



ARVID NORDQUIST

SUSTAINABILITY REPORT  
2022



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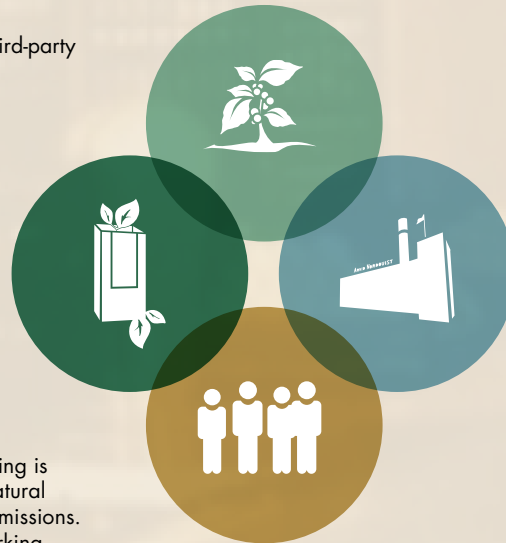
# Our sustainability focus areas

Our sustainability work covers social, environmental and financial responsibility throughout our entire value chain with a focus on climate and in compliance with the human rights in everything we do.

## SUSTAINABILITY-CERTIFIED FARMING & PRODUCTION

Buying sustainability-certified raw materials is a good way of ensuring environmentally sustainable methods and fair terms of employment are applied in farming and production. 80 percent of our product portfolio comes from agriculture, an industry with challenges in terms of the environment and working conditions. 70 percent of the world's coffee is grown on small family farms with little in the way of resources.

- ✓ Arvid Nordquist's coffee has been 100 percent sustainability certified by Rainforest Alliance or Fairtrade since 2014. In 2022, we paid 72 million SEK in extra premiums for sustainable coffee farming and forest restoration in coffee-growing countries.
- ✓ Several brands in our range use third-party verified sustainability certifications, which we believe is a good thing.



## SUSTAINABLE PACKAGING

Resource-efficient and circular packaging is a prerequisite for responsible use of natural resources and for minimising climate emissions. All our brand owners are currently working on switching their packaging accordingly. 82 percent of our material use (kg) consists of recyclable materials. Increasing the proportion of recycled raw materials within each material type, reducing the use of glass and finding a recyclable packaging solution for vacuum-packed coffee are some of the challenges we need to address, if we are to achieve our goal of 100 percent circular packaging by 2025.

## FOSSIL-FREE OPERATIONS

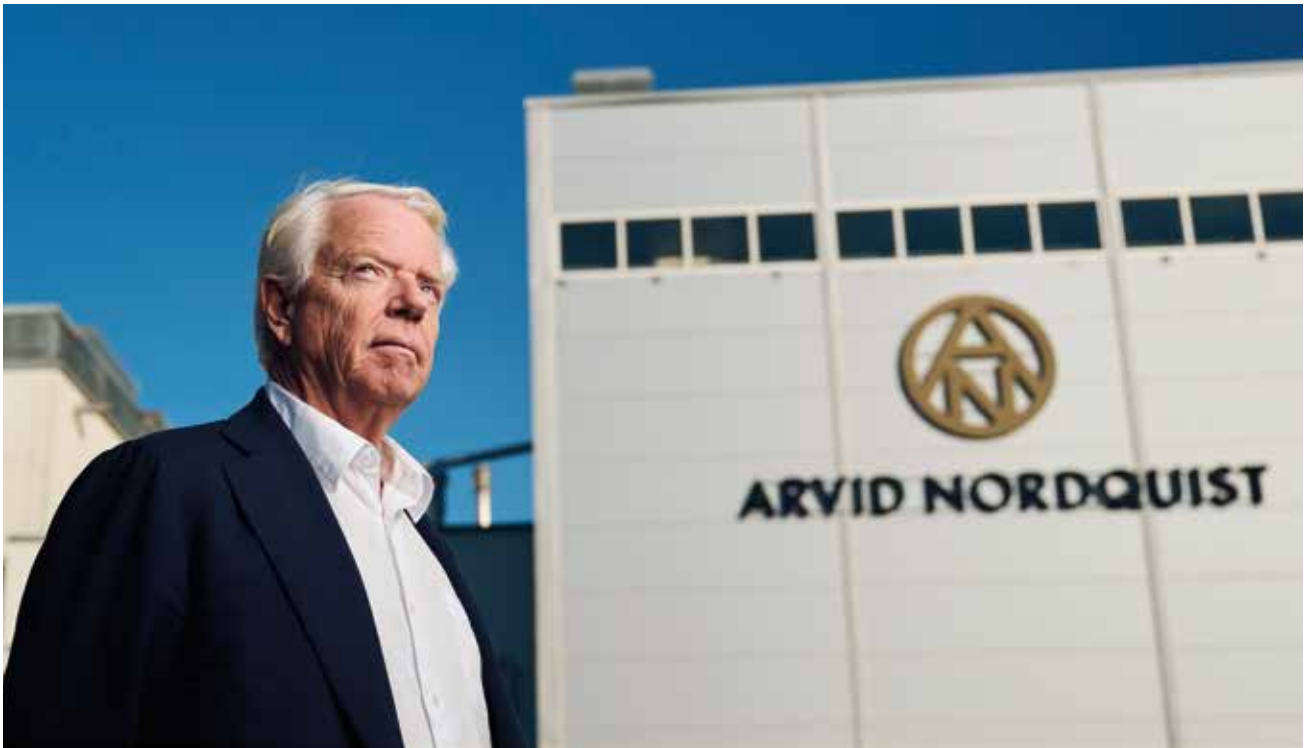
The transition to completely fossil-free operations is crucial for halting global warming. Our coffee production has been fossil-free since 2017, and we are now working on converting our company vehicles. In 2022, Arvid Nordquist joined the Science Based Targets Initiative. 82 percent of the volume in our portfolio relate to brands/producers with their own climate targets, and 40 percent of the volume are now covered by Science Based Targets.



## GOOD WORKING CONDITIONS

Our employees are our greatest asset. Together, we create a safe workplace where everyone can grow and thrive. We measure job satisfaction and have ambitious goals. It is equally important to ensure good working conditions along the whole value chain for our products. 98 percent of our net sales relate to brands/producers who have signed up to Amfori BSCI or the Sedex Code of Conduct.





### Dear Reader,

We are living through a period of dramatic and fast-moving change. For a long time, we have enjoyed low food prices, interest rates and inflation. However, within a matter of months, the situation has completely shifted and this is naturally affecting consumers and businesses alike. The food industry is relatively independent from economic fluctuations compared with many other industries, but despite this we are still seeing declining sales in parts of our range, not least organic and Fairtrade certified products. For several years, our industry has focused on health and sustainability, but in the perfect storm created by various global factors, price is now at the heart of many people's purchasing decisions. This concerns us. The products we offer the Nordic markets are produced with as much consideration for people and the environment as possible. This is important to us and we do not want to compromise on it, but it is not always possible to reconcile this with low prices.

*"We are proud of our sustainability work and do not shy away from our belief in what is important to people and the environment."*

Our core values guide our actions and choices, both large and small. This is one of several reasons why our customers trust us, and why our brand owners choose to let us market and sell their products in the Nordic market.

As I have often said before, we need to focus on what is important, make things simple and be clear to ourselves and others. Our motto is that everything should be Significant, Simple and Clear, and it applies in all times and situations, not least now.

We have the future ahead of us, and how it unfolds depends largely on ourselves. I am truly proud of the company's employees who, in these turbulent times, are doing their utmost for the company and its partners. With skilled employees, the foundations are in place for positive progress.

Happy reading /

**Anders Nordquist**  
CEO, Arvid Nordquist HAB





# This is Arvid Nordquist

Arvid Nordquist has been offering good food and drink from well-known brands for 138 years.

We now have a presence across the Nordic region, with a focus on establishing and refining strong brands in our market. We are a third-generation family business, representing around 40 different brands from producers all over the world. Our range includes brands that we own, develop and produce ourselves, such as our own inhouse-roasted coffee, and international brands that we represent in the Nordic region. Some of these are iconic classics, and many are also family businesses – just like us.

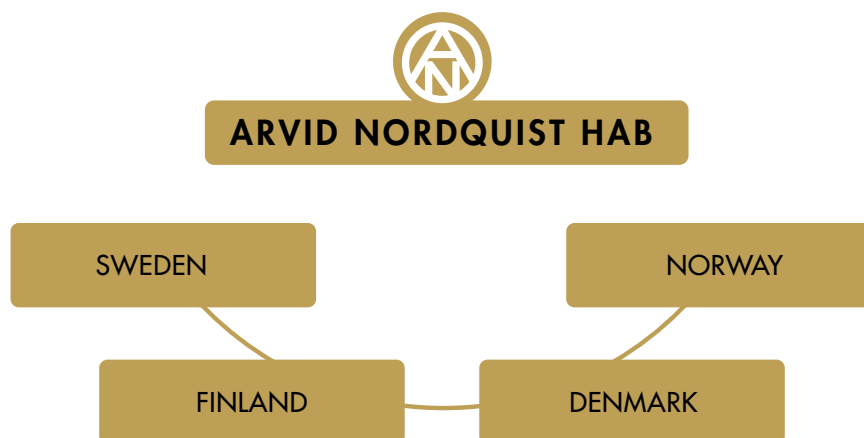
Arvid Nordquist's range is available in all sales channels in the markets in which we operate. We have four product areas – Arvid Nordquist Coffee; Food & Confectionary; Wine & Beer; and Non Food. We strive to develop a sustainable business and contribute to a better world.

## VISION

”

*We are the best partner  
– our customers feel inspired with us.*

*We deliver strong brands with  
outstanding quality, service and value,  
with people and the environment  
in mind.* ”



### 138 years of food and drink, and more...

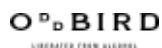
Today, our portfolio also includes detergents, batteries and skincare products. But did you know that Arvid Nordquist once brought Nike to Sweden and also represented the ice hockey brand Koho?

Number of employees

**306**

Net sales

**3910 M. SEK**





A top-down view of a rustic meal. Two bowls of creamy salmon soup are placed on a dark wooden table. The soup is garnished with fresh dill, sliced carrots, and pieces of salmon. A bunch of fresh carrots with green tops and a single red potato are also on the table, resting on a dark blue cloth. The text "Sustainability in the Nordic region" is overlaid on the image.

# Sustainability in the Nordic region

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## Norwegian Transparency Act

The Norwegian Transparency Act is a new law that entered into force on 1 July 2022. The purpose of the Act is to ensure that goods sold on the Norwegian market have been manufactured with respect for human rights and decent working conditions throughout the supply chain. According to the act, businesses must carry out due diligence on the supply chain to identify risks and to combat and reduce the risk of human rights violations and unacceptable working conditions.

For Arvid Nordquist, the new legislation has prompted us to review the Norwegian product portfolio and its supply chain in order to map out where there are risks associated with human rights and decent working conditions. At present, there is an ongoing survey of the targeted action that has been, or should be, taken for the risks identified, with the aim to ensure compliance with the legislation.

Norway is the first to introduce legislation in this area, and is being followed by Germany, Belgium and the EU, where the Commission has drawn up a proposal for a similar directive.

## Corporate Sustainability Due Diligence

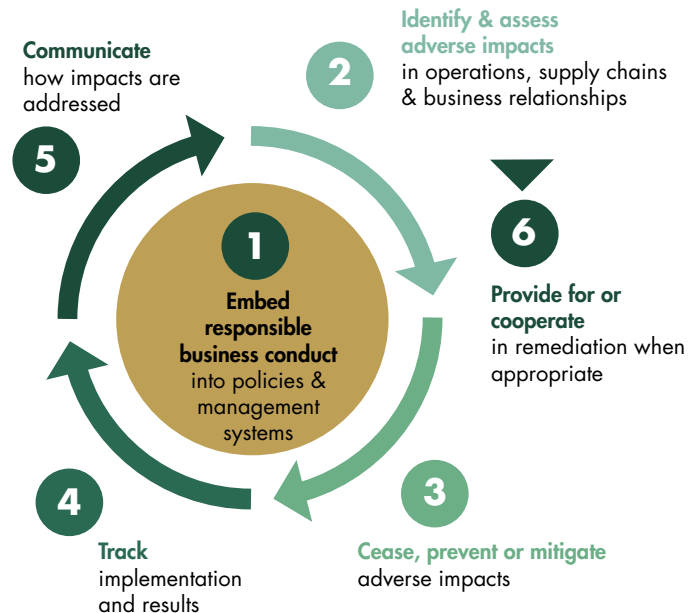
On 28 November, the European Council approved the Corporate Sustainability Due Diligence Directive. The Directive establishes corporate responsibility for ensuring that human rights and environmental impacts are respected in its operations and supply chain, and responsibility for remedying the situation where such respect is not forthcoming. The Directive requires a mandatory due diligence process that is similar to the requirements in the Norwegian Transparency Act above. Businesses should have a process to map their actual impact and potential impact on human rights and the environment. The survey must be based on recognised international declarations and conventions, as well as a number of environmental standards. Larger companies should also have a plan in place to ensure that their business strategy is consistent with the 1.5°C target and the Paris Agreement. The focus is on prioritising the most serious risks and working on action to reduce and counter these. The Directive will apply to all products sold throughout the EU. Industry initiatives and independent third-party verifications are acceptable tools for demonstrating compliance.

*“Businesses should have a process to map their actual impact and potential impact on human rights and the environment”*

Arvid Nordquist is focusing on establishing and implementing the necessary processes in order to be compliant with the Transparency Act with an emphasis on the Norwegian product portfolio. When the EU's Corporate Sustainable Due Diligence Directive comes into force, the process will then be scaled up to cover the entire product portfolio.

## Communicating green messages is a difficult area to navigate

In Sweden, the Patent and Market Court is currently examining cases concerning environmental claims linked to various products



and brands. The cases have been brought by the Swedish Consumer Agency, among others, in order to establish best practice on the use of environmental claims and environmental certifications, so that consumers are not misled.

Many companies want to stand out as being particularly sustainable and environmentally friendly, and they therefore use different methods and messages in their communication to highlight the sustainability credentials of their products. The most common is the use of certifications/ecolabels on products and statements making various environmental claims in their marketing, so-called 'green claims'. Around 200 environmental certifications are currently used in the EU, and there are many organisations and initiatives that work to calculate the environmental impact of products. For example, there are more than 80 methods solely for calculating carbon emissions – some more reliable than others. It is therefore difficult for consumers to determine the reliability of all these environmental claims and there is a high risk of products being purchased on false grounds.

The EU has picked up on the issue, and a number of initiatives are being developed to curb this and enable consumers to make informed choices. One of these is the Green Claims Directive, which involves making additions to existing EU legislation requiring companies to substantiate their environmental claims with information about why a product is environmentally friendly.

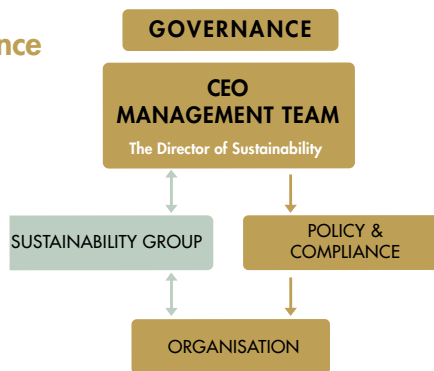
Due to the cases before the Swedish Patent and Market Court and possible future regulations, there is great uncertainty regarding sustainability communication in the Nordic market. On the one hand, there are already well-established processes for reporting and examining misleading marketing. On the other hand, all companies are waiting to see the details of the EU's Green Claims Directive. In order to guide the consumer and encourage the transition to environmentally friendly and sustainable production, it is vital both to clear up any greenwashing and to enable businesses with substantiated environmental claims to promote them.

# Sustainability is integrated into our work

**Here at Arvid Nordquist, we have been working on sustainability since the company was founded in 1884.**

For the first hundred years, the focal point of the company's sustainability work was its staff, their job satisfaction and well-being. Over time, however, the environment has become an increasingly pressing issue. In the 1980s, the company invested in the latest technology for flue gas cleaning, and in the 1990s Arvid Nordquist switched to the most resource-efficient packaging technology for coffee, removed aluminium from its packaging and launched the company's first organic coffee. The company gained environmental certification not long after, and in the early 2000s an increasing emphasis was placed on sustainability throughout the value chain, culminating in our strategy for climate neutrality for our coffee.

## Governance



Arvid Nordquist strives to integrate sustainability work throughout the company, incorporating it into all relevant decisions and processes, and to involve all of its employees in this work. The Director of Sustainability is a member of the company's management team, and we have a sustainability group containing representatives from every department and every country in which we operate. The group's task is to secure and develop sustainability work and to draw up goals and strategies that are then adopted by the company's management team.

Support is provided by clear goals and responsibilities, our Code of Conduct based on the Amfori Business Social Compliance Initiative (Amfori BSCI), plus a number of additional policies pertaining to sustainability. We have a business management system containing sustainability data that gives us an overview of the range's sustainability performance. Arvid Nordquist is environmentally certified in accordance with ISO 14001, which means that our sustainability work is examined by an external auditor. We have been environmentally certified for nineteen years, which demonstrates that we have a sound environmental management system and have made substantial progress in work on continuous improvements. Our coffee production is also certified in accordance with FSSC 22 000 and our product areas for Food & Confectionary and Wine & Beer are IP Food-certified.





## Sustainability risks in our value chain

We operate in a global market, trade with partners in many of the world's countries and rely on raw materials from even more. We have a responsibility to minimise the negative impact of our business throughout our value chain, work that also reduces our business risks. This work starts with the sustainability group identifying the impacts and risks that exist along the value chain, and identifying activities for the most significant impacts and risks. We then set targets and implement them throughout the organisation. The risks have

been mapped out in our various product areas, but are in many respects common to our entire portfolio.

Arvid Nordquist's product portfolio mainly consists of products that are consumed, so packaging is the only waste product. Battery firm Duracell became a new addition to our product portfolio in 2022. Unlike the rest of our range, the batteries themselves constitute product waste when they are used. This entails an increased sustainability risk for Arvid Nordquist, as the batteries need to be handled correctly as a waste product by the end consumer in order not to impact on the environment.



## Our stakeholders

Our business is based on satisfying our customers' demand for high-quality foods and household products, without compromising the ability of future generations to meet their own needs. In this work, we have a number of stakeholders to listen to and take into account: our farmers and their employees, customers and consumers, brand owners and other suppliers, NGOs associated with our business, government agencies, and our owners and employees.

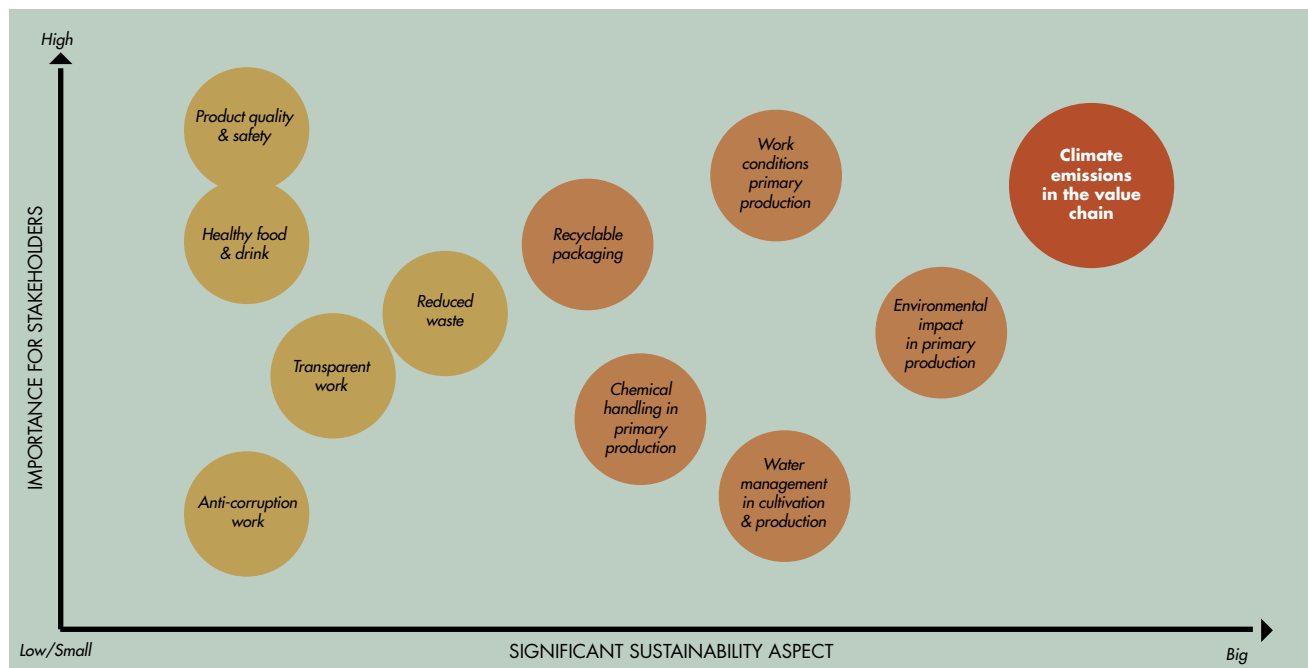
We conduct regular employee surveys, maintain an open dialogue with other stakeholders, stay informed through close contact with customers and suppliers, and participate actively in industry organisations. Our international partners in the coffee world are also vital in keeping us updated.

Our stakeholders have a number of expectations, demanding that we strive for a more sustainable society and take responsibility in our value chain. Based on our stakeholder analysis, we have identified which areas are most important to the different groups.



## Materiality analysis

Evaluating the sustainability risks faced by Arvid Nordquist in its operations, and understanding which risks are important to our stakeholders, helps us to analyse and plan our sustainability strategy. As a player in the food industry, with a product portfolio that is up to 80 percent agricultural products, we are dependent on functioning ecosystems, while at the same time we impact on ecosystems through our products. Carbon emissions in the value chain are a key concern to both us and our stakeholders, but agriculture also faces other environmental challenges, including biodiversity loss and the use of water and chemicals. In addition, agriculture is a labour-intensive industry, with challenges in upholding a safe and secure working environment where the human rights of workers and their right to decent working conditions are not violated. 70 percent of the world's coffee is grown on small family farms that lack the necessary resources to develop their business. On these farms, a large proportion of the workforce are women, who are more often vulnerable and subject to discrimination, harassment and poor working conditions.







## THE GLOBAL GOALS

### Our work to contribute to the global goals

When we strive to achieve business deals that are sound in the long term, we contribute to economic growth, levelling up and better environmental conditions. We do this by following up and securing compliance with the UN's Declaration of Human Rights and the ILO's Core Conventions in our value chain, demanding sustainably produced goods and climate-friendly services. In so doing, we also contribute to the food supply and access to good, healthy products. Our operations therefore cover most of the UN Sustainable Development Goals, but the materiality analysis has helped us to identify which of the SDGs and their underlying targets are most relevant to Arvid Nordquist:

## AGENDA 2030

– our key Sustainable Development Goals and associated targets.



### GOAL 5: GENDER EQUALITY



5.1 End all forms of discrimination against all women and girls.



5.A Equal rights to economic resources, as well as access to ownership and financial assets.



### GOAL 8: DECENT WORK AND ECONOMIC GROWTH



8.5 Full and productive employment, decent work for all women and men and equal pay for work of equal value.



8.8 Protect labour rights and promote safe and secure working environments for all workers.



### GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION



12.2 Sustainable management and efficient use of natural resources.



12.4 Environmentally sound management of chemicals and waste.



12.5 Significantly reduce the amount of waste



### GOAL 13: CLIMATE ACTION



13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.



13.3 Improve education and capacity regarding climate change mitigation.



### GOAL 15: LIFE ON LAND



15.1 Preserve, restore and secure sustainably use of ecosystems on land and in fresh water.











## OUR SUSTAINABILITY STRATEGY

# Together towards 100 percent

Our sustainability strategy is built on three pillars:

- Combating climate change and reducing greenhouse gas emissions;
- Providing sustainable products and transparency around their content;
- Healthy working environment and good conditions throughout the value chain.

For each pillar, we have a strategy and associated goals.

 <p><b>Take climate action and reduce CO<sub>2</sub>e emissions</b></p>	 <p><b>Provide sustainable products and transparency around content</b></p>	 <p><b>Healthy work environment and good working conditions throughout the value chain</b></p>
<p><b>CO<sub>2</sub>e reduction</b></p> <p><b>Renewable energy</b></p>	<p><b>Sustainable water management</b></p> <p><b>Sustainable agriculture and land use</b></p> <p><b>Preservation of biological diversity and nature</b></p> <p><b>Sustainable materials &amp; waste</b></p>	<p><b>Good working conditions</b></p> <p><b>Equal opportunity for all</b></p> <p><b>Healthy lifestyle</b></p>
LINK TO GLOBAL GOALS		
 	 	  
OUR GOALS		
<ul style="list-style-type: none"> <li>- 100% fossil-free operation 2025</li> <li>- Reduced energy use</li> <li>- 100% fossil-free transport</li> <li>- All products in the portfolio are covered by climate targets</li> <li>- Reduced food waste</li> <li>- Increase the proportion of organically grown coffee</li> </ul>	<ul style="list-style-type: none"> <li>- 100% sustainable certified coffee</li> <li>- 78% of sales are third-party verified sustainably produced</li> <li>- 100% traceable palm oil</li> <li>- 100% recyclable packaging</li> <li>- Increase the proportion of organically grown coffee</li> </ul>	<ul style="list-style-type: none"> <li>- Work for healthy and wholesome employees</li> <li>- Increased employee satisfaction</li> <li>- Zero vision for workplace accidents</li> <li>- All suppliers must comply with Amfori / BSCs code of conduct and have third-party follow-up whether production takes place in a risk country.</li> <li>- Even gender distribution and equal opportunities to senior positions</li> <li>- Support female coffee growers</li> </ul>





"Sustainability work is never finished. It is a matter of continuous improvement, with the finish line moving in response to new insights and scientific reports. We are of course proud of what we have achieved so far, not least cutting our climate emissions in the roastery by almost 90 percent several years ago and our work on switching to fossil-free transport, which has now reached 90 percent. But perhaps most of all of how we have contributed with extra premiums to our coffee farmers for conversion to sustainable agriculture and better living conditions. Our greatest impact comes from the production of the ingredients and raw materials for our products. When we switched to purchasing 100 percent certified coffee in 2014, we significantly reduced the risk of deforestation associated with our coffee production. This transition has meant that we have avoided climate emissions associated with soil preparation throughout the coffee value chain by as much as 60 percent since we started our journey.

Reducing climate emissions in farming and production requires collaboration, research and investment. It is a challenge that everyone in the food industry shares. A great deal has happened in recent years, with several industry initiatives taking inspiration from each other and promoting best practice to reduce climate impacts and increase resilience. Success requires collaboration, within organisations, between organisations and sectors, and globally.

To continue making progress, it is important that companies' investments in sustainability improve the products that are widely available, so that consumers can make choices that reduce the impact of their consumption, that's the way forward."

**Erica Bertilsson,**  
Sustainability Director  
**Arvid Nordquist**





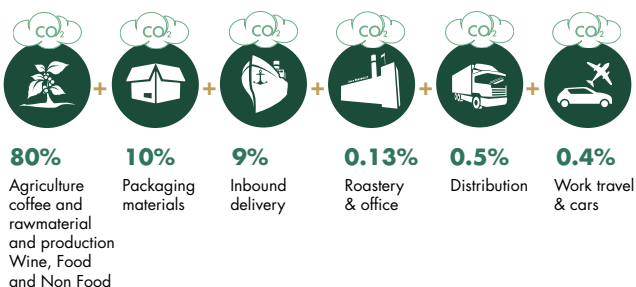
## Combating climate change

Climate change is one of our biggest business risks, and as much as 80 percent of our greenhouse gas emissions come from the production of our portfolio.

During the past year, Arvid Nordquist applied for and became a member of the Science Based Target Initiative (SBTi). This is an international collaboration aimed at reducing the carbon emissions of businesses in their own operations and in the supply chain. It is a natural next step for Arvid Nordquist in the strive to reduce our climate footprint and improve conditions for people and the environment. In practice, the initiative entails a goal-based commitment to a 50 percent reduction in the company's carbon emissions in Scopes 1 and 2, i.e. the company's direct and indirect emissions, by 2030.



### Climate emissions in our value chain



However, our efforts to reduce our climate emissions began more than ten years ago. It was then that we embarked on a climate neutrality strategy for Arvid Nordquist Coffee, which we own and control ourselves. We have target to halve our emissions by 2033. We have already reduced our emissions linked to roastery and production by 89.5 percent. In 2017, we began running our roastery entirely on renewable electricity and energy. We roast our coffee with biogas, and we use wind and hydro power with the

Swedish Society for Nature Conservation's 'Good Environmental Choice' ecolabel. Since 2014, we have only bought sustainable certified coffee beans for Arvid Nordquist Coffee. This has significantly reduced the risk of deforestation in our coffee's value chain, making emissions from land-use change in the basic range more than 60 percent less than they would otherwise have been.

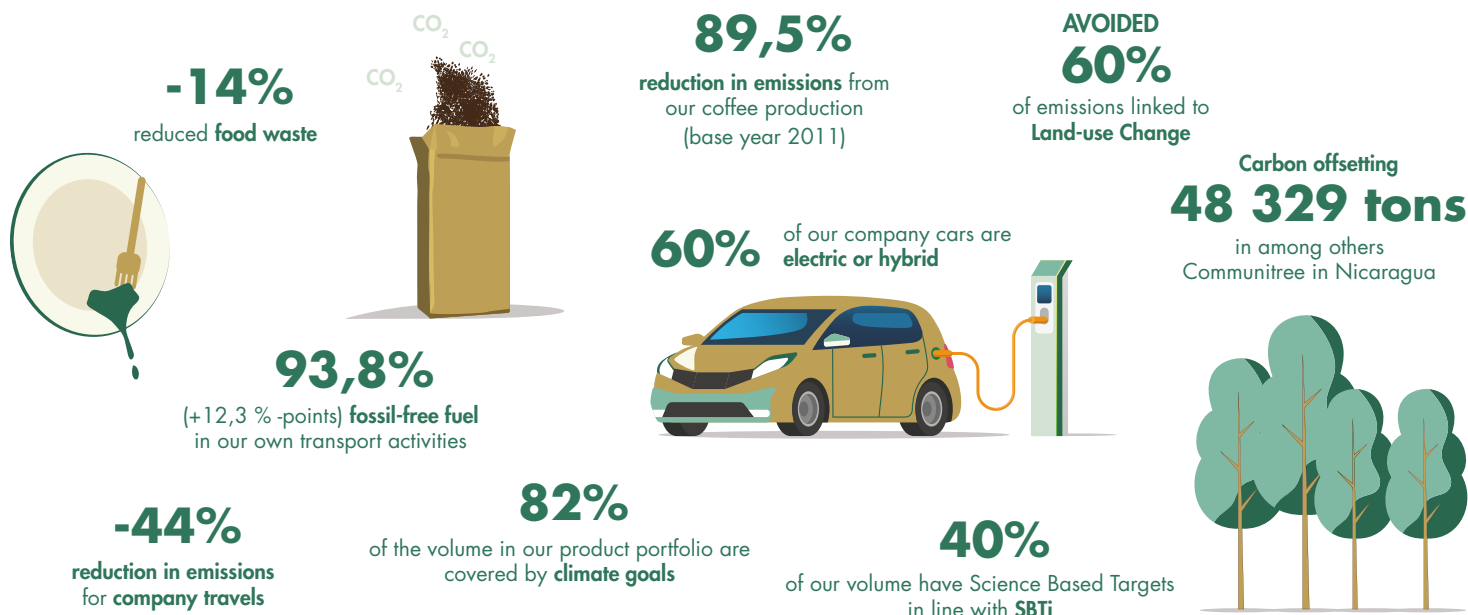
We also use plant-based plastic derived from Finnish tall oil in our packaging.\* This has reduced our packaging-related emissions by 50 percent. We are working with our trading partner Ecom, Rainforest Alliance and the non-profit organisation Taking Root to create a tool for data collection from our coffee growers that also measures carbon storage and helps the farmers to develop their business. The goal of the project is to make it easier for farmers to be paid for initiatives that reduce carbon emissions in their farming activities, while coffee buyers receive a verified reduction in greenhouse gases.

We work differently when it comes to our other assortment – Food & Confectionary, Wine & Beer and Non Food – as we do not control the production chains in the same way as for our coffee. We work to ensure that, like us, our suppliers have established climate goals in place and report these openly. This way, we know that they are focused on the issue and are working towards a gradual reduction in greenhouse gas emissions. Over time, the proportion of businesses that have adopted Science Based Targets has also risen sharply. In addition, we are working on the transition to fossil-free transport and climate-smart packaging.

Arvid Nordquist is actively involved in a number of industry collaborations to reduce its carbon footprint, including DLF Sweden\*\* and Fossil Free Sweden's Roadmap for a fossil-free food industry and its Transport Challenge, plus the Drinks Industry's Climate Initiative, where the Swedish Brewers Association, the Swedish Spirits & Wine Suppliers and Systembolaget have joined forces to reduce their carbon footprint and report annually in a joint tool.

\* By mass balance solution

\*\* DLF = DLF Sweden is an association for supermarket suppliers







# A ROASTERY IN WOOD

**Arvid Nordquist's coffee roastery has outgrown its premises in the Stockholm suburb of Solna, which has been the heart of the business since the 1960s.**

A new roastery is being prepared in Järfälla just outside Stockholm. The vision for the new facility in Järfälla is a modern, efficient and resource-light roastery that has a minimal environmental impact and offers a pleasant working environment for employees in both the roastery and the offices. The drive to minimise the negative consequences of our business naturally also carries over to the construction of new premises, which is why the new roastery and office building will be Sweden's first in wood and one of only a few in the world.

Wood is a renewable raw material that is in plentiful supply. Trees absorb carbon dioxide from the air and store it in their trunk, branches and roots, making them a natural carbon sink. Mainly using wood for our new roastery and office means that we significantly reduce the carbon emissions associated with its construction, as the timber keeps carbon stored for its lifetime, while also replacing other materials that have a higher climate impact. Furthermore, building in wood creates less noise and transport activity at the construction site, since the timber modules are built in a factory and then transported to the construction site for assembly. The construction time on site is also shortened.

*"We want to inspire more ambitious commercial and industrial properties to be built in wood."* Anders Nordquist, CEO Arvid Nordquist HAB



The building will have a 24 metre tall roasting hall with some very specific requirements. The trusses, for instance, need to be specially designed to create open space while also supporting heavy loads. Sweden's leading experts in timber structures have therefore been involved in finding innovative solutions. The property will be built to the Miljöbyggnad certification Silver standard, which sets tough requirements concerning energy management and indoor climate.





## Sustainable product portfolio

Alongside climate change, we have identified farming as one of our greatest sustainability challenges. Large-scale, industrial agriculture is contributing to many of the environmental challenges we face – biodiversity loss, eutrophication, deforestation, unsustainable water use and emissions of greenhouse gases. Creating an environmentally friendly, healthy and fair food system lies at the heart of the EU's 'Green Deal' strategy, as part of which a number of regulations that will be announced and introduced in 2023–2024.

*"Large-scale, industrial agriculture is contributing to many of the environmental challenges we face"*

Since 2014, we have set targets to reduce the impact on people and the environment from our product portfolio, by focusing on increasing the share of our sales from products with third-party verified sustainability certification. The strategy was born out of the transition to only purchase coffee beans certified by Fairtrade, UTZ Certified and/or Rainforest Alliance. Buying sustainability-certified raw materials is a good way of ensuring that sustainable methods and conditions are used in the production process. Many certification schemes set numerous requirements concerning soil health, reductions in water and chemical use and resource-efficient production with sustainable working conditions. Third-party verified sustainability certification also allows for simple and transparent communication with consumers, thereby enabling sustainable choices. We are therefore keen to increase sales of products that have third-party verified sustainability certification in our portfolio.

*"Buying sustainability-certified raw materials is a good way of ensuring that sustainable methods and conditions are used in the production process."*

When it comes to our Non Food product area, ingredients and the way the product is used are key to reducing the product's footprint. Third-party verified sustainability certification is also key to this area, not least so that consumers can make informed choices about products with impenetrable lists of ingredients. For detergents, which constitute the majority of our Non Food portfolio, their use is the major sustainability challenge; not overdosing and not washing in hotter water than necessary may be the most important sustainability measures, and these are down to the consumer.

This year, we were privileged to welcome the high-performance battery brand Duracell to our product range. Being able to re-charge batteries and use them for longer is an important sustainability measure, but the most critical one is that the batteries end up in the recycling system and not in household waste. Duracell is working to reduce the environmental footprint of its products by designing, manufacturing and distributing the batteries in a way that minimises environmental impact. Arvid Nordquist is a member of the European Recycling Platform (ERP), which recycles, sorts and processes hazardous substances from recycled batteries. In Sweden's municipalities, ERP collected 3,446 tonnes of batteries in 2021, 81 percent of which were processed. 56 percent of the processed batteries were sent for material recovery, 1 percent for energy recovery and 44 percent were not recyclable.

*"Arvid Nordquist is a member of the European Recycling Platform"*

An essential measure for all products is to switch to resource-efficient and recyclable packaging. We already have a high degree of recyclable packaging, but the flexible plastic packaging for vacuum packed coffee remains a challenge in pursuit of the target to reach 100 percent by 2025. We are working with our packaging supplier to develop a bio-based material that meets quality, production and circularity requirements, but we are not there yet.



**22%**  
sustainability-certified  
Food portfolio

**100%**  
of our coffee beans are sustainable  
certified by **Rainforest Alliance** or **Fairtrade**,  
of which 17% also are organic.



**100%**  
Sustainable certified coffee



**90%**  
bio-based coffee packaging  
for Arvid Nordquist Coffee



**88%**  
(+7 %-points) recyclable packaging  
all product areas



**54%**  
(+1 %-points)  
Certified Wine portfolio

All palmölja in our products are  
**RSPO certified**  
61% traceable palm oil



**99 %**  
recycled material in  
A+ liquid detergent bottles

SC Johnson's  
products have  
**30-100 %**  
recyclable plastic  
in their packaging

SC Johnson collaborates with **Plastic Bank**  
and has saved **one million plastic bottles**  
from ending up in our oceans

SC Johnson has  
reduced its use of virgin plastic with  
**22%**  
(since 2018)



## A healthy working environment and good conditions throughout the value chain

We are a value driven organisation that focuses on people, the team, quality and sustainability. Our employees are our greatest asset. Together, we create a workplace where initiative and development are encouraged and where everyone feels safe and welcome. We measure job satisfaction on an ongoing basis in employee surveys, generating an overall value called the Barometer Index, which includes multiple parameters. Our goal is to avoid workplace accidents and we want to promote a healthy lifestyle by providing opportunities for exercise during working hours, activities in Arvid Nordquist's own sports club, subsidised lunch and fitness allowances. We strive to be an equal workplace with an equal gender distribution, and we measure employee attendance levels to make sure that we are on the right track.

This year saw the launch of the Arvid Nordquist Academy – a platform that includes a digital onboarding program to ensure that all employees receive a similar introduction. This is our way of ensuring that everyone has the minimum level of information needed to feel welcome at Arvid Nordquist and to be familiar with our values and procedures. The anti-corruption film described below is just one example. The Academy also includes several in-depth sections aimed at developing employees' skills.

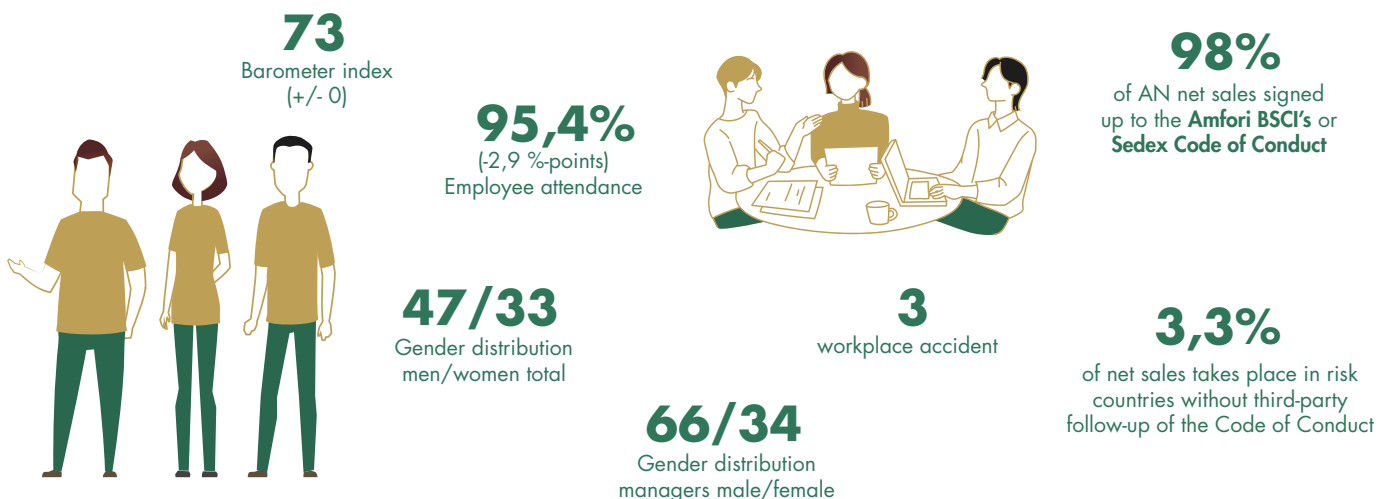
In addition, we want to ensure decent working conditions throughout the value chain, which is why it is important that we and our brand owners embrace the ethical rules that apply in Nordic retail. These are best summed up in Amfori BSCI's Code of Conduct. 98 percent of our sales come from producers/brand owners who have signed Amfori BSCI or the Sedex Code of Conduct. If production takes place in a high-risk country, we want third-party checks on compliance with the BSCI or Sedex Code of Conduct.

In 2022, we have adapted our risk assessment based on the requirements of the Norwegian Transparency Act. The risk analysis thus resulted in a higher share of net sales in at-risk countries without third-party follow-up in 2022 compared to 2021. This is mainly explained by the fact that viticulture in Italy and agriculture in Spain are classified as high risk with regard to unsustainable working conditions. Other risk countries without third-party follow-up in our value chain are Africa and Central America for the chillies in Tabasco. Italy, Lebanon, Argentina and Chile for wine production. Great Britain brings the raw materials for our beer and Spain for olive farming and additionally a volume of a brand produced in Jordan. During 2023, Arvid Nordquist will analyse measures taken to reduce the level of risk in the above value chains.

## Anti-corruption

Corruption and unethical business methods are a direct obstacle to fair and sustainable business transactions. We are aware that there is a risk of corruption in our industry, particularly in purchasing and sales, and also further down the value chain. We deal with these risks in the same way as other risks at the supplier level: Amfori BSCI's Code of Conduct and numerous sustainability certifications contain clear wording about corruption and bribery, and we perform extensive checks on suppliers and monitor all product purchases. We believe that this enables us to achieve a significant reduction in, if not the elimination of, the risk of corruption.

The risks that may be found internally or closer to our own organisation are covered by our Anti-Corruption Policy, which has been developed in line with the guidelines in the 'Code to Prevent Corruption in Business'. During the year, we also produced training material that all employees have accessed.








# Results

A detailed photograph of a coffee-making process. A hand is pouring water from a silver, ribbed gooseneck kettle into a white paper filter of a Chemex coffee maker. The Chemex, which has a wooden collar and a glass body, sits on a thick wooden slice. It contains coffee grounds and some brewed coffee. In the background, there is a potted plant with large green leaves. To the right, a dark grey cup sits on a grey cloth. The scene is lit with soft, natural light, creating a warm and rustic atmosphere.































































## Sustainable environment and working conditions

	GOAL	GLOBAL GOAL	GOAL	FOLLOW-UP 2022	COMMENT
Employees	Attendance		99%	95,4%	-2,9%-points
	Barometer index		75	73	
	Workplace accidents		0	3	No serious accidents.
	Gender equality		50/50	52/48 66/34	Men/Women. Total and managers.
Human rights	All production in unequivocally risky countries must have third-party follow-up of the ILO's core conventions and MR		100%	3,3% of our turnover consists of production in risk countries without third party control	The proportion of production in high risk countries without third-party control has increased due to adoption of the new Norwegian law. This means that more countries in our supply chain are now classified as a risk country.
Awareness	Arvid Nordquist should be associated with good sustainability performance by our customers	 	DVH SE No 1 OOH SE No 6 DVH FI Top 15	DVH SE No 1 OOH SE 6 DVH FI No 23	Measured in NKI surveys.

98% of our net sales have signed the Code of Conduct or are members of SEDEX, BSCI

## Sustainable product range

Total share sustainable assortment: 66,4%. Target based on budget net sales: 78,8%

Food & Confectionary		Material recyclable packaging material	 	100%	92%	+/- 0
		Traceable palm oil	  	100%	61%	+22%-points
		Climate targets or targets for reduced CO <sub>2</sub> e emissions and report on them		100%	77%	Share based on volume.
		Sustainable certified sales	   	65%	22%	The share has decreased compared to the previous year due to a reassessment of Kellogg's sustainability requirements in raw material supply.
Wine & Beer		Material recyclable packaging material	 	100%	91%	+/- 0
		Climate targets or targets for reduced CO <sub>2</sub> e emissions and report on them		100%	23%	Share based on volume.
		Sustainable certified sales	   	80%	54%	
Non Food		Material recyclable packaging material	 	100 %	84,2 %	+1,2 %-points
		Recycled plastic in the packaging	 	75 %	38,4 %	-2,6 %-points*
		Traceable palm oil	  	100 %	0,7 %	-4,3 %-points due to delisting of products with traceable palm oil.
Coffee		Climate targets or targets for reduced CO <sub>2</sub> e emissions and report on them		100 %	100 %	Shares of total brand owners.
		Sustainable certified sales	   	65 %	41,7 %	-6,7 %-points*
		Sustainable certified volume	   	100 %	100 %	
		Bio-based packaging	 	100 %	90 %	Based on kg packaging material, mass balance.
		Proportion of organic OOH volume	  	50 %	38 %	Based on volyme, + 1 %-points.
		The eco-segment Retail SE	  	Higher growth than the category	AN -16,7% vs segment -23% volume trend	AC Nielsen w52/22.
		Material recyclable packaging material	 	100 %	47 %	+/-0












\* The negative trend is due to the fact that we added sales on non-certified products.

The results shown above for Food & Confectionary are based on the entirely organic HiPP baby food brand and organic items in the Kikkoman, Dr Schär, SunMaid and Dream ranges, plus Del Monte's items with third-party-verified sustainable farming systems, such as Sustainably Grown certification and SMETA 4-pillar certification. Also included is Kikkoman's production of raw materials in Brazil, which is Proterra-certified. The sustainability program of Kellogg's has been reassessed during 2022 and is not classified equivalent to a third party verified sustainability standard.

When it comes to Wine & Beer, follow-up of results is based on a number of different sustainability certifications in the portfolio, all of which have different strengths in relation to each other, including EU organic, WIETA, Integrity & Sustainability, Haute Valleur Environmentale, Fairtrade and Sustainable Winegrowers.

The results in the table for Non Food show the proportion of net sales that have Nordic Swan Ecolabel or Good Environmental Choice certification. All of the brand owners in our product range, Bluesun, SC Johnson and Unilever, have a strong focus on both the plastics issue and green chemicals, and extensive sustainability work that also covers products without sustainability certification. This is not, however, included in the follow-up of results shown above.

## Sustainable operation

GOAL	GLOBAL GOAL	GOAL	FOLLOW-UP 2022	COMMENTS
 Reduced energy use per roasted kg of coffee	 	-20%	Reduction	Base year 2020
Own transport flow without fossil fuel	 	100%	93,8%	
Reduced CO <sub>2</sub> e emissions from inbound transport	 	-10%	Reduction	
Reduced food waste		-50%	-14,3%	Base year 2020, unit kg
Service & Benefit cars with electricity or renewable fuel		100%	60%	+15%-points
Reduced CO <sub>2</sub> e emissions from business Travel	 	-15%	-44,7%	Base year 2019. Some pandemic effect remains. Fewer sales conferences have also led to reduced emissions.



## Reporting of carbon emissions in the value chain

We report our carbon emissions divided into Scope 1, 2 and 3, based on the Greenhouse Gas Protocol's accounting principles. We have divided Scope 3 into two groups: group a), which we have real data for and influence over, and group b), which is based primarily on standard values and is therefore not open to management by objectives. Carbon emissions are also reported in an external digital tool that is adapted to the GRI's reporting principles. Arvid Nordquist also reports to CDP.

### Broken down by Scope

		TOTAL TONNES CO <sub>2</sub> e	KPI CO <sub>2</sub> e	COMMENT
<b>Total</b>		<b>187,040</b>	<b>2.51 kg / kg sold goods</b>	
<b>Scope 1</b>	Roastery:	1.97	0,1g / kg coffee	100% bio-gas.
	Company cars:	412	105 g / 1000 SEK net sales	60% electric hybrides. +15% points from previous year.
	Refrigerants:	0		No losses.
	Bio-gas truck:	3.28	0.21 g / kg coffee	100% bio-gas own distribution
<b>Scope 2</b>	Electricity:	0.975		Bra miljöval ecolabelled: The production of electricity, district heating and cooling complies with the criteria of Naturskyddsforeningen.
	District heating:	3.54		
<b>Scope 3A</b>	Business travel:	309	7.9 g / 1000 SEK net sales	Still some pandemic effect.
	Inbound deliveries:	17 109	172 g / freight kg	-18 g per kg of transported goods compared to the previous year.
	Packing:	19 230	258 g / kg product	Based on weight, 82% of the packaging material is recyclable, -44 g compared to last year.
	Distribution:	892	12 g / freight kg	93.8% of our own transport takes place with renewable fuel.
	Up stream emissions energy and electricity in Scope 1 and 2:	237		
<b>Scope 3B</b>	Processing/ production. Raw material/growing:	148,841		Calculation based predominantly on standard values. We are pushing for sustainability certified farming and production.





# Certification guide

# Certification guide Non Food



	Svanen	EU-blomman	Bra Miljöval	UL	Blue Angel	AISE Charter for Sustainable Cleaning	Cradle-to-cradle
Purpose of certification	Environmental certification	Environmental certification	Environmental certification	Environmental certification	Environmental certification	Environmental certification	Environmental certification
Control system	Audits made by Svanen.	Audits made by the national offices.	Audits made by Naturskydds-föreningen.	Audits made by UL.	Audits made by Blue Angel.	3d-party audit.	3d-party audit.
Requirements for sustainable raw material	75	50	100	0	100	50	50
Product and content requirements: Health	67	67	67	58	67	0	33
Product and content requirements: Environment	67	67	100	33	100	33	33
Content requirements: Prohibitions and restrictions	100	100	100	100	100	50	100
Packaging requirements	94	75	75	38	75	75	50
Requirements at company level: Environmental and social responsibility	0	0	0	0	0	75	63

Each certification rating is a combination of the four different product certifications (detergent, all-purpose cleaner, hand dishwashing detergent, dishwasher detergent), and thus a kind of average value. For most product groups, the points/criteria are the same, although there may be some differences in the packaging requirements.

Requirements: 0-10 Low  
 10-59 Medium  
 60-89 High  
 90-100 Full requirements

# Certification guide Food, Coffee & Wine



	KRAV	Fairtrade	Rainforest Alliance	4C	SCS Sustainably Grown	Global GAP
<b>Purpose of certification</b>	Organic certification	Ethical certification	Sustainable certification	Hållbarhetscertifiering	Sustainable certification	Sustainable certification
<b>Food</b>	yes	yes	yes	No	yes	yes
<b>Coffee</b>	yes	yes	yes	yes	yes	yes
<b>Wine</b>	yes	yes	no	no	yes	yes
<b>Control system</b>	3d-party certification. Audit each year, Unannounced visits.	3d-party certification. Audit 2 times per 3 years. Check each year in-between. Unannounced visits.	3d-party certification. Audit each year, Unannounced visits.	3d-party certification. Audit each year.	3d-party certification. Audit each year, Unannounced visits.	3d-party certification. Audit each year, Unannounced visits.
<b>Human rights</b>	75	75	75	50	75	25
<b>ILO Core Conventions</b>	100	100	100	85	100	20
<b>Gender equality</b>	0	90	100	25	50	25
<b>Health &amp; safety</b>	50	100	90	100	100	100
<b>Wage (minimum or living wage)</b>	50	100	100	50	75	20
<b>Contributes to increased income</b>	No	Yes	Yes	No	No	No
<b>Land/soil</b>	100	60	100	100	75	100
<b>Biodiversity</b>	100	75	100	60	15	75
<b>Waste</b>	100	60	80	60	30	100
<b>Water</b>	100	50	70	100	30	100
<b>Energy</b>	100	60	80	75	50	20
<b>Climate</b>	100	100	100	0	50	60
<b>Fertilizer restrictions</b>	100	60	70	30	60	60
<b>Chemical restrictions in cultivation</b>	100	60	70	60	40	60
<b>Chemical restrictions in the product</b>	90	0	0	NA	0	NA



Requirements: None  
1-40 Low  
41-99 Medium  
100 Full requirements

Wages/Payments: No requirements  
Requirements on minimum wages  
Requirements on living wage



Ekologiskt (EU-ekologiskt, USDA, Bio Siegel, Debio)	Soil Association	Demeter	Carbon offset through Plan Vivo	Sustainable Wine South Africa odling	Sustainable Wine South Africa vinproduktion	Equalitas odling	Equalitas vinproduktion	Sustainable Winegrowing NZ odling	Sustainable Winegrowing NZ vinproduktion	High Environmental Value	Sustainable Viticulture Champagne	Fair for Life	MSC	ASC
Organic certification	Organic certification	Biodynamic	Climate	Sustainable certification	Sustainable certification	Sustainable certification	Sustainable certification	Sustainable certification	Sustainable certification	Sustainable certification	Sustainable certification	Ethical certification	Sustainable certification	Sustainable certification
yes	yes	yes	yes	no	no	no	no	no	no	no	no	yes	yes	yes
yes	yes	yes	yes	no	no	no	no	no	no	no	no	yes	no	no
yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no
3d-party certification. Audit each year.	3d-party certification. Audit each year, Unannounced visits.	3d-party certification. Audit each year, Unannounced visits.	Self-audit each year.	Self-audit each year. Random checks.	Self-audit each year. Random checks.	3d-party certification. Audit each year.	3d-party certification. Audit each year.	2nd-party verification every 3 years, self assessment each year.	2nd-party verification every 3 years, self assessment each year.	3d-party certification. Audit each year.	3d-party certification. No requirement on how controls are made.	3d-party certification. Audit each year.	3d-party certification.	3d-party certification.
0	100	0	0	50	70	50	50	70	0	0	0	0	0	0
0	100	0	0	0	100	100	100	100	0	0	0	0	0	100
0	50	0	0	50	0	25	25	0	0	0	0	0	0	50
0	70	0	0	0	100	100	100	100	50	50	0	0	0	50
0	100	0	0	100	100	75	75	50	50	0	0	50	0	50
No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
100	100	100	0	100	50	100	100	100	100	50	50	30	NA	NA
100	100	100	100	100	0	100	100	50	50	80	30	50	100	
100	100	100	0	90	90	60	60	40	40	0	30	30	NA	75
100	100	100	0	100	90	100	100	90	90	75	30	50	NA	75
100	100	75	0	75	50	60	60	50	50	0	25	30	0	20
50	0	30	100	50	50	30	30	0	0	0	0	30	0	0
100	100	100	0	60	NA	60	NA	25	NA	25	60	25	NA	NA
100	100	100	0	50	NA	60	NA	40	NA	80	60	40	NA	NA
0	0	100	NA	NA	75	NA	33	NA	33	0	0	0	0	0

Indicators

FOOD, WINE & COFFEE	INDICATOR	NON FOOD	INDICATOR
Human rights	Requirements regarding housing standard. Requirements for access to care. School for children of employees. Training for employees.	Requirements for sustain-able raw material	Content policy and requirements of renewable raw materials. Includ-ing requirements for certified palm oil or palm oil derivatives.
ILO Core Conventions	Requirements for all eight core conventions.	Product and content requirements: Health	Requirements regarding the product classification.
Gender equality	Requirements for work against discrimination. Women in leading positions. Requirement to strive for a gender-neutral workplace. Requirements regarding women's health / reproductive health Women have the same right to resources as men.	Product and content requirements: Environment	Degradability, toxicity and bioaccumulation of the ingredients.
Health & safety	Requirements for a safe working environment. Requirements for labelling and safety information on pesticides. Access to clean drinking water. Access to clean toilets. Access to occupational health care. Education in health and safety.	Content requirements: Prohibitions and restrictions	Prohibited substances.
Wage (minimum or living wage)	Minimum wage requirements. Demands for striving for a living wage.	Packaging requirements	Design for recycling and increased circularity, requirements for durable and renewable materials, dosage and degree of filling.
Contributes to increased income	Price premium. Programs / training / support for better productivity.	Requirements at company level: Environmental and social responsibility	Requirements for environmental management systems, environmen-tal policy, substitution work and supplier assessment. Requirements regarding social responsibility and work environment management.
Land/soil	Requirements to counteract erosion. Requirement to maintain the quality of the soil.		
Biodiversity	Requirement to set aside land for the conservation of biological diversity Requirement to use methods that do not endanger biological diversity. Prohibition on converting areas with high biodiversity for production.		
Waste	Demands to reduce the production of hazardous waste. Requirements for an efficient and safe waste system. Requirements to minimize pollution to air, water and soil.		
Water	Requirement to have water-saving measures in water-scarce areas. Requirements for efficient water use. Requirements for wastewater treatment.		
Energy	Calculate and map energy use. Energy efficiency requirements. Requirement to phase out the use of fossil fuels. Transition to renewable electricity.		
Climate	The climate issue is addressed in a separate section as a critical factor. Requirements for measuring CO <sub>2</sub> e emissions. Requirements for measures to reduce emissions and to document this.		
Fertilizer restrictions	Prohibition on the use of mineral fertilizers. Require-ments for strategy for reduced use / optimization of mineral fattening. Requirements for documentation of use.		
Chemical restrictions in cultivation	Total ban on the use of pesticides. Integrated Pest Management. Use of restriction list.		
Chemical restrictions in the product	Requirements for additives that may not be included in the product.		



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