

# Sustainability Report







## Contents

44	CEO on Midsona's sustainability work
45	A word from the CSO
46	Sustainability strategy and targets
48	Target and outcome
50	Sustainability governance
54	Sustainable brands
60	Healthy and sustainable work environment
64	Responsible purchasing
72	Safe high-quality products
75	Efficient use of resources
82	Efficient transports
86	Appendix
104	GRI index
110	Accounting principles
111	Auditor's statement on the Sustainability Report

# CDP and SBTi

## – two recognitions to the quality of our sustainability work

**We included sustainability in our strategy as far back as in 2010. We have gradually worked more intensively and in a more structured manner with this area and today we are at the absolute forefront with regard to sustainability and sustainable food, now with a particular focus on plant-based products. Over the year, we received two recognitions to the quality of our work when the Science Based Targets initiative (SBTi) approved our targets for reduced emissions, and the environmental initiative CDP ranked us as one of the best listed companies in the world reporting to them.**

We have set ambitious targets and have achieved a great deal in recent years, although we remain humble and are aware that much remains to be done. We have built an internal organisation and structure to handle sustainability issues efficiently. We have, among other things, applied a special reporting system for several years, which is fundamental for effective internal efforts.

### Major investments in plant-based products

A paradigm shift is taking place in the food market, entailing consumers switching from meat to plant-based protein sources. Demand is increasing steadily as more and more people are seeing the benefits of a plant-based diet, not least because plant-based products are one of the most effective ways of reducing the climate impact of food.

We have made major investments in our manufacturing unit in Spain, and the plant is now the hub of our plant-based meat-alternatives. We have increased our capacity and can now work with new product formats and exciting products under our brands, generating new market opportunities. Towards the end of the year, we received a breakthrough order for plant-based meat-alternatives from Spain's largest grocery chain Mercadona.

### Midsona ranks among the best listed companies reporting to the CDP

During the year, Midsona also gained recognition for its climate strategy and our leadership of the global, non-profit environmental initiative CDP. By achieving an A- grade, Midsona ranks among the best listed companies in the world. The CDP's annual process is considered the gold standard for corporate environmental transparency because it measures actions and performance in mitigating climate-related risks and reducing greenhouse gas emissions.

We are very proud to have gained this recognition from CDP, as it demonstrates that we maintain a globally high level in our climate work. Work continues to accelerate the reduction of Midsona's climate impact with the goal of reaching net-zero emissions by 2045.

### SBTi approves Midsona's target for reduced emissions

In 2021, our emissions reduction targets were approved by the international cooperative body Science Based Targets initiative (SBTi). This means that Midsona's targets agree with the levels required to achieve the objectives of the Paris agreement.

We signed our commitment to the SBTi back in the autumn of 2020, committing to establishing ambitious and scientifically-based emissions targets for 2021 in accordance with the SBTi's criteria. Midsona's emissions mapping and emissions targets are in line with the long-term objective of achieving zero emissions in the second half of the century and represents a significant milestone for Midsona. We are now continuing the process of assessing the measures necessary to accelerate Midsona's reduction of its climate impact.

### Dedicated employees uphold our sustainability work

Midsona will remain a sustainability leader in its industry and, thanks to the dedication of our employees, we have had a positive development towards our sustainability targets. We continue to manage Midsona sustainably by developing our long-term sustainability processes and offering additional healthy and sustainable products, focusing on plant-based alternatives.

Peter Åsberg  
*President and CEO*





# The food industry plays an important role in climate change

**According to the UN, climate change is the greatest threat that modern human has faced. To handle this, we must all help reduce emissions and transition to a net-zero economy by 2050, preferably faster than that if possible.**



As a European group in the food industry, we have a responsibility to do everything we can to contribute to a low carbon economy and to reduce emissions. Our long-term objective is to achieve net-zero emissions by 2045 and our strategy to achieve this is by focusing on the global frameworks: the GHG-protocol, SBTi, TCFD and CDP.

Midsona's objective is to be at the forefront when it comes to contributing to a more sustainable food industry, and this is an ongoing process that can always be improved. Today, our own production operations are growing in several countries that maintain a high standard of food and product safety, while we also have a complex delivery chain with suppliers all over the world to handle. We see that there is a need for measures to build a more sustainable food system. Risk managers and decision-makers in food safety, who are tasked with safeguarding and strengthening public health, operate in an increasingly complex world.

Public health is a subject about which we are passionate and that permeates our way of working, in the development of new products and for our sustainability work in general. We seek to inspire and influence people in the right direc-

tion, to live a healthier lifestyle. We do this by offering and developing many new plant-based or vegetarian food products with good nutritional value and with as small a climate footprint as possible. We should use our significant physical retail presence to play a greater role in connecting initiatives at the local level.

The climate challenges are closely linked to the threat to biodiversity, which we will focus on even more in the future, as underlined by the Secretariat of the UN Convention on Biological Diversity (CBD), which in 2021 released the first official draft of a new indicative global framework to secure biodiversity by 2030. Most of our targets for 2022 take the environment, nature and biodiversity into account in various ways, both directly and indirectly.

To achieve real change, we need to work on a broad front with many efforts at the same time – we do this through our six development areas, which you can read about in detail in our Sustainability Report. During the year, we took a big step forward in our sustainability work.

**Siv Kjersti Rodal**

*Director Sustainability Group, CSO*



# Sustainability strategy and targets

The foundation for Midsona's operations is a passion for healthy food combined with a clear desire to promote sustainable consumption. We are driving a change agenda with the clear objective of influencing people's eating habits towards healthy and sustainable alternatives.

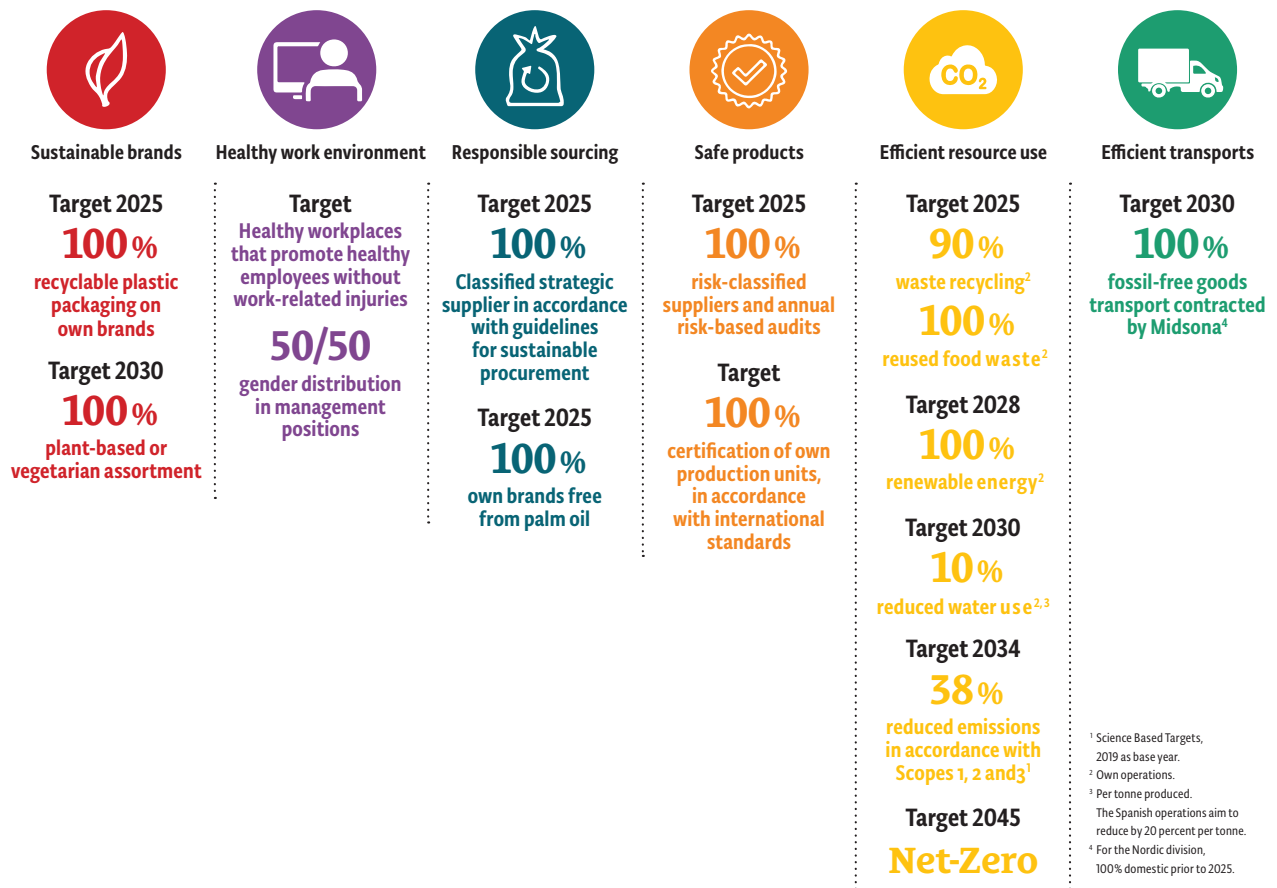
Through our sustainability strategy, we seek to ensure that Midsona holds a leading position with regard to sustainability work in our industry. We achieve this by maintaining control of our sustainability risks and opportunities, conducting scenario analyses and corresponding risk management. To support this, we have a shared organisation and efficient process established with good knowledge of our stakeholders' needs and demands.

Our sustainability strategy is indicative of our high level of ambition and the direction we want to go to contribute to a sustainable society. The strategy builds on our mission to help people live a healthier life by producing and marketing food that is healthy, both for people and the environment. To get there, Midsona must work with what we are best at, namely:

- Understanding our stakeholders and being in phase with their needs.
- Having the best knowledge about health and sustainability, as well as of the central role that the consumption of food plays in our daily well-being.
- Cooperating with our suppliers through the value chain and requiring them to act sustainably.

The most important parts of Midsona's sustainability work are identified in six development areas – Sustainable brands, Healthy work environment, Responsible sourcing, Safe products, Efficient use of resources and Efficient transports. We have mapped these in line with the UN's Global goals for sustainable development (the UN's SDGs), which are shown in the model and for which further reading is available in our framework for SDGs, which is described on pages 104–109.





The development areas have been chosen based on what is most relevant to us as a company in our industry and to our stakeholders. They are reviewed regularly to ensure that we work with the issues in a value-generating manner and have therefore been determined and analysed based on the Group's sustainability strategy, development goals, action plan and performance indicators as well as sustainability risks and opportunities. Together, they represent where we see that we can most effectively influence social, environmental and economic development, as well as generating value for our stakeholders, as described on the following pages.

### Target for 2025 and in the longer term

Midsona's sustainability targets are a result of our work to identify and analyse our material areas, with the highest risks in mind, and all have been valued in the short, medium and long term (>10 years). An important basis for this work was our stakeholders' expectations and perspectives, which helped update our strategy with new realistic, measurable and time-limited fixed targets. The targets have made it easier for us to measure our progress and it facilitates the management of our greatest and most material sustainability risks and opportunities.

In 2021, we initiated measures in the areas of palm oil, water and product safety certification. We have also worked to achieve a complete survey of energy use within the Group and, as a result of this, we have chosen to add a special target linked to energy, with the ambition of

reducing our energy consumption and having 100 percent renewable energy before 2028.

### Midsona's Climate Change Strategy

According to the UN and the latest climate summit, COP26<sup>1</sup>, the latest science shows that more needs to be done to avoid the worst effects of climate change while ensuring a thriving, sustainable economy. According to the UN, climate change is the greatest challenge we face in modern times<sup>2</sup> and extensive global cooperation from all sides is needed to address this.<sup>3</sup>

Midsona has adopted a Climate Change Strategy, which has been anchored with both the Board and Group Management, with the purpose of taking the necessary steps against climate change. In line with our commitment to the international co-operative body, SBTi (Science Based Targets initiative)<sup>4</sup>, we have set ambitious and scientifically-based emission targets that have also been approved by SBTi. SBTi's approval thereby confirms that Midsona's targets agree with the levels required to achieve the targets in the Paris agreement.

Midsona's targets represent our first steps towards achieving net-zero emissions. As part of our work to base

<sup>1</sup> COP26, 2021 United Nations Climate Change Conference, 31 October – 12 November, 2021, Glasgow.

<sup>2</sup> Human in the climate crisis, UN, 2 August 2021, <https://www.un.org/press/en/2021/sc14445.doc.htm>  
<https://www.un.org/en/exhibits/exhibits-site-search?query=climate>

<sup>3</sup> Call for action, UN Climate Change Partnerships 2021-2022, April 9, 2021, Capacity Development initiatives, (News). Science shows we need to cut emissions in half by 2030 and transition to a fully net-zero economy by 2050 (Ref: CDP, Aug 2021, Global Director Corporations and Supply Chains, CDP)

<sup>4</sup> SBTi is a collaboration between CDP, the UN Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Its emission reduction target is based on what the latest climate science considers necessary to prevent the worst effects of climate change. Read more about scientific goals at <http://sciencebasedtargets.org/>.

our climate measures on the latest climate science, we report our greenhouse gas emissions based on the Greenhouse Gas Protocol (GHG). We have accordingly set up reduction targets for our emissions – direct, indirect and from our value chain – in accordance with Scopes 1, 2 and 3 by 38 percent by 2034 with 2019 as the base year.

Our ambition is to drive Midsona's climate work in line with the Paris Agreement, the EU's goals, and the Swedish Government's goals and long-term climate strategy of achieving net zero emissions by 2045. Work is now under way to assess the measures necessary to accelerate the reduction of Midsona's climate impact and being able to set up a long-term "Low-carbon Transition Plan" for the Company. Read more about our climate goals in the section on efficient resource use on page 75.

As a natural extension of our work with climate accounts and SBTi, an annual report will be compiled

from 2021 onwards to the CDP to assess our sustainability and climate-related reporting and risk management.

In addition to this, we have also chosen to implement the TCFD framework, among other things to examine the flexibility of Midsona's business model and strategy, where we consider different climate-related scenarios over several time horizons. Read more about Midsona's work with scenario analyses in the risk section on pages 124–125.

In Midsona's CDP report from 2021, there is a special focus on climate risks and opportunities that Midsona has identified. The table below shows a summary of the most significant ones, see also the appendix for more detailed information. Additional sustainability risks are presented in the risk section in this report on pages 116–125.

A detailed description of Midsona's climate-related risks is also described in our CDP report in Chapter 2 on pages 18–25.

# Target and outcome



## Plant-based and vegetarian assortment

We influence people's lifestyles: Be a pioneer in low-carbon, plant-based and healthy products.

Target 2030	Outcome 2021
100 %	91 %



## No occupational injuries

We affect our employees' health and safety: Promote good health and preventing injuries among our employees.

Target	Outcome 2021
0 %	3.9 %



## Classified suppliers in accordance with sustainable guidelines

We take responsibility for our supply chain: We are expected to maintain control and transparency over our suppliers and supply chain.

Target 2025	Outcome 2021
100 %	32 %*



## Risk-classified suppliers in accordance with safe products

Product safety in the supply chain: Product safety must be ensured throughout our complex supply chain.

Target 2025	Outcome 2021
100 %	32 %*

## Recyclable plastic packaging

We contribute to circularity: With our packaging strategy, we increase the proportion of packaging that can be turned into recycled materials.

Target 2025	Outcome 2021
100 %	25 %*

\* Proportion of total packaging material, of which recyclable accounts for 38 percent.

## Gender distribution among management positions

We see the importance of equal gender distribution: As a responsible company, we work in line with the UN's sustainability goals for increased gender equality, with equal rights and salaries among our managerial positions.

Target	Outcome 2021*
50/50	42/58%**

\* Women/Men.

\*\* Includes all Group level managers for Midsona AB, including those who are members of Group Management and all members of the division level management group.

## Trademarks free from palm oil

We contribute to biodiversity: We are expected to encourage a more sustainable supply chain and raw materials.

Target 2025	Outcome 2021
100 %	>99%**

\* 75 percent in Division Nordics where KODIAK has been applied. Used by the whole group from 2022.

\*\* Percentage of purchased tonnes.

## Certification of own production unit\*\*

We protect public health and safety: We contribute to the availability of healthy, safe and sustainable food and products in an increasingly complex world.

Target	Outcome 2021
100 %	100 %

\* 75 percent in Division Nordics where KODIAK has been applied. Used by the whole group from 2022. Suppliers yet to be managed in KODIAK are assessed in accordance with current legislation and the respective certification requirements.

\*\* Exceptions for minor production units, where we secure a quality system in accordance with international requirements for safe production.



## The purpose of our targets

Although we have set ambitious, long-term targets for Midsona's sustainability work, to be able to conduct the work in an efficient manner, we have also set short-term intermediate targets that we adjust annually.

The technical development around sustainable packaging and recyclability means, for example, that our targets for waste management and recyclable plastic must be updated regularly in line with recent progress. Another area that is developing rapidly is the science of what constitutes sustainable fuel, as well as hauliers' attitudes towards fossil-free fuel. In addition to this, the EU's on-going work with its "Green Deal" and its action plan for a sustainable economy and taxonomy are shaping the future definition of what is considered sustainable.

## Mapping in accordance with taxonomy

As the EU's taxonomy develops, its significance and criteria for the food industry will be clarified. This will, in turn, have a major impact on how Midsona, as a listed company, must conduct strategic sustainability work. In 2021, Midsona mapped its operations against the requirements of the taxonomy, with none of our operations' activities falling within the reporting requirements for the year. However, this is likely to change in the future and we are therefore monitoring developments closely and will in 2022 review how it may affect daily operations in the future.

For more information about Midsona's mapping work and preparations for compliance with the taxonomy, see the appendix on pages 102–103.



\* Compared with 2019 as base year.  
\*\* For more information, see Page 75.



# Sustainability governance

**This is how we control our economic, social and environmental impact.**

## Midsona's view of sustainability

Midsona's mission is to help people live a healthier life, which we do by offering sustainable, plant-based and organic products. In this way, we also contribute to a sustainable life.

It is important for Midsona to be valued not only on the basis of our financial results, but also on the basis of our work with the environment, working conditions and business ethics. Central to this is that we prioritize our employees' health and safety, as well as their right to a creative and stimulating work environment pervaded by equality and diversity.

At Midsona, sustainability and profitability coincide. This means that our sustainability work and the targets we set must be an integral and transparent part of our operations, with sustainability risks being managed in the same way as other risks in the Company.

## How our sustainability work is managed

In general, Midsona's sustainability management addresses our handling of social and environmental issues, risks and opportunities, as well as how we act to minimize our

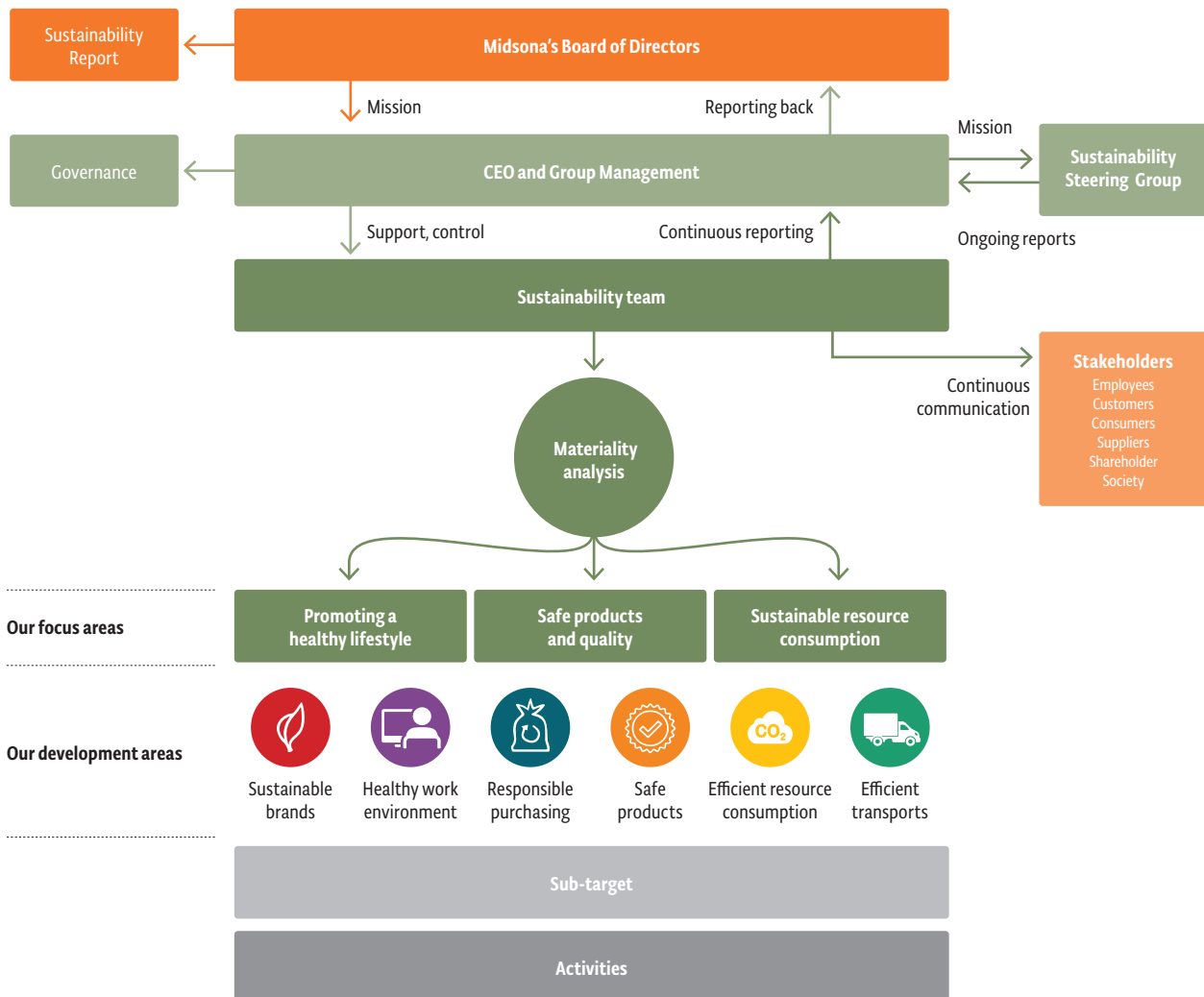
negative impact. Based on this, we set meaningful targets, with efforts being supported by comprehensive leadership, attention to changes in society and consideration for the expectations of our stakeholders. Closely linked to this is our commitment to local communities, the health of our employees and our ambition to be a company that is managed responsibly.

Midsona's Board is responsible for the Group applying a realistic agenda for sustainable development. The CEO bears the overall responsibility for sustainability-related issues and is a member of the Company's Sustainability Steering Group and regularly reports the group's decisions to the Board of Directors.

The Sustainability Steering Group, which is led by the Company's CSO, holds quarterly sustainability forums where the sustainability strategy is established and the sustainability work is discussed in terms of strategy, targets, projects, activities and progress. In addition to the CEO and CSO, the group consists of Director Operations, Director Legal, Executive Assistant and the Company's Division Director Nordics. The CSO is tasked with setting out the Group's sustainability strategy with strategic measures and long-term targets, ensuring that we base our efforts



### Midsona's sustainability governance model



on the best global frameworks and secure annual sustainability data by preparing and issuing a Sustainability Report. The CSO shall also ensure good sustainability management so that the Group's decisions are implemented in a cross-functional Sustainability Group comprising representatives of the Group's three divisions.

Specific line organisations in the Group's divisions are responsible for implementing targets, sub-targets, projects, activities and reporting in connection with the sustainability work, and for integrating these into the day-to-day activities. The work is reported on quarterly directly to the relevant Division Director, who together with the division's Sustainability Manager is responsible for their division's results.

To support the work, Midsona's management builds on a clear division of responsibilities in which all roles and their respective duties are detailed. In addition, clear KPIs and incentives are applied in the handling and implementation of target-related matters established in the day-to-day operations.

To find out more about Midsona's sustainability management and how the Board of Directors and management are included, read our CDP report by following this link: <https://www.midsona.com/hallbarhet/midsonas-hallbarhetsmal/hallbarhetsrapporter-cdp-rapporter/>

### Sustainability reporting platforms

Midsona's framework for sustainability reporting is presented on page 104 and 111.

Midsona uses different reporting platforms in its operational activities to both develop and measure activities in relation to set targets, to conduct annual assessments and to compare improvements over time in accordance with global development. This enables us to systematically monitor results and progress and safeguards focus on the most important areas, which is a prerequisite to being able to maintain a superior qualitative and quantitative level in our reporting.

Our sustainability metrics are systematically reported to illustrate the annual trend. The metrics are closely related

to the GRI (Global Reporting Initiative) and we report in accordance with the GHG (Green House Gas Protocol), Scopes 1, 2 and 3, to further improve our climate and sustainability reporting, which is also achieved through an annual CDP report. Over time, we are also working to be able to report fully in accordance with GRI framework.

In addition to this, environmental and climate perspective are also included in the self-assessment that our suppliers perform in the Kodiak portal (our supplier assessment system) and in the assessment survey for external validation that we perform when auditing suppliers.

### Conditions for operating Midsona healthily and sustainably

Midsona's the most important steering document is the Group's Code of Conduct. Among other matters, the Code explains that the individual employee, the Board of Directors and other actors connected to the Midsona name must act responsibly, with integrity, loyalty and respect for other people. It is always included in the on-boarding of new employees and is regularly communicated to existing employees through our intranet.

To maintain a functioning internal governance environment, the Board adopted a number of steering documents that serve as guides for the operations. The documents are updated regularly and new ones are added in step with new ambitions, targets, and requirements from authorities and other stakeholders. Midsona's Sustainability Policy forms the foundation of the Group's sustainability work. In 2021, an important document was added to the Policy to help improve governance with regard to sustainable raw material production, biodiversity, GMOs, palm oil, fish oil, use of paper and animal welfare. These are stated in the Sustainability Policy and its accompanying documents, which are available via the following link: <https://www.midsona.com/en/>

Today, we have a well-functioning control system to ensure that Midsona applies a formalised model of internal control that is in line with our culture and ethical values. The structure has been made easier to understand, mainly by reducing the number of policies and by appointing individuals as responsible for ensure that procedures for training and follow-up are in place for each document.

### Health and human rights

Since 2011, Midsona has been affiliated to the UN Global Compact, thereby supporting the UN's Universal Declaration of Human Rights, the UN Convention against Corruption, the ILO's core conventions and the Rio Declaration.

It is of the highest priority for Midsona to respect human rights and labour law, as well as to protect health, safety and the environment and we expect our suppliers and other partners to have the same priorities.

Our work on human rights and our responsibilities towards mankind and society are regulated in the Code of Conduct, Supplier Code of Conduct, Supplier Self Assessment, our Personnel Policy and underlying procedures

for the organisational and social work environment, employee interviews, expertise and development, as well as health.

**With Midsona's efforts to improve human health and promote human rights, we support the following global goals for sustainable development:**



### Ethics, integrity and combating corruption

We seek to operate Midsona in a healthy and sustainable way. That is why we are careful to always act in accordance with our values and to always counteract all forms of corruption and irregularities.

Midsona's Whistle-blower service is for employees who have concerns regarding conduct that is contrary to the Group's values and governing documents. Our Whistle-blower Policy urges our employees to take up the matter with their immediate superior or through HR in the first instance. For cases where this is not possible, the whistle-blower service handles cases anonymously.

Midsona's efforts to maintain an ethical approach and to combat corruption is regulated in the Code of Conduct, the Corporate Governance Policy, the Communication and IR Policy and in our Whistle-blower Policy.

**With Midsona's efforts to combat corruption and other irregularities, we support one of the global goals for sustainable development:**



### How we work for the environment and the climate

Midsona is working to mitigate its negative environmental impact and to switch over to an environmentally sustainable society. We have well-documented and established procedures for product development, production and transport alike.

Our climate impact is our greatest risk and is therefore an area on which we place particular emphasis. To integrate and optimize our sustainability and climate-related reporting, risk management and activities, we implement the TCFD framework (Task Force on Climate-related Financial Disclosures) and compile an annual CDP report. In 2022, we will continue to strengthen our work on climate-





related risks and opportunities in accordance with these frameworks.

To find out more about how Midsona manages and conducts its climate work, read our CDP report via the following link:

<https://www.midsona.com/en/sustainability/sustainability-targets/sustainability-reports/>

In addition to the use of the TCFD and CDP frameworks for climate-related measures, our environmental work is regulated by the policy documents: Code of Conduct, Supplier Code of Conduct, Supplier Self Assessment, Sustainability Policy, Travel Policy, Procedures for Sustainable Governance, Sustainability in Midsona's Daily Operations, Instructions for the Selection of Sustainable Raw Materials, Chemical Controls and our brands' innovation templates.

**Midsona's work for the environment and climate supports the following global goals for sustainable development:**



## Stakeholder dialogue and priorities

Midsona has developed a communications plan to ensure that we have a functioning stakeholder dialogue and that we continuously follow up with and inform our stakeholders. The plan is included as part of Midsona's Communications Policy.

Midsona communicates with its stakeholders in many different ways over the year. The dialogues help us understand the stakeholders' needs and expectations and also provide input for continuous improvements. They also provide us with important data on how we can manage our impact and the areas we should focus our measures and reporting efforts on to derive most benefit.

In Appendix on page 86, we report on how we generate value for our most important stakeholders.

Based on the stakeholder dialogues, we have defined our most material sustainability issues using a matrix based on the following two aspects:

- The importance of our economic, social and environmental impact
- Issues that our stakeholders consider most important for Midsona

In the matrix, all sustainability issues are assessed in terms of low, medium and high impact. Additional aspects included in our materiality analysis also address who is responsible for the impact, whether the impact is internal or external and whether we can contribute to positive change.

### THE FOREMOST SUSTAINABILITY ISSUES WITH THE GREATEST IMPACT ARE IN LINE WITH OUR MOST SIGNIFICANT RISKS

- Climate
- Energy
- Transport
- Suppliers
- Value chain
- Production of raw materials
- Waste management in our operations, food waste and handling of packaging
- Product- and food-safety
- Water consumption





# Sustainable brands

The foundation of Midsona's business rests on strong trends around the growing interest in health and well-being combined with a clear desire for sustainable consumption – a paradigm shift where people increasingly avoid animal products, unnecessary additives and products with poor nutritional content. Midsona's focus on plant-based and organic products benefits from these trends. The strategy is based on strong growth with strong brands in priority categories. We have a great passion for influencing people's eating habits towards healthy and sustainable alternatives.

For sustainable Brands, Midsona supports eight of the global goals for sustainable development



# Plant-based and vegetarian foods

Target 2030

**100%**  
 plant-based or  
 vegetarian  
 assortment

## Our objective

Demand for plant-based alternative foods has risen steadily in recent years. The segment is expected to continue growing, creating major market advantages for Midsona to develop new products meeting consumers' and customers' needs. Midsona seeks to offer options with a low climate footprint, where the aspect of sustainability is included from crop to finished product. We have therefore set a

target that our products should be 100-percent plant-based<sup>1</sup> or vegetarian<sup>2</sup> by 2030. As early as in 2020, the Group reached 99 percent plant-based or vegetarian in its range of prioritized brands. We are among the leaders in plant-based organic products, consumer health products and health foods in the Nordic region, with a vision of becoming one of the leading players in Europe.

### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- ▶ Mapping of product range and determination of metrics in relation to the requirements set for plant-based and vegetarian.
- ▶ Mapping of market opportunities and the economic significance of the opportunities.
- ▶ Map out potential new acquisitions to ensure that they are in line with our objectives.
- ▶ Investment in technology and capacity for the Group's own production of plant-based foods.
- ▶ Collaboration with suppliers and third-party manufacturers for plant-based alternatives.
- ▶ Innovation and product design that also promotes plant-based products.

### PROGRESS IN 2021

- ▶ In 2021, Midsona increased its focus on the plant-based range. Additional metrics make it possible to distinguish the measurement of plant-based from vegetarian.
- ▶ Carried out an updated risk and opportunity assessment of our markets based on the TCFD framework described in the risk section on pages 116–125 and in CDP, C2. Current market preferences are expected to change, where consumers will demand products with a low climate footprint to an even greater extent. The analysis has given us a better overview of the economic significance by further developing and expanding our markets in healthy and climate-efficient plant-based products.
- ▶ Midsona completed an extensive modernization of the Group's Spanish manufacturing unit in Castellcir, with significantly increased capacity and capability for its investment in products such as tofu and other plant-based products. The unit will be the Group's hub for the production of plant-based meat-alternatives for several brands within the Group.
- ▶ During the year, we completed the integration of System Frugt, which complements and strengthens Midsona's position in plant-based foods such as nuts, kernels and dried fruit with the Earth Control brand.
- ▶ Midsona launched several new products that are completely plant-based. For example, "Eskio-3 Vegan Alg" which is made from a plant-based source instead of fish as a source.
- ▶ To cover the key categories in animal food with plant-based alternatives, Vegetalia expanded its range of meat-alternatives during the year with meat-free meatballs, sliced vegan cheese, seitan mince and marinated tofu.
- ▶ Urtekram Beauty's vegan-certified cosmetics products are an important contribution in expanding Midsona's plant-based range in new areas. In 2021, we updated and developed several new series and improved our production capacity in beauty care. Read more about this in the chapter on Safe products on pages 72–74.

### THIS IS WHERE WE ARE TODAY

- ▶ In 2021, the proportion of plant-based and vegetarian products in the range was 91 percent. In 2020, the proportion of plant-based products in the range was 83 percent (79). This is an increase of 4 percentage points on the preceding year. See also (Scope 3) greenhouse gas emissions in tonnes of CO<sub>2</sub>-equivalents for purchased goods and services in the appendix.

Read more in the appendix on page 87.

GRI 305-3

<sup>1</sup> Plant-based: A product in which nothing derives from an animal (meat or dairy). Examples of these are eggs, dairy products, honey.

<sup>2</sup> Vegetarian: Product may contain eggs and dairy products, but not products from dead animals (poultry, fish, shellfish, meat). Examples of these are fish oil, gelatin, collagen. Note: Without counting the source of additives.

Note: Without counting the source of additives.



## Organic and other certifications

### Our objective

Midsona strives both to increase its sales of plant-based foods and to have a wide range of products contributing to biodiversity in various ways.

The UN's sustainability goals 14 and 15 address the conservation of biodiversity and it has never been so important to work to preserve the richness of species that is a condition for our existence. The UN Convention on Biological Diversity calls for broad collaborations to ensure biodiversity.<sup>1</sup> Through our products and supply chain, we are expected to have control and sufficient transparency to be able to promote a sustainable supply chain and raw materials that nurture our biodiversity. Midsona strives to produce or purchase quantities as large as possible from

EU-certified suppliers with regard to organic farming, production and marketing of organic products (EU) 2018/848, as well as other product certifications with a positive environmental or social impact such as KRAV, Vegan, Fair-trade and Demeter.

In recent years, Midsona has focused on organically certified and plant-based products and we are today the Nordic region's largest supplier of organic food, also with potential in the rest of Europe. Our organic brands help people live healthier lives with an environmental benefit by offering high-quality organic plant-based products to consumers. You can read more about how we work with certified raw materials in the chapter "Responsible purchasing" on page 64.

#### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- ▶ Map and measure the range based on our product and raw material certifications.
- ▶ Map the availability of certified products and raw materials in the market and the financial significance of the purchase of high-classification certified raw materials.
- ▶ Increase capacity and own production of organically certified and other certifications.
- ▶ Collaborate with third-party manufacturers for increased raw material and product certification.
- ▶ Invest in innovations to ensure organic growth and an increased product portfolio with environmental or social certifications.

#### PROGRESS IN 2021

- ▶ In 2021, we increased the share of Biodynamic Federation Demeter-certified products for the Davert brand by 9 percent. The certification ensures an organic and biodynamic cultivation method focusing on cycle-based agriculture. Among other things, the Davert brand won the 2021 Best New Product Award from BIOFACH for its new concept with both organic, Demeter and Fairtrade-certified red lentils.
- ▶ During the year, new organic foods were launched in all of Midsona's markets. For example, Urtekram Food launched new products with organic legumes and canned lentils. Innovations include organic borlotti beans, taco beans, mixed chilli beans and beluga lentils.
- ▶ To increase our range of plant-based and certified foods, Midsona Food Service Sweden launched broad beans during the year. These are locally grown, Swedish KRAV and EKO-certified beans farmed in Västra Götaland. The broad bean is a hero among legumes and is grown mainly for its high nutrient and protein content and its ability to cope with different weather and soil conditions.
- ▶ To meet high demand for organic sandwich spreads, Midsona invested in improved production efficiency and quality in Lauterhofen during the year.
- ▶ As a key supplier in the market for vegan and ECOCERT-certified hygiene and beauty products, new innovations are continuously being developed at Urtekram Beauty. In 2021, a new series for facial care was launched for example, Narcissa by Urtekram and Urtekram One Drop Concentrated Shower Gel. All of Urtekram's products are vegan and ECOCERT certified in accordance with the Cosmos Organic Standard.

#### THIS IS WHERE WE ARE TODAY

- ▶ Midsona's sales of organic products currently account for 51 percent (57) of the Group's own brand sales. 5 percent of this consists of our organic beauty brand Urtekram Beauty which is certified in accordance with ECOCERT Cosmos and Vegan Society's Trademark.

Read more in the appendix on page 87.

GRI 304-2

<sup>1</sup> <https://www.un.org/en/observances/biological-diversity-day/>

# Sustainable packaging

## Our objective

Packaging plays an important role for us in reducing environmental impact. Demands for circular alternatives are increasing among consumers, customers and decision-makers. Midsona's packaging strategy is an important way of meeting these requirements while contributing to the EU's strategy for a circular economy. Our overall goal is to follow the market's opportunities for recycling without reducing the product's durability. The strategy also meets the requirements to:

- Ensure that greenhouse gas emissions from packaging are reduced as much as possible
- Increase the use of recycled and recyclable materials in our packaging
- Choose FSC-certified paper raw materials or similar to ensure sustainable forestry
- Reduce packaging material consumption

- Apply labelling with instructions for recycling and reduced food waste
- Follow the development of future requirements for sustainability labelling, climate footprint and emissions accounting

Midsona works in accordance with the Packaging and Newspaper Collection (FTI) model for circularity<sup>1</sup> and always adheres to current requirements for recycling in the markets in which we operate, with the ambition of being at the forefront. With our innovations and product range processes, we have the opportunity to create a greater demand for recycled packaging materials, but also promote increased levels of sorting and collection of plastic waste that can, in turn, be reused. The pace of innovation is high and with clear goals, governance and reporting ensures that the handling of packaging-related issues forms a part of the day-to-day operations.

## SOME SELECT PROJECTS IN 2021

- ▶ In Tilst, Denmark, we have, in collaboration with UPM Raflatac, established a circular process for our labels. All paper from the labels is recovered and recycled in a separate circular system.
- ▶ Midsona has helped our Private Label customers<sup>2</sup> in the work with sustainable packaging. In 2021, all of our Private Label packaging manufactured at our production unit in Tilst became 100 percent recyclable. We are well on our way to offering 100-percent recyclable packaging for all of our Private Label products in Germany as well.
- ▶ We have continued to increase the use of plant-based plastic from sugar cane waste in our hygiene and beauty products within Urtekram Beauty, and most of the products use this plant-based plastic today. During the year, tablets for Mivital food supplement were also launched in cans of plant-based plastic from sugar cane waste.
- ▶ By labelling our packaging with how the packaging is to be sorted and discarded, we make it easier for consumers to fold and sort the packaging correctly. In 2021, we have continued to work to be able to measure this better and to then be able to take measures for increased labelling. Packaging for new or updated products is to be labelled with recycling instructions. During the year, we extended the label for the Davert brand, which began in 2020, with a certified recycling label in collaboration with a waste management company (INTERSEROH) and an accredited analytical institution (Fraunhofer Institut).
- ▶ We have continued the work of updating the "Best before, often good after" labelling and expect to achieve further good progress in 2022. Read more about this in the section on food waste on page 79.
- ▶ We have also conducted a number of projects in both product design and warehousing, in which we have removed or reduced packaging materials so as not to use unnecessarily material. For example, we have removed the aluminium casing on all Helios and Kung Markatta oils and the outer layer with cellophane on all Friggs Tea packaging, and we have reduced the amount of plastic foil packaging material for storage and transport by 9 tonnes of plastic annually in Mariager.

## THIS IS WHERE WE ARE TODAY

- ▶ In 2021, 42 percent of packaging material purchased for Midsona's own production derived from recycled or FSC-certified input material. This represents a decrease of 21 percent compared with the preceding year.
- ▶ In 2021, 8 percent of plastic packaging purchased for Midsona's own production derived from reuse of other materials. This is plastic made from sugar cane waste and therefore a plant-based plastic. This represents a decrease of 63 percent compared with the preceding year.
- ▶ In 2021, the proportion of product packaging with recycling instructions on labels was 40 percent. The first year for which we had data of sufficient quality in this regard was 2021.

The decrease in the data points above was attributable to new figures from Division South Europe not having the same focus with regard to FSC or recycled input materials as the Midsona Group in general. This will be implemented in Division South Europe as of 2022. See also (Scope 3) greenhouse gas emissions in tonnes of CO<sub>2</sub> equivalents for purchased goods and services in the appendix, which includes emissions from our packaging.

Read more in the appendix on page 88.

GRI 301-2  
GRI 304-2  
GRI 305-3

<sup>1</sup> FTI, About recycling circular, 2021: <https://www.fti.se/download/18.3dd705c0179af8d14863f1/1623913076791/FTI%20Circular%202021.pdf>

<sup>2</sup> Midsona's production of other brands as a contract supplier.

# Recyclable plastic packaging

Target 2025

**100%**  
 recyclable plastic  
 packaging for our  
 own brands

## Our objective

Midsona has committed itself to Plastinitiativet in Sweden<sup>1</sup>, a goal that covers the entire group. Midsona places great focus on recyclable plastic materials and the plastics' colouring and printing to facilitate the recycling process. By using recyclable packaging, the green house gas emission

in connection with final processing of products sold in scope 3 will be reduced. It is also likely to be a competitive advantage, as taxes on non-recyclable plastic packaging are expected to increase as a result of new laws and regulations.

### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- ▶ Mapping and measuring points for packaging in relation to recycling requirements and the financial significance of a dedicated budget (read more in the appendix on page 89).
- ▶ Updating technology and increasing capacity for own production with recyclable packaging solutions.
- ▶ Collaboration with third-party manufacturers to find recyclable packaging solutions.
- ▶ Map potential new acquisitions to ensure that they are in line with our targets for recyclable packaging.
- ▶ Invest in innovation and product design to achieve the target of 100 percent recyclable plastic by 2025.

### PROGRESS IN 2021

- ▶ Carried out an updated risk and opportunity assessment of our markets with existing and future legislation and technical development for our packaging based on the TCFD framework described in our CDP report chapter C2 on pages 8–18. Development is rapid for both technology and the market, and all countries in which Midsona operates have a regulated minimum tax for packaging and in some countries the tax is already a significant part of the packaging price for plastics that cannot be recycled. The analysis has given us a better overview of the economic significance by changing the plastic to recyclable and that the long-term target provides an economic advantage for the future.
- ▶ In our own production in Tilst, the share of recyclable plastic in production increased to 80 percent in 2021. By changing a plastic film to a thinner recyclable film, plastic consumption was reduced by 7.1 tonnes. We have also changed the label to a recyclable solution.
- ▶ At the start of 2021, all packaging from Earth Control and Delicata was made of recyclable plastic and the label has been changed to the same type of plastic to make it easier for consumers to recycle. The corresponding figure for the Davert brand was 85 percent.
- ▶ During the year, work began on changing the packaging for Midsona's largest brand Friggs, in collaboration with the suppliers. For all of our maize, lentil and rice cakes from Friggs, the plastic used today will be recyclable in 2023. We have also ensured that the colour print on the plastic also meets the FTI's requirements so that the entire packaging will be recyclable by 2023. For our best-selling maize cake, with chia seeds & sea salt, and the rest of the Friggs' food range, we are working to be able to replace the plastic with a recyclable monomaterial. If we succeed with our ambition, this will yield 100-percent recyclable plastics for Friggs products in 2023/24, as the remaining Friggs range, comprising food supplements and tea, already uses recyclable packaging.
- ▶ A specific project for recyclable plastic for Urtekram's, Kung Markatta's and Helios' production has been initiated.

### THIS IS WHERE WE ARE TODAY

- ▶ In 2021, the share of recyclable packaging material totals 38 percent, including plastic and all types of materials, while the share of recyclable plastic packaging amounts to 25 percent. In Division Nordics, the share of recyclable plastic packaging is 34 percent (25), an increase of 9 percentage points compared with the preceding year driven by the acquisition of System Frugt. In the appendix, see also (Scope 3) greenhouse gas emissions in tonnes of CO<sub>2</sub> equivalents for final processing of sold products, including emissions from our packaging at the final stage.

Read more in the appendix on page 89.

GRI 301-1 GRI 305-3  
 GRI 306-1 GRI 306-2  
 GRI 306-4

<sup>1</sup> <https://www.dlf.se/plastinitiativet-2025>



## The journey of innovation – from a sustainability perspective

In developing new products, we always start with Midsona's core values of health and sustainability. The journey of innovation proceeds in a structured manner through a collaboration between several functions within the organisation. Together with the commercial perspective, the connection to our brands and priority categories, described under "Trends and driving forces" on page 12, the sustainability aspect is included with all of our sustainability targets.

From concept, development and implementation to a completed product ready to be launched. We always seek to be aligned with the needs of consumers and customers and to maintain a close dialogue with suppliers and other collaborative partners. Midsona works dedicatedly to develop or update products that help people live a healthy and sustainable life.







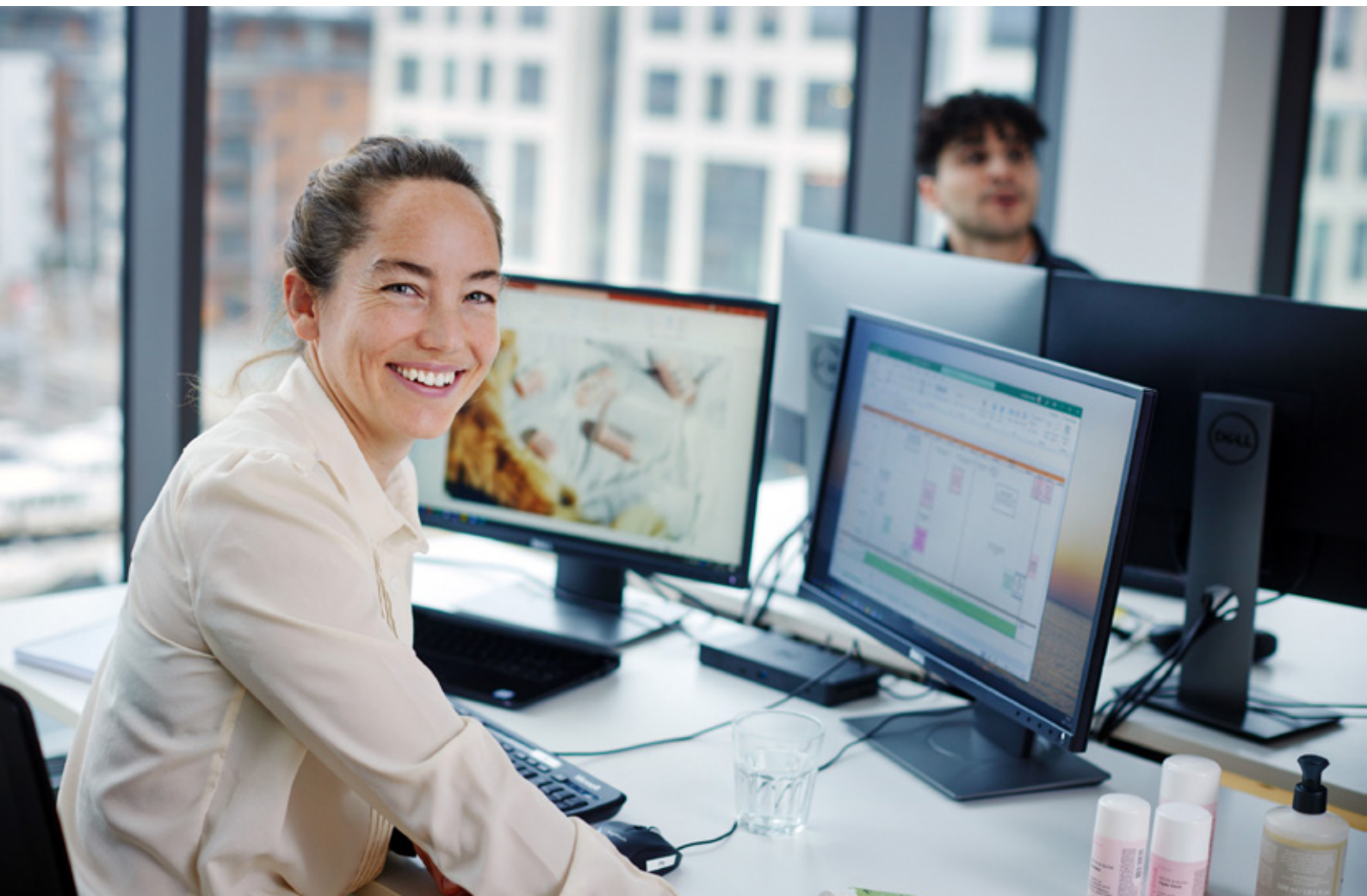
# Healthy and sustainable work environment

**A healthy and sustainable work environment is crucial for a healthy life. At Midsona, we work every day to create healthy and sustainable workplaces. Midsona should be a healthy company for all employees. We must be a safe and equal workplace and an employer that fosters a balance between working life and private life. That is why we work to prevent injuries and sick leave, offer individually adapted work and support a healthy lifestyle – even outside of work.**

Gender equality and diversity should be a natural part of our business, and harassment, discrimination or other abusive treatment should never be accepted. In line with the Midsona's mission to help everyone enjoy a healthier life, the Group values the dynamic diversity created by differences. This creates a work culture with new ideas, different perspectives and working methods.

In line with UN sustainability goal 4, good education for all, Midsona strives to promote a sustainable culture for lifelong learning. We are also committed to several undertakings to ensure a healthy and safe work environment. Health is one of Midsona's strongest sustainability targets. We will develop a socially and ethically responsible management and create channels for regular interaction with employees.

Through its work with a healthy and sustainable work environment efforts, Midsona supports five of the global goals for sustainable development



# Promote a safe and healthy workplace

**Healthy work environment**  
Healthy workplaces that promote healthy employees without work-related injuries

## Our objective

Midsona must be a safe and healthy workplace without work-related injuries. We must be an employer that promotes a healthy life for our employees, at work and at home. In the light of the corona pandemic, we have further adapted and improved our measures to reduce health and safety

risks. To offer good conditions for our employees to work from home, Midsona has invested in improved technical equipment, digitalisation of processes and improved technical support.

### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

To ensure the safety of our employees and support a healthy workplace, the following initiatives have been established:

- ▶ Committees for health, environment and safety exist at all facilities, with regular meetings and follow-up of the work environment. Site-specific reports on preventive measures are continuously updated.
- ▶ Employees receive regular and relevant training on health and safety in the workplace.
- ▶ Individually tailored protective clothing is available to all employees. In addition to mandatory financing, financial support is offered for special aids that employees may need.
- ▶ Ongoing employee surveys to develop and assure the work environment.
- ▶ Supports health promotion measures and encourages physical activity. For example, through collaboration with gyms, facilities that facilitate bicycle commuting, the opportunity for walk-and-talk meetings.
- ▶ Develop the range of healthy food and drink for our employees.

### PROGRESS IN 2021

- ▶ in Division North Europe, several new height-adjustable desks were installed for employees with back problems. In collaboration with a health insurance company, online courses for back problems are also offered.
- ▶ Continued automation of production to avoid heavy lifting and monotonous tasks.
- ▶ Modification, individualisation, and installation of new lighting systems in Division South Europe.
- ▶ Employees at our production facilities are offered vaccination against Covid-19 and influenza.
- ▶ Installed Covid-19 test stations in Division North Europe.
- ▶ In Division Nordics, a web-based tool was implemented for a healthy lifestyle, which enables employees to work together more efficiently at a distance.
- ▶ Purchases of digital equipment to facilitate home office work for employees with such needs.

### THIS IS WHERE WE ARE TODAY

- ▶ in Division North Europe, 80 percent of employees report good health, an increase of 4 percent compared with 2020.
- ▶ in Division Nordics, a deterioration in mental health among employees was noted. Probably because of the pandemic.
- ▶ In 2021, 33 workplace injuries were reported.
- ▶ In 2021, sick leave was 5.7 percent, an increase of 10 percent compared with 2020.
- ▶ 678 work-related sick days were reported, an increase of 67 percent compared with 2020.

However, the figures for 2021 include four new production units, three in Division South Europe and one in Division Nordics (System Frugt), which explains the increase as occupational injuries have historically occurred in production units and warehouses and not in offices. In addition, Division South Europe has a relatively high proportion of industrial workers where the risk of occupational injuries is highest. We are seeing the same trend for the number of sick days.

Read more in the appendix on page 90.

GRI 403-2 GRI 403-3  
GRI 403-4 GRI 403-5  
GRI 403-6 GRI 403-7  
GRI 403-9 GRI 403-10



# Commitment, education and leadership

## Our objective

Committed employees are the key to creating a healthy work environment, and to achieving our targets. We want to develop an open corporate culture with low thresholds for interaction. We see the value in maintaining and continuously developing our employees' different competencies. Through training drives and initiatives, we want to

encourage and support employees' personal and professional development. At the same time, no organisation can function without reliable leadership. Midsona strives to build a culture of good leadership, with effective management and governance. Our leaders should be a source of inspiration and enthusiasm in their respective teams.

### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- ▶ Conduct regular, comprehensive employee surveys. The system comprises a series of surveys with different intentions, for example to determine employee satisfaction or assess mental well-being.
- ▶ Provide employees with a platform on which they can anonymously share ideas, feedback and complaints by, for example installing digital "call boxes" in the workplace.
- ▶ Develop employees' expertise with internal lectures, courses and seminars.
- ▶ Encourage and support employees to learn new languages by giving them access to online platforms and training.
- ▶ Further develop Midsona's sustainability training, which all employees must complete.
- ▶ Enable students and academia to collaborate with Midsona to exchange specialist knowledge.
- ▶ Courses to build sustainable and inspiring leadership.
- ▶ Clear leadership and governance principles regulating responsibilities, tasks and obligations.
- ▶ Share success stories about our sustainability work to nurture and promote sustainability in the daily operations.
- ▶ Offer a management academy to train and develop new young managers.

### PROGRESS IN 2021

- ▶ Strengthened our survey program and conducted two employee surveys. These focused on mental well-being and healthy lifestyle regarding the work situation during the pandemic.
- ▶ The first "call box" was installed at our production unit in Lauterhofen.
- ▶ Information about the updated whistle-blower service was distributed to all employees to encourage its use.
- ▶ The Midsona Nordic Commercialisation Academy was held in Sweden, Norway, Denmark and Finland. The training focused on cooperation and interaction with our customers.
- ▶ Upgraded and developed Midsona's sustainability course on the basis of scientific research and UNESCO recommendations and in collaboration with Windesheim Honors College, as part of a Bachelor Internship & Capstone programme. Sustainability training for employees will commence in 2022.
- ▶ All employees are given opportunities to learn and improve their knowledge of English as part of a global network
- ▶ Adopted new sustainability-related KPIs, management systems and working groups to integrate sustainability into the day-to-day operations.

### THIS IS WHERE WE ARE TODAY

- ▶ Proportion of full-time employees who have received regular performance and career development interviews during 2021: 79 percent.
- ▶ All employees are given opportunities to learn and improve their English skills. Employees in the Midsona Group received an average four hours of training in 2021.
- ▶ In 2021, an employee survey was conducted regarding sustainability, addressing, among other things, employees' knowledge of sustainability and awareness of Midsona's sustainability work. This survey was part of Midsona's sustainability development program, with as many as 200 employees responding.
- ▶ An employee survey was conducted in Division North Europe. 85 percent of all employees in Division North Europe say that their work at Midsona feels meaningful. 87 percent of all employees in Division North Europe feel strongly motivated in their workplace. 83 percent have strong faith in the management of Division North Europe, and 83 percent agree that they know what Midsona expects of them in their roles. In Division Nordics, employee surveys are conducted every two years. The next survey will take place in 2022.

Read more in the appendix on page 91.

GRI 103-1 GRI 103-2  
GRI 103-3 GRI 403-4  
GRI 403-6 GRI 404-1  
GRI 404-2 GRI 404-3

# Corporate culture with diversity, inclusion and equality

**Target**  
**50/50**  
gender distribution  
in management  
positions

## Our objective

Midsona wants to create a strong corporate culture that is permeated by the common core values: *Caring, Reliability (trust), Motivation (drive) and Pride*. This is a long-term process that generates positive effects in terms of creativity, innovation and motivation. Midsona strives to create an equal and inclusive work environment characterized by

diversity. We want a balanced age and gender distribution at all levels in the Company with equal conditions and opportunities for all employees. Harassment, discrimination or other abusive treatment will never be accepted. The Group has a relatively even gender distribution and works actively to achieve a 50/50 gender representation in senior positions.

### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

#### To ensure a diverse, equal and inclusive workplace, the following is done:

- ▶ When recruiting or promoting, potential or current employees are assessed only on the basis of their expertise and development opportunities.
- ▶ Offers working conditions that suit all employees. With flexible working days, the opportunity to work from home and the opportunity for part-time work – even in senior positions.
- ▶ Takes measures to improve gender representation, drive integration and inclusion.
- ▶ Shape a transparent culture and encourage inter-cultural dialogue.
- ▶ Promote team building, as well as formal and informal corporate events.
- ▶ Give all employees the opportunity to talk in person with the CEO and members of Midsona's management teams during regular site visits.
- ▶ Systematised and transparent internal communication via the intranet, which measures interaction and is followed up.

### PROGRESS IN 2021

- ▶ Increased metrics for diversity and gender equality with a higher quality than previously.
- ▶ Home office opportunities and, accordingly, increased flexibility to work from home.
- ▶ Created jobs for refugees at production facilities, with housing support and language training.
- ▶ Collaboration with the Impulsa Foundation in Spain. A network that creates opportunities for young people in socially vulnerable situations. The project includes, for example, mentorship and funding of higher education.
- ▶ Implementation of anonymous recruitment process in Division North Europe.
- ▶ Continued process of adapting the working conditions at our facilities. In 2021, the number of vacation day was increased at the production unit in Lauterhofen, Germany.
- ▶ Group Management has introduced and implemented our common core values for new acquisitions.
- ▶ Increased communication on the divisions' websites, LinkedIn and other social media.
- ▶ Established working groups across location, country and division boundaries.

### THIS IS WHERE WE ARE TODAY

- ▶ Includes all Group level managers for Midsona AB, including those who are members of Group Management and all members of the division level management group: 14/19, that means a 42/58 percent distribution women/men.
- ▶ Gender distribution of the Company's Board of Directors: 2/4, that means a 33/77 percent distribution women/men.
- ▶ Gender distribution Group Management: 2/4, that means a 33/77 percent distribution women/men.
- ▶ Gender distribution in total of Group level managers, including members of Group Management: 4/4, that means a 50/50 percent distribution women/men.
- ▶ Gender distribution within the organisation: 51 percent women, 49 percent men.
- ▶ No cases of discrimination were reported in 2021.
- ▶ No cases of corruption were reported in 2021.
- ▶ All employees have access to Midsona's intranet.
- ▶ Ongoing newsletters and CEOs' letters to all employees within the Group.

Read more in the appendix on page 91.

GRI 401-1 GRI 401-2 GRI 405-1  
GRI 406-1 GRI 103-1 GRI 103-2  
GRI 103-3 GRI 205-1 GRI 205-3



# Responsible sourcing

To be able to deliver safe and responsibly produced products, we need to buy responsibly produced raw materials. Some of our largest areas of influence in sustainability are linked to responsible sourcing and safe products. Midsona has a strong focus on sustainable suppliers and healthy working conditions in our supply chains.

In collaboration with our suppliers, Midsona works to ensure that everyone in our supply chain lives up to our requirements and conducts as sustainable a business as possible. Through recurring supplier checks, visits and collaborations, Midsona maintains close, long-term relationships built on mutual trust. We have a solid internal system for reviewing our suppliers' efforts. We also work closely with third-party players and various certifications as an additional guarantor of the products and raw materials we purchase.

Midsona always strives to develop its supply chain to ensure that the raw materials purchased are responsibly produced from an environmental, social and economic perspective. Our close links and commitment to agriculture generate additional value for Midsona, its customers and suppliers, as well as for farmers.

Midsona's work with responsible purchasing contributes to 11 of the global goals for sustainable development



## Sustainable raw materials

### Our objective

Sustainable raw materials are crucial in offering sustainable products, while the supply of raw materials always poses a risk from several perspectives. Never in human history has biodiversity been as threatened as it is today<sup>1</sup>. Prudent agriculture, forestry and fishing have significant potential to mitigate the effects.

By concentrating on plant-based, sustainable raw materials and products, Midsona wants to contribute to sustainable agriculture, forestry and fishing. The Group is also working to increase its third-party certified products, as described on page 56. Choosing certified raw materials fosters sustainable management of forests, land and marine resources. This is further secured for Midsona's high-risk raw materials in terms of climate and biodiversity, such as palm oil, fish oil, rice, maize, soy, packaging materials and paper. For this reason, the Group has adopted a position on the following issues:

- **ORGANIC.** Midsona strives for production with the least possible environmental impact. The basis for this approach is a set of strict guidelines and developed principles, compiled and certified in accordance with

the EU regulations for organic farming, production and marketing of organic products (EU) 2018/848. Organic farming comprises agricultural methods for producing food using natural substances and processes. It often has a limited environmental impact thanks to the responsible use of energy and natural resources, the conservation of biodiversity, more fertile soils and better water quality. In addition, the rules for organic farming encourage better animal welfare because farmers must, among other things, meet the behavioural needs of their livestock. The EU regulations on organic farming set a clear framework for organic production throughout the EU.<sup>2</sup>

- **GENETICALLY MODIFIED ORGANISMS (GMO'S).** Midsona's products may not contain raw materials from genetically modified crops. We do not accept products listed in the European Commission's register of genetically modified organisms or products that are marked with the text "This product contains genetically modified organisms", 1829/2003 and 1830/2003. The raw materials we use for which there is a high risk of genetically modified (GM) material being mixed in are soy, maize, rapeseed and rice.

Target 2025

**100%**

our own brands free from palm oil



- **ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO).** The protection of the rainforest and the indigenous people is essential and measures must be taken against deforestation and the extinction of habitats. Midsona should avoid palm oil or, where that is not possible due to product needs in terms of quality and safety, only RSPO-certified palm oil promoting responsible production may be used. By 2025, all of Midsona's own brand products are to be 100-percent free of palm oil.
- **FRIENDS OF THE SEA (FOS) FOR FISH OIL.** Sustainable fishing methods and sustainability certifications are necessary and urgent in ensuring the sustainable use of the oceans and marine resources. Midsona shall ensure that the fish oil in its products derives solely from sustainable fishing.
- **FOREST STEWARDSHIP COUNCIL (FSC) FOR SUSTAINABLE PAPER USE.** Midsona shall contribute to the environmentally friendly and socially responsible use of forests. The Group may only buy FSC-certified paper products, alternatively PEFC-labelled.
- **PLANT-BASED RAW MATERIALS AND ANIMAL WELFARE.** Animals are to be treated well and protected from unnecessary suffering and disease. Midsona shall market and supply plant-based products as a responsible alternative to animal products and shall never market products that have been tested on animals. Plant-based products an important step for a low-carbon society.

#### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

To assure appropriate handling of raw materials subject to risks, Midsona has developed a new Group-wide set of instructions "Midsona's guidelines regarding GMOs, palm oil, fish oil, paper use and animal welfare". This formal part of Midsona's Sustainability Policy and is a plan to protect biodiversity in fisheries, forestry and agricultural production along the value chain. It includes the following actions:

- ▶ Systematic, integrated risk controls for GMOs, palm oil and fish oil as part of the innovation process and quality assurance system.
- ▶ Mapping and rating of risk factors by our suppliers through the Supplier Self-Assessment (SSA) in Midsona's supplier portal KODIAK.
- ▶ Ensure that our suppliers sign and apply Midsona's Supplier Code of Conduct (SCOC).
- ▶ If validation is required, documentation or a sample analysis plan is requested.
- ▶ Include requirements for FSC-labelled paper and packaging materials in our Procurement Policy.
- ▶ Promote and make available plant-based foods as a responsible alternative for animal products.
- ▶ Be involved in relevant networks and organisations.

#### PROGRESS IN 2021

- ▶ The Group's new instructions regarding raw materials, "Midsona's guidelines regarding GMOs, palm oil, fish oil, paper use and animal welfare" have been approved and implemented in the organisation.
- ▶ Removed all palm oil from our products sold under the Earth Control brand.
- ▶ Updated climate-related risk analyses for Midsona's raw materials to reduce the risks of environmental and social impact caused by high-risk raw materials (such as soy and rice).

#### THIS IS WHERE WE ARE TODAY

- ▶ 100 percent (100) of purchased palm oil as a raw material is RSPO-certified, the same as last year. We have reduced the amount of palm oil we purchase by 10 percent compared with 2020, and it accounted for less than 0.1 percent of our total raw materials purchased in 2021. The figures for palm oil are based on sales.
- ▶ Of our purchased raw materials, 92 percent (90) carry organic certification, which is an increase of 2 percent compared with the preceding year.
- ▶ 100 percent of our purchased raw materials are GMO-free, the same as in the preceding year.
- ▶ 100 percent (100) of our purchased fish oil as a raw material in our own production was FoS-certified in 2021, the same as in the preceding year.
- ▶ 65 percent (79) of purchased paper packaging materials derive from recycled or FSC-certified input materials, which is a decrease of 18 percentage points compared with the preceding year.

Read more in the appendix on page 92.

GRI 304-2  
GRI 305-3 (GHG Scope 3)  
GRI 308-2

<sup>1</sup> <https://www.un.org/en/observances/biological-diversity-day/>

<sup>2</sup> [https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/organics-glance\\_en](https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/organics-glance_en)

## Supplier control

Target 2025

**100%**

Classified strategic  
supplier in accordance  
with guidelines  
for sustainable  
procurement

### Our objective

For Midsona, it is important to maintain a close relationship with our suppliers. In this way, we can ensure that we work with suppliers that are sustainable or that demonstrate strong development potential. We can then secure the availability of sustainable resources and protect our biodiversity.

- By 2025, 100 percent of our strategic suppliers must be classified in accordance with sustainable procurement.
- 100 percent of suppliers must have signed Midsona's Supplier Code of Conduct.

Through local purchasing and proximity to our factories, Midsona also increases its control and transparency with

regard to production and the supply chain. In the minds of consumers, local production is often associated with consistent and superior quality and consumer demand for locally grown products is clearly increasing.

To reduce the risks in the supply chain, we are also purchasing a larger proportion of raw materials directly from suppliers in the country of origin. Thereby reduce complexity in the supply chain, while increasing control and transparency. This allows us to build strong partnerships and to drive change in agriculture and how our products are cultivated. Midsona takes both the social and environmental aspects of production into account.



## HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

To achieve our ambition, we apply a meticulous supplier management system encompassing the following:

- ▶ a Supplier Code of Conduct that helps us set higher standards and ensure that we work with responsible suppliers.
- ▶ A quality and sustainability risk assessment system – KODIAK – that rates and monitors suppliers regarding e.g. fulfilment of criteria regarding sustainability certification, quality and product safety, geographical risk in accordance with BSCI, economic and environmental impact, business ethics, anti-corruption and health and safety.
- ▶ A network of strategic suppliers in which we work together in the long-term to support the transition to sustainable production.
- ▶ Increase control and transparency in the supply chain when, for example, purchasing strategic raw materials directly from suppliers in the country of origin.
- ▶ By supporting local suppliers<sup>1</sup>, Midsona can indirectly attract further investment in the local economy, as well as ensuring increased control and transparency and reducing transport needs.

## PROGRESS IN 2021

- ▶ Further development of the requirements in accordance with global frameworks for sustainable procurement and supplier assessment in KODIAK.
- ▶ Continued work to ensure that all suppliers sign and apply Midsona's Supplier Code of Conduct.
- ▶ Began the process of becoming a member of Sedex (Division North Europe), which works for and improves social and economic impacts in our supply chains.
- ▶ Continue System Frugt's work with its membership in the Business Social Compliance Initiative (BSCI), a European organisation that actively works to improve working conditions in the countries where production takes place.
- ▶ Updated TCFD-based climate-related risk analysis for our deliveries to counteract the risks of delivery failure and increased prices.
- ▶ France is cooperating long-term with 100 independent French organic farmers on the purchase of cereals and legumes to increase local procurement and protect biodiversity.
- ▶ During the year, we laid the foundation for a new collaboration with a supplier to establish a more local supply chain for quinoa. Seeds have been selected and initial trials are planned for 2022.
- ▶ Increased proportion of German cereals for classics including wheat, rye, spelt and oats.
- ▶ Increased proportion of buckwheat from the EU.
- ▶ Assisted with 30 percent pre-financing for the development and protection of a supply chain for chia seeds.

## THIS IS WHERE WE ARE TODAY

- ▶ 32 percent, meaning that 317 out of 992 suppliers were assessed in KODIAK, a decrease by 15 percentage points compared with the preceding year (269 out of 578) when suppliers to Division Nordics and Division North Europe were assessed. The reduction is due to Division South Europe, which has not yet implemented KODIAK, having some 400 suppliers, almost as many as Division Nordics. For Division Nordics where KODIAK was implemented first and as the only division that has adopted the system, however, the percentage increased from 74 to 75 percent in 2021.
- ▶ 51 (78) percent, meaning 501 out of 992 (452 of 578) suppliers have signed and apply the Code of Conduct. 79 percent, 501 out of 632 in Division Nordics and Division North Europe, which were reported as GROUP in 2020, increased by one percentage point on the preceding year (78 percent, 452 of 578).
- ▶ Ten supplier audits (compared with nine in 2020) were performed by the Midsona Group in 2021, limited by the corona pandemic in both 2020 and 2021.
- ▶ 48 percent (53) local purchases from the EU, of which:
  - 48 percent (53) of purchased raw materials were of EU origin.
  - 91 percent (92) of finished products were purchased within the EU, meaning that finished products are purchased from suppliers within the EU.
- ▶ 58 percent (55) of raw materials were purchased directly from the countries of origin.
- ▶ The factory in St. Germain-Laprade in France sources 100 percent of its organic raw materials – cereals and legumes – from within the same country.
- ▶ In Division South Europe, 100 percent of the soy purchased originates in France (covered by EU rules on GMOs).

*All of Midsona's suppliers must be risk classified in accordance with social and environmental issues, as well as with regard to quality and the requirements for safe products. Read more on pages 72–74.*

*Read more in the appendix on pages 92–93.*

GRI 204-1 GRI 308-1  
GRI 308-2 GRI 414-1  
GRI 414-2

<sup>1</sup>Midsona's geographical definition of "local suppliers" is: Proportion of purchased raw materials within the EU and total purchases of finished products within the EU.



# Commitment in the supply chain

## Our objective

Midsona strives to be a long-term strategic partner for its suppliers and a reliable player in, for example, supporting sustainable societal development in the agricultural communities in which we are active. Our ambition is to combine

more of our purchasing activities for strategic raw materials with the promotion of biodiversity, environmentally friendly agriculture and social commitment in mind. It is, at the same time, more economically sustainable and therefore generates a shared added value.

### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- ▶ Collaborate with strategic suppliers with long-term relationships for better agriculture and community involvement based on principles of equality and justice.
- ▶ Regularly visit strategic suppliers and purchasing projects and maintain a close dialogue with farmers to promote sustainable agriculture.
- ▶ Help measure the effect of our supply chain on farmers, society and the environment.
- ▶ Build networks and involve stakeholders throughout the supply chain.
- ▶ Create a high degree of transparency and communicate about our efforts to create value for customers and consumers.
- ▶ Close collaboration with customers with the same objective.

### PROGRESS IN 2021

- ▶ Established the "Midsona Fund" to organise, administer and manage aid and donations to community projects with complete transparency.
- ▶ Reorganisation of the sustainability group. A specialist in social issues was appointed.
- ▶ Increased supply of raw materials from our own community projects.
- ▶ Strengthened cooperation with the Ibis Rice Project in Cambodia to protect biodiversity. The project focuses on growing rice in a way that also maintains and promotes local wildlife.
- ▶ Establishment of collaboration in forestry for the cultivation of cereals in France, focusing on the protection of biodiversity (80 bird species, 600 species of vegetables and plants and 100 types of insects), rural landscapes and agricultural structures, seeds and crops, water supply and adaptation of the area to reduce climate impact.

### THIS IS WHERE WE ARE TODAY

- ▶ Continued involvement in ongoing projects and further expansion of new projects.

## Continued involvement in ongoing projects and further expansion of new projects:

### KOTWA COMMUNITY PROJECT

- ▶ A partnership with one of Midsona's strategic suppliers of rice, Nature BIO FOODS, in the Kotwa area of Uttar Pradesh, India. The products grown are basmati and long-grain rice (with lentils, amaranth and flax as rotation crops).
- ▶ 396 affiliated farmers engaged in small-scale farming of organic, Fairtrade-certified rice.
- ▶ Introduce environmentally friendly cultivation methods with a special focus on efficient use of water, while ensuring better living conditions for small-scale farmers.
- ▶ In 2021, Midsona signed a long-term project agreement with the supplier and NGO that is valid for ten years.
- ▶ Better reporting structures were established.
- ▶ The first visit to Kotwa for Midsona's project manager, as well as strategic purchasing manager.
- ▶ Raw material volumes from the Kotwa project increased by 7.7 percent in 2021.

### IBIS RICE PROJECT

- ▶ 1,500 affiliated farmers to protect biodiversity in agriculture in vulnerable areas. A national nature reserve of 500,000 hectares is managed where 50 endangered animal species are protected.

### CELNAT FOND

- ▶ Fonds De Donation Celnat supports 3 projects to promote biodiversity and sustainable eating. Midsona provides financial support for the projects, guidance and regular follow-up with the project managers about the progress achieved.
- ▶ **About biodiversity:**  
 Agroforestry project in the Ferme des prés organic farm in Vareilles (Burgundy)  
 Project: planting of 4.5 km of hedges.  
 Benefits: carbon sequestration, bird protection, enriched soil research to evaluate impact.
- ▶ **2. Farm of the Sarliève project**  
 Protection of agricultural land in urban areas with a transition to organic farming.
- ▶ **About sustainable eating:**  
 3. Landestini's project "Sustainable food master".  
 Starting point: need to raise awareness of biodiversity and sustainable consumption.  
 Project: workshops in schools (from primary school to high school) to educate students on how their food choices affect biodiversity and guide them to make more sustainable food choices.  
 Extent: 15 schools in 2020, 25 in 2021, from primary school to high school

*Read more about our community projects on our website.*

*Read about how we donate food to various organisations to avoid food waste in the section Efficient use of resources on page 75.*

GRI 304-2 GRI 308-2  
 GRI 413-1 GRI 413-2  
 GRI 414-2



# Food Service and community involvement

## Our objective

As an intermediate target for health and plant-based, we want to inspire and make it easier for more people to eat plant-based and healthy food. Through our investment in Food Service, we have several rewarding collaborations that foster good conditions for this. Midsona Food Service delivers sustainable meal solutions, ingredients and plant-based recipe inspiration to the public sector, schools and organisations. Together, we can contribute to sustainable

change for the environment, health and social impact. For example, Midsona has helped schools and students take a further step forward towards a more sustainable food culture. By working for sustainable school kitchens, we want to provide support all the way, from understanding the meaning and cultivation of plant-based food, climate calculation of recipes and menus, to providing recipe inspiration and holding workshops on plant-based foods.

### PROGRESS IN 2021

- ▶ Launched the “Keep it sustainable” food service, a theme week for high schools and high school students in Sweden. Through films, students learned to adopt a more sustainable approach to food.
- ▶ in Germany, a new customer collaboration was initiated that enabled the donation of healthy and nutritious hot meals to 4,600 children in need, while in Berlin we have a collaboration in which are delivering certified rice for some 10 million school lunch portions.
- ▶ in Finland, Earth Control carried out a campaign in collaboration with the World Wide Fund for Nature (WWF). A total of EUR 10,000 was donated to protect Finnish forests and promote biodiversity.
- ▶ in France, Midsona’s “Champions for Sustainable Food Initiative” supports an educational program to create urban vegetable gardens in French schools. This is part of a larger private equity fund linked to the Celnat brand operating in France. Read more about the fund on our website (<https://www.midsona.com/en/sustainability/>).
- ▶ Midsona supports several awards that promote a sustainable food culture. We are partners in White Guide Junior and the competition School Dish of the Year in Sweden, Eco-chef of the Year in Denmark and Climate Chef of the Year in Finland.

### THIS IS WHERE WE ARE TODAY

- ▶ In 2021, we funded a total of 17,500 meals through food donation in Germany and 25 schools, which means that 10,000 students received certified rice as a school industry in Berlin.
- ▶ in France, we support the operation of urban vegetable gardens in 50 schools.

*Read about how we donate food to various organisations to avoid food waste in the section Efficient use of resources on page 79.*

GRI 413-1









# Safe products and quality

**The quality requirements in all of Midsona's processes are strict to minimise the risk of defects, product recalls or product liability claims. All suppliers must meet our requirements for product safety and any complaints are registered early in our quality assurance system, allowing proactive measures to be taken**

Midsona's quality and product safety work is governed by the quality and safety management system, which is based on current legislation, requirements from authorities and customers, as well as industry guidelines. Internal policies, as well as a clear structure and division of responsibilities ensure that Midsona delivers safe and legal products. Employees with regulatory and quality expertise continuously assess suppliers, raw materials, finished products and labelling. During the year, all newly launched products were evaluated by Midsona. Our quality management systems include clear plans of action for products that do not meet our quality requirements, as well as clear procedures for traceability and recalls. Midsona's quality and food safety management system is based on risk analyses in accordance with HACCP (Hazard Analysis of Critical Control Point). Follow-up involves regular internal audits, or self-inspections, as well as third party audits.

In 2021, we had no incidents of non-compliance with product and marketing information resulting in fines or penalties, 15 incidents regarding product safety, labelling and marketing information that led to various corrections, and we carried out a total of 12 recalls and 16 withdrawals in the Group.

Midsona's work for safe, high-quality products contributes to two of the UN's global goals



Read more in the appendix on page 93.

GRI 416-1  
GRI 416-2  
GRI 417-1  
GRI 417-2  
GRI 417-3



# Risk assessment of suppliers

**Target 2025**  
**100%**  
 risk-classified  
 suppliers and annual  
 risk-based audits

## Our objective

Midsona prioritises responsible sourcing at all levels. An important part of this is the risk assessment of suppliers, which is performed based on a number of identified critical criteria that must be met. The objective is for 100 per-

cent of Midsona's suppliers to be risk classified in accordance with the requirements for safe products and quality by 2025. Risk-based audits are to be conducted annually.

### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- ▶ By mapping in our quality and sustainability risk assessment system, KODIAK, Midsona's suppliers are classified as low, medium or high risk with regard to the extent to which they meet criteria for quality and product safety, geographical risk in accordance with BSCI, economic and environmental impact, business ethics, anti-corruption and health and safety. In addition to risk assessment, we perform additional physical, digital or written risk-based audits of suppliers who have identified risks. This creates a constructive dialogue and the opportunity to improve important processes. Together with the supplier, we can close gaps and remove deviations so that they meet Midsona's quality requirements.

### THIS IS WHERE WE ARE TODAY

- ▶ The proportion of risk-classified suppliers in accordance with the requirements on quality and safe products assessed in KODIAK was 75 percent in 2021, in Division Nordics where KODIAK was applied. This was almost the same as in 2020, despite the fact that Division Nordics integrated System Frugt in 2021, where KODIAK was not previously applied.
- ▶ For the Midsona Group, the proportion decreased to 32 percent due to Division North Europe and Division South Europe having implemented the system in 2021 and being ready to classify risk in KODIAK as of 2022. However, this impairs the total share as Division South has some 400 suppliers, almost as many as Division Nordics.
- ▶ The figures are based on the number of suppliers assessed based on the Midsona Group's set requirements and standards in KODIAK and do not include suppliers that are risk-classified based on other standards. Suppliers yet to be managed in KODIAK are, however, assessed in accordance with current international standards and the respective certification requirements.
- ▶ In 2021, we performed ten risk-based audits and worked on the necessary corrective measures with suppliers.

*Midsona's work with these targets is described in greater detail in the chapter on Responsible purchasing on pages 64–71.*

GRI 308-1  
 GRI 308-2  
 GRI 414-1  
 GRI 414-2





# Certifications of Midsona's quality management system

Target from 2021

**100 %**

certification of Midsona's own production units in accordance with international standards

## Our objective

100 percent of Midsona's own production units are to be certified in accordance with international standards:

- Food: GFSI recognized (Global Food Safety Initiative)
- Cosmetics: ISO 22716 certification.

Exceptions may only be made for minor production units, in response to which we secure a quality system in accordance with international requirements for safe production. The goal also applies to new acquisitions with realistic time frames.

### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- ▶ Midsona will secure the target through annual third-party certifications and a risk-based survey of strategic acquisitions.

### PROGRESS IN 2021

- ▶ In January 2021, Midsona's French facility was approved in accordance with the GFSI standard within the IFS certification, which is one of the three leading quality management systems in Europe. This means that all of Midsona's food production facilities are now approved in accordance with GFSI approved standards, and most of them at the highest level of certification.
- ▶ In 2021, our production facility for cosmetic products in Mariager in Denmark was certified in accordance with ISO 22716:2007. This is a harmonized standard that aims to provide guidance on good manufacturing practices for cosmetic products. The certification establishes guidelines for production, control, storage and transport. In addition, the standard contains practical and organisation-related advice on various factors affecting product quality.

### THIS IS WHERE WE ARE TODAY

- ▶ In 2021, the proportion of Midsona's own production units of a relevant size that has been certified was 100 percent. This represents an increase of 20 percent compared with the preceding year.

GRI 416-1  
GRI 416-2



# Efficient resource use

Resource efficiency is a necessity, both for Midsona's operations and the environment. Our climate change strategy applies a clear roadmap for reducing greenhouse gas emissions and contributing to a low-carbon economy. We seek to minimise the impact of our operations, value chain and products on the climate and environment. Applying ongoing measures of adaptation, we promote more efficient use of energy, water and waste in our own business operations, while also imposing demands on our suppliers. Applicable environmental legislation, policies, global frameworks and partnerships for a sustainable future must form the basis for improving and advancing our efforts.

With Midsona's work for efficient use of transports, we support five of the global goals for sustainable development



## Science Based Targets

Target 2021

**100 %**

mapped emissions  
and Science Based  
Target

### Our objective

Science Based Targets are emission reduction targets needed to prevent the worst effects of climate change in accordance with the latest climate science. According to the SBTi and the latest science, more needs to be done – and faster – to avoid the worst effects of climate and

ensuring a thriving, sustainable economy. Midsona's objective was to achieve a 100-percent mapping of our emissions in accordance with Scopes 1, 2 and 3, and for our emission reduction targets to be validated and approved by the Science Based Target Initiative (SBTi) before 2021.

#### PROGRESS IN 2021

- Midsona's ambitious climate targets for reducing greenhouse gas emissions have been approved by the international cooperation body Science Based Targets initiative (SBTi). This is a major step forward and means that the Group's targets agree with the levels required to achieve the targets in the Paris agreement. The emission targets from Midsona's operations (Scopes 1 and 2) are in line with what is required to limit global warming to well below two degrees. The emission targets from the value chain include all relevant categories in Scope 3, a total of seven. They meet the SBTi criteria for ambitious value chain targets and are in line with current best practices.

#### STATUS

- In 2021, Midsona met this target by 100 percent.

Read more on our website <https://www.midsona.com/hallbarhet/>

GRI 305-1 GRI 305-2  
GRI 305-3 GRI 305-4  
GRI 305-5



# Greenhouse gas emissions

Target 2034

**38%**

reduced emissions  
in accordance with  
Scopes 1, 2 and 3

Target 2045

**Net-Zero**

## Our objective

Midsona has decided to advance the work further to reduce greenhouse gas emissions and aims to reach net zero emissions as early as 2045. Midsona is working in parallel towards several targets contributing to reduced emissions. The SBTi-approved emissions targets are in line with the Scope 3

categories “Purchased goods and services”, “Fuel and energy”, “Waste generated in the operations”, “Final processing of products sold”, “Business travel”, and “Downstream and upstream transport”.

### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- ▶ Develop a long-term science-based Low Carbon Transition plan (LCTP).
- ▶ Strategy development and planning to reduce greenhouse gas emissions both in our own operations and in the value chain.
- ▶ Assessment of measures necessary to accelerate emission reductions.
- ▶ Mapping of how Midsona can offset unavoidable emissions.
- ▶ Annual reporting and transparency regarding the measures implemented.
- ▶ Continue to strengthen the work with climate-related risks and opportunities.
- ▶ Innovation and investments to reduce the Group's climate footprint.

### PROGRESS IN 2021

- ▶ Investments for increased reuse of collected carbon dioxide in production at Ascheberg, Germany. A carbon dioxide circulation process used to clean raw materials. The circulation process was put into operation in 2020 and increased significantly in 2021.
- ▶ Pending an LCT plan, Midsona has offset some of the emissions. These include the Ascheberg facility, in Germany, with regard to Scopes 1 and 2, as well as the Kung Markatta and Helios brands.

#### Additional reading on the Group's work to reduce emissions can be accessed here:

- ▶ 100 percent renewable energy in all operations owned by Midsona by 2028, in accordance with Scopes 1 + 2.
- ▶ 100 percent of Midsona's own consumer plastic packaging must be recyclable by 2025, in accordance with Scope 3.
- ▶ 100 percent plant-based or vegetarian range by 2030, in accordance with Scope 3.
- ▶ 90 percent of Midsona's waste at its own facilities shall be recycled, in accordance with Scope 3.
- ▶ 100 percent reused food waste, in accordance with scope 3.
- ▶ 100 percent fossil-free freight transport by 2030, in accordance with Scope 3.
- ▶ 100 percent classified strategic suppliers in accordance with guidelines for sustainable procurement in accordance with Scope 3.

### THIS IS WHERE WE ARE TODAY

- ▶ In 2021, Midsona's total greenhouse gas emissions for Scopes 1 and 2 were a total of 3,372 tonnes of CO<sub>2</sub>e – a decrease of 29 percent compared with the preceding year. This is driven by a reduction in stationary combustion and consumption of chemical process gases in Division North Europe. Through improved follow-up with technical tools, as well as increased awareness among employees, gas use in the production of puffed flakes decreased by 49 percent. The emission intensity in Scopes 1 and 2 in relation to produced weight has decreased by 33 percent from 2020 and 33 percent from base year.
- ▶ Midsona's total Scope 3 greenhouse gas emissions were 124,552 tCO<sub>2</sub>e in 2021, an increase of 8 percent compared with the preceding year. The emission intensity for Scope 3 was 1,756 (1,705) tCO<sub>2</sub>e per tonne produced in 2021, an increase of 3 percent from 2020 and a decrease of 8 percent from the base year of 2019. The largest increase in Scope 3 comes from purchased goods and services due to the acquisition of System Frugt, which predominantly produces dried fruit and nuts, which generally has higher CO<sub>2</sub>e emissions than other products in Midsona's range.
- ▶ Work on a scientific Low Carbon Transition plan will commence in 2022.

Read more in the appendix on pages 94–95.

Read our complete CDP greenhouse gas report at

<https://www.midsona.com/en/sustainability/sustainability-targets/sustainability-reports/>

GRI 305-1 GRI 305-2  
GRI 305-3 GRI 305-4  
GRI 305-5

# About waste

Waste from production, storage, packaging and food waste accounts for a significant part of Midsona's climate impact. Midsona has been working for a long time to increase recycling, both of our packaging and through sorting of waste at our facilities. Recycling capacity plays a central role in mitigating Midsona's overall climate footprint and also furthers a low-carbon product portfolio. This represents a competitive advantage and is an important measure in remaining relevant in a low-carbon economy and society.

## Midsona's material areas:

- **A circular business model:** The more that is recovered or recycled the less resources need to be extracted. Midsona strives to maintain the value of products, materials and resources for as long as possible by reintroducing them into the product cycle once they have reached the end of their service life. Accordingly, much of the waste incurred can be prevented.
- **Recyclability in the value chain:** Midsona's packaging strategy is in line with the European Commission's strategy for a circular economy. Read more on pages 57–58.

## Recycled waste at the Group's own facilities

Target 2025

**90%**

Recycling of waste generated in our own operations

### Our objective

Midsona has long worked to reduce waste and achieves a high degree of sorting, recycling and reuse of waste in both production and storage. Our ambition for our offices

to be completely green is also helping reduce and reuse waste at all of our offices.

#### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- ▶ Mapping and determining metrics for waste generated in our own operations, waste management and sorting and recycling requirements.
- ▶ Mapping of economic significance.
- ▶ Updating of equipment in our own production units, warehouses and offices to be able to increase the sorting rate.
- ▶ Collaboration for sustainable waste management with specialists, authorities and other actors.
- ▶ Reuse and recycle as much waste as possible.
- ▶ Strategy for an effective value chain within Europe.

#### PROGRESS IN 2021

- ▶ An efficient value chain has been developed in Europe based on the Nordic structure. To achieve a more flexible warehouse structure, external parties have been brought in. The work also includes Group-wide purchasing processes for increased sales volumes. All of these measures help reduce the total amount of waste.
- ▶ Midsona Finland achieved WWF Green Office certification and implemented several measures to reduce its climate footprint, including the introduction of a new recycling system.
- ▶ In Germany, waste sorting of spray cans, electronic waste and hazardous waste was improved. Big Bags have also been reused in production.

#### THIS IS WHERE WE ARE TODAY

- ▶ In 2021, Midsona's recycling rate decreased to 78 percent from 79 percent compared with 2020.
- ▶ In 2021, Midsona's total waste increased to 2,142 tonnes from 1,492 tonnes compared with 2020, driven by the acquisition of System Frugt and the South Europe division, as well as an increased amount of sorted plastic waste in Division North Europe.
- ▶ In 2021, Midsona's waste intensity increased to 30 kg/tonne from 22 kg/tonne compared with 2020. This represents an increase of 37 percent per tonne produced.

Read more in the appendix on page 95.

GRI 305-3 GRI 306-1  
GRI 306-2 GRI 306-3  
GRI 306-4

# Reduce food waste

**Target 2025**  
**100%**  
re-used food waste

## Our objective

According to the UN, the number of people suffering from hunger has slowly increased since 2014, while tonne after tonne of edible food is lost every day. Globally, some 14 percent of the food produced is lost between harvest and retail, and an estimated 17 percent of total global food

production is wasted.<sup>1</sup> Midsona is ambitious in its aspiration to reduce unnecessary food waste and increase the reuse of food that is inevitably wasted. This brings Midsona in line with both Agenda 2030 and the Swedish government's milestones for food waste.

### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- ▶ Mapping and determination of metrics for our handling of food waste.
- ▶ Extend durability through smart packaging, quality assurance processes and labelling.
- ▶ Updating of sorting options to be able to reduce food waste and spillage at our own production units, warehouses and offices.
- ▶ Recycle as much food waste as possible, including as biogas, manure, animal feed and compost.
- ▶ Sales of goods with short expiry dates at reduced prices and donations.
- ▶ Collaboration with various actors for meaningful handling of food waste.
- ▶ Innovation and product design to find synergies among ingredients and goods, in production and ultimately with the consumer. Our innovation process also take product design and labelling into account.

### PROGRESS IN 2021

- ▶ As part of Midsona's quality assurance process, we continuously double-check specific raw materials with a short or expired due date. In 2021, some 250 batches of products were inspected, of which about 120 had raw materials whose shelf life could be extended rather than being discarded.
- ▶ At the production facility in Ascheberg, Germany, goods with short best-before dates are sold at greatly reduced prices.
- ▶ Agreement with a new biogas plant in Denmark for food that cannot be used at times due to quality issues. In the first three months, about 10 tonnes of food were sent to the biogas plant.
- ▶ New partnership with the Malteser humanitarian aid organisation in Germany.
- ▶ New collaboration for donations of food to Matmissionen in Sweden, a social food store where financially vulnerable people can buy food at low prices.
- ▶ Within Midsona Food Service, Davert Organic Ingredients was launched, comprising 100 percent food waste. The product, which is sold to bakeries, is made from the food waste incurred during the process of baking Davert's Buckwheat Crunchy and is a successful result of a technology and baking process that have been developed.
- ▶ Progress with the "Best before, often good after" label. In Division Nordics, the label is printed on all new organic products and all that are given a new design. For Urtekram and Kung Markatta, designs are updated continuously. In the longer term, this will be available on most Midsona products, where possible in accordance with current guidelines.

### THIS IS WHERE WE ARE TODAY

- ▶ In 2021, the degree to which Midsona reuses food waste increased to 99.8 percent, which means that we are close to fulfilling our target of 100 percent.
- ▶ In 2021, Midsona donated a total of 37 tonnes of food to charity, up from 16 tonnes in 2020 and entailing a 57-percent increase compared with 2020.
- ▶ In 2021, 42 percent of Midsona's products were labelled "Best before, often good after".

*Packaging design extends shelf life and reduces food waste.*

*Read more on page 57.*

*Read more in the appendix on page 96.*

GRI 301-3 GRI 305-3  
GRI 306-1 GRI 306-2  
GRI 306-4

<sup>1</sup> <https://www.un.org/en/observances/end-food-waste-day>



# Water consumption

Target 2030

**10%**

reduced water use  
per tonne produced.  
20 percent in Spanish  
operations

## Our objective

Water is a resource that has become increasingly critical and important to protect. It is our responsibility to keep water consumption in production to a minimum in the countries where we operate, especially in drier and warmer countries in southern Europe. To date, Midsona's facilities have had a relatively low water consumption. The Group operates mainly in countries with good access to fresh

water. However, Midsona's modernised production facility in Spain has a higher water intensity, and in general the risk of drought is higher in southern Europe. Midsona's operations use fresh water, both in products and in production processes. Although Spain will contribute the most to reducing our water consumption, all units will contribute.

### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- ▶ Mapping and determining metrics for our total use of water (read more in the appendix on page 97) and reuse of waste water.
- ▶ Updating technology in our own production units in Spain to reduce water use and to set a dedicated budget for target fulfilment in Spain.
- ▶ Reuse of water and collaboration with specialists and authorities to operate a safe production when using recycled water.
- ▶ Use of our own water sources, such as our own wells and collection of rainwater.
- ▶ Categorically reduce water use in both production and end products.

### PROGRESS IN 2021

- ▶ In 2021, an organic Urtekram beauty collection was launched with a focus on reduced water consumption in production through highly concentrated products. This also reduces the size of the packaging and accordingly also the transports.
- ▶ Midsona's factory in Castellcir, Spain, is our most water-intensive production unit where several different measures have been taken to reduce our total use of water. 55 percent of the water consumed comes from our own wells. Process and surface water are collected in a large tank for irrigation and cleaning of the plant. In 2021, work began on a new system for reusing water in autoclaves for cleaning and production processes.
- ▶ Division North Europe implemented a certified environmental management system, as part of the We-Care certification. The digital system records, measures and monitors water and energy consumption and enables greater resource savings. Read more about the We-Care certification at: <https://www.midsona.com/en/>

### THIS IS WHERE WE ARE TODAY

- ▶ In 2021, Midsona's water use was 60,907 m<sup>3</sup> (59,039 m<sup>3</sup> 2020), an increase of 3 percent compared with the preceding year. The water intensity per tonne produced decreased to 0.86 m<sup>3</sup> in 2021 from 0.88 m<sup>3</sup> in 2020, a decrease of 2 percent.
- ▶ 74 percent of the Group's water consumption in 2021 took place in the production unit in Castellcir, Spain. In 2021, water use in Spain increased to 44,812 m<sup>3</sup> from 40,316 m<sup>3</sup> in 2020 and the water intensity in the production unit increased by 5 percent from 2020 to 2021.

Read more in the appendix on page 97.

GRI 303-1 GRI 303-2  
GRI 303-3 GRI 303-4  
GRI 303-5

# Energy

**Target 2028**  
**100 %**  
renewable energy

**Scope 1**  
**100 %**  
fossil-free stationary  
combustion<sup>1</sup>  
fossil-free mobile  
combustion<sup>2</sup>

**Scope 2**  
**100 %**  
renewable district heating  
(steam and cooling)  
of the electricity  
purchased must be  
renewable

## Our objective

Midsona has worked with energy efficiency for a long time. Our ambition is for all proprietary operations to have 100 percent renewable energy and for consumption to be kept to a minimum. In addition, we have a target of reducing

our total energy consumption by reusing energy, where possible, for warehousing and production. Besides purchasing renewable wind and hydro-power, solar energy is also generated by Midsona's own solar panel installations.

### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

#### Midsona's strategy for energy use comprises the following steps:

- Mapping and determination of metrics for energy consumption in accordance with the guidelines of the GHG protocol.
- Dedicated budget for energy efficiency and investments in renewable energy.
- Follow technological development for fossil-free alternatives and change in step with development.
- Strategic investments to increase the proportion of self-produced, renewable energy.
- Transition to fossil-free vehicles and transport, read more on page 83.
- Strategy for an efficient value chain within Europe, with coordinated production and inventory, contributes to reduced energy use in our own operations.

### PROGRESS IN 2021

- Carried out a materiality, risk and feasibility assessment, as well as a survey of the Group's total energy use in its own operations.
- Midsona Finland was WWF Green Office certified and implemented several measures to reduce its climate footprint. During the year, an agreement was signed for 100 percent renewable electricity.
- At the production plant in Denmark, a hot air project was introduced that reduces electricity consumption by 10 percent through new power-optimized compressors. Agreements have also been signed that ensure the production can always switch to the latest, most sustainable technology in this area free of charge.
- In our cosmetics production, district heating consumption has been scheduled and optimized, for optimal heat consumption. The result is about 1.5 hours less district heating consumption per day.
- In Germany, gas consumption decreased by as much as 49 percent, in the production of puffed grain and roasted muesli. A major advance achieved through an expanded monitoring system, technical control and strengthened awareness among employees in production.

### THIS IS WHERE WE ARE TODAY

- In 2021, Midsona's energy use in Scope 1 decreased from 8,822 MWh to 7,002 MWh, a decrease of 21 percent, with approximately 0 percent deriving from renewable energy.
- In 2021, Midsona's energy use in Scope 2 increased from 9,566 MWh to 9,894 MWh, an increase of 3 percent, where 65 percent derived from renewable energy.
- In 2021, 82 percent of electricity consumption came from renewable sources (6,475/7,904), an increase of 15 percentage points from 67 percent in 2020 (5,510/8,173).
- In 2021, Midsona's climate impact from energy consumption decreased by 1,391 tonnes CO<sub>2</sub>e.
- In 2021, our energy intensity decreased by 0.032 MWh per tonne produced for Scope 1, which means a reduction of 24 percent and 0.002 MWh per tonne produced for Scope 2, which means a reduction of 2 percent.
- In 2021, Midsona produced 403 MWh of its own solar energy, a decrease of 8 percent from last year due to a malfunction of solar cells in Denmark.

Read more in the appendix on page 98.

GRI 302-1  
GRI 302-4  
GRI 305-1  
GRI 305-2

<sup>1</sup> Includes heat or energy in buildings and production processes

<sup>2</sup> Includes consumption in our own vehicles and transport (read more about company cars on pages 85 and 123.)



# Efficient transports

Transport is a priority sustainability issue for Midsona and one of our largest sources of climate emissions. As we operate in a European market with production in several countries, we have therefore worked actively for a long time to reduce our environmental footprint by, for example:

- Streamlining transport.
- Coordinating purchasing within the Group and prioritising local suppliers.
- Streamlining packaging formats to reduce transport.
- Phase out air transport as far as possible and explore new opportunities for diversified fuels.

Midsona's work for efficient transports contributes to three of the global goals for sustainable development





# Fossil-free transports

Target 2025

100 %

fossil-free self-  
contracted domestic  
goods transport in the  
Nordic division

Target 2030

100 %

fossil-free goods  
transport contracted  
by Midsona within  
Europe

## Our objective

The distribution of Midsona's products is outside the direct operations of our organisation. Apart from a tiny part in Division South Europe, all of our distribution operations are outsourced to third-party transport providers and are therefore included in our climate impact in the value chain,

Scope 3 and belong to our climate target. Read more about what this entails in the appendix on page 121.

As a member company of DLF, Midsona is affiliated with Transport Initiative 2025 in Sweden<sup>1</sup>, and has the ambition of being at the forefront with regard to the requirements imposed by the initiative.

## HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- Mapping and metrics for all of our transports, as well as mapping of economic significance with a dedicated budget.
- Transition from fossil-fuelled to fossil-free trucks, or offsetting of transport agreements if there is no other alternative.
- Transition from fossil-fuelled trucks to fossil-free solutions or low-emission transports, such as trains or ships.
- Switching to fossil-free transport gradually and in pace with development, as well as transport-reducing measures.
- Optimise our European value chain with increased coordination of transport flows with distribution networks across national borders.
- Include transport efficiency in the assessment of product design in the innovation process.

To achieve this objective, the Group continuously maps new opportunities and sustainability development among transport suppliers. One challenge is that there are currently few good fossil-free transport solutions. At the same time, the pandemic has shown us that inter-modal solutions such as ship and rail are good in that they are stable and reliable, both in terms of CO<sub>2</sub> efficiency and goods supply, even in turbulent periods. Midsona is striving to further increase the share of rail transport. Today, it is also a challenge to obtain good quality data on fuel types. We have therefore chosen to measure the transport target in terms of emissions per day as this directly reflects the extent of fossil-free fuel in the form of data on reduced climate emissions.

## PROGRESS IN 2021

- Carried out an updated risk and feasibility assessment of our transports based on the TCFD framework. Developments here are rapid, and all countries in which Midsona operates have an EU-regulated minimum tax for fossil fuels, and in some countries the tax is already a significant part of the fuel price. Increased taxes on fossil fuels will have a direct impact on Midsona's transport costs. The analysis has given us a better overview of the target's economic significance for Midsona.
- Most of the transports from Italy to Denmark were transferred to a rail solution. From 2022, all transport from Italy to Mariager in Denmark will be by rail.
- In Germany, we chose a new transport agreement with offsetting for our online store in 2021 as there are currently no viable opportunities in the area to transition to fossil-free transport. This allows us to deliver our products climate-neutrally for a fee.
- Midsona works continuously with suppliers to improve the degree of filling and to streamline transports. For example, we are conducting a project in Belgium to increase the stack height of rice and corn cakes on pallets from six layers to seven. Following a test run, the outcome was promising and the plan is to implement the new stack height in early 2022. This is estimated to lead to a reduction in the number of Friggs product shipments by 17 percent. Over the year, the filling rate for transports of rice, one of our foremost raw materials, also increased.
- During the year, several steps were taken at the Group level to improve the structure of the European value chain and to harmonise the various operations. Continuous work is being conducted with joint purchasing processes and co-procurement with the objective of achieving significant transport savings.

## THIS IS WHERE WE ARE TODAY

- The emission intensity from transport is reduced by 27 percent in 2021 compared with 2020<sup>2</sup>
- The emission intensity from Nordic transport is reduced by 42 percent in 2021 compared with 2020<sup>2</sup>

In Division Nordics, which has the Group's largest transport share, much work is being done to shift transports from trucks to climate-efficient transports, such as trains and ships, as reflected by the reduction in climate emissions intensity in 2021.

Read more in the appendix on page 99.

GRI 305-3

<sup>1</sup> <https://www.dlf.se/transportinitiativet-2025/?allow-cookie=1>

<sup>2</sup> We have therefore chosen to measure the transport target in terms of emissions per day as this directly reflects the extent of fossil-free fuel in the form of data on reduced climate emissions.

## Business travel

### Our objective

Midsona is striving to reduce the amount of business travel. This leads to both savings and efficiency gains, but above all it reduces the Group's Scope 3 environmental impact in the value chain and is part of our climate goal. For Midsona's employees, prioritising online meetings is nothing new

and the number of online meetings has increased every year. This equipped employees well for the challenges posed by the pandemic for our way of meeting and communicating in 2020 and 2021.

#### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- ▶ Midsona measures and analyses its travel statistics annually, as well as its emissions and the environmental impacts in connection with business travel.
- ▶ The Group's business travel procedures always call for considering a digital meeting instead of traditional travel and the number of digital meetings should increase.

#### PROGRESS IN 2021

- ▶ The pandemic meant a drastic reduction in business travel in both 2020 and 2021, which was largely replaced by digital meetings.

#### THIS IS WHERE WE ARE TODAY

- ▶ The total emissions from business travel in the Midsona Group were 142 tCO<sub>2</sub>e in 2021, an increase of 69 percent from 2020, but still a decrease of 60 percent from 2019. In 2021, we also measured business trips made by private car, which increases our mapping of emissions. Emissions from trains, flights and hotel stays have increased by 8 percent from 2020 to 2021. The total distance with train journeys in 2021 was 45,837 km.
- ▶ The trend clearly shows how the corona pandemic has reduced the opportunities for travel within the Midsona Group, and we expect an increase in emissions from business travel for 2022, but not to the same levels as before the pandemic.

*Read more in the appendix on page 100.*

GRI 305-3



# Company cars and official vehicles

## Our objective

By 2028, Midsona will have replaced all company or benefit cars with fossil-free alternatives.

Part of Midsona's energy targets concerns the conversion of the car fleet to fossil-free alternatives, and is thus part of the energy target and our Scope 1 climate target.

### HOW MIDSONA WILL ACHIEVE ITS OBJECTIVES

- ▶ Through a survey of our own cars and available infrastructure, such as electrical charging stations, the possibilities have been identified for a fossil-free conversion that also meets the Group's for personal transport. This lays the foundation for a new clear Group policy for fossil-free company cars. As a first step, a new conversion procedure for company cars has been introduced in Sweden and Germany, where the cars are gradually being replaced by hybrid or electric cars. This work has been in progress since mid-2020 and will take effect as car leases expire. At the production facility in Ascheberg, Germany, electric charging stations have also been installed.

### PROGRESS IN 2021

- ▶ In 2021, Midsona began work on a new Group policy for fossil-free company cars. The policy will then be developed with its own specific conversion procedure for company cars in each country with concrete efforts to achieve the target.
- ▶ The Swedish conversion procedure for company cars was updated already in 2021, with the objective of switching all cars to hybrid or electric. We are expected to replace all cars over a three-year period. In Finland and Spain, we also began phasing out fossil-fuelled company cars in 2021, in line with Sweden and Germany. We will continue to pursue this development in 2022.

### THIS IS WHERE WE ARE TODAY

- ▶ The Midsona Group's total CO<sub>2</sub> emissions for company cars have decreased by 6 percent, corresponding to approximately 30 tonnes of CO<sub>2</sub>e, from 2020 to 2021, despite the acquisition of System Frugt. This is because we strive to phase out fossil-fuel cars to electric or hybrid cars as we replace company cars.

*Read more about Sustainability data for our vehicle fleet in the appendix on page 101.*

GRI 302-1  
GRI 305-1



## Appendix

# Stakeholder dialogue and materiality analysis

Midsona has developed a communications plan to ensure that we have a functioning stakeholder dialogue and that we continuously follow up on and inform our stakeholders.

The plan is included as part of Midsona's Communications Policy.

### How Midsona creates value for our key stakeholders:

Our stakeholders	How we have created value	How we engage our stakeholders
<b>Employees</b>	A good work environment, health, satisfaction, development opportunities, fair wages, benefits.	Personal meetings, development talks, employee surveys, intranet, union organisations.
<b>Customers</b>	By supporting our customers in their sustainability work towards their customers, such as by developing sustainable packaging that affects several aspects, such as quality, storage and transport possibilities.	Personal meetings, discussions with quality managers at our customers, customer conferences, industry initiatives, trade fairs.
<b>Consumers</b>	Accurate product information and certifications so the consumer can get healthy and safe products. Anyone who chooses our products shall know that they at the same time are contributing to good conditions in areas, such as human/labour law, business ethics and animal husbandry.	Consumer surveys, traditional customer contacts, social media, influencers.
<b>Suppliers</b>	Through the Group's Supplier Code of Conduct that the suppliers must sign and the self-assessment they must do on Midsona's portal for supplier evaluation, Midsona has gained more opportunities to clarify for the suppliers our expectations on their work based on quality, safety and sustainability perspectives. The aim is to ensure the right deliveries and sustainable development for both parties.	Supplier Code of Conduct, supplier portal, audits, personal meetings and continuous dialogue in e.g. purchasing negotiations.
<b>Shareholders including investors</b>	Through credible sustainability work, the image of Midsona is presented as a reliable Company with products that are safer and of good quality, which leads to better business opportunities.	Financial reports, General Meetings of Shareholders, investor meetings, share investor meetings, the website, press releases.
<b>Society</b>	As a company, Midsona takes a responsibility in society for measures that contribute to the fulfilment of national and global targets. For example, by joining various initiatives and non-governmental organisations, comply with government regulations, and use international global frameworks.	<i>Globally:</i> Climate goals in accordance with and approved by Science Based Target initiative. Annual reports to the UN Global Compact. Annual reports to the CDP (Carbon Disclosure Project) which together with mapping and analysis of climate risks in accordance with the TCFD's recommendations to ensure best practice in climate reporting.  <i>Locally:</i> Various community involvement and sponsorship. Follow-up and reporting to industry organisations such as DLF, as well as local certifications, such as Germany's We-Care certification (Sustainability Management System) and Finnish WWF Green Office certification.

Midsona communicates with its stakeholders in many different ways over the year. The dialogues help us understand the stakeholders' needs and expectations and also provide input for continuous improvements. They also provide us with important data on how we can manage our impact and the areas we should focus our measures and reporting efforts on to derive most benefit.

# Sustainability data

The work is based on Midsona's Group strategy and analysis to set meaningful goals and probable target fulfilment for all of our targets. This includes analyses of what type of opportunities we have in our sector, primary sustainability driving forces in each area – for example for plant-based development and expansion of our low-carbon products, identify where in our value chain this is relevant and time horizon and probability assessments for goal fulfilment. The pace of innovation is high and with clear

goals, governance and reporting ensures that the handling of packaging-related issues forms a part of the day-to-day operations.

Figures for 2019 include Division Nordics and the production unit in Ascheberg in Germany. 2020 includes the whole of the Midsona Group, excluding System Frugt, which was acquired at the end of the same year unless otherwise stated. 2021 includes the entire Midsona Group unless otherwise stated.



## Sustainable brands

### Plant-based and vegetarian foods

#### Vegetarian and plant-based product range – own brands, %

	2021
<b>Product range</b>	
of which, vegetarian and plant-based	91%
of which, plant-based	83%
<b>Priority brands – product range</b>	
of which, vegetarian and plant-based	99%
of which, plant-based	95%

See also page 116 for Scope 3 greenhouse gas emissions in tonnes of CO<sub>2</sub> equivalents for purchased goods and services in the appendix, which includes emissions from our packaging.

Target 2030

**100%**

plant-based or vegetarian assortment

Read more in the Sustainability Report on page 55.

GRI 305-3

### Organic and other certifications

#### Our objective

Midsona strives both to increase its sales of plant-based foods and, at the same time, to have a wide range of products contributing to biodiversity in various ways.

#### Product certifications, share of product sales, %

	2021	2020
<b>Sales</b>		
of which, organic <sup>1</sup>	49%	57%
KRAV	8%	4%
Fairtrade	4%	5%
ECOCERT Cosmos	5%	4%
Vegan Society's Trademark	6%	4%
Demeter	1%	2%
Friends of the Sea	2%	–
Nutri-Score	1%	–

<sup>1</sup> Certified in accordance with the EU organic farming, production and marketing of organic products (EU) 2018/848. Organic farming is an agricultural method that aims to produce food using natural substances and processes. This means that organic farming tends to have a limited environmental impact as it encourages responsible use of energy and natural resources, conservation of biodiversity, conservation of regional ecological balances, improvement of soil fertility and maintenance of water quality. The rules also encourage a high standard of animal welfare in organic farming and requires farmers to meet the specific behavioural needs of their livestock. The EU regulations on organic farming are designed to provide a clear structure for the production of organic products throughout the EU. This is to satisfy consumers' demand for reliable organic products and at the same time provide a fair marketplace for producers, distributors and marketers. REF: [https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/organics-glance\\_en](https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/organics-glance_en)

## Appendix

### Comments on data

#### Midsona Group:

Midsona's sales of organic products currently account for 51 percent (57) of the Group's own brand sales. This decrease is driven by the acquisition of System Frugt, which has a low proportion of organic goods. 5 percent of this consists of our organic beauty brand Urtekram Beauty which is certified in accordance with ECOCERT Cosmos and Vegan Society's Trademark. As a key supplier in the market for vegan and ECOCERT-certified hygiene and beauty products, Midsona is continuously developing new innovations at Urtekram Beauty.

#### Division Nordics:

KRAV has the greatest focus in Division Nordics as it is the Swedish label for organic production. KRAV labelling provides a guarantee that a product is organically grown and that no artificial fertiliser or extraneous chemical control is used in its production. High demands are also placed on animal welfare, social responsibility and climate impact.

#### Division North Europe:

Demeter has the greatest focus in Division North Europe. In 2021, we increased the share of Biodynamic Federation Demeter-certified products for the Davert brand by 9 percent, which is above average. At the same time, we increased the number of Fairtrade labelled articles in Germany by 9 percent. The Demeter certification ensures an organic and biodynamic cultivation method focusing on cycle-based agriculture. Among other things, the Davert brand won the 2021 Best New Product Award from BIOFACH for its new concept with both organic, Demeter and Fairtrade-certified red lentils. In Division North Europe, sales of Demeter and Fairtrade certified raw materials increased by 13 percent.

GRI 304-2

## Sustainable packaging

### Our objective

With our innovations and product range processes, we have the opportunity to create a greater demand for recycled packaging materials, but also promote increased levels of sorting and collection of plastic waste that can, in turn, be reused.

### Purchased packaging materials, tonnes

	2021	2020
Plastic	1,351	593
of which recycled from sugar cane waste	113	130
	8%	22%
Paper	2,153	2,614
of which, FSC-labelled or recycled	1,405	2,059
	65%	79%
Glass	780	897
of which, recycled	353	506
	45%	56%
Metal	202	197
of which, recycled	7	0
	3%	0%
<b>Total purchased material</b>	<b>4,486</b>	<b>4,301</b>
of which, FSC-labelled or recycled	1,877	2,695
	42%	63%

Division South Europe included from 2021.

### In depth – purchased packaging material per division, tonnes

	Nordics	North	South
Total purchased material	1,522	1,747	1,216
of which, FSC-labelled or recycled	709	1,119	49
	47%	64%	4%

### Comments on data

In 2021, 42 percent of the Midsona Group's purchased packaging materials were from recycled or FSC-certified input materials.

Recycled materials from sugar cane waste accounted for 8 percent of purchased plastic packaging. The plastic is plant-based and is mainly used in the Urtekram Beauty range, as well as for Mivitol vitamin supplements in Division Nordics and Division North Europe. For Division Nordics and Division North Europe, the share of renewable plastics was 16 percent (22) in 2021, which is a decrease of 6 percentage points compared with the preceding year. This is explained by the acquisition of



System Frugt, which does not use recycled plastic in their consumer packaging. Using recycled plastic in food packaging remains a challenge for the food industry due to a lack of materials.

In 2021, the proportion of purchased paper packaging that is FSC-labelled or recycled was 65 percent. For Division Nordics and Division North Europe, the share was 80 percent (79), an increase of one percentage point. The total share of recycled paper material for Midsona Group is lower as Division South Europe has a lower share than Division Nordics and Division North Europe.

The total volume of purchased materials in Division Nordics and Division North Europe decreased by 25 percent from 2020 to 2021. This is driven by Division North Europe, which has reduced its use of cardboard by switching to smaller material-demanding displays (disposable shelves for sale in stores) and Division Nordics, which has removed or reduced packaging materials on several products and reduced the amount of packaging material of plastic foil for storage and transport with nine tonnes of plastic annually in Mariager. Since paper is the packaging material that derives to the greatest extent from recycled materials, the total proportion of recycled materials purchased has therefore decreased by 56 percent (62) for Division Nordics and Division North Europe.

The proportion of product packaging that has labels with recycling instructions is 40 percent. In 2021, initiatives were advanced to both collect data, and to increase the proportion of such labelling.

See also page T16 for Scope 3 greenhouse gas emissions in tonnes of CO<sub>2</sub> equivalents for purchased goods and services, including emissions from our own packaging.

Read more in the Sustainability Report on page 57.

GRI 301-2  
GRI 304-2  
GRI 305-3

## Recyclable plastic packaging

### Reference from Midsona's Sustainability Report on page 58:

Mapping and metrics for packaging in relation to recycling requirements means:

- Mapping and metrics of all of our plastic packaging in accordance with FTI's requirements in Sweden for Division Nordics and in accordance with relevant national requirements for Division North Europe and Division South Europe. These requirements include:
  - Type of plastic
  - Proportion of printing area of packaging
  - Colour
  - Recycling instruction

Mapping the financial significance means:

- Setting aside a specific budget for increased use of recyclable plastic packaging.
- Reduction of plastic use for our products through investments in technology and capacity, as well as innovation and product design.

### Purchased packaging materials, tonnes

	2021
Plastic	2,035
of which, recyclable	519
	25%
Paper	4,847
of which, recyclable	2,509
	52%
Glass	2,326
of which, recyclable	604
	26%
Metal	421
of which, recyclable	63
	15%
Aluminium	1
of which, recyclable	0
	0%
<b>Total packaging materials</b>	<b>9,630</b>
of which, recyclable	3,694
	38%

Target 2025  
**100%**  
recyclable plastic  
packaging for our own  
brands

## Appendix

### In depth – Recyclable plastic packaging material per division, tonnes

	Nordics	North	South
Plastic	1,296	101	638
of which, recyclable	434	43	41
	34%	43%	6%

#### Comments on data

**DIVISION NORTH:** For the Davert brand, which is produced in Germany, we increased the proportion of recyclable plastic to 85 percent in 2021. However, the total share of recyclable plastic in Division Nordics is 43 percent, which is due to a lower share of verified recyclable plastic for Food Service, which accounts for a significant part of plastic consumption.

**DIVISION SOUTH EUROPE:** 2021 was the first year in which Midsona compiled packaging data for Division South Europe. Division South Europe has not had the same sustainability targets for recyclable plastics or procedures for collecting data in this regard prior to being integrated into Midsona. The proportion of verified recyclable plastic is therefore lower here than for the rest of the Group. Midsona must, above all focus on increasing the proportion in France, where it is very low. This burdens target fulfilment overall.

On page 116, see also Scope 3 greenhouse gas emissions in tonnes of CO<sub>2</sub> equivalents for final processing of sold products, including emissions from our packaging at the final stage.

Read more in the Sustainability Report on page 58.

GRI 301-1 GRI 305-3  
GRI 306-1 GRI 306-2  
GRI 306-4



## Healthy and sustainable work environment

### Health and safety at work – and in the home office

#### Workplace injuries

	2021	2020	2019
<b>Number of cases of workplace injuries</b>			
Division Nordics	6	0	3
Division North Europe	8	3	10
Division South Europe	19	11	n/a
	<b>33</b>	<b>14</b>	<b>13</b>
<b>Number of sick days due to workplace injuries</b>			
Division Nordics	0	0	5
Division North Europe	116	211	219
Division South Europe	562	n/a	n/a
	<b>678</b>	<b>211</b>	<b>224</b>

#### Absence due to illness, %

	2021	2020	2019	2018	2017
Sweden	3.6	2.4	1.3	4.7	3.8
Norway	4.9	2.9	4.2	3.4	5.0
Finland	3.5	3.0	1.6	2.7	2.1
Denmark	4.2	5.8	4.7	8.4	5.7
Germany	6.9	6.3	5.4	6.2	–
France	4.4	3.3	1.7	–	–
Spain	13.0	9.0	7.5	–	–
	<b>5.7</b>	<b>5.1</b>	<b>3.9</b>	<b>5.7</b>	<b>4.6</b>

Healthy work environment  
Healthy workplaces promote healthy employees without work-related injuries

### Comments on data

The figures for 2021 include four new production units with associated warehouses, three in Division South Europe and one in Division Nordics (System Frugt), where occupational injuries occur most frequently. However, it is the production units in Division South Europe that are driving this increase with as many as 19 occupational injuries. This is because the figures from Division South Europe include three production units where the risk of injury is generally greatest, with Spain being the country where more than 30 percent of our industrial workers are employed, which is the group among whom the risk of occupational injuries is the absolute highest. The same trend is also seen in sick leave, both from work-related sick leave to general sick leave, and is attributable to the same reasons. However, our target of zero occupational injuries in the workplace will now also be implemented in Division South Europe, where we will maintain a particular focus in 2022. These figures show that this is an area on which we must focus considerably in the future in this division, with a concrete action plan for mitigating tasks that cause injuries, as well as better procedures and regular training.

80 percent of employees in Division Nordics state that they are in good health, an increase of 4 percentage points compared with 2020. In 2021, we had two initiatives in Division Nordics to encourage more movement and exercise among employees.

Read more in the Sustainability Report on page 61.

GRI 403-2 GRI 403-3  
GRI 403-4 GRI 403-5  
GRI 403-6 GRI 403-7  
GRI 403-9 GRI 403-10

## Commitment, education and leadership

### Our objective

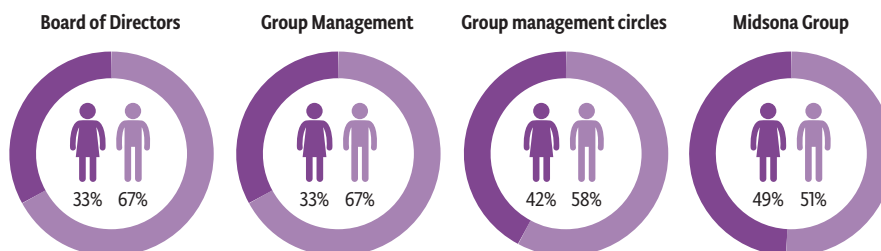
Engaging our employees is key to creating a healthy work environment, and to being able to achieve our targets. Our goal is to establish a good internal structure to regularly interact with and engage our employees. At Midsona, we see the value in maintaining and continuously developing our employees' different competencies.

### Number of training hours per employee

	2021	2020	2019
<b>White collar employees (office)</b>			
Division Nordics	14	3	3
Division North Europe	3	–	–
Division South Europe	22	–	–
<b>Blue collar employees (production)</b>			
Division Nordics	2	2	3
Division North Europe	3	–	–
Division South Europe	22	–	–

GRI 103-1 GRI 103-2  
GRI 103-3 GRI 403-4  
GRI 403-6 GRI 404-1  
GRI 404-2 GRI 404-3

## Diversity, inclusion and equality



\* The Group level includes all Group level managers for Midsona AB, including those who are members of Group Management. Group level managers include those who are members of Group Management and all members of the division level management group.

<b>Board of Directors</b>	
Women	2
Men	4
<b>Group Management</b>	
Women	2
Men	4
<b>Group management circles</b>	
Women	14
Men	19
<b>Gender distribution, Midsona Group</b>	
Women	433
Men	416

Read more in the Sustainability Report on page 63.

GRI 401-1 GRI 401-2  
GRI 405-1 GRI 406-1  
GRI 103-1 GRI 103-2  
GRI 103-3 GRI 205-1  
GRI 205-3



## Appendix



# Responsible purchasing

## Sustainable raw materials

To assure appropriate handling of raw materials subject to risks, Midsona has developed a new Group-wide set of instructions "Midsona's guidelines regarding GMOs, palm oil, fish oil, paper use and animal welfare". This is included in Midsona's Sustainability Policy and is, together with a high proportion of organic products, a plan to protect biodiversity in fisheries, forestry and agricultural production along the value chain.

### Purchase of risk raw materials, tonnes

	2021	2020	2019
Palm oil	45	50	97
of which, RSPO-segregated	45	50	97
Composite raw material with palm oil or palm oil derivative	187	–	–
of which, RSPO-segregated	164	–	–
Fish oil	85	78	71
of which, FoS-certified	85	78	71
Soya	863	828	290
of which, GMO-free	863	828	290
Rice	5,956	–	–
of which, GMO-free	5,956	–	–
Maize	346	–	–
of which, GMO-free	346	–	–
Paper	2153	2614	–
of which, FSC-labelled or recycled	1,405	2,059	–

### Comments on data

Purchases of palm oil were reduced and still 100 percent GMO-free in 2021 despite both System Frugt and Division South being integrated as new acquisitions during the year. This is because these companies have had the same implementation targets as the Midsona Group.

An increase in our purchased raw materials with organic certification despite the fact that we have introduced System Frugt this year with a share of conventional raw materials.

Fish oil is mainly found in Division Nordics and was 100 percent FoS-certified in 2021 as expected.

The reduction in FSC-certified input materials compared with the preceding year is due to our having included, this year, figures for Division South Europe, which has not had a target for certified paper, and where, accordingly, the total share will fall to a corresponding degree.

## Supplier control

### Our objective

Our target for the classification of suppliers is based on assessment in Kodiak and of those who signed Midsona's Supplier Code of Conduct.

### Assessed in Kodiak

	2021	2020
Midsona Group	32%	47%
Division Nordics	75%	74%
Division North Europe	0%	–
Division South Europe	0%	–

### SCOC

	2021	2020
Midsona Group	51%	78%
Division Nordics and Division North Europe*	79%	78%
Division North Europe	–	–
Division South Europe	0%	–

\* Reported as GROUP last year

Target 2025

**100%**

our own brands free from palm oil

Division South Europe included as of 2020.

GRI 304-2

GRI 305-3

GRI 308-2

Target 2025

**100%**

classified strategic suppliers in accordance with guidelines for sustainable procurement

### Comments on data

The decrease of 15 percentage points in KODIAK compared with the preceding year is due to the fact that we have, this year, included figures for Division South and System Frugt that have not had a target for using of the KODIAK supplier assessment system previously, while Division North Europe will start conducting KODIAK supplier assessments as of 2022. Midsona's supplier assessment system KODIAK was implemented in Division Nordics in 2019. We completed the integration of KODIAK in System Frugt, Division North Europe and Division South Europe in 2021, preparing them for implementation in 2022. Suppliers yet to be managed in KODIAK are assessed in accordance with current legislation and the relevant certification requirements. We see the same trend for SCOC, with the decreased proportion being attributable to the same reasons as for KODIAK. The low increase in signed SCOCs in Divisions Nordics and North Europe being attributable to our having approved suppliers with their own SCOCs who meet the same requirements as for Midsona's SCOC without them signing our SCOC. As we do not include these figures in our data, we see this discrepancy.

### Origin of purchase

	2021	2020
<b>Purchase of raw materials of EU origin</b>		
<b>Midsona Group</b>	<b>48%</b>	<b>53%</b>
Division Nordics	41%	45%
Division North Europe	38%	39%
Division South Europe	78%	88%
<b>Purchases from the country of origin of the raw material</b>		
<b>Midsona Group</b>	<b>58%</b>	<b>55%</b>
Division Nordics	32%	12%
Division North Europe	63%	65%
Division South Europe	37%	59%
<b>Purchases of finished products from suppliers within the EU</b>		
<b>Midsona Group</b>	<b>92%</b>	<b>92%</b>
Division Nordics	90%	92%
Division North Europe	99%	95%
Division South Europe	75%	77%

Read more in the Sustainability Report on pages 66–67.

GRI 204-1 GRI 308-1  
GRI 308-2 GRI 414-1  
GRI 414-2



## Safe high-quality products

All Midsona products are assessed systematically on the basis of product safety and health, as well as any necessary improvements based on current EU and local regulations. In 2021, all products launched were assessed. The health and safety effects of products are assessed for improvement in the following life cycle stages depending on the product sector and regulations:

- Innovation and development of product concepts
- Certifications
- Manufacturing and production
- Marketing and labelling
- Storage, distribution and delivery where relevant depending on the product sector and regulations
- Consumer use of the products

### Events involving product information, labelling or quality issues

	2021
Total number of non-compliance incidents involving product safety, labelling and marketing information resulted in:	
Correction	15
Recalls	12
Withdrawals	16
Fines or penalties	0

Read more in the Sustainability Report on page 74.

GRI 416-1 GRI 416-2  
GRI 417-1 GRI 417-2  
GRI 417-3

## Appendix



# Efficient resource use

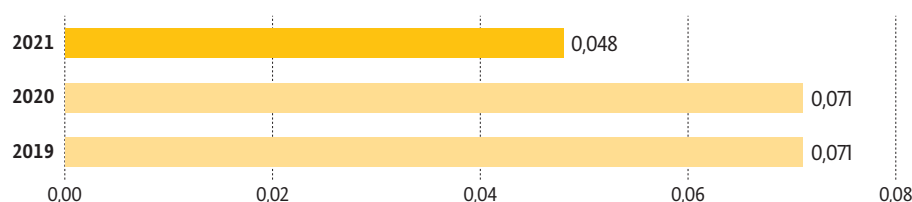
## Greenhouse gas emissions

### Greenhouse gas emissions (tCO<sub>2</sub>e)

	2021	2020	2019
<b>Scope 1 – Direct emissions</b>			
Refrigerant	50	25	52
Stationary combustion	1,054	1,317	469
Chemical processes	1,584	2,418	2,134
Mobile combustion	413	487	272
	<b>3,101</b>	<b>4,247</b>	<b>2,926</b>
<b>Scope 2 – Indirect emissions</b>			
Electricity	98	473	338
District heating and cooling	107	20	58
Hybrid cars	66	23	–
	<b>271</b>	<b>516</b>	<b>396</b>
<b>Scope 3</b>			
Purchased packaging materials	7,135	13,512	11,697
Fuel and energy	793	814	705
Waste generated in the operations	282	193	179
Final processing of products sold	3,012	4,872	4,218
Business travel	142	84	351
Downstream transport and distribution	3,807	3,566	3,087
Upstream transport and distribution	6,357	8,988	7,781
Purchased goods and services	103,025	83,016	61,290
	<b>124,552</b>	<b>115,045</b>	<b>89,306</b>
Water	18	18	4
<b>Total emissions</b>	<b>127,941</b>	<b>119,826</b>	<b>92,632</b>

Data for the base year 2019 have not been adjusted upwards based on the acquisitions of Division South Europe and System Frugt in accordance with the GHG protocol in the Annual Report. Accordingly, data for 2019 do not include Division South Europe and System Frugt. Division South Europe is included as of 2020. In this report, the comparison with the preceding year is therefore more relevant than the comparison with the base year. Read our complete CDP greenhouse gas report at <https://www.midsona.com/en/sustainability/sustainability-targets/sustainability-reports/>

### Emission intensity Scope 1+2



Data for 2019 do not include Division South Europe and System Frugt. 2020 has also not been adjusted upwards based on the acquisition of System Frugt. Division South Europe is included as of 2020. In this report, the comparison with the preceding year is therefore more relevant than the comparison with the base year. Read our complete CDP greenhouse gas report at <https://www.midsona.com/en/sustainability/sustainability-targets/sustainability-reports/>

### Comments on data

Midsona works continuously to expand and improve the collection, calculation and estimation of the Group's climate data. For 2021, we therefore present an increased amount of data for CO<sub>2</sub>, based on data obtained from our operations and on estimates based on best practice. We believe that the quality of our data volume will increase as we improve our procedures internally, and as suppliers and stakeholders become better able to measure and share their CO<sub>2</sub> emission data. We nonetheless elect to present the data we currently have available to increase our transparency. Midsona's total greenhouse gas emissions for Scope 3 were 127,941 tCO<sub>2</sub>e in 2021, an increase of 8 percent compared with the preceding year.

Target 2034

**38%**  
reduced emissions  
in accordance with  
Scopes 1, 2 and 3

Target 2045

**Net-Zero**



### Clarification of sources for emission factors per category and how we have made our estimates:

The data set for 2019 and 2020 is based on extensive estimates in connection with the mapping of our emissions at Group level for our Science Based Target in accordance with the criteria from SBTi.

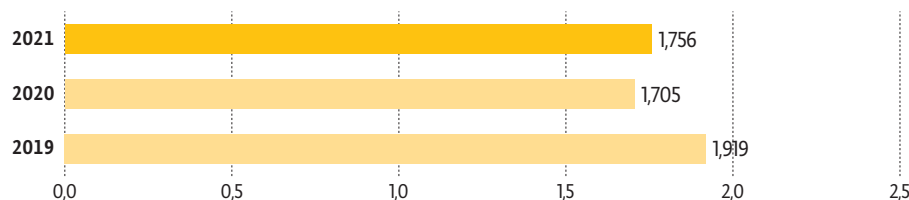
#### Scope 1 + 2:

- Emissions in Scope 1 are based on actual consumption data and are calculated with emission factors from DEFRA 2021.
- Emissions from electricity in Scope 2 are calculated using a market-based method with emission factors from AIB (2021), European Residual Mixes 2020.
- Emissions from district heating in Scope 2 are calculated with local factors from, among others, Fjernkontrollen (Norway), Miljövården 2020 (Sweden), Energia (Finland) and Fjernvarmens Informationsfond on behalf of Danske Fjernvarme (Denmark).

#### Scope 3:

- Emissions from "Purchased packaging" are based on actual consumption data and are calculated with emission factors (mainly) from DEFRA 2021.
- Emissions from "Purchased goods and services" include food, as food is of the greatest significance for Midsona based on sales in accordance with GHG and is calculated based on a categorisation of food. This categorisation was made on the basis of a more in-depth analysis in 2019, in which all product lines were examined and linked to different emission factors. The emission factors used come from different LCA analyses from different sources. The methodology for calculations of emissions from food is currently insufficiently developed to be able to assign individual products from specific suppliers correct emissions based on generic factors. This is because the emissions per product will vary depending on, among other things, the country of origin of the raw material, the energy mix included in production and the mode of transport. Even with the same supplier of a product, these factors can vary from year to year. At present, this is best practice.
- For water consumption, the figure is based on actual consumption, factors from DEFRA 2021.
- Emissions from "Fuel and energy-related activities" are based on actual consumption in Scopes 1 and 2, and based on factors from DEFRA 2021.
- Emissions from "Upstream transport" are based on data from transport suppliers and reported in tCO<sub>2</sub>e. Here, what is reported as well-to-wheel and well-to-tank varies somewhat. It was estimated that this accounted for about 85 percent of all upstream transportation. The figure was multiplied to include the other 15 percent.
- Emissions from "Waste" are based on actual consumption data, factors from DEFRA 2021.
- Emissions from "business travel" are based on actual travel data from offices and travel agencies, factors from DEFRA 2021.
- Emissions from "Downstream transports" are calculated for 2021 based on emission calculations for 2019 and sales. In 2019, the calculation was made by looking at the total sold weight x average distance to calculate tkm. Factors used were from DEFRA.

### Emission intensity Scope 3



#### Comments on data

The emission intensity for Scope 3 was 1,756 tCO<sub>2</sub>e per tonne produced in 2021, an increase of 3 percent compared with 2020 and a decrease of 8 percent from the base year of 2019. The largest increase in Scope 3 derives from purchased goods and services due to the acquisition of System Frugt, which predominantly produces dried fruit and nuts, which generally has higher CO<sub>2</sub> emissions than other products in Midsona's range.

Read more in the Sustainability Report on pages 76–77.

Read the CDP greenhouse gas report for the entire Midsona Group at <https://www.midsona.com/en/sustainability/sustainability-targets/sustainability-reports/>

GRI 305-1 GRI 305-2  
GRI 305-3 GRI 305-4  
GRI 305-5

## Appendix

### Recycled waste from our own facilities

#### Waste, tonnes

	2021	2020	2019
Metal	12	10	9
Glass	13	15	14
Carton board	572	328	239
Plastic	435	161	80
Organic	584	566	422
Toxic	0	14	3
Electrically	1	2	0
Other sorted	48	32	25
Totally sorted	1,664	1,186	792
Totally unsorted	477	306	281
Recycling rate	78%	79%	74%
<b>Overall, Midsona Group</b>	<b>2,142</b>	<b>1,492</b>	<b>1,073</b>

#### Waste intensity, tonnes of waste/tonnes produced

Total Midsona Group



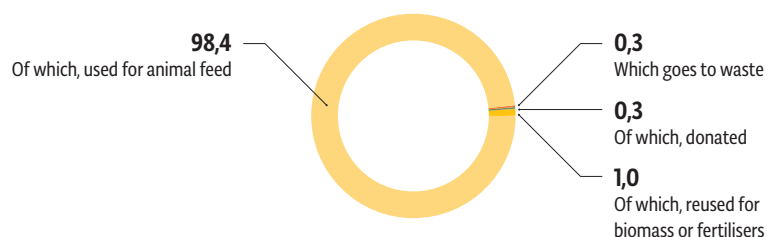
#### Comments on data

Negative trend in data due to the inclusion of the newly acquired System Frugt in waste data for 2021, which has not been part of our waste target for 2021.

Efforts to streamline the value chain in Europe have had no impact on waste reduction in 2021, as these are still in progress. However, we expect to see effects from this in the future.

### Reduce food waste

#### Food waste, %



#### Food waste, tonnes

	2021
Total food waste	13,539
of which, used for animal feed	13,319
of which, reused for biomass or fertilisers	138
of which, donated	37
Which goes to waste	45
Re-used food waste	99.7%

#### Comments on data

New integrated data from Division South Europe helps increase our data for food waste, as both France and Spain have focused on this in their integration into the Midsona Group. In Spain, Midsona donated products for EUR 73,959, which accounts for 0.53 percent of total sales, and in France, a high proportion of food waste is used for animal feed. In 2021, 98 percent of the residual waste was reused as animal feed.

Target 2025

**90%**  
recycling of waste  
generated in our own  
operations

Read more in the Sustainability  
Report on page 78.

GRI 305-3 GRI 306-1  
GRI 306-2 GRI 306-3  
GRI 306-4

Target 2025

**38%**  
re-used food waste

## Appendix

### Labelling with “Best before, often good after”:

In 2021, 42 percent of Midsona’s products were labelled “Best before, often good after”.

Brands marked with “Best before, often good after” or similar marking with the same meaning:

- *Kung Markatta*: Total active items: 270 Labelled with “Best before, often good after”: 54.8 percent
- *Urtekram*: Total active items: 532 Labelled with “Best before, often good after”: 52.2 percent
- *Helios*: Total active items: 136 Labelled with “Best before, often good after”: 49.2 percent
- *Earth Control*: Total active items: 215 Labelled with “Best before, often good after”: 100 percent
- *Davert*: Total active items: 256 Labelled with “Best before, often good after”: 55 percent
- *Happy Bio and Vegetalia*: 42 percent of all items have this label

Read more in the Sustainability Report on page 79.

GRI 301-3 GRI 305-3  
GRI 306-1 GRI 306-2  
GRI 306-4

## Water consumption

### Midsona’s mapping and determination of metrics for total water consumption\*

conducted in accordance with GRI 303: Water and waste This includes mapping and metrics of our water use, both our water uptake (which includes water from third parties, as well as our own production, such as from our own wells, water discharge and reuse of waste water). Based on these factors, we can see total water consumption.

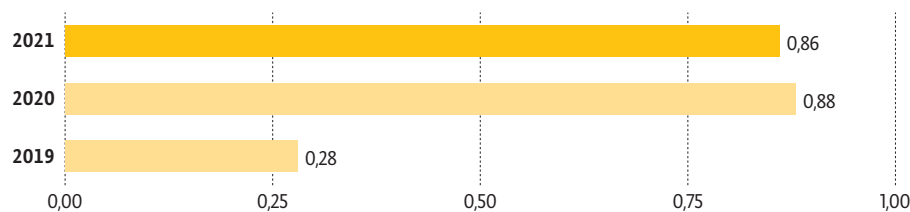
\* Reference from Midsona’s Sustainability Report on page 78.

### Water use per division, m<sup>3</sup>

	2021	2020	2019
Division Nordics	5,477	5,991	5,856
Division North Europe	8,718	10,967	6,789
Division South Europe	46,712	42,081	–
<b>TOTAL</b>	<b>60,907</b>	<b>59,039</b>	<b>12,645</b>
Intensity (m <sup>3</sup> /tonne)	0.86	0.88	0.28

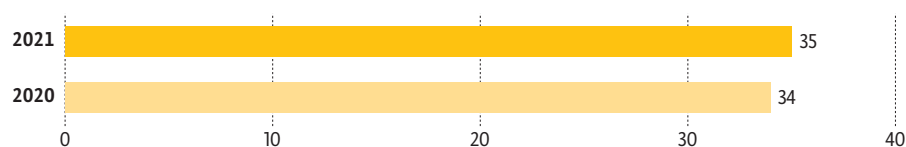
### Water intensity, m<sup>3</sup>/tonne

Total Midsona Group



### Water intensity, m<sup>3</sup>/tonne

Midsona Castellcir



### Comments on data

We continue to work actively to reduce our water consumption in Castellcir by continuing to advance the water reduction plan initiated in Spain for 2021-2022. 55 percent of water consumption in Spain comes from the facility’s own well. At our production units in Spain, about 8 percent of water is recycled. However, low-quality water is not approved for food production, and we are therefore working closely with the water authorities to reuse as much of the water as possible while maintaining safe production.

Target 2030  
**10%**  
reduced water use per  
tonne produced. 20 per-  
cent in the Spanish  
operations

Read more in the Sustainability Report on page 80.

GRI 303-1 GRI 303-2  
GRI 303-3 GRI 303-4  
GRI 303-5

## Appendix

# Energy

## Energy consumption Scope 1, MWh

	2021	2020	2019
Stationary combustion	5,335	6,871	–
Mobile combustion	1,667	1,951	–
	7,002	8,822	

## Energy use Scope 2

	2021	2020	2019
Renewable	6,475	5,510	4,109
Non-renewable	1,429	2,663	963
Heating	1,990	1,393	1,402
Total incl. self-produced	9,894	9,566	6,474
Total renewable energy Scope 2:	6,475/9,894 (65%)	5,510/9,566 (58%)	

Total renewable electricity Scope 2:  
6,475/7,904 (82%)

Total share of renewable energy Scopes 1 and 2:  
38%

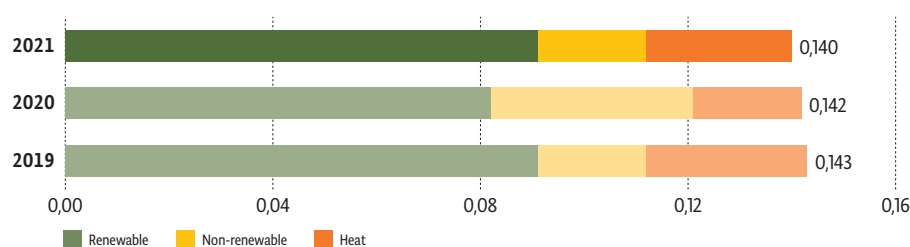
## Electricity production, MWh

	2021	2020	2019
Consumed self-produced	403	437	375
Sold self-produced	77	53	57

## Energy intensity Scope 1, MWh/h



## Energy intensity Scope 2, MWh/h



## Comments on data:

In 2021, Midsona's stationary and mobile combustion was 7,002 MWh (8,822). This represents a decrease of 21 percent compared with the preceding year. The intensity decreased by 24 percent to 0.099 MWh per tonne produced. The reduction comes mainly from Division North Europe, which reduced its gas consumption by as much as 49 percent in the production of puffed grain and roasted muesli. Major progress achieved through an expanded monitoring system, technical control and enhanced awareness among employees in production.

Midsona's electricity and heat consumption increased by 3 percent to 9,894 MWh (9,566) compared with 2020. Energy intensity decreased by 1.4 percent to 0.140 MWh per tonne produced. 82 percent of electricity consumed derived from renewable sources.

However, we expect a reduction in intensity in 2022 based on the two important energy-saving measures in Denmark for cosmetics production, where we have streamlined district heating consumption, resulting in about 1.5 hours less consumption of district heating per day, as well as the hot air project for the entire production line, which reduces electricity consumption by 10 percent with new power-optimised compressors. We will probably not see the effect of this until 2022.

Target 2028

**100%**  
renewable energy

Scope 1

**100%**  
fossil-free stationary  
combustion<sup>1</sup>  
fossil-free mobile  
combustion<sup>2</sup>

Scope 2

**100%**  
renewable district heating  
(steam and cooling)  
of the electricity  
purchased shall be  
renewable

Read more in the Sustainability  
Report on page 81.

GRI 302-1  
GRI 302-4  
GRI 305-1  
GRI 305-2





## Efficient transports

### Fossil-free transports

#### Our transport target means:

Transport measures as part of Scope 3 for our greenhouse gas accounting\*

#### Scope 3

100 percent fossil-free incineration, which means fossil sources for all transports for which Midsona pays:

- Incoming from suppliers
- Incoming, within or between our facilities
- Based on our facilities to our customers, for which Midsona pays



All Midsona transport suppliers must report greenhouse gas emissions in accordance with the European standard EN-16258's "Well to wheel".

\*\*Mapping and metrics of all of our transports means that all of our transports are measured in accordance with the GHG protocol – incoming, internal and outgoing for all facilities, which includes:

- An overview of the type of transport such as truck, train, boat, aircraft
- Type of fuel
- Quantity, that is, tonnes of goods transported and kilometres transported
- Incoming or outgoing transports
- Whether Midsona pays for the transport

\*\*Mapping of economic significance with a dedicated budget, means setting the primary economic impact and the Scope for target fulfilment. This means a dedicated budget for increased transport efficiency and investments in fossil-free transport, trains and boats. That is, replacement of existing fossil-fuel transports with electric cars, hybrid cars or other fossil-free fuels. Alternatively, as a temporary solution, offset where this is not available.

Today, however, it is a challenge to obtain good quality data on this fuel type. We have therefore chosen to measure the transport target in terms of emissions per day as this directly reflects the extent of fossil-free fuel in the form of data on reduced climate emissions.

Target 2025

**100 %**

fossil-free domestic transport contracted by Midsona in the Nordic region

Target 2025

**100 %**

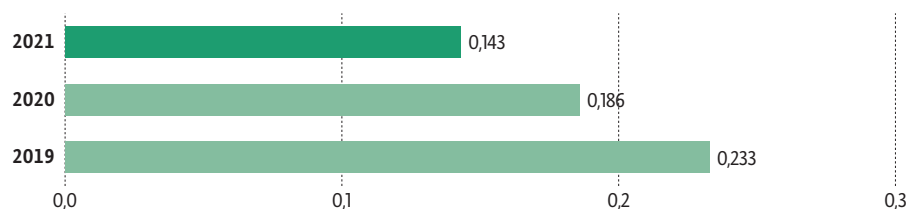
fossil-free domestic transport contracted by Midsona within Europe

### Greenhouse gas emissions (GHG emissions), CO<sub>2</sub>e\*\*\*

#### Scope 3 (tCO<sub>2</sub>e)

	2021	2020	2019
Downstream transport and distribution	3,807	3,566	3,087
Upstream transport and distribution	6,357	8,988	7,781
<b>Total freight transport</b>	<b>10,164</b>	<b>12,554</b>	<b>10,868</b>

#### Transport intensity



\* Outgoing transports paid for by the customer are not included in our target, but are included as part of our greenhouse gas accounting.

\*\* Reference from page 81 in the Sustainability Report.

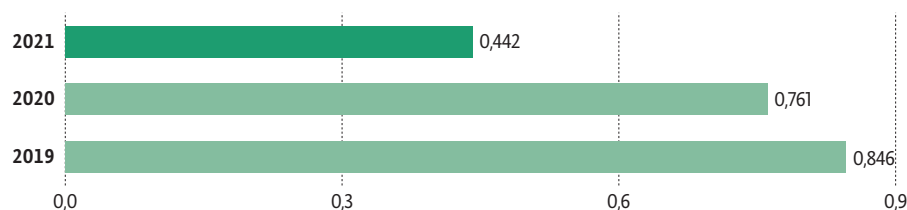
\*\*\* Proportion of fossil-free fuel measured and reported based on total CO<sub>2</sub>e emissions. Fossil-free and renewable fuel is directly related to/in proportion to emissions (amount of CO<sub>2</sub>e).

## Appendix

### Division Nordics – Transport, scope 3 (tCO<sub>2</sub>e)

	2021	2020	2019
Downstream transport and distribution	2,571	2,409	2,085
Upstream transport and distribution	4,576	4,327	3,746
<b>Total freight transport</b>	<b>7,147</b>	<b>6,736</b>	<b>5,831</b>

### Transport Intensity Division Nordics



### Comments on data

All downstream transport is 100 percent fossil fuel. The emission intensity from transports decreased by 27 percent compared with 2020 and by 40 percent compared with the base year of 2019. We have calculated all fossil fuel transports in 2019 and 2020. As greenhouse gas emissions decrease in proportion to the transition to fossil-free renewable fuels, we report climate data directly related to the proportion of fossil-free fuel.

Conversion factors for climate data on means of transport are based on the following data, kg CO<sub>2</sub>e/tkm.

- Truck average: 0.2078
- Ship average: 0.0132
- Rail average: 0.02782

This means that the transition from car to train or boat provides a major climate benefit in the form of a very large reduction in climate emissions per tonne transported. Work is underway to transfer transports to trains and boats in Division Nordics, which accounts for the largest share of transport within the Group, as reflected in the reduction in the intensity of climate emissions in 2021.

8 percent of Midsona's total CO<sub>2</sub>e emissions derive from transport, Scope 3.

Read more in the Sustainability Report on page 83.

GRI 305-3

## Business travel

### Our goal

Midsona is striving to reduce the amount of business travel. This leads to both savings and efficiency gains, but above all it reduces the Group's environmental impact.

### Business travel, tCO<sub>2</sub>e

	2021	2020	2019
Rail	0	1	0
Air	73	67	342
Car	51	1	–
Hotel nights	17	16	8
	<b>142</b>	<b>84</b>	<b>351</b>

### This is where we are today – in depth

The total emissions in the Midsona Group were 142 tCO<sub>2</sub>e during 2021. In 2021, we also measured business trips made by private car, which increases our mapping of emissions. Emissions from trains, flights and hotel stays in Division Nordics and Division North Europe have increased by 8 percent from 2020 to 2021. The total distance travelled by train in 2021 was 45,837 km.

The trend clearly shows how the corona pandemic reduced opportunities for travel within the Midsona Group, and we expect an increase in emissions from business travel in 2022, although not to the same levels as before the pandemic.

Read more in the Sustainability Report on page 84.

GRI 305-3

## Business travel and company cars

### Our objective

By 2028, Midsona will have replaced all company cars or vans with fossil-free alternatives.

### Company and benefit cars, tCO<sub>2</sub>e

	2021	2020	2019
Company cars, fossil fuels	413	486	350
Hybrid cars	66	23	–
	479	509	350

### This is where we are today – in depth

Midsona Group's total CO<sub>2</sub> emissions have decreased by 6 percent, corresponding to approximately 30 tonnes of CO<sub>2</sub>e, from 2020 to 2021, despite the acquisition of System Frugt. This is because we are striving to phase out fossil-fuel cars for hybrid cars as we replace company cars.

For the Division Nordics as a whole, 23 percent of company cars are hybrid or electric. Today, five out of twelve cars in the Finnish car fleet are hybrids, with all new company cars in 2021 being hybrids. Spain has also begun phasing out of fossil fuel company cars and today hybrid cars account for 40 percent of the fleet there.

Division South Europe  
included from 2021.

Read more in the Sustainability  
Report on page 85.

GRI 302-1  
GRI 305-1

## Appendix

# EU taxonomy for sustainable investments

### Focus on climate-friendly and sustainable companies

The EU's taxonomy is the European Commission's classification system for sustainable economic activities. Through a common framework for sustainable finances, it facilitates sustainable investments. This means that it helps investors identify and compare environmentally sustainable investments to fulfil the Paris Agreement and the EU's net-Zero emissions target by 2050.

Companies that must report in accordance with EU's Non-Financial Reporting Directive (NFRD) shall report in accordance with the Taxonomy Regulation.

In 2021, Midsona assessed the economic activities of relevance for Midsona and prepared for compliance and reporting in accordance with the taxonomy. We have achieved this together with third party expertise on the taxonomy.

### Taxonomy-relevant activities for Midsona in 2021

The taxonomy defines economic activities that significantly contribute to one of the EU's environmental goals. An economic activity is defined as: the process that takes place when resources such as capital goods, labour and raw materials/intermediates are combined to produce a good or service. Midsona's activities are defined based on the list of EU Commission NACE codes<sup>1</sup>. NACE is a European classification system for economic activities.





### Authorisation screening of NACE activities

Midsona has assessed all of its activities and whether they are covered by the taxonomy (taxonomy-eligible activities) using: EU Taxonomy Compass.<sup>2</sup>

As an initial, provisional step, the taxonomy currently only covers the macro sectors (NACE sectors) with the greatest emissions and offering the greatest opportunity for change.

### Qualitative assessment Midsona 2021

Midsona's economic activities are conducted by operations including production, wholesale, marketing and sales of food, cosmetics and food supplements, as well as wholesale of pharmaceuticals and medical devices.

### Eligibility screening and interpretations

Midsona made an inventory of its operations in relation to activities described in the delegated regulation regarding

climate objectives to identify potential activities covered by the Taxonomy Regulation.

the EU taxonomy's delegated regulation regarding climate targets currently targets sectors in which Midsona does not operate. Based on the inventory that was made, 0 percent of the Group's sales are considered to be associated with economic activities currently covered by the taxonomy (eligible).

Given that Midsona has not identified any of the economic activities within the Company as being covered by the taxonomy (eligible), no capital expenditure ("CAPEX") or operating expenditure ("OPEX") can be associated with such activities. Although measures are currently in progress to make Midsona's operations low in CO<sub>2</sub> and to reduce greenhouse gas emissions, CAPEX and OPEX in connection with such measures are not considered significant in relation to the Company's total OPEX and CAPEX. For this reason, the proportion of CAPEX and OPEX covered by the taxonomy, rounded to the nearest percentage point, is 0 percent.

<sup>1</sup> [https://ec.europa.eu/competition/mergers/cases/index/nace\\_all.html](https://ec.europa.eu/competition/mergers/cases/index/nace_all.html)

<sup>2</sup> [https://ec.europa.eu/sustainable-finance-taxonomy/tool/index\\_en.htm](https://ec.europa.eu/sustainable-finance-taxonomy/tool/index_en.htm)



# Global Reporting Initiative (GRI) Index and SDG

The Board of Directors is responsible for formally reviewing and approving the Sustainability Report. The CSO is operationally responsible for the Sustainability Report.

The reporting period for the data provided is the 2021 financial and calendar year.

The most recent preceding report was for the 2020 calendar year, and was published in April 2021.

The reporting cycle is annual.

The contact persons for questions regarding the Sustainability Report or its contents are the CEO and CSO.

This report has been inspired by the Global Reporting Initiative (GRI) and is Midsona's first step towards establishing a Sustainability Report in accordance with the GRI Standards: Core option. We have combined the two different basic methods for applying the GRI standards:

1. Use the GRI standards as a set of standards for preparing a Sustainability Report in accordance with those standards.
2. Use selected standards, or parts of their content, to report specific information.

We have partly applied the standards as a framework for producing a Sustainability Report in accordance with the GRI Standards. For certain areas, we have applied selected GRI information, or parts of its content, to report specific information with corresponding claims or descriptions of use. This is based on what is material for Midsona, in terms of what our stakeholders want to know and the quality of the data.

Midsona has chosen to connect the sustainability work to the UN Global sustainable development goals. The goals cover a large number of issues and we have analysed and mapped the way in which Midsona best contributes to Agenda 2030. We have applied the GRI's mapping tool "Linking the SDGs and the GRI Standards"<sup>1</sup> as a basis for this work.

The GRI index reports both the GRI index and our new updated SDG survey from 2021, the information reported and where this information can be found. Some disclosures are partially reported based on relevance.

<sup>1</sup><https://www.globalreporting.org/search/?query=Linking+the+SDGs+and+the+GRI+Standards>






# GRI index















## Material Topic and Topic Specific Disclosures

Disclosure	Page
<b>GRI 101: FOUNDATION 2016</b>	
<b>GRI 102: GENERAL DISCLOSURES 2016</b>	
<b>ORGANISATIONAL PROFILE</b>	
102-1 Name of the organisation	192
102-2 Activities, brands, products, and services	4, 5, 12-15, 18-25
102-3 Location of headquarters	4, 5, 192
102-4 Location of operations	4, 5, 192
102-5 Ownership and legal form	113
102-6 Markets served	4, 5, 12-15, 36, 37, 190
102-7 Scale of the organisation	3, 4, 5, 36, 37
102-8 Information on employees and other workers	4, 5, 36, 37, 61-63, 90-91
102-9 Supply chain	32-35
102-10 Significant changes to the organisation and its supply chain	26-31, 32-35
102-11 Precautionary principle or approach	116-125
102-12 External initiatives	68-71
102-13 Membership of associations	58, 68-71, 83
<b>STRATEGY</b>	8, 17, 46-49
102-14 Statement from senior decision-maker	44-45
102-15 Key impacts, risks, and opportunities	46-49, 53, 86, 116-125
<b>ETHICS AND INTEGRITY</b>	50-53, 60-63
102-16 Values, principles, standards, code of conduct and code of ethics	50-53, 60-63
<b>GOVERNANCE</b>	50-53, 170
102-18 Governance structure	50-53, 170-174
102-19 The process for delegating authority for sustainability topics	50-53
102-20: Executive-level positions with responsibility for sustainability topics	50-53
102-21 Consulting stakeholders on economic, environmental, and social topics	50-53, 86
102-22 Composition of the highest governance body and its committees	50-53
102-23 Chair of the highest governance body	50-53
102-26 Role of highest governance body in setting purpose, values,	50-53
102-29 Identifying and managing economic, environmental, and social impacts	46-47, 50-53, 116-125
102-30 Effectiveness of risk management processes	116-125
102-31 Review of economic, environmental, and social topics	50-53, 116-125
102-32 Highest governance body's role in sustainability reporting	104
<b>STAKEHOLDER ENGAGEMENT</b>	50-53, 86
102-40 List of stakeholder groups	50-53, 86
102-41 Collective bargaining agreements	Not reported
102-42 Identification and selecting stakeholders	50-53, 86
102-43 Approaches to stakeholder engagement	50-53, 86
102-44 Key topics and concerns raised by stakeholders	50-53, 86
<b>REPORTING PRACTICE</b>	
102-45 Entities included in the financial statements	110-111
102-46 Defining report content and topic boundaries	110-111
102-47 List of material topics	53
102-48 Restatements of information	27-30, 86-109, 110-111
102-49 Changes in reporting	86-109, 110-111
102-50 Reporting period	104
102-51 Date of most recent report	104
102-52 Reporting cycle	104
102-53 Contact point for questions regarding the report Back cover	104
102-54 Claims of reporting in accordance with the GRI Standards	104
102-55 GRI content index	104-109
102-56 External assurance	111












































# GRI index forts.

## Material Topic and Topic Specific Disclosures

GRI standards (Material Topic)	Topic-specific disclosures (description)	Page	Topic in Midsona's Materiality analysis	UN's SDG mapping (F-J)
<b>Economic</b>				
<b>Indirect Economic Impacts</b>	103-1/2/3 Disclosure on management approach	116-125	Risk management, Governance	
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	116-125		 
<b>Procurement Practices</b>	103-1/2/3 Disclosure on management approach	44-53, 64-71	Responsible sourcing, Supplier control, Transparency, Transport	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	66-69		
<b>Anti-corruption</b>	103-1/2/3 Disclosure on management approach	50-53, 63	Healthy work environment, Governance, Business ethics	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption and the transparency-significant risks identified	63		
	205-3 Actions taken in response to confirmed incidents of corruption	50-53, 63		
<b>Anti-competitive Behavior</b>	103-1/2/3 Disclosure on management approach	50-53, 62, 63	Healthy work environment, Governance, Business ethics	
GRI 206: Anti-competitive Behavior 2016	206-1 Anti-trust and monopoly court cases	Not reported 2021		

GRI standards (Material Topic)	Topic-specific disclosures (description)	Page	Topic in Midsona's Materiality analysis	UN's SDG mapping (F-J)
<b>Environment</b>				
<b>Materials</b>	103-1/2/3 Disclosure on management approach	44-53, 57-58, 78-79	Efficient resource use, Responsible sourcing, Climate change Product and Services, Circularity (recycled/recyclable)	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	58, 87, 93-94		 
	301-2 Recycled input materials used	57, 88-90		 
	301-3: Reclaimed products and their packaging materials	78-79, 95-96		 
<b>Energy</b>	103-1/2/3 Disclosure on management approach	44-53, 79, 81	Efficient resource use, Climate change, Energy	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	79, 81, 98		   
	302-4 Reduction of energy consumption	81, 98		   



<b>Water</b>	103-1/2/3 303-1/2 Disclosure on management approach	44-53, 80	Efficient resource use, Water	 
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	80, 97		
	303-4 Water discharge	80, 97		 
	303-5 Water consumption.	80, 97		
<b>Biodiversity</b>	103-1/2/3 Disclosure on management approach	44-53, 56, 57, 64-65, 68-69	Responsible sourcing, Biodiversity, Climate change	
GRI 304: Biodiversity 2016	304-2: Significant impacts of activities, products, and services on biodiversity	56, 57, 64-65, 68, 69, 87, 92-93		  
<b>Emissions</b>	103-1/2/3 Disclosure on management approach	44-53, 54-55, 57, 58, 75-77, 78-81, 82-85	Efficient resource use, Climate change, Bio-diversity, Energy, Water, Waste, Food Waste, Packaging, Plastic, Circularity, Product and Services, Transport	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	76-77, 85, 94-95		    
	305-2 Energy indirect (Scope 2) GHG emissions	76-77, 81, 94-95, 98		    
	305-3 Other indirect (Scope 3) GHG emissions	54-55, 57, 58, 75-79, 80, 82-85, 88-90, 94-101		    
	305-4 GHG emissions intensity	74, 75, 94-95		  
	305-5 Reduction of GHG emissions	74, 75, 94-95, 96-101		  
<b>Waste</b>	103-1/2/3 Disclosure on management approach	44-53, 57-58, 76, 77	Efficient resource use, Climate change, Waste, Food waste, Packaging, Plastic, Circularity	
GRI 306: Waste 2020	GRI 306-1 Waste generation and significant waste-related impacts	57-58, 78 -79, 95-96		   
	GRI 306-2 Waste Management approach	57-58, 78 -79, 95-96		   
	GRI 306-3 Waste Generated	57-58, 78 -79, 95-96		 
	GRI 306-4 Waste diverted from disposal	57-58, 78 -79, 95-96		  
<b>Supplier environmental assessment</b>	103-1/2/3 Disclosure on management approach	44-53, 65-69, 72-74	Responsible sourcing, Supplier Control, Transparency, Supply chain & Raw materials, Biodiversity, Safe products	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	67-68, 74, 93-94		
	308-2 Negative environmental impacts in the supply chain and actions taken	65-69, 72-73, 93-94		

GRI standards (Material Topic)	Topic-specific disclosures (description)	Page	Topic in Midsona's Materiality analysis	UN's SDG mapping (F-J)
<b>Social</b>				
<b>Employment</b>	103-1/2/3 Disclosure on management approach	44-53, 60-63	Healthy work environment, Employment	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Not reported 2021		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	63		
	401-3 Parental leave	Not reported 2021		
<b>Occupational health services</b>	103-1/2/3 Disclosure on management approach	44-53, 60-61	Healthy work environment, Health and safety	
GRI 403: Occupational health services 2018	403-2 Hazard identification, risk assessment, and incident investigation	60-61, 90-91		
	403-3 Occupational health services	61, 90-91		
	403-4 Worker participation, consultation, and communication on occupational health and safety	61, 62, 90-91		
	403-5 Worker training on occupational health and safety	61, 90-91		
	403-6 Promotion of worker health	61, 62, 90-91		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	61, 90-91		
	403-9 Work-related injuries	61, 90-91		
	403-10 Work-related ill health	61, 90-91		
<b>Training and education</b>	103-1/2/3 Disclosure on management approach	44-53, 62	Healthy work environment, Commitment, education and leadership	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	62, 90-91		
	404-2 Programs for upgrading employee skills and transition assistance programs	62, 90-91		
	404-3 Percentage of employees receiving regular performance and career development reviews	62, 90-91		
<b>Diversity and equal opportunity</b>	103-1/2/3 Disclosure on management approach	44-53, 63	Healthy work environment, Diversity, inclusion and gender equality	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	63, 90-91		
	405-2 Ratio of basic salary and remuneration of women to men	Not reported 2021		

<b>NON-Discrimination</b>	103-1/2/3 Disclosure on management approach	44-53, 64	Healthy work environment, NON-Discrimination	
GRI 406: NON-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	50-53, 63		 
<b>Local Communities</b>	103-1/2/3 Disclosure on management approach	44-53, 68-71	Responsible sourcing, Local Communities, Supplier control, Transparency, Supply chain & Raw materials, Transport, Biodiversity	
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	68-71		
	413-2 Operations with significant actual and potential negative impacts on local communities	68-71		  
<b>Supplier social assessment</b>	103-1/2/3 Disclosure on management approach	44-53, 66-67, 68-71, 72-73	Responsible sourcing, Supplier control, Supply chain & Raw materials, Transparency, Safe products	
GRI 414: Supplier social assessment 2016	GRI 414-1 New suppliers that were screened using social criteria	66-67, 72-73, 92-93		  
	414-2 Negative social impacts in the supply chain and actions taken	66-67, 68-71, 72-73, 92-93		  
<b>Customer health and safety</b>	103-1/2/3 Disclosure on management approach	44-53, 72-74	Safe products, Customer health and safety	
GRI 416: Customer health and safety 2016	GRI 416-1 Assessment of the health and safety impacts of product and service categories,	72-74, 93		
	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	72-74, 93		
<b>Marketing and Labeling</b>	103-1/2/3 Disclosure on management approach	44-53, 72-75	Safe products, Customer health and safety, Marketing responsibility	
GRI 417: Marketing and Labeling	GRI 417-1 Requirements for product and service information and labeling	72-74, 93		
	GRI 417-2 Incidents of non-compliance concerning product and service information and labeling	72-74, 93		
	GRI 417-3 Incidents of non-compliance concerning marketing communications	72-74, 93		

# Accounting principles

Midsona's sustainability data have an emphasis on Midsona's own operations. 2021 includes all companies in the Midsona Group. Figures for 2019 include Division Nordics and the production unit in Ascheberg in Germany. 2020 includes the entire Midsona Group, excluding System Frugt which was acquired at the end of 2020, unless other-

wise stated. 2021 includes the entire Midsona Group unless otherwise stated.

For the reporting of results indicators, Group-wide IT systems are used. Frameworks, indications and definitions are established by Midsona's sustainability team and evaluated annually. Each division is responsible for its reported data.

## Electricity

Includes offices, third-party warehouses and production. The calculation is based on actual consumption collected from the supplier and confirmation with a certificate of origin for all eco-labelled electricity.

## Electricity production

Covers warehouse and production. Data build on actual electricity production from solar cells at the affected facilities.

## District heating and cooling

Covers offices, warehouses and production where Midsona holds the rental agreement. Calculations build on actual consumption gathered from suppliers and primarily the supplier's production-specific emission factor, secondarily a Nordic or European average.

## Gas

Covers offices, warehouses and production where Midsona holds the rental agreement. Calculation builds on actual consumption gathered from suppliers and primarily the supplier's production-specific emission factor, secondarily a Nordic or European average.

## Water

Covers warehouse and production. Data build on actual consumption gathered from the respective facilities or property owners.

## Waste

Covers warehouse and production. Data build on actual volume in weight gathered from the respective facilities or property owners. Organic waste includes volumes that are reused for biogas or animal feed.

## Refrigerant

Covers warehouse and production. Calculation builds on actual refilling of refrigerant, gathered from suppliers and emission factor obtained from alltomfgas.se.

## Business travel and Hotel nights

Covers all business travel and hotel nights carried out by Midsona employees. Emissions data from aircraft, trains and leased company cars are primarily obtained from travel suppliers, secondly manually collected and with emission factor by distance.

## Purchased packaging materials

Includes the packaging purchased by the Company. The packaging is reported in kg per material. A distinction is made between recycled and new (so-called "virgin") materials.

## Purchased goods and services

Includes emissions from purchased goods (raw materials and merchandise) and water consumption during the financial year. Purchased goods include food products. Emissions from cosmetics and health food are currently not included. Water consumption covers offices, warehouses and production. Reported volume is based on actual consumption from each locality.

## Fuel and energy

Includes all upstream emissions associated with fuel and energy consumption reported in Scopes 1 and 2. This applies to emissions from extraction, production

and transport of fuel reported in Scope 1, as well as of the fuel used in the production of electricity and heat reported in Scope 2. The consumption corresponds to the actual consumption in Scopes 1 and 2.

## Upstream transport and distribution

Includes freight transport 1) from suppliers to Midsona, 2) between Midsona's own premises, and 3) freight transport from Midsona and out to customer that is paid for by Midsona. The calculation is based on data obtained from each transport supplier. Supplier-specific data amounted to about 85 percent of the total upstream transport. The remaining 15 percent was estimated based on the data obtained.

## Waste generated in the operations

Covers offices, warehouses and production. The calculation is based on the actual amount of data collected from each location.

## Downstream transport and distribution

Includes shipping from Midsona to a customer that Midsona does not pay for. The calculation is an adjusted estimate based on transported weight and an average distance to the customer from Midsona's department store.

## Final processing of products sold

Includes final processing of packaging from Midsona's products. The packaging is divided into materials that can and cannot be recycled, reported in kg. It is assumed that recyclable materials will be recycled.

## Employees

Includes all Midsona employees at the end of the year and the distribution in terms of age, gender and position at that time. Actual completed or actual absence is used for follow-up of activities and sick leave.

## Supplier reviews

Figures based on data reported during the year regarding audits of suppliers.

## Intensity calculations

Based on actual data on produced tonne in gross weight per production unit owned for at least one full year by Midsona and specific parameters under each area. Energy intensity calculation also includes office energy consumption.

## Climate impact in accordance with market and location-based methods

Midsona's climate accounts are reported in accordance with the guidelines for the GHG protocol. The emission calculations in Scope 2 are calculated in accordance with the market-based method to take into account the purchase of renewable electricity certificates for Midsona's electricity consumption. In market-based emission calculations, the electricity consumption covered by such certificates will be assigned an emission of 0 grams of CO<sub>2</sub>e/kWh. For electricity without such certificates, however, the emission factor will be based on the remaining electricity production after the renewable share has been sold. This is called a residual mix and has a significantly higher emissions factor than the location-based factor. In accordance with the GHG protocol, companies must calculate emissions through both location and market-based calculations. We did this in our CDP report. Read more about this in our CDP report at: <https://www.midsona.com/globalassets/midsona/investors/rapporter/midsona-ab-cdp---climte-change-2021.pdf>



# Auditor's opinion regarding the statutory Sustainability Report

To the General Meeting of Shareholders in Midsona AB (publ)  
corporate identity number: 556241-5322

## Engagement and responsibility

The Board of Directors is responsible for the Sustainability Report for 1 January – 31 December 2021 on pages 42–110 and for it being prepared in accordance with the Annual Accounts Act.

## The scope of the examination

Our review has been conducted in accordance with FAR's recommendation RevR 12 Auditor's statement on the statutory Sustainability Report. This means that our statutory examination of the Sustainability Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards

in Sweden. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

## Opinion

A sustainability report has been prepared.

Malmö, April 7, 2022  
Deloitte AB

*Jeanette Roosberg*  
Jeanette Roosberg  
Authorised public accountant

## Framework for sustainability accounting

### Statutory sustainability report

Midsona's statutory Sustainability Report has been prepared in accordance with the Annual Accounts Act and is included as part of the Annual Report on pages 44–125.

#### General

Business model

#### Environmental issues

Policy

Risks

Target and relevant data

#### Social conditions and personnel-related matters

Policy

Risks

Target and relevant data

#### Respect for human rights

Policy

Risks

Target and relevant data

#### Combating corruption

Policy

Risks

Target and relevant data

#### Diversity on the Board of Directors

The Board of Directors' Diversity Policy

Additional frameworks for Midsona's sustainability reporting are based on the UN Agenda 2030, the Global Reporting Initiative (GRI), the Task Force on Climate-Related Financial Disclosures (TCFD) and the Carbon Disclosure Project (CDP). In addition to this, both work and reporting take place in accordance with the UN Global Compact, which includes the UN Declaration of Human Rights, the UN Convention against Corruption, the ILO's core conventions and the Rio Declaration. Midsona's sustainability work is also described in the Code of Conduct, Supplier Code of Conduct and Sustainability Policy.

