

TOGETHER *we grow* RESPONSIBLY

GREENFOOD SUSTAINABILITY REPORT 2020



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FROM THE **CEO**

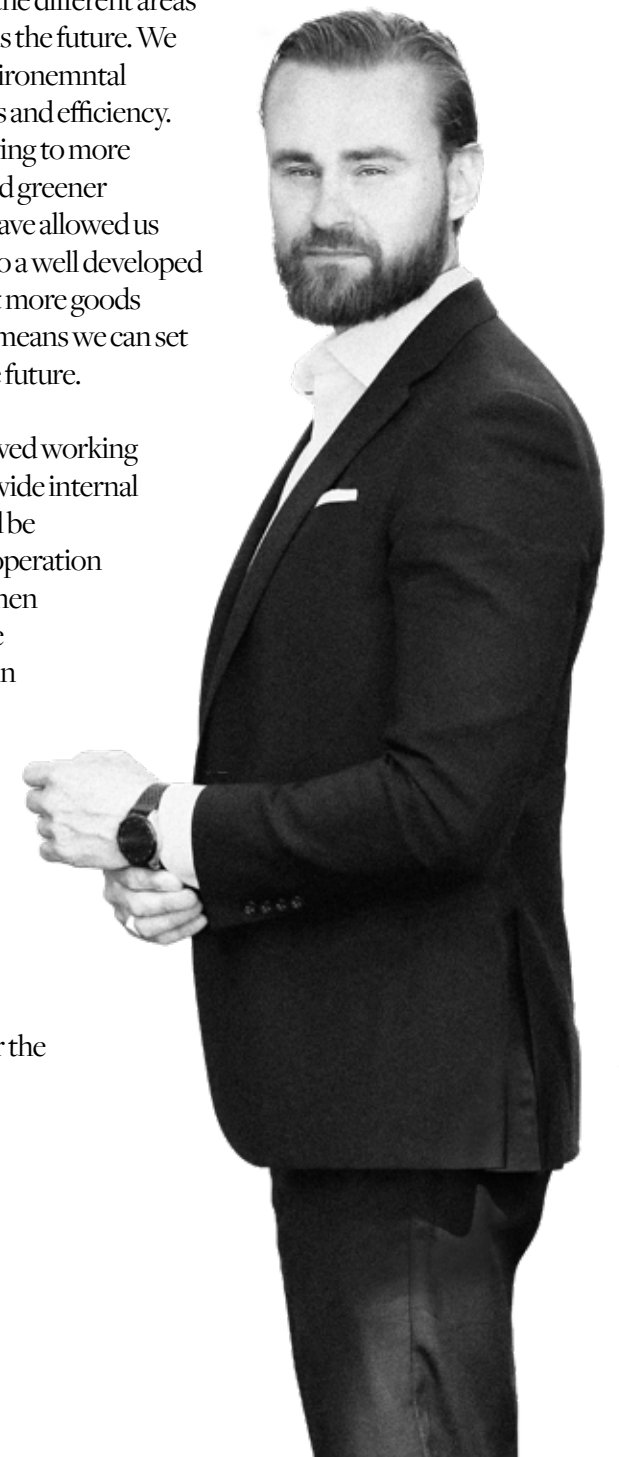
2020 was an eventful and important year for Greenfood. The pandemic led to completely new challenges and resulted in major changes, not just for Greenfood but for the entire branch, our customers and of course for our consumers. By making significant changes, introducing new working methods and increasing the level of innovation and flexibility, we have been able to manage 2020. At the same time, the underlying demand for our products and services remains strong and the global trends support what we are offering the market. Despite the major challenges this year, we have been able to ensure that sustainability is at the core of our business strategy. Thanks to this work, my fantastic colleagues, our concept and the synergies we create between the group's companies, we are well equipped for the future.

We made several important steps in 2020 when it comes to the different areas of sustainability but our biggest initiatives are geared towards the future. We started several corporate-wide projects to minimise our environmental impact and at the same time strengthen our competitiveness and efficiency. We have started work to future-proof our packaging by moving to more sustainable solutions that replace plastic. We continue to find greener logistics solutions. Trucks running on liquefied natural gas have allowed us begin the transition to more sustainable transport. Thanks to a well developed infrastructure for natural gas, we have been able to transport more goods this way. We also now measure our CO₂e emissions, which means we can set clearer goals to minimise our environmental footprint in the future.

We have also taken some important steps towards an improved working environment. We have, for example, implemented a group-wide internal code of conduct and developed several new policies that will be implemented in 2021. At the same time, we continue our cooperation with other organisations and actors in the business world when it comes to the environment and social responsibility. These partnerships have been noticed by important stakeholders; in November, Greenfood was invited to speak at the UN's annual forum on Business and Human Rights.

Finally, the insights from 2020 have led to us working even harder to realise our vision of making tasty, healthy food available to everyone. Despite a turbulent year for the industry, we are seeing renewed confidence from both customers and consumers to continue delivering tasty, healthy and green food. This is something we're very proud of as all research shows that this kind of food is also better for the environment.

David von Laskowski, CEO, Greenfood Group



THE YEAR IN SHORT – HOW WE MADE A DIFFERENCE

UNITED NATIONS VIRTUAL FORUM ON BUSINESS AND HUMAN RIGHTS

1. *Lisa Isakson, head of sustainability at Greenfood, was invited to speak at the UN's annual forum on business and human rights*

The UN's annual forum for business and human rights gathers more than 2,000 participants from around the world. Lisa Isakson, head of sustainability at Greenfood, was invited to speak on the subject of human-rights defenders where she highlighted the importance of cooperation between different stakeholders in order to defend human rights collectively. Human rights defenders play a crucial role in this where respect for human rights can never be taken for granted. If people can't speak freely about risks in the supply chain, it will be difficult to identify and deal with them. The UN was particularly interested in hearing how Greenfood has worked with human rights defenders in Ecuador, where Greenfood, Swedwatch and several other companies were involved in supporting human rights defenders against false accusations.

2.

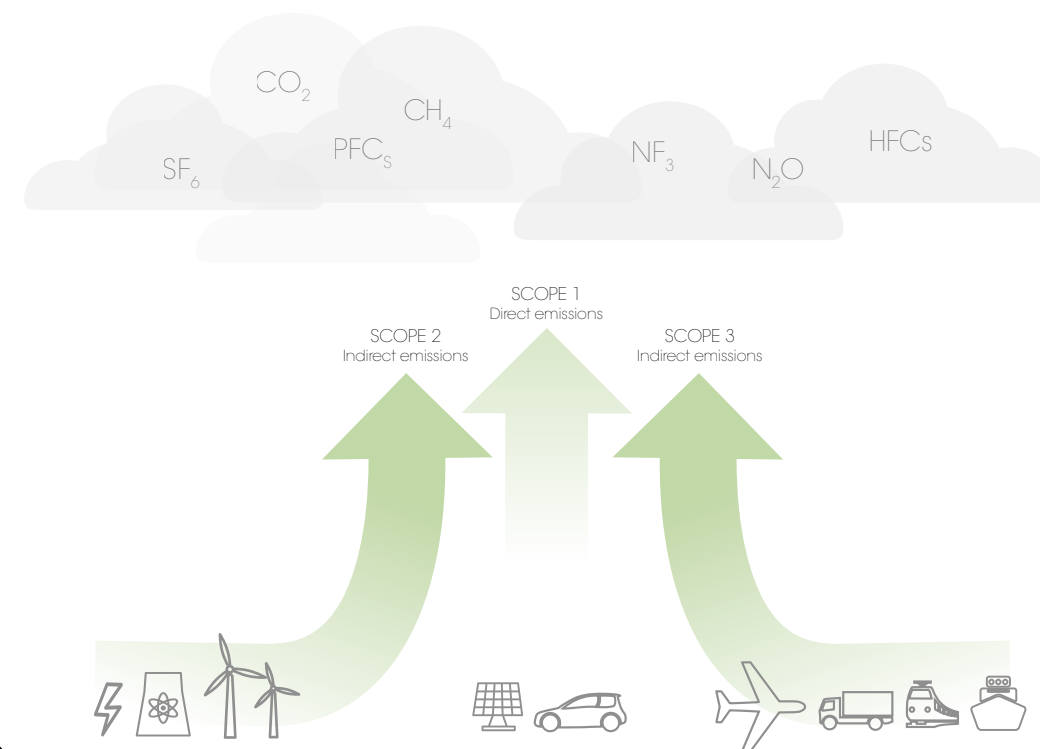
AI is reducing food waste

2020 was the year we took a step into the future. Picadelí developed a new platform that uses AI to create accurate prognoses. The system learns and gradually refines its predictions, which leads to more reliable orders and less food waste. The AI platform calculates order recommendations based on planograms, current stocks and sales history as well as external factors such as weather forecasts and bank holidays.

3.

Measuring our own footprint!

In 2020, we took another important step in concretising our work with sustainability. We have now measured our emissions according to the Greenhouse Gas Protocols. Measuring and reporting our emissions gives us the information we need to act and prioritise in the right way for our business.





4.

Daily Greens bananas bring new smiles to children

Every third minute, a child is born with a cleft lip or palate. But a relatively simple operation that takes less than an hour, can address the problem and give children a new smile and a new life. Greenfood has created a system where every sold banana results in a donation to the charity organisation Operation Smile.

6.

100 tonnes of fruit saved with Rescued Fruits.

Minimising our own food waste is important for us. It's also important for us to find more uses for our product than in our own production facilities. By identifying food at risk of being thrown away and then using this in our own production or in cooperation with another partner, we can reduce food waste. In 2020 we continued our work with Rescued Fruits, who make juice from fruit and fruit parts that otherwise would be thrown away. The cooperation has led to us preventing 100 tonnes of fruit from going to waste!



5.

World Salad Day – a youths initiative to raise interest in fruit and veg.

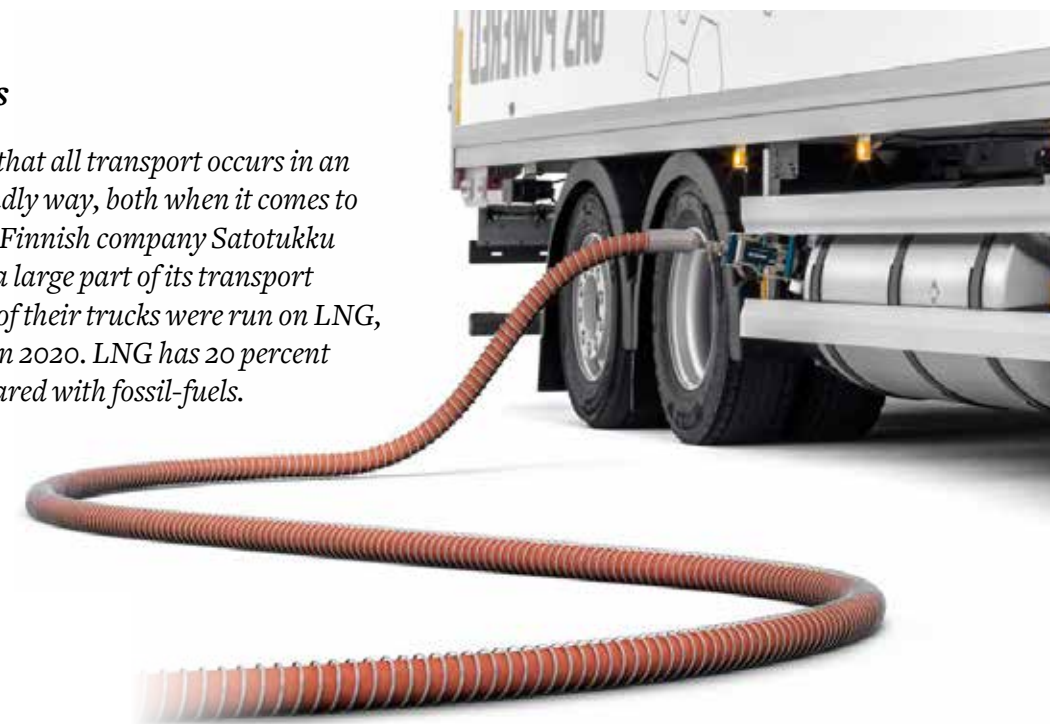
Today's youth are increasingly interested in having a better diet but few know what to do. As a way of encouraging youths to choose fruit and vegetables, Picadeli began World Salad Day on March 20th. For every salad sold on World Salad Day, Picadeli donates one Swedish crown to the organisation Generation Pep and their work with child health.



7.

Eco-friendly miles

Our long-term goal is that all transport occurs in an environmentally-friendly way, both when it comes to fuel and logistics. Our Finnish company Satotukku has now transformed a large part of its transport operations. One third of their trucks were run on LNG, liquefied natural gas, in 2020. LNG has 20 percent lower emissions compared with fossil-fuels.



8.

Bye bye plastic!

In the past few years, we've taken several important steps towards more climate-friendly packaging - a process that is expected to reduce our plastic consumption by 70 tonnes a year and reduce our use of non-recycleable materials by 88 tonnes a year. **During 2020 we have:**

**2 million plastic lids fewer**

We have taken away the plastic lids from two million pre-packed salads, reducing our plastic use by 25 percent.

**Paper instead of plastic**

We have replaced half a million salad bowls with these paper-based laminated bowls.

**One less laminated layer**

We have removed another layer of PE-plastic from Picadeli's salad bowl, which has reduced our plastic use by about 40 tonnes a year. The white paper has even been changed to a brown paper that is more sustainable and environmentally-friendly.

**Eco-friendlier packaging**

A comprehensive look at Salico's Food Service-products has begun where the packaging has been replaced with recycled plastics as well as bio-based plastics from sugarcane.

9.

Trädgårdshallen – loving all things local

The food we eat affects the planet we live on. That's why we're making it easier for people to choose locally-produced seasonal food.

We launched the new Trädgårdshallen in 2020. It consists of four of Greenfood's companies, all of which are specialised in fruit and vegetables. Together, they are meeting the growing consumer demand for a broader locally-produced range of foods, in a more sustainable and efficient way than previously.



10.

**1000 kg = one new tree**

A forest will soon be growing with Greenfood's name on it. Greenfood Iberica launched the Plant for Life project; an initiative where a new tree is planted for every tonne of Daily Greens fruit and veg sold. Several of Greenfood's companies participated in the project which resulted in 6,936 trees being planted in 2020. Trees absorb carbon dioxide and are an important tool to help reach the UN's 1.5 degree goal. The planted trees absorb about 1,387 tonnes of CO₂ during their lifetime.



ABOUT GREENFOOD AND **THIS REPORT**



PASSION FOR GREEN CONVENIENCE

We want to create a greener, nicer and tastier world. Our passion and drive is based on creating the kind of world, where everyone has the opportunity to choose to live a healthier lifestyle and where everyone has access to a healthy and green planet. We help by making healthy food tasty, reasonably priced and available. It's what we call Green Convenience.

Greenfood is one of Northern Europe's leading food corporations within the segment of healthy foods. Our history stretches back 50 years. The organisation consists of 25 operational companies in seven countries. We offer everything from salad bars, complete meals and chopped fruits and vegetables from most parts of the world.

We look at sustainability from three areas: food, people and the planet. **Food** is the core of everything we do. We're passionate about making food healthier, tastier and more available for everyone. **People** refers to everything we do within social sustainability, both internally with our employees and with our partners in all parts of the world. **Planet** includes everything we do to reduce our environmental impact globally, including a focus on plant-based products, more efficient production, better transport solutions, minimising our food waste and minimising our own emissions. All of these three areas are linked of course to economic sustainability. A profitable food business is the foundation for us to contribute to a better world for both people and the planet. This sustainability report follows the legal framework in Sweden for sustainability reporting.

FACTS 2020:

Number of operational companies: 25

Active in 7 countries: Sweden, Finland, Denmark,

Germany, Belgium, France and Spain.

Head Office: Helsingborg, Sweden

Employees: 1,365

Turnover 2020: 4, 295 MSEK

GREENFOOD

THIS IS WHAT OUR ORGANISATION LOOKED LIKE IN 2020



FRESH PRODUCE

Delivering fruit, berries, spices and vegetables to wholesalers, restaurants and stores across Europe. We buy seasonally-based foods both locally and globally and have a long and in-depth experience of import and distribution.

Allfrukt i Stockholm
Ewerman
Örebro Trädgårdshall
Växjö Partiaffär
Satotukku (Finland)
Greenfood Iberica (Spain)
Greenfood Sourcing
Trädgårdshallen Skåne
Greens & Friends
Greenfood Fresh Food



FOOD SOLUTIONS

With simplicity and availability in focus, the range includes everything from chopped fruit and vegetables, grain mixes and pastas for consumer-packed salads, wraps and smoothies. Food Solutions' motto is to make it easier to make a healthy and tasty choice and our concept minimises food-prep time in the kitchen. Our customers include hotels, restaurants, supermarkets and catering companies.

Salico AB
Salico OY (Finland)
Ahlströms Factory
SSK AB
Greendeli OY (Finland)



PICADELI

A high-tech salad bar concept that can be found in supermarkets and other stores. The vision is to create a world where fast food is the opposite to junk food. We're a European market-leader in this business area.

Picadeli Sverige
Picadeli Denmark
Picadeli Finland
Picadeli Germany
Picadeli France
Picadeli US INC
Picadeli Sweden Restaurants Hötorget
Picadeli France Restaurants
Mixum
PF food

OUR BRANDS

We have several brands. Here are some of our largest ones. They cover several business areas and markets.

Picadeli®

Market leader in Europe with a high-tech salad bar concept that makes it possible for more people to choose a healthy option.

Salla Cante

One of the Nordic regions leading brands within freshly prepared fruits and vegetables.

**GRON
DELI**

A Nordic leader within healthy and tasty food-to-go products.

**DAILY
GREENS**

A leading brand within fresh fruit and veg direct from the farm.

TUOREKSET

One of Finland's leading brands within healthy, fresh, vegetable mixes.

MARKET TRENDS - **THE WORLD WE LIVE IN**

The food industry is going through fundamental changes and the companies that don't adapt to these changes will face difficult challenges in the future. The tempo of change is increasing and we're now working continuously to identify trends in order to make the right strategic decisions for the future.

Today, we see five major trends that are affecting our society at large but also specifically the food industry and our own operations. These trends are causing us to adapt our organisation and change our offering and strategy. These changes are beneficial to Greenfood and giving us a competitive edge on the market.

trend #1.

INCREASED AWARENESS LEADS TO SUSTAINABILITY FOCUS

As environmental, social and economic sustainability climbs the agenda, issues that previously were treated as bonus areas are now regarded as hygiene factors. This trend is driven by several stakeholders working in parallel with one another. The stakeholders include international and national organisations such as the UN, EU, individual governments but also civil societies and consumers. As awareness increases, these stakeholders are placing increasing requirements on companies to operate with a sustainable business model. Within the food industry, climate impact, food waste and food origin are three areas in focus now. Ecological products were previously being pushed to the fore but this trend is now receding: sales of ecological food were down 2% in 2020 in Swedish supermarkets according to Ekoweb.

The issue of climate-change is extremely important not just for our society at large but also the food industry, where many consumers are interested in knowing more about how the food they are eating is affecting the climate. As a result, several actors in the grocery business are demanding that their suppliers measure, set goals and reduce their climate impact. The technologies and models to reduce climate impact are constantly developing and various kinds of climate-related symbols and statements are appearing on different food products. Even food waste has been in focus for several years and much more can be done as approximately one third of the food that is produced globally goes to waste. A lot of start-ups within the agri and food tech sector have emerged based on this challenge and are finding new solutions to reduce food waste in every part of the value chain.

Many consumers see a direct connection between sustainability and origin which is resulting in the need for increased transparency regarding how food is produced and where it comes from. When the Swedish Food Federation asked decision-makers in 2020 about the biggest trends they saw, locally-produced food was the clear leader, and everything indicates that the pandemic is adding to this development.

This is what we're doing to meet the trend

- Greenfood's overall strategic direction within sustainability is decided by the management team.
- We have a corporate function with responsibility for sustainability and led by a sustainability manager who is part of the management team.
- We have a group-wide sustainability strategy that ensures that we continuously keep developing.
- We're working on a new packaging policy that will help us create more climate-friendly packaging.
- We're measuring our emissions and working in a structured way to reduce them.
- We're making sizeable investments in both technical innovations and product-development to reduce our food-waste.
- Greenfood is investing in locally produced foods and has, for example, created a national supplier that can offer a larger and better range of locally-produced food.
- We've made it easier for people to find locally-produced food by launching our own consumer brand – Ju Närmre Desto Bättre (The Closer The Better).



trend #2.

GREENER FOOD FOR HEALTH AND WELL-BEING

Sustainability and good health often go hand in hand. Consumers want to do the right thing for the planet and for themselves, and being healthy is an important part of their lifestyle. At the same time, it can be hard to live a healthy lifestyle. Also, the definition of what is healthy varies - for some it's about exercise while others place a greater emphasis on the food they eat. The food industry has been effected by health trends to varying degrees over the years and different fads and diets have promoted different kinds of products. In most recent years, the interest and development of plant-based products has exploded. Even lactose-free and anti-inflammatory diets are making ground while, for example, the number of Swedes eating gluten-free and LCHF has reduced somewhat¹.

Plant-based alternatives to animal-based products like meat and dairy are among the strongest growing categories in Swedish grocery stores, with an annual growth of about 15% in recent years². One explanation to this significant development is that plant-based products are perceived by many - both on a societal and individual level - as beneficial from both a health and sustainability perspective. Many of those who are eating greener options are doing so for both themselves and for the planet. The consumers driving this change are not primarily vegetarians or vegans but rather people that want to include more greens into their diet - so called 'flexitarians.'

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Consumers want to do the right thing for the planet and for themselves and being healthy is an important part of their lifestyle.

This is what we're doing to meet the trend

- Our passion is tasty and healthy food and our range of foods is based on fruit and vegetables.
- For many years, we have been developing our range of plant-based protein products, and finding several exciting and tasty products.
 - For example, Picadel's range consists of 90 percent vegetarian products of which 70 percent is vegan.
 - We have even launched an entire range of plant-based protein products using the brand name Ahlgood.
- We continuously work to make healthy food tastier, more available and simpler by offering healthy fast food across Europe. We're doing this via:
 - Picadel's sales of healthy fast food in its salad bars.
 - Greendeli's sales of readymade products such as salads, wraps and bowls in the service sector as well as food stores.
- We have increased our distribution network to reach beyond Sweden and Europe, and we have increased our sales channels so that more people can choose the healthy food option.

trend #3.

STRESSED-OUT CONSUMERS WANT CONVENIENT SOLUTIONS

In our increasingly stress-filled urban lifestyles, consumer time is precious. Making food is an activity that can take its time on the weekends but during the week, convenience is key. Simple, quick and reasonably-priced, yet tasty and healthy food, is what many are striving for. Demand is going up for anything that makes our daily lives run smoother, whether that's home-delivery to meal-kits to food-to-go.

Meal-kits and home delivery of groceries or prepared foods is not a new phenomenon, but the trend is growing steadily and it's not stopping with just food. Some companies that only delivered food in the past are now adding flowers, books and pharmaceutical products to their lists. The pandemic has sped up this development and e-commerce of food in Sweden has grown by a staggering 94,5 % in 2020, according to the Swedish Food Retailers Federation.

Meal solutions are either ready-made meals or ones where the consumer does the final part of the cooking themselves. Regardless, the purpose is to create the feeling of tasty, well-made food with minimal effort. If meal solutions are being enjoyed in the home, then food-to-go has been about eating on the move and this includes more filling alternatives like wraps, sandwiches och salads but also protein and energy bars. The pandemic has also helped drive this trend and besides an overall increase in this area, we are now seeing these kind of products being eaten at home, as people stay away from the office.

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*online food-shopping in
Sweden is up 94,5 %*

This is what we're doing to meet the trend

- We have two brands that focus on making it easier for consumers to eat tasty and healthy food.
 - Greendeli sells ready-made products like salads, wraps and bowls to the service sector and food stores.
 - Picadeli's salad bars make it easier for the consumer to pick their own salad. Ready-made salads are also
- We have products in our range that make it simple for consumers to succeed in the kitchen by minimising preparation time.
- We have an entire business area, Food Solutions, that is built on making it easier to choose the tasty and healthy option.

trend #4.

BLURRED BORDERS AS NEW METHODS TESTED

In the same way that the food we eat is changing, the way we consume it is also changing. Before the pandemic there was a slight shift towards increased consumption from restaurants. To meet this trend, several food stores chose to include a bar and restaurant in newly-opened stores to create the full experience for consumers needs. Restaurants for their part, began offering, to a greater degree, the possibility for guests to purchase products from the restaurant, making a subtle move towards the store format.

Just like shops and restaurants, food production companies are also looking for new ways to reach out to consumers, over and above their existing channels. Some are choosing to open their own stores, of which temporary pop-up stores are popular. These stores can usually be found in town centres and act more like a marketing channel rather than a store that brings in a large volume of sales. It's also more common for food production companies to complement their sales in existing channels with some form of online sales, either on their own or in cooperation with a new player on the market.

It should also be noted that food is being sold more and more in pharmacies, service-stations and other kinds of retail stores. It remains to be seen what the future landscape will look like but it's clear that the borders are becoming more and more blurred.

This is what we're doing to meet the trend

- We continuously develop the range in our salad bars in order to keep attracting new guests to grocery stores and thereby increase the store's turnover and profitability.
- Service stations want to increase the food they can offer customers and we help them by providing healthy ready-made food and via our salad bars.
- We're developing a new restaurant concept for all new target audiences and to get more people to choose the healthy option.
- We're complementing our established sales channels by testing, for example, home delivery or by offering our products in take-away apps.
- We're working together with other stakeholders to reduce food waste, for example our partnership with Rescued Fruits that makes juice and smoothies from fruit that would otherwise go to waste.
- We work continuously with digitalisation and we're using the latest technology to develop our business models, our value chains as well as making it easier for our customers.
- We've developed an AI-platform to create more accurate prognoses and orders. The new AI-platform calculates order recommendations based on planograms, current stocks and sales history as well as external factors such as weather forecasts and bank holidays.
- We have our own development team and employ engineers, developers and analysts to the group.
- We use our own technology in combination with external tech, for example Amazon's cloud infrastructure. The combination lets us effectively scale up and meet the needs of large supermarket chains and new markets.
- Our own platform uses AI to reduce food waste. The system continuously learns and gradually refines its prognoses.
- We have created a handheld unit that acts like a digital assistant. It makes is simpler and more efficient for store employees to run an attractive salad bar.
- We're training our customers on how to use digitalisation to make the best use of their resources in an efficient and sustainable way.

trend #5.

THE OPPORTUNITIES DIGITALISATION BRINGS

Technological developments continue to create a new landscape for both consumers and companies. In the food branch, it can be seen in every step of the value chain from farming, food production companies to grocery stores. Everyone is making use of the opportunities from digitalisation. In addition, new business models are appearing; several new tech companies have emerged with a focus on the food industry.

At the farm-level, digital changes are taking place quickly with, for example, precision farming, fodder optimisation and advanced production management systems. Large amounts of data are being generated; data that can, on an aggregated level, be very useful in helping create more sustainable farming methods. Further down the value chain, digitalisation can be seen in the aforementioned e-commerce area but also in all the new consumer services being launched. Successful examples can be found within delivery, price-comparison services and handling of waste and left-over products.

This trend is closely related to the other major trends and digitalisation can be seen as a catalyst that can be applied to several different areas. In other words, digitalisation is enabling development while at the same time placing new demands on actors throughout the value chain.

This is what we're doing to meet the trend

- We're constantly using digitalisation and the latest technologies to scale up our operations.
- We have employed engineers, developers and analysts to help us with this.
- We develop our own digital tools, software and processes to make it easier for us and our customers.
- By digitalising our salad bar Picadelli, we have been able to break into several European markets.
- The salad bars send information in real time on the products shelf-life and whether there are temperature deviations. This ensures food safety and fresh goods.
- We have developed an AI-platform to ensure more accurate prognoses and orders and in this way minimise incorrect orders.
- We use our software and technological solutions to reduce food waste.
- We're working with our suppliers to see how we can make use of our resources in the most sustainable way possible.

HOW WE WORK – SUSTAINABILITY

Greenfood wants to be a part of a greener, more responsible and better world. We want to play our part in long-term sustainable development and we don't see this work ever ending. It's something we constantly strive for. Sustainability is present in all the work done by every company in our organisation and is a part of every employee's working day.

ORGANISATION

Sustainability is a priority area within Greenfood. Our management team includes the head of Communication and CSR, who drives, develops and follows-up our work with sustainability and helps our companies apply the group sustainability policy to their operations.

Assisting in this work is a sustainability co-ordinator at group level with the task of ensuring that sustainability initiatives move forward in every business area. Each individual business area has its own sustainability coordinator. These co-ordinators make up a sustainability committee for the entire group. Every individual company also has someone appointed to look after sustainability issues. The organisational structure below has been created to allow for clear governance and effective working methods that ensure we act together as one organisation.

ORGANISATIONAL STRUCTURE GREENFOOD GROUP



Organisational chart - Greenfood's sustainability team

Worldfavor is the platform we use to follow up our sustainability work on a corporate level. The platform helps us structure our work both internally and externally.

OUR CODE OF CONDUCT GUIDES US

Our corporate code of conduct is a foundation for all our operations and includes the requirements and expectations we have on our own employees as well as suppliers. The code of conduct also helps us push sustainability issues to the fore and in line with the vision to create a greener and better world. Greenfood's code of conduct is based on established conventions for human rights, working conditions and environmental work. It is integrated with Amfori BSCI's (Business Social Compliance Initiative) code of conduct and looks at issues such as; legal requirements, animal welfare, ethical behaviour and anti-corruption.

Amfori BSCI is an organisation that includes more than 2,000 companies working together to improve working conditions in their global supply chains.

Greenfood's code of conduct can be found here:
<https://www.greenfood.se/suppliercodeofconduct>

During the year, we have implemented our internal code of conduct while running a larger information campaign on the subject. All of our employees in the group were given in-depth information about its contents including their rights and obligations at work. Implementation of the code of conduct is part of our introduction for new employees and complements our corporate policies and rules.



SUSTAINABILITY IN **EVERYTHING WE DO**

Acting sustainably is about seeing the big picture and working together. For us, this means that we bear in mind how the people and environment around us will be affected by our operations and decisions. Sustainability is not a term that we need to have a position on but rather something that should be intertwined in everything we do. We are of course aware of the complexity of the task ahead but we act in a structured and focused way to develop this work further.

COOPERATION IS THE WAY FORWARD

In 2019, we implemented the group's sustainability strategy and identified working methods and a framework for risk calculation models as well as action plans for our eight focus areas. In 2020, our corporate sustainability work has continued with a particular focus on preparations and start-up of larger sustainability projects that will develop our work further in 2021. We have, for example, established tools that help us identify and manage sustainability risks in the supply chain, we have developed a sustainability education for all employees as well as established new policies, processes and guidelines while at the same time updating several existing policies.

Amongst the new policies implemented during the year is Greenfood's information and IT-security policy, as well as our communications policy. We've also developed a packaging policy and equality policy that will be brought into operation in 2021 and implemented in all of the group's companies.





WHAT IS MATERIAL TO US

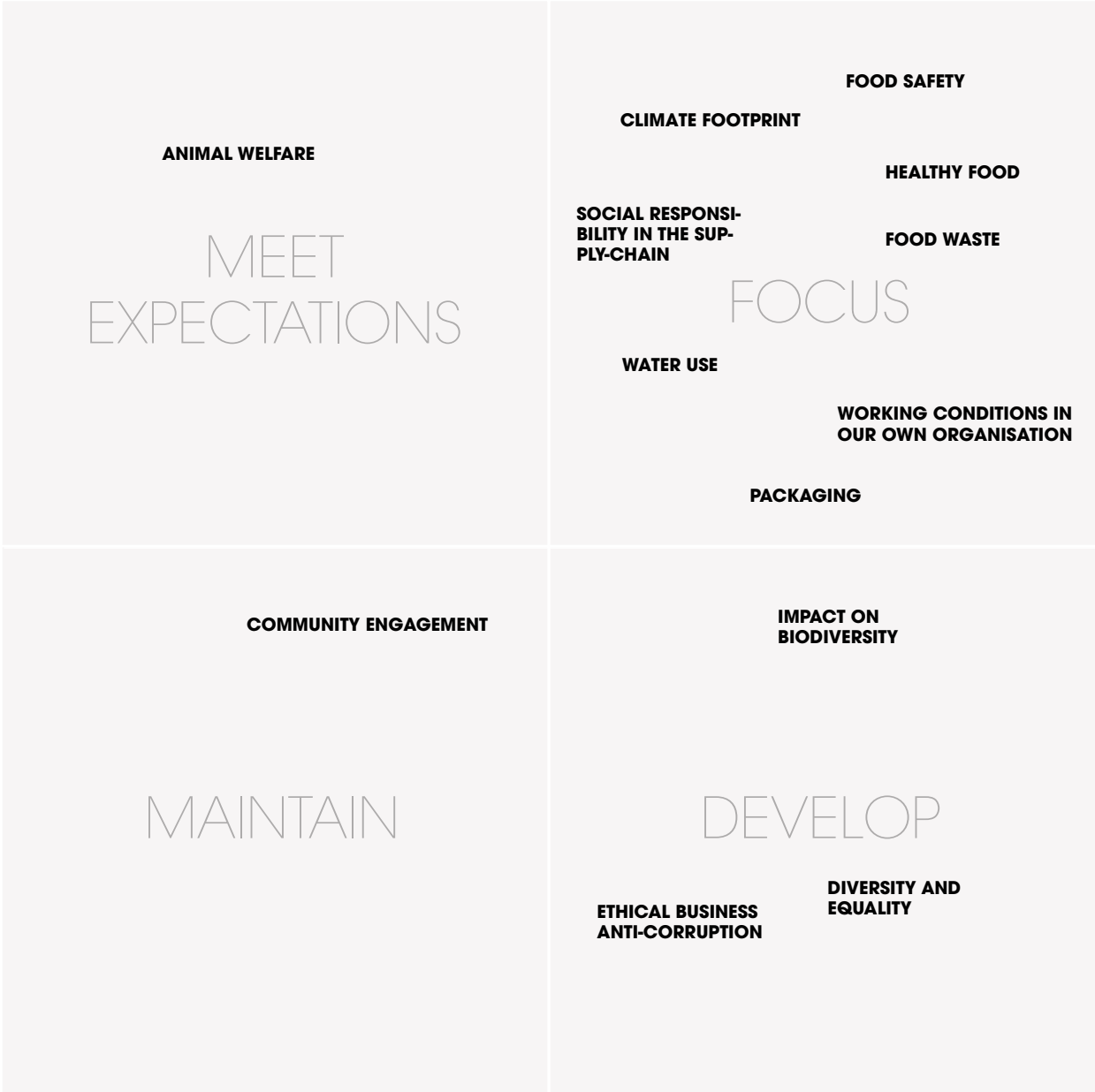
In 2018, we completed a comprehensive analysis of the group’s operations involving several stakeholders. This analysis formed the starting blocks for our work with sustainability in 2019 and 2020. Our most important stakeholders are the groups that are most affected by our operations: customers, employees, owners, suppliers, partners as well as other key players. The analysis identified opportunities and risks as well as which sustainability issues we could affect the most. This resulted in eight focus areas which have now been developed to varying degrees.

- Packaging
- Carbon footprint
- Healthy food
- Food waste
- Social responsibility in the supply chain
- Water-use
- Food security
- Working conditions in our own organisation

Together with the UN Sustainable Development Goals, Greenfood’s materiality analysis has laid the foundations for our work with sustainability. We continuously work with all focus areas in all companies.



IMPORTANCE FOR STAKEHOLDERS



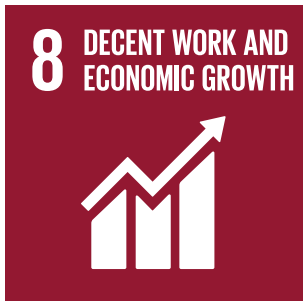
OUR IMPACT

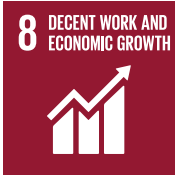

THE UN's GLOBAL GOALS

Agenda 2030 consists of 17 global goals for sustainable development, which were adopted by the UN's 193 member states in 2015. The goals provide a guide for countries and organisations to work towards a more sustainable future and aim at eliminating poverty and hunger, ensuring human rights, equality and securing a future for our planet and natural resources. The sustainable development goals are closely linked and look at the three areas of sustainability, economic, social and environmental.

Our sustainability work at group level has been developed in connection with the UN sustainable development goals and we focus primarily on goals 2, 8 and 12.

By helping more people eat in a smart, green and healthy way, we can contribute to reducing environmental impact while improving people's general health.



SDG	TARGET	WHAT WE'RE DOING
FOOD - GOAL 2 - ZERO HUNGER		
	2.1 Access to safe and nutritious food for everyone	We offer healthy, nutritious and safe food to several markets with a focus on plant-based food in our products, letting us produce more food on existing land.
	2.4 Sustainable food production and resilient agricultural practices	We are constantly looking for solutions that let us use our resources in a more sustainable way. We implement these solutions in our own production facilities. Via our code of conduct for suppliers, we ensure that a negative environmental impact is minimised while at the same time supporting our preventive work to meet environmental demands.
PEOPLE - GOAL 8 - DECENT WORK AND ECONOMIC GROWTH		
	8.4 Improve resource efficiency in consumption and production	Through cooperation, organisation and planning, we make use of our resources in the best possible way in our own facilities and we make demands on our suppliers to do the same.
	8.5 Full employment, decent working conditions and equal pay for all	We contribute to this goal by developing routines and establishing requirements for decent working conditions for ourselves as well as our suppliers via our codes of conduct.
	8.8 Protect labour rights and promote safe working environments for all	We contribute here via well-developed and well-functioning health and safety procedures within our own production facilities and operations. Our codes of conduct for employees and suppliers are important documents that place clear demands on how we, our partners and our employees should act from an ethical, social and environmental perspective. We have a 'whistle-blower' system to ensure potential problems are raised. Our business area Fresh Produce manages 70 percent of our food deliveries and demands social certification from suppliers using Global GRASP or similar.
PLANET - GOAL 12 - RESPONSIBLE CONSUMPTION AND PRODUCTION		
	12.3 Halve global food waste.	We work to reduce food waste by investing in technological innovations, innovative product development and increasing awareness internally on the subject. We are running a food waste project to create goals and define KPI's that will help us in our work to reduce food waste in our own facilities. Our salad bars now calculate automated prognoses to ensure the right amount of goods are ordered based on external factors such as weather, local sales etc. Our ambition is to always develop new products from leftovers that would otherwise go to waste.
	12.4 Sound management of chemicals and waste	Food tastes better when you know it's been produced in a responsible way. Our code of conduct demands that our suppliers follow the EU law on pesticides, a regulation that in some instances goes beyond different national regulations. The code of conduct also demands that suppliers have waste management processes in place.
	12.5 Substantially reduce waste generation	Greenfood is always working to improve sorting of waste and waste management in our own operations. This work is measured annually and evaluated. We also place demands on our suppliers. Packaging is an important area, where our focus is on developing packaging with a lower carbon footprint by using renewable materials and reducing our use of plastics.
	12.8 Increase awareness of sustainable lifestyles	Everyone wants to do the right thing environmentally – but how? We discuss and provide information to increase consumer awareness on how we all can choose a more sustainable lifestyle for ourselves and the planet.

RISK AND RISK MITIGATION

We are seeing an increased demand today for responsibly produced goods. Beyond the media focus is increased regulation as well as pressure from NGO’s. This leads to potential economic and commercial risks for the companies that don’t act in line with social, environmental and ethical standards. Uncertainty regarding future events is a natural part of any business and as a company, we prepare for risks that affect our business, cash-flow, reputation or even risks that can damage consumer confidence in us. We continuously work with managing, avoiding and mitigating potential risks through a series of measures including implementation of policies and routines within the area of sustainability, increased dialogue with stakeholders and monitoring market trends.

Greenfood’s goal is to identify risks early so that they can be managed relative to the potential impact they can have on our operations. Risk management is an integral part of our corporate governance and contributes to how we work with risk mitigation.

RISK AREAS

RISK	RISK MITIGATION
LAWS, REGULATIONS AND GOVERNANCE	
Greenfood runs its business via subsidiaries in several countries. New laws, taxes and regulations in different markets can limit or make demands on our organisation. There is a risk that a law is interpreted incorrectly by one of the markets or that a new regulation requires that changes need to be implemented quickly with a negative impact on production and profitability.	We regularly monitor the legal regulations in the areas we operate. Every subsidiary monitors and adapts its operations based on the legal requirements that have been put in place and the markets they operate in.
CLIMATE CHANGE	
Climate change is a cause of water scarcity, erosion and extreme weather conditions such as drought, torrential rain and flooding. At the same time, changes are taking place within biodiversity. All of this can affect farming methods and the balance between supply and demand which can in turn lead to price increases on food.	Greenfood manages climate-related risks by engaging in a clear dialogue in the procurement process. By co-operating with our suppliers, we work to promote sustainable farming and encourage investments in technology with a lower climate impact. We also mitigate this risk by monitoring and adapting our operations to the changing conditions, so that we can quickly find possible replacements to products that risk being affected by climate change. In our own operations, we’re actively working within several important areas such as food waste, developing our range and energy efficiency. This work helps us minimise our own use of resources and carbon footprint.
SUSTAINABILITY RISKS IN THE SUPPLY CHAIN	
Our supply chain includes purchasing of food and food products from countries where there is an increased risk of corruption or breach of human rights. Some of our suppliers work in politically unstable countries and this can affect supply and cost negatively. The largest sustainability risks related to our suppliers are the ones in countries defined as ‘risk countries’ according to the Amfori BSCI-classification.	<p>We are in close contact with our suppliers during the procurement process to improve transparency, learn from each other and identify risks at the supplier end. Our own audits as well third-party audits and our procurement processes highlight potential breaches and put in place counteractive measures as well as follow-up. Greenfood’s code of conduct is included in every supplier agreement for food and in 2021 will be included for every supplier of packaging and transport. We follow-up signed code of conduct several times a year. We do an annual risk analysis based on social risks as well as risks within climate and human rights. Our code of conduct makes our requirements clear as to what processes are required to approve suppliers.</p> <p>A very small volume of our purchasing within fresh fruit and veg needs to be complemented by suppliers that we bring in on a once-off basis. These suppliers are managed differently to the suppliers that we work with regularly. We make these purchases in order to ensure availability, for example, if adverse weather conditions affect a harvest or to meet quickly rising demand for a particular product.</p> <p>Our code of conduct for suppliers is based on internationally recognised instruments such as the UN declaration of human rights, the UN convention on the Rights of the Child and the ILO conventions and recommendations on labour rights.</p>



RISK AREAS

RISK	RISK-MITIGATION
ANTI-CORRUPTION AND BUSINESS ETHICS <p>Corruption, bribes and anti-competitive behaviour is unethical, illegal and against our own business ethics and values. The largest risk for corruption and unethical behaviour is in our supply chain. We rely on Amfori BSC's classification of so-called high-risk countries. There is also a risk for unethical behaviour in our own operations when we contact existing and potential suppliers and partners.</p>	<p>Business ethics are a part of our internal code of conduct and can be found in our policies and the business ethics compliance programme we run. On the supply side, we manage risks in this area, such as corruption and business ethics, in several ways. Apart from the code of conduct we work with audits and risk-assessment in the procurement process.</p> <p>Internally, we minimise risks via our code of conduct for employees, where we clearly state what our policy is when it comes to corruption and gifts. We also have a whistle-blower system where employees can anonymously report suspicions that go against our code of conduct.</p>
QUALITY AND PRODUCT SAFETY <p>Product safety and product quality are behind everything we do. Food management requires a high level of traceability, hygiene and handling. Poor control can lead to contamination or allergic reactions. Shortcomings in food management can lead to a loss in confidence in Greenfood, or one of our subsidiaries or one of the group's brands.</p>	<p>We work with high quality food and all products that are sold by Greenfood are made according to the EU's legal quality standards. Product analyses take place regularly.</p> <p>We have an established organisational structure, routines for returns and ongoing follow-up of standards for food safety. Internal education, developing our routines and testing as well as third party audits also occur on an ongoing basis.</p>
WORKING ENVIRONMENT AND EMPLOYEES <p>Greenfood's future is dependent on our ability to recruit, maintain and develop our employees. This means we need to have a safe and inclusive working environment, with decent conditions as well as ensuring diversity, equality, anti-discrimination, education and the right to association and the right to collective bargaining as well as provide a safe place to work. Staff in our production facilities are also exposed, to a greater degree, to physical health risks.</p>	<p>We use our personnel handbooks, work-environment policy as well as our internal group code of conduct to guide us in our work with staff-related questions and how we can secure a good working environment. Our code of conduct applies to all our companies and their staff as well as consultants.</p> <p>We manage the health risks in our production and warehouse premises by working systematically with our working environment and running educational courses. We aim to be an attractive employer and carry out staff surveys every year to help us improve working conditions and our working environment.</p>
POTENTIAL DAMAGE TO THE BRAND <p>Greenfood's brands can be negatively affected if we don't run our operations sustainably, don't follow laws and regulations or don't live up to the brand promises. A brand risk is that the competition within sustainable food production increases dramatically and that other actors try to take our wanted position.</p>	<p>We're working to reduce any negative impact we may have on people or the planet and we work with sustainable suppliers. We make specific demands regarding goods, material, traceability, suppliers, products and services and inform our customers continuously about the steps we're taking within sustainability.</p>

ENVIRONMENT

Our business depends on working with what nature provides and making sure that healthy alternatives reach as many people as possible. In order to keep developing as a company, we need to contribute to a healthy planet today. Changing habitats affect our suppliers that grow fruits and vegetables.

From a business perspective, we follow this development carefully and we make particular efforts to minimise our own environmental impact. The largest measurable impact we have is within the area of transport, but we also affect the environment in our own operations.

In 2020, one of our prioritised areas has been to measure our carbon footprint and start up work to create action plans that will eventually reduce it. Other focus areas have been to create a new packaging policy to help us transition to more environmentally friendly packaging, to get an overview of our water-use and finally to measure how much waste our products create.

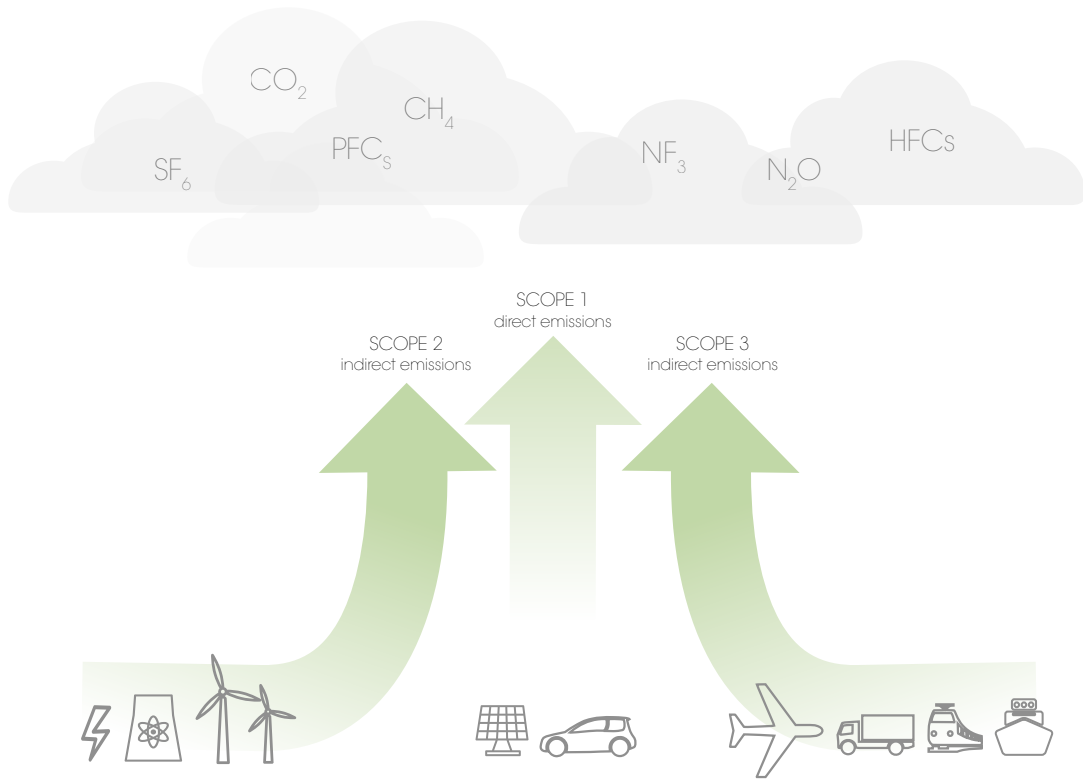
OUR CARBON FOOTPRINT

An important part of our environmental work has been to measure our carbon emissions. This measurement is important as it allows to understand our current situation and how to prioritise in the best way. We have previously measured the group’s energy consumption and looked at it in relation to our sales volume. In 2020, we took the next important step by measuring our footprint according to the Greenhouse Gas protocols including all three scopes. All the figures we have outlined below regarding carbon footprint are calculated using the ‘market-based method.’

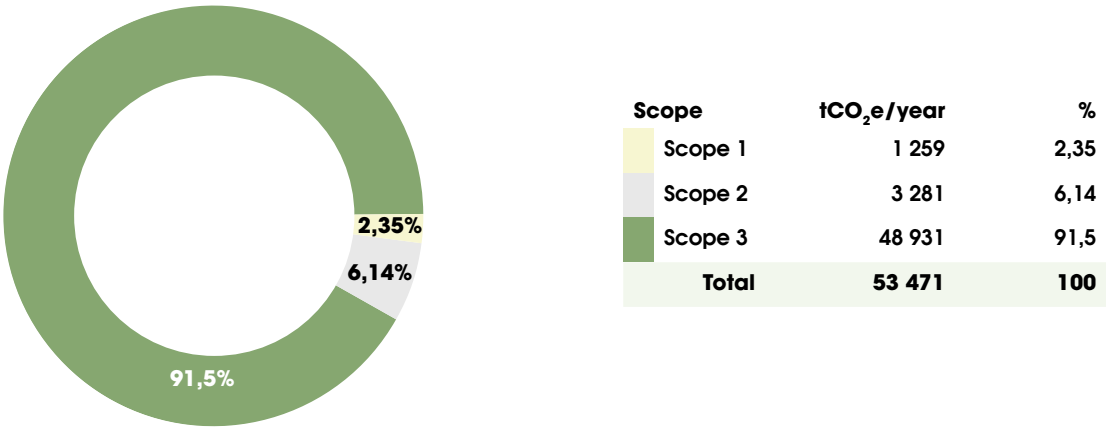
Scope 1 includes all direct emissions of greenhouse gases from sources that are owned or controlled by the company. We have included company-owned and leased vehicles and machines, refrigerants as well as natural gas.

Scope 2 includes all indirect emissions such as electricity generation. We have included our purchase of electricity and district heating.

Scope 3 includes all other indirect emissions that occur outside of Greenfood’s operations. We have included logistics and business travel here for example.



Our carbon footprint for 2020 was 53,471 tCO₂e



Based on our 2020 measurements, it’s clear that our biggest carbon footprint comes from Scope 3 and a large portion of this is connected with the transport of goods. Our range of food is based on fruit and veg. Given the Nordic climate, it’s not possible to buy from local markets which means that transport becomes a sizeable portion of our footprint. With this knowledge, we are now putting together action plans to reduce our carbon footprint with a focus on the areas we can affect the most.

The Market-based Method:

Measuring emissions in scope 2 can be done in two ways according to the GHG protocols: the market-based method and the location-based method. In this report, we have used the market-based method.

- “The market-based method differentiates between specified and unspecified sources of electricity, heating and cooling. A specific emissions rate is used for specified products and another for a residual mix if sources are unspecified.”
- “The location-based method uses an average emissions rate for the entire supply of energy, heating or cooling.”

ENERGY

In all of our facilities, most of our energy is used where we have production or warehouse operations. This energy use is mainly due to our need to cool or heat our products.

We work in a structured way and constantly try to improve. Most of our production companies in the business area Food Solutions are certified with the ISO 14001 environmental standard.

Our business area Fresh Produce uses environmental policies to guide its work.

ENERGY USE

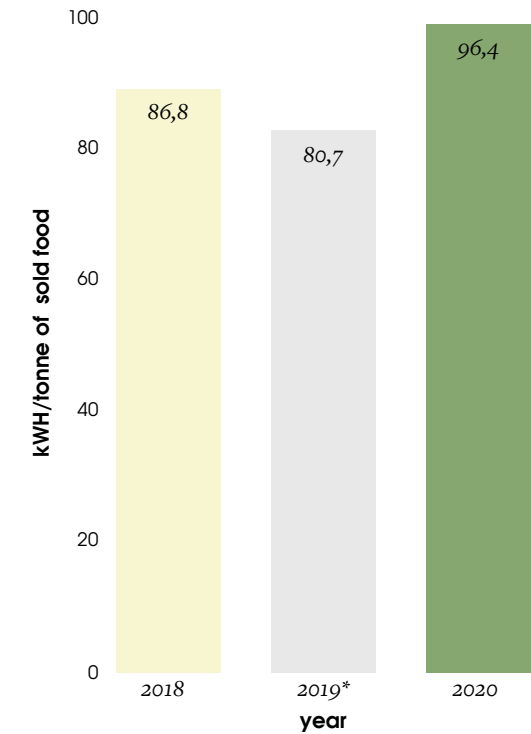
We’re constantly trying to reduce our energy use and transition to renewable electricity. An important piece of the puzzle is our work in measuring and reporting this energy use. This gives us greater knowledge and the opportunity to identify what measures we should take based on well-informed decisions.

In 2020, we increased our measurement as an additional two companies reported sustainability data for a full calendar year for the first time. At the same time, another company reported data for parts of 2020. This means that the reported energy use increased in the group compared with 2019, which was expected.

What wasn’t expected was the reduction in sales volumes due to the pandemic. Lockdowns, curfews and other restrictions in all of our markets led to reductions in sales volumes in areas that we usually perform well in. Obviously, a reduction in sales also leads to less production, but our production equipment for boiling water for example, requires a certain amount of energy regardless of the volume of food being prepared.

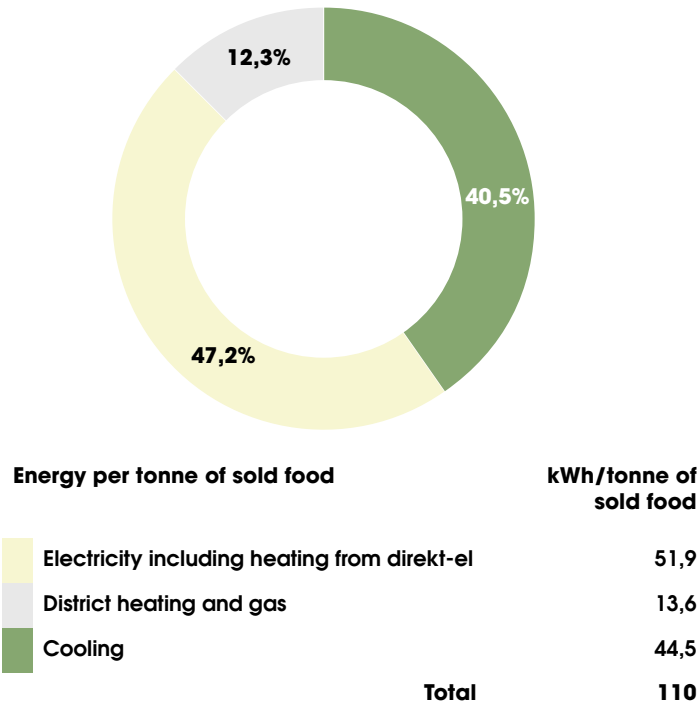
Due to these circumstances, our reported energy use in relation to our sales volumes has increased. This is something we could never have predicted at the start of 2020.

Comparison of energy use in relation to sale volume



Energy and sales figures have been updated for 2019. In total, we have used 15,7kWh of energy per tonne of sold food based on comparable data between 2020 and 2019.

Energy use 2020



We haven’t previously used data on energy from district heating or natural gas. This is new for 2020 to give us a better picture of the overall energy-use in our own facilities.

REFRIGERANTS

Refrigerants are the fluids used in our fridges, freezers and even for heat-pumps and air-conditioning systems. Refrigerants are a must for the entire food industry and that makes them critical for us also. Since different refrigerants have differing carbon footprints, it's important that we keep an eye on them. During the year we measured, for the first time, the amount of added refrigerants in our systems. Some 132 kg of refrigerants were added in cooling systems on our own premises during 2020 leading to a carbon footprint of 192tCO₂e, which is approximately 0.4% of Greenfood's total emissions.

“ We don't see the effects yet of our new cooling plant but long-term it will make a big difference. We are forecasting a significant reduction in energy use in the future.

- Sofi Tiberghien, Quality and Environmental manager at Greenfood's production company Mixum.

TRANSPORT

The transport sector is still mainly using fossil-fuels. To reach the goals of the Paris agreement, we need to drastically reduce the use of fossil fuels and, in the near future, cease to use them completely.

Most of our transport to and from Greenfood's companies is via truck, even if some longer transport journeys take place by boat or plane. Over 90% of the group's total carbon footprint, based on 2020 measurements, comes from transport related to incoming or outgoing deliveries. These emissions are part of Scope 3 of the GHG-protocols.

Transport deliveries that come to us today often occur in combination with deliveries from the logistics company's other customers. It's worth noting that we haven't calculated what proportion of a logistics company's truck-load is ours. Several logistics companies have given us the emissions for the entire load, even if Greenfood is only responsible for a portion of that load.

In summary, it's clear that transport and logistics account for the majority of our emissions. This shows us how important it is to talk with our logistics partners regarding fuel and efficient co-ordination of transport. It's also our responsibility to choose logistics firms that offer more environmentally friendly alternatives and that actively try to reduce their own emissions.

In 2020, we continued to optimise our transport based on previously identified areas:

- Driving with full loads as much as possible
- Co-ordinating deliveries with different companies within the group.
- Seeking out optimal routes by co-ordinating deliveries.
- Increasing the use of climate-smart fuels.

Our long-term goal is that more and more of our transport takes place in a more environmentally friendly way, both when it comes to fuel and logistics. Our Finnish company Satotukku has restructured a large portion of its transport operations. In 2020, one third of their truck deliveries used LNG, liquefied natural gas, which has 20 percent lower emissions compared with fossil fuels.

BUSINESS TRAVEL

In a growing corporation like ours, based in many different markets, business travel is an important aspect. During 2019, we drew up routines so that we could follow what was happening with our business travel and to be able to measure our carbon footprint in this area.

In February 2020, we introduced travel restrictions due to the coronavirus pandemic and, as with many other companies, we were quickly forced to make the transition from business travel to digital online meetings. Our goal is to continue primarily with digital meetings, to the extent that it is possible, in order to keep on reducing our emissions, costs and impact on employee's private lives. All of this is now contained in our updated travel policy.

Our travel policy was implemented in all companies and our business travel policy requires that all cars ordered from 2020, should be equipped with new climate-technologies such as hybrid, gas or electric motors.

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The coronavirus pandemic limited our travel to only business-critical cases. In total, 335 journeys took place by train or plane with a carbon footprint of approx 41 tCO₂e which accounts for 0.08% of the group's total footprint.

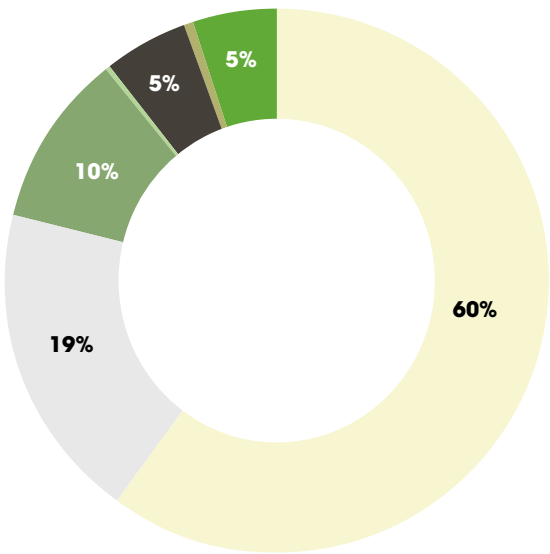


WASTE

We work on a daily basis to reduce our waste and we invest a lot of resources to find better solutions. Products that go to waste are of course not profitable either; for business or for the planet and the less waste we have, the better it is for everyone. Our three largest waste categories are food waste, combustibles and paper/board. These account for 94% of all our waste.

Our total waste went down in 2020, but even if the figures point in the right direction, we also know that this was due to the pandemic and how it affected our branch. Our work to keep reducing our waste continued at the same pace throughout the year and we have continued to measure our waste categories. We have also started a new group-wide project for all our facilities to set goals, performance indicators and definitions to help continue our work to reduce waste. The project will go into a more intense phase in 2021 and focus primarily on reducing food waste, our biggest waste area by far.

WASTE PER CATEGORY



WASTE	% of total	Tonne
Food waste*	60%	5 216
Combustible	19%	1 630
Paper and board	10%	896
Metal	0%	20
Plastic	5%	424
Hazardous waste	0%	39
Landfill	5%	431
Total	100%	8 656

*Within food-waste, we are including both edible and inedible waste, where inedible accounts for the majority.

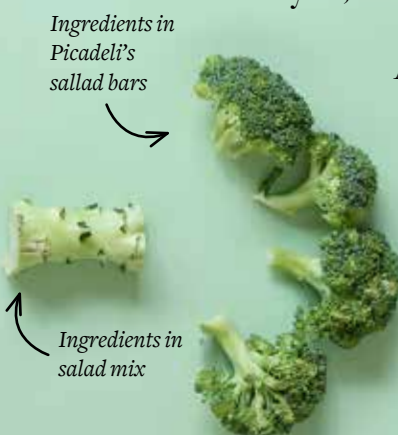
FOOD WASTE

We have a clear ambition to reduce food waste and we're making large investments within both technical innovations and product development to get to where we want to. Our food waste accounts for 60% of all of our waste and is the single largest waste category in our operations but we are happy to say we've reduced our food waste in 2020 compared with 2019. However, if we look at our overall waste where combustibles and board is included, then our waste for 2020 has actually gone up. This is a natural effect of the pandemic and has had the same affect across the entire industry.

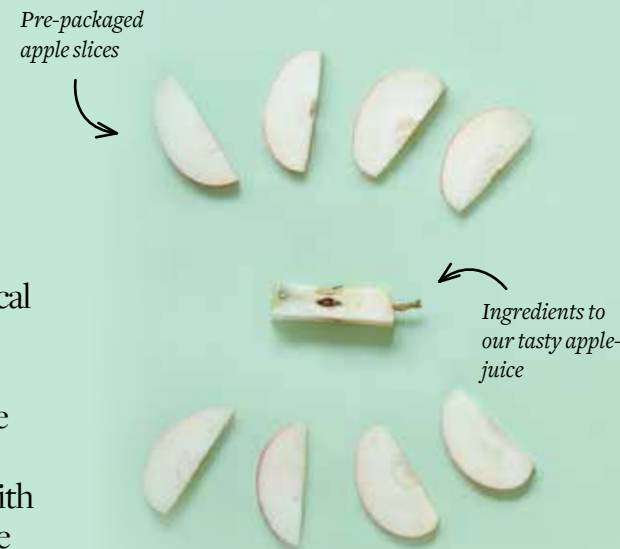
Our rationale is to reduce food waste in everything we do - from creating new food solutions out of production leftovers that had previously gone to waste to an innovative salad bar that is a part of the Picadeli concept. The idea with a salad bar where you pick your own salad is to reduce food waste since very few people throw away food they have chosen themselves. The salad bar technology also optimises a sustainable bar by giving prognoses on consumption so that the right amount of food is ordered. Our work to reduce food waste is closely linked to our ongoing work to provide better and more environmentally-friendly packaging, since a good package gives food a longer shelf-life and less waste as a result.

The challenges with food waste are ones we share with the entire branch, where the expectations for fast availability, variation in the product range and quality requirements affect how much we can reduce waste. In order to minimise food waste, it's important to create continuity in the balance between supply and demand. This has been particularly challenging during the pandemic and its effect has also been one of the reasons why our food waste went down in 2020 compared with 2019. As the countries that we work in went into lockdown to lower the risk of infection, we experienced a temporary reduction in demand. Our prognoses had to be re-written and after some intensive work we adapted the flow of goods through our factories.

We're satisfied that the total amount of waste was lower than in 2019 but since 2020 was a special year, we can't say that the results from the two years are comparable.



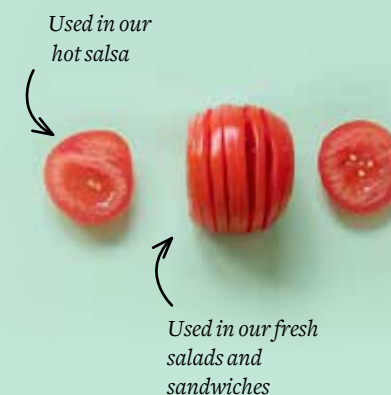
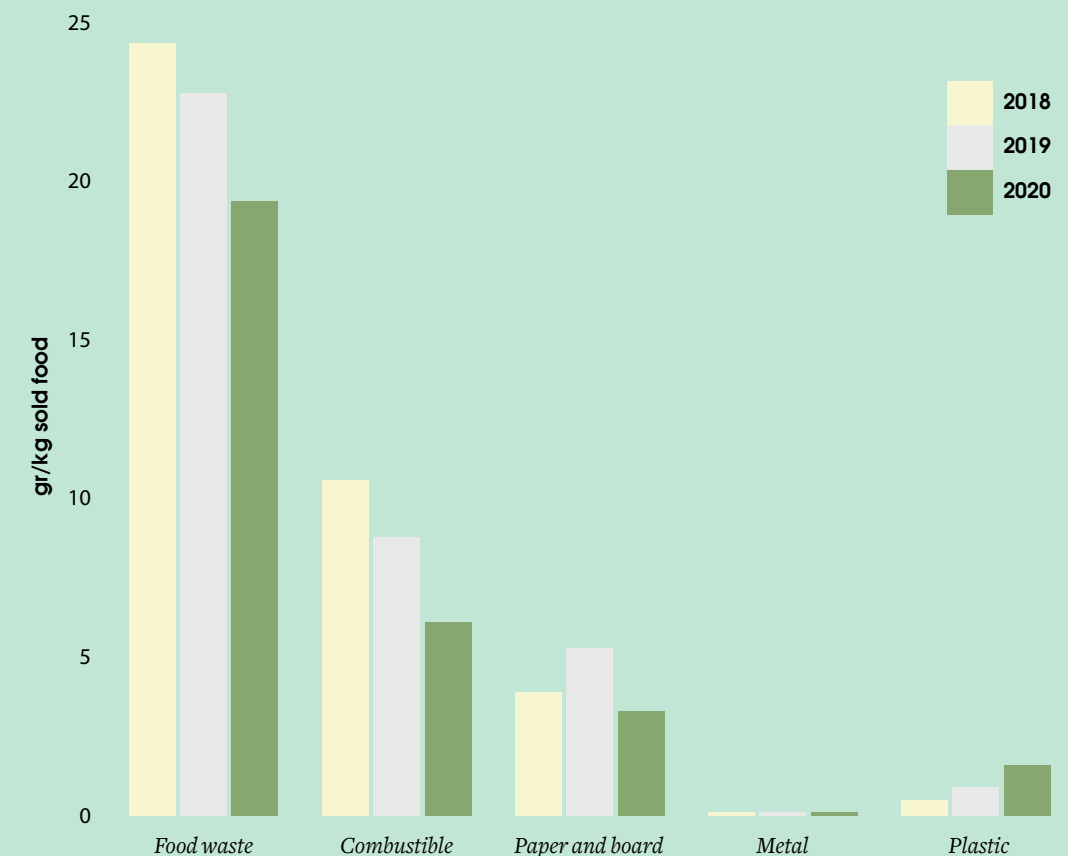
Apart from the unpredictable effects the pandemic, we have continued with our long-term work to reduce food waste. We have worked with both product shelf-life and innovation, which means both new packaging and and new products made from, production leftovers, previously treated as food waste. The projects we have implemented in the group focus primarily on minimising food waste in our own operations. This work includes setting goals and performance indicators, and we will work more with these during 2021.



“Reducing food waste is important for us. We are working with this in a dedicated way and making several investments to ensure success.

- Lisa Isakson, Head of Communication and CSR at Greenfood.

TOTAL WASTE GRAMS WASTE PER KG SOLD FOOD



Things we've done to reduce food waste

- Review our range. Products with small volumes often lead to increased food waste. Our analysis identified these products and what steps should be taken to increase volumes or remove them.
- Constant review of market prognoses.
- Technological solutions to make it easier for customers to order the right amount.
- Stricter quality inspection of incoming goods.
- Improved internal processes between the procurment, warehousing and sales functions to improve the flow of goods.



PACKAGING

Packaging is one of our prioritised areas within sustainability where more environmentally friendly packaging with a lower carbon footprint is at the top of our wish list. Packaging is an important part of the products we sell and we have been working specifically to change them in the last two years. Our goal is primarily to minimise our carbon footprint, but also to improve the products functionality and shelf-life. This work requires a lot of time and resources and takes time to complete, but we are starting to see results in several areas and with several of our companies.

Packaging is often criticised as an environmental problem and seen as an unnecessary waste. But packaging is necessary and can even be beneficial if we are to look at all aspects of sustainability; environmental, social and economic. All of Greenfood's packages need to fulfill three requirements; they should be adapted to the needs of the customer, to the needs of the product and be as environmentally-friendly as possible without compromising on functionality. A package is there to protect the food within it and ensure it's safe to eat and last as long as possible. Packaging is also important from a brand perspective and informs consumers about allergens and other product information. We consider the packaging perspective as soon as we develop new products, so that we can adapt our products based on what kind of packaging is needed and not the other way around. Several of our companies have started working with packaging suppliers to find more sustainable solutions and in some instances, we involve our customers.

Our work to improve packaging is never-ending. It's a complex task and there are a lot of developments taking place in the area. Before any full-scale implementation, we put a lot of work in behind the scenes, when it comes to product adaptations and comprehensive testing with sensory and bacterial comparisons before a new package is put into use on the market.

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– We want to reduce our use of plastic, but we also need to be smart and bear in mind other factors when reducing our use of plastic packaging. eg. does plastic have positive protective characteristics that help reduce food-waste. These two opposing goals need to be considered.

Olle Carlsson, head of project Packaging

In 2020, we carried out several packaging projects to contribute to a lower carbon footprint. They included:

- An annual use of two million plastic lids disappeared when we removed them from our ready-made salads. This reduced the amount of plastic by 25%.
- Plastic bowls for ready-made salads were replaced with paper-based bowls with a laminate layer - that's half a million bowls per year.
- 60 products in Salico's food serve operations have move to recycled plastic and sugarcane plastic.
- Plastic straws have been taken away from all our pre-packed products.
- We've removed an additional layer of PE-plastic from Picadeli's salad bowls and in that way reduced our use of plastic by about 40 tonnes per year.
- The white paper in Picadeli's salad bowls have been replaced with a brown paper that is produced in a more sustainable and environmentally-friendly way.

During the year, we also came up with a group-wide packaging policy that will be implemented in the first quarter of 2021. The group's high ambitions for packaging are laid out in the policy and the purpose of the policy is to ensure that all of the group's companies work actively with packaging questions and constantly look for solutions to minimise the negative environmental impact packaging creates. The policy requires a high level of awareness in the choice of packaging and has set goals to this effect. Packaging needs to be recyclable and we need to successfully increase the amount of packaging from renewable or recycleable material while at the same time reducing the use of plastic.

What we're doing with packaging

- A group-wide packaging policy with requirements on awareness regarding the choice of packaging and making sure everyone is up to date and can improve our work in this area. The policy will be implemented in Q1 2021.
- Goals, follow-up and analysis. We set clear and measurable goals within packaging.
- Focus on minimising the use of plastic. All use of plastic needs to be justified, for example longer shelf-life or reduced food-waste.
- Best-practice-sharing. We are a group with many great company-driven initiatives. If we can share this information, then we can inspire and speed up the development of packaging for all of the group's companies.
- Cooperation in different collaborative groups and regular dialogue with the packaging industry to help us find a more sustainable development to our packaging by staying up to date on the latest innovations.

WATER

Water is the world’s most importance resource and critical for the growth of all fruit and vegetables globally. We’re committed to dealing with water’s challenges. It’s important for us to be involved with this issue and make our production processes more sustainable in places where there are water shortages. We do this, for example, by choosing certified products and putting restrictions on the use of chemical pesticides and antibiotics. We also raise the issue in local and international forums. From a group perspective, the water issue is at its biggest in our supply chain where water use is high. Together with other companies in the Swedish food industry, we participate in the Peru Round Tables, where the water issue in Ica Valley, Peru, is under discussion. The forum discusses ways to cooperate and is coordinated by SIWI. We believe it’s easier to influence growers to a more sustainable production if we can also promise them a future income for their goods.

We started mapping out our own water use in 2019 and in 2020, we measure water use and water emissions in our own facilities. Our production facilities use the most water and have the highest rate of water emissions at Greenfood. Water is used to rinse food and also for the preparation of meals such as pasta. Quality issues are also closely related to the question of water since it’s required for the safe handling of raw food as well as finished products.

Water is a resource that is incredibly important for the entire value chain, in all our companies and within all our operations.

In 2020, we reduced water use compared with 2019 mainly due to the coronavirus pandemic. Lower volumes of production has led to less water being needed in the production process.

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Our next step is to educate all staff on the issue of water use and install automatic valves in the production line to reduce water use.

Juhani Tegelberg, Site Manager, Salico OY

WATER USE IN OUR OWN PRODUCTION FACILITIES			
	2019	2020	Difference 2020/2019
Water in (litre)	342 202 000	259 100 000	-83 102 000
Water out (litre)	321 136 000	243 067 000	-78 069 000

However, this does not mean that our work with water management is on hold. We have installed digital tools to help understand where excess water is going, but also to improve the monitoring of temperatures as well as water use. These kind of initiatives have let us map out what we need to do to optimise our water management. The next step will be to include education of water issues to all staff and to install automated valves in our production lines to reduce water use. During the year, we have also invested in better solutions for waste water management, where UV light is being used to remove food waste from the water and stop it from entering the sewage system.



FOOD

THE HEART OF EVERYTHING WE DO

Green convenience today for a greener tomorrow. This is our guiding principle. It's even in our name: green food. Everything we stand for and do is dependent on a healthy planet and a healthy planet is dependent on us. Greenfood's world revolves around good food. We're passionate about making food healthier, tastier and more available to everyone. With fruit and vegetables as our main business, we want to contribute to a greener and nicer world. And we're getting there. The majority of our products are vegetarian and our range of plant-based products is growing steadily. That's good news for our own wellbeing and the planet we live on.



HEALTHY FOOD

Most of the world's researchers in the field are in agreement that many of today's diseases such as cardiovascular disease and obesity are related to what we eat. At the same time, research indicates that we need to eat more plant-based food and less meat-based food if we are to feed the growing global population and mitigate climate change. These are two big challenges where we can contribute by helping people choose healthier food and in a way that has a positive effect on our health and the environment. We simplify people's day by offering ready-made and easily available meals that use primarily fruit and vegetables. We are in a position to contribute when people make the choice to eat tasty, smart and safe. This helps not just the planet's health but also provides a good lifestyle choice for body and soul.

At the end of the year, we put in place a project called Healthy Assortment. The goal was to create our own definition of what healthy food means for us at Greenfood, while at the same time measure what sort of progress we are making in this area and what needs to be done. Initially, the project included our entire operations but in the wake of the pandemic, we have scaled it back and we're now working solely with the business area Picadeli but will successively increase the scope to include all our operations. This work will continue into 2022.

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– We looked at health definitions from companies, certification organisations and national dietary guidelines. Everyone had strategies for fruit, vegetables, wholemeal, sugar, salt and energy. Based on this, we wanted to create our own definition of what healthy food is for Picadeli and how we can measure it.

We used the Nutri-Store standard that started in France, as our starting point. We then created our own measurement methods. We defined a portion of salad based on the average weight per bowl based on sales in all the countries we operate in. We call it a Picadeli Reference Bowl (PRB). When we looked at the Nutri-Score for a PRB, we ended up with a really good result, Nutri-Score B, but we want to be even better. Our goal for 2022 is that Picadeli achieves Nutri-Score A.

Gunilla Kjellmer, product developer at Picadeli, has led the project Healthy Assortment, to find a way to define and measure healthy food for Picadeli.

This is how Picadeli works with its healthy assortment

Picadeli's definition of healthy food: Nutri-Score A or B for meals and salad bowls

The nutrition label Nutri-Score converts the nutritional value of products into a simple code consisting of five letters from A to E where A is the best. It measures the amount of fruit and vegetables, calories, saturated fats, sugar, salt, protein and fibre in a food product. Nutri-Score is an established standard in several European countries such as France, Belgium, Switzerland, Germany and Holland. Picadeli is working to achieve Nutri-Score A by developing new products and updating the existing range in line with the nutrition label.



FOOD SAFETY

We are constantly trying to improve and develop our products according to existing dietary guidelines. Naturally, all of our food needs to be nutritious and safe. We avoid unnecessary or questionable ingredients such as trans fats and other additives.

The food industry today needs to be innovative to predict today's consumer needs and expectations for tomorrow's food, but there is one important and obvious parameter that is often taken for granted – food safety. With approximately 25 operational companies and operations in several different European countries, we know how thorough everyone needs to be to ensure safety. Nothing is allowed to go wrong. For us, this means mapping out every step from watering on the farm, to harvesting and transportation.

We use globally recognised certificates such as Global GAP, BRC Food and ISO FSSC 22000 in our supply chain and in our food processing. In our code of conduct for suppliers, we make it clear that we only approve pesticides that are approved by the EU. We follow EU regulations for pesticides, which in some cases stretch beyond different national regulations and are there not just to ensure public health but also environmental sustainability.

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We use globally recognised certificates such as Global GAP, BRC Food and ISO FSSC 22000 in our supply chain and in our food processing.

Malin Hansson, Quality manager, Greenfood's business area Fresh Produce



PEOPLE



PEOPLE – OUR MOST IMPORTANT RESOURCE

The group's most important resource are the people who work here. By the end of 2020, there were about 1,400 people working in 25 different companies around Europe – companies that all aim to be fun, safe and healthy workplaces. We believe that people are happier when they can influence their own working situation and when decisions are taken close to where their work is happening. As a result, we have delegated most of the responsibility to every individual company. This means that the way we work with personnel issues and working environment can vary depending on the company structure, but all our companies have the same goal of creating secure workplaces, free of discrimination and harassment.

our great team at Ahlströms Factory

SOCIAL RESPONSIBILITY IN THE SUPPLY CHAIN

Greenfood also visits and carries out audits of selected suppliers to discuss product knowledge, product development and follow up on the code of conduct and in certain instances investigate and follow-up possible breaches. In 2020, due to visiting restrictions as a result of the coronavirus, it was more difficult to carry out audits. We instead used various digital tools to carry out audits from afar. A total of 37 audits were carried out by ourselves and third-parties.

We also work with the global network Amfori BSCI that works for social responsibility and sustainable working conditions for suppliers within farming and production. Within the business area Fresh Produce, which accounts for about 70 percent of our food suppliers, we also require social certification from the accreditation system Global GRASP or its equivalent. Several of our larger food suppliers within other business areas also use Global GRASP. If we discover some form of mismanagement, we work together with the supplier to put together an action plan, but if there is no willingness or progress, then we may end our agreement with the supplier. This is however a last way out.

We try to actively support human rights defenders in their work for better working conditions in the supply chain. An example is when we, together with other Swedish companies and with the help and coordination from Swedwatch, applied pressure so that the environmental and human rights defender Jorge Acosta could receive a fair trial for being accused of union-related activities in the banana sector. This initiative led to Greenfood's head of sustainability speaking at the UN annual forum on business and human rights on the importance of protecting human rights defenders.



Amfori BSCI

Amfori BSCI is a world-leading initiative for social responsibility and sustainable working conditions within farming and production. Amfori BSCI is based on international conventions and the UN principles on human rights. Evaluation is managed by independent third-party auditors.

Greenfood's supply chain is large and complex. Food and product origin comes from several different countries. The map above shows the share of companies we purchase from of which the majority is in Europe.

WORKING CONDITIONS IN OUR ORGANISATION

Greenfood’s success is completely dependent on our employees finding job satisfaction. Our culture is built on trust and respect and we aim to be an employer where people dare to voice their opinion. By listening to each other, leaving relevant feedback and taking responsibility, we continue to build our culture; a working environment where people are happy and succeed.

Our ambition is to be an attractive employer. We put a lot of focus into finding competent employees and offering development opportunities to keep them in the organisation. Greenfood’s companies carry out regular staff surveys and decide themselves what models to use. This means that the results between companies can’t be compared since different staff survey models are used. However, overall, the results show we are performing above average. There is a HR-function in every business area and personnel questions are managed within each company. Our HR-group, where all business areas are represented, runs the group-wide work, for example when it comes to improving equality amongst employees in the group. We have, for example, looked at the salary in our group based on gender. This will be important for our future work in this area.

Today, the majority of our employees are men, which is partly due to the fact that most of our employees work in male-dominated warehouse and production jobs. Our operations in Finland have the most even gender split within management positions and we see a clear advantage in increasing the amount of women in the group and have now put together an action plan for this.

We have also implemented an internal code of conduct for all employees in the group. The code of conduct is there to help us run our operations in a way that is honest and responsible for the individual, for our business and for the environment around us. We are trying to create an open corporate culture where ethical, social and environmental questions can be discussed freely. When we live by our code of conduct, we can create long-term relationships.

All companies in the group work with specific processes for hygiene and food safety which is a natural part of working in the food sector. Additionally, all our companies focus on securing a good social working situation in the form of working conditions, health and safety in the workplace as well as employee satisfaction. During the year, we have started to put together a group-wide equality policy. The goal is to have it in place by 2021 with defined equality plans included.

” Uppförandekoden ska hjälpa oss driva vår verksamhet på ett sätt som är ärligt och ansvarsfullt för individen, affären och omgivningen
David von Laskowski, VD och koncernchef



Our employee’s health is an important part of our group. We operate in a labour-intensive branch with varied working tasks from production and warehouse operations to purchasing, sales and technological innovation. Accidents and incidents occur most often in our production and warehouse companies, which is expected. This is where the risks are greatest due to, for example, truck traffic, loading and unloading as well as product machinery. In 2020, we defined internally what should be deemed as an injury so that these can be followed up on a group level. In 2020, sick-leave was at about approximately 8 percent within the group.

Sick-leave in 2020 has been higher than in previous years. The increased sick-leave can be linked directly to the effects of Covid-19 due to the extra precautions that were put in place.

WORKING ENVIRONMENT	
Number of accidents	72
Number of incidents	123
Number of injuries resulting in sick-leave	28
Number of serious injuries resulting in at least 6 months absence from work	0
Number of work-related illnesses	11

ANTI-CORRUPTION

Within Greenfood's value chain, meetings take place in most parts of the world every day between suppliers, customers and partners. There is always a risk that a member of staff may be exposed to corruption at one of these meetings. The risks related to corruption and a breach of ethical working practices can mean that we don't fulfill the requirements we have set for ourselves and for human rights, which in the long-run can affect our profitability. We want to be role-models for a better community.

Anti-corruption policy

It's important for us to work with preventive measures against corruption. The group's anti-corruption policy is a part of our code of conduct for employees and clarifies what corruption is so that employees can identify situations where corruption can occur, so that they can act in the right way should such a situation take place.

We have had a whistle blower system in place since 2018, where employees can report if they have been subject to, or seen someone else subjected to harassment, discrimination, corruption or any other irregularities that go against our policies and guidelines. The system guarantees full anonymity and is managed by the independent organisation, Whistle B.

During the autumn, we carried out an information campaign with the purpose of informing our employees to act if they see something that doesn't seem right and what they can do about it. For example, by using the whistle blower system. The information on how to act has been a part of the educational courses on our code of conduct. In 2020, a total of nine issues were reported, of which five of these were reported to managers and four to the whistle blower service. All issues were managed according to our policy.

3 ways to report irregularities

All staff that experience, see or hear something that may go against our code of conduct or the law, should report it. We would firstly like to create an open discussion directly with those affected but if this is difficult, then the issue can be reported anonymously via our whistle-blower system. There does not need to be proof to have a suspicion, but all reports should be made in good faith. All reporting is confidential.

1. Talk to the person affected. If this is difficult, see step 2.
2. Talk to your immediate manager or HR. If this is difficult, see step 3.
3. Report your suspicion to <https://report.whistleb.com/greenfood> – you may choose to be anonymous.



COMMUNITY ENGAGEMENT

Greenfood's belief in a better world is a part of our corporate culture. Our philosophy - to contribute to better health for people and the planet - also applies to community engagement. Everything we do should be in line with our core operations and sustainability strategy and connected to one or several of our focus areas. Our engagement should also strengthen our employee spirit and instill pride in our organisation.

In 2020, we were given publicity for our cooperation in Operation Smile, where every sold banana resulted in a contribution to the organisation. We were also given publicity for 'World Salad Day' together with Generation Pep, aimed at inspiring children and youths to live a healthier lifestyle.

DONATIONS

We increased our financial and product donations in 2020. We have a group-level policy for financial donations, but each company respectively decides how to work with donations within the framework for that policy. Greenfood's companies have, for example, donated financially to the children's fund Ronald McDonald Sweden and Denmark but also to Fundació Oncolliga Girona, Team Rynkeby, the Swedish children's cancer fund and Giving People.

Apart from financial donations, our companies are also working with product donations. Donations have always been a natural part of our operations – if we can't sell or use our products ourselves, we really want them to go to good use somewhere else. We always have a great desire to help, but the pandemic has meant that we have, for a period of time, had to minimise any potential overproduction of food. This became particularly clear at the start of the pandemic when lockdowns and border closures and restrictions affected our operations. We tried to donate all the food and products that couldn't be sold. Every company chose which products to donate and to which organisation and during the pandemic year, many companies got involved with the inexhaustible work of healthcare professionals by donating food and other products to them. In 2020, a majority of the group's companies were actively involved with donation. Donations have been made to, among others, Restos du Coeur, Operaatio Avoin Ovi ry, Stadsmissionen, Helsingborgs lasarett, Aisab, We food, Hamburg Tafel and Korkeasaari (Zoo).

In total, our companies donated over 613 tonnes of food to different organisations in 2020.



ECONOMIC SUSTAINABILITY

The 17 global goals of Agenda 2030 deal with the three areas of sustainable development, social, environmental and economic. These three parts are inseparable and integrated with each other. If we don't have a sustainable business with a potential profit, then we can't influence others to create long-term values where we together use the world's common resources in a better and more sustainable way.

During the pandemic year that was 2020, this became even clearer. Our starting point is that we want to be profitable without having a negative effect on anyone else – but if we can contribute to a sustainable planet and a sustainable society, then we need to have a sustainable business. When the world went into lockdown, we had to re-evaluate and even if we found new ways to work, we also had to make tough decisions and changes.

We've been forced to furlough personnel and make people redundant but without these measures, we would not be able to maintain profitability and would risk more employees income in the long-term. This would also have limited our ability to run a sustainable business in the future and postpone our climate-related investments.

Today, we have a person at group level responsible for sustainability and we work together with appointed people responsible at a business area and company level to create a clear governance and working methods. We make requirements internally and externally with our business partner and we want to grow with this responsibility.



Picadeli complemented its food-to-go-offering with pre-packed salads when the pandemic hit