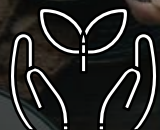


Sustainability





Sustainability at the heart of everything we do

From incorporation, Marel has been fully committed to protecting our planet and preserving its resources.

We embrace our role as a critical infrastructure company in the global food industry, sustaining one of the most important value chains.

We support social development and ensure food safety, security and sustainability, thereby creating value and promoting economic growth.

To us, that is the true meaning of success.

Foreword

2021 the year in review



Thorsteinn Kári Jónsson
Director of Sustainability
and Community Engagement

From day one, Marel's mission has been to support the food industry on its journey towards sustainable food production. We are very aware that we have an important role to play when it comes to treating valuable resources in a responsible way. We embrace our role as a critical infrastructure company in the global food industry, as a leader as well as a role model.

Marel works with a number of stakeholders that are united in their passion for transforming the way food is processed. To meet their needs, as well as the needs of our future generation for sustainable and affordable food, a clear path with strong actions needs to be laid out, to ensure we all move towards a common goal and a better future for all. We work hard on our commitments towards ensuring food safety and security, environmental responsibility and social development, which contribute to continuous value creation and promote healthy economic growth.

2021 was a year of ongoing turbulence and radical improvements when it comes to sustainability and reporting in particular. During the course of the year Marel started its climate-related disclosure journey, implemented a more robust governance structure around sustainability related issues, committed to setting a science-based target and announced our first medium-term sustainability program, fully in line with our 2026 growth plan. During the year we incorporated ESG into the short-term incentive plans for management remuneration.

In a world where the need for sustainable development is becoming a necessity rather than a nice-to-have, food processors need innovative solutions that meet the needs of present generations without compromising the future of upcoming generations. The food industry faces many global challenges, including climate change, diet-related diseases, water scarcity, lack of food traceability, and food safety risks, to name a few.

In partnership with our customers, we have a real opportunity to make a lasting impact on the food industry by embedding sustainability in every move we make. We do this by supporting our customers with minimizing their resource use and carbon emissions while improving their operational efficiency, safety, and consistency. By ensuring all new innovations embed material sustainability enhancements using our one-of-a-kind sustainability innovation scorecard we continuously advance the industry towards more resilience and improved efficiency, not only for the societies we operate in but also for the environment we want to operate in, in the future.

Marel is committed to paving the way for a more sustainable future. With our 7,000+ employees in more than 30 countries we look forward to embracing the challenges and opportunities ahead together with our customers, suppliers and broader stakeholders.

Sustainability at Marel

Marel is guided by three pillars of responsibility: social, environmental and economic. Each is equally important and guides our decision-making processes at all levels.

Corporate governance

- We are committed to recognize general principles aimed at ensuring good corporate governance.
- Our corporate governance consists of a framework of principles and rules, including its Articles of Association and the Guidelines on Corporate Governance issued by the Iceland Chamber of Commerce, Nasdaq Iceland and the Confederation of Icelandic Employers.

[Read more](#) →

Social responsibility

- We take care of our people, our partners and our customers.
- We provide a safe and respectful workplace that fosters diversity and inclusion. Our employees have opportunities for further education and career development.
- As a global company, we reach out to communities where we operate to seek local insights and collaboration. Together, we forge the best solutions to benefit everyone.
- We do not tolerate human rights violations.

[Read more](#) →

Environmental responsibility

- Throughout our value chain, we promote the most efficient use of resources to minimize environmental impact. Innovation is at the core of this strategy. We are passionate about creating new methods to improve yields and decrease waste in food production.
- As the leading global supplier of high-tech food processing solutions, our advancements can add up to tremendous gains in sustainability.
- We reduce the use of scarce resources such as energy and water, while promoting animal welfare, food safety and traceability.

[Read more](#) →

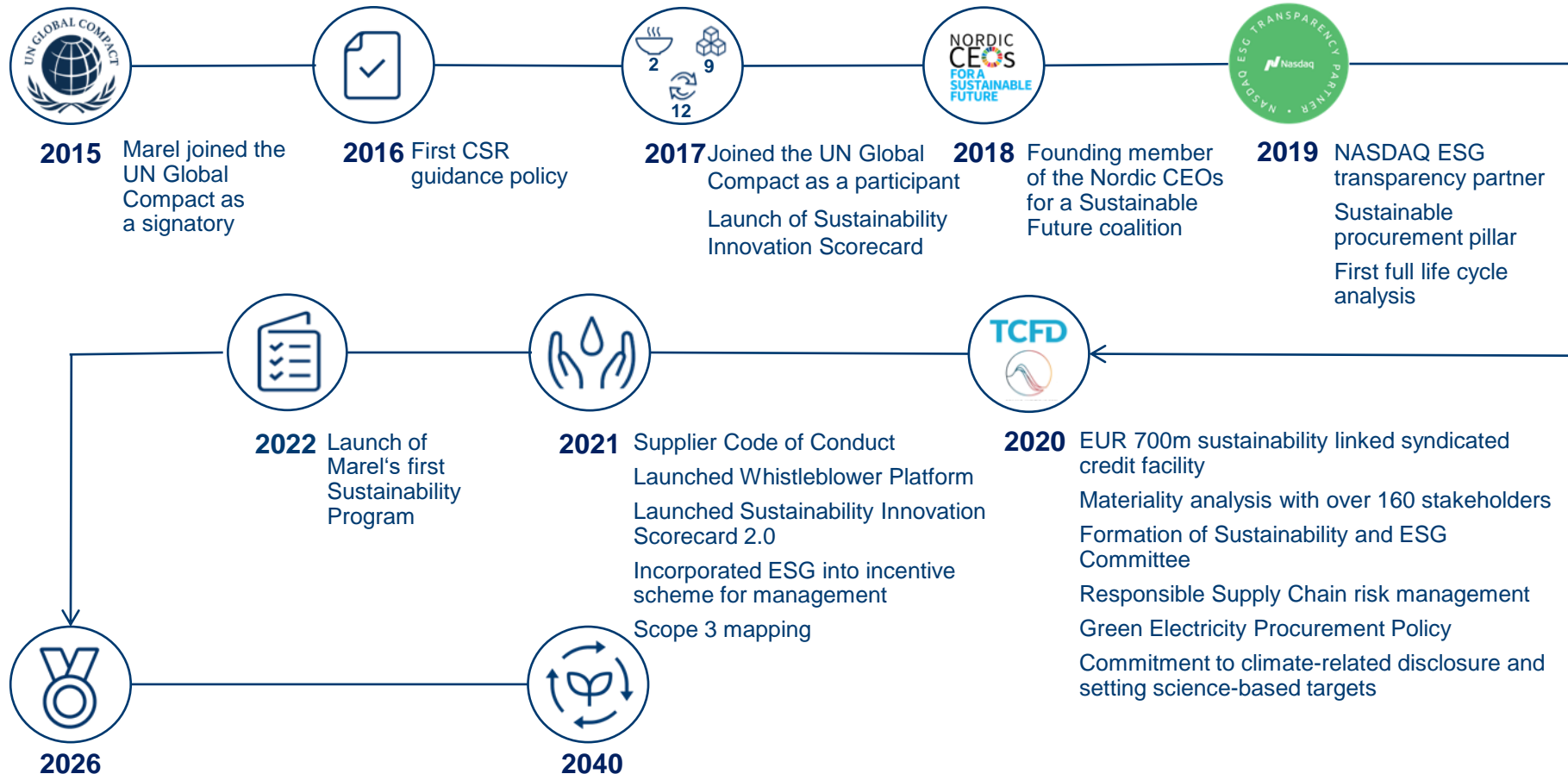
Economic responsibility

- Our mission is to generate value for our partners and shareholders through fair trade practices. We promote long-term profitability and good business practices along our entire value chain.
- Transparency, innovation and collaboration are key. We comply with international laws, anti-corruption rules and local regulations, and encourage our partners, customers and suppliers to do so too.
- We believe that all parties should aim for having a positive economic impact in the societies in which they operate.

[Read more](#) →

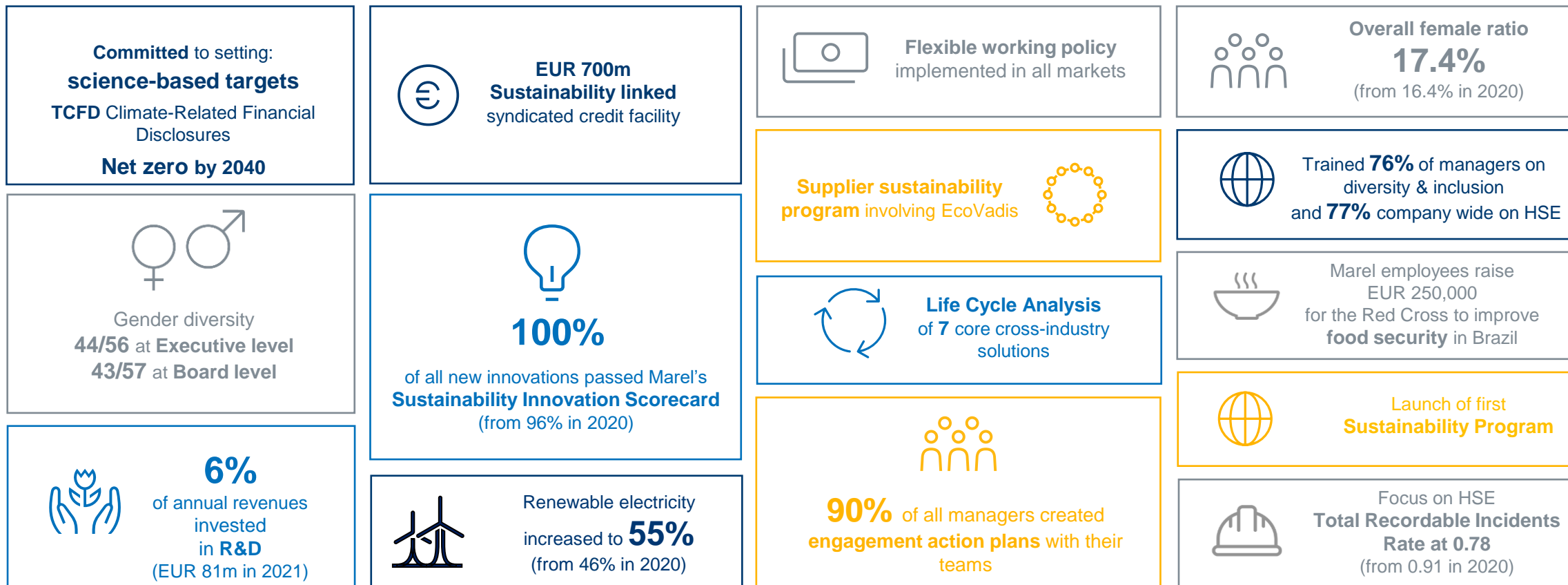
**Marel has committed to become
net zero by 2040**

Marel is setting leading standards in the food processing industry for its customers, suppliers, employees and retail consumers



Marel has steadily been improving its ESG profile since 2015. Working toward becoming a part of the solution.

2021 ESG highlights



Marel's carbon footprint

Continued focus on responsible supply chain management, procurement and purposeful travel enabled us to preserve CO₂ reductions achieved in 2020 for 2021, while Marel grew by 10% in revenues

GHG emissions*

In tCO ₂ e	2021	2020	Δ YoY
Scope 1: direct GHG emissions	7,563	6,041	25%
Scope 2: indirect (market-based)	7,328	9,371	-22%
Scope 2: indirect (location-based)	8,755	8,887	-1%
Scope 3: other indirect emissions	3,738	3,717	1%
Total tCO ₂ e	18,629	19,129	-3%**

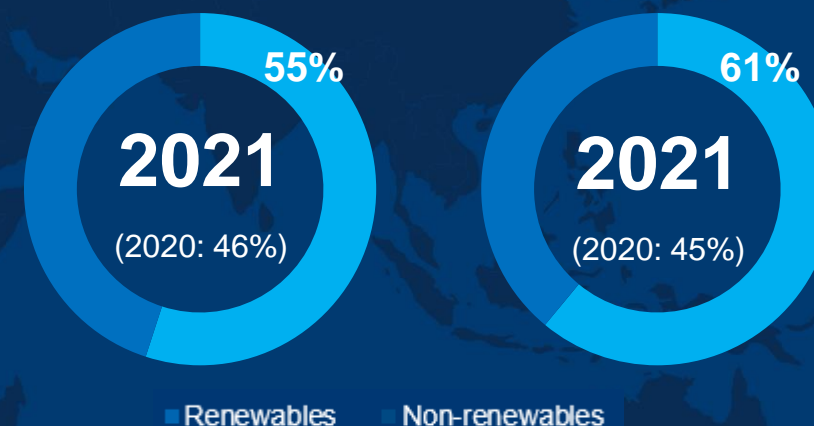
Carbon emission intensity*

	2021	2020	Δ YoY
Kg CO ₂ e per average FTE	2,636	3,007	-12%
Kg CO ₂ e per EUR 1,000 of revenues	13.8	15.7	-12%

Share of renewable electricity

All Marel locations

Manufacturing facilities only



Notes: *Please see the [ESG Explanatory Note on 2020 restatements and Nasdaq ESG metrics](#) for further details. **Excluding TREIF in 2021 total carbon emissions would have reduced by 7%.
2021 ESG Report

First sustainability program

Our medium-term sustainability program complements Marel’s long-term climate ambitions as we set a science-based target in 2022 in line with the Paris Agreement

Environmental targets	Social targets	Governance targets	Marel’s long-term commitment to a sustainable future
<p>Reduce carbon emissions¹ by 20% by 2026</p>	<p>Gender diversity in management levels L1-L3 > 25%</p>	<p>Increase proportion of ESG incentivized pay throughout the organization</p>	<ul style="list-style-type: none"> Setting long-term science-based targets Becoming net zero by 2040 Focused on supporting three UN Sustainable Development Goals:
<p>Increase recycling of waste to 90% by 2026</p>	<p>All managers create annual engagement improvement action plans with their teams²</p>	<p>Continuously improve supply chain sustainability³</p>	
<p>Powering >85% manufacturing facilities on renewable electricity by 2026</p>	<p>Total recordable incident rate < 0.5</p>	<p>All new innovations need to improve at least one sustainability aspect</p>	



Notes: ¹ Includes Scope 1, Scope 2 and business air travel from Scope 3 emission intensity. Environmental targets are set against base year 2019. ² As measured by Gallup. ³ As measured by EcoVadis. 2021 ESG Report

UN Sustainable Development Goals

Marel focuses on supporting three UN Sustainable Development Goals



2 ZERO HUNGER
End hunger, achieve food security and improved nutrition & promote sustainable agriculture



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns

Key Indicators

2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations including infants, to safe, nutritious and sufficient food all year round

2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters, and that progressively improve land and soil quality

9.2 Promote inclusive and sustainable industrialization, and by 2030 raise significantly industry's share of employment and GDP in line with national circumstances, and double its share in least developed countries

9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities

12.2 By 2030, achieve sustainable management and efficient use of natural resources

12.3 By 2030, halve per capita global food waste at the retail and consumer level, and reduce food losses along production and supply chains including post-harvest losses

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse

Benefiting people, the planet, and our operations

Innovation is the primary way how we make an impact and meaningfully contribute toward the UN Sustainable Development Goals

Innovation investment

**R&D
commitment of**

~6%

of revenues annual
(EUR 81m in 2021)

Knowledge sharing

One aspect of Marel's social responsibility is to engage actively and systematically with the local communities and stakeholders where we operate by seeking local participation and sharing of insights.

Marel is investing in these locations for the long-term. This is good for business and helps to **spur innovation, capacity building, and know-how** in the industry as well as among Marel's current and future workforce.

Partnerships

Marel is a founding member of the **Nordic CEOs for a sustainable future** coalition, created to inspire cooperative action towards the UN SDGs and the Paris Agreement in the Nordics

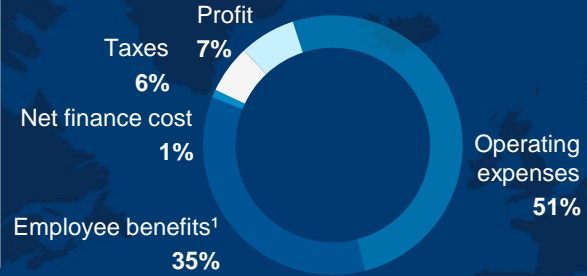
25 science & technology partners to develop breakthrough solutions in sustainable food production

Partnership with the **International Red Cross** in line with Marel's Global Charitable Giving and Social Participation Policy

Economic value generated in 2021 as measured by revenues in EUR

1.4bn

Economic value composition



6% of revenues invested annually in INNOVATION

81m

39 years

since foundation



Commitment to ESG / UN SDG



Compounded average revenue growth of

~21%

Per annum since listing in 1992

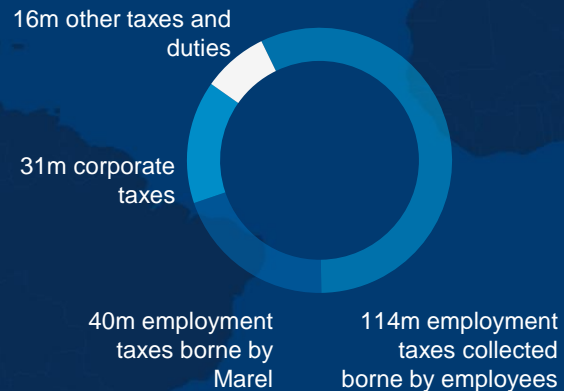
7,140

Average FTEs

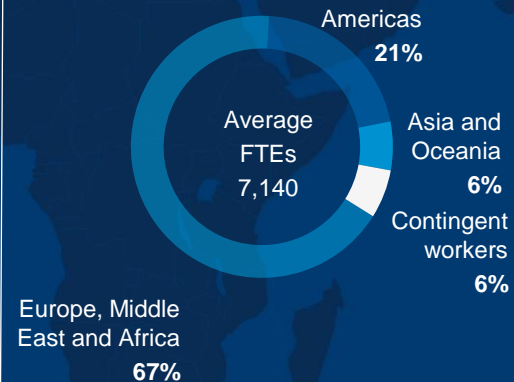
Tax footprint by Marel in 2021 in EUR

201m

Tax footprint by Marel in EUR



FTEs per geography



Notes: ¹ Marel did not make use of government support or rent discounts related to COVID-19 in 2021.
2021 ESG Report

Every step counts

One of the many ways we engage with the communities we operate in.

In 2021, Marel donated €250,000 to the International Red Cross who will use the funds to secure safe water and essential services for migrants in northern Brazil fleeing armed violence and instability in the region. The funds were raised through a company-wide challenge where Marel employees, customers and partners moved and collected kilometers, supporting healthier bodies and minds. Over 160,300 km were moved in four weeks, an equivalent of four laps around the globe.

The partnership with the Red Cross is in line with our focused approach to charitable activities and contribution to the UN sustainable development goals.

Marel's vision is of a world where quality food is produced sustainably and affordably.

Best-in-class sustainability governance structure

Responsible governance with the clear objective of ingraining ESG into all of Marel's business planning and operations



Guided by Marel's vision, values & policies
Our policies guide and govern how we conduct our operations, how we engage with customers and potential customers, how we work with colleagues, and how we work with society in general

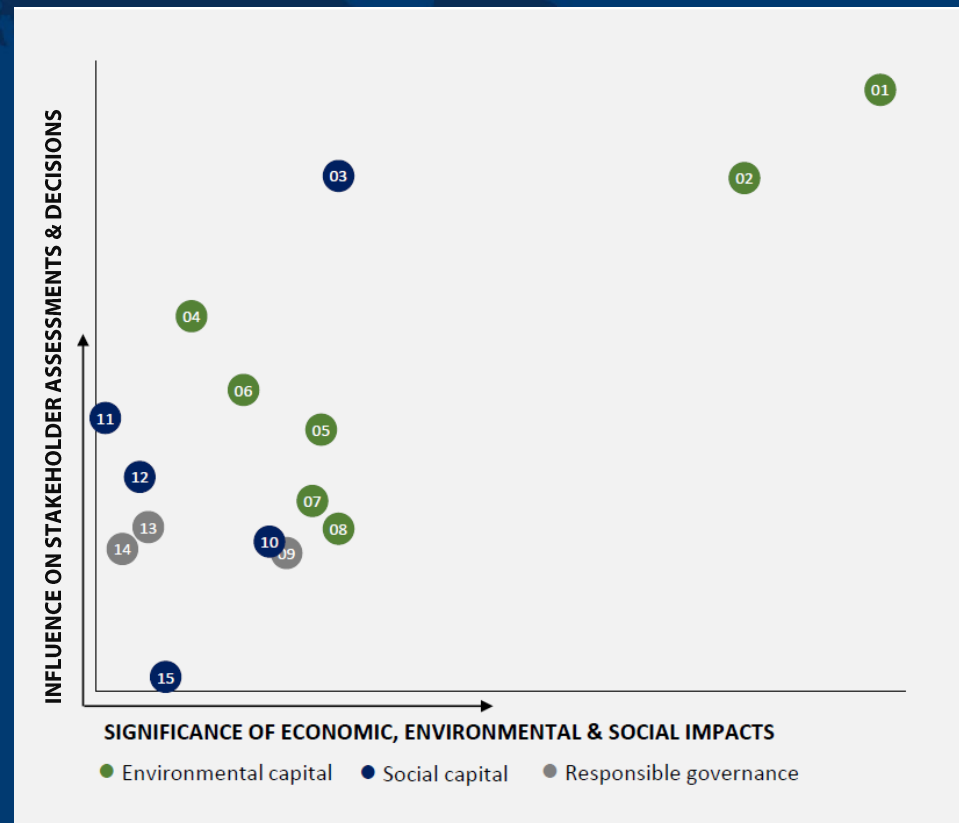
Update on Marel's TCFD journey

Marel has committed to integrating the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) into its 2021 climate-risk reporting

	2021 achievements	Short term priorities*	Longer term goals*
Governance	<ul style="list-style-type: none"> Internal awareness building at all levels ranging from half-yearly board strategy sessions, audit committee briefings, quarterly business review meetings with the Executive Team and global training sessions for ESG KPI owners 	<ul style="list-style-type: none"> Increase structural attention to climate related impacts within the Board of Directors including structured decision-making and follow up on identified climate issues Internal Audit to begin auditing non-financial disclosures 	<ul style="list-style-type: none"> Further integrate the impact of climate change in corporate governance and oversight
Strategy	<ul style="list-style-type: none"> Developed climate scenarios and performed first stress tests to assess potential business implications of climate-related risks and opportunities Started monitoring carbon dioxide emissions from product related purchased goods as well as assessed the emission impact of different transportation modes, to support Marel's journey in reducing emissions related to goods purchased Implemented processes for integrating ESG data from newly acquired companies 	<ul style="list-style-type: none"> Further assess potential business implications of climate related risks and opportunities on Marel's operations, testing the resilience of our business, by using climate scenario analysis 	<ul style="list-style-type: none"> Further integrate climate impact into Marel's strategy and operations by improving the view on climate risks and opportunities and aiming to minimize climate impact with the majority of Marel's equipment solutions
Risk management	<ul style="list-style-type: none"> Sustainability is one of five <u>risk categories</u> at Marel Identified and prioritized the most material risks and opportunities to future-proof Marel 	<ul style="list-style-type: none"> Establish climate risk into Marel's overall risk framework Continue initial analysis on climate related risk causes and opportunity triggers with the aim to externally disclose the most material ones 	<ul style="list-style-type: none"> Further integrate climate risk into the overall risk management framework
Metric & Targets	<ul style="list-style-type: none"> Launch of first Sustainability Program, including three environmental targets related to: carbon emissions, recycling of waste and use of renewable electricity Extended scope of the innovation scorecard to further elevate sustainability in new software and equipment developments 	<ul style="list-style-type: none"> Embed periodic reporting on material risks and opportunities Improve disclosure on our Scope 3 greenhouse gas emissions (GHG) and targets to reduce GHG Further improve Marel's innovation scorecard to further elevate sustainability in new developments 	<ul style="list-style-type: none"> Disclose and report on forward-looking climate related metrics, actual performance against goals

ESG materiality matrix

Top15 ESG topics based on a comprehensive stakeholder materiality analysis*



Rank	Material topics
01	Food waste reduction
02	Traceability & food safety
03	Animal wellbeing
04	Circular products & solutions
05	Environmental & safety impact
06	Emission, energy use & water
07	Sustainable protein
08	Sustainable innovation
09	Localized customer service
10	Responsible supply chain
11	Occupational health & safety
12	Talent attraction and retention
13	Flexibility & economic performance
14	Compliance & risk management
15	Diversity & inclusion

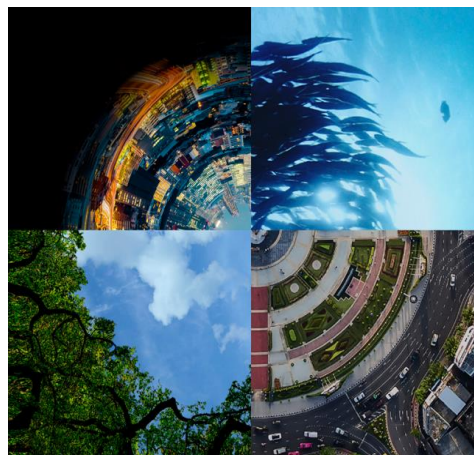
Notes: *Company information. Stakeholder materiality analysis conducted among more than 160 individual stakeholders in 2020. Conclusions on the top15 ESG topics is considered valid for 2021 and reflective of current materiality when it comes to the main ESG topics relevant for Marel (x-axis) and its stakeholders (y-axis).

Fully committed to corporate sustainability reporting

Marel's key stakeholders are increasingly interested in ESG data disclosure & transparency.



2021 Annual Report



Includes a detailed sustainability chapter and climate-related report, to be published in March 2022

CMD Sustainability session



[Online](#) →

2021 Nasdaq ESG metrics



[Online](#) →

Thank you
