

Lantmännens

Green Bond Report 2023

Lantmännen Green Bond Report

In April 2021 Lantmännen launched our Green Bond Framework and issued a Green Bond in the total amount of 1,000 MSEK for the purpose of financing projects that promote the transition towards a low-carbon, climate resilient and environmentally sustainable society (Green Projects). The Green Bond Framework was independently evaluated and rated by CICERO as Medium Green shading and received a governance score of Excellent.

In 2022 Lantmännen outstanding bond was fully allocated and no changes in 2023 has been made. In March 2024 Lantmännen updated its Green Bond Framework and issued new Green Bonds with a total value of 2,000 MSEK. The first Green Bond report for the updated framework will be published in 2025. The Green Bond Framework supports Lantmännen's strategy Field to Fork 2030 and the Lantmännen climate targets.

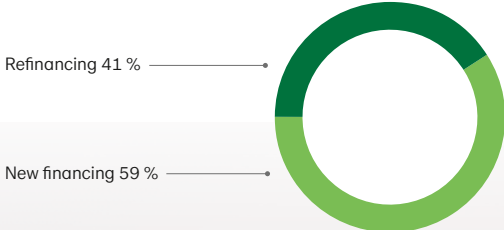
Lantmännen's climate strategy is based on reducing emissions in line with the pace required by the Paris Agreement. This means halving emissions every decade to achieve climate neutrality by 2050. Lantmännen's climate targets are divided into primary production, own production and purchased transports. The development of the cultivation program Climate & Nature has taken important steps forward with the introduction of fossil free fertilizer. In 2023, Lantmännen introduced a fossil-free grain value chain from field to fork as a possible measure. Issuing a green bond enables us to invest in sustainable projects to fulfill our climate strategy.

Allocation of proceeds

Lantmännens Green Bond was fully allocated in 2022 and in 2023, no changes to the allocation has been made. On the 31st of December 2023 there was no outstanding amount available for further financing through the Green Bond. As illustrated in the following chart, the allocation of proceeds is distributed between both new projects (59 percent) and refinancing of previous investments in eligible projects (41 percent).

Distribution between new financing and refinancing based on disbursed amount

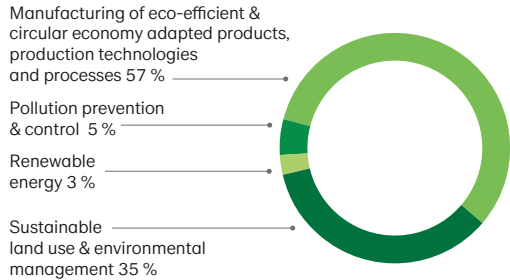
New financing is defined as Green Projects financed after the Green Bond has been issued, and refinancing is defined as Green Projects financed before the Green Bond issuance.



In total 10 Green Projects undertaken by Lantmännen or its subsidiaries have been financed through the Green Bond. The following chart shows the allocation of proceeds between the five green project categories defined in the Green Bond Framework.

Green Project Category portfolio distribution

The proportion of Green Bond disbursed amount, 1,000 MSEK, used per Green Project Category. No project was allocated to the category *Green and energy efficient buildings*.



The majority (72 percent) of the disbursed amount has been allocated to capital expenditures, where a significant part is focused on the development of the biorefinery in Norrköping, Sweden, for gluten protein production. An example of operational expenditure financed by the Green Bond is the operation of plant breeding in Svalöv, Sweden, to develop climate resilient crops and new types of crops for profitable farming and sustainable farming.

Distribution between CapEx and OpEx based on disbursed amount

Operating expenditures qualify for refinancing with a maximum three-year look-back period before the issuance year of the Green Bond.



Impact report

The impact report discloses the environmental impact of the Green Projects financed. It is, when applicable, based on the Key Performance Indicators presented in the Green Bond Framework. For more information on reporting principles, please refer to the Green Bond Framework launched in April 2021.

UN Global Goals	Green Project Category	Project	Description	Impact of Investments
	Renewable energy	Boiler Bjärnum, Agrovärme	New boiler resulting in capacity increase of renewable heat generation.	Capacity increase of 50 percent renewable heat generation annually when full capacity is used. During 2019-2020 the capacity use was 10 percent higher, resulting in avoided emissions of approximately 300 tonnes CO ₂ annually. The Agrovärme business was divested in September 2022.
		Rebuilding for transition to biogas, Biorefineries	Rebuilding of air cleaning equipment to enable use of biogas instead of propane as main fuel source, leading to a phase-out of fossil fuel in favor of renewable biogas.	Expected emission reduction of 2,150 tonnes of CO ₂ emissions annually by changing propane to biogas.
 	Manufacturing of eco-efficient and circular economy adapted products, production technologies and processes	Kiln oats production line, Oats	Increased capacity of Lantmännen's oat food production by approximately 25 percent. The new production line has technology for peeling and heat treatment. Production started in 2022 and is running according to plan.	Increased supply of sustainable healthy food products based on oats.
		Gluten production, Biorefineries	New production line with increased capacity for production of Swedish-produced proteins for food and feed production. During 2023 production started.	Use of Swedish-produced gluten protein instead of imported protein for use in feed, such as soy, would significantly lower the climate emissions from feed and further down the value chain to dairy and livestock production.
  	Sustainable land use and environmental management	Lantmännen Research Foundation	Annual funding for research projects contributing to knowledge within Lantmännen businesses or farms. The Research Foundation awarded around 80 projects in 2019-2021. Read more: lantmannen.com/research-and-innovation/research-foundation/	The projects in this category develop methods and tools for sustainable cultivation. As a business partner to farmers, Lantmännen contributes expertise and resources to the development of sustainable production inputs and cultivation techniques.
		Plant breeding and Svalöv Future Fit Breeding	Investment in research and development in plant breeding for a Nordic climate with crops resistant to climate change and new types of crops for a profitable farm.	In June 2022, Lantmännen's new Farm of the Future Svalöv was inaugurated. Here, new investments in infrastructure and robot technology for high throughput genotyping will significantly increase speed and precision for Lantmännen's plant breeding. Plant variety from the high efficiency breeding facilities will contribute to deliver solutions for increased, sustainable and profitable production despite challenges driven by the changing climate. The new facility will provide superior conditions for collaboration on research and will serve as an important place for visits.
		Dataväxt AB	Investment in the company Dataväxt that develops software for improving cultivation. The tools enable real data collection and, in combination with technical applications, the development of best practice in climate and environmental efficient farming.	
		Bjertorp Farm of the Future	Investment in Bjertorp, Sweden, a test farm for sustainable techniques and methods for Farming of the Future with the aim of reaching a climate neutral farming by 2050. Read more: lantmannen.com/farming-of-the-future/farm-of-the-future/bjertorp-farm-of-the-future/	Lantmännen's Farm of the Future Bjertorp developed into a demonstration farm for more sustainable cultivation methods with more than 650 visitors in 2023. Several research trials were initiated on the farm, in collaboration with academia, institutions and other companies.
		Thermoseed Skänninge	Rebuilding of the seed facility in Skänninge, Sweden, to become the third Lantmännen ThermoSeed facility using technology for chemical-free seed treatment.	The seed treatment facility in Skänninge opened in 2021 with the potential to further increase the non-chemical seed treatment. The share of thermally treated seed increased from 27 percent of total seed production in 2020 to 37 percent in 2023.
 	Pollution prevention and control	Recycling plants	Investment in new recycling plants in Kotka, Finland, and Fredericia, Denmark. Residues from the food industry are processed into raw material in the plants for production of bioethanol at the Norrköping Sweden bio-combine. The residues consist of products and ingredients rich in starch. Read more: lantmannen.se/forskning-och-innovation/bioenergi-och-grona-material/	The main product from the biorefinery is bioethanol. It has a high climate performance; in fact, Lantmännen's ethanol reduces the climate impact by more than 95 percent compared to petrol. The use of residues from the food industry increases resource efficiency and further reduces climate impact.
	Green and energy efficient buildings	No project within the category 2021 or 2023		

Quantified disclosures have been calculated by internal experts, based on data and metrics disclosed in the Annual Report with Sustainability Report.

Agreed-upon procedures report

No agreed upon procedures report has been made for the reporting year 2023 since the bond was fully allocated by December 2022 and verified in Green Bond Report 2022.



**Together we take
responsibility
from field to fork**