

SVERIGES STÄRKELSEPRODUCENTER

# Sustainability Report

## 2020/2021





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# Our CEO's comments

Sveriges Stärkelseproducenter (Lyckeby), an association of Swedish starch producers, operates on a market where attitudes to sustainability are evolving all the time and this means that there is growing interest in what we do. Using biological raw materials created through photosynthesis in a responsible way and making the best possible use of them as foods or materials is what we call "circular bioeconomy".

At the same time, a political discussion is under way which questions biological raw materials. We are seeing suggestions regarding e.g. taxonomy (the definition of green investment projects) from the European Commission, whereby the opportunity to use biological raw materials is being restricted and challenged. In my view, we must clearly communicate the fact that we produce the raw material in a responsible manner, and use virtually the entire potato for different products. Some of the products become food for humans or animals, while others replace fossil-based products in materials that are necessary for consumers.

In our starch operation we focus on our climate impact, because the assessments we have conducted show that our most important environmental considerations are linked to carbon dioxide emissions and fossil fuel consumption. Over the past year we have devoted many resources to creating a greater understanding of the climate impact of our entire operation, from growing starch potato through to the refined product being transported to the customer. We now feel that we are beginning to get a good understanding of where we will take action to reduce our carbon footprint. It makes sense to start with what we have control over ourselves, i.e. our own consumption of fossil energy. We have now chosen to invest just under SEK 20 million in substituting LPG and heating-oil consumption with bio-oil. Part of the investment has been funded with the help of the Swedish EPA's Klimatklivet initiative. The aim is to be completely fossil-free by 2025. The next step is to review what is termed "Scope 3", which for the Starch operation means the impact from farming starch potato, transport and the use of different inputs.

We are also endeavouring to make changes in the way we conduct ourselves. The Group has now adopted a new Car Policy, whereby we will no longer use cars running on fossil fuel only. Instead we permit only pure electric cars or hybrid cars. To make life easier for our company car holders as well as other employees, we are now installing EV charging stations at all our units. The first phase encompasses about 55 charging points, which we believe will cover needs for some time.

When it comes to farming and the use of plant protection products, we see opportunities for reducing their use by developing the potatoes we grow through modern plant breeding. The restrictions introduced by the EU on modern plant breeding techniques are, therefore, a major problem that hinders our

sustainability work. We are therefore proactively involved in lobbying to change the EU legislation, and have also hived off our own development activities in plant breeding into a newly started company called SolEdits AB. The intention is to make the technology available to the rest of the potato industry and other plant breeders.

In our Spice operation – Lyckeby Culinar AB and Kockens AB – we purchase a large number of ingredients and raw materials from all over the world. During the year, we continued our work on sustainable purchasing and responsibility for working conditions, human rights and environmental aspects in our supply chain. This has meant for example updating our Supplier Code of Conduct and our sustainable purchasing process.

Also during the financial year, we have increased the percentage of sustainable purchases, according to our commitment as members of industry organisation Sustainable Spices Initiative (SSI).

We continue to strive to reduce energy consumption and waste in the production of dry and liquid spices and flavourings. All of the energy we use for our own production at the unit in Fjälkinge has been fossil-free since January 2019.

Sustainability is a key aspect of our strategy plans up to the year 2025. In the starch business, our strategy will be to continue to grow by attracting new farmers and developing existing ones. We are striving to refine as much of our raw materials as possible to help develop the foods of the future.

In the spice operation, we are continuously developing the products demanded by customers and consumers. In order to do this responsibly, we are gradually increasing our control over the origin of the raw materials, deploying more resources to work on plant-based solutions, developing techniques that enable salt reduction in different foods without detracting from flavour or function, and reviewing our packaging materials.

There are many points of contact between our business areas as we have a joint foundation in farmed raw materials, although they do differ in that farming takes place in different parts of the world, for instance. With this in mind, in this year's report we have chosen to describe the sustainability work and objectives in our four common focus areas separately for each company.

We are part of the solution when it comes to sustainable climate and responsible products!



**Hans Berggren**

*CEO of Sveriges Stärkelseproducenter, SFF*

# Our sustainability year 2020/2021

## Lyckeby

### Assessing the climate impact of our operation

To gain a better understanding of how our operation affects the climate, in spring 2019 Lyckeby began a climate impact assessment from a life-cycle perspective for the company's operations, from farmed potato to native potato starch, and on to highly refined starch adapted for use in paper and food products. The assessments were carried out in the SimaPro tool with an external environmental consultant using data for 2017. Using these results, we are now developing strategies and goals for how we will reduce our climate impact in both the short and long term, as well as which are the most important activities for us to prioritise to be efficient. Furthermore, we can see that we are already working on measures and goals in the largest areas of our climate impact.

During 2020/2021, we have calculated our impact for Scope 1, 2 and 3 according to the Greenhouse Gas (GHG) Protocol. GHG calculations have been carried out for the 2017 and 2019 production years, and show that Scope 1 and 2 (chiefly emissions from energy consumption) account for approximately one-third of our climate impact. This is the aspect of our impact for which we are mainly responsible and therefore have the greatest ability to influence. The rest of the impact is primarily from farming potatoes, transport to and from the operations, as well as the production of chemicals, etc. for production.

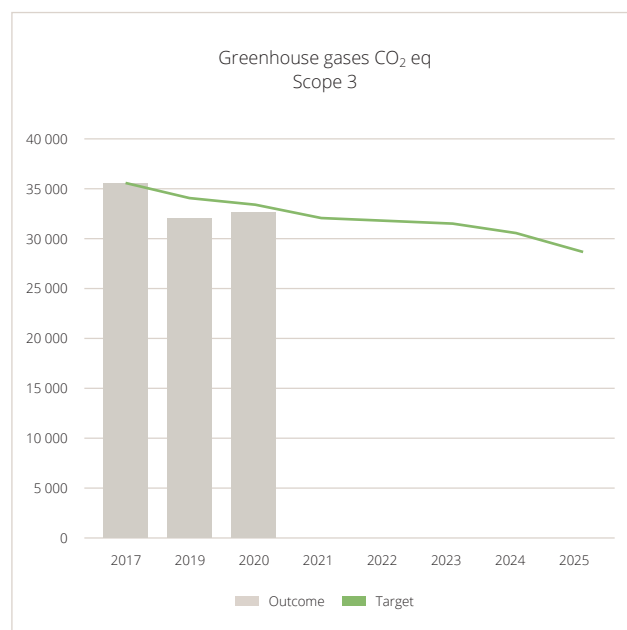
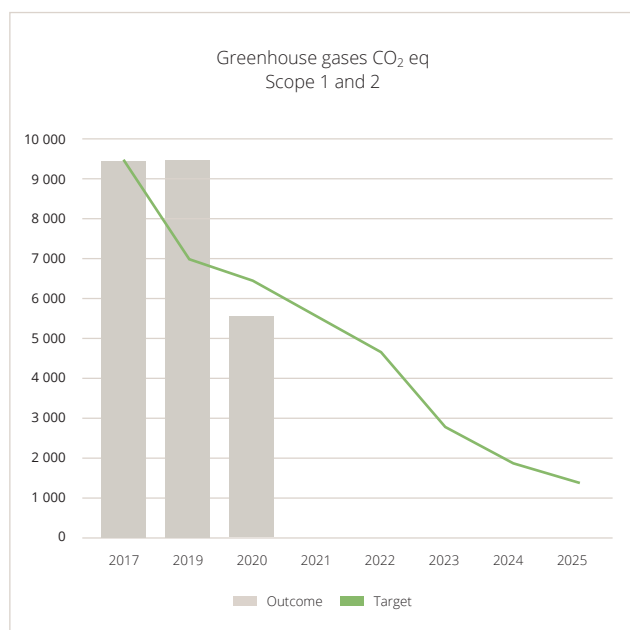
We have actively worked on a goal to reduce Scope 1 and 2 GHG emissions by 30% in the period 2017–2021,

and the goal has been achieved. We reduced Scope 1 and 2 GHG emissions by 40%. The goal was achieved as we converted our steam boilers to bio-oil, see the section “Climate impact of starch production” on page 19.

During 2020/2021 we have developed new long-term strategic goals for reducing our climate impact; the aim is for our work to be in line with the Paris Agreement. Our long-term goals are to reduce Scope 1 and 2 GHG emissions by 85% in 2017–2025, and to reduce Scope 3 GHG emissions by 20% in 2017–2025.

### Results achieved 2020/2021

- CRISPR potato multiplication
- Reduced the actual amount of plant protection products used by our potato suppliers by 34% since 2014
- Made energy savings of almost 1 GWh a year, calculated as a rolling five-year average since 2014
- All our steam boilers have been converted to bio-oil





## Lyckeby Culinar AB and Kockens AB

We have had an intensive year, during which we have developed our sustainability work in all four of our focus areas. We have worked concertedly in the Group to update our internal Code of Conduct and the planning of related training for all personnel.

We continued our work on sustainable purchasing and responsibility for working conditions, human rights and environmental aspects in our supply chain. This partly entailed updating our Supplier Code of Conduct and our sustainable purchasing process. We also decided to update our Sedex membership to corporate level, which facilitates our work with suppliers. Also during the year, we have increased the percentage of sustainable purchases, according to our commitment as members of industry organisation Sustainable Spices Initiative (SSI). Read more on page 28.

At our production site in Fjälkinge, we are continuing our efforts to reduce energy use and waste. Read more on page 31.

Lyckeby Culinar AB supports the Swedish Food Federation's sustainability manifesto, which defines five commitments for sustainable, vibrant Swedish food production. We continue to work towards fossil-free production, recyclable packaging and good conditions in the supplier stage.

Kockens supports DLF Sweden's Transport Initiative and its Plastic Initiative, and work is continuing on fossil-free domestic transport and recyclable plastic packaging.

Lyckeby Culinar AB is continuing its development work

on helping customers with more sustainable, tasty and healthy products.

We were particularly delighted to see Kockens' Turmeric Latte (part of its 'Super Spice' series) make health magazine MåBra's top 10 for 2021.

### Results achieved 2020/2021

- Increased percentage of sustainable purchases (as defined by SSI) to 80% for turmeric, 19% for black pepper, 11% for chilli
- Updated our process for sustainable purchasing
- 52% of waste from production at the Fjälkinge factory was recycled
- Kockens reduced carbon dioxide emissions from domestic transport by 85%
- 99% of Kockens' packaging recyclable
- Kockens' spice jars are at least 55% recycled glass

## New car policy for the entire group

We have decided on a new car policy and are no longer accepting cars running on fossil fuel only. We are therefore setting up 50 charging points at our units in Nöbbelöv, Fjälkinge and Mjällby, intended for company cars and employees' private cars.



# Business model, Sveriges Stärkelseproducenter (SSF)

SSF's business model is to buy potatoes from our farmers/owners, to refine the potatoes' contents in the best possible way, and to then sell the products we produce to customers on selected markets. Some of the starch extracted from the potatoes is further refined by mixing with seasoning and/or other functional ingredients purchased from farmers and food producers all around the world, before being sold on. We sell the remaining content of the potatoes back to our farmers as a concentrated fertilizer for next year's crop.

We have two business areas, Starch and Spices. The Starch operation is run in the parent company SSF while the Spices operation is run in the companies Lyckeby Culinar AB and Kockens AB. In the Starch business area, we work with the food and paper industries under the Lyckeby and Solam brands respectively. In the Spice business area, we work with the food industry and consumers/food service under the Culinar and Kockens brands.

## Sveriges Stärkelseproducenter, SSF



SSF produces, develops and sells native potato starch, modified starches and potato fibre to the global food industry under the Lyckeby brand.



SSF sells refined starches to the paper industry in the Nordic region under the Solam brand.



Culinar develops, produces and sells products for flavour and consistency to the Nordic food industry under the Culinar brand. Culinar's production units also make products for Kockens AB.



Kockens sells spices and other colonial products to retail and food service in the Nordic region.





# Our production units

SSF is owned by farmers in southern Sweden. All the potato we use as a raw material in our starch products is grown by our owners. We have about 500 owners, and around 360 of them are farmers. We have a total of five production units in Sweden, located close to our farmers.

## Nöbbelöv, Kristianstad

Our head office for the Starch business area and the parent company SSF is located outside Kristianstad. Here we receive potato from our farmers which is processed into native potato starch and fibre. The starch is then refined into modified food starch. The unit is also home to our R&D centre, which focuses on the development and use of starch in food and paper applications.

**Number of employees:** 102 permanent employees\*

## Fjälkinge, Kristianstad

Our head office for the Spice business area and the companies Lyckeby Culinar AB and Kockens AB is located in Fjälkinge outside Kristianstad. At the factory, raw materials are mixed with ingredients from Nöbbelöv to form dry and liquid food products. Fjälkinge is also where we have our development kitchen, which is adapted for flavour innovations in various food applications.

**Antal anställda:** 166 permanent employees

## Bäckaskog, Kristianstad

In Bäckaskog we handle seed potato, which is sold to our farmers. Some of our products are also packaged here, such as Kockens' potato flour.

**Number of employees:** 8 permanent employees\*

## Mjällby, Sölvesborg

Mjällby is the production plant for technical starch products. Here we receive potato from our farmers and produce native potato starch. A small percentage is transported to Nöbbelöv, but the majority is refined on site into technical starch for the paper industry.

**Number of employees:** 23 permanent employees\*

## Jämjö, Karlskrona

The Jämjö plant is a production unit for native starch. The starch is transported directly to customers, or to Nöbbelöv and Mjällby for further refinement.

**Number of employees:** 5 permanent employees\*

*\* In addition to the permanent employees, every year a number of temporary staff are employed in our starch operation, usually from September to January, to handle the production of native starch which is done during this period of the year.*

# About our sustainability programme

At SSF we have chosen to divide our sustainability work into four focus areas. These areas are common to all our business areas, and they follow our value chain which is centred on refining farmed raw materials. To ensure that our focus areas are in line with national and global guidelines for sustainable development, we link our work in each focus area to one or more of the goals in the United Nations 2030 Agenda for Sustainable Development.



The 17 global Sustainable Development Goals (SDGs) of the UN's 2030 Agenda.  
Image source: <http://www.globalamalen.se/wp-content/uploads/2016/05/globala-malen-pdf>

SSF'S FOCUS AREAS IN SUSTAINABILITY	2030 AGENDA SDGS
 Responsible employers and committed employees	  
 Sustainable farming	  
 Operations with optimised use of resources	  
 Development of sustainable products	 



During the year, we have updated our stakeholder analysis and materiality analysis, and can observe that our focus areas for the past few years are still relevant to our operations, and remain in line with the global Sustainable Development Goals. We have, however, removed “Responsible business partner” as a focus area in our updated sustainability programme. This does not mean in any way that we have altered our attitude to how we conduct our business operation. Our common core values exist in our corporate culture, a culture that has developed alongside our customers and business partners over many years in the industry, and through our high level of activity in our industry organisations.

During 2020, we adopted new codes of conduct and supplier codes for our Swedish companies.

We prioritise strong, long-term relations with our customers. By offering a high level of support in sales, logistics and product development, we create further peace of mind with our customers and our own employees, thus laying the foundation for good business and mutual trust. We think of ourselves as a partner to our customers, and through cooperation we build understanding for the wishes and requirements of customers and the market as a whole.

We like to invite our customers to visit us and see our production process at first hand, enabling them to fully evaluate how the product they are buying is made. This applies not only to the physical process, but also to our expertise in food safety, legal compliance, health and safety, environmental consideration, product knowledge, sustainability and so on. By opening up and being transparent to our customers, we ensure that we live up to their demands and enable them to help influence and develop us towards being a more sustainable company.

It is in the remaining four focus areas (Responsible

employers and committed employees, Sustainable farming, Operations with optimised use of resources, Development of sustainable products) that we, as a company, face the main sustainability challenges, and it is consequently also there that we can make the biggest difference.

There are many points of contact between our business areas, where we have a joint foundation in farmed raw materials and refinement, which partly takes place in the same factories. At the same time the business areas’ operations differ, as farming takes place in different parts of the world and sales in different markets. As a result there are both shared objectives for the whole of SSF as well as different objectives for our different business areas and brands.

With this in mind, in this year’s report we have chosen to describe the sustainability work and objectives in our four common focus areas separately for each company.

At SSF, we maintain an ongoing dialogue with our stakeholder groups. These dialogues build an understanding of the demands and expectations our stakeholders place on our business, which has provided valuable guidance in the process of prioritising and deciding on risks and objectives in our focus areas for sustainability.



STAKEHOLDER GROUP	COMMUNICATION CHANNEL
Owners	Local meetings, shareholder meeting, member magazine, farmer meetings, newsletters from the Chairman and CEO
Employees	Employee survey, performance reviews, intranet
Customers	Customer visits, customer audits, websites
Consumers	Consumer contact, social media, websites
Suppliers	Supplier Code of Conduct, supplier visits, supplier audits
Distributors	Ongoing contact with KAMs, sales meetings
Authorities	Environmental report, licence visits, licensing issues



# Responsible employers and committed employees

Our approach and actions in relation to our employees are based on Swedish legislation, Swedish practices and central collective agreements. We are members of the Confederation of Swedish Enterprise and the employer organisation the Swedish Food Federation, which enables us to stay updated on what is happening on the Swedish labour market and make

sure our conduct complies with industry standards. In addition to this foundation, there are local agreements on terms and conditions, as well as local policies for rules, procedures and benefits. We want to be an attractive employer to both new and existing employees. Our corporate culture is characterised by commitment, pride and loyalty.

DEVELOPMENT AREA	PREVENTION	METRIC	OBJECTIVE/ACTIVITY
Workplace accidents	Reporting of near-misses Safety rounds Safety committee Whistleblower function	Number of accidents Number of near-misses	→ Vision Zero for workplace accidents
Work environment, health and well-being	Leadership presence Employee survey Performance reviews Occupational health service Work rotation in production Joint activities Ongoing information Whistleblower function	Sick leave	→ Keep sick leave at current low level
Diversity and equality	Equality policy Salary mapping Employee survey Performance reviews Whistleblower function	Monthly pay	→ Prevent unjustified pay differences between men and women
Harassment	Employee survey Performance reviews Occupational health service Whistleblower function	Number of people who have experienced harassment	→ Zero tolerance for harassment
Sustainable development awareness	Regular sustainability training Information on the intranet	Number of trainings Number of 'articles' on intranet	→ Introduce sustainability information in the programme for new employees → Make ongoing information about our sustainability work available to all employees



## Workplace accidents

We strive to ensure that all our employees feel safe at their workplace, which is why our objective is zero accidents. Moreover, ongoing efforts to increase reporting of near-misses increase our ability to prevent workplace accidents. Systematic health and safety work, with formal procedures

for safety rounds, action plans and follow-up, is well implemented and a natural aspect of our work. Risk and consequence analyses are conducted for all changes, and close cooperation with the unions helps to ensure that risks are detected early.

REPORTED NEAR-MISSES (NO.)			REPORTED ACCIDENTS (NO.)		
2018/2019	2019/2020	2020/2021	2018/2019	2019/2020	2020/2021
28	53	48	12	17	22

## Work environment, health and well-being

We are eager to pick up the signs of sickness and ill health at an early stage so that we can provide support and implement the right measures to minimise the problem. Every individual who experiences ill health should be treated with respect in line with our policies.

Sick leave is low and has been at an even level for many years. Since lower sick leave could lead to more instances of employees working while sick, it is not our objective to further reduce sick leave; instead our focus is on working

on measures to promote good health.

During the financial year we noted an increase in sick leave, which is thought to be related to the COVID-19 pandemic.

We encourage our employees to maintain a healthy physical and mental lifestyle. Our staff activities include health bingo, after-work meet-ups as well as social meetings with quiz trails and barbecues, etc. During the year we adapted our activities to COVID-19.

TOTAL SICK LEAVE (%)			SICK LEAVE, NON-MANUAL (%)			SICK LEAVE, PRODUCTION (%)		
2018/2019	2019/2020	2020/2021	2019/2020	2018/2019	2020/2021	2018/2019	2019/2020	2020/2021
2,5	2,6	3,1	2,5	2,3	1,5	2,4	2,6	4,4

The average period of employment at Lyckeby is long, which means our staff turnover is low. We are proud to see that many of our employees choose to develop with us, move internally and stay with us. Measurements of how our employees perceive their work situation and well-being are conducted regularly through an employee survey, as

well as in discussions between managers and employees.

Our low staff turnover leads us to believe that we are achieving our goal of being an attractive employer to our employees. Our work in this area, however, never ceases, and we are striving continuously to ensure that working life remains sustainable for everyone who works for us.



## Diversity and equality

Diversity and equality shall be a self-evident, natural aspect of our operation and mean that everyone has the same rights, opportunities and responsibilities in all of our areas irrespective of gender, age, ethnic or cultural background,

disability or sexual orientation. All employees are entitled to be treated with respect. We regulate this in our policy.

As a result of this, everyone shall be treated equally regarding internal and external recruitment, personal development and pay. We set pay on an individual basis to a large extent, but all assessments in this respect shall be based solely on objective reasons such as expertise and performance.

As of 2017, we produce an annual report of all the work/measures we carry out on equal treatment, and pay mapping is a part of this. The aim is to discover, tackle and prevent unjustified pay differences between men and women. This is a collaboration between the company and the local union groups. Together we have concluded that we are within the framework of what is deemed reasonable.

## Harassment

Our workplace shall be characterised by respect. Harassment and sexual harassment are not tolerated and we regulate this in our policy. All forms of discrimination and harassment are banned in the workplace. "Harassment" refers to all types of victimisation, unwelcome behaviour and derogatory comments concerning, e.g. a person's gender, age, disability, sexual orientation, political views, ethnic or cultural background, skin colour, appearance or religion. It is always the subject of the treatment who determines what behaviour is unacceptable.

In our employee survey, we monitor whether any of our employees have experienced or witnessed harassment. The most recent employee survey at Lyckeby was carried out in autumn 2019 and a new survey is planned for autumn 2021.

In spring 2019, we introduced a whistleblower function so that an employee with any complaint can communicate with the management group in writing, by posting an anonymous report in the HR department's pigeonhole. This report is then brought up as soon as possible in a management team. The management then assesses the situation and decides on appropriate measures.

## Sustainable development awareness

In order to ensure efficient, sustainable work practices throughout our value chain, we consider it essential that all employees at our company have basic knowledge of sustainable development. We acknowledge that we can always be better at raising awareness of this, and these efforts are taking place gradually. Moving forward, our objectives are to introduce sustainability information as part of our introduction programme for new employees, and to improve our employees' access to ongoing information about our sustainability work via information and articles on our intranet.





# Sustainable farming

The main raw materials for SSF in both our business areas are grown crops, so sustainable farming is pivotal to the entire group's business. Our business areas face different challenges in this area.

Our farming for starch production and refinement in Lyckeby is carried out locally by our owners, which means that we have good potential to check that the farming is being managed sustainably and to influence the farmers.

DEVELOPMENT AREA	PREVENTION	METRIC	OBJECTIVE/ACTIVITY
Use of plant protection products in potato farming	Farming advice Letters to farmers Growing trials Field meetings	Grams of active substance per hectare	→ 50% reduction in amount of plant protection products used 2014–2025, while maintaining amount of starch produced
Climate impact of potato farming	Reduce use of fossil fuel and artificial fertilizers	Carbon footprint per tonne of starch potato	→ Reduce Scope 3 by 20% 2017–2025

## Use of plant protection products in potato farming

Plant protection products are used in starch potato farming to hinder weeds and prevent disease from attacking the plant, primarily blight and the fungal disease Alternaria. Research being conducted in the area, as well as our own growing trials, suggests that the amount of plant protection products can often be reduced with little or no impact on the growing

outcome. Based on this, at Lyckeby we have a goal that our potato suppliers should reduce the amount of plant protection products used per hectare by half by 2025, compared to the 2014 value.

To ensure that we achieve this goal, we give advice to our potato farmers via weekly letters with recommendations on dosing of plant protection. The grounds for the recommendations come from existing forecasting models for blight and Alternaria. In addition, we are working intensively to

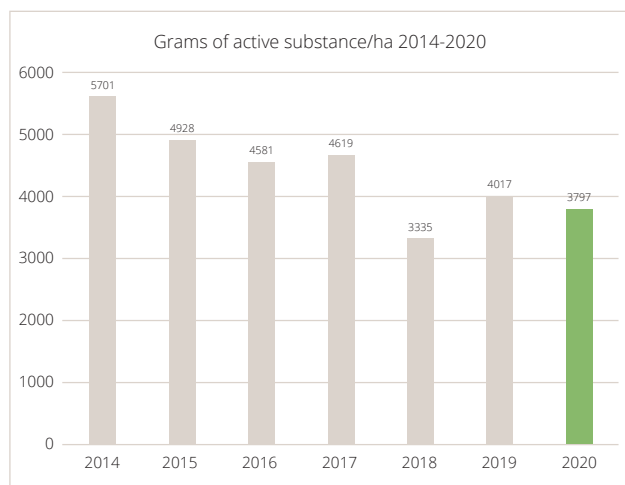
develop new forecasting models, in part through growing trials where we assess the effects of plant protection products in different growing conditions. Our farmers meet at our field meetings where they share information and experiences with us and each other.

If we look at the development in the use of plant protection products, we can see that it has decreased by 34% since 2014. This result shows that our work with forecasting models has led to greater awareness among our farmers, and that the actual amount of plant protection products used is lower.

The results also demonstrate that it is possible to reduce the amount of plant protection products, for example, during drought when the risk of blight is very low. It is not the reduced use of plant protection products that led to the poor harvest in 2018, but the extreme drought. Our farmers had no problems with blight on their crops, which is the disease that accounts for approximately 75% of all use of plant protection products, despite lower use of plant protection products.

The programme to reduce plant protection products aims partly to reduce agriculture's impact on biodiversity, and partly to ensure that their use does not lead to residual

contents in products, assuring that the products are safe to eat. Our programme to reduce the use of plant protection products by 50% is fully in line with the suggestions inherent in "Farm to Fork", which has a goal of halving the amount of plant protection product used in the EU by 2030.







<https://hushallningssallskapet.se/forskning-utveckling/hela-sverige-blommar/>

# Hela Sverige Blommar

For the second consecutive year, Lyckeby is co-funding Hela Sverige Blommar, flower-growing project. Last year the project was limited to Skåne province in the far south, but it is now nationwide. Hela Sverige Blommar is a collaborative project that helps to create better conditions for our entire ecosystem. By growing flowers in field borders and fallow land, we encourage bees and other pollinators in our agricultural landscape.

As Lyckeby is part of the project, the specially developed seed mixes are available to Lyckeby member farmers. These seed mixes contain buckwheat, sunflower, common bird's

foot trefoil, lacy phacelia, white clover and others, and members can choose an annual or a perennial blend. The amount sown by each farmer varies, from a few hundred metres of field border to several hectares. By planting these flowers in their meadows and borders, Lyckeby farmers are helping to increase biodiversity. Having a farming landscape with a wide variety of species provides food for insects, which in turn ensures that e.g. partridges and other birds have better access to food. The zones or fallow land provide good protection for field game and large ungulates.



## Climate impact of potato farming

The climate impact assessment we have worked on at Lyckeby shows that the use of fuel during potato farming and the use of fertilizer are major sources of greenhouse gas emissions. The climate impact assessment was completed in 2020 and serves as a basis for which activities we will prioritise moving forward, to start reducing the climate impact of the farming stage.

## Farming and working conditions at suppliers

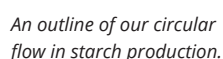
During the year, we conducted a major update of our Supplier Code of Conduct. In it, we clearly link our requirements to international conventions and guidance, such as the UN Guiding Principles on Business and Human Rights and the UN Convention on the Rights of the Child. We began distributing the new Code of Conduct for signing in June 2021, and by the end of August 2021 we had received more than 50% back. All farmers will also sign the updated Code of Conduct when signing contracts.





The potatoes which the farmers supply to the starch factory are separated into starch, fibre and protein. Starch and fibre are processed into quality-assured products which are then used as raw material for continued refinement into food ingredients or materials for the paper industry, or they are sold on as food ingredients with no further treatment. The protein is concentrated and quality assured to a high-quality feed protein. The remainder of the potato,

Refinement of the starch potatoes is thus a good example of a circular system, where the vast majority is exploited in a resource-efficient way. At our factories, we also strive to ensure that fractionation, cleaning and refinement take place with the lowest possible input of energy and chemicals.







All production units within SSF are certified to ISO 50001 and have the aim of reducing their energy use through continuous improvements and efficiencies.

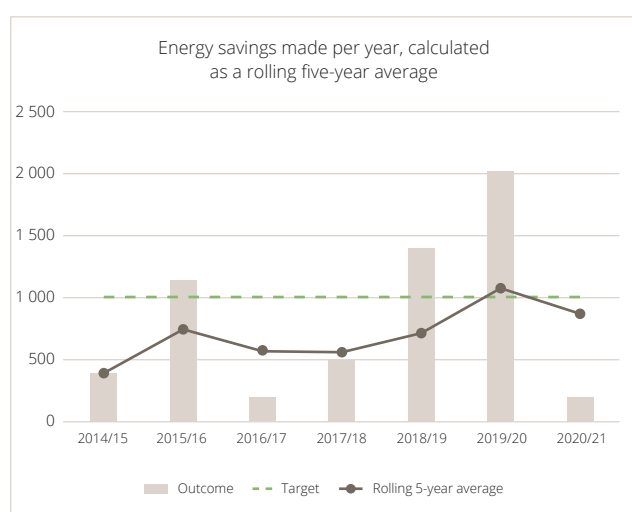
DEVELOPMENT AREA	PREVENTION	METRIC	OBJECTIVE/ACTIVITY
Climate impact on starch production	Energy management programme	Energy use, GWh/yr Scope 1 and 2 GHG emissions	→ Energy saving 1 GWh/yr calculated on rolling five-year average → Reduce Scope 1 and 2 GHG emissions by 85% 2017–2025
Chemical use in starch production	Produce a higher quantity of Lyckeby Careful	Tonnes Lyckeby Careful/yr	→ Reduce Scope 3 by 20% 2017–2025. 5,500 tonnes Lyckeby Careful
Sustainable transport	Reduce the use of fossil fuel	Scope 3 emissions	→ Reduce Scope 3 by 20% 2017–2025

## Climate impact of starch production

The objective set out in our energy management programme is for Lyckeby's production units to implement energy-saving measures of 1 GWh a year, as a rolling five-year average.

During 2020/2021, replacement of the irrigation pump and optimisation of the fibre process in Mjällby have helped us to almost achieve this goal.

In 2020, we were granted subsidies from the Swedish Energy Agency through the Energisteget initiative to streamline our energy consumption relating to heat recovery and evaporation technology. These energy efficiencies, along with optimisation of the protein process, will be implemented in 2021/2022, after which we expect to be back in line with our goal.



GHG calculations have been carried out for the 2017 and 2019 production years, and show that Scope 1 and 2 (chiefly emissions from energy consumption) account for approximately one-third of our climate impact.

As a result of this, the company also applied for support via the Klimatklivet initiative. Support was granted, and by Q1 2021 all of the starch factories' burners in the steam boilers had been replaced. The investment totals SEK 16 million and means that the starch factories can now be powered by bio-oil. This will reduce consumption of heating oil by 100% and consumption of LPG by approximately 95%.

We have actively worked on a goal to reduce Scope 1 and 2 GHG emissions by 30% in the period 2017–2021, and the goal has been achieved. We reduced Scope 1 and 2 GHG emissions by 40%. The goal has been achieved as we have converted our steam boilers to bio-oil.

During 2020/2021 we have developed new long-term strategic goals for reducing our climate impact; the aim is for our work to be in line with the Paris Agreement. Our long-term goals are to reduce Scope 1 and 2 GHG emissions by 85% in 2017–2025, and to reduce Scope 3 GHG emissions by 20% in 2017–2025.

## Chemical use in starch production

Lyckeby has developed a new technique in the refinement of food starches which enables us to reduce chemical use in production, and the end product is considered to be free of E numbers. These types of products have now begun being sold, which means we can continue to reduce our climate footprint by increasing sales of the Lyckeby Careful product group.

We are working at the development level to reduce the amount of chemicals used in making food products. Read more about this under the "Development of sustainable products" focus area on page 20.







# Development of sustainable products

At Lyckeby we are continuously working on new technologies and processes, along with new uses for our main products and side streams, which makes us a world leader in the sustainable development of starch products.

We work often and willingly alongside our customers. Through support for our industrial customers, we are working together to develop the sustainable food products of the future.



DEVELOPMENT AREA	PREVENTION	METRIC	OBJECTIVE/ACTIVITY
Climate impact of potato starch	Long-term product development in: Resource efficiency, green chemicals, cultivation	Carbon footprint of potato starch	→ Reduce Scope 1 and 2 GHG emissions by 85% 2017–2025
	Modern plant breeding Participation in external projects	Percentage of E-number free refined starches	→ Reduce Scope 3 by 20% 2017–2025. Increase the percentage of E-number-free refined starches produced
Impact on application	Competence development Support for customer		→ Analysis of how our starch products affect the climate, environment and health in our key applications before 2025





## Climate impact of potato starch

The development work at Lyckeby has a general focus on developing products, processes and concepts that contribute to the sustainable development of our company. It is about creating new starch products that require less energy and fewer chemicals during production, new techniques that enable more resource-efficient manufacturing, and product solutions that help to create climate-smart, healthy and safe foods when our customers use our products as ingredients. The long-term vision of our development work is to create “the green starch factory” and we

have a number of long-term research and development projects that are leading towards this vision.

It is a big challenge to create starches that meet the food industry's requirements on process and storage stability, while also living up to the demands that increasingly conscious consumers place on the products. We want to make environmentally, quality and health-friendly products that meet the needs of our customers, and ultimately of consumers. At present, chemical modification is used to make our products stable, an energy and chemical-intensive process which produces starch products declared with E numbers in the final ingredients list.

To resolve the issues with stability, we have developed

a product portfolio called Lyckeby Careful. The products in this portfolio are refined using a new production technique – patented by Lyckeby – that reduces the products' climate impact by cutting the amount of both energy and chemicals needed in the production process. The products in the Lyckeby Careful portfolio are known as "clean-label starches", which means they are declared without E numbers in the ingredients list of the foods in which they are used.

We have chosen to focus on eco-design and modern plant breeding as the next step in our path towards the green starch factory. We are working with the Swedish University of Agricultural Sciences (SLU) in Alnarp to develop new types of starch potato with modified starch properties. This has been possible using the CRISPR-Cas9 targeted mutation technique. Despite setbacks in the introductory phase, the project has resulted in new potatoes that contain starch that is naturally more stable, which means less chemicals and energy are needed to produce the starch customers demand. Thanks to the new potatoes, we can reduce the climate impact of our products considerably.

We are proud to say that thanks to modern plant breeding techniques, we have now made great strides in our endeavour to create eco-friendly, climate-smart food starches. Our new starch potato was grown in fields on a large scale in the 2018/2019 financial year for the first time in world history and has continued every year since. If the project continues in a positive direction, we estimate that we will have large-scale production of new climate-smart starch products in 2023.

We are following developments in the EU's rules on modern plant breeding techniques with interest. In its verdict of 25 July 2018, the European Court of Justice decided to regulate modern breeding techniques, like CRISPR-Cas9, in accordance with the GMO Directive. This is despite the fact that the modern techniques can be used more safely and efficiently than conventional modification techniques, such as radiation and the use of chemical additives which are exempt from the legislation. The decision was criticised by authorities, scientists and the business community in the EU. Using our project on climate-smart food starches as an example, Lyckeby is actively working to provide information about the need for and benefits of the modern techniques at regional and EU level. We expect the legislation to be revised shortly so that we can use modern plant breeding techniques on the same terms as non-EU countries.

This project is a shining example of what can be achieved when the industry works alongside academic research, in this case SLU in Alnarp, whose expertise and collaborative skills have been crucial in achieving our goals. We see great benefit in participating in collaborative projects with players from universities, trade and industry, and organisations. Another example in which Lyckeby plays an active role is SLU Grogrund – Centre for Breeding of Food Crops, which is within the Swedish government's food strategy and

circular bioeconomy at SLU. The project is funded by the government and aims to develop sustainable new crops that will lay a foundation for Swedish food development.

Lyckeby is also taking part in "Give peas a chance", a project funded by the Swedish Board of Agriculture with the aim of developing new products and markets for the Swedish pea. Lyckeby is contributing expertise and experience in extracting various ingredients from the pea.

As our climate impact assessments show that the chemicals used in production are one of the major contributors to our existing products' total climate impact, we are also working on shorter-term development projects to reduce our use of chemicals. Over the past year, we have run a project to optimise the use of chemicals in the recipes. Our development department is now finished with the optimisation, and we have begun project planning in production.

## Impact on application

A big part of Lyckeby's development work involves providing our customers with technical support. Our customers can receive help with their product development projects in identifying the right starches for the desired texture and mouthfeel. The experts at our development departments have extensive experience of working with different applications, and know which raw materials are suitable for different production processes in the food industry. We also offer support in developing sustainable new food products, such as climate-smart, clean-label, gluten-free, low-fat and vegan products, by helping our customers choose sustainable raw materials that work in these kinds of applications.

We are currently mapping and calculating how the use of starch impacts on the final application from a climate, environmental and health perspective, to offer our customers further support in developing sustainable foods. At Lyckeby our aim is to analyse our most important application areas before 2025.





# Sustainable clean-label starch

SSF has taken a big step towards our vision of creating a green starch factory.

The vision of creating a future green starch factory has been the basis of our development efforts in recent years, and part of our investment in sustainability as one of our key strategic focus areas. Driving our development in a direction that leads to more sustainable farming and production is not only an exciting challenge for our development organisation from a technical perspective, it also creates strong motivation from a climate and environmental perspective, and first and foremost from a commercial perspective because it strengthens our long-term competitiveness. Being able to work with a goal that fulfils all of these criteria is a huge privilege.

We have continued our investment in modern plant

breeding and have over the past financial year continued with seed production of the world's first CRISPR potato – a potato that contains a storage-stable starch and is therefore a cornerstone in the challenge of using potato starch as a raw material in the production of clean-label starches used in finished foods that require good storage stability.

It was extremely pleasing to see Emmanuelle Charpentier and Jennifer Doudna receive the 2020 Nobel Prize in Chemistry for the discovery of the sharpest tool in gene technology: the CRISPR/Cas9 genetic scissors, the same technology on which our future potatoes are based.

There are still many challenges ahead in getting the licence we are aiming for, but several major hurdles have been overcome in the past year and we have taken great strides towards our goal.



*Mariette Andersson, scientist SLU and Mats Nordström, Culture Development, SSF harvesting the world's first CRISPR-potato ever grown in a field.  
PHOTO: Mathias Samuelsson*





LYCKEBY CULINAR AB OCH KOCKENS AB

# Responsible employers and committed employees

Our approach and actions in relation to our employees are based on Swedish legislation, Swedish practices and central collective agreements. We are members of the Confederation of Swedish Enterprise and the employer organisation the Swedish Food Federation, which enables us to stay updated on what is happening on the Swedish labour market and make

sure our conduct complies with industry standards. In addition to this foundation, there are local agreements on terms and conditions, as well as local policies for rules, procedures and benefits. We want to be an attractive employer to both new and existing employees. Our corporate culture is characterised by commitment, pride and loyalty.

DEVELOPMENT AREA	PREVENTION	METRIC	OBJECTIVE/ACTIVITY
Workplace accidents	Reporting of near-misses Safety rounds Safety committee Whistleblower function	Number of accidents Number of near-misses	→ Vision Zero for workplace accidents
Work environment, health and well-being	Leadership presence Employee survey Performance reviews Occupational health service Work rotation in production Joint activities Ongoing information Whistleblower function	Sick leave	→ Keep sick leave at current low level
Deversity and equality	Equality policy Salary mapping Employee survey Performance reviews Whistleblower function	Monthly pay	→ Prevent unjustified pay differences between men and women
Harassment	Employee survey Performance reviews Occupational health service Whistleblower function	Number of people who have experienced harassment	→ Zero tolerance for harassment
Sustainable development awareness	Regular sustainability training Information on the intranet		→ Introduce sustainability information in the programme for new employees → Give all employees the opportunity for greater understanding of our sustainability work

## Workplace accidents

We strive to ensure that all our employees feel safe at their workplace, which is why our objective is zero accidents. Moreover, ongoing efforts to increase reporting of near-misses increase our ability to prevent workplace accidents. Systematic health and safety work, with formal procedures for safety rounds, action plans and follow-up, is well implemented and a natural aspect of our work. Risk and consequence analyses are conducted for all changes, and close cooperation

with the unions helps to ensure that risks are detected early. This year we have seen a rise in the number of reported accidents compared to previous years. This is because we have focused on encouraging employees always to report accidents and near-misses. We have also clarified what counts as an accident. We have not had any serious accidents during the year that have resulted in long-term sick leave or lasting injury.

REPORTED NEAR-MISSES (NO.)			REPORTED ACCIDENTS (NO.)		
2018/2019	2019/2020	2020/2021	2018/2019	2019/2020	2020/2021
34	36	40	12	12	30

## Work environment, health and well-being

We are eager to pick up the signs of sickness and ill health at an early stage so that we can provide support and implement the right measures to minimise the problem. Every individual who experiences ill health should be treated with respect in line with our policies.

Sick leave in our business areas is low and has been at this level for many years. Since lower sick leave could lead to more instances of employees working while sick, it is not our objective to further reduce sick leave; instead our focus is on working on measures to promote good health.

Sick leave has increased during the pandemic period of 2020/2021 but this is believed to be related to COVID-19, and largely the requirement to remain home in the event of any symptoms and be free of symptoms for at least 48

hours before returning to work.

We encourage our employees to maintain a healthy physical and mental lifestyle. Despite the pandemic, during the year we have improved our breakfast with healthier bread, provided free fruit, come together for a Jerusalem dance challenge, and also taken part in a cycle-to-work challenge. All of this has happened through our new Health Group, whose job it is to inspire and empower our personnel, and help boost health and well-being.

<https://www.youtube.com/watch?v=DsthCeVBwRw>



TOTAL SICK LEAVE (%)			SICK LEAVE, NON-MANUAL (%)			SICK LEAVE, PRODUCTION (%)		
2018/2019	2019/2020	2020/2021	2019/2020	2018/2019	2020/2021	2018/2019	2019/2020	2020/2021
3,3	5,2	5,8	2,4	4,6	2,5	4,3	5,8	6,7

The average period of employment at Lyckeby Culinar AB is long, which means our staff turnover is low. We are proud to see that many of our employees choose to develop with us, move internally and stay with us. Measurements of how our employees perceive their work situation and well-being are conducted regularly through an employee survey, as

well as in discussions between managers and employees.

Our low staff turnover leads us to believe that we are achieving our goal of being an attractive employer to our employees. Our work in this area, however, never ceases, and we are striving continuously to ensure that working life remains sustainable for everyone who works for us.



## Diversity and equality

Diversity and equality shall be a self-evident, natural aspect of our operation and mean that everyone has the same rights, opportunities and responsibilities in all of our areas irrespective of gender, age, ethnic or cultural background, disability or sexual orientation. All employees are entitled to be treated with respect. We regulate this in our policy.

As a result of this, everyone shall be treated equally regarding internal and external recruitment, personal development and pay. We set pay on an individual basis to a large extent, but all assessments in this respect shall be based solely on objective reasons such as expertise and performance.

As of 2017, we produce an annual report of all the work/ measures we carry out on equal treatment, and pay mapping is a part of this. The aim is to discover, tackle and prevent unjustified pay differences between men and women. This is a collaboration between the company and the local union groups. Together we have concluded that we are within the framework of what is deemed reasonable.

## Harassment

Our workplace shall be characterised by respect. Harassment and sexual harassment are not tolerated and we regulate this in our policy. All forms of discrimination and harassment are banned in the workplace. "Harassment" refers to all types of victimisation, unwelcome behaviour and derogatory comments concerning, e.g. a person's gender, age, disability,

sexual orientation, political views, ethnic or cultural background, skin colour, appearance or religion. It is always the subject of the treatment who determines what behaviour is unacceptable.

In our employee survey, we monitor whether any of our employees have experienced or witnessed harassment.

In spring 2019, we introduced a whistleblower function so that an employee with any complaint can communicate with the management group in writing, by posting an anonymous report in the HR department's pigeonhole. This report is then brought up as soon as possible in the management team. The management then assesses the situation and decides on appropriate measures.

## Sustainable development awareness

In order to ensure efficient, sustainable work practices throughout our value chain, we consider it essential that all employees at our company have basic knowledge of sustainable development. We acknowledge that we can always be better at raising awareness of this, and these efforts are taking place gradually. Moving forward, our objectives are to introduce sustainability information as part of our introduction programme for new employees, to go through our updated Code of Conduct with all employees, and generally to increase internal information about what we are doing in the area of sustainability, all to increase understanding and involvement among our personnel.





# Sustainable farming

Lyckeby Culinar AB and Kockens AB purchase raw materials from around the world, which presents great challenges when it comes to assuring product quality. Food safety, the risk of adulteration, growing conditions, working conditions for employees, human rights and environmental impact are all important factors in securing safe, tasty and sustainable food. For us, it is hugely important to strive to ensure the traceability of the almost 1,000 raw materials we purchase, and guarantee good social conditions in our supply chain.

DEVELOPMENT AREA	PREVENTION	METRIC	OBJECTIVE/ACTIVITY
Farming and working conditions at global suppliers	Supplier Code of Conduct	Percentage of suppliers who have signed the Code of Conduct and been risk assessed	→ 100% signed CoC by 2021 and risk assessed by 2022
	Supplier audits as per our CoC	Percentage of audits	→ 100% of spice and herb suppliers from high-risk countries audited by 2025
	Membership of SSI	Proportion of sustainably sourced spices in accordance with SSI definition	→ By 2025, increase the proportion of sustainably sourced spices bought to: - 25% for turmeric - 25% for pepper - 25% for chilli

## Farming and working conditions at global suppliers

Lyckeby Culinar AB and Kockens AB import large amounts of herbs and spices from around the world every year. The spice trade is a complex sphere, with the highest proportion mainly being produced by small farmers. Many of these farmers live in poverty, which leads to poor working conditions for the farmer, their family and any employees they may

have. In many cases the families cannot afford or are unable to allow their children to attend school; instead they stay at home and work on the farm.

Since spices are used in most food products and are consumed globally, demand is expected to increase in order to satisfy the growing world population. A reliable supply of spices for a growing population is only possible if producing spices is economically viable and sustainable for the farmers, as they are increasingly moving away from agriculture for

more secure sources of income. Consequently, sustainable growing among our suppliers is also linked to the long-term survival of our business.

Lyckeby Culinar AB and Kockens AB manage these sustainability risks through our Supplier Code of Conduct and our supplier audits. During the year, our Supplier Code of Conduct has been updated. In it, we clearly link our requirements to international conventions and guidance, such as the UN Guiding Principles on Business and Human Rights and the UN Convention on the Rights of the Child. In doing this we want to strengthen our contribution to the implementation of these conventions in the supply chain, and thereby also contribute to the continued development of sustainable farming. During the year we have also updated our process for sustainable purchasing, and it is now clear which steps and which tools we use in our work on sustainable purchasing. Also during the year, we have carried out training in this process for all personnel in purchasing, quality and sustainability.

Lyckeby Culinar AB is continuing its cooperation with other actors through its membership of the Sustainable Spices Initiative (SSI). SSI is a global platform bringing together actors in the entire supply chain that trade in herbs and spices, and that are willing to work together.

SSI supports the Sustainable Agriculture Initiative's definition of sustainable agriculture, which is: "The efficient production of safe, high quality agricultural products, in a way that protects the natural environment, improves the social and economic conditions of farmers, their employees and local communities." In order to assess the sustainability of the raw materials, SSI uses a portfolio of different standards and certifications for both social and environmental sustainability, and if the supplier follows selected standards the raw material is defined as sustainable. In addition, SSI also works on specific projects linked to a particular spice or geographical area. These projects might focus on increasing farmers' knowledge of how to farm sustainably, for example.

All member companies must commit to set goals that comply with SSI requirements and continuously report the results to SSI. Our objectives for 2021 are to increase the

percentage of sustainably produced spices purchased, according to SSI requirements, to 25% for turmeric, 15% for pepper and 13% for chilli (base year 2016). To date we have increased the percentage of turmeric to 80%, pepper to 19% and chilli to 11%.

Our longer-term aim for these three spices up to 2025 is to increase the total volume for turmeric, pepper and chilli to 25%, in line with SSI goals.

Our raw materials and products must be safe, not adulterated and of high quality. We focus on food safety and on preventing adulteration across the board, from growing the raw ingredients to the finished products. Our production plant in Fjälkinge is certified to ISO 9001, BRC Food, ISO 50001, the Swedish KRAV label, EU organic and Fairtrade. Our production is also approved for making products with the origin label "Från Sverige" (From Sweden).

The risk of adulteration often starts early on in the supply chain, so we have risk assessed each raw material based on food safety and any adulteration. We place clear demands on suppliers, and check each raw material based on a control schedule unique to each one.

Starting from ISO standards for spices is one of several important parameters in our efforts to work with our suppliers to ensure the right quality of the goods we buy. These ISO standards include a clear description of the parameters that define the spice in question, such as the purity and essential oil content.

We also value long-term relations with suppliers, so that together we can develop safe, authentic, sustainable spices. As part of this process, during the past year we have developed our contacts with suppliers in Sedex, of which we have AB membership. This enables us to share information, reports, action plans and so on with those of our suppliers who are also Sedex members – a valuable additional safeguard in assessing risks. It is also of the utmost importance to continuously visit and audit our suppliers, both for product safety purposes and to ensure they comply with our Code of Conduct, and that together we make improvements in these areas.



*Freshly harvested turmeric.*





## Sound, organic spices

The ambition of the Kockens brand is always to choose Fairtrade raw materials wherever possible. This way, we know that the spices are grown with consideration both for nature, and for the social conditions and security of the grower. By choosing both organic and Fairtrade, we are reducing our footprint and also contributing to a sustainable balance in

the world. This year we launched organic and Fairtrade-labelled fennel, which means we can now offer 25 organic spices, eight of them Fairtrade to grocery retailers.

We also help to promote Fairtrade's various themes and events during the year, such as the Fairtrade Challenge.





# Operations with optimised use of resources

At Lyckeby Culinar AB, parts of the potato starch are mixed with spices and other functional ingredients to make finished spice blends and texturing ingredients, which are supplied to the food industry. Lyckeby Culinar AB's role in the value chain is to simplify and streamline the logistics and the mixing in the final process for our customers. Lyckeby Culinar AB also refines products sold to the consumer and food service sectors by Kockens AB.



DEVELOPMENT AREA	PREVENTION	METRIC	OBJECTIVE/ACTIVITY
<b>Out total climate impact</b>	Calculate our carbon footprint according to the GHG Protocol	Scope 1, 2 and 3 GHG emissions	→ Calculation performed by 2022
<b>Energy use in the Fjälkinge factory</b>	Energy management programme	Energy use per produced tonne of product	→ Total energy consumption for 2021 348 kWh/tonne (at 2017 production volume)
<b>Materials recycling in the Fjälkinge factory</b>	Waste separation	Quantity of waste recycled for materials	→ >50% of waste from Lyckeby Culinar AB should be recyclable
<b>Sustainable transport</b>	Reduce the use of fossil fuel	Carbon dioxide emissions	→ DLF Transport Initiative met by 2025

The refinement process in the spice operation is far less energy-consuming than the starch process. However, we also consider it important to reduce energy consumption here. Our operation is ISO 50001 certified. To better understand how our operations affect the climate, Lyckeby Culinar AB

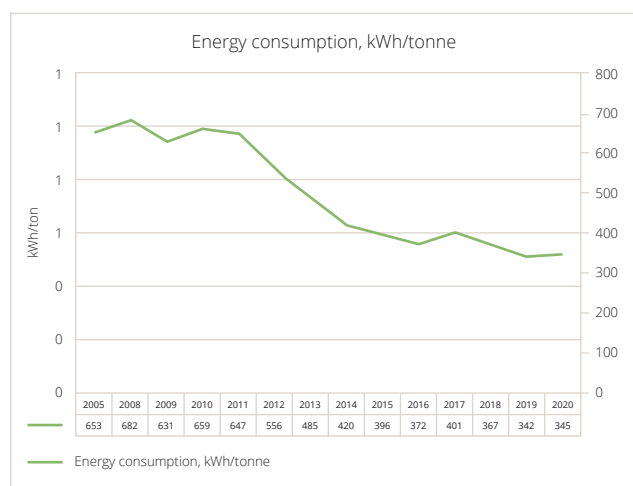
has decided in autumn 2021 to begin a calculation of our carbon footprint in line with the Green House Gas Protocol.

We continue our efforts to reduce energy use in the Fjälkinge factory, and to work with materials recycling there.

## Energy use in the Fjälkinge factory

All of the energy we use for our own production in Lyckeby Culinar AB's factory in Fjälkinge has been fossil-free since January 2019. The objective was for energy consumption per tonne of produced product at the same production volume as 2017 to be 380 kWh per year by 2020, and this was already achieved in the 2018/2019 financial year.

During 2020/2021, we have drafted new goals in our energy efficiency programme. By the end of 2021, our energy consumption per tonne of produced product should be 348 kWh per year, at the same production volume as 2017. Energy consumption after the first six months of 2021 was 359 kWh/tonne. In spring 2021, we increased our production of liquid products relative to previous years. Since this production requires more energy per tonne compared to dry blends, we are seeing a slight rise in our total energy consumption.

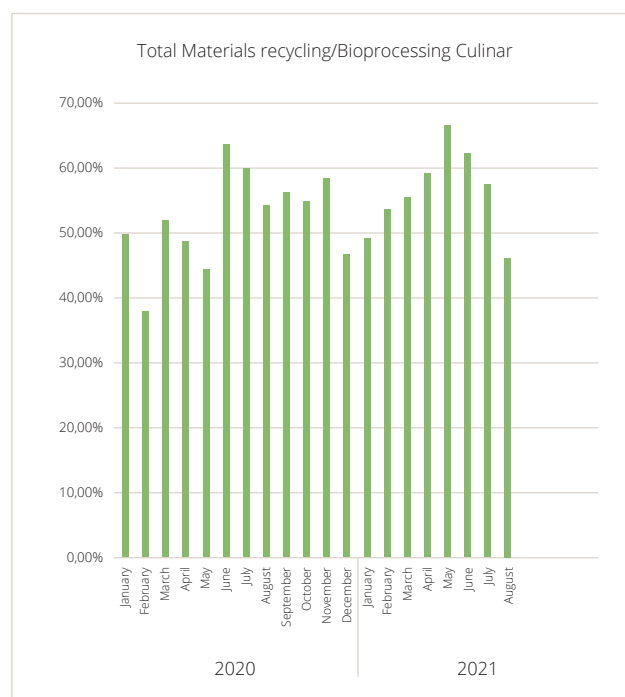


## Materials recycling in the Fjälkinge factory

As part of our efforts to optimise resource utilisation in production, in 2020 Lyckeby Culinar AB initiated a project to increase materials recycling in production in Fjälkinge. In collaboration with our waste management supplier, we have identified new recycling fractions and introduced three of them in the operation: Materials Recycling, Bioprocessing and Reuse. In early 2021, hard plastic was introduced as a new fraction in materials recycling. In 2020 we separated 22,280 kg and in the first eight months of 2021 the equivalent of 28,381 kg in fractions that would otherwise have gone to the Combustible fraction.

More than 50% of waste from Lyckeby Culinar AB shall be separated into the Materials Recycling, Bioprocessing and Reuse fractions.

Overall, after eight months of 2021 we are at 55%, while the corresponding figure for 2020 was 51%.





## Climate impact of transport to customers

Everything we do at Kockens originates in nature, so it is only natural for us to do everything we can to look after our environment. A large part of our sustainability work involves how we can help reduce carbon dioxide emissions from our transport, as every day trucks leave our factory in Fjälkinge, via our logistics partner in Åstorp, headed for customers across Sweden. Kockens has therefore signed up to DLF Sweden's 2025 Transport Initiative, a voluntary commitment and a clear statement that the FMCG industry wants to accelerate the transition towards fossil-free transport. As a result, Kockens aims to have fossil-free transport from 2025.

The first step was taken on 1 February 2020 when Kockens switched to HVO fuel. HVO, hydrotreated vegetable oil (tall oil), reduces our CO<sub>2</sub> emissions from domestic transport by 85%, which equates to 67 tonnes for the 2020/2021 year.



"It is natural for us at Kockens to sign up to the Transport Initiative. It's a key component of Kockens' sustainability work. Kockens wants to be the green option, both in the spice rack and regarding the environment"

**Johan Tornakull**  
*CEO at Kockens*







# Development of sustainable products

Lyckeby Culinar AB's development department works closely alongside customers to develop new products that meet the needs of consumers. Demand for sustainable solutions in the shape of climate-smart alternatives, clean label, plant-based products and healthier varieties is increasing, as are demands on transparency in the value chain. Thanks to a close collaboration with our suppliers and ongoing, long-term proactive development, we can offer solutions that enable our customers to launch sustainable alternatives.



DEVELOPMENT AREA	PREVENTION	METRIC	OBJECTIVE/ACTIVITY
Climate impact of food production	Proactive efforts with suppliers, participation in innovation projects		→ Active participation in FINEST and PAN
Green protein shift	Proactive development work	Number of vegetarian solutions launched	→ Flavouring of foods based on alternative proteins
Reduced salt in content in foods	Active work in ReduSalt		→ Develop techniques that enable salt reduction in different foods, without compromising on taste and function
Packaging	Recyclable plastic packaging	Percentage of recyclable packaging	→ 100% of plastic packaging (covered by Extended Producer Responsibility regulations) are recyclable by 2025

## Development to meet climate impact, green protein shift and reduced salt content

A rising demand for plant-based foods to replace meat and charcuterie products places partly new challenges for the food industry to produce tasty products with an appealing texture. Lyckeby Culinar AB has many years' experience of flavour development and is therefore an important player in bringing in the green protein shift, by helping the customer to launch products with a taste and consistency to meet consumer expectations. Lyckeby Culinar AB has increased its resources in this growth area, and works to develop healthy, sustainable solutions.

As well as working closely with customers to help them develop sustainable products and proactive efforts with our suppliers, we also take part in industry-wide projects and innovation collaborations aiming to promote sustainable Swedish food production.

We are active in FINEST – Food Innovation Enabling Sustainable Transition and PAN – Plant Based Proteins for Health and Wellbeing, which are two industry-wide national centres funded by Formas, aiming to enable the food industry and primary production in Sweden to take a leading role in a sustainable transition. Our main commitment is in FINEST, where we will work alongside other players to increase the use of Swedish legumes in different foods.

We are also involved in ReduSalt, an industry collaboration involving several players in the food sector. ReduSalt is coordinated by RISE and partly funded by Vinnova. The aim of ReduSalt is to develop knowledge and tools to be able to reduce the salt content in different foods while maintaining flavour and function, and thereby improve the health of the population.

We are also taking part in other projects coordinated by RISE, including those aiming to reduce food waste. A project looking into opportunities to use side streams in broccoli production in foods has recently been completed.

## Packaging solutions

All of our packaging is designed to meet stringent requirements on protecting the products from contamination through moisture, dirt and damage during transport and handling so that our products last a long time. It is also key that the packaging is functional from a user perspective; it must be easy to open and measure out.

Our objective for packaging for the Kockens brand is to progressively move towards lower climate impact. Here we are working on targeted measures where it is evident that, without compromising on our requirement that the packaging must first and foremost protect the contents, we can reduce

the amount of packaging material or move over to fossil-free material alternatives.

The Kockens brand is also linked to DLF Sweden's Plastic Initiative 2025. In it, we and other companies in the grocery industry commit to strive towards a circular economy in line with the European Commission's launch of A European Strategy for Plastics in a Circular Economy in January 2018. The aim of the initiative is that plastic packaging which members put onto the market, and which comes under Extended Producer Responsibility regulations, should be able to be used for materials recycling by 2025.

During 2021, Kockens has worked on a far-reaching project to review its packaging, and has implemented many changes to be able to provide more sustainable, eco-friendly packaging. This is an important aspect of further strengthening our positioning as the green brand.





# Our packaging developer **Sarah Danielsson** expands



Here at Kockens, we want to contribute to a more sustainable society by packing our products in sustainable packages made of bio-based raw materials or recycled material, which in turn can be recycled for materials.

This is, however, a huge challenge since spices place high demands on packaging, and at present there are only a limited number of alternatives which are approved for our products. For instance, only recycled PET is approved for food products. For other types of plastic there is only the opportunity to use bio-based plastic, which is currently in very high demand and therefore has limited availability.

Having said that, we are delighted and proud over the improvements we are making in conjunction with our new design (read more about them below)! We will continue to strive in the same direction to replace existing packaging with more sustainable alternatives as they become available on the market.

## **What changes have been made to the packaging consumers can find in stores?**

All of our spice jars today are made from 55–60% recycled glass, collected from recycling facilities.

And in our most popular jar, the small gourmet jar, we have reduced the amount of glass by 6.3%. This means a reduction of 34 tonnes of glass in one year, and a reduction in carbon footprint of 29 tonnes. The lid will also be made from a bio-based raw material, as opposed to the current fossil-based one. This too will reduce the carbon footprint.

Our slightly larger medium jar is now made from 100% recycled plastic.

The trained eye can see this in the jar's sometimes slightly different shade of colour. The label on the jar is made from a material adapted for PET recycling and will not contaminate the plastic raw material during the recycling process, a solution that won the 2019 FINAT Sustainability Award.

## **What's the situation for our products on the Foodservice market?**

The screw caps for our Pure-Pak and gable-top cartons are now made of 100% tall oil, a bio-based raw material. This means about a 35% lower carbon footprint compared to a

fossil cap.

The labels have gone from being made of plastic to paper, which reduces the use of fossil raw materials, which in turn helps us ensure we can offer a more sustainable product. We obviously hope that this will create added value for our customers.

## **And finally, what are Kockens' goals moving forward? How can we be even better?**

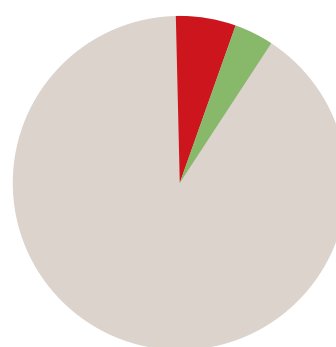
We continue to monitor the market to find more sustainable materials and packaging solutions.

We're striving to ensure that all our caps are made of bio-based or recycled plastic raw material.

In the next few years, we're planning to replace the plastic labels on all our jars with paper ones, which would mean a reduction of about 6 tonnes of plastic a year.

We're also planning to ensure that the few Foodservice items that are currently packed in fossil PET jars (because they can't be packed in gable-top or Pure-Pak cartons) are packed in a jar made of 100% recycled PET, like the medium jar.

## **Break-down of packaging material for the Kockens brand (%)**



- Non-recyclable plastic
- Recyclable plastic
- Other packaging material

*The pie chart shows the proportion of plastic of the total volume of packaging material for products bearing the Kockens brand. It also shows what percentage of the plastic is recyclable for materials.*



# Kockens 'Super Spice' Turmeric Latte – one of MåBra magazine's top 10 in 2021

For over ten years, Sweden's biggest health magazine MåBra has been selecting the best health foods of the year. Every year, MåBra magazine names the top 10 products which it believes boost health or otherwise benefit people and the environment. Products can be nominated by readers and the food industry.

This year, the Kockens 'Super Spice' Turmeric Latte was one of the winners! This is the first time a spice has been among the winners, and we are of course hugely proud and delighted to have our lovely product noticed in this way.

Organic Turmeric Latte is a colourful spice mix for golden milk with turmeric, Ceylon cinnamon, cardamom and black pepper. For us, it was particularly important that it was organic – quite simply, a spice mix that tastes good and does good!

## RECIPE

### Turmeric Latte (1 cup/glass)

- 200 ml almond milk or oat milk
- 1 tsp Kockens 'Super Spice' Turmeric Latte
- 1 tsp clear honey or agave syrup
- 1 ml vanilla powder

#### Method

1. Heat the almond/oat milk in a pan over a low heat, along with the spice mix and other ingredients. Adjust the amounts to suit your taste buds.
2. Whisk the latte to create a froth, using either a hand blender or milk frother. Pour into a cup or glass and enjoy!



# Flavouring and inspiration to eat more green and sustainable

During the year Kockens, in association with different influencers in the cooking category, has been inspiring people with delicious, colourful dip recipes. Adding flavour to green foods doesn't have to be difficult. The more colours we have on our plates, the healthier the meal is! If we can vary our meals and get more greens onto our plates, which also tastes great thanks to our amazing spices, we're not only caring for ourselves, but also the environment!



*Hummus with  
turmeric, cumin and  
cayenne pepper.*

*Lentil & pea dip with  
lemon pepper, dill  
and cumin.*

*Lentil & beetroot dip  
with paprika, cumin  
and chilli flakes.*







# About our Sustainability Report



SSF intends to publish a Sustainability Report annually based on our broken financial year, which runs from September to August. This is the fourth report. We do not currently report in accordance with GRI standards, but we intend to evaluate this option moving forward. The report encompasses all of

our business areas in the Swedish part of the business, and constitutes the formal Sustainability Report in accordance with the Swedish Annual Accounts Act.

This Sustainability Report has been examined and approved by KPMG in line with prevailing legislation.

Do you have any questions? Please feel free to contact us.



**Eva Lundholm**  
Environment & Quality Manager,  
Lyckeby  
eva.lundholm@lyckeby.com  
+46 (0)733 – 77 90 52



**Khirim Fager**  
Quality & Sustainability Manager,  
Lyckeby Culinar AB and Kockens AB  
khirim.fager@culinar.com  
+46 (0)733 – 28 78 00

Sveriges Stärkelseproducenter, Förening U.P.A..  
Debergavägen 60-20  
291 91 Kristianstad  
Sweden

[www.lyckeby.com](http://www.lyckeby.com)  
[www.solam.com](http://www.solam.com)  
[www.culinar.se](http://www.culinar.se)  
[www.kockens.se](http://www.kockens.se)

