

Group Policy for Handling of Conflicts of Interest

1. Scope

This Group Policy for Handling of Conflicts of Interest (“**Policy**”) applies to all employees and Board Members within the Lantmännen Group. The Policy covers all companies that are more than 50% owned by the Lantmännen Group (in this Policy referred to as “**Lantmännen**”). It also applies as guiding principles for Board Members representing Lantmännen or persons hired by subsidiaries in which Lantmännen is a minority owner. Paragraph 4.1.1 in the policy also applies to elected representative members.

In some countries, there may be more stringent laws and regulations that supersede the principles set out in this Policy. This policy has been developed in accordance with Lantmännen’s Code of Conduct, Anti-Corruption Policy, Delegation and Authorization Instruction as well as the Corporate Values. The Group Policy for internal and external corporate entertainment and gifts also covers some instances of conflicts of interest.

2. Summary

Having a conflict of interest is not necessarily wrong and they are, to a certain extent present in all businesses. However, they can become a problem or a legal matter if an employee tries to influence the outcome of business dealings for undue, direct or indirect personal benefit. This can lead to damaged reputation and in worse cases induce illegal actions such as bribery and corruption, etc.¹

Lantmännen respects employees’ rights and choices and does not wish to interfere with their personal lives. However, avoiding conflicts of interest is an important part of maintaining the integrity and sustainability of our business and builds trust and support amongst colleagues, key stakeholders and within the markets in which we operate.

The purpose of this Group Policy is to:

- Ensure that routines are in place to identify potential conflicts of interest.
- Provide Lantmännen employees with support and guidelines regarding such conflicts and how they relate to the standards of ethical behavior required of all Lantmännen employees, as outlined in the Code of Conduct.

However, no guidelines can provide full cover, and everyone is responsible to comply with applicable laws and practice good judgment when representing Lantmännen.

¹ See the Lantmännen Group Policy on Anti-Corruption for more details.

2.1. Laws and Ethical Guidelines

Lantmännen always complies with laws and regulations in the markets in which we operate, and which are relevant to the issue at hand. These include, but are not limited to, the regulations against bias in the Swedish Companies' Act 2005:551 (Sw. *Aktiebolagslagen 2005:551*), the general guidelines of the Financial Supervisory Authority (Sw. *Finansinspektionen*) regarding the handling of conflicts of interests, applicable to all financial businesses, as well as laws and regulations against corruption and bribery in the Swedish Penal Code chapter 10 (Sw. *Brottsbalkens 10 kap.*). Corresponding local legislation applies for the effectiveness of sound business and financial standards in the other countries in which Lantmännen operates.

3. Definitions

A conflict of interest may arise when commercial or personal relationships improperly influence, have the potential to influence or is perceived to influence the professional judgment, and ability of an employee to objectively act in the interest of Lantmännen, its members and owners or its customers. It is a situation where two or more parties have interests that can be, or that are in fact opposite to each other and that can lead to risks of undue benefits or damage to one of these parties.

Situations where conflicts of interest may occur or have already occurred include, but are not limited to:

- Referral of Lantmännen business to a company controlled by your relatives or closely related persons or which results in a financial gain for such a person;
- Hiring or supervising a closely related person;
- Any use of your position and influence within Lantmännen for your personal gain;
- Soliciting any gifts or gratuities from customers or suppliers of Lantmännen;
- Using Lantmännen resources (employees, materials, equipment, property, confidential info, etc.) for personal benefit for either a profit or non-profit entity;
- Any action which puts you in competition with Lantmännen or our business partners;
- External mandates such as external board assignments and assignment in trade associations, etc.;
- Disclosing to anyone any information, plans, forecasts, etc. relating to Lantmännen which have not yet been publicly released;

Note that no assumptions about conflicts of interest are made regarding relationships between a Lantmännen employee and a third party. The purpose of this policy is to ensure transparency and correct management of potential conflicts of interest.

4. The Policy

Lantmännen should conduct its business in an honest and respectful manner and to the extent possible avoid situations that could lead to conflicts of interest. If they occur, Lantmännen shall ensure that the interests of our members, owners and customers are not compromised.

4.1. Conflicts of Interest within the Lantmännen Group

Conflicts of interest can arise within Lantmännen due to our business form as a co-operative and the many different roles that one person can hold within our organization, e.g.:

- A person can act as customer or supplier to the co-operative in their role as a farmer and at the same time be employed by it.

Conflicts arising from such contradictory relationships shall be disclosed according to the disclosure routine detailed in section 4.2 below and the next management level shall, according to the same routine, come up with mitigation strategies to minimize the risks of such conflicts. These strategies should, among other things, include routines to prevent the employee from being part of decisions surrounding his/her own business transactions with Lantmännen. It is important that all conflicts of interest be treated with transparency.

Group internal conflicts of interest are as much a matter for the entire Group as they are for the subsidiary in which the conflicts exist. There are always inherent risks of conflicts between the Sectors/BAs within Lantmännen, i.e. when it comes to priorities in budgeting and potential focuses in the business. There are also risks of inherent conflicts of interest arising from the type of businesses Lantmännen operates and our presence in every step of the value chain. Lantmännen, for example, have several Sectors/BAs within the Group competing in the same markets. Given that these focuses are intentional and driven by active business decisions, such conflicts of interest are acceptable and the handling of them as such are part of an intentional business strategy. If you have any concerns or questions regarding this, please consult your manager.

4.2. Members and Elected Representatives

All members of the co-operative should be treated equally, and no member shall take advantage of his/her position within Lantmännen in negotiations or other situations where Lantmännen act as a counterpart. A member acting as a customer or supplier to Lantmännen shall, for example, not influence prices or the terms of a contract due to their position within Lantmännen (prices shall be commercially founded). Persons with an assignment within Lantmännen (employed, Board Member, member of Advisory Board, elected representative member, etc.) shall act in the best interests of the co-operative.

4.3. Risk Assessment and Yearly Disclosure for Senior Management

Lantmännen shall regularly investigate, identify and analyze the risks of conflicts of interest appearing in the business and in markets where we operate. This shall primarily be done by each Sector/BA/Group Function Management² as well as Board Members³ through reporting and documenting the conflicts of interest that they are exposed to. The details of these procedures are outlined in section 4.2.1 below. This risk assessment is the basis for our decisions about appropriate and adequate measures to combat the consequences of conflicts of interest.

4.3.1. Disclosure/Reporting

Members of each Sector/BA/Group Function Management and Board Members shall report any actual or potential conflicts of interest that they are exposed to by completing the Conflict of Interest (COI) Disclosure form in appendix 1, which can be found on the intranet, Inside. This should be done:

- When entering into an employment agreement or changing position within Lantmännen. The HR is responsible for ensuring this during the hiring process;
- Any time a potential conflict of interest arises;
- Annually as a yearly routine.

The direct managers of employees' subject to this routine shall:

- Ensure that the disclosure routine is communicated and implemented;
- Ensure yearly disclosure is performed as applicable;
- Collect and review the COI Disclosure forms;
- If a conflict of interest is disclosed, the direct manager shall always escalate the disclosure to the next management level for approval ("grandparent principle") and include the following data:
 - An evaluation of the situation to determine whether the employee's ability to do their job duties could be compromised;
 - A proposal for actions that should be taken to minimize or mitigate the potential conflict, e.g., removing the employee from certain decisions (note this on the COI Disclosure form).
- The information disclosed shall be treated with appropriate confidentiality and without bias;
- The decision and its reasoning shall be communicated to the employee and monitored to ensure that the employee understands and complies.

Each business or function should keep records of identified and disclosed conflicts of interest within their business. The disclosure forms should be stored in the employee file of each employee subject to the disclosure routine and/or reporting a conflict of interest. This shall be ensured by the responsible HR Manager. Copies of every disclosure form should be sent to and kept by Group Legal Affairs & Compliance.

² Cluster CEOs are included in the definition of BA Management for Unibake BA.

³ Note that this also includes subsidiary and affiliate (owned more than 50%) Board Members.

The documentation of a conflict of interest should include a description of the conflict, which areas within Lantmännen that are affected, risks and consequences of the conflict as well as through what routines/mitigating controls the conflict will be handled. It should also state if there are additional actions to take for Lantmännen to have a satisfactory handling of the conflict.

4.4. General Guidelines – All Employees

To avoid actual conflicts of interest, and minimize the possibility that they appear, all Lantmännen employees must, to the best of their ability, comply with below guidelines:

- Do not, without a written consent from your direct manager's manager (the "grandparent principle") undertake an employment or side-responsibilities that can affect your work within or for Lantmännen⁴;
- Avoid any position, relationship, or activity where your personal interests and Lantmännen's interests' conflict or appear to conflict;
- Deal with all suppliers, customers and all other persons doing business with Lantmännen objectively, professionally, and fairly;
- Do not do business, on behalf of Lantmännen, with a relative or a person with whom you have a close, personal relationship. This includes negotiating with, engaging or hiring such individuals, or being involved in decisions related to engaging or hiring such individuals;
- Do not seek or accept, directly or indirectly, any payments, fees, loans, or services from any person or firm as a condition of, or result of, their doing business with Lantmännen; ⁵
- Do not hold any financial interest in any firm or corporation which is a competitor of Lantmännen, or which does or seeks to do business with Lantmännen, if such interest may influence any decision that you might make within your area of responsibility;
- Do not use your business title or indicate that you represent Lantmännen on any personal/outside for-profit or non-profit activities;
- Do not use Lantmännen resources (employees, materials, equipment, property, confidential information, etc.) for personal benefit, or the benefit of a family member for either a for-profit or unapproved not-for-profit entity or political activity without prior approval ("grandparent principle").

Employees are to immediately notify their manager if a conflict of interest arises.⁶ Transparency is very important and matters that seem insignificant to you may be of great importance from a wider perspective.

4.5. Business Responsibility

All employees, managers, Board Members, members of Advisory Boards and elected representative members whose responsibilities are affected by this Policy are, expected to be familiar with the basic procedures and responsibilities created by the

⁴ Use the COI Disclosure form.

⁵ See the Group Policy on Anti-Corruption for further information.

⁶ Use the COI Disclosure form.

Policy as outlined above. Local HR, together with Group HR, is responsible for ensuring conflicts of interest are disclosed by new hires during the hiring process.

4.6. Disciplinary Consequences

If Lantmännen determines that any employee has violated this Policy, related standards, procedures or controls, applicable laws or regulations, or any governance documents, appropriate disciplinary measures will be taken, up to and including immediate termination of employment, to the extent permitted by applicable laws. Lantmännen may also terminate the services or work engagement of non-employees for violation of above.

5. Responsible Owner of this Group Policy

The Head of Group Legal Affairs & Compliance is the owner of this Policy and provides advice on the processes surrounding the area of conflicts of interest.

6. Date of Approval

Group Policy approved by the **Lantmännen Board of Directors 2022-05-05**.

Supervised by:

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Group President & CEO

Tove Cederborg
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