



**SUNDLINGS SWEDEN AB
SUSTAINABILITY REPORT 2024**

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OUR SUSTAINABILITY VISION

CREATING A BETTER TOMORROW, EVERY DAY THROUGH LONG-TERM SUSTAINABILITY

In setting our first strategic sustainability goals in 2021, we indicated a clear direction forward. By systematising our work, engaging staff, following up initiatives and making operational and strategic decisions with a focus on sustainability, we have accelerated development.

Mapping our CO₂ footprint as specified in the GHG protocol gave a clear signal regarding the importance of working in the entire value chain. This has meant that we have taken decisive steps to integrate sustainability throughout the value chain – from the production process to our suppliers, employees, customers and consumers. We have generated concrete solutions and improvements that make a real difference, propelling us towards a more sustainable future.

We are looking beyond our own company and want to be a force influencing our industry in the right direction. Through commitment, responsibility and consideration, we continue to build a better tomorrow, both for current and future generations.

The UN initiative - Agenda 2030, which defines the UN's joint plan for a sustainable society, forms the basis for prioritising the areas in which we can achieve the greatest impact.

SUNDLINGS' CORE VALUES

COMMITMENT

Whatever we do today, we
can do better tomorrow

RESPONSIBILITY

We are individually and
collectively responsible for
our task

CONSIDERATION

We care for our
environment and each
other

Our culture is shaped by every meeting, every decision and every action. By focusing on these values, we create an environment characterised by collaboration, respect and sustainability. Our core values exist to guide us, unite us on a path forward and strengthen us as a team. This helps us to achieve our goals, stay on track towards our vision and to attract people who share our view of our responsibilities and the future.



We started 2024 by launching our new brand, which is based on the common denominator for everything we do - adding flavour to experiences. We want people to enjoy their experience with us no matter where they are; in the dark of the cinema, at a hockey match, on the couch watching football or watching TV series. Our focus on the consumer market has really taken off and we have achieved fantastic growth. At the same time, there have been worldwide challenges to the cinema market, largely linked to the Hollywood strike that took place in the last quarter of 2023. With a limited selection of films, 2024 was a gap year at the cinema, but the prospects for 2025 and 2026 look very good. This rapidly changing world is precisely the driving force behind our investment in adding markets, thus ensuring sustainable growth for our family business.

We have continued to invest in our production, organisation and, not least, in our digitalisation journey so that as a company we have the conditions necessary to meet future demands and our growth targets. The Sundlings team has an incredible ability to adapt to new conditions and changes based on how we can create a better tomorrow, every day. It is no wonder that as a company with exceptional growth we are truly proud to be named a Gasellföretag in 2024 as proof of our hard work. That award will be a driving force in our continued work.

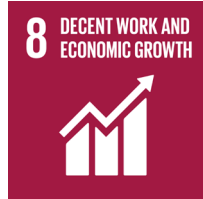
In our sustainability work, 2024 has been characterised by progress in our CO₂ mapping as specified in the GHG protocol. It is clear that we are not the only ones with a focus on this. All around us, we notice that our suppliers and partners are also setting the wheels in motion. Over the course of the year, our focus has been on packaging and transport. We continue to work closely with our suppliers and customers to find more sustainable solutions, changing the whole chain together. We have visited Site Zero to better understand future recycling requirements and possibility of recycling plastic packaging. Through internal efforts, we have achieved our objectives, not least in becoming ISO14001 environmentally certified, achieved in the autumn. The importance of commitment, drive and understanding throughout the organisation has proven time and again to be a key to success. We will therefore continue to work on these issues at all levels of the organisation, where change can actually happen and results can be achieved.

Emma Sundling Bustad
CEO
Sundlings Sweden AB

SUSTAINABILITY COMMITMENTS 2024



THE GLOBAL GOALS



OUR ENVIRONMENTAL AND SUSTAINABILITY POLICY

Our environmental and sustainability policy serves as a strategic compass in our sustainability work. It clarifies our priority commitments and helps us integrate sustainable principles into all parts of our operations, from goal formulation, through decision-making to follow-up and results. This way we create a pathway and can measure our progress transparently.

OUR LINKS TO THE UN GLOBAL GOALS

From the UN's 17 global sustainability goals, we have identified 10 that we are focusing on.

Our sustainability work is primarily linked to these global goals and this report shows how we group them into *Sustainable Relationships*, *Sustainable Planet* and *Circular Resources*, as well as how we work to make changes in the right direction.

SUNDLINGS' ENVIRONMENTAL GOALS

As part of our long-term strategy, we have set ambitious environmental goals. We map our climate impact and work in a structured way using clear measures and timetables to reduce our environmental footprint.

Priority goals 2024-2025 in brief

- Reduce CO₂ emissions in scope 1 by 50%
- Reduce CO₂ emissions in scope 2 by 10% per kg of product sold
- Reduce CO₂ emissions in scope 3 by 20% per kg of product sold
- Reduce electricity consumption per kg of product sold by 15%

These goals are tied to defined activities, accountable roles and regular follow-up. Through internal commitment and close dialogue with our partners, we are creating sustainable improvements – both now and for the future.

SUSTAINABILITY COMMITMENTS 2024

ENVIRONMENTAL GOALS & CERTIFICATIONS

We are now ISO14001 certified, an important step in our environmental work. We have also set clear short- and long-term goals for all of the GHG Protocol scopes.



FOCUS 2024

Reduced packaging

We work consistently to evaluate and implement thinner materials in our packaging solutions, from liner bags to outer packaging. These improvements take place in line with developments in the packaging industry, always with the objective of reducing resource utilisation without compromising product quality.

More efficient transport

We have continued to reduce our transport-related climate impact, including by testing rail shipment all the way from Southern Europe.

In parallel, we have increased the use of HVO100 as a fuel where rail transport is not possible.

INVESTMENT IN PRODUCTION

We have continued to invest in the production process to increase capacity, reduce waste and downtime, and to ensure stability and operational reliability.

The focus has also been on measures to achieve a safer and more ergonomic workplace.

WASTE SORTING

We have built on our waste management system with the aim of simplifying, identifying, preventing and reducing sources of waste – throughout the entire value chain.



SUSTAINABLE RELATIONSHIPS

3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION



5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



SUSTAINABLE PLANET

7 AFFORDABLE AND
CLEAN ENERGY



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



15 LIFE
ON LAND



CIRCULAR RESOURCES

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



11 SUSTAINABLE CITIES
AND COMMUNITIES





SUSTAINABLE RELATIONSHIPS

Sustainable relationships are a key area of focus. For us this means actively working to create an inclusive culture, where all employees feel valued and have the opportunity to reach their full potential. Through this area of focus, we endeavour to contribute to a more sustainable and just world. Through partnerships and initiatives outside our organisation, we can make a meaningful difference.

SYSTEMATIC WORK ENVIRONMENT MANAGEMENT

At Sundlings, work environment management is a key to long-term sustainability. Clear procedures, safety inspection tours and improvement work in our digital food industry work environment information system, create safe and healthy working conditions. Structured and preventive work benefits both our employees and the company's development.

In 2024, more colleagues underwent better working environment training. Today, there are three safety representatives and three managers that have completed this training. This strengthens our ability to identify and manage day-to-day risks.

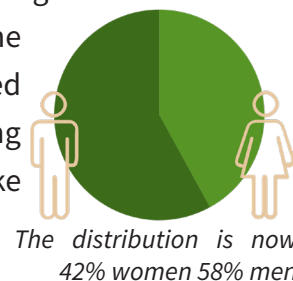
Psychological security and an inclusive culture remain in focus. Training in coaching leadership and constructive feedback, creates a work environment where everyone feels heard. Our in-house leadership platform serves as a stable framework for a sustainable and supportive management culture.

DEVELOPMENT DISCUSSIONS

Performance appraisals are conducted annually and aligned with company values.

EQUALITY & DIVERSITY

We conduct an annual gender equality analysis as part of our work towards an inclusive and balanced work environment. We monitor developments over time and strive for an even gender distribution based on the needs of the business. In 2024, we focused on developing the existing organisation and did not make any new hires.



PREVENTIVE HEALTH CARE

All employees are entitled to occupational health care and wellness benefits. We encourage our staff to take advantage of preventive healthcare and promote a shared commitment to wellness.

Healthy attendance: **96%**

The goal is for 100% of our employees to utilise their wellness allowance.



In 2024 we also took part in the OCR race in Lidköping, a valued element in our wellness initiative.

Through joint training and a strong team effort secured us a win in the Group for the second year in a row.

Every two years, all staff at Sundlings are offered a thorough health check. The next annual check will take place in 2025.

CSR

Since 2017, we have been sponsoring an educational 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.



IMPROVED WORKING ENVIRONMENT

Over the year, we have made improvements to our production environment with a focus on the work environment where the process uses manual handling. These measures have contributed to a safer and more ergonomic workplace for our employees, which is in line with our commitment to continuous improvement and a corporate culture that prioritises the work environment.

EDUCATION & INSPIRATION

We have trained our staff in food safety as well as in our environmental and sustainability management work. The sustainability group has completed several training courses in sustainability reporting. Two more managers have completed leadership training with a focus on coaching leadership.

We ensure that all employees have had the opportunity to undergo CPR training.

We have taken part in seminars and events where we have discussed our sustainability journey and our initiatives to inspire and engage both the industry and other companies.

LOCAL RESPONSIBILITY - GLOBAL CONTRIBUTION

As part of our commitment to the local community, we collaborate with Campus Lidköping to offer internships to students. This provides them with valuable work experience, while giving us new perspectives and an opportunity to make early contact with potential future employees.

Sponsorship of local associations

Sundlings supports local associations with a focus on those with a clear focus on activities for children and young people.



Snack donations to reduce waste

Over the course of the year, we have donated snacks and products to several non-profit organisations such as Göteborgs Stadsmission, Hela Människan, Compassen och Kvinnojouren Linnéan. In addition to contributing to everyday happiness, these initiatives have also helped reduce waste.

Holiday week for families exposed to violence

Together with other companies in Lidköping Sundlings sponsored a holiday week for women and children exposed to violence. The week, which was organised by a non-profit organisation, gave families a safe break filled with play, community, and togetherness.





SUSTAINABLE PLANET

Our pursuit of a sustainable planet is about making environmentally sound choices both for our operations and our environment in the fight against climate change.

We know we can, and we want to be involved and make a difference. We can make the biggest difference if we work together throughout the entire value chain. In the next chapter, you will learn about the initiatives on which we focus to influence a more environmentally sustainable future.

WE ARE ISO CERTIFIED!

One goal for 2024 was to obtain ISO14001 certification, which we achieved in the autumn.



NO PALM OIL SINCE 2014

Long ago we made an active decision not to use palm oil in any of our products. Our popcorn is pot-popped in coconut oil and our snacks are fried in sunflower oil. The decision not to use palm oil is based on the palm oil industry's impact on the environment and its contribution to climate change and reduced biodiversity. By excluding palm oil, we have strengthened our commitment to the environment and supported a more responsible industry. It is important for us to work with suppliers who actively work towards sustainable oil production, from a climate and biodiversity perspective, as well as in the context of human rights.



GREEN ELECTRICITY

Since 2022, we our electricity supply is 100% green from hydropower.



COMPOSTABLE CONTAINERS

All of our containers are compostable.



CHANGES IN PACKAGING

As requirements, developments and new conditions provide opportunities for new, more environmentally friendly choices, one important and ongoing task is to review our existing packaging.

We work closely with our suppliers to evaluate new materials based on the principle that product quality must not be compromised.

Regardless of the type of packaging, we continuously evaluate how we can reduce packaging. Can we find thinner materials - protective packaging that can be modified or reduced by us or by our suppliers.

All of our consumer packaging has now been switched to a thinner plastic film, which is **20%** thinner than the one we previously used. Thinner plastic film around our pallets and **12%** less plastic in our B2B popcorn packaging.

Over the year, a lot of work has been carried out to change our candy floss packaging. With the same weight and volume we have changed the packaging, resulting in **38%** less plastic, **28%** less cardboard and an increased fill rate during transport which in turn results in fewer shipments.

For us, sustainability is about challenging the status quo and we know that there is a great deal of potential in taking an innovative approach to packaging. In the case of candy floss we managed to significantly reduce our environmental footprint and logistics without impacting the product itself. This shows that sustainability does not have to mean compromise, quite the opposite.

Niklas Bjork

Purchasing and Logistics Manager



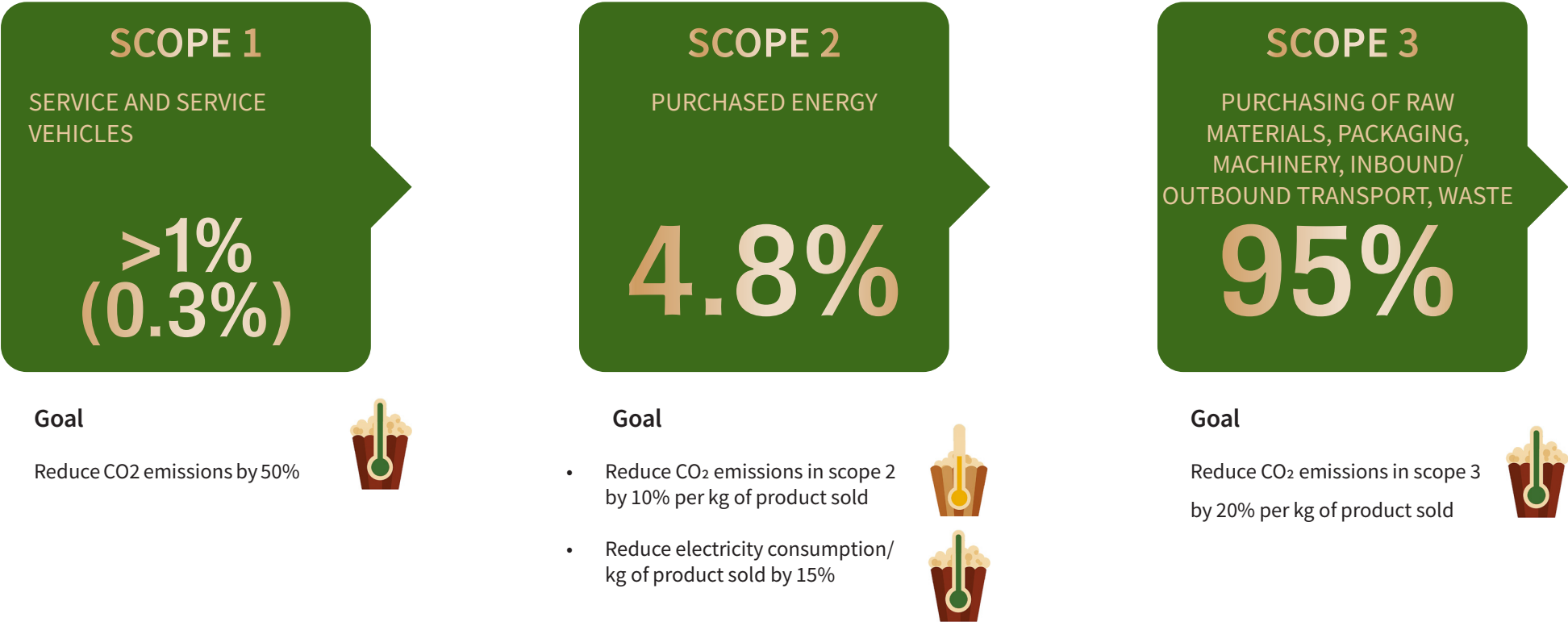


CLIMATE IMPACT AS SPECIFIED IN THE GHG PROTOCOL

To map our CO₂ footprint, we work as specified in the GHG protocol, an international standard that also forms the basis for SBTi. Using 2022 as our baseline year we included all the SBTi scopes in our work. Initially, the focus was on our largest product groups and flows, but since then we have gradually deepened and broadened our analysis. This work that constantly evolves as climate issues gain increasing priority throughout the value chain. Through a close partnership with our suppliers we receive increasingly detailed data, strengthening the model's robustness and relevance over time.

The results give us extremely important insights into the origins of our greatest emissions and where we need to focus the most. Only 5% come from scope 1 and 2 and 95% come from scope 3. This shows the importance of involving the entire value chain, something that we are already doing and will continue to do. In the 2024 financial year, we also set clear targets linked to the scope. We continuously monitor these to provide a basis for our actions and decisions.

THE RESULTS OF MAPPING BY SUNDLINGS AS SPECIFIED IN THE GHG PROTOCOL. SHARE OF CO₂ EMISSIONS PER SCOPE:



SUSTAINABLE TRANSPORT

Smart logistics for the future

At Sundlings, sustainable transport means combining a low environmental impact with high quality and cost-efficiency. This is about making wise, long-term choices that both strengthen our competitiveness and minimise our climate footprint. We see investment in sustainable transport as an investment in the future.

Through smart planning, efficient logistics and close collaboration with our partners, we achieve transport solutions that are sustainable.

We make this happen by involving the entire chain, collaborating with suppliers and carriers, as well as our customers. In recent years, we have focused on reducing our climate impact by finding alternative transport solutions, especially for deliveries from southern Europe. Replacing sections of transport by road with rail, especially from France and Spain, has enabled us to significantly reduce emissions over longer distances.

At the same time, we have helped our customers optimise their order volumes. With the help of our digital pallet optimisation tool, they can both lower their transport costs and reduce their environmental impact.

The next important step is to phase out fossil fuels. We are working to transition to completely fossil-free transport solutions. For shipments where rail is not possible, we prioritise the use of HVO100, and we are also investigating the possibility of increased electrification across our logistics network.

There is much left to do and more to evaluate, read more about upcoming initiatives and how we are continuing work on sustainable transport under priority areas 2025.



**CHOOSE
SUSTAINABLE
PATHS**



**STREAMLINE
PROCESSES**

EXAMPLES OF SUSTAINABLE TRANSPORT INITIATIVES

We continuously evaluate our transport solutions to find the alternatives that have the greatest impact.

Shipments from Southern Europe

Reduced emissions through multimodal transport.



Step 1 - 2021

We replaced truck transport from southern Europe with multimodal solutions, where trains and boats are used on certain routes. We reduced CO₂ emissions by 50% with that change.

50%

Stage 2 - 2024

We took another step by testing whether we could go all the way by rail. Thanks to this logistics solution we have reduced CO₂ emissions by 50% by using multimodal transport. Our goal is for 100% of these logistics flows to go by rail. We will continue working on this in 2025.

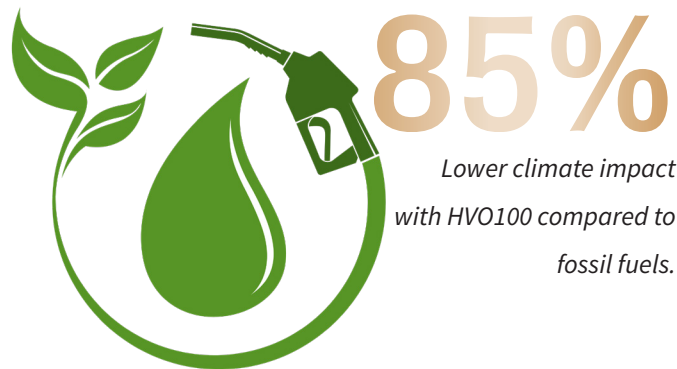
Goal: 100% of these flows by rail

Potential: Up to 50% additional savings

Fuel

From fossil fuel to HVO100.

In 2024, we implemented the use of HVO100 as a fuel in parts of our transport chain. This has enabled us to reduce climate impact by up to 85% compared to fossil fuel on those routes. We will continue to work on this in 2025.



The Pallet Optimiser

90% optimised pallets, with the help of our customers.



To promote sustainable transport, we introduced an optimisation tool in our webshop in 2023. It shows whether a pallet is optimised, reducing unnecessary air in deliveries. Today, 90% of our pallets are optimised, an initiative that benefits both the environment and the economy.





CIRCULAR RESOURCE UTILISATION

Our focus on circular resource utilisation is a concrete example of how we are active in making our production process and operations more sustainable. Our focus is reducing waste to a minimum, while transforming any remaining waste into new resources wherever feasible.

“ONE MORE STEP”

WE REACHED OUR GOAL!

In 2022, we began an in-depth collaboration with our waste supplier to both reduce total waste and also increase the recycling rate. This initiative was included in the “*One more step*” concept. The goal for 2023 was to reduce our combustible waste by 10%, but extensive changes in our production process resulted with limited and temporary flows for long periods. This meant that we did not fully achieve our goal.

In 2024 we managed to achieve our goal, reducing our combustible waste by 33% compared to 2023. A strong result thanks to the entire Sundlings team.

Further examples of “*one more step*” are that the collection of residual oil from our fryer is sent to a customer who uses it in new products, such as fuel and lipstick.

We continue improvising our waste management, both internally and together with our waste supplier. We have for example implemented a new plastic compactor, which means that we now empty plastic recycling twice a year instead of twice a month.

CIRCULAR PALLET USE

Over the past two years we have phased out all disposable pallets in favour of a circular solution which includes pallets in a return system so that they can be used multiple times.

CIRCULAR EQUIPMENT

If our customers have equipment that has reached the end of its useful life, such as kettle and pumps, we take back parts and refurbish them. This allows us to extend the lifespan of equipment and help increase circularity.

FOOD WASTE BECOMES BIOGAS

In 2024, we saved 14 tons of CO₂ by sorting food waste in our production process instead of sending it to incineration.

HYDROPOWER

We use renewable electricity from hydropower for our production process and premises.

RECYCLING

In 2024, we continued our collaboration with Bower to increase consumer awareness about recycling our packaging. This is part of how we want to engage our customers in efforts to reduce the climate impact of our products and achieve circularity in our packaging materials.

Every year since we started, we have more than doubled the number of recycled packages.

VISIT TO SITE ZERO

- Northern Europe's most efficient plastic recycling

We had the privilege, together with one of our packaging suppliers, to visit Site Zero in Motala, Northern Europe's most efficient plastic recycling facility. Thanks to Site Zero, Sweden is at the forefront of plastic recycling, but despite that, still less than half of all plastic packaging is sorted by consumers.

The visit gave us further insights into how packaging design affects recycling rates and how it makes a difference when consumers “return” our packaging and recycle it using Bower, for example.



PRIORITY AREAS 2025

CO₂ MAPPING

From mapping to concrete climate goals

Over the past two years, we have placed great emphasis on understanding and implementing the principles of the GHG Protocol to gain a clear picture of our climate impact. This work resulted in a complete mapping of all three scopes. 2024 has been about turning insights into direction; we have deepened our analysis, set clear and measurable environmental goals, and started several initiatives to reduce our emissions across the value chain.

Ahead of 2025, we are entering the next phase; based on our climate data, we will continue to work on our goals and activities taking us towards climate neutrality. We are working in a structured and business-oriented manner to reduce emissions as specified in the GHG protocol guidelines, with particular focus on scope 3, where we see the greatest impact and greatest potential.



CONTINUED FOCUS ON PACKAGING

Both demands and developments are changing rapidly. A focus on packaging will continue to be a central part of our work.



INCREASED SUPPLIER ENGAGEMENT

To reduce our environmental impact and streamline our flows, we work closely with our suppliers. Together we review solutions to optimise incoming goods. A lot of this is about packaging and how we can optimise the fill rate both in packaging and on the pallet. What we learn internally, we also want to pass on down the chain. By sharing insights and working together, we create smarter and more sustainable supply chains, where every step counts.





EMPLOYEE ENGAGEMENT

A key to sustainable development

To create real and lasting change in our sustainability work, we need to take advantage of the expertise and experience available in our operations. Starting in 2025, we will work in a structured manner with quarterly workshops and follow-up with our production, warehouse and maintenance employees. The aim is to identify concrete sustainable improvement measures, where they make the greatest difference. When we involve our employees early in the process, we get better results, more ideas and a stronger commitment throughout the organisation.

CONTINUED FOCUS ON SUSTAINABLE TRANSPORT

In 2025, we will continue our work to reduce the climate impact of transport. An important area of focus is to evaluate the possibility of the increased use of HVO100 as a fuel in all transport flows.

We are also working on implementing the consolidation of our export flows. This means that we can streamline and optimise shipments. This will not only make transport more resource-efficient, but will also enable a higher proportion of HVO-powered deliveries.

Our goal is to have 100% HVO-powered transport to Norway and Denmark from January 2025. For us, this will mean a potential reduction in CO₂ emissions of up to 85% on these routes.

We will continue to investigate how rail transport can be further developed. Today, most trains can reach Gothenburg, so what can it take to get even closer to Lidköping? This is a question we must ask ourselves in our efforts to take sustainable transport one step further.

To sum up, we are taking deliberate action toward meaningful transport-related CO₂ emission savings by 2025.





Produced by Sundlings Sverige AB,
Lidköping, Sweden, 2024



Sundlings



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