Midsona AB - Climate Change 2021

C0. Introduction

C0.1

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

Midsona develops, produces, and manufactures products that help people live a healthier life. The group is a prominent consumer goods company, and we are leading in the Nordic countries within natural and organic products, consumer health and health food, with a vision to become one of the leaders in Europe within health and well-being. The head office (parent company) is in Malmö, Sweden, and the company is divided into three divisions: Midsona Nordic (Division Nordic), Midsona North Europe (Division North Europe) and Midsona South Europe (Division South Europe). Midsona Nordic are operating in Sweden, Norway, Denmark and Finland. Midsona North Europe is operating in Germany, and Midsona South Europe in Spain and France. The South Division (France and Spain) was acquired and became a part of the Midsona group after second half of 2019, which is the base year for our SBT application. The Nordic division stands for 65% of Midsona's business, whereas North Europe and South Europe account for 24% and 11 % respectively. We have no other relevant subsidiaries. Midsona's net sales amounted to SEK 3,709 million in 2020. Midsona is noted on Nasdaq Stockholm, Mid Cap. Midsona focuses on developing and marketing powerful brands for consumer goods to the grocery, pharmacy, health stores, specialized retail and food service sectors. In addition, we produce Private Label for some of our customers. The business builds on a portfolio with Midsona's own brands supplemented with assignments for international brands. The proprietary brands are our backbone and together with client brands, they form a strong and broad portfolio. The share of own brands is 69 %, whereas Licensed brands account for 16 % and Private Label for 15 %. Midsona focus om key brands on key categories, like organic products, health food and consumer health. Organic sales constitute 57% of our product assortment, Health food for 23% and Consumer health 20% in 2020. Strong consumer trends driving the demand for Midsona's products to Plant-based food, Organic food and Convenience. Approximately 80% of our portfolio (share of sales) are plant-based or vegetarian food, less than 20 % are non-food products and about 3% are animal-derived products. 99% of out prioritized food brands are plant-based or vegetarian. Total number of employees: 834 in Sweden, Denmark, Finland, Norway, Germany, France and Spain (2020).

C0.2

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

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Denmark
Finland
France
Germany
Norway
Spain
Sweden

C0.4

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

SEK

C0.5

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

Operational control

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

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

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

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

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

Row 1

Primary reason

Do not own/manage land

Please explain

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

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

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

Row 1

Primary reason

Outside the direct operations of my organization

Please explain

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

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

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

Agricultural commodity
Rice

% of revenue dependent on this agricultural commodity
Less than 10%

Produced or sourced
Sourced

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

Agricultural commodity
Soy

% of revenue dependent on this agricultural commodity
Less than 10%

Produced or sourced
Sourced

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

Agricultural commodity
Wheat

% of revenue dependent on this agricultural commodity
Less than 10%

Produced or sourced
Sourced

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

Agricultural commodity
Timber

% of revenue dependent on this agricultural commodity
More than 80%

Produced or sourced
Sourced

Please explain
A majority of our products use paper packaging to some degree (both traded and own production). Additionally, we use cardboard for storing and transportation. As such, more than 80 % of our revenue can be said to be dependent on paper/timber. In 2020, 79 % of Midsona's purchased paper packaging material was Forest Stewardship Council (FSC) certified.

C1. Governance

C1.1

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

C1.1a

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

Position of individual(s)	Please explain
Board Chair	Midsona's Board initiated a more intensified and comprehensive sustainability approach in 2016 and has declared this to be top priority at Midsona. Midsona's Sustainability Strategy, including our climate strategy, is closely related to our mission, and anchored with the Board Chair and Board of Directors. Midsona's mission is to help people live a healthier life, and the foundation of Midsona's business rests on a passion for healthy food combined with sustainable operations and consumption. It is important for Midsona to be valued not only on the basis of our financial results, but also on our work with ESG and climate. Sustainability has been important to Midsona for many years, and it is also very important to our stakeholders. Therefore, our overall work with sustainability, including targets and progress, are integrated into our financial targets, and sustainability and profitability coincide. Midsona's board, and hence the Board Chair, has the overall responsibility to ensure that Midsona works with a realistic agenda for sustainable development and has provided Group management through Midsona's Sustainability Steering Group, to conduct a cohesive sustainability operation to ''ensure Midsona to be best-in-class in our sector in the field of sustainability''. To create and maintain functioning internal governance, the Board adopted several policies and other steering documents that serve as guidelines for our operations. In 2019, Midsona's internal management processes were further strengthened, and a more functional structure was established. An example of a climate-related decision made by the Board Chair is the Boards strategic decision to further develop our sustainability work, by introducing our nine sustainability targets from 2020, as a measure to reduce our biggest sustainability and climate risks, and to further enhance our focus towards a more social- and climate beneficial product portfolio and company. Incorporated into these targets is Midsona's climate change strategy in which Midsona has committed to reduce emissions in line with SBTi's criteria for emission reduction to well below 2 degrees. Additionally, we are strengthening our climate-related work and reporting in line with CDP and TCFD.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	Reviewing and guide strategy & and major plans of action: Midsona's Sustainability Strategy and major plans for action, including our climate change strategy, are closely related to our mission and reviewed and anchored at the Board Chair and Board of Directors. Midsona's Board took the initiative and guiding to a more intensified and cohesive sustainability approach in 2016, and has declared this work to be of the highest priority. Midsona's Board of Directors bears the overall responsibility for Midsona's overall sustainability action plan and that Midsona is working with a realistic agenda for sustainable development. The board has given the group management through Midsona's Sustainability Steering Group in assignment to conduct cohesive sustainability operations, including climate issues to ensure Midsona to be best-in-class within our sector in the field of sustainability. Midsona do so by continuously contributing to a sustainable society and to provide our customers and consumers with sustainable products by having control over our biggest sustainability and climate risks, scenarios and corresponding risk management, targets and action plan. Review and guide risk management policies: Sustainability is an integrated and transparent part of our operations and sustainability risks are managed in the same way as other company risks. Approval of the Groups Risk Policy, and handling of risk within Midsona is governed on an overall level by the Board of Directors annually. This sets priorities for targets and action, which are followed up by the Board. After approval of recommendations, risks and actions are included in all Strategy and Business planning. Review, guide, monitoring annual budgets, business plans including performance objectives, targets etc: Follow-up of sustainability risks & opportunities, business action plans, targets, performance objectives and activities done, as well as the sustainability budget, is carried out by the Sustainability Group. The progress and results, as well as budget issues, are reported to the Steering Group quarterly and to the Board regularly by the CEO, at least 1-2 times a year. The Board is particularly interested in monitoring and overseeing implementation and progress against goals and targets for addressing sustainability and climate-related issues. The Group's efforts and progress in sustainability work is also addressed and discussed in annual sustainability report which is reviewed and commented by the Board. An example of how the Board reviews and guides strategy and major plans of action is the Boards strategic decision to further develop Midsona's sustainability work by introducing our nine sustainability targets from 2020, as a measure to reduce our biggest sustainability and climate. Incorporated into these targets is Midsona's climate change strategy in which Midsona has committed to reduce emissions in line with SBTi's criteria for emission reduction to well below 2 degrees.

C1.2

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

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

C1.2a

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

The CEO reports to Midsona's Board and is the highest manager position with responsibility for climate-related issues. He sits on the Sustainability Steering Group, and reports directly to the Board. Based on approved decisions from the Sustainability Steering Group, the CEO reports results to the Board regularly (1-2 times a year), and all important decisions are approved by the Board before the sustainability work within Midsona is conducted cross-functionally through a Sustainability group.

The CFO reports to CEO, and has the overall responsibility and overview of Midsona's risks including climate related risks. The clear risk criteria are defined in the Group Management System which includes policies, procedures, and instructions for risk management. Sustainability risks, including climate related issues, are an integrated part of all corporate risk assessment. The assessment describes Midsona's definition of substantive financial or strategic impact on our business, including climate change impact. CFO reports Midsona's risk assessment including climate-related issues once a year to the Board of Directors.

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

The COO (titled in Midsona as Director Operations Group) has the overall responsibility for Midsona's operations including sustainability and climate related issues, and reports the status of sustainability and climate related issues to CEO in regular meetings. COO is also part of the Sustainability Steering Group, where climate issues are discussed quarterly.

The CSO (titled in Midsona as Director Sustainability Group) is overall responsible for Midsona's sustainability (including climate) work and reports to the COO on the status of sustainability and climate related issues in weekly meetings. The CSO is part of the Sustainability Steering Group, where sustainability and climate issues are discussed, and reports to the Sustainability Steering Group quarterly, and also reports the outcome and approved decisions from Steering Group quarterly to the rest of the Group Management team (i.e.: Division Directors North Europe and South Europe).

CLO (titled in Midsona as Legal Director) is responsible for Group's risk analysis and Group Governance including Sustainability and reports to CEO and is part of the Sustainability Steering Group.

Division Director Nordic reports to CEO and is part of the Sustainability Steering Group.

Sustainability committee/ Midsona's Sustainability Steering Group has quarterly sustainability forums, where sustainability (including climate), strategy and strategic plans, actions, targets, projects, progress and reports are on the agenda and discussed. The sustainability steering group consists of Chief Executive Officer (CEO), Director Operations Group (COO), Director Sustainability Group (CSO), Director Legal (CLO), Division Director Nordics (the largest division). Important sustainability related issues from these meetings are further reported by the CEO to the Board regularly and also when important matters arise.

Steering /Governance from group leadership to division level and workstreams, Sustainability Group:

Based on approved decisions from the Steering Group, the Sustainability work within Midsona is then conducted cross-functionally through a Sustainability Group under the leadership of CSO. The group consists of a Sustainability Controller who is responsible for validating and synchronizing sustainability data, Group Sustainability Specialists in Environment/ Climate & Social/ Suppliers and division-related Sustainability Coordinators. The Coordinators function as an intermediary between the divisional work / execution within the workstream, and the Midsona Sustainability Group.

Sustainability in divisional context: The divisions have own responsible (workstreams with workstream leaders) for the progress of targets. The various sustainability measures are implemented in our routines and processes, and the workstreams are responsible for the multiplication of contents, the implementation of activities and the integration of sustainability in daily business operations. The Division Director is responsible for the overall divisional progress together with the Coordinator.

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

C1.3

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

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

C1.3a

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

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

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

C2. Risks and opportunities

C2.1

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

Yes

C2.1a

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

	From (years)	To (years)	Comment
Short-term	0	3	As part of our risk- and budget process the managers assess risks with a 1–3-year perspective. The overall risk review is conducted by the group's financial department responsible for overall risk management in Midsona. The Audit Committee - which is included in Midsona's risk management - then conducts annual review and advises on identified risks. In accordance with Midsona's Risk Policy, a register is created over which risks are prioritised for action, which are to be monitored and which are not essential and performs a review of the risk picture including sustainability risks. The register should simplify the concretisation, measurement and follow-up of goals, risks and yearly action plans. The description of climate-related risks is reviewed and evaluated more than once a year (two times a year for evaluating strategy, annual report and CDP). CLO and CFO presents their analysis and their recommendations on how to handle the risks to the Board of Directors. After approval of recommendations, risks are included in all Strategy and Business planning.
Medium-term	3	10	As part of our financial risk process the managers perform a review of the risk picture with a short-, medium- and long-term perspective. We run business planning in 1 and 2-3 years, where the short term is 1-3 years, medium term <5 years and long term >5 years. To adequately report on sustainability-related matters, we are also conducting the mapping for short term, medium term, and long term, but where medium term for sustainability risks means 3- 10 years and long term 10-30. Those results are also included in the yearly overall risk review.
Long-term	10	30	Our risk and measures/incentives for climate change are consistent with the long-term goal of reaching net-zero emissions in the 2nd half of century (2045), and in addition short (0-3), medium (3-10) to long-term action timeframe to enable accountability (10 - 15+ years). Our targets (and accordingly our biggest risks) in this respect are assessed and considered long term (15 year) with important SBTi approved targets for us to reach by 2034, but in order to manage/enable accountability we must have short-term actions where we adjust the direction every year since the forces and conditions can change.

C2.1b

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

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

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

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

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

C2.2

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

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Midsona's sustainability risk assessment work is based on Midsona's Risk Policy and is included in Midsona's overall risk management. Midsona has identified four risk areas: Business, Market, Financial and Sustainability. Our Sustainability risks are closely linked to our SDG mapping. Handling of risk within Midsona is governed on an overall level by the Board of Directors. 1. By looking at Midsona's KPI's up against the various SDG measurement points and their sub-points, risks are identified, mapped, and integrated, often together with suggestions of most relevant efforts and solutions, in a Description of Risk. This work is normally carried out in working groups. 2. The Description of Risk is reviewed and evaluated more than once a year by Midsona's Sustainability Group and other executive functions together with the departments and divisions involved. 3. If the analysis concludes that the Description really is a risk, it is evaluated as to probability and impact on Midsona. 4. The Audit Committee – Supervising annually on identified risks. 5. In accordance with Midsona's Risk Policy, a register is created over which risks are prioritised for action, which are to be monitored and which are not essential. The register should simplify the concretisation, measurement and follow-up of goals, risks and action plans. 6. CFO and CLO presents their analysis and their recommendations on how to handle the risks to the Board of Directors. 7. After approval of recommendations, risks are included in all Strategy and Business planning 8. Follow-up of actions and activities done for sustainability risks are carried out by the Sustainability Group. Further description of Midsona's Task Force on Climate-related Financial Disclosures (TCFD) processes for identifying and assessing and responding to environmental and climate-related risks: Midsona has adopted the Task Force on Climate-related Financial Disclosures' (TCFD's) processes for identifying, assessing and responding to environmental and climate-related risks & opportunities. This process was initiated with a company-wide workshop including representatives from all business divisions (Nordic, North/South) and all levels of the company, to identify our main climate-related risks and opportunities, and define a substantive financial or strategic impact on our business. Guided by third party climate expertise, we provided an overview of the climate-related risks and opportunities that were identified during TCFD-workshops. We facilitated the workshop on financial expectations in an increasingly sustainability-focused economic and social structure. Specifically, the workshop delved into the recommendations laid out by TCFD on climate-related risks and opportunity disclosure. Then, we provided additional details on the risks identified with the potential to have a substantive financial or strategic impact on Midsona's business. Based on this, we identified areas with low, medium or high to very high financial and strategic risks for Midsona. This constitutes an overview of the risks that are very likely to give Midsona a large percentage loss or increased cost in the form of substantial financial impact or strategic impact to be used directly in our strategic financial planning. The findings and information from the workshop have then been analyzed further with company specific information, such as examples and potential financial consequences, and then assessed according to the below criteria: • Risk type & primary climate-related risk driver • Where in the value chain does the risk driver occur • Primary potential financial impact • Time horizon • Probability/ Likelihood • Magnitude of impact (consequence) • Potential financial impact • Cost of response Based on finalized risk assessments we have been analysing our possibility to our respond to the identified risks to reduce its impact and set up corresponding risk management which is also closely linked to our opportunities. A case study demonstrating how the identified process was used to identify, assess and manage a physical climate-related risk is illustrated by our management of supply chain risks from the sourcing of rice. One of Midsona's most important raw materials is rice. A broad range of Midsona's products include rice, and we expect that close to 10 % of our revenue comes from products with rice as an ingredient (both traded goods and own production). As such, rice has been identified as a strategic raw material for Midsona. Additionally, rice is sourced from areas in Asia that are especially prone to chronic drought and water stress. Rice has therefore been identified by Midsona's Sustainability Group and the relevant purchasing departments as a high-risk raw material, as it has been assessed to be very likely in the short term that the costs and access to rice will be impacted by changes in the climate. Therefore, mitigation for raw material risk was discussed and approved by the Sustainability Steering Group and the Board. In 2020, we started a collaboration with one of Midsona's strategic suppliers of rice with approximately 470 smallholder farmers in the Kotwa area of Uttar Pradesh, India. The products grown are mainly basmati and long-grain rice. Rice production consumes large quantities of water, and this is an area of considerable water risk. The project aims to achieve a production process with significantly reduced water consumption, while at the same time ensuring better living conditions for small farmers. A case study demonstrating how we manage transition risks and opportunities is illustrated in our actions to mitigate the risk of exposure to increased fossil fuel taxations. We are continuously monitoring the development of regulation on CO2 prices and taxation. For example, Norway has one of the highest taxes in the countries where we operate. In Norway fuel oil is subject to a basic tax in addition to the CO2 tax, giving a total tax rate of about SEK 1 119 per tonne CO2. Newly introduced increase in CO2 tax in countries like Norway and the Netherlands indicated a new trend in Europe to seek to significantly increase its tax on carbon dioxide in the short to medium term where the increase in CO2 tax is applicable to sectors both covered and not covered by EU ETS. Increased taxes on fossil fuels will have a direct impact on the cost of transportation and production. Midsona expects as likely in short to medium term that taxes on fossil-fuel energy sources and carbon taxes on fossil fuels to increase. We have decided to mitigate the risk of exposure to fossil fuel taxations by having a strict target of reaching 100 % fossil free self-contracted transport by 2030. This is a measure developed by the Sustainability Group and approved by the Steering Group and the Board, that seeks to mitigate the harm of high emissions while at the same time reaping the benefits of reducing fuel costs and gaining positive reputational benefits.

C2.2a

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

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Compliance with existing regulation is a requirement in all our direct and indirect operations for all business divisions. This includes regional, national, and international legislation concerning sourcing of raw materials, material usage, production, product labelling, waste management, reporting requirements and CO2 taxation. Risks from change in current regulations are included as part of our interdisciplinary risk assessment and are continuously monitored by Midsona. As an example, Midsona expects as likely that current taxes on fossil-fuel energy sources and carbon taxes on fossil fuels to increase. In all the countries Midsona operates in, we have already a minimum tax for fossil fuel based on EU regulation, and in some countries the tax is already a significant part of the fuel price. Increased taxes on fossil fuels will have a direct impact on the cost of transportation and production and will have a substantive impact on our business. In addition, taxation on use of plastics and changes in national manufacturer's liability systems are raising the costs of handling used packaging in all countries we operate, and we expect this to increase even more. As an example, FTI in Sweden have increased costs for processing consumer packaging more than 200 % over the last years and have today higher tax for non-recyclable plastic. We expect as very likely in short to medium-term that the costs of non-recyclable packaging and handling used packaging will increase as part of the European Strategy for Plastic in a Circular Economy. If such an extra cost is introduced, we assume the magnitude of financial impact will be medium for Midsona with primary potential financial impact on increased indirect (operating) costs. Another example that can have a substantive impact on Midsona's business is if the consumer goods sector in the future will be included in the ongoing European Union Emission Trading Scheme (EU ETS). Today, food production and other consumer goods are not included. As a result, we expect no increased operational cost based on the scheme in the short term, but some countries have already introduced a future increase in CO2 tax applicable to sectors both covered and not covered by EU ETS. To mitigate this risk, Midsona is following all regulations and possible changes to get valuable insight into those risks resulting in more informed decision-making and strategic and financial planning.

	Relevance & inclusion	Please explain
Emerging regulation	Relevant, always included	Emerging regulations is included as a part of our interdisciplinary risk process and is continuously monitored by Midsona. This includes the mapping of emerging regulations related to product quality and safety, product labelling, claims and communication, carbon pricing, environmental fees and other regulations related to our products and services, reporting and corporate governance. As example, Midsona's largest emission sources are raw materials, transportation, and packaging. A new introduced carbon pricing is likely to increase costs related to these areas substantially, and hence this is a risk to Midsona. New mandates on and regulation of existing products and services may also impact Midsona's ''sustainable'' profile. Midsona is a company with deeply rooted sustainability focus, and our stakeholders and consumers have increased focus on sustainable products and climate impact. Midsona's large share of organic products is based on our mission and values with focus on environmental and climate impacts of the product portfolio. As of today, there is no standard that distinguishes greenhouse gas emissions for organic versus conventional food production. We expect that organic in the future will be considered to provide less emissions than conventional, with significant sales increase. Only if the regulation goes in another direction, which is very unlikely, this will be a risk. Another example is a potential introduction of mandatory climate product declarations, which may directly impact Midsona's cost significantly. As of today, the methodology for emission calculations is currently not sufficiently developed to be able to assign LCA for individual products from specific suppliers and there is no accurate generic data base for emission factors, and thus, no opportunity to calculate emissions of a lot of different products. This is because the emissions per product will vary based on, among other things, country of origin of the raw material, the energy mix that has been included in the production, transport mode etc. Even with the same supplier of a product, these factors can vary from year to year. We expect new developed methodology will be required. To mitigate this risk, Midsona have committed to an ambitious science-based emissions reduction target to reduce Scope 1, 2 and 3 emissions by 38 % by 2034. It is also important for Midsona to continuously follow up on the development of EU regulation.
Technology	Relevant, always included	Risks associated with technological development and the introduction of new technology are included as part of our interdisciplinary risk assessment and are continuously monitored. Advancements and innovations in technology are likely to accelerate in the short- to medium term, continuously challenging our operations, especially with considerations to emissions reductions. If Midsona fail to stay on top of these innovations, there is a risk that reputation is impacted negatively, and that market share is lost as a consequence. Moreover, it may induce higher costs due to carbon prices. Conversely, there is a risk that the expected technological advancements expected from society at large in order to achieve the emission reductions needed to limit global warming to well be below 2 degrees, do not escalate as expected, and hence prevent Midsona from reaching our internal and external targets for climate reduction. Technological development is especially important to Midsona within transport, production, and packaging. As an example, the development of what is sustainable fuel and the transporters approach to fossil-free fuel is changing rapidly, and thus this area also needs regular updating. New technology and definitions may also force Midsona to change its current choice of renewable energy. At present, there are a limited number of opportunities of suppliers offering solutions for fossil-free freight transport. The ongoing pandemic also affected the supply of Hydrogenated Vegetable Oil. Already today we see that the transition to fossil-free fuel is challenging and increases our transport prices significantly. To mitigate this risk, all Midsona's transport suppliers will have to report greenhouse gas emissions according to the European standard EN-16258's "Well to wheel". Midsona also faces financial risks regarding investments in unsuccessful technologies on the path to a low carbon economy. For example, Midsona is constantly searching for ways to reduce their impact from products and packaging, while at the same time maintaining product quality. As an example, our change to packaging with reseal-ability to reduce food waste turned out to increase the amount of plastic and decrease the possibility to use recyclable plastics, thus having a more negative effect on the climate. This is an example of how large investments can be made in technology adaptations that do not have the desired effect on a low carbon transition as expected.
Legal	Relevant, always included	Legal risks are included as a part of our interdisciplinary risk process, and we continuously monitor and assess all legal risks for Midsona. Compliance to national and international legislation is a requirement in all our direct and indirect operations for all business divisions. Risks related to litigation claims associated with distribution- and customer agreements, products and product safety can potentially have substantial financial impact, in addition to having a negative impact on Midsona's reputation. Increased environmental- and climate demands in distribution- and customer agreements may make Midsona vulnerable to lawsuits. As an example, one of Midsona's customers introduced new terms in an updated contract 2020 in an entire appendix with requirements towards direct and indirect environmental impact throughout the value chain, requesting ambitious control of suppliers and sub-suppliers. Midsona has a system to follow up our suppliers, but there is always a risk to fail to constantly include new upcoming customer requirements and that some sub-suppliers are not included in these assessments. This is a comprehensive job, and suppliers are evaluated at one to three-year intervals to ensure that they meet their set targets. It is necessary with complete control of the supply chain to mitigate these risks, but even though Midsona conducts comprehensive control and risk analysis of our suppliers by our SCOC and supplier self-assessment tool, it is a challenge due to the size and complexity of Midsona's value chain. In addition, agreements and contracts with Midsona's customers have different climate -related terms and conditions and even if they are updated yearly, core agreements are often older. This means that agreements signed historically may include climate-related terms and conditions which have been signed a long time ago. All this increases the complexity of what Midsona has to fulfil. Breaches of such agreements can potentially have large financial impacts on Midsona. To mitigate this risk, Midsona has focused on transparency and maps our stakeholders' requirements regularly to include these requirements in a systematic manner from the contracts in ESG SSA in Kodiak. Both our SEDEX membership in the North division and System Frugts BSCI membership tools give access to relevant supplier data and additional structured information.
Market	Relevant, always included	Market uncertainty is included as a part of our interdisciplinary risk process and is continuously monitored. Midsona is vulnerable to changing market preferences, and as consumers become increasingly aware of the environmental footprint of their purchases, demand is likely to shift to low-emission goods like vegetarian and vegan alternatives. Especially the younger generation are increasingly conscious in their consumption, and it is crucial for Midsona to adapt to their preferences to avoid the risk of losing future market share. This could potentially be a substantive financial risk for Midsona in the medium- to long term perspective. As an example, today there is no common EU standard for what is defined as a sustainable product. There is a risk that a lack of common standard for climate- and sustainable labelling can mislead and confuse customers. Efforts are currently in progress to find common standards for what are considered to be sustainable products. Midsona is careful to assess the European Commission's guidelines and welcomes all forms of sector interaction in this area. Midsona monitors developments regarding nutrition claims and sustainable product declarations and strives to provide consumers with the best possible ways of identifying our sustainable products. Although we are constantly working for more sustainable products, there is a risk that new requirements can change the consumer behavior in new directions and alter competition. Midsona must be prepared to capture such changes in time or when new trends arise. Consumer behavior and trends are considered risks with a high effect within Midsona and especially if this affects our priority brands, as these account for 50 % of total sales. To mitigate this risk, Midsona work hard to increase the assortment of healthy and sustainability products through our innovation and product assortment process to fulfil each brand's sustainability plans. In addition, we have two targets for more sustainable product, to increase plant-based/ vegetarian products and recyclable consumer packaging. We are proud that two of our largest brands, Urtekram and Kung Markatta, have been identified as one of Denmark and Sweden's most sustainable brands by Sustainable Brand Index. Kung Markatta has also won an award as Sweden's greenest brand by Differ.
Reputation	Relevant, always included	Reputational risks are included as a part of our interdisciplinary risk process and are continuously monitored. Midsona's customers, business partners, investors and consumers associate our business and brands with positive and sustainable values, where both a good reputation and credibility are vital to our business value and sales success. As such, reputation is a central risk for Midsona. Any actions undertaken that damages the environment or climate may damage our reputation. For example, lack of cooperation and close dialogue with all our stakeholders may lead to central loss of understanding of common needs and desires to drive our business in the same direction towards a low-carbon society. In addition, inadequate climate reporting may lead to a gap between what Midsona stands for and what our stakeholders are informed about as a sustainable company, significantly reducing our business values and hinder our opportunities and development towards a more sustainable future. There are cost uncertainties related to an increasing number of climate-related reporting requirements that need to be fulfilled, both increased regulatory requirements based on regulations, customer and investor related. E.g.: EU Taxonomy, CDP reporting, Transparency, Verifications of climate data etc. If Midsona cannot fulfil these requirements, they may lose competitiveness in the eyes of investors, customers, and other material stakeholders. The risk assessments are estimated to be in line with the risk assessment for the Market since climate data for purchased goods and services has the biggest impact both for cost and resource use compared to other categories. To mitigate this risks, Midsona works with a climate change strategy that focuses on both climate- risk perspectives, namely risk of negative impact from the climate on the company as well as our impact on the climate where we consider our direct operation as well as the whole value chain, both upstream in the supply-chain and downstream when assessing the materiality of climate-related risks and information. Most of the targets from 2020 are also set to contribute to reduced greenhouse gas emissions. In addition, we follow a systematic plan to ensure that we follow up all our stakeholders through our stakeholder dialogue overview, and Midsona also works to improve our climate- and sustainability reporting to an even higher level with new SBTs, TCFD-assessment and CDP report based on stakeholder needs.
Acute physical	Relevant, always included	Acute physical risks are included as a part of our interdisciplinary risk process and are continuously monitored in our operational risks. Extreme weather events such as tornadoes, hurricanes, floods and extreme heat or drought can cause disruptions in our supply chain or change the geographical location of our product sourcing, causing unknown operational cost increases and challenging sourcing conditions. For instance, the price of raw materials is largely linked to supply and demand, which is beyond the control of the Group. A majority of the raw materials used in our products are dependent on whether the harvest is good or bad, and thus easily affected by climate disasters which may give increased raw material- and operational cost, and reduced profit which in turn negatively impact commitment to our delivery and the relationship to our customers. For example, the world crop for prunes, both conventional and organic, is very low due to bad weather in many of the main countries supplying this product. Crops seem to be reduced by 50 % compared to a normal year, and prices have increased by 100%. Prunes is one our biggest selling items, so this will have a significant effect on our sales, we might not be able cover our needs, and prices to consumer will also be very high. We might even lose contracts since we cannot get raw material. Production facilities, production equipment, power supply, water supply and other assets for direct operations can also be damaged by extreme weather such as flooding/drought, extreme temperature, fire, power failure or other physical hazards due to environmental and climate changes. The Group maintains eight production facilities in Europe where significant quantities of our own priority brands are produced. Unplanned interruptions to production could cause deliveries to customers being directly affected by significant quantities of our own priority brands, as we keep relatively few days of finished goods in stock. Accordingly, shortcomings in production technology or production disruptions due to external influences constitute a physical risk. Since Midsona's prioritized brands are cornerstones of Midsona's operations and the Group's financial position, significant interruptions of our own production will have significant financial impact. In addition, insufficient insurance protection can cause direct negative effects on the Group's financial position in the event of an injury.
Chronic physical	Relevant, always included	Chronic physical risks are included as a part of our interdisciplinary risk process and are continuously monitored in our operational risks. Climate-related physical changes can disrupt our supply chain or change the geographical location of our product sourcing, causing unknown operational cost increases and challenging sourcing conditions. A majority of raw materials used in Midsona's production sourced outside of EU is sourced from South-East Asia, South America and some part also from Africa which are all areas that are impacted by chronic physical changes such as higher mean temperatures and increased drought. This is likely to have direct impact on the availability of certain raw materials, which in turn is likely to limit supply and hence increase prices. Chronic changes in climate are also likely to impact weather conditions in our home markets, and chronic drought may lead to reduced access to water in certain production sites. Water is a resource that has become increasingly critical and important to protect. All our production sites for food and beauty production require good access to a significant amount of freshwater, and lack of fresh water at our production facilities is a potential risk for Midsona. So far, our facilities have had relatively low water consumption, and Midsona mainly operates in countries with low water stress and where the percentage of the population without access to improved drinking water sources is low. However, our new production site in Spain has a higher water intensity, and division South is also operating in areas where the risk for drought is higher than for the other divisions.

C2.3

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

C2.3a

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

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Chronical changes in precipitation patterns and extreme variability in weather patterns, as well as change in mean temperatures may lead to increased costs for energy supply, give water challenges, as well as decreased availability and increased prices of key raw materials such as critical organic certified agricultural commodities in the upstream supply chain. The same challenges also apply to Midsona´s other environmentally or socially certified raw materials. Some of our most important raw materials are nuts, grains and cereals, dried fruits and berries, rice as well as seeds and kernels. We buy raw materials and finished products mainly from suppliers in Europe, South America and Asia. These areas are more prone to chronic drought, floods or other weather-related changes, and our ability to secure goods even in weather-related conditions can affect our operations and profitability. We assess it to be likely in the short to medium term that the costs and access both of energy, water (in some areas) and some raw materials, especially key certified raw materials, will be affected as part of chronical climate change. However, the weather-related risk with the most significant effect on our financial data, and thus primarily bear the financial impact, is access and cost variations in raw materials. If such an extra cost is introduced we assume the magnitude of financial impact will be medium- high for Midsona with primary potential financial impact being increased direct costs. To secure long term sustainable goods, we work with various raw material- and product certifications to reduce climate , agricultural-, forest- or marine risks such as GMO free, Roundtable on Sustainable Palm Oil, Friends of the sea fish oil as well as certifications like organic, KRAV, Demeter, Fairtrade, ECOCERT, Naturland, vegan etc. By 2025 we have a goal to be 100% free of palm oil in our own brands. In 2020, we started a collaboration with one of Midsona's strategic suppliers of rice with approximately 470 smallholder farmers in the Kotwa area of Uttar Pradesh, India. The products grown are mainly basmati and long-grain rice. Rice production consumes large quantities of water, and this is an area of considerable water risk. The project aims to achieve a production process with significantly reduced water consumption while ensuring better living conditions for small farmers. The collaboration provides us with 100-percent Demeter and Fairtrade-certified raw materials.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
27000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Today, we have an operational direct cost of 2,7 billion SEK. Midsona's rough cost estimate is based on that the cost may increase with approx. 1% due to increased cost of raw material and products based on chronic physical risk. Financial impact is therefore 1% of operational direct cost which gives total 27 000 000 SEK (2,7 billion x 0,01 = 27 million SEK).

Cost of response to risk
6000000

Description of response and explanation of cost calculation
An obvious method to respond to the described risk is to have frequent dialogue with key suppliers on volume-critical products for secured delivery, establish alternative suppliers for delivery critical volume products to reduce dependence, and have more efficient raw material use by common sourcing due to synergies of product assortments between groups brands and companies. An example of a management method is to take responsibility through the entire value chain by cooperating with our suppliers on environment and climate. We do so through our Supplier Code of Conduct (SCOC) and our self-assessment tool in the supplier portal KODIAK, where we can analyse and classify our suppliers based on all our mapped supplier risks including climate risk. Thus, we can set higher climate requirements on the supplier level and improve important processes in the value chain. With new targets from 2020 for 100% classification of our suppliers by 2025, we increase this focus to minimize the supplier risks. Another example of management method is to increase the percentage of environmental related certified raw materials used by Midsona to reduce negative environmental impact. To manage the risk further, we are also in a project with a key supplier of rice to reduce agricultural- and water risk of rice production in India and to reduce water consumption and change to climate-smart agricultural techniques that save CO2. Our cost calculation for responding to this risk is estimated to be 6 million

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

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

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
A big amount of the countries' greenhouse gas emissions in Europe where we operate, are taxed and/or regulated through the emissions trading system (ETS). These apply mainly to emissions from the use of fossil energy sources and different industries, but where the food industry is still excluded. Nevertheless, in all the countries Midsona operates in, we have already a minimum tax for fossil fuel based on EU regulation, and in some countries the tax is already a significant part of the fuel prices and we expect this to increase. For example, Norway has one of the highest taxes in the countries where we operate. In Norway fuel oil is subject to a basic tax in addition to the CO2 tax, giving a total tax rate of about SEK 1 119 per tonne CO2. Newly introduced increase in CO2 tax in countries like Norway and the Netherlands indicated a new trend in Europe to seek to significantly increase its tax on carbon dioxide in the short to medium term where the increase in CO2 tax is applicable to sectors both covered and not covered by EU ETS. Increased taxes on fossil fuels will have a direct impact on the cost of transportation and production. Midsona expects as likely in short to medium term that taxes on fossil-fuel energy sources and carbon taxes on fossil fuels to increase. If such legislation is introduced, which is likely in short to medium term, we assume the magnitude of financial impact will be medium for Midsona with primary potential financial impact on increased indirect (operating) costs. Midsona has a clear overall goal to change our climate impact from transport, both from goods transport and business travels. Since 2019 we have been working with climate reduction incentives from product design to customer transports to reduce emissions. All Nordic transport suppliers report emissions according to European standard EN-16258's "Well to wheel", which facilitates when we follow up climate impact and help us to concretize work towards our company target from 2020 of 100 % fossil-free self-contracted transports until 2030 to reduce climate gas emission. In Nordic we are working to reach this already 2025, where we have signed DLFs Transport initiative 2025. We have reduced the number of transport haulers from 60 to 30, and we work actively to increase the degree of filling of all transports as well as introduce a CO2 reduction system in North division for collection and delivery of goods. This will also directly reduce our cost based on carbon taxes.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
14500000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The estimates financial impact is based on the emissions from our transport in 2019. At this point in time, the majority of our transport was still using fossil fuels (except some intermodal inbound transport and fossil free outbound transport Nordic). Total emissions have been multiplied with a price of 1 tCO2e with one of the highest taxes today, namely 1 119 SEK per tonne of CO2e. Emissions from transport in Midsona 2019 accounted for approx. 12 % of total tCO2e in scope 3. Including the newly acquired division south, this was estimated to account for approx. 13 000 tCO2e. Based on this data the financial impact was estimated to be 13 000 tCO2e x 1119 SEK that gives approx. 14 500 000 SEK (13 000 X 1119 = 14 500 000).

Cost of response to risk
5200000

Description of response and explanation of cost calculation
An obvious method to respond to the described risk is to reduce our transport and consumption of fossil fuel which accounts for most of the transport's CO2 emissions. Example of management is to increase the percentage of fossil free fuel used by our transport, and already today 45% of all incoming transports to Sweden are intermodal solutions as a carbon dioxide efficient transport chain. For outbound transport we have started to change our fuel to fossil free Hydrogenated Vegetable Oil (HVO fuel). As an additional management, we closely follow the development of the regulations and political framework conditions in each market Midsona operates. Direct cost associated with responding to this risk relates mainly to increased investment in more fossil free solutions. This gives a significant extra cost, but is also considered as an important investment in Midsona's long-term corporate strategy to secure sustainable and efficient transport. Cost of response to risk is estimated to be 5,2 million SEK, and has been calculated based on a 5-10 % increase in transportation costs. The number is based on cost of transportation from 2020.

Comment
Midsona's risk of increased carbon taxes on fossil fuels is closely linked to our ability to reach Midsona's transport target from 2020 for 100% fossil free self-contracted

transport by 2030. This means that we consider the assessment of fossil fuel as a risk which can turned into an opportunity based on our ambitions and reality based on technological development. This is therefore also described as opportunity 1 in C 2.4 a) identified with the potential to have a substantive financial or strategic impact on our business.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
EU commission's "Green Deal" may also introduce new climate-related labelling requirements (CO2, ''sustainable''-marking). The EU commission as well as customers and industry organizations are working with documentation on the sustainability impact of a product. Risk for mandatory environmental product declarations, including mandatory climate footprint labelling may directly impact Midsona's cost for products and services as this requires good knowledge and expertise in sustainability and climate impact on raw material and traded goods on article level which is a comprehensive and complex task. Today, the industry uses different tools with standard climate impact for different raw materials and product types and it is still a big limitation for data to map climate impact for all kinds of product types. If such a regulation is introduced which requires mandatory real data for climate mapping this will be very complex and may require verification of the data from third-party with further increased cost. This is likely in the medium term, and we assume the magnitude of financial impact may be up to medium for Midsona with primary potential financial impact on increased direct (operating) costs. Midsona is today using third- party climate expertise and tools for calculating the climate impact related to traded goods and raw materials. We have implemented this tool for our emission mapping for purchased goods and services for submission of scope 3 to Science Based Target Initiatives (SBTi). Midsona has completed a scope 3 inventory of all relevant categories based on GHG protocol. This means a high-level evaluation to estimate the scope 3 emissions categories that are relevant to our company and indicate which ones are expected to be most significant. Midsona's GHG emissions inventory covers all relevant GHG emissions, from all relevant sources and subsidiaries. 7 categories from scope 3 is part of the inventory which include a comprehensive investigation and effort by Midsona, specifically for climate data on raw materials and products. In this tool, for the category "purchased goods and services" we combine real data with industry standards and have got a better understanding of the product's climate impact. These measures can give us an overview of where we have the biggest climate challenges and where we should put out efforts to reduce climate impact.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
3000000

Potential financial impact figure – maximum (currency)
12000000

Explanation of financial impact figure
In our effort to complete a scope 3 inventory for category 1, "Purchased goods and Services" based on the GHG protocol, we faced major challenges with the mapping of the products' climate impact. As of today, the methodology for emission calculations from food is currently not sufficiently developed to be able to assign individual products from specific suppliers an accurate emission based on such generic factors. This is because the emissions per product will vary based on, among other things, the country of origin of the raw material, the energy mix that has been included in the production, transport mode etc. Even with the same supplier of a product, these factors can vary from year to year. In our calculations, we have therefore grouped foods into article categories, and used generic factors based on various LCA analyses from third parties. Nevertheless, this is the industry standard for calculating emissions from food as of today. We expect the methodology to be developed in the future, but for now this is best practice. If the regulation requires mandatory real data for LCA climate mapping for each product, this will be very complex and may also require verification of the data from a third-party. If such a legislation is introduced, we assume the magnitude of financial impact will be unmanageable and relatively too high for the entire food industry and thus very unlikely. Therefore, we expect that those demands will be actual only together with new developed cost-effective methodology. Our cost calculation is estimated to be between 3-12 million SEK, and is based on investment in increase of dedicated employees with climate and data expertise in Midsona's organization, in addition to increased use of third party climate expertise for the greenhouse gas emission calculations for purchased goods and services. We estimate that the department that handles this risk must increase their staff by 2 employees (2 x FTE) at a cost of 1 million per employee (2 x 1 MSEK). In addition, we estimate the cost of 3rd party expertise to be between 1-10 MSEK depending on the requirements of the complexity of the methodology, which is a challenge to predict. All together this gives (2 x FTE) + 3rd party = 2 MSEK + (1-10) MSEK = 3-12 million SEK.

Cost of response to risk
1300000

Description of response and explanation of cost calculation
A direct response to this risk is to voluntarily start working on calculating the products' climate emissions and voluntarily labelling the products based on acceptable standards, and thus reduce the risk for mandatory environmental product declarations. Another way to mitigate this risk is to work together with our industry as well as authorities to provide input on a common acceptable cost-effective methodology. Finally, it is important to follow closely the development in this area from the EU Commission. To further mitigate this risk, most of Midsona's targets from 2020 including our SBTs were also set to contribute to reduced emissions from our portfolio and company: i.e. 100 percent recyclable own consumer plastic packaging by 2025, 100 percent plant-based or vegetarian assortment by 2030, 90 percent recyclability of waste in our facilities, 100 percent recycled food waste, 100 percent fossil-free transport of goods by 2030. Midsona chose these sustainability goals to be in line with several of the categories in scope 3. Our cost calculation for responding to this risk is estimated to be 1,3 mill SEK and is based on our investment in the GHG mapping of

our product and services in 2020 for SBTi approval.

Comment

C2.4

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

C2.4a

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

Identifier
Opp1

Where in the value chain does the opportunity occur?
Upstream

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Midsona expects possible carbon taxes for fossil fuel or requirements for transportation providers to only use low/zero-emission vehicles in transportation in the medium to long term which is an opportunity for Midsona as we have a target for 100% fossil free self-contracted transports by 2030 and for Nordic 2025. This is also in line with our biggest customers' requirements as we have joined the Transport initiative 2025 launched by DLF in Sweden. Already in 2019, we started to look at more intermodal solutions such as a carbon efficient transport chain, and in 2020, we continued to redesign transport chains from Belgium and Italy to an intermodal solution with the majority of trains instead of only trucks. Today, 45% of all incoming transports to Sweden are fossil-free intermodal. In addition, we are working to change our outbound transport to fossil free fuel (HVO fuel). This can positively impact reputation and reduce costs directly and indirectly through lower carbon prices and can give us a competitive advantage. In addition, our focus on efficiency in transportation through filling level, load planning and route optimization to reduce costs and lead times will impact our resource efficiency and reduce energy use. For example, we collaborate with Cargo Flex in Germany to optimize transportation, plan optimal routes and avoid unnecessary waiting times which in turn reduces fuel consumption and greenhouse gas emissions.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
14500000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
If we manage to achieve our goal of fossil-free transport by 2030, a possible requirement for increased taxes based on fossil fuels is likely to be an opportunity calculated for cost saving compared to competitors. The estimates financial impact is based on the emissions from our transport in 2019. At this point in time, the majority of our transport was still using fossil fuels (except some intermodal inbound transport and fossil free outbound transport Nordic). Total emissions have been multiplied with a price of 1 tCO2e with one of the highest taxes today, namely 1 119 SEK per tonne of CO2e. Emissions from transport in Midsona 2019 accounted for approx. 12 % of total tCO2e in scope 3. Including the newly acquired division south, this was estimated to account for approx. 13 000 tCO2e . Based on this data the financial impact was estimated to be 13 000 tCO2e x 1119 SEK that gives approx. 14 500 000 SEK (13 000 X 1119 = 14 500 000).

Cost to realize opportunity
5200000

Strategy to realize opportunity and explanation of cost calculation
In the second half of 2020, Midsona committed to set ambitious and science-based emission reduction targets according to SBTi. Midsona submitted a target in line with SBTi's Criteria v4.2, which after careful review was approved. We report scope 1,2 and 3 emissions based on the GHG protocol and the strict criteria to be able to get a SBT approved by SBTi. All relevant categories in all scopes have been carefully mapped. This helps us to reduce our greatest sustainability risks and to increase our focus on our greatest opportunities. It has made it easier for us to measure our progress and it facilitates the management of our foremost sustainability risks and opportunities. In this work, we identified transport as one important environmental risk area for Midsona, i.e. risk of negative climate impact caused by freight transport and business travel with fossil fuels. Based on this risk analysis, one of Midsona's new sustainability targets for 2020 were developed to be able to reduce our greatest impact on sustainability within transport, which means 100 percent fossil-free goods transport by 2030. Midsona has chosen our nine new sustainability targets from 2020 to be in line with the relevant Scope 3 categories for Midsona "Purchased goods and services", "Fuels & energy", "Upstream transportation and distribution", "End-of-life treatment of sold products", "Waste", "Downstream transportation and distribution", "Business travel". Our cost estimate is based on change to fossil free fuel for outbound transport. Change to fossil free fuel will increase the total transport price significantly which means an increased estimated transport cost at 5,2 MSEK. The cost calculation relates mainly to

increased investment in more fossil free solutions. This gives a significant extra cost, but is also considered an important investment in Midsona's long-term corporate strategy to secure sustainable and efficient transport. Cost at 5,2 MSEK has been calculated based on a 5-10 % increase in transportation costs. The number is based on cost of transportation from 2020.

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

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Midsona considers it likely that products with low carbon impact will have a significantly increased market advantage in the future, and this in particular will be of great importance in the introduction of carbon labelling. This will provide competitive advantages to Midsona's product portfolio as we have since long been working to increase our plant-based portfolio and already in 2020 reached 99 % plant-based /vegetarian for prioritized brands. If organic production in addition is found to have lower GHG emissions than traditional production, we can further increase their positioning as sustainable brands, and hence increase market share and revenue. By expanding from organic food & beauty to other segments Midsona can even enter new markets. Midsona is generally an early mover regarding sustainable products, by offering a wide range of healthy, organic, plant-based, or vegetarian products with focus on sustainable packaging, production and product handling through continuous emission reduction activities. Animal products generally have bigger greenhouse gas emission than plant-based foods. Demand for plant-based alternatives has risen steadily in recent years and is expected to continue growing, and we see an opportunity in developing new products meeting consumers and customers' expectations within this segment. There is also a large potential for Midsona in strategically exploring the vegan/vegetarian segment further, for example by the development of new lab-based- or insect sources of protein that do not require problematic protein substitutes. There is also an increasing demand for plant-based local production, an area which can be further explored by Midsona. As an example, ICA is very clear that they will invest heavily in SWEDISH plant-based, and they are looking for partners. Technological developments can enable the growth of tropical raw materials in the Nordics. o E.g.: Grow quinoa in greenhouses in Denmark as opposed to sourcing this from the other side of the world. o E.g.: Develop Omega-3 from plant-based materials. o E.g.: Grow tropical fruits in Nordic markets to reduce transportations costs. Our low carbon targets for packaging, waste, energy and transport will also reduce the product footprint and all together this will give low carbon products.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
83000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The financial impact is significant as organic goods account for 57% of total revenue, and plant-based or vegetarian account for 99% of prioritized brands. 2020, 79 % (~80) of our total sales comprise vegetarian or plant-based products, including organic. Total sales 2020 is 3,709 bill for Midsona. 80% of this is 2,967 bill (3,709 bill x 0,80 = 2,967 bill) which is our total sales of plant-based/ vegetarian. Our estimated impact is based on 10% increased sales of our organic and plant-based/vegetarian portfolio. Thus, total sale increase based on low carbon profile is estimated to 296,7 MSEK (2,967 bill x 0,10 = 296,7 MSEK). Primary potential financial impact for Midsona will be 28% (profit is calculated at 28% of sales) of increased sales at 83 MSEK (296,7 MSEK x 0,28 = 83,1 MSEK).

Cost to realize opportunity
29700000

Strategy to realize opportunity and explanation of cost calculation
Midsona is leading in the Nordic countries within organic products, consumer health and health food, with a vision to become one of the leaders in Europe. Consumers increasingly avoid animal products, unnecessary additives, and products with poor nutritional content. Midsona's strategic focus on health, plant-based, pure, and organic products is helping consumers to make better choices towards healthy and sustainable alternatives. Midsona has a clear strategy to offer products with a low climate footprint, where the sustainability aspect is included from crop to finished product, by climate reducing targets on waste, transport, packaging in addition to energy reduction and use of low carbon energy in the production of our brands. In our product strategy we focus on organic and plant-based as well as other environmentally certified raw materials and products for lower environmental impact. Our high level of plant-based food with lower carbon emissions are an important step on the path towards reducing climate impacts, and why we set the target of 100% plant-based or vegetarian assortment by 2030. Today, the number is already 99% plant-based or vegetarian of prioritized food brands, whereas 57% of our revenue is organic products for more environmentally friendly production. One example for strategic action to further increase capacity and broaden our plant-based product range, is Midsona's decision during the year to further increase capacity and broaden our plant-based product range by expanding the Group's factory in Castellcir, Spain as a hub for the production of plant-based meat alternatives. This can be exploited further through a communication strategy to target sustainability conscious end consumers. All these intensives are established and managed through the leadership as part of Midsona's company strategy. We estimate our primary cost to realize an opportunity to be 10% of estimated increased sales. This cost is based on increased marketing costs including personnel. Total sales 2020 is 3,709 bill. 10% increased sale based on opportunity for 80% of our total sale (plant-based/vegetarian) is calculated as 0,10 x (3,709 bill x 0,80 = 2,967) = 296,7 MSEK. Thus, our cost to realize opportunity is 29,7 MSEK (296,7 x 0.10 = 29,7 MSEK).

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of recycling

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Midsona expect that the costs of non-recyclable waste and packaging will increase as part of the European Strategy in a Circular Economy. We evaluate this as an opportunity for us since Midsona has targets on both to reach 90% recyclable waste in own operation by 2025 as well as 100% recyclable consumer packaging by 2025, and thus give us a competitive advantage. This is in line with our biggest customers' requirements as we have joined the Plastic Initiative 2025 launched by DLF in Sweden. Both customer and consumers have increased focus on footprint and circularity, and we assume this will be an opportunity for our competition event and final sales. Midsona have for a long time been working to increase recycling, both for our packaging and sorting of waste in our facilities. For North division, more than 85 % of our packaging is recyclable already today, and in France 43 %. In Nordic, ~21 percent of our plastic packaging of our largest market is recyclable, and for all the divisions we aim for 100%. In Spain, 30 percent of used plastic can be recycled, but in the production in Spain of heat-treated food still does not handle recyclable plastic in the production as the technology currently does not allow for any other packaging than traditional plastic. For own purchased packaging material, we have 25 % packaging of recycled material made of plant-based plastic from sugar cane waste 2020 when we exclude the new acquisitions. The numbers for waste recyclability for own operation increased from 74% to 76% from 2019 to 2020 in our facilities when we exclude new acquisitions, and we aim for 90%. Our ambition is to reduce unnecessary food waste and increase the reuse of the unavoidable food waste. Our objective is to reuse all of our food waste by 2025, to be in line with both Agenda 2030 and the EU's "Green Deal", as well as with the Swedish government's milestones for food waste. Midsona collaborates with several players to donate, or at a reduced price, manage the unavoidable residual waste in our facilities. We have found new partners who are helping us prevent food waste. Today, we donate to charities such as AMMA in Spain, FodevareBanken and Julemarket in Denmark, and Tafel in Germany. In 2020, Division North and Nordics donated more than 16 tonnes of food to charity. The residual waste from our Danish production facilities goes to a local biogas plant, while in Spain it is used as an organic fertiliser in local agriculture.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
9500000

Potential financial impact figure – maximum (currency)
16500000

Explanation of financial impact figure
If we manage to achieve our goal of 90 % recyclable waste in our facilities by 2025 as well as 100% recyclable plastic packaging, the risk for increased costs will instead be an opportunity calculated for cost saving compared to competitors. Our estimate on the financial impact has been based on our price from one of the highest taxes today, which is 1,6 MSEK in Sweden. In two years we have increased our packaging tax with approx. 200% with an expected further increase in the short term in Sweden, and we expect the same for the other countries in short to medium term. Sweden account for approx. 40% Nordic and if the rest of the division receives the same tax, this figure must increase by 60% for Nordic, ie 1,6 x 1,6 = 2,6 MSEK. If we include all divisions in the Nordic figure this estimate will increase by 35% since Nordic account for 65% of total, ie 2,6 x 1,35 = 3,5 MSEK. Greater differentiation between recyclable and non-recyclable, will increase this financial impact. Countries like Denmark (2025) and UK (2022) work also with new taxes that will apply to plastic packaging that does not contain at least some amounts of recycled plastic. The government policy objective of such tax is to provide a clear economic incentive for businesses to use recycled material in the production of plastic packaging, which will create greater demand for this material and in turn stimulate increased levels of recycling and collection of plastic waste. Denmark will introduce extended producer responsibility from 2025 in relation to recycling of packaging with expected increased costs. For several plastic products, there will either be a ban, requirements for limited use or labelling and clean-up responsibility. Based on this, the financial impact may be at least doubled and possibly multiplied in the near future. We estimate a potential range from 2 to 4 times the current estimate for the future which gives a financial figure from 3,5 x 2 = 7 MSEK to 3,5 x 4 = 14 MSEK. In addition, we have total 1827 ton own waste, whereas 71, 6% is sorted when we includes all new acquisitions. Cost difference of sorted vs non-sorted is on average 7340,5 SEK per ton. Based on our target with 90% recyclability we will reach 1644 ton sorted (1827 x 0,90 = 1644). This minus sorted waste 2020 at 1309 ton, give increased sorting at 335 tons by 2025, with the following savings 335 ton x 7340,5 SEK = 2,5 MSEK. This give an estimated range from 2,5 + 7 = 9,5 MSEK to 2,5 + 14 = 16,5 MSEK.

Cost to realize opportunity
18600000

Strategy to realize opportunity and explanation of cost calculation
The purpose of a circular economy is to maintain the value of products, materials and resources for as long as possible by returning them into the product cycle after they have reached the end of their lifecycle, while minimising the generation of waste. The more we recycle, the fewer materials we extract, thus benefiting our environment. Midsona has a strategy for circularity where we work a lot with recycling for both our own waste and for packaging on the products. With our waste target we aim for 90% total recyclability for own operation, and with our food waste target, we will increase even more our focus on this. For waste for end-of-life treatment of packaging at consumer unit, we have a target for 100 % recyclable plastic by 2025. Midsona have a clear strategy to change our climate impact from packaging. Since 2018 we have been working to reduce packaging environmental impact both on consumer/retail units and purchased packaging material. Based on our Group Sustainable Packaging Strategy and new packaging target from 2020, we have ongoing projects to increase use of recyclable plastic or paper as well as projects where we have reduced or removed plastic and increased shelf life in addition to inspire on label to reduce food waste and increase recycling. All packaging for new or updated products are labelled with recycling instructions. Parts of our brands are equipped with "Best by" and "Often good after" labelling for reduced food waste, and we will follow up this for all organic brands. For purchased packaging material own production, we try to have more recyclable packaging. By choosing FSC paper (Forest Stewardship Council) packaging materials for our brands, Midsona also promote implementation of sustainable management of the forests and today a high number of purchased packaging material is FSC certified (79% North and Nordic Division in 2020). Our cost calculation show that we increase our packaging cost with 5 to 10 % when we change to recyclable packaging.

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

Comment

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

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, but we intend it to become a scheduled resolution item within the next two years	Annual General Meeting (AGM) or annual shareholder meeting is a yearly gathering between the shareholders of Midsona and our board of directors. It is primarily held to enable shareholders to vote on company issues, including the selection of the company's board of directors. We intend our low-carbon transition plan to be a scheduled resolution item in the next two years. Based on our efforts for Midsona's approved SBTs it will be practical to introduce this at the AGM within the next years.

C3.2

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

Yes, qualitative

C3.2a

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

Climate-related scenarios and models applied	Details
2DS RCP 2.6	Midsona actively use scenario analyses to influence our strategy and financial planning. In line with the Paris Agreement and the recommendations laid out by the Task Force on Climate-related Financial Disclosure (TCFD), Midsona have used public scenarios from IEA and IPPC and looked at potential future scenarios given a <2.0ºC and 4.0ºC future. The aim of these analyses is to understand potential future strategic and financial impacts on Midsona given both desirable and un-desirable future scenarios. We have assessed scenarios in short-, medium-, and long-term time horizons. This is in line with our internal risk management processes, which is consistent with the long-term goal of reaching net-zero emissions in 2nd half of century (2045), and in addition short (0-3), and medium (3-10) to long-term action timeframes to enable future accountability (10 - 15+ years). Our sustainability targets, and accordingly our biggest risks, are assessed and considered long term (>15 years, but in order to manage/enable accountability we must have short-term projections and actions where we adjust the direction every year since the forces and conditions can change. The results of the scenario analysis conducted is the development of our nine new sustainability targets, including our decision to set an ambition emission reduction target for our own operations (Scope 1 and 2), and our value chain (Scope 3). This included a full Scope 3 mapping conducted in 2020. All sustainability targets have been developed in alignment with a <2.0ºC scenario. As an example, our SBTi approved emissions reduction target was prepared in alignment with IEA's Sustainable Development Scenario (SDS) and IPCC's RCP2.6 scenario (AR 5). As inputs we have viewed Midsona's operations and GHG emissions, and the assessed the risks and opportunities identified through our TCFD workshops. The target setting method is based on the allocation mechanism, contraction of absolute emissions, as described in the Science-based Target Setting Manual. The emissions reduction is based on the scenario RCP 2.6 in IPCC's ARG WGIII, chapter 6, table 6.3, page 431. Given the lowest overshoot the global emissions must be reduced by 49-72% by 2050 from 2010 levels in order to have a 12 to 22% chance of stabilizing temperatures below 2°C temperature increase relative to the preindustrial temperature. Midsona have set a target to reduce 100 % of our scope 1, 2 and 3 emissions (covering all business divisions) by 38 % by 2034. This target is in line with a <2.0ºC scenario, and has been approved by the Science Based Targets initiative. This will continue to influence our strategy going forward, as we continuously need to monitor and assess technological developments in sourcing, production and distribution in order to reach our reduction target and limit global warming to < 2 degrees compared to pre-industrial levels.

C3.3

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

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Risks and opportunities related to the growing demand from customers for organic, pure, natural and plant-based food with low carbon footprint, (as reported in C2.4a Opportunity 2) have influenced our product-related strategy and product portfolio. We work with organic certified products as well as other environmentally certified raw materials and products, and we have a clear strategy on plant-based products for climate impacts of the product portfolio. In March 2020, our Board of Directors decided to commit to increasing the share of plant-based products in the portfolio with a new ambitious long-term target to reach 100% plant-based or vegetarian portfolio by 2030. We have since long been working to increase our plant-based portfolio, using plant-based and natural ingredients in our flagship brands such as Urtekram, KungMarkatta, Helios, Davert, Celnat, Happy Bio, Vegetalia and Friggs. Demand for plant-based alternatives has risen steadily in recent years and is expected to continue growing. To meet demand, the leadership decided during the year to further increase capacity and broaden our product range by expanding the Group's factory in Castellcir, Spain, to be our hub for the production of plant-based meat alternatives. Already in 2020, the Organic Food range has been expanded with new vegan options in chilled and frozen products, such as meat alternatives. In addition, the strategic important acquisitions of System Frugt in Denmark in 2020 significantly strengthens our plant-based platform by adding the health brand, Earth Control, in an attractive segment that is open to development. Today, Midsona's portfolio is already 99% plant-based or vegetarian of prioritized food brands. Through our strategy, we want to contribute to a sustainable society and to provide our customers and consumers with healthy and sustainable products. It is fundamental for us to have a product portfolio with low climate impact on soil-, forest-, marine-, and water as well as health in the society. We have several strategically chosen targets since 2020, with a clear ambition for a product portfolio with a low carbon emission. As example, our strategic target for low carbon packaging where we aim for 100% recyclable plastic on consumer units by 2025.
Supply chain and/or value chain	Yes	Risks and opportunities related to volatile prices and lower availability of raw materials due to climate change (as reported in C2.3a Risk 1 have influenced our sourcing strategy in the supply chain. We buy raw materials and finished products mainly from suppliers in Europe, South America and Asia, and the ability to secure goods even in weather-related physical conditions can affect our operations and profitability. To mitigate this risk, we have frequent dialogue with our major suppliers on volume-critical products for secured delivery, have efficient raw material use by common sourcing and production and work to establish alternative suppliers, for delivery critical volume products to reduce dependence. We also actively work with various environmental certifications to reduce agricultural-, forest- or marine risks. Midsona has also started up more activities to be 100 percent free of palm oil in our own brands by 2025. In March 2020, our Board of Directors decided to commit to put more emphasis on conducting risk assessments for our supply chain, with a new ambitious target to reach 100% classified suppliers by 2025 based on many risk parameters including environmental conditions. We want to take responsibility through the entire value chain by cooperating with our suppliers on quality, safe raw materials and products, environment, human rights, sound competitive conditions and ethical businesses. We do so through our Supplier Code of Conduct and our self-assessment tool in the supplier portal KODIAK, where we classify our suppliers based on all our mapped supplier risks, including climate-risk. Thus, we can set higher requirements on the supplier level and improve important processes and reduce our risks in the value chain. In 2020, Division North Europe also started working on a joint multi-dimensional community project with one key supplier of rice in the Kotwa area of Uttar Pradesh in India, to create a transparent and sustainable supply chain of high-quality certified products, to support the local community and to focus on efficient water use in rice production. In France, 92 percent of Division South Europe's grain purchases and 100 percent of its legume purchases are sourced locally from France in 2020, and 21.5 percent of these came from farmers located less than 250 km from Midsona's facility.
Investment in R&D	Yes	We see an opportunity in developing new products in both the local plant-based category and for organic. As reported in C2.4a Opportunity 2, Midsona can explore the increasing demand for plant-based local production and the technological developments for growth of tropical raw materials in the Nordics. We also see an opportunity in supporting developing new solutions for recyclable packaging. New demands for processing consumer packaging and especially plastics will have a direct impact on packaging costs. We see that changes in national manufacturer's liability systems are raising the costs of handling used packaging and we expect this to increase even more. The government's policy objective is to provide a clear economic incentive for businesses to use recycled material in the production of plastic packaging, which will create greater demand for this material and in turn stimulate increased levels of recycling and collection of plastic waste. For several plastic products, we expect there will either be a ban, requirements for limited use or labelling and clean-up responsibility. To mitigate this risk, Midsona has committed to the DLF Plastic Initiative in Sweden and have applied this goal to other parts of the Group as of 2020. The ambition is 100% recyclable plastic for consumer units by 2025, and thereby contribute to the EU's strategy for a circular economy. Based on our progress for our packaging target, we consider this as an opportunity for Midsona where the magnitude of financial impact is up to medium as reported in C2.4a. In any case, to achieve the goal of 100% recyclable packaging, a technological development of suitable packaging is required. As example, in Spain, the in-house production of heat-treated food still does not handle recyclable plastic in the production as the technology currently does not allow for any other packaging than traditional plastic. We have also other ongoing projects to reduce or remove plastic, increase shelf life in addition to inspire on label to reduce food waste and increase recycling as well as purchase more recycled packaging material and use of FSC paper (Forest Stewardship Council) for sustainable management of the forests for own production. 2020, almost all purchased packaging material for Urtekram beauty is made of plant-based plastic from sugar cane waste, and 79% FSC paper North and Nordic Division.
Operations	Yes	Climate-related risks and opportunities have directly influenced Midsona's strategy and target setting. In 2020, Midsona's climate-related targets under our development goals "Efficient resource use" and "Efficient transport" were set and approved based on climate related risk and opportunity assessments. Transports (both transport of goods and business travels), water and energy consumption, packaging waste, production waste and food waste constitute the main sources for our climate- and environmental impact on our own facilities and operations. To reduce our impact of waste, we set a target in 2020 to reach 90% recyclable waste by 2025 and to 100% reuse food waste. Midsona operates in countries with low to medium water risk and impact, except for Spain where we operate in regions with higher levels of water stress. In all divisions, we operate with low water consumption. Spain has the most water-intensive production where we have actions to reduce our freshwater use. For our energy risk we have already taken direct actions to reduce our footprints by having 100% fossil free electricity in all offices, warehouses, and production sites in North and Nordic division except for new acquisitions where we will have focus from 2021. We also produce renewable solar energy in all divisions. For transport, we have a new strategic target from 2020 to increase our fossil free transport and to reach 100% fossil free by 2030. As reported in C2.3a Risk 2 and C2.4a Opportunity 1, we see both a risk as well as possible opportunity in fossil free fuel for transport, which we assume will reduce operational costs if we reach our transport target and vice versa. We have also increased our video conference as alternative to business travel significantly even before covid 19 as we always encourage all our employees to avoid unnecessary travels to reduce our CO2 emissions. We conduct systematic preventive environmental work at our production facilities and set environmental requirements on our transports and suppliers, to reduce our environmental impact.

C3.4

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

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets	Sustainability and climate-related risks and opportunities have directly influenced our financial planning for all our targets. To appropriately integrate the potential effects of climate change into our strategic and financial planning processes, we consider how climate-related risks and opportunities can be developed and the potential business implications that may arise under different conditions. The purpose of this analysis is to appropriately incorporate the potential effect of different forces for development of our risks and targets into our strategic and financial planning and help Midsona's decision makers have a short-, medium- and long-term perspective. Our corresponding scenario analyses are very useful in addition to traditional planning and trend projection. In particular, the method has its place in a world of rapid change and changing framework conditions, which is the case for climate change. By preparing for plausible alternatives, the necessary knowledge and ways of thinking are generated to cope with the real future. We are using our scenario analysis as a method for long-term planning and for next steps, and for the decisions and discussions in daily business in each workstream to be able to reach the targets with descriptions of compound future images. The scenarios describe plausible developments as a sketch of projected future events. They highlight issues that Midsona needs to be aware of and relate to, and the consequences that different decisions can have. Therefore, Midsona's scenario analysis gives us several alternative hypothetical developments in our planning and is used as a planning tool to analyse and structure thoughts about alternative developments in the future. Both the risk, opportunity, and scenario analysis help Midsona to be prepared for possible outcomes and make the right choices and steps based on where the largest progress is possible to drive our targets forward. Like this we can prioritize and facilitate steering to achieve and measure progress in the most efficient way. Most targets need to be completed step by step and our scenario analysis helps us to choose the right steps at the right timing. External shocks/stresses or unexpected events like Covid 19 is an good example of one important force which can influence the direction and development of the sustainability related risks and opportunities, and it is important to be prepared for such an unexpected event. Our nine different targets from 2020 affect both our direct and indirect cost as well as revenue and have influenced our financial planning. As an example, our target for recyclable plastic packaging by 2025 shows how we consider to achieve and fund our strategy for low carbon packaging. All of the products sold by Midsona include some degree of packaging, among other plastic. This is associated with both upstream emissions from the production of the packaging materials, and downstream emissions from the waste disposal of the materials. Our recyclable plastics target has a medium time horizon at 4 years, and increases our purchasing cost of packaging for in-house production of our own brands by 5-10% compared to non-recyclable packaging. This must therefore be included in the different sourcing departments' budgets and total operating costs. This affects our direct cost for our raw materials and products. As part of our financial planning, we make financial plans that outline the specific actions, assets, and resources (including capital) necessary to achieve these objectives over a 4-year period. In addition, our acquisitions are based on our strategic goal of increasing our plant-based and vegetarian low carbon portfolio. We see a clear opportunity for increased sale of organic, plant-based and vegetarian food and products with a reduced climate impact, which accounts for 99% of our prioritized brands, as well as organic which account for 57 % in 2020. This is a significant share of the total revenue and is strategically important for Midsona in the short- to long-term. A significant impact for this strategy and target to reach 100% plant-based or vegetarian assortment by 2030, is our acquisitions (growth) journey, which is an integral and fundamental part of Midsona's business. This target has a long-term horizons at 10 years, but we have in recent years shown a good capacity for identifying strategically suitable acquisitions to strengthen and develop our plant-based portfolio and like this played a major role in both organic and plant-based market in our regions, through the acquisitions of brands like Urtekram, Kung Markatta, Helios, Davert, Celnat and Happy Bio. The acquisitions of System Frugt in Denmark in 2020 significantly strengthens our platform in the Nordic region, adding an exciting plant-based health brand, Earth Control, in an attractive segment that is open to development. In Spain, we have also made a strategic investment in plant-based meat alternatives, with a strategic financial plan to expand also for our other markets. A strategic investment which in turn will increase our sales and revenue. Midsona`s strategy is to be a growth company through an offensive strategy to acquire companies and strong sustainable brands in the Nordic region, which has, in recent years, been extended to encompass the rest of Europe, and thus included as an important capital in our financial planning.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Through our sustainability strategy anchored by the board and the leadership, we seek to safeguard Midsona's leading position in sustainability work in our industry. We achieve this by maintaining control of our sustainability- and climate-related risks and opportunities, conducting scenario analyses and corresponding risk management and in this way continuously improve and develop our strategic planning, actions and targets based on risks and opportunities for a more sustainable business. Midsona's sustainability strategy is to connect the sustainability work to the UN's Global goals for sustainable development. The goals cover a large number of issues and we have analysed the way in which Midsona best reduces our biggest risks and contributes to UN's Global Goals for Sustainable Development (UN SDGs) and Agenda 2030. The most important parts of Midsona's sustainability work are identified in six development areas – Sustainable brands, Healthy work environment, Responsible sourcing, Safe products, Efficient use of resources and Efficient transports. We have analysed our six development goals, targets, action plans and performance indicators against Midsona's sustainability- and climate risks and opportunities and an assessment has been conducted. In 2019, we carried out an even more detailed job on further identifying and analyzing areas with the absolute highest sustainability risks and impacts, in order to update with new realistic and measurable targets to further focus on largest sustainability risks and impact and prioritize where the best progress will be possible to achieve. In this work, we identified, among other things a direct risk of poor knowledge of our own negative impacts on the climate for scope 1, 2 and 3 (value chain) and therefore lack of necessary action against climate change. Based on this risk analysis, Midsona's nine new strategic sustainability targets for 2020 were developed, whereas most of the targets are set to also contribute to reduced greenhouse gas emissions according to identified climate-related risks and opportunities: • 100 percent mapped GHG emission and set SBTs • 100 percent recyclable plastic packaging by 2025 • 100 percent plant-based or vegetarian assortment by 2030 • 90 percent recyclability in our facilities • 100 percent reused food waste • 100 percent fossil-free goods transport by 2030. Midsona has chosen these targets to be in line with the relevant Scope 3 categories for Midsona which are "Purchased goods and services", "Fuels & energy", "Upstream transportation and distribution", "End-of-life treatment of sold products", "Waste", "Downstream transportation and distribution", "Business travel". Since we have long worked with energy risk and corresponding risk management with actions like reusing and reducing our energy consumption, purchasing renewable energy and production of own solar energy, and therefore already in 2019 had achieved almost 100% renewable electricity and reduced our total energy intensity per tonne produced, we left out a target in this area early 2020. Energy consumption is a potential climate- risks, and Midsona is currently working to secure corresponding information for the newly acquired Division South Europe and System Frugt. Based on this, the Group will assess a possible new target for energy in 2021. Fresh water at our production facilities is also a potential risk for Midsona, but so far, our facilities have had relatively low water consumption and a small negative impact on the water in areas where we operate, but due to higher water intensity in our food production in Spain, and to further strengthen ongoing strategic climate-related activities, Midsona has started up more actions in the areas of water stress as well as palm oil: Our proprietary brands shall be 100-percent free from palm oil by 2025 and by 2030, we shall achieve a 10-percent reduction in freshwater consumption per tonne produced. In recent years, Midsona started with more focus on both climate- risk perspectives, namely risk of negative impact from the climate on the company as well as our impact on the climate. Further, we have followed up our risk process that have financial consequences into an integral part of our risk management to find how climate-related risks and opportunities are an integral part of our business, strategy and financial planning. Our risk mapping for how sustainability risks and climate-change affect Midsona includes since 2019-2020 identifying company-specific climate-related risks and opportunities for physical risks, transition risks and opportunities, respectively. In 2020, all together, we have identified important risk areas for Midsona that emerge out of our operations and value-chain (business impact on social- and environmental materiality) and sustainability risks affecting the company (social- and environmental change impact on business). Based on the climate-related risk- and opportunity picture, Midsona has from 2020 a climate change strategy, where we have committed in 2020 to SBTi (Science Based Target Initiative) to have scientifically based emission targets with ambition criteria for climate emission reduction well below 2 degrees based on the IPCC report, where all categories for climate emission are mapped in accordance with GHG Protocol (for scope 1, 2 and 3). Based on our climate strategy, we strengthened our work on climate-related risks and opportunities based on the TCFD framework, in addition to CDP for climate-related disclosure. This is a natural extension of our 2020 work with the climate accounts in accordance with the Greenhouse Gas Protocol (GHG) and Science Based Target (SBT). To appropriately integrate the potential effects of climate change into our strategic and financial planning processes, we have considered how climate-related risks and opportunities can be developed and the potential business implications that may arise under different conditions. Through a TCFD risk and scenario analysis, we obtain an opportunity to show a set of possible future scenarios based on climate. The understanding of alternative scenarios for climate change enables us to better manage Midsona's sustainability development and, in particular, to implement the measures necessary to change the company's strategy before it is too late. Midsona's emission mapping goal and Science Based Target from 2020 are in line with the long – term goal of reaching net zero emissions during the second half of the century (2050), with short term time frames to enable our accountability (15 years). Methods and best practices in climate-related reporting are developing rapidly. Therefore, we must make adjustments for climate-related risks and reporting along the way, in line with the latest climate science. With TCFD's risk and scenario analyses, Midsona seeks to increase the understanding of future changes in the risk landscape.

C4. Targets and performance

C4.1

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

C4.1a

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

Target reference number
Abs 1

Year target was set
2020

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (market-based)

Base year
2019

Covered emissions in base year (metric tons CO2e)
4529

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2034

Targeted reduction from base year (%)
38

Covered emissions in target year (metric tons CO2e) [auto-calculated]
2807.98

Covered emissions in reporting year (metric tons CO2e)
4834

% of target achieved [auto-calculated]
-17.7220485526025

Target status in reporting year
New

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
Well-below 2°C aligned

Please explain (including target coverage)
In 2020, Midsona committed to set ambitious and science-based emission reduction targets according to SBTi. Midsona submitted a target in line with SBTi's Criteria v4.2, which after careful review was approved. We report scope 1,2 and 3 emissions based on the GHG protocol and the strict criteria to be able to get a SBT approved by SBTi. All relevant categories in all scopes have been carefully mapped. Midsona's emissions reduction targets are in line with what the latest climate science says is needed to meet the goals of the Paris Agreement. Abs1 covers GHG emissions from all Midsona's operations (scopes 1 and 2) is consistent with the reductions required to keep global warming to well-below 2°C. Midsona's emission mapping and emission targets are in line with the long-term goal of reaching zero emissions during the second half of the century (2050) and are a significant milestone for Midsona. The work is now continuing to evaluate the measures that are necessary to accelerate the reduction of Midsona's climate impact. Midsona's climate goals are: • Midsona undertakes to reduce its absolute emissions of greenhouse gases scope 1 and 2 greenhouse gases by 38 percent by 2034 from a base year 2019. • Midsona also undertakes to reduce greenhouse gas emissions by scope 3 by 38 percent within the same time frame. In 2020, Midsona acquired System Frugt in DK, increasing Scope 1 and 2 emissions by 67 tCO2e.

Target reference number
Abs 2

Year target was set
2020

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 3 (upstream & downstream)

Base year

2019

Covered emissions in base year (metric tons CO2e)
100360

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2034

Targeted reduction from base year (%)
38

Covered emissions in target year (metric tons CO2e) [auto-calculated]
62223.2

Covered emissions in reporting year (metric tons CO2e)
106974

% of target achieved [auto-calculated]
-17.3428289735898

Target status in reporting year
New

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
Well-below 2°C aligned

Please explain (including target coverage)
In the second half of 2020, Midsona committed to set ambitious and science-based emission reduction targets according to SBTi. Midsona submitted a target in line with SBTi's Criteria v4.2, which after careful review was approved. The SBTi encourages companies to develop scope 3 inventories, and Midsona has completed a scope 3 inventory of all relevant categories based on GHG protocol. This means a high-level evaluation to estimate the scope 3 emissions categories that are relevant to your company and indicate which ones are expected to be most significant. Midsona`s GHG emissions inventory covers all relevant GHG emissions, from all relevant sources and subsidiaries. The GHG inventory is composed exclusively of fossil based emissions, and no biogenic emissions have been reported alongside the GHG inventory. Seven of the Scope 3 categories are relevant to Midsona, and we have measured emissions from all seven categories. Midsona's value chain (scope 3) emissions reduction target meet the SBTi's criteria for ambitious value chain goals, meaning they are in line with current best practice. Midsona's emission mapping and emission targets are in line with the long-term goal of reaching zero emissions during the second half of the century (2050) and are a significant milestone for Midsona. The work is now continuing to evaluate the measures that are necessary to accelerate the reduction of Midsona's climate impact. Midsona's climate goals are: • Midsona undertakes to reduce its absolute emissions of greenhouse gases scope 1 and 2 greenhouse gases by 38 percent by 2034 from a base year 2019. • Midsona also undertakes to reduce greenhouse gas emissions by scope 3 by 38 percent within the same time frame.

C4.2

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

C4.2c

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

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs1

Target year for achieving net zero
2045

Is this a science-based target?
No, but we are reporting another target that is science-based

Please explain (including target coverage)
In the second half of 2020, Midsona committed to set ambitious and science-based emission reduction targets according to SBTi. Midsona submitted a well below 2 degree target in line with SBTi's Criteria v4.2, which after careful review was approved. Midsona's emission mapping and science-based emission targets are in line with EU's long-term goal of reaching zero emissions during the second half of the century (2050) and are a significant milestone for Midsona. Our target covers emissions from our Scope 1, 2 and 3 from all our Divisions (Nordic, North Europe, South Europe). The work is now continuing to evaluate the measures that are necessary to accelerate the reduction of Midsona's climate impact. Midsona`s head office is in Sweden, and therefore Midsona has the ambition to drive its climate transition in line with the goals of the Paris Agreement as well as the Swedish Government's ambitious target and long-term climate strategy to adopt a net-zero emissions already by 2045. This is under process and we are working to develop this as of today. Midsona`s above SBT-targets represent our first steps to achieve net zero emissions. Additionally, Midsona are actively discussing how to compensate and balance unavoidable emissions, but as a first focus we are working actively on strategy development and planning to reduce GHG emissions, both in our own operations and in our value chain. Midsona's climate goals (SBTs) are: • Midsona undertakes to reduce its absolute emissions of greenhouse gases scope 1 and 2 greenhouse gases by 38 percent by 2034 from a base year 2019. • Midsona also undertakes to reduce greenhouse gas emissions by scope 3 by 38 percent within the same time frame.

C4.3

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

Yes

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	9	1666
To be implemented*	2	3.41
Implementation commenced*	0	0
Implemented*	4	938
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Low-carbon energy consumption	Hydropower

Estimated annual CO2e savings (metric tonnes CO2e)
205

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
669900

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
Midsona wants to only use renewable energy and work for energy use reduction, and our ambition is that all owned operations shall have 100% renewable energy and the consumption should be kept to a minimum. Today Midsona reaches high level renewable (mainly Solar, wind and water) electricity in all offices, warehouses and production sites combined. In 2020, we have renewed the contract for electricity of one of our warehouses in Norway and changed from non-renewable to renewable energy. As a result we now use 100 percent renewable electricity in all facilities within the Nordics and North Europe divisions, where we have influence on the electricity agreement.

Initiative category & Initiative type

Non-energy industrial process emissions reductions	Process equipment replacement

Estimated annual CO2e savings (metric tonnes CO2e)
619

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
893696

Investment required (unit currency – as specified in C0.4)
1400604

Payback period
1-3 years

Estimated lifetime of the initiative
Ongoing

Comment
In 2020 we implemented an additional compressor as part of a new integrated environmental technology that allows us to increase the share of CO^2 that can be reused per process. Through a circulation process we now can reuse 50-90% of the carbon dioxide in the cleaning pressure chamber at the Ascheberg plant in Germany (our biggest production plant). This enables us to achieve a drastic reduction of Scope 1 emissions.

Initiative category & Initiative type

Waste reduction and material circularity	Product or service design

Estimated annual CO2e savings (metric tonnes CO2e)
102

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1189835

Investment required (unit currency – as specified in C0.4)
101300

Payback period
<1 year

Estimated lifetime of the initiative
Ongoing

Comment
In Division North Europe we converted the majority of transparent films from a PP- PE to a new PP-mono material compound. Own brand and private label products produced in our facility in Ascheberg can now be sold in packaging that needs 16% less virgin plastic and furthermore offers an improved recyclability.

Initiative category & Initiative type

Transportation	Company fleet vehicle replacement

Estimated annual CO2e savings (metric tonnes CO2e)
12

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
266650

Payback period
4-10 years

Estimated lifetime of the initiative
Ongoing

Comment
In 2020 we started actions as part of our latest car policy. Midsona's existing vehicle fleet is gradually being replaced with hybrid or electric vehicles as car leases expire. In Division Nordics and North Europe a total of 21 cars have been replaced through the year and further changes for 2021 have already been initiated. This initiative will be continuously followed up in all divisions as a consistent part of our efficient transport strategy. At the plants in Ascheberg and Lauterhofen, Germany, electric charging stations have also been installed.

C4.3c

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

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

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Group of products

Description of product/Group of products
Plantbased and Vegetarian Products of own brands

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (ISO standards for LCA calculations)

% revenue from low carbon product(s) in the reporting year
79

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Demand for plant-based alternatives has risen steadily in recent years and is expected to continue growing. To be able to offer products with a low climate footprint, where the sustainability aspect is included from crop to finished product, is a very high priority for Midsona. We have therefore set a goal that our food products of all Midsona brands must be 100-percent vegetarian or plant-based by 2030, and we are well on the way – even today, 79 percent of our total sales for own brands and 99% of our prioritized brands comprise vegetarian or plant-based products. The 79% share revenue from low carbon products refers to a high degree to Midsona`s owned brands and thereby products where we have 100% control of the product design and its composition.

Level of aggregation
Group of products

Description of product/Group of products
Plant based meat alternatives that directly substitute meat from a consumers perspective - own brand products produced in Castellcir.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (ISO standards for LCA calculations)

% revenue from low carbon product(s) in the reporting year
1.4

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
With it's target of 100% plant-based or vegetarian assortment Midsona put a clear focus on plant-based nutrition as a key to an environment and climate friendly way of living and acting in an economical context. In addition, Midsona detect great potential for economic growth according to steadily increasing customer demands for mentioned products. To strengthen our effort in this area and to set the course for successful growth by meeting our customers demands we acquired Alimentation Sante in 2019 - further mentioned as Division South. Especially the included production plant in Castellcir, Spain needs to be mentioned in this context. In 2020 we made a strategic investment (45 million SEK) in this production plant in order to increase the production capacity of plant-based meat alternatives and broadening the product range. We expect this unit to be our hub for the production of plant-based meat alternatives of all generations generating annual net sales of 50 million SEK three years after the start. The 1.4% share revenue from low carbon and emission avoided products refers to Midsona owned brands and thereby products where we have 100% control of the product design and its composition.

Level of aggregation
Group of products

Description of product/Group of products
Bioland Certified Products from Germany

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (ISO standards for LCA calculations, information from Bioland)

% revenue from low carbon product(s) in the reporting year
0.7

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Midsona commit to source Bioland products from Germany, and as such reduce emissions from overseas upstream transport. The organic products from Bioland follow strict guidelines that among others forbid chemical and synthetic fertilizers associated with high CO2 emissions. Additionally, Bioland farmers promote a circulat agriculture and commit to source feed and other agricultural needs from partners in their regions to the degree this is possible. Bioland products account for 4 % of sourced raw materials from Division North Europe, and 2,8 % of brand sales.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
3666

Comment
Base year emissions include emissions from all divisions. Originally, we measured emissions from Division Nordic and Division North Europe, but in accordance with the GHG Protocol 'A Corporate Accounting and Reporting Standard' chapter 5, base year emissions have been recalculated to include Division South Europe.

Scope 2 (location-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
1647

Comment
Base year emissions include emissions from all divisions. Originally, we measured emissions from Division Nordic and Division North Europe, but in accordance with the GHG Protocol 'A Corporate Accounting and Reporting Standard' chapter 5, base year emissions have been recalculated to include Division South Europe.

Scope 2 (market-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
863

Comment
Base year emissions include emissions from all divisions. Originally, we measured emissions from Division Nordic and Division North Europe, but in accordance with the GHG Protocol 'A Corporate Accounting and Reporting Standard' chapter 5, base year emissions have been recalculated to include Division South Europe.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
4266

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

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

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

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

Reporting year

Scope 2, location-based
1715

Scope 2, market-based (if applicable)
568

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

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

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
87863

Emissions calculation methodology
These are emissions associated with our foods (purchased raw materials and traded goods) and our packaging materials. The emissions from our foods are calculated based on cradle-to-gate LCA emission factors for different food ingredients. Emissions from packaging materials are all calculated based on emission factors from The Department for Environment, Food and Rural Affairs, Material use (2020). Factors used are: Metals 3.8942 kgCO2e/kg, Cardboard 0.7503 kgCO2e/kg, Plastic 3.1163 kgCO2e/kg, Glass 0.843 kgCO2e/kg, Wood 0.3126 kgCO2e/kg.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Capital goods

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Midsona did not purchase any capital goods in reporting year.

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

Evaluation status
Relevant, calculated

Metric tonnes CO2e
313

Emissions calculation methodology
These are upstream Scope 3 emissions from the reported fuel consumption in Scope 1 and electricity consumption in Scope 2. The data source is identical to the data sources in Scope 1 and 2, and the source for the emission factors in the Department for Environment, Food and Rural Affairs (2020). Factors used are: Diesel (WTT) 0.6261 kgCO2e/liter, Petrol (WTT) 0.5973 kgCO2e/liter, Natural gas (WTT) 0.263 kgCO2e/m3, LPG (WTT) 0.3593 kgCO2e/kg, Electricity upstream 0.0055 kgCO2e/kwh

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
9367

Emissions calculation methodology
These are emissions from the upstream transportation of raw materials and traded goods by road and sea from tier 1 suppliers to Midsona's warehouses and factories. The emissions are calculated based on estimated tonne kilometers. The source for the emission factors is The Department for Environment, Food and Rural Affairs (2020). The factors used are: Truck with trailer 33t+ 0.0777 kgCO2e/tkm, Sea Cargo Avg load 0.0132 kgCO2e/tkm, Truck avg. 0.2128 kgCO2e/tkm.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
215

Emissions calculation methodology
The activity data is provided by the waste management supplier. In order to reflect the LCA standard (EN15804) the emission factors show the total climate impact of waste treatment without including avoided emissions in other systems (next cycle). This means that the energy recovery from the incineration of waste for the production of district heating is not deducted from the emission factor of waste for incineration. Recycled waste fractions include only a small transport component (collection of waste) while the material recycling and replacement of virgin materials takes place outside the system (by the actor who buys the recycled material). The emission factor is 0.502 kg CO2 per kg incinerated waste and 0.0214 for recycled waste. Sources: The Department of Environment, Food and Rural Affairs, DEFRA 2020.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
422

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

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Employee commuting

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Midsona had no upstream leased assets during the reporting year.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
3716

Emissions calculation methodology
These are emissions from the downstream transportation of finished goods from Midsona's warehouse to customers. The emissions are calculated based on estimated tonne kilometers. The source for the emission factors is the Department for Environment, Food and Rural Affairs (2020). The factors used are: Truck avg. 0.2128 kgCO2e/tkm.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

End of life treatment of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
5078

Emissions calculation methodology
These emissions include end of life emissions from the treatment of packaging materials included in Purchased goods and services. In order to reflect the LCA standard (EN15804) the emission factors show the total climate impact of waste treatment without including avoided emissions in other systems (next cycle). This means that the energy recovery from the incineration of waste for the production of district heating is not deducted from the emission factor of waste for incineration. Recycled waste fractions include only a small transport component (collection of waste) while the material recycling and replacement of virgin materials takes place outside the system (by the actor who buys the recycled material). The emission factor is 0.502 kg CO2 per kg incinerated waste and 0.0214 for recycled waste. Sources: The Department of Environment, Food and Rural Affairs, DEFRA 2020.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Midsona had no downstream leased asses during the reporting year.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Franchises are not applicable to Midsona's business model.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Midsona have no relevant investments.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not relevant to Midsona's business model.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not relevant to Midsona's business model.

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?
Yes

C-AC6.6a/C-FB6.6a/C-PF6.6a

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity
Distribution

Scope 3 category
Downstream transportation and distribution

Emissions (metric tons CO2e)
13083

Please explain
These are emissions from both up- and downstream transportation and distribution. Upstream emissions encompass the emissions associated with the transportation of raw materials and traded goods to and between Midsona's facilities, and downstream emissions include emissions from distribution to customer.

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

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?
No

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

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

Agricultural commodities
Rice

Do you collect or calculate GHG emissions for this commodity?
Yes

Please explain
We conduct emissions calculations for our most significant commodities based on purchased quantities (consumption) and LCA emission factors .

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

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

Rice

Reporting emissions by
Total

Emissions (metric tons CO2e)
17372

Denominator: unit of production
<Not Applicable>

Change from last reporting year
About the same

Please explain
We conduct emissions calculations for our most significant commodities based on purchased quantities (consumption) and LCA emission factors. Rice is one of our major commodities, and we have calculated emissions from this commodity based on purchased quantity and an LCA emission factor for rice: 2.8 kg CO2e/kg.

C6.10

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

Intensity figure
0.0000013

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
4834

Metric denominator
unit total revenue

Metric denominator: Unit total
3709000000

Scope 2 figure used
Market-based

% change from previous year
11

Direction of change
Decreased

Reason for change
Midsona's total Scope 1 and 2 emissions have increased by 7 % since 2019 due to the acquisition of System Frugt in Denmark, in addition to increased production volumes due to organic growth. Midsona have experienced an increase in revenue of 20 % from 2019 to 2020, exceeding the increase in emissions. The growth in revenue exceeds the growth in emissions due to emission reduction initiatives such as investments in renewable energy (new in Drammen facility in 2020) and the replacement of existing company fossil vehicles with electric vehicles or hybrid. Hence, emissions per unit total revenue have decreased by 11 % from 2019 to 2020.

C7. Emissions breakdowns

C7.1

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

C7.1a

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

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	4254	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	2	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	8	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	2	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

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

Country/Region	Scope 1 emissions (metric tons CO2e)
Denmark	203
Finland	15
Norway	35
Sweden	168
Germany	3106
France	426
Spain	313

C7.3

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

C7.3a

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

Business division	Scope 1 emissions (metric ton CO2e)
Nordic division	420
North division	3106
South division	740

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

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

Yes

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

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

Activity

Processing/Manufacturing

Emissions category

<Not Applicable>

Emissions (metric tons CO2e)

4266

Methodology

Default emissions factor

Please explain

The calculated figure of metric tons of CO2e through processing and manufacturing in Scope 1 is based on Midsona's own production. The emissions come from diesel, LPG, natural gas and process CO2. All emission factors are sourced from DEFRA 2020.

C7.5

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

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Denmark	111	25	3428	2676
Finland	16	20	69	0
Norway	33	0	799	799
Sweden	71	54	1137	481
Germany	1098	2	3169	3169
France	81	64	1468	0
Spain	305	403	1215	40

C7.6

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

By business division

C7.6a

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

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Nordic Division	230	99
North Division	1098	2
South Division	387	467

C7.9

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

Increased

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	205	Decreased	5	Midsona experienced a decrease in Scope 1 and 2 GHG emissions of 205 tCO2e due to purchase of guarantees of origin for additional electricity consumption in Midsona's facility in Drammen. The emission value percentage was calculated as following: (205/4529)*100 = 5%
Other emissions reduction activities	631	Decreased	14	Midsona experienced a decrease in Scope 1 and 2 GHG emissions of 631 tCO2e from 2019 to 2019 due to the following emission reduction initiatives (also reported in C4.3b): the replacement of fossil vehicles to electric/hybrid vehicles and investment in a new compressor reducing emissions from the use of CO2 gas. The emission value percentage was calculated as following: (631/4529)*100 = 14%
Divestment	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.
Acquisitions	67	Increased	1	In 2020, Midsona acquired System Frugt in DK, increasing Scope 1 and 2 emissions by 67 tCO2e. The emission value percentage was calculated as following: (67/4529)*100 = 1%
Mergers	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.
Change in output	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.
Change in methodology	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.
Change in boundary	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.
Change in physical operating conditions	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.
Unidentified	1075	Increased	24	Midsona experienced an increase in emissions of 1075 tCO2e. The emissions value percentage is calculated as following: (1075/4529)*100 = 24%
Other	0	No change	0	No change in Scope 1 and 2 GHG emission due to this reason.

C7.9b

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

Market-based

C8. Energy

C8.1

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

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

C8.2

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

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

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	48	8972	9020
Consumption of purchased or acquired electricity	<Not Applicable>	6024	2663	8687
Consumption of purchased or acquired heat	<Not Applicable>	630	1437	2067
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	55	0	55
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	477	<Not Applicable>	477
Total energy consumption	<Not Applicable>	7234	13072	20306

C8.2b

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

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

C8.2c

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

Fuels (excluding feedstocks)
Diesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
2153

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.6879

Unit
kg CO2e per liter

Emissions factor source
DEFRA 2020

Comment

Fuels (excluding feedstocks)
Liquefied Petroleum Gas (LPG)

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
1388

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
1.5554

Unit
kg CO2e per liter

Emissions factor source
DEFRA 2020

Comment

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
5346

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.0227

Unit
kg CO2 per m3

Emissions factor source
DEFRA 2020

Comment

Fuels (excluding feedstocks)
Petrol

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
110

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.3147

Unit
kg CO2e per liter

Emissions factor source
DEFRA 2020

Comment

Fuels (excluding feedstocks)

Biogas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
23

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.0038

Unit
kg CO2 per m3

Emissions factor source
DEFRA 2020

Comment

C8.2d

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

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	477	477	477	477
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

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

Sourcing method
Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type
Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Germany

MWh consumed accounted for at a zero emission factor
2473

Comment

Sourcing method
Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type
Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Germany

MWh consumed accounted for at a zero emission factor
259

Comment

Sourcing method
Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Denmark

MWh consumed accounted for at a zero emission factor
990

Comment

Sourcing method
Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type
Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Norway

MWh consumed accounted for at a zero emission factor
799

Comment

Sourcing method
Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type
Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Sweden

MWh consumed accounted for at a zero emission factor
426

Comment

Sourcing method
Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type
Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Denmark

MWh consumed accounted for at a zero emission factor
1077

Comment

Sourcing method
Other, please specify (Generation of solar energy)

Low-carbon technology type
Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Spain

MWh consumed accounted for at a zero emission factor
40

Comment

Sourcing method
Other, please specify (Generation of solar energy)

Low-carbon technology type
Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Germany

MWh consumed accounted for at a zero emission factor
437

Comment

Sourcing method
Standard product offering by an energy supplier supported by energy attribute certificates

Low-carbon technology type
Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Denmark

MWh consumed accounted for at a zero emission factor
609

Comment
Green district heating

Sourcing method
Standard product offering by an energy supplier supported by energy attribute certificates

Low-carbon technology type
Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Sweden

MWh consumed accounted for at a zero emission factor
55

Comment
Green district heating

C9. Additional metrics

C9.1

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

C10. Verification

C10.1

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

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

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

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

C11.2a

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

Credit origination or credit purchase
Credit purchase

Project type
Forests

Project identification
Keo Seima REDD+ project Trade ID: 0066T000015KuXCQA0

Verified to which standard
VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)
2523

Number of credits (metric tonnes CO2e): Risk adjusted volume
2523

Credits cancelled
No

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

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

Type of engagement
Compliance & onboarding

Details of engagement
Included climate change in supplier selection / management mechanism
Code of conduct featuring climate change KPIs
Climate change is integrated into supplier evaluation processes

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

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

Rationale for the coverage of your engagement
Midsona's Supplier Code of Conduct, which has been developed from the Group's Code of Conduct, is a fundamental part of our procurement documentation and has been included as a part of new agreements and existing agreements in renegotiations. The Supplier Code of Conduct helps us set higher standards and improve internal processes to ensure that we only work with sustainable suppliers. Amongst other important factors that indicate social and environmental sustainability in our value chain the Code of Conduct includes basic climate related requirements, like for example all suppliers confirm that they obtain necessary emission permits once required and consider environmental aspects within their production and value chain. All of Midsona's suppliers must sign the Supplier Code of Conduct and, by 2020, 78 percent (that is 452 of 578 individual suppliers) had signed the document, and we aim for 100 percent. The deviation percentages derive from some of the larger suppliers, primarily within Division North Europe, being able to verify that they apply corresponding sustainability requirements and have their own Code of Conduct, which is to Midsona's satisfaction. New acquisitions like Division South Europe and Tilst are not included in the above figures as Midsona's Supplier Code of Conduct is currently being implemented there. When we include new acquisitions and Division South Europe the above figures change to 70% (that is 534 of 765 individual suppliers).

Impact of engagement, including measures of success
Signing our Suppliers Code of Conduct (SCOC) is implemented in the evaluation of new suppliers as a basic element. New suppliers who do neither sign our SCOC nor can verify that they follow its principles by an own Code of Conduct approved by Midsona or a third party certification are not allowed to deliver their goods to Midsona. We conduct annual reviews on supplier level to evaluate the share of suppliers with signed SCOC and raw materials that have been sourced with signed supplier Code of Conduct and the overall progress. In case a supplier does not sign the Midsona Suppliers Code of Conduct and cannot bring an alternative evidence, this fact leads to negative evaluation grades. Furthermore, this supplier can not be a strategic supplier, and the responsible purchaser is obliged to search alternative suppliers. The share of suppliers who sign the SCOC constitute how we measure the success of this engagement. The overall aim is for 100 % of suppliers to sign the SCOC, and hence adhere to our environmental criteria. By 2020, 70 percent (that is 534 of 765 individual suppliers) had signed the document. The deviation percentages derive from some of the larger suppliers, primarily within Division North Europe, being able to verify that they apply corresponding sustainability requirements and have their own Code of Conduct, which is to Midsona's satisfaction. Furthermore, Division South Europe, which has been acquired in 2019, recently started in 2020 to send out the Midsona Code of Conduct to their suppliers and therefore could not meet with the general group requirement. We are continuously striving to increase the share of suppliers.

Comment

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number
0

% total procurement spend (direct and indirect)
1

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

Rationale for the coverage of your engagement
In 2020, Division North Europe embarked on a collaboration with one of Midsona's strategic suppliers of rice with approximately 470 smallholder farmers in the Kotwa area of Uttar Pradesh, India. The products grown in the Midsona dedicated project Kotwa are basmati and long-grain rice (with lentils, amaranth,flax, etc. as rotation crops). The project entails collaborating to achieve an economical growth for Midsona and it's supplier while ensuring better living conditions for small farmers and environment and climate friendly agricultural methods. The collaboration provides us with 100-percent Demeter and Fairtrade-certified raw materials. In order to encourage farmers to adopt more efficient and environment and climate friendly agriculture, Midsona rewards farmers in the project with a special financial incentive premium. This premium is paid to every farmer that adopts a set measured in the crop cultivation. Furthermore farmers - and above that climate and environment - benefit from competent field assistants and training facilities provided by the collaboration. This enables them to gather knowledge, experience and competence and promotes the dialogue between farmers. In 2020 Project Kotwa covered almost 1000 MT of raw material, which is 4% of Division North Volume for Sourcing of raw material. The above displayed shares however refer to measures of Midsona Group.

Impact of engagement, including measures of success
We expect this collaboration to have a significant impact, directly - by achieving a climate friendly and sustainable value chain of rice and its rotational crops and indirectly - by functioning as a portfolio project for climate friendly rice cultivation in Uttar Pradesh India and for us at Midsona likewise. We hope that achieved progresses can be transferred to other value chains. We measure the number of farmers and the percentage of fields that cover a set target per season. In 2020 we agreed on implementing Laser Levelling of fields as the first measurement that got rewarded with an incentive premium. A coverage of 95% was achieved. Laser Levelling is needed as the foundation for any sustainable radical change in agricultural techniques. From 2021 on we are going to promote the transition to the System of Rice Intensification and Zero Tillage Technology for rotational crops. Both agricultural methodologies are radical changes of existing techniques and scientific papers indicate a major impact in terms of emissions savings. We expect this radical change to take some years until significant impact can be achieved.

Comment

C12.1b

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

Type of engagement
Collaboration & innovation

Details of engagement
Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number
100

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

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
Transports of raw materials and finished products are often a major source of environmental impact in the food industry. In order to improve transports and reduce the environmental impact, Midsona Sverige has joined the Swedish trade association DLF and its 2025-transportation-initiative. This initiative aims at ending the use of fossil fuels for domestic transports by 2025. While the DLF is an organization for manufacturer and retailer, it collaborates closely with the retailer association Svensk Dagligvaruhandel and the wholesaler association Livsmedelsgrossisterna för Restaurang & Storkök that represent our customers. Since membership is possible for any company working in the food industry, and there is a collaboration with retailer and wholesaler associations, this initiative creates a good network to improve transports along the supply chain. Since the development and science of what is considered sustainable fuel, and carriers' attitudes towards fossil-free fuel is shifting rapidly, a large and strong network is a core element to promote and support scientific progress and realization. The initiative targets with DLF exclusively the Swedish market so the share of customers covers solely the Swedish market (40%) based on DLF alone. Yet, Midsona follows the same principles for the whole Nordic Division, constituting 100 % of all Nordic customers (the remaining percentage consists of customers who do not include transport from us). However, Midsona has extended this target to apply to the entire group, and therefore covers 100 % of all self-contracted transporters.

Impact of engagement, including measures of success
Midsona expects possible carbon taxes for fossil fuel or requirements for transportation providers to only use low/zero-emission vehicles in transportation in the medium to long term which is an opportunity for Midsona as we have a target for 100% fossil free self-contracted transports until 2030 and for Nordic 2025, and hence this is how we measure success. This is also in line with our biggest customers' requirements as we have joined the Transport initiative 2025 launched by DLF in Sweden. An obvious method to reduce our emissions from transport is to reduce our transport and consumption of fossil fuel which accounts for most of the transport's CO2 emissions. Example of management is to increase the percentage of fossil free fuel used by our transport, and already today 45% of all incoming transports to Sweden are intermodal solutions by boat and fossil free train transport as a carbon dioxide efficient transport chain. Already in 2019, we started to look at more intermodal solutions as a carbon efficient transport chain, and in 2020, we continued to redesign transport chains from Belgium and Italy to an intermodal solution with the majority of trains instead of only trucks. Today, 45% of all incoming transports to Sweden are fossil-free intermodal. For outbound transport we have started to change our fuel to fossil free Hydrogenated Vegetable Oil (HVO fuel) which both will reduce the emission as well as positively impact reputation and reduce costs directly and indirectly through lower carbon prices and can give us a competitive advantage. In addition, our focus on efficiency in transportation through filling level, load planning and route optimization to reduce costs and lead times will impact our resource efficiency and reduce energy use. For example, we collaborate with Cargo Clix in Germany to optimize transportation, plan optimal routes and avoid unnecessary waiting times which in turn reduces fuel consumption and greenhouse gas emissions. Moreover we reduced the number of transport haulers from 60 to 30 and tried more double-stacking pallets with positive results to reduce transport.

Type of engagement
Education/information sharing

Details of engagement
Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number
100

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

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
As part of our packaging strategy for recycling of our packaging, we have focus to inspire the end-consumer through labelling to increase consumers opportunity and knowledge to be able to recycle our consumer packaging in the correct way. This engagement is focused on our Scope 3 emissions - "End of Life Treatment of Sold products" - that we can reduce by selling products in recyclable packaging. In 2020 ca. 60% of our plastic packaging, 94% of paper & cardboard, 19% of metal and 99% of glass have been reported as recyclable. Even though, we are actively increasing shares category by category, in the end our efforts are limited to delivering products that can be recycled. In the end it needs the engagement of consumers and waste disposal companies / recycling companies to ensure efficient recycling on macro economical level. We consider consumers knowledge about disposing packaging and recyclable materials as one key success factor for increasing the macro economical share of recycling and therefore started to label recycling instructions on our own brand products as a sustainability action. Recycling instruction also became one of our labeling criteria in our innovation and product assortment process. Thus, all the packaging for new and updated products are labelled with recycling instructions in the Nordic and North Division 2020, which will also be followed up in the South Division.

Impact of engagement, including measures of success
As the true impact is not located within our operational activities and therefore can not be efficiently measured by us we approach this measurement of success by collecting and reporting information about number and share of products with recycling instructions, and in Division North, also number and share of products with external recycling certification. Today, a large part of our own brands have recycling instructions on the packaging in the Nordic (as an example 100% of Urtekram and KungMarkatta). In Division North Europe we furthermore started using a third party owned and verified label, that informes customers about the level of recycability of the packaging. This certification label originates in the cooperation of a disposal company (INTERSEROH) and a well accredited analytical institution (Fraunhofer Institut). In 2020 26% of brand Davert (one of Midsonas prioritized brands) products have been labelled with the "Made for Recycling" label quoting a very good recycability (19 out of 20 points). We plan to extend the labelling in 2021. In Division South in France and Spain, work is also being done labelling recycling instructions on own brand products. France already has a total of 56% sales of own brand products with recycling instructions.

Type of engagement
Collaboration & innovation

Details of engagement
Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number
100

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

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
Plastic packaging on finished products is often an important source of environmental impact in the food industry. In order to improve packaging and reduce the environmental impact, Midsona Sverige has joined the Swedish trade association DLF and its 2025-Plastic -Initiative. This initiative aims for ending the use of non-recyclable plastic by 2025. While the DLF is an organization for manufacturer and retailer, it collaborates closely with the retailer association Svensk Dagligvaruhandel and the wholesaler association Livsmedelsgrossisterna för Restaurang & Storkök that represent our customers. Since membership is possible for any company working in the food industry, and there is a collaboration with retailer and wholesaler associations, this initiative creates a good network to improve packaging along the supply chain. Since the development and science of what is considered sustainable packaging is shifting rapidly, a large and strong network is a core element to promote and support scientific progress and realization.. The initiative targets with DLF exclusively the Swedish market so the share of customers covers solely the Swedish market (40%) based on DLF alone. Yet, Midsona follows the same principles for the whole Group as Midsona has extended this target to apply to the entire group, and therefore covers 100 % of all Midsona´s plastic packaging.

Impact of engagement, including measures of success
The purpose of a circular economy is to maintain the value of products, materials and resources for as long as possible by returning them into the product cycle after they have reached the end of their lifecycle, while minimising the generation of waste. The more we recycle, the fewer materials we extract, thus benefiting our environment. Midsona has a strategy for circularity where we work a lot with recycling for both our own waste and for packaging on the products. Midsona expect that the costs of non-recyclable packaging will increase as part of the European Strategy in a Circular Economy. We evaluate this as an opportunity for us since Midsona has target on 100% recyclable consumer packaging by 2025, and thus give us a competitive advantage. This is in line with our biggest customers' requirements as we have joined the Plastic Initiative 2025 launched by DLF in Sweden. Both customer and consumers have increased focus on footprint and circularity and we assume this will be an opportunity for our competition event and final sale. Midsona have for a long time been working to increase recycling, both for our packaging and sorting of waste in our facilities. For North division, more than 85 % of our packaging is recyclable already today, and in France 43 %. In Nordic, ~21 percent of our plastic packaging of our largest market is recyclable, and for all the divisions we aim for 100%. In Spain, 30 percent of used plastic can be recycled, but in the production in Spain of heat-treated food still does not handle recyclable plastic in the production as the technology currently does not allow for any other packaging than traditional plastic. For own purchased packaging material, we have 25 % packaging of recycled material made of plant-based plastic from sugar cane waste 2020 when we exclude the new acquisitions. In 2020 total at Group level, ca. 60% of our plastic packaging, 94% of paper & cardboard, 19% of metal and 99% of glass have been reported as recyclable.

C12.1d

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

We engage with multiple stakeholders in multiple ways to mitigate climate change. In the following a collection of examples can be found.

We collaborate with certification organisations and key suppliers on preventing tropical deforestation and promoting biodiversity and the protection of endangered species in agricultural business. This includes collaboration with the RSPO, FOS, KRAV, UTZ, FSC, demeter, Naturland, Bioland and Wildlife Friendly.

Furthermore, we focus on organic products (share of 57% sales of our products) and do explicitly not support GMO. Our assortment is 100% GMO free according to EU regulations (EC)
No 1829/2003* and No 1830/2003**.

We encourage our employees to act climate friendly in various ways at work and above. We conduct basic training for environmental-friendly behavior at various of our plants, we implemented a policy for social and environmental-friendly workplaces. Moreover, we motivate employees to use more climate friendly forms of mobility for example by initiating bike challenges with incentives in Finland and Germany, or by subsidizing private electrical or hybrid vehicle in the form of free charging at our plants in Ascheberg and Lauterhofen.

The transports of our raw materials and finished goods cause a significant share of our Scope 3 emissions. Besides setting a long term goal to transport 100% fossil free by 2025/2030 (own contracted), we directly cooperate with our contracted transport companies on superordinate and individual level. As an efficient reduction strategy often needs accurate measurement as a first step we urge our transport partners to report the greenhouse gas emissions for our contracted transports in accordance with the European standard EN-16258's "Well to wheel". In Division Nordic we joined the swedish DLF Transport Initiative and therefore engage in a network with transport companies, competitors and customers to move forward new technologies for low emission (fossil free) transports. Every member of the initiative is committed to conduct and/or contract 100% fossil free transports by 2025. In Division North Europe we invest the annual refund of a key transport partner in climate action. In France, we collect raw material in collective transports straight from almost 180 farmers.

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

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

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

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

Management practice reference number
MP1

Management practice
Organic farming

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

Your role in the implementation
Procurement

Explanation of how you encourage implementation
Midsona wants to be involved in protecting the forest and biodiversity and mitigating climate change through our work with innovation, production and the value chain and we have therefore chosen organic raw material as integral part of our responsible sourcing development goals. In Division North Europe and South Europe we almost solely accept organic raw material for our production. For organic food production, Midsona uses only organic raw materials, except for salt, water and other natural substances that cannot be organic. In addition to conventional raw materials used in the newly acquired production facility in Tilst (System Frugt), more than 90 percent of the raw materials Midsona used in 2020 were certified as organic.

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

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

Management practice reference number
MP2

Management practice
Biodiversity considerations

Description of management practice
Midsona promotes the holistic biodynamic agricultural approach. The base of this approach is a set of strict guidelines and principles elaborated, composited and certified by the Demeter e.V. The criteria go beyond the criteria for organic farming VO (EG) Nr. 834/2007. Core elements are the promotion of biodiversity, the focus on healthy soils, the usage of special organic self-produced fertilizers and the circular and holistic approach. This management practice combines biodiversity considerations with composting, crop rotation and organic farming amongst others. Enhancing agricultural biodiversity has significant potential to mitigate the impacts of greenhouse gases by increasing soil biodiversity to build soil organic matter, capturing carbon, using diverse leguminous crops to fix nitrogen in the soil, reducing the need for chemical fertilizers, introducing perennial crops to store carbon below ground and planting temporary vegetative cover between successive crops to reduce nitrous oxide emissions by extracting unused nitrogen. The application of compost increases the amount of carbon sequestered in soils. The addition of Nitrogen reduces agricultural energy demand as a result of the increased infiltration and storage capacity of soils, thus reducing irrigation needs. The application of compost reduces the need for greenhouse gas (GHG) producing fertilizer, pesticides and herbicides.

Your role in the implementation
Knowledge sharing
Procurement

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

Climate change related benefit
Emissions reductions (mitigation)
Reduced demand for fertilizers (adaptation)
Reduced demand for pesticides (adaptation)

Comment

Management practice reference number
MP3

Management practice
Rice management

Description of management practice
Cultivated wetland rice soils emit significant quantities of methane. Emissions during the growing season can be reduced by many practices. Midsona supports the implementation of the System of Rice Intensification (SRI). System of Rice Intensification (SRI) is a climate-smart, agroecological methodology for increasing the productivity of rice by changing the management of plants, soil, water and nutrients. Fewer seedlings are planted with a larger distance and individually. As a result, each plant profits from more space, more sun, more nutrients and can build stronger roots and shoots. The fields are only watered as needed, which saves an enormous amount of water in areas that often suffer from lacking water supply. The soil is partly dry and has to be weeded mechanical, but can be fertilized. This results in a good aeration of the soil, promotes growth and increases the capability of saving carbon dioxide. Moreover the modified bacteria composition of the soil reduces methane gas emissions.

The final result of that technique are higher crop yields, lower water consumption and reduced emissions. The challenging part of the SRI is that this methodology requires higher work intensity and know how.

Your role in the implementation
Financial
Knowledge sharing
Procurement

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

Climate change related benefit
Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)

Comment

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

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

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?
Direct engagement with policy makers
Trade associations
Funding research organizations
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (Carbon Compensation & Promotion of economical development)	Support	Midsona Deutschland joined the Alliance of Climate and Development in 2019. The Alliance has been initiated by the German Ministry of Economy and Development and further has been transferred into an independent foundation. Companies, GO, NGOs and private citizens collaborate with the aim to combine climate action with the promotion of economic development in developing countries. All members therefore have to compensate for emissions through carbon credits from projects located in developing countries. The projects need to be third party certified, additional and need to promote at least one more of the 17 UN SDG's in addition to SDG 13. Our division North Europe decided to neutralize Scope 1 & 2 emissions of related sites in Ascheberg and Lauterhofen by buying credits from a REDD+ project in Cambodia close to their value chain.	We support the Alliance of Climate and Development with no exceptions.
Other, please specify (DLF Transportinitiative - Fossil Free Transports)	Support	Midsona Sverige joined the DLF Transport initiative which aims at accelerating the transition to a fossil-free transport system. As a member Midsona commits to end the use of fossil fuels for domestic transports in Sweden by 2025.	We support DLF's Transport initiative and it's ambitions with no exceptions.
Other, please specify (DLF Plastic Initiative)	Support	Midsona Sverige is a member of the DLF Plastic Initiative. The goal of this initiative is to make sure that the plastic consumer packaging put on the market by DLF's member companies is recyclable by 2025. Furthermore, the recycling grade of plastic waste in accordance with the producer responsibility for packaging (2018:1462) shall be improved.	We support DLF's Plastic Initiative and it's ambitions with no exceptions.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?
Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
DLF Sweden

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
DLF is a swedish trade association with the purpose of promoting an efficient, innovative and sustainable FMCG industry primarily in Sweden. Members of the DLF come from companies that manufacture and sell FMCG products. To strengthen a sustainable economy by collaborating and knowledge sharing is one of the core targets of the trade association. Members of the DLF and DLF itself acknowledge that progress in the field of sustainability requires joint efforts and strong partnerships. To increase the impact the DLF collaborates with the retailers association Svensk Dagligvaruhandel and the wholesaler association Livsmedelsgrossisterna för Restaurang & Storkök. The collaboration starts with joint reporting tools and development of indexes and ends in terms of Svensk Dagligvaruhandel with joint acquisitions of companies in the recycling area to improve the circular economy. Even though the UN SDG 13 "Climate action" is considered as a core element of a sustainability and it needs to be mentioned that the DLF initiated two special initiatives in the area of Scope 3 emission reduction for its members: The Plastic Initiative was launched in 2018. The initiative is a voluntary commitment and clear statement that the grocery industry in Sweden intends to push forward towards a circular economy. The goal is to make sure that the plastic consumer packaging put on the market by DLF's member companies is recyclable by 2025. The Initiative also aims at improving the recycling grade of plastic waste in accordance with the producer responsibility for packaging (2018:1462). In 2020, 55% of all members had signed the initiative, Midsona amongst them. The Transport initiative 2025 has been launched by DLF Sweden's Board of Directors in order to lead the way and contribute towards achieving the goals of the Paris agreement and support the Swedish Climate Politic. In signing the initiative, the FMCG industry affirms their voluntary commitment to pursue the goal of accelerating the transition to a fossil-free transport system. Member companies should have ended the use of fossil fuels domestically by 2025. In accordance with the draft Renewable Energy Directive, the fuel used in a fossil-free fleet must at least reach the 70 per cent emission reduction target compared to fossil alternatives. In 2020 59% of all members had signed the initiative, Midsona amongst them.

How have you influenced, or are you attempting to influence their position?
In the person of Ulrika Palm, who is working for Midsona as Director of Division Nordics (our biggest division), Midsona is represented in DLF Sweden's Board of Directors. This engagement enables Midsona to influence the DLF's position, activities, communication and initiatives directly. Moreover, Ulrika Palm is a part of Midsona Group Management and the Sustainability Steering Group. This combination of functions gives her (and further regarding Midsona) great opportunities to identify and promote synergies in DLF's and Midsona`s strategical movement and also allows her to interact in an early stage in terms of misunderstandings and disagreements. In general, it needs to be mentioned that the DLF has a clear focus on driving forward the whole industry and not the micro economic interest of several associated members. We respect and support this approach and in her function as member of the DLF, Ulrika Palm broadens her perspective with the clear intention to drive forward the industry and not to solely push Midsona interests. Midsona actively supports and promotes both mentioned initiatives from the very beginning on. As part of the DLF board Ulrika was a driver of the launch of the Transport initiative.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

UN Global Compact - General principles of economical acting

Midsona joined the UN Global Compact initiative in 2011 because we believe in, and seek to follow, the ten principles in the areas of human rights, working conditions, the environment and anti-corruption. Our most important driving forces are our mission, vision and values – which are incorporated into Midsona's Code Of Conduct – and not at least our commitment to health and sustainability. Through the adherence to the Global Compact Midsona has committed itself to report annually on progress. We do this through the publication of Midsona Sustainability Report, which is part of the annual reporting, publicly available and strive to describe the group's work on sustainability during the last year.

Cooperation with WWF

In Finland Midsona actively cooperates with the World Wide Fund for Nature in terms of product labelling and sales promotion activities. Furthermore, in 2020 Midsona Finland decided to deepen that cooperation and apply for the WWF Green Office certification in 2021. This certification is comparable to an environmental management certification especially for offices. Midsona has to elaborate a specific action plan including measurable targets that gets approved by WWF.

Cooperation with the Wildlife Conservation Society

Midsona Division North Europe cooperates with the Wildlife Conservation Society (WCS). The WCS mission is to save wildlife and wild places worldwide through science, conservation action, education, and inspiring people to value the nature. Furthermore WCS uses cutting-edge science to understand the impacts of climate change on wildlife and natural resources, plan conservation for a rapidly changing world, and implement on-the-ground solutions to protect ecosystems.

On one hand Midsona Deutschland is the exclusive partner in the European market (excluding GB) of Jasmin Rice from the WCS initiated and launched Ibis Rice Project. The Ibis Rice project combines environmental protection, agriculture and socio-economic development. Farmers grow their crops in the area of a remote national park - following strict guidelines that prevent deforestation and illegal hunting meanwhile they act as guardians of 500,000 hectares of remote national park and more than 50 threatened and endangered species in an area traditionally plied by loggers and poachers. In reward the farmers get a premium added to the price of the crops. Midsona purchase Jasmin Rice from this project since 2016 and has a close relationship. Furthermore, we claim the project on all related products and to increase the consumer's awareness and promote the project itself. The achievements of the project are significant, for example the project reduced deforestation in that area to 75%.

On the other hand, Midsona Deutschland compensates Scope 1 and Scope 2 emissions by buying carbon certificates from the WCS REDD+ Project Keo Seima.

The carbon certificates arise from the conservation of the Keo Seima Wildlife Sanctuary that includes 166,983 hectares of protected forest. The REDD+ project follows the global acknowledged VCS standard.

Promotion of sustainable community catering

With a range of organic products, we support healthy and environmentally friendly community catering in various ways. In 2020 the Nordic Divisions Food Service started a cooperation with White Guide Junior. Meanwhile Food Service in Division North Europe started new cooperation with caterers responsible for the provision of primary schools. In addition, we continuously donate food to charities such as AMMA in Spain, FødevareBanken and Julemarket in Denmark, and Tafel in Germany. In 2020, Division North Europe and Division Nordics donated a total of more than 16 tonnes of food to charity.

Basic Commitments on responsible marketing

Midsona adheres to regulations and ethical principles in accordance with the Swedish Marketing Act and the EU's consumer information regulations. We are members of the Association of Swedish Advertisers, a local organisation promoting regulatory compliance. In the second quarter of 2020, the Association of Swedish Advertisers launched the sector initiative "Transparency, Ethics and Responsibility".

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Midsona's board has the overall responsibility for that Midsona works with a realistic agenda for sustainable development and has provided Group management through Midsona's Sustainability Steering Group in assignment to conduct a cohesive sustainability (including climate) work. The Sustainability Steering Group consists of Chief Executive Officer (CEO), Director Operations Group (COO), Director Sustainability Group (CSO), Legal Director (CLO and Division Director Nordic (which is the biggest division). The Sustainability Steering Group has a quarterly sustainability forum where sustainability strategy and strategic plans, actions, targets, projects, progress and reports are on the agenda. The result is reported to the Board regularly and approved by the Board. The Director Sustainability Group (CSO) also reports the outcome and approved decisions from the Steering Group quarterly to the rest of the Group Management team (ie: Division Directors North and South). Based on approved decisions from the Steering Group, the Sustainability work within Midsona is then conducted cross-functionally through a sustainability group led by the groups sustainability director (CSO) and consisting of representatives for both the three divisions as well as Group sustainability Controller, the groups Sustainability Specialists, communication responsible and the groups governance and risk responsible (CLO). The responsibility for the actual execution lies in the divisions and line organization (our workstreams). We ensure that information actively circulates to avoid the loss of information and/ or ideas. Each functional institution (department/team/position) is connected to more than one other institution. The reporting system includes and involves various persons in leadership positions and from operational business.

The structure of our sustainability work as well as our focus areas and targets for sustainable development can be found on the intranet by every employee at all times. Contact persons are displayed and always open for a dialog. In addition, the annual sustainability report is available in the intranet and the targets can be found printed and openly displayed at several sites to ensure that employees without intranet accounts have access as well. For new employees, information about our sustainability work is part of our plan for information routine for new employees.

Furthermore, we are planning an annual sustainability training mandatory for all employees.

To create and maintain a functioning internal governance environment, the Board adopted a number of Policies and other steering documents that serve as guides for the operations. Amongst them a stakeholder communication plan. In 2019, Midsona’s internal management processes were strengthened and a more functional structure was established. The progress and results are reported to the Board regularly (1-2 times a year). The Group’s efforts and progress in sustainability work is also addressed and discussed in the annual sustainability report which is reviewed and commented on by the board.

Contact with authorities and communication with external organisations take place at Group, divisional, national and site level. The management of the individual institution maintains a dialogue with local and national political authorities to find workable solutions to individual issues that concern their operations, and to create understanding for the companies’ goals, plans and needs.

Important developments in terms of national and EU law, political or social driven activities are discussed regularly in various management circles amongst them the Sustainability Group, the Steering Group, the Group Management and the Board. In addition, Midsona hired a Legal Director to strengthen the efforts.

C12.4

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

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Midsona annual report 2020_ENG.pdf

Page/Section reference
Sustainability Strategy and Targets - Page 45 -49 Sustainable Brands - Page 50 - 54 Efficient Ressource Use - Page 66-67 Efficient Transports - Page 68 -69 Governance - Page 70 Sustainability Data - Page 72-75

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication
In voluntary communications

Status
Complete

Attach the document
Midsona press release SBTi.pdf

Page/Section reference
P.1-2

Content elements
Emission targets

Comment

C13. Other land management impacts

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

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

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

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

Management practice reference number
MP1

Overall effect
Positive

Which of the following has been impacted?
Biodiversity
Soil
Water
Yield

Description of impacts
Midsona has taken a strategy and position on soil, water and biodiversity management in agricultural production along the value chain. Biodiversity management and access to necessary sustainable raw materials will always be a risk for Midsona. To ensure that the next generation has access to the raw materials and that the raw materials do not harm the environment and climate, it is important for us to ensure sustainable raw materials and agriculture. We strive to have more efficient raw material use by common sourcing and production due to synergies of product assortments between groups brands and companies. By choosing certified raw materials and FSC packaging materials for our brands, Midsona promote implementation of sustainable management of the forests, soil, and marine resources. Therefore, we have taken a position on different certified raw materials, including paper use as well as animal welfare. One of our focus areas for certified raw materials, is organic, free from Genetically Modified Organisms, Roundtable on Sustainable Palm Oil, Friends Of the Sea fish oil from sustainable fishing and certified paper use (as Forest Stewardship Council) in order to ensure sustainable use of the soil, forest and ocean. To completely break the association between our products and tropical deforestation, Midsona has started more activities to be 100 percent free of palm oil in our own brands by 2025. 2020, more than 90% of our own raw materials are organic, 100% is GMO free, and 100% of the fish oil Midsona uses in its own production is certified according to FOS. Already today there is very little palm oil left in Midsona, less than 2% of total sales come from products containing some form of palm oil and all this is RSPO certified. In addition, we are working with other certifications/ labelling of products with environmental (or social) impact, i.e. organic (57%), KRAV (3,5%), ECOCERT Cosmos (4%), Fairtrade (5%), Vegan Society's Trademark (4%), Naturland (3%), Demeter (1%) etc. To manage our position for raw materials, we have a new Group Instruction approved by the Board, belonging to the Midsona´s Sustainability Policy to take a position and strategy on soil and biodiversity management in agricultural production along the value chain, “MIDSONA´s INSTRUCTION ON GMO, PALM OIL, FISH OIL, PAPER USE and ANIMAL WELFARE”.

Have any response to these impacts been implemented?
Yes

Description of the response(s)
Midsonas`s Instruction summary: It is our opinion that long term uncertainties exist regarding environment and health with the use of GMO’s and that they raise concerns about safety, environmental and ecological risks and health hazards in relation to GM foods. Therefore, we shall only work with GMO free raw materials and products, that are not produced from GMO’s: Midsona's products do not contain raw materials from genetically modified crop and we do not accept products that are to be labeled according to EU regulations 1829/2003 and 1830/2003. Among raw material with high risk of admixture of genetically modified (GM) material, are soy, corn, rapeseed and rice. It is our opinion that the protection of the rainforests and the indigenous people is essential and that measures against deforestation and extinction of habitats must be taken. By completely excluding palm oil from our products, the association between our products and tropical deforestation disappears. Therefore, Midsona shall: Avoid palm oil or - if it is not possible due to product needs in terms of quality and safety – only source RSPO Identity Preserved or Segregated certified palm oil to promote a responsible production. Be 100 % free from palm oil by 2025 for own brands. It is our opinion that protection of the global resource that the oceans constitute is a priority and that the use of sustainable fishing methods and sustainability certifications are necessary and urgent, in order to ensure sustainable use of the oceans, seas and marine resources. Therefore, we shall: Ensure that fish oil in raw materials solely comes from sustainable fishing. It is our opinion that by using legal certified forest-based materials, Midsona contribute to an environmentally-friendly and socially responsible use of the world's forests and respect the property and land tenure rights as well as customary and traditional rights. Therefore, Midsona shall: Focus on sustainable paper use by purchasing certified paper like FSC (Forest Stewardship Council) or similar, for packaging materials for our brands. It is our opinion that Animals shall be treated well and shall be protected from unnecessary suffering and diseases. Therefore, we shall: Promote and make available plant-based foods a responsible alternative for animal derived products and never market products that have been tested on animals.

C15. Signoff

C-FI

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

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

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

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms