

Sustainability report

FY22

SVERIGES STÄRKELSEPRODUCENTER



KOCKENS®

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Sveriges Stärkelseproducenter produces an annual sustainability report based on our split financial year, which runs from September to August. This is our fifth report and applies for the period 1 September 2021 to 31 August 2022. The report covers our business areas in the Swedish part of our operations, and constitutes the formal sustainability report according to the Swedish Annual Accounts Act. This report has been reviewed and approved by KPMG according to current legislation.

23



New control room
in Mjällby

LYCKEBY

67

100%

RECYCLED PET IN KOCKENS
MEDIUM CONTAINER

KOCKENS

36



New system for
data collection from
suppliers

CULINAR

59



Maintenance plan for
biodiversity in Nöbbelöv

LYCKEBY

52

40%

Reduction in carbon footprint
(Scope 1 and 2) from starch
production 2017–2021

LYCKEBY

72

165 tonnes

Seed harvest of new, more climate-smart potato varieties

LYCKEBY

33

70%

Proportion of sustainable
purchasing of turmeric

CULINAR

49

4 GWh

ENERGY SAVINGS IN
STARCH PRODUCTION

LYCKEBY

33

40%

Proportion of sustainable
purchasing of black pepper

CULINAR



SUSTAINABILITY

Everything we do at Sveriges Stärkelseproducenter originates in nature. To us, it feels obvious that we should do everything we can to promote environmental well-being.





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In this report we give you a detailed look at our company and how we constantly strive to make it better. Better at working together towards a sustainable future.

HANS HOLMSTEDT

Group CEO

Welcome to our sustainability report!

A FEW WORDS FROM OUR CEO

At Sveriges Stärkelseproducenter, we work with our Lyckeby, Solam, Culinar, and Kockens brands in a global market. We come from nature, with our roots in potato cultivation and many agricultural products as raw materials.

So for us it's essential to minimize our impact on the Earth's resources and to always act with great respect for humans, animals, and nature.

Sustainability is a self-evident aspect of our business and our processes. We work with sustainability every day, and it guides our choices both in our current ways of working and when we choose future developments and priorities.

We have identified four key focus areas for sustainability within our business: a value-adding workplace, sustainable cultivation, resource-efficient operations, and the products of the future. The choice of these areas has been anchored in Agenda 2030 and is based on the biggest potentials for impact and improvement in our business.

Continued on next page

During the past financial year, we have made major improvements within our focus areas, and I'd like to share a few selected highlights.

Together with our growers, we're continuing to reduce the use of plant protection products, in line with the EU's Green Deal and Farm to Fork strategies.

Through long-term investments, we have significantly reduced our energy use. In the last year we have achieved a reduction well in excess of our target. Reducing our total energy need is extremely relevant right now, and we will be revising our targets and taking further action on this important issue.

We are also increasing our production and speed of innovation in relation to our long-term investments and collaborations within the green protein transition and E number-free starch products. We can see this in real world figures, and not least in the number of newly started projects with customers and collaboration partners.

It's always easy and pleasant to talk about the things that have gone right, but it's also essential to be aware of the areas where we haven't achieved our targets. And here we will regroup and prioritize additional measures. Although it's no justification, it's clear that the areas where we fell short have clear connections to the COVID pandemic and the invasion of Ukraine. This shows how vulnerable both society and our company are, and the importance of a rapid response.

Our sick leave figures are still at a higher level than before the pandemic, which we need to analyze and address.

We are proud that our carbon footprint remains unchanged from last year, despite increased production and restricted access to bio-oil. We are still optimistic that we will reach our goal for 2025.

As a recently appointed Group CEO, it is my ambition to work with all of our employees, owners, customers, and collaboration partners to continue developing our sustainability process. Personally, I'm convinced that we must accelerate this process with regard to our environment and nature, for us as humans, and not least from an economic perspective.

I hope you will find our sustainability report interesting and that we have the opportunity to answer any questions you may have about the content.

HANS HOLMSTEDT

Group CEO



About Sveriges Stärkelseproducenter

Sveriges Stärkelseproducenter is an agricultural cooperative founded in 1927. The association has 600 members in southern Sweden, of whom 400 are active growers of our primary raw material – starch potatoes.

The association has two business areas: **starch** and **flavor**. Our starch operations are run under the name Lyckeby, while flavor is managed by the companies Lyckeby Culinar AB (Culinar) and Kockens AB (Kockens).

In total, the association employs around 350 people in Sweden. Turnover is approximately 2.5 billion kronor.

OUR VISION

Starch potatoes are the most profitable option for our growers.



STARCH

We produce starch from potatoes grown by our owners, and transform it to suit our customers' needs and requirements.



LYCKEBY

Sveriges Stärkelseproducenter offers customized, functional starch products and potato fiber to the global food industry under the Lyckeby brand.



SOLAM

Sveriges Stärkelseproducenter sells value-added starch products to the paper industry in Europe under the Solam brand.

Starch operations

We buy potatoes from our owners and potato growers, processing and utilizing the material in the best possible way so we can offer customized, functional potato starch products to customers within the food and paper industries.

We focus on markets and applications where potato starch has high potential, giving our customers added value. When you buy from Lyckeby, you always get support and knowledge within the areas of product development, applications, logistics, and quality, from our highly experienced team.

In addition to adding value to the starch, we also make use of side streams from other components in the starch potato. We transform the potato fiber to a food-grade product, sell the protein as animal food, and transfer the juice back to the fields as concentrate along with the surplus water, to fertilize and water the crops. A circular process that we are very proud of!





FLAVOR

We blend spices with other ingredients to create products that simplify customer logistics.



CULINAR

Lyckeby Culinar AB offers a wide range of spices, other ingredients, and unique blends to the food industry in Europe under the Culinar brand.

KOCKENS®

KOCKENS

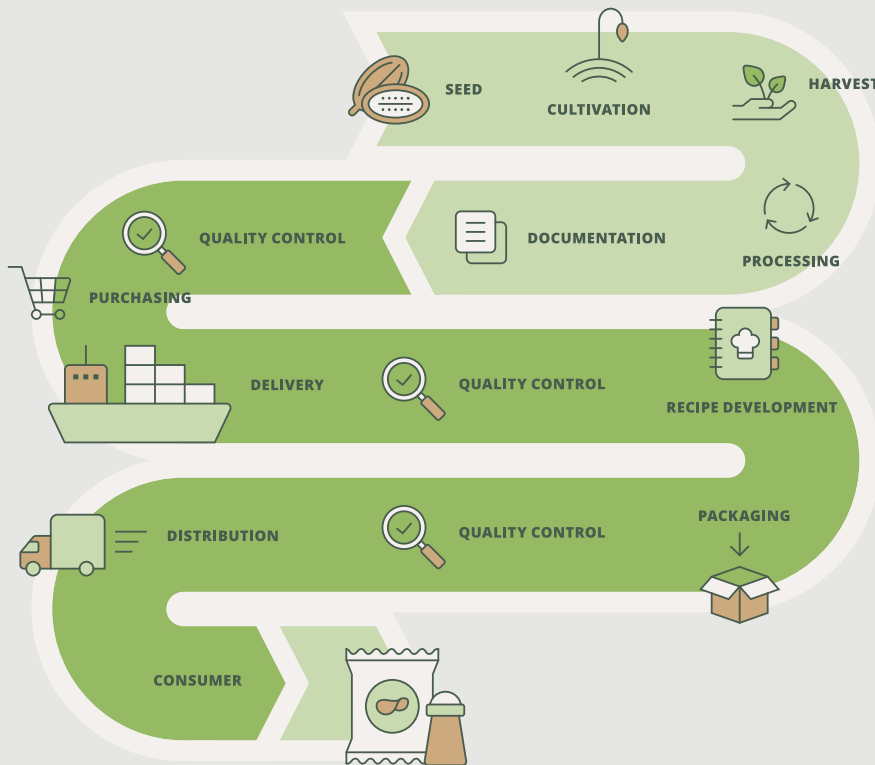
Kockens AB creates products targeted at consumers and the catering industry in Sweden under the Kockens brand. The products are dried herbs and spices, potato starch, and gluten-free flour.

Our flavor operations

At Culinar, we blend spices from all over the world with other functional ingredients (including Lyckeby's potato starch) to create ready-to-use flavor and texture ingredients for the food industry. Our role in the value chain is to simplify and streamline logistics and blending in the customer's end process.

Contributing support and knowledge within applications such as snacks, meat and deli, bakery, etc., is an important part of our business. Here we collaborate closely with the customer so the consumer receives a good end product. As well as application knowledge, we also optimize packaging and manufacturing to minimize waste and simplify handling of ingredients by the customer.

At Culinar, we also create products that are sold directly to the consumer and to the catering industry via Kockens.





Sveriges Stärkelseproducenter has five production units in Sweden, all located close to where our starch raw materials are grown.

NÖBBELÖV

This is the base of our starch operations. We receive starch potatoes from growers and process them into native potato starch and fiber. Some of the native starch is then further processed into modified food starch. The facility also hosts our research and development center, which focuses on the development and application of starch in food and paper applications. Number of employees: 100 permanent employees.*

FJÄLKINGE

This is the base of our flavor operations. Here, purchased raw materials are mixed with ingredients from Nöbbelöv to make dry and liquid food ingredients. Fjälkinge is also the site of our development center, targeting flavor innovations in different food applications. Number of employees: 162 permanent employees (Culinar) and 12 permanent employees (Kockens).

BÄCKASKOG

This is our seed center. We also carry out some packaging of products here, including Kockens potato starch. Number of employees: 4 permanent employees.

MJÄLLBY

This is one of the sites where we receive starch potatoes from growers and process them into native potato starch and fiber. Some of the starch is transported to Nöbbelöv, but the majority is transformed on site into starch products for the paper industry. Number of employees: 22 permanent employees.*

JÄMJÖ

This is one of the sites where we receive starch potatoes from growers and process them into native potato starch and fiber. The starch is transported direct to the customer or to Nöbbelöv and Mjällby for further processing. Number of employees: 4 permanent employees.*

*In addition to these production units, Sveriges Stärkelseproducenter has subsidiaries in Denmark, Poland, Germany, Czechia, and China.***

**In addition to the permanent employees, every year we employ seasonal workers in our starch operations, who normally work from September to January – the period during which our factories receive potatoes and produce native starch.*

***Overseas subsidiaries are not included in this year's report. We intend to include these in future sustainability reports.*

Our sustainability process

Sveriges Stärkelseproducenter's business has a clear place in a sustainable future, but just like every other enterprise we need to constantly develop our way of working to minimize negative impact and maximize business benefit. We have chosen to focus our sustainability efforts within four main focus areas we feel are most relevant from a risk and impact perspective.

These focus areas are common to our two business areas, and follow our value chains, centering on the processing of cultivated raw materials. By working with these focus areas, we can contribute to a more sustainable world. We present here our focus areas and the Agenda 2030 goals we link to our sustainability process.





A VALUE-ADDING WORKPLACE

Our workplaces should generate value in the form of security, satisfaction, diversity, and equality for everyone working there. The foundation of this approach can be found in Swedish legislation and is reinforced by our corporate culture, which is characterized by commitment, pride, and loyalty.



SUSTAINABLE CULTIVATION

Our primary raw materials are cultivated crops. Around the world, cultivation faces a range of challenges within areas such as biodiversity, climate impact, and social conditions. We aim to meet the relevant challenges with knowledge and responsibility.



RESOURCE-EFFICIENT OPERATIONS

Through careful processing of the starch, and making use of side streams, we create sustainable production with high circularity. We also work continuously in our factories to ensure that all production takes place with the least possible input of energy and chemicals.



THE PRODUCTS OF THE FUTURE

Together with our customers and collaboration partners, we work to develop the sustainable products of the future, which will contribute to both improved health and a better environment.



Designed for different condit

Process tolerance

Temperature/time/shear/combinations

High ↑

Opaset 2058

Swely Star 37

Microlys 36

Swely Star

Microlys 34

Swely Star 31

Microlys 32

Opaset 2020

Lerf AC

to starch

We prioritize long, strong, and transparent relationships with our customers. By offering high levels of support within sales, logistics, product development, and quality, we create further security both in our customers and our own employees, laying the foundation for good business and shared confidence. This also gives the customer the opportunity to impact our development as a sustainable company.

MATHIAS SAMUELSSON

Sales Director, Lyckeby



Governance and working methods

Our focus areas set the direction for development investments and improvement work, but the sustainability of our business is also based in sound corporate responsibility and legal compliance in our everyday activities. We have all the relevant authorizations for our operations, apply systematic working methods to areas including working environment and fire safety, and have a number of certified management systems.

All production units within Sveriges Stärkelseproducenter have energy management systems certified according to ISO 50001. Our flavor operations are also certified according to ISO 9001, BRC Food, KRAV, EU organic, and Fairtrade. Our starch operations are certified according to ISO 9001, ISO 14001, FSSC 22000, Non-GMO, EU organic, Halal, Kosher, FSSC FEED, and GMP+. All operations are also approved for the manufacture of products labeled "Från Sverige" ("From Sweden").

BUSINESS CULTURE

We have business relationships with suppliers and customers on both a global and national level. Our business culture means we take responsibility for complying with current legislation regarding product safety, economic laws, and requirements regarding human rights, corruption, and working conditions. All employees working with sales receive business ethics training to ensure that this culture is applied in practice. Our requirements for suppliers are summarized in our Code of Conduct for suppliers.



A value-adding workplace





The COVID pandemic has led to an acceleration of our digital way of working, and we are thankful that we invested in new equipment for digital meetings immediately before the pandemic arose. Today, many of our meetings with customers and collaboration partners take place digitally, and we have also begun offering webinar training sessions for our customers.

ANDRÉ NORDGREN

IT Coordinator, Lyckeby








A value-adding workplace

Naturally, the employees are the motor of our business, and they deserve a workplace that generates value in the form of security, satisfaction, diversity, and equality. To contribute to our sustainable development, they also need the right skills to address future opportunities and customer challenges.

We are a Swedish company and the way we treat our employees is based in Swedish legislation, Swedish practice, and central collective agreements. We are members of the Confederation of Swedish Enterprise and the Swedish Food Federation – an employer organization – and these memberships ensure we remain informed about the Swedish labor market, and that we act in line with industry practice. Beyond this foundation, we have local agreements and policies for terms and conditions, regulations, procedures, etc. We want to be an attractive employer for both new and existing employees.

DEVELOPMENT AREAS

-  **Workplace accidents**
-  **Working environment, health, and satisfaction**
-  **Diversity and equality**
-  **Victimization**
-  **Raising staff awareness of sustainability work**



Health and safety in the workplace

We strive to ensure that our employees can feel safe, well, and satisfied in their workplace. Naturally, our goal is that there should be no workplace accidents, and that we should be able to provide support and appropriate measures to minimize illness.

Our systematic occupational health and safety process, with procedures for safety rounds, action plans, and follow-up, is thoroughly implemented, and a natural part of our work. Risk and consequence assessments are carried out for all changes, and close collaboration with unions helps ensure any risks are detected at an early stage.

We have zero tolerance for workplace accidents that lead to absence. In recent years, we have focused in particular on incident reporting as an important aspect of preventative work, which we can see in an increase in the number of reported incidents in our flavor operations. By aiming to achieve increased reporting of incidents, we improve our opportunities to prevent accidents.

We are currently reviewing definitions and metrics for our work with health and safety within the Group.

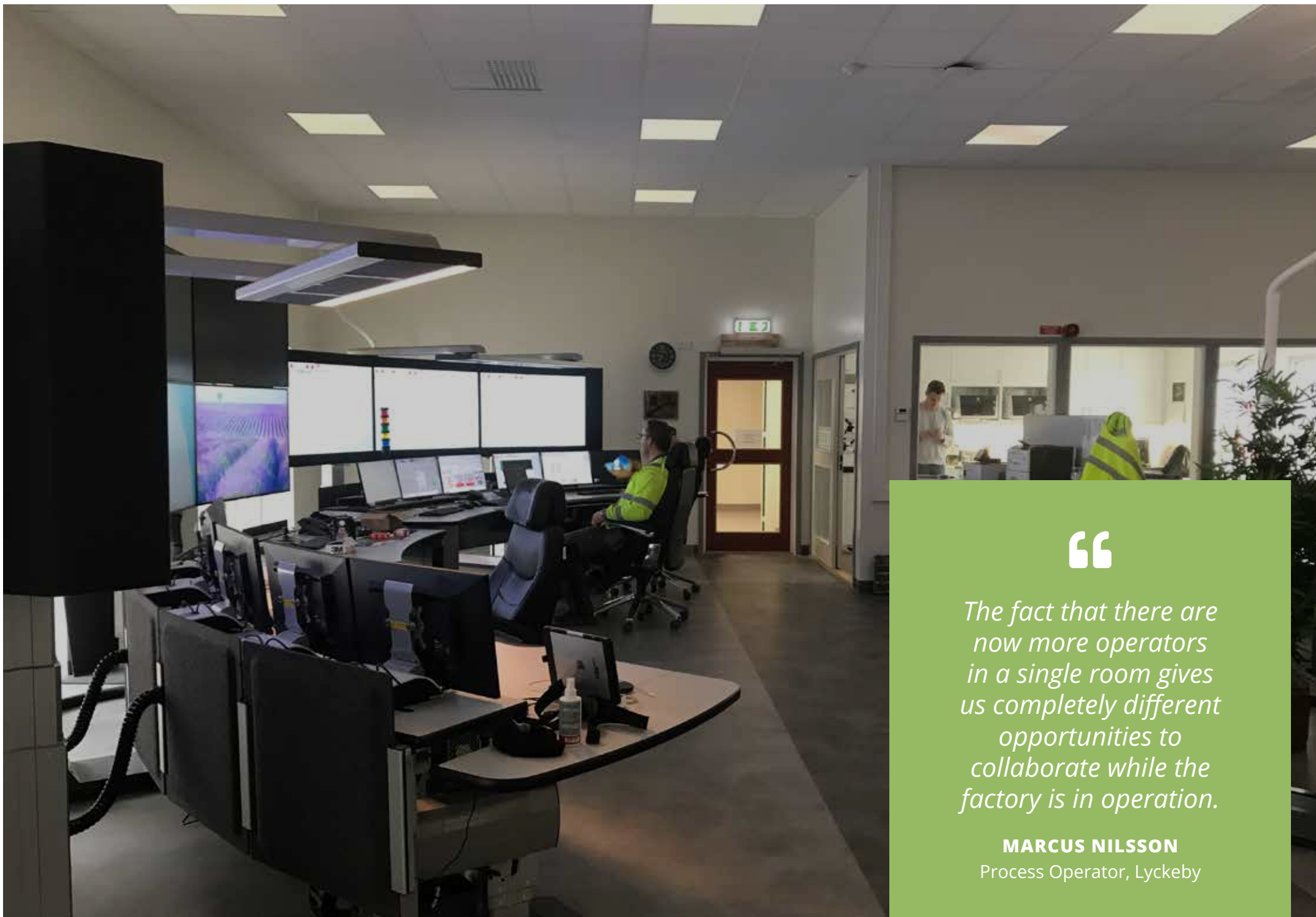
| | Reported incidents (number) | | | Reported accidents (number) | | |
|---------------------|-----------------------------|------|------|-----------------------------|------|------|
| | FY20 | FY21 | FY22 | FY20 | FY21 | FY22 |
| Lyckeby | 53 | 48 | 40 | 17 | 22 | 14 |
| Culinar and Kockens | 36 | 40 | 62 | 12 | 30 | 29 |



| | Sickness absence, total (%) | | | Sickness absence, office workers (%) | | | Sickness absence, production (%) | | |
|---------|-----------------------------|------|------|--------------------------------------|------|------|----------------------------------|------|------|
| | FY20 | FY21 | FY22 | FY20 | FY21 | FY22 | FY20 | FY21 | FY22 |
| Culinar | 5.2 | 5.8 | 5.43 | 4.6 | 2.5 | 3.26 | 5.8 | 6.7 | 7.63 |
| Kockens | 0.9 | 0.53 | 0.42 | 0.95 | 0.53 | 0.42 | – | – | – |
| Lyckeby | 2.6 | 3.1 | 2.99 | 2.3 | 1.5 | 1.70 | 2.6 | 4.4 | 4.15 |



The COVID pandemic has had a significant effect on the last two years' sickness absence, and for FY22 too the figures are considerably higher than previously amongst our production employees, due to the restrictions in place during the pandemic. Sickness absence in office workers has reduced compared to before the pandemic, however, which may be a consequence of increased opportunities to work from home. Our goal is to return to the level before the pandemic.



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The fact that there are now more operators in a single room gives us completely different opportunities to collaborate while the factory is in operation.

MARCUS NILSSON

Process Operator, Lyckeby



New control room for better working environment and collaboration

In 2021, as part of the ongoing **Mjällby Plus** project – Lyckeby's largest investment ever – a new control room was constructed at the Mjällby factory, replacing three former control rooms.

Operators for all processes in the factory now work in the same space, which makes collaboration and problem-solving during operation much simpler – and in addition creates a more pleasant working environment.

The control room is now also much quieter, equipment and systems have been updated, and the workstations are more ergonomic.





Satisfaction and community

We strive to promote a sense of community within the company. This year in particular, as we leave a long period of restrictions on social contact, we have organized a range of activities both large and small to stimulate a sense of belonging.

The need for efficient internal communication has also become even clearer, and we have embarked upon a number of projects to reinforce this. Here are a few examples.



In our flavor operations, we have published more news items over the year, on a screen at the factory entrances, and on our CuLyNet intranet. We have focused on four themes during the year:

Understanding of our business and organization, and acceptance of our processes and employee roles in them. **Cohesion** and loyalty. **How we work** systematically together to promote quality and safety. **The products** we sell and our customers.

Under the last of these, we chose an edible way to highlight our customers and their products. For 10 weeks, the staff restaurant served a Customer Lunch of the Week every Wednesday. The menu of the day was based on food produced by our customers with our products, and information was available on the intranet.



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The best thing about LyckebyNYTT is that it includes news from all parts of the company. It's fun and interesting to get an insight into my colleagues' work and current projects. And I like the way it's laid out, with lots of great pictures.

JESSIKA KÄRRDAHL

Export Coordinator, Lyckeby



LyckebyNYTT - a newsletter from employee to employee

In 2021, we founded a new internal newsletter, LyckebyNYTT. The newsletter contains photos and articles about what's going on in the various departments within our starch operations. The newsletter offers every employee the opportunity to talk about events in their daily life. The newsletter has received a great deal of positive feedback and is an informal and fun way of increasing understanding of other people's roles in the company.



Diversity and equality

Diversity and equality should be a self-evident and natural element of our business, and means that we all have the same rights, opportunities, and responsibilities within all areas, regardless of gender, age, ethnic or cultural background, disability, or sexual orientation. All employees have the right to be treated with respect, and we need to make use of everyone's skills to succeed in the best possible way.

This is governed by our policy. Everyone should be treated equally, during internal and external recruitments, personal development, and salary negotiations. We largely apply individual salary negotiations, but any assessment in this context should take place only on the basis of factual criteria such as competence and performance. Since 2017, we have been producing annual documentation of all efforts related to equal treatment, including salary inventory. The purpose is to detect, rectify, and prevent unreasonable salary differences between men and women. This is a collaboration between the company and the local union branches. Together, we have determined that we are within the framework of what can be considered reasonable.





Victimization

Naturally, all forms of discrimination and harassment are prohibited in our workplaces. Harassment means any type of victimization, unwelcome behavior and derogatory comments, for example regarding a person's gender, age, disability, sexual orientation, political opinions, ethnic or cultural background, skin color, appearance, or religion. It is always the victim who determines what behavior is unacceptable.

In our employee survey, we explore whether any of our employees have experienced or witnessed victimization or harassment. Five shorter pulse surveys were carried out within our flavor operations during 2020 and 2021, to explore our employees' experience of the workplace. No incidents of victimization or harassment were reported. We are drawing up relevant targets based on the results of the surveys.

We have a whistleblower function, which means an employee experiencing misconduct can communicate with HR anonymously. There have been no reports of discrimination or any related issue via this function.



Conscious sustainable development

To guarantee a sustainable working method and create efficiency throughout our value chain, we feel it's important for all employees of our company to have basic knowledge of sustainable development and future challenges, both for our own operations and those of our customers.

We fully accept that we can constantly improve our promotion of this awareness, and that this is a gradual process. Our future goals include adding sustainability to our program for new employees, and improving our employees' access to information about our ongoing sustainability work via our intranet.

Breakfast – a great way to get to know our customers' products

It's fundamental to Lyckeby's strategic focus that we are always close to our customers. We are an important supplier to the food industry, and we want our employees to be truly aware that every day they produce ingredients for food. So over the year we have organized breakfasts, coffee breaks, and lunches where employees get to try out foods made using our products.

At breakfast we have served yogurt, gluten-free bread, sandwich meat, vegan "cheese", fruit drinks and fruit compotes, while lunches have included soups, pies, fries with meatballs, veggie burgers, sausages, ketchup, mustard, and various sauces. Information was provided with each meal about the ingredients we had produced, and the function they performed in the product.





Sustainable cultivation





For us, it's essential to ensure traceability in our almost 1000 different raw materials, and to work towards improved social conditions in our supplier chain.

KHIRIM FAGER

Quality and Sustainability Manager,
Culinar and Kockens



Sustainable cultivation

FLAVOR

We purchase raw materials from all over the world, which represents a significant challenge in the form of guaranteeing food safety, cultivation conditions, working conditions, human rights, and environmental impact.




FLAVOR DEVELOPMENT AREA

 **Global supplier cultivation and working conditions**

STARCH

Potatoes for our starch production are cultivated locally in southern Sweden. Our primary challenges are minimizing the use of plant protection products while maintaining yields, and limiting the climate impact from cultivation.

STARCH DEVELOPMENT AREAS

-  **Use of plant protection products**
-  **Climate impact from potato cultivation**
-  **New starch potato varieties**





Sustainable Spices Initiative (SSI)

The SSI is a global platform that brings together actors throughout the herbs and spices supply chain and who are willing to collaborate. The SSI supports the Sustainable Agriculture Initiative's definition of sustainable agriculture: "the efficient production of safe, high quality agricultural products, in a way that protects the natural environment, and improves the social and economic conditions of farmers, their employees and local communities".

To assess the sustainability of ingredients, a portfolio of different standards and certifications is used within both social and environmental sustainability. If the supplier complies with selected standards, the ingredient is defined as sustainable. The SSI also works with specific projects linked to a particular spice or geographic area, which might involve increasing the farmers' knowledge of sustainable cultivation.

All member companies must undertake to set targets that agree with the SSI requirements, and to report ongoing results to the SSI.

Global supplier cultivation and working conditions

Every year, we import large quantities of spices and herbs from all over the world for our flavor operations. It is therefore essential to the long-term survival of our business that these are cultivated in a sustainable way. Our ingredients and products must be safe, genuine, and of good quality.

One important pillar in our work is our collaboration with the Sustainable Spices Initiative (SSI), of which Culinar is an active member. We set goals in line with the SSI's requirements and report the results on an ongoing basis. Our goal is that by 2025 we will have increased the share of sustainable spices we purchase (according to the SSI's definition) to 25% of the total volume for turmeric, pepper, and chili. In the last year, we have easily reached our target for turmeric and pepper.

- Turmeric 70%
- Pepper 40%
- Chili 10%





Supplier follow-up

Our supplier code of conduct and supplier audits form an important tool for managing sustainability risks in the cultivation stage. Our code of conduct clearly links our requirements to international conventions and guidance such as the UN's Guiding Principles on Business and Human Rights, and the Convention on the Rights of the Child. Our intention is thus to help reinforce implementation of these conventions in the supplier chain and to promote continued development of sustainable cultivation.

We value long-term relationships with suppliers. Consequently, over the past year we have developed our contacts with suppliers in Sedex, where we have become AB members. This means we have the opportunity to share information, reports, action plans, etc. with suppliers who are also members of Sedex. This is a valuable complement to our risk evaluation. We continuously visit and audit our suppliers both for product safety and compliance with our code of conduct. Together, we implement improvements.



The global spice trade – an industry with challenges

The spice trade is a complex one, where the largest share of spices in the world are grown by small agricultural companies in developing countries. Poverty often leads to poor working conditions for the grower's family and for any employees. There is often no opportunity to allow the children to attend school. Instead they must stay at home and work on the farm.

As spices are used in most food products all over the world, demand is expected to increase in line with the globally increasing population. But ever larger numbers of spice growers are leaving farming for more secure sources of income, which means that continued secure deliveries are only possible if spice production provides an economically attractive and sustainable income for the grower.





Food safety

Safe raw materials of the right quality are a precondition for our business, and obtaining them can be a major challenge in our turbulent times. So it is particularly important for us to evaluate each raw material and to verify its quality as far as possible.

We examine aspects including:

- Cultivation certification
- Quality characteristics defined according to ISO standards
- Specific risks linked to the raw material
- Unique inspection programs for each raw material
- Long-term collaborations with suppliers





Hi Paulina! This year you've started a digital platform for registration, mailing and follow-up of our supplier assessments. What's the aim of this new system?

Supplier assessment is a really important part of what we do! The new system is intended to give us better information and to facilitate our work. We have increased the number of questions related to sustainability, and revised the form so it's as easy as possible to use. Digitalization makes follow-up much easier, not least because we get information via the system instead of having to send and compile individual emails.

What are the biggest challenges of supplier follow-up?

One challenge of starting up a new platform is getting our suppliers to understand how the system works and to see the benefits of using our system instead of their own. It can also be difficult to find the right level of question we want to ask so they aren't too detailed but still provide useful information for our assessment.

What has been the most exciting thing about working with the new platform?

One very instructive and exciting part of this process has been carrying out CSR audits of our suppliers. In May, we visited four suppliers, which led to many new insights and interesting conversations. All of them were positive about

NAME

Paulina Norup

WORKS AS

Supplier Quality Manager at Culinar

EMPLOYED SINCE

2021

TASKS

Setting requirements and follow-up with suppliers, deviation management, and auditing.

THE BEST THING ABOUT WORKING FOR CULINAR

Working with a combination of Swedish primary production and exciting raw materials from all over the world.





the audit. Our suppliers have different degrees of maturity, which means we can learn from some and help others.

How will you phase in the new system?

We have identified 40 suppliers to begin with, and will also start sending out surveys specifically for our raw materials. The ambition is that this year we will digitalize all data for all suppliers, and for a proportion of our raw materials.

We will refine how we ask questions, carry out follow-ups, and create reports and trend analyses so we can optimize our data's usefulness, not least for when customers ask questions.

What's the plan for the future?

We have a comprehensive plan for future audits and are dedicating extensive resources to highlighting and following up sustainability risks in our supplier chain. The aim is for this to contribute to sustainable development of spice cultivation, to ensure access to spices over time.



KOCKENS®





We were delighted when Kockens ground organic Fairtrade black pepper was named Best in Test by consumer choice organization Råd och Rön in spring 2022. A test was carried out with both conventional and organic black pepper from different brands, and our product got the best score.

JENNIFER STURESSON

Marketing Director, Kockens



Organic, Fairtrade spices

Our ambition is to always choose Fairtrade-certified raw materials where possible. This guarantees the spices have been grown with concern for both the environment and the grower's social conditions and security. By choosing both organic and Fairtrade we reduce our impact and contribute to a sustainable balance in the world. This year we have launched organic smoked paprika for the Foodservice market.

Spices from across the world

Our spices and other ingredients come from all over the planet, and it's becoming increasingly important for the consumer to know their origins. So when we redesigned the packaging we made the source of our raw materials more transparent, marking the labels/bags with the country of origin.







Environmentally sustainable cultivation of starch potatoes

Naturally, our starch business also follows up on suppliers' social responsibility. Our code of conduct for suppliers is signed by all suppliers and we follow up their efforts. Our focus for cultivation in Sweden is the environmental challenges, as we consider these to be greater here than the social issues.

Good progress towards halving the quantity of plant protection products

Plant protection products are used in cultivation of starch potatoes to combat weeds and illnesses that attack the plant – above all blight and the Alternaria fungus. Research conducted in this area, together with our trial cultivations, has shown that the quantity of protection products can often be reduced with little or no impact on the yield.

On the basis of this, at Lyckeby we now have a target for 2025 of reducing the quantity of plant protection products our potato suppliers use by half compared to the quantity used in 2014 per hectare, while maintaining the same yield. To date, the figure has reduced by 34%. To ensure that we reach our goal, we provide advice to our potato growers through weekly mailings during the cultivation season containing recommended dosages for plant protection products. The recommendations are based on existing forecasting models for blight and Alternaria.

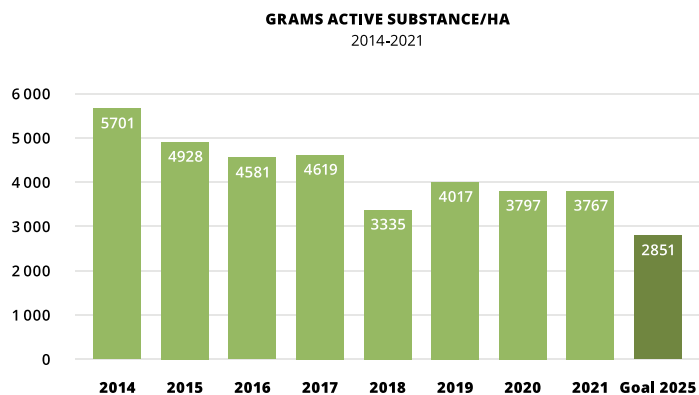




Knowledge-based improvement

We work intensively to develop new forecasting models, including through cultivation trials where we evaluate the effects of plant protection products in different cultivation conditions. The growers come together at field meets, where they share information and experience with each other and with us. For example, very small amounts of protection products are required in dry conditions, as the risk of blight is very low.

The program to reduce the use of plant protection products is aimed at reducing the impact of farming on biodiversity. Reducing the use of plant protection products by 50% aligns well with “Farm to Fork”, where the goal is for plant protection products used within the EU to be halved by 2030.



Area where our starch potatoes are cultivated.





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The positive trend in the use of plant protection products shows that our work with forecasting models leads to increased awareness amongst our growers.

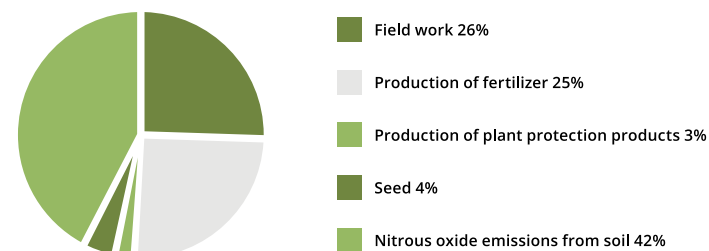
KRISTOFFER GUSTAFSSON
Cultivation Advisor, Lyckeby

The climate impact of potato cultivation

Potato cultivation represents approximately 40% of Lyckeby's carbon footprint, when we include our direct emissions of greenhouse gases from production and indirect emissions from elements such as raw materials, packaging, and transports.

Almost half of these emissions take the form of nitrous oxide from the cultivated areas, and it is difficult to affect this. The remaining emissions are caused above all during production of mineral fertilizer and through the use of fuel in cultivation.

The climate impact calculation indicates which activities we need to prioritize in the future to reduce our total carbon footprint in accordance with our goal to reduce emissions in Scope 3 by 20% between 2017 and 2025. You can read more about this on Page 55.





Resource-efficient operations





Our focus on energy savings is having an effect! We are proud to have achieved our yearly goal with a good margin.

KRISTINA LINDE

Production Manager & Vice CEO,
Lyckeby







Resource-efficient operations

By making use of side streams and working efficiently, we create sustainable production with high circularity. In our factories we constantly strive to ensure that all operations use the least possible input in the form of energy and chemicals.

Energy efficiency has always been a high priority issue, and our production facilities have been certified according to ISO 50001 for many years. We also continuously develop measurement and monitoring systems for our carbon footprint, in parallel with taking measures to reduce greenhouse gas emissions, for example by replacing fossil fuels in production and transports.

As one aspect of optimizing resource use, we also strive to increase material recovery in our operations.

DEVELOPMENT AREAS

-  **Energy and climate**
-  **Chemical use**
-  **Material recovery**
-  **Sustainable transports**



In addition to adding value to the starch, we also make use of side streams, creating sustainable production with high circularity.

The potatoes delivered to the starch factory are fractionated into starch, fiber, and protein. The starch and fiber are refined into our main products, but we also make use of the by-products.

This means that our production is a good example of a circular system where the majority of the raw materials are utilized in a resource-efficient way. In our factories we also work continuously to ensure that fractionation, purification, and processing use the least possible input in the form of energy and chemicals.



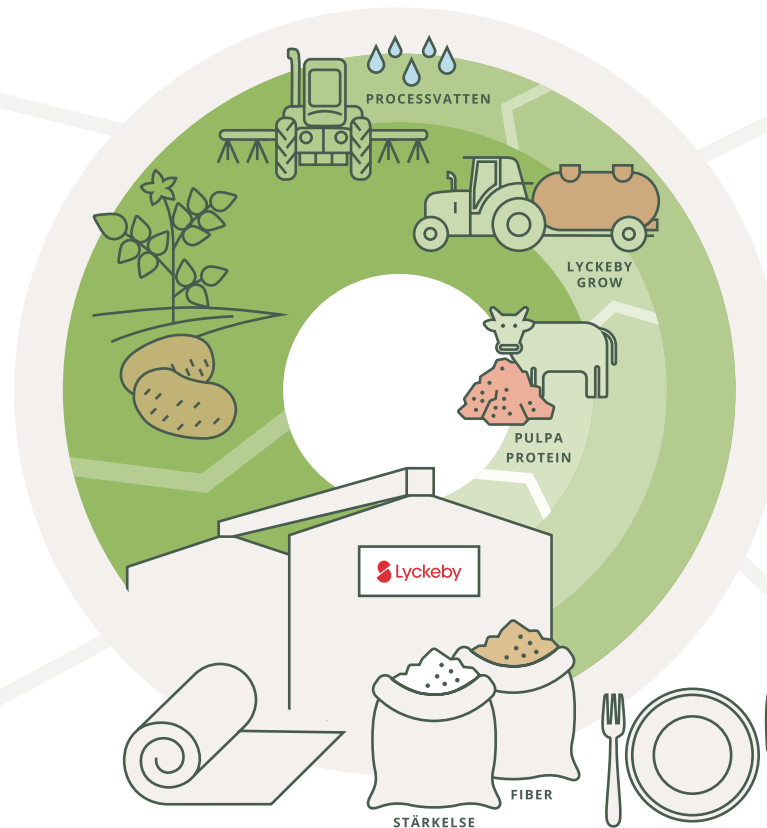
The process water from production is returned to the fields to water the crops

The nutrients in the potato juice are concentrated and sold as fertilizer

The protein is transformed into a nutritious feed protein

The plant parts remaining after the food-grade fiber has been processed are concentrated into pulp and sold as feed

Soil and stones from potato deliveries are used as fill materials, for example during road construction





Climate action in starch production

Starch production is an energy-intensive operation, and consequently energy and climate action are extremely important in our sustainability process.

We calculate our carbon footprint annually, and have achieved significant reductions of our direct emissions through energy efficiency measures and a transition to renewable fuels.





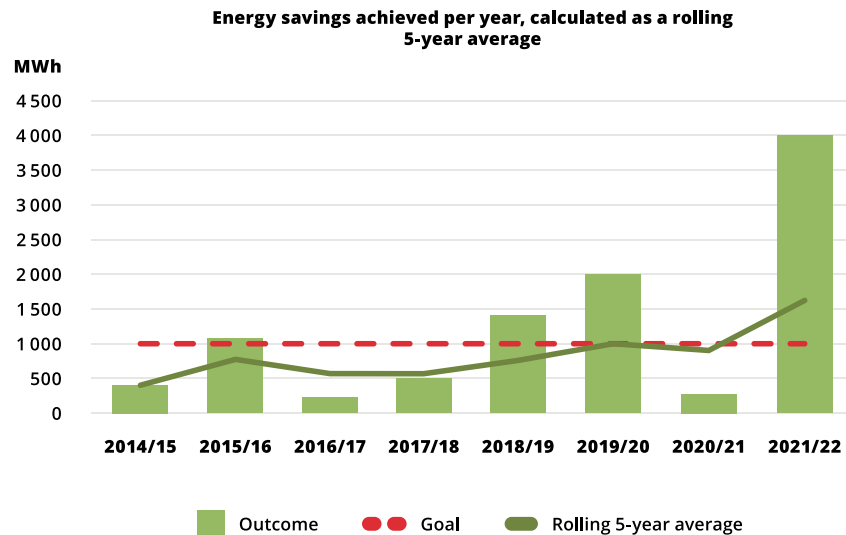
Energy efficiency measures

Optimizing energy use is the foundation of useful climate action, and the focus on energy saving is intensifying in line with the major challenges facing the Swedish energy system. Our target is to make energy savings of 1 GWh/year calculated as a rolling five-year average.

In 2020, we were awarded aid for heat recovery and evaporation technology by the Swedish Energy Agency, through the Energisteget program. These energy efficiency measures, together with optimization of the protein process, mean that

during FY22 we have made savings of 4 GWh, and that we have thereby exceeded our target by a good margin. At the same time we have achieved increased production.

We have chosen to set a target of absolute savings rather than energy consumption per produced tonne so we can more clearly see the total effect of our measures. Our energy consumption varies a great deal depending on the product mix we are producing, which means an efficiency target is not always appropriate.





Hi Jonas! One of the latest projects you worked on was the addition of a drum dryer facility for Lyckeby's factory in Nöbbelöv, is that right?

Yes, that's right! This was a large, very broad project that I focused on for more than two years, involving construction of a new building, together with the development and installation of new process equipment. It was incredibly stimulating, both enjoyable and exciting, but also quite a challenge.

What's the drum dryer facility used for, and why did Lyckeby choose to invest in a new one?

In the drum dryer facility, we manufacture instant starches. In other words, starches that don't need to be heated to swell. They are used for things like making the filling in a pastry or pie thicker so it doesn't run out before baking. So the starch can swell without having to be heated, it is boiled on a drum in our drum dryer facility before being dried and ground into powder. Demand for cold-swelling starches has increased significantly in recent years, and they command a high price on the market. Our capacity was simply too low, so the management decided to invest in a new, larger and more modern drum dryer facility.

In what way is the new facility more modern than the old one?

During the design stage, we visited several industry colleagues in Germany, France, and the UK. By studying their dryer facilities, we learned what works and what doesn't, both for

NAME

Jonas Oskarsson

WORKS AS

Project Engineer at Lyckeby

EMPLOYED SINCE

1994, with a 10-year break in the early 2000s

TASKS

Project manager for investment projects

THE BEST THING ABOUT WORKING AT LYCKEBY

We have a flat organization, which means decision paths are short. And all of our committed colleagues!





them and for us. And then the management gave us the opportunity to build a future-proof plant by approving a major investment. For example, a modern drum dryer facility needs to be spacious with good air flows so it's easy to work with, easy to clean and offers a good working environment for the operators.

When you say a major investment...?

A total of SEK 125 million. Of this, SEK 3 million was aid from the Swedish Energy Agency.

In what ways have you worked with energy recovery?

Actually, energy recovery isn't a new thing for us. We've applied it in our factories since the 1980s. The heat expelled by our starch dryers is used to heat the air coming into the dryer. But in the new drum dryer facility, we've developed a more cohesive system. We have kilometers of pipes linked to an accumulator tank containing 100 m³ of water. This accumulates the heat from various energy producers in our systems, which is then used in different places in the process. We have also developed a hot water network where flash heat from condensation of steam in the drum dryers is recycled. This is energy that would otherwise go straight up through the chimney and onto the roof among the crows. Now we let out very little energy for the crows, so they'll have to go and warm themselves elsewhere! But what's truly unique is that we also recover low temperature heat from the drum dryers. The extract air is only about 40°C, but we use this energy to heat all the incoming air to the drum dryers, the new dryer facility plus the starch slurry that needs

to be preheated before chemical modification. During my time in the industry, I've visited many drum dryer facilities all over the world, but I've never seen any other system recover low-value energy from the drum dryers. It's completely unique!

The new drum dryer facility has been in operation since January 2022. Can you already see the energy savings?

Yes, the quantity of recovered energy is logged daily and so far we have recovered approximately 1600 MWh that would previously have been lost. If we look at the low temperature energy from the dryer, we recover approximately 300 MWh per month in winter, and around half that in the summer months. Overall, the recovery system works very well! But it's too early to make comparisons with the old dryer facility. Obviously the energy consumed depends on the products and volumes being processed, so we need more data to calculate a total energy saving.

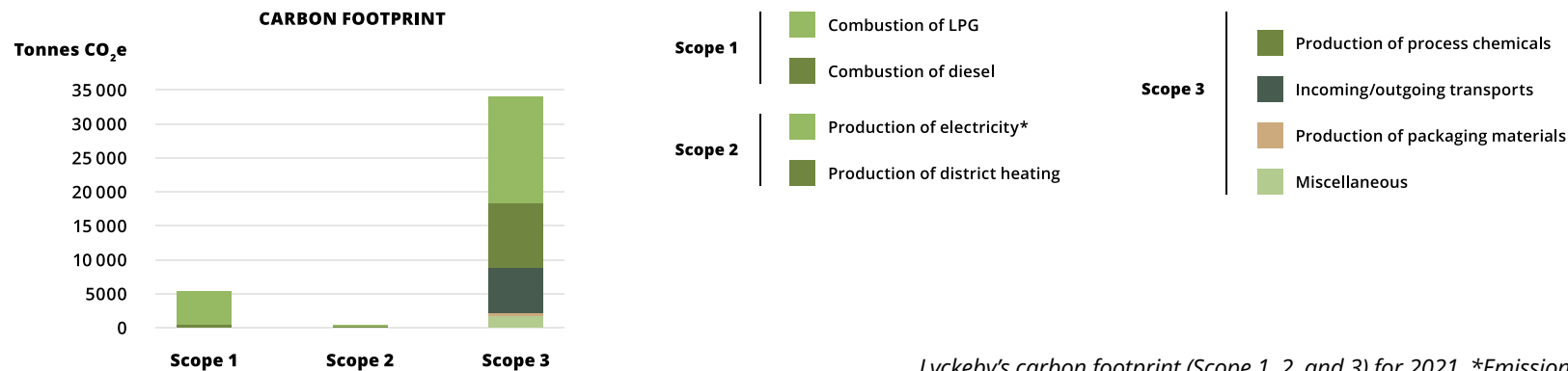




Biofuel for starch production

In 2019, when we first calculated the carbon footprint of our starch production (according to the GHG protocol), we realized that emissions from energy for production (Scope 1 and 2) made up approximately one third of our carbon footprint. As a consequence of this, we applied for and received aid from Klimatklivet for the transition to renewable fuel.

Since then we have completely phased out the use of fuel-oil, and our use of LPG has been reduced by approximately 95%. Instead we now use bio-oil. This allowed us to reduce our carbon footprint in Scope 1 and 2 by 40% between 2017 and 2021, exceeding our goal of 30%.



Lyckeby's carbon footprint (Scope 1, 2, and 3) for 2021. *Emissions from electricity are calculated using the location-based approach, which is the calculation method we use in our metrics. Using a market-based approach, the equivalent result would be 2,992 tonnes of CO₂eq. The biogenic emissions were 5,540 tonnes of CO₂eq.

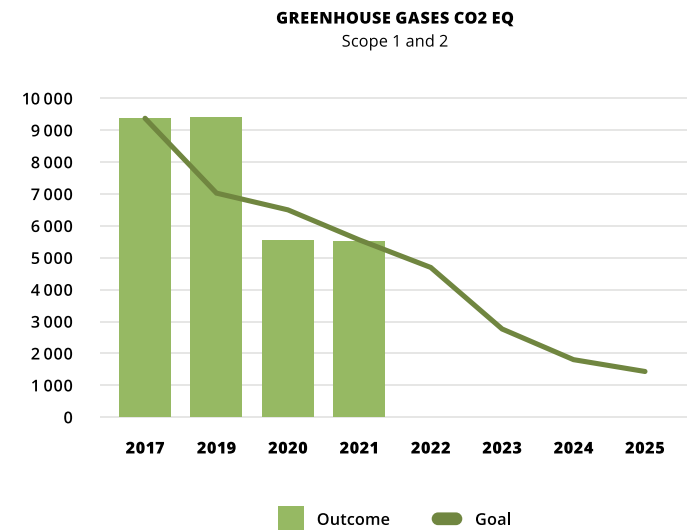




In 2021, our emissions of greenhouse gases from energy use in production (Scope 1 and 2) represented approximately 12% of our total carbon footprint.

We have drawn up new long-term strategic goals to reduce our climate impact, and our ambition is to align with the Paris Agreement. Our long-term goal is to reduce Scope 1 and 2 GHG emissions by 85% between 2017 and 2025.

During FY22, there have been shortages of bio-oil, and we have therefore not been able to reduce our carbon footprint as much as planned, but the footprint is similar to previous years despite increased production. Our goal for 2025 is unchanged.





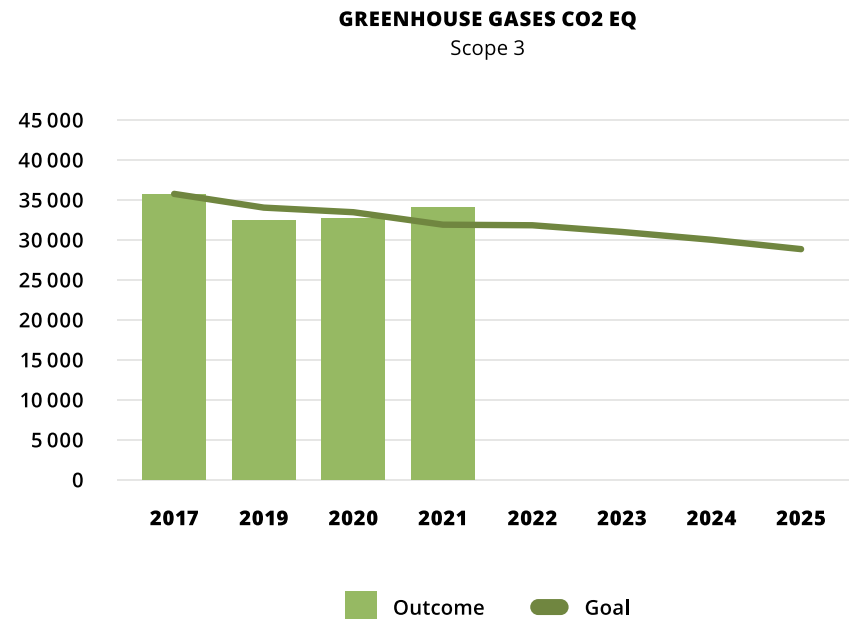


Carbon footprint for the starch value chain

Indirect emissions from potato cultivation (including production of input products), production of process chemicals, packaging, and transports represents 86% of our total carbon footprint, but these are also more difficult for us to affect than the direct emissions from our production.

We have set a target of reducing Scope 3 GHG emissions by 20% for the period 2017-2025. This means that we need to streamline resource use, but also to support our suppliers' and transporters' climate work. Above all, this applies to potato cultivation, where we see that emissions from fertilization and field work need to be reduced.

Our Scope 3 carbon footprint has increased somewhat in 2022, partly due to increased air transport following major challenges in the transport system over the previous year.







We strive to meet our customers' needs

Customers and consumers increasingly demand information about the carbon footprint of different products, while standardization of this area is continuing. We strive to meet our customers' needs for information about our products.

In 2022, we began calculating specific carbon footprints for our products for the paper industry in accordance with ISO 14067. The ambition is to give our customers information that helps them calculate carbon footprints at the next level, for both products and organizations.

“

Just as we set standards for our suppliers, our customers set standards for us. And we want to respond to this by offering specific climate data for all our products for the paper industry.

JEANETTE DANIELSSON
Sales Manager Paper, Solam





Biodiversity around the Nöbbelöv factory

Our factory in Nöbbelöv is surrounded by approximately 35 acres of high conservation value grazing land, which is classified as a habitat protection area.

In a 2017 inventory, at least 100 growing sites were found with more than 3,500 specimens of the rare *Helichrysum arenarium*. The bare sand that this species prefers also favors other species such as Breckland thyme, *Anthericum ramosum*, and insects such as Hymenoptera, beetles, and butterflies.

As a result of this inventory, we have therefore created a maintenance plan to ensure these areas continue to contribute to local biodiversity, even following the construction of our planned new facilities. New areas of bare sand will be created, a stone wall affected by the alterations will be rebuilt, and deciduous trees removed for a road will be replaced by new trees in the factory area.





Environmental work by the flavor operation

CLIMATE

Processing on the flavor side requires much less energy than the starch process, and all the energy we use for our own production in the Fjälkinge factory has been fossil-free since January 2019. Despite this, it is of course important for us to reduce our energy use, and the operation is certified according to ISO 50001. We reached our 2020 energy goal as early as 2019, and for the current year we have set ambitious new targets. By the turn of the year 2022/2023, we intend our energy consumption per tonne of product, at production volumes corresponding to 2017, to be 348 kWh – a reduction of 4% from last year's result, and a goal we have a good chance of achieving because our energy consumption at the 2022 half year mark was 341 kWh/tonne.

To better understand how our flavor operations affect the climate, in 2022 we have begun to calculate the carbon footprint in Scope 1, 2 and 3 according to the Greenhouse Gas Protocol. The total carbon footprint for Scope 1 and 2 for 2021 was 172 tonnes. Calculations are underway for Scope 3, and from next year onwards we intend to also report and set goals for these parts of our carbon footprint.

We have already begun our work to reduce our climate impact in areas we know are particularly relevant. One of these is our outbound transports to customers across

Sweden. For Kockens products, we have signed up to DLF's Transport Initiative 2025, a voluntary commitment and a clear statement that the grocery industry wants to drive development towards fossil-free transports. This means that we have a goal of fossil-free transports for Kockens products from 2025. During the year, we have also launched several Kockens products with redesigned packaging with a lower carbon footprint. Read more on page 66.

We have also joined the Swedish Food Federation's Sustainability Manifesto, where one of the five commitments is "A fossil-free industry". In line with this manifesto, we are aiming to use only fossil-free fuels for transports of Culinar products by 2030.

MATERIAL RECYCLING

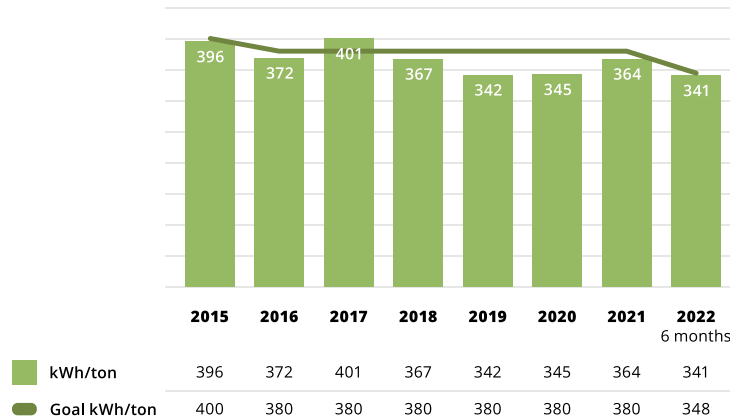
As part of a drive to optimize our use of resources in production, we have worked since 2020 to increase material recovery in our production at Fjälkinge, by introducing more material recovery fractions.

In 2021, we sorted a total of 203 tonnes, and in the first eight months of 2022, material recovery fractions have accounted for 134 tonnes. The goal is for more than 50% of waste to fall into the Material Recovery, Bioprocessing, and Reuse fractions. In total, after eight months of 2022, we are at 54.9%. The goal will be reviewed upwards to reflect our ambitions.

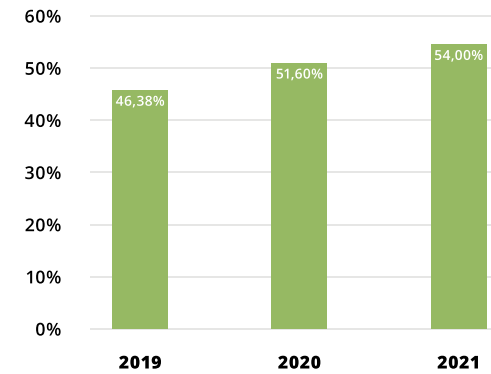




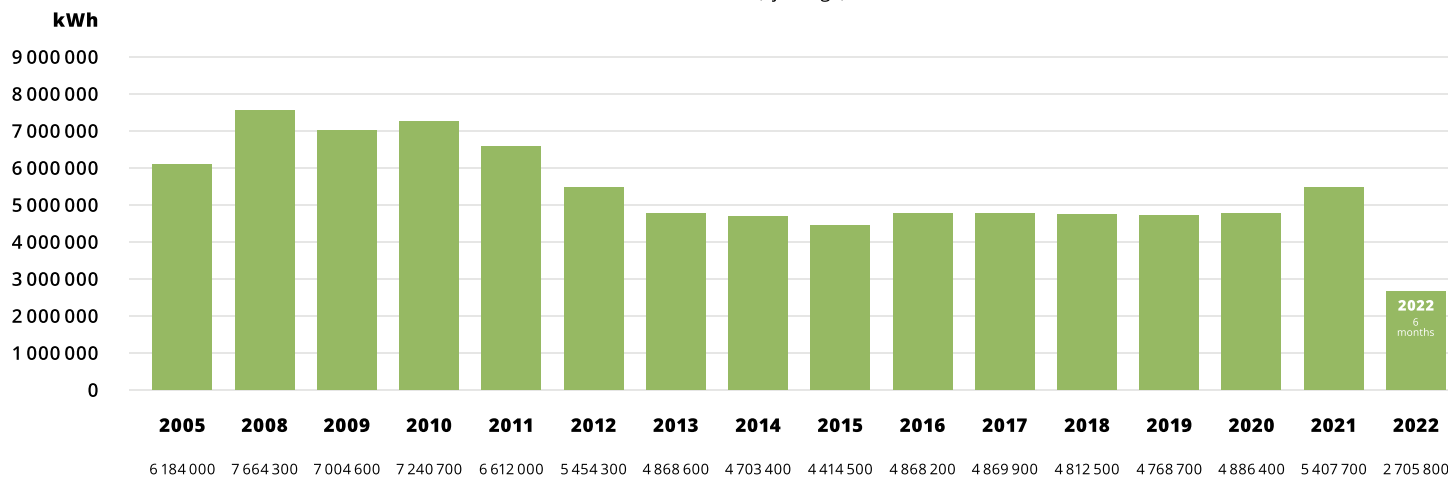
KWH PER PRODUCED TON
(Fjälkinge)



TOTAL MATERIAL RECOVERY/BIOTREATMENT
(Fjälkinge)



TOTAL ENERGY USE
(Fjälkinge)





The products of the future





The products of the future

Our offering always includes our expertise and experience to support the customer's product development. Through close, transparent collaboration, we create the sustainable products of the future – together.

MALIN THORS ROSENQVIST

Development Manager, Culinar







Sveriges Stärkelseproducenter's development departments within both the starch and flavor operations collaborate closely with our customers to develop new products that meet consumer needs. Demand for sustainable solutions in the form of climate-smart options, clean label, plant-based products, and healthier variants is increasing, as too is the demand for transparency in the value chain.

The experts in our development departments have long experience of working with different applications and know which ingredients are required to handle different production processes. We offer support in the development of new sustainable products by helping our customers to choose sustainable ingredients that work in their various applications.

On the starch side, we are also continuously developing our by-products, which is another important aspect of sustainable operational development.

DEVELOPMENT AREAS

-  **The climate impact of food production**
-  **The green protein transition**
-  **Reduced salt content in food**
-  **Packaging**





Culinar targets the needs of the future

By collaborating closely with our suppliers and carrying out continuous and long-term proactive development work, we can offer solutions that give our customers the opportunity to launch more sustainable options. Culinar develops and supplies batch-customized, customer-unique products that also help reduce waste in the value chain and thus contribute to better use of resources.

THE GREEN PROTEIN TRANSITION

During the year, we have expanded our investment in a Vinnova-financed project aiming to investigate the possibilities of sustainable concentration of pea protein. Traditional methods involve the use of chemicals and large quantities of energy. In the current Vinnova project, we are developing a method for physically reprocessing the protein as efficiently as possible. Development work continues, and we have already been able to demonstrate prototypes in a range of contexts based on the developed pea protein.

IMPROVING RESOURCE EFFICIENCY

The events of the last year have increased cost consciousness amongst consumers and also contributed to resource optimization in every level of the industry. One consequence of this is an increased interest in products that make best possible use of the entire raw material, and which facilitate good, resource-efficient products. Recently, Culinar has worked to

proactively develop exciting new concepts for sausages, as the sausage is a way of working with meat products that is both cost and resource-efficient. The range also includes concepts for plant-based sausages.

OTHER COLLABORATIVE PROJECTS IN THE INDUSTRY

During the year we have also continued our commitment to the cross-industry collaboration within ReduSalt, which aims to reduce the salt content of products while maintaining flavor and function. We are also involved in FINEST (Food Innovation Enabling Sustainable Transmission) and PAN (Plant Based Proteins for Health and Wellbeing), which are two cross-industry research centers financed by Formas. The aim is to make it possible for the Swedish food industry and Swedish primary production to be able to take a leading role in a sustainable transition. Our biggest commitment is to FINEST, which works to apply a system perspective to the sustainable transition, and where, for instance, the use of legumes plays an important part.

Via our representation on the Swedish Food Federation's nutrition council and in the R&D reference group together with a number of other projects and networks, we are also committed in several ways to working with other actors in the Swedish food industry to contribute to better public health and sustainable production of food.



Kockens' future-smart packaging solutions

Our packaging design is always based on strict demands for our products to be long lasting through protection against contamination by moisture and dirt, and against impacts during transport and handling. It is also important for the packaging to be functional for the user, easy to open, and easy to use.

Our goal for packaging for the Kockens brand is also to gradually move towards a reduced climate impact, and for it to be possible to recover the materials in all Kockens packaging by 2025.

In recent years, we have reviewed the Kockens packaging and carried out many improvements. Without compromising on our basic requirements, we aim to reduce the quantity of packaging material or transition to fossil-free materials. This is an important aspect in further reinforcing our positioning as the green brand.

Something new is growing at Kockens

This year, Kockens' most popular glass packaging – the small gourmet jar – was transformed with a new, more sustainable design. The weight was reduced by 6.3%, which means a total reduction of 33 tonnes of glass per year, corresponding to 28 tonnes of CO₂. All of our glass for packaging spices is now manufactured using 55-60% recycled glass collected from waste sorting facilities.

The lid, too, has changed, and now consists of bio-based plastic. And we have reduced the weight by 10.5%.



We have worked hard to offer even more sustainable packaging and to make it easier for the consumer to make climate-smart choices. And naturally there's also an even bigger effect when we make changes to our most popular packaging.

SARAH DANIELSSON

Packaging Developer, Kockens



Kockens' PET container - now made from 100% recycled plastic

The medium Kockens plastic container has also undergone a major change this year. Our PET container is now made from 100% recycled plastic. This step towards circularity results in a reduction in plastic use of approximately 15 tonnes per year. If the container is then sorted as described on the packaging, i.e. as plastic packaging, the container will be recycled and turned into new packaging, as it is 100% recyclable. The transition to a circular flow is important and all actors in the food industry must take the responsibility for reducing the climate impact of packaging.

2025 Plastic Initiative

The Kockens brand is a member of DLF's "2025 Plastic Initiative". This means that, with colleagues within the food industry, we strive to push development towards the circular economy in accordance with the EU commission's launch of "A European strategy for plastics in a circular economy" in January 2018. The aim of the initiative is that by 2025 it will be possible for the plastic packaging placed on the market by members, and which is covered by producer responsibility legislation, to be reused in new products.





The functional food starches of the future

The overarching focus of development work at Lyckeby is on developing products and concepts that will contribute to our sustainable development. This involves creating new starch products that are manufactured with lower energy and chemical inputs, and which contribute to creating climate-smart, healthy, and safe food.

A number of long-term research and development projects are collected under our internal development vision "The green starch factory". We want to create sustainable products that correspond to our customers' needs – and ultimately those of the consumer. One major challenge is creating starch products that can cope with the food industry's demands for process and storage stability while simultaneously meeting the increasingly conscious consumer's requirements for the products.



Lyckeby Careful – functional clean label starches

Today's consumer constantly demands more sustainable products, and our Lyckeby Careful portfolio has been created especially to respond to this demand.

The products are processed using a climate-smart production technique patented by Lyckeby. This technique allows for reduced consumption of energy and chemicals to make process-stable starch products that tolerate the food production processes they then undergo.

As well as the products having a lower carbon footprint, they are also clean label starches, which means they can be declared without E numbers in the ingredients list on the food product.

Over the last year, we have invested in potato-based Lyckeby Careful products with the function of giving consistency, texture, increasing the switch to plant-based meat alternatives, and improving crispness in foods such as French fries.

 Clean Label



Sales of Lyckeby Careful products have increased significantly in recent years, and we see these rising figures as a positive development for our carbon footprint. We see major opportunities in continuing to replace many modified starches with our Lyckeby Careful products, and the goal is to achieve a tenfold increase in sales between 2020 and 2025.

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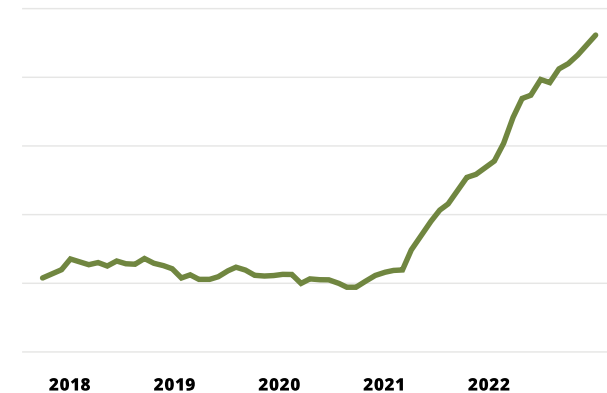
The demand for clean label products has long been established on individual markets such as the UK and Germany, but during the pandemic we have seen a spread to other markets where clean label products have not previously been in demand.

KAROLINA FRIDOLF

Product manager, Clean Label, Lyckeby

LYCKEBY CAREFUL SALES VOLUME
(2018-2022)

Tonnes





Modern plant breeding – changing the landscape

We are extremely proud of our development project in which we have worked with the Swedish University of Agricultural Sciences (SLU) and used modern plant breeding techniques, taking a very large step towards creating climate and environmentally-smart food starches.

Using the Nobel prize-winning CRISPR Cas9 genome editor, we have been working since 2014 on a project to develop new potato varieties with more naturally storage-stable starch. Natural storage stability means that smaller quantities of chemicals and energy are required to produce the starch products our customers demand.

During the financial year 2021/2022, we have carried out cultivation of different variants of seed potatoes developed using the genome editor to facilitate future industrial cultivation of starch potatoes. We have also begun product development to evaluate how these starches function in different food applications. If the project continues to show positive results, we estimate that large-scale production of new climate-smart starch products will be possible in 2025.

We are keeping a close eye on the development of regulations on modern plant breeding techniques within the EU.

On 25 July 2018, the European Court of Justice decided that organisms obtained by modern techniques for plant breeding, such as CRISPR Cas9 would be classified as GMOs. This is despite the fact that modern technologies can be used more safely and more effectively than “traditional” methods such as radiation and chemical additions, which are exempt from the legislation. The decision has been criticized by authorities, researchers, and industry within the EU, and we are continuing, for example through our project for climate-smart food starches, to provide information at regional and EU level on the need for and benefits of modern technologies. We expect that the legislation will soon be changed, so we can use modern and breeding technologies on equal terms with countries outside the EU.



Collaborative program for innovative food crops

SLU Grogrund is a collaborative program between the Swedish University of Agricultural Sciences (SLU) and industry, which aims at ensuring access to new plant varieties adapted to Swedish growing conditions and contributing to increasing, sustainable, and profitable production of food in Sweden. The program began in 2018 as part of the Swedish food strategy. Participants include academic researchers, plant breeders, and actors from the food and agriculture sectors and society as a whole.

Lyckeby plays an active role in SLU Grogrund's steering group, and took part in 6 of the program's 21 projects during 2021.

“

We believe in the importance of the genome editor in achieving the Global Goals, the EU's Green Deal, and individual countries' sustainability and food strategies. And we have thus taken an industry initiative to move the technology from the lab to making a real difference in society. This makes our products an important part of the solution to meeting some of the major challenges facing us in terms of climate, environment, and sustainable economic development.

KALLE JOHANSSON

Development Manager, Lyckeby



KPI overview

On the following pages, we provide a summary of the KPIs we follow in our sustainability work, and how close we are to achieving our goals.



GOAL ALREADY ACHIEVED



GOAL WILL BE ACHIEVED











GOAL DIFFICULT TO ACHIEVE

A value-adding workplace

| | DEVELOPMENT AREA | GOAL/ACTIVITY | HOW IS IT GOING? | READ MORE ON PAGE |
|--|---|---|------------------|-------------------|
| | Workplace accidents | Zero tolerance for workplace accidents that lead to absence | | 20 |
| | | Revision of goals for workplace accidents in FY23 | | 20 |
| | Working environment, health, and satisfaction | Return to sickness absence levels from before the pandemic | | 21 |
| | Conscious sustainable development | Introduce sustainability information into the program for new employees | | 28 |















Sustainable cultivation

| | DEVELOPMENT AREA | GOAL/ACTIVITY | HOW IS IT GOING? | READ MORE ON PAGE |
|---|--|---|---|-------------------|
|  | Use of plant protection products | By 2025, reduce the quantity of plant protection products used by our potato suppliers by 50%, compared to 2014 and maintaining the same yields |  | 41 |
|  | Climate impact of potato cultivation | Reduce emissions in Scope 3 by 20% from 2017 to 2025 |  | 43 |
|  | Global supplier cultivation and working conditions | 100% of our suppliers should have signed the Code of Conduct and been risk assessed by 2025 |  | 34 |
|  | | By 2025, increase the share of purchased sustainably produced spices to: 25% turmeric, 25% pepper, 25% chili |  | 33 |



Resource-efficient operations

| | DEVELOPMENT AREA | GOAL/ACTIVITY | HOW IS IT GOING? | READ MORE ON PAGE |
|---|-----------------------------------|---|---|-------------------|
|  | Climate impact, starch production | Make energy savings of 1 GWh/year, calculated as a rolling five-year average |  | 49 |
|  | | Reduce carbon footprint in Scope 1 and 2 by 30% from 2017 to 2021 |  | 52 |
|  | | Reduce carbon footprint in Scope 1 and 2 by 85% from 2017 to 2025 |  | 53 |
|  | | Reduce carbon footprint in Scope 3 by 20% from 2017 to 2025 |  | 55 |
|  | Chemical use, starch production | A tenfold increase in sales of Lyckeby Careful products between 2020 and 2025 |  | 71 |
|  | Total carbon footprint | Calculation of Scope 1, 2 and 3 carried out during 2022 |  | 60 |



Resource-efficient operations

| | DEVELOPMENT AREA | GOAL/ACTIVITY | HOW IS IT GOING? | READ MORE ON PAGE |
|--|--------------------------------------|--|------------------|-------------------|
| | Energy use, Fjälkinge factory | Total energy consumption of 348 kWh/tonne at the turn of the year 2022/2023, production of the same volumes as 2017 | | 60 |
| | Material recovery, Fjälkinge factory | >50% of the waste from the Fjälkinge factory, must fall into the fractions material recovery, bioprocessing and reuse | | 60 |
| | Sustainable transports | Fossil-free transports for all Kockens products according to DLF's transport initiative, fulfilled by 2025 | | 60 |
| | | Only fossil-free energy in transports for Culinar products by 2030, according to the Swedish Food Federation's Sustainability Manifest | | 60 |
| | Fossil-free production | Only fossil-free energy in production at the Fjälkinge factory by 2030, according to the Swedish Food Federation's Sustainability Manifest | | 60 |



The products of the future

| | DEVELOPMENT AREA | GOAL/ACTIVITY | HOW IS IT GOING? | READ MORE ON PAGE |
|--|---------------------------------|---|------------------|-------------------|
| | Chemical use, starch production | A tenfold increase in sales of Lyckeby Careful products between 2020 and 2025 | ... | 71 |
| | Modern plant breeding | Increase our knowledge of how the CRISPR technology affects the potato's properties | ... | 72 |
| | | Collaborate with other actors in the SLU Grogrund project | ✓ | 73 |
| | The green protein transition | Continuously increase our knowledge of flavoring foods based on alternative proteins to satisfy our customers' demands | ... | 65 |
| | | Be an active partner in cross-industry projects aimed at ensuring a resource-efficient value chain for green proteins cultivated and processed in Sweden | ✓ | 65 |
| | Reduced salt content in food | Play an active part in the ReduSalt project, to develop techniques that make possible a salt reduction in a range of food without compromising on flavor and function | ✓ | 65 |
| | Packaging | It must be possible to recover 100% of material in all of Kockens' packaging by 2025 | ... | 66 |



EVA LUNDHOLM

Environment and Quality
Manager, Lyckeby

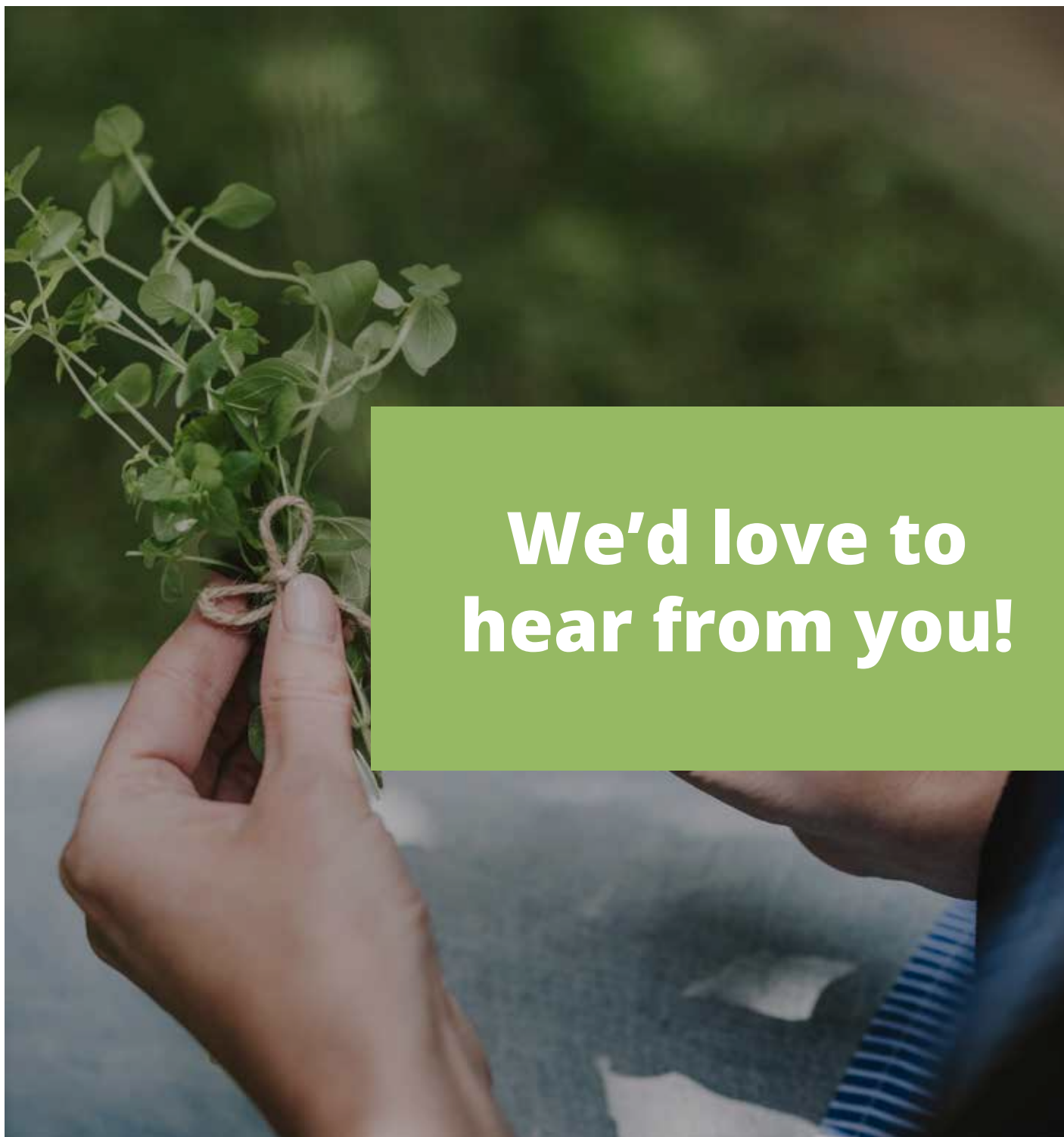
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KHIRIM FAGER

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**We'd love to
hear from you!**



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