

Sustain- ability

Our agenda A Sweeter Future focuses on creating joy and long-lasting value For You, For People and For the Planet. The three pillars represent our most important areas in our business and value chain where we have the ability and the responsibility to create a positive impact. Sustainability is integrated into the core of our business, our mission connects to Cloetta's purpose, and the progress of our initiatives raises our ambition to create a sweeter future.

Cloetta takes progressive, responsible steps developing our business with the highest sustainability ambitions. During 2023, we continued to progress on our sustainability agenda, driving the transition for more vegan products to enable phasing out raw materials with high climate impact. We also executed on our plan to reduce greenhouse gas emissions with 46 per cent by 2030 by intensifying our engagement with our key suppliers in their emission reduction targets. In line with this plan, we improved our data collection process for our scope 3 emissions and structured our initiatives to accelerate the reduction of our scope 1 and 2 emissions (see page 137 for a more detailed description of each scope).

Furthermore, as an essential first step to comply with the EU Corporate Sustainability Reporting Directive (CSRD), we initiated a double materiality assessment and set a clear roadmap for the implementation of the requirements as of the reporting year 2024. Through this we aim to ensure that our sustainability efforts are

well-aligned with both our internal business priorities and expectations from our external stakeholders. The insights gained from this process will form our strategies, policies, and actions within our sustainability agenda.

This year we also submitted our first Transparency Act Report on human rights and labor practices, in compliance with the OECD guidelines for Multinational Enterprises, to increase transparency and minimise risk throughout our global supply chain.

As a signatory participant of the UN Global Compact since 2009, we support the Sustainable Development Goals (SDGs), both directly and indirectly through our work in our three pillars. As a fast-moving consumer goods business with a global value chain we have chosen to focus on the following six Sustainable Development Goals; Gender Equality (#5), Decent Work and Economic Growth (#8), Responsible Consumption and Production (#12), Climate Action (#13), Life on Land (#15) and Partnerships for the Goals (#17).



Our Agenda

A Sweeter Future reflects the most important topics where Cloetta impacts the economy, environment, and society. The importance of our topics is determined by the degree of impact caused by our activities throughout the value chain and how much the issues impacts our business strategy.

For You*

Material topics

- Food safety
- Consumer health
- Consumer and product transparency

Approach:

Our consumers are at the center of our business and their needs drive our product innovation. All this while ensuring safe, high quality, transparently labeled and trusted products.

Targets and ambitions:

- Offer more vegan options
- Offer sugar-free, less sugar, as well as options with functional ingredients
- Supporting dental health with our xylitol products

p. 24

For People

Material topics

- Happy and healthy employees
- Occupational health and safety
- Equality and diversity in the workplace
- Competence development and retaining employees
- Community involvement
- Living conditions in the supply chain
- Human and labour rights in the supply chain
- Responsible marketing

Approach:

Our internal programmes focus on health, safety, and well-being for our employees. Participating in impact-focused partnerships and dialogues works towards improving living conditions in our supply chain. Through community involvement and marketing our products in a responsible way, we set a positive example.

Targets and ambitions:

- Continue to work towards zero work-related accidents
- Cloetta Engagement survey to be in line with the global benchmark by 2025
- All Cloetta markets running a purpose-driven community engagement initiative by 2025
- Maintain existing partnerships and initiate a new collaboration to improve living conditions in our supply chain by 2025

p. 26

For the Planet

Material topics

- Traceability of resources
- Waste management
- Climate action
- Transport and logistics
- Less and Better Packaging
- Biodiversity impact from key raw materials
- Energy use
- Food waste

Approach:

Climate Action, Sustainable Sourcing, and Less and Better Packaging are our three main priorities in improving our footprint. Within these, we work towards improving the environmental performance of our suppliers, assessing topics like biodiversity, energy usage, waste, and emissions in our own operations but also in our supply chain.

Targets and ambitions:

- 46 per cent absolute greenhouse gas emissions reduction by 2030 compared to 2019 base year emissions
- 100 per cent recyclable packaging by 2025
- 100 per cent packaging from renewable sources or recycled materials by 2030
- Engage all key suppliers to set their own emission reduction targets by 2025
- With palm oil-based vegetable oils, continue to source 100 per cent RSPO segregated certified palm oil
- Maintain 100 per cent Rainforest Alliance certified cocoa

p. 28

* The prior target regarding candy and pastilles with non-artificial colors and flavors was accomplished in 2022.