

# **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 are a signatory member of the United Nations Global Compact agreement and recognise the responsibility for respecting the environment, identifying our climate impact, and using natural resources sustainably with consideration for the environment in all parts of our food production and consumption value chain.

Further, Scandi Standard is committed to continuously measuring and improving our environmental performance throughout the value chain and uses 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 climate change, pollution, biodiversity, water, resource use, and land use.

Mitigation of our environmental impacts and performing business in a manner that is less harmful to the environment 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 operations and specifies the minimum level that needs to be adhered to. In addition, subsidiaries may have their own guidelines or instructions in their own language and more detailed goal setting, exceeding group targets. All Scandi Standard operations 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 minimise our environmental impacts and promote land use with a lower environmental impact. 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 per cent of soy, which has the most profound impact on our climate-related emissions in the value chain, but also poses the highest risk to 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 embedded soy used in the feed for the chickens slaughtered at our production sites originates from suppliers who guarantee that the raw material is certified as defined in the Swedish Platform for Risk Crops or European FEFAC guidelines, in order to ensure deforestation and conversion free soy.

Approved certifications include e.g. RTRS, Proterra, Europe Soy, Donau Soy, EU Organic, Canadian Soy and CRS Cefetra.

**Scandi Standard is committed to meeting the following targets:**

- By the end of 2025, to use 100% certified soy
- No deforestation across its primary deforestation-linked commodities, with a target date of 2025

Palm oil is not used in any of the Scandi Standard's products, but some derivates 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 raw materials that are certified as defined in the Swedish Platform for Risk Crops.

In 2024, a Biodiversity Statement was adopted that further details the management of material impacts, risks and opportunities related to biodiversity and ecosystems. The [Biodiversity Statement](#) is available externally on the website.

### 2.2 Agriculture and animal farming

Scandi Standard works actively to reduce the environmental impact of farming, both on farms we own and those operated by contracted growers. While we do not have operational control over contracted farms, we collaborate closely with them to support the transition to non-fossil energy sources.

On our own farms, we implement direct measures and monitor progress continuously. For contracted farms, we engage through structured dialogue, regular reviews, and knowledge sharing facilitated by our live operations teams. Across both farm types, we are committed to systematically collecting primary data and setting targets for emission reductions and water use.

**Scandi Standard is committed to meeting the following targets:**

- By 2030, to reduce absolute Scope 3 Energy & Industry emissions from a 2021 base year by 42%, which is partly derived from Scandi Standards' contract farms
- By 2030, to reduce absolute FLAG emissions from a 2021 base year by 30,3%, which derives from agricultural land management and land use change practices in our value chain
- By 2030, to have 100% growers reporting environmental and climate data

## 2.3 Environmental management system

Scandi Standard systematically manages environmental impacts and energy use at our sites. Environmental management systems are complying with the local and EU legislation, and Scandi Standard has committed to implementing the ISO 14001 standard at all our main processing facilities (slaughterhouses and ready-to-eat processing facilities).

This environmental standard applies a precautionary approach to environmental management involving systematic risk assessment, risk management and monitoring, continuous improvement and target setting, and communication. It includes all activities regarding energy use and emissions, pollution to air, water and soil, resource use, and it enables a systematic way to monitor and improve these activities and ensure full implementation of legislative demands to operations.

**Scandi Standard is committed to meeting the following targets:**

- Have all main processing facilities ISO14001 certified.

## 2.4 Pollution

As part of the environmental management systems, Scandi Standard has mapped and identified sources of pollution to air, soil and water that may arise from its own production and value chain. All production sites endeavour, in accordance with their environmental permits and current laws and regulations, to ensure that pollution is kept to a minimum and within existing permit thresholds. All sites should work proactively to prevent incidents and emergency situations related to pollution, and, if such situations do occur, to effectively manage, control, and minimise their potential impact on human health, safety, and the environment. Emergency response plans and action plans should be in place if incidents occur. Incidents, spills and emergencies must be reported to local management and local authorities when necessary.

**Scandi Standard is committed to:**

- Calculate, report and reduce its GHG and FLAG emissions in scope 1, 2 and scope 3
- Monitor and control other relevant air pollutants from our facilities, including noise and odour, as defined in the environmental permits and local laws and regulations
- Disclose breaches of agreed levels of pollution in environmental permits
- Measure pollutants to water monthly and meet legislative requirements on wastewater quality

## 2.5 GHG emissions

Scandi Standard is transitioning its business to a low-carbon future in line with the Paris Agreement, with the aim of slowing down climate change to 1.5 degrees. Most of our sites are already using electricity from renewable sources, through the purchasing of Energy Attribute Certificates, and we are working continuously with energy efficiency at our sites and replacing fossil fuels with renewable or non-fossil energy sources. More detailed plans are presented in our [Climate Transition Plan](#).

**Scandi Standard is committed to meeting the following targets:**

- Reduce absolute scope 1 and 2 greenhouse gas emissions by 42% 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 by 42% within the same timeframe

- Reduce FLAG emissions from land management and land use change in agriculture by 30,3 % by 2030 from a 2021 base year. This target applies to scope 3 and scope 1 in those countries where Scandi Standard owns primary production farms

	Short-term targets (2030)		Long-term targets (2050)	
	Scope 1 and 2	Scope 3	Scope 1 and 2	Scope 3
Emissions from energy and industry (Non-FLAG)	42% reduction of absolute emissions compared with the base year 2021	42% reduction of absolute emissions compared with the base year 2021	90% reduction of absolute emissions compared with the base year 2021	90% reduction of absolute emissions compared with the base year 2021
Emissions to Forest, Land and Agriculture (FLAG) <i>Includes land use and land management changes</i>	30.3% reduction of absolute emissions compared with the base year 2021	30.3% reduction of absolute emissions compared with the base year 2021	72% reduction of absolute emissions compared with the base year 2021	72% reduction of absolute emissions compared with the base year 2021

In 2021, Scandi Standard signed the Science-Based Target initiative (SBTi) and the commitments outlined above have been re-validated and approved by the SBTi as of November 2024.

Scandi Standard is committed to ensuring good data quality of our emission calculations; the carbon accounting is based on the Greenhouse Gas Protocol Accounting and Reporting standard. In addition to corporate-level carbon accounting, we also conduct regular calculations on the subsidiary level and do product-specific carbon footprint assessments.

In addition to the 2030 targets, we are committed to reaching our long-term targets by 2050, set according to the Science Based Targets Net-Zero standard.

## 2.6 Water use and wastewater quality

Scandi Standard is committed to reducing the intensity of water use in our own operations, and to provide safe and hygienic water and sanitation facilities to all our employees. Scandi Standard also has 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 wastewater intensity in our own operations to a level set by the EU legislation for slaughterhouses and food manufacturing facilities; targets may vary locally in each country based on environmental permits
- Meet the quality criteria of wastewater pollution set by the EU legislation and site-specific environmental permits. EU BAT demands set thresholds for each critical parameter, depending on whether output is direct or indirect to waterways

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.

## 2.7 Resource use

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

### 2.7.1 Waste and recycling

Industrial waste is generated in our operational and office sites, and all waste is sorted.

**Scandi Standard is committed to meeting the following targets:**

- Produce no landfill waste
- Increase recycling of waste and reach a 40% recycling rate by 2030

### 2.7.2 Food loss and waste

Food waste is generated in slaughterhouses and processing facilities as animal by-products are formed in the processes. Also, food loss may occur in the process when materials are downgraded if the quality does not meet the criteria.

**Scandi Standard is committed to:**

- Measure food loss at our production sites and reduce the loss to below 1% of production volumes
- Measure food waste at our production sites and reduce 10% from 2021 baseline to 2030

### 2.7.3 Packaging

Scandi Standard's packaging strategy is based on the principles of recycling, renewing, and reducing packaging materials, especially plastics. Packaging has a crucial role in ensuring food safety and minimising 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 wants to increase the use of recyclable materials across all categories and ensure that its packaging is possible to recycle.

**Scandi Standard is committed to meeting the following targets:**

- By 2030, to reduce the use of plastic in packaging by 20% compared to the 2021 base year
- By 2030, have 100% recyclable packaging
- By 2030, to use recycled or non-fossil raw materials in 50% of our packaging

## 2.8 Sourcing principles

Scandi Standard is committed to using suppliers who will contribute to the fulfilment of the requirements in our Supplier Code of Conduct. Suppliers of products and services purchased or contracted are required to sign the Supplier Code of Conduct and, by doing so, commit to the 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 takes relevant actions based on the results. High-risk suppliers are defined in the Supplier Risk Assessment process governed by Group Procurement.

**Scandi Standard is committed to:**

- Evaluate the sustainability performance of all high-risk suppliers as defined in the Supplier Risk Assessment process 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
- Require existing key suppliers in material categories to provide primary emission data, and to actively include this as a requirement in new tenders

## **2.9 Genetically Modified Organisms (GMOs)**

Scandi Standard use GMOs indirectly through certain crops in the chickens' feed. 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 measures and reports on progress against its targets and commitments. The annual performance is disclosed in our annual report and follows internationally recognised standards and is 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, the impact on energy use and emissions as well as the impact of the investment on a number of sustainability criteria – including e.g., health and safety, animal welfare and environment – are evaluated together with financial criteria. Prior to any merger, acquisition, or investments, Scandi Standard applies a comprehensive evaluation process to view the impact on the environment, 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 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 Group 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 every second year.

## **3.4 Accessibility**

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

# **4 Document Breaches**

Breaches of this policy can be reported through Scandi Standard's external whistleblower 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 Group 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.	Owner	Author	Purpose/Change	Date of approval	Document Reference
3	<i>Ida Ljungkvist, Group Sustainability Director</i>	<i>Linnea Sörman, Group Sustainability Manager</i>	<i>Adaptation to CSRD/ESRS requirements</i>	2026-02-04	<i>Board of Directors meeting minutes</i>
2	<i>Ida Ljungkvist, Group Sustainability Director</i>	<i>Ida Ljungkvist, Group Sustainability Director</i>	<i>Minor wording adjustments</i>	2023-08-22	<i>Board of Directors meeting minutes</i>
1	<i>Ida Ljungkvist, Group Sustainability Director</i>	<i>Ida Ljungkvist, Sustainability Director Henna Mäkeläinen, Environmental &amp; Climate Manager</i>	<i>First version of the policy for approval</i>	2023-07-03	<i>Board of Directors mail approval</i>