



FAMIFARM SUSTAINABILITY REPORT 2022



SUSTAINABILITY REPORT

WELCOME TO READ OUR THIRD SUSTAINABILITY REPORT. IN THIS REPORT, WE SHARE THE WORK WE HAVE DONE TO MEET OUR SUSTAINABILITY COMMITMENTS IN THE REPORTING YEAR 2022.

OUR PREVIOUS REPORTS (FROM 2016 AND 2019) HAVE LAID THE GROUND FOR OUR SUSTAINABILITY WORK TODAY. HOWEVER, WE LOOK BOLDLY TO THE FUTURE WHEN SETTING OUR AMBITIOUS GOALS FOR TOMORROW.

WE AIM TO BE THE MOST RESPONSIBLE PRODUCER OF SALADS AND HERBS IN FINLAND.



SUSTAINABILITY REPORT

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GREETINGS FROM FAMIFARM



MESSAGE FROM THE CEO

In 2022, Famifarm celebrated its 35th anniversary.

The Järvikylä brand was voted as the most valued vegetable brand and the 17th most valued food brand in Finland. We are proud of these rankings as they prove that our long-term brand work is bearing fruit.

Over the past 35 years, Finland's food culture has undergone a huge change. The diet of Finnish people has become more diverse, international, and sustainable.

Thanks to our fresh salads and herbs, it is possible to enjoy a planetary health diet throughout the year also in our Northern home.

Nevertheless, year 2022 was not all positive. We too had to witness the effects of Russia's cruel war of aggression. At the beginning of the year, we changed our recruit-

ment strategy because we wanted to provide employment for Ukrainian refugees. As a result, the number of our Ukrainian employees grew by 71% during the year. We reacted to the market changes resulting from the war by adapting our product range, and we launched an electricity-saving project before the winter set in.

Our pledge "For a greener plate" means more to us than just increasing the proportion of salads and herbs on the dinner plate. The pledge includes a promise of being responsible for the wellbeing of both people and the environment.

I hope you enjoy reading about our sustainability work in 2022.

— CAROLINE GROTENFELT-FYHR,
CEO





HIGHLIGHTS FROM 2022

90 000 PLANTS

We planted about 90,000 salad and herb seedlings at our greenhouses every day.

FAMIFARM CO₂ -7%

The carbon footprint of our products was 0.28 kg CO₂eqv / product. This is down by 7% on the reference year 2019.

100% RENEWABLE ELECTRICITY

Our electricity is now 100% renewable wind power and solar energy.

139 DIFFERENT PEOPLE

Our employees represent 11 different nationalities. Of them, 53% are women and 47% are men.

CULTURE OF OCCUPATIONAL SAFETY

Due to our efforts, the number of observations in the Turva Arvi safety observation system grew by more than 50%.

PLANETARY HEALTH DIET

We increased the share of greens on the Finnish plates by a total of 25 mill. herbs and salads.

HIGHLY RECOGNISED FAMILY BUSINESS

We were honoured to receive the Regional Entrepreneur Award (Maakunnallinen yrittäjäpalkinto) granted by the Association of Finnish Enterprises.

NEW PRODUCTION PLANT IN JUVA

This year, we are launching vertical farming in Juva, a production method that is new to us.

STRONGEST VEGETABLE BRAND

In 2022 we were the most valued vegetable brand in Finland (Taloustutkimus).

INTRODUCING FAMIFARM

Green power from Järvikylä

Famifarm Ltd is an important part of Järvikylä Manor in Joroinen. The manor has been in the ownership of the Grotenfelt family since the 17th century. The tenth master of Järvikylä Manor, Karl Grotenfelt, established Famifarm Ltd in 1987. Our first greenhouse was built in the attic of the barn at Järvikylä Manor, and is still in use.

In addition to farming, our historic family estate has served many purposes. Depending on the era, it has provided space for an elementary school, dairy school, and a wartime hospital. Community spirit and social responsibility have characterised Järvikylä Manor throughout its 350-year history.

Top cultivation technology, closed water circulation, own heating plant, vacuum cold storage and biological pest control make Famifarm one of the most modern actors in its field. We also want to play a leading role in sustainable business.

Our values

CUSTOMER ORIENTATION

We aim to exceed our customers' expectations. Satisfied customers and consumers are the driving force of our operations.

RESPONSIBILITY

We operate openly and ethically. We appreciate and respect one another.

EFFECTIVENESS

We strive for good results in everything we do. We measure our targets and results in all our operations.

DEVELOPMENT

We develop our operations and products based on the principle of continuous improvement.

JÄRVIKYLÄ

Järvikylä Manor is an integral part of our company. It combines a modern family business with the traditions of the farmhouse run by the family for over 350 years.



OUR APPROACH TO SUSTAINABLE BUSINESS

At Famifarm, we are used to acting transparently.

Our core business is to produce and market salad and herb products to all people in Finland. The value chain of our products is simple: **from seed to table**. That's why it is easy to manage.

As the largest salad and herb farmers in Finland, we want to strengthen the **sustainability of the Finnish food system**. We not only act in a responsible way, but

we also want to have a genuine and positive impact on the welfare of the environment, the everyday lives of our employees, and the health of Finnish people.

Thanks to our top cultivation technology, competent employees, and efficient value chain, we can contribute to making a **planetary health diet** available to everyone, throughout the year.

OUR SUSTAINABILITY PROPOSITION

Famifarm is the most versatile and responsible producer of salads and herbs in Finland. We help Finnish people to eat green, high-quality food and enable a sustainable food transformation both at the societal and individual level.

OUR SUSTAINABILITY COMMITMENTS (ESG)

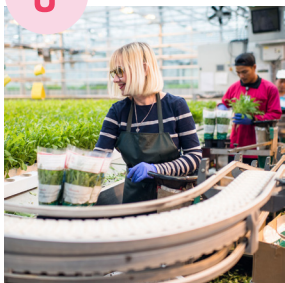
These three commitments direct all our activities and form the core of our sustainability program.

E



We feed
green transition

S



We nurture
our community

G



We grow
sustainably

2022 ENVIRONMENT: WE FEED GREEN TRANSITION

WE REDUCE OUR CARBON FOOTPRINT

We are committed to mitigating climate change. We do our best to reduce our own emissions and regularly engage with other actors in our value chain to encourage them in reducing emissions.

In 2022, the carbon footprint of our products was **0.28 kg CO₂eqv/product**. The carbon dioxide equivalent CO₂eqv describes the impacts of a site's greenhouse gases on climate change with one figure. Our carbon footprint was down by **7%** on the reference year 2019.

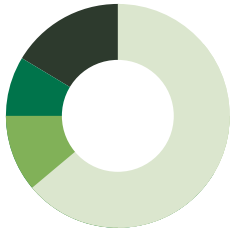
The three main factors of our carbon footprint are: heating energy (64%), transport packaging in deliveries (11%), and horticultural peat (8%).

WE INVEST IN RENEWABLE ENERGY

In 2022, our heat energy consumption totalled **18,405 MWh**. The fuels in our own heating plant consisted of **39%** renewable wood chips and **61%** peat, the proportion of which we were unable to reduce due to the global situation.

Our electricity consumption totalled **25,016 MWh**. Our electricity is **100%** renewable wind power and solar energy. We buy wind power from Tuulivoima Oy, and we have almost **700** solar panels of our own, producing about **155 MWh** of solar power each year. The production corresponds the annual electricity usage of about 10 detached homes.

We launched an electricity-saving project in the autumn. For example, we regulated the lighting times of plants. Our electricity consumption was down by **10%** on the reference year 2019.



OUR CARBON FOOTPRINT

- Heating energy
- Transport packaging
- Horticultural peat
- Other

CIRCULAR ECONOMY IS PART OF OUR EVERYDAY LIFE

Circularity is a standard feature in our greenhouses. We compost the biowaste generated at the estate (**about 200,000 kg per year**) ourselves and spread the compost on the fields where we grow feed. We recycle other waste, such as supply packaging, efficiently into **15** different fractions.

Our compostable herb and salad pots reduce plastic waste by about **80,000 kg** per year. The paper pots are produced from cellulose and starch with zero fossil raw materials. The paper pots are fully compostable, which means that the used product can be sorted entirely into biowaste at home.

We have also replaced our plastic pallets with cardboard trays that keep the salads and herbs upright during transport. Our cardboard trays reduce plastic use by **140,000 kg** per year.

OUR BIOLOGICAL PEST CONTROL PROTECTS NATURE AND PLANTS

At our greenhouses, we use natural, biological pest control to ensure the excellent quality, cleanliness, and safety of our products. Thanks to the biological control, we can take care of plant health and prevent loss of crops without any damage to the environment or to the beneficial organisms of plants. Non-toxic plant protection also supports the health and occupational safety of our personnel.

The water we use comes from our own well. Our closed water circulation reduces water consumption and minimises the release of nutrients and chemicals into the environment.

We monitor the wastewater contents regularly **4 times a year**. In the latest study, the water samples were good (*Savo-Karjalan Ympäristötutkimus Oy*).

2022 SOCIAL: WE NURTURE OUR COMMUNITY

DIVERSITY OF PERSONNEL IS OUR GREATEST RESOURCE

The promotion of diversity, equity and inclusion is a natural part of Famifarm's operations. We employ **139 people**, and the gender distribution of our employees is exceptionally even: **53% women and 47% men**. The age distribution is wide, ranging between **16 and 66**.

Our employees represent **11 different nationalities**. We respect the customs of different cultures, for example, by taking various holidays into account in shift planning. We also offer lessons in Finnish language and culture to everyone interested.

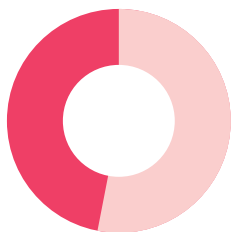
We want to create positive experiences for our employees and we regularly organize events and gatherings that energize all of us.

WE INVEST IN THE SAFETY, HEALTH, AND JOB SATISFACTION OF OUR EMPLOYEES

Working in the greenhouse and production areas requires an open and trustful **occupational safety culture**, which we lead with *Turva Arvi* -observation system. Due to our efforts, the number of observations grew in 2022 by **more than 50%** on the reference year 2019.

The occupational safety and ergonomics working group began its work with the leadership of the occupational physiotherapist and the occupational safety officer. We significantly stepped up our efforts to prevent accidents at work because we were not yet successful in achieving our target of **0 accidents**.

The average score of the ELO work community survey in 2022 was **4.03**, which is higher than average in the industry (3.42).



GENDER DISTRIBUTION



WE HELP FINNISH PEOPLE TO EAT MORE SUSTAINABLY

In 2022 we produced and delivered **more than 25 million** salad and herb products in Finland. As a Finnish food producer, we can have a positive influence on the food choices of Finnish consumers and promote a **planetary health diet**.

The planetary health diet refers to food that is as environmentally friendly as possible while also being highly nutritious. The recommendation was published by the international EAT-Lancet Commission in 2019, and it is also gaining ground in Finland.

At Famifarm, our work is not only limited to growing and supplying herbs and salads, but we also actively instruct and inspire consumers to try out new products. On our website, we provide **more than 400** recipes for using different salads and herbs.

Through accessible social media communication, we share information to consumers about the right care of salads and herbs with the aim of reducing **food waste** in households. We also develop new ways of operating together with our partners and clients in order to reduce the amount of waste **in all parts of the value chain**.



Our strict quality criteria guarantee clean and safe products to our customers. In addition to the **ISO 9001:2015 quality certificate**, we have received the **IP Vegetables certificate**, and the **IP Employment Terms certificate** from Puutarhaliitto.

2022 GOVERNANCE: WE GROW SUSTAINABLY

WE ACT AS A FRONTRUNNER IN OUR FIELD

Sustainability is closely linked with long-term thinking, which is characteristic of a family business. As a family business, we want to take care of the continuity and profitability of business operations also in the long-term.

Our turnover and profitability have grown steadily. In 2022, our turnover totalled **23.1 MEUR**, growing **4% on the previous year**.

As a recognition of our long-term work, we had the honour of receiving the **Regional Entrepreneur award** (Maakunnallinen yrittäjäpalkinto) granted by the Association of Finnish Enterprises. The award is granted to a business that acts as an example to others because of its specialisation, innovation, and growth.

For us, financial success means, above all, the opportunity to develop our operations and to **be a driving force for the entire industry**.

Our investments in automation, top production technology and data analytics provide us a competitive edge on the market.

Financial success also enables investments in sustainable growth. A topical example of this is the decision to invest in the new production plant located in Juva, where we will start vertical farming, a new method to us.

Vertical farming will not replace our greenhouse production but will take place alongside it. It will enable circular practices even better than the traditional greenhouse production: thanks to closed circulation system, vertical farming consumes less water, nutrients, and energy.

Our new production plant will employ local people, which is important to the vitality of the region.



OUR REPUTATION

- Customers who think that Järvikylä's reputation is very good or fairly good

WE WORK RELENTLESSLY FOR OUR STRONG BRAND

At the heart of Järvikylä's brand is our Finnish origin. Our value chain mainly consists of Finnish operators, and we use the **Hyvää Suomesta -label (Produced in Finland)**.

In 2022, Järvikylä was the **most valued vegetable brand in Finland** (*Taloustutkimus*). In addition to consumers, our clients also value the Järvikylä brand: a full **100%** of our clients regarded Järvikylä's reputation as very good or fairly good (*Innolink*). In the same survey, **90%** of our clients thought that Järvikylä's sustainability was excellent or good.

WE COMPLY WITH CORPORATE GOVERNANCE PRINCIPLES

For us, corporate governance means that we absolutely condemn corruption, breaches of human rights, and any other practices that infringe the principles of good governance throughout our value chain.

We manage our company by complying with due diligence: we base our decisions on facts, and we document the decisions carefully. We use an authorised public accountant in the auditing of the annual report and financial statements, and we regularly report on sustainability.

We use a **whistleblower channel** to identify any internal or external shortcomings, and we encourage our employees to report them with a low threshold.

OUR KEY TARGETS BY 2025

COMMITMENT (ESG)

TARGET 2025



E

We feed
green transition

- Reduce the carbon footprint of our products by at least -10%
- Halve the use of peat as a source of heat energy
- Reduce the amount of plastic by -20%
- Continue innovation on new packaging materials



S

We nurture
our community

- 0 occupational accidents resulting in absence from work
- Reduce absences due to musculoskeletal disorders by -20%
- Increase sustainability training for employees +50%
- Pay a value-based competence bonus



G

We grow
sustainably

- Annual growth +10%
- Maintain our position as the most valued vegetable brand in Finland
- Conduct market research on export opportunities
- Understand our biodiversity footprint and set biodiversity targets accordingly

FURTHER INFORMATION

We can reduce the carbon footprint of our products and the climate impacts of our operations by reducing the share of peat as a source of heating and by replacing it with renewable wood chips. Our target by 2030 is to use 100% renewable energy.

We are launching new pilot projects to reduce the use of packaging plastics and to promote more efficient circulation of packaging materials.

Every observation entered in the *Turva Arvi* -observation system is checked by the area manager, and a member of the management team always takes part in the occupational safety tours. We also build psychological safety among our employees and foster an equal organisational culture.

In 2023, sustainability will be included as a metric in every employees' tasks and one of the criteria for the bonus system.

Growth will come from sustainable business, which consumers also expect and appreciate. We believe that the considerable investments in sustainable production methods and business practices will strengthen our sustainable brand image further and reinforce our stakeholder relationships.

We broaden the way we monitor the impacts of our business and study how to reduce our own biodiversity footprint.

CLOSING WORDS



THE PRODUCTS OF OUR OWN VILLAGE ARE SOMETHING TO BE PROUD OF

"I am proud of the way Famifarm Ltd is taking the company forward as a major regional employer and as a national supplier of top-quality products.

It is great to be involved in making it easier for people to eat more healthy and sustainable food. I enjoy communicating about sustainability in a company that takes sustainable development into account in so many ways.

Famifarm Ltd has made it possible for me to have a versatile career with the products that come with incredible green power, in the village where I grew up in Savo."

— **SINI MEMONEN,**
Marketing Manager



IT IS ALWAYS A PLEASURE TO COME TO WORK

"As an employer, Famifarm Ltd has always been open to employ people from other cultures. In my case, this has been a great help in a difficult situation, when I unexpectedly lost my previous job. I have always been welcomed at Järvikylä, and there is plenty of work available in the company. It is always a pleasure to come to work, the employees are in good spirits, and we are well looked after.

In my own work, I notice the company's willingness to develop itself especially in trying out new varieties. It's nice to see new products growing on the line and to learn new things."

— **ANEEL HARISON,**
Shift Manager



Our top professionals are
the secret ingredient behind
our herbs and salads.



Read more about
our 2022 report at
www.jarvikyla.fi

