Scandi Standard

Annual Report 2024

Contents

About the annual and sustainability report
Pages 29–73 constitute the statutory annual report, which has been audited. The Sustainability Report has obtained limited assurance and can be found on pages 83–118, including the GRI Index (GRI Standards 2021) and reporting according to the EU Taxonomy.

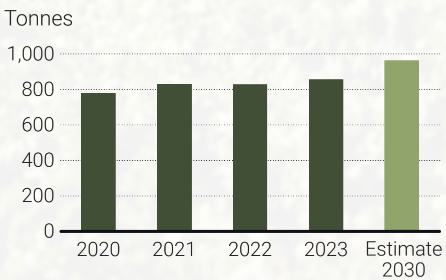
This Annual Report is an English translation of the Swedish original. In the event of any discrepancies, the Swedish version shall govern.

Scandi Standard in brief

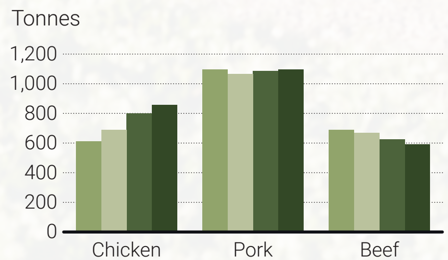
Scandi Standard was founded in 2013 and now provides chicken for millions of consumers every day. The company operates in Sweden, Norway, Denmark, Finland, Ireland, Lithuania and the Netherlands and is a market leader in several local markets. We also export our products to international markets, which contributes to our global presence and growth strategy. Scandi Standard's share is listed on Mid Cap Stockholm.

By maintaining a focus on continuous improvement, efficiency and responsible business practice, Scandi Standard wants to set the standard for local sustainable chicken production. Scandi Standard wants to continue to influence the future for the production of chicken together with the companys customers, employees, growers and other important stakeholders, and we look forward to sharing our progress and achievements in the following pages.

Chicken consumption in the Nordic countries and Ireland



Consumption of different proteins (2010/2014/2018/2022)



Source: Rabobank projections based on Eurostat, AVEC, FAO, MEG, SSB, Svensk Fågel.

Net sales in SEK million

13,024

Operating income in SEK million

509

Employees

3,366

A selection of our brands

We are convinced that Scandi Standard will be able to continue to produce even better chicken thanks to the company's vision, mission and values, and be able to help more people make the right choices that contribute to a healthier life for themselves, their families and the planet.

Our mission

"The Scandi Way"

Our mission is also our commitment to sustainability. The Scandi Way means working every day to create attractive, innovative and profitable products that promote health and wellbeing for people, our chickens and our planet both in the short and in the long term.

Our vision

Better Chicken for a Better Life

We contribute to the joy of food and sustainable food production, by providing healthy, innovative chicken products that are produced in a responsible and resource-efficient way.

Our values

Openness

Openness means being transparent and honest, which enables us to help each other between countries and functions so that we are constantly improving and developing.

Challenge

Challenge means challenging ourselves and the industry every day. We do this by always asking questions to identify better solutions and constantly improve.

Sense of Urgency

We act quickly and smartly, and assume responsibility for creating value throughout the value chain in order to make our consumers confident that they have made the right choice.

CEO's statement

A year of strong performance lays the foundation for a positive future outlook

In 2024, Scandi Standard accelerated operations according to the adopted strategy and targets for 2027. We have strengthened the preconditions for delivering on our financial targets through streamlining, innovation and a focus on sustainability. After a successful year with strong earnings, our base is solid and we are positive about the future.

Jonas Tunestål, CEO, comments on the results for 2024:

How would you sum up last year?
We are putting a year of strong performance behind us. Step by step, we delivered on our plans in accordance with the long-term strategy we introduced previously, resulting in a solid base that creates preconditions for future growth. During the year we increased volumes and strengthened our profitability by focusing on a more balanced product mix, increased efficiency and improved processes. Our focus on customer-centred innovation along with a diversified product range has allowed us to lay the foundation for meeting new customer needs and increasing long-term growth potential. We also continued our work to optimise, prioritise and create synergies across the entire Group.

How did the various segments perform?
We had stable, positive development in Ready-to-cook, with increased sales volumes and improved profitability in 2024. We focused on increasing efficiency and completed investments in operations to strengthen our position, which led to increased volumes and improved profitability.

> "Scandi Standard is now building a corporate culture based on collaboration, knowledge exchange and a focus on opportunities across the entire Group."

This favourable market performance reflects a long-term trend of increased chicken consumption, particularly of locally produced chicken, where Scandi Standard has a strong position in its domestic markets. We are also noting positive demand trends in the European market, which further strengthens the growth potential of the segment.

The Ready-to-eat segment has faced certain challenges in the form of reduced sales, but effective cost adjustments and investments allowed us to improve profitability Our ambition is to meet growing demand within Ready-to-eat and we have made investments within several of our most profitable product categories. The work to diversify and expand the customer base is proceeding according to plan and we expect profitable growth going forward.

Which events in particular would you like to highlight from the past year?
We have achieved several vital successes. Recently, we acquired a state-of-the-art production facility and several chicken farms in Lithuania, as well as two of Europe's most efficient production lines for RTE products in the Netherlands. These investments strengthen Scandi Standard's overall business and act as an accelerator to reach our financial targets and meet the growing future demand. The Lithuanian operation is an essential piece of the puzzle we previously lacked. It allows us to establish a production facility and to control large parts of the value chain in a country with low production costs. By controlling large parts of the value chain, from chicken farming to slaughterhouse, and being self-sufficient in raw material supply, we achieve high cost efficiency without compromising our quality, food safety, sustainability and animal welfare policies. Combined with the acquisition in the Netherlands, we create a unique and high-quality end-to-end offering for European customers.

Another important step that we took during the year was the launch of Scandi Standard's new enterprise resource planning system. After careful preparation and planning, we replaced the company's existing business system with a new, modern and cloud-based system in Sweden. This means a harmonisation of our main processes, leading to benefits such as improved opportunities to compare data, and to optimise production resources and raw material, in addition to opportunities to centralise support functions. Work is now under way to implement the system in other markets.

In 2024, we also focused on risk management, particularly within cyber security and operational continuity planning. We have already made great progress and will continue to work on this in 2025. Our focus on diversifying the customer base also reduced dependency on large individual customers and improved pricing, which created stability and efficiency.

What are some milestones within sustainability?
Expectations from the business environment in areas regarding climate and animal welfare are high and we want to remain at the forefront as a market leader in the Nordic countries and Ireland. Scandi Standard's ambition is to lead the entire chicken industry towards sustainability and I see that our work gives us a clear competitive advantage. That is why I'm proud that in 2024 we achieved the majority of our sustainability goals in addition to making progress towards systematically integrating sustainability into the Group's investment decisions.

As concrete examples of this sustainability work, I'd like to highlight our achievements when it comes to reduced emissions in several of our markets, that our forest, land and agriculture (FLAG) climate targets were approved by the Science Based Targets initiative and the fact that we were awarded an A-rating from the investor rating CDP. Our work with resource-efficient chicken production with low climate impact throughout the entire value chain continues. Scandi Standard aims for chicken to be part of the solution for how our societies reduce their climate impact from food production.

What are your expectations in the short term?
Our ambition is to grow more quickly than the market and we have a long-term strategy with financial targets for

KPIs

MSEK	2024	2023
Net sales	13,024	13,014
EBITDA	931	880
Operating income (EBIT)	509	457
Non-comparable items	–	8
Adjusted EBITDA[1)]	931	871
Adjusted operating income (EBIT)[1)]	509	449
Income after finance net	354	333
Income for the year	275	273
Net interest-bearing debt	1,935	1,571
Operating cash flow	443	671
Organic growth, %	5	4
Average number of employees	3,366	3,204
Chicken processed (tonne gw)	279,868	269,780
EBIT/kg	1.82	1.69
Lost Time Injuries, LTIFR	27.1	23.8
Use of antibiotics, % flocks	4.4	8.1

[1)] Adjusted for non-comparable items, refer to page 29. For a definition of alternative performance measures, refer to page 82.

2027. Scandi Standard's target is to increase revenue 5–7 per cent per year and increase operating income per kilogram to at least SEK 3 by 2027. This would result in an operating margin of over 6 per cent and return on capital employed of over 15 per cent. The plan involves the entire operation, from increasing the value of our protein and resource efficiency to maintaining an integrated sustainability approach.

I'm confident about our ability to deliver on that target thanks to our deliberate work during 2024. Work continues to deliver according to plan and we currently have a solid foundation with several value-creating initiatives to be realised going forward. We enjoy a favourable position today. Demand for locally produced chicken is strong and growing, we have a market-leading position with local brands that are appreciated by customers and consumers. Moreover, our promise of local and safely produced food, and world-class animal welfare sets an important standard in the industry.

To sum up, Scandi Standard's performance during the year created stable conditions to achieve our targets and to deliver healthy returns to our shareholders. I would like to thank all of our employees, suppliers, customers and owners who contributed to this year's strong performance. At Scandi Standard, we are now building a corporate culture based on collaboration, knowledge exchange and a focus on opportunities across the entire Group. During my frequent trips to our operations, I meet engaged and knowledgeable staff. This strengthens my confidence in Scandi Standard's potential and my conviction that we are always better together.

Stockholm, 20 March 2025

Jonas Tunestål, Managing Director and CEO

Four important events 2024

Broad growth throughout the Group

Ready-to-cook and Ready-to-eat, Scandi Standard's largest segments, grew significantly during the year and led to good growth. Earnings increased due to strong underlying growth and demand for chicken as well as a diversified customer base with higher profitability. A diversified customer base also reduced dependence on large individual customers and improved pricing, which created stability and efficiency.

Scandi Standard Baltics

Scandi Standard's acquisition in Lithuania strengthens the overall operations and is a catalyst for achieving the financial targets and meeting future demand. Increased control in the value chain, from chicken rearing to the slaughterhouse, has allowed us to achieve high cost efficiency without compromising our policies for quality, food-safety standards, sustainability, animal welfare and antibiotics usage.

Sustainability-linked financing

In 2024, Scandi Standard signed a sustainability-linked loan to refinance existing bank financing and support long-term growth. The five-year financing creates financial flexibility that simultaneously allows Scandi Standard to realise the organic potential set out in the financial targets and, simultaneously, to actively participate as a consolidated operator in existing and new markets. The bank loan is provided by ABN Amro, Bank of Ireland Group plc, DNB and Rabobank.

New climate targets and the CDP A-list

In November 2024 the Science Based Targets initiative approved Scandi Standard's new short- and long-term climate targets, which now also include emissions according to the Forest, Land and Agriculture (FLAG) standard. Scandi Standard's climate work has also received external recognition through a place on the investor rating CDP's A-list for climate.

Our product segments

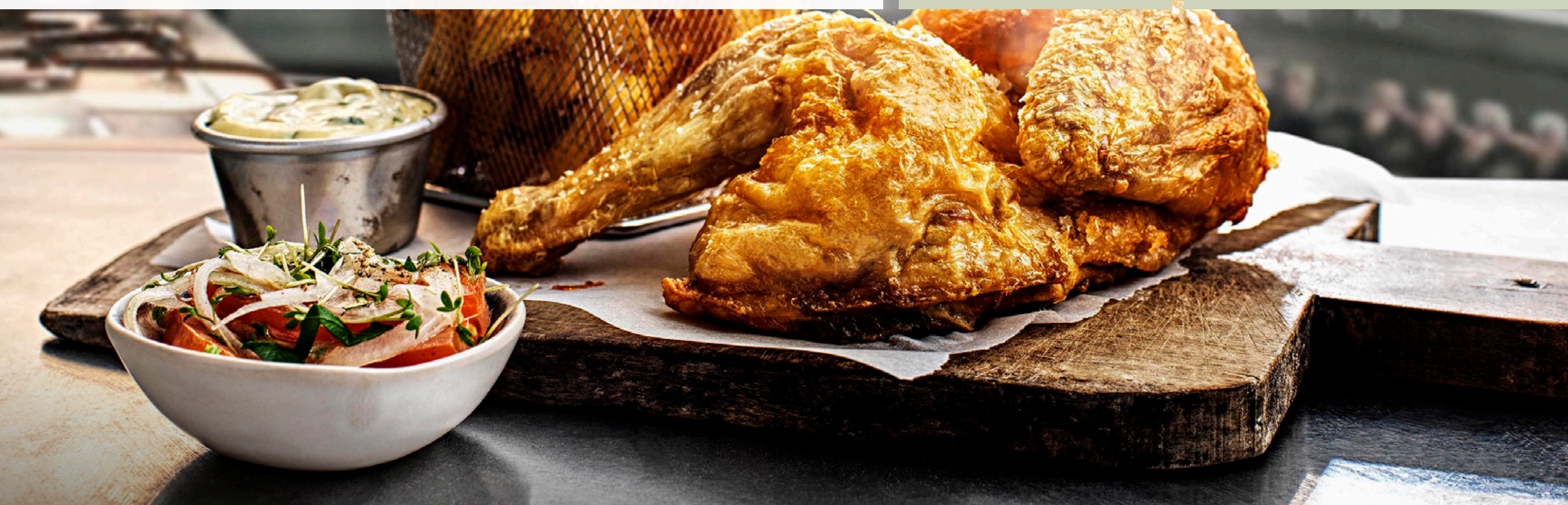
Chicken consumption has steadily risen in the past ten years and Scandi Standard has benefited both from growth and from profitability in our Ready-to-cook and Ready-to-eat segments.

Ready-to-cook

Ready-to-cook
Chicken products that require cooking or further preparation before they are ready for consumption.

Ready-to-eat

Ready-to-eat.
Chicken products that are prepared and ready to consume after some cooking or preparation.

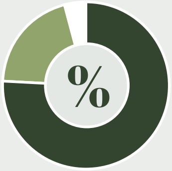


Ready-to-cook

Scandi Standard's largest product segment with deboned and pre-sliced chicken that consumers prepare themselves or purchase after being prepared in store. The segment is dominated by natural chicken fillets, and focus is placed on managing risks for the over-production of, for example, wing and leg products with the aim of always using the entire chicken. This includes initiatives such as better processing for deboning chicken or processing of charcuterie products.

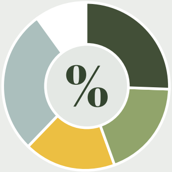
"Focus is to achieve the full potential of chicken."

Share of total net sales 2024

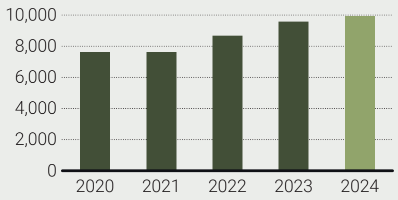


Net sales, MSEK	9,923
Organic growth	4%
Operating income, MSEK	368

Share of Group net sales for RTC per country 2024



Sales development over time 2024, RTC, MSEK

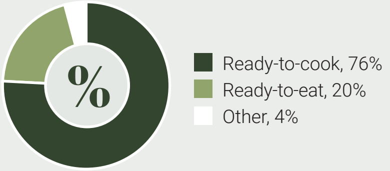


Ready-to-eat

Scandi Standard offers, Ready-to-eat products that can be consumed directly or after being lightly heated up. Sales are to the foodservice and retail sales channels. Ready-to-eat broadens the Group's product portfolio and provides our brands with growth opportunities. In this area, product development, which takes place in close collaboration with Scandi Standard's customers and consumers is particularly important.

"It is a trend that more and more value convenience when it comes to cooking."

Share of total net sales 2024

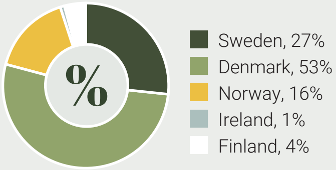


Net sales, MSEK **2,601**

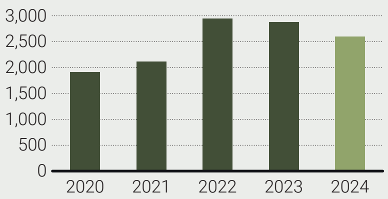
Organic growth .... **-9%**

Operating income, MSEK **148**

Share of Group net sales for RTE per country 2024



Sales development over time 2024, RTE, MSEK



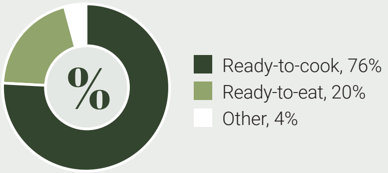
Other by-products

This category includes the sale of by-products intended for purposes other than human food consumption, such as feathers, offcuts and offal. These products are used in the production of, for example, animal feed and biofuel, which is in line with Scandi Standard's ambition to utilise and increase the value of the whole animal, because this minimises food waste, lowers the carbon footprint of the chicken we consume and increases profitability. A considerable portion of the by-products produced are further processed in Farmfood, a company where Scandi Standard is a minority shareholder. By this ownership we can ensure an efficient and sustainable handling of our by-products. The price of some of the by-products correlates with the price of energy, which normalised during the year.

Innovation creates new consumer products
Some of the by-products can also be used for Ready-to-eat products. For example, machines can now use all the meat from the bones, and the result is meat in smaller pieces which are suitable for, among other things, chicken sausages. Scandi Standard is working proactively in this area together with several partners, to create better and more inexpensive alternatives to traditional meat products, to make quality protein accessible to more people – and to make production more sustainable. This area also represents a substantial financial potential for the Group, as the earnings for human and animal consumption are significantly higher than for biogas, for example.

> "Scandi Standard's ambition is to make use of and increase the value of the entire chicken."

Share of total net sales 2024

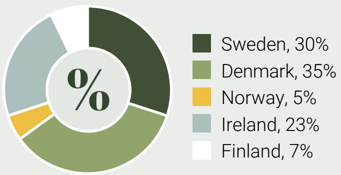


Net sales, MSEK 499

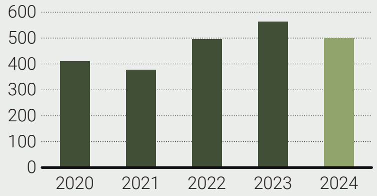
Organic growth .... -11%

Operating income, MSEK 32

Share of group net sales for other products per country 2024



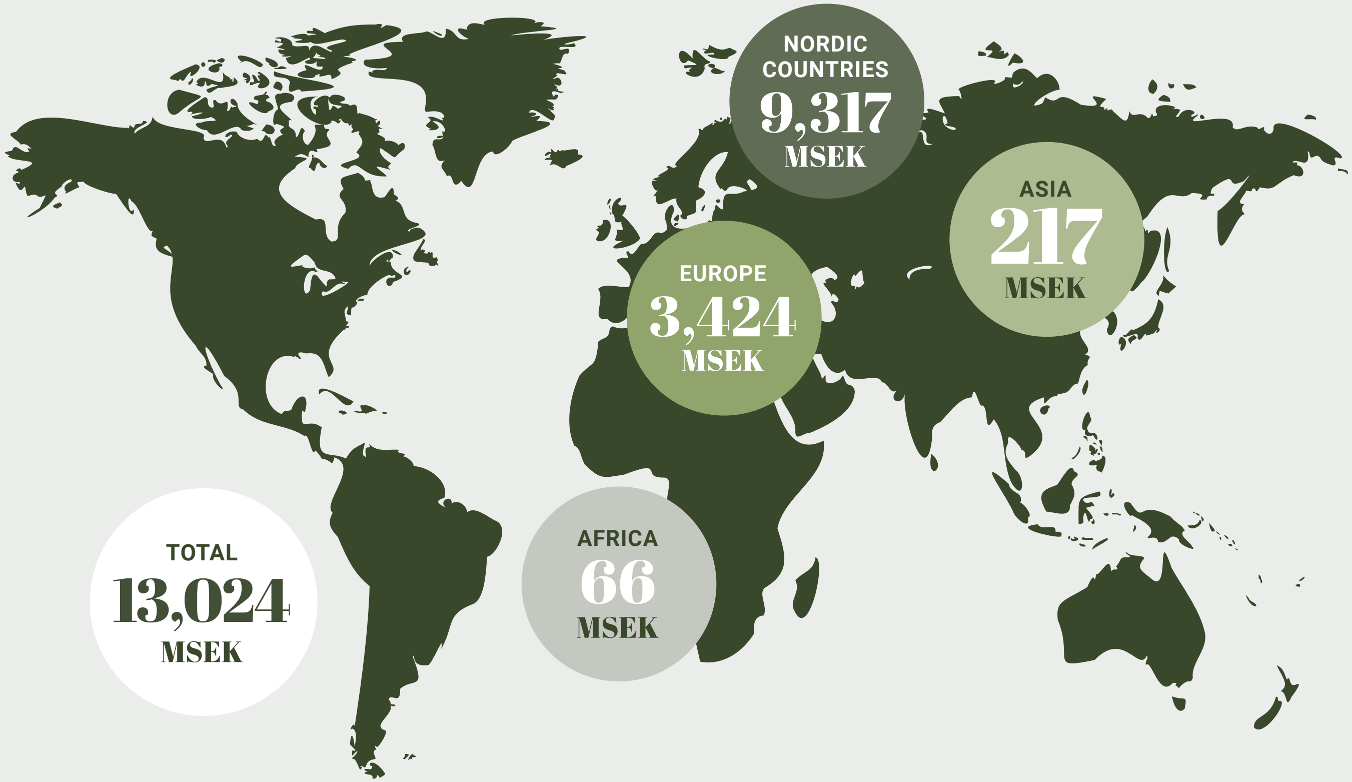
Sales development over time 2024, Other, MSEK



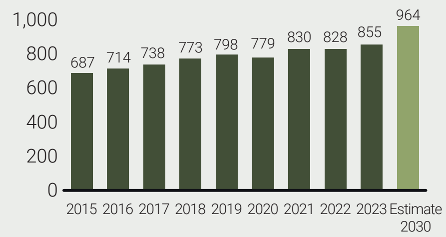
Our markets

Net sales per market, external sales

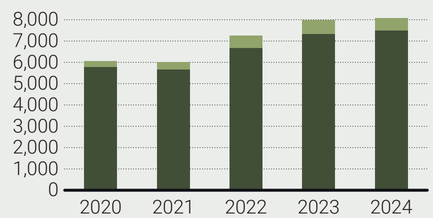
Scandi Standard's domestic markets consist of the Nordic countries and Ireland. In these markets, the company has its own production plants. All markets are characterised by a high level of domestic pride in locally produced products and Scandi Standard's brands are well known and hold a strong position in each market. In Ireland, the per capita consumption of chicken is more in line with that of other European countries. In the Nordic countries the per capita consumption is lower, which means the growth potential is significant. Scandi Standard's export markets consist primarily of the rest of Europe and Asia, where for the most part, we sell products such as wings and feet. Recently, Scandi Standard has invested in both Lithuania and the Netherlands, which further strengthens our geographical position and also ensures a more integrated value chain.



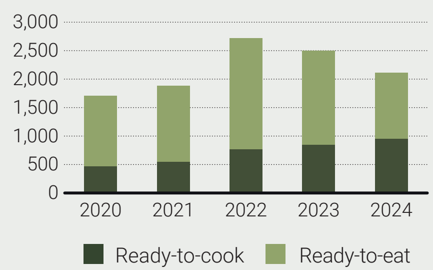
Poultry consumption Nordic & Ireland, tonnes[1)]



Retail, MSEK



Foodservice, MSEK



1) Source: Rabobank projections based on Eurostat, AVEC, FAO, MEG, SSB, Svensk Fågel.

Trends & driving forces

Chicken – an increasingly attractive protein

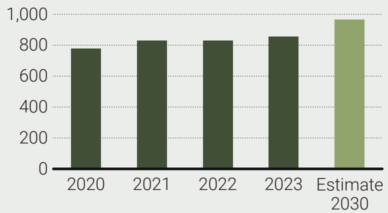
In our markets in the Nordic countries and Ireland, chicken consumption has increased 44 per cent between 2010 and 2023 and is expected to post growth of 15 per cent to 2030[1].

There are many reasons why chicken as a protein is expected to grow. Chicken is a valued source of protein in most cultures and is appreciated for both its flavour and versatility in cooking. As such, an increasing amount of people are choosing chicken instead of beef and pork for health and sustainability reasons, which is a trend that seems to be continuing to grow. Chicken is also a cost-efficient and affordable protein alternative, which is an even stronger rationalisation for its use when faced with harsher economic conditions. As a result, it is particularly beneficial to have shorter production cycles and less resource-intensive production. See graphs below.

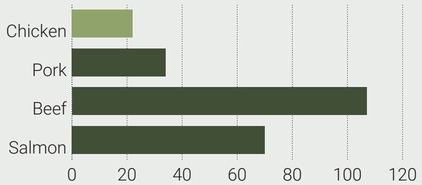
Health trends are expected to increase, and therefore the amount of chicken on our tables

1. **Low fat content:** Chicken has a low saturated fat content, particularly if eating the skin is avoided.
2. **High protein content:** Chicken is a source of high-quality protein, which is crucial for building muscle and cell repair.
3. **Important nutrients:** Chicken is rich in nutrients such as vitamin B6, niacin, phosphorus and selenium. These nutrients play an important role in the body's function, including energy production, heart function and the strength of the immune system.

Chicken consumption in the Nordic countries and Ireland, tonnes[1]



Cost per protein, cost/kg (SEK)[1]

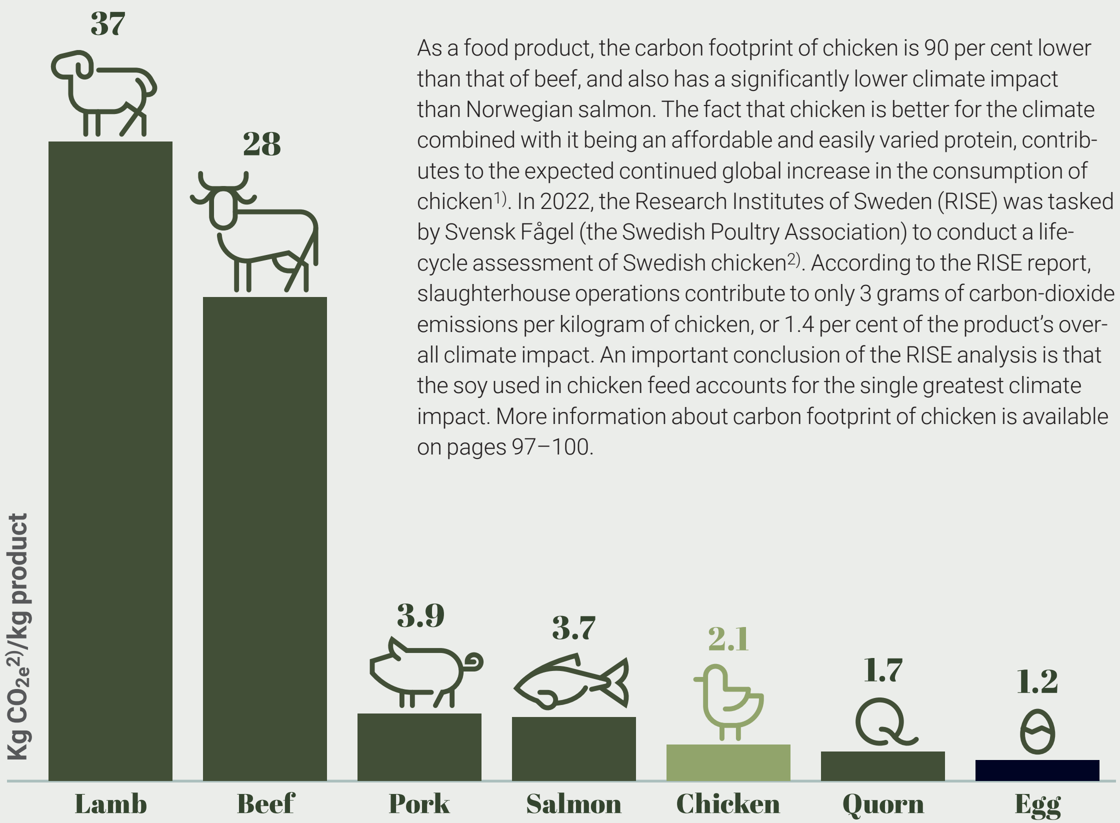


> "Chicken consumption is predicted to increase 15 per cent by 2030[1]"

[1] Rabobank projections based on Eurostat, AVEC, FAO, MEG, SSB, Svensk Fågel.

Trends & driving forces

The carbon footprint of chicken



As a food product, the carbon footprint of chicken is 90 per cent lower than that of beef, and also has a significantly lower climate impact than Norwegian salmon. The fact that chicken is better for the climate combined with it being an affordable and easily varied protein, contributes to the expected continued global increase in the consumption of chicken[1)]. In 2022, the Research Institutes of Sweden (RISE) was tasked by Svensk Fågel (the Swedish Poultry Association) to conduct a life-cycle assessment of Swedish chicken[2)]. According to the RISE report, slaughterhouse operations contribute to only 3 grams of carbon-dioxide emissions per kilogram of chicken, or 1.4 per cent of the product's overall climate impact. An important conclusion of the RISE analysis is that the soy used in chicken feed accounts for the single greatest climate impact. More information about carbon footprint of chicken is available on pages 97–100.

All figures in the graph represent Swedish meat, except the figures for salmon (Norway) and Quorn (UK).
Source: Open list – an excerpt from the RISE climate database for food v 2.3

>90%

As a food product, the carbon footprint of chicken is 90 per cent lower than that of beef

78%

of the carbon footprint of chicken derives from the feed

71.8

g CO_2e per kg product derives from Scandi Standard's own operations[3)]

[1)] OECD-FAO report Agricultural Outlook 2021–2030.
[2)] RISE life-cycle analysis 2022.
[3)] Scope 1 and Scope 2 from all production plants exclusive of Lithuania.

Trends & driving forces

Animal welfare

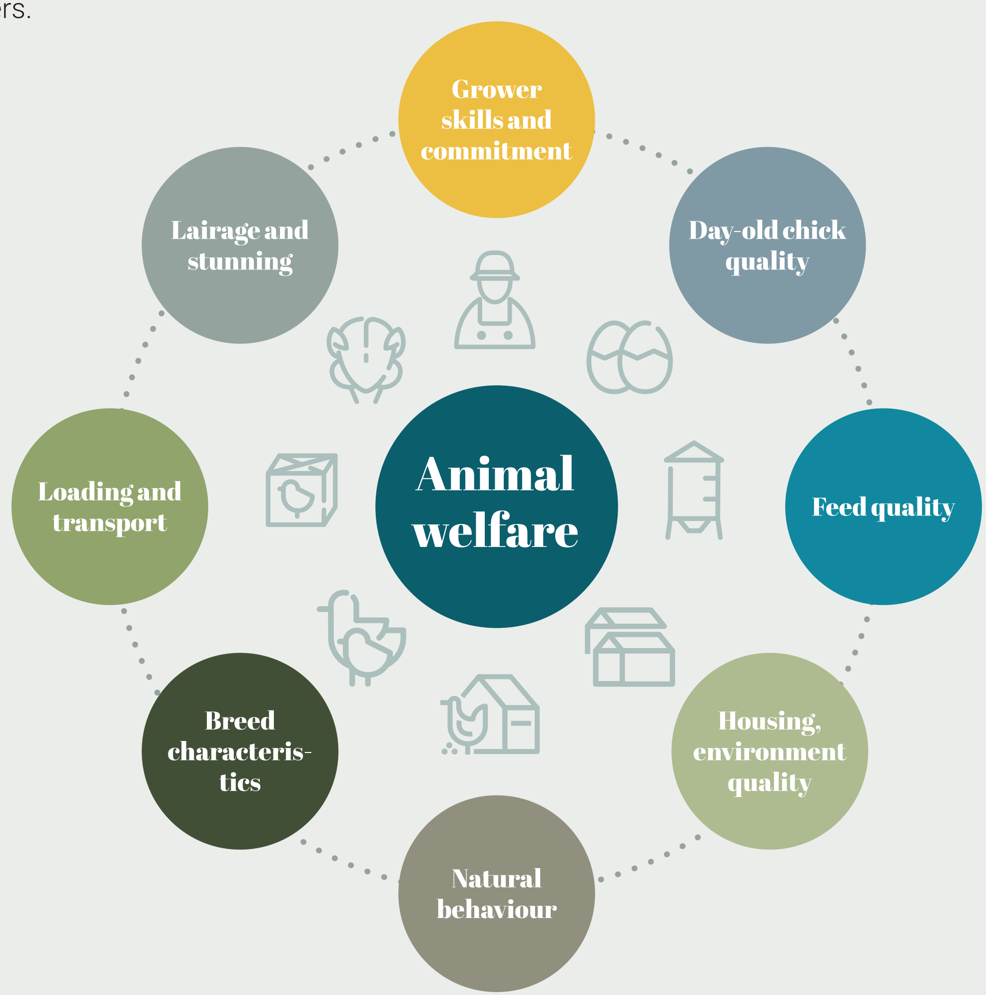
Meat consumption and animal welfare are engaging topics that have been subject to increased awareness and discussions during the past few years. Scandi Standard welcome people placing higher requirements on what we eat and how our food is produced. Our Nordic approach, with comprehensive animal welfare legislation, is a reassurance for the industry and for consumers.

Leader in animal welfare
Scandi Standard's goal is to be the industry leader in animal welfare. Together with carefully selected breeders, we strive to prevent diseases and promote the well-being of the chickens throughout the entire value chain. Our focus on animal welfare is both ethically motivated and linked to high quality, efficient use of resources and profitability. We know that only healthy chickens can grow in a healthy and optimal way.

We work together with breeders and suppliers to enable continuous improvements at all stages, from rearing of parent birds to slaughter. Scandi Standard has defined eight important focus areas for good animal welfare and we launched our own Scandi Chicken Quality Programme in 2022. The programme is designed to continuously improve these eight areas and maintain high standards that meet customer and market expectations.

Slow-growing chicken
Discussions about slow-growing chickens are ongoing both at EU and at local level. Scandi Standard is a leader both in slow-growing and in conventional chicken breeds in the Nordic countries and welcomes a holistic approach to the issue with a focus on animal welfare outcomes. The choice of hybrid is one of eight key factors for good animal welfare. In addition to animal welfare, when choosing hybrid issues such as the climate impact and cost to the end consumer must be given more space in the debate.

Read more about animal welfare and our results on pages 111–114.



Attractive outlook for Scandi Standard's future

1 Strong market trend for a versatile protein

Chicken is a versatile protein and the consumption of chicken is growing steadily. One reason is that the carbon footprint of chicken is a tenth of that of beef and significantly lower than salmon. Another reason is the growing demand for simple meal solutions with consumers wanting to spend less time in the kitchen while needing to adhere to an increased amount of dietary preferences. Chicken is well suited for this, can be served both hot and cold, and is not subject to cultural limitations in terms of consumption. This provides considerable growth opportunities, both in value for consumers and in increasing volumes.

2 Strong market position with local production

Consumers' clear preference for local origin and high demands on animal welfare limit imports and create obstacles for actors to establish large-scale and competitive production in our operating markets. Scandi Standard's leading brands create the safety of our domestic markets and are important in impacting consumers' purchasing patterns and customers' purchases of raw materials to private-label brands (PLB) and restaurant products. Scandi Standard stands for local and safely produced food with world-class animal welfare.

3 Healthy and cost-effective

In line with improved preconditions for us to live longer lives, the health benefits of chicken are increasing in importance for many consumers. Chicken contains just as much protein as other animal proteins but has a fat content that is half that of beef and a third of salmon. Chicken is also rich in vitamins and contains, for example, more vitamin E than other types of meat. Regardless of the economic climate, the short production cycle of chicken and the high proportion of produced raw material in relation to feeding amounts leads to a lower price for chicken and less climate impact compared with other animal proteins.

4 Sustainable value creation for customers and owners

Scandi Standard increases the processing of all parts of the chicken through continued leading product development. There is great potential in enhancing the efficiency of the value chain through standardisation, integration, automation, collaboration and transparency. Together with the company's ambitious sustainability goals in animal welfare, work environment and climate impact, this potential drives value creation over the long as well as short term. Considerable focus on quality from farm to fork leads to healthy chickens, committed personnel and resource-efficient production.

5 Preconditions for profitable growth

Scandi Standard has the necessary preconditions to achieve stable profitability on higher levels than today which has been further strengthened with the acquisition of the Ready-to-eat factory in Oosterwolde and the significant expansion of operations in Lithuania in early 2025. Demand is growing stably, with declining seasonal variations. The Group also has a strong balance sheet, a long-term ownership base and solid financing, thereby allowing us to invest for the future. Fluctuating prices for input goods are partly related to the dynamic pricing of our customer agreements, reducing the cyclical nature of profitability. The aim is to achieve organic growth of 5–7 per cent year with an operating margin of over 6 per cent.

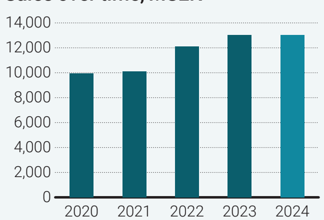
Financial targets

Growth

SDG: 5–7% average organic growth per year
Outcome: 5%

Over time, Scandi Standard is to report organic growth of 5–7% (excluding currency effects).

Sales over time, MSEK



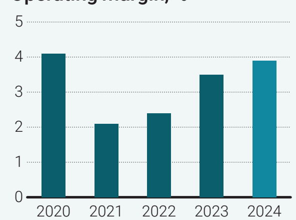
Comments
The market for chicken is expected to continue to grow and Scandi Standard wants to grow alongside it. An improved product mix will also contribute to increased sales. During 2024 the outcome, amounted to 5 per cent, in part due to price increases, which was in line with our target.

Operating margin

Target: >6%
Outcome: 3.9%

In the medium term, the operating margin is to exceed 6%.

Operating margin, %



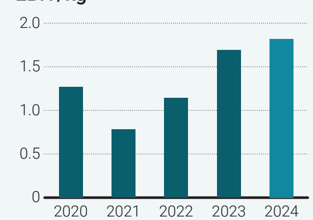
Comments
The operational investments that Scandi is making are expected to increase profitability over time. In 2024, the Group posted an operating margin of 3.9 per cent, which was a year-on-year improvement of +0.4 per cent and a step in the right direction toward the Group's target.

EBIT/kg

Target: >SEK 3.0
Outcome: SEK 1.8

Operating income (EBIT) per processed kg is to increase to SEK 3.0/kg.

EBIT/kg



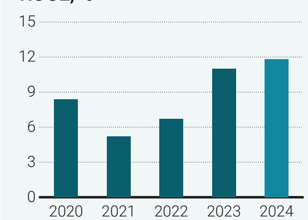
Comments
The operating income per processed kg is a measure of our ability to extract greater value from every bird, which is an important part of our strategy. The outcome for 2024 was a year-on-year increase of more than SEK 0.1/kg and demonstrates the continued potential of utilising the value of the entire bird.

ROCE

Target: >15%
Outcome: 11.8%

Return on capital employed (ROCE) is to amount to 15% in the medium term.

ROCE, %



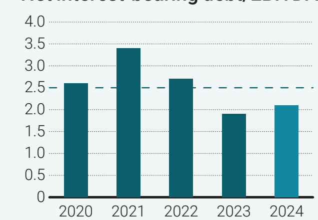
Comments
Scandi Standard expects to report a healthy return on capital employed. Return on capital employed was 11.8 per cent for 2024, which was a clear year-on-year improvement and a step in the right direction toward the Group's target.

Net debt/EBITDA

Target: <a ratio of 2.5
Outcome: A ratio of 2.1

At the end of the year, net interestbearing debt in relation to EBITDA is not to exceed a ratio of 2.5.

Net interest-bearing debt/EBITDA



Comments
At the end of 2024, net interest-bearing debt in relation to EBITDA was a ratio of 2.1x., indicating low debt. This figure could temporarily exceed the target for utilising opportunities for acquisitions or other growth opportunities.

Sustainability goals

Climate impact

Target 2030:
Scope 1 & 2: -42%,
Scope 1 & 2 FLAG*: -30.3%

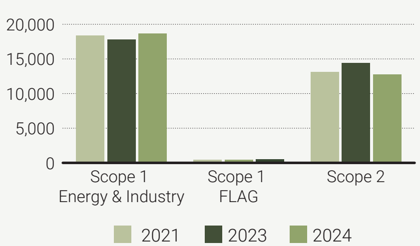
Outcome 2024:
Scope 1 & 2: 31,463 tonnes CO_{2e} (-0.2%),
Scope 1 & 2 FLAG*: 494 tonnes CO_{2e} (+16%).

Target 2030:
Scope 3: -42%,
Scope 3 FLAG*: 30.3%

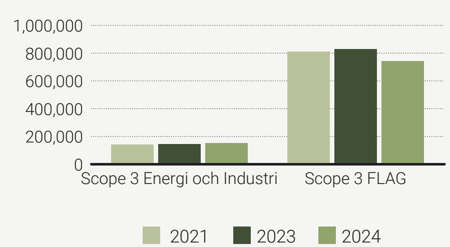
Outcome 2024:
Scope 3: 144,324 tonnes CO_{2e} (+10%),
Scope 3 FLAG*: 742,669 tonnes CO_{2e} (-9%).

Scandi Standard commits to, by 2030, from the base year of 2021, reduce its CO_{2e} emissions in its own operations (Scopes 1 and 2) with 42% for Energy & Industry emissions and 30.3% for FLAG* emissions. The same reductions apply separately for the value chain (Scope 3).

Climate impact, tonnes CO_{2e}, Scope 1 & 2



Climate impact, tonnes CO_{2e}, Scope 3



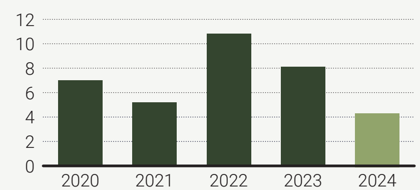
Comments
Scandi Standard has set science-based climate targets which were validated by the Science Based Targets initiative (SBTi) during 2023. In 2024, targets according to the *Forest, Land and Agriculture (FLAG) and Net Zero standards were approved. In total, emissions have been reduced with 5.8% between 2021 and 2024. The work to develop a detailed transition plan, both for own operations and the value chain, has commenced during the year and the climate transition plan was developed and adopted by Group Management. When the new targets were submitted to Science Based Targets initiative, emissions for the base year 2021 as well as the reference year 2023 were restated to ensure comparability. Emissions for 2022 has not been recalculated and are not reported. For a detailed description related to Scandi Standard's climate strategy and analysis of the results, see pages 97–100.

Use of antibiotics

Target 2030: <1%
Outcome 2024: 4.4%

The target is for less than 1 per cent of all flocks to be treated with antibiotics by 2030.

Use of antibiotics, % of treated flocks



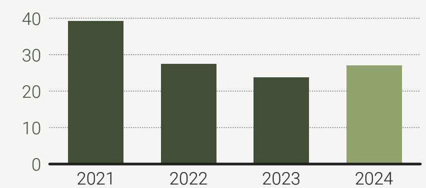
Comments
The use of antibiotics in Nordic operations is close to zero, and the use of antibiotics in the Group is therefore mainly prevalent in Ireland. During the year, we continued to focus on key factors such as the quality of day-old chicks and the housing environment.

Lost Time Injuries (LTIFR)

Target 2030: <15
Outcome 2024: 27.1

The frequency of work-related injuries resulting in absence (lost time injuries per million hours worked) is to be less than 15 by 2030.

Lost time injury frequency rate (LTIFR) per million hours worked



Comments
Systematic efforts to reduce work-related injuries resulting in lost time have continued to yield results. Important components of improvement initiatives include management's focus on the issue and the improved processes for following up on incidents and accidents at production sites.

Strategy

Strategy for profitable and sustainable growth

Scandi Standard continued its strategic work during the year and implemented several initiatives to support the company's goals until 2027. The company took additional steps towards becoming a future-proof group that sets the standard for the industry through high-quality sustainable chicken production. Scandi Standards aim is to be leading in animal welfare, environmental and social responsibility, and customer satisfaction. This is the path toward profitable and sustainable growth. The company has identified four strategic areas that are prioritised for its continued development.

Increase the value of our protein

Our business, production and product development strategies are aimed at utilising the whole bird and adding value to our products, reducing food waste and concurrently strengthening our business. Scandi Standard aims to grow in products with a high degree of processing, while the company establishes a broader product portfolio within several categories. One prerequisite for Scandi Standard's success here is working closely with consumers, collaborating with our customers and being agile in our development processes.

Increased efficiency and resource use

Scandi Standard achieves tangible efficiency with our work methods and processes through increased standardisation and collaboration throughout the entire organisation and value chain. This also concerns further digitalising and automating our operations to leverage technological developments and strengthen our competitiveness.

Better together

A positive collaborative climate where the various units in the Group support each other leads to increased creativity, innovation and a healthy, inclusive and committed work environment. It also creates the conditions for all employees to feel satisfied, committed and better equipped to contribute to the success of the entire organisation. For these reasons, Scandi Standard promotes open communication and collaboration and secures mutual understanding of the company's values and targets.

Integrated sustainability

Scandi Standard exercises its pronounced commitments for long-term sustainability on both the Group level and locally with tangible, standardised and measurable actions. Scandi Standard is to be industry-leading in terms of animal welfare with as low impact on the climate as possible. Therefore, the Group assumes responsibility for its impact on people and the environment throughout the value chain – both in own operations as well as in the supplier, transport and consumer stages. We also work actively for better control and follow-ups.

Increase the value of our protein

By focusing on utilising the entire bird, food waste is reduced while Scandi Standard's profitability is strengthened. Scandi Standard is to grow through a high degree of processing and broadening the product portfolio within various categories. This requires the company to be close to its consumers, collaborate with customers and having dynamic innovation processes.

Successes in 2024

Increased capacity and customer collaboration in Farre

The purchase and installation of new thawing technology for frozen raw materials at Scandi Standard's plant in Farre, Denmark in 2024 improved conditions for meeting customers' needs for flexibility while simultaneously increasing the capacity of the factory. The installation put an industrial microwave oven into operation, reducing the lead time for switching production to frozen raw materials for production of, for example, nuggets.

This new technology allows production to be switched with just a few hours' notice, something that previously required thawing times between two and fourteen days. Operations now have greater capacity for meeting dynamic order flows through effective planning, despite fluctuating inventories and deliveries, which have historically been a development area. The investment increases capacity at Farre and will provide annual savings that exceed the cost of purchasing and installing the oven. It also provides benefits when it comes to quality, planning and work environment, requiring fewer steps to manage raw materials, as well as increased purchasing opportunities within the Group.

Expansion in Stokke enables growth in Ready-to-eat

The expansion of Scandi Standard's Ready-to-eat plant in Stokke, Norway is an investment that enables additional volume growth, product development and profitability. The expansion to a new production line with higher capacity creates opportunities to meet future demand in Ready-to-eat while improving market position and competitive strength. It also improves opportunities for innovation and product development.

The production line, with the latest technologies in frying, chilling and freezing, optimises the meat yield of the whole bird and lowers total energy consumption. Individual quick freezing (IQF) also leads to higher quality frozen products. The investment makes the facility the most efficient production unit for high-quality Ready-to-eat products in the Norwegian market. After planning and installation, the first products have now been produced at the plant and production volumes are steadily increasing. The expansion in Stokke also means an improvement in the work environment, resulting in a safer and healthier workplace.

Focus areas

- Improve utilisation of the entire chicken with the aim of as much of the chicken as possible being turned into good food
- Drive growth in the Ready-to-eat segment
- Drive product innovation and invest in new technology
- Follow consumer trends carefully
- Increase collaboration with customers

Increased efficiency and resource use

We achieve tangible efficiency with our work methods and processes through increased standardisation and collaboration throughout the entire organisation and value chain. This also concerns further digitalising and automating our operations to leverage technological developments and strengthen our competitiveness.

Successes in 2024

Scandi Standard Baltics – investment for future profitability

Scandi Standard recently acquired the slaughterhouse, processing, breeding houses and six chicken farms in Lithuania - Scandi Standard Baltics. This acquisition strengthens Scandi Standard's overall operations and accelerates our achievement of financial targets and meeting future market demand. The operations represent a piece of the puzzle that we were previously lacking: a state-of-the-art processing facility with control over the value chain in a country with low production costs. Controlling the value chain from chicken rearing to slaughterhouse helps achieve high cost efficiency, and the ability to adapt operations and the value chain to Scandi Standard's policies for quality, food safety, sustainability and animal welfare. Scandi Standard Baltics will become a competitive, high-quality supplier with good conditions for better meeting the most price-sensitive segments in the Group's domestic markets as well as a competitive supplier that meets the strict criteria for raw materials in the Group's Ready-to-eat products. Successful collaboration across all of Scandi Standard during the build-up phase, where existing skills and standards are leveraged, has allowed operations and production in Lithuania to start and run according to plan. As of 2025, Scandi Standard Baltics is expected to achieve an initial annual production of 20,000 to 25,000 tonnes (grill weight).

Focus areas

- Maintain efficiency without compromising on safety, quality or sustainability
- Standardisation, collaboration and synchronisation
- System integration and development
- Increased automation

Better together

A positive collaborative climate promotes creativity, innovation and an inclusive work environment. This promotes satisfaction and contributes to long-term success for the entire organisation. Scandi Standard strives for open communication, collaboration and mutual understanding for the company's values and objectives.

Successes in 2024

Scandi Academy building a learning organisation

Continuous learning and development is one of several keys to both individual and organisational success. One component of Scandi Standard's strategy is to develop as a company, which means the entire Group needs to promote a learning culture that provides all employees with the opportunity to grow their skills and share their experiences. This allows everyone in the organisation to develop their skills, take responsibility for their development and to contribute to the collective success of the company.

That is why in 2024 we launched the internal training initiative Scandi Academy, which offers customised training paths for each individual. Customised content provides employees with the necessary skills and knowledge to raise the internal, and eventually external, level of knowledge. The theme of the skills enhancement training conducted during the year was Scandi Standard's strategy. The initiative will be rolled out to the entire organisation through an AI-driven training platform in 2025. The new platform supports Scandi Standard's development by giving all employees easy access to skills enhancement training.

Kronfågel Future – collaboration for quality and sustainability

In 2024, Scandi Standard started an investment programme in Swedish operations. The investments, which will be conducted from 2024 to 2026, are part of a larger initiative that involves collaboration between Scandi Standard's operations in several different countries. The programme is designed based on best practices within the Group in order to leverage synergies across several of Scandi Standard's domestic markets. By leveraging the Group's opportunities for collaboration and creating efficiencies, the investments contribute to Scandi Standard's long-term profitability.

The investments and improvements create greater efficiency and future-proof production in Sweden, in part through better coordination in Ready-to-eat operations with Norway and Denmark. This strengthens quality, sustainability and innovation, which will enable Swedish operations to focus on increased automation and efficiency in the Ready-to-cook segment.

Focus areas

- Create a safe and healthy workplace where every employee can develop
- Synchronise and calibrate targets and KPIs between countries and functions
- Develop leadership, teamwork and employee communication
- Develop Scandi Standard's brand, culture and vision

Integrated sustainability

As a food producer, our operations depend on well-functioning ecosystems and healthy chickens that are treated well. Maintaining a long-term perspective and integrating sustainability at all levels of operations is therefore a prerequisite for Scandi Standard's continued success.

Successes in 2024

Reduced emissions with proactive initiatives

While chicken is already a protein whose production has relatively low climate impact, Scandi Standard still aims to reduce emissions by 42 per cent by 2030. Measures were introduced in 2024 in the Swedish and Norwegian operations to help reduce emissions. At the production facility in Jæren, Norway, operations have shifted from fossil gas to bioenergy produced from mill and forest residues. This led to a 20 per cent reduction in climate impact, which is expected to increase to 60 per cent when the full transition is completed in 2025.

At the Swedish production facility in Valla, carbon-dioxide emissions were reduced by 42 per cent over a period of two years through initiatives such as switching from fuel oil to district heating and improving the efficiency of cooling systems. Lighting was switched to LED and diesel use was phased out. Efficiency improvements are gradually reducing total energy consumption and oil consumption has been significantly reduced.

Enrichment in chicken houses for better animal welfare

Scandi Standard's ambition is to be industry-leading in terms of animal welfare. Healthy chickens who have the right feed and are well taken care of in the chicken house by experienced breeders is essential for realising this ambition. A collaboration was initiated in 2024 between the Norwegian, Danish and Swedish operations to evaluate additional ways to improve animal welfare through enrichment in the chicken houses. Enrichment is provided to even better allow chickens to meet their natural behavioural needs.

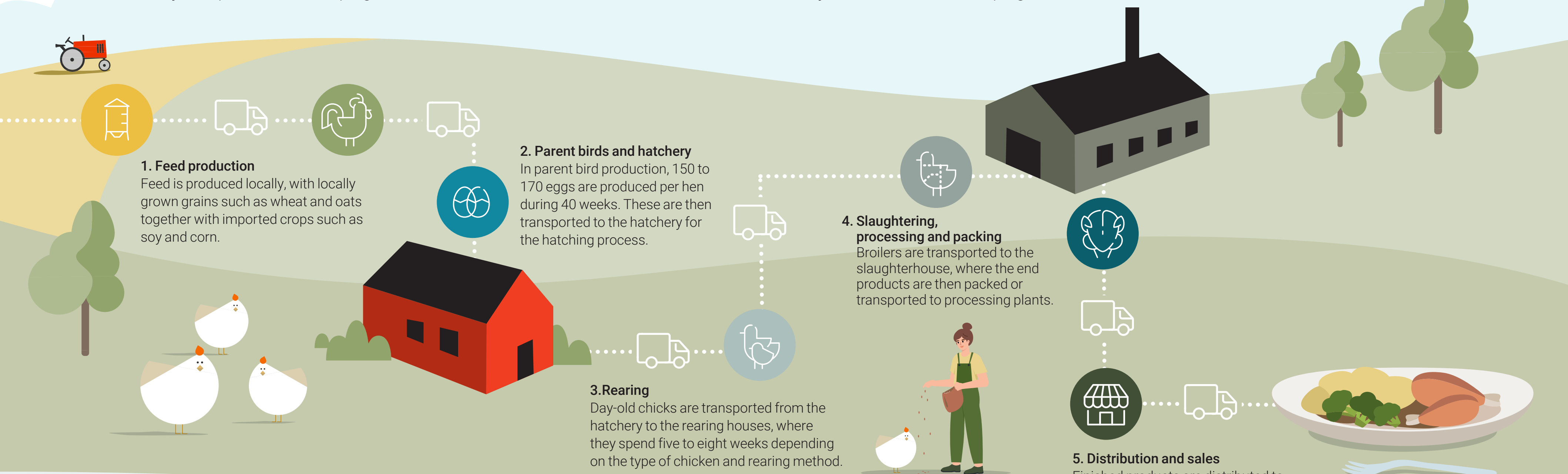
Generally, Scandi Standard breeders already have excellent bedding in the chicken houses, which is measured across the entire Group to help foot pad condition (foot pad score). Enrichment in this initiative has therefore primarily consisted of adding objects such as swings, ramps and platforms that give the chickens additional opportunities to meet their needs to peck, perch and seek shelter. By drawing on knowledge and experiences from enrichment tested at operations in Norway and Denmark, the project could be built on actual results. Work will continue in 2025 when enrichment is introduced on a larger scale in Swedish and Danish chicken houses.

Focus areas

- Joint targets and standardised processes for reporting and follow-ups
- Local action plans where sustainability is an integrated part of our daily operations
- Increased efficiency and quality through better animal welfare and products produced with less climate impact

Our value chain and business model

As part of identifying material sustainability matters and integrating them into operations, we have mapped our value chain and identified the impacts of our operations as well as the financial risks and opportunities of each stage. The value chain is described below and in the following pages, including the risks and opportunities deemed material. The parts of the value chain covered by our operations in each country are presented on page 27. More information about our double materiality assessment is on pages 89–92.



1. Feed production
Feed is produced locally, with locally grown grains such as wheat and oats together with imported crops such as soy and corn.

2. Parent birds and hatchery
In parent bird production, 150 to 170 eggs are produced per hen during 40 weeks. These are then transported to the hatchery for the hatching process.

3.Rearing
Day-old chicks are transported from the hatchery to the rearing houses, where they spend five to eight weeks depending on the type of chicken and rearing method.

4. Slaughtering, processing and packing
Broilers are transported to the slaughterhouse, where the end products are then packed or transported to processing plants.

5. Distribution and sales
Finished products are distributed to customers and consumers in retail stores, restaurants, catering centres and industrial kitchens.

Negative impact
- Climate impact
- Energy consumption and use of fossil fuel
- Biodiversity loss
- Resource use and plastic packaging
- Waste and food loss
- Employee health and safety
- Working conditions
- Accurate consumer information
- Animal welfare

Sustainability-related risks
- Physical climate risks
- Biosafety
- Regulations related to land use
- Ability to attract and retain talent
- Reputational risks related to animal welfare
- Regulations related to animal welfare
- Corruption and bribery

Sustainability-related opportunities
- Reduced food waste and better use of the chicken
- Positive animal welfare outcomes
- Low antibiotics usage

Feed
Scandi Standard has its own feed production in Ireland, while feed in other markets is produced by external parties and purchased directly by breeders. Just over 20 per cent of our chicken feed consists of imported soy, primarily from South America. Requirements for traceability and responsible production are defined by means of various third-party certifications, but our long-term goal is to replace imported soy with alternative and local protein sources. The feed and soya not only account for the absolute largest proportion of the chicken's and Scandi Standard's carbon footprint, but the cultivation of soya, primarily in South America, also involves a potential negative impact on biodiversity and working conditions for workers in Scandi Standard's value chain.

Primary production
Primary production consists of rearing parent birds, egg production, hatcheries and rearing broilers. External suppliers provide most of the parent bird rearing, egg production and hatchery operations. In Sweden, Scandi Standard has its own hatcheries and also owns parts of the parent bird production. Animal welfare is a prioritised issue and a prerequisite is for parent birds to thrive and produce fertilised eggs. Parent birds live for just over one year – about 60 weeks – and their meat is then used for food. For parent bird breeding as well as the hatching and rearing stage, heating and farm operations are prioritised areas as well as the reuse of chicken manure instead of chicken fertiliser. This leads to a lower carbon footprint and more circular production. High-quality parent bird and hatchery operations are important, since the quality of day-old chicks is the key to healthy, thriving chickens, and as a result, good animal welfare, a high feed conversion ratio and a low use of antibiotics.

Scandi Standard has long-term partnerships with selected growers in each country and in Lithuania Scandi Standard also owns its own rearing farms. The growers' knowledge and understanding of and respect for the chickens is crucial for good animal welfare. Regardless of modern technology and well-developed processes, their day-to-day handling and know-how are by far the most important factor in allowing their chickens to thrive and grow. Nobody benefits from a chicken that does not feel good. Chickens that receive high-quality feed and are well cared for in the chicken houses convert the feed into meat relatively quickly. What we refer to as feed efficiency is thus an indirect indicator of the feed and rearing quality of the chickens, as well as their well-being.

Production – slaughtering, processing and packaging
Transportation to the slaughterhouse is to be as calm as possible for the chickens and when they arrive at the lairage, the chickens are placed in a peaceful and dark environment for a few hours. At most of our slaughterhouses, gas stunning is used. The gradual effect of gas stunning is preferable from an animal-welfare perspective. The stunning, which is irreversible, causes them to slowly become unconscious and fall asleep. The slaughterhouses at Aars, Denmark and at Joniškis, Lithuania perform stunning with electricity in a water bath. Death is then caused by a machine severing their carotid artery. During both slaughtering and processing, considerable focus is placed on resource efficiency and reducing the use of fossil fuels, energy consumption, water use and emissions to water.

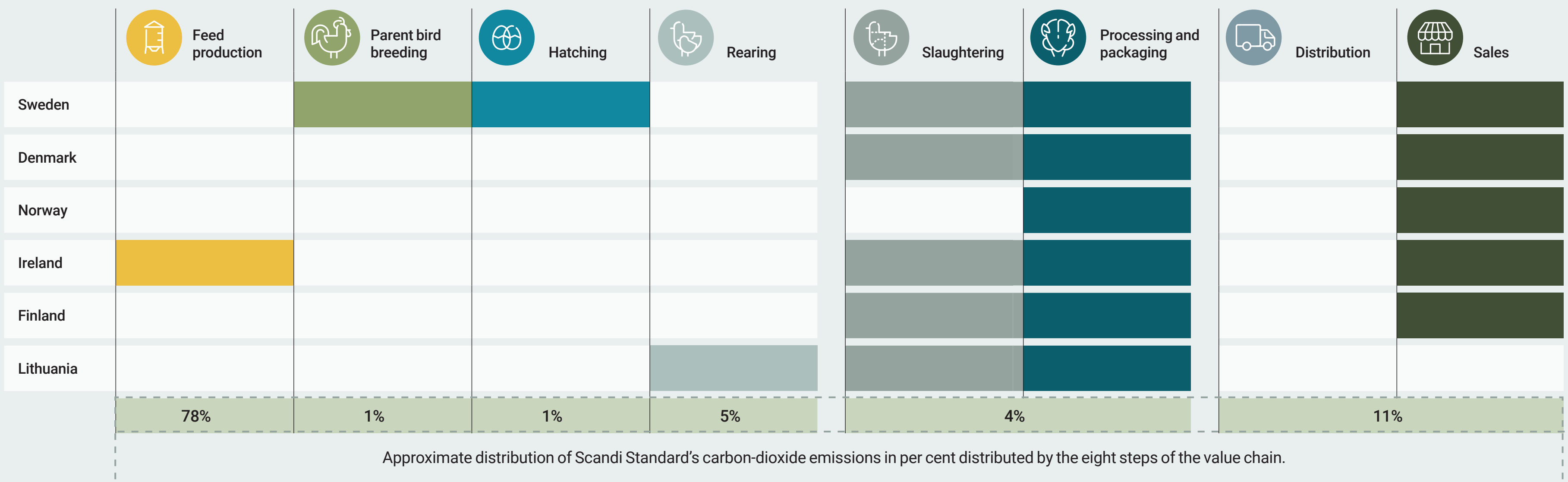
Following slaughter, the chickens pass through a chilling tunnel to be cooled before they are cut. For Ready-to-eat products, the process continues at separate plants that produce chilled, frozen and processed products. A key issue concerns packaging and the use of plastic. Plastic packaging is required for food safety and minimising food waste further down in the value chain, but it also has a negative impact on the climate and the environment.

"The growers' knowledge and understanding of and respect for the chickens is crucial for good animal welfare."

Distribution, sales and consumption
Scandi Standard uses transportation between each stage of the value chain, transporting both living animals and finished products. Focus is placed on keeping distances as short as possible, which is good both for the environment and for animal welfare. Our products reach our consumers through stores, restaurants and other catering operations, such as schools and hospitals. Deliveries are mainly carried out by subcontractors and sometimes by our customers' own distributors. Our chilled products are on site in stores the day after they are packaged. As a food, chicken is a valued and healthy source of protein with a low carbon footprint. However, chicken that is not eaten for various reasons generates food loss. Our ambition is to minimise food waste in the entire value chain, and in the consumer stage we contribute to this by raising awareness among consumers by adapting packaging sizes.

> **"As a food, chicken is a valued and healthy source of protein with a low carbon footprint."**

Scandi Standard's operations in the value chain divided by country



Financial report

Report by the Board of Directors

The Board of Directors and President of Scandi Standard AB (publ), identity number 556921-0627, with registered office in Stockholm, Sweden, herewith submit the annual report and consolidated accounts for the 2024 financial year.

- Net sales amounted to MSEK 13,024 (13,014) in the year of 2024. At constant exchange rates net sales increased by 1 per cent.
- Operating income (EBIT) increased to MSEK 509 (457), corresponding to a margin of 3.9 (3.5) per cent. No non-comparable items reported in the period MSEK – (8).
- Income after finance net increased to MSEK 354 (333).
- Income for the period amounted to MSEK 275 (273). Earnings per share amounted to SEK 4.20 (4.11).
- Operating cash flow was MSEK 443 (671).
- Net interest-bearing debt increased to MSEK 1,935 (1,571)
- The Board proposes a dividend for the financial year 2024 of SEK 2.50 (2.30) per share which corresponds to MSEK 163 (150) to the Annual General Meeting 2025 based on the number of outstanding shares as of December 31, 2024.

Net sales and income

Net sales

Net sales for the Group amounted to MSEK 13,024 (13,014) in the year of 2024. At constant exchange rates net sales increased by 1 per cent.

Net sales for the Ready-to-cook segment, which is the largest segment, increased by 4 per cent in adjusted currency, while net sales for the Ready-to-eat segment decreased by 9 per cent in adjusted currency. The change in sales for the Ready-to-cook segment was primarily driven by sales mix, while for the Ready-to-eat segment it was primarily driven by volume. See page 30 for further information on segments.

Income

Operating income for the Group amounted to MSEK 509 (457), corresponding to an operating margin (EBIT margin) of 3.9 (3.5) per cent.

The operating income in the Ready-to-cook segment was MSEK 368 (261), which represents a clear improvement driven by measures implemented in several markets and strong demand.

The operating income in the Ready-to-eat segment decreased to MSEK 148 (158), due to reduced sales and production volumes as a result from a terminated contract during 2023. For Other operations, the result decreased compared to the previous year, due to lower market prices in the Ingredients business and increased group cost. The finance net for the Group amounted to MSEK −155 (−124) for 2024. The change is mainly due to exchange rate effects/other items, where currency and one-off costs, for example for refinancing, account for 20 MSEK of the change compared to the previous year.

Income after finance net for the Group amounted to MSEK 354 (333) for 2024.

Tax on the Group's income for the year amounted to MSEK −80 (−59) for 2024, corresponding to an effective tax rate of 23 (18) per cent. The higher effective tax rate is mainly explained by deferred tax on losses in Lithuania and negative net interest in Sweden were not capitalized but also by the mix of tax rates between the different countries.

Income for the year for the Group amounted to MSEK 275 (273) for 2024, corresponding to earnings per share of SEK 4.20 (4.11).

Cash flow and investments

Operating cash flow for the Group in 2024 amounted to MSEK 443 (671) , affected by increased net capital expenditure and an increase in working capital, mainly driven by increased stock and lower trade payables compared with previous year. Working capital as of 31 December 2024 amounted to MSEK −135 (−197), corresponding to −1.0 (−1.5) per cent of net sales. The deterioration compared with previous year can mainly be attributed to an increase in inventories and reduced accounts payable.

Capital expenditure

Net capital expenditure for the Group in 2024 amounted to MSEK 367 (338). A significant part is mainly related to investments in new ERP system for the Group and increased efficiency and improved capacity within Ready-to-cook.

Approximately 78 (71) per cent of the capital expenditure in 2024 referred to productivity and capacity improvement measures and approximately 22 (29) per cent to maintenance.

Key figures

MSEK	2024	2023
Net sales	13,024	13,014
EBITDA	931	880
Operating income (EBIT)	509	457
Non-comparable items	–	8
Adjusted EBITDA[1]	931	871
Adjusted operating income (adj. EBIT)[1]	509	449
Income after finance net	354	333
Income for the year	275	273
Earnings per share, SEK	4.20	4.11
Dividend, SEK	2.50[2]	2.30[2]
Operating cash flow	443	671
Net interest-bearing debt	1,935	1,571
Chicken processed (tonne gw)	279,868	269,780
EBIT/kg	1.82	1.69

Key figures

%	2024	2023
EBITDA-margin	7.1	6.8
Operating margin (EBIT-margin)	3.9	3.5
Adjusted EBITDA-margin[1]	7.1	6.7
Adjusted operating margin (adj. EBIT-margin)[1]	3.9	3.4
Return on capital employed (ROCE)[1]	11.8	11.0
Return on equity	11.0	11.4
Equity ratio	35.9	36.0
Average number of employees	3,366	3,204

[1] For the non-comparable items, see page 29.
[2] Proposed by the Board to the Annual General Meeting 2025.

Non-comparable items in operating income

MSEK	2024	2023
Divestment of Rokkedahl Food Aps	–	8
Total	–	8

Change in net interest-bearing debt (NIBD)

MSEK	2024	2023
Opening balance net interest-bearing debt	**1,571**	**1,983**
EBITDA	931	880
Change in working capital	–62	228
Net capital expenditure	–367	–338
Other operating items	–59	–99
Operating cash flow	**443**	**671**
Paid finance items, net	–157	–132
Paid income tax	–79	–54
Dividend	–150	–75
Acquisition	–453	126
Other[1]	33	–124
Decrease (+) / increase (–) of NIBD	**–364**	**412**
Closing balance net interest-bearing debt	**1,935**	**1,571**

[1] Other items mainly consist of effects from changes in foreign exchange rates and net change of leasing assets.

Financial position

Equity as of 31 December 2024 amounted to MSEK 2,611 (2,398). The equity to assets ratio was 35.9 (36.0) per cent. Return on Equity was 11.0 (11.4) per cent.

Net interest-bearing debt for the Group as of 31 December 2024 amounted to MSEK 1,935 (1,571) which was an increase of MSEK 364 compared to previous year.

Net interest-bearing debt/adjusted EBITDA as of 31 December 2024, was 2.1 (1.8) per cent. Cash and cash equivalents for the Group amounted to MSEK 109 (4) as of 31 December 2024, which was an increase compared with previous year. Committed but not utilized credit facilities as of 31 December 2024 amounted to MSEK 1,860 (1,223).

Segment information

Segment Ready-to-cook

MSEK	2024	2023	Change
Net sales	9,923	9,577	4%
EBITDA	707	605	17%
Operating income (EBIT)	368	261	41%
Non-comparable items[1]	–	8	–
Adjusted EBITDA[1]	707	597	19%
Adjusted operating income (adj. EBIT)[1]	368	253	45%
EBITDA-margin[1]	7.1%	6.3%	0.8ppt
Operating margin (EBIT-margin)[1]	3.7%	2.7%	1.0ppt
Adjusted EBITDA-margin[1]	7.1%	6.2%	0.9ppt
Adjusted operating margin (EBIT-margin)[1]	3.7%	2.6%	1.1ppt

[1] For the non-comparable items, see page 29.

Segment Ready-to-cook

Net sales for the segment Ready-to-cook (RTC) amounted to MSEK 9,923 (9,577) which was an increase with 4 per cent in adjusted currency compared with previous year. The increase was driven partly by increasing volumes but also by implemented action improvements in several markets and a better balance between price changes linked to input costs.

Net sales for chilled increased by 5 per cent compared with previous year while frozen products decreased by 2 per cent. Net sales in the Retail sales channel increased by 2 per cent while Foodservice sales channel increased with 13 per cent. Net sales to Export sales channel increased by 9 per cent.

Operating income increased by 41 per cent to MSEK 368 (261), corresponding to a margin of 3.7 (2.7) per cent.

No non-comparable items reported in 2024 MSEK – (8).

Segment Ready-to-eat

MSEK	2024	2023	Change
Net sales	2,601	2,873	–9%
EBITDA	206	215	–4%
Operating income (EBIT)	148	158	–4%
Non-comparable items[1]	–	–	–
Adjusted EBITDA[1]	206	215	–4%
Adjusted operating income (adj. EBIT)[1]	148	158	–7%
EBITDA-margin[1]	7.9%	7.5%	0.4ppt
Operating margin (EBIT-margin)[1]	5.7%	5.5%	0.2ppt
Adjusted EBITDA-margin[1]	7.9%	7.5%	0.4ppt
Adjusted operating margin (adj. EBIT-margin)[1]	5.7%	5.5%	0.2ppt

[1] For the non-comparable items, see page 29.

Segment Ready-to.eat

Net sales for the segment Ready-to-eat (RTE) amounted to MSEK 2,601 (2,873) which was an decrease of 9 per cent in adjusted currency compared with previous year. The decrease was mainly related to a decrease in volumes related to a termination of a customer contract outside of our domestic markets as well as sales mix between both products and customers driven by a targeted product development and customer strategic decisions. Net sales decreased in the Foodservice sales channel with 30 per cent and increased with 13 per cent in the Retail sales channel. Net sales to Export sales channel increased by 30 per cent and increased by 17 per cent in Industry and other.

Operating income decreased by 7 per cent to MSEK 148 (158), corresponding to a margin of 5.7 (5.5) per cent. Operating income was positively affected by an improved mix of both products and customers but negatively by the decrease in volume as well as reduced cost coverage for fixed costs. The second quarter of the previous year was also positively impacted by MSEK 11 related to the payment of an insurance claim.

No non-comparable items was reported during 2024 – (–).

Segment Other

Segment Other consists of ingredients and group charges. Ingredients are biproducts mainly for non-human consumption, and mainly used for industrial production of animal feed and other applications. This is in line with Scandi Standard's ambition to utilize the animal entirely, as it reduces production waste to almost zero and contributes to a lower carbon footprint. No individual part of Other is significant enough in size to constitute its own segment.

Ingredients
Net sales within Ingredients amounted to MSEK 499 (564) with an operating income (EBIT) of MSEK 32 (68). The decrease in operating income (EBIT) was driven mainly by decreased market prices.

Group cost
Group costs of MSEK –38 (–31) were recognised in the Group operating income (EBIT). No non-comparable items was reported during 2024 – (–).

Acquisition and divestment of operations
During the year Scandi Standard AB (publ) acquired an integrated state-of-the-art poultry processor in Lithuania. The deal comprises an advanced processing plant, three poultry farms, and land plots, which are all located in a favorable geographic location. The acquisition price amounted to MEUR 6.4 for the shares in the companies and MEUR 17 for settlement of the companies' debts, a total of MEUR 23.4. The acquisition comprises a major step in strengthening Scandi Standard's overall operations and a catalyst for reaching the financial targets. In addition to the acquired business being well-placed to become a competitive and high-quality player in the local market, the acquisition will also enable us to better serve the most price-sensitive segments in Scandi Standards domestic markets and to be a cost-efficient supplier that meets the stringent raw material criteria for our Ready-to-eat products.

The Scandi Standard share
As of 31 December 2024, the share capital in Scandi Standard AB (publ) amounted to SEK 659,663 (659,663), comprising 66,060,890 (66,060,890) shares with a quota value of SEK 0.009986 (0.009986) per share. Each share carries one vote. All shares have equal rights to the company's assets and profits.

There are no restrictions on the transfer of shares, voting rights or the right to participate in the Annual General Meeting, nor is the company party to any significant agreements which might be affected, changed or terminated if control of the company were to change as a result of a public bid for acquisition of shares in the company, with the exception of the Group's financing agreement. The company is not aware of any agreements between shareholders which might limit the right to transfer shares. In addition, there are no stipulations in the Articles of Association regarding appointment or dismissal of Board members or agreements between the company and Board members or employees which require remuneration if such persons leave their posts, or if employment is terminated as a result of a public bid to acquire shares in the company.

As of 31 December 2024, the three largest shareholders were Euroclear Bank S.A/N.V, W8-IMY (trustee account to Grupo Lusiaves), Investment AB Öresund and Lantmännen Animalieinvest AB with a holding in the company corresponding to 18.7, 15.3 and 10.6 per cent of the share capital respectively. For information on major shareholders, see page 135.

Environmental activities
Scandi Standard operates 14 production facilities, of which four in Sweden, two in Denmark, three in Norway, two in the Republic of Ireland, two in Finland and one in Lithuania. In addition, the group breeds broiler chickens in Denmark, Ireland and Lithuania and breeds parent animals in Sweden. Permits and notification requirements are in accordance with national and local legislation for all units. The main direct environmental impacts are noise, emissions into the air and water, and temporary storage of hazardous waste. During the year, eight violations of existing permits occurred. All of which are related to the quantity and quality of releases to water and actionplans are in place. For further information on Scandi Standards' environmental work, see the sustainability section stated on page 83.

Corporate Governance report and Sustainability Report
In accordance with the Annual Accounts Act, Chapter 6, 11§, Scandi Standard has chosen to prepare the statutory Corporate Governance Report and Sustainability Report that is separated from the statutory Annual Report. The Corporate Governance Report is stated on page 121 and the Sustainability report is stated on page 84.

Personnel
The average number of employees (FTE) in 2024 was 3,366 (3,204), see Note 5.

Annual General Meeting 2025
The Annual General Meeting (AGM) 2025 will be held on 29 April at 7A Posthuset, Vasagatan 28 in Stockholm, Sweden. More information about the AGM is available on: www.investors.scandistandard.com/en/general-meeting.

Proposed appropriation of earnings
The Board proposes a dividend for the financial year 2024 of SEK 2.50 (2.30) per share which corresponds to MSEK 163 (150) to the Annual General Meeting 2024 based on the number of outstanding shares as of December 31, 2024 except for shares that are expected to be held by the Company itself on the record date for the dividend. The proposed dividend corresponds to approximately 59 (57) per cent of income for the year adjusted for non-comparable items.

The company's dividend policy is to distribute a dividend of approximately 60 per cent of income for the year, adjusted for non-comparable items, on average over time. The dividend shall be determined taking into account the requirements that the company's and the Group's operations type, scope and risks impose on the size of the company's and the Group's equity and the investment requirements of the company and the Group.

The Board proposes that the remaining funds will be carried forward.

SEK	2024	2023
Share premium reserve	419,777,147	570,029,624
Accumulated surplus/deficit	390,757,221	391,539,746
Income for the year	199,507,318	–782,525
Total	**1,010,014,686**	**960,786,845**
Dividend to shareholders of SEK 2.50 (2.30) per share	163,317,910	150,252,477
To be carried forward	846,726,776	810,354,368
Total	**1,010,014,686**	**960,786,845**

Significant events during the financial year
Scandi Standard acquired in October 2024 an integrated state-of-the-art poultry processor in Lithuania.

During 2024, major work was carried out to increase capacity in the Norwegian Ready-to-eat operation, which was completed. A significant investment was completed in the Swedish hatchery operations, which means greater control and higher product quality.

Events after the end of the period
After the close of the period Scandi Standard acquired a production facility in Oosterwolde, Netherlands from Tyson Foods. The facility has two of Europe's largest and most efficient product lines for Ready-to-eat products.

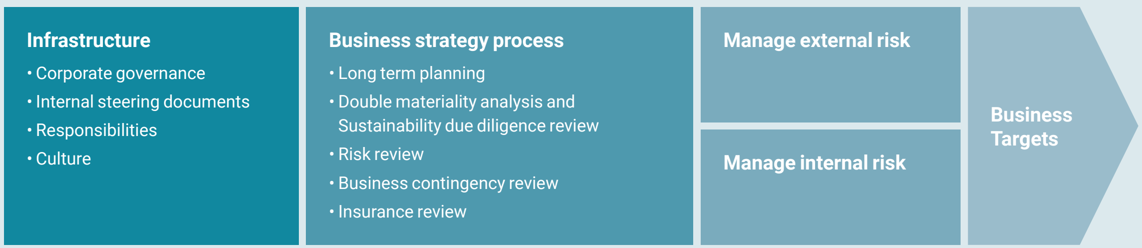
Scandi Standard has agreed to acquire six poultry farms in Lithuania amounted to approx. MSEK 200. Through the acquisition, Scandi Standard's Lithuanian business will become self-sufficient in bird supply.

Proposal regarding guidelines for remuneration to senior management
The 2023 Annual General Meeting approved the latest guidelines for remuneration to senior management. For the Annual General Meeting 2024, no changes has been proposed . The Board of Directors intends to propose to the Annual General Meeting 2025 a change in the adopted guidelines in the Annual General meeting 2023 related to definition of senior management. Read more on Note 5 on page 52 for the latest approved guidelines for remuneration to senior management. For information on remuneration Committees work, see page 126 in Corporate governance report.

Risks and risk management

To achieve Scandi Standard's financial, operational and sustainability goals, strategy and implementation must have the trust of stakeholders. This includes customers, owners, employees, growers, creditors, regulators, and society at large. To live up to this task, Scandi Standard has an enterprise risk management framework to identify, assess and manage risks.

Enterprise Risk Management Framework



Scandi Standards overall infrastructure is integral to the risk management framework and supports the work to achieve adopted goals. Internal policy documents guide important business decisions, governance and control of the business. Great emphasis is placed on maintaining a risk culture with clear roles, systematic follow-up and communication.

External risks consist of dynamic market, political and nature-related risks, and must be continuously monitored. Clear responsibilities, decision-making powers, continuous work to identify emerging risks, cyclical reviews of the strategy, and preparedness for disruptive events are all essential aspects of managing external risks.

Internal risks consist of operational, cultural, and reporting risks. Management is guided by the Scandi Standard Code of Conduct and internal governance documents. Cyclical reviews of strategies, preparedness for disruptions and insurance are highly relevant. Still, risk minimisation must be a part in the daily work, and the Code of Conduct and governing documents must be fully implemented through continuous training, strengthening of the risk culture, risk reviews, governance, and control frameworks.

Control Frameworks

Scandi Standard has eight interconnected control frameworks, health and safety, animal welfare, food safety, machine maintenance, IT and financial reporting.

Risk statement and appetite

A company needs to have a structured approach to its risks, and risks can be accepted based on materiality and priority. However, according to this description, risks must always be communicated within the organisation when identified and escalated.

For policies in the areas of food safety, employee safety, animal welfare, and general legal regulations, the Group has zero tolerance for deviations. If anomalies are identified, processes must be improved. Scandi Standard is committed to complying with the rules and closely follows the development of the regulations in all regulatory areas that affect our business.

Scandi Standard accepts moderate market risks for innovation and maintaining market leadership, but generally, the Group will not engage in high-risk ventures that could jeopardise shareholder value. A formalised investment process guides decisions regarding acquisitions or other tangible investments,

The risk appetite related to operational efficiency and production efficiency is low, as disruptions to operations quickly create challenges in managing planned volumes.

Insurance as a risk management tool

Scandi Standard has insurance policies regarding its operations and assets to the extent that applies typically to companies engaged in similar operations. Our insurance strategy is maintaining close relationships with our insurance partners based on transparency, knowledge sharing, and mutual trust.

Sensitivity analysis

Below is a sensitivity analysis concerning essential factors that could affect the Group's financial results. The study is based on data as of December 31, 2024, assuming that all other influencing factors are unchanged.

Sensitivity analysis as of 31 December 2024[1)]

MSEK	Estimated impact on operating income
In the event of a change of +/–1% on an annual basis	
Average sale price	+/–130 (130)
Cost of goods sold	+/–111 (115)
In the event of a change in exchange rates against SEK by +/–5%	
DKK	+/–1 (1)
NOK	+/–12 (12)
EUR	+/–1 (8)

1) Figures in parentheses refer to previous year.

A complete description of the Group's financial risks can be found on page 127 in the Board of Directors' Report, Note 22. See page 122 of the Corporate Governance Report for information on critical external laws, regulations, and internal governance documents. Climate-related risks including scenario analysis is reported on page 97–99.

A description of the Group's internal control over financial reporting can be found in the Corporate Governance Report on page 127.

External risks

Scandi Standard's external risks are divided into market, political, and nature-related risks.

Market risks

<table>
<tr><th>Risks</th><th>Description</th><th>Handling</th></tr>
<tr><td>Dependence on a few significant customers</td><td>The Group's five largest customers accounted for approximately 38 per cent of net sales in 2024, and the ten largest accounted for about 52 per cent.</td><td>• Proactive management of annual customer negotiations.
• Group management holds regular meetings to review results and financial position, update forecasts, and discuss critical relationship issues.
• Annual strategic review of concentration risks and mitigating measures.</td></tr>
<tr><td>New Trends That Could Lead to Lower Demand for Chicken</td><td>Demand for the Group's products can be affected by trends in health, diet, animal welfare, slow-growing breeds, ethical values regarding animal husbandry, the environment and climate.</td><td rowspan="4">• International and domestic market research.
• Investments in product development and value-added product categories.
• Group-wide functions for sustainability, quality, and animal welfare.
• Active work with trade associations and retailers to promote chicken as an attractive protein alternative and stimulate demand through marketing and communication
• Continuous focus on market development in price and volume and streamlining production processes.
• Flexibility by increasing the proportion of frozen products with a longer shelf life.
• Group Export function specialising in export sales to balance any oversupply at the best price.
• Significant economies of scale and competitive advantages thanks to high volumes, a broad product range and strong brands.
• Transfer of knowledge and practices between countries.</td></tr>
<tr><td>Changes in retail marketing</td><td>The retail sector accounts for over half of the Group's net sales. Retail marketing, both in-store and online, significantly impacts consumer buying behaviours.</td></tr>
<tr><td>Volatility in demand</td><td>Continuous increases or decreases in specific demands can lead to inventory build-up or discount sell-outs.</td></tr>
<tr><td>Price competition</td><td>The production of chicken-based foods in Nordic and Ireland is consolidated into a few leading producers in each country, with fierce competition for generic products. International imports occur in all markets, except Norway, to varying degrees.</td></tr>
<tr><td>Fluctuations in export prices</td><td>Fluctuations in export prices for generic chicken parts sold on export markets can affect the profitability of the Danish business, which has a high share of exports.</td><td>• Group Export function specialising in export sales to balance any oversupply at the best price.
• Continued focus on driving export sales of processed products and reducing export sales of standard products.</td></tr>
<tr><td>Changes in purchasing costs</td><td>The chickens come mainly from external growers in each local market.
The Group is indirectly exposed to changes in feed prices, as this is the most significant cost item for the Group's contracted growers.
The Group is also exposed to general cost changes, including energy, transport, insurance, and packaging materials.</td><td rowspan="2">• The purchasing department works closely with suppliers to manage risks, financial stability, quality assurance systems and delivery capacity.
• The Group's business model, which generally enables fluctuations in raw material prices to be passed on to the next stage, provides a reasonable basis for managing price and cost increases over time.
• The internal planning process throughout the value chain is continuously monitored.
• Continuously cooperate with the contracted breeders regarding investments, legal agreements, and formal follow-up.</td></tr>
<tr><td>Access to birds to sustain current operations and achieve growth</td><td>The chickens come mainly from external growers in each local market. The Group depends on purchasing significant volumes to maintain its existing operations and achieve growth.</td></tr>
</table>

Financial risks

Risks	Description	Handling
Currency risks, transaction risks and transaction exposure	Currency risks exist in purchasing input goods, export sales, and intra-group transactions, but our business is mainly conducted in local markets in local currency. Transaction exposure relates primarily to export sales. The translation exposure is the effect of exchange rate fluctuations when foreign subsidiaries' income statements and balance sheets in DKK, NOK and EUR are translated into SEK.	• The Group's central finance function manages financial risks based on the finance policy adopted by the Board of Directors and the risk policies for each country. • The Group's currency risk is hedged by recording certain loans in the subsidiaries' relevant reporting currency. • A balanced combination of variable and fixed interest rates manages interest rate risk. Interest rate risk is managed through fixed loans, derivatives, or a combination. • Refinancing risk is limited by having a well-diversified group of counterparties. • As of December 31, 2024, the Group's outstanding liabilities to lenders, including outstanding interest rate swaps, had a weighted average maturity of 4 (10) months. • As of 31 December 2024, the weighted average maturity of liabilities to credit institutions was 5 (4) years. • For more information, see Note 22.
Interest rate, refinancing, liquidity, credit and counterparty risks	Interest-bearing liabilities expose the Group to interest rate risks, i.e. changes in market interest rates that can hurt financial results and cash flow. Credit and counterparty risk includes the risk that a counterparty to a transaction cannot meet its obligations.	

Political risks

Risks	Description	Handling
Political and geopolitical risks	An increased awareness of climate change can lead to restrictions on emissions that affect the environment, new regulations, or new taxes on, for example, energy and transport. New conditions, such as climate mitigation and adaptation rules, biodiversity, and other areas of sustainability, can lead to unforeseen costs and require substantial investments. Geopolitical risks can also lead to supply chain disruptions or increased costs.	• Active monitoring of regulatory changes, often through industry associations. • Strong focus on sustainability throughout the organisation and value chain. • Certification of the production facilities following global and leading standards. • The Group works actively to ensure resource efficiency in all parts of the value chain in terms of energy and water use and the management of waste and by-products. • Strategic reviews of international suppliers to spread delivery risks. • Crisis management procedures and contingency plans. • Strategic reviews of risks, insurance, contingency plans, suppliers, policy documents, control systems and ongoing development programs.

Nature-related risks

Risks	Description	Handling
Outbreaks of disease in animals	Outbreaks of diseases among animals within the Group, in our home markets, in other geographic markets or among competitors can harm demand for chicken products. An outbreak of avian influenza or similar viruses may lead to a trade ban that restricts the Group's export sales, even if the disease has not been detected in the Group's value chain. Salmonella infection is a constant challenge for the entire poultry industry.	• Nordic chicken has strict animal health and welfare regulations. • The Group has extensive experience and well-developed processes throughout the value chain to prevent disease outbreaks. • A group-wide program regarding quality requirements for animal welfare applies to all contracted breeders, regardless of country. • Strict animal welfare control systems for all animals on arrival at slaughter, stringent food safety control systems. • The Group has adopted scientific climate targets validated by Science Based Targets in 2023, regarding a halving of Scandi Standard's emissions by 2030, both in its operations and the value chain. For more information, see the section on Sustainability work on pages 83-120. • The Group has conducted a double materiality assessment and has started the work to report in accordance with CSRD and ESRS, • Crisis management procedures and contingency plans. • Crisis packages from governments may be relevant in some cases. • The cost of any damage is minimised through insurance solutions where available. • Strategic reviews of risks, insurance, contingency plans, suppliers, policy documents, control systems and ongoing development programs.
Risks associated with climate change	Climate change leading to more extreme weather can negatively affect our value chain, such as feed production and safe management of the flow of goods. Such risks can be chronic or acute and are described in more detail on pages 97–99.	
Pandemic	The outbreak of a pandemic can affect our business in several ways. The Group's sales to restaurants could be negatively affected. High sickness absence can also affect production capacity if employees cannot be at work for other reasons or because of government directives that may affect the ability to maintain production.	

Internal risks

Scandi Standard's internal risks are divided into operational, cultural, and reporting risks.

Operational risks

Risks	Description	Handling
Disruptions in production or supply chain	Deviations from the Group's standards can lead to production challenges. There may also be production disruptions due to personnel illness, fire, emissions, or other damage to material resources. Even minor disruptions in production can make it challenging to meet customer requirements, increasing the risk of customers switching suppliers. Sometimes, the customer may also be entitled to compensation. A large part of the Group's products is sold as fresh products, which, due to expiration dates, must be distributed and sold to customers shortly after production.	• Internal governing documents, including the Code of Conduct. • Supplier Code of Conduct applying due diligence principles and a systematic process to assess sustainability and quality related supplier risks. • Systematic work to limit the risk of loss and damage, as well as crisis management procedures and contingency plans to limit the effects of loss and damage. • Fire officers, routine inspections, and fire alarms at all locations. • Constantly focus on improving work processes and quality management systems to ensure high animal welfare, high food quality, and employee safety throughout the value chain. • Strict animal welfare control systems for all animals on arrival at slaughter. • Strict control systems in production, including real estate, machinery, safety, and food safety. • Ongoing Internal and external audits from authorities and customers. • We conduct regular supplier audits in accordance with our supplier risk assessment and management process. • The insurance procurement process is structured by and executed with the help of a leading insurance broker with access to and experience from relevant international insurance markets. • Process to capture lessons learned and benefit from the experiences of events. • Annual employee survey with follow-up, targeted measures, and succession planning. • Strategic reviews of risks, insurance, contingency plans, suppliers, policy documents, control systems and ongoing development programs. • Structured process for entering into large cooperation agreements and acquisitions of new businesses. • IT security policy. • Governance processes and procedures for changes in IT systems.
Process deficiencies regarding employee safety	The production environment can be dangerous, and strict regulations apply to employee safety. Deficiencies in employee safety can affect employee turnover and our ability to attract new employees.	
Process deficiencies in product quality and safety	Stringent and comprehensive hygiene and food safety regulations govern the Group's markets. Delivering food that is safe to eat is crucial to the Group's success and survival. If internal production processes or processes in the rest of the value chain do not work as intended. In that case, it can harm product quality and safety, leading to lower sales volumes and less trust in the Group and its brands.	
Process deficiencies regarding animal welfare	Stringent and comprehensive rules for animal breeding govern the Group's markets. Shortcomings in internal production processes or processes in the rest of the value chain regarding animal welfare can lead to reduced demand and action from authorities.	
Insurance risks	The Group is exposed to losses and damages through its operations and assets. The cost of any loss and damage is minimised through insurance solutions in line with industry practice. Insurance is only possible if the insurance solutions that Scandi Standard wants or has committed to have are available, and there is no guarantee that available insurance solutions will be provided with coverage and/or premiums at the desired level.	
Lack of information and IT security	If an external actor were to bypass our firewalls and security systems, and then block our own access to applications or information, it could lead to extensive production downtime. If roles and responsibilities are unclear within the organisation and its information and IT systems, crucial actions, including controls and changes, may be postponed or not taken until the Group has suffered damage or is accepted by the wrong person.	
Lack of crisis management and contingency plans	Any problems with the quality of products, production processes, animal husbandry or other parts of the value chain can reduce trust in the Group's brands and result in lower sales volumes.	
Decision-making risks related to investments and acquisitions	The Group invests large amounts on an ongoing basis in maintaining and developing the business, including extensive integration agreements with key partners and acquisitions of new businesses. Large agreements and acquisitions of new businesses entail risks in terms of information deficiencies in the acquisition phase and complications in the integration phase.	

Cultural risks

<table>
<tr><th>Risks</th><th>Description</th><th>Handling</th></tr>
<tr><td>Corporate Culture Gaps That Affect Employee Turnover</td><td>The ability to attract and retain competent and motivated employees with the right skills is crucial to driving the Group's development and achieving the goals that have been set.
Shortcomings in leadership can lead to a culture with higher staff turnover and reduced ability to attract new employees.</td><td rowspan="3">• Internal governing documents, including corporate governance and the Code of Conduct.
• Active monitoring of regulatory changes, often through industry associations.
• internal safety and health control systems.
• Onboarding processes and training programs for employees and managers.
• Active work with employer marketing, including a graduate program.
• Annual employee survey with follow-up, targeted measures, and succession planning.
• We conduct regular supplier audits in accordance with our supplier risk assessment and management process.
• Systematic work and communication to maintain a healthy corporate culture.
• Whistleblower function to enable the reporting of illegal or unethical behaviour that violates the Group's Code of Conduct.
• Financial and accounting principles and the Group's framework for internal control over financial reporting.
• Audit, including follow-up of results.
• Export Control Compliance.
• Strategic reviews of business intelligence, control systems, employee satisfaction and ongoing development programs.</td></tr>
<tr><td>Business ethical risks and risks related to health, safety, human rights, environment, and animal welfare (ESG)</td><td>Weakened confidence in the Group and its brands because of unethical behaviour, fraud, corruption, or bribery.
Risks to health, safety, human rights, the environment, and animal welfare may occur throughout the value chain, including at the Group's facilities.
This could jeopardies the Group's reputation, damage confidence in the Group and its brands among investors, customers, and consumers, and make recruiting and retaining employees more challenging.</td></tr>
<tr><td>Compliance with external laws and regulations, as well as internal governing documents</td><td>The Group operates in several countries, meaning many external laws and regulations govern many aspects of the business. Failure to comply with these can have legal and financial consequences and damage the Group's reputation.</td></tr>
</table>

Reporting risks

Risks	Description	Handling
Reporting inaccuracies	Inaccuracies can affect internal and external reporting.	• Finance and Accounting Handbook. • Framework for internal control over financial and sustainability reporting. For information, see the Corporate Governance Report on page 122. • Strategic reviews of risks, policy documents, control systems and ongoing development programs. • Internal and external audit.
IT-related reporting risks	Lack of information security and IT security, including cybersecurity, disruptions, or failures in critical IT systems, can affect internal and external reporting in general and financial reporting.	• IT Security Policy. • Control processes and routines for changes in IT systems.

Consolidated financial statements

Consolidated income statement

MSEK	Note	2024	2023
	1, 2, 3, 26		
Net sales	4	**13,024**	**13,014**
Other operating revenues	4	42	37
Changes in inventories of finished goods and work in progress		7	–98
Raw materials and consumables		–7,879	–8,107
Cost of personnel	5	–2,640	–2,430
Depreciation, amortisation and impairment	6	–425	–424
Other operating expenses	7, 9	–1,622	–1,535
Share of income of associates	14	3	1
Operating income		**509**	**457**
Finance income	8, 9	4	4
Finance expenses	8, 9	–158	–128
Income after finance net		**354**	**333**
Tax on income for the year	10	–80	–59
Income for the year		**275**	**273**
Whereof attributable to: Shareholders of the parent company		275	269
Non-controlling interests		–	4
Average number of shares		65,327,164	65,327,164
Earnings per share before dilution, SEK		4.20	4.11
Earnings per share after dilution, SEK		4.20	4.11
Number of shares at the end of the period		66,060,890	66,060,890

Consolidated statement of comprehensive income

MSEK	Note	2024	2023
Income for the year		275	273
Other comprehensive income			
Items that will not be reclassified to the income statement			
Actuarial gains and losses in defined benefit pension plans	23	18	–15
Tax on actuarial gains and losses	23	–4	3
Total		**14**	**–12**
Items that will or may be reclassified to the income statement			
Cash flow hedges		4	–102
Currency effects from conversion of foreign operations		70	–38
Income from currency hedging of foreign operations		–8	4
Tax attributable to items that will be reclassified to the income statement		–1	20
Total		**65**	**–116**
Other comprehensive income for the year, net of tax		**79**	**–128**
Total comprehensive income for the year		**354**	**146**
Whereof attributable to: Shareholders of the Parent Company		354	141
Non-controlling interests		–	4

Consolidated balance sheet

MSEK	Note	Dec 31, 2024	Dec 31, 2023
	1, 2, 3, 26, 28, 32		
ASSETS			
Non-current assets			
Goodwill	11	961	950
Other intangible assets	11	991	933
Property plant and equipment	12	2,464	1,958
Right-of-use assets	13	301	373
Participations in associated companies	14	55	51
Surplus in funded pensions	23	69	55
Derivative instruments financial	15, 22	–	7
Derivative instruments operational	15, 22	–	–
Financial assets	15	8	14
Deferred tax assets	10	78	82
Total non-current assets		**4,928**	**4,422**
Current assets			
Biological assets	16	128	121
Inventory	17	831	815
Trade receivables and other receivables	18	1,043	1,044
Other short-term receivables	18	124	112
Prepaid expenses and accrued income	18	115	130
Derivative instruments financial	22	2	3
Derivative instruments operational	22	–	–
Cash and cash equivalents	19	109	4
Total current assets		**2,352**	**2,230**
TOTAL ASSETS		**7,279**	**6,652**

MSEK	Note	Dec 31, 2024	Dec 31, 2023
	1, 2, 3, 26, 28, 32, 35		
EQUITY AND LIABILITIES			
Shareholder's equity			
Share capital		1	1
Other contributed equity		420	571
Reserves		304	238
Retained earnings		1,886	1,588
Capital and reserves attributable to owners		**2,611**	**2,398**
Non-controlling interests		**–**	**0**
Total equity	20	**2,611**	**2,397**
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	21, 22	1,733	1,198
Non-current leasing liabilities	21, 22	249	311
Derivative instruments operational	21, 22	1	13
Provisions for pensions	23	3	3
Other non-current provisions	24	13	12
Deferred tax liabilities	10	179	163
Other non-current liabilities	22	77	73
Total non-current liabilities		**2,255**	**1,773**
Current liabilities			
Current leasing liabilities	21, 22, 25	64	76
Derivative instruments operational	21, 22	13	14
Trade payables	25	1,532	1,620
Tax payables	10	45	66
Other current liabilities	22, 25	82	18
Accrued expenses and prepaid income	22, 25	677	688
Total current liabilities		**2,413**	**2,482**
TOTAL EQUITY AND LIABILITIES		**7,279**	**6,652**

Consolidated statement of changes in equity

		Equity attributable to the owners of the Parent Company							
MSEK	**Note**	**Share capital**	**Other contributed equity**	**Hedge reserve**	**Translation reserve**	**Retained earnings**	**Equity attributable to the owners of the Parent Company**	**Non-controlling interests**	**Total equity**
	20								
Closing balance Dec 31, 2022		1	646	65	289	1,331	2,331	2	2,334
Opening balance Jan 1, 2023		**1**	**646**	**65**	**289**	**1,331**	**2,331**	**2**	**2,334**
Income for the year						269	269	4	273
Actuarial gains and losses on pension plans						–15	–15		–15
Cash flow hedges				–102			–102		–102
Exchange differences on translation of foreign operations					–38		–38		–38
Net gain on hedge of net investments in foreign operations					4		4		4
Tax relating to components of other comprehensive income				20		3	23		23
Other comprehensive income for the year, net of tax				**–81**	**–34**	**257**	**141**	**4**	**146**
Dividend			–75				–75		–75
Long term incentive programs						0	0		0
Other								–6	–6
Transactions with owners		–	**–75**	–	–	**0**	**–75**	**–6**	**–82**
Closing balance Dec 31, 2023		**1**	**571**	**–16**	**255**	**1,588**	**2,398**	**–**	**2,397**
Opening balance Jan 1, 2024		**1**	**571**	**–16**	**255**	**1,588**	**2,398**	**–**	**2,397**
Income for the year						275	275		275
Actuarial gains and losses on pension plans						18	18		18
Cash flow hedges				4			4		4
Exchange differences on translation of foreign operations					70		70		70
Net gain on hedge of net investments in foreign operations					–8		–8		–8
Tax relating to components of other comprehensive income				0		–4	–4		–4
Other comprehensive income for the year, net of tax				**4**	**62**	**289**	**354**		**354**
Dividend			–150				–150		–150
Long term incentive programs						10	10		10
Transactions with owners		–	**–150**	–	–	**10**	**–140**	**–**	**–140**
Closing balance Dec 31, 2024		**1**	**420**	**–13**	**317**	**1,886**	**2,611**	**–**	**2,611**

Consolidated statement of cash flows

MSEK	Note	2024	2023
OPERATING ACTIVITIES			
Operating income		509	457
Adjustment for non-cash items		444	425
Paid finance items, net	29:1	–157	–132
Paid current income tax		–79	–54
Cash flows from operating activities before changes in operating capital		**717**	**695**
Changes in inventories and biological assets		–7	95
Changes in operating receivables		20	40
Changes in operating payables		–76	93
Changes in working capital		**–62**	**228**
Cash flows from operating activities		**654**	**923**
INVESTING ACTIVITIES			
Investment in right-of-use assets		–1	–1
Investment in intangible assets		–85	–84
Investment in property, plant and equipment		–282	–254
Divestments and acquisitions of operations	29:2	–453	–34
Cash flows used in investing activities		**–821**	**–373**
FINANCING ACTIVITIES			
New loans	29:4	1,928	184
Repayment of loans	29:4	–1,381	–561
Change in overdraft facility		–19	16
Payments for amortisation of leasing liabilities	29:4	–80	–100
Paid dividend		–150	–75
Repurchase of own shares		–	–
Other		–26	–18
Cash flow in financing activities		**271**	**–554**
Cash flows for the year		**104**	**–4**
Cash and cash equivalents at beginning of the period		4	3
Currency effect in cash and cash equivalents		1	6
Cash flows for the year		104	–4
Cash and cash equivalents at end of the year	29:3	**109**	**4**

Parent Company financial statements

The Parent Company Scandi Standard AB (Publ) owns shares in the subsidiaries in which operations are conducted.
These operations are shown in the section that describes the Group. No operations are conducted in the Parent Company and there are no employees.

Parent Company income statement

MSEK	Note	2024	2023
Net sales		**–**	**–**
Operating expenses	31	0	0
Operating income		**0**	**0**
Finance net[1)]		**200**	**–1**
Income after finance net		**199**	**–1**
Group contribution		0	0
Tax on income for the year		–	–
Income for the year		**200**	**–1**

[1)] Regards mainly dividend from subsidiaries.

Parent Company statement of comprehensive income

MSEK	Note	2024	2023
Income for the year		200	–1
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year		**200**	**–1**

Parent Company balance sheet

MSEK	Note	Dec 31, 2024	Dec 31, 2023
	32,35		
ASSETS			
Non-current assets			
Investments in subsidiaries	33	938	938
Receivables from Group entities		–	–
Total non-current assets		**938**	**938**
Current assets			
Receivables from Group entities		73	24
Cash and cash equivalents		0	0
Total current assets		**73**	**24**
TOTAL ASSETS		**1,011**	**962**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		1	1
Non-restricted equity			
Share premium		420	570
Retained earnings		391	392
Income for the year		200	–1
Total equity		**1,011**	**961**
Current liabilities			
Tax payables		–	–
Liabilities to Group entities		–	–
Accrued expenses and prepaid income		0	0
Total current liabilities		**0**	**0**
TOTAL EQUITY AND LIABILITIES		**1,011**	**962**

Parent Company statement of changes in equity

MSEK	Note	Share capital	Share premium account	Retained earnings	Total equity
	20				
Equity, Jan 1, 2023		**1**	**645**	**391**	**1,037**
Income for the year				–1	–1
Dividend			–75		–75
Repurchase own shares				–	–
Equity, Dec 31, 2023		**1**	**570**	**390**	**961**
Equity, Jan 1, 2024		**1**	**570**	**390**	**961**
Income for the year				200	200
Dividend			–150		–150
Repurchase own shares				–	–
Equity, Dec 31, 2024		**1**	**420**	**590**	**1,011**

Parent Company statement of cash flows

MSEK	2024	2023
OPERATING ACTIVITIES		
Operating income	0	0
Paid finance items net	0	–1
Paid current income tax	–	–
Cash flows from operating activities before changes in operating capital	**0**	**–1**
Changes in operating receivables	0	0
Changes in operating payables	0	0
Cash flows from operating activities	**0**	**–1**
FINANCING ACTIVITIES		
Lending to subsidiaries	40	63
Dividend	–40	–75
Repurchase own shares	–	–
Paid group contribution	0	13
Cash flows from financing activities	**0**	**1**
Cash flows for the year	**0**	**0**

Notes to the consolidated and to the parent company's financial statements

Notes to the consolidated financial statements

Notes to the Parent Company financial statements

Notes to the consolidated financial statements

COMPANY INFORMATION

The Parent Company, Scandi Standard AB (publ) is a limited company with domicile in Stockholm, Sweden. The corporate identity number is 556921-0627. The Group's operations are described in the Board of Directors' report. The Group's and Parent Company's financial statements for 2024 will be presented for adoption by the AGM, on April 29, 2025.

Note 1 Accounting policies

The principal accounting policies applied in preparing this annual report are summarized in this note or in respective note. 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 separate headings.

BASIS FOR PREPARATION OF STATEMENTS

Scandi Standard'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 from IFRS Interpretations Committee (IFRS IC). In addition to the Annual Accounts Act and IFRS, The Swedish Corporate 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 Corporate Reporting Board's recommendation RFR 2, Accounting for legal entities. Amounts in MSEK unless otherwise stated.

Scandi Standard applies the cost method for measuring assets and liabilities, except for derivative instruments and the category 'financial assets and liabilities measured at fair value through the income statement' and biological assets that are measured at fair value less cost of sales according to IAS 41. These financial assets and liabilities are not measured at fair value in the Parent Company. Non-current assets and non-current liabilities essentially consist only of amounts expected to be recovered or paid after more than twelve months reckoned from the closing date. Current assets and current liabilities essentially consist only of amounts that are expected to be recovered or paid within twelve months reckoned from the closing date.

Sometimes, the total amount in tables and statements do not add up due to rounding differences. The purpose is that each sub-line equals its source of origin and therefore rounding differences can occur.

Standards, amendments and interpretations that have been adopted by the EU entered into force in 2024

New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

- International Tax Reform – Pillar Two Model Rules

These are OECD's model rules for a global minimum tax for certain multinational corporations. The Group is within the scope of the OECD model rules as well as EU's directive for Pillar 2. Pillar 2 legislation has been enacted in Sweden, where Scandi Standard is headquartered and is applied as from 1 January 2024. Pillar two is a global minimum tax of 15% introduced for companies in each country where operations are conducted. If the effective taxation, calculated based on a specific tax base, in any jurisdiction falls below 15 percent, the rules ensure that supplementary additional tax is levied .

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (amendments to IAS 1)
- Supplier Finance Arrangements (amendments to IFRS 7 and IAS 7)
- Lease Liability in a Sale and Leaseback (amendments to IFRS 16)

The amendments listed above did not have any material impact on the group's financial statements.

New standards and interpretations not yet adopted

Certain amendments to accounting standards have been published that are not mandatory for 1 January 2025 reporting periods and have not been early adopted by the group:

- The effects of changes in foreign exchange rates: lack of exchangeability (amendments to IAS 21)
- Classification and measurement of financial instruments (amendments to IFRS 7 and IFRS 9)
- IFRS 18 Presentation and disclosure in financial statements
- IFRS 19 Subsidiaries without public accountability: disclosures

IFRS 18 will not impact the recognition or measurement of items in the financial statements but its expect to have an impact on presentation and disclosures, such as statement of financial performance and management defined performance measures with the financial statements. The detailed implications of applying the new standard is currently being assessed. The other amendments are not expected to have a material impact on the group's financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

The Group's financial statements comprise the financial statements for the Parent Company and all Group entities in accordance with the definitions below.

Parent company

The Parent Company recognises all investments in Group entities at cost, adjusted where applicable by accumulated impairment losses.

Subsidiaries

Subsidiaries are all entities over which the company has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements are prepared according to the purchase 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 the acquired net asset, the equity in the company, is determined by measuring acquired assets and liabilities and contingent liabilities at their fair value on the date of acquisition. Those 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 recognised as consolidated Goodwill. If the cost is less than the final fair value of the net assets the difference is recognised directly in the income statement. Acquisition-related costs are recognised in the income statement as they arise.

Whether a minority's share of Goodwill should be measured and included as an asset is determined for each acquisition.

All intra-Group transactions, including receivables and liabilities, income and expenses as well as unrealized earnings, are eliminated in their entirety.

Associates

Investments in associates are accounted for using the equity method of accounting when Scandi Standard has a significant but not controlling influence, normally between 20 and 50 per cent of the voting rights.

Read more in Note 14 Shares in associates.
Read more in Note 26 Related party transactions.
Read more in Note 28 Acquisition and divestments.
Read more in Note 33 Shares in subsidiaries.

Note 1 Accounting policies cont.

Translation of foreign Group entities

Statements of balance sheets and income statements for all Group entities whose functional currency is not the presentation currency are translated into the Group's presentation currency using the following procedures:

- Assets and liabilities are translated at the closing rate on each reporting date recognised in the balance sheet.
- Revenues and expenses are translated at the average rate for each year recognised in the income statement and statement of comprehensive income.
- All translation differences that arise are recognised as a separate item under other comprehensive income in the statement of comprehensive income.

In cases where net investments in foreign operations are hedged with financial instruments the foreign exchange differences arising on translation of these instruments are also recognised in the statement of comprehensive income. When a foreign operation is disposed of, the cumulative translation differences and exchange differences for any financial instruments held for hedging the net investment in the company are recognised as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated according to the same principles as the entity.

Foreign currency transactions and balance sheet items

The various entities within the Group present their reports in the currency of the primary economic environment in which they operate (the functional currency).

The consolidated financial statements are prepared in Swedish kronor (SEK), which is the Parent Company's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date. Foreign currency receivables and liabilities are remeasured at closing date rates at the end of each reporting period. Exchange differences arising on such remeasurement, and upon payment of the transaction, are recognised in the income statement. However, exchange differences arising on remeasurement of items that are hedging transactions, and that qualify for hedge accounting, are recognised in other comprehensive income. Gains and losses on operating receivables and liabilities are netted and reported within operating income. Gains and losses on borrowings and financial investments are recognised as financial items.

Exchange differences on receivables which represent an extended investment in subsidiaries are recognised in other comprehensive income in the same way as translation differences relating to investments in foreign subsidiaries.

The Group's main currencies in addition to SEK, 2024

SEK	Average rate	Closing rate
DKK	1.5326	1.5397
NOK	0.9831	0.9696
EUR	11.4321	11.4865

SEGMENT REPORTING

Recognised operating segments are consistent with the internal reporting submitted to the chief operating decision maker, who is the person that allocates resources and evaluates the results of the operating segments. At Scandi Standard, this role is assumed by the Managing Director & CEO, who, on behalf of the Board, takes charge of day-to-day management and governance.

The business segments are consistent with the Group's operational structure in which activities are divided into the segments Ready-to-cook and Ready-to-eat. Operations not included in the segments Ready-to-cook and Ready-to-eat and corporate functions are recognised as Other. A further description of the segments is provided in Note 3.

The segments are responsible for their operating income and the assets and liabilities used in their own operations, the operating capital. Financial items and taxes do not fall within the segment's responsibility; these are recognised centrally for the Group. The same accounting policies are used for the segments as for the Group, apart from financial instruments (IFRS 9 only at Group level).

Transactions between segments and other operations are carried out on commercial terms.

REVENUE

Net sales

Revenue from the sale of goods for the main businesses that comprise the sale of products is recognised when the buyer receives control over a product. The Group assess that this point in time mainly occurs upon delivery to the customer in accordance with current delivery terms in contracts entered into.

Revenue is recognised at transaction price, which is the compensation the Group expects to receive in exchange for the transfer of goods and services. When determining the transaction price, any discounts, but also any commitments regarding goods that the customer fails to sell further, are given primary consideration. Payment is made on the basis of agreed payment terms in contracts entered into, which normally takes place at a time that occurs after delivery has taken place.

Net sales include invoiced sales for main activities. Most of the Group's revenue comes from the sale of manufactured goods.

TAX

The Group's tax expense consists of current tax and deferred tax. Taxes are recognised in the income statement, except when the underlying transaction is recognised in other comprehensive income (OCI), in which case the related tax effect is also recognised in OCI. Current tax is the tax payable or receivable for the current year. Current tax also includes adjustments to current tax attributable to prior periods.

Deferred tax is recognised 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 recognised, as, in each case, Scandi Standard 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 recognised 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 International Tax Reform – Pillar Two Model Rules, is OECD's model rules for a global minimum tax for certain multinational corporations. The Group is within the scope of the OECD model rules as well as EU's directive for Pillar 2. Pillar 2 legislation has been enacted in Sweden, where Scandi Standard is headquartered and is applied as from 1 January 2024. Pillar two is a global minimum tax of 15% introduced for companies in each country where operations are conducted. If the effective taxation, calculated based on a specific tax base, in any jurisdiction falls below 15 percent, the rules ensure that supplementary additional tax is levied. In connection with this, relief rules called 'Safe Harbours' have been developed to apply during a transitional period, aiming to exempt jurisdictions deemed low risk from a Pillar II perspective from having to make the full calculations required under the main rules and thus also from having to pay additional tax.

INTANGIBLE ASSETS

Intangible assets such as Goodwill, trademarks and customer and supplier relationships are identified and measured normally in connection with business combinations. Expenditures on internally generated trademarks, customer relationships and internally generated Goodwill are recognised in the income statement as an expense when they are incurred.

Note 1 Accounting policies cont.

Goodwill

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 recognised at cost less accumulated impairment losses and is tested annually for impairment. Goodwill impairment is not reversed.

Goodwill arising on acquisition of associates is included in the carrying amount of the associate and is tested for impairment as part of the value of the total investment in the associate.

Trademarks

The value of trademarks is recognised at cost less any accumulated amortisation and impairment losses. Trademarks with an indefinite useful life are not amortised but are tested annually for impairment in the same way as Goodwill. Consumer trademarks that Scandi Standard 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.

The Relief from Royalty Method is used to measure trademarks identified in a business combination.

As trademarks in Sweden, Denmark and Norway have indefinite useful life, no estimated useful life has been defined. Trademarks in Ireland has an estimated useful life of 20 years.

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 recognised at cost less accumulated amortisation and impairment losses.

At present, existing customer relationships are considered to have a total useful life of 8, 10 or 20 years and existing supplier relationships a useful life of 5 or 10 years.

Research and development

No research is conducted within the Group. Expenditure on development is recognised as an intangible asset only if it is technically and financially feasible to complete the asset, it is expected to provide future economic benefits, the cost of the asset can be measured reliably, and the development is substantial. Currently, this means that all expenditure on the development of commercial products and similar products is expensed as incurred. Expenditure on development of business-related IS/IT-systems, Scandi Standard has made an evolution if the cloud computing arrangement for the new ERP system includes an intangible asset based on the regulations. Since there is contractual rights to take possession of the software during the hosting period without significant penalty and it is feasible to run the software on its own hardware or contract with a party unrelated to the supplier to host the software, the expenses for the new ERP system has been capitalized. Capitalized expenditure is amortised on a straight-line basis over the estimated useful life of 5 to 10 years.

Impairment losses

Intangible assets with an indefinite useful life are not amortised but are tested for impairment annually or more frequently if there is an indication of impairment. The carrying amounts of assets that are amortised are regularly tested. 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. The recoverable amount is estimated for these assets and for assets with indefinite useful life. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. An impairment loss is recognised if the recoverable amount is less than the carrying amount.

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.

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 the value in use, future cash flows are discounted at an interest rate before tax that takes into account a market assessment of risk-free interest rates and risk involved with the specific asset.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are recognised at cost less accumulated depreciation and any accumulated impairment. For major investments, where the total investment value is at least MSEK 100 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

Land is assumed to have an indefinite useful life and is therefore not depreciated. 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 assets' residual values and useful life are tested at least annually and adjusted as necessary.

The following depreciation schedules are applied:

Buildings	25–30 years
Property fixtures	10–25 years
Plant and machinery	5–20 years
Equipment, tools	5–15 years
Vehicles	5–10 years
Office equipment	5–10 years

RIGHT-OF-USE ASSETS

All leases are recognised in the balance sheet and are, classified as right-of-use assets and leasing liabilities. At the start of the lease, a right-of-use asset and a financial liability are recognized. Exceptions, are short-term leases (shorter than one year) and low value leases (below KSEK 50). These does not recognises as right of use asset and financial liability. Expenses for these leases are recognised over the lease period and the amounts are disclosed separately in the financial statements, for more information see Note 13.

The right-of-use asset is initially measured at the value of the leasing liability adjusted for any lease payments made before or on the initial date of the lease with the addition of any direct costs and the estimated cost of restoring the underlying asset.

The lease liability is initially estimated to the present value of future lease payments, discounted by the implicit interest rate of the agreement, or if difficult to identify, the marginal loan rate of the Group. In general, the marginal loan rate is used. Interest costs are disclosed separately. When the lease period is determined, the company uses available information impacting the incentive to utilize an extension option, or to not use the option to cancel the lease. Extension options are only included in the lease period if the lessee is reasonably certain that the option will be exercised, and periods included in an option to cancel are only included in the lease period if the lessee is reasonably certain to not use the option.

Revaluation of leasing liabilities is done when changes in future lease payments are caused by changes in an index or price or if the Group changes its estimate regarding buy-out, extension or cancellation of the lease agreement. The value of the right-of-use asset is also changed with the same amount.

The right-of-use asset is depreciated on a straight-line basis over the shortest of the useful life of the assets and the term of the lease. The right-of-use asset is adjusted for revaluation of the lease liability and any write downs.

The Scandi Standard group as a lessee refers to agreements primary relating to production facilities, office properties, production equipment and company cars.

Note 1 Accounting policies cont.

BIOLOGICAL ASSETS

Scandi Standard has biological assets in the form of broiler parent stock within the operations of rearing day-old chicks in Sweden. Breeding of chicks is conducted in Ireland, Denmark and as from 2024 also in Lithuania. The lifespan of the parent stock is approximately one year, and the lifespan of the broilers is about 30 days. The assets of broiler parent stock are measured at fair value less cost of sales, according to IAS 41.

The parent stock has been measured using cash flow projections from expected sales of day-old chicks and the direct and indirect costs of animal husbandry. For costs, estimates have been made based on past experience. There is an observable market price for the day-old chicks and for number of chicks produced, the grower norms for the variety kept have been used. The chicks in the breeding have been measured based on direct and indirect costs of animal husbandry and on purchase prices for similar flocks.

INVENTORIES

Inventories are measured, according to IAS 2, 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 raw materials, direct salaries, other direct costs and 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 deductions for the estimated costs to complete and sell the product.

FINANCIAL ASSETS AND LIABILITIES

Financial instruments

Financial assets and liabilities recognised in the balance sheet include cash and cash equivalents, trade receivables, shares, loan receivables, other interest-bearing instruments, trade payables, borrowings and derivative instruments. Derivative instruments are recognised in the balance sheet when the agreements are made. Other financial assets and financial liabilities are recognised in the balance sheet on the settlement date.

The Group classifies its financial assets in the following categories; fair value through the income statement or amortized costs. Assets held for the purpose of collecting contractual cash flows and where these cash flows constitute principal amounts and interests, and have not been identified as measured at fair value, are measured at amortized cost. The booked value of these assets is adjusted with expected credit losses. Interest income from these financial assets is recognised using the effective interest method and is included in financial income. Financial liabilities are normally recognised as amortised cost.

The Group assesses the future expected credit losses related to assets recognised at amortized cost. The Group reports a credit reserve for such expected losses at each reporting date. For accounts receivable, the Group applies the simplified approach for credit reserve i.e. the reserve will correspond to the expected loss over the entire life of the receivable. To estimate the expected credit losses, accounts receivable has been grouped based on credit properties and the number of days in relation to maturity. The Group also uses forward-looking variables to assess the expected credit losses. Claims that are not accounts receivable is assessed based on the risk of default during the entire remaining term of receivable and the expected recoverable amount.

Derivative instruments and hedge accounting

Scandi Standards' holdings of financial derivative instruments comprise interest rate swaps and derivative instruments for energy hedging . Interest rate swaps are agreed in order to prolong the interest period for the underlying liabilities and decrease the uncertainty of future interest expenses. The derivative instruments for energy hedging is entered into in order to reduce the uncertainty in future energy costs.

Derivative instruments are recognised at fair value and the result of the remeasurement affects the income statement. In case where the derivative does not qualify for hedge accounting and the insurance model is a cash flow hedge or hedge of net investments, the effective portion of the remeasurement effect is recognised in other comprehensive income. Hedge accounting may be applied if certain criteria are met with regard to documentation of the hedge relationship and the hedge effectiveness.

Scandi Standard currently only applies cash flow hedging and hedging of net investments.

Hedge accounting

Scandi Standard has updated the hedge documentation according to IFRS 9. Hedges that qualify for hedge accounting shall be deemed to be effective during the remaining term of the hedge. Sources of inefficiency must be identified. The hedged item and hedging instrument must have an economic relationship, the hedging ratio must be in accordance with the company's hedging strategy and credit risk must not be the dominant cause of the hedging instrument's change in value.

Cash flow hedges

The future cash flows that are hedged must be deemed to have a high probability to occur. The portion of the hedging instrument's change in value which is deemed to be effective is recognised via other comprehensive income as equity and any ineffective portion is recognised in the income statement. When the result of the hedged item affects the income statement the result from the hedging instrument is transferred from other comprehensive income to the income statement.

Scandi Standard applies cash flow hedging for currency risks in commercial purchases and sales, for interest rate risks in the debt portfolio as well as for price risk for purchases of electricity and gas.

Hedging of net investments

Scandi Standard hedges net investments in a foreign operation by borrowing in the subsidiaries currency. Foreign currency gains or losses arising from remeasurement of the fair value of the instruments used for these hedges are recognised in other comprehensive income and accumulated in equity. The result is reclassified from equity to the income statement upon disposal of the foreign operation.

Determination of fair value

Interest rate swaps are recognised using estimates of future discounted cash flows. The fair value of energy hedge contracts is estimated based on current forward rates at the reporting date.

For financial liabilities, the fair value is estimated through discounting future cash flow of relevant market interest rate taking into account Scandi Standard's credit risk.

For financial assets and liabilities with short maturities, below three months, the fair value is estimated at cost adjusted for any impairment.

Parent Company

In the Parent Company, financial instruments are recognised using the cost method. The Parent Company applies the rules in RFR2 and thus not IFRS 9. 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.

Note 1 Accounting policies cont.

PROVISIONS

Provisions are recognised, according to IAS 37, when Scandi Standard has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation. The amount of the provision recognised is the best estimate of the expenditure required to settle the obligation at the reporting date. For long-term material amounts, provisions are measured at the present value of the expenditure required to settle the obligation, taking into account the time value of money. Provisions for restructuring measures are made when a detailed, formal plan for measures is in place and well-founded expectations have been created for those who will be affected by the measures.

EMPLOYEE BENEFITS

Read more in Note 5 Employee benefits.

Pensions

Employee benefits are recognised according to IAS 19. Scandi Standard has both defined contribution and defined benefit pension plans, most of which are funded.

With defined contribution plans, the company pays fixed contributions to a separate legal entity and has no obligation to pay further contributions thereafter. Defined benefit pension plans define an amount of pension benefit that an employee will receive on retirement. The Group's companies bear the risk associated with paying out promised benefits. The liability recognised in the balance sheet consists of 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 in some other arrangement.

The company's obligation is calculated annually by independent actuaries. The obligation comprises the present value of the expected future payments. The discount rate that is used corresponds to the interest rate for high-quality corporate bonds with a maturity that corresponds to the average term for the obligations and the currency. Actuarial gains and losses may arise in determining the present value of the defined benefit obligation and fair value of plan assets. These arise either when the actual outcome diverges from the previously calculated assumption or the actuarial assumption changes. These actuarial gains and losses are recognised in Other comprehensive income.

A special payroll tax is calculated on the difference between the pension obligation determined according to IAS 19 and the pension obligation determined according to the rules applied in the legal entity. The calculated future payroll tax is included in the recognised pension liability.

Termination benefits

A provision for costs in connection with termination of personnel is recognised only if the company is obligated to end employment before the normal retirement date or when benefits are provided as an incentive to encourage voluntary termination. Estimated termination benefits are recognised as a provision when a detailed plan for the measures is presented.

GOVERNMENT GRANTS

Government grants are recognised in the balance sheet and the income statement when there is reasonable assurance that any conditions attached to the grant will be complied with and the grant will be received. Grants are recognised in the income statement on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Grants that are related to assets are recognised as a reduction in the value of the asset. If the government grant or assistance is neither related to the acquisition of assets nor to compensation of costs, it is recognised as other income.

GROUP CONTRIBUTIONS AND SHAREHOLDER CONTRIBUTIONS

Parent Company

The Swedish Corporate Reporting Board has introduced rules for reporting Group contributions in its recommendation RFR 2, Accounting for legal Entities. Scandi Standard applies the alternative rule, which means that both Group contributions received, and Group contributions made are recognised as an appropriation.

The issuer capitalizes the shareholder contribution in shares and interests to the extent that impairment is not required.

RELATED PARTIES

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.

Intra-Group purchases and sales of goods and services are conducted at market prices.

By virtue of their right to participate in the decisions concerning the Group's strategies, members of the Group's Operational Board have significant influence over the Parent Company and Group and are therefore considered to be related parties.

Note 2 Significant judgments, accounting estimates and assumptions

Preparation of annual financial statements in accordance with IFRS in many cases requires management to make judgments and use of 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 recognised 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.

A general description of the accounting policies where management's accounting estimates and assumptions are expected to have a material effect on Scandi Standard Group's financial position and financial statements within the next financial year are provided below. The carrying amounts at the reporting date can be found in the balance sheet and associated notes.

Impairment of Goodwill and other assets

Goodwill and other intangible assets with indefinite useful life are tested for impairment annually or whenever there are indications of possible impairment – in situations such as a changed business environment, a divestment decision or closure of operations. The Group's Goodwill and other intangible assets amounted to MSEK 1,953 (1,884) at the end of the year, which corresponds to 27 (28) per cent of the Group's total assets. Other assets are tested for impairment as soon as there is an indication that an asset's recoverable amount is lower than its carrying amount.

In most cases, an asset's value in use is estimated by reference to the present value of the future cash flows the Group expects to derive from the asset. 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 and are based on the latest financial plan. An impairment loss is recognised if the estimated value in use is lower than the carrying amount.

The discount rates used to calculate the present value of the expected future cash flows are estimated from the current weighted average cost of capital (WACC) established within the Group for the markets in which the cash-generating units are active at the time.

Other estimates regarding expected future results and the discount rates used can give different values of assets from those applied. Impairment is described in more detail in Note 6.

Deferred tax assets and tax liabilities

Assessments are made to determine deferred tax assets and tax liabilities. Deferred tax assets are recognised 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.

More detailed information about the amounts can be found in Note 10.

Pensions

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, is based on the market return on high-quality corporate bonds, namely mortgage bonds with long maturities. The rate is extrapolated to correspond to the pension plan's obligations. A lower discount rate increases the present value of the pension obligation and pension cost, while a higher discount rate has the reverse effect. A reduction of the discount rate by 0.25 per centage points would increase the pension obligation by MSEK 4 (4) while an increase would reduce the obligation by MSEK 4 (4).

More detailed information about the amounts can be found in Note 23.

Biological assets

The Group has biological assets in the form of broiler parent stock, in the rearing of day-old chicks. Breading of chicks is conducted in Ireland, Denmark and as from 2024 also in Lithuania. These assets are measured at fair value less cost of sales according to IAS 41. The value of those assets is dependent on assumptions. For broiler parent stock, the market price for day-old chicks as well as operational expenses for keeping the stock impacts the value of the assets. A 1 per cent change in the price of day-old chicks impacts the value of the assets by about MSEK 1 (1). Regarding the breading of chicks, the value is impacted by the operational expenses for keeping the stocks. A 1 per cent change in the value of these flocks impacts the value by about MSEK 1 (1).

Detailed information about the amounts and changes can be found in Note 16.

Valuation of inventory and Obsolescence reserve

The 'anatomic balance' is monitored on a regular basis along with its effect on inventory. The inventory of finished goods is measured at the lower of cost or net realisable value. The net realisable value is the estimated sales value less expected selling expenses. An assessment of the estimated sales value requires assumptions and assessments by management that include subjective aspects, such as price competition and expected fluctuations on future prices. Determining the need for impairment is a significant and difficult assessment issue. Historically the average obsolescence reserves amount to 7-12 per cent of the inventory value.

Detailed information about the amounts and changes can be found in Note 17.

Note 3 Segment reporting

INFORMATION ABOUT OPERATING SEGMENTS

Financial year, Jan 1–Dec 31	Ready-to-cook		Ready-to-eat		Other / Eliminations[1) 2)]		Total Group	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Total net sales	**9,923**	**9,577**	**2,601**	**2,873**	**499**	**564**	**13,024**	**13,014**
Adjusted operating income	368	253	148	158	–6	37	509	449
Non-comparable items	–	8	–	–	–	–	–	8
Operating income	**368**	**261**	**148**	**158**	**–6**	**37**	**509**	**457**
Of which share of income in associates	3	1	–	–	–	–	3	1
Finance income							4	4
Finance expenses							–158	–128
Tax on income for the year							–80	–59
Income for the year							**275**	**273**
Other disclosures								
Assets	5,293	4,779	1,218	1,244	443	389	6,954	6,124
Holding in associates							55	51
Unallocated Assets							270	476
TOTAL ASSETS	**5,293**	**4,779**	**1,218**	**1,244**	**443**	**389**	**7,279**	**6,652**
Liabilities	1,588	1,569	482	583	243	167	2,313	2,318
Unallocated liabilities							2,356	1,936
Equity							2,611	2,397
TOTAL EQUITY AND LIABILITIES	**1,588**	**1,569**	**482**	**583**	**243**	**167**	**7,279**	**6,652**
Net investments	207	189	72	76	88	73	367	338
Depreciation, amortisation and impairment	–342	–344	–59	–57	–23	–22	–425	–424

1) Where of elimination of group charges in the year of MSEK 327 (273).
2) Net sales within Ingredients amounted to MSEK 499 (564) with an operating income (EBIT) of MSEK 32 (68). Group costs of MSEK –38 (–31) were recognised in the Group operating income (EBIT).

Note 3 Segment reporting cont.

Scandi Standard's business is divided into segments Ready-to-cook, Ready-to-eat and Other

The Groups operational structure is an integrated matrix organisation, i.e. managers are held responsible both for product segments and geographies. An integral part of the Company strategy for continued growth and value creation is to share best practice, capitalize on product development and drive scale efficiencies across the Group.

The responsibility for the Group's financial assets and liabilities, provisions for taxes, gains and losses on the re-measurement of financial instruments according to IFRS 9 and pension obligations according to IAS 19 are dealt with by the corporate functions and are not allocated to the segments.

Segment Ready-to-cook (RTC): is the Group's largest segment and consists of products that are either chilled or frozen, that have not been cooked. These include whole birds, cuts of meat, deboned and seasoned, or marinated products. Products are made available mainly via Retail and Foodservice to both domestic and export markets. The segment comprises RTC processing plants in all six countries, the feed business in Ireland, egg production in Norway, and the hatching business in Sweden. Net sales for the segments consist of the external net sales.

Segment Ready-to-eat (RTE): consists of products that have been cooked during processing and are ready to be consumed, either directly or after being heated up. Products range from grilled and pre-sliced chicken fillets with different seasoning to chicken nuggets. Sales are mainly to Retail and Foodservice sales channels, and part of the production is exported. The segment comprises RTE processing plants in Sweden, Denmark, Norway and Norway, combined with third-party production. Net sales for the segments consist of the external net sales. The operational result includes the integrated result for the group without internal margins.

Segment Other: consists of ingredients, which are products mainly for non-human consumption, and mainly used for industrial production of animal feed and other applications, in line with Scandi Standard's ambition is to utilize the animal entirely, as it reduces production waste to almost zero and contributes to a lower carbon footprint. No individual part of Other is significant enough in size to constitute its own segment.

Net sales (external sales) based on customer location

MSEK	2024	2023
Sweden	3,980	3,658
Norway	2,312	2,199
Ireland	2,489	2,530
Denmark	1,839	1,967
Finland	1,188	1,009
Germany	187	767
United Kingdom	195	175
Rest of Europe	551	547
Rest of the world	283	162
Total	**13,024**	**13,014**

During 2024 one of Scandi Standard's customers accounted for more than 10 per cent of the Group's total net sales. The net sales for the customer amounted to MSEK 1,636 (1,419) each. The majority is within the segment RTC.

	Ready-to-cook		Ready-to-eat		Other		Total	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Net sales split								
Sweden	2,606	2,466	700	689	150	163	3,455	3,318
Denmark	1,868	1,875	1,337	1,695	143	199	3,348	3,768
Norway	1,774	1,697	471	439	39	30	2,284	2,166
Ireland	2,688	2,694	11	12	130	129	2,829	2,835
Finland	982	846	83	38	37	41	1,101	925
Lithuania	5	–	–	–	–	–	5	–
Total net sales per country	**9,923**	**9,577**	**2,601**	**2,873**	**499**	**564**	**13,024**	**13,014**

Note 4 Breakdown of revenue

MSEK	2024	2023
Net sales		
Sales of goods	13,024	13,014
Total	**13,024**	**13,014**
Other operating income		
Capital gains	–	4
Rental income	2	–
Government grants	1	–
Canteen sales	9	8
Insurance compensation	15	19
Other	15	5
Total	**42**	**37**

Government grants were received of MSEK 1 (4) and of these MSEK 1 (–) has been recognised as revenue and MSEK – (4) as a reduction of cost.

Note 5 Employees and employee benefits expenses

Average number of employees	2024	of which women	2023	of which women
Group				
Sweden	851	38%	890	39%
Denmark	938	43%	909	39%
Norway	328	58%	316	58%
Ireland	930	40%	860	44%
Finland	299	36%	229	54%
Lithuania	20	61%	–	–
Total, Group[1)]	**3,366**	**42%**	**3,204**	**43%**

1) No employees in the Parent company.

Cost of personnel, MSEK	2024	2023
Salaries and benefits, Board of Directors and MDs	22	18
– of which variable salary	4	3
Salaries and benefits, other employees	2,093	1,938
Social security expenses	258	262
Pension expenses[1)]	171	133
Other staff costs	99	75
Capitalised personnel expenses[2)]	–1	2
Total	**2,641**	**2,428**

1) MSEK 2 (3) of the Group's pension costs relate to boards and Managing Directors. There are no outstanding pension obligations for these individuals.
2) Capitalised personnel expenses of ongoing investment project.

Gender representation in executive management

	Group		Parent Company	
Female representation, %	**2024**	**2023**	**2024**	**2023**
Board of Directors	17	23	25	43
Other senior executives	30	33	–	–

Guidelines for remuneration to senior management
The AGM has passed a resolution on the guidelines for remuneration to senior management. In these guidelines, the senior management means the managing director of the company, the senior managers in the company and other group companies who, from time to time, report to the managing director or the CFO and who are also members of the senior management, as well as board members of the company that have entered into an employment or consulting agreement with a group company. The company's remuneration principles and policies shall be designed to ensure responsible and sustainable remuneration decisions that support the company and the Group's strategy, long-term interests and sustainable business practices. Salaries and other terms and conditions of employment shall be adequate to enable the company and the group to retain and recruit skilled senior managers at a reasonable cost. The remuneration to the senior managers shall consist of fixed salary, variable salary, pension and other benefits, and it shall be based on the principles of performance, competitiveness and fairness.

Principles for fixed salary
Each senior manager shall be offered a fixed salary in line with market conditions and based on the manager's responsibility, expertise and performance. To the extent a board member performs work for the company, in addition to ordinary board work, a market-based consulting fee may be paid.

Principles for variable salary
All senior managers may, from time to time, be offered a variable salary (i.e., cash bonuses). The variable salary shall be based on a set of financial and personal objectives determined in advance. To which extent the objectives for awarding variable salary has been satisfied shall be determined when the relevant measurement period of the performance criteria has ended. The remuneration committee of the Board of Directors is responsible for the evaluation of the variable salary to the managing director and CEO. The managing director and CEO is responsible for the evaluation of the variable salary to other members of the senior management. The variable salary may not amount to more than 75 per cent of the fixed salary (in this context, fixed salary means cash salary earned during the year, excluding pension, benefits and similar).

Principles for share-related incentive programs
These guidelines does not cover compensation decided upon the general meeting. Consequently, the guidelines does not apply to the share-related long-term incentive program 2025 (LTIP 2025) that the board has decided to propose to the annual general meeting 2024 or the long-term programs decided upon the annual general meetings of 2024, 2023 and 2022. The general meeting may resolve on long-term incentive programs such as share and share price-related incentive programs for certain key persons. Such incentive programs shall be designed to promote the long-term value growth of the company and the group, sustainability and alignment between the interests of the participating individual and the company's shareholders.

Principles for pensions, salary during periods of notice and severance pay
Agreements regarding pensions shall, where applicable, be premium based and designed in accordance with the level and practice applicable in the country in which the member of senior management is employed. Pension premiums for premium defined pension may not amount to more than 30 per cent of the annual fixed salary unless otherwise applies pursuant to applicable collective bargaining agreements.

In addition to fixed and variable salaries and pensions, Scandi-Standard offers occupational injury insurance and occupational-group life insurance in accordance with local agreements and regulations. In addition, senior managers are entitled to private health insurance, telephone and car benefits. Other benefits may include, for example, life insurance, medical insurance and company cars. Premiums and other costs related to such benefits may not amount to more than 10 per cent of the annual fixed salary.

Note 5 Employees and employee benefits expenses cont.

Fixed salary during notice periods and severance payment, including payments for any restrictions on competition, shall in aggregate not exceed an amount equivalent to the fixed salary for two years. The total severance payment for all members of the senior management shall be limited to the current monthly salary for the remaining months up to current retirement age in each country.

Principles for deviations from the guidelines

These guidelines have been prepared by the remuneration committee of the Board of Directors. When evaluating whether the guidelines and the limitations set out herein are reasonable, the remuneration committee has considered the total income of all employees of the company, including the various components of their remuneration as well as the increase and growth rate over time. The remuneration committee shall during the year monitor and evaluate both ongoing and completed programs for variable remuneration for senior management, and monitor and evaluate the application of the guidelines for remuneration to senior management resolved by the Annual General Meeting as well as the current remuneration structures and compensation levels in the company and the Group. The members of the remuneration committee are independent in relation to the company and senior management. The Managing Director and the other members of senior management do not participate in the Board of Directors' handling and resolutions of remuneration related matters if they have no effect.

Principles for deviations from the guidelines

The Board of Directors may resolve to deviate from the guidelines if the Board of Directors, in an individual case, is of the opinion that there are special circumstances justifying a deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

Variable salary

Scandi Standard has a general program for variable salary that applies to senior management, local management teams and certain key persons. Targets may be qualitative as well as quantitative. Decisions about participants and targets are made annually by Scandi Standard's Board of Directors. Variable salary is accrued for in line with expected pay-out.

Pension

Scandi Standard offers its employees occupational pensions unless otherwise regulated in local agreements or other regulations. The Managing Director and CEO of Scandi Standard is entitled to a defined contribution pension scheme, with a premium of 30 per cent of the pensionable salary. Scandi Standard's senior management follows the guidelines for remuneration, which entails a maximum premium of 30 per cent of pensionable salary.

Other employees

In Sweden, employees are covered by defined benefit pension or premium based pension through PRI Pensionstjänst AB or an alternative solution.

In Denmark, the pension contribution corresponds to 12 per cent of the pensionable salary.

In Norway, the pension contributions are based on individual defined contribution pension agreements with contributions of between 3 and 23 per cent of the pensionable salary.

In Ireland, the pension contribution corresponds to between 4 and 20 per cent of the pensionable salary.

In Finland, the pension contribution corresponds to between 23 and 25 per cent of the pensionable salary.

In Lithuania, the pension contribution corresponds to 3 per cent of the pensionable salary.

Termination and other benefits

Termination benefits/notice

The Managing Director and CEO has a notice period of six months for termination of employment at the company's request and six months for termination at his own request. If employment is terminated at the company's request, termination benefits corresponding to six months' severance pay. The severance pay is not qualified for holiday and pension pay and is paid with one-sixth per month after the notice period has ended. Other senior managers have notice periods of between 6–12 months for termination of employment at the company's request and between 3–6 months for termination at their own request. Certain senior managers have non-competition clauses with financial compensation to be paid to the company if breached, corresponding to between 3–12 months remuneration.

Other benefits

In addition to fixed and variable salaries and pensions, Scandi Standard offers occupational injury insurance and occupational group life insurance in accordance with local agreements and regulations. In addition, senior managers are entitled to private health insurance, telephone and car benefits. Premiums and other costs related to such benefits may not amount to more than 10 per cent of the annual fixed salary.

Long term incentive program

LTIP 2021 was terminated during 2024 and led to that no shares were allotted to the participants in the program. Participants in the programs are senior managers and key employees.

At the end of 2024 the following incentive programs are ongoing, that have been accepted by the AGM the year they were started:

- LTIP 2022 for 28 participants, and originally a maximum of 359,100 shares could be allotted.
- LTIP 2023 for 32 participants, and originally a maximum of 302,330 shares could be allotted.
- LTIP 2024 for 31 participants, and originally a maximum of 530,000 shares could be allotted.

LTIP 2024

The participants are required to invest in Scandi Standard shares ("Investment shares") in relation to a fixed per centage of the participants fixed salary in order to participate in LTIP 2024. Each such share will give participants one (1) Retention Share Right which is subject to continued employment and four (4) Performance Share Rights each of which are subject to the fulfilment of a performance requirements during the term of the program. In order for Share Rights (both Retention Share Rights and Performance Share Rights) to entitle to allotment of ordinary shares, it shall be required that the participant (a) does not divest its Investment Shares during the Vesting Period and (b) has not given or is not given notice of termination of employment within the group during the Vesting Period and (c) the participant undertakes to retain all allocated ordinary shares (except to cover payment of tax that arises in connection with the allotment of shares) for a period of two years from the date of allocation of the ordinary shares.

Performance requirement

In addition to the vesting requirement set out above, allotment of ordinary shares for the Performance Share Rights shall be conditional upon the satisfaction of performance target below.

Target 1

The performance target is related to the total shareholder return (TSR) on the Scandi Standard ordinary share on Nasdaq Stockholm relative to the OMX Stockholm Mid Cap Index (the "Index") during a certain measurement period as set out below. If minimum level of the performance requirement shall amount to a TSR equal to the TSR index. If the TSR is equal to the TSR Index, participants shall be allocated ordinary shares for 25 percent of their Performance Share Rights 1. The maximum level of the performance requirement shall amount to a TSR corresponding to TSR Index plus 10.0 percent. If the TSR exceeds TSR Index plus 10.0 percent or more, participants shall be allocated ordinary shares for 100 percent of their Performance Share Rights 1 (maximum allocation). If TSR is less than TSR Index, no Performance Share Rights 1 shall entitle to the allocation of ordinary shares. If TSR Index is between the lowest and the highest value, the number of Performance Share Rights 1 entitling to the allocation of ordinary shares shall be calculated linearly.

Note 5 Employees and employee benefits expenses cont.

Target 2 and 3

The performance target is related to the compound annual growth rate of earnings per share ("EPS CAGR") and measured during a certain measurement period as set out below. The minimum level of the performance target shall be an EPS CAGR equal to 5.0 per cent. If the EPS CAGR is 5.0 per cent, the participants shall be allotted ordinary shares for 25 per cent of their Performance Share Rights 2 and 3. The maximum level of the performance target shall be an EPS CAGR of 35.0 per cent. If the EPS CAGR equals or exceeds 35.0 per cent, the participants shall be allotted ordinary shares for 100 per cent of their Performance Share Rights 2 and 3 (maximum allocation). If the EPS CAGR is less than 5.0 per cent, no Performance Share Right 2 and 3 shall entitle to allotment of ordinary shares. Where the EPS CAGR is between the minimum and the maximum level, the number of Performance Share Rights 2 and 3 that entitle to allotment of ordinary shares will be calculated on a linear basis.

Target 4

The performance target is related to the sustainability KPI's CO_2e, antibiotics and LTIFR (Lost Time Injury Frequency Rate) during the measurement period 2024-2026. If the LTIFR target is meet the participants shall be allotted ordinary shares for 40 per cent of their Performance Share Rights 4, if the antibiotics target is meet the participants shall be allotted ordinary shares for 20 per cent of their Performance Share Rights 4, if the CO2e target is meet the participants shall be allotted ordinary shares for 40 per cent of their Performance Share Rights 4.

For information about LTIP 2022 and LTIP 2023 see previous annual reports.

The Board of Directors have decided to propose to the AGM 2025 a long-term incentive program for 2025 (LTIP 2025) for senior executives and key employees, which is designed to promote the long-term value growth of the company and the group and increase alignment between the interests of the participating individual and the company's shareholders. LTIP 2025 has essentially the same structure as the long-term incentive program adopted at the annual general meeting of 2024 (LTIP 2024).

Value and estimated costs for Long term incentive programs

The long term incentive (LTIP) programs are accounted for in accordance with IFRS 2, Share based payments. The total cost for the programs is initially estimated as; number of shares to be allotted multiplied with the share price at program start and social charges. The programs are expensed linearly over the vesting time (three years).

The vesting period for LTIP 2022 expires May 4 2025, or until the allotment is made. EPS CAGR for the period January 1, 2022 – December 31, 2024 amounted to 42,6 per cent and the relative TSR amounted to 212 per cent , which will result in the allotment of two shares per investing share . In total 249 484 shares has been reserved. No allotment of shares under LTIP 2021 took place during 2024 as EPS CAGR for the period January 1, 2021–December 31, 2023 did not meet the conditions for the program.

LTIP 2023 and LTIP 2024 are based on criterion in line with the program proposed to the AGM 2025. Assuming full fulfilment of the requirements, relative TSR and EPS, and based on participants who as of 31 December 2024 were still employed and have not been dismissed or resigned, LTIP 2023 and LTIP 2024 will result in allotments of 159,507 and 238,735 shares respectively in the company. The value of the performance share rights amount to MSEK 11,4 for LTIP 2023 and MSEK 23,2 for LTIP 2024, based on share prices of SEK 53.15 and SEK 78.40. As per December 2023, total accumulated accrued costs for LTIP 2022– LTIP 2024 amounted to MSEK 21.6 (7). This year LTIP cost amounted to MSEK 10 (0).

Social security charges are expected to amount in average to approximately 22 (17) per cent of the market value of the shares allocated upon exercise of the performance share rights. The average per centage of social charges is dependent on the mix of nationalities participating in the programs. At year-end, Scandi Standard AB (publ) had 733,726 (733,726) shares in own custody.

Salaries and remuneration of senior management 2024, TSEK	Directors' fees	Fixed salary[1]	Variable salary[2]	LTIP[3]	Pension[1]	Other benefits[5]	Total 2024
Board members, specified below	4,430	–	–	–	–	–	4,430
Managing Director and CEO Jonas TuneståI	–	5,568	3,060	3,599	1,675	173	14,075
Group Management, other[6]	–	30,797	5,438	3,628	3,502	1,701	45,066
Total	**4,430**	**36,365**	**8,498**	**7,226**	**5,177**	**1,874**	**63,570**

Salaries and remuneration of senior management 2023, TSEK	Directors' fees	Fixed salary[1]	Variable salary[2]	LTIP[4]	Pension[1]	Other benefits[5]	Total 2023
Board members, specified below	3,800	–	–	–	–	–	3,800
Managing Director and CEO Jonas TuneståI	–	5,032	3,592	1,759	1,522	214	12,119
Group Management, other[7]	–	26,443	5,626	1,713	2,597	1,162	37,541
Total	**3,800**	**31,475**	**9,218**	**3,472**	**4,119**	**1,375**	**53,460**

1) Certain members of Group Management are entitled to exchange fixed salary for pension contribution within the framework of current tax legislation.
2) The variable salary is based on the Group's financial performance and financial targets. For 2024 the variable salary includes one-off compensation according to the employment contract for member of Group management.
3) The Group's reservation, referring to LTIP 2022–LTIP 2024.
4) The Group's reservation, referring to LTIP 2021–LTIP 2023.
5) Mainly car, phone and health insurance benefits.
6) Group Management other includes costs for 2024 for a total of 13 individuals. During the year, a total of 2 people left Group management who received salary and severance pay for part of the year. During 2024, 2 people have been added to the Group Management.
7) Group Management other includes costs for 2023 for a total of 12 individuals. During the year, a total of 2 people left Group management who received salary and severance pay for part of the year. During 2023, 1 people have been added to the Group Management.

Board of Directors' Fees[1], SEK	2024	2023
Johan Bygge, chairman of the Board	1,080,000	1,000,000
Sebastian Backlund[2]	400,000	–
Lars-Gunnar Edh[2]	400,000	–
Øystein Engebretsen	530,000	495,000
Paulo Gaspar	550,000	435,000
Pia Gideon	580,000	540,000
Henrik Hjalmarsson	400,000	490,000
Cecilia Lannebo	490,000	460,000
Karolina Valdemarsson[3]	–	380·000
Total	**4,430,000**	**3,800,000**

1) Fees exclude travel allowances and include committee work.
2) Board member from 2024-05-03.
2) Board member until 2024-05-03.

Board and Board Committee fees correspond to fees decided by the AGM and are regulated by the Board twice a year in October and April.

Note 6 Depreciation, amortisation and impairment of intangible assets and property, plant, equipment and rights-of-use assets

MSEK	2024	2023
Depreciation, amortisation and write-down		
Intangible assets	63	58
Land and buildings	52	42
Plant and machinery	178	181
Equipment, tools, fixtures and fittings	48	54
Rights-of-use assets, buildings and land	45	55
Rights-of-use assets, plant, machinery and other technical assets[1]	38	34
Total	**425**	**424**

[1] Rights-of-use assets, plant, machinery and other technical assets includes equipment, tools, fixtures and fittings

Impairment

The Group tests intangible assets with indefinite useful life for impairment annually. These assets include Goodwill and Brands with indefinite useful lives. The intangible assets are allocated to the cash generating units in which they generated cash flow.

The Groups operational structure is an integrated matrix organisation, i.e. managers are held responsible both for product segments and geographies. An integral part of the Company strategy for continued growth and value creation is to share best practice, capitalize on product development and drive scale efficiencies across the Group. The cash generating units are the Groups operating segments which comprise of Ready-to-cook and Ready-to-eat.

Cash flow expectations for the segments are based on business plans agreed by Group management for the next five years and on 2 per cent organic growth thereafter. The cash flows are discounted by a calculated WACC before tax at 8.1 (11.1) per cent for the segment Ready-to-cook and 8.1 (10.5) per cent for the segment Ready-to-eat based on current interest rates and the estimated return requirement for the segments.

For the impairment testing at the end of 2024 all cash generating units are expected to perform in line with the market. EBITDA is expected to improve slightly over the forecasting period towards the Group's medium-term target. The impairment test as of the end of the year shows that there is no need for impairment of the intangible assets in any of the cash generating units.

The assumptions included in the calculations are forward looking and as such are inherently uncertain and based on management assumptions. To evaluate the risk that a change in any of the assumptions would have decreased the outcome of the impairment test, sensitivity analyses have been performed.

The WACC used is based on long term variables and as such should be stable over time. Nevertheless, return requirements and interest rates can change. Testing for this variable shows no impairment when increasing the WACC one per centage points for Ready-to-cook and Ready-to-eat.

Cash flow expectations in the cash generating units are an important variable in the impairment test. The cash flows used are based on management's best estimate of the future cash flow in each cash generating unit. There is a risk that these cash flows will be lower than expected over time, especially in the long term. Long term assumptions are based on a growth rate below the expected market growth to be prudent. The cash flows for the coming five years have greater impact on the value of the assets and are more important to test.

Segment Ready-to-cook has seen a steady improvement during 2024 with improved operating results primarily driven by increased sales, lower input prices, and a continued improvement in profitability. Expectations are that margins will continue to recover in the coming years. Based on management's expectations, this improvement will primarily be driven by price development, operational efficiency and with capacity enhancements within existing plants in all countries. Scandi Standard's business model allows for fluctuations in input prices to be transferred to the customer and provides good possibilities to manage price and cost increases over time. The impairment test shows no impairment need even if the EBITDA margin were to drop by more than two per centage point. Segment Ready-to-eat has regained speed during 2024 after a challenging market development during the second half of 2023, driven by the termination of a customer contract with a major customer in the sales channel Foodservice.

The lost volume is now being replaced by more profitable opportunities in Denmark and international markets, and management expects continued increasing demand in this profitable segment over time. The impairment test shows no impairment need even if the EBITDA margin were to drop by more than three per centage points.

Further information about Goodwill and intangible assets please see Note 11.

Note 7 Fees and reimbursement to auditors

MSEK	2024	2023
PricewaterhouseCoopers (PwC)		
Audit services	7	8
Audit related services	1	0
Tax services	1	1
Other services	0	0
Total	**10**	**9**

Annual audit includes the audit of the financial statements of the Parent Company and the Group, the accounting records and the administration of the Board of Directors and the Managing Director. It also includes other duties incumbent on the auditor of the company as well as advice arising from observations made while performing the audit or carrying out such other duties.

The share of the total fees of MSEK 6 to PwC AB (Sweden) which refers to non-audit services, defined by the EU audit legislation, amounts to MSEK 2 (0) whereof MSEK 1 (0) regarding audit services, MSEK 0 (1) regarding tax services and 1(-) regarding other services. The services include advice from an accounting perspective for preparation of the financial reports, as well as other guidance regarding accounting and tax.

Note 8 Finance income and finance expenses

	Income		Expenses		Total	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Loans and other receivables						
Other income	1	0	–	–	1	0
Other interest income	3	3	–	–	3	3
Total	**4**	**4**	**–**	**–**	**4**	**4**
Derivatives used in hedging						
Interest and currency swaps	–	–	11	13	11	13
Total	**–**	**–**	**11**	**13**	**11**	**13**
Other financial liabilities						
Interest expenses, pension plans	–	–	2	5	2	5
Interest expenses, borrowing	–	–	–86	–83	–86	–83
Interest expenses, factoring, vendor financing	–	–	–46	–45	–46	–45
Other borrowing expenses	–	–	–18	–8	–18	–8
Other interest expenses	–	–	–6	–4	–6	–4
Financial cost, leasing	–	–	–12	–12	–12	–12
Currency effects	–	–	–3	6	–3	6
Change in value of share in pension fund	–	–	–	0	–	0
Total	**–**	**–**	**–169**	**–141**	**–169**	**–141**
Total	**4**	**4**	**–158**	**–128**	**–155**	**–124**

Note 9 Exchange differences affecting income

MSEK	**2024**	**2023**
Exchange differences affecting operating income	0	–3
Exchange differences, financial items	–3	6
Total	**–3**	**3**
Exchange differences in operating income are included in:		
Other operating income/expense	0	–3
Total	**0**	**–3**

Note 10 Taxes

Tax on income for the year, MSEK	**2024**	**2023**
Current tax expense (–) / tax income (+)		
Tax expense / income for the year	–71	–83
Adjustment of tax attributable to prior years	0	4
Total current tax	**–71**	**–79**
Deferred tax expense (–) / tax income (+)		
Deferred tax from changes in temporary differences	–16	24
Deferred tax income in capitalized losses carry forward	11	–
Deferred tax expense use of capitalized losses carry forward	–4	–4
Total deferred tax	**–9**	**20**
Total recognised tax expense	**–80**	**–59**

	2024		2023	
Reconciliation of effective tax	**%**	**MSEK**	**%**	**MSEK**
Income after finance net		354		332
Anticipated tax according to enacted Swedish tax rate	–20.6	–73	–20.6	–68
Effect of other tax rates for foreign subsidiaries	1.9	7	1.9	6
Unrecognised tax loss, incurred during the year	–1.9	–7	–0.2	–1
Non-deductible expenses	–4.3	–15	–1.9	–6
Non-taxable income	0.1	0	0	0
Effect of tax related to previous year	–0.2	–1	1.1	4
Reversal of income of associates	0.2	1	0.0	0
Revaluation of deferred tax due to tax losses carry forward	2.0	7	–	–
Revaluation of deferred tax due to divestment of company	–	–	1.9	6
Other	0.2	1	–0.1	0
Recognised effective tax	**–22.5**	**–80**	**–17.9**	**–59**

Tax items recognised in equity through other comprehensive income, MSEK	**2024**	**2023**
Actuarial gains and losses on defined benefit pension plans	–4	3
Cash flow hedges	–1	20
Total tax effects in other comprehensive income	**–5**	**24**

Note 10 Taxes cont.

Change in deferred tax in temporary differences and loss carryforwards, MSEK	Amount at beginning of period		Recognised in income statement		Recognised in OCI		Changes in acquisition/ divestment of companies		Translation differences		Amount at end of period	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Intangible assets	–126	–142	–7	15	–	–	–	–	–2	1	–135	–126
Buildings	13	15	–9	–1	–	–	–6	–	0	0	–1	13
Machinery and equipment	–71	–71	1	–5	–	–	–	5	–1	0	–71	–71
Right-of-use assets	5	0	0	0	–	–	–	6	0	0	4	5
Other assets	0	0	–4	2	–	–	–	–2	0	0	–4	0
Pension provisions	–11	–13	1	–1	–4	3	–	–	–	–	–14	–11
Other liabilities	5	–9	3	0	–1	21	0	–7	0	0	6	5
Losses carryforward	113	124	7	–4	–	–	0	–6	4	0	124	113
Other	–9	–23	–2	14	–	–	–	–	–	–	–11	–9
Total	**–81**	**–121**	**–10**	**20**	**–5**	**24**	**–6**	**–5**	**1**	**1**	**–101**	**–81**

Losses carryforward

At the end of the year, the Group had losses carry forward of MSEK 856 (665). Losses carryforward has increased with 118 MSEK due to the acquisition in Lithuania in October 2024, deferred tax is not capitalised. The losses carryforward in Lithuania has an unrestricted lifetime. The losses in Denmark has been adjusted with MSEK 82 relating to earlier years, mainly because of adjustments of temporary differences. Losses carryforward amounting to MSEK 572 (524) were recognised as base for the deferred tax asset of MSEK 124 (113). Capitalised losses in Finland amount to MSEK 20 (22). The maturity for losses in Finland is 10 years and nothing expires within one year. The remaining part of the deferred tax asset for 2024, MSEK 104 (91) is related to Denmark, where the lifetime is unrestricted.

The work over the recent years with restructuring, optimisation and product improvements has resulted in a strong improvement in results in Finland and in 2024 the business showed a profit and has utilised MSEK 4 of previous deferred tax asset. The business position in the market continues to be strong and it is the assessment of management that a continued increase in sales together with developments within Ready-to-eat will further improve earnings.

The operations in Denmark showed a positive result for 2024. The improvement comes from a combination of a more balanced proportion of slow growing birds in our production to meet customer demand within Ready-to-cook and the improved export business within Ready-to-eat. Management estimate that as a result of the demonstrated changes and future opportunities, the company is expected to reach profitability in time to enable the utilization of the tax losses carried forward.

Deferred tax assets/tax liabilities MSEK	Deferred tax assets		Deferred tax liabilities		Net	
	2024	2023	2024	2023	2024	2023
Intangible assets	–	–	135	126	–135	–126
Buildings	10	16	11	3	–1	13
Machinery and equipment	–	–	71	71	–71	–71
Right-of-use assets	4	5	0	0	4	5
Other assets	4	7	8	7	–4	0
Pension provisions	–	–	14	11	–14	–11
Other liabilities	7	5	1	–	6	5
Losses carryforward	124	113	–	–	124	113
Other	0	1	11	9	–11	–9
Total	**149**	**146**	**250**	**228**	**–101**	**–81**
Netting of offsettable assets/liabilities by jurisdiction	–71	–65	–71	–65	–	–
Total net deferred tax asset/ tax liability	**78**	**82**	**179**	**163**	**–101**	**–81**

Deferred tax assets and liabilities nettable within the same jurisdiction were netted in 2024 and 2023.

The Group has evaluated the recoverablities based on 5 year long term plan which have shown convincing evidence that sufficient taxable profit will be available against unused tax losses. Hence the management has come to the conclusion that the tax asset reported concerning the losses in Finland and Denmark should be further reported in the balance sheet.

Other

Scandi Standard is subject to the rules on additional tax, i.e. the rules on global minimum taxation according to Pillar 2, which has entered into force on 1 January 2024. The Group has concluded that additional tax will not arise for 2024, based on the necessary calculations to control this.

Note 11 Intangible assets

	Goodwill		Other intangible assets									
			Brands		Customer and supplier relationships		Capitalized expenditure on development work		Construction in progress		Total other intangible assets	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Accumulated cost	961	950	470	465	784	766	352	86	20	126	1,626	1,443
Accumulated amortisation	–	–	–81	–76	–413	–376	–140	–57	–	–	–634	–510
Carrying amount	**961**	**950**	**389**	**390**	**371**	**390**	**212**	**28**	**20**	**126**	**991**	**933**
Balance at beginning of year	950	971	390	401	390	431	28	39	126	44	933	915
Investments	–	–	–	–	–	–	1	7	84	82	85	89
Acquisitions	–	6	–	–	–	–	–	–	–	–	–	–
Sale and disposals	–	–	–	–	–	–	–5	–5	–	–	0	–5
Amortisation for the year	–	–	–4	–4	–32	–40	–27	–13	–	–	–63	–58
Reclassifications	–	–	–	–	–	–	210	–	–190	–	20	–
Translation differences	11	–26	4	–7	13	0	0	0	–	–	17	–8
Book value	**961**	**950**	**389**	**390**	**371**	**390**	**212**	**28**	**20**	**126**	**991**	**933**

Allocation of Goodwill, brands and customer/supplier relationships						
Ready-to-cook	788	777	320[1]	318[1]	371	390
Ready-to-cook	–	–	57[2]	59[2]	–	–
Ready-to-eat	173	173	12[1]	13[1]	–	–
Total	**961**	**950**	**389**	**390**	**371**	**390**

1) Brands with indefinite useful life (Kronfågel, Ivars, Vitafågeln, Bosarp, Danpo, BornholmerHanen, Den Stolte Hane).
2) Brand with a limited useful life (Manor Farm).

Further information about depreciation, amortisation, impairment and impairment testing, please see Note 6.

Note 12 Property, plant and equipment

	Land and land improvements		Buildings and land		Plant and machinery and other technical assets		Equipment, tools, fixtures and fittings		Construction in progress		Total property, plant and equipment	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Accumulated cost	86	40	1,815	1,200	3,764	3,571	496	571	244	259	6,406	5,640
Accumulated depreciation	–13	–12	–818	–639	–2,766	–2,647	–344	–384	–	–	–3,941	–3,682
Accumulated impairment	–	–	–	–	–	–	–	–	–	–	–	–
Book value	**73**	**27**	**997**	**561**	**998**	**924**	**152**	**186**	**244**	**259**	**2,464**	**1,958**
Balance at beginning of the period	27	25	561	590	924	958	186	220	259	204	1,958	1,995
Investments[1]	–	1	12	2	38	70	3	13	229	167	283	253
Acquisitions and divestments	46	–	348	10	79	12	4	–17	1	–	478	5
Sales and disposals	–	–	–	–	–1	–	–1	–	–	–	–1	–
Depreciation for the period	–1	–1	–52	–41	–178	–181	–48	–54	–	–	–279	–277
Write-down for the period	–	–	–	–	–	–	–	–	–	–	–	–
Reclassifications	1	3	110	2	115	78	4	26	–249	–108	–20	0
Translation differences	–	–1	18	–1	20	–12	2	–1	4	–4	45	–18
Book value	**73**	**27**	**997**	**561**	**998**	**924**	**152**	**186**	**244**	**259**	**2,464**	**1,958**

[1] Does not include capitalised interest.

No government grants affecting investment values were received in 2024 or 2023. For further information about the depreciation, amortisation and impairment, see Note 6.

Note 13 Rights-of-use assets

Information about the maturity structure for the leasing liabilities, see Note 22.

	Buildings and land		Plant and machinery and other technical assets[1]		Total rights-of-use assets	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Accumulated cost	502	673	127	141	629	814
Accumulated depreciation	–271	–351	–45	–78	–317	–430
Accumulated impairment	–	–	–11	–11	–	–
Carrying amount	**231**	**322**	**71**	**51**	**301**	**384**
Balance at beginning of the period	322	332	51	61	373	393
Expenditure/Increase of right-of-use assets	34	156	58	58	91	214
Acquisitions and Divestments	–	–105	–	–32	–	–137
Sales and disposals/Decrease of right-of-use assets	–78	0	–2	–2	–79	–2
Depreciation for the period	–45	–54	–38	–35	–83	–89
Impairment for the period	–	–	–	–	–	–
Reclassifications	–	–	–	–	–	–
Translation differences	–1	–6	1	–1	–1	–7
Book value	**232**	**322**	**71**	**51**	**301**	**373**

[1] Plant and machinery and other technical assets include equipment, tools, fixtures and fittings.

Further information about leasing contracts that are not apparent in the financial statements or have to be disclosed separately

MSEK	**2024**	**2023**
Net interest expenses	–12	–12
Leasing fees for		
–short term leases	–11	–8
–assets with a low underlying value, not included in the fees for short term leases	–3	–
–variable leasing fees not included in leasing liabilities	–21	–17
Reported in the statement of cash flows		
–investments in right-of-use assets	–1	–1
–payments for amortization of leasing liabilities	–80	–100
Total cashflow for leasing contracts	**–128**	**–138**

Note 14 Participations in associated companies

MSEK	Dec 31, 2024	Dec 31, 2023
Balance at the beginning of the year	51	51
Share of income in associates	3	1
Other adjustment	–	–
Translation difference	1	–1
Carrying amount	**55**	**51**

Any impairment and reversal of impairment is recognised in the income statement classified as Share of income in associates.

Information of associates in 2024

MSEK	Assets	Liabilities	Net sales	Income for the period
Farmfood A/S	326	201	358	0
Nærbø Kyllingslakt AS	82	64	95	4

Information of associates in 2023

MSEK	Assets	Liabilities	Net sales	Income for the period
Farmfood A/S	330	201	453	0
Nærbø Kyllingslakt AS	70	55	91	1

Group holdings in associates, December 31, 2024

	Corporate name	Corp. identity no.	Domicile	Number of shares	Share of capital, %	Carrying amount in Group 2024, MSEK	Carrying amount in Group 2023, MSEK
Associates in the Group:							
Denmark	Farmfood A/S	27 121 977	Loegstoer	10,000	33.3	33	33
Norway	Nærbø Kyllingslakt AS	985 228 175	Nærbø, Hå	3,875	50.0	22	18
Total						**55**	**51**

Information about investments in subsidiaries, see Note 33.

Note 15 Non-current financial assets

MSEK	Dec 31, 2024	Dec 31, 2023
Derivate instruments financial[1)]	–	7
Other shares and interests	5	4
Other financial assets	3	10
Total	**8**	**20**

1) Consist in its entirety of interest swaps.

Note 16 Biological assets

The biological assets consist primarily of parent broiler stock that produces day-old chicks sold to contract broiler producers in Sweden. Breeding of chicken is conducted in Ireland, Denmark and as from 2024 also in Lithuania. Of the Groups total value of MSEK 128 (121) whereof MSEK 84 (77) is parent broiler stock in Sweden-

The lifespan of the parent broilers is about 60 weeks and the main source of revenue is sales of the day-old chicks that they produce. Each hen produces about 170 chicks between week 25 and week 60. Production costs include direct and indirect costs such as feed, rent and energy used. At the end of the year there were about 540,000 (520,000) hens in stock with a total fair value less cost of sales of MSEK 84 (77).

The breeders chicken are valued at acquisition value as an approximation to fair value, which corresponds to MSEK 44 (40).

Note 17 Inventory

MSEK	Dec 31, 2024	Dec 31, 2023
Raw materials and consumables	271	239
Goods in progress	23	33
Finished goods and merchandise	538	543
Total	**831**	**815**

Of total inventory MSEK 831 (815), MSEK 182 (386) were measured at net realizable value. Impairment losses of MSEK 30 (15) were recognised during the year. Previous impairments of MSEK –40 (–45) have been reversed during the year since the impairment is no longer remains. The inventory is not subject for pledge assets or contingent liabilities.

Note 18 Trade receivables and other receivables

MSEK	Dec 31, 2024	Dec 31, 2023
Trade receivables	1,043	1,044
Other current receivables	124	112
Prepaid expenses and accrued income	115	130
Total	**1,282**	**1,286**

The closing loss allowances for trade receivables as follows:	Trade receivables 2024	2023
Opening balance as at 1 January 2023 – calculated in accordance with IFRS 9	**16**	**15**
Increase in loss allowance, acquired companies	–	–
Increase in loss allowance recognised in the income statement during the year	2	0
Receivables written off during the year as uncollectible	–	–1
Unused amount reversed	–1	2
Translation difference	1	0
Closing balance 31 December	**17**	**16**

Prepaid expenses and accrued income, MSEK	Dec 31, 2024	Dec 31, 2023
Prepaid rent	14	2
Prepaid insurance	12	5
Prepayments to contract broiler producers	28	25
Other prepaid expenses	56	97
Other accrued income	4	1
Total	**115**	**130**

Age analysis of trade receivables, MSEK	Dec 31, 2024	Expected loss rate in %	Loss allowance	Dec 31, 2023	Expected loss rate in %	Loss allowance
Receivables, not yet due	953	–	–	511	–	–
Receivables, past due						
< 31 days	78	–	–	436	–	–
31–60 days	11	–	–	51	–	–
61–90 days	2	99%	2	15	–	–
> 90 days	15	96%	15	47	34%	16
Total	**1,060**		**17**	**1,060**		**16**
Provision for doubtful debts	–17			–16		
Total	**1,043**			**1,044**		

For information of assessment of trade receivables, see Note 22.

Note 19 Current interest-bearing assets and cash and cash equivalents

MSEK	Dec 31, 2024	Dec 31, 2023
Cash and bank balances	109	4
Total	**109**	**4**

Note 20 Equity

Share capital
The share capital amounted to SEK 659,663 (659,663) and represented 66,060,890 (66,060,890) shares of which the number of shares outstanding was 65,327,164 (65,327,164). There is only one class of shares with equal voting rights and rights in the company's profits and capital. The quota value of the share is SEK 0.009986 (0.009986). Each share carries one vote.

Other paid-up capital
Related to shareholder's equity paid up by shareholders and dividend to shareholders which amounted to MSEK 150 (75) during 2024. No repurchase of own shares were made in 2024 or 2023.

Fair value reserve
For cash flow hedges where the hedged transaction has not yet occurred, the hedge reserve comprises the cumulative effective portion of gains or losses arising from remeasuring the hedging instruments at fair value. The cumulative gain or loss recognised in the hedge reserve will be recycled to income statement when the hedged transaction affects the income statement.

Translation reserve
The translation reserve includes all exchange rate differences that arise upon translation of financial statements of foreign operations that have prepared their financial statements in another currency than the presentation currency for the Group's financial statements. The Parent Company and Group present their financial statements in Swedish kronor (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.

Retained earnings
This item includes mainly accrued earnings in the Group, actuarial gains and losses in pension plans, treasury shares and performance-based incentive programs.

Non-controlling Interests
51 per cent of the shares in Rokkedahl Food Aps, which was acquired 1 September 2018 and divested during July 2023.

Earnings per share	2024	2023
Income for the period attributable to owner of the Parent company, MSEK	275	269
Average number of shares	65,327,164	65,327,164
Earnings per share, SEK	4.20	4.11

Equity per share	2024	2023
Equity attributable to owners of the Parent company, MSEK	2,611	2,398
Number of outstanding shares	65,327,164	65,327,164
Equity per share, SEK	39.97	36.70

Note 21 Interest-bearing liabilities

Non-current interest-bearing liabilities

MSEK	Dec 31, 2024	Dec 31, 2023
Non-current liabilities to credit institutions[1)]	1,733	1,198
Derivative instruments	1	13
Non-current leasing liabilities	249	311
Total	**1,984**	**1,522**

Current interest-bearing liabilities

MSEK	Dec 31, 2024	Dec 31, 2023
Derivative instruments	13	14
Current leasing liabilities	64	76
Total	**77**	**90**

1) Is subject to the covenant calculation.

Financing of the Scandi Standard Group is mainly carried out through the group company Scandinavian Standard Nordic AB. External financing in the subsidiaries is only conducted if this is optimal for the Group.

Sustainability linked bank financing
A new syndicated sustainability linked loan agreement of approximately MSEK 3,200 was signed in the third quarter of 2024 with at tenor of five years. The bank loan refinanced the Group's existing bank financing. The Facilities comprise a MSEK 1,000 multicurrency term loan facility a MSEK 1,100 multiicurrency revolving loan facility and a MEUR 95 single currency revolving loan facility.

Provided that relevant lenders approve, there is also an option to further increase the borrowed amount under the bank loan by an amount up to MSEK 1,500 (or equivalent in other currencies).

The terms of the bank loan require Scandi Standard to achieve an interest coverage ratio of at least 3.50:1 and ensure that the leverage ratio does not exceed a maximum of 4.00:1. From the fifth year, the leverage ratio must not exceed 3.00:1. The bank loan also includes an option to, subject to the approval of the lenders, increase the permitted leverage ratio for a period of twelve months following an acquisition. Such option may be used two times during the term of the bank loan.

The facilities are available to Scandinavian Standard Nordic AB and selected subsidiaries. As a precautionary measure to continue to secure the Group´s liquidity need, the existing credit facility of MSEK 300 was extended during the year. This credit facility has not been utilized during the year.

Covenants
The syndicated loan agreement sets forth a covenant on leverage (quota ratio of net interest-bearing debt in relation to EBITDA on a rolling twelve-month basis) and a covenant on interest cover (ratio of finance charges in relation to EBITDA on a rolling twelve-month basis). This covenant is required to be meet every quarter. The definition of leverage in the loan agreement is different from the definition used when calculating the Group's financial targets. The sustainability covenants consist of three different factors, a CO_2 target (g CO_2 / kg of produced chicken), a target related to the proportion of flocks treated with antibiotics, and one on lost time injuries per million hours worked. This covenant is required to be meet yearly. Scandi Standard complied with its covenants at the end of 2024.

Note 22 Financial instruments and financial risk management

Scandi Standard 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 financial results, position and cash flow as a result of currency risk, interest rates risk, and refinancing- and liquidity risk and credit- and counterparty risks.

CURRENCY RISK

In the course of its operations, Scandi Standard is exposed to currency risk, in the form of exchange rate fluctuations affecting the Group's financial results and 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 financial results and position.

Transaction exposure

Cash flows from purchase and sale of goods in currencies other than the respective currency of each Group company leads to transaction exposure. Each business unit shall identify their exposure to foreign exchange risk on a regular basis and report forecasted cash flows in foreign currencies to Group Finance. Transaction exposure should be reduced actively by netting the cash flow (matching in- and outflows per currency). Scandi Standards' financial policy stipulates that transaction exposure should only be hedged for an actual committed transaction above MSEK 1 and with a payment term of 60 days or more. The end of the hedge term is expected payment date.

Distribution of trade receivables by currency

MSEK	Dec 31, 2024	Dec 31, 2023
SEK	134	107
DKK	248	249
NOK	150	165
EUR	496	505
Other currencies	31	33
Total	**1,060**	**1,060**

Distribution of trade payables by currency

MSEK	Dec 31, 2024	Dec 31, 2023
SEK	389	434
DKK	425	435
NOK	285	310
EUR	432	438
Other currencies	2	3
Total	**1,532**	**1,620**

Translation exposure

Translation exposure is the effect of changes in exchange rates when foreign subsidiaries' income statements and balance sheets are translated into the Group's presentation currency (SEK). Currency hedging of investments in foreign subsidiaries (net assets including Goodwill on acquired surplus values) is managed by means of loans in the subsidiaries' currencies and is referred to as the equity hedge. These loans are recognised at the closing rate on the reporting date. In the company, exchange differences attributable to these loans (net of tax) and translation differences from the net assets of subsidiaries are recognised in other comprehensive income and accumulated in consolidated equity. At present, net investments in DKK, NOK and EUR are hedged.

If the Swedish krona would change against other currencies by 5 per cent, equity would be impacted by MSEK +/− 154 (151), not taking into account the equity hedge. If the equity hedge is taken into account, equity would be impacted by MSEK +/− 79 (101), all other things being equal.

Exchange rate fluctuations also affect the translation of foreign subsidiaries' income statements to SEK. As this translation is not hedged, the translation difference is exposed to currency risk and as such is included in the sensitivity analysis below.

Foreign-exchange sensitivity in transaction exposure

Scandi Standard is primarily exposed to DKK, NOK and EUR. The different currencies represent both inflows and outflows against the functional currency.

If, on translation of operating income, the Swedish krona would change against subsidiaries' currencies by 5 per cent, this would have an impact of MSEK +/−14 (21) on operating income, all other things being equal. The impact is broken down as follows: DKK/SEK +/−1 (1) MSEK and NOK/SEK +/−12 (12) MSEK and EUR/SEK +/−1 (8) MSEK. The calculation does not take into account any changes in prices and customer behaviour caused by the exchange rate movements.

RISK OF PRICE CHANGES FOR ENERGY

Through its operations, Scandi Standard is exposed to risk of price changes for electricity and gas that will affect the group's income statement and balance sheet. The objective for the group's risk management of price changes for electricity and gas is to minimize the short-term effect of price changes impact on the group's financial results and financial position The strategy for managing the risk of energy price changes is to buy derivatives with fixed prices covering a certain percentage of expected consumption of electricity and gas for the next three years, in order to absorb fluctuations in price. The strategy must be revised annually.

INTEREST RATE RISK

Interest-bearing borrowing means that the Group is exposed to interest rate risk. Interest rate risk is the risk that changes in market interest rates will have an adverse effect on the Group's financial results and cash flows. The strategy for managing the interest rate risk exposure is to have a balanced combination of floating and fixed interest rates. Interest rate risk can be managed through fixed loans, derivatives or a combination of both. Consideration shall be made to how sensitive the Company's consolidated cash flows are to changes in market interest rates levels over a longer period. The duration is affected by nature of the business, presence of financial covenants, gearing level of the Company as well as future forecasted cash flows and the Group´s capability to repay debt. In an annual review the Board shall approve the proportion of anticipated debt to be hedged for each year based on recommendation from Management. Upon such resolution the Management shall execute hedges as soon as possible.

Note 22 Financial instruments and financial risk management cont.

Derivatives approved by the Board for managing interest rate risk are interest rate swaps (IRS), interest floors, interest caps and currency interest swaps. At December 31, 2024, the Group's outstanding liabilities to credit institutions, including outstanding interest rate swaps, had a weighted average fixed-rate period of 4 (10) months.

As per the end of the reporting period, a 1 per centage point change in interest rates would not entail any significant change in the fair value of financial assets. During the coming 12-month period, a 1 per centage point increase/decrease in interest rate on interest-bearing liabilities would be impact by MSEK +/– 21 (16).

REFINANCING RISK AND LIQUIDITY RISK

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 in discharging payment obligations. Scandi Standard limits its refinancing risk by having a well-diversified group of counterparties for its loan facilities. The average time to maturity for the Group's interest-bearing liabilities, excluding leasing obligations per December 31, 2024 was 5 (4) years.

By constantly maintaining cash assets or unused credit facilities, the Group ensures it has sound payment capacity, thereby reducing the liquidity risk. Payment capacity, i.e. cash and cash equivalents and unused credit facilities, on December 31, 2024 was MSEK 1,859 (1,223).

Liquidity risk from vendor financing is MSEK 384 (407). This is attributed to reversed factoring arrangements prolonging payment terms in Sweden, Denmark and Norway from 14–25 days to 60–90 days.

The tables 'Maturity structure' show undiscounted contractual cash flows so these amounts are therefore not found in the balance sheet.

Maturity structure of liabilities to credit institutions by currency 2024

MSEK	2025	2026	2027	2028	2029–	Total
SEK	10	10	10	10	262	303
NOK	29	29	29	29	487	603
DKK	16	16	16	16	397	463
EUR	28	28	28	28	666	776
Total	**84**	**84**	**84**	**84**	**1,812**	**2,146**
Of which interest	84	84	84	84	63	397

Maturity structure of liabilities to credit institutions by currency 2023

MSEK	2024	2025	2026	2027	2028–	Total
SEK	11	11	11	201	–	234
NOK	24	24	24	393	–	465
DKK	6	6	6	106	–	123
EUR	27	27	27	508	–	590
Total	**68**	**68**	**68**	**1,208**	**–**	**1,411**
Of which interest	68	68	68	23	–	226

Maturity structure of derivative instruments, nominal amounts December 31, 2024

MSEK	2025	2026	2027	2028–	Fair value
Interest rate derivatives	501	–	–	–	2
Energy derivatives	46	44	–	–	–15
Total	**547**	**44**	**–**	**–**	**–12**

Maturity structure of derivative instruments, nominal amounts December 31, 2023

MSEK	2024	2025	2026	2027–	Fair value
Interest rate derivatives	314	496	–	–	10
Energy derivatives	57	57	–	–	–26
Total	**371**	**553**	**–**	**–**	**–16**

Maturity structure of liabilities regarding leasing by currency 2024

MSEK	2025	2026	2027	2028	2029–	Total
SEK	37	34	21	18	51	162
NOK	18	18	17	17	74	144
DKK	15	11	7	4	2	38
EUR	4	2	1	0	3	11
Total	**75**	**64**	**46**	**38**	**131**	**354**
Of which interest	11	9	7	5	11	43

Maturity structure of liabilities regarding leasing by currency 2023

MSEK	2024	2025	2026	2027	2028–	Total
SEK	29	27	20	20	59	154
NOK	33	26	24	24	72	179
DKK	7	5	2	1	0	16
EUR	3	1	0	0	3	8
Total	**71**	**59**	**47**	**44**	**135**	**356**
Of which interest	12	10	8	6	12	47

Maturity of short-term debt is up to one year. Maturity of trade payables is normally within approximately 60 days.

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 financial loss for Scandi Standard. Counterparty risk is limited by only accepting counterparties with high creditworthiness.

Customer credit risk

The credit risk associated with trade receivables is managed through special credit rating reviews. Scandi Standard has credit control procedures in place and obtains information about the financial position of customers from various credit-rating agencies.

Note 22 Financial instruments and financial risk management cont.

Hedging instruments with associated hedged items and Derivative instruments

						Assets		Liabilities			
	Average hedging price/-rate	Nominal amount Remaining term		Nominal amount		Booked value		Booked value		Annual change in value	Accumulated change in value
MSEK		**< 1 year**	**> 1 year**	**Dec 31, 2024**	**Dec 31, 2023**	**Dec 31, 2024**	**Dec 31, 2023**	**Dec 31, 2024**	**Dec 31, 2023**	**2024**	**Dec 31, 2024**
Cash flow hedges											
Interest related contract											
Interest swap	2.54%	501	–	501	810	2	10	–	–	–8	2
Energy hedge		46	44	90	114	–	–	–15	–26	11	–15
Total hedging		**547**	**44**	**590**	**923**	**2**	**10**	**–15**	**–26**	**4**	**–12**
Currency hedging of foreign operations											
Currency related contract											
Derivatives instruments – Loan		–	1,495	1,495	989	–	–	1,495	989	8	–
Hedged item – currency hedging of foreign operations		–	1,495	1,495	989	1,495	989	–	–	–8	–
Total derivative instrument						**–**	**–**	**1,495**	**989**	**–**	**–**

Types of hedge accounting applied in the consolidated financial statements

Type of exposure	Type of hedged items	Hedged risk	Hedging instruments	Hedging model[1)]
Interest exposure	Loans with variable interest rates	Interest rate risk	Interest rate swaps	Cash flow hedges
Currency exposure	Investments in foreign operations	Currency risk	Loan in foreign currency	Currency hedging of foreign operations
Energy price exposure	Forecasted purchase of electricity and gas	Risk of energy price changes	Energy derivatives	Cash flow hedges

[1)] Deviations in critical conditions between hedging instruments and hedged items represent the main source of inefficiency for all types of hedging.

Note 22 Financial instruments and financial risk management cont.

Financial assets and liabilities by measurement category

December 31, 2024, MSEK	Measured at amortised cost	Measured at fair value through income statement[1]	Derivatives used in hedge accounting[1]
ASSETS			
Financial assets	8	–	–
Trade receivables	1,043	–	–
Other short-term receivables	23	–	–
Derivative instruments (Level 2), financial	–	–	2
Derivative instruments (Level 2), operational	–	–	–
Cash and cash equivalents	109	–	–
Total financial assets	**1,182**	**–**	**2**
LIABILITIES			
Non-current interest-bearing liabilities	1,733	–	–
Derivative instruments (Level 2), financial	–	–	–
Derivative instruments (Level 2), operational	–	–	15
Current liabilities	2	–	–
Trade payables	1,532	–	–
Accrued expenses (non personnel related)	296	–	–
Total financial liabilities	**3,564**	**–**	**15**

December 31, 2023, MSEK	Measured at amortised cost	Measured at fair value through income statement[1]	Derivatives used in hedge accounting[1]
ASSETS			
Financial assets	14	–	–
Trade receivables	1,044	–	–
Other short-term receivables	7	–	–
Derivative instruments (Level 2), financial	–	–	10
Derivative instruments (Level 2), operational	–	–	–
Cash and cash equivalents	4	–	–
Total financial assets	**1,069**	**–**	**10**
LIABILITIES			
Non-current interest-bearing liabilities	1,198	–	–
Derivative instruments (Level 2), financial	–	–	–
Derivative instruments (Level 2), operational	–	–	26
Current liabilities	0	–	–
Trade payables	1,620	–	–
Accrued expenses (non personnel related)	**330**		
Total financial liabilities	**3,148**	**–**	**26**

[1] The Group's financial assets and liabilities are measured in accordance with the following fair value hierarchy:
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 observe able for the asset or liability, i.e. quoted prices or data derived therefrom.
Level 3: Unobservable inputs for measurement of the asset or liability.

Measurement techniques

Derivatives in Level 2 are foreign currency forwards, interest rate swaps and energy hedges.

Fair value measurement for foreign currency forwards is the present value of future cash flows based on the forward exchange rates at the balance sheet date.

Fair value measurement for interest rate swaps is the present value of the estimated future cash flows based on observable yield curves.

The fair value of energy hedge contracts is estimated based on current forward rates at the reporting date.

Reported value for Non-current interest-bearing liabilities is a good approximation of fair value as credit risk is not significantly changed.

For other financial instruments with no specific market value, the fair value is deemed to correspond to the carrying amount.

Note 23 Pensions

Scandi Standard has both defined contribution and defined benefit pension plans. Defined contribution pension plans are applied for the main part of the Group's pension obligations. Defined benefit pension plans are partly applied in Sweden and Ireland.

The defined benefit plans, as recognised in the consolidated balance sheet, are mainly funded and relate to PRI pensions in Sweden. These plans are funded in Lantmännen's 'Gemensamma Pensionsstiftelse Grodden' pension fund, which enables a number of companies that are part of, or have been part of, Lantmännen Group to safeguard their pension obligations. Each company has its own part of the fund's assets. There is no obligation for the companies in the fund to make additional contributions to the fund. The obligations are also credit insured via PRI Pensionsgaranti, which is a mutual insurance company that guarantees employees' future pensions. Now that the assets are in a separate fund, the obligations can be reduced by the market value of the fund's assets when recognised in the balance sheet.

Kronfågel AB and SweHatch AB are connected to the fund. Obligations accrued between June 2013 and December 2023 have been financed by direct charges, for instance to Alecta. Decisions have been taken to open the pension plan for active ITP2's in Sweden as from January 1st 2024, ie for all employees in the companies born until 1978. All other new pension earnings within the Group are financed by direct charges.

The obligations in Ireland concern closed pension plans.

Pension plans with surpluses are recognised as an asset in the balance sheet under "Surplus in funded pension plans". Other pension plans that are unfunded or partially funded are recognised under "Provisions for pensions".

Defined benefit obligations and value of plan assets in the Group:

Defined benefit plans, MSEK	**Dec 31, 2024**	**Dec 31, 2023**
Funded plans		
Defined benefit obligations under Swedish PRI Pensionsgaranti, plans	135	141
Fair value of plan assets	–204	–196
Total net value of funded plans	**–69**	**–55**
Surplus in funded pension plan recognised as asset	69	55
Partially funded pension plan recognised as liability	–	–
Unfunded plans		
Other unfunded obligations	3	3
Total unfunded plans	**3**	**3**
Provision for pensions, net value	**–66**	**–52**

Defined benefit pension plans are in Sweden and Ireland.

Pension cost in the income statement, MSEK	**2024**	**2023**
Defined benefit plans		
Incurred pension expense during the year	–6	–
Interest income / expenses	2	5
Cost of defined benefit plans	**–4**	**5**
Cost of defined contribution plans	–171	–141
Total pension cost	**–174**	**–136**
The cost is recognised in the following lines in the income statement		
Employee benefits expenses, Note 5	–176	–141
Finance expenses, Note 8	2	5
Total pension cost	**–174**	**–136**

Pension-related charges in other comprehensive income, MSEK	**2024**	**2023**
Defined benefit plans		
Return on plan assets in excess of what is recognised as interest income in the income statement	11	9
Remeasurement of pension obligations:		
– Experience based adjustment of obligation	0	–7
– Effect of changes in demographic assumptions	–	–2
– Effects of changes in financial assumptions	7	–15
Total remeasurement of pension obligations	**7**	**–25**
Total actuarial gains (+) and losses (–)	**18**	**–15**
Tax in gain / loss	–4	3
Total recognised in other comprehensive income	**14**	**–12**

Note 23 Pensions cont.

Changes in obligations, assets and net amount:

	Defined benefit obligations		Plan assets		Net	
31 December, MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Opening balance, funded plans	141	123	–196	–188	–55	–65
Service cost	6	–	–	–	6	–
Interest recognised in income statement	4	3	–6	–8	–2	–5
Payment of pension benefits	–9	–9	–	–	–9	–9
Compensation received	–	–	9	9	9	9
Return in plan assets in excess of recognised interest	–	–	–11	–9	–11	–9
Remeasurement of pension obligations recognised in other comprehensive income	–6	24	–	–	–6	24
Closing balance, funded plans	**135**	**141**	**–204**	**–196**	**–69**	**–55**
Unfunded plans	3	3	–	–	3	3
Closing balance, pension liability	**139**	**144**	**–204**	**–196**	**–66**	**–52**

Fair value of plan asset categories and share of total plan assets

	2024		2023	
	MSEK	**%**	**MSEK**	**%**
Property	53	26.1	70	35.6
Fixed-interest investments	63	30.7	43	21.8
Equity investments	81	39.8	73	37.5
Alternative investments	7	3.3	9	4.6
Cash and cash equivalents	0	0.1	1	1.0
Total	**204**	**100**	**196**	**100**

Equity investments are all listed equity.

Actuarial assumptions	**2024**	**2023**
Discount rate	3.50%	3.25%
Future pension increase	2.00%	2.00%
Inflation	2.00%	2.00%
Mortality table	**DUS23**	**DUS23**

A reduction of the discount rate by 0.25 per centage points would increase the pension obligation by MSEK 4 (4) while an increase of the discount rate by 0.25 per centage points would reduce the obligation by MSEK 4 (4). A change in the expected life span of one year would change the obligation by MSEK 6 (6). A change of the expected inflation rate of 0.25 per centage points would change the obligation by about MSEK 4 (4). The pension fund's return was 8.9 (8.7) per cent and a change of 1 per centage point would change the value of plan assets by about MSEK 2 (2).

Funded plans cover to 38.9 (41.7) per cent paid-up policy holders, to 50,9 (58.3) per cent retired persons, and as from 2024 also 10.2 per cent active employees. Duration is 12 (12) years.

Expected payments under defined benefit pension plans in 2025 are MSEK 9 (9). For certain employees in Sweden insurance premiums was paid to Alecta under the ITP plan (individual supplementary pension). The plan is a multi-employer defined benefit plan. Alecta is currently unable to disclose the information required to recognise the plans as a defined benefit pension plan. Consequently, pension plans under Alecta are recognised as defined contribution plans. MSEK 0 (3) of total pension cost of MSEK 171 (141) for defined contribution plans are related to Alecta premiums for ITP plans. As the defined benefit plan in Sweden is opened for concerned employees as from 2024 no premiums were paid to Alecta regarding the ITP2-plan. Alecta may distribute its surplus to policy holders and/or the insured. At the end of the year, Alecta's surplus defined as collective funding ratio was 162 (158) per cent. The collective funding ratio reflects the market value of the assets of Alecta as a per centage of its pension obligations, calculated with Alecta's Actuarial assumptions, which do not follow IAS 19.

Note 24 Other provisions

In corporate groups the size of Scandi Standard, there are normally a number of ongoing disputes. Scandi Standard assesses the most likely outcome of the disputes currently at issue, and where an outflow of financial resources is probable, a corresponding amount is recognised as a provision.

MSEK	Dec 31, 2024	Dec 31, 2023
Other provisions	13	12
Total	**13**	**12**

Note 25 Trade payables and other current liabilities

MSEK	Dec 31, 2024	Dec 31, 2023
Trade payables	1,532	1,620
Other current liabilities	82	18
Current leasing liabilities	64	76
Accrued expenses and prepaid income	677	688
Total	**2,355**	**2,402**

Accrued expenses and prepaid income

MSEK	Dec 31, 2024	Dec 31, 2023
Accrued personnel-related expenses	381	358
Bonuses and discounts	99	107
Other accrued expenses	212	238
Prepaid income	–15	–15
Total	**677**	**688**

Supplier finance arrangements

Supplier finance arrangements are characterised by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date

Supplier finance arrangements are applied since several years by the Group together with the suppliers /breeders of chickens that have accepted the possibility. The arrangement is provided by a bank and the companies have individual agreements with t he bank, but the terms are equivalent. They pay a fee to the bank for the prolonged payment terms. The bank is also the main bank for the Group.

The arrangement implies that the credit terms for the companies are prolonged as the bank pays the invoices to their suppliers and then the companies compensate the bank. The total credit time has thereby been prolonged to 60 or 90 days from approximately 7 to 30 days. Due dates for the suppliers/breeders who participate in the supplier financing arrangements are 7 to 30 days.

The companies are using the arrangements as integrated part of their commercial relations with the suppliers/breeders and the payables are a part of the working capital in the normal operations cycle. The arrangement is not considered to lead to any essential change of the payables nature or function. No additional collateral or guarantees have been provided to the bank. The debts are therefore classified as accounts payable.

Changes that do not affect cash flows for the reported value of the liabilities covered by supplier financing consist entirely/mainly of exchange rate differences and are of minor value.

Of the trade payables, the following amount is the made up of supplier financing

MSEK	Dec 31, 2024	Dec 31, 2023[1)]
Paid by the bank	453	
Unpaid invoices	42	
Total liabilities with supplier financing	**494**	**493**
Liquidity risk	384	407

1) According to simplification rules, no information on the comparison values is required during the first year of application.

Note 26 Related party transactions

Salaries and benefits received by senior management are reported in Note 5. Dividends from subsidiary have been received in the Parent Company during the year. Further information about associated companies can be found in Note 14.

Other transactions with key persons in 2024 are related to purchases of feed from Lantmännen ekonomiska förening in which the Group owns a share.

Related party transactions

MSEK	2024	2023
Purchases of goods and services from associates	69	74
Sales of goods and services to associates	6	59
Trade receivables to associates	1	–
Trade payables	1	–
Loan to associates	7	0
Other transactions with key persons, MSEK	17	23

Note 27 Pledged assets and contingent liabilities

Pledged assets	For own liabilities	
MSEK	Dec 31, 2024	Dec 31, 2023
Real estate mortgages	–	–
Total	**–**	**–**

Contingent liabilities

MSEK	Dec 31, 2024	Dec 31, 2023
Rent guarantee	9	32
Other contingent liabilities	113	115
Total	**122**	**147**

Other contingent liabilities consist for the most part of guarantees for subsidiaries and suppliers.

Not 28 Acquisitions and divestments

Acquisition of Lithuanian companies

During the third quarter Scandi Standard agreed to acquire an integrated state-of-the-art poultry processor in Lithuania from a group of local entrepreneurs. The transaction was closed on October 10, 2024. The deal comprises an advanced processing plant, three poultry farms, and land plots, which are all located in a favorable geographic location, in total four companies. All overvalues are related to the fixed assets. The acquired entity is UAB Scandi Standard Lithuania Holding, an entity that has not had any activity prior to the acquisition. The acquisition price amounted to MEUR 6.4 for the shares in the companies and MEUR 17 for settlement of the companies' debts, a total of MEUR 23.4. It is not expected to significantly affect other financial comparative figures. Deferred tax related to the overvalues is booked. Deferred considerations is connected to fulfilment of European Union Aid grants. Transaction costs related to the acquisition was MSEK 5 and are reported under Other expenses in the income statement. The acquired business contributed with net sales of MSEK 11, and operating income of MSEK -14 for the period 10 October 2024 to 31 December 2024. The estimate on how the Groups net sales and result for the period and the full year 2024 would have been affected if the acquisition had been taken place on January 1, 2024 is not considered material, as the acquired company had essentially been dormant.

Assets recognised as a part of the acquisition:

MSEK	2024	2023
Purchase price		
Paid in cash according to payment docs	73	40
Redemption of liabilities in connection with the acquisition	193	–
Deferred consideration, recognized liability	17	6
Total	**283**	**46**

Assets and liabilities at fair value

MSEK	2024	2023
Property, plant and equipment	329	40
Cash	0	–
Current assets	0	–
Deferred tax, net	–1	–
Grants from EU	–44	–
Interest bearing liabilities	–142	–
Current liabilities	–53	–
Redemption of liabilities in connection with the acquisition	193	–
Acquired identifiable net assets	**283**	**40**
Goodwill	–	6
Acquired net assets	**283**	**46**
Cash flow effect	**–265**	**–40**

Divestment of Rokkedahl Food Aps

In 2023, Scandi Standard Group divested its majority stake of 51% in Rokkedahl Food Aps to the minority owner Rokkedahl Food Holding A/S, as a part of the turnaround process for the Danish operations. The purchase price amounted to MSEK 15.

Profit and loss

MSEK	2024	2023
Received purchase price	–	15
Net assets	–	–13
Minority	–	6
Other	–	–1
Total	**–**	**–8**

Net assets

MSEK	2024	2023
Tangible assets	–	35
Right-of-use assets	–	136
Deferred tax	–	5
Cash and cash equivalents	–	10
Current assets	–	18
Interest bearing liabilities	–	–160
Other liabilities	–	–32
Net assets	**–**	**13**
Minority	–	3
Total	**–**	**7**
Cash flow effect	**–**	**6**

Note 29 Notes to the statement of cash flows

1) Paid finance items net, MSEK	2024	2023
Interest received	4	2
Interest paid	–143	–127
Other paid financial items	–18	–7
Total	**–157**	**–132**

2a) Acquisitions of business and assets, MSEK	2024	2023
Acquired net assets		
Intangible assets	–	6
Tangible assets	522	40
Cash and cash equivalents	0	–
Other assets	0	–
Liabiliities	-54	–
Total	**470**	**46**
Paid purchase price	453	40
Purchase price, recognised liability	17	6
Purchase price	**470**	**46**
Cash flow effect	**–453**	**–40**

2b) Business divestment, MSEK	2024	2023
Received purchase price	–	15
Cash and cash equivalents, divested operations	–	-10
Cash flow effect	**–**	**6**

3) Cash and cash equivalents, MSEK	2024	2023
Cash and bank deposits	109	4
Total	**109**	**4**

The Group's total liquidity, defined as cash, bank deposits and credit available under the provisions of applicable loan agreements, amounted to MSEK 1,860 (1,223) at the end of the year.

4) Reconciliation of Net interest-bearing debt
The net interest-bearing debt and the movement of it is analysed below, for the presented periods.

Net interest-bearing debt[1], MSEK	2024	2023
Cash and cash equivalents	109	4
Derivative financial	2	10
Interest-bearing liabilities – repayable within one year	–64	–76
Interest-bearing liabilities – repayable after one year	–1,982	–1,509
Net interest-bearing debt	**–1,935**	**–1,571**
Cash and bank deposits	109	4
Derivative financial	2	10
Gross debt – variable interest rates	–2,046	–1,586
Net interest-bearing debt	**–1,935**	**–1,571**

[1] The Group utilises the same definition of Net interest-bearing debt as the current Credit agreement

	Liabilities from financing activities		
Changes in gross debt, MSEK	**Interest-bearing liabilities**	**Leasing liability**	**Total**
Gross debt December 31, 2023 (Note 21)	**–1,198**	**–388**	**–1,586**
Cash flows			
new loans	–1,928	–6	–1,934
repayments	1,381	80	1,461
changes in credit facility	19	–	19
Total	–527	74	–453
Foreign exchange adjustments	–18	1	–17
Other non-cash movements	10	–	10
Total	–8	1	–7
Gross debt December 31, 2024 (Note 21)	**–1,733**	**–313**	**–2,046**

Not 30 Significant events after the end of the financial year

After the close of the period Scandi Standard acquired a production facility in Oosterwolde, Netherlands from Tyson Foods. The facility has two of Europe's largest and most efficient product lines for Ready-to-eat products. The acquisition is classified as an asset acquisition.

Scandi Standard has during February agreed to acquire six poultry farms in Lithuania, amounted to approx. MSEK 200. Through the acquisition, Scandi Standard's Lithuanian business will become self-sufficient in bird supply.

Notes to the Parent Company financial statements

Note 31 Fees and reimbursements to auditors

MSEK	2024	2023
Öhrlings Pricewaterhouse-Coopers AB		
Annual audit	0	0
Total	**0**	**0**

Note 32 Pledged assets and contingent liabilities

MSEK	Dec 31, 2024	Dec 31, 2023
Contingent liabilities	3	3
Guarantee for subsidiaries	18	18
Guarantor long-term multi-currency credit facilities	3,200	2,090
Total	**3,222**	**2,110**

Note 33 Investments in subsidiaries

MSEK	Dec 31, 2024	Dec 31, 2023
Accumulated cost of acquisition	938	938
Carrying amount	**938**	**938**

MSEK	2024	2023
Balance at the beginning of the period	938	938
Carrying amount	**938**	**938**

Parent Company and Group holdings of interests in Group companies, December 31, 2024

The table includes directly-owned subsidiaries and indirectly-owned companies. During the year companies in Lithuania, Netherlands and Norway has been acquired.

Note 34 Proposed appropriation of earnings

The Board proposes a dividend for the financial year 2024 of SEK 2.50 (2.30) per share which corresponds to MSEK 163 (150) to the Annual General Meeting 2025 based on the number of outstanding shares as of December 31, 2024.

The following earnings are at the disposal of the Annual General Meeting:

SEK	
Share premium reserve	419,777,147
Accumulated surplus	390,757,221
Income for the year	199,507,318
Total	**1,010,041,686**
Dividend to shareholders	163,317,910
To be carried forward	846,723,776
Total	**1,010,041,686**

Note 33 cont.

Company name	Corporate identity no.	Domicile	Share, %	Carrying amount, MSEK
Scandinavian Standard Nordic AB	556921-0619	Stockholm, Sweden	100	938
Scandi Standard ApS	25 710 029	Farre, Denmark	100	
Naapurin Maalaiskana OY	2644740-9	Lieto, Finland	100	
Kronfågel AB	556145-4223	Stockholm, Sweden	100	
SweHatch AB	556033-3386	Stockholm, Sweden	100	
Bosarpskyckling AB	556673-6608	Stockholm, Sweden	100	
Danpo A/S	31 241 316	Farre, Denmark	100	
Scandi Standard Norway AS	911 561 077	Oslo, Norway	100	
Den Stolte Hane AS	980 403 815	Jæren, Norway	100	
Scandi Standard Ireland Holding AB	559119-0789	Stockholm, Sweden	100	
Carton Bros ULC	7313	Dublin, Ireland	100	
Næringsvegen Eiendom Holding AS	932 918 404	Jæren, Norge	100	
Næringsvegen Eiendom AS	985 281 475	Jæren, Norge	100	
Jaerdankro Holding B.V.	867 181 515	Amsterdam, Netherlands	100	
UAB Scandi Standard Lithuania Holding	306 982 871	Vilnius, Lithuania	100	
UAB Alsiai	157 575 167	Vilnius, Lithuania	100	
UAB Alsiu paukstynas	303 148 039	Vilnius, Lithuania	100	
UAB Bazilionai	175 712 183	Vilnius, Lithuania	100	
UAB Scandi Standard Baltics	157 547 221	Vilnius, Lithuania	100	
Total, Parent Company				**938**

Proposed appropriation of earnings and the Board of Directors' and the Managing Director's certification

The following earnings are at the disposal of the Annual General Meeting:

	SEK
Share premium reserve	419,777,147
Accumulated deficit	390,757,221
Income for the year	199,507,318
Total	**1,010,041,686**

	SEK
Dividend to shareholders	163,317,910
To be carried forward	846,723,776
Total	**1,010,041,686**

The Board of Directors and the Managing Director and 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 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 Parent Company and Group companies.

The Group's and Parent Company's annual financial statements will be presented for adoption by the Annual General Meeting on 29 April 2025.

Stockholm, 20 March 2025

Johan Bygge
Chairman of the Board

Sebastian Backlund	Lars-Gunnar Edh	Øystein Engebretsen	Paulo Gaspar	Pia Gideon	Henrik Hjalmarsson	Cecilia Lannebo
Board member	*Board member*	*Board member*	*Vice Chairman*	*Board member*	*Board member*	*Board member*

Jonas Tunestål
Managing director and CEO

Our audit report was submitted on 21 March 2025.

Öhrlings PricewaterhouseCoopers AB

Linda Corneliusson
Authorized Public Accountant

Auditor's report

Unofficial translation

To the Annual General Meeting of Scandi Standard AB (publ), Corporate Identity Number 556921-0627

Report on the audit of the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Scandi Standard AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 28–73 in this document.

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 parent company as of 31 December 2024 and its financial performance and cash flow 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 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards 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 general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our 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 company 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 includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Valuation of inventory *Refer to Annual report note 17 Inventory, note 1 Accounting policies and Note 2 Significant judgments, accounting estimates and assumptions.* The inventory of finished goods includes frozen, chilled and ready-made chicken products and amounts to SEK 538 million on 31 December 2024. A large share of this item is located in Sweden and Denmark. Inventory of finished goods is a significant asset in the consolidated balance sheet. The inventory of finished goods is measured at the lower of cost or net realisable value. The net realisable value is the estimated sales value less expected selling expenses. An assessment of the estimated sales value requires assumptions and assessments by management that include subjective aspects, such as obsolescence and assessments of future events about demand and price performance, which are subject to uncertainties. The valuation of the inventory of finished goods is therefore a key audit matter in the audit.	Our audit included an assessment of the group's accounting policy of provision for obsolescence, analytical procedures, data analysis on outgoing inventory matching against sales and inquiries with controllers of inventory accounts. We have performed spot checks on product calculations for the inventory of finished goods, inward and outward deliveries from inventory and taken part in stock-taking at all relevant inventory sites to verify their existence. Our audit included the examination of the management's assessments of obsolescence and impairment, by scrutinising the inertia of inventory, anticipated future selling prices for frozen products in particular and products sold on export markets. We have performed spot checks to ensure the cost of sold products is not less than the net realisable value in the beginning of 2025.
Measurement of goodwill and intangible assets (brands, customer and supplier relationships) *Refer to the Annual Report Note 6 Depreciation, amortisation and impairment of intangible assets and property, plant,equipment and rights-of-use assets, Note 11 intangible assets, Note 1 accounting policies and Note 2 Significant judgments, accounting estimates and assumptions.* The majority of Scandi Standard's intangible assets have been acquired externally, mostly through business combinations. Assets with an indefinite useful life such as goodwill and certain brands are not subject to yearly depreciation. Instead, an annual test will show whether the carrying amount for the cash generating unit can still be supported. Amortisation with respect to acquired customer and supplier relationships and certain brands is conducted according to plan. The cash-generating units correspond to the group's operating segments, which consist of Ready-to-cook and Ready-to-eat. The carrying value of goodwill amounts to SEK 961 million on 31 December 2024. Intangible assets relating to brands with an indefinite life that are not subject to amortisation comprise various brand names acquired in Sweden, Denmark and Norway. The carrying value of such brands, including brands that have definite life, amounts to SEK 389 million on 31 December 2024. Goodwill and brands are significant assets in the consolidated balance sheet. No impairment charge has been recognised against goodwill or brand with indefinite life in 2024. Management's estimates of the intangible assets' potential to generate future cash flows and other assumptions are decisive when preparing the annual impairment tests. Given the significant elements of assumptions in and estimates within impairment tests of goodwill and brand, this constitutes a key audit matter.	Our audit included the impairment tests of goodwill and other intangible assets with indefinite life have been performed by the use of generally accepted valuation methods, are mathematically correct, and by the use of reasonable assumptions of, among others, future cash-flow estimates and discount rates. We have also evaluated the model for impairment tests and significant assumptions in impairment testing of future cash-flow estimates and discount rates for calculating the cash-generating unit's value in use. In our evaluation, we have compared with the historic business performance and the group's forecasts and strategic planning as well as with external data sources when possible and relevant. We have evaluated management's sensitivity analysis of changes in the assumptions that could lead to impairment. We held discussions with management to ensure there are no material changes in the customer and supplier portfolio that could lead to a risk for impairment of intangible assets in customer and supplier relationships. We have assessed that disclosures in Note 6 and 11 relating to goodwill, brands, customer and supplier relationships are appropriate.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–27, 78–119 and 134–137. Other information also contains the Scandi Standard AB (publ) remuneration report 2024 which we received before the date of our auditor's report. 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 otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, 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 that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are 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 company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using 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 company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company'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 taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

THE AUDITOR'S EXAMINATION OF THE ADMINISTRATION OF THE COMPANY AND THE PROPOSED APPROPRIATIONS OF THE COMPANY'S PROFIT OR LOSS

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 Scandi Standard AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders 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 Opinions

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 company 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 of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are 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 take measures that are necessary to fulfill the company's accounting in accordance with law and handle 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 can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies 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 company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Scandic Standard AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Scandi Standard AB (publ) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm was appointed auditor of Scandi Standard AB (publ) by the general meeting of the shareholders on the 3 May 2024 and has been the company's auditor since the 9 September 2013.

Stockholm, 21 March 2025

Öhrlings PricewaterhouseCoopers AB

Linda Corneliusson
Authorised Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Five-year summary

MSEK, unless otherwise stated	2024	2023	2022	2021	2020
Net sales	13,024	13,014	12,119	10,101	9,940
EBITDA	931	880	722	598	699
Operating income	509	457	290	222	351
Income for the year	275	273	138	103	208
EPS, SEK	4.20	4.11	2.02	1.60	3.16
Adjusted EBITDA[1)]	931	871	722	589	756
Adjusted EBITDA-margin[1)], %	7.1	6.7	6.0	5.8	7.6
Adjusted operating income[1)]	509	449	290	213	410
Adjusted operating margin[1)], %	3.9	3.4	2.4	2.1	4.1
Dividend, SEK[3)]	2.50	2.30	1.15	–	1.25
Operating cash flow[2)]	443	671	197	347	476
Capital expenditure, net	367	338	311	306	355
Return on capital employed (ROCE)[1)], %	11.8	11.0	6.7	5.2	8.4
Equity to assets ratio, %	35.9	36.0	33.5	30.0	29.4
Average number of employees	3,366	3,204	3,294	3,215	3,220

1) Adjusted for non-comparable items, see table to the right.
2) Reclassification of cash flow effect for leasing assets has been made for 2020.
3) Board proposal for dividend for 2024.

Non-comparable items in EBITDA[1)] and operating income	2024	2023	2022	2021	2020
Earn out Debt adjustment[2)]	–	–	–	9	–52
Restructuring of production[3)]	–	–	–	–	–7
Divestment of Rokkedahl Foods Aps[4)]	–	8	–	–	–
Total non-comparable items in EBITDA	–	**8**	**–**	**9**	**–59**

1) Scandi Standard implemented a new definition for treatment of items affecting comparability in the first quarter 2021 which implies a stricter classification of such items. Financial information for the year 2020 has been restated related to items affecting comparability for the alternative performance measures adjusted EBITDA and adjusted operating income (adjusted EBIT).
2) Income of MSEK 22 in the year 2021 related to decreased earn-out debt resulting from the final purchase price payment relating to the acquisition of Manor Farm and in 2020 an adjustment of the earn-out debt attributable to the acquisition of Manor Farm of MSEK 52. In addition, for the year 2021, cost of MSEK –13 resulting from the final purchase price payment relating to the acquisition of the Finnish business.
3) For 2020, costs due to restructuring of a Swedish subsidiary during the fourth quarter 2020, with terminating a long-term contract and write-downs of assets.
4) Divestment of majority stake in Rokkedahl Food Aps.

Segment information by quarter

Ready-to-cook, MSEK	**Q1 2022**	**Q2 2022**	**Q3 2022**	**Q4 2022**	**2022**	**Q1 2023**	**Q2 2023**	**Q3 2023**	**Q4 2023**	**2023**	**Q1 2024**	**Q2 2024**	**Q3 2024**	**Q4 2024**	**2024**
Net sales	2,046	2,199	2,265	2,164	8,674	2,373	2,495	2,431	2,278	9,577	2,441	2,546	2,536	2,399	9,923
Adjusted EBITDA	80	96	116	115	406	115	139	182	161	597	180	181	193	153	707
Depreciations	–69	–99	–69	–73	–310	–71	–79	–75	–75	–299	–75	*–74*	–73	–84	–305
Adjusted EBITA	11	–3	46	42	97	44	60	107	86	297	105	*107*	120	69	402
Amortizations	–13	–13	–13	–13	–52	–13	–12	–10	–10	–45	–10	*–9*	–9	–9	–37
Adjusted EBIT	–2	–16	34	31	47	31	48	97	77	253	96	*98*	111	63	368
Non-comparable items	–	–	–	–	–	–	–	8	–	8	–	–	–	–	–
EBIT[1)]	–2	–16	34	31	47	31	48	105	77	261	96	*98*	111	63	368
Adjusted EBITDA margin, %	*3.9%*	*4.3%*	*5.1%*	*5.3%*	*4.7%*	*4.8%*	*5.6%*	*7.5%*	*7.1%*	*6.2%*	*7.4%*	*7.1%*	7.6%	6.4%	7.1%
Adjusted EBITA margin, %	*0.6%*	*–0.1%*	*2.1%*	*1.7%*	*1.1%*	*1.9%*	*2.4%*	*4.4%*	*3.8%*	*3.1%*	*4.3%*	4.2%	4.7%	2.9%	4.1%
Adjusted EBIT margin, %	*–0.1%*	*–0.7%*	*1.5%*	*1.4%*	*0.5%*	*1.3%*	*1.9%*	*4.0%*	*3.4%*	*2.6%*	*3.9%*	3.8%	4.4%	2.6%	3.7%
EBIT margin, %	*–0.1%*	*–0.7%*	*1.5%*	*1.4%*	*0.5%*	*1.3%*	*1.9%*	*4.3%*	*3.4%*	*2.7%*	*3.9%*	3.8%	4.4%	2.6%	3.7%

1) Includes income from associated companies.

Ready-to-eat, MSEK	**Q1 2022**	**Q2 2022**	**Q3 2022**	**Q4 2022**	**2022**	**Q1 2023**	**Q2 2023**	**Q3 2023**	**Q4 2023**	**2023**	**Q1 2024**	**Q2 2024**	**Q3 2024**	**Q4 2024**	**2024**
Net sales	643	748	802	756	2,949	765	774	734	600	2,873	594	686	677	644	2,601
Adjusted EBITDA	48	64	83	66	260	58	74	47	36	215	39	52	59	56	206
Depreciations	–13	–13	–12	–13	–51	–14	–15	–15	–14	–57	–14	–14	–15	–16	–59
Adjusted EBITA	35	51	70	53	209	45	59	32	22	158	25	38	44	40	148
Amortizations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Adjusted EBIT	35	51	70	53	209	45	59	32	22	158	25	38	44	40	148
Non-comparable items	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
EBIT[1)]	35	51	70	53	209	45	59	32	22	158	25	38	44	40	148
Adjusted EBITDA margin, %	*7.4%*	*8.5%*	*10.3%*	*8.7%*	*8.8%*	*7.6%*	*9.5%*	*6.4%*	*6.0%*	*7.5%*	6.6%	7.6%	8.7%	8.7%	7.9%
Adjusted EBITA margin, %	*5.5%*	*6.8%*	*8.8%*	*7.0%*	*7.1%*	*5.9%*	*7.7%*	*4.3%*	*3.7%*	*5.5%*	4.2%	5.6%	6.6%	6.2%	5.7%
Adjusted EBIT margin, %	*5.5%*	*6.8%*	*8.8%*	*7.0%*	*7.1%*	*5.9%*	*7.7%*	*4.3%*	*3.7%*	*5.5%*	4.2%	5.6%	6.6%	6.2%	5.7%
EBIT margin, %	*5.5%*	*6.8%*	*8.8%*	*7.0%*	*7.1%*	*5.9%*	*7.7%*	*4.3%*	*3.7%*	*5.5%*	4.2%	5.6%	6.6%	6.2%	5.7%

1) Includes income from associated companies.

Segment information by quarter, cont.

Other, MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024
Net sales	104	109	135	149	496	146	142	143	134	564	125	118	129	127	499
Adjusted EBITDA	10	19	23	26	79	24	25	12	10	71	8	6	11	10	36
Depreciations	0	−1	−1	−1	−3	−1	−1	−2	0	−3	−1	−1	−1	−1	−4
Adjusted EBITA	10	18	22	25	76	24	24	11	10	68	7	5	10	9	32
Amortizations	–	–	–	–	–	–	–	–	–	–	–	0	0	0	1
Adjusted EBIT	10	18	22	25	76	24	24	11	10	68	7	5	10	9	32
Non-comparable items	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0
EBIT[1)]	10	18	22	25	76	24	24	11	10	68	7	5	10	9	32
Adjusted EBITDA margin, %	*9.7%*	*17.9%*	*17.1%*	*17.6%*	*15.9%*	*16.7%*	*17.8%*	*8.6%*	*7.3%*	*12.7%*	6.4%	5.2%	8.7%	8.2%	7.2%
Adjusted EBITA margin, %	*9.4%*	*17.0%*	*16.5%*	*20.5%*	*16.3%*	*16.2%*	*17.1%*	*7.4%*	*7.3%*	*12.1%*	5.7%	4.4%	7.9%	7.3%	6.3%
Adjusted EBIT margin, %	*9.4%*	*17.0%*	*16.5%*	*17.1%*	*15.3%*	*16.2%*	*17.1%*	*7.5%*	*7.3%*	*12.1%*	5.8%	4.5%	8.0%	7.4%	6.4%
EBIT margin, %	*9.4%*	*17.0%*	*16.5%*	*17.1%*	*15.3%*	*16.2%*	*17.1%*	*7.5%*	*7.3%*	*12.1%*	5.8%	4.5%	8.0%	7.4%	6.4%

1) Includes income from associated companies.

Group Cost, MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024
Net sales	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0
Adjusted EBITDA	−2	−7	−9	−5	−23	−2	−8	−2	–	−12	−2	−9	−7	0	−19
Depreciations	−5	−5	−5	−4	−18	−5	−3	−5	−4	−16	−4	−5	−5	−5	−20
Adjusted EBITA	−6	−12	−14	−10	−41	−6	−11	−7	−4	−28	−6	−15	−12	−5	−38
Amortizations	–	–	–	–	–	–	–	−2	–	−2	–	–	–	–	–
Adjusted EBIT	−6	−12	−14	−10	−41	−6	−11	−9	−4	−31	−6	−15	−12	−5	−38
Non-comparable items	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0
EBIT[1)]	−6	−12	−14	−10	−41	−6	−11	−9	−4	−31	−6	−15	−12	−5	−38
Adjusted EBITDA margin, %	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Adjusted EBITA margin, %	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Adjusted EBIT margin, %	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
EBIT margin, %	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1) Includes income from associated companies.

Segment information by quarter, cont.

TOTAL, MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024
Net sales	2,793	3,056	3,202	3,069	12,119	3,284	3,411	3,308	3,011	13,014	3,160	3,350	3,343	3,170	13,024
Adjusted EBITDA	136	172	212	202	722	196	230	240	206	871	225	231	256	219	931
Depreciations	−86	−117	−87	−91	−382	−90	−97	−97	−93	−376	−94	−95	−94	−106	−388
Adjusted EBITA	50	55	125	110	340	106	133	143	114	495	131	136	162	113	543
Amortizations	−13	−13	−13	−13	−52	−13	−12	−12	−10	−47	−10	−9	−9	−9	−37
Adjusted EBIT	37	42	112	99	290	93	121	130	105	449	122	127	153	107	509
Non-comparable items	–	–	–	–	–	–	–	8	–	8	–	–	–	–	–
EBIT[1)]	37	42	112	99	290	93	121	139	105	457	122	127	153	107	509
Adjusted EBITDA margin, %	*4.9%*	*5.6%*	*6.6%*	*6.6%*	*6.0%*	*6.0%*	*6.7%*	*7.2%*	*6.9%*	*6.7%*	7.1%	6.9%	7.7%	6.9%	7.1%
Adjusted EBITA margin, %	*1.8%*	*1.8%*	*3.9%*	*3.6%*	*2.8%*	*3.2%*	*3.9%*	*4.3%*	*3.8%*	*3.8%*	4.2%	4.1%	4.9%	3.6%	4.2%
Adjusted EBIT margin, %	*1.3%*	*1.4%*	*3.5%*	*3.2%*	*2.4%*	*2.8%*	*3.5%*	*3.9%*	*3.5%*	*3.4%*	3.9%	3.8%	4.6%	3.4%	3.9%
EBIT margin, %	*1.3%*	*1.4%*	*3.5%*	*3.2%*	*2.4%*	*2.8%*	*3.5%*	*4.2%*	*3.5%*	*3.5%*	3.9%	3.8%	4.6%	3.4%	3.9%

1) Includes income from associated companies.

Alternative KPIs

The Scandi Standard Group uses the below alternative KPIs. The Group believes that the presented alternative KPIs are useful when reading the financial statements in order to understand the Group's ability to generate results before investments, assess the Group's opportunities to dividends and strategic investments and to assess the Group's ability to fulfil its financial obligations.

From income statement, MSEK		2024	2023
Net sales	A	13,024	13,014
Income for the year	B	275	273
+ Reversal of tax on income for the year		80	59
Income after finance net	C	**354**	**333**
+ Reversal of financial income and expenses, net		154	124
Operating income	D	**509**	**457**
+ Reversal of depreciation, amortization and impairment		425	424
+ Reversal of share of income of associates		–3	–1
EBITDA	E	**931**	**880**
Non-comparable items in income for the period	F	–	–8
Adjusted operating income for the period	D+F	**509**	**449**
Adjusted operating margin, %	(D+F)/A	**3.9**	**3.4**
Non-comparable items in EBITDA	G	–	–8
Adjusted EBITDA	E+G	**931**	**871**
Adjusted EBITDA-margin, %	(E+G)/A	**7.1**	**6.7**

From statement of cash flows, MSEK		2024	2023
Operating activities			
Operating income		509	457
Adjustment for non-cash items			
Depreciation, amortization and impairment		425	424
Share of income of associates		–3	–1
EBITDA		**931**	**880**
Non-comparable items in EBITDA	G	–	–8
Adjusted EBITDA		**931**	**871**

From balance sheet, MSEK		Dec 31, 2024	Dec 31, 2023
Total assets		**7,279**	**6,652**
Non-current non-interest-bearing liabilities			
– Deferred tax liabilities		–179	–163
– Other non-current liabilities		–77	–73
Total non-current interest-bearing liabilities		**–256**	**–236**
Current non-interest-bearing liabilities			
Trade payables		–1,532	–1,620
Tax payables		–45	–66
Other current liabilities		–82	–18
Accrued expenses and prepaid income		–677	–688
Total current non-interest-bearing liabilities		**–2,336**	**–2,392**
Capital employed		**4,687**	**4,024**
Cash and cash equivalents		–109	–4
Operating capital		**4,579**	**4,020**
Average capital employed	H	**4,356**	**4,188**
Average operating capital	I	**4,299**	**4,184**
Operating income, LTM		509	457
Adjusted operating income, LTM	J	509	449
Finance income	K	4	4
Adjusted return on capital employed, % (ROCE)	(J+K)/H	**11.8**	**11.0**
Adjusted return on operating capital, % (ROC)	J/I	**11.8**	**10.9**
Interest-bearing liabilities			
Non-current interest-bearing liabilities		1,733	1,198
Non-current leasing liabilities		249	311
Derivatives instruments		–2	–10
Current interest-bearing liabilities		64	76
Total interest-bearing liabilities		**2,044**	**1,575**
Cash and cash equivalents		–109	–4
Net interest-bearing debt		**1,935**	**1,571**

Sustainability report

About the sustainability report

Scandi Standard's intention and ambition is to continuously develop strategy, processes and reporting related to its sustainability work. The sustainability reporting is designed based on statutory requirements and accepted frameworks, in order to provide credible, relevant and comprehensive information.

Sustainability report in compliance with the Swedish Annual Accounts Act

Scandi Standard is subject to the requirement for sustainability reporting in compliance with the Swedish Annual Accounts Act. The statutory sustainability report encompasses the sustainability report on pages 83–118 as well as disclosures about our strategy and value chain on pages 19–27 and our risks and risk management on pages 32–36 and pages 97–99. The sustainability report includes all of Scandi Standard's subsidiary companies and production sites. The operations in Joniškis, Lithuania, which were acquired in November 2024, are not included in the quantitative information for 2024. Sustainability data for Lithuania will be included from January 2025. Joint ventures without operational control are not included. As with the financial reporting, the sustainability report covers the 2024 financial year. The sustainability report is published annually, and the contact person is Sustainability Director Ida Ljungkvist.

The sustainability report addresses Scandi Standard's material impacts, risks and opportunities, describing our associated work and the related internal steering documents. Scandi Standard has initiated the transition toward sustainability reporting in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD) and, for the 2025 financial year, will report pursuant to the European Sustainability Reporting Standards (ESRS) in accordance with the implementation into Swedish legislation. While the structure and double materiality assessment in the report for the 2024 financial year are inspired by the CSRD and the ESRS, the aim has not been to meet all formal requirements. All CSRD-related reporting should be considered preliminary.

In this year's reporting process, we have also considered future, more stringent requirements for climate reporting and have applied the guidelines from the Taskforce on Climate-related Financial Disclosures (TCFD) and the EU guidelines for non-financial reporting pertaining to climate-related information, and based on the above, we have defined climate-related risks and opportunities in place as well as descriptions of the underlying scenario analyses. In 2024, we have also reported to the CDP for the entire Group in terms of climate, water and biodiversity. Scandi Standard reports in line with the requirements of the EU Taxonomy, see pages 94–96. Currently, none of Scandi Standard's revenue is considered eligible and only a small share of capital and operational expenses.

GRI Standards 2021 and own disclosures

Scandi Standard's sustainability report for 2024 has been prepared in compliance with the Global Reporting Initiative's 2021 standards. Read more about GRI at www.globalreporting.org. On pages 116–118, a GRI index is presented, indicating mandatory and voluntary GRI disclosures covered by the reporting, as well as reading references to where to find the information. Where applicable, any omissions to the reporting principles are indicated. The GRI report also contains own disclosures. These are disclosed in Scandi Standard's sustainability reporting system and are consolidated quarterly or yearly depending on the KPIs. Weighting is based on the relative size of the country or production facility. The following reporting principles are applied for own disclosures:

Use of antibiotics is disclosed as proportion of treated flocks. The foot score, which is an animal-welfare indicator where 100 feet per flock are scored and reported on a scale of 0–200. A lower number indicates better foot health. This check is performed manually when the birds arrive at the slaughterhouse. Feed efficiency measures the average volume of feed (in kilos) per kilogram of live weight. This is reported separately for conventional broilers and slow-growing hybrids. Mortality in rearing and transport is measured as the percentage of chickens that cannot be used for food production. Soy reduction is calculated based on the average share of soy in the chickens' feed based on information from growers and feed producers. Critical complaints and product recalls are reported based on Group-wide guidelines, see page 110.

PwC has provided limited assurance on Scandi Standard's sustainability report. The Risk and Audit Committee oversees the external assurance process. Work also began in 2024 to develop an internal control framework for sustainability reporting. This is described in more detail in the corporate governance report on pages 121–132. Unless otherwise indicated, the reported information and data pertain to Scandi Standard's operations in their entirety.

Global Compact

Scandi Standard is a signatory of and adheres to the Global Compact, the UN's responsible business initiative. This entails a commitment to actively implement the ten principles of the Global Compact relating to human rights, labour, the environment and anti-corruption.

WE SUPPORT UN GLOBAL COMPACT

General information

Scandi Standard's work with sustainability is based on the double materiality assessment which includes prioritised sustainability impacts, risks and opportunities. Together with the sustainability goals, which define the goals and key performance indicators for each focus area, these set the level for the Group's shared sustainability work. Each company and production plant within the Group is committed to complying with and contributing to the attainment of the shared goals.

Organisation and governance

Sustainability is integrated into our business operations as a part of standard processes and responsibilities. At Group level, there is a Group Sustainability Director who is a part of Group Management, and who is responsible for defining strategy and goals, the reporting processes as well as for coordinating and supporting implementation in the organisation. In 2024, the sustainability steering committee consisted of the Group Sustainability Director, Managing Director and CEO, Group HR and Communications Director, Group Supply Chain Director, Group Live Operations Director, Group Investor Relations and M&A Manager, Head of Group Quality, Environment and Climate Manager, and the Director of Marketing and Innovation at Den Stolte Hane. Of these nine members, five are also members of Group Management. Together with the CEO, the steering committee is responsible for ensuring that relevant information is submitted to the Board of Directors, which has ultimate responsibility for the Group's sustainability strategy and performance. The Group Sustainability Director's duties include the regular attendance of Board meetings, in order to inform and update Board members regarding new regulatory frameworks and material sustainability matters. The Group Sustainability Director also updates the risk and audit committee on matters pertaining to sustainability reporting and the development of an internal control framework for sustainability reporting. Specifically, the Board decided on an updated Supplier Code of Conduct, a new Quality and Food Safety Policy, and updated policies for health and safety and whistle-blowing in 2024. The Board of Directors also approved the double materiality assessment and monitored the implementation of the new Corporate Sustainability Reporting Directive (CSRD). In addition, the Board was briefed on sustainability-related KPIs at every ordinary Board meeting, and in greater detail in conjunction with quarterly reports.

Sustainability goals and KPIs are included in the company business plan and comprise ten per cent of the bonus-based targets for all members of Scandi Standard's long- and short-term incentive programmes, including the Group Management and the respective country management teams. Follow-up takes place on a quarterly basis within Group Management, and is presented on an ongoing basis in the quarterly reporting to the market. The three KPIs – lost time injury frequency rate, use of antibiotics and carbon-dioxide emissions – are also linked to Scandi Standard's financing.

Sustainability policies

Scandi Standard's Code of Conduct constitutes the Group's general sustainability policy and applies to every manager and employee, and all parts of the operations as well as to members of the Board. The Code of Conduct, which states that environmental, economic and social responsibility is an integral part of the business strategy and describes the approaches and guidelines that apply to material sustainability matters in the areas of environment, social conditions, human resources, respect for human rights and anti-corruption. The Code of Conduct is based on the core conventions of the International Labour Organization (ILO), the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights, including the conduct of due diligence and application of the precautionary principle. To further clarify and reinforce important principles governing how we are to work and conduct our operations, the Board adopted a new version of the Code of Conduct in 2022. In 2023, training courses were prepared both for office and for production employees, and their implementation in the organisation was started. Work on this has continued in 2024.

Scandi Standard's Supplier Code of Conduct imposes corresponding requirements to those in the internal Code of Conduct on the Group's suppliers. In addition, Scandi Standard has a number of Group policies that clarify and specify our position and frameworks across a range of material areas: environment, health and safety, quality and food safety, product content, antibiotics and animal welfare. Many of the policies are available on Scandi Standard's website and are described in more detail in the table on page 86, which provides an overview of the main content and scope of the policies as well as who is ultimately responsible. Furthermore, relevant third-party standards and links to the ESRS are also presented. The goal is for all policies to be available on the website in connection with the implementation of CSRD.

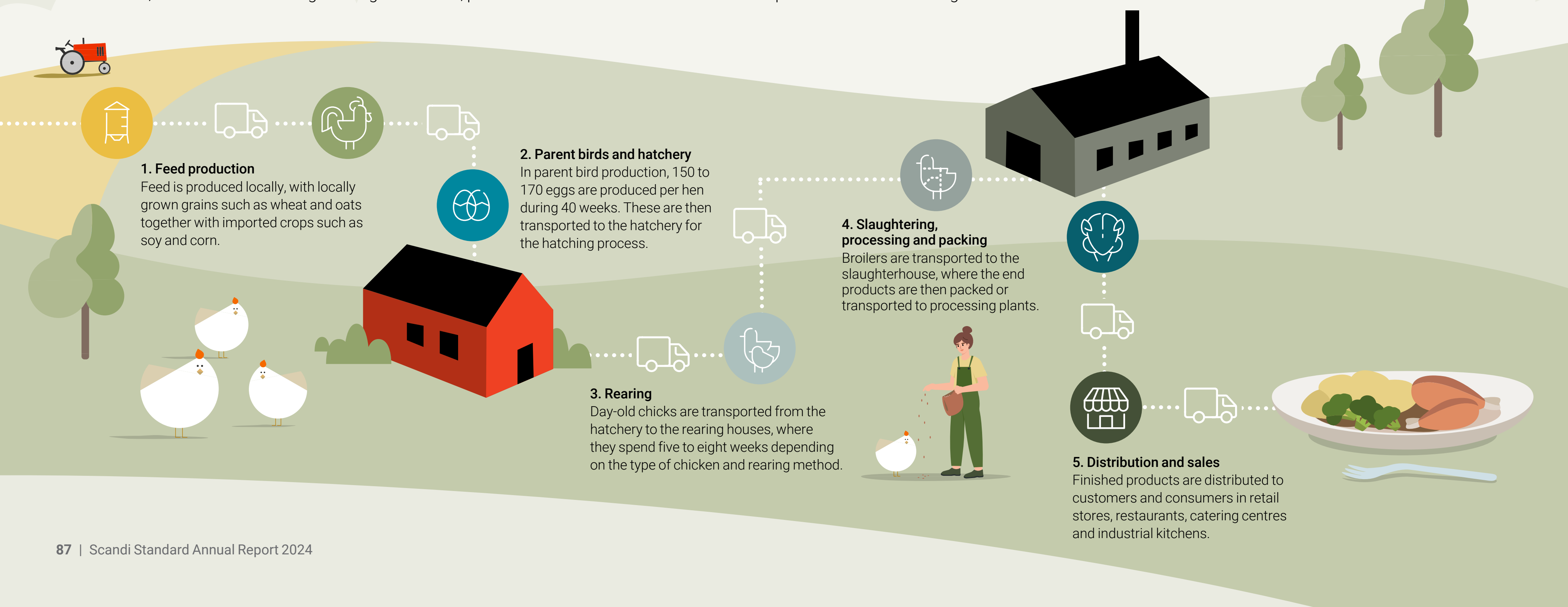
Policies adopted for the management of material sustainability matters

Policy:	Main content of the policy	Policy's scope	Ultimately responsible	Relevant third-party standards	Consideration of stakeholders	ESRS Codification
Code of Conduct	The Code of Conduct sets out the approaches and guidelines for environmental, economic and social responsibility.	Own operations.	Board of Directors	International Labour Organization, the core conventions of the ILO, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights.	Considered stakeholders are presented on page 92.	S1, G1, E1–E5
Supplier Code of Conduct	The Supplier Code of Conduct sets out the approaches and guidelines for environmental, economic and social responsibility that Scandi Standard expects of its suppliers.	Upstream value chain .	Board of Directors	The core conventions of the ILO.	Considered stakeholders are presented on page 92.	S2, S3, G1
Environmental Policy	The Policy aims to regulate how Scandi Standard works with environmental issues and describes material areas such as climate change, pollution, water and marine resources, biodiversity and ecosystems, and resource use and circular economy.	Own operations and upstream value chain.	Board of Directors	Certifications for responsible soy production, including the Round Table on Responsible Soy Association (RTRS) and ProTerra; Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, Science Based Targets initiative (SBTi), ISO 14001.	Considered stakeholders are presented on page 92.	E1–E5
Animal Welfare Policy	The Policy sets out our approach to animal welfare, including matters such as grower competence and commitment, the quality of day old chicks, feed quality, pen environment, the opportunity for natural behaviour, breeding, loading and transport, and stunning and slaughter.	Own operations and upstream value chain.	Board of Directors	The five freedoms of animal welfare.	Considered stakeholders are presented on page 92	G1
Antibiotics Policy	The Policy sets out Scandi Standard's guidelines for the use of antibiotics in animal husbandry.	Own operations and upstream value chain.	Board of Directors		Considered stakeholders are presented on page 92.	G1
Group Clean Label Policy	Business-wide guidelines covering additives and nutrient content in our products and product development.	Own operations, and upstream and downstream value chains.	Board of Directors		Considered stakeholders are presented on page 92.	S4
Quality and Food Safety Policy	The Policy sets out the focus areas for quality and food safety in own operations as well as for end-consumers of Scandi Standard's products.	Own operations, and upstream and downstream value chains.	Board of Directors	BRC, IFS and FSSC.	Considered stakeholders are presented on page 92.	S4
Whistle-blower Policy	The whistle-blowing process.	Own operations, and upstream and downstream value chains.	Board of Directors		Considered stakeholders are presented on page 92.	G1
Health and Safety Policy	The policy outlines responsibilities and commitments in the workplace for health and safety.	Own operations.	Board of Directors		Considered stakeholders are presented on page 92.	S1

Strategy and value chain

Scandi Standard's strategy for profitable and sustainable growth is built on four pillars: increase the value of our protein, improve efficiency and resource use, be better together and integrate sustainability. The strategic pillars and objectives are described in more detail on pages 19–24.

Scandi Standard produces fresh, frozen and cooked chicken products and eggs for consumption. An overview of Scandi Standard's value chain is presented on this page and described in more detail on pages 25–27. Material impacts, risks and opportunities for different parts of the value chain have been identified and analysed in conjunction with the preparation of the double materiality assessment. Scandi Standard has a complex value chain that extends from growing raw materials for feed, via parent birds, hatcheries and rearing to slaughterhouses, processing and packaging before distribution to customers and end-consumers. In addition to inputs related to chicken rearing, other important inputs for Scandi Standard include packaging, transportation and logistics, indirect goods and services, and other raw materials used in processing. Each step in the value chain poses its own challenges and Scandi Standard has identified impacts, risks and opportunities in each component of the value chain, which form the foundation for strategic work with sustainability. In the majority of Scandi Standard's markets, slaughtering and processing are the only directly owned components of operations, the remainder of the value chain comprises external partners. In Ireland, Scandi Standard also produces feed and in Sweden we operate parent bird breeding and hatcheries. The Lithuanian operation has a more integrated value chain, where parts of the rearing operations are run by Scandi Standard. In several markets, Scandi Standard relies to some extent on third-party producers for a portion of its product range. Sustainability is an integrated part of the business at every stage of operations for Scandi Standard, where financial profitability and reduced risk often go hand in hand with reduced impact on people, chickens and the planet. Therefore, integrated sustainability also comprises its own pillar in the strategy, and in addition to the three targets defined as part of the Group's strategic objectives, targets for all material sustainability matters have been prepared and approved by the Board of Directors. The targets are presented in more detail on pages 88 and 93.



Our focus for 2030

Scandi Standard's business concept is to contribute to the joy of food, as well as to health and wellbeing. We work with sustainable food production, where we assume the responsibility from farm to fork, for people, chickens and the planet.

Providing local, healthy, safe and affordable protein

Our products form the basis of our sustainability strategy and business strategy. We strive to offer high quality products, with the best food-safety standard, and at the same time healthy, locally produced and cost-efficient compared to other animal protein. This enables us to contribute to local businesses and to be an important part in the daily lives of people in all our domestic markets.

Maximised resource usage and minimised waste

Every chicken and the entire chicken matters. Being able to use as much as possible of every chicken is the key to sustainability and profitability. New innovations, improved processes and product development are all important factors for attaining our goals. At the same time, it is crucial to minimise waste – not only food waste but also other types of waste arising in our value chain. When it comes to food waste, we have – in addition to the work undertaken in our own production – a vital role to play in collaborating with customers and in making it easy for end-consumers to reduce food waste.

[1] Sciencebasedtargets.org

Safe and healthy workplaces and committed employees

Our employees are the foundation of our operations. Ensuring that they have a safe and healthy work environment is our highest priority. It is also a prerequisite for retaining and attracting qualified staff. We know that motivated employees who feel included also perform better and are important ambassadors for Scandi Standard.

Reducing climate impact – from farm to fork

Although chickens are the animal protein with the lowest climate impact, we still have room for improvement. We have taken it upon ourselves to set science-based climate targets throughout the value chain. The targets, which are validated by the Science Based Target initiative1), are aimed at reducing emissions linked to energy and industry in own operations and in the value chain by 42 per cent by 2030, with 2021 as the base year. Moreover, Scandi Standard has defined FLAG (Forest, Land and Agriculture) targets and committed to a 30.3 per cent reduction in emissions linked to land management and land use change, both in its own operations and in the value chain during the same period. More than 90 per cent of total emissions occur beyond the sphere of our own operations. Consequently, our efforts to reduce climate impact are closely linked to our relationship with our growers, to feed efficiency and structured work with biodiversity.

Reduced and improved use of plastics when developing our packaging

Packaging is the key to food safety and product sustainability. Good packaging also reduces food waste. However, the use of virgin plastic is a problem for the climate, the oceans and the earth's ecosystems. Their use constitutes a business risk, as plastic packaging is increasingly subject to regulatory control. The key issue is for packaging to be recyclable and not to contain any more plastic than is necessary and, where possible, to be made from recycled or bio-based materials.

Safeguarding and developing our animal welfare work

Scandi Standard's veterinarians and other chicken specialists work together with all of our growers on a daily basis to ensure that our chickens thrive. We have far-reaching Group-wide policies on the use of antibiotics and on animal welfare, through which we ensure, for example, the Five Freedoms of animal welfare. However, we can be even better. A healthy and thriving chicken does not need any antibiotics, and efficiently converts feed into meat.

Materiality assessment, targets and metrics

The process to identify material sustainability-related risks and opportunities and impacts
Material sustainability-related risks, opportunities and impact areas for Scandi Standard's operations were compiled in an materiality assessment in 2017, which is updated annually. In autumn 2023, Scandi Standard completed a first double materiality assessment to identify the company's material impacts, risks and opportunities. The assessment was conducted pursuant to the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The double materiality assessment was updated in 2024 and a decision was taken by the Group management and the Board of Directors during the year on its scope. The materiality assessment follows the double materiality principle and a sustainability matter is assessed as material if it is deemed material from either an impact or financial perspective. The GRI reporting for 2024 has been based on the identified impact materiality areas, compared to previous years also pollution of water has been deemed material. Based on the gross list of sustainability matters provided in ESRS 1 General requirements, including sub-topics and sub-sub-topics, an initial assessment was conducted of each matter in relation to the Scandi Standard. The assessment encompassed Scandi Standard's business activities, geographical areas, sectors and value chain. In addition to those matters encompassed by the ESRS, other sustainability matters were identified that, while not included in the ESRS, could also potentially be material for Scandi Standard. This resulted in a preliminary list of 36 sustainability matters spanning Scandi Standard's value chain and different time horizons.

Impact materiality: Impact of Scandi Standards on people and/or the environment;

Financial materiality: sustainability matters that trigger impacts on Scandi Standard's cash flows, development, performance, position, cost of capital or access to finance.

The double materiality assessment was performed in six steps:

1. Identification of sustainability matters
2. Stakeholder dialogues and process assessment
3. Assessment of impact materiality
4. Assessment of financial materiality
5. Methods and definitions for scoring
6. Materiality mapping and documentation

Preliminary outcome of Scandi Standard's double materiality assessment

Topical ESRS	Topic	Sub-topic	Impacts, risks and opportunities		Impacted part of value chain	Impact materiality	Financial materiality
ESRS E1	**Climate change**	Climate change adaptation	Physical climate risks	Risk	Upstream value chain, own operations	Non-material	Material
		Climate change mitigation	Climate impact	Negative impact	Upstream value chain, own operations, downstream value chain	Material	Non-material
		Energy	Energy consumption and use of fossil fuel	Negative impact	Own operations	Material	Non-material
ESRS E2	**Pollution**	Pollution of air				Non-material	Non-material
		Pollution of water	Wastewater quality	Negative impact	Upstream value chain, own operations	Material	Non-material
		Pollution of soil				Non-material	Non-material
		Pollution of living organisms and food resources				Non-material	Non-material
		Substances of concern				Non-material	Non-material
		Substances of very high concern				Non-material	Non-material
		Microplastics				Non-material	Non-material
ESRS E3	**Water and marine resources**	Water				Non-material	Non-material
		Marine resources				Non-material	Non-material

Topical ESRS	Topic	Sub-topic	Impacts, risks and opportunities		Impacted part of value chain	Impact materiality	Financial materiality
ESRS E4	**Biodiversity and ecosystems**	Direct impact drivers of biodiversity loss	Biodiversity loss	Negative impact	Upstream value chain	Material	Material
		Impacts on the state of species	Biodiversity loss	Negative impact	Upstream value chain	Material	Non-material
		Impacts on the extent and condition of ecosystems	Biodiversity loss	Negative impact	Upstream value chain	Material	Non-material
		Impacts and dependencies on ecosystem services	Biodiversity loss	Negative impact	Upstream value chain	Material	Material
ESRS E5	**Circular economy**	Resources inflows, including resource use	High use of resources	Negative impact	Upstream value chain, own operations	Material	Non-material
		Resource outflows related to products and services	Reduced food waste and better use of the chicken	Opportunities Negative impact	Own operations, downstream value chain	Material	Material
		Waste	Waste and food waste	Negative impact	Own operations, downstream value chain	Material	Non-material
ESRS S1	**Own workforce**	Working conditions	Employee health and safety	Negative impact	Own operations	Material	Material
		Equal treatment and opportunities for all	Working conditions	Negative impact	Own operations	Material	Non-material
		Other work-related rights				Non-material	Non-material
ESRS S2	**Workers in the value chain**	Working conditions	Working conditions	Negative impact	Upstream value chain	Material	Non-material
		Equal treatment and opportunities for all				Non-material	Non-material
		Other work-related rights				Non-material	Non-material
ESRS S3	**Affected communities**	Communities' economic, social and cultural rights				Non-material	Non-material
		Communities' civil and political rights				Non-material	Non-material
		Rights of indigenous peoples				Non-material	Non-material
ESRS S4	**Consumers and end-users**	Information-related impacts for consumers and/or end-users	Correct consumer information	Negative impact	Downstream value chain	Material	Non-material
		Personal safety of consumers and/or end-users	Biosafety	Risk	Downstream value chain	Material	Non-material
		Social inclusion of consumers and/or end-users				Non-material	Non-material
ESRS G1	**Business conduct**	Corporate culture	Attracting talent	Risk	Own operations	Non-material	Material
		Protection of whistle-blowers				Non-material	Non-material
		Animal welfare	Animal welfare	Opportunities Negative impact Risk	Upstream value chain, own operations	Material	Material
		Political engagement and lobbying activities	Regulatory changes	Risk	Own operations	Non-material	Material
		Management of relationships with suppliers including payment practices				Non-material	Non-material
		Corruption and bribery	Legal compliance	Risk		Non-material	Material

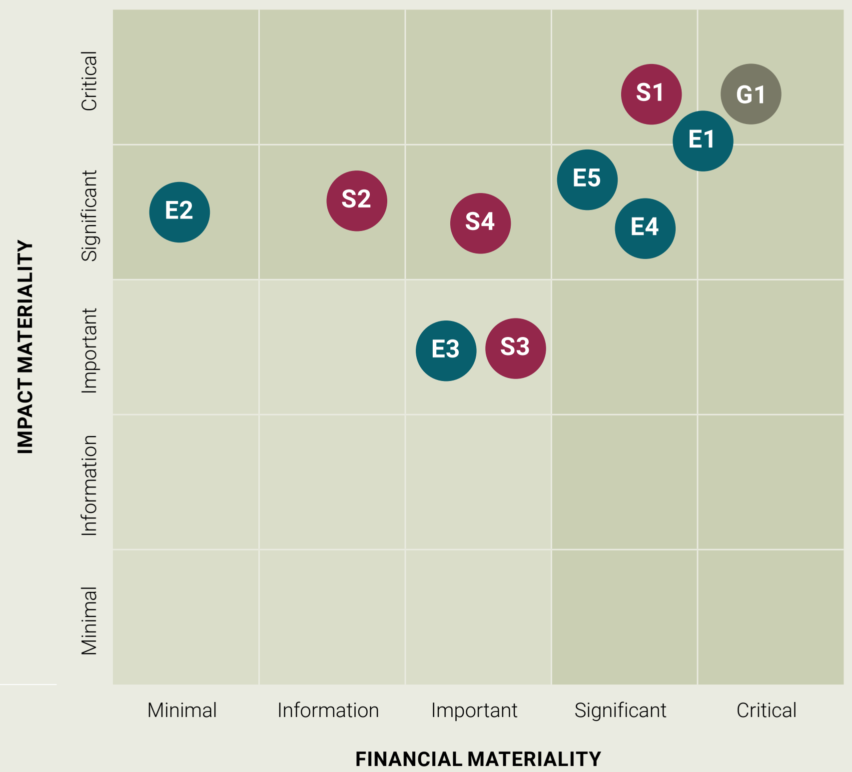
The table illustrates the findings of Scandi Standard's double materiality assessment, including topics and sub-topics deemed as material from an impact materiality or financial materiality perspective respectively. Impact materiality is used as the foundation for GRI. In the table, it is also presented in which part of the value chain the impacts, risks and opportunities occur. A matrix containing all topical standards is presented on page 91.

A comprehensive study to identify Scandi Standard's positive and negative impacts was performed as part of the initial assessment. In parallel, based on insights from Scandi Standard's previous TCFD (Task Force on Climate-related Financial Disclosures) analysis, financial risks and opportunities were also identified. The assessment applied a value-chain perspective, where Scandi Standard's value chain, business model and current work processes were diligently reviewed. Thereafter, an assessment was performed that took into account the gross list of sustainability matters encompassed by the ESRS as well as sustainability matters not covered by the ESRS. Within the framework of Scandi Standard's activities, the assessment included analysis of the material impacts and financial effects linked to each matter. The risks and opportunities identified in the above processes were integrated into the corresponding sustainability matters in the gross list. Additional impacts, risks and opportunities were identified based on the findings from Scandi Standard's stakeholder dialogues, internal documentation and desk-based reviews.

The existing risk processes were integrated with the methodologies set out in the ESRS and applied in the analysis of the double materiality assessment. The mapped impacts, risks and opportunities were identified over short-, medium- and long-term time horizons as well as according to where they arise in the value chain. After mapping Scandi Standard's positive and negative, and actual and potential impacts on people and the environment within the sustainability matters, the impact materiality was scored and prioritised. Negative impacts were scored based on severity, a combination of scale (0–5), scope (0–5), irremediable character (0–5) and likelihood (0–100%). In total, 59 impacts were identified and scored. The scope of the impact varied between "minimal," "informative," "important," "significant" and "critical." Similarly, the respective financial impacts for sustainability-related risks and opportunities were assessed based on the scope of the potential financial impact according to a scale (1–5) and likelihood (0–100%) of arising. The scoring was based on the company's existing risk management system (ERM). In total, 62 risks and opportunities were identified and scored. The scope of the effects ranged from "minimal," "informative," "important," "significant" and "critical."

Thresholds, which were validated internally through workshops and discussions with local sustainability officers and the Group management, were presented to and adopted by the Board of Directors in conjunction with deciding on the double materiality assessment.

Scandi Standard's Board has decided that an impact, risk or opportunity is material if it is at least "significant." This means that sustainability matters associated with the impact, risk and opportunity assessed as "significant" or "critical" are also assessed as material. The decision to consider a matter material if it reaches at least the "significant" threshold is based on the need to prioritise the most important matters from a stakeholder perspective and on the need to maintain efficient resource allocation and management. The preliminary findings were then validated by representatives from the management team and other key company functions before final adjustments were performed. The materiality assessment resulted in eight current ESRS standards being considered material as well as 17 sub-topics, which are presented in the table on page 89–90 and in the matrix on page 91. The table on page 89–90 also presents the significant impacts, risks and opportunities identified as well as their location in the value chain.



The matrix presents the outcome of Scandi Standard's double materiality assessment Impact materiality is presented on the y-axis and financial materiality on the x-axis. The materiality threshold has been set as significant.

E1 – Climate change
E2 – Pollution
E3 – Water and marine resources
E4 – Biodiversity and ecosystems
E5 – Resource use and circular economy
S1 – Own workforce
S2 – Workers in the value chain
S3 – Affected communities
S4 – Consumers and end-users
G1 – Business conduct

Stakeholder dialogue

The stakeholder dialogue process was reviewed and strengthened in 2022. Most stakeholders are local and therefore, local companies are the starting point for our stakeholder initiatives The management team of each country identifies its priority stakeholder groups annually. Based on their strategy for stakeholder dialogues, an annual action plan is established, which is then continuously followed up. The local plans are compiled at Group level and supplemented with Group-wide stakeholders. Internal experts on the topics from all countries, brands and Group functions were engaged in conjunction with the double materiality assessment. To ensure a full assessment, internal representatives were selected to represent external stakeholders. The selection was based on criteria such as their role, expertise, relationship with a particular stakeholder group and role in society. For example, consumer surveys and research reports were used as evidence and stakeholder representation. Moreover, Scandi Standard maintains continuous engagement with the communities in which we operate and regularly participates in relevant forums with various external stakeholders. These interactions serve as a solid foundation for the assessment of the company's most material impacts, risks and opportunities.

The table below shows Scandi Standard's prioritised stakeholder groups in alphabetical order, as well as information about prioritised issues and strategy for dialogue and collaboration. The sustainability steering committee continuously follows up the work processes for materiality assessment and stakeholder dialogue. Scandi Standard's local companies are members of local industry organisations related specifically to chicken production, but also food production in general. A list of relevant organisations is available on page 111. At the Group level, we are noting increased demand and requirements in terms of dialogues with customers and investors regarding sustainability matters, and we received a large number of requests during the year about Scandi Standard's sustainability work, goals and risk management.

Stakeholder	Material matters	How we work
Industry organisations	Quality and food Safety, Climate and greenhouse gas emissions, Animal welfare.	Proactive through board representation in relevant organisations and through participation in meetings, seminars, and relevant dialogues and referral processes
Investors	Climate and greenhouse gas emissions, Animal welfare, Feed efficiency, Health & Safety.	Quarterly reporting to the market, capital market days, and individual meetings
End consumers	Climate and greenhouse gas emissions, Animal welfare, Nutrition and health, Plastic and packaging.	Product development and innovation to meet the expectations of end consumers
Customers	Quality and Food Safety, Climate and greenhouse gas emissions, Animal welfare, Food loss and waste.	Availability and transparency related to material matters. We are increasingly receiving requests for information related to, e.g., climate calculations
Suppliers	Quality and Food Safety, Plastic and packaging, Suppliers (Code of Conduct).	Proactively to ensure alignment related to material matters
Employees	Health & Safety, Inclusive culture, Quality and food Safety, general sustainability matters.	Proactively through a large number of communication channels such as department meetings, intranet, digital signs, written information, and larger information meetings
Authorities and legislators	Health & Safety, Quality and Food Safety, Animal welfare, local environment at our production sites.	Regular contact with relevant authorities. Our operations are controlled daily through various control efforts
Growers	Animal welfare, Use of antibiotics, Feed efficiency.	Proactively through onsite visits, specialist groups, quality programs and regular written information

Our sustainability goals

The aim of the sustainability goals is to create a framework for long-term sustainability work, to strengthen communication with various stakeholder groups and to ensure shared KPIs are measured and followed up in the same manner at all levels of the Group. The goals are described more broadly on page 88.

	Focus area	Sustainability goals for 2030	Follow-up	Goals for 2030	2024	2023	2022	Baseline 2021	Link to ESRS
People	Quality and food safety	Providing local, healthy, safe and affordable protein	Critical complaints and product recalls	Critical complaints: 0 Recalls: 0	0 2	0 2	2 0	7 10	S4
			Quality and food-safety culture	Response rate 90% Result 75%	76.6% 81.5%	74.3% 80.8%	45.4% 73.0%	n/a	
	Nutrition and health		Clean Label Policy compliance	100%	97.6%	99%	97%	n/a	
			Salt reduction	Local targets	n/a	n/a	n/a	n/a	
	Suppliers		Compliance – Supplier Code of Conduct	100% of high-risk suppliers	73.1%	52.9%	48.3%	38.8%	S3
	Health & Safety	Keeping our employees engaged, safe and healthy	Lost Time Injuries (LTIFR)	15	27.1	23.8	27.4	39.2	S1
	Employee satisfaction		Scandi Pulse – employee satisfaction	75	73	n/a	71	n/a	
	Inclusive culture		Scandi Pulse – inclusive culture	90	74	n/a	73	n/a	
Chicken	Animal welfare	Safeguarding and developing our animal welfare work	Animal-welfare indicator (foot score)	<5	6.5	9.9	12.2	9.3	G1
			Transport mortality (DOA)	0.13%	0.10%	0.10%	0.09%	0.10%	
			Rearing mortality	3.5%	3.8%	4.2%	3.7%	3.6%	
	Use of antibiotics		Use of antibiotics	<1%	4.4%	8.1%	10.8%	5.2%	
Planet	Feed efficiency	Reducing climate impact from chicken – from farm to fork	Soy reduction (% soy in the feed)	-50%	22.1%	23.3%	21.5%	n/a	E4
	Biodiversity		Grower reporting of environmental and climate data	100%	24%	3%	0%	0%	E1, E2 & E4
	Climate and greenhouse gases		Scope 1 & 2 emissions compared with 2021 (tonnes CO_2e)	−42% (Energy and industry) −30.3% (FLAG)	31,463 494	32,234 428	-	31,518 427	
			Scope 3 emissions compared with 2021 (tonnes CO_2e)	−42% (Energy and industry) −30.3% (FLAG)	144,324 742,669	137,971 829,910	-	131,708 812,208	
	Plastic and packaging	Reduced and improved use of plastics when developing our packaging	Recyclable packaging	100%	90.8%	90.1%	n/a	n/a	E5
			Packaging made of recycled or fossil-free materials	50%	57%	54%	31%	21%	
			Reduction of plastics	-20%	4.6% (5,165 tonnes)	-5.8% (4,648 tonnes)	-9.5% (4,466 tonnes)	4,936 tonnes	
	Waste	Maximising resource use and minimising waste	Recycling	40%	33.9%	30.0%	20.8%	n/a	E5
	Food loss and waste		Food loss and waste within production	<1%	1.4%	1.5%	1.3%	1.2%	E5
	Water		Water targets related to volume and quality	Local targets	n/a	n/a	n/a	n/a	E2 & E3

Scandi Standard works continuously to improve data quality, especially linked to climate data in the value chain. Since 2021, extensive work has been conducted to understand and collect specific data e.g., linked to the climate impact of feed production. In connection with the validation of the new FLAG targets, an adjustment to the baseline year 2021 as well as the reference year 2023 was made. 2022 was not recalculated and is therefore not reported.

Environmental information

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

The Group's revenues according to the taxonomy definition amounted to 13,035 (13,022) MSEK during the year, this includes net sales, rental income and canteen sales (Note 4). Total capital expenditure (Capex) amounted to 937 (596) MSEK, which includes Intangible assets excluding goodwill (Note 11, row investments), Property, plant and equipment (Note 12, row investments), Acquisitions (Note 12, row acquisitions and divestments, gross value reated to acquisitions) and Rights of-use assets (Note 13, row Increase of right-of-use assets). Operational expenses (Opex) according to the taxonomy definition was 198.1 (236.7) MSEK and includes primarily reparations and maintenance of buildings as well as short-term leasing agreements and leasing of low-value assets (total operating expenses are reported on page 37 as other operating expenses). Scandi Standard has evaluated all added economic activities related to environmental objectives 1-2 as well as environmental objectives 3-6. None of Scandi Standard's revenue-generating activities are considered eligible for any of the six environmental objectives. However, a smaller part of Capex and Opex is considered eligible for Climate Change Mitigation and Circular Economy. Eligible Capex relates mainly to investments and reinvestments in our production sites related to CCM 7.2 / CE 3.2 Renovation of existing buildings as well as CCM 7.7 Acquisition and ownership of buildings, which relates to the Group's renewed leases related to leasing of buildings. Renovation of existing buildings relates to various renovations of production sites. Eligible Opex is related to activity CCM / CE 7.2 Renovation of existing buildings. No capital or operational expenses have been considered as taxonomy aligned. Scandi Standard is closely following the developments of the taxonomy, including a potential future inclusion of agricultural and food production economic activities which are more closely related to the core business.

Turnover

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Turnover 2024 (MSEK) (3)	Proportion of Turnover 2024 (%) (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (taxonomy-aligned)																			
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0.0**	**0.0%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0.0%**		
Of which Enabling		0.0	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%		
Of which Transitional		0.0	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%		
A2. Taxonomy-Eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Turnover of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.0**	**0.0%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								**0.0%**		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**0.0**	**0.0%**														**0.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**13,035**	**100%**																
Total (A+B)		**13,035**	**100%**																

Capex

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Capex 2024 (MSEK) (3)	Proportion of Capex 2024 (%) (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Capex, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (taxonomy-aligned)																			
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0.0**	**0.0%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0.0%**		
Of which Enabling		0.0	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%		
Of which Transitional		0.0	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%		
A2. Taxonomy-Eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Construction of new buildings	CCM 7.1 CE 3.1	–	–	EL	N/EL	N/EL	N/EL	EL	N/EL								1.0%		
Renovation of existing buildings	CCM 7.2 CE 3.2	22,9	2,4%	EL	N/EL	N/EL	N/EL	EL	N/EL								0.6%		
Acquisition and ownership of buildings	CCM 7.7	34,0	3,6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								26.2%		
Capex of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**56.9**	**6.%**	**6.1%**	**–**	**–**	**–**	**–**	**–**								**27.8%**		
A. Capex of Taxonomy eligible activities (A.1+A.2)		**56.9**	**6.1%**	**6.1%**	**–**	**–**	**–**	**–**	**–**								**27.8%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		**880.1**	**93.9%**																
Total (A+B)		**937.0**	**100%**																

Operational expenses

Economic Activities (1)	Code (2)	Opex 2024 (MSEK) (3)	Proportion of Opex 2024 (%) (4)	Substantial Contribution Criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Opex, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (taxonomy-aligned)																			
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0.0**	**0.0%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0.0%**		
Of which Enabling		0.0	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%		
Of which Transitional		0.0	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%		
A2. Taxonomy-Eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Renovation of existing buildings	CCM 7.2 CE 3.2	39.1	19.7%	EL	N/EL	N/EL	N/EL	EL	N/EL								16.2%		
Opex of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**39.1**	**19.7%**	**19.7%**	**–**	**–**	**–**	**–**	**–**								**16.2%**		
A. Opex of Taxonomy eligible activities (A.1+A.2)		**39.1**	**19.7%**	**19.7%**	**–**	**–**	**–**	**–**	**–**								**16.2%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy-non-eligible activities		**159.0**	**80.3%**																
TOTAL (A+B)		**198.1**	**100%**																

Proportion of revenue / total revenue

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of Capex / total Capex

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	6.1%
CCA	0%	0%
WTR	0%	0%
CE	0%	2.4%
PPC	0%	0%
BIO	0%	0%

Proportion of Opex / total Opex

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	19.7%
CCA	0%	0%
WTR	0%	0%
CE	0%	19.7%
PPC	0%	0%
BIO	0%	0%

Nuclear and fossil gas related activities

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

Climate change (ESRS E1)

GOVERNANCE AND STRATEGY

General principles for governance and the division of responsibilities related to sustainability are described on page 85. The Board of Directors is responsible for ensuring that climate-related impacts, risks and opportunities are integrated into operations, for example by including climate as one of three sustainability factors in management incentive programs. The sustainability indicators account for 10 per cent of the short-term incentive program and are linked to one of the performance share rights in the long-term incentive program. At present, this encompasses the climate impact of own operations (Scope 1 and 2), antibiotics use and the lost time injury frequency rate (LTIFR). Climate impact in the value chain (Scope 3) will be included when the guidelines for calculations in the land sector are finalised and when the calculation models have stabilised.

General information on Scandi Standard's strategy and the integration of sustainability and climate aspects in the strategy work is described on pages 87–93.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Scandi Standard has adopted an environmental policy for the management of material impacts, risks and opportunities related to climate change mitigation and adaptation. The environmental policy addresses the areas of climate change mitigation, climate change adaptation and energy efficiency, and is described in more detail in the table on page 86.

As a food producer, we depend on well-functioning agricultural value chains, primarily for the production of feed for our chickens and chicken rearing. At the same time, we are noting changed consumer patterns, new customer requirements and increased brand-related risks linked to climate change. In the spring of 2023, an analysis was conducted according to the Taskforce on Climate-related Financial Disclosures (TCFD) reporting framework, where the risks and opportunities linked to climate change were identified and measured. Three different scenarios were prepared using IEA, WBCSD and IPCC data to test the resilience of Scandi Standard's strategy with regard to climate change. The estimation of climate-related financial risks and opportunities is a complex process with numerous factors that influence outcomes, and therefore, the TCFD methodology includes definitions of various scenarios that take into account, for example, the level of ambition of legislation as well as the physical changes arising from a rise in the global average temperature. The climate scenarios used were 1.5°C, <2°C, >3°C. External trends and factors as well as discussions with key internal stakeholders were used to help identify risks and opportunities. Financial materiality was measured in terms of financial exposure and estimates were made using Scandi Standard's own financial data. The table on page 99 presents the material risks and opportunities identified and the estimated financial effects. These have also been used as input values in the double materiality assessment.

Climate change mitigation

A priority focus area for the organisation is the systematic integration of sustainability, both into strategy and into operations, based on our 2030 sustainability goals. This entails work by Scandi Standard both at Group level and in each country to develop specific action plans to achieve local and Group-wide goals. We are working and acting to reduce our climate impact at every stage of our value chain. In terms of the entire lifecycle, the cultivation and production of feed, and feed conversion, along with the rearing of chickens account for the vast majority of our carbon footprint. This is described in more detail in the Scandi Standard's Climate Transition Plan, the first version of which was produced during the year.

In 2021 and 2022, in addition to our work to develop climate targets, we also calculated the carbon footprint at the product level for 282 products in all of Scandi Standard's domestic markets. Together with the Carbon Trust, a customised model for Scandi Standard's value chain has been developed pursuant to the PAS 2050 standard. These calculations have been third-party certified and used to climate label products in stores. The aim and focus of this challenging and time-consuming work have been to increase transparency for customers and consumers regarding our climate impact, to better respond to increasing requests from customers, and to ensure that our initiatives to improve are focused in the areas that they can do the most good. A process to update product-level carbon-dioxide calculations to ensure that the best available data is used was launched in 2024 and is expected to be completed in early 2025.

Climate change adaptation

As a consequence of climate change, feed prices are expected to increase due to smaller harvests caused by droughts, water shortages, floods, extreme heat and other extreme weather. Adapting to decreased dependency on South American soy could entail an opportunity for Scandi Standard and potentially help to ensure a more reliable supply of key ingredients and greater price stability. Increased use of locally produced cereals and protein crops can mitigate the negative impact by reducing soy-related supply chain emissions. Scandi Standard has conducted a strategic project over the past few years to replace soy in chicken feed with locally produced protein crops. This has also been tested on a production scale in Sweden and Finland with good results.

Climate Transition Plan

Scandi Standard's Climate Transition Plan is a comprehensive and time-bound action plan designed to support the company's overall strategy and ambitious science-based climate targets. The plan aims to achieve the science-based targets validated by the Science Based Targets initiative (SBTi) that are presented in more detail under metrics and targets.

Energy efficiency and the transition to renewable energy sources are key elements of the company's strategy. Since 2020, Scandi Standard has implemented initiatives to optimise energy consumption at all its sites. These initiatives include reprogramming HVAC systems, installing LED lighting, using heat recovery systems and switching from diesel to electric trucks. A significant transition from fossil fuels to renewable energy sources is ongoing in Sweden and Norway, with fuel oil and gas being replaced by fossil-free district heating solutions. Additional initiatives to reduce fossil-fuel dependence include the installation of heat pumps to recover and recycle residual thermal energy, and the electrification of processes. Since 2021, all sites have used green electricity, and a planned installation of solar panels at the company's Ireland production site will further reduce dependence on the external electricity supply. The company is also exploring possibilities for using renewable gas to reduce carbon-dioxide emissions when stunning animals prior to slaughter.

A significant portion of the company's climate impact arises from the value chain, with almost 80 per cent linked to feed production and feed conversion. Scandi Standard's long-term goal is to replace soy, which accounts for some 60 per cent of feed-related emissions, with locally grown protein sources such as peas and broad beans. Large-scale tests in Sweden and Finland have shown that reducing soy content has limited impact on animal growth and health. Moreover, Scandi Standard strives to strengthen collaboration with feed producers, with the aim of ensuring that the soy purchased is traceable, sustainably produced and does not contribute to deforestation. This in turn leads to reduced land use change.

Initiatives to reduce climate impact also encompass transport and packaging. Scandi Standard requires its transport suppliers to comply with the company's code of conduct, to report environmental data and to use Euro 6 compliant vehicles. In Sweden, biofuels such as HVO biodiesel are widely used for goods transport, which has been facilitated by the installation of filling stations at production sites. The company's packaging strategy is focused on minimising the use of plastics, promoting recyclability, and ensuring product quality and durability to reduce food waste.

In support of these ambitions, the company has earmarked SEK 210 million for sustainability-related capital investments until 2027, thus ensuring the consideration of sustainability aspects in capital allocation and decision-making. Through these strategic initiatives, Scandi Standard is making significant advances towards achieving its short-term climate targets while concurrently building a solid foundation for long-term sustainability and value creation.

Energy consumption

Continuous work is undertaken at each production site to ensure the efficient use of energy. The basis of these efforts is the Group's environmental policy and local targets based on the Group-wide sustainability goals that are set annually and followed up monthly. Scandi Standard works systematically to map efficiency and to take actions related to energy optimisation, such as recirculating heat and changing to energy-efficient LED lighting, which has yielded energy savings. We have also been working on the gradual phase out of fossil energy sources. All electricity purchased for our production plants is renewable electricity with energy attribute certificates.

Logistics and transport

Sustainable transport is about the safety and security of our drivers and passengers, and the chickens we transport, and also about the delivery quality for our customers. In addition, efficient transport solutions with the least possible impact on the climate is sought. We require our transport suppliers not only to observe our Supplier Code of Conduct, but also to provide us with environmental data and to use EURO 6 environmentally classified vehicles. Currently, more than 90 per cent provide us with emissions data, and we are working continuously to raise this percentage and to decrease our environmental impact from transportation. In collaboration with our transportation suppliers, we have installed filling stations for HVO biodiesel at our production plant in Sweden. The vast majority of shipments of Kronfågel's products within Sweden therefore use biofuels.

METRICS AND TARGETS

In 2021, Scandi Standard committed to the Science Based Targets initiative (SBTi), and undertook to set science-based climate targets for the entire the value chain. Scandi Standard's climate targets were validated by SBTi in 2023 when work also started on setting additional climate targets according to SBTi's Forest, Land and Agriculture (FLAG) framework. This also includes land-related emission reductions and removals. The new targets were validated in November 2024 and entail an undertaking by Scandi Standard to reduce absolute GHG emissions linked to energy and industry by 42 per cent by 2030 with 2021 as the base year, both from its own operations (Scope 1 and 2) and from the value chain (Scope 3). Furthermore, emissions from land management and land use change are to be reduced 30.3 per cent in both Scope 1 and Scope 3 within the same time period. These targets are aligned with the Paris Agreement's ambition to limit global warming to 1.5°C and reflect the company's commitment to transitioning to a sustainable food chain. The SBTi also validated Scandi Standard's long-term target to reduce absolute GHG emissions related to energy and industry by 90 per cent and to reduce absolute FLAG emissions 72 per cent by 2050.

Scandi Standard works continuously to identify and calculate climate impact throughout the value chain – both at Group and at product level. The table on page 100 presents the carbon-dioxide emissions per scope according to the GHG Protocol. Emissions are also broken down according to the FLAG guidelines. 2023 is reported as the reference year, and 2021the baseline year for Scandi Standard's climate targets. In total, Scandi Standard has decreased their emissions with 5.8% between 2021 and 2024. When the new FLAG-targets were calculated and validated by SBTi, emissions were updated also for the baseline year 2021 and the reference year 2023. 2022 was not recalculated and is therefore not reported. The calculations are based on primary activity data where possible. Otherwise, secondary data, extrapolations or other available information are used. Location-based and market-based calculations have both been performed and are reported separately. Where possible, supplier-specific emissions factors are used and any other emissions factors used are as specific and relevant as possible. More details in this regard are presented on page 100. In Scope 3, Category 1 – purchased goods and services include for example the feed and rearing of chickens. Climate impact from the feed is calculated based on emissions factors from feed producers. The calculation of the climate impact from feed includes the emissions related to land use change (LUC), which is also reported separately in the table on page 100. Since climate calculations and specifically, calculations on climate impact linked to land usage and food production, are methods under development, Scandi Standard's goal is to continuously increase the quality of data and to improve the calculation method in collaboration and dialogue with experts and other players in the value chain. The largest decrease in emissions between 2021and 2024 is connected to climate impact from feed. The following Scope 3 categories are excluded as they are not considered applicable: Category 8 (Upstream leased assets), Category 13 (Downstream leased assets) and Category 14 (Franchises). Category 11 (Use of sold products) is reported as out of scope in line with SBTi guidelines.

Climate targets

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

We have set short-term industrial and energy targets together with FLAG emission reduction targets for the entire Group as well as for the individual companies within the Group. These targets encompass all emissions, including those linked to land management and land use change. The targets are aligned with the Paris Agreement's goal to limit global warming to 1.5°C. The Science Based Targets initiative validated our short-term targets for the entire Group in November 2024 and approved our long-term targets. Alongside the overall emissions targets, we have set additional targets that focus on different parts of our value chain. These include packaging, water, food waste and biodiversity, among others.

[1] Forest, Land and Agriculture

Climate-related risks

Type of risk	Climate-related risks	Description	Potential financial effect	Timeframe and likelihood
Transition-related risks	**Pricing of GHG emissions**	Emissions trading schemes, carbon taxes and carbon border adjustment mechanisms will increase direct costs in Scandi Standard's operations in the form of higher energy and fuel prices and also increased costs for suppliers in the supply chain (e.g., soybean imports).	Low (MSEK 0.5–4) driven by increased direct costs, reduced demand/revenue and lower margins.	Very likely on a short- to medium-term horizon.
	Changes to laws and regulations on land use and deforestation	Land use policies and regulations (for example, reforestation and protection against deforestation) will increase the cost base of raw materials for chicken feed (such as soybeans and corn) in pace with declining access to agricultural land.	Medium (MSEK 15–28) driven by increased operating costs and lower margins.	Probable on a short- to medium-term horizon.
	Changed eating habits among consumers	Within Europe, demand for animal products could decrease significantly in all scenarios, primarily due to the dietary shift toward plant-based food and the reduction of food waste. This trend is even stronger in the 1.5°C scenario.	Medium (MSEK 20–40) driven by decreased demand and lower revenue.	Probable on a medium- to long-term horizon.
	Challenges in attracting and retaining talent in the poultry business	Increased public awareness of climate change may lead workers to consider employer climate intensity and their respective industries when deciding where to work. Increased difficulties with the recruitment and retention of employees at Scandi Standard may lead to compensation in the form of higher salaries.	High (MSEK 52–104) driven by reduced availability of human capital and higher personnel costs.	More likely than not on a short- to medium-term horizon.
Physical risks	**Extreme weather impact on crops and feed production (acute)**	The increasing frequency of extreme weather events, which can impact crop and feed production, exposes Scandi Standard's supply chain to acute physical risks.	Medium (MSEK 15–28) driven by increased operating costs.	Probable on a short- to medium-term horizon.
	Rising mean temperatures and changes in precipitation patterns affect crops/feed producing countries (chronic)	The chronic effects of climate change are intensifying and becoming more severe for agriculture for dominant crops and feed producing countries, especially in South America. Water stress in countries such as Brazil can affect the growing of crops and increase their prices. Furthermore, the quality of crops, harvests and harvest periods can also be affected and result in production capacity changes due to rising temperatures and changed precipitation patterns.	Medium (MSEK 15–28) driven by increased operating costs and lower revenue.	Probable on a long-term horizon.

Climate-related opportunities

Type of opportunity	Climate-related opportunities	Description	Potential financial effect	Timeframe and likelihood
Transition-related opportunities	**Changed eating habits from red meat to chicken**	Rising consumer awareness of the carbon footprint of red meat together with changed eating habits mean that chicken is becoming a temporary substitute for more carbon-intensive products in Europe. Global demand is growing significantly in all scenarios.	Medium (MSEK 21–43) driven by increased demand and higher revenue.	Probable on a medium- to long-term horizon.
	Diversify the range to include alternative protein sources	Consumer awareness of the climate change impact from animal products is constantly growing. Demand for alternative proteins, including plant-based foods as well as alternatives to laboratory produced "cultured meat," will increase especially in two of the scenarios.	Low (MSEK 6–14) driven by increased demand and higher revenue.	Probable on short-, medium- and long-term horizons.
	A low-emission chicken value chain	Two key factors in positioning Scandi Standard as a low-emission chicken producer comprise the use of low-carbon feed, including moving away from soy-based feed, and increasing the use of renewable energy sources.	Medium (MSEK 21–43) driven by decreased operating costs and higher revenue.	Probable on a medium- to long-term horizon.
	Consumer information and transparency regarding products with a low carbon footprint	Providing carbon intensity data for products would be an opportunity allowing Scandi Standard to best inform consumers of the lower carbon footprint of Scandi Standard's products relative to those of other meats, including beef, pork and lamb.	Medium (MSEK 43–72) driven by increased demand and higher revenue.	More likely than not on a medium-term horizon.

Climate-related risks and opportunities identified during the TCFD analysis have also been used as starting points for the double materiality assessment which is presented in more detail on pages 89–92. The scope of climate-related risks and opportunities is different within the double materiality assessment, but all with high financial impact are included as well as some with a medium impact.

Reported emissions per scope according to GHG-protocol	Share of emissions	Total emissions (tonnes CO_2e)			Energy and industry emissions (tonnes CO_2e)			FLAG emissions (tonnes CO_2e) – Land management			FLAG emissions (tonnes CO_2e) – Land use change		
	2024	2024	2023	(Base year) 2021	2024	2023	(Base year) 2021	2024	2023	(Base year) 2021	2024	2023	(Base year) 2021
Scope 1													
Fugitive emissions	0.5%	4,963	4,630	4,392	4,963	4,630	4,392	–	–	–	–	–	–
Mobile emissions	0.3%	2,318	1,735	2,296	2,318	1,735	2,296	–	–	–	–	–	–
Stationary combustion	1.2%	11,426	11,444	11,700	11,426	11,444	11,700	–	–	–	–	–	–
Manure management	0.1%	494	428	427	–	–	–	494	428	427	–	–	–
Total Scope 1	**2.1%**	**19,201**	**18,237**	**18,815**	**18,706**	**17,809**	**18,388**	**494**	**428**	**427**	**–**	**–**	**–**
Scope 2													
Electricity (location-based)	1.3%	12,041	13,767	12,148	12,041	13,767	12,148	–	–	–	–	–	–
Electricity (market-based)		–	–	–	–	–	–	–	–	–	–	–	–
District heating (location-based)	0.1%	716	658	981	716	658	981	–	–	–	–	–	–
District heating (market-based)		716	658	981	716	658	981	–	–	–	–	–	–
Total Scope 2 (location-based)	**1.4%**	**12,757**	**14,424**	**13,129**	**12,757**	**14,424**	**13,129**	**–**	**–**	**–**	**–**	**–**	**–**
Total Scope 2 (market-based)		**716**	**658**	**981**	**716**	**658**	**981**	**–**	**–**	**–**	**–**	**–**	**–**
Total Scope 1 och 2 (location-based)	**3.5%**	**31,957**	**32,661**	**31,944**	**31,463**	**32,234**	**31,518**	**494**	**428**	**427**	**–**	**–**	**–**
Total Scope 1 och 2 (market-based)		**19,917**	**18,895**	**19,796**	**19,422**	**18,467**	**19,369**	**494**	**428**	**427**	**–**	**–**	**–**
Scope 3													
Category 1 – Purchased Goods & Services	89.8%	825,324	918,366	899,849	82,654	88,456	87,642	366,451	411,193	411,245	376,218	418,717	400,962
Category 2 – Capital Goods	1.5%	14,114	13,303	12,382	14,114	13,303	12,382	–	–	–	–	–	–
Category 3 – Fuel- and energy related activities	1.0%	9,326	11,294	9,966	9,326	11,294	9,966	–	–	–	–	–	–
Category 4 – Upsteam transportation & distribution	1.9%	17,555	11,975	10,291	17,555	11,975	10,291	–	–	–	–	–	–
Category 5 – Waste generated in operations	0.1%	718	678	594	718	678	594	–	–	–	–	–	–
Category 6 – Business travel	0.1%	589	327	119	589	327	119	–	–	–	–	–	–
Category 7 – Employee commuting	0.3%	2,794	758	761	2,794	758	761	–	–	–	–	–	–
Category 9 – Downstream transportation & distribution	1.1%	9,842	10,050	8,957	9,842	10,050	8,957	–	–	–	–	–	–
Category 10 – Processing of sold products	0.1%	1,040	188	122	1,040	188	122	–	–	–	–	–	–
Category 12 – End-of-life treatment of sold products	0.0%	400	454	467	400	454	467	–	–	–	–	–	–
Category 15 – Investments	0.6%	5,292	487	408	5,292	487	408	–	–	–	–	–	–
Total Scope 3	**96.5%**	**886,993**	**967,882**	**943,916**	**144,324**	**137,971**	**131,708**	**366,451**	**411,193**	**411,245**	**376,218**	**418,717**	**400,962**
Total CO_2e (location-based)		**918,951**	**1,000,543**	**975,860**	**175,787**	**170,205**	**163,226**	**366,945**	**411,621**	**411,672**	**376,218**	**418,717**	**400,962**
Total CO_2e (market-based)		**906,910**	**986,776**	**963,712**	**163,747**	**156,438**	**151,077**	**366,945**	**411,621**	**411,672**	**376,218**	**418,717**	**400,962**
Biogena utsläpp och out of scope													
Scope 1 (biofuels, including straw and wood chips)		–	12	51									
Scope 2 (purchased steam generated with wood chips)		1,692	828	4									
Scope 3 (transport with HVO)		1,927	2,756	1,230									
Scope 3 (användning av sålda produkter)		35,716	36,472	32,506	35,716	36,472	32,506	–	–	–	–	–	–

The emissions in the table include all production plants where Scandi Standard has operational control except Joniskis, Lithuania which was acquired in November 2024 , as well as relevant Scope 3 emissions (refer to page 98 for limitations). All greenhouse gases have been included. Location-based and market-based emission factors have been used for the calculations in the table. The emissions factors used have been sourced from IEA (2023) and, DEFRA (2023). For electricity, average national emissions factors from AIB (2022) have been used. For district heating, averages of local district heating networks in each country have been used. For Scope 3 emissions, the supplier-specific method is primarily used when available, supplemented by the average method and spend-based method when needed. Additionally, when applicable, emissions factors from the product carbon footprint calculations conducted for over 280 products during 2021 and 2022 are used. Renewable energy usage is reported under biogenic emissions.

Pollution (ESRS E2)

GOVERNANCE AND STRATEGY

General principles for governance and the division of responsibilities related to sustainability are described on page 85. General information on Scandi Standard's strategy and the integration of sustainability aspects in the strategy work is described on pages 87–93. Scandi Standard is implementing environmental management systems certified by a third party according to ISO 14001. The objective is to have all larger production sites certified before the end of 2025. Currently, both of Manor Farms' sites in Ireland, the Norwegian facilities in Jæren and Stokke, Den Stolte Hane's headquarters in Oslo, Norway, and the facility in Lieto, Finland are certified. A plan for the certification of the other sites has been prepared. The implementation of certified environmental management systems includes structured and systematic monitoring and management, including target setting and continuous improvement, of impacts and risks related to air, soil and water pollution.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Scandi Standard works continuously to map and identify pollution to air, soil and water that may arise from its own production or value chain. All production sites endeavour, in accordance with their environmental permits, and current laws and regulations, to ensure that pollution is kept to a minimum and within existing thresholds. Scandi Standard has adopted an environmental policy for the management of material impacts, risks and opportunities related to pollution. The environmental policy is described in more detail in the table on page 86.

Pollution of air

Continuous efforts are made to reduce emissions of air pollutants in Scandi Standard's production and value chain. Identified air pollutants include HCFCs from refrigeration, emissions from packaging production, pollution from road freight, odour and noise in the vicinity of the local production plants. Ongoing work on reducing the impact includes switching to ammonia-based refrigeration systems, and requiring environmental data from packaging and transportation suppliers as well as work to reduce transport distances, for example by using cold stores closer to the production facilities.

Pollution of soil

Work to reduce soil pollution from Scandi Standard's own production and value chain is performed on an ongoing basis through mapping and dialogue with stakeholders in the value chain. Feed production in agriculture can lead to pollution, for example, through nutrient runoff with excess nitrogen and phosphorus in agricultural waste. It can also include pesticides, such as herbicides and chemicals, which can give rise to soil pollution.

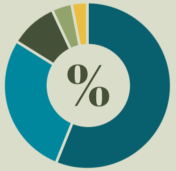
Pollution of water

High levels of nitrogen, phosphorus and other organic material in wastewater can negatively affect water quality when discharged. Local authorities have extensive requirements on the quality of wastewater, which is continuously monitored, for example, the phosphorus and nitrogen content, the Biological Oxygen Demand (BOD) content as well as the pH and lipid content of the water. Substances of high concern as well as threshold values for emissions to water are decided by the sites' local environmental permits or together with local actors. Breaches of agreed levels of emissions to water have occurred eleven times during 2024, seven times in Valla, and one time each in Honkajoki, Lieto, Aars and Shercock respectively. Five of the Group's plants have their own treatment plants, treating wastewater from the slaughtering and processing of chicken prior to its onward release, for example, to municipal wastewater treatment plants. None of Scandi Standard's production sites discharge water in areas with water stress. Total water discharge divided per destination is reported on page 102. The process to collect data for the total amount of dissolved nutrients has been started in all countries but is not available for all sites.

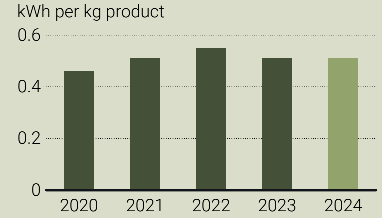
METRICS AND TARGETS

At present, Scandi Standard monitors and maps air, soil and water pollution at each production plant in relation to the existing environmental permits. Among other actions, this includes tests on air and wastewater as well as dialogue with local wastewater treatment plants. Given that conditions vary between production plants, no Group-wide targets are set, however, compliance with local

Energy consumption, 2024, distribution of energy sources (kWh)



Energy consumption



Total energy consumption in 2024 was 171,566,330 kWh, 0.51 kWh per kg product. Note that compared to 2019 and 2020, since 2021 and onwards smaller production sites have also been included which impacts comparability.

Energy consumption

	Energy consumption (kWh)			
	2024	2023	2022	2021
Natural gas (including LPG and propan)	47,576,037	45,872,131	46,994,158	47,321,799
Fuel oil	6,823,214	5,758,456	7,162,264	8,530,899
Biofuels (including straw and wood chips)	4,833,959	5,769,000	5,698,000	2,818,940
Electricity	96,455,354	93,806,023	104,602,916	103,890,187
District heating	15,877,766	16,498,803	23,979,313	24,840,434
Total energy consumption (kWh)	**171,566,330**	**167,704,413**	**188,436,651**	**187,402,258**

environmental permits is monitored on group level in close collaboration with local environmental coordinators. On eight occasions in 2024, Scandi Standard received injunctions pertaining to breaches in relation to the environmental permits due to excessive levels of nutrients in the wastewater. This concerns the production site in Valla, Sweden and Shercock, Ireland. Valla accounted for seven breaches and is actively working to address the deviations, optimise processes and ensure the right equipment. The objective is to ensure compliance in the first half of 2025.

Water and marine resources (ESRS E3)

GOVERNANCE AND STRATEGY

General principles for governance and the division of responsibilities related to sustainability are described on page 85. General information on Scandi Standard's strategy and the integration of sustainability aspects in the strategy work is described on pages 87–93. Scandi Standard is implementing environmental management systems certified by a third party according to ISO 14001. The objective is to have all production sites certified before the end of 2025. Currently, both of Manor Farms' sites in Ireland, the Norwegian facilities in Jæren and Stokke, Den Stolte Hane's headquarters in Oslo, Norway, and the facility in Lieto, Finland are certified. A plan for the certification of the other sites has been prepared. The implementation of certified environmental management systems entails the structured monitoring and management, including target setting and continuous improvement, of impacts and risks related to water and marine resources.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Chicken production uses significant quantities of water, both in the value chain and in the processing of chicken into food. Good quality water and marine resources are therefore important for Scandi Standard's production, and water resources must be used responsibly. Water is a limited resource and in the event of water scarcity, the risk is that the price of water increases, which can affect daily operations, not least in agricultural production in the value chain. Scandi Standard has adopted an environmental policy for the management of material impacts, risks and opportunities related to water and marine resources. The environmental policy addresses the use and sourcing of water resources; the promotion of sustainable water use based on the long-term protection of available water resources; the enhanced protection and improvement of the aquatic environment; and the promotion of the reduction of water withdrawals and discharges, as well as the other areas presented in the table on page 86.

Water use

Continuous work is ongoing at each production site to ensure the efficient use of water and improvement of the water quality for the water discharged from our plants. The basis of these efforts is the Group's environmental policy and local targets for water use and water quality. According to Scandi Standard's latest water risk assessment, none of our own production sites or contracted growers are located in areas with direct water stress. However, the impacts and risks are greater in the feed value chain and specifically in agricultural production in South America. Also, fresh water is a limited resource that must always be used responsibly. Within the framework of strict food safety and hygiene rules, we strive to use water optimally and, where possible from a food safety perspective, to recirculate water. Reduced local water use primarily focuses on indirectly reducing energy consumption, and reducing the amount of wastewater that needs to be treated.

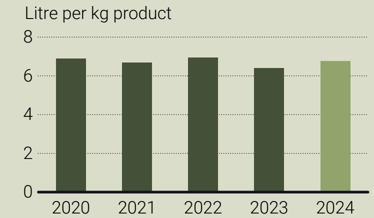
Marine resources

The production site in Ireland uses water from a nearby lake. Wastewater is returned to the lake after treatment. However, the treated water may contain elevated levels of nitrogen and phosphorus, which may pose potential risks to marine resources due to the possible adverse effects of nitrogen and phosphorus on the aquatic environment. Potential negative impacts may exist thereafter in the event of water discharges contaminating the freshwater supply of surrounding communities.

METRICS AND TARGETS

The metrics include own operations. At Group level, the total quantity of water (m^3) per kilo of chicken produced is reported as an overall KPI. At local level water use and water quality are measured primarily based on existing environmental permits and targets are set locally for these metrics.

Water use



Total water use in 2024 was 2,273,903 m^3, or 6.80 litres per kg product.

Water discharge

	Water discharge by destination (m^3) 2024
Third-party water	1,224,627
Surface water	400,882
Ground water	–
Seawayer	–
Total	**1,625,509**

Biodiversity and ecosystems (ESRS E4)

GOVERNANCE AND STRATEGY

General principles for governance and the division of responsibilities related to sustainability are described on page 85. General information on Scandi Standard's strategy and the integration of sustainability aspects in the strategy work is described on pages 87–93. Group Management adopted in December 2024 a Biodiversity Statement which is available on the website. The Biodiversity Statement of Scandi Standard describes governance, strategy and management of impacts, risks and opportunities connected to biodiversity in more detail. The biodiversity strategy is also an essential part of the prepared climate transition plan due to the measures linked to the shift towards local protein crops and the reduction of soy in chicken feed. These actions are also directly linked to improvements in biodiversity. A comprehensive analysis inspired by the Taskforce on Nature-related Financial Disclosures (TNFD), a framework for reporting and guidance on nature-related risks and opportunities, was conducted in 2024 to better understand Scandi Standard's nature-related dependencies, impacts and risks. The analysis was performed using several tools such as WWF's risk filter, ENCORE, ThinkHazard!, Aqueduct and Science-Based Targets for Nature. The analysis of Scandi Standard's own operations found that nature-related risks are of a medium level. The main impacts of own operations are linked to water use, GHG emissions and ecosystem use. The greatest dependency, and therefore the greatest risk, in own operations is linked to access to water and groundwater. Moreover, the analysis shows that the largest nature-related impacts and risks are found in Scandi Standard's upstream value chain and, in particular, in the sourcing of raw materials such as soy for feed. The raw materials can require high water use and soy is also linked to deforestation and monoculture, which can result in ecosystem disruption and adversely impact biodiversity. In addition, these problems are being exacerbated by climate change, which underlines the need to reduce GHG emissions. Potential financial risks such as cost volatility and supply chain disruptions due to reduced availability of raw materials were also identified.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

To be able to continue producing chicken sustainably, Scandi Standard is completely dependent on the planet's ecosystem. Therefore, it is of outmost importance to ensure the protection of biodiversity and to minimise our impact on biodiversity. Initial analyses of Scandi Standard's impact on biodiversity have identified feed production – primarily soy cultivation and production – as the area of greatest impact. In addition, Scandi Standard has an impact on biodiversity elsewhere in the value chain, such as with chicken rearing and around our production sites.
At the moment, soy use is systematically monitored at a Group level. Scandi Standard has adopted an environmental policy for the management of material impacts, risks and opportunities related to biodiversity and ecosystems. The environmental policy addresses the mitigation of negative impacts on biodiversity and ecosystems in our operations and the upstream value chain through the certification of soy in the feed of the chickens slaughtered at our production plants.

In 2024, 22.1 per cent or corresponding to almost 117,000 tonnes per year of our chicken feed consisted of imported soy, mainly from South America, as well as smaller volumes from North America and Asia. Requirements for traceability and responsible production are defined by means of various third-party certifications such as RTRS and ProTerra. In total, 93.6 per cent have some type of sustainability certification and it is only in Denmark that soy is yet to be 100 per cent certified. The goal is for Danish soy to be 100 per cent certified by the end of 2025. The long-term goal is to replace imported soy with other, local, protein sources. This is because there are better options from both an environmental and an animal-welfare perspective, which at the same time promote local agricultural production. Since 2019, a strategic development project has been under way together with feed specialists to develop and test new feed mixes, where a significant part of the soy is replaced by locally grown protein sources, such as broad beans and peas. During recent years, large-scale tests were conducted in Finland and Sweden, with positive results, and similar tests are planned for Denmark and Ireland, among others. Along with these initiatives, we also want to collaborate with feed producers to ensure that the soy that is purchased is traceable, sustainably produced and does not lead to deforestation. We can achieve this through dialogue and involvement in various initiatives, such as the Swedish Platform for Risk Crops and the Danish soy dialogue.

In terms of the conclusions drawn in the TNFD inspired analysis, the work going forward includes developing complementary targets and metrics to the soy-related ones in place, in addition to continued work with suppliers of soy and other raw materials. Moreover, a more detailed site- and location-specific analysis of Scandi Standard's operations and value chain will be conducted and Scandi Standard's risk management in relation to these actual risks will be evaluated and a plan prepared where relevant. Opportunities linked to biodiversity and primary production will also be identified and communicated to growers.

Soy and biodiversity

	Soy, share of feed (%)			Certified soy (%)		
	2024	2023	2022	2024	2023	2022
Scandi Standard	22.1	23.3	21.5	93.6	70.8	75.0
Sweden	20.0	21.0	20.0	100	100	100
Denmark	25.8	30.0	25.3	80.0	13.1	16.7
Norway	13.8	14.3	11.8	100	100.0	100
Ireland	24.2	24.0	23.6	100	100	100
Finland	18.8	17.3	20.5	100	100	100

Scandi Standard is a member of the Round Table on Responsible Soy Association (RTRS). In Sweden and Norway, all soy is certified in accordance with RTRS or ProTerra; in Finland, most of the soy is certified pursuant to RTRS, but there are also other international certifications. In Ireland, all of the soy is certified in accordance with the Cefetra CRS Standard.

METRICS AND TARGETS

Scandi Standard has two KPIs and targets linked to biodiversity and ecosystems. The metrics encompass all of Scandi Standard's subsidiaries and focus on soy in the feed of the chickens slaughtered at our production plants. The metrics have been selected due to the soy content of chicken feed, around 20 per cent, which comprises the greatest risk to biodiversity and deforestation in our value chain due to its origin, mainly in South America. The objective is to halve the share of soy in feed by 2030 compared to the 2021 baseline, and to have all soy certified by the end of 2025. The metrics are shown in the table on page 103.

Resource use and circular economy (ESRS E5)

GOVERNANCE AND STRATEGY

General principles for governance and the division of responsibilities related to sustainability are described on page 85. General information on Scandi Standard's strategy and the integration of sustainability aspects in the strategy work is described on pages 87–93. Scandi Standard's strategy includes a focus area that concentrates on utilising the whole chicken and adding value to our products to reduce food waste and to strengthen our business. The project comprises a Group-wide project with collaboration between different functions and countries. We work with local stakeholders around our production plants to improve resource use and increase circularity, for example, through shared district heating production or waste recycling.

Use of plastics in packaging

	Plastic intensity (g plastic/kg product)			Percentage of trays made of recycled plastic (%)		
	2024	2023	2022	2024	2023	2022
Scandi Standard	16.1	14.3	14.8	55.5	54.8	54.5
Sweden	15.4	14.2	14.7	66.0	68.0	74.0
Denmark	14.9	14.0	13.0	88.4	98.2	98.0
Norway	18.2	14.5	17.9	84.4	93.0	58.0
Ireland	14.2	13.1	14.4	33.7	7.4	11.0
Finland	28.6	21.7	22.0	0.0	0.0	0.0

Plastic intensity is calculated as the volume of packaging and production plastic procured per kilogram of produced chicken. The share of trays produced from recycled plastics is based on volume (kg). In Finland, plastic trays made of recycled materials cannot be introduced at present, due to the way the local recycling system is designed.

Share of recyclability, recycled material and plastic volume in packaging

	Material in packaging that is recycled (%)		Material in packaging that can be recycled (%)		Plastic used in packaging (tonnes)	
	2024	2023	2024	2023	2024	2023
Scandi Standard	56.6	54.0	90.8	90.1	5,165	4,648
Sweden	38.1	37.0	87.8	85.0	1,174	1,056
Denmark	74.6	67.0	94.5	93.0	1,587	1,677
Norway	67.1	67.0	93.5	92,6	663	493
Ireland	43.9	38.0	88.6	88.0	1,141	1,030
Finland	2.8	0.0	72.7	80.0	600	392

The percentage is calculated from the total amount of procured material in packaging in tonnes. These are key figures linked to Scandi Standard's packaging strategy where the focus is on reduction, re-use and recycling.

Non-food waste and recycling rate

	Total volume of non-food waste (tonnes)		Waste to landfill (tonnes)		Incinerated waste (tonnes)		Recycled waste (tonnes)		Share of total non-food waste recycled (%)	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Scandi Standard	4,727.1	3,240.0	0.0	5.2	3,123.5	2,263.8	1,603.6	971.0	33.9	30.0
Sweden	821.9	814.6	0.0	0.0	564.5	538.5	257.4	276.1	31.3	33.9
Denmark	1,196.3	1,223.6	0.0	0.0	850.3	734.1	345.9	489.5	28.9	40.0
Norway	426.2	377.4	0.0	2.5	225.9	259.5	200.3	115.4	47.0	30.6
Ireland	1,941.4	596.2	0.0	0.0	1,238.9	532.2	702.4	64.0	36.2	10.7
Finland	341.5	228.2	0.0	2.6	243.9	199.5	97.6	26.1	28.6	11.4

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Scandi Standard has adopted an environmental policy to address the material impacts, risks and opportunities related to resource use and circular economy. The environmental policy and its content is shown in the table on page 86. Scandi Standard applies a broad approach and works on several different projects to promote resource use in packaging, food loss and waste.

Resources inflows, including resource use

Scandi Standard's value chain encompasses a number of steps that include the purchase of birds, such as grandparent and parent stock. The eggs from the parent bird farms are sent for hatching and the day-old chicks are then sent to farms for rearing. These comprise resource-intensive processes that can adversely impact the environment. Accordingly, Scandi Standard works continuously to develop initiatives to maximise resource use and to ensure that every chicken, and the whole chicken, counts and is used to the greatest extent possible.

Resources outflows

Stricter legislation and trends toward a circular economy for packaging affect Scandi Standard. All plastic packaging in the EU must be reusable or recyclable by 2030. The first priority of Scandi Standard's packaging strategy is to ensure product quality and shelf-life, for example, in order to reduce food waste. After that, the focus is mainly to minimise the amount of plastics used where possible. Clean, non-composite materials are prioritised and recycled, or thinner materials are chosen where possible. This, while staying focused on product quality and packaging functionality. For example, in Denmark, Sweden, Ireland and Norway, we now fully or partly use trays made of recycled PET, known as rPET.

Waste

The entire chicken is taken care of in the slaughter process. An average of 71 per cent of each chicken becomes food, while 29 per cent is used as by-products in for example animal feed, biogas or biofuels. Process waste mainly occurs when animals and meat cannot be utilised for different reasons. In terms of the value chain as a whole, the customer and consumer stages are also important to the reduction of food waste. In this regard, Scandi Standard's contribution is to provide innovative packaging solutions, guidance for consumers, and to optimise the product flow to and in retail stores. In addition to the biological waste, the waste at our plants primarily comprises of packaging and other combustible materials. All of our major production plants sort their waste and monitor the volumes of each waste category. Total amount of non-organic waste and recycling rate are reported at group level and per country.

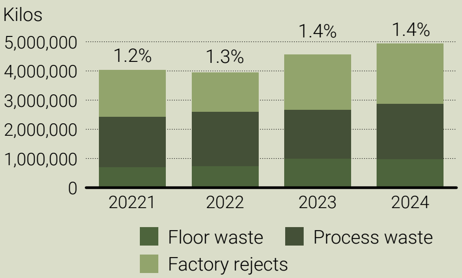
METRICS AND TARGETS

Our target by 2030 is for all our packaging to be recyclable, for 50 per cent of our packaging volume to be based on renewable or recycled raw materials, and for the volume of plastics to be reduced by 20 per cent. At present, 55.5 per cent of all trays are made of recycled plastic. In 2024, a total of 5,165 tonnes of plastic was used in our packaging and production processes, corresponding to 16.1 grams of plastic per kg product. The main plastic categories are trays, plastic film and production plastic.

As part of the work with the new sustainability goals, a group-wide project has been initiated with the aim of quantifying and setting targets to reduce food loss and food waste in our own processes.

The graph presents food loss in production over time, which includes raw material that could have become food but, for various reasons, instead become by-products. Food loss in production includes floor waste, process waste and factory rejects. Our target is that food loss in production should be less than one per cent by 2030. During 2024, a process to compile food waste data was initiated, this includes organic material that are incinerated, but not where material or nutrients can be recovered and used for other purposes. The effort to improve data quality is ongoing, focusing on disclosures related to the destination and handling of the food waste to ensure a more complete and reliable reporting going forward.

Food loss in production



The graph shows food loss in production at Group level over time. Data is collected continuously at the respective production site and is reported weekly.

Social information

Own workforce (ESRS S1)

GOVERNANCE AND STRATEGY

General principles for governance and the division of responsibilities related to sustainability are described on page 85. General information on Scandi Standard's strategy and the integration of sustainability aspects in the strategy work is described on pages 87–93. One focus area of Scandi Standard's strategy is "better together," which focuses on areas including how best to leverage collaboration, and how employees' interests, opinions and rights are best addressed.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

One of the main challenges for Scandi Standard is to attract and retain skilled employees, both in production and among office workers. A number of initiatives have been implemented over the past year to address impacts, risks and opportunities related to our people. In the coming year, Scandi Standard aims to continue to improve the work related to training and skills development, HR processes, and health and safety. Among other initiatives, implementation will start of a Group-wide HR IT system in 2025. The HR department is responsible for monitoring the impact on and risks to our employees.

Code of Conduct

Scandi Standard's Group-wide Code of Conduct forms the basis for managing material impacts and associated risks and opportunities relating to its own workforce. The Code of Conduct includes respect for human rights, as well as other key areas related to employees' rights such as discrimination and harassment. Scandi Standard's Code of Conduct clarifies that upon identification of negative human rights impacts, we must compensate, or make it possible to compensate, for human rights impacts.

Human rights

Scandi Standard has undertaken to respect human rights across the entire value chain. Working with human rights is an ever present and ongoing process. In 2024, a first comprehensive human rights risk analysis was conducted, which identified the human rights impacts of Scandi Standard and mapped the most serious risks. Efforts to systematically integrate human rights into a broader plan in operations continue. Human rights impacts are an important pillar in the overall sustainability due diligence process and in Scandi Standard's risk process. In 2024, no notifications of incidents, reports or serious human rights impacts in our own operations were received through our whistle-blowing channel or through other internal grievance mechanisms.

Working conditions and work environment

As a significant employer and actor in our domestic markets, Scandi Standard can contribute to sustainable economic growth and enhance resource-efficiency at the production and consumption stages. We achieve this through actions including taking responsibility for our employees' working conditions and work environment by using a structured and systematic approach.

Most employees work in a production environment where physical risks are present associated with health and work safety. Scandi Standard maintains a zero-tolerance approach to occupational accidents and works preventively and systematically on risks related to the physical work environment as well as the psychosocial work climate and corporate culture. Sick leave and work-related injuries are followed up at each production site and at a Group level. Local targets are also set in each country and these are linked to Scandi Standard's incentive programme at both Group and local level. Accidents are followed up at each production plant, as well as through daily Group-wide operational check-ins, and then on a quarterly basis at country level and a monthly basis Group management level as well as at scheduled Board meetings. Each production plant conducts regular health and safety training, with a focus on site-specific risks, which includes training in risk identification and reporting. An important part of health and safety management is regular dialogue between employees and the leadership teams at each production site, for example though health and safety committees.

The Group's policy on health and safety in the workplace clarifies Scandi Standard's commitment to ensuring a good work environment, to promoting health and to ensuring compliance with legislation and standards in the area. Responsibility for implementation of the policy and operational work environment management rests with the relevant company and specific production site. More information on related policies can be found in the table on page 86. Health and safety management systems include employees and contractors. Danish operations are certified according to ISO 45001, which represents approximately 28 per cent of the Group's employees or 938 people. Although serious accidents seldom occur, the challenge remains for Scandi Standard to continue the work to reduce the total number of accidents. In 2021, the number of work-related injuries resulting in lost time increased, which led to the launch of a Group-wide improvement program and root cause analysis of all the accidents. The aim of the improvement program is to reduce the accident frequency by reinforcing preventive and systematic management of health and safety. The focus is on addressing the identified risks at production sites, creating a more robust safety culture and sharing experiences between production sites as well as advancing the development of shared working methods and reporting systems. Transparency and clear, consistent KPIs are key elements in the action plan, as are strengthening ownership and local targets. Work is ongoing to further improve and strengthen our management of the work environment, by using, for example, a well-defined Group-wide method for reporting and following up on near-misses as well as by strengthening and clarifying processes, governance and policies.

Equal opportunities

Scandi Standard aims to be an inclusive organisation that promotes diversity. Our goal is to leverage the potential of all our employees, promote a creative work culture, reflect our customer groups and secure the skill supply going forward. At Scandi Standard, we respect human rights and show zero tolerance towards discrimination. This is also specified in our Code of Conduct. This is also specified in our Code of Conduct. Management, with the Group HR Director as the driving force, bears ultimate responsibility for ensuring that Scandi Standard has Group-wide processes and policies for equal treatment and equal opportunities for all. The goal is for all staff to complete training in Scandi Standard's Code of Conduct, including content on non-discrimination practices.

Scandi Standard promotes access to skills development and endeavours to attract and retain talent through, for example, its High Potential Program and its Graduate Program. Both programs provide participants with access to internal networks and skills, and create a good foundation for future career development.

Scandi Pulse Employee Engagement Survey

A major employee survey, Scandi Pulse, is conducted for all employees every two years, with such a survey conducted in autumn 2024. The results showed that satisfaction, motivation and loyalty had all increased by two points compared with 2022. The score for inclusive culture was 74, one point higher than in 2022 but still far from the 2030 target of 90. Between the larger employee surveys, smaller surveys are conducted among office employees, with one such survey conducted in autumn 2023. Since the results are not fully comparable, the various types of employee surveys are compared separately. The results from Scandi Pulse are the basis for action plans for to improve the work environment and employee satisfaction. Identified measures and plans, as well as their impact, are continuously followed up. Dialogue with employees or their representatives takes place regularly. The Group HR Director has ultimate responsibility for ensuring that dialogue takes place. The intranet is used as the main channel to ensure that information reaches employees in a clear and accessible way.

Scandi Standard's whistle-blowing function is available to all employees as a channel for perceived concerns that need to be addressed and resolved. The whistle-blowing function is available to employees and their representatives as well as consultants. During the year, a new whistle-blowing policy was prepared and approved by the Board, which also makes the function available to external stakeholders, such as suppliers. It is important that channels are available and easily accessible. The channels used by Scandi Standard are evaluated and checked to ensure process efficiency and that employees are aware of and feel comfortable using these channels.

METRICS AND TARGETS

Scandi Standard has over 3,300 employees, most of them in our Group companies and local production operations. More information can be found in the tables on pages 107–108 and in Note 5. Attendance is reported as a percentage of standard working hours. The data is monitored at country level and reported monthly. Lost time injuries (LTIs) are measured per site and per month. Lost time injury frequency rate (LTIFR) is measured per million hours worked. The differences between the countries are partly structural, the Ready-to-eat segment has a lower LTIFR than Ready-to-cook, but it also depends on historical safety culture work where the focus is to strengthen this work across the Group. The absence of work-related fatalities is confirmed on an annual basis, as well as whether any of the accidents during the year resulted in permanent incapacity. During the year, the LTIFR deteriorated and the target for the year was not reached. This was driven by a poorer performance in the Danish operations, where, inter alia, an ammonia leak occurred at our plant in Aars during the spring. 14 people were taken to hospital for treatment, but no one was seriously injured. Sweden, Ireland and Finland reached their LTIFR targets in 2024.

Scandi Pulse – Employee Engagement Survey	All employees			Only office employees		
	2024	2022	2020	2024	2023	2021
Satisfaction and motivation	73	71	72	75	75	68
Loyalty	80	78	79	84	83	80
Inclusive culture	74	73	75	82	–	–

Gender distribution	2024	2023	2022	2021
Percentage of women among all employees (%)	42	43	43	44
Percentage of men among all employees (%)	58	57	57	56
Percentage of women in executive positions (%)[1]	30	33	32	36

Key metrics – Employees	Sweden	Denmark	Norway	Ireland	Finland
Number of employees	850.7	938.4	328.1	930.0	298.9
Permanent employees	780.9	852.7	303.9	930.0	281.8
Men	*475.0*	*485.4*	*121.5*	*557.0*	*170.7*
Women	*306.0*	*367.3*	*182.3*	*373.1*	*111.1*
Temporary employees	69.7	85.7	24.2	0.0	17.2
Men	*48.9*	*48.8*	*17.7*	*n/a*	*12.7*
Women	*20.8*	*36.9*	*6.5*	*n/a*	*4.4*
Non-guaranteed hours employees	0.0	3.1	3.5	0.0	28.0
Men	*n/a*	*1.0*	*2.7*	*n/a*	*25.9*
Women	*n/a*	*2.1*	*0.7*	*n/a*	*2.1*
Full-time employees	834.0	923.7	247.3	914.0	278.2
Men	*513.7*	*530.7*	*103.8*	*555.9*	*175.4*
Women	*320.2*	*393.0*	*143.5*	*358.0*	*102.8*
Part-time employees	16.7	14.6	80.8	16.1	20.7
Men	*9.8*	*4.2*	*34.8*	*1.0*	*17.3*
Women	*6.9*	*10.4*	*46.0*	*15.1*	*3.4*
Workers who are not employees	32.0	20.7	9.0	0.0	45.0
Men	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
Women	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
Employees covered by collective bargaining agreements (%)	96%	100%	91%	88%	100%

The KPIs in the employee table are based on country of employment and FTEs (full-time equivalents). Non-guaranteed hours employees are not included in the total number of employees. Contractors and consultants are primarily employed in production due to seasonal variations. In Ireland, however, this group mainly consists of office workers. Production roles are primarily staffed indirectly while office roles are directly staffed. Finland and Sweden have worked throught out the year to reduce their reliance on contractors by increasing direct hires, resulting in a decrease in the number of non-employees workers. The other countries remain at the same level as the previous year. For employees not covered by collective bargaining agreements, local laws and regulations apply as well as the relevant industry standards that are used, e.g., for salary reviews. All employees are paid adequate wages in line with local standards.

[1] Includes Group Management and the management team of each country.

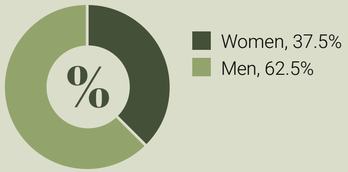
Attendance (percentage of standard working hours, %)	2024	2023	2022	2021
Scandi Standard	94%	95%	93%	95%
Denmark	95%	95%	94%	96%
Finland	95%	95%	94%	94%
Ireland	92%	95%	88%	95%
Norway	97%	97%	96%	96%
Sweden	93%	93%	93%	93%

Lost time injury frequency rate (LTIFR, number of lost time injuries per million hours worked)	2030 target	2024	2023	2022	2021
Scandi Standard	15.0	27.1	23.8	27.4	39.2
Denmark		30.0	14.3	13.0	18.0
Finland		39.5	48.7	50.4	55.8
Ireland		16.7	15.9	24.6	42.7
Norway		8.7	3.7	7.8	23.3
Sweden		38.4	49.6	52.6	61.4

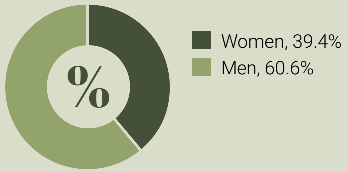
Sick leave and work-related injuries are followed up at each production site and reported in shared systems. Two of the accidents during the year have caused permanent incapacity. A total of 162 (127) injuries resulting in lost time occurred during the year and the total number of hours worked was 5,966,854 (5,340,265). Lost Time Injuries and hours worked does not include headquarters. The most commonly occurring accidents are falls (same level), being caught between objects, being struck by a moving object and inhalation of a hazardous substance. The numbers include employees and contractors (when applicable). Scandi Standard has an overall zero tolerance approach to accidents, with local measurable interim targets in the work to ensure a safe work environment.

Fatalities	2024	2023	2022	2021
Scandi Standard	0	0	0	0
Denmark	0	0	0	0
Finland	0	0	0	0
Ireland	0	0	0	0
Norway	0	0	0	0
Sweden	0	0	0	0

Gender distribution among office managers, %



Gender distribution among production managers, %



Workers in the value chain (ESRS S2)

GOVERNANCE AND STRATEGY

General principles for governance and the division of responsibilities related to sustainability are described on page 85. General information on Scandi Standard's strategy and the integration of sustainability aspects in the strategy work is described on pages 87–93. In 2023, a new process was adopted for supplier risk management and its implementation continued in 2024. Supported by this process, high-risk suppliers can be identified, both in relation to category and country, and suppliers assessed as high risk are evaluated by a third party. Dedicated resources have been allocated within the purchasing organisation to conduct the risk assessment as well as evaluating high-risk suppliers and follow-up on relevant improvement areas. Continued improvements related to workers in the value chain will focus on completing the implementation of the risk assessment process, strengthening the due diligence process with a focus on human rights and the environment, and establishing a concrete plan for corrective actions.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Scandi Standard's Group-wide Supplier Code of Conduct provides the foundation for managing material impacts, risks and opportunities, by setting requirements related to environmental performance, anti-corruption and ethics, human rights and social responsibility that correspond to the Group's own Code of Conduct. The Supplier Code of Conduct also specifies that suppliers must ensure that these requirements are passed down the value chain to their respective subcontractors. With the support of the quality and sustainability functions, the Group Procurement Director is responsible for the content and implementation of the Supplier Code of Conduct. In 2024, the Supplier Code of Conduct was updated and approved by the Board. In this context, a process was decided to get existing suppliers to sign the updated code. Our systematic approach is based on the supplier risk assessment process, which includes a risk screening at the supplier level based on risk parameters such as production country, as well as category- and industry-specific risks linked to the environment, human rights or ethical issues. In 2023, the supplier risk assessment process was clarified and expanded, and the screening process has been further structured, thereby ensuring a targeted focus on suppliers with the most significant sustainability risks for Scandi Standard. One significant adjustment includes the extension of the requirement for all indirect suppliers of food-related materials and services, regardless of the size of the supplier relationship, to be included by the Supplier Code of Conduct. The extension includes suppliers who provide materials and services such as personal protective equipment, cold storage solutions, chemicals, and external cleaning services. The limit of SEK 500,000 per year is retained for other suppliers. In conjunction with the introduction of the new process, Scandi Standard entered a strategic partnership with EcoVadis, a provider of external sustainability assessments. The partnership with EcoVadis enables Scandi Standard to leverage their global network of supplier sustainability assessments, thereby gaining increased transparency and promoting collaboration to drive continuous sustainability improvements with our suppliers. The partnership facilitates effective, credible and transparent monitoring of social and environmental performance in the supply chain, and ensures compliance with the requirements of our Supplier Code of Conduct.

Supplier Code of Conduct – signatory rate

	2024	2023	2022[1)]	2021[1)]
Direct suppliers	80.1%	65.7%	48.4%	38.8%
Indirect suppliers	17.9%	15.2%	10.2%	8.7%

High-risk suppliers	2030 target	2024	2023	2022[1)]	2021[1)]
Supplier Code of Conduct signatory	100%	73.1%	52.9%	48.3%	20.5%
Active external sustainability assessment		53.8%	18.8%	–	–

1) The reference years have been recalculated based on the new methodology.

In addition to working with our direct suppliers, Scandi Standard works continuously to reduce potential negative effects in terms of working conditions, mainly linked to soy production in South America, but also other countries where the risk of negative consequences related to working conditions and human rights is higher than in our Nordic domestic markets. Scandi Standard addresses these potential negative impacts and risks through requirements for certified soy, as well as assessments of suppliers from high-risk countries.

Any supplier who is in breach of the Supplier Code of Conduct is expected to establish a corrective action plan to address the situation, including all areas such as human rights and the environment.

METRICS AND TARGETS

Measures taken to improve methodology and data quality in 2023 resulted in downward adjustments of the key metrics for 2021 and 2022. The new, improved, methodology was also applied in 2024. Despite the downward adjustment of previous years, we retain the same ambitious target of having 100 per cent high-risk supplier compliance with our Supplier Code of Conduct by 2030. The refined process also showcases differences in our suppliers' risk profiles, as shown in our updated definition of high-risk suppliers, which now clearly states the risk criteria for high-risk suppliers as belonging to a specific high-risk category or country. A phased approach has been used with the implementation of EcoVadis, with the first group of high-risk suppliers invited to complete the external sustainability assessment in 2023. This group was expanded in 2024. 42 suppliers were assessed with approved ratings in 2024, corresponding to 53.8 per cent of identified high-risk suppliers and 47 per cent of Scandi Standards total spend with high-risk suppliers. The number of evaluated suppliers with approved ratings has increased compared to 2023, when 16 suppliers were evaluated with approved ratings.

The initiative has provided a comprehensive understanding of the maturity level of our high-risk suppliers' sustainability performance and the process of introducing action plans and targets for our suppliers has also been facilitated, to ensure continuous improvement for suppliers with improvement potential. During the year, 48 new suppliers were onboarded, and of these 6.3 per cent have been evaluated according to the new risk assessment process and signed the Supplier Code of Conduct.

Consumers and end-users (ESRS S4)

GOVERNANCE AND STRATEGY

General principles for governance and the division of responsibilities related to sustainability are described on page 85. General information on Scandi Standard's strategy and the integration of sustainability aspects in the strategy work is described on pages 87–93. Each production site is responsible for product quality and food safety through a quality manager. At Group level, shared processes and systems are secured through the Group Quality function, which reports to the Group Sustainability Director, who is a member of the Group Management team. Issues pertaining to product development and consumer contact are managed locally in each country organisation.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

One of Scandi Standard's main tasks is to provide local, healthy, safe and affordable protein. This requires robust processes to ensure that products are of good quality and safe for end consumers to eat. The sustainability and quality of the products also forms the foundation for profitability and for maintaining good customer relations. For information on consumer and end-user policies, see the table on page 86. A shared system for managing end-consumer complaints has been implemented, which is directly linked to our quality management system, thereby creating more efficient workflows and synergies.

Product quality and food safety

Product quality and food safety are at the top of Scandi Standard's priorities. We work continuously to improve processes and governance, based on certified management systems. All of our production plants hold third-party certification in accordance with BRC or IFS, two international quality management standards for food safety. This includes requirements on quality-assured working methods, buildings and equipment, risk analysis in accordance with Hazard Analysis and Critical Control Points (HACCP), product traceability, staff competence and hygiene procedures, as well as the verification of products and processes. Moreover, we comply with the specific requirements that different customers place on us as a company, or for a particular product or market. In order to strengthen the food safety culture, a yearly survey is conducted amongst all production employees, where participation rate and result is followed up on. This is a part of the 2030 targets and an average across sites is reported in the table on page 93.

The risks of unwanted bacteria and quality deficiencies or food fraud when purchasing ingredients are challenges that are addressed on an ongoing basis. In recent years work related to food safety has been strengthened further with the leadership of a Head of Group Quality with responsibility for quality and product safety. We use a number of measurable indicators to monitor and control product quality and identify any non-conformance. These include temperature and cleanliness at the plants, the presence of bacteria, controls of finished products and complaints.

We pay particular attention to checking for the presence of any pathogenic bacteria, i.e., bacteria that can cause illness. In our Nordic countries, our chickens must be salmonella-free, and campylobacter must be at the absolute minimum level possible. Regular controls for both these bacteria are conducted in the chicken houses and upon the arrival of chickens at the slaughterhouse. Campylobacter is a common bacteria found worldwide both in humans and in animals, including chickens. Salmonella is very rare in the Nordic countries but common in other parts of the world. Hand hygiene and cooking chicken properly are important for avoiding infection.

Clean Label Policy

Since 2020, a Group-wide Clean Label Policy is in place. The policy is based on current legislation and describes our shared stance on healthy products and establishes a framework for product content. The policy is established in all countries and applies to all products and recipes within our own brands, which account for 37 per cent of Scandi Standard's sales. As a tool for this work, each country has a database containing information on ingredients and their contents and composition.

Information-related impacts for consumers

Marketing and product information to consumers is undertaken locally by each of the Group's companies and brands. Our Code of Conduct stipulates that Scandi Standard must provide accurate and non-misleading information in its labelling and marketing of products. All marketing must comply with relevant legislation and ethical practices. Claims and information about the content and properties of our products must be transparent and fact-based.

METRICS AND TARGETS

Scandi Standard applies a common definition and process for so called critical complaints. These complaints include recalls from customers or consumers, the presence of foreign objects in the product, allergens or incorrect content or sell-by dates. Assessments are made locally in the respective country. The trend has remained positive during the year, and no critical complaints were reported in 2024, which was the same outcome as for 2023. In 2021, a new definition for critical complaints was introduced to provide clarification, after which only complaints related to food safety, consumer health and legislative requirements are included in reporting. The presence of salmonella and campylobacter is measured as a percentage of infected flocks. In 2024, campylobacter was found in 17.0 per cent of flocks, which was slightly higher than the previous year and the long-term target which is 5–10 per cent. Salmonella has been found in 0.3 per cent of flocks, a continued low number within the target range.

Clean Label Policy compliance is monitored on a monthly basis for three Group-wide indicators: the use of a flavour enhancer, monosodium glutamate (MSG/E621), artificial colourings and artificial flavourings. The objective is for all of these to be zero by 2030. Our 2024 results show that E621 was present in six Danish products, corresponding to 0.4 per cent of products from our own brands. Artificial colourings were found in one Norwegian product at the end of the year. For artificial flavourings, there is still a need for them in some local products in order to meet taste preferences and requirements to avoid allergens. Examples include pesto in Finland and smoke flavouring in Sweden. At the end of the year artificial flavourings were found in 29 products in Finland, Sweden and Norway, corresponding to 1.9 per cent of products from our own brands.

In addition to Group-wide work on the Clean Label Policy, the local product development organisations work actively to reduce product salt content and local targets are set according to local market conditions and expectations, with the overall goal of reducing salt use.

Product quality and food safety

	2030 target	2024	2023	2022	2021
Critical complaints[1], number	0	0	0	2	7
Product recalls, number	0	2	2	0	6
Salmonella, infected flocks	0–0.5%	0.3%	0.3%	0.2%	0.20%
Campylobacter, infected flocks	5–10%	17.0%	13.1%	11.1%	11.90%

[1] These complaints include recalls from customers or consumers, the presence of foreign objects in the product, allergens or incorrect content or sell-by dates.

Governance information

Business conduct (ESRS G1)

GOVERNANCE AND STRATEGY

General principles for governance and the division of responsibilities related to sustainability are described on page 85. General information on Scandi Standard's strategy and the integration of sustainability aspects in the strategy work is described on pages 87–93. All business conduct policies are listed in the table on page 86; topics covered include animal welfare, corruption and bribery, and relationships with suppliers.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Business conduct and business conduct matters comprise material topics for Scandi Standard and more detailed information about the management of impacts, risks and opportunities can be found in the corporate governance report on pages 121–132. Scandi Standard endeavours to make the most of every employee's potential and to promote a creative work culture that reflects our business environment and our customer groups. An attractive and winning culture is the key to safeguarding future skills supply. For Scandi Standard, it is essential to have a corporate culture based on strong ethical practices and a healthy working environment, for which standards are set by the Code of Conduct. Moreover, clear internal documentation and leadership in terms of corporate values can promote a healthy corporate culture in the value chain.

The Code of Conduct applies to all employees and representatives of Scandi Standard, including the Board. The Code of Conduct sets the framework for acting responsibly in terms of ethics, the environment, social issues and human rights. All employees get a walk-through of the code in the local language when commencing employment, and thereafter confirming that they understand what it entails. The training then takes place continuously every two years to ensure anchoring. In 2022, an updated version of Scandi Standard's Code of Conduct was created and approved by the Board. The update has clearer definitions of applicability and processes, and the sections on, for example, bribery, corruption, competition law and human rights, were strengthened. A new training course was developed in 2023 and it has been implemented across most of the business in 2024, both among office and production staff.

Corruption and bribery

Scandi Standard strives to use an ethical and respectful approach in all business relationships. The Code of Conduct clarifies that zero tolerance applies to all forms of bribery and corruption and the Group also has a separate policy on bribery and corruption with further details and guidelines available for the relevant functions via the intranet. Employees at Scandi Standard must also act in an exemplary and responsible fashion to ensure the correct processing of information and to ensure the avoidance of any conflicts of interest. All employees undergo basic training related to corruption and bribery through the Scandi Standards Code of Conduct training course. Further training in these areas is provided on an ongoing basis for high-risk employees. During 2024, 35 employees conducted the further training, corresponding to 92 per cent of high-risk employees.

Corruption and bribery

	2024	2023	2022	2021
Confirmed cases of corruption and bribery	0	0	0	0
The number of confirmed cases where own employees were dismissed or disciplined for corruption or bribery-related incidents	0	0	0	0
The number of confirmed incidents related to contracts with business partners that were terminated or not renewed related to corruption or bribery	0	0	0	0

Membership in organisations

Country	Member organisations
Denmark	Økologisk Landsforening
	Dyrenes beskyttelse
	Landbrug og fødevare
	Dansk Industri
	Fjerkræafgiftsfonden (FAF)
	Dansk Alliance for Ansvarlig Soja
	MLDK
	Food from Denmark
Finland	Elintarviketeollisuusliitto ETL
	Suomen Broileryhdistys
	Hyvää Suomesta
	Elintarviketieteiden seura
	Eläinten Terveys ETT
	World Poultry Science Association WPSA, Finland
Ireland	BM TRADA
	BRCGS
	Bord Bia
	FDI
	IBEC
	MII
Norway	Animalia
	KLF - Kjøtt og fjørfebransjens landsforbund
	DLF - Daglivareleverandørens forening
	NHO Mat og drikke
	NYT Norge
	NHO Mat og drikke
Sverige	Svensk Fågel
	Livsmedelsföretagen (LI)
	Svenska plattformen för riskgrödor
Group	UN Global Compact
	RTRS Round Table on Responsible Soy
	Hållbar Livsmedelskedja

Whistle-blowing function

The Group has a whistle-blowing policy. Employees are encouraged to report any potential breaches of the Code of Conduct and other policies, including issues related to corruption. A whistle-blowing function has been set up, in collaboration with an external company, to enable the anonymous reporting of potential violations of the Code of Conduct. Reported cases are received by the external partner and forwarded to an internal committee consisting of the Group HR Director, CFO, Head of Group Finance and Group Risk Manager. The whistle-blowing policy was updated and approved by the Board in 2024. The update also allows external stakeholders, such as suppliers, to use the whistle-blower service.

Seven cases were reported through the whistle-blower service in 2024. Cases related to local employee issues, leadership issues and policy compliance were investigated and responded to, and none of the cases were found to be an actual breach of the Code of Conduct. Further work was undertaken locally, when desired. No confirmed cases related to corruption or discrimination has been reported to the whistle-blower service or in other channels.

Political engagement and lobbying activities

Scandi Standard engages through the local companies in local industry associations, seen in the table on page 111. It is important to closely monitor upcoming laws and regulations where changes could potentially exert a significant financial influence on Scandi Standard's operations. Scandi Standard actively engages in dialogue, through trade organisations or in-house, on issues deemed relevant.

METRICS AND TARGETS

The objective is for all new employees to complete training in the Code of Conduct and for this training to be renewed every second year. In 2023, a new training course was developed and implementation started in all countries in 2023 and 2024. In total, 98 (91) per cent of salaried employees and 89 (56) per cent of production workers completed the Code of Conduct training, which includes training on bribery and anti-corruption. While the training is Group-wide and developed centrally, each country's HR function is responsible for implementation and monitoring. During the year, one breach of the Code of Conduct was confirmed. This pertained to a case of harassment, which led to dismissal.

Animal welfare and antibiotics usage

GOVERNANCE AND STRATEGY

General principles for governance and the division of responsibilities related to sustainability are described on page 85. General information on Scandi Standard's strategy and the integration of sustainability aspects in the strategy work is described on pages 87–93. Scandi Standard has two overarching policies related to animal welfare and antibiotics usage that guide work with live animals. These are presented in the table on page 86. Scandi Standard's Group Live Operations Director has overall responsibility for the Group's animal welfare policy and improvement work. In each market, the local management and local individual in charge of living animals are jointly responsible for implementation and follow-up. Each production site has a designated animal welfare coordinator, and all staff who handle live chickens receive animal welfare training as part of their introduction.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Healthy chickens efficiently convert feed into meat, and therefore, it is essential from several perspectives that the animals thrive and do not need unnecessary medication. No one benefits from a sick animal. While good animal welfare enables resource-efficient production of high-quality products, poor animal welfare entails a risk of increased disease, mortality and rejection, as well as media and reputational risks. Accordingly, animal welfare is an extremely material matter where Scandi Standard not only has a large potential impact, but one that also presents significant risks and opportunities.

Our focus on continuous improvement forms the foundation for our work with animal welfare. Together with our contracted growers, Scandi Standard's ambition is to be a driving force for good animal welfare throughout the industry. Animal welfare legislation in the Nordic region is among the strictest in the world, and the Nordic approach is our starting point. Chickens are given every chance to stay healthy and absorb nutrients by applying a holistic approach, knowledge and high standards of handling, housing and feeding.

Scandi Standard's Animal Welfare Policy is based on the internationally recognised Five Freedoms of animal welfare and reflects what is required for chickens to thrive. The policy stipulates that we do not use genetic modification, antibiotics for preventative purposes, growth hormones or practice beak trimming. Requirements are also set for chicken houses and flock density, responsible transportation and stunning before slaughter. For Scandi Standard, it is important to have a holistic view of animal welfare, where several different aspects are important and where a combination of different metrics must be followed up to ensure good animal welfare. These aspects include the competence and commitment of growers, the quality of day old chicks, feed quality, housing environment quality, the opportunity for natural behaviour, hybrid, loading and transport, and stunning and slaughter. These factors are described in the diagram on page 113.

Collaboration with growers, pen environments and feed

In order to thrive and grow, the chickens must be able to move freely, have a clean chicken house and sufficient space. The threshold value for flock density, i.e., the permissible number of chickens in one and the same flock, varies depending on the site and national legislation. Scandi Standard's average density falls below the EU's prescribed maximums for flock density and is adapted to animal welfare outcomes. This includes the bedding where chickens spend their time, which has a major impact on their health. Dry bedding is comfortable for the chickens, maintains their immune system and reduces the risk of spreading diseases. Chickens also require good lighting, ventilation, and equipment for feed and water. The health of the flocks is monitored on a daily basis, and the housing environment is measured and assessed using a number of metrics such as temperature, air humidity and air quality. The quality of the bedding is checked by examining the condition of the foot pads, which is registered for each flock of chickens upon arrival at the slaughterhouse.

Scandi Standard has long-term collaborations with selected growers in each country. The growers' knowledge, understanding and care for chickens is the most important factor for guaranteeing good animal welfare and for creating conditions conducive to healthy, thriving and growing chickens. The quality of the day-old chick greatly affects the chicken's health and growth for the rest of its life. Choosing good parent birds and handling the fertilised eggs correctly during the incubation period ensures that the chicks are strong and healthy from the onset.

Feed composition is an important part of our collaboration with the growers. Nutrient content and quality have a major impact both on the health of chickens and on the efficiency of feed use. Chickens are very good at converting feed into meat, and feed efficiency is a direct indicator of the quality of the feed, and how well the chickens are being cared for. All feed is produced using carefully selected ingredients, with wheat and soy being major components. Our operations in Ireland have their own feed experts and local feed mill, while in other countries we collaborate with external feed suppliers whom our external growers purchase feed from. The use of feed with the presence of genetically modified organisms (GMOs), in this case soy and corn, is widely discussed throughout the agricultural industry. Scandi Standard has chosen to adhere to local conditions and customer requirements and currently requires the use of GMO-free feed in Sweden and Norway, and organic chicken in Denmark.

In 2021, Scandi Standard established a Centre of Excellence with the aim of developing knowledge, work methods and processes around animal welfare and chicken rearing, and disseminating this information in our value chain and among growers. During the first year, the focus was on developing more sustainable feed by using local ingredients to replace a significant amount of the soy protein in the feed. In 2022 and 2023, the new feed was tested in both Finland and Sweden, with promising results. Also in 2024, testing has continued to varying degrees, especially in Finland. The primary focus for the Centre of Excellence during 2023 and 2024 has been driving Scandi Standard's Chicken Quality Programme – a results-based improvement programme to raise the quality of the chickens that are delivered by Scandi Standard's contracted growers. Each grower is measured using eleven KPIs linked to performance within animal welfare, quality, food safety and productivity. These provide a clear overview of how each rearing house operated by Scandi Standard's growers is performing. Based on the results, Scandi Standard then collaborates with the grower to develop customised action packages for the lowest performing houses. The aim is to systematically and continuously improve operations, by inserting concrete measures where they make the most difference. To date, the program has been implemented in Ireland, Finland and Denmark and the aim is to implement it throughout the Group. This is beneficial for chickens, growers, Scandi Standard and ultimately, consumers.

Ethics for transport and slaughter

Animal ethics are a high priority in the transport and slaughter of the chickens. To achieve a calm environment, the chickens are collected prior to slaughter by trained staff in adapted vehicles. Vehicles with temperature-controlled ventilation are used in countries with cold climates. Transport times can be kept short because broiler growers are generally located close to the production plants. The average transport distance in the Group's countries is 104 kilometres, a distance that takes 1–2 hours and is well below the statutory maximum time, which in Sweden, for example, is eight hours. Transport times and arrival times are planned and registered to ensure that all chickens are handled within set time frames, and that they are always slaughtered on the day of transportation. Upon arrival, the chickens are inspected both by Scandi Standard's own staff and by an independent veterinary surgeon. The wings are checked as an indicator of how well the loading was managed and wing damage is followed up systematically to improve animal welfare but also to ensure that as much of the chicken as possible can be used for food production. All chickens are stunned before slaughter. Controlled atmosphere stunning (CAS) is used at most Scandi Standard production plants, as well as electrical stunning in Denmark and Lithuania. CAS has a number of advantages in terms both of animal welfare and of meat quality.

Working systematically to lower antibiotics usage

Increased antibiotic resistance is a global health challenge and we believe that Scandi Standard has an important role to play in minimising the use of antibiotics in food production, particularly when acquiring and integrating operations that are beyond the Nordic region into the Group. Scandi Standard has a very strict policy on the use of antibiotics and other types of medication. In accordance with current Nordic legislation, antibiotics must not be used as a preventive measure in the rearing process, unlike in many other countries. Only sick animals may be treated, following a decision by a veterinarian. The use of antibiotics among Nordic growers is also very low – close to zero – which is a sign of good animal husbandry.

Outbreak of bird flu

Avian influenza (bird flu) is a viral disease found in wild birds that can spread to domestic birds, and outbreaks can affect egg and chicken producers. However, the virus is not thought to cause any serious symptoms in humans and consumers do not need to be concerned about whether chicken products are safe to eat. Outbreaks of bird flu leads to extensive shutdowns in order to prevent wider transmission to new flocks. Local Scandi Standard teams work closely with concerned growers and relevant authorities to ensure that the right measures are implemented if outbreaks occur. This includes setting up zonal systems to guarantee disease control and prevent growers and the poultry industry from being hit harder than necessary.

METRICS AND TARGETS

We have also made determined efforts to significantly reduce the use of antibiotics in our Irish operations, from around 70 per cent when the company was acquired in 2017, to 14.3 per cent in 2024. Performance temporarily deteriorated in 2022, but has returned to a positive trend mainly in the second half of 2023 and is now back at the same low levels as before 2022. This was a consequence of a disciplined effort to improve the quality of day-old chicks as well as to strengthen physical conditions for the chickens during the first 48 hours in the rearing house, for example, by optimising the bedding. Work continues on minimising the use of antibiotics in the operations in Ireland and the long-term

Use of antibiotics (% of treated flocks)	2030 target	2024	2023	2022	2021
Scandi Standard	**<1%**	**4.4%**	**8.1%**	**10.8%**	**5.20%**
Denmark		0.4%	0.7%	0.1%	0.10%
Finland		0.0%	0.0%	0.0%	0.00%
Ireland		14.3%	29.6%	40.8%	18.10%
Norway		0.0%	0.0%	0.0%	0.00%
Sweden		0.2%	0.2%	0.2%	0.70%

Animal-welfare indicators	2030 target	2024	2023	2022	2021
Animal-welfare indicator (foot score)	<5	6.5	9.9	12.2	9.3
Feed efficiency, FCR kg feed/kg live weight		1.49	1.50	1.50	1.52
Rearing mortality	<3.5%	3.8%	4.2%	3.7%	3.60%
Transport mortality (DOA)	<0.13%	0.10%	0.10%	0.09%	0.10%

Denmark – comparison between conventional and slow growing broiler	Rearing mortality (%)	Foot score	Feed conversion ratio (FCR)
Conventional	4.4	0.8	1.50
Slow growing	4.5	1.2	1.66

In the table, a comparison between a conventional (Ross308) and a slow growing (Rustic Gold) broiler hybrid is presented. The data reported relates to Scandi Standard's Danish operations during 2024 since both hybrids were produced at large scale under comparable circumstances. The results show small differencences in rearing mortality and foot scores.

Group target is for the percentage of flocks treated with antibiotics to be lower than one per cent by 2030, and for the foot score to be below five. The following reporting principles are used for own disclosures on animal welfare: Use of antibiotics is measured as the share of treated flocks. The foot score, which comprises a leading measure of animal welfare, is measured manually for 100 birds per flock arriving at the slaughterhouse. They are scored on a scale of 0–200. Mortality in rearing and transport is calculated as the percentage of birds that cannot be used for food production.

Statutory Sustainability Report

Scandi Standard is covered by the statutory sustainability reporting requirements according to the Swedish Annual Accounts Act, as well as reporting according to the EU Taxonomy. In the table below, the coverage of the statutory sustainability reporting is presented. The EU Taxonomy reporting can be found on pages 94–96.

Sustainability area	Scandi Standard's impact	Comment/reference regarding governance, risk management and KPIs	
Social conditions	Health (for employees and consumers) Food safety and hygiene, Animal welfare (product responsibility) Responsibility in the supply chain	**Description:**	Page 110 Consumers and end-users, pages 106–108 Own workforce, page 109 Workers in the value chain, pages 112 – 114 Animal welfare and antibiotics usage
		Risks and risk management:	pages 32–36
		Policies:	Code of Conduct, Supplier Code of Conduct as well as policies for Health and Safety, Clean Label Policy, Antibiotics and Animal Welfare
		KPIs:	Pages 107–109, 114
Environment	Climate and resource efficiency (energy, transport, water and waste management in production, feed efficiency)	**Description:**	Pages 97–105
		Risks and risk management:	Pages 32–36, 99
		Policy:	Environmental policy. Permits in compliance with national and local environmental legislation for each plant.
		KPIs:	Pages 100–105
Personnel	Good workplace (work environment, health, safety, gender equality and diversity)	**Description:**	Pages 106–108 Own workforce.
		Risks and risk management:	Pages 32–36
		Policies:	Code of Conduct and Health and safety policy
		KPIs:	Pages 107–108
Respect for human rights	Good workplace Responsibility in the supply chain	**Description:**	Page 109 Workers in the value chain, pages 106–107 Own workforce
		Risks and risk management:	Pages 32–36
		Policies:	Code of Conduct and Supplier Code of Conduct
		KPIs:	Pages 107, 109, 111 Follow-up is carried out through the employee survey as well as through follow-up and deviation reporting concerning the Code of Conduct and Supplier Code of Conduct
Anti-corruption	Good business conduct	**Description:**	Page 111 Business conduct and Whistle-blowing function
		Risks and risk management:	Pages 32–36
		Policies:	Code of Conduct and Supplier Code of Conduct
		KPIs:	Page 111

GRI index

Description of usage	Scandi Standard has reported pursuant to the GRI Standards for the period from 1 January 2024–31 December 2024
GRI applied	**GRI 1: Foundation 2021**

GRI Standard	Disclosure	Page	Omission
GRI 2: General disclosures 2021	2-1 Organisational details	p. 3, 29, 135	
	2-2 Entities included in the organisation's sustainability reporting	p. 85	
	2-3 Reporting period, frequency and contact point	p. 7, 85	
	2-4 Restatements of information	p. 85	
	2-5 External assurance	p. 85, 127, 133	
	2-6 Activities, value chain and other business relationships	p. 3, 8–12, 24–27, 85, 111	
	2-7 Employees	p. 106–108	
	2-8 Workers who are not employees	p. 107	
	2-9 Governance structure and composition	p. 124–125, 129–130	Disclosures vi) and viii) are omitted. Information is not available and is not intended to be collected in relation to board members.
	2-10 Nomination and selection of the highest governance body	p. 123–126	
	2-11 Chair of the highest governance body	p. 124–126	
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 85, 89	
	2-13 Delegation of responsibility for managing impacts	p. 85, 89	
	2-14 Role of the highest governance body in sustainability reporting	p. 85, 89	
	2-15 Conflicts of interest	p. 124, 126, 129–130	
	2-16 Communication of critical concerns	p. 85, 89	Disclosure b) is omitted. Information is not available, but work is ongoing to strengthen processes and make reporting available.
	2-17 Collective knowledge of the highest governance body	p. 85	
	2-18 Evaluation of the performance of the highest governance body	p. 124–125	Disclosures a–c) are omitted. Information not available since current evaluation process does not include sustainability and impact.
	2-19 Remuneration policies	p. 31, 45–48, 52–54, 85, 122, 126, 135	
	2-20 Process to determine remuneration	p. 31, 123–127	Disclosure iii) is omitted. Information not available in relation to consultants.
	2-21 Annual total compensation ratio	n/a	Disclosure is omitted. Information is not available, but work is ongoing to strengthen processes and make reporting available.
	2-22 Statement on sustainable development strategy	p. 5–7	
	2-23 Policy commitments	p. 85–86, 106–107, 109, 111–112	
	2-24 Embedding policy commitments	p. 85–86, 109	
	2-25 Processes to remediate negative impacts	p. 89–93, 110–112	
	2-26 Mechanisms for seeking advice and raising concerns	p. 111	
	2-27 Compliance with laws and regulations	n/a	Disclosure is omitted. Information is not available, but work is ongoing to strengthen processes and make reporting available.
	2-28 Membership associations	p. 92, 111	
	2-29 Approach to stakeholder engagement	p. 85, 92	
	2-30 Collective bargaining agreements	p. 107	

GRI Standard	Disclosure	Page	Omission
GRI 3: Material topics 2021	3-1 Process to determine material topics	p. 89–93	
	3-2 List of material topics	p. 89–93	
Economic performance			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 5–7, 85, 89–93, 99	
GRI 201: Economic performance 2016	201-2 Financial impact and other risks and opportunities connected to climate change	p. 33–34, 97–99	
Anti-corruption			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 85, 89–93, 109, 111–112	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	p. 86, 109, 111–112	Disclosure a) and b) is omitted. Information not available on regional level. Work ongoing to make information available 2025
	205-3 Confirmed incidents of corruption and actions taken	p. 111– 112	
Materials			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 85, 89–93, 104–105	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	p. 104–105	
	301-2 Recycled input materials used	p. 104–105	
Energy			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 85, 89–93, 97–101	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	p. 98, 101	
	302-3 Energy intensity	p. 98, 101	
Water and effluents			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 85, 89–93, 102	
GRI 303: Water and effluents 2018	303-2 Management of water discharge-related impacts	p. 102	
	303-4 Water withdrawal	p. 102	
	303-5 Water consumption	p. 102	
Emissions			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 85, 89–93, 97–100	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 97–100	
	305-2 Indirect (Scope 2) GHG emissions	p. 97–100	
	305-3 Other indirect (Scope 3) GHG emissions	p. 97–100	
	305-4 GHG emissions intensity Carbon-dioxide emissions in relation to production volume	p. 14	
Waste			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 85, 89–93, 104–105	
GRI 306: Waste 2020	306-3 Waste generated	p. 104–105	
	306-4 Waste diverted from disposal	p. 104–105	Disclosure b and d) are omitted. Information is not available.
Supplier environmental assessment			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 85, 89–93, 109	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	p. 109	

GRI Standard	Disclosure	Page	Omission
Occupational Health and Safety			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 85, 89–93, 106–108	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 106–108	Disclosures b)-d) are omitted. Information is not available.
	403-2 Hazard identification, risk assessment, and incident investigation	p. 106–108	Disclosure is omitted. Information is not available.
	403-3 Occupational health services	p. 106–108	Disclosure is omitted. Information is not available.
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 106–108	Disclosure a) is omitted. Information is not available.
	403-5 Worker training on occupational health and safety	p. 106–108	
	403-6 Promotion of worker health	n/a	Disclosure is omitted. Information is not available.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 109	
	403-8 Workers covered by an occupational health and safety management system	p. 106–108	Disclosure a ii) is omitted. Information is not available.
	403-9 Work-related injuries	p. 106–108	Disclosure c) is omitted. Information is not available.
Diversity and equal opportunity			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 85, 89–93, 106–108	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity in the organisation	p. 52, 106–108	Disclosures a ii)-iii) and b ii)-iii). Information not available. Work is ongoing to develop the information during 2025.
Own disclosure: Inclusive culture and Employee Engagement	Scandi Pulse Employee Engagement Survey	p. 107	
Non-discrimination			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 85, 89–93, 106–107, 111–112	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 111–112	
Supplier Social Assessment			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 85, 89–93, 109	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	p. 109	
Customer Health and Safety			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 85, 89–93, 110	
Own disclosure: Quality and Food Safety	Critical complaints and recalls	p. 93, 110	
Own disclosure: Health and Nutrition	Clean Label Policy compliance	p. 93, 110	
Animal welfare and feed efficiency			
GRI 3: Material topics 2021	3-3 Management of material topics	p. 85, 89–93, 112–114	
Own disclosure: Animal welfare and feed efficiency	Use of antibiotics	p. 114	
	Animal welfare indicator: foot score	p. 114	
	Feed conversion ratio	p. 114	
	Transport mortality	p. 114	
	Rearing mortality	p. 114	
	Soy reduction	p. 103	

Board of Director's assurance

The Board of Directors and the Managing Director and CEO hereby certify that the Sustainability Report for 2024 have been prepared in accordance with the Annual Accounts Act and GRI Standards.

Stockholm, 20 March 2025

Johan Bygge
Chairman of the Board

Sebastian Backlund *Board member*	Lars-Gunnar Edh *Board member*	Øystein Engebretsen *Board member*	Paulo Gaspar *Vice Chairman*	Pia Gideon *Board member*	Henrik Hjalmarsson *Board member*	Cecilia Lannebo *Board member*

Jonas Tunestål
Managing director and CEO

Auditor's Limited Assurance Report on Scandi Standard AB's Sustainability Report and statement on the Statutory Sustainability Report

To the annual general meeting of Scandi Standard AB (publ), corporate identity number 556921-0627

Introduction

We have been engaged by the Board and Group Management of Scandi Standard AB (publ), to undertake a limited assurance of Scandi Standard AB's Sustainability Report for the year 2024. The company has defined the scope of its sustainability report on page 84. The statutory sustainability report is defined on page 84, which also constitutes the statutory sustainability report.

Responsibilities of the Board and Group Management

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act in the older version that applied before 1 July 2024. The criteria are described on page 84 of the Sustainability Report, and consists of the parts of the sustainability reporting framework issued by the GRI (Global Reporting Initiative) Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that Scandi Standards AB (publ) has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does 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 Historical 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. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, *the Auditor's Opinion on the Statutory Sustainability Report*. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm 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 in relation to Scandi Standard AB according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have 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 Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 21 March 2025

PricewaterhouseCoopers AB

Linda Corneliusson
Authorised Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Corporate governance

Corporate governance report

Corporate governance within Scandi Standard aims to promote sustainable value creation for shareholders and a sound corporate culture where business opportunities are utilized within the framework of good risk control. This corporate governance report, which is a part of the Annual Report for 2024, has been prepared by the Board of Directors and has been examined by Scandi Standard's external auditor. No deviations from the Swedish Corporate Governance Code are reported. No breaches of Nasdaq Stockholm's applicable regulations and no breaches of good practice in the stock market was reported by Nasdaq Stockholm's surveillance or the Swedish Securities Council.

Scandi Standard AB (publ), corporate identity number 556921- 0627 (the company) with subsidiaries (the Group or Scandi Standard) is a Swedish Public Limited Liability Company with its registered office in Stockholm. The company's shares have been listed on Nasdaq Stockholm Mid Cap since June 2014.

Responsibility of corporate governance in the form of management and control of Scandi Standard is distributed between the shareholders at the general meetings, the Board of Directors with appointed committees, and the Managing Director, pursuant to applicable external laws and regulations and internal steering documents in the form of Scandi Standard's Articles of Association, as well as internal codes, policies, guidelines and instructions.

Share capital and shareholders

As of 31 December 2024, the share capital amounted to SEK 659,663 represented by 66,060,890 shares with a quota value of SEK 0.009986 per share. Each share carries one vote. All shares have equal rights to Scandi Standard's assets and profits.

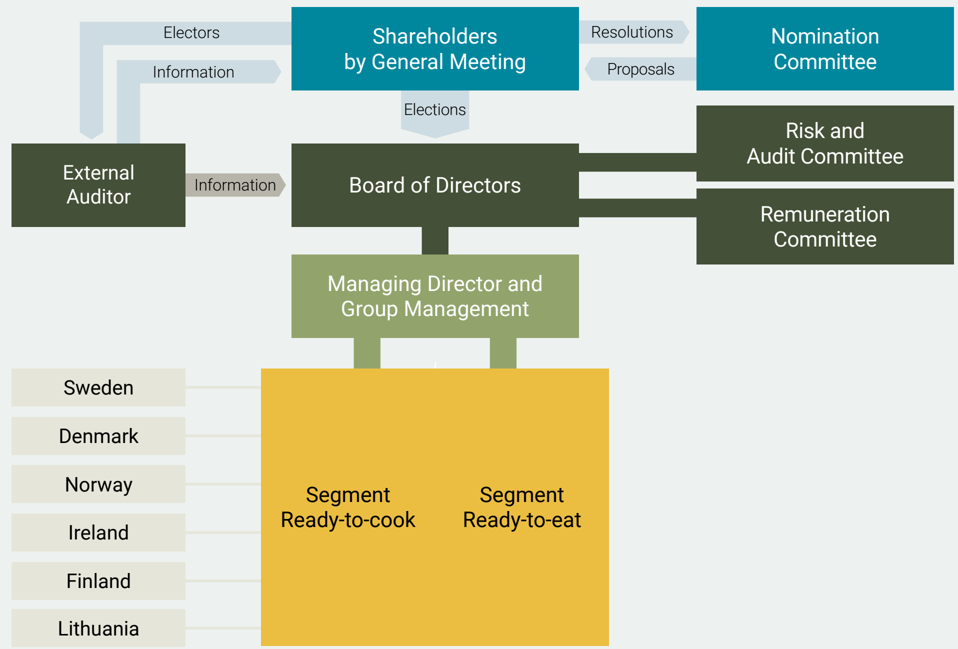
The number of shareholders as of 31 December 2024 was 7,117. The holding of the ten largest owners corresponded to 72 per cent of the share capital and two shareholders, Grupo Lusiaves and Investment AB Öresund had a holding in the company in excess of ten per cent, amounted to 18.7 per cent and 15.3 per cent respectively of the share capital as of 31 December 2024.

Approximately 39 per cent of the share capital was owned by foreigners as of 31 December 2024. More information of the share and shareholders, see page 135.

General Meeting of shareholders

The General Meeting of shareholders is Scandi Standard's highest decision-making body, through which shareholders exercise their rights to make decisions on Scandi Standard's affairs. There are no restrictions on the shareholders' rights in the Articles of Association or, as far as the company is aware of, in any shareholders' agreements. The Annual General Meeting (AGM) in the company shall be held in Stockholm, Sweden, within six months from the

Governance structure



Major external laws and regulations

- Swedish Companies Act
- Swedish Annual Accounts Act
- Nasdaq Stockholm's regulations, Nordic Main Market Rulebook for Issuers of Shares
- Swedish Corporate Governance Code
- Other Swedish and foreign laws and regulations

Major internal steering documents

- Articles of Association
- Procedure for the Board of Directors, Instruction for the Managing Director, Instruction regarding financial reporting to the Board of Directors etc
- Code of Conduct
- Other codes, policies, guidelines and instructions

Matters to be resolved by the AGM:

- Adoption of the income statement and the balance sheet in the Annual Report for the Parent Company and the Group
- Dividend
- Discharge of liability for the Board members and the Managing Director
- Election of Chairman of the Board, other Board members and external auditor
- Fees to the Chairman of the Board, other non-employed Board members and the external auditor.
- Long-term incentive program (LTIP)
- Authorization for the Board to resolve on the issue of new shares and to acquire and transfer own shares to hedge commitments under LTIP
- Other matters in accordance with the Swedish Companies Act

end of the financial year. Besides the AGM, extraordinary General Meetings may be convened.

To participate in the decision-making at the Annual General Meeting requires the shareholders presence at the meeting, either in person or through proxy. In addition, the shareholders must be registered directly in the share register kept by Euroclear five business days prior to the General Meeting, and to announce participation no later than the date specified in the notice convening the meeting.

Annual General Meeting 2024

The AGM 2024 was held in Stockholm, Sweden on May 3.

Resolutions by the AGM included, among others:

- Adoption of the income statement and the balance sheet in the Annual report for the Parent Company and the Group in 2023
- Dividend of SEK 2.30 per share for the 2023 financial year
- Discharge of liability for the Board members and the Managing Director for the 2023 financial year
- Approval of the remuneration report
- Re-election of Johan Bygge, Øystein Engebretsen, Paulo Gaspar, Pia Gideon, Henrik Hjalmarsson and Cecilia Lannebo as Board members
- New election of Lars-Gunnar Edh and Sebastian Backlund as Board members
- Re-election of Johan Bygge as Chairman of the Board
- New election of Paulo Gaspar as vice Chairman of the Board
- Total fees to the Board for the period up to the end of the next AGM should amount to SEK 4,470,000, of which SEK 1,000,000 to the Chairman of the Board, SEK 550,000 to the vice Chariman of the Board, SEK 400,000 each to the other five Board members not employed by the company or any of its subsidiaries, SEK 180,000 to the Chairman of the Risk and Audit Committee and SEK 90,000 each to the other member of this Committee and SEK 80,000 to the Chairman of the Remuneration Committee and SEK 40,000 each to the other members of this Committee
- Re-election of Öhrlings PricewaterhouseCoopers AB as Scandi Standard's external auditor until the end of the next AGM and the fees to the auditors
- Long-term incentive programme 2024 (LTIP 2024), authorisation for the Board of Directors to acquire and transfer own company shares to hedge the commitments under LTIP 2024 on the conditions set forth in the AGM 2024 minutes, available at the company web site https://investors.scandistandard.com/en/general-meeting

Annual General Meeting 2025

The Annual General Meeting (AGM) 2025 will be held on 29 April at 10.00 AM. For more information regarding the AGM see page 137 and at the company website https://investors.scandistandard.com/en/general-meeting.

Nomination Committee

The Nomination Committee represents the shareholders of the company and shall, in accordance with the Nomination Committee instruction, which is available on the company web site, https://investors.scandistandard.com/en/nomination-committee, among others, submit proposals to the AGM regarding:

- Chairman of the AGM, Board members elected by the AGM and the Chairman of the Board as well as the external auditor
- Fees to the Board members elected at the AGM and to the Chairman of the Board, who are not employees of the company or its subsidiary, and to the external auditor
- To the extent it is considered necessary, amendments to the Instructions for the Nomination Committee

In accordance with the Instruction for the Nomination Committee, the committee shall consist of no less than four members. One of these members shall be the Chairman of the Board or a Board member nominated by the Chairman of the Board. Based on the shareholding statistics as per the last bank day of August following the AGM, the Nomination Committee shall identify the four largest shareholders in the company and urge them to elect the person which each shareholder wishes to appoint as member of the Nomination Committee.

The proposals of the Nomination Committee to the AGM are publicly announced no later than on the date of notification of the AGM.

The Nomination Committee for the AGM 2024 consisted of Andreas Hofmann, chairman appointed by Investment AB Öresund, Avelino Gaspar, appointed by Grupo Lusiaves, Michael Sigsfors, appointed by Lantmännen Animalieinvest AB, Mats Qviberg appointed by Eva Qviberg and Johan Bygge, Chairmanof Scandi Standard AB (publ).

The proposals of the Nomination Committee to the 2024 AGM and an account of the Nomination Committee's work were included in the notice convening the Annual General Meeting, which was published on the company's website https://investors.scandistandard.com/en/general-meeting. The 2024 Annual General Meeting resolved in accordance with all the Nomination Committee's proposals.

The Nomination committee for the AGM 2025 consists of Anders Wennberg, who after a unanimous decision by the nomination committee, was elected chairman, and appointed by Investment AB Öresund, Avelino Gaspar, appointed by Grupo Lusiaves, Henrik Sundell, appointed by Lantmännen Animalieinvest AB, Nicklas Paulson, appointed by Eva Qviberg and Johan Bygge, Chairman of Scandi Standard AB (publ).

The Nomination Committee started its work by reviewing the tasks incumbent on it under the Swedish Corporate Governance Code and the Instruction for the Nomination Committee adopted at the AGM 2020 and a time plan was set for the Nomination

Committee's work. The Nomination Committee took note of Chairman of the Board of Director's views on the company's and Group's operations, targets, strategy, financial results and position and other important conditions.

The Nomination Committee reviewed the results of the external evaluation from end of 2024 of the Board work and procedures, including the performance of the Chairman of the Board and its members individually. On this basis, the Nomination Committee has assessed the competence, experience and background that the company's Board members elected by the AGM should possess and considered the requirement for diversity and breadth in the Board in terms of gender, age, cultural/ geographic background, professional background and ownership representation. An important starting point for the Nomination Committee's proposal to the Annual General Meeting is that each board assignment in the company shall be based on merit and the main assignment shall be to maintain and improve the Board's efficiency. The Nomination Committee also had contacts with the Chairman of the Risk and Audit Committee to obtain information on the Risk and Audit Committee's assessments of the quality and efficiency of external auditor work.

The Nomination Committee's proposals to the AGM 2025
The proposals of the Nomination Committee to the 2025 AGM and a statement for the Nomination Committee work will be available on the company website https://investors.scandistandard.com/en/general-meeting.

The proposals and the statement will be included in the notice convening the AGM, which is available on the company website https://investors.scandistandard.com/en/general-meeting.

Diversity policy
The nomination committee has determined that Rule 4.1 of the Swedish Corporate Governance Code is to be applied as board diversity policy. This means that when preparing its proposals to the annual general meeting, the nomination committee will consider that the Board of Directors is to have a composition appropriate to Scandi Standard's operations, phase of development and other relevant circumstances. The board members are collectively to exhibit diversity and breadth of qualifications, experience and background. Gender balance shall be sought. All board assignments in Scandi Standard are to be based on merit with the prime consideration being to maintain and enhance the Board of Directors' overall effectiveness. Within this, a broad set of qualities and competences is sought for and the nomination committee recognises that diversity (including qualifications, experience, background and gender) is an important factor to take into consideration.

Board of Directors
According to the Company's Articles of Association, the Board of Directors shall consist of no less than three and not more than nine members, without deputy members. The AGM elects the Board members and the Chairman of the Board.

Until the AGM 2024, the Board comprised seven ordinary members, elected by the AGM 2023, and after the AGM 2024, eight ordinary members, elected by the AGM 2024. The Board comprised for both years only of ordinary members, with no deputies and no employee representatives. For more information on the Board of Directors, see pages 129–130.

Independence
The Board is considered to be in compliance with the independence requirements of the Swedish Corporate Governance Code in that the majority of the Board members are independent of the company and its management and at least two of these Board members are also independent of Scandi Standard's major shareholders. See the table on page 126.

Nomination Committee for the 2025 AGM
The names of the members of the Nomination Committee as set out below were announced in a press release on 21 October 2024.

Member	Appointed by	Per cent of share capital 2024-12-31	Per cent of share capital 2024-08-31	Independent[1)]
Avelino Gaspar	Grupo Lusiaves	18.7%	16.9%	Yes/No
Anders Wennberg	Investment AB Öresund, Chairman	15.3%	15.3%	Yes/Yes
Henrik Sundell	Lantmännen Animalieinvest AB	10.6%	10.6%	Yes/Yes
Nicklas Paulson	Eva Qviberg	5.7%	5.6%	Yes/Yes
Johan Bygge	Chairman of the Board of Scandi Standard AB (publ)			Yes/Yes

1) Refers to independence of the company and its senior management and the independence of the company's largest shareholder in terms of votes or any group of shareholders who act in concert in the governance of the company.

The Board's tasks and responsibilities
The Board of Directors is responsible for the organisation and management of the company's affairs in the interest of all shareholders and safeguard and promote a good company culture. The Board's responsibility and work are governed by laws and regulations as well as internal steering documents, including the articles of association and the Procedure for the Board of Directors. In addition, the General Meeting can provide instructions.

The Procedure for the Board of Directors describes the Board's tasks and responsibilities, the work of the Board including responsibility for the Chairman as well as responsibilities delegated to Committees appointed by the Board, Board meetings and information and reporting to the Board, management of insider information, management of conflict of interest, relations with Nasdaq Stockholm, information and reporting to the Board, and information about corporate governance. The Procedure is reviewed annually and adjusted as needed.

In addition to the inaugural Board meeting held in conjunction with the AGM, the Board shall meet at least six times a year.

The Board has established an Instruction for the Managing Director, including among other things specifications of issues requiring the Board's approval and an instruction regarding financial reporting to the Board.

Board activities in 2024
In 2024, the Board held 16 meetings, of which three per capsulam including the statutory Board meeting and four by email.

The standing items on the agenda for the ordinary Board meetings include an operational and financial review of the operations against set goals and an outlook for the coming quarter, a review of investments, and reports from the committee of the Board of Directors.

In addition, the Board continuously addresses strategic issues concerning the market, product development, purchasing, production, personnel, investments, acquisitions and financing.

Important issues for the Company and the Group that were addressed during the year included:
- Strategic priorities and goals
- Continuing development of the sustainability platform, including approval of the dual materiality analysis
- Refinancing and agreement with four banks on entering into a sustainability-linked bank loan with a term of five years
- Acquisition of operations in Lithuania and acquisition of a packaging plant in Jaren, Norway
- Investments, financing, cash flow and financial position
- IT and Cybersecurity and EPR system
- External risk and risk management

Evaluation of the Board's work

The Chairman of the Board is responsible for evaluating the Board's work on an annual basis with the aim of developing the Board's forms of working and efficiency. The results of the evaluation are communicated to the Board and reported to the Nomination Committee. In 2024, the Chairman procured an external evaluation of the Board's work, which was communicated to the Board and reported to the Nomination Committee.

Board Committees

The Board has established a Risk and Audit Committee and a Remuneration Committee. The work of the committees is mainly of a preparatory and consultative nature, but the Board may delegate decision-making authority to the committees on specific matters. The committees are subordinated to the Board and do not discharge the Board members from their general responsibility and commitment as Board members.

The issues considered at the committee meetings shall be recorded in minutes and the minutes shall normally be presented to the Board as information at the Board meeting following the committee meeting along with an oral presentation by the relevant committee chairman.

Risk and Audit Committee

The main tasks of the Risk and Audit Committee are to monitor Scandi Standard's financial and sustainability reporting and to make recommendations and suggestions in order to secure the reliability of the reporting as well as to monitor the review of the sustainability report and preparations for the implementation of CSRD and ESRS. The tasks also include to monitor the effectiveness of the Group's internal control, internal audit and risk management in general for the business activities, and specifically in relation to the financial and sustainability reporting. Beyond that the committee must stay informed regarding the external audit of the annual report for the company and the Group, as well as of the results of the Swedish Inspectorate of Auditors' quality control. As part of this, the Risk and Audit Committee shall inform the Board of the results of the external audit and in what way the external audit has contributed to the reliability of financial and sustainability reporting as well as of the role of the Risk and Audit Committee.

The Risk and Audit Committee's tasks also involve to review and monitor the impartiality and independence of the external auditor and in particular pay attention to whether the external auditor has provided other services than auditing, and to assist in

The Board of Director's work cycle 2024

Board tasks and responsibilities:

- Appoint, evaluate and, if necessary, dismiss the Managing Director
- Establish the overall objectives and strategy
- Identify how the sustainability issues affect risks and business opportunities
- Define appropriate guidelines in internal steering documents to govern the company's conduct in society, with the aim of ensuring its long-term value creation capability
- Define necessary internal steering documents incl. Code of Conduct
- Decisions on investments, incl. acquisitions, divestments and financing in accordance with set approval procedures
- Ensure an effective system for follow-up and control of the company's operations and the financial result and financial position, and associated risks
- Ensure that there is a satisfactory process for monitoring the company's compliance with laws and other regulations, as well as internal steering documents
- Ensure that the external communication is characterized by openness and is accurate, reliable and relevant in e.g. interim reports, annual reports and other reports
- Approval of interim reports, Year-end reports, and annual reports

Board of Directors[6]

Name		Nationality	Independence[1]	Attendance 2024 Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Authorized fees, SEK[2]	Shareholdings no of shares[3]
Johan Bygge	Chairman/Committee Chairman	Swedish	Yes/No	16		4	1,080,000	85,800
Sebastian Backlund[4]	Member	Swedish	Yes/No	10/10			400,000	7,970
Lars-Gunnar Edh[4]	Member	Swedish	Yes/No	10/10			400,000	2,000
Øystein Engebretsen	Committee member	Norwegian	Yes/No	16	7	4	530,000	1,576,043
Paulo Gaspar	Vice Chairman	Portuguese	Yes/No	16			550,000	
Pia Gideon	Committee Chairman	Swedish	Yes/Yes	16	7		580,000	3,340
Henrik Hjalmarsson	Member	Swedish	Yes/Yes	16			400,000	5,000
Cecilia Lannebo	Committee member	Swedish	Yes/Yes	16	7		490,000	515,000
Karolina Valdermarsson[5]	Member	Swedish	Yes/Yes	6/6			–	–
Total				**16**	**7**	**4**	**4,430,000**	**2,195,153**

1) Refers to independence in relation to the company and its management, and to the company's major shareholders controlling, directly or indirectly, ten per cent or more of the shares or votes in the company.
2) Fees exclude travel allowances and include committee work.
3) As of December 31, 2023. Holdings include, when applicable, also holdings by related parties.
4) Board member since Annual General Meeting 2024.
5) Board member until Annual General Meeting 2024.
6) For more information about the Board members see page 129.

preparation of the proposal to the General Meeting regarding election of the external auditor. The Risk and Audit Committee of Scandi Standard shall comprise no fewer than two Board members. The members of the Risk and Audit Committee must not be employed by the company or its subsidiary. At least one of the members must have accounting or auditing proficiency. The members of the Risk and Audit Committee must be independent in relation to the company and the management and at least one of the members must be independent in relation to the company's major shareholders.

The Risk and Audit Committee 2024, after the AGM, comprised the three Board members, Pia Gideon (Chairman), Øystein Engebretsen and Cecilia Lannebo. The Risk and Audit Committee had a total of seven meetings during the year. The company's CFO, Head of Finance and other employees such as CEO, Head of Investor Relation, Group Compliance Manager, Group Strategy & Risk Director and Sustainability Director as well as external and the internal auditor attend meetings when necessary and in accordance with the agenda.

The work was primarily focused on:

- Year-end report and Annual Report 2023
- Preparation of the Annual Report 2024
- Interim reports 2024
- Critical accounting issues, such as the reporting of Goodwill and intangible assets, valuation of inventory and other issues that could affect the quality of the company's and the Group's financial and sustainability reporting
- The implementation of CSRD and the double materiality analysis
- Disputes and insurance
- The group's risk management framework, annual risk summary and insurance
- Internal control and the control self-assessment process
- Risk management and internal control, linked to the control environment, processes and the IT environment including information security with a special focus on cyber security and review of the new Cyber security policy
- ERP system implementation
- Review the efficiency and compliance of the Internal Control Framework
- Review of internal steering documents
- Internal audit plan and follow-up of the results of the internal audit
- External audit plan and follow-up of the results of the external audit

Remuneration Committee

The main tasks of the Remuneration Committee include to prepare the Board's decisions on issues concerning guidelines for remuneration, remuneration and other terms of employment for senior management. The main tasks also include to monitor and evaluate both ongoing and completed programs during the year for variable remuneration for senior management and to monitor and evaluate the application of the guidelines for remuneration that the AGM has established as well as the current remuneration structures and levels in Scandi Standard. The Remuneration Committee's main task also includes to prepare and submit to the Board no later than the Board meeting in February each year, a remuneration report in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance and a report on its monitoring and evaluation of the application of ongoing and completed programs for remuneration to senior executives decided by the AGM and current remuneration structures and remuneration levels in Scandi Standard.

The Remuneration Committee of Scandi Standard shall comprise no fewer than two Board members. The Chairman of the Board may chair the Committee. The other members are to be independent of Scandi Standard and its senior management.

The Remuneration Committee 2024, after the AGM, comprised the two Board members Johan Bygge (Chairman) and Øystein Engebretsen. The Remuneration Committee held a total of four meetings during the year. The Group's HR director attends the meetings when needed and in accordance with the meeting agenda.

The work mainly focused on reviewing salary processes for remuneration to senior management, including bonus schemes, as well as preparation of proposal for a long-term incentive programme to be proposed to the AGM 2025.

Guidelines for remuneration to senior management

Salaries and other terms and conditions of employment in the company and the Group shall be adequate to enable the company and the Group to retain and recruit skilled senior managers at a reasonable cost. The remuneration to the senior managers shall consist of fixed salary, variable salary, pension and other benefits, and it shall be based on principles of performance, competitiveness and fairness.

The General Meeting may resolve on long-term incentive programs such as share and share price-related long-term incentive programs for certain key persons in the company and in the Group and designed to promote the long-term value growth of the company and the Group and improve alignment between the interests of the participating individuals and the company's shareholders. The 2024 AGM resolved on a share-related long-term incentive programme 2024 (LTIP 2024), which is consistent with the previous program LTIP 2023 that the Annual General Meeting 2023 decided on.

To further promote the company's and the group's long-term value creation as well as increase the community of interest between the participants in the LTIP and the company's shareholders, the LTIP 2024 was extended with two performance share rights in relation to the LTIP 2023. For LTIP 2022, LTIP 2023 and LTIP 2024, it is required that participants invest in Scandi Standard shares in order to participate.

For information about the guidelines for remuneration to senior management and long-term incentive programmes, see Note 5.

Whistle-blowing procedure

Scandi Standard has a whistle-blowing function, handled by a third party, that makes it possible for employees and other internal and external stakeholders to anonymously report illegal or unethical behaviour that violates the Group's Code of Conduct. A whistle-blowing policy has been established for the functions operations and the policy has been revised during 2024 to align with updated sustainability requirements. For further information about the Whistle-blowing function, see the Sustainability report.

External auditor

Scandi Standard's external auditor is Öhrlings Pricewaterhouse-Coopers AB (PwC), elected at the AGM 2024 until the end of the AGM 2025, with Linda Corneliusson as the Auditor in charge.

Linda Corneliusson was born in 1974 and has been an authorised public accountant since 2006. She has no involvement in companies related to the principal owners of Scandi Standard or with the management at Scandi Standard. For remuneration to the external auditor, see Note 7. PwC also provide limited assurance of the sustainability report.

Internal control over financial and sustainability reporting

Internal control over financial and sustainability reporting aims to provide reasonable assurance of the reliability of external financial and sustainability reporting in interim reports, full year reports and annual reports, and to ensure that external financial and sustainability reporting is prepared in accordance with laws, accounting standards and other requirements applicable to listed companies.

In order to mitigate risks and to ensure a uniform approach throughout the Group of the procedures for internal control over financial reporting, management has developed the Scandi Standard Internal Control Framework. The Internal Control Framework aims to mitigate risks in the financial reporting and defines roles and responsibilities and, for all parts of the Group, mandatory controls within e.g., finance, production, warehouse, sales, procurement, payroll and IT.

In line with CSRD/ESRS and the upcoming Cyber security/NIS2 requirements, Group Compliance, the Sustainability and Cyber security functions have during the year started to establish additional control frameworks to ensure that controls are in place to mitigate risks in sustainability reporting and related to Cyber security/NIS2 compliance.

Group Compliance main tasks include to implement, train and follow up on the company´s work regarding internal control. The work has during the year primarily focused on to continue developing the processes for compliance with and ensure documentation of the requirements in the Internal Control Framework and to coordinate and train the business in the process for self-assessment of internal control over financial reporting. The work has further included a continuous work to ensure good internal control in connection with the implementation of the new ERP system.

Control environment

Internal control over financial and sustainability reporting is based on the overall control environment. The control environment has a pervasive impact on the overall system of internal control and risk management for the financial and sustainability reporting. The Board and Group Management establish the tone at the top regarding the importance of internal control including expected standards of conduct of the employees. This involves integrity and ethical values, the parameters enabling the Board to carry out its oversight responsibilities, the organizational structure and assignment of responsibility and authority, and the rigor around performance measures, as well as incentives and rewards to drive accountability for performance.

Roles and responsibilities

The Board is responsible for internal control and risk management, including internal control and risk management related to the financial and sustainability reporting, in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code. This responsibility includes establishing internal steering documents, and monitoring compliance with these, as well as with applicable external laws and regulations.

Responsibility and authority are defined by the Board in, among others, internal steering documents such as Instruction for the Managing Director stipulating resolutions that are subject to decision by the Board or the General Meeting of shareholders, authority to sign for the company and Delegated Authorities. The Board also approves, among others, the following internal steering documents: Instruction regarding financial reporting to the Board of directors, Code of Conduct, Whistle-blowing Policy, Insider Policy, Competition Policy, IT Governance and Cyber Security policy and Finance Policy.

The internal steering documents can be accessed on the Group's intranet by all relevant personnel and by other stakeholders on the company website. Training of critical policies is also conducted through mandatory e-learning and in connection with introduction of new employees. To further support continous learning and development, a new interactive learning and knowledge sharing platform has been implemented during the year. The content of the Group policies is further communicated during regular information meetings and in written correspondence. The internal steering documents are reviewed, updated and approved regularly with reference to for example changes in legislation, accounting standards, listing requirements and internal risk assessment.

The responsibility for implementing the Board's internal steering documents regarding internal control and risk management over financial and sustainability reporting, maintaining an effective control environment as well as the day-to-day work on internal control is delegated to the Managing Director. This responsibility is in turn delegated to the country managers and the rest of the Group Management, who is responsible for implementing the annual business plan and targets for the Group. Group Management holds meetings every month to review the monthly results and position, to update plans and to discuss critical business issues. Group Management responsibilities also include to ensure adequate internal control over financial and sustainability reporting and to comply with the Group's internal steering documents, as well as to identify and report risks that can have an impact on the quality in financial and sustainability reporting and review the financial and sustainability information for reasonableness. Further, every process owner on local and Group level, is responsible to ensure adequate internal control in their area and to ensure that processes are aligned with the regulations stipulated in the Internal Control Framework.

The Group's Compliance Manager is responsible to establish, implement and follow up on the company´s work regarding internal control and to report on internal controls matters on the Risk and Audit Committee meetings.

The Group CFO reports to the Risk and Audit Committee on the results, critical accounting issues and other issues that could affect the quality of the Group's financial reporting at the Risk and Audit Committee meetings where the interim reports, Year-end report and annual report are dealt with. When reporting on the quality of the financial reporting, there is particular focus on any critical accounting issues, any; uncertainties in valuations, changes in assumptions and estimates, unadjusted faults in the annual accounts, events after the end of the accounting period as well as the quality of the financial reporting process, the closing process and IT environment.

The Chairman of the Risk and Audit Committee reports on the Committee's work to the Board in the form of observations, recommendations and proposed decisions at the Board meeting following the Committee meetings and in the form of minutes from the Risk and Audit Committee meetings that are submitted to the Board.

Risk assessment

The Group has a formalised and proactive risk assessment process with clearly established roles and areas of responsibility. The risk assessment process implies that risks and risks related to financial and sustainability reporting should be identified, evaluated, managed and followed-up as an integral part of corporate governance. This is done in order to secure that the Group lives up to the aim of internal control related to financial and sustainability reporting in an efficient way.

In accordance with the risk assessment process, a risk analysis is carried out with a certain periodicity regarding financial and sustainability reporting, which among other things comprises items in the income statement and the balance sheet, and the processes and control activities that are linked to the financial and sustainability reporting, the financial statements and the IT- environment are analysed on the basis of materiality and the risk for errors. For further information about the Group risks and risk management process, see the Report by the Board of Directors.

Control activities

Risks over financial reporting are mitigated through regulations and control activities to ensure that the aims for internal control over financial reporting are met, which are gathered in the Internal Control Framework. Control activities are performed at different levels of the Group and its processes including e.g., financial reporting, production, procurement, sales, and IT. The framework is being reviewed annually with feedback from the business and the Group´s external and internal auditor and to reflect internal and external changes, regulations, steering documents and risks in the operations.

The controls are preventive or detective in nature and include a range of manual and automated activities, such as approvals, verifications, reconciliations, and monitoring of the business performance. Automated control activities are being established to a greater extent in connection with the implementation of the new ERP system.

A distinction between controlling and executing functions, known as the segregation of duties, is typically built into the selection and development of the control activities. A continued work, managed by Group Compliance, has been further developed during the year to ensure documentation and compliance with the Internal Control Framework within the subsidiaries and in the Group functions.

A similar control framework to ensure reliable sustainability reporting is being established and the plan is to roll out, introduce and educate relevant employees in the framework during 2025.

Monitoring and evaluation

Ongoing evaluations, separate evaluations, or a combination of the two are used to ensure internal control is present and functioning.

Financial data is reported every month by the reporting units, being a business unit operating within a subsidiary of the Parent Company, in accordance with the procedure stipulated in the Finance and Accounting Manual and the Internal Control Framework. Consolidation of the Group's financial reports is centralised to the Group Finance function and financial reports are stored in a central database from which data is retrieved for analysis and monitoring. Similarly the sustainability reporting is consolidated by Group Sustainability, based on numbers reported in the central data base from each subsidiary or production site.

All reporting units that conduct business within one of the company's subsidiaries have a controller whose responsibilities include to ensure adequate internal control concerning financial reporting and to comply with the Group's internal steering documents such as the Finance and Accounting Manual and the Internal Control Framework. The responsibility also includes reporting complete, accurate and timely financial information to the Parent Company.

Self-assessment of internal control over financial reporting was performed for the second time during 2024 by each control owner in the subsidiaries and in the Group functions. Each country manager is responsible for the outcome of the self-assessment in the respective area of the company and the head of the respective group function for the outcome at group level. The self-assessment outcome for the Group has been signed-off by the Managing Director. The process for self-assessment was further developed during the year and the control owners have been requested to establish action plans for controls rated as Non-compliant, with the aim to further improve and enhance compliance and responsibility. Actions plans will be followed up and validated by the Group Compliance Manager before they are closed.

The Board is annually evaluating the need for independent review of the company´s processes for internal control and risk management, i.e., internal audit, against the Group's own control activities, accountability, internal control maturity and the work performed by Group Compliance, which means that the use of internal audit resources differ from year to year.

Internal audit in 2024 was performed by an external party and included a review of the payroll process in one of the subsidiaries.

Stockholm, 20 March 2025

Scandi Standard AB (publ)
The Board of Directors

Board of Directors

JOHAN BYGGE

Chairman of the board

Born 1956.

MSc in Business and Economics, Stockholm School of Economics.

Elected 2021.

Other assignments: Chairman of the board of Guard Therapeutics International AB (publ), Arevo AB, Yangi AB and Regin AB. Vice Chairman Tredje AP-fonden, Board member of Getinge AB, Capman Oyj, Lantmännen Ek För and Riksbanken Jubileumsfond.

Previous assignments: Extensive experience of board work in listed and unlisted companies. Deputy CEO of Electrolux, COO of EQT AB and CFO of Investor AB.

Shareholdings in Scandi Standard: 85,800 shares.

In February 2024, Johan Bygge also acquired a four-year call option from Investment AB Öresund, which gives him the right to acquire 200,000 Scandi Standard shares for SEK 85 per share.

SEBASTIAN BACKLUND

Board member

Born 1990.

Master of Science in Finance, School of Business, Economics and Law at the University of Gothenburg. Bachelor of Science in Economics, Francis Marion University, USA.

Elected 2024.

Other assignments: Investment manager at Investment AB Öresund.

Previous assignments: Extensive experience from investments, corporate finance and business acquisitions from EY, MedCap and Investment AB Öresund.

Shareholdings in Scandi Standard: 7,970 shares.

Employed by Investment AB Öresund holding more the 15% of the shares in Scandi Standard.

LARS-GUNNAR EDH

Board member

Born 1969.

M.Sc. in Mechanical Engineering, Chalmers University of technology.

Elected 2024.

Other assignments: Executive Vice President Lantmännen Energy Sector. Board member of Drivkraft Sverige AB and of SimSuFoodS AB.

Previous assignments: Lars-Gunnar Edh has broad experience from the manufacturing industry and energy sector through senior positions at Saab Automobiles/GM, Assa Abloy and Lantmännen.

Shareholdings in Scandi Standard: 2,000 shares.

Employed by Lantmännen Energi AB, part of Lantmännen Animalieinvest AB holding more than 10 per cent of the shares in Scandi Standard.

ØYSTEIN ENGEBRETSEN

Board member

Born 1980.

BI Norwegian School of Management, Sandvika/Oslo, Master of Science in Business, Major in Finance.

Elected 2017.

Other assignments: Investment manager, Investment AB Öresund.

Previous assignments: Board member of Investment AB Öresund, Insr Insurance Group AS, and Projektengagemang Sweden AB, Catena Media P.L.C. Project manager, Viking Sverige AB. Corporate Finance, HQ Bank.

Shareholdings in Scandi Standard: 1,576,043 shares.

Employed by Investment AB Öresund holding more the 15% of the shares in Scandi Standard.

PAULO GASPAR

Board member, vice chairman of the board

Born 1987.

MSc in Entrepreneurship, Regent's University, Bachelor in Management, Nova School of Business and Exponential technologies graduate studies, Singularity University.

Elected 2022.

Other assignments: Vice President of Grupo Lusiaves SGPS, Vice President in Media Capital, Chairman at Casper Ventures, CEO at BRAINR.

Previous assignments: Associate at Hoxton Ventures, Founder of Funnyhow ad Agency, CIO and CMO at Grupo Lusiaves SGPS.

Shareholdings in Scandi Standard: 0 shares.

Shareholders of Grupo Lusiaves SGPS, which holds more than 15 per cent of the shares in Scandi Standard.

All shareholdings reported as per 31 December 2024.
When applicable, holdings in Scandi Standard includes also holdings by related parties.

BOARD OF DIRECTORS

Sebastian Backlund and Lars-Gunnar Edh have been a member of the board since May 2024.

Board of Directors

PIA GIDEON
Board member

Born 1954.

MSc in Economics, Stockholm School of Economics.

Elected 2022.

Other assignments: Chariman of the board of Qlucore AB (publ). Board member of Apoteket AB, Devyser Diagnostics AB.

Previous assignments: Include Chairman of the board of Klövern AB, board member of Proact, MinDoktor.se, Metria, ActionAid Sweden and Guard Therapeutics International AB (publ). Held leading positions within the Ericsson group. Worked as a financial journalist and columnist in Veckans Affärer and Dagens Industri.

Shareholdings in Scandi Standard: 3,340 shares.

HENRIK HJALMARSSON
Board member

Born 1976.

Master of Science in Mechanical Engineering and Technology Management, University of Lund, Sweden.

Elected 2020.

Other assignments: President & CEO of OptiGroup AB. Chairman of the board of Repasco AB.

Previous assignments: CEO and other leading positions at Findus and Nomad Foods. President & CEO of Inwido AB (publ).

Shareholdings in Scandi Standard: 5,000 shares.

CECILIA LANNEBO
Board member

Born 1973.

MSc in Business and Economics with a major in International Marketing from Mälardalen University and Wirtschafts-universität Wien.

Elected 2021.

Other assignments: Founder and CEO of i-Core Communications AB. Board member of Boozt AB and Djurgården Fotboll. Chariman of Förening Djurgården Skola Stad.

Previous assignments: Over 25 years of work experience from capital markets, as an analyst within the retail and services sector and seven years as responsible for investor relations in listed companies.

Shareholdings in Scandi Standard: 515,000 shares.

All shareholdings reported as per 31 December 2024.
When applicable, holdings in Scandi Standard includes also holdings by related parties.

EXTERNAL AUDITOR

Öhrlings PricewaterhouseCoopers AB.
Linda Corneliusson, Authorised Public Accountant, born 1974, chief auditor.
Other assignments: Principal auditor, among others, for Martin&Servera, Stora Enso and Green Cargo.

Group Management

JONAS TUNESTÅL
Managing Director and CEO

Born 1979.

Executive MBA from University of Lund.

In Group Management since 2022.

Previous assignments:
Having spent his entire career at KLS Ugglarps in a number of different positions, Jonas has extensive experience in the meat industry. Jonas was for many years CEO of KLS Ugglarps and belonged to Danish Crown's management team.

Shareholdings in Scandi Standard: 95,924 shares.

In February 2024, Jonas Tunestål also acquired a four-year call option from Investment AB Öresund, which gives him the right to acquire 200,000 Scandi Standard shares for SEK 85 per share.

FREDRIK SYLWAN
Chief Financial Officer, CFO

Born 1978.

Master of Science in Business Administration, Major in Finance (Stockholm Business School), and Master of Science in Chemical Engineering (Royal Institute of Technology) as well as Military Academy.

In Group Management since 2024.

Previous assignments:
CFO Perrigo Northern Cluster, Vice President Finance and Strategy at Swedish Match North Europe, Management Consultant at Accenture, HQ Bank.

Shareholdings in Scandi Standard: 2,980 shares.

JEAN GALLEN
Country Manager, Finland

Born 1967.

Graduate from Svenska Handelsläroverket (Business administration, Financing and Accounting).

In Group Management since 2022.

Previous Assignments:
CEO of Escamar Seafood Oy, Deputy Managing Director Ab Chipsters Oy and CEO of JWT Helsinki.

Shareholdings in Scandi Standard: 10,500 shares.

CATHAL GARVEY
Country Manager, Ireland

Born 1972.

Business Studies Diploma in Cork I.T. Qualified Certified Public Accountant

In group management since 2024.

Previous Assignments:
15 years in Telecommunications with Virgin Media (UK) and eir, CFO of the Hermitage Clinic in Dublin, Joined Manor Farm as CFO in 2021.

Shareholdings in Scandi Standard: 0 shares.

CLAUS HEIN
Country Manager, Denmark

Born 1967.

CBA Nottingham Business School.

In group management since 2024.

Other major assignments:
Vice President Danish Crown Business Unit.

Previous Assignments: Vice Chairman Danish Crown Beef, CEO Friland A/S.

Shareholdings in Scandi Standard: 0 shares.

HENRIK KJÆR
Group Supply Chain Director

Born 1976.

Management education in Danish army, Driller/Machinist, MBA.
In Group Management since 2022.

Previous Assignments:
Extensive experience from the meat industry, having spent most of his career within Chicken supply chain in a number of different management positions.

Shareholdings in Scandi Standard: 10,057 shares.

All shareholdings reported as per 31 December 2024.
When applicable, holdings in Scandi Standard includes also holdings by related parties.

GROUP MANAGEMENT
Claus Hein and Cathal Garvey have been part of the group management since September 2024.

Group Management

MAGNUS LAGERGREN

Group Business Development Director
Born 1960.

Master of Science in Economics and Technology, University of Agriculture, Sweden.

In Group Management since 2014.

Other major assignments: Chairman Svenska Retursystem AB.

Previous assignments: Country manager Denmark and Sweden, Scandi Standard. Managing Director Kronfågel AB, chairman and Managing Director, Dalsjöfors Holding AB. Managing Director, Swedish Meats cooperative/Scan AB/HKScan. Management positions within Swedish Meats and Scan AB. Board member of DLF.

Shareholdings in Scandi Standard: 102,000 shares.

IDA LJUNGKVIST

Group Sustainability Director
Born 1985.

Master of Science in Civil and Environmental Engineering and Master of Science in Industrial Ecology from Chalmers University of Technology.

In Group Management since 2022.

Previous Assignments: Sustainability advisory and project management at KPMG AB, Head of Sustainability Application and Operations at RobecoSAM AG.

Shareholdings in Scandi Standard: 2,633 shares.

GÖRAN MATZ

Group Chief Information Officer
Born 1967.

Bachelor of Science, Stockholm School of Economics.

In Group Management since 2021.

Previous assignments: Group CIO Martin & Servera, IT Director Servera R&S AB, various positions Enator AB.

Shareholdings in Scandi Standard: 4,157 shares.

TOMMI SAKSALA

Group Live Operations Director

Born 1969.

Master of Science in Agricultural Economics & Management, University of Helsinki, Finland.

In Group Management since 2014.

Previous assignments: International broiler industry supply chain management consultant, Pomicon Oy Ltd. Director, poultry meat supply chain live operations, A-Tuottajat Oy (Atria Group Abs).

Shareholdings in Scandi Standard: 49,368 shares.

FREDRIK STRØMMEN

Country Manager, Norway and Sweden

Born 1971.

Master of Science, Norwegian School of Economics, Norway.

In Group Management since 2015.

Other major assignments: Board member in DLF Norway and KLF.

Previous Assignments: CEO, Orkla Commercial Excellence ASA. CEO and Country manager, Sætre AS. Management positions within Sætre AS and KiMs AS. Vice-chairman of the Board in Animalia.

Shareholdings in Scandi Standard: 66,180 shares.

SAMIR TÖRNBLAD

Group HR and Communication Director

Born 1972.

Master's degree in behavioral science.

In group management since 2023.

Previous assignments: Head of HR at TV4 and Bonnier Broadcasting.

Shareholdings in Scandi Standard: 2,551 shares.

All shareholdings reported as per 31 December 2024.
When applicable, holdings in Scandi Standard includes also holdings by related parties.

Auditor's report on the Corporate Governance Statement

Unofficial translation

To the Annual General Meeting of the shareholders in Scandi Standard AB (publ), corporate identity number 556921–0627

Engagement and responsibility
It is the board of directors who is responsible for the corporate governance statement for the year 2024 on pages 121–132 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's standard RevR 16 *The auditor's examination of the corporate governance statement.* This means that our examination of the corporate governance statement 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. We believe that the examination has provided us with sufficient basis for our opinions.

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Opinions
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 21 March 2025

Öhrlings PricewaterhouseCoopers AB

Linda Corneliusson
Authorised Public Accountant


Scandi Standard
MY EMPLOYMENT
HOW WE WORK
ABOUT US
OPEN POSITIONS
Scandi Standard News
New Intranet
Welcome!
BPE
Sneak peek new Intranet(s)
Knowledge-sharing and inspiration in Valla
LT03221

Other

The Scandi Standard share

The Scandi Standard share was listed on Nasdaq Stockholm on 27 June 2014 under the symbol SCST.

In 2024 a total of 16.5 (20.9) million shares were traded. The average daily volume was 67,283 (83,236) shares.

The final price paid on the last day of trading in 2024 was 83.3 (57.5) SEK, which entails an increase of approximately 45 per cent compared with the same period in the previous year. The share price has therefore increased by approximately 77 per cent since the listing in 2014. The share is a part of the Nasdaq Mid Cap index, which increased by 16 per cent in 2024.

On 31 December 2024 the market value totalled approximately MSEK 5,441(3,798).

Ownership structure

On 31 December 2024 the number of shareholders totalled 7,117 (6,896). The holding of the ten largest share owners corresponded to 72 (67) per cent of the share capital. Swedish institutions, unit trusts and private individuals had a holding in the company corresponding 62 (66) per cent av of the share capital as of 31 December 2024.

Dividend

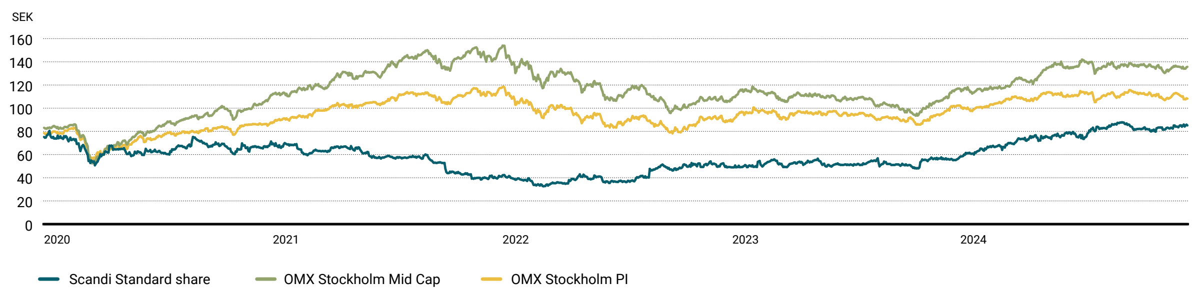
The Board proposes a dividend for the financial year 2024 of SEK 2.50 (2.30) per share which corresponds to MSEK 163 (150) which is 59 (57) per cent of the year's result adjusted for non-comparable items. The Company's dividend policy is to distribute approximately 60 per cent of earnings, adjusted for non-comparable items, for the year on average over time.

The dividend should be determined in a way that ensures that the proposed dividend is justifiable, which is based on the requirements that the type, scope and risks of the company's and Group's operations place on the level of the company's and Group's equity, as well as the company's and Group's consolidation needs, liquidity and status in general.

Share-based incentive programme

Scandi Standard has three share-based long-term incentive programmes for key individuals, LTIP 2022 LTIP 2023 and LTIP 2024. See Notes 1 and 5 for information about these programmes.

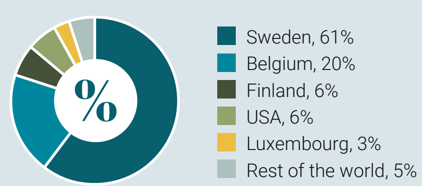
The Scandi Standard share price development 1 January 2019 – 31 December 2024



45%
Share performance 2024

72%
The per centage of the share capital that is controlled by the ten largest owners

Geographic distribution of the share ownership



Ownership structure on 31 December 2024

Holding	No. of shareholders	No. of shares	Voting rights and share capital, %
1–500	5,275	695,739	1.1
501–1 000	786	625,479	0.9
1 001–10 000	884	2,617,062	3.9
10 001–20 000	62	886,517	1.3
20 001–	110	927,873	92.8
Total	**7,117**	**66,060,890**	**100.0**

Per share data, SEK

	2024	2023
Earnings per share	4.20	4.11
Adjusted earnings per share[1]	4.20	3.99
Dividend per share	2,50[2]	2.30[2]
Operating cash flow, per share	6.70	10.28
Equity per share	39.97	36.70
Average no. of shares	65,327,164	65,327,164
Number of shares at the end of period	66,060,890	66,060,890

[1] Adjusted for non-comparable items, see page 29
[2] Board's proposal to the Annual General meeting 2025

Largest shareholder on 31 December 204

Name	No. of shares	Capital, %
Euroclear Bank S.A/N.V, W8-IMY [1]	12, 382,561	18.7
Investment AB Öresund	10,100,000	15.3
Lantmännen Animalieinvest AB	6,985,225	10.6
Nordea Funds	3,884,981	5.9
Eva Qviberg	3,752,577	5.7
Mats Qviberg	3,593,988	5.4
Nordnet Pensionsförsäkring AB	2,276,507	3.5
State Street Bank and Trust CO, W9	1,609,505	2.5
Anna Engebretsen Qviberg	1,486,293	2.3
Brown brothers harriman/ Lux W8IMY WPR	1,372,196	2.1
Other	18,617,057	28
Total	**66,060,890**	**100,0**

[1] Grupo Lusiaves SGPS shares via a trustee account.

Definitions

Adjusted income for the period
Income for the period adjusted for non-comparable items.

Animal welfare indicator (foot score)
Leading industry indicator for animal welfare. The score is measured according to industry standards, meaning assessing 100 feet per flock independent of flock size.

CAGR
Yearly average growth.

Capital employed
Total assets less non-interest-bearing liabilities, including deferred tax liabilities.

Average Capital employed
Average capital employed as of the two last years.

Adjusted return on operating capital (ROC)
Adjusted operating income last twelve months (R12M) divided by average operating capital.

Critical complaints
Includes recall from customers or consumers, presence of foreign objects in the product, allergens or incorrect content, or sell-by dates.

CO2e/kg product
Location-based method used for calculations. Emission factors from DEFRA 2020–2022, AIB 2021, and Energiföretagen 2020. Includes approximately 80% of Scope 1 and Scope 2 emissions for Scandi Standard Group, with exception for technical gases, refrigerants and owned and leased vehicles that are reported yearly.

COGS
Cost of goods sold.

Earnings per share (EPS)
Income for the period. attributable to the share-holders. divided by the average number of shares.

Adjusted earnings per share (EPS)
Adjusted income for the period attributable to the shareholders divided by the average number of shares.

EBIT
Operating income.

EBIT/kg
Operating income divided by processed chicken kg.

Adjusted operating income (Adj. EBIT)
Operating income (EBIT) adjusted for non-comparable items.

EBITA
Operating income before amortisation and impairment and share of income of associates.

Adjusted EBITA
Operating income before amortisation and impairment and share of income of associates. adjusted for non-comparable items.

Adjusted EBITA margin
Adjusted EBITA as a percentage of net sales.

EBITDA
Operating income before depreciation. amortisation and impairment and share of income of associates.

Adjusted EBITDA
Operating income before depreciation. amortisation and impairment and share of income of associates. adjusted for non-comparable items.

EBITDA margin
EBITDA as a percentage of net sales.

Adjusted EBITDA margin
Adjusted EBITDA as a percentage of net sales.

Equity to assets ratio
Equity in relation to Total assets.

Feed conversion rate (kg feed/kg live weight)
Includes only conventional chicken breeds (approximately 70% of the production). The figures are based on farmer's reported figures in all countries except in Sweden, where estimated country averages are used.

Grill weight, tonne
Grill weight is the weight of the gutted bird.

LTI per million hours worked
Injuries lead to absence at least the next day, per million hours worked.

Net interest-bearing debt (NIBID)
Interest-bearing debt excluding arrangement fees less cash and cash equivalents.

Net sales
Net sales is gross sales less sales discounts and joint marketing allowances.

Non-comparable items
Transactions or events that rarely occur or are unusual in ordinary business operations and hence are unlikely to occur again.

Operating capital
Total assets less cash and cash equivalents and non-interest-bearing liabilities. including deferred tax liabilities.

Average operating capital
Average operating capital as of the two last years.

Operating cash flow
Cash flow from operating activities excluding paid finance items net and paid current income tax with the addition of net capital expenditure and net increase in leasing assets.

Adjusted operating cash flow
Cash flow adjusted for non-comparable items.

Operating margin (EBIT margin)
Operating income (EBIT) as a percentage of net sales.

Adjusted operating margin (Adj. EBIT margin)
Adjusted operating income (Adj. EBIT) as a percent-age of net sales.

Other operating expenses
Other operating expenses include marketing, Group personnel and other administrative costs.

Other operating revenues
Other operating revenue is revenue not related to sales of chicken such as rent of excess land/build-ings to other users and payment by non-employees for use of the Company's canteens.

Production costs
Production costs include direct and indirect personnel costs related to production and other production-related costs.

Raw materials and consumables
Costs of raw materials and other consumables include the purchase costs of live chicken and other raw materials such as packaging etc.

Return on capital employed (ROCE)
Operating income last twelve months (R12M) plus interest income divided by average capital employed.

Return on equity
Income for the period last twelve months (R12M) divided by average total equity.

Return on operating capital (ROC)
Operating income last twelve months (R12M) divided by average operating capital.

Adjusted return on capital employed (ROCE)
Adjusted operating income last twelve months (R12M) plus interest income divided by average capital employed.

RTC
Ready-to-cook. Products that require cooking.

RTE
Ready-to-eat. Products that are cooked and may be consumed directly or after heating up.

R12M
Rolling twelve months.

Specific Explanatory items (exceptional items)
Transactions or events that do not qualify as non-comparable items as they are likely to occur from time to time in the ordinary business. Disclosure about these items is useful to under-stand and assess the performance of the business.

Use of antibiotics
Use of antibiotics in % of flocks treated.

Working capital
Total inventory and operating receivables less non-interest-bearing current liabilities.

Annual General Meeting

The Annual General Meeting 2025 will be held on Tuesday 29 April at 10 a.m. at 7A Posthuset, Vasagatan 28 in Stockholm. The entrance and registration will open at 9.00 a.m.

Exercise of voting rights at the meeting

Those who wish to exercise their right to vote at the annual general meeting must:

- be entered as a shareholder in the share register kept by Euroclear Sweden AB on Thursday 17 April 2025 or, if the shares are registered in the name of a nominee, request that the nominee registers the shares in the shareholder's own name for voting purposes in such time that the registration is completed by Wednesday 23 April 2025; and
- give notice of attendance to the company in accordance with the instructions in the section "Notice of participation in person or by proxy" no later than Wednesday 23 April 2025.

Notice of participation in person or by proxy

Shareholders who wish to participate in the meeting in person or by proxy must give notice of attendance to the company no later than on Wednesday 23 April 2025, either:

- electronically on the company's website, www.scandistandard.com,
- by mail to Scandi Standard AB (publ), att. "Annual general meeting", c/o Euroclear Sweden AB, P.O Box 191, SE–101 23 Stockholm, Sweden or,
- by telephone at +46 8 402 90 55 on weekdays between 9.00 a.m. and 4.00 p.m. CEST.

The notice of attendance shall state name, date of birth or corporate identification number, address, telephone number and, where relevant, the number of accompanying advisors (not more than two).

Those who do not wish to attend the annual general meeting in person may exercise their rights at the meeting through a proxy in possession of a written, signed and dated proxy form. A proxy form issued by a legal entity must be accompanied by a copy of a certificate of registration or a corresponding document of authority for the legal entity.

To facilitate the registration at the annual general meeting, proxy forms, certificates of registration and other documents of authority should be submitted to the company at Scandi Standard AB (publ), Att. "Annual general meeting" c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, no later than on Wednesday 23 April 2025.

Please note that a notice of attendance at the general meeting must be given even if a shareholder wishes to exercise its voting rights at the meeting through a proxy. A submitted proxy form does not constitute a notice of attendance. Template proxy forms in Swedish and English are available on the company's website, www.scandistandard.com.

Forward looking statement

This report contains forward-looking statements and the actual outcome could be materially different. Factors that could have a material effect on the actual outcome include, but are not limited to, general business conditions, product demand, available credits, available insurance, fluctuations in exchange rates and interest rates, political and geopolitical developments, the impact of competing products and their pricing, product development, commercialization and technological difficulties, availability of production facilities, compliance in production, product quality and safety, interruptions in supply, increased raw material cost, disease outbreaks, loss of major customer contracts, major customer credit losses, effects of a pandemic, bird flu and government decisions. For further information see the sections on Risks and risk management on page 32–36 and Note 22.

Information about markets, market shares, market growth etc. are based on established independent external sources, internal sources and the company estimates.

The forward-looking statements reflect the Board of Directors' and Group Management's current views with respect to certain future events and potential financial performance. Although the Board of Directors and the Group Management believe that the expectations reflected in such forwardl ooking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. This report does not imply that the company has undertaken to revise these forward-looking statements, beyond what is required under the company's registration contract with Nasdaq Stockholm, if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

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