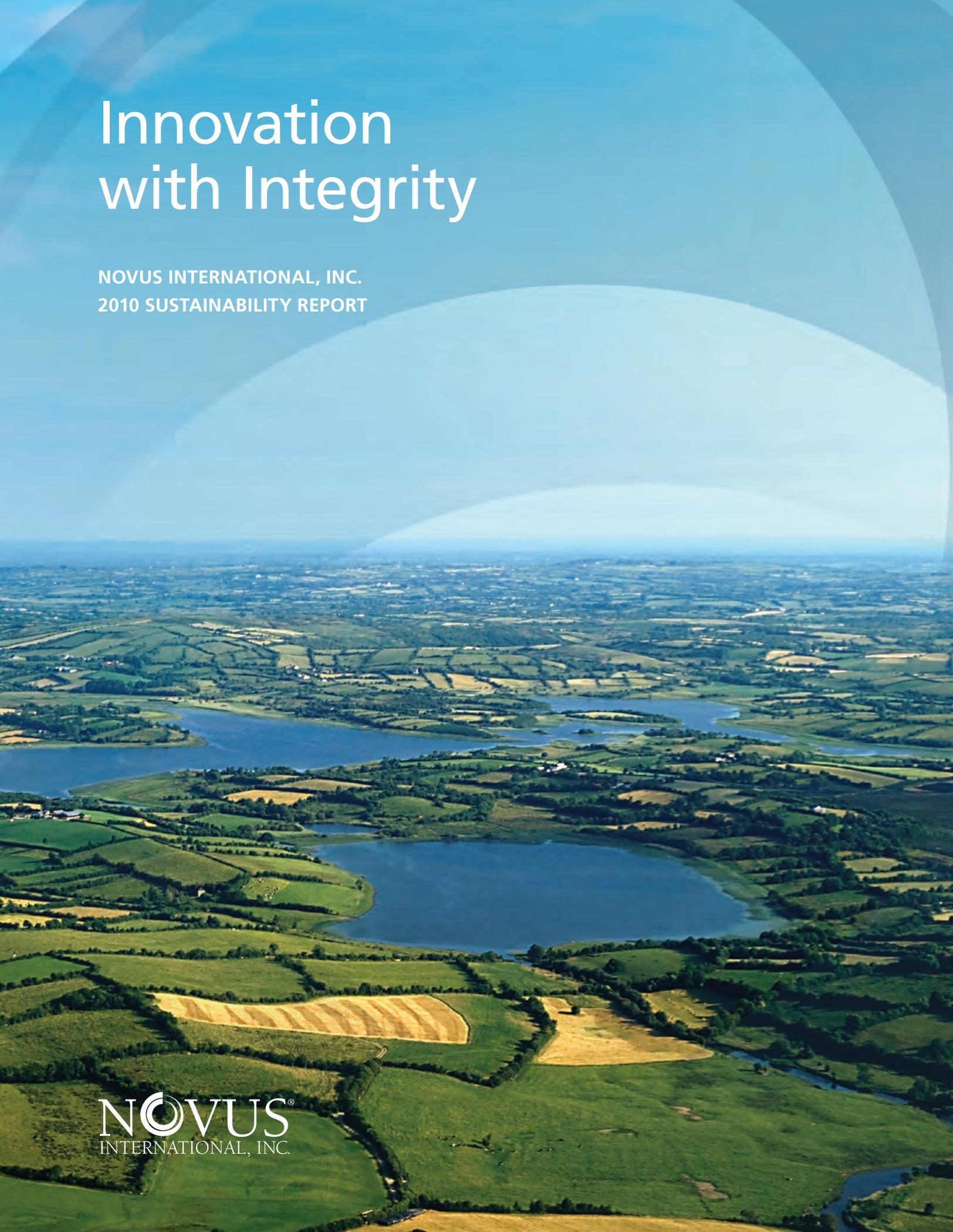


Innovation with Integrity

NOVUS INTERNATIONAL, INC.
2010 SUSTAINABILITY REPORT



NOVUS[®]
INTERNATIONAL, INC.

Novus 2010 by the Numbers

1 Novus Management System	1 Novus Integrity System	\$1 Bn+ Revenues
2 Owners	2500+ Customers	44 Brands
100 Countries (Sales)	79 New Products	24 Quality Certifications
50+ Operating Locations	5 Research Centers	10 Manufacturing Plants
716 Full Time Employees	0.56 Injury Rate Per 100 Employees	0 Fatalities
55 Novus Scholars	\$299,944 Community Gifts	103 Charities Supported
717 Memberships Of Trade And Community Organizations	10 Community Partnerships	3 Sustainability Reports

Innovation with Integrity

Helping to feed the world affordable,
wholesome food and achieve a higher quality of life

NOVUS INTERNATIONAL, INC.
2010 SUSTAINABILITY REPORT

Publication date: June 2011

www.novusint.com

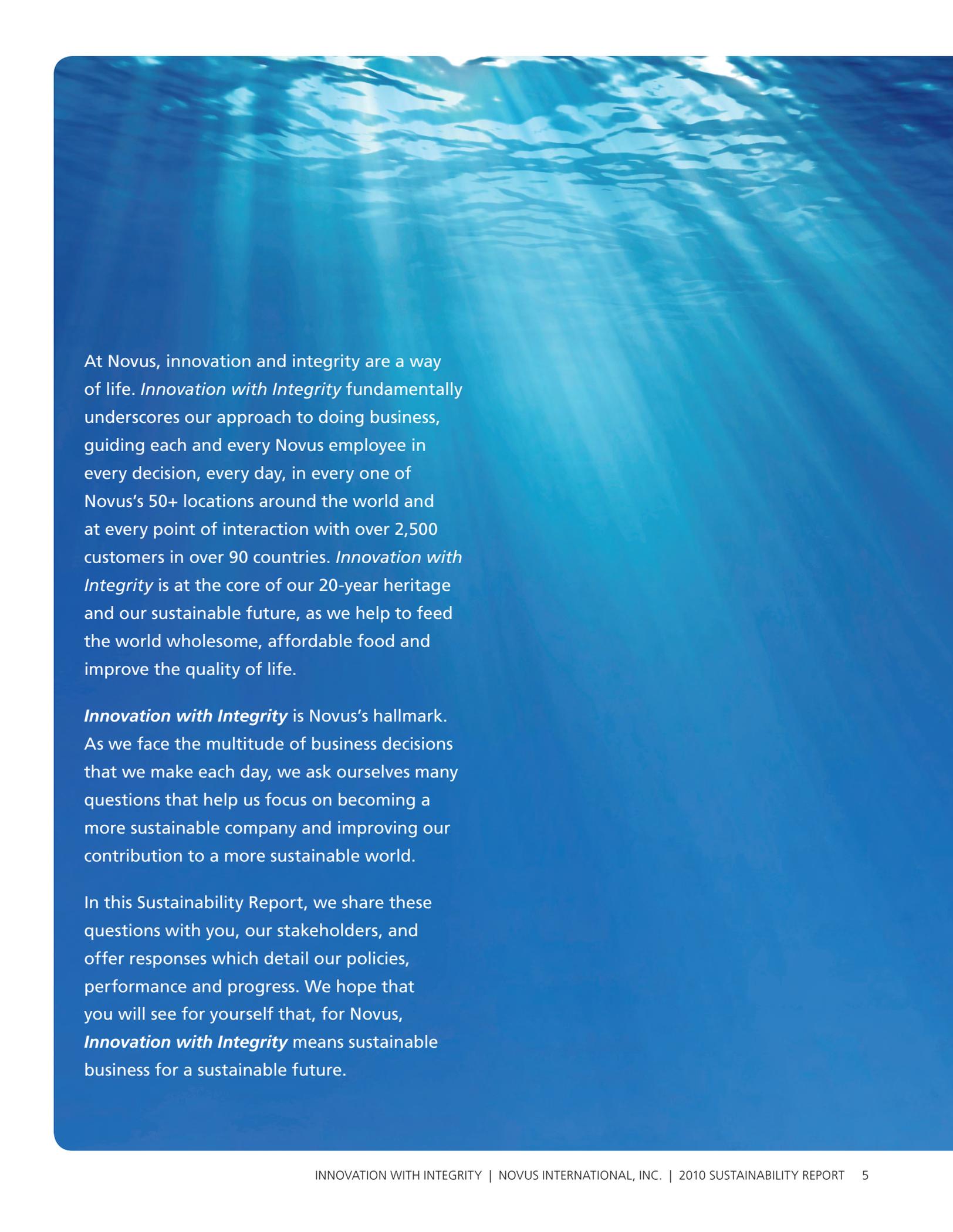
in·no·va·tion *noun*

1. the introduction of something new
2. a new idea, method, or device

in·teg·ri·ty *noun*

1. firm adherence to a code of especially moral or artistic values: incorruptibility
2. an unimpaired condition: soundness
3. the quality or state of being complete or undivided: completeness

Definitions provided by Merriam-Webster.com



At Novus, innovation and integrity are a way of life. *Innovation with Integrity* fundamentally underscores our approach to doing business, guiding each and every Novus employee in every decision, every day, in every one of Novus's 50+ locations around the world and at every point of interaction with over 2,500 customers in over 90 countries. *Innovation with Integrity* is at the core of our 20-year heritage and our sustainable future, as we help to feed the world wholesome, affordable food and improve the quality of life.

Innovation with Integrity is Novus's hallmark. As we face the multitude of business decisions that we make each day, we ask ourselves many questions that help us focus on becoming a more sustainable company and improving our contribution to a more sustainable world.

In this Sustainability Report, we share these questions with you, our stakeholders, and offer responses which detail our policies, performance and progress. We hope that you will see for yourself that, for Novus, *Innovation with Integrity* means sustainable business for a sustainable future.

Innovation with Integrity

Helping to feed the world affordable, wholesome food and achieve a higher quality of life

Report Contents

- Part One: About Novus** **8**
- Novus Business Profile 8
- Novus Brands 9
- Novus Vision, Mission and Core Values 12
- Novus 2010 highlights 14
- Message from the CEO 17
- Part Two: Innovation** **20**
- How does Novus innovation increase global food availability? 20
- How does Novus innovation contribute to improved nutrition? 26
- How do we increase food capabilities for future generations through science and education? 34
- Part Three: Integrity** **42**
- What role does integrity play in running our business? 42
- How do we inspire our employees to excellence with integrity? 48
- How do we make a contribution to the global economy? 56
- What are the priority sustainability issues for our stakeholders? 60
- How do we collaborate with customers to meet their needs? 66
- How do we make quality a top priority at Novus? 72
- How do we ensure a sustainable supply chain? 76
- How do we respect animal well-being? 82
- How do we contribute to the sustainability of our communities? 88
- How do we work to protect the environment? 94
- What are our future commitments to Innovation with Integrity? 102
- Part Four: About This Report** **105**
- Our approach to reporting 105
- Scope of this report 105
- Reporting principles 105
- Feedback on this report 105

Novus International – Business Profile

Novus International, Inc. is a provider of **Health through Nutrition** solutions for livestock, pets and people. Novus is headquartered in St. Charles, Missouri, USA and employs approximately 800 people, serving over 2,500 customers worldwide in 95 countries. Novus has facilities including corporate offices, research and development laboratories and manufacturing operations in more than 50 countries, as well as smaller offices with field staff in an additional 60 countries. Working from a strong base of scientific understanding and technological innovation, Novus has brought to market more than 100 new products over the past decade.

Novus was founded in 1991, following origins dating back to the 1950s when the Monsanto Company launched a Feed Ingredients Division, focusing on feed additive production. In 1991, Monsanto sold this division to Mitsui & Co. Ltd. (65%) and Nippon Soda Co. Ltd., (35%), who supported a strategy of sustainable health through nutrition as the core focus for their newly acquired company. Today, Mitsui Co. Ltd. and Nippon Soda Co., Ltd. are the sole owners of Novus.

Novus's Health through Nutrition solutions include feed supplements, nutritional feed acids, preservative premixtures, health control solutions for livestock, organic trace minerals, feed preservatives, aquaculture feed additives, nutritious feed ingredients and many other specialty ingredients which are vital to the health, comfort, longevity and reproductive life of animals. The Novus Pet Nutrition range serves pet food manufacturers and supply chain ingredient suppliers to the pet food industry, targeted at animal health solutions including improving gut health and reducing oxidative stress. Arenus is a Novus business focusing on developing performance products for the equine and companion animal markets. Stratum Nutrition is a Novus business focusing on improving the quality of life through food and supplement innovation for people. Stratum offers a portfolio of safe and reliable specialty and functional ingredients for dietary supplements, foods and beverages.

For more information about Novus International, Inc., please visit: www.novusint.com

For more information about Arenus, please visit: www.arenus.com

For more information about Stratum Nutrition, please visit: www.stratumnutrition.com

For more information about Mitsui & Co. (USA), Ltd., please visit: www.mitsui.com

For more information about Nippon Soda Co., Ltd., please visit: www.nippon-soda.co.jp

Novus International Brands*

Acidomatrix™

Acidomix™

Activate™

ADVENT™

AGRADO®

alimet™

Captura™

Cibenza™

ProteoM™

ghp₂

GLYTREX™

iDEA

MAAC®

MERA™ Bac W

MERA™ Cid

MERA™ LV

ZORIEN™
MOS

ZORIEN™
SeY

MERA™ Met_{Ca}

METHIOFLEX™

MFP™

MHA

MINTREX™

NEOGERMICIN™

Oasis™

PRO-STABIL™

Provenia™

SANTOQUIN™

SOLIS™

Stabilon™

Surf·Ace™

TREVERA™

ZORIEN™
GOLD

* Logos for the following products are under development: Alusil, Amylofeed, Astacol, Canthacol, Endofeed, Micoban, Micokap, Next Enhance, Oxistop, Pellet-Dur, Salmoban, Sanifeed, Toxiban, Toxistop, Xamacol, Xaracol.

Novus Nutrition Brands, LLC, (NNB)*



* NNB is a wholly owned subsidiary of Novus International, Inc.. NNB is comprised of Stratum Nutrition, Novus Pet Nutrition (NPN), and Arenus.



“Novus Nutrition Brands (NNB) will continue targeting nutrition and health for companion animals and humans through innovative science. We look forward to delivering high-quality, value-added products and technologies that help in optimizing health, performance, and longevity aspects of individual species, whether it is for your companion animal or you.”

David Neuwirth, Executive Director, Novus Nutrition Brands

Novus Vision, Mission and Core Values

Since its inception, Novus has been driven by a Vision of a sustainable world in which there is enough nutritious food available and accessible to all people. This Vision has fueled our passions, our energies and our business growth over the past 20 years. Developed 20 years ago, this Vision remains acutely relevant in today's world and continues to inspire, motivate and guide the Novus team.

Vision

To help feed the world affordable, wholesome food and achieve a higher quality of life.

More food will have to be produced over the next 50 years than has been produced during the past 10,000 years combined. Satisfying this increasing demand without straining, depleting or polluting the earth's natural resources will continue to be a complex challenge. It will require innovative solutions in nutrition, combined with a solid commitment to global sustainability.

Mission

Make a clear difference in sustainably meeting the growing global need for nutrition and health.

Novus's science-based, core expertise in nutrition technologies and experience in health and nutritional research empower Novus to move toward this mission by driving **Innovation with Integrity** to achieve health through nutrition for populations around the world.

Core Values

- Excellence from all employees
- Providing products with demonstrable value
- Long-term customer satisfaction
- Protecting our employees, the public and the environment
- Act with integrity

Novus's Core Values bring our Company's Vision and Mission to life, defining how Novus employees conduct business with each other, with customers and with all stakeholders. The Core Values guide all business strategies, plans and objectives, and shape our organization's culture.

- **Novus seeks excellence from every employee**, and encourages, expects and supports alignment, diversity, individual growth, initiative and teamwork.
- **Novus strives to provide products with demonstrable value**, and its research focuses on leading-edge concepts. It is committed to supplying preferred products and services.
- **Novus aims to maximize long-term customer satisfaction.** Whether related to products, services or innovation, Novus must always anticipate its customers' needs and exceed their expectations.
- **Novus protects its employees, the public and the environment.** Specifically, Novus makes health, safety and environmental considerations a priority in everything it does.
- **Novus acts with integrity**, and treats all stakeholders - including employees, customers, suppliers, business partners, owners and the public - in a fair and ethical manner.



Novus 2010 Highlights

JANUARY

Novus opens a blending plant in Singapore for animal feeding ingredients

Novus Dairy Marketing team partners with the University of British Columbia in cow comfort study

FEBRUARY

Novus acquires Albion Animal Nutrition Division

MARCH

Stratum Nutrition introduces ARTINIA™, a patent pending vegetarian ingredient that supports the human body's natural antioxidant system

Novus launches campaign to aid Haitian earthquake survivors

APRIL

Novus hosts 2nd annual Science in Action Day for Missouri Colleges Fund Scholars at Global HQ, Missouri, USA

Globoaves Poultry Project in Brazil expanded to reach more families

MAY

Novus acquires the IQF Group

Arts and Education Council Campaign achieves employee campaign goals and culminates in 2nd annual Art Walk at Global HQ, Missouri, USA

JUNE

Thad Simons, President and CEO of Novus, is awarded the Ernst & Young Entrepreneur Of The Year® 2010 Bioscience Award in the Central Midwest region, USA

Novus is awarded the 2010 Economic Progress Award by the Partners for Progress of greater St. Charles County, Missouri, USA

Novus selected to participate in the 2-year pilot of the "Sustainable Sites Initiative" Program (SITES™) which was created to promote sustainable land development and habitat management practices

JULY

Novus publishes 2009 Sustainability Report, achieving GRI Application Level B

China Novus Graduate Scholar Network expanded to include 2 new universities

AUGUST

Novus Southeast Asia celebrates 7th anniversary with 300 customers at office in Bangkok, Thailand

Novus commissions Ameren energy audit for Global HQ in St. Charles, Missouri, USA

Novus hosts appreciation luncheon for U.S. and China interns at Global HQ, Missouri, USA

SEPTEMBER

Novus joins Meds and Food for Kids capital campaign with Thad Simons, Novus CEO, as Steering Committee Chairman

Novus Global HQ landscaping nominated for Urban Conservation Award by St. Charles County Soil and Water Conservation District, Missouri, USA

OCTOBER

Novus partners with the International Egg Commission to celebrate Annual World Egg Day with major nutritional awareness campaigns in Nigeria, Morocco, and Kenya as well as Missouri, USA

Novus conducts first "Training-of-the-Trainer" program in Mekong Delta, Vietnam, in partnership with Heifer International

Novus Responsible Care Management System certification at global headquarters renewed by the American Chemistry Council

NOVEMBER

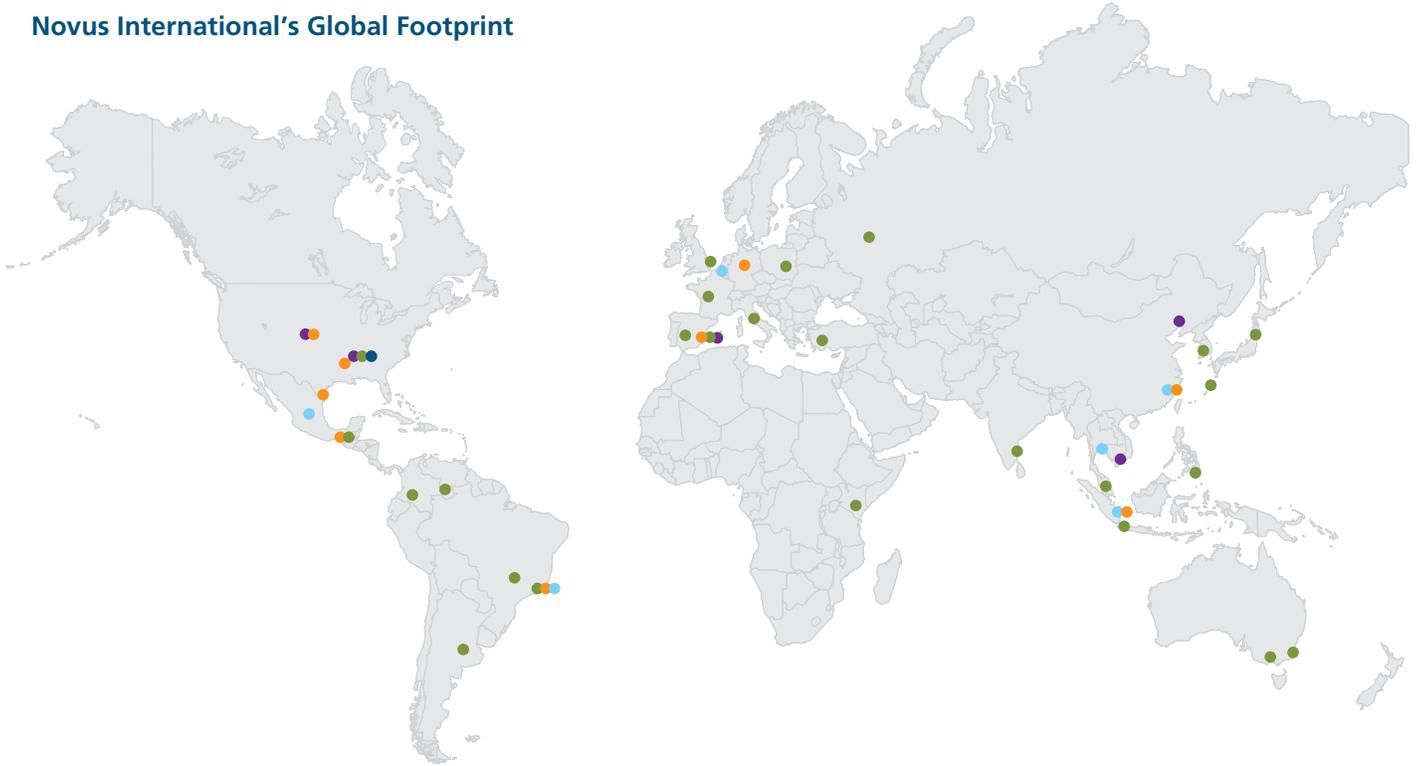
Ribbon-cutting ceremony at Green Acres Research Farm, Missouri, USA

DECEMBER

Stratum Nutrition establishes laboratory and office space at the plant and life science research park at the Danforth Science Center, Missouri, USA

Goal of \$150K in contributions from Novus USA employees plus company match for the United Way campaign achieved

Novus International's Global Footprint



GLOBAL HEADQUARTERS

St. Charles, MO

REGIONAL HEADQUARTERS

Mexico City, Mexico
 Brussels, Belgium
 Indaiatuba, Brazil
 Shanghai, China
 Bangkok, Thailand
 Singapore

MANUFACTURING PLANTS

Lincoln, NB
 Chocolate Bayou, TX
 Little Rock, AR
 Beaumont, TX
 Cordoba, Mexico
 Indaiatuba, Brazil
 Gudensberg, Germany
 Shanghai, China
 Singapore
 Constanti, Spain

RESEARCH FACILITIES

Lincoln, NB
 St. Charles, MO
 Beijing, China
 Reus, Spain
 Ho Chi Minh City, Vietnam

MAJOR SALES OFFICES

Cordoba, Mexico
 St. Charles, MO
 Bogota, Columbia
 Caracas, Venezuela
 Porto Alegre, Brazil
 Indaiatuba, Brazil
 London, England
 Nantes, France
 Madrid, Spain

Tarragona, Spain
 Warsaw, Poland
 Milano, Italy
 Moscow, Russia
 Istanbul, Turkey
 Chennai, India
 Ho Chi Minh City, Vietnam
 Kuala Lumpur, Malaysia
 Nairobi, Kenya

Tokyo, Japan
 Seoul, South Korea
 Taipei, Taiwan
 Manila, Phillipines
 Jakarta, Indonesia
 Sydney, Australia
 Melbourne, Australia
 Buenos Aires, Argentina

The above locations represent the primary sales, manufacturing and research locations of Novus around the world. In order to serve customers in over 90 countries, Novus employs small local sales and service teams in many additional locations.

How can we continue to advance global sustainability?



Message from the CEO

Innovation with Integrity is the theme we have chosen at Novus to commemorate the 20th Anniversary of our business and as the common thread which frames the content of our 2010 Sustainability Report. Innovation is central to our culture at Novus and has been since our inception. In the context of our global society, innovation is the key to feeding the world affordable, wholesome food in the future.

Novus is part of the value chain of food production, a role we approach proudly and with a sense of great responsibility. The subject of food is both complex and controversial. Discussions about food—including the social, economic and environmental impacts of all aspects of food production—seem to be happening everywhere today, from the classrooms of the most elite academic institutions to developing countries where people are rioting due to a lack of food security.

There are many complex questions weighing on the food industry today, including:

How will we meet the food demand of our growing population?

What are “best practices” for agriculture and food production?

How do we increase the nutritional value of calories consumed to achieve a higher quality of life for people of all socioeconomic circumstances?

A real challenge to feeding the world in the future is the existing agricultural productivity gap. Meeting the coming demand for food on our planet within agriculture’s existing environmental footprint will require increasing agriculture productivity from 1.4% to 1.75% annually.

It is not just about what we need to accomplish in the future. Today, the world produces enough food to feed our existing population, but still 1 billion people suffer from malnutrition and food insecurity. This hunger gap occurs in the presence of plenty due to a variety of barriers preventing access to food. Technological innovation is a critical part of the solution for closing the agriculture productivity gap that challenges us today and in the future.

One thing is certain, the answers to the questions that challenge the food industry, from the laboratory to the supermarket, will not be satisfied through one perspective. There are platforms which can have a real and positive impact on how we feed the world in the future, including:

Creative partnerships through which organizations combine resources of infrastructure and human capital to make exponential impacts

Innovation frameworks based on openness, transparency and a global perspective

Global knowledge sharing models which transfer best practices in a locally relevant manner

Within the pages of this report, we have shared our approaches to working within these collaborative platforms.

The future is hopeful. We are living in a time when the world is more connected than it has ever been before. The speed of innovation and scientific discovery is constantly accelerating, offering new solutions to “fill the gap” for the world’s demand for food. As a society and an industry, we have a strong sense of clarity around “what” we must accomplish. Our responsibility, as we move into the future, is to collaborate and contribute to the “how.”

Thank you for taking the time to learn more about Novus. We welcome your ideas and comments.

Sincerely,



Thad Simons
President and CEO
Novus International, Inc.

Novus celebrates 20 years of Innovation with Integrity

Heritage and origins

For 20 years, Novus International has been developing innovative health and nutrition products and solutions for the livestock industry and, most recently, for pets and human nutrition. The 20th anniversary of Novus is a milestone both in the historic journey of the company and in the evolution of the food industry and an example of how a company can center its business interests on having a positive impact on people around the world.

Novus's history begins in the 1950s when the feed industry began focusing attention on poultry as a potentially efficient source of high-quality protein. Monsanto developed and received FDA approval for SANTOQUIN®, an antioxidative feed preservative extending the life and quality of poultry feed. Methionine was then discovered to be the essential nutrient in poultry diets that promotes greater natural growth and maintains better health. Monsanto began developing Methionine Hydroxy Analogue (MHA®) as a dietary nutrient product that would help poultry grow healthy, at a lower cost and in less time.

In the 1970s, Monsanto's feed ingredient scientists developed a liquid form of MHA® that would solve many problems that producers were experiencing with dry feeds. Poultry producers saw the new liquid product, Alimet, as a giant step forward.

A new company is formed

June 6, 1991 was the crucial date when Mitsui and Nippon Soda formed a joint venture to acquire the small Feed Ingredients Division from Monsanto, and started a new company which was named Novus International, Inc.

Novus's core knowledge of poultry nutrition and the research that developed the MHA® molecule and SANTOQUIN® feed preservative would prove to be a great foundation for product expansion and company growth. Novus chose to pursue an even greater goal of providing complete, sustainable, long-term economic solutions for our customers and began to expand and develop our product and solution portfolio.

Growing on a base of integrity

Establishing our Vision "to help to feed the world affordable, wholesome food" was one of Novus's first tasks as a new company. At the time this Vision was established, it was considered a bold goal and some questioned how Novus could realistically make a contribution. Novus was a small, business-to-business company offering two products for the poultry industry. However, Thad Simons, Novus's President and CEO, saw the potential to transform the organization's reach and impact. The leadership of the company understood that Novus's core knowledge of health and nutrition related to poultry could be beneficial to other animal species.

For 20 years, Novus's Core Values have provided the compass for our business activities, internally and externally. Working within this framework of Core Values, Novus employees have collectively brought to market over 100 new products. This innovation and agility would not be possible without a culture that combines entrepreneurial thinking within an organized framework. Our Mission, which focused on sustainability, is as relevant today as it was when it was created 20 years ago:

"Make a clear difference in sustainably meeting the growing global need for nutrition and health."

Creating a collaborative culture

Understanding our customers' business needs and looking at the agriculture industry's many complex issues from a holistic perspective compelled us to take a strategic and integrated approach. Recognizing the market drivers of animal performance, food quality, animal well-being and environmental sustainability, we determined to pursue solutions for the agriculture industry through three umbrella programs: Animal Health, Animal Nutrition and Feed Quality.

Novus field personnel, working closely with our customers, have enabled Novus to develop more than 100 products across other categories and species, including poultry, beef and dairy cattle, swine, aquaculture, companion animals and, in 2009, we entered the human nutrition market. Our Animal Health Programs utilize dietary antioxidants and combinations of gut environment modifiers to naturally support beneficial bacteria, defeat harmful bacteria like salmonella and enhance digestion and absorption without reliance on antibiotics.

Novus is committed to having a genuinely global reach, while focusing on the challenges of our customers at the local level. We work with our customers in their own

communities and understand their needs in a meaningful way. All Novus customers have the unique experience of localized research and development, local technical support, and local customer service and logistics.

Developing the agriculture leaders for the next decade and beyond

Meeting the global need for food in the future will require the effort and innovation of talented people who have dedicated their careers to the agriculture industry. This is why Novus works to develop new talent through various Novus Scholar Programs, awarding scholarships and building relationships with students, professors, and universities around the world as a contribution to sustaining the agriculture industry.

The Novus Global Scholars program supports the studies of animal agriculture students and professors through financial funding and internship experiences. The program collaborates with participating organizations and universities around the world in countries including Brazil, China, India, Kenya, Korea, Thailand, Vietnam and the United States. More than just funding, Novus invests time and internal resources in these programs, inviting students to research in our laboratories and collaborate on projects. The ultimate goal is to share knowledge that will better prepare the next generation of leaders in agriculture to have a positive influence on their local communities and the world.

Contributing to a sustainable future

For nearly two decades now, each Novus strategy has been framed by our Vision, Mission and Core Values. This story comes full circle when considering that the United Nations has projected that the world population will reach more than 9 billion by 2050 and has called for a 100 percent increase in world food production coming from virtually the same land area as today. Getting more from the same resources can only come from the technological innovation of companies like Novus.

Novus will continue our commitment to making the contribution that can meet the global demand for food. Our contributions can be most impactful by leveraging R&D, continuing market diversification, and the support of local agricultural communities from small-holder farms to multi-national operations. The entire value chain of food production must work together to create and share best practices.

Today and beyond

Novus has grown strategically and organically. Today, Novus has employees working in over 90 countries, serving over 2,500 customers worldwide.

The most exciting part of the Novus story will always be what lies ahead for a company of committed individuals who take up the cause of helping to feed the world with passion and who advance *Innovation with Integrity*.



NOVUS® 20 YEARS
INNOVATION WITH INTEGRITY

How does Novus innovation increase global food availability?



“The global food system will experience an unprecedented confluence of pressures over the next 40 years. On the demand side, global population size will increase from nearly seven billion today to eight billion by 2030, and probably to over nine billion by 2050; many people are likely to be wealthier, creating demand for a more varied, high-quality diet requiring additional resources to produce. On the production side, competition for land, water and energy will intensify, while the effects of climate change will become increasingly apparent. The need to reduce greenhouse gas emissions and adapt to a changing climate will become imperative. Over this period globalization will continue, exposing the food system to novel economic and political pressures.”

(Foresight. The Future of Food and Farming (2011) The Government Office for Science, London.)

“In developing countries, climate change will cause yield declines for the most important crops. South Asia will be particularly hard hit. Climate change will have varying effects on irrigated yields across regions, but irrigated yields for all crops in South Asia will experience large declines. Climate change will result in additional price increases for the most important agricultural crops – rice, wheat, maize, and soybeans. Higher feed prices will result in higher meat prices.”

(Climate Change Impact on Agriculture and Costs of Adaptation (2009) International Food Policy Research Institute.)



Leading solutions to food access and food security

There is no limit to the numbers of analyses and research papers that have been written about sustainable food supply and food security for ourselves and our future generations. No matter where you look, or whatever research findings you study, the conclusions are unmistakable:

- Demand for nutritious food will increase significantly over the next 40 years.
- Pressures due to climate change and resource scarcity will challenge increased, affordable, wholesome food supply in the quantities needed.
- Sustainable food supply systems and sustainable agriculture are crucial factors in overcoming the challenges to ensure safe, nutritious food availability over the long term.
- Technology and collaborative partnerships are critical to achieving global food security.

In addition, urbanization, which now approaches levels of over 60% globally, has caused a move away from agriculture as a core occupation in many regions, thereby limiting the number of committed and skilled people who dedicate their energies to ensuring ongoing food supply at the required levels.

A collaborative culture will be necessary to rise to these challenges. At the heart of our business is a vision to help feed the world affordable, wholesome food, supported by innovation, based on safe scientific solutions. These solutions raise food production efficiency on an unprecedented scale, while mitigating the effects of climate change, improving food safety and enhancing the ability of local farming communities to maintain a fair livelihood.

Platforms from which Novus seeks to contribute to solutions for greater food access and food security include:

- **Innovative livestock nutrition solutions** that improve animal health, extend longevity and improve the reproductive life of poultry, pork, beef, dairy and aquaculture markets.
- **Working locally with customers** to provide tailored solutions to support them in optimizing productivity cost and reducing environmental impacts.

- **Engaging in research** to identify the biological factors in animals that affect global food supply and establishing platforms all over the globe to convert this knowledge into improved food security.
- **Advancing knowledge transfer in emerging markets** of best animal care and nutritional practices, providing the tools to help farmers become more efficient and more productive.
- **Doing business in a way which cares for the planet.** Novus makes every effort to reduce the direct environmental impacts of manufacturing and logistics operations and tracks environmental metrics to ensure careful control of all activities.
- **Doing all of the above with integrity.** The Novus Integrity System is at the heart of all we do.

In this report, Novus provides examples of how our products and services contribute to increasing global food access and food security in a sustainable way.



“While dairy producers have been the model of efficiency and productivity over the past six decades, the industry is under increasing pressure to produce more high-quality output with fewer inputs. With a growing world population, more improvements are vital to the continued success of the industry.”

Stephanie Gable, Global Marketing Manager, Ruminants

The following are examples of how Novus innovation contributes to food availability around the world.

Making livestock production more efficient

The number one cost associated with the production of livestock protein is the cost of feed inputs, which can in some cases account for nearly 70% of the cost of the finished product. A livestock producer has the greatest leverage over

food prices by directly containing the cost of feed and by improving the efficiency of conversion of feed into food.

Through the application of technology, sustainable science, and improved management techniques, the global poultry industry is a highly efficient livestock protein producer in terms of converting input resources into food for people. In many emerging economy markets, the poultry industry, through production of eggs and meat, gives local populations the opportunity to improve their



earning power to feed their families, access healthcare and educate their children. Eggs and poultry meat improve the nutritional well-being of consumers around the world.

Many of Novus technologies are focused on improving the efficiency of livestock production while at the same time moderating the cost of production. Novus's methionine feed supplement (ALIMET®), allows increasingly efficient and cost-effective poultry production by helping to optimize the nutritional inputs required for poultry production. In 2010, Novus supplied this supplement to nearly one third of all broiler chickens produced globally, which is more than 15 billion birds. This has allowed highly sophisticated poultry producers to maintain optimal efficiency while at the same time enabling emerging producers to be more efficient and cost effective, producing the same amount of food with fewer resources. Novus's enzyme line (CIBENZA™) is also focused on producing more food with fewer inputs, enabling producers to use significantly lower quantities of soybeans, corn or other dietary energy sources to produce the same amount of food. Novus customers who have implemented these products around the world are able to produce more food with fewer resources while generating less waste. Also, Novus's mineral line (MINTREX®) is a highly bioavailable supplement that enables poultry producers to use lower levels of minerals (zinc, manganese, copper). This reduces overall costs, and improves environmental sustainability by reducing the excretion of minerals into the environment.

Teaching sustainable livestock practices

In 2009, Novus entered into a multi-sector partnership designed to offer small-scale family poultry farmers in Alagoas, Brazil, a way to produce more affordable protein and improve the quality of life for their families and local community. Novus's partners in this program include: local government leaders in Alagoas, Globoaves (Brazil's largest producer of day-old chicks and fertilized eggs); Sebrae (a state agency for micro business development) and the State University UNEAL (Universidade Estadual de Alagoas). In addition to providing funding, Novus joined the partnership to contribute knowledge training to farmers about poultry nutrition and animal husbandry.

The objective of the five-year program is to provide 16,000 families with a starting allocation of chickens, know-how and training to enable them to build a sustainable livelihood and increase affordable food availability in the region. Novus is strongly committed to the program, providing ongoing

support by training field agents who transfer knowledge to participant farmers. Additionally, we are sponsoring a student at UNEAL to work on assessing the quality of indigenous plants in feed production to enable farmers to use local raw materials at lower cost than imported feedstocks.

During 2010, Novus completed the education of the first group of field training agents and assisted in selecting the first farm families to participate in the project. One hundred families received approximately one hundred chickens each and their task was to nurture the chickens until they reached market weight (around 2.5kg). Some families then improved their own quality of life by using their chickens as a source of nutritious protein for themselves. Others were able to sell chickens in the local market, thereby producing a much-needed source of income for the families in the project, and affordable food for those buying the chickens. This project will continue in the coming year with a goal of expanding the program to include hundreds of additional families in 2011.

This innovative model developed by Globoaves and Novus is proving to be a significant contribution to establishing a sustainable source of food and income for the low-income communities of northern Brazil. Opportunities to re-apply this approach have already been identified and talks have been initiated with neighboring local governments. This is one of many ongoing projects and collaborations in which Novus engages to make a contribution to local and global economies.

For more information about Globoaves, please visit: www.alimentos-en.globoaves.com.br

For more information about SEBRAE, please visit: www.sebrae.com.br

For more information about UNEAL, please visit: www.uneal.edu.br

Reduced poultry mortality rates

A Novus customer, a poultry breeding company in Kenya, specializing in production of day old broiler chicks, achieved reduction of over 6% in broiler mortality rates after starting to use Novus's ACIDOMIX® (organic acid preservative pre-mix) solution. Laboratory tests showed that most of those mortalities were due to heavy bacterial infection. Regular inclusion of ACIDOMIX® in poultry feed enabled healthier animals and higher productivity for our customer, in line with our mission of increasing food availability through science.



Achieving a higher ROI on egg production

A valued Novus customer is using Novus chelated trace minerals with a zinc and manganese blend in older flocks of egg-producing layers. This customer is one of the largest organic feed manufacturers in the United States and produces over 40 million dozens of eggs each year. Use of Novus's MINTREX® chelated mineral products have enabled our customer to gain a return of \$4.6 to every \$1 they invest in the Novus program. The return on investment is driven by the increase of salable eggs as a result of improved shell quality.

Increasing fish production with same feed volume

Consumer demand for fish-based protein in emerging and developed markets is on the rise. At current market demand, 37 million tons of aquaculture fish are produced annually and this figure will continue to increase. Yet, the traditional model uses ocean fish for producing fish meal to supply aquaculture production. As producers look for cheaper, more renewable feedstocks, vegetable protein, especially soybean, has become an increasingly attractive ingredient in the feed mix. However, vegetable protein requires assistance to increase its bioavailability for aqua species.

Novus technology, which enhances the digestibility of vegetable protein, allows for considerable reductions of fish meal inclusion in aqua diets, up to 80%, depending on the species. This optimized **Health through Nutrition** approach is accomplished through a highly cost efficient feed supplement solution blend. Novus's proprietary blend of Gut



Environment Modifiers influences the gut flora (microorganisms that live in the digestive tracts) of shrimp and other species, effectively enhancing their ability to cope with stressful culture conditions. As a result, animals eat better, digest more and grow faster, all the while reducing the waste of uneaten or non-digested feed into the surrounding system.

Raising fish with lower waste

In the past 25 years, the salmon industry has achieved an increase in productivity from 15 to 20% while reducing nitrogen waste by four fold. Novus probiotics (live microorganisms which confer a health benefit) assist with the stability of pond cultures, thereby helping to maximize pond water carrying capacity and enhancing overall fish health. In this way, more fish are grown with less water, as the water is less toxic, and less overall waste results. In India, shrimp culture showed increases of efficiency and optimization when using optimal pond management techniques, including Novus probiotics.

Reducing bovine methane emissions

In Spain, Novus manufactures natural based essential oils. These oils, when delivered in the right feed mix, will both improve productivity of milk in dairy herds while delivering between a 25%-50% reduction in methane emissions from cows. Methane emissions are 23 times more powerful than carbon dioxide in terms of their contribution to global warming. Cows emit methane through belching and flatulence and it is estimated that they cause around 18% of overall global

greenhouse gas emissions. During 2010, Novus commenced extensive trials on essential oils products to determine emission levels and benefits for sustainable agriculture.

Offering alternatives to antibiotics in animal feed

Natural essential oils and organic acids improve the bioavailability of feed to animals, enabling a reduction in the quantities of feed required while providing powerful antibacterial effects as well. This effective combination provides an alternative to antibiotics. In Europe, there are strict regulations limiting antibiotic growth promoters (AGP) use in livestock, while in other parts of the world AGP serve an important purpose to producers. Novus's solution enables farmers to have alternative choices as they seek to achieve higher productivity.

Solving salmonella issues and improving productivity

One of the key problems for the poultry industry is the potential for disease to impact the health of poultry and the productivity of the poultry value chain and ultimately, the availability of wholesome, affordable food. As a measure of animal welfare and to drive profitability, poultry producers around the world take the utmost safety measures to ensure the animals in their care are disease-free.

In Turkey, in 2010, Novus worked with one of the largest poultry integrators in the country, together with veterinarians, nutritionists and other staff to develop a program using Novus's nutritional feed acid. This product provides a combination of liquid organic and inorganic acids and has been proven to produce a strong anti-microbial effect, as well as act as an aid in increasing feed intake. Novus worked with our customer to develop a program that provided pH meters and training for farm staff on maintaining appropriate controls to prevent bacterial growth. The success of this program was measured in healthier animals, revenue benefits for the customer and environmental benefits of reduced resource consumption.

“Our animal feed products are designed to ensure the optimum absorbable amount of nutrients possible, which in turn reduces the contamination of ground water. We're proud of the commitments we've made to the environment and the impact they will have in the future.”

Tom Hampton, Research Manager

How does Novus innovation contribute to improved nutrition?



Improving nutrition is at the heart of Novus innovation

“Agriculture should be driven by nutrition goals — what else is agriculture for? We need to move from the era of thinking of improved nutrition as an optional extra objective to one where it is a *raison d’être*.”

Lawrence Haddad, Director of the Institute of Development Studies, University of Sussex, United Kingdom. Source: Scidev.net, 2010.

At Novus, health and nutritional goals for animals and people are at the heart of our innovation process.

Novus innovation is driven by an understanding of the product functionality required to meet customer needs, as well as the expectation of the ways products will be used in practice and in combinations with other products. At the same time, Novus product development experts assess the likely environmental impacts and benefits of the products and their overall effects on the agricultural ecosystem. All Novus innovation takes the long-term view, considering both the product and the process from a customer standpoint and making use of our collaborative relationships with our customers to ensure that optimal innovative solution is delivered.

The following stories provide tangible examples of solutions resulting from our collaborative innovation process.

Eggs: The Super-Food

Did you know?

- Eggs are one of the most nutritious and economical foods to produce and purchase and can be used to help fight hunger, malnutrition and starvation.
- Today, an average hen will lay over 250 eggs in a given year.
- One egg contains 13 essential vitamins and minerals including Vitamin D. These nutrients can benefit people of any age.
- Egg yolks are an excellent source of choline, an essential nutrient that contributes to fetal brain development and helps prevent birth defects. Choline also aids the brain function of adults by maintaining the structure of brain cell membranes.
- Egg protein is a key component of the neuro-transmitter system that helps relay messages from the brain through nerves to the muscles.
- The high-quality protein found in eggs is digested more slowly than other nutrients, so it has been shown to help people stay energized.

Novus Celebrates World Egg Day in Africa and the United States

Novus spreads the egg nutrition message in Africa

In October 2010, Novus embraced the celebration of eggs as a nutritional food in World Egg Day events around the world. Novus partnered with egg industry associations in three countries in Africa to promote the nutritional benefits of eggs with the objective of raising the awareness of parents, children, educators and adults of the importance eggs play in a nutritious and healthy diet. Novus prepared resource kits for egg industry associations in Africa to utilize in schools, clinics and workplaces. The materials in each kit carried the message “I Know the Truth About Eggs” and directed users to the informational web site, www.eggtruth.com. The kit included educational brochures, posters, postcards, T-shirts and a children’s coloring book. In addition, during the week preceding World Egg Day, Novus distributed 100,000 pre-paid cellphone cards in Morocco, Kenya and Nigeria, in order to ensure the message reached a large section of the community. Pre-paid cellphone cards are a very effective means of reaching out to local community members in emerging economy countries who use the cellphone as a primary method of communication and connectivity. The pre-paid cards carried a message about the nutritional value of eggs and also directed users to the Eggtruth.com website which they could also access from their cellphone units.

“As eggs are the most accessible, affordable and easy to prepare food, our extensive assistance in providing marketing materials to raise awareness for these proteins demonstrates our commitment to the industry and to food security.”

Scott Carter, Ph.D., Global Market Manager, Poultry



Novus helps American schoolchildren understand the value of eggs

In October 2010, Novus employees partnered with a St. Louis-based elementary school to celebrate World Egg Day. To start their day, Novus provided schoolchildren and educators with a nutritionally balanced breakfast incorporating eggs. Novus also facilitated an interactive educational assembly about eggs and their value in supporting our quality of life. Novus nutritionists provided the schoolchildren with easy to understand science-based information about the nutritional protein value eggs provide the human body.

Raising awareness of eggs benefits in China

The China Egg Quality Development Forum hosted by the China Animal Agriculture Association was held in July 2010 in Beijing. Over 250 people in the egg related industry participated in the forum in which local and global experts reviewed the future development of China's egg industry and ensuring best practices for food safety as related to eggs. Novus was a sponsor of this event and Novus's senior managers in China participated in the discussions and provided insights on how to improve egg quality.



Michael Whitmer, Marketing Manager, Poultry, enjoys sharing Egg Day with elementary school students.

“Eggs are an important part of our business at Novus. I really enjoyed educating my colleagues on the history, benefits and varieties of eggs on the market.”

Jared Hux, Product Manager



Pork helps feed the world

Did you know?

- Pork is the most widely eaten meat in the world, accounting for about 38% of meat production worldwide.
- USDA research reveals that six of the most common cuts of pork are 16% leaner and contain 27% less saturated fat than they did 17 years ago. As a lean protein option, pork can be part of a heart-healthy diet.
- One serving of pork tenderloin is loaded with vitamins and minerals. It's an excellent source of many B-vitamins and a good source of other nutrients including phosphorus, zinc and potassium. It's also naturally low in sodium – only 2% of the Daily Value per serving.

Sow Longevity Program

Novus conducted a three year trial on 42,000 sows between 2007 and 2010. The trial showed unequivocally that adding our chelated trace mineral blend to the sows' feed improves the overall health of the sow and increases reproductive longevity, supporting the provision of higher quantities of more nutritious food globally.

This Novus program is relevant to producers from an animal welfare and long-term profitability perspectives. Trace minerals play key roles in immune function, structural integrity of tissues, defense against oxidative stress and enzymatic activity. Chelated trace minerals are bound to an organic ligand that helps to improve their bioavailability. This strong bond creates a stable complex in the upper gastrointestinal tract of the animal and can reduce losses due to factors affecting optimal absorption. Supplying sows with a source of highly bio-available chelated trace minerals was proven in Novus's unprecedented three year sows trial involving over 16,000 sows and collecting over 40,000 data points. Sows that were supplemented with the chelated mineral mixture had more total piglets born, produced heavier piglets at birth and exhibited overall improved survival rate and positive health responses. In this trial we discovered how to improve the lifetime performance of sows.

“Overall sow performance is very critical to pork production systems due to its impact on economic outcome and animal well-being considerations.”

**Randy Anderson, Senior Director,
North American Sales**

Cows are an invaluable source of dairy protein

Did you know?

- There are about 920 different breeds of cows in the world.
- The average cow drinks over 100 liters of water and eats about 45 kg of feed per day.
- There are about 9 million dairy cattle in the U.S., and dairy cows can make more milk than in the past. In fact, there are about 13 million fewer cows than there were in 1950.
- The average milk produced by a single dairy cow in the U.S. is over 9,000 kg per year.

Dietary trace minerals play a significant role in balancing dairy cows' nutritional requirements. One three-month field trial conducted at a mid-sized California dairy farm tracked the relative health of 700 cows using the Novus trace mineral feed supplement MINTREX®. The outcome of this trial showed a noticeable reduction in somatic cell count, one of the indicators of milk quality, in cows receiving MINTREX®.

Somatic cells, a type of white blood cell, are produced inside the udder of the dairy cow in response to bacteria challenges. High somatic cell counts are generally associated with mastitis, or infection of the udder in lactating animals. While infections must be treated to keep the cows healthy and productive, a solid nutritional base that starts with proper diet can reduce the amount of antibiotics required to maintain good health of the dairy herd.

Novus nutritional technologies are focused primarily on the dietary health of the animal – the healthier the cow, the lower the somatic cell count and the higher the nutritional quality of milk produced is obtained. By maintaining cow health through proper nutrition, the end products such as milk, butter and cheese are of a higher quality for the consumer. Improved nutritional care for cows also results in favorable economic outcomes for dairy farmers and consumers because good cow health creates economic and environmental efficiencies in the entire milk supply chain – there is less rejected milk, for example, which means fewer resources are wasted. For more information about the Novus C.O.W.S. program for dairy cow well-being, please see the section in this report: “How do we respect animal well-being?”





Aquaculture – the new promise for global nutrition

Did you know?

- Over 1 billion people across the world rely on fish as their main source of protein, mostly in developing countries.
- The average American consumes over 7 kg of fish and shellfish per year.
- The proteins derived from fish, crustaceans and molluscs account for between 13.8% and 16.5% of the animal protein intake of the human population.
- Worldwide, about 13 million people make all or a major part of their living from fishing.
- The average contribution of aquaculture to per capita fish available for human consumption rose from 14% in 1986, to 30% in 1996 and to 47% in 2006; and, it can be expected to reach 50% in the next few years.

In demonstration of Novus’s commitment to supporting sustainable aquaculture, the Novus Aqua Research Center (NARC) was established in collaboration with Nong Lam University in Ho Chi Minh City, Vietnam. NARC was built from ground up and had its inaugural opening in late 2008. NARC’s main goals, as Novus’s center of excellence for Novus Aqua worldwide, is to conduct research for the development of innovative science-based products and to be an aquaculture resource center through its interactions with industry stakeholders. NARC, the only dedicated research center in the region, is staffed with accomplished researchers who are committed to sustainable aquaculture.

During 2010, Novus expanded research activities with NARC. The 1000 m² research center has an office space, laboratories and aquarium research facilities. General laboratory capabilities include molecular biology, protein analysis, biochemical analysis, flesh quality analysis, microbiology and water quality analysis. The ability to produce experimental feeds provides Novus researchers with the flexibility to study specific ingredients and additives of interest. The recirculating aquarium systems consist of tanks that allow for multiple independent experiments to be performed concurrently.

“We are learning more every day about the importance of sustainable aquaculture. We know that aquaculture is going to play a large role in the future of feeding the world affordable, wholesome food.”

Craig Browdy, Ph.D., Senior Manager, Aquaculture

By working closely with local academia and research institutions, Novus contributes to the basic knowledge on physiology and nutritional requirements of the fish. Through interactions with local producers and farmers, Novus is able to target its resources into developing solutions that help the industry. For example, Novus has successfully helped Thai shrimp farmers mitigate White Feces Syndrome through the introduction of a proprietary organic acid blend. Understanding that feed cost is a major investment for producers, Novus shares its expertise in diet formulation and supplementation to assist feedmills and farmers in reducing feed costs while maintaining high quality feeds. Such work advances the overall sustainability of the aquaculture industry and assists producers in achieving compliance with new Aquaculture Certification Standards.

Improving the quality of life through food and supplement innovation

Through Stratum Nutrition, Novus partners with customers in the consumer food industry by providing functional and specialty ingredients used to enhance the nutritional value of foods, beverages and dietary supplements. The purpose of Stratum Nutrition is to provide Health through Nutrition solutions for people by leveraging unique ingredient technologies and scientific and clinical research. During 2010, Stratum Nutrition expanded its sales of over 20 different products to approximately 20 countries in the Americas, Europe and Asia. Stratum Nutrition serves both small supplement producers as well as global multinational food manufacturers.

Sustainable products within the Stratum Nutrition product portfolio have been launched through strategic partnerships with companies such as ESM Technologies and KitoZyme based on an “open innovation” model wherein the partnerships are truly collaborative, transparent and equitable. In 2002, ESM Technologies discovered the patented technology which utilizes an environmentally friendly manufacturing process to separate eggshells and eggshell membrane to optimize utilization of the nutrients within each. This led to collaboration to globally expand the use of ESM’s egg-derived nutritional ingredients based on natural eggshell membrane in dietary supplement products for animals and humans to support healthy joints and bones.

Additionally, as part of a strategic partnership with international ingredients manufacturer KitoZyme, we are working to further the science and global supply of a new chitin-glucan ingredient for healthy arteries and overall cardiovascular health. In 2010, Stratum launched the first-ever human double-blind, placebo controlled clinical trial on ARTINIA™ with world renowned experts on fiber and cardiovascular health. The trial was initiated at three different sites with 120 people. One of the key areas to be tested in this trial is the potential for Stratum Nutrition’s product to deliver a reduction in LDL, widely regarded as the “bad” element of cholesterol which promotes health problems and cardiovascular disease.

Stratum Nutrition’s three key products are as highly innovative as they are effective:

- ARTINIA™ is a high-purity, natural, vegetarian ingredient to support heart and overall health.
- NEM® is a natural food-sourced ingredient that has been clinically proven to improve joint comfort and flexibility within 10 days.
- TEAFENSE™ is a unique green tea and pepper blend for healthy aging and longevity through cell protection and a safe and efficient antioxidant.

Through Stratum Nutrition, Novus makes a contribution to human nutrition to improve both the health and the quality of life of millions of people around the world.

For more information about our strategic partners, please visit the ESM website:

www.esmingredients.com

and the KitoZyme website:

www.kitozyme.com

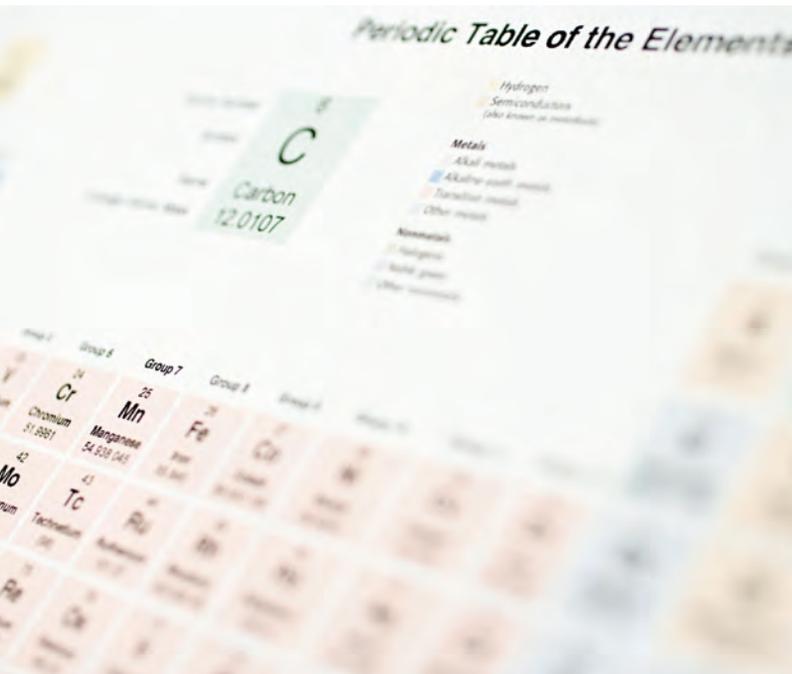
How do we increase food capabilities for future generations through science and education?



Connecting production challenges with consumer needs

Working towards the Novus vision of helping to feed the world affordable, wholesome food and achieve a higher quality of life requires not only provision of greater quantities of food but also increased capabilities to produce nutritious food in larger quantities in a sustainable way. Rural-urban migration has caused people to move away from agriculture to live and work in cities – by 2030, over 60% of the world’s population will live in urban environments. In addition to causing a potential reduction in agricultural skills, this migration process also serves to disconnect remaining rural populations from the urban marketplace for their agricultural produce.

Novus cherishes a competitive edge through helping to revive agriculture and agricultural re-skilling and recreate a love for the land, for the benefit of future generations. Increasing sustainable agriculture capabilities requires continued investment in innovative solutions through applied research and development, tailored to the needs of customers and



the agriculture sectors in different countries. Alongside the development of new solutions, Novus is passionate about proactively participating in educating farmers, processors and food manufacturers in essential aspects of sustainable agricultural practices, to ensure that these skills are nurtured

and maintained for the long term and to assist them in meeting the new urbanized marketplace challenges.

Novus makes a significant contribution to increasing current and future food supply capabilities based on Novus’s strong science-based approach and supporting awareness and education around the globe. This is achieved through the maintenance of focused research centers in different regions with targeted priorities and a strong network of collaborative relationships with universities and leading academics in many different countries. Novus also participates in technical and trade conferences and provides support for non-profit organizations which are involved in food security issues. Novus funds agricultural study scholarships to many students around the world and maintains Novus’s own sustainable farm as a hub for livestock research.

Research and Development

Spain: European Center for Research and Development

In 2010, Novus established a state-of-the-art Research Center of Excellence in Reus, Spain at the Business Centre for Innovation and Development (Cepid) Tecnoparc with a focus on developing a new, natural ingredient-based product family, including a series of innovative antioxidant, pigment, and essential oils with higher efficacy and bioavailability levels. The location of the Center offers a foothold for the expansion of Novus’s outreach to European, African, and Middle Eastern customers and is a perfect complement to Novus’s Spain-based manufacturing facility. The Center employs a full-time staff of scientists and regulatory affairs specialists. Research at the new facility has already resulted in several solutions for improving gut health in livestock species. For more information about Cepid, please visit: www.tecnoparc.com.

Vietnam: Solutions for gut health in catfish at the Novus Aqua Research Center

Novus Aqua Research Center (NARC) makes a contribution to the aquaculture and scientific community with fundamental research in the fields of aquatic animal nutrition, health, environment and sustainability. Established in collaboration with Nong Lam University in Ho Chi Minh City, Vietnam, NARC is well placed to be involved in the local Pangasius industry which has grown dramatically in the past 10 years.

Worldwide, almost a billion people rely on fish as their primary source of protein and aquaculture is one of the fastest growing sectors of the food industry, offering major opportunities to optimize processes for more cost-efficient and sustainable feed formulations and explore many new fish species for the provision of human protein. A key focus of the Nong Lam Center is to develop solutions for gut health in catfish in the Asia Pacific region, supporting higher efficiency aquaculture operations. The Center at Nong Lam has developed guidelines for optimized efficient feed formulations for catfish diets. These guidelines are now utilized at 50 feed mills across the Asia Pacific region.

USA: Novus's Green Acres Research Farm

In 2010, Novus was pleased to open a new facility, the Green Acres Research and Learning Center, to provide a dedicated hub for learning and researching best practices in livestock management. Located in Montgomery County, MO, USA, Green Acres Farm is a flexible facility which

provides a dedicated center for nutritional field research and a place to demonstrate replicable models of agricultural best practices. At Green Acres we can evaluate products and programs for our customers at the farm level.

The Green Acres Research Farm includes many examples of environmental conservation. The property includes a classic 1920s farm house which was renovated by Novus and brought to Leadership in Energy and Efficient Design (LEED) Platinum certification. Other examples of environmentally sustainable technologies on the farm include: the preservation of trees and the use of drought-resistant and indigenous grasses, rainwater retention systems, including roof rain barrels and the conscious elimination of hardscapes. The farm also includes a wastewater collection system, engineered wetland septic system and a fertilizer/mulch area. Novus installed a solar energy system with a 168 solar panel array that has the annual capacity to generate over 54,400 kilowatt hours of energy. This is equivalent to powering 5 average American households for one year.



Photos of Green Acres Research Farm, including (top left) Mercedes Vazques-Anon, Ph.D., Director, Animal Nutrition Research, speaking at the Green Acres Ribbon Cutting ceremony.

Technical conferences

On the road for better nutrition and feed quality

China's population is growing from the perspective of population and income level. Sustaining a food supply for the population of China is becoming increasingly challenging as the cost of ingredients rises and new food safety regulations are adopted. Remaining cost effective without compromising food safety and food security has become a major concern for producers in China. Novus is working with our Chinese customers to navigate these challenges while remaining competitive and profitable. In 2010, Novus engaged in a large-scale educational program to provide Chinese pork producers with practical assistance to address the challenges relevant to their businesses. The Novus China Swine Road Show began in Guangzhou, South China and continued north, stopping in a total of eight cities. The Road Show included five public symposiums, several in-house customer training events and personal meetings between Novus scientists, our customers and industry experts. Symposiums were attended by an average of 200 technical and management personnel from feed mills and swine farms.

Improving animal health and productivity

In 2010, Novus hosted a day-long customer technical forum in Bangkok, Thailand for livestock producers throughout the South East Asia region. As part of this interactive event, Novus scientists showcased nutritional tools for increasing mineral absorption and enhancing the amount of minerals available to an animal's cells and tissue.



Chris Knight, Ph.D., Senior Vice President, Research and Development, leads panel at animal science symposium.

Application of these best practices results in improved animal health, longevity and productivity. Additionally, the proper balance of chelated trace minerals improves bodyweight gain, feed conversion ratios and mortality.

“Overall, sows fed MINTREX® had significantly improved production with two additional piglets per farrow more than the control as well as improved piglet birth weights.”

Ted Bowman, Sales Director, South-East Asia Pacific

Examples of research presented during the Bangkok, Thailand Customer Technical Forum include:

- Novus case studies, based on years of research on sows, which were presented to demonstrate improved lifetime sow production in a commercial farm through use of chelated trace minerals.
- An aquaculture research study with shrimp and catfish that demonstrated that significantly reduced amounts of chelated trace minerals produced growth levels more effectively than inorganic equivalents.
- Research with broilers in Brazil that demonstrated greater skin integrity, enhanced gut health and reduced skin abrasions. These improvements also resulted in a reduction of downtime for processors.

Conversations about animal husbandry

In 2010, Novus participated in the China Animal Husbandry conference in Beijing. Attendees from more than 850 companies visited the Novus booth, which focused on the topic of feed quality for swine, poultry, and ruminant livestock operations. Many Novus feed quality experts from China were on hand to speak to customers about opportunities to improve the quality, safety and cost-efficiency of livestock feed.

Improving profitability, productivity and sustainability

During 2010, Novus Thailand hosted a series of seminars and industry events with the American Soybean Association International Marketing (ASAIM). The program included three seminars in Bangkok with Dr. Craig Coon, a leading and highly respected nutritionist, as keynote speaker. The seminars were attended by more than 250 nutritionists, consultants, academics, students and other industry stakeholders. These seminars provided technical expertise to support producers in improving the profitability, productivity and sustainability of their enterprises. Additional seminars were held with Dr. Coon in Indonesia and Australia.



Duarte Diaz, Ph.D., Global Feed and Food Quality Market Manager, engages with customers.

Improving pig health, protecting the environment

As part of the Novus participation in the prestigious EuroTier2010 exhibition in Hannover, Germany, Novus organized a technical reception for approximately 100 customers and business partners from Europe and the Middle East. The theme of the reception was the Importance of Advanced Trace Mineral Nutrition. Dr. Age Jongbloed, a well-known Dutch nutritionist, who has been studying the environmental impacts of animal production for over 15 years, gave a presentation entitled “The environmental impact of trace mineral nutrition in pig diets: concerns and solutions.” Additionally, Dr. Jongbloed addressed the negative impacts of animal nutrition practices which lead to trace element accumulation and groundwater pollution, highlighting the need to reduce trace element levels in feed and to improve the technology by using trace element compounds of higher bioavailability.

These topics were quite relevant because there is a high level of awareness and regulation related to environmental protection in Europe. In addition to measurably reduced environmental impacts, Novus chelated trace mineral nutrition program is research-proven to improve livestock health.

Partnering for sustainable agriculture education

As part of Novus’s ongoing commitment to advance best practices in agriculture and nutrition, we have partnered with Heifer International. Heifer International is a non-profit organization whose goal is to help end world hunger and poverty through self-reliance and sustainability. In partnership with Heifer, Novus has implemented a 5-year project to improve the livelihoods of rural, smallholder farmer households in the Mekong Delta, Vietnam.

The Mekong Delta is one of the largest and most fertile deltas in South East Asia. The region produces rice, fruit and more than 50% of Vietnam’s seafood production as well as 60% of the country’s seafood export revenue. A combination of misuse of aquatic resources and climate change are threatening to damage the region’s ability to maintain its seafood output. Through the Novus-Heifer partner program, farmers on the Mekong Delta are learning improved ways of earning a livelihood through the adoption of more efficient agricultural and aquaculture practices.

The “Train-the-Trainer” dimension to the Novus - Heifer International partnership characterizes the innovation of the relationship. During the course of the 4-day program, foreign and local technical experts provided training on livestock best management practices, programming focused key practices which will make the difference in sustainability of farmer operations including improve animal health, increasing productivity and optimizing local feed resources.



Joyce Cacho, Ph.D., Chief Sustainability Officer, and Francois Fraudeau, Executive Vice President, Livestock Business Solutions and Technology, visit with Heifer International-Vietnam participants.

The team of trainers included ruminant, aquaculture and poultry consultants and academic experts. More than 19 local Heifer Vietnam partner trainers and representatives from the Mekong Delta provinces participated in this innovative

workshop. In preparation for the workshop, technical experts supporting the program visited local farmers in the Mekong Delta to ensure that topics addressed would have relevance for the local community. Key outcomes from the workshop were developed through group activities where participants applied their learning to design two multi-species management and feeding strategies that incorporate local resources and that are specifically aligned to local needs.

For more information about Heifer International, please visit: www.heifer.org

Fish nutrition and sustainability

This past year, nearly 600 scientists and nutritionists from around the world attended the 14th International Symposium on Fish Nutrition and Feeding in China where Novus was a primary sponsor. The theme of this year's Symposium was Sustainability, Quality and Safety. During the Symposium, Novus presented solutions for low-fishmeal diets as a means to help reduce costs and the use of fishmeal. During the event, Novus also sponsored a workshop lunch to discuss nutrition, health, feed additives, sustainability, environment and welfare.

Partnering for training in Food Safety

China's food industry has been rapidly developing over the past decade. A large number of new technologies, processes and materials have been introduced into the food processing and distribution industries. Food safety and quality assurance have become a topic of great importance to the government, industry and the general public in China. The "Food Safety Law of People's Republic of China" in June 2009 embodied the Chinese government's strong determination to improve food safety and protect health.

This new body of regulation prompted a collaborative initiative led by the Bor S. Luh Food Safety Research Center of Shanghai and the Shanghai Jiao Tong University to support food safety awareness and self-regulation in the food industry in China. This collaboration resulted in the establishment of the Joint Industry China Food Safety Training for Small and Medium Sized Food Enterprises (JICFST). Novus, together with several other industry partners, including Cargill, Coca-Cola, Buhler, Sino Analytical, HUSI and McDonald's, was honored to be one of the founders of JICFST. Each partner donated funds to support the establishment of the JICFST.

The JICFST developed a program covering a three-year period and three annual training sessions. The program is free to participants. The first session was held over two

days in July 2010 in Jiao Tong University. Forty industry representatives from the Shanghai and Northern China areas attended the first session. Novus will support the program during its three-year curriculum, providing training materials, guest lectures and funding.

First private sector partner for African women in Agricultural Research

African Women in Agricultural Research and Development (AWARD) is a professional development program implemented by the Gender and Diversity Program of the Consultative Group on International Agricultural Research (CGIAR) and committed to strengthening the research and leadership skills of African women in agricultural science, empowering them to contribute more effectively to poverty alleviation and food security in Sub-Saharan Africa.

Across Africa, small farms of less than 2 hectares account for over 80% of agricultural production. African women typically raise crops and small animals to manage household risk and are therefore a key part of the food supply chain in Africa. It is critical to include African women in research, innovation and policy decision-making in order to achieve a systemic reduction of chronic malnutrition and poverty while offering tremendous prospects for increasing the rate of development and economic growth.

AWARD selects women scientists and professionals from a range of fields of agricultural science, including forestry, ecology, ethobotany, and agribusiness. In addition to promoting innovative solutions that combine nutrition needs, environmental saving, and increasing farming household income, the AWARD Program provides leadership training and career development. AWARD Fellows are also involved in the mentoring of junior researchers, women's groups and girls in secondary schools.

Through the lens of triple-bottom-line sustainability, Novus partners with programs like AWARD to build the appreciation for science-based solutions to health and nutrition challenges. Investments in education support a strong platform for current scientific solutions and foster future innovation. By becoming the first private sector partner with the AWARD Program, Novus advanced its investment in the talent pipeline while cultivating a greater understanding of local agricultural challenges and solutions for regions of the African continent. Novus is committed to hosting and underwriting a total of nine AWARD Research Fellows through 2013.

The first of those Research Fellows began her attachment with Novus in October 2009. Throughout much of 2010, Dr. Filomena (Mena) dos Anjos, a senior lecturer and veterinarian at Eduardo Mondlane University in Mozambique, conducted experiments in Novus labs aiming to increase the bioavailability for chickens of feedstuffs grown by farmers in Mozambique. In January 2011, Novus welcomed its second AWARD Research Fellow. Dr. Salome Mutayoba, professor of undergraduate and graduate level Animal Science and Veterinary Medicine from Tanzania, whose work focuses on improving the nutritional value and availability of affordable chicken in the diets of rural Tanzanians.

To achieve the AWARD Program's well-articulated, accountable goals, attracting additional partners from private companies and philanthropic organizations is critical. To expand the network of supporting scientific institutions, Novus provided a grant to the William L. Brown Center, Missouri Botanical Garden to host an AWARD Research Fellow. Getting the word out about shared value and enhancing global agricultural research is well aligned with the Novus Mission to make a difference in sustainably meeting the growing global need for nutrition and health.

Primary funding for AWARD comes from The Bill & Melinda Gates Foundation, as well as the U.S. Agency for International Development. Please visit: www.gatesfoundation.org and www.usaid.gov

For more information about the AWARD program, please visit: www.awardfellowships.org

“It was very important to us to create role models who had successful careers in research. There is a need to have better understanding of nutrition and animal management. Mena, with her training, is back in Mozambique, helping the farmers there be more successful. We gain the local expertise, the knowledge of what the local farmer practices are, the grains they have available so that we can be more effective as we address customers in that country.”

Thad Simons, President and CEO

University collaboration and Novus Scholars

At Novus, we feel a deep responsibility to transfer the knowledge we gain and the technology innovations we develop to people around the world who can leverage this information to improve agricultural practices in their local communities.

Through various Novus Scholar Programs, scholarships are awarded to support the research of students and professors who are or will be industry leaders in agriculture. In addition to scholarships, Novus shares its own internal resources, industry contacts, and research methodologies to offer program participants exposure to new perspectives and practices. In addition to funding their studies, Novus also seeks to build relationships with these Scholars and offer opportunities for many of the Scholars Program participants to work within Novus research facilities around the world. In some cases, Novus Scholars become Novus employees, customers or suppliers.

The goals for the Novus Scholars Program include encouraging students in animal agriculture to develop strong research programs and gain an international perspective on agriculture, building relationships with professors and students who will be future leaders in agriculture and establishing a technical collaboration network to help develop solutions relevant to Novus customers in diverse regions of the world.

The Novus Scholars Program currently partners with Universities and Organizations in China, India, Korea, Vietnam, Brazil, Canada, Kenya and the USA. For more about the Novus Scholars Program, please visit: www.novusscholars.com

Novus Scholars: Africa

The Novus Scholars Program in Africa aims to improve education and first-hand knowledge of animal health and nutrition in the African scientific communities for livestock and aquaculture. In 2010, Novus developed a uniquely innovative program in partnership with Egerton University located near Nakuru, Kenya. Egerton offers a wide range of Bachelor of Science Degrees in agriculture and related disciplines. Novus will assist Egerton University in developing a business plan to generate revenue through offering new analytical services for the agriculture sector where the lack of robust data relating to feed content inhibits optimum agricultural outputs. The partnership will allow two Egerton employees with a

background in analytical chemistry and laboratory analysis to receive hands-on training at Novus's Missouri Research Laboratories for a period of three months. Once training has been completed, Novus will assist with equipping and developing an analytical laboratory at Egerton University. This laboratory will serve the East Africa regional feed industry. This program goes well beyond a simple investment in young scientists. It provides a platform for empowering communities and supporting local sustainable income through agriculture.

Novus Scholars: China

The Novus Scholars Program in China welcomed the 5th Class of Scholars for the academic year 2010-2011 at the China Agricultural University. Four talented students were awarded scholarships. Novus held a seminar for students to learn more about Novus and the Scholars Program. Dr Yi, a 2010 Novus Scholar, who is now working as a technical manager in a large feed mill group in China, presented his experiences from the Scholars Program and his visit to Novus to the new students.



Graduate Scholars from China at Novus global headquarters.

During the summer of 2010, ten previously selected Novus Scholars from China and Hong Kong visited the Novus HQ and research facility to learn about the global agriculture industry and to partner with our scientists on research relevant to their local market needs. The selection process was based on a comprehensive evaluation of the candidate's abilities including a research proposal submitted by the candidate and recommendations from senior academic personnel, as well as a face-to-face interview.

Overall in China, the Novus Scholars Program engages with eight agricultural universities in China and supports the development of internationally competitive research programs for promising young scientists specializing in the field of animal nutrition and health. After the candidates have been selected, they are paired with a Novus R&D nutritionist in

the field of their research interest for mentoring purposes. The mentor follows the student through his research and, in some cases, works with the student on research projects.

Novus Scholars: Vietnam

In 2010, Novus committed to award two scholarships each academic year to graduate-level students of Nong Lam University in their aquaculture studies. In addition to scholarships, Novus will share its own internal resources, industry contacts and research methodologies to offer program participants exposure to new perspectives and practices. These scholarships are awarded in the context of the wider collaboration between Novus and Nong Lam University and supported by the Research Center that Novus has established on campus. The extensive, state-of-the-art facilities Novus installed in the research center assist students in their studies and research.

Novus Scholars: USA

In April 2010, Novus held its Second Annual Science in Action Day. This event is an opportunity for college students from across the state of Missouri to gain valuable insight into different science-based careers. The students are recipients of science scholarships through the Missouri College Fund scholarship program. Through the Missouri Colleges Fund, Novus funds scholarships for students at sixteen Universities across the state of Missouri each year. The Missouri Colleges Fund is a partnership of private enterprise and independent colleges and universities in Missouri. The mission of the Missouri Colleges Fund is to acquire resources to help educate students in private liberal arts colleges and universities. The Fund accepts grants for Named Scholarship Aid, funded at a minimum of \$1,000 which may be designated by the donor for certain programs, major fields of study or student population.

These scholarships are important to Novus as an investment in science and agriculture and also as an opportunity to engage with undergraduates as they consider a career in science. The 2010 scholars toured Novus headquarters and the Novus Green Acres research farm. The group also participated in panel discussions with science professionals representing a wide range of careers showcasing science applications. For more about the Missouri Colleges Fund, please visit: www.mocollegesfund.org

INTEGRITY

What role does integrity play in running our business?



We act with integrity

Integrity is fundamental to the way we run our business, and it is the platform which underpins everything we do at Novus. Integrity is one of our five Core Values.

We act with integrity.

We treat all of our stakeholders—including employees, customers, suppliers, business partners, our owners and the public—in a fair and ethical manner.

However, values are meaningless unless they are acted upon, so at Novus, we take great care to ensure that all our people not only understand and commit to Novus values, but we also relate this to how it translates into individual behavior.

A practical framework for integrity in all we do

The Novus Integrity System (NIS) is the key framework which ensures that we all act with integrity at Novus. Adopted by the Novus Board in 1998, the NIS defines policies and expectations of all employees with regard to conflicts of interest, all forms of corruption, insider trading, intellectual property, antitrust and international competition laws, environmental protection, health, safety and security, anti-harassment and non-discrimination, data privacy, records management, whistleblowing and more. All new employees are trained in the NIS as part of their Company orientation, and all employees are asked to review the NIS once a year and actively confirm with their signature that their behavior is compliant. During 2010, 98% of employees reviewed the NIS and signed a declaration of conformance.

Novus offers a range of options to make it easy for employees to report suspected breaches of the NIS either in person or anonymously, without fear of reprisal. These include reporting to a Manager, a Human Resources Manager or the Chief Compliance Officer, a telephone report to the NIS Message Service, a web-based report via an external service (Ethics Point), or by letter to the Novus Legal Department.

In 2010, Novus improved the accessibility of the NIS through translation into five languages: German, Portuguese, Spanish, Thai and Chinese. Training for employees in newly acquired companies was conducted in their local language

“The trust and respect of all people — fellow workers, customers, suppliers, the community, friends, and the general public — are assets that cannot be purchased.”

Thad Simons, President and CEO



Open design provides maximum natural light in the Platinum LEED-winning design of Novus’s global headquarters.

and “refresher” training was conducted in the German language at Novus’s manufacturing facility in Germany. Novus also introduced a new web-based training module with electronic certification for all new employees. In 2010, there was one whistleblowing incident that was resolved through the Novus Compliance and Audit functions.

Corporate Governance

Integrity at Novus is also at the core of the way business leadership structures are organized and individual responsibilities are performed. Novus is committed to maintaining the highest standards of corporate governance and taking all the necessary measures to ensure best governance practices are upheld.

The Board of Directors

Novus International Board of Directors 10 Directors		
Mitsui & Co. (USA), Inc. 6 Directors including Chairman	Nippon Soda & Co. 3 Directors including Vice Chairman	Novus Executive Management 1 Director

The Board of Directors is Novus’s highest governing body and represents the interests of Novus shareholders and all stakeholders. The Board determines Novus’s long-term strategy, ensures that the necessary practices for risk management and compliance are in place, appoints the executive management and guides the Novus Executive Management Team in regard to overall sustainable business

practices. Novus’s Board of Directors is composed of 10 members, reflecting the ownership and management structure.

The shareholder representatives of the Board of Directors are selected by the two shareholders based on their skills and experience, judged to be commensurate with leadership of a large business such as Novus. As directors of a corporation formed under Delaware law, each director owes duties of care, loyalty and good faith in the director’s management of the corporation’s affairs. If a director breaches those duties of loyalty and good faith, he or she may be personally liable to the corporation or its shareholders for such a breach. Thus, the very nature of the directors’ duties requires each of them to avoid conflicts of interest that could arise between the director and the corporation and its shareholders.

The President and CEO of Novus, Thad Simons, is also a member of the Board of Directors. The Chairman of the Board is a representative of Novus’s major shareholder, Mitsui & Co. (USA), Inc. and is not an executive officer of Novus. Compensation of non-executive Board Members is determined by the shareholding companies in line with compensation policies for their employees and is not directly linked to the financial performance of Novus.

The Board of Directors assesses its own performance against economic, social and environmental factors on an annual basis at a Board Meeting discussion in which performance against established targets is reviewed and insights gained for the following year’s program.

Board Committees

The Novus Board of Directors maintains five committees which assist the Board in fulfilling its responsibilities to ensure that Novus operates in accordance with the law and with financial, social and environmental performance requirements.

Committee	Membership	Key purpose
Audit	Three Novus Directors appointed by the Board of Directors.	To assist the Board in fulfilling its responsibilities with regard to the integrity of Novus's financial statements, system of internal control, audit process, and monitoring compliance with laws and regulations.
Employee Benefits	Three Members of the Novus Executive Management Team appointed by the Board of Directors.	To ensure equitable treatment of all employees in Novus benefit programs.
Employee Compensation	Three Novus Directors appointed by the Board of Directors.	To set the annual compensation for the President, and compensation ranges for the Executive Management Team and in general ensure that Novus's compensation policy is fair, competitive and appropriate to the Company's strategic objectives.
Compliance	Eight Members of Novus Executive Management Team including the CEO, CFO and the General Counsel.	To monitor and ensure compliance of Novus with all laws and regulations including policies and standards relating to compliance.
Risk	Four Members of Novus Executive Management Team: CFO, General Counsel, SVP Operations and Head of Internal Audit.	This is a sub-committee of the Audit Committee and acts to assist the Audit Committee by identifying major strategic, operational, regulatory, information and external risks inherent in the Novus business.

Shareholder recommendations to the Board

Novus is a privately held company with two large shareholders who are represented both on the Board of Directors and also at Novus HQ, where appointed managers from Mitsui USA and Nippon Soda work alongside the Novus Executive Management Team and ensure timely communication with the Board of Directors on all relevant matters. Employees who may wish to make recommendations to the Board of Directors may do so through the office of the President and CEO.

Board engagement in sustainability

Both of Novus's parent companies demonstrate their corporate leadership and responsibility by publishing

annual sustainability reports. Board Members, therefore, are familiar with sustainability principles and take a keen interest in the way Novus integrates sustainability into our business practices. The Board of Directors formally assesses Novus's sustainability performance on an annual basis. Throughout the year, Novus department heads provide briefings to the Board at quarterly meetings. Board reports cover many topics, including compliance, environmental indicators, safety, Novus's Responsible Care Management program, major charitable donations and community activity and adherence to ethical practices.

Ensuring compliance and managing risk

Novus's Chief Compliance Officer is appointed by the Board of Directors and reports to the Board each quarter on all matters relating to compliance. One Compliance Leader is appointed in each Novus region to ensure information is properly communicated to ensure maximum compliance and as a method of monitoring global compliance.

Anti-corruption is an important aspect of Novus's compliance performance. All new employees receive training in anti-corruption policies and procedures. Refresher courses for existing employees are executed annually based on management recommendations. Novus employees are requested to positively affirm their compliance with the NIS on an annual basis in writing.

“At Novus, we recognize the importance of compliance as the bedrock of our activities. Over the past few years, we have worked hard to establish a global compliance management structure which both minimizes our risks and ensures that our customers know that the company with whom they are dealing is committed to doing business in an ethical and compliant manner.”

Alice Sterkel, Vice President, General Counsel and Chief Compliance Officer

Protecting human rights

Novus adheres to strict standards of maintaining human rights with regard to all those who are affected by Novus or interact with Novus in any way. The Novus Integrity System is the cornerstone of our approach to human rights and all business practices are in line with this. The section about employees in this report details Novus's practices relating to non-discrimination and protecting the rights of all employees. During 2010, there were no incidents of discrimination or complaints relating to discrimination in any of Novus's operations.

Novus's position on influencing public policy

Novus's Mission is *“to make a clear difference in sustainably meeting the growing global need for nutrition and health.”*

Novus works toward this Mission by providing innovative nutritional solutions that have positive impacts on global food security and sustainability. While Novus recognizes the massive influence political, economic and regulatory decisions can have on global and local food security, Novus does not participate directly in public policy development, lobbying or any form of affiliation with political parties. We combine our resources with those of partners who share similar goals and core values, including trade associations, industry associations and with NGO's. Novus maintains memberships with more than 150 trade and industry associations around the world. Additionally, we work in partnership with several NGO's to advance sustainable agricultural practices and food security, health and nutrition issues for the benefit of all. We believe that when organizations combine resources of infrastructure and human capital, together they can make exponential impacts.

An integrated approach to managing sustainability at Novus

At Novus, sustainability has become a core consideration in every aspect of our business and serves as a key element of our strategic planning framework. Over time, Novus's approach to sustainability has evolved to become a more complex element of our business. We have moved from a commitment to Corporate Social Responsibility to an integrated Sustainability approach, following the Triple Bottom Line principle.

Triple Bottom Line



The initial stages of sustainability at Novus were characterized by strengthening our license to operate, based on detailed attention to compliance in all areas of our business, careful risk management and ensuring a strong value proposition for our customers, which enables them to reduce their own risks and improve their own business advancement.

In the next phase of our commitment, Novus focused on actively improving our sustainability performance, based on

reducing negative impacts in all areas, heightening our focus on animal welfare, nutrition and human well-being, and ensuring the attraction and retention of high-quality people.

Today, sustainability is a business differentiator and accepted as critical to achieving business growth through a strong value contribution, enhanced reputation, long-term relationships and innovation in existing and new markets. At Novus, we believe that positive value for all stakeholders is created when the Company progresses with economic, social and environmental objectives in alignment. The synergistic result is **Innovation with Integrity** and a contribution to improving the quality of life for people today and tomorrow. Novus's approach of integrated sustainability is firmly rooted in the Company's four defined success factors:

Growth

Continually assess and develop our portfolio of products, customers and suppliers. Implement performance-enabling programs and technologies to achieve a long-term competitive position.

Profitability

Implement improved business processes, measures and support systems that will move Novus closer to our customers and deliver increased year-over-year market value.

People

Provide an environment that enables employees to bring their full capabilities to bear with behaviors consistent with the Novus Management and Integrity Systems, in accordance with the Novus Mission, Vision and Core Values. Promote a safe and healthy work-life balance to motivate employees to achieve our Novus Three-Year Growth and Diversification efforts.

Reputation

Expand on our positive image by initiating and supporting activities and programs that demonstrate Novus's integrity and aspirations to meet corporate objectives in a responsible, sustainable manner.

In order to coordinate and ensure synergistic performance in all aspects of sustainability, Novus established the role of Chief Sustainability Officer (CSO) in 2009. The CSO reports to the Novus Director for Strategic Initiatives, who is a member of the Novus Executive Management Team, and works with all Novus divisional and functional leaders to ensure that the

Novus sustainability strategy is embedded in all operations and that action plans are developed and implemented.

During 2010, Novus moved toward greater consolidation of sustainability activities in line with a long-term plan which includes establishing infrastructures for improved sustainability performance, monitoring and measuring, and transparent reporting. The adoption of a new ERP system in 2010 provides new capabilities for measuring and recording data relating to sustainability performance and in 2010, a new Environment, Health, Safety and Security (EHS&S) role was established and an EHS&S expert recruited to the company to lead improvements in these areas, rather than relying almost exclusively on external consultants as had been the case prior to 2010.

“Novus is a trailblazer in demonstrating the business case for social, economic and environmental sustainability. By rising to the challenge of integrating the three pillars of sustainability, Novus brings awareness to internal stakeholders, customers and communities so that the combined impact is stronger than focusing on only one of the components.”

Joyce Cacho, Ph.D., Chief Sustainability Officer

Commitment to the GRI Reporting Framework

Novus's long-term commitment to sustainability is also demonstrated through the Company's approach to Sustainability Reporting and our rigorous adherence to Global Reporting Initiative (GRI) guidelines. The GRI framework serves to assist us in ensuring robust, internal data collection systems, in defining new sustainability targets and in aligning our sustainability activities within one comprehensive framework that everyone at Novus can understand.

How do we inspire our employees to excellence with integrity?



“Each Novus employee plays a critical role in supporting our long-term strategy. For that reason, it is essential that we help all employees to do their work as effectively as possible. The Novus Management System gives us the tools to do so. From structuring our organization, to filling individual roles and to assigning key tasks, everything comes together to create an organization in which we have the right people doing the right work at the right time.”

Sabrena Mayhan, Vice President,
Global Human Resources

An inspiring workplace

At Novus, employees are united by the common thread of our Vision to help feed the world affordable, wholesome food and achieve a higher quality of life.

Our Vision expresses a definition of Novus's highest purpose. Through a wide variety of employee engagement and training programs we continuously reinforce the importance of our Vision. As a result, our employees understand that each day, it is our individual responsibility to work towards achieving a higher quality of life for people and animals everywhere.

Innovation with Integrity, the Novus theme for this report, which commemorates our 20th Anniversary, is a reminder and an inspiration to continuously search for new and better practices for supporting our customers and the local and global communities we serve together.

At Novus, we are committed to a values-based culture in which sustainability priorities are clearly communicated and innovation is rewarded. Additionally, work at Novus is structured with clear accountabilities, enabling every employee to work towards clear expectations with needed resources. We invest in a nurturing working environment. Health wellness and personal development are priorities. We are committed to attracting and retaining a diverse workforce. We value individuals from all backgrounds based on all dimensions of diversity.

A clear and effective management framework

The Novus Management System (NMS) helps us define what people are accountable for and what they have the authority to do, how teams should be assembled to perform most effectively and how managers and subordinates should work together to improve processes and achieve goals. The NMS provides an approach to thinking about problems in a way that keeps us moving forward as an organization. At its core, the NMS is designed to help all employees bring their full capabilities to bear. By doing so, each employee is best positioned to help Novus successfully implement its strategy through the long term.

Trust, clarity and open communication

Open, two-way communication is central to the NMS, based on the principles of trust and clarity. The NMS requires managers to clearly define the tasks they assign in specific terms, according to the standard of QQTR. QQTR is defined as:

- **Quantity:** The measurable output expected from an assigned task, specified precisely.
- **Quality:** Parameters that define the expected quality of output.
- **Time:** The time limit within which the task must be completed.
- **Resources:** The financial, material, technical or human resources available for completion of a task.

These guidelines ensure that managers define expectations at a level of detail that eliminates question or confusion.

“QQTR helps establish the two most important tenets of the NMS: trust and clarity. Everyone has confidence and trust in the process because they understand exactly how things are going to happen.”

Thais Castro, Human Resources Manager, Latin America

NMS: Our fundamental business system

The NMS provides practical and tangible approaches to broad concepts such as organizational structure and staffing, as well as day-to-day processes such as coaching and task assignment. Further, it helps all employees make

the connection from the strategic to the tactical, so they are fully aware of how their daily actions affect the Company's long-term strategy. The implementation of the NMS guides Novus in its approach to every aspect of business.

Linkage	Linking the company's long-term strategy to individuals' key accountabilities
Structure	Structuring the organization so that the proper roles are placed at the proper levels in order to support the work of the company
Staffing	Staffing the organization so that the right people are doing the right work at the right time
Tasks	Task assignment to achieve clarity and accountability for each task
PEA	Personal Effectiveness Appraisal enables managers and subordinates to have open communication in support of effective completion of tasks
Training	Training and development to ensure that all employees have the skills to excel in their current roles and have the opportunity to develop skills for future roles within the organization



Training and Development

As an organization designed to optimize employee engagement at all levels, Novus understands the importance of training and development. Novus has established a system to ensure that all employees regularly receive the training and education they need to move forward with their careers as the Company moves forward with its long-term strategy. Training at Novus includes:

- **Induction training**, to provide all employees with basic knowledge about the Company.
- **Department orientation**, to provide employees with fundamental knowledge about their department.
- **Professional Development**, to help individuals develop their knowledge and skills.
- **Management training**, to help managers lead their teams more effectively.

Courses are offered through multiple channels such as instructor-led workshops, e-learning modules through the Novus Online Learning System and blended learning, which combines instructor-led workshops and online learning.

Key to our culture

The NMS has fine-tuned the Company's corporate culture to optimize employee commitment and creativity at every level, and to direct that energy in a highly focused manner towards clearly defined corporate goals. Novus's corporate culture combines entrepreneurial thinking with organized structure, which provides a platform for innovation and agility.

Foundation of the Novus Management System

The NMS is based on a set of principles referred to as Requisite Organization, comprised of principles and ideas developed over a period of more than 55 years by Dr. Elliott Jaques and his colleagues in 15 countries. These ideas have been tested and put into practice throughout the world.

Dr. Jaques chose the term "requisite," which is defined as "required by the natural order of things," to describe this integrated theory of how organizations work best. Corporations exist to get work done in order to achieve organizational goals. Achieving these goals requires appropriate structure, with competent individuals at each organizational level, and procedures and practices that facilitate the work.

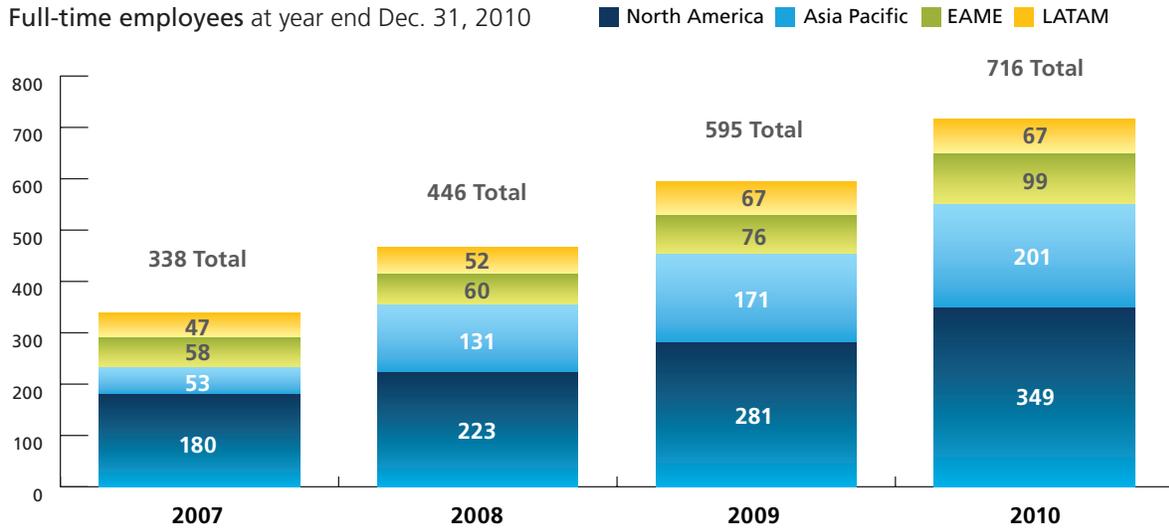
For more about the Requisite Organization principles in general, please see: www.requisite.org

Novus employees – aspiring to excellence

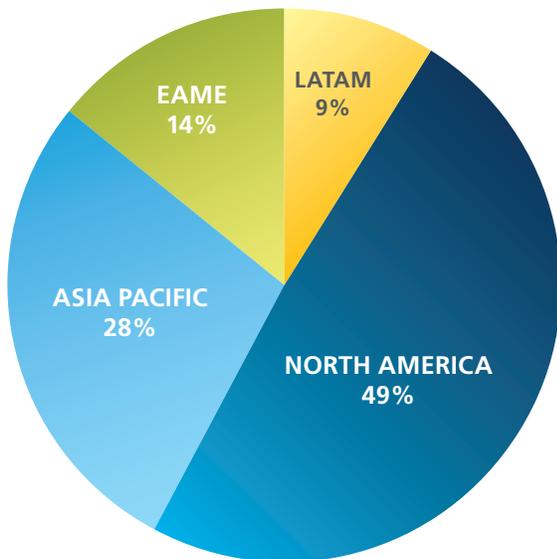
Maintaining a pace of rapid growth means that Novus is continually expanding our team, adding qualified and skilled employees who can make an important contribution to

achievement of the Novus mission in different parts of the world. Overall, employee numbers have more than doubled between 2007 and 2010, with an increase reflected in all Novus world regions. The following tables show Novus employees in all office, manufacturing, sales and research locations at end 2010. All employees are employed on a full-time basis.

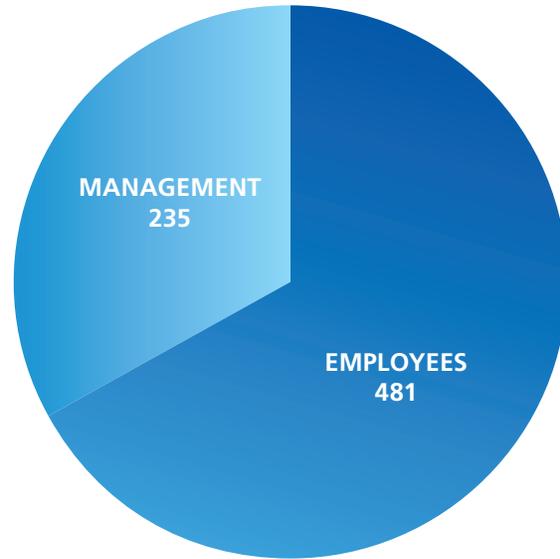
Full-time employees at year end Dec. 31, 2010



Employees by region at year end Dec. 31, 2010



Total employees at year end Dec. 31, 2010



Almost all Novus employees are hired on a permanent contract basis, while a small number of employees are employed on a renewable or short-term project basis. In 2010, 95% (681 employees) were hired on permanent contracts, which means they are hired for an indeterminate period. The remaining Novus employees in 2010 (5%) were hired on the basis of fixed-term or renewable contracts, which cover a specific time period.

Upholding freedom of employment

Novus acts in line with International Labor Conventions which demand freedom of association and prohibit child labor. All Novus plants conform to these requirements.

No Novus employees are required or forced to work for Novus or any of its subsidiaries. To the extent any employee desires to leave the employ of Novus, she or he is free to do so subject to the terms of her or his employment agreement and any other applicable legal or statutory requirements. The NMS identifies several channels for employees to raise questions or concerns about their employment, including through managers, Human Resources, or by using the NIS hotline.

Novus's operations do not have significant risks for child labor, and most plants do not have large numbers of employees. Most of the roles in each location require skill and experience and are not appropriate for children. All applicants for employment go through a well-developed system for interviewing and hiring so that Novus can ensure that each candidate is eligible for employment in accordance with all applicable laws, including those laws that prohibit child labor.

All Novus plants are visited periodically and, in many cases, audited by Novus qualified personnel or by agencies certifying that the facilities meet certain industry standards. During the course of these visits throughout the past two years, all Novus plants have been assessed for risks of child and forced labor and found to bear no significant risk which would warrant additional action on the part of Novus.

Employee turnover

Novus's total employee turnover in 2010 was 100 employees which is a turnover rate of 13.97% (versus 48 employees who left the business in 2009, a rate of 8.07%). Novus's total employee headcount more than doubled between 2006 and 2010, and some turnover has been inevitable during this fast pace of expansion. Novus's Asian region experienced the highest turnover rate in 2010 (40% of total global turnover).

This is under review as Novus continues to expand operations in Asia.

Hiring local managers

It is Novus policy to hire locally, relying on individuals with local experience and deep understanding of both agricultural practices and local culture and customs, to enable responsiveness tailored to customers in each market with its unique characteristics. During 2010, 81.2% of Novus senior managers were hired in their country of nationality. Senior managers are defined as CEO direct reports, divisional and functional leaders employed on a full time basis.

Percentage of locally hired senior management by region in 2010	
North America	84%
Asia Pacific	100%
EAME	50%
LATAM	100%
OVERALL	81.2%

Novus respects the right of employees to collective bargaining and complies with all relevant legislation in this respect in all countries in which Novus does business. In practice, few employees elect to become affiliated with employee representation organizations, demonstrating trust in Novus's open and direct work culture based on ethical and equitable business practices. In 2010, 94 Novus employees were represented in collective bargaining agreements, which is 13.13% of Novus's global workforce.

Investing in employee development

As a knowledge-based company, Novus recognizes that its long-term sustainable success rests with its ability to attract, develop and retain employees in a wide range of mission-critical roles. All employees are provided with supportive feedback about their performance in development conversations with their managers twice each year, and learning and development goals are articulated for each employee in line with their unique needs. Novus provides employees with a wide range of options to receive formal training in specific professional areas or in management

skills, engage in self-learning using the extensive Novus Online Learning System or participate in lectures designed to broaden understanding and knowledge of core issues related to Novus's business. The Human Resources Division oversees the entire employee development process and during 2010, installed a Human Capital Management software platform to provide a more efficient management tool to keep track of all needs, plans and implementation levels from day one of an individual's employment at Novus through the conclusion of the first eighteen months with the Company.

Novus Speaker Series

In order to provide employees with new insights and raise awareness of business and sustainability topics, Novus hosts an ongoing Speaker Series in which internal and external guest speakers present to Novus employees. Attendance is voluntary. An annual University Day is the capstone of the series. During 2010, 27 Speaker Series events were held and over 430 Novus employees attended, including those who attended more than one event. Topics on the list included Poultry Sustainability, Introduction to Beekeeping, Safety in Novus facilities, World Food Day and many more.

The 2010 University Day focused on the subject of Environmental Sustainability and Agriculture. A day-long series of discussions and presentations on the topic of environmental sustainability and agriculture were led by professors from U.S.-based Universities and attended by more than 100 members of Novus technical, sales and marketing teams. The featured guest of the event was Robert Kenner, creator of the movie Food, Inc. This movie is controversial for the livestock industry and for Novus's primary client base. However, Novus believes in diversity of thought and wanted to host an honest dialog about the various topics raised in this movie. That same evening, Novus hosted a screening of the movie Food, Inc. for 400 people, including Novus employees and a group of invitees from the St. Louis area where Novus is based. After the screening, all the professors who spoke during the day and Robert Kenner participated in a facilitated, panel discussion.

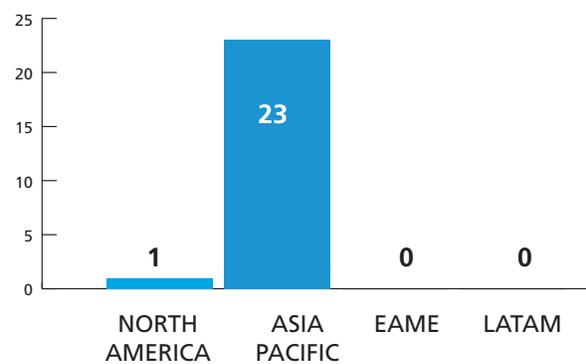
For more information about Food, Inc., please visit: www.foodincmovie.com

Ensuring employee health and safety

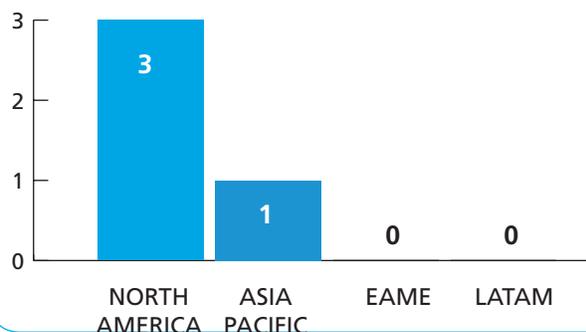
Novus gives continuous attention to strict safety practices in the workplace. During 2010, there were four cases of minor work-related injuries that led to a total of 24 days lost time, representing an Injury Rate of 0.56 cases per 100 employees, and a Lost Day Rate of 3.35 days per 100 employees (calculated using standard employee hourly rates of 40 hours, 50 weeks). There were no fatalities in any of Novus's operations in 2010.

Novus's safety record exceeds the industry average. The industry average for non-fatal workplace injuries among private industry employers is 3.4 cases per 100 equivalent full-time workers (OSHA, 2010, based on 2009 data).

Lost days due to work accidents by region
at year end Dec 31, 2010



Total number of injuries by region
at year end Dec 31, 2010



During 2010, there were three instances of an Occupational Disease which was caused by one incident of exposure to an enzyme in the Singapore manufacturing plant. This represents an ODR rate of 0.42 per 100 employees for 2010. All injury data is calculated using OSHA guidelines and lost days include the first full day away from work due to injury.

Global wellness initiative

Novus, as a leading global company in health and nutrition, recognizes that flexibility and access to nutrition programs and products are critical to individual performance. Through Novus's providing free access to healthy lunches and the fitness facility at Novus global headquarters, employees can incorporate wellness into their daily routine. In addition, Novus employees are educated in cold and flu prevention provided with assistance to support relaxation, reduction of stress and cessation of smoking.

Diversity

Novus is committed to a diverse and inclusive work environment. Novus is an equal opportunity employer, committed to the hiring, advancement and fair treatment of individuals without regard to race, color, religion, sex, sexual orientation, age, national origin, ethnicity, disability or veteran status, or any other protected status designated by federal, state or local law in all countries in which Novus does business.

Rewarding performance

Novus offers a competitive range of family-friendly benefits for all employees. Rewards are performance-based, helping to foster an increased sense of ownership among employees. Compensation and benefits around the world are tailored to local norms and industry benchmarks and generally include benefits that exceed local minimum levels required by law. Typically, this will include competitive salary, merit bonuses, medical insurance and more. In some countries, Novus offers an Employee Assistance Program (EAP), which provides experienced counselors to assist employees in dealing with personal or family issues, which may be causes of stress.

In addition, Novus employees are passionate about their work in support of the Novus mission and often work beyond expectation and role boundaries, making an extraordinary contribution to delivering excellence at many levels. Novus acknowledges and rewards these employees with both financial awards and significant internal or external recognition. There are four main channels for employee performance recognition:

The President's Award is awarded to employees each year who have an idea that has an impact on Novus strategy, financial results or business process above and beyond the expectations of the employee's specific role.

Achievement Awards are awarded to employees for providing support on a core Novus process or project that is above and beyond the individual's own role and function.

Fellow Awards are granted for scientific innovation and achievement at different levels. Fellow nominations include external peer nominations as well as internal recommendations.

Local Awards are made by Novus regional managers to reward any employee who has made an outstanding contribution in their local area.

How do we make a contribution to the global economy?



Novus's efforts in Alagoas, Brazil with a local farmer, Professor Fabio Cunha of UNEAL, and a field technician with Globoaves.

Novus makes a positive economic impact

Working at the intersection of science with integrity, and the challenges of health and nutrition demands of the world's growing population, Novus plays a pivotal role in catalyzing increased livestock and aquaculture productivity while considering the protection of biodiversity and efficient use of resources. It is the "how" of Novus's investments in performance and animal well-being research, quality assurance, and communities throughout our global network that continues to raise the bar for empowering customers' economic performance. Education and improving the accessibility of feed quality testing are cornerstones of improving the structure of animal nutrition markets.

Novus provides awareness, education, training, tools, products and services to those engaged in agriculture, offering cost-effective solutions for the delivery of affordable, wholesome food and advancing sustainable agricultural practices. Novus's core business proposition not only enables greater availability of food, but also reduces the resources required to deliver food products. This is a winning combination for thousands of Novus customers who benefit by doing more business, more profitably. Through this "ripple effect", Novus's direct economic contribution is enlarged several times over as the economic contribution of Novus's customers increases.

Novus's economic impact is also demonstrated through its global staff network. From scientists to sales personnel to operational staff, Novus's positive business performance makes a difference in the quality of life of over 700 employees, 40% of which reside outside the U.S. Investments in e-learning and increased use of combined video and voice communication technology supports international cross-functional teams, all working together to innovate products and processes to address customer needs for improved productivity and lower risk. These factors assist employee performance and underpin our positive economic impacts on employees.

Demands of future customers and communities for health and nutrition will require the ingenuity of youth. Novus's investment in programs, such as Science in Action day, where undergraduate university science and math scholars are exposed to innovation and science-based careers, contributes to developing talent sustainability. Similarly, the Novus Graduate Scholars Program builds the talent

pipeline that is committed to animal health innovation. These programs are key to the economic empowerment of communities around the world who depend on agriculture to develop and maintain their quality of life.

“Sustainability at Novus is more than a set of projects. It's part of the Novus DNA, built right into the heart of our core business strategy and culture and in the hearts and minds of Novus people. Everything we do at Novus starts with sustainability, because we believe that is the only viable way to do business. We believe this is as economically sound as it is socially responsible.”

John Wade, Senior Vice President, Finance and Chief Financial Officer

Novus Business Performance

Novus business continues to grow in all parts of the world

Novus products offer ways to increase food availability, cost-efficient food productivity, food safety and improve the quality of life for animals and people, playing a key role in advancing global food security in a sustainable manner. Novus products have inherent environmental advantages, facilitating reduced materials consumption, reduced emissions and contaminants and reduced use of non-renewable raw materials. Novus's tireless focus on innovation has enabled Novus to deliver a long list of products with enhanced sustainable performance benefits. Novus makes consistent efforts to help farmers, integrators, feed manufacturers and associated industry partners understand and implement sustainable agricultural practices. In addition, Novus invests in educating new generations of agricultural professionals so that such practices can be maintained and reapplied, especially in emerging economies. Also, Novus has acquired several companies that complement and augment Novus's

innovative technical capabilities and market reach. As a result of these efforts, Novus has demonstrated business growth every year for the past five years. Equally, Novus has continued to expand sales in all regions of the world, making Novus's sustainable economic impact truly global.

Expanding our contribution to food access and food security

Novus continually strives to expand its contribution to global food security and feeding the world wholesome, affordable food by reaching more customers with more products. Much of Novus's growth is driven by Novus's continuous innovation and ongoing expansion and penetration, especially in emerging markets.

In addition, where possible, Novus seeks to acquire businesses that provide complementary technological platforms and market reach.

During 2010, Novus completed the acquisition of the Animal Nutrition Division of Albion Laboratories Inc., a company based in Clearfield, UT. Since its establishment in 1956, Albion has been an innovator in mineral chelate nutrition, with a long-standing customer base in both the beef and dairy markets. The inclusion of the Albion Nutrition Division has enabled Novus to offer a broader range of chelated trace mineral products to help customers increase the sustainable supply of animal protein to meet global demands and further expand Novus's mineral technology and innovation capabilities.

In 2010, Novus acquired the shares of the IQF Group, which includes Investigaciones Químicas y Farmaceuticas, S.A., Carotenoid Technologies, S.A., IQF-ENAMEX, S.A. de C.V. and Operadora ENAMEX, S.A. de C.V. The IQF Group is a supplier of feed additives, carotenoid pigments, essential oils, premixes and food carotenoids and is located in Spain, Mexico and China. Novus acquired the shares of the IQF Group as well as certain property owned by the sellers for a total cash acquisition price of \$50 million, subject to working capital and net debt adjustments. The welcome inclusion of the IQF Group into the Novus portfolio offers technology capabilities in natural-based products, which provide powerful antioxidant properties that reduce risk of disease in animals, as well as a strategic gateway to customers and markets in Latin America and Asia.

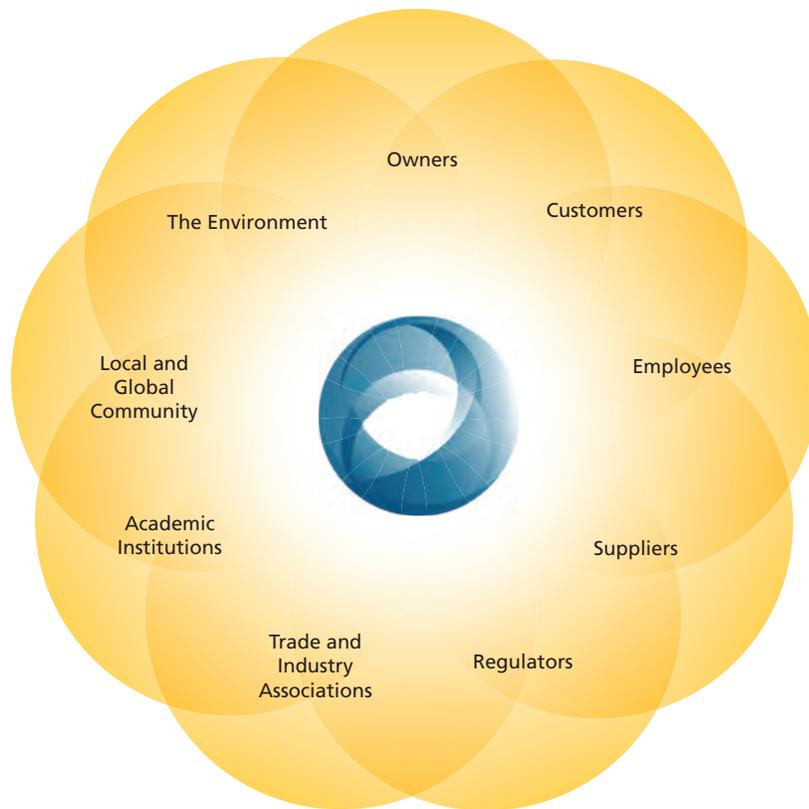


What are the priority sustainability issues for our stakeholders?



Green Acres Ribbon Cutting

Novus stakeholders represent the individuals and organizations linked to Novus’s culture and business activities. Stakeholders can be grouped into broad categories of engagement; however, more and more, stakeholders have synergistic connections. Business activities and social interests often span more than one specific stakeholder group. The key stakeholder groups for Novus include those represented in the Novus Stakeholder System shown below.



Novus makes a committed effort to understand the needs of our stakeholders by maintaining vibrant, interactive relationships with each group. We systematically work to ensure open, transparent, multi-channel dialog based on trust and respect. This is most apparent in the way Novus embraces an open culture in its working environment for employees and values collaborative working relationships with all external stakeholder groups.

Novus products play a catalyzing role in customer and industry sustainability. Diversity in the portfolio of animals and geographies of our business underpins the need to engage a range of stakeholders. Internal to Novus, managing employee growth and retention drives investments in programs beyond the immediate work requirement. Gaining trust in the communities of Novus’s global business network means that we engage with universities and support market structuring through technical support and assistance to local agricultural organizations. More broadly, Novus’s participation in industry organizations, such as the Sustainable

Agriculture Initiative (SAI) Platform and the American Feed Industry Association (AFIA), links us at the industry level with customers and companies that are closer to final consumers.

Novus product solutions require a detailed understanding of each customer’s specific agricultural context, usage requirements, raw material and feed sources, type of animals and cost pressures. Innovative solutions are developed with an understanding of these needs. This requires an ongoing dialog with customers and their full engagement in a collaborative relationship with Novus to ensure they gain optimum value. Many of these conversations with customers include discussion of sustainable agricultural practices and the broad spectrum of food value chain impacts on society and environment.

Together, all stakeholder groups provide the opportunity for heightened impact of Novus’s drive to live our Mission to make a clear difference in sustainably meeting the growing global needs for nutrition and health, through innovation.

Key engagement channels for Novus are shown in the table below:

Owners	Novus's owners are represented on the Board of Directors and have the opportunity to maintain an ongoing dialog with the Novus Executive Management Team about all aspects of the Company's integrated sustainability performance.
Customers	Novus works individually with customers to understand their needs and provide innovative sustainable solutions. In addition, Novus initiates and participates in many technical conferences, trade shows, road shows, symposiums and training events to engage in dialog with a wide range of customers in many countries. Novus maintains an active presence on social media, publishing news on the company's website, Facebook and Twitter, and also sharing videos, webcasts, articles and presentations for the benefit of customers. To follow Novus on Twitter, go to www.twitter.com/novusint
Employees	Novus maintains an open culture of free dialog and exchange with employees. In addition to twice-annual performance reviews, employees are invited to participate in business updates, lectures about sustainability and a range of activities that advance dialog and contribution.
Suppliers	Novus maintains long-term relationships with key suppliers who are critical to Novus's long-term success. Conversations are primarily in meetings at which the supply relationship is discussed on an individual basis.
Regulators	Novus is always available to support the development of regulation relating to sustainable agriculture in many countries and often serves as a useful resource for regulators by providing research results and important data to assist in decision making.
Academic Institutions	Given that the advancement of sustainable agriculture education is a critical pillar of Novus business development, collaborative research relationships with universities characterize the Novus integrated sustainability approach. Novus engages with several universities and academic institutions through joint research programs, provision of scholarships to students, participation in academic conferences and more.
Trade and Industry Associations	Novus maintains a collaborative relationship with over 50 non-profit organizations as well as Trade and Industry Associations advancing social and environmental causes relating to food security, nutrition, sustainable lifestyles, agriculture practices and other topics. In some cases, Novus plays an active role as a board member or key sponsor while in other instances, Novus participates in general discussions and events.
Local and Global Community	Novus is committed to supporting communities both at a local level in every part of the world in which we operate and also at a global level to address the world's major challenges of access to food and food security and nutrition. We maintain open channels of dialog with many community partners who are committed to advancing these causes through our charitable giving and employee volunteering programs.
The Environment	The Environment is most often represented by NGO's or members of the public who provide feedback to Novus about the environmental impacts of our business and provide suggestions relating to our environmental stewardship. Novus is committed to open dialog on our environmental performance and we engage on priority issues for environmental stakeholders.

Important sustainability issues for Novus stakeholders

As Novus progresses towards its vision to help feed the world affordably, wholesome food and achieve a higher quality of life, Novus recognizes the importance of considering on the one hand, Novus's strategic business imperatives and on the other hand, the concerns and aspirations of Novus stakeholders. Through Novus's many interactions with stakeholders throughout the year, Novus has discerned several recurring themes which represent their expectations and demands of Novus as a responsible and responsive business. Following an internal evaluation process, Novus has determined thirteen core issues most critical for stakeholders and, equally, for the sustainability of Novus. The material of most of these issues, which are discussed in detail in the Innovation section of this report, are:

- **Increasing global food availability:** Novus customers are always under pressure to reduce costs, improve productivity and deliver higher quantities of food to meet increasing demands. Novus makes a major contribution to increasing global food availability through providing innovative sustainable agriculture solutions and reapplying solutions that Novus has successfully implemented with comparable customers in different parts of the world. Customers expect that Novus will continue to deliver innovative solutions to help them maintain and grow their business. Novus's business depends on a continued ability to deliver ***Innovation with Integrity***.
- **Supporting food production efficiency and food safety:** Customers look to Novus for advice on how to use Novus products to help them become more efficient in their nutritious food production activities. In some markets, this includes helping customers with basic farming and agriculture practices. For Novus to maintain a sustainable business, Novus needs to help customers improve their knowledge about how to best use their resources for maximum cost-efficient productivity. This support for customers is a key element of Novus's competitive edge and therefore critical to the sustainable growth of Novus business. In addition, a most critical aspect of the food value chain is maintaining absolute safety in a consistent and reliable way. Many human sicknesses occur as a result of poor practices in the agriculture industry. The safety of Novus food additives and animal supplements result in safer food

products for the general public. Customers expect Novus to deliver safe products and to assist them in ensuring that their food production processes are based on safe ingredients. Novus's business depends on both a solid reputation for safety as well as the safety performance record of Novus products.

- **Increasing global food capabilities through science and education:** Novus customers expect more than just a supply of products from Novus. They expect close collaboration in identifying the unique root causes of quality, safety or productivity challenges that each customer faces. Customers expect Novus to continuously educate them in ways to become more sustainable as well as provide innovative products and solutions. In doing so, Novus must continue to expand its scientific and technical platform and practical knowledge and experience of real-life conditions on farms and in processing factories and feed mills. Novus needs to invest in research and development and collaboration with academic and other partners to remain at the pinnacle of sustainable agriculture while contributing to ensuring awareness and education so that future generations will be able to enjoy affordable, wholesome food and achieve a higher quality of life.

The additional issues which are most important to both Novus stakeholders and to the sustainability of Novus's business remain continuously on the Novus radar, and are referenced in the different sections of this report. These are as follows:

- **Supporting healthy food consumption:** While Novus does not supply animal feed additives and supplements to the general public, Novus recognizes that the general public is at the end of the food value chain that starts upstream with Novus raw materials sourcing and production and continues through farming practices and food manufacture. Novus has a vested interest in the good health of the general public and, through the company's scientific knowledge and global experience, is able to assist in creating the agricultural infrastructures that lead to healthier food supply as well as helping to educate the public about the nutritional value of foods and healthy eating habits. Novus's ongoing business sustainability is inextricably tied to healthy consumption which affects the type, quantity, quality and availability of food around the world.
- **Making food affordable:** There are many factors that influence the price of food, and in the past years there have been sharp rises in the prices of all basic foodstuffs, including

animal feed. This has created significant challenges for Novus customers. Novus plays a pivotal role in helping farmers to reduce their costs and therefore become more competitive in the long term.

- **Improving environmental impacts:** One of the most significant challenges of our decade is addressing climate change. At Novus, we expect, and our customers expect, that Novus will make maximum efforts to reduce negative impacts on the environment and biodiversity arising from manufacturing, logistics and marketing operations. More customers than ever before are now asking for sustainable solutions and are consciously attempting to address the effects of agriculture on natural ecosystems and biodiversity. It is critical for Novus to manage environmental impacts effectively and disclose performance results.
- **Championing employee excellence:** Novus’s Mission to help feed the world affordable, wholesome food and achieve a higher quality of life is an ambitious one, requiring Novus to build a working culture in which every employee can achieve excellence. Employees expect this of Novus and new employees are attracted by the exciting opportunities that Novus provides. Employee excellence is the backbone of a sustainable business.
- **Protecting employee health and safety:** Healthy employees help create a healthy business. Just as Novus cares for the

safety of products, Novus also understands its overarching responsibility to protect employees from all health and safety risks in all their activities with Novus, while contributing positively to employee awareness and motivation to lead healthy lifestyles. Novus employees expect no less.

- **Supporting animal welfare:** Novus’s business history is anchored in livestock. Animal welfare and well-being are top priority in all research and development initiatives at Novus, and Novus products provide a wide range of solutions for improved animal health.
- **Working effectively with suppliers:** In a complex global business such as Novus, suppliers play a significant role in influencing overall impacts along the food value chain. The selection of suppliers, the quality and service Novus receives and the relationships Novus cultivates with suppliers affect the Company’s ability to innovate and deliver successful product solutions.
- **Investing in science and education:** Solutions to global food insecurity problems and agricultural efficiencies require the highest level of scientific and technical knowledge. For Novus to maintain its aggressive pace of research and development in pursuit of innovative food solutions, a strong cadre of scientists must be available. Novus invests in joint research programs with academic institutions and supports students in gaining scientific academic degrees.

Priority issues for Novus and Novus stakeholders



- **Supporting communities:** Novus is part of the fabric of the communities in which all Novus employees live and work, recruit new colleagues, purchase goods and services, pay taxes and participate in community life in many different ways. Novus understands that businesses can only be strong when communities are strong. Supporting communities is both an expectation of stakeholders and a business advantage.
- **Transparent reporting:** As a private company, Novus is not required to disclose business information in the same way as public companies. However, Novus believes that transparency is the key to more trusting relationships, improved collaboration and opportunities for innovation. Transparent reporting is therefore essential for stakeholder trust and ongoing business growth.

Awards and Recognition

2010 Economic Progress Award

Novus was awarded the 2010 Economic Progress Award by the Partners for Progress of Greater St. Charles County. Partners for Progress recognizes businesses in the local community who have exceeded expectations. Awards are provided annually in several areas, including Health, Education and Infrastructure. Novus was selected to receive the Economic Progress Award for the company's growth in St. Charles County despite the current economic challenges and for the Company's leadership in sustainability, knowledge transfer and bringing international agriculture leaders to the St. Charles global headquarters.

Ernst & Young National Entrepreneur of The Year® 2010 Manufacturing and Distribution Award

Thad Simons, President and CEO, received the Ernst & Young Entrepreneur Of The Year® 2010 Bioscience Award in the Central Midwest region. The award recognizes outstanding entrepreneurs who are building and leading dynamic, growing businesses. Thad Simons was selected by an independent panel of judges. Later in 2010, Thad Simons was selected from among nearly 300 regional candidates nationwide as the Ernst & Young Entrepreneur of the Year in Distribution and Manufacturing. In presenting the award, Bryan Pearce, Americas Director, Entrepreneur of the Year, Ernst & Young LLP, said: "Successful entrepreneurs need to take risks and leave comfortable positions behind to build new companies

in untested markets. Thad Simons has done just that. By constantly seeking opportunities in products and geographic markets where established companies had yet to tread, Simons built Novus into a 90-country powerhouse. He is very deserving of the Ernst & Young Entrepreneur of the Year 2010 award in the Distribution and Manufacturing category."

2010 Top 50 Award

For the second consecutive year, Novus International was recognized by the St. Louis Regional Chamber and Growth Association (RCGA) and RubinBrown LLP as a recipient of the 2010 Top 50 Award. The award, presented annually since 1996, recognizes businesses, entrepreneurs and organizations in all industry sectors throughout the St. Louis region.

2010 Urban Conservation Award

Novus received the 2010 Urban Conservation Award from the St. Charles County Soil and Water Conservation District (SWCD). The Board selects individuals, companies, groups or units of government responsible for significant reductions in soil erosion, off-site sedimentation and storm water runoff control from urban development sites.



Thad Simons, President and CEO, with the National Ernst & Young Entrepreneur Of The Year® Award in the Distribution and Manufacturing Category.

How do we collaborate with customers to meet their needs?



Novus helps customers succeed

The way Novus collaborates with customers to help them succeed in all parts of the world is one of the most significant keys to Novus's strong expansion during the past 20 years. Achieving optimal animal health through nutritional balance requires deep understanding of local conditions, local raw materials used in animal nutrition and locally specific challenges.

Novus engages closely and collaboratively with our customers in their communities, working to understand their specific challenges and opportunities. Novus is committed to offering solutions that are relevant to the local marketplace.

A diverse range of customers—smallholder farmers to large-scale integrated operations

Novus customers around the world differ in many ways, ranging from the local farmer who raises a small flock of poultry or herd of dairy cows to support his family and local community to large, multinational companies who provide food products to millions of people around the world. For each of our customers our commitment is to support the goals of their operation while enhancing the quality of their input to the value chain of agriculture and food production.

Our customers' challenges are diverse. In countries with developed, mature economies, customers tend to be focused on compliance with the increasingly advanced regulation in food safety, animal welfare and environmental concerns and the carbon footprint assessment of their operations. Typical challenges for our customers in emerging economies tend to be related issues such as channels to market, access to best practice technologies and infrastructure and financing.

Novus seeks to engage with industry stakeholders who are working to establish standards which will influence our industry and customers over coming decades. As an example, Novus has become part of the EU Association of Specialty Feed Ingredients and their Mixtures (FEFANA) and will be part of the working group to review sustainability issues and a harmonized approach to legislation in the EU which may differ from country to country. For more information about FEFANA, please visit: www.fefana.org

The main issues in emerging economy markets are characterized by concerns relating to the cost of food

production and availability of food to meet the growing demand and challenges to increase productivity. Innovative solutions are key to helping customers succeed.

Field Validations Programs

Field trials are a critical way Novus validates our science at the farm-level to evaluate the efficacy of animal nutrition products.

Over the past year, one of the field trials we conducted was the product performance evaluation of our product designed to sequester and remove mycotoxins from the gut environment of animals. Mycotoxins are various toxic substances produced by molds which can be found in contaminated grains used in animal feed. When animals are exposed to mycotoxins, their immune systems are suppressed as a result. Ultimately, the degradation of the immune system interferes with the normal functioning of major organs, potentially leading to a range of diseases, overall poor health and possibly lameness and loss of milk production. Some mycotoxins can pass through the cow to milk products, damaging the health of people who consume them.

On a dairy farm of over 700 cows in Wisconsin, USA, several types of mycotoxins were affecting the dairy cow herd, causing diarrhea, milk loss and unhealthy appearance. Novus tested the vitamin levels in the cows and responded by replacing feed supplements provided to the cows with a mixture of Novus mineral and yeast based additives, together with an antioxidant product. The herd was tested two months later and the overall level of health of the cows had improved and the cows were producing more milk. In addition, this overall program delivered a significant financial return for the farmer. The Novus feed supplement mixture carried no additional cost to the farmer over previously used supplements and the result was an average of 5 lbs additional milk production per cow per day.

“Field trials allow us to work with nutritionists to show them the monetary and economic value of our products, as well as get the customer to feel comfortable using our product on the farm. Most of the time, it's a win-win for everybody.”

Suzy Demeester, Regional Sales Manager, USA

Customer satisfaction

We believe customer satisfaction is dependent on the one-to-one relationships we build. Most of the feedback Novus receives from customers is through the intensive dialog we maintain on a daily basis with customers and their satisfaction is manifested in the high level of repeat orders. 95% of Novus's business is managed via direct dialog with customers at different levels in their organizations where relevant, for example, with buyers, process plant managers, field workers and more. In 2010, the majority of customers returned to Novus for repeat orders or orders of new products. From time to time, Novus also conducts customer surveys.

“Amongst peer companies in the animal livestock industry, Novus has a very positive reputation with no negative sentiment from any stakeholders, as measured by an independent, global study in 2010.”

Scott Hine, Vice President, Product Management and Operations

Novus sustainability impact on customers

During 2010, Novus's Marketing Division launched an in-depth study of covering all Novus product lines for the livestock industry to establish the impact on customers from an economic sustainability standpoint. The project is designed to model Novus's sustainability impacts in areas such as carbon management, water consumption, manure management, energy consumption and production efficiency. Every single Novus product line is undergoing screening in the first phase, which commenced towards the end of 2010. In the second phase, a number of products judged to deliver the maximum opportunity to improve impacts will become the subject of more detailed and structured research to identify and implement new solutions. We believe this will significantly advance Novus's capability to help our customers succeed while improving sustainable agricultural practices.

Providing helpful information for customers

Novus continually supports customers with information and educational briefings, which can help them produce more using fewer resources. In addition to the direct relationship Novus maintains with customers, and the many technical conferences Novus attends, Novus also publishes a wide range of information in different formats on the Novus website. In addition to articles and research data, Novus presents webinar series to provide information to customers about common problems and challenges.

Additionally, in order to engage customers and the public in dialog in the spirit of transparency and accountability, Novus has embraced social media and maintains an active presence on Twitter and on Facebook.



“A core element of the way we do business is based on open, interactive and transparent communication with customers. Novus has invested in developing a range of communication channels that provide our customers with helpful information to help them succeed and also invite suggestions from them about how we can support them even more effectively.”

Tricia Beal, Senior Director, Global Human Resources

Innovation for integrated customer-driven capabilities

As part of Novus's drive for continuous improvement and innovation in sustainable business activities to help achieve the Novus Mission, Novus has undertaken a major global business transformation program designed to enable improved customer responsiveness, flexibility, service and transparency, and improved risk management, while achieving greater continuity of processes and more accurate inventory management. This transformation program commenced in the planning phase in 2009, went live in 2010 and will be rolled out with training to the various world regions in 2011. The program is called Project VERT, which stands for Value-Adding Enterprise Resource Transformation, and has three primary objectives:

- **Integrate** people, processes and technology to improve profits and customer performance, as well as reduce costs.
- **Leverage** resources, knowledge and technology in an effort to continuously improve service and productivity.
- **Mitigate risk** by addressing and managing compliance requirements while understanding the impact they have on productivity and business growth.



Project VERT is based on implementation of the SAP Chemical Best Practices (SAP ECC 6.0) Enterprise Resource Planning (ERP), a globally integrated solution that enables Novus to achieve:

- **Integrated analysis and planning**, improved productivity and information availability in near real-time.
- **Streamlining of most major business processes** and increasing visibility of activities and performance across all Novus regions and locations. Increased visibility enhances access to information and faster and better decision making capabilities.
- **Better customer service** through providing immediately accessible data relating to customer needs so that Novus can respond to customer requirements in a timely manner.
- **Enhanced product development processes** with a systematic approach to develop our best products opportunities in the effort to meet customer needs and help them succeed.

- **Ecommerce solutions** to provide improved service and value to our customers and sales staff with an online purchasing capability. Initially, online purchasing brings ease of use to the customers of Novus's ARENUS brand, as a pilot program, as ARENUS is Novus's only brand which is sold directly to end users.

“Delivering Project VERT has had the immediate impact of globally integrating our core business processes and has provided Novus with the tools and capabilities to support our strategic objectives and optimize our business activities. This capability, followed by rolling out additional functionality, will provide Novus with the proper foundation to achieve our long term growth, profitability, people, and reputation goals.”

Alex Pierroutsakos, Director, Enterprise Systems and Optimization

Customer Relationship Management (CRM)



Customer Relationship Management (CRM)

At its core, Project VERT is all about serving our customers more effectively. A fundamental tool in achieving this is Novus’s new Customer Relationship Management program, which provides improved value to customers and to Novus sales and service teams. This is achieved through improved accuracy and timely receipt of information, which Novus requires to support customer needs throughout the entire customer sales and service chain at Novus.

A framework for innovation

Novus’s Product Lifecycle Management (PLM) process provides a structured process to enable more effective product development to align with customer needs in a systematic process of cross-functional development, launch, marketing, upgrading and ultimately retirement of Novus products. PLM integrates most functional areas of the business, including Sales, Marketing, Manufacturing, Finance and Research & Development, supporting the prioritization

of product development opportunities with an integrated application in the Project VERT SAP infrastructure.

At each of the six stages of the Product Development Process in the PLM architecture, Novus maintains wide consultation and dialog with internal and external stakeholders. Most

Product Lifecycle Management (PLM): A systematic



business functions are involved in the different stages of PLM, and Novus customers and suppliers are engaged to provide insights, feedback and participate in testing of products, for example, through field trials, during the development phase.

In the first two stages, the Ideation and Concept Innovation and Development Phases, the strategic fit with Novus is always examined, by reviewing how the new product idea meets the Novus Mission to “make a clear difference in sustainably meeting the growing global need for nutrition and health.” Product ideas which do not align with Novus’s sustainability objectives are rejected at Stage 1, enabling only those products which contribute to feeding the world affordable, wholesome food and achieve a higher quality of life to progress through the additional stages. This is the core of *Innovation with Integrity*, forming the most essential platform of the Novus business and culture.

Refocusing R&D with customers in mind

In 2010, in line with the implementation of Project VERT, Novus reorganized the corporate Research and Development function to provide a stronger platform to identify and respond to customers’ actual needs based on significant interaction with customers at their farms or at their processing operations. Prior to 2010, R&D at Novus was structured in two groups — one group was internally focused for new product development and one group was externally focused to assist understanding how customers derive value from Novus products and improving that value. Following a review of R&D opportunities, we realized that innovation requires a connected process that can address sustainable life cycle management throughout the entire value chain. The structural

change in 2010 now enhances our capability to integrate diverse global technical capability and improve problem-solving approaches with better shared knowledge and experience.

Engaging stakeholders in Open Innovation

In addition to Project VERT, which provides the technology platform for improved customer service and product development, and reorganization of the R&D function for improved innovation focus, Novus aspires to engage the widest possible range of internal and external stakeholders in the Innovation process. During 2010, a cross-functional Innovation Team was established to promote and facilitate idea generation throughout Novus and leverage external open innovation channels for the purpose of improved ideation and evaluation of technologies and concept technical feasibility.

“The Innovation Team at Novus sits right at the heart of everything we do. The Innovation Team seeks to draw from the widest base of internal and external expertise in order to generate the broadest range of innovative solutions to meet our customers’ needs while maintaining our commitment to sustainability.”

Grace Arhancet, Ph.D., Director, Innovations

approach to Innovation with Integrity

Stage 2
Project
Implementation

Stage 3
Pre
Commercialization

Stage 4
Product Support

Stage 5
Product
Retirement

How do we make quality a top priority at Novus?



Quality in the Novus supply chain

Novus places the utmost emphasis on quality in all manufacturing and supply processes. Novus’s approach to quality is encompassed in the Novus Quality System (NQS), which defines quality policies and procedures for all Novus manufacturing operations and ensures that all technical specifications are accurately prepared and closely followed. Novus sales specifications summarize the functionality of each product and provide customers with a Novus guarantee of quality and functionality. Technical specifications of Novus products can be downloaded from Novus’s website at www.novusint.com.

The Novus Quality System, which is implemented worldwide in all Novus locations, includes:

- Production in a safe protected manner to prevent adulteration.
- Control of undesirable substances and impurities in ingredients used in Novus products.
- Developing appropriate documentation for demonstrating that the manufacturing process is controlled and monitored.
- Appropriate labeling of all products
- Traceability of raw materials from the supplier through the process into finished product and to the customer.
- Confirmation that Novus products are safe and wholesome to meet customer needs.

1 | Partnership

Novus engages with raw material suppliers who are stringently selected and qualified (and re-qualified) in a process that includes independent verification.

Raw Material Suppliers

- Stringent selection criteria
- Qualified and approved
- Re-qualified on a regular basis
- Independent verification

2 | Procurement

All raw materials conform to the most advanced industrial and regulatory standards and are coded for full traceability. Raw materials are tested for a wide range of properties.

Raw Material

- Certificate of Analysis
- Surpass most stringent industrial standards
- Raw material lot coding for full traceability
- Heavy metal, dioxin and PCBs test on each batch

3 | Manufacturing

All products are manufactured in facilities free of chemical and microbial impurities and audited by Novus Quality Assurance Staff and third parties.

Manufacturing Process

- Facilities free of chemical and microbial impurities
- Qualified by Novus Process Chemists
- Audited by Novus Quality Assurance

Equipment

- Dedicated production lines
- The systems are closed to prevent adulteration

Batch Record

- Lot numbers of raw materials recorded in each batch record

4 | Products

All products are tested against Novus specifications and complete traceability is maintained from raw materials to finished products delivered to customers.

Finished Products

- Finished product with unique lot number for full traceability and accountability
- Batch records are documented for record reviews
- Products are tested against manufacturing and sales specifications
- Complete traceability from raw materials to finished products delivered to customers
- Traceability drill at least once a year

5 | Product Release

All product characteristics are tested for all key properties to ensure that they meet precise customer requirements.

Product Testing

- Product characteristics are tested to meet precise requirement before releasing to customers

Chemical testing

- Metal content (copper, zinc, manganese, etc.)
- HMTBa content

Physical testing

- Moisture
- Particle sizes
- Dustiness
- Flowability
- Caking tendency

MINTREX® in the Novus Quality System

MINTREX® products, as are all Novus products, are manufactured under the Novus Quality System, which ensures safe, high-quality trace mineral solutions that consistently exceed stringent global quality standards. The Novus MINTREX® range is a series of chelated trace minerals necessary for animal well-being, health, longevity and productivity. The mineral bioavailability and efficacy of MINTREX® versus other inorganic and organic trace mineral forms has been proven in many field trials and tests with customers over many years. As an example of the NQS in action, the MINTREX® quality processes are described below:

From qualification of suppliers to the procurement of raw materials for production, from packaging to delivery of finished product, NQS creates optimal production conditions with systematic monitoring and controls to deliver a highly effective product free from potentially harmful contaminants or impurities. The supplier qualification process for MINTREX® begins with a strict examination of raw materials for undesirable contaminants such as heavy metals, dioxin and poly-chlorinated biphenyls (PCBs), which have been demonstrated to cause cancer, as well as a variety of other adverse health effects on the immune system, reproductive system, nervous system, and endocrine system. Novus requires suppliers to code raw material lots individually for full traceability. Each lot of raw materials must also be delivered with a Certificate of Analysis containing results for mineral content and heavy metal and dioxin control.

To further ensure quality, Novus sources metal raw materials for MINTREX® only from suppliers that adhere to the highest industry standards. Suppliers must re-qualify on a regular basis through independently verified and duplicated testing to assure continued compliance. The same quality commitment used to procure raw materials continues through MINTREX® production. Strict processes controlled by time and temperature are qualified by Novus chemists and audited by Novus Quality Assurance to maintain a pure manufacturing environment. MINTREX® is produced on dedicated equipment in a closed system to prevent contamination from outside sources. The type and amount of ingredients used in each manufacturing batch are carefully recorded along with the lot numbers of raw materials. Highly trained Novus manufacturing managers review each batch record to assure compliance with prescribed procedures and control limits.

Finished MINTREX® product is then tested to guarantee compliance with rigorous specifications for purity and performance. Finished product specifications include, but are not limited to, precise requirements on metal content (i.e., zinc, copper, manganese, etc.), as well particle size and moisture. The physical characteristics of finished product are tested using leading industry standards and Novus proprietary methods. Dustiness, flowability, particle size and caking tendency are analyzed and must meet specifications dictated by the Novus Quality Management System. This entire process within the framework of NQS ensures that customers receive high-quality product time and time again.

Novus quality certifications

For Novus plants around the world, quality is not just a set of procedures. In many cases, it represents an entire approach, governed by an internationally recognized standard and confirmed by third party audits. Novus plants adhere to nine different third party certification programs to ensure quality in all aspects of Novus operations in 24 separate certification programs across all plants. These include: ISO9000, ISO 18000, ISO22000, OHSAS 18000, FAMI-QS, HACCP, GMP, Safe Feed/Safe Food and Kosher certifications.

- **ISO9000:** This is the most widely used of quality management standards.
- **ISO18000/OHSAS 18000:** This is the leading standard for Occupational Health and Safety management systems.
- **ISO22000:** This is the quality standard for Food Management Systems.
- **FAMI-QS:** This is the standard and Code of Practice for Feed Additive and Premixture Operators.
- **GMP:** This covers the Good Manufacturing Practice Regulations promulgated by the US Food and Drug Administration.
- **Safe Feed/Safe Food:** This is a voluntary, independently certified Food Certification Program designed for the total feed industry.
- **Kosher:** This is a third party certification confirming compliance with a set of biblical dietary guidelines.



How do we ensure a sustainable supply chain?



Ribbon cutting for new plant in Singapore

Uncompromising adherence to EHS&S standards

Novus operates a complex global supply chain supported by a logistics operation reaching over 90 countries. Sustainability in the Novus supply chain is demonstrated by uncompromising adherence to Environmental, Health, Safety and Security (EHS&S) standards, in addition to responsible raw materials sourcing and planning and production efficiencies, as well as in logistics operations. In 2010, Novus expanded manufacturing operations with the addition of a minerals production plant in the USA and a new manufacturing plant in Singapore to serve Novus's customers in Asia.

Strengthening EHS&S performance

In 2010, Novus strengthened its focus on EHS&S with the addition of a full time EHS&S Manager to consolidate and lead all EHS&S practices in Novus global operations. This significant step was the result of a management decision to address EHS&S in a more comprehensive and proactive way, as the Novus business continues to grow in size and complexity. As a first stage, during 2010, a full internal audit of all formal EHS&S procedures was undertaken, and several procedures were revised and in some cases, newly developed. These included air quality management, waste management, water quality management, container management, management of change and incident reporting. In addition, new injuries reporting procedures were established to ensure monthly reporting to a global database by every Novus facility beginning in January 2011.

Auditing EHS&S performance

In addition to strengthening EHS&S procedures, in 2010, Novus embarked upon a program of EHS&S internal audits, performed by expert consultants, starting with Novus's manufacturing plant in Germany and rolling out to all plants in the coming years on a three-year schedule. A software program with linkage to local country regulatory requirements and updates was purchased to assist in monitoring, measuring and reporting audit results.

Renewed focus on industrial hygiene

During 2010, Novus renewed its focus on industrial hygiene to ensure all manufacturing plants observe the highest standards related to employee health in the workplace. A

comprehensive monitoring schedule and revised listing of all hazardous materials for several facilities was published and potential exposure to hazardous materials was reviewed according to a tailored checklist developed by Novus. A series of workshops on industrial hygiene was developed to ensure employees are fully trained in all appropriate procedures to schedule and complete the monitoring. Workshops were held in three Novus plants in Spain, Germany and the USA in 2010.

Novus operations are not associated with serious occupational-related diseases that present specific health risks for any Novus employees, their families or any local communities. Industrial hygiene procedures ensure that all necessary preventative measures are taken and that employees are aware of potential health impacts of operations and understand measures to avoid any risk. No additional specific training or counseling regarding serious diseases is currently conducted, though Novus remains vigilant and is prepared to ensure employee training in any new issues that arise.

Managing with Responsible Care®

Novus is certified as a Responsible Care® Management System (RCMS) company for its global headquarters and Chocolate Bayou, TX, facilities. Responsible Care® is a voluntary initiative of the global chemical industry focused on improving performance, communication and accountability. Responsible Care® commits companies, through their national or regional chemical associations, to work together



Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

to continuously improve the health, safety and environmental performance of their products and processes. It is a major contribution by the industry to achieving sustainable development. The

International Council of Chemical Associations manages Responsible Care® at the global level. In the USA, Responsible Care® was launched in 1988 as the American Chemistry Council's comprehensive Environmental, Health, Safety and Security (EHS&S) performance improvement initiative. It incorporates progressive principles based on benchmarked best practices of leading private sector companies, initiatives developed through the Global Environmental Management Initiative, International Standards Organization and other bodies, and requirements of national regulatory authorities.

To maintain RCMS certification, Novus is audited every three years by an independent certified auditor. The audit typically covers policies, procedures and performance with regard to community awareness and emergency response, security, distribution, employee health and safety, pollution prevention, process safety and product stewardship.

During 2010, a full audit was performed at Novus International Headquarters and Research and Development facility in the USA. Novus was granted a “pass” opinion with zero non-conformances from the audit. Additionally, Novus was commended for several management best practices, including: procedures for qualifying new suppliers, the Novus Integrity System and its integration into management culture, Novus’s customer Problem Reporting System and opportunities for employees to participate in the promotion of Responsible Care® through safety meetings, safety and housekeeping inspection of labs, fire extinguisher training, and teams such as the spill-response team.

For more about Responsible Care®, please visit: www.responsiblecare.org and www.americanchemistry.com

Sourcing from qualified suppliers

After ensuring alignment with our Mission, Vision and Core Values, Novus engages with suppliers on the basis of best fit with Novus’s product and service requirements based on a variety of parameters including quality, traceability, technical specification, and service responsiveness. The Global Procurement Team at Novus utilizes a range of systems to qualify new suppliers. As a first stage, Novus visits major suppliers to review their supply processes and compliance with ethical standards of doing business. Thereafter, Novus evaluates suppliers against a comprehensive checklist covering quality, safety and overall capability to meet Novus technical specifications.

Encouraging local supply

As a global business, Novus works with hundreds of suppliers in many countries to support its diverse manufacturing requirements. While many of these suppliers provide materials and services for Novus facilities locally, in the country in which the product or service is used, local suppliers cannot always be given preference in current supplier selection systems. Novus recognizes that encouraging local supply can be a significant positive element in supporting local economies, and we are initiating the process of tracking the percentage of local country purchasing in which we engage.

Novus works collaboratively with local suppliers wherever possible. This is demonstrated in Novus’s commitment to establishing local manufacturing in strategic markets, such as the opening of Novus’s plant in Singapore in 2010 and newly acquired operations in Spain, for which raw materials are often locally sourced. In addition, Novus contributes to local sourcing in indirect ways, for example, the use of Novus’s chelated trace minerals enables customers to use local raw materials in animal feed instead of importing feedstocks. In working closely with customers to understand their needs, Novus assists them in developing feed mixes that utilize local raw materials as available. An example of this is a Novus partnership in Kenya that aims to identify more local raw materials available for appropriate use in animal feed.

Innovative supply systems

Improving supply efficiency throughout the supply chain

In 1993, Novus pioneered the concept of vendor-managed inventory for feed ingredient bulk liquids with the introduction of a patented, automated remote monitoring system known as AIMS®. This system provided daily inventory management of Novus’s ALIMET® feed supplement and SANTOQUIN® feed preservative bulk liquid ingredients at all customer locations across North America via the telecommunications system.

The original system utilized a network of bulk storage tank sensors at customer locations throughout North America to monitor product levels, forecast customer demand and automatically order product replenishment. These sensors were tied to Novus headquarters via telephone land lines and cellular phone communications networks. While this system set a new industry standard for bulk liquid delivery, it was limited to receiving just one daily report from each customer location. In addition, it was subject to telecommunications problems associated with rural telephone networks, dropped cellular calls and weather-related incidents that disrupted reporting from customer sites.

In 2009-2010, Novus upgraded the AIMS® infrastructure by incorporating the latest satellite communications and remote monitoring technology throughout its bulk liquid product supply chain. The new system utilizes satellite communications capabilities connected to a network of customized Remote Telemetry Units (RTUs) at more than 500 customer locations across North America. The RTUs feature submersible



differential pressure sensors for automated bulk tank level measurement and reporting.

The new platform is Internet-based, which improves the reliability of the data collection system and reduces data collection cost. It also provides precise, dependable and instantaneous inventory readings for any customer 24/7, plus a back-up power supply and a local display of tank inventory. AIMS® also includes satellite communications with Novus's fleet of more than 20 dedicated delivery trucks nationwide to automatically track locations, routes, deliveries and customer billing activities, enabling improved logistics efficiency and customer service. The AIMS® upgrade allows Novus to monitor customer inventory without customer involvement, ensure the customer always has just enough inventory to maintain operations, and ensure highly efficient inventory management and supply with lower waste levels, lower resource consumption and improve customer relations.

Since the AIMS® upgrade, reliability of all customer site reporting and communications has increased from 91% to 99%. In addition, bulk containers and drum usage has been decreased by more than 50,000 units annually, which helps reduce environmental waste and directly supports Novus's

"reduce, reuse and recycle" goals. A 2010 customer satisfaction survey results showed a 96% overall satisfaction rate with the AIMS® program.

Product Stewardship

It is imperative for Novus to ensure that all our products are delivered to our customers around the world in a way that enables customers to understand how our products conform with health and safety standards. Therefore, all products arrive complete with all relevant information regarding the content, properties and use of our products at the most appropriate level of detail. Novus ensures that all product marketing to customers is conducted with the utmost integrity and that all product claims are verified thoroughly in accordance with Novus internal standards.

Product Stewardship Program

Novus maintains a Product Stewardship Program, which is a detailed manual of all procedures relating to The Product Stewardship Code. This is one of the seven American

Chemistry Association (ACC) Responsible Care Codes of Management Practice to which Novus adheres. The goal of Product Stewardship is to make environmental, health, safety and security an important part of designing, manufacturing, selling, distributing, using, recycling, and disposing of our products. Product Stewardship involves listening to customers' concerns, enhancing Novus and customer EHS&S information and integrating EHS&S into all aspects of business activities and decisions. An estimated 95% of Novus manufactured products conform to the rigorous requirements of the Product Stewardship Code.

Product Safety Assessment

Prior to marketing, Novus products are assessed using a methodology called The Product Safety Assessment (PSA) and re-evaluated at least once every five years. The PSA ensures that Novus has a thorough understanding of product risk through identifying hazards (e.g. toxicity, physical properties), exposure concerns, regulatory issues and ultimate product disposition. Re-evaluation of product safety is triggered by new toxicity or hazard data, process changes or customer concerns.

Decisions relating to aspects of new product development and major product or process modifications are managed through the Pre-Manufacturing and Pre-Distribution Quality and Safety Checklist system which form part of the PSA. Material Safety Data Sheets (MSDS's) are produced only after these processes have been fully completed and Novus is assured of the products' complete safety and integrity.

Material Safety Data Sheets

Novus products are delivered to customers with a detailed Material Safety Data Sheet (MSDS), which are developed for new products and routinely updated for existing products. This is our primary means of communicating appropriate protective measures of product handling to our customers, employees and others. MSDS's provide a training and reference tool for employees and an information resource for emergency responders. Novus MSDS's are prepared according to the latest version of the American National Standards Institute (ANSI) Z400 hazardous workplace chemicals guidelines, and are updated as new information becomes available and no longer than every five years. MSDS's also meet the hazard communication requirements of the current Occupational Health and Safety Administration (OSHA) Hazard Communication Standard (29 CFR 1910.1200). Novus MSDS's are freely available for download from the Novus website.

Product Labeling

Labels are provided on all Novus products. As applicable, appropriate hazard warnings are provided on these labels. Novus follows the product labeling requirements of the specific governmental agency regulating the product, its manufacture, storage, use, transport or disposal. For most Novus products in the U.S., this is primarily the U.S. Food and Drug Administration (FDA) and the Association of American Feed Control Officials (AAFCO), with additional information added as appropriate to meet requirements of the Occupational Safety & Health Administration (OSHA) or the Department of Transportation (DOT) and the Environmental Protection Agency (EPA). Product labels for use in other world areas meet local format and content requirements, including language.

Customer Privacy

During the course of Novus's relationships with customers, we are exposed to many detailed aspects of their operations in order to be able to provide the most appropriate innovative product solutions and service. Our ability to work closely with customer in this way is based on the highest levels of integrity and mutual trust. Novus respects customer privacy and never relays information to third parties or publishes any information about customers' operations without prior consent.



MINTREX® and MHA product bags await shipment to Novus customers.

"Raindrop," Douglas Auer and Michael Hayes, 2009
Media: Glass

Novus commissioned this piece for our global headquarters. It is made of blown glass spheres and volumetric flasks. The materials chosen and the forms created highlight the link between scientific development and the preservation of the natural world.



INTEGRITY

How do we respect animal well-being?



Novus cares for animals

At the heart of the Novus approach to sustainable agriculture is animal welfare. Healthy, happy animals are more productive and more cost-effective for farmers. Novus employs more than 50 Animal Nutritionists and Doctors of Veterinary Medicine who maintain a constant focus on how our solutions are affecting the lives of animals as well as the livelihoods of farmers. Novus product effectiveness is determined by working closely with animals and their owners in field studies to understand the way Novus solutions impact animal well-being. Small studies on specific species are progressed on a regular basis, but in 2010, Novus completed one of the most significant studies ever conducted with the sole purpose of understanding more about animal welfare and assisting farmers in making changes to improve their practices based on a scientific validation of what works best.

C.O.W.S. (Comfort • Oxidative Balance • Well-Being • Sustainability)

During 2010, Novus partnered with the University of British Columbia (UBC) Animal Welfare Program to develop a breakthrough nationwide benchmarking study aimed at improving cow comfort, enhancing oxidative balance and promoting animal well-being, all the while contributing to sustainability in the dairy industry. The aim of the C.O.W.S project is to optimize dairy cow well-being, comfort and productive efficiency by providing a systematic approach to enhance management focus and improve practices. Each of the four key pillars of



the program plays an integral role in the objective, systematic approach Novus takes in helping dairy producers evaluate the major factors that impact animal well-being and productive efficiency. The C.O.W.S. project evaluates individual dairy farms relative to benchmarks on several measures including lying time, lameness and hock evaluation, while also taking into account facility design and management measures. The program was implemented in a number of geographical areas in the U.S., comprising more than 140 herds.

The C.O.W.S. program is a perfect expression of Novus's sustainability approach. A dairy cow that achieves high productivity levels and increased longevity, due to good management of lameness and overall well-being, is able to reduce the environmental impact per unit of milk produced. The increases in efficiency are possible because of improvements in herd management, comfort and availability of stalls, technology and feed additives. In order for a cow to maintain high levels of efficiency and sustainability, she needs to be healthy and comfortable with adequate areas to lie down and rest. The C.O.W.S. program addresses these issues in the broadest research program ever to establish real benchmarks and opportunities to improve the health and productivity of dairy cows and the sustainability of the dairy industry.

The total U.S. dairy herd decreased from 25 million cows in 1944 to 9 million in 2007, while milk production increased from 117 to 186 billion pounds over the same period. U.S. dairy farms continue to be under pressure to produce even more high-quality output with fewer inputs. The C.O.W.S. program can help the dairy industry as a whole, as well as serve as a valuable tool to help producers maximize the comfort and well-being of their own animals for peak productivity and efficiency and enhanced sustainability.

The C.O.W.S. program is offered to individual key Novus customers as a complementary, value-added service, providing confidential farm evaluations, which assist farmers in all aspects of herd well-being management.

“The C.O.W.S. program provides us with an independent unbiased perspective that’s important to help us identify areas of improvement that we might not recognize on our own.”

Steve Harnish, co-owner of Central Manor Dairy of Washington Boro, PA. Steve Harnish and his family partners milk approximately 200 cows three times a day.

For more information about the C.O.W.S. program or about oxidative balance in dairy cows, please visit: www.NovusCows.com or www.dairybalance.com

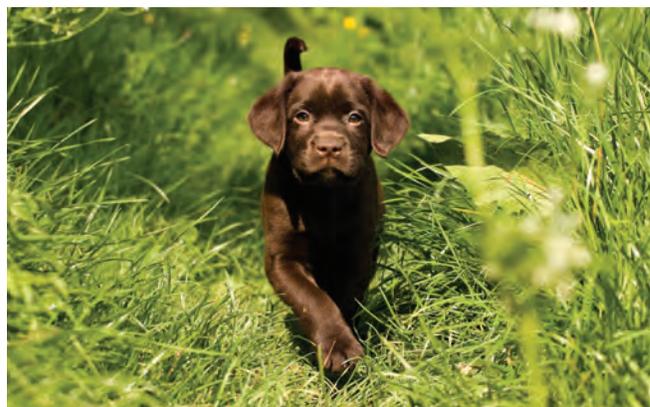
Arenus – caring for animals and their owners

Novus is a company that cares deeply about all animals, not only those which are raised for the purpose of providing food for the world's populations. Novus's science-based expertise in animal nutrition and well-being, developed over 20 years of sustained technological innovation, has become a springboard for the development of Novus's ARENUS® brand, which provides invaluable support for the health, comfort and longevity of pets and companion animals, thereby improving animal well-being and also the quality of life of those who form strong emotional bonds with their animals, and depend on them in many ways. The Arenus product range includes supplements to support optimal digestive health, healthy bones and ligaments, relief from respiratory challenges, and a great look with healthy skin and smooth coat. Arenus also offers ranges of herbal products and flower essence remedies for horses and dogs that need a little extra physical and emotional support.

- There are approximately 77.5 million owned dogs in the USA.
- 39% of USA households own at least one dog.
- There are over 13 million owner horses in the USA.
- Total spending on pets in the U.S. was over \$47 billion in 2010.

(2009-2010 National Pet Owners Survey)

Arenus is the only Novus business that works directly with consumers who are large and small animal owners to advance the well-being, comfort, health and longevity of pets and companion animals. This contrasts with Novus's work with commercial farms and feed producers, and provides opportunities to serve a wide range of consumers on a direct basis, enabling Novus to understand their needs and those of their animals first-hand. Established in 2006 with just one product in the Arenus offering prior to 2009, and growing to 45 products in 2010, marketed at present in the USA and in Mexico, Arenus has proven itself in a very short time to be an essential premier provider of innovative health and nutrition products for horses, pets and companion animals. Arenus, with its team of veterinarians and other animal health professionals, has a mission to become the source of innovative and trusted nutritional and health



products and information that help horses and pets achieve optimal health, performance, and longevity. At present, Arenus's primary focus is the care of horses and dogs.

Certified responsible

Arenus is an audited voluntary member of the National Animal Supplement Council (NASC), an industry group dedicated to protecting the health of companion animals including horses. NASC's overriding goal is to promote the health and well-being of companion animals that are given animal health supplements by their owners, and to protect and enhance the integrity of the animal health product industry.

NASC members must agree to adhere to NASC's quality standards, which include submitting to an independent audit to ensure conformance with quality system requirements. Compliant members, including Arenus, may display the NASC Quality Seal, which confirms to customers that products are supplied by a reputable company that observes the strictest standards of quality, labeling and other responsible practices. For more information about the NASC, please visit: www.nasc.cc

Creating Strong Bonds with pets

In working with people and their pets, Novus understands that each and every horse, dog or other pet represents an entire world to its owner. The most important element in any decision affecting a pet or companion animal is the strong personal and emotional bond that people form with their animals, motivating them to act in the best health and well-being interests of their animals. Arenus understands this important social effect of pet ownership and in 2010, introduced a novel contest using the internet inviting pet owners to describe what their pets mean to them. The contest called "Strong Bonds," received hundreds of entries from pet owners eager to share

how their pets had changed their lives. The contest winner was Debbie Bilek who submitted the story of her foster daughter, Rebekah. Debbie wrote: *“Nearly two years ago, Rebekah was blessed to meet her precious friend, Ali, a beautiful Arabian horse, at the Equine Alliance. It is a program run by Lori and Tony Harmon to rescue abused and abandoned horses and then give children like Rebekah, the opportunity to work with them. The day Rebekah and Ali met, the bond was immediate and deep. They had both come from horrible pasts and had been brought to stability through love and acceptance.”*

Heartwarming stories such as these show how pets make a difference in the quality of people’s lives. Arenus is proud to share in helping pet owners care for their pets and gain such wonderful benefits.

To read more about the Strong Bonds contest winners, please visit: http://www.arenus.com/Portals/Arenus/Campaign/StrongBonds_Winners.html

Working with professionals for horse welfare

Arenus helps animals by identifying what works best in practice to ensure that horses receive the most relevant assistance in dealing with their health concerns. Arenus does this through consultation with a network of qualified veterinarians who refer horse healthcare issues to Arenus. Based on this, Arenus proposes trials to provide solutions that meet the specific health need of the horse. In this way, animals are provided with healthcare solutions with the highest chances of success. Arenus donates products, enabling both the veterinarians and the horse owners to evaluate Arenus solutions. During 2010, Arenus used this program to develop solutions for over 120 horses with collaboration from a network of 50 veterinarians. This program is a unique and innovative program in the horse healthcare and well-being industry and is successful because it enables first-hand experience with Arenus products, generates trust in Arenus products and provides Arenus with much data about the effectiveness of the products and application of different products in different ways.



Causes for horses and pets

Arenus partners with many NGOs whose values align with our Vision to achieve a higher quality of life for animals and people. One example is Arenus's support for the North American Riding for the Handicapped Association (NARHA), an organization which promotes therapeutic horseback riding for men, women and children with special needs through a variety of equine-assisted activity and therapy programs. Arenus donates products for the horses to support NARHA. For more information about NARHA, please visit: www.narha.org

Other Arenus NGO partnerships include:

- National Horse Riding Association's program for injured athletes.
- Chase Away K9 Cancer, a grassroots campaign where 100% of donations fund canine cancer studies and awareness efforts in partnership with the American College of Veterinary Internal Medicine (ACVIM) Foundation.

- Mutts in Motion, a non-profit organization promoting responsible pet ownership through performance and education.
- Equine Voices Rescue & Sanctuary, an organization dedicated to saving mares and foals from slaughter.
- Arenus provides provisions of product kits for people who adopt pets through a network of partner pet shelters.

During 2010, over \$30,000 in charitable donations and hundreds of product packs were donated to these and other causes to support animal well-being.

Collaborating with a pet expert network

In 2010, the Novus Pet Advisory Board was formed, with three of the industry's top pet nutrition consultants joining Novus to ensure that Novus products are a relevant, effective fit with our customer needs. The Advisory Board also provides perspective on the development of new products.



Customers describe how Arenus contributes to animal health and well-being

"My oldest dog ... has had joint problems since he was young and in the last couple of years his energy has gone down significantly. Last summer he injured his ACL and we were facing expensive surgery. ... I needed to wait a month before I could afford it. As a last effort I tried STEADFAST® CANINE to see what would happen. After about 2 weeks things started looking real good and after week 3 he was sprinting around ...again like crazy...He has more energy than he has had in a long time and it is great to watch him run and jump again."

Alex, USA

"My dog Quincy is a 5-year-old Lab/Pit Bull mix. About 3 years ago she hurt her knee riding in our car. She was only 2-years-old at the time and we consistently had problems with her limping and we could no longer take her on the walks she loves so much. Within a month of using STEADFAST® CANINE she surprised me one morning and jumped onto the bed. She had not done this for 3 years, but continued to do so each day after! We can now take her on the long walks we used to love."

Beth, USA

"Within a few days of starting STEADFAST® EQUINE, every horse became more calm, focused and willing. Within 2 weeks of starting STEADFAST® EQUINE, horses began moving more free and relaxed...After the results we've seen with STEADFAST® EQUINE, it has become a staple in our programs."

Crestview Farm, Inc. Center for Integrated Veterinary Sports Medicine

"I've been so impressed with STEADFAST® CANINE that I've also started giving it to my male Lab, Bud, to help support his overall health while we try to work on his weight. I will continue to supplement both of my Labs with STEADFAST® CANINE. STEADFAST® CANINE is great stuff and I am thankful to have found it. Keep up the good work!"

Angie, USA



How do we contribute to the sustainability of our communities?



2nd Annual Art Walk at Novus global headquarters to benefit The Arts and Education Council

Novus supports local communities

Novus employees are integrated into the fabric of the communities and countries where we live and work. Ultimately, we are all citizens of the planet and the natural environment that provides the basic resources that fuel our businesses and sustain our lives.

For Novus, sustainability begins with a commitment to and by each individual employee. Each employee brings a unique perspective and knowledge to the company—skills, talents and experience—that are the essential elements of the value we are able to deliver to the marketplace. Sustainability at Novus is the way we engage with the world around us to develop the relationships that can make a long-term, positive impact. It is about taking the responsibility and concerted action to seek out synergistic collaborations.

Giving a charitable donation to an organization or funding the construction of a building at a university are finite activities. Building synergistic relationships requires a commitment and an investment of time, but the positive effects are ongoing. Relationship building is the Novus approach to sustainability.

Novus has direct relationships in more than 90 countries on six continents with customers, suppliers, consumers, students, teachers and neighbors. We believe our diverse employee base and inclusive work environment are essential to innovation and central to how we make a contribution to sustaining local communities wherever we are present.

The Novus Arts Program

The Novus Arts Program is a way to connect **Innovation with Integrity**, through employee engagement with local arts communities. At Novus's global headquarters in St. Charles, MO, Novus houses a diverse collection of art by local artists from all over the Novus world, identified by Novus employees. These works of art provide inspiration for Novus employees at the global headquarters while, at the same time, contribute to supporting local artists.

Each year, Novus hosts the Novus Art Walk as a fundraiser for the Arts and Education Council. The Art Walk is an open-house event that displays both Novus's in-house art collection and art exhibitions submitted by employees or local artists. In 2010, more than 30 local artists displayed their work, and many

more arts organizations participated in the event to display and sell their artwork and share information on their activities. More than 400 people, including employees, neighbors and friends from the community, enjoy this special event.

Part of our tradition is that, at the Art Walk, we unveil a new piece of artwork added to the collection during the past year. In 2010 Novus commissioned an original painting by Missouri based artist Bryan Haynes for Novus's headquarters facility. The painting called "Nourish" presents imagery that highlights the Company's purpose: to create nourishment for the world through the pairing of innovation and sustainability with science. Bryan Haynes graduated from the Art Center College of Design in 1983. Since then, his commercial work has appeared in national magazines, ad campaigns, CD and book covers, and posters. His patrons include Disney, Warner Brothers, IBM, Nike and Anheuser-Busch.

For more details about the Arts and Education Council, please visit: www.keeparthappening.org



"Nourish" by Bryan Haynes is a centerpiece of artwork that inspires Novus employees' innovation. Tricia Beal, Senior Director, Global Human Resources, leads a tour for Novus guests.

Meds and Food for Kids

In 2010, Novus committed to the Local Hands, Bright Future capital campaign for Meds and Food for Kids (MFK), a non-profit organization dedicated to saving the lives of Haiti's children by manufacturing and distributing nutritious foods in Haiti. The goals of Meds and Food for Kids are aligned with the Novus Vision of helping to feed the world affordably,

wholesome food and achieve a higher quality of life. MFK addresses some of the root causes of malnutrition, which include unemployment and poverty, by training and employing Haitians in its factory and outreach programs, and by working with over 500 farmers to increase peanut crop productivity and to foster local agricultural markets. The organization currently has a factory in Haiti that produces Medika Mamba, a Ready-to-Use Therapeutic Food (RUTF) that is distributed to malnourished Haitian children. Over the past 7 years, MFK's products have saved the lives of 15,000 children. The goal of the capital campaign is to raise money to build a new factory that will allow MFK to increase the production of Medika Mamba. The expanded facility will provide treatment to 80,000 children annually, a 10-fold increase in production and treatment capability, employ 50% more Haitians in production and distribution of life-saving RUTF and will expand purchasing of locally grown peanuts to over 1,000 Haitian farmers. Novus made a cash donation of \$10,000 and committed to match employee gifts up to \$100,000. Thad Simons, President and CEO of Novus, serves as Chairman of the campaign steering committee, and John Wade, SVP Finance, serves on the Board of MFK.

For more information about MFK, please visit: www.mfkhaiti.org

Emergency relief

On Aug. 7th, 2010, Zhouqu, Gansu Province in China was hit by a massive mudslide. Novus acted at once, making the first corporate donation to support survivors. Together with Lanzhou Chia Tai Co. Ltd., one of our partners located in Gansu Province, Novus provided support to the landslide area.

Supporting an innovative EcoDairy

Located in the heart of Canada's most intensive agricultural area, Abbotsford, British Columbia, the Bakerview EcoDairy is the first demonstration farm of its kind in Canada, showcasing innovative and sustainable dairy farm practices while inviting the public to share in the experience in a fun, interactive and educational way. The EcoDairy encourages visitors to meet the farm's cows, goats, ponies and other animals and visit the interactive Learning Centre and theater, animal exhibit and robotic cow milking. Bakerview EcoDairy is a registered not-for-profit organization founded in 2008, promoting awareness of food safety, animal welfare, environmental protection and sustainable farming practices, demonstrating that rural and urban communities can live in harmony.

Novus supports EcoDairy by volunteering time as a member of the EcoDairy's Board of Directors and supporting good farming practices with guidance and best practice advice. The partnership provides a platform for demonstrating best practices as related to animal nutrition and environmental conservation.

Novus works with EcoDairy to optimize animal nutrition which improves the health and wellness, increases performance for the producer and reduces the environmental footprint of agriculture. This partnership is representative of hundreds that Novus engages in around the world, collaborating to Innovate with Integrity.

For more information about EcoDairy, or to check out how to visit, please see: www.ecodairy.ca

Novus partnerships to advance agricultural sustainability



world **Agricultural** forum
Empowering Agriculture



Missouri Colleges Fund



Partnering with trade and industry associations

Novus values collaboration with peers in the industries within which we work. Trade and industry associations are a critical channel for peer collaborations. These organizations offer the opportunity for working together and across the value chain on the issues, challenges and innovations that can collectively help our industry and our customers. We seek to engage at many levels of these organizations from serving on the Board of Directors to broader employee membership, volunteerism and participation.

SAI Platform

The SAI Platform is a food industry-based organization that supports and innovates agricultural practices and production systems that preserve and promote sustainability. Novus is active in organizing events and sharing knowledge with the Platform's members.

For more information, please see: www.saipatform.org

Novus charitable giving

Novus encourages a spirit of community solidarity and charitable giving within our employee team. It is our intention to be caring, corporate citizens in the communities where we work with customers and where our employees live. To that end, Novus provides financial support for education, the arts, cultural activities, health, and community vigor—the elements that enhance the quality of life. Novus's fundamental approach is based on collaboration with a range of community partners.

In 2008, Novus established the Novus Fund for charitable contributions and each year a financial allocation is made to support the Novus Fund. Giving programs encompassed by the Fund include a Matching Gift Program and a Charitable Grant Program. A Charitable Contributions Committee that includes employees, who are appointed by the President of Novus, oversees the operation and administration of the Novus Fund and solicits recommendations for charitable contributions for qualifying projects around the world.

Novus Fund Matching Gift Program

The Novus Matching Gift Program is intended to support employees in their voluntary, financial or in-kind support of higher education, health, community

and cultural organizations. Through the Matching Gift Program, full-time employees of Novus and majority-owned subsidiaries can contribute to qualifying charitable organizations and request a matching contribution.

Novus or its subsidiaries may match eligible contributions by employees up to \$5,000 per employee each year. In addition, Novus contributes a donation of \$10/hour for each hour that a Novus employee volunteers private time to organizations up to a total of \$1,000 per employee per year. Novus actively encourages and provides opportunities for employees to volunteer in their local communities.

In 2010, Novus employees supported 97 charitable organizations, and their donations had a 100% match through the Novus Matching Gift Program.

Charitable Grant Program

Novus supports a wide variety of groups whose objectives are in the area of education, arts and culture, youth and civic activities and health and welfare. The primary focus of the Charitable Grant Program is on organizations that can make a positive impact and raise the quality of life in their communities. The Novus Fund Charitable Contributions Committee reviews requests for grants and determines allocations. Employees are encouraged to recommend eligible organizations to the Committee.

Industry Associations

As a further demonstration of Novus's commitment to working in partnership to support developments in sustainable agriculture and responsible business practices, Novus maintains membership of a wide range of associations and in some cases, maintains a seat on the Board. Novus maintains membership in 173 Trade and Industry Associations, covering a wide range of activity relating to Novus's business and organizational activities. These organizations are listed below:

Alabama Poultry & Egg Association
Alabama Poultry Association
Alabama Poultry Producers
American Association of Avian Pathologists (AAAP)
American Association of Swine Veterinarians (AASV)
American Cancer Society
American Chemical Society
American College of Sports Medicine
American Dairy Science Association (ADSA)
American Feed Industry Association (AFIA)
American Food Institute
American Food Safety Institute
American Industrial Hygiene Association St. Louis
American Institute of Chemical Engineers
American Management Association
American Meat Science Association
American Oil Chemists Society
American Registry of Professional Animal Scientists (ARPAS)
American Society for Industrial Security
American Society for Nutrition – American Journal of Clinical Nutrition
American Society for Testing of Materials
American Society of Agricultural & Biological Engineers
American Society of Animal Science
American Society of Mechanical Engineers
American Society of Pharmacognosy
American Society of Professional Estimators
American Soybean Association (ASA)
American Veterinary Medical Association (AVMA)
Animal Nutrition Association of Canada
Asian Fisheries Society
Asociación Mexicana de Especialistas en Nutrición Animal (AMENA)
Asociación Nacional de Especialistas en Ciencias Avícolas (ANECA)
Association for Corporate Growth
Association of Additives and Premixes Producers of Spain
Association of Energy Engineers
Association of Registered Professional Animal Scientists (ARPAS)
Auburn University Donation, Department of Fisheries & Allied Aquacultures
Australian Association of Ruminant Nutritionists (AARN)
Australian Feed Ingredients Association
Australian Poultry Research Foundation
Australian Stockfeed Manufacturers Association (SFMA)
Better Business Bureau

Broiler & Egg Association of Minnesota
Building Green
California Grain and Feed Association (CGFA)
California Poultry Federation (CPF)
Carolina Feed Industry Association
Cascadia Region Green Building Council
Center for Food Integrity
Cleaning Industry Research Institute
Comparative Nutrition Society
Compound Livestock Feed Manufacturers Association (CLFMA)
Computer Assets Facilities Management
Council for Agricultural Science and Technology
Council of Agricultural Science & Technology (CAST)
Council on Safe Transportation of Hazardous Materials
Delmarva Poultry Industry Association
Equine Science Society
FCIB
Federation of Animal Science Societies (FASS)
European Association of Specialty Feed Ingredients and their Mixtures (FEFANA)
Florida Feed & Grain Association
Georgia Egg Producers
Georgia Feed & Grain Association
Georgia Poultry Federation
Global Aquaculture Alliance
Global Business Travel Association
Green Build
Green Building Council
Groundwater Protection Council
Illinois Farm Bureau
Illinois Pork Producers Association
Informatica Business Education - Security Awareness
Institute of Certified Professional Managers
Institute of Food Technologists
Institute of Marine and Environmental Technology
International Association of Administrative Professionals
International Facilities Management Association
International Fishmeal and Fish Oil Organisation (IFFO)
International Foundation of Employee Benefits Plan
International Living Building Institute
International Society of Mycotoxicology
Iowa Pork Producers Association
Iowa Poultry Association
Iowa Turkey Federation
Jordanian Agriculture Engineering Association
Jordanian Businessmen Association
Licensing Executives Society
Louisiana Poultry Association
Louisiana Poultry Federation
Midwest Poultry Consortium
Midwest Poultry Federation
Minnesota Turkey Growers Association
Mississippi Feed & Grain Association
Mississippi Poultry Association
Missouri Conservation
Missouri Information Analysis Center

Missouri Soybean Association
 National AgriMarketing Association
 National Animal Supplement Council
 National Association of Credit Management (NACM) Gateway Region
 National Association of Credit Management (NACM) North Central
 National Association of Farm Broadcasters (NAFB)
 National Association of Professional Receptionist
 National Biodiesel Board
 National Cattlemen's Association
National Chicken Council
 National Coalition Food Agricultural Research (NC-FAR)
 National Corn Growers Association (NCGA)
 National Pork Producers Council (NPPC)
 National Renderers Association (NRA)
 National Safety Council
 National Small Business Association
 National Turkey Federation
 National Wellness Institute
 National Wildlife Federation
 Nebraska Poultry Industries
 North America Game Bird Association
 North Carolina Poultry Federation
 North Dakota Poultry Industries
 Northwest Poultry Council
 Oceanic Institute
 Ontario Agribusiness Association
 Ontario Institute of Agrologists
 Pacific Egg & Poultry Association (PEPA)
 PennAg Industries Association
 Pet Food Institute
 Pharmaceutical Professional Association of Tarragona
 Poultry Federation of India
 Poultry Middle East & North Africa
 Poultry Science Association (PSA)
 Professional Animal Auditor Certification Organization (PAACO)
 Red Cross Ready Rating
 Shipping & Logistics Industry Today
 Society for Human Resource Management
 Society of Rheology
 South Carolina Poultry Federation
 Southern Feed & Grain Association
 Southern Poultry Science Association
 Space Solar Alliance for Future Energy (SSAFE)
 Spanish Association of Commercial Codification
 St Louis Regional Chamber and Growth Association
St. Louis Agribusiness Club
 St. Louis Business Travel Association
Sustainable Agriculture Initiative (SAI) Platform
 Tennessee Poultry & Egg Association
 Texas Board of Professional Engineers
 Texas Chemical Council
 Texas Poultry Federation
 The Association for Operations Management
 The Conference Board
 The Institute for Supply Management
 The Poultry Federation

The Travel Institute
 Toastmasters International
 U.S. Poultry & Egg Association
 U.S. Soybean Export Council (USSEC) & American Soybean Association
 International Marketing (ASA-IM)
 United Egg Producers
 United States Grains Council (USGC)
 United States Green Building Council
 University of Guelph Alumni Association
 University of Maryland
 Veterindustria (Spanish Business Association of Health and Animal
 Nutrition Industry)
 Virginia Poultry Federation
 Virginia State Feed Association
 Voluntary Protection Programs Participants Association
 Washington University Executive MBA Alumni
 Wisconsin Poultry & Egg Industries
 Workforce Management
World Agriculture Forum
World Aquaculture Association
 World Aquaculture Society
 World's Poultry Science Association (WPSA)

Associations represented in bold indicate a select group of Novus's many Board memberships.

How do we work to protect the environment?



Novus advances environmental sustainability

Optimizing productivity while minimizing the use of natural resources, reducing overall consumption and avoiding harmful impacts on the environment are core to the Novus business proposition and a feature of every product that Novus provides in the global markets it serves. In addition, Novus exercises the precautionary principle by reducing the environmental impacts of its own operations in many different ways, ranging from the way Novus constructs offices and factories, to the way Novus plans its manufacturing and logistics operations through to the daily behavior of every employee in every part of the world. The environmental sustainability of Novus operations is embodied in Novus's adherence to all legal and regulatory requirements with regard to environmental protection as well as several voluntary certification standards. To date, Novus has not knowingly acted in violation of any environmental legislation in any part of the world.

Innovation with Integrity: closing the technology gap

With agriculture at the heart of the Novus business, the effects of climate change have the potential to affect Novus significantly over the long term, presenting both risks and opportunities. Climate change is a vital consideration for the Novus Executive Management team in developing business strategy for the coming years. The recognized effects of climate change on the planet including altered temperature patterns, weather extremes and modified global ecosystems will continue to have an effect on local agricultural practices and global food security. The United Nations Development Program report on adaptation to climate change notes that "a consensus that changes in temperature and precipitation will result in changes in land and water regimes that affect agricultural productivity.... and lead to increase in rural poverty ... significant regional disparities are likely. Poorer developing countries are likely to be especially affected." (UNDP.org, 2010). Novus understands the pressures that climate change exerts on sustainable global food supply and recognizes that this will present new challenges for the way Novus works with its customers around the world to help them develop affordable, wholesome food in their regions. Innovation with Integrity is significant in a world in which agricultural output is severely hindered due to the effects of climate change.

Meeting the world's demand for food within agriculture's existing environmental footprint, will require increasing productivity growth to at least 1.75% annually from the current 1.4%. Not only will we need to raise the average rate of productivity growth by one-fourth above its present rate to close the gap, but also productivity will need to grow even more rapidly during the next two decades, when demand will be increasing faster before leveling off by 2050. Technology and innovation will be critical to filling this Agriculture Productivity Gap. There are risks to future agriculture productivity growth that must be formally recognized and managed through technology innovation, best practices and policy, including: climate change effects, water scarcity and rising water needs for non-farm use, competition for arable land for food, fuel and fiber against population pressures and population preferences for meat over plant-based diets.

The complex challenges related to creating a sustainable food supply cannot be addressed by technology alone. The issues are multi-dimensional and require integrated approaches across cultures and disciplines. Collaboration frameworks of major stakeholder groups, in particular, scientists, agriculture practitioners and policy makers, are needed. Effective collaboration and information flow is required for improved knowledge transfer and greater synergy between research, practice and policy. While science-based, best practice-oriented agriculture solutions are necessary, localized, tailored approaches are needed to avoid simplistic solutions to diverse and complex issues.

At Novus, we are a part of the field-to-fork food continuum. As such, we have a role to play in contributing to a sustainable future for agriculture. Our culture at Novus encourages:

- **Global collaboration frameworks:** we actively include customers, business partners and students in our innovation process.
- **Localized solutions for our customers:** defining locally relevant best practices based on sound science.
- **Partnerships:** combining our core competencies with those of external partners who share our values and vision to make a difference.

This open, global culture extends our perspective, understanding and ultimately, the impact of our contribution towards solving the complex challenge of meeting the world's demand for food in the face of climate change challenges.

Managing operational environmental impacts

Novus is constantly seeking to innovate and seek out best practices that will reduce the direct environmental impacts of our operations.

Direct energy consumption

Novus uses natural gas in a number of manufacturing facilities. Novus's total consumption of natural gas increased by 33% in 2010 versus 2009. The main part of this increase was due to significant additional production at Novus's Little Rock plant (USA), which increased its output by 42% in the same period.

Direct energy consumption in gigajoules	
Year	Natural Gas
2010	159,510
2009	120,298

Indirect energy consumption

Novus's total indirect energy consumption from purchased electricity and steam sources for use in manufacturing facilities increased in 2010 by 4.5%. During this period, production increased at all operating locations, including a significant production increase of 42% at Little Rock (USA), and the addition of Novus's new plant in Singapore which commenced production in 2010.

Novus's total indirect energy consumption in gigajoules for 2010 was composed of purchased steam (91%) and electricity (9%).

Indirect energy consumption in gigajoules			
Year	Electricity	Steam	Total indirect energy
2010	60,623	601,732	622,355
2009	50,333	583,236	583,236

Reducing energy consumption at Novus HQ

In 2010, as part of Novus's ongoing drive for continuous improvement in all aspects of the Company's sustainability, Novus welcomed an initiative as part of the Ameren Missouri Custom Incentives Program to assist commercial and industrial sector customers with productivity improvements and energy-saving investments. As part of this program, an energy use study was conducted at the Novus HQ office and laboratory research facility in the Missouri Research Park in St. Charles, Missouri. The study noted the many energy saving features and efficient concepts incorporated in the Novus HQ and research facility, including lighting upgrades to T8 lamps with electronic ballasts, which reduce power consumption by up to 40%, occupancy sensors to minimize unnecessary lighting, an under floor air distribution system that provides individual space temperature control and enhanced ventilation, two-level ventilation systems in laboratories to help improve air circulation efficiency and indoor window shading with mesh screens that provide effective solar control while allowing usable daylight into workspaces. Despite this existing positive energy consumption infrastructure, the study was able to identify 27 additional energy saving options relating to lighting, ventilation, boilers and water pumps in different parts of the facility. All these options are under review and relevant actions will be taken during 2011.

Carbon emissions

Novus's reporting of carbon emissions is aligned with its reporting to American Chemistry Council. Novus calculates its greenhouse gas emissions based on the methodology adopted by the Responsible Care initiative of the American Chemistry Council. Participation in the Responsible Care initiative includes mandatory annual reporting of Greenhouse Gas (GHG) emissions. Responsible Care® openly communicates these GHG emission results to the public.

For plants in the USA, data from the U.S. Energy Information Administration's Annual Energy Review is used to derive the CO2 emissions factor attributable to electricity purchased by the chemical industry. Factors used were taken from the most recent 2009 review released in August 2010. For non USA plants, carbon dioxide emissions were determined using the published 2010 edition of the International Energy Agency guidelines. The methodology used to calculate CO2 emissions from natural gas combustion is consistent with criteria used by the U.S. Environmental Protection



Agency in its report, “Inventory of US Greenhouse Gas Emissions and Sinks: 1990-2009” (February, 2011).

Novus calculates direct and indirect carbon emissions based on electricity, natural gas and purchased steam consumption. In 2010, total carbon emissions increased by 9.8% from 44,152 tons of CO₂ emissions reported in 2009 to 48,489 tons in 2010. This increase, despite Novus’s constant attention to energy reduction levels, is due to the addition of one manufacturing plant in Singapore, significant expansion of operations in the USA and an overall total global production increase in 2010.

Reducing waste

Novus is committed to managing all production operations to achieve minimal waste, and waste levels are carefully managed at all Novus operations. All Novus facilities keep detailed records of waste generated and disposal methods. Solid and liquid waste levels remained broadly the same in 2010 as 2009, while overall production output increased by over 5% in the same period.

Total waste by disposal method in metric tons		
	2009	2010
Liquid waste to deep well injection	386,757	384,900
Liquid waste to waste treatment	48,755	48,803
Solid waste	234	425
Total waste	435,746	434,128

Over 80% of the liquid waste generated by Novus occurs in the Chocolate Bayou Plant in Texas (USA) and consists of liquid salts that are disposed of via deep well injection, which traps liquid waste in geologic formations isolated from drinking water sources. Novus operates two deep wells under permits issued by the State of Texas Environmental Agency and the United States Environmental Protection Agency (EPA). Remaining liquid waste is routed for treatment at sewage treatment plants. Novus's overall level of solid waste (425 tons in 2010) accounts for less than 0.1% of total waste levels and is primarily disposed of via landfill.

Solid waste levels by type in 2010	
Organic waste	49%
Combined waste	34%
Construction waste	9%
Production waste	6%
Chemical waste	2%

Solid waste is composed of a range of materials used in manufacturing processes and includes some paper and packaging, glass, some chemicals and organic waste. Overall, in 2010, total solid waste levels increased by 67%. This included a significant amount of one-time construction waste, generated during the erection of a new plant.

Minimizing the environmental impacts of products

Novus is committed to minimizing the environmental impact of its products over their entire life cycle.

Converting to reusable pallets

In 2010, in order to improve service to customers and gain significant environmental benefits, Novus converted from using wooden pallets to reusable plastic pallets. Such a move reduces Novus's consumption of natural resources, reduces waste and avoids use of chemicals in wood treatment of pallets. Novus's entire output from the Little Rock plant was converted to reusable plastic pallets, saving an estimated 1,000 tons of wood per year (approx. 40,000 pallets of average 25 kg weight).

Local sourcing in South East Asia

In 2010, Novus established a plant in Singapore for the purpose of serving customers in South East Asia more efficiently. One of the key environmental benefits, in addition to improved local customer responsiveness and supply lead-times, is the significantly reduced level of logistics as local production saves energy-intensive shipping of products across the Pacific Ocean. This change eliminates around 18 ocean container shipments across the Pacific Ocean both directions per year, which is equivalent to an annual saving of approximately 60 tons of carbon emissions (based on an estimated 15 grams of carbon emissions per ton-kilometer for ocean shipping). During 2010, Novus was actively pursuing registrations for supply to other countries in the region and anticipates that these full environmental benefits will be realized during 2011.



Recycled plastic beverage containers yield a more sustainable and safe solution for product pallets. Novus replaced wood pallets with reusable plastic pallets for product transport.

Caring for our natural surroundings

Landscaping Novus HQ with the Sustainable Sites Initiative

Novus is committed to protecting our natural environment and the biodiversity and natural habitats of all species in the areas in which we work. In 2010, the Novus International Global Headquarters Campus was selected by the Sustainable Sites Initiative (SITES) as one of the first landscapes to participate in a new program testing the nation's first rating system for green landscape design. The SITES program is an interdisciplinary effort to create voluntary national guidelines and a ratings system for sustainable land design, construction and maintenance practices for landscapes of all types, with or without buildings.

More than 150 other pilot projects from the USA and Canada, Iceland and Spain were selected as part of an international pilot project program to evaluate the new SITES rating system for sustainable landscapes. SITES, a partnership of the American Society of Landscape Architects, the Lady Bird Johnson Wildflower Center at The University of Texas at Austin and the United States Botanic Garden, selected the Novus Headquarters Campus based on its extensive environmentally friendly elements.

The Novus International Global Headquarters was awarded Platinum LEED (Leadership in Energy and Environmental Design) certification by the U.S. Green Building Council in 2009. Platinum certification is the highest designation available to

buildings that demonstrate energy efficiency and sustainability. The Novus building, located in Missouri Research Park, was the fourth building in the state of Missouri and one of fewer than 150 buildings in the USA to achieve Platinum LEED certification.

For more information about the Sustainable Sites Initiative, please visit: www.sustainablesites.org.



Donald Lickliger, Mayor, Weldon Springs; Thad Simons, President and CEO, Novus; Peter Raven, President Emeritus, Missouri Botanic Garden; and Ted Spaid, Co-founder, SWT Design, break ground for the Sustainable Sites Initiative landscaping project at Novus global headquarters on May 28, 2010.

Employee involvement in green projects

The Novus Honey Bee Project

In 2010, Novus created a program to encourage employee interest in the environment through installing and maintaining a working honey bee hive on the Novus campus in Missouri. The hive serves as a demonstration of the importance of pollinator species to all ecological systems, including agriculture. Providing a pollinator species aligns with the goals of the Sustainable Sites Initiative and promotes the health and sustainability of the habitats and ecosystems that Novus is working to restore around its HQ facility. The project includes a beekeeping education program for interested employees.

During 2010, employees were invited to attend a preliminary Novus Luncheon Speaker Series event to learn about beekeeping prior to the installation of the hive. In late 2010, employee training classes commenced, supported by a bee consultant, with the intention of enabling employees to participate in the maintenance of the hives throughout the 2011 beekeeping season.

The Novus Green Team

Protecting the environment is more than just a business imperative. It is a passion for many of Novus employees at Novus headquarters who have joined the Novus Green Team, a voluntary initiative for employees to integrate environmentally sound practices into day-to-day activities at Novus. The Green Team helps Novus to live its mission by engaging in a range of environmentally friendly activities and providing education about environmental conservation. During 2010, for example, the team distributed 300 saplings to staff on Earth Day. The Green Team members also participated in activities with external partners such as insect monitoring with the Saint Louis Zoo, bird monitoring with the University of Missouri and participation in the Missouri Stream team for waterways conservation.

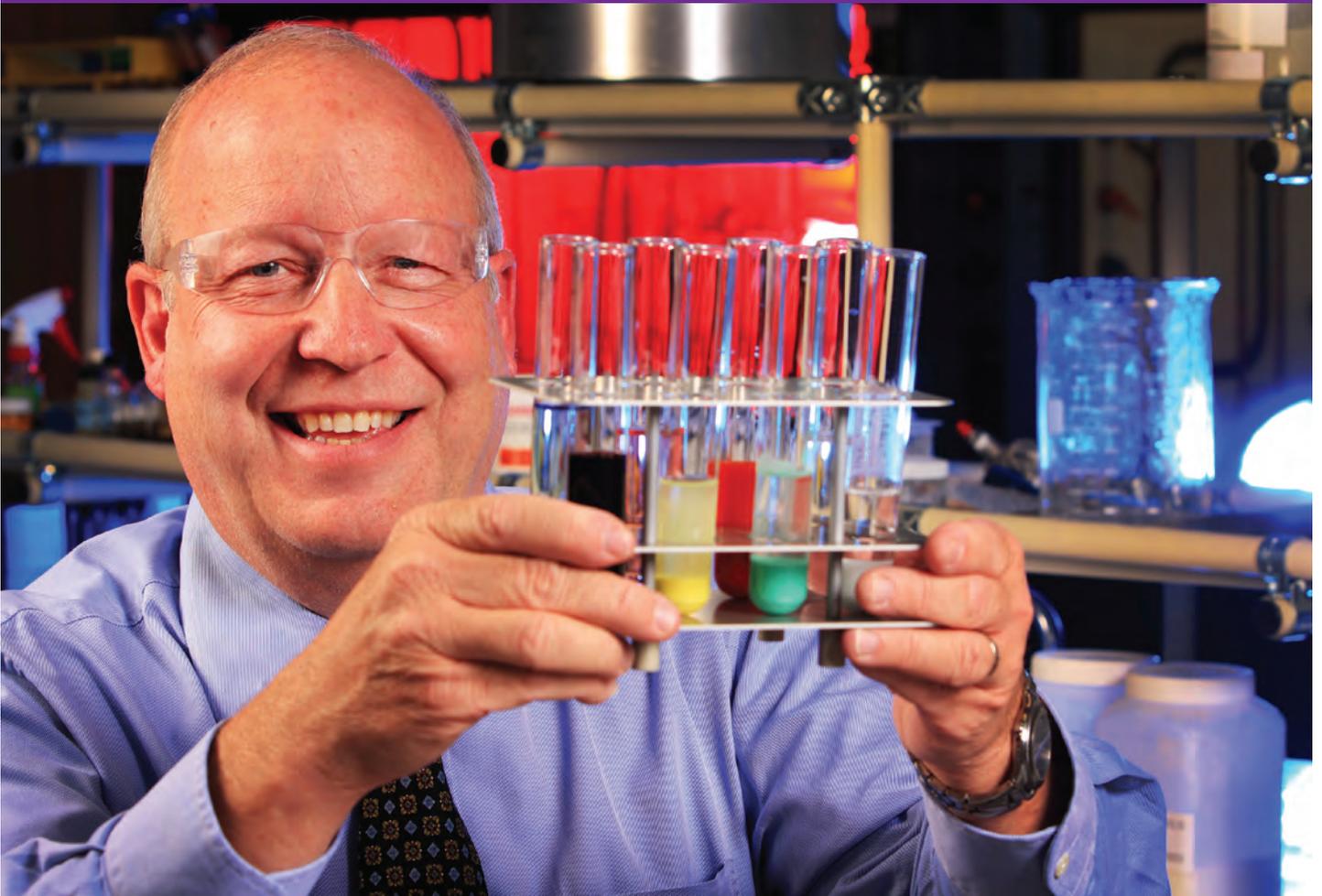




Green Team members conduct a monthly bird census on the grounds of Novus global headquarters [Kwame Boahene, Internal Analyst, Aquaculture; Maggie Vogel, Summer 2010 Intern; and Kathy Schmidt, Front Desk Administrator].

INTEGRITY

What are our future commitments to *Innovation with Integrity?*



Novus's sustainability journey is continuous. Significant progress has been made to advance many aspects of Novus's sustainability as a Company and to progress towards the Novus Vision of helping to feed the world affordable, wholesome food and achieve a higher quality of life. Novus continues to set itself challenging targets. During the next five years, Novus is committed to undertaking several measurable, critical sustainability objectives, in addition to maintaining and advancing existing programs described throughout this report.

Advancing a structured approach to stakeholder engagement and dialog

Novus will establish a global stakeholder panel comprised of international sustainability experts and NGO representatives and consult with them to develop a comprehensive materiality assessment and prioritization of Novus sustainability issues.

Enhancing consumer healthy nutritional practices

Novus will continue to support consumer-engaging initiatives such as World Egg Day in additional business segments to raise consumer awareness and nutritional practices.

Measuring and improving customer satisfaction and benefits

Novus will develop a comprehensive system for measuring and improving customer satisfaction and practical cost-efficiency and sustainability benefits through the use of Novus products.

Measuring and improving product life-cycle impacts

Novus will continue the process of streamlining innovation to better serve customer demands for integrated, sustainability products, and will calculate the life-cycle impacts of key products and make efforts to reduce impacts across a range of life-cycle elements.

Improving direct environmental impacts of operations

Novus will consistently reduce energy, waste, water and general materials consumption per ton of product shipped, and will increase use of recycled and renewable materials in manufacturing operations.

Working with suppliers to advance supplier sustainable practices

Novus will develop a program to work with key suppliers to evaluate and reduce the sustainability impacts of their products and services.

Enhancing employees' sustainability awareness and skills

Novus will ensure that all employees are trained in the basics of sustainability and understand how they can contribute in their individual roles.

Expanding global community outreach

Novus will ensure that global community outreach programs are implemented in every country in which Novus has a presence.

Aligning with global sustainability initiatives

Novus will evaluate its sustainability performance against the requirements of the UN Global Compact, with a target to participate as an active member.

Advancing sustainability transparency and reporting

Novus will continue to report against the GRI guidelines, increasing the number of indicators reported in successive reports, and will include third party external verification from 2011.



ABOUT THIS REPORT

Our approach to reporting

Novus believes in transparency as a basis for ensuring trusting and collaborative relationships with all stakeholders and is committed to publishing a Sustainability Report every year. Reporting at Novus is both a means to evaluate and manage internal sustainability processes as well as an important tool for communication with stakeholders. Given that Novus is a private company, which is not required by law to publish an annual report, Novus's Sustainability Report is an important platform for communication with stakeholders. The Novus leadership team used our 2009 Sustainability Report to present the Company to many stakeholders and engage them in discussion about what Novus is doing to advance sustainable agriculture and fulfill the Novus mission of helping to feed the world affordable, wholesome food. In China, the report was translated and distributed to many stakeholders. This was seen as an innovative initiative in the feed industry in China and appreciated by customers and other partners.

Scope and boundary of this report

This report is Novus's third annual Sustainability Report and presents Novus's sustainability performance in the calendar year 2010, with occasional narrative relating to early 2011. The most recent report was published in 2009. Where data or information refers to 2011, it is noted in the relevant section in the report. Additional information can be found on Novus's website www.novusint.com. All performance data presented in this report refers to the calendar year 2010 unless otherwise stated. The report covers Novus manufacturing operations around the globe that are wholly or majority owned by Novus, or operated by Novus as sub-contracted manufacturing units. Due to the unavailability of comprehensive data for companies acquired by Novus during 2010, manufacturing plants acquired during 2010 are not included. It is our intention to report fully for these sites in our 2011 report. Similarly, office and laboratory locations, including Novus Head Office and Research Centers, are not included in this report as processes for tracking and gathering data were not able to be concluded in 2010. Novus intends to key office locations into the scope of future reports, when data collection processes are fully in place.

Reporting principles

It has been Novus's intention to report transparently in accordance with the principles of materiality, stakeholder inclusiveness, sustainability context, and completeness and these principles have been reflected throughout the report. We have targeted to report on the most important sustainability issues for our business and for stakeholders while addressing our impacts on all stakeholders and providing relevant context for our sustainability performance. The process for gathering the information to be included in this report has been guided by a decision to conform to the GRI reporting framework for aspects of our performance for which we are able to record and collate data at a global level. Our understanding of which issues are most important for stakeholders is informed through consultation with a wide selection of Novus management throughout the world and an internal review of feedback received from stakeholders. In structuring this report, Novus used the Global Reporting Initiative (GRI) framework as a content guide and have responded in full to all the required profile and management disclosures and several performance indicators. Our application of the GRI framework can be found in the GRI Index in subsequent pages of this report. This report has not been the subject of an independent external verification although data has been gathered with guidance and support from a third party professional services firm, which has reviewed our underlying data collection systems and processes. Building from this base, Novus plans to move towards external assurance of future reports.

Feedback on this report

If you have comments on this Novus 2010 Sustainability Report, ***Innovation with Integrity***, or would like further information, please visit www.novusint.com

Novus sincerely encourages and welcomes feedback on any aspect of this report.

Please consider providing your feedback to:

sustainability@novusint.com

or in writing:

Novus International, Inc.
Attn: Sustainability Team
20 Research Park Drive
St. Charles, MO 63304
United States of America

The GRI Index

The Global Reporting Initiative (GRI) is a non-profit multi-stakeholder organization which acts to increase the level of business transparency through sustainability reporting among companies throughout the world. The main tool for assimilating sustainability reporting is the GRI reporting framework that contains detailed guidelines for reporting on sustainability impacts and provides a consistent structure that thousands of companies around the world now to disclose their approach and performance related to sustainability. Over 5,000 sustainability reports were published in 2010 by companies all over the world. For more information, please see: www.globalreporting.org.

The different levels of the GRI framework relate to the level of transparency and disclosure in the sustainability report. Below is the table showing the different Application Levels of the GRI:

Report Application Level	C	C+	B	B+	A	A+	
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.	Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.			

*Sector supplement in final version



Statement GRI Application Level Check

GRI hereby states that **Novus International, Inc.** has presented its report "Innovation with Integrity, 2010 Sustainability Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 20 May 2011

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: *Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 16 May 2011. GRI explicitly excludes the statement being applied to any later changes to such material.*

The following table shows which disclosures and indicators of the GRI G3 framework Novus has responded to and where the responses can be found within this report.

GRI indicator	Description	Reported	Page No.	Comment
1.1	Statement from the most senior decision maker.	Fully	17	
1.2	Description of key impacts, risks, and opportunities.	Fully	21, 27, 34, 68	Impacts on food security and nutrition are described in Part 2 of this report (Innovation) on pages 21 (Leading solutions to food access and food security), 27,(Improving nutrition) and 35 (Connecting production challenges with consumer needs). Risks and opportunities are also described on page 64 (Material issues).
2.1	Name of the organization.	Fully	8	
2.2	Primary brands, products, and/or services.	Fully	9-10	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	8	
2.4	Location of organization's headquarters.	13	15	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	15	
2.6	Nature of ownership and legal form.	Fully	8	
2.7	Markets served.	Fully	15	

GRI indicator	Description	Reported	Page No.	Comment
2.8	Scale of the reporting organization.	Fully	52	Novus does not disclose business information relating to net sales, market capitalization or quantities of products provided because as a privately held company, this information is considered proprietary and disclosure could potentially damage Novus's competitive position. Novus split of sales by region for 2010 is: North America, 34%; Asia Pacific, 18%, LATAM, 24% and EAME, 25%
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	58	There were no significant changes in structure or ownership. Acquisitions are recorded on page 58.
2.10	Awards received in the reporting period.	Fully	65	
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	105	
3.2	Date of most recent previous report.	Fully	105	
3.3	Reporting cycle (annual, biennial, etc.)	Fully	105	
3.4	Contact point for questions regarding the report or its contents.	Fully	105	
3.5	Process for defining report content.	Fully	105	
3.6	Boundary of the report.	Fully	105	
3.7	State any specific limitations on the scope or boundary of the report.	Fully	105	
3.8	Joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities.	Fully	105	

GRI indicator	Description	Reported	Page No.	Comment
3.9	Data measurement techniques.	Fully	This page	Data measurement techniques are disclosed wherever data is reported in the body of this report.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports.	Fully	This page	Data on page 98 relating to liquid waste to deepwell injection for 2009 has been restated from 379,555 metric tons to 386,757 metric tons in 2009 due to correction of a simple calculation error. This is a minor correction and has no significance for overall performance reported in 2009.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	This page	There are no significant changes from previous reporting periods. All measurement methods are stated alongside data provided in the report.
3.12	Table identifying the location of the Standard Disclosures in the report	Fully	108	
3.13	External assurance for the report.	Fully	105	
4.10	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	44-45	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	44	
4.3	Members of the highest governance body that are independent and/or non-executive members.	Fully	44	

GRI indicator	Description	Reported	Page No.	Comment
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	45	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives.	Fully	44	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	44	
4.7	Qualifications of the members of the highest governance body in economic, environmental, and social topics.	Fully	44	
4.8	Mission or values, codes of conduct.	Fully	12	
4.9	Highest governance body for management of economic, environmental, and social performance.	Fully	44	
4.1	Processes for evaluating the highest governance body's own performance.	Fully	44	
4.11	Precautionary approach or principle is addressed by the organization.	Fully	95	
4.12	Externally developed economic, environmental, and social charters, principles.	Fully	74, 77, 83	Page 74: Quality Codes and certifications Page 77: Responsible Care Page 84: NASC

GRI indicator	Description	Reported	Page No.	Comment
4.13	Memberships in associations.	Fully	92-93	
4.14	Stakeholder groups engaged by the organization.	Fully	61-62	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	62	
4.16	Approaches to stakeholder engagement.	Fully	62	
4.17	Key topics and concerns that have been raised through stakeholder engagement.	Fully	63-65	
ECDMA	Goals, policy, plans, procedures.	Fully	57, 58	<p>Economic Performance: page 58</p> <p>Market Presence: page 58</p> <p>Indirect Economic Impacts: page 57</p>
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	95	
EC6	Spending on locally-based suppliers at significant locations of operation.	Fully	78	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	53	

GRI indicator	Description	Reported	Page No.	Comment
ENDMA	Goals, policy, plans, procedures.	Fully	77, 95, 96, 97, 98	Materials: page 95 Energy: page 96 Water: page 95 Biodiversity: page 95 Emissions, Effluents, and Waste: page 97 Products and Services: page 98 Compliance: page 77 Transport: page 77 Overall: page 95
EN3	Direct energy consumption by primary energy source.	Fully	96	
EN4	Indirect energy consumption by primary source.	Fully	96	
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	97	
EN19	Emissions of ozone-depleting substances by weight.	Fully	This page	There were zero emissions of ozone-depleting substances from Novus operations during the reporting period.
EN22	Total weight of waste by type and disposal method.	Fully	98	
EN23	Total number and volume of significant spills.	Fully	This page	There were zero spills of hazardous substances in all Novus operations during the reporting period.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partially	98	Novus initiatives to mitigate product environmental impacts are increasingly being measured. The complete portfolio of environmental impact mitigation initiatives will be reported in future reports.

GRI indicator	Description	Reported	Page No.	Comment
LADMA	Goals, policy, plans, procedures.		49-55	Employment: page 49 Labor/Management Relations: page 49-50 Occupational Health and Safety: page 54-55 Training and Education: page 51 Diversity and Equal Opportunity: page 55
LA1	Total workforce by employment type, employment contract, and region.	Fully	52-53	
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	This page	

Novus employee turnover by gender in 2010				
	Male		Female	
	Number of employees	% of total turnover	Number of employees	% of total turnover
North America	11	11%	7	7%
Asia Pacific	22	22%	8	8%
EAME	12	12%	11	11%
LATAM	10	10%	9	9%
Total	55	55%	45	45%

Novus employee turnover by age in 2010				
	Male		Female	
	Number of employees	% of total turnover	Number of employees	% of total turnover
Below age 30	8	8%	12	12%
Age 30-50	34	34%	30	30%
Over age 50	13	13%	3	3%
Total	55	55%	45	45%

LA4	Percentage of employees covered by collective bargaining agreements.	Fully	53	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Partially	54	Novus maintains detailed records of absenteeism which, at local levels, are primary measures of safety. In future reports, through the implementation of systems innovation project, VERT, safety data will be aggregated and supplemented.

GRI indicator	Description	Reported	Page No.	Comment
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	55, 77	
HRDMA	Goals, policy, plans, procedures.	Fully	43, 53, 55, 77, 78	<p>Procurement Practices: page 78</p> <hr/> <p>Non-discrimination: page 55</p> <hr/> <p>Freedom of Association and Collective Bargaining: page 53</p> <hr/> <p>Abolition of Child Labor: page 53</p> <hr/> <p>Prevention of Forced and Compulsory Labor: page 55</p> <hr/> <p>Complaints and Grievance Practices: page 43</p> <hr/> <p>Security Practices: page 77</p> <hr/> <p>Indigenous Rights. 55</p>
HR4	Total number of incidents of discrimination and actions taken.	Fully	46	
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	53	
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	53	

GRI indicator	Description	Reported	Page No.	Comment
SODMA	Goals, policy, plans, procedures.	Fully	46, 47, 89	<p>Community: page 89</p> <hr/> <p>Corruption: page 46</p> <hr/> <p>Public Policy: page 46</p> <hr/> <p>Anti-Competitive Behavior: page 47</p> <hr/> <p>Compliance: page 46</p>
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	46	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	46	
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	46	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	This page	Novus has paid no fines and has not been subject to non-monetary sanctions for non-compliance with laws and regulations during the reporting period.
PRDMA	Goals, policy, plans, procedures.	Fully	79, 80	<p>Customer Health and Safety: page 79-80</p> <hr/> <p>Product and Service Labeling: page 80</p> <hr/> <p>Marketing Communications: page 80</p> <hr/> <p>Customer Privacy: page 80</p> <hr/> <p>Compliance: page 80</p>

GRI indicator	Description	Reported	Page No.	Comment
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.		80	
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	This page	Prior to external release, all advertising, marketing and public relations materials are reviewed by Novus's Regulatory and legal departments for compliance with all standards and regulations.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	This page	Novus has paid no fines for non-compliance with laws and regulations concerning the provision and use of products and services during the reporting period.

Information sources for contextual data provided in this report

FAO: Food and Agriculture Organization of the United States: www.fao.org

Greenfacts- Facts on Health and the Environment: www.greenfacts.org

USDA: U.S. Department of Agriculture: www.usda.gov

World Health Organization: www.who.int

ENVIRONMENTAL BENEFITS STATEMENT
of using post-consumer waste fiber vs. virgin fiber

Novus International saved the following resources by printing this report on chlorine-free paper made with 30% post-consumer waste:

trees	water	energy	solid waste	greenhouse gases
12 fully grown	5,479 gallons	4.9 million BTUs	347 pounds	3,765 pounds CO ₂

Calculations based on research by Environmental Defense and the Paper Task Force.

Innovation with Integrity

NOVUS INTERNATIONAL, INC.
2010 SUSTAINABILITY REPORT

NOVUS[®]
INTERNATIONAL, INC.

