

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 22% and 9 % respectively. We have no other relevant subsidiaries. Midsona’s net sales amounted to SEK 3,899 million in 2022. Midsona is noted on Nasdaq Stockholm. 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 69 %, whereas Licensed brands account for 14 % and Private Label for 17 %. Midsona focus on key brands in key categories, like organic products, health food, and consumer health. Organic sales constitute 49% of our product assortment, Health food for 31% and Consumer health 20% in 2022. Strong consumer trends driving the demand for Midsona’s products to Plant-based food, Organic food, and Convenience. 88% of our portfolio (share of sales) are plant-based or vegetarian. 98% of our prioritized food brands are plant-based or vegetarian. Total number of employees: 849 in Sweden, Denmark, Finland, Norway, Germany, France and Spain (2022).

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1 2022

End date

December 31 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

3 years

Select the number of past reporting years you will be providing Scope 2 emissions data for

3 years

Select the number of past reporting years you will be providing Scope 3 emissions data for

3 years

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 includes rice as significant ingredient. In 2022 at least 9.8% of our sourcing volumes for agricultural related products was based on rice as agricultural commodity. We therefore estimate that less than 10% of the revenues come from products with rice as an ingredient (includes traded goods and own raw material purchased) but at the same time more than 10% of our raw material emissions are coming from rice. 100% of our rice sourced as raw material is organic certified.

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 as direct or indirect packaging. (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 2022, 92% 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 or committee	Responsibilities for climate-related issues
Board Chair	<p>Midsona's Board has for a long time declared sustainability to be a top priority at Midsona. Our Climate Strategy is closely related to our mission and anchored with the Board Chair and Board of Directors. Our mission is to help people live a healthier life, both for the people and the planet, and the foundation of our business rests on a passion for healthy food combined with sustainable operations and consumption. Sustainability is also very important to our stakeholders. Therefore, our overall work with climate are integrated into our corporate targets, where sustainability and profitability coincide.</p> <p>Our board, and hence the Board Chair, has the overall responsibility to ensure that we works with a realistic agenda for sustainable development and has provided Group management through our 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". For internal governance, the Board is adopting policies and other steering documents that serve as guidelines for our operations. In 2022, our climate -related governance has been strengthened with our credible climate transition plan aligned with 1.5°C world, with a more functional structure including all transition plan elements based on TCFD pillars as: Governance, Strategy alignment (including scenario analysis, financial planning, value chain engagement, low carbon initiatives, policy engagement), risk and opportunities, metric (scope 1,2,3 accounting and verification) and targets.</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 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 is our commitment to reduce emissions in line with 1.5 °C - world & SBTi's Net Zero criteria. These targets relate to 100 % renewable energy in Scope 1 & 2, 100 % fossil-free transport of goods, 100% recycled and recyclable packaging, FLAG-target 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 and in 2022, the board decided to verify Scope 1,2 and one category scope 3 GHG data by third party.</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	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Reviewing innovation/R&D priorities Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Monitoring progress towards corporate targets Overseeing and guiding public policy engagement Overseeing value chain engagement Reviewing and guiding the risk management process	<Not Applicable>	<p>Our climate strategy includes a transition plan that aligns with a 1.5°C world and is reviewed, guided and anchored at the Board, as well as the board is following and monitoring the implementation, performance and top management incentives of the transition. Our plan is a time-bound action plan that outlines how we will pivot our existing assets, operations, and entire business model towards a trajectory aligned with the latest science and most ambitious climate recommendations. Our Board bears the overall responsibility for our strategy and transition plan through control, guiding and monitoring progress of our biggest climate risks and opportunities, scenarios and risk management, setting and monitor progress for targets and metrics. As part of our strategy to achieve net zero compatible with a 1.5°C world and to understanding the extent to which we are aligning our finances with this, we outlines financial plans for the transition in form of CAPEX, OPEX or income. Thus, we are able to decide how resources should be prioritized going forward in order to achieve both short-term and long-term goals includes long-term capital allocation and other considerations that may extend beyond the typical 3-5 years financial plan (e.g. investment, research and development, production and markets). The board works with all key strategic decisions that help steer us towards our mission, namely to have a business that moves towards a more health-related and sustainable and climate-positive world. The budgets and capital expenditures as well as major investments in both D&R and acquisitions are decided by the board. The Board is responsible for formally reviewing, guiding and approving the Sustainability Report, annual budgets, major capital expenditures, acquisitions. The board is approving our Risk Policy and risk management. Sustainability risks are integrated with other company risks. After approval of recommendations, risks and actions are included in our strategy and business planning. Our climate transition plan, which is approved by the board include also time-bound actions to decarbonize business processes and those of our value chain, with time-bound KPIs. This includes four distinct elements: (1) supply chain engagement (2) increasing portfolio of low carbon products and services (3) customer engagement and (4) implementing emissions reduction initiatives for our direct operations. Our climate transition plan demonstrate that our public policy engagement aligns with our climate ambitions and strategy. An example of how the Board reviews and guides strategy and major plans of action is the Boards decision to further develop our sustainability work by introducing our climate transition plan, which includes upgrading SBT targets to a 1.5°C ambition, and introducing FLAG and Supplier engagement targets as well as getting a Net-Zero target approved by the SBTi for best practice. We have carried out scenario analysis for the 1.5 °C world.</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 climate-related expertise within its decision-making bodies to ensure a successful transition of its business to a sustainable future. The company uses formal education and previous work experience to assess the board's climate-related competencies. A successful transition of Midsona's operations to a sustainable future requires related expertise within our decision-making bodies such as the board and top management. Climate-related knowledge at board level as well as senior management signals the company's commitment to understanding and responding to risks, opportunities and impacts to secure Midsona's business for the future. 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 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.

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

- Managing annual budgets for climate mitigation activities
- Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
- Managing climate-related acquisitions, mergers, and divestitures
- Providing climate-related employee incentives
- Developing a climate transition plan
- Implementing a climate transition plan
- Integrating climate-related issues into the strategy
- Conducting climate-related scenario analysis

Coverage of responsibilities

<Not Applicable>

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

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 (Sustainability committee) 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. Sustainability Steering Group has quarterly steering group meeting which includes top management as CEO, CLO (legal), COO (operation), Nordic Managing Director and CSO (Chief Sustainability Officer). All important decisions are decided in Sustainability Steering Group and approved by the Board.

As part of the Steering Group the CEO is part of the discussions and approvals for the following work quarterly:

- ▶ Setting, implementation and monitoring Midsona's Climate Transition Planning: Long-term science-based Climate Transition Plan (CTP) aligned with our overall business strategy and the 1.5°C temperature target adopted by the UN and the SBTi. Midsona's Transition planning includes: Governance, Strategy alignment for Midsona's Climate Change Strategy (including scenario analysis (1,5 and 4 °C), financial planning (based on CAPEX, OPEX, turnover), value chain engagement, low carbon initiatives, policy engagement), risk and opportunities, metric (scope 1,2,3 accounting and verification) and targets.
- ▶ Continuous strategy development and planning to reduce greenhouse gas emissions both in our own operations and in the value chain.
- ▶ Regularly assessment of measures necessary to accelerate emission reductions.
- ▶ To ensure our transition plan part of the regular agenda for management teams in all divisions and top management.
- ▶ Quarterly reporting in line with financial reporting to top management for internal follow up.
- ▶ Mapping of how Midsona can offset unavoidable emissions.
- ▶ Annual reporting and transparency regarding the measures implemented.
- ▶ Regularly update of our TCFD climate-related risks and opportunities analysis and our scenario analysis over different time horizons to examining the flexibility of Midsona's business model and strategy with future climate change to be used for the Company's strategic and financial planning.
- ▶ Ensure best practices governance for setting, implementation and performance of the transition plan, including policies, employees KPIs and incentives.

As an example, the steering group have recently decided and carried out a qualitative and quantitative scenario analysis deepening in a scenario towards an transition and adaptation to a 1.5 degree world, as well as a scenario where Midsona has to adapt to a possible world up to 4 degrees.

Position or committee

Chief Sustainability Officer (CSO)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures
Providing climate-related employee incentives
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis

Coverage of responsibilities

<Not Applicable>

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The CSO is overall responsible for Midsona's sustainability work and reports sustainability-related issues to the Sustainability Steering Group quarterly and to CLO and CEO on a more 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, transition planning 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 as part of annual report as well as annual CDP 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.

The CSO lead the following work and report this to the Steering Group for discussion and approval quarterly:

- ▶ Setting, implementation and monitoring Midsona's Climate Transition Planning: Long-term science-based Climate Transition Plan (CTP) aligned with our overall business strategy and the 1.5°C temperature target adopted by the UN and the SBTi. Midsona's Transition planning includes: Governance, Strategy alignment for Midsona's Climate Change Strategy (including scenario analysis (1,5 and 4 °C), financial planning (based on CAPEX, OPEX, turnover), value chain engagement, low carbon initiatives, policy engagement), risk and opportunities, metric (scope 1,2,3 accounting and verification) and targets.
- ▶ Continuous strategy development and planning to reduce greenhouse gas emissions both in our own operations and in the value chain.
- ▶ Regularly assessment of measures necessary to accelerate emission reductions.
- ▶ To ensure our transition plan part of the regular agenda for management teams in all divisions and top management.
- ▶ Quarterly reporting in line with financial reporting to top management for internal follow up.
- ▶ Mapping of how Midsona can offset unavoidable emissions.
- ▶ Annual reporting and transparency regarding the measures implemented.
- ▶ Regularly update of our TCFD climate-related risks and opportunities analysis and our scenario analysis over different time horizons to examining the flexibility of Midsona's business model and strategy with future climate change to be used for the Company's strategic and financial planning.
- ▶ Ensure best practices governance for setting, implementation and performance of the transition plan, including policies, employees KPIs and incentives.

As an example, the CSO has recently led the work on a qualitative and quantitative scenario analysis deepening in a scenario towards an transition and adaptation to a 1.5 degree world, as well as a scenario where Midsona has to adapt to a possible world up to 4 degrees. We have delved into physical risk for Midsona's most vulnerable raw materials as well as our transition risk in relation to policies and emerging regulation.

Position or committee

Other C-Suite Officer, please specify (CLO (Chief Legal Officer))

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures
Providing climate-related employee incentives
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis

Coverage of responsibilities

<Not Applicable>

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

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 our definition of substantive financial or strategic impact on our business, including climate change impact. The CLO reports our overall risk assessment including climate-related issues once a year to the Board of Directors, in addition to board-relevant updates from our climate-related risk and opportunity analyzes which are carried out at least twice a year.

As part of the Steering Group the CLO is part of the discussions and approvals for the following work quarterly:

- ▶ Setting, implementation and monitoring Climate Transition Planning: Long-term science-based Climate Transition Plan (CTP) aligned with our overall business strategy and the 1.5°C temperature target adopted by the UN and the SBTi. Our transition planning includes: Governance, Strategy alignment for Midsona's Climate Change Strategy (including scenario analysis (1,5 and 4 °C), financial planning (based on CAPEX, OPEX, turnover), value chain engagement, low carbon initiatives, policy

engagement), risk and opportunities, metric (scope 1,2,3 accounting and verification) and targets.

- ▶ Continuous strategy development and planning to reduce greenhouse gas emissions both in our own operations and in the value chain.
- ▶ Regularly assessment of measures necessary to accelerate emission reductions.
- ▶ To ensure our transition plan part of the regular agenda for management teams in all divisions and top management.
- ▶ Quarterly reporting in line with financial reporting to top management for internal follow up.
- ▶ Mapping of how Midsona can offset unavoidable emissions.
- ▶ Annual reporting and transparency regarding the measures implemented.
- ▶ Regularly update of our TCFD climate-related risks and opportunities analysis and our scenario analysis over different time horizons to examining the flexibility of Midsona's business model and strategy with future climate change to be used for the Company's strategic and financial planning.
- ▶ Ensure best practices governance for setting, implementation and performance of the transition plan, including policies, employees KPIs and incentives.

As an example, the steering group have recently decided and carried out a qualitative and quantitative scenario analysis deepening in a scenario towards an transition and adaptation to a 1.5 degree world, as well as a scenario where Midsona has to adapt to a possible world up to 4 degrees.

Position or committee

Chief Operating Officer (COO)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures
Providing climate-related employee incentives
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis

Coverage of responsibilities

<Not Applicable>

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

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.

As part of the Steering Group the COO is part of the discussions and approvals for the following work quarterly:

- ▶ Setting, implementation and monitoring Climate Transition Planning: Long-term science-based Climate Transition Plan (CTP) aligned with our overall business strategy and the 1.5°C temperature target adopted by the UN and the SBTi. Our transition planning includes: Governance, Strategy alignment for Midsona's Climate Change Strategy (including scenario analysis (1,5 and 4 °C), financial planning (based on CAPEX, OPEX, turnover), value chain engagement, low carbon initiatives, policy engagement), risk and opportunities, metric (scope 1,2,3 accounting and verification) and targets.
- ▶ Continuous strategy development and planning to reduce greenhouse gas emissions both in our own operations and in the value chain.
- ▶ Regularly assessment of measures necessary to accelerate emission reductions.
- ▶ To ensure our transition plan part of the regular agenda for management teams in all divisions and top management.
- ▶ Quarterly reporting in line with financial reporting to top management for internal follow up.
- ▶ Mapping of how Midsona can offset unavoidable emissions.
- ▶ Annual reporting and transparency regarding the measures implemented.
- ▶ Regularly update of our TCFD climate-related risks and opportunities analysis and our scenario analysis over different time horizons to examining the flexibility of Midsona's business model and strategy with future climate change to be used for the Company's strategic and financial planning.
- ▶ Ensure best practices governance for setting, implementation and performance of the transition plan, including policies, employees KPIs and incentives.

As an example, the steering group have recently decided and carried out a qualitative and quantitative scenario analysis deepening in a scenario towards an transition and adaptation to a 1.5 degree world, as well as a scenario where Midsona has to adapt to a possible world up to 4 degrees.

Position or committee

Chief Financial Officer (CFO)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures

Coverage of responsibilities

<Not Applicable>

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

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.

CFO is overall responsible for our financial planning, and thus following elements of Midsona's Climate Transition Plan:

Financial planning and spending/revenue: We make financial plans for the transition in the form of CAPEX, OPEX or income. In line with the TCFD, we have assessed how we will finance our strategic goals, to be able to decide how resources should be prioritized going forward in order to achieve both short- and long-term goals. The various

departments create their financial plans that are necessary to achieve the goals. Climate-related financial planning is broader than the development of a traditional financial plan, as it includes long-term capital allocation and other considerations that may extend beyond the typical 3-5 year financial plan (e.g. investment, acquisitions, R&D, production and markets).

Both our climate-related risks and opportunities and targets affect both our direct and indirect costs as well as income and have influenced our financial planning. Several of our targets that contribute to reducing our emissions will be able to affect our costs in both a negative and positive sense. Where some goals result in an investment cost, other goals may result in cost savings. Although some climate-related risks may in the long run cause financial challenges, the financial challenges will be transformed into an economic upside and opportunity if we reach our climate-related targets. The budgets for achieving our targets are part of our financial targets and lie with the various departments that must achieve their respective targets. 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. Product sold by Midsona include some degree of packaging, among other plastic. Packaging gives upstream emissions, and downstream emissions from the waste disposal of the materials. Our recyclable plastics target increases our purchasing cost of packaging for production of our own brands by 5-10% compared to non-recyclable packaging. This must therefore be included in the total operating costs as this affects our direct cost for sold products. We make financial plans that outline the specific actions, assets, and resources (including capital) necessary to achieve these objectives over a 4-year period.

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 CEO, CSO, CLO, COO, CFO 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 and divisional Sustainability Managers, who is further reporting to the CSO and then CEO and the Steering Group quarterly, 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, the board and chairman have KPIs for target achievement for climate-related targets.

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

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Board approval of climate transition plan
 Shareholder approval of climate transition plan
 Achievement of climate transition plan KPI
 Progress towards a climate-related target
 Achievement of a climate-related target
 Implementation of an emissions reduction initiative
 Reduction in absolute emissions
 Reduction in emissions intensity
 Energy efficiency improvement
 Increased share of low-carbon energy in total energy consumption
 Increased share of renewable energy in total energy consumption
 Reduction in total energy consumption
 Increased investment in low-carbon R&D
 Increased share of revenue from low-carbon products or services in product or service portfolio
 Increased engagement with suppliers on climate-related issues
 Increased engagement with customers on climate-related issues
 Increased supplier compliance with a climate-related requirement
 Increased value chain visibility (traceability, mapping, transparency)
 Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)
 Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

CEO and the top management are responsible for taking the board's decisions on our climate transition plan further down the organization. The top management has its own bonus schemes for target achievement annually, which is updated annually based on our transition plan and what is most important for the yearly target achievements to comply with our transition plan. The CEO has also annually 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.

Calculation of annual bonus:

The bonus is set based on a maximum bonus of a certain % of base salary for the individual. Performance indicators are inserted into a matrix with several individual

targets where these targets are summed up into a total score for bonus payment per year. Which of the above performance indicators that matter most for the reporting year are set each year based on what is most important in the short term for the reporting year to reach our long-term climate transition plan towards a 1.5 degree world. The proportion of the bonus and the matrix is determined by the board.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

In order to ensure correct priorities towards a transition to a 1.5 degree world, clear KPIs with both non-monetary rewards and monetary-rewards, must be set among the top management. In 2022, we have improved this by setting an annual adjustment to the KPIs and rewards in relation to which areas should be prioritized in the short term this year in order to be able to deliver on the long-term climate transition plan.

Entitled to incentive

Chief Operating Officer (COO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Energy efficiency improvement
Increased share of low-carbon energy in total energy consumption
Increased share of renewable energy in total energy consumption
Reduction in total energy consumption
Increased engagement with suppliers on climate-related issues
Increased supplier compliance with a climate-related requirement
Increased value chain visibility (traceability, mapping, transparency)

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

The COO as part of the top management is responsible for taking the board's decisions on our climate transition plan further down the organization. The top management has its own annually bonus schemes for target achievement annually, which is updated annually based on our transition plan and what is most important for the yearly target achievements to comply with our transition plan.

Calculation of annual bonus:

The bonus is set based on a maximum bonus of a certain % of base salary for the individual. Performance indicators are inserted into a matrix with several individual targets where these targets are summed up into a total score for bonus payment per year. Which of the above performance indicators that matter most for the reporting year are set each year based on what is most important in the short term for the reporting year to reach our long-term climate transition plan towards a 1.5 degree world. The proportion of the bonus and the matrix is determined by the board.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

In order to ensure correct priorities towards a transition to a 1.5 degree world, clear KPIs with both non-monetary rewards and monetary-rewards, must be set among the top management. In 2022, we have improved this by setting an annual adjustment to the KPIs and rewards in relation to which areas should be prioritized in the short term this year in order to be able to deliver on the long-term climate transition plan.

Entitled to incentive

Chief Sustainability Officer (CSO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Board approval of climate transition plan
Shareholder approval of climate transition plan
Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Energy efficiency improvement
Increased share of low-carbon energy in total energy consumption
Increased share of renewable energy in total energy consumption
Reduction in total energy consumption
Increased investment in low-carbon R&D
Increased share of revenue from low-carbon products or services in product or service portfolio
Increased engagement with suppliers on climate-related issues
Increased engagement with customers on climate-related issues
Increased supplier compliance with a climate-related requirement
Increased value chain visibility (traceability, mapping, transparency)
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

The CSO is the main responsible for taking the board's decisions on our climate transition plan further down the organization. The CSO has its own annually bonus schemes for target achievement, which is updated annually based on our transition plan and what is most important for the yearly target achievements to comply with our transition plan. The CSO has also annually 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.

Calculation of annual bonus:

The bonus is set based on a maximum bonus of a certain % of base salary for the individual. Performance indicators are inserted into a matrix with several individual targets where these targets are summed up into a total score for bonus payment per year. Which of the above performance indicators that matter most for the reporting year are set each year based on what is most important in the short term for the reporting year to reach our long-term climate transition plan towards a 1.5 degree world. The proportion of the bonus and the matrix is determined by the board.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

In order to ensure correct priorities towards a transition to a 1.5 degree world, clear KPIs with both non-monetary rewards and monetary-rewards, must be set among the top management. In 2022, we have improved this by setting an annual adjustment to the KPIs and rewards in relation to which areas should be prioritized in the short term this year in order to be able to deliver on the long-term climate transition plan.

Entitled to incentive

Other C-Suite Officer

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

- Board approval of climate transition plan
- Shareholder approval of climate transition plan
- Achievement of climate transition plan KPI
- Progress towards a climate-related target
- Achievement of a climate-related target
- Implementation of an emissions reduction initiative
- Reduction in absolute emissions
- Reduction in emissions intensity
- Energy efficiency improvement
- Increased share of low-carbon energy in total energy consumption
- Increased share of renewable energy in total energy consumption
- Reduction in total energy consumption
- Increased investment in low-carbon R&D
- Increased share of revenue from low-carbon products or services in product or service portfolio
- Increased engagement with suppliers on climate-related issues
- Increased engagement with customers on climate-related issues
- Increased supplier compliance with a climate-related requirement
- Increased value chain visibility (traceability, mapping, transparency)
- Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)
- Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

CLO as part of the top management is responsible for taking the board's decisions on our climate transition plan further down the organization. The top management has its own annually bonus schemes for target achievement, which is updated annually based on our transition plan and what is most important for the yearly target achievements to comply with our transition plan. The CLO has also 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.

Calculation of annual bonus:

The bonus is set based on a maximum bonus of a certain % of base salary for the individual. Performance indicators are inserted into a matrix with several individual targets where these targets are summed up into a total score for bonus payment per year. Which of the above performance indicators that matter most for the reporting year are set each year based on what is most important in the short term for the reporting year to reach our long-term climate transition plan towards a 1.5 degree world. The proportion of the bonus and the matrix is determined by the board.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

In order to ensure correct priorities towards a transition to a 1.5 degree world, clear KPIs with both non-monetary rewards and monetary-rewards, must be set among the top management. In 2022, we have improved this by setting an annual adjustment to the KPIs and rewards in relation to which areas should be prioritized in the short term this year in order to be able to deliver on the long-term climate transition plan.

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 group's Sustainability Director (CSO, responsible for sustainability risk assessment) and 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. Midsona considers the probability of occurrence and the estimated financial impact when assessing 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. Risks which are very likely is defined with a probability of once a year to once every two years. 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. 0.17~0.2 % of Midsona's total cost of sold products/direct cost (COG) and 0.13 % ~0.1% of Midsona's total revenue/net sales (NS), as well as in contingency cases. For 2022, total NS = 3, 899 bill and total COG = 3, 021 bill.

Midsona use the following thresholds when assessing risks:

Financial impact, revenue:

2022: NS SEK= 3, 899 bill

- Low: >0,1 < 0,5% of yearly revenue
- Medium: 0,5% - 1,5% of yearly revenue
- High: 1,5% - 2,5 % of yearly revenue
- very High: >2,5% of yearly revenue

Probability:

- Low/ Unlikely: once in 30 years
- Medium/ More likely than not: once in 10years
- High/ Likely: once in 5 years
- Very high/ Very Likely/ Virtually certain: once a year

Financial impact and probability are inserted into a matrix (risk assessment model) where the risk level is then set out from the following:

Risk levels (combined impact and probability):

- Low
- Medium
- High
- Very high

For the opportunity analysis, the same percentage ratio applies to financial data, but with the opposite sign as an opportunity and not a risk.

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 make sustainable acquisitions, our ability/ opportunities to streamline a sustainable value-chain/supply chain, our ability/opportunities to be a healthy and sustainable culture.

(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

Our sustainability risk assessment is based on Midsona's Risk Policy and is integrated in our 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. Assessing our KPIs up against UN'S SDGs and internal and external development, climate-related risks and opportunities (R&O's) are identified together with financial impact, and suggestions of risk-mitigation and adaption as well as strategy to realize opportunity in a Description of Risk and Opportunity. This work is lead by CSO and carried out by Sustainability Group, committee (CEO, CLO, COO, CFO), and executive leaders and functions in working groups.
2. R&O's are assessed more than once a year (twice at minimum) to ensure the timeframe, probability and impact do not escalate/change, integrated into overall corporate risks by the CSO/CLO/CFO and approved by the board.
3. The Audit Committee supervises identified risks annually.
4. R&O's are evaluated based on short-medium-long term, probability and impact on Midsona.
5. R&O's prioritization for action (risks-mitigation/adaption or realizing opportunity) is based on those that are likely and possess a substantive financial or strategic impact. As example, for likely R&O's with significant impact in the short-term, action is taken within a year. For likely risk with significant impact in medium- or long-term we set up a risk-mitigation and adaption plan within a year. All are included in our 1.5 degrees-transition plan.
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. Then, R&O's are included in our Strategy and financial planning.

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 the access to and the pricing of organic certified raw materials. 49 % of revenue and 70 % 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. To mitigate this risk, Midsona's Board has approved our commitment to set Supplier Engagement Targets for all our suppliers to get them to set their own SBT's aligned with 1.5°C ambition to achieve emission reductions throughout our purchased goods and raw materials. In addition, since rice is prone to chronic droughts, floodings 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 2022 followed up our collaboration from 2020 with one of our strategic suppliers of rice as a supplier engagement case study. The project aims to achieve a production process with reduced water consumption and emission for small farmers in India. Our focus going forward will be to follow up on our commitment to set Supplier Engagement Targets to accelerate GHG reduction and climate change preparedness across our value chain.

A case study demonstrating how we manage to transfer transition risks to an opportunity is illustrated in our actions to mitigate the risk of exposure to increased fossil fuel taxations. A recently introduced package for "Fit for 55" in the EU in 2022/23 has increased our risk of taxes on our transport. The increased fossil-fuel tax has a direct cost impact on transport and energy in production, and it is very likely this will increase in short term. Earlier, the Board has decided to mitigate the risk by having a strict target of reaching 100 % fossil-free self-contracted transport by 2030, and based on the latest risk assessment, transport is set as one of the priority areas as part of our transition plan for 1,5°C world to focus extra on in 2022/23. 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. Our risk of increased carbon taxes on fossil fuels is closely linked to our ability to reach our transport target, and thus transfer the risk to be an opportunity. This means that we consider the assessment of fossil fuel as a risk which can turned into an opportunity based on our ambitions. This is therefore described as risk 2 in C2.3 a) as well as an opportunity 1 in C 2.4 a) identified with the potential to have a substantive financial or strategic impact on our business.

(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 medium term both from strengthened current regulation from ECR and emerging regulation from ETS based on the "Fit for 55" package from EU. The probability increased already in 2021 as the UN urges everyone to strengthen their climate goals where energy is especially important. The EU, where we operate, strengthened its climate target with a package "Fit for 55" which is under development. In particular, it is likely that this will be further strengthened in the countries like Germany, Denmark, Finland, Sweden where we operate since these countries have all been given the strongest requirement targets within ECR to cut emission by 50 % from 2005 to 2030. This will have a direct impact on the cost of transportation and production, and is very likely to have a substantive impact on our business.</p> <p>In addition, strengthened regulations and taxation on plastics and packaging are raising the costs of packaging in all countries we operate, and we expect this to increase more. As example, in Denmark where we operate, there will be new regulations that strengthen the requirements for packaging. We expect as very likely in the short to medium-term that the costs of virgin and non-recyclable packaging will increase as part of the European Strategy for 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>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 climate-related regulations, including energy, waste, transport, packaging, water, product and services and other regulations related to our 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 over 90 % 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 pillars, and CDP for best practices. We have approved SBTs to reduce Scope 1, 2 & 3 emissions, 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 and governance to manage climate change mitigation and adaptation. GAP analysis and updated materiality, R&O analysis based on double materiality according to CSRD are carried out.</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. Considering that there is currently no generally accepted framework for accounting GHG emissions from products, this is an optional disclosure requirement in new regulation CSRD. We expect that a new methodology will be required before this is mandatory. Estimated data on products, however, challenge our sustainability profile as ca 80 % 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 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 and FLAG 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>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> <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>
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 supply chain due diligence and distribution- and customer agreements for product and services can potentially have a substantial financial impact, in addition to having a negative impact on our reputation. Increased environmental- and climate demands in distribution- and customer agreements as well as due diligence requirements in the supply chain in the food industry, which has one of the most complex value chains, may make Midsona vulnerable to lawsuits.</p> <p>For example, Corporate Sustainability due diligence in the value chain is part of our risk for emerging regulation, but where the requirement in a due diligence process appears in several contracts and questionnaires both from customers, investors and other stakeholders. Customers annually introduce new terms and requirements towards environmental impact in own operations and throughout the value chain, requesting ambitious control of suppliers and sub-suppliers. We have a system to follow up our risks in the supply chain and with our suppliers, but as part of the food industry with one of the most complex value chains, this is a challenge. There is always a risk of failing to constantly include all supply chain risks and new upcoming customer requirements. Even though Midsona conducts comprehensive control and risk analysis of our suppliers by our SCOC and supplier self-assessment tool as well as supply chain risk analysis by using Sedex, it is a challenge due to the complexity of Midsona's value chain. In 2022, we have also had increased demand for both customer requirements for SBTs and CDP reporting. Breaches of such agreements can potentially have significant 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 as well as performing systematic risk analysis of the supply chain down to the raw materials by using Sedex. This is a comprehensive job, and suppliers are evaluated at 1-3 year intervals to ensure that they meet set targets.</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. 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 interactions in this area, and welcome the new EU directive regarding Green Claims as it will help levelling the playing field for communication. Midsona also monitors developments regarding nutrition claims and sustainable product declarations and strives to provide consumers with clear 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. Also, new requirements can change consumer behavior in new directions and alter competition. Consumer behavior and trends are considered risks with medium impact 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 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. We also work to increase focus and knowledge in sales and marketing so our sustainability work is communicated to customers and consumers as it's likely 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 2021 and 2022.</p>
Reputation	Relevant, always included	<p>Reputational risks are included as a part of our interdisciplinary risk process and are continuously monitored. Our 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, stock market value and sales success. As such, reputation is a central risk for Midsona.</p> <p>For example, if we fail in our risk management of raw materials and prices as well as the management of transition risks and opportunities as part of our 1.5°C- climate transition plan, it will damage our reputation significantly. Thus, both our costs on sold product, turnover and the stock market values will fall as consequence. Inadequate financial planning and climate adaption will lead to a gap between our adaption ability and our planned risk mitigation, with significant reduction of our business values and hinder our opportunities and development towards a more financial sustainable future.</p> <p>In addition, a lack of dialogue with stakeholders may lead to loss of understanding of common desires to drive our business in the same direction towards a low-carbon society. Inadequate climate reporting may significantly reduce our business values and hinder our opportunities towards a more sustainable future. Our energy target is especially important and is highly regarded in the climate context and climate reporting. If Midsona cannot fulfil these requirements, they may lose competitiveness in the eyes of investors, customers, and other material stakeholders.</p> <p>To mitigate those risks, we work with a climate change strategy and scientific credible transition planning 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 and use of global gold standards and regulations such as CSRD, TCFD, TNFD, GHG, SBTs (near term/Net Zero), Supplier Engagement Targets and CDP reporting ensure best practice based on stakeholder needs. Our climate transition plan is approved by the Board, with plans to ensure that our business model and strategy are compatible with the transition to a 1.5 °C-future. 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, causing unknown operational cost increases and challenging sourcing conditions. In 2022 we faced major difficulties due to the precipitation shortage causing droughts in Italy. While Italian rice makes 7% of our food products the total production of Italian rice was reduced by almost 20%. As example, in Division North Europe, where we buy 75% of the rice volumes, this then caused a 29% increase of costs and critical scarcities followed by out-of-stock situations and loss of important sales business for Midsona.</p> <p>We clearly see that our risk of a shortage or increased cost of important raw materials based on climate change are not only risks that may happen in the future, but are already happening now. In the spring of 2023, the EDO (European Droughts Observatory) has warned of drought in southern and western Europe. France, Spain and northern Italy are raising concerns about water supply, agriculture and energy production for the summer of 2023. A severe drought is affecting the western Mediterranean with forecasts of a warmer than average summer due to a persistent lack of precipitation and positive temperature anomalies for more than one year. In both North Africa and the Iberian Peninsula, severe impacts on crops have been reported, with reduced and delayed sowing, and well below average crop forecasts. The rainfall forecasts are characterized by higher spatial variability and uncertainty, with a high risk of critical periods with regard to water resources. For example, for Midsona it is very likely that this will result in price increases for tomato products and probably also olive oil, as well as challenge with Durum for the summer of 2023.</p> <p>Production facilities, equipment, power supply, water supply and other assets for direct operations can also be damaged by extreme weather conditions or other physical hazards due to environmental and climate changes. We maintain eight production facilities in Europe where significant quantities of our own brands are produced. Unplanned interruptions to production could cause deliveries to customers being directly affected, as we keep relatively few days of finished goods in stock.</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 changes such as a shift of precipitation patterns and temperatures rises within the direct cultivation environment can disrupt our supply chains or can force us to change the geographical location of our product sourcing, causing unknown operational cost increases, challenging sourcing conditions and raw material scarcities.</p> <p>In 2022, we sourced raw materials and finished goods from at least 73 different countries of origin. 19% of our cost of sold products in the food category comes from the 10 countries most affected by climate risk globally, such as India (2.9% of our raw materials), China (9.9%) and South Africa (2.6 %). While China and India are particularly exposed to climate-related risks, South Africa is struggling to deal with climate change. As example, Midsona buys its biggest climate-related risk raw material (peanuts) based on climate change and spend, from China. In addition to our peanuts from China, coconuts from Sri Lanka, rice from India, prunes from Chile and California and quinoa from Peru are some of our most vulnerable raw materials in relation to climate change and spend. To mitigate physical acute and chronic climate-related risks, we have carried out an in-depth qualitative and quantitative scenario analysis where our most climate-vulnerable as well as largest (based on spend) raw materials were included in the analysis.</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. 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 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> <p>To mitigate this risk, the board approved our water targets from 2021 to reduce water use by 10% by 2030 and in Spain we have in 2022 work continuously with water-saving measures.</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, 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 commodities. This combined with unchanged agricultural practices, may lead to ongoing soil salination and degradation, loss of biodiversity on fields, pests and plant diseases and give water challenges on farm level as well as risk for misuse of chemicals. ~50% of our raw materials are grown in countries outside Europe, and ~60% of our organic are grown in developing countries that have less ability to adapt to climate change. Peanuts from China, coconuts from Sri Lanka and rice from India and Pakistan are among our biggest raw materials (based on spend) with the biggest climate-related risks as these areas are more prone to chronic drought, floods or other extreme weather-related changes. ~6% comes from China and India, where small farms play an important role with little ability to climate adaptation, and thus extra critical in relation to climate change. Prunes from Chile and California and quinoa from Peru are also strategically important raw materials for us where we had last year experience with increased prices and reduced supply based on climate change. We have also previously experienced large outbreaks of coconuts from the Philippines based on extreme weather, which led to a change of supplier to Sri Lanka. This has given us significant price increases, albeit short-lived. ~50% of our raw materials are grown in Europe of which 31% in South Europe, as example short-grain rice and tomatoes from Italy. Even in Europe we have major climate-related challenges that affected the supply of important raw materials last year, and which are expected this year as well. In 2022 we faced major difficulties due to droughts in Italy. Italian rice makes 7% of our food products, and the total production of Italian rice was reduced by almost 20%. As example, in Division North Europe, where we buy 75% of the rice volumes, this caused 29% increase of costs and critical scarcities followed by out-of-stock situations and loss of important sales business for Midsona. For the European crops 2023, based on drought warning from ECO, it is very likely that this will result in price increases for our tomato products and probably also our olive oil, as well as possible challenge with Durum.

Time horizon

Medium-term

Likelihood

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)

66000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

In 2022, we had expenses for sold goods of 3,021 billion SEK - an increase of 8,6 percentage points from last year - caused by Midsona being an actor on the global food market and subject to global fluctuations. In 2022, the global food markets have been marked by unrest and strong cost increases for important input factors (seeds, energy, fertilizer, building), and strong increase in food prices. In March 2022, FAO's food price index reached its highest level since it was established in 1990. The increase has been large for all product categories and the indices for Midsona relevant raw materials as vegetable oils and grains reached their highest level since the index was established. This is due to various factors such as post-pandemic, Russia's attack on Ukraine with associated sanctions with increased prices for goods such as grain and oil seeds as well as challenges for the global fertilizer market. We have also experienced increased protectionism (such as rice in India). The several climate challenges in 2022 and beyond come on top of this. All of this lower global growth so that energy and food prices can remain high for medium- to long term, where it is likely that the supply of raw materials affected by climate change will have an even greater financial effect in an already pressured market. Although we are exposed to many challenges, climate is the biggest threat globally with the biggest financial risk for companies like Midsona in short- to long term.

The financial impact estimate is based on increased direct cost of 2% annually. This figure reflects increased costs in recent years for raw materials and products due to physical risk as example, significant increased prices for rice from Italy 2022 and prunes from Chile 2021. Medium-term as we are already seeing significantly increased cost risks based on climate, but where we expect that this will only increase going forward. This assessment includes historical development and experiences as well as future-oriented evaluations. We expect annual variations in climate-related price increases, but share the FAO estimate that food prices will remain high. Medium-term financial impact was then roughly evaluated to be 2% of operational direct costs which gives a total minimum impact of SEK 66 M.

Our cost calculation for financial impact is calculated as 2% of operational direct cost (cost of sold products) which is 3,021 bill for 2022: $3,021 \times 0.02 = 66$ MSEK.

Cost of response to risk

8150000

Description of response and explanation of cost calculation

For our climate-related risk-mitigation and adaption, we regularly update our scenario analyzes including transition risk (1,5°C) and raw material-risk up to 4°C scenario, with risk-mitigation and adaption plans as a result. To secure long-term sustainable goods, we work with SBTs, FLAG, Net Zero and have committed that 100% of our suppliers will set science-based emission reduction targets aligned with 1.5°C. For us this is an important step towards mitigating our environmental impact upstream but moreover as well to create awareness and preparedness amongst our suppliers. Workshop and close cooperation to set SBTs and 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 are all important response to the risk for our raw materials. By strategic partnerships, we can reduce our risk as well as support our partners and farming communities within their climate adaptation. As example, we collaborate with suppliers of rice in Kotwa (India) and Cambodia as well as farmers in France (Celnat Fond) to support and achieve reduced environmental impacts.

We work with various raw material- and product certifications to reduce environmental impact as 50% organic (share of revenue). EU commission's Green Deal target of 25% of land under organic farming by 2030 supports our strategy. Our other certifications like FSC, Demeter etc provide additional guidance.

Our cost calculation is based on investment in supply chain systems as Kodiak, SEDEX and data modules at 0,75 M SEK, in addition to 2 senior employees to handle strategic sourcing/sustainability activity in supply chain as well as 2 senior employees to manage our strategic customer- and business contact for joint solutions at 1,5 M SEK per senior employee (1,5 X 4 = 6 M). Additional cost is yearly cost for third party support for R&O- and scenario assessments in the supply chain (0,2 MSEK), strategic supplier engagement projects as project Kotwa (0,35M), Celnat Fond (0,5M), project Cambodia (0,35M) at total 1,4MSEK (0,2 + 0,35 + 0,5 + 0.35=1,4 M). The significant cost item from environmentally certified assortment, is not calculated here since it is a natural part of our profile and strategy. Thus, cost of response to risk is 0,75 + 6 + 1,4 = 8,15 MSEK.

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 us and vice versa, our impact on the environment and climate.

Certified raw materials help us in communicating our efforts to customers and consumers and on the other hand it partially allows us to focus on sourcing and production of environmental friendly products meanwhile giving most of the customer and consumer marketing to reliable partners. Our organic suppliers should operate according to (EU) 2018/848, as well as use other product certifications with a positive environmental and social impact such as KRAV, Vegan, ECOCERT, FoS, Fairtrade, Demeter, Naturland etc. Today, we are the largest supplier of organic food in the Nordic region and also a significant player in Europe, where we help people live healthier and more sustainable lives through our organic brands and high-quality plant-based products. This is in line with the EU Commission who has set out a comprehensive organic action plan for the European Union. As part of the European Green Deal the Commission aims to achieve a target of 25% of agricultural land under organic farming by 2030 (https://agriculture.ec.europa.eu/farming/organic-farming/organic-action-plan_en).

According to the EU commission: "Organic farming is an agricultural method that aims to produce food using natural substances and processes. This means that organic farming tends to have a limited environmental impact as it encourages:

- responsible use of energy and natural resources;
- maintenance of biodiversity;
- preservation of regional ecological balances;
- enhancement of soil fertility;
- maintenance of water quality.

Additionally, organic farming rules encourage a high standard of animal welfare and require farmers to meet the specific behavioral needs of animals. European Union regulations on organic farming are designed to provide a clear structure for the production of organic goods across the whole of the EU. This is to satisfy consumer demand for trustworthy organic products whilst providing a fair marketplace for producers, distributors and marketers" (https://agriculture.ec.europa.eu/farming/organic-farming/organics-glance_en).

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The overall climate target for 2030 in EU is strengthened from 40% to 55%, which requires strengthened climate regulations from EU commission ("Fit for 55") in fields like transport and energy. Two of the pillars from "Fit for 55", will be material for our transport, ie emerging regulations of EU's ETS and EU ECR. As example, our transport will very likely receive a strengthened emission requirement in relation to ECR where the overall emission reductions have to increase by around 10 percentage points compared to previous assumptions, as to a new regulation of transport in the EST. The Commission has made new proposes to extend the rules for the quota market by adding new industry as shipping and to establish an independent and parallel quota system for road traffic. There are numbers of supplementary regulations that contribute to targets in EU, for example in the areas of energy and transport which is material for us. This means that for our fossil driven transport, "Fit for 55" gives us a risk for double effect on our costs. Based on our latest assessment, it is very likely we have a risk for increased indirect cost, as this will affect the price of our fossil driven transport even more than what we have assessed previously. In all the countries we operates, we have already tax on fossil fuel based on EU regulation, and in some countries the tax is a significant part of the fuel prices. As a conclusion; if such legislations are introduced, which is very likely in medium term, we assume the magnitude of financial impact will be low for us but with primary potential financial impact on increased indirect (operating) costs if we still have a significant share of fossil-fueled transport. Another area that may lead to a risk of increased taxes & expenses based on emerging regulation is the further development of the Carbon Border Adjustment Mechanism (CBAM) in EU. Until 2034, the Commission will introduce a carbon price for imported goods that do not have a carbon price equivalent in the EU. Fertilizer is part of the first testing and if EU adopts this, it is likely that an pressured fertilizer industry and thus the food industry will see further increased prices in short term. If the CBAM regulation shall apply to more goods in our products and raw materials, it is likely that this in medium-term lead to even higher price increases for our raw materials and products that are imported from countries outside the EU, leading to increased indirect cost.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

8343366

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

In all the countries Midsona operates, we have already taxes on fossil fuel based on EU regulation, and in some countries the tax is already a significant part of the fuel prices. For example, in Norway CO2 taxes on fossil fuel increased by 8% from 2021 to 2022 (from 1,58 to 2,05 NOK per litre). Based on EU’s “Fit to 55” package we expect this to increase even more than previously anticipated, where the increase in CO2 tax is applicable to the transport sectors based on both pillar 1 (ETS) and 2 (ECR) from the EU’s package. In particular, it is likely that this will be further strengthened in the countries like Germany, Denmark, Finland, Sweden where we operate since those countries have all been given the strongest requirement targets within ECR to cut emissions by 50 % from 2005 to 2030. This will have a direct impact on the cost of transportation and thus product. We consider it very likely that all countries in which we operate will increase their CO2 taxes for transport in line with Norway within a medium time, and that there will be an annual increase going forward of at least 8%, as Norway has done from 2021 to 2022.

The estimated financial impact figure is based on our total use of fossil fuels in 2022, which is estimated to be 2 233 834 litres multiplied with one of the highest CO2 taxes, a price of 2,075 SEK per litre . Based on this data the financial impact if all countries get the same tax as Norway today is estimated to be: (2 233 834 litres of fossil fuel) x 2,075 SEK that gives approx. 4 635 206 SEK. If all countries adopt approximately the same CO2 tax on transport as Norway, this gives an additional transport cost for Midsona of MSEK 4,6. An annual increase of 8% of this gives 4,6 x 0.08 = 0,37 MSEK yearly which in the short term (3 years) will give us a further probable cost increase of 1,1 MSEK within 3 years (0,37 X 3 = 1,1). Altogether, this gives an estimated short-term financial impact figure of 4,6 + 1,1 = 5,8 MSEK (3 years), and if this will increase linearly each year, this gives in the medium term (up to 10 years) increase to 4,6 + (0,37 x 10) = 8,3 MSEK (ie approximately doubled in 10 years). The risk of increased costs is greater for the countries that still have the largest share of our fossil-fuelled transport and which at the same time fall into the countries that must reduce the most in relation to the new likely requirement in ECR, such as Germany, Denmark, Finland and Sweden.

Cost of response to risk

15200000

Description of response and explanation of cost calculation

An important method for risk mitigation to respond to the described risk is to reduce our transport and consumption of fossil fuel aligned with our SBTs and our Climate Transition Plan for 1,5°C-future. A transition to low carbon transport is part of our Climate Transition Plan and our target of 100 % fossil-free transports by 2030. In Nordic we are working to reach this target by 2025, where we have signed DLFs Transport initiative 2025. In 2022, the emission intensity from transport is reduced by 42% compared with base year (53% Nordic) based on shift from fossil driven trucks to carbon-efficient trains and ships. There has been lack of fossil-free goods transport on the road, but the pace of development has accelerated in 2022. In Germany, we have in 2022 initiated a collaboration with one transporter for Hydrogen driven trucks for up to 30 % of all our transport in Germany. On the other hand, 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. Thus, we are striving to further increase the share of rail transport. As an additional management for risk mitigation, we closely follow the development of the regulations and political framework conditions as part of “Fit for 55” in the EU, in each market we operate. For example it is likely new requirements for loading infrastructure in the transport sector and new emission standards for manufacturers of cars and vans gives us also a long-awaited opportunity for a cost-effective transition to fossil-free transport. Aligned with our transport target for 100% fossil free transport, it is likely that both increased CO2e taxes on fossil-fuelled transport and increased development of climate-friendly trucks and loading infrastructure for electrical trucks as laid down in emerging regulations will positively affect both our transport target and thus our transport costs.

Direct cost with responding to this risk relates to investment in more fossil free solutions. Our experiences with buying biogas (HBO) transport in Sweden for trucks in recent years has shown us that switching to fossil-free fuel results in an increased transport cost of between 5-10%. Cost of response to risk is estimated to be approx. 15,2 MSEK, and has been calculated based on a mean of 5-10 % (7,5%) increase in total fossil-transport costs 2022 (203 MSEK), ie total transport cost 203 MSEK x 0,075 = 15,2 M SEK).

Comment

Comment to the cost: This gives a significant extra cost in short term, but is also considered as an important investment in our long-term corporate strategy to secure sustainable and efficient transport.

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.

Opportunity based on Fit for 55: As part of “Fit for 55”, a number of supplementary measures have also been adopted, for example new requirements for loading infrastructure in the transport sector and new emission standards for manufacturers of cars and vans (<https://www.regjeringen.no/no/sub/eos-notatbasen/notatene/2021/avg/forsterket-innsatsfordeling-2021-2030/id2878385/>). Even though it is very likely that both the requirements for transport in the new ETS and the new increased climate requirements in the new ECR will give us an increased risk of price increases with increased taxes for our fossil-driven transport, this gives us also a long-awaited opportunity for a cost-effective transition to fossil-free transport. Aligned with our transport target for 100% fossil free transport by 2030 (2025 in the Nordic), it is likely that both increased CO2e taxes on fossil-fuelled transport and increased development of climate-friendly trucks and loading infrastructure for electrical trucks as laid down in the regulations will positively affect both our transport target and thus our transport costs.

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
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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

Risk for mandatory sustainability- and climate -related due diligence in the supply chain (as part of EU commissions work with CSDD) as well as environmental/ climate product declarations and FLAG data may directly impact our cost for products and services as this requires deep knowledge about climate impact on agriculture, forestry, raw material and traded goods on product level which is a complex task. For the sustainability-related due-diligence in the supply chain we currently use an external global data platform called Sedex for the best possible risk analysis in the value chain. For the GHG data for product and services, as well as the new FLAG emission from the GHG protocol in 2022/23. The industry uses different methodology, and limited to no access to data poses a challenge in mapping the climate impact of products (both LCA

and FLAG). When such a requirement and regulation is introduced with mandatory due diligence as well as mandatory real GHG data for LCA and FLAG, this will be very complex and may require more internal and external competence with further increased cost. Stricter requirements for climate- and sustainability-related comprehensive due diligence in the supply chain for our products and raw materials, stricter requirement for LCA climate data on products and services as well as FLAG data is likely in the short- to medium term. In particular, the EU Commission is working with due diligence requirements for the industry, which we believe will apply within a short term. We assume the magnitude of financial impact may be up to medium for Midsona with primary potential financial impact on increased direct (operating) costs.

Today we use third-party climate expertise and tools for calculating the climate impact related to purchased good. We have earlier implemented this tool for our emission mapping 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 emission categories that are relevant to our company and indicate which ones are most significant. In addition, 2022 we build up internal expertise both to have the resources to carry out a credible climate-related due diligence in the supply chain as well as together with external third party to separate LCA from FLAG, and put new updated LCA together with FLAG data for our submission to SBTi for Net-Zero.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

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)

6000000

Explanation of financial impact figure

Our biggest challenge with scope 1,2, 3 data have been LCA data for products and services in scope 3. In our effort to complete a scope 3 inventory based on GHG protocol, we faced challenges with 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. This is because the emissions per product will vary based on, among other things, the country of origin of the raw material, farming method, 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. 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. Therefore, we expect that those demands will be actual only together with new developed cost-effective methodology. With our ongoing work with FLAG emission, this complexity has further increased as FLAG must be separated from the LCA analysis as a separate emission. This together with the emerging regulation for CSDD has increased our need both for additional internal climate expertise as well as the need for external assistance.

Our cost calculation is estimated to be between 3-6 MSEK annually, and is based on investment in increase of employees with climate and data expertise in our organization, as well as increased need for sourcing resources to handle climate-related risk-mitigation and adaption in the supply chain 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 M per employee (2 x 1 M). In addition, we estimate the cost of 3rd party expertise to be between 1-4 MSEK based on our experience with third parties and depending on the requirements of the complexity of the methodology, which is a challenge to predict. This gives (2 x FTE) + 3rd party = 2 + (1-4) M= 3-6 MSEK.

Cost of response to risk

3290000

Description of response and explanation of cost calculation

A direct response to this risk is to voluntarily start working with global supply chain platforms as Sedex on climate-related due diligence as well as on calculating the products LCA and FLAG emissions based on GHG protocol and voluntarily disclosure the products estimated emission based on acceptable standards, and thus reduce the risk of unexpected and unmanageable reporting requirements. 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 (LCA), this is only optional disclosure requirement in the new 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. At the same time the Farm to Fork strategy under the EU Green Deal umbrella includes an action about proposal for a sustainable food labelling framework to be introduced during 2024, which is a further indication about the likelihood of more specific product information of some kind to be introduced but currently with no guidance on most likely framework which makes it hard to start working with this.

We disclose estimated GHG emissions from products and services and also now from FLAG, including methodologies used. In addition, Midsona also commits that its suppliers will set science-based emission reduction targets aligned with 1.5°C. To further mitigate this risk, most of our targets from 2020 including our SBTs were 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. We chose these sustainability goals to be in line with several of the categories in scope 3.

We estimate that resources needed to handle this risk is one full time employee (FTE) from sustainability and one from sourcing, ie 2 x FTE at a cost of 1 M per employee (2 x 1= 2MSEK). In addition, our real cost 2022 for 3rd party expertise all together both from climate expertise guidance, systems and supply chain platforms (Sedex/Kodiak) was 1,29 MSEK. All together this gives (2 x FTE) + 3rd party = 2 + 1,29 = 3, 29 MSEK.

Comment

(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

We have expected carbon taxes for fossil fuel or demands for transportation providers to only use low/zero-emission vehicles in medium term which is an opportunity as we have a transport 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 by DLF in Sweden. As part of EUs "Fit for 55" a number of measures for transport have been adopted which is giving us an opportunity. Even though new requirements for transport in ETS and increased climate requirements in ECR will give us an higher risk of price increases for our fossil-driven transport, this also gives us an opportunity for a cost-effective transition to fossil-free transport. With our transport target, it is likely that increased CO2e taxes on fossil-fueled transport and increased development of climate-friendly trucks & loading infrastructure for electrical trucks will positively affect our transport target and transport costs and give us a great opportunity. The emission intensity from transport is reduced by 42% in 2022 compared with base year 2019 and 53% in Nordic. This can positively impact reputation and reduce costs directly and indirectly through lower carbon prices and give us a competitive advantage to an even stronger extent. The demand for fossil free options will affect the development of fossil-free transport and our achievement of the transport target. Change to fossil-free transport can have an upside in terms of reputation and cost efficient technological offerings for fossil-free solutions in the future. This, together with "Fit for 55" can lead to greater demand and competition, and with greater speed in the development of fossil-free solutions can reduce cost in medium-term. Our focus on efficiency in transportation through filling level, load planning and route optimization will impact our resource efficiency and energy use. Steps are taken to improve the structure of the European value chain and to harmonize the various operations. Work is being conducted with joint purchasing processes and co-procurement with the objective of achieving great transport savings. In Germany, we collaborate with Cargo Flex to optimize transportation, plan optimal routes and avoid unnecessary waiting times which reduces fuel consumption and GHG emissions. We also look into a project for Hydrogen driven trucks which will give us an additional opportunity in Germany.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

8300000

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 estimated financial impact figure is based on our total use of fossil fuels in 2022, which is estimated to be 2,2Mlitres. Total litre of fuel, have then been multiplied with one of the highest CO2 taxes 2022, a price of 2,075 SEK per litre fossil fuel. This is numbers from Norwegian operations, and where we have one of the highest CO2 taxes in 2022, namely 2,075 SEK per litre of fuel. Based on this data the financial impact if all countries get the same tax as Norway today is estimated to be: 2,2Mlitres of fuel x 2,075 SEK that gives approx. 4,6 MSEK. Newly introduced increased CO2 tax with 8% for one year in countries like Norway indicates a new trend in Europe to seek to significantly increase yearly its tax on CO2 in the short-term. Based on EU's "Fit to 55" package we expect this to increase even more than previously anticipated, where the increase in CO2 tax is applicable to the transport sectors based on both pillar 1 (ETS) and 2 (ECR) from the EU's package. We consider it very likely that all countries in which we operate will increase their CO2 taxes for transport in line with Norway within a medium term, and that there will be an annual increase going forward of at least 8%, as Norway has done from 2021 to 2022. If all countries adopt the same CO2 tax on transport as Norway, this gives an additional transport cost of MSEK 4,6. An annual increase of 8% of this gives $4,6 \times 0,08 = 0,37$ MSEK yearly which in the short term (3 years) will give us a further probable cost increase of 1,1M SEK within 3 years ($0,37M \times 3 \text{ years} = 1.1 \text{ M SEK}$). Altogether, this gives an estimated short-term financial impact figure of $4,6 + 1,1 = 5,8$ MSEK (3 years). If this will increase linearly each year, this gives in the medium term (up to 10 years) an increase of $4,6 + (0,37 \times 10) = 8,3$ MSEK (ie. ~ doubled in 10 years). If we convert this from risk to opportunity based on our transition plan, 8,3 MSEK will turn into an opportunity. The opportunity is even greater for the countries that fall into the countries that must reduce the most in relation to the new likely requirement in ECR, such as Germany, Denmark, Finland and Sweden.

Cost to realize opportunity

15200000

Strategy to realize opportunity and explanation of cost calculation

Our approved SBTs is in line with SBTi's Criteria v4.2, where we report scope 1,2 & 3 emissions based on the GHG protocol. Today we have further committed to SBTi to increase ambition to 1.5°C and shortens the timeframe for reaching targets to 10 years as well as an implemented credible climate transition for a 1.5°C future. Our climate transition plan is following 100% CDPs recommendations and description of a credible climate transition plan which means a time-bound action plan that clearly outlines how we will achieve our strategy to pivot our existing assets, operations and entire business model towards a trajectory that aligns with the latest and most ambitious

climate science according to the recommendations, i.e. halving greenhouse gas (GHG) emissions by 2030 and reaching net-zero by 2045 thereby limiting global warming to 1.5°C. This helps us to reduce our greatest sustainability risks and to increase focus on our greatest opportunities. In this work, we identified transport as one important environmental risk area for us, i.e. risk of negative climate impact caused by freight transport with fossil fuels. Based on this risk analysis, among other targets, we developed the transport target to be able to reduce our greatest impact on sustainability within transport, which means 100 % fossil-free goods transport by 2030. We have chosen our sustainability targets 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", "Business travel". As an example from transport, we have in 2022 closed an agreement to collaborate with one transport supplier in a project for Hydrogen driven trucks on the roads for up to 30% of all our transport in Germany. The timescale of implementing this action is 2023.

Our cost estimate is based on change to fossil free fuel for transport with a significant extra cost, which is an important investment in our long-term strategy to secure sustainable and efficient transport. Our experience with buying biogas (HBO) transport in Sweden in recent years has increased this transport cost between 5-10% which gives an average of 7,5. Cost calculation to realize opportunity is estimated to be 15,2 MSEK, and has been calculated based on 7,5% increase in total fossil-transport costs, i.e. total transport cost 2022 at 203 M x 0,075 = 15,2 M SEK.

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.

The likelihood of the risk is very likely, whereas the likelihood of the associated opportunity is assessed as likely as it is also closely linked to developments externally from transport suppliers and also competitors and customers.

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

We consider it likely that products with low carbon impact will have a significantly increased market advantage in the future, being of great importance in the introduction of product carbon accounting and labelling. It will provide competitive advantages to our product portfolio as the Group's passion lies in helping people to choose healthier and more sustainable alternatives in their everyday lives according to UNs SDGs. We have since long been working to increase our plant-based portfolio and already reached 98% plant-based for prioritized brands (82% all brands). In addition we have a new support in the EU Commission's new target for increased organic production by 2030. 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 also is found to have lower GHG emissions than traditional production, we can further increase the positioning of our portfolio as sustainable brands, and hence increase market share and revenue.

We are generally an early mover regarding more 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 is expected to continue grow, and we see an opportunity in developing new products meeting consumers and customers' expectations within this segment. There is also a large potential for us in exploring the vegan/vegetarian segment further, for example by the development of new lab-based protein that do not require problematic protein substitutes. Based on the new organic target by the EU Commission we consider it as likely that future direction will turn towards organic plant-based low-carbon products that protect nature, further increasing the demand for plant-based organic production, an area which can be further explored. As an example, one important customer in Sweden (Axfood) will invest in organic plant-based, where we are a natural partner. Similar goals applies to many of our customers which provides us with further opportunities to broaden our business. Our 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

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

23000000

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 49% of total revenue, and plant-based or vegetarian account for 88% of our product range, including organic. In 2022, the proportion of 100% plant-based products alone in the range was 82 percent (100% plant-based without vegetarian). In addition, 98 % of prioritized brands are plant-based or vegetarian whereas 91 % plant-based.

Financial impact figures is calculated from total sales 2022 which is 3,899 bill SEK for Midsona. The proportion of 100% plant-based products alone at 82% of this is 3,197 bill SEK (3,899 bill x 0,82 = 3,197 bill SEK) which can reflect our total sales of plant-based products based on our product range. Our estimated impact is based on 3% increased sales of our plant-based portfolio. 3% is based on trend analyzes in the light of our scenario analysis. Thus, total sale increase based on low carbon profile is estimated to 96 MSEK (3,197 bill x 0,03 = 96 MSEK). Primary potential financial impact for Midsona will be 24% (profit is calculated at 24% of sales (Actual Company Gross Margin 2022 24%)) of increased sales at 23 MSEK (96 MSEK x 0,24 = 23 MSEK).

Cost to realize opportunity

2900000

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 healthy, 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 working with engagement targets for our suppliers and climate reducing targets on waste, transport, packaging in addition to energy reduction as well as 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 98% plant-based of prioritized food brands, whereas 49% 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, was Midsona's efforts in 2021 with the extensive transformation of Midsona's Spanish production facility in Castellcir, resulting in a continued increase in capacity in 2022 of production of plant-based meat alternatives. Our efforts can be exploited further through communication strategy to target sustainability conscious end consumers and an updated marketing strategy for our organics brands is launched as one step in this direction. These initiatives are established and managed through the leadership as part of Midsona's company strategy. The timescale of implementation is 2022/23.

We estimate our primary cost to realize the opportunity to be 3% of estimated increased sales. This cost is based on our commonly associated figures for increased marketing costs including personnel. Total sales 2022 is 3,899 bill. 3% increased sale based on opportunity for 82% of our total sale (plant-based) is calculated as $0,03 \times (3,899 \text{ bill} \times 0,82) = 96 \text{ MSEK}$. Thus, our cost to realize opportunity is 2.9 MSEK ($96 \times 0.03 = 2.9 \text{ MSEK}$).

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

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

Publicly available climate transition plan

Yes

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

Our climate transition plan is voted on at AGMs and we also have an additional feedback mechanism in place

Description of feedback mechanism

Midsona has a feedback mechanism in place where feedback is collected from top management, board and shareholders as well as other stakeholders about our transition plan. Comment: Collecting shareholder feedback on the transition plan (CTP) allows shareholders to provide feedback and make decisions related to the progress of our transition plan. Like this way our CTP will be continuously adjusted from the shareholders (instead of a one-off signature). Description of our feedback mechanism: Our climate transition plan is first voted on in Midsona's Sustainability steering group (sustainability committee) and the Board of Directors. Midsona's transition plan for sustainability, including our climate transition plan, is described and published annually as part of our annual report. This annual report is then voted on annually at the general meeting (AGM). In May 2023, our annual report for the financial year 2022 was voted on by AGM. Thus, both the content and progress of our Climate Transition Plan has been voted on at Midsona's general meeting. The frequency of feedback from the general meeting is annual. For the financial year 2022, this can be found on pages 35-76 with the corresponding appendix from pages 78-96.

Midsona's climate transition plan is publicly available in line with best practice for the best possible transparency. Our Climate Transition Plan is published on Midsona.com available to all our shareholders and stakeholders both to be transparent but also to have an opportunity to get feedback on the plan from all our stakeholders. By making the CTP publicly available we provide certainty to data users that Midsona is aligning to the long-term climate goals and that its business model will continue to be relevant in a net-zero carbon economy (ref CDP).

This document provides a summary of Midsona's transition plan with references to more detailed documents. Details on Midsona's transition plan is described in annual report as well as Midsona's Climate Disclosure Project (CDP). Attached are the links to any relevant documents which detail Midsona's transition plan.

Frequency of feedback collection

More frequently than annually

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

Midsona's Climate Transition Plan - Communication to shareholders and stakeholders 2022

Midsona's Climate Transition Plan - Communication to shareholder and stakeholder 2022-attachment to CDP.pdf

Explain why your organization does not have a climate 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 NZE 2050	Company-wide	<Not Applicable>	<p>Midsona carried out a scenario analysis process in 2020 along with its work of introducing a broader set of TCFD disclosures to the company’s reporting. Recently, Midsona has updated its scenario analysis to reflect increasing expectations from stakeholders. In selecting the risks for the scenario analysis, Midsona prioritized risks by reviewing financial impact, time horizon, and the likelihood of occurrence. Ultimately, ‘emerging regulations’ was identified as the transition risk, and ‘raw material sourcing’ was identified as the physical risk.</p> <p>Meeting the ambitions of the Paris Agreement will require significant changes in the regulatory landscape. Several of the changes have already been proposed, and we expect that more will enter our industry as we move ever closer to 2050. This risk is placed in IEA’s Net Zero scenario, a scenario following a 1.5°C pathway. The parameters and assumptions used in the scenario analysis follow the variables presented in the IEA NZE scenario.</p> <p>Key assumptions in the IEA Net Zero:</p> <ul style="list-style-type: none"> • Global energy sector achieves net zero CO2 emissions by 2050 (advanced economies 2045). • Achieving key energy-related UN SDGs, such as universal energy access by 2030. • 60% of global car sales are electric in 2030. • Carbon price level: \$250/tCO2e in 2050 for advanced economies. • Nearly 90% renewable electricity generation in 2050.
Physical climate scenarios RCP 8.5	Company-wide	<Not Applicable>	<p>Midsona sources raw materials from a wide range of countries. Some raw materials are more important to examine more deeply due to either proportional spending or global accessibility, or both. Understanding how the availability of these critical items will develop in a future dominated by physical risk is vital to ensure resiliency in the product portfolio, and to allow for necessary changes to be made. This scenario analysis examined a 4°C narrative using climate variables under The Intergovernmental Panel on Climate Change’s (IPCC) Social Socioeconomic Pathways (SSP) SSP5-8.5 scenario. Variables examined included:</p> <ul style="list-style-type: none"> • Temperatures • Precipitation levels (annually and monthly) • Heatwaves and coldwaves • Drought <p>The dataset with the climatology variables in question is extracted from the Climate Change Knowledge Portal (CCKP) for Development Practitioners and Policy Makers by the World Bank Group (WBG)</p> <p>Key assumptions in the IPCC SSP5-8.5:</p> <ul style="list-style-type: none"> • RCP 8.5 represents the IPCC’s high-end pathway in which radiative forcing reaches greater than 8.5 W/m2 by 2100. • High population growth: The SSP5-8.5 scenario assumes a rapid increase in global population, leading to higher demands for energy, resources, and infrastructure. • Fossil fuel dominance: SSP5-8.5 assumes that fossil fuels, particularly coal, remain the dominant source of energy throughout the century. This leads to high levels of carbon dioxide emissions and contributes to climate change. • High economic growth: The scenario assumes high global economic growth, driven by increased industrialization and consumption patterns similar to the 20th century. This results in high energy demand and greenhouse gas emissions. • Limited climate change mitigation: The scenario assumes limited international cooperation and weak policy efforts to mitigate climate change. There is a lack of strong emissions reduction targets or effective policies to transition to low-carbon energy sources. • Limited technological innovation: Assumes slow progress in developing and deploying clean energy technologies and low levels of energy efficiency improvements. This results in a continued reliance on fossil fuels and high emissions. • Limited adaptation measures: Assumes that societies have limited capacity to adapt to the impacts of climate change. There are fewer investments in infrastructure and disaster preparedness, leading to increased vulnerability to climate-related risks.

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 NZE and IPCC (SSP5-8.5) to assess possible outcomes based on a temperature increase of 1.5°C or 4°C respectively. The aim of the analysis is to gain insight into the potential strategic and financial consequences that may arise for us 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. Focal questions are formed to guide which publicly available scenario Midsona should use as a forward-looking framing mechanisms for which further climate-related initiatives are directed.

Political conditions and regulations, market arrangements and price developments for raw materials are of great importance for the food industry and turnover. Based on Midsona's work on risk and opportunity identification and assessment, the Midsona's most prominent focal questions have been identified to be:

- i) What forces and developments could be of influence to Midsona's strategic initiatives and targets to contribute towards a 1.5 degree world?
- ii) What physical risks could Midsona's current raw material sourcing strategy exposed to in a 4°C-future? Midsona must uncover the most influential future developments in the supply of raw materials and prices that can directly affect our expenses and earnings in a world where the physical climate changes are increasing. We look at the most vulnerable raw materials for Midsona with the highest climate risk and the highest spend, as well as specific key raw materials. Thus, this can guide our strategic initiatives and goals to ensure this raw material access or change raw materials to less vulnerable raw materials in time. Climate-related challenges in the global food trade come on top of a pressured global food market with international price fluctuations, increased volatility and lower predictability in many commodity markets.
- iii) What variables might affect the resilience of Midsona's portfolio in a 1.5°C – future? Midsona must consider how climate-related transition changes in policy and legal based on climate change is affected by external factors and internal factors short, medium, long term. Compliance with regulation and policies is a requirement in all our operations and business. The pressure from the EU commission and new regulations is increasing at breakneck speed. The EU's GREEN DEAL and climate-related changes in food policy, Midsona provides significantly increased Transition risk, but also significantly increased Transition opportunity. The same applies to the increased pressure from banks, investors and customers for policies, standardization and science based targets. All this increases the internal needs for resources, systems and governance.

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

- i) The results from the conducted scenario analysis have led to several strategic decisions and initiatives across the Midsona Group. The development of our 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 higher ambition for target for emission reductions for our own operations (Scopes 1 and 2), and for our value chain (Scope 3) aligned with 1,5 °C world. From this, the Board approved in 2022 that we updates our SBTs and Net-zero target to a target with a 1.5°C ambition to be approved by SBTi, and to set SBT-aligned supplier engagement targets for our supply chain as well as FLAG-targets by 2024 latest. Our transition plan is already aligned with the 1.5°C target.
- ii) The analysis has revealed this for the top 3 of our most climate-related risk raw materials (peanuts, coconuts and rice) where we have already experienced raw material challenges based on climate change and which are important for several of our priority brands. The scenario analysis shows the escalating development of raw material challenges in the future where access to prunes may partially disappear, as well as that access to long-grain rice from Southeast Asia, coconuts from the Sri Lanka/Philippines and peanuts from China may be greatly reduced if they fail to change their production methods. As an example of measures to reduce this risk, we have set a strategy to differentiate our deliveries from suppliers in different parts of the world which we already use today. Our first SBT workshop together with key suppliers is already planned for autumn 2023. Access to short-grain rice from Europe as well as a transition to European prunes and quinoa could be an opportunity for us to decrease dependency on climate-exposed raw materials.
- iii) Governance and steering of both requirements and regulations as well as implementation of our agenda in the organization is assessed as an increased risk when the requirements increase in a future 1,5 world. As example, we can expect that emerging regulations will increase in more ambitious climate-related scenarios, which would directly influence financial and strategic planning. We have goals to change our climate impact from energy by 2028, plastic packaging by 2025 and transport by 2030. We have continued 2022 with climate-reducing incentives from energy consumption, material selection, product design and packaging to customer transports to reduce emissions. We work to shift transports from fossil-fuelled carbon-intensive trucks to emission-efficient trains with increased filling and efficiency of all transports. This will also reduce our expenses from carbon taxes. In addition, we have strengthened our sustainability department as well as improving reporting lines and alignment between the sustainability and finance departments.

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 growing demand from customers for organic, pure, natural, and plant-based food with a low carbon footprint (reported in C2.4a Opportunity 2) have influenced our product-related strategy and product portfolio. We work with organic certified products and other environmental certified raw materials and products. We have a clear strategy on plant-based products for the climate impacts of the product portfolio. Our Board has decided to commit to increase 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 2022, the proportion of plant-based & vegetarian products was 88% in total and 98% for our prioritized brands with 91% plant-based. We have 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 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. We have just done an extensive modernization of this unit, and in 2022, production of plant-based animal- alternatives at our Spanish plant increased by 31% where we develop third-generation low-carbon plant-based alternatives, including chicken-, fish-, meat- and dairy-like products. To cover the key categories in animal food with plant-based options, we also strengthened our portfolio of plant-based products in our range through our own brands with plant-based innovations in 2022. For example, we launched 9 new plant-based meat alternatives under the brand DAVERT. We received the "Best Bio" Award for the two plant-based DAVERT-products Veggie Chunks and Basmati Rice. The award was presented by Schrot & Korn, a prominent consumer magazine within German organic retail.</p> <p>It is primal 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 strategic chosen targets with an ambition for a product portfolio with 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 (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, America and Asia. The ability to secure goods in weather-related physical conditions can affect our operations and profitability. We see the effect of reduced access and increased prices to some raw materials from climate challenges. As example, 2022 we had challenges with rice from Italy due to drought with indications that the same may happen in 2023. To mitigate this risk, we have frequent dialogue with our major suppliers on volume-critical products for secured delivery, efficient raw material use by joint sourcing and production, and work to establish alternative suppliers to reduce dependence of critical volume product. We also work with various certifications to reduce agricultural-, forest- or marine risks. The Group's strategy for organic certified, as well as our instructions regarding GMOs, palm oil, fish oil, paper use and animal welfare, have been approved by the Board, and we have already reached our target of 100% palm oil-free products (over 99%) as well as ~50% of revenue comes from organic certified assortment. 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 and 2022's new increased focus on sustainability due diligence in the value chain including climate-related due diligence, is based on 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 supplier-and supply chain tools such as the supplier portal KODIAK and Sedex, we classify our suppliers and the hole supply chain based on our mapped risks. Thus, we can set higher requirements on supplier level, improve important processes and reduce risks in the value chain. Our targets also include 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 the plant-based and organic categories. As reported in C2.4a Opportunity 2, we have the potential to tap into the growing demand for plant-based production and advancements in technology to cultivate tropical raw materials or raw material grown in the high plains in South America or in the Nordics, such as the production of quinoa. As an important player in the ecological field, we have support in the EU Commission's new target for increased organic production in Europe to protect nature. We also see an opportunity in supporting 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 manufacturers' 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 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 labeling and clean-up responsibility. To mitigate this risk, we have committed to the DLF Plastic Initiative in Sweden and applied this goal to other parts of the Group as of 2020. The ambition is 100% recyclable plastic for consumer units by 2025, thereby contributing to the EU's strategy for a circular economy. As example, our production of heat-treated food must be packed while the food is hot. This requires a specific type of plastic where we currently do not have access to good enough recyclable packaging. Moreover, we are actively engaged in numerous projects aimed at reducing or eliminating plastic usage, extending shelf life, promoting food waste reduction and recycling through labeling initiatives, increasing the procurement of recycled packaging materials, and increasing the use of Forest Stewardship Council (FSC) certified paper for sustainable forest management in our own production processes. In 2022, 50% of our packaging material are recyclable, and we aim for 100% by 2025.</p>
Operations	Yes	<p>Climate-related risks and opportunities have directly influenced Midsona's strategy and target setting. Earlier, 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 and in 2022 we have strengthened our focus on transport and energy in line with recently updated risk assessments and our 1.5 degree transition plan.</p> <p>Transports (both transport of goods, company cars 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 from waste, we set a target in 2020 to reach 90% recyclable waste by 2025 and to reuse 100% food waste. Midsona operates in countries with low to medium water risk and impact, except 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. Based on both the ongoing global energy crisis and our energy target, in 2022 we prioritized working to target energy-reducing and energy efficiency measures at all of our sites. Although an internal action plan to reduce energy consumption has been implemented, the results will first be shown in 2023. 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 targets. The aim of the analysis is to effectively integrate the potential impact of various factors on our risk and target development into our strategic and financial planning, offering decision-makers valuable insight for short-, medium-, and long-term. Our corresponding scenario analyses are very useful in addition to traditional planning and trend projection.</p> <p>Through a proactive analysis of alternative scenarios, we generate the essential knowledge and mindset required to effectively navigate an unpredictable future. We are using our scenario analysis as a method for long-term planning, for the next steps, and for 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 analyze and structure thoughts about alternative paths in the future. Most targets need to be completed step by step and our scenario analysis helps us choose the right steps at the right time. Covid-19, international conflict and war are good examples of how external shocks/stresses or unexpected events can influence the direction and development of businesses, including sustainability-related efforts, risks and opportunities, and it is important to be prepared for such unexpected events.</p> <p>Incorporating sustainability targets into our operations impacts both direct and indirect costs, and revenue and has a significant impact on our financial planning. An example is our target for achieving recyclable plastic packaging by 2025, which has a direct impact on our SBT Scope 3 Target and serves as an illustration of how Midsona will fund our strategy for low-carbon packaging. Given that packaging is an integral part of all our products, it is associated with both upstream emissions from the production of packaging, as well as downstream emissions from waste disposal of the materials. Achieving our recyclable plastics target within the remaining three-year timeframe entails an increase in purchasing costs for packaging used in-house for our own brands, ranging from a 5-10% increase compared to non-recyclable packaging. Consequently, it is essential to incorporate these costs into the budgets of various sourcing departments and overall operating expenses, as they directly affect the cost of our raw materials and products.</p> <p>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 three-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 and plant-based food with a reduced climate impact, which accounts for 98% of our prioritized brands, as well as organic which account for 49 % in 2022. 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 horizon of 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. This has played a major role in both organic and plant-based markets in our regions, such as the acquisitions of the brands Urtekram, Kung Markatta, Helios, Davert, Celnat and Happy Bio. The acquisitions of System Frugt in Denmark significantly strengthen our platform in the Nordic region, adding an exciting plant-based health brand, Earth Control, to an attractive segment that is open for development. In 2022, we finalized our strategic investment in Spain to increase the production capacity for the Group's own production of plant-based meat alternatives in line with our strategic financial plan to be able to expand also in our other markets. At the same time, we have invested in strengthening our position for organic plant-based products in North Europa and in the Nordic market, which we will continue to follow up on in 2023. In Sweden, Midsona has strengthened its focus on the public sector and schools as well as launched the new store concept "Kungsprogrammet", to promote plant-based and organic food through in-store demonstrations, as well as sponsored the "Årets EKOinsats" (Eco-Initiative of the Year) award at the Swedish retail gala. In Germany, we also initiated a collaboration with Veggienale – Consumer Fair for plant-based and vegetarian products. All these examples are strategic investments to promote low-carbon and sustainable products 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 is thus included 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 climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with both our climate transition plan and a sustainable finance taxonomy	At both the company and activity level

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric

OPEX

Type of alignment being reported for this financial metric

Alignment with our climate transition plan

Taxonomy under which information is being reported

<Not Applicable>

Objective under which alignment is being reported

<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

548600000

Percentage share of selected financial metric aligned in the reporting year (%)

18

Percentage share of selected financial metric planned to align in 2025 (%)

18

Percentage share of selected financial metric planned to align in 2030 (%)

18

Describe the methodology used to identify spending/revenue that is aligned

Reporting year: 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):

- Significant cost item from environmentally certified raw materials and products: Estimated price increase base on organic certified goods 2022: 450
- Significant cost item from other environmentally certified raw materials and products, other than organic: Estimated price increase base on organic certified goods 2022: 90

- From non-recyclable to recyclable plastic packaging: 2,5

- Transition from fossil fuel oil boiler for heating in Jakobstad with installed district heating from renewable sources, investment: 1,5
- Supply chain systems as Kodiak, SEDEX and Sustainability data moduls CEMASYS & PG: 0,75
- Electricity supply with own solar panels where we produced 563 MWh 2022 with production cost: 0,7
- Carbon Transition Plan, CEMA sys Cost 2022 : 0,5
- Celnat Fond : 0,5
- Kotwa project (Premium and Impact Analysis by 2 trainees): 0,35
- Voluntary Carbon Compensation of Scope 1 & 2 division North via an REDD+ Forest Protection Project in Cambodia: 0,35
- Transition to low carbon transports, for example fossil fuel trucks to HVO trucks from Poland to Denmark: 0,3
- Climate-neutrally offsetting for Helios brand as well as transport of KM brand: 0,3
- Significant cost item from FSC paper 2022: 0,3
- Transition certificate Renewable energy: 0,22
- 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: 0,1
- Midsona Germany with Sustainability We Care certification: 0,092
- Conduction of an energy audit to identify reduction potential for division North: 0,069
- Change of lightning to LED's in production area Ascheberg: 0,058

Total: 548,6 M. Calculated as % of total operational cost (Opex) which is 3,021 M (3,0 bill). Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year is therefore 18 %. However, the real number is 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, transport, reduce and renewable energy, etc that will increase this percentage significantly, such as:

Reduce and Recyclable packaging:

- Shifting UK Beauty packaging to rPET and at the same time reducing yearly plastic use with 9 tons

Transports:

- By assembling goods for delivery to Swedish customers into one warehouse in Denmark, transports are consolidated and reduced overall. This shift accounts for 1,750 fewer deliveries per year

Energy:

- Closing down old production machine in Mariager, reducing the total energy use for the site by approx.10%.

For 2025 & 2030 costs has been calculated based on expected costs for identified solutions to reach our climate goal adjusted for expected growth of 5%/ year.

2025: 18% Total: 635,6 M. Calculated as % of total estimated operational cost (Opex) .

- Significant cost item from environmentally certified raw materials and products: 521
- Significant cost item from other environmentally certified raw materials and products, other than organic: 104
- From non-recyclable to recyclable packaging: 2,9
- Transition to low carbon transports: 7,6

2030: 18% Total: 816,7 M. Calculated as % of total estimated operational cost (Opex) .

- Significant cost item from environmentally certified raw materials and products: 665
- Significant cost item from other environmentally certified raw materials and products, other than organic: 133
- From non-recyclable to recyclable packaging: 3,7
- Transition to low carbon transports: 15,2

Financial Metric

CAPEX

Type of alignment being reported for this financial metric

Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported

Total across all objectives

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

0

Percentage share of selected financial metric aligned in the reporting year (%)

0

Percentage share of selected financial metric planned to align in 2025 (%)

0

Percentage share of selected financial metric planned to align in 2030 (%)

0

Describe the methodology used to identify spending/revenue that is aligned

Accounting principles: For Midsona, taxonomy-relevant activities are to be reported regarding sales, capital expenditure and operating expenditure broken down by the EU's six environmental goals. Midsona reports in accordance with one of these goals, that is, mitigation of climate change. Read accounting principles in 3.5c.

Proportion of capital expenditure (CapEx) from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022:

Economic activities:

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Environmental sustainable activities (Taxonomy-aligned):

CapEx of environmental sustainable activities (Taxonomy-aligned) (A.1): 0 mill SEK (0%)

A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities):

CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)=7 mill SEK (15 % of CapEx.), including 6.5 and 7.7:

6.5: transport by motorbikes, passenger cars and light motor vehicles: Absolute capital expenditure: 6 mill SEK: Proportion

of capital expenditure: 13%.

7.7: Acquisition and ownership of buildings: Absolute capital expenditure: 1 mill SEK: Proportion of capital expenditure: 2%.

Total (A.1+ A.2): 6+1 = 7 Mill SEK (15%)

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-non-eligible activities (B): 39 mill SEK (85%)

TOTAL : A + B: 46 mill SEK (100%)

Taxonomy-relevant activities for Midsona in 2022: The taxonomy includes the economic activities with the greatest climate-impacting emissions and the greatest opportunity for conversion that significantly contribute to one of the EU's environmental goals. These operations play the foremost role in the transition to a low-carbon, resilient and resource-efficient economy. We have assessed all of the economic activities in its operations to ascertain whether they are covered by the taxonomy (taxonomy-eligible activities) using the EU Taxonomy Compass. Our economic activities are conducted by operations including production, wholesale, marketing and sales of food, cosmetics and dietary supplements, as well as wholesale of pharmaceuticals and medical devices.

Assessment of compliance: We made an inventory of its operations in relation to activities described in the delegated regulation regarding climate objectives to identify potential activities covered by the Taxonomy Regulation. The EU-taxonomy delegated regulation regarding climate goals is currently aimed at sectors where we do not operate, meaning that our principal operations are not found among the taxonomy's activities. We have, however, identified a limited part of the operations that can be classified as purchasing of taxonomy-related products and services within the economic activities mentioned in the taxonomy's first two delegating acts on limiting the respective adaptation to climate change, and covered by the taxonomy (eligible). We have assessed turnover, capital expenditure (CAPEX) and operating expenditure (OPEX) as associated with these activities according to accounting principles (3.5c). The activities reported:

- 6.5: transport by motorbikes, passenger cars and light motor vehicles.
- 7.7: Acquisition and ownership of buildings.

Despite the fact that our main activity is not found among the taxonomy's activities to which we contribute. With our ambitious sustainability agenda with sustainability targets that are in line with the UN's goals, and the SBT's (climate targets) that have been approved by the SBTi, we can still contribute to the transition. The sustainability work is an integral part of our operations and we have set out a Climate Transition Plan in line with the UN's 1.5-degree goal.

See our Financial metric above of total OPEX at ~20 % alignment with our climate transition plan.

Table for the taxonomy page 101-104 in Midsona's annual report 2022

(https://www.midsona.com/globalassets/midsona/investors/rapporter/ar2022/midsona_aer2022_se_web.pdf)

Financial Metric

OPEX

Type of alignment being reported for this financial metric

Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported

Total across all objectives

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

0

Percentage share of selected financial metric aligned in the reporting year (%)

0

Percentage share of selected financial metric planned to align in 2025 (%)

0

Percentage share of selected financial metric planned to align in 2030 (%)

0

Describe the methodology used to identify spending/revenue that is aligned

Accounting principles: For Midsona, taxonomy-relevant activities are to be reported regarding sales, capital expenditure and operating expenditure broken down by the EU's six environmental goals. Midsona reports in accordance with one of these goals, that is, mitigation of climate change. Read accounting principles in 3.5c.

Proportion of Operational expenditure (OpEx) from products or services associated with Taxonomy-compatible economic activities – disclosure covering year 2022:

Economic activities:

A. ACTIVITIES COVERED BY THE TAXONOMY

A.1 Environmental sustainable activities (taxonomy-compatible):

Operational expenditures for the environmentally sustainable (taxonomy-compatible) activities (A.1): 0 mill SEK (0%)

A.2 Operations covered by the taxonomy but which are not environmentally sustainable (not taxonomy-compatible):

, including 6.5 and 7.7:

6.5: transport by motorbikes, passenger cars and light motor vehicles: Absolute operating expenses: 0 mill SEK: Share of operating expenses: 0%.

7.7: Acquisition and ownership of buildings: Absolute operating expenses: 0 mill SEK: Share of operating expenses: 0%.

Total (A.1+ A.2): 0 Mill SEK (0%)

B. ACTIVITIES NOT COVERED BY THE TAXONOMY

Operational expenditures of operations not covered by the taxonomy (B): 35 mill SEK (100%)

TOTAL: A. + B: 35 mill SEK (100%)

Taxonomy-relevant activities for Midsona in 2022: The taxonomy includes the economic activities with the greatest climate-impacting emissions and the greatest opportunity for conversion that significantly contribute to one of the EU's environmental goals. These operations play the foremost role in the transition to a low-carbon, resilient and resource-efficient economy. Midsona has assessed all of the economic activities in its operations to ascertain whether they are covered by the taxonomy (taxonomy-eligible activities) using the EU Taxonomy Compass. Midsona's economic activities are conducted by operations including production, wholesale, marketing and sales of food, cosmetics and dietary supplements, as well as wholesale of pharmaceuticals and medical devices.

Assessment of compliance: Midsona made an inventory of its operations in relation to activities described in the delegated regulation regarding climate objectives to identify potential activities covered by the Taxonomy Regulation. The EU-taxonomy delegated regulation regarding climate goals is currently aimed at sectors where Midsona does not operate, meaning that Midsona's principal operations are not found among the taxonomy's activities. Midsona has, however, identified a limited part of the operations that can be classified as purchasing of taxonomy-related products and services within the economic activities mentioned in the taxonomy's first two delegating acts on limiting the respective adaptation to climate change, and covered by the taxonomy (eligible). We have assessed turnover, capital expenditure (CAPEX) and operating expenditure (OPEX) as associated with these activities according to accounting the principles (3.5c). The activities reported:

- 6.5: transport by motorbikes, passenger cars and light motor vehicles
- 7.7: Acquisition and ownership of buildings

Despite the fact that our main activity is not found among the taxonomy's activities to which we contribute. With Midsona's ambitious sustainability agenda with sustainability targets that are in line with the UN's goals, and the SBT's (climate targets) that have been approved by the SBTi, we can still contribute to the transition. The sustainability work is an integral part of our operations and we have set out a Climate Transition Plan in line with the UN's 1.5-degree goal.

See our Financial metric above of total OPEX at ~20 % alignment with our climate transition plan.

Table for the taxonomy reporting on page 101-104 in Midsona's annual report 2022
https://www.midsona.com/globalassets/midsona/investors/rapporter/ar2022/midsona_aer2022_se_web.pdf

Financial Metric

Revenue/Turnover

Type of alignment being reported for this financial metric

Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported

Climate change mitigation

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

0

Percentage share of selected financial metric aligned in the reporting year (%)

0

Percentage share of selected financial metric planned to align in 2025 (%)

0

Percentage share of selected financial metric planned to align in 2030 (%)

0

Describe the methodology used to identify spending/revenue that is aligned

Accounting principles: For Midsona, taxonomy-relevant activities are to be reported regarding sales, capital expenditure and operating expenditure broken down by the EU's six environmental goals. Midsona reports in accordance with one of these goals, that is, mitigation of climate change. Read accounting principles in 3.5c.

Midsona's share of turnover; Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosures covering 2022:

Midsona's Economic activities:

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Environmental sustainable activities (Taxonomy-aligned)

Turnover of environmental sustainable activities (Taxonomy-aligned) (A.1): 0 mill SEK

A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities):

Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2): 0 mill SEK.

Total (A.1+ A.2): 0 Mill SEK (0%)

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomy-non-eligible activities (B): 3,899 mill SEK (100%)

TOTAL: A. + B: 3,899 mill SEK (100%)

Taxonomy-relevant activities for Midsona in 2022: The taxonomy includes the economic activities with the greatest climate-impacting emissions and the greatest opportunity for conversion that significantly contribute to one of the EU's environmental goals. These operations play the foremost role in the transition to a low-carbon, resilient and resource-efficient economy. Midsona has assessed all of the economic activities in its operations to ascertain whether they are covered by the taxonomy (taxonomy-eligible activities) using the EU Taxonomy Compass. Midsona's economic activities are conducted by operations including production, wholesale, marketing and sales of food, cosmetics and dietary supplements, as well as wholesale of pharmaceuticals and medical devices.

Assessment of compliance: Midsona made an inventory of its operations in relation to activities described in the delegated regulation regarding climate objectives to identify potential activities covered by the Taxonomy Regulation. The EU-taxonomy delegated regulation regarding climate goals is currently aimed at sectors where Midsona does not operate, meaning that Midsona's principal operations are not found among the taxonomy's activities. Midsona has, however, identified a limited part of the operations that can be classified as purchasing of taxonomy-related products and services within the economic activities mentioned in the taxonomy's first two delegating acts on limiting the respective adaptation to climate change, and covered by the taxonomy (eligible). We have assessed turnover, capital expenditure (CAPEX) and operating expenditure (OPEX) as associated with these activities according to accounting the principles (3.5c). The activities reported 2022 are:

- 6.5: transport by motorbikes, passenger cars and light motor vehicles
- 7.7: Acquisition and ownership of buildings

Despite the fact that Midsona's main activity is not found among the taxonomy's activities to which we contribute. With Midsona's ambitious sustainability agenda with sustainability targets that are in line with the UN's goals, and the SBT's (climate targets) that have been approved by the SBTi, we can still contribute to the transition. The sustainability work is an integral part of our operations and we have set out a Climate Transition Plan in line with the UN's 1.5-degree goal.

See our Financial metric above of total OPEX at ~20 % alignment with our climate transition plan.

See table for the taxonomy reporting on page 101-104 in Midsona's annual report 2022
(https://www.midsona.com/globalassets/midsona/investors/rapporteur/ar2022/midsona_aer2022_se_web.pdf)

C3.5b

(C3.5b) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

Economic activity

Transport by motorbikes, passenger cars and light commercial vehicles

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-eligible but not aligned

Financial metric(s)

Turnover

CAPEX

OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

<Not Applicable>

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

<Not Applicable>

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

<Not Applicable>

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

0

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

0

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

<Not Applicable>

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

<Not Applicable>

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

<Not Applicable>

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

6000000

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

13

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

<Not Applicable>

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

<Not Applicable>

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

<Not Applicable>

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

0

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

0

Type(s) of substantial contribution

<Not Applicable>

Calculation methodology and supporting information

Midsona's principal operations are not found among the taxonomy's activities. Only a limited part of the operations can be classified as purchasing of taxonomy-related

products and services within the economic activities mentioned in the taxonomy's first two delegating acts on limiting the respective adaptation to climate change, and covered by the taxonomy (eligible). The activities reported 2022 are:

- 6.5: Transport by motorbikes, passenger cars and light motor vehicles
- 7.7: Acquisition and ownership of buildings

CALCULATION:

Prop of CAPEX from products or services associated with Taxonomy-aligned:

Economic activities:

A. TAXONOMY-ELIGIBLE ACTIVITIES

CapEx of environmental sustainable activities (Taxonomy-aligned) (A.1): 0 mill SEK,0%

CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) = 7 mill SEK,15%:

6.5: transport by motorbikes, passenger cars and light motor vehicles: 6 mill SEK,13%

7.7: Acquisition and ownership of buildings: 1 mill SEK,2%

Tot (A.1+ A.2): 7 Mill SEK,15%

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-non-eligible activities (B): 39 mill SEK,85%

TOT: A + B: 46 mill SEK,100%

Prop of OPEX from products or services associated with Taxonomy-compatible economic activities – disclosure covering year 2022:

Economic activities:

A. ACTIVITIES COVERED BY THE TAXONOMY

Operational expenditures for the environmentally sustainable (taxonomy-compatible) activities (A.1): 0 mill SEK,0%

A.2 Operations covered by the taxonomy but which are not environmentally sustainable (not taxonomy-compatible):

6.5: transport by motorbikes, passenger cars and light motor vehicles: 0 mill SEK,0%

7.7: Acquisition and ownership of buildings: 0 mill SEK,0%

Tot (A.1+ A.2): 0 Mill SEK,0%

B. ACTIVITIES NOT COVERED BY THE TAXONOMY

Operational expenditures of operations not covered by the taxonomy (B): 35 mill SEK,100%

TOT: A + B: 35 mill SEK,100%

Prop of turnover from products or services associated with Taxonomy-aligned economic activities – disclosures covering 2022:

Economic activities:

A. TAXONOMY-ELIGIBLE ACTIVITIES

Turnover of environmental sustainable activities (Taxonomy-aligned) (A.1): 0 mill SEK

Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2): 0 mill SEK

Tot (A.1+ A.2): 0 Mill SEK,0%

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomy-non-eligible activities (B): 3,899 mill SEK,100%

TOT: A. + B: 3,899 mill SEK,100%

Technical screening criteria met

Yes

Details of technical screening criteria analysis

Midsona's reporting in accordance with the EU taxonomy for sustainable investments

The EU taxonomy regulation (EU 2020/852) is the European Commission's classification system for sustainable economic activities. Through a common classification system for sustainable finance, the Taxonomy Regulation facilitates the identification and comparison of environmentally sustainable investments. Large companies that must report in accordance with the EU Non-Financial Reporting Directive (NFRD) shall report in accordance with the taxonomy regulation, for the parts of the operations that are covered. In 2022, Midsona assessed the economic activities of relevance for Midsona and prepared for compliance and reporting in accordance with the taxonomy.

Taxonomy-relevant activities for Midsona in 2022: The taxonomy includes the economic activities with the greatest climate-impacting emissions and the greatest opportunity for conversion that significantly contribute to one of the EU's environmental goals. These operations play the foremost role in the transition to a low-carbon, resilient and resource-efficient economy. We have assessed all of the economic activities in its operations to ascertain whether they are covered by the taxonomy (taxonomy-eligible activities) using the EU Taxonomy Compass. An economic activity is defined as: the process that takes place when resources such as capital goods, labor and raw materials/intermediates are combined to produce a good or service.

Qualitative assessment Midsona 2022: Our economic activities are conducted by operations including production, wholesale, marketing and sales of food, cosmetics and dietary supplements, as well as wholesale of pharmaceuticals and medical devices.

Assessment of compliance: We made an inventory of its operations in relation to activities described in the delegated regulation regarding climate objectives to identify potential activities covered by the Taxonomy Regulation. The EU-taxonomy delegated regulation regarding climate goals is currently aimed at sectors where Midsona does not operate, meaning that our principal operations are not found among the taxonomy's activities. We have, however, identified a limited part of the operations that can be classified as purchasing of taxonomy-related products and services within the economic activities mentioned in the taxonomy's first two delegating acts on limiting the respective adaptation to climate change, and covered by the taxonomy (eligible).

Do no significant harm requirements met

No

Details of do no significant harm analysis

Midsona as of today based on our assessment of compliance: We made an inventory of its operations in relation to activities described in the delegated regulation regarding climate objectives to identify potential activities covered by the Taxonomy Regulation. The EU-taxonomy delegated regulation regarding climate goals is currently aimed at sectors where Midsona does not operate, meaning that our principal operations are not found among the taxonomy's activities. We have, however, identified a limited part of the operations that can be classified as purchasing of taxonomy-related products and services within the economic activities mentioned in the taxonomy's first two delegating acts on limiting the respective adaptation to climate change, and covered by the taxonomy (eligible). We have assessed turnover, capital expenditure (CAPEX) and operating expenditure (OPEX) as associated with these activities according to accounting principles. The activities reported in Midsona's annual report 2022 are:

- 6.5: transport by motorbikes, passenger cars and light motor vehicles
- 7.7: Acquisition and ownership of buildings

Assessment and interpretations

6.5: transport by motorbikes, passenger cars and light motor vehicles

Midsona has activities in the leasing of company cars that refer to capital expenditure for new leasing agreements. Midsona is therefore covered under economic activity 6.5 Transport by motorcycles, passenger cars and light motor vehicles, according to the environmental objective Limitation of climate change regarding the purchase of taxonomy-related products and services. For company cars, Midsona has laid out a transition plan to achieve 100% renewable energy consumption in company cars by 2028, which means a conversion to 100% electric cars by 2028. As we lease company cars from a third party, we have not been able to conduct a full analysis of compliance with the taxonomy. This is because Midsona currently does not have complete information from third parties on how the vehicles meet the requirements to not cause significant harm to other environmental targets within the taxonomy.

Minimum safeguards compliance requirements met

No

Details of minimum safeguards compliance analysis

Midsona as of today based on our assessment of compliance: We made an inventory of its operations in relation to activities described in the delegated regulation regarding climate objectives to identify potential activities covered by the Taxonomy Regulation. The EU-taxonomy delegated regulation regarding climate goals is currently aimed at sectors where Midsona does not operate, meaning that our principal operations are not found among the taxonomy's activities. We have, however, identified a limited part of the operations that can be classified as purchasing of taxonomy-related products and services within the economic activities mentioned in the taxonomy's first two delegating acts on limiting the respective adaptation to climate change, and covered by the taxonomy (eligible). We have assessed turnover, capital expenditure (CAPEX) and operating expenditure (OPEX) as associated with these activities according to accounting the principles. The activities reported in Midsona's annual report 2022 are:

- 6.5: transport by motorbikes, passenger cars and light motor vehicles
- 7.7: Acquisition and ownership of buildings

Assessment and interpretations

6.5: transport by motorbikes, passenger cars and light motor vehicles

Midsona has activities in the leasing of company cars that refer to capital expenditure for new leasing agreements. Midsona is therefore covered under economic activity 6.5 Transport by motorcycles, passenger cars and light motor vehicles, according to the environmental objective Limitation of climate change regarding the purchase of taxonomy-related products and services. For company cars, Midsona has laid out a transition plan to achieve 100% renewable energy consumption in company cars by 2028, which means a conversion to 100% electric cars by 2028. As we lease company cars from a third party, we have not been able to conduct a full analysis of compliance with the taxonomy. This is because Midsona currently does not have complete information from third parties on how the vehicles meet the requirements to not cause significant harm to other environmental targets within the taxonomy.

Economic activity

Acquisition and ownership of buildings

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-eligible but not aligned

Financial metric(s)

Turnover
CAPEX
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

<Not Applicable>

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

<Not Applicable>

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

<Not Applicable>

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

0

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

0

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

<Not Applicable>

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

<Not Applicable>

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

<Not Applicable>

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

1000000

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

2

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

<Not Applicable>

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

<Not Applicable>

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

<Not Applicable>

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

<Not Applicable>

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

0

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

0

Type(s) of substantial contribution

<Not Applicable>

Calculation methodology and supporting information

Midsona's principal operations are not found among the taxonomy's activities. Only a limited part of the operations can be classified as purchasing of taxonomy-related products and services within the economic activities mentioned in the taxonomy's first two delegating acts on limiting the respective adaptation to climate change, and covered by the taxonomy (eligible). The activities reported 2022 are:

- 6.5: Transport by motorbikes, passenger cars and light motor vehicles
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CALCULATION:

Prop of CAPEX from products or services associated with Taxonomy-aligned:

Economic activities:

A. TAXONOMY-ELIGIBLE ACTIVITIES

CapEx of environmental sustainable activities (Taxonomy-aligned) (A.1): 0 mill SEK,0%

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Tot (A.1+ A.2): 7 Mill SEK,15%

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-non-eligible activities (B): 39 mill SEK,85%

TOT: A + B: 46 mill SEK,100%

% of OPEX from products or services associated with Taxonomy-compatible economic activities – disclosure covering year 2022:

Economic activities:

A. ACTIVITIES COVERED BY THE TAXONOMY

Operational expenditures for the environmentally sustainable (taxonomy-compatible) activities (A.1): 0 mill SEK,0%

A.2 Operations covered by the taxonomy but which are not environmentally sustainable (not taxonomy-compatible):

6.5: transport by motorbikes, passenger cars and light motor vehicles: 0 mill SEK,0%

7.7: Acquisition and ownership of buildings: 0 mill SEK,0%

Tot (A.1+ A.2): 0 Mill SEK,0%

B. ACTIVITIES NOT COVERED BY THE TAXONOMY

Operational expenditures of operations not covered by the taxonomy (B): 35 mill SEK,100%

TOT: A + B: 35 mill SEK,100%

% of turnover from products or services associated with Taxonomy-aligned economic activities – disclosures covering 2022:

Economic activities:

A. TAXONOMY-ELIGIBLE ACTIVITIES

Turnover of environmental sustainable activities (Taxonomy-aligned) (A.1): 0 mill SEK

Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2): 0 mill SEK

Tot (A.1+ A.2): 0 Mill SEK,0%

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomy-non-eligible activities (B): 3,899 mill SEK,100%

TOT: A. + B: 3,899 mill SEK,100%

Technical screening criteria met

Yes

Details of technical screening criteria analysis

Midsona's reporting in accordance with the EU taxonomy for sustainable investments

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Taxonomy-relevant activities for Midsona in 2022: The taxonomy includes the economic activities with the greatest climate-impacting emissions and the greatest opportunity for conversion that significantly contribute to one of the EU's environmental goals. These operations play the foremost role in the transition to a low-carbon, resilient and resource-efficient economy. We have assessed all of the economic activities in its operations to ascertain whether they are covered by the taxonomy (taxonomy-eligible activities) using the EU Taxonomy Compass. An economic activity is defined as: the process that takes place when resources such as capital goods, labor and raw materials/intermediates are combined to produce a good or service.

Qualitative assessment Midsona 2022: Our economic activities are conducted by operations including production, wholesale, marketing and sales of food, cosmetics and dietary supplements, as well as wholesale of pharmaceuticals and medical devices.

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Do no significant harm requirements met

No

Details of do no significant harm analysis

Midsona as of today based on our assessment of compliance: We made an inventory of its operations in relation to activities described in the delegated regulation regarding climate objectives to identify potential activities covered by the Taxonomy Regulation. The EU-taxonomy delegated regulation regarding climate goals is currently aimed at sectors where Midsona does not operate, meaning that our principal operations are not found among the taxonomy's activities. We have, however, identified a limited part of the operations that can be classified as purchasing of taxonomy-related products and services within the economic activities mentioned in the taxonomy's first two delegating acts on limiting the respective adaptation to climate change, and covered by the taxonomy (eligible). We have assessed turnover, capital expenditure (CAPEX) and operating expenditure (OPEX) as associated with these activities according to accounting the principles. The activities reported in Midsona's annual report 2022 are:

- 6.5: transport by motorbikes, passenger cars and light motor vehicles
- 7.7: Acquisition and ownership of buildings

Assessment and interpretations

7.7: Acquisition and ownership of buildings

Midsona has activities in the leasing of premises that refer to capital expenditure for new land updated leasing agreements. Midsona is therefore covered by economic activity 7.7 Acquisition and ownership of buildings according to the environmental goal Limitation of climate change regarding the purchase of taxonomy-related products and services. Midsona maintains considerable focus on employee well-being by means of improved new or refurbished offices for Division South headquarters and offices in Norway. This contributed, however, to a relatively small proportion of the Group's capital expenditure during the year. As we lease this service from a third party, we have not been able to perform a full analysis of compatibility with the taxonomy. This is because Midsona currently does not have complete information from third parties on how this service and the premises meet the requirements to not cause significant harm to other environmental targets within the taxonomy.

Minimum safeguards compliance requirements met

No

Details of minimum safeguards compliance analysis

Midsona as of today based on our assessment of compliance: We made an inventory of its operations in relation to activities described in the delegated regulation regarding climate objectives to identify potential activities covered by the Taxonomy Regulation. The EU-taxonomy delegated regulation regarding climate goals is currently aimed at sectors where Midsona does not operate, meaning that our principal operations are not found among the taxonomy's activities. We have, however, identified a limited part of the operations that can be classified as purchasing of taxonomy-related products and services within the economic activities mentioned in the taxonomy's first two delegating acts on limiting the respective adaptation to climate change, and covered by the taxonomy (eligible). We have assessed turnover, capital expenditure (CAPEX) and operating expenditure (OPEX) as associated with these activities according to accounting the principles. The activities reported in Midsona's annual report 2022 are:

- 6.5: transport by motorbikes, passenger cars and light motor vehicles
- 7.7: Acquisition and ownership of buildings

Assessment and interpretations

7.7: Acquisition and ownership of buildings

Midsona has activities in the leasing of premises that refer to capital expenditure for new land updated leasing agreements. Midsona is therefore covered by economic activity 7.7 Acquisition and ownership of buildings according to the environmental goal Limitation of climate change regarding the purchase of taxonomy-related products and services. Midsona maintains considerable focus on employee well-being by means of improved new or refurbished offices for Division South headquarters and offices in Norway. This contributed, however, to a relatively small proportion of the Group's capital expenditure during the year. As we lease this service from a third party, we have not been able to perform a full analysis of compatibility with the taxonomy. This is because Midsona currently does not have complete information from third parties on how this service and the premises meet the requirements to not cause significant harm to other environmental targets within the taxonomy.

C3.5c

(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

Accounting principles: For Midsona, taxonomy-relevant activities are to be reported regarding sales, capital expenditure and operating expenditure broken down by the EU's six environmental goals. Midsona reports in accordance with one of these goals, that is, mitigation of climate change.

Sales: Midsona's sales are the Group's reported net sales for 2022 at 3,899 bill SEK. Principles for the Group's financial reporting are described on pages 142–148 midsonas annual report (https://www.midsona.com/globalassets/midsona/investors/rapporter/ar2022/midsona_ar2022_en.pdf). Based on the inventory that was made, 0 percent of the Group's sales are considered to be associated with economic activities currently covered by the taxonomy (eligible).

Capital expenditures: Midsona leases company cars and premises with a certain share of capital expenditure for Midsona covered by the taxonomy, but as this is rather small compared with our total capital expenditures for 2022, the capital expenditures (CAPEX) associated with such actions are 7 mill SEK (15%) in relation to the Company's total CAPEX. Total capital expenditure refers to additions to tangible and intangible assets during the year before depreciation and impairment and excluding changes in fair value. Right of use (ROU) assets, as well as tangible and intangible assets related to business combinations are also included.

Operational expenditures: According to the taxonomy, the share of operational expenditures from products or services associated with economic activities that are compatible with the taxonomy requirements are reported. Operational expenditures within the taxonomy are defined as non-capitalised expenses relating to R&D, building renovations, short-term leases and maintenance and repairs. Midsona leases company cars and premises with a certain share of operational expenditures for Midsona that are covered by the taxonomy. These should be included in leases and would not thus become OPEX in this case (they become part of the ROU assets). The operating share is relatively negligible because the financial impact is very limited. Consequently, the proportion of operational expenditures (OPEX) covered by the taxonomy is rounded to the nearest percent, ie 0%. Although measures are in progress to make Midsona's operations low-carbon and to reduce greenhouse gas emissions, the percentage of Midsona's expenses that are in line with our transition to a 1.5°C world are not, however, included in the taxonomy. 1 https://ec.europa.eu/competition/mergers/cases/index/nace_all.html 2 https://ec.europa.eu/sustainable-finance-taxonomy/tool/index_en.htm

Taxonomy alignment is reported in Midsona's annual report 2022 (https://www.midsona.com/globalassets/midsona/investors/rapporter/ar2022/midsona_ar2022_en.pdf).

The annual report has been revised by Deloitte with the following information on pages 118-119 of the annual report.

DELOITTE: Auditor's opinion regarding the statutory Sustainability Report:

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

Engagement and responsibility: The Board of Directors is responsible for the Sustainability Report for 1 January 2022–31 December 2022 on pages 32–117 and for it being prepared in accordance with the Annual Accounts Act.

The scope of the examination: Our review has been conducted in accordance with FAR's recommendation RevR 12 Auditor's statement on the statutory sustainability report. This means that our statutory examination of the Sustainability Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Opinion: A Sustainability Report has been prepared.

Malmö, 5 April 2023, Deloitte AB, Jeanette Roosberg, Authorised Public Accountant.

Read also: Auditor's review report regarding specific sections of Midsona's reporting of greenhouse gas emissions page 119 annual report (https://www.midsona.com/globalassets/midsona/investors/rapporter/ar2022/midsona_ar2022_en.pdf)

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

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

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)

4062

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

1141

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

Base year total 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)

5203

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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total 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]

3225.86

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

2631

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

778

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

Total 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)

3409

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

90.7371253426667

Target status in reporting year

Underway

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. Hence, Midsona got our Science-based targets approved before FLAG was introduced. 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. We started work to map our FLAG-related emissions in 2022, will continue this work in 2023, and complete it according to GHG Protocol Land Sector and Removals Guidance once the standard has been finalized and published.

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

In line with the Net-zero standard launched by the SBTi at the end of 2021, 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 34% 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

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

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

106382

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

405

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

8838

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

298

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

385

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

3101

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

4697

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

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

124106

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

124106

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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

100

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total 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]

76945.72

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, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

99218

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

836

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

5761

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

249

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

221

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

3718

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

1497

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

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

111500

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

111500

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

26.7301211952092

Target status in reporting year

New

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. Hence, Midsona got our Science-based targets approved before FLAG was introduced. We started work to map our FLAG-related emissions in 2022, will continue this work in 2023, and complete it according to GHG Protocol Land Sector and Removals Guidance once the standard has been finalized and published.

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 2021, 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

Abs2

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 two 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. Our target is to reduce emissions by 90% by 2045, and plan to neutralize the remaining 10% of our emissions to reach net-zero. Current estimations indicate unabated emissions of 11.000 tCO2e.

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. Our target is to reduce emissions by 90% by 2045 from a 2019 base year, and plan to neutralize the remaining 10% of our emissions to reach net-zero.

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	1	
To be implemented*	3	279
Implementation commenced*	5	593
Implemented*	3	1715
Not to be implemented	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
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Estimated annual CO2e savings (metric tonnes CO2e)

602

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)

1586000

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

3661000

Payback period

4-10 years

Estimated lifetime of the initiative

Ongoing

Comment

Since 2020 we have been investing significant resources into measuring and increasing the energy efficiency within our production processes. Our vision is to be able to have digital transparency about our energy resource use at all main energy consuming machines at all times – in order to reach the highest efficiency, prevent leaks and unnecessary consumption and include energy in our planning and pricing process. Like this we can have maximum control of a huge part of our Scope 1 and related Scope 3 emissions likewise.

In 2022 we followed up our ongoing actions and in addition conducted an energy audit by an external specialist, as well as replaced old lightnings in the production area by LED's, further investigated our processes, set up and strengthened energy management structures. This included improving our controlling and accounting systems and processes as well as founding a working group on energy and climate that meets monthly for following up on projects and ideas. In 2023 our most important project is the installation and linking of further digital measurement points.

Since 2019 due to our initiative we have been able to reduce our Scope 1 emissions for natural gas and Co2 process gas in Ascheberg by 4.3g per kg produced in Ascheberg. Considering the production volume in 2022 (41,853.82 kg) the annual reduction due to this initiative was 602 tCo2e (Scope emissions for natural gas & Co2 in kg 2019 * Production volume 2022) and invested about 3.661.000 SEK.

Initiative category & Initiative type

Transportation	Other, please specify (Replace transport of goods from fossil trucks to low-energy alternatives)
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Estimated annual CO2e savings (metric tonnes CO2e)

823

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)

8343366

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

106400000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Our transport target is: 100% of self contracted domestic transports in Nordics to be fossil free by 2025. By 2030, self contracted transports within Europe will be fossil-free. In 2022 all possible transports from IT to DK has been transferred to intermodal solution reducing emissions per tonne transported equal 3,500 pallets/year. Intermodal solutions by rail has also been chosen for transportation of goods from our factory in Spain to the Nordics, approx. 2,200 pallets/year. By consolidating goods for delivery to Swedish customers into one warehouse in DK, transports are reduced with approx. 1,750 fewer deliveries/year. Further are we working with suppliers to improve the filling degree and to streamline transports. By increasing the pallet height for Belgian corn cakes from six to seven layers per pallet Midsona Sweden has reduced number of pallets by 17%, or 75 train wagons annually. During the year, several steps were taken at Group level to improve efficiency of the European value chain with one of the objective of achieving significant transport savings.

Annual monetary savings per year in reduced taxes for fossil fuel once it's fully operational, estimated to be 8,3 MSEK based on risk 2 in C2.3a. Yearly investment required over its lifetime at 6 years, is based on cost of response to the risk at 15,2 MSEK with total Investment over 7 years at 106,4 MSEK. The pay back time for the investment made (Payback Period = Investment/Annual monetary savings) = 12,8 years.

Initiative category & Initiative type

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

Estimated annual CO2e savings (metric tonnes CO2e)

290

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)

7400000

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

9300000

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

We want to increase circularity to reduce emissions from our packaging materials, and have a target of 100 % recyclable plastic packaging by 2025. (see Opp 3 in C2.4a for more information about our strategy) 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. Our ambitions are furthermore aligned with our biggest customers' requirements as we have joined the Plastic Initiative 2025 launched by DLF in Sweden.

We have ongoing projects to change existing non-recyclable plastic packaging to recyclable plastic packaging. For example in Midsona's production facilities Mariager & Tilst, there is an ongoing project to of replace non-recyclable plastic with sustainable recyclable film for over 100 products from our prioritised brands Kung Markatta, Urtekram and Helios.

Annual monetary savings per year expected in reduced taxes for non-recyclable plastic once this part of the EU's strategy for circular economy is fully integrated into national legislation, is estimated to be 7.4 MSEK based on our plastic packaging purchase and the determined contribution for member states (see Opp 3 in C2.4a.) Yearly invest required over its lifetime at 3 years (timeline for our target), is based on increased cost for non-recyclable packaging and the implementation of projects at 3.1 MSEK with total Investment over 3 years at 9.3 MSEK.

The estimated payback period is 1.3 Years.

C4.3c

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

Method	Comment
Internal finance mechanisms	<p>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 Division South as well as the latest acquisition in Division Nordic, our production site in Finland. 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 to achieve 100-percent renewable energy use within the Group. Based on this, Midsona Group has set a company-wide ambitious energy target for energy reduction and to reach 100% renewable energy by 2028. Budget and financial planning for target achievement for all targets, including energy target, is part of the departments' total budget planning and is integrated into Midsona's total budgets. Based on the fact that these are medium or long -term goals, this must therefore be planned as part of the budget over several years, but t where each year's budget sets aside money for the year's short-term goal achievement in order to be able to reach the long-term goal within the time to be able to reach the target. Through including sustainability parameters, such as identifying the share of the investment that contributes to our climate goals, in our investment planning processes we further drive investments that contributes to improved energy efficiency.</p>
Dedicated budget for low-carbon product R&D	<p>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, but a general sustainability checklist always needs to be included as part of the product innovation process.</p> <p>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.</p> <p>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.</p> <p>With our target from 2020 with an ambition to have only plant-based or vegetarian products by 2030, our focus is to find alternative solutions to animal food, and thus positive effect on public health and climate. Our high level of plant-based food with a general lower carbon emissions is an important step on the path toward reducing climate impacts on our product portfolio. Today, the number is already 98% 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.</p> <p>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.</p>
Dedicated budget for other emissions reduction activities	<p>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 the work to set a scientific sustainability agenda.</p>
Compliance with regulatory requirements/standards	<p>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.</p>
Employee engagement	<p>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.</p> <p>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.</p> <p>Furthermore we are ensuring general knowledge about sustainability and the Midsona goals amongst our employees through an internal Sustainability Academy for our employees. This is an important step to secure the right capabilities within the organisation to drive actions aligned with our goals.</p>
Financial optimization calculations	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Work is at the moment carried out within Midsona to update the steering structure and the governance documents and routines in this respect.</p> <p>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.</p>
Internal incentives/recognition programs	<p>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 both monetary and 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 as well as CSO and CLO. CEO, CSO, CLO, COO and relevant leaders in the divisional management teams have Sustainability goals including climate transition plan and target included as monetary rewards as part of individual goals and KPI's. 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 with individual KPI's. The results for our targets are reported from the work stream leaders to the Division Directors and Sustainability Manager quarterly. The Sustainability Manager deliver quarterly report to the CSO who further report quarterly to CEO as well and to the Sustainability Group and Steering Group.</p> <p>We also have local smaller initiatives to motivate and inspire employees at all levels. 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 are bikes available to lend at the head office in Malmö.</p>

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. Since CDP broadly defines low-carbon products as products or services which have comparatively lower emissions across their entire life cycle (i.e. from material acquisition through to product end-of-life) when compared to a baseline (business-as-usual) scenario or reference product of a similar function we only include our products where we can compare emissions directly with comparable animal products, even though Midsona has between 80- 90% plant-based products with low greenhouse gas emissions.

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

13872

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 2022 is based on the production of plant-based meat alternatives in one of our production facilities in Spain in the reporting year of 1 632 tonnes an increase of 31% from last year (1 265, 2021) based on our strategic investment in the production facilities to extend the production in Castellsir of low carbon products. 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). Based on this, an estimation of emission saved was in 2021:10 749 tCO₂e. This calculation is based on the production of plant-based meat alternatives in 2021 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). Thus, estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario was 8.5 kgCO₂e.

An estimation of avoided emissions in 2022 is therefore $1\ 632\ 000 \times 8.5 / 1000 = 13\ 872\ \text{tCO}_2\text{e}$ for 2022.

In 2022, the proportion of plant-based products was 82 percent, but these 5 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. 98 % of prioritized brands are plant-based or vegetarian and 91% are 100% plant-based.

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

5

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

Rootval OY

Details of structural change(s), including completion dates

Midsona acquired Jakobstad 2021 through an acquisition of all the shares in Rootval Oy. The agreement was entered into August 20, 2021 and closing took place October 1, 2020. Rootval Oy was the parent company and Rootval Oy owned all the shares in Vitality and Oy. Vitality and Oy had two fully owned subsidiaries Bertil's Health Oy and Makrobios Oy. These companies have now all been merged into Midsona Finland Oy. In accordance with the GHG Protocol 'A Corporate Accounting and Reporting Standard' both reporting year emissions and base year emissions have been recalculated to include our newly included Jakobstad facility.

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 and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	Yes	Scope 1 Scope 2, location-based Scope 2, market-based Scope 3	In accordance with the GHG Protocol 'A Corporate Accounting and Reporting Standard' chapter 5, base year emissions have been recalculated to include our newly included Jakobstad facility. Midsona follows the guidance from Science-Based Targets, referring to the GHG Protocol, and recalculates any changes or errors resulting in a >5% impact of the related scope.	Yes

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)

4062

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 our newly included Jakobstad facility.

Scope 2 (location-based)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

2168.2

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 our newly included Jakobstad facility.

Scope 2 (market-based)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

1141.3

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 our newly included Jakobstad facility.

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)

106382

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)

405

Comment

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)

385

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)

4697

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)
2631

Start date
January 1 2022

End date
December 31 2022

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
3489

Start date
January 1 2021

End date
December 31 2021

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
4648

Start date
January 1 2020

End date
December 31 2020

Comment

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)
4062

Start date
January 1 2019

End date
December 31 2019

Comment

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

1563

Scope 2, market-based (if applicable)

778

Start date

January 1 2022

End date

December 31 2022

Comment

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

Past year 1

Scope 2, location-based

1811

Scope 2, market-based (if applicable)

650

Start date

January 1 2021

End date

December 31 2021

Comment

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

Past year 2

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.

Past year 3

Scope 2, location-based

2022

Scope 2, market-based (if applicable)

959

Start date

January 1 2019

End date

December 31 2019

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, Scope 2 or Scope 3 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)

99218

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 (2022).

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)

836

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 (2022).

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

5761

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)

249

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 0.0213 for recycled waste. Sources: The Department of Environment, Food and Rural Affairs, DEFRA 2022.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

221

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)

3718

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 (2022).

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)

1497

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 2022.

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 2021

End date

December 31 2021

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

110211

Scope 3: Capital goods (metric tons CO2e)

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

982

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

6357

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

282

Scope 3: Business travel (metric tons CO2e)

142

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

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

3807

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)

2106

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

Past year 2

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)

821

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

Past year 3

Start date

January 1 2019

End date

December 31 2019

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

106286

Scope 3: Capital goods (metric tons CO2e)

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

400

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

8838

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

298

Scope 3: Business travel (metric tons CO2e)

362

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

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

3101

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)

4695

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

Reporting emissions by

Total

Emissions (metric tons CO2e)

16041

Denominator: unit of production

<Not Applicable>

Change from last reporting year

Lower

Please explain

Emissions from our rice based products. The emissions are calculated using the average-data method with emission factors (cradle to gate) of 2.8 kg CO2e/kg. In 2022, Midsona accounted for 100% of our rice products with a company-wide scope. The emissions from rice have decreased by 22% from 2021 to 2022, primarily due to reduced sales and stock volumes. 2021 numbers were also estimated based on stock volumes in 2019, whereas in 2022, the numbers are based on actual activity data in the reporting year.

Explain why you do not calculate GHG emission for this commodity and your plans to do so in the future

<Not Applicable>

Agricultural commodities

Timber

Do you collect or calculate GHG emissions for this commodity?

Yes

Reporting emissions by

Total

Emissions (metric tons CO2e)

1727.4

Denominator: unit of production

<Not Applicable>

Change from last reporting year

Lower

Please explain

Emissions from our purchased paper and cardboard packaging materials. The emissions are calculated using the average-data method with emission factors (cradle to gate). In 2022, Midsona accounted for 100% of our timber products with a company-wide scope. The emissions from timber have decreased by 6% from 2021 to 2022, primarily due to reduced sales and stock volumes.

Explain why you do not calculate GHG emission for this commodity and your plans to do so in the future

<Not Applicable>

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

0.000087

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

3408.3

Metric denominator

unit total revenue

Metric denominator: Unit total

3899000000

Scope 2 figure used

Market-based

% change from previous year

27.2

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption

Change in revenue

Change in methodology

Please explain

About 90% of the observed reduction is located in Scope 1, and is the result of dedicated actions as well as improved reporting procedures. The most material changes are a reduction of natural gas and LPG in manufacturing processes and improved reporting on the use of CO2, where about 15% is from biogenic sources. In addition, electricity-related emissions in the market-based approach was reduced by about 10%. Lastly, revenue was up 3.3% in 2022 compared to 2021.

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	2532.7	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	17.1	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	23.2	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	57.7	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

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

Country/area/region	Scope 1 emissions (metric tons CO2e)
Denmark	273
Finland	43
Norway	48
Sweden	164
Germany	1159
France	385
Spain	559

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	528
North division	1159
South division	944

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)

2966

Methodology

Default emissions factor

Please explain

Midsona's total emissions from processing/manufacturing equalled to 2 966 tCO2e in 2022. No exclusions reported.

C7.5

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

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Denmark	334	76
Finland	225	292
Norway	1	0.2
Sweden	4	3
Germany	753	5
France	73	68
Spain	174	335

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	564	370
North Division	753	5
South Division	247	403

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

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 in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	1	Decreased	0.02	There has been an overall decrease in renewable energy consumption due to lower energy consumption overall. The largest reduction originates from one site, which has been closed. However, a small reduction in tCO2e stemming from increased purchases of REC's reported in Vantaa, Finland. In sum, emissions reductions here equals to 1 tCO2e or 0.02%.
Other emissions reduction activities	602	Decreased	13.8	Relates to emissions reduction activities as reported in C4.3b. This refers to energy efficiency measures from the use of a smart control system which enables Midsona to use its manufacturing equipment more efficiently. Emissions reduction from this activity equals to -602 tCO2e or 13.8%.
Divestment	0	No change	0	No divestments in the 2022 reporting year.
Acquisitions	0	No change	0	No acquisitions in the 2022 reporting year.
Mergers	0	No change	0	No mergers in the 2022 reporting year.
Change in output	0	No change	0	No emission change due to change in output in 2022 reporting year.
Change in methodology	0	No change	0	No methodological changes in the 2022 reporting year.
Change in boundary	323	Decreased	7.42	Reduction in emissions due to closing one office in Norway and Finland, as well as one production facility in Spain. In total, emissions reductions equals to -323 tCO2e or 7.42%.
Change in physical operating conditions	0	No change	0	No change in physical operating conditions in the 2022 reporting year.
Unidentified	0	No change	0	No change in unidentified changes in the 2022 reporting year.
Other	18	Decreased	0.4	Reduction in emissions as a result of changes in emission factors that have been used. The majority of the reductions are related the emission factor for wood pellets, which has seen a 30% reduction compared to the 2021 emission factor - 2021 emission factor was 0.0726, while for 2022, the emission factor was 0.0505. Consumption of wood pellets were 613 510 kg in 2022, giving 13.5 tCO2e reduction in 2022 due to changes in emission factors that have been used $((613510 \cdot 0.0726) / 1000) - ((613510 \cdot 0.0505) / 1000) = 13.5$ tCO2e reduction. The remaining 4.5 reduction in emissions due to change in methodology stems from a 0.25% reduction in diesel factor, a 0.22% reduction in emission factor for natural gas and various minor changes in emission factor for residual mix in the countries Midsona has operations. In sum, a 18 tCO2e reduction is reported here.

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)	3210	7906	11116
Consumption of purchased or acquired electricity	<Not Applicable>	4966	2732	7688
Consumption of purchased or acquired heat	<Not Applicable>	1583	1285	2868
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	63	6	69
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	563	<Not Applicable>	563
Total energy consumption	<Not Applicable>	10385	11929	22304

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

Unable to confirm heating value

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

Not applicable for the 2022 reporting year.

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

3210

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

Relates to the consumption of wood pellets in Midsona South division and biogas in Midsona Nordic division.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

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

Not applicable for the 2022 reporting year.

Coal

Heating value

Unable to confirm heating value

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

Not applicable for the 2022 reporting year.

Oil

Heating value

Unable to confirm heating value

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

Not applicable for the 2022 reporting year.

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

5554

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

Relates to the consumption of LPG, natural gas and propane in the 2022 reporting year.

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

Heating value

HHV

Total fuel MWh consumed by the organization

2353

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

Relates to the consumption of diesel and petrol for Midsona company cars in the 2022 reporting year.

Total fuel

Heating value
HHV

Total fuel MWh consumed by the organization
11116

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
Total fuel consumption (excluding feedstocks) in the 2022 reporting year.

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	563	563	563	563
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.

Country/area of low-carbon energy consumption

Norway

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Hydropower (capacity unknown)

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

100

Tracking instrument used

I-REC

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

Norway

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

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

<Not Applicable>

Comment

Country/area of low-carbon energy consumption

Denmark

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Wind

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

2158.7

Tracking instrument used

I-REC

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

Denmark

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

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

<Not Applicable>

Comment

Country/area of low-carbon energy consumption

Germany

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Hydropower (capacity unknown)

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

2389.7

Tracking instrument used

I-REC

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

Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

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

<Not Applicable>

Comment

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Sweden

Consumption of purchased electricity (MWh)

421.3

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

652.7

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

1074

Country/area

Norway

Consumption of purchased electricity (MWh)

96.7

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

22.5

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

119.2

Country/area

Denmark

Consumption of purchased electricity (MWh)

1897.8

Consumption of self-generated electricity (MWh)

3.1

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

1446.3

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

3347.2

Country/area

Finland

Consumption of purchased electricity (MWh)

321.5

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

321.5

Country/area

Germany

Consumption of purchased electricity (MWh)

2399.2

Consumption of self-generated electricity (MWh)

438.1

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

2837.3

Country/area

France

Consumption of purchased electricity (MWh)

1421

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

1421

Country/area

Spain

Consumption of purchased electricity (MWh)

1118.4

Consumption of self-generated electricity (MWh)

121.6

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

1240

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	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP clarification letter Midsona - 2023-06-20.pdf

Page/ section reference

Page 1

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP clarification letter Midsona - 2023-06-20-scope2.pdf

Page/ section reference

Page 1

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

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

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP clarification letter Midsona - 2023-06-20-scope3.pdf

Page/section reference

Page 1

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

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?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C5. Emissions performance	Emissions reduction activities	ISAE 3000	Reduction of GHG emission. Attached is the assurance report from Deloitte AB as well as Midsona's annual report 2022. Midsona_ÅR2022_SE_Revisorns rapport om växthusgaser - signerad-C5.pdf
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISAE 3000	Annual reduction of GHG emission from scope 1 and 2 as part of annual report and reported SBT targets 2022. Attached is the assurance report from Deloitte AB as well as Midsona's annual report 2022. Midsona_ÅR2022_SE_Revisorns rapport om växthusgaser - signerad-C6.pdf
C6. Emissions data	Year on year change in emissions (Scope 3)	ISAE 3000	Annual reduction of GHG emission from scope 3, category 3 fuel- and energy-related activities as part of annual report and reported SBT targets 2022. Attached is the assurance report from Deloitte AB as well as Midsona's annual report 2022. Midsona_ÅR2022_SE_Revisorns rapport om växthusgaser - signerad-C6-2.pdf
C7. Emissions breakdown	Year on year change in emissions (Scope 1 and 2)	ISAE 3000	Annual reduction of GHG emission from scope 1, 2 as part of annual report and reported SBT targets 2022. Attached is the assurance report from Deloitte AB as well as Midsona's annual report 2022. Midsona_ÅR2022_SE_Revisorns rapport om växthusgaser - signerad-C7.pdf
C7. Emissions breakdown	Year on year change in emissions (Scope 3)	ISAE 3000	Annual reduction of GHG emission from scope 3, category 3 fuel- and energy-related activities as part of annual report and reported SBT targets 2022. Attached is the assurance report from Deloitte AB as well as Midsona's annual report 2022. Midsona_ÅR2022_SE_Revisorns rapport om växthusgaser - signerad-C7-2.pdf
C8. Energy	Year on year change in emissions (Scope 1 and 2)	ISAE 3000	Annual reduction of GHG emission from scope 1, 2 as part of annual report and reported SBT targets 2022. Attached is the assurance report from Deloitte AB as well as Midsona's annual report 2022. Midsona_ÅR2022_SE_Revisorns rapport om växthusgaser - signerad-C8.pdf

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 canceled any project-based carbon credits within the reporting year?

Yes

(C11.2a) Provide details of the project-based carbon credits canceled by your organization in the reporting year.**Project type**

Agriculture

Type of mitigation activity

Carbon removal

Project description

Project id: VCS1225

Midsona purchased credits 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

- o 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)

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

625

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2009

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project

Investment analysis

Other, please specify (Baseline determination, Counterfactual analysis, Scenario modeling, Expert judgment and peer review. Methodology used: VM0017 Sustainable Agricultural Land Management (SALM))

Approach(es) by which the selected program requires this project to address reversal risk

Monitoring and compensation

Other, please specify (Knowledge sharing and capacity building, Participatory approaches, Integration of traditional knowledge, and Policy support)

Potential sources of leakage the selected program requires this project to have assessed

Activity-shifting

Ecological leakage

Other, please specify (Input substitution, Indirect land-use change, and Shifts in environmental pressures)

Provide details of other issues the selected program requires projects to address

The verra standard, VM0017 Sustainable Agricultural Land Management (SALM) goes extra miles in requiring the projects to assess additionality, address reversal risks and identify potential sources of leakage.

A baseline represents the scenario that would have occurred in the absence of the VM0017 program: Involve historical data analysis, modeling, surveys, or expert judgment to determine the existing land management practices, productivity levels, environmental impacts, and socio-economic conditions in the absence of the program.

Additionality is often assessed through a counterfactual analysis that compares the actual outcomes of the program with what would have happened without it. Statistical methods, modeling, and other analytical techniques can be used to estimate the difference between the observed outcomes and the counterfactual scenario.

Use of scenario modeling simulate and compare different scenarios with and without the program. Using models that integrate ecological, economic, and social factors to assess the potential impacts of different land management practices and interventions.

Experts with relevant knowledge and experience in sustainable agricultural land management provide insights and evaluate the potential contributions and impacts of the program. Peer review processes involving independent experts help validate the assessments and ensure their accuracy and credibility.

By continuously tracking the progress and outcomes of the program, including environmental, social, and economic indicators, it becomes possible to determine whether the desired additional benefits are being achieved. This involves collecting data, analyzing trends, and comparing the actual performance with the expected outcomes.

VM0017 addresses reversal risk by promoting practices that are not only sustainable in the short term but also maintain their positive impacts over the long term. It emphasizes the importance of adopting holistic and integrated approaches to land management that consider ecological, social, and economic factors.

VM0017 encourages knowledge sharing among farmers, researchers, and stakeholders to disseminate information about sustainable land management practices.

By engaging stakeholders in the planning and implementation of land management strategies, there is a higher likelihood of long-term commitment and adoption of

sustainable practices.

Comment

Regarding additionality, projects under this program uses different methods to evaluate whether the practices and interventions implemented under this program have truly generated additional sustainability benefits that would not have been achieved without it. Assessing the extent of extra benefits achieved as a result of project is an essential part of this program. Here are some common techniques used to assess additionality.

Project type

Energy efficiency: households

Type of mitigation activity

Emissions reduction

Project description

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 2023 for 2022 emissions. Emissions associated with the brand equalled to 989 tCO₂e in the reporting year.

Credits canceled by your organization from this project in the reporting year (metric tons CO₂e)

989

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2022

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

Gold Standard

Method(s) the program uses to assess additionality for this project

Consideration of legal requirements

Investment analysis

Barrier analysis

Market penetration assessment

Other, please specify (The projects are developed in accordance with the methodology ARR (Afforestation, reforestation and Revegetation) category of the Verified Carbon Standard (VCS))

Approach(es) by which the selected program requires this project to address reversal risk

Monitoring and compensation

Other, please specify (Credits are issued by default after the annual verification process. 10% of credits are pooled into a buffer account managed by VERRA. If any reversals occur the carbon losses are covered by canceling an equal number of buffer credits from the pool.)

Potential sources of leakage the selected program requires this project to have assessed

Upstream/downstream emissions

Activity-shifting

Market leakage

Ecological leakage

Provide details of other issues the selected program requires projects to address

The projects are developed in accordance with the methodology ARR (Afforestation, reforestation and Revegetation) category of the Verified Carbon Standard (VCS). All credits are issued by default after the annual monitoring and verification process, and 10% of all credits are pooled into a buffer account managed by VERRA. If any reversals occur in the projects, the carbon losses are covered through the cancellation of an equivalent number of buffer credits from the buffer pool.

Comment

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

100

% total procurement spend (direct and indirect)

100

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

Rationale for the coverage of your engagement

Our strategy is to engage with 100% of our Tier 1 suppliers to set their own SBTs aligned with 1.5°C. Our plan is related to emission, size and capacity of our suppliers. Thus, we start with our 15% biggest key supplier by number which stands for 70% procurement spend and emissions by 2027 (70% is in line with SBTi Criteria for supplier engagement targets of total scope 3 emissions), but our ambition is to gradually include all suppliers. 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 services. By engaging with our suppliers, we can accelerate renewable cultivation, production and transportation of goods we purchase, pushing for 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. On-boarding suppliers in best possible way is key for success with our supplier engagement target. Our ambition is to arrange a workshop around SBTi where we invite our key suppliers during spring 2024 to give a strong sign of our engagement on SBT. Suppliers might even be able to start networking with each other around SBT.

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 from suppliers for science based target setting, such as SBTi-approved reduction targets as well as ask this question in our SSA and as a part of the signing requirement of our Supplier CoC.

Impact of engagement, including measures of success

We are in process of enabling measurement of this target with at least 70% of suppliers (by spend) required to comply as step 1 by 2027 and 100% suppliers as step 2. Current emission calculations from purchased goods are based on generic emission factors. Based on our Supplier Engagement Target, we will ask for 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. Since scope 3, category 1 accounts for 81% of our total GHG inventory, this is of great importance in our total climate accounts and for Midsona to reach our climate targets.

Our measure of success is the number of suppliers who have set science based climate reducing targets in line with the 1.5°C goal validated with a certification, such as from SBTi, or other credible documentation where Midsona's goal is at least 70% of suppliers by 2027 as step 1 and 100% as step 2. Our measure of success is a gradual linear annual increase in the number of suppliers with set targets in the reporting year, where we have set a minimum threshold per year of 70% divided by the number of years until 2027. This is part of our climate transition plan and will go straight into our own data and goal achievement for our SBTi-approved near and long-term targets toward 2045. Our next step is a workshop for our key suppliers spring 2024 to have a good dialogue about SBT and increase climate-related awareness, disclosure, management and leadership among our suppliers. As an example, we have already started our engagement with a Tier 1 supplier of rice who sources the rice from areas in India with a high climate risk. We have worked together on climate-related measures for this rice production.

Our supplier engagement target will cover approx. 135 suppliers as the first step across the sector, regionally and globally and second step the remaining suppliers. If everyone in the food industry follow suit, it will lead to the entire supply chain and value chain eventually achieving a 1.5°C goal, thus leaving a big impact both globally, regionally, as well as operationally for Midsona.

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's 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, which means approx. 45% of our market and customers by revenue. However, we have 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 carbon taxes on fossil fuels or requirements for transportation providers to shift to low/zero-emission vehicles in the medium to long term which is an opportunity for us, 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 we will replace fossil fuel, which accounts for most of the transport's emissions by increasing the use of low-carbon transport solutions as trains and boats and the share of fossil-free fuel used in our transport. We have redesigned transport chains towards low carbon transport such as trains instead of trucks and our GHG intensity from upstream transport is reduced by 5% in 2022 from 2021 (Nordic by 11%).

Our measure of annual success towards 2025 is a stepwise linear annual increase in share of fossil-free transport, based on our annual measurement of GHG data from total transport in relation to the base year 2019. We have set a minimum threshold each year based on annual target achievement towards 2030 based on our 1,5 °C-transition plan. For the Nordic region, this must be further strengthened each year so that we reach the 2025 target.

A common transport strategy with our customers and the value chain for at approx. 45% 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 will create a snowball effect through the entire value chain and provide a systematic increase of low carbon transport in the market.

An example of how we through a direct customer collaboration are reducing climate impact, is the ongoing project together with a pharmacy chain in Sweden focusing on packaging and transports. We have updated the packaging which has decreased the amount of plastic used with 160kg/ year and allowed us to remove outer packaging saving over 2000kg cardboard/ year. At the same time we are together optimizing the number of transports to the customer, reducing the frequency while increasing the filling rate, expected to result in 600 less transports/ year furthermore reducing our climate impact.

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. 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 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, product and services. These are formal campaigns and calls for partnerships as well as informal opportunities to reduce negative impacts.

DLF membership 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 as well as FTI, the Swedish Packaging Collection Service for scientific guidance.

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, which means approx. 45% of our market and customers by revenue. 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 more we recycle, the fewer materials we extract, thus benefiting our environment. We have a strategy for circularity with recycling of 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 for Circularity, which is an opportunity for us since we have target on 100% recyclable 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 sale.

Our measure of annual success is a stepwise linear annual increase in the amount of recyclable packaging, based on our annual measurement of the amount of recyclable packaging in relation to target achievement in 2025. We have set a minimum threshold each year based on annual target achievement towards 2025 from our 1, 5 degree-

transition plan.

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. Since packaging for products and services account for significant greenhouse gas emissions, this will be of great importance globally in our sector.

An example of how we through a direct customer collaboration are reducing climate impact, is the ongoing project together with a pharmacy chain in Sweden focusing on packaging and transports. We have updated the packaging which has decreased the amount of plastic used with 160 kg/ year and allowed us to remove outer packaging saving over 2000 kg cardboard/ year, and thus CO2e savings.

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. 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 commits that 100 % of its suppliers will set science-based emission reduction targets aligned with 1.5°C. By 2027 for 70% (step 1) and 100% as step 2. 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 us.

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.

•Current emission calculations from purchased goods are based on generic emission factors. Based on our demand 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 in step 1 and 100% to comply in step 2).

We will ask for approved science-based target from our suppliers by for example SBTi Certification 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

100

% 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 2022, 88% of our total raw material have been organic certified. 49 % 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.

In 2022 as part of a program initiated by the German Federal Ministry of Economics Cooperation and Development (BMZ) Midsona has engaged two students to proceed an impact assessment in our joint project. Through farmer interviews and farming data collections they found out that the combination of SRI and biodynamic cultivation reduces the emissions per kg Paddy Rice by 13% compared to organic cultivation.

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

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

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

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

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 Midsonas 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 is a member of, or 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 policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

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 commitments and position statements 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 (currency as selected in C0.4)

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 mainstream reports

Status

Complete

Attach the document

midsona_ar2022_en.pdf

Page/Section reference

Sustainability report as part of annual report
 Mission: page 10
 Sustainability targets, page 13
 Recognitions: page 27
 Sustainability Strategy, Targets and outcomes - Page 36-41
 Governance : Page 42 - 44
 Sustainability Transition: page: 46-99
 Materiality, stakeholders dialog: 45, 79
 Appendix , Sustainability Data - Page 81-117
 EUs taxonomy: 100-107
 GRI index and SDG mapping: 108-117
 Reporting principles: 119-121
 Risk & Opportunity: 122-132
 Climate related risk, opportunity and scenarios: 130-132

Content elements

Governance
 Strategy
 Risks & opportunities
 Emissions figures
 Emission targets

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization’s role within each framework, initiative and/or commitment
Row 1	UN Global Compact Other, please specify (Midsona Signed Plastic Initiative 2025 with DLF, Sweden’s organization for the grocery industry. Midsona Signed Transport Initiative 2025 with DLF, Sweden’s organization for the grocery industry.)	<p>UNGC: Since 2011, Midsona has been affiliated to the UN Global Compact, thereby supporting the UN’s Universal Declaration of Human Rights, the UN Convention against Corruption, the ILO’s core conventions and the Rio Declaration. It is of the highest priority for Midsona to respect human rights and labour law, as well as to protect health, safety and the environment and we expect our suppliers and other partners to have the same priorities. In 2022, we have also improved our work with Human rights further by securing requirements for HRDD in accordance with the OECD and corresponding laws. Our work on human rights and our responsibilities towards mankind and society are regulated in the Code of Conduct, Supplier Code of Conduct, Supplier Self-Assessment, our Personnel Policy and underlying procedures for the organisational and social work environment, employee interviews, expertise and development, as well as health. We have also investigated and are updating policies and guidelines to ensure that all existing company documents and corporate culture are aligned with requirements from OECD’s HRDD. This includes guidelines for requirements for own employees, business partners, suppliers and business relationships.</p> <p>Midsona Signed Plastic Initiative 2025 with DLF, Sweden’s organization for the grocery industry. Midsona Signed Transport Initiative 2025 with DLF, Sweden’s organization for the grocery industry: 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 the 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.</p> <p>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.</p>

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) 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)

Midsona'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 does so by having control over our biggest sustainability risks, scenarios and corresponding risk management, targets and action plans. Sustainability is an integrated part of our operations and sustainability (and biodiversity) risks are part of company risks. Risk management and the related 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 and 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 our strategy and major plans of action is the Boards decision to further develop Midsona's sustainability work by introducing environmental SMART targets with yearly updates based on science and global development and to follow up the latest Global Biodiversity 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 and Division Director Nordics and holds quarterly forums to discuss strategy, targets, activities and progress. Approved decisions from the Board and Sustainability Steering Group are 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	<p>Commitment to avoidance of negative impacts on threatened and protected species</p> <p>Commitment to no conversion of High Conservation Value areas</p> <p>Commitment to secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples</p> <p>Other, please specify (Biodiversity raw material policy to protect biodiversity 2022: Organic, plant-based, target for palm-oil free (99.9 % free for 2022), FOS for fish oil (sustainable fishing), FSC paper to avoid deforestation.)</p>	<Not Applicable>

C15.3

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

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Upstream

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

TNFD – Taskforce on Nature-related Financial Disclosures

Other, please specify (We use the SEDEX - platform to assess biodiversity risks for our raw materials in the supply chain.)

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

In 2022, we analyze our supply chains on risk for climate change, deforestation, water stress and biodiversity by using Sedex risk indicators. Furthermore we are using well acknowledged global indicators (e.g. IMF Climate Risk Indicator or WWF Biodiversity Filter) backed up by qualitative input from sourcing and sustainability to assess the impact of the environment on our supply chains and reach a double materiality. With a lack of water for irrigation, pressure on crops due to climate change and soil degradation, it is uncertain if the goals of increasing global food production necessary to feed a growing population can be achieved, and thus our access to raw materials. This leaves us exposed to global climate risks as well as risk to biodiversity and challenges both in terms of price and access to various raw materials. As most of our products are originated in agricultural systems and thereby likewise have a high potential to deliver solutions for the mitigation of biodiversity loss, climate change, hunger and poverty. For us very important to update our analysis and related procedures in line with science, global frameworks and development and design our future strategies, targets and actions from a double materiality perspective and have started the process of further improving and strengthening our analysis in 2023. After the publication of TNFD in September 2023 we want to carry out a complete TNFD analysis and thus a strengthened transition plan with an associated set of targets and actions. At the same time we set up a due diligence process for environmental risk based on country and raw material specific SEDEX indicators to manage and assess sustainability performance and to meet supply chain objectives on supplier and supply chain level.

Anyhow the most important handling of risks occurs via Tier-1 Suppliers' risk classifications (e.g. in KODIAK), following the our Code of Conduct, dialogue and long-term cooperation with suppliers, audits and various environmental and social third-party certifications of raw materials and products. To assure raw materials subject to risks, we apply a Group-wide policy regarding GMOs, palm oil, fish oil, paper use and animal welfare". This is together with a high proportion of plant-based and organic products in the range and our target to reduce and 100% reuse food waste by 2025, a plan to protect the climate and biodiversity in fisheries, forestry and agricultural production along the value chain.

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Upstream

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

TNFD – Taskforce on Nature-related Financial Disclosures

Other, please specify (We use the SEDEX - platform to assess biodiversity impact for our raw materials in the supply chain.)

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

In 2022, we analyze our supply chains on risk for climate change, deforestation, water stress and biodiversity by using Sedex risk indicators. Furthermore we are using well acknowledged global indicators (e.g. IMF Climate Risk Indicator or WWF Biodiversity Filter) backed up by qualitative input from sourcing and sustainability to assess the impact of the environment on our supply chains and reach a double materiality. With a lack of water for irrigation, pressure on crops due to climate change and soil degradation, it is uncertain if the goals of increasing global food production necessary to feed a growing population can be achieved, and thus our access to raw materials. This leaves us exposed to global climate risks as well as risk to biodiversity and challenges both in terms of price and access to various raw materials. As most of our products are originated in agricultural systems and thereby likewise have a high potential to deliver solutions for the mitigation of biodiversity loss, climate change, hunger and poverty. For us very important to update our analysis and related procedures in line with science, global frameworks and development and design our future strategies, targets and actions from a double materiality perspective and have started the process of further improving and strengthening our analysis in 2023. After the publication of TNFD in September 2023 we want to carry out a complete TNFD analysis and thus a strengthened transition plan with an associated set of targets and actions. At the same time we set up a due diligence process for environmental risk based on country and raw material specific SEDEX indicators to manage and assess sustainability performance and to meet supply chain objectives on supplier and supply chain level.

Anyhow the most important handling of risks occurs via Tier-1 Suppliers' risk classifications (e.g. in KODIAK), following the our Code of Conduct, dialogue and long-term cooperation with suppliers, audits and various environmental and social third-party certifications of raw materials and products. To assure raw materials subject to risks, we apply a Group-wide policy regarding GMOs, palm oil, fish oil, paper use and animal welfare". This is together with a high proportion of plant-based and organic products in the range and our target to reduce and 100% reuse food waste by 2025, a plan to protect the climate and biodiversity in fisheries, forestry and agricultural production along the value chain.

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

Yes

C15.4a

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area

Key Biodiversity Area (KBAs)

Country/area

Cambodia

Name of the biodiversity-sensitive area

Prey Lang / area around Preah Vihear
Kulem Prum Tep / area around Siem Pang

Proximity

Overlap

Briefly describe your organization's activities in the reporting year located in or near to the selected area

Within Division North Europe we have set up a partnership with the Ibis Rice Project in Cambodia in 2016

The Ibis Rice Project has been initiated by the World Conservation Society to protect Cambodia's national forest in conservation areas including its endangered species. Amongst them the critically endangered White Shoulder and Giant Ibis. These days the Ibis Rice Project is run by a non-profit organization which delivers high quality Jasmin Rice to Midsonea.

The core of the project is that farmers commit to zero use of chemicals, zero poaching and zero deforestation and in return benefit by committed quantities at a price that is at least 60% over the market price.

And moreover additional incomes can be generated within the project due to community patrol for nest protection as well as the support of conservation driven research and tourism supported by WCS.

The project stands for 1.1 percent of the total raw material volume in division North Europe and so far in total involves around about 1500 farmers and 500,000 hectares of preserved area. Since the initiation of the project deforestation in this area has been reduced by 75% and an increase of the Giant Ibis population has been recognized. In 2022, during a strategic partnership visit from sourcing and sustainability Midsonea and Ibis Rice have agreed to strengthen their collaboration and identify further opportunities in 2023.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Project design

Physical controls

Operational controls

Restoration

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

As the Ibis rice project has been designed to protect biodiversity within cultivation of rice and the concept elaborated and constantly reflected by World Conservation Society, one of the most important organisations for nature conservation and biodiversity, we do not see negative affections. Anyhow we see that when extending the partnership to other potential products the impact of the introduction of new crops to the ecological systems needs to be considered that and well assessed.

Mitigation by project design & controls

Farmers commit to zero use of chemicals, zero poaching and zero deforestation and in return benefit by committed quantities at a price that is at least 60% over the market price.

Farmers work with own traditional seeds which protects the diversity of plants.

Farmer Community Controls have been established (3 times per growing cycle)

Community patrols for bird protection have been installed.

Awareness and Knowledge campaigns at local schools are driven forward.

A dedicated non-profit company for nature friendly tourism has been established to support and promote the funding of further activities and improve livelihoods.

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify

Country/area

France

Name of the biodiversity-sensitive area

Proximity

Please select

Briefly describe your organization's activities in the reporting year located in or near to the selected area

CELNAT FOND

► Fonds De Donation Celnat supports 3 projects to promote biodiversity and sustainable eating. Midsonea provides financial support for the projects, guidance and regular follow-up with the project managers about the progress achieved.

► About biodiversity:

Agroforestry project in the Ferme des prés organic farm in Vareilles (Burgundy)

Project: planting of 4.5 km of hedges.

Benefits: carbon sequestration, bird protection, enriched soil research to evaluate impact.

► 2. Farm of the Sarliève project

Protection of agricultural land in urban areas with a transition to organic farming.

► About sustainable eating:

3. Landestini's project "Sustainable food master".

Starting point: need to raise awareness of biodiversity and sustainable consumption.

Project: workshops in schools (from primary school to high school) to educate students on how their food choices affect biodiversity and guide them to make more sustainable food choices.

Extent: 15 schools in 2020, 25 in 2021, from primary school to high school

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Please select

Mitigation measures implemented within the selected area

<Not Applicable>

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

<Not Applicable>

C15.5

(C15.5) 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	Land/water protection Land/water management Species management Education & awareness Law & policy Livelihood, economic & other incentives

C15.6

(C15.6) 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

C15.7

(C15.7) 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 annual report 2022: Governance, page 40-43. Commitments /policy: page 56-61. Impacts and R& O's page 56-61 as well as page 86 -88. Strategy page 34-39 , page 45-46 and page56-57.

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)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
-----------------------	--

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

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

Please confirm below

I have read and accept the applicable Terms