

Sustainability Report 2022



HONKAJOKI®
wealth by recycling



Contents

Honkajoki Group

01 Introduction

Future strength through sustainability

4

02 CEO's review

People and nature are at the core of sustainability

6

03 Corporate and social responsibility

Honkajoki Group in brief

8

New strategy of Honkajoki Ltd

9

Vision 2027 and values

9

Honkajoki's new strategy and revised organisational structure

10

Sustainability programme 2023–2024 themes

14

04 Environmental responsibility

The circular economy protects biodiversity

16

Total emissions

19

Honkajoki Ltd emissions

20

Findest Protein emissions

22

05 Social responsibility

People are at the core of our operations

24

Investing in prevention is a priority

25

Strong connection between stakeholders is the result of good interaction

26

Materiality analysis

27

Customer satisfaction

30

Employee satisfaction

31

06 Financial responsibility

Strong growth in net sales continued

32

Key figures for 2022

33

Financial key figures for 2022

35

Sales and products

36

07 Reporting

38

08 Content index

39

HONKAJOKI®

Future strength through sustainability

The year of 2022 has in many ways seen significant changes, globally but also on a smaller scale at Honkajoki. The return to the new normal after COVID-19 stopped overnight when Russia launched its war of aggression in Ukraine. The war in Ukraine gave rise to a heap of new problems, which we will have to solve over the following decades. The war has already lasted for more than a year, and according to unfortunate forecasts, no end is in sight. International reports foresee a number of new risks in the future, while biodiversity loss threatens to increasingly deepen and climate change prevention is not progressing as desired. We are again facing a new era that requires decision-makers and companies to engage in responsible and determined efforts to combat the threats and safeguard a good life for people and for nature.

Honkajoki revised its strategy for 2023–2027. Our mission is to make sure that side streams are sustainably circulated. This is not limited to Finland alone. We work in a goal-oriented way to contribute to solving the challenges caused by animal-based side streams globally outside the borders of Finland. There are several ambitious goals at the core of our strategy, and they lay down a foundation for sustainable business. The upper-level strategy is supplemented by the sustainability action programme divided into three themes. Our first theme is the environment. Our goal is to actively take steps towards carbon neutrality and a smaller environmental burden. The second theme is good well-being for our personnel and an encouraging atmosphere. These are key factors for the well-being of the personnel, which we aim for with determination. The third theme is sustainable assets and finances, which enable the development of new and improved products and processes, and investments in people and technology. You can read about the objectives on page 12.

At Honkajoki, we have long been awaiting EU-level guidance for sustainability work; actually, ever since 2016, when we began to plan our first sustainability report. The changes required by legislation will also revise the procedures of the sustainability field. It is delightful to see that the discussion has become more multi-faceted and common among businesses as well. However, all sustainability factors are connected to three major themes: taking care of environmental affairs, being responsible for people and ensuring financial transparency. These themes and their sub-goals can be found in Honkajoki's new strategy and sustainability action programme.

New EU-level legislation will also affect sustainability work. The Corporate Sustainability Reporting Directive (CSRD) was approved in November. The aim is to improve companies' climate and environmental reporting and ensure that businesses transparently report on their goals and operations in a comparable way. This benefits both businesses and consumers. Hopefully, going forward, comparing the impacts of products and services will be easier for business partners and consumers alike.

Our vision is to be the safest and most reliable value provider in the food chain. In order to achieve this vision, our mission is to make sure that side streams are sustainably circulated. This requires determined measures in all areas of sustainability, every day. The work is not finished, a lot remains to be done.

ENQUIRIES CONCERNING HONKAJOKI'S SUSTAINABILITY

Reetta Nevala

reetta.nevala@honkajoki.fi

A photograph of a brown foal and a small white and black dog in a grassy field. The foal is lying down on the left, and the dog is standing on the right, facing the foal. They are in a field with green grass and yellow dandelions. A white text box is overlaid on the right side of the image.

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**Our vision is to be the safest and
most reliable value provider in
the food chain.**

CEO's review

People and nature are at the core of sustainability

The work that Honkajoki launched in 2022 to revise its strategy is now complete, and the strategy for 2023–2027 has been published. Sustainability, safety and reliability at all operational levels are at the core of the new strategy.

The preparation of Honkajoki's new strategy for 2023–2027 began in 2022. The strategy was published this spring, and it is also presented in this sustainability report. The all-encompassing themes of our strategy are sustainability, safety and reliability, and they are connected to all levels of operations at Honkajoki – employees, customers, production, products and business.

Our mission is to make sure that side streams are sustainably circulated. Our vision is to be the safest and most reliable company in our industry. We were one of the first companies to make carbon footprint calculations as early as 2010. We have invested in developing sustainability in a determined manner and progressed at a rapid pace over the last ten years.

During the years to come, our pace will not slow; instead, we will invest even more on reducing our energy consumption and carbon footprint, zero waste and reducing water consumption in accordance with our strategy.

Sustainability also concerns the HR policy. Strengthening the employee experience has been defined as one of our key strategic objectives. In particular, we will contribute to it by investing in supervisory work and developing the super-

visors' skills. Both our customer and employee satisfaction improved last year. We also conducted a survey among our key stakeholders. In connection with the strategy work, our organisational structure was also aligned to the needs of a growing company undergoing reforms. In 2022, we carried out strategically important recruitments and strengthened our manager level personnel.

”

We have invested in developing sustainability in a determined manner and progressed at a rapid pace over the last ten years.

The amount of raw material received by Honkajoki increased in 2022. This had a positive impact on the company's net sales and solvency, which will help us to invest further in the production of new higher-quality end products. We invested in a blood meal line that started operations in the summer, and preparations for a new turkey meal line and feather meal plant also proceeded according to

plans. The nominal consumption of electricity decreased, and the new wastewater treatment plant allowed us to also lower our strain on the water system.

In a sustainable future, the circular economy will play an increasingly important role socially and globally. We are pioneers in this respect. We are also exporting the Honkajoki concept internationally through our subsidiary GMM Finland Ltd. We build circular economy concepts for emerging economies – the aim is to increase circular economy expertise globally and thereby ease the strain on nature.

As interesting as it would be to be part of Honkajoki's development during the next ten years as well, my close to 20 years' career with the company is about to come to an end in the summer due to retirement. I started at Honkajoki in December 2004, and it is great to reflect on the past years, during which we have taken major strides forward. Now, our new strategy also points to a bright direction for the years to come.

No one does this work alone, and I would like to extend my gratitude to everyone at Honkajoki, our customers, stakeholders, Board of Directors and partners for their team effort over the years. I would like to wish you good luck in all your future endeavours.

I have a long list of interests and activities waiting for me, so it is time for me to get going!

Kari Valkosalo

CEO



Honkajoki Group in brief

Honkajoki Ltd is Finland's leading processor and refiner of animal by-products. We refine organic meat production by-products into clean, high-quality and safe products for our customers in various industrial sectors. At the same time, we give a new life to valuable food chain nutrients, which are used as raw materials for example in animal feed, fertilisers, cosmetics and biofuels.



1967 HONKAJOKI LTD
Atria Plc 50%
HKScan Finland Ltd 50%



1995 FINDEST PROTEIN LTD
Honkajoki Ltd 66.9%
Atria Plc 33.1%



2017 GMM FINLAND LTD
Honkajoki Ltd 100%



2018 REMSOIL LTD
Honkajoki Ltd 60%
Private owners 40%

Honkajoki Group companies

Honkajoki Ltd (head office)

Honkajoki Ltd's plant area is located in the formerly independent municipality of Honkajoki, nowadays part of Kankaanpää. The company's head office is also located in the Kirkkokallio area.

There are five production lines in the plant area, each producing high-quality protein and fat products for industrial use from various raw materials. Work to build the sixth production line, a feather meal line, began in 2022 and it will be completed in spring 2023.

Findest Protein Ltd

Findest Protein Ltd processes porcine by-products. The plant is located in Kaustinen.

GMM Finland Ltd

GMM Finland Ltd provides its customers with diverse in-depth consulting and expertise for the design, implementing, processing and management of concrete circular economy solutions for organic by-products.

Remsoil Ltd

Remsoil Ltd's main product is the biostimulation-based REMSOIL® soil remediation method that purifies contaminated soil 100% naturally without the need for transporting the soil separately. The company does not currently have any business.

Honkajoki Ltd's new strategy

In spring 2022, we launched strategy work that entered into force as of the beginning of 2023. The company's expanded management team has convened regularly to consider the company's future during the next five-year period. The

new strategy has been prepared with an eye for future megatrends and global and local change pressures in industry. At the core of the strategy work are the company's values, which lay down the foundation for all of the operations.

VISION 2027:

We want to be the safest and most reliable value provider in the food chain.

To achieve this objective, we have defined four key steps:

1. We invest in new products and solutions.
2. We ensure the comprehensive processing and refining of our customers' by-products.
3. We secure a clean and safe environment for everyone.
4. We invest in the well-being of our personnel and create an encouraging atmosphere.

OUR VALUES:



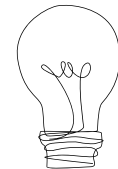
Reliability

Our operations are fair and transparent in all areas of our business.



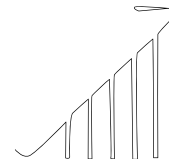
Environmental friendliness

We operate in accordance with the principles of the circular economy and agroecology.



Innovation

We continuously invest in the development of our products and services.



Growth orientation

We aim at a leading position in all areas of our business.



Humaneness

We see to the coping and well-being of our employees in their day-to-day lives.

Honkajoki's new strategy and revised organisational structure

The strategy for 2023–2027 can be divided into major themes through which we are leading the company towards the 2027 vision. Honkajoki's current products are fats, animal proteins, waste heat, raw materials for fertilisers and raw materials for feed for fur animals. In addition, Honkajoki provides farms with processing and disposal service and the fur industry with feed raw material brokering services. Of these, fats, animal proteins and processing and disposal services contribute the most to Honkajoki's net sales.

We have made new products and product development an important theme. We will invest in launching products with a higher added value of upgrading on the market. Honkajoki makes significant investments in product development, both proactively and in collaboration with customers. Development projects start with a research phase, followed by development on a laboratory scale, scaled-up piloting steps, and finally industrial-scale investment in the chosen development lines. Honkajoki also actively researches and investigates opportunities for utilising non-animal food industry side streams. The company must make strategic choices in using new raw materials. The processing of plant raw materials requires processing steps that are not available in our current production lines, so they require investments to launch production.

We put our skilled and well personnel at the core of the strategy, because employees are the core of success. We will continue to develop expertise in the organisation, training and further investments in the well-being of our

personnel. We will strengthen our supervisory work and skills and thereby want to ensure that everyone is managed and supported well in their work. Building a positive and safe working atmosphere at all organisational levels is an essential part of this.

To achieve the vision for 2027, we must be able to make timely decisions and adapt to the prevailing circumstances, which can be subject to strong turbulence. Leading a growing organisation is challenging, and we will need strong partner networks and timely decisions on investments, as well as successes in developing and launching new products. We have identified new needs for investments, and the strong financial position of the Honkajoki Group facilitates investments and creates growth in society.

UJJKI



N MEAL

umption

AJJKI



OTEIN MEAL

n consumption

Revised sustainability strategy and action programme

In connection with the strategy work, we made the new sustainability strategy part of the core of the company's strategy and updated it. A sustainable way of operating encompasses all of the company's functions. We want to consider sustainability and its areas carefully so that no theme is overshadowed by another.

When it comes to the sustainability themes, we put people and nature to the fore. Their well-being is ensured by responsible financial management and the company's wealth. It is important to us that we take the required measures to protect the environment and reduce our emissions, because it is in the interests of everyone. Environmental responsibility has always been at the core of our operations, but people and finances are also significant areas of sustainability alongside it, and we have set appropriate metrics and objectives for them. During 2023, we will build a detailed sustainability action programme, on which we will be reporting regularly and extensively each year in the sustainability report. The measures taken during the year are discussed in the relevant sections.

Operating principles

The operating environment remained relatively unchanged in 2022. Honkajoki receives the majority of animal-based raw materials generated in Finland. However, changes have been seen in the fur industry; the animal raw material previously directed to it has increasingly been delivered to Honkajoki. This has increased the need for capacity in the production lines, and we will consider how to best respond to any growth pressures on raw materials at Honkajoki's production plants.

In our operations, we carefully follow the EU directives, as well as international and national legislation. We regularly cooperate with the authorities and ensure

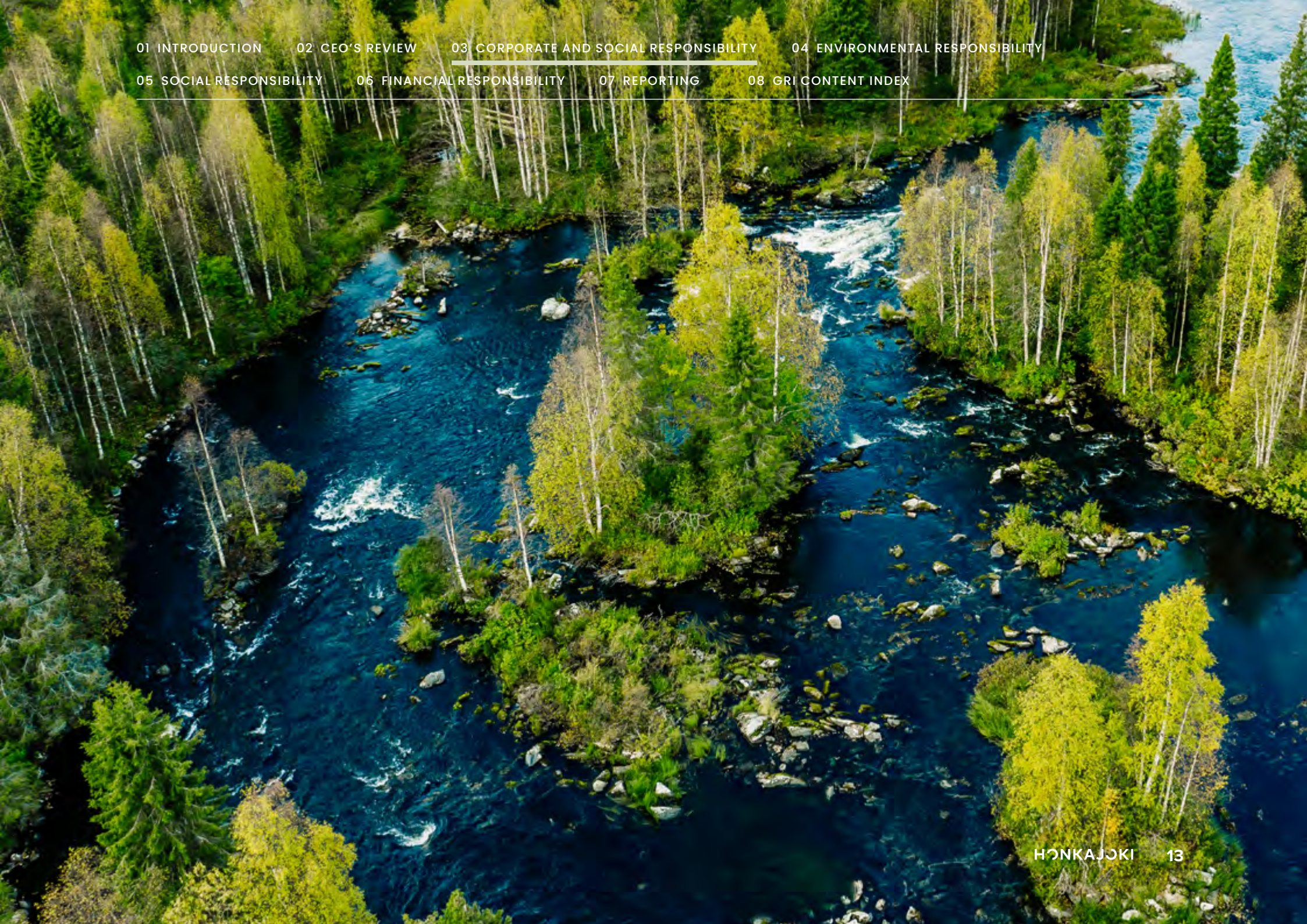
through audits that our operations are safe and meet all of the requirements for high-quality products and operations.

During the year, we updated the Group's Code of Conduct. The Board of Directors approved the Code on the 5th of May 2022. We have also published it on our website and social media channels. Our position as a responsible corporate member of society requires that the guidelines are up to date and that their implementation is regularly monitored. All of the Group's employees are required to follow the Code.

Corruption is not tolerated in any form in the Group's operations. We always make commercial decisions on a commercial basis. No cases of corruption have become known to the management during the company's 55 years of operation.

In its operating principles, Honkajoki Ltd commits to complying with the following international agreements and recommendations:

- UN Universal Declaration of Human Rights and UN Convention on the Rights of the Child
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- ICC Business Charter for Sustainable Development and ICC Anti-Corruption Code



Sustainability programme 2023–2024 themes

Nature	People	Finances
We actively take steps towards carbon neutrality and a smaller environmental burden.	Good well-being for personnel and an encouraging atmosphere.	Sustainable assets.
In the future, we will invest in reducing energy consumption and our carbon footprint.	Strengthening supervisory work and developing the expertise of supervisors.	The Honkajoki Group is a responsible corporate citizen.
We aim for zero waste and reduction of water consumption.	We keep the employee experience at the core and invest in strengthening it.	We are a trustworthy partner.
We pay attention to wastewater condensates and the use of wastewater in cleaning the plant and containers.	We provide Honkajoki employees with opportunities for development and various learning paths.	We see to responsible procurement and supplier cooperation.
We aim to increasingly utilise bone-based products.	We pay attention to equality.	We improve our profitability to facilitate product development and investments.
We aim to expand our raw material base into non-animal products.	We all support a positive and safe atmosphere.	
We continuously develop products with a higher added value.		
We aim to develop food-grade proprietary products in the future.		
Our products are first-grade in terms of quality and hygiene.		
We produce and deliver what we promise. This requires that the coordination of production and logistics is seamless.		



Organisational structure

In connection with the strategy work, we have also revised our organisational structure to better meet the challenges and requirements of the growing organisation. We have strengthened our manager level and carried out several

strategically important recruitments. Our goal is to respond to the challenges of diversifying expertise and knowledge and prevent increasing work burden of the personnel, thereby increasing job satisfaction.

BOARD OF DIRECTORS

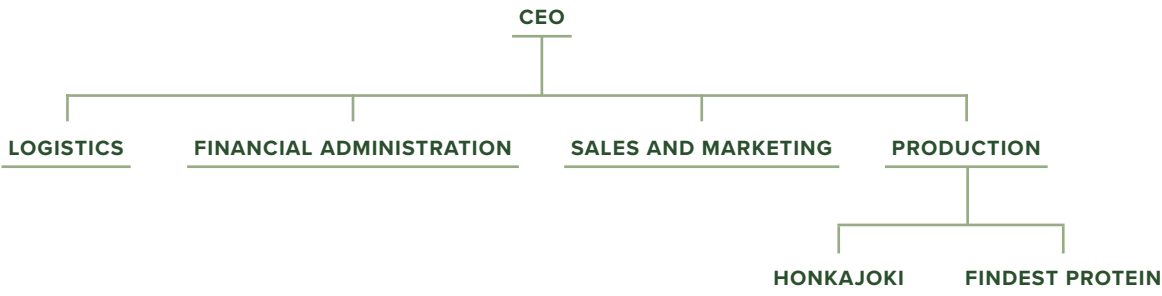
Chair
Mika Ala-Fossi
Deputy Tauno Perälä

Juha Ruohola
Deputy Ulf Jahnsson

Janne Leppänen
Deputy Pentti Sivula

Matti Perälä
Deputy Markku Hirvijärvi

HONKAJOKI LTD



GMM FINLAND LTD



Environmental responsibility

The circular economy protects biodiversity

Biodiversity loss and climate change are strongly linked together and form a significant global threat. People's well-being and the economy depend on nature and its ecosystem services, such as clean water.

One of the drivers of biodiversity loss is pollution, and Honkajoki Ltd plays a major role in preventing it. Honkajoki Group's unique circular economy concept makes it possible to efficiently utilise the nutrients in animal by-products as raw materials for the circular economy. The by-products are refined into renewable materials for industrial use, which minimises waste and makes the sustainable use of natural resources more efficient. In addition, effective wastewater treatment significantly reduces the burden on water systems. The same measures also contribute to the fight against climate change.

In Finland, up to 260,000 tonnes of animal by-products are generated each year. Of this, almost 90% is processed at Honkajoki Ltd's plants for industrial use as required by Finnish and EU legislation. In 2022, Honkajoki Group received a total of 203,044 tonnes of animal-based raw materials. Of this amount, 162,897 tonnes were processed at Honkajoki's Kirkkokallio plant. The amount of raw material received increased by 3.7% compared to 2021. The rest of the received raw material, 20,147 tonnes, was processed by Findest Protein Ltd in Kaustinen. The quantity received by Findest Protein Ltd increased by 11.3% year-on-year.

HONKAJOKI LTD'S OPERATIONS ARE CERTIFIED IN ACCORDANCE WITH THE FOLLOWING ISO AND EU STANDARDS



ISO 9001:2015
Management system



ISO 14001:2015
Environmental
management system



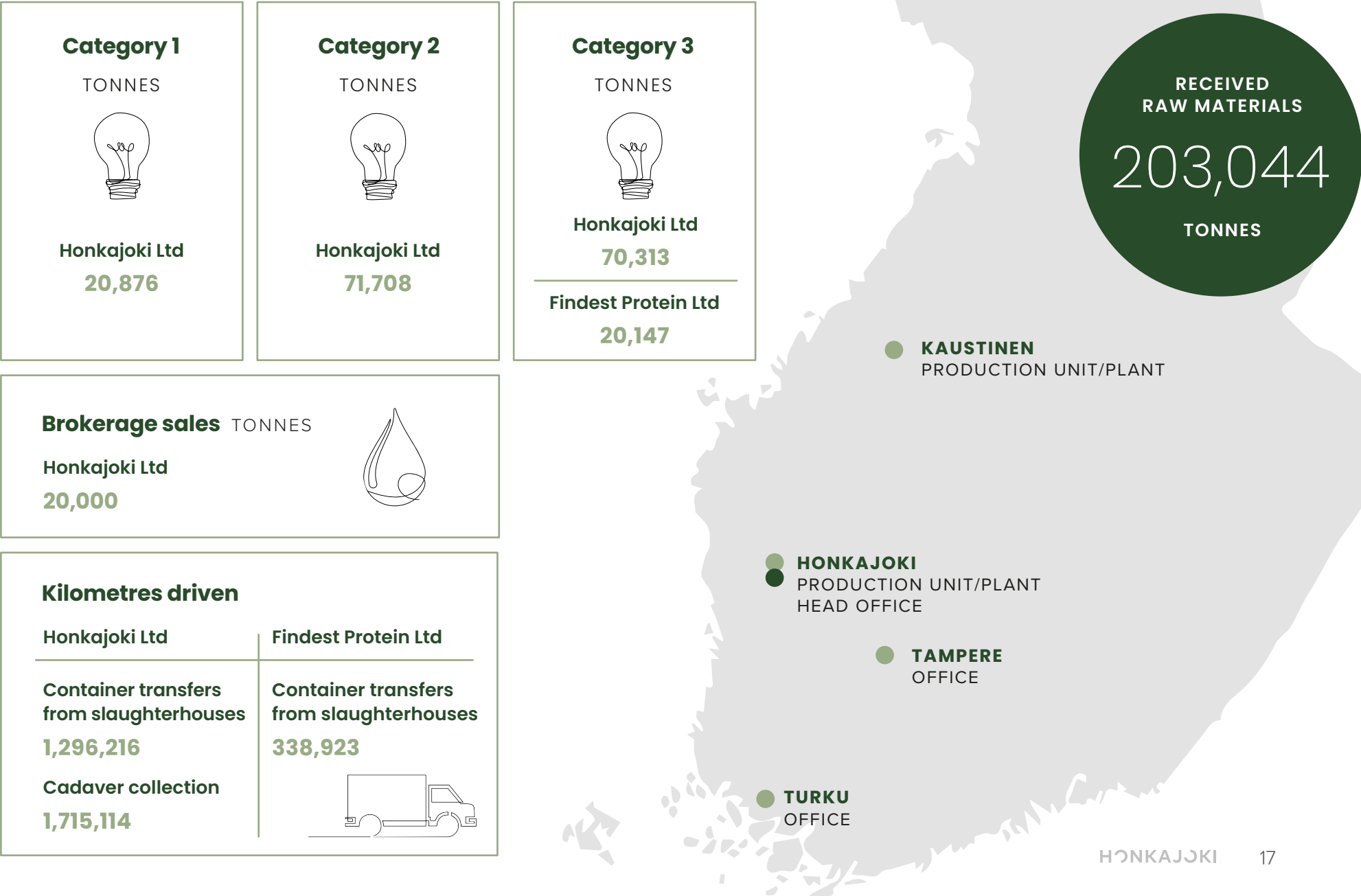
ISO 45001:2018
Occupational health
and safety management



ISCC EU
International sustainable
development and carbon
dioxide certificate



ISCC CORSIA
Plan to reduce carbon dioxide
emissions in international
air travel



Sustainable development goals build a better tomorrow

The UN Sustainable Development Goals (SDGs) determine the direction of international development. As Honkajoki Ltd, we have defined the goals that are the most essential to our work and how we can contribute to them.



SDG 2: ZERO HUNGER

The Honkajoki Group promotes the sustainable consumption of materials by refining animal by-products into new products, thereby decreasing the consumption of raw materials and facilitating the use of raw materials in products with higher added value. We improve food security by increasing resource efficiency. Honkajoki's operating model returns nutrients back into use as renewable products.



SDG 6: CLEAN WATER AND SANITATION

The Honkajoki Group uses clean water in its process. The aim is to use the water as efficiently as possible and return it to water systems after purification. The Honkajoki Group's effective wastewater treatment system reduces the environmental burden on water systems. In addition to our own wastewater, we handle the wastewater of our neighbour Lihajaloste Korpela to help to ease the burden of the municipal sewage system.



SDG 7: CHEAP AND CLEAN ENERGY

The Honkajoki Group contributes to renewable energy, as part of the refined fat is used as raw material for renewable fuels. In addition, the Honkajoki Group takes part in Motiva's energy saving programme and we pay attention to our energy consumption. Currently, only part of the energy we use is biogas, but we aim to significantly increase the use of renewable energy sources.



SDG 8: DECENT WORK AND GROWTH

The Code of Conduct of the Honkajoki Group guides the management and employees to adopt our values and thereby create a good place to work. Our employees are free to join trade unions, and we treat our employees in accordance with the ILO Convention, national labour legislation and collective agreements. Safety is a priority when working at Honkajoki, so all employees must ensure that they follow the occupational health and safety guidelines. Honkajoki continuously conducts occupational safety inspections and audits to identify possibilities for improvement.



SDG 9: INDUSTRIES, INNOVATION AND INFRASTRUCTURE

Our premises are continuously developed to be more sustainable and resource efficient. In connection with this, we have aimed to reduce the odours caused by the rendering process and succeeded in it. Our cooperation with our neighbours ensures that we also utilise our own by-products by selling the heat generated in the process to nearby greenhouses. Through continuous cooperation with educational institutions, we can improve our knowledge and processes.



SDG 12: SUSTAINABLE CITIES AND COMMUNITIES

The Honkajoki Group ensures the efficient use of all resources and actively monitors the environmental impacts of its operations. We have commissioned life cycle analyses for two of our products and actively make emission calculations concerning our operations. The circular model of our operations helps to reduce the waste generated in our operations.



SDG 13: CLIMATE ACTION

The Honkajoki Group complies with the ISO 14001 standard to ensure that our environmental impacts are kept to a minimum. In addition, we undertake to comply with national legislation on environmental impacts and disclose our operations annually in the sustainability report to ensure transparency.



SDG 15: LIFE ON LAND

Animal-based side streams that otherwise would be disposed of are transformed into new products to minimise waste. In addition, the operations of the Honkajoki Group prevent the contamination and pollution of the soil and water systems and the spreading of dangerous diseases. The goal is to return nutrients back into use as renewable materials by upconverting sidestreams into products.



SDG 17: COOPERATION AND PARTNERSHIP

The Honkajoki Group is involved in several organisations that cooperate for a better tomorrow. We are committed to transparent cooperation with different organisations. The partner network of the Honkajoki Group includes almost 120 corporate and research partners from different fields.

Honkajoki Group

Total emissions 2022

	Scope 1	Scope 2	Scope 3	Scope 1–3
	Direct emissions (tCO ₂ e total)	Indirect emissions (tCO ₂ e total)		Total emissions (tCO ₂ e total)
Honkajoki Ltd	36,150	1,056	20,584	57,789
Findest Protein Ltd	7,197	166	457	7,819
Total, Group	43,347	1,221	21,040	65,609

Direct and indirect emissions

The Honkajoki Group's scope 1 includes direct emissions which refer to those that result from the company's own operations. The direct emissions include emissions from direct energy consumption and on-site transportation.

Scope 2 and 3 include indirect emissions which are those that do not directly result from the company's operations but are still a consequence of it. Electricity usage is included in scope 2 whereas scope 3 includes waste, water, upstream transportation and purchased goods such as materials, chemicals and additives used.

Information about assessment method and data

The assessment considers, at the minimum, all Kyoto Protocol gases (CO₂, CH₄, N₂O, HFC, PFC, SF₆ and NF₃) over a period of 100 years. Not all data sources disaggregate data by gas, and in such cases the calculation covers all greenhouse gases. Biogenic carbon data is automatically calculated when such data is available. Not all shipments contain biogenic carbon data.

Honkajoki Ltd – direct emissions

Energy:

Milled peat was the main source of heat energy

In 2022, Honkajoki purchased 95,930 MWh of heat energy in the form of steam from the neighbouring power station at Vatajankoski. It used mainly milled peat as fuel in its boiler plant, in addition to which it also used biogas and liquefied petroleum gas (LPG) and minor amounts of light fuel oil. During Vatajankoski's annual maintenance service in September, Honkajoki Ltd produced 1,820 MWh of heat energy in-house using LPG.

A total of 25,750 MWh of district heating (from Honkajoki Ltd's process heat) was sold on to commercial greenhouses in the local area, which is less than in 2021. Thus, Honkajoki Ltd's net heat consumption was 70,180 MWh, and based on this, the heat consumption per tonne of processed raw material was 431 kWh.

Water and wastewater:

The company's process and condensation water is treated at Honkajoki Ltd's wastewater treatment plant

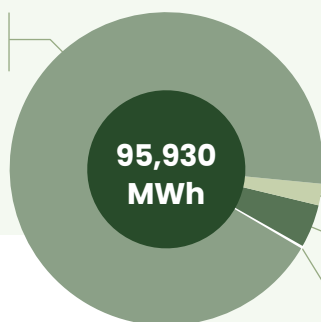
Honkajoki Ltd's processing plants and wastewater treatment plant used 64,860 m³ of clean water in 2022. The volume of water used increased by 11.5% compared to 2021. Water is primarily used to wash the plant premises, equipment and transportation equipment, but some water was also used as boiler water in the plant's own LPG boilers during the Vatajankoski boiler plant's annual maintenance in September.

In addition to its own process and condensation water, Honkajoki Ltd's wastewater treatment plant also treats the wastewater from Lihajaloste Korpela Oy. Cleaned wastewater treated at the treatment plant is discharged into the Karvianjoki river. In 2022, no water was diverted from the process to the sewerage system of the Honkajoki municipality or the environment. We continuously develop our wastewater treatment process to reduce the emissions into water systems and thereby prevent water pollution.

According to an external inspection report, Honkajoki Ltd's wastewater treatment plant met the quarterly assessed requirements of the environmental permit in terms of both residue concentrations and nominal load in 2022. In spite of the exceptionally high nitrogen concentrations of the water and variable input load, the discharge results are absolute first-grade nationally. In June–September, part of the wastewater condensate generated at the plant was transported elsewhere, such as Findest Protein Ltd's wastewater treatment plant and Gasum Honkajoki. This ensured that sudden peak loads would not interfere with the biology. In 2022, buffer basins totalling 1,900 m³ were built for the wastewater treatment plant. They were commissioned in March 2023. The new buffer basins make it possible to control the increasing wastewater volumes following the plant expansion.

TOTAL HEAT ENERGY CONSUMPTION

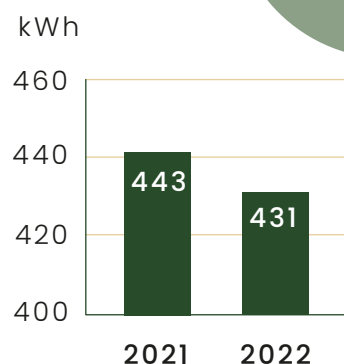
93.2% PEAT
89,390 MWh



LPG 2.3%
2,228 MWh

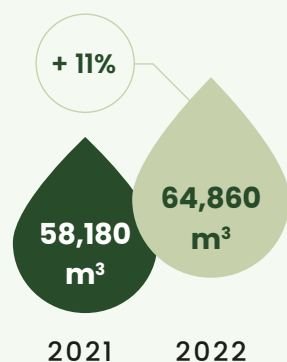
BIOGAS 4.4%
4,219 MWh

LIGHT FUEL OIL 0.1%
92 MWh



NOMINAL ENERGY CONSUMPTION

/ tonne of raw material processed



WASTE (TONNES)

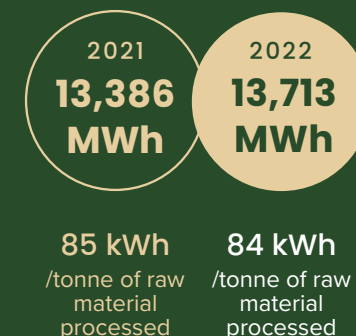
Mixed waste	98.3
Metal waste	128.0
Wood waste	4.4
Hazardous waste (kg)	244

Honkajoki Ltd – indirect emissions

Electricity:

Nominal electricity consumption decreased

In 2022, Honkajoki Ltd's total electricity consumption was 13,713 MWh, or approximately 84 kWh per tonne of raw material processed. The total consumption of electricity increased compared to 2021, as the plant commenced total denitrification and new lines. The consumption of electricity per tonne of raw material processed, on the other hand, decreased slightly.



Emissions into the air:

The conditions of the environmental permit were met

All of the Group's production plants and the wastewater treatment plant have undergone odour emission measurements pursuant to the requirements of the environmental permit. The measurements investigated the amounts and concentrations of ammonia, volatile organic compounds and reduced sulphur compounds from various emission sources. In addition, ofactometry was performed on the samples. According to the measurements, the odour treatment systems worked well and the conditions of the environmental permit were met. The production plant's annual emissions into the air were calculated based on the results.

Ammonia	0.171
NM VOC	38.714
TRS	2.007

Findest Protein Ltd – direct emissions

Energy:

Nominal heat consumption decreased

In 2022, Findest Protein Ltd purchased its required heat energy, 18,800 MWh, in the form of steam from the adjacent STEP power plant. The nominal consumption of heat energy per tonne of raw material was 930 kWh. Thus, the figure was lower than in 2021. The majority of this heat energy was produced using sod peat. In addition, fuel chips and LPG were used.

Water and wastewater:

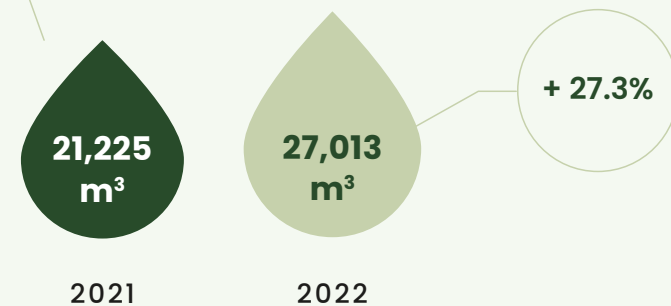
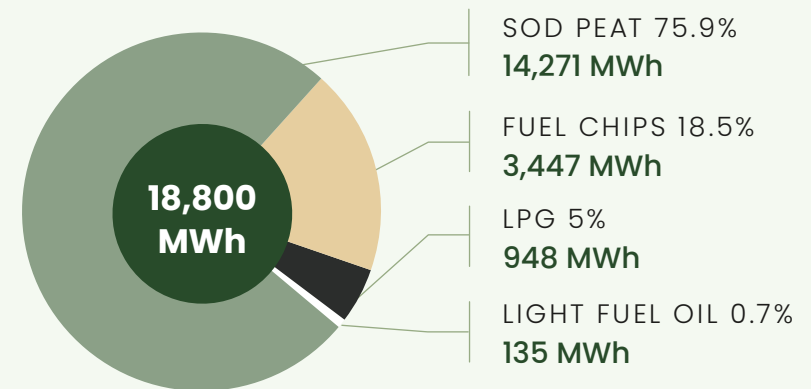
Strain on the water system decreased further

Findest Protein Ltd consumed 27,013 m³ of clean water. The majority of water was used for washing the plant premises, equipment and transportation equipment at the Kaustinen plant. The amount of raw water used increased by 27.3% on 2021, as the new more effective wastewater treatment plant used more water in its process.

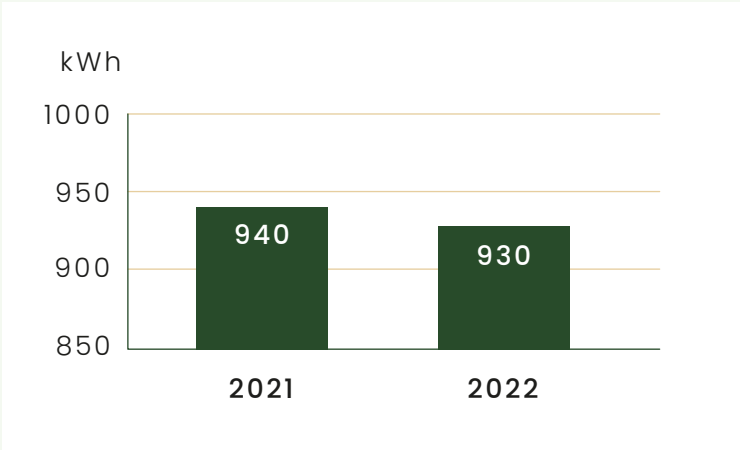
The wastewater from Findest Protein Ltd's plant was treated at the new bio-chemical wastewater treatment plant commissioned in October 2021. The new wastewater treatment plant operated as expected throughout the year, meeting the permit conditions of the environmental permit during every quarter in terms of both concentrations and treatment effect. Thanks to the effective operation of the wastewater treatment plant, the strain on the water system decreased by more than 90% compared to previous years with regard to all monitored parameters except fats.

The denitrification process of the new wastewater treatment plant has been so effective that the concentration of nitrate nitrogen in the total nitrogen discharged with the treated water is less than the minimum level of 60% specified in the environmental permit. Therefore, we will apply for an amendment to the environmental permit.

TOTAL HEAT ENERGY CONSUMPTION



NOMINAL ENERGY CONSUMPTION
/ tonne of raw material processed



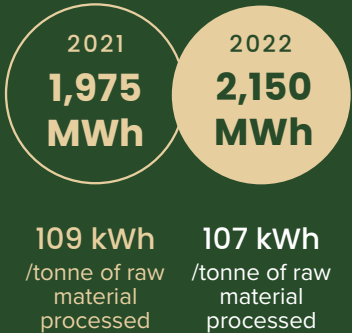
WASTE (TONNES)

Energy waste	90.0
Wood waste	4.4

Findest Protein Ltd –
indirect emissions

Electricity:
**Nominal electricity
consumption decreased**

Findest Protein Ltd used 2,150 MWh of electricity in 2022, or approximately 107 kWh per tonne of raw material processed. Even though the total electricity consumption increased year-on-year, consumption per tonne of raw material decreased.



Emissions into the air:
**The conditions of the
environmental permit were met**

All of the Group’s production plants and the wastewater treatment plant have undergone odour emission measurements pursuant to the requirements of the environmental permit. The measurements investigated the amounts and concentrations of ammonia, volatile organic compounds and reduced sulphur compounds from various emission sources. In addition, ofactometry was performed on the samples. According to the measurements, the odour treatment systems work well and the conditions of the environmental permit were met. The production plant’s annual emissions into the air were calculated based on the results.

Ammonia	0.094
NM VOC	3.103
TRS	0.337

Social responsibility

People are at the core of our operations

At Honkajoki, we ensure that the well-being of the people in our community always comes first. The Group's Code of Conduct and operating policy aim to build good working methods and relations with companies and private individuals in the local community, ensure the well-being and expertise of the personnel and maintain the quality and safety of products.

We want to make sure that our operations comply with international and national standards. We comply with Finnish legislation, EU standards, the UN Declaration of Human Rights and the ILO conventions. Employee well-being and satisfaction is important, and we are committed to ensuring that their rights and benefits comply with the national labour legislation and collective agreement. We aim to build a safe and inclusive working culture of respect, equality and non-discrimination.

Supporting well-being after COVID-19

We want to invest in the well-being and health of the personnel. We regularly organise preventive occupational health care visits for the personnel, aiming to secure well-being at work and prevent illness.

Sick leaves have stabilised after COVID-19 and we are returning to normal. Honkajoki Ltd's sickness absence rate decreased considerably compared to 2021, when it was 4.9.

Sickness absence rate

- Honkajoki Ltd 3.8%
- Findest Protein Ltd 0.01%
- GMM Finland Ltd 0.13%

Equal employees

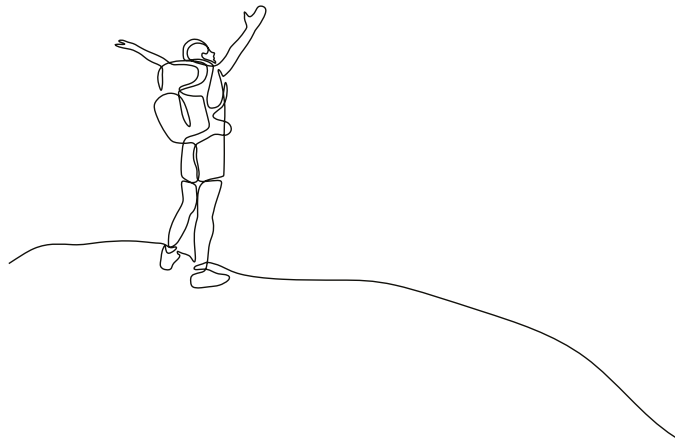
A productive team requires a balance between different perspectives and skills, so creating a diverse and inclusive workplace is crucial. We are continuing the progress towards gender equality by reducing the gender gap.

During the year, the Honkajoki Group had a total of 137 employees. Of them, 81% were men and 19% were women. We recruited 7 permanent employees during the year. Of all employees, 16 were seasonal employees. Two employees retired.

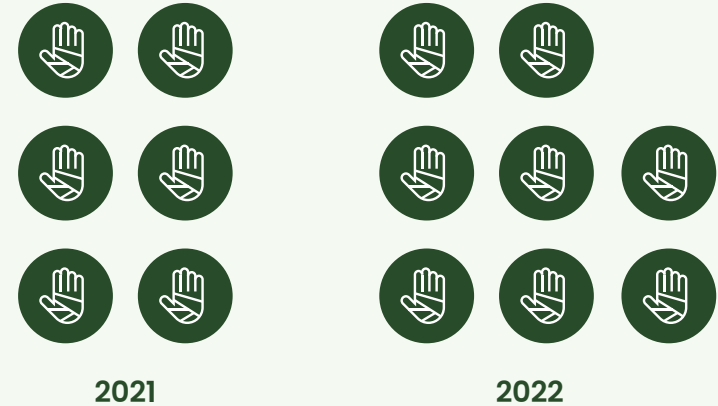
Investing in prevention is a priority

In 2022, Honkajoki Ltd invested in preventing risks. We continuously work for a safer working environment by regularly and systematically reviewing and enhancing our practices. We have proactively carried out an extensive and comprehensive HAZOP risk assessment in the feather plant to be commissioned in 2023. In addition, we have continued the risk assessments of existing plants according to a separate plan. Assessments of workplace risks have been carried out internally by our in-house personnel and in cooperation with occupational health care.

Honkajoki Group recorded a total of eight occupational accidents in 2022, six in the Honkajoki plant area and two in the Kaustinen plant area. We recorded 14 near misses during the year. The recorded accidents were investigated, and corrective and preventive measures have been taken accordingly. In terms of severity, the occupational accidents were mainly minor, which is indicated by the fact that the majority of the occupational accidents did not result in sick leaves or the sick leaves were short. Even though the accidents were minor, some of them had the potential for more severe consequences. This further encourages us to pay attention to the safety of working conditions and employees.

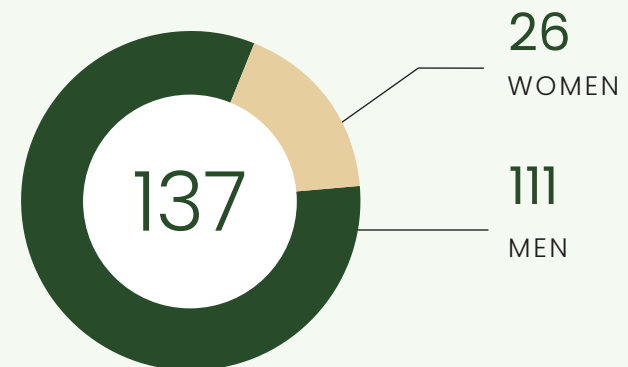


ACCIDENTS



EMPLOYEES IN 2022

Seasonal workers are also included



Strong connection between stakeholders is the result of good interaction

Joint understanding between stakeholders creates a strong foundation for the company's smooth operations and joint value creation. Therefore, we are developing our operations further through stakeholder analysis by identifying external and internal stakeholders that have a view of the operations of our company.

Stakeholder analysis

In November 2022, we conducted an extensive stakeholder survey to collect feedback on our operations from various stakeholders. The survey was sent to end product customers, suppliers of goods and services, slaughterhouses and raw material suppliers, R&D partners, neighbours and logistics partners. We received a total of 49 responses. We value feedback from external stakeholders. With the survey, we want to collect data on the experiences of external and internal stakeholders. This is a key tool in developing our operations. We collected feedback through a customer satisfaction survey, sending the link by e-mail in autumn 2022. The response rate of the customer satisfaction survey was 40.8%.

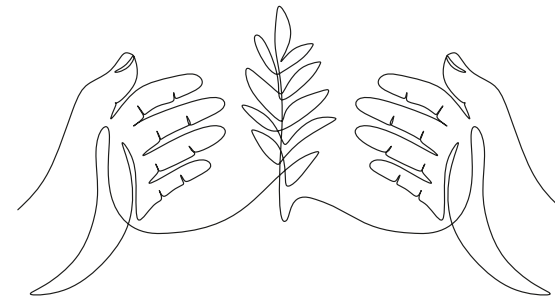


Materiality analysis

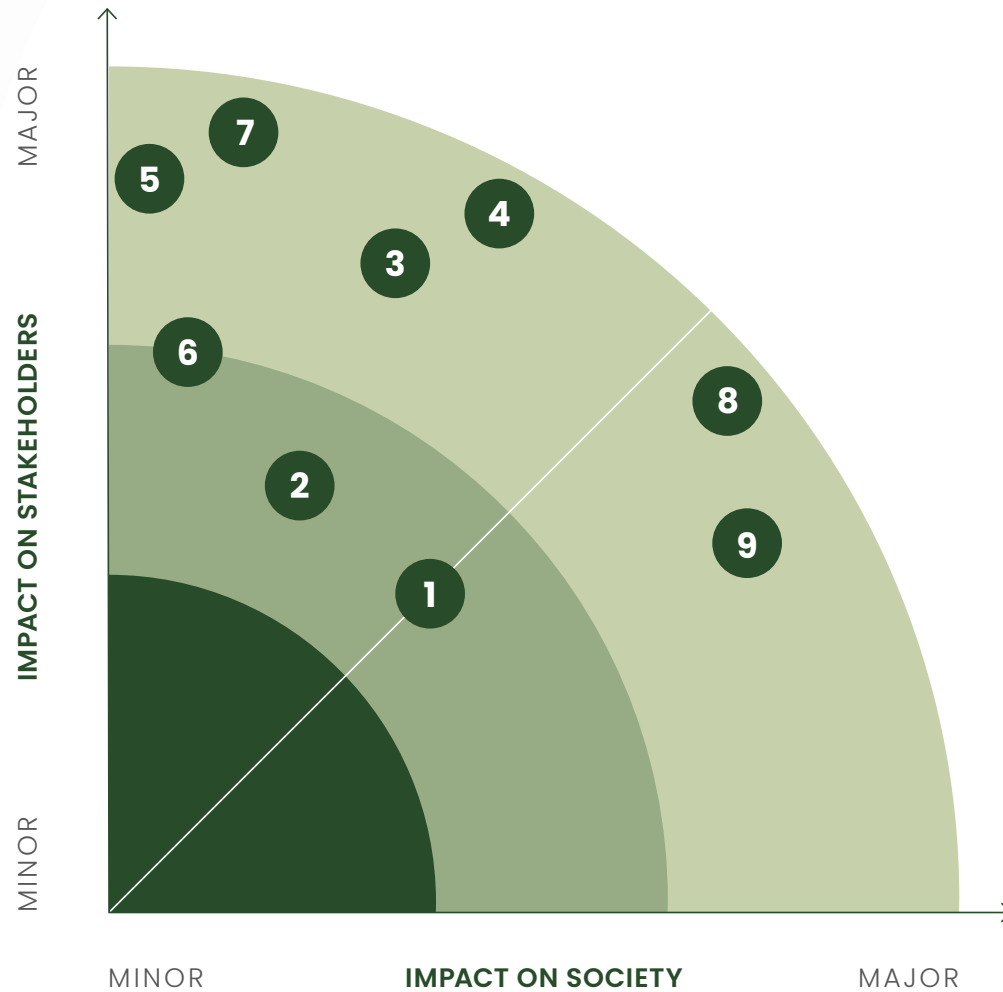
We have collected the feedback collected from stakeholders for the Materiality analysis. Our operations are guided by management systems that support the company's strategy in day-to-day operations. We want to make sure that our operations are goal-oriented and their results are monitored and measured, which are the basic prerequisites for the assessment and development of our operations. During the year, we have strengthened the managerial expertise in the Group towards a human approach, in which the goal is to reinforce the interaction and encounters between supervisors and employees. We have identified the importance of management methods and changes to well-being at work and want to continue investing in these factors in the Group. We monitor the success of interaction through regular personnel surveys. In addition, we have adopted department meeting that aim to promote a workplace culture in which the employer and employees together build and develop the company's functionality and well-being, taking the strategy into consideration.

We conducted an extensive stakeholder survey in November 2022. A survey covering all employees was conducted in October 2022. The surveys were conducted as a SWOT survey. In the responses, we found out factors with which the stakeholders were satisfied and that we had succeeded in. In addition, the responses indicate matters that the Group will focus on during the next year and where there is room for improvement. The survey was sent out to all stakeholders mentioned in the table (Page 29).

The survey focused only on partners with whom we have been cooperating during the reporting year. The stakeholder survey revealed a need for sufficient contact and interaction. The Group's customer service work was considered smooth and professional as a rule, but some respondents felt that we could improve when it comes to processing problematic situations in particular. The responses of internal stakeholders highlighted the clarity of job descriptions, meaningful duties and experience of work flexibility. Honkajoki Ltd is part of the state's security of supply chain, and therefore a sufficient processing capacity is important to the many stakeholders. Financial performance emerges as an important factor in the responses of internal stakeholders in particular. A strong financial position safeguards the continuation and development of operations.



MATERIALITY ANALYSIS



1. Sufficient contact with customers
2. Smooth and professional customer service work
3. Processing of problematic situations
4. Remuneration and fringe benefits
5. Clarity of job descriptions
6. Meaningful duties
7. Freedom to work independent of time and place
8. Adequate processing capacity
9. Financial performance

Stakeholder	Interaction channels	Key topics in interaction
Employees, students and potential employees	Continuous dialogue with the personnel internally through several channels in accordance with the company's channel strategy. Regular personnel satisfaction survey, internal intranet news on topical events of the company, cooperation with educational institutions, recruitment events and recruitment processes.	Company's strategy, changes in the operating environment, investments, factors and guidelines connected to employee well-being, occupational safety, occupational safety observations, career development and possible training
Shareholders	Regular contact by the company's management electronically and through general meetings and other meetings.	Profitability analysis, investments, financing, strategy, changes in the operating environment
End product customers	Continuous contact with customers by telephone and e-mail. Regular customer satisfaction surveys. Up-to-date communication through websites and social media.	New products, product characteristics, pricing, deliveries, producer responsibility
Suppliers of goods and services	Maintaining interaction with key partners and, if necessary, seeking new partners from different forums, e.g. fairs and cooperation forums.	Operational development and cooperation projects
Slaughterhouses and raw material suppliers	We maintain continuous contact with contractual suppliers, arrange meetings.	Joint development of cooperation and productivity, compliance, quality factors and quality control
R&D partners	We actively cooperate with various research and educational institutions. The dialogue is regular, and we also seek ways of cooperating with different parties in joint projects.	Student offering, commenting on study modules and expert lectures, joint projects and development
Neighbours	Discussions and electronic messages.	Joint development matters and cooperation concerning the area
Logistics partners	Continuous contact with contractual partners and taking care of topical matters by telephone, electronically and through meetings.	Logistics chain management, critical path monitoring, quality factors and requirements
Authorities and decision-makers	Continuous cooperation with the supervisory authority and requirements of the legislation concerning the industry	Permit-related matters, monitoring of legislation, biosafety, promotion of exports, export documents, product safety

Customer satisfaction

Our Net Promoter Score (NPS)[®] from external stakeholders was 59. The entire Group's Net Promoter Score (NPS) was good compared to industrial operators. In 2020, it was 53, in 2021 it was 55 and now 59. It is going in the right direction, and we will ensure that we will take sufficient measures and maintain an excellent level based on the feedback received.

NET PROMOTER SCORE (NPS[®])



Employee satisfaction

The response rate of the personnel satisfaction survey was 52%. We revised the previous, more conventional personnel survey and switched to a model that takes into account factors defined as meaningful by the employees themselves and their realisation at the workplace.

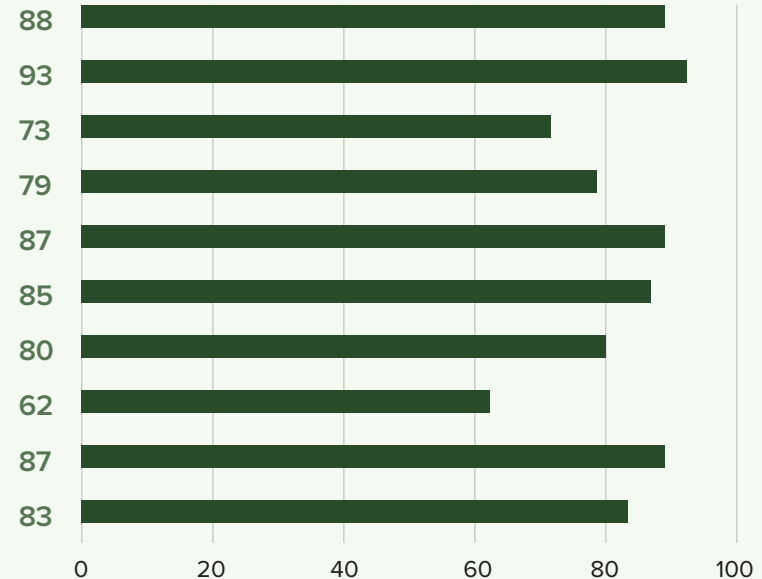
NET PROMOTER SCORE (eNPS®)



The TOP 10 meaningful matters to our employees were:

1. Job security and continuity
2. Work-life balance
3. Fair pay and fringe benefits
4. Meaningful duties
5. A working environment in which employees can be themselves
6. Strong team spirit at the workplace
7. Freedom to work independent of time and place
8. Clarity of one's own job description
9. Possibility of making decisions independently
10. Organisation's growth and/or success

Realisation of the TOP 10 meaningful matters at the workplace:



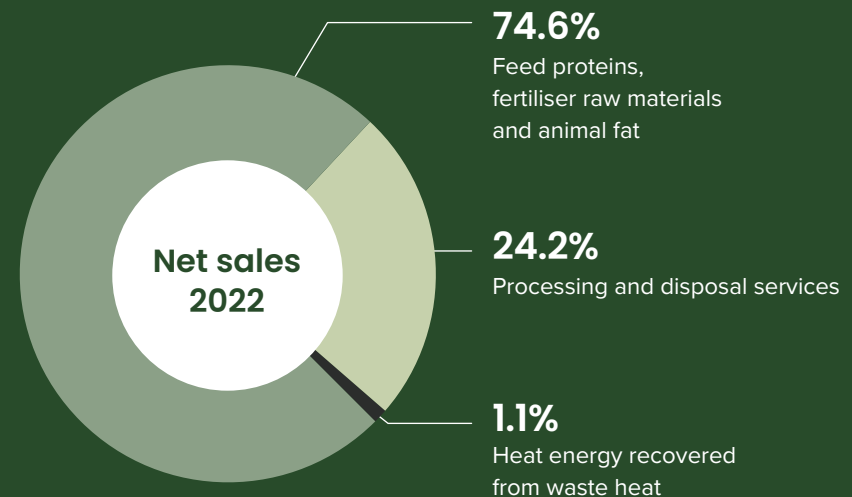
Financial responsibility

Strong growth in net sales continued

The amount of raw materials processed by the Honkajoki Group continued to grow in 2022, even though the consumption of meat has not increased in recent years.

The growth in the volume of by-products received by Honkajoki means that an increasing share of the by-products of meat production are processed effectively and ecologically for further use. The growth in the amount of raw material increased the Group's net sales, which also grew particularly due to the increase in market prices due to increased demand. The prices of feed proteins and fertiliser raw materials also increased globally.

The growth in production volumes and a favourable level of end product market prices also contributed to the Group's financial performance and solvency. An analysis of the financial statements for 2022 indicate a good or excellent level of operational profitability and the company's solvency and liquidity. Sufficient profitability and equity ratio secure Honkajoki's ability to invest in capacity increases and the manufacture of end products with higher added value.



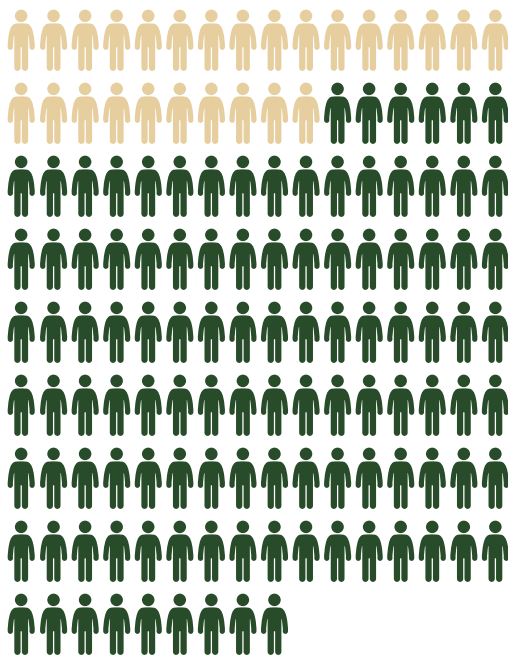
Sales of feed proteins, fertiliser raw materials and animal fat generated the majority, 74.6 per cent, of the Group's net sales. Fees for processing raw materials charged to the meat industry and cadaver collection from farms accounted for a total of 24.2 per cent of net sales. Sales of waste heat recovered from the production process, which is very important to energy efficiency, generated 1.1 per cent of net sales.

Key figures for 2022

GROUP'S EMPLOYEES

137

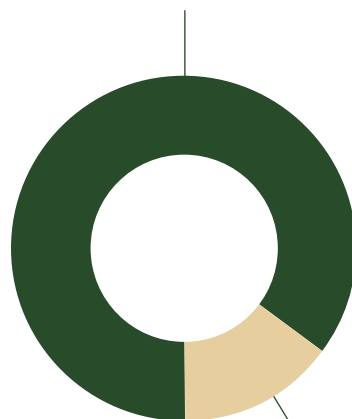
OF WHOM 26 WOMEN



NET SALES

66

MILLION EUROS



NET PROFIT

14.9

PER CENT

VOLUME OF RAW MATERIALS

203,044

TONNES



GROWTH IN THE VOLUME OF
RAW MATERIALS RECEIVED

1.8

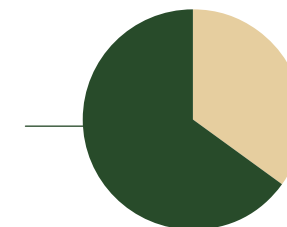
PER CENT



EQUITY RATIO

65.1

PER CENT



Associations and organisations in which the Honkajoki Group is involved.

- European Fat Processors and Renderers Association EFPRA
- Suomen Yritysvastuuverkosto FIBS ry
- East Cham Finland ry
- Elintarviketeollisuusliitto ry
- Satakunnan Kauppakamari
- Biolaitosyhdistys ry
- Suomen Maataloustieteellinen Seura ry
- World Energy Council Finland ry
- Suomen Yrittäjät ry
- PSK Standardointi ry



Financial key figures for 2022



Sales and products

The demand for products remained high in 2022. Domestic demand for meals remained strong in the pet and organic fertiliser sectors. Exports of porcine protein meal to Russia ended due to changes in the world situation. On the other hand, revised EU legislation facilitated new markets for porcine protein meal in Europe. The changed EU legislation re-allowed the use of porcine meal and fat in poultry feeds and the use of poultry meal, fat and feather meal in pig feeds starting in late 2021. Thanks to the legislative reform, using porcine protein meal in poultry feeds can be used to replace imported soy and organo-mineral phosphorus. Poultry meal was still primarily used as a key nutritional ingredient for pet foods. Category 2 meat and bone meal was mostly used as raw material for fertiliser suitable for organic production (62%) beside as a feed ingredient for fur animals.

Honkajoki Ltd invested in a blood meal line that started operations in summer 2022. Blood meal can be used as a fertiliser or as an ingredient in fish feed or pet food. Preparations for the new turkey meal line and feather meal plant to be opened the following year progressed well during 2022. Sales of turkey meal commenced in early 2023. Turkey meal is sold to the pet food industry, whose consumers are interested in new raw material bases. The upcoming feather meal will be offered to the fish feed and pet food sectors in particular. The advantages of feather meal are its high protein content and low phosphorus content, which are of particular importance in fish feeds production, for example.

Due to high demand, prices have continued to increase in different markets to better match the increase in production costs. Fat prices were high, especially in the spring, but they decreased slightly compared to the previous year.

Products in 2022







- Poultry protein meal
- Porcine protein meal
- Blood meal
- Custom products in terms of for example requested additives
- Cat1 and Cat2 meat and bone meal
- Poultry fat
- Cat1, Cat2 and Cat3 fat

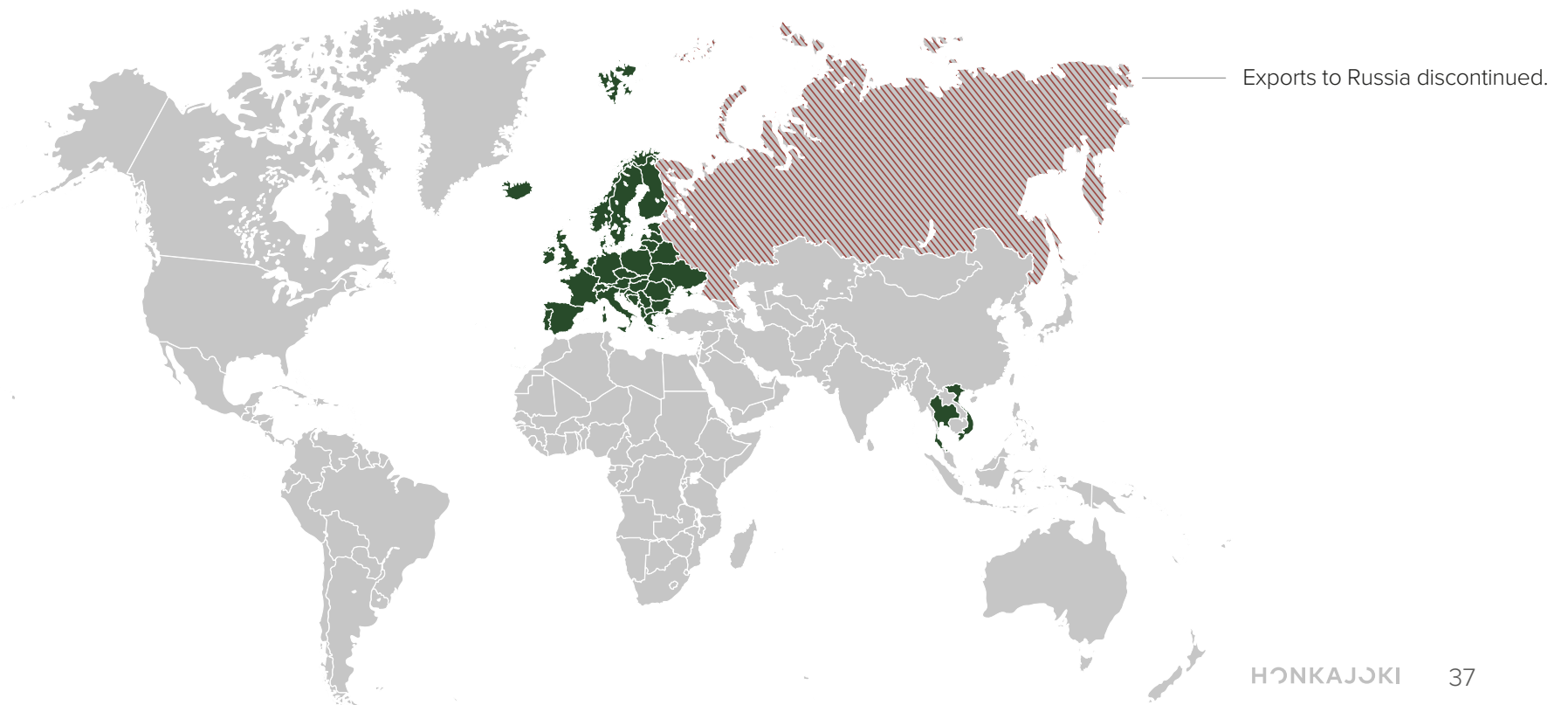
During 2022, we carried out preparations for the following products that will be launched in 2023.

- Turkey meal
- Feather meal



No product recalls were made during the reporting period. One batch of fat was reallocated from a pet food producer to a biofuel producer. The quality criteria for the batch in question were met, but the reallocation was a precautionary measure based on a sensory assessment.

CAT1	CAT2	CAT3
 <p>MEAT BONE MEAL Burnt for energy</p> <p>Finland 50% EU exports 50%</p>	 <p>MEAT BONE MEAL Circular raw material for organic fertiliser and fur animal feed</p>	 <p>PROTEIN MEAL Circular raw material for pet food and farm animal feed</p>
	<p>Finland 50% EU exports 39% Other countries 11%</p>	
 <p>FAT Sold as raw material for biofuel</p> <p>EU exports 100%</p>	 <p>FAT Sold as raw material for biofuel</p>	 <p>FAT Raw material for biofuel or feed fat for the pet food industry</p>
	<p>Finland 90% EU exports 10%</p>	



Reporting

This sustainability report was drawn up in compliance with the Global Reporting Initiative standards and the UN's Sustainable Development Goals. The Group's previous corporate responsibility report was published on 27 May 2022, and was prepared at the Core level. There are no significant changes in the scope of the report compared to the 2022 report. The results have not been externally verified.

With this sustainability report, we want to tell our stakeholders how we respond to the issues that they feel are of interest and things to think about in regard to our business. At the same time, we want to take part in the public debate on the state and development of meat production and its environmental impact.

The data has been collected from companies belonging to the Honkajoki Group. The reporting period was 1 January–31 December 2022. We are committed to reporting on our Group's sustainability and to annually setting and monitoring targets for measures to promote sustainability.



GRI content index

GRI 102: GENERAL DISCLOSURES

page

1. Name of the organisation		
102-1	Name of the organisation	1, 8
102-2	Brands, products and services	8, 10, 36
102-3	Location of headquarters	8, 17
102-4	Location of functions	8, 17
102-5	Ownership and legal form	8
102-6	Markets served	36, 37
102-7	Scale of organisation	33
102-8	Information on employees & other workers	25, 33
102-9	Supply chain	8, 10, 17
102-10	Significant changes to the organisation and its supply chain	4, 6–7
102-11	Precautionary principle or approach	10, 16
102-12	External principles or initiatives adopted or promoted by the organisation	12, 18
102-13	Membership in organisations and advocacy organisations	34

2. Strategy

102-14	CEO's review	6–7
--------	--------------	-----

3. Ethics

102-16	Values and operating principles	9
--------	---------------------------------	---

4. Administration

102-18	Governance structure	15
--------	----------------------	----

5. Stakeholders

102-40	List of stakeholders groups	29
102-41	Employees covered by collective bargaining agreements	18, 24
102-42	Stakeholder identification and selection criteria	26, 27
102-43	Approach to stakeholder engagement	26, 27, 29
102-44	Key topics and concerns raised by stakeholders	27–29, 31

6. Method of reporting

102-45	Entities included in the consolidated financial statements, Honkajoki Group	8
102-46	Defining the content of the report	27, 28, 38
102-47	List of material topics	27, 28
102-48	Restatements of information	38
102-49	Significant changes in the list of material topics and topic boundaries	38
102-50	Reporting period	38
102-51	Date of the most recent report	38
102-52	Reporting cycle	38
102-53	Contact point for questions regarding the report	4
102-54	Claims of reporting in accordance with the GRI standards	38
102-55	GRI content index	39–42
102-56	External assurance	38

GRI 103: MANAGEMENT APPROACH

103-1	Explanation of the material topic and its boundaries	27, 28
103-2	Description of the management approach and its components	27, 28, 38
103-3	Evaluation of the management approach	27–29, 38

GRI 200: ECONOMY

GRI 201: ECONOMIC PERFORMANCE

201-1	Direct economic value generated and distributed	35
201-4	Financial assistance received from the government	35

GRI 205: ANTI-CORRUPTION

205-3	Confirmed incidents of corruption and actions taken	12
-------	---	----

GRI 300: ENVIRONMENTAL RESPONSIBILITY

GRI 301: MATERIALS

301-1	Materials used	17, 33
301-3	Reclaimed materials	36

GRI 302: ENERGY

302-1	Energy consumption	20–23
-------	--------------------	-------

GRI 303: WATER AND WASTEWATER (REPORTED IN ACCORDANCE WITH THE 2018 VERSION)

303-1	Interaction with water resources	20, 22
303-3	Water withdrawal	20, 22

GRI 305: EMISSIONS

305-1	Direct CO ₂ emissions (scope 1)	19
305-2	Indirect CO ₂ emissions (scope 2)	19
305-3	Other indirect CO ₂ emissions (scope 3)	19

GRI 306: WASTE (REPORTED IN ACCORDANCE WITH THE 2020 VERSION)

306-2	Management of significant environmental impacts of waste	16, 21, 23
306-3	Waste generated	19, 21
306-4	Wastes diverted from disposal	19, 21
306-5	Wastes directed to disposal	19, 21

GRI 400: SOCIAL RESPONSIBILITY

GRI 403: OCCUPATIONAL HEALTH AND SAFETY (REPORTED IN ACCORDANCE WITH THE 2018 VERSION)

403-1	Occupational health and safety management systems	16, 24–25
403-9	Work-related injuries	24–25

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

405-1	Diversity of governance bodies and employees	15, 25, 33
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GRI 406: NON-DISCRIMINATION

406-1	Incidents of discrimination and corrective actions taken	24
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