



Sustainability Report

2019



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Planetary eating

The year of 2019 really hit the mark on sustainability. In January, the prestigious medical journal The Lancet published the report "Food in the Anthropocene: the EAT-Lancet Commission on healthy diets from sustainable food systems".

In a collaborative project, shared by the highly regarded journal and Gunhild Stordalen's foundation the EAT initiative, 37 researchers have worked for more than 3 years on a very current issue. They sought to find an answer to the question of what is needed to obtain a healthy diet from sustainable food production for the future population of 10 billion by 2050.

With the report, the word Anthropocene, which has been suggested to denote the age in which we now live, has taken on a completely different meaning to me. This epoch begins during the industrialism, when man's way of life starts to influence the balance and recovery of Earth. The same epoch in which we ourselves sounded the alarm, that we need to change our way of life. This is food for thought.

Five sustainable commitments

As a developer and producer of food for young children as well as those who depend on a gluten-free diet, this report resonates with Semper on more than one level. Semper has a number of projects underway to improve our sustainability work in production. In 2019, we joined the Food Industry Sustainability Manifesto. The first five commitments in this manifesto are: a fossil-free industry, a 50 % reduction of food waste, recyclable packaging materials, ethical supply chain conditions and an increased efficiency in water use. More commitments will be formulated and added to the manifesto continuously, as not all commitments fit every company. All of them will be in line with the

Paris Agreement and the UN's Global Sustainable Development Goals, Agenda 2030.

A future in more peas and beans

One of the changes discussed for a more sustainable diet, is an increased intake in general of legumes - different peas and beans - and vegetables. A shift like this can take some time to implement, which is why we at Semper would like to start presenting this type of food early in life. We therefore found it extremely gratifying that we during 2019 received very interesting results from the ongoing research study from Umeå University. The study involved children from 4 - 6 months of age up to 1 ½ years. One group was presented a diet, extra rich in vegetables, root vegetables, berries and fruits. It also contained less protein. The other group was served wholesome traditional children's food. The results show that the children who ate the new diet, significantly increased the intake of vegetables and fruits later on - and had a satisfactory growth and development with 30 % less protein in their diet. This is very valuable knowledge in times when we all need to contribute to a more sustainable way of life!

Sebastian Schaeffer,
CEO Semper AB



About Semper

Semper is the leading producer of baby food and gluten free food in the Nordic region. The company was founded in 1939 and is since 2006 a part of the international food group Hero, owned by the Oetker family. Headquartered in Switzerland, the Group has a total of 4,300 employees in 19 countries.

Semper has about 250 employees working in Sweden, Norway, Finland and Denmark. Our manufacturing plant for porridge, cereal drinks, infant formula and gluten-free mixes is located in Götene, while our gluten-free crisp-bread bakery is located in Falun. Semper's babyfood meals, fruit and vegetable purees as well as in between meals in jars and pouches are developed together with Hero's company based in Spain.

Semper's markets

Sweden is without question our largest market in the Nordic region. As Semper AB we sell products to our subsidiaries in Finland, Denmark and Norway. Outside the Nordic region we export to countries within the Hero Group, such as the Czech Republic, Russia, the UK, the Netherlands, Switzerland and China. We also export to external companies in countries such as Iceland, Estonia, Latvia, Lithuania and the UK. The supermarket sector is our largest customer. We also sell to pharmacies, hospitals and other food manufacturers.

Good food early on

At Semper we have extensive knowledge on healthy and delicious food. We have earned our customers trust by developing and producing well appreciated food for infants and children for generations. We offer a wide range of baby food including cereals, fruit and vegetable purees, baby meals and in between meals. Our wide range and high quality has led to us becoming the market leader in the Nordic region.

Great nutrition from the start

Since day one, we have developed knowledge on health and nutrition, and it has been our focus ever since the very first infant formula was introduced in 1948. And we keep the close collaboration with nutritional

experts and paediatricians. In addition to infant formulas, we also offer special formulas, probiotic drops and milk-free cereal drinks and porridge.

Delicious porridge and cereal drinks

Semper has been market leader in porridge and cereal drinks for decades. We regularly update the recipes and fine-tune them according to the latest research and recommendations. The grains we use are of highest quality and come from selected fields in Sweden, and the milk comes from farms in the vicinity of Götene.

A tasty gluten-free life

We are proud of our extensive and well trusted range of food. Regardless of whether you suffer from coeliac disease or want to keep a gluten-free

diet for other reasons, you should be able to enjoy a healthy gluten-free life. We have been offering gluten-free food since 1991 and acquired the knowledge and insight on what it means to be gluten intolerant.

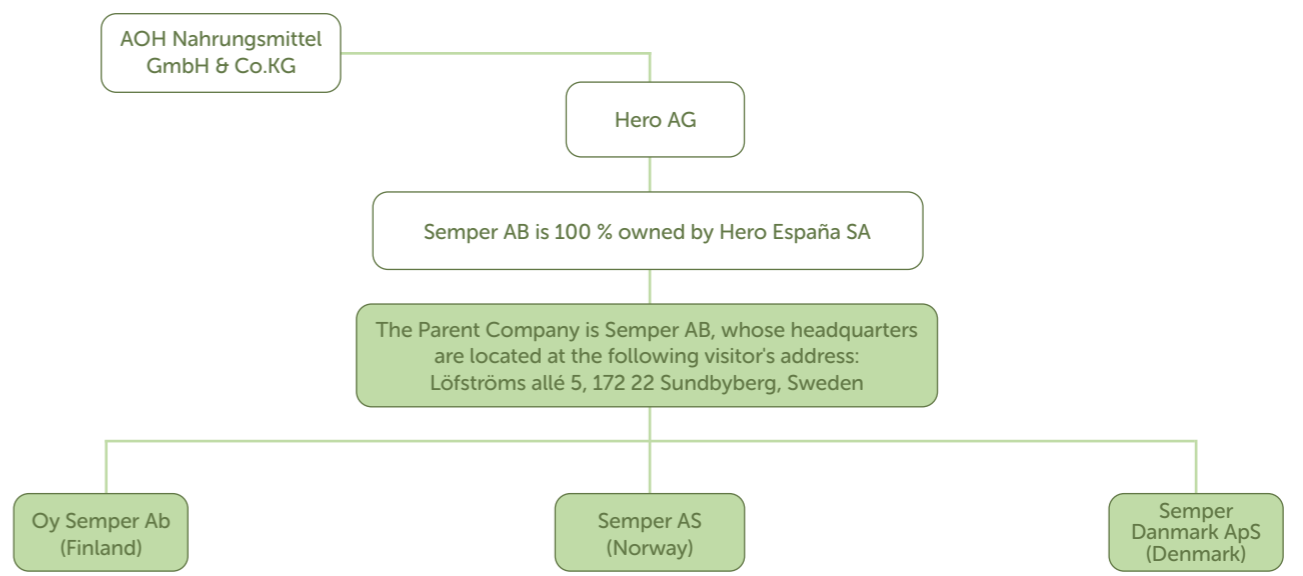
The current range includes everything from bread, crispbread, pasta and cookies to breakfast cereals and cake and bread mixes. Semper is the clear market leader in the Nordic gluten-free market.

Smart healthy snacks

Good 'n' Go is our brand for a series of healthy bars and smoothies. They are vegan, gluten and lactose-free. Good'n'Go are naturally tasty with a short list of ingredients free from preservatives, colourings and added sugar.



Our company structure



The precautionary principle is always applied

The precautionary principle ensures that we at Semper always opt for the safe option.

The precautionary principle is applied because we develop and supply food products for infants and young children, both of whom consume more food per kilo of body weight while also being more sensitive to undesirable substances.

We develop, manufacture and sell gluten-free food both for people suffering from coeliac disease and those avoiding foods containing gluten for other reasons.

We stand for trustworthiness – something which is also reflected in all of the foods we have to offer.



Semper's values

CHANGE

We strive to consistently improve, learn from our operating environment and keep moving forward.

ENTREPRENEURSHIP

We are focused in our search for new approaches and are quick to produce new products and ideas.

SPEED

We are proactive and open to simple, creative and safe solutions.

EMPOWERMENT

We believe in participation and independence, as well as both assigning and assuming responsibility.

FAMILY

We have an open, honest and informal working method and we show a great deal of consideration for each other.

Business model

Semper develops, produces and markets a wide range of baby food, gluten-free food, healthy snacks and special products within the field of nutrition. Our principle market is the Nordic region, and we are the market leader here in terms of baby food, infant formulas and gluten-free products.

Our mission

Semper and Hero have a shared mission:

"We delight consumers by conserving the goodness of nature"

Locating the best ingredients and developing them into delicious, safe and nutritional food is of great importance to us. In order to fulfil our mission in the long run, we need to operate sustainably to protect the goodness of nature for coming generations. We have a commitment to protect the valuable resources provided by the Earth and to leave the smallest footprint possible.

Management and organisation

Semper's management system is certified according to ISO 9001 and our management group consists of members from each department within the organisation. This is where strategic matters are planned and decisions concerning the organisation's direction are made. Each Head of

Department is responsible for day-to-day operations. Within Europe three clusters have been formed. Semper AB is included in the northern cluster together with the companies in the UK and Benelux. Sebastian Schaeffer is in charge of the companies in the northern cluster.

Supply business, including production is organized globally. In Europe, there is a corresponding cluster in northern, central and southern Europe. To maintain a strong link between the organisations, the Director Supply chain northern Europe is included in Semper's management team.

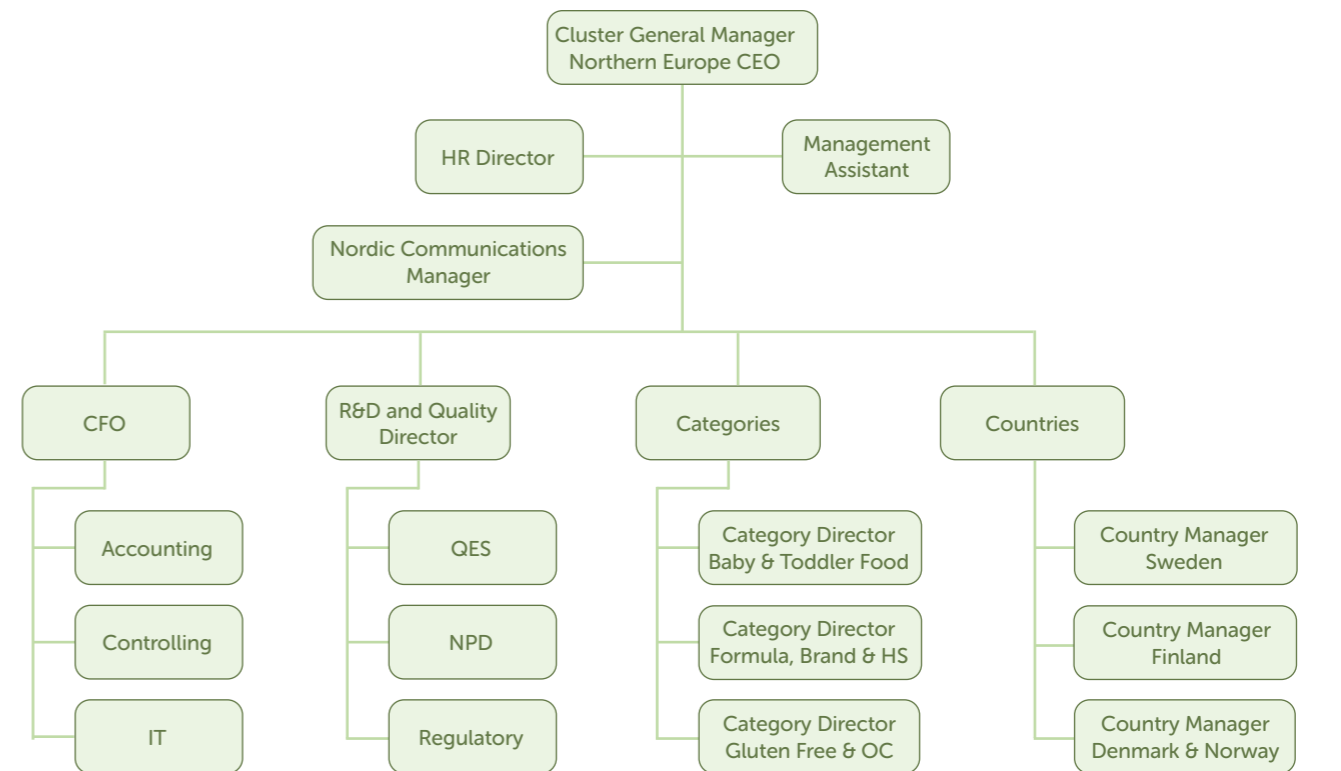
Our sustainability strategy

Our sustainability strategy serves as our guide in our day-to-day operations and as part of our aim to consistently improve. Operations are to contribute to sustainable development and sustainability initiatives are to be integrated into operations and yield concrete results – this is our winning strategy. Operating our business in a responsible manner is vital in terms of both short and long-term success.

This means that:

- 1 We strive to ensure sustainable development throughout our entire value chain.
- 2 We continuously develop new products in a sustainable way using our extensive expertise in order to improve nutritional content and foster confidence among our consumers.
- 3 Food safety at Semper is not only important – but absolutely vital for us.
- 4 Satisfying our primary stakeholders ensures our long-term survival.
- 5 We continuously evaluate our sustainability initiatives with the aim of identifying operational areas that require improvement. The environmental policy at the production plant illustrates and focuses on significant environmental parameters that constitute an important part of our sustainability initiatives. Our sustainability strategy has a direct link to our quality policy, which ensures that the various parts of the company find and maintain a consensus. It is also a prerequisite of our ability to develop and improve our sustainability initiatives.

Semper organisation



Supply chain organisation Northern cluster



Semper and the global goals

The UN has adopted global goals for a sustainable development. Semper works hard to contribute to a sustainable society and is focusing on four of the UN's sustainable development goals where our operations can make a real difference: **Zero hunger, Good health and well-being, Reliable consumption and production and Life on land.**



Semper's focus areas

In 2015, world leaders signed 17 sustainable development goals that the UN adopted as their global goals.

Leaders have committed to abolish extreme poverty by 2030, reduce inequalities and injustices in the world, promote peace and justice, and to solve the climate crisis*. In Semper's sustainability work, we contribute to several of goals and sub-goals. Four of them are addressed below.



Zero hunger

It is important to us to reduce food waste as far as possible. Since we produce food, every employee has the awareness. We are cautious when it comes to everything in our own chain of value and continuously try to avoid waste in our line of production. We continue our collaboration with Matcentralen and Stockholms Stadsmission, among others where we donate food instead of letting it go to waste. We also contribute to other initiatives to avoid food wastage.



Good health and well-being

We support clinical studies within the fields of infants and young children and drive research in nutrition forward. In collaboration with Save the Children we work with the project "Children's right to good health". To stay updated on coeliac and gluten free foods, we follow research and support research projects related to gluten-free foods.



Responsible consumption and production

Semper's mission is to bring a love of food to our consumers by taking advantage of the goodness of nature. A fundamental aspect of completing our mission is the transition to a more sustainable production. We continuously work to integrate sustainability into our operations. This past year our focus has been on the new production line in Götene.



Life on land

Through our continuous membership and support for UNESCO's biosphere reserve in Götene, we wish to protect the biodiversity and promote a healthy ecosystem. Together we wish to contribute to a sustainable development.

*Source: globalgoals.org

Risk analysis 2019

AREA	RISK	RISK MANAGEMENT
ENVIRONMENT	<p>Greenhouse gas emissions The climate debate is a current social issue that will likely result in stricter requirements on the part of both customers and authorities. There is a risk for Semper if we should fail to meet the demands for sustainably produced foods.</p>	<p>Greenhouse gas emissions Semper is working to reduce its greenhouse gas emissions across the entire value chain. To render our environmental initiatives more efficient and reduce our impact on the climate, we are up-to-date in terms of new technology and climate friendly solutions.</p> <p>We work continuously on the area of transport optimization to reduce transportation and thereby, also greenhouse gas emissions.</p>
	<p>Shortage of raw materials The risks caused by extreme or unfavourable weather conditions can include flooding and droughts, both of which often have a major impact on agriculture and harvests. For Semper, this could lead to a change in access to raw materials due to a failed harvest.</p>	<p>Shortage of raw materials Should a shortage of ingredients occur Semper has a preparedness to adjust recipes. We conduct a dialogue with our suppliers to get early indications of possible shortages.</p>
	<p>Quality of baby food A basic prerequisite of Semper's operations is access to baby food-quality ingredients, that is, quality laid down by legislation regarding packaged foods intended for infants and young children aged 0–3. A shortage of baby food-quality ingredients represents a risk for us.</p>	<p>Quality of baby food Our suppliers are required to sign a document guaranteeing baby food quality. We also require the supplier to hold a COA (Certificate of Authenticity) and we carry out random inspections of our suppliers.</p> <p>In order to improve the availability of raws with baby food quality, a structural reorganization has been made in sales within the Hero group. A follow-up on this is in progress.</p> <p>Semper monitors the area of foreign substances, i.e. unwanted substances found in our soils and the pesticides used in agriculture.</p>
SOCIAL ISSUES & EMPLOYEES	<p>Packaging materials New consumption patterns due to increased awareness of packaging materials could represent a risk for Semper if we are unable to meet consumer's requirements for sustainable materials.</p>	<p>Packaging materials Semper has started a packaging project with the aim to achieve even more knowledge in sustainable packaging. We are systematically looking at our current packaging material and searching for ways to improve in terms of sustainability.</p>
	<p>Work environment The risk is of discomfort and poor health at work.</p>	<p>Work environment Semper's ambition is to preventively ensure that all employees enjoy a positive work environment. Semper carries out regular employee surveys with the aim of identifying needs and shortcomings in the work environment. We also have policies within particular areas – such as anti-discrimination – in order to clarify the company's guidelines.</p> <p>Currently, issues such as stress and health are handled by way of employee appraisals, access to occupational healthcare, wellness contributions and free medical care. In addition, Semper offers massages to all employees at the head office.</p> <p>To eliminate injuries within production, the Production Manager holds a morning meeting with employees every day.</p>

AREA	RISK	RISK MANAGEMENT
Continuation SOCIAL ISSUES & EMPLOYEES	<p>Recalls If a product does not fulfil our quality requirements and needs to be recalled.</p>	<p>Recalls</p> <ul style="list-style-type: none"> • Specific requirements placed on our supplier • Contingency plan • Recall plan <p>We have an established consumer point of contact to ensure all consumers are able to reach us. Contact channels have also been established for customers, healthcare and the media.</p>
	<p>Pandemic outbreak Due to an increase of national and international travels, there is also an increased risk of pandemic outbreaks. This is a threat to society.</p>	<p>Pandemic outbreak To minimize spreading of infection and to ensure staffing, Semper's management team has clear guidelines and continuous communication during a pandemic outbreak. In case of a pandemic outbreak Semper's management team can make quick decisions about how employees should be protected, and the spread of infection limited – based on available knowledge. The management team also conducts risk assessments in both administration and production on a regular basis, based on the circumstances at hand.</p>
HUMAN RIGHTS	<p>Child labour Within all industries there is a risk of suppliers operating based upon unethical business practices and employing child labour. For Semper it is fundamental that our suppliers take an ethical responsibility and all suppliers need to guarantee that they do not use child labour.</p>	<p>Child labour To ensure that our suppliers assume their ethical responsibility, they are encouraged to join Sedex if they have not already done so. In addition to this, they are requested to sign Semper's Code of Conduct which specifies that there can't be any employment of child labour.</p> <p>To ensure an easy review process, Semper has opted to primarily contract the services of Swedish and European suppliers.</p>
	<p>Discrimination & victimisation The risk that any individual within Semper's operational area is exposed to discrimination or victimisation and suffers due to improper treatment.</p>	<p>Discrimination & victimisation Semper has produced a policy document to clearly demonstrate the ethos of the company. Semper has a zero-tolerance approach to the violation of human rights and victimisation.</p> <p>Furthermore, we have procedures in place to prevent and manage potential incidents. We send out an employee survey every other year in which this is one of the issues identified. It is also important to us that our suppliers respect the internationally recognized human rights.</p>
	<p>Union affiliation The risk that union affiliation is hindered.</p>	<p>Union affiliation By requesting that our suppliers join Sedex and sign Semper's Code of Conduct, we are working on eliminating this risk.</p>
ANTI CORRUPTION	<p>Bribery and corruption The risk of unethical and improper business transactions and competition being hindered.</p>	<p>Bribery and corruption Semper's aim is to have an open corporate culture that reduces the risk of bribery. There are policies, clear regulations and guidelines in place for both Semper and the Group in general to reduce the risk of corruption.</p> <p>We have established:</p> <ul style="list-style-type: none"> • An Anti-corruption policy • Authorisation rules • Demands that legislation is to be adhered to • Issue-based training for employees <p>Suppliers are requested join Sedex and sign Semper's Code of Conduct, in which these areas are also highlighted.</p>



Our core values

You can read about Semper's five key areas in this sustainability report: **Our employees, our raw materials, our production, safe food and anti-corruption.** Here you can obtain an insight into everything from how we take responsibility for the environment to how we lay the foundations for healthy living through our food.



Our employees
Our employees keep the wheels turning.
Page 15



Our raw materials
Behind each raw material and ingredient stands a committed supplier.
Page 20



Our production
A focus on quality and sustainability.
Page 26



Safe food
Food safety, quality and nutrition always in focus.
Page 30



Anti-corruption
We comply with rules governing business ethics and combat corruption.
Page 38

CHAPTER 1

Our employees

Our employees keep the wheels turning.

Our employees

Semper's employees are the key to reaching our high set goals when it comes to quality and safety. This makes them of the highest importance to the company. There is an ambition within the organisation to thrive, and to make sure that every individual has the opportunity to grow. To achieve this, Semper offers their employees training.

Through an e-learning portal, employees can educate themselves online in important areas such as quality, food safety, nutrition, purchasing and sustainability. During 2019, 12 employees from the northern European cluster had the opportunity to participate in a leadership program. During 2020 we will give the same opportunity to 12 other employees.

In our plants, we have during 2019 conducted several opportunities for training programs in legal requirements for issues like improving work environment, truck and traverse training and fire and safety, to name a few.

During the past year, Semper has installed a whole new IT platform and an updated Performance Management process, internally known as HR Net. Every one of Semper's office workers have received training in the process how to formulate goals and use Competency Framework. In addition, they have received a half-day training in giving feedback.

Around ten of the employees in Götene have during 2019 gone through an internal audit training. This is an initiative to meet the new regulations and to stay

updated. The managers in Götene have participated in an internal training session in rehabilitation. This is conducted in collaboration with our corporate health care partner. The plan is to have all the managers in the headquarters, Götene and Korsnäs take a course in labour law during 2020.

A number of employees in Götene and Korsnäs will receive CPR (Cardio-pulmonary resuscitation) training during 2020. And our sales personnel will also receive training in ergonomics.

MedHelp is a company that offers health care solutions. In 2019 the plant in Götene entered a collaboration with MedHelp. MedHelp works strategically with the company's health care and with the employees' sick leave. Through a continuous and close collaboration with MedHelp's individual personal health care advice, we hope to improve our employees' health.

Our work is based upon current legislation in work environment and labor. We work hard to stay proactive and strive to eliminate accidents, injuries and illness in the company. Semper's personnel policy is available to everyone in a Working Environment manual that has been updated during 2019.

Our code of conduct covers issues such as the safety of our employees, equality rights and the right to union affiliation. In addition, we have highly important policies concerning work adaptation and rehabilitation, victimization and alcohol and drugs.

Semper's policy and management plan addressing victimisation specifies that we do not tolerate any actions that lead to the isolation of individual employees or groups from the workplace community or to victimisation and/or disrespect. We prioritize and act immediately on issues that emerge within this specific area and have done so during 2019.

All of our employees are responsible for actively working to ensure a positive work climate. We are highly ambitious when it comes to the well-being of our employees and we do our best to avoid pitfalls such as unreasonable performance requirements or unsatisfactory work environments, which can lead to stress and dissatisfaction. Since this is important to us, we follow up on management issues and how happy employees are with their work through employee surveys.

SEMPER HAS A TOTAL OF

222
EMPLOYEES

100%

Collective agreement employment

All employees of Semper AB are employed under collective labour agreements

KORSNÄS 24

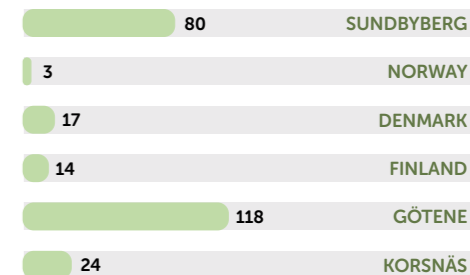
SUNDBYBERG 80

GÖTENE 118



THIS IS WHERE YOU FIND OUR

256
EMPLOYEES



2019

The year in numbers

At Semper, we monitor a number of metrics linked to our employees, including sick leave, accidents, staff turnover, production hours worked and the completion rate of employee appraisals. Two performance indicators in this area are shown to the side: sick leave and accidents/incidents.

Sick leave

KORSNÄS

Total sick leave
blue collar employees 9,73 %
white collar employees 5,63 %

GÖTENE

Total sick leave
blue collar employees 7,21 %
white collar employees 1,5 %

Accidents & incidents

KORSNÄS	GÖTENE
Accidents: 0	Accidents: 10
Incidents: 2	Incidents: 54





Semper 80 years

In September 2019, Semper celebrated 80 years and invited all the employees and their families to a cake celebration. From pioneer Ninni Kronberg who invented a method for drying milk – to being market leader in the Nordics for baby food and gluten-free products. Now we are looking forward to at least 80 more years with the same vision: that everyone has the right to good food.

Semper celebrated our 80th birthday during 2019. And when the anniversary was celebrated in Götene, we took the opportunity to cut the ribbon and premiere the brand new spray tower.

It all started with pioneer Ninni Kronberg inventing a method for drying milk - and it has led all the way to Semper being market leader in the Nordic countries for baby food and gluten-free products. With the same vision - that everyone is entitled to good food - Semper looks forward to at least 80 more years!

Ever since the beginning in 1939, innovation and development has characterised the company. Ninni Kronberg invented an entirely new

way of drying milk into powder, making it possible to develop a sustainable way of dealing with the excess of milk. The patent for Ninni's invention was bought by entrepreneur, Axel Wenner-Gren, who founded Svenska Mjölksprodukter AB, later to become Semper AB. In 1942, Semper built a new plant in Götene, Västergötland. Cereal drinks was launched in 1947 and the year after we introduced infant formula. Even early on there were bakery products in our range and in 1960 meals and fruit purees in glass jars were introduced.

All development of baby food has been made in close consultation with pediatricians and nutritional experts. In 1991 Semper's commitment to and product development of gluten free foods began.

At Semper we are very proud of our strong history, how we have evolved through innovation and staying at the very front, while honoring and staying true to our heritage. Between 1960 and 1990 there were many things going on at Semper. Everything from blue cheese to Pucko, cocoa powder and toys were launched. However, baby food continued to be at the heart of the business.

During the 1990s, the demand for gluten-free products grew in Sweden, and Semper was quick to meet that consumer need. Today, the company has its own gluten-free crispbread bakery in Falun and a test bakery at the head office in Sundbyberg, where various recipes are produced in close cooperation with consumers and nutritionists.



CHAPTER 2

Our raw materials

By investing in both locally produced raw materials and remaining close to the producers, it is easier to ensure the quality of the raw materials we use. Everyone in our supply chain must work in an ethical and environmentally conscious way.

Sustainability initiative

In 2019 a common overall initiative for sustainability issues has been established for Hero and Semper.

It is divided into three parts as shown below:

There are specific goals set for a sustainable supply of goods. They are also valid for the production units within Hero and Semper. There are also goals set to

develop food in accordance with new insights in combination with existing recommendations on food selection and nutritional intake.

OUR SUSTAINABILITY COMMITMENT



with FARMERS/SUPPLIERS
Conserve RAW MATERIALS
via Sustainable Sourcing



within OUR PRODUCTION
Conserve NATURAL RESOURCES
via Net Neutral Production



with OUR CONSUMERS
Conserve NATURE'S GOODNESS
via Naturally healthy food

CONSERVING THE
GOODNESS OF NATURE
– CLIMATE POSITIVE 2030



Semper has a special team within the company to handle issues regarding sustainability, and during 2019 the team adopted the Sustainability Manifesto of the Swedish Food Federation. In the manifesto, different areas are in focus and the idea is that food companies, regardless of their business, should find important areas to work on. The five commitments that have been established for a sustainable and viable Swedish food production are:

- 1 **We are committed** to working towards being fossil-free in 2030, meaning both fossil-free energy in production and fuel for transportation.
- 2 **We are committed** to working towards halving food waste in our production and contributing to a reduction in food waste in primary production, in trade and with our consumers.
- 3 **We are committed** to working to achieve 100 % material recyclability on all packaging types in 2030 and to achieve a higher degree of recycled materials in our packaging.
- 4 **We are committed** to having – by 2020 at the latest – a code of conduct and a policy for working environment in our supply chain. The policy should be followed up every year.
- 5 **We are committed** to increase efficiency on our water use. We carried out a survey in 2019 and promise to have established efficiency targets by 2020.

Wastage

Wastage occurs throughout the entire value chain of the food industry to secure that the food that is being produced is completely safe. Meaning all food production companies have some form of wastage. At Semper, we are attempting to reduce our waste in several ways, and we put particular effort into combatting having to discard products or ingredients. This is important work in line with Semper's sustainability strategy.

Wastage can occur as part of production, particularly when commencing and completing a manufacturing cycle. The material produced at this point does not offer the absolute quality required for the food product to proceed along the

chain to be packaged. Thanks to a collaboration with a company that recycles material from our operations, currently no waste is discarded from Semper's production plants.

Wastage can also occur at our warehouse in Örebro. If products are not able to be sent out with an acceptable margin in terms of its best-before date by our customers, we must act immediately. In these cases, we are able to sell the food products to customers with other best-before requirements. During 2019, our sales to these customers has increased. Compared to 2018, Semper has during 2019 more customers accepting shorter margins to the best-before date. 2019 has up to date been the year of

least amount of wastage, a direct result of a close contact between different departments within Semper and our customers. Through the close contact between departments, we have been able to identify if one or more foods are at risk of having a best-before date that is too short – and acting upon it. Several of our customers have helped by being flexible with their demands on shelf life of the delivered products.

We also have a collaboration with Matcentralen, Stockholms Stadsmission. This involves us providing them the food that we are unable to sell due to the short amount of time left on their best-before dates. Transports to them are handled by our transport partner

Sempers appointed Sustainability team also has a focus on product development with the main purpose to contribute to sustainable eating habits and healthy living. The research projects that Semper support also contribute to this.



Götene and Unescos biosphere reserve

Our production plant in Götene is situated in a biosphere reserve and here we contribute to building one of the global model areas for sustainable development. Semper has chosen to be a part of Unesco's biosphere reserve. This means that there is a strive to protect and preserve biological diversity and to promote a healthy eco system.

DHL The collaboration with Matcentralen is working well and we see this as a long term thing.

Proactive efforts are Semper's best way to avoid unnecessary waste. The improved forecasting work of 2018 has been a large contributor to the decrease in wastage during 2019. We are also working on analyzing our product portfolio on a regular basis, to make sure we avoid products that contribute to more wastage than necessary. That is good for our business, and great for the environment!

Suppliers

To us, it is important that anyone growing, handling and producing our food products have worked in an ethical manner. They themselves should have been treated well and consciously work on environmental issues. As part of the Hero Group, Semper is a member of Sedex, non-profit membership organisation that works to strengthen responsible business in global value chains. Sedex produces guidelines for ethical business in four areas: labour rights, health & safety, the environment and business ethics. Semper requires new suppliers to join Sedex if they have not already done so. We also accept a supplier being a member of a similar organisation.

New suppliers must also confirm adherence to the Hero Group's (and thus Semper's) Code of Conduct. The Code of Conduct covers issues such as human rights, child labour, forced labour and the environment. Suppliers are asked to read the Code of Conduct and confirm their adherence to the Code.

The idea behind the Code and Sedex's guidelines is that they should be conveyed along the supply chain, that is, our suppliers convey them to their suppliers. In doing so, we want to reach

everyone along our entire supply chain. A proximity to suppliers makes it easier to counteract a lack of respect for people and the environment along our supply chain. A large amount of the raw materials Semper purchases come from Swedish producers. Such raw materials include our grains (oats, wheat and rye), our milk and our rapeseed oil, which has minimum impact on our environment. This reduces our environmental footprint. Other ingredients used at Götene and Korsnäs may originally come from countries outside Europe, but they are purchased from suppliers within Europe. This means a close contact with suppliers, enabling us to easily raise questions where necessary.

Supplier audits

When we launch a collaboration with a new supplier, we plan a visit to that supplier. During this visit, we form a view as to how the supplier is performing in areas such as the environment and working conditions. Similar supplier audits are also carried out with existing suppliers. During 2019 we have had a bigger quality focus with the goal to create a method for standardization of risk assessment of our suppliers. We have designed a template for risk assessment based on safety and quality factors. With this risk assessment we will be able to get an indication of how often a supplier needs to be audited.

Semper does follow ups on how many of our suppliers are members of Sedex and have confirmed our Code of Conduct in writing. At the end of 2019 the number of suppliers who were members of Sedex, was 96 % which is an increase compared to the previous year. Semper will continue our work to increase the number of suppliers with a membership and for our suppliers to become SMETA-certified (Sedex Members Ethical Trade Audit Certification). By the end of 2019,

the number of suppliers who had confirmed in writing that they adhere to our Code of Conduct amounted to 52 %. This number is an increase compared to the year before but is still considered non-satisfactory. This low number is due to the fact that suppliers who sent in their own Code of Conduct instead of confirming adherence to ours, are not included, even if their Code of Conduct proved to be equally acceptable. We are yet to solve how to include those who have referred to their own codes. No deviations from Sedex's guidelines or Semper's Code of Conduct has been detected at our suppliers in 2019.

Environmental audits among suppliers

At Semper, we have become more active in our efforts relating to our environmental impact. Naturally this also includes how our suppliers of raw materials act. The environmental section of Semper's Code of Conduct is based on the principles of the UN Global Compact. The Code of Conduct – which our suppliers must sign – specifies the following about our environmental initiatives:

"We proactively undertake initiatives that promote environmental responsibility and encourage development and diffusion of environmentally friendly technologies."

Semper's active efforts relating to the environmental requirements placed on our suppliers of ingredients are still fairly new, and we are currently working on a list of demands. Moving forward, we will more carefully review potential suppliers' environmental initiatives before entering into a collaboration. Many of our suppliers already have their own, well-developed systems to tackle various environmental issues.



HUMAN RIGHTS & CHILD LABOUR

A matter of respect

It is important to Semper when we choose our suppliers that they live up to our demands in our work regarding human rights.

To us, it is important to eliminate the risk of having people working with our products being victims of discrimination, unjust working conditions or harm in any other way.

In addition to Sedex's guidelines, Semper's position on human rights is based on the principles of the UN Global Compact (UNGC) concerning human

rights, as well as the conventions of the International Labour Organization (ILO). These principles are communicated to suppliers via our code of conduct. When we want to start working with a new supplier, they must first approve our code of conduct and join Sedex. We also accept suppliers that have an equivalent code of conduct and are connected to an equivalent organisation.

Human rights in the code of conduct

The following principles are contained within our code of conduct, which should also be followed by our suppliers in relation to their employees:

FORCED LABOUR OR FORCED DUTIES

Semper entirely rejects all forms of forced labour or forced duties.

DISCRIMINATION

Semper does not discriminate on the basis of gender, transgender identity or expression, ethnic background, religion or other religious affiliation, physical impairment, sexual orientation or age. Semper offers employment in a non-discriminatory manner that is solely based on skills and competence.

UNION AFFILIATION

All of Semper's employees have the right to union affiliation.

EMPLOYEE SAFETY

Our employees are our most important asset. For this reason, Semper works proactively to eliminate work-related accidents, injuries and sickness. By accepting mutual responsibility for working in a safe manner, we can continue to reduce injuries and sickness.

Children have always been at the core of Semper's operations, and their health and well-being are matters close to our heart. For this reason, it is extremely important to us to help ensure that child labour is reduced globally. We are happy to see a certain positive change across the world. Our Code of Conduct conveys the principles of the UN Global Compact against child labour. The Code of Conduct also refers to the Convention concerning Minimum Age for Admission to Employment – ILO's Convention 138 – and to the Convention

concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour – ILO's Convention 182. We were not aware of any cases of child labour in Semper's supply chain in 2019.

When we choose suppliers, human rights are an important factor. This to eliminate the risk of having people working with our products being victims of discrimination, unjust working conditions or harm in any other way. We were not made aware of any cases of violation against human rights in our Supply chain in 2019.



CHAPTER 3

Production

We produce food for your children – and for generations to come.



Energy

A very important issue for us at Semper is our choice of energy sources and the amount of energy we consume. Our environmental policy is designed to help us to manufacture and offer food with lower environmental impact.

Our environmental policy specifies that Semper is to supply food produced with the aim of minimising the burden on the surrounding environment, and that we should continuously improve our environmental considerations by way of energy-efficient equipment, for example. Our sustainability strategy and quality policy also touch on the issue of energy, and with support from these documents we pursue continuous efforts to reduce our energy consumption.

Our main focus in 2019 has been the new spray tower that was installed in Götene in 2018 and was up and running in production during the year. Our expectation is a doubled capacity compared to the

old tower. The new spray tower is more energy efficient and even if it is still difficult to estimate, we expect to be able to reduce our energy consumption even more moving forward. In 2020 we will be able to report figures on energy efficiency.

A long-term change from fluorescent to modern LED lamps throughout the system was started back in 2014. This is an ongoing project and during 2019, about 300 fixtures were changed to LED. Resources to change all fluorescent lamps to LEDs has been appointed and will continue during 2020.

In Korsnäs we have mainly worked to achieve a better functioning production and therefore no major energy invest-

ments have been done. But a reduction energy consumption is an important factor that we will invest in in the future.

The greatest part of Semper's energy consumption can be found in our two production plants. The plant in Götene is the most demanding of all – here energy is the second largest cost after salaries. 70 % of the energy purchased by the plant in Götene consists of steam from Götene wood chipfired plant and 30 % consists of electricity. The steam is used in the drying process of our products. The electricity is primarily used in the electric motors of our heat fans and pumps. In Korsnäs, electricity is 100 % of the energy we buy.

THE YEAR IN NUMBERS

The numbers below refer to the energy consumption within production.

Korsnäs production plant

Energy consumption:

2017: 1731 MWh

2018: 1708 MWh

2019: 1806 MWh

Energy/tonnes produced:

Year	MWh/tonnes produced:
2017	1.51
2018	1.65
2019	1.76

Regarding energy sources for electricity to Korsnäs (2019):

Renewable: 73 %, Fossil fuels: 14 % and Nuclear power 13 %.

Götene production plant

Consumption of steam at Götene:

2017: Biofuel 96.4 %, Oil 3.6 %

2018: Biofuel 96.6 %, Oil 3.4 %

2019: Biofuel 97 %, Oil 3 %

Energy/tonnes produced:

Year	MWh/tonnes produced:
2017	3.43
2018	3.36
2019	2.37

Regarding energy sources for electricity to Götene (2018):

Renewable: 16.7 %, Nuclear power: 40.6 % and Fossil fuels: 42.7 %



Water

All water that comes into contact with food products must be drinking water-quality.

In Götene, where our most water-intensive plant is located, we are fortunate to have two reliable water sources: municipal water from Lake Vänern and groundwater from our own source, the Västerby source. Access to water is a central issue we continuously work on. We measure and try to limit our water consumption both from environmental and financial perspective. We also attempt to restrict the amount of milk residue and detergent or cleaning agents in our waste water. These efforts go hand in hand with Semper's sustainability strategy and Götene's environmental policy, which promote initiatives ensuring the efficient use of resources.

Semper has an environmental permit shared with Arla. This permit specifies our emission rights in terms of waste water, that is, how much waste water we are permitted to release into treatment plants and how polluted it is permitted to be. If the Götene plant exceeds the agreed level of emissions, we must then manage the remaining amount of wastewater ourselves, which we do by temporarily diverting it on to so-called "catastrophe tanks". To reduce the amount of water directed to the water treatment plant, Semper transfers condensate water to a wetland area. Once it has undergone a natural, microbiological treatment, the water diverted here can then be released out in the Götene river.

THE YEAR IN NUMBERS

Götene production plant

Surface water (municipal water from Lake Vänern).
Groundwater (own water from Västerby source).
No other sources of water were used.

Year	Total water consumption, own source (m ³ /month)	Total water consumption, own source (m ³ /month)
2017	8 417	7 707
2018	7 378	6 234
2019	6 902	4 129

Korsnäs production plant

Year	Total water consumption (m ³ /month)
2017	1 513
2018	1 181
2019	1 208



CARBON DIOXIDE EMISSIONS

Transports

Our travel policy specifies that our employees are to choose environmentally friendly means of travel, and for those who depend on their car we arrange training in eco-driving.

By making our transports more efficient we can contribute to the UN's sustainable development goal to reduce greenhouse gas emissions. Shipments from our facilities must go relatively fast, given the limited durability of our products. Our supply chain division regularly looks for alternative transport routes, but as for now we are dependent on transport via trucks. For the sake of delivery security, we opt for the larger carriers. Most of our production facilities are located in Europe and we never chose air transport as an alternative.

A constant optimization of transport

To make our transport as efficient as possible, most of our transports from Götene and Korsnäs to our warehouses in Örebro are full cars. This to make transports as efficient and environmentally friendly as possible. For a flow of transport, we have created a system making sure our trucks don't run empty. They go on rounds, transporting baking

mixes that are produced in Götene to Korsnäs. There it is used for crispbread baking. The same car dropping off the baking mix in Korsnäs, picks up ready crispbread and drives it to the warehouse in Örebro. And this is how we reduce the number of kilometers that trucks drive empty. In general, we work with large transporting companies because they also aim to drive full cars and combine shipments to achieve this.

We stay up to date on weather reports to ensure that we do not use climate-controlled vehicles when not needed, unless it is too cold for regular vehicles. This reduces the negative environmental impact and the cost. To avoid having climate-controlled vehicles running on the weekends, we avoid transporting goods during Saturdays and Sundays.

The most efficient way to reduce emissions from our transports, is of course to reduce the number of transports. Our goods are transported on European pallets. Depending on the product and

packaging, the pallets are either placed alone on the truck floor or stacked two on top of each other – so called double stacking. Goods which can be double stacked of course require half the space in the truck, meaning the number of transports can be halved. During product launches we try to develop products that can be double stacked, as well as reviewing what existing products could be adjusted for double stacking in the future.

Our travel policy specifies that our employees are to select environmentally friendly travel options. For employees who drive a lot as part of their role, we also arrange training programs in environmentally friendly driving methods, known as eco-driving.

THE YEAR IN NUMBERS

Year	CO ₂ emissions
2017	2 065 CO ₂ e/tonne
2018	983 CO ₂ e/tonne
2019	1 163 CO ₂ e/tonne

CHAPTER 4

Safe food

At Semper we work extra carefully with food safety, quality and nutrition. The food we produce is adjusted and developed for young children and people who are sensitive to gluten – and their well-being is always our main focus.



Food safety and quality

How we produce safe and high-quality food products for all of our consumers.

At Semper, we know how important it is for children – and adults – to have nutritious and tasty food. Everyone should be able to feel safe when they choose food from Semper. Food safety is one of our main focuses.

Because people with gluten intolerance can suffer from gastrointestinal disorders if gluten finds its way into their diet, it is our responsibility to secure all our products made for them. The safety work is extra important when it comes to our baby food because Infants and toddlers are more sensitive than adults to unwanted substances such as mycotoxins, heavy metals and pesticides. To avoid unnecessary strain on their small bodies we have rigorous controls throughout the production of our baby food.

The presence of unwanted substances from mineral oils in baby foods have been an issue for a number of years now. During 2019 it was in focus. Semper has been working actively with the issue for more than a decade and in Götene, we only have food grade oils that have been food approved. And as the new tower and production line has been installed this issue came in focus again and we have taken the measures so that all oil that comes in contact with our food holds approved food quality.



About gluten intolerance

Gluten intolerance also goes by the name coeliac disease and it is currently estimated that around 1–2 % of the global population suffers from coeliac disease. Gluten is a protein found in our common varieties of cereal such as wheat, barley and rye. Gluten intolerance can only be treated by entirely eliminating gluten from food. Having coeliac disease means that the lining of the small intestine is damaged by gluten, which in

turn means the body is not able to process vital nutrients in a satisfactory way. Gluten free diet needs to be maintained for the rest of the person's life so that the symptoms and risks of complications, such as lack of nutrient deficiency do not increase.

There can be several reasons why other groups of people would wish to maintain a gluten free diet. Among others, people who have

non-coeliac gluten sensitivity. Finding cereal based gluten-free food can be difficult. This is why Semper wants to make sure it is easy to enjoy good food and vary your diet – even if it can't contain gluten. Among other things, we offer bread, baking mixes, pasta, breakfast cereals and biscuits – all gluten-free. The products hold a close resemblance to corresponding food with gluten.



Our youngest consumers are extra sensitive, making our safety work extra important when it comes to our baby food.



Marketing of infant formulas

Semper adheres to the WHO code adopted in 1981 that regulates marketing of infant formulas and aims to safeguard breastfeeding.

The quality work

A chain is only as strong as its weakest link. This is why Semper places strict safety and quality requirements on its suppliers of raw materials. During our visits to the suppliers, we make sure the supplier is complying with food and baby food legislation and whether they are meeting our own specifications for purchased food products. We also monitor how the supplier is working generally on areas such as traceability, allergens and hygiene. Semper's control functions are in place from the supplier of raw materials right up to the point at which we receive the raw material at one of our production

plants. Many of our suppliers have certified products, which is a mark of quality in itself. However, Semper also conducts random tests of all the different raw material we receive, whether they are certified or not. In terms of grains, for example, we test for heavy metals and mycotoxins, while for vegetable oils we test whether the oil contains undesirable remnants of pesticides. The raw materials in our gluten free products are purchased with Certificates of Analysis (COAs) and we have serious suppliers who fulfil our quality requirements – not just in terms of the absence of gluten but also in

terms of microbiological quality and foreign substances. Both external and internal audits are also carried out at Semper. The Swedish National Food Administration is the supervisory authority for the plant in Götene, and they visit us several times per year in both pre-announced and unannounced visits, the latter being known as surprise inspections. A food inspector from the City of Sundbyberg visits the head office at least once a year in a supervisory capacity. In Korsnäs, the food inspector from Falu municipality carries out an annual inspection of the bakery. Internal audits are carried out around once per year at each plant.

Governance and legislation

Semper's quality policy is the foundation of everything we do within the organisation.

Semper's plants in Götene and in Korsnäs are certified in accordance with Food Safety System Certification (FSSC) 22 000, an international standard for governing food safety and quality. Certification in line with FSSC 22 000 clearly shows that Semper has a proactive strategy in the area of food safety. Furthermore, the standard is recognized globally and facilitates communication about quality in an international market.

For Semper's gluten-free products, Swedish food legislation applies. Specific legislation is applied



to baby food, namely EU regulation no. 1881/2006 and EU directive 2006/125/EG. These rules apply to packaged food products intended for children, from birth up to 3 years of age.

The legislation regulates the quality of ingredients and food for baby food, with specific limits in place regarding remnants of pesticides, heavy metals and mycotoxins. Standard food products available for sale in supermarkets may contain far higher levels of these undesirable substances when compared to baby food. In a homemade porridge containing mashed strawberries, for example, the strawberries could contain one thousand times more anti-mould agent than those contained in a strawberry baby porridge by Semper.



Semper's Headquarters in Sweden, as well as the offices in Norway, Finland and Denmark, are certified according to ISO 9001

Only food grade oils

The presence of unwanted substances from mineral oils in baby foods have been an issue for a number of years now. During 2019 it was in focus. Semper have been working actively with the issue for more than a decade and in Götene, we only have food grade oils that have been food approved. During 2019 discussions have been held regarding what substances should be limited and suggestions for methods of measuring. Limits have been presented by the European Food Authority. And as the new tower and production line has been installed this issue came in focus again and we have taken the measures so that all oil that comes in contact with our food holds approved food quality.

No traces of gluten

Semper works meticulously to ensure that our gluten-free products do not contain any traces of wheat, barley or rye. These products may not be contaminated by gluten during manufacturing, transportation or packaging. Take Semper's "Pure oats", for example, which are safe to eat for people with a gluten intolerance. It is specially handled from sowing to cultivation, threshing and processing of the grain, which minimizes the risk of mixing them with other types of cereal. Each set of the oats is then analysed to ensure it does not contain any gluten.

The precautionary principle

At Semper we know that it is extremely important for parents of infants and young children to feel sure that the food they serve is not only delicious but also supplies their children with the required nutrients. We also want the children to enjoy different sensory experiences, and last but not least, we want our food to play a part in laying the foundations for a healthy diet. In the event that something should happen and Semper needs to recall a product, the precautionary principle is always applied. This means that we decisively recall products that do not meet our established quality requirements.



A good diet early on, affects health later in life

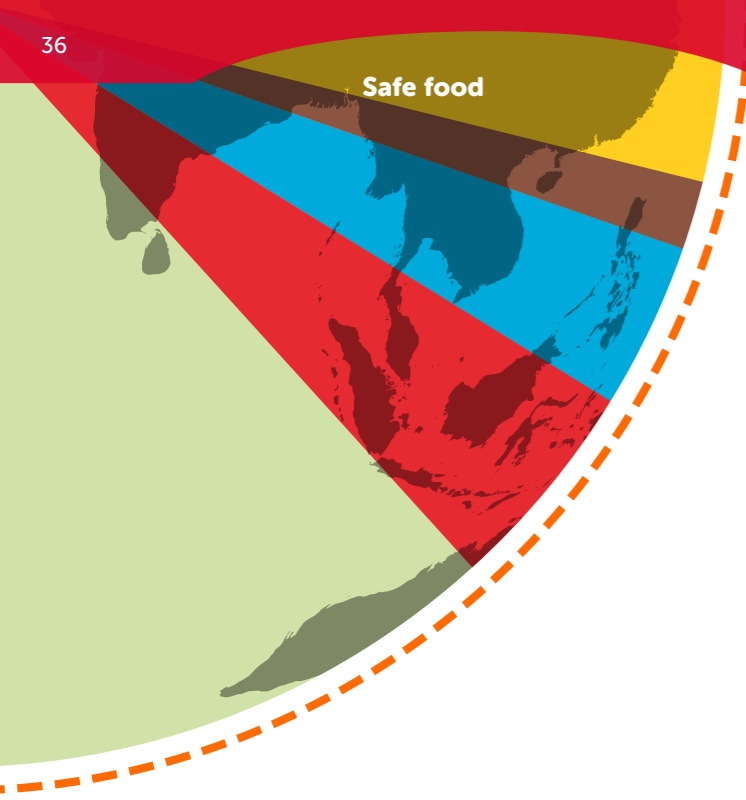
At Semper we know nutrition and what part it plays of good health.

Nutritional content is important for all of our food products, but particularly those intended for the very youngest. Infant formula is Semper's best example of this. No other food is as significant, given it needs to satisfy the entire range of nutritional needs during a period in which the infant should gain threefold in weight and when the brain is developing rapidly. For this reason, the content and safety of our infant formulas is one of our most important responsibilities. By actively participating in research we can stay assured that our food products for the youngest of consumers, hold the highest standard.

At Semper we follow current recommendations within the fields of nutrition and ingredients for infants and young children. A diet based solely on Semper's baby food fulfils both the Nordic Nutritional Recommendations (NNR) and recommendations issued by the Swedish Paediatric Society, European Society for Pediatric Gastroenterology, Hepatology and Nutrition (ESPGHAN) and the Swedish National Food Administration.

When we develop our baby food, we always adapt the choice of ingredients and composition in a way that ensures the food contributes to the nourishment of the child, while enabling parents to lay the foundations for a healthy diet. We offer foods that accompany children along their entire journey with food, from birth up until the point they eat their family's food. Based on recommendations that specify that the introduction of solid foods can begin from 4–6 months of age, we have developed varying types of food to ensure children can gradually adapt to new flavours and consistencies. And when they develop teeth, their food has small soft bites to practise chewing – which also stimulates the child to use its tongue. Great practise for meals to come around the family table.

We carefully study current development in the field of sustainability to unite a sustainable food production with improved health. It is our belief that if one wants to see a change in diet patterns in adult food, we need to start early and see to it that it is reflected in the food we serve our children.



Research into baby food

Studies are continuing across the globe in the field of baby food and nutrition, for example concerning different nutritional compositions and whether they can be improved. Semper is contributing. We drive research into nutrition forward by way of clinical studies and ensure that our baby food satisfies the needs of children. Semper also has a scientific advisory board in which we raise issues that we want to highlight within the field of research.

There is a general consensus nowadays that food we consume early on in life has an effect on health later in life and that dietary factors during infancy affects the risk to suffer from diseases such as obesity, blood fat disorders, type 2 diabetes and high blood pressure later in life. High intake of protein during the first years of life is linked to overweight.

Today there are no clear recommendations regarding complementary foods, how they should be introduced or what they should contain to give every child a good start and form healthy eating habits. However, there are studies that show that children in many countries do not eat the recommended intake of

fruits and vegetables, which is important from a health standpoint. Some of the changes we all are facing when it comes to eating habits, is that our diet needs to be sustainable. This topic received extra focus during the year when the reputed medical journal The Lancet published the report "Food in the Anthropocene: the EAT – Lancet Commission on healthy diets from sustainable food systems". It highlighted what is needed for the future population of 10 billion by 2050, to have a healthy diet from a sustainable food production. The report shows that when it comes to choosing raws we generally should increase the intake of legumes, root vegetables and vegetables. Changing eating habits can take time and at Semper we would like to help to contribute early in life. This should also be seen in the light of the fact that young children normally start to show a growing suspicion against new flavors and textures by the end of their first year.

Semper supports and has developed food for a study called OTIS (optimised complementary feeding study) which is carried out at the Children's Clinic's research unit, Umeå University. It is a randomized study with 250 children

divided into two groups. When the parents chose to start with complementary foods, the children in one group were systematically introduced to fruit and vegetables and then served a diet that was extra rich on vegetables, root vegetables, berries and fruit. And in addition, it contained less protein. The other group was given healthy traditional baby food. The children were followed until the age of 18 months. A number of factors were examined, for example: growth, body composition, insulin resistance, metabolism, intestinal flora composition as well as the desire to try new healthy foods.

During the past year, the first results showed that the children who got a systematic introduction of fruits and vegetables, at 9 months of age ate significantly more vegetables and fruits than the children in the second group. The infants in the group who ate more vegetables and fruits had a 30 % lower protein intake. The children in both groups showed satisfactory growth at the age of 9 months. This is very valuable knowledge that shows that a more sustainable diet also suits infants and young children.



The results of this study will be presented at international pediatric and nutrition conferences.



Guided by business ethics

We are actively combatting
corruption and bribery.

Combatting corruption is a fundamental issue for Semper

There is always a risk of the spread of corruption within an organisation. Bribes, blackmail and price cartels can take hold and both individuals and entire sectors can be harmed. By working actively against corruption and bribery, we minimise the risk of financial impropriety in our operations and along our supply chain. National legislation in the countries in which we operate along with our Code of Conduct form the basis of our efforts against corruption. Our Code of Conduct follows the principles of the UN Global Compact in

order to counter corruption, blackmail and bribery. The Hero Group – and thus Semper – are also members of Sedex, a non-profit membership organization that works to strengthen responsible business in global value chains. Sedex produces guidelines in several important areas, including ethical business practices.

Rules governing invoicing

To avoid irregularities or abuse within Semper's own accounting system, we have rules and procedures in place for how invoices are to be handled and how new suppliers are to be set up.

For example, one person is not permitted to approve an entire series of transactions. An employee who sets up a new supplier in our system is also not permitted to initiate an invoice from that supplier.

When an invoice has been added to our business system, there is a well-developed framework governing who may approve and book that invoice. Whether an employee may approve or book an invoice partly depends on which position that person holds and partly on the amount of the invoice.

Work with suppliers

Our anti-corruption efforts naturally go far beyond Semper's own operations – checks along the supply chain represent one of our anti-corruption initiatives. Semper's Anti-Bribery and Anti-Corruption policy covers how an approval process of new suppliers should be carried out and highlights potential "red flags", that is, warning signs in suppliers' behaviour that employees should be aware of. Semper's suppliers are expected to approve our code of conduct or present a suitable equivalent. We also require new suppliers to be a member of Sedex or of a similar organisation.

Plans going forward

In 2019, most of the relevant personnel have gone through training in the areas of anti-corruption, competition and anti-trust, to thoroughly acquaint them with our new Anti-Bribery and Anti-Corruption policy. In 2020 more employees will be given the opportunity to go through training in Anti-Corruption. At the end of 2019, the proportion of suppliers having joined Sedex was 96 % and the share that had been SMETA-certified (Sedex Members Ethical Trade Audit Certification) was 90 %. Semper will work to increase both. The number of suppliers who had confirmed that they adhere to our code of conduct increased to 52 %.

Semper has had no case of corruption or bribery in 2019.

Semper in society

Everything we do is active work to promote good eating habits for children - and contribute to our core values.

Save The Children

Semper is actively working for every child's right to good health and the opportunity to develop. A notion established in the UN Convention on the Rights of the Child as well as the UN's global sustainable development goals. Among our long-term targets for sustainable health is that Semper always should promote healthy eating habits among children.

But even though our food and our information are important tools in our strive to be a supporting power in society, there are more things we can do to contribute. Here are a few social issues that are important to us:

Semper has collaborated closely with Save The Children over the years, both in past long-term projects and by way of donations to catastrophe-relief efforts. In early 2017, we launched "Children's right to good health". In this three-year project we support and work with Save The Children

by providing information and lectures about nutrition and children's health. In addition, we are donating MSEK 1.5 to Save The Children's overall efforts.

During 2019 our support to Save The Children's parental projects have helped to strengthen parents by:

- Enabling resources to support Save The Children's members to start up new parental groups.
- Contributing with facts and method materials for parental support.
- Expanding the knowledge dissemination within the target group concerning the importance of health and diet for small children.
- Contributing to more children in vulnerability to get the right diet and improved health, to increase their living conditions.



Semper supports and participates in clinical research projects at universities and colleges within the nutrition area for infants and young children mainly in the Nordic countries.



Plan International

For Christmas 2019, all of Semper's employees gave the amount for their personal Christmas gift to Plan International. The total sum is enough to provide 400 children in Guatemala with school lunch for a whole year.

One of the most important things to us is for all children to have good health. We are grateful that we are able to contribute and invest in school meals to the future children of Guatemala. All employees at Semper are proud of this contribution as it has a strong connection to our core business and vision that every child has the right to nutritious food.

The money Semper is giving will go to school meals in a project in Guatemala addressing the inequality between the sexes, promotes the rights of young people to go to school, as well as better prerequisites to complete their education.

To increase the possibility for students to go to school they get a scholarship. Plan International does a thorough analysis of which students are most in need of a scholarship and which of them also shows a willingness to study. For the efforts to become long-term, the parents of the students also participate in programs. They receive training so that they can support their children throughout school. They learn about the impor

tance of education, no violence against children - neither physical nor mental, gender equality and how to counter child and forced marriage.

The scholarship is awarded on an annual basis.

Plan International is fighting for a fair world that reinforces children's rights and girls' equal rights. It is one of the world's largest child rights organizations with operations in over 75 countries.

Plan International is politically independent and non-religious, everything they do is based on the UN Convention on the Rights of the Child.



Our major stakeholders

Our most important stakeholders are owners, customers (retailers), consumers, employees, municipalities, authorities, the healthcare system, universities, colleges and others. With stakeholders we refer to the groups who are affected by our operations or who we influence. And we continuously pursue an open dialogue with our stakeholders in order to develop our sustainability initiatives based on what they consider to be the most important issues.

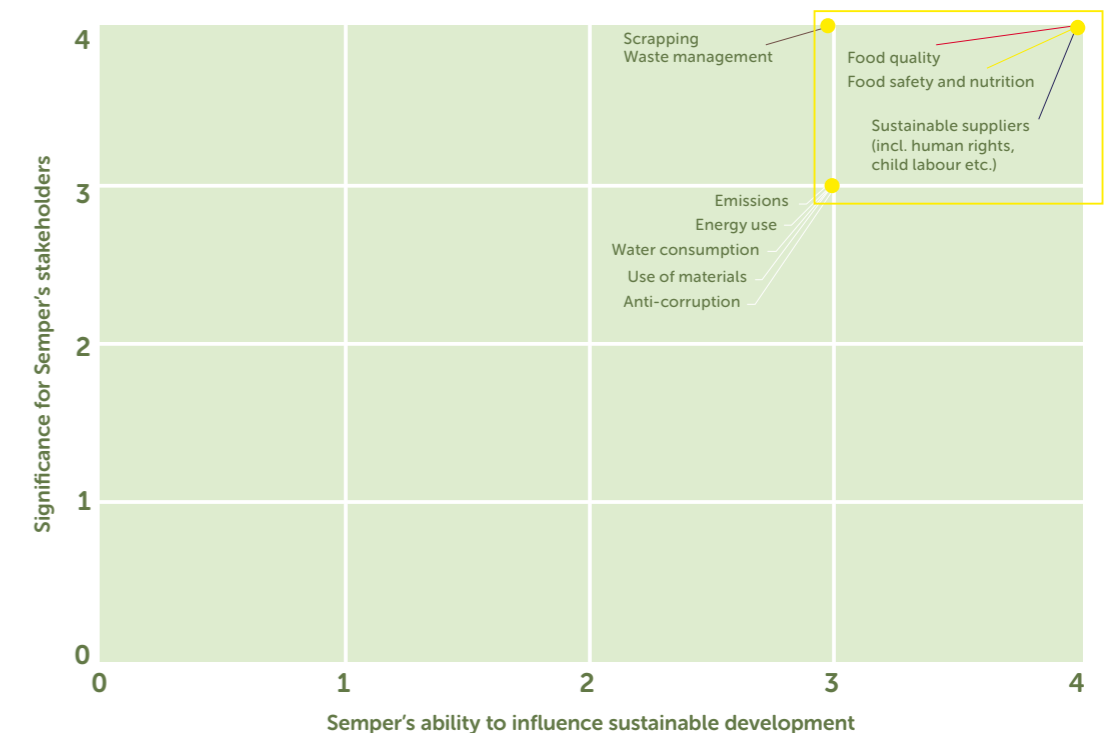
From Semper's value chain, and through an external analysis of global guidelines, we started our analysis with the help of internal experts. We conducted interviews and sent questionnaires to our stakeholders. Based on this, we identified important areas within sustainability to prioritize sustainability issues that are most relevant for us to work with. During the course of work, we also considered the GRIs reporting guidelines. The model to the right shows what sustainability issues were highlighted.

STAKEHOLDER	COMMUNICATION
Employees	Interviews Workshops Surveys
Customers	Contact with consumers Social media Surveys
Consumers	Surveys Dialogue/discussions Contact with consumers Social media
Public authorities	Information meetings Inspections
Municipalities	Information meetings Inspections
Universities & colleges	Scientific meetings Mentoring
Stakeholder organisations	Project collaborations Information meetings
Trade organisations	Committee activities

Semper's management group ultimately validated the sustainability issues and decided which focus areas the company would work on in order to contribute to sustainable development.

The diagram to the right shows the results of our materiality analysis.

Importance to Semper's stakeholders (y-axis)
Semper's ability to influence a sustainable development (x-axis).



This report has been produced in accordance with the Global Reporting Initiatives (GRI) reporting standard and is in line with the GRI Standard Core option.

GRI STANDARD NUMBER	PAGE	SCOPE/COMMENT	
ORGANISATIONAL PROFILE			
102-1	Name of the organization	p. 4-5	Semper AB
102-2	Activities, brands, products and services	p. 4-5	
102-3	Location of headquarters	p. 5	
102-4	Location of operations	p. 4-5	
102-5	Ownership and legal form	p. 5	
102-6	Markets served	p. 4-5	
102-7	Scale of the organization	GRI Index	See Semper AB's sustainability report
102-8	Information on employees and other workers	p. 17	
102-9	Supply chain	p. 8-9	
102-10	Significant changes to the organization and its supply chain	p. 8-9	
102-11	Precautionary Principle or approach	p. 6, 34	
102-12	External initiatives the organisation supports and/or are affected by	p. 44-45	
102-13	Membership of associations	GRI Index	<ul style="list-style-type: none"> • The Swedish Food Federation • The Swedish Food Retailers Federation • Specialised Nutrition Europe (SNE) • Swedish Nutrition Foundation (SNF) • Normpack • Svenska retursystem • GS1 • Validoo • The Packaging and Newspaper Collection Service • Platskretsen • Returkartong • Metallkretsen • Svensk glasåtervinning
STRATEGY			
102-14	Statement from senior decision-maker	p. 3	
ETIK OCH INTEGRITET			
102-16	Values, principles, standards, and norms of behavior	p. 7	
GOVERNANCE			
102-18	Governance structure	p. 8-9	
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	p. 42	
102-41	Collective bargaining agreements	p. 17	
102-42	Identifying and selecting stakeholders	p. 42	
102-43	Approach to stakeholder engagement	p. 42-43	
102-44	Key topics and concerns raised	p. 43	

GRI STANDARD NUMBER	PAGE	SCOPE/COMMENT		
REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements	See reverse		
102-46	Defining report content and topic Boundaries	p. 42-43		
102-47	List of material topics	p. 43		
102-48	Restatements of information	GRI Index	No changes	
102-49	Changes in reporting	GRI Index	No changes	
102-50	Reporting period	See reverse		
102-51	Date of most recent report	GRI Index	2019-05-31	
102-52	Reporting cycle	GRI Index	Semper annually issues a sustainability report	
102-53	Contact point for questions regarding the report	See reverse		
102-54	Claims of reporting in accordance with the GRI Standards	See reverse		
102-55	GRI content index	p. 44-46		
102-56	External assurance	GRI Index	Semper AB's auditor has seen this sustainability report, no other external audit has been carried out	
FINANCE				
GRI 205:	205-1	Operations assessed for risks related to corruption	p. 38-39	
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	p. 38-39	
	205-3	Confirmed incidents of corruption and actions taken	p. 38-39	
ENVIRONMENT				
GRI 302:	302-1	Energy consumption within the organization	p. 27	
Energy	302-3	Energy intensity	p. 27	
Energy	302-4	Reduction of energy consumption	p. 27	
Energy	302-5	Reductions in energy requirements of products and services	p. 27-28	
GRI 303:	303-1	Water withdrawal by source	p. 28	
Water	303-3	Water recycled and reused	p. 28	
GRI 305:	305-1	Direct (Scope 1) GHG emissions	p. 29	
Emissions	305-4	GHG emissions intensity	p. 29	
GRI 307:	307-1	Significant fines and penalties resulting from violations of environmental law	GRI Index	No incidents during the year
Compliance				
GRI 308:	308-1	Number of new suppliers assessed on the basis of environmental requirements	p. 23	
Supplier monitoring				

GRI STANDARD NUMBER			PAGE	SCOPE/COMMENT
SOCIAL ISSUES				
GRI 403: Occupational health and safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	p. 17	
GRI 404: Training and education	404-1	Training hours per employee	p. 16-17	We do not report per gender since this information is not available
	404-2	Employee development and training programs	p. 16-17	
GRI 408: Child labour	408-1	Operations and suppliers at significant risk for incidents of child labor	p. 25	
GRI: 412 Human rights assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	p. 24-25	
GRI: 416 Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	p. 33-35	
GRI: 419 Socioeconomic compliance	419-1	Non-compliance with laws and regulations in the social and economic arear	GRI Index	No incidents during the year



ABOUT THE REPORT

This sustainability report produced by Semper AB refers to the 2018 fiscal year. We have chosen to limit our sustainability reporting to operations in Sweden, which includes the two production plants in Götene and Korsnäs. The purpose and aim of the report is to describe Semper's

strategies, targets, visions, risks and opportunities in a transparent manner. We want to show how we can develop as a food company and contribute to sustainable development. The report primarily focuses on environmental and social issues and has been

produced in accordance with the Global Reporting Initiatives (GRI) reporting standard as well as the GRI Standard Core option. This Sustainability Report is part of the Directors' Report in the Annual Report for the period 1 January – 31 December, 2019.