

Scandi Standard Environmental Policy

It is noted that Scandi Standard AB's (publ) (556921-0627) ("Company") shares are listed on NASDAQ Stockholm. This document has been adopted in order to align the work of Corporate Governance and the Internal Control Framework with the requirements imposed by applicable Swedish and foreign laws, regulations and requirements. This document is in addition to these laws, regulations, and requirements although certain provisions thereof are included in this document in order to facilitate their application. Thus, in addition to what is provided for in the applicable laws, regulations and requirements, this document shall apply during the time period until the next review. References herein to the "Company" shall, unless otherwise clear from the context include not only Scandi Standard AB (publ) but also the group in which Scandi Standard AB (publ) is the parent company.

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1 Introduction

At Scandi Standard we recognize our responsibility and are committed to protect the environment, both in the communities where we operate and throughout our value chain. We recognize the responsibility for respecting the environment, identifying our climate impact, and using natural resources sustainably in all parts of our food production and consumption value chain.

Further, Scandi Standard is committed to continuously measuring and improving our environmental performance through the value chain and use third party auditors to ensure data quality. This means that we are continuously working to lessen our impact on the local and global environments by reducing emissions, conserving energy, water, and other natural resources, and reducing waste generation and food loss. Furthermore, we have identified and evaluated relevant environmental risks and opportunities related to our activities including risks and opportunities linked to climate change, biodiversity, water, and land use.

Mitigation of our environmental impacts and performing business in an environmentally sustainable way is a strategically important focus area of Scandi Standard's business planning process.

1.1 Purpose

The purpose of this policy is to outline the focus areas and commitments of Scandi Standard's environmental strategy and efforts. This document will provide an overview of our commitments related to material environmental issues.

1.2 Scope

This policy covers all Scandi Standard's sites and specifies the minimum level that all Scandi Standard sites need to adhere to. In addition, some sites have their own policies in their own language and more detailed goal setting. All Scandi Standard sites must comply with all applicable local laws and regulations and those of the country of final sale of the finished product.

2 Environmental Policy

2.1 Biodiversity and deforestation

Scandi Standard operates in a way that aims to minimize our environmental impacts and promote sustainable land use. Our actions can impact biodiversity values within land and water systems through agricultural activities, our upstream supply chain, and operations at our production sites.

Chicken feed contains approximately 20 percent of soy, which has the most profound impact on our climate-related emissions in the value chain, but also poses the highest risk on biodiversity and deforestation due to its originating locations, primarily in South America. Scandi Standard commits to evaluating options to replace soy in feed and to ensure that all soy (both beans and oil) used in the feed for the chickens slaughtered at our production sites will originate from suppliers who guarantee that the raw material is certified (RTRS, Proterra, Europe Soy, Donau Soy, EU Organic, Canadian Soy and CRS Cefetra) as defined in the Swedish Platform for Risk Crops and in our Irish subsidiary's feed production practices, in order to ensure deforestation and conversion free soy.

Scandi Standard is committed to:

- by 2025 to use 100% certified soy
- by 2030 to reduce the amount of soy in feed by 50% and replace it with locally produced protein sources

Palm oil is not used in any of the Scandi Standard's products, but some derivatives of palm oil may be used in the poultry feed; Scandi Standard is working together with feed producers to ensure that any palm oil needed for the feed is sustainably sourced (RSPO, Identity Preserved), as defined in the Swedish Platform for Risk Crops.

2.2 Agriculture and animal farming

Scandi Standard works actively together with our growers supporting them in reducing their energy use and transferring to non-fossil fuels in ways that also are beneficial for animal welfare. Scandi Standard is also committed to systematically collect primary data and set targets for emission reduction and water use in farming. Our growers are working exclusively with us, which puts us in a unique position of collaboration and knowledge sharing. This is done in reviews and dialogue between our live operations team and the growers on a continuous basis. For Scandi Standard, this will not only help us maintain good relationships with our growers but also to minimize the carbon footprint of our products.

Scandi Standard is committed to:

- by 2025 to set targets for sustainable agricultural practises (energy and water use, manure handling)
- by 2030 to reduce absolute Scope 3 emissions by 50%, which is partly derived from Scandi Standards' contract farms
- by 2030 to have 100% of farmers record sustainability data

2.3 Emission reduction

Scandi Standard is transitioning its business to a low-carbon future in line with Paris agreement with the aim to slow down climate change to 1.5 degrees. Most of our sites are already using 100% green electricity, and we are working continuously with energy efficiency at our sites and replacing fossil fuels with renewable energy sources.

Scandi Standard is committed to:

- reduce absolute scope 1 and 2 greenhouse gas emissions 50% by 2030 from a 2021 base year.
- reduce absolute scope 3 greenhouse gas emissions from purchased goods and services, fuel and energy related activities and upstream transportation and distribution 50% within the same timeframe
- the target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks

In 2021 Scandi Standard signed the Science Based Target initiative and the commitments outlined above have been validated and approved as of June 2023.

Scandi Standard is committed to ensure good data quality of our emission calculations; the carbon accounting is based on the Greenhouse Gas Protocol Accounting and Reporting standard. The carbon footprint of 282 of our own branded products, from cradle to grave, have been calculated and certified by Carbon Trust in 2022; this has helped us to recognize the points in value chain with largest impact and to set targets with significance for reducing emissions.

2.4 Water use reduction and targets for quality

Scandi Standard is committed to reduce the intensity of water use in our own operations. Scandi Standard also have set targets for wastewater quality, which comply with national regulations in each country as well as the specific environmental permits of each site.

Scandi Standard is committed to:

- reduce water intensity in our own operations; targets are set locally in each country
- meet local, defined quality criteria of wastewater output from our own operations

According to Scandi Standard's latest water risk assessment (WRI Tool; Aqueduct Water Risk Atlas), our production sites and contract farms are not located in high or moderate-risk areas where the supply of water would be compromised.

2.5 Environmental management system

Scandi Standard systematically manages environmental impacts and energy use at our sites. Environmental management systems are complying with the local legislation and Scandi Standard has committed to implementing ISO 14001 standard; this standard applies a precautionary approach to environmental management involving systematic risk assessment, risk management and risk communication.

Scandi Standard is committed to:

- have all processing facilities ISO14001 certified by the end of year 2025

2.6 Food loss and waste

Scandi Standard is committed to decrease waste generation and improve process efficiency in our operations. This means that we have targets to develop and improve waste hierarchy, minimize loss of food and other materials in our processes and efficiently use the whole animal as raw material.

Scandi Standard is committed to:

- Develop and implement standardized ways of measuring food loss and waste at our production sites
- Setting targets related to food loss and waste by end of 2023 for all our production sites
- Reduce non-food waste generated in our operations by two percent per year by 2030
- Produce no landfill waste

2.7 Sustainable packaging

Scandi Standard's packaging strategy is based on the principles of recycling, renewing, and reducing packaging materials, and especially plastics. Packaging has a crucial role in ensuring food safety and minimizing food waste, but it also creates environmental and climate-related challenges, especially through plastic waste in our operations and downstream in the value chain. Therefore, Scandi Standard wants to reduce its packaging to reduce packaging waste through continuous work with eliminating or downgauging our primary, secondary, and tertiary packaging. Scandi Standard also want to increase use of recyclable materials across all categories, and to ensure that its packaging is possible to recycle.

Scandi Standard is committed to:

- by 2030 to reduce the use of plastic in packaging with 20%
- by 2030 to recycle 100% of all packing material
- by 2030 to use recycled or non-fossil raw materials in 50% of our packaging

2.8 Sustainable sourcing

Scandi Standard is committed to use suppliers who will contribute to the fulfilment of our sustainability goals and our company's environmental policy. Suppliers of products and services purchased or contracted are required to sign our Supplier Code of Conduct and by doing so committing to its demands on environment, human rights, employee health and safety, and food safety, for example. In addition, Scandi Standard assesses the sustainability performance of high-risk suppliers and take relevant actions based on the results.

Scandi Standard is committed to:

- Have the sustainability performance of all high-risk suppliers evaluated through third-party provider of supplier ratings EcoVadis
- Regularly follow-up on corrective actions and supplier improvement areas and, if required, conduct audits on suppliers
- By 2025 to require existing key suppliers in material categories to provide primary carbon data, and to actively include this as requirement in new tenders

2.9 Genetically Modified Organisms (GMOs)

Scandi Standard use GMOs indirectly through certain crops in the chickens' feed in its operations in Denmark, Finland, and Ireland. No GMOs are used in Sweden and Norway. There is no group policy on the use of GMOs, but the local companies are deciding on the use of non-GMO feed based on the local market demands.

2.10 Due diligence, governance, and reporting

Scandi Standard regularly measure and report on progress against its targets and commitments. The annual performance is disclosed in our annual report and GRI Content Index and verified by an independent auditor through limited assurance. The Annual and Sustainability report is published on our web page together with relevant policies. As part of the CAPEX process, sustainability criteria are evaluated together with financial criteria. Prior to any merger, acquisition, or investments, Scandi Standard apply a comprehensive evaluation process to view the impact on sustainability and newly acquired companies should comply with Scandi Standard environmental requirements within two years.

3 Environmental Policy Directives

3.1 Ownership

All sites have an environmental management system that ensures the compliance with local legislative demands and environmental permits of the site. Local country management teams are responsible for ensuring that this policy is implemented and followed. All managers within Scandi Standard are responsible for implementing the work to reach the targets outlined in this policy within their organisation. Scandi Standard's Sustainability Director is responsible for the content of the policy and providing direction for the environmental work in countries.

3.2 Approval

This document has been approved by Scandi Standard Board of Directors.

3.3 Maintenance & Updates

The Environmental Policy will be reviewed and updated when needed.

3.4 Accessibility

The document will be distributed to local country management teams, who in turn will distribute to the relevant departments in each of their organisations. The policy is also published on the Scandi intranet as well as external website.

4 Document Breaches

Breaches of this policy can be reported through Scandi Standard's external whistle-blower function, to your local manager or to Group Sustainability.

4.1 Environmental policy Deviation

If a manufacturing site is unable to meet the targets outlined in this policy, the deviation in question must be brought to the attention of the country management team as well as the Scandi Standard Sustainability Director. The Group Management team may resolve to deviate from the document if special circumstances justify a deviation. Any derogations to policy must be justified and documented.

5 Version

Version No.	Author	Purpose/Change	Date of approval	Document Reference
1	<i>Ida Ljungkvist, Sustainability Director Henna Mäkeläinen, Environmental & Climate Manager</i>	<i>First version of the policy for approval</i>	<i>2023-07-03</i>	<i>Board of Directors mail approval</i>
2	<i>Ida Ljungkvist, Sustainability Director</i>	<i>Minor wording adjustments</i>	<i>2023-08-22</i>	<i>Board of Directors meeting minutes</i>