

Oatly's Modern Slavery Statement for January to December 2020

About us

Our mission at Oatly is to make it easy for people to eat better and live healthier lives without recklessly taxing the planet's resources. Our goal is always to produce and deliver oat-based products that have maximum nutritional value and minimal environmental impact. We are driven by a constant desire to evolve and become better at what we do. We want to work together with co-workers, suppliers and partners for a healthy, sustainable and transparent food chain. We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

Organisation structure and supply chains

In 2020, Oatly was owned by Nativus Company Limited, jointly owned by China Resources and Verlinvest, The Blackstone Group, Öste Ventures, Gullspång Invest AB, Östersjöstiftelsen, Bank von Roll AG, private individuals and our employees. Our headquarters is located in Malmö and we employ over 790 people in offices in Sweden, Finland, Netherlands, United States, United Kingdom, Germany, and China.

The Oatly brand is available in more than 20 countries globally. In 2020 we sourced the majority of our raw materials from Europe and North America. We utilize three main supply models to meet global demand for our products: co-packing, hybrid and end-to-end self-manufacturing. In 2020, approximately 52% of our products were produced through the co-packing and complete outsourcing model, 24% through a hybrid model and 24% through our own end-to-end manufacturing.

Our Sustainability Team has responsibility for working with our suppliers to identify and reduce the risk of slavery and human trafficking in the supply chain. Since the summer of 2020 we have had a dedicated position with strong experience with supply chain management to help support this work.

Policies in relation to slavery and human trafficking

As part of Oatly's promise to be a good company, we do not tolerate any form of slave labour or human trafficking in any part of our business. This is set out clearly in our Code of Conduct which expresses our ethics as a company. It is based on the principles of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the International Labour Organization's (ILO) eight Fundamental Conventions and the UN's Sustainable Development Goals.

Our approach to these issues is clearly set out in our sustainability report which is available on our website and our intranet, and our Code of Conduct, which is sent to all employees and suppliers, and is also available on our intranet.

Due diligence processes

Employees, partners and suppliers must read and sign our Code of Conduct confirming that they will comply with our standards or demonstrate that their own Code of Conduct has similar standards.

In 2020, we launched a systematic approach that integrates sustainability into daily sourcing practices and decisions. This looks at both the environmental and social sustainability

impacts of our suppliers. Our code of conduct states our company values and requirements on key issues such as human rights, working conditions and anti-corruption to mention a few. Today all our suppliers and production partners must either commit to comply with our code of conduct or present their own, with a standard equal to ours. In 2020 100% of our suppliers signed this document or provided their own Code of Conduct. We also conducted a gap analysis on our code of conduct and concluded that we will develop a supplier-specific code of conduct to set global standards, demonstrate best practices, and provide clear accountability and performance evaluation guidelines.

In addition to our code of conduct, we ask our suppliers to meet our sustainability requirements by for example, reporting their sustainability performance, supplying us with sustainable materials and meeting our anti-corruption requirements stated in the code of conduct. Based on this supplier performance evaluation, we see a low risk of corruption but we know that transparency can be a challenge, so we interpret the results with caution and continually monitor our suppliers' performance.

In 2020 we updated our requirements to better reflect our global scope. And in late 2020, we introduced the [Ecovadis](#) tool to partner with our suppliers more actively on their sustainability efforts.

Risk assessment and management

We have identified that a small percentage of ingredients we use come from high-risk countries, as defined by the Business Social Compliance Initiative (BSCI), where modern slavery may be more likely. In the first instance we try to refrain from purchasing ingredients from these countries but if that is not possible then we try to work with third-party certifications such as UTZ and Organic to reduce the risk of forced labour in our supply chain.

In 2020 alongside the Ecovadis tool and our Supplier Self-Assessment, we have been working further to assess our risks and identify our highest risk suppliers and areas in the business that we should prioritize first. This risk assessment covers a wide range of risks associated with human rights and anti-corruption.

We have also upgraded our whistleblower program. Our whistleblower service enables reporting any behavior that goes against the code of conduct. In 2020 we had no cases reported. We recognize that 'no reported cases' does not necessarily mean there are no concerns. So, in 2021 we enhanced our whistleblower system to allow reporting through multiple channels with global support, several language options and a better process to ensure anonymity for all of our employees and consultants.

Key performance indicators to measure effectiveness of steps being taken

Currently our key performance indicators consist of the percentage of suppliers who have signed our Code of Conduct and the percentage of suppliers who have completed our Supplier Self-Assessment. We know that we have to make these indicators more robust and will be developing our supplier assessments to ensure that they encompass all risks identified in our risk assessment.

Training on modern slavery and trafficking

All our employees are made aware of the Code of Conduct as part of the onboarding process.

In 2021 we included our business conduct and ethics guidelines in all employment contracts and conducted mandatory training for all employees and executives on our code of conduct and on anti-bribery & corruption. We have also included compliance clauses in our commercial agreements and other contracts with third parties.

We expect our co-workers, suppliers, and partners to share our view of the importance of openness, transparency, privacy, integrity, and trust. For us, trust means acting in an ethical and proper manner that is characterized by a respect for people, nature, and the law. A close dialogue with our partners, suppliers and consumers is important to us to be able to tackle such issues as modern slavery and human trafficking. We put emphasis on the issue of transparency within the food industry and we continually strive to be one of the most transparent companies in the industry.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and covers the financial year January - December 2020 and was approved by the board of directors on 13 July 2021.



Toni Petersson
Chief Executive Officer
Oatly AB