

# 2020

ANNUAL AND SUSTAINABILITY REPORT



**martin&servera**  
GRUPPEN

# Contents

4	Martin & Servera in 3 minutes
5	The year in brief
6	CEO's comments
8	Strategy
10	Digitalisation and innovation
11	Climate impact
12	Value creation model
14	Trends
16	Group overview
26	Our sustainability work
28	Our sustainability goals
30	Resource-efficient operations
34	Good employer
38	Sustainable offering
44	Partnerships and community involvement
48	Board of Directors
49	Group management

**Address:** Martin & Servera, Box 1003, 121 23  
Johanneshov, Sweden. Phone: +46 8 722 25 00.  
[martinservera.se](http://martinservera.se).

**Contact person:** Christina Gezelius, Head of  
Information, Martin & Servera,  
[christina.gezelius@martinservera.se](mailto:christina.gezelius@martinservera.se).

**Production, text & graphics:** Futerra.

**English translation:** Dopply AB

**Photo:** Joel Wåréus, Magnus Fond, Matilda Lindeblad,  
Kicki Nilsson, André de Loisted, Niclas Kindahl,  
Årets Kock, Visita, Martin & Servera, Shutterstock.  
**Print:** Printografen.



**Together we are  
the restaurants'  
best partner**





# The company in 3 minutes

## Vision

Together, we are the restaurants' best partner.

## Values

Committed, courageous and competent.

## Our offering

Leading specialised companies and attractive services supplement our full assortment offering.

## Our customers

We are business partner to thousands of customers in the restaurant market. We help anyone working in the restaurant and catering industry with the goods, services and knowledge they need to run their business.

## Our locations

The Martin & Servera Group has offices all over Sweden and operations in Finland and Norway. We are familiar with the local markets, are close to our customers and have in-depth knowledge of the restaurant industry's needs. Our headquarters are based in Årsta, just outside Stockholm.



## Significant business events during the year

2020 has been a challenging year, to say the least, due to the COVID-19 pandemic, which has had a major impact on the hospitality industry and thus also on the Martin & Servera Group companies. This year's business events include organisational changes resulting from the pandemic, but also important investments for the future.

- Galatea acquires wine importer Domaine Wines Sweden
- Sorundahallarna invests in expanded production facility in Hässleholm
- The Finnish business, Chipsters, is divested
- Grönsakshallen Sorunda's local warehouse and sales offices in Nyköping and Mora are closed
- Diskteknik is integrated into Martin & Servera Restauranghandel's sales function
- Construction of a new eco-friendly warehouse in Norrköping is proceeding according to plan
- Galatea launches new e-commerce platform
- The Martin & Servera Group sign an agreement for Sweden's largest solar power plant

### MARTIN & SERVERA GROUP'S FIVE-YEAR OVERVIEW

Financial overview	2020	2019	2018	2017	2016
Net sales, SEK m	12,086	15,077	14,597	14,475	13,343
EBITDA margin, %	0.6	4.1	3.6	3.2	3.8
Operating margin (EBIT), %	-1.9	2.1	1.8	1.8	2.7
Net profit, SEK m*	-62	426	360	318	394
Balance sheet total, SEK m	3,253	3,765	3,888	3,767	3,438
Return on capital employed, %	-12.7	17.1	15.1	15.5	24.6
Return on equity, %	-33.9	15.6	13.3	14.0	22.5
Equity ratio, %	37.0	38.3	34.8	34.7	36.8

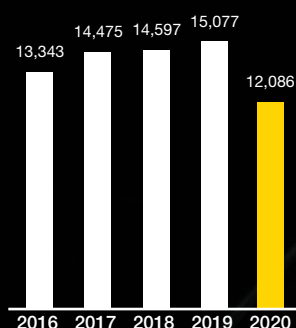
# 77%

of sales at Martin & Servera Restauranghandel are via e-commerce channels

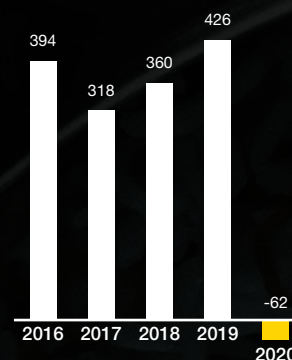
# 2,806

number of Group employees  
31 Dec 2020

### NET SALES, SEK MILLION



### NET PROFIT\*, SEK MILLION



\* Earnings before tax excluding goodwill amortisation and items affecting comparability.



# CEO Liv Forhaug on 2020

It's been a tough year. The restaurant industry has been hit hard by the COVID-19 pandemic and the restrictions it has brought with it, which have had a major impact on the Martin & Servera Group companies. At the same time, it is in times of crisis that we are truly tested, and so I look back on the year with pride at how we as an organisation, together with our customers and suppliers, have managed to reconcile rapid change with a long-term vision.

In financial terms, we lost about 20% of sales for the full year, equivalent to around SEK 3 billion. This figure hides even greater drama. We have been down to about half of normal sales in some periods. There are many customers who have lost all or almost all of their sales, mainly in the hotel, conference, travel and events sectors. Most have struggled to survive, and some have failed to do so and have gone bankrupt. The least affected have been our public sector customers (which normally account for around a third of our business), although school closures and working from home have had an impact there too.

Total net profit\* for 2020 is minus SEK 62 million (2019: SEK 426 million). This is mostly a consequence of lower sales, but the loss also includes one-off costs due to restructuring and credit losses as a result of customer bankruptcies. The underlying result is slightly positive. Given the circumstances, we are satisfied with the result.

This spring, our management and staff rolled up their sleeves immediately and took up the challenge with fantastic commitment. The need for priorities, both large and small, has become very clear this year. The dramatic drop in sales in the second quarter made us question all aspects of our business, as well as the effectiveness of our basic structure.

\* Earnings before tax excluding goodwill amortisation and items affecting comparability.



**We will continue to grow and develop so that we can meet the challenges and opportunities that lie ahead.**



We identified and initiated a number of major structural changes relatively quickly, in addition of course to mitigating the volume loss by reducing our variable costs, including through extensive furloughing of staff. Unfortunately, these have not been sufficient and we have also had to let staff go. During the year, we reduced the number of warehouses and sales offices, integrated Diskteknik with Martin & Servera Restauranghandel and sold our Finnish operations. We are also pleased that we have been able to continue to invest aggressively through acquisitions. This year we have strengthened our portfolio with two new companies, Domaine Wines Sweden and Snapphane Chark. At the same time, we have continued and even increased the pace of several digitalisation and sustainability initiatives. In digitalisation, we have strengthened our IT organisation and capabilities, and invested further in areas such as advanced data analytics, customer-facing digital service development, and next-generation e-commerce. We are building a brand new, automated eco-smart warehouse in Norrköping.

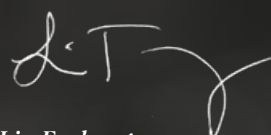
On the sustainability side, the trends we saw earlier have been reinforced. The climate issue, and interest in plant-based food and local produce continue to grow. This is a long-term development, although the acute crisis that many customers have found themselves in has obviously shifted the focus from development to survival for the time being. Making it easy for our customers to shop and cook in a more eco-smart way is something that can and needs to be further developed. Here, too, we are investing for the long term, and we will continue to work on both supply and improved consulting. During the year, we tested product eco-labelling. We are of course also working hard to make our own operations more sustainable. For example, we continuously reduce food waste, optimise our transport to reduce emissions and at the end of the year we signed an agreement with Alight to build Sweden's largest solar power plant, equivalent to half of

Martin & Servera's electricity consumption. The plant will be operational by the end of 2021. We have a clear goal of achieving carbon-neutral operations by 2030.

With long-term and secure owners behind us, we have thus been able to make an aggressive transition that gives us a good platform for the future, both in terms of efficiency and in creating the best customer service on the market. This crisis will pass, and we will be well positioned afterwards.

But I want to be clear, we did not do the job alone. We have had good cooperation and close dialogue with both our suppliers and our customers all the way. There have been rapid and sometimes difficult changes. Our focus has been to provide our customers with support, inspiration and practical solutions, whether it's a product range, new delivery arrangements, training or changes in business conditions.

As I said, it has been a tough year. But I am hopeful about what lies ahead. Our need to meet up, socialise and enjoy ourselves is strong. I know I'm not alone in longing to spend time with both friends and colleagues, preferably over a bite to eat and with a nice glass of something in my hand. Of course, the recovery will come at different speeds for different segments, but it will happen eventually, and we in the Martin & Servera Group are determined to be the best partner for restaurants, both now and in the future.



**Liv Forhaug**





STRATEGY

# Restaurants' best partner



The Martin & Servera Group's vision is to be the best partner to the restaurant industry. Through a full assortment offering that is supplemented with specialised companies and attractive services, our companies can provide customers with the market's best offerings. Our long-term strategy is built on four cornerstones – the best customer offering, constant development, an attractive workplace and acting as a force for long-term sustainability.

As a Swedish, family-owned group of companies, we take a long-term approach and can make a difference throughout the value chain. Together we want to be the best partner to the restaurant industry. This means we need to be an industry leader in sustainability and challenge ourselves to try out new ideas and solutions that meet the diverse needs of our customers. Services and the assortment



We are always striving to develop and streamline both our business and our day-to-day work

should make everyday life easier, at the same time as we help to develop our customers' businesses. The commitment we have for our customers starts with us. Our workplaces should be characterised by a culture that fosters openness, initiative and collaboration, and should be constantly evolving.



We listen to our customers, offer a wide range of products, and have reliable logistics and the services restaurants need

**Renewal  
and continuous  
improvement**

**Best customer  
offering on the  
market**

**Vision:  
Together, we are  
the restaurants'  
best partner**

**Attractive  
workplace**

**Force for good**



We are an inclusive and inquisitive organisation that encourages learning.



We are making a difference – for us, sustainability and a long-term vision are not a choice.

# Customer needs drive the development journey

Basically, it's all about simplicity. Simplicity and access to the right knowledge. For us and for our customers.

”

**The aim is to give our customers more time to do what they are passionate about.**

For Martin & Servera, digitalisation and innovation are key to delivering on our overall strategy. The market's best customer service must also be digital.

This means being able to offer the best e-commerce in the industry and providing existing services in a digital version with greater accessibility and customisation, but also developing new innovative services that support our customers.

“The goal is to give our customers more time to do what they are passionate about,” says Gustav Fernström, Business Development Director at Martin & Servera Group.

To live up to the ambition of renewal and continuous improvement, we need to constantly improve the way we work, and digitalisation is key to this. This also applies to how we support our customers with tools that are simple and usable, such as our e-commerce, where we are continuously working to refine functionality, on-boarding and customer experience. In 2020, e-commerce was launched for Galatea as a step towards a group-wide e-commerce experience. In 2021, the focus will be on bringing together the customer journey between the different e-retailers and the Group's digital services through, among other things, single sign-on. We're also working to improve the recommendation and personalisation experience.

The Martin & Servera Group has a strong focus on sustainable development, which is also reflected in the digital environment. In 2020, a pilot of the CO<sub>2</sub>e-labelling service was launched in e-commerce, as a first step in helping customers make more eco-smart choices.

“The year also saw the completion of Sustainable Together, a website where our customers can share tips and take on sustainability challenges, such as reducing the use of plastic or using all of a raw material, but as a result of the COVID-19 pandemic we decided to postpone the launch until 2021,” says Emilia Liljeström, Head of Digitalisation and Innovation at the Martin & Servera Group.

Martin & Servera is constantly working to gain an even better understanding of its customers' needs. As a partner, we have therefore taken an even broader approach to our portfolio of services, including the creation of a new analysis and statistics tool that gives customers a better understanding of their business.

“We see this as more important than ever in the wake of the COVID-19 pandemic. The aim is to provide customers with better decision-making support and the ability to show in a data-driven way which factors have the greatest impact on their performance. The tool is still under development and will be launched more widely in 2021,” says Gustav Fernström.

An important part of the innovation work is X-labb, the innovation lab where Martin & Servera can easily test ideas from customers and employees by developing prototypes for new digital concepts. The prototypes can then be tested directly with customers to understand what is relevant and works in real life.

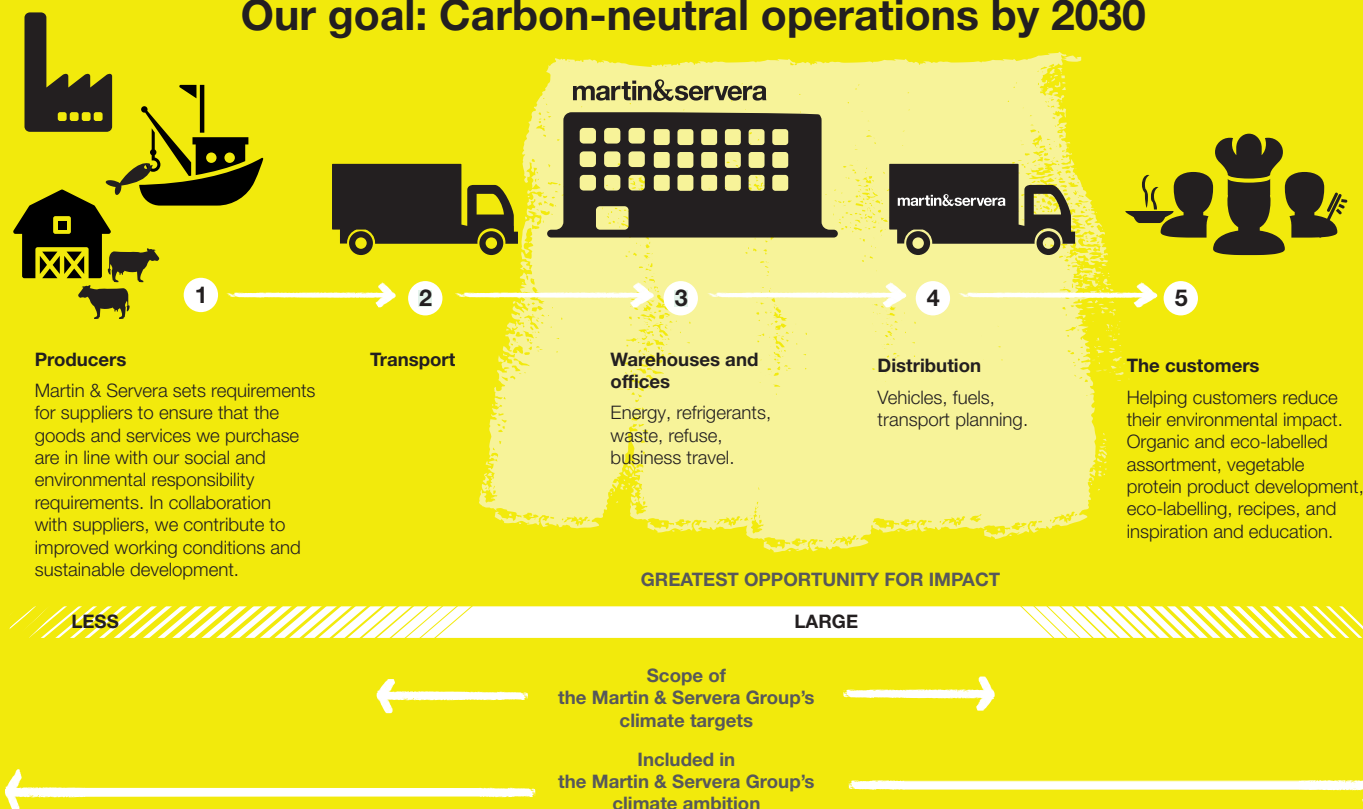
“Our new analysis and statistics tool is a result of this way of working, and we have many other exciting ideas in the pipeline,” says Emilia Liljeström





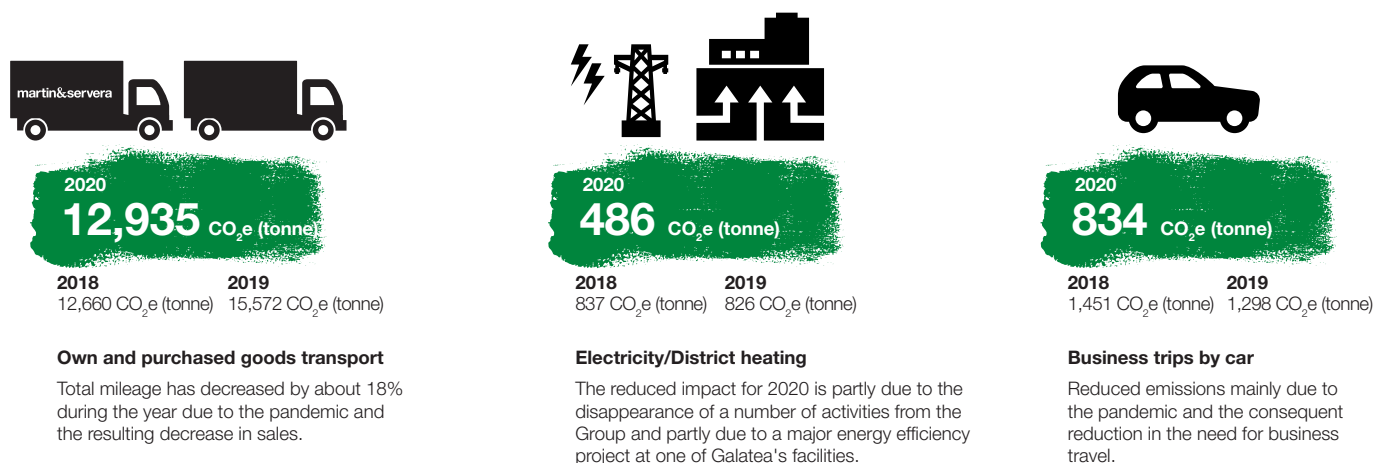
# Climate impact

**Our goal: Carbon-neutral operations by 2030**



## Focus on what we can influence ourselves

We calculate our contribution to greenhouse gas emissions along the value chain. At the moment, we include energy and cooling, business travel by car and some logistics. You can find the full report in a table later in the report.



# Together we generate value

Martin & Servera is the leading partner to all customers in the restaurant and institutional catering industry. Our Group structure was created to combine the advantages and efficiency of a major corporation with customer-centric and local cooperation.

## THE BASIS FOR OUR VALUE CREATION

### COMPETENT EMPLOYEES

# 2,806

employees who have worked for Martin & Servera for an average of 10.3 years

### RELATIONSHIPS

- Relationships with 20,000 customers
- 20,000 customer contacts per day

### ASSORTMENT

- 258 million tonnes of food and 62 million litres of drinks from 2,000 suppliers
- Product quality-assurance processes

### EFFICIENT PRODUCTION & DISTRIBUTION

# 2 million

Customer deliveries per year

- 190,000 m<sup>2</sup> of storage space in 8 warehouses
- Our own production of fresh produce, drinks and chemical engineering

### FINANCIAL STRENGTH

Equity ratio

# 37%

## OUR OPERATIONS

### THE MARTIN & SERVERA GROUP

Leading specialised companies and attractive services supplement our full assortment offering

### SUSTAINABILITY

Martin & Servera's ambition is to make it easy for customers to make decisions that are beneficial to people, animals and the environment. That's why the Group focuses on key issues regarding environmental and social responsibility.

### VALUES

Together, we are the restaurants' best partner.

### VALUES

Committed, courageous and competent.

# 18%

In a joint project in 2020, the two companies of Martin & Servera Restauranghandel and Martin & Servera Logistik managed to reduce waste in their operations by 18%.



## OUR OFFERING

## WIDE ASSORTMENT

65,000

items in our assortment

5,200

items organic and eco-labelled

## LOGISTICS

- Safe deliveries
- Efficient distribution
- New vehicle technology and alternative fuels

## SERVICES &amp; SUPPORT

77%

of sales at Martin &amp; Servera Restauranghandel handled via e-commerce channels

- Advantageous agreements via our "Premiumportalen"
- Software for calculating costs, pricing and conducting inventory

## KNOWLEDGE AND EXPERIENCE

- GastroMerit educational programme (2,534 course days/webinars sold)
- Advice and expertise from salespersons and experts

## VALUE CREATED FOR STAKEHOLDERS

## EMPLOYEES

69% 41%

Team Barometer overall index (index for employee experience)

Healthy attendance (= percentage of employees with less than 5 days of absence due to illness)

## CUSTOMERS

70%

Satisfied customer index\*

\*Martin &amp; Servera Restauranghandel, private market

## SUPPLIERS

- The restaurant market's largest sales organisation
- Marketing of the suppliers' products via e-commerce, digital media and promotional magazines

## SOCIETY

81.3 tonnes

Raw materials donated to aid organisations

- 66% renewable energy in the Group
- 421.3 MWh of solar electricity produced

## OWNER

Earnings before tax excluding goodwill amortisation and items affecting comparability.

SEK -62 million

# Rapid development and major changes

In March 2020, the conditions of the restaurant industry changed quickly and drastically. The Martin & Servera Group's customers are generally quick on their feet and willing to change, but this year has been unprecedented. In 2020, hotels, restaurants and cafés really had to use their ability to change and adapt to new conditions. Even in a more normal year, the pace of change on the market where we and our customers operate is high. By understanding trends, we meet customer needs and drive development.

1

## Changing consumption patterns

When, where and how food and drinks are consumed is changing rapidly. We have seen this clearly in 2020. Over the past year, working from home and social distancing have had a major impact on our eating habits. Restaurant sales of take-away, food bags and meal solutions have exploded. Delivery solutions directly from the restaurant or via various courier companies are also growing rapidly in large cities.

### WHAT MARTIN & SERVERA IS DOING:

- Market research and trend analyses
- Customer dialogue and workshops
- Developing new products, concepts and activities
- Developing digital solutions that make life easier for customers



2

## Health and conscious lifestyle

Awareness of how the food we eat affects our own health is increasing. This is especially true in the wake of the COVID-19 pandemic. Today, food and meals are an increasingly important part of our identity. Awareness of the impact of food production on, for example, the environment and biodiversity is increasing. New restaurant concepts with a focus on health are emerging. Demand for vegetarian and vegan food is increasing.

### WHAT MARTIN & SERVERA IS DOING:

- Broadening its range of vegetables
- Participating in the development of new innovative products such as legume mince
- Investing in increased production of plant-based foods
- Collaborating with Generation Pep on healthy food for children and adolescents
- Working to reduce the use of antibiotics in animal husbandry

3

## Digitalisation & innovation

The past year has demonstrated the importance of digital development, and the extent to which technological developments are creating new opportunities and change. Overnight, digital ordering and payment became the rule rather than the exception in the restaurant industry. Both restaurant customers and restaurant employees are becoming increasingly digital, which calls for new solutions that can optimise operations and increase sales.

### WHAT MARTIN & SERVERA IS DOING:

- Continuously launching new features in e-commerce
- A new e-commerce platform for Galatea
- Developing and experimenting in collaboration with customers in the X-labb innovation hub
- Investing in the digital workplace

4

## Small-scale with A clear origin

We can clearly see that small-scale and regional products are increasingly in demand, both from restaurants and from public catering enterprises. Restaurant customers want to know where the ingredients come from and how the farm works. It adds to the dining experience. The same applies to school restaurants and preschools, which are also driven by political demands to support local businesses and Swedish food production. The COVID-19 pandemic has reopened the debate on national food security.

### WHAT MARTIN & SERVERA IS DOING:

- Broadening its range of Swedish and regional products
- Growing production in Hässleholm, for both plant-based and meat products
- Driving the development of premium Swedish products as part of the Exceptionell Råvara association
- Smakriket - unique products from different Swedish regions, from Österlen to Lapland
- In-house beer production at Sigtuna Bryggshus

5

## Sustainable consumption

Consumers and restaurant customers are increasingly demanding that what is served be sustainable and ethically produced. Demand for sustainable products is increasing. This means organic or eco-labelled products, but could also mean regional or local Swedish products, and for some consumers it means plant-based products. A third of the food produced in the world is wasted, mostly at the consumer stage, but waste occurs throughout the food chain, from production to serving. Food waste is therefore also an important sustainability issue.

### WHAT MARTIN & SERVERA IS DOING:

- Presenting sustainable products clearly through campaigns and e-commerce
- Testing CO<sub>2</sub>e-labelling of products in e-commerce
- Setting long-term targets, for example for sales of organic and eco-labelled products
- Broadening its range of products with sustainability labels
- Broadening its range of regional and local Swedish products
- Working to reduce waste in its own operations
- Saving goods from going to waste through sales, donations and a collaboration with Karma

# A long-term vision is important on a challenging market

As Chair of the Board at Martin & Servera, I have watched with great pride how our staff have acted swiftly and skilfully to mitigate the major decline in the restaurant market during the year. The response has been one of rapid reaction, innovation and courage.

”

**Our longevity lies in our ability to change and adapt.**

The past year has been a difficult one, requiring exceptional commitment from everyone in the company, and a fundamental willingness and ability to change. I would like to extend my warmest thanks to all staff for the outstanding work that has been done and continues to be done every day! In 2020, our long-term vision and ability to stay the course even in stormy weather has also been particularly valuable. From Axel Johnson's side, we tend to strive for a combination of impatience and long-term vision in our companies. Impatience means a willingness to constantly develop and rethink our business. The long-term vision reflects our commitment to building strong companies with sustainable business models and customer relationships, combining commercial and social benefits.

Based on this desire for a long-term perspective, we have been keen to ensure that Martin & Servera can continue to look ahead and prepare for the future, even in a crisis year. I am therefore pleased to see how management and employees, alongside taking prompt action to cope with the drop in turnover, have also continued to deal with strategically important development issues in areas such as digitalisation and logistics, sustainability and HR. I am convinced that it is precisely at this interface, between short-term changes and long-term efforts, that we have a crucial strength that will help us emerge from the crisis stronger.

Now we can't wait to meet, talk and eat together. There is a bright future ahead, beyond the current state of emergency in the restaurant industry. We look forward to breaking new ground together with our employees, suppliers and partners. And not least together



Martin & Servera is owned by Axel Johnson, a Swedish family business now in its fifth generation. Axel Johnson's culture is characterised by a combination of long-term vision and an impatient desire for change and development, and the family of owners has a firm belief in business as an important force for change in society.

Axel Johnson also includes Axfood, the industrial group Axel Johnson International, Dustin, Kicks, Ähléns, the investment company Novax and the solar energy companies within AxSol.

with our customers, new and old. When Axel Johnson became a full owner of Martin & Servera a little over a year ago, it was with great confidence in the qualities of the company and its employees, in the company's strong position and in the future of the restaurant market. We still have that great confidence and trust today. When the tide turns, Martin & Servera and its customers will be ready for growth.

**Caroline Berg**, Chair of the Board at Martin & Servera and Axel Johnson, fifth-generation family businesswoman



# The Martin & Servera Group

The Martin & Servera Group is a family-owned Swedish group of companies employing a total of 2,800 people. Group companies deliver drinks, food, equipment, non-food, chemicals and services to hotels, restaurants, coffee shops, public catering enterprises and retail.

The Martin & Servera Group comprises the companies of Martin & Servera Restauranghandel, Martin & Servera Logistik, Sorundahallarna and Galatea, as well as the subsidiaries that are part of these groups of companies. Operations are concentrated on the Swedish market. A

small portion of sales is carried out via subsidiaries in Norway and Finland.

The company's head office is located in Årsta, Stockholm. Martin & Servera's is 100% owned by Axel Johnson.





# Martin & Servera Restauranghandel

Martin & Servera Restauranghandel is Sweden's leading wholesaler and partner for restaurants and large kitchens. The company offers a full range of fresh produce and other food products as well as drinks, equipment, non-food and chemicals. Martin & Servera Restauranghandel is close to its customers with local sales offices throughout Sweden.

In addition to a wide range of products, the offering also includes services and training for the sector. Martin & Servera Restauranghandel is accessible to its customers through knowledgeable sales staff, a host of digital tools that make customers' lives easier and an e-commerce platform that is constantly evolving in dialogue with customers.



# Martin & Servera Restaurangbutiker

Martin & Servera Restaurangbutiker is part of Martin & Servera Restauranghandel and consists of two shops located in the Stockholm area (Årsta and Bromma). They offer a wide range of products from kitchen appliances to fresh produce. Its customers are restaurants of all kinds, as well as companies and organisations. Individuals can join the "Food Club" to shop for events, parties and major holidays.





# Out of crisis comes opportunity

"This has been a strange year," says Pierre Carlsson, Private Market Sales Director at Martin & Servera Restauranghandel.

”

**I'm so impressed by how quickly the customers adapted.**

Martin & Servera Restauranghandel had a good year in 2019, and 2020 started positively. Then came the COVID-19 pandemic and the company lost almost half of its sales in just a few days. The summer turned out better than we expected and in early autumn many were still hoping for a return to normal. Then, in the autumn, infection numbers increased again and health authorities' restrictions were tightened once more.

– The year 2020 will go down in history as the worst rollercoaster ever. I'm so impressed by how quickly customers adapted. Many focused on opportunities, repositioned themselves and adapted.

During the year, Martin & Servera signed several large and important contracts for the future, e.g. with MAX Burgers, Nordic Choice Hotels and Bastard Burgers.

"The vast majority of customers have chosen to extend their existing contracts. We are also seeing that many buyers are choosing to concentrate their purchases on fewer suppliers, which is often to our advantage. We have used the break in market activity created by the pandemic for development projects, not least in the digital field.

"We have worked hard to build solutions that deliver value for customers and facilitate customer relationships. A new CRM system that collects all customer information, together with advanced data analysis, makes it easy for sales staff to prepare and customise their customer calls. A new master database with integrations with other systems gives us better control over all product information.

In addition, GastroMerit has helped many customers to develop their skills through its online and streamed training courses.



"A crisis brings new opportunities, and it's great to see that many customers are waking up to the possibilities offered by digital training.

In September, the news broke that Diskteknik will merge with Martin & Servera Restauranghandel at the start of the year. It provides a mature range of restaurant equipment, non-food and chemicals as a separate business area within the sales organisation. This is supported by Diskteknik's collective knowledge of service, technology and the product range.

"We are ready now and are hoping for a better year in 2021! We want to meet over a bite to eat, hug, have a coffee in town, travel and experience new things. Right?"



# Martin & Servera Logistik

Martin & Servera Logistik is the logistics hub for most of the Martin & Servera Group's volumes. In addition to our own companies, we also offer logistics services to customers outside of the Group.

Thousands of deliveries go out to restaurants, hotels and canteens around Sweden every day from four warehouses in Umeå, Enköping, Norrköping and Halmstad. Martin & Servera Logistik is responsible for ensuring that customers receive the goods they need for their businesses 7 days a week, 365 days a year. Energy-efficient operations, reduced waste, intelligent route planning, new opportunities in technology and a striving to achieve the smallest possible environmental impact are part of everyday life at Martin & Servera Logistik. The goal is to achieve completely carbon-neutral operations by 2030.

The Group of companies also includes:

## - Cleano Production

Cleano Production in Älgårås, our own production facility for chemical, hygiene and cleaning products, is also a part of the Group since January 2021.

# Reorganising and rebuilding

2020 has been a year unlike any we've seen before. It's been a challenging balancing act like no other, but we could never have done it alone. Our customers have been part of the transition, with rapidly changing lead times and delivery times.

”

**With the new Norrköping warehouse, we have a modern and efficient nationwide logistics system, where each warehouse has a clear role.**

In order to operate effectively, we need a high degree of predictability in the logistics segment to plan for the large volumes that pass through our facilities. Nevertheless, despite the extreme situation of sharply declining volumes and great uncertainty about staffing and sickness, when the crisis hit last spring we acted in a way that enabled us to balance both costs and functionality at a level that was far better than what we ourselves thought was possible in such a short time. That's something to be proud of.

We've been working closely with Martin & Servera Restauranghandel to make it work as best as possible. Thanks to great deal of patience and understanding, both internally and among the restaurateurs, we were able to adapt to the new conditions at short notice. Employees at all levels have contributed enormously!

“What's positive is that in future we will be able to benefit from many of the changes and improvements to efficiency that we have had to make now,” says Magnus Schultz, Head of Development at Martin & Servera Logistik.

We are also grateful that the construction of the new warehouse in Norrköping has been able to stay on schedule during the year. If all goes well, we will be able to celebrate the first picking day in the new building on 1 November 2021. This will be followed by a period of adjustment after the end of the year in order to put routines in place before we also commission the automation system, which is an important part of the new facility. Finally, the completion of the Norrköping warehouse is the final piece of the puzzle in an extensive effort to build our new modern



logistics structure. This is a process that has been going on for a long time and has included several major warehouse projects.

With the new Norrköping warehouse, we have a modern and efficient nationwide logistics system, where each warehouse has a clear role.

“This is also crucial for achieving our environmental goals”, says Charlotta Gromulski, Site Manager at Norrköping. All our warehouses have now been built in the 21st century, with all the energy efficiency and high standards that this entails.





# Grönsakshallen Sorunda

Grönsakshallen Sorunda offers the market's broadest range of fruits and vegetables, has its own production kitchen and its own production of pre-cut and processed fruits and vegetables. The company also runs Smakriket, a brand for unique local Swedish products that fulfil Swedish restaurants' need for quality and storytelling.

Grönsakshallen Sorunda is motivated by developing together with customers and suppliers. Dedicated employees take pride in selling great products to Sweden's best chefs.



# Fiskhallen Sorunda

Fiskhallen Sorunda is a specialist wholesaler of sustainable seafood. It supplies restaurants, hotels, conference centres and canteens throughout Sweden with raw materials and processed products from the sea.

Fiskhallen Sorunda has a seasonal range that is managed according to availability. The company's expertise offers customers the guidance they need to make safe and sustainable choices.

Fiskhallen Sorunda is growing the seafood industry in collaboration with its customers, suppliers and partners. By being the link between the fisherman's knowledge, the customer's wishes and new research, the company contributes to long-term aquaculture and fishing.



# Fällmans Kött

Fällmans Kött is Sweden's specialist wholesaler of meat, game, poultry and charcuterie to the restaurant market. They buy from their own farms and producers throughout Sweden, as well as from selected producers around the world.

Fällmans Kött cuts and prepares meat at its own facilities and has control over the product, from breeding to finished product. They also produce their own sausages and charcuterie using their own recipes.



# Consolidation, innovation and rapid change

Christer Läckgren is CEO of Sorundahallarna. They consist of Grönsakshallen Sorunda, Fiskhallen Sorunda and Fällmans Kött. These are three specialists who all offer the highest-quality ingredients, with first-rate product knowledge and a very high level of service.

”

**Our clear ambition has been to maintain our uniquely high level of service.**

2020 was a year of major challenges and rapid change, not least for our customers and partners. It is the human aspects that are most difficult. We have had to downsize our operations and reduce the number of warehouses from five to three. This is troubling, of course, but the good news is that we are now in a strong position to face the challenges of an uncertain future. We have a size that works for the long-term, and at the same time we are well equipped for when the situation changes.

A recession always changes the playing field, and there are many indications that Sorunda Halls is in a stronger position now than it was before March 2020.

“We are winning market shares,” says Christer. Our clear ambition has been to maintain our uniquely high level of service, even though our customers are ordering far smaller volumes. I am convinced that we will succeed, and this puts us in a very good position for the future.

Another strength is that we are well invested for the future, which many of our peers are not. Our production facilities, buildings, systems, and not least of all our staff are all of a very high standard.

In many ways, the crisis we have been through, and which will still be with us for quite some time, has accelerated the changes and trends we saw earlier. The trend towards more plant-based foods and alternative proteins continues. More vegetarian food is being served up, and demand is growing steadily. When it comes to meat, we are buying less, but we are buying better quality. We are also selling much more Swedish meat than before. This also applies to fish, where the need to know its origin and how it was caught is



increasing. We want to help by educating our customers and giving them as much knowledge as possible, both to enable them to make the best possible choices for themselves, but also to enable them to answer questions and provide information to restaurant customers.

Being part of such a forward-thinking group as we are is extremely helpful in being able to meet and drive this development. We work closely with Axfoundation, including with Vinnova, on a project where we supply residues from our fruit and vegetable production to a production facility where soldier fly larvae are used as fish food.

We have a large production kitchen in Hässleholm, where we work with professional chefs who produce products that are vegetarian, vegan, and low in additives (e-numbers). This year we developed a vegan mayonnaise made from chickpea purée and a vegan herring made from shiitake mushrooms. It is also in Hässleholm that we produce the famous legume mince, which was also developed in collaboration with Axfoundation. In order to scale up production of this and other alternative proteins, we bought Snapphanechark, a charcuterie factory where we have large-scale production of legume products for Garant and others.





## Galatea

Galatea supplies beer, cider, wine and spirits to Systembolaget (the Swedish Alcohol Retailing Monopoly), but also directly to the restaurant market. Its range includes over a thousand different products, for a thousand different tastes, for both private consumers and restaurant customers. Galatea has been present on the Finnish market through acquisitions since the end of 2019. In 2020, Galatea also expanded into the Swedish market through the acquisition of wine importer Domaine Wines Sweden in order to strengthen its market position in the wine segment. Its subsidiary, KGA Logistik, handles distribution, and offers warehousing and transport solutions for other operators on the Swedish market.

## Sigtuna Bryggghus

Sigtuna Bryggghus develops craft beer under the S:t Eriks and Sigtuna brands. The brewery has a capacity of 3,000 litres per brew and over 1 million litres per year. The storage capacity is 140,000 litres and the bottling line can handle 4,200 bottles per hour.

Controls and sampling are performed throughout the brewing process. A well-equipped laboratory ensures the quality of production, which is carried out using only renewable electricity and where the residual product (the dregs) is turned into biogas. A range of beers are produced here, including lagers, ales, porters, stouts, wheat beers and speciality beers.



## Still Sparkling

Still Sparkling Solutions offers tailor-made water and draught beer installations for restaurants and bars. It is a water concept for those who demand the highest standards when it comes to quality, environment, economy and design.



The Group of companies also includes:

- Bornicon & Salming Finland
- Domaine Wines Sweden
- KGA Logistik

# A strengthened wine segment and growing e-commerce

A major investment during the year was the acquisition of Domaine Wines Sweden, which enhances our wine portfolio. In addition, the digitalisation journey has also continued.

”

**Sparkling wine has come out strong as a non-alcoholic alternative.**

“It has been a very special year. We have had to make enormous changes. The fact that we have such a large share of sales through Systembolaget has fortunately been able to offset some of what we lost on the restaurant side of things. Not everything, but some of it,” says Mats Folkesson, CEO of Galatea.

Another trend that has been fortunate for us is the growing interest in non-alcoholic products, which is increasing our share of the grocery market. Premium beers continue to generate good sales. For our part, Sigtuna's non-alcoholic Pale Ale has received fantastically positive reviews and can only be described as a great success. A new product for 2020 was a Christmas beer. Sparkling wine has also come out strong as a non-alcoholic alternative during the year. This trend is strongly linked to young people who are much more health conscious than previous generations. Consumers' focus on the environment and the sugar debate in the media have also reinforced these trends in sustainability and health.

The acquisition of Domaine Wines Sweden means that we can approach the market with a stronger overall portfolio. A joint sales organisation also provides a good platform for expansion on the Nordic market.

The deal was closed in March 2020, two weeks before the pandemic hit, so the timing was obviously challenging. But all in all, it has gone very well. Domaine will continue to exist as a separate company within the Group, and act as our wine specialists. The benefit is that we now share offices in Alvik and that from 2021 onwards all deliveries will go through the same logistics system.



Otherwise, we have continued to invest in digitalisation. Since the launch of our new e-commerce platform in autumn 2020, we now have over 100 trading customers. This is good in an industry that is still quite analogue. This has entailed a major increase in efficiency for us, and at the same time provided greater flexibility for the restaurateurs who can place and manage orders whenever they want. In fact, this became even more evident during the crisis, when the need for quick decisions and greater flexibility increased dramatically.

The environmental side is a lot about our transport, and we've undertaken a major reorganisation of our logistics in 2020. Having previously shared a transport solution with Carlsberg, we have now initiated a new distribution partnership with Åbro and Kopparberg where we co-load and drive all the way out to the customer in the same vehicles. This is good in every aspect, for the customer, for our costs, and for the environment as it means fewer transport trips. We are also looking at what we could transport into Sweden by train. There are a lot of development opportunities there, not least because we have railway tracks running all the way into the warehouse in Örebro. Together with the local municipality, we are investigating how this could be developed further.



# *Leaders in* **SUSTAINABILITY TOGETHER**

In order to be the best partner for restaurants, we need to be leaders in sustainability and make it easy for our customers to make sustainable choices.

In practice, this means that customers are automatically part of all the work that Martin & Servera is doing to achieve a more sustainable future. Customers can then choose to take further steps towards sustainability, by choosing more organic products, more plant-based products or only Swedish raw materials, for example.

Our sustainability work is integrated into the entire business. It is part of our overall long-term strategy and is based on our focus areas, namely resource-efficient operations, good employer and sustainable product range. Our sustainability programme sets out long-term objectives, with the aim of driving change for the industry. This on-going work also means placing demands on suppliers, continuously developing our product range and focusing on efficient use of resources.

## RESOURCE-EFFICIENT OPERATIONS



We are working to reduce our own waste, reduce our environmental impact, lower our energy consumption and develop sustainable solutions for warehousing and distribution. We offer our customers safe products and reliable deliveries.

## GOOD EMPLOYER



We want our employees to enjoy their work, to feel healthy and to develop together. Diversity creates a better working environment. Our employees therefore need to have different backgrounds, knowledge and experiences.

## SUSTAINABLE PORTFOLIO



The goods we offer must be produced with people, animals and the environment in mind. It should be easy for customers to make informed and sustainable choices. We develop services that help customers reduce their environmental impact.



# A good force for better business

A conversation with Kristina Ossmark, Director of Communications and Sustainability, and AnnaLena Norrman, Sustainability Manager, both at Martin & Servera Group.

”

**The pandemic has highlighted how important it is that we work together.**

“Sustainability issues are important and are an integral part of how we do business. We want to be a force for good and to contribute to the restaurant industry's efforts to become more sustainable,” says Kristina Ossmark, Director of Communications and Sustainability.

“By demanding traceability, eco-labelled proteins in e-commerce, working together towards sustainable transport and acting on the industry's key sustainability issues, we have the opportunity to be a force for change for the entire industry. By developing, producing and selling new innovative products and services, we empower our customers to act in their own way and in line with what their customers want.

AnnaLena Norrman, Sustainability Manager, continues,

“Yes, and it's the customers' demands that keep pushing us forwards. At the same time, we know that our primary stakeholders - our customers, owners, suppliers, employees and management - are highly committed to sustainability issues.”

“In 2020, we strengthened the link between the Group-wide functions of Communication and Sustainability. Sustainability issues are sometimes perceived as a bit complicated. That's why communication about what we do and why we do it is becoming increasingly important,” says Kristina. “One of our strengths is the way the companies in

the Group cooperate with one another. The people responsible for sustainability issues within each company often work under take their roles quite independently. This exchange of experience will provide both support and inspiration,” says AnnaLena.

Last year, Martin & Servera Restauranghandel and Martin & Servera Logistik created a joint sustainability programme. In 2020, Sorundahallarna and Galatea followed suit with their own sustainability programmes.

“These are detailed and long-term sustainability goals that make it easy to monitor and prioritise the work,” says Kristina.

2020 has been a different year in many ways. This has obviously had consequences for the Martin & Servera Group, including in the area of sustainability.

“Anything else would have been odd. However, it is important to note that our biggest initiative, that of building a new, eco-smart warehouse in Norrköping, is proceeding according to plan and we have continued to launch innovative initiatives such as testing eco-labelling for proteins.

I'm proud of that,” says AnnaLena.

“The pandemic has also highlighted the importance of working with customers, suppliers and other actors along the food chain. This has also been positive,” concludes Kristina.



# Long-term sustainability goals

Martin & Servera has adopted a number of sustainability goals that look 5-10 years ahead. The aim is to drive our own business and the entire restaurant industry in a sustainable direction. These goals are a first step on the journey towards sustainability. To succeed, we need to devise new business approaches that drive sustainable development, in dialogue with customers. Detailed sustainability programmes explaining objectives, definitions and activities are available for all companies in the Group. See [martinservera.se](https://martinservera.se).

## OUR KEY SUSTAINABILITY GOALS

1. Martin & Servera's operations will be **carbon-neutral** by 2030.<sup>1)</sup>
2. **Waste** in our own operations will be cut in half by 2025.<sup>2)</sup>
3. By 2025, **organic and eco-labelled** products will account for 50% of sales to the public market in terms of value, and 20% of sales to private restaurants.<sup>3)</sup>
4. Plastics in packaging may only come from **fossil-free** or recycled raw fossil materials from 2030.

1) Includes environmental impact of own operations (freight, electricity and refrigerants). The environmental impact of the products we sell is not included.

2) Calculated in kilograms, reference year 2018. Applies to Martin & Servera Restauranghandel and Martin & Servera Logistik.

3) Applies to Martin & Servera Restauranghandel.



# UN Global Goals



This year marked the fifth anniversary of Agenda 2030. These Sustainable Development Goals (SDGs) act as support for countries, governments and companies to address major issues in global sustainability. Martin & Servera's sustainability work contributes to many of the SDGs. We have chosen to prioritise goals and activities linked to the development goals where our operations have a large and direct impact through our range assortment, transportation, food waste and collaboration with other stakeholders along the food chain.

## Martin & Servera's contribution



### GOAL 8 – DECENT WORK AND ECONOMIC GROWTH

- Code of conduct
- Requirements for suppliers
- Audits
- Work for greater diversity and integration



### GOAL 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

- Sustainable products
- Goal for a higher share of organic/eco-labelled products
- Measures to reduce food waste



### GOAL 13 – CLIMATE ACTION

- Investing in a sustainable vehicle fleet
- Goal of achieving carbon-neutral operations
- Energy-efficient warehouses
- Renewable energy in properties



### GOAL 14 – LIFE BELOW WATER

- Wide assortment of eco-labelled fish and seafood
- Policy on sustainable fishing and responsible aquaculture
- Our position taken in regards to species, fishing zones and fishing methods



### GOAL 15 – LIFE ON LAND

- Palm oil policy
- Soybean policy
- 100% certified palm oil in own-brand products



### GOAL 17 – PARTNERSHIPS FOR THE GOALS

- Sustainable food chain
- Collaboration for reduced food waste
- Dialogue and collaboration with customers, suppliers, government agencies and NGOs





# Resource efficiency



The Martin & Servera Group conducts its operations with a focus on resource efficiency and sustainability. This is what we ourselves are doing to reduce our environmental impact, energy consumption and waste. We are focused on efficient and sustainable logistics and investments in eco-smart technologies for vehicles and buildings, renewable energy and a dedication to reducing waste ever day.

## RESULT 2020

**421 MWh**

of self-generated solar energy

**18%**

reduction in waste since  
reference year 2018

**81 tonnes**

of goods donated to charity

**24 biogas vehicles**

15 of our own plus 9 external  
biogas distribution vehicles

## PRIORITIES

- 1** Commissioning a new warehouse in Norrköping
- 2** Halving waste by 2025
- 3** Reducing the negative environmental impact of transport
- 4** Expanding new renewable electricity facility





## ACTIVITIES IN 2020

### SUSTAINABLE DISTRIBUTION

- Trucks leaving our warehouses are well stocked, load carriers (roll cages and pallets) are properly packed, and lorries drive efficiently, with the shortest routes possible, on their way to the customer.
- Alternative fuels and vehicle and engine development are evaluated and applied to reduce our environmental and climate impact.
- Today, Martin & Servera Logistik has 24 gas-powered lorries in its fleet, 15 of which are owned and 9 external. There are also 3 hybrid-electric lorries.
- The lorry fleet is constantly upgraded.
- The rate of exploitation per vehicle is increasing.

### WASTE HALVED BY 2025

- Reducing waste requires continuous improvement. In 2018, a major internal initiative was launched to reduce waste, which has since been reduced by 18%. The goal is to halve waste by 2025.
- Food is regularly donated to charities and 81.3 tonnes of goods were donated in 2020.
- We experienced large fluctuations in demand in 2020 due to the coronavirus situation. Waste was minimised thanks to an improved e-commerce sales function, increased cooperation with Karma, initiatives for cooperating with grocery shops, donations to aid organisations and cooperating with customers on producing food boxes for healthcare workers and the elderly.

### MORE RENEWABLE ENERGY

- A contract was signed for the purchase of approximately 19 GWh of solar energy per year for 15 years. This investment means that Martin & Servera is adding new renewable electricity production via its own solar power park in Skåne.
- The electricity we buy today for Martin & Servera Logistik's warehouse is 100% hydroelectric guaranteed.
- The warehouses in Umeå and Enköping have solar cells for their own energy needs.
- Heat from refrigeration compressors is recovered and used for heating.
- LED lighting is used in the warehouses.

### 3 quick questions:



Stefan Bergström Hedmark  
CEO of Martin & Servera Logistik

# Lost volumes but continued focus on the future

”

**We have continued to work towards our long-term sustainability goals.**

#### **First of all – how do you think you handled the COVID-19 year that was 2020?**

“It was a year of major challenges. Initially, the focus was on protecting employees from the spread of infection, then came that week in March when we lost half our restaurant market volume. The market recovered to some extent during the summer and early autumn, only to drop sharply again in November,” says Stefan Bergström Hedmark, CEO of Martin & Servera Logistik.

“We worked hard to adapt our operations to the current situation, while ensuring that our employees were safe at work. The COVID-19 pandemic has unfortunately forced us to make some tough decisions and structural changes, but at the same time we have continued to think strategically about the future.”

#### **Has sustainability work continued during the year despite the pandemic?**

“Yes, we have continued to work towards our long-term sustainability goals. Construction of our new energy-efficient warehouse in Norrköping is still underway, and we have continued to increase the proportion of biogas vehicles we use. We also invested in a strategic route optimisation system during the year that will help us streamline distribution and thereby reduce the number of miles we drive. This benefits both us and the environment.”

#### **What do you expect from 2021?**

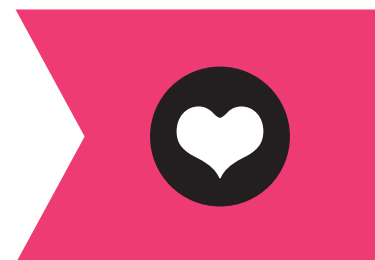
##### **What do you want?**

“I want a more normal year, for the COVID-19 pandemic to pass and for society to open up again. I look forward to a successful start for the new warehouse in Norrköping. And I hope we can continue the dialogue with customers to establish the foundations for more sustainable transport together.”





# Good employer



Employees who thrive, feel good and grow together are the foundation of our success at Martin & Servera Group. Our differences contribute to a good working environment and push our business further. For this reason, we need people from different backgrounds with a variety of skills and experiences.

## RESULT 2020

# 41%

percentage of employees with fewer than five sick days

# 34%

share of women in management positions

# 9,963

internal training hours

# 69%

Team barometer (employee survey) overall index, average for the year

## PRIORITIES

- 1** Developing a culture of learning
- 2** Changes to leadership and co-management
- 3** Digitalisation of work processes
- 4** New leadership profile with a focus on inclusion and diversity





## ACTIVITIES IN 2020

### EMPLOYEES AND WORKING ENVIRONMENT

- Due to the COVID-19 pandemic, our main focus has been on processes and measures to minimise the risks of infection, to support employees and managers in a challenging period and to implement several major organisational changes to address the impact of the sharp decline in sales.
- The Team Barometer was introduced in 2020. It is a continuous, short and digital pulse measurement that captures how working groups are doing and provides a good basis for dialogue on measures to improve the work environment.
- We have conducted mandatory online anti-corruption training for all managers and employees in risk roles. There is also a whistleblowing service that is available to everyone, both internally and externally.
- No instances of corruption have been reported.

### DIGITALISATION AND SKILLS DEVELOPMENT

- Increasing digitalisation is transforming what it is to be both a leader and an employee. That's why we have been working intensively on new ways of working and digital tools in 2020.
- A toolkit for "managing and working remotely" was published on the intranet. This provides managers and employees with training, tips and tricks for performing their work digitally and remotely.
- All company management teams have participated in workshops to develop a strategic plan for skills, working practices, organisation and leadership.
- Line managers, the HR organisation and others have been trained in change management.
- An e-learning course on effective meetings has been included in the internal training programme. There are also several other online training courses and recorded video courses that support Martin & Servera's digital transformation journey.
- A new section on Martin & Servera's intranet has been launched with recommended skills development initiatives, such as digital training and talks, to help employees with their own development.

### CULTURE AND VALUES

- The Martin & Servera Group has set clear goals for driving our diversity work forwards, including achieving a balanced gender split among both managers and employees, and increasing the number of managers with foreign backgrounds.
- Among our employees, the proportion of women in management positions in 2020 was 34% (31% in 2019). The share of employees with a foreign background was 25% (24%) in total and 12% (13%) in management positions. The decrease in the proportion of staff with a foreign background in management positions is due to organisational changes during the year.
- We developed a new leadership profile in 2020 with a strong focus on inclusive leadership and the ability to lead diverse teams.
- A collaboration with the "My Life" mentoring programme has also been introduced. This gives both managers and employees the opportunity to mentor new Swedes with academic degrees.
- Diversity and inclusion has been added to the recruitment training for managers in order to give them a better understanding of how a competency-based recruitment process helps Martin & Servera to increase diversity.

## 3 quick questions:



Maria Branestam  
HR Director, Martin & Servera Group

# Strong commitment and rapid changes

”

**We have accelerated the process from concept to implementation.**

### How would you sum up the past year?

“It has been extremely challenging for both managers and employees. The pandemic has forced us to implement changes that entailed having to say goodbye to a number of colleagues from our various different companies. But on the other hand, the crisis has also led to us finding new ways of working and collaborating, speeding up the process from idea to implementation. People have also really understood that the changes we have made were necessary. The commitment to working together to overcome the crisis has been quite wonderful,” says Maria Branestam, HR Director, Martin & Servera Group.

### What challenges do you see ahead?

“Making the entire organisation feel confident about the future again. Personally, I’m also looking forward to continuing working on everything that digital transformation entails, not least in terms of how it changes what it is to be both a manager and an employee.”

### What are you hoping for in 2021?

“That we can stay healthy and go to work. That we can meet up again, at meetings, events, parties, workshops and conferences, to give the whole hospitality industry a boost. At the same time, I think it is important that we also benefit from the lessons we have learned. New forms of collaboration and more digital processes are here to stay.”







# Sustainable offering



The products offered by the Martin & Servera Group are produced with people, animals and the environment in mind. We try to make it easy for customers to make conscious and sustainable choices and we develop services that help customers reduce their environmental impact. We place great emphasis on sustainability issues when working with our suppliers.

## RESULT 2020

# 15

number of supplier audits carried out

# 5,092

soya certificates purchased, corresponding to the number of tonnes of soya

# 64%

share of total meat sales in Sweden (beef, pork, charcuterie and lamb). In the public sector, the corresponding share was 83%

# 19%

share in sales of organic and eco-labelled products - public sector: 33.4%, private sector: 11.2%

## PRIORITIES

# 1

Efficient product range development – the right range of products for customers without creating increased waste

# 2

Reducing unnecessary plastic use in food packaging

# 3

Increasing sales of organic and eco-labelled products

# 4

No antibiotics for promoting growth in livestock

# 5

Further develop CO<sub>2</sub>e-labelling for products



## ACTIVITIES IN 2020

### SUSTAINABLE PRODUCTS

- Our wide range of organic and eco-labelled products is the foundation, and we have ambitious sales targets for organic and eco-labelled products. This contributes to, among other things, increased biodiversity, more fertile soils and an improvement in animal welfare. In 2020, the share of organic products remained at the same level as in 2019.
- A trial of CO<sub>2</sub>e-labelling of proteins was launched in e-commerce in 2020 to show the environmental impact of different products in order to help customers make sustainable choices.
- Disposable plastic products had been removed from the market even before the EU ban came into force. Only one thing remains to be solved – a kebab box in EPS that has proved difficult to replace.
- All direct suppliers of fruit and vegetable are certified under the IP Working Conditions or equivalent third-party certification.
- 11 audits have been carried out at subcontractors in China and 4 in Europe: halloumi (Cyprus), broccoli (Spain), confectionery and pig farming (Sweden).
- We have launched a range of eco-labelled products under our own brand: KRAV-labelled raspberries, vegetarian mince, burgers and bites, and mayonnaise made from free-range eggs. In addition, all coffee under the Martin Olsson brand has been certified (Rainforest Alliance).
- We handled 44 product alerts in 2020. 23 of these were assessed as food safety hazards, such as foreign objects, allergens or unauthorised pesticides.

### A GOOD FORCE IN SOCIETY

- Martin & Servera is a major player in the industry and can therefore have influence and make a change, in cooperation with customers, suppliers and organisations.
- For several years, Martin & Servera has been cooperating with the Generation Pep organisation which works to encourage all children to eat healthily and exercise more. In spring 2020, we produced a recipe booklet with healthy snack recipes for schools and preschools.
- When the COVID-19 pandemic hit and sales dropped rapidly, Martin & Servera was left with large volumes in stock. Large quantities of goods were saved from going to waste thanks to partnerships with large grocery stores and by donating goods, for example to restaurant companies making food boxes for healthcare workers or the elderly.
- Grönsakshallen Sorunda and Martin & Servera Restauranghandel jointly procured the entire volume of bananas for 2021 and ensured that all sales of organic bananas will also contribute to Operation Smile, an organisation that gives children with cleft palates the opportunity to have surgery.
- The Martin & Servera Group's 2020 Christmas gift went to WWF (World Wildlife Fund) for their work on halting climate change.

### INNOVATION FOR INCREASED SUSTAINABILITY

- E-commerce developed over the year, with several new features being added. Among other things, the clearance list was improved, allowing customers to save goods from going to waste. In addition, a test was carried out with CO<sub>2</sub>e-labelling of proteins.
- Grönsakshallen Sorunda in Hässleholm has developed several products based on legume mince for Axfood.
- Surplus pineapple from Grönsakshallen Sorunda was used in the brewing of a summery IPA at Sigtuna Bryggghus. Beer instead of waste!
- As a step towards reducing our use of plastic, we are mapping out packaging materials for all food products. For our own-brand products, we are switching to packaging materials with better environmental scores.
- A test project between Sorundahallen and the Clarion Sign Hotel in Stockholm saved almost 13,000 m<sup>2</sup> of plastic. This initiative has also spread to more than fifty other hotels within the Nordic Choice Hotels chain.



### 3 quick questions:



Niclas God  
Head of Purchasing, Martin & Servera Restauranghandel

# More Swedish, less plastic and phasing out battery hens

”

**Demand for Swedish products has increased even more.**

#### **How has the COVID-19 pandemic affected work on the product range and purchasing?**

“There were periods with shortages of certain products, such as disposable gloves and hand sanitiser, but global trade has functioned. Demand for Swedish products has increased even more. The pandemic has also forced us to adopt new forms of collaboration. We conducted a fully digital supplier audit for the first time, for example,” says Niclas God, Head of Purchasing at Martin & Servera Restauranghandel.

#### **How well is Martin & Servera doing with respect to the long-term sustainability goals associated with the product range?**

“I’m proud that in 2020 we launched more own-brand vegan mince products, for example, introduced the first products made from under-utilised fish species and ensured that our own mayonnaise is made from free-range eggs.

We managed to achieve our 2020 sustainability targets. Those suppliers who account for 95% of our sales have signed the Martin & Servera Code of Conduct, our fruit and vegetable suppliers are certified, and single-use packaging has been eliminated from our range. Our intention is to remove all eggs from battery hens in 2021.

I would like to take this opportunity to thank our fantastic sustainability and quality specialists. They are a great support for all of us who work with product ranges and suppliers.”

#### **What is the most exciting thing happening in your field right now?**

“We are working to reduce waste by reviewing both the breadth and depth of our range. We are also constantly looking for smart and sustainable solutions for products, packaging and logistics in collaboration with our suppliers.” There is still much more to do.



# The protein visionaries

Noquo Foods is launching its first plant-based cheese this spring. The main ingredients are peas and broad beans. Martin & Servera's customers, restaurants and coffee shops around Sweden will be the first to get the opportunity to buy the protein-rich cheese. Meet entrepreneur and innovator Sorosh Tavakoli.

”

**We want to help people eat more plant-based food without compromising on taste and nutrition.**

In 2019, Sorosh Tavakoli founded the company Noquo Foods together with biotechnologist Anja Leissner. The development journey has been fast-paced and their first plant-based cheese will be launched this spring.

“My background is in the world of tech. They often have high ambitions and invest heavily to get started. We have raised SEK 32 million in venture capital to develop sustainable, plant-based products. Some people think the project is crazy, but others understand that it's a perfectly reasonable investment given the impending shift towards plant-based foods. It's a whole new era and it's clear that you have to build companies that are suited to this,” says Sorosh Tavakoli.

The company is now rapidly moving from being a research-focused start-up to recruiting staff for sales and business development.

Anja Leissner and Sorosh met when Anja, with a background in the dairy industry, finished

work on a prototype vegan cheese. She was looking for someone who shared her vision of food that is good for both people's health and the environment. Sorosh was looking for the sustainable, plant-based products of the future. They found each other immediately.

“We are protein visionaries, with the goal of making the world's most ambitious cheese. It should be superior in terms of taste and nutrition, and its ingredients should be as sustainable as possible,” says Sorosh.

## COOPERATION WITH GRÖNSAKSHALLEN SORUNDA

Early on in the development of the new cheese, Sorosh and Anja began working with product manager Mattias Dernelid at Grönsakshallen Sorunda.

“Mattias and his team are clear that this is a type of product they believe in and want to help bring to the restaurant market. Together with their network of chefs, they have participated in tastings and given us great feedback on our different cheese prototypes. This has given us insight into the needs of the industry.

The intention is not to create a premium range. The plant-based cheese will appeal to both the restaurant industry and consumers looking for sustainable plant-based foods. The main ingredients in the cheese are broad beans and peas. The cheese is a good source of protein with a protein content of 13–15%.

“Those who do nutritional analysis of meals find it very positive that the cheese is such a good source of protein. The cheese contains no carbohydrates, as these are consumed by the microorganisms during fermentation. It's a bit of magic!”

The first product to be launched by Noquo Foods this spring will be a feta-like cheese.





"Cheese is a naturally fermented product. All the flavour comes from the fermentation and the activities of the micro-organisms. There are no added flavours. We are really pleased with the texture and how it feels in your mouth. The cheese behaves like a feta and has similar flavour characteristics. It also works well when heated. The chefs who have tested the cheese find it has a very unique and natural cheesy flavour."

The next plant-based product is expected to be launched some time in the latter part of 2021. It is a spreadable cheese, a cream cheese. "The spreadable cheese will be available as a plain version and in some other delicious flavours. Then it's time for a meltable and a grateable cheese. They are more difficult and we still have some way to go in developing them," says Sorosh.

Noquo Foods is not a "vegan company", Sorosh Tavakoli points out. "No one who works here is vegan. We are omnivores and not fanatics from a dietary perspective. But we want to eat sustainably and consume as much plant-based food as we can. We want to help people eat more plant-based food without compromising on taste and nutrition."

# Innovative products driving sustainability

As a major player in food service, we have the opportunity to push development forwards. We have both the power and the commitment to help bring innovative and sustainable products to the market. These are some of the exciting collaborative projects that have led to new sustainable products in our range.



## Swedish legume mince

Legume mince is Swedish, vegan and free from soya. Chef Johan Gottberg and his customers at Restauranglabbet agree: "The legume mince is very tasty and an incredibly good product. Win-win all round - Swedish farmers benefit, the environment benefits and the customers like it."



## Broom mince and Broom fish steak from Kalix

It is now possible to serve fish meat products based on bream. Either by buying Guldhaven's ready-made fish steak made from the finest Swedish wild fish, or by buying raw bream meat from Stockholm Fisk and preparing the steaks yourself. Bream is an abundant fish and one which has a positive effect on our lakes and our oceans. A sustainable item on the menu!



## Swedish wild boar

Mince, stew meat on the bone and steaks – wild boar meat is available in a variety of forms and is perfect for those who want to put an affordable, locally produced and eco-smart meat on the menu. One of the many advantages of wild boar is that they are plentiful in Swedish forests. They grow up in the wild and eat whatever natural food is available.



# Collaboration and engagement

Martin & Servera is Sweden's leading restaurant wholesaler. With that comes great responsibility. Through many different cooperations with associations, public authorities and organisations, we address important issues that contribute to the development of the industry. Martin & Servera wants to be a positive force in society. That's why we participate in different industry projects that promote growth and drive gastronomic development, but also contribute to diversity and sustainability.

## THE SWEDISH CULINARY TEAM

Martin & Servera is a proud partner and one of the main sponsors of the Swedish Culinary Team. We make sure the team gets the supplies they need for training and competition. A dedicated team works to inspire and help the Culinary Team find the right ingredients and suppliers.

## EXCEPTIONELL RÅVARA

Exceptionell Råvara (Exceptional Produce) is a quality-oriented, broad and inclusive initiative to develop modern gastronomy and provide top restaurants with unique Swedish raw materials. The aim of Martin & Servera's involvement is to bring chefs and producers together to form new partnerships.

## GENERATION PEP

Generation Pep was founded on the initiative of the Crown Princess Couple and works to create knowledge and engagement concerning the health of children and young people. We share their goal of children and young people eating flavoursome and nutritious food and exercising as much as possible.

## TAKEOVER

Martin & Servera wants to see a more gender-equal restaurant industry. This requires female role models for girls considering a career as a chef. That's why we support TakeOver, a network of female chefs who occasionally take over the kitchen of a restaurant and interpret their food philosophy.

## CHEF OF THE YEAR

Martin & Servera is a partner of the Swedish championship in professional cooking, Chef of the Year (Årets Kock). Through this cooperation, we contribute to gastronomic development and increased interest in food and cooking among Swedish consumers.

## STUDENT CHEF(S) OF THE YEAR AND SECONDARY SCHOOL COMPETITION

The shortage of chefs is a major challenge for the restaurant industry. Martin & Servera supports several competitions aimed at young people in order to attract young talents to the industry.

## OTHER COOPERATIONS

Livsmedelsgrossisterna, the Swedish Trade Federation, Hållbar Livsmedelskedja, Organic Sweden, Ekomatcentrum, Från Sverige, The Federation of Swedish Farmers (LRF), Farmer of the Year, Yrkesdörren, Mitt livs chans, WWF, Rådet för kyl- och fryskedjan, RTRS (Round Table on Responsible Soy), The Swedish Soy Dialogue, RSPO (Round Table on Sustainable Palm Oil) and amfori BSCI.



CEO Liv Forhaug participated in the Chef of the Year Talks, chaired by Per Schlingmann with the theme "The food producer – the new hero". Other participants included Klas Lindberg from Portal Restaurant & Bar and Linda Lönnquist from Rekoringen.





# Young talents

The Visita industry association has been running the Gymnasie-SM (secondary school competition) for students on the hotel and restaurant programmes Since the mid-90s. Here, young talents can demonstrate their skills in the fields of hotels, tourism, cooking and catering.

Martin & Servera has been sponsoring the competition for many years, providing ingredients and prizes for the winning teams. The nurturing of new talent for the sector is an important issue for the future.

## MANY POSITIVE EFFECTS

Kersti Wittén is an education specialist at Visita and is in charge of the competition.

“The competition gives us an opportunity to visit schools, see how the education programme works and meet students. With the help of Gymnasie-SM, we can showcase and promote the hospitality industry. The industry should not only be a route into the job market for young people, it should also be a profession they want to stay in and feel proud of.

## The route to the final

Competition tasks are sent out to schools during the autumn. For the kitchen sector, this usually consists of different menus or dishes based on a number of selected raw materials. For serving, the tasks are a mix of craft tests and theory. A large number of schools submit entries every year. A high-profile and competent jury selects the finalists from the entries submitted. Each team consists of two students and a team leader/teacher.

## Finals

This year's final was a little different than usual. The final that had been planned for March was eventually moved to October. This meant that participants had actually already left school.

The competition tasks reflect the elements included in the training. For the serving contestants, this includes traditional dining room work such as flambéing, decanting, carving and napkin folding.

“This is knowledge that we don't want to die out. It is important to know the basics if you want to be part of the development of the industry,” Kersti continues.

## The winners

The winners of the 2020 Gymnasie-SM were Thilda Mårtensson and Erik Norrblom from Stockholm Hotel and Restaurant School in the kitchen class, and Thea Andersson from Rönnowska School in Helsingborg in the catering class.

# When farmers meet chefs

Exceptionell Råvara is a non-profit association, where Sweden's best chefs meet Sweden's best producers to develop the exceptional Swedish raw materials of the future. The association is currently working to develop Swedish raw meat materials

The aim of the association is to be a natural meeting place for chefs and producers to discuss quality levels, challenges and experiences. The purpose is to promote product development.

## WHEN CHEFS AND PRODUCERS MEET, MAGIC HAPPENS

At the heart of Exceptional Commodity are the regular meetings and conversations where real magic can happen. The taste, texture, fragrance and appearance of different ingredients are discussed. Chefs share knowledge, assess ingredients and give producers feedback. Producers can tell us about their production and the choices they make concerning their product. It is in these conversations that ideas are born, about everything from changes in breeds, types of feed, cuts, dry-aging and perhaps even pastures.

## DEVELOPMENT MEETINGS – DIALOGUE AND DEVELOPMENT

Development meetings are an opportunity for producers and chefs to get together to discuss and taste how different ingredients can be developed to become exceptional. It is a unique opportunity to sample up to ten different varieties of the same raw material at the same time. Each development meeting focuses on one commodity. In recent years, the focus has been on pork, beef, lamb and poultry.

## SAMPLING MEETING – WHERE NEW EXCEPTIONAL RAW MATERIALS ARE SELECTED

Once a year, those raw materials that achieve the level of Exceptionell Råvara are assigned. Over a single day, a large group of chefs taste all the ingredients entered. Each entry is scored according to specific criteria. To start the sampling, one always starts with a reference sample consisting of a Swedish standard raw material for the test to be performed.

## HOW IT ALL STARTED

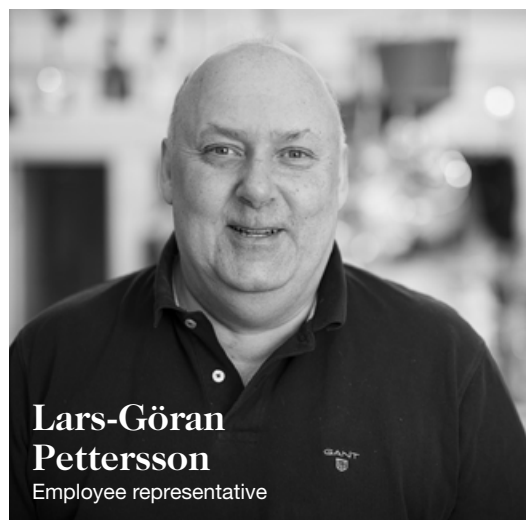
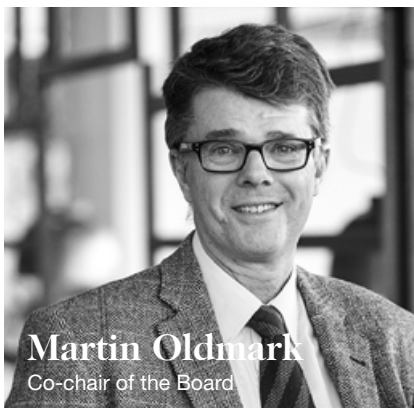
Exceptionell Råvara was founded in 2011 by star chef Björn Frantzén and journalist Mattias Kroon. By bringing together Sweden's best chefs, the foundations were laid for the development of exceptional meat ingredients in Sweden. Today, around twenty chefs and forty producers are linked to the project and new participants are being signed up continuously.

The project is supported by Axfoundation, Federation of Swedish Farmers (LRF), Martin & Servera and Svenskt Kött.





# Board of Directors



# Group management

