

We take responsibility from farmland to table

Lantmännen's Code of Conduct

Approved by the Board of Directors on 27 February 2008

Revised by Group management on 15 September 2008

Introduction

Lantmännen is one of the largest groups in the food, energy and agriculture industries in the Nordic region and is owned by Swedish farmers. Our mission is: *"We shall contribute towards the profitability of our owners' farms and maximise the return on their investment capital."* Our business concept is: *"With our customer in focus, we develop and process farmland resources in a responsible manner. We operate in an international market in which Sweden constitutes the foundation of our business activities."*

Ethical, social and environmental responsibility is an integral part of our long-term business strategy for achieving our vision: *"We make the best of our soil and offer all options for a more sound life."* Lantmännen's Code of Conduct summarises our overall guidelines for responsible conduct and has been drawn up in accordance with the principles of the UN's Global Compact.

Our strategy is the step-by-step implementation of measures that improve profitability, have development potential and guide our business in a sustainable direction.

We always comply with the legal requirements, rules and regulations which are in force in the countries in which we operate. We are also aware that the enforcement of laws and regulations in certain countries in general can be unsatisfactory. We therefore endeavour to devise our own guidelines to support our business.

Scope

This Code of Conduct is applicable in its entirety to all Board members and all employees of the Lantmännen Group. Relevant parts also apply to our suppliers, distributors and other business partners. This document will be used for the evaluation of potential and existing suppliers.

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Environment

We work on an ongoing basis to streamline our use of resources and to reduce emissions into the air, soil and waterways. We endeavour to continually improve our knowledge of, and control over, our impact on the environment.

Advisory services

By continually expanding our knowledge and by offering advisory services to our customers, we are improving the conditions for profitable and sustainable use and production.

Agriculture

We endeavour to contribute with skills and resources to develop new sustainable production inputs and cultivation techniques. We have a responsibility to continually inform and advise farmers on the use of production inputs in order to ensure their efficient utilisation and to minimise the risks to both users and the environment. We consider plant protection and nutrient leaching of plants to be important issues.

Genetic engineering

Lantmännen has a positive view of the opportunities offered by genetic engineering and that the development of this technology has potential to contribute to a sustainable society. At the same time, we are also well aware that there are risks involved. Each individual case must therefore be preceded by an evaluation and assessment of the benefits and the risks entailed by its use. We are guided by the principle of prudence in our evaluation. We are also sensitive to our customers' requirements, as well as market conditions.

Guiding principals at Lantmännen are as follows:

- Genetic engineering plays an important role for plant breeding in the development of new varieties, and it is used there in accordance with applicable rules and regulations.
- In feed operations we can deliver GMO-free raw materials for feeds and feed products according to customer requirements.
- Our food products on the European market¹ do not contain any raw materials from genetically modified crops.

Unintentional traces of genetically modified raw materials may be present, though any amount over the limit value for GMO content labelling as set out in applicable legislation is unacceptable.

Transport

We endeavour to develop more sustainable logistics solutions that reduce the impact on the environment, increase transport safety and reliability and optimise consumption of resources. When there are several alternatives that are similar in terms of economy and quality, the method of transport with the least environmental impact shall be chosen.

Energy

We are working actively to streamline our energy use and increase the proportion of renewable energy.

¹ The European market is defined as the member states of EU and Norway, Liechtenstein, Iceland and Switzerland

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Business ethics

Professionalism

Our conduct in all situations, irrespective of country or market, will be characterised by responsibility, respect for customers, business partners and the local societies in which we are operating. We will always act with sound judgement when we represent Lantmännen.

We will pay attention to conflicts of interest and will always place Lantmännen's interests ahead of our personal interests.

Bribery and corruption

All forms of corruption, bribery and money laundering are strictly prohibited. We repudiate all unlawful restrictive trade practices.

Lantmännen's employees must not accept personal gifts, services, trips, entertainment or similar benefits of any significant value from suppliers or other business partners. All benefits and business entertainment for persons outside the Group must be characterised by moderation and openness.

Conflicts of interest

All units in the Group shall act so as to optimise the Group's earnings and profits in both the short and long term and to avoid sub-optimisation. In case of uncertainties, the Group management will make decisions on a case-by-case basis, with reference to the current business strategy.

Marketing

In our product labelling, marketing and advertising, we endeavour to provide information that is ethically correct and not misleading customers.

Confidential information

Confidential information about Lantmännen's strategies, activities and business operations must be protected and must not be disclosed to any unauthorised parties. Confidential information supplied to Lantmännen by any third party must be dealt with and protected in the same way as Lantmännen's internal confidential information.

Information security

Information security has a high priority and all employees shall handle all the information they deal with in a way that is justifiable and complies with applicable legislation. We take all the necessary precautions to protect our information systems from threats and to reduce the risks associated with information processing.

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The world around us

We endeavour to engage in a constructive dialogue with the world around us and the business partners that are affected by our business. We will be a responsible and trustworthy company in the societies and on the markets in which we operate.

Open communication

We engage in social issues, participate in debates and have an active dialogue with organisations within our spheres of interest. The watchwords for Lantmännen's communication are credibility and dialogue. This communication must be characterized by openness, promptness and objectivity. This applies both internally and externally.

Lantmännen shall always submit accurate reports.

Lobbying

We endeavour to positively affect our business conditions by influencing political decisions with well-substantiated arguments in factual issues. Lobbying often takes the form of active membership in various special-interest organisations.

Sponsorship

All sponsorship will support Lantmännen's vision and will aim to strengthen our brand through its association with positive activities. Sponsorship will provide support to selected organisations through co-operation that benefits both parties.

The aim of sponsorship is to contribute to a positive development of society by co-operating with associations and organisations in the societies in which we operate. We do not sponsor political parties or religious organisations.

Security

Lantmännen must have a robust disaster preparedness plan in place.

Lantmännen's employees shall be observant with regard to changes and courses of events that may affect security in and around their own workplace. Contingency preparedness plans should be prepared for delivery of strategic products. There are routines and technology in place at all of Lantmännen's facilities to prevent thefts of goods and other property.

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Work environment and social conditions

Our businesses will support and respect internationally declared human rights.

We actively work to ensure that all our employees are treated fairly, equally and with respect. We expect our suppliers to act in the same manner towards their employees.

Freedom of association

We respect our employees' right to form or join trade unions and give the opportunity to engage in collective negotiations.

Working hours

Working hours must comply with national legislation and agreements. Overtime must not be demanded on a regular basis.

Wages

Wages, benefits and overtime compensation shall at the very least comply with national legislation and agreements. Any deduction from wages as a disciplinary measure is prohibited.

Forced labour

No form of forced labour or labour linked to any form of punishment is permitted. No employee may be forced to hand over valuables or identification papers to his/her employer.

Child labour

Every child is to be protected from economic exploitation and from carrying out work that can be considered dangerous, to have a negative effect on the child's education or to be harmful to the child's health or development. Therefore we do not accept child labour.

The term "child labour" refers to work carried out by a child who is younger than 15 years of age, or under 14 years of age in those countries specified in article 2.4 of ILO Convention 138.

Discrimination and oppression

Our ambition is to promote diversity and to focus on our employees' involvement and skills development. We do not accept discrimination, threats, oppression or harassment in any form among our employees or among our suppliers.

Health and safety

We endeavour to make ongoing improvements to the working environment. We promote good health and aim to prevent accidents and work injuries that can be linked to the work that is being carried out.

Leadership

We endeavour to make ongoing improvements to Lantmännen's leadership. Good leadership is important in order to attract, develop, engage and stimulate our employees, thereby contributing to a profitable business.

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Products

Our products must be safe for the user/consumer, and the principle of prudence forms the foundation of our responsibility.

Safety and traceability

We work according to international standards for food and feed safety and protect consumers through our active work with product safety.

All products are traceable in accordance with applicable legal requirements and industry standards. If a problem arises, we recall any products that entail a risk for the user/consumer.

Origin

We give first priority to products from our owners' farms, and second priority to products produced in neighbouring countries, provided that the quality and profitability are equivalent.

Animal care

We strive to guarantee good animal care from breeding to slaughter. We endeavour to ensure that animals are treated responsibly and with respect. Our feed products are nutritious and adapted to the animals' needs.

Research and innovation

We want to contribute to sustainable development and innovation within the areas that are strategically important for Lantmännen. Our research and development organisations must guarantee a level of knowledge and skills that makes us internationally competitive.

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Monitoring and compliance

Compliance

Compliance of the Code of Conduct is important to our businesses. Any violation of the Code of Conduct must be reported to the immediate superior of the person reporting it, then remedied and monitored.

Monitoring

We will make unannounced visits to factories/suppliers that manufacture our products. We also reserve the right to allow an independent third party to make inspections to assure us that our Code of Conduct is being followed.

If a supplier fails to comply with the terms of this Code of Conduct, we may terminate our business with the supplier, unless improvements are made within an agreed time period.

Revision

This is a living document. It will be reviewed periodically as we acquire more experience or new knowledge.