



# Key Sustainability Facts 2017

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# Responsibility from field to fork for profitable business

Owned by 25,000 Swedish farmers, Lantmännen's vision is to create value from farmland resources in a responsible manner. Our collective knowledge and our operations from field to fork enable us to lead the development in the grain value chain. Sustainable business development is part of our strategy for long-term growth and increased profitability.

Sustainable food and energy production is a global challenge. Lantmännen's ambition is to be a driving force in the development towards sustainable food and bioenergy systems. New solutions are required to take the next step toward sustainable cultivation. We see plant breeding, innovation and digitalization as important parts of the solution. There are areas where we focus our efforts and aim to show leadership.

In April 2009, Lantmännen signed the UN Global Compact and in 2017, we renewed our commitment as a participant. Lantmännen has analyzed the Agenda 2030 goals based on our responsibilities and how the relevant goals contribute to our strategies and business development.

Lantmännen works constantly to integrate responsibility and sustainability into all areas of the business and values the importance of open dialogue with our stakeholders. As I sum up 2017, I can affirm that we are working well in line with our strategy and goals. I want to highlight the continuing development of products with sustainable added value and investments in research and innovation. Lantmännen decided on a new Group target to reduce our climate impact at the production facilities by a further 40 percent by 2020. Our biorefinery is a large-scale investment in a bio-based circular business model, with production of biofuels partly based on residues from the food sector. I would also like to mention the excellent results from the employee survey, with consistently improved scores. Good leadership is a prerequisite for sustainable business.

Read more about strategies, goals and results here in Key Sustainability Facts and in our Annual Report including Sustainability Report 2017.

Stockholm, February 2018

Per Olof Nyman  
President & CEO, Lantmännen



# Introduction

Key Sustainability Facts is a complement to Lantmännen's Annual Report including Sustainability Report and contains management of our key sustainability issues, key figures and other performance indicators.

## About the Report

The report refers to the year 2017, unless otherwise specified, and is issued annually. It refers to the Lantmännen Group, which reports by Sector or business area. The organizational changes during the year do not affect the 2017 report. Companies/operations acquired in 2017 and reported in the financial statements are included in the sustainability report, apart from the recently acquired Byavärme and Marline. Associates and joint ventures are not included.

The report describes our sustainability work throughout the value chain, which means everything from cultivation, raw materials purchasing and processing to sales and consumption of the products we offer.

In Lantmännen's Annual Report including Sustainability Report, we describe our Group strategy, sustainability ambition and how we work for sustainable business development. Key Sustainability Facts follows the structure of the Global Reporting Initiative (GRI) guidelines, but also includes Lantmännen-specific indicators and key figures.

## Global Reporting Initiative (GRI)

Lantmännen has reported according to the GRI guidelines, including the Food Processing sector supplement, for several years. This report has been prepared in accordance with the GRI Standards: Core option. Learn more about GRI at [globalreporting.org](http://globalreporting.org)

## Global Compact

In 2009, Lantmännen signed the Global Compact, the UN initiative for responsible business, which involves a commitment to implement the Global Compact's ten principles for responsible business. The Global Compact also requires annual disclosure of progress and performance in the form of a Communication on Progress. Lantmännen's Annual Report including Sustainability Report, Key Sustainability Facts and information on our website are structured in such a way as to meet the requirements. The GRI Index on [pages 22-25](#) contains references to how we work with the principles. Learn more about Global Compact at [unglobalcompact.org](http://unglobalcompact.org)

## Agenda 2030

Lantmännen has analyzed what the UN's Agenda 2030 mean for our responsibility, and to what extent the relevant Sustainability Development Goals are integrated into our existing work and strategies. Five of the goals are directly linked to

Lantmännen's mission and business, and the first two, Zero hunger and Affordable and clean energy, are business-critical and part of our strategy and ambition for sustainability work.



Five of the UN's Sustainable Development Goals are directly linked to Lantmännen's business: Zero hunger, Affordable and clean energy, Responsible consumption and production, Climate action and Life on land.

Learn more about our sustainability ambition and our work in the Annual Report including Sustainability Report. The GRI Index on [pages 22-25](#) contains page references to descriptions of our work on the Sustainable Development Goals. More information can also be found on our website [lantmannen.com/en/sustainable-development](http://lantmannen.com/en/sustainable-development)

## Sustainability reporting legislation

Reporting for all Group companies covered by sustainability reporting legislation can be found in the Annual Report including Sustainability Report and in Key Sustainability Facts. Learn more in the Annual Report [page 76](#).

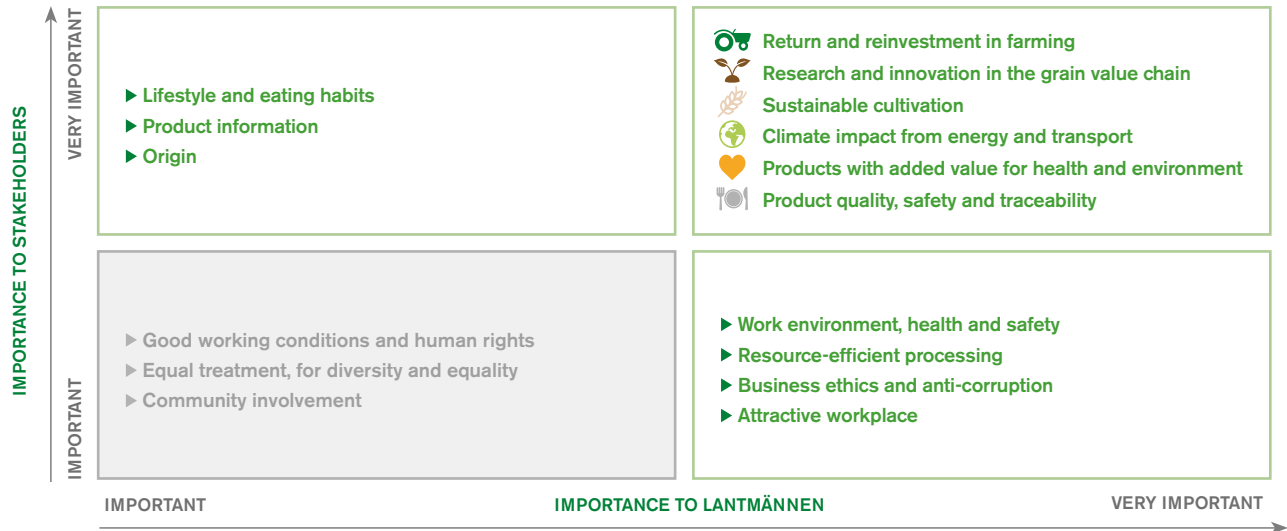
## Sustainability strategy

The sustainability strategy is based on Lantmännen's assignment, vision, mission and strategies, and is a response to global developments, with challenges such as food and energy supply, dependency on fossil fuel and climate change. The cooperative ownership model has good conditions for a long-term approach and sustainability. Lantmännen's ambition for sustainable development is to create value from farmland resources with a leading sustainability performance and to contribute to sustainable solutions for food, energy and bio-based materials. To achieve the ambition, we must create value from grain by optimizing cultivation and production yields, utilizing side flows and switching towards bio-based circular business.

The work is conducted in four dimensions based on Lantmännen's brand promise *Together we take responsibility from field to fork*:

- *Risk management* through governance and monitoring
- *Resource efficiency*, with climate work an important part
- *Sustainable business development* for increased profitability
- *Open and transparent* communication.

## Materiality analysis – our material topics



The most important issues for Lantmännen to drive and develop – our material topics – are in green text.

The report contains information and data on topics prioritized by Lantmännen's stakeholders and reflects the most significant areas in terms of the impact of our operations and contributions to sustainable development. We have identified sustainability issues based on Lantmännen's strategies, work and knowledge in the area of impacts of operations, external and market trends, and results from stakeholder dialogue. These have then been prioritized in a process with experts from different parts of the business and ratified in the Group's CSR committee.

### *Return and reinvestment in farming*

Lantmännen's mission is to make farming thrive. The cooperative ownership model is central to economic stability and endurance. The operating surplus gives value in the form of return and investment in research and development.

### *Research and innovation in the grain value chain*

Our knowledge and operations in every stage contribute to profitable and sustainable development for the entire grain sector. We invest in research in areas such as plant breeding, biological crop protection, biomaterials, health and eating habits.

### *Sustainable cultivation*

Environmental impacts from cultivation concern climate impact, land use, water, plant nutrients and crop protection and impacts on biodiversity. For certain imported commodities, there are also social risks associated with working conditions and human rights. Lantmännen works for the development of more sustainable forms of cultivation and have high requirements in our sourcing of raw materials.

### *Climate impact from energy and transport*

A large part of the climate impact for our products is in the cultivation stage, but our processing activities also cause emissions with climate impact, primarily through use of energy and transport. Our climate strategy means continued investment in energy efficiency and the transition to renewable energy sources and fuels.




### *Products with added value for health and environment*

New profitable products with a high environmental performance, or other sought-after health and environment-promoting properties are an important part of Lantmännen's business development. To date, our work on innovation and product development has resulted in several successful examples.

### *Product quality, safety and traceability*

Lantmännen has knowledge and unique conditions to ensure control and traceability for our products throughout the chain. The green sprout emblem on food from Lantmännen is our guarantee of responsibly produced food.

### *Other material topics*

Learn more about our work on Lantmännen's other material topics in  the Annual Report including Sustainability Report  at [lantmannen.com/en/sustainable-development](http://lantmannen.com/en/sustainable-development) and further on in these  Key Sustainability Facts.

**Lantmännen’s material topics with related material GRI topics**

We have based our GRI reporting on our material issues and identified relevant GRI topics. We also have our own Lantmännen-specific topics and for some, we have developed our own metrics. The overview below shows how our material topics relate to GRI topics, for which we disclose management approach and results.

After a review in 2016, we prioritized certain topics. We no longer report full disclosures from the GRI indicator protocols for Water, Transport, Training and Skills development, and Non-discrimination. We have chosen to describe our work on these topics, together with key figures used to monitor the work, within the management approach of related topics.

**Information and data in Key Sustainability Facts**

Here in Key Sustainability Facts, each issue, GRI disclosure or key figure is described with outcomes and comments. If a disclosure is not fully reported in accordance with GRI, and the omitted information is considered relevant to Lantmännen, this is indicated and explained in the GRI index.

Detailed information on definitions, boundaries and calculation methods for each issue can be found under “Reporting principles”.

**Contact information**

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**Lantmännen’s material topics**

**GRI topics**

Return and reinvestment in farming:	Economic performance.
Research and innovation in the grain value chain:	Materials. Energy.
Sustainable cultivation:	Materials. Emissions to air. Environmental compliance.
Climate impact from energy and transport:	Materials. Energy. Emissions to air. Environmental compliance.
Products with added value for health and environment:	Customer health and safety. Healthy and affordable food. Emissions to air. Marketing and labeling.
Product quality, safety and traceability:	Marketing and labeling. Human rights risk assessment. Procurement practices. Socioeconomic compliance.
Work environment, health and safety:	Occupational health and safety. Socioeconomic compliance. Diversity and equal opportunity.
Resource-efficient processing:	Materials. Energy. Emissions to air.
Business ethics and anti-corruption:	Anti-corruption. Socioeconomic and Environmental compliance. Procurement practices.
Attractive workplace:	Occupational health and safety. Diversity and equal opportunity.
Lifestyle and eating patterns:	Healthy and affordable food. Marketing and labeling. Customer health and safety.
Product quality:	Procurement practices. Marketing and labeling. Socioeconomic and Environmental compliance. Customer health and safety.
Origin:	Procurement practices. Customer health and safety. Marketing and labeling. Socioeconomic and Environmental compliance.



# Economic topics

One of Lantmännen's most important issues is return and re-investment in agriculture. By conducting responsible and profitable business, we can create value for many stakeholders, including our owners and suppliers. Our partners and suppliers are an important link in our value chain.

## Economic performance

### Management approach

Return and re-investment in agriculture is one of Lantmännen's most important issues and our mission is to make farming thrive. Lantmännen's financial objectives and policies govern the work in this area. Sustainability-related risks and their management are included in the overall risk analysis. Learn more in Lantmännen's 2017 Annual Report including Sustainability Report, [▶](#) pages 72-74 and 161-164.

### Direct economic value generated and distributed (GRI 201-1)

#### Economic value created by Lantmännen for various stakeholders

MSEK	2017	2016	2015	2014	2013
Products and services sold	39,686	37,244	35,660	32,666	33,802
Employees (payroll expenses)	5,747	5,578	5,169	4,741	4,938
Owners (dividend)	222 <sup>1)</sup>	207	193	178	171
Owners (refund and supplementary payment)	244	231	188	135	129
Suppliers (goods and services purchased)	31,079	29,493	28,874	26,645	27,392
State (taxes paid)	216	183	156	117	104

<sup>1)</sup> Board's proposal.

More information about economic value generated can be found in the financial part of Lantmännen's 2017 Annual Report including Sustainability Report.

### Financial implications and other risks and opportunities due to climate change (GRI 201-2)

The Annual Report including Sustainability Report 2017 describes climate-related risks and opportunities in the following sections: "Our responsibility from field to fork", "Sustainable business development" and "Risk facts" [▶](#) pages 25-32 and 161-164.

## Sourcing

### Management approach

Lantmännen takes responsibility from field to fork and our suppliers play an important part in that responsibility. Lantmännen's sourcing is governed by the sourcing policy. The evaluation and selection of suppliers is governed by the procurement process. Some of our requirements are set out in the Supplier Code of Conduct.

The Code is signed by the supplier as part of the contractual process. To ensure compliance with the requirements, we monitor suppliers' performance through risk-based assessment, which may be followed by self-assessment and/or third-party audits and background checks in the form of due diligence.

Additional requirements apply to certain companies – e.g. suppliers of raw materials for food, suppliers of special product categories such as palm oil or suppliers in high-risk countries. The requirements are monitored and reported based on Lantmännen's specific commitments and objectives. In addition to requirements and supplier monitoring, we screen all materials for sustainability risks, based on factors such as country of origin, cultivation and/or production methods. The screening can be followed by an assessment that provides a detailed description of the risks for our most important purchasing categories and is used as a basis for risk management decisions such as audits, switching to other materials or suppliers, or specific measures such as certification.

### Percentage of purchased volume from suppliers compliant with company's sourcing policy (GRI FP1)

**Definition:** "Compliant" means that the supplier has the Supplier Code of Conduct (SCoC) in the contract and an approved self-assessment and/or third-party audit.

#### Outcome:

#### Supplier Code of Conduct (SCoC) requirement

%	2017	2016	2015	2014
Proportion of purchase volume (SEK) fulfilling SCoC	90 %	83 %	80 %	76 %

*Comments:* The objective, which applies to all Lantmännen's purchases of goods and services, both direct (inputs) and indirect, is for all suppliers to have SCoC in their contract and for all suppliers with an annual purchase volume<sup>1)</sup> over MSEK 1 or high-risk suppliers over SEK 300,000 to be monitored by self-evaluation and/or a third-party audit. The outcome shows that 90 percent have SCoC in their contract, which is an improvement and in line with the objective.

Since our supplier audit work began, 32 audits have been conducted. No audits were conducted in 2017. The aim is to intensify the work on audits. In 2017, plans were made for future years together with prioritization of suppliers to be audited. Training was provided for purchasers and product managers. Audit templates and instructions were clarified and risk assessment methods were developed in a special project that has also resulted in detailed descriptions of sustainability risks for our purchasing categories. Risk management work is conducted continuously and for certain materials through specific measures, read more below.

<sup>1)</sup> In 2017, accounted for about 90 percent of Lantmännen's total purchase volume (in SEK)

**Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards (GRI FP2)**

Lantmännen reports this indicator for two of our raw materials: soy as an ingredient in feed and palm oil as an ingredient in food.

**Soy as an ingredient in feed:**

*Definition:* Responsibly produced according to the industry-wide Swedish Soy Dialogue agreement

*Outcome and comments:* Lantmännen continues its work to ensure the purchase of responsibly produced soy imported as a feed raw material through the industry-wide Soy Dialogue agreement. The objective is 100 percent purchases of responsibly produced soy as defined by the Soy Dialogue. In 2017 the outcome was 100 percent and the total volume of purchased soy was 124,000 (119,600) tonnes. RTRS, Pro Terra, organic soy according to IFOAM approved certification and traceability are important tools for ensuring responsibility in the soy supply chain. Learn more about our work on the soy issue at [lantmannen.com/en/sustainable-development/important-issues/](http://lantmannen.com/en/sustainable-development/important-issues/)

The Soy Dialogue is a collaboration between participants in the food value chain – from feed companies, slaughterhouses, dairies, to retailers, industry associations and the WWF. Learn more about the Soy Dialogue at [wwf.se](http://wwf.se)

Learn more about the Round Table on Responsible Soy at [responsiblesoy.org](http://responsiblesoy.org).

Learn more about ProTerra at [proterrafoundation.org](http://proterrafoundation.org)

**Palm oil as an ingredient in food:**

*Definition:* Palm oil certified under RSPO (Roundtable on Sustainable Palm Oil)

*Outcome:*

**Purchase of responsibly produced palm oil**

	2017	2016	2015	2014	2013
Purchased volumes of palm oil as an ingredient in food, tonnes	9,600	9,900	6,800	6,700	7,900
Proportion of RSPO-certified	100 %	100 %	100 %	100 %	100 %
<i>of which</i>					
RSPO Book & Claim <sup>1)</sup>	0.5 %	9 %	17 %	100 %	100 %
RSPO Mass Balance	0.5 %	-	12 %	-	-
RSPO Segregatd <sup>2)</sup>	99 %	91 %	71 %	-	-

<sup>1)</sup> Palm oil covered by RSPO certificates

<sup>2)</sup> Physically traceable RSPO-certified palm oil

**Purchased volumes of other products from oil palm**

	2017	2016	2015	2014	2013
Palm kernel expeller as an ingredient in feed, tonnes	13,500	14,750	15,700	9,650	18,200

*Comments:* Our palm oil strategy is to ensure responsibly produced palm oil for the volumes we use in our food products. We achieve this by only purchasing RSPO-certified palm oil, which we have been doing since 2011. The target is a full transition to physically traceable certified palm oil, according to the higher certification level RSPO Segregated. For 2017, the outcome was 99 (91) percent. We also work to accelerate the market's transition together with companies in the industry and stakeholders.

For palm kernel expeller, a by-product of oil palm used in feed production and other areas, the market for certified raw materials is so far not as well developed. Lantmännen engages in dialogue with other industry players to ensure responsible management of this flow and to replace the products with other more sustainable alternatives.

Learn more about the Roundtable on Responsible Soy at [rspo.org](http://rspo.org)





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**Lantmännen rejects all forms of corruption, bribery, money laundering and illegal competition.**

## Anti-corruption

### Management approach

Corruption affects people, the environment, organizations, companies and countries in negative ways. Lantmännen rejects all forms of corruption, bribery, money laundering and illegal competition. Business ethics is included as an area of Lantmännen's Code of Conduct. There are also special policies and a business ethics compliance program. Annual risk assessments are conducted based on available and independent international risk indexes, and the analysis is reported to Lantmännen's Management and Board. The analysis shows that the majority of Lantmännen's businesses operate in industries and countries with a relatively low risk of corruption. However, there is risk exposure, particularly in the agriculture and food businesses, through direct operations in high and medium-risk countries (e.g. Russia, Ukraine and Baltic countries) and through counterparties operating in high and medium-risk countries. There are some risks associated with competition law, as several of Lantmännen's businesses operate in markets that involve contact with competitors. Lantmännen adjusts its risk management to the assessed risk exposure.

Risk management and control is described in more detail on pages 72-74 and 161-164 of the 2017 Annual Report including Sustainability Report.

All Lantmännen employees must undergo e-learning in the Code of Conduct. Training in Lantmännen's Group-wide anti-corruption policy is held regularly, with a focus on key employees and particularly vulnerable positions and countries. Lantmännen's Supplier Code of Conduct is communicated to all suppliers and included in all contracts. Potential new counterparties undergo risk assessments and suppliers considered to represent an increased risk are subjected to screening/ due diligence.

A whistleblowing procedure is in place, which gives all employees a safe and simple way of reporting malpractice or anything that is contrary to the law or Lantmännen's Code of Conduct, guidelines or policies. Employees in Lantmännen's businesses can anonymously, and in their own language, report observations and concerns in a web-based system. The whistleblowing function is one of several ways of reporting. Other reporting channels are directly to the line manager, the HR function or another member of management. Further information can be found on pages 35 and 74-75 of Lantmännen's 2017 Annual Report including Sustainability Report.

### Communication and training about anti-corruption policies and procedures (GRI 205-2)

*Definition:* Percentage of employees having completed the new version of e-learning in the Code of Conduct.

*Outcome:* 83 (72) percent of Lantmännen's employees have completed training in Lantmännen's Code of Conduct.

### Number and percentage of employees having received training in the Code of Conduct

Numer of trained employees	2017		2016	
	Number	%	Number	%
Regions				
Nordic countries	5,580	87 %	5,096	78 %
Rest of Europe	2,909	75 %	2,142	63 %
Other countries	163	88 %	64	47 %
Total	8,652	83 %	7,302	72 %

*Comments:* In 2017, training in anti-corruption and competition law continued for key personnel and employees in particularly vulnerable positions. 94 (98) percent of individuals in the target group have completed the training. A new version of the training will be introduced in 2018 for persons included in the business ethics compliance program.

### Confirmed incidents of corruption and actions taken (GRI 205-3)

*Outcome and comments:* Irregularities are reported through the whistleblowing function, or by reporting to the line manager, HR function or management. Using the whistleblowing function, a total of 11 reports from four countries were recorded in 2017. All cases, none of which were corruption-related, have been dealt with by Lantmännen's Whistleblowing Committee and investigated. After the Whistleblowing Committee's comments, a number of reports have led to stronger leadership, improved local procedures and policies, training and support for local managers.

Systematic follow-up of compliance with the anti-corruption policy is conducted through screening, analyses and internal control systems, and annual company questionnaires on issues such as the occurrence of corruption incidents. All companies, 65 (59), answered the questions in 2017. In 2017, Lantmännen had 2 (0) confirmed corruption incidents, which in both cases led to termination of employment and in one case to termination of business relationship. The incidents were detected through internal control systems.

# Environmental topics

Lantmännen is active in the grain value chain and is dependent on natural resources and well-functioning ecosystems. At the same time, we have an impact on the environment through production and cultivation.

## Management approach

We engage in systematic efforts to continuously improve operations and reduce our environmental impact. Our measures are based on the precautionary principle and life cycle thinking. Energy consumption, emissions into the air, soil and water, impacts from transport, impacts on land and biodiversity in our operations, and through our purchasing in the supply chain, are issues that are particularly important. Our Code of Conduct clarifies our approach, special policies and guidelines, while goals and strategies govern the focus of work. We monitor performance through sustainability reporting. There are Group-wide targets for climate and organic business. As our transportation of goods has a major environmental impact, we are working closely with carriers and customers to improve the efficiency of freight transport and move to fuels with less climate impact.

## Materials

### Materials used by weight or volume (GRI 301-1)

*Definition:* Lantmännen reports the use of our most important raw materials: grain and flour, but also soy as an ingredient in feed and palm oil as an ingredient in food as they have special sustainability challenges.

#### Outcome:

### Materials used, grain and flour

Weighed grain from Lantmännen's farmers, including pulses, oilseeds and flour, and volumes for cultivation concepts.

Thousand tonnes	2017	2016	2015	2014	2013
Total volume of weighed grain	2,720	2,400	2,710 <sup>1)</sup>	2,500	1,800
Grain grown according to Climate & Nature	78	70	55	14	-
Organic grain	126	98	91	71	57
Grain grown according to Natur+	158	132	-	-	-
Flour <sup>2)</sup>	430	-	-	-	-

<sup>1)</sup> The figure of 2,900 in the 2015 report was incorrect as it also included other grain flows (imports and trade).

<sup>2)</sup> Flour includes both volumes of weighed grain milled in Cerealia's mills and purchased flour in Cerealia and Unibake.

*Comments:* The 2017 Swedish grain harvest was larger than 2016 and in line with the record year of 2015 and the five-year average, and of good quality. Lantmännen's large volumes are a result of both a good harvest and a stronger market position for grain purchasing.

Lantmännen continues its commitment to the Climate & Nature cultivation method. Organic volumes also increased by almost 30 percent from the previous year. More information on our grain concepts can be found at [▶ lantmannenlantbruk.se](http://lantmannenlantbruk.se)

For soy and palm oil, see under Sourcing [▶](#) page 6.

## Energy

Energy consumption within the organization (divided into renewable and non-renewable energy sources) (GRI 302-1)

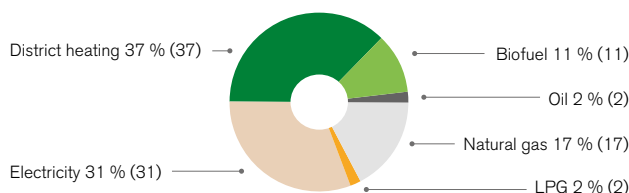
*Definition:* The indicator includes all Lantmännen's producing facilities.

#### Outcome:

### Energy consumption

	2017		2016		2015 (base year)	
	TJ	GWh	TJ	GWh	TJ	GWh
Non-renewable fuels	1,326	368	1,289	358	1,240	344
of which Oil	140	39	115	32	120	33
of which Natural gas	1,069	297	1,066	296	988	275
of which LPG	117	32	108	30	132	37
Renewable fuels	686	191	714	198	691	192
Indirect energy:	4,310	1,197	4,120	1,144	3,805	1,057
District heating	2,343	651	2,249	625	2,000	556
of which renewable	2,060	572	-	-	-	-
Electricity	1,967	546	1,870	520	1,805	501
of which renewable	1,683	468	1,468	408	1,385	385
Sold electricity and heating	436	121	390	108	437	121
<b>Total net energy</b>	<b>6,322</b>	<b>1,756</b>	<b>6,123</b>	<b>1,701</b>	<b>5,736</b>	<b>1,593</b>

### Energy consumption in 2017 by energy type



*Comments:* Energy consumption continues to increase in absolute figures, and by 3 percent from 2016. Energy consumption relative to sales has declined by 3 percent. Fuel oil, used mainly in the Agriculture Sector, is increasing most and this is due to

unpredictable weather during the year's harvest season, which meant that the large volumes had a high water content and needed significant drying. Electricity and district heating have also increased, due to switching from natural gas, new bakeries and increased production in the Energy Sector. The proportion of renewable electricity is estimated at 86 percent and renewable district heating at 88 percent. Natural gas is at the same levels, due to switching to electricity and district heating, despite increased production.

The proportion of renewable fuels has declined from the previous year by 4 percent in absolute figures, largely due to reduced production at plants running on renewable fuel.

The percentage distribution of the energy sources has not changed, despite significant efforts to phase out fossil energy in several operations. Acquisitions of new operations in countries with a high fossil energy use have had the opposite effect.

### Emissions to air

**Direct (Scope 1) GHG emissions, Energy indirect (Scope 2) GHG emissions and Other indirect (Scope 3) GHG emissions (GRI 305-1, 305-2 and 305-3)**

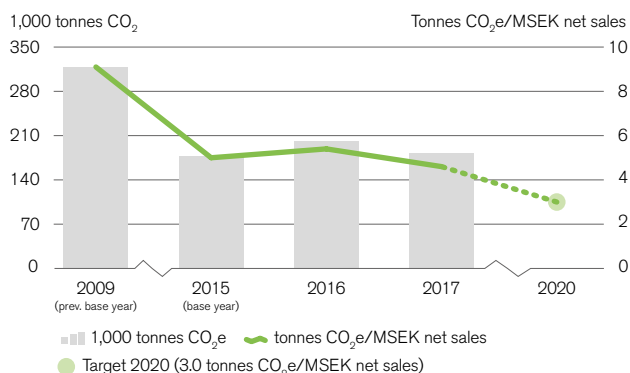
*Definition:* Lantmännen reports direct emissions of carbon dioxide from the use of fuels at its facilities and in its vehicles, indirect emissions from use of electricity and emissions from transport, fuel and electricity production, and business travel.

**GHG emissions intensity: Carbon dioxide emissions in relation to sales (GRI 305-4)**

*Definition:* Lantmännen intensity as: CO<sub>2</sub> emissions, total, tonnes per MSEK net sales

*Outcome:* See diagram and table below.

**Target for, and outcome of, emissions of carbon dioxide in relation to sales**



### Carbon dioxide emissions in relation to sales

	2017	2016	2015	2009
CO <sub>2</sub> use of fuels from facilities, production and vehicles (thousand tonnes)	184	200	177	319
Tonnes CO <sub>2</sub> /MSEK net sales	4.6	5.4	5.0	9.1
Target 2020	3.0	3.0	3.0	-

### CO<sub>2</sub> emissions in relation to net sales, outcomes and target achievement

Lantmännen's target is a 40 percent reduction in emissions for the Group's production facilities and transport (scope 1 and 2) from 2015 to 2020, with 2015 as the base year. Emissions have fallen by 6.7 percent from the base year 2015 and the rate of improvement is in line with the new climate target for 2020, which is 3 tonnes CO<sub>2</sub>e/MSEK net sales.

### GHG emissions, scope 1, 2 and 3

CO <sub>2</sub> e emissions, thousand tonnes	2017	2016	2015	2009
Scope 1 (Fuel incl. own transport)	79.9	78.2	76.8	91.7
Scope 2 (Electricity and heating)	73.4	94.8	74.1	187.0
Scope 3 (Production (LCI) of electr. and fuel, transport/travel)	30.4	27.4	26.0	40.0
Scope 3 (Purchased freight tr.)	119.4	121.5	106.3	106.5
Scope 3 (Business travel)	2.7	-	-	-
<b>Total</b>	<b>306</b>	<b>322</b>	<b>283</b>	<b>425</b>

*For boundaries, see Reporting principles on page 20.*

*Comments:* The Group is working for a reduction in carbon dioxide emissions from own operations (energy and transport), calculated as tonnes of CO<sub>2</sub>e per MSEK net sales. The previous target of -40 % set in 2009 was achieved in 2015. Lantmännen has therefore set a target for a further 40 percent reduction in emissions from its own production by 2020 from the 2015 levels.

Emissions continue to decline in absolute figures, and by 5 percent from the previous year. Emissions are somewhat higher than the base year 2015, but emissions from the significant acquisition of Vaasan were not fully included in that year.

The decline is due to the transition to origin-labeled electricity in Finland and Lithuania, energy efficiency and work on phasing out fossil fuels.

Work towards the goal will continue with the transition to green electricity and in line with investment plans for conversion from fossil energy and efficiency.

For reporting of emissions per Sector, see the Annual Report including Sustainability Report from page 39.

## Water

### Water withdrawal

*Outcome:*

#### Water withdrawal by source

	2017 m <sup>3</sup> /year	2016 <sup>1)</sup> m <sup>3</sup> /year	2015 m <sup>3</sup> /year
Municipal water supply	916,100	904,100	1,031,000
Groundwater from own source	95,400	46,600	27,600
Unspecified	1,031,500	1,021,000	623,300
<b>Total water withdrawal</b>	<b>2,043,000</b>	<b>1,971,700</b>	<b>1,681,900</b>

<sup>1)</sup> Adjustment of 2016 figures due to incorrect reporting.

*Comments:* Collection of data is not yet complete. The high figure for “Unspecified” is due to incomplete data. However, the assessment is that the majority of this category is from the municipal water supply.

The increase in the total volume in the last two years is partly due to increased facilities and production, and partly due to increased reporting from previous years. In addition to water consumption monitoring, all facilities undergo regular risk screening for impacts on water supplies using WBCSD’s (World Business Council for Sustainable Development) Water Tool.

Four of Lantmännen’s facilities have been identified as located in high-risk areas with regard to water consumption: – one seed plant and one workshop in Sweden, and two bakeries in the UK.



## Products and services, environmental impact in the cultivation stage

Set out below are some Lantmännen-specific key figures regarding our products, with a link to the environmental impact in the cultivation stage:

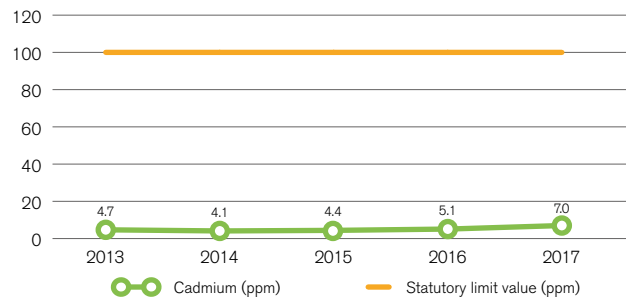
### Cadmium in phosphate fertilizer

*Definition:* X ppm Cd in phosphorus = grams/tonne phosphorus (in fertilizer)

*Outcome:* 7.0 (5.1) grams of cadmium per tonne of phosphorus in fertilizer in 2017.

### Cadmium content of phosphate fertilizer

Grams per tonne of phosphorus



*Comments:* Cadmium content in mineral fertilizers is still at a low level, between 4–8 mg Cd/kg phosphorus, and has been for over ten years. This is well under the statutory limit value of 100 mg Cd/kg phosphorus. It is important to ensure minimal cadmium input to Swedish arable land. The slight increase in 2016 and 2017 was due to a change in demand for certain products and a slightly higher average value of large-volume products.

### Seed treatment (proportion of biologically treated, thermally treated and untreated)

*Definition:* (Biologically treated + thermally treated + untreated grain seed, tonnes)/total grain seed produced, tonnes.

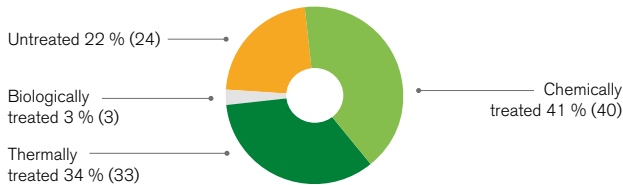
As an alternative to chemical seed treatment, the seed can be biologically or thermally (heat) treated, to achieve increased resistance to pests. Biological treatment uses natural micro-organisms (Cedemon and Cerall), while thermal treatment is method-based (ThermoSeed).

*Outcome:* The goal is to continue developing biological and thermal seed treatment in order to reduce use of chemical treatment.

The total proportion of non-chemical treatment, i.e. untreated, thermally and biologically treated seed, was 59 (60) percent.

### Seed treatment

(calculated as percentage of volume in tonnes)



*Comments:* In 2017, Lantmännen's capacity to produce non-chemically treated seed was fully utilized, giving a volume corresponding to 60 percent of total treated seed, in line with the previous year. Since fall 2014, Lantmännen has two ThermoSeed facilities, one in Skara and in Eslöv.

### Proportion of organic seed

*Definition:* (Sales of organic seed, tonnes/total sales of seed, tonnes) • 100 = % organic seed

*Outcome:*

#### Proportion of organic seed

%	2017	2016	2015	2014	2013
Proportion, %	12.7	11.7 %	9.6 %	9.2 %	8.1 %

*Comments:* Sales of organic seed are increasing, partly driven by increased consumer demand for organic products. Lantmännen has seed and varieties that are adapted for organic farming. As sole supplier, we are also able to effectively eradicate seedborne infection with the ThermoSeed technology, which is approved for organic farming.

### Proportion of organic animal feed

*Definition:* (Sales of organic feed, tonnes/total sales of feed, tonnes) • 100 = % organic feed.

*Outcome:*

#### Proportion of organic feed

%	2017	2016	2015	2014
Organic feed	9.5 %	9.4 %	7.8 %	6.8 %

*Comments:* Organic feed sales increased by more than 10% from the 2016 volumes, but conventional production is also increasing, so the organic proportion remains at the previous year's level.

### Environmental compliance

**Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations (GRI 307-1)**

*Definition:* Significant fines are penalties, which due to their amount or the nature of the non-compliance are likely to significantly affect the Group's finances or reputation.

*Outcome:* No significant fines or non-monetary sanctions in 2017 (0).





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**Lantmännen has a significant responsibility for human rights as a player in all stages of the grain value chain.**

**We work actively to ensure that our employees are treated fairly, equally and with respect.**

# Labor Practices and Decent Work

Lantmännen prioritizes a safe and healthy work environment and works systematically to continuously identify and address risks and improve the work environment. We consider a proactive health program as a crucial factor for sustainable performance and profitable operations.

## Occupational health and safety

### Management approach

Our health and safety work is based on national legislation in the countries where we operate, but in many cases we have a higher standard for ensuring safe workplaces as a result of our internal policies and instructions. Our work on health and safety must be characterized by close collaboration between management, employees, the safety organization, occupational health and other partners. Health and safety training is provided continuously in all operations. With information measures, we strengthen a culture where safety is crucial, and we work to increase risk observation and incident reporting as a preventive measure. We also invest in wellness activities.

Regular monitoring of work environment programs is conducted at all our operations. This includes about 50 loss prevention inspections conducted each year at Lantmännen's production facilities, primarily with a focus on financial risks, but with work environment also being an important factor. We use the IA system for reporting work environment and safety.

### Types of injury and rates of injury, occupational diseases, lost days, and absenteeism (GRI 403-2)

#### Outcome:

#### Sick leave, Group total per Sector

% of normal working hours	2017	2016	2015	2014	2013
Group, total	4.4 %	4.8 %	4.0 %	3.8 %	3.7 %
Agriculture Sector	3.1 %	3.3 %	3.1 %	2.8 %	3.1 %
Machinery Sector	3.4 %	3.4 %	3.5 %	3.1 %	3.2 %
Food Sector	4.9 %	5.7 %	4.7 % <sup>1)</sup>	4.6 %	4.5 %
Energy Sector	2.7 %	2.2 %	2.2 %	1.9 %	2.5 %
Lantmännen Real Estate	0.5 %	0.9 %	4.5 %	1.5 %	0.4 %

<sup>1)</sup> Boundary: Vaasan, which was acquired by Lantmännen in spring 2015 and is now integrated into Lantmännen Unibake and Lantmännen Cerealia, is not included in the reported data for 2015.

#### Sick leave

% of normal working hours	2017	2016	2015	2014	2013
Women	5.7 %	6.1 %	4.9 %	4.9 %	4.7 %
Men	3.7 %	4.2 %	3.6 %	3.3 %	3.4 %
<b>Total</b>	<b>4.4 %</b>	<b>4.8 %</b>	<b>4.0 %</b>	<b>3.8 %</b>	<b>3.7 %</b>

*Comments:* Total sick leave has fallen to 4.4 (4.8) percent.

Women continue to have a higher percentage than men but the figure has declined from 6.1 percent to 5.7 percent. Sick leave for men has also fallen, from 4.2 percent to 3.7 percent. The decline is largely attributable to certain parts of the Food Sector.

### Accidents and Incidents

	2017	2016	2015	2014	2013
Number of fatalities due to work-related injuries	0	0	0	0	0
Number of accidents <sup>1)</sup>	231	239	202	228	262
Injury rate <sup>2)</sup>	13.9	14.5	15.2	16.8	17.6
Number of reported incidents <sup>3)</sup>	2,869	3,072	1,686	2,900	2,488
Number of reported risk observations <sup>4)</sup>	4,895	4,181	2,034	-	-
Number of incidents per accident (lost-time)	12.4	12.9	8.3	12.7	9.5

<sup>1)</sup> Work-related accident resulting in at least one day's absence after the accident occurred. Travel accidents (to and from work) are not included.

<sup>2)</sup> Number of accidents per million working hours (actual hours worked).

<sup>3)</sup> Unintended event that could have resulted in ill health or an accident.

<sup>4)</sup> Identified risk that could have resulted in ill health or an accident.

*Comments:* Lantmännen's injury rate continues its downward trend and has fallen to 13.9 (14.5). In 2017, the number of reported lost-time accidents declined by about 3 percent compared with 2016. Falls and trapped fingers etc. are the most common type of accident. The results show an overall a positive trend. They should be viewed in the context of the year's work on further development of a global system for reporting accidents, incidents and risk observations (IA), as well as training, risk assessments and an effective work environment network and work environment process team.

Lantmännen's target is at least 10 reported incidents per accident. In 2017, the number of reported incidents per accident was 12.4 (12.9), which means that the target has been achieved. The most common causes of incidents are deficiencies in equipment, apparatus, machinery, products, materials or maintenance and service.



The number of reported risk observations has shown a significant increase, with 4,895 (4,181) reported in 2017. The increase occurred in all Sectors, but mainly in Food.

The main reason for the increased incident and risk observation reporting is Lantmännen's reporting system (IA), which makes it easy for any employee to report health and safety risks, incidents and accidents. The system, implemented in every part of the organization in 2016, has resulted in a significant increase in awareness of the risks that exist in our workplaces. The system also helps each manager with health and safety responsibilities to systematically investigate and analyze each reported risk. In this way, the system contributes to increased awareness and an opportunity to report and prevent accidents.

## Diversity and equal opportunity

### Management approach

Lantmännen's Code of Conduct clarifies our position concerning equal treatment: We actively promote equality and diversity. We do not accept discrimination, intimidation, oppression or harassment in any form. This is also made clear in the Supplier Code of Conduct. All managers have a responsibility to implement the Code's principles. All employees have a responsibility to undergo training in the Code and to comply with it.

Lantmännen works on long-term initiatives to improve equality in recruitment and career development. There is zero tolerance for all forms of discrimination. Our employee survey includes a question about whether employees have experienced discrimination in the organization, and if so in what way. This is to identify areas for improvement and enable proactive work.

Any deviations are followed up in the form of reported cases through the whistleblowing and HR functions. Learn more in the Annual Report Including Sustainability Report [▶](#) page 35.

It is important that employees understand Lantmännen's assignment and goals, and how they can contribute and continuously develop their skills. All employees are required to have regular evaluation and monitoring of their performance and career development through performance appraisal dialogues with their managers at least once a year.

## Diversity of governance bodies and employees (GRI 405-1)

For more information, see the Annual Report Including Sustainability Report [▶](#) pages 32-35, 98, note 6 and the Sector descriptions.

Outcome:

### Gender distribution

	Number of women/men		Women/men, %	
	2017	2016	2017	2016
Group Board	2/10 <sup>1)</sup>	2/10 <sup>1)</sup>	17/83	17/83
Group Management	3/7	3/7	30/70	30/70
Managers	314/738	303/743	30/70	29/71
Employees	3,321/6,529	2,966/6,914	34/66	30/70

<sup>1)</sup> including 3 employee representatives.

Employee data is based on average number of employees, data for others is based on numbers.

### Age distribution, employees

	Proportion, %	
	2017	2016
<30 years	12	14
30-50 years	51	53
>50 years	37	33

Data from October 31, 2017.

# Human rights

Lantmännen has a significant responsibility for human rights as a player in all stages of the grain value chain. Human rights are affected directly and indirectly through land use, environmental impacts, in the supply chain, in production and in the marketing and use of our products.

## Management approach

We support and respect internationally proclaimed human rights. Lantmännen signed the Global Compact in 2009 and supports the ten principles for responsible business. We work actively to ensure that our employees are treated fairly, equally and with respect. We expect our suppliers and business partners to act in the same way towards their employees and the people affected by operations. This is made clear in the Code of Conduct, which includes work environment and social conditions, including freedom of association, working hours, salaries, forced labor, child labor, discrimination and oppression.

All employees are required to be trained in the Code of Conduct, which includes exercises that reflect potential dilemmas and situations. The Supplier Code of Conduct also covers work environment and social conditions, including freedom of association, working hours, salaries, forced labor, child labor, discrimination and oppression. All suppliers must have the Code as part of their contract with Lantmännen. Compliance with the codes is monitored in several different ways, including employee surveys, the whistleblowing function and supplier audits.

For our businesses, we conduct comprehensive risk assessments based on the Code of Conduct's areas for all of the Group's operations. The method is based on, for example,

available and independent international risk indexes covering both our own operations and suppliers, materials, products and services as business partners. Based on these independent international risk indexes, Russia, Ukraine and Latvia have been identified as high-risk countries in terms of human rights for our own operations. Some of Lantmännen's food business is in these countries, but we do not have any indications of problems or breaches of the Code of Conduct in terms of human rights.

In our supply chain – e.g. in the production of raw and other materials, there are risks of human rights violations. We analyze risk materials and suppliers based on the Code's areas, and special handling is required in the case of high risk. Learn more in the Sourcing section.

For food, there are special requirements on food safety in production and Lantmännen's own Criteria for Responsibly Produced Food. They include origin, safety, high-risk countries and materials, and ingredients and nutrition.

For acquisitions, areas such as human rights, corruption and other financial crimes are part of the due diligence process.

Lantmännen does not report results in the human rights area with GRI indicators but works to ensure that processes are in place to prevent and detect the risk of violations of human rights.





**“ Since 2009, Lantmännen has worked to integrate the Global Compact’s ten principles for responsible business into its operations.**

# Society and Product Responsibility

Lantmännen conducts responsible business and offer safe and healthy products. Lantmännen must always comply with the legal requirements and regulations in our countries of operation. We may define higher standards for our business than those required by local laws if we consider this to be appropriate.

## Management approach

Lantmännen's products and services must be safe for users and follow international standards on food and animal feed, in order to protect our customers, consumers and animals. Our responsibility is based on the precautionary principle. We work systematically to continuously improve our products and services and to develop and offer sustainable solutions to customers and partners. Our research and innovation ensure a level of knowledge and skills that enables us to be competitive.

For food, there are special requirements on food safety in production and Lantmännen has set own Criteria for Responsibly Produced Food. They include origin, safety, risks associated with sourcing and procurement, and ingredients and nutrition. All products must be traceable in accordance with applicable regulatory requirements and industry standards. In the event of faults, we recall products that present a risk to the user. Product deviations and complaints are identified through several customer service and customer contact channels and are dealt with according to the processes of each business areas. For products that are critical to our customers' operations, there are delivery contingency plans in place. In the Swedish market, we prioritize products from Lantmännen's owners' farms.

We follow rules and good practice in the marketing of our products.

Our distributors, who are often the party that consumers of Lantmännen's products meet in a market, must comply with our Distributor Code of Conduct. The Code is based on our Code of Conduct and Supplier Code of Conduct.

## Customer and consumer health and safety

**Percentage of production volume manufactured in sites certified according to food safety standards (FP5)**

*Outcome:* All Lantmännen's food production facilities are certified according to international standards for food safety, either ISO or approved by the Global Food Safety Initiative (GFSI), and are audited by a third party, apart from a newly established facility awaiting certification.

## Labeling

**Type of product information required and percentage of products subject to such information requirements (GRI 417-1)**

*Outcome and comments:* All Lantmännen's product information and marketing must be correct and in compliance with existing legal frameworks and other guidelines. The governing documents are Lantmännen's Nutrition Policy and Guidelines for additives and ingredients. Added value in the form of health-promoting or environmental benefits is communicated only when these benefits are well documented and scientifically proven. Read more under Materials, Organic seed and Organic feed.

Nutritional content and ingredients can be found on all Lantmännen's food and feed products. Information about the origin of the ingredients can be found on some of the products; if this is not the case, the information can be obtained from Lantmännen. Information about how to recycle the packaging can be found on all consumer packaging.

## Healthy and affordable food

*Definition:* Responsibly produced food that promotes good health and wellbeing.

*Outcome and comments:* Lantmännen's green sprout on the packaging is a guarantee of responsibly produced food. We want to contribute to more sustainable food consumption by developing products and ranges, and by spreading knowledge and inspiration. The focus is on foods that promote good health and wellbeing.

Healthy eating is important to consumers and health is a strong trend in many of the countries in which we operate. We know that good nutrition is an important basis for health and we have high ambitions for our products. The Nutrition policy and Guidelines for health and nutrition provide criteria on how products can contribute to good health. For example, we aim for increased content of whole grains, reduced amounts of salt and sugar, and reduced proportion and use of saturated fat. We conduct leading-edge research<sup>1)</sup> in areas such as the health effects of eating habits, carbohydrates and fiber. Our involvement throughout the value chain also gives us unique scope for tracing the raw material to its origin, which means that consumers receive enhanced product information and particularly quality-assured food – for medicinal use, for example. We also contribute to increased knowledge and consumer awareness by disseminating information about nutrition, health and the environment in different ways.

<sup>1)</sup> *Lantmännen invests large amounts in research and development. Health and food is a priority area. Learn more about different areas of research and projects at [lantmannen.com/en/research-and-innovation/](http://lantmannen.com/en/research-and-innovation/)*

Some examples of the results of our work during the year:

- Swedish beans and bean pasta
- Vegetarian protein-rich ready meals
- Ett Vänligare Vete and En Vänligare Råg – friendlier flour with a lower climate impact
- Increased range based on rye and whole grain
- Large breakfast selection with oats as the main ingredient
- Broader range for people with gluten intolerance
- Recipes and inspiration for healthy foods – e.g. online and the Matsamtalet podcast

More information can also be found at [▶ lantmannen.com/en/good-food/](http://lantmannen.com/en/good-food/)

## Compliance including product responsibility

**Non-compliance with laws and regulations in the social and economic area (GRI 419-1)**

*Definition:* Significant fines are penalties, which due to their amount or the nature of the non-compliance are likely to significantly affect the Group's finances or reputation.

*Outcome:* No significant fines or sanctions were imposed on Lantmännen in 2017 (0).

# Reporting principles

## Data collection

Data collection is primarily conducted through LUPP, Lantmännen's proprietary reporting system. LUPP covers all Lantmännen's facilities and collects environmental and energy data, production data such as volumes, certifications and other information about the business ethics compliance program and working conditions. Data on monitoring compliance with the supplier code of conduct comes from Supplier Contract Management (SCM), a proprietary system for managing purchase contracts. HR-related data comes from the SSC-HR system. Work-related accidents, injuries and incidents are reported in the IA work environment reporting system, a web-based system provided by AFA Försäkring, although Lantbruk uses a separate reporting system. The number of employees having undergone various e-learning courses is taken directly from the E-campus e-learning platform. Data on legislative compliance is collected from the business through LUPP and from the Legal Affairs and HR departments.

## Audit

Third-party inspection of suppliers through notified or unannounced visits, with follow-up of requirements in the Supplier Code of Conduct.

## Certificates, certification

Certificates and certification relate to third-party certification that guarantees a certain sustainability performance, such as renewable energy, RSPO for palm oil and KRAV for organic produce. Food certifications refers to international standards such as ISO 22000 or standards in line with the Global Food Safety Initiative.

## Compliance

Describes legal compliance and compliance related to laws, international declarations, conventions or agreements, regional and local legislation and regulations in environmental and socio-economic areas. Non-compliance with the law is an infringement that incurs administrative or legal penalties such as sanctions, injunctions and/or significant fines. Significant fines are penalties which exceed SEK 500,000 or which, due to or the nature of the non-compliance, are likely to significantly affect the Group's finances or reputation.

## Corruption

Corruption cases are counted as cases confirmed during the current year, i.e. reported cases where investigations are in progress.

## Emissions to air

Lantmännen reports direct emissions of carbon dioxide from energy use at its own facilities and its own vehicles in accordance with WBCSD GHG Protocol Scope 1, and indirect emissions from use of electricity, cooling and district heating in production units, Scope 2. Emissions from transport, business travel and production of fuel and electricity are reported in Scope 3. Emissions from electricity consumption do not include Lantmännen Real Estate's externally leased premises, Lantmännen Agro Oy's franchise-run stores, the Machinery Sector's workshops and Lantmännen's office properties and district cooling – data is not available as systematic reporting has not been implemented. Emissions for the non-included units have been estimated and account for no more than 10 percent of total emissions.

The Scope 3 category of business travel includes air and rail travel in the Nordic region and car hire in Sweden booked through a travel agency. Flights booked outside travel agencies in the Nordic region, car hire in countries other than Sweden, coach, boat and taxi journeys, and air and rail travel in countries outside the Nordic region are not included; data is not available. Travel not included is estimated at 30 percent. Emissions from company cars cover the whole of Lantmännen.

Reporting is in CO<sub>2</sub> equivalents, and where data is present, all greenhouse gases are included. In some cases, emissions other than CO<sub>2</sub> may be missing – e.g. for business travel in Scope 3.

From 2017, a new calculation method with updated conversion factors for emissions from electricity use has been used, which means that the previous base year 2009 will have a slightly higher calculated value for emissions. Emission factors for electricity in Sweden are taken from the Haga Initiative, based on IEAS. For origin-labeled electricity, factors are taken from the product specification. For Nordic countries, emissions are calculated based on Nordic residual electricity, with data from the Swedish Energy Markets Inspectorate and for electricity in other countries, emissions are calculated based on national electricity mix, with data from the Association of Issuing Bodies. Emission factors for district heating are taken from Swedish Fjärrvärme. Emissions from transport are based on a standard calculation, which in turn is based on volume and cost of purchased transport. Business travel emissions are calculated based on data from suppliers, i.e. travel companies, car rental companies' reports, car manufacturers' data on emissions per car model, and estimates based on the average annual mileage of 2,500 km. Business travel only includes CO<sub>2</sub>, not other climate affecting emissions. Energy consumption for 2015 has been adjusted from previous reporting due to an error when integrating Vaasan.

Key figure for emissions are CO<sub>2</sub>e tonne per MSEK net sales.

## Employees

Employees refers to persons employed at Lantmännen. Consultants and temporary workers are included in the reporting to varying degrees. See the scope for each indicator. Most of Lantmännen's employees are permanent employees. The Agriculture Sector uses seasonal workers, mainly during summer.

## Energy

Energy consumption encompasses Lantmännen's production facilities, but does not include energy consumption in Lantmännen Real Estate's externally leased premises, Lantmännen Agro Oy's franchise-run stores, the Machinery Sector's workshops and Lantmännen's office properties and district cooling (only cooling for the office in Stockholm). Energy consumption for the non-included units has been calculated and comes to significantly less than 10 percent of total consumption. LPG is an abbreviation of Liquefied Petroleum Gas and refers to liquefied pressurized gas, such as propane or butane. In Sweden, Norway, Finland, Denmark and the UK, only green electricity, from renewable sources, is purchased.

## Equal treatment

The definition of equal treatment and discrimination is based on Lantmännen's Code of Conduct, and the number of incidents of discrimination refers to cases reported to HR, the whistleblowing function, the immediate supervisor or a judicial body, which are considered to be infringements.

## Facility

Production facilities in the Agriculture, Machinery, Food and Energy Sectors, Swecon, and Lantmännen Agrovärme within Lantmännen Real Estate.

## Human rights

Human rights refers to internationally declared human rights such as the UN's Universal Declaration of Human Rights and the ILO Conventions. Lantmännen describes the risk of violation of human rights under Management approach in the human rights section.

## Material

Lantmännen reports on the use of our most important raw materials: grain for food production, feed and energy, flour, soy and palm oil, all defined as renewable materials. Packaging materials are not reported; data is not available.

Reported volumes of grain refer to weighed grain, including pulses (legumes), to the Agriculture Sector. Other grain flows, e.g. from trading or imports, are not included and constitute about 10 percent of the traded grain volume.

Flour includes both volumes of weighed grain milled in Cerealia's mills and purchased flour and other grain-based raw materials in Cerealia and Unibake.

The volumes of soy refer to use in feed production, not use in food, where the share is insignificant, less than 1 percent of the total soy volume.

The volumes of palm oil refer to use in food production. Palm kernel expeller, the residue from pressed palm kernels, used for animal feed production, is not included in the measurable goals and indicators for certified palm oil but is reported as volume.

## Supplier

The reporting includes suppliers with an annual purchase volume (goods and services, both direct as inputs and indirect) of MSEK 1 and high-risk suppliers over SEK 300,000. About 90 percent of the purchasing volume is covered by the reporting. Suppliers from owners, authorities and industry associations are not included in the follow-up and reporting. Suppliers must fulfill the Supplier Code of Conduct in their contracts and have an approved self-assessment and/or audit.

An approved supplier is defined as a supplier that has the Supplier Code of Conduct in its contract and has an approved self-assessment and/or third-party inspection/audit.

## Waste

Systematic overall reporting of waste occurred for the first time in 2017 and has shortcomings in completeness and quality. Data for 2017 has therefore not been reported externally.

## Water

Reporting of water covers Lantmännen's production facilities. Lantmännen Real Estate's externally leased premises, Lantmännen Agro Oy's franchise-run stores, the Machinery Sector's workshops and Lantmännen's office properties are not included. There are deficiencies in the quality of the data, both in number of reporting units and specification of water sources. However, the assessment is that the majority of the unspecified water sources category is from the municipal water supply. Water is used for ethanol production processes, in the bakery operations as an ingredient and for cleaning. Total water withdrawal is reported and a risk analysis for operations in areas of water scarcity.

## Work-related accidents, incidents and sick leave

Work-related accidents are defined as accidents that result in at least one day's absence after the accident occurred (travel accidents to and from work are not included).

Injury rate is defined as the number of accidents per million actual hours worked. Accident reporting covers the total workforce in each Sector and country, and independent contractors working at the workplace whose organization is responsible for the overall work environment and safety.

Incidents are defined as unintended events that could have resulted in ill health or an accident. Incident reporting cover the total workforce in each Sector and country. Risk observations are defined as identified risks that could have resulted in ill health or an accident.

Sick leave is days on which employees are absent from work due to illness as a percentage of normal working hours.

# GRI index

Lantmännen has reported according to the Global Reporting Initiative guidelines for several years, including the sector-specific GRI Food Processing Sector Supplement. This report has been prepared in accordance with the GRI Standards: Core option. Learn more about GRI at [globalreporting.org](http://globalreporting.org)

The following cross-reference index indicates the compulsory and selected GRI disclosures that are included in Lantmännen's Sustainability Report for 2017, and where the information is reported. For some disclosures, the reporting and/or comments are submitted directly in the index table. The index also contains references to the UN Global Compact's principles as Lantmännen's Sustainability Report represents our Communication on Progress to the UN Global Compact and the UN's sustainability goals.

The references point to three different information sources:

- Lantmännen's 2017 Annual Report including Sustainability Report (page reference). Available as a printed edition and a downloadable PDF at [lantmannen.com/en/about-lantmannen/financial-information/annual-report-with-sustainability-report/](http://lantmannen.com/en/about-lantmannen/financial-information/annual-report-with-sustainability-report/) Referred to below as "Annual Report"
- Key Sustainability Facts is referred to as "Key Facts" below and is available as a PDF at [lantmannen.com/arsredo-visning/](http://lantmannen.com/arsredo-visning/)
- The section of our website that describes the work on responsibility and sustainable development: [lantmannen.com/en/sustainable-development/](http://lantmannen.com/en/sustainable-development/)

## GRI Content Index Standards on Level Core with Supplement for the Food Sector

GENERAL DISCLOSURES					
Disclosure	Description	Comments	Page or URL	UN Global Compact principle	UN Sustainability goal
<b>Organizational profile</b>					
102-1	Name of the organization	Lantmännen ekonomisk förening			
102-2	Activities, brands, products and services		Annual Report pages 6-9		
102-3	Location of headquarters	Stockholm			
102-4	Location of operations		Annual Report page 5, note 4, note 6		
102-5	Ownership and legal form		Annual Report page 69		
102-6	Markets served		Annual Report pages 5, 39-67 for each Sector and business		
102-7	Scale of the organization		Annual Report pages 2-3, note 6		
102-8	Information on employees and other workers		Annual Report pages 33-35, note 6 Key Facts pages 14-15	Principle 4	12
102-9	Supply chain		Key Facts pages 5-6, <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>		12
102-10	Significant changes to the organization and its supply chain		Annual Report note 33		
102-11	Precautionary principle or approach	For chemical-related issues, the precautionary principle is applied in the context of Lantmännen's internal systematic environmental and health and safety work.	Annual Report pages 72, 161-163 <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>	Principle 7	12 13 15
102-12	External initiatives		Annual Report pages 26, 32, 170 <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>	Principles 1 and 8	
102-13	Membership of associations		Annual Report page 32 <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>	Principles 1 and 8	
<b>Strategy</b>					
102-14	Statement from senior decision-maker		Annual Report pages 12-15, Key Facts page 1, <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>	CEO Statement	
<b>Ethics and integrity</b>					
102-16	Values, principles, standards and norms of behavior		Annual Report pages 23, 26, 74, 75 <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>	Principles 1-10	
<b>Management approach</b>					
102-18	Governance structure		Annual Report pages 6, 16, 25, 154-155, 173, <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>		



## UN's sustainability goals

In 2015, nations of the world signed Agenda 2030, comprising the UN's 17 Sustainable Development Goals. Joint efforts at international, national and local level are required to achieve these goals. All companies and enterprises are encouraged to implement the goals in their strategy and reporting.

Lantmännen supports the Agenda 2030 goals and has analyzed what they mean to our responsibility and to what extent the relevant goals are integrated into our existing work and strategies. Five of the goals are directly linked to Lantmännen's mission and business:



- 2** Zero hunger
- 7** Affordable and clean energy
- 12** Responsible consumption and production
- 13** Climate action
- 15** Life on land

### GENERAL DISCLOSURES *cont'd*

Disclosure	Description	Comments	Page or URL	UN Global Compact principle	UN Sustainability goal
<b>Stakeholder engagement</b>					
102-40	List of stakeholder groups		Annual Report pages 26, 32 lantmannen.com/en/sustainable-development/	Principle 8	
102-41	Collective bargaining agreements	There are several different collective agreements for manual and non-manual workers within Lantmännen. In Sweden, 100 percent of the employees are covered by collective agreements. For the total Group, the figure is about 68 percent.		Principle 3	<b>12</b>
102-42	Identifying and selecting stakeholders		Annual Report pages 26, 32		
102-43	Approach to stakeholder engagement	No special dialogue has been conducted for the sustainability report.	Annual Report pages 26, 32		<b>12</b>
102-44	Key topics and concerns raised		Annual Report page 27, 171 Key Facts page 3		
<b>Reporting practice</b>					
102-45	Entities included in the consolidated financial statements		Annual Report note 46 Key Facts page 2		
102-46	Defining report content and topic boundaries		Annual Report page 27 Key Facts page 3		
102-47	List of material topics		Key Facts page 4		
102-48	Restatement of information		Key Facts page 4		
102-49	Changes in reporting		Key Facts page 4		
102-50	Reporting period	Full year 2017.			
102-51	Date of most recent report	February 2017.			
102-52	Reporting cycle	Annual.			
102-53	Contact point for questions regarding the report		Key Facts page 4		
102-54	Claims of reporting in accordance with the GRI Standards	Reporting according to GRI Standards, Core level.			
102-55	GRI content index	See this index.			
102-56	External assurance	The report is not subject to external assurance.			

**MATERIAL TOPICS, BOUNDARIES, MANAGEMENT APPROACH AND INDICATORS**

Disclosure	Description	Deviations and explanation	Page or URL	UN Global Compact principle	UN Sustainability goal
<b>Financial statements – Includes Lantmännen's own businesses, suppliers, customers, owners and society</b>				Principles 7-9	
103-1 - 103-3	Management approach		Key Facts page 5 Annual Report pages 17-18, 24		
201-1	Economic value generated and distributed		Annual Report page 69 Key Facts page 5		2
201-2	Financial implications and other risks and opportunities due to climate change	Quantification of impacts and risks; data not available.	Annual Report pages 20, 28-31, 72-74, 161-163		7 12 13 15
<b>FP procurement practices – Covers Lantmännen's own operations and suppliers</b>				Principles 1-10	
103-1 - 103-3	Management approach		Key Facts page 5, Annual Report pages 26, 74-75, 163, <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>		
G4-FP1	Percentage of purchased volume from suppliers compliant with organization's sourcing policy		Annual Report pages 74-75 Key Facts pages 5-6		12 15
G4-FP2	Percentage of purchased volume verified as being in accordance with internationally recognized responsible production standards		Key Facts page 6 <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>		12 15
<b>Anti-corruption – covers Lantmännen's own operations and suppliers and other business partners</b>				Principles 10	
103-1 - 103-3	Management approach		Key Facts page 8 Annual Report pages 74-75, 162		
205-2	Communication and training on anti-corruption policies and procedures	Not reported by employment type as this is not registered and the training is mandatory. Business partners not reported; they sign the Supplier Code of Conduct and this is reported in FP1. All members of the Board participate and are trained in the Code of Conduct and anti-corruption.	Key Facts page 8		12
205-3	Confirmed incidents of corruption and actions taken		Key Facts page 8		12
<b>Material – Covers Lantmännen's own operations</b>				Principles 7-9	
103-1 - 103-3	Management approach		Key Facts page 9, Annual Report page 26, <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>		
301-1	Materials used by weight or volume	Packaging materials are not reported; data not available.	Key Facts pages 6, 9 <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>		2 7 12 13 15
<b>Energy – Covers Lantmännen's own operations</b>				Principles 7-9	
103-1 - 103-3	Management approach		Key Facts page 9, Annual Report pages 31, 162, <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>		
302-1	Energy consumption within the organization (divided into renewable and non-renewable energy sources)	Deviation for cooling and energy from Real Estate's externally leased premises, Machinery's workshops and our offices. Data not available.	Key Facts page 9 <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>		7 13
<b>Emissions to air – Includes Lantmännen's own operations and suppliers</b>				Principles 7-9	
103-1 - 103-3	Management approach		Key Facts page 9 Annual Report pages 25, 31, 162 <a href="http://lantmannen.com/hallbar-utveckling">lantmannen.com/hallbar-utveckling</a>		
305-1	Direct (Scope 1) GHG emissions	Deviation for cooling and energy from Real Estate's externally leased premises, Machinery's workshops and our offices. Data not available.	Key Facts page 10 <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>		13
305-2	Indirect (Scope 2) GHG emissions	Deviation for cooling and energy emissions from Real Estate's externally leased premises, Machinery's workshops and our offices. Data not available.	Key Facts page 10 <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>		13
305-3	Other indirect (Scope 3) GHG emissions	Deviation for flights booked outside travel agencies in the Nordic region, car hire in countries other than Sweden, all coach, boat and taxi journeys, and air and rail travel in countries outside the Nordic region. Data not available.	Key Facts page 10		13
305-4	Greenhouse gas emissions intensity: CO <sub>2</sub> emissions in relation to value added and sales	See above. Description of efficiency measures, see Reporting Principles in Key Facts	Key Facts page 10 <a href="http://lantmannen.com/en/sustainable-development/">lantmannen.com/en/sustainable-development/</a>		13

**MATERIAL TOPICS, BOUNDARIES, MANAGEMENT APPROACH AND INDICATORS**

Disclosure	Description	Deviations and explanation	Page or URL	UN Global Compact principle	UN Sustainability goal
<b>Own topic Products and services – Covers Lantmännen's own operations and owners</b>				Principles 7-9	
103-1 - 103-3	Management approach		Key Facts page 9, lantmannen.com/en/sustainable-development/		
Own indicator	Cadmium in phosphate fertilizer		Key Facts page 11		12 13 15
Own indicator	Seed treatment (proportion of biologically treated, thermally treated and untreated seed, and chemically treated seed)		Key Facts page 12		12 13 15
Own indicator	Proportion of organic seed		Key Facts page 12		12 13 15
Own indicator	Proportion of organic animal feed		Key Facts page 12		12 13 15
<b>Compliance – Environment – Covers Lantmännen's own operations</b>				Principles 7-9	
103-1 - 103-3	Management approach		Key Facts page 9, Annual Report page 75, lantmannen.com/en/sustainable-development/		
307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		Key Facts page 12		12 13 15
<b>Work environment, health and safety – Covers Lantmännen's own operations</b>				Principles 1-2	
103-1 - 103-3	Management approach		Key Facts page 14, Annual Report pages 35, 76, 163, lantmannen.com/en/sustainable-development/		
403-2	Extent and type of occupational injuries, accidents and sickness absence	Deviation for key figure for lost days, data not available	Key Facts page 14 Annual Report page 35		12
<b>Diversity and equal opportunity – Covers Lantmännen's own operations</b>				Principles 1-2, 6	
103-1 - 103-3	Management approach		Key Facts page 15 Annual Report page 76		
405-1	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity	Deviation for breakdown according to age group, incomplete data, and deviation for minority group membership and other indicators of diversity, illegal to register.	Key Facts pages 15, 33 Annual Report pages 156-159		
<b>Human rights risk assessment – Covers Lantmännen's own operations, suppliers, customers and consumers</b>				Principles 1-6, 10	
103-1 - 103-3	Management approach	No indicator.	Key Facts page 16, Annual Report page 162-163, lantmannen.com/en/sustainable-development/		12
<b>Own topic Healthy and affordable food – Covers Lantmännen's own operations, suppliers, customers and consumers</b>				Principles 1-2, 7-8	
103-1 - 103-3	Management approach	No indicator.	Key Facts page 18, Annual Report pages 29, 162, lantmannen.com/en/good-food/		12 15
<b>Customer and consumer health and safety – Covers Lantmännen's own operations, suppliers, customers and consumers</b>				Principles 1-2, 10	
103-1 - 103-3	Management approach		Key Facts page 18, Annual Report page 163, lantmannen.com/en/good-food/		
FP5	Percentage of production volume manufactured in sites certified according to food safety standards	Volume not reported; data not available. Percentage of sites reported.	Key Facts page 18		2 12
<b>Marketing and labeling – Covers Lantmännen's own operations</b>				Principles 1-2, 7-8.	
103-1 - 103-3	Management approach		Key Facts page 18		
417-1	Type of product information required and percentage of products subject to such information requirements		Key Facts page 18		2 12
<b>Socioeconomic compliance – Covers Lantmännen's own operations</b>				Principles 1-10	
103-1 - 103-3	Management approach		Key Facts page 18		
419-1	Monetary value of significant fines and number of non-monetary sanctions for non-compliance with laws and regulations		Key Facts page 18		12

# Together we take responsibility from field to fork

Lantmännen has chosen to support We Effect.  
We Effect is a development cooperation organization that acts and works with a long-term approach  
in order to effect change. Help to self-help is We Effect's guiding principle.