



2023

Lantmännen Annual Report  
with Sustainability Report

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## Sustainability Report

Statutory sustainability report → pages 26-36, 139-182 and 203-205.

## Listen to us!

Listen to selected parts of Lantmännen's Annual Report with Sustainability Report on a computer or mobile. → [lantmannen.se/lyssna2023](https://lantmannen.se/lyssna2023) (available in Swedish)

## Lantmännen's Annual General Meeting

The Annual General Meeting will be held on Tuesday, May 7, 2024. The meeting will also be broadcast digitally.

## Financial Reports

Interim 1st four months May 31, 2024  
Interim 2nd four months October 3, 2024

Lantmännen's financial reports can be downloaded in Swedish and English from → [lantmannen.com/financial-information](https://lantmannen.com/financial-information) or ordered by calling +46 10-556 00 00.

Lantmännen is governed and owned by our members. The annual report with sustainability report includes unique portraits by photographer Gustav Wiking. Each portrait represents one of our 20 districts and pays tribute to the members, who form the basis of our business. No matter who you see on the cover, the content is the same, although there is one version, the image below, that is the legal version.





# About Lantmännen

## Agricultural cooperative

Lantmännen is a farmers' cooperative and Northern Europe's leader in agriculture, machinery, bioenergy and food products. We are owned by 18,000 Swedish farmers, and have 10,000 employees, operations in about 20 countries and an annual turnover of SEK 65 billion.

Our assignment is to contribute to the profitability of the farms and create a return on members' capital in the association. As one of the Nordic region's largest agriculture, bioenergy and food groups, Lantmännen has both a responsibility and an opportunity to influence development.



## Good food from Lantmännen

The path to Good food begins with the sowing of a seed and the hope of a good harvest and a good meal. Our ambition, just like that of cultivation in general, has always been about making the best of what the earth can provide. With this as a guiding principle, we develop sustainably and innovatively produced food that promotes health and wellbeing and gives us a nice time around the table. In our book, that's what Good food is.

To continue producing Good food, Swedish farming needs to be productive, sustainable and profitable in the long term.

## Thriving farming – today and in the future

What we eat and how food is produced plays a crucial role in sustainable development. With this in mind, we are investing in research and innovation, and developing new methods, products and services throughout the value chain in order to make farming thrive also in the future. Lantmännen's different operations connect the entire value chain, from field to fork.

Together, we have a unique opportunity to influence and shape farming and sustainable food systems of the future. Our common starting point is to create value from what the farmland gives us.

# The Group in figures 2023

The overall positive trend from the previous year continued in 2023, with the Energy Sector in particular and the Swecon Business Area delivering very strong results again. The Swedish food business continues to face challenges and showed a decline of just over 30 percent in earnings.

## MSEK 65,212

**Net sales** were MSEK 65,212 (60,612), an increase of 7.6 percent, distributed as follows: 3.8 percent organic growth, 2.8 percent currency translation effects and 1.0 percent acquired and divested operations.

## MSEK 2,820

**Operating income** was MSEK 2,236 (2,307) and adjusted for items affecting comparability MSEK 2,820 (2,715). Items affecting comparability had a total effect of MSEK -584 (-408) on operating income.

## MSEK 2,462

**Income after financial items** amounted to MSEK 1,878 (2,128) and adjusted for items affecting comparability MSEK 2,462 (2,536).

## MSEK 1,560

**Net income after tax** amounted to MSEK 1,560 (1,791), of which MSEK 1,554 (1,781) was attributable to members of the economic association and MSEK 6 (10) to non-controlling interests (minority ownership) in the Group's subsidiaries.

## MSEK 921

**Cash flow before financing activities** was MSEK 921 (-2,468). The year's cash flow including financing activities was MSEK 274 (-2,372).

## MSEK 1,200

**The Board proposes a total dividend** of MSEK 1,200 (1,080), distributed as follows: refund and supplementary payment MSEK 324 (374), contribution dividend MSEK 453 (403) and contribution issue MSEK 423 (303). The Board also proposes a dividend on subordinated debentures of MSEK 20 (15).

Return on equity

**8.7 %**  
Adjusted  
2023

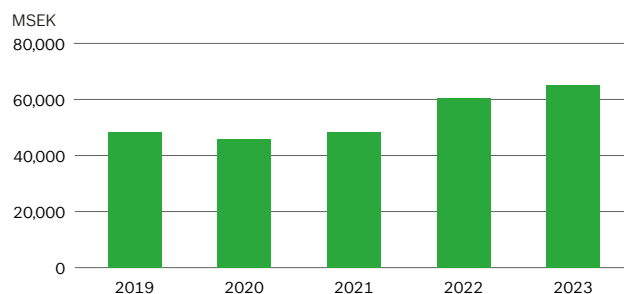
Equity ratio

**46.4 %**  
December 31  
2023

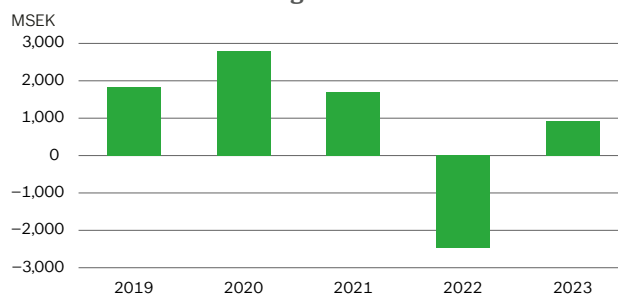
Net debt/  
EBITDA

**1.9**  
December 31  
2023

### Net sales



### Cash flow before financing activities





# Key figures

Financial performance measures	2023	2022
Net sales, MSEK	65,212	60,612
Operating income, MSEK	2,236	2,307
Operating margin, %	3.4	3.8
Income after financial items, MSEK	1,878	2,128
Net income after tax, MSEK	1,560	1,791
Cash flow before financing activities, MSEK	921	-2,468
Investments in non-current assets, MSEK	3,327	3,074
Net debt, MSEK	10,056	9,761
Total assets, MSEK	50,579	51,099
Return on operating capital, %	6.4	7.2
Return on equity, %	6.6	8.3
Equity ratio, %	46.4	44.9
Net debt/EBITDA	1.9	1.9

Excl. items affecting comparability	2023	2022
Operating income, MSEK	2,820	2,715
Operating margin, %	4.3	4.5
Income after financial items, MSEK	2,462	2,536
Net income after tax, MSEK	2,071	2,157
Return on operating capital, %	8.0	8.4
Return on equity, %	8.7	10.1

Lantmännen reports alternative performance measures in accordance with the European guidelines from ESMA (European Securities and Markets Authority). Description of financial performance measures, → pages 138 and 168-169.

Non-financial key figures	2023	2022
Number of members	17,907	18,256
Average number of employees	10,339	10,356
of which women/men, %	35/65	35/65
Employee satisfaction/Leadership	73/78	70/76
Sick leave	4.6	5.2
Injury rate	10.8	13.5
Emissions, tonnes CO <sub>2</sub> e/MSEK net sales, own production	1.64	2.01
Weighed grain volume, thousand tonnes	2,158	2,482
of which Climate & Nature, volume, thousand tonnes	146	118

“

**Lantmännen's target is to create conditions for sustainable primary production and halve the climate impact every decade in order to achieve climate neutrality by 2050.**

Average no. of members

**17,907**  
(18,256)  
-2 percent

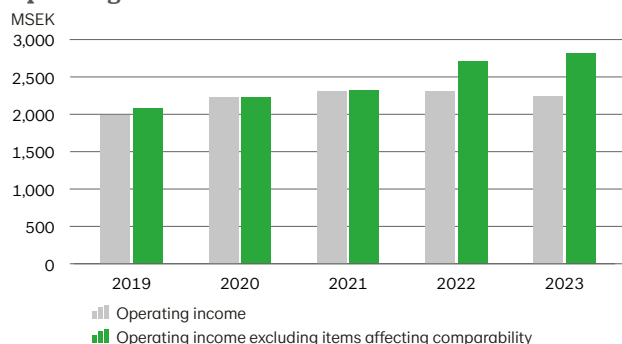
Average no. of employees

**10,339**  
(10,356)  
-0.2 percent

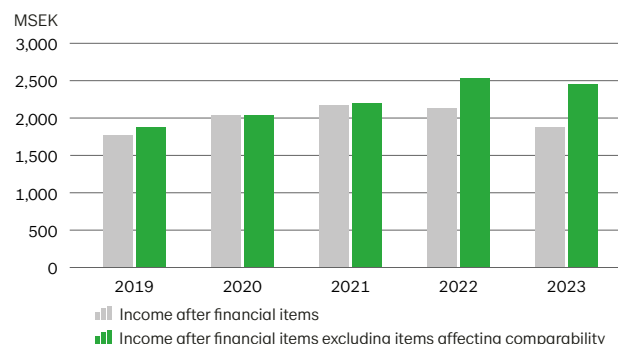
Relative climate impact

**-45%**  
reduction  
2019 - 2023

## Operating income



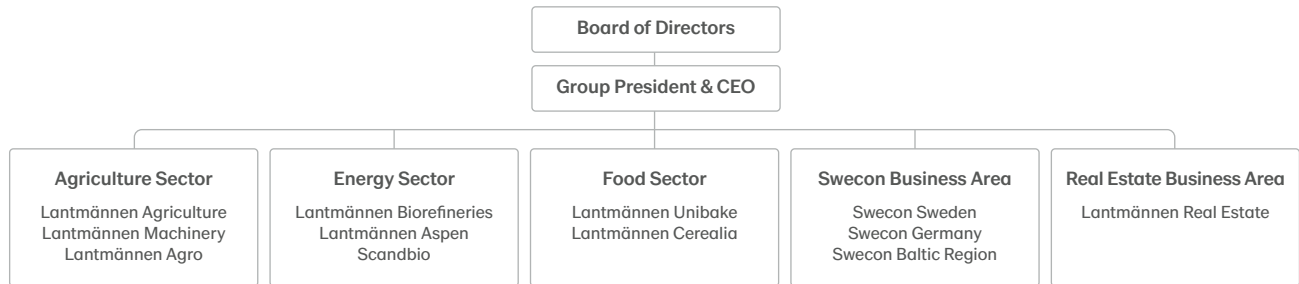
## Income after financial items







# Organization and businesses



## Agriculture Sector

The Agriculture Sector is Lantmännen's core business, offering products and services to promote strong, competitive farming, with operations both in Sweden and internationally. The Sector has a strong position in the Baltic Sea region and operations through international partly owned companies.

**42%** of the Group's sales

Grain, feed, fertilizer, crop production, machinery, servicing → page 38



## Energy Sector

The Energy Sector offers responsibly produced and environmentally smart energy, food and industrial products. The Sector operates in a global market with the main focus in Europe, and has facilities in Sweden, Finland, Denmark, Latvia, France and the UK.

**11%** of the Group's sales

Bioethanol, protein feed, starch, gluten, vodka, oat protein, fuel pellets, alkylate petrol → page 44



## Food Sector

The Food Sector refines grain and other raw materials from arable land and produces flour, bread, breakfast products, pasta and ready meals. The Sector offers "Good food" to customers in food retail, food service and the food industry in more than 60 countries.

**31%** of the Group's sales

Flour, bread, pasta, breakfast products, ready meals → page 48



## Swecon Business Area

Swecon is a dealer in machinery for the construction and civil engineering industry in Sweden, Germany, Estonia, Latvia and Lithuania, and a partner of Volvo Construction Equipment. Swecon also offers servicing and support through its 96 service facilities.

**15%** of the Group's sales

Construction machinery, equipment, spare parts, training, servicing and support → page 54



## Real Estate Business Area

Lantmännen Real Estate's task is to provide the Group's businesses with appropriate properties and optimize the return on externally leased properties. It is one of Sweden's largest property companies with around 150 properties in 80 locations.

**1%** of the Group's sales

Leasing, property management, property development and construction → page 58



## Chairman's comments

# Troubled times and challenging weather

Not only *can* we increase food production in Sweden – I believe that, in view of climate change and other external factors, we have a direct *responsibility* to produce more in order to supply the earth's growing population.

The tragic war in Ukraine continued during the year and Russia's aggression west towards Europe is affecting us. For Lantmännen, this has meant, among other things, a divestment of its operations in Russia, which was necessary and the responsible course of action.

The process of preparing Sweden in different ways, both in military defense and increased civil preparedness and resilience, has continued during the year. Lantmännen is an important part of this process, particularly in terms of food security and how to strengthen it. One example is the possibility of establishing Swedish industrial production of fossil-free mineral fertilizer in the country. Sweden is currently one of the few countries in Europe not to have its own production of mineral fertilizer, which could have drastic consequences if imports were restricted or stopped.

It is not just the outside world that has been troubled in 2023. For many farmers, the year has been full of challenges in terms of weather, costs of inputs and access to capital. It has been easy to get things wrong.

The early summer drought reduced the harvest potential in many parts of the country. This was followed by heavy rainfall, which had a detrimental effect on quality, and hampered and delayed the harvest. All in all, this added up to one of the worst Swedish harvests in 30 years.

Although the year was very difficult and gloomy in many ways, I am still convinced that food production in Sweden has the future on its side. Not only can we increase food production in Sweden – I believe that, in view of climate change and other external factors, we must produce more in order to supply the earth's growing population.

This also needs to be done in a sustainable way, and Lantmännen has taken several steps in the green transition during the year, including the first harvest of fossil-free grain production and the creation of the first fossil-free animal value chain in egg production.

### **The members are Lantmännen**

One of Lantmännen's strengths is our members. They are located throughout the country and engaged in different types of farming and food production. The range is wide, from reindeer owners up in Norrbotten to grain growers down south in Söderslätt. The common denominator is that

they are all active Swedish farmers and use Lantmännen's offerings on their home farm.

Together we have a responsibility to develop and strengthen Lantmännen so that the next generation of members can continue to create value through the cooperative enterprise Lantmännen. It is therefore positive that there have been many member meetings during the year and that they have also been well-attended. I interpret this as a strengthening and development of member engagement within Lantmännen.

It is important to look ahead and not let individual years determine strategic decisions. Think ahead and think of the next generation of members. This is a good starting-point for the Board when the outside world is uncertain and different decisions have to be made.

The time perspective is one of the distinctive characteristics of the cooperative enterprise. It means we can focus both on the year's results and long-term investments that benefit Lantmännen and its members.

### **The work of the Board**

During the year, the Board worked on several member-related matters. Being able to quantify the benefits that Lantmännen provides out there on the farms is both interesting and called for. The Board dealt with this topic in various ways during the year.

The Board has also adopted an updated dividend policy for Lantmännen. The change allows for a larger share of the result from industrial operations to be distributed. The dividend can now be up to 50 percent of net income from Lantmännen's industrial operations. The proportion was previously about 40 percent. All operating income from agricultural operations will continue to be distributed as a refund and supplementary payment to the members. The aim is for Lantmännen to generate regular and stable dividends for its members over time.

### **Research and development for better resistance to drought and rain**

I am pleased to say that Lantmännen is continuously advancing its positions in research, development and innovation. Lantmännen invests about MSEK 400 annually and



just over MSEK 100 of this is linked to Lantmännen's plant breeding, based in Svalöv. Thanks to Lantmännen's plant breeding, we ensure that there are varieties and seeds that suit the conditions in northern Europe and have better resistance to drought, heat and rain.

In recent years, Lantmännen has taken a leadership role in coordinating and initiating research and development projects. Cooperation and joint initiatives are a prerequisite for enabling a small country like Sweden to create effective and successful research programs that ultimately strengthen the competitiveness of the Swedish food industry.

### **Record dividend to members**

It is pleasing that Lantmännen has delivered a top result and that the Board is able to propose a record dividend to members, considering the year's harvest result and the economic situation on many farms. Money which will hopefully help strengthen the companies and which I know is needed.

The Board is recommending a dividend of MSEK 1,200 to Lantmännen's members. The dividend proposal consists of a refund and supplementary payment totaling MSEK 324, a contribution dividend of 10 percent, corresponding to MSEK 453, and a contribution issue of MSEK 423.

This is the highest dividend ever that Lantmännen's AGM will decide on in Stockholm on May 7 and it represents an important contribution to securing profitable, thriving Swedish farming and a robust Swedish food supply.

### **World-class strategy and employees**

If the year has presented many challenges on members' farms, it has also been full of trials and important choices for Lantmännen as a company. I would therefore like to say a big thank you to Lantmännen's President and CEO Magnus Kagevik, whose great leadership and professionalism has ensured that Lantmännen is well equipped for the future.

Agriculture and food production is a forward-looking industry and I want Lantmännen to be a company that leads the way and inspires young people to take a chance on their agricultural companies or take up employment with us. I also want Lantmännen to have a leading position in terms of providing the world with food and energy, produced with modern technology and in a sustainable way.

With a proven and successful strategy that stands firm and with top-class employees, I am convinced that it is possible.

Mosslunda, February 2024

Per Lindahl  
*Chairman, Lantmännen*





## President's overview

# Strong result despite challenges

Lantmännen delivered a strong result for 2023, despite a still turbulent external environment, a weak harvest and challenges in several markets.

Just like the previous year, 2023 was dominated by continuing economic uncertainty and a deeply unsettled geopolitical situation. Russia's war in Ukraine has continued, and fighting began between Israel and the terrorist organization Hamas during the fall. Like many others, I hope for a halt to the violence and an end to the conflicts as soon as possible.

Although the prices of key inputs such as raw materials and energy have fallen slightly during the year, high inflation and rising market interest rates have taken a heavy toll on businesses and households alike. This has led to a reduced willingness to invest, generally low demand in many markets and changes in consumer behavior, as evidenced by a shift to low-cost food products.

Despite these challenges, Lantmännen delivered a very strong result for 2023: income after net financial items, adjusted for items affecting comparability, amounted to MSEK 2,462. There are several reasons for the good result.

One is our broad and stable business portfolio, which, as so often before, has shown the importance of a good balance between different sectors and markets. In 2023, the Energy Sector, the Swecon Business Area and our international food operations reported very good results, while the Swedish food operations had a tougher time. In all our businesses there has also been solid work on compensating for increased costs and adapting operations to the development in our various markets.

### How our Sectors and Business Areas performed

The Agriculture Sector reported lower earnings than in the previous year, mainly due to lower earnings for the Swedish agricultural operations, where the year's weak harvest had a highly negative impact during the second half of the year. Earnings were also lower for the international holdings. It is pleasing that earnings for the Finnish agricultural operations increased significantly during the year.



The Energy Sector delivered another strong result for 2023, even though low ethanol prices had a negative effect on earnings, particularly in the last months of the year. All businesses in the Sector are developing in the right direction, particularly Scandbio, which achieved strong earnings during the year.

The Food Sector showed an increase in both net sales and earnings for 2023 compared with the previous year. This is largely due to higher inflation and a weak Swedish currency. While Lantmännen Unibake's international businesses delivered good results during the year, the Swedish food operations had a much more difficult time due to factors such as lower demand and intense price competition from private labels.

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**Lantmännen's stable financial position is a strength in a weaker market and gives us a margin of maneuver that not every company has.**

The Swecon Business Area continued to deliver at a very high level in 2023 and presented the highest full-year earnings ever. However, the market remains cautious and difficult to predict, and demand fell steadily throughout the year.

The Real Estate Business Area performed well during the year and delivered stable earnings in line with the previous year. Both the rental business and property development work showed positive development.

### Key development areas

The government has worked on updating the national food strategy during the year. Lantmännen welcomes the review and has contributed input related to areas that should be prioritized in the food strategy.

Two key areas for the future that came increasingly under the spotlight during the year are climate adaptation and food security. The challenges during the harvest period, together with the effects of drought and flooding on nationally important infrastructure, underline how important it is for us to accelerate climate adaptation work. This will require large investments in drainage and irrigation, among other things, and is structured work that needs to be carried out jointly by primary production, industry and politicians.

As for food security, it has become increasingly clear that Sweden has a need to increase strategic stockpiling of, for example, grain and inputs such as fertilizer and seed. This work needs to be started now, and in this area too, it is important for all participants in the food chain to work together in a coordinated way.

Lantmännen has made several important advances in the area of sustainability during the year. Our emission reductions have continued at an accelerated pace, and we have now reduced relative emissions in our own production by about 45 percent compared with the base year 2019. The Climate & Nature cultivation concept continues to expand and has been updated with a new criterion for fossil-free fertilizer which means that the climate impact from cultivation can now be reduced by up to 45 percent. We are also working continuously to improve monitoring and measurement of relevant key figures. During the year, both Lantmännen Unibake and Lantmännen Cerealia joined the Science Based Targets initiative, a global program for companies to reduce emissions in line with the Paris Agreement.

### Focus and strategic initiatives

To seize opportunities and counter challenges going forward, we need to make the right decisions at both tactical and strategic levels. In the short term, it is important to maintain a strong focus on cost control in all areas, and to be flexible and adaptable based on the current conditions. In the longer term, it is more about setting the right priorities and making the right investments. Business opportunities arise even in a weaker market, and we need to make the right evaluations and invest in the right areas. Lantmännen's stable financial position is also a strength in a weaker market and gives us a margin of maneuver that not every company has.

Another key success factor is to constantly work on continuous improvements in all areas. Lasting improvements rarely happen overnight; instead, we need to constantly strive to become a little better every day we go to work. I have seen many positive examples of this in our different businesses during the year, and we can still learn a lot from each other.

In conclusion, I would like to express my thanks to all our employees for a job well done in a challenging year, and to our members, who have contributed strongly with their knowledge and commitment. Together, we continue to develop the world's best agricultural cooperative.

Stockholm, February 2024

Magnus Kagevik  
Group President & CEO

# The Lantmännen model

Lantmännen is a farmers’ cooperative owned by Swedish farmers. Our purpose is clear – to make farming thrive. With research, development and operations throughout the value chain, together we take responsibility from field to fork. Our business model creates the conditions for long-term, profitable and sustainable farming.

## The farmers’ cooperative

Our 18,000 members are both owners and business partners. Together, we utilize the benefits of the cooperative form of enterprise to contribute to the profitability of members’ farms and optimize the return on their capital in the association.

## Operations from field to fork

We have operations throughout the value chain, from field to fork. A presence in a range of businesses, both locally and globally, creates business opportunities, stability and sustainability. And in particular, a unique opportunity to influence development and take responsibility from field to fork.

## Research and innovation

Our profit is reinvested in making farming thrive, either directly on members’ farms or in research and innovation. Every year, for example, approximately MSEK 400 is invested in research and development within farming of the future, bioenergy and food.

## Value from farmland

We refine arable land resources in a responsible way to create the best of what our farmland can provide. In this way, we create value for our members, develop innovative products and are part of food consumers’ daily life.



**Profit from our operations is reinvested to create value for Swedish farming.**



## Lantmännen’s assignment

To contribute to the profitability of our members’ farms and optimize the return on their capital in Lantmännen.

## Lantmännen’s long-term goal

Lantmännen will be the leading participant in the grain value chain from field to fork in northern Europe.



**Trading with Lantmännen means you get responsibly produced products and also contribute to the development of farming of the future.**





# Significant events

## January-December 2023

### Semper and Lantmännen in new partnership

Semper has joined Climate & Nature – Lantmännen's program for Farming of the Future. The companies will create more sustainable cultivation of oats, wheat and rye in Sweden. *March 30, 2023*

### Stronger Swedish food security

On behalf of Lantmännen and LRF, a report has been produced outlining how the Swedish agri-food sector can ensure food security in the event of a crisis or war. The report proposes nine points to create a robust food value chain, from agriculture to retail. *April 14, 2023*

### Lantmännen's input to Food strategy 2.0

Lantmännen has submitted its input to Sweden's Food Strategy 2.0. The proposals for development aim to more clearly ensure a robust Swedish food chain with increased production through clearer objectives and reinforcements in the areas of innovation, exports, preparedness and sustainability. *April 25, 2023*

### Lantmännen Biorefineries' wheat protein plant inaugurated

Lantmännen Biorefineries' new production facility for extraction of wheat protein was inaugurated in Norrköping, with representatives from the government, authorities and local partners. The increased production capacity strengthens the robustness of Swedish food production and meets the increasing demand from the industry. The production facility is an investment of MSEK 800. *May 10, 2023*

### Farming of the Future as part of the Swedish EU Presidency

Lantmännen welcomed the EU's CAP Directors to Svalöv Farm of the Future. The visit was part of the agricultural policy meeting in Malmö and Sweden's EU presidency. About 100 visitors learned about Lantmännen's plan to achieve Farming of the Future 2050 and were shown new technology and cultivation methods for more sustainable and productive farming. *June 1, 2023*

### Lantmännen Research Foundation awards project funding of MSEK 25

Lantmännen Research Foundation's annual call for proposals opened on June 20. The Foundation welcomes project applications from researchers in the priority areas Agriculture & Machinery, Food & Health and Bioenergy & Green Materials. *June 20, 2023*

### Lantmännen has divested its Russian operations

The processes for divesting the operations in Russia are complete, meaning that Lantmännen has now completely left the Russian market. Lantmännen's Russian operations were separated from the rest of the Group in March 2022. Since then, they have acted independently and their results have not been consolidated. *August 23, 2023*



The EU's CAP Directors at Svalöv Farm of the Future



## Lantmännen drives development towards even more sustainable, productive and profitable farming and sustainable food and bioenergy systems.

### Science Based Targets initiative approves Lantmännen Unibake's climate targets

Lantmännen Unibake has had its climate targets approved by the Science Based Targets initiative (SBTi). The targets involve a move to raw materials with a lower climate impact, phasing out fossil fuels and reducing food waste in collaboration with our customers and suppliers. *August 24, 2023*

### Lantmännen updates its dividend policy for members

The aim is for Lantmännen to generate an even and stable dividend over time to its members, active Swedish farmers. The decision means that the dividend can be up to 50 percent of net income from Lantmännen's industrial operations. This was previously about 40 percent. As before, 100 percent of operating income in the agricultural operations will be distributed to members.

*October 17, 2023*

### Lantmännen Unibake's fully automated cold storage facility inaugurated

Lantmännen Unibake and Lantmännen Real Estate have invested MSEK 300 in a new cold storage facility. The new facility, built adjacent to the existing bakery in Örebro, will streamline the flow of goods and contribute to more sustainable handling of frozen bread products from Bonjour, Hatting and Korvbrödsbagarn.

*October 27, 2023*

### Lantmännen's input to the government's research and innovation policy proposal

Lantmännen submitted its input to the government's research and innovation policy proposal. Lantmännen's input prioritizes the need for research and innovation aimed at supporting a successful implementation of Food Strategy 2.0 for increased sustainable and robust food production with growing exports. The input is in line with Sweden Food Arena, LRF, the Swedish Food Federation and Co-operatives Sweden. *November 1, 2023*

### The European Commission delivers its decision on ethanol trade

The European Commission has found that Lantmännen Agroetanol was involved in an infringement of European competition rules in ethanol trade for a period, just over 10 years ago. In light of the above, the Commission has imposed a fine of MEUR 47.7 on Lantmännen Agroetanol. Lantmännen has already made a provision of MSEK 500 in connection with the investigation. Lantmännen, which has cooperated fully with the EU Commission throughout the investigation, contests the findings of the Commission's decision and continues to fully exercise its right of defense, including an appeal to the European Court. *December 7, 2023*







## Lantmännen has a strong financial position that enables us to counter the challenges we meet.

### Lantmännen acquires HKScan's Swedish operations

Lantmännen has signed an agreement to acquire HKScan Oyj's Swedish operations, HKScan Sweden AB. The acquisition includes all operations in Sweden and the brands Scan, Pärsons and Bullens. It broadens and strengthens Lantmännen's business portfolio from field to fork and enhances the long-term conditions for Swedish farming. The transaction is subject to approval by the relevant authorities and is expected to be completed in the first half of 2024.

*December 29, 2023*

### The year's Swedish harvest

The Swedish Board of Agriculture's figures show that the Swedish grain harvest for 2023 was about 4.9 million tonnes, which is below the five-year average of 5.2 million tonnes. The dry weather in early summer and heavy rainfall in the harvest period had a negative effect on both harvest volume and crop quality.

### Fossil-free value chain from field to fork

This year, we introduced a fossil-free grain value chain from field to fork with the introduction of fossil-free fertilizer as a possible measure under the Climate & Nature cultivation concept. An important step for Lantmännen, but also enabling the Swedish food sector as a whole to create more sustainable food production.

### Events after the end of the period

In February, Lantmännen, Fertiberia and Nordion Energi announced the largest initiative of its kind in the Nordic region, a partnership aimed at establishing Sweden's first fossil-free mineral fertilizer production through the Power2Earth joint initiative. Through its hydrogen-based production process based on fossil-free energy, Power2Earth has the potential to significantly reduce carbon dioxide emissions from food production and strengthen Swedish food security.

In February, Lantmännen Cerealia signed an agreement to divest the ready meals business under the Gooh brand to Atria Sweden. The transaction, which is subject to approval by the relevant authorities, is expected to be completed in the spring.





# Governed and owned by members

Lantmännen's cooperative form of enterprise has many advantages. Through the democratic structure, one member one vote, members are able to influence how Lantmännen is governed. They also get to share in Lantmännen's profits and dividend.

Members of Lantmännen are both business partners and owners. They are an important part of the company and create engagement and development. All members get to share in the Group's profits and are also able to influence how Lantmännen is governed. To become a member, you must be engaged in farming or food production within the association's area of operation.

## Involvement and dialogue in the districts

Involvement and dialogue in the districts, membership meetings, council of trustees and working groups are key ways of utilizing the strength of the cooperative enterprise. Lantmännen combines regional and member activities with large-scale national and international business operations. Lantmännen's 20 districts are the basis for the members' influence and an important link between the members and Lantmännen. The district boards work with the members on overall strategic issues regionally in close cooperation with Lantmännen Agriculture and Lantmännen Machinery. Learn more in the Corporate Governance Report → page 194.

## Where earnings are created

Most of the financial earnings within Lantmännen are generated in the processing activities, e.g. processing of grain into feed, food or bioenergy, and through sales of construction machinery.

A value-creating industrial and processing business provides a market for members' grain and creates added value.

## Lantmännen's AGM May 3, 2023

Lantmännen's Annual General Meeting in May adopted the largest ever dividend to Lantmännen's members, totaling MSEK 1,080.

At the Meeting, Patrick Aulin was elected as a new member of the Lantmännen Board. At the same time, Gunilla Aschan, Jenny Bengtsson, Johan Bygge and Per Lindahl were re-elected to the Board. At the statutory Board meeting following the AGM, Per Lindahl was re-elected as Chairman and Jan-Erik Hansson as Vice Chairman. All Board members, the Group President & CEO, Group Management, presiding officers, delegates, authorized auditors and member

representative auditors attended the meeting, which could also be followed via webcast.

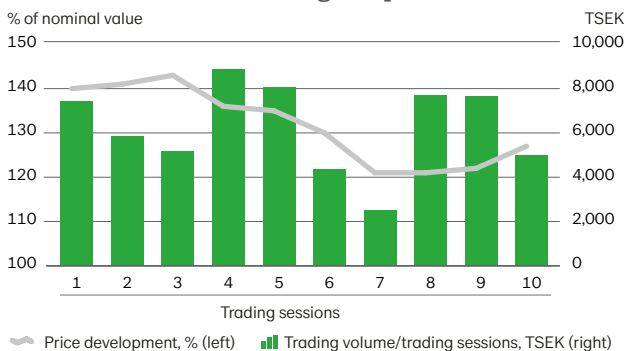
## Trading in contribution issues

Contribution issues are one of many good reasons to be a member of Lantmännen. They are based on the portion of the profit from Lantmännen's industrial operations that is distributed to the members.

“  
Lantmännen will generate regular and stable dividends, based on the Group's income after tax.

Members of Lantmännen can buy and sell contribution issues. Purchased contribution issues carry the same entitlement to contribution dividends and new contribution issues as paid-in contributions. There were 10 trading sessions in 2023 and the total turnover was MSEK 63 (44). The transaction price varied between 121 and 143 percent of the nominal value.

## Contribution issues – trading and price trend 2023





# Advantages and membership benefits

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Members of Lantmännen share in Lantmännen's **return and dividend** and also have various membership benefits.

Every year, a large number of **meetings and member gatherings** are organized for Lantmännen's members. What is offered varies from district to district depending on needs and interest. The members are a community of active Swedish farmers.

Lantmännen also has extensive **research and development activities** that members can share in various ways. Lantmännen also engages in **active dialogue with politicians and decision-makers** aimed at improving the business conditions for Lantmännen and the profitability of members' farms.

Each district can propose participants in **Lantmännen's Ambassador program** for young members. Around 30-40 participants from across the country meet and are given the opportunity to get to know different parts of Lantmännen.

New elected representatives on the district boards and nomination committees undergo a three-day **training program**, which includes Lantmännen's business operations, communication and IT security. Lantmännen also has other training for elected representatives.

The members' magazine **Grodden** is sent out to all members. In addition to the magazine, there is also a Grodden podcast, which comes out regularly.

Members have access to the **LM<sup>2</sup> portal's digital services**. The LM<sup>2</sup> portal's business overview shows current agreements and order information for members and customers. On the portal, members can also view their service history, book a machine service and get a full overview of their physical grain business and feed agreements with Lantmännen. Learn more about membership benefits at [→ lantmannen.com/our-owners/](https://lantmannen.com/our-owners/)

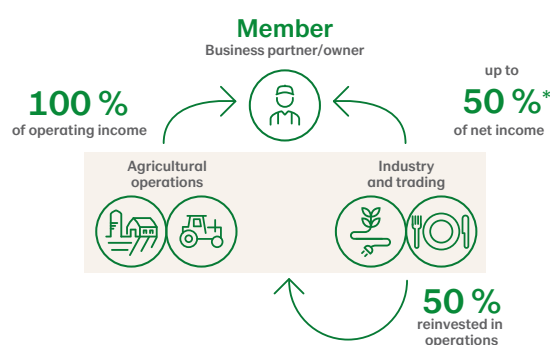
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# Dividend to our members

Refund, supplementary payment, contribution dividend and contribution issue are terms that keep coming up when we talk about benefits of being a Lantmännen member. The Board's aim is that Lantmännen will generate regular and stable dividends for members over time.

Members of Lantmännen are entitled to a share in the distributed refund and supplementary payment. Members make contributions, which are calculated based on their turnover with the association.



The dividend policy has been updated and the dividend can now be up to 50 percent of net income from industry and trading. It was previously around 40 percent.

- **Refund:** calculated on members' purchases from Lantmännen Agriculture Sweden, Lantmännen Machinery and Swecon's Swedish operations.
- **Supplementary payment:** calculated on members' sales of grain, oilseeds, pulses and forages to Lantmännen Agriculture.
- **Contribution dividend:** paid in proportion to members' paid-in and issued contribution capital. The dividend is based on the results of the processing and industrial operations.
- **Contribution issue:** some of the earnings from Lantmännen's industrial operations are distributed by transferring collective capital to members. The contribution issue distribution is 50 percent on trading with Lantmännen and 50 percent on paid-in and issued contributions.

For the first five years as a member, the dividend in the form of *refund, supplementary payment* and *contribution dividend* is

used as amortization of the contribution obligation in order to achieve the basic contribution of SEK 10,000.

## Dividend proposal 2023

For 2023, the Board has proposed that the AGM adopt a dividend as follows: refund and supplementary payment of 2.0 (2.0) percent on trading with Lantmännen Agriculture Sweden, a 0.5 (0.5) percent refund on members' purchases from Lantmännen Agriculture Sweden's fuel business and a 0.0 (0.5) percent refund on members' purchases from Lantmännen Machinery and Swecon's Swedish operations. The total refund and supplementary payment is estimated at MSEK 324 (374).

The Board proposes a contribution dividend of 10 (10) percent of the contributions' nominal value, totaling MSEK 453 (403), and a contribution issue of MSEK 423 (303). In addition, a dividend of 8.0 (6.0) percent on subordinated debentures, totaling MSEK 20 (15), is proposed, based on the conditions in the subordinated debenture offer.

## Contributed capital – paid-in and issued

Members' contributed capital amounted to MSEK 4,534 (4,027) at the end of 2023, and consisted of paid-in contributions of MSEK 1,858 (1,642) and issued contributions of MSEK 2,676 (2,385).

The contribution issue members receive is collected in their account for issued capital and this is the capital that constitutes contribution issues. Our members can easily see their balance via LM<sup>2</sup> Finance.

## Contributed capital

MSEK	2023	2022	2021	2020	2019
Paid-in contributions	1,858	1,642	1,512	1,402	1 373
Issued contributions	2,676	2,385	2,112	1,826	1 586
<b>Total</b>	<b>4,534</b>	<b>4,027</b>	<b>3,624</b>	<b>3,228</b>	<b>2 959</b>

## Dividend<sup>1)</sup>

MSEK	2023 <sup>2)</sup>	2022	2021	2020	2019	2018	2017	2016	2015	2014
Refund and supplementary payment	324	374	341	305	208	157	245	231	188	135
Extra dividend	-	-	-	-	-	-	133	-	-	-
Contribution dividend	453	403	362	291	237	213	222	207	193	178
Contribution issue	423	303	297	306	288	250	100	70	50	150
<b>Total</b>	<b>1,200</b>	<b>1,080</b>	<b>1,000</b>	<b>902</b>	<b>733</b>	<b>620</b>	<b>700</b>	<b>508</b>	<b>431</b>	<b>463</b>

<sup>1)</sup> Reported amounts may include adjustments compared with previous years' proposals. <sup>2)</sup> Pursuant to Board's proposal for 2023.





# Business environment and market

The business environment was characterized by a complex situation of high inflation, rising interest rates and a volatile commodity market during the year. Together with the growing geopolitical turmoil and armed conflicts around the world, this has caused an unsettled world market, also affecting Lantmännen's markets and businesses. Lantmännen's principal market is northern Europe, with a focus on the Nordic and Baltic Sea regions.

## Our external environment: three global change factors

### Growing population and prosperity

The world population in 2050 is predicted to be about 10 billion people, while the prosperity of the global middle class is growing. This drives long-term demand for agricultural commodities and food products. The volume growth slowed down in 2023 due to high inflation and rising market rates.

“  
**The prosperity of the global middle class is growing and driving long-term demand for agricultural commodities and food products.**

### Climate adaptation and mitigation

To meet the UN's net zero emissions target for 2050 under the Paris Agreement, the climate impact needs to be reduced throughout the value chain from cultivation to processing and transport. At the same time, agriculture must be adapted to a changing climate. Climate adaptation includes innovation and new technological solutions, such as using plant breeding to develop varieties optimized for warmer weather and longer growing seasons, and agricultural machinery that can be used in more varied weather conditions. Major investments

are particularly needed in water management infrastructure, namely drainage and irrigation.

### Geopolitical complexity and food security

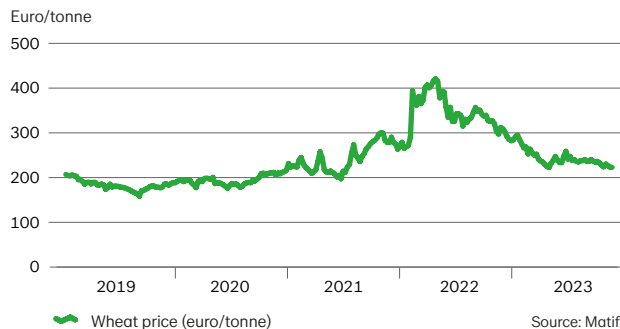
The external environment is affecting the opportunities and activities of our businesses in a completely new way. The situation underlines the importance of domestic production and robust value chains and of securing infrastructure throughout the food value chain. From a Swedish perspective, production capacity is needed for inputs such as mineral fertilizer.

### Volatility in our markets

The relatively high rate of inflation in Sweden and other European countries has consequences for both end consumers and trade. All Lantmännen's businesses have worked to adapt operations to the changed conditions in the market during the year. In the food market, the rising prices have meant that premium products continue to be challenged by discount products and private labels.

In recent years, we have seen sharp price increases in key agricultural and input raw materials, as well as food ingredients. This has presented challenges for agricultural companies and required price adjustments throughout the value chain. The high energy prices in Europe early in the year are linked to reduced supplies of Russian oil and gas, and fertilizer prices are following the energy prices. Mineral fertilizer availability stabilized during the year and the price level fell slightly.

Wheat commodity exchange price trend



Ethanol commodity exchange price trend



## Share of the Group's net sales on our main markets



The 2023 Swedish grain harvest was among the worst in 30 years. The total volume is estimated at about 4.9 million tonnes, which is below the five-year average of 5.2 million tonnes. At the same time, extensive quality problems have arisen, meaning that availability of Swedish milling wheat, malting barley and rolled oats is very limited. The poor harvest puts many farmers in a challenging situation and also affects Swedish exports.

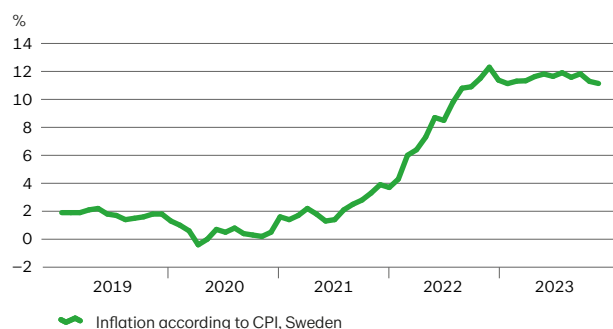
The government has worked on the national food strategy and the study *"Food security for a new era"* during the year. Lantmännen welcomes this and has contributed input on priority areas in the food strategy. The government study proposes national emergency stockpiling of inputs and agricultural commodities. Food production also needs to be a focus area in the research proposal for the next four years.

### Focus on sustainability and climate issues

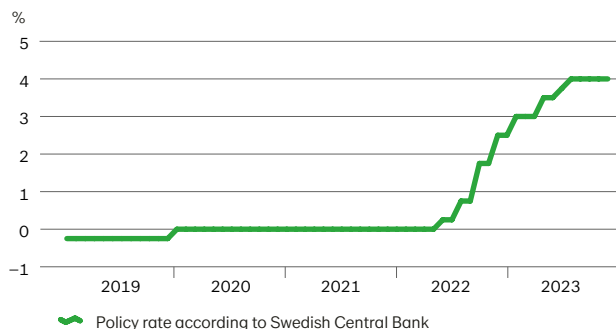
Lantmännen's sustainability work is largely conducted under what we call Farming of the Future, our plan to increase harvests and promote biodiversity while achieving climate neutrality by 2050. Increased digitalization and access to relevant data are also key enablers for developing productivity, climate performance and sustainability across the value chain.

Lantmännen's ambitions were strengthened in the long term as more businesses joined the Science Based Targets initiative, a global program for companies to reduce emissions in line with the Paris Agreement. Lantmännen Unibake's climate targets were approved by the SBTi in August and Lantmännen Cerealia's targets were submitted towards the end of the year.

### Inflation



### Policy rate



# Strategy – Field to Fork 2030

Lantmännen's assignment takes into consideration the members and is the basis for our strategy. We will contribute to the profitability of our members' farms and optimize the return on their capital. Lantmännen will be the best business partner to Swedish agricultural companies and create sustainable value from field to fork.



## Strategic direction

The main focus of Lantmännen's "Field to Fork 2030" strategy stands firm.

- **Short-term strategy, based on the consumer**  
The macroeconomic situation of recent years, with increased inflation and higher interest rates, creates a complex business landscape that presents *tactical opportunities*. Consumer preferences regarding low prices and customer channels should be reflected in the business offering. Lantmännen must be able to adapt quickly in a complex environment.
- **Long-term strategy for a robust value chain**  
A growing global population, climate adaptation and mitigation, and geopolitics are accelerating and increasing demand for sustainable products and solutions that provide *strategic opportunities*.

Lantmännen will continue to build on the field to fork strategy and seek to increase availability of raw materials, energy and inputs close to production. The strategy will be further developed with green fertilizer, sustainable fuels, sustainable animal products and green proteins.

## Lantmännen – a world-class company

Our strategic focus areas will contribute to world-class Swedish farming by strengthening the *competitiveness and profitability* of members' farms. This will be achieved through strong *profitability* in all our industrial operations and by leading and accelerating the development of *sustainable solutions* across the business. Through successful portfolio companies, we achieve financial stability and greater risk diversification. Lantmännen will be the most innovative company in our industries, leading the development of digital and competitive solutions for members and agricultural companies.

## Strategic initiatives for food security

The issue of securing strategic food production facilities is a priority from Lantmännen's perspective. The aim is to build resilience throughout the food value chain – with strategic stockpiling of critical agricultural inputs as a high priority. Lantmännen is also actively involved in the government's food preparedness work and in several initiatives at the Ministry of Rural Affairs and Infrastructure, the National Food Agency and the Swedish Board of Agriculture.



## Lantmännen's grain strategy

The grain strategy is based on increasing the Swedish harvest by 1 million tonnes per decade and achieving net zero climate impact by 2050. In the long term, Lantmännen strives to create a growing and increasingly cohesive value chain from field to fork. The strategy drives business development through sustainability and innovation and reduces risks. Access to raw

materials is a long-term competitive advantage. In the Baltic Sea region, which is a leading grain region, we are creating a foundation for developing the processing industry, livestock business and a broad portfolio for raw material exports. The strategy includes working close to the agricultural companies in both Sweden and Finland.



**Increase the Swedish harvest and enable efficient handling of grain throughout the value chain**



**Increase the economic return from cultivation on the farm**



**Maximize the economic value of the grain through further processing and exports**



**Meet the Paris Agreement target with a climate-neutral grain value chain by 2050**

### Lantmännen's animal strategy

The animal value chains are central to achieving the goal of increasing the Swedish harvest by 1 million tonnes per decade. Lantmännen's animal strategy is an extension of the grain strategy, and is aimed at increasing economic returns on farms, and maximizing the economic value of grain through further processing into feed. Lantmännen will also create the conditions for local processing by developing offerings that contribute to the efficiency of primary production.

“**The field to fork strategy drives business development through sustainability and innovation and reduces risk.**”

### Accelerated climate adaptation

The result of the year's poor harvest underlines the importance of continuing work on climate adaptation. This will require investments in efficient irrigation and drainage systems, plant

breeding, flexible machinery solutions and new methods for controlling plant pests. These are infrastructure investments that agriculture will not be able to bear alone. Primary production, industry and politics have a shared responsibility to enable this.

### Innovation and sustainable business

Lantmännen is driving progress towards farming of the future and sustainable food and bioenergy systems. We refine and develop products, offerings and concepts with sustainable added values, such as the Climate & Nature cultivation program. Lantmännen invests about MSEK 400 annually in research and development throughout the value chain. We drive innovation through collaboration with academia, government agencies, suppliers and our members.

### The Lantmännen brand creates value

Lantmännen will be a responsible, innovative company and an attractive employer. The Lantmännen brand has a valuable position, and we work actively to maintain a high level of trust in our brand. Our branding work includes development of value-creating concepts from field to fork, such as Climate & Nature and origin labeling.

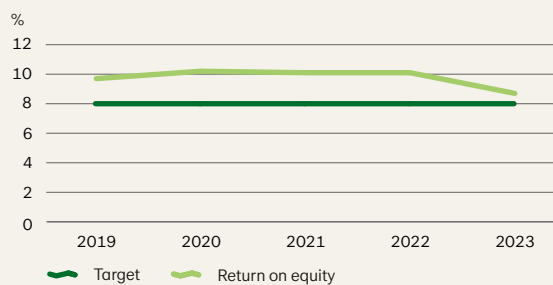
# Strategic targets

The strategic targets for the Group and businesses include financial and non-financial targets.

## Return on equity<sup>1)</sup>

The return target is dependent on the business portfolio and is estimated to have a total return on equity potential of 8 percent. Return on equity adjusted for items affecting comparability was 8.7 (10.1) percent in 2023.

**Target >8 % Outcome 8.7 %<sup>1)</sup>**

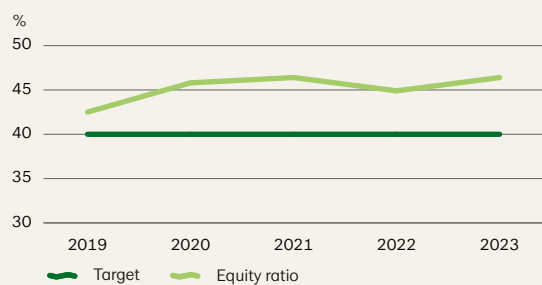


<sup>1)</sup> Adjusted for items affecting comparability.

## Equity ratio

Lantmännen's target for the equity ratio is a minimum of 40 percent, which reflects Lantmännen's desired financial risk profile and the Board's view of long-term financial stability. The equity ratio on December 31, 2023 was 46.4 (44.9) percent.

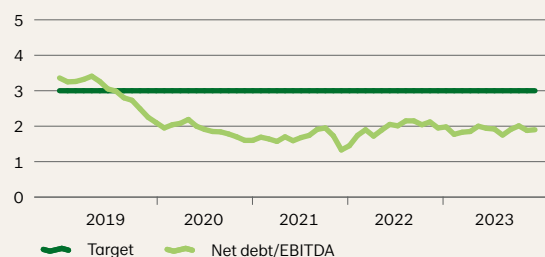
**Target >40 % Outcome 46.4 %**



## Net debt/EBITDA

Net debt/EBITDA indicates how fast a company can repay its debt (expressed in years). Lantmännen's aim is to maintain a net debt/EBITDA ratio of below 3, in order to ensure financial stability. The present net debt/EBITDA ratio is 1.9 (1.9).

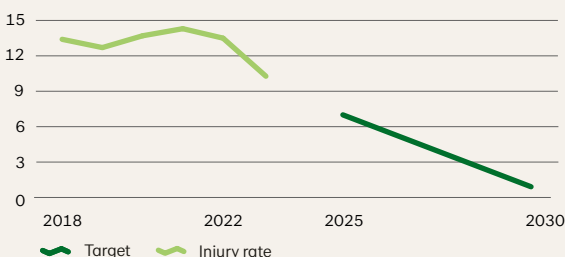
**Target <3 Outcome 1.9**



## Injury rate

Lantmännen has a zero vision for work-related accidents. The target will be achieved with a risk-based and proactive approach, in which health and safety are part of day-to-day work, with a focus on continuous improvement. The injury rate fell to 10.8 from 13.5 in the previous year.

**Target 2025 <7 Outcome 10.8**

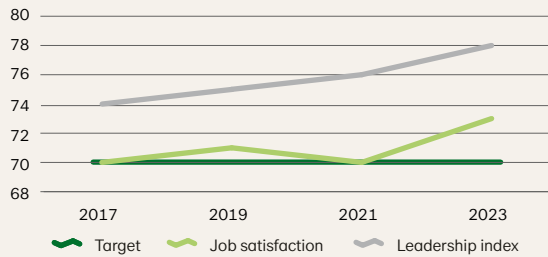


Description of financial performance measures → pages 138 and 168-169

### Employees/Leadership

Employee engagement and good leadership are of key importance to Lantmännen. The employee survey in fall 2023 showed strong results. We exceeded both the job satisfaction target: 73 (70) and the leadership target: 78 (76).

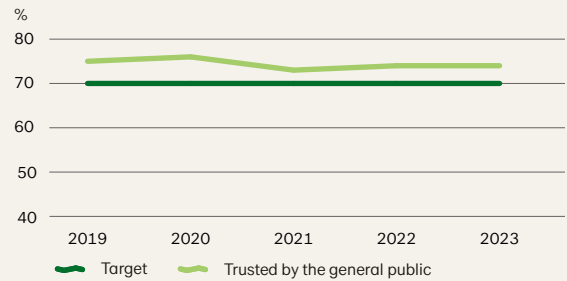
**Target >70 Outcome 73 and 78**



### Trusted by the general public

In 2023, an average of 74 percent of the public said they trusted Lantmännen, which is among the highest results of all Swedish companies. Trust contributes to business and creates loyalty among customers and consumers, as well as attractiveness as an employer and business partner.

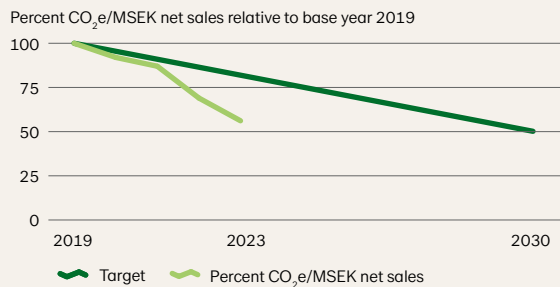
**Target ≥70 % Outcome 74 %**



### Reduced climate impact

The Group's target is to reduce climate emissions in its own operations by 50 percent in the period 2019-2030, calculated as CO<sub>2</sub>e tonnes per MSEK net sales. The target will be achieved by continuing the transition to fossil-free production and energy efficiency. From 2019 to 2023, the relative emissions reduction was approximately 45 percent.

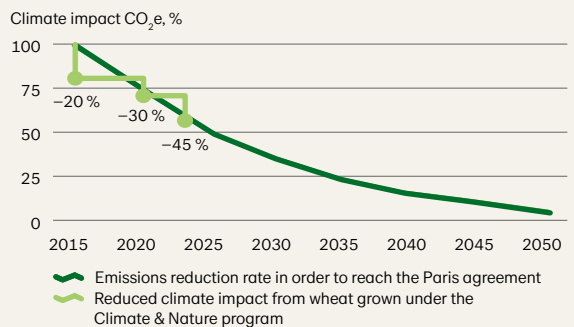
**Target -50 %/ten years Outcome -45 %**



### Sustainable products

Introducing fossil-free fertilizer into the Climate & Nature cultivation program has reduced emissions from wheat cultivation by a further 15 percent/kg of flour, up to 45 percent in total compared with 2015. The program continues to develop at the rate required by the Paris Agreement to reduce the climate impact from grain cultivation.

**Target -50 %/ten years Outcome up to -45 %**





# Sustainable business development

Lantmännen has an important role in addressing global challenges such as increased demand for raw materials for a growing population and the climate issue. By significantly reducing the impact on the environment and natural resources while generating profitable growth, we can meet increased demand for responsibly produced food, bioenergy and bio-based materials.

Lantmännen's Field to Fork 2030 strategy is leading and accelerating the development of sustainable solutions throughout the value chain. With operations throughout the grain value chain, Lantmännen has a unique opportunity to pursue sustainable business development, which is the basis for Lantmännen's and our members' long-term profitability. Based on renewable raw materials from arable land, we develop businesses that optimize cultivation, increase resource efficiency, close cycles and minimize the impact on people and the environment.

## Material topics

Based on external monitoring and stakeholder dialogue, Lantmännen has prioritized the sustainability issues that are important to the business from an environmental, social and business ethics perspective. These contribute to sustainable development and sustainable business and form the basis of our framework. The framework's sustainability issues, with ambitions and targets, are central to our approach to risks and opportunities. The framework is also used in our strategic business planning.

Lantmännen's environmental responsibility encompasses issues such as climate change mitigation, climate change adaptation and functioning ecosystems, but also resource efficiency and sustainable products for a growing population.

Lantmännen is a responsible player and wants to be an attractive employer that offers a safe work environment, good leadership and an inclusive corporate culture. Issues such as health and safety, employee satisfaction and equal

treatment are therefore priority areas of Lantmännen's social responsibility.

As a large, international player with many employees, suppliers and a broad ownership base, Lantmännen relies on responsible business relationships. Responsibility for material sustainability issues extends along the entire value chain and we apply strict rules for ethical conduct and good business practices. Learn more about targets, governance and outcomes in the Sustainability Report on [page 139](#).

## Integrated into strategy and governance

The Board is ultimately responsible for governance, monitoring and following up of the Group's responsibility and sustainability work. Group Management pursues responsibility issues and sustainable business development as part of strategic business planning, [page 22](#).

The Sectors and Business Areas pursue their relevant sustainability issues. The work is based on Lantmännen's Code of Conduct, which is a tool for steering the business towards ambitions and goals, [page 24](#). The Code of Conduct describes how Lantmännen's operations and employees must conduct themselves and make decisions to take responsibility from an environmental, social and business ethics perspective.

Sustainable business development is integrated into our processes and is central to Lantmännen's management of risks and opportunities. Lantmännen drives development work in a number of internal and external programs, dialogues and collaborations.

## Milestones in Lantmännen's long-term work on sustainability and climate

Sustainable methods for seed treatment	Investment in new production line for bioethanol	Climate-declared food and climate-calculated feed	Launch of cultivation program Climate & Nature with reduced climate impact	Report Farming of the Future: Crop Production	Launch of Bjertorp Farm of the Future	Viken Farm of the Future, Report Farming of the Future: Beef & Dairy, Green bond	Svalöv Farm of the Future, Climate & Nature in Finland	Fossil-free fertilizer introduced into Climate & Nature cultivation program
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### SUSTAINABLE BUSINESS DEVELOPMENT

**2001 – 2007 – 2009 – 2015 – 2019 – 2020 – 2021 – 2022 – 2023**

### RESPONSIBILITY

First Sustainability report	Code of Conduct adopted	Global Compact signed Climate targets adopted	Updated climate target	Target for climate-neutral primary production by 2050	Climate targets from 2009 achieved	New climate targets for 2030	Updated materiality assessment	Lantmännen Unibake's climate targets approved by SBTi
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# Framework for sustainable business



**E** = Environmental  
**S** = Social  
**G** = Governance

# Farming of the Future – the path to climate-neutral farming

Farming of the Future is Lantmännen's vision and strategy for sustainable and profitable Swedish farming. Through our long-term work, we are driving sustainable development in the value chain from field to fork and moving towards our goal: more sustainable primary production with increased yields and climate neutrality by 2050.

We work systematically to develop practical and economically feasible measures at farm level for a sustainable transition of farming. In 2019, we launched Farming of the Future and charted the way forward. We can increase harvests by more than 50 percent by 2050 while reducing the climate impact in line with the Paris Agreement if the right conditions are in place.

## Climate & Nature

Under Climate & Nature, Lantmännen's cultivation program for Farming of the Future, grain is grown according to criteria that reduce the climate impact and promote biodiversity. The program contains concrete measures for measurably more sustainable cultivation in line with the Paris Agreement and the Science Based Targets initiative's targets for the agricultural sector. Farmers following the program use fossil-free fuels on their farms, precision farming, and create skylark plots and flower zones in the fields.

The program's measures have reduced the climate footprint of winter wheat cultivation by up to 45 percent compared with conventional cultivation since 2015 when the program started, and created more favorable conditions for both skylarks and insects. Oats, barley and rye are also grown under the program with the same good effects. The program is dynamic and under constant development in order to apply the latest knowledge and technology.

The demand for sustainable products from Climate & Nature continues to grow, with new partners, new markets and increased volumes. Climate & Nature was rolled out in Finland and the year's Finnish rye harvest was record-breaking.

## Cooperation throughout the value chain

Increasing production while reducing the impact on climate and the environment requires efforts from many different participants in the value chain. There is a need for access to sustainable agri-supply such as fuel, plant nutrients and plant protection, and incentives and support to increase investments on the farm. It also requires investment in research and innovation, and we work continuously to understand

which areas need further development and which measures are most effective and can make the biggest difference.

## Lantmännen's Farms of the Future

On our Farms of the Future, we turn theory into practice, apply our knowledge and invite our partners to join us in finding solutions for the future. Our Farms of the Future provide a picture of how productivity, resource efficiency and environmental impact can be improved to enable us to achieve sustainable and profitable farming of the future.

Our new plant breeding facility at Svalöv Farm of the Future has scaled up to full capacity with high-tech equipment and world-class expertise this year. Adapting farming to climate change requires large investments in plant breeding for more resilient crops.

“  
**Under Climate & Nature, Lantmännen's cultivation program for Farming of the Future, grain is grown according to criteria that reduce the climate impact and promote biodiversity.**

## Major steps towards fossil-free farming

During the year, we introduced fossil-free fertilizer as a possible Climate & Nature measure, which enables a fossil-free value chain for food.

In parallel, research and knowledge development initiatives to develop new methods and technologies in farming are in progress. One example is the collaboration with the University of Gothenburg, SLU and Yara, which aims to investigate the extent to which nitrous oxide emissions from arable land can be minimized using different cultivation strategies and soil-improvement additives. Field trials started this year and measurements will continue until 2025.



## To develop Farming of the Future and meet the goals of the Paris Agreement by 2050, Lantmännen is working in four areas:



### Knowledge

**We continue to build on our knowledge base, with two special reports as the starting-point**

In our reports *“Farming of the Future: Crop Cultivation”* and *“Farming of the Future: Beef & Dairy”*, we have analyzed the possibilities for more sustainable future production. Production can be increased and climate impact reduced in line with science-based targets, in close cooperation with other actors throughout the value chain.



### Proof

**We test future solutions and demonstrate them in practice on our Farms of the Future**

Farms of the Future provide a practical picture of how productivity, resource efficiency and environmental impact can be improved for sustainable and profitable farming of the future. Activities at Lantmännen’s Svalöv Farm of the Future include advanced plant breeding. The two other Farms of the Future are Bjertorp for crop production and Viken for dairy production and feed development.



### Offering

**Wheat, rye, barley and oats are grown according to Climate & Nature – our offering to the market**

Climate & Nature, Lantmännen’s program for Farming of the Future, contains a number of cultivation criteria that reduce the climate impact and promote biodiversity. Together with farmers, customers and consumers, we drive the development of more sustainable cultivation.



### Collaboration

**We work closely with other actors in order to overcome the challenges and close the innovation gap by 2050**

Lantmännen is initiating and actively participating in a number of collaborative projects in the sector. One example is the platform for sharing agricultural data, in which the Agrosfär tool has been developed for efficient on-farm climate calculations. Another is the Sustainable Food Chain network, which promotes commercialization of more sustainable food.



# Research develops business

Lantmännen invests approximately MSEK 400 annually in research and innovation to meet future challenges and ensure competitiveness. The aim is to increase the value from field to fork and create business in cooperation with agricultural companies.

Lantmännen conducts research and innovation in the three priority areas Agriculture & Machinery, Food & Health and Bioenergy & Green Materials.

## Agriculture & Machinery

The development of profitable and sustainable agriculture requires research in development areas such as plant breeding, precision farming and biological pesticides. A research project began during the year, aimed at investigating the extent to which nitrous oxide emissions from arable land can be minimized using different fertilization strategies and soil-improving additives. Field trials took place during the year and the measurements are expected to continue until 2025.

During the year, several meetings were organized as part of the *Vall-lyftet* project to discuss forage research, and a platform was developed to disseminate knowledge about forage cultivation. Research on how to dry and store grain efficiently also took place.

For sustainable and profitable livestock production, research is conducted on feed with the best possible yield, and development of domestic feed materials to replace soy.

Digital initiatives support primary production with the development of precision farming solutions in the Dataväxt plant breeding program and improved decision support for farmers through LM<sup>2</sup>. Lantmännen's investment in the Agronod platform means that data can be shared, which enables continued development and sustainable innovation in the food system.

## Food & Health

Through research and innovation on existing and new crops and development of the processing stage, more sustainable food from grain and pulses is created. Milk quality is an important research area and Lantmännen's first industrial doctoral student completed their PhD at the Swedish University of Agricultural Sciences during the year. Research on the health effects of fiber and whole grains is also in progress.

Lantmännen has signed a letter of intent together with academia, the public sector and industry for a positive contribution to consumption of whole grains in Sweden by communicating health and sustainability.

Several investments in green proteins are being made, with a particular focus on the yellow pea, to support ingredient and food businesses.

## The Greenhouse

The Greenhouse is Lantmännen's program for open innovation. It is a platform where colleagues, startups and members can develop ideas together and build solutions around a theme. Learn more at [→ lantmannen.com/greenhouse](https://lantmannen.com/greenhouse)



During the year, Lantmännen Research Foundation invested MSEK 28 in research to create new business opportunities for Lantmännen and on members' farms. Learn more at [→ lantmannen.com/research-and-innovation/research-foundation/](https://lantmannen.com/research-and-innovation/research-foundation/)

## Bioenergy & Green Materials

A central part of Lantmännen's innovation work is to create more circular flows in the value chain from field to fork. Lantmännen conducts research projects that contribute to a more bio-based society based on grain and pulses. Research is underway to develop biochemicals such as bioplastics and other renewable materials. Agricultural raw materials, such as starch, protein, fiber and lignocellulose, gain added value through processing. Lantmännen is participating in a research competence center for bio-based adhesives, funded by Vinnova.

## Research for the future

Lantmännen's knowledge and operations at every stage represent an opportunity to drive and contribute to development in the grain value chain. Lantmännen R&D coordinates Lantmännen Research Foundation and the overall innovation process, which includes the Greenhouse. Each business area drives development that is close to their business.

Collaboration is essential to Lantmännen's research activities and the key to some of our best innovations. Lantmännen participates in several of Formas' centers for food research and innovation. Learn more on [→ page 36](#).







# Our employees

Lantmännen works in a long-term framework to attract and develop employees and leaders. We work constantly to create a stimulating and safe work environment.

The purpose of Lantmännen's employer brand and communication is to create pride and engagement among existing employees and to attract and arouse the interest of potential employees. We want to be an employer whose employees enjoy their work and are able to thrive in a safe working environment, with good leadership, development opportunities, and ambitious and stimulating goals.

“**Lantmännen's employees can influence and make a difference to our future solutions and success – and consequently to society in general.**”

We aim to give employees internal growth opportunities in both specialist and management careers. It is also our aim for half of all managerial recruitments to be filled internally; the outcome for 2023 was 52 percent.

Development through continuous learning is important. A number of different skills and leadership development programs are implemented each year, ranging from local workplace training to longer international leadership development programs.

All Lantmännen employees have performance appraisals with their immediate supervisor at the beginning of the

year and at least one follow-up discussion during the year, with a primary focus on individual goals, development plans and acting in accordance with Lantmännen's values: openness, a holistic view and drive. In addition, all employees complete an employee survey every two years to monitor development of employee satisfaction and leadership. The most recent survey, conducted in 2023, showed a strong result, with a score of 73 (70) for the Employee satisfaction index and 78 (76) for the Leadership index.

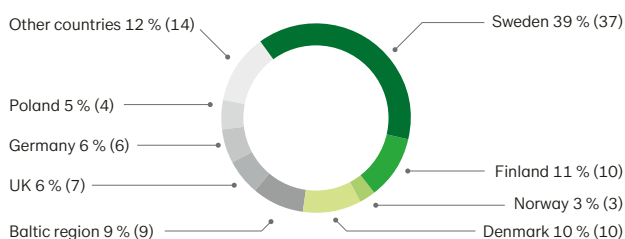
Lantmännen's popular trainee program finished in November, with nine trainees out of more than 800 applicants being given the opportunity to try out a number of different roles in the Group's various businesses. The trainee program lasts 15 months and is designed to give graduate trainees a holistic view of Lantmännen and prepare them for a continued career within the Group.

During the year, Lantmännen as an employer received several awards from talent networks and was highly placed in external rankings. For the fourth consecutive year, Lantmännen was named a "Career Company of the year" and for the tenth consecutive year, we were in the top 10 in "Talent Company of the Year", awarded by 4Potentials

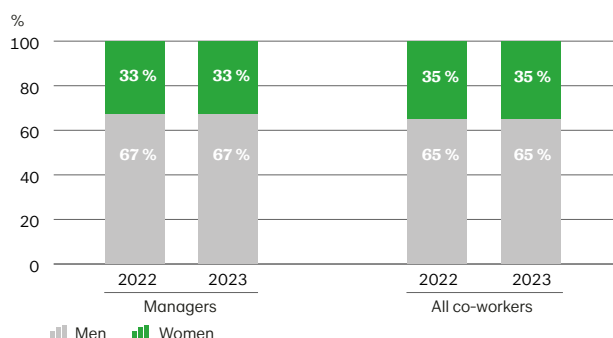
## A safe work environment is achieved through constant improvement

No employee should be exposed to danger or injury at the workplace and Lantmännen has a zero vision for work-related accidents. In 2023, the injury rate fell to 10.8 (13.5). The target for the injury rate is to be below 1 by 2030. There is a continuous process of identifying and following up areas

### Our employees – Geographic distribution



### Gender distribution





### **Openness and respect**

We have a culture based on openness and respect for each other, where it is easy to make your voice heard and exert influence. By taking ownership of results, cooperating and exploring new opportunities, together we take our business to an even higher level.

### **Career opportunities**

We are an international group with exciting business throughout the value chain. With our breadth in agriculture, machinery, bioenergy, food and real estate, we can offer career opportunities in different industries, countries, companies and areas of expertise.

### **Looking to the future**

Lantmännen is a cooperative with companies in many industries and rooted in a proud history. We continue our successful journey and develop our businesses with a clear strategy for growth, exploring new markets and expanding globally.

### **Graduate Trainee Program**

Lantmännen's graduate trainee program provides training in leadership, change management and project management, while Lantmännen's Summer Internship offers young potentials the opportunity to gain experience from our operations.

for improvement. Sick leave fell to 4.6 (5.2) percent in 2023. Learn more on [page 163](#).

The focus is to strengthen the safety culture by integrating the health and safety perspective more clearly into leadership, daily operational work and our strategic processes. An important part of this involves working on continuous improvement and creating conditions for changed behavior.

Lantmännen has produced several digital training courses and a physical workshop, Health & Safety Awareness Training,



“  
**We value employees’ skills, qualities and experience, and work actively to create an inclusive culture.**

which has been rolled out in all businesses. These have been translated into 10 languages and aim to raise awareness among managers and employees about Lantmännen’s work on health and safety. All Sectors also continue to work on their long-term action plans.

During the year, the UN’s World Day for Safety and Health at Work and World Mental Health Day were marked with intranet articles and best practice was shared across the Group.

We maintain and develop a good safety culture by identifying and minimizing risks in order to prevent injury. This is done by conducting around 60 inspections per year in our production facilities and continuous health and safety training. A web-based tool for reporting, investigation and follow-up of accidents, near misses and risk observations is available to all employees, as well as statistics for analyses and decisions.

### Lantmännen’s whistleblowing system

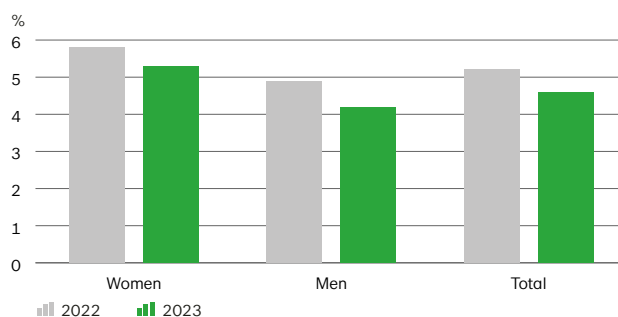
Lantmännen has an established Group-wide whistleblowing system giving employees a simple and anonymous way of reporting malpractice and violations of Lantmännen’s Code of Conduct, values, guidelines or policies, as well as suspected irregularities. The system is delivered by an external party but Lantmännen manages cases internally. In 2023, local whistleblowing channels were also implemented in companies where required by new legislation. An independent person is also appointed within these companies to handle the reports received. A total of 29 reports from five countries were recorded in 2023. Seven of these came from a local whistleblowing channel. All cases have been investigated and acted on.

We work on gender equality and diversity in a long-term perspective through defined goals, activity plans and regular follow-up. No form of discrimination, bullying or harassment is accepted and we have guidelines and procedures on how to deal with this if it occurs. Learn more on [page 164-165](#).

### Our employees, work-related accidents and near misses

	2023	2022
Number of fatalities due to accidents	0	0
Number of accidents	194	233
Injury rate	10.8	13.5
Number of reported near misses	2,471	2,692
Number of risk observations	17,040	15,334

### Sick leave







# Collaboration for growth

Lantmännen has a leading role in the development of Swedish farming, bioenergy and food production. We pursue agendas for robust and sustainable growth in priority areas and through collaboration.

Lantmännen takes an active and leading position in public and regulatory affairs. Our strategy for sustainable growth in the Swedish agri-food sector creates opportunities for our members, and for Lantmännen and the food sector. The strategy is in line with the Swedish food strategy, international sustainability goals and food security objectives.

## Key regulatory issues

Lantmännen pursues regulatory issues of key importance to our businesses and strategies. In Sweden, Lantmännen focuses on the competitiveness of agriculture and food production, and conditions for Swedish-produced biofuels. Food security is a key area of total defense in which Lantmännen has an important role and deep involvement.

Crop-based biofuels, bioenergy plant protection, plant breeding and agriculture's role in climate action are all under discussion in the EU. The EU's "Green Deal" revises virtually all EU regulations and strategies related to agriculture, climate, energy and environment, which affects the conditions for bioenergy and food.

## Current topics and collaboration in dialogue

We engage in collaboration on topics of importance to Swedish farming and our stakeholders.

**Thriving farming and the national food strategy:** LRF, KRAV, Sweden Food Arena, Spannmålsodlarföreningen, LRF Plant Breeding and Co-operatives Sweden.

**Responsibly produced food:** Swedish Food Federation, DLF, Consumer associations, Sustainable Supply Chain for Food and The Swedish Platform on Risk Commodities.

**Green energy/Bio-economy:** Haga Initiative, Drivkraft Sverige, Copa-Cogeca, Svebio, World Bioenergy Association and ePURE.

**Robust food security:** Consultative Group for Emergency Preparedness Planning for Food Security (SKAL), Swedish Board of Agriculture, National Food Agency, LRF, Swedish Food Federation, Confederation of Swedish Enterprise and government investigations.

One of the topics pursued during the year is how the Swedish agri-food sector can ensure food security in the event of a crisis or war. Lantmännen is also involved as a partner in a project aimed at establishing Swedish production of green mineral fertilizer based on Sweden's unique opportunities. In the fall, Lantmännen took part in

the Swedish-Finnish "Hanaholmen Executive Initiative", a preparedness initiative run by MSB (Swedish Civil Contingencies Agency) and NESA (National Emergency Security Agency) in Finland, and supported by the Swedish and Finnish governments.

## Growth package for Swedish farming and food production

A number of horizontal and value-creating projects have continued to be run with key players.



There are nine key areas in which Lantmännen works actively with academia, the business sector and authorities. Investing broadly in many different areas will accelerate robust and sustainable growth:

**Grogrund** • Developing plant breeding for our Nordic conditions.

**SustAinimal** • Leading research center for research on sustainable livestock production.

**Agronod** • Optimizing farming sustainability and productivity through digital data sharing.

**Tillväxtbolaget** • Securing venture capital funding for growing agricultural companies.

**Nordic Oats** • Driving a Swedish and Finnish food export agenda that benefits Lantmännen's entire value chain.

**Sweden Food Arena** • Ensuring strong innovation in the agri-food sector.

**Emergency stockpiling** • Initiative for public stockpiling of inputs and grain.

**Swedish green proteins** • Value chain for green proteins.

**Swedish green fertilizer** • For stronger competitiveness, climate change adaptation and preparedness.

Learn more at [lantmannen.com/sustainable-development/cooperation-and-dialogue](https://lantmannen.com/sustainable-development/cooperation-and-dialogue)





# Our Sectors and Business Areas

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# Agriculture Sector

The Agriculture Sector, which constitutes Lantmännen's core business, develops and markets products and services to promote strong, competitive farming. The Sector accounts for 42 percent of Lantmännen's sales. The Agriculture Sector is based in Sweden and has a strong position in the Baltic Sea region through its international wholly and partly-owned companies.

The Sector consists of *Lantmännen Agriculture Sweden*, *Lantmännen Machinery* in Sweden, *Lantmännen Agro* in Finland, *Lantmännen Agro* in Denmark and *Lantmännen Seed* in the Netherlands. The Sector is responsible for Lantmännen's ownership interests in the *Scandagra Group* in the Baltic region and *Scandagra Polska* in Poland. Learn more on [page 60](#).

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**Despite the challenges, operations developed positively during the year, particularly in the feed business.**

During the year, operations were affected by the volatile commodity market and uncertainty in the world, but also by the summer drought and subsequent persistent rainfall. The low grain harvest and quality deterioration are having a significant impact on farmers and the Sector's operations, which will continue until the next harvest year. Despite the challenges, operations developed positively during the year,

particularly in the feed business, where continued product development contributes to efficiency on customers' farms. This has enabled the Agriculture Sector to strengthen its market position.

## Outlook

The economic situation with high inflation, high interest rates and weak currencies, together with general uncertainty in the outside world, will continue to affect our business and our members in 2024. The combination of these factors and the low grain harvest in 2023, plus high prices of inputs, means we are likely to see restraint from customers. Settlement prices for grain, meat, milk and eggs will be of key importance to farmers' profitability.

Even though the year's grain harvest will still affect operations in 2024, the longer-term outlook for our business is good. The Agriculture Sector will continue to work for profitable growth, with an increased focus on data and digitalization as key enablers. We continue to equip our business to deal with the increasingly uncertain external environment, particularly in terms of risk management and raw material availability, but also to ensure that our processes work well should unforeseen events arise.

Agriculture Sector, key figures	2023	2022
Net sales, MSEK <sup>1)</sup>	29,270	30,376
Operating income, MSEK	207	516
Operating margin, %	0.7	1.7
Return on operating capital, %	2.2	5.2
Investments in non-current assets, MSEK	277	285
Average number of employees	1,838	1,733
of which women/men, %	27/73	25/75
Women/men in executive management, %	38/62	42/58
Injury rate	9.6	8.1
Sick leave, %	3.9	4.5
CO <sub>2</sub> e emissions, own production, thousand tonnes	13.3	11.6

<sup>1)</sup> Including intra-Group sales.

Excl. items affecting comparability	2023	2022
Operating income, MSEK	477	516
Operating margin, %	1.6	1.7
Return on operating capital, %	5.1	5.2

## Trademarks



**Piggfor** **Pullfor**  
**Renfor** **Protect**  
**Nötfor** **Fårfor**

## Sustainable agriculture

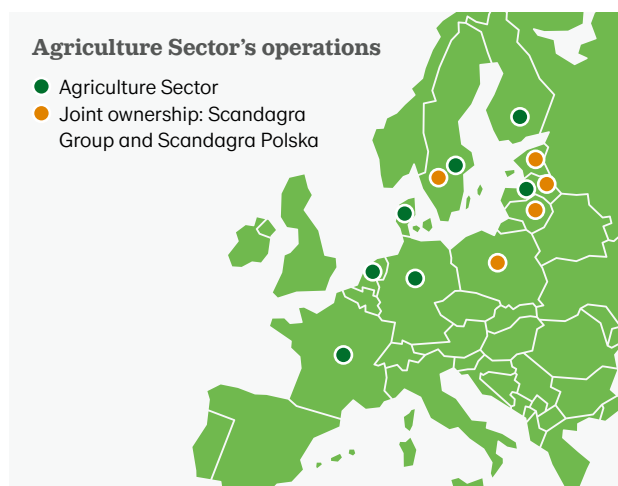
The Agriculture Sector works to promote sustainable agriculture with energy-efficient and safe machinery, resource-efficient production, effective cultivation methods and feed, and low-impact transport. The Sector works on innovation and development of smart feed varieties, technological and digital development, cultivation concepts, precision farming and plant breeding. The Sector is also preparing to meet future requirements related to the expansion of *Science Based Targets* in our own and associated industries.

### Sustainable products and renewable raw materials

During the year, we worked to increase knowledge about the renewable fuel RME, which currently works in many of our machines. We have launched new feed ranges, both for ruminants and pigs, optimized for productivity and climate parameters. The Nötfor range shows climate impact reduction of between 5 and 20 percent. We have seen a significant increase in the volume of products containing recycled plastic. We have also initiated *SMART Farming*, part of the Sector's smart services initiative, which combines available technology and expertise to enhance the productivity of members' farms in a resource-efficient way.

### Responsible employer and business partner

Health and safety is a focus area of the Agriculture Sector's strategy, and we work actively towards the goal of creating a safe, secure and healthy workplace. The work is conducted at both central and local level throughout the Sector. We also focus on responsible sourcing and business relationships.





# Lantmännen Agriculture Sweden

Lantmännen Agriculture Sweden offers a wide range of products for crop and livestock production. With purchasing of grain, oilseeds, pulses and forages which are sold on to grain traders and Swedish and international industry, we are the leader in the grain market. Operations showed positive development during the year, despite the lower harvest.

The feed business continues to gain market shares and had positive volume development during the year. The crop production business has also shown its strength, both in dealing with the unstable merchandise market and in seed production, which was pressured by low and late availability of the right quality grain. The low harvest had a negative effect on earnings for the grain business.

## Grain

Lantmännen Agriculture Sweden buys and sells grain, oilseeds and pulses. Half of the quantity is used in Lantmännen's own industries. External sales are significant and the export business has sales to Europe, North Africa and North America.

According to the Swedish Board of Agriculture's latest forecast, the Swedish grain harvest for the year was 4.9 million tonnes, which is lower than the five-year average. The yield potential was restricted by the early summer drought, and persistent rainfall in late summer reduced volumes further. The rain also affected the quality of all crops, with large volumes not being of food quality. This means that Lantmännen, which normally exports large volumes of Swedish



### Lantmännen Agriculture Sweden, key figures

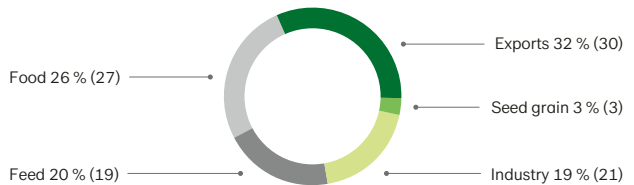
	2023	2022
Net sales, MSEK <sup>1)</sup>	18,980	20,363
Operating income, MSEK	265	339
Operating margin, %	1.4	1.7
Return on operating capital, %	4.5	5.8
Investments in non-current assets, MSEK	245	234
Average number of employees	826	758
of which women/men, %	35/65	33/67

<sup>1)</sup> Including intra-Group sales.

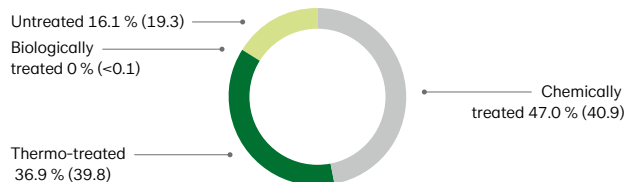
### Excl. items affecting comparability

	2023	2022
Operating income, MSEK	265	339
Operating margin, %	1.4	1.7
Return on operating capital, %	4.5	5.8

### Use of total volume of sold grain



### Seed treatment (calculated as percentage of volume in tonnes)







## Lantmännen will drive the development of sustainable Swedish farming, and contribute to a growing market and increased profitability for members' farms.

milling wheat, malting barley and rolled oats, will supply international customers with grain of other origin.

### Feed

Lantmännen Agriculture Sweden develops, produces and sells feed and supplements. Raw material prices remained stable during the year and the feed business progressed according to plan. We launched new feed ranges for piglets and cattle. The ranges have been optimized for increased productivity and take into account climate impact, with the use of pure amino acids, less need for soy and better use of residual products enabling us to reduce the climate footprint of the feed.

Lower settlement prices combined with higher interest rates and lower harvests are squeezing the profitability of the industry. Settlement prices for milk, pork and chicken have been reduced on several occasions, while the shortage of Swedish eggs has affected the profitability of egg producers. The outbreak of African swine fever has caused concern among the country's pig producers.

### Crop production

Lantmännen Agriculture Sweden refines, produces and sells seeds in the areas of seed grain, pulses, oilseeds and grass seed, and sells crop production inputs. Sales of grass seed in Sweden were high during the year, but exports were lower due to the record harvest in 2022. A late harvest, low volumes and declining quality put pressure on seed production. Despite this, we achieved a sufficient volume of winter seed for the Swedish market, but there will be less availability of spring seed. Mineral fertilizer availability stabilized and the price level fell from the historically high levels of 2022. Lantmännen's position in the fertilizer market is good and many farmers have secured their fertilizer volumes for 2024. Strong grass regrowth during the summer drove the demand for roughage products. Learn more at [→ lantmannenlantbrukmaskin.com](https://lantmannenlantbrukmaskin.com)

### Lantmännen's farms of the future

The Svalöv and Bjertorp farms of the future focus on crop cultivation and seed production, and Svalöv also conducts plant breeding. Many activities were carried out on our farms of the future during the year, and they are a good tool for showing how we can increase harvests and reduce climate impact. The Viken farm of the future, Lantmännen's own dairy farm, has 475 dairy cows, 450 heifers and calves and 365 hectares of crop cultivation. On the farm we conduct experimental activities for sustainable and productive milk production. Production developed well during the year and we tested optimized feeds based on amino acids. This resulted in a feed with

lower crude protein content and lower climate impact, without compromising productivity or feed quality.

### Lantmännen BioAgri

Lantmännen BioAgri develops and sells biological seed treatment products. During the year, the company continued its focus on biostimulants, which are products of biological origin that improve crop productivity. BioAgri has also developed ThermoSeed, a unique method that uses heat treatment to make seeds healthy and resilient. The company has conducted successful experiments using AI to improve the efficiency of seed analysis for ThermoSeed treatment. Learn more at [→ lantmannenbioagri.com](https://lantmannenbioagri.com)

### Lantmännen Krafft

Lantmännen Krafft is the largest premium horse feed supplier in Sweden and the Nordic region, with additional markets in Europe and the US. The company experienced a slight volume decrease during the year due to a change in purchasing behavior among consumers, who looked at cheaper alternatives. The export market developed well, with new partnerships initiated in the Baltic States and Poland. Learn more at [→ kraffthorsenutrition.com](https://kraffthorsenutrition.com)

### Dataväxt

Dataväxt is a technology and knowledge-based company with long experience in developing digital services. A range of products are currently marketed for documentation, traceability and monitoring in the green sector.





# Lantmännen Machinery

Lantmännen Machinery imports, markets and sells agricultural machinery and spare parts and provides services in Sweden. The product portfolio contains strong brands, including Valtra, Fendt, Kuhn, Väderstad and Joskin. Many subcontractors have recovered from the production problems that arose during the coronavirus pandemic and long-standing orders have been delivered. However, the general market turmoil had a negative impact on the order intake for the machinery business.

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**Higher interest rates, inflation and a poor harvest have reduced farmers’ investment opportunities.**

The total market for machinery showed a downward trend. The workshop and service business and spare parts business were affected, although not to the same extent as machinery sales. Lantmännen Machinery’s operating income was lower than in the previous year and an improvement program has been launched to strengthen profitability. Items affecting comparability related to restructuring costs and inventory remeasurement had an effect of MSEK –270 on operating income for the year. Learn more at [lantmannenlantbrukmaskin.se](https://lantmannenlantbrukmaskin.se)

### Our Competence Centers

At our *FendtCenters* in Mörarp and Vara, we show the Fendt Full-line and offer test drives. At the *ValtraCenters* in Uppsala and Skövde, there is an opportunity to test drive tractors. The *Skog Competence Center* in Värnamo has forestry-equipped Valtra tractors, forestry trailers and demo vehicles.



### Lantmännen Machinery, key figures

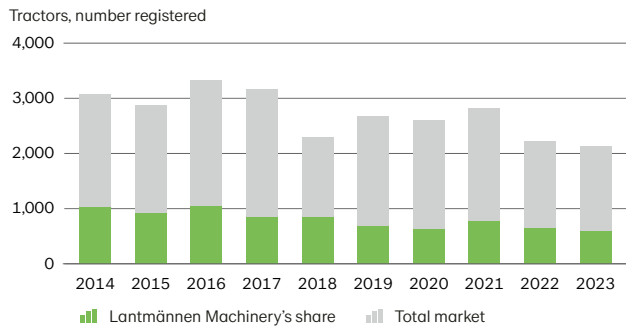
	2023	2022
Net sales, MSEK <sup>1)</sup>	3,423	3,320
Operating income, MSEK	-277	1
Operating margin, %	-8.1	0.0
Return on operating capital, %	-18.2	0.0
Investments in non-current assets, MSEK	20	32
Average number of employees	787	776
of which women/men, %	14/86	13/87

<sup>1)</sup> Including intra-Group sales.

### Excl. items affecting comparability

	2023	2022
Operating income, MSEK	-7	1
Operating margin, %	-0.2	0.0
Return on operating capital, %	-0.5	0.0

### Total market for tractors in Sweden



# Lantmännen Agriculture Finland

With effect from April 1, 2023, the agricultural operations in Finland are conducted in two separate companies, focusing on separate sales channels.

## Lantmännen Agro

Lantmännen Agro provides agri-supply for crop production and feed for livestock production and horses. The company also trades in grain in the Finnish and international markets. Lantmännen Agro has its own agricultural stores and direct sales, and is responsible for purchasing and logistics for both direct sales and dealers.

Late spring tillage in Finland resulted in late sales of spring seed. The early summer drought greatly reduced yield potential and heavy rain during the harvest period resulted in a delayed harvest, low volumes and poor quality outcomes. The Finnish harvest is forecast at 3.0 million tonnes, which

is lower than normal. The company strengthened its cooperation with Lantmännen's grain unit in Sweden during the year. The Climate & Nature cultivation program is growing and one-third of all rye produced in Finland during the year was grown under the program. Learn more at [lantmannenagro.com](https://lantmannenagro.com)

## Lantmännen Agro Kauppiat

Lantmännen Agro Kauppiat is responsible for the sale of inputs, feed, equipment, spare parts and fuel through independent Lantmännen-profiled dealers. Through the new organization, we offer increased support to our dealers, which creates better conditions for developing the business.

The low harvest, combined with general market uncertainty, has weakened customers' willingness to buy, which has mainly affected sales of new equipment.



## Lantmännen Agriculture Finland, key figures

	2023	2022
Net sales, MSEK <sup>1)</sup>	6,137	6,094
Average number of employees	189	165
of which women/men, %	39/61	39/61

<sup>1)</sup> Including intra-Group sales.

## Trademarks

Opti Melli Maituri Herkku Benemilk 

## Operations in other countries

### Lantmännen Agro – Denmark

Lantmännen Agro is primarily a buyer of Danish grain and a key part of our internal grain value chain, but also has external customers and sells fertilizer. Lantmännen Agro performed well during the year and has established itself as a professional grain trader with a strong brand for large-scale farming. Learn more at [lantmannenagro.com](https://lantmannenagro.com)

### Lantmännen Seed – Netherlands

Lantmännen Seed conducts plant breeding of triticale and potato at the processing station in Emmeloord, Netherlands. The company performed well during the year, with new lines of rye wheat in Germany and France that look promising for the future. Learn more at [lantmannenseed.com](https://lantmannenseed.com)





# Energy Sector

The Energy Sector is one of Sweden’s largest producers of bioenergy products and accounts for 11 percent of the Group’s sales. The Sector operates in a global market with the main focus in Europe, and has facilities in Sweden, Finland, Denmark, Latvia, France and the UK.

The Energy Sector manufactures and markets sustainable ethanol fuel, protein feed, carbon dioxide, starch products, gluten, vodka, beta glucan, oat protein, alkylate petrol, lubricants and solid processed wood fuels. The Sector consists of *Lantmännen Biorefineries*, *Lantmännen Aspen* and *Scandbio*. The Sector has wholly or partly-owned companies in Sweden, Finland, Denmark, France, Germany, the UK, South Korea and the US.



**The Energy Sector offers responsibly produced and environmentally smart energy, food and industrial products.**

Bioenergy accounts for more than a third of Sweden’s energy consumption, and use of biofuels is crucial to reducing carbon emissions. Increased use of low level blends of ethanol in petrol is a cost-effective way of reducing the transport sector’s emissions.

The Energy Sector performed very positively during the year, with strong growth driven by stable production and high demand. The strategic work on price hedging to reduce the earnings impact of volatile market prices for products and inputs has continued.

### Outlook

During the year, the European Commission adopted a revised Renewable Energy Directive, RED III, which is expected to increase demand for sustainable biofuels. Demand for Lantmännen’s sustainable ethanol is expected to remain high in the European market. Lantmännen continues working to broaden the raw material base with alternative starchy raw materials that can be used for biofuel production.

Lantmännen Aspen predicts increased demand for alkylate petrol after a year of negative effects of challenging weather conditions. Declining demand for sawn wood is expected to affect the supply of sawdust, which is the main input for Scandbio’s pellet products.

Energy Sector, key figures	2023	2022
Net sales, MSEK <sup>1)</sup>	7,807	6,801
Operating income, MSEK	930	1,165
Operating margin, %	11.9	17.1
Return on operating capital, %	28.8	46.8
Investments in non-current assets, MSEK	308	703
Average number of employees	597	515
of which women/men, %	26/74	29/71
Women/men in executive management, %	40/60	27/73
Injury rate	2.3	11.4
Sick leave, %	3.7	2.9
CO <sub>2</sub> e emissions, own production, thousand tonnes	11.5	22.1

<sup>1)</sup> Including intra-Group sales.

Excl. items affecting comparability	2023	2022
Operating income, MSEK	968	1,165
Operating margin, %	12.4	17.1
Return on operating capital, %	30.0	46.8

### Trademarks



## Sustainability and health & safety

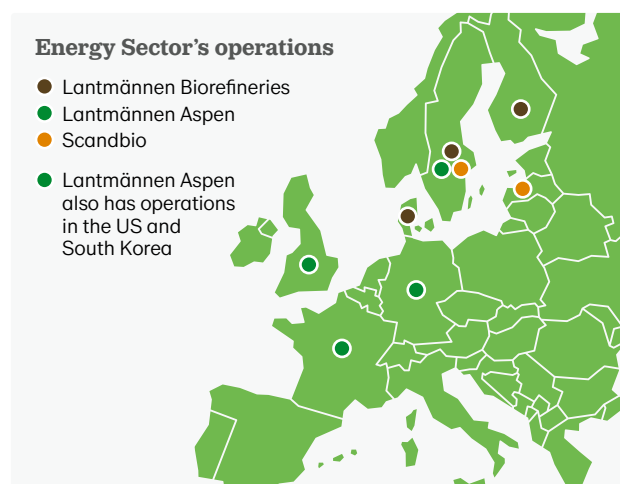
The Energy Sector produces ethanol with world-leading climate performance, feed raw materials, products for the food industry, fuel pellets, and markets environmentally friendly petroleum products. The Sector works to develop circular business models, efficient production and low-impact transport, safe work environments, and responsible sourcing and business relationships. Residual products from the food industry are recycled for ethanol production.

### Sustainable products and renewable raw materials

The Energy Sector offers products with documented added value for climate, environment and health. Production is based on renewable raw materials such as grain and wood, and Lantmännen Aspen is developing products with an increased proportion of renewable components. Energy efficiency and use of renewable energy contribute to a low climate footprint for the Sector's operations and products.

### Responsible employer and business partner

Occupational health and safety is a strategic focus area in which work is conducted in each company within the Sector. The issues are of top priority and the work is based on prevention, which includes reporting risk observations, making health and safety inspections, and working closely with safety representatives. Contingency planning and exercises were carried out with the emergency services during the year. Responsibility and ethics in our business relationships is another strategic focus area for the Sector.





# Lantmännen Biorefineries

The Lantmännen Biorefineries facility in Norrköping is a large-scale biorefinery where renewable raw materials are processed into products that can replace fossil-based products. Grain and starchy residues are processed into ethanol, carbonic acid, wheat protein for food (gluten) and a protein-rich feed material. The biorefinery is the Nordic region's largest producer of ethanol with a world-leading climate performance and a carbon footprint that is over 95 percent lower than fossil fuels. The annual production capacity is 230,000 m<sup>3</sup> of ethanol, 200,000 tonnes of protein-rich Agrodank feed raw material and about 120,000 tonnes of carbonic acid.

The investment project for wheat protein extraction is now completed and the facility was inaugurated in May. The extraction of wheat protein for food has resulted in the facility being certified for food production.



**With grain as our main raw material, we produce profitable and sustainable products.**

The price of ethanol has remained high during the year and there has been good demand for Agrodank feed raw material as a source of protein. Ethanol is mainly sold in the European market where demand for ethanol with a high climate performance is stable. The Swedish market for ethanol with a high climate performance is expected to decline after the decision to change the reduction obligation.

The recycling business with residual products from the food industry is strengthening profitability, but the volumes of food waste have decreased slightly.

The European Commission has found that Lantmännen Agroetanol was involved in an infringement of European competition rules in ethanol trade for a period, just over 10 years ago. In light of the above, the Commission has imposed a fine of MEUR 47.7 on Lantmännen Agroetanol. A provision of MSEK 500 has been made in connection with the investigation. Lantmännen, which has cooperated fully with the EU Commission throughout the investigation, contests the findings of the Commission's decision and continues to fully exercise its right of defense.

The Lantmännen Biorefineries facility in Lidköping processes wheat into wheat protein, starch products, vodka and feed raw material. The business produces and supplies

ingredients and finished goods to the food, paper and beverage industries, and is an important part of the grain value chain. The biorefinery includes one of the Nordic region's largest distilleries, which produces high-quality vodka.

The detailed design of a new large-scale pea protein production facility in Lidköping continues. A building permit has been obtained and the application for a new environmental permit has been submitted.

The Lantmännen Biorefineries facility in Kimstad processes oats into beta-glucan and oat protein. The new plant for shelling and heat treatment of oats was inaugurated in 2022 and was in operation during the year. The produced ingredients are sold to companies operating in bakeries, health food and sports nutrition. Several of the products are in the premium segment and have been negatively affected by the weaker economy. Learn more at [→ lantmannenbiorefineries.se](https://lantmannenbiorefineries.se)

Lantmännen Functional Foods works on development, marketing and sale of special foods (medical and functional foods), dietary supplements and ingredients with health claims for both food and feed. Brands include Salovum, SPC-Flakes, PromOat, AvenaCare and PrOatein. Learn more at [→ lantmannenfunctionalfoods.se](https://lantmannenfunctionalfoods.se)



## Lantmännen Biorefineries, key figures

	2023	2022
Net sales, MSEK <sup>1)</sup>	4,514	4,307
Average number of employees	278	252
of which women/men, %	24/76	29/71

<sup>1)</sup> Including intra-Group sales.



## Lantmännen Aspen

Lantmännen Aspen, with its brands *Aspen*, *Agrol*, *Marline* and *Coryton*, manufactures and markets fuels, lubricants and chemical products that create benefits for machinery, people and the environment. The products are produced in Sweden, France and the UK and sold in about 30 countries in Europe, as well as in South Korea, Japan, the US and Canada.

Aspen offers environmentally friendly fuels, such as alkylate petrol and HVO diesel for small engines such as lawnmowers, chainsaws, outboard engines and specialty fuels for motor sports.

Agrol provides high quality lubricants and chemical products for the professional market for agriculture, forestry and contracting in the Nordic region. The products reduce maintenance costs and environmental impact.

Marline offers fuels for small engines and is the leading alkylate petrol brand in France. It is well positioned in machine rental and hardware retail and complements Aspen in specialist servicing.

Coryton, with its base and production in the UK, produces specialty fuels for the motor industry and motor sports.

Coryton had a strong year with a focus on developing more sustainable fuels. Lantmännen Aspen's business showed positive growth during the year, despite negative weather effects in several markets. Learn more at [→ aspen-fuels.com](https://www.aspen-fuels.com), [agrol.se](https://www.agrol.se), [marline.fr](https://www.marline.fr) and [coryton.com](https://www.coryton.com)



### Lantmännen Aspen, key figures

	2023	2022
Net sales, MSEK <sup>1)</sup>	1,994	1,693
Average number of employees of which women/men, %	190 32/68	174 32/68

<sup>1)</sup> Including intra-Group sales.

## Scandbio

Scandbio is one of the major producers of fuel pellets in Sweden and helps companies and consumers reduce their climate footprint. By further processing residual products from forestry, Scandbio makes use of natural resources in a resource-efficient way and contributes to a circular sustainable solution. The products heat private households, provide energy for businesses and municipal and government operations, and drive production in small and large industries.

Production involves purchasing waste products from local sawmills, mainly in the form of sawdust and cutter shavings. After drying the sawdust and adding cutter shavings, the mixture is pressed into fuel pellets. Production takes place at five plants in Sweden and Latvia. Sales are mainly in Sweden, Latvia and Denmark.

The year was initially dominated by an unbalanced market, driven by generally high energy prices and an uncertain supply of fuel pellets. The market stabilized in the second half of the year in line with falling energy prices.

A number of investment projects were carried out during the year to ensure availability and improve efficiency, including the replacement of a number of pellet presses. Efforts to improve fire protection continue, with the investment in expanded sprinkler systems at the production sites. Learn more at [→ scandbio.com](https://www.scandbio.com)



### Scandbio, key figures

	2023	2022
Net sales, MSEK <sup>1)</sup>	1,303	806
Average number of employees of which women/men, %	124 20/80	84 19/81

<sup>1)</sup> Including intra-Group sales.



# Food Sector

The Food Sector refines grain and other raw materials from arable land and produces flour, bread, breakfast products, pasta and ready meals. Lantmännen's green sprout emblem, which can be found on the product packaging, is a guarantee of responsibly produced food. The Sector offers "Good food" to customers in food retail, food service and the food industry, and accounts for 31 percent of the Group's sales.

The Food Sector consists of *Lantmännen Unibake*, *Lantmännen Cerealia* and Lantmännen's ownership interests in the partly owned companies *Viking Malt* and *KG:s Ägg*. The Food Sector produces food in 48 facilities in 15 countries under well-known brands such as *Kungsörnen*, *AXA*, *Start*, *Bonjour*, *Hatting*, *Korvbrödsbagarn*, *Schulstad*, *Finn Crisp*, *Amo*, *Vaasan*, *GoGreen* and *Gooh*.

“

**Taste, affordability, health, origin and convenience are important values for Nordic consumers.**

The process of divesting Lantmännen's operations in Russia was completed during 2023, meaning that Lantmännen has now completely left the Russian market. Lantmännen's operations in Russia were separated from the rest of the Group in March 2022. Since then, they have acted independently and their results have not been consolidated.

## Outlook

In 2023, high inflation and increased costs of raw materials, energy and transport led to price increases for retailers and consumers. Combined with rising market interest rates, this led to a change in consumer behavior, with a greater focus on discount products. As well as price, other important consumer trends are taste, quality, nutrition, origin and convenience.

Our goal is to constantly adapt to market conditions and to be a leading food company, based on arable land resources, through efficiency improvements, digitalization and optimization of our production facilities.



## Food Sector, key figures

	2023	2022
Net sales, MSEK <sup>1)</sup>	21,926	18,908
Operating income, MSEK	781	-171
Operating margin, %	3.6	-0.9
Return on operating capital, %	4.2	-0.9
Investments in non-current assets, MSEK	1,250	994
Average number of employees	6,215	6,444
of which women/men, %	42/58	41/59
CO <sub>2</sub> e emissions, own production, thousand tonnes	78.5	81.1 <sup>2)</sup>

<sup>1)</sup> Including intra-Group sales.

<sup>2)</sup> The outcome for 2022 has been changed, see reporting principles → page 167.

## Excl. items affecting comparability

	2023	2022
Operating income, MSEK	730	528
Operating margin, %	3.3	2.8
Return on operating capital, %	3.9	2.9

## Sales by market

	2023	2022
Nordic countries	60 %	62 %
Rest of Europe	32 %	30 %
Rest of world	8 %	8 %

## Sustainability areas in focus

Key sustainability topics include healthy products and raw materials from a sustainable value chain with a low climate impact. The Food Sector works to achieve resource-efficient production, more sustainable packaging solutions, transport with a low climate impact, safe work environments, and responsible sourcing and business relationships. Good food from Lantmännen is used to communicate responsible food production from field to fork.

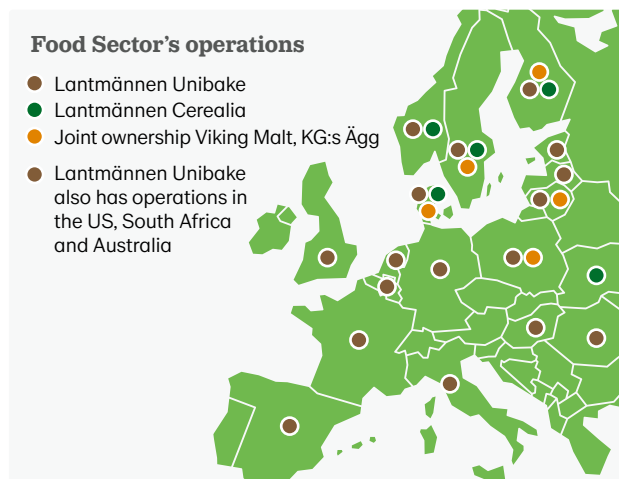
Lantmännen Unibake and Lantmännen Cerealia have joined the Science Based Targets initiative, a global program for companies to reduce emissions in line with the Paris Agreement. Unibake's climate targets were approved by the SBTi during the year and Cerealia's targets were submitted towards the end of the year.

### Sustainable products and renewable raw materials

Lantmännen's Climate & Nature cultivation concept continues to grow. In Sweden, the harvest volumes grown according to the concept amounted to about 130,000 tonnes, an increase of 15,000 tonnes from the previous year. In Finland, the harvest of rye grown under Climate & Nature was about 16,000 tonnes, corresponding to 16 percent of the total Finnish rye harvest.

### Responsible employer and business partner

We maintain and develop a good safety culture by constantly identifying and minimizing risks in order to prevent injury. Another focus area for the Sector is responsible sourcing and business relationships.







# Lantmännen Unibake

Lantmännen Unibake is a global leader in bakery products, with sales in more than 60 countries. Unibake is renowned for delivering high quality products quickly and safely from more than 30 bakeries and is the partner of choice for many of the world’s largest food suppliers.

Soaring energy and raw material costs in the second half of 2022 and early 2023 meant that Unibake had to adjust its prices in the first quarter of 2023 to cover most of the cost increases.

As household finances felt the effects of high inflation and rising interest rates during the year, we saw a shift in consumer behavior in all markets, particularly in terms of higher price awareness. As the trend accelerated, new habits emerged, leading to reduced waste, increased demand for basic goods and higher market shares for discount products. To adapt operations to the new customer and consumer requirements, Unibake has made several adjustments to its product range and sales strategy.

## Key sustainability initiatives

Lantmännen Unibake achieved a sustainability milestone with the approval and validation of our climate targets by the Science Based Targets initiative. Unibake’s close work with suppliers has seen 35 percent of its suppliers, measured by share of total emissions, submitting or committing to the Science Based Targets initiative.

The focus on offering sustainably produced flour has resulted in an expansion of Lantmännen’s Climate & Nature cultivation program in Sweden and Finland. We have also continued to focus on health-promoting products with more whole grains and fiber and less salt and calories.

## Strategy for growth

Investments in Lantmännen Unibake’s large infrastructure projects continued during the year. A production line for specialty bread was installed in the UK and is now delivering according to plan, and the Swedish business inaugurated its



Lantmännen Unibake, key figures	2023	2022
Net sales, MSEK <sup>1)</sup>	16,890	14,082
Average number of employees	5,020	5,149
of which women/men, %	41/59	41/59
Women/men in executive management, %	11/89	11/89
Injury rate	10.1	15.3
Sick leave, %	4.8	5.5

<sup>1)</sup> Including intra-Group sales.

## Lantmännen Unibake’s Trademarks





**Our local bakeries work actively to create new offerings and reformulate existing recipes to strengthen the nutritional value of our products.**

new fully automated cold storage facility. The first production line in Romania was initiated at the end of the year, marking the first stage of Unibake's planned expansion in southeast Europe. There were also investments in IT enhancements and a transition to a cloud-based ERP system.

#### **Health, safety and talent development**

Lantmännen Unibake's total sick leave fell significantly during the year and lost-time accidents showed a 25 percent decline. With intense competition in the labor market, we maintained a strong focus on attracting, recruiting and retaining the best talent. Internal mobility within Unibake increased as planned during the year, largely due to effective talent development initiatives and proactive succession planning.

#### **Volatile market**

Major macroeconomic challenges, such as inflation, rising interest rates and market stagnation in the food service and retail sectors, affected Lantmännen Unibake's business in 2023. The company has focused on price adjustments and sales volumes in order to manage price pressure and currency effects.

#### **Outlook for 2024**

Despite the increased focus on prices in all markets, we remain confident in our ability to stay competitive and successful. Looking forward, we expect market conditions in the food and bakery sectors to improve as inflation normalizes.



**Adapting to current conditions is a key issue and Lantmännen Unibake is well positioned to face challenges, drive growth, hold strong market positions and maintain good profitability.**



# Lantmännen Cerealia

Lantmännen Cerealia develops, produces and markets grain-based products such as flour, hulled grains, muesli, granola, pasta, pancakes, crispbread, pulses, food grains, whole grains and vegetarian products, and ready meals. Operations are conducted in Sweden, Norway, Denmark, Finland and Ukraine, with sales through food retailers, the food service sector and directly to industrial bakeries and food producers. Lantmännen Cerealia has an export business, with a focus on crispbread products.

## Changes in household purchasing behavior

The pressure of high inflation and cost increases that affected the industry and consumers in our markets in 2022 continued in 2023. The reduced purchasing power of consumers has meant that the strong focus on price has continued, with other values such as locally and sustainably produced products taking a back seat. However, Lantmännen Cerealia's annual consumer survey, Food Digest, shows a cautious recovery for these values.

## Good market positions despite challenges

Volume development throughout the Nordic region was challenged in the first part of the year, while the fall saw some market recovery, with growth for lower priced food products such as pasta, flour and oats. Players in the low-price segment have grown, and private labels pose fierce competition in all Lantmännen Cerealia's categories and markets.

In Sweden, our breakfast and pasta ranges are developing well. Macaroni is a popular product in times of recession and our breakfast offerings are also increasing in market share. We are working purposefully and in a long-term perspective to strengthen the brands in order to maintain our good positions. In order to meet the high demand, Lantmännen Cerealia carried out extensive maintenance work at the Järna facility during the year, which affected delivery capacity at times.

The year's low harvest meant higher prices for domestic wheat and a shortage of locally grown grain. Lantmännen Cerealia has worked proactively to provide our industrial



### Lantmännen Cerealia, key figures

	2023	2022
Net sales, MSEK <sup>1)</sup>	5,496	4,913
Average number of employees	1,156	1,243
of which women/men, %	44/56	43/57
Women/men in executive management, %	46/54	40/60
Injury rate	15.9	15.4
Sick leave, %	4.6	5.5

<sup>1)</sup> Including intra-Group sales.

### Lantmännen Cerealia's Trademarks







**Affordability and quality, but also climate-smarts choices will be key factors in the long term, and Lantmännen Cerealia is well positioned here.**

customers with the right quality. The whole of Scandinavia will need to import grain until the next harvest.

The B2B market in Sweden is characterized by consolidation, which affects the customer structure. The added values offered through Cerealia's brands remain relevant and competitive in the market.

The food service market continues to show solid and stable development, notably for the public sector where Cerealia has a good position. Development for restaurants and cafés followed the same pattern in the first half of the year, while the market slowed down in the fall.

Our factory in Laholm was able to resume production of pancake and potato cake products in April after the fire in 2022. Demand for pancakes is good from both food service and retail customers, but it takes time to rebuild a market, and the work will continue in 2024.

Cerealia continues to focus on green proteins and in the spring a collaboration with the MAX burger restaurants for a vegan pea-based range of burgers and nuggets was launched, which was well received. The products were launched in retail stores during the fall.

In Norway, the market was characterized by volatile raw material prices and generally declining volumes during the year. Development of the breakfast and milk categories was particularly hampered in the retail sector.

The Danish operations developed well with a strong cost focus and commercial success. The AXA brand increased its market share in the breakfast category through successful launches.

The Finnish operations grew during the year, with the integration of Myllyn Para's milling operations and the welcoming of about 50 new colleagues. The Finnish market saw declining volumes in several categories during the year. Sales of crispbread, our largest category in Finland, continue to go well and Cerealia strengthened its position.

The operations in Ukraine continue to produce and distribute food, and have compensated for the decline in domestic volumes with an increased share of exports to neighboring countries. Since war broke out in 2022, the safety of our employees has been our top priority.



Finn Crisp is currently exported to about 30 countries. Sales are good and we continue to gain market shares in our priority markets in Western Europe and North America.

**Key sustainability initiatives**

Lantmännen Cerealia has signed up to the Science Based Targets initiative, a global program for companies to reduce emissions in line with the Paris Agreement. Cerealia submitted its targets for verification towards the end of the year.

**Outlook for 2024**

Consumer finances will continue to influence purchasing patterns and what products people buy – with consequences in all our sales channels. Affordability and quality, but also climate-smart choices will be key factors in the long term, and Lantmännen Cerealia is well positioned here. To enable us to deliver in the current business climate, Lantmännen Cerealia will continue to strengthen internal efficiency, develop processes, and work on pricing and cost control throughout the business.



# Swecon Business Area

Swecon is a dealer in machinery for the construction and civil engineering industry in Sweden, Germany, Estonia, Latvia and Lithuania, and a partner of Volvo Construction Equipment. Swecon offers a broad range of construction machinery, equipment, spare parts, training, servicing and support through its 96 service facilities. The Business Area accounts for 15 percent of the Group's sales.

The construction machinery market showed signs of saturation during the year, resulting in a weaker order intake. The main reasons are higher interest rates and long delivery times. Despite this, Swecon had a record year in terms of net sales and operating income, mainly due to a strong start to the year but also partly due to currency effects and higher inflation. The low order intake meant that the order backlog started a rapid decline, albeit from very high levels.

External uncertainty continues to have an impact, with delivery problems and price increases, but the difficulties

are being well managed by working closely with customers to ensure a high level of service.

Swecon continued to sponsor the FIA World Rallycross Championship in partnership with CE Dealer Team by Volvo Construction Equipment. A wide range of electric compact machines was showcased at the July event in Höljes, Sweden, and in August the race was held in Estering, Germany.

Swecon focuses on digital solutions and services in the area of productivity, with the aim of systematically reducing carbon dioxide emissions.



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**Swecon is growing and working globally on sustainability and digitalization issues.**

**The target is for Swecon's Swedish facilities to be fossil-free by 2025.**

Swecon Business Area, key figures	2023	2022
Net sales, MSEK <sup>1)</sup>	10,408	8,647
Operating income, MSEK	669	593
Operating margin, %	6.4	6.9
Return on operating capital, %	28.5	35.8
Investments in non-current assets, MSEK	960	564
Average number of employees	1,328	1,316
of which women/men, %	13/87	12/88
Women/men in executive management, %	25/75	25/75
Injury rate	16.8	15.3
Sick leave, %	5.5	6.4
CO <sub>2</sub> e emissions, own production, thousand tonnes	3.1	5.0

<sup>1)</sup> Including intra-Group sales.

Excl. items affecting comparability	2023	2022
Operating income, MSEK	669	593
Operating margin, %	6.4	6.9
Return on operating capital, %	28.5	35.8

#### Trademark



## Swecon's sustainability work

Swecon's vision is to lead the sustainability transition among dealers of heavy equipment. Swecon has identified four focus areas that are monitored on a quarterly basis: *Gender equality*, *Customer satisfaction*, *Supplier monitoring* and *Swecon's carbon dioxide emissions*. Swecon's sustainability work is conducted in line with Lantmännen's and Volvo CE's long-term sustainability targets.

### Sustainable products and renewable raw materials

The target is for Swecon's Swedish facilities to be fossil-free by 2025. Systematic efforts are needed to achieve this, including reducing energy use and establishing good cooperation with suppliers. One example is Swecon Germany, which has purchased only origin-labeled green electricity during the year, replacing all fluorescent tubes with LED and installing solar panels at the facility in Geeste. This will also be implemented at selected sites in the future. Swecon and Lantmännen Real Estate have installed 48 charging points at 7 sites.

### Responsible employer and business partner

On International Women's Day, workshops on gender equality and inclusion were held at all sites in Sweden and the Baltic region. Red Lockers have been installed at all Swedish sites to provide feminine hygiene items. Two networks have been set up for female managers and female technicians to provide support in a male-dominated organization and to enable more women to be recruited. Swecon has changed its supplier of personal safety alarms for lone workers. The new alarm meets requested improvements from technicians. Another focus area is responsibility and ethics in our business relationships.







### Swecon's operations

#### *Swecon Sweden*

2023 was another record year for Swecon Sweden. The year began with a historically high order backlog that was delivered during the year, which combined with good demand in the aftermarket laid the foundation for high sales. The overall machinery market has declined, but Swecon has higher growth than the rest of the market. The service market remains at a high level, both for workshop services and spare parts. The rental market is growing and the investment in the rental company Kewab Rental AB in 2022 has paid off.

Several customer events were held during the year and in May the first electrically powered large crawler excavator was delivered to the Swedish market. This is a milestone that shows that, even in the larger segment, it is possible to move away from fossil-fueled construction machinery to more sustainable alternatives such as electric power. In September it was announced that Swecon Sweden would be the new dealer for Volvo Penta Industries engines, service and spare parts. Preparations are in progress to bring in the new products, and the business should be fully operational in the first quarter of 2024.

#### *Swecon Germany*

Sales in 2023 were good due to previously placed orders and increased market shares. Towards the end of the year, order intake fell as customers reacted to higher costs, interest rates and prevailing uncertainty. The transition to electric machines is going slowly, as expected government subsidies are delayed or under discussion. Reconstruction after the fire at the Bochum facility is in progress. At the beginning of 2023, Swecon German received a "Top Company" award for German employers. The award recognizes companies in the areas of working conditions, corporate culture and employee satisfaction.



**We continue to work closely with our customers, ensuring a high level of service while dealing with new technology in electrification and new business models.**

#### *Swecon Baltic*

Sales in the Baltic countries in 2023 were at the same level as previously, although order intake was very low in the second half of the year. High inflation and market uncertainty have reduced the willingness to invest. Sales of new machines declined but there is still good demand in the rental market, although with fierce competition. Service and spare parts sales were at a good level during the year. Swecon Baltic signed a dealership agreement with Merlo Telehandlers and will be responsible for the sales and service network in the industrial segment for construction machinery. The launch was held at the Maames Fair in Estonia in the spring.

The Rail Baltica project to build a high-speed rail link between Tallinn and Warsaw, which represents a major business opportunity for Swecon, has been repeatedly delayed.

#### **Outlook**

The market is showing restraint and customers are holding back from investing as a consequence of increased costs, mainly machine price increases, interest costs, fuel costs and other material costs. Lead times from suppliers have shortened and are expected to be normal in 2024. The rental market is growing, largely due to the unwillingness to invest in new machines, while the need for machines exists. Due to a sharp decline in order intake from manufacturers, we risk seeing reductions in production capacity, the consequences of which we are not yet able to assess. The civil engineering sector related to infrastructure, quarries and mines continues to see activity and demand, while the construction sector is under very strong pressure.

The green transition, with alternatives to diesel such as electrification, fuel cells and HVO, continues, albeit at a slower pace due to the cost trend and delays in the development and launch of new technologies.

Swecon continues its focus on developing digital solutions and creating ecosystems with new partners and suppliers with the aim of offering our customers electric site solutions. Some of the benefits of the project include lower CO<sub>2</sub> emissions, less noise and higher safety.

Competition to find and recruit skilled personnel remains high for service technicians, but there is also intense competition for other skills.





# Real Estate Business Area

Lantmännen Real Estate's task is to provide the Group's businesses with appropriate properties and premises, and optimize the return on externally leased properties. The Business Area accounts for about 1 percent of the Group's sales.

In 2023, Lantmännen Real Estate continued the task of securing the future operation of the Group's strategic properties. In parallel, regular day-to-day management, project development and real estate transactions were carried out.

The aim of investments in development properties is to maximize the development potential and increase the value of the properties. Examples of this include Lantmännen Real Estate's development of properties in Malmö, Örebro, Kävlinge, Dalby, Karlstad, Norrköping and Tygelsjö. In a number of these locations, properties are being developed together with Hemsö in the jointly owned community property company Lanthem.

Lantmännen Real Estate manages Lantmännen's Grodden pension fund property portfolio, which is valued at almost SEK 2 billion and includes Lantmännen's head office in Stockholm and the Triton office building in Malmö.

The property market has been affected by the changing external environment, resulting in higher financing costs. The rental market has not been significantly affected but a change is expected if the economy weakens further. In the transaction market, activity is lower and yield requirements are higher. The market expects yield requirements to rise further in 2024. The weaker economic activity in the construction market mainly affected residential construction, which has largely come to a halt.

## Outlook

The property market is forecast to slow down but Lantmännen Real Estate's portfolio is well balanced with stable tenants and long leases. Long-term work on the management of strategic properties is constantly in progress to ensure long-term operation. In a declining market, Lantmännen Real Estate sees acquisition opportunities and the process of identifying possible investments for Lantmännen's property portfolio was started during the year.

## Activities and current projects

- Extensive renovation of the silo facility in Åhus continues in stages.
- The pancake factory in Laholm restored after the 2022 fire, with production resuming in April 2023.
- Residential building rights in Örebro sold in June 2023, generating a significant profit.
- A new state-of-the-art cold storage facility for Lantmännen Unibake in Örebro, inaugurated in October 2023.
- New construction in Sala and Nyköping for Lantmännen Machinery, with occupancy during fall 2023.
- Properties in Växjö and Kristianstad acquired for Lantmännen Machinery, with completion expected in late 2024.
- Acquisition of a property in Skellefteå for the construction of a Swecon facility, with completion expected in late 2024.

## Real Estate Business Area, key figures

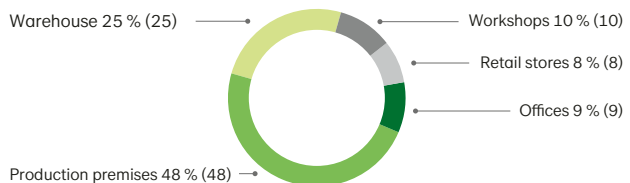
	2023	2022
Net sales, MSEK <sup>1)</sup>	611	592
Operating income, MSEK	309	503
Total property sales	69	259
Return on operating capital, %	8.2	14.6
Investments in non-current assets, MSEK	519	522
Average number of employees	40	49
of which women/men, %	46/54	40/60
Women/men in executive management	38/62	38/62
Injury rate	-	-
Sick leave, %	0.7	0.5
CO <sub>2</sub> e emissions, own production, thousand tonnes	0.3	2.3

<sup>1)</sup> Including intra-Group sales.

## Excl. items affecting comparability

	2023	2022
Operating income, adjusted for items affecting comparability, MSEK	251	249
Return on operating capital, adjusted for items affecting comparability, %	6.6	7.2

## Real Estate Business Area, surface distribution



The properties represent a total surface area of approximately 1,100,000 m<sup>2</sup>.



## Sustainable properties

Lantmännen Real Estate's sustainability strategy includes initiatives for energy efficiency and climate-smart solutions. In 2023, there was a continuing focus on working with various partners to increase the establishment of solar energy and charging points at Lantmännen's facilities in Sweden. Lantmännen Real Estate introduced work processes for the reuse of materials and furnishings during renovation, demolition or relocation.

Sustainability work also includes compliance with the Code of Conduct and responsible sourcing for all suppliers and partners.

### Sustainable products and renewable raw materials

Lantmännen Real Estate develops the property portfolio for long-term ownership, management and improvement, and works actively on the property portfolio together with the customers. The goal is for all new buildings to meet the requirements for the Miljöbyggnad Silver certification issued by Sweden Green Building. The certification means that as a property owner, Lantmännen makes extra investments in sustainability, climate and environment that exceed the basic legal requirements. An environmental and climate directive has been established that clarifies our environmental and climate work, and describes, for example, our systematic work on energy efficiency and how we work to future-proof our portfolio. This is another step forward in our efforts to reduce our environmental and climate impact in all our business. Learn more at [→ lantmannenfastigheter.se/hallbarhet](https://lantmannenfastigheter.se/hallbarhet)

“

**Our environmental and climate directive clarifies our environmental and climate work, and describes our systematic work on energy efficiency.**

### Responsible employer and business partner

Lantmännen Real Estate operates construction projects, and the construction industry in general has high work environment, health and safety risks. Safety work is carried out proactively by identifying and minimizing risks in the work environment and by regular monitoring. All Lantmännen Real Estate employees underwent Lantmännen's Health and Safety Awareness Training during the year. The complexity of construction projects means that we place a strong focus on business ethics and responsible sourcing.





# Ownership and partnerships



## Scandagra Group Ownership 50 %

Scandagra Group operates in the Baltic region, has a turnover of approximately EUR 800 million and about 400 employees. The company is jointly owned by Lantmännen and DLG. The business consists of Scandagra Eesti, Scandagra Latvia and Scandagra Lietuva, which buy and sell grain, and sell crop production inputs. Scandagra Eesti also has a feed plant with a capacity of just over 100,000 tonnes. Lantmännen's share of income is included in the Agriculture Sector. Learn more at [➔ scandagra.com](https://scandagra.com)



## Scandagra Polska Ownership 50 %

Scandagra Polska trades in grain and other inputs in the Polish agricultural market, has a turnover of approximately EUR 150 million and about 130 employees. The company is jointly owned by Lantmännen and DLG. Scandagra Polska supplies inputs for crop production and is one of many traders in the large and fragmented Polish market. Lantmännen's share of income is included in the Agriculture Sector. Learn more at [➔ scandagra.pl](https://scandagra.pl)



## Viking Malt Ownership 37.5 %

Viking Malt refines grain, and supplies about 540,000 tonnes of malt annually to breweries and distilleries in northern Europe and around the world. Viking Malt produces malt in Finland, Sweden, Denmark, Poland and Lithuania. The company has a turnover of approximately EUR 400 million and about 280 employees. Lantmännen owns 37.5 percent of the company, with the remainder being owned by the Finnish company Polttimo. Lantmännen's share of income is included in the Food Sector. Learn more at [➔ vikingmalt.com](https://vikingmalt.com)



## KG:s Ägg Ownership 30.0 %

KG:s Ägg is one of Sweden's leading egg packing companies and is the majority owner of StjärnÄgg, Sweden's largest egg supplier. KG:s Ägg has a turnover of approximately SEK 1.2 billion and about 60 employees. The partnership is in line with Lantmännen's strategy for increased investment in Swedish food production. Lantmännen owns 30 percent of the company, with the remainder owned by Bossgårds Förvaltning AB. Lantmännen's share of income is included in the Food Sector. Learn more at [➔ stjarnagg.se](https://stjarnagg.se)





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**Part of the Group’s strategy is to expand the grain business through international ownership and partnerships.**



### **team SE** Ownership **10.7 %**

team SE has operations in building materials, energy and agriculture, with a wide range of services. In 2022, team SE took over HaGe Kiel, which is part of the agricultural operations. The Team group is one of the largest employers in northern Germany with about 5,000 employees and a turnover of approximately EUR 6 billion. Lantmännen owns 10.7 percent and DLG is the main owner with about 70 percent. Lantmännen’s share of income is included in Other operations in the Group. Learn more at [→ team.de](https://team.de)



**An important part of Lantmännen’s Field to Fork 2030 strategy is to profitably develop strategic holdings and partnerships, mainly in the Nordic region, Germany, Poland and the Baltic countries.**



### **HKScan** Ownership **7.6 %**

HKScan is a Nordic food company with a history and experience dating back more than 110 years. It offers products under well-known brands such as HK, Kariniemen, Via, Scan, Pärsons and Rose. HKScan operates in Finland, Sweden and Denmark, has a turnover of approximately EUR 1.8 billion and about 5,400 employees. In December, Lantmännen signed an agreement to acquire HKScan Oyj’s Swedish operations, HKScan Sweden AB. The transaction is subject to the approval of the relevant authorities and is expected to be completed in the first half of 2024. Lantmännen’s ownership of HKScan Oyj will form part of the purchase consideration. Learn more at [→ hkscan.com](https://hkscan.com)



### **Scandi Standard** Ownership **10.0 %**

Scandi Standard is the leading producer of chilled, frozen and cooked chicken products in Sweden, Denmark, Norway, Finland and Ireland. Its well-known brands include Kronfågel, De Danske Familiegårde, Den Stolte Hane, Naapurin Maalaiskana and Sicin Sásta. Scandi Standard has a turnover of just over SEK 12 billion and about 3,300 employees. Learn more at [→ scandistandard.se](https://scandistandard.se)





# Lantmännen Annual Report

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# Board of Directors' Report 2023

The Board of Directors and Group President & CEO of Lantmännen ek för, Corporate Identity No. 769605-2856, hereby present the annual report for the 2023 financial year. The earnings and financial position of the Parent Company and Group are presented in the following income statements, statements of financial position and cash flow statements, with associated comments and notes.



## The Group in brief

**Net sales** for the Group amounted to MSEK 65,212 (60,612), an increase of 7.6 percent, distributed as follows: 3.8 percent organic growth, 2.8 percent currency translation effects and 1.0 percent acquired and divested operations.

**Operating income** was MSEK 2,236 (2,307) and adjusted for items affecting comparability MSEK 2,820 (2,715). Adjusted operating income declined in the Agriculture and Energy Sectors but increased in the Food Sector and the Swecon Business Area. The Real Estate Business Area was in line with the previous year.

**Income after financial items** amounted to MSEK 1,878 (2,128) and adjusted for items affecting comparability MSEK 2,462 (2,536).

**Net income after tax** was MSEK 1,560 (1,791).

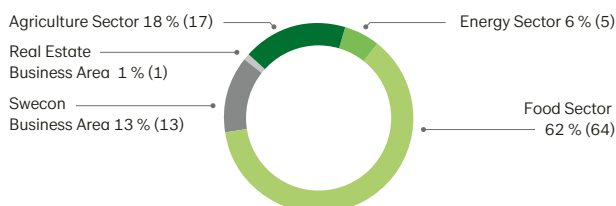
**Investments** in non-current assets totaled MSEK 3,327 (3,074).

**Cash flow before financing activities** was MSEK 921 (-2,468).

**The Board** proposes a total dividend to members of MSEK 1,200 (1,080), distributed as follows: refund and supplementary payment MSEK 324 (374), contribution dividend MSEK 453 (403) and contribution issue MSEK 423 (303). The Board also proposes dividend of 8.0 (6.0) percent on subordinated debentures, totaling MSEK 20 (15).

*Description of financial performance measures* → page 146.

## Distribution of the Group's employees



## The Group's business

The Group is divided into the *Agriculture Sector*, the *Energy Sector*, the *Food Sector*, the *Swecon Business Area* and the *Real Estate Business Area*. Lantmännen is owned by 17,907 Swedish farmers, who are also members, business partners and important customers. Lantmännen has 10,339 employees and operations in about 20 countries.



**The Agriculture Sector** constitutes the Group's core business, with 42 percent of Lantmännen's sales. *The Swedish operations* are the market leader in grain and offer a wide range of products for crop production, livestock production and agricultural machinery. *The Finnish operations* trade in grain, inputs and machinery in the Finnish and international markets, and produce and sell feed. The Sector is responsible for Lantmännen's ownership interests in the *Scandagra Group* in the Baltic region and *Scandagra Polska* in Poland.

**The Energy Sector** is one of Sweden's largest producers of bioenergy products and accounts for 11 percent of the Group's sales. The Sector operates in a global market with the main focus in Europe, and has facilities in Sweden, Finland, Denmark, Latvia, France and the UK. The Sector's companies manufacture and market environmentally smart energy, food and industrial products. The Energy Sector consists of *Lantmännen Biorefineries*, *Lantmännen Aspen* and *Scandbio*.

**The Food Sector** refines grain and other raw materials from arable land. The Sector offers "Good food" to customers in food retail, food service and the food industry, and accounts for 31 percent of the Group's sales. The Food Sector consists of *Lantmännen Unibake*, *Lantmännen Cerealia* and Lantmännen's ownership interests in the partly owned companies *Viking Malt* and *KG:s Ägg*.

**The Swecon Business Area** is a dealer in machinery for the construction and civil engineering industry in Sweden, Germany, Estonia, Latvia and Lithuania, and a partner of *Volvo Construction Equipment*. Swecon offers construction machinery, equipment, parts, training, servicing and support. The Business Area accounts for 15 percent of the Group's sales.

**The Real Estate Business Area** manages Lantmännen's property portfolio. Its task is to provide the Group's businesses with appropriate properties and optimize the return on externally leased properties. The Business Area accounts for 1 percent of the Group's sales.

### Long-term financial targets and outcomes

Lantmännen's overall profitability target is a return on equity of least 8 percent. The return for 2023 was 6.6 (8.3) percent and adjusted for items affecting comparability 8.7 (10.1) percent. The target for the equity ratio is at least 40 percent and the equity ratio was 46.4 (44.9) percent at the end of 2023. The target for Net debt (bank definition)/EBITDA is to be below 3 and the outcome for 2023 was 1.9 (1.9).

### Changes in the Group

Lantmännen has divested its operations in Russia and completely left the country and market.

### Lantmännen's Annual General Meeting

Lantmännen's Annual General Meeting in May adopted the largest ever dividend to Lantmännen's members, totaling MSEK 1,080. At the Meeting, Patrick Aulin was elected as a new member of the Lantmännen Board. At the same time, Gunilla Aschan, Jenny Bengtsson, Johan Bygge and Per Lindahl were re-elected to the Board. At the statutory Board meeting following the AGM, Per Lindahl was re-elected as Chairman and Jan-Erik Hansson as Vice Chairman. All Board members, the Group President & CEO, Group Management, presiding officers, delegates, authorized auditors and member representative auditors attended the meeting, which could also be followed via webcast.

### Other important events

Lantmännen has submitted its input to Sweden's Food Strategy 2.0. The proposals for development aim to even more emphatically ensure a robust Swedish food chain with increased production through clearer objectives and reinforcements in the areas of innovation, exports, preparedness and sustainability.

Lantmännen has updated its dividend policy for members, meaning that a larger share of net income from industrial operations can be distributed. The aim is for Lantmännen to generate regular and stable dividends for its members over time. The decision means that the dividend can be up to 50 percent of net income from Lantmännen's industrial operations. This was previously about 40 percent. As before, 100 percent of operating income in the agricultural operations will be distributed to members.

The European Commission has found that Lantmännen Agroetanol was involved in an infringement of European competition rules in ethanol trade for a period, just over 10 years ago. In the light of the above, the Commission has imposed a fine of EUR 47.7 million on Lantmännen ek för and Lantmännen Biorefineries AB (formerly Lantmännen Agroetanol AB) jointly and severally. Lantmännen Biorefineries AB (formerly Lantmännen Agroetanol AB) has already made a provision of MSEK 500 in connection with the investigation. Lantmännen has cooperated fully with the Commission throughout the investigation. Lantmännen contests the findings of the European Commission's decision and will continue to fully exercise its rights of defense, including appealing the decision to the EU Court of Justice.

### Events after the end of the period

In February, Lantmännen, Fertiberia and Nordion Energi announced the largest initiative of its kind in the Nordic region, a partnership aimed at establishing Sweden's first fossil-free mineral fertilizer production through the Power2Earth joint initiative. Through its hydrogen-based production process based on fossil-free energy, Power2Earth has the potential to significantly reduce carbon dioxide emissions from food production and strengthen Swedish food security.

In February, Lantmännen Cerealia signed an agreement to divest the ready meals business under the Gooh brand to Atria Sweden. The transaction, which is subject to approval by the relevant authorities, is expected to be completed in the spring.

### Risks and risk management

Risks are inherent in all business activity. Risks can arise from events, decisions or mismanagement that affect Lantmännen's business goals. A properly managed risk can lead to opportunities and value creation, while an improperly managed risk can damage and have an adverse effect on the business. Risks are identified, assessed and reported annually as part of Lantmännen's strategy and business planning process (ERM).

The year's ERM process shows that, like the risk world at large, Lantmännen is experiencing a "polycrisis", which can be described as an interaction between several major events, involving complex and cross-cutting challenges occurring simultaneously and forming a cluster of risks that together have an overall impact. The major problems of our time cannot be dealt with in isolation but are systematically linked problems that interact with each other. Lantmännen is affected by economic risks, such as volatility in raw materials and inputs, supply and demand imbalances, the economy, inflation and market dynamics – but politics and geopolitics, and weather and climate also affect Lantmännen's risks and opportunities.

#### *Risks associated with market changes, the economy and supply and demand*

Changes in the economy, raw material and input supply demand imbalances, economic growth uncertainty, supply chain weaknesses, inflation, competitiveness, external trends and competitor activities affect the businesses and make speed of development vital, particularly in terms of respon-

sibility and sustainability, but also digitalization. Customer awareness and reviews can quickly spread to many people, especially through social media, making it even more important to live up to our brand promise.

Lantmännen works continuously on innovation, brand-building and long-term relationships with business partners. Clear requirements are set for raw materials, suppliers and our own production and we follow market requirements and customers' wishes for relevant services and products. Lantmännen monitors the economic situation and adapts costs accordingly.

#### *Weather and climate change*

Climate change, with more extreme weather conditions such as drought, heavy precipitation and increased pest pressure, affects growing conditions and profitability in the grain value chain and creates supply demand imbalances. Development of cultivation methods, variety breeding and geographical adaptation are necessary. There must also be preparedness for grain trading, increased drying capacity in grain handling, production and supply disruptions for sensitive commodities. Weather and climate change also affects the choice of geographical location for building construction and facilities. The transition to a fossil-free, circular economy presents both challenges and opportunities for the businesses.

#### *Geopolitical risks*

Political instability in Europe and its surroundings is escalating. Global uncertainty and rising protectionism are increasing government interventions and affecting freedom of trade, including trade in agricultural products. Lantmännen has operations and large investments in Eastern Europe and other risk countries with political instability.



### *Regulatory changes*

Amended laws and regulations may affect production and profitability – for example, the conditions for crop cultivation, particularly with regard to plant protection products and plant breeding – and may impose restrictions or higher requirements on our operations. Lantmännen is monitoring these issues.

The EU's hitherto negative view of crop-based biofuels poses a risk to our biofuel production, but Lantmännen is lobbying for a favorable regulatory framework. In addition, demand for renewable energy will increase going forward. Developments are continuously followed and analyzed, with each Sector and business monitoring changes and subsequently adapting its operations.

### *Ethanol price volatility*

Operating income for the Norrköping ethanol plant is highly dependent on the relationship between prices of grain, feed and ethanol, and political decisions such as the EU tariff rules. The risk is managed through physical and financial hedging of grain, ethanol and feed prices for Lantmännen Biorefineries' purchases and sales. Scope for ethanol hedging has been improved by increased liquidity in the futures market. Extensive development in the ethanol business to broaden the raw material base and product range means less impact from the ethanol/grain price relationship.

### *Fire and property damage, threats and sabotage, and health and safety*

Lantmännen conducts operations with a risk of fire, explosion or outside threats in the form of damage or sabotage. Property can be damaged and employees injured, and production downtime affects earnings and market positions. Lantmännen has insurance for operational risks



and follows a defined program for risk mitigation through, e.g., loss prevention inspections and systematic health and safety work. The Group's own insurance company Dirual Försäkrings AB participates in the majority of the insurance programs.

### *Effects of the war in Ukraine*

Russia's war in Ukraine has affected Lantmännen's operations, mainly in Ukraine, but it also poses challenges in the world market in terms of supply of grain and other commodities. The war is also having a major impact on the energy and agricultural markets.

### *Cyber security and IT operations*

The Food and Energy Sectors remain vulnerable to cyber attacks through, for example, extortion and fraud. A comprehensive program to improve the Group's cyber security is in progress, and includes enhanced detection and additional training for production staff. Systematic work on information security has been strengthened, with Lantmännen focusing on increased risk management.

### *Business ethics risks*

Lantmännen operates and has counterparties in countries and industries with varying exposure to corruption and problems relating to competition law. The geopolitical situation in Europe increases the risks related to business ethics. Business ethics is included as an area in our Code of Conduct and measures to prevent non-compliance with anti-corruption, money laundering, sanctions and competition law are regulated in Lantmännen's Business Ethics Compliance Programs. This includes several policies, regular risk analysis, communication and training, and controls and monitoring.





### *Financial risks*

Lantmännen is exposed to financial risks that could cause fluctuations in earnings, cash flow and items in the statement of financial position. This risk management is described in Lantmännen's financial policy, the Group's overall governing document for financial risks, adopted annually by the Board. Financial status reporting and compliance with the financial policy are regularly reported to Group Management and the Board. The central treasury function is responsible for financing, control of financial risk, liquidity planning and payment solutions. Consolidated financial management minimizes risks and also the costs of measures such as hedging currency flows and financing Lantmännen.

### **Sustainable business development**

With operations and knowledge throughout the grain value chain, Lantmännen has a unique opportunity to pursue sustainable business development, which is also the basis for Lantmännen's and our members' long-term profitability. Sustainable business development is a key part of Lantmännen's corporate strategy and focuses on farmland resources. It is also a part of risk management. Lantmännen develops and offers products with sustainable added values that reduce environmental and climate impacts, increase resource efficiency and promote better health.

Lantmännen's climate targets are based on reducing emissions in line with the Paris Agreement. Working with customers and suppliers offers potential to significantly reduce the impact on the environment and natural resources, and to generate profitable growth from new and existing businesses that meet the needs of the outside world and the market for responsibly produced food, bio-energy and bio-based materials.

### *Responsibility and sustainable business*

Lantmännen's Board of Directors is ultimately responsible for sustainability, for Lantmännen's Code of Conduct and its implementation, and for ensuring sustainable development of the businesses. The Board's role is to direct, monitor and ensure follow-up of the sustainability work. Group Management pursues responsibility issues and sustainable business development as part of strategic business planning. Each business is responsible for ensuring compliance with the Code of Conduct and policies, and working for sustainable operations, targets and strategies.

Responsibility and sustainability work is based on Lantmännen's Code of Conduct, which applies to all businesses and employees, Board members and elected representatives in the member organization, as well as Board members representing Lantmännen in partly-owned companies. The Code describes how Lantmännen must conduct itself and make decisions to take responsibility from an environmental, social and business ethics perspective. It also forms the basis for evaluation of potential acquisitions and holdings.

Responsibility and sustainable business development are integrated into our processes. Lantmännen's sustainable business framework with Group-wide objectives provides direction, while a number of strategies and programs operationalize the framework. The Sectors and Business Areas pursue their relevant sustainability issues. The Group's corporate functions provide support, guidance and coordination for the Group and its businesses in developing strategies and sustainable business that will protect and strengthen Lantmännen's brand and contribute to business value in the short and long term.

Lantmännen's climate targets apply to the entire value chain from field to fork. The targets are divided into primary production, Lantmännen's own production and



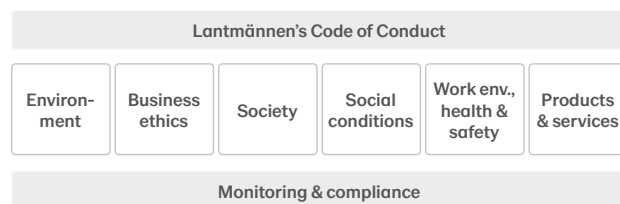
purchased transport. The targets focus on fossil-free production and transport, continuing energy efficiency and investments and measures to reduce the climate footprint throughout the value chain. The aim is to take leadership in driving the development of farming of the future through research, work on public and regulatory affairs and business development. Lantmännen sees partnership and collaboration as crucial to finding solutions.

Lantmännen's Business Ethics Compliance Program includes compliance with competition and anti-corruption laws. The program includes regular risk assessments, communication, controls and monitoring as well as training. Lantmännen has also established a risk-based due diligence process to manage sustainability risks, with a focus on corruption. Implementation and monitoring of Lantmännen's Supplier Code of Conduct is an integral part of the purchasing process that will ensure responsibility in the supply chain. It applies to all suppliers and is monitored continuously based on assessed risk. Lantmännen's Supplier Code of Conduct contains general guidelines to ensure a good work environment and social conditions, environmental responsibility, good business ethics, and safe, responsibly produced products. It emphasizes in particular zero tolerance for violation of anti-corruption or competition laws. Employees can report any deviations from the Code through a whistleblower system.

#### Compliance and monitoring

The Group's CSR Committee, headed by the Executive Vice President, has overall responsibility for ensuring that the organization is able to implement and monitor the Code of Conduct and the areas it covers. Group Management's four-monthly follow-up with the business managers includes a Sustainability Business Review, which is based on the monitoring of minimum responsibility requirements. The reviews are reported regularly to Group Management and annually to the Board.

For Lantmännen's production in the food chain, there is an annual internal review of its commitments with regard to raw materials, responsible production and quality. The results are reported to Group Management.



*The Code of Conduct applies to all employees and summarizes the Group's guidelines for responsible behavior from an ethical, social and environmental perspective.*

Lantmännen's Group Compliance function reports regularly to the Board and Group Management on compliance, identified risks and the status of the Business Ethics Compliance Program.

#### Operations subject to permit and notification requirements under the Swedish Environmental Code

In Sweden, Lantmännen conducts operations subject to permit requirements at 19 plants, and operations subject to notification requirements at approximately 70 plants, in accordance with the Environmental Code. These activities include mills, workshops and production facilities for feed, ethanol and food. The main direct environmental impacts are noise, emissions into the air and water, and temporary storage of hazardous waste. Production units in other countries adapt their operations, apply for any required permits and report to the authorities in accordance with local laws.

#### Statutory and GRI reporting

In accordance with Chapter 6, section 11, of the Swedish Annual Accounts Act, Lantmännen Ek för has chosen to present the statutory sustainability report separately from the statutory Annual Report. This sustainability report covers Lantmännen Ek för and its subsidiaries. The sustainability report was submitted to the external auditors at the same time as the Annual Report. The sustainability report can be found in this Annual Report with Sustainability Report → pages 26-36, 139-182 and 203-205.

Lantmännen is subject to the Annual Accounts Act's requirements on reporting in accordance with the Taxonomy Regulation as a non-financial undertaking, and complies with the requirements for reporting the Taxonomy-eligible and Taxonomy-non-eligible proportion for 2023. The Taxonomy reporting is part of the statutory sustainability report.

Lantmännen reports its sustainability performance annually and applies the GRI Universal Standards. The Board issues the Sustainability Report and the statutory sustainability report. Lantmännen supports the UN's Agenda 2030 with the Global Goals and has analyzed their implications for the operations and businesses.

Lantmännen will be subject to the EU Corporate Sustainability Reporting Directive (CSRD) from the 2025 financial year and work is in progress to gradually adapt the sustainability report to the new disclosure requirements.

#### Research and development

Lantmännen conducts extensive work on innovation and has its own research foundation that supports knowledge development. Lantmännen invests approximately MSEK 400 annually in research and development to meet future challenges and ensure its competitiveness. The investments are in several areas, and aimed at increasing the value created from field to fork and creating new business with agricultural companies.

## Employees

The average number of employees during the year was 10,339 (10,356), and the number of full-time employees on December 31 was 10,269 (10,141). 3,994 (3,833) of the average number of employees were employed in Sweden. Lantmännen's aim is to be an attractive employer, characterized by an inspiring culture where skills are nurtured and developed throughout the Group.

Lantmännen's equal opportunity and diversity policy requires the Group to safeguard and value the skills, qualities and experience of all employees, regardless of gender, age, ethnicity, beliefs, sexual orientation, disability or other individual differences. No form of discrimination, bullying or harassment is accepted, and we have guidelines and procedures on how to deal with this if it occurs.

### *Health, work environment and safety program*

Lantmännen sees proactive and systematic work environment and safety initiatives as a prerequisite for a sustainable work environment and part of the strategy for achieving business goals. A safe work environment is a high priority and Lantmännen works continuously to identify and address risks in this area.

Lantmännen continued to work on its health and safety strategy in 2023, with a long-term injury rate target of below 1 by 2030. Part of the work environment program includes continuous monitoring throughout the organization, with annual reporting to Group Management. The roll-out of common tools, structured health and safety programs at the facilities, injury prevention inspections and a focus on health and safety issues has strengthened the level of safety and employees' safe behavior.

### *Remuneration policies*

Under Lantmännen's remuneration policy, remuneration and benefits at Lantmännen must contribute towards attracting, engaging, motivating and retaining the employees Lantmännen needs for success in our operations. Remuneration at Lantmännen must always be assessed from an overall perspective, including everything with a perceived value for employees in their employment.

In addition to monetary compensation and benefits, Lantmännen also takes into account factors such as a good work environment, good leadership, development and appreciation. Decisions on remuneration and benefits should always be based on Lantmännen's values of openness, a holistic view and drive, and neutral in terms of gender, religion, ethnicity, disability and sexual orientation. For further information about Lantmännen's remuneration, → note 6.

## Outlook

### *Agriculture Sector*

The economic situation with high inflation, high interest rates and weak currencies, together with general uncertainty in the outside world, will continue to affect our business and our members in 2024. In combination with the low grain harvest in 2023 and high prices of inputs, we are likely to see investment restraint from customers. Settlement prices for meat, milk and eggs will be of key importance to primary producers' profitability. Even though the 2023 grain harvest will still affect operations in 2024, the longer-term outlook is good.

### *Energy Sector*

During the year, the European Commission adopted a revised Renewable Energy Directive, RED III, which is expected to increase demand for sustainable biofuels. Demand for Lantmännen's sustainable ethanol is expected to remain high in the European market. Lantmännen Aspen predicts increased demand for alkylate petrol. Declining demand for sawn wood is expected to affect the supply of sawdust, which is the main input for Scandbio's pellet products.

### *Food Sector*

In 2023, high inflation and increased costs of raw materials, energy and transport led to price increases for retailers and consumers. Combined with rising market interest rates, this led to a change in consumer behavior, with a greater focus on discount products. Our goal is to constantly adapt to market conditions and to be a leading food company, based on arable land resources, through efficiency improvements, digitalization and optimization of our production facilities.

### *Swecon Business Area*

The market is showing restraint in the face of a weakened construction sector and customers are holding back from investing due to increased costs, mainly machine price increases, interest costs, fuel costs and other material costs. The rental market is growing, largely due to the unwillingness to invest in new machines, while the need for machines exists.

### *Real Estate Business Area*

The property market is forecast to slow down but Lantmännen Real Estate's portfolio is well balanced with stable tenants and long leases. In a declining market, Lantmännen Real Estate sees acquisition opportunities.

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For comments about the Parent Company and the Board's proposed appropriation of profit, → page 83.





# The Group's net sales and earnings

- Lantmännen's net sales amounted to MSEK 65,212 (60,612)
- Operating income amounted to MSEK 2,236 (2,307)
- Operating income adjusted for items affecting comparability was MSEK 2,820 (2,715)

## Net sales

Lantmännen's net sales for 2023 amounted to MSEK 65,212 (60,612), an increase of 7.6 percent, distributed as follows: 3.8 percent organic growth, 2.8 percent currency translation effects and 1.0 percent acquired and divested operations.

Net sales increased in all Sectors and Business Areas apart from Agriculture, largely driven by inflation and currency translation effects. The Agriculture Sector's decline was due to a weaker harvest and lower grain prices.

## The Group's items affecting comparability <sup>1)</sup>

MSEK	2023	2022
Recognized operating income	2,236	2,307
<i>Items affecting comparability in operating income:</i>		
Restructuring costs etc., Agriculture Sector	-270	-
Provision for EU Commission investigation, Energy Sector	-38	-
Capital gains, Food Sector	51	-
Capital gains, Real Estate Business Area	58	254
Divestment of Russian operations	-385	-
Impairment related to Russian operations	-	-500
Impairment, Food Sector	-	-500
Restructuring costs, Food Sector	-	-133
Capital gain on divestment of Agrovärme	-	707
Provision for silo demolition and restoration costs	-	-59
IT investments in cloud services	-	-177
<i>Total items affecting comparability in operating income</i>	-584	-408
<b>Operating income, adjusted for items affecting comparability</b>	<b>2,820</b>	<b>2,715</b>
<b>Recognized income after financial items</b>	<b>1,878</b>	<b>2,128</b>
Items affecting comparability in operating income according to above	-584	-408
<i>Total items affecting comparability in net financial items</i>	-	-
<b>Income after financial items adjusted for items affecting comparability</b>	<b>2,462</b>	<b>2,536</b>
Return on equity, adjusted for items affecting comparability, %	8.7	10.1
Return on operating capital, adjusted for items affecting comparability, %	8.0	8.4

<sup>1)</sup> See also [note 10](#).

## Operating income

Operating income for 2023 was MSEK 2,236 (2,307) and adjusted for items affecting comparability MSEK 2,820 (2,715). Adjusted operating income declined in the Agriculture and Energy Sectors but increased in the Food Sector and the Swecon Business Area. The Real Estate Business Area was in line with the previous year.

Net items affecting comparability were MSEK -584 (-408) and included divestment of the Russian operations MSEK -385, restructuring costs and inventory remeasurement in Lantmännen Machinery in the Agriculture Sector MSEK -270, and a provision in the Energy Sector related to the EU Commission investigation MSEK -38. Capital gains on property sales in the Real Estate Business Area and in Lantmännen Unibake in the Food Sector had a positive effect of MSEK 109.

Lantmännen's operating income was positively affected by MSEK 92 from acquired and divested operations and MSEK 50 from currency translation effects.

## Net financial items and income after financial items

Net financial items amounted to MSEK -358 (-179). The change is mainly due to higher interest rates, which were partly offset by positive currency effects. Income after financial items amounted to MSEK 1,878 (2,128) and adjusted for items affecting comparability MSEK 2,462 (2,536).

## Tax and income after tax

Tax expense for the year was MSEK 318 (337).

Income after tax amounted to MSEK 1,560 (1,791), of which MSEK 1,554 (1,781) was attributable to members of the economic association and MSEK 6 (10) to non-controlling interests (minority ownership) in the Group's subsidiaries.

# Consolidated Income Statement

MSEK	Note	2023	2022
Net sales	4, 5	65,212	60,612
Other operating income	5	512	2,893
Changes in inventories of finished goods and work in progress		-2,683	127
Raw materials and consumables		-21,344	-22,312
Merchandise		-18,458	-18,132
Employee benefits expense	6	-8,124	-7,410
Depreciation, amortization and impairment	7	-2,412	-3,153
Other operating expenses	8	-10,735	-10,479
Share of income of equity accounted companies	16	267	161
<b>Operating income</b>	<b>10, 11</b>	<b>2,236</b>	<b>2,307</b>
Finance income	9	193	121
Finance costs	9	-551	-300
<b>Income after financial items</b>		<b>1,878</b>	<b>2,128</b>
Tax	12	-318	-337
<b>Net income for the year</b>		<b>1,560</b>	<b>1,791</b>
<b>Net income for the year attributable to:</b>			
Members of the economic association		1,554	1,781
Non-controlling interests		6	10

# Consolidated Statement of Comprehensive Income

MSEK	Note	2023	2022
Net income for the year		1,560	1,791
<b>Other comprehensive income</b>	22		
<i>Items that will not be reclassified to the income statement</i>			
Actuarial gains and losses on defined benefit pension plans	25	-352	726
Financial assets at fair value through other comprehensive income	17	55	-17
Items reclassified to balance sheet		-	26
Tax attributable to items that will not be reclassified	12	76	-162
<b>Total</b>		<b>-221</b>	<b>573</b>
<i>Items that will be reclassified to the income statement</i>			
Cash flow hedges		-365	355
Exchange differences on translation of foreign operations		-49	903
Net gain on hedge of net investment in foreign operations		139	-207
Share of OCI in equity accounted companies		7	89
Tax attributable to items that will be reclassified	12	47	-30
<b>Total</b>		<b>-221</b>	<b>1,021</b>
<b>Other comprehensive income, net of tax</b>		<b>-442</b>	<b>1,683</b>
<b>Total comprehensive income</b>		<b>1,118</b>	<b>3,474</b>
<b>Total comprehensive income attributable to:</b>			
Members of the economic association		1,112	3,464
Non-controlling interests		6	10



# Performance per segment (For full segment information → note 4)

MSEK	Agriculture Sector		Energy Sector		Food Sector		Swecon Business Area		Real Estate Business Area		Lantmännen Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	29,270	30,376	7,807	6,801	21,926	18,908	10,408	8,647	611	592	65,212	60,612
Operating income	207	516	930	1,165	781	-171	669	593	309	503	2,236	2,307
Return on operating capital, %	2.2	5.2	28.8	46.8	4.2	-0.9	28.5	35.8	8.2	14.6	6.4	7.2
Operating income, adjusted for items affecting comparability	477	516	968	1,165	730	528	669	593	251	249	2,820	2,715
Return on operating capital, adjusted for items affecting comparability, %	5.1	5.2	30.0	46.8	3.9	2.9	28.5	35.8	6.6	7.2	8.0	8.4

## Lantmännen Agriculture Sweden

MSEK	2023	2022
Net sales, MSEK	18,980	20,363
Operating income, MSEK	265	339
Return on operating capital, %	4.5	5.8
Operating income, adjusted for items affecting comparability, MSEK	265	339
Return on operating capital, adjusted for items affecting comparability, %	4.5	5.8

## Lantmännen Machinery Sweden

MSEK	2023	2022
Net sales, MSEK	3,423	3,320
Operating income, MSEK	-277	1
Return on operating capital, %	-18.2	0.0
Operating income, adjusted for items affecting comparability, MSEK	-7	1
Return on operating capital, adjusted for items affecting comparability, %	-0.5	0.0

## Agriculture Sector

The Agriculture Sector's net sales for 2023 showed a decline from the previous year, which was mainly attributable to the Swedish agricultural operations. Adjusted operating income fell to MSEK 477 (516), due to lower earnings for the Sector's Swedish operations and the international holdings.

The Sector's Swedish agricultural operations reported a decline in earnings, with the year's weak harvest having a highly negative impact. Grain prices fell from the historically high levels in 2022, largely due to lower global demand and a relatively stable outflow from the Black Sea region.

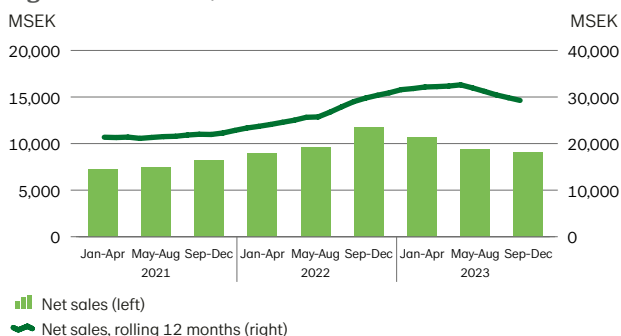
The feed business delivered a better result than in the previous year, with good demand for feed for all animal

species. Lantmännen increased its market share during the year. Lower gas prices caused fertilizer prices to fall towards the end of the year.

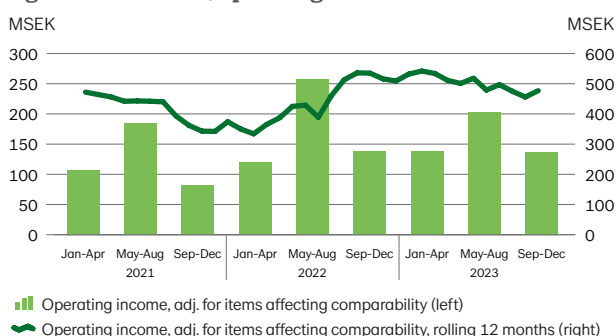
Operating income for the Finnish operations increased compared with the previous year.

Operating income for Lantmännen Machinery was lower than in the previous year. The order intake for both the machinery market and Lantmännen Machinery declined during the year. An improvement program has been launched to strengthen the profitability of the business, and items affecting comparability related to restructuring costs and inventory remeasurement had an effect of MSEK -270 on operating income for the year.

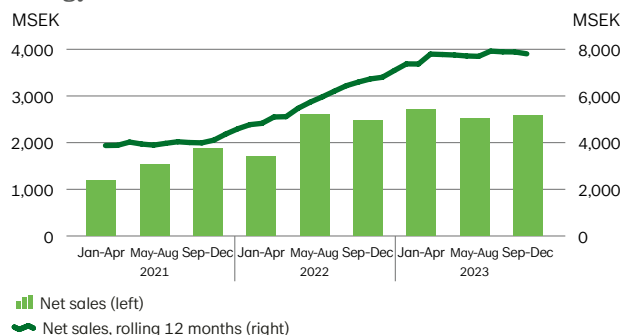
### Agriculture Sector, net sales



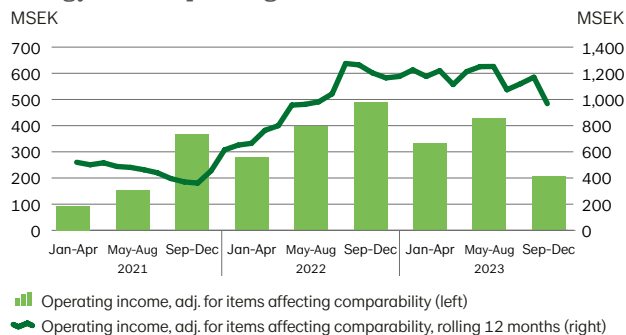
### Agriculture Sector, operating income



### Energy Sector, net sales



### Energy Sector, operating income



Earnings for the international holdings were lower than in the previous year, when both the Baltic and Polish operations reported very strong results.

### Energy Sector

The Energy Sector's net sales were higher than in the previous year and adjusted operating income amounted to MSEK 968 (1,165). The Sector's lower operating income is mainly attributable to Lantmännen Biorefineries, which was affected by ethanol prices that plummeted from the very high levels in 2022. However, this was partly offset by a decline in the raw material price.

Scandbio also reported lower earnings compared with the previous year, partly due to the price of heating pellets falling from the very high levels in 2022, but also due to higher raw material costs and slightly lower production.

Lantmännen Aspen showed positive development during the year, partly driven by the contribution from Coryton, acquired in February 2022.

Biorefineries' new gluten extraction facility in Norrköping was inaugurated in spring 2023. The new facility strengthens our food ingredients and plant-based proteins business.

### Food Sector

Net sales for 2023 were significantly higher than in the previous year, driven by high inflation and a weak Swedish currency. Adjusted operating income improved to MSEK 730

(528), entirely due to higher earnings for Lantmännen Unibake's international operations.

There has been a shift in consumer behavior in the face of higher global inflation, as evidenced by generally lower demand and an increased focus on discount products. This has particularly affected the Swedish operations, which reported significantly lower earnings than in the previous year.

Unibake's earnings increased compared with the previous year, entirely driven by its international operations. This was partly due to previously implemented cost-based price increases to customers, but was also due to production efficiency initiatives.

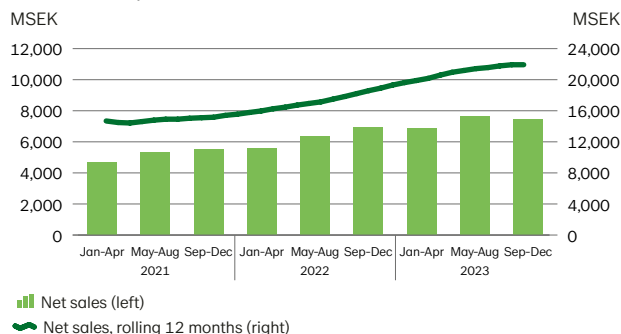
Unibake's new fully automated cold storage facility in Örebro was inaugurated in November. The new facility is closer to major customers and will reduce the need for transport, which will in turn have a positive climate impact through reduced emissions.

Lantmännen Cerealia's operating income was lower than in the previous year due to lower sales volumes as a result of continuing fierce competition from private labels. An improvement program is in progress aimed at strengthening the profitability of the business.

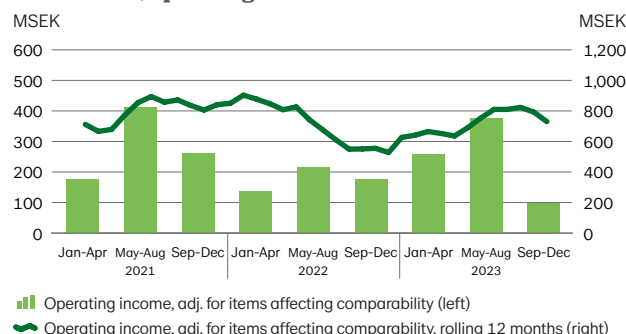
In April, production resumed at the Laholm pancake factory, which was restored after the previous year's fire.

In early summer, there was an accident at Cerealia's pasta factory in Hyvinkää, Finland, resulting in the recall of the popular Finnish brand Myllyn Paras macaroni. Production resumed at the end of the summer.

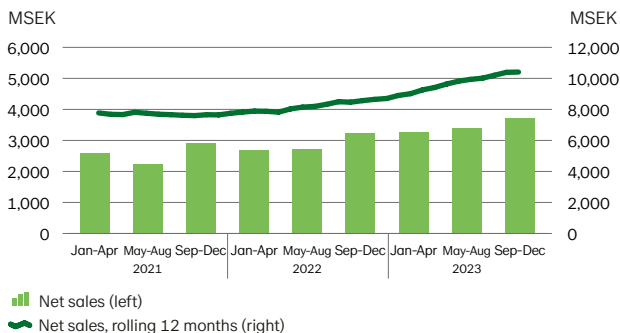
### Food Sector, net sales



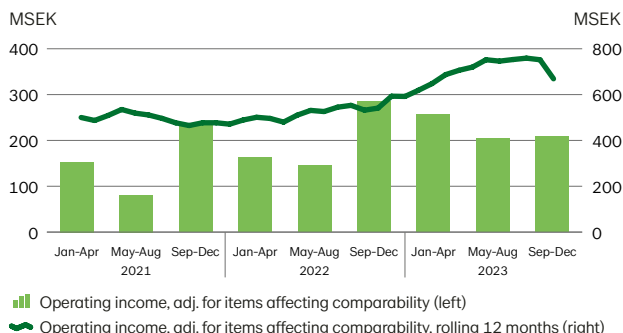
### Food Sector, operating income



### Swecon Business Area, net sales



### Swecon Business Area, operating income



### Swecon Business Area

The Business Area's net sales for 2023 increased considerably from the previous year, exceeding SEK 10 billion for the first time. Sales of machines were higher in all areas: new machines, used machines and previous rental machines. The sales growth was mainly driven by increasingly heavy machinery, but also by price increases and currency. Operating income was MSEK 669 (593), the highest result ever.

Machine availability has been low in recent years due to component shortages and shipping and logistics difficulties, resulting in longer delivery times and a large order backlog. The delivery rate increased gradually during the year, which contributed to the higher operating income. However, construction machinery demand fell steadily during the year and both the order intake and order backlog decreased during the final months of the year. The market remains cautious and difficult to predict.

Swecon entered into a dealership agreement with Volvo Penta Industri during the year. Under the agreement, Swecon becomes a service partner in the industrial segment, with responsibility for new sales, service and repair of Volvo Penta Industri's products in Sweden. The range consists of engines used in, among other things, forestry, agriculture and mining machinery, stone crushers and rescue vehicles.

### Real Estate Business Area

The Real Estate Business Area's net sales for 2023 were in line with the previous year and adjusted operating income was MSEK 251 (249).

The rental business developed positively and a number of contracts were signed for both new and existing spaces during the year.

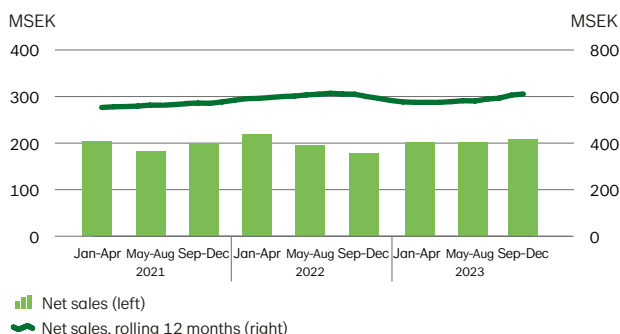
The review of Lantmännen's strategically important properties in Sweden has been completed. The project involved gathering information about the business, the property and the surrounding area.

Climate adaptation and efficiency improvements in the use of the Group's facilities are in progress. Solar PV systems were installed at several of Lantmännen's facilities in Sweden during the year. The process of certifying the first of Lantmännen's buildings under the criteria for "Miljöbyggnad Silver" has begun. The certification means that, as a property owner, Lantmännen makes extra investments in sustainability, climate and environment over and above the basic legal requirements. The plan is to certify a number of buildings during 2024.

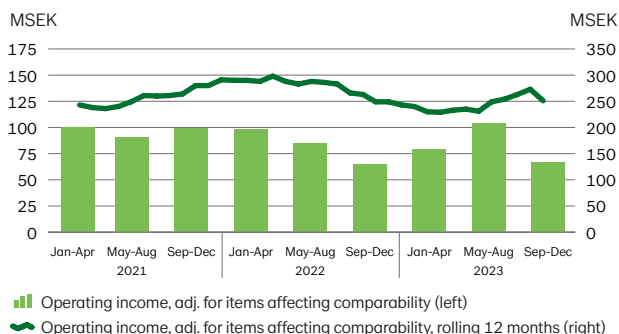
The first stage of the sale of building rights in Almby, Örebro, was completed during the year. The sale generated a capital gain of MSEK 58, reported as an item affecting comparability.

A new joint facility for Lantmännen Machinery and Swecon was inaugurated in Nyköping, and Lantmännen Unibake's new fully automated cold storage facility was inaugurated in Örebro during the fall.

### Real Estate Business Area, net sales



### Real Estate Business Area, operating income







# Consolidated Statement of Financial Position

- The equity ratio was 46.4 (44.9) percent
- Return on equity was 6.6 (8.3) percent
- Adjusted return on equity was 8.7 percent (10.1)
- Return on operating capital was 6.4 (7.2) percent
- Adjusted return on operating capital was 8.0 (8.4) percent

## Assets and investments

Total assets were MSEK 50,579 (51,099) at the end of the year, a decline of MSEK 520.

Property, plant and equipment amounted to MSEK 16,203, compared with MSEK 14,758 the previous year. Investments in property, plant and equipment totaled MSEK 3,282 (3,002). The investments include the gluten facility in the Energy Sector, the new cold storage facility in Örebro, an expanded rental fleet in the Swecon Business Area and continuing investments in Lantmännen Unibake's bakeries, mainly in Romania.

Investment property amounted to MSEK 677 (690).

Investments in intangible assets totaled MSEK 45 (72). Total intangible assets amounted to MSEK 9,742 (10,031).

Current assets excluding cash and cash equivalents were MSEK 19,149 (20,013), a decline of MSEK 864 from the previous year.

## Liabilities and equity

The Group's equity was MSEK 23,472 (22,932) at the end of the year, with MSEK 101 (101) attributable to owners other than the members of the economic association, i.e. non-controlling interests in Group companies. Net income

after tax increased equity by MSEK 1,560 (1,791), while dividends and changes in contributed capital reduced equity by MSEK 579 (604). Items recognized in other comprehensive income (e.g. remeasurement effects) changed equity by MSEK -442 (1,683).

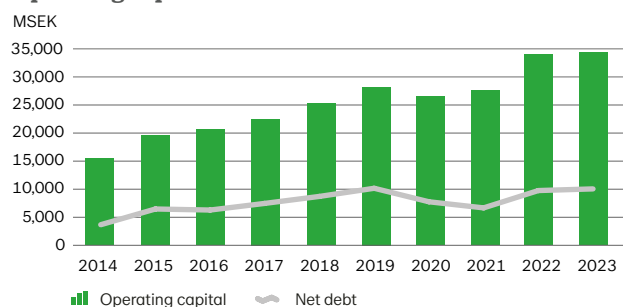
The Group's net debt was MSEK 10,056 (9,761) at the end of the year, in line with the previous year. The Group's liquidity reserve at the end of the year was MSEK 8,374 (7,646) and is calculated based on Lantmännen's current loan agreements and covenants. The equity ratio was 46.4 (44.9) percent at the end of the year.

## Net debt

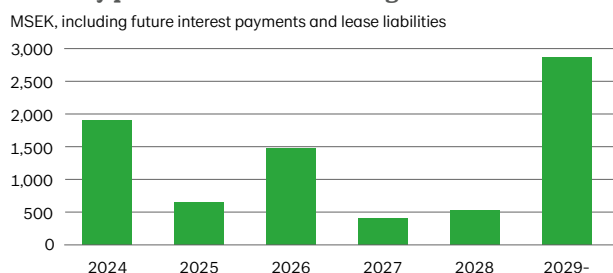
MSEK	2023	2022
Liabilities to credit institutions	3,904	3,468
Issued securities	1,099	999
Savings and deposit accounts, members et al.	4,044	3,898
Pension liabilities	49	-
Subordinated debentures	250	250
Financial liabilities, leases	1,884	1,908
Other interest-bearing liabilities	441	772
<b>Total interest-bearing liabilities including pension liabilities</b>	<b>11,671</b>	<b>11,295</b>
Other interest-bearing assets	983	1,179
Short-term investments, less than 3 months	0	100
Cash and bank balances	632	255
<b>Total interest-bearing assets</b>	<b>1,615</b>	<b>1,534</b>
<b>Group's net debt</b>	<b>10,056</b>	<b>9,761</b>

*Shares held on an operational basis are reported under financial assets in the statement of financial position, but are not included in net debt; instead, they are reported as part of the Group's operating capital.*

## Operating capital and net loan debt



## Maturity profile of interest-bearing financial liabilities



Cont'd.

# Consolidated Statement of Financial Position

MSEK	Note	2023 Dec 31	2022 Dec 31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	16,203	14,758
Investment property	14	677	690
Goodwill	15	6,151	6,186
Other intangible assets	15	3,591	3,845
Equity accounted holdings	16	3,010	3,195
Surplus in funded pension plans	25	-	237
Non-current financial assets	17	636	859
Deferred tax assets	12	298	301
Other non-current assets	18	231	660
<b>Total non-current assets</b>		<b>30,798</b>	<b>30,731</b>
<b>Current assets</b>			
Inventories	19	9,464	9,957
Trade and other receivables	20	9,277	9,883
Current interest-bearing assets	21	347	83
Current tax assets		61	90
Cash and cash equivalents	21	632	355
<b>Total current assets</b>		<b>19,781</b>	<b>20,368</b>
<b>TOTAL ASSETS</b>		<b>50,579</b>	<b>51,099</b>

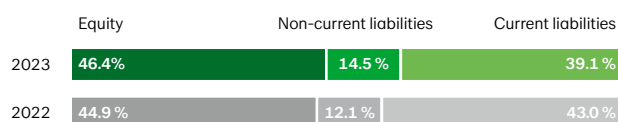
MSEK	Note	2023 Dec 31	2022 Dec 31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Member contributions		4,534	4,027
Other contributed capital		3,110	3,110
Reserves		1,278	1,444
Retained earnings incl. net income		14,449	14,250
<b>Total equity attributable to members of the economic association</b>		<b>23,371</b>	<b>22,831</b>
Non-controlling interests		101	101
<b>Total equity</b>	22	<b>23,472</b>	<b>22,932</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	23, 24	5,643	4,445
Provisions for pensions	25	49	-
Deferred tax liabilities	12	1,096	1,222
Other non-current provisions	26	395	376
Other non-current liabilities	27	138	163
<b>Total non-current liabilities</b>		<b>7,321</b>	<b>6,206</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	23, 24	5,979	6,850
Trade and other payables	28	12,727	13,790
Current tax liabilities	12	111	372
Current provisions	26	969	949
<b>Total current liabilities</b>		<b>19,786</b>	<b>21,961</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>50,579</b>	<b>51,099</b>

Pledged assets and contingent liabilities → note 34.

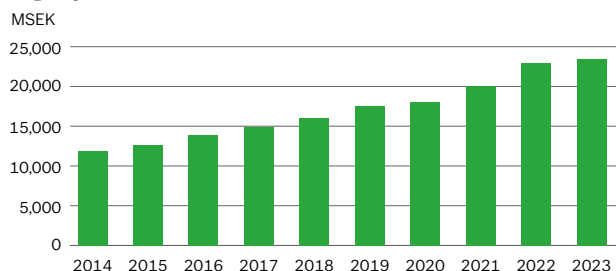
## Development of the Group's assets



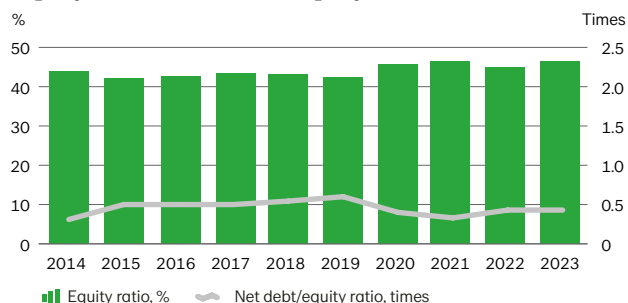
## Development of the Group's equity and liabilities



## Equity



## Equity ratio and net debt/equity ratio





# Consolidated Statement of Cash Flows

- Cash flow from operating activities MSEK 3,775 (1,359)
- Cash flow from investing activities MSEK –2,854 (–3,827)
- Cash flow before financing activities MSEK 921 (–2,468)

## Cash flow from operating activities

The cash operating surplus, i.e. cash flow from operating activities before changes in working capital, gave a positive result of MSEK 3,874 (4,049).

Cash flow from changes in working capital was MSEK –99 (–2,690), an improvement from the previous year when working capital was affected by higher raw material prices and sales growth.

Cash flow from operating activities was MSEK 3,775 (1,359).

## Cash flow from investing activities

Cash flow from acquisitions of operations was MSEK –63 (–1,827).

Divestments of operations generated a positive cash flow of MSEK 385 (1,066), mainly from the divestment of the Russian operations.

Investments in property, plant and equipment and intangible assets totaled MSEK –3,327 (–3,074). The investments include the gluten facility in the Energy Sector, the new cold storage facility in Örebro, an expanded rental fleet in the Swecon Business Area and continuing investments in Lantmännen Unibake's bakeries, mainly in Romania.

Sales of property, plant and equipment and intangible assets generated a positive cash flow of MSEK 270 (386), due to, among other things, property sales in Brussels and Örebro.

Cash flow from investing activities was MSEK –2,854, compared with MSEK –3,827 the previous year.

## Cash flow before financing activities

Cash flow before financing activities amounted to MSEK 921 (–2,468) an increase of MSEK 3,389.

## Cash flow from financing activities

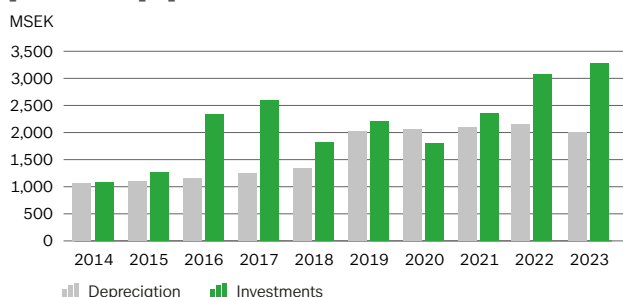
Financing activities affected cash flow by MSEK –647 (96), including an effect of MSEK –68 (700) from changes in interest-bearing liabilities. The reason why cash flow from changes in interest-bearing liabilities was so high in the previous year was increased loan financing for business acquisitions and financing through issued commercial papers.

The dividend payment of MSEK –783 (–710) was distributed as follows: contribution dividend MSEK –403 (–362), and refund and supplementary payment MSEK –374 (–341) to members of the association.

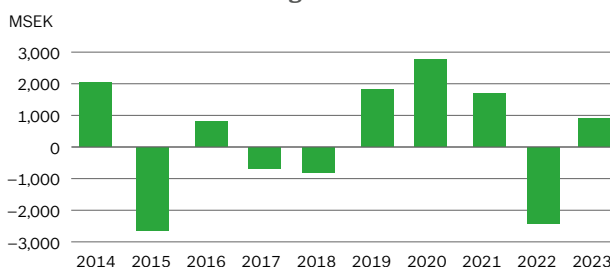
## Cash flow for the year

Cash flow for the year was MSEK 274 (–2,372) and the Group's cash and cash equivalents ended the year at MSEK 632 (355).

## Depreciation/investments in property, plant and equipment



## Cash flow before financing activities



Cont'd.

# Consolidated Statement of Cash Flows

MSEK	Note	2023	2022
<b>OPERATING ACTIVITIES</b>			
Operating income		2,236	2,307
Adjustment for non-cash items <sup>1)</sup>		2,523	2,164
		4,759	4,471
Financial items paid, net	35:1	-347	-177
Taxes paid		-538	-245
<b>Cash flow from operating activities before changes in working capital</b>		<b>3,874</b>	<b>4,049</b>
<i>Cash flow from changes in working capital</i>			
Change in inventories		472	-2,860
Change in operating receivables		161	-1,484
Change in operating liabilities		-732	1,654
		-99	-2,690
<b>Cash flow from operating activities</b>		<b>3,775</b>	<b>1,359</b>
<b>INVESTING ACTIVITIES</b>			
Acquisitions of operations, incl. capital contribution	35:2	-63	-1,827
Divestment of operations	35:3	385	1,066
Investment in property, plant & equipment		-3,282	-3,002
Investment in intangible assets		-45	-72
Sale of property, plant & equipment and intangible assets		270	386
Change in financial investments		-119	-378
<b>Cash flow from investing activities</b>		<b>-2,854</b>	<b>-3,827</b>
<b>Cash flow before financing activities</b>		<b>921</b>	<b>-2,468</b>
<b>FINANCING ACTIVITIES</b>			
Change in interest-bearing liabilities incl pension provisions	35:4	-68	700
Paid-in contributed capital		281	207
Refunded capital contribution		-77	-101
Dividend paid		-783	-710
<b>Cash flow from financing activities</b>		<b>-647</b>	<b>96</b>
<b>Cash flow for the year</b>		<b>274</b>	<b>-2,372</b>
Cash and cash equivalents at beginning of year		355	2,704
Exchange differences in cash and cash equivalents		3	23
<b>Cash and cash equivalents at end of year</b>	35:5	<b>632</b>	<b>355</b>

1) MSEK	2023	2022
Adjustment for non-cash items		
Depreciation, amortization and impairment of non-current assets	2,412	3,153
Share of income of equity accounted companies	-198	-132
Capital gains/losses on sale of non-current assets and operations	285	-878
Other non-cash items	24	21
<b>Total</b>	<b>2,523</b>	<b>2,164</b>

# Consolidated Statement of Changes in Equity

		2023						
MSEK	Note	Contributed capital	Other contributed capital	Reserves	Retained earnings incl. net income	Total Lantmännen's owners	Non-controlling interests	Total equity
Opening balance, January 1, 2023		4,027	3,110	1,444	14,250	22,831	101	22,932
Net income for the year		-	-	-	1,554	1,554	6	1,560
Other comprehensive income, net of tax		-	-	-166	-276	-442		-442
Total comprehensive income		-	-	-166	1,278	1,112	6	1,118
Realized change in value from OCI		-	-	-	-	-	-	-
Distributions to owners		303	-	-	-1,080	-777	-6	-783
Contributed capital paid in by members		281	-	-	-	281	-	281
Contributed capital paid out to members		-77	-	-	-	-77	-	-77
Other change		-	-	-	-	-	-	-
Closing balance, December 31, 2023	22	4,534	3,110	1,278	14,449	23,371	101	23,472

		2022						
MSEK	Note	Contributed capital	Other contributed capital	Reserves	Retained earnings incl. net income	Total Lantmännen's owners	Non-controlling interests	Total equity
Opening balance, January 1, 2022		3,624	3,110	337	12,919	19,990	108	20,098
Net income for the year		-	-	-	1,781	1,781	10	1,791
Other comprehensive income, net of tax		-	-	1,107	576	1,683	-	1,683
Total comprehensive income		-	-	1,107	2,357	3,464	10	3,474
Realized change in value from OCI		-	-	-	-26	-26	-	-26
Distributions to owners		297	-	-	-1,000	-703	-7	-710
Contributed capital paid in by members		207	-	-	-	207	-	207
Contributed capital paid out to members		-101	-	-	-	-101	-	-101
Other change		-	-	-	-	-	-10	-10
Closing balance, December 31, 2022	22	4,027	3,110	1,444	14,250	22,831	101	22,932

More information about equity can be found in the Parent Company's statement of changes in equity on [page 87](#) and in note 22.

Equity attributable to members of the economic association, MSEK	2023	2022
Contributed capital, paid in	1,858	1,642
Contributed capital, issued	2,676	2,385
Other equity	18,837	18,804
Total equity attributable to members of the economic association	23,371	22,831



# Parent Company Lantmännen ek för

## Operations

The activities of the Parent Company Lantmännen ek för consist of Lantmännen Agriculture's Swedish operations in the Agriculture Sector and the corporate functions.

## Net sales and operating income

Net sales amounted to MSEK 19,533 (20,880). Operating income amounted to MSEK -38 (376). The higher figure for the previous year is due to a capital gain on a property sale in Uppsala in 2022.

Net financial items were MSEK 462 (772) and income after financial items was MSEK 424 (1,148).

## Investments

Investments in non-current assets during the year totaled MSEK 347 (272).

## Equity ratio

The equity ratio at the end of the year was 48.1 (45.7) percent.

## Human resources

The average number of employees was 1,066 (974).

## Member information

The number of members on December 31, 2023 was 17,907 (18,256). Refunded contributed capital is expected to be MSEK 81 in 2024 and the outcome in 2023 was 77 MSEK.

## Proposed dividend

The Board of Directors proposes that dividends be paid to both direct members and local associations as follows:

### *Refund and supplementary payment of MSEK 324 (374)*

- 2.0 (2.0) percent in refund and supplementary payment on members' trading with Lantmännen Agriculture Sweden, excluding the fuel business.
- 0.5 (0.5) percent in refund on members' purchases from Lantmännen Agriculture Sweden's fuel business.
- 0.0 (0.5) percent in refund on members' purchases from Lantmännen Machinery's and Swecon's Swedish operations.

### *Contribution dividend of MSEK 453 (403)*

- Contribution dividend of 10 (10) percent on the nominal value of the contributions.

### *Contribution issue of MSEK 423 (303).*

- The issue capital will be distributed as follows: 50 (50) percent based on members' contributions, paid-in and issued contributed capital, and 50 (50) percent on members' contribution-based turnover with the association in 2023.

### *Dividend on subordinated debentures of MSEK 20 (15)*

- Dividend of 8.0 (6.0) percent on subordinated debentures, based on the conditions in the subordinated debenture offer.

## Proposal for appropriation of profit

The Board of Directors proposes that the Parent Company's unappropriated earnings of TSEK 10,670,754 be allocated as follows:

	TSEK
Refund and supplementary payment	324,076
Contribution dividend	453,395
Contribution issue	422,500
Dividend on subordinated debentures	20,000
Carried forward	9,450,783
<b>Total</b>	<b>10,670,754</b>

Due to trading in contribution issues, the Board has decided that the date on which holdings give entitlement to a dividend (contribution dividend and contribution issue) is the date of the Annual General Meeting.

The dividend is calculated on the basis of the membership roll as updated on December 31, 2023. The amounts may be adjusted as a result of changes in the membership roll up to date of the AGM.

It is the Board's assessment that the proposed dividend is justifiable in view of the requirements that the nature, scope and risks of the operations place on the size of the association's and the Group's equity. It is also the assessment that, after the dividend, the association and the Group will have satisfactory liquidity, and consolidation requirements that may be considered satisfied.

## Lantmännen's Annual General Meeting

The 2023 Annual Report will be presented for adoption at the AGM, which will be held on Tuesday, May 7, 2024. The meeting will also be broadcast digitally.

# Parent Company Income Statement

MSEK	Note	2023	2022
Net sales	36	19,533	20,880
Other operating income	36	241	1,991
Changes in inventories of finished goods and work in progress		-963	1,813
Raw materials and consumables		-11,770	-15,561
Merchandise		-3,440	-4,035
Employee benefits expense	6	-1,043	-868
Depreciation, amortization and impairment		-163	-167
Other operating expenses	37	-2,433	-3,677
<b>Operating income</b>	<b>38, 41</b>	<b>-38</b>	<b>376</b>
<b>Income from financial items</b>			
Income from investments in Group companies	39	82	265
Income from investments in joint ventures/associates	39	73	640
Income from other securities and receivables classified as non-current assets	40	-17	4
Interest income from Group companies		809	377
Other interest and similar income		137	103
Interest expenses to Group companies		-318	-160
Other interest and similar expenses		-312	-183
Exchange differences, financial items	41	8	-274
<b>Total financial items</b>		<b>462</b>	<b>772</b>
<b>Income after financial items</b>		<b>424</b>	<b>1,148</b>
Group contributions	51	1,396	1,106
Other appropriations	51	-50	19
<b>Income before tax</b>		<b>1,770</b>	<b>2,273</b>
Tax on income for the year	42	-156	-124
<b>NET INCOME FOR THE YEAR</b>		<b>1,614</b>	<b>2,149</b>

# Parent Company Statement of Comprehensive Income

MSEK	2023	2022
Net income for the year	1,614	2,149
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to the income statement</i>		
Financial assets at fair value through other comprehensive income	-1	-38
Items reclassified to balance sheet	-	26
Tax attributable to items that will not be reclassified	4	-4
<b>Total</b>	<b>3</b>	<b>-16</b>
<i>Items that will be reclassified to the income statement</i>		
Cash flow hedges	-347	354
Tax attributable to items that will be reclassified	71	-73
<b>Total</b>	<b>-276</b>	<b>281</b>
<b>Other comprehensive income, net of tax</b>	<b>-273</b>	<b>265</b>
<b>Total comprehensive income</b>	<b>1,341</b>	<b>2,414</b>

# Parent Company

## Statement of Financial Position

MSEK	Note	2023 Dec 31	2022 Dec 31	MSEK	Note	2023 Dec 31	2022 Dec 31
<b>ASSETS</b>				<b>EQUITY AND LIABILITIES</b>			
<b>Non-current assets</b>				<b>Equity</b>			
Intangible assets	43	238	239		50		
		238	239	<b>Restricted equity</b>			
				Contributed capital		4,534	4,027
<b>Property, plant and equipment</b>	44			Subordinated debentures		250	250
Land and buildings		411	340	Statutory reserve		3,110	3,110
Investment property	45	19	19			<b>7,894</b>	<b>7,387</b>
Plant and machinery		643	506	<b>Non-restricted equity</b>			
Other non-current assets		311	309	Retained earnings		8,966	7,912
		1,384	1,174	Net income for the year		1,614	2,149
				Fair value reserve		-57	-60
<b>Non-current financial assets</b>				Hedge reserve		148	424
Investments in Group companies	46	13,924	12,374			<b>10,671</b>	<b>10,425</b>
Investments in joint ventures/associates	16	1,871	1,877	<b>Total equity</b>		<b>18,565</b>	<b>17,812</b>
Receivables from Group companies		8,170	9,516	<b>Untaxed reserves</b>	51	582	532
Receivables from joint ventures/associates		-	246	<b>Provisions</b>			
Other non-current financial assets		219	220	Provisions for pensions	52	1	1
Deferred tax asset	42	59	29	Other provisions	53	146	167
Other non-current assets		196	546	<b>Total provisions</b>		<b>147</b>	<b>168</b>
		24,439	24,808	<b>Non-current liabilities</b>			
<b>Total non-current assets</b>		<b>26,061</b>	<b>26,221</b>	Non-current interest-bearing liabilities	24, 56	3,228	2,107
<b>Current assets</b>				Liabilities to Group companies		333	334
Inventories	47	2,898	3,911	Other non-current liabilities		115	151
Trade receivables	48	2,401	2,518	<b>Total non-current liabilities</b>		<b>3,676</b>	<b>2,592</b>
Receivables from Group companies		6,134	5,480	<b>Current liabilities</b>			
Receivables from joint ventures/associates	48	91	78	Current interest-bearing liabilities	24, 54, 56	3,459	4,179
Tax receivables		92	-	Trade payables		3,331	3,965
Other current receivables		1,317	1,458	Liabilities to Group companies		8,427	8,591
Prepayments and accrued income	49	198	195	Liabilities to joint ventures/associates		1	32
		13,131	13,640	Tax liabilities	42	106	345
				Other current liabilities		512	866
Cash and bank balances		344	24	Accruals and deferred income	55	730	803
<b>Total current assets</b>		<b>13,475</b>	<b>13,664</b>	<b>Total current liabilities</b>		<b>16,566</b>	<b>18,781</b>
<b>TOTAL ASSETS</b>		<b>39,536</b>	<b>39,885</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>39,536</b>	<b>39,885</b>

Pledged assets and contingent liabilities  note 57.



# Parent Company Statement of Cash Flows

MSEK	Note	2023	2022
<b>OPERATING ACTIVITIES</b>			
Operating income		-38	376
Adjustment for non-cash items <sup>1)</sup>		155	-252
		117	124
Financial items paid, net <sup>2)</sup>		346	101
Taxes paid		-447	-15
<b>Cash flow from operating activities before changes in working capital</b>		<b>16</b>	<b>210</b>
<i>Cash flow from changes in working capital</i>			
Change in inventories		1,013	-1,213
Change in operating receivables		-67	-807
Change in operating liabilities		-709	1,240
		237	-780
<b>Cash flow from operating activities</b>		<b>253</b>	<b>-570</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of shares and interests, owner contributions etc.		-1,743	-2,826
Divested operations, share capital repayments		45	2,220
Investment in property, plant & equipment		-340	-264
Investment in intangible assets		-7	-8
Sale of property, plant & equipment and intangible assets		1	392
Change in financial assets		1,286	-2,937
<b>Cash flow from investing activities</b>		<b>-758</b>	<b>-3,423</b>
<b>Cash flow before financing activities</b>		<b>-505</b>	<b>-3,993</b>
<b>FINANCING ACTIVITIES</b>			
Group contributions received		1,106	1,059
Change in interest-bearing liabilities	56	307	1,386
Paid-in contributed capital		281	207
Refunded capital contribution		-77	-101
Dividend paid		-792	-721
<b>Cash flow from financing activities</b>		<b>825</b>	<b>1,830</b>
<b>Cash flow for the year</b>		<b>320</b>	<b>-2,163</b>
Cash and cash equivalents at beginning of year		24	2,187
<b>Cash and cash equivalents at end of year<sup>3)</sup></b>		<b>344</b>	<b>24</b>
<b>MSEK</b>			
		<b>2023</b>	<b>2022</b>
<b>1) Adjustment for non-cash items</b>			
Depreciation, amortization and impairment of non-current assets		163	167
Capital gains/losses on sale of non-current assets and operations		-1	-325
Fair value adjustment of financial instruments		-10	-93
Other items		3	-1
<b>Total</b>		<b>155</b>	<b>-252</b>
<b>2) Financial items</b>			
Dividends received		290	221
Interest received		938	478
Interest paid		-593	-324
Other financial payments		-19	-
Realized exchange gains/losses		-270	-274
<b>Total</b>		<b>346</b>	<b>101</b>
<b>3) Cash and cash equivalents at end of year</b>			
Cash and bank balances		344	24
<b>Total</b>		<b>344</b>	<b>24</b>

# Parent Company

## Statement of Changes in Equity

MSEK	2023							Total equity
	Contributed capital	Subordinated debentures	Statutory reserve	Fair value reserve	Hedge reserve	Retained earnings incl. net income		
Opening balance, January 1, 2023	4,027	250	3,110	-60	424	10,061	17,812	
Net income for the year	-	-	-	-	-	1,614	1,614	
Other comprehensive income, net of tax	-	-	-	3	-276	-	-273	
<b>Total comprehensive income</b>	-	-	-	3	-276	1,614	1,341	
Dividend paid <sup>1)</sup>	-	-	-	-	-	-792	-792	
Contributed capital paid in by members	281	-	-	-	-	-	281	
Contributed capital paid out to members	-77	-	-	-	-	-	-77	
Appropriation of profit	303	-	-	-	-	-303	0	
<b>Closing balance, December 31, 2023</b>	<b>4,534</b>	<b>250</b>	<b>3,110</b>	<b>-57</b>	<b>148</b>	<b>10,580</b>	<b>18,565</b>	

MSEK	2022							Total equity
	Contributed capital	Subordinated debentures	Statutory reserve	Fair value reserve	Hedge reserve	Retained earnings incl. net income		
Opening balance, January 1, 2022	3,624	250	3,110	-44	143	8,956	16,039	
Net income for the year	-	-	-	-	-	2,149	2,149	
Other comprehensive income, net of tax	-	-	-	-16	281	-	265	
<b>Total comprehensive income</b>	-	-	-	-16	281	2,149	2,414	
Items reclassified to balance sheet	-	-	-	-	-	-26	-26	
Dividend paid <sup>1)</sup>	-	-	-	-	-	-721	-721	
Contributed capital paid in by members	207	-	-	-	-	-	207	
Contributed capital paid out to members	-101	-	-	-	-	-	-101	
Appropriation of profit	297	-	-	-	-	-297	0	
<b>Closing balance, December 31, 2022</b>	<b>4,027</b>	<b>250</b>	<b>3,110</b>	<b>-60</b>	<b>424</b>	<b>10,061</b>	<b>17,812</b>	

<sup>1)</sup> Contribution dividend MSEK -403 (-362), refund and supplementary payment MSEK -374 (-341), dividend on subordinated debentures MSEK -15 (-18), reported as interest expense in the Group.

Of the MSEK 77 (101) contributed capital paid out, MSEK 27 (48) relates to refunds to members who have left the association and MSEK 50 (53) relates to refunds due to changed investment obligation criteria for individual members.

In 2024, an estimated MSEK 81 of contributed capital will be refunded to members, distributed as follows: members who have left the association MSEK 35 and changed investment criteria MSEK 46.

The unmet obligation of members to invest in Lantmännen pursuant to the articles of association amounted to MSEK 515 (440) on December 31, 2023.

Contributed capital MSEK	2023	2022
Paid-in contributed capital	1,858	1,642
Issued contributed capital	2,676	2,385
<b>Total</b>	<b>4,534</b>	<b>4,027</b>

Subordinated debentures totaling MSEK 250 were issued on January 23, 2020 with a term of 5 years and a maturity date of January 15, 2025. No repayment of debentures will be made before this date.





# Notes – Group and Parent Company

All amounts are rounded to millions of Swedish kronor (MSEK) unless otherwise indicated. Rounding differences may occur. Lantmännen ek för conducts its operations as a cooperative economic association and is headquartered in Stockholm, Sweden. The address of the main office is S:t Göransgatan 160 A. The corporate identity number is 769605-2856. The 2023 financial statements for the Group and Parent Company will be presented for adoption by the Annual General Meeting on May 7, 2024.

## Note 1 Accounting policies

The principal accounting policies and new reporting rules applied in preparing this annual report are described in this note. Other accounting policies are described in the relevant notes. The same policies are normally applied for both the Parent Company and the Group. Parent Company policies that differ from those of the Group are described under the relevant note for the Parent Company.

### BASIS OF PREPARATION

Lantmännen's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. IFRS includes International Accounting Standards (IAS) and interpretations of standards (IFRIC and SIC). In addition to the Annual Accounts Act and IFRS, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, has also been applied.

The Parent Company's annual financial statements have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities.

The Parent Company has been classified as a public interest entity since 2021.

Lantmännen's income statement is presented by nature of expense.

Lantmännen applies the cost method for measuring assets and liabilities, except for derivative instruments and the categories 'at fair value through profit or loss', 'at fair value through OCI' and 'financial liabilities at fair value through profit or loss'. Non-current assets and non-current liabilities essentially consist of amounts expected to be recovered or paid more than twelve months after the closing date. Current assets and current liabilities essentially consist of amounts expected to be recovered or paid within twelve months of the closing date.

Lantmännen applies the indirect method in preparing the statement of cash flows.

### Standards, amendments and interpretations effective on or after January 1, 2023

New or amended standards and interpretations that came into force in 2023, such as IAS 1, have not had any material impact on the Group's or the Parent Company's financial reporting. Amendments to IAS12 related to Pillar Two have been applied, more information → note 12.

### Standards, amendments and interpretations effective on or after January 1, 2024

A few new and amended IFRSs have not yet entered into force and have not been adopted early in preparing the Group's and the Parent Company's financial reports. These new or amended standards and interpretations published by the IASB are not expected to have any material impact on the Group's or the Parent Company's financial reporting.

### ASSUMPTIONS AND ACCOUNTING ESTIMATES

To ensure preparation of the financial statements in accordance with IFRS, assumptions and estimates are made that affect reported assets, liabilities, income and expenses, and other information disclosed. The fair outcome may differ from the estimates. The areas in which assumptions and accounting estimates have the greatest impact on carrying amounts are described in more detail in note 3.

### BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Parent Company and all subsidiaries.

Subsidiaries are companies in which Lantmännen, directly or indirectly, holds or controls more than 50 percent of the votes or otherwise exercises control. Subsidiaries are accounted for using the acquisition method. The cost of an investment in a subsidiary is the cash amount and the fair value of any non-cash consideration paid for the investment. The value of net assets acquired is determined based on the acquisition-date fair values of assets, liabilities and contingent liabilities. These fair values constitute the Group's cost. If the cost of an investment in a subsidiary exceeds the fair value of the acquired company's identifiable net assets, the difference is recognized as goodwill on consolidation. If the cost is less than the final fair value of the net assets the difference is recognized directly in the income statement.

Acquisitions of non-controlling interests are determined for each transaction either as a proportionate share of the fair value of identifiable net assets excluding goodwill (partial goodwill) or fair value, which means that goodwill is also recognized for non-controlling interests (full goodwill).

### Foreign currency translation

The consolidated financial statements are prepared in Swedish kronor (SEK), the Parent Company's functional currency.

The balance sheets and income statements of all subsidiaries with a different functional currency are translated into the Group's presentation currency and the translation difference is recognized as a separate item under other comprehensive income in the statement of comprehensive income.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date. Gains and losses on operating receivables and liabilities are netted and reported within operating income.

### Exchange rates for the Group's major currencies:

	2023		2022	
	Average rate	Closing rate	Average rate	Closing rate
DKK	1.54	1.49	1.43	1.50
EUR	11.48	11.10	10.63	11.13
GBP	13.20	12.77	12.47	12.58
NOK	1.01	0.99	1.05	1.06
USD	10.61	10.04	10.12	10.43

## Notes – Group

### Note 2 Significant events after the end of the period

In February, Lantmännen, Fertiberia and Nordion Energi announced the largest initiative of its kind in the Nordic region, a partnership aimed at establishing Sweden's first fossil-free mineral fertilizer production through the Power2Earth joint initiative. Through its hydrogen-based production process based on fossil-free energy, Power2Earth has the potential to significantly reduce carbon dioxide emissions from food production and strengthen Swedish food security.

In February, Lantmännen Cerealia signed an agreement to divest the ready meals business under the Gooh brand to Atria Sweden. The transaction, which is subject to approval by the relevant authorities, is expected to be completed in the spring.

### Note 3 Significant judgments, accounting estimates and assumptions

Preparation of annual financial statements under IFRS is, in many cases, based on management's judgments, accounting estimates and assumptions in determining the carrying amounts of assets and liabilities. These estimates are based on historical experience and assumptions that are considered reasonable and realistic in the current circumstances. The actual outcome may differ from the accounting estimates and assumptions.

The estimates and underlying assumptions are regularly reviewed. The effect of a change in an accounting estimate is recognized in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

It is Lantmännen's assessment that the areas where assumptions and judgments have the greatest impact on the Group's reported financial position or performance are:

- Valuation of goodwill and other intangible assets with indefinite useful lives → note 7
- Deferred tax assets and tax liabilities → note 12
- Associates → note 16
- Pensions → note 25
- Provisions → note 26
- Leases → note 29

### Note 4 Segment reporting

Lantmännen's operations are divided into three Sectors and two Business Areas.

Internal reporting to Group Management and the Board corresponds with the Group's operational structure, which means the Group's operating segments are its Sectors and Business Areas. The division is based on the Group's operations from a product and customer perspective.

Sales between the Group's entities are conducted on market terms and conditions.

The assets and liabilities used in each segment's operating activities, and for which it is responsible, are attributed directly to the segments. These assets and liabilities include property, plant and equipment, intangible assets, current assets, operating liabilities and provisions attributable to the sale of goods and services, i.e., the segments' operating capital. Assets and liabilities are attributed directly to the segments or allocated to them in a reasonable and reliable manner.

Responsibility for the management of what the Group defines as financial assets and liabilities, and for the Group's tax lies with the corporate functions at the central level. Financial assets and liabilities, remeasurement effects when

measuring financial instruments (IFRS 9), lease liabilities (IFRS 16), provisions for pensions and pension liabilities (IAS 19) and taxes have therefore not been allocated to each segment.

All capital expenditure on property, plant and equipment and intangible assets, apart from company acquisitions, is included in the segments' investments.

The Group's segments consist of three Sectors and two Business Areas, each specializing in different operations. The segment 'other operations' includes a number of small companies which are controlled at central level. The segments are outlined below.

**The Agriculture Sector**, which constitutes the Group's core business, develops and offers products and services to promote strong, competitive farming. The Sector is based in Sweden and has a strong position in the Baltic Sea region through its international wholly and partly-owned companies.

The Swedish operations are market leading in grain and offer a wide range of products for livestock and crop production. Purchased grain, oilseeds, pulses and forage seed are sold to grain traders and to Swedish and international industry. The Swedish operations are also Sweden's largest horse feed supplier and one of the largest in the Nordic region, with markets also in the rest of Europe. The operations also include sales of agricultural machinery, and spare parts and servicing of agricultural machinery. The machinery operations offer strong brands, including Valtra, Fendt, Kuhn, Väderstad and Joskin.

The Finnish operations provide inputs for crop production and feed for livestock production and horses, and trade in grain in the Finnish and international markets. They also sell equipment, spare parts and fuel.

The Sector works on innovation and development of, among other things, technology and digitalization, sustainable seed, organic products and plant breeding. The Agriculture Sector is responsible for Lantmännen's ownership interests in the partly-owned companies Scandagra Group and Scandagra Polska.

**The Energy Sector** is one of Sweden's largest producers of bioenergy products. The Sector operates in a global market with the main focus on Europe. The Sector's companies manufacture and market sustainable ethanol fuel, protein feed, carbon dioxide, starch products, gluten, vodka, beta glucan, oat protein, alkylate petrol, lubricants and solid processed wood fuels. The Energy Sector consists of Lantmännen Biorefineries, Lantmännen Aspen and Scandbio.

**The Food Sector** refines grain and other raw materials from arable land and produces, among other things, flour, bread, breakfast products, pasta and ready meals. The Sector offers "Good food" to food retail and food service customers and the food industry. The Sector consists of Lantmännen Unibake and Lantmännen Cerealia. The Food Sector is also responsible for Lantmännen's ownership interests in the partly-owned companies Viking Malt and KG:s Ägg.

– Lantmännen Unibake is a global leader in bakery products, with sales in more than 60 countries. Unibake is renowned for delivering high quality products quickly and safely from more than 30 bakeries and is the partner of choice for many of the world's largest food suppliers.

– Lantmännen Cerealia develops, produces and markets grain-based products such as flour, hulled grains, muesli, granola, pasta, pancakes, crispbread, pulses, food grains, whole grains and vegetarian products, and ready meals. Operations are conducted in Sweden, Norway, Denmark, Finland and Ukraine, with sales through food retailers, the food service sector and directly to industrial bakeries and food producers. Lantmännen Cerealia has an export business, with a focus on crispbread products.

**The Swecon Business Area** is a dealer in machinery for the construction and civil engineering industry in Sweden, Germany, Estonia, Latvia and Lithuania, and a partner of Volvo Construction Equipment. Swecon offers a broad range of construction machinery, equipment, spare parts, training, servicing and support through its service facilities.

**The Real Estate Business Area's** task is to provide the Group's businesses with appropriate properties and optimize the return on externally leased properties.

Note 4 continued

INFORMATION ON OPERATING SEGMENTS	2023							
	Agriculture Sector	Energy Sector	Food Sector	Swecon Business Area	Real Estate Business Area	Other operations	Group- wide <sup>1)</sup>	Total Group
MSEK								
<b>Net sales</b>								
External sales	25,400	7,466	21,802	10,306	175	62	0	65,212
Internal sales	3,870	341	124	102	436	725	-5,598	0
<b>Total net sales</b>	<b>29,270</b>	<b>7,807</b>	<b>21,926</b>	<b>10,408</b>	<b>611</b>	<b>787</b>	<b>-5,598</b>	<b>65,212</b>
<b>Operating income per segment</b>	<b>207</b>	<b>930</b>	<b>781</b>	<b>669</b>	<b>309</b>	<b>-103</b>	<b>-557</b>	<b>2,236</b>
<i>Of which share of income of joint ventures/ associates</i>	<i>78</i>	<i>1</i>	<i>68</i>	<i>-</i>	<i>2</i>	<i>118</i>	<i>-</i>	<i>267</i>
Finance income								193
Finance costs								-551
Tax expense for the year								-318
<b>Net income for the year</b>								<b>1,560</b>
<b>Other disclosures</b>								
Assets	11,144	4,651	21,072	4,793	4,234	1,394	-1,693	45,595
Share of equity in joint ventures/associates	706	45	580	-	175	1,504	-	3,010
Unallocated assets								1,974
<b>Total assets</b>	<b>11,850</b>	<b>4,696</b>	<b>21,652</b>	<b>4,793</b>	<b>4,409</b>	<b>2,898</b>	<b>-1,693</b>	<b>50,579</b>
Liabilities	2,886	1,648	3,759	2,193	477	3,592	78	14,633
Unallocated liabilities								12,474
Equity								23,472
<b>Total liabilities and equity</b>	<b>2,886</b>	<b>1,648</b>	<b>3,759</b>	<b>2,193</b>	<b>477</b>	<b>3,592</b>	<b>78</b>	<b>50,579</b>
Investments including right-of-use assets	480	380	1,449	1,109	518	18	-208	3,746
Depreciation, amortization and impairment <sup>2)</sup>	-402	-247	-1,204	-626	-171	-41	279	-2,412
Significant non-cash items in addition to depreciation and amortization <sup>3)</sup>	-	-	-	-	-	-	-385	-385

<sup>1)</sup> Internal leases that are reported under IFRS 16 are eliminated from segment assets against unallocated liabilities.

<sup>2)</sup> Including depreciation of right-of-use assets of MSEK 430 (446).

<sup>3)</sup> Capital gains on sale of operations.

INFORMATION ON OPERATING SEGMENTS	2022							
	Agriculture Sector	Energy Sector	Food Sector	Swecon Business Area	Real Estate Business Area	Other operations	Group- wide <sup>1)</sup>	Total Group
MSEK								
<b>Net sales</b>								
External sales	26,493	6,483	18,788	8,550	236	62	0	60,612
Internal sales	3,883	318	120	97	356	610	-5,384	0
<b>Total net sales</b>	<b>30,376</b>	<b>6,801</b>	<b>18,908</b>	<b>8,647</b>	<b>592</b>	<b>672</b>	<b>-5,384</b>	<b>60,612</b>
<b>Operating income per segment</b>	<b>516</b>	<b>1,165</b>	<b>-171</b>	<b>593</b>	<b>503</b>	<b>-132</b>	<b>-167</b>	<b>2,307</b>
<i>Of which share of income of joint ventures/ associates</i>	<i>106</i>	<i>26</i>	<i>24</i>	<i>-</i>	<i>7</i>	<i>39</i>	<i>-41</i>	<i>161</i>
Finance income								121
Finance costs								-300
Tax expense for the year								-337
<b>Net income for the year</b>								<b>1,791</b>
<b>Other disclosures</b>								
Assets	12,205	4,659	20,908	3,923	4,029	1,448	-1,194	45,978
Share of equity in joint ventures/associates	631	41	889	-	163	1,471	-	3,195
Unallocated assets								1,926
<b>Total assets</b>	<b>12,836</b>	<b>4,700</b>	<b>21,797</b>	<b>3,923</b>	<b>4,192</b>	<b>2,919</b>	<b>-1,194</b>	<b>51,099</b>
Liabilities	3,423	1,547	3,605	2,088	454	3,959	640	15,716
Unallocated liabilities								12,451
Equity								22,932
<b>Total liabilities and equity</b>	<b>3,423</b>	<b>1,547</b>	<b>3,605</b>	<b>2,088</b>	<b>454</b>	<b>3,959</b>	<b>640</b>	<b>51,099</b>
Investments including right-of-use assets	450	762	1,218	645	756	8	-254	3,585
Depreciation, amortization and impairment <sup>2)</sup>	-340	-211	-1,659	-578	-116	-54	-195	-3,153
Significant non-cash items in addition to depreciation and amortization <sup>3)</sup>	-	-	-	-	254	-	707	961

<sup>1)</sup> Internal leases that are reported under IFRS 16 are eliminated from segment assets against unallocated liabilities.

<sup>2)</sup> Including depreciation of right-of-use assets of MSEK 446 (471).

<sup>3)</sup> Capital gains on sale of operations and property.



Note 4 continued

INFORMATION ON GEOGRAPHICAL AREAS

MSEK	2023		2022	
	External sales <sup>1)</sup>	Non-current assets <sup>2)</sup>	External sales <sup>1)</sup>	Non-current assets <sup>2)</sup>
Sweden	28,730	12,662	26,950	12,300
Finland	9,127	4,662	8,833	4,745
Germany	7,832	1,914	6,854	1,603
Denmark	4,720	2,214	4,300	2,341
United Kingdom	2,437	1,596	2,322	1,561
Norway	2,246	463	2,149	422
Netherlands	1,656	27	1,345	24
France	1,006	374	738	387
Belgium	901	1,889	850	1,962
Lithuania	764	351	732	340
Spain	730	1	878	0
Poland	548	1,244	370	1,159
Latvia	385	91	357	87
Italy	384	-	320	-
Estonia	381	387	358	373
Rest of Europe	1,369	857	1,342	391
United States	1,193	358	1,118	378
Australia	544	542	429	601
Rest of world	259	-	217	-
Russia	-	-	150	-
<b>Total</b>	<b>65,212</b>	<b>29,632</b>	<b>60,612</b>	<b>28,674</b>

<sup>1)</sup> Distribution of revenue by geographical area is grouped according to customer location. No Lantmännen customer accounts for 10 percent or more of the Group's total sales.

<sup>2)</sup> Information regarding assets is based on geographical areas grouped according to asset location, i.e., where the entity carries on its production of goods and services, and includes property, plant and equipment, intangible assets and investments in associates.

## Note 5 Breakdown of revenue

### ACCOUNTING POLICIES

#### Revenue recognition

Lantmännen generates its main revenue from the sale of finished products, but also from services rendered, licensing and property leasing. Lantmännen's operations and sales are divided into different segments. The product portfolio is therefore diversified, but the principles for revenue recognition for product or service sales are the same in all segments. Revenue from property leasing is recognized in accordance with the rules for lease revenue.

#### Performance obligations and timing of revenue recognition

The Group manufactures/processes or imports and sells finished products and accessories. Sales are through dealers/retailers and directly to farmers, industrial customers and consumers. In customer contracts for the sale of products, there are usually 1-2 performance obligations depending on the segment: goods, in some cases an extended warranty and a service. Revenue is recognized at the point in time when control of the asset is passed to the customer, which is dependent on the shipping conditions.

#### Rights of return and repurchase obligations

When the Group sells goods to customers with rights of return, implicit or explicit, a liability is recognized for the expected repayment and an asset for the right to recover goods from customers on settlement of the repayment liability when the goods are returned. These items are classified in the balance sheet as a return liability and a return asset (under Inventories). Historical experience is used to estimate the proportion of returns at the time of sale ("expected value method") and revenue is recognized only for products not expected to be returned.

Some customer contracts are based on an entity's obligation to repurchase the product, i.e. a repurchase agreement. If the Group is obliged to repurchase the asset at the customer's request, the Group considers at contract inception whether the customer has a significant economic incentive to exercise that right. If the buyer has a significant economic incentive to exercise its right, this results in the customer effectively paying the Group consideration for the right to use an asset for a certain period of time. The Group then accounts for the agreement as a lease in accordance with IFRS 16. If the buyer does not have a significant economic incentive to exercise its right, the Group accounts for the agreement as if it were the sale of a product with a right of return.

#### Warranty commitments

In certain cases, the Group has customer contracts that include an extended warranty commitment. Revenue from such warranties is reported on a straight-line basis over the warranty period, unless some other method provides a better measure of the fulfillment of the performance obligation. An extended warranty is considered to exist when the customer is able to buy this service, it is separately priced and the warranty extends beyond the standard warranty required by law. The Group's obligation to take back defective products under the standard warranty required by law is accounted for in accordance with IAS 37.

#### Determination of transaction price

##### Volume discounts

In sales with volume discounts, the probable outcome of the sales volume and the associated discount is estimated at the time of the sale. The estimated discount is then included in the transaction price, thus reducing revenue. The assessment of the volume outcome is revised on each reporting date.

Note 5 continued

Trade-in products

In product sales (agricultural or construction machinery) where the sale transaction includes the trade-in of an older machine, the transaction is formulated in such a way that the trade-in is classified as a machine purchase. The trade-in is at the customer's request in the case of a new sale, and the trade-in price is the machine's market value.

Services

The Group performs services in crop production and farming, and in other areas such as repairs, servicing and maintenance of products. Revenue from services in crop production and farming is reported when the service is performed. Revenue from maintenance and servicing of products is reported on a straight-line basis over the contract period, unless some other method provides a better measure of the fulfillment of the performance obligation. Revenue from administrative and property services, both of which are often provided under longer contracts, is reported when the service is performed and the customer can benefit from the service.

Net sales	2023	2022
MSEK		
<b>Net sales excluding leasing activities:</b>		
Lantmännen Agriculture Sweden	18,980	20,363
Lantmännen Agriculture Finland	6,137	6,094
Lantmännen Machinery	3,423	3,320
Agriculture Sector, other and eliminations	731	599
<b>Agriculture Sector</b>	<b>29,270</b>	<b>30,376</b>
Lantmännen Biorefineries	4,514	4,307
Lantmännen Aspen	1,994	1,693
Scandbio	1,303	806
Energy Sector, other and eliminations	-4	-5
<b>Energy Sector</b>	<b>7,807</b>	<b>6,801</b>
Lantmännen Unibake	16,890	14,082
Lantmännen Cerealía	5,496	4,913
Food Sector, other and eliminations	-461	-87
<b>Food Sector</b>	<b>21,926</b>	<b>18,908</b>
Swecon Sweden	5,010	4,372
Swecon Germany	4,355	3,329
Swecon Baltic	381	359
Swecon Business Area, other and eliminations	-9	-4
<b>Swecon Business Area</b>	<b>9,737</b>	<b>8,056</b>
<b>Real Estate Business Area</b>	<b>33</b>	<b>104</b>
<b>Other operations</b>	<b>787</b>	<b>672</b>
<b>Eliminations</b>	<b>-5,196</b>	<b>-5,056</b>
<b>Total</b>	<b>64,364</b>	<b>59,861</b>
<b>Net sales from leasing activities</b>		
Swecon Business Area	671	591
Real Estate Business Area	578	488
Eliminations	-401	-328
<b>Total</b>	<b>848</b>	<b>751</b>
<b>Total net sales</b>	<b>65,212</b>	<b>60,612</b>
<b>Other operating income</b>		
Contract income	50	148
Capital gains <sup>1)</sup>	128	975
Government grants	19	14
Insurance compensation	141	159
Other <sup>2)</sup>	174	1,597
<b>Total</b>	<b>512</b>	<b>2,893</b>

<sup>1)</sup> Capital gains for 2023 are mainly related to property sales and for 2022 mainly related to the Agrovärme divestment (MSEK 707) and property sales.

<sup>2)</sup> From 2023, results from currency derivatives are reported on a net basis.

## Note 6 Employees and employee benefits expense

Average number of employees	2023	of which female	2022	of which female
<b>Group</b>				
Sweden	3,994	29 %	3,833	29 %
Finland	1,154	50 %	1,063	51 %
Denmark	1,059	28 %	1,056	27 %
United Kingdom	672	26 %	698	25 %
Germany	669	16 %	661	15 %
Poland	477	46 %	430	43 %
Estonia	410	59 %	408	57 %
Lithuania	379	59 %	392	61 %
Norway	307	33 %	300	32 %
Belgium	298	37 %	316	36 %
United States	228	34 %	192	30 %
Ukraine	210	56 %	225	56 %
Australia	160	51 %	151	49 %
Romania	140	51 %	128	55 %
Latvia	99	33 %	110	34 %
France	37	34 %	34	32 %
Netherlands	30	29 %	29	28 %
Hungary	8	48 %	8	47 %
Spain	8	55 %	7	38 %
Russia	-	-	315	32 %
<b>Total, Group</b>	<b>10,339</b>	<b>35 %</b>	<b>10,356</b>	<b>35 %</b>
<b>Parent Company</b>				
Sweden	1,066	42 %	974	41 %
<b>Total, Parent Company</b>	<b>1,066</b>	<b>42 %</b>	<b>974</b>	<b>41 %</b>

Employee benefits expense	Group		Parent Company	
MSEK	2023	2022	2023	2022
Salaries and benefits, CEOs	154	127	17	17
- of which variable component	29	21	6	6
Salaries and benefits, other employees	5,859	5,343	647	609
Social security costs				
- cost for the year	1,244	1,131	235	216
- payroll tax effect on compensation from pension fund	-	-	-13	-15
Pension costs				
- cost for the year <sup>1)</sup>	472	477	175	79
- compensation from pension fund	-	-	-52	-63
Other staff costs	395	332	34	25
<b>Total</b>	<b>8,124</b>	<b>7,410</b>	<b>1,043</b>	<b>868</b>

<sup>1)</sup> MSEK 16 (16) of the Group's pension costs relate to boards and managing directors. The outstanding pension obligation to them is MSEK 1 (0).

MSEK 3 (3) of the Parent Company's pension costs relate to boards and managing directors. The outstanding pension obligation to them is MSEK 0 (0).

Gender representation in executive management	Group		Parent Company	
Female representation, %	2023	2022	2023	2022
Boards of Directors	18	18	25	25
Other senior executives	33	35	36	33

*Note 6 continued*

**SALARIES AND REMUNERATION OF SENIOR EXECUTIVES**

**Senior executives**

Senior executives as referred to in this note are Lantmännen's Group Management, consisting of the Group President & CEO, Executive Vice President, two Heads of Sectors, three Managing Directors of Business Areas and four Directors of Corporate Functions. Members of Group Management may be employed by the Parent Company or by subsidiaries. The composition of senior executives changed during 2023. At the beginning of the year, Group Management consisted of 9 ordinary members and one acting member. During the year, one individual retired, one left Group Management, two had an acting role for part of the year and three were added, meaning that at the end of the year, Group Management consisted of 10 ordinary members and one acting member.

**Lantmännen's Remuneration Committee**

Lantmännen's Board of Directors has a special Remuneration Committee. The Remuneration Committee's tasks include preparation of the Board's decision regarding the Group President & CEO's salary and other benefits, and approving the Group President & CEO's proposal for remuneration of Group Management.

**Lantmännen's remuneration policy**

The objective of Lantmännen's remuneration policy is to offer remuneration that helps to attract, recruit, motivate and retain the expertise that Lantmännen needs in order to remain successful in the short and long term. The fundamental principles are as follows:

- Remuneration must be neutral in terms of gender, religion, ethnicity or any other grounds of discrimination.
- Remuneration must be individual and differentiated, and always strongly linked to the employee's performance.
- Remuneration must be based on the necessary skills, duties, qualifications, experience, position and contribution to the business.
- Remuneration must be relevant in relation to both the internal and external market.
- Remuneration must always be determined on the basis of the business and financial situation within the Lantmännen Group and its companies.

Remuneration within Lantmännen must be considered and assessed from a total remuneration perspective. Decisions on remuneration within Lantmännen must be made on the basis of our values: openness, a holistic view and drive.

**Remuneration structure**

The Annual General Meeting decides on the remuneration of the Board of Directors for the period until the next AGM. The remuneration is distributed between a fixed annual fee and an hourly fee. The AGM's decisions on the fixed fee level relate to the Chairman, the Vice Chairman and other Board members.

The AGM adopts guidelines for remuneration of Group Management on the basis of the Board's proposals. The 2022 AGM approved the guidelines that were applied during 2023, and the 2023 AGM adopted the guidelines to be applied in 2024.

Lantmännen's remuneration structure for Group Management consists of the following components:

- Fixed salary
- Variable salary
  - Short-term incentive program
  - Long-term incentive program
- Pension
- Termination and other benefits

**Fixed salary**

Members of Lantmännen's Group Management undergo an annual salary review on January 1, which takes into account individual performance, market salary trends, company performance and local agreements and rules. In the event of changed areas of responsibility, salaries are revised at the same time if necessary.

**Variable salary – Short-term incentive program**

Lantmännen has a Group-wide program for short-term (annual basis) variable salary, which for 2023 covered all members of Group Management. Decisions about target groups and guidelines for short-term variable salary are made annually by the AGM in the case of the Group Management. The maximum

variable salary that could be paid to Lantmännen's Group Management in 2023 was 30 percent of the agreed fixed salary, before salary exchange, with full achievement of targets.

Decisions about target groups and guidelines for other participants in the short-term incentive program are made by the Lantmännen Board. Following a decision by the Lantmännen Board, the population for the 2023 program was expanded to include senior managers and specialists within the Group.

For 2023, the program consisted of financial and individual targets for all participants. The financial targets represent 75 percent of the maximum variable salary and are linked to the economic value added that the operating units generate for Lantmännen. The individual targets represent 25 percent of the maximum variable salary.

The total maximum variable salary that could be paid to employees entitled to variable salary in 2023 was approximately MSEK 55 (51), excluding social security costs. The 2023 variable salary was estimated at approximately MSEK 42 (30), excluding social security costs.

**Variable salary - Long-term incentive program**

Lantmännen's long-term incentive program runs for four years with an initial performance year followed by three lock-in years. The program covers all ordinary members of Group Management and a small group of senior executives and business-critical key individuals.

The purpose of the program is to drive and reward exceptional value growth and profitability within the Group. The program also has a construction that links the interests of the owners and participants. An initial allocation under the program is contingent on the Group achieving a predetermined minimum result for return on equity (RoE) in the performance year. The initial allocation increases with a higher RoE, but there is a ceiling at which no further allocation takes place. The maximum allocation as a percentage of the fixed annual salary after completion of the performance year is 40 percent for the Group President & CEO, 30 percent for other Group Management and 20 percent for other participants.

Lantmännen has four ongoing long-term incentive programs. The programs started in 2020, 2021, 2022 and 2023.

The table below shows the initial allocation cost and the changes in reported costs for each program. The changes refer to the previous years. All costs are exclusive of social security contributions.

Program	Initial allocation	Lock-in year 1	Lock-in year 2	Lock-in year 3
2020	23.0	2.9	-2.6	-4.7
2021	25.0	-1.6	-4.3	
2022	22.5	-3.7		
2023	22.6			

The changes in the reported cost are attributable to changes in the number of participants and changes in value during the lock-in period according to the program structure and regulations.

**Pensions**

Lantmännen offers Group Management occupational pensions in accordance with national practice, local agreements and other regulations.

Group Management members have a pension entitlement on reaching the age of 65. There are currently three main principles governing pension accrual for members of Lantmännen's Group Management, all of whom apart from one are employed in Sweden:

- Occupational pension accrual in accordance with the ITP agreement in Sweden, with a pensionable salary ceiling of 30 income base amounts and payment of sickness benefits as laid down in the ITP agreement. In addition, there is a premium provision corresponding to 30 percent of salary over 30 income base amounts.
- Occupational pension accrual in accordance with the ITP agreement in Sweden up to 7.5 income base amounts. Payment of sickness benefits is as laid down in the ITP agreement. There is also a premium provision corresponding to 30 percent of salary over 7.5 income base amounts. The Executive Vice President's pension accrual follows this structure.



*Note 6 continued*

- A defined contribution pension, with a premium of 10-30 percent of the pensionable salary. The Group President & CEO receives a defined contribution pension, with a premium of 30 percent of the pensionable salary.

**Other benefits**

In addition to fixed salaries, variable salaries and pensions, Lantmännen offers other benefits in the form of company cars, occupational injury insurance and occupational group life insurance in accordance with local agreements and regulations. Members of Group Management are also normally entitled to an annual health check, private health insurance and supplementary health insurance that can give benefits for salary between 30-50 income base amounts. For countries outside Sweden, equivalent benefits are offered in accordance with national practice and legislation.

**Termination benefits/notice**

Lantmännen and the Group President & CEO and Executive Vice President have a mutual notice period of six months. If employment is terminated at Lantmännen's request, the Group President & CEO will receive a salary during the notice period corresponding to the fixed salary and other benefits (including occupational pension and insurance). In addition, termination benefits corresponding to twelve months' fixed salary will be paid, with full deduction of any salary from a new employer. Other members of Group Management have a notice period of six months for termination of employment at their own request and at Lantmännen's request. If the termination is at Lantmännen's request, termination benefits corresponding to six- or twelve months' fixed salary are paid, with any income from other employment during this period deducted.

Salaries and remuneration of senior executives 2023 TSEK	Directors' fees	Fixed salary <sup>3)</sup>	Variable salary <sup>4)</sup>	Pension <sup>3)</sup>	Other benefits <sup>5)</sup>	Total 2023
Elected Board members of Lantmännen ek för, according to specification below <sup>1)</sup>	5,923					5,923
Group President & CEO Magnus Kagevik		7,444	3,945	2,225	194	13,808
Executive Vice President Per Arfvidsson		4,036	1,932	1,067	284	7,320
Group Management, other <sup>2)</sup>		30,755	11,054	6,380	1,754	49,943
	5,923	42,236	16,931	9,672	2,232	76,994

Salaries and remuneration of senior executives 2022 TSEK	Directors' fees	Fixed salary <sup>3)</sup>	Variable salary <sup>4)</sup>	Pension <sup>3)</sup>	Other benefits <sup>5)</sup>	Total 2022
Elected Board members of Lantmännen ek för, according to specification below <sup>1)</sup>	5,690					5,690
Group President & CEO Per Olof Nyman <sup>6)</sup>		2,184	1,243	644	38	4,109
Group President & CEO Magnus Kagevik <sup>7)</sup>		4,796	2,734	1,418	105	9,053
Executive Vice President Per Arfvidsson		3,904	2,296	999	200	7,399
Group Management, other <sup>6)</sup>		36,567	12,214	8,846	1,447	59,074
	5,690	47,451	18,487	11,907	1,790	85,325

<sup>1)</sup> Refers to fixed annual fee and hourly fee.

<sup>2)</sup> Other Group Management consists of 12 individuals. The average for the year was 9 ordinary members and one acting member. Disclosures regarding Group Management only apply to individuals who are members of Lantmännen's Group Management.

<sup>3)</sup> Includes fixed monthly salary and termination benefits. Certain members of the Group Management are entitled to alternate between fixed salary and pension within the framework of current tax legislation.

<sup>4)</sup> Estimated variable salary for each year. For 2023, the initial allocation under the long-term incentive program, the estimated change in value for the ongoing long-term incentive program and the estimated variable salary for the short-term incentive program are included for payment in the following year. The estimated variable salary for 2022 was consistent with the outcome.

<sup>5)</sup> Mainly company cars, but also other benefits such as health insurance and subsistence.

<sup>6)</sup> Group President & CEO to March 31, 2022.

<sup>7)</sup> Group President & CEO from April 1, 2022.

<sup>8)</sup> Group Management, other consists of 8 individuals. The average for the year was 8 ordinary members. Disclosures regarding Group Management only apply to individuals who are members of Lantmännen's Group Management.

**Board of Directors' fees <sup>1)</sup>**

TSEK	2023	2022
Per Lindahl <sup>2)</sup>	1,458	1,397
Jan-Erik Hansson <sup>3)</sup>	662	290
Jan Ehrensverd <sup>4)</sup>	570	594
Hans Wallemyr <sup>5)</sup>	-	256
Gunilla Aschan	554	505
Patrik Aulin <sup>6)</sup>	385	-
Jenny Bengtsson	539	544
Sonat Burman-Olsson	510	489
Johan Bygge	510	489
Henrik Wahlberg <sup>7)</sup>	207	550
Per Wijkander	527	576
Total	5,923	5,690

<sup>1)</sup> Includes remuneration from Lantmännen ek för and covers fixed annual fee and an hourly fee.

<sup>2)</sup> Chairman of the Board from May 4, 2017.

<sup>3)</sup> From May 5, 2022 and Vice Chairman of the Board from May 3, 2023.

<sup>4)</sup> Vice Chairman of the Board from May 5, 2022 to May 2, 2023

<sup>5)</sup> Vice Chairman of the Board to May 5, 2022.

<sup>6)</sup> From May 3, 2023.

<sup>7)</sup> To May 2, 2023

## Note 7 Depreciation, amortization and impairment of assets

### ACCOUNTING POLICIES

Goodwill and intangible assets with an indefinite useful life are not amortized but are tested for impairment annually or more frequently if there is an indication of impairment.

The carrying amounts of property, plant and equipment and intangible assets subject to depreciation/amortization are tested when necessary. At the end of each reporting period, an assessment is made as to whether there is any indication that the assets are impaired and need to be written down.

When testing for impairment, the asset's recoverable amount is calculated. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. An asset's value in use is the present value of the estimated future cash flows that are expected from using the asset and its estimated residual value at the end of its useful life. When calculating value in use, future cash flows are discounted using a pre-tax interest rate that takes into account a market assessment of risk-free interest rates and risk associated with the specific asset. An impairment loss is recognized if the recoverable amount is less than the carrying amount. A previously recognized impairment loss is reversed if the reasons for the earlier impairment no longer exist. However, an impairment loss is reversed only to the extent that it does not increase the carrying amount of an asset above the amount that would have been determined had no impairment loss been recognized in prior years. Impairment of goodwill is never reversed.

MSEK	2023	2022
<b>Depreciation and amortization</b>		
Land and buildings	480	459
Plant and machinery	1,239	1,090
Equipment, tools, fixtures and fittings	280	301
Investment property	17	16
Intangible assets	290	280
<b>Total</b>	<b>2,306</b>	<b>2,146</b>
<b>Impairment</b>		
Land and buildings <sup>1)</sup>	37	397
Plant and machinery <sup>1)</sup>	19	88
Equipment, tools, fixtures and fittings	1	-
Investment property	9	-
Goodwill <sup>2)</sup>	15	442
Brands with indefinite useful life	7	-
Other intangible assets	18	80
<b>Total</b>	<b>106</b>	<b>1,007</b>

<sup>1)</sup> 2023 refers mainly to impairment in the Real Estate Business Area and 2022 refers mainly to impairment of mills in Sweden and Denmark and impairment of Lantmännen Unibake's operations in Russia.

<sup>2)</sup> In 2023, impairment related to other operations and impairment from 2022 is attributable to Lantmännen Cerealia's operations in Finland and Russia. For more information, see the section on impairment below.

### IMPAIRMENT TESTING

Goodwill impairment of MSEK 15 related to other operations and impairment of MSEK 7 related to an individual trademark in the Food Sector was recognized during the year. The annual measurement of the value of goodwill and intangible assets with indefinite useful lives in the predefined cash-generating units did not result in any further impairment. The estimates for the year's tests are based on adopted budgets for 2024, adopted strategic plans for 2025 and 2026, and an assumption of 2 percent annual growth after 2026 for most of the operations. The pre-tax discount rate used in these impairment tests was 8-10 percent.

At the end of the year, the total value of the Group's goodwill and other intangible assets was MSEK 9,742 (10,031), which corresponds to 42 (44) percent of the Group's equity. Goodwill and other assets with indefinite useful lives accounted for MSEK 8,099 of the above amount, with 72 percent attributable to Lantmännen

For an asset that depends on other assets generating cash flows, the value in use of the smallest cash-generating unit to which the asset belongs is estimated. Goodwill is always allocated to the cash-generating units that benefit from the acquisition that generated the goodwill.

### SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Lantmännen tests the value of assets in predefined cash-generating units classified at a lower organizational level than the segments in Lantmännen's segment reporting (the Group's Sectors and Business Areas). When calculating the value in use, the cash flow projection is based on assumptions that represent management's best estimate of the economic conditions that will exist over the remaining useful life of the asset. The estimates are consistent with the Group's latest long-term financial plan, which also takes into account climate-related risks.

The key assumptions in the projections are the assessment of future sales growth and operating income development. The discount rates used to calculate the present value of the expected future cash flows are the pre-tax weighted average cost of capital corresponding to the long-term required rates of return established for the markets in which the cash-generating units are active. In determining the discount rate, the risk associated with the specific asset is taken into account, with operations close to the farmer having a lower risk premium.

<b>Total depreciation, amortization and impairment</b>		
MSEK	2023	2022
Land and buildings	517	856
Plant and machinery	1,258	1,178
Equipment, tools, fixtures and fittings	281	301
Investment property	26	16
Goodwill	15	442
Brands with indefinite useful life	7	-
Other intangible assets	308	360
<b>Total</b>	<b>2,412</b>	<b>3,153</b>
<b>Impairment by Sector</b>		
MSEK	2023	2022
Agriculture Sector		
- from annual impairment testing	13	-
Energy Sector		
- from annual impairment testing	-	17
Food Sector		
- from annual impairment testing	29	523
- as an effect of restructuring decision	-	20
Other operations		
- from annual impairment testing	64	447
<b>Total</b>	<b>106</b>	<b>1,007</b>

For further details see notes 13, 14 and 15.

Unibake and 18 percent to Lantmännen Cerealia. For impairment testing of the cash-generating units Lantmännen Unibake and Lantmännen Cerealia, a pre-tax discount rate of 8 (8) percent was used for Lantmännen Unibake and 8 (9) percent for Lantmännen Cerealia.

An increase of 1 percentage point in the pre-tax discount rate would have reduced the estimated value in use for Lantmännen Unibake by MSEK 2,987, which would still not have resulted in an impairment loss, all other assumptions unchanged.

For Lantmännen Cerealia, an increase of 1 percentage point in the pre-tax discount rate would have reduced the estimated value in use by MSEK 678, which would have resulted in an impairment loss of MSEK 404, all other assumptions unchanged. For Lantmännen Cerealia, the 2022 impairment testing resulted in an impairment loss of MSEK 490 on goodwill and intangible assets with

Note 7 continued

indefinite useful lives (goodwill MSEK 442 and trademarks MSEK 48). Goodwill impairment of MSEK 288 was recognized for Lantmännen Cerealia's operations in Finland due to a change in market conditions. As a consequence of Russia's war in Ukraine, an impairment loss of MSEK 202 was recognized on Lantmännen Cerealia's operations in Russia, MSEK 154 of which was related to goodwill and MSEK 48 to trademarks.

For the operations in Russia, Lantmännen did not have access to relevant information to conduct impairment testing based on future cash flows, which is the method Lantmännen normally uses, described above. Instead, the impairment testing was based on estimated fair value less costs to sell.

## Note 8 Other operating expenses and auditors' fees

Specification of other operating expenses MSEK	2023	2022
Rents and property expenses	-1,055	-926
Energy costs	-1,721	-1,187
Repair and maintenance	-843	-721
Transport	-2,739	-2,568
Other costs	-4,377	-5,076
<b>Total</b>	<b>-10,735</b>	<b>-10,479</b>
<b>Auditors' fees MSEK</b>	<b>2023</b>	<b>2022</b>
<i>Ernst &amp; Young</i>		
Annual audit	23	18
Tax consultancy services	1	1
Other services	1	1
<b>Total</b>	<b>25</b>	<b>20</b>
<i>Other auditors</i>		
Annual audit	5	3
<i>Member representative auditors</i>		
Annual audit	1	1

The annual audit comprises the auditing of the annual financial statements for the Parent Company and Group, the accounting records and the administration of the Board of Directors and Group President & CEO. It also includes other duties incumbent on the company's auditors, as well as advice and other assistance arising from observations made while performing the audit or carrying out such other duties.

The annual audit fee for 2023 includes additional fees related to acquisitions and divestments in 2022.

## Note 9 Finance income and costs

MSEK	2023			2022		
	Income	Costs	Total	Income	Costs	Total
<b>Financial assets at amortized cost</b>						
Interest income, receivables from members	73	-	73	48	-	48
Other interest income	34	-	34	49	-	49
			107			97
<b>Financial assets at fair value through other comprehensive income</b>						
Dividend <sup>1)</sup>	9	-	9	4	-	4
			9			4
<b>Derivatives used in hedge accounting</b>						
Interest on currency forward contracts and swaps	48	-21	27	20	-18	2
			27			2
<b>Other financial liabilities</b>						
Interest, pension plans	13	-	13	-	-9	-9
Interest expense, liabilities to members	-	-128	-128	-	-39	-39
Interest expense, liabilities to the public	-	-62	-62	-	-18	-18
Interest expense, borrowing	-	-238	-238	-	-105	-105
Interest expenses, lease liabilities	-	-66	-66	-	-45	-45
Other borrowing expenses	-	-36	-36	-	-12	-12
Currency effects	16	-	16	-	-54	-54
			-501			-282
<b>Total</b>	<b>193</b>	<b>-551</b>	<b>-358</b>	<b>121</b>	<b>-300</b>	<b>-179</b>

<sup>1)</sup> Of which MSEK 0 attributable to shares sold in the financial year.



## Note 10 Items affecting comparability

The Group's income can be inflated or reduced by certain items that affect comparability. An overview of these items is presented below.

An item affecting comparability is a one-time item that is not directly related to the planned future operations and is outside the range of MSEK +/- 50 (30).

MSEK	2023	2022
Capital gain on sale of property	109	254
Capital gain on sale of operations	-	707
<b>Items affecting comparability in other operating income</b>	<b>109</b>	<b>961</b>
Provision in connection with the EU Commission's investigation	-38	-
Divestment of Russian operations	-385	-
Inventory remeasurement	-155	-
Impairment of intangible assets	-11	-
Impairment of non-current assets	-2	-212
Restructuring costs	-102	-133
Impairment of goodwill	-	-288
Impairment related to Russian operations	-	-500
Provision for silo demolition and restoration costs	-	-59
IT investments in cloud services	-	-177
<b>Total items affecting comparability in operating income</b>	<b>-584</b>	<b>-408</b>
Items affecting comparability in net financial items	-	-
<b>Total items affecting comparability in income after financial items</b>	<b>-584</b>	<b>-408</b>
Tax effect of items affecting comparability	73	42
<b>Total items affecting comparability in net income for the year</b>	<b>-511</b>	<b>-366</b>

### Items affecting comparability by Segment/Sector

MSEK	2023				
	Capital gain/loss	Impairment	Restructuring cost	Other	Total
Agriculture Sector	-	-13	-102	-155	-270
Energy Sector	-	-	-	-38	-38
Food Sector	51	-	-	-	51
Real Estate Business Area	58	-	-	-	58
Group items	-229	-	-	-156	-385
<b>Total</b>	<b>-120</b>	<b>-13</b>	<b>-102</b>	<b>-349</b>	<b>-584</b>

Items affecting comparability had a total effect of MSEK -270 on operating income for Lantmännen Machinery in the Agriculture Sector and comprised an inventory remeasurement of MSEK -155, a restructuring provision of MSEK -102 and impairment of MSEK -13.

Lantmännen Biorefineries in the Energy Sector has increased the provision related to the European Commission's investigation by MSEK 38. The total provision on December 31 was MSEK 538.

Lantmännen Unibake in the Food Sector reported a capital gain of MSEK 51 on a property sale in Brussels. The sale was part of the previous restructuring of Lantmännen Unibake's bakery operations in Belgium.

The Real Estate Business Area reported a capital gain of MSEK 58 on a property sale in Almby, Örebro.

The operations in Russia were divested during the year, with a total earnings effect of MSEK -385, including a capital loss of MSEK -229 on the sale of the shares. Prior to the divestment, the Russian operations had been separated from the rest of the Group, with the holdings reclassified as associates.

MSEK	2022				
	Capital gain	Impairment	Restructuring cost	Other	Total
Food Sector	-	-566	-133	-	-699
Real Estate Business Area	254	-	-	-	254
Group items	707	-434	-	-236	37
<b>Total</b>	<b>961</b>	<b>-1,000</b>	<b>-133</b>	<b>-236</b>	<b>-408</b>

In 2022, the annual impairment testing resulted in the recognition of goodwill impairment related to the Finnish operations of Lantmännen Cerealia in the Food Sector. Impairment losses were also recognized in respect of the Vejle mill in Denmark and the Strängnäs mill in Sweden. Impairment of MSEK -66 related to the Russian operations was recognized in the Food Sector. Total impairment in the Food Sector amounted to MSEK -566. An impairment loss of MSEK -434 related to the Russian operations was also recognized in the Group. Total impairment related to the Russian operations amounted to MSEK -500.

In the Food Sector, total provisions of MSEK -133 for restructuring costs were recognized: MSEK -98 for restructuring Lantmännen Unibake's bakery structure in Belgium and MSEK -35 related to Lantmännen Cerealia's efficiency measures.

The Real Estate Business Area reported a capital gain of MSEK 254 on a property sale in Uppsala.

Group items included a capital gain of MSEK 707 on the divestment of the Agrovärme group, a provision of MSEK -59 for silo demolition and restoration costs, and costs of MSEK -177 for ongoing IT investments recognized directly in the income statement.

## Note 11 Exchange differences affecting income

MSEK	2023	2022
Exchange differences affecting operating income	-125	-386
Exchange differences in financial items	16	-54
<b>Total</b>	<b>-109</b>	<b>-440</b>

Exchange differences in operating income are included in:	2023	2022
Net sales	203	-500
Cost of materials	-310	120
Other operating income/expense	-18	-6
<b>Total</b>	<b>-125</b>	<b>-386</b>

## Note 12 Taxes

### ACCOUNTING POLICIES

The Group's tax expense consists of current tax and deferred tax. Taxes are recognized in the income statement, except when the underlying transaction is recognized directly in OCI, in which case the related tax effect is also recognized in OCI. However, in the case of contribution dividends, refunds and supplementary payments, which are reported as dividends in the Group's equity, the tax effect of these tax-deductible items is recognized in the income statement as part of the year's tax expense. Current tax is calculated using the tax rules applicable in the countries where Group companies operate.

Deferred tax is recognized using the balance sheet liability method on all temporary differences arising between the tax base of assets and liabilities and their carrying amount. Deferred tax is measured at the nominal amount and is calculated by applying the tax rates and regulations that have been enacted or substantively enacted by the reporting date. Deferred taxes relating to temporary differences attributable to investments in subsidiaries and associates are not recognized, as, in each case, Lantmännen is able to control the date for their reversal and it is not considered probable that any such reversal will occur in the near future.

Deferred tax assets relating to deductible temporary differences and loss carryforwards are recognized only to the extent that it is considered probable that these will result in lower tax payments in the future. Deferred tax assets and deferred tax liabilities are offset when they are attributable to the same tax authority and the companies in question have a legally enforceable right to offset current tax assets against current taxation liabilities.

The consolidated financial statements have been prepared in accordance with International Tax Reform – Pillar Two Model Rules (amendments to IAS12). The amendments to IAS 12 provide a mandatory temporary exception to the accounting for deferred taxes attributable to the global minimum tax

and require disclosure of how the Group is affected by the OECD's model rules for a global minimum tax.

### SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Assessments are made to determine deferred tax assets and tax liabilities. Deferred tax assets are recognized as an asset when it is considered likely that they can be utilized and offset against future taxable profits. Other assumptions regarding the outcome of these future taxable profits, as well as changes in tax rates and rules can result in significant differences in the measurement of deferred taxes.

### GLOBAL MINIMUM TAX

Legislation on the OECD's model rules for a global minimum tax for multinational enterprises has been adopted in Sweden and in some jurisdictions in which the Group operates. The legislation will enter into force for the Group's financial year beginning on January 1, 2024. The Group is subject to the adopted legislation and has made an assessment of Lantmännen's potential income tax exposure arising from the new rules.

The assessment of the potential exposure to the global minimum tax is based on the latest available tax calculations, country-by-country reporting and financial statements of the subsidiaries in the Group.

The assessment is that the effective tax rate in most of the jurisdictions in which Lantmännen operates exceeds 15 percent. However, there are a small number of jurisdictions where the transitional provisions for the simplification rules are considered not applicable or where the effective tax rate of the global minimum tax is close to 15 percent. However, the Group does not expect any significant income tax exposure from the global minimum tax in these jurisdictions.

Tax on income for the year	2023	2022
MSEK		
<b>Current tax expense (-)/tax income (+)</b>		
Tax expense for the period	-359	-376
Adjustment of tax attributable to prior years	5	17
Foreign tax	-11	-5
<b>Total current tax</b>	<b>-365</b>	<b>-364</b>
<b>Deferred tax expense (-)/tax income (+)</b>		
Deferred tax from changes in temporary differences	65	83
Deferred taxes arising from changes in tax rates	-	1
Deferred tax income in capitalized loss carryforwards	36	-3
Utilization of previously capitalized loss carryforwards	-60	-52
Other changes	6	-2
<b>Total deferred tax</b>	<b>47</b>	<b>27</b>
<b>Total recognized tax expense</b>	<b>-318</b>	<b>-337</b>

Tax items recognized through other comprehensive income	2023	2022
MSEK		
<b>Deferred tax</b>		
Actuarial gains and losses on defined benefit pension plans	72	-150
Financial assets at fair value through other comprehensive income	-	-8
<b>Total</b>	<b>72</b>	<b>-158</b>
<b>Current tax</b>		
Current tax in hedges of net investments	-29	43
Financial assets at fair value through other comprehensive income	4	-4
Current tax in cash flow hedges	76	-73
<b>Total</b>	<b>51</b>	<b>-34</b>
<b>Total tax effects in other comprehensive income</b>	<b>123</b>	<b>-192</b>

Note 12 continued

Reconciliation of effective tax	2023		2022	
	Percent	MSEK	Percent	MSEK
Income before tax		1,878		2,128
Anticipated tax according to enacted Swedish tax rate	20.6 %	-387	20.6 %	-438
<b>Items with tax effects on the results and their impact on the effective tax rate:</b>				
Non-deductible expenses	6 %	-104	6 %	-128
Tax-exempt capital gains	-1 %	10	-3 %	71
Tax-exempt dividends	0 %	1	0 %	2
Other non-taxable income	-1 %	9	0 %	9
Loss carryforward arising during the year, not capitalized as a deferred tax asset	0 %	-1	0 %	-4
Capitalization of previously uncapitalized loss carryforwards and tax credits	0 %	8	-	-
Utilization of previously uncapitalized loss carryforwards	0 %	5	-	-
Changes in temporary differences where the effect is not recognized in the income statement	1 %	-9	-	-
Effect of special tax rules for economic associations	-7 %	124	-6 %	135
Tax attributable to prior years	0 %	-4	-1 %	15
Effect of changes to tax rates, tax rules and different tax rates in the Group	0 %	-4	-1 %	12
Foreign tax that could not be offset	0 %	0	0 %	-3
Reversal of income of joint ventures/associates	-3 %	55	-2 %	33
Other	1 %	-21	2 %	-41
<b>Recognized effective tax</b>	<b>17 %</b>	<b>-318</b>	<b>16 %</b>	<b>-337</b>

According to the tax rules applicable to economic associations, the dividend proposed from the Board, which will be paid to physical persons in the following year, is tax-deductible in the current year and was taken into account in calculating the current tax. Refunds and supplementary payments are also tax-deductible costs; they are not recognized in the income statement but as dividends.

Deferred tax asset/tax liability	2023			2022		
	Deferred tax asset	Deferred tax liability	Net	Deferred tax asset	Deferred tax liability	Net
MSEK						
<b>Group</b>						
Land and buildings	410	661	-251	419	708	-289
Machinery and equipment	59	648	-589	56	598	-542
Intangible assets	88	703	-615	84	742	-658
Trade receivables	2	1	1	1	1	0
Pension provisions	37	5	33	36	62	-26
Interest-bearing liabilities	674	380	294	669	384	285
Other provisions	57	1	55	60	0	60
Loss carryforwards	108	0	108	121	0	121
Other	260	94	166	215	87	128
<b>Total</b>	<b>1,695</b>	<b>2,493</b>	<b>-798</b>	<b>1,661</b>	<b>2,582</b>	<b>-921</b>
Offsetting of assets/liabilities	-1,397	-1,397	0	-1,360	-1,360	0
<b>Total, net deferred tax asset/liability</b>	<b>298</b>	<b>1,096</b>	<b>-798</b>	<b>301</b>	<b>1,222</b>	<b>-921</b>

Deferred tax assets and liabilities attributable to the same tax authority have been offset against each other.

MSEK	Change in deferred tax in temporary differences and loss carryforwards 2023						
	Amount at beginning of year	Recognized in income statement	Recognized in OCI	Changes in acquisitions/divestments	Reclassifications	Translation differences	Amount at end of 2023
<b>Group</b>							
Land and buildings	-289	35	-	-	-	3	-251
Machinery and equipment	-542	-52	0	-	-	5	-589
Intangible assets	-658	41	-	-	-	2	-615
Trade receivables	0	1	-	-	-	0	1
Pension provisions	-26	-13	72	-	-	0	33
Interest-bearing liabilities	285	11	-	-	-	-2	294
Other provisions	60	-5	-	-	-	0	55
Loss carryforwards	121	-14	0	-	-	1	108
Other	128	43	-	-5	-	0	166
<b>Total</b>	<b>-921</b>	<b>47</b>	<b>72</b>	<b>-5</b>	<b>-</b>	<b>9</b>	<b>-798</b>



Note 12 continued

Change in deferred tax in temporary differences and loss carryforwards 2022

MSEK	Amount at beginning of year	Recognized in income statement	Recognized in OCI	Changes in acquisitions/divestments	Reclassifications	Translation differences	Amount at end of 2022
<b>Group</b>							
Land and buildings	-298	22	-	9	0	-22	-289
Machinery and equipment	-497	-4	-	-26	0	-15	-542
Intangible assets	-529	13	-	-115	0	-27	-658
Trade receivables	6	-1	-	-7	0	2	0
Pension provisions	149	-24	-150	-	0	-1	-26
Interest-bearing liabilities	274	-11	-	1	0	21	285
Other provisions	50	9	-	-1	0	2	60
Loss carryforwards	157	-46	-	0	0	10	121
Other	63	69	-8	-7	-1	12	128
<b>Total</b>	<b>-625</b>	<b>27</b>	<b>-158</b>	<b>-146</b>	<b>-1</b>	<b>-18</b>	<b>-921</b>

Loss carryforwards and tax credits

At the end of the year, the Group had loss carryforwards of MSEK 520 (549), of which MSEK 454 (494) was taken into account in the calculation of deferred tax.

The rest of the amount is related to loss carryforwards in Lindell OY, MSEK 7 (8), JS Perttula OY, MSEK 15 (0), Lantmännen Unibake Hungary Ltd, MSEK 36

(26) and Lantmännen Unibake Romania SA, MSEK 8 (0). These have not been assigned any value as it is currently uncertain whether they will be utilized.

The loss carryforwards not included in the calculation of deferred tax amount to MSEK 66 (55) and have a life of four, ten and five years, respectively.

At the end of the year, the Group had tax credits of MSEK 10 (17) in Poland, which was taken into account in the calculation of deferred tax.

## Note 13 Property, plant and equipment

### ACCOUNTING POLICIES

Items of property, plant and equipment are recognized at cost less accumulated depreciation and any accumulated impairment. For major investments, where the total investment value is at least MSEK 500 (300) and the investment period lasts at least 12 months, interest during construction is included in the cost of the asset.

### Depreciation policies for property, plant and equipment

Depreciation is straight-line over the asset's estimated useful life. Each component of a larger item of property, plant and equipment with a cost that is significant in relation to the asset's total cost and with a useful life significantly different from the rest of the asset is depreciated separately.

The following depreciation schedules are applied:

Buildings	15-100 years
Grain elevators	10-33 years
Property fixtures	10-25 years
Plant and machinery	5-20 years
Equipment, tools	5-15 years
Vehicles	5-10 years
Office equipment	3-10 years

MSEK	Land and land improvements		Buildings		Plant and machinery		Equipment, tools, fixtures and fittings		Construction in progress		Total property, plant and equipment	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Accumulated cost of acquisition	1,623	1,542	9,564	9,312	20,911	19,786	3,462	3,271	2,692	1,918	38,252	35,829
Accumulated depreciation	-186	-172	-4,413	-4,124	-14,167	-13,578	-2,248	-2,220	-	-	-21,014	-20,094
Accumulated impairment	-61	-61	-397	-361	-506	-483	-71	-72	-	-	-1,035	-977
<b>Carrying amount</b>	<b>1,376</b>	<b>1,309</b>	<b>4,754</b>	<b>4,827</b>	<b>6,238</b>	<b>5,725</b>	<b>1,143</b>	<b>979</b>	<b>2,692</b>	<b>1,918</b>	<b>16,203</b>	<b>14,758</b>
Balance at beginning of year	1,309	1,148	4,827	4,751	5,725	5,018	979	915	1,918	1,245	14,758	13,077
Investments including right-of-use assets <sup>1)</sup>	54	74	169	586	994	780	375	199	2,109	1,873	3,701	3,512
Company acquisitions	-	42	-	168	-	526	-	28	-	12	-	776
Company divestments <sup>2)</sup>	-	-4	-	-237	-	-432	-	-7	-	-77	-	-757
Sales and disposals	-	-1	-23	-55	-138	-105	-27	-14	-8	-11	-196	-186
Regular depreciation for the year	-16	-13	-464	-446	-1,239	-1,090	-280	-301	-	-	-1,999	-1,850
Impairment for the year	-	-	-37	-397	-19	-88	-1	-	-	-	-57	-485
Reclassifications	33	21	265	168	892	819	102	129	-1,309	-1,170	-17	-33
Translation differences	-4	42	17	289	23	297	-5	30	-18	46	13	704
<b>Carrying amount<sup>3)</sup></b>	<b>1,376</b>	<b>1,309</b>	<b>4,754</b>	<b>4,827</b>	<b>6,238</b>	<b>5,725</b>	<b>1,143</b>	<b>979</b>	<b>2,692</b>	<b>1,918</b>	<b>16,203</b>	<b>14,758</b>

<sup>1)</sup> Investments for the year do not include any capitalized interest. Properties acquired in companies are treated as asset acquisitions and accounted for as acquisitions of property, plant and equipment or investment properties.

<sup>2)</sup> Includes assets of MSEK 379 (416) leased out under operating leases as part of Swecon Baumaschinen's construction machinery rental operations.

Note 13 continued

Right-of-use assets included in property, plant and equipment

Cost of acquisition	Land and land improvements		Buildings		Plant and machinery		Equipment, tools, fixtures and fittings		Construction in progress		Total property, plant and equipment	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
MSEK												
Value at beginning of year	105	76	2,281	2,050	363	314	646	593	-	-	3,395	3,033
Acquisition of right-of-use assets	-	28	139	328	0	21	280	133	-	-	419	510
Other changes	-	1	-99	-97	-109	28	-188	-80	-	-	-396	-148
December 31	105	105	2,321	2,281	254	363	738	646	-	-	3,418	3,395
<b>Accumulated depreciation</b>												
Value at beginning of year	-	-	-784	-663	-359	-294	-373	-298	-	-	-1,516	-1,255
Depreciation of right-of-use assets	-	-	-254	-250	-3	-38	-173	-158	-	-	-430	-446
Other changes	-	-	90	129	109	-27	170	83	-	-	369	185
December 31	-	-	-948	-784	-253	-359	-376	-373	-	-	-1,577	-1,516
Carrying amount	105	105	1,373	1,497	1	4	362	273	-	-	1,841	1,879

Government grants reduced the year's investments by MSEK 0 (5).

For further information about depreciation and impairment, see → note 7.

Contractual obligations relating to investments in property, plant and equipment amounted to MSEK 637 (843) at the end of the year.

For further information about leases, see → note 29 Leases and → note 30 Customer financing.

## Note 14 Investment property

### ACCOUNTING POLICIES

Investment properties are recognized at cost less accumulated depreciation and any accumulated impairment. Properties where less than 10 percent of the space is leased to Group companies are classified as investment property. For information on depreciation schedules, see → note 13.

MSEK	Land		Buildings		Total investment property	
	2023	2022	2023	2022	2023	2022
Accumulated cost of acquisition	130	130	704	692	834	822
Accumulated depreciation	-13	-11	-136	-121	-149	-132
Accumulated impairment	-	-	-9	-	-9	-
Carrying amount	117	119	559	571	676	690
Balance at beginning of year	119	119	571	573	690	692
Sales and disposals	-1	-1	-	-2	-1	-3
Regular depreciation for the year	-2	-2	-15	-14	-17	-16
Impairment for the year	-	-	-9	-	-9	-
Reclassifications	1	3	12	14	13	17
Carrying amount	117	119	559	571	676	690

### Changes in fair value

MSEK	2023	2022
Fair value at beginning of year	1,286	1,291
Sales and disposals	-4	-7
Fair value changes	74	-15
Reclassifications	13	17
Fair value at end of year	1,369	1,286

### Investment properties' effect on income for the period

MSEK	2023	2022
Rental income	130	118
Direct costs, including costs for repair and maintenance		
- Properties that generate rents	-57	-44
Net operating income	73	74

### OTHER INFORMATION

All investment properties have been valued according to hierarchy level 3, i.e. based on unobservable inputs and according to the methods described below.

Fair value has been determined on the basis of internal assessments. Property sales carried out during the year have been reconciled. The value has been estimated using the following measurement methods:

- In the majority of cases the market price method has been used, where sales of equivalent properties in the market are used to support the valuation.
- Net present value, using cash flow calculations, where the properties' future net operating income and estimated residual value have been calculated at the present value.
- In certain cases, net present value using the net capitalization method has been calculated, where a normalized figure for net operating income is seen in relation to a market-adjusted direct return requirement.

Investment properties with a carrying amount of MSEK 476 (408) are pledged as security for the Group's borrowing. The estimated fair value is MSEK 792 (734).

Assets leased out under operating leases include all investment properties.

For further information about leases, see → note 30 Customer financing.

## Note 15 Intangible assets

### ACCOUNTING POLICIES

#### Goodwill

Goodwill is the amount by which the cost of acquisition exceeds the fair value of the net assets acquired by the Group in a business combination. The value of the goodwill is allocated to the operating segment's cash-generating units which are expected to benefit from the acquisition that gave rise to the goodwill item. Goodwill is carried at cost less accumulated impairment losses and is tested annually for impairment. Goodwill impairment is not reversed.

#### Trademarks

Trademarks that Lantmännen intends to continue using for the foreseeable future and that have a cost of at least MSEK 10 are classified as trademarks with an indefinite useful life. Trademarks with an indefinite useful life are not amortized but are tested annually for impairment in the same way as goodwill. The relief from royalty method is used to measure trademarks identified in a business combination.

#### Customer and supplier relationships

Intangible assets in the form of customer and supplier relationships are identified in connection with business combinations. The value of customer

relationships is calculated using the multi-period excess earning method, together with any other relevant information, and is carried at cost less accumulated amortization and impairment losses.

#### Research and development

For development of seed grain, this means that costs cannot be capitalized until an official variety test has shown potential success for the variety. For development of fuels, expenditure is capitalized only when the product can demonstrate technical acceptance and commercial potential and political decisions have been made. Currently, this means that all expenditure on the development of commercial and similar products is expensed as incurred.

#### Amortization principles for intangible assets

Amortization is straight-line over the asset's estimated useful life.

The following amortization schedules are applied:

Trademarks	5-15 years
Customer and supplier relationships	5-20 years
Patents, licenses and similar rights	5-10 years
Capitalized expenditure on development, internally generated	5-10 years

MSEK	Other intangible assets											
	Goodwill		Trademarks		Customer and supplier relationships		Patents, licenses and similar rights		Capitalized expenditure on development, internally generated		Total other intangible assets	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Accumulated cost of acquisition	6,505	6,527	2,356	2,427	2,592	2,556	479	471	1,357	1,335	6,784	6,789
Accumulated amortization	-	-	-273	-282	-1,521	-1,376	-322	-311	-940	-864	-3,056	-2,833
Accumulated impairment	-354	-341	-7	-	-20	-20	-	-	-110	-91	-137	-111
Carrying amount	6,151	6,186	2,076	2,145	1,051	1,160	157	160	307	380	3,591	3,845
Balance at beginning of year	6,186	5,619	2,145	1,839	1,160	1,011	160	58	380	470	3,845	3,378
Investments	-	-	1	-	-	-	4	1	40	71	45	72
Company acquisitions	-	591	-	282	26	326	-	122	-	6	26	736
Company divestments	-	-	-	-21	-	-97	-	-2	-	-1	-	-121
Sales and disposals	-	-	-	-	-	-	-	-	-	-71	-	-71
Regular amortization for the year	-	-	-6	-6	-163	-150	-25	-26	-96	-98	-290	-280
Impairment for the year <sup>1)</sup>	-15	-442	-7	-48	-	-19	-	-	-18	-13	-25	-80
Reclassifications	2	-	-55	-	33	-	16	3	1	5	-5	8
Translation differences	-22	418	-2	99	-5	89	2	4	0	11	-5	203
Carrying amount	6,151	6,186	2,076	2,145	1,051	1,160	157	160	307	380	3,591	3,845

<sup>1)</sup> Impairment for 2022 includes the Russian operations, which were reclassified as associates at the end of 2022.

#### Allocation of goodwill, trademarks and customer/supplier relationships per Sector

MSEK	Goodwill		Trademarks		Customer and supplier relationships		
	2023	2022	2023	2022	2023	2022	
Agriculture Sector	216	231	27, <sup>1)</sup>	29, <sup>1)</sup>	97	91	<sup>1)</sup> Of which trademarks with indefinite useful lives MSEK 21 (21), attributable to Agriculture Finland.
Energy Sector	382	382	164, <sup>2)</sup>	164, <sup>2)</sup>	114	131	<sup>2)</sup> Of which trademarks with indefinite useful lives MSEK 60 (60), distributed as follows: Aspen MSEK 50 (50) and Coryton MSEK 10 (10).
Food Sector	5,496	5,516	1,885, <sup>3)</sup>	1,952, <sup>3)</sup>	822	919	<sup>3)</sup> Of which trademarks with indefinite useful lives MSEK 1,867 (1,931), distributed as follows: Lantmännen Unibake MSEK 1,089 (1,034), Lantmännen Cerealia MSEK 778 (612) and Myllyn Paras MSEK 0 (285). The operations of Myllyn Paras were distributed between Lantmännen Unibake and Lantmännen Cerealia in 2023.
of which Lantmännen Unibake	4,763	4,625	1,107, <sup>3)</sup>	1,055, <sup>3)</sup>	586	537	
of which Myllyn Paras	-	465 <sup>3)</sup>	-	285, <sup>3)</sup>	-	228	
Swecon Business Area	57	57	-	-	18	19	
Total	6,151	6,186	2,076	2,145	1,051	1,160	

The value of goodwill and other intangible assets with indefinite useful lives was MSEK 8,099 (8,177) on December 31, 2023, corresponding to 16 (16) percent of the Group's assets.

Further information about amortization, impairment and annual impairment testing of goodwill and trademarks with indefinite useful lives can be found in [note 7](#).

## Note 16 Equity accounted holdings

### ACCOUNTING POLICIES

Associates are companies over which Lantmännen has a significant, but not controlling, influence. This is normally the case when the Group holds between 20 and 50 percent of the voting rights.

Joint ventures are companies over which Lantmännen and other parties have contractual joint control.

The share of income of associates and joint ventures is accounted for using the equity method. The Group's share of the company's income after tax arising after the acquisition, adjusted for any depreciation/reversals of the consolidated value, is reported on a separate line in the income statement and is included in operating income.

Impairment and reversals of impairment are recognized in the income statement under Share of income of equity accounted companies.

MSEK	Group		Parent Company	
	2023	2022	2023	2022
Accumulated cost of acquisition	3,012	3,197	1,951	1,957
Accumulated impairment	-2	-2	-80	-80
<b>Carrying amount</b>	<b>3,010</b>	<b>3,195</b>	<b>1,871</b>	<b>1,877</b>
Balance at beginning of year	3,195	2,697	1,877	1,343
Acquisitions/shareholder contributions	43	1,449	14	1,449
Divestments	-440	-1,365	-20	-737
Share of income of associates	267	161	-	-
Dividend for the year	-70	-30	-	-
Reclassifications	7	177	-	-
Impairment	-	-	-	-
Reversal of impairment	-	-	-	15
Other	-	-	-	-
Translation difference/OCI	8	106	-	-193
<b>Carrying amount</b>	<b>3,010</b>	<b>3,195</b>	<b>1,871</b>	<b>1,877</b>
Investments in joint ventures	840	753	194	194
Investments in associates	2,170	2,442	1,677	1,683
<b>Total</b>	<b>3,010</b>	<b>3,195</b>	<b>1,871</b>	<b>1,877</b>

The shares in Swevet Holding AB, Nacka Skarpnäs Fastigheter AB, Piteå Spannmåls AB and the Russian operations were divested during the year.

### Parent Company

The Parent Company recognizes all investments in associates and joint ventures at cost, adjusted where applicable for shareholder contributions and accumulated impairment.

### SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Lantmännen owns 10.7 percent of team SE. The holding is accounted for as an associate as it is the assessment that Lantmännen has significant influence through board representation and a requirement for unanimous decision-making in significant areas.

### OTHER INFORMATION

Lantmännen reports income from associates and joint ventures with a one-month lag, which means that net income for the year includes Lantmännen's share of their income for the period December of the previous year to November of the current year. The time lag is not considered to have a significant impact.

MSEK	Share of income of joint ventures and associates		Dividends from joint ventures and associates	
	2023	2022	2023	2022
<b>Joint ventures</b>				
Scandagra Group AB	77	107	-	-
Scandagra Polska Sp.z o.o.	-1	18	-	-
Scandbio AB	-	26	-	-
Other	2	7	-22	-25
<b>Associates</b>				
HaGe Kiel AG	-	-64	-	-
Viking Malt Oy	62	20	-5	-4
team SE	117	10	-43	-
Other	10	37	-	-1
<b>Total</b>	<b>267</b>	<b>161</b>	<b>-70</b>	<b>-30</b>

Operating income for other joint ventures was MSEK 4 (14) and Lantmännen's recognized share of income was MSEK 2 (7).

Operating income for other associates was MSEK 30 (89), and Lantmännen's recognized share of income was MSEK 10 (37).

The majority of the amount under Associates, Other is attributable to the share of income of KG:s Ägg AB for the year.



Note 16 continued

Summary of financial information for joint ventures and associates  
Information is for 100 percent in each company

Joint ventures	Scandagra Group AB		Scandagra Polska Sp. z o.o.	
	2023	2022	2023	2022
MSEK				
<b>Balance sheet items</b>				
Non-current assets	350	306	121	103
Current assets	3,578	3,503	341	490
<i>of which cash and cash equivalents</i>	20	4	27	17
<b>Total assets</b>	<b>3,928</b>	<b>3,809</b>	<b>462</b>	<b>593</b>
Non-current liabilities	943	713	4	4
<i>of which financial liabilities</i>	941	710		
Current liabilities	1,859	2,117	256	394
<i>of which financial liabilities</i>	1,099	716		
<b>Total liabilities</b>	<b>2,802</b>	<b>2,830</b>	<b>260</b>	<b>398</b>
<b>Net assets, 100 percent</b>	<b>1,126</b>	<b>979</b>	<b>202</b>	<b>195</b>
<i>Ownership share in company, %</i>	50 %	50 %	50 %	50 %
Lantmännen's share of net assets	563	490	101	98
Goodwill on consolidation	-	-	-	-
Carrying amount in Lantmännen	563	490	101	98

Joint ventures	Scandagra Group AB		Scandagra Polska Sp. z o.o.	
	2023	2022	2023	2022
MSEK				
<b>Income statement items</b>				
Net sales	9,173	10,385	1,625	2,626
Net income for the year	153	214	-1	36
<i>of which depreciation and amortization</i>	-28	-28	-3	-3
<i>of which interest income</i>	77	71	5	3
<i>of which interest expenses</i>	-80	-29	-8	-26
<i>of which tax expenses/income</i>	-25	-27		-7
<b>Total comprehensive income</b>	<b>153</b>	<b>214</b>	<b>-1</b>	<b>36</b>
Net income for the year, 100%	153	214	-1	36
<i>Ownership share in company, %</i>	50 %	50 %	50 %	50 %
Lantmännen's share of net income	77	107	-1	18
Carrying amount in Lantmännen	77	107	-1	18

Associates	team SE		Viking Malt Oy	
	2023	2022	2023	2022
MSEK				
<b>Balance sheet items</b>				
Non-current assets	9,691	8,826	2,282	1,852
Current assets	13,100	14,065	1,369	1,342
<b>Total assets</b>	<b>22,791</b>	<b>22,891</b>	<b>3,651</b>	<b>3,194</b>
Non-current liabilities	5,085	2,348	1,446	1,368
Current liabilities	9,079	13,020	906	688
<b>Total liabilities</b>	<b>14,164</b>	<b>15,368</b>	<b>2,352</b>	<b>2,056</b>
<b>Net assets, 100 percent</b>	<b>8,627</b>	<b>7,523</b>	<b>1,299</b>	<b>1,138</b>
<i>Ownership share in company, %</i>	10.7 %	10.7 %	37.5 %	37.5 %
Lantmännen's share of net assets	923	805	487	427
Goodwill on consolidation	529	571	-	-
Carrying amount in Lantmännen	1,452	1,376	487	427

Associates	team SE		Viking Malt Oy	
	2023	2022 <sup>1)</sup>	2023	2022
MSEK				
<b>Income statement items</b>				
Net sales	66,654	6,909	4,438	3,312
Net income for the year	1,106	96	166	54
Other comprehensive income	-15	-	-	-
<b>Total comprehensive income</b>	<b>1,091</b>	<b>96</b>	<b>166</b>	<b>54</b>
<i>Ownership share in company, %</i>	10.7 %	10.7 %	37.5 %	37.5 %
Lantmännen's share of net income	118	10	62	20
Lantmännen's share of OCI	-2	0	-	-
<b>Comprehensive income recognized in Lantmännen</b>	<b>117</b>	<b>10</b>	<b>62</b>	<b>20</b>

<sup>1)</sup> Refers to the period of ownership, from October 2022.

Note 16 continued

Parent and Group holdings of shares in associates and joint ventures

Company name	Corporate ID no.	Domicile	Number of participations	Share of, capital, %	12/31/2023	
					Carrying amount, Group, MSEK	Carrying amount, Parent, MSEK
<i>Joint ventures owned by Parent Company:</i>						
Scandagra Group AB	556009-3121	Malmö	85,000	50.0	563	120
Scandagra Polska Sp. z o.o.	PL 0000138255	Poland	2,686	50.0	101	74
Lantmännen Dansk Landbrugs Grovareselskab International AB (LDI)	559025-3182	Stockholm	25,000	50.0	0	0
<i>Joint ventures owned by other Group companies:</i>						
Lanthem Samhällsfastigheter AB	559000-6036	Stockholm	25,000	50.0	143	
Barken Bostadsutveckling Fastighets AB	559067-6192	Stockholm	25,000	50.0	32	
<i>Associates owned by Parent Company:</i>						
team SE	HRB14440FL	Germany	1,592,638	10.7	1,452	1,365
Viking Malt Oy	FI 0802004-9	Finland	1,381,387	37.5	487	178
KG:s Ägg AB	556344-0360	Linköping	300	30.0	93	82
Tillväxtbolaget för Sveriges Lantbrukare AB	556155-9831	Stockholm	271,000	25.0	48	47
European Agri Trade A/S	26207177	Denmark	250	50.0	0	0
European Crop Protection A/S	21538388	Denmark	232	46.4	0	0
European Fertilizer A/S	20296372	Denmark	155	31.0	1	1
Agronod AB	559270-6245	Stockholm	1,025,000	16.7	3	3
<i>Associates owned by other Group companies:</i>						
Aspen-Produkte Handels GmbH	HR205654	Germany		50.0	41	
Åhus Stuveriintressenter	556039-8256	Åhus	5,987	49.9	31	
Vihervakka Oy	FI 01381036	Finland	788	39.4	10	
SimSuFoods AB	559195-4697	Norrköping	131	20.7	4	
Norbergs Järnväg AB	559057-1690	Norberg	13,500	27.0	0	
<b>Total</b>					<b>3,010</b>	<b>1,871</b>

## Note 17 Non-current financial assets

### ACCOUNTING POLICIES

#### Impairment of financial assets

Impairment losses are calculated and recognized for financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income. Impairment is not recognized for holdings of equity instruments.

Reserves for credit losses are calculated and reported initially on the basis of twelve months' expected credit losses. If the credit risk has increased significantly since the financial asset's initial recognition, credit loss provisions are calculated and reported based on expected credit losses for the asset's entire remaining life. For trade receivables, which do not contain a significant financing component, a simplified approach is applied and credit loss provisions are calculated and reported based on expected credit losses for the entire remaining life, regardless of whether or not the credit risk has increased significantly.

Lantmännen mainly bases the calculation of expected credit losses on an individual assessment of the relevant receivable, together with information on historical losses for similar assets and counterparties. The historical information is continuously evaluated and adjusted based on the current situation and Lantmännen's expectation of future events.

MSEK	2023	2022
Receivables from joint ventures/associates	-	256
Financial assets at fair value through profit or loss	0	5
Financial assets at fair value through OCI	626	571
Derivative instruments	8	25
Other non-current financial assets	2	2
<b>Total</b>	<b>636</b>	<b>859</b>

#### Financial assets at fair value through profit or loss

MSEK	2023	2022
Balance at beginning of year	5	13
Divestments	-	-8
Reclassifications	-5	-
<b>Carrying amount</b>	<b>0</b>	<b>5</b>

### Note 17 continued

#### Financial assets at fair value through other comprehensive income

MSEK	2023	2022
Balance at beginning of year	571	420
Investments	-	167
Impairment	-	-3
Fair value remeasurement for the year	55	-13
Carrying amount	626	571

#### Financial assets at fair value through other comprehensive income

MSEK	2023	2022
Copenhagen Malmö Port	13	13
HKScan Oyj	72	73
LRF	63	63
Norlic	22	22
Scandi Standard AB	380	324
Hargs Hamn AB	16	16
Other holdings	60	60
Carrying amount	626	571

## Note 18 Other non-current assets

MSEK	2023	2022
Derivative instruments, operating	85	315
Other non-current operating assets	146	345
Total	231	660

Other non-current operating assets are mainly related to the receivable from the property sale in Uppsala Kungsängen (long-term portion of the receivable).

## Note 19 Inventories

#### ACCOUNTING POLICIES

Inventories are measured at the lower of cost and net realizable value at the reporting date. The cost is estimated by applying the FIFO (first in/first out) method or weighted average prices. The cost of self-produced goods includes, in addition to direct costs, production-related overhead costs, based on normal production capacity. Borrowing costs are not included in the measurement of inventories.

Net realizable value is the estimated selling price in operating activities less the estimated costs to complete and sell the product.

Lantmännen's grain reporting is at weighted average prices. At each reporting date, the cost of grain is calculated on the basis of purchases already made, contracted purchases and grain-related hedging transactions. Based on these factors, an average purchase cost is calculated per crop and relevant volume. This purchase cost is then applied to the grain volumes sold during the reporting period and to existing stocks at the reporting date. If the calculated cost indicates the existence of loss transactions at any point, these are recognized directly in the income statement.

### Note 19 continued

MSEK	2023	2022
Raw materials and consumables	1,088	1,433
Products in progress	561	1,058
Finished goods	3,444	3,349
Merchandise	4,304	3,989
Advances to suppliers	67	128
Total	9,464	9,957

MSEK 127 (139) of inventories for the year were measured at net realizable value. The total cost of goods sold during the year was MSEK 49,443 (46,723).

#### Change in provision for inventory obsolescence

MSEK	2023	2022
Opening balance, January 1	218	197
Provisions for inventory impairment	237	74
Inventories written off as obsolete during the year	-35	-49
Reversal of unused amount	-11	-10
Exchange differences	0	6
Closing balance, December 31	409	218

## Note 20 Trade and other receivables

#### ACCOUNTING POLICIES

A trade receivable is recognized when the goods have been delivered or the service has been performed, and when the right to consideration is unconditional as only the passage of time is required before payment of the consideration is due.

MSEK	2023	2022
Trade receivables	6,097	6,325
Trade receivables, joint ventures/associates	71	124
Trade receivables, financing service	746	645
Contract assets from contracts with customers	33	54
Derivative instruments, operating	619	972
Other operating receivables from joint ventures/associates	5	1
Other current receivables	1,091	938
Prepayments and accrued income	615	824
Total	9,277	9,883

#### Age analysis of trade receivables

MSEK	2023	2022
Receivables, not yet due	6,166	6,511
Receivables, past due		
≤ 30 days	691	521
31-60 days	77	70
61-90 days	34	32
> 90 days	80	92
Total	7,048	7,226
Allowance for expected credit losses	-134	-132
Total	6,914	7,094

Trade receivables include the financing service, which means that the credit period may be extended by up to 11 months.

Note 20 continued

Allowance for expected credit losses MSEK	2023	2022
Allowance at beginning of year	-132	-91
New allowance for expected losses	-49	-51
Utilization of allowance for established losses	7	10
Reversal of unrealized loss	40	5
Exchange differences	-	-5
Allowance at end of year	-134	-132

The total cost of established and expected losses for 2023 was MSEK 30 (44).

Costs of expected losses are reported as other costs under operating income. For information about credit quality of trade receivables, [↔](#) note 24.

Prepayments and accrued income MSEK	2023	2022
Prepaid rent	69	53
Prepaid insurance	126	86
Accrued bonuses and discounts	22	29
Other prepayments	312	566
Other accrued income	86	90
Total	615	824

## Note 21 Current interest-bearing assets and cash and cash equivalents

Current interest-bearing assets MSEK	2023	2022
Receivables from joint ventures/associates	44	2
Interest-bearing receivables	0	18
Other short-term investments	118	6
Derivative instruments	177	53
Other current financial assets	7	4
Total	347	83

Cash and cash equivalents MSEK	2023	2022
Cash and bank balances	632	255
Short-term investments < 3 months	-	100
Total	632	355

Receivables with a maturity of up to 12 months and investments with maturities of 3-12 months are recognized as current interest-bearing assets.

As short-term investments normally have a fixed rate period of less than three months, they carry very little interest rate risk.

## Note 22 Equity

### SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Contributed capital in an economic association is refunded when the member leaves the association. Based on the IAS 32 rules applicable to the contributed capital of cooperative enterprises, Lantmännen has, by reference to the conditions for capital contributions under its Articles of Association, made the judgment that the association's contributed capital will be treated as equity in the consolidated financial statements.

Members of Lantmännen ek för can receive a refund on purchases from Lantmännen Agriculture Sweden, Lantmännen Machinery's and Swecon's Swedish operations and a supplementary payment on sales to Lantmännen Agriculture Sweden. Lantmännen has made the judgment that the refunds and supplementary payments payable to members, and which depend on the association's performance, will be treated as dividends.

### OTHER INFORMATION

Contributed capital is the contribution that a member is obliged to make in order to participate in the association in accordance with the Articles of Association (paid-in contribution) and the contribution that arises as a result of a contribution issue (issued contribution).

Restricted reserves are reported under other contributed capital in the Parent Company.

Where the hedged transaction has not yet occurred, the hedging reserve comprises the cumulative effective portion of gains or losses arising from remeasuring the hedging instruments at fair value. The hedging transactions included are cash flow hedges. The cumulative gain or loss recognized in the hedge reserve will be recycled to profit or loss when the hedged transaction affects profit or loss.

The reserve for financial assets at fair value through OCI includes the accumulated net change in fair value of assets classified as "financial assets at fair value through other comprehensive income" until the asset is sold, after which it is reported under retained earnings.

The translation reserve comprises all exchange differences arising on translation of financial statements of foreign operations to the Group's presentation currency (SEK). Gains and losses on hedging instruments that qualify as hedges of a net investment in a foreign operation are also included in the translation reserve and recognized there after deduction of tax.

### Management of the Group's capital

Lantmännen has two overall financial objectives:

- Return on equity of at least 8 percent over a business cycle and with the present business portfolio
- Equity ratio of at least 40 percent

To achieve these objectives, Lantmännen uses financial instruments for its operations and specific profitability targets for each business. These profitability targets are expressed as a percentage of operating capital and vary according to the type of business and profitability levels for comparable enterprises outside Lantmännen. It is Lantmännen's aim that each business will achieve a return on operating capital that is at least on a par with that of comparable enterprises outside the Group.

Future investments are allocated primarily to areas that meet the profitability target and have potential for profitable growth.



Note 22 continued

2023									
MSEK	Reserves					Retained earnings	Equity attributable to members of the economic association	Equity attributable to NCI	Total equity
	Con-tributed capital	Other contributed capital	Hedge reserve	Reserve for financial assets at fair value through OCI	Translation reserve				
Equity, January 1, 2023	4,027	3,110	423	-59	1,080	14,250	22,831	101	22,932
Net income for the period after tax	-	-	-	-	-	1,554	1,554	6	1,560
Actuarial gains and losses on pension plans	-	-	-	-	-	-352	-352	-	-352
Financial assets at fair value through OCI									
- remeasurement for the year	-	-	-	55	-	-	55	-	55
- transferred to balance sheet	-	-	-	-	-	-	-	-	-
Cash flow hedges									
- remeasurement for the year	-	-	-184	-	-	-	-184	-	-184
- transferred to income statement <sup>1)</sup>	-	-	-181	-	-	-	-181	-	-181
Exchange differences on translation of foreign operations	-	-	-	-	-42	-	-42	-	-42
Net gain on hedge of net investment in foreign operations									
- net income for the year	-	-	-	-	139	-	139	-	139
Tax relating to components of OCI	-	-	72	4	-29	76	123	-	123
Other comprehensive income for the period, net of tax	-	-	-293	59	68	-276	-442	0	-442
Total comprehensive income	-	-	-293	59	68	1,278	1,112	6	1,118
Dividend paid <sup>2)</sup>	-	-	-	-	-	-403	-403	-6	-409
Refund and supplementary payment	-	-	-	-	-	-374	-374	-	-374
Contributed capital paid in by members	281	-	-	-	-	0	281	-	281
Contributed capital paid out to members	-77	-	-	-	-	0	-77	-	-77
Appropriation of profit	303	-	-	-	-	-303	-	-	-
Other changes relating to non-controlling interests	-	-	-	-	-	-	-	-	-
Total equity, December 31, 2023	4,534	3,110	130	0	1,148	14,449	23,371	101	23,472

2022									
MSEK	Reserves					Retained earnings	Equity attributable to members of the economic association	Equity attributable to NCI	Total equity
	Con-tributed capital	Other contributed capital	Hedge reserve	Reserve for financial assets at fair value through OCI	Translation reserve				
Equity, January 1, 2022	3,624	3,110	141	-56	252	12,919	19,990	108	20,098
Net income for the period after tax	-	-	-	-	-	1,781	1,781	10	1,791
Actuarial gains and losses on pension plans	-	-	-	-	-	726	726	-	726
Financial assets at fair value through OCI									
- remeasurement for the year	-	-	-	-17	-	-	-17	-	-17
- transferred to balance sheet	-	-	-	26	-	-	26	-	26
Cash flow hedges									
- remeasurement for the year	-	-	443	-	-	-	443	-	443
- transferred to income statement <sup>1)</sup>	-	-	-88	-	-	-	-88	-	-88
Exchange differences on translation of foreign operations	-	-	-	-	992	-	992	-	992
Net gain on hedge of net investment in foreign operations									
- net income for the year	-	-	-	-	-207	-	-207	-	-207
Tax relating to components of OCI	-	-	-73	-12	43	-150	-192	-	-192
Other comprehensive income for the period, net of tax	-	-	282	-3	828	576	1,683	-	1,683
Total comprehensive income	-	-	282	-3	828	2,357	3,464	10	3,474
Realized change in value from OCI	-	-	-	-	-	-26	-26	-	-26
Dividend paid <sup>2)</sup>	-	-	-	-	-	-362	-362	-7	-369
Refund and supplementary payment	-	-	-	-	-	-341	-341	-	-341
Contributed capital paid in by members	207	-	-	-	-	-	207	-	207
Contributed capital paid out to members	-101	-	-	-	-	-	-101	-	-101
Appropriation of profit	297	-	-	-	-	-297	0	-	0
Other changes relating to non-controlling interests	-	-	-	-	-	-	-	-10	-10
Total equity, December 31, 2022	4,027	3,110	423	-59	1,080	14,250	22,831	101	22,932

<sup>1)</sup> The entire amount transferred to the income statement has been recognized in operating income.

<sup>2)</sup> Refers to contribution dividend concerning parent association members.

## Note 23 Interest-bearing liabilities

Non-current interest-bearing liabilities			
MSEK	Note	2023	2022
Non-current liabilities to credit institutions	24	2,502	1,396
Issued securities <sup>1)</sup>		999	999
Subordinated debentures		250	250
Financial liabilities, leases	29	1,551	1,564
Other non-current interest-bearing liabilities		330	235
Derivative instruments		9	0
Liabilities to joint ventures/associates		2	2
<b>Total</b>		<b>5,643</b>	<b>4,445</b>

<sup>1)</sup> Recognized at amortized cost.

Current interest-bearing liabilities			
MSEK	Note	2023	2022
Current liabilities to credit institutions	24	1,402	2,072
Liabilities to members, savings		1,932	1,874
Deposits with Lantmännen Finans AB from the public		2,112	2,024
Issued securities <sup>1)</sup>		100	-
Financial liabilities, leases	29	333	345
Other current interest-bearing liabilities		70	376
Derivative instruments		30	159
<b>Total</b>		<b>5,979</b>	<b>6,850</b>
<b>Interest-bearing liabilities, total</b>		<b>11,622</b>	<b>11,295</b>

<sup>1)</sup> Recognized at amortized cost.

Deposits with Lantmännen Finans AB from the public are from companies, members, employees and other individuals. The deposit accounts offer unrestricted withdrawals, interest from the first SEK 1 and cover of SEK 1,050 thousand under the national deposit guarantee scheme.

MSEK	2023	2022
Balance at beginning of year	11,295	9,269
Cash flow	2	875
Fair value changes	-50	158
Other	375	993
<b>Carrying amount</b>	<b>11,622</b>	<b>11,295</b>

## Note 24 Financial instruments and financial risk management

### RISK MANAGEMENT

Lantmännen is exposed to different types of financial risk in the course of its international operations. Financial risk is the risk of fluctuations in the Group's earnings and cash flow as a result of changes in commodity market prices, exchange rates, interest rates and refinancing, and also includes credit and counterparty risks. Lantmännen conducts internal banking activities through the corporate function Group Treasury within Lantmännen ek för.

The main task of Group Treasury is to provide cost-effective financing, identify and efficiently minimize financial risks to which the Group is exposed in its daily operations, support management and Group companies and optimize the Group's net financial items and tied-up capital.

The financial policy governs how financial risks shall be handled and specifies the mandate, limits and which financial instruments may be used. The Group's financial policy is established annually by Lantmännen's Board of Directors. The Group's Risk Committee receives regular reports on changes to the Group's financial risks. Group Treasury also handles Lantmännen's netting system and is responsible for handling the Group's liquidity via cash pools in banks. Only banks and credit institutions that have a high credit rating and essentially participate in the Group's long-term financing are accepted as counterparties to Lantmännen in financial transactions.

### CAPITAL STRUCTURE AND FINANCIAL COVENANTS

Lantmännen is actively working on its capital structure to ensure long-term financial stability, meet the organization's need for capital at the lowest cost and ensure opportunities for future acquisitions. Lantmännen uses multiple financial performance measures to measure its capital structure and has, for example, a long-term objective that its equity ratio shall exceed 40 percent. To fund its activities, Lantmännen has loans from several banks and credit institutions. The credit conditions for the loans depend on Lantmännen's financial performance and are described in the covenants contained in the agreements. For further information on Lantmännen's covenants, see "Refinancing risk" below.

Lantmännen also has loans where collateral is pledged as security, mainly in real estate mortgages. For further information see [↔](#) note 34.

### CURRENCY RISK

In the course of its operations, Lantmännen is exposed to currency risk, in the form of exchange rate fluctuations affecting the Group's earnings and financial position. The Group's currency exposure includes both transaction exposure and translation exposure. The Group's currency risk management is aimed at minimizing the short-term effect of exchange rate fluctuations and their adverse impact on the Group's earnings and financial position.

#### Transaction exposure

Transaction exposure is the risk of changes in exchange rates having an adverse effect on the Group's operating income. To address this risk, the Group's financial policy requires the Sectors' foreign currency sales and purchases to be hedged with Group Treasury. This can be done either by order or based on a rolling 12-month exposure forecast. The aim is to minimize the effects of currency fluctuations in the first instance by using foreign currency inflows for payments in the same currency. In addition, financial instruments are used to hedge forecast cash flows, in accordance with the guidelines contained in Lantmännen's financial policy.

Lantmännen is primarily exposed to the EUR, DKK, USD, GBP and NOK. The different currencies represent both inflows and outflows against the Swedish krona and a large proportion of them are hedged. Consequently, the transaction-related earnings impact of an exchange rate change is considered to be minimal.

On translation of operating income, a +/-10 percent change in the Swedish krona against the subsidiaries' currencies would have an approximate effect of MSEK +/- 157 (+/- 59) on operating income, all other things being equal. The calculation does not take into account any changes in prices and customer behavior caused by the exchange rate movements.

*Note 24 continued*

Risk	Change	Operating income effect, MSEK	
		2023	2022
EUR/SEK	-10 %	-110	-43
AUD/SEK	-10 %	-8	-3
NOK/SEK	-10 %	7	-1
GBP/SEK	-10 %	-12	-12
USD/SEK	-10 %	-6	0
Other	-10 %	-28	0
<b>Total</b>		<b>-157</b>	<b>-59</b>

The currency derivatives used for hedging purposes are forward exchange contracts.

The currency distribution of the Group's outstanding forward contracts at the end of the year was as follows:

Currency distribution and payment structure, operating forward contracts				
MSEK	2024	2025	2026	2027
AUD	0	-	-	-
EUR	-1,322	-	-	-
NOK	-547	-	-	-
DKK	175	-	-	-
GBP	71	-	-	-
USD	144	-	-	-
PLN	230	-	-	-
CHF	6	-	-	-
RON	-182	-	-	-
<b>Total</b>	<b>-1,425</b>	<b>-</b>	<b>-</b>	<b>-</b>

The nominal net amount per currency is shown in the table above. Negative amounts represent sales of a particular currency and positive amounts represent purchases.

The average remaining maturity of the forward contracts on December 31, 2023 was 2 (2) months.

**Translation exposure**

Translation exposure is the risk to which Lantmännen is exposed when translating foreign subsidiaries' balance sheets into SEK. Currency hedging of investments in foreign subsidiaries is mainly managed through borrowing in the corresponding foreign currency. This is recognized at the closing rate on the reporting date. The Parent Company's exchange differences attributable to these hedges and translation differences from the net assets of subsidiaries are recognized in other comprehensive income and accumulated in consolidated equity ("Equity Hedge"). Only net investments with significant exposure to a currency are hedged. These are currently net investments in EUR and DKK.

If the Swedish krona weakened against other currencies by 10 percent, equity would increase by MSEK 1,358 (1,146), not taking into account the equity hedge. If the equity hedge is taken into account, equity would increase by MSEK 1,310 (939), all other things being equal.

**PRICE RISK**

Lantmännen uses the financial markets to manage price risk in commodity trading, such as trade in grain and feed raw materials, ethanol sales and energy purchases. The purpose of using price hedges to manage price risk is to increase predictability and even out price fluctuations, thereby ensuring the right prices are passed on to customers.

**Commodity price risk**

Lantmännen's main commodity price risk is associated with wheat, rape, barley, oats and soy. The pricing of commodities varies over time as a result of international supply and demand. Commodity risks are primarily attributable to Lantmännen Agriculture's operations, Lantmännen Agroetanol's ethanol production, Lantmännen Cerealia's operations and Lantmännen Unibake's bakery operations. In addition to hedging prices by means of supply contracts,

prices are also hedged by means of financial futures through commodity exchanges and banks. Pricing of most of Lantmännen's traded commodities is based on USD or EUR. Under Lantmännen's financial policy, the currency is considered to be part of the transaction's pricing and must be hedged on or before the transaction date.

**Energy price risk**

Through its energy-intensive operations Lantmännen is subject to risks associated with price fluctuations, particularly for electricity and gas. If the energy price risk is not hedged, these price fluctuations will have a direct impact on the Group's operating income. The Group's electricity consumption is therefore hedged on a gradual basis according to a strategy established by the corporate function Group Treasury. The objective of the hedging strategies for electricity and gas is to reduce the volatility of the Group's energy costs. As electricity and gas are traded in EUR, this also gives rise to a currency risk. This is hedged on a continuous basis.

**Electricity price hedging for Sweden, Denmark, Finland, Norway and Baltic**

Maturity year	2024	2025	2026	2027
Hedged share of forecast annual need	76 %	21 %	0 %	0 %

**Electricity price hedging for UK**

Maturity year	2024	2025	2026	2027
Hedged share of forecast annual need	72 %	23 %	0 %	0 %

The Group companies' total electricity consumption in 2023 was 647 (650) GWh. The share for operations in Sweden, Denmark, Finland and Norway was 514 (517) GWh and 27 (27) GWh for the UK. A movement of +/-10 percent in the price of electricity would affect the valuation of the energy hedges by MSEK +/-24.9. The Group companies' natural gas consumption in 2023 was 169 (248) GWh. The share for the operations in Sweden, Finland and Denmark was 71 (125) GWh and the UK 16 (21) GWh. A change of +/-10 percent in the price of gas would affect the valuation of the gas hedges by MSEK +/-13.7.

**Price hedges via ethanol and gasoline contracts**

Ethanol price hedges for Biorefineries in the Energy Sector were used regularly throughout 2023 to mitigate earnings fluctuations attributable to daily market price changes. The hedge ratio on December 31, 2023 was 40 percent. A movement of +/-10 percent in the price of ethanol would affect the valuation of the ethanol hedges by MSEK 62.1. Eurobob gasoline price hedges for Aspen in the Energy Sector were used regularly throughout 2023 to mitigate earnings fluctuations attributable to daily market price changes. Eurobob is priced in USD. The hedge ratio on December 31, 2023 was 21 percent. A movement of +/-10 percent in the price of gasoline would affect the valuation of the gasoline hedges by MSEK 9.4.

**INTEREST RATE RISK**

Lantmännen's financing sources consist mainly of equity, member deposits, cash flow from operating activities and borrowing. Interest-bearing loans expose the Group to interest rate risk and changes in interest rates have a direct impact on the Group's net interest income. The fixed-rate period is one of the more significant factors that affect interest rate risk.

The Group's debt management is dealt with by Group Treasury to ensure efficiency and risk control. GT ensures that the average fixed-rate period in the long-term debt portfolio remains within the range of 6-36 months. Lantmännen uses interest rate derivatives to adjust fixed-rate periods in the interest-bearing borrowing portfolio. The strategy is to have a spread in the maturity structure and to arrange new borrowings in currencies that match Lantmännen's assets, such as SEK, EUR and DKK. In addition, the aim is to be active in capital markets, both in Sweden and abroad, in order to avoid excessive individual exposure to the Swedish banking and capital markets.

At the end of the year, the weighted average borrowing rate was 3.96 percent, excluding transaction fees. The Group's outstanding interest-bearing liabilities on December 31, 2023, including interest rate swaps, had a weighted average fixed-rate period of 15.16 (13.24) months.

Note 24 continued

HEDGE ACCOUNTING

Types of hedge accounting applied in the consolidated financial statements

Lantmännen applies hedge accounting for the majority of the derivatives used to hedge various types of risks that arise.

Type of exposure	Type of hedged item	Hedged risk	Hedging instrument	Hedge accounting model <sup>1)</sup>
Currency exposure	Future foreign currency purchases and sales	Currency risk	Forward exchange contracts	Cash flow hedges
	Investments in foreign subsidiaries	Currency risk	Foreign currency loans	Hedging of net investments
Interest rate exposure	Loans with variable interest	Interest rate risk	Interest rate swaps	Cash flow hedges
Commodity exposure	Future purchases and sales of grain	Grain price risk	Grain futures	Cash flow hedges
	Future purchases of electricity	Electricity price risk	Electricity futures	Cash flow hedges
	Future purchases of gas	Gas price risk	Gas futures	Cash flow hedges
	Future purchases of propane	Propane price risk	Propane futures	Cash flow hedges
	Future purchases and sales of ethanol	Ethanol price risk	Ethanol futures	Cash flow hedges
	Future sales of alkylate petrol	Gasoline risk	Eurobob futures	Cash flow hedges

<sup>1)</sup> Differences in critical conditions between hedging instruments and hedged items are the main source of ineffectiveness for all types of hedging.

Type of exposure	Type of hedged item	Hedged risk	Hedging instrument	Hedge accounting model <sup>1)</sup>	Balance sheet item where hedged item is reported	Balance sheet item where hedging instrument is reported	Income statement item affected by hedging of a net investment	Income statement item that includes ineffective portion of hedges	Income statement item affected by hedge reserve/ income statement reclassification
Interest rate exposure	Loans with variable interest	Interest rate risk	Interest rate swaps	Cash flow hedging	Non-current/current interest-bearing liabilities	Non-current/current interest-bearing assets/liabilities	Net financial items	Net financial items	Net financial items
Currency exposure	Future foreign currency purchases and sales	Currency risk	Forward exchange contracts	Cash flow hedging	N/A				
	Investments in foreign subsidiaries	Currency risk	Foreign currency loans	Hedging of net investments	Other financial assets (Parent)	Non-current/current interest-bearing liabilities	Net financial items	Net financial items	Net financial items
Commodity exposure	Future purchases and sales of grain	Grain price risk	Grain futures	Cash flow hedging	N/A				
	Future purchases of electricity	Electricity price risk	Electricity futures	Cash flow hedging	N/A				
	Future purchases of gas	Gas price risk	Gas futures	Cash flow hedging	N/A	Other non-current assets/Trade and other receivables	Other operating income/expenses	Other operating income/expenses	Other operating income/expenses
	Future purchases of propane	Propane price risk	Propane futures	Cash flow hedging	N/A	Other non-current liabilities/Trade and other liabilities			
	Future purchases and sales of ethanol	Ethanol price risk	Ethanol futures	Cash flow hedging	N/A				
	Future sales of alkylate petrol	Gasoline risk	Eurobob futures	Cash flow hedging	N/A				



Note 24 continued

Hedging instruments with associated hedged items and derivatives without hedge accounting

MSEK	Average hedging price/rate	Nominal amount		Nominal amount		Assets		Liabilities		Changes in value for the year	Accumulated value change
		Remaining maturity		12/31/2023		Carrying amount		Carrying amount			
		<1 year	>1 year	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022		
Cash flow hedges <sup>1)</sup>											
Interest-related contracts											
Interest rate swaps	1.95 %	-	844	844	912	24	48	9	0	-33	15
Currency-related contracts											
Forward exchange contracts and currency swaps											
EUR	11.41	1,904	-	1,904	3,072	141	62	37	169	104	104
Other currencies		-67	-	-67	-4	8	5	18	4	-10	-10
Commodity-related contracts											
Wheat futures	2,737 SEK/ tonne	-637	-	-637	-727	155	245	98	146	57	57
Electricity futures	486 SEK/MWh	187	62	249	837	283	685	290	474	-116	-7
Gas futures	434 SEK/MWh	58	79	137	94	6	99	20	2	-69	-14
Propane futures	5,060 SEK/tonne	23	8	31	27	0	0	4	0	-4	-4
Rape futures	5,729 SEK/ tonne	-4	-	-4	-162	1	18	1	1	0	0
Soy futures	-	-	-	0	2	-	0	-	0	-	-
Eurobob futures	7,260 SEK/ tonne	94	-	94	95	2	17	-	-	2	2
Ethanol futures	7,863 SEK/m <sup>3</sup>	-621	-	-621	-784	86	152	2	0	84	84
<b>Total hedging instruments</b>		<b>937</b>	<b>993</b>	<b>1,930</b>	<b>3,362</b>	<b>706</b>	<b>1,331</b>	<b>479</b>	<b>796</b>	<b>15</b>	<b>227</b>
Derivatives without hedge accounting											
Interest-related contracts											
Currency-related contracts		3,028	-	3,028	4,585	182	33	70	151	-	-
Commodity-related contracts											
<b>Total derivative instruments without hedge accounting</b>		<b>3,028</b>	<b>-</b>	<b>3,028</b>	<b>4,585</b>	<b>182</b>	<b>33</b>	<b>70</b>	<b>151</b>	<b>-</b>	<b>-</b>
<b>Total derivative instruments</b>		<b>3,965</b>	<b>993</b>	<b>4,958</b>	<b>7,947</b>	<b>888</b>	<b>1,364</b>	<b>549</b>	<b>947</b>	<b>-</b>	<b>-</b>
Hedging of net investments in foreign operations											
Currency-related contracts											
Hedging instrument – Loans		-832	-2,169	-3,001	-1,563	-	-	3,001	1,563	-	-
Hedging instrument – Derivatives		-	-	0	0	-	-	-	-	-	-
Hedged item – Net investments in foreign operations		-	6,284	6,284	4,731	-	4,731	-	-	-	-

<sup>1)</sup> Hedge accounting is only applied when all specified qualifying criteria for hedging instruments and hedged items are fully met. As a result, no outstanding cash flow hedges have any ineffective portions.

REFINANCING RISK, LIQUIDITY RISK AND LIQUIDITY RESERVE

Refinancing risk is the risk that costs will be higher and opportunities for financing limited when loans and other credit arrangements are renewed. Liquidity risk is the risk that the Group will encounter difficulty in discharging payment obligations. Lantmännen limits its refinancing risk by having a well-diversified group of counterparties and maturities for its loans. The weighted average maturity of loans and borrowing facilities with credit institutions including market financing at the end of the year was 3.77 (3.23) years.

By constantly maintaining cash assets or unused credit facilities, the Group ensures it has a solid liquidity reserve, thereby reducing the liquidity risk. The Group's liquidity reserve (available line of credit) is calculated on the basis of Lantmännen's loan agreement and associated covenants signed with the syndication banks on July 9, 2015. On December 31, 2023, liquidity amounted to MSEK 7,374 (7,646) and net debt/EBITDA according to the bank syndicate's definition was 1.90 (1.95), below the maximum of 3.75 under the agreement.

Maturity structure of interest-bearing financial liabilities<sup>1)</sup>

MSEK	Group		Parent Company	
	2023	2022	2023	2022
2023	-	1,689	-	1,448
2024	1,504	567	1,495	558
2025	317	231	141	55
2026	1,223	1,048	1,218	1,043
2027	195	676	190	499
2028-	2,517	-	2,346	-
<b>Total</b>	<b>5,756</b>	<b>4,211</b>	<b>5,390</b>	<b>3,603</b>

<sup>1)</sup> Including future interest payments.

Maturity structure of lease liabilities<sup>1)</sup>

MSEK, Group	2023	2022
2023	-	378
2024	403	276
2025	328	215
2026	256	174
2027	212	877
2028-	873	-
<b>Total</b>	<b>2,072</b>	<b>1,920</b>

<sup>1)</sup> Nominal values.

MTN-program

A medium-term note (MTN) program was established in December 2015. The bond program has a loan limit of SEK 3 billion for issues on the Swedish capital market. As of December 31, 2023, Lantmännen had a bond of MSEK 1,000 under the program.

Schuldschein

In April 2018, the Schuldschein was issued in the German capital market. The Schuldschein is a German debt instrument that includes a basket of bilateral loan contracts/private placements. The documentation is drawn up under German law and the loan is unsecured. On December 31, 2023, a nominal amount of MEUR 30 was outstanding, distributed as follows: MEUR 15, maturity 7 years, and MEUR 15, maturity 10 years.

Note 24 continued

Maturity structure of loan liabilities to credit institutions by currency

MSEK	Total	2024	2025- 2026	2027- 2028	2029-
EUR	2,346	911	216	299	920
DKK	1,431	38	76	89	1,228
SEK	613	546	67	0	0
<b>Total</b>	<b>4,390</b>	<b>1,495</b>	<b>359</b>	<b>388</b>	<b>2,148</b>
Of which interest	776	118	193	172	293
<b>Total excluding interest</b>	<b>3,614</b>	<b>1,377</b>	<b>166</b>	<b>216</b>	<b>1,855</b>

The table above refers to undiscounted contractual amounts, which deviate from the liabilities reported in the balance sheet.

External currency swaps related to financing of Group companies

MSEK	Group	
	2023	2022
AUD	304	363
DKK	173	1,348
EUR	1,997	2,285
GBP	128	151
NOK	158	58
PLN	234	264
RON	505	166
SEK	-3,586	-4,491
USD	-47	-30
<b>Total</b>	<b>-134</b>	<b>114</b>

All external currency swaps related to the financing of Group companies are in the Parent Company, Lantmännen ek för.

Other interest-bearing liabilities, savings and capital account

Other current liabilities include members' savings of MSEK 1,932 (1,874). Deposits into the capital account amounted to MSEK 2,112 (2,024) of which MSEK 2,112 (2,024) was through Lantmännen Finans AB. These liabilities are formally current and the deposits may be withdrawn with one day's notice. However, experience shows little movement in these liabilities. See [note 23](#).

Other non-current interest-bearing liabilities, consisting mainly of long-term lease liabilities, amount to MSEK 1,551 (1,564).

Maturity structure of derivative instruments, nominal amounts, December 31, 2023

MSEK	2024	2025	2026	2027-	Fair value
Currency derivatives	4,865	-	-	-	206
Interest rate derivatives	-	-	-	844	15
Energy derivatives	269	88	30	30	-24
Commodity derivatives	-641	-	-	-	58
Ethanol derivatives	-621	-	-	-	84
Eurobob derivatives	94	-	-	-	2
<b>Total</b>	<b>3,966</b>	<b>88</b>	<b>30</b>	<b>874</b>	<b>341</b>

Maturity structure of derivative instruments, nominal amounts, December 31, 2022

MSEK	2023	2024	2025	2026-	Fair value
Currency derivatives	7,653	-	-	-	-224
Interest rate derivatives	512	-	-	400	48
Energy derivatives	654	172	123	9	308
Commodity derivatives	-887	-	-	-	116
Ethanol derivatives	-784	-	-	-	152
Eurobob derivatives	95	-	-	-	17
<b>Total</b>	<b>7,243</b>	<b>172</b>	<b>123</b>	<b>409</b>	<b>417</b>

CREDIT AND COUNTERPARTY RISK

Credit and counterparty risk is the risk that the counterparty in a transaction will be unable to discharge its obligations, thereby causing a loss for Lantmännen. The Group's main credit and counterparty risk arises from bank funds, derivative instruments with positive market values and trade receivables. The Group's maximum credit risk corresponds to the carrying amount of the financial assets, as reported in the consolidated balance sheet. Counterparty risk is limited by only accepting counterparties with high creditworthiness according to the established financial policy and by defining the maximum exposure per counterparty according to the counterparty's creditworthiness.

Financial counterparties are selected on the basis of rating criteria, taking into account the spread of counterparty risk and other mutual business interaction. The table below shows the Group's bank funds on December 31, 2023, according to the counterparty's rating at the reporting date.

The Group continuously assesses expected credit losses for bank funds, mainly based on the counterparty's rating. As a result of the counterparties' creditworthiness and the fact that invested bank funds are available on demand, the expected credit losses at the reporting date are immaterial.

Lantmännen has entered into ISDA and CSA agreements with most of the counterparties with which the Group conducts derivative transactions, with the aim of reducing counterparty risk.

Customer credit risk

The credit risk associated with trade receivables is managed through special credit rating reviews. Lantmännen has credit control procedures in place and obtains information about the financial position of customers from various credit-rating agencies. Lantmännen's customer base is well-diversified as a result of the Group having different business areas and operating in several countries and different markets. Lantmännen also conducts active monitoring of trade receivables in order to minimize customer defaults and ensure payment precision. The Group's credit risk in trade receivable is further reduced by the fact that in many cases the Group's customers are also members of the parent association and as such have capital that can be utilized if a customer is unable to discharge its obligations to the Group.

The main basis for the Group's expected credit losses on trade receivables is an individual assessment of each receivable (risk of counterparty failing to discharge its obligation) together with an overall assessment based on the Group's loss history for receivables with similar credit risk.

Lantmännen Finans AB transfers its leasing and hire purchase contracts to Swedbank on an ongoing basis. Swedbank has limited recourse. At 12/31/2023, recourse was MSEK 84 (77). However, the consolidated balance sheet is only affected by the expected loss, which is MSEK 2.8. The amount is reported under other liabilities in the balance sheet.

Further information about trade receivables and the allowance for expected credit losses can be found in [note 20](#).

Financial assets and liabilities measured at fair value in the statement of financial position, December 31, 2023

Assets, MSEK	Level 1	Level 2	Level 3	Total
Derivatives with positive fair value	704	186	-	890
Other financial assets measured at fair value	453	-	173	626
<b>Total assets</b>	<b>1,157</b>	<b>186</b>	<b>173</b>	<b>1,516</b>
<b>Liabilities, MSEK</b>				
Derivatives with negative fair value	510	39	-	549
<b>Total liabilities</b>	<b>510</b>	<b>39</b>	<b>-</b>	<b>549</b>

Note 24 continued

Financial assets and liabilities measured at fair value in the statement of financial position, December 31, 2022

Assets, MSEK	Level 1	Level 2	Level 3	Total
Derivatives with positive fair value	1,286	78	-	1,364
Other financial assets measured at fair value	397	-	179	576
<b>Total assets</b>	<b>1,683</b>	<b>78</b>	<b>179</b>	<b>1,940</b>
Liabilities, MSEK				
Derivatives with negative fair value	788	159	-	947
<b>Total liabilities</b>	<b>788</b>	<b>159</b>	<b>-</b>	<b>947</b>

Fair value hierarchy with information on inputs used to measure fair value

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.

**Level 2:** Inputs other than the quoted prices included in level 1 that are observable for the asset or liability, i.e. quoted prices or data derived therefrom.

**Level 3:** Unobservable inputs for measurement of the asset or liability.

Assets in Level 3 refer to other shares and interests and have been measured at cost of acquisition, which is considered a good reflection of the fair value at the closing date.

As the interest-bearing assets and liabilities of the Parent Company are consistent in all material respects with those of the Group, no special disclosures are provided for the Parent Company.

Financial assets and liabilities by measurement category, December 31, 2023

MSEK	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at amortized cost	Financial assets/ liabilities at fair value through OCI	Derivatives used in hedge accounting	Other derivatives	Total carrying amount	Fair value
<b>ASSETS</b>							
Other shares and interests	-	-	626	-	-	626	626
Other financial assets	2	-	-	8	-	10	10
Other non-current assets	-	146	-	85	-	231	231
Trade and other receivables	-	8,043	-	598	21	8,662	8,662
Current interest-bearing assets	-	169	-	161	16	346	346
Cash and cash equivalents	-	632	-	-	-	632	632
<b>Total assets</b>	<b>2</b>	<b>8,990</b>	<b>626</b>	<b>852</b>	<b>37</b>	<b>10,507</b>	<b>10,507</b>
<b>LIABILITIES</b>							
Non-current interest-bearing liabilities	-	5,634	-	9	-	5,643	5,660
Other non-current liabilities	-	23	-	115	-	138	138
Current interest-bearing liabilities	-	5,949	-	-	30	5,979	6,013
Trade and other payables	-	7,438	-	340	55	7,833	7,833
<b>Total liabilities</b>	<b>-</b>	<b>19,044</b>	<b>-</b>	<b>464</b>	<b>85</b>	<b>19,593</b>	<b>19,644</b>

Financial assets and liabilities by measurement category, December 31, 2022

<b>ASSETS</b>							
Other shares and interests	-	-	571	-	-	571	571
Other financial assets	5	258	-	25	-	288	288
Other non-current assets	-	345	-	315	-	660	660
Trade and other receivables	-	8,087	-	969	3	9,059	9,059
Current interest-bearing assets	-	30	-	23	30	83	83
Cash and cash equivalents	-	355	-	-	-	355	355
<b>Total assets</b>	<b>5</b>	<b>9,075</b>	<b>571</b>	<b>1,332</b>	<b>33</b>	<b>11,016</b>	<b>11,016</b>
<b>LIABILITIES</b>							
Non-current interest-bearing liabilities	-	4,445	-	-	-	4,445	4,372
Other non-current liabilities	-	12	-	151	-	163	163
Current interest-bearing liabilities	-	6,691	-	8	151	6,850	6,814
Trade and other payables	-	8,437	-	638	-	9,075	9,075
<b>Total liabilities</b>	<b>-</b>	<b>19,585</b>	<b>-</b>	<b>797</b>	<b>151</b>	<b>20,533</b>	<b>20,424</b>

Note 24 continued

Offsetting of financial assets and liabilities, December 31, 2023

ASSETS MSEK	Recognized in statement of financial position	Gross amount for financial assets offset against financial liabilities	Amounts not offset in statement of financial position	Net amount
Derivatives <sup>1)</sup>	890	-	125	765
<b>Total</b>	<b>890</b>	<b>-</b>	<b>125</b>	<b>765</b>
LIABILITIES MSEK	Recognized in statement of financial position	Gross amount for financial liabilities offset against financial assets	Amounts not offset in statement of financial position	Net amount
Derivatives <sup>1)</sup>	549	-	125	424
<b>Total</b>	<b>549</b>	<b>-</b>	<b>125</b>	<b>424</b>

Offsetting of financial assets and liabilities, December 31, 2022

ASSETS MSEK	Recognized in statement of financial position	Gross amount for financial assets offset against financial liabilities	Amounts not offset in statement of financial position	Net amount
Derivatives <sup>1)</sup>	1,364	-	100	1,264
<b>Total</b>	<b>1,364</b>	<b>-</b>	<b>100</b>	<b>1,264</b>
LIABILITIES MSEK	Recognized in statement of financial position	Gross amount for financial liabilities offset against financial assets	Amounts not offset in statement of financial position	Net amount
Derivatives <sup>1)</sup>	947	-	100	847
<b>Total</b>	<b>947</b>	<b>-</b>	<b>100</b>	<b>847</b>

<sup>1)</sup> Trading in derivatives is subject to the ISDA agreement, which also regulates the netting of liabilities and receivables in the course of operations and in situations such as breaches of contract or early termination.

## Note 25 Provisions for pensions

### ACCOUNTING POLICIES

Lantmännen has both defined contribution and defined benefit pension plans, most of which are funded.

The value recognized in the statement of financial position is the net of the estimated present value of the defined benefit obligation and the fair value of the plan assets associated with the obligation at the reporting date, either in a pension fund or some other arrangement. The company's obligation is calculated annually by independent actuaries.

A special payroll tax is calculated on the difference between the pension obligation determined according to IAS 19 and determined according to the rules applied in the legal entity. The calculated future payroll tax is reported as part of the pension obligation.

### SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The value of pension obligations for defined benefit pension plans is determined by using actuarial calculations based on assumptions about discount rates, future salary increases, inflation and demographics. The discount rate, which is the most critical assumption, corresponds to the interest rate for high-quality corporate bonds or treasury bonds with a maturity that corresponds to the average term for the obligations and the currency. An interest rate equivalent to the interest rates of high-quality mortgage bonds is used for Swedish plans. These bonds are considered equivalent to corporate bonds as they have a sufficiently deep market to be used as the basis for the discount rate. A lower discount rate increases the present value of the pension obligation and pension cost, while a higher discount rate has the reverse effect.

For certain employees in Sweden insurance premiums are paid to Alecta with regard to commitments under the traditional ITP (individual supplementary pension) plan. The plan is a multi-employer defined benefit plan. At present, Alecta is unable to disclose the information that is required to recognize this plan as a defined benefit plan. Consequently, pensions insured through Alecta, are recognized as a defined contribution plan. MSEK 26 (29) of the cost of MSEK 454 (440) for defined contribution plans relates to Alecta premiums for traditional ITP plans. Alecta's surplus may be distributed to the policyholders and/or the insured. At the end of the year, Alecta's surplus in the form of its collective funding ratio amounted to 157 (172) percent, which is still preliminary. The collective funding ratio reflects the market value of Alecta's assets as a percentage of its insurance obligations, calculated in accordance with Alecta's actuarial assumptions, which do not follow IAS 19.

### OTHER INFORMATION

The largest defined benefit plans are ITP 2 book reserve pensions. ITP 2 book reserve pensions are credit insured through PRI Pensionsgaranti and secured by the Grodden pension fund. Six of Lantmännen's Swedish companies are connected to the fund. Lantmännen pays a lower risk premium to PRI Pensionsgaranti for the parts of the pension liability that are funded in Grodden. There are also funded pension plans in Norway, where one of the companies has pension obligations safeguarded by funds.



*Note 25 continued*

Defined benefit obligations and value of plan assets in the Group:

Defined benefit plans	2023	2022
MSEK		
<i>Funded plans:</i>		
Defined benefit obligations under Swedish PRI		
Pensionsgaranti plans	2,409	1,977
Other defined benefit obligations	94	94
Fair value of plan assets	-2,496	-2,353
<b>Total net value of funded plans</b>	<b>7</b>	<b>-282</b>
Funded plans recognized as a provision	7	-
Funded plans recognized as an asset	-	282
<i>Unfunded plans:</i>		
Other unfunded obligations	42	45
<b>Total unfunded plans</b>	<b>42</b>	<b>45</b>
<b>Provisions for pensions, net</b>	<b>49</b>	<b>-237</b>

Pension plans by country	2023			2022		
	Obligations	Plan assets	Pensions liability (+), asset (-)	Obligations	Plan assets	Pensions liability (+), asset (-)
MSEK						
Sweden	2,410	-2,419	-9	1,978	-2,273	-295
Norway	94	-77	17	94	-80	14
Germany	27	-	27	30	-	30
Other countries	14	-	14	14	-	14
<b>Total</b>	<b>2,545</b>	<b>-2,496</b>	<b>49</b>	<b>2,116</b>	<b>-2,353</b>	<b>-237</b>

The following summary explains how obligations, assets and the net amount changed during the year:

MSEK	2023			2022		
	Defined benefit obligations	Plan assets	Net	Defined benefit obligations	Plan assets	Net
Opening balance	2,116	2,353	-237	2,941	2,329	612
Service cost during the year	18	-	18	37	-	37
Interest recognized in income statement	80	93	-13	51	41	10
Payment of pension benefits	-120	-4	-116	-111	-4	-107
Compensation paid to employer <sup>1)</sup>	-	-70	70	-	-63	63
Payment of contributions by employer <sup>1)</sup>	-	24	-24	-	131	-131
Return on plan assets in excess of recognized interest	-	106	-106	-	-82	82
Remeasurement of pension obligations recognized in OCI	458	-	458	-808	-	-808
Translation differences	-7	-6	-1	6	1	5
<b>Closing balance, pension liability (+), asset (-)</b>	<b>2,545</b>	<b>2,496</b>	<b>49</b>	<b>2,116</b>	<b>2,353</b>	<b>-237</b>
<i>Of which funded plans</i>			7			-282
<i>Of which unfunded plans</i>			42			45

<sup>1)</sup> Compensation from the Swedish pension fund consisted of MSEK 70 (63) to 3 (1) companies in 2023.

3 (5) Swedish companies made payments totaling MSEK 15 (126) into the pension fund in 2023. MSEK 9 (5) was paid into Norwegian plans.

Note 25 continued

Pension cost in the income statement

MSEK	2023	2022
<i>Defined benefit plans</i>		
Cost of pensions accrued during the year	18	37
Interest expense, interest income, net	-13	10
Cost of defined benefit plans	5	47
Cost of defined contribution plans	454	440
<b>Total pension cost in the income statement</b>	<b>459</b>	<b>487</b>
<i>The cost is recognized on the following lines in the income statement</i>		
Employee benefits expense	472	477
Finance costs	-13	10
<b>Total cost relating to pensions</b>	<b>459</b>	<b>487</b>

Specification of plan assets

	2023 MSEK	2022 MSEK	2023 %	2022 %
Property	868	907	35 %	39 %
Fixed-interest investments	580	506	23 %	20 %
Equity investments	916	760	37 %	33 %
Alternative investments	112	104	4 %	5 %
Cash and cash equivalents	20	76	1 %	3 %
<b>Total</b>	<b>2 496</b>	<b>2 353</b>	<b>100 %</b>	<b>100 %</b>

Actuarial assumptions <sup>2)</sup>

	2023	2022
Discount rate	3.25 %	4.00 %
Future salary increases	2.75 %	2.75 %
Inflation	2.00 %	2.00 %
Life expectancy assumptions, Sweden	DUS23	DUS21
Duration	15 years	14 years

<sup>2)</sup> Weighted average, corresponding to the Swedish assumptions, as Swedish plans dominate.

Pension-related remeasurements in OCI

MSEK	2023	2022
<i>Defined benefit plans</i>		
Return on plan assets in excess of what is recognized as interest income in the income statement	106	-82
Experience-based adjustment of obligation	-133	-245
Effects of changes in demographic assumptions	-28	24
Effects of changes in financial assumptions	-297	1 029
<b>Total actuarial gains (+) and losses (-)</b>	<b>-352</b>	<b>726</b>
Tax on above items	72	-150
<b>Total recognized in OCI</b>	<b>-280</b>	<b>576</b>

Equity investments include subordinated debentures of MSEK 46 (46) in Lantmännen ek för. Other holdings under equity investments are mainly related to listed shares.

The Swedish pension fund's return was about 9 (-2) percent in 2023, and a 1 percentage point change in the return would increase or decrease the value of the plan assets by about MSEK 25 (23).

The Swedish funded plans cover active members, 14 (13) percent, paid-up policyholders, 34 (35) percent, and retired persons, 52 (52) percent. Expected payments of pensions under defined benefit pension plans in 2024 are MSEK 126.

Information on pensions for senior executives can be found in [note 6](#).

Sensitivity analysis

Financial assumptions	+0.25 %	-0.25 %
Discount rate	-84	89
Future salary increases	19	-18
Inflation	81	-77
Demographic assumptions	+1 year	-1 year
Life expectancy	88	-88

The sensitivity analysis is calculated by changing one assumption and keeping the others constant. The sensitivity analysis has been carried out on the Swedish pension obligation, which represents 95 percent of the total.

## Note 26 Other provisions

MSEK	Warranty commitments	Actuarial provisions	Restructuring measures	Other	Total 2023	Total 2022
Opening balance	102	220	144	859	1,325	1,145
Provisions during the period	38	2	113	116	269	366
Amounts utilized during the period	-6	-2	-83	-84	-175	-101
Reversals during the period	-6	-10	-	-38	-54	-90
Reclassifications	-2	-	-	2	0	-
Translation differences	-	-	-1	-	-1	5
<b>Carrying amount at end of period</b>	<b>126</b>	<b>210</b>	<b>173</b>	<b>855</b>	<b>1,364</b>	<b>1,325</b>
Of which current provisions	92	84	125	668	969	949
Of which non-current provisions	34	126	48	187	395	376

### Note 26 continued

The year's restructuring provision is mainly related to an improvement program to strengthen the profitability of Lantmännen Machinery in the Agriculture Sector, most of which is expected to be used in 2024.

Other also includes MSEK 105 (115) for silo closure.

The European Commission has ruled that Lantmännen Agroetanol was involved in an infringement of European competition rules in ethanol trading for a period just over 10 years ago. In the light of the above, the Commission has imposed a fine of EUR 47.7 million on Lantmännen ek för and Lantmännen Biorefineries AB (formerly Lantmännen Agroetanol AB) jointly and severally. Lantmännen Biorefineries has recognized a total provision of MSEK 538 in connection with the EU Commission's investigation. MSEK 500 of the amount was recognized in previous years. Lantmännen has cooperated fully with the EU Commission throughout the investigation but contests the findings of the European Commission's decision and will continue to fully exercise its rights of defense, including appealing the decision to the EU Court of Justice. The provision related to the European Commission's investigation is included in Other.

Increases in previously existing provisions are included in the period's provisions.

MSEK 103 of the non-current provisions is expected to be used in 2026 and thereafter.

In corporate groups the size of Lantmännen, there are normally a number of ongoing disputes.

Lantmännen has assessed the most likely outcome of the disputes currently at issue, and where an outflow of financial resources is probable, a corresponding amount has been recognized as a provision.

## Note 27 Other non-current liabilities

MSEK	2023	2022
Derivative instruments, operating	115	151
Other non-current operating liabilities	23	12
Total	138	163

## Note 28 Trade and other payables

MSEK	2023	2022
Trade payables	7,437	8,376
Trade payables, joint ventures/associates	1	61
Contract liabilities from contracts with customers	1,075	1,121
Other current liabilities	1,274	1,201
Derivative instruments, operating	395	638
Accruals and deferred income	2,545	2,393
Total	12,727	13,790

### Accruals and deferred income

MSEK	2023	2022
Accrued personnel-related costs	1,014	964
Accrued grain costs	354	441
Other accruals	1,053	879
Deferred income	124	109
Total	2,545	2,393

## Note 29 Leases – lessees

### ACCOUNTING POLICIES

The Group has leases for assets such as premises, construction machinery, trucks and cars. Lantmännen reports the right-of-use asset, which is not investment property, under property, plant and equipment and the lease liability as an interest-bearing liability, broken down into a current and non-current portion. The right-of-use asset is depreciated on a straight-line basis.

Lantmännen has chosen to apply the exemptions in IFRS 16 and does not recognize right-of-use assets and lease liabilities for short-term leases and low-value leases. Short-term leases are contracts with a lease term of less than 12 months. Low-value leases are contracts where the value of the underlying asset is less than SEK 50,000, such as IT and office equipment. Lease payments for these agreements are recognized as an expense on a straight-line basis over the lease term.

### SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Many leases where Lantmännen is the lessee include extension and termination options which are subject to assessment when the lease term is determined. The options are negotiated by management to provide flexibility in management of the leases and adaptation to the Group's needs. Management makes continuous assessments about whether it is likely that these extensions and termination options will be exercised. This means that a lease term may be extended or shortened based on changing needs, which affects the value of both the right-to-use asset and the lease liability. Assessments of extension and termination options are primarily relevant for the Group's property leases.

### Recognized in income statement

MSEK	2023	2022
Depreciation of right-of-use assets	430	446
Interest expenses, lease liabilities	66	45
Costs attributable to short-term leases	34	49
Costs attributable to low-value leases	50	52
Costs attributable to variable lease payments not included in the lease liability measurement	132	92
Revenue from subleasing of right-of-use assets	15	41

Information on lease liabilities can be found in [note 23](#), Interest-bearing liabilities, and a maturity analysis of lease liabilities is presented in [note 24](#), Financial instruments and financial risk management.

Total cash flow for leases, including variable payments and low-value leases, amounted to MSEK 669 (652), of which MSEK 34 (49) was attributable to costs of leases with terms of 12 months or less and MSEK 50 (52) to low-value leases.

➔ Note 9, Finance income and costs, contains information on interest expenses on lease liabilities.

The carrying amount of the right-of-use assets at the reporting date is reported in [note 13](#), Property, plant and equipment.

## Note 30 Leases – lessors

Lantmännen's main leasing operations comprise the Real Estate Business Area's leasing of premises and the Swecon Business Area's construction machinery rental operations. The construction machinery rental business occurs mainly in Swecon's international operations. Swecon's machinery rental customers (lessees) are obliged to ensure that the machine is regularly maintained and returned in good condition. If the lessee uses the machine in addition to the agreed hours, these hours will also be also invoiced. It is not permitted to sublease a machine or transport it abroad.

Leasing out of assets under finance leases occurs to a very limited extent, and outstanding receivables are well below MSEK 1 for both years.

### Operating leases

For machines and premises leased to customers and tenants under operating leases, future payments under non-cancelable leases fall due as follows:

Minimum lease payments due MSEK	2023	2022
Within one year	307	285
Between one and five years	457	390
After five years	44	45
<b>Total</b>	<b>808</b>	<b>720</b>

The total minimum lease payments are distributed as follows: premises MSEK 401 (379) and machinery MSEK 407 (341).

Lease revenue amounted to MSEK 848 (751), of which MSEK 32 (24) was attributable to variable lease payments.

## Note 31 Related party transactions

By virtue of its control, the Parent Company has a related party relationship with its subsidiaries and sub-subsidiaries. By virtue of their significant influence, the Group and Parent Company have a related party relationship with their associates, which include directly and indirectly owned companies.

"Lantmännens Gemensamma Pensionsstiftelse Grodden" is a post-employment benefit plan for employees of companies in the Lantmännen Group. As such, the fund is considered to be a related party.

Intra-Group purchases and sales of goods and services are conducted at market prices.

The association's Board members have significant influence over the Parent Company and are therefore considered to be related parties.

The purpose of an economic association is to promote its members' economic interests through trade with them. To this end, purchases and sales of goods and services are conducted with individual Board members who are also members of the association. These individual Board members also participate in the financing of the association. As all these transactions have occurred in accordance with the association's purpose and under the conditions applicable to other members, the amounts involved are not disclosed.

Salaries and similar benefits received by senior executives are reported in [note 6](#). Dividends from subsidiaries and joint ventures/associates are shown in [notes 16 and 39](#). Receivables from and liabilities to joint ventures/associates are shown in [notes 17, 20, 21, 23, 27 and 28](#).

Related party transactions	2023	2022
Intra-group purchases, share of total purchases, %	12	13
Intra-group sales, share of total sales, %	10	10
Purchases of goods and services from joint ventures and associates, MSEK	864	958
Sales of goods and services to joint ventures and associates, MSEK	724	774
Transfer of capital to Lantmännens Gemensamma Pensionsstiftelse Grodden (pension fund), MSEK	15	126
Transfer of capital from pension fund to Lantmännen, credited, MSEK	70	63
Rent paid to pension fund, MSEK	58	60
Sales of goods and services to pension fund, MSEK	49	17
Acquisition of property from pension fund, MSEK	-	246

## Note 32 Government grants

Government grants are recognized in the statement of financial position and the income statement when there is reasonable assurance that the Group will comply with any conditions attached to the grant and the grant will be received. Grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate. If the government grant or assistance is neither related to the acquisition of assets nor to compensation of costs, it is recognized as other income.

MSEK	2023	2022
Grants recognized as revenue	19	14
Grants that reduced expenses	11	41
<b>Total</b>	<b>30</b>	<b>55</b>
Grants during the year that reduced the value of non-current assets	-	5
Grants recognized as deferred income at the reporting date	38	-

The decrease in grants that reduced expenses is due to rule changes in Norway.



## Note 33 Acquisitions and divestments

### ACQUISITIONS AND DIVESTMENTS

No significant acquisitions or divestments with regard to subsidiaries were made in 2023.

### ACQUISITIONS 2022

The following acquisitions of subsidiaries were made in 2022.

2022											
Company	Operations	Acquisition date	Purchase price, MSEK	Acquisition-related costs, MSEK	Goodwill, MSEK	Other intangible assets, MSEK	Property, plant & equipment, MSEK	Annual sales, MSEK	Av. no. of employees	Acquired interest	Holding after acquisition
Gimmersta Agrovärme	Heating	Jan 2022	9	0	-	23	94	14	-	50 %	100 %
Coryton Advanced Fuels	Energy	Feb 2022	53	9	81	145	102	298	60	100 %	100 %
Scandbio	Energy	Apr 2022	200	1	23	35	177	1,108	124	50 %	100 %
Kewab Rental	Machine rental	May 2022	130	1	42	20	238	115	3	100 %	100 %
Myllyn Paras	Food	Jun 2022	724	32	430	489	161	784	123	100 %	100 %
Other smaller acquisitions	Agriculture	Aug 2022	0	0	-	-	4	743	26	100 %	100 %

At the end of 2021, Lantmännen owned 50 percent of Gimmersta Agrovärme and the remaining 50 percent was acquired in January 2022. Gimmersta Agrovärme is active in the supply of district heating.

In February 2022, Aspen from the Energy Sector acquired the UK company Coryton Advanced Fuels, which develops and produces bespoke fuels.

At the end of 2021, Lantmännen owned 50 percent of Scandbio and the remaining 50 percent was acquired in April 2022.

In May 2022, Swecon acquired the Swedish rental company Kewab Rental, which specializes in long-term rental of Volvo machines.

The acquisition of the Finnish Myllyn Paras food group was completed in June 2022.

The acquisition balance sheet for Myllyn Paras on December 31, 2022 was preliminary. For all other acquisitions in 2022, the acquisition balance sheets on 31 December 2022 were final.

The companies are consolidated as subsidiaries using the acquisition method.

For information on the fair value of net assets in acquired operations, see [→](#) below and note 35 Notes to the statement of cash flows.

### Acquisition balance sheets

Acquisition price, MSEK	2022 <sup>1)</sup>
Cash/Loan repayment	1,105
Additional consideration, recognized as liability	10
Acquisition-date value according to equity method	203
Remeasurement effect recognized in income statement	22
<i>Acquired assets and liabilities at fair value</i>	
Intangible assets	712
Property, plant and equipment	776
Inventories	340
Trade receivables	340
Other current and non-current assets	50
Trade payables	-302
Other liabilities	-540
<b>Net assets acquired, total</b>	<b>1,376</b>
Cash and cash equivalents	186
Loans	-814
<b>Acquired net debt</b>	<b>-628</b>
Non-controlling interest	-
Goodwill	576
<b>Total</b>	<b>1,324</b>
Acquisition-related costs, reported as	
Other operating expenses	43

<sup>1)</sup> Includes acquisitions of the companies Gimmersta Agrovärme, Scandbio, Coryton Advanced Fuels, Kewab Rental and Myllyn Paras and other small acquisitions.

The above values include fair value adjustments to the carrying amounts of the companies' identifiable assets and liabilities made when preparing the acquisition balance sheets. These adjustments are shown below:

MSEK	2022
Intangible assets	1,284
Property, plant and equipment	41
Deferred tax liabilities	-157

*Note 33 continued*

Effect of acquired companies on the consolidated income statement	
MSEK	2022
Net sales	1,937
Operating income from companies	240
Operating income from acquisition adjustments, excluding acquisition costs	-34
<b>Operating income, total</b>	<b>206</b>

Sales and income if acquisitions had been at beginning of the year	
MSEK	2022
Net sales	3,062
Operating income from companies	288
Operating income from acquisition adjustments, excluding acquisition costs	-67
<b>Operating income, total</b>	<b>221</b>

**DIVESTMENTS 2022**

The following subsidiaries were divested in 2022.

2022								
Company	Operations	Sale date	Consolidated net sales 2022, MSEK	Consolidated net sales 2021, MSEK	Av. no. of employees 2022	Av. no. of employees 2021	Divested interest	Holding after divestment
LM Agrovärme	District heating	Sep 22	75	97	12	13	100 %	0 %

In September 2022, Lantmännen divested the Lantmännen Agrovärme Group, which operates in district heating. The sale generated a capital gain of MSEK 707 and a positive cash flow of MSEK 1,066.

For information on the fair value of net assets in divested operations → note 35, Notes to the statement of cash flows.

Effect on the Group's cash and cash equivalents	
MSEK	2022
Consideration paid for the year's acquisitions/loan repayments	1,115
Takeover of loans	814
Cash and cash equivalents in acquired companies	-186
<b>Total</b>	<b>1,743</b>

**Reclassification as associates**

Russia's war in Ukraine and the subsequent sanctions prompted Lantmännen to separate the Russian bakery operations from the rest of the Group in 2022 as a step in a potential divestment. Lantmännen concluded that it could no longer exercise full control over the Russian operations. The assessment was that control had now become significant influence and the companies in Russia were reclassified from subsidiaries to associates in December 2022 and deconsolidated. The reclassification did not have any earnings effect.

Company	Operations	Reclassification date	Consolidated net sales 2022, MSEK	Consolidated net sales 2021, MSEK	Av. no. of employees 2022	Av. no. of employees 2021	Ownership	Ownership after reclassification
Orient Products LLC	Bakery	Dec 22	37	102	231	220	100 %	100 %
LM Unibake LLC	Bakery	Dec 22	65	253	346	343	100 %	100 %

**Assets and liabilities of reclassified subsidiaries**

The fair values of the net assets of subsidiaries reclassified as associates are shown in the table below.

MSEK	2022
Property, plant and equipment	521
Intangible assets, including goodwill	133
Inventories	61
Trade receivables	106
Other current and non-current assets	36
Cash and cash equivalents	59
Trade payables	-62
Other liabilities	-348
Translation differences recognized in equity	-118

After reclassification, the fair value of the investments in the associates Orient Products LLC and LM Unibake LLC and subsidiaries amounts to MSEK 89 and MSEK 299 on December 31, 2022.

## Note 34 Pledged assets and contingent liabilities

MSEK	For own financial liabilities	Other commitments	Total pledged assets	
			2023	2022
Real estate mortgages	1,026	-	1,026	571
Bank accounts	-	17	17	80
<b>Total</b>	<b>1,026</b>	<b>17</b>	<b>1,043</b>	<b>651</b>

Real estate mortgages have been provided for the liabilities of the Parent Company in the amount of MSEK 1,026 (560), of which MSEK 440 (320) relates to properties owned by subsidiaries.

### Contingent liabilities

MSEK	2023	2022
Guarantees for		
- joint ventures	817	835
- others	83	-
Other contingent liabilities	155	91
<b>Total</b>	<b>1,055</b>	<b>926</b>

## Note 35 Notes to the statement of cash flows

MSEK	2023	2022
<b>1) Interest paid and dividends received</b>		
Dividends received	9	5
Interest received	150	107
Interest paid	-502	-266
Realized exchange gains/losses	26	-12
Other financial payments	-30	-11
<b>Total</b>	<b>-347</b>	<b>-177</b>
<b>2) Acquisition of operations</b>		
<i>Assets and liabilities acquired</i>		
Property, plant and equipment	-	776
Intangible assets, including goodwill	26	1,288
Inventories	-	340
Trade receivables	-	340
Other current and non-current assets	-	50
Cash and cash equivalents	-	186
	26	2,980
Financial liabilities	-	985
Trade payables	-	302
Operating liabilities	5	369
	5	1,656
<b>Net assets acquired</b>	<b>21</b>	<b>1,324</b>
Repayment of loans in acquired companies	-	814
Purchased interests in associates*	42	84
Purchase of non-controlling interests	-	-209
Purchase consideration paid	63	2,013
Cash and cash equivalents in acquired operations	-	-186
<b>Effect on cash and cash equivalents</b>	<b>63</b>	<b>1,827</b>

MSEK	2023	2022
<b>3) Divestment of operations</b>		
<i>Assets and liabilities divested</i>		
Property, plant and equipment	-	324
Intangible assets, including goodwill	-	26
Inventories	-	4
Trade receivables	-	13
Other current and non-current assets	600	4
<b>Cash and cash equivalents</b>	<b>-</b>	<b>-</b>
	600	371
Financial liabilities	-	297
Trade payables	-	3
Operating liabilities	-	9
Capital gains/losses	386	-707
	386	-398
Consideration received	214	769
Repayment of loans in divested companies	171	297
<b>Effect on cash and cash equivalents</b>	<b>385</b>	<b>1,066</b>
<b>4) Change in interest-bearing liabilities and pensions</b>		
Change in interest-bearing liabilities, net	2	875
Change of pensions	-70	-175
<b>Total</b>	<b>-68</b>	<b>700</b>
<b>5) Cash and cash equivalents</b>		
Cash and bank balances	632	255
Short-term investments, maturity less than 3 months	-	100
<b>Total</b>	<b>632</b>	<b>355</b>

Further information on acquired operations can be found in [note 33](#).

\* Including shareholder contributions.

The Group's total liquidity reserve, defined as cash, bank deposits and credit available under the provisions of applicable loan agreements, was MSEK 8,374 (7,646) at the end of the year.

## Notes to the Parent Company financial statements

### Note 36 Breakdown of revenue

MSEK	2023	2022
Net sales		
Sales of goods	18,901	20,306
Service contracts	501	451
License revenue, seed and forages	61	62
Leasing activities	66	57
Other	4	4
<b>Total</b>	<b>19,533</b>	<b>20,880</b>
Other operating income		
Services	110	110
Capital gains	1	341
Other license revenue	76	85
Other	54	1,455
<b>Total</b>	<b>241</b>	<b>1,991</b>

Services and Other license revenue are primarily revenue from Group companies. With effect from 2023, results from currency derivatives are reported on a net basis on the line 'Other' under Other operating income. They were previously reported on a gross basis under Other operating income and Other operating expenses.

Customers outside Sweden accounted for approximately 19 (18) percent of the Parent Company's total net sales.

### Note 37 Fees and reimbursement of expenses to auditors

MSEK	2023	2022
<i>Ernst &amp; Young</i>		
Annual audit	6	4
Tax consultancy services	-	1
<b>Total</b>	<b>6</b>	<b>5</b>
<i>Member representative auditors</i>		
Annual audit	1	1

### Note 38 Operating income

#### ACCOUNTING POLICIES

##### Leases

In the Parent Company, lease payments are recognized as an expense on a straight-line basis over the lease term. The Parent Company only acts as a lessee.

#### OTHER INFORMATION

##### Related party transactions

Related party transactions in the Parent Company's operating income are shown below. In this context, transactions with members in accordance with the Association's objectives are not considered related party transactions. Salaries and similar benefits received by senior executives are reported in → note 6. Dividends from subsidiaries and associates are shown in → note 39.

	2023	2022
Intra-group purchases, share of total purchases, %	8	3
Intra-group sales, share of total sales, %	22	21
Purchases of goods and services from joint ventures/ associates, MSEK	646	727
Sales of goods and services to joint ventures/ associates, MSEK	598	492
Receipts from Grodden pension fund, MSEK	52	63

##### Leases

Operating expenses include operating lease costs of MSEK 97 (89). Future obligations under non-cancelable operating leases are reported below.

#### Note 38 continued

Minimum lease payments due MSEK	2023	2022
Within one year	56	54
Between one and five years	186	179
After five years	237	272
<b>Total</b>	<b>479</b>	<b>505</b>

### Note 39 Income from investments in Group companies and joint ventures/associates

Income from investments in Group companies MSEK	2023	2022
Dividend	241	213
Capital gain on disposal of shares	-	768
Impairment	-159	-716
<b>Total</b>	<b>82</b>	<b>265</b>

Dividends were received from, among others, Lantmännen Energi AB, Scandbio AB and Swecon Anläggningsmaskiner AB. The impairment refers to the holding in Lantmännen Cerealia Oy, Lantmännen Energi AB and Lantmännen Industrifastigheter i Bjuv AB.

The previous year's income includes dividends from Gyllebo Gödning AB and Swecon Anläggningsmaskiner AB. The capital gain is mainly related to the sale of Lantmännen Agrovärme AB and the impairment refers mainly to the holding in Lantmännen Cerealia AB and Lantmännen Cerealia Finland Oy.

Income from investments in joint ventures/associates MSEK	2023	2022
Dividend	48	4
Capital gain on disposal of shares	25	621
Reversal of impairment	-	15
<b>Total</b>	<b>73</b>	<b>640</b>

Dividends were mainly received from team SE. The capital gain is mainly attributable to the sale of Swevet Holding AB.

The previous year's income includes a dividend from Viking Malt Oy. The capital gain refers to the conversion of shares in Hauptgenossenschaft Nord AG (HaGe Kiel) into newly issued shares in the German company team SE. The impairment reversal refers to Scandbio AB.

### Note 40 Income from other securities and receivables classified as non-current assets

MSEK	2023	2022
Dividend	1	4
Impairment	-18	-
<b>Total</b>	<b>-17</b>	<b>4</b>

### Note 41 Exchange differences affecting income

MSEK	2023	2022
Exchange differences affecting operating income	-199	-247
<i>Exchange differences in financial items</i>		
Exchange differences in financial items, external	10	-914
Exchange differences in financial items, internal	-2	640
<b>Total</b>	<b>8</b>	<b>-274</b>



## Note 42 Taxes

### ACCOUNTING POLICIES

In the Parent Company, deferred tax on untaxed reserves is not reported separately.

#### Tax on income for the year

MSEK	2023	2022
Current tax expense (-)/tax income (+)		
Tax expense for the period	-182	-182
Foreign tax	-10	-4
Adjustment of tax attributable to prior years	1	11
<b>Total current tax</b>	<b>-191</b>	<b>-175</b>
Deferred tax expense (-)/tax income (+)		
Deferred tax arising from changes in temporary differences	35	51
<b>Total deferred tax</b>	<b>35</b>	<b>51</b>
<b>Total recognized tax expense</b>	<b>-156</b>	<b>-124</b>

#### Tax items recognized through other comprehensive income

MSEK	2023	2022
Current tax		
Financial assets at fair value through other comprehensive income	4	-4
Cash flow hedges	71	-73
<b>Total tax effects in other comprehensive income</b>	<b>75</b>	<b>-77</b>

#### Deferred tax asset/tax liability

MSEK	2023			2022		
	Deferred tax asset	Deferred tax liability	Net	Deferred tax asset	Deferred tax liability	Net
Land and buildings	-	4	-4	-	4	-4
Intangible assets	-	5	-5	-	-	0
Other provisions	30	-	30	28	-	28
Other	38	-	38	5	-	5
<b>Total</b>	<b>68</b>	<b>9</b>	<b>59</b>	<b>33</b>	<b>4</b>	<b>29</b>
Offsetting of assets/liabilities	-9	-9	0	-4	-4	0
<b>Total, net deferred tax asset</b>	<b>59</b>	<b>0</b>	<b>59</b>	<b>29</b>	<b>0</b>	<b>29</b>

Deferred tax assets and deferred tax liabilities are offset against each other and the net receivable is recognized in the balance sheet.

#### Change in deferred tax on temporary differences and loss carryforwards

MSEK	2023				2022			
	Amount at beginning of year	Recognized in income statement	Changes on merger	Amount at end of year	Amount at beginning of year	Recognized in income statement	Changes on merger	Amount at end of year
Land and buildings	-4	-	-	-4	-4	-	-	-4
Intangible assets	-	-	-5	-5	-	-	-	0
Other provisions	28	2	-	30	27	1	-	28
Other	5	33	-	38	-44	49	-	5
<b>Total</b>	<b>29</b>	<b>35</b>	<b>-5</b>	<b>59</b>	<b>-21</b>	<b>50</b>	<b>-</b>	<b>29</b>

Reconciliation of effective tax	2023		2022	
	Percent	MSEK	Percent	MSEK
Income before tax		1,770		2,273
Anticipated tax according to enacted Swedish tax rate	20.6 %	-364	20.6 %	-468
Non-deductible expenses	0 %	-6	1 %	-23
Impairment of shares	2 %	-32	6 %	-145
Tax-exempt capital gains	0 %	5	-13 %	286
Tax-exempt dividend	-3 %	60	-2 %	46
Tax attributable to prior years	0 %	1	-1 %	12
Effect of special tax rules for economic associations	-7 %	124	-6 %	135
Effect of temporary differences on which deferred tax is not recognized	0 %	-	0 %	1
Effect of negative net interest income taken over from Group companies	-3 %	56	-1 %	29
Other	0 %	-	0 %	3
<b>Recognized effective tax</b>	<b>9 %</b>	<b>-156</b>	<b>5 %</b>	<b>-124</b>

## Note 43 Intangible assets

### ACCOUNTING POLICIES

The Parent Company recognizes the value of trademarks at cost less any accumulated amortization and impairment losses.

MSEK	Trademarks and customer relationships		Patents and licenses		Capitalized development expenses		Total intangible assets	
	2023	2022	2023	2022	2023	2022	2023	2022
Accumulated cost of acquisition	326	300	1	1	384	377	711	678
Accumulated amortization	-123	-105	-1	-1	-291	-276	-415	-382
Accumulated impairment	-	-	-	-	-58	-57	-58	-57
Carrying amount	203	195	0	0	35	44	238	239
Balance at beginning of year	195	210	0	0	44	143	239	353
Investments	-	-	-	-	7	8	7	8
Merger with subsidiary	26	-	-	-	-	-	26	0
Sales and disposals	-	-	-	-	-	-67	0	-67
Regular amortization for the year	-18	-15	-	-	-15	-27	-33	-42
Impairment for the year	-	-	-	-	-1	-13	-1	-13
Carrying amount	203	195	0	0	35	44	238	239

The Korvbrödsbagarn brand is owned by Lantmännen ek för. This brand is of strategic importance and has an amortization period of 20 years in the Parent Company.

## Note 44 Property, plant and equipment

MSEK	Land <sup>1)</sup>		Buildings		Total land and buildings	
	2023	2022	2023	2022	2023	2022
Accumulated cost of acquisition	231	200	916	858	1,147	1,058
Accumulated depreciation	-75	-69	-636	-624	-711	-693
Accumulated impairment	-	-	-25	-25	-25	-25
Carrying amount	156	131	255	209	411	340
Balance at beginning of year	131	130	209	201	340	331
Regular depreciation for the year	-6	-5	-15	-13	-21	-18
Reclassifications	31	6	61	21	92	27
Carrying amount	156	131	255	209	411	340

<sup>1)</sup> Including land improvements.

MSEK	Plant and machinery		Equipment, tools, fixtures & fittings		Construction in progress		Total other non-current assets	
	2023	2022	2023	2022	2023	2022	2023	2022
Accumulated cost of acquisition	3,601	3,377	540	499	222	242	762	741
Accumulated depreciation	-2,824	-2,737	-432	-413	-	-	-432	-413
Accumulated impairment	-134	-134	-19	-19	-	-	-19	-19
Carrying amount	643	506	89	67	222	242	311	309
Balance at beginning of year	506	484	67	59	242	129	309	188
Investments	-	-	-	-	340	264	340	264
Regular depreciation for the year	-89	-77	-19	-17	-	-	-19	-17
Reclassifications	226	99	41	25	-360	-151	-319	-126
Carrying amount	643	506	89	67	222	242	311	309

## Note 45 Investment property

MSEK	Land <sup>1)</sup>		Buildings		Total investment property	
	2023	2022	2023	2022	2023	2022
Accumulated cost of acquisition	9	8	28	28	37	36
Accumulated depreciation	-3	-3	-15	-14	-18	-17
Carrying amount	6	5	13	14	19	19
Balance at beginning of year	5	5	14	14	19	19
Impairment for the year	-	-	-1	-	-1	0
Reclassifications	1	-	-	-	1	0
Carrying amount	6	5	13	14	19	19

<sup>1)</sup> Including land improvements.

Properties where less than 10 percent of the space is used for the Parent Company's own activities are classified as investment properties.

### Changes in fair value

MSEK	2023	2022
Fair value at beginning of year	62	62
Fair value changes	3	-
Reclassifications	1	-
Fair value at end of year	66	62

All investment properties have been valued according to hierarchy level 3, i.e. based on unobservable inputs and according to the methods described below.

Fair value has been determined on the basis of internal assessments. Property sales carried out during the year have also been reconciled.

The value has been estimated using the following measurement methods:

- In the majority of cases the market price method has been used, where sales of equivalent properties in the market are used to support the valuation.

- Net present value, using cash flow calculations, where the properties' future net operating income and estimated residual value have been calculated at the present value.
- In certain cases, net present value using the net capitalization method has been calculated, where a normalized figure for net operating income is seen in relation to a market-adjusted direct return requirement.

### Investment properties' effect on income for the period

MSEK	2023	2022
Rental income	8	7
Direct costs, including costs for repair and maintenance		
- Properties that generate rents	-3	-4
Net operating income	5	3

Investment properties with a carrying amount of MSEK 9 are pledged as security for the Parent Company's borrowing. The estimated fair value is MSEK 29.

## Note 46 Investments in Group companies

### ACCOUNTING POLICIES

The Parent Company recognizes all investments in subsidiaries at cost, adjusted where applicable for shareholder contributions and accumulated impairment.

MSEK	2023	2022
Accumulated cost of acquisition	15,993	14,284
Accumulated write-ups	200	200
Accumulated impairment	-2,269	-2,110
Carrying amount	13,924	12,374
Balance at beginning of period	12,374	11,614
Acquisitions/shareholder contributions	1,729	1,377
Impairment for the year	-159	-716
Divestments	-	-94
Merger with subsidiary	-20	-
Reclassifications	-	193
Carrying amount	13,924	12,374

### OTHER INFORMATION

Acquisitions/shareholder contributions includes MSEK 20 for the acquisition of HJM Spannmål AB, which was merged with Lantmännen ek för during the year, and shareholder contributions of MSEK 1,703 to Lantmännen Unibake Holding AB and MSEK 6 to Lantmännen Industrifastigheter i Bjuv AB.

Impairment for the year is distributed as follows: Lantmännen Energi AB, MSEK 16, Lantmännen Industrifastigheter i Bjuv AB, MSEK 6, and Lantmännen Cerealia Oy, MSEK 137.

The previous year's acquisitions/shareholder contributions include the acquisition of Myllyn Paras and shareholder contributions to Lantmännen Cerealia AB and Lantmännen Finans AB. The previous year's impairment is related to Lantmännen Cerealia AB and Lantmännen Cerealia Oy. Lantmännen Agrovärme AB was divested in 2022.

Note 46 continued

Parent Company and Group holdings of interests in Group companies, December 31, 2023

This overview comprises directly-held subsidiaries, as well as indirectly-held companies with revenues exceeding MSEK 200.

					2023
Company name			Number of		Carrying
<i>Shares and interests in Swedish subsidiaries</i>	Corporate ID no.	Domicile	participations	Share, %	amount, MSEK
Lantmännen Animalieinvest AB	556951-0687	Stockholm	160,529	100.0	126
Lantmännen Aspen AB	556329-9519	Gothenburg	3,850	100.0	180
Coryton Advanced Fuels Ltd	07232065	Essex	1,282,012	100.0	
SAS Marline	382959039	Brières-les-Scellés	1,200	100.0	
Lantmännen BioAgri AB	556056-1283	Stockholm	20,000	100.0	16
Lantmännen Biorefineries AB	556028-0611	Norrköping	50,000	100.0	662
Lantmännen Cerealia AB	556017-2222	Stockholm	200,000	100.0	929
Lantmännen Cerealia A/S	69120717	Vejlje	1	100.0	
Lantmännen Energi AB	556118-3954	Stockholm	400	100.0	21
Lantmännen Fastigheter AB	556017-8443	Stockholm	3,000	100.0	34
Lantmännen Finans AB	556664-8118	Stockholm	2,000,000	100.0	347
Lantmännen Functional Foods AB	559199-5104	Stockholm	50,000	100.0	7
Lantmännen Industrifastigheter i Bjuv AB	556679-2353	Malmö	3,650	100.0	12
Lantmännen Krafft AB	556156-4039	Malmö	5,000	100.0	1
Lantmännen Maskin AB	556005-7639	Malmö	10,000	100.0	310
Lantmännen Medical AB	556530-9720	Stockholm	100	100.0	39
Lantmännen Service AB	556831-3695	Stockholm	500	100.0	0
Lantmännen Seed AB	556001-5272	Svalöv	298,667	100.0	160
Lantmännen Oats AB	556813-6773	Stockholm	50,000	100.0	30
Lantmännen Unibake Holding AB	556992-5752	Stockholm	1,000	100.0	8,499
Lantmännen Schulstad A/S	10245613	Copenhagen	100,300	100.0	
Lantmännen Unibake Australia Pty Ltd.	ABN 42082982483	Mordialloc	12	100.0	
Lantmännen Unibake Denmark A/S	29219354	Horsens	100,000	100.0	
Lantmännen Unibake Estonia AS	12140752	Tallinn	250	100.0	
Oy Lantmännen Unibake Ab Finland	1463476-8	Helsinki	100	100.0	
Lantmännen Unibake GmbH & Co KG	HRA 27086 HB	Bremen		100.0	
Lantmännen Unibake Londerzeel NV	BE 0427655.479	Londerzeel	4,250	100.0	
Lantmännen Unibake Moesron	BE 0461.118.402	Moeskroen	18,000	100.0	
Lantmännen Unibake Norway AS	989135082	Langhus	3,405,694	100.0	
Lantmännen Unibake Poland Sp. z o.o.	KRS8038	Poznan	23,250	100.0	
Lantmännen Unibake Romania S.A.	J23/1395/2016	Pantelimon	120,908,920	100.0	
Lantmännen Unibake Spain S.L.U.	B61867545	Barcelona	100	100.0	
Lantmännen Unibake Sweden AB	556186-7796	Örebro	100,000	100.0	
Lantmännen Unibake UK Ltd	03358553	Milton Keynes	48,010,000	100.0	
Lantmännen Unibake USA, Inc	36-4034179	Chicago	50,000	100.0	
AS Leibur	10224864	Tallinn	740	100.0	
Swecon Baumaschinen GmbH	HRB 48780	Ratingen	1	100.0	
UAB Vilniaus douna	125374462	Vilnius	1,000	100.0	
Vaasan Oy	1098322-3	Helsinki	3,995,398	100.0	
Cgrain AB	556932-8023	Uppsala	108,744	92.7	29
DataVäxt AB	556733-2969	Grästorp	530	53.0	76
Dirual Försäkring AB	516406-1078	Stockholm	50	100.0	250
Gyllebo Gödning AB	556179-2911	Lidköping	2,000	66.7	0
Nötcenter Viken AB	556559-4503	Falköping	9,000	100.0	7
Rural Patent Svenska AB	556530-9654	Stockholm	100	100.0	0
Scandbio AB	556215-0606	Jönköping	60,000	100.0	394
Swecon Anläggningsmaskiner AB	556575-1137	Eskilstuna	500,000	100.0	402
Åhus Stuveriintressenter AB	556039-8256	Åhus	6,003	50.0	0
<i>Shares and interests in foreign subsidiaries</i>					
Lantmännen Agro A/S	10095921	Nyborg	500	100.0	10
Lantmännen Agro Oy	2825061-8	Helsinki	250	100.0	83
Ismo Lindell Oy	2929002-1	Kouvola	1,000	100.0	
JS Perttula Oy	2759038-9	Riihimäki	100	100.0	
Lantmännen Maatalouskauppa Oy	3265765-6	Åbo	100	100.0	
Lantmännen Agro Kauppiat Oy	3323384-7	Helsinki	100	100.0	117
Lantmännen Cerealia AS	910629085	Nesttun	17,968,129	100.0	222
Lantmännen Cerealia Oy	2725608-1	Helsinki	240,100	100.0	950
Lantmännen Fastigheter Naverland A/S	35530592	Glostrup	1,000,000	100.0	11
<b>TOTAL, PARENT COMPANY</b>					<b>13,924</b>



## Note 47 Inventories

MSEK	2023	2022
Raw materials and consumables	48	371
Products in progress	347	787
Finished goods	2,045	1,938
Merchandise	395	691
Advances to suppliers	63	124
<b>Total</b>	<b>2,898</b>	<b>3,911</b>

MSEK 123 (118) of the total value of inventories relates to goods measured at net realizable value.

## Note 48 Trade receivables

MSEK	2023	2022
Age analysis of trade receivable incl. receivables from joint ventures/associates		
Receivables, not yet due	2,245	2,475
Receivables, past due		
≤ 30 days	175	107
31-60 days	26	19
61-90 days	10	7
> 90 days	28	20
<b>Total</b>	<b>2,484</b>	<b>2,628</b>
Allowance for expected credit losses	-38	-32
<b>Total</b>	<b>2,446</b>	<b>2,596</b>

Trade receivables include the financing service, which means that the credit period may be extended by up to 11 months.

Trade receivables also include trade receivables of MSEK 46 (78) from joint ventures/associates. These are reported with other receivables from joint ventures/associates in the statement of financial position.

### Allowance for expected credit losses

MSEK	2023	2022
Allowance at beginning of year	-32	-31
New allowance for expected losses	-12	-10
Utilization of allowance for established losses	2	7
Reversal of provisions no longer required	4	2
<b>Allowance at end of year</b>	<b>-38</b>	<b>-32</b>

For information about credit quality of trade receivables, see [note 24](#).

## Note 49 Prepayments and accrued income

MSEK	2023	2022
Prepaid expenses	162	149
Accrued bonuses and discounts	20	22
Other accrued income	16	24
<b>Total</b>	<b>198</b>	<b>195</b>

## Note 50 Equity

The Board of Lantmännen ek för proposes that the Parent Company's unappropriated earnings of TSEK 10,670,754 be allocated as follows:

TSEK	2023 <sup>1)</sup>	2022 <sup>2)</sup>
Refund and supplementary payment	324,076	373,981
Contribution dividend	453,395	402,678
Contribution issue	422,500	302,832
Dividend on subordinated debentures	20,000	15,000
Carried forward	9,450,783	9,330,070
<b>Total</b>	<b>10,670,754</b>	<b>10,424,561</b>

<sup>1)</sup> Proposed dividend

<sup>2)</sup> Outcome

## Note 51 Other appropriations and untaxed reserves

### ACCOUNTING POLICIES

The Parent Company accounts for group contributions according to the alternative rule in RFR2, whereby both group contributions received and made are reported as an appropriation.

### Untaxed reserves

MSEK	2023	2022
Accelerated accumulated depreciation/amortization		
- Intangible assets	210	207
- Machinery and equipment	372	325
<b>Total</b>	<b>582</b>	<b>532</b>

### Other appropriations

MSEK	2023	2022
Change in intangible assets for the year	-3	32
Change in property, plant and equipment for the year	-47	-13
<b>Total</b>	<b>-50</b>	<b>19</b>

### Group contributions

MSEK	2023	2022
Group contributions paid	-6	-35
Group contributions received	1,402	1,141
<b>Total</b>	<b>1,396</b>	<b>1,106</b>

## Note 52 Provisions for pensions

### ACCOUNTING POLICIES

The Parent Company applies the Pension Obligations Vesting Act and the Swedish Financial Supervisory Authority's rules on defined benefit pensions. The accounting follows RFR 2.

### OTHER INFORMATION

The Parent Company's defined benefit pension obligations have been secured by assets in Lantmännen's Gemensamma Pensionsstiftelse Grodden since 2011.

As these pension obligations are secured through a fund, which is completely outside Lantmännen Group, the obligation is offset against Lantmännen ek för's share of the market value of the fund's assets. The fair value measurement of the fund's assets is conducted by external valuers.

The pension liability recognized in the statement of financial position is as follows:

MSEK	2023	2022
Value of pension obligations under fully funded pension plans	1,023	951
Fair value of Lantmännen ek för's share of pension fund	-1,023	-951
Net obligation	0	0
Other unfunded pension plans	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

Specification of changes in recognized pension liability during the year:

MSEK	2023	2022
Liability at beginning of year	1	1
Pension costs for the year	63	63
Pension payments	-63	-63
<b>Liability at end of year</b>	<b>1</b>	<b>1</b>

The calculation of pension obligations under funded pension plans was carried out by PRI Pensionsgaranti according to their own adopted actuarial assumptions.

Specification of pension-related costs for the period:

MSEK	2023	2022
<i>Book reserve pensions</i>		
Current service cost	109	15
Interest expenses	43	48
	152	63
Compensation received	-52	-63
<b>Total book reserve pension costs</b>	<b>100</b>	<b>0</b>
<i>Pension through insurance</i>		
Insurance premiums	66	64
<b>Net pension costs for the year, excluding taxes</b>	<b>166</b>	<b>64</b>

MSEK	2023	2022
Pensions costs recognized as employee benefits expense in operating income	123	16
Pensions costs recognized as interest expense in net financial items	43	48
<b>Total</b>	<b>166</b>	<b>64</b>

### Note 52 continued

Fair value of Lantmännen ek för's share of the pension fund's assets:

MSEK	2023	2022
Property	480	506
Fixed-interest investments	294	256
Equity investments	505	426
Alternative investments	62	59
Cash and cash equivalents	7	39
<b>Total</b>	<b>1,348</b>	<b>1,286</b>

The difference between the value of Lantmännen ek för's share of assets in the fund and recognized pension obligations above is attributable to over-consolidation in the fund. Under the current rules, pension liability is not recognized as an asset. Consequently, only assets equivalent to the value of the liability reduce debt. Over-consolidation at the end of the year was MSEK 325 (335).

Equity investments include subordinated debentures of MSEK 26 (28) in Lantmännen ek för.

Next year's projected payments under defined benefit pension plans amount to MSEK 69 (67).

## Note 53 Other provisions

MSEK	2023	2022
Carrying amount at beginning of period	167	136
Provisions during the period	38	116
Amounts utilized during the period	-25	-21
Reversals during the period	-34	-64
<b>Carrying amount at end of period</b>	<b>146</b>	<b>167</b>

The provisions consist mainly of provisions of MSEK 105 (115) for silo closure.

About 45 percent of the total provisions are expected to be utilized in 2024.

## Note 54 Current interest-bearing liabilities

Current interest-bearing liabilities include savings liabilities to members of MSEK 1,932 (1,874).

## Note 55 Accruals and deferred income

MSEK	2023	2022
Accrued personnel-related costs	171	172
Accrued grain costs	354	441
Other accruals	200	188
Deferred income	5	2
<b>Total</b>	<b>730</b>	<b>803</b>

## Note 56 Financial instruments

Financial assets and liabilities by measurement category, 12/31/2023 MSEK	2023					
	Financial assets/ liabilities at amortized cost	Financial assets at fair value through OCI	Derivatives used in hedge accounting	Other derivatives	Total carrying amount	Fair value
<b>Financial assets at fair value through OCI</b>	-	219	-	-	219	219
<b>Financial assets at amortized cost</b>						
Non-current interest-bearing receivables from Group companies	8,170	-	-	-	8,170	8,170
Other non-current interest-bearing receivables	-	-	93	-	93	93
Trade receivables	3,005	-	-	-	3,005	3,005
Current interest-bearing receivables from Group companies	4,201	-	-	-	4,201	4,201
Other current interest-bearing receivables	49	-	614	182	845	845
Cash and bank balances	344	-	-	-	344	344
<b>Total</b>	<b>15,769</b>	<b>-</b>	<b>707</b>	<b>182</b>	<b>16,658</b>	<b>16,658</b>
<b>Other financial liabilities</b>						
Non-current interest-bearing liabilities	2,562	-	-	-	2,562	2,562
Interest-bearing securities	999	-	-	-	999	1,018
Current interest-bearing liabilities to Group companies	8,119	-	-	-	8,119	8,119
Other current interest-bearing liabilities	3,067	-	94	298	3,459	3,494
<b>Total interest-bearing liabilities</b>	<b>14,747</b>	<b>-</b>	<b>94</b>	<b>298</b>	<b>15,139</b>	<b>15,193</b>
Trade payables	3,479	-	-	-	3,479	3,479
<b>Total</b>	<b>3,479</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,479</b>	<b>3,479</b>

Derivatives are also reported in the items Other current receivables (86) and Other non-current and current liabilities (558).

Financial assets and liabilities by measurement category, 12/31/2022 MSEK	Financial assets/ liabilities at amortized cost	Financial assets at fair value through OCI	Derivatives used in hedge accounting	Other derivatives	Total carrying amount	Fair value
<b>Financial assets at amortized cost</b>						
Non-current interest-bearing receivables from Group companies	9,516	-	-	-	9,516	9,516
Non-current interest-bearing receivables from joint ventures/associates	246	-	-	-	246	246
Other non-current interest-bearing receivables	-	-	340	-	340	340
Trade receivables	3,019	-	-	-	3,019	3,019
Current interest-bearing receivables from Group companies	3,884	-	-	-	3,884	3,884
Other current interest-bearing receivables	10	-	992	33	1,035	1,035
Cash and bank balances	24	-	-	-	24	24
<b>Total</b>	<b>16,699</b>	<b>-</b>	<b>1,332</b>	<b>33</b>	<b>18,064</b>	<b>18,064</b>
<b>Other financial liabilities</b>						
Non-current interest-bearing liabilities	1,442	-	-	-	1,442	1,482
Interest-bearing securities	999	-	-	-	999	1,025
Current interest-bearing liabilities to Group companies	8,317	-	-	-	8,317	8,317
Other current interest-bearing liabilities	4,020	-	-	159	4,179	4,194
<b>Total interest-bearing liabilities</b>	<b>14,778</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>14,937</b>	<b>15,018</b>
Trade payables	4,085	-	-	-	4,085	4,085
<b>Total</b>	<b>4,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,085</b>	<b>4,085</b>

Derivatives are also reported in the item Other non-current and current liabilities (462).

Note 56 continued

Interest-bearing liabilities, MSEK	2023	2022
Balance at beginning of year	14,937	11,292
Cash flow	307	1,386
Other	-105	2259
Carrying amount	15,139	14,937

See also [↗](#) note 24 for other information about the Parent Company's financial instruments.

## Note 57 Pledged assets and contingent liabilities

Pledged assets MSEK	For own financial liabilities	Other commitments	Total pledged assets	
			2023	2022
Real estate mortgages	440	-	440	240
Bank accounts	-	12	12	80
Total	440	12	452	320

Contingent liabilities MSEK	2023	2022
Guarantees for Group companies	2,127	2,208
Guarantees for joint ventures	817	768
Other contingent liabilities	138	73
Total	3,082	3,049



## Statement pursuant to Chapter 13, Section 6, of the Swedish Economic Associations Act (2018:672)

Following the Board's proposed appropriation of profit, as presented in note 50 on page 129, the Board hereby issues the following statement pursuant to Chapter 13, Section 6, of the Economic Associations Act (2018:672). The Board finds that there is full coverage for the association's restricted equity, in accordance with Chapter 12, Section 3 (1), of the Economic Associations Act, after the proposed dividend. It is the Board's assessment that the proposed dividend is justifiable in view of the requirements that the nature, scope and risks of the operations place on the size of the association's and the Group's equity.

The Board has considered, among other things, the association's and the Group's historical and planned development, and the economic situation. The Board's proposal is based on the dividend policy adopted on October 3, 2023.

The Board has examined the association's and the Group's financial situation and, after closer consideration, concludes that a distribution of profits is justifiable in view of the precautionary principle in Chapter 12, Section 4 (2) and (3), of the Economic Associations Act. The assessment is that, after the adopted and proposed dividend, the association's and the Group's equity ratio is also expected to be good in relation to the industry in which the Group is active. It is also the assessment that, after the dividend, the association and the Group will have satisfactory liquidity, and consolidation requirements that may be considered satisfied. The dividend will not affect the association's and the Group's ability to discharge their payment obligations in the short or long term. Nor will the proposed dividend affect the association's and the Group's ability to make any necessary investments.

Following an overall assessment of the association's and the Group's financial circumstances, the Board considers that there is nothing to preclude the distribution of a dividend.

The Annual report with sustainability report was approved by the Board for publication on February 21, 2024. The Consolidated income statement and statement of financial position and the Parent Company's income statement and statement of financial position will be presented for adoption at the Annual General Meeting on May 7, 2024.

The Board of Directors and the Group President & CEO hereby certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the Group's financial position and performance. The Parent Company's financial statements have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and performance. The Board of Directors' Report for the Group and Parent Company provides a true and fair overview of the development, financial position and performance of the Group and Parent Company, and describes significant risks and uncertainties faced by the Group, the Parent Company and companies belonging to the Group.

The Annual Report also contains the Group's and Parent Company's sustainability reporting in accordance with the Swedish Annual Accounts Act and Sustainability Report in accordance with the Global Reporting initiative, GRI.

Stockholm, February 21, 2024

Per Lindahl  
*Chairman*

Jan-Erik Hansson  
*Vice Chairman*

Gunilla Aschan  
*Board Member*

Patrick Aulin  
*Board Member*

Jenny Bengtsson  
*Board Member*

Sonat Burman-Olsson  
*Board Member*

Johan Bygge  
*Board Member*

Jan Ehrensward  
*Board Member*

Per Wijkander  
*Board Member*

Tommy Brunsärn  
*Board Member*  
*Employee representative*

Pär-Johan Löf  
*Board Member*  
*Employee representative*

Tomas Welander  
*Board Member*  
*Employee representative*

Magnus Kagevik  
*Group President & CEO*

Our audit report was submitted on February 21, 2024

Ernst & Young AB

Andreas Troberg  
*Authorized Public*  
*Accountant*

Kristina Glantz Nilsson  
*Member Representative*  
*Auditor*

Jimmy Grinsvall  
*Member Representative*  
*Auditor*

Ann-Sofi Ignell  
*Member Representative*  
*Auditor*

# Audit Report

To the annual general meeting of Lantmännen ek för, Corporate identity No. 769605-2856

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Lantmännen ek för for the year 2023. The annual accounts and consolidated accounts of the association are included in this document on pages 63–133.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent association as of December 31, 2023 and its financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual general meeting adopt the income statement and balance sheet for the parent association and the Group.

Our statements in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report submitted to the parent association's audit committee in accordance with Article 11 of Regulation (EU) No. 537/2014 on the Statutory Audit of Public-Interest Entities.

### Basis for opinion

We conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent association and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This means that, to the best of our knowledge, no prohibited services listed in article 5.1 of Regulation (EU) No. 537/2014 on the Statutory Audit of Public-Interest Entities have been provided to the audited association, or where appropriate, to its parent undertaking and to its controlled undertakings within the European Union.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of the annual accounts and consolidated accounts as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

The description below of how the audit was conducted with regard to these matters should be read in this context.

We have fulfilled the obligations described in the Auditor's responsibilities section of our report on the annual report in these areas too. This resulted in audit procedures designed to take into account our assessment of the risk of material errors in the annual accounts and consolidated accounts. The outcome of our audit and the audit procedures conducted to address the areas set out below form the basis of our audit report.

### Valuation of goodwill and other intangible assets with indefinite useful lives

The value of goodwill and other intangible assets with indefinite useful lives was MSEK 8,099 as of December 31, 2023, corresponding to 16 percent of the Group's assets. The association conducts impairment testing annually and also in cases where an indication of impairment has been identified. The recoverable amount of each cash-generating unit is determined as the value in use, which is calculated based on the discounted present value of future cash flows. Key assumptions used in these calculations are future growth, profitability and the discount rate applied. Impairment testing is a particularly important area, as the process is inherently based on estimates, particularly estimates concerning how the Group's operations will be affected by the market's future development and other economic events, and as the underlying calculations are complex.

In our audit, we evaluated and reviewed the key assumptions, the application of measurement theory, the valuation model used, the discount rate and other source data used by the association. For example, we have compared these with external data sources, such as expected inflation or future market growth, and assessed the sensitivity of the association's valuation model. We have used our valuation specialists in this process. We have focused particularly on the sensitivity of the calculations and have made an assessment of whether there is a risk that a reasonably likely course of events could give rise to a situation where the recoverable amount would be lower than the carrying amount. We have also assessed the association's historical forecasting ability.

Finally, we have assessed the appropriateness of the information provided in note 7 (Depreciation, amortization and impairment of assets) and note 15 (Intangible assets) in the Group's notes, in particular regarding the information about which of the stated assumptions are most sensitive when calculating value in use.

#### Valuation of inventories

Inventories represent a significant part of total assets. The value of inventories, after necessary reserves for obsolescence etc., was MSEK 9,464 as of December 31, 2023, corresponding to 19 percent of the Group's assets. The association's inventories are reported at the lower of cost and net realizable value. Net realizable value reflects estimated write-offs of obsolete products, older items, stock surplus and costs to sell. The association's areas of business that hold inventories are spread among four different Sectors/Business Areas with different operations and conditions. Overall, this means that the valuation of inventories represents a particularly significant area of the audit.

We carried out examinations of the costs of different parts of the inventories, from components to finished goods. The examination also included an age analysis and inventory turnover analysis for each product area, and an analysis of obsolete goods. We conducted an analytical examination of changes in the value of inventories, including changes in eliminations of internal profits. We also examined whether the association has made appropriate disclosures in note 19 (Inventories) regarding the valuation of inventories.

#### Information other than the annual accounts and consolidated accounts

This document also contains information other than the annual accounts and consolidated accounts, which is presented on pages 1–62 and 138–212. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the information appears to be materially misstated.

If, based on the work performed concerning this information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and for ensuring that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the association's ability to continue as a going concern. They disclose, as applicable, matters related to the going concern and use of the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the Board of Directors and the Managing Director intend to liquidate the association, cease operations, or have no realistic alternative but to do so.

The Board's Audit Committee shall, without prejudice to the Board's responsibilities and tasks in general, among other things, oversee the association's financial reporting process.

#### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these annual accounts and consolidated accounts. The elected auditors conducted the audit in accordance with generally accepted standards for elected auditors in Sweden.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the Company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- draw a conclusion on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform them of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks of material misstatement, and these are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Lantmännen ek för for the financial year 2023 and the proposed appropriations of the association's profit or loss.

We recommend to the annual general meeting that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for opinion

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent association and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board is responsible for the proposed appropriations of the parent association's profit or loss. Proposing a dividend includes an assessment of whether the dividend is justifiable considering the requirements that the nature, scope and risks



of the parent association's and the Group's operations place on the size of the parent association's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the association's organization and the administration of its affairs. This includes, among other things, continuous assessment of the association's and the Group's financial situation and ensuring that the association's organization is designed so that accounting, management of assets and the association's financial affairs are otherwise controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions, and, among other matters, shall take measures that are necessary to fulfill the association's accounting in accordance with law and to conduct the management of assets in a reassuring manner.

#### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect has:

- undertaken any action or been guilty of any omission which could give rise to liability to the association; or
- in any other way acted in contravention of the Economic Associations Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the association's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Economic Associations Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the association, or that the proposed appropriations of the association's profit or loss are not in accordance with the Economic Associations Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the association's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment, with the starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the association's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the association's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Economic Associations Act.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed Lantmännen ek för's auditor at the Annual General Meeting on May 3, 2023 and has been the association's auditor since 2006.

Stockholm, February 21, 2024

Ernst & Young AB

Andreas Troberg  
*Authorized Public Accountant*

Kristina Glantz Nilsson  
*Member Representative Auditor*

Jimmy Grinsvall  
*Member Representative Auditor*

Ann-Sofi Ignell  
*Member Representative Auditor*

# Description of financial performance measures

Key figures	Description
Adjusted income	Income adjusted for items affecting comparability, which provides a better understanding of the operating activities.
Average equity/operating capital	Average capital is computed on the closing balance of each month in the accounting period, i.e. twelve periods for the full year. All average capital ratios are calculated in this way.
Capital turnover rate	Net sales divided by average operating capital. Shows the efficiency of the use of operating capital.
Cash flow from operating activities	Net income for the period adjusted for items that are not cash inflows or outflows but accounting costs, such as depreciation and capital gains/losses. Adjustments are also made for financial items and income taxes paid, and changes in inventories, operating receivables and operating liabilities.
EBITDA	Operating income, excluding income from associates, and excluding depreciation, amortization and impairment. Operating income is also adjusted for acquired and divested companies, and refers to the last 12 months.
Equity ratio	Equity divided by total assets. Shows the proportion of the assets that are financed by the owners.
Investments in non-current assets	Total of the period's investments in property, plant & equipment and intangible assets, excluding right-of-use assets.
Items affecting comparability	The Group's income can be inflated or reduced by certain items that affect comparability. An item affecting comparability is a one-time item that is not directly related to the planned future operations and is outside the range of MSEK +/- 50.
Liquidity reserve	Cash and cash equivalents and loans granted under the provisions in the existing loan agreements. Shows the available borrowing capacity based on the current loan agreements.
Net debt	Interest-bearing liabilities, including pension liabilities and accrued interest, less financial assets.
Net debt (bank definition)	As net debt, but financial assets are not included, apart from cash and cash equivalents and certain listed (liquid) shares.
Net debt/EBITDA	Net debt (bank definition) divided by EBITDA. Indicates how fast a company can repay its debt (expressed in years).
Net debt/equity ratio	Net debt divided by equity. Shows financial risk and is used to view the level of debt funding.
Net financial items	Net financial items are finance income less finance costs.
Operating capital	Operating capital is calculated as non-interest-bearing assets minus non-interest-bearing liabilities. Tax assets and tax liabilities are not included in operating capital's assets and liabilities. Shows how much capital is used in the operations.
Operating income	Operating income consists of net sales and other operating income less operating expenses.
Operating margin	The operating margin is operating income as a percentage of net sales for the period.
Return on equity	Return on equity is annualized net income for the period divided by average equity. Shows owners the return on their invested capital.
Return on operating capital	Return on operating capital is calculated as annualized operating income for the period divided by average operating capital. Measures the return on the capital used in the business.



# Sustainability Report

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# Introduction

Lantmännen's sustainability report describes the sustainability work throughout the value chain, from plant breeding, agri-supply, cultivation, raw materials purchasing and processing to sales and consumption of the products we offer.

## Development in 2023

Demand for products from the Climate & Nature cultivation program continued to grow in 2023 and the number of new partners and volumes increased. Fossil-free fertilizer was introduced during the year as a possible Climate & Nature measure. Learn more on [page 156](#). We continue to pursue research and business development under Farming of the Future to achieve climate-neutral, sustainable farming that produces more raw materials for food and energy. In parallel, several research and knowledge development initiatives are in progress to develop new methods and techniques in farming, including plant breeding, precision farming and nitrous oxide emissions.

Lantmännen's climate targets are set, and relative emissions from our own production decreased by about 45 percent between 2019 and 2023. The climate target for purchased freight transport is a 50-percent emissions reduction in relation to net sales by 2030, compared with the base year 2019. Learn more on [page 149](#).

We are driving the comprehensive health and safety program towards a safety culture with a zero vision for accidents. The 2023 outcome shows that we are on the right track, but that continued focus and commitment are needed.

Lantmännen is subject to the EU Corporate Sustainability Reporting Directive from the 2025 financial year onwards. The process of gradually adapting the Sustainability Report to accommodate the upcoming disclosure requirements has begun.

## About the Sustainability Report

The Lantmännen Board of Directors issues the Sustainability Report and the statutory sustainability report. Reporting for all Group companies covered by the Swedish Annual Accounts Act's sustainability reporting requirements is contained here in Lantmännen's Annual Report with Sustainability Report. This reporting can be found on [pages 26-36, 139-182 and 203-205](#). For reporting, as required by the Annual Accounts Act, in accordance with the Taxonomy Regulation, [page 177](#).

Lantmännen reports according to the GRI (Global Reporting Initiative) Universal Standards 2021, including the sector-specific GRI standard, GRI Food Processing Sector Supplements 2014. Learn more about GRI at [globalreporting.org](#)

Since 2009, Lantmännen has reported to the Global Compact, the UN initiative for responsible business, which involves a commitment to implement the Global Compact's ten principles for responsible business. The annual reporting is directly to the Global Compact. Learn more about Global Compact at [unglobalcompact.org](#)

Lantmännen supports Agenda 2030 with the UN Global Goals, and has analyzed what they mean for Lantmännen's operations and businesses. Some of the goals are directly linked to Lantmännen's mission and business: Zero hunger, Affordable and clean energy, Industry, innovation and infrastructure, Responsible consumption and production, Climate action and Life on land. Several other goals are also important for our impact and operations. Lantmännen's sustainable business framework contains references to the global goals. More information can be found on our website [lantmannen.com/sustainable-development](#).

Membership of initiatives such as Haga, RSPO and RTRS involves annual reporting in the particular area of commitment, such as emissions or purchases of palm oil or soy. Reporting is submitted directly to the organizations.

For questions about the Sustainability Report, contact Claes Johansson, Director Sustainable Development, [claes.johansson@lantmannen.com](mailto:claes.johansson@lantmannen.com)

## External review of the Sustainability Report

Lantmännen's Sustainability Report for 2023 has undergone an external assurance procedure. Read the Assurance Report on [page 175](#).

## Focus of sustainable development

### Materiality assessment

Lantmännen places greatest focus on topics that are of importance to our stakeholders and where we can drive sustainable development through profitable business. A materiality assessment has been conducted to define which key topics to focus on and what target management to prioritize in order to ensure long-term responsibility and value creation.

The materiality assessment is based on our long-term goal of being a leading player in the grain value chain from field to fork in northern Europe and the Field to Fork 2030 strategic focus, the UN Agenda 2030 with its Global Goals,



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**We continue to pursue research and business development under the Farming of the Future program to achieve climate-neutral, sustainable farming.**

Global Compact, external and market trends, and results from stakeholder dialogue. To prioritize the material topics, we assessed actual and potential impacts on people, the environment and society. The stakeholder dialogues, which formed the basis of the assessment, dealt with our role and relationships through the value chain. Priority topics are described in Lantmännen’s sustainable business framework, see illustration ➔ page 27, and in the GRI index.

**Lantmännen’s framework for sustainable business**

Lantmännen’s framework is based on the global challenge of supplying food, energy and materials to an entire planet without exceeding the planet’s capacity. Lantmännen’s role is to drive progress towards farming of the future and development of sustainable food and bioenergy systems. Based on renewable raw materials from arable land, we develop businesses that optimize cultivation, increase resource efficiency, close cycles and minimize the impact on people and the environment.

The priority topics identified in the materiality assessment are in the following areas:

- Climate and ecosystems
- Sustainable products and renewable raw materials
- Responsible employer and business partner

Read more about management, targets and outcomes for the priority issues in the relevant sections of the Sustainability Report. The Sectors and Business Areas pursue their relevant sustainability issues. See ➔ “Sustainability areas in focus” on the Sector and Business Area pages.

**Lantmännen and our value chain**

Lantmännen has a wide range of operations with grain as a common thread. In addition to the processing in our own operations, the value chain includes Swedish farmers – our members, other suppliers and their subcontractors. There are also business partners, distributors, customers, consumers and users.

Our portfolio strategy describes Lantmännen’s operations from purchased raw materials and also waste products for production and resale, to the manufacture and processing of offerings to customers in agriculture, industry, food production, retail, food service, the construction sector and energy customers. See ➔ page 22.



## Organization and governance

### Group-wide policies and governing documents

Lantmännen's Code of Conduct applies to the entire operations, all employees, the Board and elected representatives. The Code of Conduct describes how Lantmännen must conduct itself and make decisions to take responsibility from an environmental, social and business ethics perspective. The Code also describes how we work for sustainable consumption and development with our products. All employees undergo training in the Code and the completion rate is monitored every four months. The Code of Conduct and training are available in 17 languages.

Each area of the Code comes under the responsibility of different members of Group Management, apart from the 'products' area, where each head of sector is responsible for his or her own products. The members of Group Management who are responsible for areas of the Code serve on a CSR committee, with overall responsibility for the implementation and monitoring of the work and decisions on policy issues.

For Lantmännen's suppliers, there is a Supplier Code of Conduct and for distributors a special Distributor Code of Conduct. Learn more on [page 158](#). In addition to the codes of conduct, guidance in several areas is provided in policies, directives and guidelines. Read more under each section in the sustainability report.

### Organization, responsibility and monitoring

Lantmännen's Board of Directors is ultimately responsible for responsibility and sustainability work. The Board's role is to direct, monitor and follow up responsibility and sustainability work. Lantmännen's business strategies

are directly linked to sustainable development, as food and energy require a sustainable transition. The Board decides on strategy, business plans and investments in which sustainability aspects are an integral part. The Board adopts the Code of Conduct and Group targets, and establishes an annual business ethics compliance plan and the Group's risk analysis. Monitoring and analysis of business development is conducted at different levels and frequencies in line with the established agenda for the work of the Board. There is also an opportunity to present and discuss current issues of responsibility for the Group or its business. Knowledge of sustainability issues is part of the Nomination Committee's work on nominating Board candidates. The Board undergoes an external evaluation every two years, which addresses management of key external issues.

Group Management pursues responsibility and sustainable business development as part of its strategic business planning and adopts the materiality assessment. Group Management follows up responsibility issues with the business managers on a four-monthly basis using key figures for "minimum responsibility requirements" and annually in a sustainability business review, which is reported to the Board.

Compliance with the Code of Conduct is reviewed annually by Group Management and the Board follows up deviations from the Code. Violations of the Code can be reported anonymously, both directly to the line manager or through an externally managed whistleblowing function. Businesses in the food value chain are monitored annually for quality and sustainability performance, including implementation of policy documents and specific commitments.





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**The Code of Conduct applies to all businesses, employees, the Board and elected representatives**

**All employees undergo regular Code of Conduct training.**

The Group's CSR Committee, headed by the Executive Vice President, has overall responsibility for ensuring that the organization is able to implement and monitor the Code of Conduct and the areas it covers. The CSR Committee prepares matters for Group Management. The Committee holds regular meetings and consists of representatives from Group Management and other managers responsible for areas in the Code of Conduct. Each business is responsible for a systematic approach to risk management, responsibility and sustainable business based on the Group's strategies, priorities and objectives, and its own focus. Responsibility for environmental and health & safety issues is delegated partly through corporate governance and partly through separate documents in those countries where this is relevant. The Group's corporate functions provide support and guidance to the Group and the businesses in their development of strategies and sustainable business in order to protect and strengthen Lantmännen's brand and contribute to business value in the short and long term.

#### **Risk management and stakeholders**

Lantmännen's businesses and operations have impacts throughout the value chain. With the impacts come risks of negative effects on people, the environment and/or society and therefore our business. We identify and assess sustainability-related risks based on the Code of Conduct's areas and special issues. Risk identification and assessment are integrated into existing internal processes and cover our own operations as well as suppliers, materials, products and services and business partners. In the event of any changes in operations, processes or access to new knowledge, a review may be carried out. The main processes where risk is identified and assessed are:

- Enterprise Risk Management Process ERM, [👉 page 203](#)
- Business Ethics Compliance Program, [👉 page 164](#)
- Health & Safety, [👉 page 162](#)
- Supplier Approval, [👉 page 158](#)
- Mergers & Acquisitions: areas such as human rights, corruption and other financial crimes are part of the due diligence process.
- Investments: Sustainability screening is part of investment decisions from MSEK 10 upwards.

Risks identified in the ERM process and the Business Ethics Compliance Program are reported annually to the Board. It is every business manager's responsibility to implement and monitor the risk work in the daily operations. Sustainable business development work is an answer to, and a part of, strategic and operational risk management.



## Due diligence

Human rights can be affected directly and indirectly through land use, environmental impacts, in the supply chain, production, marketing and through use of our products. Lantmännen supports and respects internationally proclaimed human rights and work on the basis of the UN Guiding Principles on Business and Human Rights, which we are integrating into our governance and processes. We work actively to ensure that our employees are treated fairly, equally and with respect, and to manage human rights risks in our operations. We expect our suppliers and business partners to act in the same way towards their employees and the people affected by the operations. This is made clear in the Code of Conduct and the Supplier Code of Conduct.

Lantmännen's governing documents and implementation of procedures in operations include the due diligence requirements of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, see references in italics below and the section Organization, responsibility and monitoring on [page 142](#). The governing documents *embed responsible business conduct into policies and management systems* through positions on human rights, labor practices, the environment and anti-corruption. For work in these areas, see the relevant sections of the Sustainability Report.

Lantmännen *identifies and assesses adverse impacts* through integrated human rights risk screening in existing internal processes. Learn more on [pages 143 and 203](#). Risk screening covers our own operations as well as suppliers, materials, products and services and business partners. Our risk assessment is based on the criteria of the UN Guiding Principles on Business and Human Rights and on available and independent international risk indexes. We endeavor

to maintain an up-to-date analysis of our significant human rights risks and their management. In the event of high risk, special handling is required. Learn more on [pages 158, 164 and 203](#).

Responsibility for *ceasing, preventing and mitigating adverse impacts* lies partly with senior management and partly with the individual business management and is supported by central functions with relevant expertise. We work to increase understanding and knowledge of risks, and Lantmännen's responsibility in all parts of the organization. For a description of Lantmännen's management of identified risks, see [pages 204-205](#) and [pages 158-165](#) of the Sustainability Report.

Lantmännen *tracks implementation and results* at different levels and with different frequency. Learn more on [page 142](#). For *communication on how impacts are addressed*, see the next section under the heading Complaint mechanisms. For communication on human rights issues, communication methods are chosen based on the ability to reach the rights holder, in terms of accessibility, clarity and the possibility of dialogue. Lantmännen's *processes to provide for or cooperate in remediation when appropriate* are described in the sections on [page 145](#).

## Stakeholder engagement

Lantmännen's stakeholders are important for our development and we maintain continuous dialogue in various forms. Dialogue with owners, customers, authorities and other stakeholders is key to developing our work and influencing the wider world on important issues. Lantmännen initiates and conducts stakeholder dialogue on areas and issues that are considered business critical. These include issues





where we must keep in step with the market in order to take responsibility and issues where we want to take the lead but are not able to move forward on our own.

As a competent and constructive partner of policymakers, we can create favorable conditions for Swedish farming and contribute to sustainable development. The most important areas for our stakeholders, and areas in which we engage in structured dialogue, involve making farming thrive, bioenergy, responsibly produced food and a sustainable, robust food supply. Learn more on [page 36](#).

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**As a competent and constructive partner of policymakers, we can create favorable conditions for Swedish farming and contribute to sustainable social development.**

#### Complaint mechanisms

We strive for transparency towards our stakeholders. Stakeholders can reach us in several ways. For external stakeholders, there is, for example, the owner representative organization throughout Sweden, the businesses' HR and legal departments, and the many dialogues in which Lantmännen participates. Feedback on us and our operations, as well as complaints, can be submitted through various channels. Due to significantly different risks and a differentiated value chain, Lantmännen does not have a Group-wide routine and management for externally received complaints and for remedying negative impacts. All businesses and brands have channels for receiving questions and complaints. Product deviations and complaints are identified through several customer service and customer contact channels and are dealt with according to the processes of each business area. Environmental responsibility is delegated to each business, which is responsible for dialogue with, e.g., authorities and local residents.

#### Whistleblowing function

Lantmännen has a whistleblowing function available in all its companies and in all its countries. In companies where new legislation requires local whistleblowing channels, this has been introduced. The tool is digital and everyone can report in their local language. The system is delivered by an external party but Lantmännen manages cases internally. The system enables employees, consultants and others



within the company to anonymously report irregularities and concerns about anything that could seriously affect the company, a person's life or health, or society, and that is not in line with legislation or Lantmännen's values, Code of Conduct, policies and guidelines. The channel is open to all internal stakeholders. It is also possible to submit comments, anonymously via the regular employee survey, on matters such as perceived discrimination. The Board receives regular reports on whistleblowing cases. Our approach to harm caused by Lantmännen is to listen, compensate and remediate as far as possible, and to investigate the harm in order to prevent it from happening again. From a financial point of view, there is insurance to cover work-related injuries, for example. Learn more on [pages 67 and 162](#).





# Climate and ecosystems

Lantmännen has targets for reduced climate impact and fossil-free operations in line with the Paris Agreement. We are dependent on natural resources and drive knowledge generation, innovation and research for climate adaptation and well-functioning ecosystems.

Global goals for reduced climate impact and fossil-free operations drive policy instruments and market demand. Climate change brings new cultivation and production conditions and

a need to adapt, particularly in raw materials supply. Ecosystems are under pressure and biodiversity loss and changing rainfall patterns pose a risk to Lantmännen's production.

## Reduced climate impact and fossil-free operations

Area	Target	Metric
 	<ul style="list-style-type: none"> <li>Fossil-free SE, NO by 2025, Nordic 2030, others 2040</li> <li>Halved climate impact CO<sub>2</sub>e/net sales by 2030, base year 2019, scope 1+2, transport in scope 3.3 and 3.4</li> <li>Climate neutrality in primary production by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>Energy consumption, of which renewable, fossil-free</li> <li>Emissions CO<sub>2</sub>e/MSEK own production</li> <li>Emissions CO<sub>2</sub>e/MSEK purchased freight transport</li> <li>Emissions CO<sub>2</sub>e absolute figures, scope 1+2, transport in scope 3</li> <li>Reduction rate for Climate &amp; Nature in line with Carbon Law</li> </ul>

### Governance and objectives

Lantmännen will use resources efficiently and minimize the climate impact from cultivation to end product. This is clarified in Lantmännen's Code of Conduct. The Code also clarifies the approach to sustainable cultivation, eco-friendly products and raw materials, and makes it clear that Lantmännen will work actively on energy efficiency and increasing the proportion of renewable energy. The Code of Conduct, which applies to all businesses and employees, is available on the website and is adopted annually by the Board. Read more about our Code of Conduct on [page 142](#).

The climate targets drive the work forward and are adopted and continuously monitored by the Board. The targets are based on reducing emissions in line with the Paris Agreement and mean halving them every decade to achieve climate neutrality in primary production by 2050. Lantmännen's climate target is divided into primary production, its own production and purchased transport.

The climate target for own production is to reduce carbon emissions by 50 percent by 2030, compared with the base year 2019. The target is to be achieved by continuing the transition to fossil-free production, energy efficiency and switching to green electricity. The sub-target is fossil-free own production in Sweden and Norway by 2025. For the other Nordic countries the target year is 2030 and for the rest of Europe 2040.

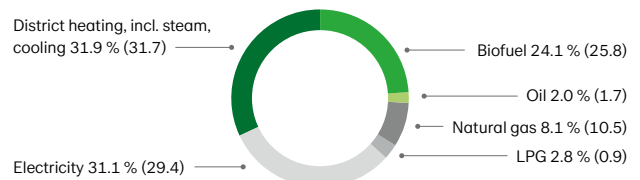
The climate target for purchased freight transport is a

50-percent emissions reduction in relation to net sales by 2030, compared with the base year 2019. The sub-target is fossil-free freight transport in Sweden by 2030, to achieve fossil freedom in all markets by 2050.

The Farming of the Future program is driving the transition and creating the conditions for sustainable primary production. Lantmännen uses research and innovation to develop new technologies and knowledge for products and services that contribute to solutions. Lantmännen also promotes climate issues in external initiatives such as the Haga Initiative and Sustainable Food Chain and works on scientific targets such as Science Based Targets. Unibake had its climate targets approved by the Science Based Targets initiative (SBTi) during the year and Cerealia's targets were submitted towards the end of the year. Learn more about Farming of the Future on [page 28](#).

Lantmännen does not apply any internal carbon pricing systems and does not use carbon offsets.

### Distribution of energy types in Scopes 1 and 2



## Energy consumption

Energy consumption decreased slightly during the year and totaled 2,081 (2,163) GWh. The decline compared with the previous year is mainly due to the fact that Agrovärme, which was an energy-intensive business, was divested in 2022 and is therefore not included in the result for 2023.

The proportion of renewable energy use was 85 (85) percent, which is in line with the previous year.

Energy efficiency work continues, and is also still driven

by high energy prices. For bakery operations, further work is needed to find alternatives to natural gas in the bakery ovens and establish a long-term fossil phase-out plan.

In Sweden the fossil-free proportion was 98 (98) percent and in Norway 92 (89) percent, to be compared with the sub-target of fossil-free own production in Sweden and Norway by 2025. There are good opportunities to reach the target by converting the last boilers using fossil fuels in Norway.

## Energy consumption in Scopes 1 and 2<sup>1)</sup>

Energy consumption, producing facilities	2023		2022		2021		2020		2019	
	TJ	GWh	TJ	GWh	TJ	GWh	TJ	GWh	TJ	GWh
Scope 1 (Direct energy)	2,777	771	3,067	852	2,059	572	1,935	538	2,048	569
Non-renewable fuels	969	269	1,010	281	1,111	309	1,055	293	1,163	323
of which coal and carbon products	0	0	0	0	0	0	0	0	0	0
of which fuel oil	149	41	132	37	114	32	81	22	92	26
of which natural gas	609	169	810	225	920	256	913	254	983	273
of which LPG	211	59	68	19	77	21	61	17	88	25
Renewable fuels	1,808	502	2,057	571	948	263	880	244	885	246
Scope 2 (Indirect energy)	4,713	1,309	4,722	1,312	4,526	1,257	4,415	1,226	4,554	1,265
Heating/cooling	2,386	663	2,446	680	2,411	670	2,368	658	2,423	673
of which non-renewable	69	19	64	18	137	38	161	45	254	71
of which renewable	2,317	644	2,382	662	2,274	632	2,207	613	2,169	603
Electricity	2,327	647	2,276	632	2,115	588	2,047	569	2,131	592
of which non-renewable	64	18	95	26	123	34	95	27	135	37
of which renewable	2,263	629	2,181	606	1,992	553	1,952	542	1,996	554
Total energy consumption	7,490	2,081	7,788	2,163	6,585	1,829	6,350	1,764	6,602	1,834
of which non-renewable	1,103	306	1,169	325	1,370	381	1,312	364	1,552	431
of which renewable	6,388	1,774	6,619	1,839	5,214	1,448	5,039	1,400	5,050	1,403
Sold energy	325	90	609	169	501	139	508	141	539	150
Use of self-produced renewable energy (not fuel)	0	0	7	2	7	2	8	2	5	1

<sup>1)</sup> Energy use in the years 2022-2019 has been recalculated, see [page 167](#) for more information.

## GHG emissions, Scopes 1, 2 and parts of Scope 3<sup>1)</sup>

CO <sub>2</sub> e emissions, thousand tonnes	2023	2022	2021	2020	2019
Scope 1 (Fuel incl. own transport)	59.6	61.1	66.3	62.6	69.4
Scope 2 (Electricity and heating)	19.5	33.2	36.2 <sup>3)</sup>	34.6 <sup>3)</sup>	47.0 <sup>3)</sup>
Scope 3.3 Fuel and energy-related activities not included in Scope 1 or 2	27.6	27.6	30.1	27.6	28.4
Scope 3.4 Upstream transport and distribution (purchased freight transport)	134 <sup>2)</sup>	128 <sup>2)</sup>	113	96	99 <sup>2)</sup>
Scope 3.6 Business travel	4.9	4.8	4.5	3.2	6.7
Total, including origin-labeled (market-based)	245	255	250 <sup>3)</sup>	223	251
Total, excluding origin-labeled (location-based)	419	418	394	372	401

<sup>1)</sup> Climate emissions in scopes 1, 2 and 3.3 during 2022-2019 have changed.

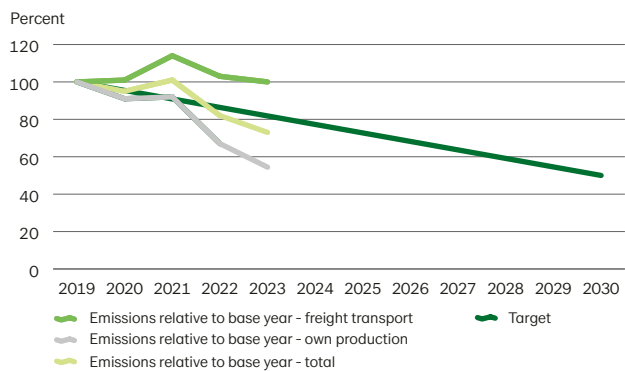
For more information see Reporting principles, [page 167](#).

<sup>2)</sup> From 2022, a new calculation method has been used, which has also been applied to the base year 2019.

<sup>3)</sup> Adjustment from previous incorrect reporting by a district heating supplier.

For boundaries, see [Reporting principles](#).

## Climate emissions from own production and purchased freight transport in relation to net sales



Climate emissions from scopes 1, 2, 3.3 and 3.4 in relation to net sales are to be reduced by 50 percent from the base year 2019 to 2030. For information on the reporting principles applied and the change to previous years' results, see [page 166](#).



### GHG emissions, Scopes 1-3 and GHG emissions intensity

Lantmännen works to reduce carbon dioxide emissions from energy and its own transport. Climate targets for own production and for transport mean that the level of ambition is to follow the Paris Agreement reduction rate towards 2030.

Climate emissions from own production (scopes 1, 2 and 3.3) in absolute figures amounted to approximately 107 (122) thousand tonnes CO<sub>2</sub>e in 2023, a reduction of 13 percent compared with 2022. Climate emissions in relation to net sales amounted to 1.64 (2.01) tonnes CO<sub>2</sub>e/MSEK, corresponding to a reduction of 19 percent compared with the previous year, and 45 percent compared with the base year 2019. The reduction is partly due to lower energy use during the year. Other explanations for the decline are the Lantmännen Biorefineries facility in Norrköping having switched to 100 percent renewable purchasing of district heating and Swecon Germany having switched to origin-labeled electricity. The reduction obligation and inflation have also contributed to the decline. An adjustment to historical outcomes for energy use was made during the year, which has also affected historical outcomes for climate emissions. See more information in the reporting principles on [page 167](#). For emissions reporting by Sector and Business Area, see the Annual Report from [page 38](#) onwards.

Climate emissions from purchased transport in scope 3 amounted to 2.05 (2.12) tonnes CO<sub>2</sub>e/MSEK in 2023, which is in line with the base year 2019 when the outcome was 2.05 tonnes CO<sub>2</sub>e/MSEK. In absolute figures, emissions were 134 (128) thousand tonnes, which is an increase compared with the base year 2019 when emissions were 99 thousand tonnes. The increase in absolute figures compared with the base year is mainly due to increased transport as a result of increased production, but is also due to the fact that Scandbio, which was acquired in 2022, is included in the result for the first year.

From 2023, the calculation method for climate emissions for freight transport in relation to net sales has been changed by including total net sales as the denominator, rather than including only entities that are part of the climate reporting. This has resulted in revised historical outcomes including for the base year 2019. Learn more on [page 167](#).

The proportion of biofuels for transport in Sweden was 43 (40) percent. The reduction obligation is included in the result. A rethink is needed to find a commercially viable way of reducing emissions from transport in line with the targets, in view of the reduced reduction obligation in Sweden in 2024. Further work is also needed to find innovative logistics solutions and efficiency measures in cooperation with transport providers and ensure availability of biofuels.

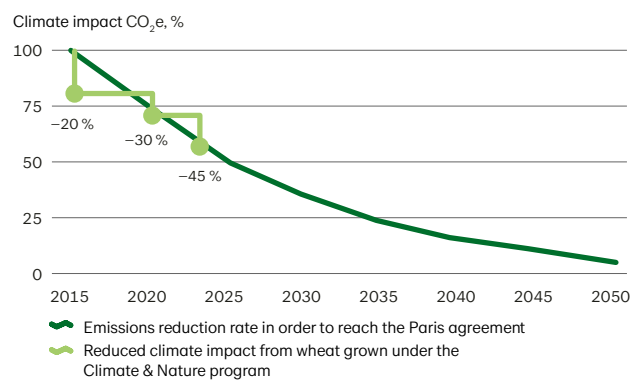
Emissions from business travel were unchanged from the previous year but increased compared with the Covid-19

years when travel was restricted. Air travel has halved compared with pre-pandemic levels. Emissions related to business travel are largely from travel by car. We are moving the fleet of company cars towards more environmentally friendly alternatives through policies and supplier agreements. Installation of charging points at our facilities continued in 2023.

Lantmännen is driving the climate change issue in primary production and the aim is for our Climate & Nature cultivation program to follow the reduction rate needed to achieve the Paris Agreement target of halving emissions every decade. The program creates opportunities for farmers to reduce the climate impact of farming by means of fossil-free fuel on the farm and precision farming, among other things. Since 2015, measures under the program have reduced climate emissions and promoted biodiversity. The next step in the program was taken in 2023 with the introduction of fossil-free fertilizer. This enables a climate impact reduction of up to 45 percent compared with conventional cultivation since the start in 2015. For the reduction rate, see the diagram below. The program includes wheat, rye, barley and oats in Sweden and, since 2021, also rye cultivation in Finland. Kungsörnen's range of flour and ready meals, such as pancakes, and AXA oats are part of the program. We work continuously to develop the criteria and effects of the program through new knowledge and partnerships. For more information on what Climate & Nature measures have been taken and on volumes, see [pages 153 and 156](#).



Work on expanding the calculation of climate emissions to include other scope 3 emissions is in progress. A first overall analysis shows that climate emissions in scope 3 account for more than 95 percent of Lantmännen's total climate emissions.

### Emissions reduction for cultivation under Climate & Nature



Achieved reduction in emissions from cultivation and estimated reduction from impending introduction of fossil-free fertilizer, calculated per tonne of winter wheat, and reduction rate required to achieve international climate target of halving emissions every decade.

## Climate adaptation

Area	Target	Metric
 	<ul style="list-style-type: none"> <li>Monitor and manage the direct impact of climate change on our businesses and the indirect impact on growing conditions and profitability of the grain value chain</li> </ul>	<ul style="list-style-type: none"> <li>Potential financial impact of climate change</li> <li>Annual investment in research</li> </ul>

### Governance and objectives

Climate change, with more extreme weather conditions such as drought and heavy rainfall, may bring new cultivation and production conditions and a need to adapt, particularly in raw materials supply. Changing rainfall patterns pose a risk to Lantmännen's production and long-term profitability. Lantmännen's Code of Conduct clarifies our approach and the Field to Fork 2030 strategy guides the direction.

Lantmännen's goal is to monitor and manage the direct impact of climate change on our businesses and the indirect impact on growing conditions and profitability of the grain value chain. We work on knowledge generation, innovation and research for climate adaptation, in order to understand risks and manage impacts. Lantmännen identifies risks to our business related to climate change in Group-wide processes such as the ERM process, and when making investments and acquisitions.

The Farming of the Future program is a business development platform to achieve farming that is resilient to climate change. Lantmännen is involved in several R&D initiatives and collaborations in which, among other things, new cultivation techniques and variety breeding are adapted to a changing climate. Learn more on [👉](#) pages 28 and 30.

### Impact of climate change on financial performance

Lantmännen's risk process includes assessing the impact of climate change. Risks are assessed using defined assessment criteria, one of which is financial impacts. The assessment shows that climate change may have a major impact on most of Lantmännen's operations in terms of changing cultivation conditions, the availability and price of raw materials and energy, technological change, customers' purchasing power being affected by their profitability, as well as consumer demand and regulatory changes. The businesses identify and assess risks in their own risk analyses, and document short and long-term management measures. In the Group's overall risk analysis, the potential impact is assessed as high. The probability is assessed as high. Learn more on [👉](#) page 204.

During the year, an independent meteorological expert conducted a climate risk screening of Lantmännen's facilities to create an overview of the physical climate-related risks to which Lantmännen's facilities are exposed and to provide a basis for climate adaptation work. Several climate

indicators, e.g. related to water and temperature, were analyzed based on the three climate scenarios RCP<sup>1)</sup> 2.6, 4.5 and 8.5. The analysis was carried out over the short, medium and long term. The results show that all facilities, regardless of country, will be affected by an increase in annual mean temperature. In other respects, few facilities are affected by changes in climate indicators compared with the current climate, and are therefore not exposed to a significant risk. A number of facilities are located in areas prone to landslides, and a number of others are at risk of flooding. The latter two climate indicators will be prioritized for action, as the potential damage is considered to be the most costly. The outcome of the completed climate and vulnerability analysis has been communicated to the relevant businesses, Lantmännen Real Estate and the Group function for risk, and the process of planning for climate adaptation measures has begun.


Climate-related risks and opportunities are described in "Strategy – Field to Fork 2030", "Strategy for sustainable business", "Farming of the Future – our plan", "Research develops business", sections of the Board of Directors' Report and "Significant risks and risk management".

### Annual investment in research and innovation

Lantmännen conducts extensive work on innovation and has its own research foundation that supports knowledge development to meet the challenges of the future, enable farm profitability for our members and safeguard our competitiveness. The investments are made in several areas, with the aim of increasing the value from field to fork and creating new business in cooperation with agricultural companies. Learn more on [👉](#) page 30.

<sup>1)</sup> Representative Concentration Pathways are scenarios of how the greenhouse effect will be amplified in the future. This is called radiative forcing and is expressed as watts per square meter (W/m<sup>2</sup>).

## Functioning ecosystems

Area	Target	Metric
	<ul style="list-style-type: none"> <li>Deforestation-free products: certified risk raw materials or origin with low risk</li> <li>Promote biodiversity in the agricultural landscape</li> </ul>	<ul style="list-style-type: none"> <li>Proportion of responsibly produced risk raw materials: soy, palm, cocoa, wood</li> <li>Organic offering (grain, seeds, feed)</li> <li>Measures for biodiversity</li> </ul>

### Governance and objectives

Ecosystems are under pressure and biodiversity loss poses a risk to Lantmännen's production and long-term profitability. Lantmännen's Code of Conduct clarifies our approach together with the Raw Materials Initiative. The Raw Materials Initiative is based on the Code of Conduct and is supported by the Supplier Code of Conduct, the Group Sourcing Directive and the business units' related guidelines, and covers the sourcing of raw materials with specific sustainability risks, such as products from oil palm, soybeans, cocoa, products of animal origin and wood. The Sustainable Development department is responsible for regular updates of the Raw Materials Initiative and approval is given by the Group Management. The strategy for organic business guides the direction, and a risk assessment is part of the Group's existing risk processes.

Lantmännen is committed to a deforestation-free supply chain and responsible production, with targets for high-risk raw materials, such as soy, oil palm, cocoa and wood. Work on deforestation-free products is monitored and reported to the Board and management through the annual quality assurance follow-up. The objective is 100 percent purchases of responsibly produced soy as defined by the Swedish Platform on Risk Commodities. Our palm oil strategy is to ensure responsibly produced palm oil for the volumes we use in our food products. We achieve this by only purchasing RSPO-certified palm oil, which we have been doing since 2011. The target is a full transition to physically traceable certified palm oil, according to the certification level RSPO Segregated.

For the oil palm by-products palm kernel expeller and palm fatty acid distillate (PFAD) fats, which are used in feed production, the market for certified raw materials

is not yet as developed. Lantmännen has set a target of 100 percent RSPO in the category Book & Claim or Mass Balance for oil palm by-products by 2025. In parallel, Lantmännen engages in dialogue with other industry players to ensure responsible management of this flow and to replace the products with more sustainable alternatives. Since 2022, Lantmännen has replaced palm kernel expeller with Swedish grain by-products such as bran, resulting in more climate-smart feed.

Learn more about our work on this area at [lantmannen.com/sustainable-development](https://lantmannen.com/sustainable-development)

Learn more about the Round Table [👉](#) on Sustainable Palm Oil at [rspo.org](https://rspo.org)

The Climate & Nature cultivation program contains criteria for biodiversity in the agricultural landscape, and there is annual monitoring of implemented biodiversity measures, such as the number of skylark plots and flower zones. The organic offering is also monitored by, for example, measuring the proportion of organic seed and feed.

### Purchased raw materials from responsible production

Lantmännen reports the percentage of purchased volume verified as being in accordance with internationally recognized responsible production standards for the raw materials soy as an ingredient in feed and palm oil based products as an ingredient in food and feed. Work on extending the reporting to cocoa and wood products is in progress.

Lantmännen continues its work to ensure responsibly produced soy for import as a feed raw material. In 2023 the outcome was 100 (100) percent and the total volume of purchased soy was 110,227 (109,600) tonnes.

For several years, Lantmännen has been working on alternative raw materials to soy, and synthetic amino acids have

### Palm oil as an ingredient in food

	2023	2022	2021	2020	2019
Purchased volumes of palm oil as an ingredient in food, tonnes	11,000	13,000	9,000	8,200	10,300
Proportion of RSPO-certified	100 %	100 %	100 %	100 %	100 %
of which RSPO Book & Claim	-	-	-	-	-
of which RSPO Mass Balance	2 %	4 %	3 %	3 %	2 %
of which RSPO Segregated <sup>1)</sup>	98 %	96 %	97 %	97 %	98 %

<sup>1)</sup> Segregated and traceable RSPO-certified palm oil.

### Palm oil as an ingredient in feed

	2023	2022	2021	2020	2019
Palm kernel expeller as an ingredient in feed, tonnes	0	0	6,000	6,000	19,300
Fats, tonnes	15,000	15,000	15,500	-	-

proved to be a success factor in reducing use of soy in feed while increasing feed efficiency. We offer cattle feed without soy and palm fats under the product name Nötfor Nära.

The Swedish Platform on Risk Commodities is a collaboration between participants in the Swedish food value chain – from feed companies, slaughterhouses and dairies, to retailers, industry associations, Ethical Trading Initiative Sweden and the WWF. Learn more at [eti.se](https://eti.se)

Learn more about our work on soy at [lantmannen.com/sustainable-development](https://lantmannen.com/sustainable-development). Learn more about RTRS, Round Table on Responsible Soy, at [responsiblesoy.org](https://responsiblesoy.org).

Learn more about ProTerra at [proterrafoundation.org](https://proterrafoundation.org)

In 2023, the proportion of palm oil certified according to RSPO Segregated was 98 (96) percent. The transition is still to be completed for all volumes in the production of brands we produce for other players and in acquired businesses. We are also working to accelerate the market's transition together with companies in the industry and stakeholders. The volume of purchased palm oil as an ingredient in food was 11,000 (13,000) tonnes.

### Organic offering

Lantmännen is a major player in the organic value chain, from agri-supply, feed and grain to food. Organic production methods without unnatural chemicals promote biodiversity, such as more plant species and pollinators in the agricultural landscape.

Lantmännen trades in large volumes of organic grain and produces seeds and varieties suitable for organic farming. However, in 2023 supply of organic grain was affected by Russia's war in Ukraine. With demand still stable, the limited supply has resulted in increased prices. Organic demand from the export market remains strong for certain crops, mainly quality grain. We are seeing a large surplus in the feed grain market, which makes it difficult for premiums to move upwards in terms of price. Unfortunately, lower consumption of complete feed is not just a Swedish phenomenon. However, Lantmännen is a strong and confidence-inspiring counterparty in the market, with a good reputation, which is also a strength in the export market when the market is slower. One example is exports of organic gluten.

Lantmännen continues to work actively to create businesses that make a positive difference in organic. For example, work on clarifying the organic offering to farmers has begun. The organic feed market remains the strongest driver for organic grain and pulses, and is an important business for us. Our position also enables us to take advantage of export opportunities for organic grain. Lantmännen's Bjertorp Farm of the Future conducts demonstration organic farming, aimed at contributing to further development of new organic varieties and cultivation strategies.

For continuing development of organic production, it is important to follow market demand and adapt production. The challenge is to deal with the rapid fluctuations in the market using the time frames that are needed to restructure agricultural production. More information on our grain concepts can be found at [lantmannenlantbrukmaskin.com](https://lantmannenlantbrukmaskin.com).

Organic spring seed in 2023 was at about the same level as in 2022, probably because farmers have increasingly opted to conduct their production organically in the period up to the harvest. In contrast, sales of organic winter seed decreased, which is an effect of the decline in the overall organic market and farmers changing their production from organic to conventional.

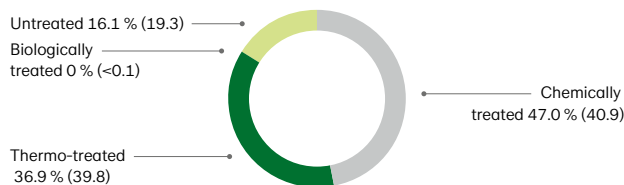
As sole supplier, Lantmännen is able to effectively eradicate seedborne infection with the ThermoSeed technology, which is approved for organic farming. The proportion of thermo-treated seed during the year was just under 37 percent. Learn more on [page 41](#). Non-chemically treated seed accounted for 53 (59) percent of total treated seed (calculated as percentage of volume in tonnes). In addition to our Swedish production, there is also seed treatment with ThermoSeed under license in several countries.

Inflation and lower purchasing power in society have resulted in more consumers abandoning the organic range. This trend has continued in 2023, with more organic producers deciding to switch to conventional production. As a result, sales of organic feed have declined and amounted to 5.9 (8.4) percent of total feed sales in 2023. With the declining organic production, we are approaching a balance in the market, with supply and demand harmonizing. Market shares for our feed continue to be maintained. There is growing demand for Swedish-produced proteins rather

### Organic offering

	2023	2022	2021	2020	2019
Weighed organic grain, thousand tonnes	119	140	111	156	131
Proportion of organic seed	12.3 %	11.9 %	13.1 %	14.8 %	12.2 %
Proportion of organic feed	5.9 %	8.4 %	9.4 %	9.4 %	9.8 %

### Seed treatment







than imported raw materials, and Lantmännen is working actively to reward this in feed production.

#### Measures for biodiversity

Lantmännen's operations affect biodiversity in several ways. It is in the cultivation on our owners' land that the dependence and impact is greatest, but Lantmännen also purchases other cultivated raw materials and inputs.

Lantmännen works to reduce negative impacts and protect and strengthen biodiversity in various ways. This includes developing new plant protection methods, including chemical-free seed treatment methods such as Thermo-seed and Cedomon/Cerall.

The Climate & Nature cultivation program promotes biodiversity through criteria for skylark plots and flower zones. A skylark plot is an unsown patch in the field where skylarks can land and find food.

Growing plants in special areas of the agricultural landscape – flower zones – encourages insects such as bumble and other types of bees. The zones also reduce the risk of

leakage of undesirable substances from farmland, while also being beneficial to natural enemies of pests, which in turn reduces the need for plant protection.

Biodiversity measures under the Climate & Nature cultivation program in 2023 included 24,710 (19,850) skylark plots and flower zones of 4,128,800 (1,020,700) m<sup>2</sup>, including 3,080,140 (20,000) m<sup>2</sup> under the program in Finland.

Lantmännen is part of the Baltic Stewardship Initiative network, led by WWF, with over 25 companies and organizations in the food chain. The aim is to increase circulation and minimize plant nutrient leakage through sustainable and profitable methods that benefit biodiversity.

#### Measures<sup>1)</sup> for biodiversity

	2023	2022	2021	2020	2019
Skylark plots, number (20m <sup>2</sup> per plot)	24,710	19,850	14,200	9,400	11,400
Flower zones, m <sup>2</sup> area	4,128,800	1,020,700	933,000	694,800	NA

<sup>1)</sup> Under the Climate & Nature cultivation program in Sweden and Finland.

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**Lantmännen is a major actor in the organic value chain, from agri-supply, feed and grain to food.**



# Sustainable products and renewable raw materials

It is Lantmännen's aim to increase harvests while reducing climate and environmental impacts. We drive innovation for sustainable business development in order to contribute to food security through resource-efficient production of safe products and services. Our sourcing takes responsibility for people and environment.

## Food security, resource efficiency and circularity

Area	Target	Metric
  	<ul style="list-style-type: none"> <li>• Create conditions to increase harvests by 1 million tonnes per decade</li> <li>• Develop circular business from renewable raw material</li> <li>• Improve the efficiency of plastic use by 1 percent/year</li> <li>• Replace virgin fossil-based plastic with recycled and renewable materials by 2030</li> </ul>	<ul style="list-style-type: none"> <li>• Harvest volume tonnes/year. Lantmännen's weighed volume and qualitative</li> <li>• Qualitative</li> <li>• Plastic use, efficiency rate</li> <li>• Proportion of virgin fossil-based plastic</li> </ul>

### Governance and objectives

Lantmännen sees that the Swedish grain harvest can increase by one million tonnes per decade and seeks to enable this through active development initiatives to increase efficiency. Work on the Farming of the Future program is based on the combination of managing a growing population and the climate issue by 2050. The main building blocks are fossil-free plant nutrients and fossil-free fuels, together with precision farming, digitalization, management, plant breeding and carbon sequestration. Research and innovation are essential for sustainable business development and long-term food security. Guidelines for work on food security, resource-efficiency and circularity are set out in our Code of Conduct together with the Raw Materials Initiative.

We drive innovation for circular business from renewable raw material. Research is underway to develop biochemicals such as bioplastics and other renewable materials. Waste and residual products arise at various stages of our production. In all our business, we focus on resource efficiency, identifying and limiting waste, and working towards increased circularity where side streams are used and have increased value.

Lantmännen operates industrial recycling of waste products from the food industry and from these we produce ethanol, protein feed and carbonic acid. This is a profitable circular business that produces products with a low climate footprint. Learn more on [page 46](#).

Lantmännen has a guideline for packaging with guiding criteria for material selection. For certain risk raw materials such as wood, there are targets on origin and certified raw material approval. Learn more under [Functioning ecosystems](#).

Lantmännen strives to be a pioneer in the transition to

more sustainable plastic use in all our businesses. Targets in our plastic strategy include improving the efficiency of plastic use by 1 percent per year, and replacing fossil-based materials with renewable and recycled ones by 2030.



### Harvest volume

The Swedish grain harvest for 2023 decreased compared with the previous year. The total volume was about 4.9 million tonnes, which is well below the five-year average of 5.2 million tonnes. At the same time, extensive quality problems arose, which limited the availability of Swedish milling wheat, malting barley and rolled oats. For Lantmännen's weighed volumes, see [page 156](#).

### Plastic use

During the year, we continued to work towards the goal of all packaging material being recyclable, and at the end of the year the proportion of recyclable packaging was 98.3 percent. One example is that Aspen's caps on its containers have been made white, as black plastic cannot be recycled at present. Lantmännen Agriculture continued working to reduce the amount of plastic in stretch film and to use recycled plastic instead of virgin fossil-based plastic as an input raw material. In parts of Unibake, a corrugated box containing an inner liner made of barrier paper has been developed. This dispenses with the use of a plastic bag and the cardboard box becomes the primary packaging for the bread. In total, the efficiency rate for plastic use was 2.8 percent during the year, meaning that the target of 1 percent was achieved. The phase-out of single-use plastics for food consumption has been completed for the essential production facilities and offices. Use of virgin fossil-based plastic has not yet been monitored but this is part of our plastic strategy.

## Sustainable, healthy and safe products

Area	Target	Metric
  	<ul style="list-style-type: none"> <li>Sustainable cultivation and sustainable product targets under development</li> <li>Healthy food</li> </ul>	<ul style="list-style-type: none"> <li>Volume for Climate &amp; Nature and other sustainable cultivation programs</li> <li>Certified food facilities</li> </ul>

### Governance and objectives

Lantmännen will develop commercial offerings of sustainable, safe and healthy products of good quality. The Code of Conduct provides the overall direction for our offerings of products and services, and the Responsibly produced food directive describes our approach to responsible food production and presents the requirements and criteria we have for our production and products.

We are working to develop targets for more sustainable cultivation programs and healthy food. Lantmännen's green sprout on the packaging is a guarantee of responsibly produced food. Our research and innovation activities ensure a level of knowledge and expertise that makes us competitive and we drive business development based on the opportunities that sustainable transformation offers. Products sold with communicated added value for climate or the environment are calculated based on current methods and are third-party verified. Our distributors, who are often the party that consumers of Lantmännen's products meet in a marketplace, must comply with our Distributor Code of Conduct.

The volume of grain grown under Climate & Nature and organic grain is monitored annually. Targets for volume of grain from sustainable cultivation and sustainable products are under development.

### Sustainable products and cultivation program

Lantmännen will increase the volume of grain from cultivation programs such as Climate & Nature. The Climate & Nature cultivation program is central to the development

### Harvest volume and sustainable cultivation programs

Thousand tonnes	2023	2022	2021	2020	2019
Total volume of weighed grain	2,158	2,482	2,422	2,758	2,261
Grain grown according to Climate & Nature	146	118 <sup>2)</sup>	94	61	34
CO <sub>2</sub> e saved <sup>1)</sup>	11.4	7.1	6.3	4.9	2.2
Grain grown according to Natur+	235	239	222	154	146
Organic grain	119	140	111	156	131

Volume calculated from contracted hectares, 22,000 (18,000) hectares, and average harvest per hectare.

<sup>1)</sup> The result for CO<sub>2</sub>e saved for the years 2022-2019 has been amended as a result of a change in calculation method. Learn more on [page 167](#).

<sup>2)</sup> The result for 2022 has been amended to include grain cultivated according to Climate & Nature in Finland.

of Farming of the Future. It provides grain products with up to 45 percent lower climate impact compared with the baseline 2015 and positive effects on biodiversity. The cultivation program, which is third-party verified, contains fixed criteria that reduce climate emissions and promote biodiversity, with some adaptation to customer-specific requirements.

One of the climate impact reducing measures implemented under the program is precision farming, which enables increased efficiency in resource use on the farm. In addition, fossil-free fuel is used in tractors and eco-driving with reduced fuel consumption is applied. Fossil-free fertilizer was introduced as a possible measure under the program during the year.

We are working for increased volumes, more crops, a broader product range, more customer offerings and wider geographies. We are seeing increased demand for sustainable raw materials from both customers and consumers and the volume increased to 146,000 (118,000) tonnes in 2023. The program continues to grow, with new customers and products. Cultivation in 2023 resulted in a saving of 11,422 (7,133) tonnes of CO<sub>2</sub>e compared with cultivation without climate measures. More information on our grain concepts can be found at [lantmannenlantbrukmaskin.com](https://lantmannenlantbrukmaskin.com)

In parallel, the concept is being developed to include criteria that provide additional climate mitigation and biodiversity measures. Learn more on [page 153](#).

The transformation of agriculture involves many other areas, such as production of non-chemically treated seed, testing of renewable fuels, plant breeding for future varieties, and inputs with a lower climate and environmental impact. Read more under [Climate and Functioning ecosystems](#).

### Healthy food

We develop products and ranges that promote good health and wellbeing. Examples include Swedish beans, bean pasta, an expanded bread range based on rye and whole grain and a broader range for people with celiac disease, gluten intolerance. Lantmännen also offers foods with special documented health benefits, such as SPC-Flakes and Salovum, which, for example, help fight cardiovascular disease and disruptions to blood sugar balance.





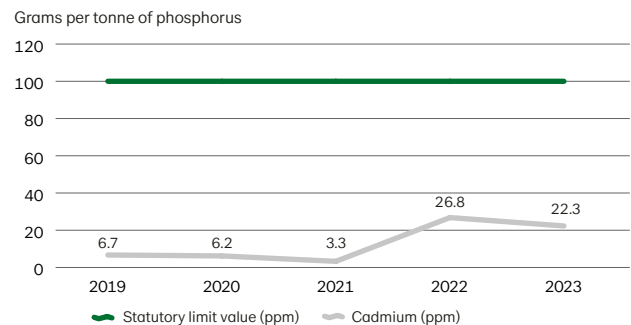
The governing documents for health and nutrition provide criteria on how products can promote good health. Important criteria are whole grain, reduced salt and sugar content, and a reduced proportion and less use of saturated fat. Added value in the form of health-promoting properties or environmental benefits is communicated only when these benefits are well documented and scientifically proven. Information on nutritional content and ingredients is provided on Lantmännen's food and feed products.

In response to market demand for Swedish-grown green proteins, Lantmännen is investing in enabling Swedish farmers to grow another crop in their crop rotation: pulses, which provide plant-based proteins. We comply with international standards in food and feed to protect our customers, consumers and animals. Our responsibility is based on the precautionary principle. We conduct regular risk analyses and have systems for identifying and, where necessary, recalling faulty products that may pose a risk to the user. Product deviations and complaints are identified through several customer service and customer contact channels and are dealt with according to the processes of each business area. For products that are critical to our customers' operations, delivery contingency plans must be in place. All products must be traceable in accordance with applicable regulatory requirements and industry standards. 100 (100) percent of Lantmännen's food producing facilities are certified according to international standards for food safety, either ISO or approved by the Global Food Safety Initiative (GFSI), and are reviewed by third parties.



Lantmännen also works for increased knowledge and awareness among consumers about diet, health and environment by spreading information, new knowledge and inspiration based on official recommendations and science. The magazine *Cerealier* contains research news on grain and health for readers whose work involves food and health advice.

Lantmännen reports key figures for cadmium content in fertilizer as this affects cadmium in grain. It is important to ensure minimal cadmium input to Swedish arable land. The cadmium content of phosphate fertilizer is measured continuously and for 2023 it was 22.3 (26.8) grams of cadmium per tonne of phosphate fertilizer. The content is still well under the statutory limit value of 100g cadmium/tonnes phosphorus.

#### Cadmium in phosphate fertilizer



## Responsibility in the supply chain

Area	Target	Metric
 	<ul style="list-style-type: none"> <li>Responsible sourcing with suppliers and distributors compliant with Lantmännen's SCoC/DCoC</li> </ul>	<ul style="list-style-type: none"> <li>High and medium-risk suppliers approved under established criteria</li> <li>Supplier audits</li> </ul>

### Governance and objectives

Market demand for sustainably produced products, and traceability and information on sustainability performance is increasing. Our customers and consumers should feel confident that we have knowledge and control through our entire operations and that we minimize negative impacts on people, the environment and natural resources.

Lantmännen works systematically to identify, minimize and monitor supplier risks. Lantmännen's sourcing is governed by the sourcing policy. The evaluation and selection of suppliers is governed by the procurement process. Lantmännen's Supplier Code of Conduct is one of several support tools for evaluating and selecting suppliers. The Code is signed by the supplier as part of the contractual process. To ensure compliance with the requirements, we monitor suppliers' performance through risk-based assessment.

The long-term target is for at least 98 percent of all suppliers assessed as medium or high-risk suppliers to have signed, been assessed and approved according to Lantmännen's Supplier Code of Conduct, with the interim target for 2023 being at least 90 percent.

### Responsible sourcing and compliance with the Supplier Code

Lantmännen has about 19,000 suppliers. About 1,700 of them account for 95 percent of our purchase volume. Purchasing takes place primarily within the overall categories of raw materials, packaging, transport and logistics, merchandise, and indirect materials & services, for which the majority of suppliers are located in the Nordic region and Northern Europe. A first step in the evaluation and selection of suppliers is to assess the risk of the supplier failing to comply with the Supplier Code of Conduct based on purchasing category and country. Since 2022, the purchasing process has had an increased focus on suppliers' inherent risks based on geography, sector and product category. Suppliers considered high risk (annual purchase volume above SEK 300,000) and medium risk (annual purchase volume above MSEK 1) are followed up with special measures. These are self-assessment and/or third-party audits or equivalent inspections. For high and medium-risk suppliers in particularly risky markets, background checks in the form of due diligence are carried out.

In 2023, 92 (73) percent of high and medium-risk providers were approved, which is just above the target. A total of 14 (6) supplier audits were conducted in 2023. The aim is to further increase the work on audits and work on process and system support is in progress.

Since 2019, Lantmännen and other actors have been engaged in the Responsible Shipping Initiative. This is a cross-industry cooperation that promotes responsible shipping transport through joint inspections and common standards, with audits being one of the important tools for improvement. The climate performance of maritime transport has also been included since 2022. Additional requirements apply to certain companies – e.g. suppliers of raw materials for food, special product categories such as palm oil or suppliers in high-risk countries. The requirements are monitored and reported based on Lantmännen's specific commitments and objectives. Learn more under [Functioning ecosystems](#).

In addition to requirements and supplier monitoring, we assess sustainability risks related to different materials. The assessment is based on factors such as country of origin and cultivation and/or production method. The assessment is sometimes followed by a more detailed analysis of the risks for our most important purchasing categories. This then forms the basis for decisions on risk management measures, such as audits, switching to another material or supplier, or certification. Annual prioritization plans show which suppliers are to be audited. The Group's sourcing committee ensures that the audit is carried out and reported to Group Management. Training is provided as required for relevant professional roles.

### Percentage of high and medium-risk suppliers compliant with organization's sourcing policy

%	2023	2022	2021	2020	2019
Percentage of high and medium-risk suppliers approved <sup>1)</sup>	92 %	73 %	NA	NA	NA
Proportion of total spend (SEK)	N/A	N/A	92 %	95 %	92 %

<sup>1)</sup> With effect from 2022, the percentage of high and medium-risk suppliers approved is monitored. In previous years, monitoring was based on spend regardless of risk level.






# Responsible employer and business partner

Lantmännen is a responsible actor and wants to be an attractive employer that offers a safe work environment, good leadership and an inclusive corporate culture. We have good business practices and apply strict rules on ethical conduct with a high level of integrity

## Employee engagement and leadership

Area	Target	Metric
	<ul style="list-style-type: none"> <li>• Attractive employer</li> <li>• Engaged employees</li> <li>• Good leadership</li> </ul>	<ul style="list-style-type: none"> <li>• Attractive employer based on internal and external surveys, qualitative</li> <li>• Employee engagement &gt; 70</li> <li>• Leadership &gt; 70</li> </ul>

### Governance and objectives

Lantmännen is a large international group and our businesses require us to attract, recruit, develop and retain committed, competent employees and leaders. Lantmännen's Code of Conduct and employee engagement and skills development programs drive the work. We set targets for engagement and leadership. For each employee to contribute effectively to their work, it is important that they understand Lantmännen's assignment and goals, and continuously develop their skills. The performance of all employees is regularly evaluated, and skills development is followed up through performance appraisals at least twice a year.

### Employee engagement and leadership


Annual performance appraisals focus on individual targets, development plans and alignment with Lantmännen's values – openness, a holistic view and drive. The employee survey also asks whether employees have had a performance appraisal.

The results of the 2023 survey (conducted every two years) were 73 (70) for the Employee satisfaction index and 78 (76) for the Leadership index, which were above the targets. The response rate in the employee survey for the year was 92 (90) percent, compared with the target of at least 85 percent. The process of identifying employees' development potential and implementing international development programs continued during the year. Lantmännen's goal is for employees to receive internal growth and development in both specialist and management careers. The target is for half of all managerial recruitments to be filled with an internal candidate; the outcome for 2023 was 52 (48) percent.





## Equal treatment

Area	Target	Metric
	<ul style="list-style-type: none"> <li>Gender balance in management groups</li> <li>No form of discrimination, intimidation, oppression or harassment</li> </ul>	<ul style="list-style-type: none"> <li>Gender representation in management groups, managers, employees</li> <li>Age structure</li> </ul>

### Governance and objectives

Lantmännen works actively to create an inclusive culture where cooperation, commitment and safety are valued. Lantmännen does not accept discrimination, intimidation, oppression or harassment in any form and this is enshrined in our Code of Conduct, equal treatment policy and non-discrimination targets. We work long-term for equal treatment, increased equality and diversity through defined goals, activity plans and regular follow-up, both in recruitment and career development. Lantmännen uses tools for more objective and inclusive potential assessment. To identify risks and

areas for improvement, the employee survey asks whether discrimination has been experienced in the organization. Any deviations can also be reported via the whistleblowing function and in the day-to-day business of the HR function. Learn more on [➔](#) page 160.

### Gender representation

Lantmännen works in a long-term framework to increase gender equality. All Sectors and Business Areas have defined targets and action plans. For more information, see [➔](#) tables below and the Sector and Business Area descriptions.

### Gender representation

	Number of women/men		Women/men, %	
	2023	2022	2023	2022
Group Board <sup>1)</sup>	3/9	3/9	25/75	25/75
Group Management	4/7	3/6	36/64	33/67
Managers	418/854	405/825	33/67	33/67
All employees	3,614/6,725	3,655/6,845	35/65	35/65

<sup>1)</sup> Including 3 employee representatives.

Data on all employees is based on average number of employees. Data for others is based on numbers.


### Age distribution

	Managers, %		Employees, %	
	2023	2022	2023	2022
<30 years	3	3	17	17
30-50 years	52	53	47	47
>50 years	45	44	36	36

Information is based on number of employees on December 31.



## Occupational health and safety

Area	Target	Metric
	<ul style="list-style-type: none"> <li>Injury rate &lt; 7 by 2025 and &lt; 1 by 2030</li> <li>Sick leave &lt; 5 % by 2023 and &lt; 3.5 % by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Injury rate</li> <li>Risk observation rate / Close-out rate</li> <li>Sick leave</li> </ul>

### Governance and objectives

No employee shall be exposed to danger or injury at the workplace and Lantmännen has a zero vision for work-related accidents. Some operations have work environments and activities that pose a risk and Lantmännen always prioritizes employee safety. Our health and safety work follows national legislation in the countries where we operate, but in many cases we maintain a higher standard in order to achieve defined goals.

Lantmännen's health and safety strategy aims for "Health & Safety Excellence", and we set ambitious targets

and work on continuous improvements to get there. On reaching excellence, we will be operating with world-class health, safety and well-being. The issues are then integrated at all levels, with all employees acknowledging ownership and contributing to a good safety culture. The target is an injury rate of <1 by 2030, with a sub-target of <7 by 2025. The target will be achieved with a risk-based and proactive approach in which health and safety are part of day-to-day work, and with a focus on continuous improvement. Health and safety work is integrated into Lantmännen's leadership, organization and daily and strategic processes. Regular health and safety training is provided in all businesses and includes all managers and safety representatives. Three e-learnings and a physical workshop have been developed, aimed at increasing knowledge and awareness of health and safety issues. The goal is for all employees to have completed the four training sessions by 2024.

To strengthen the safety culture and integrate risk management, we have implemented a self-assessment tool, the Safety Culture Ladder, in all the businesses. The purpose of the tool is to identify the present situation and what needs to be done to improve the safety culture. The follow-up shows that Lantmännen as a whole reached the "compliant" level in 2023, which shows that the basis is in place. The goal for the next three-year period is to reach the "proactive" level, which is the step before "excellence". We conduct 50-60 annual injury prevention inspections at production facilities.

All employees report incidents in the IA system, a tool for reporting risk observations, near misses and accidents. All reported incidents are investigated, risk assessed, addressed and closed. Investigations include an analysis of the underlying causes – a root cause analysis – and measures are taken to ensure that the incident does not happen again.

Lantmännen does not have a group-wide health and safety management system, but some businesses use management systems and are certified to standards. Health and safety work in the businesses is monitored to ensure that it is carried out systematically and corresponds to working methods in the management system. Our whistleblowing policy makes it clear that there must be no reprisals or negative treatment of employees who report some wrongdoing, including, for example, health and safety issues.

Our work on health and safety is characterized by close collaboration between management, employees, the safety





organization, occupational health and other partners. We follow legislation in this area in all countries – for example, there are protection committees in which employee and employer representatives work together. In addition, all businesses are represented in a working group, which also includes trade union representation. The group works together and makes proposals on health and safety objectives and activities. A steering group, consisting of management representatives from Lantmännen’s businesses, decides on objectives and activities.

We have targets for reducing sick leave: to stabilize at 5 percent by 2023 as a first step, and reach 3.5 percent by 2030. We also offer wellness activities and health checks, and have access to occupational health services in several of our countries. Occupational health services are an external party and Lantmännen does not have access to information on the health status of employees. Lantmännen operates in countries where healthcare is normally available.

#### Work-related accidents

Lantmännen’s top priority is the safety of our employees.

The injury rate fell to 10.8 (13.5) in 2023. The number of accidents also showed a decline, falling to 194 (233). Common accidents are falls, cuts and crush injuries. The preventive work on risk observations and close-out rates for reported accidents and observations achieved the improvement targets. The number of reported risk observations rose to 17,040 (15,334), an increase of 11 percent from the previous year. A new target has been set for the risk observation rate. In 2023, the result was 949 (888), exceeding the target of 450. The close-out rate was 85 (90) percent, which

is above the target of 80. There were 56 injury prevention inspections carried out at facilities during 2023.

All business areas have developed long-term health and safety action plans and 87 percent of the activities were completed in 2023. Awareness of the importance of successful health and safety work has increased and the vision “I – You – We, Healthy and Safe Every Day” is now well embedded in all business areas.

#### Sick leave


Total sick leave for the year was 4.6 (5.2) percent and fell for both men and women. The long-term target is 3.5 percent.

#### Work-related injuries and sick leave

Accidents and near misses	2023	2022	2021	2020	2019
Number of fatalities due to work-related injuries	0	0	0	0	1 <sup>1)</sup>
Number of accidents	194	233	247	238	221
Injury rate	10.8	13.5	14.3	13.7	12.7
Number of reported near misses	2,471	2,692	2,831	2,735	3,027
Number of risk observations	17,040	15,334	13,271	8,371	5,334
Risk observation rate	949	888	767	-	-
Close-out rate, %	85	90	83	-	-
Sick leave %, total	4.6	5.2	4.4	4.3	4.3
Sick leave, women/men	5.3/4.2	5.8/4.9	5.0/4.0	4.8/4.0	5.3/3.7

<sup>1)</sup> In 2019, a tragic car accident occurred on a public road, in which a Lantmännen employee died. The causes of the accident were beyond Lantmännen’s control.

## Business ethics and integrity

Area	Target	Metric
	<ul style="list-style-type: none"> <li>• High integrity and ethical approach among employees</li> <li>• No violations of business ethics legislation</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of training in CoC, business ethics</li> <li>• Cases of corruption</li> <li>• Risk assessments carried out in business ethics and integrity</li> </ul>

### Governance and objectives

As a large, international player with many employees and a broad ownership base, Lantmännen relies on good and ethical business relationships and a high level of integrity. Our business ethics responsibility runs through the value chain from field to fork and is defined in our Code of Conduct, where we reject all forms of corruption, bribery, money laundering, illegal competition and non-compliance with applicable sanctions legislation, and safeguard the integrity of individuals and protection of their personal data. We have zero tolerance for corruption, and work actively to maintain a culture where ethics is a priority. Measures to prevent non-compliance with laws on anti-corruption, money laundering, sanctions and competition are governed by Lantmännen's Business Ethics Compliance Program and include several policies (e.g., our Anti-corruption policy, AML policy and Competition law policy), regular risk analysis, communication and training, and controls and monitoring.

Lantmännen's Group Compliance function reports regularly to the Board and Group Management on compliance, identified risks and the status of the Business Ethics Compliance Program. Our governance documents, such as the policies included in the Business Ethics Compliance Program, are reviewed and approved by the Lantmännen Board annually. The management teams of Lantmännen's businesses are responsible for implementation and communication of the program's measures and for monitoring compliance in their own operations.

For distributors, there is a specific Distributor Code of Conduct that communicates Lantmännen's expectations of these parties.

### Corruption-related risk assessment of operations

Overall assessments of the exposure of Lantmännen and our Sectors/Business Areas to corruption and competition law risks were conducted in 2023 as part of Lantmännen's Group-wide ERM (Enterprise Risk Management) risk identification process. Such exposure is assessed on the basis of a number of risk drivers such as geography, industry, and transaction and market conditions. The process uses, among other things, available and independent international risk indexes, such as the Transparency International Corruption Index and the EU's policy on high-risk third countries. The results of the assessment are reported to Lantmännen's Group Management and Board of Directors.

As in previous years, the assessment shows that the majority of Lantmännen's businesses operate in countries and sectors with a relatively low risk of corruption. However, there is some risk exposure in the agriculture, energy and food businesses through direct operations in risk countries and risk sectors, and indirectly through counterparties operating in risk countries and risk sectors. The geopolitical situation in Europe increases the risk of exposure to counterparties under sanctions.

In addition to risks related to corruption, there is also some exposure to competition law, as several of Lantmännen's businesses use distributors and operate in markets that involve contact with competitors.

Lantmännen adjusts its risk management to the assessed risk exposure. For example, the Business Ethics Compliance Program includes a risk-based due diligence process for managing sustainability risks, with a particular focus on corruption and sanctions risks related to counterparties, and annual conflict of interest reporting. Lantmännen also requires in-depth training in business ethics for certain roles.

### Management of conflicts of interest

Lantmännen's managers, senior executives and board members must, at least annually, report the existence of actual or potential conflicts of interest through a process coordinated by Lantmännen's Group Compliance function. Assessments of reported conflicts and measures to deal with them are proposed by the reporting party's direct manager and approved, in turn, by their manager according to the "grandfather principle".

Measures adopted to manage conflicts of interest are communicated to the reporting party and, in consultation with the reporting party, possibly to others concerned if, for example, tasks or decisions have to be moved.

The results of the annual conflict of interest reporting are reported to the Lantmännen CEO and the Board. As in previous years, only a few conflicts of interest were reported during the annual process. All of these are considered to have been properly managed with relevant measures.

### Communication and training

All employees at Lantmännen are required to undertake training in our Code of Conduct. This is to be carried out at the start of employment and renewed every three years. Implementation of the training is monitored continuously and



reported at the end of each year (see below). For key personnel and employees in leading and/or particularly vulnerable positions, Lantmännen requires in-depth business ethics training, both through e-learning and teacher-led training in anti-corruption and competition law. The training is to be carried out within two-year intervals. All members of the Board are involved in the Code of Conduct and policies concerning anti-corruption.

92 (93) percent of Lantmännen's employees have valid training in Lantmännen's Code of Conduct at the end of the year, a little below the target of 95 percent. See → the table below. The Code training completion results were affected by unforeseen restrictions to access for certain groups as we built a new training system during the year. In 2023, key personnel and employees in leading and/or particularly vulnerable positions completed their business ethics training in accordance with procedures. The total completion rate (new employees and updated training) was 97 (95) percent at the end of the year.

### Whistleblowing

Lantmännen has an established whistleblowing system giving employees a simple and anonymous way of reporting malpractice and violations of Lantmännen's Code of Conduct, values, guidelines or policies, as well as suspected irregularities. In 2023, local whistleblowing channels were also implemented in companies where required by new legislation. An independent person is also appointed within these companies to handle the reports received. A total of 29 (19) reports from five countries were recorded through the whistleblowing system in 2023. Seven of these came from a local whistleblowing channel. 0 (0) of the cases concerned confirmed corruption incidents. All reports classified as whistleblowing and containing sufficient information have been investigated and acted on. Investigations have led to, among other things, termination of employment, warnings, and culture and leadership development.

### Follow-up, compliance and deviations

Systematic follow-up of compliance with the anti-corruption policy is conducted through screening, analysis, internal control systems and annual company questionnaires on, for example, corruption incidents and termination of contracts due to



incidents that have occurred. The questions were answered by 65 (all 68) companies in 2023. During the year, Lantmännen had 0 (0) confirmed corruption incidents.

In 2023, the European Commission found that Lantmännen Agroetanol was involved in an infringement of European competition rules in ethanol trade for a period, just over 10 years ago. In light of the above, the Commission has imposed a fine of EUR 47.7 million on Lantmännen Biorefineries AB (formerly Lantmännen Agroetanol AB) and Lantmännen ek för jointly and severally. Lantmännen has already made a provision of MSEK 500 in connection with the investigation. Lantmännen, which has cooperated fully with the EU Commission throughout the investigation, contests the findings of the Commission's decision and continues to fully exercise its right of defense, including an appeal to the European Court.

### Number and percentage of employees having completed training in the Code of Conduct

	2023		2022		2021		2020		2019	
	Number	%	Number	%	Number	%	Number	%	Number	%
Nordic countries	6,074	91 %	5,370	93 %	5,531	94 %	4,268	72 %	5 325	90 %
Rest of Europe	3,062	93 %	3,263	92 %	3,080	83 %	2,417	66 %	3 042	84 %
Other countries	307	98 %	281	100 %	90	54 %	70	46 %	407	95 %
Total	9,443	92 %	8,914	93 %	8,701	89 %	6,755	70 % <sup>1)</sup>	8 775	88 %

<sup>1)</sup> The target was raised from 90 percent to 95 percent from 2020.

# Reporting principles

## Scope of the report

The reporting refers to the 2023 calendar year, unless otherwise specified. The report is issued annually and refers to the Lantmännen Group, as defined on [page 89](#). Companies/operations acquired during the year and reported in the financial statements are included in the sustainability report. Associates and joint ventures are not included. Reporting takes place by segment for relevant key figures, such as climate emissions, sick leave and gender distribution.

## Data collection

Collection of environmental and energy data is conducted through TM1. Data on monitoring compliance with the supplier Code of Conduct comes from Contract Management System (CMS), a system for managing purchase contracts, and SPEND, a proprietary system for monitoring purchasing. HR-related data comes from HR's payroll system and Smartday.

Work-related incidents (incl. accidents and near misses) are reported in the IA health and safety reporting system, a web-based system provided by AFA Försäkring, although Agriculture uses a separate reporting system, from which data is entered into Lantmännen's health and safety reporting.

The number of employees completing various e-learning courses is collected directly from Smartday learning. Data on legislative compliance is collected from the business through LUPP and from the Legal & Compliance and HR departments.

## Definitions

A description of the definitions applied for the key figures and terms in the sustainability report can be found on [pages 168-169](#). There is also in-depth information on the principles and methods used to calculate greenhouse gas emissions, see [below](#).

## Reporting principles for climate emissions

Lantmännen reports greenhouse gas emissions. There are always inherent uncertainties in calculating climate emissions. The principles Lantmännen uses are described here. Reporting is in CO<sub>2</sub> equivalents, and where data is present, all greenhouse gases are included. In some cases, emissions other than CO<sub>2</sub> may be missing – e.g. for business travel in Scope 3.

### Scope 1 and 2

According to the WBCSD GHG Protocol, Scope 1 includes emissions from use of energy in own facilities. Emissions from refrigerant leakage are not included in the Scope 1 calculation due to lack of data.

Indirect emissions from use of electricity, cooling and district heating are reported in Scope 2. For more information on the parts of Lantmännen that are subject to the reporting, [pages 168-169](#). Emissions for purchased electricity and heating are reported using both the market-based and location-based method. Location-based emissions are calculated with an average value for the grid in question, regardless of whether there are guarantees of origin. The calculation, which is based on emission factors for electricity in Sweden, comes from the IEA (International Energy Agency) and is part of the Haga Initiative. For origin-labeled electricity, factors are taken from the product specification. From 2019, the effects of distribution losses have been included in the emissions calculation.

For Nordic countries, emissions are calculated based on Nordic residual electricity and data is collected from the Swedish Energy Markets Inspectorate. For electricity in other countries, emissions are calculated based on the national electricity mix, with from the Association of Issuing Bodies. Emission factors for district heating are collected from Energiföretagen, Finnish Energy or the relevant heating supplier.

From 2022, specific emission factors are used for different types of wood fuel (briquettes, wood chips and pellets) as the inclusion of Scandbio means a significant increase in wood fuel.

### Scope 3

Scope 3 reporting includes emissions from purchased freight transport, business travel, and the production and distribution of fuel and energy not included in Scopes 1 or 2. Emissions from the cultivation of grain and other raw materials are not included in the reporting. However, grain grown under the Climate & Nature program is monitored for both volume and climate performance.

Lantmännen reports emissions intensity as percent relative to tonnes CO<sub>2</sub>e/MSEK, with the base year 2019. The calculation of emissions intensity for own production was adjusted in 2022 by including total net sales in the denominator, rather than including only entities that are part of the climate reporting. The emissions intensity for own production was also recalculated for the base year 2019.

For Scope 3, purchased freight transport and business travel, Lantmännen has targets for emissions from purchased freight transport. This includes trucks and other transport such as maritime transport. There are inherent uncertainties in calculating climate emissions from freight transport. Emissions from purchased freight transport are calculated according to the TRIM model, which is based on transport work per tonne-km, purchase amounts in SEK and emission

factors. From 2023, the base year 2019 has been adjusted for net sales, with total net sales included as the denominator, instead of including only entities covered by climate reporting. Learn more on [page 167](#).

The calculations are based on the best available data, with standard calculations having been used in some cases. In 2022, the calculation method was improved with a larger share of transport-based data, an extended scope and an updated calculation of the emission factor for emissions based on purchasing data. The update affected the outcome for 2022 and also for 2019 as the emission factor includes measures such as the reduction obligation. A baseline for 2019 has been produced using the same method. It will form the basis for monitoring against targets. Reporting is based on internally registered transport volumes in tonne-km, approximately 70 percent, and standardized data based on purchasing data, approximately 30 percent. We are working continuously on improving calculations from transport volumes.

For emission factors (per tonne-km), fuel consumption from transporters is used, and calculated values from NTM, the Network for Transport Measures.

The year's outcome for climate emissions from freight transport includes a portion that is estimated based on the previous year's outcome. The estimated portion accounts for almost 40 percent of the total emissions from freight transport and is calculated by multiplying emissions from goods sold in 2022 in kg CO<sub>2</sub>e by the actual volume of goods sold in 2023. Estimates have been used, as actual data for 2023 was not available when this report was prepared.

The Scope 3 category of business travel includes air and rail travel in the Nordic region and car hire in Sweden booked through a travel agency. For air and rail business travel, the reporting consists of trips made in the period December 1, 2022 to November 30, 2023. Travel and car rental in the Nordic region not booked through travel agencies, all coach, boat and taxi journeys, air and rail travel and car rental in non-Nordic countries are not included as data is not available. Business travel not included is estimated at approximately 20 percent. Emissions from company cars cover the whole of Lantmännen, apart from operations in the Australia and newly acquired businesses. Business travel emissions are calculated based on data from suppliers, i.e. travel agencies' and car rental companies' reports of kilometers driven and actual fuel consumption, and emission factor for fuel according to EU standards and car manufacturers' data on emissions per car model.

### Recalculation of data from previous years

Energy use in the years 2022-2019 has been recalculated as follows:

- Energy use for 2021 has been expanded to include energy use for Swecon, Lantmännen Machinery and Real Estate.

Energy use for 2020 and 2019 has been expanded to include energy use for Swecon. These units were included for the first time in the calculation of climate emissions in 2022, but only with results for the current year.

- Renewable fuels in the years 2022-2019 have increased due to the addition of fuel consumption for sold heating in the Food Sector.
- Renewable electricity in the years 2022-2019 has increased due to the fact that energy used from solar panels at three facilities in Belgium in previous years was omitted incorrectly from total energy consumption.
- The split between renewable and non-renewable electricity in the years 2022-2021 has changed due to updated information on the electricity mix in Australia.
- Renewable district heating in the years 2022-2021 has decreased due a changed district heating mix in Finland and Estonia.

Climate emissions in 2022-2019 have changed due to changes in the calculation of energy use, see [page 167](#) above. In addition, the location-based emissions calculation has been corrected by supplementing the district heating mix for Lantmännen Biorefineries' facility in Norrköping, which had previously been incorrectly set at zero.

A general review of previously applied emission factors has been made during the year, resulting in an adjustment of incorrect emission factors for purchased electricity in Australia, and purchased district heating in Finland and Estonia.

From 2023, the calculation method for climate emissions from freight transport in relation to net sales has changed and total net sales are now included as the denominator, rather than including only entities that are part of the climate reporting. This has resulted in the outcome for the base year 2019 being changed from the previous outcome of 2.36 CO<sub>2</sub>e/MSEK to 2.05 CO<sub>2</sub>e/MSEK. Historical outcomes for the years 2022-2020 have also been recalculated according to the new calculation method.

The result for saved CO<sub>2</sub>e from Climate & Nature for the years 2019-2022 has been adjusted due to changes in the calculation method. In the new calculation method, the crop's nitrogen requirements vary based on yield per hectare. Another change is that in the new method, the climate saving for each harvest year is compared against conventional cultivation in the current year, instead of the baseline 2015. In addition, the 2022 result for grain cultivated according to Climate & Nature has been changed from 115 thousand tonnes to 118 thousand tonnes. The change is due to 3 thousand tonnes of Climate & Nature grain in Finland being omitted from the previously reported result.

# Non-financial key figures

Key figures and terms	Description and definition	Scope of reporting
Anti-Corruption	Confirmed cases of corruption during the financial year.	
Approved medium and high-risk supplier	A supplier that has the Supplier Code of Conduct in its contract and has an approved self-assessment and/or third-party inspection/audit.	Medium-risk suppliers with an annual spend (goods and services, both direct as inputs and indirect) over MSEK 1 and high-risk suppliers over SEK 300,000 on a rolling 12-month basis. Suppliers from owners, authorities and industry associations are not included in the follow-up and reporting.
Average harvest	The average harvest calculation is based on Statistics Sweden's data on the seven most recent harvests for the relevant crop (e.g., "winter wheat"). The highest and lowest harvests are removed to adjust for extremes. To obtain the average harvest, the five remaining harvests are totaled and divided by five.	
Cadmium in phosphate fertilizer (Healthy products)	Cadmium in phosphate fertilizer is calculated as ppm Cd in phosphorus = grams/tonne phosphorus (in fertilizer).	
Certificates	Third-party certification that guarantees a certain sustainability performance, such as RSPO for palm oil and KRAV for organic produce. Food certifications refer to international standards such as ISO 22000 or standards in line with the Global Food Safety Initiative.	
Close-out rate	The number of closed incidents in a 12-month period divided by the total number of reported incidents in the same period.	
Compliance	Legal compliance related to laws, international declarations, conventions or agreements, regional and local legislation and regulations. Non-compliance with the law refers to a serious infringement that incurs administrative or legal penalties such as sanctions, injunctions and/or significant fines. Significant fines are penalties which exceed SEK 500,000 or which, due to the nature of the non-compliance, may significantly affect the Group's financial position or reputation.	
Employees	Most of Lantmännen's employees are permanent employees. Fixed-term contracts are used only in special circumstances and when legally and contractually possible. The Agriculture Sector uses seasonal workers, mainly during the summer and fall. In construction projects, employees of another company are engaged in Lantmännen work. For the number of employees, the average number of employees for the year is used unless otherwise indicated.	All Lantmännen employees. Consultants and temporary workers are included in the reporting to varying degrees. See the scope for each indicator.
Energy consumption	Energy use for heating, cooling and electricity, expressed in GWh. The transition to origin-labeled electricity is yet to be implemented in Ukraine and Australia. Lantmännen switched to origin-labeled electricity in France during the year. In Estonia, Latvia, Finland and Sweden, Lantmännen buys origin-labeled electricity for the majority of the operations. In other countries (i.e. Belgium, Germany, Denmark, Lithuania, Norway, Romania, the UK and US) all electricity is labeled as originating from renewable sources.	Lantmännen's producing facilities, workshops, offices in Sweden (Stockholm and Malmö), Farms of the Future (Bjertorp, Svalöv, Viken) and externally leased premises excluding Lantmännen Agro Oy's franchise-run stores.
Equal treatment	The definition of equal treatment and discrimination is based on Lantmännen's Code of Conduct. Discrimination cases are cases reported to HR, the whistleblowing function, the immediate supervisor or a judicial body, which are considered to be infringements.	
Facility	Production facilities, workshops and externally leased premises excluding Lantmännen Agro Oy's franchise-run stores. From 2023, Farms of the Future and Lantmännen's own offices are also included.	
Fossil-free fertilizer	Mineral fertilizer produced with green ammonia based on renewable energy.	
Injury rate	The number of accidents with at least one day of sick leave per million hours worked.	Lantmännen employees in each Sector, Business Area and country. Consultants and temporary workers are covered by the monitoring of work related incidents (incl. accidents and near misses) but are not included in external reporting.
Location-based emissions	Emissions from purchased electricity and heating are calculated with an average value for the grid in question, regardless of whether there are guarantees of origin.	
Market-based emissions	Emissions from purchased electricity and heating which are calculated based on guarantees of origin.	



Key figures and terms	Description and definition	Scope of reporting
Material	Lantmännen reports on the use of our most important raw materials such as grain, feed, energy, soy and palm oil. All of these are defined as renewable materials but some have specific sustainability challenges.	Reported volumes of grain from Lantmännen's farmers refer to weighed grain, including pulses and oilseeds, to the Agriculture Sector. Other grain flows such as trading or imports are not included. With effect from 2022, flour volumes are not reported as they are largely reported as weighed grain. Packaging materials are not reported as data is not available.
Near-miss	Unintended event that could have resulted in ill health or a work-related accident.	Lantmännen employees in each Sector, Business Area and country. Consultants and temps are not included in the external reporting.
Palm kernel expeller	Palm kernel expeller, the residue from pressed palm kernels, used for animal feed production.	Palm kernel expeller and derivatives are included in the reported volume but not in the targets and key figures for certified palm oil.
Palm oil	The volumes of palm oil refer to use in food production. Definition of responsible production is palm oil certified under RSPO (Roundtable on Sustainable Palm Oil).	
Proportion of organic feed, %	Calculated from total feed sales.	Lantmännen's Swedish operations.
Proportion of organic seed, %	Calculated from proportion in tonnes/total sales of grain seed including forage seed and corn, tonnes.	Lantmännen's Swedish operations.
Risk observation	Identified risk that could have resulted in ill health or a work-related accident.	Lantmännen employees in each Sector, Business Area and country. Consultants and temporary workers are covered by the monitoring of work related incidents (incl. accidents and near misses) but are not included in external reporting.
Risk observation rate	The number of risk observations per million actual hours worked.	Lantmännen employees in each Sector, Business Area and country. Consultants and temporary workers are covered by the monitoring of work related incidents (incl. accidents and near misses) but are not included in external reporting.
Scope 1	Emissions from use of energy in own facilities. Refrigerant leakage is not included.	
Scope 2	Indirect emissions from use of electricity, cooling and district heating in producing units.	The following are not included: Lantmännen Agro Oy's franchise-run stores, electricity for externally leased premises and heating where tenants have their own contracts.
Scope 3	Emissions from purchased transport, business travel and production of fuel and electricity. Emissions from electricity used by Lantmännen Real Estate's external tenants are not included. Emissions from the cultivation of grain and other raw materials are not included in the reporting. However, grain grown under the Climate & Nature program is monitored for both volume and climate performance.	
Sick leave	Number of sickness absence hours as a percentage of scheduled working hours.	Lantmännen employees in each Sector, Business Area and country. Consultants and temporary workers are covered by the monitoring of work related incidents (incl. accidents and near misses) but are not included in external reporting.
Soy	The volumes of soy refer to use in feed production, not use in food, as the share is insignificant, about 0.5 percent of the total soy volume. Responsible production of soy is defined according to the industry-wide agreement in the Swedish Platform on Risk Commodities. Certification under a credible system, e.g. RTRS, ProTerra, organic soy according to IFOAM, Donau Soja/Europe Soya or low-risk country with verification by an external party.	
Sustainable ethanol fuel	Ethanol fuel produced in accordance with the EU Directive on the promotion of the use of energy from renewable sources, RED.	
Training	Refers to completed training registered for follow-up. The obligatory training on Lantmännen's code of conduct must be completed at the start of employment and renewed every three years. Key personnel and employees in leading and/or particularly vulnerable positions are also subject to obligatory business ethics training, to be carried out on recruitment and renewed every two years.	Permanent employees within Lantmännen and consultants on long assignments.
Work-related accidents	Work-related event resulting in at least one day's absence after the accident occurred. Travel accidents to and from work are not included.	Lantmännen employees in each Sector, Business Area and country. Consultants and temporary workers are covered by the monitoring of work related incidents but are not included in external reporting.



# GRI Index

Lantmännen has reported according to the Global Reporting Initiative guidelines for several years.

Learn more about GRI at [globalreporting.org](https://globalreporting.org)

The following cross-reference index indicates the mandatory and selected GRI disclosures that are included in Lantmännen's Sustainability Report, and where the information is reported. For some disclosures, the information and/or comments are submitted directly in the index table. For definitions, [see Reporting principles](#).



## GENERAL DISCLOSURES

Statement on the reporting	Lantmännen is reporting in accordance with GRI Standards for the period January 1, 2023 – December 31, 2023.
Use of GRI	GRI 1: Foundation 2021
Applicable Sector-specific GRI	GRI Food Processing Sector Supplements 2014

Disclosure	Description	Comments	Reference
<b>The organization and its reporting practices</b>			
2-1	Organizational details		Pages 64-65, note 4, 185
2-2	Entities included in the sustainability reporting		Pages 65, 166, note 33, note 46
2-3	Reporting period, frequency and contact point	Annual report. Publication February 2024.	Pages 166, 171
2-4	Restatements of information		Page 167
2-5	External assurance		Page 175
<b>Activities and employees</b>			
2-6	Activities, value chain and other business relationships	See pages 37-59 for description of Sectors' and Business Areas' value chains.	Pages 5, 10, 22-23, 141, 158
2-7	Employees	Reporting principles. Deviation regarding number of temporary employees; data not available.	Note 6, pages 69-70, 169
2-8	Workers who are not employees	Reporting principles. Deviation regarding number; data not available.	Page 169
2-9	Governance structure and composition		Pages 142-143, 191-192
2-10	Nomination and selection of the highest governance body		Pages 185-191
2-11	Chair of the highest governance body	The Chairman is not a member of Group Management	Page 198
2-12	Role of the highest governance body in overseeing the management of impacts		Pages 142-143

GENERAL DISCLOSURES			
Disclosure	Description	Comments	Reference
Governance			
2-13	Delegation of responsibility for managing impacts		Pages 142-143
2-14	Role of the highest governance body in sustainability reporting		Pages 132, 140, 142-143
2-15	Conflicts of interest		Pages 164, 198-201
2-16	Communication of critical concerns		Pages 143, 164-165
2-17	Collective knowledge of the highest governance body	Ongoing promotion of the Farming of the Future program, knowledge generation for strategic investments linked to the sustainable transformation of the energy and food value chain.	Page 142
2-18	Evaluation of the performance of the highest governance body	Self-evaluation and external evaluation every two years, resulting in the implementation of development work.	Page 142
2-19	Remuneration policies	The remuneration policy's link to sustainability is under development and will be implemented gradually.	Note 6
2-20	Process to determine remuneration		Note 6, pages 192-193
2-21	Annual total compensation ratio	<p>The compensation ratio for 2023 was 24. As this is the first year with a calculation based on average salary, there is no comparative figure. The previous year's compensation ratio was 19, calculated based on average salary. Using the same method, the result for the year would be 20. No change ratio has been calculated for 2023 as the new compensation ratio calculation method means there is no comparative figure.</p> <p>The compensation ratio calculation includes permanent Lantmännen employees. Hourly paid employees and compensation for a few employees with missing data are not included.</p> <p>Total compensation is defined as fixed salary and, where applicable, Group-wide short and long-term variable salary. Allowances and pensions are not included in the compensation ratio due to lack of data on pensions and local allowances in the global HR system. Salaries have been converted to full-time and Swedish kronor.</p> <p>Salary differentiation between Lantmännen's employees varies from country to country and depends on local compensation structures that reflect country-specific conditions and social security systems in each country. The majority of employees included in the calculation have a fixed salary as their main remuneration component.</p>	
2-22	Statement on sustainable development strategy		Pages 6-9
2-23	Policy commitments		Pages 140-143
2-24	Embedding policy commitments		Pages 141-142, 165
2-25	Processes to remediate negative impacts		Pages 142-143
2-26	Mechanisms for seeking advice and raising concerns		Pages 144-145
2-27	Compliance with laws and regulations	<p>1 (0) significant fines or non-monetary sanctions in 2023.</p> <p>The European Commission has found that Lantmännen Agroetanol was involved in an infringement of European competition rules in ethanol trade for a period, just over 10 years ago. In the light of the above, the Commission has imposed a fine of EUR 47.7 million on Lantmännen ek för and Lantmännen Biorefineries AB (formerly Lantmännen Agroetanol AB) jointly and severally. Lantmännen has cooperated fully with the EU Commission throughout the investigation but contests the findings of the European Commission's decision and will continue to fully exercise its rights of defense, including appealing the decision to the EU Court of Justice.</p>	See page 168 for definition



MATERIAL TOPICS			
Disclosure	Description	Deviations and explanation	Reference
2-28	Membership associations		Page 36
2-29	Approach to stakeholder engagement		Pages 36, 144
2-30	Collective bargaining agreements	There are several different collective agreements within Lantmännen. In Sweden, 100 percent of the employees are covered. For the total Group, the figure is about 70.5 (70.3) percent. Employees not covered by a collective agreement have, in principle, the same working and employment conditions as employees who are covered, apart from in certain countries where we are monitoring this.	
3-1	Process to determine material topics		Pages 26, 140
3-2	List of material topics		GRI index and page 27
Financial statements – Include Lantmännen's own businesses, suppliers, customers, members and society			
3-3	Management of material topics		Pages 22, 24, 150
201-2	Financial implications and other risks and opportunities due to climate change	Quantification of impacts and risks; data not available.	Pages 66, 150, 203-204
Company-specific	Annual investment in research and innovation		Pages 30, 150
Anti-corruption – covers Lantmännen's own operations and suppliers and other business partners			
3-3	Management of material topics		Pages 27, 164
205-1	Operations assessed for risks related to corruption		Page 164
205-2	Communication and training on anti-corruption policies and procedures	Not reported by employment type as this is not registered and the training is mandatory. Business partners not reported; they sign the Supplier Code of Conduct and this is reported in FP1.	Page 165
205-3	Confirmed incidents of corruption and actions taken		Page 165
Material – Covers Lantmännen's own operations			
3-3	Management of material topics		Pages 155-156
301-1	Material	Reporting of significant material flows.	Pages 155-157
Energy – Covers Lantmännen's own operations			
3-3	Management of material topics		Pages 142, 147-148
302-1	Energy consumption within the organization		Pages 147-148
Biodiversity – Includes Lantmännen's own operations and suppliers			
3-3	Management of material topics		Page 151
304-2	Significant impacts of activities, products and services on biodiversity		Pages 151-153
Company-specific	Organic offering		Page 152
Emissions into the air – Includes Lantmännen's own operations and suppliers			
3-3	Management of material topics		Pages 142, 147-148
305-1	Direct (Scope 1) GHG emissions	For scope and deviations, see Reporting principles and page 169.	Pages 148-149
305-2	Indirect (Scope 2) GHG emissions	For scope and deviations, see Reporting principles and page 169.	Pages 148-149
305-3	Other indirect (Scope 3) GHG emissions	For scope and deviations, see Reporting principles and page 169.	Pages 148-149
305-4	GHG emissions intensity: Climate emissions in relation to net sales	For scope and deviations, see Reporting principles.	Pages 148-149
Company-specific	Emissions reduction from the Climate & Nature cultivation program		Pages 149, 156

MATERIAL TOPICS			
Disclosure	Description	Deviations and explanation	Reference
<b>Work environment, health and safety – Covers Lantmännen's own operations</b>			
3-3	Management of material topics		Pages 142, 162-163
403-1	Occupational health and safety management system		Page 162
403-2	Hazard identification, risk assessment, and incident investigation		Pages 162-163
403-3	Occupational health services		Page 163
403-4	Worker participation, consultation, and communication on occupational health and safety		Page 163
403-5	Worker training on occupational health and safety		Page 162
403-6	Promotion of worker health		Page 163
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Pages 152, 154
403-8	Workers covered by an occupational health and safety management system		Page 162
403-9	Work-related injuries	Deviation for key figure for lost days, data not available. Deviation for consultants and supervised consultants, see pages 168-169.	Pages 162, 168-169
<b>Diversity and equal opportunity – Covers Lantmännen's own operations</b>			
3-3	Management of material topics		Pages 142, 161
405-1	Diversity of governance bodies and employees	Deviation regarding breakdown by employee categories, data unavailable, and deviation regarding minority group membership and other indicators of diversity, data not collected.	Page 161
<b>Customer and consumer health and safety – Covers Lantmännen's own operations, suppliers, customers and consumers</b>			
3-3	Management of material topics		Pages 156-157
FP5	Percentage of production volume manufactured in sites certified according to food safety standards	Volume not reported; data not available. Percentage of sites reported.	Page 157
Company-specific	Cadmium in phosphate fertilizer		Page 157
<b>Own topic Sustainable products – Covers Lantmännen's own operations, suppliers, customers and consumers</b>			
3-3	Management of material topics		Pages 28, 156-157
Company-specific	Volume from sustainable cultivation programs		Page 156
<b>FP procurement practices – Covers Lantmännen's own operations and suppliers</b>			
3-3	Management of material topics	We analyze suppliers from a broad sustainability perspective.	Pages 151, 158
FP1	Percentage of purchased volume from suppliers compliant with organization's sourcing policy		Page 158
FP2	Percentage of purchased volume verified as being in accordance with internationally recognized responsible production standards		Page 151

# Auditor's Limited Assurance Report on Lantmännen ek för's Sustainability Report and statement regarding the Statutory Sustainability Report

*This is the translation of the auditor's report in Swedish.*

## Introduction

We have been engaged by the Board of Directors of Lantmännen ek för to undertake a limited assurance engagement of Lantmännen ek för's Sustainability Report for the year 2023. Lantmännen ek för has defined the scope of the Sustainability Report to the pages referred to in the GRI index on pages 171-174, the Statutory Sustainability Report is defined on page 69.

## Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on pages 166-167 in the Sustainability Report, and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our review is limited to the information in this document and to the historical information and does therefore not include future oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) Assurance engagements other than audits or reviews of financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR12 The auditor's opinion regarding the statutory sustainability report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in

scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Ernst & Young AB applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Lantmännen ek för in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

## Conclusions

Based on the limited review performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 21 February, 2024

Ernst & Young AB

Andreas Troberg  
*Authorized Public  
Accountant*

Malin Ekman Lorentzon  
*Authorized Public  
Accountant*





# Lantmännen and The EU Taxonomy Regulation

The EU Taxonomy Regulation, which came into force in 2021, is designed to support the financing of sustainable investments to contribute to the EU’s climate and environmental targets and objectives of the Green Deal. In 2023, the EU issued screening criteria for objectives 3-6 and amendments to the Climate Delegated Act for objectives 1-2. At present, few of the industries in which Lantmännen operates are Taxonomy-eligible and this has not been affected by events during the year.

## Introduction

The European Commission has developed an action plan for making the EU a climate-neutral continent by 2050. To achieve this, capital needs to be allocated to the green transition. Part of this action plan is the Taxonomy Regulation, a system that classifies sustainable activities based on EU climate and environmental targets and imposes reporting requirements on companies. Lantmännen is subject to the Annual Accounts Act’s requirements on reporting in

accordance with the Taxonomy Regulation as a non-financial undertaking. The Regulation’s reporting requirements are being introduced gradually and all environmental objectives have now been prepared by the EU. No additional activities within Lantmännen are included compared with the previous year. In accordance with the Taxonomy Regulation, the information is reported as part of the statutory sustainability report.

### The Taxonomy’s environmental objectives

- 1 Climate change mitigation
- 2 Climate change adaptation
- 3 The Sustainable use and protection of water and marine resources
- 4 The transition to a circular economy
- 5 Pollution prevention and control
- 6 The protection and restoration of biodiversity and ecosystems

### Implementation

Objectives 1-2 are included in the current reporting requirements in terms of full reporting and objectives 3-6 are included from the 2023 financial year in terms of Taxonomy eligibility but not Taxonomy alignment.

Lantmännen’s activities in Energy and Real Estate are Taxonomy-eligible with regard to the objectives on climate change and transition to a circular economy.

### Taxonomy alignment criteria

#### Contributes substantially to at least one environmental objective

Lantmännen’s ethanol produced from recycled materials, waste heat recovered from pellet production, energy efficiency in buildings and climate-adapted investment properties contribute significantly to the Taxonomy Regulation’s climate change objectives.

#### Does not significantly harm the other five environmental objectives

Lantmännen’s facilities comply with current legislation and activities under environmental permits are controlled by the authorities. Climate & environmental risks are identified in the Group’s risk process. A climate & environmental risks are identified in the Group’s risk process. A climate risk and vulnerability analysis according to the Taxonomy Regulation criteria in Appendix A has been carried out. Learn more on [→](#) page 150. Adjustment of the DNSH criteria in accordance with the complementary delegated act for objectives 1-2 has been taken into account in the year’s assessment.

#### Complies with minimum safeguards

Lantmännen works actively to ensure that working and employment conditions and human rights are respected throughout its operations. The codes of conduct for employees, suppliers and distributors are in line with international principles. Learn more on [→](#) pages 143-145.



## Eligible activities and assessment of the Taxonomy criteria

### Assessments

The assessment of eligible activities was based on the EU standard that classifies legal entities with NACE codes. To complete the analysis, Lantmännen's activities were assessed based on the economic activities described in the Taxonomy Regulation's delegated acts. The assessment of Taxonomy alignment criteria was conducted with each business and the Group sustainability function.

### Energy

Lantmännen's biorefinery in Norrköping, Sweden, produces ethanol from grain and from residues from the food industry. The result is ethanol with a reduced climate footprint of more than 90 percent compared with fossil fuels.

Lantmännen Biorefineries' ethanol production, based on recycled materials, meets the Taxonomy alignment criteria. The remaining production, based on grain, is not Taxonomy-aligned. Collection of food waste takes place at three facilities in the Nordic region, all of which are Taxonomy-aligned as the recycling rate is over 50 percent. All ethanol production meets the Taxonomy criterion 'does not significant harm' any of the other five environmental objectives.

Lantmännen Scandbio is a producer of fuel pellets and production involves purchasing residual products from local sawmills. Scandbio's activities are Taxonomy-eligible and meet the criteria for Taxonomy alignment by producing heat from waste heat generated in the pellet drying process.

### Real Estate

Lantmännen Real Estate manages and develops 150 properties in 80 locations, mainly in Sweden but also in Finland and Denmark. The business consists mainly of internally leased out premises such as silos, machinery buildings and factories. Externally leased premises are mainly for industrial and commercial activities. Lantmännen Real Estate's environment and climate strategy drives the work on energy efficiency and phasing out fossil energy. Climate adaptation is part of continuous improvement work and development of new properties.

Real Estate Taxonomy reporting includes investment property, i.e. at least 90 percent occupied by an external party. Internal property is not included, in accordance with the principles of the Taxonomy. Internal property used in the Group's businesses in Agriculture, Energy, Swecon and Food are included in the Taxonomy reporting under the activities linked to each business, provided the business is Taxonomy-eligible.

In addition, investment objects defined under Construction and real estate activities in the Taxonomy have been included in the CapEx calculation, regardless of whether they are internal or externally leased properties. This refers to individual renovation measures in the Taxonomy activities Installation, maintenance and repair of energy efficiency equipment and charging stations for electric vehicles.

Lantmännen Real Estate does not meet the criteria for energy classification under environmental objective 1. The properties that have an energy class of at least C and have carried out a climate risk and vulnerability analysis and implemented adaptation measures for significant risks meet the criteria for Taxonomy alignment under environmental objective 2. Learn more on [page 150](#). In 2023, investments have also been made in energy efficiency and installation of charging stations for electric cars, thereby meeting the criteria for Taxonomy alignment under environmental objective 1.

## Definition of key performance indicators and scope

### Basis of calculation

Data for each KPI is taken from Lantmännen's existing reporting and monitoring systems. The Taxonomy-aligned proportion is assigned to the numerator through detailed reporting from the local business systems of the eligible activities. The indicators are developed in cooperation with local reporting and central finance.

A Taxonomy alignment assessment is carried out for turnover. CapEx does not need to be further assessed against the criteria. For CapEx not linked to turnover, it is the investment activity itself that is the basis for assessment.

The risk of double counting has been addressed by excluding internal transactions. As Lantmännen's green bond did not allocate funds to specific Taxonomy-aligned activities in 2023, the indicators have not been adjusted.

Disaggregation occurs when several economic activities are integrated into a single production facility. If needed, an allocation key based on turnover is used for disaggregation and can be applied to OpEx and to CapEx.

Associates (joint ventures) are not included in the Taxonomy reporting.

### Turnover

Turnover is defined as the amount received from the sale of goods and services after deduction of sales rebates, VAT and other taxes directly related to turnover.

### CapEx

CapEx, capital expenditure, is calculated as the sum of investments in assets accounted for under IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets, IAS 40 Investment Property and IFRS 16 Leases, including

additions to right-of-use assets, and assets acquired through business combinations.

### OpEx

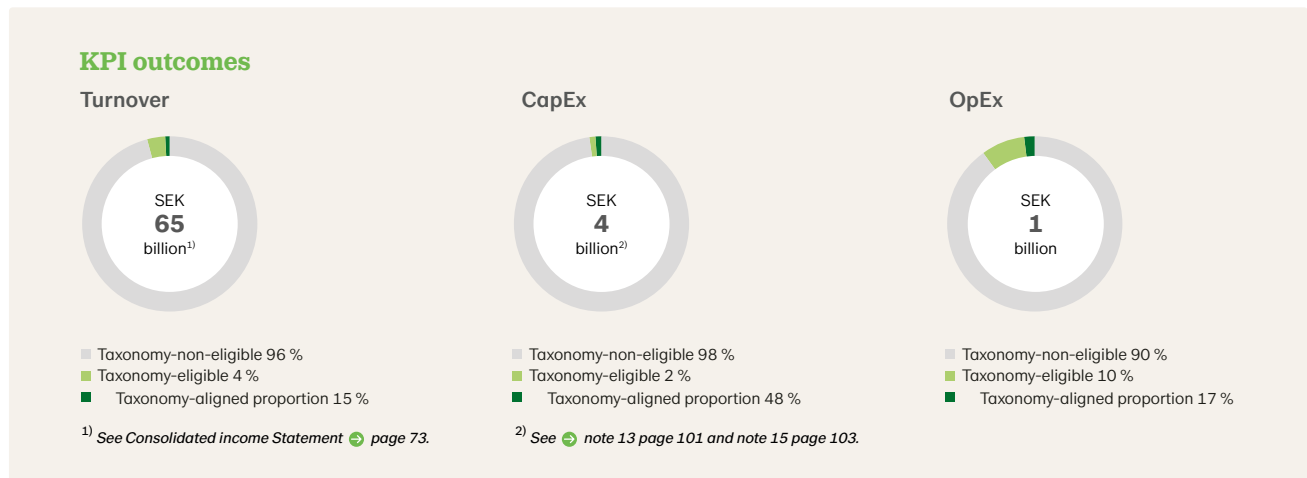
OpEx, operating expenditure, is related to maintaining the value of assets, such as direct costs of R&D, building refurbishment, short-term leases, maintenance and repair, and other costs relating to the day-to-day servicing of the asset and ensuring its continued and proper functioning, for example cleaning.

### Changes in KPIs during the reporting period

The Taxonomy-aligned proportion of Turnover is distributed as follows: MSEK 414 (606), revenue from contracts with customers, and MSEK 9 (0), rental income. The change from the previous year is mainly due to a lower ethanol price and a decrease in demand for ethanol from recycled materials. Another explanation is the divestment of Agrovärme at the end of 2022 and the addition of Scandbio to Taxonomy reporting in 2023. As a climate risk and vulnerability analysis was conducted during the year, rental income from properties with good energy performance qualifies for Taxonomy-aligned turnover.

The Taxonomy-aligned proportion of CapEx is distributed as follows: MSEK 37, capitalized expenditure on property, plant & equipment, and MSEK 1, additions to right-of-use assets. Compared with 2022, more investments have been made in energy-efficient equipment but the rate of investment has been lower in food waste recycling. The change in the CapEx KPI is also an effect of the divestment of Agrovärme.

The Taxonomy-aligned proportion of OpEx is distributed as follows: MSEK 10, maintenance and repair, MSEK 1, short-term leases, and MSEK 7, other costs. There was no significant change to the Taxonomy-aligned proportion of OpEx during the year.



## Detailed Taxonomy disclosures

### Turnover

Economic activities (1)	2023			Substantial contribution criteria						DNSH criteria (do no significant harm)						Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, year 2022 (18)	Category - enabling activity (19)	Category - transitional activity (20)	
	Code(s) (2)	Absolute turnover (3) MSEK	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)				Minimum safeguards (17)
<b>A. Taxonomy-eligible activities</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	381	1%	Y	-	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	1%	-	-
District heating/cooling distribution	CCM 4.15	-	-	-	-	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0%	-	-
Production of heat/cool from bioenergy	CCM 4.24	-	-	-	-	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0%	-	-
Production of heat/cool using waste heat	CCM 4.25	33	0%	Y	-	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	-	Y	Y	-	-	-
Acquisition and ownership of buildings	CCA 7.7	9	0%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	-	-	-	-	-	Y	-	-	-
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>423</b>	<b>1%</b>	<b>1%</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>								<b>1%</b>		
<b>Of which enabling</b>			<b>0%</b>														<b>0%</b>	<b>E</b>	
<b>Of which transitional</b>			<b>0%</b>														<b>0%</b>		<b>T</b>
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	2,209	3%																4%
Acquisition and ownership of buildings	CCM 7.7	99	0%																0%
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>2,308</b>	<b>4%</b>																<b>4%</b>
<b>Total (A.1+A.2)</b>		<b>2,731</b>	<b>4%</b>																
<b>B. Taxonomy-non-eligible activities</b>																			
Turnover of Taxonomy-non-eligible activities (B)		62,481	96%																
<b>Total (A+B)</b>		<b>65,212</b>	<b>100%</b>																

Y = Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.

N/EL = Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

N = No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	1%	4%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

### Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No



## CapEx

	2023		Substantial contribution criteria							DNSH criteria (do no significant harm)							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2) CapEx, year 2022 (18)	Category - enabling activity (19)	Category - transitional activity (20)
	Code(s) (2)	Absolute CapEx (3) MSEK	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)			
<b>Economic activities (1)</b>																			
<b>A. Taxonomy-eligible activities</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	7	0%	Y	-	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	0%	-	-
District heating/cooling distribution	CCM 4.15	-	-	-	-	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	1%	-	-
Production of heat/cool from bioenergy	CCM 4.24	-	-	-	-	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	1%	-	-
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	1	0%	Y	-	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	-	-	Y	-	-	-
Material recovery from non-hazardous waste	CCM 5.9	8	0%	Y	-	N/EL	-	N/EL	N/EL	-	Y	-	-	-	Y	Y	0%	-	-
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	21	1%	Y	-	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	Y	-	Y	0%	E	-
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	1	0%	Y	-	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	0%	E	-
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>38</b>	<b>1%</b>	<b>1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>								<b>3%</b>		
<b>Of which enabling</b>			<b>1%</b>	<b>1%</b>													<b>0%</b>	<b>E</b>	
<b>Of which transitional</b>			<b>0%</b>														<b>0%</b>		<b>T</b>
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	39	1%														1%		
Acquisition and ownership of buildings	CCM 7.7	3	0%														0%		
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>42</b>	<b>1%</b>														<b>1%</b>		
<b>Total (A.1+A.2)</b>		<b>80</b>	<b>2%</b>																
<b>B. Taxonomy-non-eligible activities</b>																			
CapEx of Taxonomy-non-eligible activities (B)		3,556	98%																
<b>Total (A+B)</b>		<b>3,636</b>	<b>100%</b>																

Y = Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.  
 N/EL = Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.  
 N = No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	1%	2%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

### Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Economic activities (1)	2023		Substantial contribution criteria							DNSH criteria (do no significant harm)							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2022 (18)	Category - enabling activity (19)	Category - transitional activity (20)
	Code(s) (2)	Absolute OpEx (3) MSEK	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)			
<b>A. Taxonomy-eligible activities</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	11	1 %	Y	-	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	1 %	-	-
District heating/cooling distribution	CCM 4.15	-	-	-	-	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0 %	-	-
Production of heat/cool from bioenergy	CCM 4.24	-	-	-	-	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	1 %	-	-
Production of heat/cool using waste heat	CCM 4.25	4	0 %	Y	-	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	-	Y	Y	-	-	-
Material recovery from non-hazardous waste	CCM 5.9	2	0 %	Y	-	N/EL	-	N/EL	N/EL	-	Y	-	-	-	Y	Y	0 %	-	-
Acquisition and ownership of buildings	CCA 7.7	1	0 %	N	Y	N/EL	N/EL	N/EL	N/EL	Y	-	-	-	-	-	Y	-	-	-
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>18</b>	<b>2 %</b>	<b>2 %</b>	<b>0 %</b>	-	-	-	-								<b>2 %</b>		
<b>Of which enabling</b>			<b>0 %</b>														<b>0 %</b>	<b>E</b>	
<b>Of which transitional</b>			<b>0 %</b>														<b>0 %</b>		<b>T</b>
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Manufacture of biogas and biofuels for use in transport	CCM 4.13	66	6 %														5 %		
Acquisition and ownership of buildings	CCM 7.7	21	2 %														2 %		
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>87</b>	<b>8 %</b>														<b>7 %</b>		
<b>Total (A.1+A.2)</b>		<b>105</b>	<b>10 %</b>																
<b>B. Taxonomy-non-eligible activities</b>																			
OpEx of Taxonomy-non-eligible activities (B)		968	90 %																
<b>Total (A+B)</b>		<b>1,073</b>	<b>100 %</b>																

Y = Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.  
N/EL = Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.  
N = No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	2 %	10 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	0 %	0 %
PPC	0 %	0 %
BIO	0 %	0 %

#### Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No







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# Corporate Governance Report

Lantmännen ek för is a Swedish cooperative economic association headquartered in Stockholm, Sweden. The Association is the parent company of a group. The Group's governance is based on the Association's Articles of Association, the Economic Associations Act, other applicable laws and rules and the code for the governance of cooperative and mutual enterprises (the Code). The Code's objective is to promote member dialogue and democratic decision-making processes in cooperative enterprises and increase transparency of the Board's work.

The 2023 Corporate Governance report has been prepared in accordance with the Code, which is built on principles and based on reporting in accordance with the comply and explain concept. Each principle is presented as a heading and description, followed by comments on how the principle was managed by the Association during the year.

The Group's Parent Company is Lantmännen ek för, a cooperative company, which had 17,907 members as owners at the end of 2023. Members of Lantmännen can be direct members and local associations. A direct member is a person or legal entity engaged in farming or food production in Sweden or whose principal business is selling services related to agriculture or food production. A member is also expected to comply with the Articles of Association and decisions, and to contribute to the realization of the Association's objectives.

A local association can be admitted as a member if its members conduct activities as described above and if the association itself is engaged in similar business to Lantmännen (cf. 2§, Articles of Association).

Lantmännen's Board of Directors and Group Management endeavor to ensure the enterprise is able to respond in the best possible way to the openness and information that members, employees and other stakeholders expect.

## Significant events in the year

### Articles of Association work

Two motions raised issues that the meeting decided to work further on: submission date for motions and election of the chairman. The Articles of Association group also worked on possible restrictions on issue trading.

### Dividend policy revision

The Board has revised the dividend policy with the aim of increasing flexibility and scope for taking a larger share of the profits from the industrial operations.

### Nomination Committee governing document

A document for clearer and more efficient Nomination Committee work has been prepared. The document includes, for example, a process description, tasks and various checklists and templates.

### Motion process

A process description has been drawn up for motion management within Lantmännen in order to increase clarity, improve monitoring and show results.

## Principle 1. Objective and benefits for members

*The Board shall ensure that the objective, values and strategies of the enterprise are based on the opinions of the members, and that the enterprise can deliver benefits for its members in the long term.*

*The Board shall ensure that the enterprise maintains open communication with its members, employees and other stakeholders, set out guidelines for the behavior of the enterprise in society and state the regulations and principles the enterprise follows.*

Lantmännen's assignment is to contribute to the profitability of members' farms and optimize the return on their capital in the association. The long-term goal is to be the leading participant in the grain value chain from field to fork in northern Europe.

During the year, the Lantmännen Board decided to monitor member benefits using ten different key figures, which in various ways show Lantmännen's contribution to members' farms. The key figures are reported in full to Lantmännen's Council of Trustees once a year.

The Sustainability Report describes how Lantmännen is involved in sustainability throughout the value chain. Lantmännen reports according to the GRI guidelines and has signed the Global Compact. Lantmännen's Sustainability Report undergoes an external assurance review, → page 175.

"Collaboration for increased growth" → page 36 describes collaboration with different organizations and work at the intersection between politics, industry and interest groups. One of the aims of the collaboration is to increase member benefits for Lantmännen's members. There is also information about some of the organizations of which Lantmännen is a member.



## Principle 2. Democratic processes

*Cooperative enterprises have democratic processes whereby members' opinions have a clear impact. The processes must openly and transparently promote the involvement of members in different forums and provide opportunities for influence and insight in the business. Members also appoint representatives to the highest decision-making bodies.*

*The Board shall continuously evaluate the company's democratic organization and initiate changes if necessary.*

Each member of the Association has one vote, regardless of turnover or size of investment. The district meeting and different members' meetings provide an opportunity for members to express their views to the Board of Directors and management in various ways, including motions and written communication.

The 2023 Annual General Meeting dealt with ten motions.

*Motion 1*, from Sörmland district, raised the geographical division for Lantmännen's member districts, Lantmännen Machinery and Lantmännen Agriculture.

*Motion 2*, from Östergötland district, was about repair and maintenance at Lantmännen's grain facilities.

*Motion 3*, from Östergötland district, called for more flexible opening times at the grain facilities during the harvest.

*Motion 4*, from Gotland district, suggested that the seed facility at Klintehamn be reopened.

*Motion 5*, from Dala-Aros district, was about the new grain facility in Västerås.

*Motion 6*, from Södra Skåne district, requested changes to the refund calculations from Lantmännen Machinery.

*Motion 7*, from Södra Skåne district, raised the amended principles for dividends from Lantmännen Machinery.

*Motion 8*, from Södra Skåne district, dealt with how Lantmännen follows up various meeting resolutions.

*Motion 9*, from Nordvästra Skåne district, proposed a change in the deadline for submitting motions to the district meetings.

*Motion 10*, from Sörmland district, called for a change to the method of election for the Chairman of the Board and the Group's Nomination Committee.

The minutes of the Annual General Meeting are available in full on Lantmännen's website. During the year, a process was drawn up describing the management of motions, from submission at the district meetings to subsequent work on the motion after the meeting and how motions are followed up. Motion responses are followed up twice a year: at the District Board Conference in November and at the Annual General Meeting in the following year.

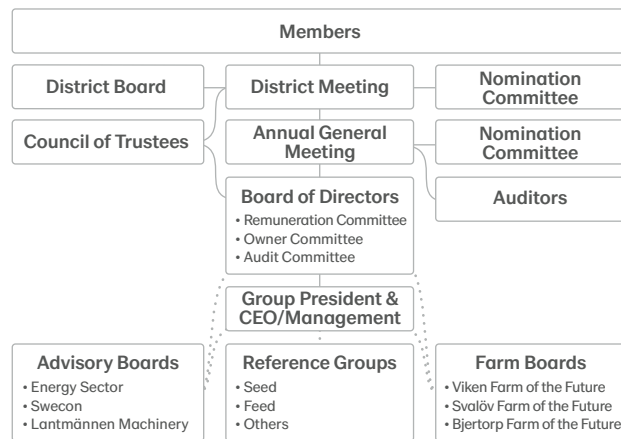
Motion follow-up is available on the members' intranet, LM<sup>2</sup>.

Year	2019	2020	2021	2022	2023
Number of motions	9	5	8	6	10

Corporate governance and democratic processes at Lantmännen take place in many different forums and forms, including the council of trustees, district board meetings, district meetings, membership meetings, advisory boards, the farm boards for Lantmännen's three farms of the future, Svalöv, Bjertorp and Viken, different reference groups, nomination committees and the general meeting. Each member is entitled to have business considered at the membership meeting, the district meeting and the general meeting.

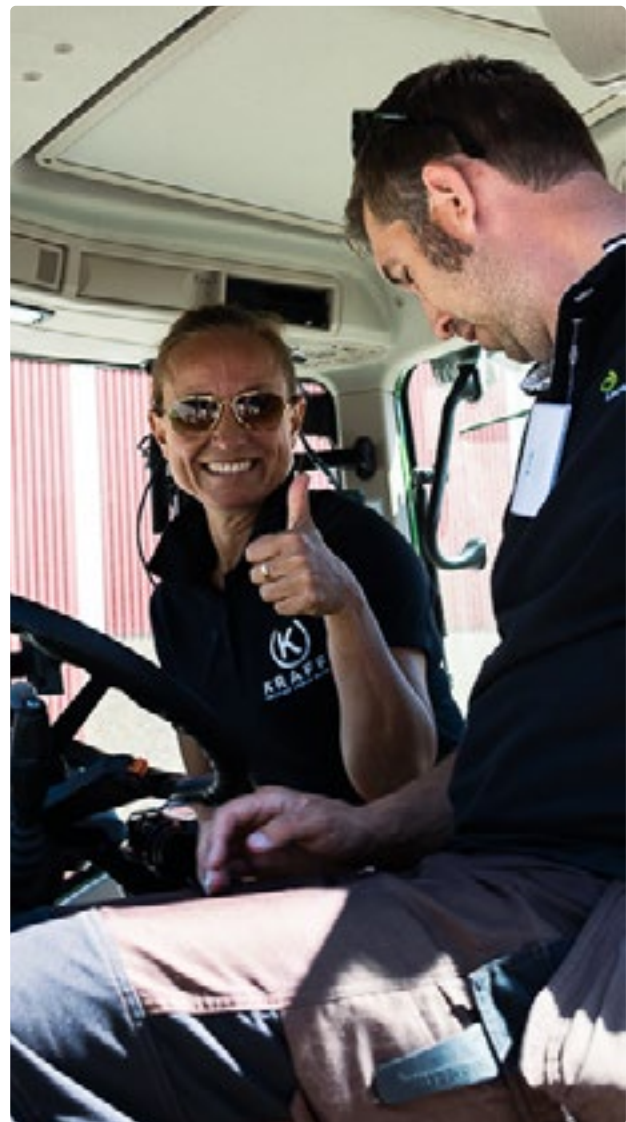
In Lantmännen's member organization, there are various reference groups linked to the business activities. The members of the groups contribute skills, experience and ideas for resolving a particular task. There are also three different advisory boards that act as advisory bodies to the management of Lantmännen Machinery, Swecon and the Energy Sector. Lantmännen's three farms of the future have farm boards, which contribute to the development of the farms' operation and activities.

#### Lantmännen's ownership model



#### Council of Trustees

A Council of Trustees is connected to the association, its role being to advise the Board on development issues of a more long-term nature and communicate information between the Board and the districts. The Council of Trustees is also charged with the preparation of matters of principle and the nomination of members to the Association's Nomination Committee at the Annual General Meeting. The Council includes the chairmen of all member districts, the vice-chairmen of the five largest districts, the Nomination Committee chairman, and local association representatives appointed by the Board. The Association's member representative auditors and the Board attend the meetings.



#### Council of Trustees in 2023

The Council of Trustees had three minuted meetings during the year, in February, May and October. The February meeting was held in Skåne and included a visit to Svalöv Farm of the Future and Lantmännen's newly built offices in Malmö. In 2023, the Chairman of the Council of Trustees was Christian Hidén.

#### Other 2023

Several training sessions for Lantmännen's elected representatives were held during the year. Newly elected members of district boards and nomination committees had the opportunity to participate in a three-day training course focusing on Lantmännen's operations, corporate governance, finance and what the role of an elected representative involves. A training course on Lantmännen's member organization,



member governance, the GDPR, the code of conduct, leadership and communication was arranged for new chairmen and vice-chairmen of the district boards. District nomination committee run-ups were held during the fall, as well as training for advisory boards. All elected representatives also received training on Lantmännen's code of conduct. Three pilot training courses focusing on communication and leadership were carried out with the district boards in Sörmland, Skaraborg, Östergötland, Gotland, Kalmar-Öland, Norrbotten, Västernorrland and Jämtland during the year.

In addition, Lantmännen's elected representatives were offered training arranged by Co-operatives Sweden.

Lantmännen's interim reports were presented to all elected representatives via Teams.

An Articles of Association group and a working group, consisting of elected representatives and members, has been working on reviewing Lantmännen's Articles of Association on behalf of the Board. The aim is that the Board will present a proposal for revised Articles of Association at the 2024 general meeting. The work has been limited to eligibility to be a Lantmännen member, issue trading, the deadline for submitting motions to the district meeting and the election of the Chairman of the Board and the Nomination Committee.

In 2023, Lantmännen's Owner Committee initiated a review of the work plans for the district nomination boards and nomination committees.

Members have been offered a wide range of activities in different areas, such as summer meetings, field trips and study visits. Statutory meetings in the form of fall meetings and district general meetings have been held in all districts. Various initiatives have been introduced to develop and increase the ability of elected representatives to work digitally.

### The Owner Relations department 2023

The department assists members and elected representatives in corporate governance, and is responsible for member communication. Important tasks during the year:

- raising awareness of Lantmännen as a cooperative enterprise and the economic benefits of Lantmännen's ownership model
- ensuring long-term influence for the members and the opportunity for active corporate governance
- two-way member communication
- developing regional cooperation with the Agriculture Sector

At the end of the year, the department had six employees: three Regional Managers, an Owner Relations Coordinator, a Digital Communicator and the Head of Owner Relations. The cost of the department and its total activities amounted to approximately MSEK 36 (31) in 2023. Costs for the 20 districts amounted to MSEK 10 (9) and consisted of fixed fees of MSEK 5 (4) adopted by the AGM and hourly fees of MSEK 3 (2). The other MSEK 1 (3) was related to costs of

the districts' various activities and travel. Other activities handled by the department include training of elected representatives, the Council of Trustees, nomination committees, the District Board Conference, the AGM, the members' magazine Grodden and the Grodden podcast.

### Principle 3. Participation of the members in the enterprise's value creation

*The cooperative business model is based on members participating in the enterprise's value creation through two roles: a business relationship and an owner relationship. The Board shall ensure that these relationships are designed so as to promote the members' economic position, commitment and loyalty.*

Lantmännen's cooperative ownership model is based on business partnership and ownership. Members participate in value creation by trading with the Association, e.g., supplying grain, purchasing feed, machinery and inputs. Members also invest capital through, among other things, their contributions.

The dividend policy sets out the principles for dividends, read more on [page 18](#), and during the year, the Board adopted an updated dividend policy that allows for a dividend of up to 50 (previously 40) percent of net income from industrial operations, in the form of a contribution dividend and contribution issue. The policy is unchanged for agricultural operations and all operating income from these operations will continue to be distributed. A value-creating industrial and processing business provides a market for members' grain and generates significant added value. Refunds and supplementary payments are based on earnings from the Swedish agriculture operations in Lantmännen Agriculture, Lantmännen Machinery and Swecon. Contribution dividends and contribution issues are mainly based on the results of the processing and industrial operations in Sweden and internationally: food, energy, construction machinery and real estate.

Refunds are calculated on members' purchases from Lantmännen Agriculture, Lantmännen Machinery's and Swecon's Swedish operations. Supplementary payments are calculated on members' sales of grain, oilseeds and pulses to Lantmännen Agriculture Sweden. The Board conducted an in-depth analysis and review of the contribution-based product groups during the year. Contribution dividends are paid in proportion to members' paid-in and issued contribution capital. Contribution issues mean that some of the earnings, mainly from Lantmännen's industrial operations, are distributed among the members by transferring collective capital to individual capital.

Lantmännen also contributes to the development of farming and the profitability of members' farms by investing in research and development in many areas.





#### Principle 4. General Meeting

*The General Meeting shall be prepared and conducted in such a way as to ensure the creation of good conditions to allow the members to exercise their membership rights.*

*At the General Meeting, one or more persons shall be selected to review the business from a member perspective and present a report on this review to the General Meeting.*

The Annual General Meeting is Lantmännen's supreme decision-making body. The meeting consists of representatives of members, delegates, who are elected at the district meetings. The districts are the basis of the members' role as owners of the Association. Delegate seats are distributed on the basis of a divisor in proportion to the number of members in a district. If a district has only one delegate seat, the district vice chairman may join the meeting, but without voting rights. Each delegate has one vote at the meeting and each member is entitled to have business considered at the meeting. Information about the AGM is available on Lantmännen's website no later than three months before the meeting. The minutes of the most recent meeting are available on Lantmännen's website. The meeting is webcast so that as many members as possible can take part in the proceedings.

#### *2023 Annual General Meeting*

The Annual General Meeting was held on May 3 in Stockholm. Prior to the meeting, two digital "motion market-places" were held, during which elected representatives were able to discuss motions and the Board's answers. Ten motions were submitted for consideration by the 2023 AGM. Members of the Board are elected for two-year terms.



The meeting resolved that the Board would consist of nine elected members. At the meeting, Gunilla Aschan, Jenny Bengtsson, Johan Bygge and Per Lindahl were re-elected to the Board after their term of office expired. Patrick Aulin was elected to the Board and Henrik Wahlberg left the Board. Kristina Glantz Nilsson and Jimmy Grinsvall were re-elected as member representative auditors. Ann-Sofi Ignell was elected as a new member representative auditor. The accounting firm Ernst & Young AB was re-elected as the Association's authorized auditor. The auditors are elected for one year at a time. The meeting also adopted the



Nomination Committee's proposal on the remuneration of the Board and other elected representatives, including fixed annual fees and per diem and travel compensation. The meeting also appointed nine members to the Nomination Committee for the period up to the 2024 AGM.

The meeting adopted the Board's proposal for a contribution dividend on both paid-in and issued contribution capital, a contribution issue and a refund and supplementary payment. The total dividend amounted to MSEK 1,080. The meeting also adopted a dividend on subordinated debentures of MSEK 15.

The total number of appointed delegates was 101, and all delegates and deputies participated in the meeting. All Board members, the Group President & CEO, elected auditors and the Group's Nomination Committee participated in the meeting.

At the meeting, the elected auditors reported their observations.

## Principle 5. Nomination Committee

*All elections – to the Board, as auditor and other elected representative positions – must take place openly and transparently and be prepared through a structured nomination committee process.*

*The Nomination Committee shall also submit proposals for fees for elected representatives. Nomination Committees may exist at multiple levels in the organization and each committee should be given guidelines for its assignment. Regardless of how they are appointed, the members of the nomination committee must safeguard the interests of the enterprise and the members.*

### Nomination Committee

The Nomination Committee is tasked with preparing and presenting proposals for the election and remuneration of Board members and auditors, and making recommendations on the remuneration of other elected representatives. The Nomination Committee is elected at the AGM following a proposal from the Council of Trustees. The Nomination Committee elects a chairman from among its members.

Based on the Association's current situation and future direction, the Nomination Committee assesses whether the Board is appropriately composed with regard to collective expertise. This is based in part on an evaluation of the Board's work methods and decision processes conducted regularly by an independent party at the request of the Chairman of the Board. The Nomination Committee's work on diversity and equality issues is based on, among other things, Lantmännen's equality and diversity policy. Lantmännen's Nomination Committee works according to rules of procedure adopted by the AGM.

### Nomination Committee 2023

Before the AGM In May 2023, the Nomination Committee consisted of Inge Erlandsson, Chairman, and Marianne Andersson, Gunilla Carlsson, Henrik Claesson, Michael Hübsch, Desirée Nyman, Johan Sahlin and Ingemar Olsson. Göran Pettersson was elected to the Board at the AGM in 2023. At the statutory meeting after the AGM, Inge Erlandsson was elected as Chairman and Desirée Nyman as Vice Chairman.

The Nomination Committee's final minutes and proposals were available on the association's website prior to the meeting and were sent out to delegates with the meeting documents. The Group's Nomination Committee had one training session during the year and used an external consultancy firm for training etc. The Nomination Committee also prepared a governing document describing its tasks and work during the year.

### District nomination committees

At district level, there is a nomination committee in each district. These committees propose chairmen and members of

## Board meetings, attendance 2023

	Feb 6	Feb 22	Mar 31	Apr 19	May 3	May 8	May 30	Jun 14-15	Jun 26	Aug 23	Sep 13	Oct 3	Oct 30	Nov 23	Dec 14-15	Dec 28
			Per capsulam		SM <sup>1)</sup>	Per capsulam		Per capsulam			Extra		Extra			Extra
Per Lindahl	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Jan-Erik Hansson	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Gunilla Aschan	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Patrick Aulin <sup>2)</sup>	-	-	-	-	●	●	●	●	●	●	●	●	●	●	●	●
Jenny Bengtsson	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Tommy Brunsärn	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Sonat Burman-Olsson	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Johan Bygge	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Jan Ehrensvärd	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Pär-Johan Lööf	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Henrik Wahlberg <sup>3)</sup>	○	○	●	○	○	-	-	-	-	-	-	-	-	-	-	-
Tomas Welander	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	○
Per Wijkander	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

● Attended ○ Did not attend <sup>1)</sup> Statutory Board meeting <sup>2)</sup> Newly elected at 2023 AGM <sup>3)</sup> Resigned at own request at the 2023 AGM.

the district boards and delegates. Training and preliminaries for the district nomination committees were held during the fall. Representatives of the Group's Nomination Committee participated in these training sessions. The AGM adopted a revised nomination committee work plan.

### Principle 6. Board of Directors

*The Board's competence shall match the complexity and scope of the business. In addition to members of the association, the Board may, where necessary, also have external members who bring in additional competence.*

*The Chairman of the Board leads the work of the Board and is responsible for ensuring that the Board works in an efficient manner. The Chairman shall objectively promote open debate and constructive discussions within the Board. Each member shall act independently and with integrity.*

### Board of Directors

The overall task of the Board of Directors is to manage Lantmännen's affairs on behalf of its members, in such a way that their economic interests are served in the best possible way. The Board shall ensure that the Company's purpose and strategies are based on the members' views. The Board is responsible for the association's organization and management of its affairs and for ensuring satisfactory control of accounting, asset management and financial affairs. The Board decides the Group's overall goals, strategic plans and significant policies and monitors their compliance and updating. The Board also decides on acquisitions, divestments and major investments and approves the annual accounts and interim reports. The Board is also tasked with

overseeing the Group President & CEO and regularly assessing the performance of the Group Management. The Board shall ensure that there is an effective system for follow-up and control of the association's operations and financial position, that external information is characterized by transparency and objectivity, that there is adequate monitoring of compliance with laws and regulations and that the necessary ethical guidelines, such as the Code of Conduct and overall objectives, are in place.

The work of the Board is directed by a work plan that governs the division of work and responsibility between the Board of Directors, the Chairman and the Group President & CEO. The work plan is updated and adopted annually at the statutory meeting of the Board. The Board elects a chairman and vice chairman from among its members. The Board has an Audit Committee, a Remuneration Committee and an Owner Committee. The purpose of the committees is to develop and streamline the Board's work as well as prepare business within the respective areas. The committees are advisory to the Board and do not have any decision-making power. Members of the committees are appointed by the Board at the statutory Board meeting. In addition to distributing the minutes of committee meetings to the Board, the committee chairman makes an oral report at the subsequent Board meeting.

### *The work of the Board of Directors in 2023*

Under the Articles of Association, Lantmännen's Board will consist of a minimum of 7 and a maximum of 11 elected members. Nine members were elected at the 2023 AGM. Three employee representatives were also announced at the meeting. None of the elected Board members has an employment-like relationship with Lantmännen.



Per Lindahl was elected as Chairman of the Board and Jan-Erik Hansson as Vice Chairman. The composition of the Board is shown in the presentation on pages 198-199.

The Board held 16 meetings during the year. The table shows Board members' attendance at the meetings. At three of the meetings, the association's auditors reported on the year's auditing. The Board regularly carries out an external evaluation of its work, which is discussed by the Board and reported to the Nomination Committee. This took place in 2023. The Board also participates actively in membership business, including attending district meetings, fall meetings and the council of trustees.

## Board Committees

### Audit Committee

The Audit Committee is tasked with preparing materials for the Board in matters relating to risk assessment, internal control, financial reporting and auditing. It also serves as a forum for dialogue between different parties, such as external and internal auditors. The Committee also works to ensure appropriate risk management, compliance with established financial reporting and internal control principles and the maintenance of proper relations with external auditors. The Committee also ensures that the independence of external auditors is maintained, evaluates the audit and informs the Nomination Committee of the results.

Before the AGM, the Committee consisted of Gunilla Aschan (Chairman), Johan Bygge and Jan-Erik Hansson. After the 2023 AGM, the Committee consisted of Gunilla Aschan (Chairman), Johan Bygge and Jan-Erik Hansson. The Head of Lantmännen's Internal Audit is secretary of the Audit Committee. The Committee held three minuted meetings.

### Remuneration Committee

The Remuneration Committee is tasked with preparing matters and drafting principles related to pay and other terms of employment for Group Management. These principles must be approved by the AGM. The Committee prepares and submits decision-support material to the Board of Directors concerning conditions of employment for the Group President & CEO, and to the Group President & CEO for the other members of Group Management. Before the AGM, the Committee consisted of Per Lindahl (Chairman), Sonat Burman-Olsson and Jan Ehrensward, with Group President & CEO Magnus Kagevik as rapporteur. After the 2023 AGM, the Committee consisted of Per Lindahl, Sonat Burma-Olsson and Jan Ehrensward, with Group President & CEO Magnus Kagevik as rapporteur. The Group's Senior Vice President HR & Communication Elisabeth Wallin Mononen served as Committee secretary until the 2023 AGM. After the AGM, the Group's Senior Vice President Human Resources Emma Stockhaus took over as secretary. The Committee held three minuted meetings during the year.

### Owner Committee

The Owner Committee is tasked with preparing matters relating to members. The Committee's work is aimed at ensuring that member issues and democratic processes are dealt with in accordance with the Economic Associations Act, the Cooperatives Code and the Articles of Association. The Committee also works to ensure that the Articles of Association, organization and relationship with elected representatives and members are developed in such a way as to ensure that the operations are marked by transparency and adapted to changes in society and the business environment. The Owner Committee's tasks, which are linked to the Code, are to evaluate the Company's democratic organization and initiate changes if necessary. During the year, the Owner Committee held meetings and consultations with the member representative auditors regarding implementation of the Code and with the presidency of the Council of Trustees.

Before the AGM, the Committee consisted of Jan Ehrensward (Chairman), Jenny Bengtsson and Per Wijkander. After the 2023 AGM, the Committee consisted of Per Wijkander (Chairman), Patrick Aulin and Jenny Bengtsson. Lantmännen's Senior Vice President & General Counsel attends the meetings. The Group's Head of Owner Relations serves as the secretary of the Committee. The Committee held five minuted meetings during 2023.

### Group President & CEO and Group Management

The Group President & CEO is appointed by the Board and is responsible for the Association's day-to-day management. The division of work between the Board and the Group President & CEO is regulated in the Board's work plan. The composition of Group Management is shown in the presentation, pages 200-201. Group Management meets 8 times a year and as required.

## Principle 7. Remuneration of senior executives

*The enterprise shall have overall guidelines for remuneration, terms and conditions for senior executives (Group President & CEO and Lantmännen's Group Management Team). The guidelines shall clearly state how remuneration, terms and conditions for the Group President & CEO and senior executives are determined.*

*The Board shall establish a remuneration committee or fulfill the task itself.*

*Principles on remuneration of senior executives shall be decided by the General Meeting. The enterprise's auditors shall examine how the principles have been applied and submit a written statement to the General Meeting. See note 6.*

Each year, the Annual General Meeting decides on principles for remuneration of senior executives. The support material is included in the documents that are sent out to





delegates prior to the Meeting. The proposal is prepared by the Board's Remuneration Committee (see above) and discussed by the Board. Incentive program conditions and the structure of variable salary are reported on for the Council of Trustees. The Company's auditors review how the principles have been applied since the previous AGM and comment on this at the meeting. They submit a written statement to the meeting, which is available in the meeting material.

#### *Variable salary – Short-term incentive program*

Lantmännen has a Group-wide variable salary program, which for 2023 covered all members of Group Management and a number of senior executives and senior specialists and managers in the Group. The AGM decides annually on guidelines for variable remuneration for Group Management, and the Lantmännen Board decides for other target groups. For 2023, the program consists of financial and individual targets. The financial targets represent 75 percent of the maximum variable salary and are linked to the economic value added that the operating units generate for Lantmännen. The individual targets represent 25 percent. The purpose of the short-term variable salary program is to act as a motivation to improve the Group's performance, as the individual Group Management member's annual remuneration varies according to the Group's results. The program also supports initiatives that relate to individual performance benefiting the Group.

#### *Variable salary – Long-term incentive program*

Lantmännen's long-term incentive program runs for four years with an initial performance year followed by two

lock-in years. The program covers all the members of Group Management and a small group of senior executives and business-critical key individuals. The purpose of the program is to drive and reward value growth and profitability within the Group. The program also has a construction that links the interests of the owners and participants. An initial allocation under the program is contingent on the Group achieving a predetermined minimum result for return on equity (RoE) in the performance year. The initial allocation increases with a higher RoE, but there is a ceiling at which no further allocation takes place.

#### **Principle 8. Audit, risk and internal control**

*The Board shall establish a framework and processes for risk management and internal control. This shall be adapted to the complexity and scope of the business and be subject to annual evaluation.*

*The Board shall establish an audit committee or fulfill the task itself.*

*The Board shall ensure that persons selected to review of the business from a member perspective have access to relevant information about the business and a regulated working relationship with the external auditors.*

#### **Risk management and Internal control**

##### *Group-wide policies and governing documents*

Lantmännen's Code of Conduct applies to the entire operations and all employees. The Code of Conduct describes how Lantmännen must conduct itself and make decisions to take responsibility from an environmental, social and business

ethics perspective. The Code of Conduct also provides guidance for Board members and elected representatives. In addition to the Code of Conduct, guidance in several areas can be found in policies, directives and guidelines.

Lantmännen's Board is responsible to the members for the Company's risk management. Group Management regularly reports on risk issues to the Board and Audit Committee. The ongoing process of controlling risk mandates and policies takes place in the Risk Committee, which reports monthly to the Board's Audit Committee. Every year, an Enterprise Risk Management process is conducted, when each business unit's risks are identified. See also pages → 203-205.

Lantmännen's Business Ethics Compliance Program covers compliance with competition and anti-corruption laws. The program includes regular risk assessments, communication, controls and monitoring as well as training. Lantmännen's Group Compliance function reports regularly on compliance, identified risks and the status of the Business Ethics Compliance Program to the Board, through the Audit Committee, and to Group Management.

#### *Internal control over financial reporting*

The Board has overall responsibility for internal control over financial reporting. A written work plan that clarifies the responsibilities of the Board and governs the division of work between the Board and its committees has been adopted. An Audit Committee regularly reports to the Board. Lantmännen's process for internal control over financial reporting is designed to provide assurance of the reliability of the financial reporting. Lantmännen's Sectors, Business Areas and companies are responsible for their operational activities, which includes responsibility for internal control in financial reporting.

The most important elements of Lantmännen's system for internal control are the control environment, risk assessment, control activities, information and communication, and monitoring.

*The control environment* is the basis of internal control within Lantmännen and consists of the decisions on organization, authority and guidelines made by the Board. The Board's decisions have been translated into a functioning management and control system by executive management. The organizational structure, decision-making channels, authority and responsibilities are documented and communicated in governing documents such as Group policies, instructions and other regulations. Internal control is also based on Group-wide accounting and reporting instructions, instructions on authority and authorization rights and manuals.

*Risk assessment* includes identifying and assessing the risk of material errors in accounting and reporting at all levels in the Group. Risk assessments are made on an ongoing basis.

*Control activities* are part of normal control and financial reporting activities at all levels and play an important role in ensuring reliability of financial information. The controller organization, like financial responsibility, follows the Company's organizational and responsibility structure. Business controllers are in place at all levels within the organization.

For *information and communication* in the area of financial reporting, Lantmännen has formal information and communication channels for relevant personnel with regard to policies, guidelines and reporting manuals. The formal information and communication channels are complemented by dialogue between the finance and treasury function at different levels.

*Monitoring* is conducted regularly in order to ensure the efficiency of internal control over financial reporting. The monitoring process includes analysis of regular financial reports against historical figures, budgets and forecasts as well as monitoring of reported activities.

#### **Internal Audit**

Internal audit is an independent and objective function that evaluates, recommends and monitors improvements in the efficiency of Lantmännen's risk management, internal controls and control processes throughout the Group. The internal audit unit reports material observations and improvement proposals to the Group Board, both through the Audit Committee and directly to the operating units. The function is under the direct authority of the Board and the Audit Committee and performs its tasks in accordance with an established internal audit plan. It also audits the review function for Lantmännen Finans AB in accordance with the requirements of the Swedish Financial Supervisory Authority.

#### **External Audit**

The auditors are tasked with auditing the annual report, consolidated financial statements, accounting records and administration of the Board and Group President & CEO. The number of ordinary auditors is four. Three of them are elected, i.e. individuals appointed by Lantmännen to audit the operations from a member perspective, and one is an authorized public accountant. All auditors are elected by the AGM for one year at a time. The authorized auditor is Ernst & Young AB and the member representative auditors are Kristina Glantz Nilsson, Jimmy Grinsvall and Ann-Sofi Ignell. All auditors submit an audit report and an opinion on the application of the principles for remuneration of senior executives. They also report regularly to the Board and the Audit Committee. In addition, the member representative auditors submit a review report to the general meeting in accordance with the Code and inform the Council of Trustees.



# Member Representative Auditors' Review Report and Statement on the Corporate Governance Report

To the annual general meeting of Lantmännen ek för, Corporate identity No. 769605-2856

## Engagement and responsibility

We have reviewed the Board's Corporate Governance Report for 2023 and the application of the principles of the Swedish Code for the Governance of Cooperative and Mutual Enterprises (the Code). The Board is responsible for ensuring that the Code's principles are followed and that this is reported and described in the Corporate Governance Report.

## Scope of the audit

We have conducted a review, which is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

Our review has taken place from a member perspective in accordance with the eight principles of the Code and in

line with Co-operatives Sweden's guidelines for member representative auditors. Particular emphasis has been placed on the Code's principles on "Objective and benefits for members", "Democratic processes" and "Members' participation in the company's value creation". A priority audit area in 2023 has been members' grain business with the association.

We believe that this review has provided us with sufficient basis for our opinion.

## Opinion

A corporate governance report has been established, in accordance with the Swedish code for the governance of cooperative and mutual enterprises. Our review shows that the code's eight principles have been followed in all material respects.

Stockholm, February 21, 2024

Kristina Glantz Nilsson  
*Member Representative  
Auditor*

Jimmy Grinsvall  
*Member Representative  
Auditor*

Ann-Sofi Ignell  
*Member Representative  
Auditor*





# Group Board



## Per Lindahl

Chairman  
Kristianstad  
*Born:* 1964  
Director since 2011  
Member of Lantmännen  
*Committees:* Remuneration Committee  
*Education:* Agriculture  
*Main occupation:* Farmer  
*Directorships:* Viking Malt Oy, Fellow of The Royal Swedish Academy of Agriculture and Forestry (KSLA), team SE.  
*Contribution issues:* SEK 7,728,638\*  
*Paid-in contributions:* SEK 2,737,000\*  
*Subordinated debentures:* SEK 300,000\*



## Jan-Erik Hansson

Vice Chairman  
Färila  
*Born:* 1963  
Director since 2022  
Member of Lantmännen  
*Committees:* Audit Committee  
*Education:* Mechanical engineering, agriculture  
*Main occupation:* Farmer  
*Contribution issues:* SEK 541,269\*  
*Paid-in contributions:* SEK 2,249,544\*



## Gunilla Aschan

Linköping  
*Born:* 1960  
Director since 2015  
Member of Lantmännen  
*Committees:* Audit Committee  
*Education:* Agricultural Economics  
*Main occupation:* Farmer  
*Directorships:* Fyrklövern ekonomi och juridik AB.  
*Contribution issues:* SEK 67,068\*  
*Paid-in contributions:* SEK 39,000\*  
*Subordinated debentures:* SEK 300,000\*



## Patrick Aulin

Nyköping  
*Born:* 1972  
Director since 2023  
Member of Lantmännen  
*Committees:* Owner Committee  
*Main occupation:* Farmer  
*Contribution issues:* SEK 4,944,503\*  
*Paid-in contributions:* SEK 1,073,647\*



## Jenny Bengtsson

Vessigebro, Falkenberg  
*Born:* 1984  
Director since 2021  
Member of Lantmännen  
*Committees:* Owner Committee  
*Education:* Veterinary  
*Main occupation:* Veterinarian and farmer  
*Directorships:* Lantmännen Research Foundation.  
*Contribution issues:* SEK 129,334\*  
*Paid-in contributions:* SEK 166,235\*



## Sonat Burman-Olsson

Lidingö  
*Born:* 1958  
Director since 2018  
Not a member of Lantmännen  
*Committees:* Remuneration Committee  
*Education:* M.Sc. (Business and Economics), Executive MBA  
*Main occupation:* Directorships  
*Directorships:* PostNord AB, Lindab International AB and Raizen S.A.



## Johan Bygge

Lidingö  
*Born:* 1956  
Director since 2019  
Not a member of Lantmännen  
*Committees:* Audit Committee  
*Education:* M.Sc. (Business and Economics)  
*Main occupation:* Directorships  
*Directorships:* Scandi Standard AB (Chairman), Guard Therapeutics Intl AB (Chairman), Yangi AB (Chairman), AP3 (Vice Chairman), Getinge AB and CapMan Oyj.  
*Subordinated debentures:* SEK 250,000



## Jan Ehrensvärd

Tomellilla  
*Born:* 1968  
Director since 2020  
Member of Lantmännen  
*Committees:* Remuneration Committee  
*Education:* M.Sc. (Business and Economics)  
*Main occupation:* Farmer  
*Directorships:* Tosterups Gård AB (Chairman), TreForm Packaging AB (Chairman), Äppelriket Österlen ek för (Chairman), Viking Malt Oy.  
*Contribution issues:* SEK 1,334,871\*  
*Paid-in contributions:* SEK 913,966\*

\* Together with related parties, or through wholly or partly-owned companies.



### Per Wijkander

Upplands-Bro  
Born: 1977  
Director since 2019  
Member of Lantmännen  
Committees: Owner Committee  
Education: Agricultural Economics  
Main occupation: Farmer  
Directorships: LRF Växtodling.  
Contribution issues: SEK 4,475,623\*  
Paid-in contributions: SEK 602,000\*  
Subordinated debentures: SEK 1,500,000



### Tommy Brunsärn

Employee representative, Unionen  
Södertälje  
Born: 1959  
Director since 2007  
Main occupation: Strategic Buyer at  
Lantmännen Cerealia



### Pär-Johan Lööf

Employee representative, the Union for  
Professionals  
Uppsala  
Born: 1966  
Director since 2013  
Education: Agriculture  
Main occupation: R&D Manager Agri,  
Lantmännen  
Directorships: Naturbutiken på Öland AB  
and non-profit association Cultivation in  
Balance (Odling i Balans).  
Subordinated debentures: SEK 100,000



### Tomas Welander

Employee representative, IF Metall  
Gothenburg  
Born: 1961  
Director since 2012  
Main occupation: Service Technician,  
Swecon

#### Board Secretary

### Henrik Sundell

Senior Vice President & General Counsel  
Lantmännen Group  
Born: 1964  
Hired: 2024  
Education: LL.M.

#### General information

Members of the Board of Lantmännen ek för are elected for two-year terms.

The Annual General Meeting will be held on May 7, 2024.

Holdings of contribution issues, paid-in contributions and holdings of subordinated debentures are reported in SEK, as of December 31, 2023.

#### Member representative auditors

### Kristina Glantz Nilsson

Håbo  
Born: 1975  
Auditor for Lantmännen since 2020  
Education: Agriculture  
Main occupation: Business Advisor Danske  
Bank Västerås, Farmer  
Contribution issues: SEK 80,807  
Paid-in contributions: SEK 165,000  
Subordinated debentures: SEK 200,000

### Jimmy Grinsvall

Sätilla  
Born: 1974  
Auditor for Lantmännen since 2019  
Education: Agricultural and Rural  
Management  
Main occupation: Farmer  
Contribution issues: SEK 498,209  
Paid-in contributions: SEK 642,000

### Ann-Sofi Ignell

Fjugesta  
Born: 1978  
Auditor for Lantmännen since 2023  
Education: Agriculture  
Main occupation: Accounting consultant at  
Fyrklövern Ekonomi och Juridik AB, Farmer  
Contribution issues: SEK 275,851\*  
Paid-in contributions: SEK 251,682\*

#### Authorized Public Accountant

### Andreas Troberg

Ernst & Young AB, Stockholm  
Born: 1976  
Auditor for Lantmännen since 2022  
Other assignments: Alfa Laval, Gränges,  
Munters, Sectra

\* Together with related parties, or through wholly or partly-owned companies.



# Group Management



## Magnus Kagevik

Group President & CEO  
Executive Vice President Lantmännen Food Sector  
*Born:* 1967  
*Hired:* 2018  
*Education:* M.Sc. (Mechanical Engineering)  
*External directorships:* Viking Malt Oy, team agrar AG and team SE.  
*Subordinated debentures:* SEK 2,000,000



## Per Arfvidsson

Executive Vice President & CTO Lantmännen Group  
*Born:* 1962  
*Hired:* 2011  
*Education:* M.Sc. (Mechanical Engineering)  
*External directorships:* Sweden Food Arena (Chairman) and Agronod (Chairman).  
*Subordinated debentures:* SEK 2,000,000



## Lars-Gunnar Edh

Executive Vice President Lantmännen Energy Sector  
*Born:* 1969  
*Hired:* 2019  
*Education:* M.Sc. (Mechanical Engineering)  
*External directorships:* Drivkraft Sverige AB (Vice Chairman) and SimSuFoodS AB.  
*Subordinated debentures:* SEK 300,000



## Thomas Isaksson

Executive Vice President Lantmännen Cerealia  
*Born:* 1970  
*Hired:* 2015  
*Education:* M.Sc. Economics



## Niklas Lindberg

Executive Vice President Swecon Business Area  
*Born:* 1974  
*Hired:* 2015  
*Education:* M.Sc. (Business and Economics)  
*External directorships:* X-Innovations AB (Chairman) and Hyttbäcken Invest AB.



## Carsten Lyngsø Thomsen

Executive Vice President Lantmännen Unibake  
*Born:* 1967  
*Hired:* 2021  
*Education:* Diploma Business Administration





### Elisabeth Ringdahl

Executive Vice President Lantmännen Agriculture Sector  
*Born:* 1965  
*Hired:* 2015  
*Education:* M.Sc. (Business and Economics)  
*External directorships:* Rezekne JSC (Chairman), Scandagra Group AB, Scandagra Polska Sp. z o.o. and team agrar AG.  
*Subordinated debentures:* SEK 500,000



### Michael Sigsfors

Executive Vice President & CFO Lantmännen Group  
*Born:* 1974  
*Hired:* 2008  
*Education:* M.Sc. (Business and Economics)  
*Subordinated debentures:* SEK 300,000



### Emma Stockhaus

Senior Vice President Human Resources  
*Born:* 1971  
*Hired:* 2011  
*Education:* M.Sc. (Business and Economics)  
*Subordinated debentures:* SEK 150,000



### Henrik Sundell

Senior Vice President & General Counsel  
Lantmännen Group  
*Born:* 1964  
*Hired:* 2024  
*Education:* LL.M.



### Frida Tydén

Senior Vice President Communication  
*Born:* 1985  
*Hired:* 2007  
*Education:* M.Sc. (Business and Economics)  
*Subordinated debentures:* SEK 200,000

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### Changes in Lantmännen's Group Management Team

- Elisabeth Wallin Mononen, Senior Vice President HR & Communication, retired on June 30, 2023.
- Emma Stockhaus took over as Senior Vice President Human Resources on July 1, 2023.
- Frida Tydén took over as Senior Vice President Communication on July 1, 2023.
- Tove Cederborg stood down as Senior Vice President & General Counsel on September 1, 2023.
- Helen Larsson was acting Senior Vice President & General Counsel from September 1, 2023 to January 31, 2024.
- Henrik Sundell took over as Senior Vice President & General Counsel on February 1, 2024.

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Holdings of subordinated debentures are reported as of December 31, 2023.

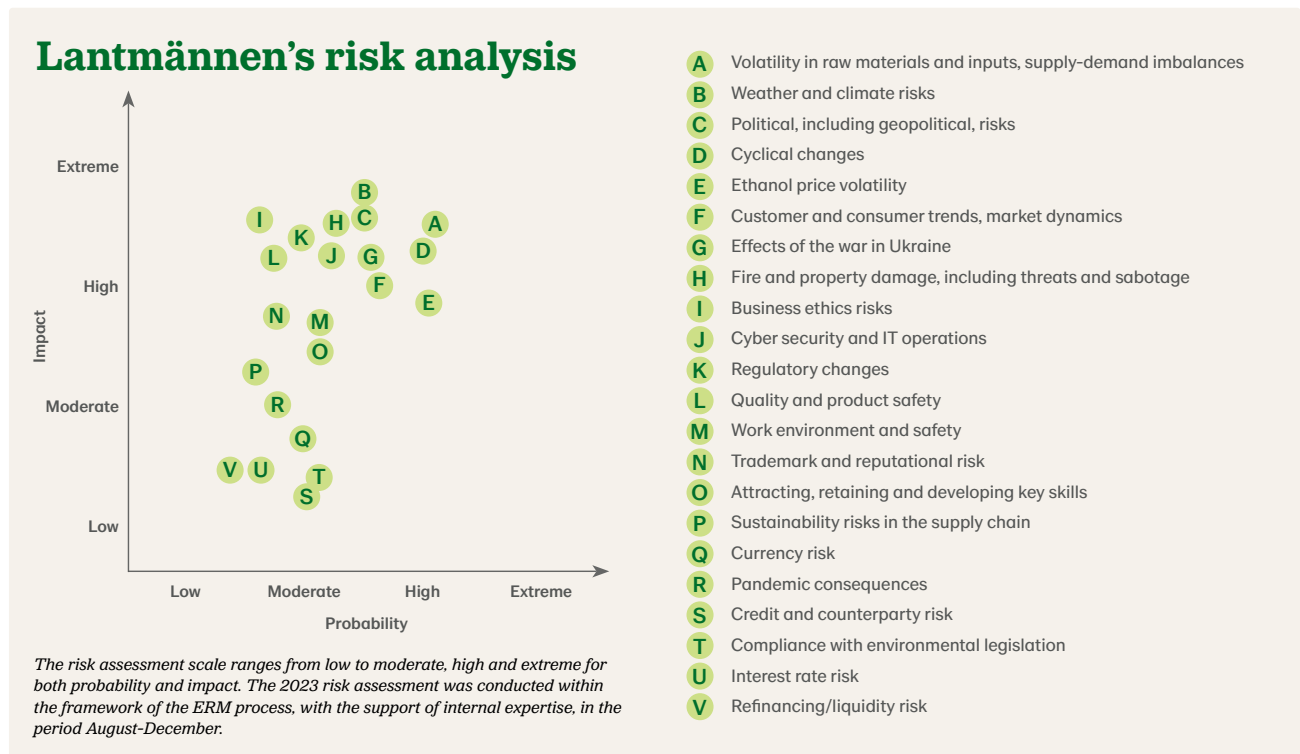


## Risks and facts

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# Significant risks and risk management

Risks are inherent in all business activity. Risks can arise from events, decisions or mismanagement that affect Lantmännen's business goals. Identifying and managing risks is an integral part of strategic planning and operational management and control.



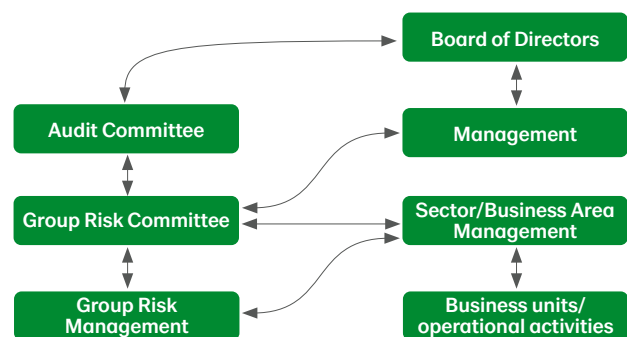
## Risk management process

Lantmännen's Board is responsible to the members for the Company's risk management. Group Management regularly reports on risk issues to the Board and Audit Committee.

The process of controlling risk mandates and policies takes place in the Risk Committee, which reports monthly to the Audit Committee. The businesses are responsible for risk management in their operations, and risk identification and continuity planning are a key part of every manager's responsibility. Each year, a Group-wide Enterprise Risk Management process is implemented with all business units. This is done in workshops with the management teams and the Group Risk Management, Group Compliance, Sustainable Development, Health & Safety, Information & IT Security and Internal Audit functions.

The business's risks are identified and assessed based on probability, impact on results, reputation and people.

The Group's risks are aggregated and the most significant are dealt with and continuously monitored by the Risk Committee, Group Management and the Board. The business managers ensure that their own risk measures are in place.



## A Volatility in raw materials and inputs, supply and demand imbalances

Risk level ● High probability ● High impact

There is global volatility in supply and demand for raw materials and inputs. Pandemics, political instability, the war in Ukraine and weather affect prices of raw materials, packaging, semiconductors and energy. They also have implications for logistics and transport. Price fluctuations are expected to be aggravated by more volatile supply of raw materials, limited global scope to increase land use for farming and more harvest uncertainty due to climate change.

**Management:** Price and volume risk are linked but managed differently. Price hedging of commodities, electricity and gas is managed with both physical trading and financial derivatives under applicable regulations and policies. There is also continuous dialogue internally and with the supply chain to ensure availability of critical inputs, in parallel with systematic work to find back-up alternatives when needed.

## B Weather and climate risks

Risk level ● High probability ● High impact

Climate change, with more extreme weather conditions such as drought, heavy precipitation and more pest pressure, affects growing conditions and profitability in the grain value chain. Weather can affect seasons, creating supply-demand imbalances. The transition to a fossil-free economy creates both challenges and opportunities for businesses.

**Management:** Management: Development of cultivation methods, variety breeding and adaptation to climate change. Preparedness for grain trading and increased drying capacity, production disruptions and supply disruptions for sensitive raw materials.

## C Political, including geopolitical, risks

Risk level ● Moderate probability ● High impact

Political instability in Europe and its surroundings is escalating. Global uncertainty and rising nationalism are increasing government intervention and affecting freedom of trade, including trade in agricultural products.

**Management:** Developments are constantly monitored and analyzed to adapt the business to changing conditions.

## D The economy

Risk level ● High probability ● High impact

Economic growth uncertainty, supply chain weaknesses, inflation and competitiveness. Businesses are affected and price competition is strong, as changes in the economy also affect customers' purchasing patterns.

**Management:** Lantmännen monitors the economic situation and adapts costs accordingly. Action plans are in place for major changes in demand. Lantmännen manages price competition by working on price, mix and innovation and by brand building.

## E Ethanol price volatility

Risk level ● High probability ● High impact

Operating income for the Norrköping ethanol plant is greatly dependent on the relationship between prices of grain, feed and ethanol, and political decisions such as the EU tariff rules.

**Management:** Physical and financial hedging of grain, ethanol and feed prices for Lantmännen Biorefineries' purchases and sales. Scope for ethanol hedging varies, but has been improved by more liquidity in the futures market. Extensive development in the ethanol business to broaden the raw material base and product range means less impact from the ethanol/grain price relationship.

## F Customer and consumer trends, market dynamics

Risk level ● High probability ● High impact

The market is affected by external trends and competitor activities, with increasing requirements for speed of development, content and investment levels, particularly in terms of responsibility and sustainability, but also digitalization.

**Management:** Lantmännen identifies market and customer requirements and develops relevant services and products, including e-commerce.

## G Effects of the war in Ukraine

Risk level ● Moderate probability ● High impact

Russia's war in Ukraine has affected Lantmännen's operations, mainly in Ukraine, but it also poses challenges in the world market in terms of supply of grain and other commodities, and is also having a major impact on the energy and agricultural markets.

**Management:** Divestment of the Russian operations. Monitoring developments and adapting to the current situation.

## H Fire and property damage, including threats and sabotage

Risk level ● Moderate probability ● High impact

Lantmännen conducts operations with a risk of fire, explosion or outside threats in the form of damage or sabotage. Property can be damaged, and production downtime affects earnings and market position.

**Management:** Loss and injury prevention work through inspections. Investments in improvement measures. Adequate insurance for operational risks – partly channelled via the Group's own insurance company Dirual Försäkrings AB.

## I Business ethics risks

Risk level ● Moderate probability ● High impact

Lantmännen operates in countries and industries with varying exposure to corruption and complexity relating to competition law.

**Management:** Business ethics is part of the Code of Conduct, and there are also policies and a Business Ethics Compliance Program. A risk analysis, targeted activities to manage risk areas, and systematic monitoring and reporting are conducted every year.

## J Cyber security and IT operations

Risk level ● Moderate probability ● High impact

Cyber attacks with extortion and fraud continue to grow. Criminals see companies that are prosperous, or operating in a sector that is under severe pressure (healthcare/medtech during the pandemic and now food/energy), as lucrative targets – they are often more likely to pay a ransom.

**Management:** A comprehensive program to improve the Group's cyber security is in progress, and includes enhanced detection and additional training for production staff. Lantmännen has also renewed its systematic work on information security and focused on managing risks related to outdated systems.



## K Regulatory changes

Risk level ● Moderate probability ● High impact

Laws, regulations and policy instruments can affect production and profitability. Agriculture and energy production are regulated areas and the EU's negative (so far) view of crop-based biofuels is a risk in terms of new regulations. Stricter environmental regulations for crop production are likely and may affect agriculture. Some of Lantmännen's operations are subject to permit.

**Management:** Monitoring issues, through both Swedish and European industry organizations. Each Sector and Business Area monitors changes in specific areas and adapts its operations.

## L Quality and product safety

Risk level ● Moderate probability ● High impact

Product safety and quality are important in all businesses. Requirements are strict in the food and feed value chain and production follows standards. For grain, there are specific quality-related risks.

**Management:** The work is conducted and developed by each Group company with follow-up at Group level and includes continuous development of requirements and monitoring of qualities and volumes, compliance with standards for food safety, contract farming, training and third-party audits. Lantmännen's products are marked with clear information. Organization, procedures and insurance are in place for recalls.

## M Work environment and safety

Risk level ● Moderate probability ● Moderate impact

Some operations have hazardous work environments and activities that could pose a danger or risk to health.

**Management:** Systemization, reporting and monitoring. Health & safety training is obligatory for all our managers.

## N Trademark and reputational risk

Risk level ● Moderate probability ● High impact

Lantmännen's brand may be adversely affected if operations are not conducted sustainably, do not comply with laws and regulations, or do not live up to Lantmännen's brand promise.

**Management:** Lantmännen's production, raw material and supplier requirements, employee/leadership work, external stakeholder dialogue and transparent reporting.

## O Attracting, retaining and developing key skills

Risk level ● Moderate probability ● Moderate impact

Difficulties in attracting and recruiting key competence can leave Lantmännen unable to implement strategies, develop businesses and achieve defined business goals.

**Management:** Lantmännen pursues systematic, strategic work with a focus on succession planning and skills supply to strengthen its employer brand.

## P Sustainability risks in the supply chain

Risk level ● Moderate probability ● Moderate impact

Lantmännen has suppliers in, and purchases certain commodities from, high-risk countries and industries in terms of sustainability, e.g. human rights and biodiversity.

**Management:** The Supplier CoC clarifies requirements and supplier approval. For high-risk commodities, e.g. soy and palm oil, there are programs that manage risk and ensure responsibility.

## Q Currency risk

Risk level ● Moderate probability ● Moderate impact

Changes in exchange rates affect Lantmännen's earnings, equity and competitive situation. Payment flows and agreements in different currencies create currency risks.

**Management:** Managed centrally to minimize currency effects and achieve matching of currency transactions within the Group for optimal hedging. Financial instruments are used to hedge expected payment flows using the guidelines in Lantmännen's financial policy.

## R Pandemic consequences

Risk level ● Moderate probability ● Moderate impact

The pandemic has posed challenges for the businesses, with the Food Sector being most affected, but overall Lantmännen has managed and coped well – particularly due to our diversified operations.

**Management:** Lantmännen works proactively on monitoring and crisis management, and securing raw material supply, customer deliveries and customer credit.

## S Credit and counterparty risk

Risk level ● Moderate probability ● Low impact

Lantmännen's financial transactions give rise to credit risks associated with financial and commercial counterparties.

**Management:** Lantmännen only works with banks with a high credit rating and in particular those involved in the Group's long-term financing. To minimize credit risk associated with outstanding trade receivables, Lantmännen has a policy of conducting special credit checks. If there is a special need, customers are insured.

## T Compliance with environmental legislation

Risk level ● Moderate probability ● Low impact

Lantmännen has operations subject to permit and notification under the Environmental Code in Sweden and national laws in other countries. Changes to surrounding operations may lead to restrictions or higher requirements for Lantmännen's operations. Increased production or a change in the type of production may affect permits

**Management:** Monitoring and reporting to authorities. Active work on chemical handling. Environmental inspections and surveying industrial land for the need for remediation.

## U Interest rate risk

Risk level ● Low probability ● Low impact

Changes in the market rate may have adverse effects on earnings and cash flows. Their impact on net interest income depends on the fixed rate period for the loans.

**Management:** Lantmännen's strategy is to take out loans with short fixed-interest periods but long maturities. Lantmännen may enter into interest rate swaps and extend the fixed-interest period for existing loans.

## V Refinancing/liquidity risk

Risk level ● Low probability ● Low impact

When renewing loans and credit, there is a risk of higher costs and less access to refinancing. Liquidity risk is the risk of inability to discharge payment obligations due to insufficient liquidity.

**Management:** The risk is limited by having a spread of counterparties and maturity profiles of interest-bearing liabilities. The financial policy regulates liquidity risk by stipulating that guaranteed unused credit facilities and cash must exceed MSEK 1,500.

## Explanatory notes

# Consolidated Income Statement

The income statement summarizes the year's finances, showing all income and expenses from the operations contributing to net income for the year.

## Consolidated Income Statement

	MSEK	2023	2022
<b>Sales</b> .....	Net sales	65,212	60,612
This is where you will find the Company's total sales.	Other operating income	512	2,893
	Changes in inventories of finished goods and work in progress	-2,683	127
	Raw materials and consumables	-21,344	-22,312
	Merchandise	-18,458	-18,132
<b>Costs</b> .....	Employee benefits expense	-8,124	-7,410
The costs of producing and selling goods and services are shown here.	Depreciation, amortization and impairment	-2,412	-3,153
	Other operating expenses	-10,735	-10,479
	Share of income of equity accounted companies	267	161
	<b>Operating income</b>	<b>2,236</b>	<b>2,307</b>
<b>Operating income</b> .....	Finance income	193	121
This shows whether sales are profitable.	Finance costs	-551	-300
<b>Financial items</b> .....	<b>Income after financial items</b>	<b>1,878</b>	<b>2,128</b>
Income or expenses associated with loans, investments, shares, securities, etc.	Tax	-318	-337
<b>Income</b> .....	<b>Net income for the year</b>	<b>1,560</b>	<b>1,791</b>
This is also called profit after tax.	<b>Net income for the year attributable to:</b>		
	Members of the economic association	1,554	1,781
	Non-controlling interests	6	10

The statement of comprehensive income is based on net income for the year. OCI shows the fair value remeasurement of balance sheet items and exchange gains and losses. These count as income/expense and are part of the Group's comprehensive income for the year. OCI is added to equity and is included in the amount that can be distributed to owners.

## Consolidated Statement of Comprehensive Income

	MSEK	2023	2022
	Net income for the year	1,560	1,791
	<b>Other comprehensive income</b>		
	<i>Items that will not be reclassified to the income statement</i>		
	Actuarial gains and losses on defined benefit pension plans	-352	726
	Financial assets at fair value through other comprehensive income	55	-17
	Items reclassified to balance sheet	-	26
	Tax attributable to items that will not be reclassified	76	-162
	<b>Total</b>	<b>-221</b>	<b>573</b>
	<i>Items that will be reclassified to the income statement</i>		
	Cash flow hedges	-365	355
	Exchange differences on translation of foreign operations	-49	903
	Net gain on hedge of net investment in foreign operations	139	-207
	Share of OCI in equity accounted companies	7	89
	Tax attributable to items that will be reclassified	47	-30
	<b>Total</b>	<b>-221</b>	<b>1,021</b>
	<b>Other comprehensive income, net of tax</b>	<b>-442</b>	<b>1,683</b>
<b>Total comprehensive income</b> .....	<b>Total comprehensive income</b>	<b>1,118</b>	<b>3,474</b>
This shows the results of the year's operations and remeasurements. The amount increases or reduces the Group's equity.	<b>Total comprehensive income attributable to:</b>		
	Members of the economic association	1,112	3,464
	Non-controlling interests	6	10

## Explanatory notes

# Consolidated Statement of Financial Position

The statement of financial position provides a picture of existing assets and how they have been financed. The value of total assets is always equal to the value of liabilities, which consist of liabilities to owners, equity and other liabilities.

### Non-current assets

Non-current assets are assets that are used or owned for more than one year and contribute to the company's value growth. This is where we find the value of tangible assets (factories, other property, machinery, equipment, etc.) and intangible assets (non-physical assets, e.g., goodwill, purchased trademarks and patents). Goodwill is the portion of the purchase price of a subsidiary that cannot be attributed to other assets and mainly reflects anticipated synergies and staff skills. Non-current assets is also where we find the value of our share in the equity of joint ventures and associates (20-50 per cent ownership) under Equity accounted holdings.

### Current assets

Current assets are assets held for sale or used in the business. These are assets that are consumed in a short time and can readily be converted to cash. This is where we find the value of goods still in stock, and our receivables from customers for products and services sold but not yet paid for. Cash and cash equivalents, mainly bank deposits, are reported under current assets.

### Equity

Equity shows the existing net assets (assets - liabilities) belonging to the owners and on which they expect a return. Lantmännen's overall financial goal is to provide a long-term return of 8 percent on this equity over a business cycle and with the present business portfolio. The result used to calculate the return is "Net income for the year" in the consolidated income statement. Member contributions, both paid-in and issued, are an important component of equity. Other capital is amounts earned over the years in the parent association and Lantmännen companies; this is not distributed to members but is used as financing for assets that will generate future earnings.

Non-controlling interests are also called minority interests. Minority interests are the proportion of equity in subsidiaries not owned directly or indirectly by the Parent Company.

### Liabilities

Liabilities are divided into non-current and current liabilities, which is a way of denoting the length of time before they are due for settlement.

## Consolidated Statement of Financial Position

MSEK	2023 Dec 31	2022 Dec 31
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	16,203	14,758
Investment property	677	690
Goodwill	6,151	6,186
Other intangible assets	3,591	3,845
Equity accounted holdings	3,010	3,195
Surplus in funded pension plans	-	237
Non-current financial assets	636	859
Deferred tax assets	298	301
Other non-current assets	231	660
<b>Total non-current assets</b>	<b>30,798</b>	<b>30,731</b>
Current assets		
Inventories	9,464	9,957
Trade and other receivables	9,277	9,883
Current interest-bearing assets	347	83
Current tax assets	61	90
Cash and cash equivalents	632	355
<b>Total current assets</b>	<b>19,781</b>	<b>20,368</b>
<b>TOTAL ASSETS</b>	<b>50,579</b>	<b>51,099</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Member contributions	4,534	4,027
Other contributed capital	3,110	3,110
Reserves	1,278	1,444
Retained earnings incl. net income	14,449	14,250
<b>Total equity attributable to members of the economic association</b>	<b>23,371</b>	<b>22,831</b>
Non-controlling interests	101	101
<b>Total equity</b>	<b>23,472</b>	<b>22,932</b>
Non-current liabilities		
Non-current interest-bearing liabilities	5,643	4,445
Provisions for pensions	49	-
Deferred tax liabilities	1,096	1,222
Other non-current provisions	395	376
Other non-current liabilities	138	163
<b>Total non-current liabilities</b>	<b>7,321</b>	<b>6,206</b>
Current liabilities		
Current interest-bearing liabilities	5,979	6,850
Trade and other payables	12,727	13,790
Current tax liabilities	111	372
Current provisions	969	949
<b>Total current liabilities</b>	<b>19,786</b>	<b>21,961</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>50,579</b>	<b>51,099</b>

## Explanatory notes

# Consolidated Statement of Cash Flows

The statement of cash flows contains information on the Group's financial flows, i.e., the Company's cash receipts and payments. It is divided into three parts.

### Operating activities

Operating activities are net income for the year plus non-cash items, i.e., items that are not cash inflows or outflows but accounting costs. For example, depreciation and capital losses reduce earnings but do not involve a payment. Taxes paid during the year are deducted. Adjustments are also made for changes in inventories, current receivables (mainly trade receivables) and current liabilities (mainly trade payables).

### Investing activities

Investing activities show cash outflows for various investments and inflows from sales of operations, non-current assets or financial investments. Unlike the income statement, this shows the full year's payments for an investment – e.g., a company acquisition is not a cost in the income statement, and an asset's cost is divided using depreciation, based on the asset's estimated useful life.

### Financing activities

Financing activities show how activities and investments are funded if cash flow from operating activities is insufficient. They also show payments (e.g., dividends to owners or loan repayments) to the parties funding the activities.

## Consolidated Statement of Cash Flows

MSEK	2023	2022
<b>OPERATING ACTIVITIES</b>		
Operating income	2,236	2,307
Adjustment for non-cash items <sup>1)</sup>	2,523	2,164
	<b>4,759</b>	<b>4,471</b>
Financial items paid, net	-347	-177
Taxes paid	-538	-245
<b>Cash flow from operating activities before changes in working capital</b>	<b>3,874</b>	<b>4,049</b>
<i>Cash flow from changes in working capital</i>		
Change in inventories	472	-2,860
Change in operating receivables	161	-1,484
Change in operating liabilities	-732	1,654
	<b>-99</b>	<b>-2,690</b>
<b>Cash flow from operating activities</b>	<b>3,775</b>	<b>1,359</b>
<b>INVESTING ACTIVITIES</b>		
Acquisitions of operations, incl. capital contribution	-63	-1,827
Divestment of operations	385	1,066
Investment in property, plant & equipment	-3,282	-3,002
Investment in intangible assets	-45	-72
Sale of property, plant & equipment and intangible assets	270	386
Change in financial investments	-119	-378
<b>Cash flow from investing activities</b>	<b>-2,854</b>	<b>-3,827</b>
<b>Cash flow before financing activities</b>	<b>921</b>	<b>-2,468</b>
<b>FINANCING ACTIVITIES</b>		
Change in interest-bearing liabilities incl pension provisions	-68	700
Paid-in contributed capital	281	207
Refunded capital contribution	-77	-101
Dividend paid	-783	-710
<b>Cash flow from financing activities</b>	<b>-647</b>	<b>96</b>
<b>Cash flow for the year</b>	<b>274</b>	<b>-2,372</b>
Cash and cash equivalents at beginning of year	355	2,704
Exchange differences in cash and cash equivalents	3	23
<b>Cash and cash equivalents at end of year</b>	<b>632</b>	<b>355</b>

<sup>1)</sup> MSEK	2023	2022
<b>Adjustment for non-cash items</b>		
Depreciation, amortization and impairment of non-current assets	2,412	3,153
Share of income of equity accounted companies	-198	-132
Capital gains/losses on sale of non-current assets and operations	285	-878
Other non-cash items	24	21
<b>Total</b>	<b>2,523</b>	<b>2,164</b>





# The Group's Ten-year overview

## Condensed income statements

MSEK	2023	2022	2021	2020	2019	2018 <sup>1)</sup>	2017 <sup>1)</sup>	2016 <sup>1)</sup>	2015 <sup>1)</sup>	2014 <sup>1)</sup>
Net sales	65,212	60,612	48,183	45,990	48,523	43,962	39,686	37,244	35,660	32,666
EBITDA	4,648	5,460	4,399	4,274	4,046	2,806	2,919	2,771	2,573	2,556
Depreciation, amortization and impairment	-2,412	-3,153	-2,097	-2,051	-2,063	-1,363	-1,242	-1,165	-1,222	-1,103
Operating income	2,236	2,307	2,302	2,223	1,983	1,443	1,677	1,606	1,351	1,453
Finance income and costs	-358	-209	-121	-182	-210	-193	-156	-149	-105	-111
Income after financial items	1,878	2,128	2,181	2,041	1,773	1,250	1,521	1,457	1,246	1,342
Tax	-318	-337	-294	-244	-222	-68	-216	-183	-156	-117
Net income for the year	1,560	1,791	1,887	1,797	1,551	1,182	1,305	1,274	1,090	1,225

## Condensed statements of financial position

MSEK	2023	2022	2021	2020	2019	2018 <sup>1)</sup>	2017 <sup>1)</sup>	2016 <sup>1)</sup>	2015 <sup>1)</sup>	2014 <sup>1)</sup>
Property, plant and equipment	16,203	14,758	13,769	13,288	13,927	10,673	10,030	9,098	7,699	7,178
Goodwill	6,151	6,186	5,619	5,461	5,724	5,350	5,238	4,611	4,424	2,915
Other intangible assets	3,591	3,845	3,378	3,370	3,620	3,451	3,327	2,980	2,782	752
Other non-current assets	4,852	5,942	3,662	3,496	3,499	3,233	3,204	2,825	2,780	2,762
<b>Total non-current assets</b>	<b>30,798</b>	<b>30,731</b>	<b>26,428</b>	<b>25,615</b>	<b>26,770</b>	<b>22,707</b>	<b>21,799</b>	<b>19,514</b>	<b>17,685</b>	<b>13,607</b>
Inventories	9,464	9,957	6,610	6,077	6,561	6,943	5,948	5,270	5,545	5,379
Other current assets	9,685	10,056	7,605	6,224	6,680	6,725	5,866	5,933	5,599	5,087
Cash and cash equivalents	632	355	2,704	1,415	1,183	720	927	1,773	1,252	3,058
<b>Total current assets</b>	<b>19,781</b>	<b>20,368</b>	<b>16,919</b>	<b>13,716</b>	<b>14,424</b>	<b>14,388</b>	<b>12,741</b>	<b>12,976</b>	<b>12,396</b>	<b>13,524</b>
<b>Total assets</b>	<b>50,579</b>	<b>51,099</b>	<b>43,347</b>	<b>39,331</b>	<b>41,194</b>	<b>37,095</b>	<b>34,540</b>	<b>32,490</b>	<b>30,081</b>	<b>27,131</b>
Equity, members of the Parent	23,371	22,831	19,990	17,901	17,411	15,935	14,859	13,795	12,660	11,859
Equity, NCI	101	101	108	105	94	92	89	88	21	17
<b>Total equity</b>	<b>23,472</b>	<b>22,932</b>	<b>20,098</b>	<b>18,006</b>	<b>17,505</b>	<b>16,027</b>	<b>14,948</b>	<b>13,883</b>	<b>12,681</b>	<b>11,876</b>
Non-current liabilities	7,321	6,206	6,595	7,029	7,190	7,005	5,983	6,219	6,135	3,598
Current liabilities	19,786	21,961	16,654	14,296	16,499	14,063	13,609	12,388	11,265	11,657
<b>Total equity and liabilities</b>	<b>50,579</b>	<b>51,099</b>	<b>43,347</b>	<b>39,331</b>	<b>41,194</b>	<b>37,095</b>	<b>34,540</b>	<b>32,490</b>	<b>30,081</b>	<b>27,131</b>
Net debt	10,056	9,761	6,673	7,761	10,165	8,719	7,274	6,289	6,476	3,674
Refund and supplementary payment <sup>2) 3)</sup>	324	374	341	305	208	156	245	231	188	135
Contribution dividend and contribution issue <sup>3)</sup>	876	706	659	597	525	463	322	277	243	328
Extra dividend	-	-	-	-	-	-	133	-	-	-

<sup>1)</sup> In accordance with previously applied accounting policies for leasing.

<sup>2)</sup> Reported amounts may include adjustments compared with previous years' proposals.

<sup>3)</sup> According to Board's proposal for 2023.

<b>Financial performance measures</b>	<b>2023</b>	2022	2021	2020	2019	2018 <sup>1)</sup>	2017 <sup>1)</sup>	2016 <sup>1)</sup>	2015 <sup>1)</sup>	2014 <sup>1)</sup>
Operating margin, %	3.4	3.8	4.8	4.8	4.1	3.3	4.2	4.3	3.8	4.4
Capital turnover rate, times	1.9	1.9	1.8	1.7	1.7	1.8	1.8	1.8	1.8	2.1
Return on operating capital, %	6.4	7.2	8.4	8.1	6.8	6.0	7.8	8.0	7.5	9.1
Return on equity, %	6.6	8.3	10.0	10.2	9.1	7.6	9.0	9.6	8.9	10.6
Equity ratio, %	46.4	44.9	46.4	45.8	42.5	43.2	43.3	42.7	42.2	43.8
Net debt/EBITDA	1.9	1.9	1.3	1.6	2.3	3.2	2.7	2.5	2.8	2.0
Net debt/equity ratio, times	0.4	0.4	0.3	0.4	0.6	0.5	0.5	0.5	0.5	0.3
<b>Excl. items affecting comparability</b>	<b>2023</b>	2022	2021	2020	2019	2018 <sup>1)</sup>	2017 <sup>1)</sup>	2016 <sup>1)</sup>	2015 <sup>1)</sup>	2014 <sup>1)</sup>
Operating income, MSEK	2,820	2,715	2,323	2,223	2,087	1,580	1,708	1,697	1,351	851
Operating margin, %	4.3	4.5	4.8	4.8	4.3	3.6	4.3	4.6	3.8	2.6
Income after financial items, MSEK	2,462	2,536	2,202	2,041	1,877	1,387	1,552	1,548	1,246	740
Net income after tax, MSEK	2,071	2,157	1,904	1,797	1,652	1,289	1,353	1,457	1,066	595
Return on operating capital, %	8.0	8.4	8.5	8.1	7.2	6.6	7.9	8.4	7.5	5.3
Return on equity, %	8.7	10.1	10.1	10.2	9.7	8.2	9.4	11.0	8.7	5.1
<b>Condensed statement of cash flows, MSEK</b>	<b>2023</b>	2022	2021	2020	2019	2018 <sup>1)</sup>	2017 <sup>1)</sup>	2016 <sup>1)</sup>	2015 <sup>1)</sup>	2014 <sup>1)</sup>
Cash flow from operating activities before changes in working capital	3,874	4,049	3,944	3,811	3,637	2,268	2,453	2,571	2,159	1,362
Cash flow from operating activities	3,775	1,359	3,927	4,503	4,226	1,023	2,398	3,136	2,167	1,767
Cash flow from investment in/sale of property, plant and equipment and intangible assets, net	-3,057	-2,688	-2,199	-1,608	-1,929	-1,626	-2,274	-1,884	-811	-697
Cash flow from acquisitions and divestments of operations, net <sup>2)</sup>	322	-761	-5	-54	-473	-333	-852	-357	-4,154	1,065
Cash flow before financing activities	921	-2,468	1,704	2,803	1,837	-824	-703	826	-2,674	2,077
Cash flow for the year	274	-2,372	1,280	254	454	-219	-852	489	-1,775	778
Cash and cash equivalents at end of year	632	355	2,704	1,415	1,183	720	927	1,773	1,252	3,058
<b>Non-financial key figures</b>	<b>2023</b>	2022	2021	2020	2019	2018	2017	2016	2015	2014
Number of members	17,907	18,256	18,726	19,172	19,690	24,798	25,021	25,159	27,032	28,617
Average number of employees	10,339	10,356	10,092	10,017	10,250	9,940	9,850	9,880	8,911	8,311
of which women/men	35/65	35/65	35/65	34/66	35/65	34/66	34/66	30/70	27/73	28/72
Employee satisfaction/Leadership	73/78	-	70/76	-	71/75	-	70/74	-	68/72	-
Sick leave	4.6	5.2	4.4	4.3	4.3	4.5	4.4	4.8	4.4	3.8
Injury rate	10.8	13.5	14.3	13.7	12.8	13.4	13.9	14.5	15.2	16.8
Emissions, tonnes CO <sub>2</sub> e/MSEK net sales, own production	1.64	2.01 <sup>4)</sup>	2.75 <sup>4)</sup>	2.71 <sup>3,4)</sup>	2.98 <sup>3,4)</sup>	3.43	4.63	5.38	4.68	-
Weighed grain volume, thousand tonnes	2,158	2,482	2,422	2,758	2,261	1,819	2,720	2,400	2,710	-
of which Climate & Nature, volume, thousand tonnes	146	118	94	61	34	33	78	70	55	-

<sup>1)</sup> In accordance with previously applied accounting policies for leasing.

<sup>2)</sup> 2023 divestment of Russian operations.

2022 acquisition of Coryton Advanced Fuels, Scandbio, Kewab Rental, Myllyn Paras and 30 percent of KG:s Ägg, and divestment of Agrovärme.

2020 acquisition of a bakery business in Norway.

2019 acquisition of Bakery Du Jour and Tate & Lyle's oat business.

2018 acquisition of Raisio's cattle feed business and ThermoSeed Global.

2017 acquisition of Anderson Bakery, K-maatous, Orient Products and Marline, and divestment of LMB Danmark and 50 percent of Akershus Traktor.

2016 acquisition of Kalmar Lantmän's machinery business, DataVäxt and Frozen Bakery Products.

2015 acquisition of Vaasan and sale of Lantmännen Doggy.

2014 acquisition of Strängnäs Valskvarn, sale of shares in Scandi Standard and divestment of Lantmännen Agriculture's German and Polish plant breeding and seed operations (SW Seed Poland, SW Seed Germany, SW Winter Oil Seed).

<sup>3)</sup> Based on new baseline for targets 2019-2030.

<sup>4)</sup> Climate emissions in own production in the years 2022-2019 have changed. For more information see Reporting principles [page 167](#).

# Glossary

Description of financial performance measures → page 138.

**Agenda 2030** • The UN's 17 Global Goals in Agenda 2030, adopted by the UN countries in September 2015, are a common vision with goals for achieving sustainable development for all.

**Agrodrank** • Protein-rich animal feed produced at Agroetanol in Norrköping.

**Amino acids** • Amino acids are the building blocks of proteins.

**Audit** • Third-party inspection of suppliers through notified or unannounced visits, with follow-up of requirements in the Supplier Code of Conduct.

**B2B** • Business-to-business, non-consumer related sales.

**Biodiversity** • Describes the variation between species, within species and habitats found on Earth.

**Carbon Law** • Researchers' name for the rate required for a climate impact reduction in line with the Paris Agreement's goal – to keep global temperature rises well below 2 degrees, and preferably limit them to 1.5 degrees. The Carbon Law requires a halving of carbon dioxide emissions every decade from 2020.

**CO<sub>2</sub>e, carbon dioxide equivalents** • Measurements of greenhouse gas emissions. All emissions, apart from carbon dioxide, are multiplied by a Global Warming Potential (GWP) to allow comparisons for all greenhouse gases.

**Code of Conduct** • Companies' and organizations' guidelines on ethical and responsible business. Guidelines on ethical and responsible business

**CSA** • A credit support annex is an agreement that governs how a party with an outstanding debt must provide collateral in the form of cash or securities.

**Due diligence** • The process of gathering and analyzing information about a company prior to an acquisition or other strategic changes.

**Ecosystem services** • Describes functions in the cycle that nature's ecosystems contribute to – e.g. air and water purification, crop pollination, bacteria and worms that make the soil fertile.

**ERM process** • Enterprise Risk Management, a structured and proactive risk management process.

**Functional foods** • Food with documented health benefits.

**Global Compact** • UN corporate social responsibility initiative. An international framework of ten principles in the areas of human rights, labor, environment and anti-corruption.

**Green Deal** • The European Green Deal is a package of policy initiatives, which aims to set the EU on the path to achieving climate neutrality by 2050.

**GRI** • Global Reporting Initiative. Provides guidelines for sustainability reporting that can be used by organizations to report environmental, social and economic aspects of their business, products and services.

**Human rights** • Internationally declared human rights such as the UN's Universal Declaration of Human Rights and the ILO Conventions.

**IFRS** • International Financial Reporting Standards. Learn more at [ifrs.com](https://www.ifrs.com)

**ISDA agreement** • A standardized contract for financial trading.

**LCR** • Liquidity coverage ratio, can also be described as the proportion of highly liquid assets that can be used to settle current liabilities.

**Mass Balance** • Mass Balance is a mix of certified and non-certified palm oil, with the volume of certified palm oil monitored through mass balance accounting.

**Pulses** • Cultivated large-seeded legumes, such as peas, vetches, lupins and beans.

**R&D** • Research and Development. Research and development.

**RCP** • Representative Concentration Pathways – scenarios of how the greenhouse effect will be amplified in the future.

**RSPO** • Round Table on Sustainable Palm Oil. International round table process to develop criteria for sustainable palm oil. More about the RSPO certification levels Book & Claim, Mass Balance and Segregated can be found at [rspo.org](https://www.rspo.org)

**RTRS** • Round Table on Responsible Soy. International round table process to develop criteria for sustainable soy.

**Science Based Targets initiative** • SBTi is a partnership between supranational and non-profit organizations. SBTi drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.

**Stem-shortening agent** • An agent that reduces the risk of crop lodging. A stem-shortening agent is basically the only plant protection agent that can be sometimes found in detectable residue levels in the grain raw material.

**Value added** • EBITDA plus employee benefits expense.

## Lantmännen's history, major acquisitions, divestments and ownership interests

SVENSKA  
LANTMÄNNEN  
IS FOUNDED

2001

ACQUISITIONS

- Elsö Pesti
- Soppis
- Könicke

2010

DIVESTMENT

- SweChick

ACQUISITION

- Agro Bizz

2013

DIVESTMENTS

- Kronfågel
- Cerealia's mill in Riga

ACQUISITION

- Strängnäs Valskvarn

FOUNDED

- Agroenergi Neova Pellets

2014

DIVESTMENTS

- Byggglant
- SW Seed Germany & Poland
- SW WinterOil Seed

ACQUISITIONS

- Vaasan
- Crop Tailor

2015

DIVESTMENT

- Doggy

ACQUISITIONS

- Kalmar Lantmän's machinery operations
- Dataväxt
- Frozen Bakery Products

2016



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Printing: Taberg Media Group, ISO 9001- and 14001-certified.

Paper: Munken Kristall. The Munkedal Mill was founded in 1871  
and is one of the world's most eco-friendly paper mills.



## ACQUISITIONS

- Anderson Bakery
- K-maatalous
- Orient Products
- Marline
- Byavärme

## ACQUISITIONS

- Raisio's cattle feed business
- ThermoSeed Global

## ACQUISITIONS

- Bakery Du Jour
- Tate & Lyle oat business in Kimstad

## ACQUISITION

- Parts of French Bakery in Norway

## ACQUISITIONS

- Coryton
- KG:s Ägg
- Scandbio
- Kewab Rental
- Myllyn Paras

2017 — 2018 — 2019 — 2020 — 2022 — 2023 →

## DIVESTMENTS

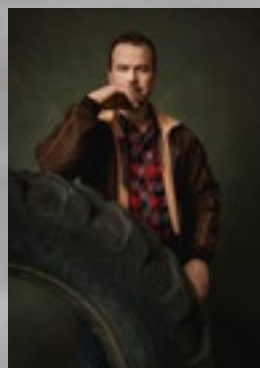
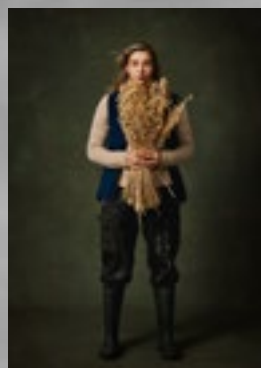
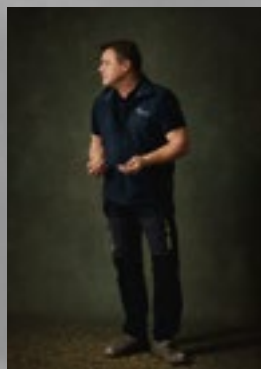
- LMB Danmark
- Akershus Traktor

## DIVESTMENT

- Lantmännen Agrovärme



Members from our 20 districts get to represent Lantmännen this year.  
The photos celebrate our members and clarify who we work for.  
No matter who you see on the cover of your report, the content is the same.



2023

Lantmännen Annual Report  
with Sustainability Report