KMC
Ingredients to grow your business



Sustainability report
2025/26

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Building on progress, preparing for what comes next

Letter to our stakeholders by Jesper Burgaard

At the start of each financial year, I usually tell my colleagues that the year ahead will be different from the one before. We will face new challenges, encounter unfamiliar problems and find solutions we cannot yet foresee. As 2025/26 comes to an end, those words have proved true.

Looking back

The past year brought both progress and setbacks. Three developments stand out.

1. NGT was approved in June 2026. This was a major milestone for KMC Group. We have worked with the technology for years, invested in its development and documented its potential. We have collaborated with universities and engaged with policymakers. The trials look promising, and we are optimistic about the potential of NGT to contribute to more resilient crops, greater security of potato supply and reduced environmental impact from cultivation. Learn more on page 16.

2. Field-level primary data. We know that what gets measured gets managed. That is why we have prioritised developing a platform called TraceIT that allows farmers to share primary data directly and voluntarily, without financial incentives. They participate because they see the value: the data provide deeper insight, support learning across potato varieties and soil types, and give us a stronger understanding of potato cultivation. At the same time, the data enable us to calculate our carbon footprint based on actual practices and identify where measurable reductions can be achieved. In 2025/26, we collected enough field data to share our carbon footprint with confidence, calculated in collaboration with SEGES Innovation. We are one of few being able to do this. We now look forward to putting this knowledge to work across our value chain. Explore this further on page 14.

3. New sustainability targets. For KMC Group, sustainability has never been only about compliance. A resilient business must adapt to changing conditions and expectations. For us, this means potato-based ingredients with a lower carbon footprint compared to our baseline, potatoes grown with fewer chemicals, and a strong business that creates value for customers, employees and farmer-owners alike. During 2025/26, we revisited our sustainability targets and aligned them with our double materiality assessment, so we can focus on what matters most. The targets have been introduced alongside our new 2026–2032 company strategy, Expand the Game, in which sustainability is an enabler for everything else we aim to achieve. Read more about our sustainability targets on page 32-33.

Looking ahead

I expect 2026/27 to be no less eventful. We have developed a climate transition plan that includes major investments over the next six years. We believe the plan is realistic and deliverable, but success also depends on regulation, expansion of the Danish electricity grid capacity and partnerships that support the transition to renewable energy.

Changes in agricultural regulation will also require farmers to adapt cultivation practices, particularly in relation to nitrogen management and the use of plant protection products. This will challenge business as usual.

At the same time, our co-developed tool for estimating potential carbon emission reductions in recipes using our potato-based ingredients will create new opportunities for dialogue with customers. With this tool, we can provide insights that may help customers reduce the carbon footprint of their products in a targeted way, without compromising on quality. Transparency and accessible data are essential to us.

We look forward to open and constructive conversations with customers and industry partners as we work together to explore how climate ambitions can be realised.

At KMC Group, we know our activities have an impact. We also know that promises matter. We will keep working to deliver on ours.

Happy reading.

Jesper Burgaard
CEO



Jesper Burgaard, CEO at KMC and Kristian Møller Sørensen, Chairman of the Board at KMC

Our value chain



What matters most. Still.

Double materiality assessment

As part of our annual review, we revisited our double materiality assessment to validate the sustainability topics that have the greatest influence on both our business and the world around us.

The assessment confirmed that our material topics remain unchanged.

Although KMC Group is not currently within the scope of the EU Corporate Sustainability Reporting Directive (CSRD), we continue to apply the principles of double materiality because we view them as a strategic management tool, rather than just a reporting exercise.

The results of the assessment are presented in this figure.

Read more about the specific topics.



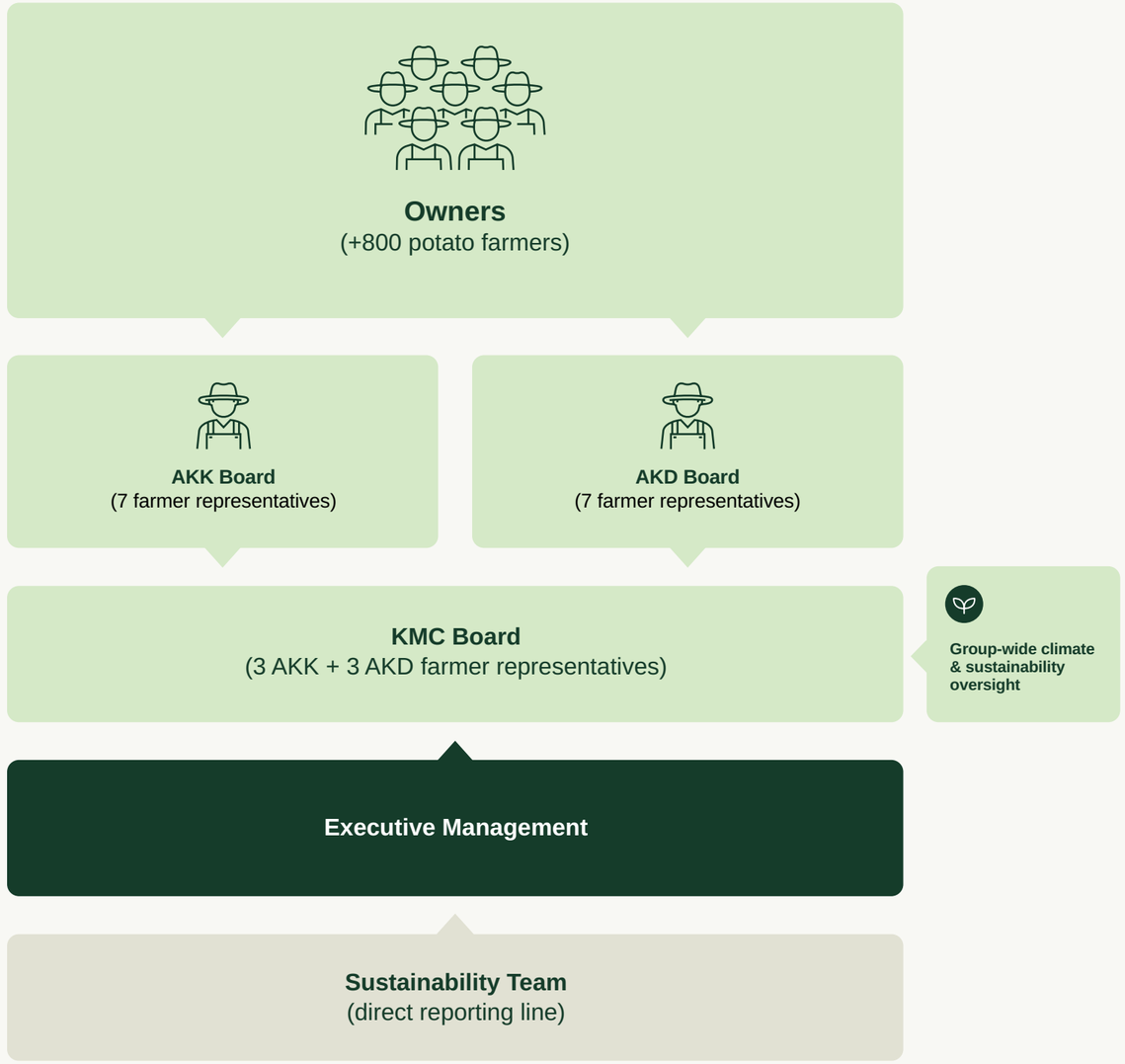
Governance built differently

At KMC Group, sustainability has a seat at the table where decisions are made. As a cross-functional enabler of the company's strategy, sustainability is integrated into business planning, investment decisions, and operational priorities. The Sustainability Team reports directly to KMC's Executive Management, ensuring that sustainability considerations are incorporated into the decisions that shape the business.

But governance at KMC Group goes beyond organisational charts. As a farmer-owned cooperative, the people sitting around the board table are farmers themselves. This farmer ownership is reflected in the boards of AKK and AKD, which in turn appoint the farmer representatives who serve on the KMC Board.

This creates a direct link between strategic decision-making and the realities of potato cultivation. The KMC Board oversees the Group's sustainability strategy, targets, and transition plan, helping to ensure that sustainability priorities are managed from a Group-wide perspective and embedded across KMC, AKK, and AKD.

Our farmers don't just supply the potatoes. They set the direction of the business.



Our carbon footprint

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10 Climate transition plan

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Turning climate ambitions into action

Climate change remains one of KMC Group's most material sustainability topics. Reducing emissions requires action across the value chain, from potato cultivation to ingredient production and distribution.

During the year, we updated our climate targets and transition plan, setting a clearer direction for our decarbonisation efforts. As part of this process, we moved from intensity-based targets to absolute emissions reduction targets and established an updated baseline using a more comprehensive data foundation.

The next page provides an overview of our transition plan and key reduction drivers.

> **By 2032/33, we aim to reduce absolute Scope 1 and 2 emissions by 50% and absolute Scope 3 emissions by 10%, compared with the 2025/26 baseline year.**

We have also committed to achieving 100% renewable electricity and 15% renewable process heat.

As potato cultivation represents a significant share of our emissions footprint, reductions in farming-related emissions are expected to play an important role in achieving our Scope 3 reduction targets. Additional reductions are expected from lower emissions associated with chemicals used in production and transport activities.

Delivering our Scope 1 and 2 reduction targets will require action across the Group, from reducing energy consumption at our production sites to developing new solutions that support the transition away from fossil-based energy.

Our transition plan sets out the actions and priorities that will guide this work.



A key step during the year was taken by AKD, which entered a strategic partnership with Circlia Nordic and became a co-owner of the company. The partnership includes the establishment of a full-scale hydrothermal liquefaction (HTL) facility in Toftlund. Through a process combining high pressure and temperature, selected biomass streams can be converted into bio-based fuel while supporting more efficient resource utilisation.

Better climate decisions start with better data

To support more informed climate decisions, we strengthened the quality and scope of our emissions data through improved internal processes and enhanced data collection. By expanding reporting coverage and including additional Scope 3 categories, we gained a more complete picture of emissions across our value chain and strengthened our ability to prioritise reduction efforts where they can have the greatest impact. A key improvement was the inclusion of primary emissions data from our owners, providing a more accurate and representative understanding of emissions from potato cultivation. Read more on page 14.

Climate ambitions only create value when they are translated into action. Through updated targets, a clear transition plan and stronger emissions data, we are building the foundation needed to deliver measurable progress.

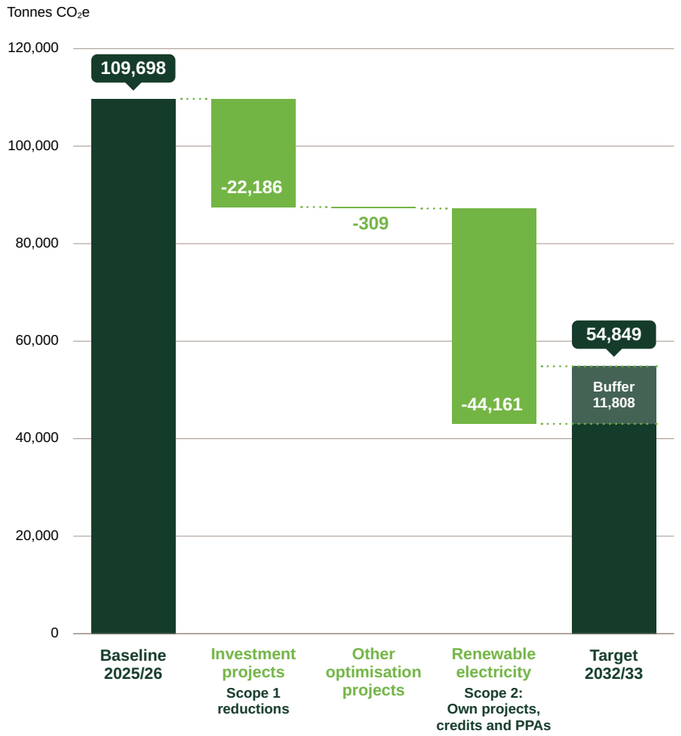
Explore our GHG inventory

Climate transition plan

Targets set the direction. Our transition plan shows how we intend to get there, focusing our efforts where we see the greatest potential to reduce emissions across our operations and value chain.

Scope 1 & 2

50% reduction target by 2032/33



Explore the full transition plan

Scope 3 reduction drivers

10% reduction target by 2032/33

Potato cultivation

4%

Chemicals

4%

Transportation

2%

Supporting targets

2032/33

Renewable electricity

100%

Renewable process heat

15%

Primary potato data coverage of cultivated area (ha)

80%

2025/26 GHG inventory

Our 2025/26 baseline shows where our emissions come from and where action can have the greatest impact. It provides the starting point for tracking progress towards our 2032/33 climate targets.

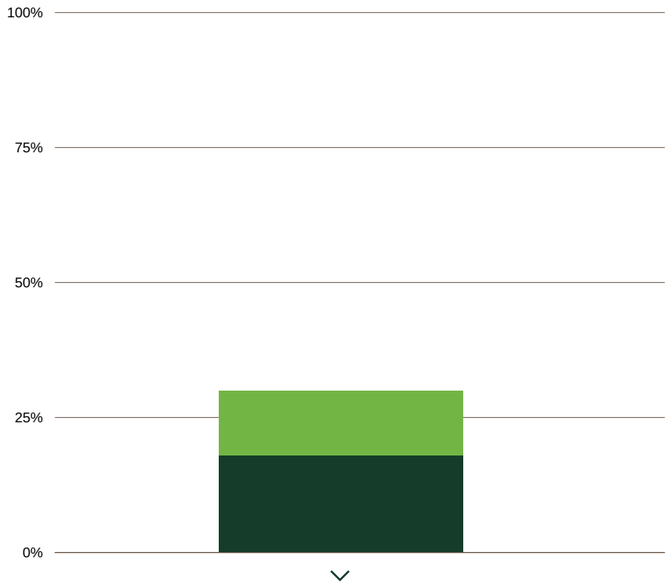
Dive deeper into our climate data

Market-based emissions.
Scope 3.2 capital goods emissions are excluded.

Scope 1 & 2

Own operations (29% of total emissions)

- Purchased electricity (12%)
- Natural gas and other fuels (18%)



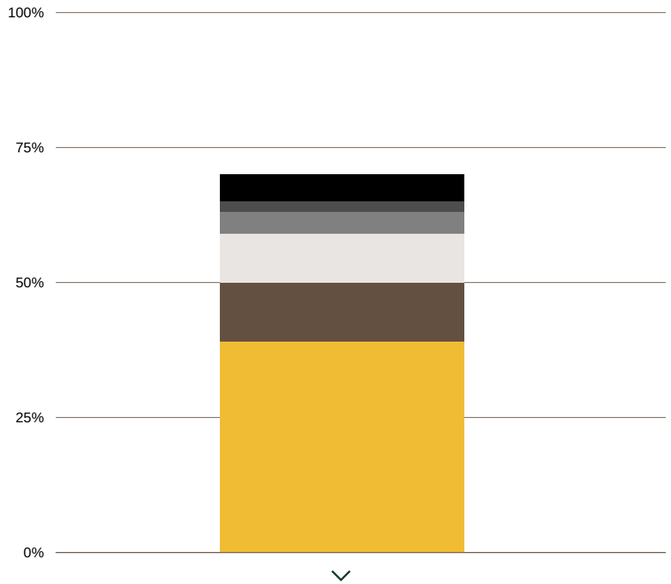
2032/33 target
Absolute reduction target

50%

Scope 3

Value chain (71% of total emissions)

- Other value chain emissions (5%)
- Packaging (2%)
- Waste (4%)
- Delivery to customers (9%)
- Processing chemicals (11%)
- Potato cultivation (39%)



2032/33 target
Absolute reduction target

10%

Our potatoes

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A strong value chain starts in the field

Some companies source raw materials. We build our business together with the people who produce them.

FSA

Gold level	Silver level
80%	20%

Target 2032/33: 100% Gold



As a cooperative owned by Danish potato farmers, our business is built on shared ownership and long-term commitment. The farmers who supply our potatoes are also the owners of KMC Group, creating a direct link between decisions made in the field and value created throughout the supply chain.

This cooperative structure aligns incentives from field to customer and creates a foundation for long-term collaboration rather than short-term transactions.

Fair value. Long-term resilience.

At the heart of KMC Group's farmer model is a principle of mutual rights and obligations.

Farmers have both the right and the obligation to supply potatoes to KMC Group. In return, KMC Group has the obligation to receive those potatoes.

This model creates certainty across the partnership.

For farmers, the model offers both market stability and shared value creation. As owners of KMC Group, they share in its long-term growth and success.

For KMC Group, it secures access to a stable raw material base at a time when climate volatility, increasing regulation and growing competition for agricultural resources are reshaping global food supply chains. Reliable raw materials can no longer be taken for granted.

For customers, this means a reliable supply of high-quality potato-based ingredients, backed by long-term farmer commitment and full traceability.

Our close collaboration with our farmers also gives us the opportunity to build a stronger understanding of what happens in the field. By collecting primary cultivation data directly from our farmers, we are building a more detailed picture of potato cultivation across our supply chain. This takes us beyond industry averages and closer to the reality of how our potatoes are grown, as explored on the following page.

Farm Sustainability Assessment

Our farmers continue to participate in the Farm Sustainability Assessment (FSA), developed by the Sustainable Agriculture Initiative Platform (SAI Platform). The programme assesses sustainability performance across environmental, social and economic dimensions and provides independent verification of farming practices.

80% of our farmers were assessed at Gold level and 20% at Silver level, demonstrating that sustainable farming practices, as defined by SAI, are widely embedded across KMC Group's farming network. The FSA verification is due to be renewed by the SAI Platform in 2026/27. Building on this foundation, our ambition is to achieve 100% Gold-level verification by 2032/33.

Moving beyond averages with field-level data

Many climate calculations are based on generic datasets and industry averages. KMC Group is moving beyond these limitations. To our knowledge, we are the first company in the potato starch industry to base climate calculations on this level of field-specific data.

As a cooperative owned by Danish potato farmers, we have a unique connection to the fields where our potatoes are grown. Through TraceIT, developed in collaboration with SEGES Innovation, farmers can share cultivation data directly from the fields supplying KMC Group.

This primary cultivation data gives us a clearer picture of the overall climate footprint of potato cultivation. By understanding what drives the footprint, we can strengthen our climate calculations and better identify where improvements can make the greatest difference.

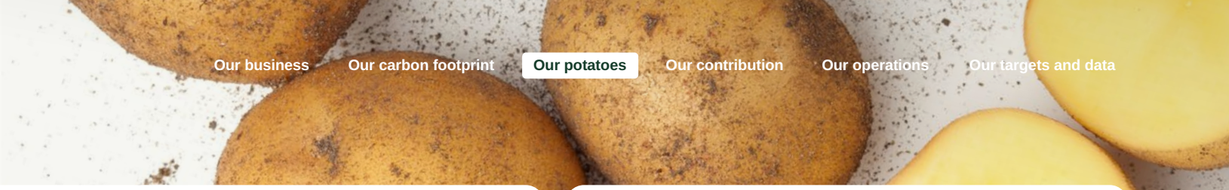
2025 Field-level insight

3,602 kg CO_2e/ha

Average emissions per hectare of potatoes grown by KMC farmers.
View methodology details here.

This field-level data is already integrated into our climate accounting (page 11) and will soon form part of our Life-Cycle Assessments. This allows us to move beyond generic datasets and industry averages and instead base calculations on actual cultivation practices from our own value chain. At a time when much of the industry still relies on assumptions and average data, field-level insights are helping set a new standard for agricultural climate data.





No potatoes. No products.

Without potatoes, there is no KMC Group. And no ingredients for our customers. That is why we work closely with our farmers, investing in knowledge, innovation and practical solutions that help secure resilient potato production for the future.

We will reduce the use of plant protection products by 50% by 2032/33.

Reducing the use of plant protection products requires action on multiple fronts. Just as there is no single answer to the challenges facing potato cultivation, there is no single solution to achieving our ambition. This is why we aim to establish a fully integrated KMC cultivation concept by 2032/33.

Field trials, innovation in plant breeding and agronomic advisory services are three examples of how we are already working across the supply chain to strengthen the resilience of potato production and achieve our target.

Did you know?

42,000 hectares. That's roughly 59,000 football pitches of potatoes. Every season adds new insights into what works, what doesn't and what comes next.

Field Trials

Testing tomorrow's solution today

What we do

Every season, we test new technologies, cultivation methods and potato varieties under real growing conditions.

- **We test alternatives to chemical desiccation of potato haulmn** because future restrictions on available solutions increase the need for reliable, practical alternatives.
- **We test mechanical weed control solutions** because reducing chemical inputs only works if farmers have alternatives that deliver reliable results in the field.
- **We develop and test more resilient potato varieties** because there is no perfect potato variety today, and identifying better alternatives requires years of testing.
- **We use drone technology** because objective field monitoring improves efficiency, supports disease monitoring and creates a common basis for decision-making.
- **We test crop protection strategies** because farmers need solutions that work in practice, not only in theory.

Why it matters

Field trials turn promising ideas into proven solutions. By identifying what works before it becomes critical, we help farmers reduce risk, respond to changing conditions and maintain reliable yields year after year.

NGT

A new tool in the fight against late blight

What we do

We invest in New Genomic Techniques (NGT) as part of our long-term resilience and innovation efforts.

- **We develop potatoes with improved resistance to late blight** because this disease remains one of the biggest risks to potato production and can increase the need for crop protection measures.
- **We use NGT to strengthen traits in existing potato varieties** because the varieties farmers already trust can be improved without losing the characteristics that make them valuable.
- **We use NGT as a complement to conventional breeding** because developing better potato varieties through traditional breeding alone can take more than a decade.
- **We invest in breeding and research partnerships** because every better potato starts years before it reaches the field.

Why it matters

More resilient potato production starts with more resilient potatoes. NGT expands the available toolbox, helping accelerate the development of varieties that can better withstand disease and future growing conditions.

Advisory

Supporting decisions in the field

What we do

Our agronomists work closely with farmers throughout the growing season.

- **We provide weekly advisory services** because timing often determines the success of a crop.
- **We use local weather-based warning systems** because changing conditions require timely and targeted decisions.
- **We share knowledge across KMC Group and our farmers** because lessons learned in one field can help improve decisions and cultivation practices across many others.
- **We collect field-level data through TraceIT** because trial fields of 15 hectares can only tell part of the story. The opportunity to collect data from 42,000 hectares allows us to learn from cultivation across our entire farming network.
- **We translate data and expertise into practical recommendations** because action in the field is what ultimately makes a difference.

Why it matters

Knowledge only creates value when it is put into practice. By combining agronomic expertise, field observations and data-driven insights, we help farmers make informed decisions throughout the growing season.



Growing the next generation of potatoes

With the adoption of the EU regulation on New Genomic Techniques (NGT), new opportunities are emerging to develop potato varieties that are better equipped to handle the challenges facing starch potato cultivation. For KMC Group, NGT represents an important addition to the toolbox for securing a resilient raw material base.

The future of potato cultivation depends on the ability to adapt to changing growing conditions, climate change and the regulations governing farming. Disease pressure, extreme weather conditions and upcoming national restrictions on plant protection products are raising the demands on both crop varieties and farmers. This calls for innovation at a pace that matches the speed of the challenges facing agriculture.

While traditional potato breeding remains an important tool and continues to deliver improvements in disease resistance, developing new varieties takes many years and often struggles to keep pace with the speed at which agricultural challenges evolve. NGT offers a complementary approach that can deliver specific improvements more efficiently – and much faster.

NGT is not about introducing foreign DNA into the potato. It is about enhancing the qualities that already exist within the potato family.

NGT enables us to develop improved potato varieties with far greater precision. This can accelerate the development of crops that are better able to withstand disease, particularly late blight, while also reducing the need for inputs.

For KMC Group, NGT is an important tool for minimising risk and reducing the environmental footprint of potato cultivation. More resilient crops improve potato cultivation and help secure a stable supply of starch potatoes, benefiting our farmers, our business and our customers.

KMC Group has invested in research into NGT, including new potato varieties, research partnerships and dedicated field trials. The adoption of the new EU regulation marks an important milestone for innovation in plant breeding, and we will continue to invest in knowledge, research and testing to unlock the potential of NGT and support the next generation of resilient potato varieties.



Our contribution

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Reducing impact one recipe at a time

The climate impact of food products is shaped long before they reach consumers. It is influenced by the ingredients selected and the way recipes are designed.

Every ingredient serves a purpose. It contributes to taste, texture and functionality, whether creating the stretch of a pizza topping, adding protein to everyday foods, or the firmness of a gummy candy. At the same time, ingredient choices also influence the climate footprint of the final product.

> **Some of the biggest opportunities to reduce product-related emissions may be found in the recipe itself**

Independent assessments indicate that replacing selected animal-derived ingredients with KMC Group's potato-based alternatives can help reduce carbon emissions across a range of food applications. The extent of this reduction varies depending on the product type and ingredient composition. Actual results will also depend on data availability and data quality. Explore the full assessment and findings on our **website.**

During the 2025/26 financial year, KMC strengthened its ability to support our customers in evaluating the climate implications of recipe design through the development of a recipe simulation tool in collaboration with Nature Preserve.

The tool helps simulate the climate footprint of different recipe variants and estimate potential climate reduction opportunities. Together with KMC's technical experts, customers can rapidly compare alternative ingredient solutions and identify where recipe adjustments may contribute to lower product-related emissions while maintaining the functionality, quality and consumer experience required in the final product.

By combining climate data with application expertise, KMC can integrate climate considerations into formulation discussions much earlier in the development process, helping our customers explore new opportunities for recipe optimisation.

As demand for lower-impact food products continues to grow, KMC is also strengthening its solution portfolio. We have introduced a new target to offer at least one lower-carbon alternative for every core application and sub-application by 2032/33, relative to our 2026 solution portfolio. The ambition is to expand the range of ingredient solutions available to customers, making it easier to incorporate climate considerations into product development without compromising performance.

Understanding the potential is one thing. Documenting it is another.

On the following page, we explore examples of potential climate impacts from recipe simulation.

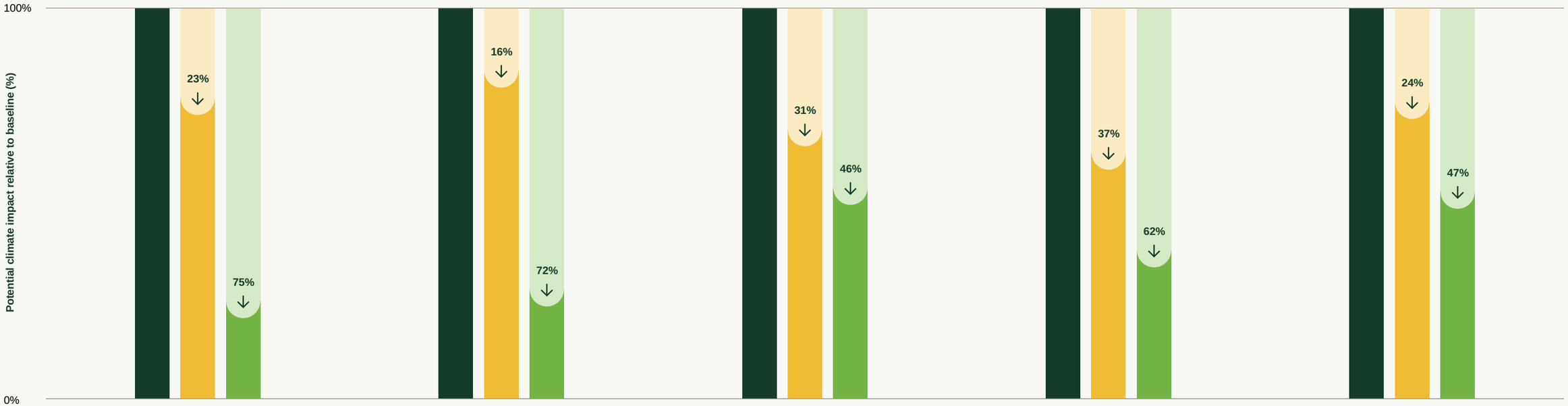


"Customers should not have to choose between product performance and climate considerations. Our role is to identify recipe solutions that achieve both."

— Thomas Hannibal, Head of Application at KMC

Simulated reduction potential

Examples of the potential climate impact reduction from recipe reformulation by replacing selected ingredients with KMC ingredients, based on recipe simulations developed with Nature Preserve. Results are indicative and do not represent verified product carbon footprints. Actual results may vary. Learn more about the Recipe Simulator **here.**



From ingredients to insight

To achieve meaningful sustainability targets, climate considerations must also be reflected in purchasing decisions. At KMC, our ambition is to support this shift by making climate data an integrated part of our product solutions. We continue to expand our Life-Cycle Assessment (LCA) portfolio, providing customers with more precise and relevant climate data.

Our product LCAs, developed in accordance with ISO 14040 and ISO 14044, are based on production-specific data from our own operations and cover the full cradle-to-gate footprint, including raw material procurement, transport, and production processes.

Today, we offer LCAs covering native starches, modified starches, food and feed proteins, granules and flakes. Explore the full portfolio at our **website**.

Climate expectations continue to evolve, as does the demand for more detailed documentation. Rather than waiting for perfect datasets, we prioritise transparency by openly sharing where we are today while continuously improving the quality, accuracy, and level of detail behind our assessments.

The next page shows our progress and where we are heading.

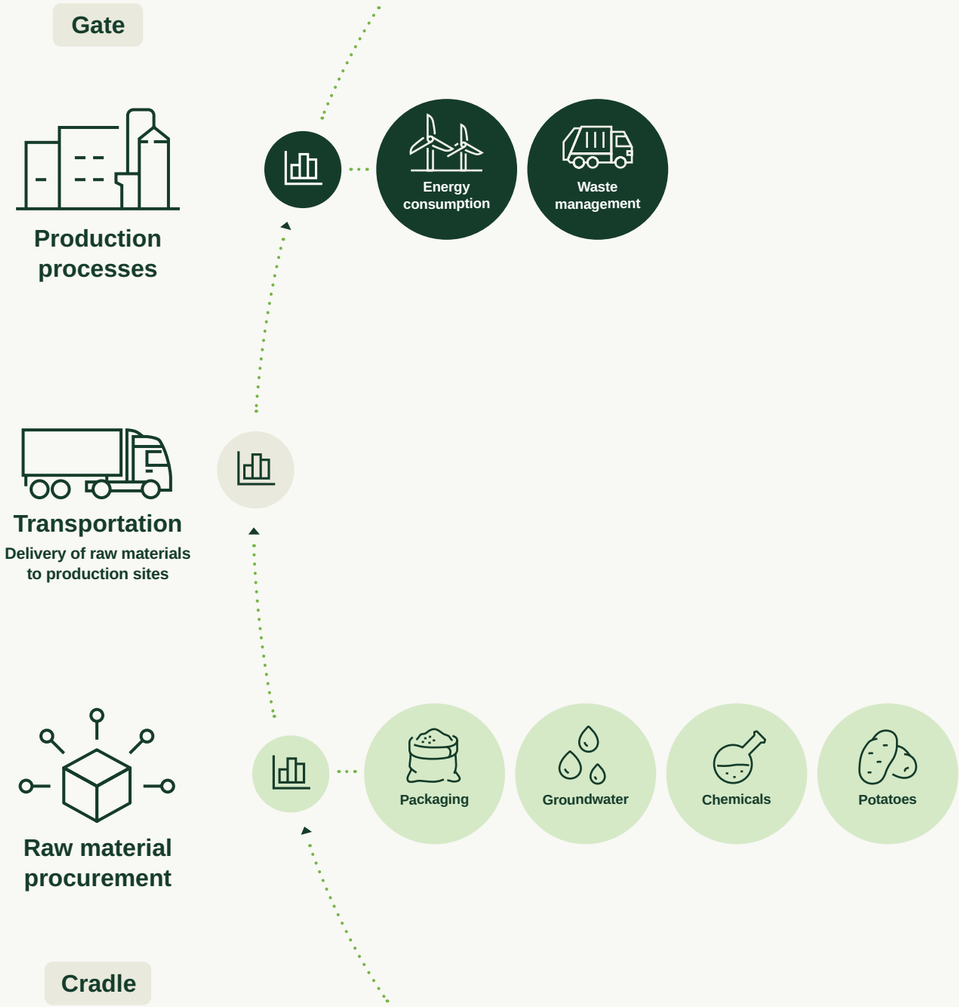
The next generation of KMC LCAs

Potatoes represent a significant share of the climate footprint in KMC's LCAs. Collecting primary data from our own fields has therefore been a key priority. Integrating this data into our LCAs improves accuracy and enables us to assess the impact of specific field-level actions.

Looking ahead, we plan to further increase the level of detail within our modified starch portfolio. Today, these assessments are covered by one broader product category. Future LCAs will provide more detailed, product-specific documentation, helping customers access documentation that more accurately reflects the solutions they use.

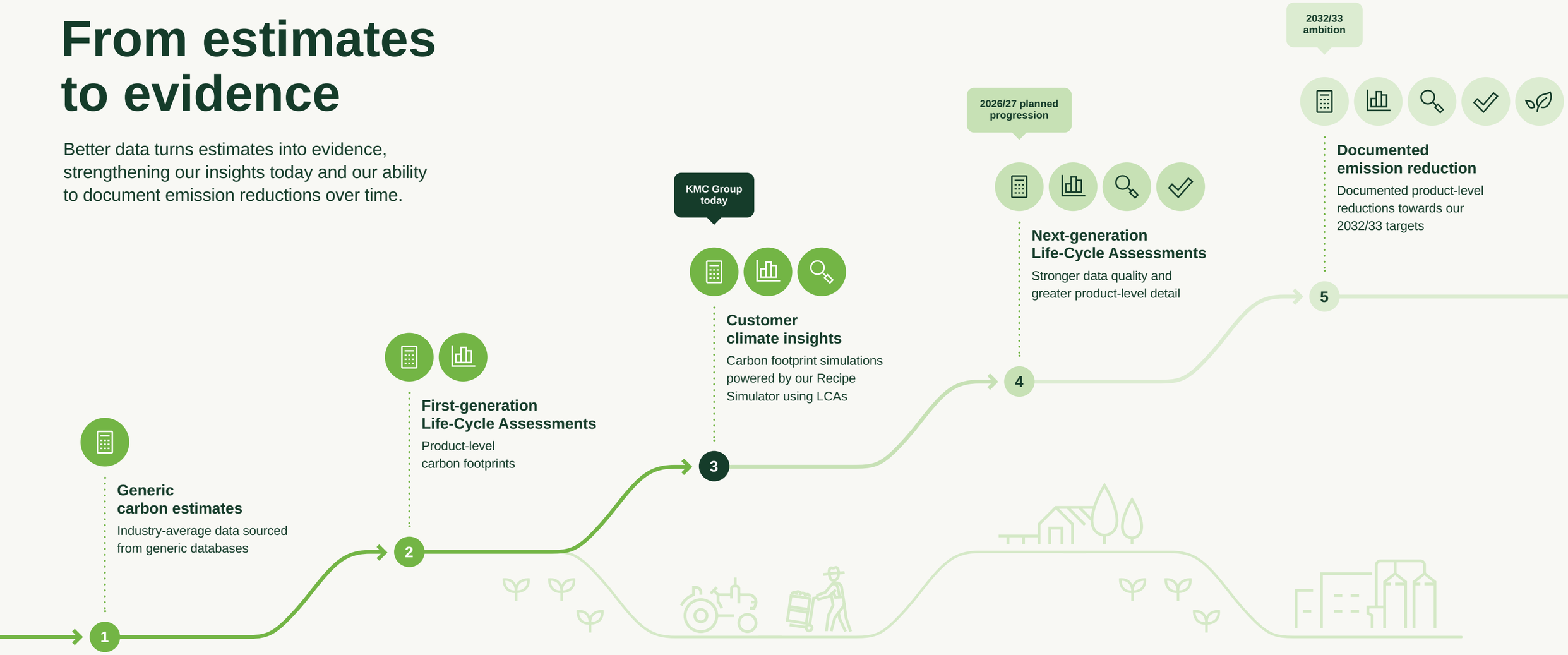
The sustainability conversation is shifting from ambition to evidence. Our role is to make that evidence increasingly precise, useful and valuable.

> "We believe progress starts with transparency, not perfect data. That's why we openly share what we know and keep improving it."
>
> **— Irene Kjærskov Pedersen, Head of Sustainability at KMC**



From estimates to evidence

Better data turns estimates into evidence, strengthening our insights today and our ability to document emission reductions over time.



High uncertainty ◂ ▸ High confidence

Turning sustainability ambitions into food solutions

Sustainability only creates value when it works in the real world.

Today's food manufacturers are navigating multiple and sometimes competing demands. They are expected to reduce environmental impacts, respond to changing consumer expectations and maintain product quality, all while managing profitability and supply chain uncertainty.

Increasingly, the challenge is not solving one need at a time but balancing several at once. This is driving interest in product reformulation strategies that create value across multiple dimensions simultaneously.

Hybrid cheese alternatives and protein enrichment are two examples of how sustainability objectives can be addressed alongside other product and business priorities. Hybrid cheese alternatives can help manufacturers balance climate ambitions with product economics and supply chain resilience.

Protein enrichment, meanwhile, responds to growing nutritional expectations through foods consumers already know and enjoy.

Supporting this direction, KMC Group has set a target to deliver 4,500 tonnes of protein for food applications by 2032/33.

Did you know?

Some of the food industry's biggest sustainability decisions are made long before a product reaches the supermarket shelf.

Ingredient and recipe choices influence climate impact, nutritional value, functionality and cost, all at the same time.



Hybrid cheese alternatives:

Balancing climate ambitions and business realities



The dairy industry continues to face volatile raw material markets, supply chain uncertainty and growing expectations to reduce environmental impacts. For manufacturers, the challenge is finding solutions that support profitability and operational resilience while maintaining the taste, texture and functionality consumers expect.*

Where KMC makes a difference

One approach is hybrid formulation, where part of the dairy content is replaced with plant-based ingredients. In hybrid cheese alternatives and analogue cheese applications, KMC's potato-based ingredients can help manufacturers reduce reliance on dairy-based raw materials while maintaining product performance.

By combining climate considerations with formulation flexibility and improved profitability management, hybrid solutions demonstrate how sustainability can become part of a broader value proposition rather than a separate objective.

Through recipe simulations, as described on page 18, customers can explore how formulation changes may influence climate impact and identify solutions that align environmental ambitions with commercial realities.



* Source: Top Five Trends in Dairy Products and Alternatives September 2025, Euromonitor.

Protein enrichment:

Potato protein for better nutrition



Health and wellbeing are increasingly influencing food choices, with protein remaining a key consideration for consumers. In response, manufacturers are exploring how the nutritional value of familiar foods can be enhanced without compromising taste, texture or convenience. Rather than relying on entirely new product categories, many are focusing on increasing protein content in foods consumers already eat every day.*

From bakery products and snacks to pasta and convenience foods, this creates opportunities to enhance the nutritional profile of familiar products through reformulation.

Where KMC makes a difference

KMC's potato protein enables manufacturers to increase protein content while maintaining texture, taste and functionality. With its complete amino acid profile and plant-based origin, potato protein can support the development of more nutritious products across a wide range of applications.

Beyond its nutritional qualities, potato protein is derived from a crop recognised for its efficient use of resources and relatively low climate impact compared to many animal-based production systems.**

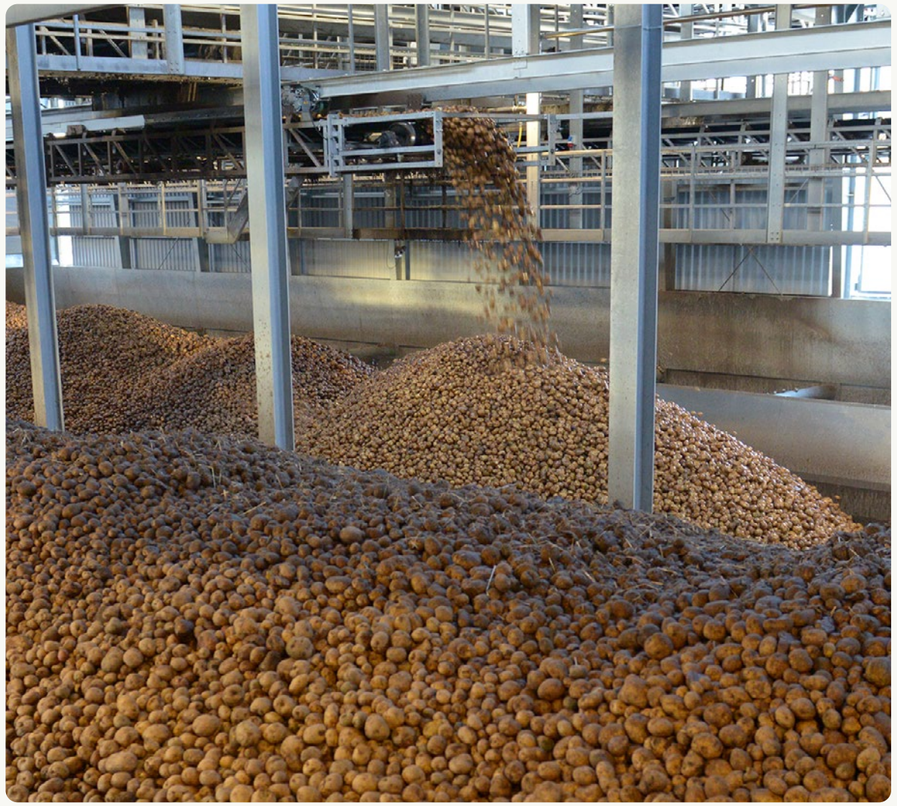
Rather than relying on entirely new food categories, manufacturers can integrate enhanced nutrition into foods consumers already enjoy, helping make improved nutrition a natural part of everyday choices.

* Source: Voice of the Consumer Nutrition Survey 2026 Key Insights September 2026, Euromonitor.

** Source: Concito Jordbrugets betydning for fremtidens arealanvendelse (The Importance of Agriculture for Future Land Use), May 2024).



The future of feed and petfood



Protein quality. Digestibility. Durable kibbles. Cost efficiency. These are all key considerations in feed and petfood formulation.

The feed and petfood industry has spent decades refining formulations to get more from every ingredient. We experience that environmental impact is being assessed alongside the criteria that formulators already work with every day, creating new demand for reliable and transparent ingredient data.

Environmental data provides insight into how a feed ingredient is produced, where impacts occur across the value chain and where opportunities for improvement may exist.

To support this development, KMC has conducted a Life-Cycle Assessment (LCA) of PotaPro 1500 in accordance with Global Feed LCA Institute (GFLI) guidelines. The assessment covers the footprint from potato cultivation to processing at our Danish production facilities. **Explore the full assessment.**

By making product-specific climate data available, we help integrate environmental considerations into feed and petfood formulation decisions and support data-driven purchasing criteria aimed at reducing carbon emissions. This puts KMC in a strong position as demand for environmental data develops.

Performance beyond nutrition

Climate data creates value when it is translated into formulation decisions.

Through the GFLI database, feed and petfood producers can access verified data at input level. This enables them to calculate how different combinations affect the climate footprint of a feed or petfood formulation while maintaining nutritional performance. In petfood, PotaPro 1500 can also support processing performance, including the production of durable kibbles.

> “There is more to a good formulation than any single parameter. It is the balance between nutrition, performance, efficiency and environmental impact that matters.”
>
> **— Annette Lykke Voergaard, Feed & Petfood Specialist at KMC**

The example below illustrates the relative climate impact of different protein concentrate sources in a standard piglet feed formulation. Results indicate that the choice of protein source can significantly influence the overall climate impact of the formulation.

Feed efficiency comes first

Climate data does not replace performance requirements. Feed and petfood ingredients must continue to deliver nutritional value, efficiency and consistent product quality.

KMC’s portfolio is designed with this balance in mind. Whether the objective is optimised feed conversion, durable kibbles or grain-free petfood formulations, performance remains the foundation. The objective is straightforward: to deliver environmental documentation without compromising performance.

Because feed and petfood are produced for living animals, traceability, process control and consistent product quality are essential. Through monitoring, testing and quality control procedures, we work to ensure that our ingredients meet the requirements of customers across feed and petfood applications. Selected KMC feed and petfood ingredients are covered by the internationally recognised GMP+ FSA certification for the assurance of feed safety. By combining nutritional performance, feed safety and transparent environmental documentation, we aim to support customers in making decisions that create value across the feed and petfood value chain.

Piglet feed: Potential climate impact

Illustrative comparison of total global warming potential of piglet feed.

KMC PotaPro 1500

Baseline

European soy protein concentrate

+13-22%

South American soy protein concentrate

+17-27%

Principles

- Standard piglet feed formulation (9-15 kg bodyweight)
- Only the protein concentrate source is substituted
- Formulation adjusted to meet nutritional requirements (SEGES Innovation)
- Based on GFLI emission factors
- EF 3.1 methodology, CO_2e/tonnes as is, Economic allocation
- Includes land use change (LUC)
- Vitamins and minerals excluded due to GFLI data limitations
- Results vary depending on the nutritional profile of the protein concentrate used

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From field to food safety

For KMC Group, food safety goes beyond compliance. The ingredients we produce become part of a food product consumed somewhere in the world, making consumer safety a responsibility we never compromise on. Delivering safe ingredients is fundamental to building and maintaining the trust of our customers.

All production sites across KMC Group are certified to FSSC 22000 and comply with applicable Danish and European food legislation. These internationally recognised standards provide a structured framework for risk management, monitoring and continuous improvement across our operations.

Traceability is at the core of our approach. As a 100% farmer-owned cooperative, we maintain a close connection to our raw material supply, supporting traceability throughout the value chain, from field to finished ingredient. Our food safety management system is underpinned by extensive testing and verification activities. This includes routine analyses of in-process and finished products, as well as specialised testing conducted by external laboratories. We also carry out regular recall exercises to validate the effectiveness of our traceability systems.

To further strengthen our focus, we have introduced a Group-wide target of zero product recalls. The target reflects our ambition to prevent food safety incidents before they occur and to maintain the high level of trust placed in us by customers. During the year, we recorded zero product recalls, reflecting the robustness of our preventive controls and food safety management systems.

While food safety focuses on protecting consumers, product complaints provide an important indicator of product quality and customer satisfaction. During the year, product complaints represented just 0.01‰ of delivered orders, reflecting the consistency of our production processes and the commitment of employees across KMC Group to delivering products that meet customer expectations.



> “Food safety is a fundamental responsibility. It protects consumers, builds trust and is essential to delivering the quality our customers expect from KMC.”
>
> **— Heidi Bretthauer, Quality Director at KMC**

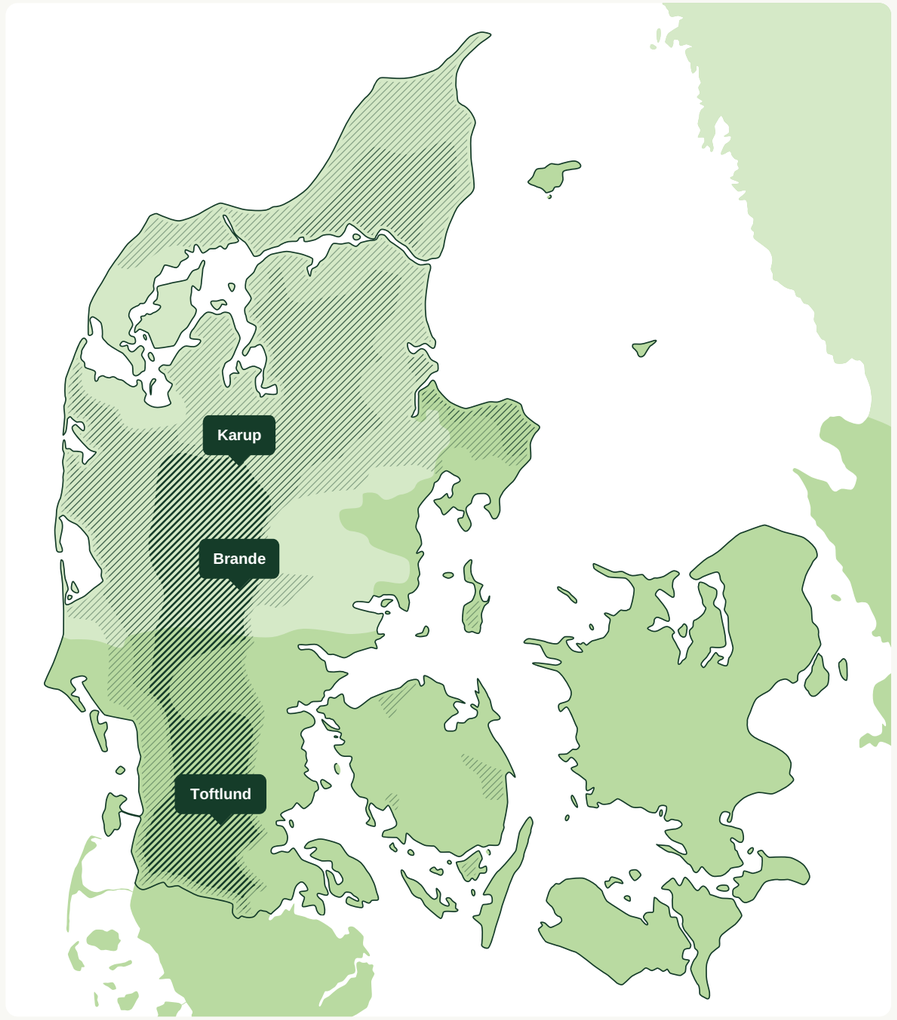
Maintaining high standards of food safety and quality requires continuous learning and improvement. Through our Group-wide Quality Forum, specialists from across the organisation regularly share knowledge, review incidents and identify opportunities to strengthen processes and reduce risk.

Combined with our target to provide annual competency-based training across all operating sites, this helps build the competence and awareness needed to prevent incidents, strengthen operational reliability and deliver safe, high-quality ingredients to customers.

Our ambition is clear: to deliver safe ingredients, consistent quality and zero product recalls.

The culture behind food safety

Food safety is not only about procedures and systems. Every two years, we assess our food safety culture across KMC Group’s five production sites, providing a basis for local dialogue and continuous improvement. In 2026, all five sites met the targets for both overall score and participation.



Source: WRI Aqueduct Water Risk Atlas, Overall water risk.

Understanding water risk

Water is essential to the potato. Access to irrigation plays an important role in supporting resilient potato cultivation, as potato yields are closely linked to the availability of sufficient water. Denmark's favourable water conditions therefore contribute to stable production and strengthen KMC Group's agricultural foundation. Water is also used throughout our production processes - from washing soil from the potatoes when they arrive from the fields to ensuring the consistency, functionality and purity that our customers expect from our products. As part of this, we work with water recirculation to minimise absolute water consumption in production wherever possible.

But if water is essential, why is it not a material topic in KMC Group's double materiality assessment?

Water scarcity is an increasing concern in many parts of the world. Water stress, however, varies significantly by geography. All our production sites and potato-growing regions are in Denmark, which is classified as an area of low or low-medium water stress according to the WRI Aqueduct Water Risk Atlas.

Therefore, although water is essential to our business, our geographical location means that both our agricultural and industrial activities take place in an area with relatively low water stress.

Being in a low-water-risk region does not remove our responsibility to use water efficiently. Water remains a critical resource for our value chain, and we are committed to managing it responsibly. We have therefore committed to reducing absolute water consumption by 5% by 2032/33 compared to the 2025/26 baseline.

KMC's potato farming regions and production sites are in areas with low overall water stress according to the WRI Aqueduct Water Risk Atlas.

Karup

- AKK production site

Brande

- AKD production site
- KMC Derivat production site
- KMC Granules production site
- KMC HQ

Toftlund

- AKD production site

The next use matters

Making the most of every potato has long been part of KMC Group's way of thinking. It is also reflected in our double materiality assessment, where by-products are identified as a material topic. We see value not only in the products we make, but also in what remains after production. For us, the next use matters.

Our ambition has always been to utilise the full potato for value-adding purposes. While potatoes are processed into starch and associated products at our starch factories, at KMC Granules the potato itself is processed into dehydrated potato flakes and granules. Once starch has been extracted, valuable resources remain in the form of protein, fibres, pulp and potato juice. Protein is used in food and feed products, fibres are used in food applications, pulp is primarily utilised for biogas production, and potato juice is returned to the fields as fertiliser. This approach to resource use is an integral part of how we operate.

The same principle applies inside our factories. Even with efficient production processes, side streams can still arise. Modified starch may occasionally bind together during the drying process, forming hard material that no longer performs as intended. Similarly, the production of potato flakes and granules can generate organic side streams from the processing of the potatoes. A paper bag containing quality starch can be damaged during handling, making the starch unsuitable for shipment to customers. These situations occur from time to time.

Our ambition is to ensure that these organic side streams are not simply treated as waste or sent for energy recovery. We continue to view them as valuable resources and actively seek the most beneficial use available. Through quality testing of our organic side streams, we identify their possible applications and ensure that each stream is directed towards the highest-value use identified through our laboratory testing.

To support this approach, we follow a policy aligned with the food waste hierarchy. We have also established targets to strengthen our management of organic side streams, beginning with the KMC Derivat and KMC Granules factories.

Explore how we use the potato

Targets:

KMC Derivat

≤ 2.0%

≤ 2.0% organic side streams relative to production, with 50% directed to feed and other value-adding applications and 50% sent to energy recovery by 2032/33

KMC Granules

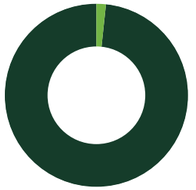
35%

Reduce organic side streams sent to energy recovery by 35% by 2032/33, while increasing utilisation in feed and other value-adding applications

2025/26 achievements:

KMC Derivat

1.9% organic side streams relative to production



With 38% going to feed.



KMC Granules

Baseline established

Other areas where resource management matters

Food loss: Following the FAO definition of food loss, we have set a target to reduce food loss by 10% by 2032/33, using 2025/26 as the baseline year. In KMC Group's potato value chain, food loss refers to potato-based food ingredients intended for human consumption that leave the food value chain during storage, handling or processing. Fractions diverted to feed or other value-adding applications are not considered food loss.

Water consumption: Water is a critical resource in our production. We therefore target a 5% absolute reduction in water consumption by 2032/33 compared to our 2025/26 baseline.

Packaging: We are subject to the EU Packaging and Packaging Waste Regulation (PPWR) and continue to adapt our processes and documentation to support compliance with the regulation.

How we use the potato

In KMC, the philosophy remains the same as always: Simple, common sense is the starting point for food production benefiting everyone. Therefore, we continue to find and explore new, value-adding ways to use the potato, from juice and starch to protein and fiber.



1-2%

Potato protein

The potato protein has a unique composition of amino acids that is extremely beneficial for both humans and animals. The protein is often used in animal feed, but the nutritional benefits have made potato protein very attractive in the food industry. Among other uses, it helps people with smaller appetites, as well as vegetarians, vegans and those who train, to meet their protein needs. It is also being tested in plant-based meat alternatives.

20%

Potato starch

Potato starch was the first product in our portfolio – and to this day, it is still our most important product. Potato starch is used in the food industry for products such as pasta, snacks, sauces, and alternative dairy products. The refined potato starch is used to replace or reduce animal ingredients, such as casein in cheese, gelatine in gummy candies, and eggs in mayonnaise.

76-78%

Potato juice and cell walls

Potato juice, also called protamylasse in concentrated form, is recycled and used as fertilizer for the next year's potato crops. The cell walls, also referred to as pulp, are used to produce biogas and, in certain cases, as animal feed.

1-2%

Potato fibers

Potato fibres are used in food production because of their efficient water binding capacity and their contribution to extended shelf life of food products.

People behind progress

From field to food ingredient, skilled employees across KMC Group help unlock the potential of the potato for customers around the world.

Social highlights 2025/26

The numbers behind our people commitment

100%

Employees paid above the applicable living wage benchmark

2.84

Work-related injury rate per 100 employees
Target: ≤ 2.5

3.22%

Employee sickness absence rate
Target: ≤ 3.0%

The potato may be at the heart of our business, but it is people who turn its potential into value. Across KMC Group, employees in production, quality, research and development, technical functions and support roles contribute to improving processes, advancing innovation and delivering consistent results for customers.

Our ability to deliver safe, high-quality ingredients depends on skilled and engaged employees. We therefore focus on providing safe working environments, responsible employment practices and a culture built on engagement, development, collaboration and decency.

Our target is to deliver annual competency-based training at all operating sites.

The training supports continuous development of employee competence and awareness across the Group. By strengthening skills and knowledge, it helps maintain high standards, enhance operational reliability and support continuous improvement.

Alongside our values, our Code of Conduct sets common expectations for responsible business conduct across our organisation and supply chain. Covering areas such as business ethics, human rights, workplace behaviour and compliance, it supports a transparent and responsible culture among employees, suppliers and business partners.

Creating the right conditions

Operating primarily in Denmark, where collective agreements and strong employee protections contribute to high employment standards, KMC Group assesses remuneration against independent living wage benchmarks. Based on the latest assessment in 2026, all employees were paid above the applicable living wage threshold.

KMC Group is also preparing for the implementation of the EU Pay Transparency Directive by reviewing pay structures and strengthening transparency across the organisation. As part of this work, we continue to develop and support remuneration practices based on objective and gender-neutral criteria.

A safe workplace remains fundamental to our operations. We work continuously to strengthen safety awareness, prevent workplace incidents and encourage proactive reporting of near misses. By learning from incidents and sharing best practice across sites, we continue to strengthen our safety culture and reduce risks across the organisation.

Technology, processes and raw materials matter. But delivering consistent quality to customers ultimately depends on the people behind the products. Safe workplaces, responsible employment practices and a strong culture are therefore not only matters of compliance, but essential to creating long-term value for our customers, employees and business.



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Double material targets

Overview with 2025/26 baselines

Topic	Primary target	Baseline 2025/26, primary target	Secondary target	Baseline 2025/26, secondary target
Climate impacts CO_2e emissions from scope 1, 2 and 3	50% in scope 1 and 2 in 2032/33.	109,698 tonnes CO_2e (market-based).	10% in scope 3 in 2032/33.	262,456 tonnes CO_2e.
Energy Energy consumption and energy sources	15% renewable process heat and 100% renewable electricity by 2032/33.	0% renewable process heat. 0% renewable electricity (market-based).	Energy management targets (ISO 50001) are under review and will be finalised in November 2026 (KMC).	—
Potato cultivation Tillage work, crop spraying, etc.	50% reduction in plant protection product use by 2032/33.	Baseline under review.	80% of potato acreage in TraceIT by 2032/33.	30% of potato acreage based on 2025 harvest.
Value chain collaboration Security of supply and security of owners	Fully integrated KMC cultivation concept by 2032/33.	No concept defined.	FSA verification level of 100% gold by 2032/33.	80% gold based on the 2024 verification.
Food safety Quality manufacturer and reliable supplier	0 food safety recalls annually.	0 food safety recalls in 2025/26.	—	—

Material targets

Overview with 2025/26 baselines

Topic	Primary target	Baseline 2025/26, primary target	Secondary target	Baseline 2025/26, secondary target
Innovation & development New products and better utilisation of the potato	4,500 tonnes of protein will be delivered to food by 2032/33.	561 tonnes.	Offer at least one lower-carbon alternative for every core application and its sub-application by 2032/33, relative to the 2026 solution portfolio.	0 lower-emission alternatives.
Health and safety Accidents at work and sickness absence	≤ 3% sick leave annually (incl. short and long).	Employee sickness absence rate at 3.22%.	Annual rate of work-related accidents at ≤ 2.5 (per 100 full-time equivalent workers per year). Number of work-related accidents during the reporting year resulting in at least one day of lost work time beyond the day of the accident.	Work-related accident rate at 2.84.
Work culture & conditions Staff conditions and well-being	KMC Group is preparing for the implementation of the EU Pay Transparency Directive by reviewing pay structures and strengthening transparency across the organisation. As part of this work, we continue to develop and support remuneration practices based on objective and gender-neutral criteria.	—	Operating primarily in Denmark, where collective agreements and strong employee protections contribute to high employment standards, KMC assesses remuneration against independent living wage benchmarks. Based on the latest assessment, all employees were paid above the applicable living wage threshold.	—
By-products Value-creating side streams	**Derivaten:** ≤ 2.0% organic side streams relative to production, with 50% directed to feed and other value-adding applications and 50% sent to energy recovery by 2032/33. **Granules:** Reduce organic side streams sent to energy recovery by 35% by 2032/33, while increasing utilisation in feed and other value-adding applications.	**Derivaten:** 1.9% organic side streams relative to production; 38% directed to feed. **Granules:** 34,825 tonnes biomass.	10% food loss reduction by 2032/33, baseline 2025/26. 5% absolute reduction in water consumption by 2032/33, baseline 2025/26.	**Food loss:** 358,857 tonnes food loss (pulp from AKK, AKD and Granules, side streams for biogas at Derivaten, and organic waste sent to Marius Pedersen). **Water consumption:** 629,684 m^3
Training and skill development Development of employees' competencies	All employees at the operating sites receive qualifying training annually.	Fulfilled in 2025/26.	—	—

Environmental data

Environmental data for KMC Group
for the 2025/26 financial year

Metric	Unit	2025/26
Scope 1	tonnes CO_2e	65,537
Scope 2 location-based	tonnes CO_2e	8,634
Scope 2 market-based	tonnes CO_2e	44,161
covered by renewable energy certificates	tonnes CO_2e	0
Total scope 1+2 location-based	**tonnes CO_2e**	**74,171**
Total scope 1+2 market-based	**tonnes CO_2e**	**109,698**
Scope 3 total *	**tonnes CO_2e**	**262,456**
3.1 Purchased goods and services	tonnes CO_2e	194,054
3.3: WTT	tonnes CO_2e	10,520
3.4: Upstream transportation	tonnes CO_2e	4,624
3.5: Waste	tonnes CO_2e	17,853
3.6: Business travel	tonnes CO_2e	165
3.7: Employee commuting	tonnes CO_2e	567
3.9: Downstream transportation and distribution	tonnes CO_2e	34,673
Total GHG emissions location-based	**tonnes CO_2e**	**336,627**
Total GHG emissions market-based	**tonnes CO_2e**	**372,154**

*Excluding Scope 3.2 (Capital Goods). Emissions related to major investments and expansion projects can vary significantly between years. We nevertheless report the category separately to provide an accurate picture of our climate impact.

3.2: Capital goods	tonnes CO_2e	34,662

Energy consumption

Metric	Unit			2025/26
		Renewable	Non-renewable	Total
Electricity Location-based	MWh	109,120	17,764	126,883
Electricity Market-based	MWh		126,883	126,883
District heating Location-based	MWh	71	20	91
District heating Market-based	MWh		91	91
Natural gas	MWh		326,511	326,511
Fuels	Litres		68,251	68,251

Water

Metric	Unit	2025/26
Water withdrawal	m^3	1,795,195
Water discharge	m^3	1,165,511
Water consumption	m^3	629,684

Waste

Waste treatment			2025/26
	Hazardous tonnes	Non-hazardous tonnes	Total tonnes
Recycling	0	839	839
Other utilisation	0	17	17
Incineration	37	27,544	27,581
Total waste generated	38	28,400	28,437

Social and governance data

Social and governance data for KMC Group
for the 2025/26 financial year

Workforce

Metric	Unit		2025/26
Total employees	Number		458
Women	Number/%	149	32.5%
Men	Number/%	309	67.5%
Permanent employees	Number/%	441	96.3%
Temporary employees	Number/%	17	3.7%
Employees outside Denmark	Number/%	18	3.9%
Employee turnover rate*	%		16.2%
Employees covered by collective bargaining agreements	%		67.2%
Employees paid at or above applicable living wage benchmark	%		100.0%
Employee sickness absence rate	%		3.22%

*Excluding one production site

Health and Safety

Metric	Unit	2025/26
Accidents with absence	Number	13
Accidents without absence	Number	36
Fatalities from work-related injuries	Number	0
Work-related accident rate per 100 employees	Accidents per 100 employees	2.84

Human rights and business conduct

Metric	Unit	2025/26
Confirmed severe human rights incidents involving own workforce	Number	0
Convictions for violations of anti-corruption and anti-bribery laws	Number	0
Fines for violations of anti-corruption and anti-bribery laws	Number	0
Total monetary value of fines	EUR	0

Methodology

Reporting boundary

Unless otherwise stated, data covers KMC Group, including KMC, AKK and AKD.

Reporting period

The reporting period covers the financial year 2025/26.

Comparability

FY 2025/26 serves as the baseline year for several environmental indicators. Due to expanded Scope 3 coverage, improved data quality and methodological developments, certain indicators are not directly comparable with previous reporting periods. Hence, historical data is not disclosed in the 2025/26 report.

Greenhouse gas emissions

GHG emissions are calculated in accordance with the Greenhouse Gas Protocol and reported as CO_2 equivalents (CO_2e). Scope 2 emissions are reported using both the market-based and location-based approach. The Scope 3 inventory includes categories assessed as material to KMC Group's operations, while categories considered not applicable or immaterial are excluded. Scope 3.1 Purchased goods and services includes potatoes, chemicals and packaging. Other purchased goods and services are excluded based on an assessment of materiality. Certain purchased goods reported in Scope 3.1 are based on ecoinvent market datasets that include average transportation and distribution emissions. To avoid double counting, these emissions are not separately reported in Scope 3.4 Upstream transportation and distribution. Scope 3.5 Waste generated in operations includes emissions from waste treatment and waste transportation, primarily based on data provided by KMC Group's waste management partner. Scope 3.6 Business travel is based on data from KMC Group's travel agency. Travel arranged outside this system is considered immaterial and is not included.

Energy Consumption

Energy consumption includes electricity, district heating, natural gas, fuels, and other energy sources. Renewable and non-renewable energy consumption is classified according to the underlying energy source. The share of renewable energy is calculated as the proportion of total energy consumption derived from renewable sources. For electricity and district heating, renewable energy consumption is assessed using both location-based and market-based approaches. The location-based approach reflects the average renewable share of the energy supplied, while the market-based approach reflects contractual instruments and supplier-specific information where available.

Waste

Waste metrics include registered hazardous and non-hazardous waste and are classified according to the treatment method reported by the waste management partner, including recycling, other utilisation and incineration. The reported figures cover waste fractions managed through the Group's waste handling systems and exclude soil, sand and stones separated from incoming potatoes.

Water

Water withdrawal includes water withdrawn from groundwater, surface water and municipal water supplies. Water consumption is calculated as the volume of water withdrawn that is not returned to the water environment. Water discharge comprises water released to receiving water bodies, public wastewater systems or third parties during the reporting period.

Workforce

The number of employees is reported as headcount at the reporting date, corresponding to the end of the financial year.

Health and safety

The work-related injury rate is calculated as the number of work-related injuries resulting in absence divided by the number of employees at the end of the reporting year and multiplied by 100. The reported rate represents the number of work-related injuries resulting in absence per 100 employees.

Sickness absence is reported as a percentage and includes both short- and long-term sickness absence. The Group figure is calculated as a weighted average based on employee headcount across the reporting entities.

Human rights and business conduct

Human rights and business conduct metrics are reported based on registered and confirmed incidents during the reporting period.

Double materiality assessment

Description of topics

Material

1. **Climate impacts:** KMC Group's CO_2e emissions primarily arise from natural gas (scope 1), electricity (scope 2), and the value chain (scope 3), including transport and purchased goods. Extreme weather affects potato harvests and can significantly influence yields, thereby impacting the main raw material. Increasing regulation and forthcoming legislation may raise transport costs and require substantial investments.
2. **Energy use:** KMC Group's factories are energy-intensive, relying primarily on natural gas and electricity. Energy-saving initiatives can reduce energy consumption and potentially lower costs. Investment in renewable energy projects such as solar parks and wind turbines may be economically beneficial, but energy crises and rising natural gas prices represent a risk. In the future, several different types of energy sources are being considered.
3. **Potato cultivation:** The potato is the primary resource. Potato cultivation entails several impacts, including soil tillage and the use of plant protection products. This can result in accidental contamination, carbon emissions, and effects on biodiversity. As temperatures rise in Southern Europe, starch potato cultivation in Denmark is also considered a competitive advantage. Extreme weather and changes in regulation regarding plant protection products and land use represent an economic risk, as they affect yields and costs.
4. **Value chain cooperation:** KMC represents AKK and AKD externally as one entity, which creates a business opportunity to ensure ESG delivery across the factories. Our ownership structure provides us with a competitive advantage and security of supply, which we see as a financial opportunity. Collaboration between KMC and the owner factories AKK and AKD ensures shared objectives and initiatives for CO_2e reduction and sustainability, strengthens our position close to the farmers, and enables efficient business operations and positive change.
5. **Food safety:** KMC Group ensures high quality and food safety in our potato-based ingredients, positioning us as a reliable business-to-business supplier. Our stringent control procedures safeguard the health and safety of end consumers and result in a low risk of product recalls.
6. **Innovation and development:** Innovation of new products and improved utilisation of by-products creates financial opportunities to increase revenue. The development of potato protein for food offers good nutritional qualities and contributes to revenue. The development of new resistant potato varieties through breeding and new technology such as NGT can reduce the need for pesticides and water, improve resistance to pests, and strengthen the reputation of potato farmers and agriculture in general.
7. **Health and safety:** KMC Group is dedicated to preventing workplace accidents by establishing appropriate precautions and processes. Some employees at factories work night shifts, which increases health risks, and they handle chemicals as well as hot water and steam, which require strict safety measures. Accidents may lead to health and safety incidents, long-term sickness absence, compensation, and challenges in attracting new employees.
8. **Working culture and conditions:** KMC Group offers employee benefits, which helps attract and retain labour. We have a strong corporate culture supported by internal policies and a code of conduct. KMC also ensures fair working conditions for staff employed outside Denmark.
9. **By-products:** KMC Group focuses on utilising and creating value from all parts of the potato. Protamylasse from potato starch production is returned to the fields as fertiliser, which saves synthetic fertiliser and is approved for organic farming. This practice promotes a circular economy. Similarly, pulp is used for biogas or animal feed. Water and soil are only spread on approved fields under controlled conditions.
10. **Training and skill development:** KMC Group focuses on providing employees with access to relevant courses and training, which enhance their qualifications and strengthen their contribution to the company. This creates a positive impact for employees and supports KMC Group's long-term success.

Not material

11. **Governance:** KMC Group is transparent about our positions, such as NGT, and engages in dialogue with businesses, industry and trade associations, and policymakers without supporting political parties. We work to comply with regulatory requirements and maintain smooth cooperation with the authorities as part of responsible business conduct. We have a supplier code of conduct and regularly train the sales organisation in anti-corruption. Our political engagement is seen as a business development opportunity but also entails a risk of reactions that may affect both us and potato farmers.
12. **Procurement:** KMC Group uses technical processing aids in production, which creates a risk of pollution. Packaging is purchased from India, Bangladesh and other countries which may entail potential impacts related to human rights. New legislation, such as the EU Packaging and Packaging Waste Directive, may increase costs. Chemicals and packaging are primarily supplied by EU companies that receive our supplier code of conduct. Supply crises can cause production stoppages and financial risks for security and reputation.
13. **Local communities:** KMC Group actively contributes to the local community by supporting cultural and sporting activities, hiring and training local people, and sourcing from local suppliers. The ownership structure as an a.m.b.a. fosters local interest and engagement, which is particularly central to the vision and mission of the owner factories. Good dialogue with the local areas in Brande, Karup, and Toftlund may also be important for realising expansion plans.
14. **Biodiversity on company sites:** AKK owns §3-protected areas and 70 hectares of protected heathland, which positively contribute to biodiversity and ecosystems, but may involve the risk of an Environmental Impact Assessment screening. There is generally an opportunity to create more wild nature, which could further support biodiversity.
15. **Odour and noise impacts:** Emissions from dust, combustion, etc. can affect air, noise, odour, and light around the factories, which are continuously monitored to ensure compliance with applicable standards and regulations.
16. **Diversity and inclusion:** KMC Group prioritises equal treatment and recruit based on skills and qualifications, which fosters a positive culture with a diverse workforce. We focus on creating an inclusive corporate culture by hiring employees in flex jobs, and students, and by collaborating with PhD students.
17. **Water consumption in production:** Water is used in production at all factories, particularly for process purposes such as cooling and washing potatoes. KMC Group invests in projects to improve water efficiency and increase water reuse, which may lead to long-term cost savings but higher short-term expenses. Reduced water quality or the risk of contaminated water represents a financial risk, as production depends on water. Potato wash water is spread on approved and controlled fields.
18. **Waste management:** KMC Group generates waste from production processes, supply, and packaging, including wastewater, general waste, organic waste, and paper sacks. Several of the products do not create waste streams, as they are used as ingredients in other food or feed products. Regulatory developments, such as updated waste regulation, lead to additional costs. We reuse energy and water streams where possible, for example surplus heat. Stricter requirements in the future may increase the workload and operating costs.

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