



SUSTAINABILITY REPORT

2021



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PLANETARY HEALTH

At Semper we combine our expertise within nutrition with an ambition to give back to nature more than we take.

One of the three guiding stars in our revised company strategy is "Becoming sustainable"; it reflects how we can stay relevant as a company and a brand. It is a journey we have already embarked upon, and which is built on four pillars: Sourcing, Production, Products and People. We remain focused on our sustainability work because we want to give back to nature more than we take, while offering naturally healthy food to our consumers.

The potential of food

During 2021 we followed the climate discussions resulting from the release of the sixth IPCC (Intergovernmental Panel on Climate Change) report and the 26th UN climate conference (COP26) in Glasgow. The scientific proof for the damaging impact of humanity on the planet is overwhelming. And the potential for the food system to contribute to planetary health is significant.

We are proud to be part of the group of global frontrunners that are committed to SBTi (Science Based Targets initiative). Hero Group committed to SBTi in 2021, and we are currently developing a science-based plan to systematically reduce our greenhouse gas emissions in order to contribute to the hard work to keep global warming below +1,5 °C since pre-industrial times.

Reducing waste

Semper cooperates with several Nordic suppliers that are actively engaged in projects to reduce emissions. In our production facilities, we work continuously to optimise production through energy efficient technology and minimising waste.

The 2020 results of the OTIS study, that Semper is a part of, led to the launch of several exciting products

for infants and young children in 2021. The products have a higher vegetable content and various taste profiles and in many cases they are meals with plant protein that replaces or complements animal protein.

Semper's STEP app was downloaded 20 000 times in 2021, which shows that parents appreciate support in creating healthy and sustainable food habits. This lays the foundation for improved future health – for both people and planet.

Our important employees

Semper's employees are the key to a more sustainable business. Therefore, we make sure that our teams feel engaged, included and motivated. As employer we want to contribute to our people's lives in a positive way. They make everything happen.

The unavoidable complications that arise during a global crisis, such as the pandemic we have been in during 2021, result in several challenges. This can be volatile raw material and energy prices, logistical challenges and staff shortage. We have, like many companies, put our strength towards these issues and solved them one by one. Despite these challenges we remain focused on becoming more sustainable every year, and to embed sustainability in our organisation. As Semper's new CEO I am glad to continue our work on planetary health in 2022.



Jim Frandsen,
CEO Semper AB

CHAPTER 1

ABOUT SEMPER

With great experience and knowledge, we offer a wide range of good and healthy foods with sustainability in mind.

The precautionary principle

At Semper the precautionary principle means that we are always better safe than sorry.

The precautionary principle is applied since we develop food for infants and young children that consume more food per kilo bodyweight than adults, while being more sensitive to unwanted substances.

It is also applied since we develop, produce and market gluten-free food for people with celiac disease, or need to avoid gluten for other reasons.

We stand for Safety, which of course applies to all foods we offer.



ABOUT SEMPER

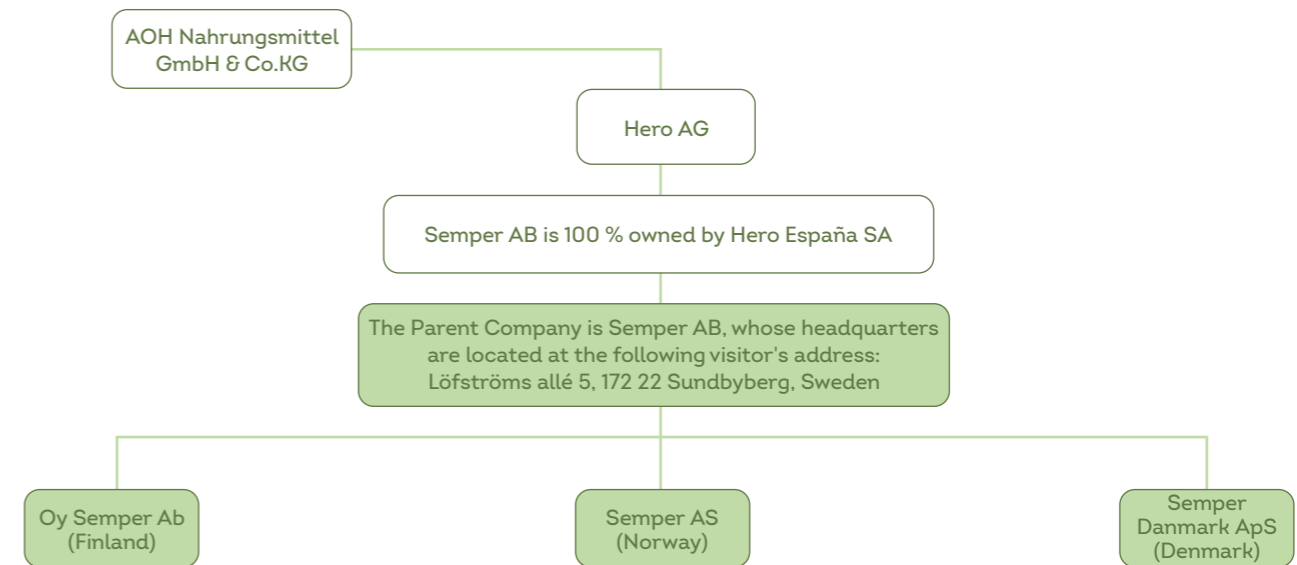
Semper is the leading producer of baby food and gluten-free food in the Nordic region. The company was founded in 1939 and is since 2006 a part of the international food group Hero, owned by the Oetker family. Headquartered in Switzerland, the Group has approximately 4,000 employees in 19 countries.

At Semper, we have 309 employees working in Sweden, Norway, Denmark and Finland. Our manufacturing site for porridge, cereal drinks, infant formula, follow-on formula, grow up milk, specialty products and gluten-free mixes is located in Götene. In Korsnäs you will find our gluten-free crisp-bread bakery which produces many different types of crisp-bread.

Semper's baby food meals, fruit and vegetable purees and our in-between meals in jars and pouches, are developed and produced together with our sister company Hero in Spain. Gluten-free cookies and crackers, soft bread and our pastas are produced in close collaboration with different suppliers in Europe. Semper also sells Corny bars, that are produced at our sister company in Germany.



Our company structure



Semper's markets

Our largest market is Sweden, but within Semper AB we also sell products to our subsidiaries in Finland, Denmark and Norway. Outside of the Nordic region we export to countries within the Hero Group such as Spain, the United Kingdom, the Czech Republic, Switzerland, the Netherlands, Egypt and China. We also export to external companies in countries such as Germany, Iceland, Latvia, Lithuania and Greece.

The retail market is our largest customer, but we also sell to pharmacies, hospitals, the service trade, larger department stores and other food producers.

Good food, early on

At Semper, we have experience and knowledge of healthy and tasty food. We have earned consumer trust, by developing and preparing good and appreciated food for babies and toddlers – for generations. In our wide range we offer cereal drinks, porridges, vegetable and fruit purees, as well as baby food and snacks.

During 2021 we have continued to develop products with a planetary health focus. The range and quality have made us market leaders in the Nordic region.

Great nutritious start

We have built knowledge of health and nutrition since the very start and been meticulous in applying this since the very first infant formula we presented in 1948. Today, we still collaborate closely with nutritionists and paediatricians. Aside from infant formula, follow-on formula and grow up milk we also offer products with probiotic bacteria and milk-free cereal drinks and porridges.

Tasty porridge and milk cereal

Semper has been market leader in porridge and milk cereals for decades. Our recipes are updated and fine-tuned to follow new research findings and recommendations. The cereals we use are of high quality and come from selected areas in Sweden, and the milk comes from Swedish farms.

Great and gluten-free

We are proud of our wide range of products, that has earned customer trust. Whether you have celiac disease or chosen a gluten-free diet for other reasons, you can live a tasty gluten-free life. Since 1991 we have offered good gluten-free food and built knowledge of what it means to live with celiac disease. We also continuously update our assortment with low-FODMAP gluten-free products. In our range you will find bread, crisp-bread, pasta, cookies and breakfast cereals as well as cookie and bread baking mixes. Semper is a clear market leader on the Nordic gluten-free market

Energi to go

Semper sells bars and smoothies under the Corny brand and is market leader for bars in Denmark. Our Corny bars are available in flavours such as chocolate, coconut and brownie.



BUSINESS MODEL

Semper's main market is the Nordic region, where we are market leaders in baby food and gluten-free food. Semper has a wide range and we develop, produce and market baby food, gluten-free food, healthy snacks and specialty products.

Our mission

Semper and Hero have a common mission:

"We delight consumers by conserving the goodness of nature"

To develop tasty, safe and nutritional food, you need good raw materials. For us to fulfil our mission in the long run, it is also required that we act sustainably to safeguard the goodness of nature for future generations. We have a commitment to preserve the resources of the planet and leave the smallest footprint possible behind us.

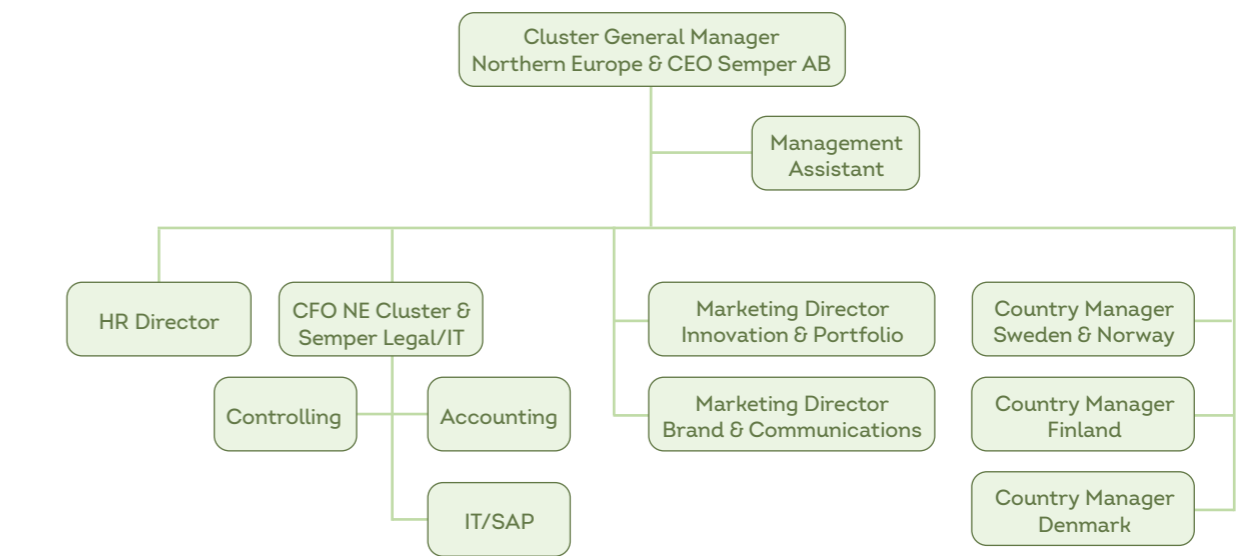
Management and organisation

Semper's management system is certified according to ISO 9001 and our management team consists of members from each department. 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 the Group, three European clusters have been formed. Semper AB is included in the northern cluster together with the companies in the United Kingdom and the Netherlands.

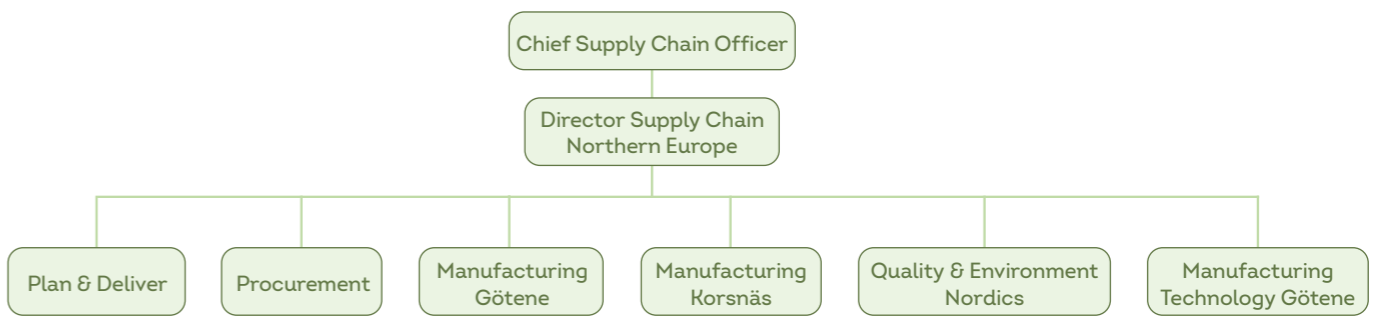
Sebastian Schaeffer was in charge of the companies in the northern cluster until

September 1st, when Jim Frandsen took over as CEO. Our supply chain, including production, is organised globally. In Europe, there is a corresponding supply chain organisation in northern, central and southern Europe. On July 1st, the areas of Product Development & Innovation and Quality were divided, such that the Quality department became part of the global organisation. To maintain a strong link between the organisations, the Director Product Development, Innovation & Sustainability, and the Director Supply chain northern Europe are included in Semper's management team.

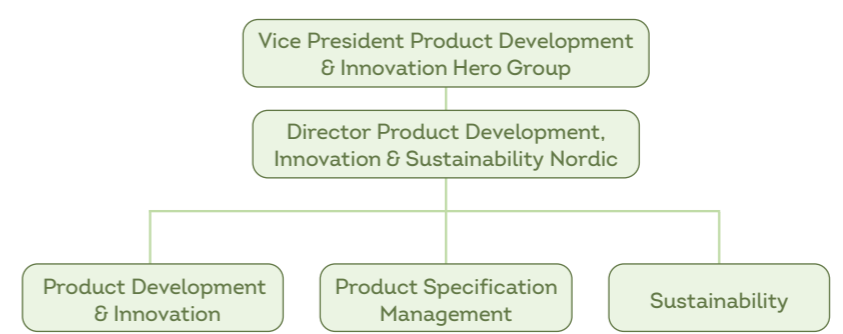
Semper organisation



Supply chain organisation Northern Europe Cluster



Product Development & Innovation organisation



Our sustainability strategy

Semper and Hero Group's sustainability strategy serves as our guide in day-to-day operations and as part of our aim to continuously improve. Our 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.

Our strategy means that:
A sustainable development throughout our entire value chain is something we strive for.

Using our extensive expertise, we continuously develop new products in a sustainable way, to

improve nutritional content and foster confidence among our consumers.

Food safety at Semper is not only important - but absolutely vital to us.

We ensure our long-term survival by making sure that our primary stakeholders are satisfied. We continuously evaluate our sustainability initiatives to identify operational areas that need 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 the Semper organisation.

RESPONSIBLE BUSINESS CONDUCT

We take responsibility to actively combat corruption and bribery and work according to the guidelines in our code of conduct.

Combatting corruption is a fundamental issue for Semper

There is always a risk of the spread of corruption within an organisation. Bribery, 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 organisation that works to strengthen responsible business in global value chains. Sedex has guidelines in several important areas, including ethical business practices. You can read more about Sedex in chapter “Our raw materials” in this report.

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 they hold and partly on the amount of the invoice. Our anti-corruption policy is available for all employees on our intranet.

Semper has had no case of corruption or bribery in 2021.

RISK ASSESSMENT 2021

AREA	RISK	RISK MANAGEMENT
ENVIRONMENT	<p>Greenhouse gas emissions The current and constant climate debate has affected society in whole, leading to more demands from customers and consumers as well as organisations and the government. With this comes an increased risk for Semper, if we should fail to meet the demands for sustainably produced foods.</p>	<p>Greenhouse gas emissions Semper continuously strives to reduce its greenhouse gas emissions across the entire value chain. We have calculated our emissions through a life cycle assessment (LCA), and as part of Hero Group, Semper has committed to the Science Based Targets in order to contribute in the fight against climate change with science based goals and actions. 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. We work continuously on transport optimisation to reduce greenhouse gas emissions. A large part of Semper’s emissions occur in early stages of the value chain. We develop methods where sustainability becomes an integrated part of purchasing and product development.</p>
	<p>Shortage of raw materials The risks caused by extreme or unfavorable weather conditions can include flooding and droughts, both of which often have a major impact on agriculture, harvests and animal husbandry. This in turn will affect the access to raw materials. A decrease in biodiversity, like a decrease in pollinating insects, could lead to decreased harvests.</p>	<p>Shortage of raw materials If there were to be a shortage of raw materials, Semper has the preparedness to adjust recipes. We have a dialogue with our suppliers to ensure early indications of any risk of shortage. We also have a focus on efficient use of raw materials and reduction of waste. We increase knowledge on the agricultural practices that best favor biodiversity.</p>
	<p>Baby food-quality 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>Baby food-quality Our suppliers are asked to sign a document guaranteeing baby food-quality. We demand a CoA (Certificate of Analysis) from our suppliers and also conduct random checks. Semper monitors the field of foreign substances, like unwanted substances found in our soils and pesticides used in agriculture, as well as substances that may form during storage.</p>
SOCIAL ISSUES & EMPLOYEES	<p>Packaging 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 Semper’s goal is to achieve 100 % recyclable packaging and to increase the percentage of recycled material in our packaging to at least 50 % by 2025. We cooperate with our packaging suppliers to access the latest developments that can make our packaging more sustainable without compromising on product quality or safety.</p>
	<p>Work environment Dissatisfaction, health issues and accidents at work pose a risk.</p>	<p>Work environment Semper’s ambition is to preventively ensure that all employees enjoy a positive work environment. We therefore carry 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. Currently, issues such as stress and health are handled by way of employee appraisals, access to occupational healthcare, wellness contributions and free medical care. During 2021, Semper decided to launch a hybrid work model after the pandemic, which means that employees who wish to work from home may do so for two days per week, if their duties allow for this. To eliminate injuries within production, the Production Manager holds a morning meeting with employees every day. A safety committee regularly makes suggestions for improvements.</p>

AREA	RISK	RISK MANAGEMENT
Continuation SOCIAL ISSUES & EMPLOYEES	<p>Expert competence Working with food for sensitive consumers such as babies, young children and people with celiac disease, requires special skills.</p> <p>Pandemic outbreak Globalisation of trade, intensification of agriculture and increased mobility are risk factors for pandemic outbreaks with high infection rates, which are a threat to society.</p>	<p>Expert competence Semper actively strives to be an employer that attracts and retains competent and engaged employees. Our recruitment policy promotes diversity and equity, we ensure transparency through our sustainability report and our employees have a collective labour agreement.</p> <p>Pandemic outbreak To minimise 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 child labour, anywhere in the value chain. For Semper it is a fundamental requirement that our suppliers' operations are conducted ethically. All suppliers need to guarantee that they do not use child labour.</p> <p>Discrimination & victimisation The risk that an individual within Semper's operational area is exposed to discrimination or victimisation and suffers due to improper treatment.</p> <p>Union affiliation The risk that union affiliation is hindered.</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 occurrence of child labour. To ensure an easy review process, Semper has opted to primarily contract the services of Swedish and European suppliers.</p> <p>Discrimination & victimisation Semper has a policy document to clearly demonstrate the standpoint of the company. Semper has a zero-tolerance approach to the violation of human rights and victimisation. 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 recognised human rights.</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>
LEGISLATION & FOOD SAFETY	<p>Recalls There is a risk that a product does not meet our quality requirements and must be recalled.</p>	<p>Recalls Semper has a robust quality control system that includes, among others: * internal checks * training * specific supplier requirements * traceability * crisis handling routines</p> <p>When something happens after all and a product that does not meet the requirements has left our warehouse, there is a recall plan that is used to recall the affected product from the market and for information to customers, consumers, healthcare and the media.</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>

CHAPTER 2

SEMPER'S SUSTAINABILITY WORK

Four pillars support our sustainability work.

SEMPER'S SUSTAINABILITY WORK

We focus on health for both planet and people in our sustainability work.

Our sustainability work is built on four pillars, that support our overall ambition to give back to nature more than we take. They also support our work on developing tasty and healthy products and our efforts to contribute positively to the lives of our employees, who are our most important resource and make everything happen.

Many of our planet's sustainability challenges can be traced to climate change, the consequence of global warming. Our main ambition therefore is to become climate positive, partially by focusing on reduction of the direct and indirect emissions of our energy use, partially by developing products with climate-smart raw materials, as well as by focusing on cooperation with raw material suppliers to drive sustainable development forward.

1. Sustainable sourcing

We work in partnership with our suppliers on sustainable agriculture and fair labour conditions. We are also innovating to make our ingredient sourcing and packaging more sustainable.

2. Net neutral production

We strive for fossil free production and transport, sustainable use of water and complete recycling of our residual waste streams.

3. Naturally healthy products

We aim to capture and conserve the quality and goodness of nature and are always innovating to make our products better for both people and the planet.

4. Purposeful people

We strive to keep our teams feeling engaged, included, and motivated. We support employee development, safety at work and social responsibility in our communities.

We write about our work in these four areas in this report.

OUR SUSTAINABILITY GOALS

Climate positive

Our overall ambition is that our activities not only neutralise but counteract climate change. We want to give back to nature more than we take and therefore we work continuously with improvements in our supply chain, our production processes and our products.

0 % palm oil 2022*

Since purchasing palm oil that with full guarantee is sustainably grown is very difficult, we choose to only market products that are completely free from palm oil by 2022.

100 % recyclable packaging 2025

We are actively working towards using packaging materials that can be recycled into new packaging or other products.

50 % recycled materials in our packaging 2025

We continuously increase the amount of recycled material (like glass and paper fibre) in our packaging.

0 % food waste 2025

All products should reach our customers without waste in production, storage or distribution.

Net neutral production 2030

We strive for fossil free production and transport, sustainable use of water and complete recycling of our residual waste streams.

Naturally healthy products for people and planet 2025

We are developing a product range for children that is healthy for both children and for the planet, based on scientific data.

*We have realised that, based on current circumstances, it will be difficult to reach this goal and we will therefore most likely need to postpone this target.



SEMPER AND THE UN GLOBAL GOALS

World leaders signed 17 sustainability goals which in 2015 were adopted as the UN's global sustainable development goals. Semper strives to actively contribute to a sustainable society and in our sustainability initiatives we contribute to several of the goals.



Zero hunger

Since we produce food, there is an awareness in all of our employees to keep food waste as low as possible. We are careful with everything in our own value chain and constantly try to avoid materials being wasted in our production. We also have an on-going collaboration with The Food Mission, Stockholm City Mission, to which we donate food. We also contribute to other activities instead of throwing away food.



Good health and well-being

We support clinical studies in both the infant and toddler area, which drive nutrition research forward. Based on the results of the OTIS study, we have developed more sustainable and healthy foods for the young children. To keep us updated on celiac disease and gluten-free products, we stay informed on research in the field and support research projects related to gluten-free foods. In order to improve well-being for one of our consumer groups, we have expanded our labelling of gluten-free foods.



Responsible consumption and production

Semper's mission is to delight consumers by conserving the goodness of nature. A fundamental part of our mission is the transition to a more sustainable production. We work continuously to integrate our sustainability work in our business. During the year, we have been focusing especially on reducing food waste.



Climate action

Scientific studies have shown that mankind has affected greenhouse gas emissions since the time of industrialisation. Agriculture and food production currently accounts for about 25 % of global emissions. As a manufacturer of food, we also take responsibility for combating climate change. For example, in our energy-intensive production process, we have shifted from fossil to renewable energy sources.



Life on land

Through our continued membership and support of the UNESCO Biosphere Reserve in Götene, we want to protect biodiversity and promote a healthy ecosystem. Semper is part of Hero Group's Bee Careful program that protects pollinators through several activities.

SCIENCE BASED TARGETS

We use scientific facts in our effort to reduce emissions.

We are proud that Hero Group, of which Semper is a part, has committed to the Science Based Targets initiative (SBTi) in 2021. Through this commitment, we confirm that we are developing a science-based plan for our sustainability work. This plan is in line with the Paris Agreement and will therefore contribute in the fight against climate change. It will help limit global warming to less than +1,5 °C compared to the pre-industrial era. Global greenhouse gas emissions need to be halved by 2030

and reduced to net-zero by 2050 in order to avoid the most catastrophic consequences of climate change. Hero Group is one of circa 2600 companies globally that have committed to working with Science Based Targets.

Our goals and actions will be validated by SBTi's experts and communicated to our stakeholders after this. Hero Group, and thus Semper, will report their progress annually.



LIFE CYCLE ASSESSMENT

With the aid of a Life Cycle Assessment (LCA) we have calculated the amount of greenhouse gases that are being emitted along our value chain.

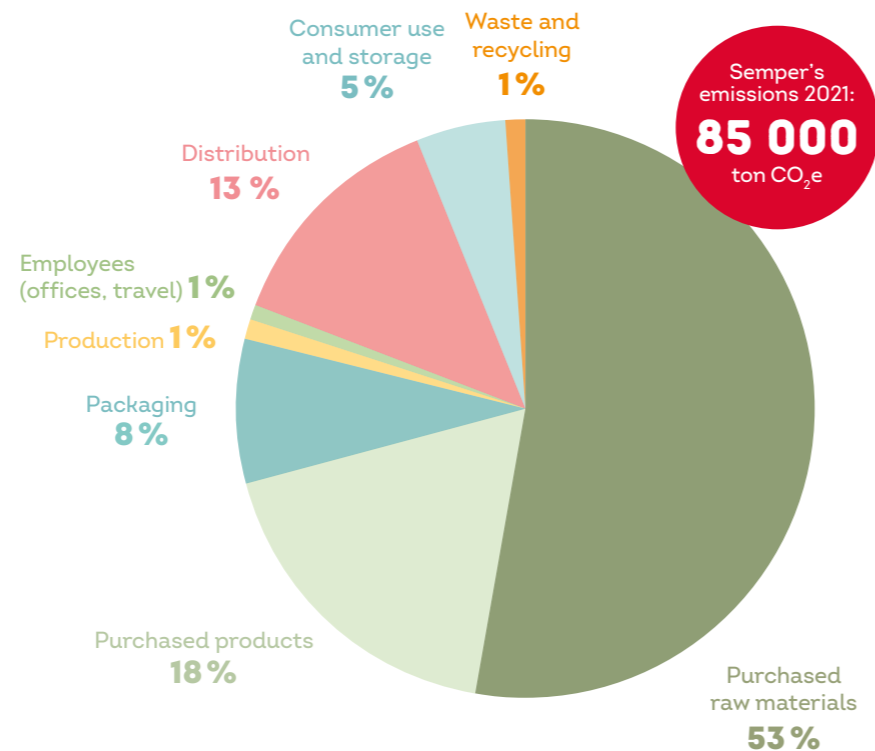
The emissions from Semper's production and offices as well as from our value chain, among others purchase of raw materials and transport, amount to 85,000 tonnes of CO₂e in 2021. Greenhouse gas emissions from products in our assortment that are produced by sister companies within the Hero Group have not been included in Semper's emissions, as these are allocated to each company's LCA result. On a similar note, Semper's LCA includes an amount of greenhouse gas emissions that are caused by manufacturing milk-based products for various sister companies.

The life cycle assessment shows that the largest part of the greenhouse gas emissions occurs early in our value chain: 79% comes from cultivation and production of raw materials and from purchased packaging and products. Globally, agriculture accounts for approx. a quarter of total greenhouse gas emissions, and because Semper manufactures food, it is logical that a large part of our climate impact is caused by our raw materials and products.

In addition to what occurs early in our value chain it is important that we take responsibility for reduction of emissions caused directly and indirectly by energy consumption in our production facilities, the so-called Scope 1 and Scope 2 emissions. We expect to be able to reduce

energy consumption by improving efficiency and new technology, and we will look at appropriate opportunities to compensate for the greenhouse gas emissions which we can't reduce. We will continue to use only renewable energy sources. Our value chain emissions, called Scope 3 emissions, include, among others,

purchase of raw materials and packaging, distribution, as well as waste and recycling. Lowering our indirect emissions is a complex issue that requires a long-term plan which is currently under development. Supplier collaborations and product development with planetary health in focus are part of our initiatives.



OUR RAW MATERIALS

By investing in both locally produced raw materials and remaining close to 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.

HUMAN RIGHTS IN THE VALUE CHAIN

It is important to Semper that the suppliers we choose, have ethical business practices and contribute to sustainable development.

The Hero Group is a member of Sedex, a non-profit membership organisation that works to strengthen responsible business conduct 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 Hero Group's, and thus Semper's, Code of Conduct. The Code of Conduct covers issues such as human rights, child 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' guidelines is that they should be conveyed along the supply chain, from our suppliers to their sub-suppliers. No deviations from Sedex' guidelines or our Code of Conduct have occurred during 2021.

In addition to Sedex' guidelines, the UN Global Compact's principles for human rights and the International Labour Organisation's (ILO) conventions are integrated in our Code of Conduct. We are not aware of any breach of human rights issues in Semper's supply chain in 2021.

Children's rights

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. Our Code of Conduct communicates UN Global Compact's principles against child labour. It 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. No cases of child labour have occurred in Semper's supply chain during 2021.

Supplier audits

A supplier visit is planned when a collaboration with a new supplier has been initiated. Representatives from the Supply and Quality departments carry out the visit in order to get a better picture of how the supplier performs in areas such as employment conditions, work environment and environmental issues. Existing suppliers are also checked regularly.

In 2021, due to the pandemic, we have continued to carry out supplier visits digitally. However, we realise the importance of an on-site inspection and will therefore schedule physical visits to suppliers as soon as the pandemic allows.

At Semper, we are becoming more and more active in determining how our business affects the environment. And of course, this question also includes how our raw material suppliers act. The results from

our life cycle assessment show that we need more and more active collaborations with our suppliers to reduce our climate impact. Many of them already have well-developed systems to address various environmental issues. In 2021, the Hero Group decided to introduce a rating tool called Ecovadis, to review and follow up suppliers' commitments within sustainability. The tool will be used in parallel with Sedex and our code of conduct. By using Ecovadis, we gain better insight into our suppliers' environmental work and their commitments regarding social sustainability. The tool will be rolled out in 2022 and will provide us with a "sustainability rating" of each supplier.



LOCAL RAW MATERIALS

Knowledge of agricultural practices is important in order to guarantee the quality of raw materials.

There are many advantages to locally produced raw materials. Proximity to producers makes it easier to counteract the risk for lack of respect for people and the environment in our supply chain. A large part of the raw materials that Semper uses comes from

Swedish producers. Other raw materials used in Götene and Korsnäs may originate from countries outside Europe, but they are purchased from suppliers within Europe. This allows closer contact with our suppliers, which makes it easier to discuss various issues.

MILK

Milk is the raw material that is naturally included in many of our products intended for the youngest children because it contains, among other things, valuable proteins, minerals and milk fat. For some of our products, it is even required by law that they be based on cow's milk. Milk production in the Nordic countries is one of the most climate-friendly in the world, but cows still contribute significantly to climate change, mostly due to the greenhouse gas methane that is produced in their stomachs and in manure handling, which is then released into the atmosphere. We follow the ongoing research on how to reduce methane emissions by, for example, changing the cows' feed or by producing biogas from manure on the farm.

CEREALS

Our range of porridges and milk cereals contains various, mostly Swedish, grains that provide flavour and nutrition in the form of carbohydrates and fibre. When we buy wheat, rye and oats, we check carefully that they meet the requirements for baby food quality. For example, mycotoxins and heavy metal contents are analysed.

For our gluten-free products, we buy flour and groats from different countries, mostly in Europe. We carefully check that the goods are gluten-free via regular analyses of raw material and end product.

In addition to good taste and good nutritional values, there is another positive thing about oats and that is that it thrives well on the fields at our Nordic latitudes.

OILS AND FATS

Our infant formula, follow-on formula and grow-up milk contain a carefully selected mixture of milk fat and vegetable oils, including rapeseed oil. Our Swedish rapeseed oil has a lower climate impact than rapeseed oil from other countries in Europe.

Semper has chosen to phase out palm oil completely from our range, as with existing certification systems it is difficult to buy palm oil that is guaranteed to be sustainably produced. Baby food, milk cereal, porridge, infant formula, supplementary nutrition and grow-up milk have been palm oil-free for several years. Only for a few products in our gluten-free range we are still looking for alternative recipes to be able to remove palm oil without affecting taste or texture. The palm oil used in these products is certified according to Roundtable for Sustainable Palm Oil (RSPO) or Green Palm.

OUR PACKAGING

Our packaging materials protect our products.

Food packaging has many different functions. For us, it is important that the material has properties that protect the contents within, to ensure quality and safety and reduce the risk of food waste. It is also important to us that packaging can be recycled in industrial recycling facilities.

Plastic is the material that is currently our biggest challenge, as layers of different types of plastic may be needed to create a material that protects the product against, for example, rancidity. Unfortunately, a combination of different plastics makes it

more difficult to recycle the packaging. We collaborate in several projects with packaging manufacturers and machine experts to find and test suitable materials so that we reach 100% recyclable packaging by 2025.

It is also important for us to use as much recycled material as possible in our packaging. Our suppliers continuously check the availability of recycled paper fibres, glass, metal and plastic of the quality that is suitable for food packaging. Our goal is to use at least 50% recycled material in our packaging by 2025.

Recyclable plastic

Our Corny bars are packaged in fully recyclable PE (polyethylene) film.



Recyclable paper

During 2021 we have removed the plastic window from our gluten-free pasta boxes, so that these now are 100% recyclable.



Reduced packaging weight

Our milk-free cereal products have been relaunched with a new recipe and improved packaging which has 5% less plastic and 36% less paper.



OUR PRODUCTION

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



ENERGY

Choices concerning energy sources and the amount of energy we consume, are important issues that we address in our sustainability strategy.

Since 2020 we have invested in a hydropower certificate to guarantee that the electricity we consume in our production plants and offices, is sustainably produced. The steam we use in our production processes is produced by an external wood chip-fired heating plant. During the short periods when the heating plant needs maintenance, the steam is produced by fossil fuel. We have offset the emissions caused by this. All of the energy needed in Götene and Korsnäs for production of baby food and gluten-free crisp bread thereby comes from 100 % renewable sources.

Energy saving measures

Even with sustainable energy sources, it is important for us to invest in energy saving measures. 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. During 2021, we have consulted experts who have studied our production technology and process flows, which resulted in an inventory of

energy saving possibilities. New technology is being developed constantly, which means that there is potential for improvement even in a modern production facility such as Semper Götene. During the years to come, we will use the study results as a guide for investments in our energy work.

As a consequence of the pandemic, our production volumes have fluctuated, which has influenced the possibility to produce as efficiently as possible. With shorter production runs, the duration of the start-up and shut-down phases is relatively long, which is why we see a slight increase of energy used per ton of product in both our production facilities.

Every little thing

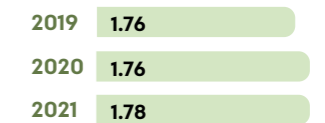
In addition to this we believe that every little thing counts. For example, we include the importance of saving energy in our introductory training for new employees. Also, we use LED lamps and light sensors, digital salary specifications and contract signatures – and hybrid company cars.

THE YEAR IN NUMBERS

The numbers below refer to the energy consumption within production.

Korsnäs production plant

Energy (MWh)/produced tonne:

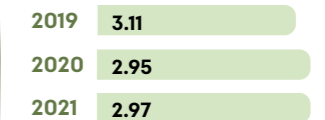


Regarding energy sources at Korsnäs (2021):

100 % electricity from hydropower.

Götene production plant

Energy (MWh)/produced tonne*:



Regarding energy sources at Götene (2021):

21 % electricity from hydropower, 79 % steam from heating plant.

Semper's energy consumption is based on 100 % renewable sources.

Semper Götene is certified according to ISO Standard 14001 and 50001.



WATER

All water that comes in contact with food products, must be of drinking water-quality.

Our facility in Götene is our most water-demanding facility. We use two water sources: almost two-thirds are municipal water from Lake Vänern (62%) and the remaining part comes from our own water source, Västerby spring. Water supply is a key issue that is continuously evaluated and developed. For both environmental and economic reasons, we work to limit our water consumption.

Water is used in our recipes as well as in cleaning and production processes. Like our energy consumption, we see an increase in water consumption per ton of product produced in Götene, due to pandemic-related fluctuations in production volume which result in a relatively longer start-up and shut-down time where water is used in the process. Our bakery in Korsnäs has a less intensive water consumption. Water is mainly

used in the dough, and a small percentage in cleaning processes.

Sustainable water management

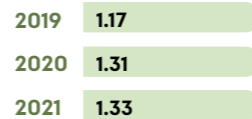
An environmental permit is shared between Semper and our neighbour Arla in Götene, in which emission rights for wastewater are specified. These limit how much wastewater we may send to the treatment plant and how contaminated it may be. Contaminants in the form of product residue and cleaning agents cause changes in, among other things, the acidity of the water, which can disrupt the treatment plant's processes. Through a collaboration with the municipality we have in 2021 identified that, mainly through better collaboration with the water treatment plant, we can significantly reduce the use of pH-neutralising lye and acid, through which we reduce our environmental impact.

THE YEAR IN NUMBERS

The numbers below refer to the water consumption within our production.

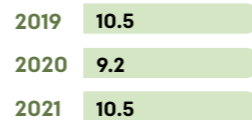
Korsnäs production plant

Water (m³)/produced tonne



Götene production plant

Water (m³)/produced tonne



Liquid product residues are separated and collected by an external company that produces biogas from them. We reduce the quantity of water that goes to the water treatment plant by directing condensation water and rainwater to a wetland. In the wetland, the water undergoes a natural, microbiological purification so that it can then be sent on to the Götene river.



WASTE

We are proactive in our effort to reduce waste throughout production.

In 2021, we have implemented and planned several projects to reduce scrapping and waste, with promising results. The waste in our facilities mainly consists of raw material packaging that is sorted into different fractions, and product waste that is recycled into animal feed or biogas. In production, waste occurs mainly at the start and end of a production cycle, where product does not have the absolute quality required to go on to packaging.



It is most important to reduce the amount of scrapping and waste, in order to reduce our environmental impact and optimise the use of our resources. Through training and better recycling stations in the Götene facility, we have reduced the amount of combustible waste by 49% compared to 2020. A detailed waste workshop resulted in the formation

of several different project groups. They continue to focus on where and why waste occurs, in order to create appropriate measures to further reduce the amount of product and raw material waste. In 2021, this amount of waste has decreased by as much as 37%. Our persistent work with fine-tuning sales forecasts and monitoring products' best before dates means that we continuously reduce the risk that products need to be reused or recycled.



We continue our proactive work with customers who can receive products with a short time left until their expiry date. We also donate food to charity, including the Food Mission, Stockholm City Mission, the Norwegian Poor House and the Finnish Ope-raatio ruokakassi. The majority of the facilities' food waste currently goes to companies that process it into animal feed. Our focus in the Korsnäs bakery has been to find more sustainable destina-

tions for product waste that arises. For example, a study has been carried out in which crispbread crumbs were used as food for insects. The insects can then be the source of protein in, for example, fish feed. In order to find more sustainable ways of using crispbread that does not meet our quality requirements in terms of shape and appearance, but which has the same good taste as always, a business calculation was made for the sale of products with minor quality defects to consumers.



In 2021, we have started a collaboration with a new partner specialised in food waste management. Crispbread crumbs are transformed into three useful products by this company; ethanol fuel, protein feed for cows and CO₂ for beverage production.



It is important to us that no waste is disposed of in landfills. The residual waste streams that we could not avoid, reuse or recycle go to incineration plants with energy recovery. The energy is most often used as heat.





TRANSPORTS

By optimising our transports, we reduce our greenhouse gas emissions.

As our raw materials and products have a limited shelf life, transports from our facilities must be relatively fast. That is why we use truck transport. However, the Plan and Deliver department regularly examines alternative modes of transport. For example, we transport our baby food jars and pouches, which are produced in Spain, mainly by train and ship. Flights are never used as a transport option.

A new warehouse

In 2020, we decided to streamline our transports by moving our goods from Örebro to a warehouse close to our production facility. In November 2021, a new finished goods warehouse was opened in Götene. Our frequent transports between the plant and warehouse are reduced from 140 to only 2 km, and we also reduce the distance to most customers in the Nordic region. The warehouse is built according to the Green Building standard, which means that the building uses at least 25 % less energy compared to the Swedish

National Board of Housing, Building and Planning's requirements for new buildings. The energy used is renewable.

Continuous transport optimisation

The most effective way to reduce emissions from our transports is, of course, to reduce the number of transports. Therefore, it is very important for us to optimise loads. Our goods are transported on pallets that can either be single or double-stacked. By double-stacking where possible, the number of transports is halved. We have this in mind when we launch new products and we are also reviewing the possibility of further developing existing products so that they can utilise the trucks' and warehouse's maximum permitted height in the future. The carriers we work with have a strong focus on efficiency and if we do not fill an entire car ourselves, our goods are loaded with other customers' goods. We constantly monitor weather conditions to ensure that we do not use refrigerated transport unnecessarily. As a result, we reduce both transport costs and negative

environmental impact. A more accurate reporting of our transport emissions explains the increase from 2020 to 2021.

Travel

In 2021, the number of business trips has continued to be lower than before the corona pandemic. Although our travel policy is based on always evaluating the necessity of a trip, the global travel restrictions have served as a reminder that many meetings can be conducted digitally with current technology, and that we can reduce emissions caused by travel also in the future. Our company cars used for customer and store visits are hybrid cars since 2020.

THE YEAR IN NUMBERS

Carbon emissions from transports to our Nordic customers.

2019	1163 tonnes CO ₂ e
2020	1071 tonnes CO ₂ e
2021	1391 tonnes CO ₂ e



FOOD SAFETY AND QUALITY

Safe food of high quality is of utmost importance to us. This is how we ensure it for our consumers.

At Semper, we know how important it is that children - and adults - have access to both nutritious and good food. Everyone should feel safe when choosing Semper's food. Food safety is one of our most important focus areas. Because people with celiac disease can get gastrointestinal problems if gluten enters their diet, it is our responsibility to ensure that all products aimed for them are safe. Safety work is extra important around our baby food because infants and young children are more easily harmed by 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.

Governance and legislation

Semper's quality policy is the basis for all work within the company. Semper's facilities in Götene and in Korsnäs are certified according to Food Safety System Certification (FSSC) 22000, an international standard for controlling food safety and quality. A certification according to FSSC 22000 clearly shows that Semper has a proactive strategy in food safety. Our quality work is based on a comprehensive system that governs, among other things, work and cleaning routines, inspections, sampling, maintenance work and production planning.

The FSSC Standard is also globally accepted and facilitates quality communication in an international market. Semper is also certified according to the AOECS (Association of European Celiac Societies) Standard, a standard that describes how we ensure that our products are gluten-free. Companies that are certified may use the crossed-grain symbol so that consumers can feel extra safe when buying a gluten-free product. In addition to our company and production certifications, we also ensure the quality of specialised products in our range via, for example, EU organic and KRAV certification as well as ASC and MSC fish certification.

Semper is certified according to the ISO 9001, FSSC 22000 and AOECS Standards.





Special legislation applies to baby food - EU Regulation 1881/2006 and EU Directive 2006/125/EC. These apply to all packaged foods intended for children from birth and up to three years of age. The legislation regulates the quality of baby food intended for infants and young children and has specific maximum limits for residues of pesticides, heavy metals and mycotoxins. Ordinary foods marketed in grocery stores can and may contain far higher levels of these unwanted substances compared to baby foods. In a homemade porridge with mashed strawberries, the strawberries can and may, for example, contain a thousand times more anti-mould agent than the strawberries that are included in a baby porridge from Semper. Semper follows the WHO Code, which was adopted in 1981 and regulates the marketing of infant formula in order to protect breastfeeding.

Internal and external inspections

A chain is only as strong as its weakest link. That is why Semper sets strict safety and quality requirements for all raw material suppliers. During supplier visits, we check that the supplier complies with applicable legislation and that our own specifications for purchased raw materials are followed. Our goal is for all our suppliers to be certified according to a food safety standard. We place high demands on our raw material suppliers to secure all raw materials for Semper's products. Through analysis, we check that they keep what was promised regarding, for example, residues of unwanted substances in oils and fats. Both external and internal inspections are carried out at Semper. Regulatory authorities, certifying bodies and customers can visit us for both planned and unannounced inspections, and in addition, more than 20 internal audits are carried out each year that cover the entire operation.

OUR PRODUCTS

The products we develop are customised for both big and small consumers with specific needs.

NUTRITION

At Semper we know nutrition and its impact on health.

Good food is important for everyone to feel good. For some of us, food needs to be more than that. Some people need to assess their diet in more detail so as not to have gastrointestinal problems. For them, we offer a gluten-free range and certified FODMAP-low products. Everyone has the right to enjoy good and varied food. If you choose Semper's food, you can also feel completely safe.

Finding cereal-based foods that do not contain gluten can be difficult. Therefore, Semper wants to make it easier for those who want to enjoy good food and vary their diet - even if it is without gluten. Our products are like similar foods with gluten. We offer, among other things, bread, baking mixes, pasta, breakfast cereals and biscuits without gluten - foods that others take for granted.

About celiac disease

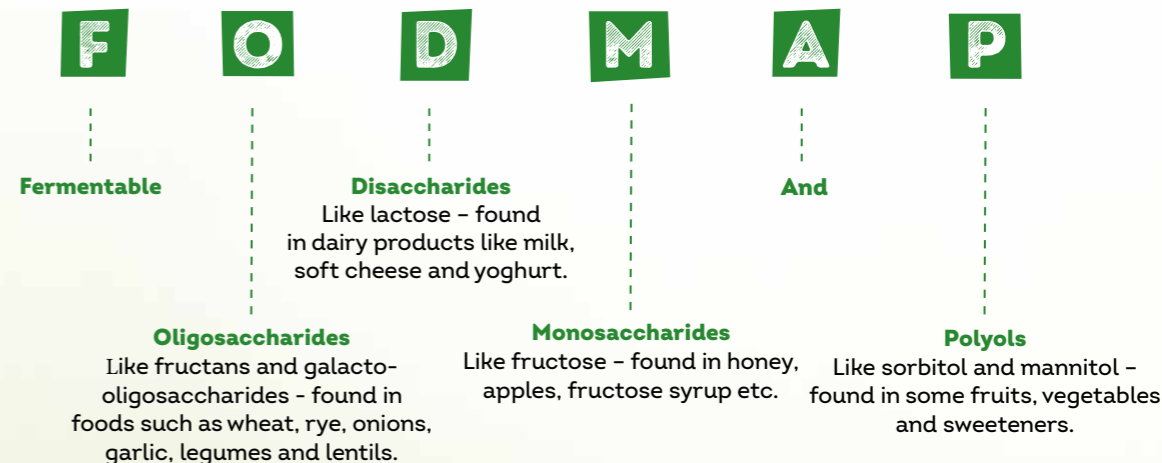
Celiac disease is sometimes also called gluten intolerance, but this is incorrect because celiac disease is an autoimmune disease and not an intolerance. Today, it is estimated that 1-2% of the world's

population has celiac disease. Celiac disease means that the small intestinal mucosa is damaged by gluten, which leads to the body not being able to absorb and assimilate vital nutrients in a satisfactory way. Gluten is a protein found naturally in wheat, barley and rye. People with celiac disease must maintain a gluten-free diet for life to reduce the risk of symptoms and complications such as malnutrition. Some people choose to avoid gluten in their diet for other reasons - such as gluten sensitivity and Irritable Bowel Syndrome (IBS).

Certified for better gastrointestinal health

Irritable Bowel Syndrome (IBS) is a functional disorder of the gastrointestinal tract that can be caused by various factors. IBS is characterised by symptoms such as flatulence, bloating, pain, constipation and / or diarrhea. Today, about every tenth person in the Nordic region is diagnosed with IBS and it is more common among women than men. The symptoms of IBS make many people feel limited in their everyday life. Symptoms can be alleviated through lifestyle

changes and changes in diet and it has been shown that avoiding foods that contain fermentable carbohydrates can be effective. These carbohydrates can't be broken down but are instead fermented in the large intestine by the intestinal flora and can then give rise to stomach problems. Therefore, low-FODMAP diets are applied frequently, where FODMAP is an acronym that stands for Fermentable Oligo-, Di-, Mono-saccharides and Polyols. To improve the health and well-being of people seeking documented low-FODMAP foods, Semper has certified low-FODMAP products that are marked with the green FODMAP Friendly logo. It shows that the products have met the requirements for a low content of oligosaccharides, lactose, fructose and sugar alcohols. During the year, additional products in our range received the FODMAP label. A complete overview is available on Semper's website. The certified products are also marked green in an app called BellyBalance which is used by many people with gastrointestinal problems.



The significance of the first bites

In foods intended for the very young, the nutritional content is especially important. During the first period, the infant grows and the brain develops rapidly. By actively both following and participating in research, we can always ensure that our foods for the youngest maintain a high standard, contribute to good nutritional status and lay the foundation for good eating habits.

A menu based on Semper's baby food well meets the Nordic Nutrition Recommendations (NNR) as well as recommendations issued by the Swedish Pediatric Association, the European Society for Pediatric Gastroenterology, Hepatology and Nutrition (ESPGHAN) and the Swedish National Food Administration.

To promote oral motor skills, we also follow the child's development when we decide on the textures of our baby food. When there are teeth in the mouth, there are pieces in the food - it stimulates the child to chew and move the tongue to bring the food back into the mouth and swallow. A good exercise for when the child will eat the family food!

Research on more vegetables and fruits for young children

We actively follow ongoing discussions about what is sustainable and healthy for the planet and its inhabitants. It is our belief that if one wants to see a change in the dietary pattern of adults, we must start early and reflect this in the food we serve our little ones.

Semper therefore participates in a randomised research study, with 250 children in two groups called OTIS (optimised supplementary diet study), at the Department of Clinical Sciences, Pediatrics, Umeå University, Sweden. The results show that children who received a systematic introduction of vegetables and fruits ate significantly more of these at 9, 12 and 18 months. They had a significantly lower protein intake which was also demonstrated by analysis of urea in blood samples. The children in

both groups showed adequate growth. The results show that a more sustainable diet can be given already at the introduction of solid foods. Many analyses remain and further results will be presented as part of international pediatric and nutrition congresses.

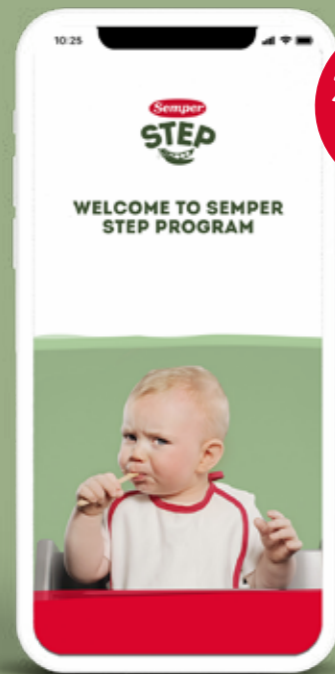
Healthy food for children and the planet

During the past year, we have launched a number of new products that contain more vegetables, as well as meals with a clearly defined mixture of vegetable and animal protein. We have products where the taste of healthy legumes is more pronounced to facilitate future food choices. Also, porridge in-between meals in a pouch have a less sweet taste. In this way, we want to actively contribute with food that enables a healthy diet for life, and a more sustainable food production that is better for our planet.

A healthy green start

To make it easier for parents to implement the research results, Semper has developed a practical method called the STEP method. STEP stands for Sustainable Taste Eating Program. The STEP method became available during 2021 as an app which has received a lot of media attention, it has been downloaded more than 20 000 times in 2021. The app provides educational guidance on how to systematically introduce vegetables, fruits and berries during a 24-day period. It is free to use and can be downloaded from various app platforms.

20 000
downloads
during 2021!



OUR PRODUCTS

Sustainability is integrated in our product development. On this page we write about different products that we launched in 2021.



Planetary health in focus

In 2021, five organic products with planetary health in focus were launched. The products are nutritious meals for children from 6 months of age with a high proportion of vegetables and protein from legumes such as beans and lentils. We have also updated our 15 best-selling meals so that they contain at least 50% vegetables.



The keyhole symbol

Several of Semper's gluten-free products are marked with the Keyhole symbol. The label helps consumers in the Nordic countries to easily find healthy products with less sugar and salt, more whole grains and fibre and healthier fats on the shelves in the grocery store.

Our product developers have in 2021 prepared several Keyhole products for launch in the coming year.

Certified fish

The fish in Semper's baby food is wild-caught or farmed depending on the type of fish and is always certified to ensure sustainable fishing practices.



Vegetable porridge

Semper's baby porridge with carrot and broccoli is mild in taste and suitable for the introduction of solids, especially to get children used to the taste of different vegetables.



Gluten-free producer of the year 2021

We are proud that the Norwegian Celiac Association chose to award the prize for "Best gluten-free producer" to Semper, for a good, varied, available and growing range of gluten-free products.

OUR EMPLOYEES

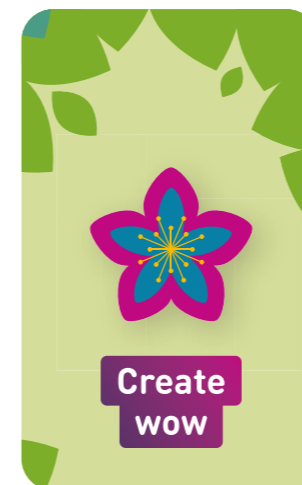
Our employees make everything happen.

OUR VALUES

New company values were launched in 2021.

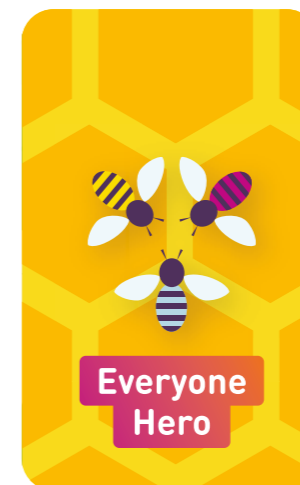
The world around us changes and we need to develop and adapt in order for our values to define the company we want to be in the future. Therefore, the company board initiated the work to develop new values, to make them more current, distinct and forward-looking. From the entire Hero Group, 1300 employees were invited to share their

opinions in surveys and to participate in interviews, focus groups and conversations with the owner family to jointly define the new company values. After the launch in August 2021, an activation campaign was held throughout the company with e.g. workshops and Value Award nominations of employees that embraced the new values in an inspiring way.



**Create
wow**

We dare to do things differently, seek to always win with consumers and customers, and endeavour to be forever relevant and vital to our world.



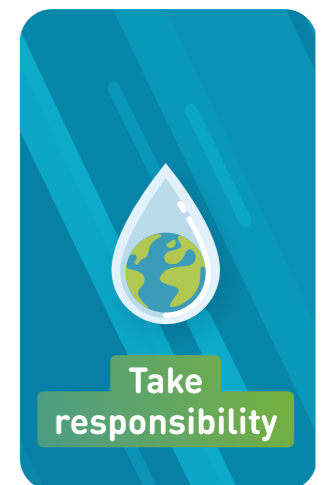
**Everyone
Hero**

We work together in pursuit of our common mission and strategy, strengthening our local businesses by leveraging the power of the collective.



**Nourish
others**

We treat everyone with honesty, care and respect and provide our people, customers and consumers with what they need to thrive.



**Take
responsibility**

We make good choices today to build a more sustainable business and environment fit for the needs of tomorrow.

SEMPER'S EMPLOYEES

Semper's employees are the most important resource we have, to achieve our strict goals in terms of quality and safety. 2021 had its challenges, but with new routines during this "new normal" year, our employees have really contributed with great cooperation and a positive team spirit.

Pandemic with new digital habits and routines

In 2021, we continued to work with new routines and adaptations in various ways. The company's management team adapted daily operations to prevailing restrictions and recommendations to ensure the safety and well-being of all employees.

With the help of a survey, we listened to employees' experiences from this period and what worked well or less well with work from home. The evaluation formed the basis for the development of a hybrid model where employees who wish, and whose duties allow, have the opportunity to work from home 40% of their working time. Continued digitalisation of meetings and processes is something we can benefit from also in the future.

Training

Education is a continuous focus area within Semper, both to ensure that our way of working leads to high-quality products in a safe work environment, and to give employees good conditions to be able to lead their teams. With the help of an e-learning portal, employees can also educate themselves online in important areas such as food safety, data

security, purchasing, environmental issues and anti-corruption.

Preventive work

Semper's personnel policy is available to everyone in a work environment manual, which was updated in 2021, as well as in guidelines and policies that are available on our intranet. Work environment and workplace legislation is the basis of everything we do.

For preventive purposes, we continue our persistent and proactive work to reduce accidents, injuries and illness within the company. In 2021, we continued to focus on registration and follow-up of incidents and accidents in Götene and Korsnäs in order to continuously improve safety in the workplace. We have also introduced a new system for chemical handling, which makes it easier for employees to see how chemicals, such as cleaning agents, should be handled in a safe way. We prioritise and act immediately on issues that arise in this area and have done so during the year.

Semper collaborates with occupational health care to enable rapid counselling and rehabilitation for work-related issues. Through a wellness allowance,

employees are offered the opportunity to invest in their well-being. Semper offers all employees to sign group health insurance.

A positive work climate

Our Code of Conduct covers issues such as employee safety, the right to equal opportunities and trade union affiliation, this is an important part of our business. We also have a policy that deals with work adaptation and rehabilitation, as well as alcohol and drugs. Our policy that deals with discrimination and victimisation means zero tolerance for actions that place individual employees or groups outside the community in the workplace, or that expose them to abusive treatment or disrespect. Semper has high ambitions for the well-being of our employees and we do our best to ensure that unreasonable performance requirements or an inadequate work environment do not occur and lead to stress and dissatisfaction. We follow up on leadership issues, employee engagement and how employees feel at work through employee surveys, as this is very important to us.

SEMPER AB HAS A TOTAL OF

272
EMPLOYEES

THE PROPORTION OF MEN AND WOMEN WITHIN SEMPER'S TOTAL WORKFORCE IS:

44 % **56 %**
WOMEN MEN



THIS IS WHERE YOU FIND OUR

309
EMPLOYEES

163+ 24 hired	GÖTENE
88	SUNDBYBERG
21	KORSNÄS
19	DENMARK
15	FINLAND
3	NORWAY

100%
Collective agreement employment

All employees of Semper AB are employed under collective labour agreements.

2021

THE YEAR IN NUMBERS

At Semper, we monitor several metrics linked to our employees, including sick leave, accidents, staff turnover, production hours worked and the completion rate of employee appraisals at the different parts of the organisation. To the right we show the two performance indicators for sick leave and accidents/incidents.

SICK LEAVE

KORSNÄS

Total sick leave
blue collar employees 9.42 %
white collar employees 1.20 %

GÖTENE

Total sick leave
blue collar employees 7.36 %
white collar employees 1.18 %

ACCIDENTS & INCIDENTS

KORSNÄS	GÖTENE
Accidents: 3	Accidents: 40
Incidents: 11	Incidents: 106

SEMPER AND SOCIETY

Semper works actively for all children's right to good health and development. This is an area that is also highlighted in the UN Convention on the Rights of the Child and in the Global Goals for sustainable development.

Operation Smile

At Christmas 2021, all Semper's employees donated their personal Christmas present to Operation Smile. The total donation is enough for three nutrition camps in Madagascar, which help 90 malnourished children build up their strength before their cleft lip and palate surgery. For young children with cleft lip and palate, the inability to breastfeed and ingest food is one of the biggest threats to their health and it is the factor that to the greatest extent prevents children from having access to surgical care.

In Operation Smile's quest to contribute to a world where no child is denied access to health care, they therefore provide a comprehensive nutrition program. Its vital efforts are now needed more than ever. One of the cornerstones of the program are so-called Nutrition

Bootcamps. Several interventions are carried out, all of which support each other, and which together contribute to the young patients achieving and maintaining their target weight while waiting for surgery.

Creative recycling

Semper Götene has sponsored the Spektrum project, which focuses on sustainability and recycling. At a local creative centre, preschool and elementary school children can create freely with the help of recycled materials from the local business community. Behind the idea are enthusiastic educators, active in Götene municipality. Their vision is for Spektrum to be a creative meeting place where children are stimulated to explore and experiment. In the long run, they hope that this will result in more young people with an interest in science and technology.



SEMPER AND BIODIVERSITY

Thriving ecosystems fulfil an important function on our planet.

Through, among other things, large-scale agriculture, urbanisation and the use of chemicals, humanity has put great pressure on ecosystems. Scientific research shows that global warming and biodiversity loss are closely linked and affect each other. To meet the needs of the earth, we humans now need to act to protect species diversity while at the same time fighting climate change.



Götene and the UNESCO Biosphere Reserve

Our facility in Götene is located in a biosphere reserve. Here we contribute to building one of the world's model areas for sustainable development. This means that there is an effort to protect and preserve biodiversity and promote a thriving ecosystem. Semper is a member of the UNESCO biosphere reserve 'Vänerskärgården with Kinnekulle', which is one of only seven biosphere reserves in Sweden. In 2021, Semper has explored the possibilities of actively contributing to increased biological diversity in the municipality, together with the biosphere association and Götene municipality, and will continue with the collaboration going forward.



Pollinators

The Hero Group launched the bee careful® initiative a few years ago - an initiative to increase understanding and knowledge of the collapse of the bee community. Honeybees have become a symbol of nature's vulnerability, and through various projects, bee careful® has contributed to the insight that bees and other insects have a critical function in many ecosystems. Semper joined bee careful® in 2021 by engaging employees and educating about the importance of pollinators in our ecosystems. Organic Nordic wildflower seeds were sent out to all employees in the Nordic countries together with an education brochure from the Pollinating Sweden platform. Through this initiative, Semper created many small flower beds in the Nordics - with a total area of almost 3000 m² that offered food and shelter for a variety of pollinators.

CHAPTER 3

REFERENCES

OUR MAJOR STAKEHOLDERS

Our stakeholders' opinions are important to us, and help us to develop our sustainability work.

Our most important stakeholders are described in the table on the next page. With stakeholders we refer to the groups who are affected by our operations and who influence us. We continuously pursue an open dialogue with our stakeholders. Their opinions on what they consider to be the most important issues, helps us to form

decisions and develop our sustainability work.

From analysis of Semper's value chain, and through an external analysis of global guidelines, we identified important areas within sustainability that are most relevant for us to work with.

By sending surveys and conducting interviews with our stakeholders, and carrying out document and report analyses, we have had the opportunity to identify important areas of sustainability and prioritise the most relevant sustainability issues to work on. During our work with this materiality analysis, we also considered GRI's reporting guidelines.

The materiality analysis is updated every year. In 2021 the update was conducted via the methods indicated by a star. Current sustainability issues can be different for different stakeholders. The three most important sustainability issues are shown in the table, and in the graph below, you can find a representation of Semper's impact on these issues and the importance of the issues for our stakeholders.



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

STAKEHOLDER	COMMUNICATION & RESEARCH	THE 3 MOST IMPORTANT SUSTAINABILITY ISSUES
Employees	Questionnaires* Interviews Workshops	Energy & water efficient production Waste Environmentally friendly transport
Owners	Dialogue/conversation* Workshops* Information meetings* Information documents*	Climate Economic sustainability Business ethics
Customers	Dialogue/conversation* Reports* Information meetings Questionnaires	Climate Packaging Sustainable value chain
Consumers	Questionnaires Dialogue/conversations Consumer contact* Social media*	Packaging Waste Climate
Competitors	Reports*	Climate Packaging Energy & water efficient production
Suppliers	Dialogue/conversation* Reports*	Climate Sustainable agriculture Sustainable value chain
Authorities	Information meetings* Inspection meetings*	Climate Waste Packaging
Municipalities & regions	Information meetings* Inspection meetings*	Quality & safety Foreign substances Health
Universities & colleges	Scientific meetings* Tutoring*	Nutrition & health Innovation Sustainable products
Advocacy groups	Project collaborations* Information meetings* Reports*	Sustainable products Nutrition & health Animal health
Trade associations	Committee activities*	Waste Packaging Sustainable value chain

*The materiality analysis is updated every year. During 2021 our update has been made through the methods indicated with a star.

GRI STANDARD NUMBER	PAGE	SCOPE/COMMENT
ORGANISATIONAL PROFILE		
102-1	Name of the organisation	p. 6-7 Semper AB
102-2	Activities, brands, products and services	p. 6-7
102-3	Location of headquarters	p. 7
102-4	Location of operations	p. 6-7
102-5	Ownership and legal form	p. 7
102-6	Markets served	p. 6-7
102-7	Scale of the organisation	GRI-index See Semper AB's financial report
102-8	Information on employees and other workers	p. 38-39
102-9	Supply chain	p. 8-9, 20-22
102-10	Significant changes to the organisation and its supply chain	p. 8-9
102-11	Precautionary Principle or approach	p. 5
102-12	External initiatives	p. 20-21, 25, 29-30, 38
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 • Svensk Plaståtervinning • Returkartong • Metallkretsen • Svensk glasåtervinning
STRATEGY		
102-14	Statement from senior decision-maker	p. 3
102-15	Key impacts, risks, and opportunities	p. 11-12
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	p. 15-17, 20-21, 31
GOVERNANCE		
102-18	Governance structure	p. 8-9
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	p. 43-44
102-41	Collective bargaining agreements	p. 39
102-42	Identifying and selecting stakeholders	p. 43-44
102-43	Approach to stakeholder engagement	p. 43-44
102-44	Key topics and concerns raised	p. 43-44

GRI STANDARD NUMBER		PAGE	SCOPE/COMMENT	
REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements	See last page		
102-46	Defining report content and topic Boundaries	p. 43-44		
102-47	List of material topics	p. 43-44		
102-48	Restatements of information	GRI Index	The target year and scope of some sustainability goals has been adjusted in line with Hero Group's updated sustainability strategy.	
102-49	Changes in reporting	GRI Index	No changes	
102-50	Reporting period	See last page		
102-51	Date of most recent report	GRI Index	2021-05-20	
102-52	Reporting cycle	GRI Index	Semper issues a sustainability report annually	
102-53	Contact point for questions regarding the report	See last page		
102-54	Claims of reporting in accordance with the GRI Standards	See last page		
102-55	GRI content index	p. 45-47		
102-56	External assurance	GRI Index	Semper AB's auditor has approved this sustainability report, no other external audit has been carried out	
FINANCE				
GRI 205:	205-1	Operations assessed for risks related to corruption	p. 10	
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	p. 10	
	205-3	Confirmed incidents of corruption and actions taken	p. 10	
ENVIRONMENT				
GRI 302:	302-1	Energy consumption within the organisation	p. 25	
Energy	302-3	Energy intensity	p. 25	
Energy	302-4	Reduction of energy consumption	p. 25	
Energy	302-5	Reductions in energy requirements of products and services	p. 25	
GRI 303:	303-1	Interactions with water as a shared resource	p. 26	
Water	303-2	Management of water discharge-related impacts	s. 26	
Water	303-3	Water consumption and discharge	p. 26	
GRI 306:	306-1	Waste generation and significant impacts	p. 27	
Waste	306-2	Management of significant waste-related impacts	p. 27	
GRI 307:	307-1	Non-compliance with environmental laws and regulations	GRI index	No incidents during the year
Compliance				

GRI STANDARD NUMBER		PAGE	SCOPE/COMMENT	
Continuation of ENVIRONMENT				
GRI 308:	308-1	Suppliers that were screened using environmental criteria	p. 20-21	
Supplier monitoring				
SOCIAL ISSUES				
GRI 403:	403-2	Hazard identification, risk assessment, and incident investigation	p. 39	
Occupational health and safety				
	403-6	Promotion of worker health	p. 38	
GRI 404:	404-1	Training hours per employee	p. 38	We do not report per gender since this information is not available
Training and education	404-2	Employee development and training programs	p. 38	
GRI 408:	408-1	Operations and suppliers at significant risk for incidents of child labor	p. 20-22	
Child labour				
GRI: 412	412-1	Operations that have been subject to human rights reviews or impact assessments	p. 20-22	
Human rights assessment				
GRI: 414	414-1	New supplier screening on social criteria	p. 20-22	
Supplier social assessment				
GRI: 416	416-1	Assessment of the health and safety impacts of product and service categories	p. 23, 29-35	
Customer health and safety				
GRI: 419	419-1	Non-compliance with laws and regulations in the social and economic area	GRI-index	No incidents during the year
Socioeconomic compliance				

ABOUT THE REPORT

This sustainability report produced by Semper AB refers to the 2021 fiscal year. We have chosen to limit our sustainability reporting to operations in Sweden, which includes the two production plants in Götene and Korsnäs. We have chosen to also include relevant information about other brands and products in our portfolio. 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 Annual Report for the period 1 January – 31 December, 2021.

For any questions relating to Semper's sustainability report, please contact: Marleen van der Wende, Sustainability Manager, email marleen.van.der.wende@semper.se
