



Title:
Climate and Environment Policy

Approved by:
Director of Business Development & Sustainability

Last approval date:
2024-06-25

Approved by name:
Jeanette Hauan Fladby

Climate and Environment Policy

Kavli's approach to sustainable business

Kavli Group is a family founded company which since 1962 has been owned by a foundation, Kavli Trust, through which all our profits go to charitable organisations and projects across the world for healthier and more sustainable societies. As such, it is our ambition to implement sustainability in everything that we do, hence our aspirational motto to *“create value for good causes, in a sustainable way”*.

As a company we aim to achieve a **net positive impact on human and planetary health**. This means we strive towards continually reducing the environmental footprint of our products and operations, as well as making a positive impact on society wherever we and our partners operate. To do so, Kavli has put forward an ambitious agenda with a broad set of sustainability targets to 2030 under four strategic focus areas.

We are committed to grounding our sustainability work in the scientific evidence, building on cornerstone frameworks such as the Planetary Boundaries, as well as aligning our efforts with key policy frameworks, including the United Nations' Sustainable Development Goals and the Paris Climate Agreement of limiting climate change to 1,5-degree global warming.

We promise to execute and communicate our efforts with integrity, transparency, and honesty, to which building sound and sustainable business partnerships is paramount.

Kavli's commitments

A resilient planet with healthy ecosystems is critical to produce the inputs on which Kavli relies for the manufacturing of our products. This means the consequences of climate change and environmental degradation represent a fundamental business risk to us.

At the same time, the food sector is the single largest driver of climate and environmental change. With a growing global population and a planet already under pressure, we recognize our responsibility as a food company to ensure sustainable practices throughout our valuechain. This includes to:

- Contribute to **halting climate change to maximum 1,5 degrees global warming** by implementing the necessary measures to cut greenhouse gas emissions in line with our 2030 climate targets in Scope 1-2 and Scope 3 respectively. We commit to using carbon removals only as a complement to achieve our net-zero target by 2045 as per the Science-Based Targets Initiative's guidelines.



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- Monitor the development of and subsequently implement business guidance on **Science-Based Targets for Nature** on land, oceans, water, and biodiversity. This will ensure that we implement targets and programs to mitigate impacts on other environmental aspects in a similar way to climate mitigation.
- Conduct **systematic sustainability due diligence towards our suppliers** and their sub-contractors with the aim of ensuring sustainable – and increasingly regenerative – practices. This includes enforcing our commitment to zero deforestation and the protection of biodiversity at large, the responsible use of agrochemicals, as well as good water stewardship in our raw material supply-chains.
- Continuously work to **improve the efficiency of our own energy and water use** in our production processes, **minimize food and material waste** as well as **increase material waste recycling** in line with our 2030 sustainability targets.
- Actively pursue **circular packaging solutions** that contribute to our targets on achieving full material recyclability of packages that we put to market, as well as increasing the share of recycled and renewable packaging contents.
- Always **comply with national and local legislation** where we operate, both directly and indirectly.

Implementation of our commitments

We take environmental and climate aspects into account in all our strategy development, decision-making, and daily work processes. We continuously engage with suppliers, customers, industry organizations, innovators as well as the research community towards finding new solutions that will bring us closer to fulfilling our commitments and targets.

In our own operations, we focus on using materials, energy, and water more efficiently, following targets that are governing specific programs within our supply-chain departments. We also work towards increasing circular flows, using renewable energy, preventing food and other waste throughout the value-chain, as well as promoting end-of-life recycling and reduced littering.

Our main environmental impacts stem from the sourcing of raw materials from agriculture, forestry, and fishing that we use in the manufacturing of our products. This means that innovation, product portfolio development towards less environmentally intensive alternatives and the sustainable sourcing of these materials are fundamental to achieving our targets.

To align our business strategy with our sustainability ambitions, we continuously work with a climate transition plan which includes identifying impactful supplier collaborations that will reduce the impact of our sourced materials, the inclusion of sustainability considerations as an integral part of the new product development process, as well as due consideration for the variability of impacts of different products in our future portfolio strategy.



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In our product innovation process, we aim to implement sustainability criteria as a core evaluation and decision-making step, where new potential projects are assessed at an early stage for their impacts on meeting our sustainability targets with a tripartite focus on ingredients, packaging, and the profiles of candidate suppliers. This will henceforth support us in putting to market new products with a lower climate and environmental footprint, better nutritional profile, as well as more circular packaging solutions.

As part of our sustainability due diligence, all suppliers are required to sign the Kavli Supplier Code of Conduct and comply with additional requirement documents as stated in the framework agreement with each individual supplier. We use SEDEX as due diligence tool to screen for inherent and performance-based risks in our supplier base and have a systematic process in place for following up on non-compliances. We pay particularly close attention to specific well-known risks among specific sourcing categories, such as deforestation among risk raw materials such as soy and cocoa.

Reporting

As of financial year 2025, Kavli will report on sustainability at Group level in line with the European Sustainability Reporting Standards (ESRS) under the EU Corporate Sustainability Reporting Directive (CSRD), covering the efforts of all our companies as part of our annual financial report.