

Åpenhetsloven

Lantmännen Cerealia AS

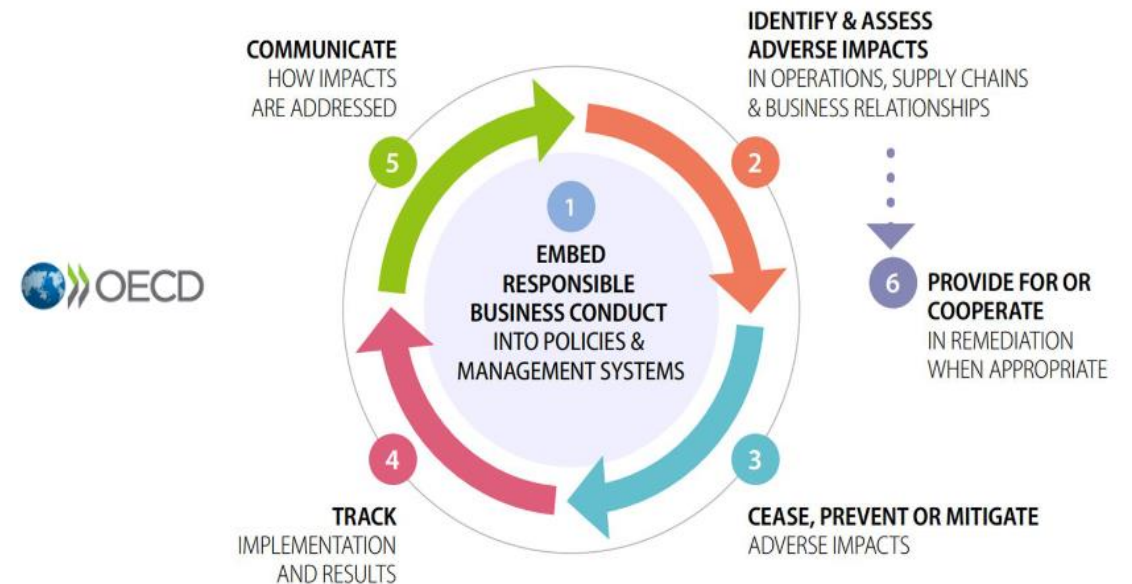
2022

 Lantmännen

Purpose and requirements of the new legislation

- The purpose of the new legislation is to promote enterprises' **respect for fundamental human rights** and **decent working conditions** in connection with the production of goods/ provision of services and to ensure the general public's access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.
- The new legislation is based on **UN's Guiding principles on business and human rights** (UNGPs) and **OECD's Guidelines for multinational enterprises**.
- The new legislation includes a requirement on enterprises to carry out **due diligence** within the area of fundamental human rights and decent working conditions, **publish and account** for such due diligence as well as to ensure **general public access** to information regarding how the enterprise has addressed adverse impacts on fundamental human rights and decent working conditions.
- The new legislation includes an expectation that the enterprises will also work with **other areas outside of the core scope** of the legislation, i.e. with for example environment and anti-corruption.

OECD's due diligence model

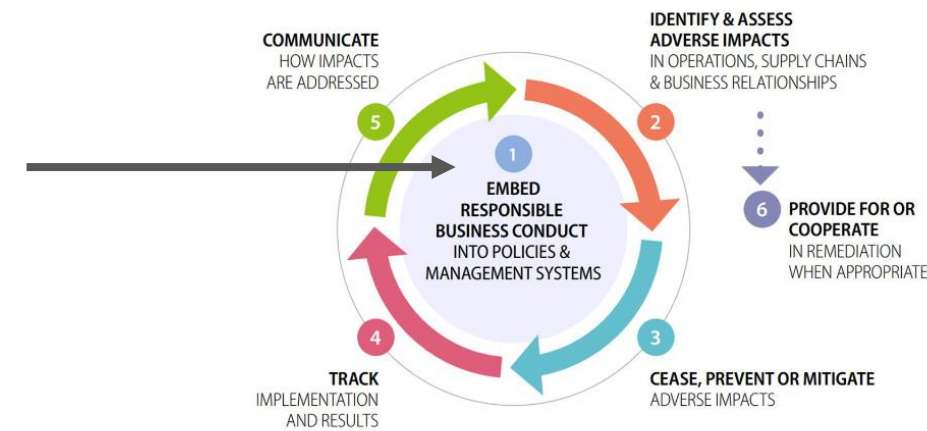


Summary of steps taken by Lantmännen Group

- Lantmännen Group has **drafted, adopted and implemented** governing/steering documents (policies, directives and guidelines) as well as established internal process and routines which include the new legislation's requirements for **due diligence**.
- **Lantmännen Cerealia AS** is part of the **Lantmännen Group** and is required to fully implement and establish said governing/steering documents, processes and routines.
- For a more detailed description of how Lantmännen Group works with due diligence, see **sections 1-6 below**.
- The annual report will be submitted by the enterprises within Lantmännen Group that are affected by the legislation, no later than **30 June each year from 2023** (and updated in the event of significant changes in risk analysis). The annual report will be signed in line with the regulations found in the Norwegian Accounting Act § 3-5.
- The annual report will be published on **Lantmännen Cerealia AS's website**.
- A **summarizing analysis** on how Lantmännen Group complies with the new legislation will be disclosed in the **Group's Annual and Sustainability report 2022**, which will be published in February 2023.



1. Embed responsible business conduct into policies and management systems



Responsibility and organization

- Lantmännen's Board of Directors is ultimately responsible for responsibility and sustainability.
- The Lantmännen Group's Management Team is responsible for sustainable business development as part of strategic business planning and follow up.
- The Lantmännen Group's CSR Committee (headed by the Executive Vice President, with participants from the Group Management Team and area responsible at Director level) has overall responsibility for ensuring that the organization is able to implement and monitor the Code of Conduct and the areas covered by the Code, where human rights is included.

Embedment into policies and management systems

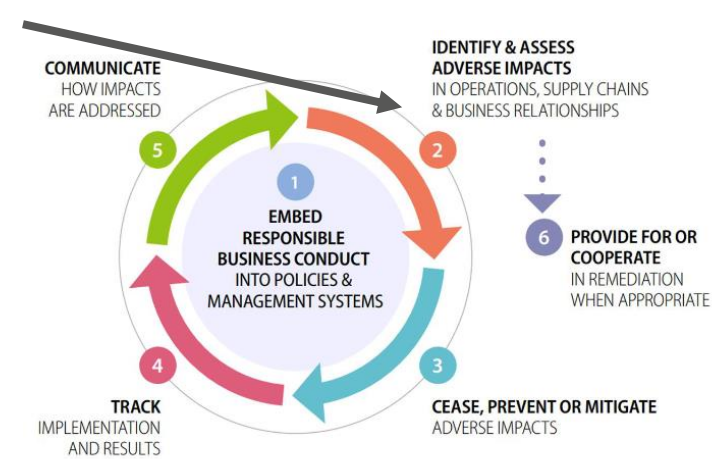
- Lantmännen Group's responsibility for human rights is based on UN's Guiding Principles for Business and Human rights and Lantmännen Group's approach is to integrate responsibility into existing governing/steering documents and group-wide processes, applicable to all Lantmännen Group's businesses.
- Lantmännen Group's Code of Conduct and Supplier Code of Conduct state support and respect for internationally proclaimed human rights.
- There are specific governing/steering documents such as policies, directives and guidelines, e.g. for health and safety, diversity, sourcing of raw materials, responsible produced food and marketing.
- Lantmännen Group's Annual and Sustainability Report describes governance and integration into our governance and processes for human rights, working conditions and other relevant topics such as anti-corruption.



2. Identify and assess adverse impacts

Identification and assessment integrated in processes

- Lantmännen Group has integrated procedures and systems that identify risks associated with human rights, working conditions and other related human rights aspects, throughout the value chain.
- Lantmännen Group endeavors to maintain an up-to-date analysis of salient human rights risks and uses the criteria in UNGP: **Scale, Scope, Remediability** to assess the salient human rights risks.
- Risk identification and assessment are integrated into existing internal processes and cover both own operations and suppliers, materials, products and services as well as business partners.



- The processes run as part of ongoing work, with extra attention to the event of changes to operations, processes or availability of new knowledge, when reviews may need to be carried out.
- The most important processes where risks are mapped and assessed are:
 - **Enterprise Risk Management Process ERM**
 - **Business Ethics Compliance program**
 - **Supplier Approval**
 - **Mergers & Acquisitions**
 - **Investments**
 - **Health and Safety**



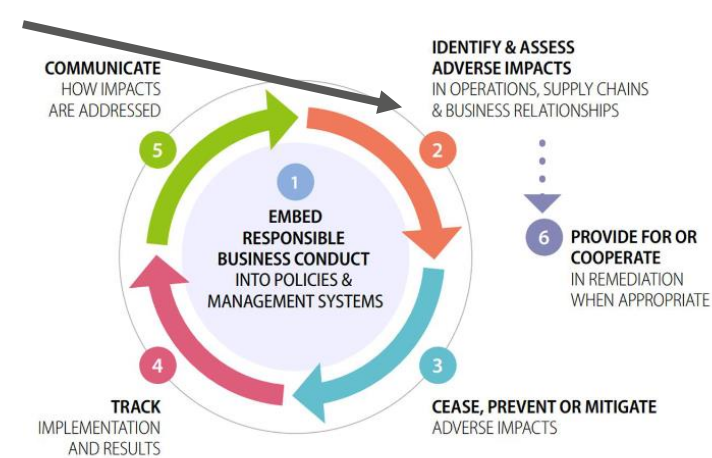
2. Identify and assess adverse impacts, *cont.*

Process: Enterprise Risk Management ERM

In the annual group-wide Enterprise Risk Management process, risks are identified, assessed and reported. The process involves all businesses in workshops with the businesses' management teams and the Group Risk Management, Group Legal Affairs, Assurance & Compliance, Sustainable Development, Health and Safety and Information and IT Security.

The risks of the businesses are identified and assessed on the basis of probability and impact on results, reputation and people. All businesses risks are assessed on basis of the impact on people, using the criteria in UN's Guiding principles on business and human rights.

The business managers ensure that risk measures for the businesses are in place. Risks related to weather and climate, business ethics, health & safety are assessed high. Risks in the supply chain including human rights risks are assessed as medium.



Process: Business Ethics Compliance program

The program includes compliance with competition and anti-corruption legislation. Regular risk assessments, communication, control and monitoring as well as trainings are carried out under the program. Lantmännen Group also has a risk based due diligence process for managing risks, with a particular focus on counterparty corruption. Process responsibility lies with Group Function Legal Affairs, Assurance & Compliance and actual compliance lies with each business.



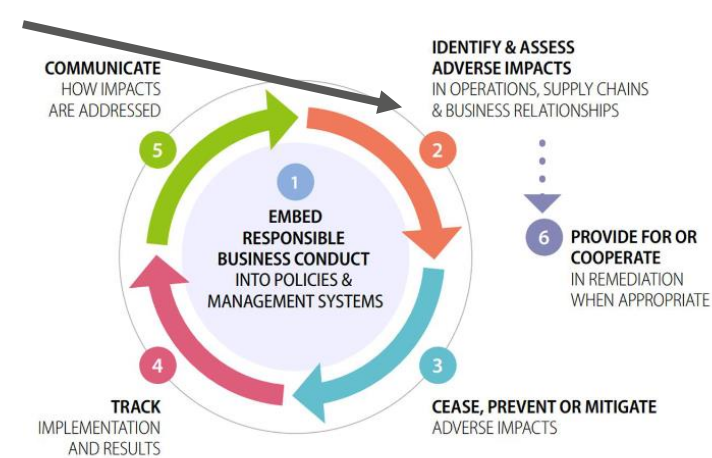
2. Identify and assess adverse impacts, *cont.*

Process: Supplier Approval

Lantmännen Group has suppliers in, and purchases certain commodities from, high-risk countries and industries in terms of sustainability, e.g., human rights and biodiversity.

The Supplier Code of Conduct clarifies requirements and the process for approving suppliers. Lantmännen's Supplier Code of Conduct is one of several support tools for evaluating and selecting suppliers. The Code is signed by the supplier as part of the contractual process. Lantmännen Group's work to identify and mitigate risk in supply chain is based on assessment of

- 1) countries: based on available and independent international risk indexes (including Transparency Corruptions index, ITUC, Freedom House, Global Slavery Index, Trafficking in persons report and UNICEF Child labor index)
- 2) suppliers: based on risk in the sector, type of operations.



Process: Mergers & Acquisitions

During acquisitions, areas contained in the Code of Conduct are included in the due diligence process and implementation of the Code is part of the integration of new businesses.

Process: Investments

Sustainability criteria are included in investment decisions from MSEK 10 upwards. A sustainability screening is conducted for investments from 50 MSEK. The criteria and the screening contains questions on diverse aspects of human rights and sustainability.

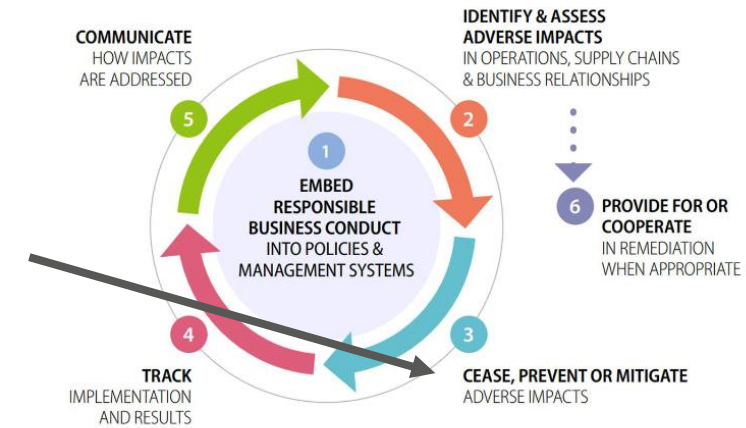
Process: Health and Safety

Some operations have hazardous work environments and activities that could pose a danger or risk to health. A systematic work with risk identification and assessment and mitigation is implemented throughout the Groups businesses.



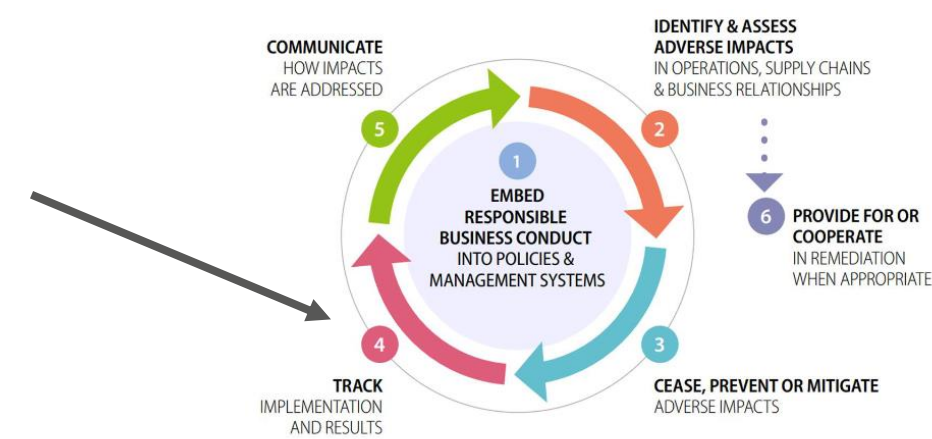
3. Cease, prevent or mitigate adverse impacts

- Lantmännen Group works actively to manage human rights risks in its operations. Training in the Code of Conduct, where principles of human rights are included, is mandatory for all employees.
- An important factor within Lantmännen Group is competence and capacity. Responsibility for managing risks lies with the management of business units supported by central functions with relevant expertise. Lantmännen Group consistently works to increase understanding and knowledge.
- For each respective process, there are programs to mitigate impact.



4. Track implementation and results

- Monitoring and analysing is conducted at different levels and frequencies. Compliance with the Code of Conduct is reviewed annually by Group management and Lantmännen's Board of directors follows up deviations.
- Each business unit is responsible for systematic work on risk management and responsibility. Group management follows up responsibility issues with management of the businesses on a four-monthly basis by means of key figures for minimum responsibility requirements and in discussions in an annual sustainability business review.
- For the companies in the food production, there are special requirements, both for own production and for the supply chain governed by a Directive on Responsibly Produced Food. Businesses in the food value chain are monitored annually for quality and sustainability performance, including implementation of policy documents and specific commitments.
- For each process, there is an established monitoring.

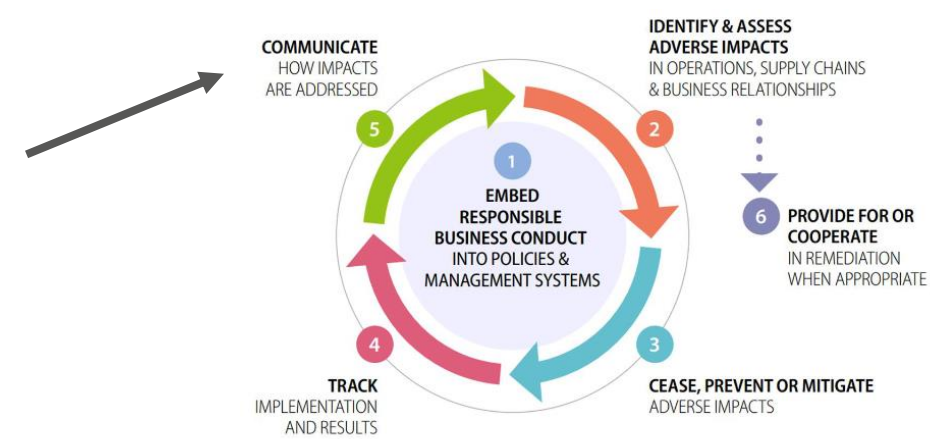


- The Annual and Sustainability Report is an important process for monitoring of implementation and results. In the annual reporting process, data on performance related to material issues, for example working conditions, health and safety, raw materials and approved suppliers are collected and analyzed.
- For own operations, a follow up is conducted annually on instances of non-compliance to internal and external requirements and specifically of instances of forced labour and child labour.
- All employees can report any deviations from the Code through a whistleblower system or some other method of reporting. The number of reports and comments on actions are disclosed in the Annual and Sustainability Report



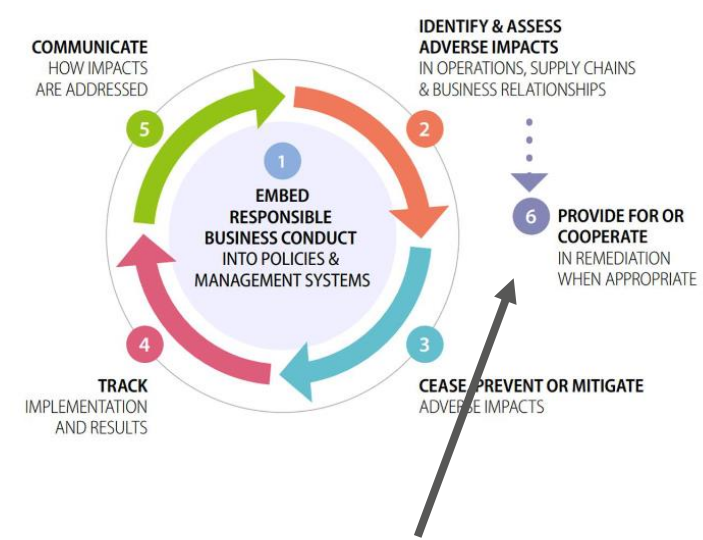
5. Communicate how impacts are addressed

- Lantmännen Group strives for transparency towards its stakeholders.
- The core communication channel for routine reporting on responsibility issues is the Annual Report together with the Sustainability Report and the corporate website in parallel with the businesses' websites.
- For communication issues related to human rights, the channel would be chosen based on ability to reach the stakeholder and rights owner, both in terms of availability, clarity and possibility to have a dialogue.



5. Provide for or cooperate

- Complaints regarding human and labour rights are handled in the grievance mechanism and if remedy is relevant, Lantmännen Group's approach is to respect, compensate and mitigate, to ensure that the incident will not be repeated.
- In financial terms, Lantmännen Group has insurance to cover for example work injuries.



Thank you

