

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Midsona develops, produces, and manufactures products that help people live healthier lives. The group is a prominent consumer goods company, and we are leading in the Nordic countries within natural and organic products, consumer health, and health food, with a vision to become one of the leaders in Europe in health and well-being. The head office (parent company) is in Malmö, Sweden, and the company is divided into three divisions: Midsona Nordic (Division Nordic), Midsona North Europe (Division North Europe), and Midsona South Europe (Division South Europe). Midsona Nordic are operating in Sweden, Norway, Denmark and Finland. Midsona North Europe is operating in Germany and Midsona South Europe in Spain and France. The South Division (France and Spain) was acquired and became a part of the Midsona group after the second half of 2019, which is the base year for our SBT application. The Nordic division stands for 69% of Midsona’s business, whereas North Europe and South Europe account for 21% and 10 % respectively. We have no other relevant subsidiaries. Midsona’s net sales amounted to SEK 3,773 million in 2021. Midsona is noted on Nasdaq Stockholm, Mid Cap. Midsona focuses on developing and marketing powerful brands for consumer goods to the grocery, pharmacy, health stores, specialized retail, and food service sectors. In addition, we produce Private Label for some of our customers. The business builds on a portfolio with Midsona’s own brands supplemented with assignments for international brands. The proprietary brands are our backbone and together with client brands, they form a strong and broad portfolio. The share of own brands is 70 %, whereas Licensed brands account for 14 % and Private Label for 16 %. Midsona focus on key brands in key categories, like organic products, health food, and consumer health. Organic sales constitute 51% of our product assortment, Health food for 30% and Consumer health 19% in 2021. Strong consumer trends driving the demand for Midsona’s products to Plant-based food, Organic food, and Convenience. 91% of our portfolio (share of sales) are plant-based or vegetarian. 99% of our prioritized food brands are plant-based or vegetarian. Total number of employees: 849 in Sweden, Denmark, Finland, Norway, Germany, France and Spain (2021).

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	Yes	1 year

C0.3

(C0.3) Select the countries/areas in which you operate.

- Denmark
- Finland
- France
- Germany
- Norway
- Spain
- Sweden

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

SEK

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Consumption	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]

C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Do not own/manage land

Please explain

Based on our assessments, we have concluded that emission from agriculture/forestry is not directly relevant to us since we do not own/manage land and we do not have our own agricultural/forestry commodities.

C-AC0.6f/C-FB0.6f/C-PF0.6f

(C-AC0.6f/C-FB0.6f/C-PF0.6f) Why are emissions from distribution activities within your direct operations not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Outside the direct operations of my organization

Please explain

Distribution of Midsona's products is outside the direct operations of our organization. All distributional activities, both upstream, downstream and intermodal transportation is outsourced to third party transportation providers and hence accounted for in our Scope 3.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity

Rice

% of revenue dependent on this agricultural commodity

Less than 10%

Produced or sourced

Sourced

Please explain

A broad range of Midsona products include rice and we estimate that less than 10% of the revenues come from products with rice as an ingredient (includes traded goods and own raw material purchased).

Agricultural commodity

Soy

% of revenue dependent on this agricultural commodity

Less than 10%

Produced or sourced

Sourced

Please explain

Midsona uses various types of soy based raw materials in different product categories. 100% of all soy used in our products are GMO free.

Agricultural commodity

Wheat

% of revenue dependent on this agricultural commodity

Less than 10%

Produced or sourced

Sourced

Please explain

A broad range of Midsona's products contain wheat, and we estimate that less than 10% of the revenue come from products with raw materials originating from wheat (traded goods and own raw materials)

Agricultural commodity

Timber

% of revenue dependent on this agricultural commodity

More than 80%

Produced or sourced

Sourced

Please explain

A majority of our products use paper packaging to some degree (both traded and own production). Additionally, we use cardboard for storing and transportation. As such, more than 80 % of our revenue can be said to be dependent on paper/timber. In 2021, 65 % of Midsona's purchased paper packaging material for its own products is derived from recycled or FSC-certified input material (Forest Stewardship Council).

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	The ISIN code for Midsona A is SE0000565210
Yes, an ISIN code	The ISIN code for Midsona B is SE0000565228.

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	<p>Midsona's Board initiated a more intensified and comprehensive sustainability approach in 2016 and has declared this to be a top priority at Midsona. Our Sustainability Strategy, incorporating climate, is closely related to our mission, and anchored with the Board Chair and Board of Directors. Midsona's mission is to help people live a healthier life, both for the people and the planet, and the foundation of Midsona's business rests on a passion for healthy food combined with sustainable operations and consumption. It is important for Midsona to be valued not only based on our financial results, but also on our work with ESG and climate. Sustainability has been important to Midsona for many years, and it is also very important to our stakeholders. Therefore, our overall work with sustainability, including targets and progress, are integrated into our financial targets, and sustainability and profitability coincide.</p> <p>Midsona's board, and hence the Board Chair, has the overall responsibility to ensure that Midsona works with a realistic agenda for sustainable development and has provided Group management through Midsona's Sustainability Steering Group, to conduct a cohesive sustainability operation to "ensure Midsona to be best-in-class in our sector in the field of sustainability". To create and maintain functioning internal governance, the Board adopted several policies and other steering documents that serve as guidelines for our operations. In 2019, Midsona's internal management processes were further strengthened, and a more functional structure was established.</p> <p>An example of a climate-related decision made by the Board Chair is the Boards strategic decision to further develop our Climate Change strategy, by adapting our climate-related targets according to global development and best practice to enhance GHG reduction in accordance with our newly developed climate transition plan and to further enhance our focus towards a more climate beneficial product portfolio. Incorporated into these targets is Midsona's commitment to reduce emissions in line with 1.5 degrees & Net Zero criteria. These targets relate to 100 % renewable energy in Scope 1 & 2, 100 % fossil-free transport of goods, and targets securing that our suppliers will set SBTs within the next 5 years. Additionally, we are strengthening our climate-related work in line with CDP and TCFD.</p>

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<Not Applicable>	<p>Reviewing and guiding strategy & and major plans of action: Midsona's Sustainability Strategy and action plan, including our climate change strategy, is closely related to our mission and reviewed and anchored at the Board Chair and Board of Directors. Midsona's Board initiated a more intensified and cohesive sustainability approach in 2016, and has declared this work to be of the highest priority. Midsona's Board of Directors bears the overall responsibility for Midsona's overall sustainability action plan and that Midsona is working with a realistic agenda for sustainable development. The board has given the group management through Midsona's Sustainability Steering Group in assignment to conduct cohesive sustainability operations, including climate issues to ensure Midsona to be best-in-class within our sector in the field of sustainability. Midsona does this by continuously contributing to a sustainable society and by providing our customers and consumers with sustainable products through control over our biggest sustainability and climate risks, scenarios and corresponding risk management, targets and action plan.</p> <p>Review and guide risk management policies: Sustainability is an integrated and transparent part of our operations, and sustainability risks are managed in the same way as other company risks. Approval of the Groups Risk Policy, and handling of risk within Midsona is governed on an overall level by the Board of Directors annually. This sets priorities for targets and action, which are followed up by the Board. After approval of recommendations, risks and actions are included in all Strategy and Business planning.</p> <p>Review, guide, monitoring annual budgets, business plans, performance, targets etc: Follow-up of sustainability risks & opportunities, business action plans, targets, performance objectives and activities, as well as the sustainability budget, is carried out by the Sustainability Group. The strategy, actions, progress and results, as well as cost and budget issues, are reported to the Steering Group quarterly and to the Board regularly by the CSO (or CLO), at least 1-2 times a year. The Board is particularly interested in monitoring and overseeing implementation and progress against targets for addressing sustainability and climate-related issues. The Group's efforts and progress in sustainability work is also addressed and discussed in annual sustainability report which is reviewed and commented by the Board.</p> <p>An example of how the Board reviews and guides strategy and major plans of action is the Boards strategic decision to further develop Midsona's sustainability work by introducing our climate transition plan, which includes upgrading SBT targets to a 1.5°C ambition level, and introducing Supplier engagement targets as well as getting a Net-Zero target approved by the SBTi for best practice.</p>

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>Midsona has a stated Climate Change strategy that the board supports and has approved. The board is very committed to our responsibility when it comes to sustainability and climate and has a generally good engagement, competence, and understanding of our responsibility when it comes to climate challenges. One of the board members is an engineer from Chalmers Institute of Technology and has good climate expertise with particularly good understanding of the transition to renewable energy and recycling. This is based on a long-term focus on sustainability and climate within his own work experience as well as acquired expertise through various positions as board member and chairman of the board.</p> <p>The board has appointed our CSO as its representative to manage the climate challenges in Midsona, where the CSO regularly advises and reports climate strategy, targets, challenges, and requirements for upgrading according to global development, results, and progress regarding climate emission to the board. The CSO has a thorough competence in sustainability in general and climate in particular. The CSO has a PhD/ Dr. Scient as formal education, with a background in analysis and research, and a long-term experience in both quality, regulatory, and sustainability work and is very competent in climate issues. We have further strengthened our reporting between the CSO and the board, where the CSO reports directly on sustainability and climate issues to the board regularly. Separate training and climate forum between the CSO and our climate competent board member will also strengthen the climate dialogue between the CSO and the board as well as mutual competence development between the parties.</p>	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Chief Financial Officer (CFO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Annually
Chief Operating Officer (COO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Chief Sustainability Officer (CSO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other committee, please specify (Sustainability Steering Group (Sustainability committee))	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Chief Legal Officer (CLO))	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Division Director Nordic)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The CEO reports to Midsona's Board and is the highest manager position with responsibility for climate-related issues. The CEO sits on the Company's Sustainability Steering Group and regularly reports the group's decisions to the Board of Directors in addition to the CSO or CLO who report on sustainability 1-2 times a year. All important decisions are approved by the Board.

The CSO is overall responsible for Midsona's sustainability work and reports sustainability-related issues to the CLO and CEO on a regular basis. The CSO sits, leads, and reports to the Sustainability Steering Group quarterly. 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 on the best practice 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.

Sustainability Committee: 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, activities and progress. The steering group consists of CEO, CSO, CLO, COO, Executive Assistant and Division Director Nordics. Important issues from these meetings are further reported to the Board regularly and when important matters arise.

Sustainability Group: Approved decisions from the Board and Sustainability Steering Group is then conducted cross-functionally through a Sustainability Group under the leadership of CSO. The group consists of a Sustainability Controller who is responsible for sustainability data, group governance responsible, group communication responsible, and division-related Sustainability Managers. The Managers function as intermediaries between the divisional work and the Midsona Sustainability Group.

The CLO is responsible for the Group's risk analysis and Group Governance and compliance where Sustainability is integrated. The CLO reports to CEO and is part of the board meetings and Sustainability Steering Group. Risk criteria are defined in the Group Management System which includes policies, procedures, and instructions for risk management. Sustainability risks, including climate-related issues, are an integrated part of all corporate risk assessment. The assessment describes Midsona's definition of substantive financial or strategic impact on our business, including climate change impact. The CLO reports Midsona's risk assessment including climate-related issues once a year to the Board of Directors.

Audit Committee: Conducts annual supervision of all Midsona's identified risks, including sustainability and climate-related issues.

CFO reports to CEO and has the responsibility for financial planning process. The costs for achieving the climate targets' are included in the financial planning. The CFO is also responsible for the financial data included in the EU taxonomy. The CFO, together with the CSO, is also involved in climate-related demands from investors.

The COO has the overall responsibility for Midsona's operations including progress on sustainability and climate-related issues in supply chain. The COO is also part of the Sustainability Steering Group.

Division Directors: Division Director Nordic (70% of our turnover) reports to CEO and is part of the Sustainability Steering Group. The CSO further reports the approved decisions from the Steering Group quarterly to the rest of the Group Management team, i.e.: Division Directors North Europe and South Europe. Division Directors, who together with the division's Sustainability Manager is responsible for their division's results on our targets.

Divisional context: Specific line organisations in the Group's divisions are responsible for implementing Midsona's 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 regularly to the Division Director, who together with the division's Sustainability Manager is responsible for the division's results.

Follow-up measures and reporting systems: Midsona uses reporting platforms to systematically report results and progress for all Sustainability actions and targets accomplished with the GRI and GHG. In those platforms, we measure action and targets, make yearly validation and make comparisons for evaluation and improvements. In addition, we have included environmental and climate perspectives in the self-assessment in our supplier portal (Kodiak) as well as in our audit questionnaire for external audits to monitor our suppliers.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Midsona has annual employee interviews where individual KPIs are set up. The CSO, COO as well as Director Divisions have Sustainability goals (including climate change-related issues) and KPIs included as part of individual goals, in addition to the rest of the Sustainability Group. In the line organization, we have workstream leaders who have executive responsibility and goals for reaching our targets within their area of responsibility. The results from our targets are reported from the workstream leaders to the Division director as well as the CSO and Steering Group regularly, and these responsibilities are also incorporated in the annual employee interviews and KPIs in the line organization for the actual execution managers (Division Directors and Workstream leaders as well as in the workstreams). In addition, sustainability and Climate-related goals and KPIs in annual employee interviews is relevant for Governance & Risk (CLO).

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of Incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator Environmental criteria included in purchases Company performance against a climate-related sustainability index	The CEO has a bonus or some form of financial remuneration related to company performance and index in general, where the ESG performance and Sustainability targets and outcomes, as well as ESG rating and index, including climate-related issues are part of it. This is handled by the Board.
Chief Operating Officer (COO)	Non-monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator Environmental criteria included in purchases Company performance against a climate-related sustainability index	Midsona has annual employee interviews where individual KPIs are set up. The Director Operation Group (COO) has Sustainability targets (including climate change-related issues) as KPIs included as part of individual goals.
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator Environmental criteria included in purchases Company performance against a climate-related sustainability index	The Director Sustainability Group (CSO) has Sustainability targets (including climate change-related issues) as KPIs included as part of individual goals. In addition, the CSO has a bonus or some form of financial remuneration related to company performance and index in general, where the ESG performance and Sustainability targets and Outcomes as well as ESG rating and index, including climate-related issues are part of it.
Other C-Suite Officer	Non-monetary reward	Emissions reduction project Emissions reduction target Company performance against a climate-related sustainability index	The CLO has individual goals according to climate-related governance and the group's overall risk assessment and management.

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Other, please specify (Division Director Nordic, Division Director North Europe, Division Director South Europe)	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator Company performance against a climate-related sustainability index	The Divisions Director has individual goals and KPIs to reach Midsona's climate-related targets within its division. In addition, Division Director for each division has a bonus or some form of financial remuneration related to company performance and index in general, where the ESG performance and Sustainability targets and Outcomes within its division as well as ESG rating and index, including climate-related issues. This is handled by the Board.
Environmental, health, and safety manager	Non-monetary reward	Emissions reduction project Emissions reduction target	The Sustainability strategy is followed by the HR manager and includes different clear goals related to sustainability and climate (E.g. climate emissions from traveling and corporate cars).
Environment/Sustainability manager	Non-monetary reward	Emissions reduction project Emissions reduction target Company performance against a climate-related sustainability index	The Sustainability Manager has Sustainability targets (including climate change-related issues) as KPI's included as part of individual goals.
Other, please specify (Divisions Head of Supply chain)	Non-monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target	Each workstream leader (the leader/ director of department or Green team leader) has executive responsibility and goals for reaching Midsona's climate targets within their area of responsibility.
Other, please specify (Divisions Head of Operation/ Facilities)	Non-monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Supply chain engagement	Each workstream leader (the leader/ director of department or Green team leader) has executive responsibility and goals for reaching Midsona's climate targets within their area of responsibility.
Other, please specify (Divisions Sourcing Director)	Non-monetary reward	Environmental criteria included in purchases Supply chain engagement	Each workstream leader (the leader/ director of department or Green team leader) has executive responsibility and goals for reaching Midsona's climate targets within their area of responsibility.
Other, please specify (Divisions QA & regulatory Director)	Non-monetary reward	Environmental criteria included in purchases Supply chain engagement	Each workstream leader (the leader/ director of department or Green team leader) has executive responsibility and goals for reaching Midsona's climate targets within their area of responsibility.
Other, please specify (Divisions Marketing Director)	Non-monetary reward	Emissions reduction project Emissions reduction target Company performance against a climate-related sustainability index	Each workstream leader (the leader/ director of department or Green team leader) has executive responsibility and goals for reaching Midsona's climate targets within their area of responsibility.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	As part of our risk- and budget process the managers assess risks with a 1–3-year perspective. The ability to identify, evaluate, manage and follow up on risks constitutes an important part of the governance and control of business activities. The objective is for the Group’s targets to be achieved through well-considered risk-taking within set limits. The overall risk review is conducted by the group’s Legal Director (CLO), responsible for overall corporate risk management in Midsona, and the CSO and the financial department (led by the CFO). The Audit Committee, which is included in Midsona’s risk management, then conducts annual reviews and advises on identified risks. In accordance with Midsona’s Risk Policy, a register is created of which risks are prioritized for action, which are to be monitored, and which are not essential, and performs a review of the risk picture. Sustainability and climate risks are incorporated into corporate risks. The register should simplify the concretization, measurement, and follow-up of goals, risks, and yearly action plans. The descriptions of climate-related risks are reviewed and evaluated more than once a year (two times a year for evaluating strategy, annual report, and CDP). The CLO, CSO and CFO present their analysis and their recommendations on how to handle the risks to the Board of Directors. The risk work is governed at an overall level by the Board, which is responsible for the risk management on the behalf of the shareholders. After approval of recommendations, risks are included in all Strategy and Business planning.
Medium-term	3	10	To adequately report on sustainability-related matters, we conduct a mapping for short-term, medium-term, and long-term risks, where the medium-term for sustainability risks means 3-10 years and long-term 10-30. Those results are included in the yearly overall risk review.
Long-term	10	30	Our risk management and incentives for climate change are consistent with the long-term goal of reaching net-zero emissions by 2045, in addition to our short (0-3), medium (3-10), and long-term action timeframe to enable accountability (10 - 15+ years). Our targets (and accordingly our biggest risks) in this respect are assessed and considered in the long-term (15 years) with important SBTi-approved targets for us to reach by 2034 (near term), and 2045 (long term). With our increased ambition and commitment to the SBTi, we have increased our ambition to a 1.5°C ambition and shortened our timeframe for our near-term targets. Additionally, we have committed to a long-term target of 90 % emission reduction across all scopes by 2045. In order to manage/enable accountability, we must have short-term actions where we adjust the direction every year towards our long-term target since the forces and conditions can change.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

All Midsona’s business operations must manage uncertainty regarding future events from climate-related risks from both risk perspectives, namely risk of negative impact from the climate on the company as well as our impact on the climate. Midsona considers our whole business and value chain, both upstream in the supply chain and downstream when assessing the materiality of climate-related information that could affect the operations positively, bringing opportunities to generate increased value, or negatively, incurring a risk that our set targets will not be reached, with the reduced value being generated for shareholders and other stakeholders as a consequence.

A substantive financial or strategic impact is an impact that has a significant effect on Midsona’s current or future profitability. Our definition of substantive financial or strategic impact on Midsona’s business is a prerequisite for Midsona’s risk analysis. We divide the risks between low, medium, and high (very high) risks. Areas with high to very high risk are very likely to give Midsona a large percentage loss or increased cost in the form of substantial financial impact or strategic impact. The clear risk criteria are defined in the Group Management System which includes policy, procedures, and instruction for risk management. This describes Midsona’s definition of substantive financial or strategic impact on Midsona’s business as:

Substantive financial impact: Midsona considers financial impacts with a cost above 5 MSEK as substantive in our risk assessments at the group level (approx. 0,1 % of Midsona’s total revenue), as well as in contingency cases.

Substantive strategic impact: Risk that significantly affects our strategy or our ability/opportunities to achieve our strategic goals is defined as substantive, i.e. our ability/opportunities to develop prioritized strong sustainable brand and categories, our ability/ opportunities to sustainable acquire, our ability/ opportunities to streamline a sustainable value-chain/supply chain, our ability/opportunities to be a healthy and sustainable culture.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Midsona's sustainability risk assessment work is based on Midsona's Risk Policy and is included in Midsona's overall risk management. Midsona has identified three corporate risk areas: Operational, Market, and Financial. Sustainability risks are incorporated into corporate risks in all three areas. Handling of risk within Midsona is governed on an overall level by the Board of Directors.

1. By looking at Midsona's KPIs up against the various SDGs (including environmental and climate, social and human rights), risks are identified, mapped, and integrated, often together with suggestions of most relevant efforts and solutions, in a Description of Risk. This work is normally carried out by the CSO, Sustainability Group, and executive functions in working groups.
2. The Description of Risk is reviewed and evaluated more than once a year.
3. Mapped possible sustainability risks and opportunities are evaluated based on probability and impact on Midsona and incorporated into overall corporate risks by the CSO/CLO/CFO.
4. The Audit Committee supervises identified risks annually.
5. In accordance with Midsona's Risk Policy, a register is created over which risks are prioritized for action, which are to be monitored, and which are not essential. The register should simplify the concretization, measurement, and follow-up of goals, risks and action plans.
6. The CSO or CLO on the recommendation of the CSO presents their recommendations on how to handle the risks and opportunities to the Board of Directors, who then approves.
7. After approval of recommendations, risks are included in all Strategy and Business planning.
8. Follow-up of actions and activities done for sustainability risks are carried out by CSO and the Sustainability Group.

Further description of Midsona's Task Force on Climate-related Financial Disclosures (TCFD) processes for identifying and assessing and responding to environmental and climate-related risks:

Midsona has adopted the TCFD's processes for identifying, assessing, and responding to climate-related risks & opportunities. A company-wide workshop including representatives from all business divisions and all levels of the company guided by third-party climate expertise provided an overview of our main climate-related risks and opportunities. We facilitated the workshop on financial expectations in an increasingly sustainability-focused economic and social structure. Specifically, the workshop delved into the recommendations laid out by TCFD on climate-related risks and opportunity disclosure.

We then provided additional details on the risks identified with the potential to have a substantive financial or strategic impact on Midsona's business. Based on this, we identified areas with low, medium or high to very high financial and strategic risks for Midsona. This constitutes an overview of the risks that are very likely to give Midsona a large percentage loss or increased cost in the form of substantial financial impact or strategic impact to be used directly in our strategic financial planning. The findings and information from the workshop have then been analyzed further with company-specific information, such as examples and potential financial consequences, and then assessed according to the below criteria:

- Risk type & primary climate-related risk driver
- Where in the value chain does the risk driver occur
- Primary potential financial impact
- Time horizon
- Probability/ Likelihood
- Magnitude of impact (consequence)
- Potential financial impact
- Cost of response

Based on finalized risk assessments we have been analyzing the possibility to respond to the identified risks to reduce their impact and set up corresponding risk management which is also closely linked to our opportunities.

A case study demonstrating how the identified process was used to identify, assess and manage a physical climate-related risk is illustrated by our management of supply chain risks from the sourcing of critical raw materials. One of Midsona's most important climate risks is access to and prices of organic certified raw materials. 51 % of revenue and 90 % of raw materials purchased are organically certified and identified as the most strategic raw materials for Midsona. Organic is sourced from restricted areas which in several places are prone to extreme climate change as chronic drought and water stress. Organic raw material has been identified as a high-risk raw material, assessed to be very likely in the short term that the costs and access will be impacted by climate changes. To mitigate this risk, Midsona's Board has approved our commitment to set Supplier Engagement Targets for more than 70 % of our suppliers by 2027 to get them to set their own SBTi-approved targets aligned with 1.5°C ambition to achieve emission reductions throughout our purchased goods and raw materials. In addition, since organic rice from Asia is prone to chronic drought and water stress, this has been identified as a very likely high-risk raw material in the short-term for Midsona (approx. 10 % of our revenue comes from products with rice where the costs and access may be impacted). We have therefore in 2021 followed up our collaboration from 2020 with one of Midsona's strategic suppliers of rice as a supplier engagement case study. The project aims to achieve a production process with significantly reduced water consumption, while at the same time ensuring better living conditions for small farmers in the Kotwa area of Uttar Pradesh, India. Rice production consumes large quantities of water, and this is an area of considerable water risk. However, our biggest focus going forward will be to follow up on our commitment to set Supplier Engagement Targets approved by the SBTi to accelerate GHG reduction across our value chain, limiting the major climate impacts from our purchases.

A case study demonstrating how we manage transition risks and opportunities is illustrated in our actions to mitigate the risk of exposure to increased fossil fuel taxations. We are continuously monitoring the development of regulations on CO2 prices and taxation. A newly introduced increase in CO2 tax in different countries we operate indicates the trend in Europe to significantly increase its tax on CO2. COP26 in 2021 has added even stronger leadership for the countries to further increase their climate goals. The increased fossil-fuel tax has a direct cost impact on transportation and energy in production, and it is likely this will increase in short term. The Board has decided to mitigate the risk by having a strict target of reaching 100 % fossil-free self-contracted transport by 2030. That seeks to mitigate the harm of high emissions while at the same time reaping the benefits of reducing fuel costs and gaining positive reputational benefits.

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Compliance with existing regulation is a requirement in all our direct and indirect operations for all business divisions. This includes regional, national, and international legislation concerning sourcing of raw materials, material usage, production, product labeling, waste management, reporting requirements and CO2 taxation. Risks from change in current regulations are included as part of our interdisciplinary risk assessment and are continuously monitored by Midsona.</p> <p>Our largest emission sources are raw materials, transport and packaging. New carbon pricing is likely to increase costs.</p> <p>As an example, we consider an increase in carbon taxes on fossil fuels very likely in the short term. The probability increased in 2021 (COP26) as the UN urges everyone to strengthen their climate goals where energy is especially important. In all countries we operate, a minimum tax for fossil fuel exists, and in some countries, the tax is already a significant part of fuel price. Increased taxes will directly impact the cost of transportation and production and is likely to have a substantive impact on our business.</p> <p>In addition, taxation on plastics and changes in national manufacturer's liability systems are raising the costs of handling used packaging in all countries we operate, and we expect this to increase more. For example, FTI in Sweden has increased the costs of processing consumer packaging >200 % over the last years with higher tax for non-recyclable plastic. We expect as very likely in the short to medium-term that the costs of non-recyclable packaging and handling used packaging will increase as part of the European Strategy for Plastic in a Circular Economy, and we assume the magnitude of financial impact will be medium for Midsona with the primary potential financial impact on increased indirect (operating) costs.</p> <p>Another example that can have a substantive impact is if the consumer goods sector in the future will be included in European Union Emission Trading Scheme (EU ETS). Today, food production and other consumer goods are not included. We expect no increased operational cost based on the scheme in the short term, but some countries have already introduced a future increase in CO2 tax applicable to sectors both covered and not covered by EU ETS.</p> <p>To mitigate this risk, Midsona is following all regulations and possible changes to get valuable insight into those risks resulting in more informed decision-making and strategic and financial planning.</p>
Emerging regulation	Relevant, always included	<p>Emerging regulations are included as a part of our interdisciplinary risk process and are continuously monitored by Midsona. This includes mapping of emerging regulations related to sustainability, product safety, claims & labelling, environmental fees, and other regulations related to our products and services, reporting and corporate governance.</p> <p>For example, the new CSRD in the EU is under construction with mandatory reporting standards on climate change mitigation and adaptation. This includes strategy, governance, R&O/materiality, policies, targets, action plans, resources and performance including significant Scope 3 categories and taxonomy regulation. Scope 3 emissions stand for 96 % of our GHG inventory, and is an important driver of our transition risks. To mitigate this risk, we focus on transparency, SBTs, Net-Zero, TCFD, and CDP for best practices. We have approved SBTs to reduce Scope 1, 2 & 3 emissions by 38 % by 2034, with commitments to strengthen the ambition to 1.5°C within a 10-year time frame and to reach Net-zero by 2045. We have a climate transition plan for climate change mitigation and policies to manage climate change mitigation and adaptation.</p> <p>Another example is a potential mandatory climate product declaration, which may directly impact our costs. The methodology is currently not sufficient to assign LCA for individual products and there is no accurate generic database for emission factors, and thus, no opportunity to calculate emissions of many different products. Emissions per product will vary based on country of origin of raw material, energy mix in production, transport mode etc. Considering that there is currently no generally accepted framework for accounting GHG emissions from products, this is an optional disclosure requirement in new regulation. We expect that a new methodology will be required before this is mandatory. Estimated data on products, however, challenge our sustainability profile as 83 % of our GHG data comes from this category without distinction between organic vs conventional, or healthy vs unhealthy within the same category. At the same time, demand from customers for climate data on products increases, even though reduction targets on estimated data are not scientific.</p> <p>To mitigate this risk we disclose estimated emissions from product & services, including the methodologies used. We also have committed to Supplier Engagement Target as well as follow up on the development of EU regulation.</p>
Technology	Relevant, always included	<p>Risks associated with technological development and the introduction of new technology are included as part of our interdisciplinary risk assessment and are continuously monitored. Advancements and innovations in technology are likely to accelerate in the short- to medium term, continuously challenging our operations, especially with considerations to emissions reductions.</p> <p>If Midsona fail to stay on top of innovations, there is a risk for negative reputation with lost market share. Moreover, it may induce higher costs due to carbon prices. Conversely, there is a risk that the expected technological advancements expected from society in order to achieve the emission reductions needed to limit global warming, do not escalate as expected, and hence prevent Midsona from reaching our internal and external targets for climate reduction. Technological development is especially important to Midsona in transport, production, and packaging.</p> <p>As an example, the development of what is sustainable fuels and the transporters' approach to fossil-free fuels is changing rapidly, and thus this area needs regular updating. New technology and definitions may also force Midsona to change its current choice of renewable energy. At present, there are a limited number of opportunities for district heating providers and transport suppliers to offer solutions for fossil-free energy or freight transport. The pandemic also affected the supply of Hydrogenated Vegetable Oil. Already today we see that the transition to fossil-free fuel is challenging and increases our transport prices significantly. Geopolitical events impact the global energy demand, and prices are likely to increase short term but drive technological development and a shift to fossil-free energy in the long term.</p> <p>An example of how investments can be made in technology with an unsuccessful effect on climate is our change to packaging with reseal-ability to reduce food waste which increased the amount of plastic and decreased the possibility to use recyclable plastics.</p> <p>To mitigate this risk, we increase our solar energy production for our own operations. For transport, all our transport suppliers have to report emissions according to EN-16258's "Well to wheel", where we transfer gradually our transport to climate-reducing transport such as trains and boats. For packaging, we seek guidance from FTI.</p>
Legal	Relevant, always included	<p>Legal risks are included as a part of our interdisciplinary risk process, and we continuously monitor and assess all legal risks for Midsona. Compliance with national and international legislation is a requirement in all our direct and indirect operations for all business divisions.</p> <p>Risks related to litigation claims associated with distribution- and customer agreements, products, and product safety can potentially have a substantial financial impact, in addition to having a negative impact on Midsona's reputation. Increased environmental- and climate demands in distribution- and customer agreements may make Midsona vulnerable to lawsuits.</p> <p>For example, customers annually introduce new terms and requirements in contracts and similar with increased requirements towards direct and indirect environmental impact in own operations and throughout the value chain, requesting ambitious control of suppliers and sub-suppliers. Midsona has a system to follow up our suppliers, but there is always a risk of failing to constantly include new upcoming customer requirements and that some sub-suppliers are not included in these assessments. This is a comprehensive job, and suppliers are evaluated at 1-3 year intervals to ensure that they meet set targets. It is necessary with total control of the supply chain to mitigate these risks, but even though Midsona conducts comprehensive control and risk analysis of our suppliers by our SCOC and supplier self-assessment tool, it is a challenge due to the size and complexity of Midsona's value chain. In addition, agreements and contracts with Midsona's customers have different climate-related terms and conditions and even if they are updated yearly, core agreements are often older. This means that agreements signed historically may include climate-related terms and conditions which have been signed a long time ago. In 2021, we have also both customer requirements for SBT and CDP reporting. All this increases the complexity of what Midsona has to fulfill. Breaches of such agreements can potentially have large financial impacts on Midsona.</p> <p>To mitigate this risk, we focus on transparency, SBTs, TCFD, and CDP and map our stakeholders' requirements regularly to include these requirements in a systematic manner from the contracts in ESG SSA in Kodiak. Both our SEDEX membership in the North division and System Frugts BSCI membership tools give access to relevant supplier data and additional structured information.</p>

	Relevance & inclusion	Please explain
Market	Relevant, always included	<p>Market uncertainty is included as a part of our interdisciplinary risk process and is continuously monitored. Midsona is vulnerable to changing market preferences, and as both customers and consumers become increasingly aware of the climate footprint of products with an increased amount of customers with SBTs for scope 3, stricter demands are likely to shift fast (short term) to low-emission goods like plant-based and climate reduction from raw material, production, packaging, and transport. Also, the younger generation is increasingly conscious of their consumption, and we need to adapt to their preferences to avoid the risk of losing substantive market share in the short to medium term.</p> <p>As an example, the lack of EU standards for climate- and sustainable products can mislead and confuse customers and consumers. Midsona assesses the EU Commission's guidelines and all forms of sector interaction in this area. Midsona monitors developments regarding nutrition claims and sustainable product declarations and strives to provide consumers with the best possible ways of identifying our sustainable products. Although we are constantly working for a more sustainable company and products, there is a risk that we do not sufficiently communicate this message to customers and consumers. Also, new requirements can change consumer behavior in new directions and alter competition. Consumer behavior and trends are considered risks with a high effect for Midsona and especially if this affects our priority brands, as these account for approx. 50 % of total sales.</p> <p>To mitigate this risk, Midsona works hard to increase the assortment of healthy and sustainable products through our innovation and product assortment process to fulfill each brand's sustainability plans. In addition, we have targets for more sustainable products, to increase plant-based/ vegetarian products, recyclable consumer packaging, energy- and waste targets in production, and fossil-free transport. In addition, we work to increase focus and knowledge in sales and marketing so that our sustainability work is communicated to customers and consumers as it is likely that this will result in significantly increased sales in the short term. Two of our largest brands, Urtekram and Kung Markatta, have been identified as one of Denmark and Sweden's most sustainable brands by Sustainable Brand Index. Kung Markatta is also identified as one of Sweden's greenest brand by Differ 2020 and 2021.</p>
Reputation	Relevant, always included	<p>Reputational risks are included as a part of our interdisciplinary risk process and are continuously monitored. Midsona's customers, business partners, investors, and consumers associate our business and brands with positive and sustainable values, where both a good reputation and credibility are vital to our business value and sales success. As such, reputation is a central risk for Midsona. Any actions undertaken that damage the environment or climate may damage our reputation.</p> <p>For example, a lack of close dialogue with our stakeholders may lead to a central loss of understanding of common needs and desires to drive our business in the same direction towards a low-carbon society. In addition, inadequate plans, capacity and financial planning to adapt our business model and operations in line with the transition to a sustainable economy and to contribute to limiting global warming to 1.5°C as well as climate reporting may lead to a gap between what Midsona stands for and what our stakeholders are informed about as a sustainable company, significantly reducing our business values and hinder our opportunities and development towards a more sustainable future. Our energy target is especially important and is highly regarded in the climate context and climate reporting. There are costs related to target achievements and the increasing number of climate-related reporting requirements. If Midsona cannot fulfill these requirements, they may lose competitiveness in the eyes of investors, customers, and other material stakeholders.</p> <p>To mitigate this risks, Midsona works with a climate change strategy anchored by the board, linked to UN SDGs where sustainability risks and opportunities are managed with short-, medium- and long-term targets for financial planning. Growth in low-carbon plant-based products produced and managed in a financially, socially and environmentally responsible manner and use of global gold standards such as GRI, TCFD, GHG, SBTs, Net Zero, Supplier Engagement Targets, CDP ensure best practice and based on stakeholder needs. We have our climate transition plan approved by the Board of directors, plans to ensure that our business model and strategy are compatible with the transition to a climate-neutral economy and with limiting global warming to 1.5 °C in line with the Paris Agreement. In connection with that we are working on how the transition plan is embedded in and aligned with our overall business strategy and financial planning.</p>
Acute physical	Relevant, always included	<p>Acute physical risks are included as a part of our interdisciplinary risk process and are continuously monitored in our operational risks. Extreme weather events such as tornadoes, hurricanes, floods and extreme heat or drought can cause disruptions in our supply chain or change the geographical location of our product sourcing, causing unknown operational cost increases and challenging sourcing conditions.</p> <p>For instance, the price of raw materials is largely linked to supply and demand, which is beyond the control of the Group. A majority of the raw materials used in our products are dependent on whether the harvest is good or bad, and thus easily affected by climate disasters which may give increased raw material- and operational cost, and reduced profit which in turn negatively impact commitment to our delivery and the relationship to our customers.</p> <p>For example, the world crop for prunes, both conventional and organic, has been very low due to bad weather in many of the main countries supplying this product. Crops seem to be reduced by 50 % compared to a normal year, and prices have increased significantly for a period. Prunes is one our important selling items, so this has significantly affected our sales of prunes for a period, though not permanently.</p> <p>Production facilities, production equipment, power supply, water supply and other assets for direct operations can also be damaged by extreme weather such as flooding/drought, extreme temperature, fire, power failure or other physical hazards due to environmental and climate changes. The Group maintains eight production facilities in Europe where significant quantities of our own priority brands are produced. Unplanned interruptions to production could cause deliveries to customers being directly affected by significant quantities of our own priority brands, as we keep relatively few days of finished goods in stock. Accordingly, shortcomings in production technology or production disruptions due to external influences constitute a physical risk. Since Midsona's prioritized brands are cornerstones of Midsona's operations and the Group's financial position, significant interruptions of our own production will have significant financial impact. In addition, insufficient insurance protection can cause direct negative effects on the Group's financial position in the event of an injury.</p>
Chronic physical	Relevant, always included	<p>Chronic physical risks are included as a part of our interdisciplinary risk process and are continuously monitored in our operational risks. Climate-related physical changes can disrupt our supply chain or change the geographical location of our product sourcing, causing unknown operational cost increases and challenging sourcing conditions.</p> <p>A majority of raw materials used in Midsona's production sourced outside of EU is sourced from South-East Asia, South and North America and some part also from Africa which are all areas that are impacted by chronic physical changes such as higher mean temperatures and increased drought. This is likely to have direct impact on the availability of certain raw materials, which in turn is likely to limit supply and hence increase prices.</p> <p>Chronic changes in climate are also likely to impact weather conditions in our home markets, and chronic drought may lead to reduced access to water in certain production sites. Water is a resource that has become increasingly critical and important to protect. All our production sites for food and beauty production require good access to a significant amount of freshwater, and lack of freshwater at our production facilities is a potential risk for Midsona. So far, our facilities have had relatively low water consumption, and Midsona mainly operates in countries with low water stress and where the percentage of the population without access to improved drinking water sources is low. However, our new production site in Spain has a higher water intensity, and division South is also operating in areas where the risk for drought is higher than for the other divisions.</p>

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical	Changing precipitation patterns and types (rain, hail, snow/ice)
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Chronic changes in precipitation patterns and extreme variability in weather patterns, as well as changes in mean temperatures, may lead to increased costs for energy supply, give water challenges, as well as decreased availability and increased prices of key raw materials such as critical organic certified as well as other certified commodities in the upstream supply chain. Some of our most important raw materials are nuts, grains, and cereals, dried fruits and berries, rice as well as seeds and kernels. We buy mainly from suppliers in Europe (Turkey, Italy, etc), South- and North America (as ex, Chilean prune, quinoa from Peru, sugar from Brazil), and Asia (as ex, rice from Kotwa, India). These areas are more prone to chronic drought, floods or other weather-related changes, and our ability to secure goods even in weather-related conditions can affect our operations and profitability. As an example, we got climate challenges this year both with quinoa from Peru as well as an extreme price increase for Chilean prunes, as this raw material supply was hit by an unusual amount of rain during the autumn period. In addition, both North America and Europe have been exposed to drought this year. We assess it to be likely in the short to medium term that the costs and access both to energy, water (in some areas), and some key raw materials, will be affected as part of chronic climate change, with the most significant effect on our financial data from the access and cost variations in raw materials. We assume the magnitude of our financial impact will be medium-high with the primary potential financial impact being increased direct costs.

To secure long-term sustainable goods, we have committed that 70 % of our suppliers will set science-based emission reduction targets aligned with 1.5°C by 2027. In addition, we work with our own SBTs and Net Zero as well as various raw material- and product certifications to reduce climate, biodiversity-, agricultural-, forest- or marine risks such as plant-based/veg (91%) & organic (51%), GMO-free (100%), RSPO Palm Oil (100%), Friends of the sea fish oil (100% raw material own production), FSC paper as well as certifications like KRAV, Demeter, Fairtrade, ECOCERT, vegan etc. By 2025 we have a goal to be 100% free of palm oil in our own brands, and we are now ~ 99%. We collaborate also with one supplier of Demeter- and Fairtrade-certified rice in Kotwa, India to achieve a production process with reduced water use and CO2.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

28000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

In 2021, we had operational direct costs of 2,8 billion SEK. Midsona's rough cost estimate is based on that the cost may increase with approx. 1% due to increased cost of raw material and products because of chronic physical risk. The 1% increase has been identified through a multidivisional assessment from both sourcing, finance and sustainability. The assessment included both historical developments as well as forward-looking evaluations. To illustrate, Midsona has already experienced that the cost of purchased goods for some raw materials affected by climate change have risen significantly for some affected goods. However, we cannot confidently say that this magnitude of price increases will remain permanent because of climate problems such as frost or drought. We expect yearly variations, and in bad years, prices will rise substantially. For this year, we have experienced a relative high price increase based on several unexpected external events such as global pandemic, international conflicts and climate challenges, where we estimate that 1% can be attributed to climate challenges.

Financial impact was then evaluated to be 1% of operational direct cost which gives a total impact of 28 000 000 SEK (2,8 billion x 0,01 = 28 million SEK).

Cost of response to risk

6000000

Description of response and explanation of cost calculation

One method to respond to the described risk is to have frequent dialogue with key suppliers on volume-critical products for secured delivery, establish alternative suppliers for delivery critical volume products to reduce dependence, and have more efficient raw material use by common sourcing due to synergies of product assortments between groups brands and companies. An example of management method to take responsibility through the entire value chain is by cooperating with our suppliers on environment and climate. We do so through our Supplier Engagement Target for Scope 3, where Midsona also commits that 70 % of our suppliers will set science-based emission reduction targets aligned with 1.5°C by 2027. In addition, we manage this through our Supplier Code of Conduct (SCOC) and our self-assessment tool in the supplier portal KODIAK, where we can analyse and classify our suppliers based on all our mapped supplier risks including climate risk. Thus, we can set higher climate requirements on the suppliers level and improve important processes in the value chain. With new targets from 2020 for 100% classification of our suppliers by 2025, we increase this focus to minimize the supplier risks. Another example of management method is increase of the percentage of environmental related certified raw materials used by Midsona to reduce negative environmental impact. To manage the risk further, as a case study, we are also in a project with a key supplier of rice to reduce agricultural- and water risk of rice production in India and to reduce water consumption and change to climate-smart agricultural techniques that save CO2.

Our cost calculation for responding to this risk is estimated to be 6 million SEK, and is mainly based on investment in increased strategic sourcing activity that requires increased efforts in Midsona's organization. We estimate that the sourcing department that handle this risk must increase their staff by 5-6 employees at an estimated cost of 1 million per employee. This gives an increased cost of 6 x 1 million = 6 million SEK. Midsona's largest cost item comes from our environmentally certified raw materials and products, but we consider this a long-term risk management as part of our efforts to secure sustainable commodity and products.

Comment

At the same time as certified raw materials make us more vulnerable to both acute and chronic physical risk, it is also an important way of reducing our climate footprint, thus helping to reduce the risk of negative impact on the environment and global warming. This is because environmentally certified goods are relevant in both risk aspects, the impact of climate change on Midsona and vice versa, our impact on the environment and climate.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

A big amount of the countries' greenhouse gas emissions in Europe where we operate, are taxed and/or regulated through the emissions trading system (ETS). These apply mainly to emissions from the use of fossil energy sources and different industries, but where the food industry is still excluded. Nevertheless, in all the countries Midsona operates, we have tax on fossil fuel based on EU regulation, and in some countries the tax is already a significant part of the fuel prices and we expect this to increase. For example, in Norway road use tax plus CO2 tax for fuel oil is 5,8 SEK per liter of diesel (6,97 for petrol) with 23% increase of CO2 tax from 2021 (1,64 SEK) to 2022 (2,12 SEK). Newly introduced increased CO2 tax in countries like Norway indicates a new trend in Europe to seek to significantly increase its tax on CO2 in the short term where the increase in CO2 tax is applicable to sectors both covered and not covered by EU ETS. This will have a direct impact on the cost of transportation and production. Midsona expects as likely in short to medium term that taxes on fossil-fuel energy sources and CO2 taxes on fossil fuels to increase. If such legislation is introduced, which is likely in short to medium term, we assume the magnitude of financial impact will be medium for Midsona with primary potential financial impact on increased indirect (operating) costs. Midsona has an overall goal to change our climate impact both from goods transport and business travels. Since 2019 we have been working with climate reduction incentives from product design to customer transports to reduce emissions. All transport suppliers report emissions according to European standard EN-16258's "Well to wheel", which facilitates when we follow up climate impact and help us to concretize work towards our target from 2020 of 100 % fossil-free self-contracted transports until 2030 to reduce climate gas emission. In Nordic we are working to reach this already 2025, where we have signed DLFs Transport initiative 2025. We work actively to increase the degree of filling of all transports as well as introduce a CO2 reduction system in North division for collection and delivery of goods. This will also directly reduce our cost based on carbon taxes. In 2021, the emission intensity from transport is reduced by 27 % (42% from Nordic transport) based on shift from trucks to climate-efficient trains and ships.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

13500000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The estimated financial impact is based on the emissions from our transport in 2019. At this point in time, the majority of our transport was still using fossil fuels (except some intermodal inbound transport and fossil-free outbound transport Nordic). Total emissions have been multiplied with a price of 1 tCO2e with one of the highest taxes 2020/2021, namely 1 119 SEK per tonne of CO2e. Emissions from transport in Midsona 2019 accounted for approx. 10% of total tCO2e in scope 3. Including the newly acquired division south, this was estimated to account for approx. 12 000 tCO2e. Based on this data the financial impact was estimated to be 12 000 tCO2e x 1119 SEK that gives approx. 13 500 000 SEK (12 000 X 1119 ~13 500 000).

Cost of response to risk

8000000

Description of response and explanation of cost calculation

An obvious method to respond to the described risk is to reduce our transport and consumption of fossil fuel which accounts for most of the transport's CO2 emissions. Example of management is to increase the percentage of fossil-free fuel used by our transport and to change to less emission-intensive transport. An example of management is to continuously map new opportunities and sustainability development among transport suppliers. There are currently few good fossil-free transport solutions for goods. At the same time, the pandemic has shown us that intermodal solutions such as ship and rail are good in that they are stable and reliable, both in terms of CO2 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 as this directly reflects the extent of fossil-free fuel in the form of data on reduced climate emissions. In 2021, the emission intensity from upstreams transport is reduced by 27 % (42% from Nordic transport) based on shift of transports from trucks to climate-efficient transports, such as trains and ships and we will follow up this trend in 2022. Based on reduced access to fossil free fuel as Hydrogenated Vegetable oil (HVO fuel) for truck during the pandemic, we had to reduce this type of transition. As an additional management, we closely follow the development of the regulations and political framework conditions in each market Midsona operates.

Direct cost associated with responding to this risk relates mainly to increased investment in more fossil free solutions. This gives a significant extra cost, but is also considered as an important investment in Midsona's long-term corporate strategy to secure sustainable and efficient transport. Cost of response to risk is estimated to be approx 8 million SEK, and has been calculated based on a 5-10 % increase in transportation costs. The number is based on cost of transportation from 2021.

Comment

Midsona's risk of increased carbon taxes on fossil fuels is closely linked to our ability to reach Midsona's transport target from 2020 for 100% fossil free self-contracted transport by 2030. This means that we consider the assessment of fossil fuel as a risk which can turned into an opportunity based on our ambitions and reality based on technological development. This is therefore also described as opportunity 1 in C 2.4 a) identified with the potential to have a substantive financial or strategic impact on our business.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services
---------------------	--------------------------------------------------------------

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Risk for mandatory environmental/ climate product declarations may directly impact our cost for products and services as this requires good knowledge and expertise in climate impact on raw material and traded goods on article level which is a complex task. Today, the industry uses different methodology, and it is a big limitation for data to map climate impact for all kinds of product types. If such a regulation is introduced with mandatory real GHG data for products this will be very complex and may require verification of the data from third-party with further increased cost. Considering that there is currently no generally accepted framework for accounting GHG emissions from products, this is optional disclosure requirement in new draft of coming regulation CSRD in EU. We expect new developed methodology will be required before this is mandatory. Estimated data on products, however, challenge our sustainability profile as 83% of our climate data comes from this category without distinction between organic vs conventional, or healthy vs unhealthy within the same category. At the same time, demand from customer for climate data on products increase, even though reduction targets on estimated data are not scientific. Requirements for climate data on products and services is likely in the medium to long term, and we assume the magnitude of financial impact may be up to medium for Midsona with primary potential financial impact on increased direct (operating) costs. Midsona is today using third-party climate expertise and tools for calculating the climate impact related to traded goods and raw materials. We have implemented this tool for our emission mapping for purchased goods and services for submission of scope 3 to Science Based Target Initiatives (SBTi). Midsona has completed a scope 3 inventory of all relevant categories based on GHG protocol. This means a high-level evaluation to estimate the scope 3 emissions categories that are relevant to our company and indicate which ones are expected to be most significant. This include a comprehensive investigation and effort by Midsona for climate data on raw materials and products. In this tool, for the category "purchased goods and services" we combine real data with industry standards and have got a better understanding of the product's climate impact. These measures have given us an overview of where we have the biggest climate challenges and where we should put out efforts to reduce climate impact.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

3000000

Potential financial impact figure – maximum (currency)

12000000

Explanation of financial impact figure

In our effort to complete a scope 3 inventory for category 1, "Purchased goods and Services" based on the GHG protocol, we faced major challenges with the mapping of the products' climate impact. As of today, the methodology for emission calculations from food is currently not sufficiently developed to be able to assign individual products from specific suppliers an accurate emission based on such generic factors. This is because the emissions per product will vary based on, among other things, the country of origin of the raw material, the energy mix that has been included in the production, transport mode etc. Even with the same supplier of a product, these factors can vary from year to year. In our calculations, we have therefore grouped foods into article categories, and used generic factors based on various LCA analyses from third parties. Nevertheless, this is the industry standard for calculating emissions from food as of today. We expect the methodology to be developed in the future, but for now this is best practice. If the regulation requires mandatory real data for LCA climate mapping for each product, this will be very complex and may also require verification of the data from a third-party. If such a legislation is introduced, we assume the magnitude of financial impact will be unmanageable and relatively too high for the entire food industry and thus very unlikely. Therefore, we expect that those demands will be actual only together with new developed cost-effective methodology.

Our cost calculation is estimated to be between 3-12 million SEK, and is based on investment in increase of dedicated employees with climate and data expertise in Midsona's organization, in addition to increased use of third party climate expertise for the greenhouse gas emission calculations for purchased goods and services. We estimate that the department that handles this risk must increase their staff by 2 employees (2 x FTE) at a cost of 1 million per employee (2 x 1 MSEK). In addition, we estimate the cost of 3rd party expertise to be between 1-10 MSEK depending on the requirements of the complexity of the methodology, which is a challenge to predict. All together this gives (2 x FTE) + 3rd party = 2 MSEK + (1-10) MSEK = 3-12 million SEK.

Cost of response to risk

1300000

Description of response and explanation of cost calculation

A direct response to this risk is to voluntarily start working on calculating the products' climate emissions and voluntarily disclosure the products estimated emission based on acceptable standards, and thus reduce the risk for mandatory environmental product declarations. Another way to mitigate this risk is to work together with our industry as well as authorities to provide input on a common acceptable cost-effective methodology. Finally, it is important to follow closely the development in this area from the EU Commission. Considering that there is currently no generally accepted framework for accounting GHG emissions from products and services, this is only optional disclosure requirement in new draft of regulation from EU (CSRD), but where it is encouraged to voluntarily report estimated data for product and services with information and transparency about the methodology to share information with the industry. We disclose estimated GHG emissions from products and services, including methodologies used. In addition, Midsona also commits that 70 % of its suppliers will set science-based emission reduction targets aligned with 1.5°C by 2027. To further mitigate this risk, most of Midsona's targets from 2020 including our SBTs were also set to contribute to reduced emissions from our portfolio and company: i.e. 100 percent recyclable own consumer plastic packaging by 2025, 100 percent plant-based or vegetarian assortment by 2030, 90 percent recyclability of waste in our facilities, 100 percent recycled food waste, 100 percent fossil-free transport of goods by 2030. Midsona chose these sustainability goals to be in line with several of the categories in scope 3.

Our cost calculation for responding to this risk is estimated to be 1,3 mill SEK and is based on our investment in the GHG mapping of our product and services in 2020 for SBTi approval.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Midsona expects possible carbon taxes for fossil fuel or requirements for transportation providers to only use low/zero-emission vehicles in transportation in the medium to long term which is an opportunity for Midsona as we have a target for 100% fossil free self-contracted transports by 2030 and for Nordic 2025. This is also in line with our biggest customers' requirements as we have joined the Transport initiative 2025 launched by DLF in Sweden. Already 2019, we started to look at more carbon efficient transport chain, and in 2020/ 21, we continued to redesign transport chains from Belgium and Italy to an intermodal solution with the majority of trains instead of only trucks. In 2021, most of the transports from Italy to Denmark were transferred to a rail solution, as reflected by the reduction in climate emissions intensity in 2021. 2022, all transport from Italy to Mariager in Denmark will be by rail. The emission intensity from transport is reduced by 27% in 2021 compared with 2020 and the emission intensity from Nordic transport is reduced by 42%. This can positively impact reputation and reduce costs directly and indirectly through lower carbon prices and can give us a competitive advantage. The demand for fossil free alternatives will affect the development of fossil-free transport and our achievement of the transport target. Today's flight from Russia's fossil oil means that our transition to fossil-free transport is also likely to have an upside both in terms of reputation and cost efficient technological offerings for fossil-free solutions in the future. This can lead to greater demand and competition and thus increased costs for fossil-free energy in the short term, but with greater speed in the development of fossil-free solutions and offers and thus reduced costs in the medium to long term. In addition, our focus on efficiency in transportation through filling level, load planning and route optimization to reduce costs and lead times will impact our resource efficiency and reduce energy use. Several steps are taken 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. In Germany, we collaborate with Cargo Flex to optimize transportation, plan optimal routes and avoid unnecessary waiting times which in turn reduces fuel consumption and GHG emissions.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

13500000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

If we manage to achieve our goal of fossil-free transport by 2030, a possible requirement for increased taxes based on fossil fuels is likely to be an opportunity calculated for cost saving compared to competitors. The estimates financial impact is based on the emissions from our transport in 2019. At this point in time, the majority of our transport was still using fossil fuels (except some intermodal inbound transport and fossil free outbound transport Nordic). Total emissions have been multiplied with a price of 1 tCO2e with one of the highest taxes 2020/ 21, namely 1 119 SEK per tonne of CO2e. Emissions from transport in Midsona 2019 accounted for approx. 10 % of total tCO2e in scope 3. Including the newly acquired division south, this was estimated to account for approx. 12 000 tCO2e . Based on this data the financial impact was estimated to be 12 000 tCO2e x 1119 SEK that gives approx. 13 500 000 SEK (12 000 X 1119 = 13 500 000).

Cost to realize opportunity

8000000

Strategy to realize opportunity and explanation of cost calculation

In the second half of 2020, Midsona committed to set ambitious and science-based emission reduction targets according to SBTi. Midsona's approved SBTs is in line with SBTi's Criteria v4.2, where we report scope 1,2 and 3 emissions based on the GHG protocol. Today, Midsona has further committed to SBTi to increase ambition to 1.5°C and shortens the timeframe for reaching targets to 5-10 years. All relevant categories in all scopes have been carefully mapped. This helps us to reduce our greatest sustainability risks and to increase our focus on our greatest opportunities. It has made it easier for us to measure our progress and it facilitates the management of our foremost sustainability risks and opportunities. In this work, we identified transport as one important environmental risk area for Midsona, i.e. risk of negative climate impact

caused by freight transport and business travel with fossil fuels. Based on this risk analysis, one of Midsona's new sustainability targets for 2020 were developed to be able to reduce our greatest impact on sustainability within transport, which means 100 percent fossil-free goods transport by 2030. Midsona has chosen our nine new sustainability targets from 2020 to be in line with the relevant Scope 3 categories for Midsona "Purchased goods and services", "Fuels & energy", "Upstream transportation and distribution", "End-of-life treatment of sold products", "Waste", "Downstream transportation and distribution", "Business travel".

Our cost estimate is based on change to fossil free fuel for outbound transport. Change to fossil free fuel will increase the total transport price significantly which means an increased estimated transport cost at 8 MSEK. The cost calculation relates mainly to increased investment in more fossil free solutions. This gives a significant extra cost, but is also considered an important investment in Midsona's long-term corporate strategy to secure sustainable and efficient transport. Cost at 8 MSEK has been calculated based on a 5-10 % increase in transportation costs. The number is based on cost of transportation from 2021.

Comment

Midsona's explanation of cost calculation to reach our strategy and transport target by 2030 is the same cost to manage risk for increased carbon taxes for fossil fuel as well as our cost to realize opportunity.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Midsona considers it likely that products with low carbon impact will have a significantly increased market advantage in the future, and this in particular will be of great importance in the introduction of product carbon accounting and labelling. This will provide competitive advantages to Midsona's product portfolio as we have since long been working to increase our plant-based portfolio and already reached 99% plant-based /vegetarian for prioritized brands (91% all brands). In addition, organic production 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. If organic production is found to have lower GHG emissions than traditional production, we can further increase their positioning as sustainable brands, and hence increase market share and revenue. By expanding from organic food & beauty to other segments we can even enter new markets. We are generally an early mover regarding sustainable products, by offering a wide range of healthy, organic, plant-based products with focus on sustainable packaging, production and product handling through continuous emission reduction activities. Animal food generally have higher GHG emission than plant-based foods. Demand for plant-based alternatives has risen steadily in recent years and is expected to continue growing, and we see an opportunity in developing new products meeting consumers and customers' expectations within this segment. There is also a large potential for Midsona in strategically exploring the vegan/vegetarian segment further, for example by the development of new lab-based protein that do not require problematic protein substitutes. There is also an increasing demand for plant-based local production, an area which can be further explored by us. As an example, ICA is very clear that they will invest heavily in SWEDISH plant-based, and they are looking for partners. Technological developments can enable the growth of tropical raw materials in the Nordics.

o E.g.: Grow quinoa in greenhouses in Denmark as opposed to sourcing this from the other side of the world.

o E.g.: Develop Omega-3 from plant-based materials.

o E.g.: Grow tropical fruits in Nordic markets to reduce transportations costs.

Our low carbon targets for packaging, waste, energy and transport will also reduce the product footprint and all together this will give low carbon products.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

84600000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial impact is significant as organic goods account for 51% of total revenue, and plant-based or vegetarian account for 91%, including organic. In 2021, the proportion of plant-based products in the range was 83 percent. This is an increase of 4 percentage points on the preceding year. In addition, 99 % of prioritized brands are plant-based or vegetarian whereas 95 % plant-based. Total sales 2021 is 3,773 bill for Midsona. 83% of this is 3,132 bill (3,773 bill x 0,83 = 3,132 bill) which is our total sales of plant-based/ vegetarian. Our estimated impact is based on 10% increased sales of our organic and plant-based portfolio. Thus, total sale increase based on low carbon profile is estimated to 313, 2 MSEK (3,132 bill x 0,10 = 313,2 MSEK). Primary potential financial impact for Midsona will be 27% (profit is calculated at 27% of sales (Actual Company Gross Margin 2021 27%) of increased sales at 84,6 MSEK (313,2 MSEK x 0,28 = 84,6MSEK).

Cost to realize opportunity

31300000

Strategy to realize opportunity and explanation of cost calculation

Midsona is leading in the Nordic countries within organic products, consumer health and health food, with a vision to become one of the leaders in Europe. Consumers increasingly avoid animal products, unnecessary additives, and products with poor nutritional content. Midsona's strategic focus on health, plant-based, pure, and organic products is helping consumers to make better choices towards healthy and sustainable alternatives. Midsona has a clear strategy to offer products with a low climate footprint, where the sustainability aspect is included from crop to finished product, by climate reducing targets on waste, transport, packaging in addition to energy reduction and use of low carbon energy in the production of our brands. In our product strategy we focus on organic and plant-based as well as other environmentally certified raw materials and products for lower environmental impact. Our high level of plant-based food with lower carbon emissions are an important step on the path towards reducing

climate impacts, and why we set the target of 100% plant-based or vegetarian assortment by 2030. Today, the number is already 99% plant-based or vegetarian of prioritized food brands, whereas 51% of our revenue is organic products for more environmentally friendly production.

One example for strategic action to further increase capacity and broaden our plant-based product range, is Midsona's efforts 2021 where we have completed an extensive transformation of Midsona's Spanish production facility in Castellcir, resulting in a marked increase in capacity and capability as a hub for the production of plant-based meat alternatives. This can be exploited further through a communication strategy to target sustainability conscious end consumers. All these intensives are established and managed through the leadership as part of Midsona's company strategy.

We estimate our primary cost to realize an opportunity to be 10% of estimated increased sales. This cost is based on increased marketing costs including personnel. Total sales 2021 is 3,773 bill. 10% increased sale based on opportunity for 83% of our total sale (plant-based) is calculated as $0,10 \times (3,773 \text{ bill} \times 0,83 = 3,132) = 313,2 \text{ MSEK}$. Thus, our cost to realize opportunity is 31,3 MSEK ($313,2 \times 0,10 = 31,3 \text{ MSEK}$).

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of recycling

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

We expect that the costs of non-recyclable waste and packaging will increase as part of the European Strategy in a Circular Economy and in accordance with the UN's, latest call for action for tightening climate targets and greater efforts from all actors, COP 26 (October 2021). We evaluate this as an opportunity for us since we have targets on both to reach 90% recyclable waste in own operation by 2025 as well as 100% recyclable consumer plastic packaging by 2025, and thus give us a competitive advantage. This is in line with our biggest customers' requirements as we have joined the Plastic Initiative 2025 launched by DLF in Sweden. Both customer and consumers have increased focus on footprint and circularity, and we assume this will be an opportunity for our competition event and final sales. Midsona have for a long time been working to increase recycling, both for our packaging and sorting of waste in our facilities. All packaging from Earth Control, Delicata as well as 85% of Davert is made of recyclable plastic. For our biggest brand Friggs, the packaging will be recyclable by 2023/24, and project for recyclable plastic for Urtekram's, Kung Markatta's and Helios' production has been initiated. For own purchased packaging material, most of the UK Beauty products use plant-based plastic today made of recycled material from sugar cane waste.

The numbers for waste recyclability for own operation increased from 74% to 78% from 2019 to 2021 in our facilities, and we aim for 90%. Our ambition is to reduce unnecessary food waste and increase the reuse of the unavoidable food waste. Our objective is to reuse all of our food waste by 2025, to be in line with both Agenda 2030 and the EU's "Green Deal", as well as with the Swedish government's milestones for food waste. We collaborates with several players to reuse the food waste as biogas, fertiliser, animal food, donate (57% increase from 2020), or at a reduced price, manage the unavoidable residual waste in our facilities. We have found new partners also in 2021 who are helping us prevent food waste. 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 %. In 2021, 42% of products were labelled "Best before, often good after" to reduce food waste at the end of the product life circle.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

8900000

Potential financial impact figure – maximum (currency)

15900000

Explanation of financial impact figure

If we manage to achieve our goal of 90 % recyclable waste in our facilities by 2025 as well as 100% recyclable plastic packaging, the risk for increased costs will instead be an opportunity calculated for cost saving compared to competitors. Our estimate on the financial impact has been based on our price from one of the highest taxes today, which is 1,6 MSEK in Sweden. In two years we have increased our packaging tax with approx. 200% with an expected further increase in the short term in Sweden, and we expect the same for the other countries in short to medium term. Sweden account for over 40% Nordic and if the rest of the division receives the same tax, this figure must increase by 60% for Nordic, ie $1,6 \times 1,6 = 2,6 \text{ MSEK}$. If we include all divisions in the Nordic figure this estimate will increase by 31% since Nordic account for 69% of total, ie $2,6 \times 1,31 \sim 3,5 \text{ MSEK}$. Greater differentiation between recyclable and non-recyclable, will increase this financial impact. Countries like Denmark (2025) and UK (2022) work also with new taxes that will apply to plastic packaging that does not contain at least some amounts of recycled plastic. The government policy objective of such tax is to provide a clear economic incentive for businesses to use recycled material in the production of plastic packaging, which will create greater demand for this material and in turn stimulate increased levels of recycling and collection of plastic waste. Denmark will introduce extended producer responsibility from 2025 in relation to recycling of packaging with expected increased costs. For several plastic products, there will either be a ban, requirements for limited use or labelling and clean-up responsibility. Based on this, the financial impact may be at least doubled and possibly multiplied in the near future. We estimate a potential range from 2 to 4 times the current estimate for the future which gives a financial figure from $3,5 \times 2 = 7 \text{ MSEK}$ to $3,5 \times 4 = 14 \text{ MSEK}$. In addition, we have total 2142 ton own waste, whereas 78% is sorted when we includes all new acquisitions. Cost difference of sorted vs non-sorted is on average 7340,5 SEK per ton. Based on our target with 90% recyclability we will reach 1928 ton sorted ($2142 \times 0,90 = 1644$). This minus sorted waste 2021 at 1664 ton, give increased sorting at 264 tons by 2025, with the following savings $264 \text{ ton} \times 7340,5 \text{ SEK} = 1,9 \text{ MSEK}$. This give an estimated range from $1,9 + 7 = 8,9 \text{ MSEK}$ to $1,9 + 14 = 15,9 \text{ MSEK}$.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

The purpose of a circular economy is to maintain the value of products, materials and resources for as long as possible by returning them into the product cycle after they have reached the end of their lifecycle, while minimising the generation of waste. The more we recycle, the fewer materials we extract, thus benefiting our environment. Midsona has a strategy for circularity where we work a lot with recycling for both our own waste and for packaging on the products. With our waste target we aim for 90% total recyclability for own operation, and with our food waste target, we will increase even more our focus on this. For waste for end-of-life treatment of packaging at consumer unit, we have a target for 100 % recyclable plastic by 2025. Midsona have a clear strategy to change our climate impact from packaging. Since 2018 we have been working to reduce packaging environmental impact both on consumer/retail units and purchased packaging material. Based on our Group Sustainable Packaging Strategy and new packaging target from 2020, we have ongoing projects to increase use of recyclable plastic or paper as well as projects where we have reduced or removed plastic and increased shelf life in addition to inspire on label to reduce food waste and increase recycling. All packaging for new or updated products are labelled with recycling instructions. Parts of our brands are equipped with "Best by" and "Often good after" labelling for reduced food waste, and we will follow up this for all organic brands. For purchased packaging material own production, we try to have more recyclable packaging. By choosing FSC paper (Forest Stewardship Council) packaging materials for our brands, Midsona also promote implementation of sustainable management of the forests and today a high number of purchased packaging material is recycled or FSC certified.

Our cost calculation show that we increase our packaging cost with 5 to 10 % when we change to recyclable packaging. For the group this is estimated to give a total increase of packaging cost at 15,6 MSEK based on total packaging cost 2020. In addition, 2020, total 25 % of purchased packaging material in Division Nordics and North Europe is made of plant-based plastic from sugar cane waste with a cost increase of 2,96 MSEK. Total cost to response to risk is 18,6 MSEK (15,6 MSEK + 2,96 MSEK = 18,6 MSEK).

Comment

Midsona's explanation of cost calculation to reach our opportunity for recyclable packaging is similar to the potential financial impact figure for the opportunity. At the same time as recyclable packaging is also an important way of reducing our climate footprint, thus helping to reduce the risk of negative impact on the environment and global warming, this will help us on the way to reach low carbon portfolio and like this potentially increase sale.

C3. Business Strategy**C3.1****(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?****Row 1****Transition plan**

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

Yes

Mechanism by which feedback is collected from shareholders on your transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

Our climate transition plan is voted on at Midsonas Sustainability steering group (sustainability committee) and Board of Directors. Midsona's sustainability transition plan, including the transition plan for targets in Midsona's climate transition plan from 2021, is published as part of our annual report 2021 on pages 54-85 with the accompanying appendix from pages 86-101. The annual report is voted on at the AGM in 2022 for the year 2021. In 2023, the climate transition plan, both its content and progress, will be voted on at Midsona's AGM. The frequency of feedback collection from AGM is annual.

Frequency of feedback collection

Annually

Attach any relevant documents which detail your transition plan (optional)

Midsona_AR2021_EN_web.pdf - FINAL.pdf

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario		Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios	IEA 2DS	Company-wide	<Not Applicable>	<p>This scenario assumes that global warming can be limited to a maximum of 2°C. The scenario includes higher climate policy ambitions and coordinated global climate measures in the near future. Transition risks and transition opportunities dominate this scenario, with limited physical risks. The scenario is also based on global CO2 emissions reaching their peak in 2020 and then decreasing rapidly. A high carbon tax around \$140 USD (IEA WEO, 2019) is introduced in advanced economies, and global energy is generated primarily through renewable energy sources. Customers are becoming increasingly climate-conscious and are demanding more sustainable products.</p> <p>The conclusion drawn from our scenario analysis is that a <2.0°C scenario affects Midsona’s operations and value chain in many of our material areas. We have identified several areas within climate-related risks and opportunities which will likely have a financial and/or strategic impact on Midsona. In this scenario, changing legislations increased legal risks from control of the supply chain, and market and reputational risks related to product portfolio were categorized as the most material risks. On the flipside, climate-related opportunities such as transitioning to the use of lower-emission sources of energy, developing our product portfolio and improving waste management procedures to accommodate expected demands from the European Strategy in a Circular Economy were identified to be the most prominent opportunities for Midsona. Ultimately, all sustainability targets for Midsona have been developed in accordance with a <2.0°C scenario.</p>
Physical climate scenarios	RCP 8.5	Company-wide	<Not Applicable>	<p>The 4.0°C business as usual scenario is dominated by increasing physical risks due to a lack of coordinated policy actions to limit climate change. In this scenario, economic growth is preferred over climate action; the population grows faster than in the 2°C-degrees scenario and overconsumption of resources continues. The world continues to be dependent on fossil fuels and energy intensity continues to be high. Customers are not prioritizing climate in their decision-making. Water becomes an essential resource with limited availability, and climate-related conflicts increase due to poor agriculture and living conditions. As the globe is warming up, the severity and frequency of extreme weather events are increasing.</p> <p>In a 4.0°C scenario, the physical risk areas for Midsona and the lack of resources as fuel and energy supply, key raw materials as certified raw materials and water supply will escalate significantly and will require further action. Already today we see the effect of reduced access to some raw materials based on climate challenges, for example where this year we have had challenges with both quinoa from Peru and prunes from Chile based on climate change. Commodity challenges have already increased significantly in recent years and will in all probability escalate in a 4-degree scenario. For our certified raw materials with less access globally, this will be extra vulnerable. This will continue to affect our strategy in the future, as we must continuously monitor and assess developments in purchasing, production and distribution to reach our reduction target and limit global warming to <2.0 degrees compared with pre-industrial levels. In this scenario, supply chain disruption both regarding raw material availability as well as transportation challenges are identified as potential risks. With this, there is a further risk that the pricing of these products and services will significantly elevate volatility, and that there will be uncertainties in financial planning. To respond to the risks laid out in this scenario, Midsona has developed a Climate Change Strategy to reduce its negative environmental impact and formulated a 1.5 degree aligned climate transition plan to guide the transition process. Additionally, Midsona is actively managing supply chain risk through close dialogue with volume and product critical suppliers, established alternative suppliers for certain products and more efficient resource procurement processes.</p>

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

In line with the Paris Agreement and the TCFD’s recommendations, we have used public scenarios from the IEA and IPCC to assess possible outcomes based on a temperature increase of 2 or 4°C respectively. The aim of the analysis is to gain insight into the potential strategic and financial consequences that may arise for Midsona given different future scenarios and we have therefore analysed different scenarios in a short, medium and long-term perspective. Midsona seeks to uncover any underlying risks or opportunities that could be materialized through climate-related scenarios depending on the level of actions taken globally. Prioritization of risks and opportunities follows a time horizon, likelihood and magnitude of impact assessment. Midsona is using publicly available scenarios as a forward-looking framing mechanism for the focal questions through which further climate-related initiatives are directed.

Midsona’s most prominent focal questions have been identified to be i) uncovering the most influential future developments that can directly influence Midsona’s operations, ii) guiding strategic initiatives and targets and iii) strengthening governance of climate-related issues.

Results of the climate-related scenario analysis with respect to the focal questions

The results from the conducted scenario analysis has already led to several initiatives across the Midsona Group. The development of our new sustainability targets is the result of our scenario analysis. These are our most vulnerable areas with the highest risk and our scenario analyses help us see what possible directions these can take over time, including our decision to set an ambitious target for emission reductions for our own operations (Scopes 1 and 2), and for our value chain (Scope 3).

- i) Uncovering the most influential future developments that can directly influence Midsona’s operations. As an example, Midsona can expect that emerging regulations will increase in more ambitious climate-related scenarios, which would directly influence financial and strategic planning. Midsona has a clear overall goal to change our climate impact from energy, plastic packaging and transport. We have worked with climate-reducing incentives from energy consumption, material selection, product design and packaging to customer transports to reduce emissions. For incoming transports, we have started to shift our transports from fossil-fuelled carbon-intensive trucks to emission-efficient train transports and we are working actively to increase the filling and efficiency of all transports. This will also reduce our expenses directly based on environmental and carbon taxes.
- ii) Guiding strategic initiatives and targets. Following the updated sustainability targets, Midsona has constructed a climate transition plan analyzing the development of Midsona’s emissions across all scopes from 2021 to 2034, where Midsona’s current Science Based Target will conclude. The analysis has further been utilized as material for guiding internal strategy and initiatives. Midsona aims to further strengthen the current climate transition plan by tying it directly to financial planning.
- iii) Strengthening governance of climate-related issues. Following the constructed climate transition plan, Midsona uncovered that an increased ambition directly targeted toward our supply chain emerged as a prominent focus area. From this, the Board has approved that Midsona updates its Science Based Targets to a target with a 1.5 degree ambition, and to set Science Based Targets-aligned supplier engagement targets for our supply chain.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Risks and opportunities related to the growing demand from customers for organic, pure, natural, and plant-based food with a low carbon footprint, (as reported in C2.4a Opportunity 2) have influenced our product-related strategy and product portfolio. We work with organic certified products as well as other environmentally certified raw materials and products, and we have a clear strategy on plant-based products for the climate impacts of the product portfolio. Our Board has decided to commit to increasing the share of plant-based products in the portfolio with a long-term target to reach 100% plant-based or vegetarian portfolio by 2030. In 2021, the proportion of plant-based & vegetarian products was 91 % with 83 % plant-based alone. This is an increase of 4 % from 2020. We have since long been working to increase our plant-based portfolio, using plant-based and natural ingredients in our flagship brands such as Urtekram, KungMarkatta, Helios, Davert, Celnat, Happy Bio, Vegetalia and Friggs. Demand for plant-based alternatives has risen steadily in recent years and is expected to continue growing. To meet demand, the leadership decided in 2020 to further increase capacity and broaden our product range by expanding the Group's Spanish manufacturing unit in Castellcir, to be our hub for the production of plant-based meat alternatives for several brands within the Group. In 2021, we completed an extensive modernization of this unit, with significantly increased capacity and capability for products such as tofu and other plant-based products. To cover the key categories in animal food with plant-based alternatives, Midsona Iberia (Castellcir) expanded its range of meat alternatives with meat-free meatballs, sliced vegan cheese, seitan mince and marinated tofu. During the year, we have also 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.</p> <p>It is fundamental for us to have a product portfolio with low climate impact on soil-, forest-, marine-, and water as well as health in the society. We have several strategically chosen targets with an ambition for a product portfolio with a low carbon emission. As example, our strategic target for low carbon packaging where we aim for 100% recyclable plastic on consumer units by 2025.</p>
Supply chain and/or value chain	Yes	<p>Risks and opportunities related to volatile prices and lower availability of raw materials due to climate change (as reported in C2.3a Risk 1) have influenced our sourcing strategy in the supply chain. We buy raw materials and finished products mainly from suppliers in Europe, South- and North America and Asia, and the ability to secure goods even in weather-related physical conditions can affect our operations and profitability. Already today we see the effect of reduced access and increased prices to some raw materials based on climate challenges. As an example, this year we have challenges with both quinoa from Peru and prunes from Chile based on climate change. To mitigate this risk, we have frequent dialogue with our major suppliers on volume-critical products for secured delivery, have efficient raw material use by common sourcing and production and work to establish alternative suppliers, for delivery of critical volume products to reduce dependence. We also actively work with various certifications to reduce agricultural-, forest- or marine risks. The Group's new instructions regarding GMOs, palm oil, fish oil, paper use and animal welfare" have been approved by the Board and implemented in 2021, and we have already reached our target of 100% palm oil-free products (over 99%). The Board's earlier decision to put more emphasis on conducting risk assessments for our supply chain, with target to reach 100% classified suppliers by 2025 is based on many risk parameters including environmental conditions. This has been further strengthened by the Board approving to set supplier engagement targets based on the 1.5 degree ambition. Through our Supplier Code of Conduct and our self-assessment tool in the supplier portal KODIAK, where we classify our suppliers based on all our mapped supplier risks, including climate-risk we take responsibility through the entire value chain. Thus, we can set higher requirements on supplier level, improve important processes and reduce risks in the value chain. We have also followed up our collaboration with one key supplier of rice in India, to create a transparent and sustainable supply chain of certified products, to focus on efficient water and CO2 use in rice production. Our targets include also elimination of fossil-based transport in our direct operations by 2025 in the Nordics and by 2030 across the Midsona Group.</p>
Investment in R&D	Yes	<p>We see an opportunity in developing new products in both the local plant-based category and for organic. As reported in C2.4a Opportunity 2, we can explore the increasing demand for plant-based local production and the technological developments for growth of tropical raw materials in the Nordics. We also see an opportunity in supporting developing new solutions for recyclable packaging. New demands for processing consumer packaging and especially plastics will have a direct impact on packaging costs. We see that changes in national manufacturer's liability systems are raising the costs of handling used packaging and we expect this to increase even more. The government's policy objective is to provide a clear economic incentive for businesses to use recycled material in the production of plastic packaging, which will create greater demand for this material and in turn stimulate increased levels of recycling and collection of plastic waste. For several plastic products, we expect there will either be a ban, requirements for limited use or labelling and clean-up responsibility. To mitigate this risk, Midsona has committed to the DLF Plastic Initiative in Sweden and have applied this goal to other parts of the Group as of 2020. The ambition is 100% recyclable plastic for consumer units by 2025, and thereby contribute to the EU's strategy for a circular economy. Based on our progress for our packaging target, we consider this as an opportunity for us where the magnitude of financial impact is up to medium as reported in C2.4a. In any case, to achieve the goal of 100% recyclable packaging, a technological development of suitable packaging is required. As example, in Spain, the production of heat-treated food still does not handle recyclable plastic in the production as the technology currently does not allow for any other packaging than traditional plastic. We have also other ongoing projects to reduce or remove plastic, increase shelf life in addition to inspire on label to reduce food waste and increase recycling as well as purchase more recycled packaging material and use of FSC paper (Forest Stewardship Council) for sustainable management of the forests for own production. In 2021, 38% of our packaging material are recyclable and we aim for 100. Almost all purchased packaging material for Urtekram beauty is made of plant-based plastic from sugar cane waste.</p>
Operations	Yes	<p>Climate-related risks and opportunities have directly influenced Midsona's strategy and target setting. In 2021, Midsona's climate-related targets under our development goals "Efficient resource use" and "Efficient transport" were set and approved based on climate related risk and opportunity assessments.</p> <p>Transports (both transport of goods and business travels), water and energy consumption, packaging waste, production waste and food waste constitute the main sources for our climate- and environmental impact on our own facilities and operations. To reduce our impact of waste, we set a target in 2020 to reach 90% recyclable waste by 2025 and to 100% reuse food waste. Midsona operates in countries with low to medium water risk and impact, except for Spain where we operate in regions with higher levels of water stress. In all divisions, we operate with low water consumption. Spain has the most water-intensive production where we have target and actions to reduce our freshwater use. For our energy risk, in 2021, our Board decided a new target for 100% renewable energy by 2028. We also produce renewable solar energy in all divisions. For transport, we have a new strategic target from 2020 to increase our fossil free transport and to reach 100% fossil free by 2030. As reported in C2.3a Risk 2 and C2.4a Opportunity 1, we see both a risk as well as possible opportunity in fossil free fuel for transport, which we assume will reduce operational costs if we reach our transport target and vice versa. We have also increased our video conference as alternative to business travel significantly even before covid 19 as we always encourage all our employees to avoid unnecessary travels to reduce our CO2 emissions. We conduct systematic preventive environmental work at our production facilities and set environmental requirements on our transports and suppliers, to reduce our environmental impact.</p>

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets	<p>Sustainability and climate-related risks and opportunities have directly influenced our financial planning for all our targets. To appropriately integrate the potential effects of climate change into our strategic and financial planning processes, we consider how climate-related risks and opportunities can be developed and the potential business implications that may arise under different conditions. The purpose of this analysis is to appropriately incorporate the potential effect of different forces for development of our risks and targets into our strategic and financial planning and help Midsona's decision makers have a short-, medium- and long-term perspective. Our corresponding scenario analyses are very useful in addition to traditional planning and trend projection. In particular, the method has its place in a world of rapid change and changing framework conditions, which is the case for climate change.</p> <p>By preparing for plausible alternatives, the necessary knowledge and ways of thinking are generated to cope with the real future. We are using our scenario analysis as a method for long-term planning and for next steps, and for the decisions and discussions in daily business in each workstream to be able to reach the targets with descriptions of compound future images. The scenarios describe plausible developments as a sketch of projected future events. They highlight issues that Midsona needs to be aware of and relate to the consequences that different decisions can have. Therefore, Midsona's scenario analysis gives us several alternative hypothetical developments in our planning and is used as a planning tool to analyse and structure thoughts about alternative developments in the future. Both the risk, opportunity, and scenario analysis help Midsona to be prepared for possible outcomes and make the right choices and steps based on where the largest progress is possible to drive our targets forward. Like this we can prioritize and facilitate steering to achieve and measure progress in the most efficient way. Most targets need to be completed step by step and our scenario analysis helps us to choose the right steps at the right timing. External shocks/stresses or unexpected events like Covid 19 and international conflicts and war is an good example of how strong forces can influence the direction and development of the business including sustainability related efforts, risks and opportunities, and it is important to be prepared for such unexpected events</p> <p>Our sustainability targets affect both our direct and indirect cost as well as revenue and have influenced our financial planning.</p> <p>As an example, our target for recyclable plastic packaging by 2025, which is also affecting our SBT Scope 3 target, shows how we consider to achieve and fund our strategy for low carbon packaging. All of the products sold by Midsona include some degree of packaging, among other plastic. This is associated with both upstream emissions from the production of the packaging materials, and downstream emissions from the waste disposal of the materials. Our recyclable plastics target has a medium time horizon at 4 years, and increases our purchasing cost of packaging for in-house production of our own brands by 5-10% compared to non-recyclable packaging. This must therefore be included in the different sourcing departments' budgets and total operating costs as this affects our direct cost for our raw materials and products. As part of our financial planning, we make financial plans that outline the specific actions, assets, and resources (including capital) necessary to achieve these objectives over a 4-year period. In addition, our acquisitions are based on our strategic goal of increasing our plant-based and vegetarian low carbon portfolio. We see a clear opportunity for increased sale of organic, plant-based and vegetarian food and products with a reduced climate impact, which accounts for 99% of our prioritized brands, as well as organic which account for 51 % in 2021. This is a significant share of the total revenue and is strategically important for Midsona in the short- to long-term. A significant impact for this strategy and target to reach 100% plant-based or vegetarian assortment by 2030, is our acquisitions (growth) journey, which is an integral and fundamental part of Midsona's business. This target has a long-term horizons at 10 years, but we have in recent years shown a good capacity for identifying strategically suitable acquisitions to strengthen and develop our plant-based portfolio and like this played a major role in both organic and plant-based market in our regions, through the acquisitions of brands like Urtekram, Kung Markatta, Helios, Davert, Celnat and Happy Bio. The acquisitions of System Frugt in Denmark significantly strengthens our platform in the Nordic region, adding an exciting plant-based health brand, Earth Control, in an attractive segment that is open to development. In Spain, we have also made a strategic investment in plant-based meat alternatives, with a strategic financial plan to expand also for our other markets. A strategic investment which in turn will increase our sales and revenue. Midsona's strategy is to be a growth company through an offensive strategy to acquire companies and strong sustainable brands in the Nordic region, which has, in recent years, been extended to encompass the rest of Europe, and thus included as an important capital in our financial planning.</p>

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

Yes

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.

Financial Metric

OPEX

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

2

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world

We have calculated direct costs on the following projects that directly affect our carbon transition aligned with a 1.5°C world: Cost in SEK:

- ▶ Carbon Transition Plan Analysis: 0,5 M
- ▶ Kotwa project: 1 M
- ▶ Celnat Fond: 0.5 M
- ▶ Midsona Finland's WWF Green Office certification: 0,02 M
- ▶ Modernization of Castellsir for a plant-based alternative to animal food, investment: 31,3 M
- ▶ Transition certificate Renewable energy: 0,22 M
- ▶ Electricity supply with own solar panels where we produced 403 MWh 2021 with production cost: 0.74M
- ▶ Transition from fossil fuel oil boiler for heating in Jakobstad with installed district heating from biofuel-powered power plant, investment: 2 M
- ▶ Transition to low carbon transport from truck to train which is cost neutral. From fossil fuel- to biofuel/HVO truck: 0,1 M
- ▶ Climate-neutrally offsetting for Helios brand as well as transport of KM brand: 0,1+0,15=0,25 M
- ▶ From virgin plastic to plant-based reused sugar cane waste for UK beauty-packaging: 3 M
- ▶ From non-recyclable to recyclable packaging: 5M
- ▶ Kung Markatta brand part of Bower; The packaging collection, FTI in collaboration with the recycling app Bower with the goal that even more packaging will be left for recycling: 0,01M
- ▶ Transition to energy efficiency in production processes and Smart control system in Germany: 800,000 (2020) + 2, 234,500 (2021): 3 M
- ▶ Supply chain systems as Kodiak, SEDEX and Sustainability data moduls CEMA & PG: 0,75M

Total: 48.4 M

Calculated as % of total operational cost (Opex) which is 2,800 M (2,8 bill). Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year is therefore ~2,0 %. However, the real number is much higher since we have taken a conservative approach and only report figures where Midsona has a specific cost picture, and is based on average costs per project. Some projects are also cost-neutral or cost-saving and are not included here. We are working on several other initiatives in packaging and transport, replacing car fleets, reduce and renewable energy, etc that will increase this percentage significantly as:

Reduce and Recyclable packaging:

- ▶ Changing plastic film to a thinner recyclable film as well as changed the label to a recyclable solution, we reduced plastic consumption by 7.1 tones own brands in Tilst as well as collaboration with UPM Raflatac where all paper from the labels is recycled in a circular system. Also Private Label packaging became 100% recyclable.
- ▶ Davert brand with certified recycling label in collaboration with a waste management company (INTERSEROH) and an accredited analytical institution (Fraunhofer Institut).
- ▶ Removing or reduce plastic. As example, reduced the amount of plastic foil packaging for storage and transport by 9 tones of plastic annually in Mariager.

Energy:

- ▶ In Denmark, a hot air project reduced electricity consumption by 10% through new power-optimized compressors.
- ▶ In cosmetics production, district heating consumption has been optimized, resulting in about 1.5 h less district heating consumption per day.

Transport:

- ▶ We works with suppliers to improve the degree of filling and to streamline transports: As ex, increased the stack height of rice and corn cakes on pallets lead to a reduction in the number of Friggs product shipments by 17%.
- ▶ During the year, several steps were taken at the Group level to improve the structure of the European value chain and to harmonize the various operations.
- ▶ Ongoing out phasing fossil-fuel cars to electric or hybrid cars as we replace company cars.
- ▶ Climate-neutrally offsetting for transport of online store, Germany.

Waste:

- ▶ Reused food waste to 99.8% as biomass, animal feed, fertilizer, donation etc, which means that we are close to fulfilling our target of 100%. As ex, entailing a 57% increased donation from 2020.

Raw material:

- ▶ Significant cost item from environmentally certified raw materials and products.

Other:

- ▶ Midsona Germany with Sustainability We Care certification.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

3798

Base year Scope 2 emissions covered by target (metric tons CO2e)

959

Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

4757

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2034

Targeted reduction from base year (%)

38

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

2949.34

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

3224

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

568

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

3792

% of target achieved relative to base year [auto-calculated]

53.3839328192248

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain target coverage and identify any exclusions

In 2020, Midsona committed to set ambitious and science-based emission reduction targets according to SBTi. Midsona submitted and got approval for a target in line with SBTi's Criteria v4.2. We report scope 1, 2 and 3 emissions based on the GHG protocol and the strict criteria to be able to get a SBT approved by SBTi. All relevant categories in all scopes have been carefully mapped. Midsona's emissions reduction targets are in line with what the latest climate science says is needed to meet the goals of the Paris Agreement.

Abs1 covers GHG emissions from all Midsona's operations (scopes 1 and 2) is currently consistent with the reductions required to keep global warming to well-below 2°C.

In line with the new Net-zero standard launched by the SBTi at the end of last year, Midsona has committed to re-validate our near-term target to be in line with the more ambitious 1.5-degree targets, as well as committed to reaching a net-zero target by 2045.

Reaching zero emissions by 2045 at the latest is a significant milestone for Midsona. The work is now continuing to evaluate the measures that are necessary to accelerate

the reduction of Midsona's climate impact.

Plan for achieving target, and progress made to the end of the reporting year

From our base year, Midsona has reduced Scope 1 and 2 emissions by 53 % through the following initiatives:

- Replace fossil vehicles with hybrid/electric vehicles
- Optimize machines to halve CO2 process gas consumption
- Purchase green electricity for electricity consumption

To reach our current target of 38 % reduction by 2034 (and our updated 1.5-degree aligned target), Midsona aims to consume 100 % renewable energy in Scope 1 and 2 by 2028.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 2

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 4: Upstream transportation and distribution

Category 5: Waste generated in operations

Category 6: Business travel

Category 9: Downstream transportation and distribution

Category 12: End-of-life treatment of sold products

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)

123826

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

123826

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2034

Targeted reduction from base year (%)

38

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

76772.12

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

124598

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

124598

% of target achieved relative to base year [auto-calculated]

-1.64067235263064

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain target coverage and identify any exclusions

In the second half of 2020, Midsona committed to set ambitious and science-based emission reduction targets according to SBTi. Midsona submitted and got approval for a target in line with SBTi's Criteria v4.2.

The SBTi encourages companies to develop scope 3 inventories, and Midsona has completed a scope 3 inventory of all relevant categories based on GHG protocol. This means a high-level evaluation to estimate the scope 3 emissions categories that are relevant to your company and indicate which ones are expected to be most significant. Midsona's GHG emissions inventory covers all relevant GHG emissions, from all relevant sources and subsidiaries. The GHG inventory is composed exclusively of fossil based emissions, and no biogenic emissions have been reported alongside the GHG inventory. Seven of the Scope 3 categories are relevant to Midsona, and we have measured emissions from all seven categories.

Midsona's value chain (scope 3) emissions reduction target meet the SBTi's criteria for ambitious value chain goals, meaning they are in line with current best practice. Midsona's emission mapping and emission targets are in line with the long-term goal of reaching zero emissions by 2045 at the latest and is a significant milestone for Midsona. The work is now continuing to evaluate the measures that are necessary to accelerate the reduction of Midsona's climate impact.

In line with the new Net-zero standard launched by the SBTi at the end of last year, Midsona has committed to re-validate our near-term target to be in line with the more ambitious 1.5-degree targets, as well as committed to reaching a net-zero target by 2045.

Plan for achieving target, and progress made to the end of the reporting year

Midsona has made several efforts to reduce scope 3 emissions in the reporting year:

- Increased share of recyclable packaging reducing emissions from the end of life treatment of our packaging materials with 36 %
- Increased share of recycled materials used in our packaging materials
- Shifting the transportation of goods from fossil-fueled trucks to greener alternatives such as rails

To reach our current target of 38 % reduction by 2034 (and our updated 1.5-degree aligned target), Midsona will focus our efforts to the following areas:

- Change to 100 % recyclable packaging
- Change to 100 % renewable packaging materials
- Change to 100 % fossil free transportation
- Engage our supply chain to set their own science-based emission reduction targets to ensure emission reductions across our value chain

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2045

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

Please explain target coverage and identify any exclusions

In the second half of 2020, Midsona committed to set ambitious and science-based emission reduction targets according to SBTi. Midsona submitted and got approval for a well below 2 degree target in line with SBTi's Criteria v4.2, Midsona have now committed to update this target in line with the new SBTi Net-Zero standard. This entails updating our near-term target (Abs1+2) to be in line with the 1.5 degree criteria, as well as reducing our overall Scope 1, 2 and 3 emissions by 90 % by 2045.

Midsona's emission mapping and science-based emission targets are in line with EU's long-term goal of reaching zero emissions by 2045 and are a significant milestone for Midsona. Our target covers emissions from our Scope 1, 2 and 3 from all our Divisions (Nordic, North Europe, South Europe). We have been working on a climate transition plan to identify how we will reach this target in each area of our business as well as in our value chain. We will continuously evaluate the identified measures that are necessary to accelerate the reduction of Midsona's climate impact. Midsona's head office is in Sweden, and therefore Midsona has the ambition to drive its climate transition in line with the goals of the Paris Agreement as well as the Swedish Government's ambitious target and long-term climate strategy to adopt a net-zero emissions already by 2045. Midsona's currently approved SBTs, and our commitment to Net-zero through the SBTi represent our first steps of becoming net-zero.

Additionally, Midsona are actively discussing how to compensate and balance residual emissions, but as a first focus we are working actively on strategy development and planning to reduce GHG emissions, both in our own operations and in our value chain.

Midsona's climate goals (SBTs) are:

- Midsona undertakes to reduce its absolute emissions of greenhouse gases scope 1 and 2 greenhouse gases by 38 percent by 2034 from a base year 2019.
- Midsona also undertakes to reduce greenhouse gas emissions by scope 3 by 38 percent within the same time frame.
- Midsona has committed to updating this target to a more ambitious 1.5-degree aligned target of Scope 1, 2 and 3 reductions of 54 % from 2019 to a 2032 target year.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

Midsona is actively looking at different carbon removal projects such as the planting of mangrove trees as both near- and long-term investments to reach net-zero by 2045.

Planned actions to mitigate emissions beyond your value chain (optional)

Midsona is actively looking at different carbon offset- and carbon removal projects such as the planting of mangrove trees as both near- and long-term investments to reach net-zero by 2045.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	6	
To be implemented*	1	479
Implementation commenced*	1	275
Implemented*	4	11509
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes	Smart control system
-------------------------------------------	----------------------

Estimated annual CO2e savings (metric tonnes CO2e)

835

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

280000

Investment required (unit currency – as specified in C0.4)

3034000

Payback period

11-15 years

Estimated lifetime of the initiative

Ongoing

Comment

In Germany, Division North Europe, gas consumption decreased by as much as 49 percent, in the production of puffed grain and roasted muesli. A major advance was achieved through an expanded monitoring system, technical control and strengthened awareness among employees in production. This has reduced emissions in Scope 1 by 835 tCO_{2e}. Investment of 800 000 SEK 2020 for reduced consumption of CO₂ gas in production Germany as well as 2, 2 MSEK 2021 for monitoring system.

Initiative category & Initiative type

Waste reduction and material circularity	Product/component/material recycling
------------------------------------------	--------------------------------------

Estimated annual CO_{2e} savings (metric tonnes CO_{2e})

1816

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 1: Purchased goods & services

Scope 3 category 12: End-of-life treatment of sold products

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

14000000

Investment required (unit currency – as specified in C0.4)

46800000

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

We want to increase circularity and reduce emissions from our packaging materials, and have a target of 100 % recyclable plastic packaging by 2025. In our production in Tilst, we have achieved 80 % recyclable packaging by changing a plastic film to a thinner recyclable film, reducing plastic consumption by 7.1 tonnes, and changing the label to a recyclable solution. Corresponding figure for the Davert brand is 85%. We have also conducted a number of projects in product design and warehousing, in which we have removed or reduced packaging materials. For example, we have removed the aluminum 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 for storage and transport by 9 tones of plastic annually in Mariager. Recyclable packaging is 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.

Annual monetary savings per year expected in reduced taxes for non-recyclable plastic once it is fully operational in 2025, is estimated to be 14 MSEK based on Opp 3 in C2.4a. Yearly investment required over its lifetime at 3 years, is based on increased cost for non-recyclable packaging at 15,6 MSEK with total Investment over 3 years at 46,8 MSEK. The time it takes for the investment made to be offset by the monetary savings (Payback Period = Investment/Annual monetary savings) = 3.3.

Initiative category & Initiative type

Transportation	Other, please specify (Replace transport of goods from fossil trucks to low-energy alternatives)
----------------	---------------------------------------------------------------------------------------------------

Estimated annual CO_{2e} savings (metric tonnes CO_{2e})

2481

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 4: Upstream transportation & distribution

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

13500000

Investment required (unit currency – as specified in C0.4)

64000000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

We have following transport target toward 2025 and 2030: By 2025, 100 % of our goods transports for Nordic division contracted by Midsona will be fossil free. By 2030, all goods transport within Europe contracted by Midsona shall be fossil-free. We have in 2021 moved most of the transports from Italy to Denmark from fossil trucks to rail (cost-neutral). From 2022, all transport from Italy to Mariager in Denmark will be by rail. Additionally, Midsona are working with suppliers to improve the degree of filling and to streamline transports. Among other we have increased the stack height of rice and corn cakes on pallet in Belgium, to reduce Friggs shipments by 17 %. Over the year, the filling rate for transports of rice, one of our foremost raw materials, also increased, reducing overall emissions. During the year, several steps were taken at the Group level to improve efficiency of the European value chain and to harmonize the various operations with one of the objective of achieving significant transport savings.

Annual monetary savings per year expected in reduced taxes for fossil fuel once it is fully operational, is estimated to be 13, 5MSEK based on risk 2 in C2.3a. Yearly investment required over its lifetime at 7 years, is based on cost of response to the risk at 8 MSEK with total Investment over 8 years at 64 MSEK. The time it takes for the investment made to be offset by the monetary savings (Payback Period = Investment/Annual monetary savings) = 4,7.

Initiative category & Initiative type

Waste reduction and material circularity	Product/component/material recycling
------------------------------------------	--------------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

6377

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 1: Purchased goods & services

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

3000000

Payback period

No payback

Estimated lifetime of the initiative

3-5 years

Comment

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 increase the use of recycled and recyclable materials in our packaging and to use FSC-certified or recycled paper raw materials or similar to ensure sustainable forestry and reduce packaging material consumption. 2021, 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 this beauty products use this plant-based plastic today as well as tablets for the Mivitotal brand.

Annual monetary savings per year expected for recycled purchased packaging is today 0 SEK, even for UK Beauty since this is not recycled from circularly, but reused and taken from waste from another industry. Yearly investment required is based on cost increase of 3 MSEK. The time it takes for the investment made to be offset by the monetary savings is "Not relevant". Other types of Midsona's purchased recycled packaging materials as paper, metal, glass or FSC paper gives no extra cost.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Midsona has worked with energy risk management for many years, and has reduced our total energy footprint by reusing energy, purchasing renewable energy, and production of our own solar energy. As such, already in 2019 we had achieved almost 100 % renewable electricity in Division Nordic and North Europe, and reduced our total energy intensity per tonne produced. We are now working on the same measures for our newly acquired Division South and System Frugt. Our energy consumption is one of our most potential important sustainability risks, and Midsona is currently working to secure corresponding focus for Division South Europe and System Frugt, and to achieve 100-percent renewable energy use within the Group. Based on this, 2021 the Midsona Group set a new company-wide ambitious energy target for energy reduction and to reach 100% renewable energy by 2028 including a dedicated budget to be able to reach the target.
Dedicated budget for low-carbon product R&D	In developing new products, we always start with Midsona's core values of health and sustainability. Midsona's innovation groups work dedicatedly to develop or update products that help people lead a healthy and sustainable life. Quality entails that we always approve recipes, suppliers and end products to ensure that they are approved in accordance with our specifications. Sustainability is a major part of the whole process. Depending on the brand, different aspects of sustainability are considered. We also strive to continue increasing the proportion of organic products, for which the environmental requirements are stricter than they are for conventional foods. Packaging is also an important part of the project. We strive to find sustainable and low-carbon packaging materials, but also discuss how we can share items between markets more efficiently to restrict the number of different products and thereby also avoid food waste. Other aspects we consider are whether packaging materials can be reduced, for example avoiding packaging tea in cellophane, or considering the extent to which packages are filled. In addition, it is fundamental for us to use raw materials and product portfolios with as little climate-, soil-, forest-, marine-, and water risk as possible. With our new target from 2020 with an ambition to have only plant-based or vegetarian products by 2030, we increase further our focus to find alternative solutions to animal food, and thus positive effect on public health and climate. Our high level of plant-based food with lower carbon emissions is an important step on the path toward reducing climate impacts on our product portfolio. Today, the number is already 99% plant-based or vegetarian of prioritized food brands. Midsona monitors and reviews all these aspects in its innovation and product assortment process as well as in its product and supplier checks. Midsona invests a lot of resources in innovations and product improvements of our priority brands with its own dedicated budgets where the focus is on plant-based / vegetarian low-carbon products.
Dedicated budget for other emissions reduction activities	Midsona is investing heavily in our climate strategy with a focus on greenhouse gas reduction targets (SBTs) approved by SBTi, TCFD risk and opportunity analyses as well as raising our climate disclosure and reporting in a CDP report. Midsona has a dedicated budget for this work.
Compliance with regulatory requirements/standards	Midsona ensures all the way that we work in accordance with the relevant regulations and standards, and implement all necessary measures based on requirements in regulations.
Employee engagement	Sustainability and climate change strategy is an integrated part of Midsona's business and company strategy, and are closely related to our mission and anchored at Midsona's Board of Directors. Based on approved decisions from the board the sustainability work within Midsona is then conducted cross-functionally through a Sustainability Group led by the group's sustainability director and consisting of representatives for both the three divisions as well as all employees in all departments (our workstreams) like production, purchasing, quality, market, transport, etc. In the line organization, we have workstream and working group leaders (director of each department or a specialist in the relevant field) who have executive responsibility and goal for reaching our targets within its area of responsibility. Based on this, all employees have executive responsibilities and engagement in sustainability work and to reach our goals and targets as part of their KPIs, responsibility and business.
Financial optimization calculations	Midsona invests our sustainability and climate investments where we have our greatest risks and where we can contribute the most, i.e. where we have the greatest opportunities. The risk and opportunity analysis therefore forms the basis for our financial optimization calculations and process. The result of our sustainability and climate risk mapping increases awareness and understanding of our sustainable (including climate) -related risks and opportunities within the company, resulting in better risk management and allows us to focus on the risks that might cause us the most damage. This is analysed, reported, rectified and followed up on in accordance with Midsona's Risk Policy and resulting in more informed decision-making and strategic optimization of our financial planning, in addition to giving us the possibility to more constructive dialogue with stakeholders, in particular customers, investors and shareholders. Since Midsona further clarified our Sustainability targets (as mentioned earlier in this survey), it has facilitated the work of mapping and measuring progress and also how well we are able to steer our biggest risks including risks that are more complex. The ambition is to fully use it as an integrated part in planning, projects, decision, business development, identifying sustainable acquisitions etc. at different levels within the company and to be able to identify sustainability risks before a major decision is taken within Midsona. Work is at the moment carried out within Midsona to update the steering structure and the governance documents and routines in this respect. Sustainability and climate risks have a large impact on Midsona's business. By mapping, we: Strengthen our business model and prevent negative effects from the climate, and negative impacts on our business such as on the profit and loss statement, financing.
Internal incentives/recognition programs	The various sustainability measures are implemented in our routines and processes, and the Division Director together with the Sustainability Manager and head of the relevant departments ensure that our KPIs are taken into daily operations, and then reported in our sustainable reporting tool. We provide non-monetary incentives for the management of sustainability- and climate-related issues, including the attainment of targets. Midsona has annual employee interviews where individual KPIs are set up. CEO is reporting sustainability results directly to the board. Director Operation Group (also called COO) and Director Sustainability Group (also called CSO) have Sustainability goals (including climate change related issues) and KPI's included as part of individual goals, in addition to the rest of the Sustainability Group. In the line organization, we have workstream leaders (the leader/ director of each department) who have executive responsibility and goal for reaching our targets within its area of responsibility. The results for our targets are reported from the work stream leaders to the Division Directors. The Divisional Directors regularly report these KPIs to the CEO as well and to the Sustainability Group and Steering Group. In Division North we encourage employees to invest in climate friendly mobility by initiating challenges ending up with rewards e.g. for the employee who collected the most kilometers by going to work by bike. Furthermore we procured bicycles that can be used for short trips during the breaks and moreover employees can charge their hybrid or electrical vehicles for free at the plants in Ascheberg and Lauterhofen. Similar activities can be found in other divisions as well. For example in Finland where a continuous "Cycle to Work" Challenge from May to September has been initiated, and in Norway use of an steps-activity App to stimulate employees to walk is initiated. For both, employees continuously track their kilometers in an official App and compete with each other.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Other	Other, please specify (Plant based foods)
-------	-------------------------------------------

Description of product(s) or service(s)

Low -carbon plant-based meat alternatives to meat (beef, pork, poultry, fish), produced in our production facility in Northern Spain, where we develop and manufacture third-generation plant-based alternatives, including chicken, fish, and meat-like products.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify (GHG Protocol)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Cradle-to-gate

Functional unit used

kg product (cradle to gate)

Reference product/service or baseline scenario used

Cradle-to-gate emission factors for meats (beef, pork, poultry, fish)

Life cycle stage(s) covered for the reference product/service or baseline scenario

Cradle-to-gate

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

10749

Explain your calculation of avoided emissions, including any assumptions

The calculation is conducted using an attributional estimation approach, where we measured the difference in upstream cradle-to-gate emissions between low-carbon plant-based meat alternatives (produced at our production facility in Castellcir), and their counterpart, meat products (reference product).

The calculation is based on the production of plant-based meat alternatives in one of our production facilities in Spain in the reporting year of 1265 tonnes. An average plant-based meat emission factor was used for measuring the emissions from our production (1.6 kgCO2e/kg), whereas an average of meat emission factors (beef, pork, poultry, fish) (10.1 kgCO2e/kg) was used to measure reference emissions. All emission factors used covered the same life-cycle stages (cradle-to-gate).

In 2021, the proportion of plant-based products was 83 percent, but these 4 percent described in the figure below are our direct plant-based substitutes for meat/animal food that we produce ourselves in Castellcir, where we can more easily calculate direct climate savings. 99 % of prioritized brands are plant-based or vegetarian and 95% are 100% plant-based.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

4

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with

System Frugt A/S

Details of structural change(s), including completion dates

The Danish brand System Frugt A/S was acquired by Midsona 7th October 2020, and was fully integrated in 2021. Emissions from System Frugt have been added to Midsona's carbon accounting from the reporting year 2021, and base year emissions have been recalculated in line with the GHG Protocol chapter 5.

On 1st October 2021, Midsona continued to consolidate the Nordic market through acquisitions in accordance with the Company's growth strategy, and Finnish Vitality was acquired. Vitality will be integrated into the carbon accounting for the reporting year 2022.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	<p>Midsona has used the reporting year 2019 as the baseline for our GHG emission calculation. To accurately track progress towards our GHG emission reduction targets, we may adjust our base year emissions to account for any significant changes. Midsona defines a significant change as an activity which drives a cumulative increase/decrease in emissions greater than 5 % versus the initial baseline. We may also choose to recalculate our baseline emissions for changes <5 %, especially when structural changes occur.</p> <ul style="list-style-type: none"> - Structural changes, such as mergers, acquisitions, and divestments, may trigger a base year recalculation. When a structural change occurs, such as the acquisition of a company, the recalculation will be conducted within the following year. - Methodology changes, such as updated emission factors, improved data sources, or updated protocols, that significantly impact our base year GHG emissions may also trigger a base year recalculation. - If we discover any data errors in previous years' reporting that significantly impact emissions (threshold 5 %), base year recalculation may be triggered. <p>Midsona will publicly disclose the scope and boundary of our GHG inventory.</p>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

3798

Comment

Base year emissions include emissions from all divisions (Nordic, North, South).

In accordance with the GHG Protocol 'A Corporate Accounting and Reporting Standard' chapter 5, base year emissions have been recalculated to include System Frugt A/S.

Scope 2 (location-based)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

2210

Comment

Base year emissions include emissions from all divisions (Nordic, North, South).

In accordance with the GHG Protocol 'A Corporate Accounting and Reporting Standard' chapter 5, base year emissions have been recalculated to include System Frugt A/S.

Scope 2 (market-based)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

959

Comment

Base year emissions include emissions from all divisions (Nordic, North, South).

In accordance with the GHG Protocol 'A Corporate Accounting and Reporting Standard' chapter 5, base year emissions have been recalculated to include System Frugt A/S.

Scope 3 category 1: Purchased goods and services

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

106286

Comment

These are emissions associated with our foods (purchased raw materials and traded goods), our packaging materials, and water consumption. The emissions from our foods are calculated based on cradle-to-gate LCA emission factors for different food ingredients. Emissions from packaging materials and water consumption are all calculated based on emission factors from The Department for Environment, Food and Rural Affairs, Material use (2021).

Scope 3 category 2: Capital goods

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

246

Comment

Note CEMA sjekk disse utslippene

These are upstream Scope 3 emissions from the reported fuel consumption in Scope 1 and electricity consumption in Scope 2. The data source is identical to the data sources in Scope 1 and 2, and the source for the emission factors in the Department for Environment, Food and Rural Affairs (2021).

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

8838

Comment

These are emissions from the upstream transportation of raw materials and traded goods by road and sea from tier 1 suppliers to Midsona's warehouses and factories. This category also includes any transportation between Midsona's own facilities and downstream transportation controlled by Midsona. The emissions are calculated based on estimated tonne kilometers. The source for the emission factors is The Department for Environment, Food and Rural Affairs (2021).

Scope 3 category 5: Waste generated in operations

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

298

Comment

The activity data is provided by the waste management supplier. To reflect the LCA standard (EN15804) the emission factors show the total climate impact of waste treatment without including avoided emissions in other systems (next cycle). This means that the energy recovery from the incineration of waste to produce district heating is not deducted from the emission factor of waste for incineration. Recycled waste fractions include only a small transport component (collection of waste) while the material recycling and replacement of virgin materials take place outside the system (by the actor who buys the recycled material). The emission factor is 0.502 kg CO2 per kg of incinerated waste and 0.0213 for recycled waste. Sources: The Department of Environment, Food and Rural Affairs, DEFRA 2021.

Scope 3 category 6: Business travel

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

362

Comment

These are emissions from air travel. Both the activity data and emissions data is provided by the travel agency.

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

3101

Comment

These are emissions from the downstream transportation of finished goods from Midsona's warehouse to customers. The emissions are calculated based on estimated tonne kilometers. The source for the emission factors is the Department for Environment, Food and Rural Affairs (2021).

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

4695

Comment

These emissions include end-of-life emissions from the treatment of packaging materials included in Purchased goods and services. To reflect the LCA standard (EN15804), the emission factors show the total climate impact of waste treatment without including avoided emissions in other systems (next cycle). This means that the energy recovery from the incineration of waste to produce district heating is not deducted from the emission factor of waste for incineration. Recycled waste fractions include only a small transport component (collection of waste) while the material recycling and replacement of virgin materials take place outside the system (by the actor who buys the recycled material). Sources: The Department of Environment, Food and Rural Affairs, DEFRA 2021.

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

3224

Start date

January 1 2021

End date

December 31 2021

Comment

Includes emissions from refrigerants, stationary combustion, and transportation.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

4384

Start date

January 1 2020

End date

December 31 2020

Comment

Includes emissions from refrigerants, stationary combustion, and transportation.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

1735

Scope 2, market-based (if applicable)

568

Start date

January 1 2021

End date

December 31 2021

Comment

Emissions from Midsona's consumption of electricity, heating and cooling.

Past year 1

Scope 2, location-based

1881

Scope 2, market-based (if applicable)

540

Start date

January 1 2020

End date

December 31 2020

Comment

Emissions from Midsona's consumption of electricity, heating and cooling.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

110178

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

These are emissions associated with our foods (purchased raw materials and traded goods), our packaging materials, and water consumption. The emissions from our foods are calculated based on cradle-to-gate LCA emission factors for different food ingredients. Emissions from packaging materials and water consumption are all calculated based on emission factors from The Department for Environment, Food and Rural Affairs, Material use and Water Supply (2021).

Capital goods

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Midsona did not purchase any capital goods in the reporting year.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

821

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

These are upstream Scope 3 emissions from the reported fuel consumption in Scope 1 and electricity consumption in Scope 2. The data source is identical to the data sources in Scope 1 and 2, and the source for the emission factors in the Department for Environment, Food and Rural Affairs (2021).

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

6357

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

75

Please explain

These are emissions from the upstream transportation of raw materials and traded goods by road and sea from tier 1 suppliers to Midsona's warehouses and factories. This category also includes any transportation between Midsona's own facilities and downstream transportation controlled by Midsona. Approximately 75 % of the emissions are collected directly from our transportation suppliers, the remaining 25 % have been extrapolated based on the supplier-specific emissions.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

282

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The activity data is provided by the waste management supplier. In order to reflect the LCA standard (EN15804) the emission factors show the total climate impact of waste treatment without including avoided emissions in other systems (next cycle). This means that the energy recovery from the incineration of waste for the production of district heating is not deducted from the emission factor of waste for incineration. Recycled waste fractions include only a small transport component (collection of waste) while the material recycling and replacement of virgin materials takes place outside the system (by the actor who buys the recycled material). The emission factor is 0.502 kg CO2 per kg incinerated waste and 0.0214 for recycled waste. Sources: The Department of Environment, Food and Rural Affairs, DEFRA 2021.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

142

Emissions calculation methodology

Supplier-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

These are emissions from air travel. Both the activity data and emissions data is provided by the travel agency.

Employee commuting

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The estimated emissions from employee commuting are very low and hence not relevant for Midsona compared to the other sources of emissions.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Midsona had no upstream leased assets during the reporting year.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3807

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Please explain

These are emissions from the downstream transportation of finished goods from Midsona's warehouse to customers. Approximately 50 % of the emissions are provided directly by transportation provider. The remaining emissions have been estimated based on tonne kilometers. The source for the emission factors is the Department for Environment, Food and Rural Affairs (2021).

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Midsona sells finished products that do not require any further processing.

Use of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Only a small share of Midsona's products need further preparation (cooking) before consumption, hence this category is not relevant.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3012

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

These emissions include end of life emissions from the treatment of packaging materials included in Purchased goods and services. In order to reflect the LCA standard (EN15804) the emission factors show the total climate impact of waste treatment without including avoided emissions in other systems (next cycle). This means that the energy recovery from the incineration of waste for the production of district heating is not deducted from the emission factor of waste for incineration. Recycled waste fractions include only a small transport component (collection of waste) while the material recycling and replacement of virgin materials takes place outside the system (by the actor who buys the recycled material). Sources: The Department of Environment, Food and Rural Affairs, DEFRA 2021.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Midsona had no downstream leased assets during the reporting year.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Franchises are not applicable to Midsona's business model. Midsona had no franchises during the reporting year.

Investments

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Midsona have no relevant investments.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not relevant to Midsona's business model.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not relevant to Midsona's business model.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

January 1 2020

End date

December 31 2020

Scope 3: Purchased goods and services (metric tons CO2e)

111717

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

668

Scope 3: Upstream transportation and distribution (metric tons CO2e)

4281

Scope 3: Waste generated in operations (metric tons CO2e)

292

Scope 3: Business travel (metric tons CO2e)

11

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

8988

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

4828

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

No

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities

Rice

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We conduct emissions calculations for our most significant commodities based on purchased quantities (consumption) and cradle to gate emission factors .

Agricultural commodities

Timber

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We conduct emissions calculations for our most significant commodities based on purchased quantities (consumption) and cradle to gate emission factors .

Agricultural commodities

Wheat

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We conduct emissions calculations for our most significant commodities based on purchased quantities (consumption) and cradle to gate emission factors .

C-AC6.9a/C-FB6.9a/C-PF6.9a

(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.

Rice

Reporting emissions by

Total

Emissions (metric tons CO2e)

20526

Denominator: unit of production

<Not Applicable>

Change from last reporting year

Higher

Please explain

Emissions from our rice based products. Calculated with an emission factor (cradle to gate) of 2.8 kg CO2e/kg

Timber

Reporting emissions by

Total

Emissions (metric tons CO2e)

1467

Denominator: unit of production

<Not Applicable>

Change from last reporting year

About the same

Please explain

Emissions from our purchased paper and cardboard packaging materials.

Wheat

Reporting emissions by

Total

Emissions (metric tons CO2e)

1073

Denominator: unit of production

<Not Applicable>

Change from last reporting year

About the same

Please explain

Emissions from our wheat-based products. Calculated with an emission factor (cradle to gate) of 1.2 kg CO2e/kg

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.001005

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

3792

Metric denominator

unit total revenue

Metric denominator: Unit total

3773000

Scope 2 figure used

Market-based

% change from previous year

24

Direction of change

Decreased

Reason for change

Note: Revenue reported in 1000 SEK.

Midsona's total Scope 1 and 2 emissions have decreased by 23 % since 2020. The main reason behind this decrease is a 49 % decrease in gas use in the production of puffed flakes in Division north Europe. This reduced emissions from the machine by 35 % (835 tCO2e) from 2020 to 2021. While reducing emissions in Scope 1 and 2, Midsona has experienced an increase in revenue, hence decreasing the intensity figure YoY.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	3163.2	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	1.4	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	9	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	50.3	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Denmark	216
Finland	46
Norway	4
Sweden	184
Germany	2015
France	388
Spain	372

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Nordic division	450
North division	2015
South division	759

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Processing/Manufacturing

Emissions category

<Not Applicable>

Emissions (metric tons CO2e)

2688

Methodology

Default emissions factor

Please explain

The calculated figure of metric tons of CO2e through processing and manufacturing in Scope 1 is based on Midsona's own production. The emissions come from refrigerants, diesel, LPG, natural gas and process CO2. All emission factors are sourced from DEFRA 2021.

This comprises 83 % of Midsona's total scope 1 emissions. The remaining 17 % are emissions from company vehicles.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Denmark	307	50
Finland	8	10
Norway	6	0
Sweden	20	15
Germany	1024	0
France	91	98
Spain	278	396

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Nordic Division	341	75
North Division	1024	0
South Division	370	494

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	No change in Scope 1 and 2 GHG emissions due to change in renewable energy consumption.
Other emissions reduction activities	835	Decreased	17	Midsona reports a decrease in Scope 1 and 2 emissions of 835 tCO2e, due to an efficiency measure installed in a machine used in the production of puffed flakes in Division North Europe. This reduced emissions from the machine by 35 % from 2020 to 2021. Additionally, Midsona is in a process of phasing out fossil vehicles, replacing them with hybrid and electric vehicles. This has reduced emissions by 16 tCO2e from 2020 to 2021. The emission value percentage was calculated as follows: $(851/4924) \times 100 = 17\%$
Divestment	0	No change	0	No change in Scope 1 and 2 GHG emissions due to divestments.
Acquisitions	0	No change	0	No change in Scope 1 and 2 GHG emissions due to acquisitions. Changes in emissions as a result of acquisitions have been added to baseline emissions as per our base year recalculation policy.
Mergers	0	No change	0	No change in Scope 1 and 2 GHG emissions due to mergers.
Change in output	0	No change	0	No change in Scope 1 and 2 GHG emissions due to changes in output.
Change in methodology	43	Decreased	1	Reduction in emissions as a result of changed emission factors. The majority of the reductions are related to an increase of renewable shares in the residual country mix for Finland and Spain, as well as in District Heating in Sweden, Denmark and Finland. The emission value percentage was calculated as follows: $(43/4924) \times 100 = 1\%$
Change in boundary	0	No change	0	No change in Scope 1 and 2 GHG emissions due to changes in boundary.
Change in physical operating conditions	0	No change	0	No change in Scope 1 and 2 GHG emissions due to changes in physical operating conditions.
Unidentified	254	Decreased	5	Midsona experienced a decrease in emissions of 238 tCO2e. The emissions value percentage is calculated as following: $(238/4924) \times 100 = 5\%$
Other	0	No change	0	No change in Scope 1 and 2 GHG emissions due to other reasons.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	28	7459	7487
Consumption of purchased or acquired electricity	<Not Applicable>	5995	2746	8741
Consumption of purchased or acquired heat	<Not Applicable>	532	1304	1836
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	56	0	56
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	480	<Not Applicable>	480
Total energy consumption	<Not Applicable>	7091	11509	18600

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

28

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Consumption of biogas (100%)

Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

60

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Gas oil

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

4984

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Natural gas, LPG, and butane.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

2415

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Diesel and petrol

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

7487

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	480	480	480	480
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Denmark

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

2058

Country/area of origin (generation) of the low-carbon energy or energy attribute

Denmark

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Hydropower (capacity unknown)

Country/area of low-carbon energy consumption

Norway

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

566

Country/area of origin (generation) of the low-carbon energy or energy attribute

Norway

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Hydropower (capacity unknown)

Country/area of low-carbon energy consumption

Sweden

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

382

Country/area of origin (generation) of the low-carbon energy or energy attribute

Sweden

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Solar

Country/area of low-carbon energy consumption

Germany

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

2961

Country/area of origin (generation) of the low-carbon energy or energy attribute

Germany

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Solar

Country/area of low-carbon energy consumption

Spain

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

19

Country/area of origin (generation) of the low-carbon energy or energy attribute

Spain

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Hydropower (capacity unknown)

Country/area of low-carbon energy consumption

Finland

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

9

Country/area of origin (generation) of the low-carbon energy or energy attribute

Finland

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Denmark

Consumption of electricity (MWh)

2058

Consumption of heat, steam, and cooling (MWh)

988

Total non-fuel energy consumption (MWh) [Auto-calculated]

3046

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Finland

Consumption of electricity (MWh)

20

Consumption of heat, steam, and cooling (MWh)

60

Total non-fuel energy consumption (MWh) [Auto-calculated]

80

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

France

Consumption of electricity (MWh)

1357

Consumption of heat, steam, and cooling (MWh)

99

Total non-fuel energy consumption (MWh) [Auto-calculated]

1456

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Germany

Consumption of electricity (MWh)

3363

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

3363

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Norway

Consumption of electricity (MWh)

566

Consumption of heat, steam, and cooling (MWh)

1

Total non-fuel energy consumption (MWh) [Auto-calculated]

567

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Spain

Consumption of electricity (MWh)

1475

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1475

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Sweden

Consumption of electricity (MWh)

382

Consumption of heat, steam, and cooling (MWh)

744

Total non-fuel energy consumption (MWh) [Auto-calculated]

1126

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Energy efficiency: households

Project identification

Following the Gold Standard, Midsona purchased offsets from a "Improved cookstoves in Ghana" project. The primary object of the project is to significantly reduce wood fuel consumption of low-income Ganesh households by providing them with affordable improved cookstoves in the Ashanti region in Ghana.

Midsona purchased carbon offsets for its Helios brand in 2021. Emissions associated with the brand equalled to 1079 tCO₂e in the reporting year.

Verified to which standard

Gold Standard

Number of credits (metric tonnes CO₂e)

1079

Number of credits (metric tonnes CO₂e): Risk adjusted volume

1079

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Agriculture

Project identification

Project id: VCS1225

Midsona purchased offsets from a project by Vi-skogen (<https://viskogen.se/stod-oss/>) by growing trees together with crops in agriculture. Like this families can earn enough money to invest for the future, and the trees play an important role to capture CO₂ in the climate. The primary object of the project is to significantly capture CO₂ by planting trees, and to help low-income households.

Midsona purchased carbon offsets for all transport for its Kung Markatta brand in 2021. Emissions associated with the transport for Kung Markatta is equalled to 680 tCO₂e in the reporting year.

This climate compensation project has a dual effect in Kenya: It fights both poverty and climate change. Vi-skogen's goal of climate compensation is to eradicate poverty, reduce the effects of climate change and contribute to a sustainable environment around Lake Victoria.

o Project: Kenya Agricultural Carbon Project (KACP)

o Location: Western Kenya (Bungoma, Kisumu and Siaya Counties)

o Implementing organization: Vi-skogen

Participants: Approximately 30,000 small-scale farmers (organized in 1731 registered groups), of which 70% are women.

o Estimated total emission reduction 2030: At least 1 million tonnes of CO₂e

o Project period: 2009-2030

o Standard for verification: Verified Carbon Standard (VCS) through Verra - read more about Verra here: <https://verra.org/>

o Methodology used: VM0017 Sustainable Agricultural Land Management (SALM)

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO₂e)

680

Number of credits (metric tonnes CO₂e): Risk adjusted volume

680

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Climate change performance is featured in supplier awards scheme

% of suppliers by number

15

% total procurement spend (direct and indirect)

70

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

Midsonas strategy is to engage with 70 % of our suppliers (% spend) to set their own science-based emission reduction targets aligned with 1.5°C by 2027. The rationale for this supplier engagement target is to reduce emissions from our most significant scope 3 category; Purchased goods and services. This was concluded while working with our climate transition plan, and is aligned with our Net Zero by 2045 strategy, developed in line with SBTi's most recent criteria set.

To reach Net zero emissions by 2045, we need to reduce our emissions across all scopes by 90 %, and our largest challenge is our purchased goods and raw materials. By engaging with our suppliers, we can accelerate renewable cultivation, production and transportation of the goods we purchase, pushing for the 90 % reduction in emissions required to reach net zero. Current emission calculations from purchased goods are based on generic emission factors and we are recommended to get supplier-specific emission factors for raw materials and traded goods to measure and track emission reductions. The only way to achieve emission reductions throughout Scope 3 is to engage suppliers to reduce their own emissions and set renewable energy targets. The engagement target for suppliers will therefore reduce emissions from 70 % (by spend) of our upstream emissions from products and raw materials, and ultimately also Midsonas own SBTi for scope 3 and Net Zero targets. Setting such climate-related requirements for suppliers will increase their awareness of climate-related issues and drive climate action across the supply chain, showing that Midsona is committed to driving action through our value chain.

Suppliers' reduction targets and climate change performance is featured in the supplier awards scheme as part of our new contracts. Our response to supplier non-compliance with this climate-related requirement is in the first instance to retain and engage, and then consider excluding if the non-compliance persists. Mechanisms for monitoring are to request certifications for SBTi-approved reduction targets from suppliers as well as ask this question in our SSA and as a part of the signing requirement of our Supplier Code Of Conduct.

Impact of engagement, including measures of success

We are in the process of enabling measurement of this target with 70% of suppliers (by spend) required to comply. Current emission calculations from purchased goods are based on generic emission factors. Based on our Supplier Engagement Target for suppliers to set their own science-based reduction target aligned with a 1.5-degree ambition level, we will ask to get supplier-specific emission factors for raw materials and traded goods to measure and track emission reductions for our scope 3 according to best practice. It is not appropriate to work with own climate reduction targets for purchased goods and services based on estimated data in addition to the fact that it is impossible to reduce sufficiently per product, per supplier in a complex value chain. This commitment is part of our climate transition plan and will give us a better opportunity to reduce our own scope 3 emissions in the value chain. Since scope 3, category 1 accounts for 83% of our total GHG inventory, this is of great importance in our total climate accounts and for Midsona to reach our climate targets.

Midsonas measure of success is the number of suppliers who have received a certificate from SBTi on approved SBTi in line with the 1.5-degree goal, where Midsonas goal is 70% of suppliers by 2027. This is an important part of our climate transition plan and will go straight into our own data and goal achievement for Midsonas own SBTi-approved near and long-term targets toward 2045.

Our supplier engagement target will cover approx. 135 suppliers across the sector, both regionally and globally. If everyone in the food industry follow suit, it will lead to the entire supply chain and value chain eventually achieving a 1.5-degree goal, thus leaving a big impact both globally, regionally, as well as operationally for Midsona. This will increase the probability of goal achievement and climate reduction for all parties in our sector. The conclusion is that this snowball effect will impact the entire value chain and provide a systematic increase in low-carbon products in the market. Since products and services and especially the food industry accounts for a relatively high degree of GHG emissions, this will be of great importance globally.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Collaboration & innovation	Run a campaign to encourage innovation to reduce climate change impacts
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% of customers by number

45

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

DLF Sweden is a trade association for companies that produce or import goods for resale to the grocery retail and foodservice markets in Sweden. DLF fosters collaboration between Midsona and our customers (retailers), where we work together to reduce emissions from e.g. transport and packaging via DLF's initiatives. The majority of our emissions occur outside our direct operations, where >90 % of our scope 3 comes from purchased products, transport, and packaging. Therefore, we work with our value chain, including the supply chain and our customers, to drive best practices and ameliorate climate-related issues (ref our climate transition plan).

Our Nordic director is a member of DLF's board, committee, working group, and development program for partnerships to reduce negative climate impacts from transport and product and services. These are formal campaigns and calls for partnerships as well as informal opportunities to reduce negative impacts.

DLF membership is available for all companies working in the food industry, and there is a lot of collaboration between retailer and wholesaler associations. This initiative creates a good network to improve transport and reduce significant climate impact from products and services along the value chain and provides a good example of how we work with our customers to drive best practice and ameliorate climate-related issues.

Transports of raw materials and finished products are often a relevant source of GHG in our sector. In order to reduce the GHG from transport, we have joined the DLF and its 2025-transportation-initiative. This initiative aims at ending the use of fossil fuels for domestic transport by 2025. While the DLF is an organization for manufacturers and retailers, it collaborates closely with the retailer association Svensk Dagligvaruhandel and the wholesaler association Livsmedelsgrossisterna för Restaurang & Storkök that represent our customers. Since the development of what is considered sustainable fuel, and carriers' attitudes towards fossil-free fuels are shifting rapidly, a strong network is a core element to promote and support scientific progress and realization.

The DLF targets cover the Swedish market (>40%) based on DLF alone. However, Midsona has extended this target to apply to the entire group, and therefore covers 100 % of all self-contracted transporters.

Impact of engagement, including measures of success

We expect possible carbon taxes on fossil fuels or requirements for transportation providers to shift to low/zero-emission vehicles in transportation in the medium to long term which is an opportunity for Midsona, as we have a target for 100% fossil-free self-contracted transports by 2030 (Nordic 2025). This is in line with our biggest customers' requirements as we have joined the Transport initiative 2025 launched by DLF in Sweden.

To reduce GHG from transport we will shift away from fossil fuel consumption, which accounts for most of the transport's CO2 emissions. We are currently increasing the use of low-carbon transport solutions such as trains and boats and the share of fossil-free fuel used in our transportation. We have redesigned transport chains to low carbon transport with the majority of trains instead of trucks and our GHG intensity from upstream transport is reduced by 27% in 2021 from 2020 (Nordic transport by 42%). This also positively impacts reputation and reduces costs directly and indirectly through lower carbon prices and can give us a competitive advantage. However, low access to fossil-free fuels has delayed the expected results for all transport. We are therefore looking at other low carbon solutions for transport which can only be operated jointly with other partners.

Our measure of success is the % share of our contracted transport which is fossil-free, or transport emission intensity as part of our climate transition plan and SBT goal achievement.

A common transport strategy with our customers and throughout the value chain for at least over 40% in Sweden as well as 100% of our total customers, has an important impact in our sector. This will lead to the entire supply chain and value chain eventually achieving 100% fossil-free transport in our sector and thus gaining great importance both globally, regionally, and operationally. The cooperation increases the development of useful low-carbon transport solutions in the market, and the probability of goal achievement and climate reduction for all parties in our sector. This will create a snowball effect through the entire value chain and provide a systematic increase of low carbon transport in the market. Since the transport of products and services account for significant GHG, this will be of great importance globally in our sector.

Type of engagement & Details of engagement

Collaboration & innovation	Run a campaign to encourage innovation to reduce climate change impacts
----------------------------	-------------------------------------------------------------------------

% of customers by number

45

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

DLF Sweden is a trade association for companies that produce or import goods for resale to the grocery retail and foodservice markets in Sweden. DLF fosters collaboration between Midsona and our customers (retailers), where we work together to reduce emissions from e.g. transport and packaging via DLF's initiatives. >90 % of our scope 3 comes from purchased products, transport, and packaging. Therefore, we work with our value chain, including the supply chain and our customers, to drive best practices and ameliorate climate-related issues (ref our climate transition plan).

Our Nordic director is a member of DLF's board, committee, working group, and development program for partnerships to reduce negative climate impacts from transport and product and services. These are formal campaigns and calls for partnerships as well as informal opportunities to reduce negative impacts.

DLF membership is available for companies working in the food industry, and there is a lot of collaboration between retailer and wholesaler associations. This initiative creates a good network to improve transport and reduce significant climate impact from products and services along the value chain and provides a good example of how we work with our customers to drive best practice and ameliorate climate-related issues.

Packaging is often an important source of environmental impact in our sector. In order to reduce the environmental impact from packaging, we have joined the Swedish trade association DLF and its 2025-Plastic -Initiative. This initiative aims for ending the use of non-recyclable plastic by 2025. DLF collaborates closely with the retailer association Svensk Dagligvaruhandel and the wholesaler association Livsmedelsgrossisterna för Restaurang & Storkök that represent our customers.

Since membership is possible for any company working in the food industry, and there is a collaboration with retailer and wholesaler associations, this initiative creates a good network to improve packaging along the supply chain. Since the development of sustainable packaging is shifting rapidly, a strong network is a core element to promote and support scientific progress and realization.

The DLF targets cover the Swedish market (over 40%). Yet, we have the same target for the whole Group and therefore cover 100 % of all our plastic packaging.

Impact of engagement, including measures of success

The purpose of a circular economy is to maintain the value of products, materials and resources for as long as possible by returning them into the product cycle after they have reached the end of their lifecycle, while minimising the generation of waste. The more we recycle, the fewer materials we extract, thus benefiting our environment. Midsona has a strategy for circularity where we work with recycling for both our own waste and for packaging on the products. We expect that the costs of non-recyclable packaging will increase as part of the European Strategy in a Circular Economy, which is an opportunity for us since we have target on 100% recyclable consumer packaging by 2025, and thus give us a competitive advantage. This is in line with our biggest customers' requirements as we have joined the Plastic Initiative 2025 launched by DLF in Sweden. Both customer and consumers have increased focus on footprint and circularity and we assume this will be an opportunity for our competition event and final sale.

Our measure of success is the % of recyclable plastic packaging where Midsona's target is 100% by 2025. Recycled and recyclable packaging is an important part of our climate transition plan and SBT goal achievement.

Common plastic strategy for GHG reduction with our customers throughout the value chain by 2025 for at least over 40% in Sweden, as well as 100% of our total customers, has an important impact in our sector, both globally and regionally. If everyone in our sector does the same, this will lead to the entire supply chain and value chain eventually achieving 100% recyclable plastic packaging in our sector and thus gaining great importance both globally, regionally, and operationally. This will increase the probability of the development of useful recyclable packaging material in the market, which will then increase the amount of recycled material and thus at the end circularity product goal achievement and climate reduction for all parties in our sector. The conclusion is that this will make "the snowball roll" in the entire value chain and provide a systematically increasing degree of circular low carbon packaging in the market. Since packaging for products and services account for significant greenhouse gas emissions, this will be of great importance globally in our sector.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

With our mission as a base, our main goal is to get people to eat more healthy food that is both healthy for humans and healthy for the planet. This requires cooperation with both certification bodies, key suppliers and community services that provide food for children, schools, and the people. We, therefore, work together at various levels to achieve this goal. We aim to have a wide range of products contributing to the environment, climate and biodiversity in various ways. We have a target to be 100% plant-based or vegetarian by 2030 where we have already reached 91%, and we aim to produce or purchase quantities as large as possible from EU-certified suppliers with regard to organic farming and organic products (EU) 2018/848, as well as other product certifications with a positive environmental or social impact such as KRAV, Vegan, ECOCERT, Fairtrade and Demeter. In addition, we have following certification goals for our risk raw materials governed by Board approved Instruction: 100% free from GMO'S, 100% FRIENDS OF THE SEA (FOS) FISH OIL own production, 100% FOREST STEWARDSHIP COUNCIL (FSC) FOR SUSTAINABLE PAPER, 100% own brands free from palm oil. We collaborate with some certification organizations together with key suppliers on community involvement projects to reduce the environmental impact. For example, of commitment to certified raw materials, we have the Kotwa project for Fairtrade and demeter certified raw materials as well as Celnat Fond for organic farmers. In Kotwa, we are working in a partnership with one strategic suppliers of rice to engage small-scale farmers of organic, demeter and Fairtrade-certified rice to introduce environmentally friendly cultivation methods, while ensuring better living conditions for the farmers. Raw material volumes from the Kotwa project increased by 7.7% in 2021. In addition, we strengthened cooperation with the Ibis Rice Project in Cambodia for growing rice in a way that promotes local wildlife and protect biodiversity in agriculture in vulnerable areas. 1,500 farmers are involved in a national nature reserve of 500,000 hectares. We have also collaboration for the cultivation of cereals in France, for protection of biodiversity, rural landscapes and agricultural structures, seeds and crops, water supply and to reduce climate impact. Fonds De Donation Celnat supports financially 3 projects to promote biodiversity and sustainable eating and provides guidance and regular follow-up. This includes: 1. Planting of 4.5 km of hedges for carbon sequestration, bird protection, enriched soil research to evaluate impact. 2. Protection of agricultural land in urban areas with a transition to organic farming. 3 "Sustainable food master" to raise awareness of sustainable consumption by workshops in schools 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.

In addition, we work with community involvement where we want to inspire and make it easier for more people to eat low carbon plant-based and healthy food. Midsona Food Service delivers sustainable meal solutions, ingredients and plant-based recipe inspiration to the public sector, schools and organizations. For example, we have helped schools and students take a further step for more sustainable food culture. By working for sustainable school kitchens, we provide support from understanding the meaning and cultivation of low carbon plant-based food, climate calculation of recipes and menus, to providing recipe inspiration and holding workshops on plant-based foods. For example, we have launched the "Keep it sustainable" food service, a theme week for high school students in Sweden and initiated customer collaboration that enabled donation of healthy and nutritious hot meals to 4,600 children in need in Germany (total 17,500 meals), while in Berlin we have collaborated to delivering certified rice for ~10 million school lunch.

Our measures of success for all these projects above are the increased % share of plant-based and certified products sold in the market. We measure the amount of sold products of all these certifications separately and report this annually.

Global and Regional context: Our significant amount of plant-based, (83% share), organic (51%) and other environmentally certified brands help people to live healthier lives both for the people and the planet with significant operational and regional impact on climate. By supporting opportunities for the certification organizations, and thus the total share of certified raw materials in the market, we reduce the total environmental- and climate impact from the food industry overall globally. In addition, our collaboration with, for example, the farmers in Kotwa, India both helps to reduce water and climate footprint in the local area and contributes to a better life for the local community and the farmers involved, which is up to 400 farmers.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Setting a science-based emissions reduction target

Description of this climate related requirement

Midsona AB commits that 70 % of its suppliers will set science-based emission reduction targets aligned with 1.5°C by 2027. Supplier Engagement Target for Scope 3, category 1 Purchased goods and services is considered best practice across the industry to reduce value chain emissions. Suppliers must meet this climate-related requirement as part of their contract with Midsona.

Supplier Engagement

- The only way to achieve emission reductions throughout Scope 3, Purchase goods and services is to engage suppliers to reduce their own emissions and set own climate targets.
- Supplier engagement targets are considered best practice for emission reduction in Scope 3, category 1 Purchased goods and services.
- Current emission calculations from purchased goods are based on generic emission factors. Based on our Supplier Engagement Target for suppliers to set their own science based reduction target aligned with 1.5 degree, we will ask to get supplier-specific emission factors for raw materials and traded goods to measure and track emission reductions for our scope 3.

We are in the process of being able to measure this target with reliable data and therefore report 0% on suppliers in compliance (70% to comply).

We will ask SBTi Certification for approved science-based target from our suppliers and also add

this question in our SSA for monitoring.

Case of non-compliance: We will in the first instance retain and engage and then consider excluding if the non-compliance persists.

% suppliers by procurement spend that have to comply with this climate-related requirement

70

% suppliers by procurement spend in compliance with this climate-related requirement

0

Mechanisms for monitoring compliance with this climate-related requirement

Certification

Supplier self-assessment

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number

MP1

Management practice

Organic farming

Description of management practice

Agriculture can make a significant contribution to mitigating climate change by taking carbon out of the air and sequestering it in the soil. The soil carbon benefit of organic farming results from the fact that the system is based on inputs of organic matter to the soil and the decomposition of this by soil microbial activity for releasing nutrients for crop production, instead of using inorganic fertilizers. This process at the same time produces humus (stable soil carbon) and thereby raises the soil's carbon levels. As well, there is evidence that organic farming can have advantages in drought-conditions, such as higher yields compared to non-organic systems, because of the higher water holding capacity of soils under organic management.

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 (2 https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/organics-glance_en)

Your role in the implementation

Procurement

Explanation of how you encourage implementation

Midsona wants to be involved in protecting the forest and biodiversity and mitigating climate change through our work with innovation, production and the value chain and we have therefore chosen organic raw material as integral part of our responsible sourcing development goals. In Division North Europe and South Europe we almost solely accept organic raw material for our production. For organic food production, Midsona uses only organic raw materials, except for salt, water and other natural substances

that cannot be organic. In addition to conventional raw materials used in the newly acquired production facility in Tilst (System Frugt), more than 90 percent of the raw materials Midsona used in 2020 and 2021 were certified as organic. 51 % of products sold are organic certified (share of sales).

Procedure and systematic, integrated controls for organic certification as part of the innovation process and quality assurance system.

Climate change related benefit

Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)
Reduced demand for fertilizers (adaptation)
Reduced demand for pesticides (adaptation)

Comment

51 percent of Midsona's total sales are organic products, mainly in healthy categories, such as fruit, legumes, staple foods (such as rice, grains, seeds), plant-based or vegetarian products, etc.

Management practice reference number

MP2

Management practice

Biodiversity considerations

Description of management practice

Midsona promotes the holistic biodynamic agricultural approach, as example by Demeter certified products. The base of this approach is a set of strict guidelines and principles elaborated, composited and certified by the Demeter e.V. The criteria go beyond the criteria for organic farming VO (EG) Nr. 834/2007. Core elements are the promotion of biodiversity, the focus on healthy soils, the usage of special organic self-produced fertilizers and the circular and holistic approach. This management practice combines biodiversity considerations with composting, crop rotation and organic farming amongst others.

Enhancing agricultural biodiversity has significant potential to mitigate the impacts of greenhouse gases by increasing soil biodiversity to build soil organic matter, capturing carbon, using diverse leguminous crops to fix nitrogen in the soil, reducing the need for chemical fertilizers, introducing perennial crops to store carbon below ground and planting temporary vegetative cover between successive crops to reduce nitrous oxide emissions by extracting unused nitrogen.

The application of compost increases the amount of carbon sequestered in soils. The addition of Nitrogen reduces agricultural energy demand as a result of the increased infiltration and storage capacity of soils, thus reducing irrigation needs. The application of compost reduces the need for greenhouse gas (GHG) producing fertilizer, pesticides and herbicides.

Your role in the implementation

Knowledge sharing
Procurement

Explanation of how you encourage implementation

Biodynamic Demeter certified raw material is scarce. This is a consequence of the high requirements, the different approach that often requires a radical change of techniques and the lack of competence and knowledge. We actively encourage chosen suppliers that indicate potential for a successful implementation of biodynamic agriculture by sharing our knowledge and in some cases even by conveying and/or engaging agricultural consultations by universities or consultancies. In 2016 we launched the first Demeter certified Chia under the brand Davert as a result of such joint implementation process. We still support the supplier located in Uganda by fixed volumes and prices above the market price. In 2020 we started a new partnership for Demeter and Fairtrade certified rice that evolved very fast into a joint community project - Project Kotwa - dedicated to Midsona for at least 10 years.

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.

Climate change related benefit

Emissions reductions (mitigation)
Reduced demand for fertilizers (adaptation)
Reduced demand for pesticides (adaptation)

Comment

Management practice reference number

MP3

Management practice

Rice management

Description of management practice

Cultivated wetland rice soils emit significant quantities of methane. Emissions during the growing season can be reduced by many practices. Midsona supports the implementation of the System of Rice Intensification (SRI).

System of Rice Intensification (SRI) is a climate-smart, agroecological methodology for increasing the productivity of rice by changing the management of plants, soil, water and nutrients. Fewer seedlings are planted with a larger distance and individually. As a result, each plant profits from more space, more sun, more nutrients and can build stronger roots and shoots.

The fields are only watered as needed, which saves an enormous amount of water in areas that often suffer from lacking water supply.

The soil is partly dry and has to be weeded mechanical, but can be fertilized. This results in a good aeration of the soil, promotes growth and increases the capability of saving carbon dioxide.

Moreover the modified bacteria composition of the soil reduces methane gas emissions.

The final result of that technique are higher crop yields, lower water consumption and reduced emissions.

The challenging part of the SRI is that this methodology requires higher work intensity and know how.

Your role in the implementation

Financial
Knowledge sharing
Procurement

Explanation of how you encourage implementation

The implementation of the System of Rice Intensification is one of the core elements of the collaboration with a key supplier for rice and a NGO specialized in agricultural consultation of the farmers in the 2020/21 implemented joint community project Kotwa. This is Midsona's first approach to SRI as a climate smart method for the cultivation of one of Midsona's most important raw materials. In 2020 this project covered close to 900 MT of rice. Midsona actively engages in the decision process of the projects targets and has pushed the change from close to zero to 100% SRI as constituted target for the following years. In monthly progress meetings with the project partners Midsona shares knowledge which is strongly required for the radical adaptation. To encourage and reward the farmers that show the courage to change their farming for generations tried and tested agricultural methods Midsona pays a special premium reward premium for every farmer who evidently adopt SRI.

In 2021, Midsona continued our involvement in the ongoing KOTWA COMMUNITY PROJECT and further expansion:

- ▶ 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.
- ▶ 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.

Climate change related benefit

Emissions reductions (mitigation)

Increasing resilience to climate change (adaptation)

Comment

C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Following documents is attached:

Midsona Signed Plastic Initiative 2025 (Swedish)
Midsona Signed Transport Initiative 2025 (Swedish)
english-summary-the-2025-plastic-initiative.pdf (English)
summary-of-the-2025-transportation-initiative.pdf (English)
Mission statement DLF Sweden.docx (English)
Midsona Signed Plastic Initiative 2025.pdf
english-summary-the-2025-plastic-initiative.pdf
Mission statement DLF Sweden.docx
Midsona Signed Transport Initiative 2025.pdf
summary-of-the-2025-transportation-initiative.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

The majority of our emissions occur outside our direct operations in scope 3, where almost all GHG in scope 3 comes from products and services, transport and packaging (99% scope 3). Therefore, we must work with our value chain, including supply chain and our customers to be able to do something of significance for our climate emissions in scope 3 and to drive best practice and ameliorate climate-related issues in line with goals of the Paris Agreement (also conclusion from our climate transition-analysis),

Midsona's Nordic director is a member of Swedish trade association DLF's board, committee, working group and development program for partnerships to reduce negative climate impacts from transport and product and services. This is formal partnerships with our biggest trade association to reduce negative climate impacts and to initiate important industry goals for our sector in line with the goals of the Paris Agreement.

We have joined and signed the Swedish trade association DLF and its 2025-Plastic -Initiative as well as 2025-Transport Initiative, whereas the first initiative aims for reducing GHG emission from packaging by use of non-recyclable plastic by 2025, while the transport initiative aims for reducing GHG from transport by use of fossil free transport. Both commitments are public commitment and position statement to conduct our engagement activities in line with the goals of the Paris Agreement. This is 100% in line with Midsona's own targets for 100% recyclable plastic packaging by 2025 and 100% fossil free self-contracted transport by 2030 (by 2025 in Sweden).

Since this is a membership including any company working in the food industry, and there is a collaboration with retailer and wholesaler associations, this initiative creates a good network to improve transports and reduce significant climate impact from product and services along the value chain and to state a policy in the sector. The initiative targets with DLF covers the Swedish market (over 40%) based on DLF alone. Yet, Midsona follows the same principles for the whole Group as Midsona has extended this target to apply to the entire group, and therefore covers 100 % of all Midsona's plastic packaging.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

National Association of Manufacturers

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

DLFs Position for climate change:

In 2018, DLF has launched the Plastics Initiative 2025, where the goal is for the plastic packaging that the member companies put on the market, and which is covered by the Producer Responsibility Ordinance, to be recyclable by 2025 at the latest.

In 2019, DLF launched the Transport Initiative, a voluntary commitment and a clear position that the grocery industry wants to drive the development towards fossil-free transport.

DLF is 100% in line with Midsonas position: Midsona has joined and signed the Swedish trade association DLF and its 2025-Plastic -Initiative as well as 2025-Transport Initiative, whereas the first initiative aims for reducing GHG emission from packaging by use of non-recyclable plastic by 2025, while the transport initiative aims for reducing GHG from transport by use of fossil free transport. Both commitments are public commitment and position statement to conduct our engagement activities in line with the goals of the Paris Agreement. This is 100% in line with Midsonas own targets for 100% recyclable plastic packaging by 2025 and 100% fossil free self-contracted transport by 2030 (by 2025 in Sweden).

Midsona's Nordic director is a member of Swedish trade association DLF's board, committee, working group and development program for partnerships to reduce negative climate impacts from transport and product and services. This is formal partnerships with our biggest trade association to reduce negative climate impacts and to initiate important industry goals for our sector in line with the goals of the Paris Agreement.

Further, as member of DLF and part of DLF's board, Midsona is also engaged in DLF's industry project for Food Waste. Project is called Matmissionen (Food Mission) and started 2021 as a collaboration between DLF, Svensk Dagligvaruhandel and Stockholms Stadsmission which enables our member companies to donate excess products that otherwise would have gone to waste, to Matmissionen's social supermarkets.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

133000

Describe the aim of your organization's funding

DLF is a trade association with the purpose of promoting an efficient, innovative, and sustainable FMCG industry. Midsonas aim to be part of DLF and support with funding (through membership fee) is to contribute to the whole industry's progress in the above-mentioned areas. By being on the board, we are engaged in the overall mission but also engaged in specific sustainability projects like; Plastic Initiative, Transport Initiative, Food waste reduction initiative with Matmissionen.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Page/Section reference

Sustainability report as part of annual report

Mission: page 8

Sustainability targets, page 11

Recognitions: page 39

Sustainability Strategy, Targets and outcomes - Page 44 -49

Governance : Page 50 - 53

Sustainability Transition: page: 53-85

Materiality, stakeholders dialog: 86

Appendix , Sustainability Data - Page 87-101

EUs taxonomy: 102-103

GRI index and SDG mapping: 104-109

Reporting principles: 110-111

Risk & Opportunity: 116-125

Climate related risk, opportunity and scenarios: 124-125

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Comment

C13. Other land management impacts

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.2a/C-FB13.2a/C-PF13.2a

(C-AC13.2a/C-FB13.2a/C-PF13.2a) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Management practice reference number

MP1

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Soil

Water

Yield

Description of impacts

Midsona has taken a strategy and position on soil, water and biodiversity management in agricultural production along the value chain. Biodiversity management and access to necessary sustainable raw materials will always be a risk for Midsona. To ensure that the next generation has access to the raw materials and that the raw materials do not harm the environment and climate, it is important for us to ensure sustainable raw materials and agriculture. We strive to have more efficient raw material use by common sourcing and production due to synergies of product assortments between groups brands and companies. By choosing certified raw materials and FSC packaging materials for our brands, Midsona promote implementation of sustainable management of the forests, soil, and marine resources. Therefore, we have taken a position on different certified raw materials, including paper use as well as animal welfare. One of our focus areas for certified raw materials, is organic, free from Genetically Modified Organisms, Roundtable on Sustainable Palm Oil, Friends Of the Sea fish oil from sustainable fishing and certified paper use (as Forest Stewardship Council) in order to ensure sustainable use of the soil, forest and ocean. To completely break the association between our products and tropical deforestation, Midsona has started more activities to be 100 percent free of palm oil in our own brands by 2025.

In 2021, more than 90% of our own raw materials are organic, 100% is GMO free, and 100% of the fish oil Midsona uses in its own production is certified according to FOS. Already today we have nearly reach target 100% free from palm oil (99%). In addition, we are working with other certifications/ labelling of products with environmental (or social) impact, i.e. organic (51%), KRAV (8%), ECOCERT Cosmos (5%), Fairtrade (4%), Vegan Society's Trademark (6%), Demeter (1%) etc. To manage our position for raw materials, we have a new Group Instruction approved by the Board, belonging to the Midsona's Sustainability Policy to take a position and strategy on soil and biodiversity management in agricultural production along the value chain, "MIDSONA's INSTRUCTION ON GMO, PALM OIL, FISH OIL, PAPER USE and ANIMAL WELFARE".

Have any response to these impacts been implemented?

Yes

Description of the response(s)

Midsonas's Instruction summary: It is our opinion that long term uncertainties exist regarding environment and health with the use of GMO's and that they raise concerns about safety, environmental and ecological risks and health hazards in relation to GM foods. Therefore, we shall only work with GMO free raw materials and products, that are not produced from GMO's: Midsona's products do not contain raw materials from genetically modified crop and we do not accept products that are to be labeled according to EU regulations 1829/2003 and 1830/2003. Among raw material with high risk of admixture of genetically modified (GM) material, are soy, corn, rapeseed and rice.

It is our opinion that the protection of the rainforests and the indigenous people is essential and that measures against deforestation and extinction of habitats must be taken. By completely excluding palm oil from our products, the association between our products and tropical deforestation disappears. Therefore, Midsona shall: Avoid palm oil or - if it is not possible due to product needs in terms of quality and safety – only source RSPO Identity Preserved or Segregated certified palm oil to promote a responsible production. Be 100 % free from palm oil by 2025 for own brands.

It is our opinion that protection of the global resource that the oceans constitute is a priority and that the use of sustainable fishing methods and sustainability certifications are necessary and urgent, in order to ensure sustainable use of the oceans, seas and marine resources. Therefore, we shall: Ensure that fish oil in raw materials solely comes from sustainable fishing.

It is our opinion that by using legal certified forest-based materials, Midsona contribute to an environmentally-friendly and socially responsible use of the world's forests and respect the property and land tenure rights as well as customary and traditional rights. Therefore, Midsona shall: Focus on sustainable paper use by purchasing certified paper like FSC (Forest Stewardship Council) or similar, for packaging materials for our brands.

It is our opinion that Animals shall be treated well and shall be protected from unnecessary suffering and diseases. Therefore, we shall: Promote and make available plant-based foods a responsible alternative for animal derived products and never market products that have been tested on animals.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	<p>Midsona's Sustainability Strategy and major plans for action, including biodiversity strategy, are closely related to our mission and reviewed and anchored at the Board Chair and Board of Directors. The board took the initiative to a more intensified sustainability approach in 2016 and has declared this work to be of the highest priority. Our Board of Directors bears the overall responsibility for our overall sustainability action plan and that we are working with a realistic agenda for sustainable development. The board has given the group management through Midsona's Sustainability Steering Group in assignment to conduct cohesive sustainability operations, including biodiversity issues to ensure Midsona to be best-in-class within our sector. Midsona do so by having control over our biggest sustainability risks, scenarios and corresponding risk management, targets and action plan. Sustainability is an integrated part of our operations and sustainability (and biodiversity) risks are part of company risks. Risk management and Risk management policy is governed on an overall level by the Board and at operational group level from CLO/CFO/CSO.</p> <p>Follow-up of sustainability risks & opportunities, business action plans, targets, performance objectives and activities done, as well as the sustainability budget, is carried out by the Sustainability Group. The strategy, actions, progress and results, as well as budget issues, are reported to the Steering Group quarterly and to the Board regularly by the CSO (or CLO). The Group's efforts and progress in sustainability work is also addressed in annual sustainability report which is reviewed by the Board.</p> <p>An example of how the Board reviews and guides strategy and major plans of action is the Boards decision to further develop Midsona's sustainability work by introducing environmental SMART targets with yearly updating based on science/global development and to follow up new Global framework to secure biodiversity by 2030 (ref UN Convention on Biological Diversity calls for broad collaborations to ensure biodiversity) for best practice.</p> <p>The Sustainability Steering Group consists of CEO, CSO, CLO, COO, Executive Assistant and Division Director Nordics, holds quarterly forums to discuss strategy, targets, activities and progress. Approved decisions from the Board and Sustainability Steering Group is then conducted cross-functionally through a Sustainability Group under the leadership of CSO.</p>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments only	Commitment to avoidance of negative impacts on threatened and protected species Commitment to no conversion of High Conservation Value areas Commitment to secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	Yes, we assess impacts on biodiversity in our upstream value chain only	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Livelihood, economic & other incentives Other, please specify (Midsona instructions on GMOs, palm oil, fish oil, paper use and animal welfare is part of Midsona's sustainability policy and is a plan to protect biodiversity in fisheries, forestry and agricultural production along the value chain.)

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Content of biodiversity-related policies or commitments Governance Impacts on biodiversity Risks and opportunities Biodiversity strategy	Midsonas efforts on Supply chain control and sustainable raw materials protecting biodiversity (fisheries, forestry and agricultural production) along the value chain is describes in Midsonas Annual report 2021, page 64-70. Midsona_AR2021_EN_web.pdf - FINAL.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO Midsona AB (Publ)	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

The European Climate Pact Submission

Please indicate your consent for CDP to showcase your disclosed environmental actions on the European Climate Pact website as pledges to the Pact.

Yes, we wish to pledge to the European Climate Pact through our CDP disclosure

Please confirm below

I have read and accept the applicable Terms