-being of client, employee and company information. Encryption and the latest zero-trust network protection technology inspects each electronic transaction for corruption and/or cyberattacks. Phibro employees are continuously trained and tested for cybersecurity awareness. Multi-factor authentication and active threat protection software further protect company devices and email from cyberattacks such as malware, phishing and ransomware. Quality compliance software allows Phibro to electronically sign, protect and store key documents, manage corporate policy and regulatory documents, standardize change control processes, track deviations and Corrective and Preventive Actions (CAPA) and ensure appropriate approval before changes are activated. Phibro actively uses established processes for backup and recovery of all on-premises and cloud-based systems and data. A global disaster and recovery program focused on our plants will be tested and completed in 2022. Phibro strives to demonstrate an effective, risk-based approach to assure cybersecurity and protect confidential information.

CUSTOMER ENGAGEMENT & WELFARE

CODE	TOPIC	DATA
SASB FB-FR-260a.1	**Product Health & Nutrition:** Revenue from products labeled and/or marketed to promote health and nutrition attributes	2021 2020 $809M $738M
SASB FB-FR-260a.2	**Product Health & Nutrition:** Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Our food animal products must be safe not only for the animals themselves but must also be safe for people who consume meat, milk, seafood and eggs that come from those animals.



5.0

FAIR AND TRANSPARENT GOVERNANCE

Our Mission, Purpose and Beliefs guide the way we work at every level. A strong system of corporate governance and an ethical compass that cascades from the Phibro Board of Directors to every level of Phibro are critical to delivering long-term value for our shareholders, customers and society.

Phibro Animal Health Corporation and our Board of Directors are committed to implementing sound and transparent corporate governance principles that strengthen accountability, oversight and alignment with our key stakeholders. Phibro is a "controlled company" under the Nasdaq stock market ("Nasdaq") corporate governance standards. For details on this designation and other aspects of our governance, see our 2021 Proxy Statement, filed with the SEC.

Among its primary responsibilities, the Board oversees our strategic and business planning processes, monitors corporate performance, and assesses the integrity and effectiveness of our internal controls, legal procedures, ethics and compliance programs. Beyond these core responsibilities, the Board is responsible for establishing and maintaining an effective leadership structure for the Company, as well as overseeing the executive management team.



BUSINESS ETHICS IN ACTION

Phibro's Code of Business Conduct and Ethics (Code of Conduct), which contains guidelines for conducting business with the highest standards of ethics, is available publicly and translated into the eight languages our employees most commonly speak. Every employee is expected to review and acknowledge the Code of Conduct annually moving forward. Code of Conduct training is provided annually with an 85 percent compliance rate. In addition to the Code of Conduct, Phibro has corporate policies and procedures across 25 different categories, public company policies across seven categories and two categories of privacy policy.

We are committed to being an organization where open, honest communications are the expectation, not the exception. All employees should feel comfortable approaching their supervisor or management in instances where they feel violations of policies or standards have occurred. In situations where employees prefer to place an anonymous report in confidence, they are encouraged to use our ethics hotline, EthicsPoint, hosted by a third-party hotline provider.

The ethics hotline is not exclusive to employees as the Board of Directors maintains a system for shareholder, customer, supplier or other interested parties to anonymously submit concerns via email or postal mail.

BOARD COMPOSITION: A FAMILY LEGACY WITH DIVERSE PERSPECTIVES

Our Board of Directors has two standing committees: an Audit Committee and a Compensation Committee. Each of the committees reports to the Board of Directors as they deem appropriate, and as the Board of Directors may request. In the future, our Board of Directors may establish other committees, as it deems appropriate, to assist with its responsibilities. Each committee has adopted formal charters that detail their purpose, organizational structure and key responsibilities.

Diversity and inclusion are priorities for the Company and are believed to be important aspects of an effective Board. We recognize the benefits of racial, gender, ethnic and experience-based diversity, and value the healthy debate that stems from different viewpoints. We aim to reflect our diverse customer and employee base; accordingly, our Board includes differing geographic, business and cultural backgrounds. While the Board of Directors does not have a formal diversity policy related to the evaluation of nominees to the Board, diversity is a factor considered when identifying prospective nominees.

We believe fresh perspectives and new ideas are critical to a forward-looking and strategic Board. Meanwhile, given the complex nature of our business, it is equally important to have the valuable experience and institutional knowledge that longer-serving directors bring to the boardroom. In light of multi-generational leadership from the Bendheim family, Phibro takes pride in continuity of management, of philosophy and of commitment.

> *"Family-based values is the common thread that runs throughout our company. We have a legacy of long-range, practical values and of building, maintaining and valuing meaningful relationships with our customers while doing what's right for the business. We thrive in delivering product and service-based solutions to meet our customers' unique challenges."*
>
> — LARRY MILLER
> *Chief Operating Officer*



LEADERSHIP OVERSIGHT OF PHIBRO'S ESG JOURNEY

Our directors bring diverse skills and experiences to the Board, including executive management, leadership, finance, financial reporting, manufacturing, technology, product commercialization, animal health and risk management.

Our Chief Financial Officer is responsible for internal efforts and development of our ESG program, including our assessment of key ESG risks and opportunities. Our Chief Executive Officer and Chairman of the Board set the delivery of the Company's inaugural ESG Report as a corporate-level objective.

Relevant ESG topics, risks, issues and considerations – largely informed by related stakeholder feedback and the use of SASB and GRI frameworks – are overseen by our board liaison, Carol A. Wrenn, who has been a director since July 2010 and also serves as a member of the Audit Committee and the Compensation Committee.

PRIORITIZING EMPLOYEES'

FINANCIAL & PHYSICAL HEALTH

Phibro recruits top talent with diverse skills, education, experience and leadership qualities. As such, we maintain a competitive total compensation program that entails base salary, variable pay opportunity and benefits designed around the health and financial well-being of our employees.

Phibro actively conducts market analysis of total compensation across the animal health and life sciences industries. This is evident through participation in compensation surveys such as Willis Towers Watson Compensation survey, Mercer Life Sciences and Mercer Executive Compensation. Participating in these surveys for benchmarking and insight-gathering purposes enables us to stay competitive and attract top talent.

On the physical health and wellness front, we offer an array of initiatives to support employee well-being, including gym reimbursement, smoking cessation and employee assistance programs. Annually, we offer employees biometrics screenings, flu shot clinics and seminars on wellness. Our plants in Brazil and Argentina house cafeterias that offer balanced meals to all employees in a cost-share format.

CHECKS AND BALANCES

UTILIZING THIRD PARTY & INTERNAL AUDITS TO UPHOLD PROPER STANDARDS

Internal audit procedure and policies implemented by Phibro include our Environment Health and Safety Audit Policy, which aims to identify gaps in compliance and identify areas for program development and support. All EHS audits must meet Occupational Safety and Health Administration (OSHA), Environmental Protection Agency (EPA) and Department of Transportation (DOT) regulatory requirements and fall within Phibro policy, at a minimum. Additionally, we have mandated implementation of International EHS standards where they exceed OSHA, EPA and DOT requirements.

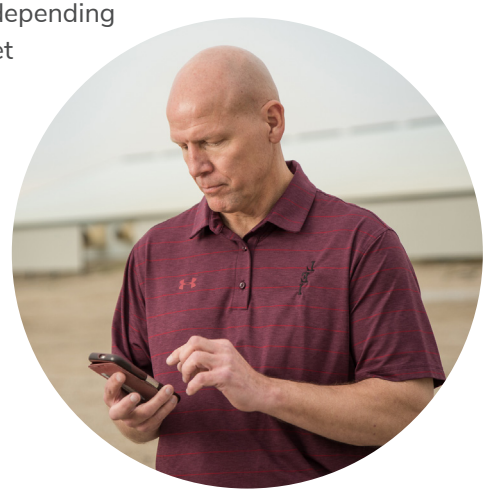
As part of Phibro's robust IT security policies, any changes to our information systems are monitored through configuration verification and undergo a rigorous auditing process.

OUR TEAM DILIGENTLY MONITORS COMPLIANCE PRACTICES GLOBALLY

The marketing and promotion of animal health products is controlled by regulations in many countries. These rules generally restrict advertising and promotion to those approved claims and uses that have been reviewed and endorsed by the applicable agency. Phibro's marketing, regulatory and legal experts are diligent about reviewing our promotion material for compliance with the local and regional requirements in each and every market where we sell animal health products.

ADDRESSING RISK FACTORS THAT AFFECT OUR BUSINESS

Our corporate governance efforts are highly focused on effectively managing risk and preserving long-term, sustainable value for the benefit of our shareholders, our employees and the broader ecosystem in which we operate. Phibro's Annual Report for the year ending June 30, 2021, presents certain risks we face in the operation of our business. For a summary of such details, see our 2021 Annual Report on Form 10-K. The Board, either directly or through its committees, routinely reviews Phibro's business strategy and management's assessment of related risks and discusses with management the appropriate level of risk depending on the market environment and other relevant factors.



KEY PRIORITIES AND PROGRESS

Based on Phibro's Materiality Assessment, we plan to track and report our progress against the following Fair & Transparent Governance topics on a go-forward basis: Business Ethics, Selling Practices & Product Labeling and Product Design & Lifecycle Management. Relevant SASB and GRI metrics, along with our baseline data follow:

BUSINESS ETHICS

CODE	TOPIC	DATA
SASB HC-BP-510a.1	**Business Ethics:** Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	None reported
SASB HC-BP-270a.2	**Business Ethics:** Description of code of ethics governing promotion of off-label use of products	While Phibro does not have an internal code of ethics on off-label use, we do not promote or encourage any off-label use of our products. Some markets permit off-label use of some products through veterinary prescription. Phibro maintains a formal marketing materials review process involving both the regulatory department and the law department to ensure, amongst other regulatory and legal requirements, that promoted product uses are consistent with the approved uses of our products.

CODE	TOPIC	DATA
Phibro metric	**Business Ethics:** Description of Business Ethics Policies	Code of Ethics: Our Code of Business Conduct and Ethics ("Code of Conduct") applies to all our employees, including our executive officers. We also have a Code of Ethics for the Chief Executive Officer and Senior Financial Officers ("Code of Ethics"), which applies only to our executive officers and certain members of our management. Our Code of Conduct and Code of Ethics are designed to ensure that the highest ethical standards are properly communicated and adhered to in all realms of our business. Each year we administer companywide training on our Code of Conduct, which contains practical guidelines and examples of situations employees might encounter to help guide their decision-making processes. Our Code of Conduct encourages all our employees to speak up when they see conduct that is inconsistent with our high ethical standards and provides resources for up-the-chain reporting. There are several ways in which employees can raise concerns about suspected violations, misconduct or unsafe conditions, including our independent third-party operated EthicsPoint hotline, available 24/7, through which reports can be made confidentially and anonymously. In addition to the EthicsPoint hotline, employees are encouraged to address questions and concerns to, or to seek help and guidance from, their supervisor, or to report concerns directly to the Human Resources Department, the Legal Department and/or the Company's Audit Committee.
Phibro metric	**Business Ethics:** Description of Board of Directors 1) Committee and 2) Independence	Board Committees: Our Board of Directors has two standing committees, an Audit Committee and a Compensation Committee. Each of the committees reports to the Board. In the future, our Board may establish other committees, as it deems appropriate, to assist it with its responsibilities. Our Audit Committee's responsibilities include overseeing our relationship with our independent registered public accounting firm (our "external auditor") (e.g., their independence from management; the scope and results of their audit; review and monitoring of our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements); establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters; reviewing and approving related party transactions; and oversight of our risk management process.

CODE	TOPIC	DATA
Phibro metric	**Business Ethics:** Description of Board of Directors 1) Committee and 2) Independence	Our Compensation Committee's responsibilities include reviewing key employee compensation goals, policies, plans and programs; overseeing the compensation of our directors, chief executive officer and other executive officers; reviewing and approving employment agreements and other similar arrangements between us and our executive officers; and administering our stock plans and other incentive compensation plans, if any. Our Compensation Committee regularly reviews our executive compensation program to ensure that compensation is closely tied to aspects of our performance that our executive officers can impact and that are likely to have an impact on stockholder value. On an annual basis, our Compensation Committee evaluates the performance of our Chief Executive Officer and approves his compensation. Our Chief Executive Officer annually reviews the performance of our executive officers, including the named executive officers (other than himself/herself), with our Compensation Committee and makes recommendations to our Compensation Committee with regard to each executive officer's compensation (other than himself/herself). Our Compensation Committee considers such recommendations when approving each executive officer's compensation (other than the Chief Executive Officer). Our Compensation Committee annually evaluates the compensation of our directors in light of their duties and makes recommendations with regard to their compensation to our Board for approval. Independence: Jack C. Bendheim, our Chairman, President and Chief Executive Officer, has sole authority to vote shares of our stock owned by BFI Co., LLC, an investment vehicle of the Bendheim family. Because BFI controls a majority of the combined voting power of our outstanding common stock, we are a controlled company under the Nasdaq corporate governance standards. As a controlled company, we are exempt from the requirement that a majority of our Board consist of "independent directors," as defined under such rules. Nevertheless, our Board has reviewed the independence of its current members in accordance with the independence requirements of the applicable Nasdaq rules and has determined that the majority of our directors are "independent directors" under the relevant Nasdaq rules.

SELLING PRACTICES & PRODUCT LABELING		
CODE	**TOPIC**	**DATA**
SASB FB-FR-270a.1	**Product Labeling & Marketing:** Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	None reported All promotional materials and communications must be accurate, not misleading and compliant with all applicable legal and regulatory standards, including any applicable standards addressing off-label promotion, substantiation, scientific rigor and fair balance. Colleagues in sales, marketing, technical services and regulatory functions must comply with local or regional policies with respect to labeling, promotional programs, product samples and other related topics. Technical and regulatory review operates on a regional basis to review and approve marketing and promotional materials prior to their use.
SASB FB-FR-270a.2	**Product Labeling & Marketing:** Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	None reported
PRODUCT DESIGN & LIFECYCLE MANAGEMENT		
SASB HC-MS-410a.1	**Product Design & Lifecycle Management:** Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	Our products meet FDA standards in the U.S. and other regulator standards in each country for tissue residue and environmental impact.

6.0 NEXT STEPS ON OUR ESG JOURNEY

Phibro is in the early stages of our ESG journey. Multiple generations of our founding family have served in leadership roles since the company's inception, so Phibro has always taken a long-game approach to business.

Protecting the environment – the E in ESG, treating employees well and engaging with the communities in which we operate – the S in ESG, and ethically managing the business – the G in ESG, are all built into the family's belief system. With Jack Bendheim at our helm, Daniel Bendheim serving as Director and Executive Vice President, Corporate Strategy, and Jonathan Bendheim serving as Director, President, Europe, Middle East & Africa Region and General Manager, Israel Operations, these beliefs are entrenched at every level and across every geographic location of our company.

Moving forward, Phibro will publish updated ESG Reports to keep employees, stakeholders and business partners apprised of our progress against ESG targets and Key Performance Indicators (KPIs). We appreciate the support of each of these groups as we forge ahead on our ESG journey.



APPENDIX

SASB INDEX			
TOPIC	ACCOUNTING METRIC	CODE	RESPONSE
Greenhouse Gas Emissions	Gross global Scope 1 emissions	FB-MP-110a.1.	P. 21
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	FB-MP-130a.1	P. 22
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	FB-MP-140a.1	P. 22
Food Safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	FB-MP-250a.1	Not applicable
	Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification program	FB-MP-250a.2	
	(1) Number of recalls issued and (2) total weight of products recalled	FB-MP-250a.3	
	Discussion of markets that ban imports of the entity's products	FB-MP-250a.4	
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate	FB-MP-320a.1	P. 39
	Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions	FB-MP-320a.2	P. 39
Product Safety	Number of recalls issued, total units recalled	HC-MS-250a.1	Not applicable
	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	HC-MS-250a.2	
	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience database	HC-MS-250a.3	
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	HC-MS-250a.4	

SASB INDEX, CONTINUED			
TOPIC	ACCOUNTING METRIC	CODE	RESPONSE
Drug Safety	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	HC-BP-250a.1	Not applicable
	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	HC-BP-250a.2	
	Number of recalls issued, total units recalled	HC-BP-250a.3	
	Total amount of product accepted for take-back, reuse, or disposal	HC-BP-250a.4	
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	HC-BP-250a.5	
Business Ethics	Total monetary losses as a result of legal proceedings associated with corruption and bribery	HC-BP-510a.1	P. 47
	Description of code of ethics governing interactions with health care professionals	HC-BP-510a.2	Not applicable
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	HC-BP-270a.1	P. 50
	Description of code of ethics governing promotion of off-label use of products	HC-BP-270a.2	P. 47
Supply Chain Management	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	HC-MS-430a-1	Not applicable
	Description of efforts to maintain traceability within the distribution chain	HC-MS-430a.2	
	Description of the management of risks associated with the use of critical materials	HC-MS-430a.3	
Product Health & Nutrition	Revenue from products labeled and/or marketed to promote health and nutrition attributes	FB-FR-260a.1	P. 42
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-FR-260a.2	P. 42
Management of Environmental & Social Impacts in the Supply Chain	Revenue from products third-party certified to environmental or social sustainability sourcing standards	FB-FR-430a.1	Not applicable
	Percentage of revenue from (1) eggs that originated from a cage-free environment and (2) pork produced without the use of gestation crates	FB-FR-430a.2	Not applicable
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-FR-430a.3	PP. 16, 29, 30

GRI INDEX*		
GRI 201: ECONOMIC PERFORMANCE 2016		
Code	Disclosure(s)	Response
201-3	Defined benefit plan obligations and other retirement plans	P. 34
GRI 202: MARKET PRESENCE 2016		
Code	Disclosure(s)	Response
202-2	Proportion of senior management hired from the local community	P. 34
GRI 203: INDIRECT ECONOMIC IMPACTS 2016		
Code	Disclosure(s)	Response
203-2	Significant indirect economic impacts	P. 27
GRI 306: WASTE 2020		
Code	Disclosure(s)	Response
306-2	Management of significant waste-related impacts	P. 23
GRI 401: EMPLOYMENT 2016		
Code	Disclosure(s)	Response
401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	P. 34

*The material references the title and publication year of the standard in the shaded sub headers.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical or current fact included in this report are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "aim," "anticipate," "believe," "estimate," "expect," "forecast," "outlook," "potential," "project," "projection," "plan," "intend," "seek," "may," "could," "would," "will," "should," "can," "can have," "likely," the negatives thereof and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

For example, all statements we make relating to our plans and objectives for future operations, growth, initiatives or strategies are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected. Examples of such risks and uncertainties include:

- The negative effects of a pandemic, epidemic or outbreak of an infectious disease in humans, such as COVID-19, on our business, financial results, manufacturing facilities and supply chain, as well as our customers, protein processors and markets;
- Perceived adverse effects on human health linked to the consumption of food derived from animals that use our products could cause a decline in the sales of those products;
- Restrictions on the use of antibacterials in food-producing animals may become more prevalent;
- The potential FDA withdrawal of approval of our Mecadox (carbadox) product;
- A material portion of our sales and gross profits are generated by antibacterials and other related products;
- Competition in each of our markets from a number of large and small companies, some of which have greater financial, research and development ("R&D"), production and other resources than we have;
- Outbreaks of animal diseases could significantly reduce demand for our products;
- Our business may be negatively affected by weather conditions and the availability of natural resources;
- Climate change could have a material adverse impact on our operations and our customers' businesses;
- The continuing trend toward consolidation of certain customer groups as well as the emergence of large buying groups;
- Our ability to control costs and expenses;
- Any unforeseen material loss or casualty;
- Exposure relating to rising costs and reduced customer income;
- Competition deriving from advances in veterinary medical practices and animal health technologies;
- Unanticipated safety or efficacy concerns;
- Our dependence on suppliers having current regulatory approvals;
- Our raw materials are subject to price fluctuations and their availability can be limited;
- Natural and man-made disasters, including but not limited to fire, snow and ice storms, flood, hail, hurricanes and earthquakes;
- Terrorist attacks, particularly attacks on or within markets in which we operate;
- Our ability to successfully implement our strategic initiatives;
- Our reliance on the continued operation of our manufacturing facilities and application of our intellectual property;
- Adverse U.S. and international economic market conditions, including currency fluctuations;
- Failure of our product approval, R&D, acquisition and licensing efforts to generate new products;
- The risks of product liability claims, legal proceedings and general litigation expenses;
- The impact of current and future laws and regulatory changes;
- Modification of foreign trade policy may harm our food animal product customers;
- Our dependence on our Israeli and Brazilian operations;
- Our substantial level of indebtedness and related debt-service obligations;
- Restrictions imposed by covenants in our debt agreements;
- The risk of work stoppages; and
- Other factors as described in "Risk Factors" in Item 1A of our Annual Report.

While we believe our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report and subsequent reports filed with the SEC. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this report in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences we anticipate or affect us or our operations in the way we expect. The forward-looking statements included in this report are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

To learn more about how we are advancing care for animals for the benefit of people and the planet, *visit* ***www.pahc.com/responsibility.***



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