Lyckeby Group

Sustainability Report | FY25

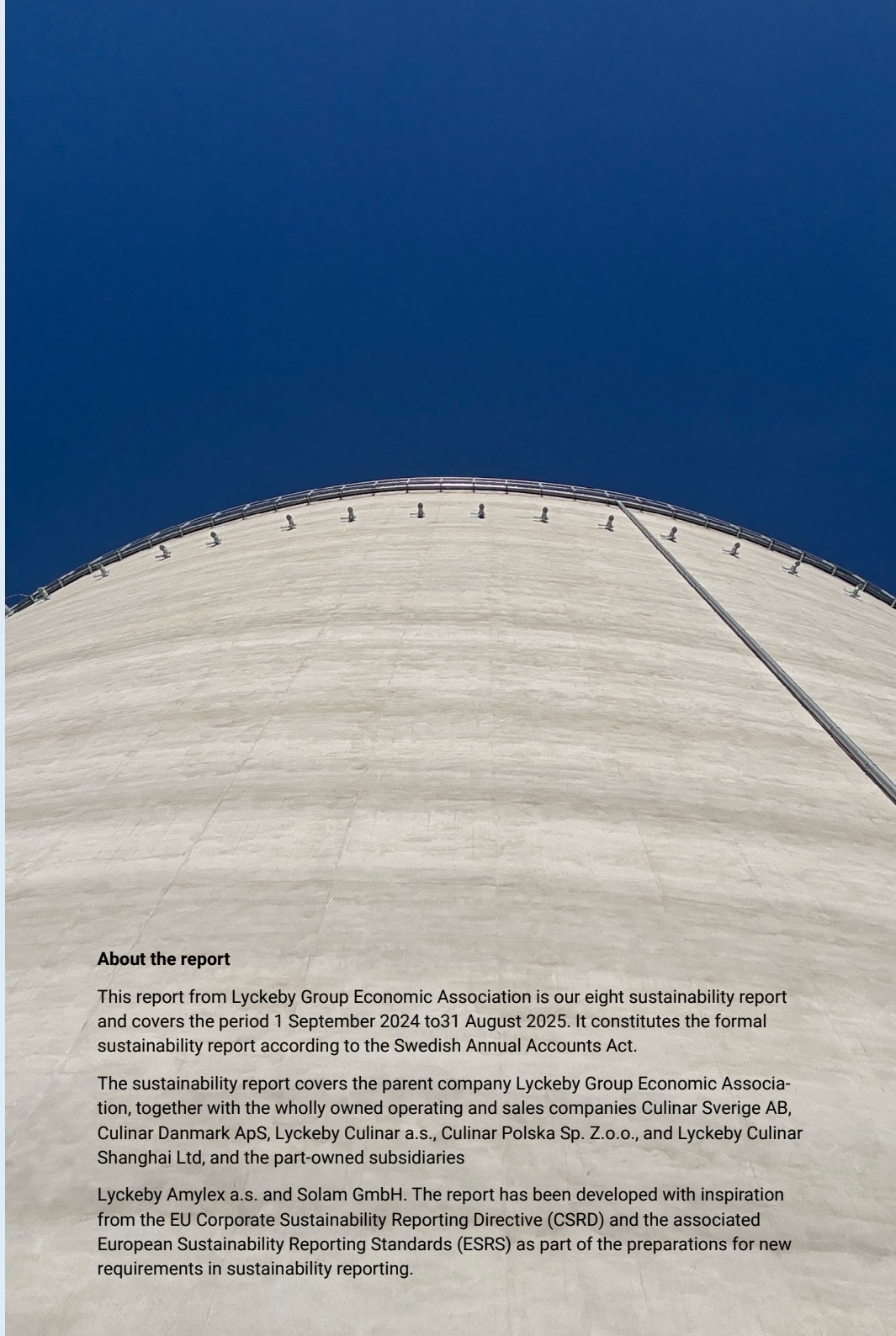
Enriches life.

Our journey began in the fertile fields of southern Sweden. Here, we took our first steps under the vast and ever-changing sky. Each crop held hope for the future, and each harvest confirmed our ambition.

We believe in the power of nature and in turning what the good earth provides us into something enriching. With courage, care, and responsibility as our guiding principles and commitment as our driving force, we create in unison with nature. We transform nature's gifts into moments that unite people, bring smiles, and build memories.

In harmony with our surroundings and each other, we shape a future where our potato starch and flavors provide unique experiences. Every step we take is a step towards a more sustainable and inspiring world. Enriching people's lives is our promise to ourselves and the world.

Content



About the report

This report from Lyckeby Group Economic Association is our eight sustainability report and covers the period 1 September 2024 to31 August 2025. It constitutes the formal sustainability report according to the Swedish Annual Accounts Act.

The sustainability report covers the parent company Lyckeby Group Economic Association, together with the wholly owned operating and sales companies Culinar Sverige AB, Culinar Danmark ApS, Lyckeby Culinar a.s., Culinar Polska Sp. Z.o.o., and Lyckeby Culinar Shanghai Ltd, and the part-owned subsidiaries

Lyckeby Amylex a.s. and Solam GmbH. The report has been developed with inspiration from the EU Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS) as part of the preparations for new requirements in sustainability reporting.

”Sustainability is an integral part of our business strategy, reflected in everything we do.”

HANS HOLMSTEDT
Group CEO

Words from the CEO

The past year has been defined by continued global uncertainty. War, turmoil, and a weak economy have affected many industries, including ours. At the same time, I take pride in how the Lyckeby Group has continued to develop – thanks to the dedication and perspectives of our employees, growers, and owners.

Sustainability is an integral part of our business strategy, reflected in everything we do. Simplicity is a guiding principle for us – whether it's about reducing energy use in our factories, developing products for the future, or managing our resources responsibly.

We want to act responsibly – not just globally, but also in our local community. As good neighbors, we consider the environment and the people around us. One example is our new silo in Nöbbelöv, which was built using green concrete to minimize its climate impact. It contributes to fewer transports and more efficient handling, benefiting both the environment and the local community.

Similarly, when we phased out the factory in Bäckaskog, we took great care to consider both the local community and our employees. By consolidating operations in one location with modern, energy-efficient machines, we reduce transportation costs and create a more efficient working environment. At the same time, we have replaced chemicals and implemented measures to save water and energy. At Culinar, we continue to increase our share of sustainably grown raw materials, as per SSI criteria – an important step in our pursuit of more sustainable agriculture globally. This is our contribution to creating a future where responsibility and quality go hand in hand.

In 2026, we will, together with our growers, certify all our potato cultivation, marking a significant step in our development. We continuously work to improve all our products in starch and flavoring, while also developing future solutions focused on, among other things, green proteins and clean label. Through our values-driven approach, sustainability is naturally integrated into both our culture and our daily operations.

To me, it is clear that we continue to face a challenging world, but also enormous opportunities.

By staying true to our strategy *Together We Grow*, our values, our commitment, and our desire for constant improvement, we can continue to contribute to a more sustainable world – both in small and big ways.

Finally, I would like to extend a warm thank you to all our employees, growers, owners, customers, and partners. Together, we make a difference.

Hans Holmstedt
Group CEO

The Year in Brief

Grocery Industry's Plastics Initiative 2025

We have implemented all planned measures in the Plastics Initiative 2025 – including replacing materials and reducing plastic use in both consumer and transport packaging.

Increased share of sustainably grown raw materials

At Culinar, we continue to increase the share of sustainably grown raw materials according to SSI criteria – an important step toward sustainable farming globally.

Switch to Hydrochloric Acid – Enhancing Safety and Sustainability

By replacing high-risk chemicals and adapting parts of the production process, Lyckeby has taken an important step toward a safer workplace and reduced environmental impact.

Climate-smart transformation of our production structure

Centralized production at one location with energy-efficient machinery, fewer transports, improved working environment, and reduced use of chemicals.

Climate calculations in focus

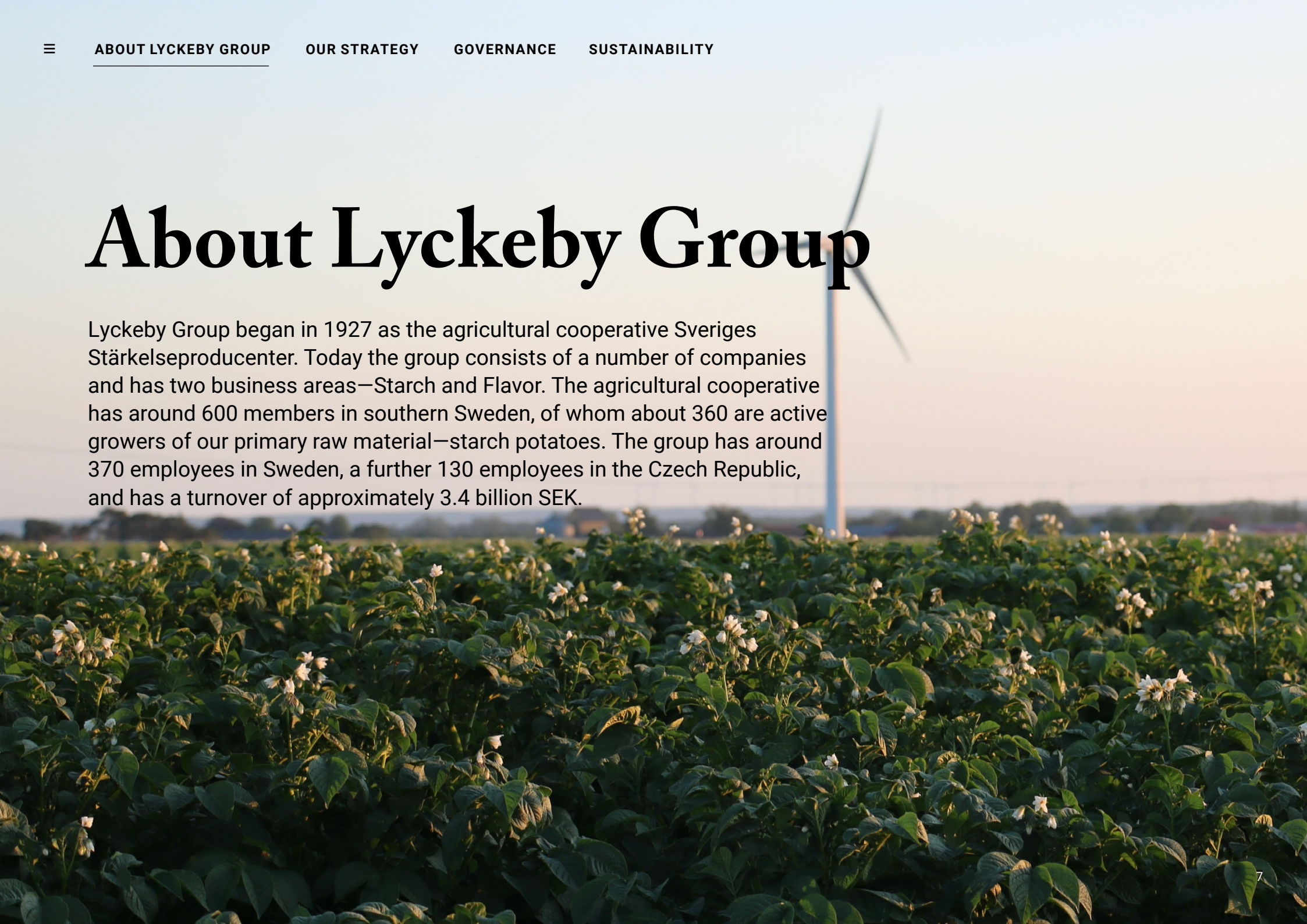
During the year, we took a comprehensive approach to climate calculations across the entire group.
For the first time, they include both Scope 1 and 2, as well as the most significant parts of Scope 3 for all four business units.

Comprehensive climate mapping

During the year, a more comprehensive climate mapping has been carried out for the entire group.
The collected information will serve as an important foundation for future goals and follow-up.

About Lyckeby Group

Lyckeby Group began in 1927 as the agricultural cooperative Sveriges Stärkelseproducenter. Today the group consists of a number of companies and has two business areas—Starch and Flavor. The agricultural cooperative has around 600 members in southern Sweden, of whom about 360 are active growers of our primary raw material—starch potatoes. The group has around 370 employees in Sweden, a further 130 employees in the Czech Republic, and has a turnover of approximately 3.4 billion SEK.



OUR MISSION

We create opportunities from what the earth has to offer.

OUR VISION

We aim to become one of the leading and sustainable suppliers of starch and flavor.

Business Area - Starch

We develop, produce, market, and distribute innovative potato-based specialty starches and fibers for the food and paper industries worldwide.

With deep roots in the Swedish soil, we at Lyckeby oversee every aspect of the process – from cultivating to processing seed and starch potatoes. Focused on sustainability, we create high-quality products tailored for a global market. By collaborating closely with our customers, we develop customized solutions that deliver long-term value. Our dedication to research and development enables us to continually improve and adapt to meet market needs and opportunities.

By providing the conditions for high-quality, nutritious, and sustainable food as well as noticeable performance improvements for paper, we strive to promote transparent and ethical production. We offer alternatives that are both environmentally friendly and fair for all actors in the value chain. By actively working to improve food choices, we aim to create a positive impact on people's health, well-being, and our shared environment.

Lyckeby

Lyckeby's portfolio features modified and E-number-free starch, potato fiber, and dextrin for the food industry.

SOLAM
natural polymers & more

The starch that Lyckeby develops and produces for the paper industry is marketed under the brand name Solam.

Business idea

To turn our owners' harvested potatoes into high-quality functional starch, we maximize the content and distribute it to selected markets, worldwide.

Business Area - Flavor

As a leading player in flavor and texture for the food industry, retail, and foodservice, we are committed to delivering sustainable, high-quality products that meet customer demands. Through unique product development and carefully selected ingredients, we meet the needs of our customers in the European market.

Culinar's journey began as a simple idea in a small basement in Äppelviken, Stockholm, and has evolved into a state-of-the-art food company. It's an inspiring story that reflects our passion for innovation and progress.

Today, we continue to develop unique products and flavors in a fast-paced and trend-sensitive industry, where innovation, problem-solving, and entrepreneurship drive us forward and shape the culinary experiences of the future.

Culinar

Culinar offer customer-specific, complete blends of dry ingredients that contribute to flavor and texture in the European food industry.

KOCKENS®

Kockens' range includes dried herbs, spices, and potato flour for consumers, restaurants, and foodservice.

Lailas

Lailas offers gluten-free baking and flour mixes that help everyone succeed in the kitchen.
The products are aimed at consumers.

Business idea

We offer flavoring and functional ingredients for the food industry, retail, and food service, aiming to create the best taste experiences through innovation and genuine knowledge.

Our locations

Lyckeby Group has four production facilities in Sweden and two in the Czech Republic, strategically located near the cultivation areas of our starch raw material.

Sweden

1. Nöbbelöv

Just south of Kristianstad is our headquarters, R&D, and production facility. Here we produce native and modified starch for the food industry.

2. Fjälkinge

Our flavor operations are based in Fjälkinge, just east of Kristianstad, where we blend purchased raw materials with ingredients from Nöbbelöv into dry and liquid food ingredients, and package Kockens spices and Laila's flour mixes.
This is also home to our development center for flavor innovations.

3. Bäckaskog

Northwest of Kristianstad is our seed center.

4. Mjällby

Here we produce native and modified starch for the paper industry.

Czech Republic

5. Horažďovice

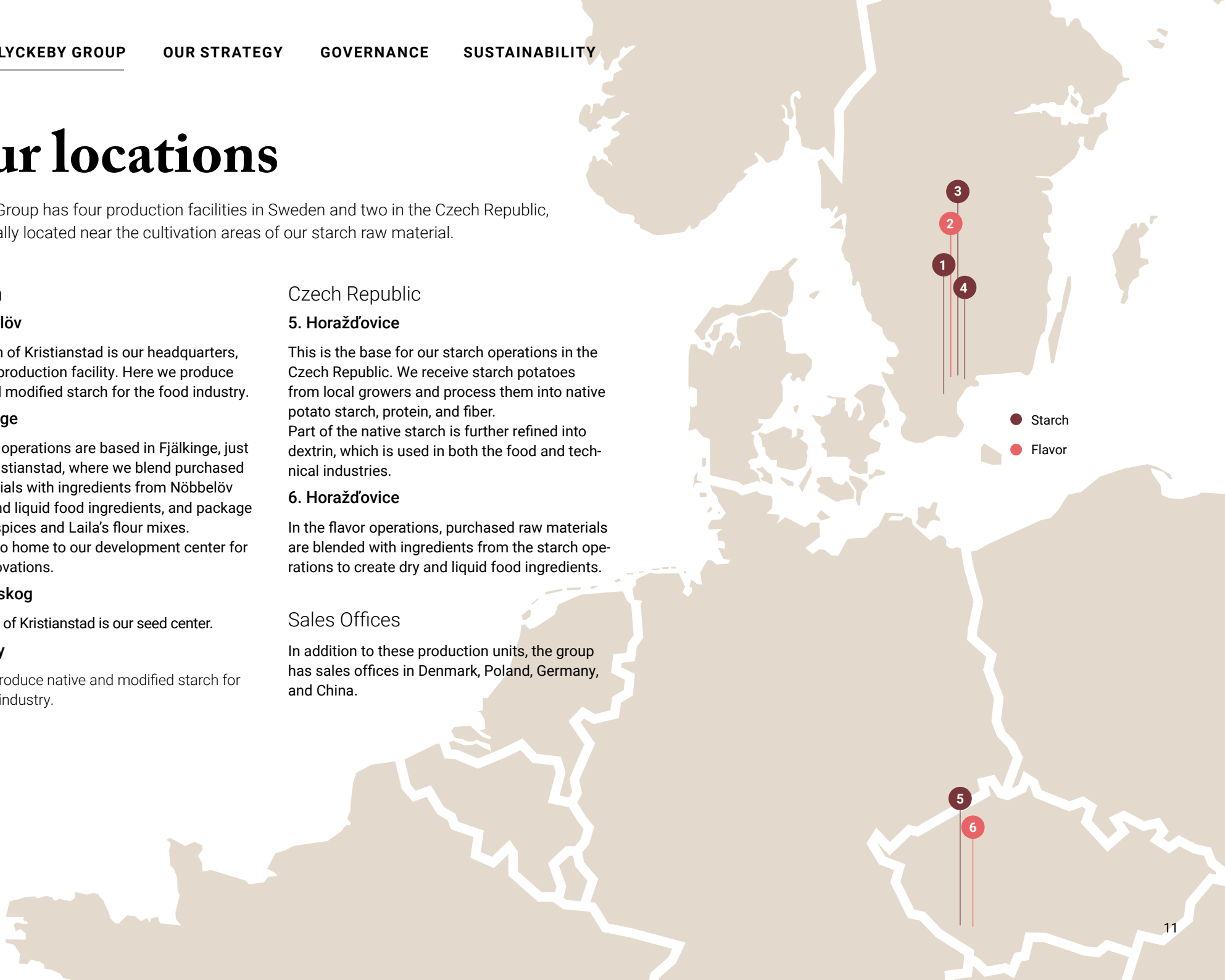
This is the base for our starch operations in the Czech Republic. We receive starch potatoes from local growers and process them into native potato starch, protein, and fiber.
Part of the native starch is further refined into dextrin, which is used in both the food and technical industries.

6. Horažďovice

In the flavor operations, purchased raw materials are blended with ingredients from the starch operations to create dry and liquid food ingredients.

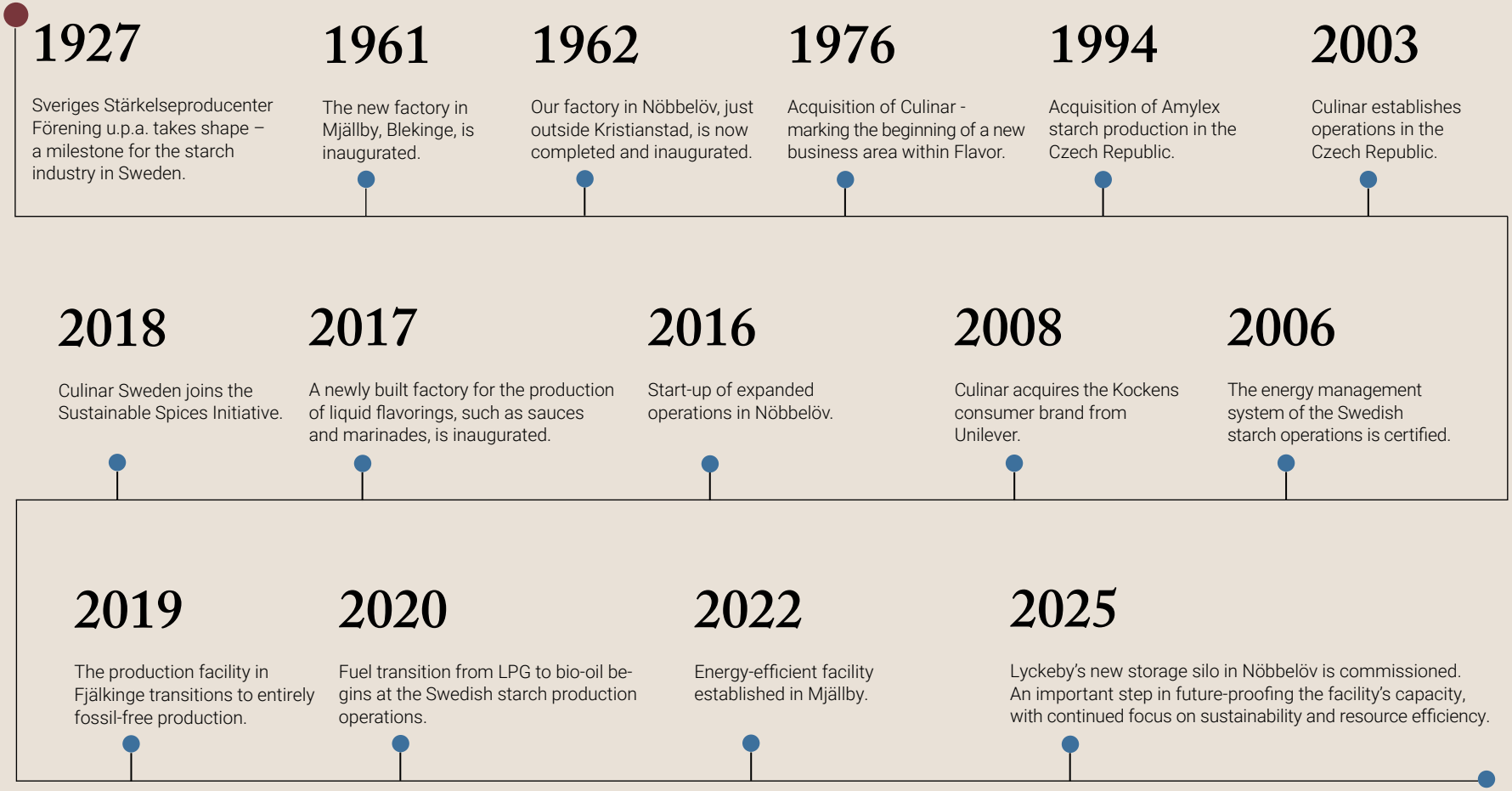
Sales Offices

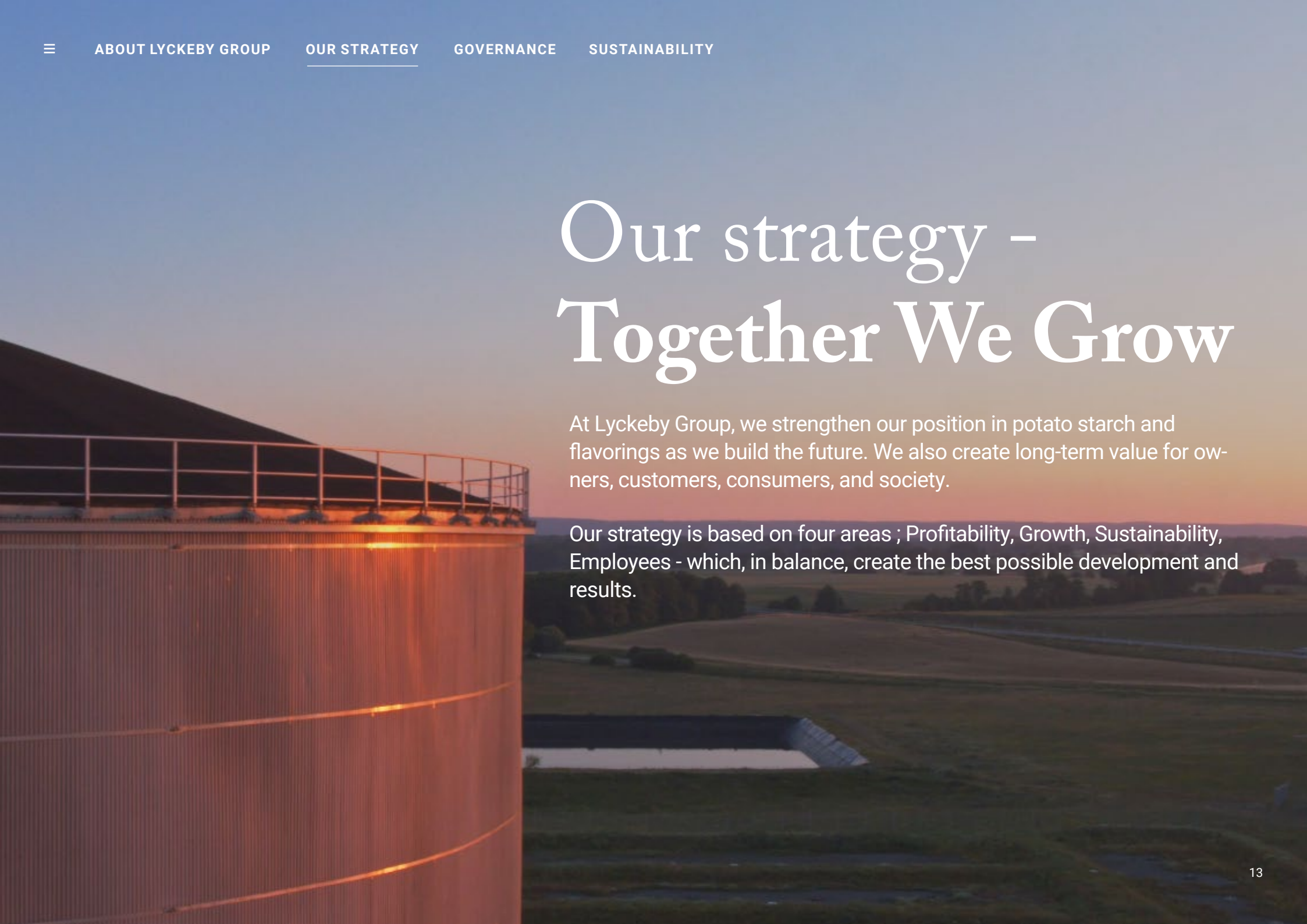
In addition to these production units, the group has sales offices in Denmark, Poland, Germany, and China.



Progress since 1927

Our journey began with over one hundred and fifty factories, but over time it has focused on a select few carefully chosen units.
What was once purely production has evolved into a business where innovation and sustainability are at the core.
From deep roots in Blekinge region of southern Sweden, we have grown into a global player – a development that has laid the foundation for today's Lyckeby Group.





Our strategy - **Together We Grow**

At Lyckeby Group, we strengthen our position in potato starch and flavorings as we build the future. We also create long-term value for owners, customers, consumers, and society.

Our strategy is based on four areas ; Profitability, Growth, Sustainability, Employees - which, in balance, create the best possible development and results.

Together We Grow

Profitability

A stable and sustainable economy is the foundation for our ability to continue investing in the future. Through smarter ways of working, increased digitalization, and stronger coordination within the Group, we create favorable conditions for innovation and development.

Our ambition is to make the most of all resources – from agriculture to by-products – and thereby build shared quality standards and long-term stability for the entire group.

Sustainability

Lyckeby Group, with care for our surroundings, our employees, and the future, will work uniformly and collectively to promote both social and environmental sustainability, and to actively make as small a climate footprint as possible – from cultivation to finished product. Through new technology, innovation, energy optimization, circular solutions, and reduced use of pesticides in cultivation, we create the conditions for more sustainable development.

- Carbon-reducing measures (CO_2 neutral)
- Energy efficiency and savings
- Reduced use of chemical crop protection in cultivation
- Reduced water consumption
- Product range development of clean label
- Strengthened commitment within SSI (Sustainable Spice Initiative)
- Lyckeby Group as a good neighbor—a positive force with minimal impact in our local area

Growth

For us, growth means creating opportunities for growers, factories, and markets. With new technology, improved capacity, and strong collaboration throughout the group, the business develops in a sustainable and long-term manner.

- Expanded cultivation area in Sweden and the Czech Republic
- Optimized and enhanced production capacity in the factories
- Increased production capacity within Culinar
- Culinar with a focus on existing segments and markets
- Planning for expanded production capacity of native starch in 2030 and beyond

Employees

Lyckeby Group strive to be a safe, attractive, and inclusive workplace. We give employees the skills and tools they need to succeed. We build a culture of strong leadership, safety, and participation.

We develop a values-driven organization that empowers employees and strengthens our business. Together, we reach new goals, create value, and drive sustainable development.

- Leadership development
- Implementation of a values-driven approach
- Skills development
- A safe and secure workplace

Employees

Our employees form the foundation of our business. Through their expertise and commitment, sustainable solutions are created for our customers – and for us as a company. That is why being a safe, inclusive, and attractive workplace that promotes development, engagement, and well-being is a central part of our strategy.

Success Through Diversity, Digitalization, and Security

At Lyckeby Group, our employees are the foundation of all success. Our ambition is to create a workplace where everyone feels included and has the opportunity to develop and contribute. By working with diversity, gender equality, and equal treatment, we strengthen our sense of community and build a culture where differences become an asset.

To support both people and the business, we are investing in digitalization. New systems and digital tools make collaboration easier, increase transparency, and streamline work. At the same time, they create better conditions for maintaining a safe and sustainable work environment – where safety always comes first.

Health and safety are a natural part of our responsibility as an employer. We work systematically to prevent risks, develop safe working methods, and create a work environment where everyone can feel secure. During the year, a Smeta audit was carried out, confirming our transparency and showing that we meet international standards for working conditions.

To continue developing as an employer, we actively listen to our employees. Through our annual employee survey, we gain valuable insights into the work environment, job satisfaction, leadership, and areas for improvement. The results guide our ongoing efforts and ensure that Lyckeby Group is a workplace where people thrive, grow, and feel proud to be part of our journey.

”I am convinced that our values contribute to sustainable development – socially, environmentally, and economically. They help us build a consistent corporate culture where everyone knows what is important. This creates security and engagement among our employees.”

CHARLOTTE OLSSON
Director HR & Communication

Lyckeby's Core Values – A Shared Culture for the Future

By developing common values and building a clear corporate culture, Lyckeby Group is taking important steps to strengthen leadership, create alignment, and ensure long-term sustainable development. Charlotte Olsson, Director HR & Communication Lyckeby Group, shares insights about the background, the process, and why these values are so central to the entire Group.

Background to the Core Values Work
The work on core values has developed through an open and inclusive process where employees have collaboratively created values that reflect the Group. In 2024, the initiative was expanded to include the entire Lyckeby Group.

– Changes within the Group and a clear strategy from the board made it important for us to start working more as a unified group instead of as separate companies. We needed to take advantage of our synergies, but also create a culture that unites us. That's why we started an extensive core values project, says Charlotte Olsson.

The Core Values
The process of developing the core values took place step by step, with employees contributing their perspectives through workshops and discussions. The result was four central values: **commitment**, **courage**, **care**, and **responsibility**.

– To me, commitment is about more than just performing your tasks. It's about a sense of involvement, inspiration, and motivation in what you do every day. Courage is the ability to step outside your comfort zone and try new ideas. Care means showing respect for one another, even in stressful situations, and creating a work environment where everyone feels seen. Responsibility means that we follow laws and agreements, but also that we carefully ensure our processes work safely and correctly.

Sustainability and Corporate Culture
The core values are the foundation for Lyckeby Group's sustainable development efforts.

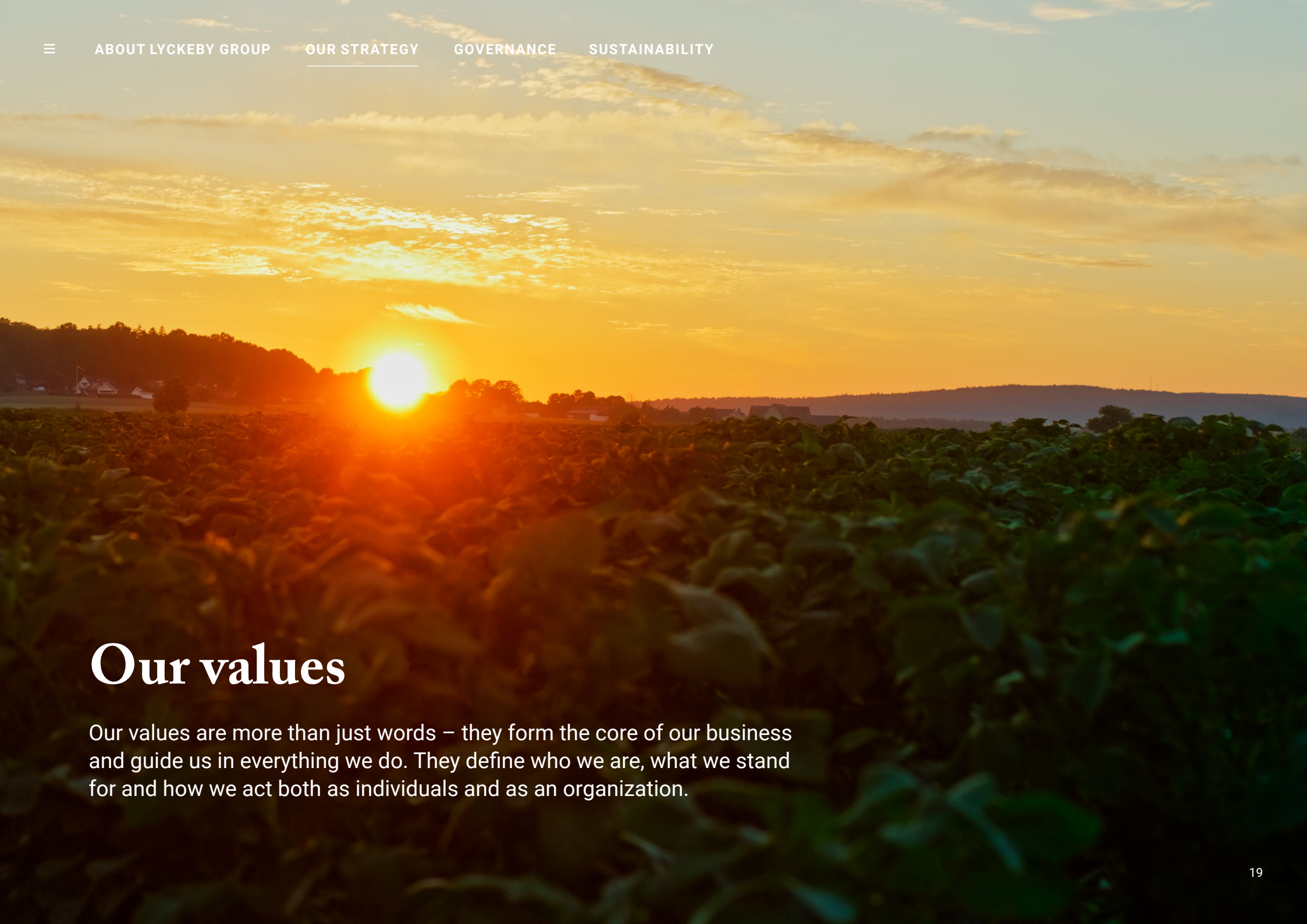
– I am convinced that our values contribute to sustainable development – socially, environmentally, and economically. They help us build a consistent corporate culture where everyone knows what is important. This creates security and engagement among our employees.

Leadership plays a crucial role in creating and maintaining a sustainable culture. When culture, leadership, and performance go hand in hand, an environment emerges where employees feel engaged, are challenged, and have the opportunity to grow. Such an atmosphere is not a given, but something that must be built and nurtured – and it starts with leadership.

Implementation – From Strategy to Everyday Practice
This is a multi-year initiative involving all levels within the Group. Between 2024 and autumn 2025, group management, managers, and employees will participate in training focused on values-based leadership, team development, and the implementation of core values.

– We are now working to integrate the values into our processes and routines. They are included in the onboarding of new employees, in the recruitment process, and in employee dialogues. We are already seeing positive effects – for example, we receive great feedback from candidates who appreciate that we highlight our values early in the process. All change takes time, but the important thing is that we make the journey together. What pleases me most is seeing how employees themselves embrace the values and make them a natural part of their daily work.

An important part of this journey is leadership. When new managers are recruited, Lyckeby Group focuses on three key dimensions: competence, leadership qualities, and the ability to collaborate. Together, these create the conditions for a high-performing organization where trust and shared vision are central.



Our values

Our values are more than just words – they form the core of our business and guide us in everything we do. They define who we are, what we stand for and how we act both as individuals and as an organization.

Commitment

We are dedicated to understanding our customers' needs and challenges just as much as we are committed to our own development. We are driven by the recognition of the value our products can provide. We strive for a collaborative approach that is humble and supportive, helping each other succeed at every level, whether it's with major projects or small details.

Courage

For us, courage means standing up for each other and daring to speak up when something feels wrong or goes wrong. We are honest, challenge established structures, and continuously seek improvement. Drawing on our expertise and extensive experience, we are confident to make tough decisions and prioritize effectively.

Care

We demonstrate care by acknowledging and supporting each other to foster a productive environment where we can flourish and experience a sense of belonging. We aim to cultivate an inclusive culture where the diversity and perspectives are seen as an asset that enhances us, adds excitement, and furthers innovation.

Responsibility

We act responsibly towards each other, our customers, and our communities. We are committed to fulfilling and following up on our promises and always work proactively with the company's best interests in mind. With care for our environment and the future, we actively work to minimize our climate footprint, from cultivation to the finished product.

Sustainability Data by Business Area and Country

EMPLOYEES

	2024/2025					2023/2024				
	Starch Sweden	Starch Czech Republic	Flavor Sweden	Flavor Czech Republic	**Total**	Starch Sweden	Starch Czech Republic	Flavor Sweden	Flavor Czech Republic	**Total**
Employees										
Number of employees[1)]	154	82	221	51	**508**	147	79	216	53	**505**
Employees covered by collective agreements (%)	100	100	100	0	**90**	100	100	100	0	**90**
Number of employees other subsidiaries[2)]					**22**					**25**
Gender equality[3)]										
Number of female employees	43	17	76	33	**169**	41	16	75	34	**162**
Number of male employees	111	65	144	18	**338**	106	63	141	19	**343**
Women in management	5	1	2	5	**13**	5	3	2	5	**15**
Men in management	6	6	3	2	**17**	6	7	3	2	**18**
Health and safety										
Number of work-related accidents*	1	1	7	0	**9**	9	2	7	0	**18**
Number of deaths caused by work-related injuries	0	0	0	0	**0**	0	0	0	0	**0**
Sickness absence (%)[4)]	2.1	4.7	4.1	4.3		3.1	4.4	2.8	4.9	

The table contains data from companies within the group with more than five employees and refers only to collected data from Lyckeby Group's own employees.

[1)] The number of employees is calculated as the average during the financial year including fixed-term employees.

[2)] Refers to employees at sales offices in Denmark, Poland, Germany, and China. These employees are employees of subsidiaries and are not included in other reported figures.

[3)] The gender affiliation 'Other gender' has been excluded from the table as no data was reported.

[4)] Sickness absence has been calculated by the number of sick hours in relation to working hours during the financial year.

* Refers to the the full calendar year in 2023 and 2024 respectively, not the financial year.

Sustainability Goals

Area	Goal	Outcome
Health and safety	Zero tolerance for workplace accidents that lead to absence in the entire group.	< 20
Employees	Strengthen clear and inclusive leadership, ensure health, safety and well-being, and integrate core values throughout the organization.	Integration of core values into processes and routines was initiated during the year and is ongoing. We are actively working to strengthen and develop leadership, with a particular focus on competence, leadership qualities, and collaboration.

Stakeholder Engagement

At Lyckeby, dialogue with our stakeholders is a crucial part of our sustainability efforts. By listening, asking questions, and sharing knowledge, we gain valuable insights that help us develop in the right direction. Our stakeholders – both internal and external – contribute perspectives that help us better understand which issues are most important for our business and our stakeholders.

Mapping and analyzing their expectations not only provides us with a clearer understanding of our opportunities and challenges, but also fosters trust and long-term value. In the table below, we outline the groups with which we engage in dialogue, the methods we use, and the issues that are in focus.

	Employees	**Customers**	**Owners/Growers**	**Public authorities**	**Collaboration Partners**	**Society**
Important issues	Health and safety Satisfaction and community Diversity, gender equality, and equal treatment Knowledge and skills development	Food safety Sustainable food production	Sustainable cultivation Global supplier cultivation and working conditions	Legislation	Supplier review	Biodiversity Climate impact
Dialogue channels	Performance reviews Employee surveys Intranet	Customer satisfaction surveys Customer meetings	Financial reports Board meetings	Meetings	Contract and review meetings	Website and social media Consultation meetings

Materiality Assessment

In 2024, we conducted a materiality analysis for our Swedish operations, utilizing a double materiality perspective, as an integral part of our efforts to meet the CSRD requirements. The materiality analysis forms the basis of our sustainability reporting and has helped us identify both the impacts our operations have on the outside world and the risks and opportunities that affect us. This year, we also included our Czech operations in the analysis to gain an even more comprehensive picture of our impact and responsibilities.

Identifying Material Aspects
We used the structure of ESRS 1 as a starting point and reviewed all relevant topics to identify impacts, risks, and opportunities. Materials from previous environmental aspect assessments, as outlined in ISO 14001, provided valuable input. To ensure we didn't miss anything and to gain new perspectives, we also involved external experts who reviewed and challenged our previous assessments.

Assessments
The assessments made in the analysis are based on the ESRS 1 guidelines for both impact and financial materiality. The analysis is built on our knowledge of the value chain, stakeholders, risks, and due diligence. Where possible, we have used quantitative data for impact assessments, and external consultants have participated in the analysis, evaluation, and review to strengthen the objectivity of the work.

Stakeholder Perspective
We included stakeholder perspectives and feedback throughout the materiality analysis. Different groups view key issues differently, and we considered these differences collectively to inform our analysis. Participants highlighted the stakeholder perspective, with sustainability managers and external experts drawing especially on input from community partners, collaborators, growers, and, to some extent, customers. Specialists contributed to the S1 (HR/employee), S2 (procurement/supplier), and G1 (market/customer) analyses to ensure all key stakeholder issues were comprehensively captured.

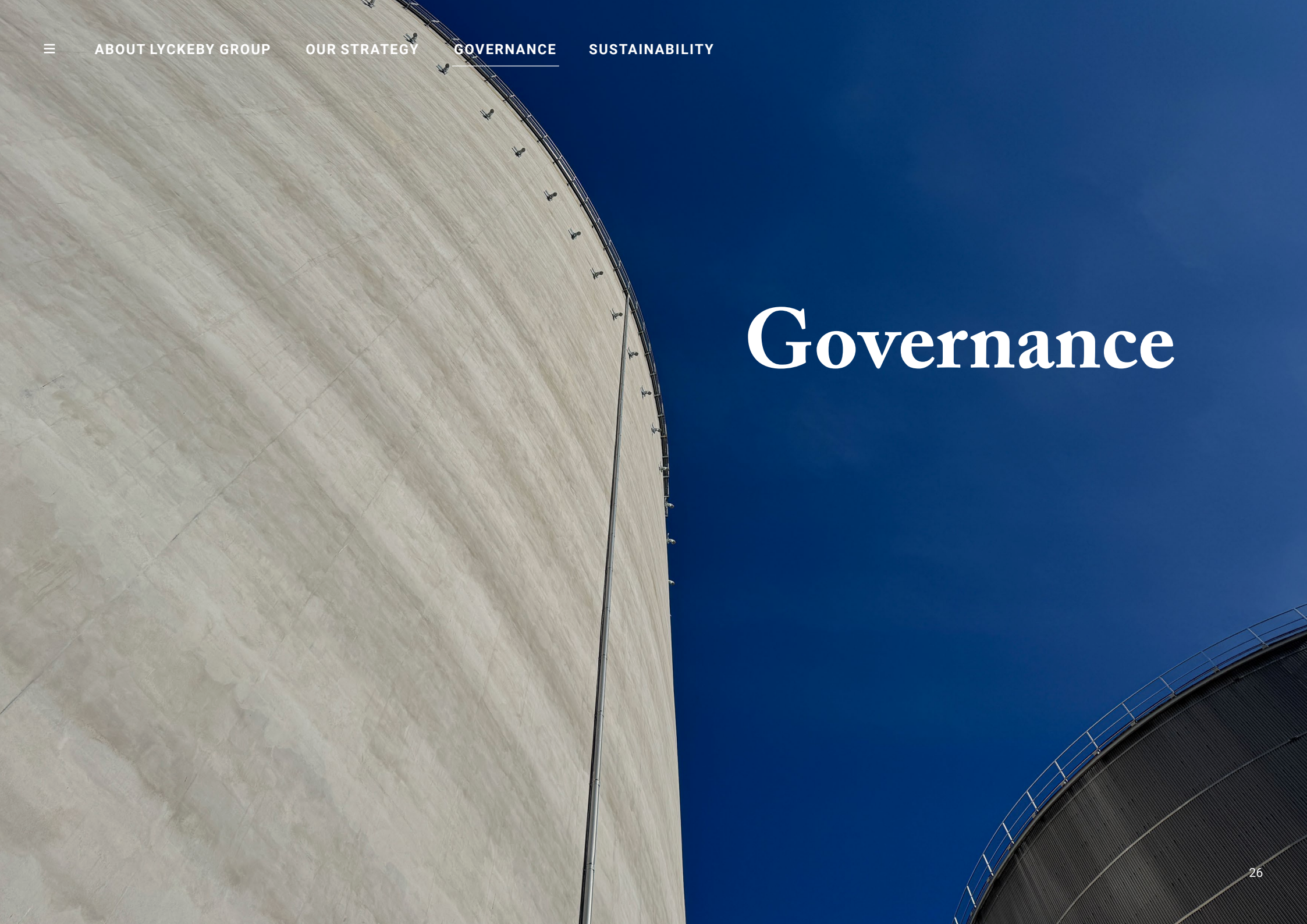
Decision-Making and Internal Controls
The results have also been reviewed and approved by the management team.

The materiality assessment is updated annually to ensure it remains current and relevant for both our operations and sustainability work.

Implementation and Follow-Up
Most of the identified material aspects are already part of our sustainability work. Each has assigned activities and targets within our management system. We report regularly to the board. We also review the materiality analysis process to keep our work relevant and effective.

Presented alongside this section is a summary of the sustainability aspects in the ESRS standard that are currently considered most material to our business, along with the section of the report where we describe our work related to each aspect.

Impact significance	Double materiality	Financial significance
E1 Climate impact (own operations)	S1 Working conditions in own operations	E1 Climate adaption
E1 Climate impact (raw material)		G1 Business ethics
E1 Climate impact (packaging)		G1 Modern plant breeding
E1 Energy		
E3 Water		
E4 Biodiversity		
E5 Material use		
S2 Working conditions in the value chain		



Governance

Sustainability Governance

As an international group with diverse operations, we must ensure that our sustainability efforts are consistently integrated throughout the organization. This requires both effective communication and a shared understanding of goals and direction.

The foundation of our sustainability work is responsibility and compliance with laws and regulations. This work is based on our Code of Conduct, management systems, and policies that guide our daily operations – all of which together ensure that we conduct our business in an economically, environmentally, and socially sustainable manner.

We have obtained all the necessary permits for our operations and work systematically in areas such as occupational health and safety, as well as fire protection. Our management systems are certified to several international standards, and our Code of Conduct is reviewed annually through employee dialogues. These dialogues with employees provide us with important input for improvements and, if necessary, are followed up with internal audits to ensure compliance with our requirements and continuous development.

Our Certifications
The Swedish starch operations are certified to ISO 9001, ISO 14001, ISO 50001, ISO/FSSC 22000, Non-GMO, EU Organic, Halal, Kosher, FSSC FEED, and GMP+ standards. The flavor operations are certified to ISO 9001, BRC Food, KRAV, EU Organic, Rainforest Alliance, and Fairtrade standards. Additionally, the entire Swedish operation is approved for producing products labeled ”From Sweden.”

The Czech operation is certified according to ISO/FSSC 22000. The starch operations are also certified to ISO 14001, GMP+, Kosher, and Halal standards, while the flavor operations are certified to EU Organic standards.

Within the framework of ESG (Environmental, Social, Governance), there are governing documents and policies for the following areas:

- Environment
- Quality
- Food Safety
- Occupational Health and Safety
- Non-Discrimination
- Gender Equality
- Ethical Conduct (Code of Conduct)
- Supplier Conduct (Supplier Code of Conduct)

Sustainability work in our Corporate Governance Structure

The Board of Directors

Consists of representatives from our owners, our two business areas, and employee representatives. The Board operates according to a set of rules of procedure and provides strategic direction for sustainability.

- Oversees the company's sustainability work
- Receives updates from the CEO on sustainability issues every six months

Group Management Team

Responsible for ensuring that the group is run in a sustainable and business-ethical manner. The team conducts an annual review of the materiality analysis in conjunction with management reviews.

- Reviews sustainability strategy and results
- Decides on policies, objectives, and governing documents

Operational Management Teams

Responsible for ensuring that each company is run in a sustainable and ethical manner.

- Review materiality analyses
- Implement policies, objectives, and governing documents

Sustainability Managers

Our two Sustainability Managers are responsible for coordinating sustainability issues within their respective business areas. They report directly to the CEO and are part of both the group management and the operational management teams. In addition, they are responsible for coordinating the group's sustainability efforts and objectives.

- Ensure legal compliance and lead the group's work in sustainability, environment, and quality
- Conduct materiality analysis
- Are responsible for the content of the group's sustainability report

Ethical Business – Global Business with Fair Competition and Selected Countries

As a global player, Lyckeby Group encounters both new business opportunities and challenges related to regulatory compliance. To ensure that our business is conducted in an ethical and sustainable manner, we have established clear guidelines and implemented effective measures.

Ethical Business
Lyckeby Group operates in a global market, including countries classified by Amfori BSCI as high-risk. Operating in these countries can present particular challenges, which makes it especially important that we always take responsibility for our business activities. Our business culture requires us to comply with applicable laws and regulations regarding product safety, the environment, and the economy. We also actively work to combat corruption, promote human rights, and ensure fair working conditions.

All employees involved in business operations receive regular training in our business culture, ensuring that our values are put into practice. We have a strict zero-tolerance policy regarding corruption, bribery, and human rights violations.

Over the years, we have built long-term and trustworthy relationships with our customers and suppliers. This creates a shared understanding of how we conduct business. Our requirements for suppliers and employees are summarized in codes of conduct and policies based on UN resolutions on trade embargoes, the Convention on the Rights of the Child, and our banks' guidelines.

By working with high transparency and providing support throughout the sales, logistics, product development, and quality chains, we create security for both customers and employees. This leads to long-term sustainable business and gives us valuable insights from our customers and suppliers on how we can become even more sustainable.

Fair Competition
Compliance with the competition law is a fundamental part of our sustainability work. As the sole supplier of, among other things, Swedish potato starch and other products, it is particularly important to maintain a fair and open market.

If a customer believes that we are abusing our market position in an improper way, they can report this to the Swedish Competition Authority (Konkurrensverket). In the event of any irregularities, this could have serious consequences for both us and the market as a whole. To prevent this, we have implemented internal controls and training to ensure that all employees are aware of and comply with the rules of competition law.

Fair competition is a fundamental part of our business ethics and sustainability strategy. We always strive to conduct our business in a way that benefits both our customers and the market as a whole.

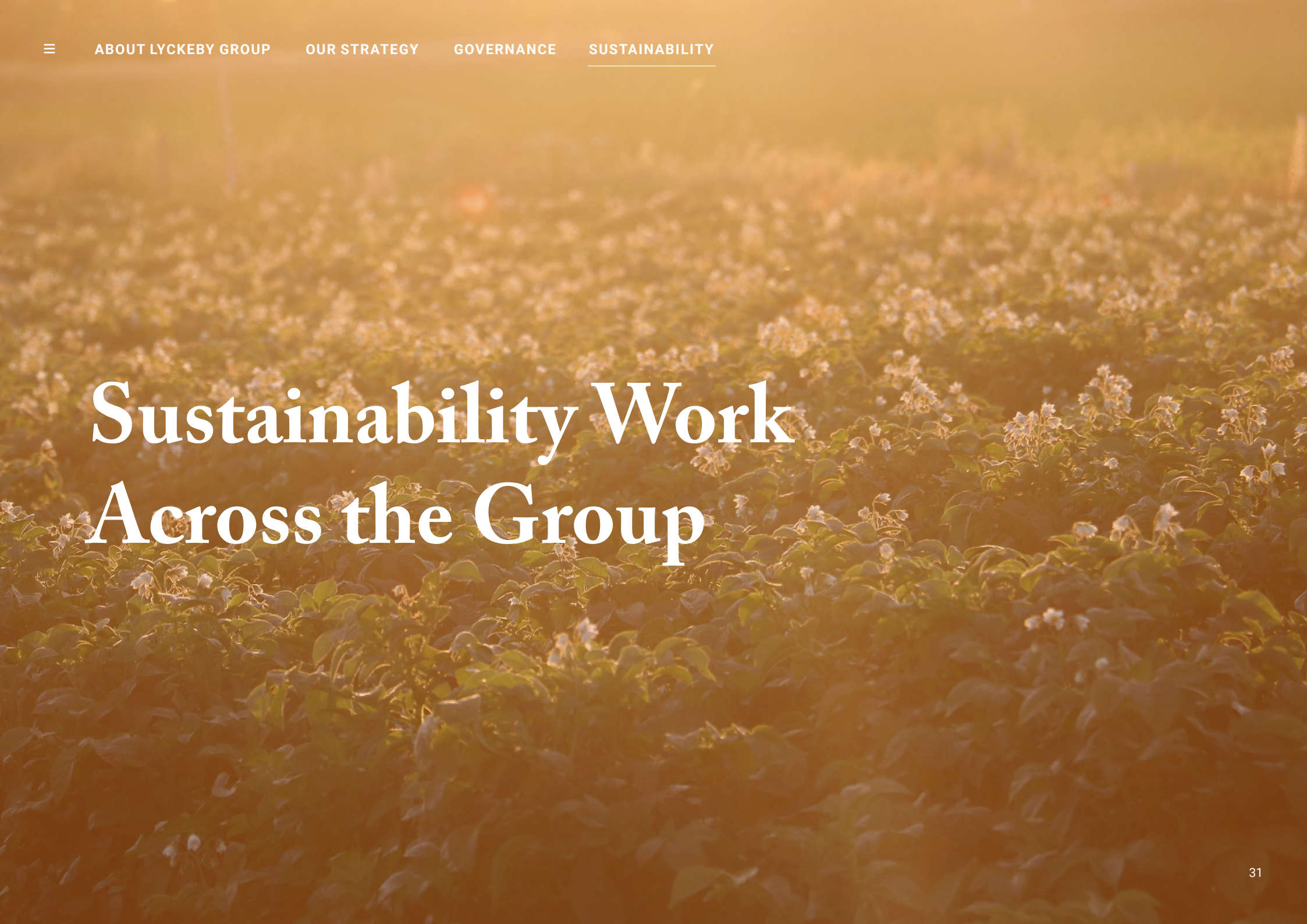
Whistleblowing
We encourage employees, business partners, and external stakeholders to openly report any misconduct to their immediate supervisor. If there are circumstances that make the whistleblower prefer to remain anonymous, they can report directly to HR via our whistleblowing system.

Whistleblowers are protected against all forms of retaliation or discriminatory actions that may arise as a result of their report. Every report of misconduct, suspected violation of the Code of Conduct, our policies, or the law is thoroughly and professionally investigated.

Crisis Management
We have a well-developed crisis management function in our Swedish operations to ensure continuity and safety.

Department managers are responsible for ensuring that guidelines are followed within their respective areas and that staff comply with them. In the event of a crisis, we follow a structured process that includes gathering information, conducting investigations, assessing risks, managing the situation, and implementing follow-up measures. This systematic approach enables us to handle incidents quickly and effectively, ensuring a safe and stable operation.

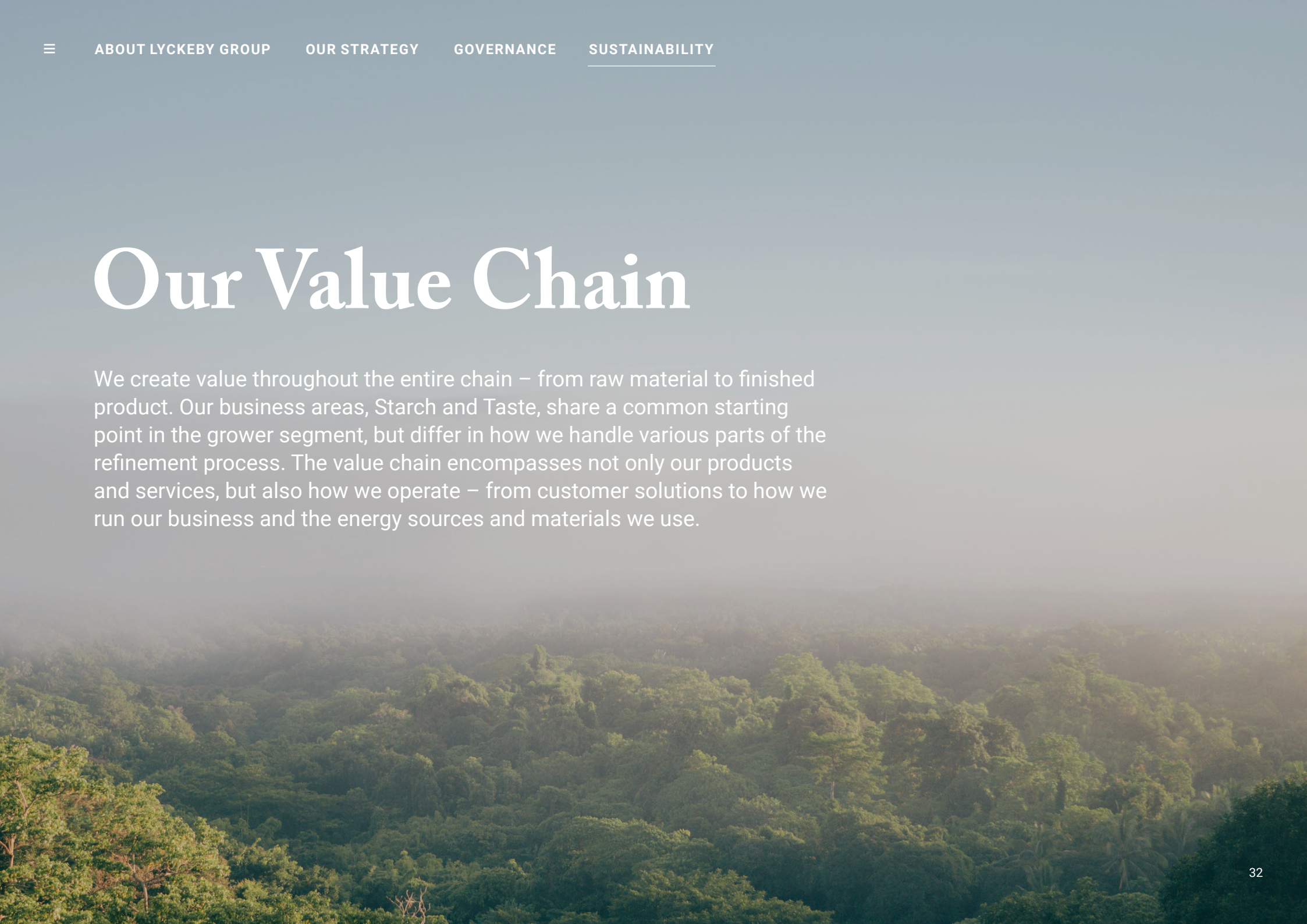
Climate Adaptation – Securing Profitability in a Changing Climate
Our business is based on what the earth provides. The ability to cultivate the raw materials we then refine is not only the foundation of our business, but it is also the basis for our responsibility toward nature and future generations. Climate change around the world reminds us of our mutual dependence. To meet these challenges, we engage in environmental monitoring, evaluate alternative solutions, and implement continuous improvements. We develop measures to address extreme weather events, such as storms and heavy rainfall, to ensure long-term operational stability. Through this work, we strengthen both our profitability and our sustainability in an ever-changing climate.



Sustainability Work Across the Group

Our Value Chain

We create value throughout the entire chain – from raw material to finished product. Our business areas, Starch and Taste, share a common starting point in the grower segment, but differ in how we handle various parts of the refinement process. The value chain encompasses not only our products and services, but also how we operate – from customer solutions to how we run our business and the energy sources and materials we use.

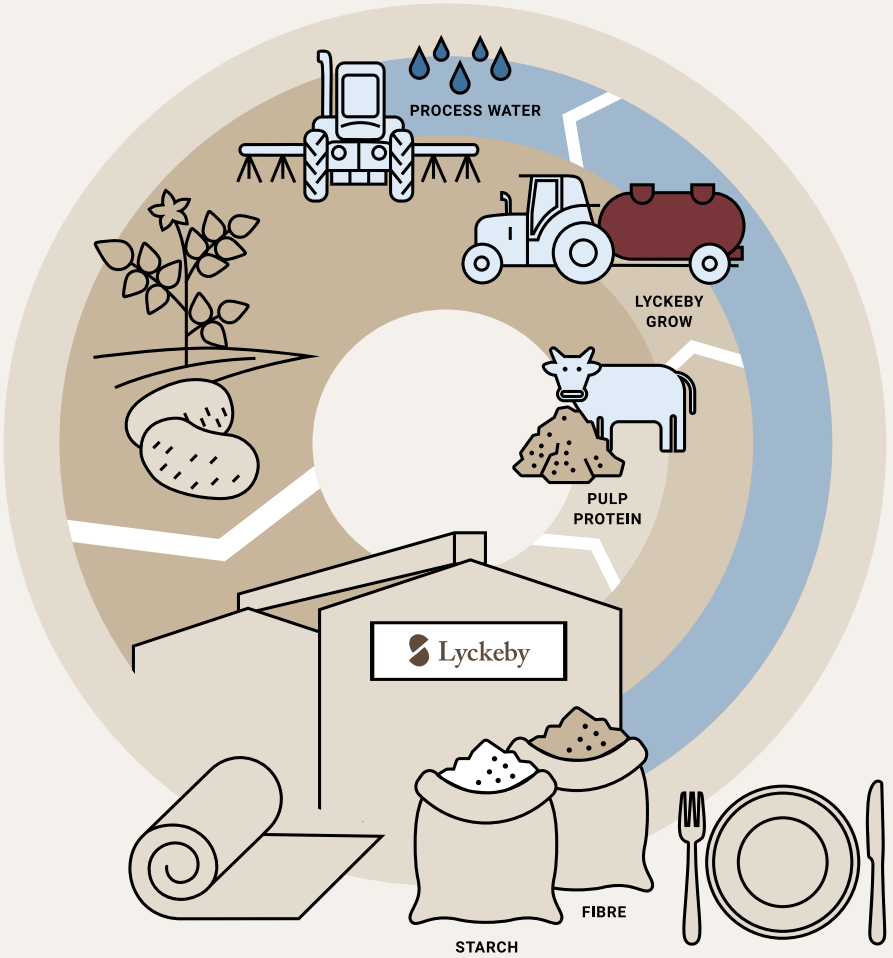


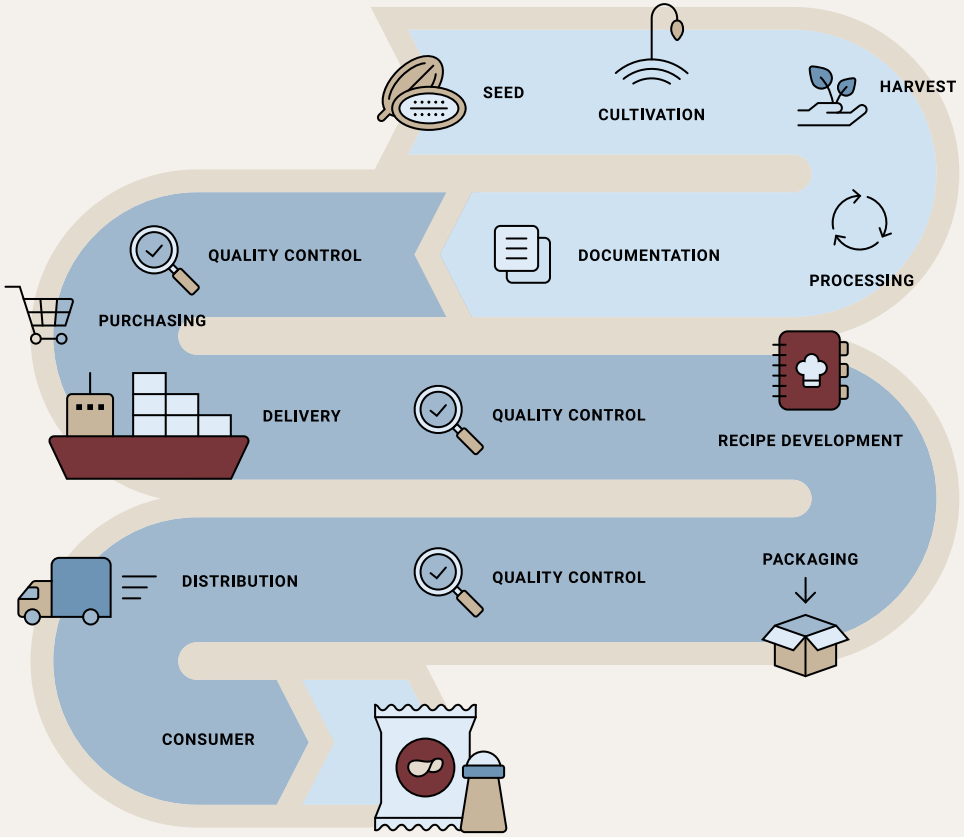
Value Chain - Starch

In Sweden, we source potatoes from our Swedish growers and owners. We then process the raw material to harness the full potential of the potato – enabling us to offer customized and functional starch products to the food and paper industries. Our focus is on markets and applications where potato starch creates clear added value for our customers. Our offering always includes our support and expertise in product development, application, logistics, and quality – delivered by our dedicated and experienced employees.

Additionally, we utilize the potatoes' byproducts and process them as far as possible. Potato fiber is used as a food-approved ingredient, the protein is sold as animal feed, and in Sweden, the fruit juice and leftover water are returned to the farmland as concentrated fertilizer and irrigation. A circular approach that we are proud of.

In the Czech Republic, we source potatoes from contracted growers. The potato fiber is used there as a raw material for biogas plants in the surrounding area. Due to local legislation, part of the water is treated in the municipal wastewater treatment facility.





Value Chain - Flavor

At Culinar, we blend spices from around the world with functional ingredients – including Lyckeby's potato starch – to create ready-made flavor and texture ingredients for the food industry. Our role in the value chain is to simplify and streamline both logistics and blending processes for our customers. At the same time, we aim to create opportunities for them to choose sustainably grown raw materials.

An important part of our offering is our expertise in various applications – from snacks, meat, and charcuterie to bakery, and much more. Here, we work closely with our customers to develop products that deliver an excellent taste experience for consumers. In addition to application knowledge, we also optimize packaging and manufacturing processes with the goal of reducing waste and making ingredient handling easier for our customers.

Beyond this, we process and package products under our consumer and foodservice brand Kockens – a well-established brand known for quality and flavor.

Group-wide Climate Initiative

To reduce our climate impact in the long term and monitor progress toward our set goals, we have implemented climate calculations according to the GHG protocol for the entire Lyckeby Group. As a group with a shared strategy, where sustainability is one of our priority areas, we ensure clear and consistent monitoring of our emissions and establish a basis for prioritizing the right actions.

Results of Climate Calculations
Since last year's sustainability report, we have adopted a comprehensive approach to our climate calculations for the entire Group. For the first time, we have included Scope 1, 2, and the most significant parts of Scope 3 for all four operations. For the Swedish operations, we have carried out a full mapping of all categories in Scope 3, and the climate impact is now fully comprehensive.
As a result, we will review our base year since Scope 3 emissions are no longer comparable to previous years.

The climate impact for the entire Group was calculated as:

- **Scope 1: 7 624 tCO_2e**
- **Scope 2 (location-based emissions): 5 605 tCO_2e**
- **Scope 3: 152 458 tCO_2e**

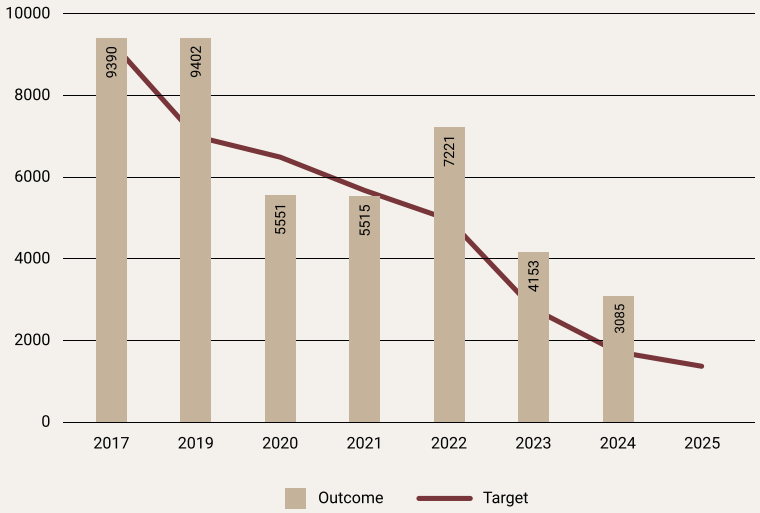
The largest emission source in Scope 1 comes from the use of propane and natural gas in production at Lyckeby's operations in Sweden and the Czech Republic. Scope 2 emissions primarily arise from electricity use in Lyckeby's operations in the Czech Republic, due to both high electricity consumption and an electricity mix with a significant proportion of fossil fuels.

The majority of our emissions are in Scope 3, category 1: purchased goods and services, which includes emissions from the production of purchased raw materials, chemicals, and packaging materials. In addition, transport accounts for a significant share of our emissions. Compared to the previous year, emissions appear to have increased significantly, but this is solely due to the mapping carried out for 2024 and the inclusion of more activities. This year's results are therefore not comparable with previous years.

Emissions in Scope 1 and 2
Scope 1 and 2 include the emissions we can directly influence. For a long time, we have systematically worked with renewable fuels, energy efficiency measures, and unified policies for our vehicles, leading to significant reductions in recent years. Today, 98% of these emissions come from the energy-intensive starch production. Therefore, we continue to prioritize measures that can reduce emissions in that area. In our flavor operations, we continuously monitor emissions and implement small daily improvements that contribute to increased efficiency.

Climate Work in Starch Production
Starch production is an energy-intensive activity. Therefore, our energy and climate efforts are a central part of our sustainability work. By calculating our climate footprint and systematically working with energy efficiency and renewable fuels, we have been able to significantly reduce our emissions in recent years.

GHG EMISSIONS LYCKEBY SCOPE 1 & 2
(TON CO_2-EQUIVALENTS)



Carbon footprint (Scope 1 and 2) over time for the Swedish starch operations.

Since 2020, we have replaced a large portion of fossil fuels with bio-oil in Swedish starch production, leading to a clear reduction in our direct greenhouse gas emissions. Our goal has been to reduce CO_2 emissions in Scope 1 and 2 by 85% during the period 2017–2030. The result for 2024 was 3,085 tons of CO_2 equivalents, which corresponds to about 4% of our total climate footprint (including Scope 3). This means a reduction of 67% since 2017 – mainly thanks to the increased use of bio-oil.

The climate footprint from our starch production in the Czech Republic (Scope 1 and 2) amounted to 10,600 tons of CO_2 equivalents. The emissions mainly came from the consumption of electricity, gas, and natural gas, and were at a similar level as the previous year.

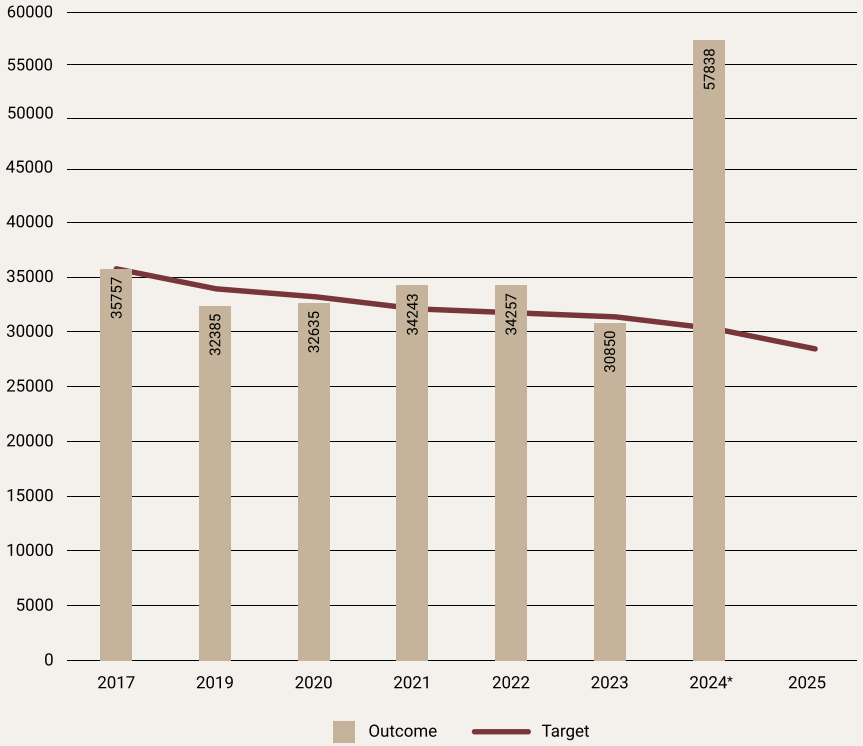
As part of the expanded system boundaries, the climate impact from starch potatoes has been calculated for the first time in Lyckeby, Czech Republic, and the climate calculations for starch potatoes have also been updated for Lyckeby, Sweden. The impact per ton of potatoes is comparable, although cultivation methods differ. Therefore, analyzing the results will be important for future improvements.

Scope 3 – Emissions We Do Not Control Ourselves
In Scope 3, where the majority of the Group's emissions occur, we need to carry out several activities to reduce climate impact in line with climate targets that follow the Paris Agreement. Now that we have completed the first consolidated calculation for Scope 3, we will develop reduction targets and define actions going forward.

Efforts to reduce Culinar's climate impact can be effectively driven through continued collaboration with the Sustainable Spice Initiative (SSI). When more actors work together, the impact increases. SSI offers an established network covering ten of Culinar's product groups, which can be used to jointly develop specific emission factors and drive actions such as product development and strategies for sustainable cultivation.

Both Culinar and Lyckeby are engaged in ongoing work with packaging materials, aiming for a higher proportion of recycled plastic and plastic from renewable sources.

GHG EMISSIONS LYCKEBY SCOPE 3 (TON CO_2-EQUIVALENTS)



Carbon footprint (Scope 3) over time for the Swedish starch operations.

*Scope 3 was fully mapped in 2024 - the base year is being reviewed due to lack of comparability being reviewed.

Measures to reduce climate impact from inbound and outbound transportation include the choice of carriers, transport modes, and fuels. In this area, we need to collaborate both within the Group and with our transporters to optimize transportation and establish common routines with clear prioritization of transport modes.

For the Swedish starch operations, we previously set a target to reduce Scope 3 GHG emissions by 20% from 2017 to 2030. These emissions – from potato cultivation (including production of inputs), production of process chemicals, packaging, and transportation (Scope 3) – account for the majority of our climate footprint, but are also harder for us to influence than the direct emissions from our production.

By 2023, we had succeeded in reducing emissions by 14% since 2017. The reduction was due to higher yield levels in potato cultivation and the increased use of native (unmodified) starch, which required lower consumption of chemicals and packaging, making up a larger share of production. We also saw clear reductions in our business travel since the pandemic. Since we conducted a full mapping of all Scope 3 categories in 2024, our climate impact is now fully comprehensive. The result for 2024 was 57,838 tons of CO_2 equivalents, which corresponds to about 95% of our total climate footprint.

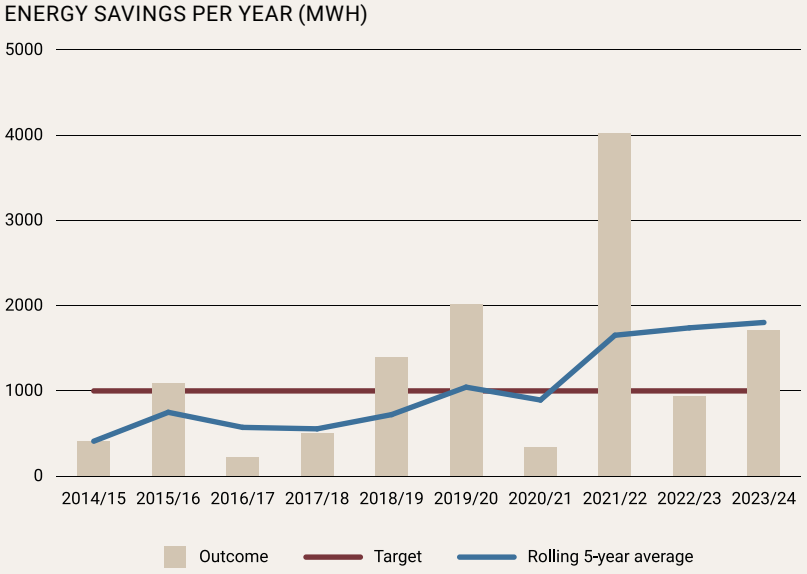
The climate footprint from our starch production in the Czech Republic, Scope 3, amounted to 17,528 tons of CO_2 equivalents. This represents 62% of our total climate footprint in the Czech Republic. The emissions mainly came from raw material purchases and potato cultivation.

The new calculations will form the basis for a new base year, new targets, and action plans.

Major Investments in Energy Savings Yield Strong Results

Optimizing energy use is fundamental to active climate work. Energy efficiency has always been a high priority, and our Swedish starch operations have been certified according to ISO 50001 for many years. Our goal is clear: to save 1 GWh of energy per year, calculated as a rolling five-year average. This year, we took another significant step forward – both this year's savings and the five-year average are well above our target. The main reason is our new, energy-efficient facility in Mjällby.

The Mjällby+ project was completed in September 2022, and the new factory was ready for operation. Today, it produces almost half of our commercial starch. The facility is the result of over 20 years' experience in this type of production and was built with a holistic approach, with energy efficiency as a key focus. An important part has been recovering heat from the drying process, which greatly contributes to the substantial savings.



Energy savings over time for the Swedish starch operations.

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.

By starting from scratch, we were also able to think differently. We created cross-connections between different processes, installed more efficient pumps, and introduced several smaller optimizations, all of which together have a major impact.

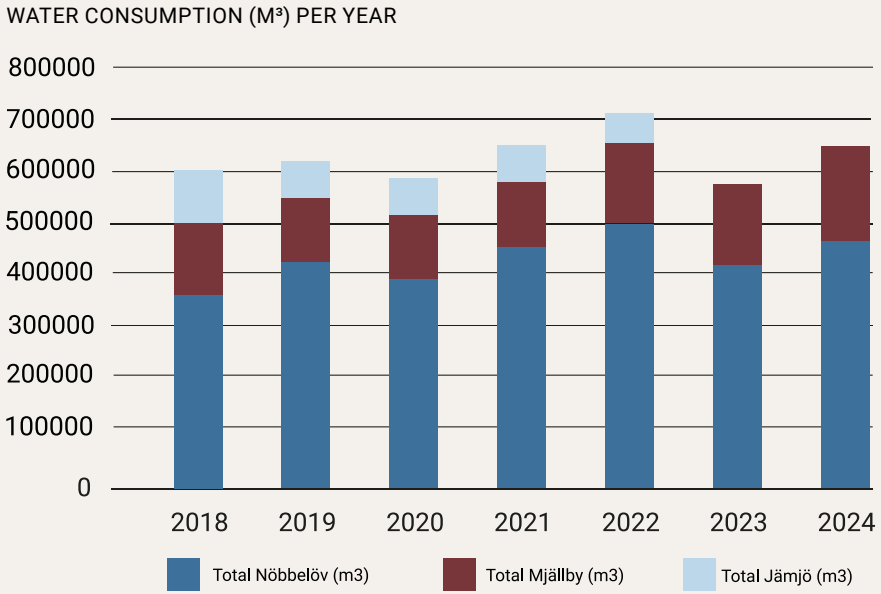
Another initiative has been to increase the number of measurement points in our factories in Sweden and the Czech Republic. This allows us to work more with automated trends and analyses, providing better data for decision-making. In addition, we have implemented a control system that allows everyone in the company to monitor the process and contribute to improvements.

During 2024/2025, several projects have resulted in energy savings. New feed technology for a starch dryer in Nöbbelöv, where the starch is spread during drying, has resulted in reduced energy use. Several heat recovery projects have also contributed to this year's savings.

Circular Water Use and Efficiency
The starch operation uses large amounts of water. Even though water availability is still good in Sweden, we are, of course, working to optimize our use to reduce groundwater extraction, not least to secure our development in a future climate.

The new processing line in Mjällby has been optimized to save water by recirculating clean water streams between different steps in our processes. We are now seeing the results of this, as total consumption in the Swedish operation is significantly lower than in recent years. The full savings will become apparent once the facility's capacity is fully utilized. From a resource perspective, it is important to us that no water is wasted, and we have ensured that the water we use benefits the agriculture surrounding our facilities. All water used to wash incoming potatoes is irrigated onto nearby fields.

After streamlining production to two facilities and thereby reducing the need for fresh water, the next step is to trim fresh water use even further. An inventory has been conducted, and some measures will be implemented in the autumn of 2025. A water-saving target will be established for the Swedish starch operation in the coming business year.



Water consumption over time for the Swedish starch operations

Sustainability Data by Business Area and Country

EMISSIONS OF GREENHOUSE GASES

	2024					2023				
	Starch Sweden	Starch Czech Republic	Flavor Sweden	Flavor Czech Republic	**Total**	Starch Sweden	Starch Czech Republic	Flavor Sweden	Flavor Czech Republic	**Total**
Scope 1										
Scope 1 GHG emissions (tCO_2e)	2 756	4 731	44	93	**7 624**	3 903	4 170	45	88	**8 206**
Scope 2										
Scope 2 location-based (tCO_2e)	329	5 151	15	110	**5 605**	250	4 553	39	120	**4 962**
Scope 2 market-based (tCO_2e)	4	5 870	0	121	**5 995**	2 579	5 188	0	137	**7 904**
Total Scope 1 and 2 location-based (tCO_2e)	**3 086**	**9 882**	**59**	**203**	**13 229**	**4 154**	**8 723**	**84**	**208**	**8 615**
Scope 3										
Other indirect emissions (tCO_2e)	57 838b)	17 528a)	64 579b)	21 802a)	**152 458***	30 850a)	N/A	N/A	N/A	N/A

Historically, we have reported emissions data for Scope 1 and 2, as well as Scope 3 for the Swedish starch operations. In these calculations, smaller sales offices without production are excluded. Emissions are reported in accordance with the GHG Protocol. Scope 1 includes emissions from the use of propane, natural gas, and diesel in operations, as well as fuel for our vehicles. Scope 2 covers emissions from electricity and district heating used at the facilities.
Starting from the fiscal year 24/25, we report emissions data for Scope 1, 2, and 3 for all operations.
Scope 3a) includes indirect emissions in the value chain (Categories 1, 3, 4, 6, 7, and 9).
Scope 3b) includes indirect emissions in the value chain (all categories), and the calculations are largely based on estimates using industry-specific data.
Since some parts of the business purchase products from other parts, the total Scope 3 emissions for the group differ from the sum of emissions from the four individual operations.

Data for the starch operations in the Czech Republic for 2023 has been corrected compared to last year's reported figures, due to changes in emission factors and a more consistent data collection methodology.

Sustainability Data by Business Area and Country

EMISSIONS OF GREENHOUSE GASES

	2024/2025				
	Starch Sweden	Starch Czech Republic	Flavor Sweden	Flavor Czech Republic	**Total**
Scope 1					
Scope 1 GHG utsläpp (tCO_2e)	3 747	4 638	44*	93	**8 522**
Scope 2					
Scope 2 location-based (tCO_2e)	298	5 213	15*	121	**5 647**
Scope 2 market-based (tCO_2e)	4	5 941	0*	134	**6 079**
Total Scope 1 och 2 location-based (tCO_2e)	**4 045**	**9 851**	**59***	**214**	**13 229**
Scope 3					
Övriga indirekta utsläpp (tCO_2e)	57 838b)	17 528a)	64 579b)	21 802a)	**14 169**

We report emissions data for Scope 1 and 2. In the calculations, smaller sales offices without production are excluded. Emissions are reported in accordance with the GHG Protocol. Scope 1 includes emissions from the use of propane, natural gas, and diesel in operations, as well as fuel for our vehicles. Scope 2 includes emissions from the electricity and district heating used at our facilities.
* Refers to the full calendar year 2024, not the financial year.

Sustainability Data by Business Area and Country

ENERGY AND WATER

	2024					2023				
	Starch Sweden	Starch Czech Republic	Flavor Sweden	Flavor Czech Republic	**Total**	Starch Sweden	Starch Czech Republic	Flavor Sweden	Flavor Czech Republic	**Total**
Energy consumption										
Natural gas (MWh)	0	22 869	0	312	**23 181**	0	19 892	0	296	**20 188**
LPG (MWh)	11 395	154	0	28	**11 577**	16 295	356	0	26	**16 677**
Diesel (MWh)	310	53	0	5	**368**	310	41	0	4	**355**
Bio-oil (MWh)	30 636	0	0	0	**30 636**	27 902	0*	0*	0	**27 902**
District heating (MWh)	1 038	0	0	0	**1 038**	1 069	0	0	0	**1 069**
Electricity (MWh)	49 849	8 913	2310	208	**61 280**	40 571	7 878	5 087	208	**53 744**
Total energy consumption (MWh)	**93 227**	**31 989**	**2310**	**553**	**128 079**	**86 147**	**28 167**	**5 087**	**535**	**119 936**
Water consumption										
Total water consumption (m^3)	657 172	74 460	10 689	736	**743 057**	582 735	67 600	12 259	876	**663 470**

The table contains data from our operations in Sweden and the Czech Republic. In comparison, the smaller sales offices without production are excluded.

Sustainability goals within Resource-Efficient Operations

Area	Goal	Outcome
Climate impact from operations	Reduce Scope 1 and 2 greenhouse gas emissions from the Swedish starch operations by 85% from 2017 to 2030.	Thus far, we have reduced emissions by 67%.
	Reduce Scope 3 greenhouse gas emissions from the Swedish starch operations by 20% from 2017 to 2030.	In 2024, we carried out a comprehensive mapping of all categories within Scope 3. As a result, we will review our base year, since Scope 3 emissions are no longer comparable to previous years. The outcome for 2024 was 57,838 tonnes of CO_2 equivalents.
Energy consumption	Implement annual energy savings of 1 GWh/year against a rolling five-year average in the Swedish starch operations.	Result above the target of 1.5 GWh/year.

Resource-Efficient and Environmentally Adapted Cultivation of Starch Potatoes

Together with our suppliers – many of whom are also co-owners – we are developing cultivation practices that aim for higher yields, lower climate impact, and reduced use of crop protection agents, with both environmental and economic benefits.

The potatoes used as raw material for Swedish starch production are grown by approximately 360 farmers in southern Sweden, covering an area of around 8,000 hectares. We always ensure that all our suppliers adhere to our Code of Conduct and take social responsibility. However, our primary focus is on environmental challenges, as we consider these to be the most business-critical and long-term decisive factors.

Biodiversity in the Agricultural Landscape
We have conducted an analysis of the impact of our Swedish starch operations on biodiversity, as well as the related financial risks and opportunities linked to ecosystem services. The results have been used as input for our materiality analysis.

Overall, there are significant challenges regarding biodiversity in the Swedish agricultural landscape, which is reflected, among other things, in the populations of birds and butterflies – an aspect monitored in relation to the Swedish environmental goal “A Rich Agricultural Landscape.” For example, the number of grassland butterflies has decreased by 30% between 2010 and 2020, and the long-term trend is even more concerning.

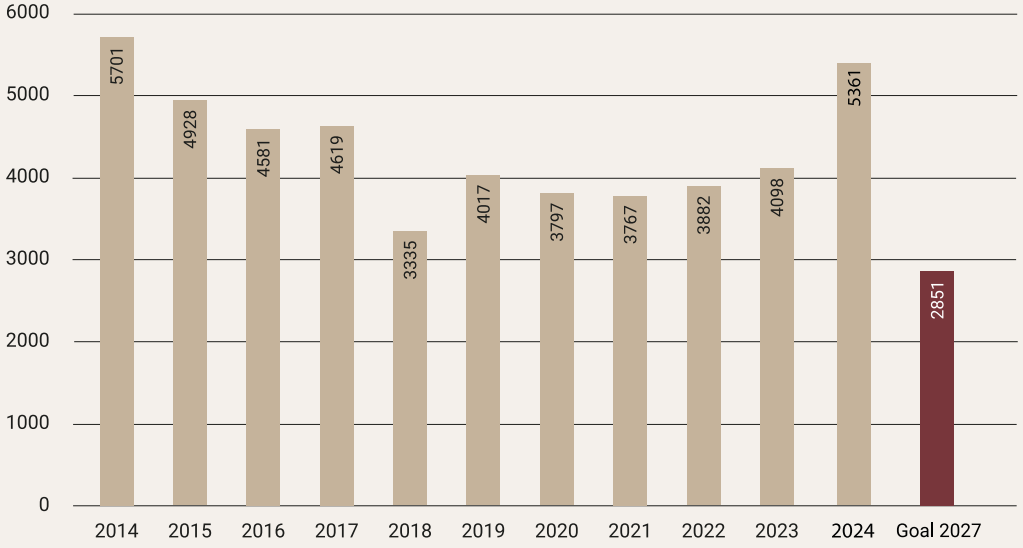
From a financial perspective, potato cultivation – and thus, by extension, starch production – is of course dependent on the natural ecosystem in which it operates. This is especially true of soil-dwelling organisms that contribute to soil structure and fertility, as well as to natural pest control and other similar services. To help increase biodiversity in the agricultural landscape, we focus on two main areas: reducing leakage of nutrients and crop protection agents into surrounding natural environments, and strengthening the availability of small biotopes in the landscape.

Use of Crop Protection Agents
To reduce environmental impact, we set a clear goal ten years ago: to halve the use of crop protection agents per hectare of potatoes, from 2014 to 2025. Potatoes are a sensitive crop and have traditionally required high use of crop protection, making this goal especially important.

Since certain products were banned from the market in 2024 and issues with resistance have arisen, crop protection agents have not been able to be used as effectively in cultivation. However, we anticipate that measures can be taken ahead of the 2025 growing season.

We support our potato growers during the growing season with weekly newsletters that contain recommendations for the application of crop protection agents. These recommendations are based on established forecasting models for late blight and Alternaria. We continue to work intensively on this issue, but to achieve the final reduction in crop protection agents, we believe that modern plant breeding – to develop potato varieties resistant to late blight – is necessary. We have high hopes of utilizing such technology and have therefore extended the target period to 2030.

USE OF PLANT PROTECTION CHEMICALS (GRAMS ACTIVE SUBSTANCE / HA)



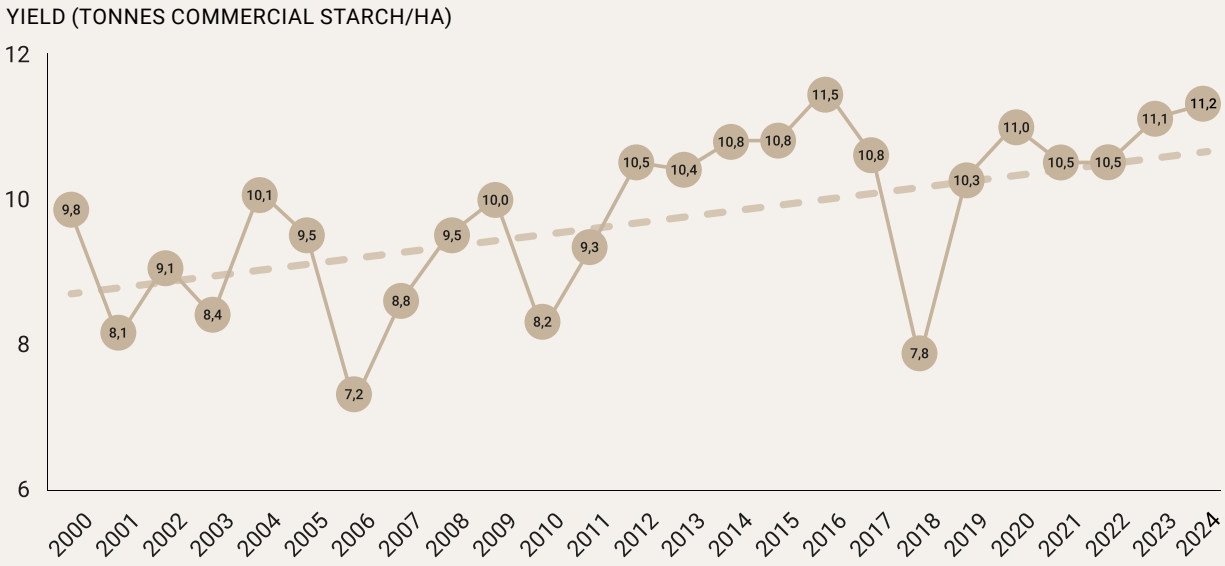
Room for Flowers in the Agricultural Landscape
The rationalization of the agricultural landscape has, in some areas, caused problems for wild animals and plants; among other things, insects are affected by the lack of flowers in the landscape. Potatoes are one of the few flowering crops in a typical crop rotation, and when the rapeseed has finished blooming, potatoes provide food for bumblebees and other insects. In addition to our raw material contributing to insect food, we have sponsored the ”All of Sweden in Bloom” project for several years, which finances flowering field margins throughout Sweden.

Another way to support the availability of small biotopes in the landscape is to make cultivation more efficient, resulting in higher yields per hectare of farmland. This also reduces the climate footprint, as a significant portion of the impact stems from nitrous oxide emissions from the soil. For our Swedish growers, we have seen a very positive development, with yields today 10% higher than they were in the early 2000s. The yield development over time for our Swedish growers, measured in tons of commercial starch per hectare (rolling 5-year average), has increased by more than 10% since the measurement series began.

Biodiversity Around Our Factories
Around the factory area in Nöbbelöv, there are about 14 hectares of pasture with very high natural value, classified as a biotope protection area.

During a 2017 survey, at least 100 sites with over 3,500 plants of the rare species field wormwood (hedblomster) were identified. In connection with the construction of new roads in the area in 2020, 1,500 of these plants were relocated to a nearby nature reserve. During the year, a follow-up survey was conducted. Five years after relocation, we can observe that a significant number of plants have established themselves outside, often directly adjacent to the relocated areas. Within the relocated plots, however, the transplanted plants have shown a high mortality rate. It is likely that competition from grasses and mosses, combined with drought, has had a negative impact, causing many field wormwood plants to wither away.

The project has generated valuable knowledge that can be applied to enhance the planning and execution of similar measures in the future. Additionally, so-called sand patches have been excavated to create habitats for sand-dwelling insects, wild bees, and other wasps. Many bees, wasps, and beetles that depend on sandy habitats for survival are now threatened, making these environments crucial for their survival.



Harvest development over time among our Swedish growers, measured in tonnes of commercial starch per hectare.
The rolling 5-year average has increased by more than 10 % since the start of the measurement series.

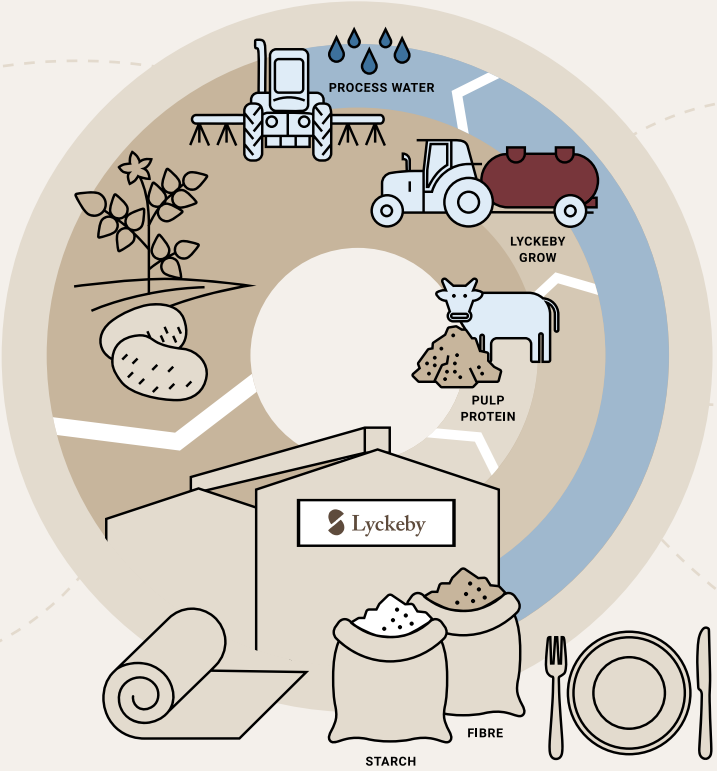
Circularity in Starch Production

At our starch factories in Sweden, the entire potato raw material is utilized to ensure resource efficiency and minimize waste. We separate it into starch, fiber, and protein – then purify starch and fiber as core products, while by-products are further processed for added value.

We continually strive to ensure that fractionation, purification, and further processing are carried out as efficiently as possible and with minimal use of chemicals. In this way, we can deliver high-quality products while protecting both the environment and resources.

Process water from production is returned to the fields to water the crops

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



Nutrients in the potato juice are concentrated and sold back to farmers as fertilizer

Protein is transformed into a nutritious feed protein

Plant parts remaining after the foodgrade fiber has been processed are concentrated into pulp and sold as feed

Certified Sustainable Cultivation

Lyckeby is working to ensure that all cultivation of starch potatoes is certified by 2026. In recent years, we have compared both Swedish and international certifications to find the model that best suits our growers while also meeting customer requirements. Already today, around 50 growers are IP Sigill-certified, and since many already meet most of the requirements, we see certification as a natural next step.

Through certification, we can collaborate to ensure compliance with legal requirements and enhance our efforts in environmental protection, occupational health and safety, and biodiversity. For us, it is also about creating a shared foundation for continuous improvement – where growers and Lyckeby together develop social, environmental, and business results.

As part of our commitment, we are also participating in the "Farm in Focus" (Gården i centrum) project which will commence in autumn 2025 in Kristianstad Municipality. The project brings together stakeholders from across the entire agricultural value chain to support growers in reducing climate impact and increasing carbon sequestration in the soil. Through new collaboration and business models, this transition will be made possible without the responsibility falling solely on individual growers.

The Three Pillars of Sustainable Agriculture

1. People – Ensuring that cultivation provides security and long-term livelihoods for you, your family, and your community.

2. The Environment – Preserving natural resources, strengthening biodiversity, and reducing climate impact.

3. Profitability – Ensuring agriculture remains viable and offers fair opportunities for businesses to thrive.

Lyckeby's transition from sulfuric acid to hydrochloric acid.

By replacing hazardous chemicals and transforming its production processes, Lyckeby has taken significant steps to reduce its environmental impact and enhance safety.

Quality and Sustainability Manager Eva Lundholm shares insights into the background, challenges, and new opportunities that have emerged.

For several years, Lyckeby has collaborated with Kristianstad Municipality to address issues with hydrogen sulfide formation in the pipelines leading to the wastewater treatment plant. Hydrogen sulfide is not formed during our own production – however, since the pipelines are long and have a low flow, the problem arises on the way to the treatment plant.

– To meet the conditions of our renewed production permit, we have actively worked to reduce sulfate emissions, which are a contributing factor to hydrogen sulfide formation, says Eva Lundholm.

Acid Switch – From Sulfuric Acid to Hydrochloric Acid
For a long time, Lyckeby has been dosing chemicals along the pipelines to reduce the formation of hydrogen sulfide. Previously, sulfuric acid and sodium sulfate were used to manufacture hydroxypropylated products, which contributed to high sulfate levels in the wastewater.

The production of hydroxypropylated products ended on November 30, 2024. In February 2025, sulfuric acid in our other product lines was replaced with hydrochloric acid, resulting in hydrogen sulfide levels dropping from high levels to almost zero.

Safety First – From Seveso to Sustainability
Previously, propylene oxide – a Seveso-classified substance – was used, which meant that Lyckeby was considered a facility with large quantities of hazardous chemicals. This entailed strict requirements for both safety and risk management.

– An important driving force behind the change has been safety. By phasing out hazardous chemicals, we are no longer classified as a Seveso operation.

This means Lyckeby has taken important steps toward a more sustainable and safer business – for the environment, our employees, and our neighbors.

The Future – New Products and Investments
The process of phasing out hazardous chemicals has taken time, not least because the products containing these substances were highly profitable.

– It has been necessary to gradually shift our sales and instead focus on other product areas. One of the categories that has grown is our acetylated products, which has led us to now plan for a new tank hall to meet the increased demand.

Raised Ambitions for Sustainably Produced Flavor Products

Spices, herbs, and vegetables form the core of our flavor operations. These ingredients shape the distinct character of our products. In partnership with SSI, Culinar commits to responsible and sustainable sourcing of these materials from suppliers worldwide – a necessity for our future, yet also a significant challenge.

We act deliberately to guarantee that our raw materials are sourced sustainably. This ensures production respects both the environment and people, upholds high quality, and protects consumer safety. It is also critical that our ingredients remain authentic and unadulterated.

To truly influence global cultivation in a more sustainable direction, we need to collaborate with other industry players. Since 2018, our Swedish flavor operations have been an active member of the Sustainable Spices Initiative (SSI), see fact box.

Our objectives adopt SSI's definition of sustainably produced spices. This standard prioritizes social responsibility in the supply chain – an area carrying both risks and opportunities for stakeholders. It also addresses environmental and climate impact, requiring growers to take specific action in cultivation.

Until now, our objective has aligned with SSI's 2025 target: 25% of our three largest spices are to be sustainably cultivated. In 2023, we assessed our efforts and decided to aim higher by 2030.

From 2025, we will expand the number of products included in our objective from three to ten. At the same time, we are increasing the target range for the share of sustainably produced raw materials in our purchases, from 25% to 80%. By including our ten largest products by volume, 30% of our spices, herbs, and vegetables are now covered, compared to 10% previously.

This is a crucial step toward offering our customers a wider range of sustainably produced spices.

Sustainable Spices Initiative (SSI)
The Sustainable Spices Initiative (SSI) is a global collaboration platform that brings together stakeholders in the spice and herb trade to promote sustainable agricultural practices.

The foundation of SSI's work is a shared understanding of what sustainable agriculture means. It is about the efficient production of safe and high-quality agricultural products, while also protecting the natural environment and strengthening social and economic conditions.

To set minimum criteria for sustainably produced herbs and spices, SSI relies on established standards. When a supplier meets these requirements, the raw material can be classified as sustainable. Additionally, SSI undertakes several local cooperation projects to enhance knowledge about and promote sustainable cultivation in various countries.

As a member of SSI, companies commit to setting clear goals in line with the organization's requirements and to continuously monitor and report their results. This collaboration contributes to better raw materials and a more sustainable value chain for spices and herbs worldwide.

For the following raw materials, we have set new targets for the proportion of sustainably produced ingredients according to SSI, aiming for 2030:

- Onion 40 %
- Paprika 50 %
- Garlic 50 %
- Tomato 80 %
- Cinnamon 30 %
- Cumin 70 %
- Oregano 30 %

For these three spices, we are maintaining the previously established targets. This year's results in relation to the targets are shown in parentheses:

- Chili 25 % (10 %)
- Pepper 40 % (37 %)
- Turmeric 50 % (46 %)

Supplier Follow-Up
In addition to our commitments through SSI, we manage sustainability risks in the agricultural supply chain through our supplier code of conduct and regular audits of our suppliers. Our code of conduct clearly links our requirements to international conventions and guidelines, such as the UN Guiding Principles on Business and Human Rights and the Convention on the Rights of the Child.

Through this work, we aim to help strengthen the implementation of these principles in the supply chain while also promoting the continued development of sustainable cultivation.

We work systematically to gradually follow up on the entire supply chain, leading to improvements in environmental conditions, social conditions, and working methods. One of our tools is the recognized platform SEDEX, which we use to share information and track external audits. Over the past year, we have clarified our procurement process and our requirements for SEDEX membership. Suppliers in non-risk countries must complete a self-assessment, while actors in risk countries must have undergone a full audit according to the SMETA methodology. These requirements will be implemented gradually over the coming years.

Clarifying our processes is also an essential step in carrying out due diligence throughout the value chain. We are preparing to ensure a systematic and transparent approach.

We continuously visit and audit our suppliers, both to ensure product safety and to monitor compliance with our code of conduct. Long-term relationships with suppliers are essential for securing our value chains and future access to raw materials. The spice trade is a complex business, as many spices are grown by small-scale farmers in developing countries. Small-scale farming offers numerous benefits, including the promotion of bio-

diversity. At the same time, it presents challenges, including low wages and difficult working conditions for farmers, their families, and all employees.

Since spices are used in most food products and consumed worldwide, demand is expected to increase in line with a growing population. A secure supply of spices is only possible if production provides growers with an economically attractive and sustainable livelihood. Otherwise, there is a risk that they will leave farming for more stable sources of income. Through our purchasing practices, we therefore see a great opportunity to make a real difference – both for the growers and for a sustainable global spice supply.

Enviromental Impact from Raw Materials
The raw materials we purchase for our operations vary greatly in character and origin. In 2024, we conducted a mapping of Scope 3 emissions for our Swedish flavor operations, and it became clear that raw materials are one of the largest sources of our emissions. Raw materials account for the majority of our climate footprint, followed by the packaging we use.

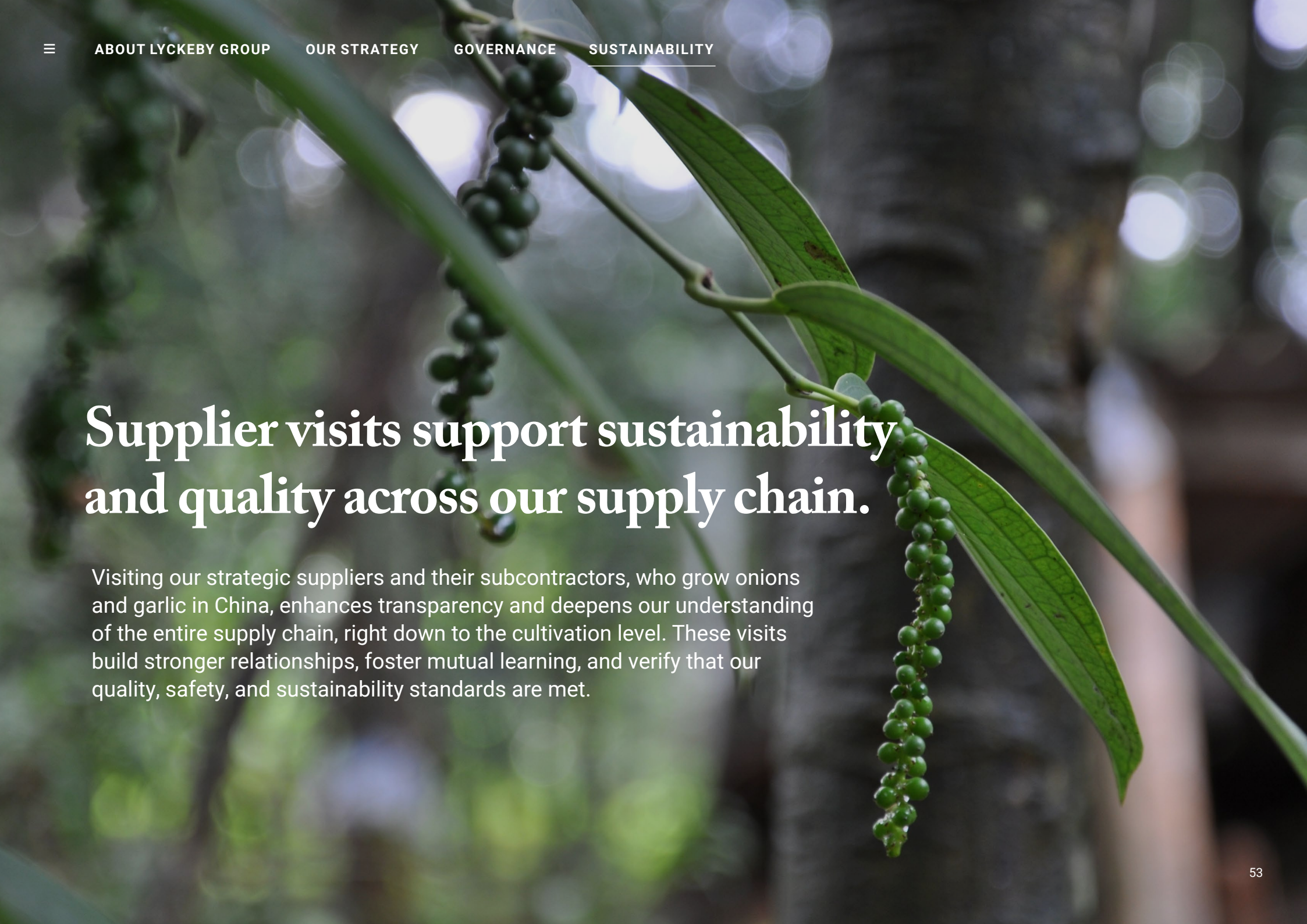
During the year, we therefore decided to establish climate targets for 2030. Here, we see that long-term and strategic sourcing has the greatest potential to reduce impact. This applies both to processed ingredients, which are often produced in Europe, and to agricultural raw materials grown in other parts of the world. Through conscious supplier selection, we gain both better data and opportunities to collaborate on measures that reduce our climate footprint.

We have also identified the need for a structured environmental management system within the Swedish flavor operations. This will ensure systematic work on climate issues throughout the entire value chain, creating better conditions for achieving our future climate goals.

Food Safety
As a food company, delivering safe products to customers and consumers is a fundamental requirement. To achieve this, we work diligently to comply with laws, regulations, and guidelines throughout the entire value chain, starting with the raw materials. Ensuring high-quality raw materials can be a challenge, especially in a world marked by turbulence. Therefore, we thoroughly evaluate each raw material to ensure safety and quality to the greatest extent possible. Among other things, we consider:

- Certification of cultivation
- Certification of production and processes (GFSI)
- Quality characteristics defined according to ISO standards
- Specific risks associated with the raw material
- Unique control programs for each raw material

For many years, we have worked in accordance with the BRC Food Standard and ISO 9001 (quality standards). Our well-established quality and food safety system encompasses risk analysis, product compliance with relevant legislation, employee knowledge and awareness of food safety, and close contact with customers and consumers.



Supplier visits support sustainability and quality across our supply chain.

Visiting our strategic suppliers and their subcontractors, who grow onions and garlic in China, enhances transparency and deepens our understanding of the entire supply chain, right down to the cultivation level. These visits build stronger relationships, foster mutual learning, and verify that our quality, safety, and sustainability standards are met.

Compliance with Laws and Standards
We require our suppliers to comply with all relevant regulations and industry standards, including GFSI-accepted standards, FSSC 22000, BRC, and local food laws. We also confirm that Lyckeby's Code of Conduct is understood and upheld throughout the entire supply chain.

Quality and Food Safety
During the visits, we review procedures for sampling, traceability, allergen management, labeling, and deviation handling. This is crucial to ensure that consumers receive safe and reliable products.

Certifications and Documentation
We ensure that suppliers have relevant and valid certifications, such as organic, BRC, ISO, or KRAV, and that they can provide proper documentation when needed.

Social Responsibility and Working Conditions
Sustainability also involves people. That's why we evaluate labor standards, workplace safety, and protection of human rights – particularly in low-wage regions like China. These audits also allow us to share insights and articulate our requirements.

Environmental Sustainability
We follow up on our suppliers' work with resource management, waste, water, and energy use, as well as sustainability initiatives.

Long-Term Supplier Development
By cultivating strong partnerships, we can foster a shared responsibility for sustainable production and long-term supply.

Visits in China
During the year, we conducted visits in Gansu Province to follow the cultivation and processing of onions, as well as in Shandong Province for garlic. In total, five factories were audited, and additional facilities were visited without undergoing an audit. On each occasion, the review covered both food safety and quality, as well as social sustainability and our Code of Conduct.

Our primary goal is to establish long-term supplier relationships, ensure compliance with requirements, and clearly communicate our expectations.

Sustainability goals within Sustainable Cultivation

Area	Goal	Outcome
Climate impact (raw material)	Reduce greenhouse gas emissions in Scope 3 from the Swedish starch operations by 20% from 2017 to 2030.	In 2024, we conducted a comprehensive mapping of all categories within Scope 3. As a result, we will review our base year, since Scope 3 emissions are no longer comparable to previous years. The outcome for 2024 was 57.838 tonnes of CO_2 equivalents.
Biodiversity	Reduced the quantity of plant protection products used by our Swedish potato suppliers by 50% by 2030, while maintaining the same yields.	As certain products were banned from the market in 2024 and resistance issues have emerged, plant protection products have not been used as effectively in cultivation. However, we anticipate that measures can be taken ahead of the 2025 growing season.
Working conditions in the value chain	100% of our suppliers should have signed the Code of Conduct and been risk assessed by 2025.	Ongoing work.
	Increase the proportion of sustainable purchases (SSI's definition) by the end of 2030 for our ten largest products purchased by volume.	Ambition level set for the 2026–2030 period.

Circularity and Climate Go Hand in Hand in Product Development

Product development is a central part of Lyckeby Group's operations. Our development teams work closely with customers to identify and meet future needs.

By combining technical expertise with a customer-focused and solution-oriented approach, we develop products and services that are not only innovative but also practical and sustainable over time. Our goal is for every new solution to contribute to increased resource efficiency, reduced environmental impact, and a more sustainable value proposition for our customers. In this way, we strengthen both our own and our customers' transition toward a more circular and climate-smart future.

Sustainable Development in Starch Operations
Within our starch operations, we are engaged in focused and long-term efforts to enable more climate-smart, resource-efficient, and chemical-free potato cultivation. Through modern plant breeding, we are changing cultivation conditions and reducing environmental impact – while ensuring high yields and quality.

We strive to develop new starch products that require less energy and fewer chemicals in production, resulting in climate-smart, healthy, and safe foods. Our products, processes, and concepts are intended to contribute to a sustainable future for both people and the environment.

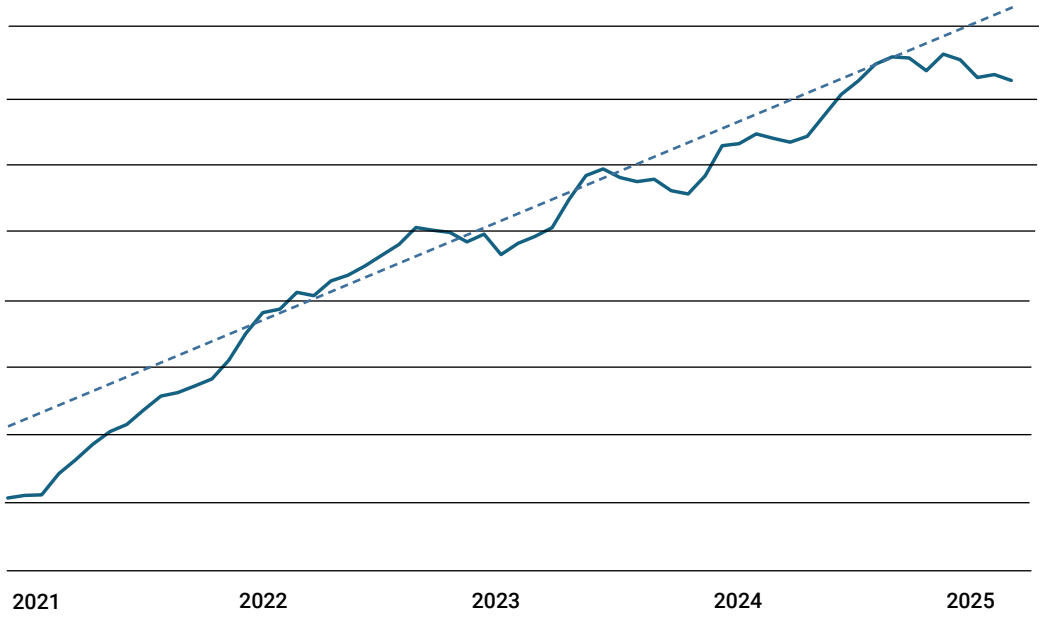
A key hub for this development is our internal vision, "The Green Starch Factory," which consolidates our long-term research and development projects within the Swedish starch operations. Here, we integrate innovation with sustainability to shape the future of food production.

At the same time, we are continuously working to increase resource efficiency in our processes, for example, by further developing and utilizing our by-products and optimizing current product recipes to reduce water and chemical use. In this way, we create value throughout the entire chain – from field to finished product. We also observe a significant increase in demand for sustainable solutions, including clean-label products, plant-based ingredients, and healthier alternatives.

By combining scientific expertise with practical thinking, we develop solutions that work in reality – not just in theory.

LYCKEBY CAREFUL – Clean Label Starch with a Lower Climate Footprint
LYCKEBY CAREFUL is our range of clean-label starches, developed to meet both the food industry's requirements for process and storage stability, as well as consumers' increasing demand for natural ingredients. Thanks to our patented production technology, we reduce energy and chemical use in manufacturing, resulting in products with a lower climate impact and an ingredient list free from E-numbers.

SALES OF LYCKEBY CAREFUL



Sales development of Lyckeby Careful since 2021.

We have focused especially on potato-based variants that enhance texture, consistency, and yield in plant-based meat alternatives, as well as provide increased crispiness in products such as French fries. In categories such as mayonnaise and dressing, we now also offer clean label solutions that can replace fat without compromising on taste or mouthfeel – enabling healthier products.

Development is moving in the right direction, with increasing volumes year by year. At the same time, global events such as the pandemic and the war in Ukraine have affected both the price and availability of raw material from waxy maize, which in turn has negatively impacted our business development in this segment. Growth for waxy maize–based products has therefore not met our original expectations. However, the development of our potato-based products is proceeding according to plan, which strengthens our position in this area.

In light of the challenges encountered, we have decided to extend our goal timeline to 2030, ensuring long-term sustainable growth.

Development of New Technology
As part of our strategic development, we focus on techniques to create functional starch systems through physical processing. This method, known as moisture and heat treatment, imparts improved properties to the starch, including a higher gelatinization temperature and increased heat resistance.

These characteristics are especially valuable in several food applications.

Two clear examples of areas of use are yogurt and sauce preparation, where thickening at higher temperatures is desirable. This technology enables products that can serve as excellent complements to our existing CAREFUL range.

A major advantage of this technology is that it eliminates the need for subsequent washing after heat treatment, saving both time and water while reducing the risk of yield losses.

Enzymes Replace Chemicals – Delivering Functional Clean Label Products
Through enzyme technology, we have developed an E-number-free starch that builds texture and melts efficiently – without the use of traditional chemicals. The product can replace milk protein and cheese in processed cheese and plant-based alternatives, contributing to a lower climate footprint.

Dextrin from the Czech Republic
In our Czech operations, we produce clean-label starch in the form of dextrin. This dextrin is modified solely through physical treatment with acid and heat, without chemical modification. Therefore, it is declared without an E-number in the ingredient list, just like our LYCKEBY CAREFUL products.

Dextrin is a valued health product that, in certain applications, can replace eggs, making it an attractive option for cleaner and more natural ingredient lists. In addition to the food industry, dextrin is also used as a sustainable alternative to polymer dispersions (plastics) in various technical applications, such as adhesive manufacturing.

Dextrin-based adhesives are used in large volumes in the production of paper tubes, and demand for more sustainable adhesive solutions is also increasing in other product and packaging segments. By offering dextrin-based alternatives, we help reduce the use of fossil raw materials and promote more sustainable product development.

Industry Collaboration for Sustainable Development
We are active participants in FINEST, an initiative led by RISE and funded by Formas, with the goal of creating the conditions for an environmentally, socially, and economically sustainable food sector in Sweden. FINEST works to accelerate the transition to a more sustainable food system by bringing together expertise and promoting collaboration among various industry stakeholders.

An example of this is our projects where we contribute our extensive expertise in flavor and functionality – from traditional food applications to the development of new plant-based and vegan products. In this way, we help drive innovation and sustainability forward within the food sector.

Smart Packaging Materials
On the flavor side, we continually work to enhance our packaging and develop new, sustainable solutions in close collaboration with our packaging suppliers. Our starting point is always to protect the products from moisture, dirt, and shocks during transport and handling. Good protection is also our most important contribution to reducing food waste. At the same time, the packaging should be practical for the user – easy to open, use, and dose from.

In addition to these basic requirements, we have a clear objective: to gradually reduce the climate impact of our packaging. In 2025, we completed our commitment within the Grocery Trade's Plastics Initiative 2025. The last materials have been replaced, which means we have carried out all planned measures as far as possible.

Looking ahead, our focus is on ensuring that we meet the new requirements introduced by the EU Packaging and Packaging Waste Regulation (PPWR). This includes requirements for the proportion of recycled material in plastic packaging, recyclability of paper laminates, and rules regarding the use of plastic wrapping.

Already today, we have taken several important steps in the right direction. We have reduced the weight of our spice jars while increasing the proportion of recycled glass. Our lids are made from bio-based plastic, and our larger jars from

recycled plastic. During the year, we have continued to develop our packaging to make it even more climate-smart.

A clear example is Kockens Foodservice's decision to remove the plastic cap from our 1- and 2-liter packages. This is both an environmental gain and a step in line with the EU directive on single-use plastics. By removing the cap, we save about one ton of plastic per year, improve recyclability, and reduce the climate footprint. At the same time, we meet consumer preferences – many do not appreciate attached caps – and we reduce our costs for both materials and production.

We have also worked to reduce plastic use in our transport packaging. By optimizing both stretch film for pallets and shrink film for spice jar trays, we have reduced plastic consumption by approximately six tons per year.

In autumn 2024, we launched a new 1 kg package for Laila's Mjölmix. We switched from a "bag in capsule" solution to just a bag, which almost halves the amount of material used. Annually, this translates to a savings of approximately 17 tons of material, including three tons of plastic.

In 2025, we will also develop new climate goals for our flavor operations, where packaging will play a crucial role and where our efforts will be closely aligned with the new EU requirements.

We are also driving development in our Czech operations. There, we have decided that all paper packaging must be sustainably produced and therefore only purchase FSC-certified options.

Products for Today's Efficiency and Tomorrow's Needs

We develop products together with our customers – this is a natural part of our offering. Our dedicated product developers, with their deep knowledge of flavors and functionality, help create sustainable solutions that support customers in launching new products to the market.

Through close collaboration, our precise expertise in flavor and applications, combined with the flexibility to adapt batches to customers' processes, enables us to both reduce waste and contribute to greater production efficiency.

The events of recent years have been challenging for many food producers, with supply chain disruptions leading to increased costs and shortages. Here, Culinar has worked proactively to support customers – including optimizing recipes and processes without compromising on taste or functionality.

With our broad knowledge of how different ingredients are structured and interact, as well as their impact on the final product, we strive to be a partner that consistently supports our customers in the best possible way.

Sustainability Goals within Product Development and Innovation

Area	Goal	Outcome
Modern plant breeding	Increase our knowledge of how the CRISPR technology affects the potato's properties.	Active engagement in research and innovation initiatives.
	Increase sales of LYCKEBY CAREFUL products tenfold between 2020 and 2030.	Sales are steadily increasing each year, and we are now more than halfway toward our goal.

Transition and Development of Production Environment

For many years, the closed starch factory in Bäckaskog has symbolized a bygone era. Meanwhile, sections of the building have continued to serve as starch packaging and seed handling facilities. However, maintaining such an expansive structure for a limited operation has led to excessive costs, energy use, and avoidable transportation.

Efficient Production in Modern Facilities
When the decision was made to demolish the factory, it also created the opportunity to move the packaging operations to Culinar's facility in Fjälkinge. Here, we can consolidate activities in one location with modern, energy-efficient machines and a work environment that supports our employees. The move simplifies production planning, reduces transportation needs, and enhances food safety.

Sustainable Demolition with a Circular Approach
The demolition of Bäckaskog was carried out with a strong focus on sustainability. Before the work commenced, a comprehensive analysis of the materials was conducted to minimize the environmental impact. Concrete and bricks from the factory were crushed and reused on site as ground reinforcement for the new seed potato storage – an approach that minimized transportation and contributed to a circular use of materials.

Closer to Our Employees
For our employees, the move means not only new, modern facilities but also better opportunities to be involved in the company's day-to-day operations. By bringing more activities together in Fjälkinge, it becomes easier to participate in meetings, development work, and joint activities – something that strengthens both the work environment and the sense of community.

A Step Toward Future Sustainability
This decision is part of our long-term sustainability efforts, which aim to reduce our climate footprint, utilize resources more efficiently, and, at the same time, create a safe and attractive workplace.
The move from Bäckaskog to Fjälkinge is therefore not just a practical solution – it is an important step toward a more sustainable and future-proof operation.

New Storage Silo – Sustainability and Efficiency Cubed

In February 2024, the first groundbreaking took place for the construction of Lyckeby's new storage silo in Nöbbelöv. The investment involved building a third silo next to the two existing ones to meet the increased production of potato starch. In the second half of 2025, the new silo was commissioned.

With a storage capacity of 50,000 tons, equivalent to 70,000 cubic meters, it is the largest silo at the facility – with the ability to store more than the two older silos combined. The previous silos were constructed approximately 50 years ago and designed to last for at least 100 years.

The new silo represents a strategic step in future-proofing the facility's capacity, reinforcing our long-term commitment to sustainability and resource efficiency.

Green Concrete – For a Sustainable Future
The new silo is the result of a key strategic decision and marks a milestone in our efforts to meet future capacity needs and enable continued growth.

It significantly improves logistics and reduces transportation requirements, which in turn enhances production efficiency and lowers our climate impact.

The silo is the first of this size to be built using so-called "green concrete" – a climate-improved concrete in which part of the binder cement is replaced with by-products from other industries, such as fly ash. Since cement has a high climate footprint, this means the silo's climate impact is about 288,000 kilos lower than if conventional concrete had been used. At the same time, concrete is a sustainable and durable material that ensures the structure's longevity.

The building itself consists of a concrete slab and walls totaling 3,600 m³ of concrete, with a service tunnel underneath. The roof structure consists of glulam beams, sandwich panels, and roofing. With a height of about 52 meters, the silo stands as a prominent landmark in the region.

The Road to Our New Silo
Planning for the silo project began as early as 2017/2018, when the need for increased storage capacity became apparent. The original plan was to build the new silo in Mjällby, but it soon became clear that one silo there would not be sufficient. The idea then shifted to building two silos instead.

Eventually, it was decided that a single, very large silo was the best solution – and that Nöbbelöv was the most suitable location, since it is the hub of our production. During the course of the project, circumstances changed when the pandemic and other global disruptions hit, which meant the project had to be put on hold temporarily.

Environmental Benefits of Our New Storage Silo
Until now, most of our starch has been stored in big bags at external warehouses, which requires both extra packaging and many transports. At current production levels, this translates to approximately 15,000 big bags per year that need to be filled, emptied, and transported. The new silo eliminates the need for extensive handling of large bags, contributing to a more sustainable and efficient operation. Additionally, energy-efficient blowers have been installed to reduce electricity consumption and increase production efficiency.

The Team Behind the Silo
When Lyckeby undertakes large-scale facility projects, a project organization is always established, including a project manager and representatives from production, quality, process, electrical & automation, and supply chain. For areas of expertise outside our own, we bring in external specialists.

In this project, for example, we engaged specialists in construction, civil engineering, fire safety, and ATEX planning. Mechanical consultants assisted with calculations and design, and the entire project layout, including the building, machinery deliveries, and piping, was developed by external resources.

"This is a project you only get to be part of once in a lifetime, and everyone involved has expressed their gratitude for that."

JONAS OSKARSSON
Project Leader

LYCKEBY GROUP

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