



Skånemejerier

## Sustainability report

# 20 22



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This report has been prepared by Skånemejerier AB, corporate identification number 556820-8317. It is an independent sustainability report that includes Skånemejerier's wholly owned companies (Skånemejerier AB, Hjordnära Mejeri AB, Malmö Mejeri AB, Kristianstads Mejeri AB, Kristianstads Ostförädlning AB, Skånemejerier Storkhushåll AB, Skånemejerier Försäljning AB, Svenska Ostkompaniet HB (dormant company)) and the products the organisation sells within the Skånemejerier group. The report constitutes Skånemejerier AB's statutory sustainability report in accordance with the requirements of the Swedish Annual Accounts Act. The contact person for the report is Anette Gregow, Communications and Sustainability Director.

# KEY EVENTS DURING THE YEAR



## TWO SWEDISH CHEESE NOVELTIES

In the spring, we launched Pannoumi® in the food retailing, a new and unique Swedish cheese for grilling and frying. The brand new cheese type Rike® was also launched on the market, developed from long experience and great craftsmanship by our master cheesemaker in Kristianstad. Read more on page 18.

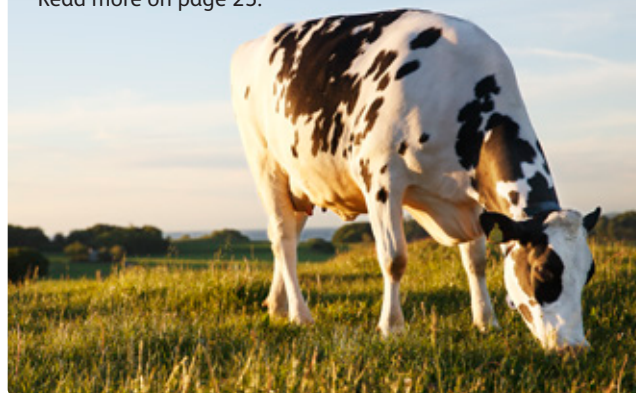


## A LOWER CARBON FOOTPRINT FOR MILK

After performing climate calculations on 295 dairy farms, we found that the carbon footprint of the farms decreased slightly compared with the previous year – from 1.0 kg of carbon dioxide equivalents per kilo of milk delivered to 0.96 kg. Read more on page 26.

## A NEW ANIMAL WELFARE POLICY

To maintain world-class animal welfare, we summarised our standards in an animal welfare policy in 2022. The Lactalis Group also launched an animal welfare policy during the year, and Skånemejerier is part of the global animal welfare network. If the cows feel fine, the milk will be fine too! Read more on page 25.



## MORE PACKAGING THAT CAN BE RECYCLED

Our efforts towards 100 percent recyclable and renewable packaging continues. During the year, we started switching to recyclable plastic for our crème fraîche packaging. We have also started to change the plastic films in cheese packaging to mono material, a material consisting of only one type of plastic. Currently, 96 percent of our packaging is recyclable. Read more on page 33.



## NEW GLOBAL WHISTLE-BLOWING PLATFORM

The year saw the launch of Lact@Lert, the Lactalis Group's whistleblowing platform. The platform will enable our employees to report if they see something that does not look right or violates our Code of Conduct. Read more on page 16.



## GOOD COLLABORATION WITH FARMERS CONTINUES

During the year, a new long-term agreement was signed with the supplier association Skånemejerier Ekonomisk Förening, of which the majority of our milk suppliers are members. We continue to pay farmers more than the market price to promote sustainable and quality milk production. Read more on page 24.

## ALMOST 30,000 CHILDREN CELEBRATED 20 YEARS OF KALVIN

In 2022, Skånemejerier's popular event Kalvinknatet – Sweden's largest children's race – celebrated 20 years of movement and joy! During the spring, 29,492 children ran the race in 21 locations in Skåne, Blekinge, Småland and Halland. Read more on page 43.



## FOOD DONATIONS TO VULNERABLE PEOPLE

In 2022, Skånemejerier remained the main partner of Skåne Stadsmission (Skåne City Mission), and more than 60 tonnes of food were donated to the Stadsmission organisations in Skåne, Stockholm and Gothenburg. Food donations also go to Ensamkommandes Förbund (The Unaccompanied Minors' Association) in Malmö, which received over 400 kilos of healthy food during the year. Read more on page 43.



# DESPITE CHALLENGES, SKÅNEMEJERIER REMAINS STRONG

2022 was a challenging year for the food industry in many ways. The supply and demand disruptions established during the pandemic continued to characterise the industry and have been exacerbated by the war in Ukraine. As a result, general market uncertainty remains, which has been further fuelled by rising inflation. Despite this, we can still proudly state that Skånemejerier remains strong, and we look forward to taking even bigger steps towards our vision of becoming Sweden's most sustainable dairy.

## A YEAR OF CHALLENGES AND PROGRESS

The year 2022 was characterised by several challenges. We have seen major cost increases for our main raw materials and ingredients, skyrocketing electricity and fuel prices, higher packaging costs, a severely weakened krona and a decline in the purchasing power of Swedish consumers.

Calculated in volume, sales to the retail trade fell by seven percent compared to 2021, where, however, cheese and juice were categories that remained relatively stable. On the other hand, we saw an increase in consumption outside the home, where our sales within Foodservice increased by 15 percent. Unfortunately, this did not compensate for the total loss in the retail markets and we can state a total volume decrease of five percent.

Our net sales, 4.963 MSEK (4.342 MSEK) has increased compared with last year due notably to price increases towards the customers. However, the net operating profit, 117 MSEK (176 MSEK) has decreased compared with last year. This is mainly due to inflation and that the price increases on operational cost have not fully been cascaded to the customers at the same rate as they've arisen.

Investment in innovation remains a key focus and we are particularly proud of two important product launches in the past year. During the spring, we introduced Pannoumi®, a new and unique Swedish grilling cheese, in food retailing. We have also launched the brand new cheese type Rike®, which is a cheese developed from long experience and great craftsmanship by our master cheesemaker in Kristianstad.



## ‘Swedish milk is produced by dairy farmers who run their farms in a sustainable and ethical way, contributing to open landscapes with greater biodiversity and a living countryside.’

### IMPORTANT STEPS FORWARD IN SUSTAINABILITY WORK

Rising energy prices have affected both industry and households during the year, and the impact on our own operations has been significant. Gas prices have multiplied over the year, and the risk of gas shortages has become more pressing with the war in Ukraine. In the medium to long term, we are therefore exploring the possibility of a new investment that could reduce our gas dependency and ensure that we can maintain our operations, which need to run 24 hours a day, every day of the year.

During the year, we continued to work towards our goal of using only renewable energy in our production. The energy that powers our four production plants is currently 98 percent renewable and comes from biogas, district heating from burning wood chips and certified green electricity.

Our work to reduce and prevent waste is ongoing every day and is based on the fact that we want to reduce our negative climate and environmental impact while conserving resources, both in our own production and with customers and consumers. Owing to improved processes and an increased focus on sales and donations, the proportion of discarded products in 2022 decreased from 0.19 to 0.13 percent.

In 2022, we also reduced the amount of combustible waste by nine percent compared with last year, largely due to the restructuring of the waste flow at Kristianstads Ostförfärdling, which has improved prospects for efficient sorting.

In June 2022, we signed a new long-term agreement with the supplier association Skånemejerier Ekonomisk Förening, of which the majority of our milk suppliers are members. This gives us continued opportunities to drive and support sustainable and quality Swedish milk production. In our value chain, the biggest carbon footprint is on dairy farms and after climate calculations on 295 farms, we found that the carbon footprint has decreased slightly compared with the previous year – from 1.0 to 0.96 kg of carbon dioxide equivalents per kilogram of milk delivered. We look for-

ward to a continuation of our work with Skånemejerier Ekonomisk Förening to reduce our climate footprint even more, and our renewed agreement with the association will enable us to further deepen our collaboration.

Sustainable development is also about people. We want to invest in our people and therefore place great emphasis on training, leadership and professional development. Our activities in 2022 included increased investments in training and further improvements to our working environment. Increased focus on our working environment during the year has been linked to the use and handling of chemicals, noise and machine safety.

### OUTLOOK FOR 2023

We have now entered a new year where even more people are realising the importance of both sustainability and contingency planning. Swedish milk is produced by dairy farmers who run their farms in a sustainable and ethical way, contributing to open landscapes with greater biodiversity and a living countryside. Swedish milk is needed for a sustainable food supply.

2023 will be a challenging year with the expectation of an economic slowdown and reduced purchasing power. Despite this, our work to create a long-term sustainable dairy continues. During the year, we will have a strong focus on continuing to invest in product innovation and accelerating our climate efforts.

Finally, we would like to thank all employees who have contributed to making Skånemejerier an even stronger company during this challenging year. Together, our efforts will help us to continue our journey as an organisation that is growing profitably and responsibly.

**José Antonio Lalanda**  
CEO Skånemejerier  
2022

**Cecilia von Perglas**  
CEO Skånemejerier  
since 1 April 2023

## Welcome CECILIA VON PERGLAS, NEW CEO OF SKÅNEMEJERIER

Cecilia von Perglas took over as CEO of Skånemejerier on 1 April 2023. She has a solid FMCG background, 20 years of experience in senior positions in marketing and sales, and has worked at Skånemejerier since March 2022.

### WHAT ARE THE MAIN CHALLENGES?

Swedish food prices have increased significantly due to several major external environmental factors such as the pandemic, war and climate change. We see price pressure, and it is easy for consumers to compare food prices. However, it must be borne in mind that in Sweden we have relatively high production costs and high environmental and animal welfare standards.

I want to work on getting the trade and consumers to recognise the value of sustainable Swedish food production. We need to focus on local production so that our local dairy farmers can continue to produce nutritious food in harmony with animals and the countryside.

### WHAT ARE THE KEY SUSTAINABILITY ISSUES?

A part of Skånemejerier's endeavours to become Sweden's most sustainable dairy is to set science-based climate targets in line with the Paris Agreement with a view to limiting global warming to 1.5 degrees. The climate work on the farms is central to achieving those targets as this is where the largest emissions occur, and the continued good collaboration with Skånemejerier Ekonomisk Förening is crucial here.

In 2023, we will work on practical initiatives both internally and in our value chain to steer the company in a sustainable direction. We are far from finished, but with all our talented employees as the driving force behind our sustainability efforts, we will make a difference.

### WHAT ARE YOU LOOKING FORWARD TO?

As CEO of Sweden's second-largest dairy company, I want to work to fulfil our social responsibility and be part of Sweden's food supply. This is important for Swedish dairy farmers, the Swedish dairy industry, customers and particularly consumers.

# THIS IS SKÅNEMEJERIER

## OUR MISSION

We create value for our consumers by providing them with quality, nutritious and innovative dairy products and fruit juices in a profitable and responsible way for people, business and planet.

## OUR FACILITIES



## OUR VISION

The most sustainable dairy in Sweden



Turnover

**4,96**  
**BSEK**



**296**  
Swedish  
milk suppliers

Number of employees

**717**



**4**

production  
facilities,  
head office  
in Malmö



Number of main  
brands

**12**



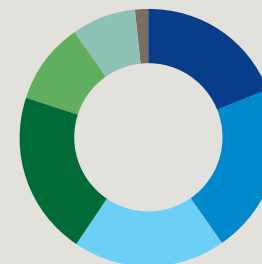
## SALES CHANNELS

**Foodservice** (private restaurants, public sector, chain customers, industrial customers)

**Food retailing** (grocery stores, convenience stores, e-commerce)

**Export**

Proportion of product in our range  
(incl. import and export) 2022



MILK	18.9%
CREAM	21.6%
YOGHURT, FERMENTED MILK & QUARK	19.1%
CHEESE	20.4%
FRUIT JUICE	10.3%
INDUSTRIAL PRODUCTS	8.2%
OTHER <sup>1</sup>	1.5%

<sup>1</sup> Butter, meat, other and agro supply



## PART OF THE WORLD'S LEADING DAIRY GROUP

Since 2012, Skånemejerier has been part of the Lactalis Group, a worldwide group with both global and local brands. Lactalis, founded in Laval, France, in 1933, is currently the world's leading producer of dairy products. The Group has 270 facilities in 51 countries and around 85,500 employees. Sales in 2022 were EUR 28.3 billion.

Read more about the Lactalis Group's sustainability efforts on page 17.



# OUR BRANDS

Skånemejerier has a wide range of popular and well-known brands. Our products include locally produced dairy products, Sweden's most purchased fruit juices and cheese specialities from Sweden and Europe. The range consists of both products produced at one of our facilities in Sweden and several imported products.



**Skånemejerier**

A wide range of locally produced dairy products, all with milk from farms in Skåne and southern Sweden.



## Bara

Yoghurt with a high fruit content, without added sugar or other additives.



Our organic range with milk from organically certified farms.



## ÅSENS

Åsens Lantmjölk has a genuine milk flavour due to the preservation of the original cream fat particles.



## LINDAHL'S

Sweden's leading brand in quark products, with a high protein content especially adapted for an active target group.



1911  
**ALLERUM**

Market leader in hard aged cheese with classics such as Präst®, Herrgård® and Grevé® and the innovation Rike®.



**PRÉSIDENT**

The Lactalis Group's largest global brand with French cheese classics such as Camembert, Chèvre and Brie.



DAL 1882  
**Galbani**

The Italian original since 1882. Quality cheeses sold in 150 countries around the world.



## BRAVO

Sweden's leading brand in fruit juices and smoothies – always made from 100 percent fruit.



**Salakis**

Turkish and Greek yoghurt with a taste of the Mediterranean.



# OUR MARKET AND ENVIRONMENT

2022 was a turbulent year. While the market was recovering from the impact of the pandemic, a war broke out in our neighbouring area, resulting in increased commodity prices and energy shortages. This has created challenges for Skånemejerier in several areas, where milk, in particular, our most important raw material, increased in price by almost 60 percent during the year.



## INFLATION AND COST INCREASES

The large increases in both raw material and energy prices have put great pressure on all parts of the food chain and have been a hotly debated issue throughout the year. Our own operations have seen increased prices for raw milk, as a result of the higher purchase prices for fertiliser, feed, energy and fuel experienced by milk suppliers.

The lack of access to electricity and the resulting increased costs have also hit Sweden's food companies particularly hard, especially those who – like us – operate in southern Sweden. In a dairy, significant amounts of energy are required to power all the machines that produce, package and refrigerate the products in anticipation of transport to stores and customers. A secure electricity supply based on an even price model across the country is crucial to ensure stable and sustainable Swedish food production.

Increased production leads to more expensive food, which ultimately affects consumers. Many consumers choose to change their habits in order to reduce their spending, including by reducing their purchases of certain products and opting for cheaper alternatives. Some habits established during the pandemic have created new consumption patterns. For example, it has become more common to buy larger quantities less frequently, which is less favourable for the sale of fresh products such as milk.

High inflation and rising interest rates are contributing to the Swedish economy entering a recession in 2023. This puts pressure on businesses, and household consumption is expected to slow down. The Swedish National Institute of Economic Research's forecast<sup>1</sup> is that it will take time for the economy to recover, and the recession is expected to last until 2025.

## INCREASED FOCUS ON THE IMPORTANCE OF NUTRITION

A generally higher cost situation for both households and public catering makes it even more important that children are able to cover a large part of their nutritional needs at school. Without milk at mealtimes, many children would not get the recommended levels of several key nutrients such as protein, calcium, vitamin D, riboflavin, selenium, zinc and iodine – exactly what growing children need. A review of EU school programmes, including the

## NET PROFIT AND FINANCIAL RESULT

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school milk subsidy, is currently underway. It is of great importance that decision-makers, opinion leaders and consumers understand how Swedish milk is an important part of a nutritious diet and that the choice of products made from Swedish dairy raw materials with good animal welfare and high environmental standards is encouraged.

In our calculations, we see that milk gives consumers more protein for their money than any of the plant-based alternatives (read more on page 9). This is a calculation that rising food prices have made increasingly relevant. In terms of protein content, the carbon footprint of Swedish milk is also in line with or even slightly lower than that of oat drinks. This demonstrates the importance of a holistic approach in discussions about food, taking into account nutritional content, carbon footprint and price.

## FURTHER STEPS TOWARDS SUSTAINABLE MILK PRODUCTION

In an uncertain world, we need to maintain a secure domestic production of Swedish food of good quality, with high nutritional content, providing good value for money and with a focus on animal welfare. During the year, the dialogue and collaboration with our farmers has been strengthened on common sustainability issues with a focus on climate, animal welfare and biodiversity, and in June a new agreement was signed between Skånemejerier AB and the supplier association Skånemejerier Ekonomisk Förening. By doing this, we are committing to continue paying above-market prices to compensate farmers for sustainable and quality milk production.

<sup>1</sup> National Institute of Economic Research, The Economic Situation as at December 2022

<sup>2</sup> <https://mjolk.se/barn-behovet-skolmjolk/>

# NATURALLY NUTRITIOUS – AT LOWER COST

As grocery shopping becomes more and more expensive, it is natural that the issue of affordability becomes more important to consumers. Most of us want to eat a varied, healthy and tasty diet and still have money left over for other things. Ideally, we want to prioritise products that are sustainable from an environmental and climate perspective. Can you have all of these aspirations fulfilled?



**MILK**  
**0.35 kr**  
per gram of protein  
**25 kg CO<sub>2</sub>e**  
per kg of protein

**OAT DRINKS**  
**1.64 kr**  
per gram of protein  
**27 kg CO<sub>2</sub>e**  
per kg of protein

## MORE ESSENTIAL NUTRIENTS FOR THE MONEY

Based on their carbon footprint, oat drink and other plant based drinks are often marketed as a better option than milk. The carbon footprint of a product is usually specified as the amount of carbon dioxide equivalent per kilogram (CO<sub>2</sub>e/kg), which expresses the amount of greenhouse gas emissions during production. The carbon footprint for milk (1.5 % fat) is 0.9 kg CO<sub>2</sub>e/kg while for oat drinks it is 0.27 kg CO<sub>2</sub>e/kg, but while the kilo CO<sub>2</sub>e/kg measure can be a useful piece of consumer information for two equivalent products, it does not reveal anything about the other qualities of the products such as nutritional content and price.

Milk is one of the most naturally nutrient-dense foods on the market and contains more essential nutrients than plant-based drinks. Milk contains 18 of the 22 nutrients we need every day and is only fortified with vitamin D.

Of course, the prices of the products vary between shops and times of purchase, but in our

comparison, based on average prices from 2022, consumers got more nutrition for their money with milk than with any of the plant-based alternatives. In addition, a variety of studies show that naturally occurring nutrients provide greater health benefits than when these are added afterwards, such as in a plant-based drink<sup>1</sup>.

## CARBON FOOTPRINT IN RELATION TO NUTRITIONAL CONTENT

Assessing whether a food is a sustainable choice requires an overall assessment that takes into account nutritional content, carbon footprint and price. In terms of protein content, the carbon footprint of Swedish milk is also in line with or even slightly lower than that of oat drinks. At the same time, the price per gram of protein for milk is significantly lower. In summary, this means that milk generally provides more and better nutrition at a lower price than plant-based drinks, which is particularly important in an era of rising food prices.

	Milk 1.5% (fresh)	Enriched oat drinks 1.5% (fresh)	Enriched soy drinks	Enriched almond drinks
Amount of protein (g/100ml) <sup>2</sup>	3.6	1,0	3.4	0
Number of nutrients <sup>3</sup>	18	13	16	9
Price per liter <sup>3</sup>	12.46 kr	16.42 kr	19.12 kr	22.93 kr
Price per gram of protein	0.35 kr	1.64 kr	0.56 kr	–
Kg CO <sub>2</sub> e per kg product <sup>4</sup>	0.9	0.27	0.88	0.42
Kg CO <sub>2</sub> e per kg protein	25.0	27.0	25.9	–

<sup>1</sup> <https://mjolk.se/dairy-matrix-hemligheten-bakom-mjolkens-halsoeffekter/>

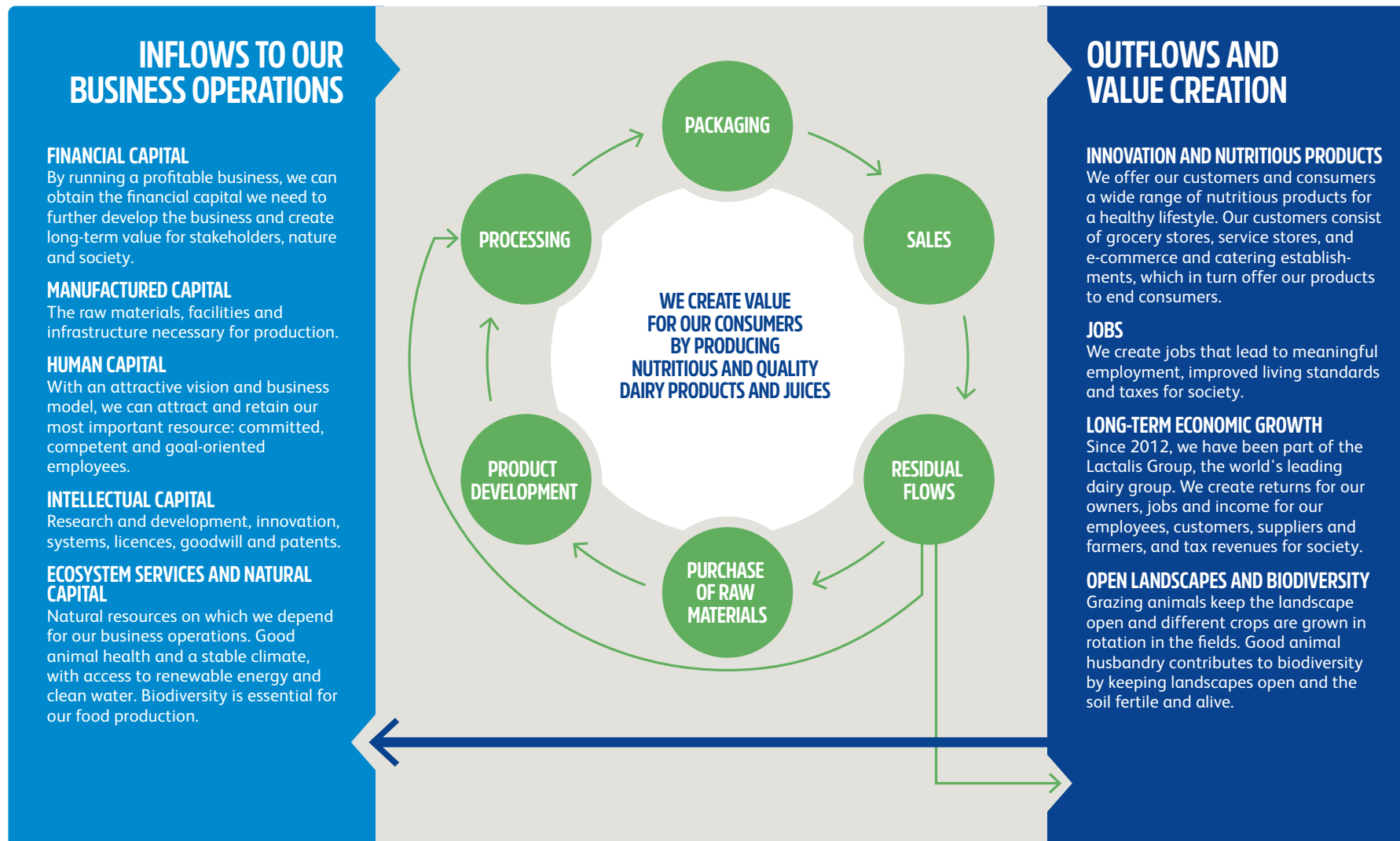
<sup>2</sup> Source: The Swedish Food Agency's food database

<sup>3</sup> Average liter prices (not organic products) for the categories fresh milk 1.5 %, oat drink 0.6-1.5 %, soy drink and almond drink during the calendar year 2022. Source: Nielsen IQ, Dagligvaruhandel.

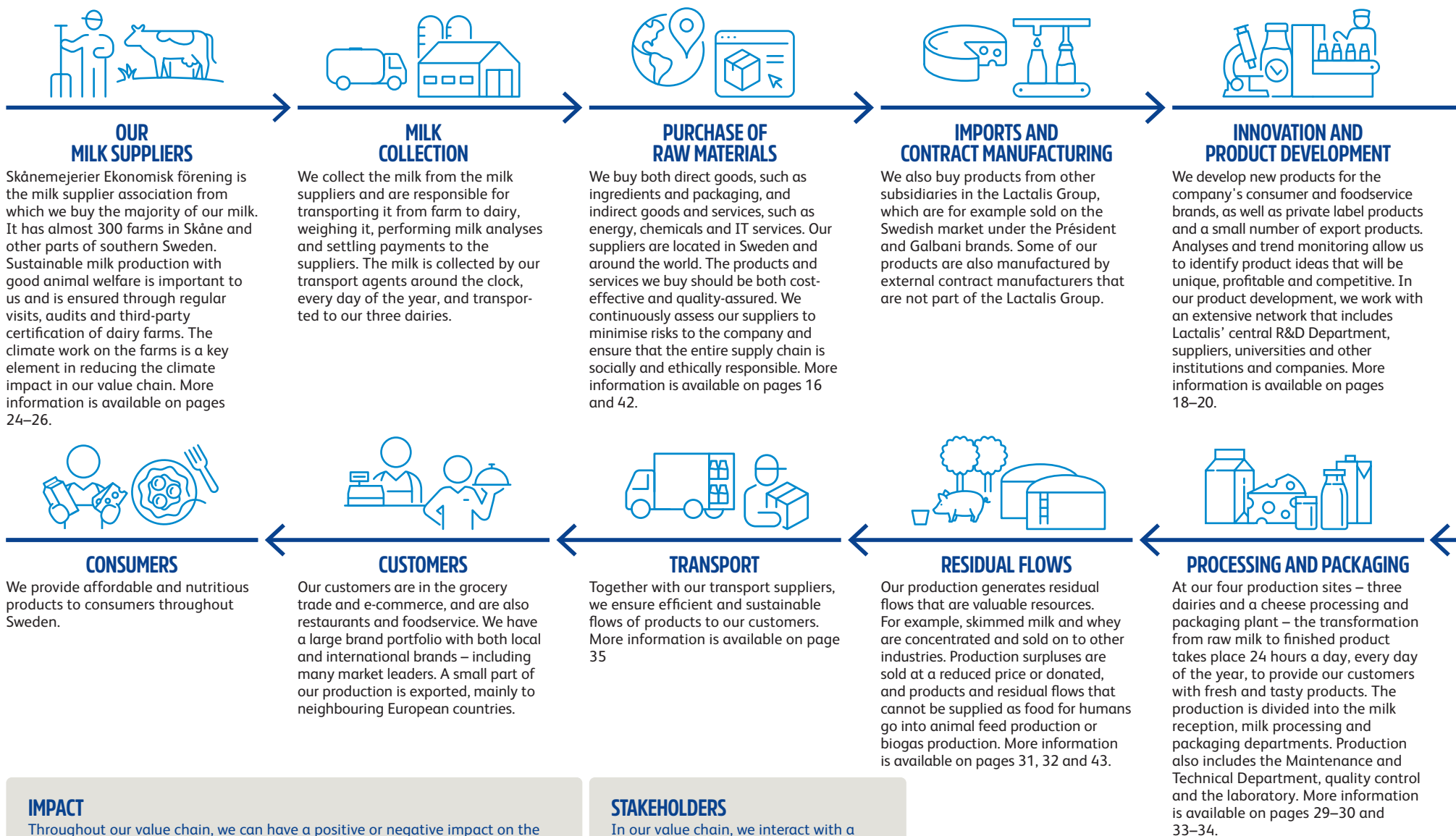
<sup>4</sup> Sources: Milk: RISE climate database. Oat drink: [www.oatly.se](http://www.oatly.se). Soy drink and almond drink: The values are average values for each product from Clune S., Crossin E., Vergheze K. (2017) Systematic review of greenhouse gas emissions for different fresh food categories, Journal of Cleaner Production 140 (2), pp. 766–783.

# OUR BUSINESS MODEL

Our business model is to create value for our consumers by providing them with quality, nutritious and innovative dairy products in a profitable and responsible way for people, businesses and the planet. In our business model, inflows are what we need to run our company with sustainable profitability. At the centre of the model is our business concept and our value-creating activities. As a company, we have a responsibility to reuse, reinvest and utilise our resources. Outflows are the products and values that we create for our stakeholders, the countryside and society – values that in turn are prerequisites for our business.



# OUR VALUE CHAIN



## IMPACT

Throughout our value chain, we can have a positive or negative impact on the world around us. Examples of positive impacts are providing nutritious products that our customers and consumers want, creating jobs in our production facilities and in our value chain, and contributing via milk production to a living countryside, open landscapes and biodiversity.

## STAKEHOLDERS

In our value chain, we interact with a large number of stakeholders, some of which are illustrated in the image above. More information about how we work with our stakeholders is available on page 14.

# SKÅNEMEJERIER'S CORPORATE STRATEGY

Skånemejerier's corporate strategy is based on three elements: Sustainable Business, Sustainable Planet and Sustainable Relationships. This harmonises with what is usually described as the three dimensions of sustainability – ecological, social and economic – all of which must work together for the sustainable development of our business.

## THREE FOCUS AREAS

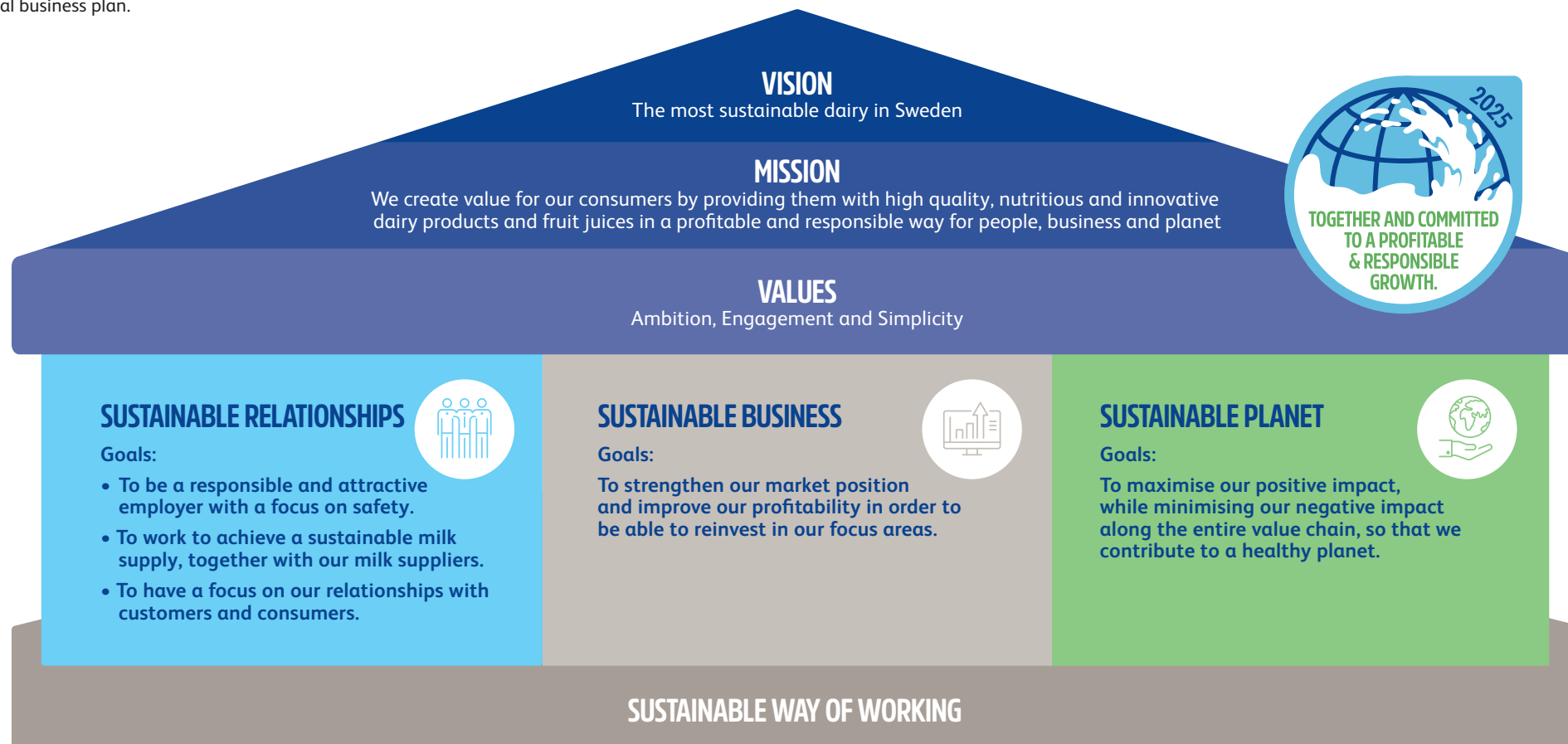
In June 2022, Skånemejerier launched its corporate strategy that extends to 2025. The strategy is reviewed and updated annually by the company's management team and is complemented by an annual business plan.

As a basis for our strategy work, an external environmental and current situation analysis was carried out in 2021 and 2022. The involvement of our employees was important during the development process to create engagement and support throughout the organisation. Project teams worked on different areas of development and objectives and developed sub-strategies and plans in broad collaboration. To link the strategy to our external stakeholders' most prioritised topics, we have conducted a materiality analysis that identifies our most fundamental sustainability areas. Read more on page 13.

The corporate strategy consists of three focus areas – Sustainable Business, Sustainable Planet and Sustainable Relationships –

which lay the foundation for a sustainable way of working. Representatives from the company's various departments have deployed the corporate strategy with priority measures to achieve the strategic goals, and this will be followed up by the management team on a six-monthly basis.

The overall implementation of the corporate strategy is directed by the management team, while responsibility for implementing the strategy, with ambitions and guidelines for day-to-day work, rests with the respective department and function. At the end of 2022, the foundations were laid for a new corporate strategy for the Lactalis Group, 'Better Together', which will be implemented by the subsidiaries in 2023.



# KEY ISSUES AND STAKEHOLDERS

Our sustainability work is based on our key issues, i.e. the areas where we affect the world around us, but also the areas that affect us as a company. By engaging in continuous dialogue with our stakeholders, we jointly drive our key issues and our development forward.

## KEY ISSUES

In 2021, a materiality analysis was carried out based on the GRI standards. The analysis was based on a stakeholder survey with internal and external stakeholders and an impact assessment by internal respondents. The summarised results were processed and finally validated by the Skånemejerier management team.

The highest rated issues were divided into three categories:

- **Key issues:** Issues that should be at the centre of the company's long-term sustainability strategy
- **Very important issues:** Issues that should be given special attention and be monitored
- **Important issues:** Issues that should be addressed

The issues are linked to the focus areas of our corporate strategy. Read more about our materiality analysis on page 49.



Sustainable Relationships



Sustainable Business



Sustainable planet

	Impact – direct/ indirect	Impact on the outside world	Ability to influence	Focus area in Skånemejerier's corporate strategy
<b>Key issues</b>				
Reduce the carbon footprint of our entire value chain according to scientifically based methods	Direct and indirect	Medium	Medium	
Promote circular production systems at the facilities	Direct	High	High	
Act responsibly together with farmers to ensure sustainable production and access to milk	Direct	Medium	Medium	
Be a company that is financially viable long-term	Direct	High	Medium	
<b>Very important issues</b>				
Contribute to reducing the climate impact of dairy farms	Indirect	Medium	Medium	
Implement continuous improvements for good animal welfare on dairy farms	Direct and indirect	High	Medium	
Offer career and development opportunities for all our employees	Direct	Medium	High	
Provide a safe and healthy working environment with good working conditions	Direct	High	High	
<b>Important issues</b>				
Contribute to the development of sustainable agriculture based on research	Indirect	Medium	Medium	
Offer Swedish-produced milk	Direct	High	High	
Evaluate our suppliers based on environmental, ethical and social aspects	Direct	Medium	High	
Provide healthy products	Direct	Medium	High	

## STAKEHOLDER DIALOGUE

Having a close, honest and open dialogue with our stakeholders is crucial to our business. Below is an overview of our key stakeholder groups and examples of how we interact with them to maintain a fruitful dialogue. Read more about our stakeholders at [foretag.skanemejerier.se/intressentoversikt](https://foretag.skanemejerier.se/intressentoversikt).



### EMPLOYEES

Skånemejerier should have a good physical, mental, social and organisational work environment, where the basis is a close dialogue with employees. In addition to the daily interaction between employees and managers, we carry out employee surveys, offer continuous training, conduct health and safety audits and hold annual performance reviews.



### OWNER – THE LACTALIS GROUP

Skånemejerier has a close relationship with its owner, the Lactalis Group, partly to have a valuable exchange of knowledge and experience with colleagues around the world.

The Group regularly monitors performance, governance, risks and opportunities.



### SUPPLIERS

We have a strong collaboration with Skånemejerier Ekonomisk Förening and the milk suppliers who are our most important suppliers of raw materials in terms of the environment and animal welfare, for example through farm certification.

By setting standards and engaging in dialogue, Skånemejerier helps to raise the level of sustainability work among our suppliers of products and services.



### MARKET: CUSTOMERS, FOOD COMPANIES AND TRADE ORGANISATIONS

We have a close dialogue with our customers and work together to provide solutions to various sustainability challenges. We participate in various industry initiatives such as the Plastics Initiative and the Transport Initiative (DLF). We want to help move the industry in a sustainable direction by working with others and participating in key collaborations.



### SOCIETY: NON-PROFIT ORGANISATION, PUBLIC ORGANISATION, PUBLIC AUTHORITIES

Skånemejerier operates primarily in Skåne, for Skåne. It is therefore very important that we have a lively dialogue with both public sector activities in the region and non-profit organisations that work for a better Skåne. We also maintain a dialogue with authorities in areas relevant to Skånemejerier.

We are involved in LRF Mjölks working groups in a number of areas relevant to the entire dairy sector.



### CONSUMERS

We are in constant dialogue with our consumers to ensure that we meet their aspirations and needs in the area of sustainability. We do this through ongoing contact via consumer contact and social media, as well as market research, customer panels and customer surveys.

# SUSTAINABLE BUSINESS

For Skånemejerier, sustainable business is about creating profitability and achieving our own business objectives while facilitating long-term value creation for all stakeholders in our value chain.

We set ambitious targets for profitable and responsible growth, focusing on volume, turnover and market share. At the same time, we are committed to ensuring that all work throughout the value chain is conducted in an ethically, socially and environmentally responsible manner. Our business model is based on reusing, reinvesting and utilising our resources in manufacturing and product development as far as possible.



# CORPORATE SOCIAL RESPONSIBILITY

**Skånemejerier owns some of Sweden's best-known brands and has a good reputation that has been formed over a long period of time. We are committed to continuing to develop our business, corporate culture and value chain in a responsible way.**

## RESPONSIBILITY IN OUR OPERATIONS AND IN OUR VALUE CHAIN

At Skånemejerier, we want to have a positive impact on the world around us. To ensure that we run our business in a responsible manner, protecting both people and the environment, we are \*governed by a number of policies and guidelines. Some of these are common to the Lactalis Group, while others are specific to Skånemejerier. Among those relevant to our sustainability work are policies on the environment, packaging, animal welfare, quality, health and safety, diversity, transport and anti-corruption (see page 51). These documents form the basis for how we take responsibility for employees, suppliers, people in the value chain, the environment around our facilities and in our value chain. Our policies are implemented in the organisation by means of guidelines, processes, tools and training.

## OUR CODE OF CONDUCT

Skånemejerier's Code of Conduct clarifies our values and shows our willingness to take responsibility socially, ethically, legally and sustainably, and also defines how we should act in different situations.

As a large food company, we want to ensure correct behaviour in all aspects of our business and also provide guidance on important issues. The Code of Conduct clarifies our commitment to our employees, customers and other stakeholders but also our expectations of suppliers and partners. It covers topics such as diversity and equal treatment, trade union activities, handling of sensitive information and combating bribery and corruption. The Code of Conduct is in line with the ten principles of the UN Global Compact and can be downloaded from our website.

Skånemejerier's Compliance Committee (SCC) is responsible for revising the Code of Conduct. The Committee includes representatives from the fields of law, HR, finance, communication, sustainability, quality and purchasing. The Committee meets once a year and as needed in this format or in smaller groups to address issues related to the Code of Conduct. Skånemejerier's Communications Director is then responsible for implementing updates and changes to the Code of Conduct and ensuring that information on new versions is disseminated within the company. There was no update to the Code of Conduct in 2022.

We monitor the proportion of our suppliers who have signed the Code of Conduct annually (see page 42). In 2022, the Lactalis Group developed a global code of conduct for suppliers, which will be launched in 2023 and will also apply to Skånemejerier's suppliers.

## ZERO TOLERANCE FOR BRIBERY AND CORRUPTION

It goes without saying that we at Skånemejerier, both as a company and as employees, must comply with laws and regulations. We are expected to act with responsibility, sound judgement, professional integrity and in accordance with our internal rules and procedures, including the Lactalis Group's anti-corruption policy. Administrative staff and managers receive digital training on the fight against corruption.

Skånemejerier and its employees may never use bribes or unauthorised compensation in relation to customers, suppliers, authorities or other decision-makers for the purpose of, for example, creating or retaining business. Offers of representation may only be accepted if they are within the framework of good business practice. There were no breaches in relation to bribery and corruption in 2022.

## LACTALIS WHISTLEBLOWING PLATFORM

We promote open communication and encourage all our employees to tell us immediately if they see anything in our operations that is not in line with laws and regulations. To facilitate such reporting, the Lactalis Group has launched a whistleblowing platform called Lact@Lert. The platform allows individuals to report behaviour or situations that violate the law or the Group's internal rules and procedures. This includes, for example, violations or suspected violations of the Lactalis Group's anti-corruption policy, health and safety of individuals and the environment, as well as serious violations of human rights and fundamental freedoms or other types of criminal behaviour.

Lact@Lert is managed by an external provider and provides a secure, confidential and anonymous reporting system. The system ensures that individuals who file a report are protected from direct or indirect retaliation, disciplinary action or pressure of any kind as a result of making their report. The platform is open to all current or former employees of the Lactalis Group (full-time or part-time employees, managers, trainees, etc.), external and temporary staff (e.g. consultants and contractors), applicants for vacancies within the Lactalis Group, as well as all contractors and agents of the Lactalis Group and their employees. The Lactalis Group's local Whistleblower Committee, consisting of representatives from Skånemejerier's finance, HR and legal departments, is responsible for receiving and processing reports.

## GOOD RISK MANAGEMENT CREATES VALUE

Compliance with the law is fundamental to us at Skånemejerier. Good corporate citizenship means minimising the negative impact of our activities. Our commitment to sustainable business is based on producing safe, high-quality products, continuously reducing our environmental impact, and respecting human rights and social responsibility in our operations. Skånemejerier's commitments regarding responsibility and integrity, as well as our products, services and collaborations, must always comply with current regulations, national legislation and international declarations and conventions.

Proper risk management is a prerequisite for a long-term sustainable business that creates value for us and our stakeholders. We therefore work with a focus on managing our most significant risks through ongoing self-monitoring. Tasks related to compliance with the law are broken down by competence and area of responsibility within the organisation. Regulatory compliance as regards quality, work environment and environment is part of our internal audit and we keep up to date with changes in legislation through a regulatory monitoring tool.

Our legal compliance and management system are also reviewed by external parties. We are inspected by the food, feed, environment and health and safety authorities, and external auditors visit to audit us according to FSSC 22000, ISO 9001, ISO 14001 and KRAV.

## SUSTAINABILITY RISKS

For more information on our sustainability risks, see the following section:

**Environment:** Our climate impact (page 23), Climate work together with the farms (page 26), Energy at our dairies (page 29), Water and sewage (page 30), Waste and residuals (page 32), Good products in good packaging (page 33), Responsibility in the supply chain (page 42)

**Respect for human rights:** Corporate responsibility (page 16), Skånemejerier as a workplace (page 37), Responsibility in the supply chain (page 42)

**Counteracting corruption:** Corporate responsibility (page 16), Responsibility in the supply chain (page 42)

**Social conditions and staff:** Corporate responsibility (page 16), Skånemejerier as a workplace (page 37), Responsibility in the supply chain (page 41).

For an overview of the Lactalis Group's identified sustainability risks, see page 50.

# ORGANISATION OF SUSTAINABILITY EFFORTS

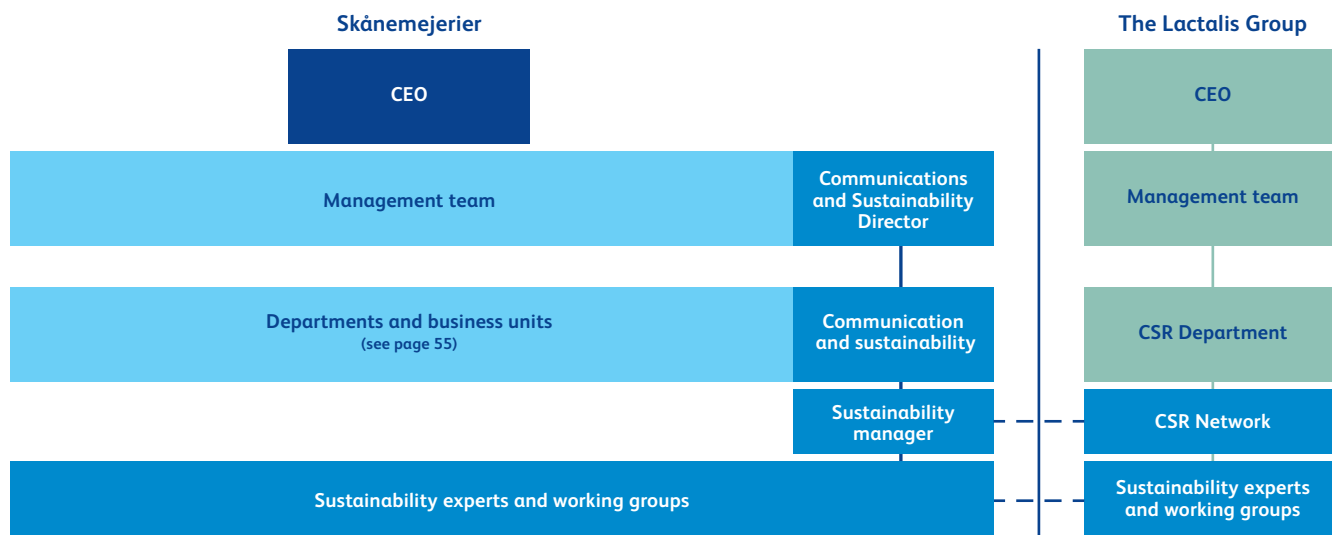
## SKÅNEMEJERIER'S SUSTAINABILITY WORK

In 2022, Skånemejerier's new corporate strategy was launched, where sustainability is integrated into the three strategic focus areas – Sustainable Business, Sustainable Planet and Sustainable Relationships. The sustainability direction is decided by Skånemejerier's management group and on major topics also by the group management of the Lactalis Group.

The CEO is ultimately responsible for Skånemejerier's operations. Our Sustainability and Communications Director is a member of the Skånemejerier management team. The integration of sustainability issues into our corporate strategy gives all department heads a responsibility to contribute to achieving departmental and company-wide goals.

Our sustainability manager coordinates the sustainability work, leads various strategic sustainability initiatives and represents Skånemejerier in the Lactalis Group's sustainability network.

Skånemejerier has experts and working groups that run the operational sustainability work in their respective departments. They provide support and expertise to their colleagues. Sharing knowledge and experience across departmental boundaries helps us to find effective new solutions and improvements.



## LACTALIS'S SUSTAINABILITY EFFORTS

The Lactalis Group has a central Corporate Social Responsibility (CSR) department that runs the strategic sustainability work globally. As part of this work, monthly CSR meetings are held where representatives from each country participate and discuss joint initiatives to drive development forward. Skånemejerier participates in several of the Lactalis Group's global groups in areas such as animal welfare, packaging, logistics and investments in production.

In 2022, the Lactalis Group launched four sustainability policies with group-wide targets in the areas of climate, packaging/circularity and animal welfare, as well as a policy on palm oil. During the year, the group also took further steps towards a clearer organisation of sustainability work at global level, clarifying the responsibilities of senior management, sustainability officers and expert roles. The Lactalis Group has also committed to setting climate targets in line with the guidelines of the Science Based Target Initiative (see page 23).

Since 2021, the Lactalis Group has been a member of the UN Global Compact, committing to ten principles on human rights, labour, environment and anti-corruption.

# OUR CONTRIBUTIONS TO THE GLOBAL GOALS

In 2015, UN member states agreed on the 2030 Agenda and the 17 global goals with 169 targets for sustainable development. The responsibility for implementing the goals lies with each country, and the plan approved by the Swedish Parliament includes a specific environmental target system as a starting point for achieving the ecological goals within the 2030 Agenda.

At Skånemejerier, we have linked our business concept to seven global goals where we can make a positive difference and three goals where we can reduce our negative impact. You can read more about how we contribute to the global goals on page 54.

## Read more

[www.globalamalen.se](http://www.globalamalen.se)

[www.sverigesmiljomal.se](http://www.sverigesmiljomal.se)

## HERE WE CAN MAKE A POSITIVE CONTRIBUTION



## HERE WE CAN REDUCE OUR NEGATIVE IMPACT



# INNOVATION AND PRODUCT DEVELOPMENT

We want to offer products that contribute to a sustainable lifestyle. By this we mean products that are nutritious but also provide enjoyment and pleasure. We develop new products that follow research and health trends in society, while working to make our well-known products even healthier.

## SUSTAINABLE PRODUCT INNOVATION

Our ambition is to develop nutritious, healthy and innovative products to create sustainable growth. The Swedish Food Strategy, adopted by the Swedish Parliament in 2017, aims to increase food production in Sweden. As a manufacturing company, Skånemejerier has an important role to play in processing Swedish raw milk and developing sustainable products. Implementing sustainability parameters early in the innovation process is important because that is where we can make the biggest difference. By analysing market trends, we can identify different needs or problems that our customers and consumers have and try to satisfy them with our products. Accuracy in innovation is the basis for sustainable product development.

In 2022, we reviewed our innovation process and identified a number of areas to further integrate sustainability aspects at an early stage of innovation. Examples of these include the choice of packaging and raw materials, and how we can balance our raw material in terms of fat and protein to reduce our waste and thus our climate impact.

## PRODUCT DEVELOPMENT

Skånemejerier's procedures when developing new products focus on health, environment, product safety and competitiveness. We follow the Lactalis Group's guidelines for product content and labelling (see page 19).

To develop healthy products, we strive to minimise the amount of sugar and salt without compromising on taste and to use no more fat in the product than is necessary for taste and functionality. We also offer products with highly sought-after features, such as high protein and lactose-free options. We keep up to date by participating in research and networks in the field of health and nutrition, and by collaborating with our colleagues in the Lactalis Group.

To reduce the environmental impact of our products, we prioritise technical solutions over additives in our product development to extend the shelf life. We also avoid ingredients that can have a negative environmental impact, such as palm oil and sucralose.



### RIKE

At the beginning of 2022, the brand new cheese type Rike® was launched both as mild and medium-aged under the Skånemejerier brand, as well as a more intense flavour under the Allerum brand. Rike® is rich in taste and flavour contrasts and has a creamy texture. It is developed from long experience and great craftsmanship by our master cheesemaker in Kristianstad. The launch of Rike® has been successful and was very well received by our customers and consumers.

### LINDAHL'S PROTEIN YOGHURT

To meet the continuing health trend of high protein and no added sugar, we have introduced Lindahls to the yoghurt shelf with a protein yoghurt in a litre pack.

The yoghurt contains 50 percent more protein than a regular fruit yoghurt and came in two new flavours in 2022: Mango/Passion and Strawberry. It is the only yoghurt on the market in a litre pack with such a high protein content, which is also lactose-free and has no added sugar.

### PANNOUMI

During the year, Skånemejerier launched Pannoumi® in food retailing, after the product was introduced to the foodservice market the year before. Pannoumi® is a completely new and unique Swedish cheese for grilling and frying, made from Swedish milk at Skånemejerier's cheese factory in Kristianstad. Pannoumi® has a crispy surface and becomes soft and creamy inside when it is fried, grilled and deep-fried. Nutritionally, the cheese contains as much complete protein as beef, making it a good choice for vegetarians and anyone who wants to vary their diet. Pannoumi® is available as fillets, burgers and minced cheese on the consumer market.

## LABELLING OF OUR PRODUCTS

In order to make informed choices in the supermarket, accurate and clear information is essential. We want to provide good product information to make it easy for our customers and consumers to know what our products contain. One example of how we make it easier for consumers to make healthier choices is by labelling products with the Swedish Food Agency's Keyhole symbol, which means that the product is a healthier alternative with less fat and added sugar. The Keyhole is a registered trade mark of the

Swedish Food Agency. Today, we have 16 Keyhole-labelled products in our range, such as low-fat milk and low-fat yoghurt.

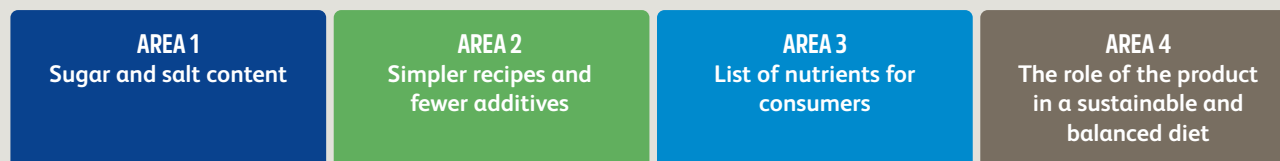
At Skånemejerier, we have developed a procedure for labelling in order to have effective control over how we label our products. This is to ensure that the labelling complies with EU Regulation 1169/2011, which regulates the provision of food information to consumers – Swedish National Food Agency regulations LIVSFS 2014:4 (H 125).

## THE LACTALIS GROUP GUIDELINES FOR PRODUCT CONTENT

**The objectives of the Lactalis Group:** To offer healthy, simple and tasty products that bring us together.

The Lactalis Group has spent two years working on an objective for nutrition and labelling of the group's products. Outcomes at country level are monitored annually. Skånemejerier is a leader in the Lactalis Group and has satisfied all the requirements of the guidelines for two years in a row.

The guidelines cover four areas: nutrition (sugar/salt content), simpler recipes and fewer additives, labelling and consumer information on our packaging, and the role of the product in a sustainable and balanced diet.

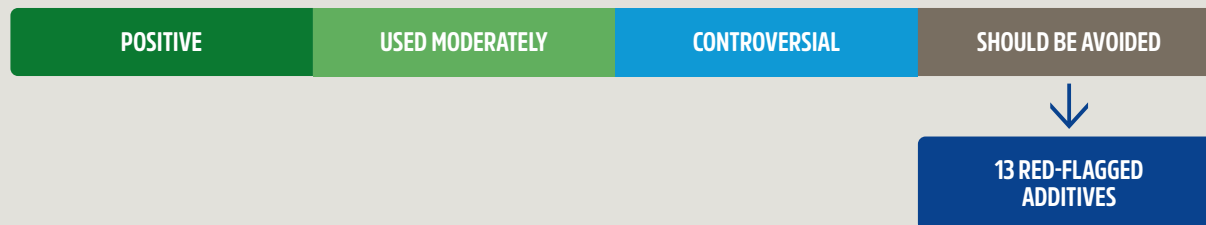


### Classification of ingredients

The Lactalis Group has established a global systematic classification of ingredients, the 'Clean Approach', to ensure the development of safe and healthy products. Ingredients are divided into four categories: Positive, Used moderately, Controversial and Should be avoided. As a basis, all ingredients are approved by EFSA (the European Food Safety Authority). Category four – Should be avoided – includes 13 red-flagged additives that should not be present in our products. Category three – Controversial ingredients – are ingredients that are both legally and scientifically approved but are challenged for various reasons in certain countries.

Skånemejerier always endeavours to produce products that are as natural as possible. We only use ingredients that have been approved and are considered uncontroversial on the Swedish market.

### INGREDIENT CATEGORIES:



# HEALTHY PRODUCTS

At Skånemejerier we want to contribute to everyone's good health. Our approach is that natural and nutritious foods with less sugar are beneficial for everyone – regardless of age. We offer a wide range of healthy products to make it easier for consumers to live a healthier life.

**Lindahl's quark products** are especially rich in protein, which has made them favourites for a large target group that is active in terms of exercise.

**Bravo fruit juices and smoothies** consist of 100 percent pressed or mixed fruits and berries. Their vitamin C content makes them an excellent component of a varied and healthy diet.

**Bara** are premium, additive-free products, where a natural fat content and high fruit content give the yoghurt a creamy texture and great taste.

**Dairy products and cheese** are natural sources of protein, calcium and vitamin B12.



## NATURALLY NUTRITIOUS PRODUCTS

Milk is one of our most nutrient-dense foods. Milk contains 18 of the 22 nutrients we need to ingest every day for a healthy lifestyle – and all the benefits of milk come with a variety of other dairy products such as yoghurt, fermented milk, quark and cheese.

It has also been shown that the natural combination of nutrients in milk and other dairy products provides unique health benefits. This is known as the 'food matrix'<sup>1</sup>, which means that the nutrients in different foods are connected in complex structures, and this in turn affects how our bodies can absorb them. Research shows that the natural nutrient composition of milk has greater health benefits than milk alternatives enriched to a similar nutritional content.

## SPECIAL FOCUS ON SCHOOLS AND ELDERLY CARE

With our wide range of naturally nutrient-dense dairy products, schools and elderly care are important target groups for us at Skånemejerier. The Swedish National Food Agency has designed specific dietary guidelines for children and the elderly and what generally applies is that the food should be spread out in several small and nutrient-dense meals over the course of the day. We have taken this into account by developing a large selection of tips and recipes that we tailored for preschools and elderly care. The starting point is protein-rich products such as quark and yoghurt, and the concept has been much appreciated.

In primary and secondary schools, many children and young people only eat part of their lunch or skip it altogether. For pupils with an unbalanced or inadequate diet, milk, with its natural nutrient density, can be an important supplement and, from this point of view, school milk has a function that cannot be replaced.

## HEALTHY PRODUCTS WITH LESS SUGAR

Added sugar is a major topic of discussion in the EU and many companies are working to reduce the amount of sugar in compound foods. We at Skånemejerier can also influence society through our products, and our objective is to have a range where consumers have the opportunity to choose different alternatives based on the sugar content they want. We should offer naturally sweetened products, products with sweeteners and products with varying amounts of sugar. The Lactalis Group has set 13.5 percent as the maximum permitted level of sugars in flavoured yoghurt and today all of Skånemejerier's products are below that limit.

Products with low levels of fat and sugar may be labelled with the Keyhole according to the Swedish National Food Agency's guidelines (see page 19).

<sup>1</sup> <https://www.lrf.se/mer-om-vara-omraden/dairy-matrix/>

# GUARANTEED FOOD SAFETY

**Consumers should always be able to expect food to be safe in terms of health; no one should get sick or injured from what they eat. Offering products that are healthy, safe and of high and consistent quality is a cornerstone of our work, and our responsibility extends all the way from the dairy farm to the consumer's table.**

## SAFE PRODUCTS

Our dairies are FSSC 22000 certified to systematically ensure that our quality and food safety requirements are met (systematic food safety management). We work consistently with HACCP (Hazard Analysis and Critical Control Points), which is a standardised and statutory working method of food handling to ensure food safety. We use HACCP to identify, assess and control the risks in our production and products to ensure our products are safe.

Our raw milk is checked both when it is collected from the farm and when it arrives at our dairies. The checks analyse fat, protein, freezing point, pH, somatic cells, antibiotic and bacterial content. In addition to technical quality assurance, we also perform sensory tests on both raw materials and finished products, where trained staff make a quality assessment by assessing appearance, smell and taste.

Every year, LRF Mjolk conducts an industry-wide analysis of contaminants. In the samples taken in 2022 at Skånemejerier's dairies, there were no detectable levels of pesticide residues or the chemical group PFAS.

We are audited annually by external parties to ensure that we fulfil the requirements of legislation and certified standards. During the year, our facilities were inspected by the food and feed authorities on 13 occasions. On these occasions, the supervisory authorities drew attention to some minor deviations. The deviations are resolved and approved, and none of the deviations have resulted in a legal penalty. In addition to FSSC 22000, our dairies are certified according to ISO 14001 (systematic work with environmental improvements) and KRAV (control of organic products). Verification of certified standards has been carried out by accredited certification bodies, which have authorised continued certification. Our milk suppliers are certified according to ISO 9001 (systematic quality management – see page 25).

## CONSUMER DIALOGUE IS PART OF OUR IMPROVEMENT WORK

The dialogue with our consumers is a valuable tool for improving our products. Our Consumer Contact Centre receives enquiries in many different ways – by phone, email, post and social media.

Last year, we had more than 5,500 contacts with consumers.

At the end of 2022, we introduced a new way for our consumers to reach us – the Kundo platform. The platform is easily accessible via 'Ask us' on our websites and is a convenient tool for both us and those who want to get in touch with us. This is where consumers can ask questions, see what others have asked or make a complaint, and we as a company can easily provide information about Skånemejerier and our products. Consumer praise, criticism, questions and complaints are recorded and analysed to help us to improve.

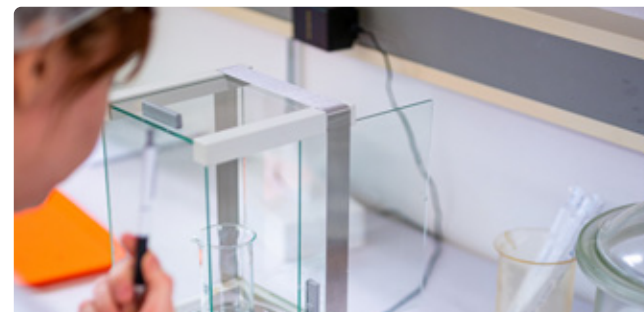
We work systematically to identify and correct the causes of any deviations. In 2020, we introduced an IT tool to further streamline our handling of complaints. The tool has been used and further developed in 2021 and 2022 to make the handling of complaints even better. Our target for 2022 was to reduce the number of complaints per million packages sold by 20 percent. The result was a reduction of 14 percent. We use systematic root cause analysis to be able to address deficiencies with appropriate measures.

## CASES AND RECALLS

If it appears that any of our products may pose a health risk to our consumers, the product is recalled. There was one recall of goat cheese during the year as a precautionary measure as there was a small risk of metal in the product. There have been no reports of metal being found in the product from consumers or customers. Measures have been taken by the French dairy producer to prevent this from happening again.

During the autumn, we received a number of complaints that our milk packaging was underweight. An investigation revealed a problem with air entrainment in the milk due to low pressure, which in some cases can lead to foaming, resulting in underweight. We have taken several steps to ensure that the weight is correct, and at the end of November, the Swedish National Food Agency carried out a targeted inspection that did not reveal any deviations.

We endeavour to be clear and transparent in the marketing of our products. During the year, we were made aware that the name and packaging of one of our products – Bravo Red Orange – was perceived as misleading to consumers. Bravo Red Orange is a mixed fruit juice with both the flavour and content of blood orange, but also containing apple, orange and aronia berries. All ingredients are listed on the label. The name 'Red Orange' describes the flavour even though the juice also contains apple juice and regular orange. We have chosen to update the packaging, and Skånemejerier's internal process for packaging design has been reviewed to ensure that future packaging is not perceived as misleading.



## WORLD FOOD SAFETY DAY

Every year we carry out a number of activities with our staff to strengthen our quality and food safety culture. In 2022, we did this over two weeks – one in June (World Food Safety Day) and one in November (World Quality Week). Staff attended a presentation on quality and food safety, had the opportunity to attend various digital training programmes and took part in several competitions to test their knowledge.

# SUSTAINABLE PLANET

We work to minimise negative climate and environmental impact throughout the value chain from farm to consumer.

The largest greenhouse gas emissions associated with milk production occur on farms. Our milk suppliers strive to achieve farming practices that contribute to healthy soils and biodiversity, and we support them in their transition and measure and monitor their climate performance.

Animal welfare is an important part of climate action.

A healthy and fit cow produces more and better milk, creating a lower carbon footprint per kilo of raw milk.

In our own production, the goal is to achieve a fossil-free dairy business by 2025, and to achieve this, we are focusing on energy and transport.



# OUR CLIMATE IMPACT

Climate change is the biggest and most important challenge of our time. Everyone in society, including businesses, has a responsibility to act to minimise their impact on our climate. At Skånemejerier, we work actively to reduce the climate impact in our own operations and in our value chain.

## OUR CLIMATE TARGETS

In 2021, Skånemejerier committed to setting climate targets in accordance with the Science Based Target Initiative (SBTi). Science Based Targets are targets that companies can set to help to fulfil the Paris Agreement. The Paris Agreement commits the world's countries to limit global warming to 1.5 degrees by significantly reducing greenhouse gas emissions. Since 2020, we have been working on tracking the emissions in our value chain and set targets in line with the SBTi guidelines.

In 2022, our parent company, the Lactalis Group, also committed to setting science-based climate targets at the global level, which will be submitted to the SBTi for validation by 2024. According to the SBTi guidelines, climate targets should first be set at group level. We have therefore decided not to submit our climate targets for validation by the SBTi as an independent legal entity, but they will

be included in the Lactalis Group's climate targets. However, we will continue our efforts to set targets for Skånemejerier's own operations that are developed in accordance with the SBT methodology.

## OUR CARBON FOOTPRINT

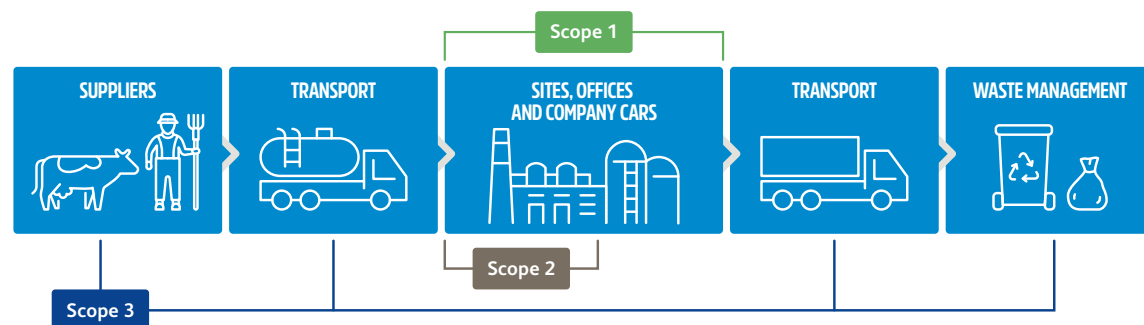
We have calculated our climate emissions according to the Greenhouse Gas Protocol (GHG), which is the most established standard for companies to measure their total climate impact. For the years 2020–2022, we note a positive trend for our total carbon footprint.

Scope 1 and 2 emissions decreased by 36 percent between 2020 and 2022, primarily due to a reduction in the use of oil at our facilities in favour of renewable fuels, and lower emissions from refrigerants in our refrigeration systems. The carbon footprint of our company cars has also decreased over the period.<sup>1</sup>

Scope 3 emissions decreased by 4 percent between 2020 and 2022. The largest share of our value chain's climate emissions, 65 percent (2022), comes from milk production on farms. The reduction of emissions in scope 3 is mainly due to a decrease in milk volume between 2020 and 2022 and a reduced carbon footprint per litre of milk at farm level (see page 26), but also to a decrease in the volume of imported dairy products and purchased cream.

For a more detailed account of our carbon footprint, see pages 45 and 51.

## CLIMATE IMPACT IN OUR VALUE CHAIN

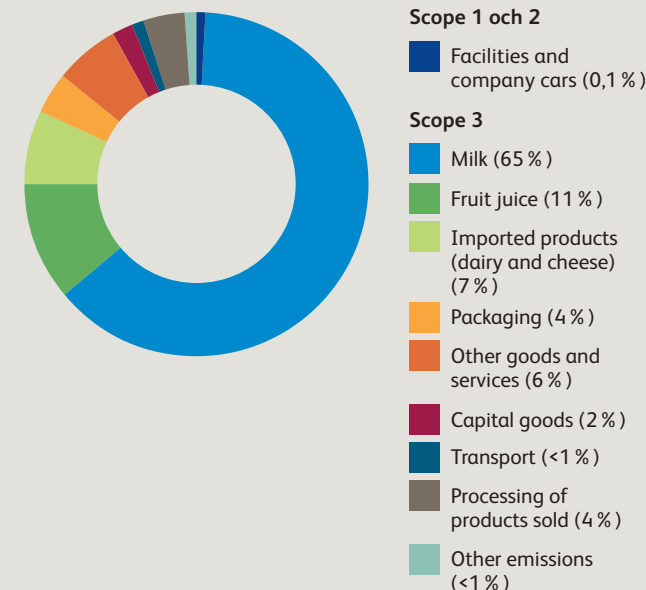


**Scope 1**  
Direct emissions of climate-affecting gases relate to the fuel consumption directly associated with the activities of the business. For Skånemejerier, this means emissions from biogas, oil and biodiesel (not transport) at our sites, as well as our own cars (company cars).

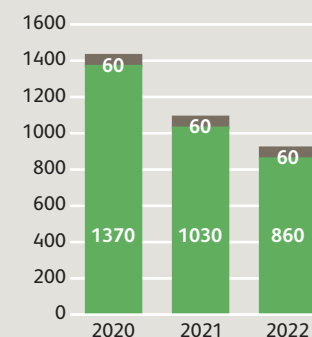
**Scope 2**  
Indirect emissions of climate-impacting gases are emissions from energy consumption produced elsewhere but utilised by Skånemejerier, such as electricity and district heating.

**Scope 3**  
Indirect emissions from purchased goods and services (e.g. raw milk, juice, jam, transport and packaging), as well as from waste management and waste recycling.

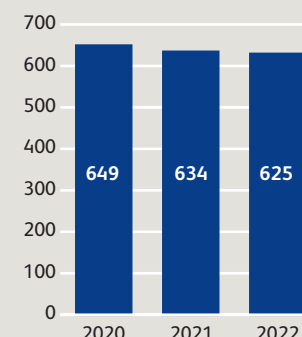
## Our carbon footprint 2022<sup>2</sup>



## Scope 1 and 2, tonnes CO<sub>2</sub>e



## Scope 3, 1,000 tonnes CO<sub>2</sub>e



Scope 1 Scope 2 Scope 3

<sup>1</sup> The carbon footprint for company cars in 2020 is based on 2019 data to correct for the effects of Covid-19. <sup>2</sup> For a report on our carbon footprint according to the GHG Protocol's scope 3 categories, see page 51.

# OUR MOST IMPORTANT SUPPLIERS

Milk is a unique food. Cows turn grass, roughage and concentrated feed into a nutritious product that can be enjoyed as it is or processed in a variety of ways. At the same time, cows contribute to open landscapes and a living countryside.

## SUSTAINABLE MILK – OUR MOST IMPORTANT RAW MATERIAL

Swedish milk is central to Skånemejerier's business. Beverage milk is our single most important product, but milk is also the basis for everything from cream and yoghurt to quark and Swedish quality cheese. Our milk comes from 296 dairy farms (year-end 2022/23) that are spread across the countryside in Skåne and southern Sweden. Each farm has an average of 157 cows. Cattle grazing allows farmers to make use of agricultural land that is not optimal for the cultivation of cereals and other crops for humans, creating an efficient use of resources. Rotational grazing is important for soil fertility. Cows also provide natural fertiliser to our fields, and their grazing plays a key role in biodiversity. Moreover, dairy farms are an important engine of the local economy, contributing to a living countryside through jobs and self-sufficiency in local food. Milk therefore plays a key role in a society where both cities and countryside can thrive.

## FARM CERTIFICATION ACCORDING TO ISO 9001

To ensure that farms comply with legislation, regulations and good agricultural practices, we carry out farm inspections in three stages: self-checks on the farm, internal audits by Skånemejerier's farm specialists and third-party certification according to ISO 9001.

Skånemejerier's work with third-party certification began back in 2005, when we were probably the first dairy in Sweden to out-source the quality control of our milk suppliers to a third party. It is a way of working that gives us the added security of being able to guarantee products that have been produced with care and control at all levels.

We have been carrying out ISO 9001 certification of our milk suppliers since 2012. In practice, the certification means that all farms that supply milk to us commit to continuously undergo 35 checks that are relevant from a quality, animal welfare and sustainability perspective. The checks cover everything from the farms' working environment, animal husbandry and energy consumption to how they manage residual products and waste. For farms with their own feed production, there are rules for how, for example, fertiliser and pesticides must be handled.

Together with Skånemejerier Ekonomisk Förening, we also work actively to support farmers who need to develop their quality, environmental or animal welfare work.



Anders Rolfsson, Chairman of Skånemejerier Ekonomisk Förening, together with José Antonio Lalanda, CEO of Skånemejerier in 2022.

## LONG-TERM COLLABORATION CONTINUES

The milk suppliers run their farms as their own companies, most of which sell their raw milk to the supplier association Skånemejerier Ekonomisk Förening, which sells it directly to Skånemejerier AB. Since 2012, when the Lactalis Group acquired Skånemejerier AB, Skånemejerier AB and Skånemejerier Ekonomisk Förening have had a relationship of positive collaboration. As the original agreement between the parties expired in 2022, contract negotiations have been ongoing during the year, resulting in a new long-term agreement that includes both volume and price commitments. Skånemejerier pays more than the market price as compensation to milk suppliers to promote sustainable and quality milk production. Based on the climate calculations we have made on the farms, during the year we have developed our collaboration with Skånemejerier Ekonomisk Förening to work together to reduce the climate impact of milk production.



### Good animal welfare

Target: 100 % of cows to be in loose housing by 2030

Status 2022: 91 %

Target: 100 % of cows in loose housing to have access to rotating cow brushes by 2025

Status 2022: 92 %

# FOCUSING ON GOOD ANIMAL WELFARE

**Good animal welfare is important to us. In addition to our ethical responsibility towards the animals, the best possible animal welfare is something that favours the profitability of the farm, the climate and product quality.**

## A SYSTEMATIC APPROACH TO ANIMAL WELFARE

For cows to produce milk, they need to be healthy. When cows are fit and healthy, they can also produce high quality milk. An important part of our farm certification is therefore about animal welfare. The cows should be injury-free, healthy and properly fed and have good leg and hoof health. They should get the right amount of feed and fresh water, and they should have clean and dry bedding. Medicinal products should be used restrictively and only after being prescribed by a veterinarian. In 2022, we summarised our requirements in an animal welfare policy, which is available on our website<sup>1</sup>. The Lactalis Group also launched an animal welfare policy during the year, and Skånemejerier is part of the Group's global animal welfare network.

Like the rest of our farm certification, the work on animal welfare is monitored through self-checks on the farm, internal audits by Skånemejerier's farm specialists, and third-party certification. Our internal auditors conduct farm audits approximately every other year. The audit interval is adapted according to what is needed, and a new audit can always be started earlier if conditions on a farm change or if there are indications of deterioration on any of

our farms. Self-checks are carried out by milk suppliers once a year. The third-party check, which is carried out by an external company, includes sample audits on randomly selected farms each year.

If deficiencies in animal husbandry are detected, corrective measures are taken and we follow up closely until we can confirm that the measures have been implemented and are sustainable. If not, or in the event of unjustified delays, milk deliveries are stopped. The case is considered closed when all deficiencies have been corrected and milk delivery can be resumed. We have an in-depth dialogue with the county administrative board in order to detect animal welfare issues at an early stage.

We also carefully analyse the milk quality (cells, fat and protein content, bacteria and volume) for each delivery to see if there are any indications of deviations. Milk tanker drivers, who visit the farms at least every other day, also play an important role in detecting if something is not right. If irregularities occur, a decision is taken to organise a farm visit. If deficiencies are detected during the farm visit, appropriate measures are taken and in serious cases milk deliveries can be stopped immediately.

## GOOD ANIMAL HUSBANDRY REDUCES THE USE OF ANTIBIOTICS

Antibiotic-resistant bacteria are increasing at a rapid rate around the world, and the World Health Organisation (WHO) classifies antibiotic resistance as one of the greatest threats to public health. In Sweden we have comprehensive animal welfare legislation, and one of the things that is forbidden is the use of antibiotics as a preven-

tive measure. Ever since the European Medicines Agency (EMA) started producing statistics on the use of antibiotics in agriculture, Sweden has been the EU country with the lowest use of antibiotics.

## A GOOD LIFE INDOORS AND OUTDOORS

On the farms that deliver raw milk to us, 91 percent of the cows are in loose housing, which is higher than the average in Sweden (79 percent)<sup>2</sup>. This means that they are not constrained during the period they are kept indoors and can move freely between cubicles, forage tables, water tubs and milking. Dairy cows in loose housing are better able to move freely and exercise more natural behaviour. In the case of new construction, production in loose housing conditions is a requirement, which means that the number of farms with loose housing is continuously increasing. The environment should be stimulating for the animals. For example, we aim to ensure that all cows in loose housing have access to rotating cow brushes, which are good for both animal welfare and coat care.

All our suppliers are 100 percent GMO-free, and all soy in the feed must be certified (see page 42). On certified organic farms, at least 60 percent of the feed is grown on the farm or in cooperation with one or more KRAV-certified farms. Free grazing is documented as an important factor for the well-being of cows, and the mild climate in southern Sweden allows cows to spend more time outdoors during the summer months. On average, the cows of our milk suppliers spend 36 more days outside than is legally required in the region.

<sup>1</sup> <https://foretag.skanemejerier.se/djuumsorg>. <sup>2</sup> Växa Statistik, 2022 Husdjursstatistik (to Växa Statistics, 2022 Livestock statistics).

# CLIMATE WORK TOGETHER WITH THE FARMS

Owing to productive pastures and good animal care, Swedish milk production generates lower climate emissions per kilo of milk than the world average<sup>1</sup>. At Skånemejerier, we work closely with our milk suppliers to further reduce our climate impact.

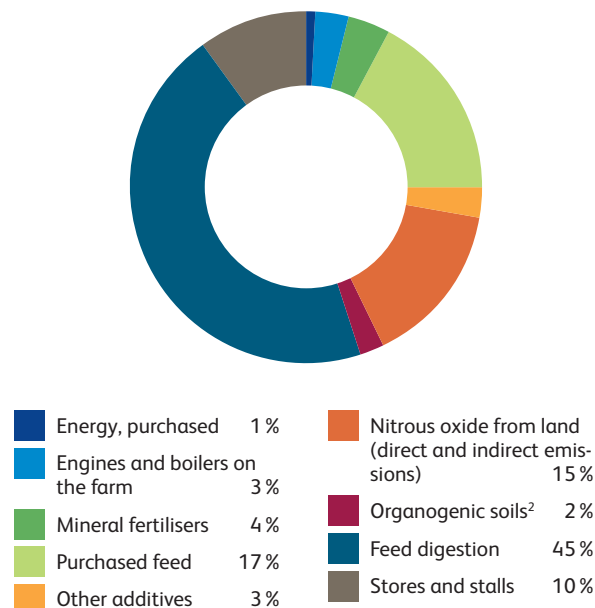
## KLIMATKOLLEN (CLIMATE CHECKER) LEADS THE WAY

In order to achieve effective emission reductions, we need to know where in the milk production emissions occur. The Klimatkollen tool – developed within the Greppa Näringen project, run by the Swedish Board of Agriculture, LRF and the county administrative boards with support from the EU – enables Skånemejerier's milk suppliers to calculate the carbon footprint of their farms. Greenhouse gas emissions are calculated based on the use of, for example, feed, fertiliser and energy, and emissions include carbon dioxide, methane and nitrous oxide, which are the dominant greenhouse gases in agriculture. In order to calculate the climate footprint, the farm's emissions are allocated to all products generated, and from this you get a climate footprint per kilo of milk delivered, which is unique to each farm. The carbon footprint is measured in carbon dioxide equivalents (CO<sub>2</sub>e).

**99% of Skånemejerier's milk suppliers have completed Klimatkollen in 2022**

**0.96 kg carbon dioxide equivalent is the average climate footprint per kilo of milk delivered to Skånemejerier**

Distribution of greenhouse gas emissions, average of all farms



## A LOWER CARBON FOOTPRINT FOR MILK

The climate check was carried out for the first time in 2021, and the climate calculations for 2022 were carried out in a similar way to the previous year. Out of 303 milk suppliers, 295 completed the climate calculations using Klimatkollen in spring 2022. The majority of milk suppliers that did not complete the climate check were farms that are in the process of closure. This means that 99 percent of the farms that were active at the end of 2022 have carried out climate calculations according to Klimatkollen. Also in 2022, milk suppliers received financial compensation for implementing the check.

A comprehensive compilation and analysis of the results shows that the carbon footprint decreased slightly compared with the previous year – from 1.0 to 0.96 kg of carbon dioxide equivalents per kilo of milk delivered<sup>2</sup>. However, we could not conclude that the reduction was due to any single measure; rather, it is a combination of several different factors.

Reducing the carbon footprint of milk production can be achieved by optimising many different parameters, such as feed efficiency, crop management strategies, yield and animal welfare. Milk suppliers are continuously working on measures in these areas. Natural variations between years, for example in weather conditions, can also have a significant impact on the carbon footprint.

The pie chart on the left shows how greenhouse gas emissions in carbon dioxide equivalents are distributed across the farms that supply milk to Skånemejerier. The distribution is based on the results from Klimatkollen and is an average value. The exact distribution differs slightly between the farms.

The tracking of the farms' climate impact gives a good picture of what the emissions look like today, but also provides knowledge that forms the basis for the improvement work that we started in 2021, and which has continued to be developed in 2022.

<sup>1</sup> LRF Mjölck 2019, based on FAO data. <sup>2</sup> Emissions from organogenic soils have been partially excluded from the carbon footprint calculation, in line with the 2021 reporting. We are continuously developing our reporting of emissions from organogenic soils.

## CLIMATE IMPACT ON THE FARM

Emissions on a farm can come from many different sources and consist of various types of greenhouse gases:

**Carbon dioxide** comes from the use of fossil fuels, both directly on the farm, for example in tractors and machinery, and in the production of electricity, feedstock and mineral fertilisers. Carbon dioxide is also released from organogenic soils, and land use changes such as deforestation also contribute to emissions.

**Nitrous oxide** is formed from nitrogen in fertilised arable land, and both natural and mineral fertilisers cause such emissions. Nitrous oxide is also produced during the storage of manure and the production of mineral fertilisers, but a large part of the mineral fertiliser produced in the EU is treated to remove much of the nitrous oxide (known as BAT fertiliser).

**Methane** is formed in the rumen – the largest of a cow's four stomachs – during the digestion of feed by cows and in manure stored under low oxygen conditions.

## FEED FOR REDUCED EMISSIONS

Methane is the greenhouse gas that makes the single largest contribution to the climate impact of milk production. Methane is naturally produced in the rumen during the digestion of feed by cows as an effect of the ability of cows to metabolise high-fibre feed such as grass. Methane can therefore never completely disappear from milk production, but there are strategies to reduce its incidence.



















As early as 2021, Skånemejerier entered into a collaboration with the French company Valorex, which has developed the Mjölkblick concept. The concept is based on software that analyses the amount of milk produced per day and the composition of the milk in terms of protein and fatty acids, thus simulating the process in the cow's rumen. This provides rapid

information on how, for example, methane formation is affected when the composition of the feed is changed.

Mjölkblick can be used in conjunction with a flaxseed-based concentrate – Easylin – which has an effect on methane production in two ways. Not only does Easylin increase milk yields and improve feed efficiency; it also affects the processes in the rumen to reduce methane production.

Skånemejerier also follows the development of other feeds, feed supplements and technologies to reduce methane production. Although methane is a powerful greenhouse gas, it is important that the use of feed supplements to reduce methane production does not come at the expense of long-term health effects for either the animals or the people handling the products.

## GREENHOUSE GAS EMISSIONS ON FARMS, AND MEASURES TO REDUCE THEM

EMISSIONS	 Carbon dioxide	 Carbon dioxide	 Carbon dioxide, nitrous oxide	 Carbon dioxide, nitrous oxide	 Carbon dioxide	 Nitrous oxide	 Carbon dioxide, nitrous oxide	 Methane	 Methane, nitrous oxide
CATEGORY	 <b>ENERGY</b> – production of purchased energy	 <b>ENERGY</b> – emissions from engines/boilers on farm	 <b>MINERAL FERTILISERS</b>	 <b>PURCHASED FEED</b>	 <b>OTHER ADDITIVES</b>	 <b>NITROUS OXIDE FROM LAND</b>	 <b>CHANGES IN SOIL CARBON STOCKS</b>	 <b>FEED DIGESTION</b>	 <b>STORES AND STALLS</b>
ACTIONS	Use renewable electricity, purchased or self-generated.	Optimise running of machines. Use blending of renewable fuels or electricity where possible.	Choose mineral fertilisers with a low climate impact for production (known as BAT fertilisers). Avoid overuse of mineral fertilisers.	Choose feed with a low climate impact, if possible feed without soya and palm oil. Reduce feed waste and avoid overfeeding protein.	Review which products are purchased and whether it is possible to find alternative products with a lower climate footprint.	Optimise fertilisation in terms of both the amount of nitrogen and the time of spreading.	Carbon dioxide and nitrous oxide emissions from loam soil are difficult to influence if this type of soil is present on the farm. Keeping the soil winter-green and reducing tillage can reduce emissions from organogenic soils somewhat.	Fit and healthy cows have more efficient feed digestion. High milk yields increase methane emissions per cow, but distributed over the amount of milk produced the methane emissions are lower.	Keep fertiliser stocks low during the warm season and store fertiliser as cool as possible.

# BIODIVERSITY AND GRAZING ANIMALS

**Grazing animals on open grasslands are important for promoting biodiversity. Cows' grazing helps to prevent overgrowth and thus provides better conditions for other species. That is why Skånemejerier and our suppliers attach great importance to contributing to a living cultivated landscape today and for the future.**

## GRAZING ANIMALS NURTURE THE LANDSCAPE

Well-functioning ecosystems with high biodiversity are a prerequisite for sustainable agriculture that can produce food both now and for future generations. Grazing animals have traditionally been important in Swedish agriculture, and meadows and pastures are of key importance for the Swedish cultivated landscape. Grazing animals have also contributed to making Swedish natural pastures some of the most species-rich environments in the entire world<sup>1</sup>.

According to the SLU Swedish Species Information Centre's reporting in 2020, landscape overgrowth is one of the main causes of biodiversity loss in Sweden, which has a major negative impact on more than 1,400 red-listed species. For the pastures, the muzzles and hooves of cattle are important for keeping away more competitive grasses, herbs and scrub that otherwise takes over, but also for spreading seeds.

Skånemejerier's milk suppliers contribute to the preservation of biodiversity by having animals on natural pastures. In 2022, Skånemejerier's milk suppliers had 12,407 hectares of permanent grasslands including natural pastures.

## THE VITAL CULTIVATION OF GRASSLAND BY FARMS

In Swedish agriculture, 40 percent of the area is pasture and green fodder plants<sup>2</sup>, i.e. the cultivation of grass and clover for ruminant animals. Pasture cultivation binds considerable amounts of carbon in the soil, increases soil fertility, strengthens the soil<sup>3</sup>, and leads to more stable production and drought resistance<sup>4</sup>. Including pasture in the crop rotation not only provides fodder for dairy cows, but also helps to increase the yields of other crops.

A diversity of species in the pasture also has a positive effect on biodiversity both above and below ground. Pest problems are reduced when the natural enemies of the pests have better conditions, which in turn reduces the need to use pesticides. Pastures contain both grasses and nitrogen-fixing plants such as clover, which means that the supply of nitrogen through fertilisation is lower. Common species are rye grass, timothy, red clover, white clover, lucerne, red fescue, meadow fescue and tall fescue. Research from the Swedish University of Agricultural Sciences (SLU)<sup>5</sup> shows that soil carbon content on dairy farms is higher than on pure crop farms.

By cultivating pasture land, farmers produce high-quality roughage for their cows while at the same time storing carbon in the ground, increasing soil fertility and helping to ensure sustainable food production for the future.

## AN INITIATIVE FOR THE IMPORTANT POLLINATORS

A prerequisite for high and sustainable productivity in agriculture is that there is a good supply of a diversity of pollinating insects.

In 2021 and 2022, Skånemejerier participated in and co-financed the project 'Hela Sverige Blommar' ('The Whole of Sweden Blooms'), which supports farmers in increasing biodiversity on their farms. The project is about getting more farmers to use the outer edges of their pastures and fields for growing flowering plants. The strips of flowers across the landscape are not only beautiful to look at, but also attract many important pollinating insects. The project has provided seeds for the farmers as well as support and project management.

'Hela Sverige Blommar' is run by Hushållningssällskapet and is financed by the county administrative boards and a number of Swedish food producers. In Skåne, a total of 225 farmers participated in 2022, of which seven are suppliers to Skånemejerier. A total of 300 hectares of flowering fallow land and border zones were cultivated, representing an area of about 500 football pitches. According to an inventory made by Hushållningssällskapet, the flowers that have been sown have contributed to a noticeable increase in the number of bumblebees, bees and other beneficial insects.

## NATURAL HELP AGAINST PESTS

It is not only on farms that we want to protect biodiversity. We also want to make good choices at our own facilities. For example, we have set up bird of prey nests at our facilities in Malmö and Kristianstad in the hope of getting natural help with pest control.

# ENERGY AT OUR DAIRIES

Skånemejerier is a major consumer of energy in various forms. In a year in which the energy issue has been in focus in many ways, we have managed cost and production technology challenges while continuing to work towards our goal of using only renewable energy in our production.

## FOCUS ON RENEWABLE ENERGY

Skånemejerier's operations use large amounts of energy, and our goal is to have a completely renewable energy supply by 2025. The energy that powers our four production plants is currently 98 percent <sup>1</sup> renewable and comes from biogas, district heating from burning wood chips and certified green electricity (hydroelectric power with an associated Environmental Product Declaration). However, our dairies in Hjo and Kristianstad use a small amount of oil.

Two of our facilities are operated entirely or partly on biogas. At our dairy in Malmö, we work according to what is known as the green gas principle, which means that the supplier guarantees that an amount of biogas is always produced that is equal to the gas we use at the dairy. In 2022, Skånemejerier also received an approved sustainability notice for the biogas from the Swedish Energy Agency, which means that the gas used at the dairy is guaranteed not to be produced from crops intended for food or animal feed.

A stone's throw from Hjördnära Mejeri in Hjo is a dairy farm with a biogas facility that produces biogas that is used to generate heat and energy for the dairy. Producing biogas from manure mixed with dairy residual products, such as sludge and discarded products, creates its own cycle between the farm and the dairy.

## Proportion of renewable energy in our production facilities

Target: 100 % by 2025

Status 2022: 98 %

## Energy consumption in kWh/tonne of raw material

Target: Reduce the amount of energy in production by 5 % by 2025 compared with 2020

Status 2022: +2 %

During the year, the biogas facility increased production by 50 percent, which means that a higher proportion of biogas can be used in production in Hjo and that, as a result, the need for oil has been halved.

## A YEAR CHARACTERISED BY THE ENERGY ISSUE

Producing dairy products is energy-intensive. Process heat is needed in everything from the heat treatment of milk to the cleaning of tanks and other production equipment. Electricity is required to power all the machines that produce, package and refrigerate the products in anticipation of transport to stores and customers.

Rising energy prices have affected both industry and households during the year, and the impact on Skånemejerier's operations has been significant. Spot gas prices have multiplied during the year, putting the business under increased financial pressure.

The risk of gas shortages remained at the end of 2022. The dairy in Malmö is operated primarily with gas as the energy source and, as there is no storage at present, production is dependent on a continuous supply of gas via the gas network. Lack of gas therefore constitutes a significant risk to our business and Malmö-mejeriet has therefore updated its crisis plan for gas supplies, and also initiated an action plan to reduce the amount of gas used for heating. Some measures require more extensive investigation and possibly new investment.

The increase in risk and energy costs has therefore led to an even greater focus on energy-saving measures. Work on energy efficiency is ongoing at all production facilities. Examples of ongoing efficiency improvements include the replacement of older equipment such as compressors, roller doors on cold storage units, vacuum pumps and refrigeration compressors. We have also switched to LED lighting in several places, installed motion detectors to control lighting and lowered the temperature in our offices. A new role was created during the year to focus solely on process optimisation.

Despite these efforts, relative energy consumption has increased by two percent compared with 2020, largely due to a decline in fresh milk production and an increase in extended shelf-life (ESL) milk. ESL products require more heat-intensive production methods, but their longer shelf life reduces the risk of food waste at the customer and consumer level.

We are working to find technological solutions that use other types of renewable fuels to secure our future supply of renewable energy. This would mean that we are less dependent on imported energy, making us less vulnerable to fluctuations in energy supply by enabling us to create storage for energy to supply the dairy in the event of any kind of crisis.



<sup>1</sup> The proportion of renewable energy has increased slightly since last year (from 97.6 % to 98.2 %)

# WATER AND SEWAGE

As a food company, we depend on fresh water for our production. Reducing water consumption is a major but necessary challenge and Skånemejerier is continuously working to find smart, technical solutions to reduce, recover and recycle as much water as possible.

## WATER CONSUMPTION

Water consumption and emissions to water are considered a significant risk in Skånemejerier's production. As a result of climate change, Sweden, which is supposedly rich in water, has experienced several summers with reduced precipitation, leading to low groundwater reservoirs and, for example, irrigation bans. Skånemejerier, like several other companies in the food industry, has a substantial need for fresh water, with all of the company's facilities needing continuous access to good quality water for their production. Water is used as an ingredient, for cleaning food equipment and for cooling some equipment, and without clean water it does not take long for facilities to shut down.

We work to reduce our water consumption through basic practices such as tracking, measuring, optimising and monitoring our consumption. Where possible, we work to recover and recycle cleaning water and cooling water. The biggest challenge in terms of water efficiency is that we handle food. Today, there is some reuse of heated cooling water, but as soon as the water comes into contact with products or raw materials, the possibility of reuse is limited as the water contains organic material.

Relative water consumption increased during the year by eight percent to 3.0 m<sup>3</sup>/tonne of raw material compared with 2.78 m<sup>3</sup>/tonne in 2021. The amount of fresh water needed depends on the type and number of different products produced. For example, lower volumes at each production run lead to an increased number of times tanks and other equipment have to be cleaned. Another reason for increased water consumption is an adjusted water flow during cleaning for quality reasons. A project to optimise cleaning has started, and we expect to see the results of this in 2023.

In the coming years, Malmömejeriet's central cleaning system will be replaced with a new system. It is a multi-year project that will provide the dairy with better monitoring tools to work with optimisations. We are also working on water efficiency improvements in different areas of production.

Increased water use is a challenge, and our target to reduce water consumption by 3 percent by 2025 compared with 2020 requires additional measures. We have identified possible improvements and established a water efficiency action plan. We remain focused on reducing our water usage.

## EFFLUENT DISCHARGE

Reducing our waste by minimising the amount of dairy products going down the drain is a high priority for Skånemejerier. Most of the water used at our facilities is returned to municipal treatment plants, and a small amount of clean cooling water is returned to the storm water system. Due to their high nutrient content, dairy products in wastewater can cause disruption to the downstream treatment plants, and the discharges are therefore regulated in Skånemejerier's environmental licence. We continuously measure the content of fat and other organic substances in the wastewater in order to be able to conduct monitoring and make improvements.

Two of our dairies, Malmö and Hjo, have their own treatment plants that purify the water before it reaches a municipal treatment plant. The dairy in Hjo uses both a chemical and a biological step to treat wastewater. The extra biological step involves adding bacteria and oxygen to break down the biological material, which has reduced the load on the municipal treatment plant. To further reduce the load on Malmömejeriet, an extensive expansion of the dairy's chemical treatment plant began in 2021.

Work continued in 2022 and, when the treatment plant is fully operational by the end of 2023, we will be able to significantly increase the treatment of the dairy's wastewater.

Effluent discharge at Skånemejerier's facilities increased by six percent in total in 2022, compared with 2020, measured as the amount of degradable organic material in the water (Chemical Oxygen Demand, COD). This is explained by the fact that Malmömejeriet's treatment plant is not yet fully operational. However, when it is fully operational, we expect to see a difference in COD emissions and to turn the trend around in order to reach the target of reducing COD by 30 percent for Skånemejerier as a whole by 2025, compared with 2020. For more information on our effluent discharge, see page 52.

## ENVIRONMENTAL CASES DURING THE YEAR

In 2022, Skånemejerier had ten environmental cases that required notification to the supervisory authority. The cases were not classified as offences and no fines or penalties were imposed. The majority are related to unplanned discharges of products at our dairy in Kristianstad. The problems that

caused the unfortunate events were quickly addressed, but with temporarily elevated discharges of organic matter to the local treatment plant as a consequence. We are taking steps to prevent similar discharges by establishing an automated milk weighing system in Kristianstad.

## Water consumption

Target: 3 % reduction by 2025 compared with 2020 (m<sup>3</sup> of water per tonne of raw material)

Status 2022: +16 %

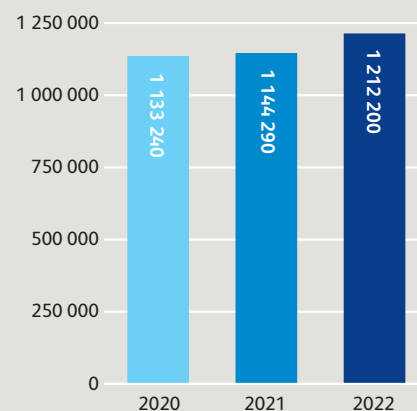
## Effluent discharge

Target: 30 % reduction in COD<sup>1</sup> by 2025 compared with 2020

Status 2022: +6 %

<sup>1</sup> COD stands for Chemical Oxygen Demand and is a measure of the amount of degradable organic matter in the water.

## Water consumption<sup>1</sup>, m<sup>3</sup> 2020–2022



<sup>1</sup> The water used is municipal water or from the company's own water source. For more information, see page 51.



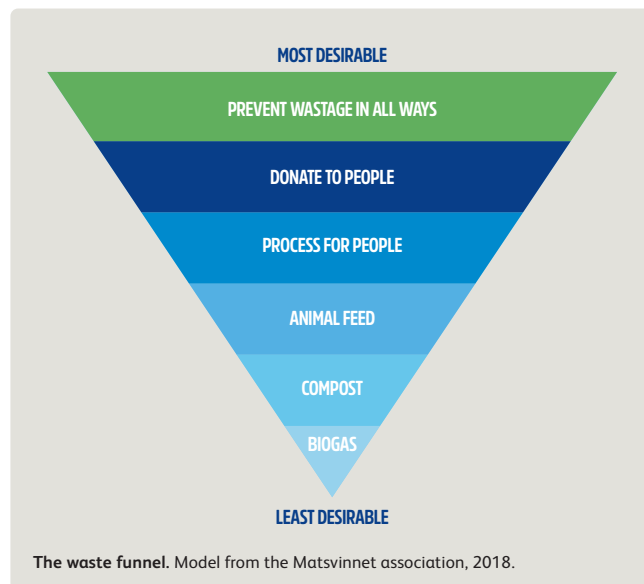
# WASTE-SMART DAIRY PRODUCTION

Food waste occurs at all stages of the food chain. Skånemejerier's work to reduce and prevent waste is based on the fact that we want to reduce negative climate and environmental impact while conserving resources, both in our own production and at the customer and consumer level.

## WASTE IN PRODUCTION

Waste occurs in various parts of Skånemejerier's production, and reducing waste is desirable from both an environmental and financial perspective. The aim is to turn as much of the milk that reaches the dairy as possible into finished products for consumption. Otherwise, resources such as raw materials, energy, water, transport and packaging materials are consumed unnecessarily.

The wastage in a dairy industry is calculated by comparing how much fat and protein comes into our dairies – such as milk and cream – and how much goes out to customers and consumers. The difference is considered waste, or losses, and can be attributed to different stages of the production process. We are constantly working to minimise these losses. Efforts during the year have led to a reduction in fat and protein wastage compared with 2021.



Losses can occur during different phases of production:

### Loss of raw material

Some loss of raw materials occurs when we clean tanks and other equipment as a small amount of product is inevitably lost during the first cleaning phase. This mixture of milk product and water usually goes into animal feed. In the later phase of the cleaning process, the proportion of milk decreases and the wash water goes into the sewers; some of it becomes sludge in our treatment plants, which is then turned into biogas.

Another area of waste is unplanned discharges, which – for obvious reasons – we work to minimise. Such discharges occur, for example, due to equipment or software failures, or production mishaps.

### Loss of finished products

The products that leave our dairies must meet our high quality standards. Products that do not fulfil the requirements are discarded – this may be due, for example, to abnormal packaging weight, incorrect pH value, incorrect sugar or fat content or other irregularities. This category also includes all lab samples and start-up samples. The product itself may be fully edible, but if it does not fulfil our specifications, for obvious reasons it cannot be sold. To extract the contents, the cardboard packaging is crushed at the dairy, and the residues are sent to feed production while the packaging goes to material recycling. Plastic packaging, such as for quark and crème fraîche, is taken care of by a local waste contractor. Here, the content goes to the production of biogas instead, while the packaging goes to material recycling.

## THE BEST WASTE SOLUTION IS TO AVOID CREATING IT

We use accurate forecasting to produce the right amount of goods at the right time. In cases where goods are not sold as forecast, we work actively with other operators to avoid discarding them and thus reduce food waste. In the first instance, we offer our customers the goods at a reduced price, so that they in turn can offer their consumers favourable deals in store. We have also established close collaboration with several municipalities that are happy to buy volumes to be consumed within a relatively short time at a reduced price.

The goods that are not sold at a reduced price are donated to the Stadsmission organisations in Skåne, Stockholm and Gothen-

### Raw material losses in production

**Target:** Reduce raw material losses in the production process by at least 15 % by 2025 compared with 2020

**Status 2022:** +1 % fat waste and -11 % protein waste

### Food waste in production

**Target:** Maximum 0.15 % of the volume sold

**Status 2022:** 0.13 %

burg and to Ensamkommandes Förbund (The Unaccompanied Minors' Association) instead, which ensures that the products are used in breakfasts, lunches and food parcels for the needy.

In 2022, a total of over 60 tonnes of food was donated.

As a last resort, the products we have not been able to sell or donate are discarded. The proportion of discarded products out of the total amount of products sold is low. Owing to improved processes and an increased focus on clearance sales and donations, the proportion of discarded products in 2022 decreased from 0.19 % to 0.13 %.

## CONSUMER FOOD WASTE

Food waste occurs throughout the food chain, but most of it is generated in households. Around 18 kilos of liquid food and drink is thrown away per person each year and, according to the Swedish Environmental Protection Agency, dairy products top the list after coffee and tea<sup>1</sup>. In 2022, we conducted a Sifo survey that showed that almost half of all people in Skåne (44 percent) said that they sometimes throw away milk that they feel is too old.

In addition to offering products with an extended shelf life, we work continuously to improve packaging so that products last as long as possible. We also issue regular communications about food waste to give consumers information about ways to reduce their own waste, including by labelling our milk packaging 'best before often good after'. We always encourage consumers to look at, smell and taste the product to determine if it is still usable, and we also provide tips such as freezing milk, cream and cheese if they are approaching their best-before date.

<sup>1</sup> Amount of food and drink going down the drain from Swedish households in 2021: <https://www.naturvardsverket.se/om-oss/publikationer/6900/mangd-mat-och-dryck-via-avlopp-fran-svenska-hushall-2021/>

# WASTE AND RESIDUALS

The best waste is that which does not occur. Our goal is to stay at the top of the 'waste ladder' at all times and to act to prevent waste in all situations. In cases where residues nonetheless arise from our production, we should ensure that they are taken care of for processing, feed production or biogas production.

## RESIDUAL PRODUCTS BECOME ENERGY AND NEW PRODUCTS

Residual products that cannot be used as food to humans should primarily be used for feed production. Secondly, it is sent to biogas production, which applies to biological waste such as certain recycled products, sludge from treatment plants, cheese crumbs and grease trap sludge from our facilities. The biogas produced can then be upgraded and replace fossil fuels in other parts of society.

At our dairy in Kristianstad, we concentrate our surplus skimmed milk and sell it on to other industries for further processing. Another example is whey, which is a by-product of cheese and quark production and consists of water, water-soluble proteins, milk sugar (lactose) and some minerals and vitamins. By partially concentrating the whey, we can sell it on for use in food and animal feed.

## CONTINUED REDUCTION OF COMBUSTIBLE WASTE

Unsorted combustible waste is material consisting of mixed fractions that cannot be recycled. Instead, it can be recovered as energy through incineration, but as this causes emissions of climate-changing gases, we are prioritising the reduction of this type of waste. Waste sorting is carefully monitored and there are continuous improvements linked to our environmental management system.

An important factor in reducing the amount of combustible waste is that staff have the right facilities and knowledge for correct waste sorting. In 2022, we reduced the amount of combustible waste by 9 percent compared with the previous year, largely due to the restructuring of the waste flow at Kristianstads Ostfördling, which has improved prospects for efficient sorting.

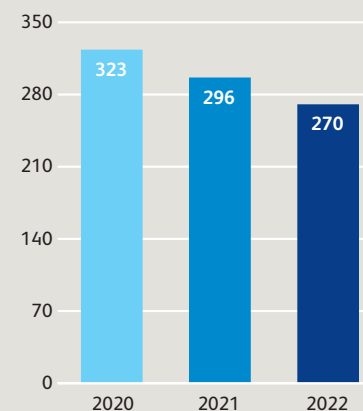
Much of the waste generated in a dairy goes to material recycling. These are fractions such as glass, corrugated cardboard, metals and plastics. Our two major dairies have more than 30 different waste fractions. All facilities also generate smaller volumes of hazardous waste such as batteries, chemicals and oil sludge. These are taken care of by our local subcontractors and registered with the Swedish Environmental Protection Agency according to the new Waste Ordinance.

## Combustible waste

**Target:** Reduce the amount of combustible waste by 25 % by 2025 compared with 2020

**Status 2022:** -16 %

Combustible waste from all facilities in tonnes

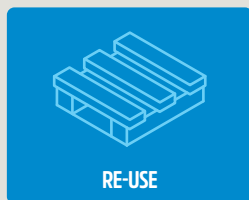


## LONG LIVE IT EQUIPMENT!

In 2022, a partnership was launched with a service provider that upgrades and refurbishes IT equipment. A total of 45 laptops and desktops were able to be upgraded and reused, as well as a number of servers, monitors and other components. Of the devices that had apparently reached the end of their life, 57.5 per cent were able to be reused, while the rest were recycled.



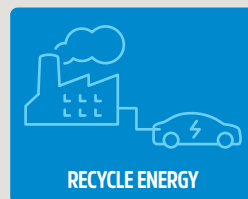
MINIMISE



RE-USE



RECYCLE



RECYCLE ENERGY



LANDFILL

## THE WASTE STAIRCASE

The waste hierarchy, or 'waste staircase', is an established model for managing waste that is part of the Swedish Environmental Code and thus governs how waste should be dealt with. First and foremost, we try to minimise the amount of waste generated by our activities. Some products in our production and logistics chain are reused, such as returnable pallets and containers in which our ingredients are delivered. Several fractions are recycled, and non-recyclable fractions and mixed waste are utilised for energy recovery.

# GOOD PRODUCTS IN GOOD PACKAGING

At Skånemejerier, we believe that good products deserve good packaging. Good packaging should ensure that flavour, texture and quality are preserved, while having as little impact on our environment as possible. To achieve this, we continuously improve and develop our packaging solutions – with the aim of finding the best packaging for every product.

## TOWARDS MORE SUSTAINABLE PACKAGING

We are constantly working to improve our packaging. The challenge is to develop the best packaging from an environmental perspective without compromising either food safety or ease of use. The main purpose of packaging is to protect the contents for as long as possible. At the same time, it should make it easy to get all the content out – so that as little as possible is wasted.

Our efforts to develop our packaging follow our packaging policy. The policy is regularly updated by our Packaging Committee, which consists of representatives from purchasing, production, marketing, product development and sustainability. Within the committee, we keep abreast of developments in materials and packaging functions. Skånemejerier's focus is to reduce the amount of material, shift to renewable or recycled packaging materials and increase the proportion of recyclable packaging. As part of our responsibilities as a manufacturer, we are connected to the national recycling scheme (FTI), which helps us to ensure that the packaging we put on the market can be collected and recycled.

Packaging for imported products from the Lactalis Group is being developed in line with the Group's packaging policy, which was launched in 2022. We ensure that all imported packaging complies with Swedish laws and requirements, as well as Skånemejerier's own packaging policy.

### Proportion of recyclable materials

Target: 100 % 2025

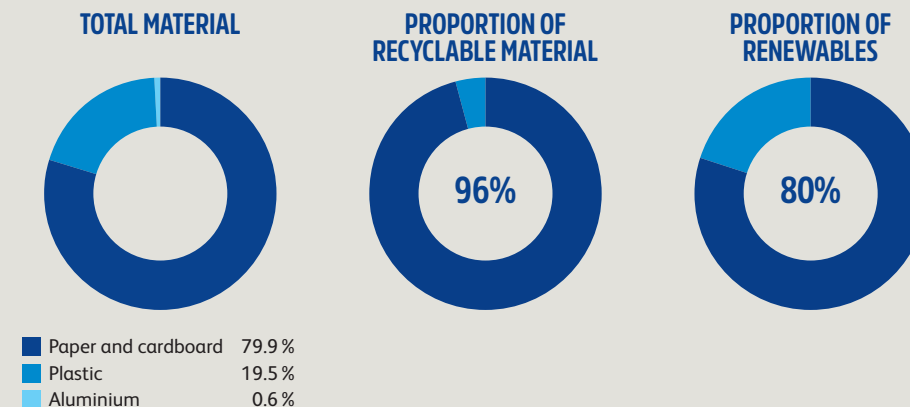
Status 2022: 96 %

### Proportion of renewable/recycled materials

Target: 100 % 2030

Status 2022: 80 %

Proportion of recyclable packaging and renewable/recycled packaging materials<sup>1</sup>



<sup>1</sup> Includes all packaging material for own-produced and imported products sold on the Swedish market and reported to FTI (national recycling scheme). Exported products and products where the customer reports packaging data to FTI are not included.



## MORE PACKAGING THAT CAN BE RECYCLED

Skånemejerier has signed up to the Plastic Initiative from DLF (Dagligvaruleverantörers Förbund – The Swedish Grocery Suppliers' Association), which commits us to working towards 100 percent recyclable packaging by 2025 and to 100 percent of our packaging being both recyclable and made from recycled or renewable materials by 2030. In 2022, the proportion of recyclable packaging was 96 percent, the same as in 2021. Our target for 2022 was to reach 100 percent recyclable packaging for rigid plastic, but since a number of crucial projects will only be implemented in 2023, the target could not be achieved during the year.

Some plastics are not currently recyclable but have properties that are needed for a particular production process or to best preserve the flavour and quality of the product. During the year, we conducted tests to switch to recyclable plastic for crème fraîche and sour cream. For crème fraîche, this has been successful, and we will move to pots made of recyclable plastic in 2023. We are continuing to look for solutions for sour cream as the current type of plastic works better from a quality perspective.

We have also been working on changing the plastic films covering our wedges of cheese to recyclable mono-materials, i.e.

a material consisting of only one type of plastic. Work on this will continue in 2023.

In addition to changes in the choice of materials, we endeavour to simplify the recycling of our packaging, both by choosing packaging that is easy to empty and by providing information to the consumer about how to recycle the packaging.

## MORE RENEWABLE AND RECYCLED MATERIALS

We endeavour to use renewable and recycled materials in our packaging. In 2022, the proportion of renewable or recycled packaging materials increased from 79 to 80 percent compared with 2021, mainly due to changes in sales.

One challenge is that many recycled materials are not allowed by law to be used in direct contact with food, which means that, like many others in the industry, we are forced to use virgin plastic in some of our products. However, we try to maximise the proportion of recycled paper raw material in the part of the packaging that is not in contact with the contents. In 2022, 79.9 percent of all our packaging material was made from renewable paper and cardboard. Some of our cardboard packaging also has plastic from renewable sources in caps and plastic film.

## SUSTAINABLE PACKAGING NEWS



The lid that covers our wedges of cheese is being replaced with recyclable mono-materials.

### LESS MATERIAL

Skånemejerier is constantly working to reduce the amount of material in our packaging without affecting the ability of the packaging to preserve the quality or life of the product. In 2022, we improved over 24 million pieces of packaging – a saving of almost 24 tonnes of plastic – by reducing the amount of material in them.

We also carried out tests to remove the handles from our yoghurt containers. Such a change will be implemented in early 2023 and will lead to a smaller amount of material used and more efficient production. We work closely with our customers and suppliers to find ways to reduce the amount of packaging material.

### REDUCING THE ENVIRONMENTAL IMPACT OF OUR PACKAGING

We endeavour to reduce the environmental impact of our packaging, for example by purchasing packaging from suppliers with ISO 14001 certification. In addition, we strive to use FSC®-certified raw material<sup>1</sup> in all our corrugated and cardboard packaging, which ensures that we use paper raw material from responsibly managed forests. We also ensure that our packaging suppliers use functional and environmentally friendly dyes and adhesives.

In our production, we actively search for optimal solutions in terms of machine functionality and efficiency, which can, for example, reduce waste in production. We also strive to minimise different types of transport by working smart in terms of packaging volume and weight.

By reducing the weight of the lids of several of our products, we save materials and reduce our climate impact.



By removing the handles on Salakis yoghurt containers, we reduce material usage and reduce waste in production.



After rigorous testing, the material in our crème fraîche pots has been changed to a recyclable plastic. Work started in 2022 and will continue in 2023.



<sup>1</sup> Our FSC® trademark license number is FSC-N001708.

# TOWARDS FOSSIL-FREE TRANSPORT

Transport plays an important role in ensuring that our products reach customers and consumers safely and securely. But even though transport accounts for a small proportion of Skånemejerier's total environmental and climate impact, we are keen to keep it as small as possible. We are therefore working towards achieving 100 percent fossil-free domestic transport by 2025 through fuel switching, optimisation and efficiency improvements.

## THE WAY TO FOSSIL-FREE DOMESTIC TRANSPORT

Skånemejerier's domestic transport includes both collections from farms and deliveries to stores and other customers. During 2022, we did not own our own trucks, but used external hauliers. Emissions from our transport should be as low as technically and financially feasible. We are working to make both infrastructure and distribution networks more efficient, including through increased collaboration with other operators. We also optimise our routes to reduce the number of vehicle kilometres and to have fewer lorries on the road. Alternative fuels should be prioritised and, where possible, vehicles should be driven in a way that achieves fuel efficiency.

Skånemejerier has signed the Transport Initiative from DLF (Dagligvaruleverantörers Förbund – The Swedish Grocery Suppliers' Association). The goal of the Transport Initiative is for member companies' own and purchased domestic transport to be 100 percent fossil-free<sup>1</sup> by 2025. In 2022, 91 percent of our domestic transport was fossil-free, which was a reduction compared with 2021 (96 percent). The reduction was mainly due to an increased proportion of fossil fuel in collaborative transport, i.e. transport where our products are transported together with food from other producers. The strained economic situation after Covid 19 and the war in Ukraine has led to lower demand for fossil-free fuels in the industry, which has been felt in the availability of fossil-free transport in collaborative transport.

## RENEWABLE DIESEL, BIOGAS AND ELECTRICITY

In order to transition to a completely fossil-free vehicle fleet, we need to use several different fossil-free fuels. For Skånemejerier, HVO currently constitutes a significant part of our fossil-free fuels and securing the supply of this fuel to our haulage companies through long-term collaborations has been an important part of our work in 2022. HVO is a 100 percent renewable fuel that is chemically identical to fossil diesel, but with carbon dioxide emis-

sions that are almost 90 percent lower. The fuel can be produced from, for example, forest waste and rapeseed, and since 2019 we only use certified palm-oil-free HVO in our transport.

We use biogas-powered lorries for some national distribution. In 2022, our hauliers invested in more gas vehicles and we use several biogas-powered lorries for distribution to customers in Österlen. In early 2023, the first biogas vehicle for milk collection will also be put into operation.

Securing the supply of sustainable fuels for the future is crucial for Skånemejerier. We want to be involved in further advancing the electrification of heavy transport, but the existing deficiencies in infrastructure and long delivery times for electric lorries create challenges for continued electrification at present. We therefore continue to participate in regional initiatives for the electrification of the transport sector, such as Skåne's Electrification Pledge. In 2022, we conducted tests with an electric lorry with good results and will have our first electric lorry in 2023.

## CLIMATE BENEFITS WHEN FRUIT AND DAIRY PRODUCTS ARE TRANSPORTED TOGETHER

Following a collaboration launched in 2020, Skånemejerier now distributes dairy products collaboratively with fruit and vegetable suppliers in eleven municipalities in Skåne. Owing to this collaboration, our transport of food to municipal catering facilities, such as schools and nursing homes, has been reduced by 30 to 40 percent. As these transports account for a large part of the municipalities' total greenhouse gas emissions, the collaboration means a climate benefit for the whole of Skåne. In addition to the climate benefits, collaborative distribution also means cost savings for the municipalities. They also help to reduce heavy traffic among schools and preschools, where children are constantly on the move. We will further expand our collaborative distribution in 2023.

## BK4 MEANS FEWER TRANSPORTS

Skånemejerier is participating in the Swedish Transport Administration's project to re-classify our nationwide roads for Load-Carrying Capacity Class 4 (BK4). Load-carrying capacity describes how much weight vehicles can carry on a bridge or road, and the load-carrying capacity class determines what vehicle weights are allowed. The reclassification of regional roads to BK4 means that we would be able to load up to 74 tonnes per lorry, an increase of 15.5 percent per lorry. More cargo per vehicle means fewer lorries on the roads. In 2023, we expect to take the next step in our roll-

## Proportion of fossil fuels in transport

Target: 100% 2025

Status 2022: 91 %

out of this in both distribution and milk collection by expanding the number of areas where we operate with greater weight.

## RETURNABLE PALLETS ARE BETTER FOR BOTH THE CLIMATE AND WORK ENVIRONMENT

In 2021, Skånemejerier began work on replacing EUR pallets with returnable pallets from Svenska Retursystem (SRS). In 2023, all pallets for the Swedish market will be replaced at our facilities. The returnable pallets have several advantages. In particular, they can be used up to 104 times before being discarded, compared to EUR pallets which can be used on average just under nine times. The fossil oil and primary energy use during the lifetime of the returnable pallet is also lower than for EUR pallets, and, in addition, they weigh significantly less. Weighing 14.8 kg instead of 25 kg, the returnable pallets provide an improved working environment with less heavy lifting.



<sup>1</sup> For transport to be classified as fossil-free, the fuel must provide an emission reduction of at least 70 percent compared to fossil fuels. For more information, see [www.dlf.se/transportinitiativet-2025/](http://www.dlf.se/transportinitiativet-2025/).

# SUSTAINABLE RELATIONSHIPS

For Skånemejerier, social sustainability is about people and relationships. We should be the first choice for our employees, customers and suppliers. By safeguarding our employees' well-being, safety and development opportunities, we can achieve long-term profitability, create new jobs and contribute to welfare.

By working for good conditions throughout the supply chain and engaging in issues outside the company, we want to consolidate our role as a responsible societal stakeholder.



# SKÅNEMEJERIER AS A WORKPLACE

With our values – ambition, engagement and simplicity – as a starting point, we at Skånemejerier work every day to become Sweden's most sustainable dairy. In 2022, we had a special focus on our employees and their well-being – with several good outcomes as a result.

## A WORKPLACE FOR ALL

Skånemejerier had 717 employees at our production facilities, our head office and in our sales force across Sweden at the turn of the year 2022/2023.

We strive for an inclusive working environment where all employees are treated equally with respect, consideration and appreciation. By recognising and embracing differences, we gain a broad and varied range of experience, which is a significant asset.

We have 46 percent women among our administrative staff, but only 11 percent women among our production and warehouse staff. In 2022, we wanted to explore the possibility of attracting more women to these areas. Gender balance has been shown to have several positive effects, such as a better working environment, increased efficiency and greater job satisfaction. As part of a wider initiative, we changed the design of advertisements for recruitment to the production side. For example, wording was changed and female employees were made more visible to encourage more women to apply. We look forward to monitoring the outcome in 2023.

Other measures that we intend to work on in production and warehouses are to improve prospects for women to take up management positions. In Skånemejerier as a whole, 28 percent of managers are women, and 72 percent are men. In our management team, 43 percent are women, and 57 percent are men. The board of directors is 20 percent women and 80 percent men.

## ACTIVE MEASURES AGAINST DISCRIMINATION

Salaries are set individually and are primarily based on performance, but also take into account experience and market salary levels. We take an active stance against pay discrimination and take several measures to counter its occurrence. One example is our annual salary survey to detect, manage, address and prevent unfair differences in pay and other employment conditions between men and women. The 2022 pay survey found no unjustified differences.

Skånemejerier works with a structured and competence-based recruitment process based on a clear requirement profile. This means that recruitment is based on the requirements of the post in terms of personal characteristics, experience and knowledge, which reduces the risk of discrimination.

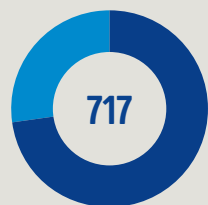
## HEALTH AND WELL-BEING IN OUR WORKPLACE

Following the pandemic, we changed the way we work, and now offer the possibility of working from home for up to 20 percent of working hours for those employees who are based in any of our offices.



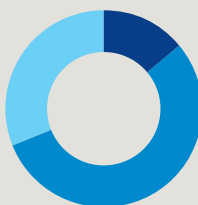
## OUR STAFF IN FIGURES

### EMPLOYEES



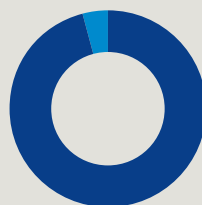
Men 73 %  
Women 27 %

### AGE DISTRIBUTION



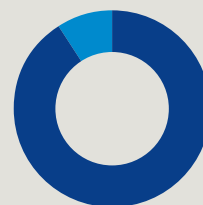
under 30 years of age 14 %  
30–50 years of age 55 %  
over 50 years of age 30 %

### FORM OF EMPLOYMENT



Permanent employees 96 %  
Fixed-term employees 4 %

### FULL-TIME/PART-TIME



Full-time employees 91 %  
Part-time employees 9 %

For more detailed information, see page 52.

Our sickness absence rate has increased since the start of the pandemic and stands at 5.3 percent for 2022. Managers, HR and occupational health services work together to proactively prevent both long-term sick leave and recurring short-term sick leave.

One of the main risks in working life today is excessive workload leading to stress-related problems. Our managers are therefore carefully selected, and we also ensure they receive training in various areas to equip them to take care of their staff. Our employees have clearly set objectives and job descriptions that clarify expectations, which helps to provide clarity and reduce stress. For office workers, sedentary behaviour and unnecessary strain from computer screen work are additional risk areas. In the spring of 2022, training was provided on good ergonomics, an effort that also targeted our field sales staff, who spend a lot of time in cars. The risks to our employees in the production environment relate primarily to the physical working environment (see page 41).

### COLLECTIVE AGREEMENTS FOR ALL EMPLOYEES

All Skånemejerier employees are covered by a collective agreement with guidelines for how we deal with setting salaries, compensation in case of illness and parental leave. Representatives from the company and the trade unions work together on a continuous basis to develop and improve Skånemejerier as a workplace. Skånemejerier also participates in the Lactalis Special Negotiation Board, which is a forum where employee representatives from different countries meet company representatives from the Group to discuss issues that transcend national boundaries.



### STAR OF THE QUARTER AND THE YEAR

Employees who have gone the extra mile for the company and who have particularly lived up to one or more of Skånemejerier's values can be nominated and awarded the Star of the Quarter. After the end of the year, employees will have the chance to vote from among the four quarterly winners to select the Star of the Year. The 2022 winner was Jonas Nilsson, Technical Project Leader at Malmömejeriet.

### INCREASED FOCUS ON OUR VALUES

Our values of **AMBITION**, **ENGAGEMENT** and **SIMPLICITY** are global and permeate the entire Lactalis Group. The values are kept alive every day through our people, how we act and how we behave towards one another. The values are also the basis for how we work together, and how we create engagement and satisfaction in our workplace. They are therefore also a natural part of our recruitment processes and a focus of all performance reviews. We are convinced that our values can help strengthen our cohesion and internal coherence, which is why they have been given a special focus in 2022. During the year, we developed a comprehensive set of working materials and associated workshops. The aim is to help the company's different teams to put the values into practice and create a common understanding of what they mean for the teams as well as how to motivate and guide them in their work.

These values are also reflected in our Code of Conduct, which sets out how employees should act in different situations. If any employee sees something that is improper or in breach of our Code of Conduct, they are encouraged to report it immediately through the Lactalis Group's whistleblowing platform Lact@Lert, which was launched in 2022 (see page 16).

### #LACTALISEXPERIENCE

Skånemejerier is a local company in many ways, but at the same time part of the world's largest dairy group. We recognise the value of local production and the strengths of global collaboration. Employees have access to an international network of over 85 000 colleagues in nearly 100 countries.

The #LactalisExperience is our way of highlighting the benefits and experiences of being part of the Lactalis Group from the perspective of our employees.

Join the  
**#LACTALIS  
EXPERIENCE**



# ENGAGED EMPLOYEES PROVIDE ADDED VALUE

To create engagement and participation, it is important that all employees know and support the company's objectives, plans and decisions. It is also important that we listen to our employees and create opportunities for dialogue.

## BETTER INFORMATION THROUGHOUT THE ORGANISATION

Our internal communication is central to increasing the engagement and involvement of our staff. It creates both an understanding of the company's objectives and the role of one's own work contribution in the overall picture.

Many employees do not have access to a computer or telephone while doing their job, so we are constantly working to optimise our information flows at the facilities to reach all employees. In 2022, we installed several digital screens across our facilities to complement those already in place.

During the year, we also established the Manager Forum, which is a digital meeting held every quarter to ensure that all managers in the company have information that can be disseminated to their respective teams. The Manager Forum provides an opportunity for dialogue between the management team and managers and will contribute to better communication with employees.

## PERFORMANCE APPRAISALS PROVIDE AN OPPORTUNITY FOR FEEDBACK

Continued growth and development is essential for all our employees. We therefore need clear leadership and effective and supportive development processes throughout our organisation.

The performance appraisal is an important tool to drive development and performance in our organisation. It is through dialogue that we strengthen both the organisation and the individual. We address the whole work situation and take a long-term approach with feedback, evaluation and planning. Individual objectives and development plans are documented in the Lactalis Group's group-wide system Lactalent.

## OUR EMPLOYEE SURVEY SHOWS THE WAY FORWARD

The ATMOSFÄR employee survey, last conducted in December 2022, gives us a picture of how everyone who works at Skåne-mejerier experiences their work environment. It gives us an insight into what works well and what we can improve.

This year's participation was 90 percent compared with 80 percent last year, indicating a broad engagement and a desire on the part of many to have their voice heard. The survey looked slightly different because as of 2022 we use the same survey provider as



the other companies in the Lactalis Group.

Areas where our employees express themselves positively include feeling supported by their line manager in terms of learning and development, and feeling respected and motivated at work. One example of an area we need to improve is employees' perceived understanding of the Lactalis Group's strategic priorities and objectives. We also see challenges around what is known as 'silo culture', where employees want better collaboration between departments.

The new survey focuses on how we as employees respond to questions about 'Engagement', the desire to perform, and 'Enablement', the ability to perform. In the 2022 results, we can see that 61 percent of employees rate their level of 'Engagement' as high, and 68 percent rate the opportunity for 'Enablement' as high. We can conclude that our results are in line with other companies in Sweden and other Lactalis companies in Northern Europe that have used the same survey provider.

# GREAT OPPORTUNITIES FOR DEVELOPMENT

**We want to attract, develop and retain the best talent and we therefore place considerable emphasis on training, leadership and professional development. We contribute to our employees' skills development by providing both internal and external training programmes.**

## WE INVEST MORE IN EDUCATION AND TRAINING

In 2021, our training investments were 0.6 percent of the total wage cost for employees, in line with our target. In 2022, we increased the target to 0.8 percent and spent as much as 0.88 percent of the wage budget on training.

It is particularly noteworthy that, since 2020, we have been offering two to three employees at our production in Malmö and Kristianstad the opportunity to undergo a dairy technical training programme. The programme takes 1.5 years and is held at Kold College in Odense, Denmark. Skånemejerier pays for training, travel and accommodation, and the employee retains their salary during the study period.

Another initiative we are proud of is the Academy, Skånemejerier's internal, cross-functional talent programme for employees who have a few years' experience, show great potential and have the ambition to grow and develop for new areas of responsibility and roles. The programme includes lectures, group exercises and study

visits focusing on both joint and individual projects. Several of the 2020–2021 participants have taken on new managerial roles or increased responsibilities in their current roles. In 2022, a second round of the Academy was launched.

Since 2021, we also work with our own trainee programme, Young Talent. The aim is to coach the next generation of leaders. The programme is a good career opportunity for those interested in fast-moving consumer goods with a focus on food. In 2022, our two trainees were able to try out various interesting roles within the company, and both have entered permanent employment after the programme.

## EMPLOYEES WHO ALWAYS LEARN MORE

Since March 2022, we have a new digital training platform that is used globally throughout the Lactalis Group. The Lactalis Learning Factory offers more than 100 digital training programmes and is constantly evolving. These include GDPR training, which in 2022 was mandatory for administrative staff, managers and other employees who handle personal data in their daily work, and an anti-corruption training programme carried out by company administrative staff and now mandatory for all new employees. The total number of training programmes completed in 2022 was 633, of which GDPR training accounted for nearly 50 percent. The number of unique training programmes completed during the year was 54.

At Skånemejerier, we are proud that we are often able to promote employees to leading positions within the company. We organise an annual leadership training course for new managers in order to increase understanding of our values and how these become part of leadership. The course also covers topics such as self-awareness and behaviours, coaching, feedback and difficult conversations, group dynamics and leading change. In 2022, we have continued our training in Coaching Leadership, labour law and work environment. Since 2021, we have also been offering leaders and key people, mainly in the sales and marketing organisation, the external training course 'Communication and Leadership'.

## CAREER COMPANY OF THE YEAR 2022

For the second year in a row, Skånemejerier has been recognised as one of Sweden's Career Companies. Career Companies is an award for employers who offer unique career and development opportunities for young people, and Skånemejerier is once again on the list of 100 Swedish companies that have managed to profile themselves as Sweden's most attractive employers.



# HEALTH AND SAFETY AT WORK

The health and safety of our employees is a key issue at all times. This is why we are working to build a strong safety culture where all employees should always put safety first.

## SAFETY IS THE HIGHEST PRIORITY IN OUR WORK ENVIRONMENT MANAGEMENT

Within the Lactalis Group, we have what is known as a Safety First Approach, which means that we constantly work to improve our work environment and ensure that safety comes first. The group-wide health and safety strategy has been broken down for the whole of Skånemejerier as well as for each facility. This creates a common theme in our safety work, from group level down to each department.

At Skånemejerier, we work systematically with our work environment based on a local policy that is supported by the Group's overall policy. It describes how the activities should be conducted by tracking risks according to systematic work environment management with measures and action plans.

The Safety Committees at all facilities are important forums. The committee consists of employer representatives, safety officers and trade union representatives who meet once a quarter. These deal with health and safety issues, safety inspection reports, possible injuries, near misses and measures to be taken. We have made it mandatory for all departmental meetings at our production facilities to put safety as the first item on the agenda.

## FOCUSED EFFORTS HAVE PRODUCED RESULTS

In accordance with the Public Health Agency of Sweden's recommendations for the pandemic, we were able to return to a normal situation in our operational units after the summer. The time spent on reducing the spread of infection, including by means of extensive testing, was freed up and we were able to focus more on other issues in our work environment management. We are pleased to note that the investment made in safety culture and the physical work environment have yielded good results.

Guided by our mantra – 'nothing we do is so important or urgent that we should disregard health and safety' – we have been able to significantly increase our reporting of near misses. The number of reported near misses is one of our key indicators in our work environment programme. It is crucial that our employees recognise and take the time to report near misses so that together we can work on prevention and create a safer workplace. Near misses show where there are workplace risks and represent an undesirable event or situation that could have led to health prob-

lems, illness or accidents. In 2022, we placed particular emphasis on communicating the importance of reporting of near misses, and as a result we can note that the number of near misses and risk observations reported during the year was 680, which exceeded our target of 550.

## FEWER SERIOUS ACCIDENTS DURING THE YEAR

Another key figure that is in focus in our work environment work is LTI (Lost Time Incident), which shows the frequency of accidents in our production. For 2022, the accident rate was 9.65 LTIs, a slight increase from 2021, compared with our target of fewer than 7 LTIs. The target is always based on the previous year's results and an ambition to improve by 15 percent compared with the previous year. Although we did not reach our target this year, the injuries were generally less severe.

After conducting root cause analyses and investigations, we see that the behaviour and attitude of employees is a common factor in our accidents. We therefore plan to introduce coaching sessions with employees to analyse which behaviours create a safer workplace.

## ENHANCED EFFORTS TO IMPROVE OUR WORK ENVIRONMENT

The biggest work environment risk at Skånemejerier is the use and handling of chemicals. We try to eliminate manual handling wherever possible, or to switch to less harmful substances. We are also working to improve awareness of procedures and the use of safety equipment in the handling of chemicals. We also see risks in our cleaning and sanitation centres, especially the older ones, so there are clear rules and procedures for time spent in these areas. The older cleaning and sanitation centres will be replaced by new ones in the coming years.

As part of monitoring our tracking of noise in the work environment, we decided during the year that all employees who work in or near production will be given moulded hearing protection with a filter that is adapted to the noise to which the employee is exposed. In the worst cases, loud noise can cause permanent hearing damage and can also contribute to fatigue, stress and impaired performance. It can also increase the risk of accidents if the worker does not hear important sounds and signals. The tracking also helped us to reduce noise in some places.

In our strategic plan, which extends to 2025, machine safety has been identified as a key project. In 2022, we started an inventory of our machinery and equipment to validate machine safety together with an external party. The project is expected to run for several years.

## OCCUPATIONAL INJURIES 2022

### INJURIES WITH ABSENCE

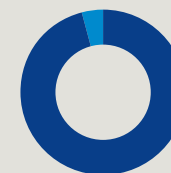
(number of injuries leading to more than one day of sick leave)



Addressed	13
Under investigation	0
Not addressed	0

### REPORTED INCIDENTS/NEAR MISSES

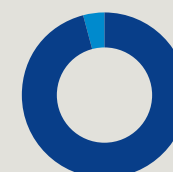
(number of observations and incidents/near misses that could have led to an accident)



Addressed	652
Under investigation	28
Not addressed	0

### INJURIES WITHOUT ABSENCE

(number of minor injuries without sick leave)



Addressed	71
Under investigation	4
Not addressed	0



**Under investigation** – action in progress  
**Not resolved** – no further action needed

KPI Work Environment Skånemejerier	2020	2021	2022	Target (2022)
Injury rate, LTI <sup>1</sup> (number of injuries with absence * 1,000,000/number of hours worked)	17.81	8.27	9.65	<7
Severity of injuries (number of days lost through sickness due to work injury * 1,000/number of hours worked)	0.073	0.043	0.099	<0.040
Number of incidents/near misses reported	533	484	680	550

<sup>1</sup> Lost Time Incidents is a standardised measure of accident frequency. This is achieved by multiplying the total number of accidents resulting in more than one day's absence by one million and then dividing them by the total number of hours worked.

# SUPPLIER-LEVEL RESPONSIBILITY

In addition to milk, Skånemejerier buys a variety of products and services from both local companies and large global suppliers in different industries. We therefore have considerable responsibility for ensuring a responsible and sustainable supply chain. Our ambition is for our actions to have a positive impact on our suppliers, their environmental performance and employees.

## OUR SUPPLIERS

Skånemejerier Ekonomisk Förening is our single largest supplier, providing us with raw milk from nearly 300 farms in Skåne and southern Sweden (see page 24). In addition to our main raw material – milk – we also purchase direct materials used in our products, such as packaging and ingredients, as well as indirect products and services such as energy and production equipment. Our suppliers have either a global agreement with the Lactalis Group or a local agreement with Skånemejerier. We also buy products from other subsidiaries within the Lactalis Group, such as various products under the Président and Galbani brands, which we sell on the Swedish market. Some of our products are also manufactured by external contract manufacturers that are not part of the Lactalis Group.

## SELECTION OF SUPPLIERS

To become an approved supplier to Skånemejerier, it is necessary to go through our supplier procedure, which includes signing the Lactalis Group's quality and food safety requirements. Suppliers undertake to operate in accordance with applicable laws and regulations on food quality and safety for the products and services supplied. For direct suppliers and contract manufacturers, as well

as indirect suppliers with a higher risk assessment, compliance with the Lactalis Group's Corporate Social Responsibility Charter is required. This charter contains the Group's ethical guidelines on business ethics, anti-corruption, working conditions, human rights and the environment. To ensure that our suppliers live up to our high standards, regular quality and product safety audits are carried out. The frequency of audits is determined by the outcome of a risk assessment of the supplier, which is carried out according to documented guidelines. Auditors are trained and approved by the Lactalis Group.

## CODE OF CONDUCT FOR SUPPLIERS

We expect all our suppliers and business partners to conduct their business responsibly. This means following Skånemejerier's Code of Conduct (see page 16) as well as international human rights standards, such as the UN Declaration on Human Rights and the International Labour Organization (ILO)'s core conventions. We also require our suppliers to work actively to reduce their environmental impact.

Our target was for all suppliers to have signed Skånemejerier's Code of Conduct by 2022. By the end of 2022, 95 percent of our direct suppliers with local agreements, 93 percent of our contract manufacturing suppliers and 94 percent of our indirect priority suppliers had signed the Code of Conduct.

We work with a large number of indirect suppliers, with priority suppliers including large suppliers (representing 80 percent of our purchases of indirect products and services), as well as smaller suppliers categorised under environment, energy and chemicals. Indirect suppliers who have not signed our Code of Conduct largely refer to their own internal codes of conduct.

Global suppliers have not signed codes of conduct for individual subsidiaries, but will in future be covered by the Lactalis Group Supplier Code of Conduct, which will be launched in 2023. The global code of conduct will also apply to direct suppliers with local agreements, with the exception of milk suppliers.

In 2022, the Lactalis Group launched its whistleblowing platform, Lact@Lert (see page 16). The platform is open to suppliers, contractors and subcontractors of the Lactalis Group and their employees who wish to report behaviours or events that are against the law, or against the Group's internal rules or procedures.

## RISK CROPS

Our ingredients include a number of crops, such as cocoa, coffee and vanilla, which may be associated with human rights and environmental risks in the value chain. Here we work with established



players who take responsibility throughout the supply chain. In 2022, we took significant steps towards using only certified cocoa in our products.

Our value chain also includes risk crops that may be present in cattle feed. We are therefore requiring that all soy included in feed for animals on farms in Sweden that supply milk to us must be certified in accordance with the criteria of the Round Table on Responsible Soy Association (RTRS) or ProTerra. There is currently no such requirement for palm oil products, but we welcome the guidelines of the Swedish Grain and Feed Trade Association on fat products from oil palm. These guidelines state that all fat products from oil palm included in products used in Swedish feed production should fulfil the certification requirements according to criteria established by the Roundtable on Sustainable Palm Oil (RSPO) by the end of 2024. However, palm oil is not used as an ingredient in any of Skånemejerier's products.

The Round Table on Responsible Soy Association, RTRS, and the ProTerra Foundation are two non-profit organisations that promote the growth of responsible production, trade and use of soy.

## Proportion of suppliers who have signed our Code of Conduct

### Target:

Direct suppliers (local agreements): 100 % by 2021

Contract manufacturers (local agreements): 100 % by 2021

Indirect priority suppliers: 100 % by 2022

### Status 2022:

Direct suppliers (local agreements): 95 %

Contract manufacturers (local agreements): 93 %

Indirect priority suppliers: 94 %

# COMMITMENT TO ISSUES CLOSE TO OUR HEART

As a major corporate player with strong local roots, we also have a responsibility to the community around our operations. We have our roots and heart in the Skåne soil and recognise the importance of giving back to both people and the environment. We are passionate about the health of young people, the safety of those living in vulnerable situations and the importance of recycling.



## LONG-TERM COLLABORATION WITH SKÅNE STADSMISSION

Skånemejerier has a long-term collaboration with Skåne Stadsmission – an organisation that offers professional support, in both the short and long term, to people who are in vulnerable life situations. The goal is to prevent exclusion and empower individuals to take control of their own lives. In 2022, Skånemejerier continued to be a main partner of Skåne Stadsmission, which means that we provide financial support in addition to the food donations we make.

Every week, Skånemejerier donates surplus products that either go to Skåne Stadsmission's social activities, the social food store Matmissionen or are distributed in food parcels to people living in vulnerable situations. Since 2021, food donations have also been going to the Stadsmission organisations in Stockholm and Gothenburg. In 2022, more than 60 tonnes of food were donated to the City Missions' different activities.

A noteworthy initiative from 2022 is the Christmas gift shop, where parents living in economic hardship could come and select free Christmas gifts for their children. Several Skånemejerier employees volunteered in the shop.

## DAIRY FARMS ONCE AGAIN OPEN FOR VISITS

Some of our milk suppliers are visiting farms and organise tours for school classes with children and young people aged 4–18. The farm visits are greatly appreciated and are adapted according to age with the aim of providing knowledge about not only Swedish milk production, but also nature conservation more generally.

After a pause due to the pandemic, we were able to invite schools and preschools to book farm visits again in 2022. During the year, 71 visits were made to seven different visitor farms by a total of 2,150 children and young people.

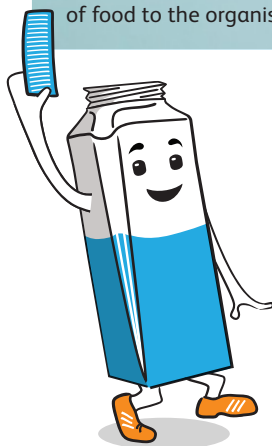


## HEALTHY SNACKS FOR ENSAMKOMMANDES FÖRBUND (THE UNACCOMPANIED MINORS' ASSOCIATION)

Since 2021 we have been donating dairy products to Ensamkommandes Förbund (The Unaccompanied Minors' Association) in Malmö and their Mötesplats Otto initiative.

The meeting place offers newly arrived children and young people up to the age of 25 homework help, mentoring, social and legal advice and various leisure activities.

The goal is to create friendships and reduce loneliness. Skånemejerier's products are a healthy snack for the participants, and in 2022 we donated more than 400 kilos of food to the organisation.



## JUBILEE YEAR FOR KALVINKNATET

Skånemejerier's popular Kalvinknatet running event celebrated its 20th anniversary in 2022 – no fewer than 20 years of joy of movement! In the spring, 29,492 children ran the race at 21 locations in Skåne, Blekinge, Småland and Halland. The anniversary was, of course, celebrated with pomp and circumstance, including a new obstacle course and a record number of start certificates for children with a spring in their step.

The Kalvinknatet is about providing inspiration for a healthy life of physical activity with good dietary habits. The race has been organised since 2002 in cooperation with Malmö Allmänna Idrottsförening (MAI) and local sports clubs around the region. The entire proceeds from the event go to the clubs, which can reinvest the money in their activities. In total, over 340,000 children have run the race since its inception.



## KARTONGMATCHEN DRAWS ATTENTION TO THE IMPORTANCE OF RECYCLING

2022 marked the tenth year of Kartongmatchen, a project initiated by Tetra Pak in which Skånemejerier has been a local partner since the beginning.

Kartongmatchen aims to educate children about the importance of recycling drink cartons by providing playful information and creative competitions. We use our milk packaging and social media channels to reach Swedish households with information about Kartongmatchen. In 2022, 17,433 children participated in Kartongmatchen. The 'match' sponsored by Skånemejerier focused on encouraging children to recycle at home. The overall recycling rate was 92 percent, which is the highest ever.

Nearly 320,000 pupils and preschool children all over Sweden have participated in Kartongmatchen in recent years. The children compete for great prizes, including money that goes to make their schools and preschools greener. The biggest winner of the project is, of course, the environment.

# APPENDIX

# REPORTING PRINCIPLES

This report has been prepared by Skånemejerier AB, corporate identification number 556820-8317. The sustainability report is independent of the company's annual report and includes Skånemejerier AB and its wholly owned legal entities (Hjördnära Mejeri AB, Malmö Mejeri AB, Kristianstads Mejeri AB, Kristianstads Ostförädling AB, Skånemejerier Storchushall AB, Skånemejerier Försäljning AB, Svenska Ostkompaniet HB (dormant company)) and the products the business sells within the Skånemejerier group. The report constitutes Skånemejerier AB's statutory sustainability report in accordance with the requirements of the Swedish Annual Accounts Act.

## REPORTING PRINCIPLES

Skånemejerier is reporting on its sustainability work for the eleventh year in a row. Having reported in accordance with the GRI Standards at the core level since 2020, for the 2022 report we have chosen to move away from the GRI framework following the introduction of the GRI Universal Standards, as our 2021 materiality analysis is not in accordance with this version of the GRI framework. The GRI content principles (inclusion of stakeholders, sustainability context, materiality and completeness) have continued to guide the scope and content of the sustainability report.

## METHOD AND DECLARATION

We adopt the GRI accounting principles of precision, balance, clarity, comparability, reliability and timeliness to ensure the quality of the content of the report. The sustainability report is prepared in accordance with the Swedish Annual Accounts Act's requirements for a statutory sustainability report and Ernst & Young have verified that the report fulfils these reporting requirements. The report includes the legal entities listed above and those activities that have significant direct and indirect impact from a sustainability perspective, including the supply chain. The sustainability report follows Skånemejerier's financial year and relates to 1 January to 31 December 2022. The Sustainability Report for 2021 was launched in May 2022.

## CHANGES SINCE THE PREVIOUS REPORTING PERIOD

There have been no changes in legal entities since the previous reporting period. We work continuously to develop our sustainability work and our reporting, so new information and metrics may be added. In this year's report, we are reporting our carbon footprint according to the Greenhouse Gas Protocol for the first time (see pages 23 and 51).

## THE PRINCIPLE OF COMPARABILITY

Skånemejerier endeavours to apply the same accounting principles year after year in order to make comparisons and identify trends. Over time, some data collection changes, often for the better, which can affect comparability. Changes in calculation models that affect comparability are explained in connection with the relevant data. Comparability is also affected by the fact that production can change between reporting years, especially for key performance indicators in water and energy.

In 2021, several of the key figures monitored in the sustainability report were updated. In 2022, minor adjustments were made to definitions for greater clarity. The table on pages 46–48 presents our main sustainability KPIs with comparative figures for the previous year and comments on any changes.

## DATA COLLECTION AND CALCULATION METHODS

The reporting of sustainability data takes place annually and Skånemejerier works continuously to document procedures for collecting, checking and verifying data. Sustainability data has been collected centrally by the sustainability manager. Reporting is carried out by experts from different parts of the value chain. Environmental parameters for Skånemejerier's facilities are calculated by the environmental manager, the controlling department, and department and production managers. Figures representing sales and staff are taken from financial and personnel systems. Parameters representing the improvement work on farms can be found in Skånemejerier's ISO 9001 farm certification system. Sick leave is calculated according to standard practice, i.e. number of absence hours divided by total hours worked times 100. Safety data is recorded at our facilities in a monitoring tool.

## CALCULATING OUR CARBON FOOTPRINT

Skånemejerier's carbon footprint has been calculated in accordance with the 'GHG Protocol Corporate Accounting and Reporting Standard', 'Scope 2 Guidance' and the 'Corporate Value Chain (Scope 3) Standard'.


The emission factor for milk is based on farm calculations in Klimatkollen (see page 26). The 2020 footprint is based on the emission factor calculated in 2021 using 2020 data, while 2021 and 2022 are based on the emission factor calculated in 2022 using 2021 data. Emissions from organogenic soils have been partially excluded from the carbon footprint calculation for comparability between years. We are continuously developing our reporting of emissions from organogenic soils.

Emissions from fuel used for purchased transport are calculated using emission factors that include the emissions from their entire life cycle, known as well-to-wheel.

The emissions from the processing of products sold have been calculated based on a scenario where an assumption has been made about how much energy is needed to process 1 kg of product in downstream companies. This has then been multiplied by country-specific emission factors for each country where Skånemejerier sells its products to industry customers for further processing. Due to the lack of information on customers' electricity contracts, the residual mix has been used as an emission factor as a conservative assumption.

# KEY SUSTAINABILITY PERFORMANCE INDICATORS

These tables show sustainability-related key performance indicators in our three strategy areas. More detailed information on each area can be found in the respective sections of the report.



SUSTAINABLE BUSINESS				
Focus area	Key performance indicators	Status 2020	Status 2021	Status 2022
CORRUPTION	Zero corruption and bribery	0	0	0
RECALLS	No recalls	0	0	1
NUTRITION	100 % of the company's branded products meet the Lactalis Group's nutritional guidelines, and the amount of salt and sugar in the products is below the Group's limits.	New key performance indicator	100 %	100 %
EBITDA	EBITDA of net sales (EBITDA/net sales)	6.33 % <sup>1</sup>	6.66 % <sup>1</sup>	4.65 %
TURNOVER	The company's total turnover	4.27 BSEK	4.34 BSEK	4.96 BSEK
MILK VOLUME	Total inflow of milk	429 million kg	435 million kg	426 million kg
COMPETITION LAW EDUCATION	Number of colleagues trained at physical and digital meetings	New key performance indicator	100	0 <sup>2</sup>
LEGAL COMPLIANCE/STATUTORY COMPLIANCE	No fines or penalties for non-compliance concerning product information and/or labelling laws and regulations, social economic or environmental areas	0	0	0

<sup>1</sup> Updated figures since last year's report.

<sup>2</sup> Training in competition law will move from physical training sessions to a digital training programme that has not yet been launched. Therefore, no training was organised in 2022.



## SUSTAINABLE PLANET

Focus area	Key performance indicators	Status 2020	Status 2021	Status 2022
ENERGY	100 % renewable energy at our production facilities by 2025	97 %	98 %	98 %
ENERGY	Reduce relative energy consumption at our production facilities by 5 % by 2025 compared with 2020, measured as kWh/tonne of input raw material	New key performance indicator 2021	(-) 2 %	(+) 2 %
TRANSPORT	Fossil-free domestic transport by 2025	95 %	96 %	91 %
WATER CONSUMPTION	Reduce relative water consumption by 3 % by 2025 compared with 2020, measured as m <sup>3</sup> of water/tonne of input raw material	New key performance indicator 2021	(+) 8 %	(+),16 %
EFFLUENT DISCHARGE	Reduce COD (Chemical Oxygen Demand) by 30 % by 2025 compared with 2020	New key performance indicator 2021	(+) 4 %	(+) 6 %
PACKAGING	100 % recyclable packaging by the end of 2025	94 %	96 %	96 %
PACKAGING	100 % renewable or recyclable packaging materials by 2030	83 %	79 %	80 %
COMBUSTIBLE WASTE	Reduce the amount of combustible waste at our production facilities by 25 % by 2025 compared with 2020	New key performance indicator 2021	(-) 9 %	(-),16 %
FOOD WASTE	Reduce raw material losses in production by at least 15 % by 2025 compared with 2020	New key performance indicator 2021	Fat: (+) 8 % Protein: (-) 3 % <sup>1</sup>	Fat: (+) 1 % Protein: (-) 11 %
FOOD WASTE	A maximum of 0.15 % of the volumes sold may be discarded	0.18 %	0.19 %	0.13 %
ENVIRONMENT	No major environmental deviations during the year	6	2	10
ANIMAL WELFARE	100 % of cows in loose housing to have access to rotating cow brushes by 2025	82 %	78 %	92 %
ANIMAL WELFARE	100 % of cows to be in loose housing by 2030	89 %	89 %	91 %
GRAZING	Grazing period in addition to legal requirements	New key performance indicator 2021	33 days in addition to legal requirements	36 days in addition to legal requirements

<sup>1</sup>Updated figures since last year's report



## SUSTAINABLE RELATIONSHIPS

Focus area	Key performance indicators	Status 2020	Status 2021	Status 2022
EMPLOYEE ENGAGEMENT	Positive developments with the aim of constantly increasing the parameters of 'engagement' and 'enablement' <sup>1</sup>	–	–	'Engagement' 61 % and 'enablement' 68 %
SICKNESS ABSENCE	Positive development with the goal of having a maximum of 4 % sickness absence	Total sickness absence 3.9 %	Total sickness absence 4.7 %	Total sickness absence 5.3 %
ACCIDENTS	No accidents (LTI: Lost Time Incident)	18 LTI	8.27 LTI	9.65 LTI
INCIDENT/NEAR MISS REPORTING	Number of reported near misses and risk incidents: > 550 (> 0.8 per employee)	534 (0.76/employee)	484 (0.69/employee)	680 (0.95/employee)
PERFORMANCE REVIEWS	100 % of employees receive regular performance reviews	New key performance indicator 2021	95 %	96 %
TRAINING	The sum of training investments is 0.6 % of the total wage cost for employees in 2021, 0.8 % in 2022 and 1 % in 2023	New key performance indicator 2021	0.63 %	0.88 %
GENDER DIVERSITY	Total proportion of men/women	76 % men, 24 % women	76 % men, 24 % women	73 % men, 27 % women
RELATIONSHIP WITH FARMERS	Two physical/digital training courses for milk suppliers each year	New key performance indicator 2021	A total of three in specific areas (training sessions on Klimatkollen and Vera, and information meetings about Skånemejerier and Lactalis)	Training in Klimatkollen and Vera, and information meetings about Skånemejerier and Lactalis
RESPONSIBLE SUPPLIERS	All priority suppliers have signed Skånemejerier's Code of Conduct in 2022, based on risk analysis Direct suppliers (local agreements): 100 % 2021 Contract manufacturers (local agreements): 100 % 2021 Indirect priority suppliers: 100 % 2022	New key performance indicator 2021	Direct suppliers (local agreements): 95 % Direct suppliers (global agreements): 0 % <sup>2</sup> Contract manufacturers (local agreements): 93 % Indirect priority suppliers: 84 %	Direct suppliers (local agreements): 95 % Contract manufacturers (local agreements): 93 % Indirect priority suppliers: 94 %
RESPONSIBLE SUPPLIERS	Proportion of new local direct suppliers and contract manufacturers that have signed the Lactalis Group's ethical guidelines on business ethics, anti-corruption, labour conditions, human rights and the environment <sup>3</sup>	New key performance indicator 2021	100 %	100 %

<sup>1</sup>Updated KPI as the format of our employee survey has changed. The results for 2020 and 2021 are therefore not comparable.

<sup>2</sup>Our global suppliers will now be covered by the Lactalis Group's Global Code of Conduct. We have therefore not included this supplier group in our KPI for 2022.

<sup>3</sup>This KPI replaces the previous KPIs 'Proportion of new suppliers screened with environmental criteria' and 'Proportion of new suppliers screened with social criteria'.

# MATERIALITY ANALYSIS

## MATERIALITY ANALYSIS METHODOLOGY

In order to set the right focus for Skånemejerier's sustainability work, we have a continuous dialogue with our stakeholders. In 2021, a materiality analysis was carried out based on the Global Reporting Initiative (GRI) standards; it is summarised below and on page 13.

### The process consisted of three steps:

#### 1. Stakeholder survey

The survey included both external stakeholders (suppliers, customers, trade associations, non-profit organisations) and internal stakeholders (employees, owners). We used a quantitative survey where external respondents were asked to rate 25 sustainability issues, which were based on Skånemejerier's previous materiality analysis, as well as relevant industry and external environmental issues. The stakeholder responses were weighted with rankings by Skånemejerier's internal respondents. A group consisting of Skånemejerier's CEO, Sustainability Director and Sustainability Manager then made an assessment of how much impact the various sustainability issues have on finances, the environment and society, and how much opportunity Skånemejerier has to influence the various issues.

#### 2. Materiality matrix to assess the impact of the relevant sustainability issues

An aggregated matrix (see figure) showing the responses from all stakeholders was used as a basis for decision-making during a workshop with Skånemejerier's management team. The Y axis shows how important each sustainability issue is to our stakeholders, while the X axis shows how important the sustainability issues are to Skånemejerier internally. The management team then added an assessment of Skånemejerier's impact based on each sustainability issue.

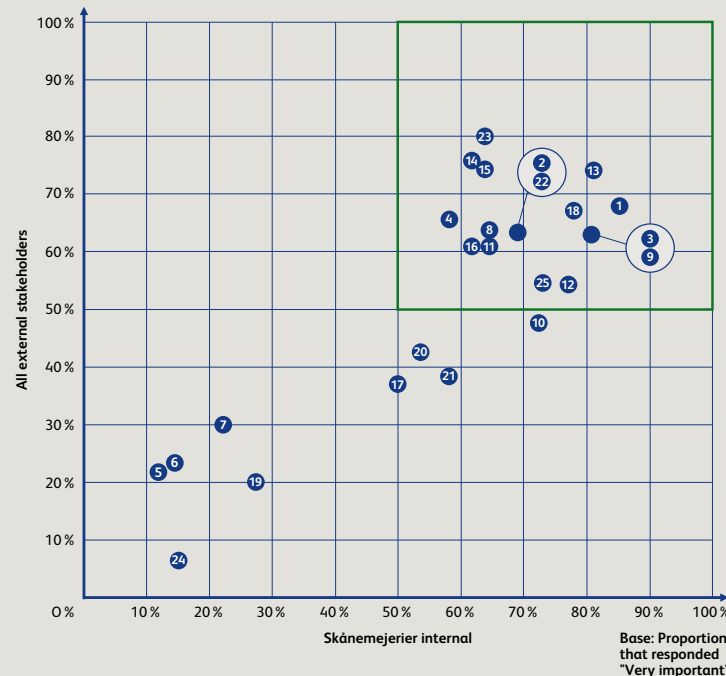
#### 3. Internal validation and decision by the management team on Skånemejerier's material topics

Finally, Skånemejerier's management team processed the combined results of the stakeholder survey and impact assessment. Based on the parameters of impact and influence, the issues were grouped according to the degree of materiality that emerged (see page 13):

- Material issues – issues that should be at the centre of the company's long-term sustainability strategy
- Very important issues – issues that should be given special attention and monitored
- Important issues – issues that should be addressed

## THE RESULTS OF THE STAKEHOLDER SURVEY

### Materiality matrix



## QUESTIONS IN THE STAKEHOLDER SURVEY

Green-marked topics are the topics that have ended up in the upper green corner of our materiality analysis. See matrix on the left.

1. Reduce the carbon footprint of the entire value chain
2. Introduce eco-efficient transport for the collection of raw milk and transport to retailers
3. Promote circular production systems in the dairy (i.e. an environmentally efficient way of using resources such as water, energy, raw materials, waste, chemicals)
4. Prevent food waste throughout the value chain (i.e. act to ensure that food is put to good use, primarily for human consumption)
5. Work together with neighbouring countries to avoid food waste
6. Conduct organic production
7. Promote the consumption of organic products
8. Contribute to the development of sustainable agriculture based on research
9. Preserve and enhance biodiversity
10. Reduce the climate impact of dairy farms
11. Use recyclable and renewable packaging options
12. Conduct innovation work with a focus on sustainability
13. Provide Swedish-produced milk
14. Protect the Swedish dairy farmer (i.e. the continued labour security of dairy farmers, financial growth and sustainable agriculture over time)
15. Implement continuous improvements for good animal welfare on dairy farms
16. Review and support suppliers based on environmental, ethical and social aspects
17. Provide healthy products
18. Promote responsibly produced raw materials
19. Get involved with the local community
20. Promote diversity, gender equality and inclusion in recruitment
21. Provide career and development opportunities for employees
22. Provide a safe and healthy working environment with good working conditions
23. Fight against all forms of corruption
24. Provide affordable food from other countries
25. Be a long-term financially viable company

# IN-DEPTH INFORMATION AND DATA

## SUSTAINABLE BUSINESS

### Corporate Social Responsibility, page 16

A number of policies govern different aspects of our sustainability work. Some of these are established by the Lactalis Group, while others are specific to Skånemejerier. Skånemejerier's policies are reviewed in connection with an annual audit or other annual review. The CEO has ultimate responsibility for Skånemejerier's policies. Lactalis Group policies are developed and updated by the relevant function within the Group.

Policies	Last update completed	Results of the 2022 monitoring
<b>Environment</b>		
Skånemejerier's environmental policy	January 2018	Still current
Skånemejerier's animal welfare policy	April 2022	New policy
Skånemejerier's packaging policy	May 2021	Still current
Skånemejerier's transport policy	June 2020	Still current
The Lactalis Group's quality policy	October 2012	Still current
The Lactalis Group's climate policy	February 2022	New policy
The Lactalis Group's packaging policy	February 2022	New policy
The Lactalis Group's animal welfare policy	February 2022	New policy
<b>Respect for human rights</b>		
Skånemejerier's Code of Conduct	April 2021	Needing to be updated when introducing a global code of conduct for suppliers
<b>Counteracting corruption</b>		
Skånemejerier's Code of Conduct	April 2021	Needing to be updated when introducing a global code of conduct for suppliers
The Lactalis Group's anti-corruption policy	2020	Still current
The Lactalis Group's Whistleblowing Platform Policy	December 2022	New policy
<b>Social conditions and staff</b>		
Skånemejerier's Code of Conduct	April 2021	Needing to be updated when introducing a global code of conduct for suppliers
Skånemejerier's work environment policy (a translation of the Lactalis Group's policy)	February 2022	Still current
Skånemejerier's diversity policy against victimisation and discrimination	2019	Still current
Skånemejerier's communication policy	May 2020	Still current

### Corporate Social Responsibility, page 16

#### Sustainability risks for the Lactalis Group

Based on a materiality analysis, the Lactalis Group identified the following sustainability risks for its operations. These are included in the Group's Plan de Vigilance<sup>1</sup>, which also contains more detailed information on risks and risk management within the Lactalis Group.

Priority issue	Identified sustainability risks
Health and safety	Employee health and safety is recognised as a human right and is also part of the UN Sustainable Development Goals. Negligence by the company in terms of measures to protect health and safety in the workplace can lead to injuries or work-related ill health for our employees or external workers.
Human and social resources	In the Group's own operations, non-compliance with the Group's HR processes may lead to situations of discrimination or lack of respect for freedom of association. Operators in the value chains of some raw materials may use practices that violate human rights.
Food safety	Any deficiencies in food safety can pose serious health risks to consumers. At every stage of production, failure to comply with hygiene standards or product health checks can have serious consequences for consumers.
Water, energy and greenhouse gas emissions	The Group's activities may entail environmental risks, particularly in relation to water and energy use. Failure to address environmental issues related to water, energy and greenhouse gas emissions can therefore jeopardise the conservation of resources and the necessary mitigation of global warming.
Responsible packaging and the circular economy	Packaging is fundamental to maintaining the highest quality and food safety standards for our dairy products, which are perishable by nature. The production and management of packaging leads to overconsumption of our planet's natural resources, threatening the environment and biodiversity.
Biodiversity and forests	The Lactalis Group's supply of agricultural raw materials can be directly or indirectly linked to a risk of deforestation or conversion of natural areas, which has a negative impact on biodiversity and ecosystems.
Safety and sustainability of upstream milk production methods	Milk is the most important raw material for Lactalis's business. While milk safety is an important focus for ensuring product quality and safety, consumers and the Group's stakeholders increasingly demand guarantees for the sustainability of upstream production methods. Deficiencies at the production stage can have negative consequences for animal welfare, the environment and consumer health and safety.

<sup>1</sup>See [https://www.lactalis.fr/wp-content/uploads/2022/12/Plan-de-Vigilance\\_2021-VF-1.pdf](https://www.lactalis.fr/wp-content/uploads/2022/12/Plan-de-Vigilance_2021-VF-1.pdf)

## SUSTAINABLE PLANET

### Our climate impact (page 23)

#### Carbon footprint, scope 1 and 2 (tonnes CO<sub>2</sub>e)

	2020	2021	2022
Scope 1	1,370 <sup>1</sup>	1,030	860
Scope 2, market-based	60	60	60
Scope 2, location-based	1,190	1,180	1,180
<b>Total scope 1 and 2, market-based</b>	<b>1,430</b>	<b>1,090</b>	<b>920</b>

#### Carbon footprint, scope 1, 2 and 3 (tonnes CO<sub>2</sub>e)<sup>2</sup>

	2020	2021	2022
<b>Scope 1 and 2</b>	<b>1,400</b>	<b>1,100</b>	<b>900</b>
<b>Scope 3<sup>3</sup></b>			
Purchased goods and services (1)	610,700	590,300	577,500
Capital goods (2)	5,800	8,600	11,300
Fuel and energy related activities (3)	2,400	2,400	2,500
Upstream transport and distribution (4)	5,400	5,000	4,600
Waste generated in operations (5)	1,800	1,600	1,400
Business travel (6)	300	100	200
Employee commuting (7)	700	700	700
Downstream transport and distribution (9)	1,100	1,100	1,100
Processing of sold products (10)	21,300	24,700	26,300
<b>Total scope 3</b>	<b>649,400</b>	<b>634,400</b>	<b>625,400</b>
<b>Total scope 1, 2 and 3</b>	<b>650,800</b>	<b>635,500</b>	<b>626,300</b>

For information on the calculation of our carbon footprint, see page 45.

<sup>1</sup> Emissions from company cars and business travel in 2020 are based on 2019 data to correct for the effects of Covid-19.

<sup>2</sup> Rounded to the nearest 100 tonnes. Discrepancies in totals may occur due to rounding.

<sup>3</sup> The numbers in brackets indicate the category within scope 3 of the Greenhouse Gas Protocol. Categories 8, 11, 12, 13, 14 and 15 are not relevant for Skånemejerier.

### Water and sanitation in our dairies (page 30)

#### Water consumption<sup>1</sup>

	2020	2021	2022
Surface water, m <sup>3</sup>	778,360	787,710	829,820
Groundwater, m <sup>3</sup>	357,600	356,580	382,380
<b>Total, m<sup>3</sup></b>	<b>1,133,240</b>	<b>1,144,290</b>	<b>1,212,200</b>

<sup>1</sup> The water used is municipal water or from the company's own water source.

#### Effluent discharge 2022

Facility	Sewage volume (m <sup>3</sup> )	Recipient	BOD7 <sup>1</sup> tonne	Purification method
Malmö Mejeri	733,200	Municipal wastewater treatment plant	1,350	Flotation <sup>2</sup>
Kristianstads Mejeri	411,400	Municipal wastewater treatment plant	310	pH equalisation
Hjördnära Mejeri	45,600	Municipal wastewater treatment plant	19	Flotation and bio-stage <sup>3</sup>
Kristianstads Ostförädling	9,800	Municipal wastewater treatment plant	0	–
<b>Total</b>	<b>1,200,000</b>	<b>–</b>	<b>1,680</b>	

<sup>1</sup> BOD7 (Biochemical Oxygen Demand) is a measure of how much soluble oxygen is needed for microorganisms to break down organic matter in water over seven days.

<sup>2</sup> Flotation is chemical purification where grease, etc. is removed to form a sludge.

<sup>3</sup> Biostage is the decomposition of organic matter with the addition of oxygen and bacteria; pH equalisation is a step to neutralise the effluent.

All wastewater discharges pass through a municipal treatment stage to a recipient before reaching the receiving waters. In 2022, there was no effluent discharge to surface water, groundwater or seawater. No discharges occur in areas with water shortages. Discharges were made to third-party water for a total of 1,200 ML, of which none was made to fresh water. All emission data has been analysed by an accredited laboratory using current ISO methods. Volumes of wastewater are registered daily through sewage meters or estimated through the fresh water volume where there are no sewage meters.











## SUSTAINABLE RELATIONSHIPS

### Skånemejerier as a workplace (page 37)

Form of employment	Women	Men	Total	Proportion as %
Permanent	180	510	690	96 %
Fixed-term	12	15	27	4 %
<b>Total</b>	<b>192</b>	<b>525</b>	<b>717</b>	
Full-time	180	476	656	91 %
Part-time	12	49	61	9 %
<b>Total</b>	<b>192</b>	<b>525</b>	<b>717</b>	

Age and gender distribution	Women	Men	Total
<b>Members of the Board</b>			
–29	0	0	0
30–49	0	2	2
50–	1	2	3
<b>Total</b>	<b>1</b>	<b>4</b>	<b>5</b>
<b>Managers</b>			
–29	1	1	2
30–49	18	44	62
50–	8	25	33
<b>Total</b>	<b>27</b>	<b>70</b>	<b>97</b>
<b>Employees (not represented at board, senior management or executive level)</b>			
–29	21	79	100
30–49	96	234	330
50–	47	140	187
<b>Total</b>	<b>164</b>	<b>453</b>	<b>620</b>

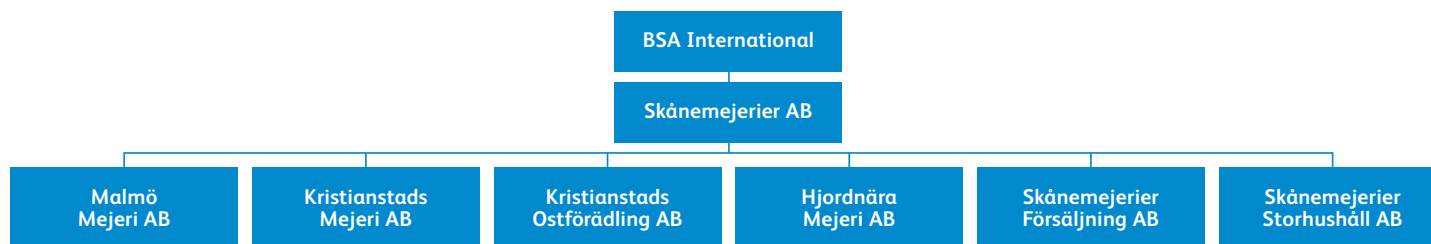
# CONTRIBUTION TO THE GLOBAL SUSTAINABILITY GOALS

Global Sustainability Goal (SDG)	Description of the goal	Interim goal	Skånemejerier's contribution to the interim goal
<b>2.</b> <b>No hunger</b> 	Eliminate hunger, achieve food security and improved nutrition, and promote sustainable agriculture.	2.4 Achieve sustainable food production systems and introduce resilient agricultural practices that increase productivity and production. This contributes to maintaining ecosystems, strengthening their ability to adapt to climate change and gradually improving land and soil quality.	An increased population requires us to use the earth's resources responsibly. Sweden is a natural dairy country with access to land, open landscapes, biodiversity, good animal husbandry, efficient production and skilled agriculturists. The dairy industry and its working methods should contribute to development and food security in a sustainable way.
<b>3.</b> <b>Good health and well-being</b> 	Ensure healthy lives and promote well-being for everyone at all stages of life.	3.4 By 2030, use prevention and treatment to reduce premature deaths from non-communicable diseases by one third and promote mental health and well-being.	Skånemejerier wants to contribute to the good health of all people. Milk is a naturally nutrient-dense food that contains 18 of the 22 nutrients the body needs. Low-fat dairy products also help reduce the risk of several diseases, including high blood pressure, stroke and type 2 diabetes <sup>1</sup> . Our involvement in various sporting events aims to inspire children and adults to pursue an active lifestyle.
<b>6.</b> <b>Clean water and sanitation for everyone</b> 	Ensure access to sustainable water and sanitation management for everyone.	6.3 By 2030, improve water quality by reducing pollution, stopping dumping and minimising emissions of hazardous chemicals and materials, halving the proportion of untreated waste water and significantly increasing recycling and safe reuse globally.	We invest in water treatment, measurements and monitoring of emissions. We manufacture our products according to the best possible methods and technologies.
<b>8.</b> <b>Decent working conditions and economic growth</b> 	Promote lasting, inclusive and sustainable economic growth, full and productive employment with decent working conditions for everyone.	8.5 Achieve full and productive employment by 2030 with decent working conditions for all men and women, including young people and people with disabilities, as well as equal pay for equal work.	Our Code of Conduct and Diversity Policy should protect workers' rights and improve the working environment for all employees. We want to ensure equal treatment of men and women, and achieve greater economic productivity through diversity, technological development, education and innovation. Our role in society should be reflected in our organisation and the partnerships we initiate must lead to sustainable growth.
<b>9.</b> <b>Sustainable industry, innovation and infrastructure</b> 	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	9.4 Upgrade the infrastructure and adapt the industry by 2030 to make both of them sustainable, with more efficient use of resources and more clean and environmentally friendly technologies and industrial processes. All countries take action in accordance with their respective circumstances.	Focus on the best possible technology. Work towards renewable fuel for transport, energy supply (biofuel, green electricity). Reduce raw material waste; reuse product and feedstock.
<b>12.</b> <b>Sustainable consumption and production</b> 	Ensure sustainable consumption and production patterns.	12.2 Achieve sustainable management and efficient use of natural resources by 2030. 12.3 Halve global food waste per person at the retail and consumer level by 2030 and reduce food waste along the entire food chain, including post-harvest losses. 12.5 Work to significantly reduce waste through prevention, reduction, reuse and recycling. The responsibility ranges from resource management and waste management to production and consumption.	We work to be resource-efficient in our operations, for example by measuring, monitoring and optimising processes. We endeavour to reduce food waste in our production, in stores and at the consumer level. We work closely with suppliers, customers and consumers to prevent waste associated with both our production and our products.
<b>13.</b> <b>Combat climate change</b> 	Take direct and indirect action to combat climate change and its consequences.	13.3 Increase knowledge and capacity to tackle climate change through improved education, awareness and human and institutional capacity as regards climate change mitigation, climate adaptation, reduction of the consequences of climate change, and sounding an early warning.	We invest in green energy, efficient logistics chains, fossil-free fuels and supply agreements. We monitor the improvement work on the farm and train employees to ensure control over environmental aspects in relation to carbon dioxide emissions.
<b>14.</b> <b>Sea and marine resources</b> 	Preserve and use the seas and marine resources in a sustainable way in order to achieve sustainable development.	14.1 By 2025, prevent and significantly reduce all types of marine pollution, in particular from land-based activities, including marine litter and nutrient supply.	We ensure control of plant nutrient balances, water use and chemical management at our milk suppliers to set high standards and achieve sustainable agriculture.
<b>15.</b> <b>Ecosystems and biodiversity</b> 	Protect, restore and promote the sustainable exploitation of land-based ecosystems, farm forests sustainably, halt and reverse land degradation and halt biodiversity loss.	15.5 Protect biodiversity and natural habitats. Take immediate and significant measures to reduce the destruction of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of endangered species.	Grazing animals on open grasslands are important for promoting biodiversity. Ecosystem services and biodiversity are important for sustainable development and natural pastures are one of the most species-rich environments in the Swedish agricultural landscape. We use FSC certified wood raw material in our packaging to contribute to sustainable forestry.
<b>17.</b> <b>Implementation and global partnership</b> 	Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.	17.16 Strengthen the Global Partnership for Sustainable Development and complement it with multi-party partnerships mobilising and exchanging knowledge, expertise, technology and financial resources to contribute to the sustainable development goals in all countries, especially developing countries.	Achieving the SDGs requires a common sustainability agenda with partnerships between government, private organisations, NGOs, universities and society. Skånemejerier is part of several collaborations and groups within the industry where members exchange knowledge and seek synergies to strengthen the implementation of the SDGs.

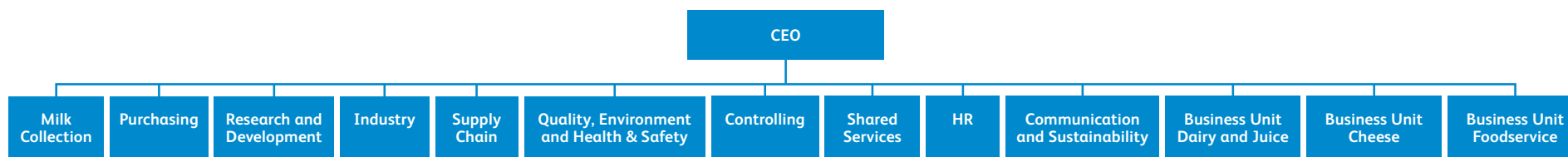
<sup>1</sup><https://www.livsmedelsverket.se/matvanor-halsa--miljo/kostrad/rad-om-bra-mat-hitta-ditt-satt/mejeriprodukter---rad>

# OVERVIEW ORGANISATION AND PRODUCTION

## ORGANISATION LEGAL ENTITIES



## ORGANISATION



## SKÅNEMEJERIER'S BUSINESS PARTNERS LINKED TO THE VALUE CHAIN AND OUR PRODUCTS

Product group	Product group supplier (type and quantity)	Production	Type of product/raw material/service
Finished products	14 contract manufacturers of products Suppliers of the Lactalis Group	Scandinavia, Central Europe, Eastern Europe	Fruit juice, smoothie, yoghurt, cheese, cream, butter, other dairy products
Milk	296 Swedish dairy farms	Sweden	Yoghurt, cheese, cream, milk
Other goods and services	1377 suppliers, producers and service companies	Scandinavia, Central Europe, Eastern Europe, South Asia, Brazil	Packaging, ingredients, machinery, maintenance, premises, fuel, energy, water, cleaning, transportation, etc.

# AUDITOR'S OPINION

## THE AUDITOR'S OPINION ON THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of Skånemejerier AB, org.no. 556820-8317.

### MISSION AND RESPONSIBILITIES

The Board of Directors is responsible for the sustainability report for 2022 in this document and for its drafting in accordance with the Annual Accounts Act.

### FOCUS AND SCOPE OF THE REVIEW

Our review has been carried out in accordance with FAR's recommendation RevR 12 The auditor's opinion on the statutory sustainability report. This means that our review of the sustainability report has a different focus and a significantly smaller scope compared with the focus and scope of an audit according to International Standards on Auditing and generally accepted auditing practice in Sweden. We believe that this review provides us with sufficient basis for our opinion.

### OPINION

A sustainability report has been prepared.

Malmö, 12 May 2023  
Ernst & Young

Martin Henriksson, Authorised Public Accountant



Skånemejerier

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