

TRANSFORMING FOOD PROCESSING



2022 ESG Report

8 February 2022



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Foreword

2022 the year in review



Thorsteinn Kári Jónsson
Director of Sustainability
and Community Engagement

For 40 years, Marel has had a simple though ambitious mission, to transform the way food is processed. At Marel, we understand we have an important role to fulfill when it comes to supporting our customers in using valuable resources to feed the world. We are also aware that we ourselves have a leading responsibility for the change we want to see in our industry and in the markets where we operate.

In order to enable the transformation of the food industry towards becoming more sustainable, Marel needs to operate in unison with all key stakeholders. Our stakeholders are increasingly aware of the role they play in the sustainable development of the food value chain and Marel aims to engage and support them in order for the whole industry to move in the right direction. The common goal is to meet the needs of the current generation while simultaneously ensuring that future generations will have access to affordable food that is produced in a sustainable way, thereby creating value, prosperity and healthy economic growth.

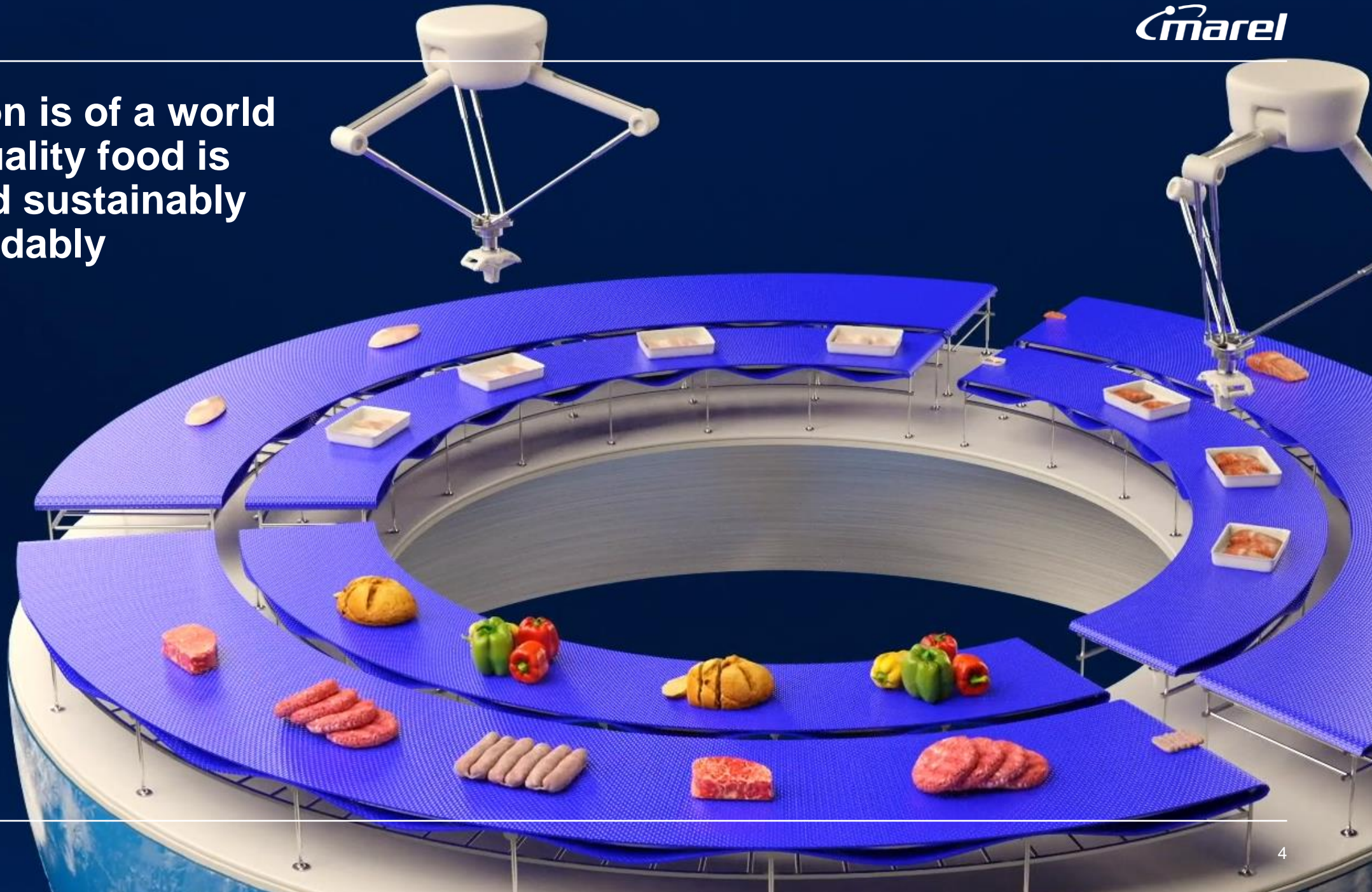
The last year was a year of changes in the world of sustainability and ESG. New reporting standards are no longer discussion points and have become a tangible reality. Demands for transparency and clarity when it comes to demonstrating the impact of businesses has never been greater and showing accountability in the entire supply chain has become a clear requirement from many stakeholders.

2022 brought Marel many accomplishments on the sustainability front with highlights including having our science-based climate targets validated, improving our climate risk- and opportunity analysis through our TCFD reporting, incentivizing even more employees based on ESG performance, launching our one-of-a-kind sustainability innovation scorecard 2.0 and starting to work on our ambitious 2026 Sustainability Program.

Marel's commitment to sustainability and ESG over the past years has provided a strong backbone for meeting the increased demands and expectations of our stakeholders in the last year. We see a number of opportunities arising in the next few years as upcoming regulations will generate more structure around ESG reporting, and the impressive sustainability plans from our customers come to fruition. Being able to further support our customers in understanding and realizing their environmental and social impact as well as sustainability related opportunities and risks is something Marel sees as an essential part of servicing the food industry in the future.

Pioneering new solutions around a more sustainable future in the food industry continues to be at the heart of Marel's operations and product development. With our 8,000+ employees in more than 30 countries, we are more than ready and look forward to embracing the challenges and opportunities ahead together with our customers, suppliers and broader stakeholders.

**Our vision is of a world
where quality food is
produced sustainably
and affordably**



Sustainability at Marel

Marel has been improving its sustainability impact from day one, with special emphasis on improving its environmental, social, and corporate governance (ESG) profile since 2015.

Working toward becoming a part of the solution, we are setting leading standards in the food processing industry for our customers, employees, shareholders, suppliers, strategic partners and consumers.

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 Marel's Articles of Association, Guidelines on Corporate Governance issued by the Iceland Chamber of Commerce, Nasdaq Iceland and the Confederation of Icelandic Employers and the Dutch Corporate Governance Code, as well as the applicable legislation concerning public companies and corporate practices.

[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. We come from a multitude of cultural, geographical, professional, and personal backgrounds, and we respect and encourage this diversity.
- 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](#)



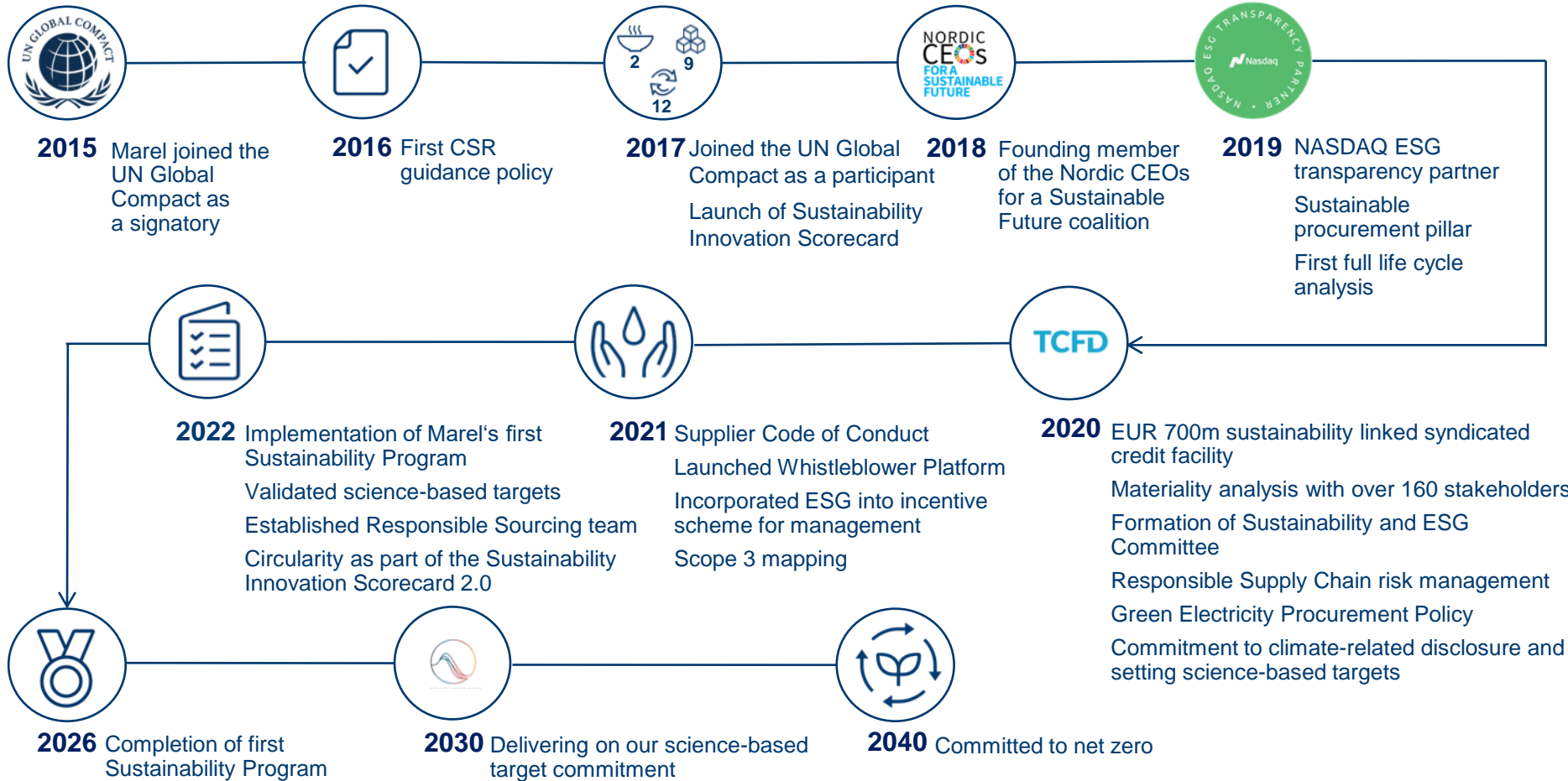
Economic responsibility

- 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 their society.

[Read more](#)



Marel is setting leading standards in the food processing industry



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

Sustainability at the core of innovation at Marel

Marel is committed to net zero emissions by 2040. Innovation drives increased sustainability and enables better ways of working across the equipment life cycle to help us reach this goal.

Digitalization

- Marel customers are able to access data-driven insights to optimize equipment performance, thereby minimizing wear and tear while improving operating performance
- Remote service and support capabilities improve customer interactions, enabling predictive maintenance and increased lifetime of solutions

New scorecard and LCAs

- Marel's sustainability scorecard enables our innovation team to address sustainability from all angles
- The scorecard also analyzes strengths and continuous improvement opportunities
- Life Cycle Analysis (LCA) measures the carbon footprint of production, assembly and shipping, and usage at the customer's site



Extended reality (XR) technology

- Marel designs, tests and adjusts developments with the use of XR including virtual and augmented reality, thereby bypassing the use of physical materials
- Virtual reality (VR) and augmented reality have transformed how Marel interacts with customers, reduces costs, and minimizes travelling
- VR demonstrations make remote installation, training and service interactions possible



Portfolio of processing solutions enriched in 2022

In 2022, Marel delivered several solutions focused on improving sustainability by increasing yield, improving performance and agility, and using less natural resources.

FleXicut Tres

Precision pinbone removal and flexible portioning.

- Optimized yield
- Accurate pinbone removal



I-Cut 56

The new and improved I-Cut 56 for the meat industry.

- Outstanding precision
- High-speed portion cutting



IMPAQT

Intelligence to analyze and optimize primary processing in poultry.

- Reveals real-time losses
- Identifies the cause



FilleXia

Automated tilapia filleting delivering consistency and accuracy.

- Minimum manual handling
- Improved food safety



More market-leading solutions driving sustainability for our customers.

I-CUT 122 with RoboBatcher

- Intelligent fillet batching
- Optimized yield
- Minimized waste



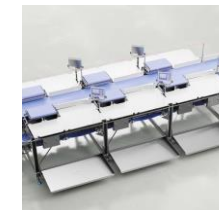
Atlas

- State of the art live bird handling system
- Reduces CO2 emissions by optimizing logistics
- Improves animal wellbeing and efficiency



Streamline

- Intelligent trimming concept
- Reduces product handling
- Improves throughput, yield and quality



Flexicut

- Improving yield and quality
- Saves time and increases efficiency
- Automatic pinbone removal



2022 ESG highlights

Marel accomplished many great things in 2022, including getting its science based targets validated as well as a substantial decrease in CO2 emissions and healthy implementation of first Sustainability Program

<p>Validated science-based targets</p>	<p>CO2 Emission Intensity per EUR Revenues Reduction 34% from base year 2019¹</p>	<p>Focus on Mental Health Guidance for Managers Team Conversation Toolkit Workplace Stress Risk Assessment</p>	<p>Female ratio in top 3 management levels 20.1% (from 19.8% in 2021)</p>
<p>Gender diversity 40/60 at Executive Board 43/57 at Board of Directors</p>	<p>100% of all new innovations passed Marel's Sustainability Innovation Scorecard</p>	<p>Supplier sustainability program involving EcoVadis</p>	<p>Trained 52% of employees on diversity & inclusion and 85% company wide on health and safety</p>
<p>5.7% of annual revenues invested in R&D (EUR 97.5m in 2022)</p>	<p>Renewable electricity increased to 71% (from 53% in 2021)</p>	<p>Life Cycle Analysis of 10 core cross-industry solutions</p>	<p>Marel donated EUR 250,000 to the International Committee of the Red Cross to provide humanitarian support in Ukraine</p>
		<p>91% of all managers created engagement action plans with their teams</p>	<p>Implementation of first Sustainability Program</p>
			<p>Focus on health and safety Total Recordable Incidents Rate at 0.67 (from 0.78 in 2021)</p>

Notes: 1 Sustainability program 2022-2026. Includes Scope 1, Scope 2 and business air travel from Scope 3 emission intensity from a 2019 base year.

Marel 2026 sustainability program

Marel 2026 sustainability program

In 2022 Marel started implementing its 2026 medium-term sustainability program.

The goal of the program is to ensure Marel’s ability to sustainably maintain resources and relationships with, and manage its dependencies and impacts within, its whole ecosystem over the short, medium and long term, while simultaneously harmonizing with its 2026 growth ambitions.

Environmental targets

20% carbon emissions¹ reduction by 2026

Increase waste recycling to 90% by 2026

Powering >85% manufacturing facilities on renewable electricity by 2026

Social targets

>25% gender diversity in management levels L1-L3

All managers create annual engagement improvement action plans with their teams²

<0.5 total recordable incident rate

Governance targets

Increase proportion of ESG incentivized pay throughout the organization

Continuously improve supply chain sustainability³

All new innovations need to improve at least one sustainability aspect

Marel’s commitment to a sustainable future

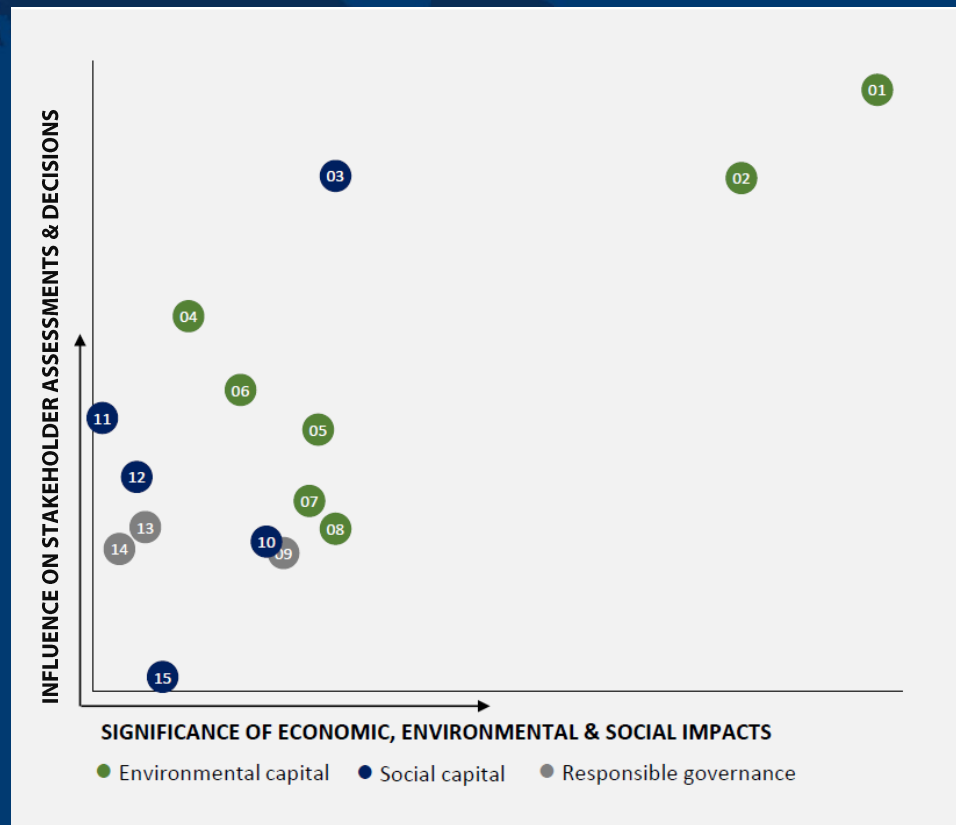
- Delivering on science-based target commitment by 2030
- Net zero emissions by 2040
- Focused on supporting three UN Sustainable Development Goals:



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.

ESG materiality matrix

Top15 ESG topics based on a comprehensive stakeholder materiality analysis¹.



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

Post-Covid, we expect to see a higher focus on climate change, supply chain disruptions, diversity & inclusion and talent retention & acquisition.

We aim to engage stakeholders in 2023 to understand the impact these issues may have. The results will be communicated alongside Marel's full-year 2023 Consolidated Financial Statements in February 2024.

Notes: ¹Company information. Stakeholder materiality analysis conducted among more than 160 individual stakeholders in 2020. Conclusions on the top15 ESG topics are still 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 and transparency.



Early Adopter
Enhanced Communication on Progress



2022 Sustainability disclosure



[2022 Sustainability Report](#)



[2022 Nasdaq ESG metrics](#)



[2022 TCFD Status Report](#)



[2022 ESG Explanatory Note](#)



[2022 Corporate Governance Statement](#)



Sustainability website



[Online](#)




Environmental Responsibility

Throughout the value chain, Marel encourages and promotes the most efficient use of resources to minimize environmental impact and prioritize environmental protection in food processing. Innovation is at the core of this strategy.

We're passionate about creating new methods to improve yields and decrease waste in food production. We reduce the use of scarce resources such as energy and water, while promoting animal welfare, food safety and traceability.

Measuring Marel's sustainability performance

	Environmental			
	Focused on	2026 target ¹	2030 target ²	2040 target
Reach net zero carbon emissions	20% carbon emissions ¹ reductions	Reduce absolute Scope 1 and 2 GHG emissions by 42% Reduce absolute Scope 3 GHG emissions by 25%	Net zero commitment (across the value chain)	Reduction of 34% vs 2019 baseline Absolute reduction of 12% vs 2021 baseline Full carbon emission Scope 3 GHG mapping Validated science-based target
Waste reduction	Increase waste recycling to 90%			Recycling of waste at 71%
Use of renewable electricity	Powering >85% manufacturing facilities on renewable electricity			Powering 81% of manufacturing facilities on renewable electricity (2021: 61%)

Notes: ¹ Sustainability program 2022-2026. Includes Scope 1, Scope 2 and business air travel from Scope 3 emission intensity from a 2019 base year. ² Validated science-based target, from a 2021 base year.

Marel's ambitious 2030 decarbonization target approved by SBTi

Setting a science-based target defines a path to future-proof Marel's growth, strengthening our competitive advantage while supporting our customers to be more sustainable.

Marel is committed to become [net zero by 2040](#) and has been [reporting on climate risk in accordance with TCFD guidelines](#) since 2021

Marel has validated¹ **science-based targets** committing to reduce:

absolute Scope 1 and 2 GHG emissions
42% by 2030 from a 2021 base year

absolute Scope 3 GHG emissions
25% by 2030 from a 2021 base year

[The Science Based Targets initiative](#) (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050.

Setting a science-based target is a defined path to future-proof Marel's growth, strengthening our competitive advantage while supporting our customers to be more sustainable. The food industry faces many global challenges, including climate change. Food processors require innovative solutions that meet the needs of present generations without compromising the future of coming generations.

Notes: ¹Validated by the Science Based Target initiative in November 2022. Detailed announcement can be found here [\[include press release link\]](#)

Marel's carbon footprint

GHG emissions ¹			
Emissions category (in tCO ₂ e)	2022	2021	Δ YoY in %
Scope 1: heat - natural gas	3,193	3,252	-2%
Scope 1: company cars	4,121	4,311	-4%
Scope 2: heat - district heating	260	267	-3%
Scope 2: electricity (market-based)	3,990	7,061	-43%
Scope 2: electricity (location-based)	7,333	8,487	-14%
Scope 3: waste	289	308	-6%
Scope 3: business travel by air	6,341	3,430	85%
Scope 3: purchased goods and services	81,014	109,529	-26%
Scope 3: use of sold products	294,244	317,534	-7%
Total tCO₂e	393,452	445,691	-12%

Carbon emission intensity			
	2022	2021	Δ YoY in %
tCO ₂ e per average FTE	51.1	63.0	-19%
tCO ₂ e per EUR 1,000 of revenues	0.25	0.33	-24%

Energy consumption			
In GWh	2022	2021	Δ YoY in %
Total energy consumption (scope 1+2)	62.61	73.18	-14%
Electricity consumption	30.26	35.56	-15%
There of from renewable energy	21.59	18.70	15%
There of from non-renewable energy	8.67	16.86	-49%
Natural gas	17.50	17.75	-1%
Heat – district heating	1.58	1.62	-2%
Fuel	13.27	18.25	-27%

Waste			
	2022	2021	Δ YoY in %
Total waste generated (in tonnes)	4,651.6	5,047.5	-8%
There of recycled	3,299.3	3,326.2	-1%
Reporting manufacturing sites covered	15	15	n/a

Water			
	2022	2021	Δ YoY in %
Total water consumption (in m³)	40,190	43,659	-8%
Reporting sites covered	15	15	n/a

Notes: ¹ Please see the [ESG Explanatory Note and Nasdaq ESG metrics](#) for further details. Greenhouse gas emissions were calculated using the IEA emission factors. Scope 3 for 2021 has been adjusted based on expanded scope 3 categories validated by the Science Based Targets initiative.

Creating a sustainable supply chain

Every decision we make from procurement to distribution can have a global impact.

Marel is committed to a responsible procurement strategy. This includes creating a sustainable supply chain for our own manufacturing locations and external supply base. Marel's sizeable procurement spending and our work with thousands of suppliers in our supply chain, mean we have a considerable positive impact.

Supplier engagement and due diligence are key to our sustainable procurement program. During 2022 we established a Responsible Sourcing team to strengthen our supplier engagement processes. We expect our key suppliers and development partners to be EcoVadis rated, and to work with Marel to define improvements that can be made to reduce greenhouse gas emissions from our products during production, use, and end-of-life.

We have insight in our purchased goods emissions and are investigating options with best-in-class suppliers to reduce emissions in categories like stainless steel.

A company's supply chain plays a critical role in its environmental, social, and governance journey.

In September 2022, we organized a supplier day at Marel in Slovakia to share our vision for growth and connect this vision with suppliers' development strategies. We ask all of our suppliers to join us on our journey.

[Read more](#) →



Climate risk and opportunity reporting

Marel's 2022 climate-related financial disclosures (TCFD) status update.

Marel committed to integrating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2020 and started its climate risk and opportunity reporting in 2021. As a founding member of the Nordic CEOs for a Sustainable Future, Marel supports the implementation of the recommendations by the TCFD.

Now in its second year, Marel has built greater awareness internally and among its stakeholders, to understand the impact of climate on the company, its operations, customers and the overall value chain.

Update on Marel's TCFD journey

Marel is committed to climate-related risk reporting in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

	2022 achievements	Short-term priorities	Longer-term goals
Governance	<ul style="list-style-type: none"> Increased internal awareness on climate related risks and opportunities throughout the organization, engaging with internal and external stakeholders. This includes half-yearly board strategy sessions, audit committee briefings, quarterly business review meetings with the Executive Board and global training sessions for ESG KPI owners. Close collaboration with Internal Audit on further aligning climate risk processes and non-financial disclosure 	<ul style="list-style-type: none"> Increased structural attention on climate related impacts within the Board of Directors including structured decision-making and follow up on identified climate issues 	<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"> Revisited climate scenarios and models used in 2021 to test for relevance and latest climate science recommendations Analyzed physical risks for the first time Further strengthened the process and ESG data quality by moving to an internal quarterly reporting process for ESG Fully mapped out all material categories under scope 3 	<ul style="list-style-type: none"> Further assess potential business implications of climate related risks and opportunities on Marel's operations Further align the findings and recommendations from climate related risks and opportunities with the business strategy and financial planning 	<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 Strengthened process around supplier engagement including environmental compliance supported by a new Responsible Sourcing team 	<ul style="list-style-type: none"> Integrate 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 2026 targets related to: carbon emissions, recycling of waste and the use of renewable electricity 2030 decarbonization near-term targets for scope 1, 2, and 3 approved by SBTi in November 2022 Extended scope of the innovation scorecard to further elevate sustainability in new product developments 	<ul style="list-style-type: none"> Embed periodic reporting on material risks and opportunities Improve disclosure on Marel's Scope 3 greenhouse gas emissions (GHG) and targets to reduce GHG Further improve Marel's innovation scorecard to elevate sustainability in new developments 	<ul style="list-style-type: none"> Disclose and report on forward-looking climate related metrics and actual performance against goals

Notes: Marel's 2022 climate-related report will be published alongside the 2022 ESG presentation on 8 February 2023 (add link).

Material opportunities and risks from climate change

Selected risk causes and opportunity triggers deemed most relevant for Marel

During 2021, an assessment exercise was conducted based on the long-list TCFD model whereby 25 risk causes and 17 opportunity triggers were examined in light of likelihood and impact. Those risk causes and opportunity triggers were then further assessed in a double heat map.

Transition risks include policy and legal risks, risks arising from changing demand, availability of resources, and shift in consumer preferences, among others. Marel has also identified certain physical acute and chronic risks from rising temperatures and impacts on marine ecosystems.

Potential financial impact both positive and negative cannot yet be fully assessed and is likely to be integrated into Marel’s day-to-day operations. Mitigating actions are being assessed and will be used going forward to align with Marel’s business strategy to minimize negative effects and maximize the opportunities, where possible from climate change on Marel’s operations.

Identifier	Primary climate-related risk driver	Time horizon ¹	Likelihood	Magnitude of impact		Likely potential financial impact
				1.5°C scenario	2.5°C scenario	
Policy and Legal (Transition risk)	Emerging regulations on limitation of greenhouse gas emissions	Short-term	Likely	High	Low	Increased operating/compliance costs
Market (Transition risk)	Increased cost of raw materials	Short-term	Likely	High	Medium	Reduced profitability
Chronic (Physical risk)	Rising temperature	Long-term	Likely	Low	High	Increased operating costs
Energy sources (Opportunity)	Use of new technologies	Medium-term	Very likely	High	Medium	Increased revenues and increased profits
Products and services (Opportunity)	Development of new products or services through R&D and innovation	Medium-term	Very likely	High	Medium	Increased revenues and increased profitability
Market (Opportunity)	Access to new markets	Medium-term	Likely	High	Medium	Higher revenues

Notes: Company information. ¹Short-term < 3yrs, Medium-term 3-10yrs, Long-term >10yrs. ²Potential financial impact both positive and negative cannot yet be fully assessed and is likely to be integrated into Marel’s day-to-day operations. Mitigating actions are being assessed and will be used going forward to align with Marel’s business strategy to minimize negative effects and maximize the opportunities, where possible from climate change on Marel’s operations.


Social Responsibility

Corporate social responsibility (CSR) is essential element of our company culture and we make commitment to being socially accountable to ourselves, employees, contractors, customers and visitors.

We provide a safe and respectful workplace that fosters diversity, inclusion and belonging. Our employees have opportunities for further education and career development.

We apply high standards at every level and do not tolerate human rights violations under any circumstances.

Measuring Marel's sustainability performance

	Social	
	Focused on	2026 target ¹
Diverse and inclusive culture	>25% gender diversity in management levels L1-L3	As of year-end 2022 females represent 20.1% of the top 3 management levels vs 2019 baseline of 19.5% Committed to implement parental leave for Marel employees globally in 2023 (4 months' pay for primary caregiver and 1 month for secondary caregiver)
Engaged teams	All managers create annual engagement improvement action plans with their teams ²	91% of all managers created engagement action plans with their teams (2021: 90%)
Health and safety	<0.5 total recordable incident rate	Total recordable incident rate at 0.67 (2021: 0.78)

Notes: ¹ Sustainability program 2022-2026. ² As measured by Gallup.
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Embedding Diversity and Inclusion

Since appointing our first Global Diversity and Inclusion (D&I) specialist in early 2021, a culture of inclusion is building within Marel.

To embed D&I in our company culture, it was decided to do more than offer simple training. Instead, almost 40 employees from all around the globe stepped forward and became D&I champions and complete a two-day workshop. We now have the foundation to implement and follow through with D&I initiatives supported by a diverse group of enthusiastic liaisons.

The first initiative is inviting all employees to a course on creating a culture of inclusion. This one-hour interactive talk is facilitated by Marel's D&I champions. The course is offered online and in person in 13 languages, demonstrating our dedication to inclusivity.

In addition to introducing the main themes of inclusive workplaces and pitfalls to watch, the course also gives employees an opportunity to anonymously share their feelings, ideas, and questions on the topic. This information is vital to our D&I work going forward.

Approximately 52% of Marel employees have taken part in the course by the end of 2022, and we aim to build on that number in the future.

We are proud to share that this initiative, led by Global D&I Specialist Charlotte Biering, attracted the attention of Diversify Nordics Summit, where Charlotte won the [Diversity's Trailblazer in the Blaze Inclusion Awards in 2022](#).

ZERO Harm

Make it personal



In Marel, we have a clear Health, Safety, and Environment (HSE) goal: zero harm to our health, people, and environment. That means taking care of ourselves, our colleagues, customers, communities, and the world around us.

Since launching the Zero Harm initiative in February 2021, we have launched activities to raise awareness of HSE within Marel. Among others, this includes training, guidance, and learning material for staying safe while working at customer sites and in field service.

HSE Performance explained

Points to note for 2022

- Total Reportable Injuries are being reduced year on year due to continued focus on root cause analysis and hazard reporting
- Near Miss events are reducing due to proactive activities and reporting
- Hazard Observations increasing year-on-year, allowing proactive action to be taken

HSE Statistics	2022	2021	Δ YoY in %
Number of accidents with fatalities or severe injuries	0	0	0%
Number of reportable accidents resulting in absence from work	34	35	-2.9%
Number of reportable accidents resulting in restricted work or medical treatment	19	21	-9.5%
Number of total recordable injuries (TRI)	53	56	-5.4%
Total recordable incidents rate (TRI based per 100 employees)	0.67	0.78	-14.1%
Number of accidents requiring first aid	194	193	0.5%
Number of total accidents	247	249	-0.8%
Number of near miss incidents	124	172	-27.9%
Number of environmental incidents	0	0	0%
Number of proactive hazard observations	4,515	3,527	28%

Notable improvement programs

- Field Service initiative including training, guidance, and learning material for safety on customer sites
- Three-minute animation published to inform all employees about our Journey to Zero Harm
- Safety Walks guides created to enable more productive HSE conversations between leaders and teams
- Team tools created to allow teams to focus on the life-saving rules that apply directly to them

Mental health was a particular focus for 2022. A manager guide and team toolkit has been created so managers and teams can identify the factors that contribute to mental health concerns.

Building our Employer Brand together

Feeling every person counts? Our people do

At Marel a global employer brand is important, supported by a strong employer value proposition to help attract and retain diverse world class talent. In 2021, the work on Marel's Employer Brand was initiated, which can be seen through all People & Culture processes and offerings. The employee is at the center of everything in Marel and the Employer Brand is intended to reflect that.

To create our Employer Branding promise, we put together focus groups with key stakeholders from across different geographies, business entities and functions. To ensure diversity, employees representing Marel in terms of age, nationality, gender, seniority, function, business units and regions was taken into account. The result is the Employer Brand promise, which reflects the fact that at Marel we have an international team of problem solvers, who feed off each other's drive for creating leading solutions and transforming the future of food. In over 30 different countries, we rise to the challenge together.

The promise was tested with 350+ employees within Marel, both through surveys and test of the narrative and taglines of the final concept. The new people vision guides interactions with employees, and the employee is always at the center.

In everything we do, we ask ourselves WHY and HOW it adds value to the employee. This is the framework for Employer Branding in People & Culture.



Launch of Marel Campus

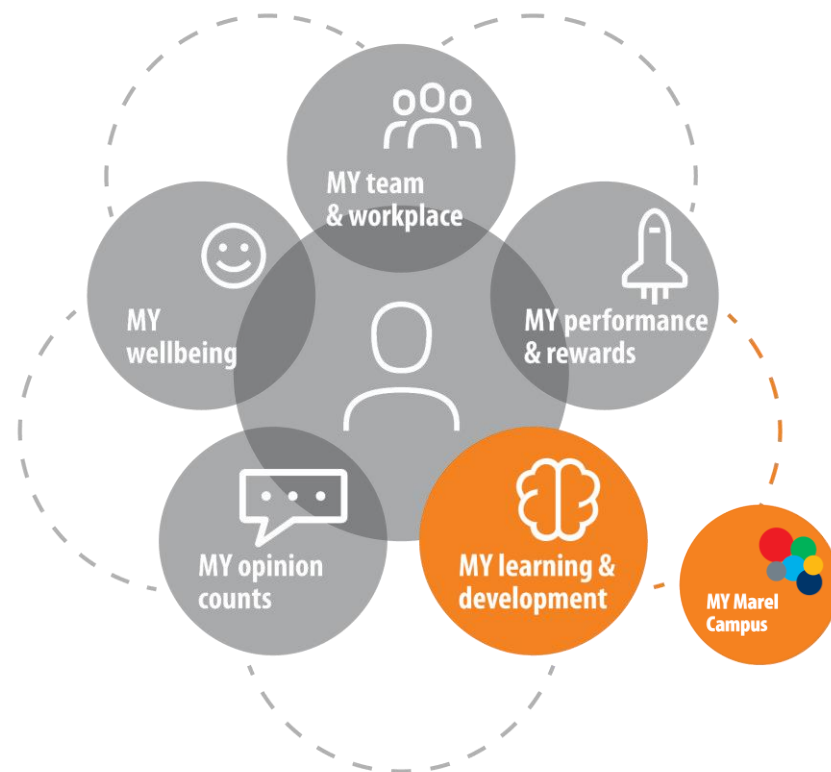
Today's skills won't meet tomorrow's needs.

As our industry rapidly evolves, the skill landscape in our company is changing as well. Employees need support to develop new and different skills. It is estimated that 30 % of the skills we use now will no longer be needed by 2026.

To prepare Marel's people for their current and future skills we launched the Marel Campus.

The Marel Campus is an inspiring place which provides access to all kinds of learning content and opportunities, such as technical courses, video and conference platforms and learning environments. It is the place to go to, to get the right knowledge, learn new skills and sharpen leadership.

Digital tools and platforms are brought together and increases access to learning for every Marel employee.



In the Marel Campus everyone has unlimited access to all kind of skill development. Everyone can learn whatever they want whenever they want. Next to this the manager can provide the employee with a more specific learning path. Learning paths are structured, skill based and easily scalable. This is to ensure the skilled preparedness of our people.

Learning is for everyone in our organization. This increases motivation and impact!

A quote of one of Marel's people:
"I love working at Marel because I know that my job is important and my ideas matter".
 (Adel Benedikt Sayari, assembler Marel Iceland)


We developed a roadmap 2022 – 2026 to work towards a high-tech ecosystem where Marel's people create the technologies and the business of tomorrow.

Responsible Governance

Responsible governance is set with a clear objective of ingraining environmental, social, and governance (ESG) guidelines into all of Marel's business planning and operations.

Throughout 2022 the company continued to increase internal awareness on ESG related risks and opportunities as well as performance management throughout the organization, engaging actively and in an organized way with internal and external stakeholders.

Measuring Marel's sustainability performance

	Governance		
	Focused on	2026 target ¹	Our progress made in 2022
Accountability	Increase proportion of ESG incentivized pay throughout the organization	30% of employees have an ESG incentivized pay component (started in 2021)	
Sustainability excellence	Continuously improve supply chain sustainability ²	Marel received a bronze rating in the EcoVadis sustainability assessment, scoring 55 points against a sector average of 44 points for 2022 (2021: 51/100). Efforts to make our supply chain more sustainable have brought us into the 67 th percentile of rated companies	
Innovation excellence	All new innovations need to improve at least one sustainability aspect	A circularity enhanced new sustainability scorecard has been launched in 2022, intended to enable Marel's innovation team to focus on improving sustainability throughout development (new program)	

Notes: ¹ Sustainability program 2022-2026. ² As measured by EcoVadis.

Sustainability governance structure

Marel’s governance pillars are further strengthened by the Focus First organizational structure



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

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

Economic responsibility

Marel promotes fair trade, sustainable business practices and long-term profitability. Marel's vision is founded on the strong belief that we can create economic value and, in partnership with our customers, have a positive social impact at the same time.

By growing and sustaining an economically strong and responsible business over the long term, guided by a clear vision, we make significant positive impact on our customers and our people, as well as the economy and society. We believe that all parties should aim for having a positive economic impact in the societies in which they operate.

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 the same.

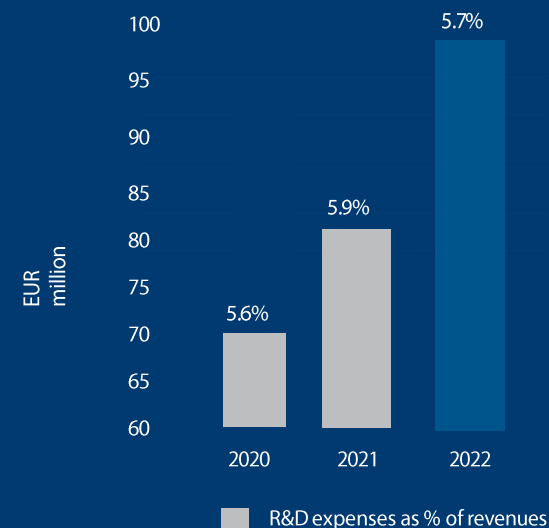
Innovation investment

Innovation is the primary way in which we make an impact and meaningfully contribute toward the UN Sustainable Development Goals. Annually, we invest about 6% of revenues into research and development of advanced and high-tech solutions with the aim of transforming food processing.

Marel creates solutions including equipment and software that reduce food waste, increase efficient resource use, minimize environmental footprint in the use phase, boost yields, add recycling options, and optimize portion sizes.

In 2022, Marel invested EUR 97.5 million (2021: EUR 80.8 million), or 5,7% of revenues (2021: 5.9%) in innovation to support new product development and ensure the continued competitiveness of the existing product offering.

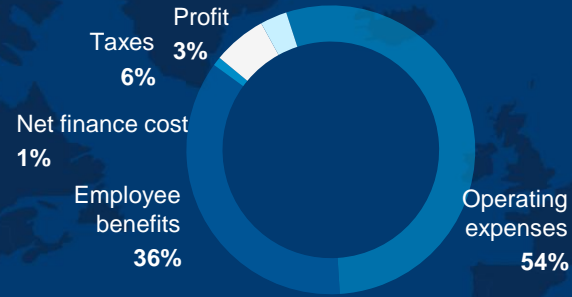
Research and development expenses



Economic value generated in 2022 as measured by revenues in EUR

1.7bn

Economic value composition



5.7% of revenues invested annually in INNOVATION

98m

40

years since foundation



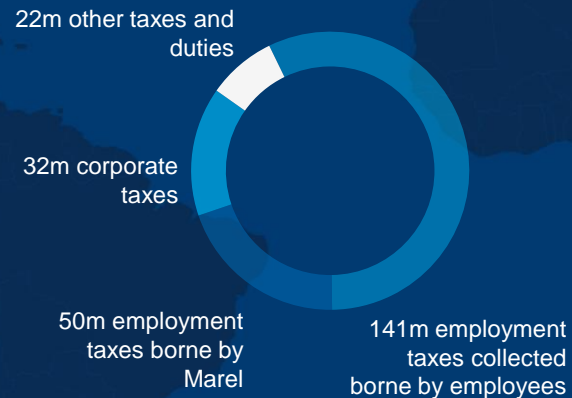
Commitment to ESG / UN SDG



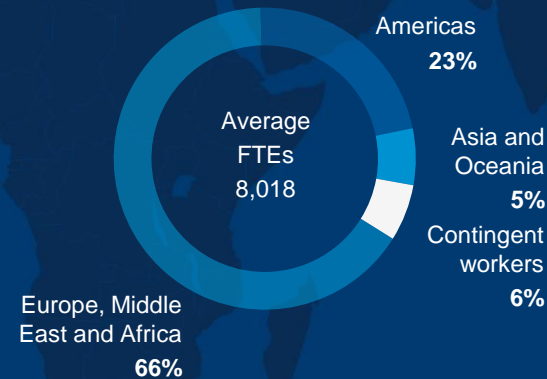
Tax footprint by Marel in 2022 in EUR

245m

Tax footprint by Marel in EUR



FTEs per geography



8,018

Average FTEs

Marel's CEO to chair the coalition of Nordic CEOs for a sustainable future

The Nordic CEOs for a Sustainable Future is a unique platform to discuss how businesses and government can push sustainable initiatives towards realization of the United Nations Sustainable Development Goals and the Paris Climate Agreement. By working together we can advance action on climate and promote diversity and inclusion. Marel was a founding member of the coalition in 2018.

In 2023, Marel CEO Arni Oddur Thordarson will chair the coalition.

In 2023, the focus is on fostering public - private partnerships in the Nordics, including nature and biodiversity in climate risk and opportunity assessment, and more action to improve diversity and inclusion.



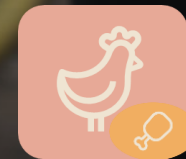
Science and technology partnerships

Marel is a major participant in the European mEATquality research project coordinated by Wageningen University & Research. The project aims to improve pork and broiler meat quality by:

- Developing scientific knowledge and novel solutions addressing societal demands, environmental concerns and economic needs
- Creating techniques for automated quality assessment and methods for tracing meat origin

As part of this long-term research partnership, Marel is exploring the feasibility of integrating sensors. These sensors will measure broiler meat quality parameters deemed to be relevant for consumers and valuable to retailers.

mEAT
quality



ESG matters to our stakeholders



Customers

Long-standing relationships form the bedrock of our business

100%

of all new innovations passed Marel's circularity enhanced Sustainability Scorecard 2.0

6%

of annual revenues invested in R&D



Employees

We provide a safe and healthy workplace that fosters diversity and inclusion

20.1%

Of employees are females representing the top 3 management levels

85%

Of employees have undergone HSE training



Communities

Community engagement builds local capabilities, worker safety and cooperation

25

science and technology partners across the globe

EUR 250k

donated to the International Committee of the Red Cross in 2022 to provide humanitarian support in Ukraine



Suppliers

Marel's supply chain is resilient, sustainable, and mutually beneficial

15 sites

our global supply chain team works across 15 sites worldwide

37%

of all suppliers, based on spend, have signed up to Marel's supplier code of conduct since start of 2022



Investors

Marel operates in a EUR 12bn market, supported by long-term secular growth trends

12%

committed to 10-year annual revenue growth target set in 2017

EUR 700m

sustainability linked syndicated credit facility – integrating finance into our 2026 growth strategy and 2040 net zero ambitions



Planet

Solutions to help feed a growing population safely & efficiently, minimizing environmental impact¹

34%

reduction vs 2019 baseline

12%

absolute reduction vs 2021 baseline

ESG matters to Marel's customers, employees, suppliers, and the communities we operate in. Our business model is focused on creating value for all stakeholders.

Notes: 1 Sustainability program 2022-2026. Includes Scope 1, Scope 2 and business air travel from Scope 3 emission intensity from a 2019 base year.

Thank you

Disclaimer

Forward-looking statements

Statements in this press release that are not based on historical facts are forward-looking statements. Although such statements are based on management's current estimates and expectations, forward-looking statements are inherently uncertain. We therefore caution the reader that there are a variety of factors that could cause business conditions and results to differ materially from what is contained in our forward-looking statements, and that we do not undertake to update any forward-looking statements. All forward-looking statements are qualified in their entirety by this cautionary statement

Market share data

Market share data Statements regarding market share, including those regarding Marel's competitive position, are based on outside sources such as research institutes, industry and dealer panels in combination with management estimates. Where information is not yet available to Marel, those statements may also be based on estimates and projections prepared by outside sources or management. Rankings are based on sales unless otherwise stated.



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[Sustainability website](#)