



**SUNDLINGS SVERIGE
SUSTAINABILITY REPORT 2022**

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OUR SUSTAINABILITY VISION

Through long-term sustainability, create a better tomorrow, every day



Sundlings is in the process of putting together the puzzle pieces to lay out the pathway in terms of how we contribute to long-term sustainability, for the planet, for our relationships and for us as a company. This work permeates our entire value chain, from suppliers to employees, customers and consumers. We want to take our responsibility in building a better tomorrow for both current and future generations. Our core values are an important foundation for all our efforts and permeate our way of working in contributing to long-term sustainability.

COMMITMENT

RESPONSIBILITY

CONSIDERATION

In 2021, we took a decisive step in our sustainability work by setting a strategic goal in becoming climate neutral. We are humble about the mission we face which cannot be solved with a “quick-fix”. We need to dedicate a lot of time to mapping, setting goals, working to improve, daring to challenge, daring to change, daring to invest and having the courage to pick up the baton, as we believe in a better tomorrow and we are convinced that we can be engaged and make an impact. Having this high on the agenda and in our strategy means that this approach forms an integral part of the company and is imbued in all our processes and decisions.

The UN’s initiative - Agenda 2030, which defines the UN’s common plan towards a sustainable society, also forms the basis for our priorities for the areas where we can make the greatest impact. Every year, we prioritize the areas we need to focus on in order to be engaged and contribute to achieving our overall goals as well as our own climate goal of climate neutrality.



SUNDLINGS CORE VALUES

Sundlings has defined core values based on commitment, responsibility and consideration. By focusing on these values, our aim is to create a culture that promotes collaboration, respect and sustainability. A strong foundation of values is crucial to achieving the common vision and fulfilling the company's goals, while helping to create an identity for the company and allowing us to attract both customers and employees who share the same values.

COMMITMENT

Whatever we are doing today, we can do even better tomorrow.

RESPONSIBILITY

We assume individual and collective responsibility for our mission.

CONSIDERATION

We care for our environment and each other.

CEO HAS THE FLOOR



As last year, 2022 started with the ongoing Corona pandemic with severe restrictions that saw the closure of several of our largest customer segments, cinemas and arenas. The pandemic followed by the war in Ukraine has characterized the lion's share of 2022 and impacted our entire business particularly for raw material supply and has led to major price increases. The ability to quickly adapt to handle new conditions is something that is in our DNA and I am incredibly proud of all Sundlings employees who have succeeded in getting the wheels in motion and creating growth in the face of a very challenging business environment.

In 2022, we completed a comprehensive review of our sustainability work. We carry out a lot of work in terms of our organization that contributes positively to our sustainability vision. However, we have identified a need to coordinate, follow up and work more systematically on these issues. 2022 was the starting point for our work to achieve our vision of *ensuring long-term sustainability – creating a better tomorrow, every day*. We have prepared ourselves by identifying the UN's global sustainable goals that we need to prioritize in 2022-2023. We have also made several changes to products, packaging and handling that have contributed to environmental savings and we have earmarked the investments we need to make to ensure better and more efficient production methods and improve the work environment. I am proud that we are taking these crucial steps for ensuring long-term sustainability at all levels.

Emma Sundling Bustad

CEO

Sundlings Sverige AB



SUSTAINABILITY COMMITMENTS 2022



Switched to 100% green electricity through hydropower



Updated logistics chains and moved from trucks to multimodal transport across Europe



Changed elements of our raw material acquisitions along with purchases from Sweden and Europe instead of the US



New packaging and achieved both increased filling rate and reduced use of plastic



Hired a quality and environmental manager to sustain our climate and environmental work



Upskilled ourselves in Circular Economy and implemented the approach whereby we can utilize our resources "one more step"



Implemented a greater degree of waste sorting and monitoring in order to set goals for reducing waste. One step is sorting food waste which is now converted into biofuel instead of simply incinerating



Phased out disposable pallets in favor of recyclable options

SUNDLINGS SUSTAINABILITY FOCUS

SUNDLINGS SUSTAINABILITY POLICY

In the past, Sundlings sustainability work has been based on our environmental policy. We have now expanded our approach to the issue of sustainability, which includes social, ecological and economic sustainability. We have created a policy that encompasses our entire sustainability work.

THE UN'S GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT

With the help of the 17 global sustainability goals, Sundlings has identified focus areas; sustainable relationships, sustainable planet and circular resources.

Sundlings sustainability work and focus areas can first and foremost be linked to the global goals below.





SUSTAINABLE RELATIONSHIPS



SUSTAINABLE PLANET



CIRCULAR RESOURCES

3 GOOD HEALTH AND WELL-BEING

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

4 QUALITY EDUCATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

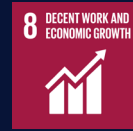
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

5 GENDER EQUALITY

13 CLIMATE ACTION

8 DECENT WORK AND ECONOMIC GROWTH

SUSTAINABLE RELATIONSHIPS



WORK ENVIRONMENT MANAGEMENT

Systematic work environment management is crucial for a prosperous company. Our employees are our most important assets. We work with continuous safety inspections to identify, assess and manage potential risks to the business. We work on continuous improvements via our LIA system.

Sundlings currently employs three safety officers and three managers who have undergone training in BAM (*better work environment*).

We focus on an open company culture that is characterized by psychological peace of mind by training leaders and working with coaching leadership and feedback. Together with leaders in the company, we have developed Sundlings leadership platform, which gives us a framework and contributes to a leadership culture based on coaching.

EQUALITY & DIVERSITY

An equality analysis is carried out annually. The goal is to equalize gender distribution within the company. At the end of 2021 and 2022, a total of six women and four men were employed.

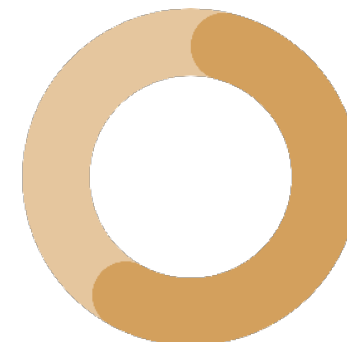
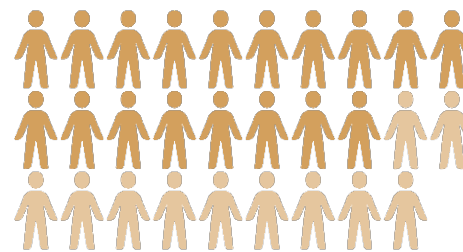
WELLNESS

In 2022, all staff at Sundlings have had the opportunity to undergo a thorough health check, something we offer every two years.

All employees are entitled to an occupational health care and wellness allowance.

PERFORMANCE APPRAISALS

Performance appraisals that are linked to the company's core values are held in a structured manner once a year.



62% MEN
38% WOMEN

SUSTAINABLE RELATIONSHIPS



SPONSORSHIP OF LOCAL ASSOCIATIONS

Sundlings supports local associations.



SPONSORSHIP PROGRAM

Since 2017 we have been sponsoring an education program for our sponsor child in Cambodia via **the Cambodian Children's Fund**. Among other benefits he will receive schooling and further education at university.

TRAINING

Ten new employees were hired in 2022. All of them have undergone numerous training courses and ongoing coaching in order to ensure they possess the right skills and qualifications.

Leaders within the company have completed in-depth leadership training courses with a focus on coaching leadership.

We have introduced a new HR system to evaluate skills and coordinate training needs.



SUSTAINABLE PLANET



GREEN ELECTRICITY

In 2022, we have taken the step to move from fossil-free electricity to entirely green electricity by sourcing our electricity supply entirely from hydropower.

UPDATED LOGISTICS CHAINS

Adopting smarter purchasing and logistics chains means we can influence our sustainability work to a greater extent.

In recent years, we have switched 90% of our corn purchases from the US to Europe.

Together with our suppliers, we have worked to use multimodal transport (rail, sea, road) as much as possible. Today, our purchases of corn and raw ingredients for snacks use multimodal transport throughout Europe, which means that we emit 30% less CO² per delivery.

We have switched the purchasing and development of popcorn seasonings in consumer packaging from the US to Sweden. By changing the packaging of our seasonings, we save six tons of plastic per year. By having shorter logistics chains, we emit 94% lower CO² in shipments alone.



CHANGED PACKAGING

We are constantly evaluating our packaging methods. Development continues unabated in the packaging industry which we monitor meticulously by working closely with our suppliers to participate and contribute with tests, evaluation and changes. This is generally about reducing our material consumption and choosing the right type of material.

But it is not only the packaging material that makes a difference, it is also about logistics such as optimizing the packaging and the pallets we send out. Several projects and changes with the goal of improving the filling rate, optimizing packaging and logistics have been implemented where we made direct savings of seven tons of plastic and 37 tons of CO² per year.



CIRCULAR USE OF RESOURCES



KICKSTART CIRCULAR ECONOMY

In the fall of 2022, we participated in “Kickstart circular economy” which was an initiative from IDC West Sweden.

RECYCLING

In 2022, we initiated a collaboration with Bower to improve consumer awareness in terms of the recycling of our packaging.



CIRCULAR EQUIPMENT

We have started working with reusable pots to achieve increased circularity. Following an assessment, we take back broken pots from our customers and refurbish them in order to prolong their service life.

“ONE MORE STEP”

Food waste in our production is sorted and converted to biogas. A total of 9.4 tons of food waste was dispatched in 2022. This corresponds to a saving of 7.4 tons of CO². The residual oil used in our fryer is collected and shipped to customers who make new products from it, such as fuel and lipstick.

DISPOSABLE PALLETS

We have phased out all our disposable pallets in favor of a circular solution where the pallets can be used multiple times. We save 42 tons of wood raw material and 18.4 tons of CO²/year.





PRIORITY AREAS FOR 2023



PRIORITY AREAS FOR 2023



WASTE - AN ONGOING PRIORITY AREA

In our work to extend the value chain, “one more step” for our resources, we work closely with our waste supplier. We update and monitor with the goal of minimizing combustible waste to promote increased recycling and circularity. We set a goal for 2023 to reduce the amount of combustible waste by 10%.

We are also working specifically to find a solution for improved recycling of our packaging.



PLASTIC INITIATIVE 2025

Sundlings is working on meeting the objectives set by the “Plastics Initiative 2025”. In practice, this means that our aim is for all our plastic packaging to be recyclable by 2025.

The “Plastics Initiative 2025” has been developed by the trade association DLF (*grocery retail and foodservice markets trade association*) in compliance with the European Commission’s strategy for plastics in a circular economy.

In order to achieve the goals, we collaborate with our packaging suppliers and are continuously evaluating alternative materials.

BOWER

Our product bags must be sorted as plastic according to guidelines from FTI (*packaging and newspaper collection scheme*). As a consumer, the primary responsibility you have is to ensure that your packaging is sorted correctly according to instructions and not spread in the environment.

Sundlings has initiated a collaboration with Bower to improve consumer awareness of recycling.



“As a company we are responsible for the plastic packaging that we put on the market and our goal is that all our packaging must be recycled.”

Emma Sundling Bustad, CEO Sundlings



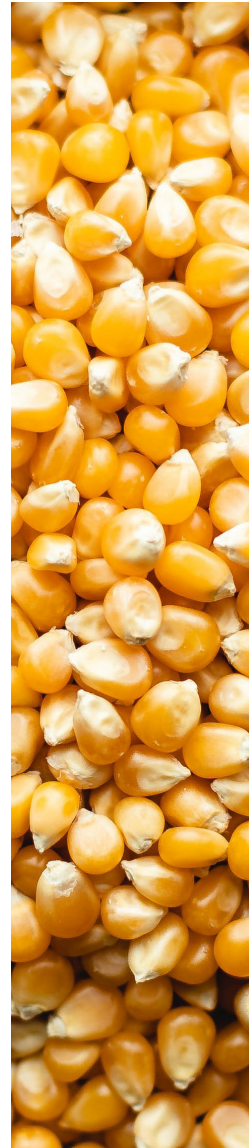
PRIORITY AREAS FOR 2023



BETTER WORK ENVIRONMENT

Major investments are being made in new, more modern machinery, better platforms and a higher degree of automation. These changes will improve the work environment for our employees. Changed packaging sizes will also help improve handling for staff.

A new production line will provide a smoother flow with more packaging options and consequently fewer revisions.



SKILLS DEVELOPMENT

The need for additional skills development is reviewed on an annual basis. This is assessed at every performance appraisal. Our new HR system provides us with a practical overview to map, plan and monitor.

PRIORITY AREAS FOR 2023



OUR JOURNEY TOWARDS A SUSTAINABLE FUTURE IS UNDERWAY



ENVIRONMENTAL CERTIFICATION

In 2022, a GAP analysis for ISO 14001 was started, with the conviction that this must be completed and measures implemented to ensure we can environmentally certify Sundlings in the spring of 2024.



THE GREEN TRANSITION LEAP: CLIMATE AND ENVIRONMENTAL TRANSITION

In collaboration with IDC West Sweden and RISE (*Research Institutes of Sweden*), a start-up program for sustainability will begin in 2023. As part of this journey we will undergo both training and professional help to set our road map towards achieving our sustainability goal; climate neutrality.



THANKS



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