

Sustainability-related indicators

Appendix to Lantmännen Annual Report and Sustainability Report

Version 2012-04-12

2011



Lantmännen



**35,000
farmers**



**10,000
employees**



**Operations in
22 countries**



**Sales of
SEK 38 billion**

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Global Reporting Initiative (GRI)

For the seventh time Lantmännen is giving an account of its sustainability work in an external report. Our report has been compiled according to Global Reporting Initiative's (GRI) Level B based on our own judgment. GRI is an independent global organization that develops frameworks for sustainability reporting. Applying the GRI's sector-specific framework for the food processing sector (GRI Food Processing sector supplement) ensures relevant and clear disclosure of sustainability work.

www.globalreporting.org

Global Compact

The Sustainability Report also meets the requirements laid down in the UN Global Compact's "Communication on Progress" (COP), i.e. reporting on the work of implementing the Global Compact's principles for corporate social responsibility. Lantmännen signed the Global Compact in 2009 and has thus committed itself to publishing a COP.

www.unglobalcompact.org

Sustainability-related indicators

This appendix describes each indicator's name, definition, outcome including any comments about particular assumptions made, and known shortcomings in the calculations or explanations. The indicators are divided into the following areas: Sourcing (SOU), Economic Aspects (EC), Environment (EN), Labor Practices and Working Environment (LA), Human Rights (HR) and Product Responsibility (PR). Indicators that are specific to the food processing sector are marked FP (food processing). The GRI indicator that applies is stated in brackets.

- = completely reported according to GRI
- ◐ = partially reported according to GRI

See our website www.lantmannen.com for more information concerning how we tackle our responsibilities or how to download the whole Annual Report and Sustainability Report.

Questions relating to the Sustainability Report

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Sourcing

Proportion of volume purchased from suppliers that is compliant with the company's sourcing policy (FP1)

● Completely reported according to GRI

Definition: FP1 is defined according to GRI. We define "compliant" as the supplier having the supplier code of conduct (SCoC – Supplier Code of Conduct) in their agreement, having been risk-assessed and having an approved self-assessment as to whether they are medium- or high-risk suppliers.

Objective:

All suppliers to have SCoC in their agreement. All suppliers with an annual purchase volume over MSEK 1 to have been monitored up to 2012.

Outcome:

The procedure has been in place since 2009.

	2011	2010
Proportion of purchasing volume (over MSEK 1) that meets the criteria of the SCoC	66 %	35 %

Proportion of suppliers of over MSEK 1 purchasing volume that has been monitored by means of risk assessment and/or self-assessment

Definition: Suppliers of an annual purchasing volume exceeding MSEK 1 that have been risk-assessed and monitored according to the following supplier code of conduct method (SCoC – Supplier Code of Conduct).

Objective:

- 1) Risk assessment of all suppliers (exceeding MSEK 1) based on the Supplier Code of Conduct by the end of 2012.
- 2) Self-assessment of all medium- and high-risk suppliers (exceeding MSEK 1) by the end of 2012.

Outcome:

	2011	2010
Proportion of suppliers (over MSEK 1) that have been monitored by means of risk assessment/self-assessment	20 %	10 %

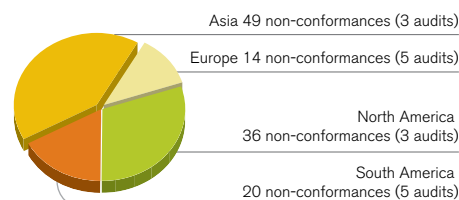
Our work with our suppliers is described further on pages 69–72 of the Annual Report for 2011.

Number of audits conducted on the basis of the supplier code of conduct and number of identified non-conformances per region

Definition: audit conducted according to the procedure for supplier audits. Identified non-conformances are always accepted by the audited supplier.

Outcome: In 2011, 16 supplier audits were carried out, mainly on agricultural commodities for feed and food.

Identified non-conformances per region



Proportion of volume purchased that complies with the international standard for responsible production (FP2)

Partially reported according to GRI

Definition: FP2 is defined according to GRI. We report the indicator for two of our commodities, soy and palm oil.

Proportion of RTRS certified soy as ingredient in feed

Definition: Purchase of RTRS soy, tonne/ Total purchases of soy products, tonne) * 100 = % RTRS soy
RTRS = Round Table on Responsible Soy

Objective: 50% RTRS certified soy by 2013.

Outcome: 22.6 % in 2011 (0 in the previous year, there were none available in the market).

Comment: Lantmännen was one of the first companies in the world to buy RTRS-certified soy when it first came on to the market in 2011. Our policy on the purchase and use of soybeans and soy-based ingredients was adopted on December 7, 2007. We trade other volumes exclusively with companies that are members of the RTRS. More information on the Round Table on Responsible Soy can be found at www.responsiblesoy.org

Proportion of RSPO certification for palm oil as an ingredient in food

Definition: Purchases of palm oil certified as RSPO, tonne/ Total purchases of palm oil products, tonne) * 100 = % RSPO certification.

Objective: 100 % RSPO certificates for palm oil products as ingredients in food was achieved in 2011.

Outcome: 100 % RSPO certificates in 2011 (17 % in 2010).

Comment: The objective covers palm oil as an ingredient in food, not palm oil products that are included as ingredients in feed. Our policy relating to the purchase and use of palm oil and palm oil products was adopted on December 10, 2007. For more information on the Round Table on Sustainable Palm Oil go to www.rspo.org, and on trading with certification to www.greenpalm.org.



Economic aspects

Direct economic value generated and distributed (EC1)

● Completely reported according to GRI

Definition: According to GRI, EC1 is defined as “Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and government”.

Outcome:

Economic value created by Lantmännen for various stakeholders

MSEK	2011	2010	2009
Products and services sold	37,896	35,988	35,101
Employees (payroll expenses)	5,419	5,502	5,851
Owners (dividend)	230	245	163
Owners (refund and final price adjustment)	110	95	1
Suppliers (goods and services purchased)	30,770	28,696	28,050
State (taxes paid)	106	76	46

More information about economic value generated for our stakeholders is described in the Board of Directors' Report in the Annual Report for 2011.

Financial implications and other risks and opportunities for the organization's activities due to climate change (EC2)

● Partially reported according to GRI

Definition: EC2 is defined according to GRI.

Outcome: Risk management and control is described on pages 26–30. Lantbruket's dependence and effect on prioritized ecosystem services is described on pages 58–59 and our climate strategy is described on pages 74–75 of the Annual Report for 2011.

Coverage of the organization's defined benefit plan obligations (EC3)

● Completely reported according to GRI

Definition: EC3 is defined according to GRI.

Outcome:

Defined benefit pension plans

MSEK	2011	2010
<i>Unfunded plans:</i>		
Obligations according to Swedish PRI		
Pensionsgaranti plans	-	1,691
Other unfunded obligations	37	51
Total, unfunded plans	37	1,742
<i>Funded plans</i>		
Defined benefit obligations according to		
Swedish PRI Pensionsgaranti plans	1,862	-
Other defined benefit obligations	128	133
Fair value of plan assets	-1,680	-99
Total net value of funded plans	310	34
Provisions for pensions, net value	347	1,776

There is further information about defined benefit pension plans in note 23 on page 129 and note 47 on page 138 of the Annual Report for 2011.

Significant financial assistance received from government (EC4)

● Completely reported according to GRI

Definition: EC4 is defined according to GRI.

Outcome:

Government grants

MSEK	2011	2010
Received contributions recognized as revenue	3	7
Received contributions that reduced expenses	14	12
Total	17	19
Contributions received during the year that reduced the value of non-current assets	0	3
Received contributions recognized as deferred income at the closing date	6	0

Environment

Materials used by weight or volume (EN1fp)

Partially reported according to GRI

Our primary priority raw materials are summarized in the table and are defined and reported further below. Other types of materials that are used for the organization's operations, such as packaging materials, are not currently reported on.

Indicator	2011	2010	2009
Proportion of Premium grain, %	2.0	4.6	9.1
Proportion of organic grain, %	2.9	2.5	2.7
Proportion of Swedish feed commodities, %	58	58	58
Proportion of RTRS certified soy as ingredient in feed, %	22.6	0 ¹	0 ¹
Proportion of GMO soy purchased for sale directly to customer of total soy volume	0	3.8	3.6
Proportion of RSPO certified palm oil as ingredient in food, %	100	17	0

¹ Available on the market in 2011 at the earliest.

Proportion of Premium¹ grain

Definition: (Premium, tonne/Total weighed, tonne) * 100 = % Premium

Outcome: 2 % in 2011

Proportion	2011	2010	2009	2008
	2.0 %	4.6 %	9.1 %	10.2 %

¹ Grain that complies with customer-specific requirements

Comment: Reduced customer interest in Premium grain means that the proportion is falling. In many cases standard Swedish requirements comply with the special requirements stipulated by certain customers. The indicator covers weighed grain for the Agriculture Sector. More information about our grain concept can be found at www.lantmannenlantbruk.se

Proportion of organic grain

Definition: (Organic grain, tonne/Total weighed, tonne) * 100 = % Organic grain.

Outcome: 2.9 % in 2011

Organic grain	2011	2010	2009
Proportion	2.9 %	2.5 %	2.7 %

Comment: The organic grain harvest was normal in 2011, providing a higher proportion than the previous year when the conventional grain harvest in central Sweden was low.

Proportion of Swedish feed commodities

Definition: (Origin, tonne/ Total, tonne) * 100 = % from each origin.

Outcome: 58 % in 2011 (58 % in 2010 and 2009).

Comment: The proportion of Swedish raw materials is unchanged at 58 %, EU 24 % and outside of the EU 18 %. Some raw materials originate from both Sweden and the EU. In these cases an estimate has been made as to which origin dominates. Quantitatively small amounts of raw materials and feed additives originating from different countries have not been included.

Imported GMO soy for sale directly to the customer, volume and proportion

Definition: Volume of imported GMO soybeans, tonne. Proportion (purchase of GMO soybeans, tonne/total purchase of soybeans, tonne) * 100 = % GMO soybeans.

Outcome: 0% GMO soy in 2011.

	2011	2010	2009	2008
Volume of imported GMO – soybeans, tonne	0	6,432	6,598	5,047
Proportion of GMO soybeans out of Lantmännen's total soybeans volume, %	0	3.8	3.6	2.5

Comment: Sales of GMO soybeans to farmers ceased in 2011 when market requirements changed. We ensure that the GMO-free soybeans really are GMO-free by signing the GMO-free soybeans agreement and analyzing materials received.

Phosphorus via feed in tonnes

Definition: Phosphorus additives in manufactured feed and mineral supplements, tonne.

Outcome: The amount of phosphorus additive in 2011 is 1164 tonnes, which is on a level with the previous year.

Phosphorus, added to feed and mineral supplements
Tonne



Comment: In 2010 the consumption of phosphorus nearly halved compared with 2007-2008. During 2009 the economic situation in milk production was strained and the allocation of both feed and minerals fell. The increase that occurred in 2010 should be seen as a return to a more normal feeding level that corresponds to the animals' needs.

In 2008 a large survey of the mineral content in Swedish pasture feeds was conducted. Pigs and poultry received a phytase enzyme supplement to ensure that these animals were better able to utilize the phosphorus that is to be found naturally in grain. These animals were also able to have their supplement of extra phosphorus reduced. These measures reduce the amount of phosphorus that is added to feed, which in turn reduces the risk of unwanted nutrient leaching from farmyard manure.

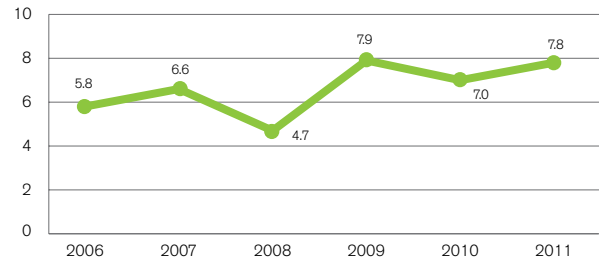
Cadmium in phosphate fertilizer

Definition: $X \text{ ppm Cd in phosphorus} = \frac{\text{g/tonne phosphorus (in fertilizer)} \times \sum (\text{tonne purchased phosphorus} \times \text{cadmium content, g/tonne})}{\text{Total tonnage phosphorus (in fertilizer)}}$

Outcome: 7.8 grams cadmium per tonne phosphorus in fertilizer in 2011.

Cadmium

Grams per tonne of phosphorus



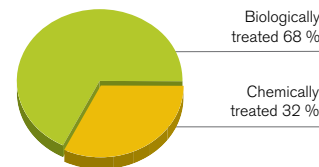
Comment: We require low cadmium contents in procurements and every purchase of mineral fertilizers containing phosphorus is analyzed. In recent years the content has remained between 4 and 8 ppm.

The outcome is calculated based on tonnage received by sea freight. Every ship delivery is gone through and a cadmium analysis is done on every ship. A weighed average is calculated for the whole tonnage received. The outcome is based on fertilizer year, not calendar year. The comparison between the years is disrupted by the fact that the range changes owing to price differences between different products.

Read more on pages 69–71 of the Annual Report for 2011.

Proportion of biologically¹ treated seed

Definition: $\frac{\text{biologically treated} + \text{untreated grain seed, tonne}}{\text{Total grain seed produced, tonne}} \times 100 = \% \text{ biologically treated.}$



¹ Biological treatment involves the seed having been treated with natural microorganisms or having undergone heat treatment in order to have increased resistance to pests. NB! The new definition as of 2010 is that the indicator also includes seed that has not been treated at all.

Objective: To continue to develop biological (with the help of microorganisms, or thermal) treatment of seed in order to reduce the use of chemical treatments.

Outcome: The proportion of untreated and biologically treated seed was 68 % in 2011 (63 % in 2010).

Comment: Biological treatment has existed for spring grain for some time and is the first choice for all seed. Work is ongoing to develop biological treatment for fall grain.

Proportion of organic seed

Definition: (sale of organic seed, tonne/Total sales of seed, tonne * 100 = % organic seed.

Outcome: 7.3 % in 2011

Proportion	2011	2010	2009	2008
	7.3 %	6.5 %	7.0 %	6.0 %

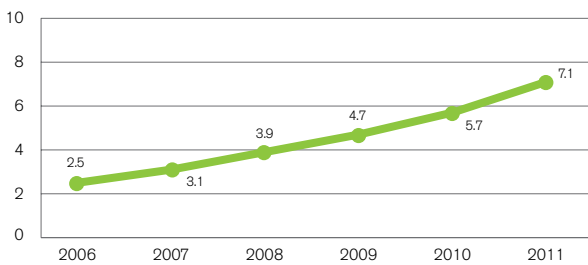
Comment: Slight increase in demand for organic seed.

Proportion of organic feed

Definition: (ecofeed, tonne/total, tonne) * 100 = % ecofeed.

Outcome: 7.1 % in 2011

Organic feed %



Comments: Demand for organic feed continues to increase at the same rate as in previous years owing to the increase in organic egg and milk production.

Direct energy usage by primary energy source (EN3)

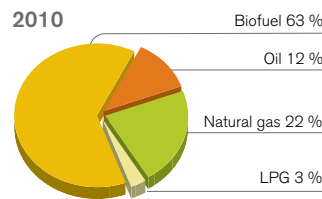
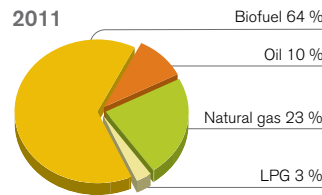
Partially reported according to GRI

Definition: EC3 is defined according to GRI.

Outcome:

Energy source	2011 GWh (TJ)	2010 GWh (TJ)	2009 GWh (TJ)
Oil	93 (334)	124 (446)	139 (500)
Natural gas	217 (781)	213 (767)	213 (766)
LPG	28 (101)	28 (101)	30 (111)
Biofuel	611 (2,201)	628 (2,261)	532 (1,914)
Town gas	0 (0)	0 (0)	3 (11)
Total	949 GWh (3,418 TJ)	993 GWh (3,575 TJ)	914 GWh (3,302 TJ)

GWh (GigaWatt Hour), TJ (terajoule)



Comment: Indicator includes energy use in production plants within Agriculture, Food and Energy Sectors.

The total reduction in direct energy usage by primary energy resource is largely due to the reduction in the consumption of oil, which is in accordance with Lantmännen's ambitions to phase out fuel oil.

The proportion of biofuel has increased slightly.

The proportion of liquid fossil fuel has fallen by 2 percentage points from the previous year.

The proportion of natural gas has increased by one percentage point from the previous year and now remains at 2009 levels.

The proportion of propane and town gas is unchanged from the previous year.

Indirect energy usage by primary energy source (EN4)

Partially reported according to GRI

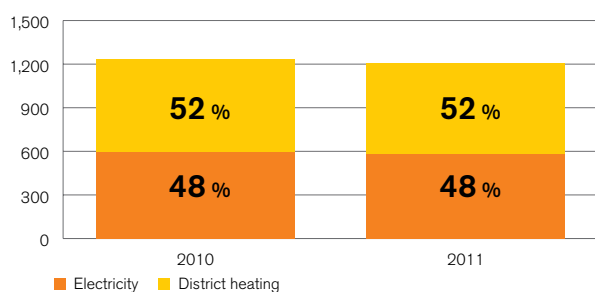
Definition: EC4 is defined according to GRI.

Outcome:

Energy source	2011 GWh (TJ)	2010 GWh (TJ)	2009 GWh (TJ)
Electricity	584 (2,102)	598 (2,153)	588 (2,116)
District heating	625 (2,249)	638 (2,297)	540 (1,943)
Total	1,208 GWh (4,350 TJ)	1,236 GWh (4,450 TJ)	1,128 GWh (4,059 TJ)

GWh (GigaWatt Hour), TJ (terajoule)

Indirect energy usage GWh



Comment: Indicator includes energy use in production plants within the Agriculture, Food and Energy Sectors.

Total reduction in indirect energy use exceeds 2010's values by 2 % which is in accordance with Lantmännen's ambitions to enhance energy efficiency. The change is in direct proportion with the reduction of electricity and district heating, which is shown in the table. The graph shows that the apportionment between electricity and district heating is unchanged.

Reduced energy usage due to savings and efficiency improvements (EN5)

Partially reported according to GRI

Definition: EC5 is defined according to GRI.

Outcome: Lantmännen's systematic energy efficiency is integrated in the LEAD program. LEAD stands for "Learn, Engage, Analyze, Do" and is a method for achieving concrete improvements, in which each

employee's participation, knowledge and commitment are vital. The majority of LEAD activities related to compressed air, lighting and idle load are aimed at reducing electricity and energy use.

Some examples of initiatives:

- **Sub-metering of energy use.** Installing sub-meters for large users can enable more precise optimization efforts to be employed. The installation rate increased during 2011.
- **More efficient compressed air** Continued efforts towards more efficient use of compressed air throughout the whole group. Work is ongoing to prioritize initiatives to achieve greater impact. Lowering pressure, leakage search and heat recycling.
- **Reduced idle load.** Continued efforts with – and establishing monitoring of – idle load.
- **Initiative to simplify the exchange of knowledge.** Internal internet forum with a focus on energy saving.
- **Emptying of grain dryers.** Several of Lantmännen Agriculture Sector's grain plants were emptied so as to avoid heat retention during the winter.
- **Efficient replacement investments.**

Further information about our efforts on the climate issue and efficient use of resources can be found on pages 73–75 of the Annual Report for 2011.

Initiatives to provide energy-efficient or renewable energy based products and services (EN6)

Partially reported according to GRI

Definition: EC6 is defined according to GRI.

Outcome:

Renewable energy based products

Lantmännen's Energy Sector is one of Sweden's leading bioenergy companies, and produces renewable energy and green industrial products. Examples of products are fuel ethanol, district heating, heating pellets and alkylate fuel.

GreenLine – our concept for sustainable logistics

Lantmännen is committed to taking ambitious steps to achieve its new climate target to reduce emissions from production and transportation by 15 % by 2013 and 40 % by 2020.

Lantmännen is actively making demands on carriers to achieve greater efficiencies in transportation. During 2011 a number of negotiations resulted in the switching of fuel to diesel, a high proportion of which is renewable, and therefore lower carbon dioxide emissions. Lantmännen is also working internally on achieving efficiencies by means of improved logistics.

Efficient driving reduces fuel costs and CO₂

During the year technical driving assistance has been installed in the majority of bulk road tankers that transport feed for the Agriculture Sector and the drivers have undergone ecodriving training with additional support. This has led to a 5 % improvement in the CO₂ efficiency of these vehicles, representing approximately 300 tonnes CO₂.

Unibake

In Denmark “truck modules” (trucks that have an exemption to transport the same amount as three trucks) have been launched and have gone from pilot to standard transportation on certain corridors (fixed driving distances). This affects Holstebro – Vejle transportation and to some extent Hatting – Vejle.

In Sweden the development team within LEAD has optimized the flow from Örebro, which has resulted in a saving of approx. 100 tonnes CO₂.

The optimization of packaging is also a priority.

Total direct and indirect greenhouse gas emissions by weight (EN16)

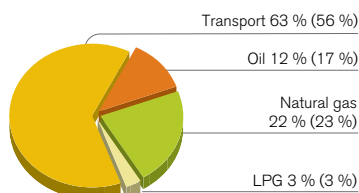
Partially reported according to GRI

Definition: EN16 is defined according to GRI.

Outcome:

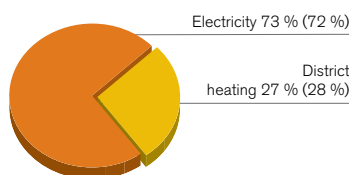
Tonne CO ₂	2011	2010	2009
Direct emissions	205,273	189,395	195,349
Indirect emissions	203,356	196,057	192,825
Total	408,629	385,452	388,174

Distribution of direct emissions by energy source



Emissions from direct use increased during 2011, primarily due to increased transportation. However, the trend is towards a substantial reduction in the use of heating oil, a reduction of no less than 24 % compared with 2010's annual consumption – totally in line with Lantmännen's ambitions. The proportion of emissions from liquid fossil fuels has fallen by 5 percentage points.

Distribution of indirect emissions by energy source



Indicator includes energy use in production plants within the Agriculture, Food and Energy Sectors. Despite the reduction in indirect energy use in excess of 2 % of 2010 levels, the same trend is not apparent as regards carbon dioxide emissions. The main reason for this is that scope and precision in calculating carbon dioxide equivalents for plants outside Scandinavia have improved. This means that the 2011 levels show the effects of a more global energy mix. The graph shows that the distribution between electricity and district heating has changed by one percentage point in favor of electricity.

Carbon dioxide emissions per value added, tonne per million kronor

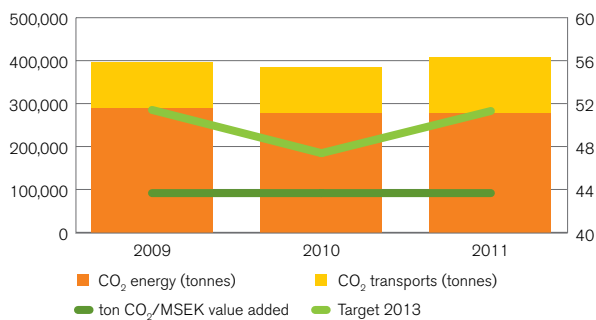
Definition: Carbon dioxide emissions per thousand tonnes per MSEK value added.

Objective: To reduce carbon dioxide emissions by 40 % in relation to value added between 2009 and 2020. The interim target for 2013 is 15 %.

Outcome:

±0% in 2011 compared with base year 2009.

	2011	2010	2009
CO ₂ energy use (thousand tonnes)	279	279	289
CO ₂ transportation (thousand tonnes)	130	106	106
ton CO ₂ /MSEK value added	51.3	47.4	51.4
Target for 2013	43.7	43.7	43.7
Target for 2020	30.8	30.8	30.8



Comment: There has been some reduction in carbon dioxide emissions from Lantmännen’s plants compared with 2010. Scope and precision in calculating carbon dioxide emissions from plants outside of Scandinavia have improved, leading to an increased level of emissions from indirect energy use. This means that previous years’ levels are understated. The indicator is affected in a positive direction, however, by our efforts to phase out heating oil.

Calculated carbon dioxide emissions from transportation increased during 2011. Most of the increase is due to improved precision in reporting. This means that previous years’ levels are understated. However, a certain amount of the increase can be explained by increased long-distance export transportation by sea.

Another reason for the worsening of the “CO₂/MSEK per value added indicator is that Lantmännen’s value added has fallen compared to the previous year.”

Initiatives to reduce greenhouse gas emissions in weight and reductions achieved (EN18)

Partially reported according to GRI

Definition: EN18 is defined according to GRI.

Outcome: See EN 6 above and the 2011 annual report, pages 44–47 for a description of the Energy Sector’s activities in bioenergy and green chemistry, pages 73–75 for our work on resource efficiency and pages 77–79 for products and services we offer farmers, consumers and business customers.

Total number and volume of significant spills (EN23)

Completely reported according to GRI

Definition: EN23 is defined according to GRI.

Outcome: No significant spills were reported.

Monetary value of significant fines for non-compliance with environmental laws and regulations (EN28)

Partially reported according to GRI

Definition: According to GRI, EN28 is defined as “Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations”.

Outcome: In 2011 Lantmännen was not fined any significant amounts.

Significant environmental impacts of transporting products and other goods (EN29)

Partially reported according to GRI

Definition: According to GRI, EN29 is defined as “Significant environmental impacts of transporting products and other goods and materials used for the organization’s operations, and transporting members of the workforce”.

Outcome: See EN6 and page 74 of the Annual Report for 2011.

Working environment and social conditions

Total workforce by employment type, and region (LA1)

● Partially reported according to GRI

Definition: Average number of employees = total number of worked hours divided by the company's or country's normal annual working hours for a full-time employee.

Outcome: 10,296 average number of employees, of whom 67% are men and 33% are women as at December 31, 2011.

Employees and payroll expenses

Average number of employees	of whom		of whom	
	2011	women	2010	women
Group				
Sweden	4,506	29 %	4,650	29 %
Denmark	2,084	30 %	2,225	32 %
Germany	839	28 %	851	29 %
U.K.	603	21 %	435	19 %
Poland	513	29 %	515	31 %
Norway	452	34 %	401	41 %
Belgium	372	33 %	366	35 %
Ukraine	243	58 %	269	58 %
U.S.	215	31 %	210	30 %
Russia	160	52 %	130	48 %
Latvia	137	30 %	134	31 %
Finland	59	15 %	54	15 %
Hungary	41	54 %	42	55 %
Estonia	34	15 %	35	17 %
Netherlands	14	14 %	7	14 %
Lithuania	11	9 %	13	15 %
Spain	9	44 %	8	50 %
France	4	0 %	3	0 %
Japan	-	-	2	0 %
Group, total	10,296	30 %	10,350	31 %
Parent Company				
Sweden	1,157	35 %	1,099	34 %
Parent Company, total	1,157	35 %	1,099	34 %

Page 113 (Note 5) of Lantmännen's Annual Report and Sustainability Report for 2011.

Comment: Does not show distribution by employment type.

Rates of injury, occupational diseases and sick leave, and total number of work-related fatalities by region (LA7)

● Completely reported according to GRI

Sick leave, group, total

Definition: Sick leave is stated as a percentage of normal working hours.

Outcome:

Sick leave

%	2011	2010
Group, total	3.7	4.0
Agriculture Sector	2.6	n.a.
Machinery Sector	2.9	n.a.
Food Sector	4.5	n.a.
Energy Sector	1.5	n.a.

Sick leave

% of total working hours	2011	2010	2009
Women	4.7 %	4.6 %	5.6
Men	3.3 %	3.8 %	4.0
Total	3.7 %	4.0 %	4.6

Accidents

Definition and limitations:

- Non-fatal or fatal accidents that arose in the course of work
- Accidents whose consequences result in the loss of at least one scheduled day after the day of the accident
- Accidents during travel (*to and from work*) are not included
- Injury Rate (IR). Accidents per million hours worked: total number of accidents/total actually worked hours for all employees x 1,000,000 hours = x number of accidents per million hours worked.

Target group: The total workforce in each sector and country, plus independent contractors who work at the workplace, whose organization is responsible for the general work environment and for safety.

Outcome:

Accidents and near-accidents

	2011	2010
Number of fatalities due to work-related injuries	0	0
Number of lost time injuries ¹	313	326
Lost time injury frequency rate ²	24.4	22.0
Number of reported near-accidents ³	915	1,005
Number of near-accidents per lost time injury (with absence)	2.9	3.1

¹ Work-related accident resulting in a minimum of one day's absence from work after the accident occurred.

² The lost time injury frequency rate is defined as the number of lost time injuries per million work hours (actual hours worked).

³ Near-accidents are defined as incidents that could have led to illness or accidents.

Lost time injury frequency rate: 24.4. The most common accident is type 5 of the Swedish Work Environment Authority's categories (injury from machinery/machinery part). No fatalities have been reported.

Comment: The number of reported accidents during 2011 was 313, which is a reduction of 4 % compared with 2010 (326).

Unibake, which markedly distinguished itself in the accidents report in 2010, is reported as a whole to have had a lost time injury frequency rate comparable to other parts of Lantmännen during 2011.

Belgium, which used to have a wider definition of accident, has seen a marked fall in the number of reported accidents but, together with Finland, remains at a high level.

Machinery has had a very high lost time injury frequency rate during 2011, which was not the case in earlier years.

Lantmännen's injury rate of 24 is comparable with Swedish sector statistics for, e.g., food, drink goods and tobacco goods production, which have an injury rate of 27 (2010).

Near-accidents (LA7)

Definition: Incidents that could have led to illness or accidents.

Limitations: Applies in the course of work.

Target group: The total workforce in each sector and country.

Outcome: The total number of near-accidents in 2011 is 915, which constitutes a reduction of 9 % from 2010. The uneven number of reported near-accidents is presumably due to different cultures and a different approach to improvements. It is generally the case that, where there is a strong focus on the reporting of near-accidents, and systematic efforts are in place, there is also a strong focus on improvements.

The most common category of near-accident is according to Lantmännen's category Type 2. The near-accident is presumed to be due to shortcomings relating to, or inappropriate: equipment, organization, machinery, product, materials, maintenance and service.

Healthy group

Definition and limitations: Number of employees who according to Lantmännen's health screening questionnaire fall into the healthy group/total number of people who took part in the health screening.

Employees who fall into the healthy group are presumed to be able to perform for a whole working day and still have energy left for their leisure time. A participant will fall into the healthy group if they fulfill all the criteria below:

- A.** Assess their health at least at level 3 on a scale of 1–5 (1 = very poor and 5 = very good).
- B.** Judge themselves to be as able as others in their age group.
- C.** Do not smoke every day.
- D.** State that they take exercise at least once a week or state that they take exercise now and then and, at the same time as they assess their health at level 4 or 5, judge that they are more able than others in their age group.

Target group: In the period 2009–2011, 4,666 employees were screened at least once.

Outcome: (according to the last health screening undertaken)

At present 61.8 % of employees are in the healthy group and the target is 75 % in 2011.

Proportion of employees receiving regular performance and career development reviews (LA12)

- Completely reported according to GRI

Definition: Every manager at Lantmännen is supposed to have a performance assessment interview with their employees at least once a year. This involves all employees in the group and is monitored with the employee survey Insight.

Outcome: The survey that was conducted in 2011 shows that 75 % of employees had had a performance assessment interview. Most of these are satisfied with the quality of the interview, but this will continue to be a priority area of development.

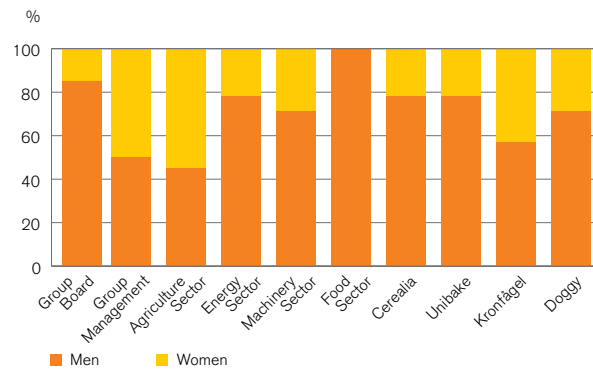
Comment: A new survey will be conducted in the first quarter of 2013.

Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity (LA13)

- Completely reported according to GRI

Definition: According to GRI.

Outcome:



Comment: Does not record composition from the point of view of minority group membership.



Human rights

Percentage of significant suppliers and contractors that have undergone screening on human rights, and actions taken (HR2)

● Completely reported according to GRI

Definition: Proportion of purchasing volume that has been reviewed according to the Supplier Code of Conduct. The degree of control and follow-up is adjusted to the risk category to which the supplier belongs.



Objective and outcome:

Objective:

- 1) Risk assessment of all suppliers (where purchasing exceeds 1 MSEK) based on the Supplier Code of Conduct by the end of 2012.
- 2) Self-assessment of all medium- and high-risk suppliers (where purchasing exceeds 1 MSEK) by the end of 2012.

Outcome:

	2011	2010
Proportion of suppliers (where purchasing exceeds MSEK 1) that have been followed up by risk assessment/self-assessment	66 %	35 %

Our work with our suppliers is described further on pages 69–72 of the Annual Report for 2011.

Training of employees on issues relating to human rights (total number of hours and proportion of employees trained) (HR3)

● Partially reported according to GRI

Definition: Proportion of Lantmännen's employees who have completed e-training on the code of conduct.

Objective: 100 % in 2011.

Outcome: 93 % in 2011 (83 % in 2010).

Total number of incidents of discrimination, and actions taken (HR4)

● Partially reported according to GRI

Definition: HR4 is defined according to GRI.

Outcome: No cases of discrimination were reported.

Comment: The governing documents are Lantmännen's Code of Conduct and Equality and Diversity Policies.

Businesses or suppliers where significant risks have been identified in terms of trade union freedom, and action taken (HR5)

● Completely reported according to GRI

Definition: Lantmännen conducts ongoing risk assessment and evaluation of its own and suppliers' businesses with reference to the code of conduct.

Outcome: We have food businesses in Latvia and Russia, which have been identified as high-risk countries in terms of trade union freedom. The risk assessment has been conducted with reference to available international risk indexes.

Reference:

Global Freedom of Association Score, Freedom house. These scores in turn are determined by the sum of the scores for three subindicators:

- 1. Freedom of assembly, demonstration, and open public discussion ;*
- 2. Freedom for nongovernmental organizations;*
- 3. The right of trade unions to exist independent of the state and the existence of effective collective bargaining.*

http://www.freedomhouse.org/uploads/2008_11_14_FOA_Report.pdf

Businesses or suppliers where significant risks of child labor have been identified, and action taken (HR6)

● Completely reported according to GRI

Definition: Lantmännen conducts ongoing risk assessment and evaluation of its own and suppliers' businesses on the basis of the code of conduct.

Outcome: We do not have any business in a high-risk country with regard to child labor. The risk assessment has been conducted with reference to available international risk indexes.

Reference:

Maplecroft, Child labour Index

An index guided by relevant ILO conventions on child labour to enable companies to identify and evaluate risks relating to child labour within their supply chains, operations and distribution networks. Maplecroft also recognises the vulnerability of 15-18 year olds whose work is illegal under international law if it is hazardous to health and well-being and captures this within this index if the datasets are available. <http://maplecroft.com/about/news/child-labour-index.html>

Businesses or suppliers where significant risks of forced labor have been identified, and action taken (HR7)

● Completely reported according to GRI

Definition: Lantmännen conducts ongoing risk assessment and evaluation of its own and suppliers' businesses with reference to the code of conduct.

Outcome: We have food businesses in Latvia and Russia, which have been identified as high-risk countries in terms of forced labor. The risk assessment was conducted with reference to a report from Maplecroft: (www.maplecroft.com) where the countries categorized based on different aspects such as the Human Rights Risk Index, Human Rights Complicity Risk Index, Human Security Risk Index, Labour Rights and Protection and Risk Index Civil Liberties Risk Index. The assignment has since been compared with the Transparency International index of country risk for corruption and a country categorization from FTSE4Good IBEX Index (www.ftse.com) concerning the risk of human rights.

Society

Healthy and affordable Foods (FP4)

● Completely reported according to GRI

Definition: FP4 is defined according to GRI.

Outcome: Our responsibilities and research work towards better health and action program are described on pages 12–13, 25, 31, 62 and 77–79 of the Annual Report for 2011.

Percentage and total number of business units analyzed for risks related to corruption (SO2)

◐ Partially reported according to GRI

Definition: SO2 is defined according to GRI.

Outcome: During the year, a risk screening tool was developed to manage risks under the Code. The screening is done using the same principles by which we assess our suppliers, i.e., the risk analysis is based on the type of business, commodity, country, and industry. This is then compared with available risk indices from established organizations, such as Transparency International's corruption index and the survey of water resources by the World Business Council for Sustainable Development.

An initial screening of Lantmännen's activities commenced during the year and will be implemented continuously. The results provide a basis for each operation to further prioritize relevant risks in their strategic work.

Our work on risk management is described further on pages 26–72 of the Annual Report for 2011.

Percentage of employees trained in the organization's anti-corruption policies and procedures (SO3)

● Completely reported according to GRI

Definition: According to GRI SO3 is defined as "Percentage of employees trained in the organization's anti-corruption policies and procedures"

Outcome: 93 % of employees were trained in Lantmännen's Code of Conduct during 2011. The Code of Conduct contains overall guidelines on the social and environmental responsibilities we take. Business ethics, including corruption, are among five areas covered. The training is available in seven languages. The aim is for all employees to undergo the training.

Comment: The governing documents also include Policies for Representation and Customer Care, Ethical Guidelines for Purchasing, and Cultural Values.

Group-wide antitrust training for key staff is to be carried out during 2012.

Actions taken in response to incidents of corruption (SO4)

◐ Partially reported according to GRI

Definition: SO4 is defined according to GRI.

Outcome: No incidents reported.

Public policy positions and participation in public policy development and lobbying (SO5)

● Completely reported according to GRI

Definition: According to GRI, SO5 is defined as Public policy positions and participation in public policy development and lobbying

Outcome: Pages 44–45 and 63–64 of the Annual Report for 2011.

Total value of financial and in-kind contributions to political parties, politicians, and related institutions (SO6)

● Completely reported according to GRI

Definition: SO6 is defined according to GRI.

Outcome: We do not provide any financial support to political parties or religious organisations.

Total number of legal actions taken against the organization for anti-competitive behavior, antitrust and monopoly practices. (SO7)

● Partially reported according to GRI

Definition: According to GRI, SO7 is defined as “Total number of legal actions taken against the organization for anticompetitive behavior, antitrust and monopoly practices, and their outcomes.”

Outcome: No legal actions were reported for 2011.

Monetary value of significant fines for non-compliance with laws and regulations (SO8)

● Partially reported according to GRI

Definition: According to GRI, SO8 is defined as “Monetary value of significant fines and total number of non-monetary sanctions against the organization for non-compliance with laws and regulations”.

Outcome: In 2011 Lantmännen was not fined any significant amounts.



Product responsibility

Proportion of production volume manufactured in sites certified for food safety (FP5)

- Completely reported according to GRI
-

Definition: FP5 is defined according to GRI.

Outcome: All food production facilities are certified according to an international standard for food safety, such as ISO 22000 or BRC, and are examined by independent third parties.

Comment: New plants have two years to meet the standards.

Policies and procedures on information to consumers about ingredients, nutritional values, etc. in addition to statutory requirements (FP8)

- Completely reported according to GRI
-

Definition: FP8 is defined according to GRI.

Outcome: All marketing of Lantmännen's products must be correct and follow current legislation and other guidelines. Added value in the form of health-promoting or eco-related benefits is communicated only when this has been well documented and scientifically proven.

Type of product information required, and proportion of products affected (PR3)

- Completely reported according to GRI
-

Definition: PR3 is defined by GRI.

Outcome: Information about the nutritional content and ingredients contained in all of Lantmännen's food and feed products, information about the origin of commodities is available for some products. Climate declarations have been produced for all feed products and several food products. There is information about sorting at source for all consumer packaging.

Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling (PR4)

- Completely reported according to GRI
-

Definition: PR4 is defined according to GRI.

Outcome: No non-compliance with regulations or voluntary codes were reported.

Customer satisfaction procedures, including the outcome of customer surveys (PR5)

- ◐ Partially reported according to GRI
-

Definition: PR5 is defined according to GRI.

Outcome: Customer and consumer surveys are conducted on a regular basis.

Programs for adherence to laws, standards, and voluntary codes related to marketing communications (PR6)

● Completely reported according to GRI

Definition: PR6 is defined according to GRI.

Outcome: Business ethics and marketing guidelines are included in the Code of Conduct with overall responsibility and monitoring at Group Management level.

Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications (PR7)

◐ Partially reported according to GRI

Definition: PR7 is defined according to GRI.

Outcome: No cases were reported of non-compliance with regulations relating to market communications.

Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data (PR8)

● Completely reported according to GRI

Definition: PR8 is defined according to GRI.

Outcome: We are unaware of any substantiated complaints regarding breaches of customer privacy and losses of customer data.

Monetary value of significant fines for non-compliance with laws concerning products and services (PR9)

◐ Partially reported according to GRI

Definition: According to GRI, Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

Outcome: In 2011 Lantmännen was not fined any significant amounts.



Animal welfare

Proportion and total of animals raised and/or processed, by species and breed type (FP9)

Partially reported according to GRI

Definition: FP9 is defined according to GRI.

Outcome: Swedish chickens are raised on some of our 49 farms and in Denmark on some of our 70 farms. The total production of Swedish chicken rose by about 7 % and is around 78.5 million chickens, of which Kronfågel accounts for about half. Denmark produces 110 million chickens a year, with Danpo accounting for 44 million.

Our Lantmännen Kronfågel operation is described further on pages 54–55 of the Annual Report for 2011.

Proportion and total of animals raised and/or processed, by species and breed type, per housing type (FP11)

Partially reported according to GRI

Definition: FP11 is defined according to GRI.

Outcome: Swedish chickens are raised on some of our 49 farms and in Denmark on some of our 70 farms. The total production of Swedish chicken rose by about 7 % and is around 78.5 million chickens, of which Kronfågel accounts for about half. Denmark produces 110 million chickens a year, with Danpo accounting for 44 million. According to the Swedish Poultry Meat Association's animal welfare program, chickens are bred freely in barns with floors covered in straw or sawdust.

Policies and procedures on antibiotic, anti-inflammatory hormone, and/or growth promotion treatments, by species and breed (FP12)

Partially reported according to GRI

Definition: FP12 is defined according to GRI.

Outcome: Swedish chickens are raised on some of our 49 farms and in Denmark on some of our 70 farms. We base all our work on national animal welfare legislation. In Sweden, we also comply with the Swedish Poultry Meat Association's animal welfare program that includes 31 chicken farming checkpoints and guidelines for shipping and slaughtering. In Sweden, hormones may not be used in feed for poultry. The general use of antibiotics is banned, and they may only be used when prescribed by a vet in order to heal or cure disease in animals. Please read more at www.kronfagel.se, www.danpo.dk and www.svenskfagel.se

Total number of incidents of non-compliance with statutory requirements and voluntary standards, related to transportation, handling, and slaughter practices (FP13)

Partially reported according to GRI

Definition: FP13 is defined according to GRI.

Outcome: We base all our work on national animal welfare legislation. In Sweden, we also comply with the Swedish Poultry Meat Association's animal welfare program that includes 31 chicken farming checkpoints and guidelines for shipping and slaughtering. One general guideline is to minimize stress experienced by animals during shipping and slaughter. The program also defines detailed rules and requirements to avoid unnecessary suffering during handling, shipping and slaughtering. For more information, go to www.svenskfagel.se Lantmännen Kronfågel is the subject of a case brought before the prosecution authority in Sörmland. The complaint concerns alleged violation of the Animal Welfare Act.

Glossary and definitions

Bioenergy • Energy made from continuously forming biomass. Biomass is biological material that is not transformed chemically or biologically to any extent. Bioenergy is a renewable resource whose share of total energy use has increased in recent decades.

Biofuels • Renewable fuels produced from living organisms (biomass), which means they do not cause a net contribution of carbon to the atmosphere during combustion. Logs, wood pellets, biogas and ethanol produced from grain are examples of biofuels.

Cadmium • Heavy metal occurring naturally in soil but also found in arable land through use of fertilizers. Cadmium and its compounds have toxic properties and can have serious effects on health and the environment.

Carbon dioxide equivalents • Unit that makes it possible to compare the impact of various greenhouse gases on the climate.

Climate declaration • Reports a product's carbon footprint throughout its lifecycle. It is based on scientific methods in accordance with international standards and is expressed in carbon dioxide equivalents.

Code of Conduct • Guidelines on ethical and responsible business operations for companies and organizations.

Ecosystem • An ecosystem is a distinct part of nature. An ecosystem consists of all the living components (plants, animals and microorganisms) in an area functioning together with all of the non-living physical factors of the environment (water, wind, minerals).

Ecosystem services • The services that ecosystems provide "free of charge" and benefit mankind in various ways. Examples include water purification, pollination, natural pest control and formation of fertile soil.

Fossil fuels • Non-renewable sources of energy such as coal, natural gas and oil. The burning of fossil fuels forms carbon dioxide, which builds up in the atmosphere. The net surplus formed is contributing to an enhanced greenhouse effect.

Global Compact • UN corporate social responsibility initiative. An international framework of universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

GMO • Genetically modified organisms, plants or animals with characteristics added using gene technology.

GRI • Global Reporting Initiative. Provides guidelines for sustainability reporting that can be used on a voluntary basis by organizations to report environmental, social and economic aspects of their business, products and services.

LEAD • (Learn, Engage, Analyze, Do). Lantmännen's method for systematic and long-term change management.

Organic farming • In organic farming, the use of mineral fertilizer or chemical pesticides is not permitted. Instead, natural processes are used in cultivation to preserve the fertility of the soil and resist attacks on plants. A well-planned system of crop rotation is important and often requires livestock on the farm.

Renewable energy sources • Examples of these continuously renewed sources are sun, wind, water and biofuels.

RME • Rapeseed methyl ester, also referred to as biodiesel.

RSPO • Round Table on Sustainable Palm Oil. International round table process to develop criteria for sustainable palm oil.

RTRS • Round Table on Responsible Soy. International round table process to develop criteria for sustainable soy.

Tetra Recart • Cardboard-based, environmentally friendly packaging with properties that correspond to a traditional tin. The packaging is easy to open and re-close.

Trans fats • Trans fats are formed when vegetable oils are "hydrogenated." Hydrogenation is a technique used in the food industry to harden fat to give products the desired spreadability, firmness and melting point.



Design & production: Wildeco

Photos: Johan Olsson, Lantmännen's image bank, etc.

Printing: Printed by TMG Sthlm.

Paper: Scandia 2000 – produced in Lessebo Mill in Sweden.

The paper has one of the very lowest carbon footprints in Europe. This includes every single stage of the production chain – from a tree being felled to a finished product leaving the factory gate (www.vida.se). All carbon emissions involved in the production of this paper have been climate-compensated by tree planting in Mozambique.

Good food from Lantmännen

The green sprout emblem on our packaging guarantees responsibly produced food. Food that we make an effort to provide in a sustainable manner, from field to fork.

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