



THE OATLY
ENVIRONMENTAL,
SOCIAL, GOVERNANCE
TEAR SHEET
2021

OATLY 2021 ESG TEAR SHEET

The following tear sheet contains disclosure of certain relevant environmental, social, and governance (ESG) metrics relating to Oatly's business, as well as those included in the Sustainability Accounting Standards Board (SASB) standards for the Non-Alcoholic Beverages sector. The disclosures in this report are also aligned with the United Nations Sustainable Development Goals (UN SDGs) as indicated per section. Since 2017, Oatly has worked toward eight SDGs that most directly relate to our value chain and business, and for which we believe we have the highest potential for impact. This document discloses ESG data for Oatly for the period January 1, 2021 through December 31, 2021, unless otherwise noted.



ABOUT OATLY

We are the world's original and largest oat drink company. Our company mission is to make it easy for people to eat better and live healthier lives without recklessly taxing the planet's resources. For over 25 years, we have exclusively focused on developing expertise around oats – a crop that helps us to develop products that seek to maximize nutrition and minimize our environmental impact. Our commitment to oats has resulted in technical advancements that have enabled us to develop a wide breadth of dairy portfolio products, including oat drinks, frozen desserts, oatgurt, cooking creams, spreads and on-the-go drinks.

ACTIVITY METRICS

Metric	2021	2020
Revenue (\$MM)	643.2	421.4
Full-time employees	1615	792
Volume of products produced (L)*	470,100,000	299,400,000
Volume of products sold (L) SASB: FB-NB-000.A	421,300,000	289,900,000
Number of production facilities** SASB: FB-NB-000.B	6	3

*We use volume of products produced to calculate our environmental intensity metrics.

** These metrics represent the number of owned production facilities as of year-end for the given year.

ABOUT SUSTAINABILITY AT OATLY

As a people and planet organization, sustainability is at the core of our business and a part of every strategic decision we make across the value chain. Our vision is to be a company that leads a global plant-based movement to reduce the production of cow's milk products by half. We aim to produce sustainable oat-based products that seek to maximize nutritional value and minimize our environmental impact. We believe that transforming the food industry is necessary to face some of humanity's greatest challenges across climate, environment, health and lifestyle. In parallel, the consumer landscape is changing, as the growing concerns for the environment and interest in health and nutrition have started to drive real, scaled behavioral change around consumer purchase choices. We believe the Oatly brand has become one of the strongest voices standing for what consumers care about in particular: sustainability and health.

You can read more about our 2021 sustainability efforts in our [2021 SUSTAINABILITY REPORT](#) and our ambitions for the future in our [SUSTAINABILITY PLAN](#).

Forward-looking statements

This Environmental, Social, and Governance Tear Sheet 2021 (the "ESG Tear Sheet") contains forward-looking statements regarding our future business expectations and objectives and our environmental, social and governance goals, which involve risks and uncertainties. Actual results may differ materially from the results anticipated, depending on a variety of important factors, including (without limitation) the risks detailed in Oatly Group AB filings with the U.S. Securities and Exchange Commission. In relation to this Sustainability Report, we are (wholly or in part) reliant on public sources of information and information provided by our own suppliers and business partners.

ENVIRONMENT



Sustainability has always been a core value and focus for Oatly. We take into account our environmental impact in all decision-making processes, so we can introduce better solutions in the areas where they exist or develop new ones where they don't. We know the importance of continuous improvements in all aspects of our business, and so we systematically improve and refine our environmental management system and our environmental performance.

- People are the heart of our company, and we make sure employees have the resources they need to be safe at our sites and to have the information they need to understand how their work impacts the environment. Oatly's Environmental Policy is available to all staff in our internal Quality Management system.
- We have key indicators of environmental performance that we report on annually to hold ourselves accountable. And, we have practicable methods to improve our environmental performance.
- We expect that all our suppliers and production partners either commit to complying with our code of conduct or present their own, with a standard at least equal to ours.

GHG EMISSIONS AND CLIMATE CHANGE

Metric	2021	2020
Scope 1 emissions (T CO ₂ e)	11,886	4,260
Scope 1 emissions intensity (kg/liters produced)	0.025	0.014
Scope 2 emissions (T CO ₂ e)	3,190	3,763
Scope 2 emissions intensity (kg/liters produced)	0.007	0.013
Scope 3 emissions (T CO ₂ e)	280,464	159,080
Purchased goods and services	173,894	90,916
Fuel and energy-related activities	2,358	3,996
Waste generated in operations	698	243
Upstream transport and distribution	101,609	63,174
Business travel	1,905	751
Scope 3 emissions intensity (kg/liters produced)*	0.597	0.531

* The reported emissions for the Scope 3 category include some estimates. As a result, the estimates included in the reported Scope 3 emissions will differ from the actual emissions. Third-party data under Scope 3 emissions is more challenging to track, estimate and verify. Our ability to verify the assumptions, estimates and information used to calculate these metrics (whether now, in the past or in the future) may be limited by the integrity of the underlying data available at the relevant point in time and the status and evolution of global, supranational and national laws, guidelines and regulations in relation to the tracking and provision of such data. Therefore, according to the GHG Protocol reporting principles, such information is provided on a reasonable-effort basis and is subject to change.
 Note - for fossil-based electricity, location-based emission factors have been used in the table above.

GHG
Emissions
and
Reduction
Efforts

We continue to expand our production around the world to make the shift to plant-based diets simple and delicious. In 2021, our production volume grew 57 percent and our corporate climate footprint increased 77 percent. The two main drivers of our corporate climate footprint are ingredients and transportation. In 2021, our ingredient footprint increased by 11% per produced liter to 0.215 kg CO₂e primarily because we updated our emission factors for some of our ingredients. In 2021, our transportation footprint remained the same. Even though we transported more ingredients and products in 2021, we maintained our transportation intensity level by putting new policies in place to limit air freight and expanding partnerships to use more sustainable ground transportation options.

Climate
footprint
labeling

In 2021, we published the product climate footprints of 128 products in Europe, representing all Oatly products produced for the European market on a consistent basis throughout the year.* We believe all companies should provide greater transparency into their climate impact. That is why we declare the climate impact (kg CO₂e/kg) of our products in Europe, and plan to expand this to other regions in the future. (For more information, visit our [website](#).)

* Does not include products produced in Europe for markets outside Europe or products produced for private labels or on a very limited basis (making up 0.5 percent or less of the product volume total). The GHGs are aggregated to CO₂e using the IPCC Global Warming Potentials over 100 years. Carbon Cloud uses AR5, and Defra uses AR4 and AR5.

ENERGY MANAGEMENT

SASB: FB-NB-130a.1

Metric	2021	2020
Operational energy consumed (kWh)	310,674,003	161,539,035
Operational energy intensity (kWh/Liters produced)*	0.661	0.540
Percentage renewable energy**	36%	49%

In 2021, we sourced approximately 76 percent renewable electricity for all production sites (Oatly-operated and our production partners). This equates to approximately 20 percent of total energy use. During the same period, we sourced 21 percent renewable heat energy for all production sites (Oatly-operated and our production partners). This equates to approximately 16 percent of total energy use. Combined, our total percentage of renewable energy decreased from 49 percent in 2020 to 36 percent in 2021. This was primarily driven by the fact that two of our new factories (Ma'anshan and Singapore) do not yet source renewable energy (electricity or heat), and our third new factory (Ogden) does not yet source renewable heat energy.

Sourcing renewable electricity at Singapore and Ma'anshan and identifying solutions for sourcing renewable heat energy for our factories will be key strategies to help Oatly achieve 100 percent renewable energy by 2029. .

* Operational energy intensity included above is based on overall operational energy consumed at a corporate level and is therefore a different metric than "energy use" disclosed in the 2019 and 2020 Sustainability Reports, which is based on factory-level output.

** Includes electricity and thermal energy for both Oatly-operated production sites and our production partners.

FLEET FUEL MANAGEMENT

SASB: FB-NB-110a.1

Fleet fuel consumed
(Percentage renewable
fleet fuel)

Oatly is continuously thinking about the future of freight, especially since we do not own our fleet of transport vehicles. Since ground transportation, which includes shipments by rail and by road, is the second largest driver of transport-related emissions, in 2021, we took a couple important steps to increase our sustainable ground transportation:

- In the second year of our partnership with Einride, we more than doubled the amount of tonne-km transported by electric truck. In Europe, this was approximately 4% of our finished goods distributed from factories to the warehouses by truck. In 2022, we plan to expand this program in the U.S.
- As we open new factories, we are working to optimize our strategic network design, with a focus on minimizing the distance between production sites and key customer locations.

Metric

2021

2020

Emissions from
transportation
intensity (kg CO₂e/ L)

0.207

0.207

Efforts to reduce
emissions associated
with transportation

Even though we transported more ingredients and products in 2021, we maintained our transportation intensity level through policies and partnerships we put in place around the globe. Distribution of finished products remains the largest contributor to transportation emissions, with more than half resulting from the distribution of products to and within Asia. As the three new production sites previously mentioned reach full production capacity, we anticipate that our transportation-related emission intensity to decrease.

WATER USE

SASB: FB-NB-140a.1

Metric	2021	2020
Total water withdrawn (L)*	1,100,000,000	640,000,000

Percentage of water withdrawn and consumed in regions with High or Extermely High Baseline Water Stress

0% in 2021, none of our owned factories are located in areas with High or Extremely High Water Stress, according to the World Resources Institute Water Risk Atlas, Aqueduct.

Description of water management risks discussion of strategies and practices to mitigate those risks

SASB: 140a.2

We are working to use water more efficiently at our factories, striving to reduce our water withdrawal per liter of Oatly produced by at least half between 2019 and 2029.

At our production site in Landskrona, in late 2020, we finished installing a recirculated cooling water system that increased the amount of water reused onsite, helping to decrease overall water use at Landskrona by 18 percent since 2019.

In Millville, we have reduced water use by 74 percent since 2019. In 2021, improved production planning and efficiency resulted in less water needed for cleaning.

And in Vlissingen, we have reduced water use by 53 percent since 2019. In 2021, we continued to improve operational efficiency, including the installation of new production capacity with a continuous operating production process system to use less water.

Finally, while new factories commonly use more water during their first year of operation, we anticipate that our sites in Ma'anshan, Ogden and Singapore will improve their water efficiency as they reach full production capacity over time.

* Total water withdrawn refers only to water withdrawn at Oatly-operated production sites. We do not measure the water withdrawn by our production partners.

WASTE AND BYPRODUCTS MANAGEMENT

Metric	2021	2020
Total oat fiber residue generated (T)	79,226	41,531
Percentage oat fiber residue converted to energy*	58%	27.8%
Percentage oat fiber residue converted to animal feed	36.5%	45%
Percentage oat fiber residue converted to soil improvement	0.2%	9.7%
Percentage other production waste - recycling & incineration with energy recovery	4.8%	17.5%
Percentage other production waste sent to landfill	0.3%	0.01%

Waste reduction efforts

Our aim is to eliminate production waste sent to landfill. To achieve this, we're working to repurpose our oat fiber residue byproduct, reduce waste generated and compost, recycle or convert the rest to energy.

Oat fiber residue represents the largest and most material byproduct generated from our production operations, 100% of which was repurposed. In 2021, we included additional categories of total production waste, including both the oat fiber residue and the small proportion of our waste that is not oat fiber residue.

* Percentage waste converted to energy refers to waste converted to biogas, a renewable energy source.

PACKAGING

SASB: FB-NB-410a.1

Metric	2021	2020
Total weight of packaging (T)	28,426	17,332
Percentage made from recycled and/or renewable materials	87%	87%
Percentage that was recycled material	45%	N/A

Discussion of strategies to reduce the environmental impacts of packaging

SASB: FB-NB-410a.2

Our ambition is to source packaging that is made from 100% renewable or recycled materials and is fully recyclable. We prioritize packaging that is produced responsibly through appropriate certifications and using renewable energy.

In 2021, our corporate climate footprint for packaging increased 11 percent or approximately 0.007 kg CO₂e per produced liter. We believe this change is primarily due to both our ability to gather more data and an increase in weight of some of our packaging.

As we look ahead, we will work to increase the proportion of renewable and recycled packaging materials. We also plan to further define targets related to packaging made with renewable energy and end-use recycling.

SOCIAL



Our organizational development is led by our People and Transformation team, whose goal is to institutionalize the principles of flexibility, innovation and continuous learning in our work environment. We invest heavily in programming and resources that promote individual, cultural, structural and process changes towards our goals. Our teams are organized to generate holistic, cross-functional insights and solutions to business problems.

To meet our sustainability mission, we need the expertise of a diverse group of coworkers who feel that they work in a safe, inclusive and empowering environment, are compensated equitably for their work and protected from discrimination of any kind. We recognize that our employees work best when they are celebrated for bringing their whole selves to work. All this to say: Oatly employees are valued for their individuality and for their unique contributions that shape Oatly, and as an employer, we are committed to ensuring our employees' dignity, safety and wellbeing.

This applies to all aspects of employment. We communicate "Oatly's Guiding Principles" to our employees to align our organization and foster a culture founded on sustainability, health and trust. We continually make efforts to ensure that our policies regarding hiring, compensation, promotion and transfer are based solely on job requirements, job performance and job-related criteria. We aim to apply our employment policies and practice in full compliance with applicable national and local fair employment laws, including those relating to compensation, benefits, transfer, retention, termination, training, career development opportunities and social and recreational programs.

Given the global nature of our business, we actively work to have employee bases that reflect the demographics of the end markets they serve. We work within each market's regulations around measuring employee identity to ensure accountability and progress towards this goal.

HUMAN CAPITAL MANAGEMENT

Metric

Employee engagement

We conduct a routine employee engagement survey to measure engagement and counteract discrimination, ensure inclusion and improve employee wellbeing. The result is followed up with customized initiatives in every team where we see room for improvements.

2021

2020

NA. We are updating our survey process and do not have a comparable metric for 2021.

80% total level to which employees feel engaged

Talent development

Oatly strives to create a safe and equitable arena for personal growth, thought leadership and transformational change. This is reflected in the development opportunities we offer to all Oatly employees.

Facilitative Leadership Program

Our 6-week Facilitative Leadership Program is the foundation to our global leadership development offerings. It combines live virtual sessions, peer groups, on-the-job experimentation, ongoing support and reflection. After completing the program, Facilitative Leadership participants gain access to additional global offerings:

- Harnessing Your Leadership Strengths
- Creating Focus, Clarity and Prioritization
- Building a Feedback Culture
- Utilizing Your Leadership Strengths

Regional teams also offer unique education opportunities. For example, our Americas team offers the following, among others:

- Authentic Allyship
- Addressing Bias in the Workplace
- Building an Anti-Racist Workplace
- Interview Skills Training
- In the Weeds - Sustainability Training

HUMAN CAPITAL MANAGEMENT

Employee benefits

Oatly is committed to providing its employees a fair living wage, and aims to exceed the minimum legal requirements of its each respective markets with respect to a wide range of benefits (for example insurances, parental leave, pension, etc). Oatly's parental leave, while specific to each country, meets or exceeds what is required by local laws. For example, in the U.S. employees are offered up to 5 months of parental leave.

In the U.S., we offer competitive and comprehensive medical, dental, vision and life insurance as well as disability coverage. The company covers 100% of the premium for the employee on the medical plan and employee plus dependents for dental and vision.

Recruitment

Oatly is actively working to reach a diversity of candidates. Each region has implemented a number of steps adapted to specific local needs in their recruitment process to make sure we are inclusive and approachable to a wide candidate pool. Some examples include:

- Working with agencies and sites specialized in diversity
- Offering a flexible work environment such as the ability to work remotely or a trusted working time approach
- Using neutral and inclusive language in job ads and interviews
- Employing an anonymized recruitment process in the initial phases
- Using psychometric tests to see potential beyond previous experience and university degrees

DIVERSITY, EQUITY, & INCLUSION (DEI)

Global DEI Mission

We want Oatly to feel like home to everyone who works here, regardless of gender identity, sexual orientation, ethnicity, spiritual beliefs, disability, age or whatever else makes a person who they are. We are a company built on the idea of change, and a prerequisite for real change is that all employees feel comfortable openly sharing both their failures and successes, so we can learn from each other, grow together and become a truly inclusive and diverse company.

We promise to:

- Unequivocally reject all forms of discrimination.
- Recognize barriers experienced by different groups and co-create solutions with such groups of people.
- Admit when we have failed, and always strive to do better.
- Run frequent internal surveys around discrimination and listen to employees' stories.
- Create tailored diversity initiatives for teams, departments, and markets.
- Reflect the diversity found in every market we operate in, improve on our current situation, and clear goals for each team.

Not only do we aim for diversity to be an essential aspect of our culture, but it is also key to our success as a business. We believe that teams make better decisions and innovate more boldly when they're made up of people with diverse perspectives and are supportive of new ways of thinking. We introduced or expanded the following global and regional programs in 2021 to help employees feel psychologically safe and enable the diverse perspectives they represent in order to create productive friction.

Metric**DEI Initiatives**

Global program
and initiatives

Leadership:

The Oatly Leadership Program, launched in 2020 and continued in 2021, works to foster self-awareness in our employees, teaching them how to lead in an inclusive and empathetic way. The program is part of the onboarding process, and by the end of 2021, 360 leaders at Oatly had participated.

Communities:

In collaboration with The Fem League, we have created space for various Oatly communities to connect, build an inclusive culture and sense of belonging, develop self-leadership and learn from collective intelligence.

Communities at Oatly in 2021 included:

- **Oatly Cares:** to break isolation and foster wellness
- **Oatly Women+:** for people who identify as women to freely share life experiences and facilitate gender equity within Oatly
- **Oatly Men+:** for people who identify as men to freely share concerns related to work and life
- **Oatly LGBTQ+:** for people who identify as LGBTQ+ to discuss challenges and co-create solutions to make Oatly more inclusive
- **Oatly POC & Allies:** for people who want a safe space to talk about what it means to be a person of color today, and how Oatly can be a place where everyone "feels at home"

Issues raised in the communities that require attention and action are currently escalated to the global People & Transformation team via Oatly's partner, the Fem League.

2021 GLOBAL GENDER DIVERSITY STATISTICS

Percentage of employee gender, racial/ethnic group, and generational representation

GENDER	TOTAL	LEADERSHIP TEAM
Women	49%	31%
Men	51%	69%

2021 U.S. RACIAL/ ETHNIC DIVERSITY STATISTICS

RACE	TOTAL	TEAM MANAGERS
Hispanic/ Latino	21%	13%
Asian	6%	8%
Black/ African American	8%	8%
Native Hawaiian or other Pacific Islander	<1%	0%
Native American or Alaskan Native	<1%	0%
Two or more races	3%	3%
White	61%	68%

The DEI statistics that we can measure vary per market. The U.S. is where we are able to legally track and report the most detailed data.2020 U.S. Generational Diversity Statistics

GENERATION	TOTAL	TEAM MANAGERS
Baby Boomers	3%	5%
Gen X	27%	40%
Millennial	61%	55%
Gen Z	9%	0%

EMPLOYEE HEALTH & SAFETY

METRIC

Health & safety management

At Oatly, we seek to create a culture of safety where everyone performs at their best and goes home to their family and loved ones without harm every day. That is why we have an internal T-Oatly Health and Safety policy.

For our incredible Oatly factory employees who work every day to create delicious Oatly products for the world, we are continuously looking at opportunities to improve our safety programs with preventative measures and transparent reporting systems. Below are just a few examples of the measures Oatly put in place in 2021 to help protect factory employees:

- Conducted Health and Safety Leadership excellence workshop with 28 leadership teams
- Held a Personal Responsibility for Safety workshop (hazard awareness) in our Landskrona, Sweden, factory.
- Defined the 5 Lifesaving Rules – high risks that if not managed effectively can lead to fatalities or life-changing injuries, with all locations also having both conducted a self-assessment and built implementation plans for improvement areas
- Updated Health and Safety committees, with all locations participating in engagement and consultation

HEALTH & SAFETY METRICS

(Factory employees)

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Performance Measure	2020	2021
Lost Time Injury Rate (LTIR)	4.05	2.13
Accidents	95	123
Near Miss Raised	93	139
Safety Observation Raised	380	543

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HEALTH & NUTRITION

METRIC

Revenue from (1) zero- and low-calorie, (2) no-added sugar, and (3) artificially sweetened beverages

SASB: FB-NB-260a.1

We do not track this data at this time, but we are investigating approaches for future reporting.

Discussion of process to identify and manage products and ingredients related to nutritional and health concerns among customers

SASB: FB-NB-260a.2

In the late 1980s in the sound of Sweden, a group of scientists at Lund University were exploring the mechanisms behind lactose intolerance and its effects on people. They decided to develop a plant-based food people could use as a substitute for cow's milk. They wanted this new food to be nutritious and sustainable – and that it would have to taste good enough to make people consider switching from traditional dairy. The scientists refined a process to use natural enzymes to break down fiber-rich oats into a liquid food. The resulting oatbase ingredient is used to make our final oat drink product, which is made up of a balance of macronutrients – carbohydrates, protein, fiber and fats – and is fortified with vitamin and mineral micronutrients.

We recognize that in order to help solve the challenge of feeding the growing global population we need to inform as many people as possible about the effects food choices have on health as well as the planet. During 2021, we launched an internal e-learning “Nutrition and Health” program, making nutrition training available for all our employees on-demand. We also supported an international symposium, “Shifting our Food Systems for Health and Climate,” which attracted professionals from 42 countries. Finally, we re-launched our Swedish health professional newsletter, the first issue going to 5,800 health professionals.

PRODUCT LABELING & MARKETING

METRIC

Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines

SASB: FB-NB-270a.1

Our ads and marketing are not targeted towards children. As a result, we do not have data for the number of impressions made on children or children promoting products that meet dietary guidelines.

Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO

SASB: FB-NB-270a.2

We do not measure this globally at this time.

Number of incidents of noncompliance with industry or regulatory labeling and/or marketing codes

SASB: FB-NB-270a.3

We have not received any incidents of non-compliance with industry or regulatory labeling and/or marketing codes.

Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices

SASB: FB-NB-270a.4

We have not incurred any monetary losses as a result of legal proceedings associated with marketing and/or labeling practices.

GOVERNANCE



Our governance and ethics programs are grounded in our mission and core values of health and sustainability. We are committed to conducting our business with integrity and in an ethical and socially responsible way, through sustainable business practices and various programs committed to sustainability, human rights and compliance, which we regard as essential to maximizing stakeholder value while enhancing community quality and environmental stewardship and furthering the plant-based movement around the world.

BUSINESS ETHICS

METRIC

Business Ethics

- [Code of Conduct](#) - As part of Oatly's promise to be a good company, we do not tolerate any form of slave labor or human trafficking in any part of our business. This is set out clearly in our Business Conduct and Ethics Guidelines ("Code of Conduct") that capture 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.
- [Business Conduct and Ethics Guidelines](#) - Applies to all the company's officers, directors and employees and are intended to provide guidance in the event of a concern regarding business conduct or ethical standards. The guidelines cover issues such as conflicts of interest; competition and fair dealing; gifts and entertainment; compliance with laws and regulations (including interactions with government officials), but the guidelines also note that not every situation can be addressed and directors, officers and employees should make a report if they feel uncomfortable about any situation.
- **Whistleblower Policy** - Is intended to help promote a culture that encourages our employees, contractors and other third parties to come forward if they have concerns or suspicions about illegal practices or serious violations of policies adopted by the organization. It also specifies that the organization will protect from retaliation any person making a good-faith report and identifies different channels where such information can be reported. Whenever a report is made, the case investigation is managed by legal and People & Transformation, and critical concerns are communicated to the Executive Management Team. (For more information, visit whistleblower.oatly.com.)

BUSINESS ETHICS

METRIC

Anti-Bribery and Corruption - Applies to all the company's officers, directors, employees (whether full-time, part-time, fixed term or temporary), consultants, agents, joint-venture partners and other intermediaries or third parties acting on behalf of Oatly. This policy is applicable to all of Oatly's operations worldwide and states the key definitions of "bribe" and "corruption" in countries where Oatly has a role, the responsibility of Oatly and its affiliates, employees, etc. and the penalties, disciplinary actions and reporting duties that may follow. Further, there is a specific section pertaining to the Foreign Corrupt Practices Act ("FCPA") and the UK Bribery Act ("UKBA") which prohibits the company and the employees/directors/agents from offering, giving or promising money or any other item of value, directly or indirectly, to win or retain business or to influence any act or decision of any government official, political party, candidate for political office or official.

Supplier Code of Conduct

Our [Code of Conduct](#) - Our Code of Conduct states our company values and requirements on key issues including human rights and working conditions. During 2021, suppliers and production partners were required to either commit to comply with our Code of Conduct or present their own, with a standard equal to ours, as part of negotiation of contracts (or renegotiation of existing contracts).

We have also included compliance clauses in our commercial agreements and other contracts with third parties.

In 2021, we also partnered with Harvard Undergraduate Consulting on Business and the Environment ("CBE") to further understand and draw insights on code of conduct standards.

The purpose of the partnership was to allow CBE to research a global standard for a code of conduct. We intend to use that information to update our Code of Conduct.

Human Rights Policy

[Modern Slavery Statement](#)

SUPPLY CHAIN MANAGEMENT

METRIC

Supplier Engagement on social and environmental criteria

In late 2021, we launched our global sustainable sourcing framework to further strengthen our sustainable sourcing practices and business decisions. The purpose of the framework is to establish the Oatly approach for sustainable sourcing and guide internal stakeholders toward meeting Oatly's long term sustainability plan.

Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances

We are working to build a consistent and transparent system to help us monitor suppliers' sustainability performance and manage risks. In late 2020, we introduced the Ecovadis sustainability assessment and performance tool to partner with our suppliers more actively on their sustainability efforts. In 2021, we invited 56 suppliers, representing more than half of our direct material suppliers that deliver oats, packaging and ingredients to our Oatly sites, to participate in the Ecovadis assessment. Of those, 41 were rated across four categories: environment, ethics, labor & human rights and sustainable procurement. According to Ecovadis, the average score for our suppliers was 60.5 out of 100, which indicates a better average performance than the Ecovadis database benchmark of 43.9. We aim to both expand the Ecovadis program to other suppliers and work with select partners on improvement actions they might take in light of the Ecovadis assessments undertaken to date.

SASB: FB-NB-430a.1

SUPPLY CHAIN MANAGEMENT

METRIC

Percentage of ingredients sourced from regions with High or Extremely High Baseline Water Stress
SASB: FB-NB-440a.1

To better understand and address sustainability risks, we partnered with an independent third party, Preferred by Nature, in 2021 on an ongoing project to conduct supply chain sustainability assessments of selected ingredients. Our goal is to identify sustainability hotspots of those supply chains and ways to navigate those.

List of priority beverage ingredients and description of sourcing risks due to environmental and social considerations
SASB: FB-NB-440a.2

Our ingredients accounted for about 34 percent of our corporate climate footprint, or 0.215 kg CO2e per produced liter, which is an 11 percent increase per produced liter compared with 2020. Oats account for 84% of our total purchase volume of ingredients. This makes oats our biggest and most important ingredient from an environmental and social point of view. The climate impact from oats depends on multiple factors, including farming systems and practices, fertilizers applied, type of land and average yield.

We continue to work on defining, testing and supporting sustainable practices for oat cultivation across our markets, together with partners such as farmers, suppliers, non-profits and researchers. In late 2021 we developed the Future Agriculture Renovation movement (FARM) - Oatly's vision for regenerative agriculture which gives back to people and nature. Based on this global vision and structure, we will develop and expand several projects in all our major sourcing areas to test and promote holistic, on-farm, regenerative practices which reduce emissions, improve ecosystem functions and build farm viability and resilience. Through the collection of data and measurement of impact we will track progress towards our 2029 sustainable sourcing goals.

CORPORATE GOVERNANCE

METRIC

Board Composition

Average Age: 54

Gender Diversity: 33%

Racial/Ethnic Diversity: 50%

Average Tenure: 2.2 years

Independence: 83%

Separate CEO and Chair Role

Standing Board Committee Independence: 100%

Best Practices

Continuing education for directors and orientating for new directors

Board oversight of ESG

Accountability

Majority voting (plurality for contested elections)

Annual Board and Committee self-evaluation

Annual evaluation of CEO by independent directors

Shareholder rights

Shareholder right to call a special meeting (>10%)

No poison pill

One-share, one-vote

THE ORIGINAL

OAT
LY!