
Apetit
ANNUAL REPORT
2023

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Apetit Groups 2023 reporting entity

Annual report



Corporate governance



Remuneration



Financial Review

In the consolidated annual report and responsibility report of Apetit is described the activities and impacts of Apetit Group, events of 2023 and the progress of strategic goals and corporate responsibility work.









Apetit in brief

Apetit is a Finnish food industry company that focuses on plant-based food products and is firmly rooted in Finnish primary production.

Our main product groups are frozen vegetable products and frozen foods, vegetable oils and rapeseed expeller. Apetit builds its operations around domestic raw materials and sustainable practices.



Mission

Good food for everyone. Locally.

Values

Succes trough cooperation

Bold renewal

Responsible operations

Our business:

Food Solutions
Oilseed Products

3
production plants in Finland

298
employees



This is what we do

- We create well-being with vegetables by offering tasty food solutions that make daily life easier
- Farmer cooperation and domestic primary production are the cornerstones of our business
- Versatile options to increase plant-based and responsible eating, as well as high-quality raw materials for further processing

Year 2023 in figures

PERSONNEL, AVERAGE

298

(288)

CO_2 EMISSIONS REDUCTION

68%

(COMPARISON YEAR 2019)

USE OF FINNISH RAW-MATERIALS IN FROZEN PRODUCTS

83%

(82)

RECYCLABILITY OF PACKAGING

77%

(70)

LTA1 OCCUPATIONAL ACCIDENTS

14

(17)

Key figures	2023	2022
Net sales, EUR million	175.5	181.7
Operating profit, EUR million	7.5	3.5
EBITDA, EUR million	13.2	9.2
Investments, EUR million	7.5	5.0
Earnings per share, EUR	1.56	0.51
Proposed dividend, EUR	0.75	0.5



Our business

Food Solutions

Food Solutions business is responsible for the production of Apetit's frozen vegetables, frozen foods and frozen pizzas. Frozen vegetables and frozen foods are produced in Säkylä and frozen pizzas in Pudasjärvi. In addition to products under Apetit brand, Apetit manufactures products for private labels. The main market for frozen vegetables and frozen foods is Finland but products are also exported to Sweden and Italy, for example. The customer base consists of customers in retail trade, the Food Service sector and the food industry.

NET SALES
73.7
EUR million

OPERATING PROFIT
5.8
EUR million

EBITDA
9.5
EUR million

PERSONNEL
236
employees



Oilseed Products

Apetit's Oilseed Products business is Finland's the most significant producer of vegetable oils and rapeseed expeller. Apetit's oilseed products are produced in its vegetable oil milling plant in Kirkkonummi. The main markets for oilseed products are Finland and the other Nordic countries. The best-known consumer products are Apetit and Neito rapeseed oils. Oilseed Products' customers include retail trade, the Food Service sector, the food industry and the animal feed industry, which uses rapeseed expeller.

NET SALES
102.4
EUR million

OPERATING PROFIT
4.6
EUR million

EBITDA
6.2
EUR million

PERSONNEL
50
employees



Selected topics from 2023

Climate impacts

Apetit improved its result in CDP Climate Change evaluation and reached score B. This score indicates e.g. of taking coordinated action on climate issues.





Circular economy

Three new side stream products were launched for the professional food service sector: crushed peas, crushed carrots and the Säkylän kasvispyörykkä vegetable balls. They are made of carrot pieces of various sizes that result from the carrot chopping process and the parts that come off peas in harvest-time production.

Cultivation and experimentation

At the Räpi experimental farm, winter rapeseed was sown for the first time in the farm's history. Apetit's goal is to increase the cultivation of domestic rapeseed.

Oilseed plant cultivation

Apetit was a driving force in the establishment of RypsiRapsi-foorumi, the goal of which is to promote the cultivation of rapeseed and its profitability in Finland. The forum brings together the operators in the domestic oilseed plant sector.

Investment

Apetit announced that it is building a new bottling line for vegetable oil products in the premises of the Kantvik vegetable oil milling plant's packing section. The value of the investment is approximately EUR 4.5 million. On the new line, vegetable oils can be bottled in plastic and glass bottles.





Food safety

The unannounced BRC food product safety audit at the Säkylä production facility resulted in a rating of A+. BRC has been in use in Säkylä since 2019.

Competence development

A total of 20 Apetit employees in Pudasjärvi and Säkylä completed a food industry vocational degree in food worker apprenticeship training arranged for Apetit's own personnel.

CEO’s review

A good year for both businesses

The year 2023 was very good for Apetit. The continuation of the strategic measures and the systematic improvement of operations enabled Apetit Group to achieve a clear profit improvement compared to the previous year. The past year and profit development are a strong indication that Apetit is on the right track.

In 2023, Apetit Group’s operating profit from continuing operations was EUR 7.5 (3.5) million, up by 114 per cent from the comparison year. Operating profit increased in both businesses. In Food Solutions, operating profit was EUR 5.8 (4.2) million and in Oilseed Products, EUR 4.6 (1.5) million. The Group’s net sales decreased from the previous year due to the fact that market prices lowered in oilseed products.

Both businesses had a very strong year. In Oilseed Products, profit performance improved significantly from the previous year. Raw material sourcing was successful throughout the year, in addition to which international crush margins were at an elevated level during the entire year. In Food Solutions, we continued to improve profitability, thanks to the favourable development of sales. Net sales increased year-on-year in all sales channels. Sales volumes grew in the Food service sector and exports and remained at the comparison year’s level in retail trade and industrial sales. We also introduced gradual price increases to moderate the impact of inflation, which has weakened profit development. Our delivery reliability was at a good level in both businesses throughout the year.

The year 2023 was characterised by strong cost inflation. The effects of inflation could be seen as an increase in the prices of raw materials and other capital goods. The effects were also clearly visible in consumer purchasing behaviour – inflation made consumers prefer lower price point products. Our product portfolio is an excellent match with the prevailing demand. By investing in product development, we can also ensure that our products stay on consumers’ plates.

Success through cooperation

Apetit was the driving force in RypsiRapsi-foorumi, established in summer 2023. RypsiRapsi-foorumi is a domestic oilseed plant production development group, the goal of which is to promote the cultivation of rapeseed and its profitability in Finland. The forum brings together the different stakeholders in the oilseed plant sector, compiles the results of earlier



development activities and produces new cultivation information through experimentation, for example.

The cultivation of rapeseed in Finland influences the availability of domestic rapeseed oil, the degree of domestic origin in food products and Finland's food self-sufficiency. In the long term, the rapeseed harvest levels in Finland have seen a worrying decline. Our goal with the forum is to bring together the operators in the sector as a more close-knit community and to be able to better coordinate the needs for research-based information and measures. We want to ensure availability of domestic vegetable oil.

Finnish vegetables are the cornerstone of Apetit's operations. Our contract growers are an important partner for us in the development of our business and the Finnish food product chain. The past year was challenging for field vegetables due to the hot and dry spell in the early summer. In the autumn, the harvesting of root vegetables was complicated by the abundant rainfall. Our contract growers cultivated well over 30 million kilos of domestic vegetables for our Säkylä frozen foods plant. Despite the challenges caused by the weather, the harvest was in line with our expectations, and, for example, the world-renowned Finnish pea is again available freshly frozen around the year – both for the domestic market and for exports.

Bold renewal

In 2023, we took significant steps to advance our strategy. In October, we announced that we are building a new bottling line in the Kantvik vegetable oil milling plant. With this approximately EUR 4.5 million investment, we take the supply chain more firmly into our own hands. Investing in a new bottling line follows Apetit's strategy of speeding up growth and provides opportunities for the development of products with a higher degree of processing in the vegetable oil business. On the new line, vegetable oils can be bottled in plastic and glass bottles. Building work on the new line is currently ongoing and it is estimated that the line will become operational during the second half of 2024.

The development of the BlackGrain rapeseed ingredient has continued. In 2023, we focused on developing the production process and took important steps towards starting commercial scale production. We will tell more about the long-term plans on BlackGrain in the second half of 2024.

At the beginning of 2024, we established our own sales organisation in Sweden. Increasing exports to Sweden is a strategically important target, and with our own organisation we strengthen our position and increase exports. Apetit's products have already achieved a strong foothold in the Swedish retail trade. The position has grown even stronger with the expansion of the product selection. Last year, the share of export if the Food Solutions in Apetit's net sales increased from the comparison year. One factor contributing to the increase is the timing of pea exports between calendar years.

Responsible operations

Apetit's production facilities have gone through a major energy transition. Wind power was adopted at all of Apetit's plants already in 2020. The Kantvik bioenergy plant was commissioned in 2021 and the Säkylä frozen foods plant's new energy solution in 2023. In Säkylä, the new energy solution enables the use of biogas in steam production, in addition to which heat recovery significantly reduces the need for primary energy. With the new solutions, Apetit's energy-related CO_2 emissions have decreased by as much as 68 per cent since 2019. As proof of the determination of our climate work, we achieved Management level and scored B in CDP's Climate Change assessment, thus improving our previous result.

Apetit's products are increasingly packaged in recyclable materials. At the end of 2023, 77 per cent of Apetit products were packaged in either paperboard or recyclable plastic. This work will continue in 2024: in the first half of the year, we will switch to recyclable packaging in two frozen vegetable product families. In 2023, we switched to packaging made of PEFC-certified paperboard in frozen soup packaging. All our paperboard packaging will gradually be replaced with PEFC-certified paperboard packaging.

We launched a project to produce Finnish pea protein. Pea has been an important plant and product for Apetit for a long time. In this project, we explore, in the entire value chain, the opportunities to produce Finnish pea protein. The pea is one of the most used plant proteins worldwide, but thus far we have relied on imported raw materials. We have many advantages here: strong value chain insight, expertise in plant-based raw materials and long-term cooperation with domestic primary production.

Thanks

Apetit's strong financial position enables future investments and provides a solid foundation for building Apetit into a growing and profitable market leader in plant-based products. Our strong partners in this work are Finnish farmers and primary production, other suppliers and customers as well as our skilled personnel. We carry out important work as part of the domestic food supply chain, strengthening sustainable food production.

I would like to take this opportunity to warmly thank all Apetit employees and for their cooperation the owners, customers, contract growers and other partners for the year 2023.

Esa Mäki
CEO

Unique value chain

Our operations are based on a unique and sustainable value chain: we create wellbeing from vegetables by offering tasty food solutions that make daily life easier.



FINNISH PRIMARY PRODUCTION

- We seek to increase rapeseed production in Finland through cooperation with growers.
- We promote the cultivation opportunities of Finnish oilseed plants and best cultivation practices.
- Responsible farming method and plant-specific cultivation instructions and the continuous development of plant varieties at our Räpi experimental farm.
- We promote sustainable cultivation methods for field vegetables by participating in research projects and through our in-house development efforts
- We want to promote the use of Finnish plant proteins.

CLIMATE-FRIENDLY PRODUCTION

- We systematically reduce the climate impacts of our operations.
- Renewable sources accounted for 74 per cent of the energy used at our production plants in 2023.
- Investments in the material efficiency of production operations at the Säkylä plant.
- We systematically identify and minimise the environmental impacts of our operations: the results are created through concrete actions by Apetit employees at our production plants.





SUSTAINABLE FOOD CHOICES

- Diverse alternatives for increasing the use of vegetables and plant-based products and local fish.
- Safe food products, high quality criteria, approved and audited suppliers.
- Innovative plant proteins: BlackGrain as a completely new plant protein.
- Increasing the recyclability of packaging: 77 percent of the packaging of Apetit products that end up with consumers is recyclable material.

WELL-BEING FROM VEGETABLES

- The plant-based and fish-based products play a role in enabling consumers to adopt sustainable eating habits that improve their well-being and are affordable.
- All of our operations take place in Finland: in addition to our direct employment effect, we have an indirect impact in the areas around our production plants.
- Close cooperation with Finnish primary production.
- Apetit engages in unique and innovative efforts to create and develop plant-based food solutions.

APETIT'S DIRECTION

The strong foundation of Apetit's unique value chain is in Finnish primary production. Achieving growth from diverse plant-based food solutions and added-value products is at the heart of Apetit's strategy.



Operating environment

As well as being healthy and tasting good, vegetable based eating is a sustainable choice. Long-term food trends highlight factors related to responsibility and individual well-being: healthiness, concern about climate change, domesticity, making everyday life easier, local food and transparency of the food chain. With cost inflation, the price of food has become increasingly important.

Apetit is the largest Finnish operator in Finland, its principal market area, and the significant developer of plant-based "from field to fork" value chain in its product groups. Apetit sells its products to retailers, the Food Service sector, food industry, animal feed industry and exports.

In Finland, grocery trade is highly concentrated. In the Food Service sector, sales are more evenly distributed, and products are sold both directly to restaurant chains and through various public sector procurement clusters and Food Service wholesalers. In exports, Apetit is developing its position especially in Sweden, where the frozen foods market is relatively larger than in Finland.

The most significant drivers of change in the operating environment for Apetit are associated with inflation in the prices of raw materials and energy and crop variability related to climate change. When it comes to cultivation, the constantly developing legislation on chemicals and pesticides also has impacts on the cultivation of different plants and the securing of harvest levels.

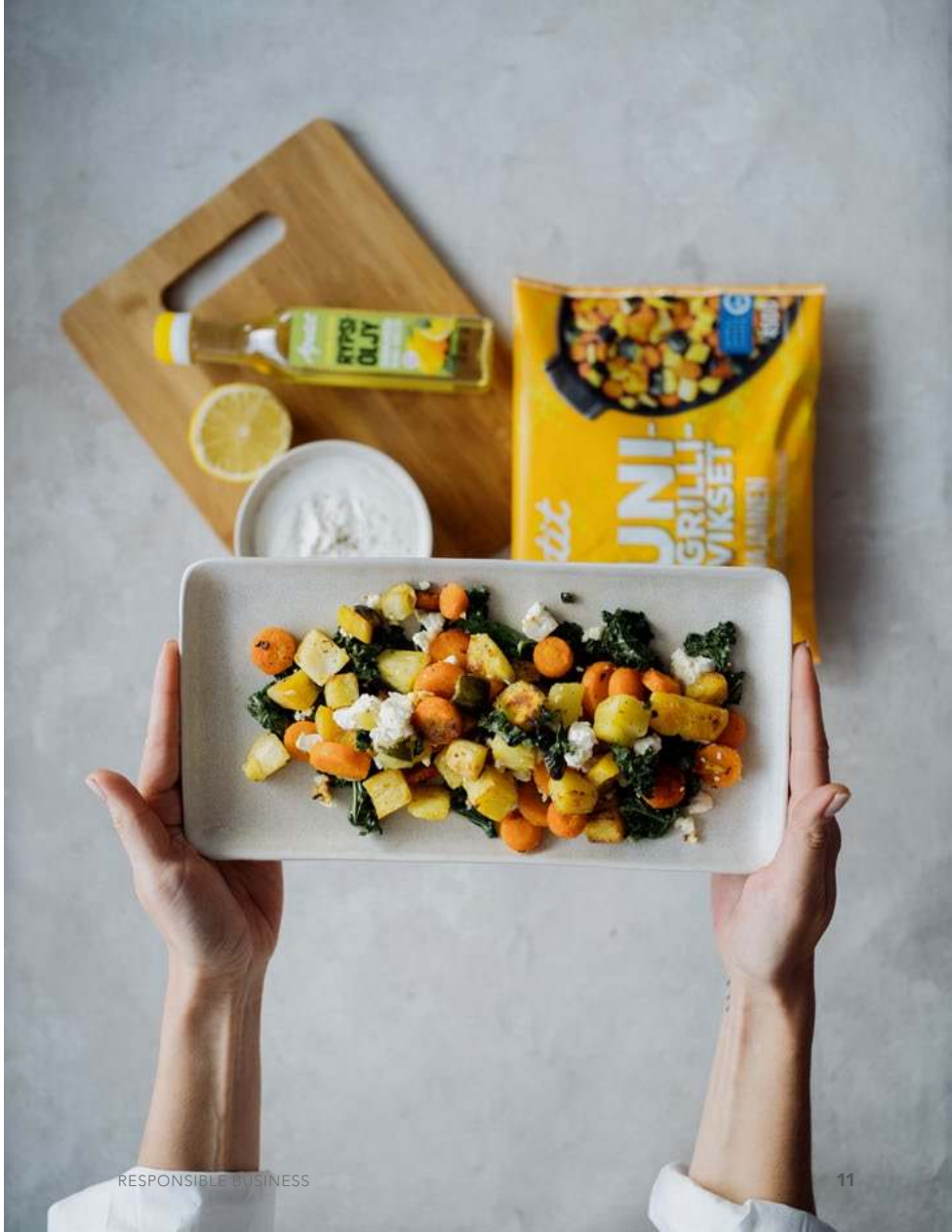
The global political situation creates uncertainty. The effects of cost inflation can be seen in consumer purchasing behaviour: despite inflation affecting food prices, the relative share of expenditure spent by Finnish households on food has not increased. When buying food, consumers prefer more affordable products and the price plays an increasingly important role in purchasing decisions.

In 2023, the value of the retail sales of food continued to grow. Value of sales of groceries increased by 7.5 per cent in 2023. The volume of food sales decreased by 1.9 percent on average. The increase in grocery prices by average was 9.6 per cent from last year. Wholesale food service sales increased by 6.7 per cent in January–December.*

Inflation decreases consumer purchasing power and directs consumption to affordable products. According to Statistics Finland (15 January 2024), average annual change in food Consumer Price Index in 2023 was 9.0 per cent when compared to last year.

Apetit's product portfolio is based on plant- and fish-based products that make daily life easier and increase well-being, and the demand for these products is expected to grow further. The position of Apetit's brand and products remains strong in the retail segment in frozen vegetables, frozen ready meals and vegetable oils. Apetit's broad product portfolio has withstood the change in consumer purchasing preferences driven by inflation.

*Source: The Finnish Grocery Trade Association



MARKET POSITION

Frozen vegetables and frozen foods

MARKET SHARE AND COMPETETIVE POSITION

Apetit is the market leader in Finnish frozen vegetables and frozen ready meals. In frozen products, the competitive situation is expected to remain unchanged in Finland. Competition is mainly coming from big international players and private label products. In the international food trade, Apetit is fairly unknown, but has strengthened its position especially in the retail trade in Sweden.

COMPETETIVE ADVANTAGES

- Raw material sourcing model based on contract farming
- Strong market position and highly regarded brand
- Expertise in product development and production
- In-house cultivation development based on a sustainable food supply chain
- High degree of Finnish origin, Finnish production facilities in Finland

Vegetable oils

MARKET SHARE AND COMPETETIVE POSITION

Apetit is the market leader in vegetable oils in Finland, in the food industry and Food Service channels and a significant player in the grocery trade. Competition from abroad has increased somewhat especially in industrial sales.

COMPETETIVE ADVANTAGES

- Economies of scale in production and sourcing
- High production efficiency and delivery reliability, own energy solution
- High-quality products for a broad customer base
- Chemical-free and environmentally sustainable process
- Domesticity
- Strong market position and well-known brand

Raw materials for feeds

MARKET SHARE AND COMPETETIVE POSITION

Apetit has a considerable share in the sales of oilseed-based raw materials for feeds in Finland.

COMPETETIVE ADVANTAGES

- No salmonella, no chemichals
- Alternative for soy



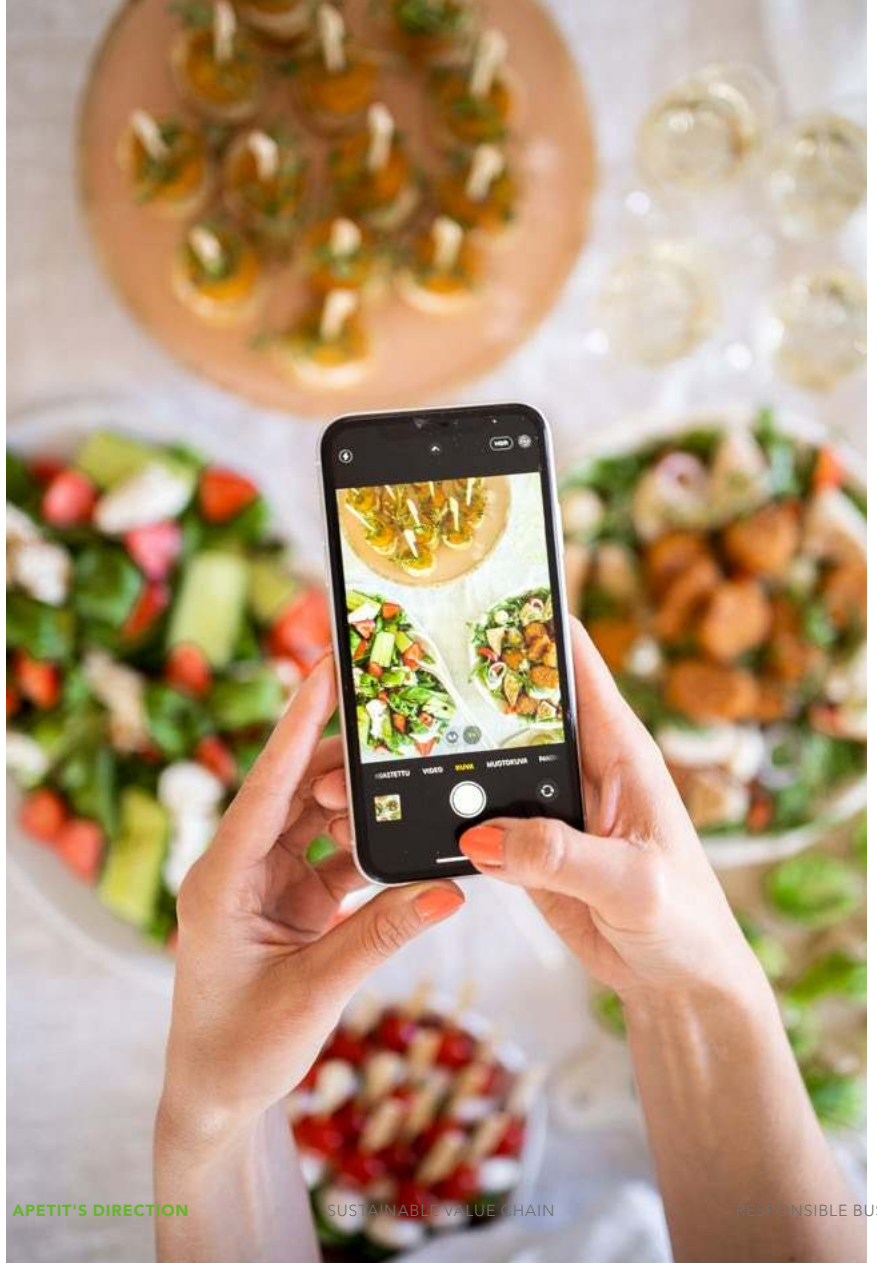
Food trends

The price of food has become increasingly important

During the past couple of years, the price of food has risen sharply due to inflation. However, the share of expenditure spent by households on food has remained at the same level for several years. Inflation influences behaviour in shops: grocery shopping is planned and considered more carefully. Consumers buy less fish, meat, vegetables and fruits. For everyday cooking, they choose raw materials that suit their budget. Instead of fresh vegetables, there are affordable alternatives in the frozen food section, for example. Due to price consciousness, familiar basic products are becoming more popular.

Back to basics in everyday cooking

After special diets, it is back to basics and basic foods. In their everyday life, people want to prepare meals quickly and easily from basic raw materials. More and more people are choosing solutions that speed up cooking, such as semi-processed and ready-to-eat products, including frozen patties, balls and soups. Frozen vegetables allow you to easily put vegetables on your plate even in the middle of winter, and together with vegetable oils they are easy-to-use building blocks for a healthy meal. Ready-to-eat products, such as frozen pizzas, provide convenient breaks from cooking entire meals as well as easy options to prepare a delicious snack.



Well-being from sustainability

With their food choices, people want to both reduce the burden on the environment and increase one's own well-being. An increasing number of people also feel that the sustainable production of food has an impact on their own well-being. Food is expected to be sustainable and healthy. Research has shown that vegetables are healthy food that is good for both people and the environment. It makes sense to prefer seasonal produce and frozen vegetables are in season all year round. In their search for alternatives to meat, people are turning more and more often to vegetable proteins. Food producers are also expected to take responsibility for reducing waste and waste-reducing products have become a familiar option for consumers, too. The weight of social responsibility associated with products is on the rise: under what conditions and on what terms food products is manufactured. The transparency of the food supply chain is becoming increasingly important.

Honouring inventiveness and getting rid of waste

Inventiveness is needed in cooking, when it comes to the use of raw materials, cooking methods and responsible alternatives. Consumers are looking for – and also inventing – new ways to use familiar raw materials and put surplus food into good use. Attention is paid to avoiding waste already when planning the menu. Reducing waste is not only responsible but also economical. Frozen and ready-to-eat products and smart ways to use surplus food help to control waste. Frozen foods make it easy to control food waste at home: taking only the required amount of a meal ingredient from the freezer ensures that there will be no waste.

Strategy

STRATEGIC FOCUS AREAS 2023–2025	KEY MEASURES IN 2023
1. STRONGER TOGETHER As the cornerstone of our business, we invest in cooperation with growers and in Finnish primary production. We strengthen business synergies and shared processes. We foster a culture of continuous improvement. We look after our competitive advantages: our motivated and skilled employees, strong brand and differentiating factors.	• Research at the Räpi experimental farm continued to develop cultivation methods and the promotion of the cultivation of domestic pulses • Use of shared resources and interfaces in continuing operations, in ERP project for example • Successful launches of novelty products and investments in the development of people's perception of frozen food
2. DIVERSE PLANT-BASED FOOD PRODUCTS We develop added-value food products and increase the refining rate in vegetable oil products. We increase food exports and strengthen our position in Sweden. We increase the volume and cultivation area of strategically significant plants. We make strategic investments to speed up organic growth. We are open for business acquisitions to allow inorganic growth.	• Decision to invest in a new bottling line at the Kantvik vegetable oil milling plant • Establishment of sales organisation in Sweden to boost food exports • Establishment of the RypsiRapsi-foorumi to increase domestic oilseed production
3. MORE DOMESTIC PLANT PROTEINS We continue the commercialisation of the BlackGrain rapeseed ingredient towards an industrial scale. We promote the cultivation of domestic pulses. We explore opportunities to produce Finnish pea protein. We use domestic plant proteins in our own production in diverse ways.	• Progress in the BlackGrain production process • Launch of a project to produce Finnish pea protein • Increase in domestic frozen pea cultivation area and exports of pea
4. SUSTAINABLE VALUE CHAIN We promote sustainable primary production and food choices. We reduce the impact of our operations on the climate and the environment. We make sure that our sourcing processes are transparent and sustainable. We ensure that social responsibility is realised throughout the value chain.	• Energy transition at Apetit's production facilities: reducing energy-related CO2 emissions by 68 per cent from 2019 • Increasing the share of domestic local fish to 19 per cent (2019: 11%) • Increased use of recyclable packaging materials and introduction of PEFC-certified paperboard

FINANCIAL OBJECTIVES FOR 2025

EBIT

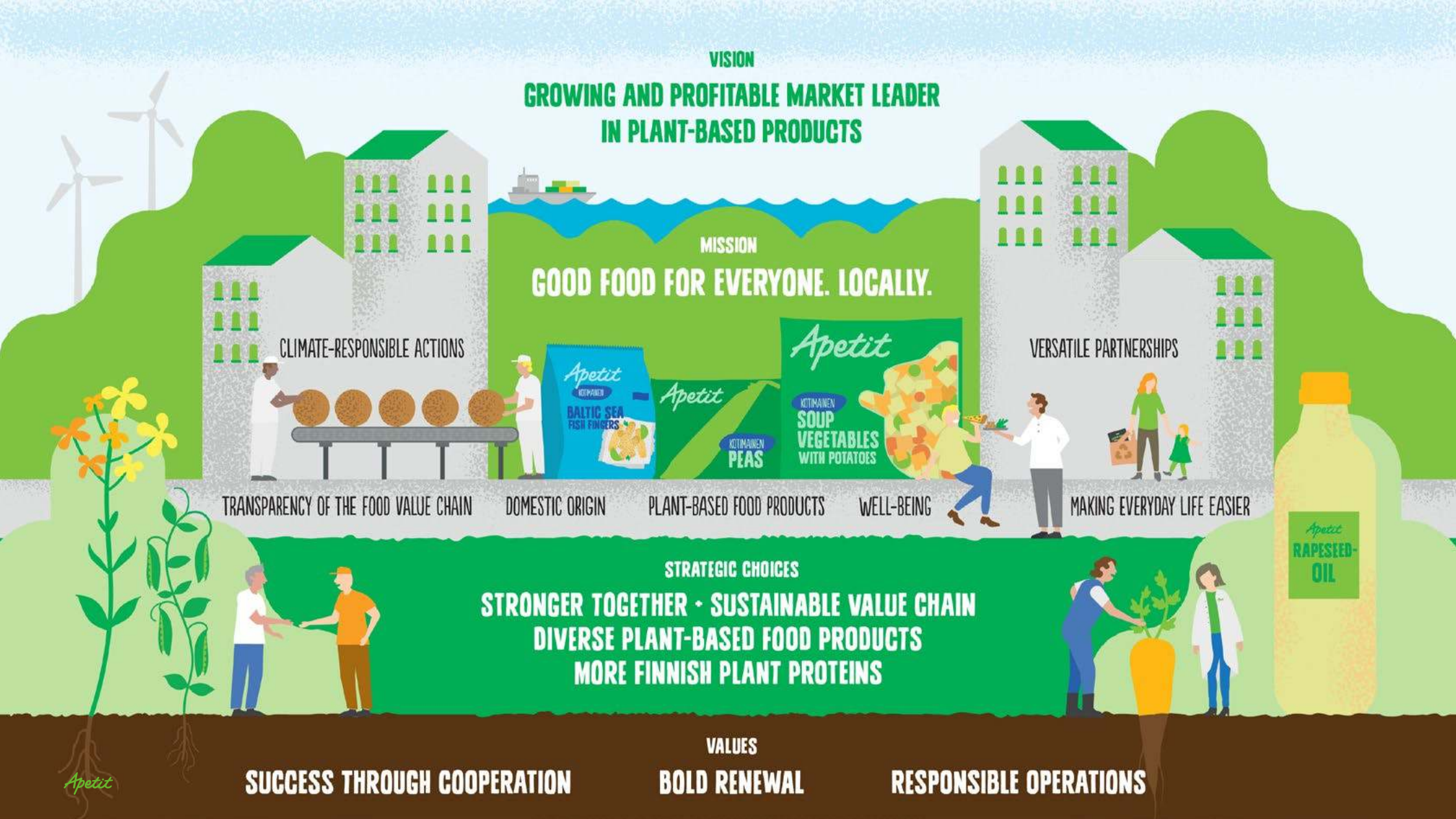
> 9.0 EUR MILLION

(2023: EUR 7.5 MILLION)

ROCE

> 8.0 %

(2023: 7.3%)


VISION
GROWING AND PROFITABLE MARKET LEADER
IN PLANT-BASED PRODUCTS
MISSION
GOOD FOOD FOR EVERYONE. LOCALLY.
CLIMATE-RESPONSIBLE ACTIONS
VERSATILE PARTNERSHIPS
Apetit
KOTIMAINEN
BALTIC SEA FISH FINGERS
Apetit
KOTIMAINEN
PEAS
Apetit
KOTIMAINEN
SOUP VEGETABLES WITH POTATOES
TRANSPARENCY OF THE FOOD VALUE CHAIN
DOMESTIC ORIGIN
PLANT-BASED FOOD PRODUCTS
WELL-BEING
MAKING EVERYDAY LIFE EASIER
Apetit
RAPESEED-OIL
STRATEGIC CHOICES
STRONGER TOGETHER • SUSTAINABLE VALUE CHAIN
DIVERSE PLANT-BASED FOOD PRODUCTS
MORE FINNISH PLANT PROTEINS
VALUES
SUCCESS THROUGH COOPERATION
BOLD RENEWAL
RESPONSIBLE OPERATIONS
Apetit

How we create value

RESOURCES

Social resources:
298 skilled employees
Strong commitment to cooperation with Finnish primary producers, close connections with stakeholders, partners and customers.



Natural resources:
Food raw material from contract growing and other procurement, ecosystem services, energy, water, packaging materials.

Manufacturing and services:
Three production plants in Finland, own experimental farm.

Intangible capital:
Values, responsibility as part of the strategy. Strong brands, innovations and product development expertise. Commitment to high quality and reliability of delivery, investments in occupational safety, cooperation with research institutes. Finland's leading position in the frozen food and vegetable oil markets. Strong expertise.

Financial resources:
Equity ratio 78.9 %
Working capital EUR 23.0 million
Net gearing ratio -5.7 %

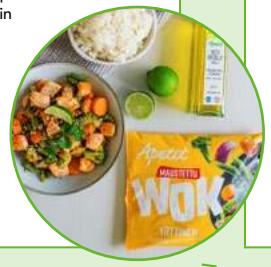
OUR OPERATIONS

Apetit is a Finnish food industry company firmly rooted in domestic primary production. Our operations are based on a unique value chain from field to table. Our vision is to be a growing and profitable market leader in plant-based products.

MISSION
Good food for everyone. Locally.

Business segments:
- Food Solutions
- Oilseed Products

Strategic focus areas:
- Stronger together
- Diverse plant-based food products
- More domestic plant proteins
- Sustainable value chain



OUTPUT

For consumers, Food Service sector and industry:
- Sustainable, high-quality plant-based food solutions and raw materials that make everyday life easier and create well-being.
- More options for sustainable and plantbased eating with product development.

Reliable partner:
For Finnish primary producer, the retail sector, the Food Service sector and food industry companies.

Owners:
A stable investment that is very resistant to economic fluctuations. Active dividend policy.

Operating profit EUR 7.5 million

EBITDA EUR 13.2 million

Dividends payed EUR 3.1 million

For society:
- Cooperation and support for research institutes and projects.
- Partnerships and donations to local communities, support for Apetit-sponsored teams.



IMPACTS

Maintaining domestic and plant-based food production and security of supply.

Degree of domesticity in frozen products 83% and oilseed products 22%

Safe and pure food at an affordable price for consumers.

An interesting employer in meaningful work:

Direct and indirect employment.

Salaries and fees
EUR 17.0 million

Occupational accidents (LTA1) 14

Promotion of sustainable and domestic agriculture.

Growers and partners:
Purchased raw materials, goods and services of total EUR 113.4 million

Purchases from finnish farmers:
6.4 EUR million of vegetables
10.4 EUR million of rapeseed

Promoting sustainable finnish agriculture.

Reducing climate impacts in our own value chain and developing farming methods.

Well-being from plant-based raw materials for people and the environment, promoting sustainable eating habits.

The share of vegetable-based raw materials in frozen products is 96%

77% recyclable of packaging materials

Scope 1-3 emissions 268,333 tonnes CO_2 ekv

Energy consumption 73,829 MWh, of which 74% from renewable sources

Apetit as an investment

1 The overall demand for plant-based eating is growing globally. The megatrends of well-being, health and sustainability are permanent reasons for people to put more plantbased products on their plate.

2 Strong brand: Apetit is the category leader in domestic frozen vegetable products and frozen foods as well as vegetable oils in Finland. Apetit's strategy is focused on businesses in which the competitive advantage is based on company's core strengths and the management of the value chain.

3 Strong partnership with farmers and the unique value chain ensure high quality and sustainably produced raw materials and their availability for Apetit products. A strong foundation for product development, starting from primary production.

4 Apetit is a stable investment that is resilient to economic cycles and has an active dividend policy. Apetit's high equity ratio and low debt further improve the stability of business and enable investments in its growth and development.



Information for shareholders

Annual General Meeting

Apetit Plc's Annual General Meeting will be held on Thursday 11 April 2024, beginning at 1:00 p.m. EEST.

Registration to the Annual General Meeting began at 1 March 2024 at 10:00 a.m. A shareholder registered in the shareholders' register of the company, who wishes to participate in the Annual General Meeting, must register for the Annual General Meeting no later than by 3 April 2024 at 4:00 p.m. EEST, by which time the registration must have been received by the company.

Board of director's divident proposal

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.75 per share be paid for the financial year 2023.

Financial reporting in 2024

Apetit Plc released its financial statements bulletin for 2023 on Thursday 15 February 2024 at 8.30 a.m. The annual report was published on the company's website in the week beginning 4 March 2024.

Interim reports for 2024 will be published as follows:

Business Review for January–March:
Friday 26 April 2024 at 8.30 a.m.
Half year financial report for January–June:
Thursday 15 August 2024 at 8.30 a.m.
Business Review for January–September:
Friday 25 October 2024 at 8.30 a.m.

The annual report, financial statements bulletin and interim reports will be published in Finnish and in English. These will be available on Apetit Plc's website (apetit.fi > In English >Investors), and can also be downloaded in PDF format.

Changes in personal details

Shareholders are requested to give notification of any changes in their personal details to the bank that holds their book-entry account.



SUSTAINABLE VALUE CHAIN

Apetit's corporate responsibility emphasises climate-responsible everyday actions as we build a sustainable food supply chain through various value chains.



Sustainable food choices

Apetit's operations are built around domestic sourcing and production, sustainable food solutions and ingredients as well as responsible operating methods.

Responsibility runs through the entire value chain of our operations, from the well-being of the environment to human well-being. This is reflected in our mission: Good food for everyone. Locally.

At Apetit, responsibility is part of the company's strategy and day-to-day operations.

In cooperation with stakeholders

We have a strong commitment to domestic primary production. We develop sustainable cultivation methods in cooperation with our contract growers to ensure the continued availability of domestic vegetables and other plant-based ingredients.

We believe that a diverse environment, healthy soil and farmers who look after it are our best partners in food production.

We also aim to ensure that sustainable operating methods and our ethical principles are realised throughout the value chain. We want to be a responsible employer and a reliable partner for all of our stakeholders.

Sustainable value chain

In our operations, we focus on reducing our climate impacts especially by investing in renewable energy solutions as well as by developing energy efficiency and material efficiency. We have reduced our energy-related climate impacts by 68 per cent since 2019 by investing in renewable energy solutions.

In our products, we rely on domestic plant-based food solutions and their development, growing our range of products based on local fish as well as packaging solutions that are sustainable and fit for their purpose. We have increased the share of domestic local fish use to 19% (2019: 11%) of all the fish we use and increased the share of recyclable Apetit product packagings to 77% (2019: 66%) of all packaging materials used in Apetit products.

In 2023 Apetit Group reached level B in in the evaluation of the global environmental organization CDP's Climate Change program. This score indicates of taking coordinated action on climate issues and considering the environmental effects of business and ensuring good environmental management.



CORPORATE RESPONSIBILITY PROGRAMME – OUR TARGETS FOR 2025

CULTIVATION DEVELOPMENT AND CONTRACT FARMING



GOAL

We will promote sustainable cultivation methods in selected research projects and our own development efforts with the aim of promoting natural soil fertility and carbon farming.

MEASURES

- We will expand our existing cultivation methods that improve natural soil fertility and promote carbon farming as well as develop new cultivation methods to this end.
- We will train our contract farmers (100%) on practices that improve natural soil fertility.

PROGRESS

- Research including cultivation and variety tests at the Räpi experimental farm continues, especially with studies on domestic pulses.
- The improvement of soil fertility aims not only at carbon sequestration but also at the reduction of nutrient runoffs.

WE HAVE AN IMPACT TO THE FOLLOWING SDGS:



WE CAN INCREASE OUR CONTRIBUTION TO THE FOLLOWING SDGS:



THE CLIMATE IMPACTS OF OPERATIONS



GOAL

We will systematically reduce the climate impacts of our operations.

MEASURES

- We will reduce our direct CO_2 emissions by 75%* by transitioning to energy solutions based on renewable resources and by improving energy efficiency.
- We will reduce waste at our frozen foods plants: we will develop our material efficiency and promote the recovery and reuse of side streams.

PROGRESS

- CO_2 emissions related to energy used by Apetit have decreased by 68 per cent since 2019.
- The energy solution that enables heat recovery and use of biogas at Apetit's Säkylä frozen foods plant was deployed in summer 2023.

WE HAVE AN IMPACT TO THE FOLLOWING SDGS:



PRODUCTS AND PACKAGING SOLUTIONS



GOAL

We will focus particularly on domestic vegetables and local fish – sustainably packaged.

MEASURES

- We will maintain the degree of domestic origin of our frozen products (80%) and plant-based ingredients (95%) at least at the current level.
- We will increase the share of local fish caught in the Baltic Sea and Finnish lakes to 20** per cent of our total use of fish.
- We will increase the recycling rate of the packaging materials of Apetit products sold through retail channels to 100 per cent.***

PROGRESS

- Domesticity rate at frozen products 83 per cent and share of plant-based ingredients 96 per cent.
- The share of used domestic local fish was 19 per cent of all the fish used.
- The share of recyclable packagings was 77 per cent in Apetit products.

WE HAVE AN IMPACT TO THE FOLLOWING SDGS:



WE CAN INCREASE OUR CONTRIBUTION TO THE FOLLOWING SDGS:



SOCIAL IMPACTS



GOAL

We are a responsible partner and employer.

MEASURES

- We only use suppliers that have signed our Supplier Code of Conduct in direct raw material procurement for our processing operations.
- We will develop Apetit as an employer that is perceived by our personnel as an equal and fair workplace where it is safe to work and where employees are given space to participate in development efforts as well as develop themselves as professionals.

PROGRESS

- The number of occupational accidents (LTA1) has decreased from previous year.
- eNPS meter's Net recommendation index 7 (5) in the personnel survey.

WE HAVE AN IMPACT TO THE FOLLOWING SDGS:



*Comparison year 2019: Scope1&2 emissions

**In 2020: 11 %

***In 2020: 60 %

CULTIVATION AND ITS DEVELOPMENT

Apetit is firmly rooted in Finnish primary production. Approximately 140 contract growers cultivate over 30 million kilos of domestic vegetables for Apetit's Säkylä frozen foods plant. The Kantvik vegetable oil milling plant uses as much domestic raw materials as possible. The long-term goal is to increase the farming of oilseeds in Finland to sustainable level.

Apetit is Finland's largest procurer of contract-grown field vegetables. The majority of vegetables used at Apetit's Säkylä frozen foods plant come from Finnish contract growers. The contract growers comply with the responsible farming practices that are continuously developed by Apetit. They cover general farming principles, plant-specific cultivation instructions as well as management of quality, product safety and environmental issues. The responsible farming practices are developed at Apetit's Räpi experimental farm.

For example, as part of Apetit's responsible farming practices, use of fertilisers is based on soil studies, preceding rotation crops and the crop being cultivated to ensure that fertiliser use is restricted to the amount required by the crops. The contract growers record cultivation measures in a cultivation register. This information can be used for traceability, the development of cultivation methods and the verification of environmental impacts, for example. The development of sustainable cultivation methods plays a key role in the reduction of Apetit's environmental impacts.

Apetit's goal is to promote the cultivation of domestic rapeseed. The benefits of oilseed plant cultivation include, among other things, the increasing versatility of crop rotation, oilseed plants' role as good preceding rotation crops and the increase of wintertime vegetation cover with winter oilseed plants.

Apetit participates in RypsiRapsi-foorumi, which was established in 2023 and aims to bring together operators in the sector, increase the rapeseed harvest level and cultivation area and coordinate research and development in the sector. At Apetit's Räpi experimental farm, winter rapeseed was sown in August, for the first time in the farm's history.

In the cultivation of open field vegetables, 2023 was a challenging year. Despite the hot and dry early summer, the domestic pea harvest was in line with expectations, in terms of both quality and quantity. The volume and quality of autumn spinach and root vegetable crops were impaired by the abundant rainfall in the autumn. The rapeseed cultivation area decreased from the previous year. The hot and dry weather had unfavourable effects on the oilseed plant growing season.

Purchases from Finnish growers, EUR million	2023	2022	2021	2020	2019
Harvest season vegetables	6.4	5.8	4.3	4.8	5.3
Oilseeds	10.4	8.5	10.7	6.9	8.7
Total	16.8	14.3	15.0	11.7	14.0



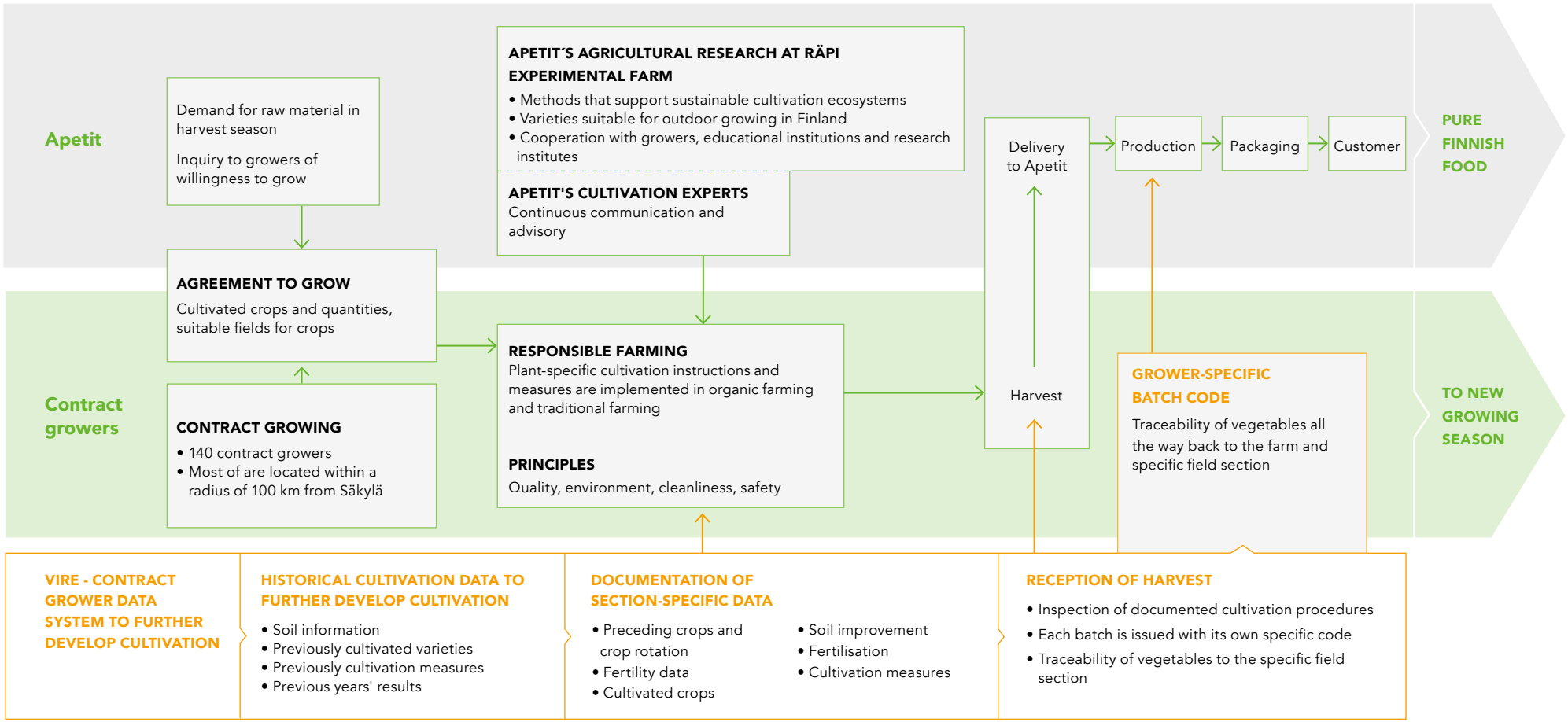
CASE

RypsiRapsi-foorumi boosts the cultivation of domestic oilseed plants

RypsiRapsi-foorumi is an oilseed plant production development group established in 2023, the goal of which is to promote the cultivation of rapeseed and its profitability in Finland. The purpose of the forum's activities is to produce and compile practical information and rapeseed cultivation methods, which are then shared with farmers. Apetit was a driving force in the early-stage planning of the forum. The cultivation of rapeseed in Finland influences the availability of domestic rapeseed oil, the degree of domestic origin in food products and Finland's food self-sufficiency.

PURE FINNISH FOOD

- Apetit Responsible farming method for open field vegetables



CLIMATE IMPACTS

Apetit Group's most significant climate impacts arise in the upstream of the company's value chain. Apetit's Scope 3 emissions represent over 97 per cent of the Group's total emissions. The most significant emission category is purchased products and services. Most of the emissions in Apetit's value chain are generated by the cultivation of food.

The other most significant emission categories in Apetit's value chain include emissions arising from the use of sold products, including the computational food waste impact (2.5%) and upstream and downstream logistics (3.8%).

Apetit's direct and energy indirect emissions (Scope 1 and Scope 2) account for 2.8% of the Group's total emissions.

Reduction of climate impacts

One of the most significant ways to reduce emissions is the development of cultivation methods and harvest levels. For field vegetables, cultivation methods are developed through the responsible farming practices used by Apetit's contract growers. Apetit is also involved in RypsiRapsi-foorumi, for example, which aims, among other things, to increase the harvest level of domestic oilseed plants and produce new cultivation information through experimentation. The development of cultivation methods, improving soil fertility through carbon farming methods, for example, and increasing crop levels represent concrete measures for reducing the carbon footprint of cultivation.

APETIT REACHED LEVEL

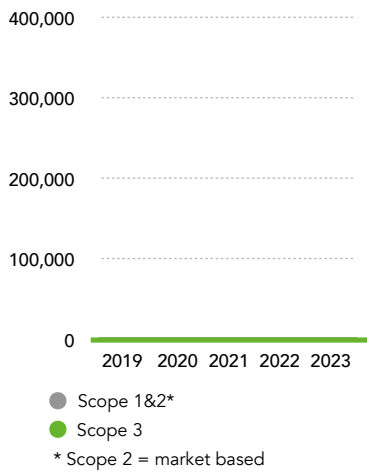
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IN CDP CLIMATE CHANGE EVALUATION

Emissions related to Apetit's energy use have been reduced by deploying the Säkylä plant's new energy solution based on heat recovery and enabling the use of bioenergy. All of Apetit's production facilities have used wind power since 2020.

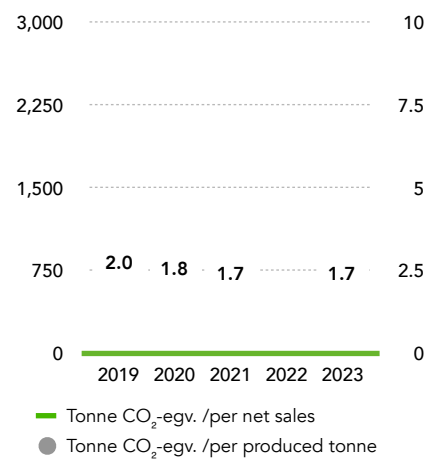
Apetit is committed to reducing its own emissions by 75 per cent by 2025, using 2019 as the baseline. By 2023, emissions had been reduced by 68 per cent compared to 2019. The reduction in emissions is mainly attributable to investments in the use of renewable energy. In 2023, 74 per cent of the energy used by Apetit's production plants was produced from renewable sources. In 2019, the corresponding figure was 10 per cent.

Climate impacts, CO_2 emissions, tonne CO_2-eqv.



* Scope 2 = market based

Intensity of direct and indirect CO_2 emissions (Scope 1-3)



Climate impacts, CO_2 emissions, tonne CO_2-eqv.	2023	2022	2021	2020	2019
Scope 1	4,229	1,602	1,680	814	1,247
Scope 2 (location based)	4,663	3,634	5,637	5,263	8,253
Scope 2 (market based)	3,174	5,129	8,336	13,741	21,860
Scope 3	260,931	201,016	272,424	260,184	294,108
Total*	268,333	207,748	282,440	274,738	317,215

*Scope 2 = market based

The climate impacts of Apetit's vaule chain

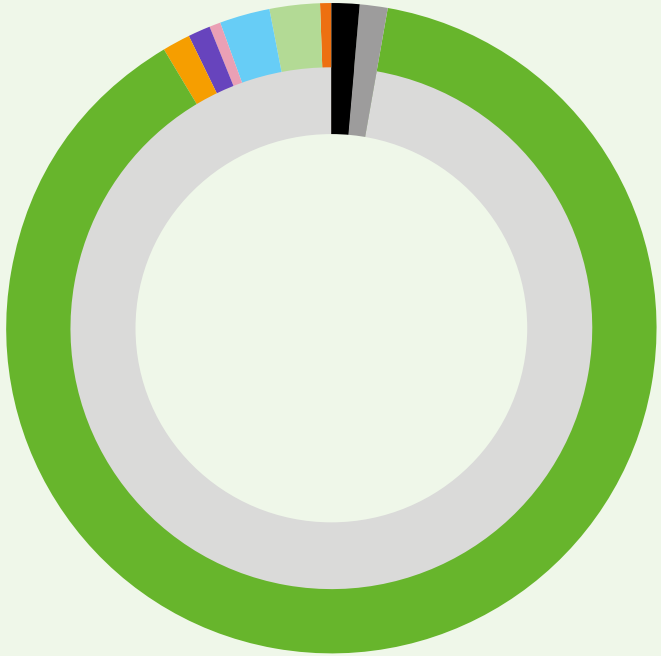
More than 97 per cent of Apetit Group's emissions arise from the indirect emissions of the value chain. The most significant emission category is purchased products and services, which account for almost 89 per cent of the Group's total emissions. Logistics account for approximately 4 per cent of total emissions.

Apetit's own direct emissions (Scope 1&2) have decreased by 68 per cent compared to the reference year 2019. The Group's total emissions have decreased compared to the reference year 2019. The development in total emissions is influenced by the decrease of own energy-related emissions, but also by the amount of purchased raw material, especially related to differences in harvest seasons.

Apetit's combined Scope 1 & 2 emissions increased slightly from comparison year. The reason for increase for energy-related CO_2 emissionsa were issues with utilizing renewable energy sources at Kantvik oilmilling plant and Säkylä frozen food factory. Due to the issues, LPG was used more than the previous year in steam production.

The main ways to reduce the climate impacts of Apetit's entire value chain are to develop cultivation methods and to increase harvest levels. To reduce emissions from its own operations, Apetit improves energy efficiency, for example.

Apetit's greenhouse gas emissions



Scope 1 emissions 1.6%

Scope 2 emissions 1.2%

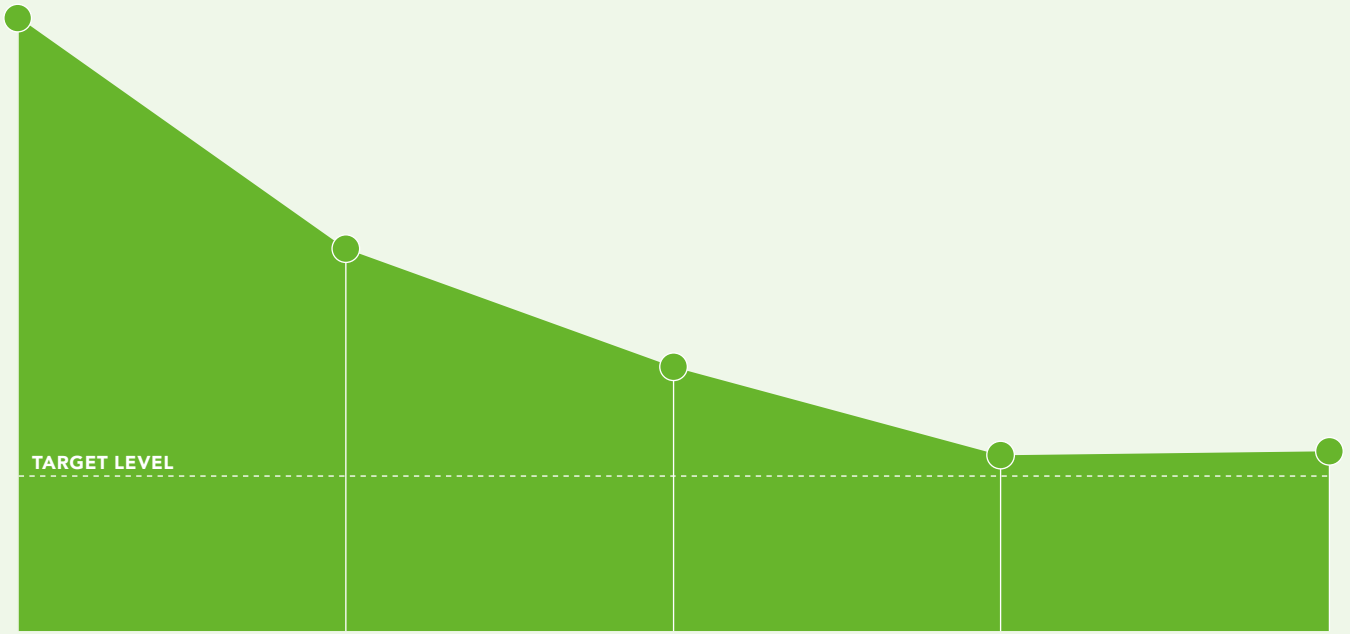
Scope 3 emissions 97.2%

SCOPE 3 EMISSIONS BY CATEGORIES:

1. Purchased goods and services 88.7%
2. Capital goods 1.4%
4. Upstream transportation and distribution 1.3%
5. Waste generated in operations 0.5%
6. Business travel 0.0%
7. Employee commuting 0.1%
9. Downstream transportation and distribution 2.5%
11. Use of sold products 2.5%
12. End-of-life treatment of sold products 0.3%



Reduction of Apetit's Scope 1&2 emissions 2019-2023, %



2019

The decision to build a bioenergy plant for Kantvik's oil milling plant.

Share of renewable energy 2019–2020: 10% --> 34%

2020

Electricity produced from wind power in all production facilities. The Pudasjärvi frozen pizza factory only uses energy produced with renewable natural resources.

Share of renewable energy 2020–2021: 34% --> 55%

2021

The bioenergy plant of Kantvik oil milling plant for production use.

Investment in steam peelers and brush washers in Säkylä frozen food factory: improvement in energy and material efficiency and reduced water use.

Share of renewable energy 2021–2022: 55% --> 76%

2022

The bioenergy plant in Kantvik oil milling plant is in use all year round.

Share of renewable energy 2022–2023: 76% --> 74%

2023

Säkylä's new energy solution based on heat recovery and enabling the use of bioenergy for production use. Issues in utilizing renewable fuels.

ENVIRONMENT AND BIODIVERSITY

The impacts of Apetit's operations on environment and biodiversity arise mainly indirectly from the primary production of food and the production of other materials and the utilization of the natural resources used for them.

Examples of natural capital goods used by Apetit include clean and nutrient-rich soil, clean water, crops and seeds, wild fish as well as wood and other wood fibres. Apetit's operations depend on the maintenance of air and soil quality, the availability of clean water and the maintenance of biodiversity. Apetit has also identified risks related to climate change in its operations.

The environmental impacts of the operations generated by Apetit's entire value chain are related to all natural capital dependencies. Acquisitions related cultivation and other raw materials have an impact on the soil, for example through changing land use. The climate impacts of operations also result mainly from cultivation. Apetit's impacts on waterways are caused, for instance, by nutrient runoffs from cultivation and waste streams and wastewater from plants. In Apetit Group, environmental management is based on environmental legislation, current environmental permits and for environmental systems that are used on production sites. Some of Apetit's production operations require an environmental permit.

The main environmental risks at Apetit's production plants are related to possible wastewater and vegetable oil leaks into the environment and to refrigerant leaks from freezing machinery. In 2023, an ammonia leak occurred at the Säkylä frozen foods plant due to equipment failure. However, it did not cause hazards for local residents or the environment as the chemical was not found to be leaking outside the plant. At the Kantvik vegetable oil milling plant, there have been several observations of odour nuisance. Odour nuisance has been treated with an odorous gas scrubber and in summer 2023, odour treatment was complemented with a catalytic burner.

Reduction of impacts and biodiversity in the supply chain

Apetit has identified opportunities to positively influence its environmental impacts. Research is being carried out at Apetit's Räpi experimental farm to promote sustainable cultivation methods and carbon farming and to improve soil fertility, among other things. The impacts of cultivation on biodiversity can be reduced by minimising the use of nutrients and pesticides, for example. The use of sustainable local fish stocks can also have a positive impact to the well-being of water systems.

The raw materials used by Apetit in its production that have impacts on biodiversity include packaging materials, fish and soy. Apetit sources wild-captured fish that is mainly MSC-certified as well as only RTRS-certified, Proterra-certified or Donau Soja certified soy. Apetit has also switched to PEFC-certified paperboard in some of its paperboard packaging.

Apetit's own operations and value chain: dependencies and the use of natural capital

PRODUCTION

- Products' food raw materials: crops and seeds, other vegetable-based raw-materials, fish, other raw materials of animal origin.
- Other raw materials, e.g. wood fibres, fossil resources.
- Energy.
- Water.

NATURE-RELATED REGULATION AND MAINTENANCE

- Clean air and climate regulation.
- Clean and nutrient-rich soil and its quality maintenance.
- Waterway quality maintenance.
- Mitigation of pest damage.
- Pollination.
- Waste and wastewater treatment.
- Supporting biodiversity and the habitats of different organisms.

VALUES AND CULTURE

- Purity and origin of food.
- Versatile countryside landscape as part of the cultural value of food.

Apetit's environmental impacts/risks and opportunities

SOIL

Impacts:

- Land use changes (cultivation, wood- and fibre-based materials), impacts of cultivation on soil.
- Impacts of cultivation and soil changes on biodiversity.

Opportunities:

- Sustainable cultivation methods: regenerative and carbon farming, improvement of soil fertility.
- Sustainable use of certified and renewable natural resources.

CLIMATE

Impacts:

- Climate impacts from cultivation and land use, energy consumption (heat, steam, electricity), logistics chains and waste generated at different stages of the value chain.

Opportunities:

- Reduction and elimination of the use of fossil energy resources. Promotion of energy efficiency and the circular economy. Promotion of carbon farming.
- Promotion of a plant-based and sustainable diet, reduction of food waste.

WATERWAYS

Impacts:

- Impacts of cultivation on waterways (nutrient runoff) and their ecosystems, nutrient concentrations in the plants' wastewater and their impacts on aquatic organisms.

Opportunities:

- Increase in the use of local fish, reduction of the plants' water consumption. Use of certified and sustainable fish stocks.

RAW MATERIAL EFFICIENCY AND MATERIAL EFFICIENCY

Apetit's most significant actions related to material and raw material efficiency are associated with the optimal use of food raw materials, especially in harvest-time production. Packaging materials can also influence material efficiency. For more information on increasing the recyclability of packaging, see "Packaging materials".

Apetit Group's three production facilities generate varying amounts of side streams. The Kantvik vegetable oil milling plant uses 99.9 per cent of oilseeds. Wastage at the Pudasjärvi frozen pizza plant is also relatively small: around 3 per cent of the Group's biowaste is generated at Pudasjärvi.

The majority, around 94 per cent, of Apetit's biowaste streams are generated at the Säkylä frozen foods plant. Most of the Säkylä plant's biowaste comes from production focusing on harvest time. Some of the side streams of harvest-time production, such as crushed material from peas, can be used as an ingredient in products. For example, the Kotimainen Säkylän kasvispyörykkä vegetable balls, launched in 2023 for professional food service customers, utilise the side streams of the pea and carrot freezing process.

In addition to the reportable biowaste, waste streams are generated from soil and stones that come from the field along with the seasonal vegetables. Their amount corresponds to about a quarter of the total amount of waste from the Säkylä plant.

About 71 per cent of waste streams are biowaste, mainly consisting of the side streams of harvest season vegetables. In 2023, side streams from the harvest season and other organic waste were utilized in bioenergy production at the bioenergy plant next to the Säkylä freezer factory.

Developing raw material efficiency and material efficiency

A material review has been conducted at the Säkylä frozen foods plant, on the basis of which Apetit is trying to, among other things, reduce the amount of side streams that would be suitable for food use.

The use of the side streams of the Kantvik vegetable oil milling plant, i.e. the straw waste that comes with oilseeds, at the bioenergy plant has been intensified during 2023, and this side steam can now be fully utilised in the production of the bioenergy plant.

After the upgrade of the pizza production line in Pudasjärvi and the launch of new pizzas, waste at the frozen pizza plant is monitored daily by weighing. Efforts are made to influence the generation of waste by developing pizza dough, conveyors and refrigeration.



CASE

Putting screening waste into good use

In 2023, the operational efficiency of the bioenergy plant at the Kantvik vegetable oil milling plant improved regarding burning the byproducts. For example, the straw waste included in seed deliveries and waste from screening processes, were used more efficiently.

ENERGY EFFICIENCY

At its production facilities, Apetit uses electricity, steam, district heat and light fuel oil. The operations that consume the most energy at Apetit's production plants include the milling and refining processes at the Kantvik vegetable oil milling plant, cooling and freezing processes at the Säkylä and Pudasjärvi plants, as well as the peeling and processing of harvest season vegetables and the deep frying of patties and balls at the Säkylä plant.

The Säkylä frozen foods plant, in particular, has enhanced the monitoring of energy consumption in different processes to improve energy efficiency.

Apetit has significantly increased the use of renewable energy sources in its production activities. As of April 2020, all electricity used in Apetit's factories has been produced by wind power. The bioenergy plant at the Kantvik vegetable oil milling plant went into production in late 2021. In 2023, the share of renewable fuels at the bioenergy plant has been increased and the utilisation of the plant's side streams has been enhanced. At the Säkylä plant, an energy solution based on heat recovery was deployed in 2023.

Renewable sources accounted for 74 per cent of the energy used by Apetit at its production plants in 2023.

Logistics play an important role in both of the Group's businesses, but Apetit has little in the way of its own transportation fleet or work machinery. Logistics can be influenced particularly by ensuring that loads are large and filled to capacity. The amount of fuels used in logistics and the resulting environmental impacts are mitigated by optimizing transport operations.

"The new energy solution of Säkylä frozen food factory reduces the need of primary energy by a third."

Developing energy efficiency

Apetit Group participates in the Energy Efficiency Agreement system of Finnish industries and has committed to implementing the Food and Drink Industry Action Plan by reducing its energy consumption by 7.5 per cent in 2017–2025.

In 2023, the Group's energy consumption increased by 9 per cent compared to the reference year. Energy consumption is at the same level when compared to to the Energy Efficiency Agreement system's benchmark year of 2016. There can be significant annual differences in energy consumption related to the harvest season. Energy efficiency at the Säkylä frozen foods plant has been improved by the energy solution deployed at the production facility in 2023. For example, district heat for properties is produced with heat pump technology from the refrigeration equipment's waste heat. The new energy solution reduces the primary energy needs of the Säkylä plant by a third.

Energy intensity, MWh / produced tonne	2023	2022	2021	2020	2019
Frozen foods and vegetables	1.0	1.0	1.2	1.2	1.1
Frozen pizzas	1.6	1.5	1.8	1.5	1.5
Oilseed products	0.1	0.1	0.2	0.3	0.3
Apetit total	0.5	0.4	0.4	0.5	0.4
Apetit total (based on net sales), MWh/EUR million	420.7	371.7	485.0	566.0	540.0



Energy consumption, MWh	2023	2022	2021	2020	2019
Electricity	31,588	30,293	33,289	31,467	27,783
Steam	33,218	28,756	29,494	30,458	30,650
District heating	7,526	6,897	8,149	8,048	7,027
Light fuel oil	1,497	1,215	1,379	1,123	1,287
Energy consumption total, MWh	73,829	67,161	72,312	71,096	66,747
Energy consumption total, TJ	265.8	241.8	260.3	255.9	240.3

Energy consumption, renewable and non-renewable sources	2023	2022	2021	2020	2019
Renewable sources, %	74	76	55	34	10
Non-renewable sources, %	26	24	45	66	90
Fossil sources, MWh	19,466	16,330	29,714	44,277	44,070
Sources based on nuclear power, MWh	-	-	-	2,541	9,659
Renewable sources, MWh	54,483	51,344	42,741	24,318	6,124
Usage of fuels, renewables, MWh	0	0	0	0	0
Purchased electricity, heat, steam, cooling, renewables, MWh	31,588	30,293	33,289	24,318	6,124
Produced energy, other than fuels, MWh	22,895	21,051	9,452	0	0



CASE

Energy from production processes into district heat

Säkylä's new energy solution utilises energy recovered from production processes. With the help of heat pump technology, energy can be used as district heat in the heating of properties and domestic water.

WATER CONSUMPTION

Apetit Group's production plants use household water, lake water and sea water. Water consumption is the highest at the Säkylä frozen foods plant, where water is used particularly for washing vegetables. Household water is used at all production facilities.

Lake water and household water are used at the Säkylä frozen foods plant. The washing of harvest season vegetables is the process with the highest water consumption. Water is used in a closed system for cooling equipment. The Kantvik vegetable oil milling plant uses sea water in a closed system for process cooling purposes.

The Säkylä plant's water consumption represents more than 80 per cent of the entire Group's water consumption, not taking into account the sea water used in the closed system at the Kantvik plant. Water used for washing vegetables goes to the wastewater treatment plant for processing, while lake water used for cooling is returned to the same body of water through a closed cycle.

Water consumption at the Kantvik vegetable oil milling plant has increased due to the commissioning of the adjacent bioenergy plant. The use of sea water in the closed system at Kantvik has decreased significantly due to the completion of the bioenergy plant and the renewal of the oil milling plant's vacuum system. The frozen pizza plant in Pudasjärvi uses only household water, and its water consumption is low compared to Apetit's other operations. In both Pudasjärvi and Säkylä, water is used for washing production equipment, for example.

As all of Apetit Group's production facilities are located in Finland, no water is taken from areas where water is scarce. Apetit has studied the eutrophication effects and water footprint of selected products to reduce its environmental impacts.

Reducing water consumption

Among Apetit's production plants, water consumption is highest at the Säkylä frozen foods plant, particularly in production activities involving harvest season vegetables. The water efficiency of the Säkylä plant has been improved over the past few years. Pea receiving processes were updated at the plant in 2022, which reduced water consumption by 2,500 litres per frozen pea tonne. The brush scrubbers and steam peelers installed at the Säkylä plant in 2021 enhance the efficiency of the vegetable washing process. There are annual variations in water use due to differences in harvest seasons. In 2023 in the processing of seasonal vegetables water consumption increased. Due to the wet autumn the raw materials were more muddy and the brush washers have consumed an extraordinary amount of water. In the future, water use will be made more efficient by improving usage monitoring.

Operation of the wastewater treatment plant, Säkylä mg/l	2023	2022	2021	2020	2019
Cleaned waste water m³	873,077	711,646	755,882	864,579	679,385
Nitrogen	13.5	11.7	9.9	14.5	12.1
Ammonium-nitrogen	0.4	1.6	0.8	2.5	0.1
Solids	19.1	15.2	21.2	15	14.3
Biological consumption of oxygen	8.9	8.9	8.6	7.2	6.9

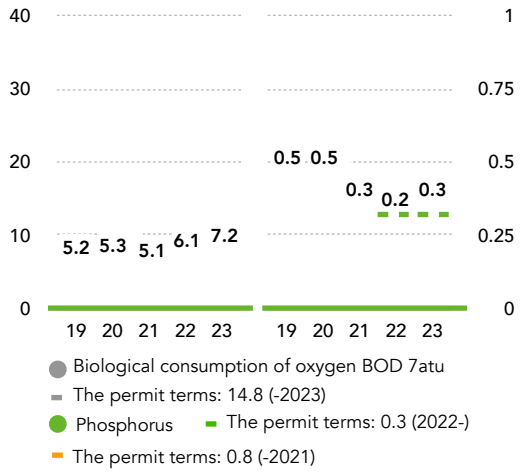
Water discharges, m³	2023	2022	2021	2020	2019
Sea water	409,899	381,390	386,077	654,616	606,709
Household water	286,745	231,180	238,547	245,988	246,805
Lake water	118,637	86,542	103,210	112,494	133,425

Water discharges, m³	2023	2022	2021	2020	2019
Municipal sewerage network	36,989	42,678	43,675	41,239	45,154
Sea	409,899	381,390	386,077	654,616	606,709
Wastewater treatment plant	295,221	224,243	220,984	294,021	308,737

Water intensity	2023	2022	2021	2020	2019
Used water* (based on net sales), m³/ EUR million	2,309.9	1,748.6	2,292.1	2,854.2	3,076.3

*closed system not included

Apetit's wastewater treatment plant, quality of purified water, ton



WASTE

Over 99.9 per cent of Apetit Group's waste streams are non-hazardous waste that is either recovered or used in energy production. Nearly half of the entire Group's waste is biowaste from the Säkylä frozen foods plant, consisting mainly of vegetable peeling waste and sidestreams from harvest season vegetables. Biowaste streams from the Säkylä frozen foods plant were used in bioenergy production.

The Kantvik vegetable oil milling plant generates a very small amount of landfill waste. In addition to biowaste, the plant generates waste streams that are channelled to energy production as industrial biowaste. Some of the Kantvik plant's waste streams, such as the screening fraction of oilseeds, can be utilised in the oil milling plant's in-house bioenergy production.

Hazardous waste accounts for less than 0,01 per cent of the Group's waste streams. Apetit Group's waste is processed by an external operator that is responsible for the appropriate disposal of waste.

Waste generated by the end products produced by Apetit consist of packaging waste and potential food waste. Apetit aims to increase the degree of recyclability of the packaging materials it uses. Of the packaging waste of Apetit products at the consumer's end, 45 per cent is recyclable paperboard, 24 per cent is recyclable plastic, and 23 per cent is plastic that can not be recovered in recycling.

Apetit Group's operations do not generate wastewater that is directly hazardous to the environment. Water that is used at the Säkylä plant to wash harvest season vegetables and thus contains nutrients goes through Apetit's own wastewater treatment plant, the operations of which are subject to authorisation. If the water were to be released into the environment without treatment, it would increase eutrophication.

Reducing side streams

The bioenergy plant built at the Kantvik vegetable oil milling plant uses the milling plant's own side streams in energy production. The straw waste that comes with oilseeds is used as raw material for the bioenergy plant, which reduces the amount of the plant's waste processed elsewhere.

In 2023 at Säkylä frozen factory, side streams from the harvest season and other organic waste were utilized in bioenergy production at the bioenergy plant next to the Säkylä freezer factory. The brush scrubbers and steam peelers deployed at the Säkylä frozen foods plant have significantly improved root vegetable yield by reducing the amount of material ending up as peeling waste.

Waste, tonne	2023	2022	2021	2020	2019
Non-hazardous waste					
Recycle/utilisation waste	6,740.7	8,343.8	9,432.6	8,186.5	7,546.6
Biowaste (to energy)	4,800.1	4,549.8	4,773.7	5,458.5	4,512.6
Refuse dump waste	29.6	24.8	14.3	20.7	28.4
Hazardous waste, tonne					
Hazardous waste treatment	3.3	4.0	13.0	6.5	4.5
Waste total, tonne	6,770.3	8,372.6	9,459.9	8,193.0	7,589.5
Waste total, kg per produced ton	42.1	52.7	57.5	54.7	48.5

Waste, total	2023	2022	2021	2020	2019
Apetit total					
Non-hazardous waste	99.9%	99.9%	99.9%	99.9%	99.9%
Hazardous waste	0.1%	0.1%	0.1%	0.1%	0.1%



CASE

The recyclability of packaging increases product group by product group

During 2023, Apetit has systematically continued to develop the recyclability of packaging product group by product group. Recyclable plastic packaging was introduced for frozen potato products, oven and grill vegetables and some export products. In 2023, 77 per cent of Apetit-products' packagings were recyclable.

PRODUCTS

Good food is made from carefully selected, high-quality raw materials that are pure and responsibly produced. With its products, Apetit wants to promote sustainable food choices and make them easier. In addition, it wants to produce products that promote people's well-being. Approximately 96 per cent of the raw materials that Apetit uses in its frozen products are plant-based.

Apetit's product selection includes frozen vegetables, frozen vegetable and fish based ready foods, frozen pizzas and rapeseed oils. In addition, rapeseed expeller is also made of oilseed plants, to be used as feed raw material. Products are manufactured for the needs of retail trade, the Food Service sector and industry and for exports.

Apetit's strong integration into domestic primary production is reflected in the company's product selection. Apetit's contract farmersgrow more than 30 million kilos of domestic vegetables every year. All in all, 83% of the food raw materials for frozen products are domestic. Also in oilseed products, as much domestic seed as possible is used. The share of domestic local fish in Apetit's fish products is 19%.

Vegetables and good fats are key components of healthy eating. Apetit's plant-based products are an excellent fit with the trend of eating for increased wellbeing: the mainly plant-based and fish-based products enable sustainable eating habits that improve well-being.

The key elements of Apetit's product policy are the origin of raw materials and products, the nutritional goals of products, responsible procurement principles, the accuracy of product information, and sustainable packaging solutions.

In product development, products are designed with taste as the first priority, but also in accordance with nutritional recommendations. In its frozen food products, Apetit primarily uses iodised salt in its products, to achieve high fibre and protein content and to prefer good fats by using rapeseed oil. The vegetable oils made by Apetit contain a lot of Omega-3 fatty acids, which are essential for humans. Sources used in the calculation of nutritional values are generally accepted databases (Fineli) and, when necessary, laboratory tests.

Important steps were taken in the development of the production process to start commercial scale production of the rapeseed protein ingredient BlackGrain. Apetit also started a project to produce domestic pea protein. Apetit's expertise in plant-based raw materials and strong cooperation with domestic primary production provide a good basis for the project.



SOURCING

Apetit invests strongly in cooperation with Finnish primary production and sources around 80 per cent of all of the food raw materials used in its frozen vegetables and frozen foods directly from its contract growers. Apetit aims to maximise the amount of domestic raw materials used in oilseed products. The procurement of both domestic and foreign oilseed plants primarily takes place through grain intermediaries.

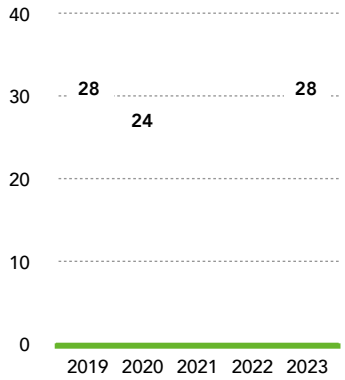
In Finland, Apetit sources raw-materials not only from its contract growers, but also from fishermen and other producers. Apetit makes purchases mainly from low-risk countries. Less than five per cent of the raw material sourcing for frozen products are direct or indirect purchases from high-risk countries. Apetit requires all its suppliers to know its value chain. Apetit prefers long-term partnerships with its suppliers. Raw materials for oilseed products are sourced only from low-risk countries.

In its sourcing responsibility principles, Apetit has defined the statements required from suppliers regarding the management and realisation of social and environmental responsibility.

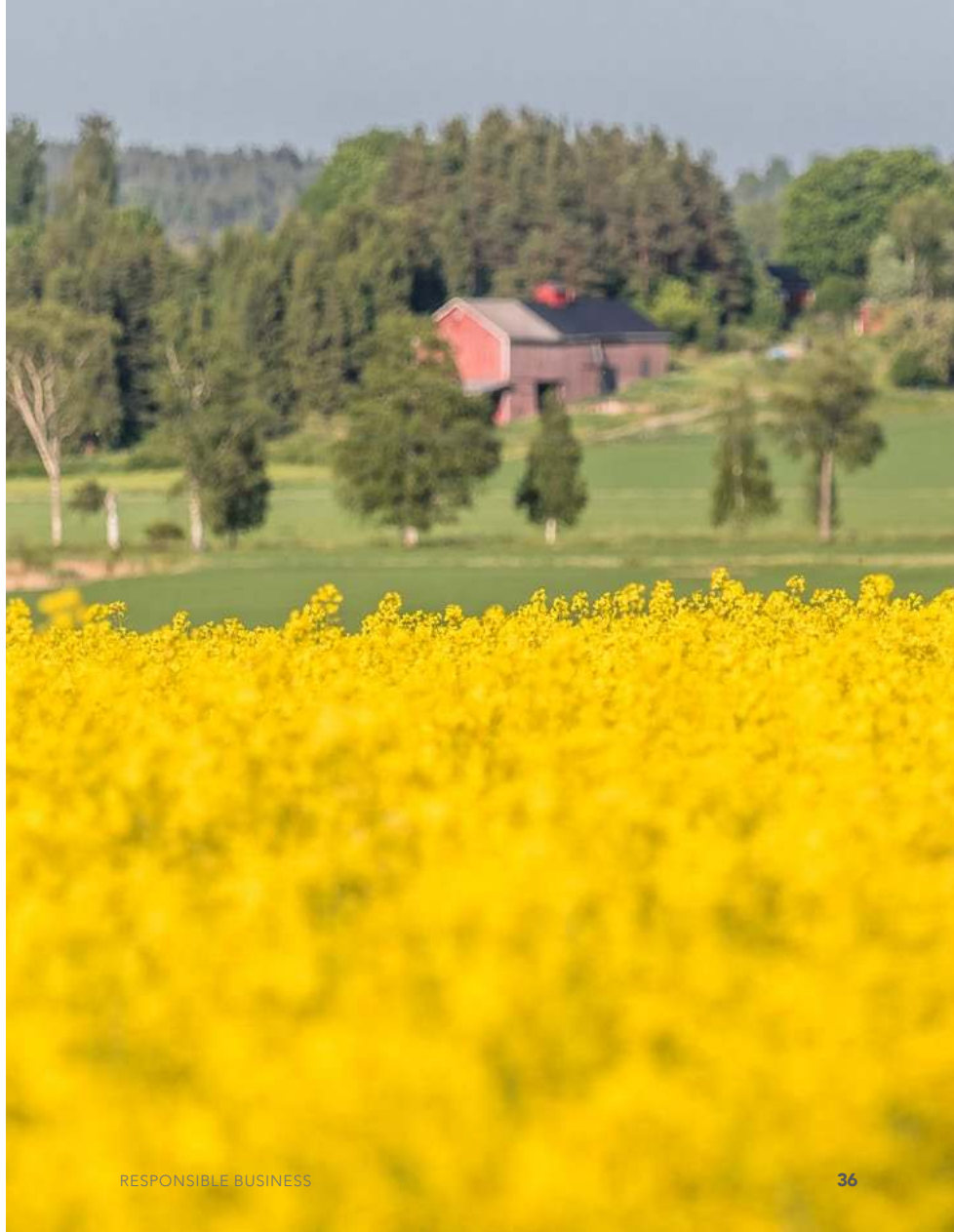
Apetit assesses the realisation of social and ethical practices and environmental responsibility management among its suppliers based on audits conducted by Apetit or a third party, self-evaluation surveys as well as cooperation between the supplier and the company.

The supplier requirements cover both the suppliers' own operations and their value chain. Apetit Group requires that its suppliers commit to the principles of ethical, social and environmental responsibility documented in the Group's supplier requirements. Apetit Group's ethical supplier requirements are based on the guidelines of the UN's Global Compact initiative.

Supplier audits, pcs



Purchases of food raw materials, Finnish orgin, %	2023	2022	2021	2020	2019
Frozen products	83	82	79	82	79
Oilseed products	22	17	27	29	37



QUALITY

Product quality and product safety are key factors in the food industry. Ensuring food safety requires the professional competence and responsibility of the people who work in the food supply chain as well as production-related risk knowledge and management. Already in the product development phase, quality and product safety risks and the means of managing them are precisely defined. Raw materials, suppliers and partners are selected according to a precisely defined process, strict criteria and our quality goals. The production chain of Apetit's frozen vegetables, frozen foods and rapeseed oils is monitored closely from field to fork. The vegetables of contract growers can be traced all the way back to the individual field section, if necessary.

Apetit Group's production facilities in Säkylä, Kantvik and Pudasjärvi have food safety systems certified in accordance with the GFSI standard: BRC in Säkylä and food safety systems according to FSSC 22000 standard in Kantvik and Pudasjärvi. The Säkylä and Kantvik plants also have their own laboratories for ensuring product safety.

Accurate labelling on packaging is also an essential part of product safety. Information about raw materials and allergens are clearly indicated on the labelling in accordance with the EU Food Information Regulation.

The recall plan is part of Apetit's self-monitoring plan. The recall process is initiated immediately to remove the food product or the food contact material from the market if there is reason to suspect that it does not comply with the food safety requirements.

Recalls are reported to the supervisory authority, the resellers of the product and, if necessary, consumers. The recall notification contains a description of the product defect and the recall reason as well as the way the products are to be handled or returned. The functionality of the recall process is also tested annually throughout the entire organization and the processes that affect it.

Withdrawals, pcs	2023	2022	2021	2020	2019
Frozen food products	1*	1**	1**	0	2**
Oilseed products	0	0	0	0	0
Apetit combined	1	1	1	0	2

Includes both public and instore withdrawals
* Foreign object
** Incorrect labeling

CERTIFICATES

Food Solutions

BRC (Grade A+) (Säkylä plant)
FSSC 22000 5.1 (Pudasjärvi)
ISO 9001 & ISO 14001 & ISO 45001
FSA - Farm sustainability assessment (contract growing of peas)
MSC - Marine Stewardship council (Säkylä, patty and ball production)
Organic certification (Säkylä)

Oilseed Products

FSSC 22000 5.1 & ISO 22000
ISO 9001
ISO 17025 (salmonella self-monitoring)
Halal & Kosher
Efisc.GTP



PACKAGING MATERIALS

The packaging of a food product is primarily intended to protect the shelf life of the product and to ensure product safety. Packaging also plays a significant role in reducing food waste.

Apetit uses mainly plastics and paperboards as product packaging materials. In addition, glass is used in Neito rapeseed oil bottles. Wood is used in the palletised transport of product batches.

Plastics are used as packaging material in many Apetit products: for example, all frozen vegetable mixes come in plastic packaging. Apetit rapeseed oils are also packaged into plastic bottles.

The degree of recyclability of Apetit's product packaging increased in 2023 when recyclable packaging was introduced for frozen potato products, oven and grill vegetables and some export products during the year. The change increased the use of recyclable packaging materials by more than 22,000 kilos annually. Apetit is gradually switching to PEFC-certified paperboard in its frozen soup packaging. The first soups in PEFC-certified paperboard packages were available in shops in September 2023.

In Apetit products sold in retail stores, 46 per cent of packaging materials used by Apetit are renewable. When it comes to plastic packaging, 43 per cent are made of recyclable materials and 1 per cent are made of renewable materials. In Apetit's corporate responsibility programme, one of the goals is to increase the use of recyclable packaging materials to 100 per cent. Also the labelling on packaging has been developed in connection with labelling updates, especially with regard to recycling instructions.

Apetit reports the amounts of packaging material it puts out into the market in accordance with the EU Packaging Directive and pays recovery fees for the organisation of material recycling.

Packaging materials, tonne	2023	2022	2021	2020	2019
Paper fibers	1,254.6	1,272.5	1,245.6	1,291.9	1,471.2
Plastics	681.6	783.4	712.7	690.0	739.0
Metals	0.6	0.6	0.3	0.3	0.3
Glass	39.6	43.2	46.0	49.5	46.4
Wood	2,432.8	2,175.2	1,927.2	1,931.3	2,255.7
Packaging materials total	4,346.2	4,274.9	3,931.8	3,962.7	4,512.6
Packaging materials total, kg per produced tonne	27,0	26.9	24.1	26.5	28.9
Share of renewable packaging materials, per cent	85%	81%	81%	81%	83%

CASE

Certified paperboard which entire production chain is traceable

Starting from September 2023, Apetit has been gradually switching to PEFC-certified paperboard, first in some of its soup packaging. All soups will be packaged in PEFC-certified paperboard. Later, PEFC-certified paperboard will also be introduced in other selected product categories. Paperboard is a recyclable and renewable material and, when PEFC-certified, it comes from sustainably managed forests. The certification ensures that packaging materials come from sustainable sources. In PEFC, the entire production chain is traceable.



PERSONNEL

Apetit's personnel strategy focuses on responsible leadership based on the company's values and corporate culture, ensuring the availability of labour by focusing on retention and attraction factors, improving employees' occupational well-being and ability to cope with the demands of work by using a wide range of work ability management methods, and the continuous development of strategic and critical competencies.

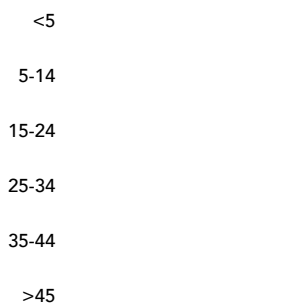
Apetit's objective is that each employee is familiar with the goals of their work and able to make use of their strengths and skills in their job. It is important that Apetit's employees can work in an encouraging and inspiring work atmosphere with rewarding tasks that they find meaningful.

At the end of 2023, Apetit had 338 employees, all of whom worked in Finland. In full-time equivalents, the average number of personnel in continuing operations was 298. Apetit does not use external labour, such as leased employees, to a significant extent. During the year, the Group employed 10 temporary agency workers.

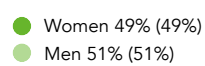
The number of employees at Apetit's Säkylä plant varies during the year based on the harvest season. The number of temporary employees increases for a period of about six months in the harvest season. During this season, the number of temporary employees at the plant is approximately 30 per cent higher than normally.

Number of personnel at the end of the year	2023	2022	2021	2020	2019
Permanent					
Women	123	119	131	129	133
Men	146	139	156	152	170
In Finland	269	258	287	281	276
Other lands	0	0	24	26	27
Permanent combined	269	258	311	307	303
Temporary					
Women	42	42	38	32	46
Men	27	28	27	31	24
In Finland	69	70	65	63	70
Other lands	0	0	0	0	0
Temporary combined	69	70	65	63	70
Agency workers	2	-	-	-	-
Apetit total at the end of the year (incl. part-time and on-demand employees)	338	329	376	370	373

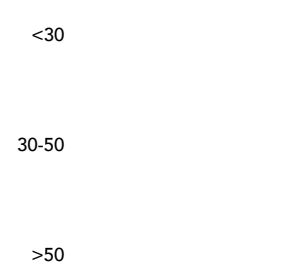
Service years of personnel, 31.12.2023



Share of women and men in personnel, 2023



Age structure of personnel, 31.12.2023



There were seven part-time employees employed by the Group during 2023. Subcontractors were used in projects and maintenance activities carried out at Apetit's production plants during the reporting period.

All Apetit's employees are covered by collective agreements. Upper-level staff have a basic agreement. Apetit complies with the Finnish Collective Agreements Act and trade union agreements in all personnel-related matters.

Competence development

One of the most important goals of personnel development is ensuring sufficient and appropriate capabilities. The key competence areas for Apetit's employees include customer relationship management, product development skills, competencies related to production, occupational safety and quality and supervisor and work community skills.

The Group's competence development methods include an internal online learning environment and external training activities, for example. In Säkylä and Pudasjärvi, food worker apprenticeship training was arranged for Apetit's own personnel, with the training programme completed in 2023. The training was attended by 20 people. All office employees are covered by personal development appraisals. The company has begun to create a new and effective performance appraisal process for its personnel groups. During the reporting period, 70 per cent of performance appraisals were conducted.

Number of employees and officials at the end of the year	2023	2022	2021	2020	2019
Employees					
Women	102	102	98	92	97
Men	129	126	125	128	122
In Finland	231	228	223	220	219
Other lands	0	0	0	0	0
Employees total	231	228	223	220	219
Officials					
Women	63	59	71	69	82
Men	44	42	58	55	72
In Finland	107	101	129	124	127
Other lands	0	0	24	26	27
Officials total	107	101	153	150	154

Training days for personnel, average per person	2023	2022	2021	2020	2019
Total	0.5	0.4	1.1	0.5	1.0

Development discussions	2023	2022	2021	2020	2019
Women	70%	76%	91%	92%	96%
Men	70%	76%	91%	92%	96%
Total	70%*	76%*	91%	92%	96%

*The percentage of development discussions in 2023 and 2022 remained low compared to comparison years due to an high turnover rate.

New hired personnel and turnover	2023	2022	2021	2020	2019
New hired personnel					
Women	49	46	62	61	97
Men	40	25	42	48	122
In Finland	89	71	104	109	219
Other lands	0	0	0	0	0
Total	89	71	104	109	219
- of which to permanent employment relationship %	19	32	10	19	27

Turnover, in, per cent	2023	2022	2021	2020	2019
Total	27	19	28	32	31

Terminated employments	2023	2022	2021	2020	2019
Women	46	56	61	69	
Men	34	42	43	51	
In Finland	80	98	104	120	
Other lands	0	0	0	0	
Total	80	98	104	120	
- of which from permanent employment relationship %	29	40	26	31	

Turnover, out, per cent	2023	2022	2021	2020	2019
Total	24	26	28	35	11

Employee satisfaction

Apetit monitors well-being at work and employee satisfaction by means of a Group-wide personnel survey, for example. In the survey, the personnel assess their experiences of personal work ability, the working environment, the work atmosphere, safety at work, the content of their work, and supervisory work.

The response rate of the survey conducted in March 2023 increased to 73% (63% in 2022), thanks to the new survey implementation method. The goal of the new survey was especially to find out the degree of employee commitment as well as possible experiences of bullying or harassment. According to the survey, strengths reported by Apetit's personnel included the sufficiency of their own resources at work, the impact of their own activities on the work atmosphere and cooperation with their immediate supervisor. The areas of development mentioned included the feedback culture and the increase of competence.

Personnel survey eNPS meter Net recommendation index, value range -100 – +100	2023	2022	2021	2020	2019
eNPS	*	7	5	16	-8

* the survey will be conducted in spring 2024

Equal pay	2023	2022	2021	2020
Women's share of basic salary of men's pay				
Employees	89%	90%	92%	91%
Officials	84%	85%	83%	86%
Senior officials and upper management	72%	76%	71%	72%



WELL-BEING AND SAFETY AT WORK

Safety at work is one of the key themes of Apetit's personnel strategy. The goal is to reduce occupational accidents to zero and to reduce sickness absences.

The key indicators of occupational safety, or the accident frequency rate, the number of occupational accidents, occupational safety observations and sickness absences, are monitored regularly. The occupational health and safety system of the Säkylä frozen foods plant is certified in accordance with the ISO 45001 standard. During 2023 also Pudasjärvi frozen pizza factory received the certification.

At Apetit, the risk of occupational accidents is increased by, for example, cold-storage facilities, high noise level in some places, the use of machines and knives, potential slipperiness in production facilities and working with chemicals. In 2023, an ammonia leak occurred at the Säkylä production facility due to exceptional equipment failure and two people were hospitalised.

Production work also involves repetitive movements that may cause musculoskeletal disorders. Apetit seeks to reduce the risk of accidents and illnesses in a proactive manner, especially through appropriate job-specific instructions and personal protective equipment. Since 2022, two Apetit employees trained as occupational well-being ambassadors have been supporting production personnel in Säkylä.

All occupational accidents and severe near misses in Apetit Group are investigated internally. On the basis of the investigation, actions are proposed to prevent similar situations from occurring in the future. The Group also improves the prevention of accidents through occupational safety observations.

In 2023, 14 (17) occupational accidents occurred in the Apetit Group. A total of four accidents occurred involving subcontractors working in Apetit's plant areas or other non-Apetit personnel.

Apetit Group has defined, statutory occupational safety and health processes, according to which it develops a safe working environment for employees and ensures their wellbeing and work and functional ability. Occupational safety and health representatives and shop stewards also contribute to the development of occupational safety and health. The entire Group's personnel are covered by occupational safety and health systems. Apetit purchases occupational health care services from an external service provider.

"In 2023, it has been a pleasure to watch the growth of the 'safety first' principle in the group. Our goal is to strengthen the safe work environment where every employee is proud of their work with plant-based products."

JENNI SARVILUOMA
HSE-MANAGER

Absence days caused by occupational accidents



Sickness absence of regular working time, %



*Employees only

Occupational accidents LTA1	2023	2022	2021	2020	2019
Occupational accidents and accidents on way to work that cause sickness absence of at least one day	14	17	18	18	11

Occupational accidents TRI	2023	2022	2021	2020	2019
All recorded occupational accidents and accidents on way to work	31	36	32	26	25

Occupational accidents rate*	2023	2022	2021	2020	2019
LTA1	20.0	27.0	27.1	27.7	21.9
TRI	49.0	56.0	48.2	43.1	20.8

*per million working hours

SOCIAL IMPACTS AND SOCIETY

As its direct stakeholders, Apetit has identified customers, employees, growers, shareholders, partners, goods and service providers as well as certain supervisory authorities. The company's indirect stakeholders include, for example, local communities, media, society, subcontractors, educational institutions and advocacy organisations.

The social impacts of Apetit's operations extend to different parts of the value chain: in the supply chain, to people in primary production and to end-users of products. The risks posed by social impacts are assessed as part of the risk management policy. The most critical social impact risks are the realisation of human rights and children's rights in different parts of the company's value chain.

In addition to direct employment, Apetit's operations have indirect impacts on the areas near its industrial sites. In 2023, Apetit's purchases of raw materials, goods and services totalled EUR 113.4 million.

Apetit has focused its support and sponsoring activities on the areas where the company's production facilities are located. In addition to support granted to sports facilities, for example, Apetit has chosen a sports team in each of its production locations to receive financial support.

Apetit also cooperates in various primary production R&D projects with parties such as Baltic Sea Action Group and Pyhäjärvi institute. In 2023, Apetit Group invested EUR 1.6 million in research and development. Project-related research is also conducted at Apetit's Räpi experimental farm.

The mainly plant- and fish-based products manufactured by Apetit contribute to enabling users to adopt sustainable eating habits that improve their well-being.

All of the employees work at the Group's Finnish production facilities or in its other locations in Finland. The food industry in Finland has an exceptionally high proportion of women compared to other industries. In Apetit Group's operations, the share of women is 49 per cent among employees, 44 per cent among office employees and 59 per cent among the entire personnel.

All of Apetit's direct suppliers are required to sign the Apetit Group's Supplier Code of Conduct, which is based on the UN Sustainable Development Goals (SDGs) associated with human rights as well as social and environmental responsibility."

Percentage of women, 31st of December 2023, %	2023	2022	2021	2020	2019
Supervisory Board	25	28	17	17	24
Board of Directors	33	40	40	33	20
Corporate Management	20	20	17	17	25

Age structure, %	<30	30–50	50<
Supervisory Board	0	35	65
Board of Directors	0	17	83
Corporate Management	0	0	100

Social responsibility in the supply chain

Apetit evaluates sourcing-related human rights risks and the realisation of social responsibility by means of the Amfori BSCI risk country classification, third-party audits and supplier risk assessments based on suppliers' self-evaluation forms.

Risk country suppliers of main raw materials, subcontracted products and frozen vegetables are required to have their production facility audited by a third party (BSCI, Sedex or similar) and to provide Apetit with access to the audit report. The validity of certificates and audit results are systematically monitored. This requirement also applies to indirect sourcing from risk countries, i.e. sourcing where the primary production of the raw material in question takes place in a risk country.

In sourcing activities in low-risk countries, Apetit conducts a supplier risk assessment based on self-evaluation forms.

All of Apetit's direct suppliers are required to sign the Apetit Group's Supplier Code of Conduct, which is based on the UN Sustainable Development Goals (SDGs) associated with human rights as well as social and environmental responsibility.

BUSINESS PRINCIPLES

In all its operations, Apetit complies with the applicable law and regulations and with good governance practices. The Group's Code of Conduct and ethical principles guide the operations of Apetit and all its employees.

The company's employees and third parties can report any violations of its Code of Conduct via a designated whistleblowing channel. One report related to employment matters was submitted via the whistleblowing channel in 2023. The matter has been handled within the company. In line with its Code of Conduct, Apetit and its employees may not make direct or indirect bribes or give other benefits that may be construed as bribes to gain or maintain business. Apetit's employees must also avoid situations that are in conflict or may be construed to be in conflict with the personal and business interests of the employee.

Apetit provides training on the key principles of competition legislation to all office employees to ensure fair and transparent competition on the market. Apetit Group's direct raw material suppliers are required to comply with Apetit's ethical procurement principles.

USE OF DATA

As a rule, Apetit does not collect data that can be considered to be consumers' or private individuals' personal data. Exceptions to this include, for example, contacts related to the consumer service or the recruitment process: data associated with these are processed according to Apetit's privacy policies.

To support its business, Apetit mainly uses market and consumer information based on consumer research or sales figures, which it acquires from external parties and in which private individuals' data is not processed. Data-based added value that Apetit creates for its partners and consumers is created rather on the basis of professional assets and expertise than on the basis of data covered by privacy protection.

Personal data processed in Apetit's different operations are mainly associated with data used in business relations and customer interfaces and grower contact details yielded by business operations. When it comes to Apetit's personnel, personal data may only be processed by specifically appointed persons whose duties require this.

Apetit may send newsletters to consumers, growers and other partners. The newsletter mailing lists that contain personal data have been created on the basis of partner contact details, purchased professional contact detail lists and private individuals' newsletter subscriptions.

Apetit and its partners target online advertising using general databases that improve targeting as well as target groups created on the basis of Apetit's website analytics. Information used in marketing is not directly targeted at private individuals but target groups.

Apetit Group has regularly updated information security and data protection policies to ensure good data processing practices and privacy protection. The risk of abuse of data that is clearly harmful for private individuals is considered to be low, particularly due to the nature of the data managed by Apetit.

RESPONSIBLE BUSINESS

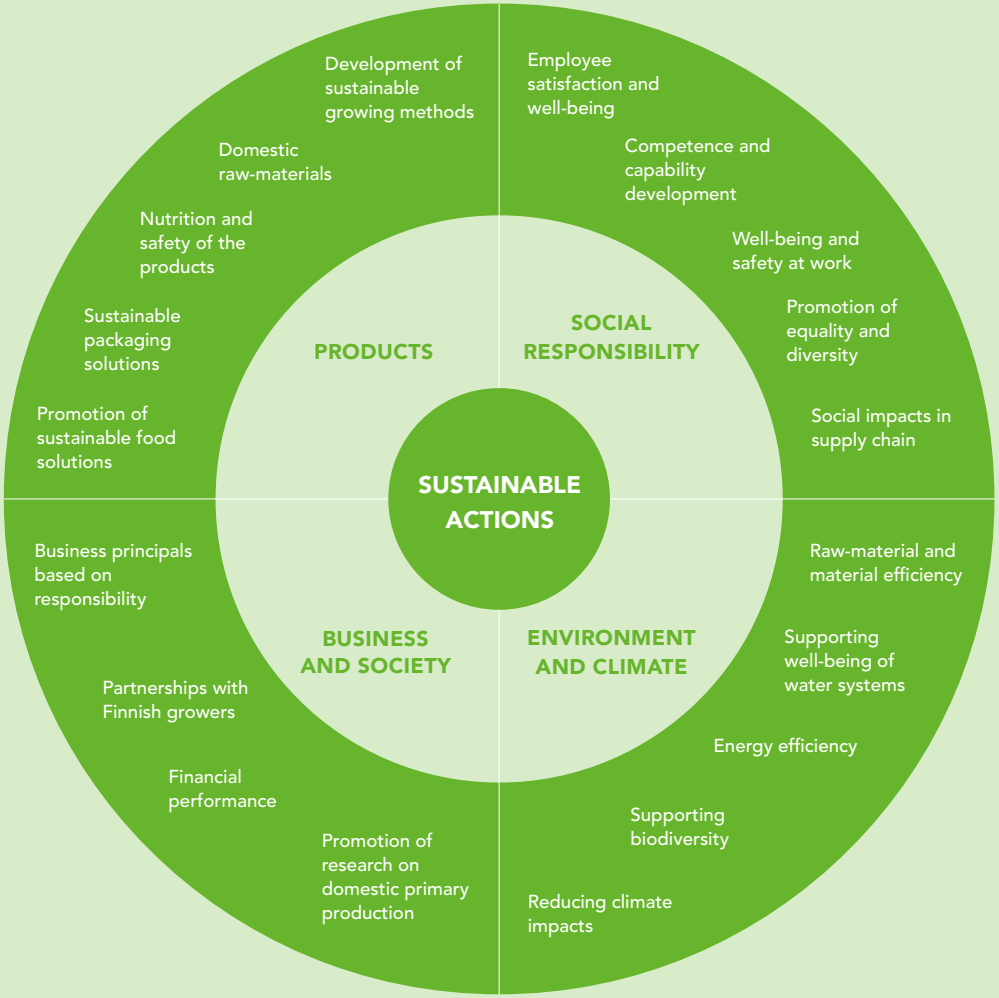
The material aspects of Apetit's corporate responsibility are closely intertwined with the company's value chain.



MATERIAL THEMES OF APETIT'S CORPORATE RESPONSIBILITY

The material aspects of Apetit's corporate responsibility are closely intertwined with the company's value chain. The material themes have been analysed in an extensive project to determine the content of Apetit's corporate responsibility and updated later on the basis of a stakeholder survey. In 2023, Apetit began a double materiality analysis, which will serve as a basis for updating the material aspects.

The material aspects of Apetit's corporate responsibility are divided under four areas: Products, Environment and climate, Social responsibility and Business and society. The related key material aspects are presented on the outer ring of the chart.



MANAGING CORPORATE RESPONSIBILITY

Corporate responsibility is managed by the corporate management as part of its normal operations. The development of corporate responsibility work and the sustainability targets are guided by the Group Sustainability Manager. The targets of the corporate responsibility programme have been approved as part of the company's business and sustainability work. One of the four strategic focus areas of the Apetit Group is Sustainable value chain.

In the business segments the sustainability work is managed by the segment directors as part of daily business. The Apetit Group's corporate responsibility work is developed and followed by the corporate responsibility steering group.

The personnel have the opportunity to influence corporate responsibility issues on a regular basis, for example, through internal collaboration meetings, initiative channels and daily operations.

Group's Code of Conduct and management systems

- Code of Conduct
- Operating policies
- Management systems
- Environmental systems
- Procurement policy, ethical supplier requirements and sourcing responsibility guidelines

Reporting

Apetit reports on the measures taken in its sustainability work, the indicators of its material themes and the progress made in achieving its goals in its annual sustainability report in accordance with the Global Reporting Initiative (GRI) standards. Apetit also reports annually on risk management, measures and management practices related to climate change in CDP's climate change programme.

Ethical channel

At the Apetit Group, suspected misconduct and noncompliance with the company's Code of Conduct and can be reported in Apetit's ethical channel for reporting suspected misconduct. Apetit's employees and all representatives of Apetit's stakeholders can report suspected cases of misconduct.

Managing corporate responsibility

BOARD OF DIRECTORS
Adressing key corporate responsibility principles and reporting.

Corporate responsibility is guided by:
The Code of Conduct • Operating policy • Management systems • Environmental systems
• Procurement policy and ethical supplier requirements • Corporate responsibility programme

CORPORATE MANAGEMENT TEAM
Manages the Group's corporate responsibility as parf of the normal business operations.

THE GROUPS SUSTAINABILITY MANAGER AND THE CORPORATE RESPONSIBILITY STEERING GROUP
Guide the development of corporate responsibility, monitor and secure
the implementation of corporate resonsibility targets in operational activities.

ALL MANAGERS, ALL PERSONNEL
Corporate responsibility as part of day-to-day operations.
Opportunities for exercising influence via collaborative meetings and daily operations.

Together with stakeholders

Apetit seeks to treat all of its stakeholders equally. Continuous interaction with stakeholders, as well as an attentiveness to their needs and wishes, is one of the cornerstones of the company's sustainable operations.

The most important stakeholders are customers, employees, growers, shareholders, partners, media and various other parties in society, including the authorities, educational institutions, research institutes, non-profit organisations and local communities. Apetit Group's stakeholders have been identified based on whether they are direct or indirect stakeholders. The direct stakeholders are groups with which Apetit has a for mal and established contractual relationship. They include, for example, employees, customers, suppliers, service providers, shareholders, contract growers, the supervisory authorities.

Indirect stakeholders are groups with which Apetit does not have a direct contractual relationship, or groups that represent a broader stakeholder or interest. They include, for example, the local communities, media, society, subcontractors, educational institutions and advocacy organisations.

Apetit's key stakeholders have been defined as the parties that the organisation's operations, products or services are likely to have a significant impact on and/or which are likely to influence the organisation's ability to execute its strategy and achieve its objectives.

Apetit or its subsidiaries are members of key industry and interest organisations, such as the

Finnish Food and Drink Industries' Federation, Gafta, FEDIOL and the Finnish Cereal Committee.

Apetit is committed to external initiatives that are important for its industry, such as the national energy efficiency action plan.

CUSTOMERS	• Retail, hotel, restaurant and catering sector, food industry • Consumers
PERSONNEL	• 298 employees in three production facilities, and all together in four offices in Finland
FARMERS	• Contract growers for vegetables • Oilseed plant growers • Other Finnish primary production
OWNERS	• Over 12,000 owners, of which approximately 55 per cent domestic households
PARTNERS	• Suppliers and service providers • Investors
MEDIA	• Domestic and foreign media • Social media
SOCIETY	• Public authorities, educational institutes, research facilities, organizations, local communities

STAKEHOLDER	STAKEHOLDER EXPECTATIONS AND APETIT'S RESPONSE	CHANNELS OF ENGAGEMENT
Customers and consumers	High-quality, safe, sustainable and nutritious products that make daily meal times easier. Reliable and highly competent service in all business areas.	Digital channels and online services, marketing communications, physical meetings and customer meetings.
Personnel	Equal and non-discriminatory treatment, creating an encouraging and safe workplace atmosphere, competence development and enabling goal-oriented leadership.	Personal interaction, employee satisfaction surveys and personal development appraisals, internal communication, training and workplace health promotion activities.
Farmers	Maintenance and continuous development of sustainable cooperation. Ensuring the continuity of operations through mutually beneficial cooperation.	Personal meetings, digital channels, grower day events and events in the field, stakeholder communication
Owners	Creation of economic value, development of Finnish, sustainable business, open communications and trustworthiness.	Regular financial reporting and communications, investor meetings and Annual General Meetings, open communication channels through online services.
Partners	Effective and open cooperation. Trust with regard to the responsibility and sustainability of operations and the quality of products and services.	Digital channels and online services, marketing communications, physical meetings, customer meetings and stakeholder communication.
Media	Open and reliable communication, transparency, fast response to media requests. Expertise in the Group's field of activity.	Digital channels and online services, marketing communications, physical meetings.
Society	Effective and open cooperation with the various authorities, industry-developing and future-oriented cooperation with research institutes and educational institutions.	Personal encounters at various events and cooperation-related meetings, digital channels.

MANAGEMENT OF CORPORATE RESPONSIBILITY

MATERIAL ASPECT	MATERIAL TOPICS	RELEVANT POLICIES AND PRINCIPLES, COMMITMENTS AND MANAGEMENT SYSTEMS
Products		
Nutritional value and safety of products	Apetit evaluates the nutrition of its products in accordance with the general nutrition recommendations. Product safety is measured by the number of product defects and recalls.measured by the number of product defects and recalls.	Operating policy, product development strategy, quality management and product safety management systems in production.
Development of sustainable cultivation methods	Development and adoption of sustainable cultivation methods especially for field vegetables and oilseed plants. Research projects, own development work.	Apetit's strategy, corporate responsibility programme, Apetit's Responsible farming method. BSAG's Baltic Sea commitment to introduce cultivation methods that support carbon farming to contract growers.
Domestic raw materials	Domestic raw materials' share of all raw materials used.	Corporate responsibility programme, product development strategy, procurement policy
Sustainable packaging solutions	Sustainably produced packaging that guarantees product safety. Increasing recyclability and the use of renewable materials.	Corporate responsibility programme, product development strategy, procurement policy
Promotion of sustainable food choices	Development and promotion the supply of sustainable food solutions: the full life cycle of the product, from primary production to consumption and the final disposal of the packaging.	Apetit's strategy, corporate responsibility programme, product development strategy, procurement policy, Apetit's responsible farming practices.
Environment and climate		
Reduction of climate impacts	Reduction of the climate impacts of Apetit's own direct operations: renewable energy solutions, energy efficiency. Recution of the climate impacts in value chain. Identification of the climate related risks.	Operating policy, goals of the corporate responsibility programme. External initiatives: CDP, TCFD.
Raw material efficiency and material efficiency	Improvement of material efficiency in own production operations, reduction of food waste among customers and consumers, circular economy solutions from production side streams.	Material efficiency commitment, quality management and environmental management systems of production plants, corporate responsibility programme.
Energy efficiency	Improvement of energy efficiency in own operations.	Energy efficiency agreement, quality management and environmental management systems of production plants, corporate responsibility programme.
Promotion of waterway health	Prevention of environmental accidents at production plants, development of cultivation methods to minimise nutrient runoffs. Use of domestic, local fish in products.	Operating policy, environmental management systems of production plants, Apetit's responsible farming practices, product development strategy, corporate responsibility programme.
Support for biodiversity	Development of cultivation methods to support biodiversity. Prevention of direct environmental accidents.	Operating policy, Apetit's responsible farming practices.

MATERIAL ASPECT	MATERIAL TOPICS	RELEVANT POLICIES AND PRINCIPLES, COMMITMENTS AND MANAGEMENT SYSTEMS
Social responsibility		
Employee satisfaction and well-being	Employee satisfaction and well-being are measured by an annual employee satisfaction survey. The survey is intended for all of Apetit's personnel.	Operating policy, ethical principles, personnel strategy, corporate responsibility programme.
Competence and capability development	Part of the personnel strategy and measured by the employee satisfaction survey.	Operating policy, ethical principles, personnel strategy, corporate responsibility programme.
Promotion of equality and diversity	Part of the personnel strategy and measured by the employee satisfaction survey.	Operating policy, ethical principles, personnel strategy, corporate responsibility programme.
Well-being and safety at work	Monitoring on the basis of the number of occupational accidents and sickness absences. For occupational accidents, the number of accidents involving external employees working at the production plant is also monitored.	Operating policy, ethical principles, personnel strategy, corporate responsibility programme.
Social impacts in the supply chain	Apetit requires its direct suppliers to commit to the Group's ethical supplier requirements. Policy for sustainable procurement.	Ethical principles, ethical supplier requirements, Apetit Group's procurement principles and sustainability policies, corporate responsibility programme.
Business and society		
Business principals based on responsibility	Common business principles across all of Apetit Group's businesses. Personnel's commitment to the Group's ethical principles.	Operating policy, ethical principles, data protection policy.
Financial performance	Financial objectives defined in Apetit Group's strategy.	Accounting principles IFRS.
Partnership with Finnish farmers	Close cooperation and partnership with Finnish farmers, based on contract farming.	Apetit Group's strategy, corporate responsibility programme.
Promotion of research on domestic primary production	Development and adoption of sustainable cultivation methods especially for field vegetables and oilseed plants. Research projects, own development work.	BSAG's Baltic Sea commitment, joint research projects with Pyhäjärvi Institute's and Natural Resources Institute Finland.

Reporting principles

Apetit reports material key indicators and themes about its corporate responsibility. Material themes have been identified together with its stakeholders. Reporting is carried out in accordance with the Global Reporting Initiative (GRI) standards.

The scope of the Corporate Responsibility Report includes the Food Solutions and Oilseed Products business operations as well as Group functions. Food solutions and Oilseed products are part of the Apetit Group's continuing operations in the financial statements. Apetit reports Group Functions that are not allocated to the business segments. Discontinued operations, the Grain Trade business, are not included in the responsibility reporting.

Apetit has published an annual corporate responsibility report since 2017. Up until 2017, Apetit published separate personnel and environmental reports. Apetit reports on corporate responsibility in conjunction with annual financial reporting.

The corporate responsibility report has not been verified.

Data on climate impact calculations

Apetit calculates the carbon footprint of its operations in accordance with the standards and guidelines with the GHG protocol (version 2004, update 2013). For Scope 3 emissions, a separate Scope 3 emission calculation standard supplementing the GHG protocol (2011) and a technical guide (2013) were also applied. Apetit has defined the organization based on the operational control of the functions, i.e. the functions that are controlled by Apetit have been taken into account in the calculation. Apetit has no operations outside of Finland.

Scope 1 emissions refer to direct emissions from the company's own operations, or so-called direct stack discharges, caused by the emission sources, such as vehicles, that Apetit owns and operates. Scope 2 consists of indirect emissions from the generation of the energy that Apetit consumes. The relevant emission categories identified for the Apetit Group of the downstream and upstream of the company's value chain have been taken into account in the Scope 3 calculation.

Energy consumption

Energy consumption reported includes the electricity, heat, steam and light fuel oil consumption at Apetit's production plants.

Changes in reporting

The emission data of the discontinued Grain Trade business has been removed from the comparison data for the climate impact calculations. The sale of Apetit's Grain Trade business's Finnish operations, previously part of climate impact calculations, took place on the first half of the year 2022.

Reporting period and contact information

The report describes the progress and results of Apetit's corporate responsibility work from the calendar year 2023. Apetit reports about its sustainability work annually. Report for 2023 was published during week 10, 2024. Some of the information has been updated for January–February 2024. Questions related to the report may be sent to comms@apetit.fi. They will be forwarded to the person responsible for the topic area in question.

GRI-index

	Standard version	GRI disclosure	More information	Location
GRI 2: GENERAL DISCLOSURES				
GRI 2: The organization and its reporting practices	2021	2-1 Organizational details		5, Board of Directors' Report: 4
		2-2 Entities included in the organization's sustainability reporting		52
		2-3 Reporting period, frequency and contact point		52
		2-4 Restatements of information		52
		2-5 External assurance	No external assurance	GRI-index
GRI 2: Activities and workers	2021	2-6 Activities, value chain and other business relationships		16
		2-7 Employees		39-40
		2-8 Workers who are not employees		39
GRI 2: Governance	2021	2-9 Governance structure and composition		47, 50-51, Corporate Governance Statement: 1-6
		2-10 Nomination and selection of the highest governance body	Partly reported: only the evaluation of independence reported of nomination criteria.	Corporate Governance Statement: 1-6
		2-11 Chair of the highest governance body		Corporate Governance Statement: 1-6
		2-12 Role of the highest governance body in overseeing the management of impacts		47, Corporate Governance Statement: 1-6
		2-13 Delegation of responsibility for managing impacts		47, Corporate Governance Statement: 1-6
		2-14 Role of the highest governance body in sustainability reporting	The Board of Directors has approved the key sustainability issues discussed in the report.	47, Corporate Governance Statement: 1-6
		2-15 Conflicts of interest		Corporate Governance Statement: 1-6
		2-16 Communication of critical concerns		Board of Directors' Report: 15
		2-17 Collective knowledge of the highest governance body		Corporate Governance Statement: 1-6
		2-18 Evaluation of the performance of the highest governance body		Corporate Governance Statement: 1-6
		2-19 Remuneration policies		Remuneration Report: 2-3
		2-20 Process to determine remuneration		Remuneration Report: 2-3
		2-21 Annual total compensation ratio		Remuneration Report: 2-3

	Standard version	GRI disclosure	More information	Location
GRI 2: Strategy, policies and practices	2021	2-22 Statement on sustainable development strategy		5, Board of Directors' Report: 8-12, apetit.fi/en/code-of-conduct/
		2-23 Policy commitments		50-51
		2-24 Embedding policy commitments		47, 50-51
		2-25 Processes to remediate negative impacts		44, 47
		2-26 Mechanisms for seeking advice and raising concerns		44
		2-27 Compliance with laws and regulations	No instances of non-compliance with law and regulations.	GRI-Index
		2-28 Membership associations		48
GRI 2: Stakeholder engagement	2021	2-29 Approach to stakeholder engagement		48-49
		2-30 Collective bargaining agreements		40
GRI 3: DISCLOSURES ON MATERIAL TOPICS				
	2021	3-1 Process to determine material topics		46
		3-2 List of material topics		46
		3-3 Management of material topics		46
TOPIC STANDARDS				
GRI 201: Economic Performance	2016	201-1 Direct economic value generated and distributed		16
		201-2 Financial implications and other risks and opportunities due to climate change		Board of Directors' Report: 12-14
GRI 204: Procurement Practices	2016	204-1 Proportion of spending on local suppliers		16
GRI 205: Anti-corruption	2016	205-2 Communication and training about anti-corruption policies and procedures		44, apetit.fi/en/code-of-conduct/
		205-3 Confirmed incidents of corruption and actions taken	No incidents.	GRI-index
GRI 301: Materials	2016	301-1 Materials used by weight or volume		38

	Standard version	GRI disclosure	More information	Location
GRI 302: Energy	2016	302-1 Energy consumption within the organization		30-31
		302-3 Energy intensity		30-31
		302-4 Reduction of energy consumption		30
GRI 303: Water and Effluents	2018	303-1 Interactions with water as a shared resource		32-33
		303-2 Management of water discharge-related impacts		32-33
		303-3 Water withdrawal		32-33
		303-4 Water discharge		32-33
		303-5 Water consumption		32-33
GRI 304: Biodiversity	2016	304-2 Significant impacts of activities, products and services on biodiversity		28
GRI 305: Emissions	2016	305-1 Direct (Scope 1) GHG emissions		25-27
		305-2 Energy indirect (Scope 2) GHG emissions		25-27
		305-3 Other indirect (Scope 3) GHG emissions		25-27
		305-4 GHG emissions intensity		25-27
		305-5 Reduction of GHG emissions		25-27
GRI 306: Waste	2020	306-1 Waste generation and significant waste-related impacts		34
		306-2 Management of significant waste-related impacts		34
		306-3 Waste generated		34
		306-4 Waste diverted from disposal		34
		306-5 Waste directed to disposal		34
GRI 308: Supplier Environmental Assessment	2016	308-1 New suppliers that were screened using environmental criteria		36
GRI 401: Employment	2016	401-1 New employee hires and employee turnover		40

	Standard version	GRI disclosure	More information	Location
GRI 403: Occupational Health and Safety	2018	403-1 Occupational health and safety management system		42
		403-2 Hazard identification, risk assessment, and incident investigation		42
		403-3 Occupational health services		42
		403-4 Worker participation, consultation, and communication on occupational health and safety		42
		403-5 Worker training on occupational health and safety		42
		403-6 Promotion of worker health		42
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		42
		403-8 Workers covered by an occupational health and safety management system		42
		403-9 Work-related injuries		42
		403-10 Work-related ill health		42
GRI 404: Training and Education	2016	404-1 Average hours of training per year per employee		40
		404-2 Programs for upgrading employee skills and transition assistance programs		40
		404-3 Percentage of employees receiving regular performance and career development reviews		40
GRI 405: Diversity and Equal Opportunity	2016	405-1 Diversity of governance bodies and employees		40-41, 43
		405-2 Ratio of basic salary and remuneration of women to men		41
GRI 414: Supplier Social Assessment	2016	414-1 New suppliers that were screened using social criteria		36
GRI 417: Marketing and Labeling	2016	417-1 Requirements for product and service information and labeling		35
		417-2 Incidents of non-compliance concerning product and service information and labeling	No incidents.	GRI-index
		417-3 Incidents of non-compliance concerning marketing communications	No incidents.	GRI-index

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