

An aerial photograph of a vast, snow-covered landscape. In the foreground, a dense forest of evergreen trees is blanketed in snow. A wide, snow-covered path or road winds through the forest. In the middle ground, a large, frozen body of water, possibly a lake or a wide river, stretches across the scene. The water is covered in a thin layer of snow, and several small, snow-covered islands are visible. In the background, rolling hills and mountains are visible under a bright, hazy sky. The sun is low on the horizon, creating a warm, golden glow that illuminates the scene. The overall atmosphere is serene and peaceful.

SUNPINE

SUNPINE SUSTAINABILITY AND ANNUAL REPORT 2024

The world is in the midst of a massive energy transition. The goal of this transition is as simple as it is crucial – we need to achieve a zero-carbon energy landscape. And we need to do it fast. Founded and based in the very north of Sweden, Sunpine operates the world’s first – and largest – production facility for Raw tall diesel, a second generation biofuel feedstock

made from residue from the pulp and paper industry. With a reduction value for CO₂ reaching up to 90 per cent, supreme engine qualities, and a production process that has generated close to 90 patents, Sunpine’s Raw tall diesel is the premier choice for fuel producers seeking to deliver a high-quality product to their customers.

Fueling a better future WE KEEP THE WORLD MOVING – AND IN THE RIGHT DIRECTION.



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Launch of alpha-Pinene production

In 2024, Sunpine introduced a new product to its portfolio. Alpha-Pinene is a refined form of turpentine used in flavourings, cosmetics, plasticisers, cleaning products, and broad-spectrum antibiotic production. Sales commenced during the year, and in 2025, we aim to further strengthen our market position.

Read more on page 15



Strong safety ratings from our employees

In Sunpine's annual employee survey, safety remains a key focus area – and this year's results confirm that our proactive safety efforts are making a difference:

- 99 % feel that they work in a safe environment.
- 94 % feel comfortable speaking up if a colleague does not follow safety regulations.
- 96 % report that their team proactively identifies and reports risks before incidents occur.

Read more on page 50



Establishing dedicated procurement and sales departments

As part of our strategy, Sunpine established dedicated procurement and sales departments in 2024. This enables us to better meet increasing market demand, and by early 2025, we are already seeing record order volumes for the coming year. These specialized functions also support our efforts to expand our supplier base, thereby reducing supply chain vulnerabilities.

Read more on page 21



CSRD implementation ahead

The Corporate Sustainability Reporting Directive (CSRD) is an EU directive that expands corporate sustainability reporting requirements. It is linked to the European Sustainability Reporting Standards (ESRS), a framework guiding companies in reporting on their environmental, social, and governance (ESG) impact. The goal of CSRD and ESRS is to improve transparency and comparability in corporate sustainability efforts.

Sunpine will begin reporting under these regulations from the 2025 financial year, but we have already started this transition, which is reflected in this annual report – particularly in the Sustainability statement.

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Sunpine welcomes new Chairman of the Board

In late 2024, Sunpine welcomed its new Chairman of the Board. Martin Forsén is our first external chairman and will bring valuable expertise to Sunpine.

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Sunpine by the numbers

200 000

Tonnes of Raw tall diesel

Sunpine has an annual production capacity of 200 000 tonnes of Raw tall diesel.

1

Fastest growing impact company

According to the news service Impact Loop, Sunpine is Sweden's fastest growing Impact company between 2022 and 2023.

97%

Almost entirely fossil-free production

In 2024, 97% of the energy used at our facility came from fossil-free sources. This marks an increase of 3 percentage points from 2023, when the corresponding share was 94%.

90

Patents

Sunpine holds approximately 90 patents safeguarding our manufacturing process.

90%

CO₂ reduction value

Our raw tall diesel has a reduction value of up to 90%.

6

Products

Sunpine extracts several fossil-free products from crude tall oil: Raw tall diesel, bio-oil, resin, turpentine and alpha-Pinene. The company's waste heat is sold as district heating via Piteå Energi.

2.7

SEK billion

In the 2024 financial year, Sunpine generated revenue of SEK 2 678 476 thousand.

100%

Recycled renewable raw material

Our products are derived entirely from 100% recycled and renewable raw materials sourced from the pulp and paper industry.

82

Employees

Sunpine currently has a workforce of 82 employees.

38%

Women

Sunpine strives for a balanced gender distribution among employees. Currently, 38% of our workforce are women.

1

Lost-time accident in 2024

After several years without lost-time accidents, we recorded one incident at the head office in 2024, when an entrepreneur slipped and injured their hands. No lost-time accidents occurred in our production operations during the year.

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Condensed income statement (KSEK)

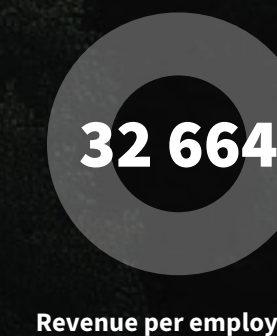
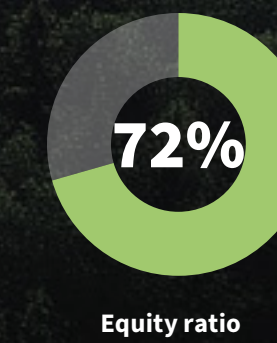
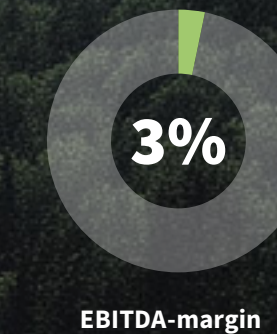
	2024	2023	2022	2021	2020
Net turnover	2 678 476	3 945 797	3 041 751	2 106 205	1 361 209
EBITDA	85 154	265 248	595 832	337 835	101 798
Profit for the year	16 369	90 681	268 572	105 915	17 784

Condensed balance sheet and cash flow (KSEK)

	2024	2023	2022	2021	2020
Total assets	1 553 283	1 763 713	1 681 344	1 446 655	1 120 354
Equity	732 716	766 347	775 667	607 095	501 180
Cash flow from operating activities	390 598	-63 654	288 098	312 777	129 686

Key performance indicators

	2024	2023	2022	2021	2020
EBITDA margin	3%	7%	19%	16%	7%
Return on capital employed	-2%	13%	38%	26%	6%
Equity ratio	72%	66%	68%	59%	60%
Revenue growth compared to previous year	-32%	30%	44%	55%	-5%
Revenue per employee (KSEK)	32 664	49 322	39 503	29 253	18 906



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A volatile year lays the foundation for record volumes in 2025

CEO Statement

Sunpine is entering an exciting phase in its growth journey. In 2024, we focused on expanding our customer base, establishing long-term partnerships, and strengthening our international presence. We have also continued to solidify our operational foundation and prepared to deliver record volumes to customers across Sweden and Europe.

How would you summarise this year for Sunpine?

– 2024 presented many challenges, but it was also a year in which we further strengthened Sunpine’s position going forward. The biofuel market remained weak, impacted by global uncertainty and the lowering of Sweden’s GHG reduction obligation. While this short-term market development is reflected in our 2024 production and sales figures, I am incredibly proud of the work we accomplished this year. We have taken significant steps in advancing our business. Organisationally, we have strengthened our internal structures and processes, launched a new strategy and operational model, and built a new sales organisation to meet the renewed demand we are now seeing in the biofuel market.

– Thanks to these efforts, we are entering 2025 with strong partnerships and a full order book, paving the way for record production in the year ahead. Additionally, we are a more resilient company, having successfully aligned procurement volumes and raw material pricing more closely with the pricing of our end products.

What have been the key success factors for Sunpine this year?

– At its core, Sunpine’s offer is built around decreasing fossil dependency – this is the foundation of our business. The high carbon reduction value of our Raw tall diesel, combined with stable supply routes and large, reliable volumes, positions us as a strategic partner for our customers as they prepare for the future.

– Equally important has been the dedication of our employees. The whole organisation has embraced our new, customer-centric approach, and our clients have expressed great appreciation for the passion, expertise, and service level they receive from us. Employee engagement is crucial to our success, and these results clearly reflect their commitment.

With the EU tightening sustainability regulations, companies now face stricter impact reporting requirements. How is Sunpine addressing this?

– We welcome this development. The global transition to fossil-free energy is essential and also drives our business forward. We see these new regulations as valuable tools for strengthening control over, and minimising, our impact throughout the value chain. This applies not only to our climate impact but also to areas such as biodiversity and social responsibility. Over the past year, we have taken

significant steps to align with upcoming reporting requirements, including identifying key material topics related to impacts, risks, and opportunities.

– For us, sustainability, profitability, and growth are closely intertwined. Our business model is built on reducing the world’s reliance on fossil fuels. By measuring and reporting our impact – and continuously striving to improve – we strengthen our competitiveness and position in the growing market for high-quality biofuel feedstocks.

Many sustainability-focused companies have faced a tough year. How has Sunpine been affected, and what are your thoughts on the pace of the energy transition?

– It is crucial that we collectively do everything we can to accelerate the transition, both in Sweden and internationally. 2024 was a difficult year for many businesses, across industries, largely due to rising interest rates and global economic uncertainty.

As mentioned, Sunpine was also affected by this, and we have had to navigate challenges related to costs and profitability. However, we have managed relatively well, given our established operations and history of strong long-term growth and profitability. This year, Sunpine was recogni-

sed as the fastest-growing Swedish impact company of 2022–2023 by the news service Impact Loop, which monitors more than 1,200 Swedish companies in the sector.

– While many companies encountered obstacles this year, it is important to emphasise that the long-term trend away from fossil fuels remains strong – and I personally believe that the pace of transformation will only accelerate moving forward.

Finally, what are you looking forward to in the coming year?

– In 2025, we will continue to develop our organisation, our sales, and our products. A key priority will be to maximise capacity by identifying and addressing bottlenecks in production, distribution, and logistics.

– What excites me most about my role is the opportunity to lead this incredible company into a new era with new possibilities. I also look forward to working with our new Chairman of the Board, Sunpine’s first external appointment. Martin Forsén brings with him extensive experience in corporate development and the forestry industry. Together with him, the rest of the Board, and all our employees, I look forward to further establishing Sunpine in the global market.

David Öquist
CEO, Sunpine

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A word from our Chairman

It was with great enthusiasm and a strong sense of purpose that I assumed the role of Chairman of Sunpine in September 2024. From my first interaction with Sunpine, I was struck by its potential and unique position at the intersection of forestry, technology, sustainability, and innovation. I firmly believe that forestry offers the most viable path to a fossil-free future. Combating climate change requires a global energy mix where high-quality biofuel feedstocks – such as Sunpine’s Raw tall diesel – play a crucial role.

In 2024, the Board laid the groundwork for an ambitious five-year plan. With world-leading technology and production facilities, we are positioning Sunpine at the forefront of the energy transition. Our new business strategy focuses on further diversifying our customer base, increasing production volumes, and securing long-term agreements for raw materials and end products alike. This approach ensures our resilience to short-term market fluctuations while establishing a robust platform for sustainable growth. Every litre of Raw tall diesel that Sunpine produces and delivers contributes to reducing fossil dependence and promoting a better future. By reaching full production capacity, we can therefore maximise both our profitability and our positive impact.

In the coming years, we expect to see a significant increase in demand for high-quality biofuels. This trend is driven primarily by regulatory developments favouring fossil-free alternatives across multiple sectors, including road transport, aviation, and maritime industries. As the world’s largest producer of Raw tall diesel, Sunpine is well positioned to grow in line with this shift.

My background lies in developing and scaling businesses that integrate forestry and forest-based products with social and environmental sustainability, spanning Europe, Asia, and South America. Sunpine is a prime example of what this can look like in practice. In the year ahead, I look forward to working alongside the rest of the Board to support the CEO and management in driving positive change and realising this company’s full potential. And that potential is vast. Going forward, I see Sunpine as a global leader in the energy transition – demonstrating the powerful synergy between sustainable innovation and profitability.

Martin Forsén
Chairman of the Board, Sunpine

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This is Sunpine

The world is transitioning towards a more sustainable future, and Sunpine aims to be a driving force in that transformation. We operate the world’s largest production facility for Raw tall diesel, a biofuel feedstock derived from residual products of the pulp and paper industry. With a carbon dioxide reduction value of up to 90 percent and a primary feedstock that does not compete with global food production, Sunpine’s Raw tall diesel is a key component of tomorrow’s energy mix.

The biofuels market is experiencing strong and sustained growth, driven by multiple factors. End-user demand for fossil-free solutions is rising, new EU directives mandate more sustainable transport solutions, and the financial sector’s focus on sustainable investments is helping direct capital toward greener alternatives. Additionally, increased blending mandates in many European countries – along with new requirements specifically targeting aviation and maritime fuels – are expected to significantly boost global demand for biofuels.

Sunpine is committed to maintaining long-term, strategic partnerships with our customers, and working together to develop the best possible end

products – tailored to meet both market demands and environmental needs. With extensive experience in the biofuels market and a strong track record of navigating technical and regulatory challenges linked to Sweden’s ambitious GHG reduction obligation, we are well positioned to support our customers as the rest of Europe adopts increasingly strict biofuel blending mandates.

Our Raw tall diesel is also becoming increasingly relevant as customers begin to differentiate between biofuels based on both quality and sustainability considerations. To meet this growing demand, we are actively expanding our international presence and strengthening our market reach.

In addition to Raw tall diesel, Sunpine also produces bio-oil, rosin, turpentine, alpha-Pinene, and district heating. This diversified product portfolio, combined with the flexibility of our production mix, reduces our exposure to short-term market fluctuations and strengthens our long-term profitability. Read more about our full offering on pages 14-15.

Owners

Sunpine is owned in nearly equal parts by Preem AB, Sveaskog Förvaltnings AB, Södra Skogsägarna ekonomisk förening, and the chemical company Lawter BVBA. Sunpine’s ownership structure spans the entire value chain, from forest raw materials through processing to final distribution.

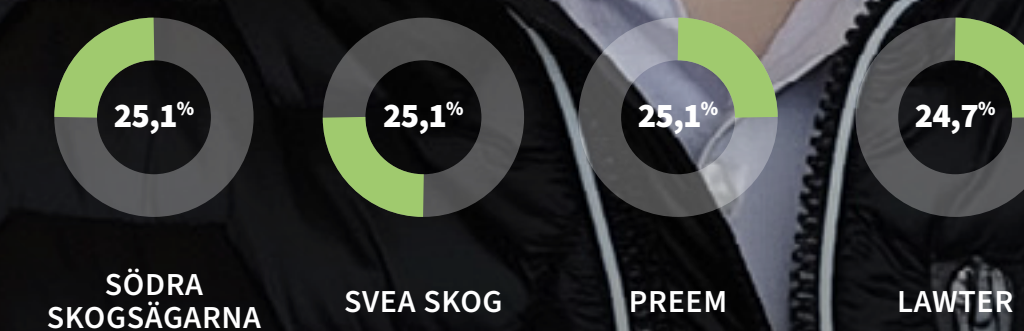
Number of employees: **82**

Share of female employees: **38%**

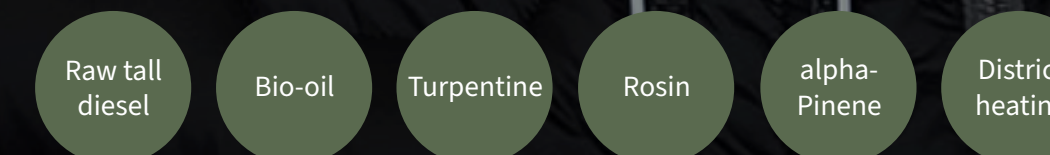
Turnover: **2 678 476 KSEK**

Number of patents: **+90**

SUNPINE OWNERSHIP



OUR PRODUCTS



SUNPINE'S PRODUCTION CHAIN

Using a single renewable raw material, crude tall oil, we extract a range of products in our patented production process, which is protected by more than 90 patents.



CRUDE TALL OIL

A residual product from the paper and pulp industry.

STORAGE

Large storage capacity ensures cost efficiency and flexibility.

CONDITIONING

Proprietary technology used to remove crude tall oil impurities.

FRACTIONING

Separation of bio-oil, rosin and raw tall diesel.

PRODUCTION

We make products for the energy sector, transport sector and the chemical industry.

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Key milestones



2005 Chemical engineer Lars Stigsson identifies the potential to produce biofuel from crude tall oil, a processing residue from the pulp industry that does not compete with the food industry or arable land.

2006 SunPine AB is founded with the goal of extracting renewable products using residues from the pulp and paper industry.

2008 Sveaskog, Södra Skogsägarna, and Preem invest a total of SEK 100 million to build a full-scale facility for the production of Raw tall diesel.

2010 In May, the production facility at Haraholmen in Piteå is inaugurated. In October of the same year, the first volume of Raw tall diesel is delivered to Preem.

2013 Sunpine's facility reaches full production capacity.

2014 The global chemical company Lawter acquires a stake in Sunpine.

2015 A new production facility for rosin and turpentine is brought into operation.

2018 Lars Stigsson, founder of Sunpine, and chemist Valeri Naydenov receive the Polhem Prize for the development of Raw tall diesel. The same year, Sunpine decides to invest SEK 410 million in a new production line.

2021 Sunpine commissions the new production line, doubling the production capacity of Raw tall diesel.

2023 Total investments in Sunpine's facility and product development amount to nearly SEK 1 billion.

2024 Sunpine continues to strengthen its market position, expand across Europe, and broaden its customer base.

With the launch of alpha-Pinene, the company further diversifies its product portfolio and strengthens its market offering.

A full orderbook points to record production in 2025.

According to the news service Impact Loop, Sunpine is Sweden's fastest growing Impact company between 2022 and 2023.

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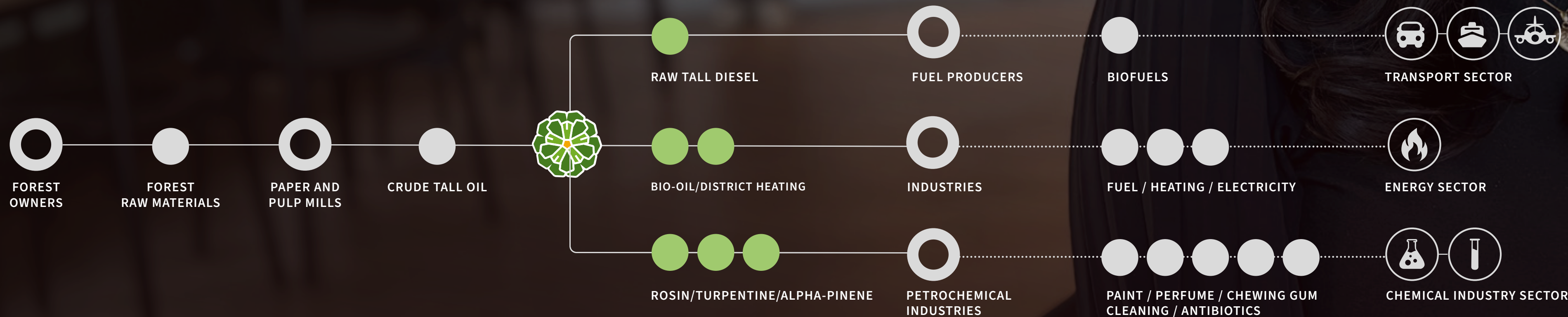
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Our value chain

Our value chain starts in the forest. Forest raw material is delivered to paper and pulp mills in Sweden, Finland and the United States. In their production processes, crude tall oil emerges as a residual byproduct. These paper and pulp mills are Sunpine's direct suppliers. We buy their crude tall oil and have it delivered via boat and truck to our production facility at Haraholmen in Piteå. Here, we extract a range of products from the crude tall oil; in addition to our Raw tall diesel, we also extract bio-oil, rosin, turpentine and alpha-Pinene. Excess heat from the process is also recovered and turned into district heating for local industries.



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Raw tall diesel

Sunpine’s main product is ISCC-certified Raw tall diesel. Here are some of the key reasons why customers choose our Raw tall diesel – whether they prioritise traceability, supply security, or fuel performance.

Sustainability

One of the highest CO₂ reduction values on the market. Under current regulations, Sunpine’s Raw tall diesel achieves a reduction value of up to 90 %.

Strong traceability. Sunpine’s Raw tall diesel is certified according to ISCC, a global certification system that verifies sustainability, traceability, and greenhouse gas reductions across the biofuel supply chain. Our certification makes it easier for customers to gain oversight of their own supply chains.

No impact on land use or food production. Raw tall diesel is derived from crude tall oil, a processing residue from the pulp industry that would otherwise be wasted or incinerated. Its production does not impact global food supply chains. By utilising crude tall oil, we extend the material’s lifecycle without affecting land use or food production.

Advanced Biofuel. Under the EU’s RED II directive, Sunpine’s Raw tall diesel is classified as an Advanced Biofuel. In many countries, this classification enables double-counting CO₂ reductions for HVO produced from Raw tall diesel.

Production efficiency

Higher yield. Sunpine’s Raw tall diesel offers a higher yield compared to other biofuel feedstocks, such as vegetable oils and animal fats. This means our customers can produce between four and twelve percent more biofuel in their refining process when using our Raw tall diesel.

Reduced hydrogen demand. Raw tall diesel requires up to 40 % less added hydrogen in the refining process compared to vegetable oils and animal fats. For customers sourcing hydrogen from natural gas, this lower hydrogen requirement results in reduced purchasing costs for natural gas – as well as a smaller carbon footprint.

High and consistent purity. Our Raw tall diesel is a refined and distilled product with a very low phosphorus and metal content. As a result, Raw tall diesel requires no pre-treatment before processing at the customer’s oil refinery. It also enables our customers to minimise production down-time related to, for example, cleaning and catalyst replacements.

Availability and supply security

Large production capacity. Sunpine operates the world’s largest Raw tall diesel production facility. We have the capacity to produce approximately 200,000 tonnes of Raw tall diesel annually for customers across Europe.

Secure delivery routes. We deliver our Raw tall diesel directly from northern Sweden, bypassing logistical bottlenecks and geopolitical risk areas.

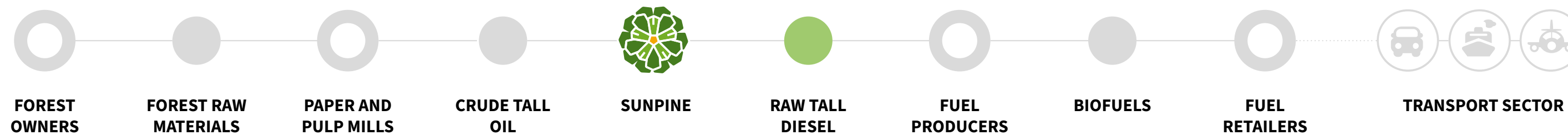
Fuel performance in the engine

High cetane number. Raw tall diesel has a higher cetane number than fossil diesel, improving ignition quality and engine efficiency. Vehicles simply start more easily with HVO produced from Raw tall diesel.

Optimal viscosity. Viscosity is a critical factor in diesel engine performance. The balanced viscosity and lubricity of Raw tall diesel help extend engine life and optimise performance.

Excellent cold-weather properties. With its optimised molecular composition, Raw tall diesel delivers superior cold-weather performance, outperforming other biofuel feedstocks.

High energy density. HVO produced from Raw tall diesel boasts a higher energy density than other biofuels, providing greater energy output and improved fuel efficiency.



The Raw tall diesel is delivered to customers, mainly biofuel producers in the EU, who in turn can refine it into HVO and other biofuels for the automotive, aviation and maritime industries.

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Our additional products

Alongside Raw tall diesel, Sunpine produces a range of fossil-free products from our crude tall oil: bio-oil, rosin, turpentine, and alpha-Pinene. We supply these products to customers across various industries, in Sweden and internationally.

Bio-oil

Bio-oil is a commonly used fuel oil in boilers and heating plants. It has replaced fossil-based oils in many of Sweden's district heating systems. In combined heat and power plants, it can be used to generate both electricity and heat.

Sunpine's bio-oil also plays a crucial role in industrial processes, not least in mining and steel production, where the shift away from fossil fuels is an increasing priority. Additionally, we use our own bio-oil in our production process, contributing to our near fossil-free operations. By supplying bio-oil to many of our raw material suppliers, we also help reduce fossil dependency across our value chain.

District heating

Sunpine's production process generates excess heat, which is converted into district heating and distributed via PiteEnergi to nearby industries and facilities at Haraholmen. Sunpine supplies district heating via a 2.5-kilometre pipeline network at Haraholmen. In 2024, this system delivered 2,075,000 kWh of district heating to local industries and facilities.

Rosin

Sunpine's rosin has diverse applications and is further refined by customers for use in a variety of products. Due to its adhesive properties, rosin is a key ingredient in glues and protective coatings and serves as a binding agent in printing inks and paints. It can also replace fossil-based oils in furniture manufacturing, be used for sealing boats, or provide the desired texture for chewing gum production.

Alpha-Pinene

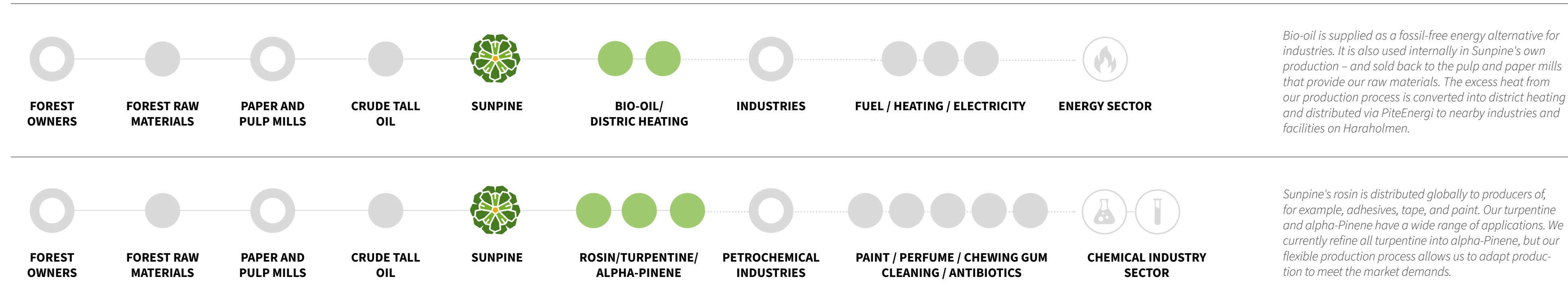
Alpha-Pinene is a naturally occurring chemical compound primarily found in coniferous trees. It is commonly used as a fragrance component in perfumes and other cosmetic products, as well as in cleaning agents. Additionally, it plays an important role in the pharmaceutical industry, where it is used in the production of broad-spectrum antibiotics.

Alpha-Pinene has traditionally been either synthetically produced or extracted from pine trees – both methods being resource-intensive with a significant environmental impact. Sunpine refines crude sulphate turpentine into alpha-Pinene using a resource- and cost-efficient process, maximising the value extracted from our existing operations.

Turpentine

Turpentine is a versatile product with a wide range of industrial applications. It is used in the production of fragrances and flavorings, and its chemical properties make it valuable in the chemical industry as well as a biodegradable alternative to petroleum-based solvents.

One of the largest sources of turpentine is the pulp industry. During the pulping process, a portion of the turpentine is carried over with the crude tall oil and reaches Sunpine's facility, where it can be extracted or further refined into alpha-Pinene.



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The world we operate in

Sunpine operates in a dynamic market environment shaped by global trends, disruptive events, and local developments in Norrbotten. Staying ahead of these changes is essential for strengthening our business and anticipating our customers' needs. Here, we highlight some of the key events that have impacted our operations over the past year.

EU directives drive development

The EU aims to become climate neutral by 2050, placing increasing demands on companies within the union. New regulations, including the Corporate Sustainability Reporting Directive (CSRD), require us, our customers, and our suppliers to enhance sustainability reporting efforts. In the long term, this will also increase incentives for choosing sustainable solutions, which we believe will benefit the biofuels market.

The EU taxonomy is another tool designed to direct investments towards sustainable solutions. The taxonomy defines what qualifies as environmentally sustainable activities, which will be prioritised through improved access to capital and lower financing costs. Banks and financial institutions will use the EU taxonomy as a framework to steer investments towards taxonomy-aligned companies, further benefiting the market for renewable fuels.

Two additional EU regulations relevant to Sunpine are FuelEU Maritime and ReFuelEU Aviation, which aim to increase the share of fossil-free fuels in aviation and maritime transport. These regulations mandate increased inclusion of biofuels in the coming decades and can be compared to blending mandates for these sectors. For Sunpine, these regulations present opportunities for growth and for the expansion of our international customer base.

*"There is **no contradiction** between scientific directives for sustainability and our ability to drive smart business development"*

Geopolitical instability

The wars in Ukraine and Gaza continued to cause significant geopolitical instability in 2024. While these conflicts are, above all, human tragedies, they also have significant implications for the global energy market. This is particularly evident in the volatility of prices and demand for both our products and our raw material, crude oil, which in turn impacts Sunpine's business. To mitigate our exposure, we are working to secure our long-term supply of crude oil by broadening our supplier base. Additionally, we will increasingly align our pricing with raw material costs.

Geopolitical instability and growing threats of tariffs and trade barriers may also impact our business. One example is the shift in political power in the United States, which could affect both global trade and the pace of the energy transition. Another example is the potential impact on global trade routes, particularly through the Suez Canal. Since other biofuel feedstocks, such as used cooking oil (UCO) and palm oil, largely reach Europe via the Suez Canal, changing conditions could increase demand for our Raw tall diesel.

Stalling growth boom in Norrbotten

In recent years, Norrbotten has been the epicentre of large-scale, innovative industrial investments, particularly in battery manufacturing, hydrogen production, and energy transition. These projects have garnered international attention. However, over the past year, media coverage has focused more on challenges than successes. Several companies and projects have faced financial difficulties linked to rapid growth or global instability.

Sunpine is affected by the broader developments in Norrbotten but has a long history of profitable growth. Our strong ownership structure and stable financial position provide confidence in our continued expansion.

Renewable diesel in Europe expected to quadruple by 2030

In its report "Biofuels Analytics" from January 2025, Argus forecasts that the demand for renewable diesel in Europe will almost quadruple by 2030

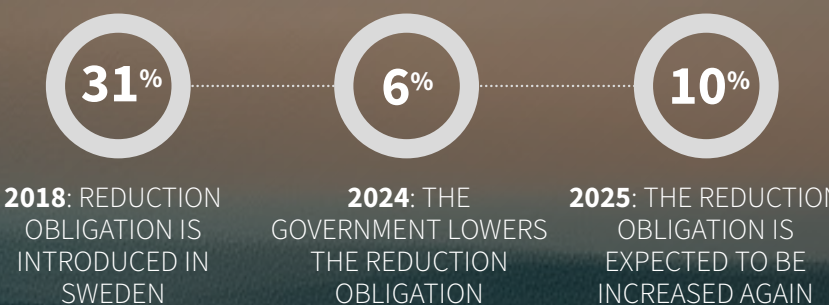
A volatile but strong long-term biofuels market

In 2023 and 2024, the biofuels market experienced short-term volatility, with fluctuations in both demand and prices. This was largely driven by political decisions and global uncertainty. However, we see a strong long-term outlook for advanced biofuels, driven by the global push for climate neutrality and increasingly strict sustainability requirements. For example, Argus, in its January 2025 report "Biofuels Analytics," projects that demand for renewable diesel in Europe will nearly quadruple by 2030.

Fluctuating GHG reduction obligation

During the year, Sweden's GHG reduction obligation – the mandated share of biofuels blended into conventional fossil fuels – became a widely debated topic. At the start of the year, the obligation was significantly lowered, but in August, the government proposed an increase from six to ten percent. However, this revised obligation also considers electricity used at public charging stations. Electrification is a crucial part of the transition, and including electricity in the reduction obligation is reasonable. However, it also creates uncertainty in the Swedish biofuels market. As the number of electric vehicles on the roads increases, it remains unclear whether the raised reduction obligation will actually result in a higher volume of biofuels blended into conventional diesel. Sunpine is closely monitoring the development and advocating for a long-term solution that accelerates both electrification and the development of other fossil-free fuels.

Meanwhile, many other EU countries are increasing their blending mandates, and more companies and organisations are choosing HVO and other fossil-free alternatives in line with their sustainability ambitions. Sunpine is responding to this shift by actively expanding our customer base across Europe.



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Sunpine's key milestones

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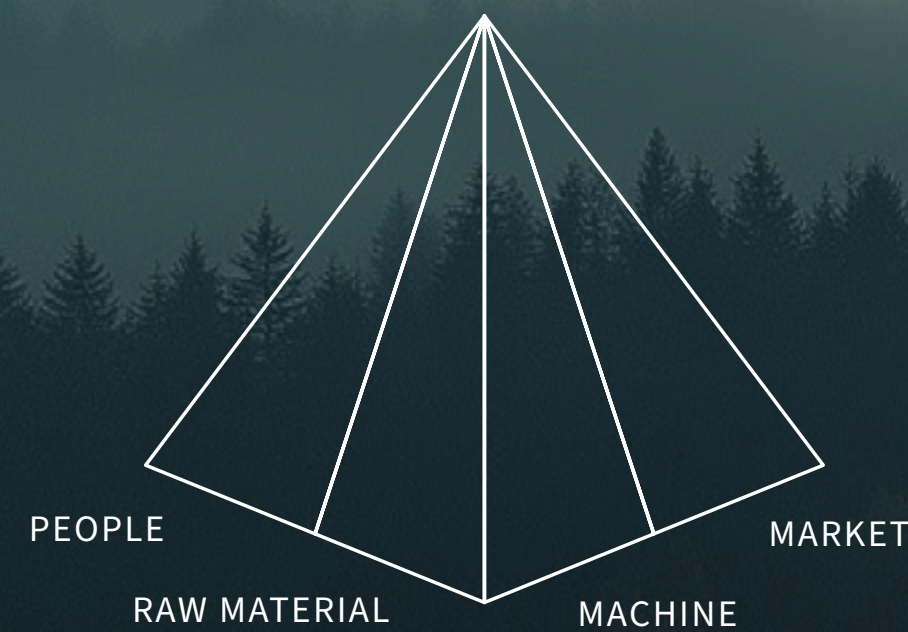
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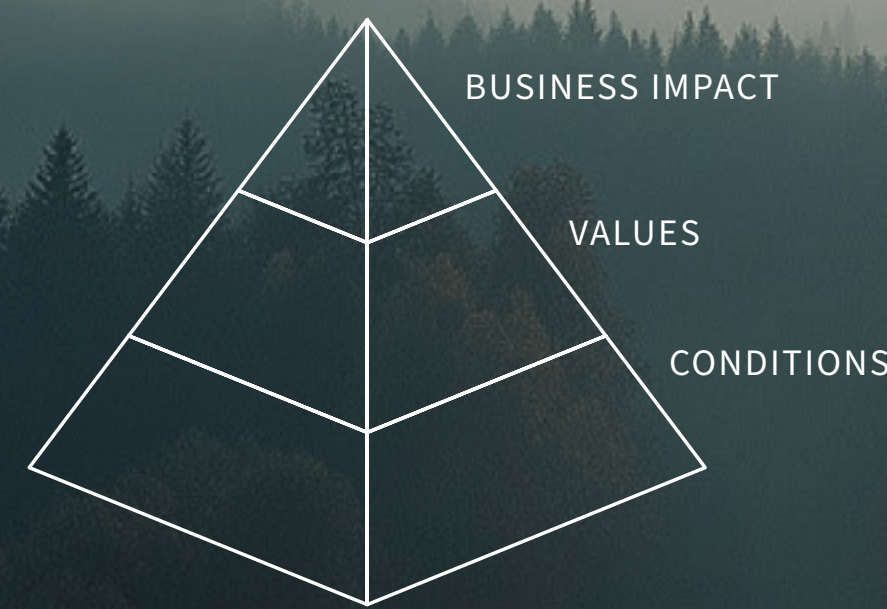
Strategy

A strategy for a new Sunpine

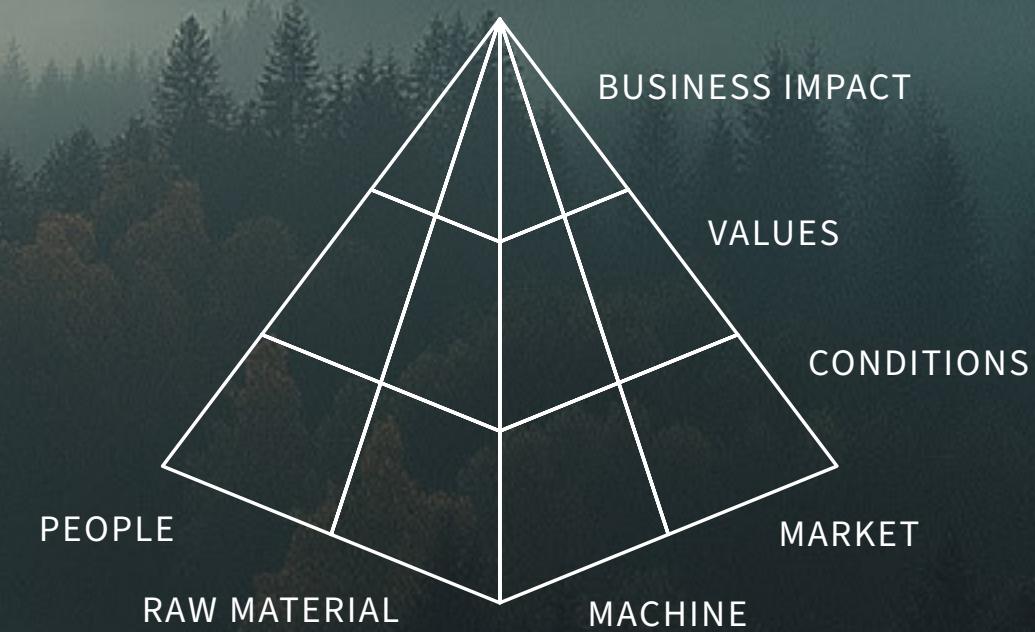
Sunpine is undergoing a transformation shaped by new market conditions, an increasing customer focus, and stricter sustainability regulations. Grounded in external monitoring, long-term objectives, and an evolving market landscape, Sunpine launched a new strategy and a strategic operating model in 2024. This model is structured around four key focus areas: People, Raw material, Machine, and Market.



1 Our strategy reinforces our ambition to be a leader in four areas: our expertise in raw materials, our ability to extract high-value products from industrial residues, our understanding of market needs and regulations, and the engagement and capabilities of our employees.

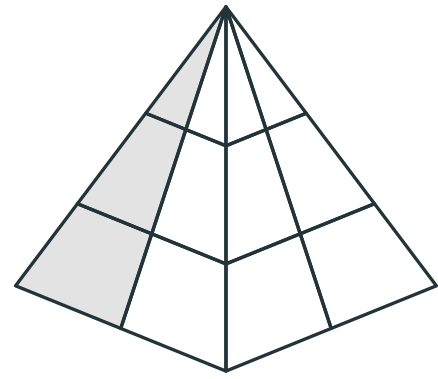


2 In our strategic operating model, these four focus areas are integrated across three dimensions: conditions, values and business impact. This integrated approach is designed to help us make the right decisions in the right order, ensuring that we are aware of our operational conditions, maximise value, and generate tangible business benefits in all our activities.



3 As part of this transformation, we have identified several key business needs encompassed by our new strategy: expanding our customer and product portfolio, securing long-term raw material supply, evaluating capacity-enhancing investments in our production facility, strengthening long-term partnerships with customers and suppliers.

Strategic focus areas



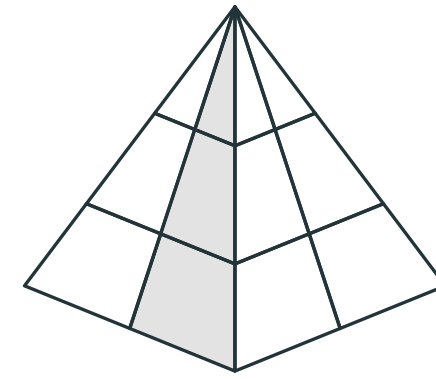
People

We rely on the competence, engagement, and innovative thinking of our employees. Our team consists of problem-solvers and forward-thinkers who thrive in collaboration. As an employer, we aim to create an attractive workplace where employees feel empowered, trusted, and encouraged to grow. They are well-versed in our routines and deeply committed to our continuous safety work.

Strategic priorities 2024–2026:

- *A safe workplace*
- *A responsible employer*
- *Skills development*

Read more about the strategic focus area People on page 20.



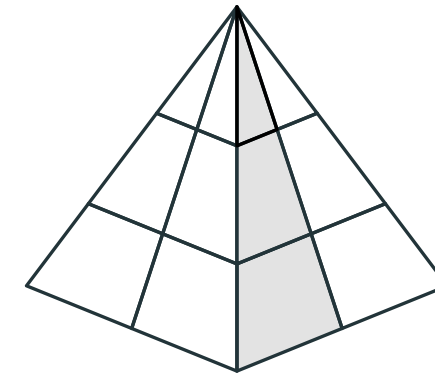
Raw material

The raw material we use is crucial to our business. It must meet the right quality standards, be sourced responsibly, and be transported via controlled supply chains – all within a well-documented and planned value chain. Sunpine continuously monitors, analyses, and evaluates future regulations, requirements, and market needs related to today’s raw materials to assess their long-term potential and identify alternative sources.

Strategic priorities 2024–2026:

- *Tactical raw material supply strategy*
- *Compliance*
- *Our value chain*

Read more about the strategic focus area Raw material on page 21.



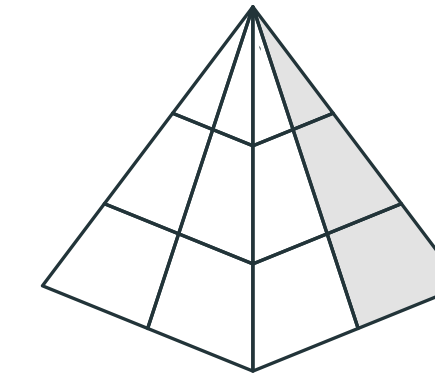
Machine

Our patented process enables the efficient and controlled extraction of high-value products from industrial residues. The process is extensive and risk-sensitive, involving high pressures and heated liquids. We work methodically and with great respect for both people and the environment to ensure safe and efficient production.

Strategic priorities 2024–2026:

- *Process optimisation*
- *Our products*
- *Innovation*

Read more about the strategic focus area Machine on page 22.



Market

Our business must be legitimate, environmentally responsible, and built for long-term success. Our products need to be competitive and aligned with customer demands, both now and in the future. To contribute to the green transition, we must understand policymakers’ requirements and drivers while also developing products that meet market needs, regulations, and shifting consumer behaviours.

Strategic priorities 2024–2026:

- *Stabilising the business*
- *Strong brand positioning*
- *Active engagement in society*

Read more about the strategic focus area Market on page 23.

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A safe, supportive, and growth-oriented workplace with engaged employees is essential to our success. Within the strategic focus area People, we are ambitiously developing our work practices and ensuring that the organisation is well-prepared for the future.

Key initiatives in 2024

- **Development of the work permit process:** Many tasks at Sunpine require collaboration between multiple internal and external functions. Following a gap analysis that identified improvement potential in our work permit routines, we began reviewing and updating our processes in 2023. In 2024, these efforts continued, and the new processes are now ready for implementation.
- **Organisational conditions:** In 2024, we continued efforts to clarify boundaries between departments and define responsibilities for specific tasks.

Challenges during the year

The challenging economic climate has affected many companies, including Sunpine. A key goal for us in this situation has been to retain our full workforce. We succeeded in this and anticipate a stronger market in 2025.

Priorities moving forward

- **Continuing to strengthen our organisational foundation:** The guidelines for defining departmental responsibilities will be implemented to create even clearer accountability throughout the organisation.
- **Further developing the work permit process:** We will proceed with the implementation of our new work permit procedures to improve safety and efficiency in our workflows.
- **Strengthening our employer brand:** Through an upcoming initiative, we aim to further enhance Sunpine's employer brand. Continuously working to attract and retain employees is key to Sunpine's continued expansion.

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Within the strategic focus area Raw material, we address issues such as supply security and sustainability in the value chain. Sunpine is committed to upholding a stable and responsible business, and in 2024, the focus was on CSRD compliance and procurement efforts.

Key initiatives in 2024

- **New dedicated procurement department:** In 2024, we established a dedicated procurement department at Sunpine to strengthen efforts to secure a stable and long-term raw material supply. We also recruited two new employees to the procurement function.
- **Double materiality assessment:** As part of our CSRD implementation, we conducted a double materiality assessment to identify our impact, opportunities, and risks. This process is central to CSRD and helps determine the most relevant sustainability topics for a business. While relevant to all four strategic focus areas, it is included under Raw material due to its focus on the value chain. More details on the double materiality assessment can be found in the sustainability statement on page 25.

Challenges during the year

Throughout 2024, market volatility posed challenges in balancing raw material costs with pricing, requiring careful strategic adjustments. To ensure long-term stability, we reviewed our pricing strategy to establish a clearer link between procurement and end product prices.

Adapting to and implementing new legislation, such as CSRD and Fit for 55, has been a significant focus during the year and has required extensive efforts, particularly from the sustainability department. Understanding these new legal frameworks is time-consuming, but essential.

Priorities moving forward

- **Mapping alternative raw materials:** We will explore alternative processing residues that can complement crude tall oil to secure a stable and diversified long-term raw material supply.
- **Focus on nature:** Based on the double materiality assessment, we will conduct an in-depth analysis of Sunpine's environmental impact, our dependence on natural resources, and how we can minimise our negative footprint.
- **Continued CSRD implementation:** In 2025, we will further implement CSRD, including defining targets for our material sustainability subtopics.

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The strategic focus area Machine revolves around production efficiency, safety, and product development at our facility. By optimising our processes and aligning them with market needs, we strengthen our business and reduce vulnerabilities.

Key initiatives in 2024

- **Maintenance and production planning:** We have implemented an 18-month rolling maintenance and production planning process. More proactive maintenance reduces the risk of downtime, while improved production planning allows us to better align production with customer and market demand.
- **Availability improvements:** We have systematically worked on equipment issues affecting plant uptime, successfully extending maintenance intervals for several machine components.
- **Electricity use:** We have conducted a review of our electricity consumption and implemented new working methods to reduce energy use in our operations.
- **Alpha-Pinene:** Since the launch of Sunpine's alpha-Pinene in the spring of 2024, we have prioritised building a strong customer base and optimising delivery routes for the product.

Challenges during the year

Lower sales of Raw tall diesel led to reduced crude tall oil procurement volumes, which in turn affected production capacity for our other products. One of our process lines experienced prolonged downtime, impacting both maintenance efficiency and sustainability efforts. While we have some flexibility in our production mix, balancing procurement and demand for our various products remains a key aspect of securing our business.

Priorities moving forward

- **Focus on additional products:** In 2025, we will focus on increasing internal product knowledge for our additional products – rosin, turpentine, bio-oil, and alpha-Pinene – to ensure a deeper understanding of their value and potential.
- **Identifying bottlenecks:** We will assess challenges and bottlenecks within the facility and evaluate necessary investments to maximise production capacity.

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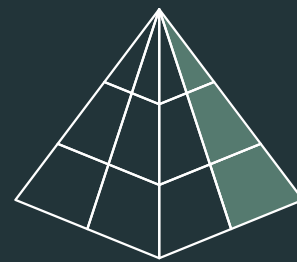
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Forecasts indicate strong growth for advanced biofuels in the coming years. At the same time, the market remains volatile in the short term, influenced by economic conditions and political decisions. To strengthen our resilience, meet growing demand, and achieve long-term, sustainable growth, we must continuously develop our business and market position – efforts that takes place within the strategic focus area Market.

Key initiatives in 2024

- **New customers and partnerships:** We expanded our customer base and established long-term partnerships, both in Sweden and internationally, to ensure stable demand and growth.
- **New sales organisation:** We built a dedicated sales organisation with a clear customer focus to meet increasing market demands and establish a strong foundation for continued expansion.
- **Brand identity development:** We initiated a comprehensive project to refine our brand identity in line with our new market position. This work will continue in 2025.

Challenges during the year

Over the past two years, the biofuels market has been impacted by global economic conditions and shifting political decisions. We anticipate a market recovery in 2025 and already have an order book indicating record production for our facility. Regardless of market fluctuations, we recognise the importance of building a resilient and agile organisation that can navigate uncertainty while driving long-term growth.

Priorities moving forward

- **Expanding the customer base:** In 2025, we plan to further expand our customer base across all product segments and secure long-term contracts for both raw materials and end products.
- **Innovation and product development:** We will continue developing new solutions to enhance our offerings.
- **Sponsorship strategy:** We will introduce a new sponsorship strategy focused on supporting innovation and sustainable development in the local community, encompassing all dimensions of sustainability – environmental, social, and economic.

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Over the past year, Sunpine has made significant strides in integrating sustainability into the business strategy. A close collaboration between our sustainability and strategy functions has been a key success factor in this process.

– Sustainability is no longer a separate issue for Sunpine; it is a fundamental part of how we develop our business long-term and create value. We see this as a strategic shift where sustainability efforts and business development go hand in hand, says Pernilla Kearney, Head of Strategy and Communications at Sunpine.

From regulations to business opportunities

In recent years, sustainability has become an increasingly business-critical issue. During COP28, world leaders agreed on the need to transition away from fossil fuels. The EU is tightening its sustainability regulations, and in the financial sector, sustainability risks have become a central aspect of investment decisions.

– Sustainability is moving from “nice to have” to “need to have”. We see this development as part of our playing field – and as a business opportunity. Sunpine’s ability to fully integrate sustainability into our business is, in fact, crucial for our long-term profitability, says Pernilla Kearney.

An important step in this process has been conducting Sunpine’s first double materiality assessment within the framework of the upcoming CSRD regulations. This assessment provides a deeper understanding of how Sunpine impacts the world – but also how external sustainability factors affect Sunpine.

– We have worked intensively to prepare for CSRD and ESRS, and through this process, we have gained a clearer picture of which sustainability issues are most critical for our business and our stakeholders, says Eva Wuopio, Head of Sustainability at Sunpine.

Anchoring sustainability across the organisation

The double materiality assessment has also served as a strategic tool in the integration process.

– Among other things, it has resulted in the creation of cross-functional working groups for each of the 17 material sustainability subtopics identified in our double materiality assessment. This means that these issues are not handled in isolation but are anchored throughout the entire organisation, says Eva Wuopio.

The approach enables sustainability topics to influence all parts of the business – from business development to production and procurement. Pernilla Kearney sees this as a key to long-term success.

– This is how we build a stable and future-proof business. It’s not about choosing between sustainability and profitability, but about how the two can strengthen each other at all levels of the company.

A journey with no final destination

At Sunpine, we know that every liter of Raw tall diesel sold reduces global dependence on fossil fuels. This is the foundation of our business. But our sustainability efforts cannot stop there.

– Sustainability is a continuous process, a journey with no definitive endpoint. And to truly make progress, we must dare to ask ourselves the difficult questions. We need to be critical, analyse our own impact, and identify where we can improve, says Eva Wuopio.

Pernilla Kearney adds:

– Questioning how sustainable we truly are is perhaps Sunpine’s most important strategic tool for continuous improvement.



Pernilla Kearney Head of Strategy, Sunpine
Eva Wuopio Sustainability manager, Sunpine

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Basis for preparation

Sunpine will be subject to the Corporate Sustainability reporting Directive (CSRD) from the financial year 2025. However, we began adapting to the new directive in 2023. This sustainability statement has been prepared with the ambition of aligning as closely as possible with the CSRD and European Sustainability reporting Standards (ESRS).

The sustainability statement covers our own operations as well as key aspects of our value chain, both upstream and downstream. It follows the same scope and reporting period as the financial statements for SunPine AB. Sunpine has chosen to omit certain information due to business confidentiality considerations.

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GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	28
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SBM-1	Strategy, business model and value chain	17-24
SBM-2	Interests and views of stakeholders	31
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	17-24, 31-32
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Sunpine’s sustainability governance

At the end of 2023, Sunpine established a sustainability department and initiated the implementation of a working model to ensure the broad integration of sustainability aspects across all areas of our business. The sustainability department’s work is led by the Head of Sustainability. Sunpine’s sustainability strategy is integrated into our business strategy, which is approved by the Board of Directors and overseen by the executive management team.

Measures, projects, and other activities related to specific sustainability areas are monitored, risk-assessed, and evaluated by designated working groups.

Corporate governance framework

Sunpine’s corporate governance framework ensures effective management and oversight of the business. The Board of Directors, which meets six times per year, holds overall responsibility for the company’s strategic direction and approves the business plan. The executive management team is responsible for operational management, executing the decisions made by the Board, and overseeing day-to-day activities.

To provide the Board with ongoing insight into business operations, board members receive a monthly CEO presentation summarising key topics such as financial performance, safety-related incidents, and other relevant matters. Prior to each board meeting, a more

in-depth CEO report is distributed, featuring analyses contributed by various business functions, including the strategy and sustainability departments.

In addition to regular board meetings, an annual strategy day is held, where the Board and the executive management team jointly discuss long-term objectives, strategic priorities, and company development.

Strategy and value chain

Information on Sunpine’s overarching strategy and value chain can be found on pages 13 and 17-24.

Impact, risks, and opportunities

In addition to managing operational risks on a daily basis, we conduct in-depth assessments of material impacts, risks, and opportunities through our double materiality assessment.

More details can be found on page 31.

The material sustainability subtopics within each ESG area, along with their associated impacts, risks, and opportunities, are outlined in the sections covering environmental, social, and governance information.

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Sunpine’s risk management

Sunpine systematically identifies, evaluates, manages, and monitors sustainability risks at all levels of the organisation. Risk assessments are conducted continuously in daily operations, during internal and external audits, and through stakeholder engagement.

In addition to legal requirements, Sunpine adheres to several national and international sustainability standards. These standards are essential in guiding our sustainability efforts, helping us identify and manage risks across our value chain and internal operations.

Sunpine is certified under ISO 9001:2015, a quality management system that helps organisations ensure their products and services consistently meet customer and regulatory requirements while promoting continuous process improvement and efficiency. Our quality policy supports this certification by focusing on the development of high-quality products, continuous improvements, and strong supplier relationships.

Sunpine holds an ISCC (International Sustainability and Carbon Certification) certificate for the production of Raw tall diesel. The ISCC certification confirms compliance with international sustainability criteria, including product traceability throughout the value chain. The certification covers several key areas and includes the following requirements:

- **Sustainability and traceability:** Products must be traceable throughout the entire value chain and adhere to strict sustainability principles.
- **Reduction of greenhouse gas emissions:** ISCC-certified products must meet criteria for significant reductions in greenhouse gas emissions compared to fossil alternatives.
- **Responsible land use:** Production must not lead to deforestation or degradation of environmentally sensitive areas.
- **Social and ethical standards:** The certification includes requirements for fair working conditions and the protection of human rights.

Sunpine also holds a sustainability declaration from the Swedish Energy Agency, confirming that our operations meet the requirements necessary for Raw tall diesel to be classified as sustainable under both Swedish and EU legislation.

Through internal and external audits, Sunpine ensures compliance with these standards, identifies and mitigates potential risks, and drives continuous improvement. Our ISO 9001 certification follows a three-year audit cycle, while the ISCC EU certification is reviewed annually. In 2024, both ISO 9001 and ISCC audits were conducted without any non-conformities.

Sunpine’s internal audit team operates under a structured audit programme, reviewing company processes such as ISO 9001 compliance and the control system for sustainability criteria related to liquid biofuels. The purpose of the audit team is to identify areas for improvement, assess potential risks, and ensure compliance with legal requirements, certifications, internal policies, and more. At the end of 2023 and into the spring of 2024, we expanded our internal audits to include workplace safety and fire protection. Among the topics reviewed in 2024 were Sunpine’s sustainability efforts and the implementation of CSRD, with no major non-conformities identified.

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Due diligence

Sunpine actively applies due diligence principles to identify, prevent, and mitigate potential negative impacts on people, the environment, and society throughout our value chain. More details on these efforts are provided in the relevant sections of this sustainability statement.

We evaluate both our own operations and our suppliers to ensure responsible business practices and sustainable raw material sourcing. Our approach includes supplier assessments, implementation and follow-up of our code of conduct, and ongoing dialogue with partners. These efforts focus on the material subtopics identified in our double materiality assessment —more details can be found on page 31.

Our due diligence process involves continuous monitoring and reporting. We systematically evaluate the effectiveness of our measures and refine our strategies in response to new insights and evolving conditions.

About CSRD and ESRS

The Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) are EU regulations designed to standardise and enhance corporate sustainability reporting within the union.

The CSRD framework was adopted in 2023 and aims to improve transparency and comparability in reporting, enabling stakeholders to better understand and assess corporate sustainability efforts.

The ESRS provide detailed guidelines regulating how companies should report on sustainability aspects in compliance with CSRD requirements. They encompass a wide range of sustainability matters and are categorized into general, environmental, social, and governance information.

The overarching components of the ESRS are as follows:

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- **ESRS 1:** General requirements
- **ESRS 2:** General disclosures

Environmental information

- **E1:** Climate change
- **E2:** Pollution
- **E3:** Water and marine resources
- **E4:** Biodiversity and ecosystems
- **E5:** Resource use and circular economy

Social information

- **S1:** Own workforce
- **S2:** Workers in the value chain
- **S3:** Affected communities
- **S4:** Consumers and end-users

Governance information

- **G1:** Business conduct

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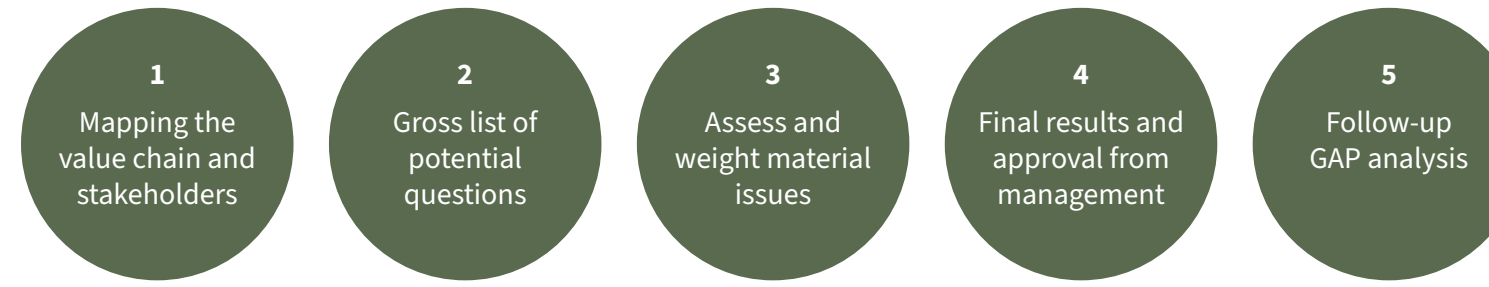
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Sunpine's double materiality assessment process

Double materiality assessment

Sunpine's alignment with CSRD has progressed throughout 2024. One of the most significant initiatives during the year has been conducting a double materiality assessment. This assessment is a fundamental part of CSRD and is used to identify the most relevant sustainability matters for a business, taking its entire value chain into account.

The double materiality assessment includes two dimensions:

- **Financial materiality:** How external sustainability factors, such as climate change or social issues, may impact the company's financial position in the short and long term.
- **Impact materiality:** How the company's operations and value chain affect the environment, society, and other external stakeholders from a sustainability perspective.

By applying a double materiality approach, Sunpine examines both the company's impact on the external environment and how external sustainability factors may financially affect the company. This analysis provides Sunpine with a clearer understanding of the matters, topics and subtopics that are strategically important for ensuring long-term sustainability and business value.

Sunpine's double materiality assessment followed these key steps:

- 1 **Mapping the value chain and stakeholders**
The analysis began with a comprehensive mapping of Sunpine's entire value chain. We also identified our key stakeholders, including suppliers, owners, employees and trade unions, residents and local communities, government authorities, and customers and end-users.
- 2 **Developing a list of potentially material ESRS subtopics**
A comprehensive list of potentially material sustainability subtopics was developed, drawing from previous materiality assessments, ESRS guidelines, and other industry standards.

- 3 **Assessing and prioritising potentially material subtopics**
The subtopics on the initial list were weighted, assessed and prioritised using insights from stakeholder groups gathered through interviews, meetings, and workshops.

According to our model, material issues are weighted in a double materiality analysis by assessing both their financial impact and their impact on people and the environment. To derive a measure of financial impact, the probability of an event (1-100 %) is multiplied by the magnitude of the financial impact (0-5). To assess impact materiality, 'severity score' was calculated by taking into account the scale, magnitude and, in the case of negative impacts, the reversibility (all on a scale of 0-5). This was then multiplied by the likelihood of the impact occurring and a weighting factor (0-5). This model allows for the assessment of both negative and positive effects and ensures a structured and comparable evaluation.

- 4 **Final results and management approval**
The completed double materiality assessment was documented and approved by Sunpine's executive management team.

- 5 **Follow-up gap analysis**
A gap analysis of the material subtopics was then conducted. This identified areas where further development is needed, such as setting objectives, refining policies, and enhancing reporting routines.

To ensure that the double materiality assessment process aligned with CSRD regulations, Sunpine engaged external consultants with specialised expertise in the field. Sunpine's double materiality assessment will be reviewed annually.

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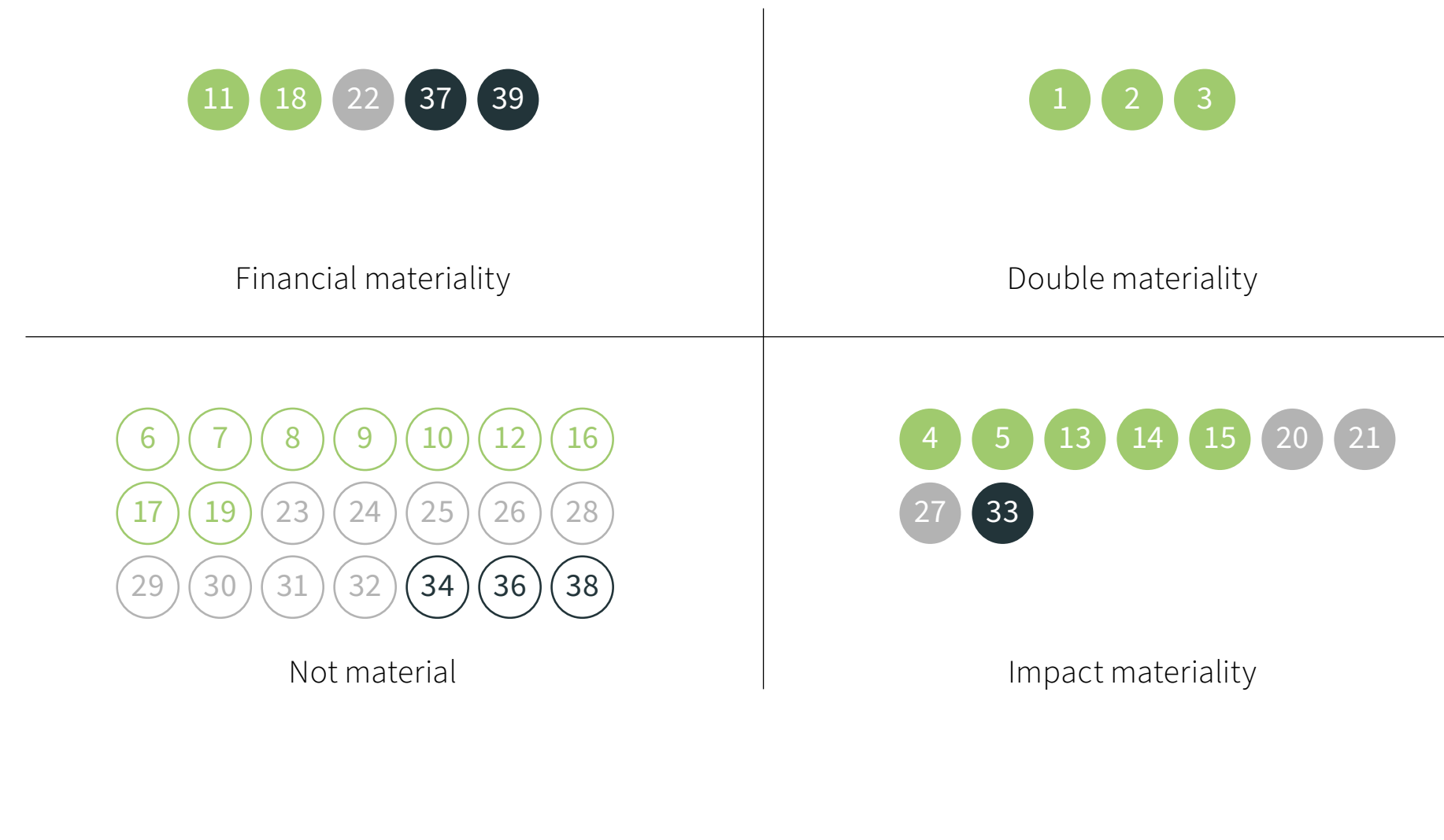
Sunpine's 17 material sustainability subtopics

Results of the analysis

Seventeen material sustainability subtopics were identified in the double materiality assessment, covering all three thematic areas of the ESRS – environmental, social, and governance. Three subtopics were identified as having double materiality, all of which are linked to the environmental standard ESRS E1 which focuses on climate change and energy.

Further details on the identified material sustainability subtopics are provided in the relevant sections of this sustainability statement.

● Environmental ● Social ● Governance



Environmental information

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- 1 Climate change adaption
- 2 Climate change mitigation
- 3 Energy

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E5 Resouce use and circular economy

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Next steps

Building on insights from Sunpine’s double materiality assessment and the subsequent gap analysis, we have outlined a roadmap for achieving full compliance with CSRD.

Over the coming years, our plan includes:



Developing action plans for the material sustainability subtopics and ensuring compliance with the required data points under ESRS.



Working towards setting targets for the material sustainability subtopics to continuously evaluate the effectiveness and relevance of our policies and measures.



Defining key metrics for tracking the material sustainability subtopics and their impact.



Reviewing and formalising policies to ensure effective management of the material sustainability subtopics.

The following sections of the Sustainability statement present key policies, measures, metrics, and targets in place during the reporting year, linked to their respective material sustainability subtopics.

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Sunpine has a strong environmental focus. Climate and environmental aspects are critical to our business, and we continuously work to minimise our climate impact while maximising our positive contribution to the transition towards a fossil-free society. We therefore welcome the EU's stricter sustainability requirements – read more about this in the CEO statement on page 8.

Ten of Sunpine's seventeen material sustainability subtopics fall under the environmental category. This section of the Sustainability statement addresses all five topic-specific standards within ESRS E and outlines our efforts in the area, focusing on the material sustainability subtopics.

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Environmental information | **ESRS E1** – Climate change

Disclosure requirement descriptions

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IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	31
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ESRS E1 Climate Change assesses a company's impact on the climate, as well as the potential effects of climate change on its business. It covers three sustainability subtopics, all of which have been identified as material in Sunpine's double materiality assessment:

1. Climate change adaptation
2. Climate change mitigation
3. Energy

The subtopics were all identified as having double materiality, meaning they are significant from both an impact and a financial perspective.

As part of the results from our double materiality assessment, we have identified key initiatives related to these three material subtopics. The initiatives include:

- Developing a transition plan for climate change mitigation in line with the Paris Agreement.
- Conducting a climate scenario analysis that includes transition risks and potential climate-related events
- Performing a resilience analysis to evaluate how Sunpine's strategy and business model are affected by and adapted to climate change
- Performing an energy mapping analysis to identify efficiency improvements and sustainability opportunities

Environmental information | ESRS E1 – Climate change

Climate change adaptation

Climate change leads to rising temperatures, extreme weather events, and shifting ecosystems, impacting both nature and societies. This sustainability subtopic encompasses risks related to droughts, floods, and storms, as well as how businesses can adapt to reduce their vulnerability. Relevant aspects include policies, legislation, and technology that influence the outcomes.

Identified materiality for Sunpine

We recognize both direct and indirect positive impacts from Sunpine’s operations related to this material

sustainability subtopic. Sunpine’s business model is built on reducing society’s dependence on fossil fuels. Through our production, we help industries transition to fossil-free operations, contributing directly to a positive impact. Our products also provide downstream benefits in the value chain by reducing the CO₂ footprint for customers and end-users.

The subtopic also presents a financial opportunity for Sunpine, as global demand for biofuels is expected to increase significantly over the next decade – particularly in markets outside Sweden, where we see substantial

growth potential. However, this opportunity is contingent on a stable supply of forestry raw materials, which introduces one of the financial risks associated with this subtopic: Climate change can cause wildfires and floods, potentially leading to reduced biomass and forest resources, thereby limiting access to our primary raw material, crude tall oil.

Another financial risk is that rising sea levels or other climate-related events could damage production facilities – either our own or those of our suppliers – resulting in delayed deliveries.

Climate change mitigation

Reducing greenhouse gas emissions from industry, transport, and energy production is essential to mitigate climate change. This sustainability subtopic involves assessing emission levels, sources of greenhouse gases, and methods to mitigate their impact, such as energy efficiency improvements or transitioning to fossil-free technologies.

Identified materiality for Sunpine

Sunpine has identified a positive impact connected to this material subtopic, as our products help reduce dependence on fossil fuels – thereby lowering greenhouse gas emissions. This impact occurs directly in our own operations but primarily downstream in the value chain, among end-users. More information on our products can be found on pages 14-15.

The subtopic is also linked to financial risks. One such risk is the increased costs associated with achieving

increasingly stringent climate targets and complying with more ambitious sustainability legislation. Another is the potential rise in transportation costs as shipping companies and logistics providers transition to biofuels and electricity to reduce emissions. This shift is primarily driven by new EU regulations that promote the use of renewable fuels in sectors such as maritime transport. Since transportation accounts for the majority of the greenhouse gas emissions that Sunpine currently measures, the shift away from fossil fuels is expected to represent a significant cost.

At the same time, the material subtopic presents financial opportunities, with EU sustainability legislation again playing a crucial role. New directives and reduction mandates from the EU are expected to drive an increase in demand for biofuels, which in turn will boost demand for our products.

Our greenhouse gas emissions

In the 2024 reporting year, Sunpine is reporting gross greenhouse gas emissions under the GHG Protocol standard for Scope 1–3 for the first time. Throughout the year, extensive efforts have been made to align our calculations with these standards. Due to our revised calculation methods, 2024 will serve as our new baseline year.

ESRS allows for the exclusion of Scope 3 emissions in the first reporting year. However, since a significant share of Sunpine’s emissions fall within Scope 3, we have chosen to include two of its fifteen categories this year: category 4, covering upstream transportation and distribution, and category 9, covering downstream transportation. Not all transport activities are included – see the footnote in the emissions table on page 37 for further details.

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Environmental information | ESRS E1 – Climate change

At present, we do not measure Scope 3 emissions linked to the final product and end-user. While the combustion of biofuels results in actual carbon dioxide emissions, the CO₂ released is the same carbon previously absorbed by trees, leading to near net-zero emissions in the shorter-term. In contrast, fossil fuels release carbon that has been stored for millions of years, thereby contributing to a net increase in atmospheric CO₂ over time. Nevertheless, it remains essential for us to comprehensively understand our climate impact and emissions profile.

The calculation methods for our greenhouse gas emissions are based on actual calculations, primarily using emission factors from Annex IX of IR 2022/996. When calculating emissions from energy combustion, the reported emissions reflect direct combustion emissions (TTW). These emission factors do not account for a full life cycle perspective but instead provide a snapshot of point-source emissions from fuel combustion. For transportation emissions, a distance-based methodology has been applied.

Calculations of direct emissions from the combustion of our residual products, bio-oil and turpentine, include only CH₄ and N₂O, as biogenic CO₂ emissions are reported separately. The climate impact from our own operations falls under Scope 1, representing just 4 % of total emissions.

Total (scope 1-3)	Unit	Base year 2024
(1) Total CO _{2e} reduction (compared to base year 2024)	Tonnes	
(2) Total tCO _{2e} emissions (scope 1,2,3)	Tonnes	17 297
Climate impact of operations (scope 1)		
(3) Direct tCO ₂ emissions from production	Tonnes	705
(4) tCO _{2e} emissions from commercial vehicles	Tonnes	31
Indirect tCO_{2e} emissions (scope 2)		
(5) Indirect CO _{2e} emissions, purchased electricity, heating and cooling		
(6) (market-based approach)		0
(7) (place-based approach)	Tonnes	366
Other indirect tCO_{2e} emissions (scope 3)		
(8) CO _{2e} emissions from land transport	Tonnes	5 677
(9) CO _{2e} emissions from maritime transport	Tonnes	10 518
Biogenic emissions tCO₂		
(10) Scope 1	Tonnes	13 888
(11) Scope 3	Tonnes	151

(2) As of 2024, Sunpine calculates GHG emissions in accordance with the GHG Protocol. In that standard, emissions are classified into three different scopes. Scope 1 is direct emissions from owned or controlled emission sources. Scope 2 is indirect emissions from purchased electricity. Scope 3 includes indirect emissions classified under categories 4 and 9 (not included in scope 1 or 2) that occur in the value chain, both upstream and downstream.

(3) Emissions from production include combustion of both renewable and fossil oil in the boilers, and consumption of additive chemicals in production. Drinking water and water consumption for production are also included.

(4) Vehicle emissions refer to tractors, company cars, and other operational vehicles at the Sunpine site. Calculations exclude fuel consumption from private cars used in service where mileage reimbursement is paid, as well as fuel consumption during the year's downtime.

(7) Includes electricity use at Sunpine's plant, a nearby pump room and offices. The calculations are based on the carbon intensity at local grid level, i.e. Swedish electricity mix according to the Swedish Energy Agency's emission factors. Sunpine's office spaces in Luleå are excluded as they are deemed to have minimal impact. Electricity consumption at our leased depot in Piteå is also excluded due to limitations in obtaining information.

(8) Includes inbound transportation of the raw material CTO (Crude Tall Oil), internal transfers between Sunpine's depots, and inbound deliveries of process chemicals to Sunpine's plant. Also includes outbound transportation of bio-oil to customers. Inbound deliveries of other goods and services are excluded, as well as outbound deliveries of waste, contaminated process water, rosin and alpha-Pinene from Sunpine's plant.

(9) Includes inbound transportation of the raw material CTO (Crude Tall Oil), internal deliveries between Sunpine's depots, inward transportation of MFA, and outward transportation of bio-oil and rosin. For rosin deliveries, while some transport occurs by land, the majority of emissions originate from sea transport, which is why emissions are reported under this category. Outward shipments of our main product RTD, alpha-Pinene and our contaminated wastewater are excluded.

(10) Refers to biogenic CO₂ emissions from burning our residues in the boilers at our plant.

(11) Refers to biogenic CO₂ emissions from heating storage tanks containing our raw material at leased depots. Biogenic emissions from heating our outgoing products in storage tanks at rented depots are excluded.

Sunpine and carbon capture

Carbon capture and utilization (CCU) are key technologies for reducing carbon dioxide emissions across industries and throughout society. Sunpine is one of four industrial partners in the EU-funded Vivaldi project, which researches the conversion of CO₂ emissions from biobased industries into carbon-based chemicals.

In this research project, scientists from Luleå University of Technology captured CO₂ emissions from our facility using biotechnological methods. The captured carbon dioxide was then delivered to partners who, through electrochemical processes, produced so-called building block chemicals. These chemicals serve as sustainable alternatives to fossil-based raw materials in various applications, making them highly sought after in the green transition. This approach simultaneously reduces industrial greenhouse gas emissions while utilizing CO₂ as a raw material.

As the Vivaldi project nears completion, it represents a promising step forward in our efforts to further reduce our climate footprint. In the long term, the project may also create opportunities for product development.

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Environmental information | ESRS E1 – Climate change

Energy

The availability and use of energy have a significant impact on both economic development and the environment. How energy is produced, distributed, and consumed plays a significant role in climate impact and resource efficiency. This sustainability subtopic encompasses aspects such as energy sources, energy consumption, and the balance between fossil and renewable energy sources, as well as opportunities to reduce energy dependency through efficiency improvements and innovation.

Identified materiality for Sunpine

In 2024, Sunpine consumed over 14 GWh of electricity. Given that our value chain includes even more energy-intensive industries, we have identified a negative impact within this material subtopic. Our impact is primarily linked to upstream activities, particularly the energy-intensive operations of the pulp and forestry industries.

The energy issue also entails a financial risk for Sunpine. With the industrial expansion expected across northern Sweden, competition for energy will intensify. As this development progresses, we believe that competition for energy will become increasingly evident in the long term, driving up energy prices.

Sunpine's own energy consumption

Sunpine continuously works to make our production process as energy-efficient as possible and to reduce its climate impact. Currently, 97 percent of our production facility is powered by self-produced, renewable fuel – an increase from 94 percent the previous year. Fossil fuel oil is used solely during start-ups and operational disturbances, replacing our own bio-oil in these situations. The fossil energy consumed by Sunpine during the reporting year also includes fuel for generators, work machines, and external pumps. The fossil energy used during Sunpine's maintenance shutdowns is currently excluded from the reported amounts.

Sunpine purchases all electricity from our local energy provider and holds a certificate verifying that all electricity consumed is renewable. In our greenhouse gas calculations, electricity consumption falls under Scope 2, and there we have chosen to report emissions based on the Swedish electricity mix emission factor from the Swedish Energy Agency. At present, Scope 2 emissions represent just 2 % of the total reported emissions.

Greenhouse gas emissions and energy consumption also occur during the heating of tanks where our raw materials and products are stored. These emissions are reported under Scope 3. For 2024, we are reporting emissions and energy consumption solely related to the storage of our raw material (Category 4).

Energy consumption and mix	2024
(1) Fuel consumption from coal and coal products (MWh)	0,0
2) Fuel consumption from crude oil and petroleum products (MWh)	2096,1
(3) Fuel consumption from natural gas (MWh)	0,0
(4) Fuel consumption from other fossil sources (MWh)	0,0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	0,0
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	2 096,1
Share of fossil sources in total energy consumption (%)	3,0%

Energy consumption and mix	2024
(7) Consumption from nuclear sources (MWh)	0,0
Share of consumption from nuclear sources in total energy consumption (%)	0,0%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	54 393,9
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	14 088,3
(10) The consumption of self-generated non-fuel renewable energy (MWh)	0,0
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	68 482,2
Share of renewable sources in total energy consumption (%)	97.0%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	70 578,3

Information: Only energy used in processes owned or controlled by Sunpine is included in the reporting. Energy consumption for heating tanks at rented depots is therefore excluded. Raw materials and fuels that are not combusted for energy purposes are excluded.

Footnotes:

- (2) Includes fossil energy consumption during boiler start-ups in production, as well as fuel used by operational vehicles under our control at the facility.
- (8) Refers to the energy consumption in our boilers fueled by our self-produced renewable biofuels. Energy consumption at rented depots has been excluded from this figure.
- (9) The electricity sourced from our local supplier is 100 % renewable. Includes electricity consumption at Sunpine's facility and a nearby pump room, as well as electricity used to heat Sunpine's rosin storage sites at Piteå port.

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Environmental information | **ESRS E2** – Pollution

Disclosure requirement descriptions

IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	31
E2-1	Policies related to pollution	33
E2-2	Actions and resources related to pollution	33
E2-3	Targets related to pollution	33
E2-4	Pollution of air and water	40-41
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Phased implementation

In brief, **ESRS E2 Pollution** addresses a company’s emissions of pollutants into air, water, and soil across its entire value chain. ESRS E2 includes seven sustainability subtopics, two of which have been identified as material in Sunpine’s double materiality assessment:

1. Pollution of air
2. Pollution of water

Sunpine implements a systematic self-monitoring program to track, evaluate, and manage any deviations related to these two material sustainability subtopics.

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Environmental information | ESRS E2 – Pollution

Pollution of air

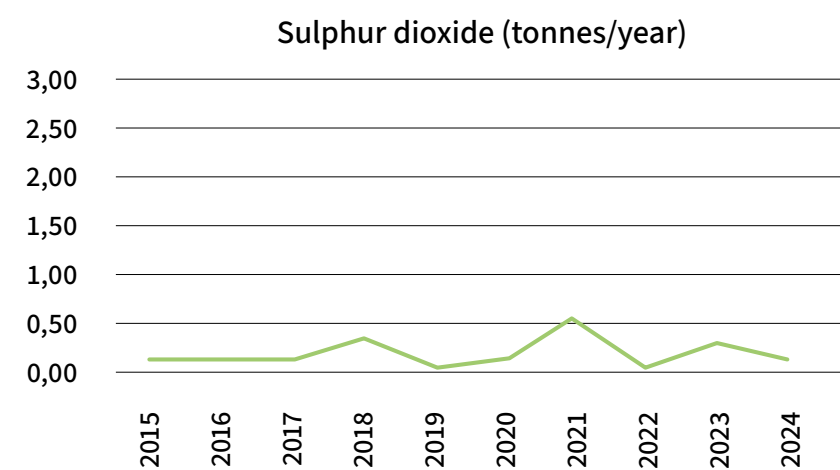
Air pollution, including nitrogen oxides, sulphur oxides, and particulate matter, affects human health, ecosystems, and the climate. This sustainability subtopic focuses on the sources, extent, and potential consequences of emissions. Relevant aspects include the dispersion of air pollutants, their effects on public health, and measures to reduce emissions from industry and transportation.

Identified materiality for Sunpine

Within this material subtopic, we have identified a negative indirect impact both upstream and downstream in our value chain. The negative impact is linked to air pollution caused by Sunpine’s transporters, suppliers, and customers. Sunpine’s own operations also contribute to air pollution, but emission levels remain well below the regulatory limits.

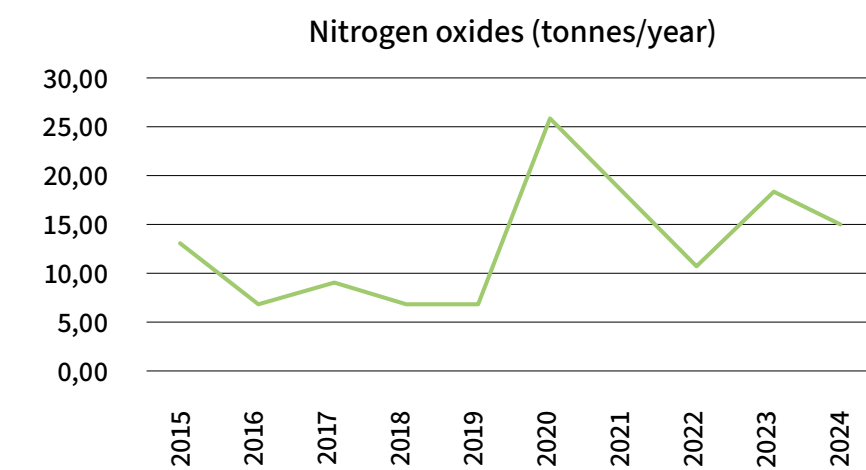
Air pollution from our own operations

Regarding emissions from our own operations, Sunpine conducts measurements at least twice a year through a third-party provider accredited by Swedac. These measurements assess emissions of dust, nitrogen oxides, and sulfur oxides, as well as the total amount of volatile organic compounds (TVOC) in the air. Our emissions remain within permitted limits.



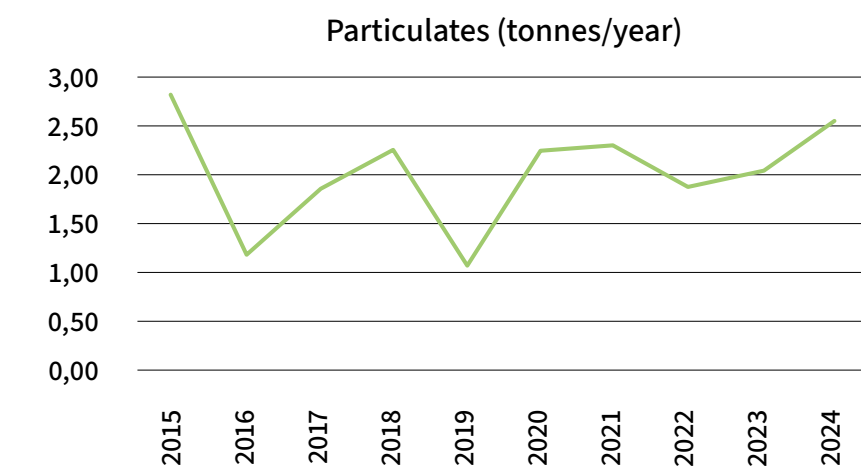
In 2024, 0.015 tonnes and 0.07 tonnes of sulphur compounds were emitted from process lines 1 and 2, respectively. The low emissions are made possible by efficient scrubbers/filters.

Measurement method: SS-EN 14791:2017 (manual method)



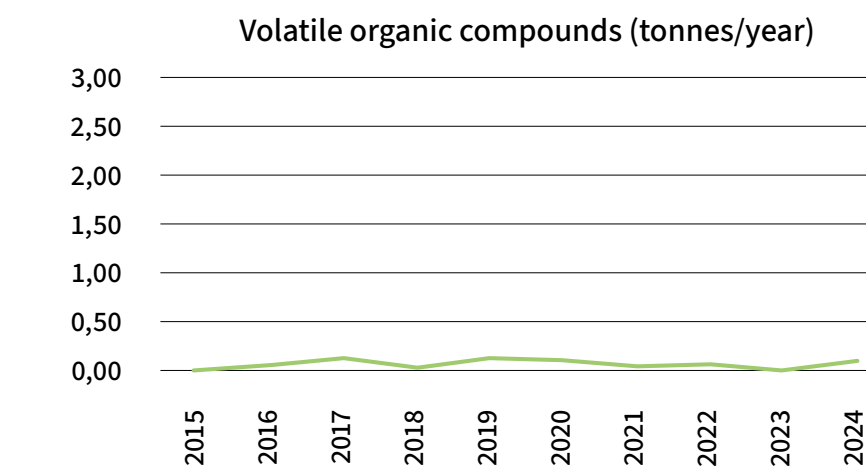
In 2024, nitrogen oxide emissions from process line 1 and 2 decreased. The significant increase observed in 2020 was due to the commissioning of process line 2. Since then, we have worked on optimising burners and improving the availability of the boilers.

Measurement method: SS 02 84 25 (instrumental method)



Emissions of particulate matter increased again in 2024, but we remain well below the threshold set in our environmental permit. The sharp increase in 2020 resulted from the commissioning of process line 2 and modifications to the boilers. The increase in 2023 occurred in boiler 2, while the 2024 increase was in boiler 1. We will continue to investigate the cause and explore potential measures in 2025.

Measurement method: SS-EN 13284–1:2017 (manual method)



In 2024, 0.055 tons and 0.04 tonnes of volatile organic compounds were emitted from process lines 1 and 2, respectively. The low emissions are made possible by efficient scrubbers/filters.

Measurement method: SS-EN 12619:2013 (instrumental method)

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Environmental information | ESRS E2 – Pollution

Pollution of water

Water pollution can harm ecosystems, reduce the availability of clean drinking water, and affect aquatic life. This sustainability subtopic addresses the discharge of chemicals, heavy metals, and nutrients, as well as their potential dispersion in rivers, lakes, and seas.

Identified materiality for Sunpine

Within the Pollution of water subtopic, we observe a negative indirect impact throughout our value chain, both upstream and downstream.

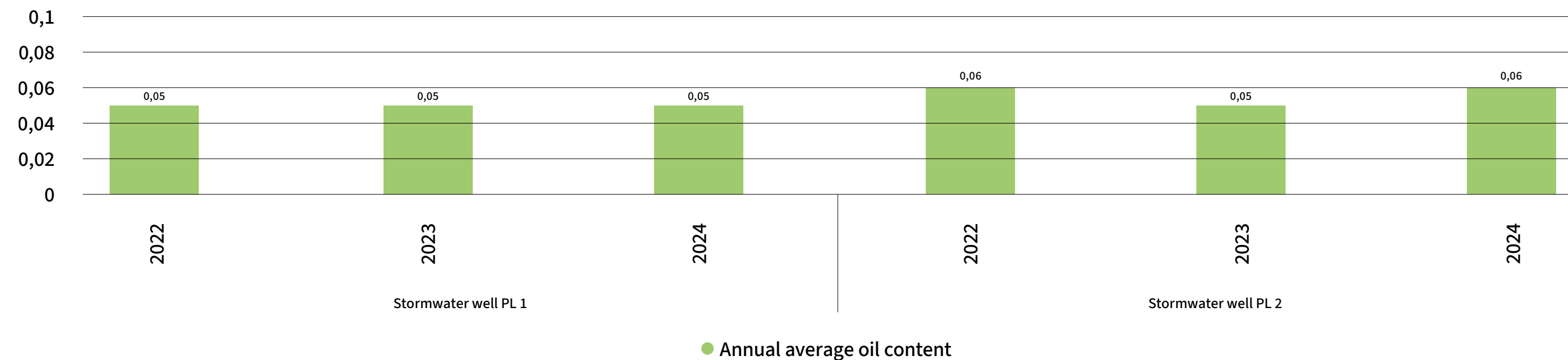
Downstream, shipping deliveries of Sunpine’s raw materials and products can contribute to the pollution of seawater, both globally and locally. Upstream, industries in our value chain may contribute to elevated levels of BOD (Biochemical Oxygen Demand) and COD (Chemical Oxygen Demand), which can result in oxygen depletion and pose risks to aquatic organisms.

Sunpine’s operations do not generate any process-related water discharges under normal conditions; however, in the event of accidents or leaks, impacts may occur. Therefore, preventive measures and robust safety systems are essential to avoid spills and protect aquatic environments.

Our own stormwater discharges

Sunpine monitors stormwater discharges from our own operations through regular stormwater controls. Measurements are carried out at least four times per year by internal staff and sent to an accredited laboratory. The laboratory utilises the OV-20c measurement method to determine oil content. The oil content in our discharges is very low; in many cases, it is below the detection limit, indicating that it is well under the permitted value specified in our environmental permit. These instances are reported as a value of “0.05” in the table below.

Our own stormwater discharges (mg/l)



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Environmental information | ESRS E3 – Water and marine resources

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IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	31
E3-1	Policies related to water resources	33
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E3-3	Targets related to water resources	33
E3-4	Water consumption	43
E3-5	Anticipated financial effects from water resources-related risks and opportunities	Phased implementation

ESRS E3 Water and marine resources focuses on how companies and their entire value chain affect and manage water and marine resources.

ESRS E3 covers two sustainability subtopics, one of which, Water, has been identified as financially material in Sunpine’s double materiality assessment.

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Environmental information | **ESRS E3** – Water and marine resources

Water

Water is a vital resource for both industries and ecosystems. In an era of increasing water consumption and stricter environmental regulations, efficient water management is becoming a crucial part of long-term sustainability and business resilience. This sustainability subtopic addresses corporate water consumption and measures taken to reduce water use. It also covers water from our own operations that is sent to third parties.

Identified materiality for Sunpine

Sunpine’s process water is sent to a nearby pulp mill for treatment, meaning we do not have the same level of control over the process as we would if it was managed internally. Relying on external parties for essential processes, such as water treatment, can pose a financial risk.

Our own water consumption

Sunpine has a stable water supply and operates in an area that is not classified as water-stressed, but we continuously monitor our water consumption. In 2024, we used 70,233 m³ of water in our operations.



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Environmental information | ESRS E4 – Biodiversity and ecosystems

Disclosure requirement descriptions

SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	45
IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	33
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	33
E4-2	Policies related to biodiversity and ecosystems	33
E4-3	Actions and resources related to biodiversity and ecosystems	33
E4-4	Targets related to biodiversity and ecosystems	33
E4-5	Impact metrics related to biodiversity and ecosystems change	33
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Phased implementation

ESRS E4 Biodiversity and ecosystems focuses on how companies impact and manage natural resources, ecosystems, and biodiversity through their operations and value chains. ESRS E4 covers four sustainability sub-topics, three of which have been identified as material in Sunpine’s double materiality assessment:

1. Direct impact drivers of biodiversity loss
2. Impacts on the state of species
3. Impacts on the extent and condition of ecosystems

The subtopics related to biodiversity, species status, and ecosystem health are deeply interconnected. Sunpine’s most significant negative impacts across all three occur upstream in the value chain, at the pulp and paper mills supplying our crude tall oil. Since this industry relies on forests as a raw material, Sunpine is also indirectly dependent on forest resources.

We are still in the early stages of our efforts to protect and enhance biodiversity and ecosystems, but it is becoming a key focus for us.

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Environmental information | **ESRS E4** – Biodiversity and ecosystems

Direct impact drivers of biodiversity loss

Biodiversity declines when species lose their habitats or are affected by pollutants, climate change, and human activities. This sustainability subtopic examines how land use, deforestation, and the overexploitation of natural resources affect plant and animal life. It also includes the spread of invasive species that may out-compete native species. Key aspects include habitat alterations, landscape fragmentation, and measures to mitigate negative impacts.

Identified materiality for Sunpine

We have assessed a negative impact related to this material subtopic throughout Sunpine’s value chain. The impact is linked to the exploitation of natural resources, such as deforestation, which can result in biodiversity loss. When Sunpine or other companies in our value chain expand operations into new areas, it can also lead to biodiversity loss.



Impacts on the state of species

Species are affected by environmental changes, which can lead to declining populations or, in the worst case, extinction. This sustainability subtopic concerns how factors such as pollution, climate change, and land use change impact wildlife and plant species. Key aspects include identifying threatened species, their adaptation to new conditions, and conservation efforts to support their survival.

Identified materiality for Sunpine

We have identified a negative impact for Sunpine related to this material subtopic. Risks of negative impacts exist in connection with the use and exploitation of natural resources upstream in our value chain. We also see risks associated with accidental spills or emissions, as well as new land use demands from business expansion.

These developments could negatively affect red-listed species in the surrounding area. The negative impact exists within Sunpine's own operations and throughout our value chain.

Impacts on the extent and condition of ecosystems

Ecosystems are altered by human activities and climate change, which can affect their ability to function and provide essential services such as pollination, water purification, and carbon sequestration. This sustainability subtopic examines changes in ecosystem size and composition, how they are impacted by land use and environmental shifts, and what is required to conserve or restore them. The focus is on the overall condition of ecosystems rather than specific drivers of biodiversity loss.

Identified materiality for Sunpine

We have identified a negative impact upstream in our value chain related to this material subtopic. Sunpine purchases processing residues, such as crude tall oil, from the pulp and paper industry, which in turn relies on forests as a raw material. We also procure residues from industrial processes within the agricultural sector (MFA). The activities of the forestry and agricultural industries can impact ecosystems through factors such as land degradation and reduced resilience.



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Environmental information | **ESRS E5** – Resource use and circular economy

Disclosure requirement descriptions

IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	31
E5-1	Policies related to resource use and circular economy	33
E5-2	Actions and resources related to resource use and circular economy	33
E5-3	Targets related to resource use and circular economy	33
E5-5	Resource outflows	33
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phased implementation

ESRS E5 Resource use and circular economy focuses on efficient resource management, sustainable use of materials and energy, and the transition to circular business models. It covers three sustainability subtopics, one of which, Resource outflows, has been identified as material in Sunpine's double materiality assessment.

Sunpine has continuously optimised production processes to achieve maximum energy and resource efficiency. In line with this commitment, we established a production council in 2024 – read more about it on page 47.

A key objective in this area is to ensure high output and availability, both of which are integral to a resource-efficient production process. We continuously measure and monitor these aspects.

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Environmental information | **ESRS E5** – Resource use and circular economy

Resource outflows

This sustainability subtopic revolves around how companies manage and minimise resource outflows linked to their products and services. It encompasses everything from material use and waste management to circular business models and sustainable innovations.

Identified materiality for Sunpine

We have identified a financial opportunity for Sunpine within this material subtopic. Through our refinement of residual material, Sunpine contributes to a resource-efficient economy, strengthening our market position. We believe that the market transition towards greater sustainability will continue to drive demand for our products.

We also see significant development opportunities in this area, particularly through product development. Our R&D department continuously explores new product innovations and opportunities related to our raw materials. In 2024, we introduced alpha-Pinene, an advanced refinement of turpentine that enhances the value of our product portfolio. Read more about this and our other products on page 15.

It is also worth mentioning that this subtopic is fundamentally tied to Sunpine’s business model, as our primary raw material is a residue from the pulp industry. Through patented processes, we extract several valuable products from crude tall oil, thereby extending its lifecycle. Additionally, the surplus energy generated in our processes is supplied as district heating to the surrounding industrial area and also heats the office building at our facility.

New production council to strengthen competitiveness

Sunpine’s employees bring valuable expertise in fields such as technology, chemistry, industrial processes, environmental regulations, and market trends. To fully leverage our collective competence, enhance our competitiveness, and coordinate efforts across departments, in 2024 we decided to establish a cross-functional production council.

The primary objective of the production council is to analyse, coordinate, and develop the processes and workflows within our facility. Its work will focus on minimising risks while optimising profitability, resource efficiency, and quality. All departments are represented in the production council to ensure a comprehensive approach that effectively addresses their various tasks, challenges, and operational needs.

The production council will work in close alignment with Sunpine’s new strategy to drive continuous improvements.



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Sunpine is strongly committed to our employees and the communities in which we operate and have an impact. Three of our seventeen material sustainability subtopics fall under ESRS's Social information. This chapter provides insights into our efforts connected to these three subtopics.

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Social information | **ESRS S1** – Own workforce

Disclosure requirement descriptions	Code	Description	Page	Code	Description	Page
	SBM-2	Interests and views of stakeholders	31	S1-8	Collective bargaining coverage and social dialogue	50
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	50-53	S1-9	Diversity metrics	Phased implementation
	S1-1	Policies related to own workforce	52	S1-10	Adequate wages	50
	S1-2	Processes for engaging with own workforce and workers' representatives about impacts	50	S1-11	Social protection	50
	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	50-51	S1-12	Persons with disabilities	Phased implementation
	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	33, 50	S1-13	Training and skills development metrics	33
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	53	S1-14	Health and safety metrics	33
	S1-6	Characteristics of the undertaking's employees	53	S1-15	Work-life balance metrics	33
	S1-7	Characteristics of non-employees in the undertaking's own workforce	Phased implementation	S1-16	Remuneration metrics (pay gap and total remuneration)	33
				S1-17	Incidents, complaints and severe human rights impacts	Phased implementation
				COMPANY-SPECIFIC SUBTOPIC	Skills supply	53

ESRS S1 Own workforce focuses on a company's dedication to employees' working conditions, equal treatment in the workplace, and skills supply. Sunpine strives to be a safe, inclusive, and attractive workplace that promotes well-being and employee development while continuing to attract and retain talent.

ESRS S1 covers three sustainability subtopics, two of which have been identified as material in Sunpine's double materiality assessment. A company-specific subtopic has also been identified as material. The subtopics are:

1. Working conditions
2. Equal treatment and opportunities for all
3. Skills supply (company-specific subtopic)

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Social information | **ESRS S1** – Own workforce

Working conditions

A company's working conditions and employment terms impact employees' quality of life, health, and safety. This covers factors such as working hours, wage conditions, work environment, and types of employment contracts. Relevant aspects include workplace accidents, absenteeism, and compliance with labour law regulations.

Identified materiality for Sunpine

Sunpine has identified a positive impact within the Working conditions subtopic, based on several factors. Employee surveys generally show strong results and we have a low staff turnover, high job satisfaction, and few reported incidents. Sunpine's employees are covered by collective agreements, which contribute to clear and fair working conditions.

Sunpine works systematically with occupational health, safety, and skills development to offer a secure and growth-oriented workplace.

Safe work environment

Maintaining a safe work environment is a fundamental principle at Sunpine. We collaborate with various stakeholders in our occupational health and safety efforts to proactively identify and mitigate risks while continuously enhancing workplace conditions. Preventive occupational health measures are carried out in close collaboration between management, employees, the safety committee, and occupational health services.

In this year's employee survey, safety was one of the focus areas. The survey results show that our employees perceive a strong safety culture at Sunpine. Below are some key insights:

- 99 % feel that they work in a safe environment.
- 95 % report that their team consistently acts with safety awareness.

- 97 % believe that their manager always prioritises safety.
- 94 % state that management actively encourages employees to participate in safety activities.
- 94 % feel comfortable speaking up if a colleague does not follow safety regulations.
- 96 % report that their team proactively identifies and reports risks before incidents occur.

Sunpine's facility is classified as a Seveso plant, meaning we handle hazardous substances, which entails a risk of serious chemical accidents. The most significant risks in our operations involve liquid and chemical leaks, fire hazards, and explosions. To minimise risks of accidents and health hazards, we take a preventive approach through maintenance, procedures, training, risk assessments, and inspections.

Employees and suppliers must report all risk observations, near-misses, and accidents in the deviation management system. Sunpine's department managers and leadership team receive regular reports on these incidents and their follow-ups. A root cause analysis must be initiated within 48 hours for each near-miss or accident to identify the underlying cause.

Sunpine conducts systematic monthly follow-ups on operational failures. If recurring failures occur, root cause analyses are performed, and an action plan is developed to resolve the issue.

In 2024, Sunpine reported 177 risk observations, up from 139 in 2023. The high number of risk observations, combined with a low number of incidents, indicates a strong safety culture where employees actively identify and mitigate risks. This is reflected in the employee survey, where 96 % state that their team reports risks before incidents occur.

To prevent emergency maintenance and unplanned downtime, which can be linked to safety risks, Sunpine has a target for preventative maintenance. At least 69 % of maintenance work carried out by our mechanics should be preventative rather than reactive. In 2024, we achieved 77 %, exceeding our target by 8 %.

Sunpine has a zero-accident vision for workplace injuries leading to absence. After several years without such incidents, a contractor slipped on the stairs in 2024, sustaining cuts to their hands. Additionally, there were 11 non-absence accidents, an increase from 9 in 2023. Non-absence accidents include incidents where an employee, for example, has been exposed to liquid splashes.

Employee dialogue and influence

At Sunpine, we value open dialogue with our employees. We have established several processes to ensure that employees' opinions and suggestions are integrated into business decisions and strategies:

- 1. Annual employee survey and performance reviews:** Sunpine conducts annual employee surveys and performance reviews, allowing all employees to share their views on the work environment, leadership, and working conditions. The results are carefully analysed and used to identify areas for improvement.
- 2. Union collaboration:** All Sunpine employees are covered by collective agreements, and union representatives are present on-site.
- 3. Safety committee:** Our safety committee consists of representatives from management, employees, and unions. The committee meets quarterly to discuss and address occupational health and safety issues, identify risks, and implement improvements.
- 4. Direct communication:** Sunpine strives to foster a culture where employees feel safe, comfortable, and encouraged to communicate openly with their managers or HR about any questions or concerns.

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Employee survey 2024

Sunpine’s employee survey provides insights into leadership, team efficiency, inclusion, and other key workplace factors. It is an important tool for measuring the effectiveness of our initiatives and how successfully we realise our ambitions.

In 2024, the response rate exceeded 95 percent, up from 94 percent in 2023.

	2021 (%)	2022 (%)	2023 (%)	2024 (%)
How likely are you to recommend Sunpine as an employer to a friend or an acquaintance? (eNPS)	35	62	62	44
Do you feel engaged in your work?	83	85	85	84
Team efficiency	75	77	82	83
Organisational and social work environment	75	79	83	83
Leadership (not measured in 2022)	79	-	83	81
Inclusion and diversity (measurement began in 2023)	-	-	90	91

Insights from the employee survey



Team efficiency: High and improved results in several areas, such as planning. Ten out of eleven departments have good or excellent efficiency. Particularly strong results were noted for effective intra-departmental feedback. Follow-up on work presents the greatest opportunity for improvement.



Organisational and social work environment: All departments have a good or excellent work environment. Employees report feeling safe from harassment and conflicts and believe they have the necessary conditions to perform their work effectively.



Inclusion and diversity: Sunpine has successfully created an inclusive work environment. Nine out of eleven departments have excellent results in this area; read more in the section on “Equal treatment and equal opportunities for all.”



Leadership: Five out of eleven departments report having managers with excellent leadership skills. While employees appreciate support from their managers, they feel that feedback and involvement in decision-making have declined, impacting overall engagement



Employer attractiveness (eNPS): Although the percentage of employees willing to recommend Sunpine as an employer has slightly decreased, it remains at 44%, significantly higher than the benchmark of 15%. The decline may be due to a weakened connection to overall goals.

As part of the follow-up to the employee survey, key focus areas for each department are identified annually based on the results. Workshops are subsequently conducted across all departments, using insights from the survey and the identified focus areas as the basis for formulating action plans with concrete initiatives.

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Working conditions

Workplace well-being

A positive and enjoyable work environment is essential for employee satisfaction and productivity. Two key initiatives in this area are our well-being group and internal health promotion group, which regularly organise activities aimed at fostering well-being and promoting health in the workplace.

Safety Day 2024

In 2024, Sunpine organised the internal training day Safety Day for the second time. This year, employees deepened their knowledge in key areas, including traffic safety within the facility, electrical safety, lifting and fall prevention, CPR, IT security, and workplace jargon.

Policies

Sunpine has several policies that support and guide efforts to maintain good working conditions:

- **Our Personnel policy** includes guidelines for employment, working conditions, employee development, and other personnel-related matters.
- **Our Work environment policy** focuses on ensuring a safe and healthy work environment for all employees.
- **Our Salary policy** regulates principles for fair wage setting.
- **Our Policy on prevention of harmful alcohol and drug use** is designed to prevent and address substance abuse that may affect workplace safety and performance.
- **Our Rehabilitation policy** outlines procedures to support employees in case of illness or injury, facilitating a return to work.

- **Our Code of conduct** for employees defines ethical guidelines for employees, fostering a respectful and professional work environment.
- **Our Hybrid work policy** regulates conditions and expectations for employees working partially remotely, which affects both working conditions and work-life balance.
- **Our Whistleblower system** allows employees and external parties to report suspected misconduct or irregularities confidentially and without fear of retaliation, reinforcing a culture of transparency and integrity.
- **Sunpine's values** establish fundamental principles and corporate culture, influencing all aspects of employees' working lives.

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Equal treatment and opportunities for all

Gender equality, inclusion, and diversity are fundamental to a fair and equitable labour market. This sustainability subtopic covers access to employment, education, and career opportunities regardless of factors such as gender, ethnicity, age, or disability. It encompasses representation, pay equity, anti-discrimination measures, workplace violence and harassment prevention, as well as initiatives to foster diversity.

Identified materiality for Sunpine

Sunpine has been assessed to have a positive impact within this material subtopic. This assessment is based on multiple factors, such as our established procedures for preventing discrimination and harassment, regular pay equity surveys, and a gender balance that exceeds the industry average. Sunpine’s employee survey also shows strong results for inclusion. At the same time, we continue our efforts to strengthen equal treatment and inclusion within our organisation; for example, this year’s Safety Day included a workshop on workplace jargon.

Our approach

At Sunpine, we believe all employees should have equal opportunities and access to a safe work environment free from discrimination and harassment. Through clear guidelines and thorough follow-ups, we strive to maintain an inclusive corporate culture and a balanced gender distribution. We have established policies and procedures to ensure equal treatment in the workplace. Our Code of Conduct for employees defines our commitment to preventing all forms of discrimination, bullying, and harassment.

Last year, Sunpine introduced questions on inclusion and diversity in the employee survey. This year, nine out of eleven departments reported excellent results in the category. For example, employees responded positively to questions about their confidence in expressing differing opinions and whether they feel valued by their colleagues.

Sunpine actively works towards gender equality, striving for a balanced gender distribution. In 2024, women made up 38 percent of Sunpine’s workforce, a relatively high share within our industry. In the board and executive management team, the proportion of women was 20 and 30 percent, respectively, a decrease from previous years.

	Women	Men	Total
Board	1	4	5
Executive management team	3	7	10
Other employees	29	43	72
Total including board	33	54	87
Percentage distribution, total	38	62	100

Skills supply

Ensuring access to the right skills is essential for economic growth and innovation. This sustainability subtopic covers education, recruitment, and the alignment of workforce competencies with labour market demands. Key factors include investments in skills development and collaborations between businesses and educational institutions.

Identified materiality for Sunpine

Sunpine has a low employee turnover rate and does not experience general difficulties in finding the right competencies. However, hiring for specialised roles in fields such as chemistry, procurement, and engineering is increasingly competitive. As more companies establish themselves in Norrbotten, we expect growing competition for qualified professionals. As a result, we have identified a long-term financial risk associated with this material sustainability subtopic.

In response to these developments, maintaining a strong employer brand and fostering an attractive corporate culture are becoming increasingly important. Sunpine currently offers remote work opportunities and student placements for thesis projects and internships. We also collaborate with vocational education programmes for process operators and plant technicians. Continuing to enhance our work environment and career opportunities will be crucial in ensuring that we keep attracting and retaining skilled employees.

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Social information | ESRS S3 – Affected communities

Disclosure requirement descriptions

SBM-2	Interests and views of stakeholders	31
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	55
S3-1	Policies related to affected communities	33
S3-2	Processes for engaging with affected communities about impacts	33
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	33
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	55
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	33

ESRS S3 Affected communities focuses on how companies impact the communities in which they operate. The topic addresses a company’s direct impact on local communities, its indirect influence through the value chain, the relationships it fosters with affected communities, and its contributions to positive outcomes.

ESRS S3 includes two sustainability subtopics, one of which – Communities’ economic, social and cultural rights – has been identified as financially material in Sunpine’s double materiality assessment.

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Social information | **ESRS S3** – Affected communities

Communities’ economic, social and cultural rights

This sustainability subtopic focuses on safeguarding people’s well-being and dignity. It encompasses factors such as social inclusion, economic equality, and access to essential community services. Relevant aspects include protecting individuals’ rights to land and natural resources while ensuring their fair and sustainable management.

Identified materiality for Sunpine

Sunpine has identified a potential negative impact connected to this material subtopic, as our operations may affect nearby residents through odours and noise from production. There is also a risk of accidents or spills.

Having Sunpine as a neighbour

Sunpine takes pride in being part of Piteå and contributing to regional development. As one of the region’s employers, we have the opportunity to strengthen the local economy, create jobs, and support regional growth. At the same time, we recognise that our operations may cause various disturbances for our closest neighbours. Nearby residents may experience odours or noise from production, as well as potential incidents like accidents or spills. These risks are continuously managed through ongoing process improvements, rigorous safety measures, and dialogue with the community.

Sunpine works to minimise noise from operations and conducts environmental noise measurements in connection with major changes in production. The most recent measurement was conducted in 2024, following the Swedish Environmental Protection Agency’s methodology for industrial noise measurement (Report 5417, consultation version). The results showed that we remained within our permitted daytime noise limits but did not meet the stricter limits for nighttime noise. Additional measurements will be conducted in early 2025 to ensure compliance with these limits.

In recent years, Sunpine, in collaboration with Sweco, has conducted a study on diffuse odour emissions from operations. The study led Sunpine to propose the implementation of an LDAR (Leak Detection and Repair) programme. LDAR is a method used to detect and repair leaking equipment, thereby reducing diffuse odour emissions. The LDAR programme will be implemented in 2025. Semi-annual reviews with the supervisory authority will be conducted and reported in the company’s annual environmental report. If odour issues arise in the surrounding area, Sunpine will promptly investigate the cause and propose measures in consultation with the supervisory authority.

It is highly uncommon for accidents or spills at Sunpine to impact nearby residents. In 2024, no such incidents occurred.

Sponsorship

As a company committed to being a workplace of the future, Sunpine recognises the importance of contributing to the local community. Sunpine supports various organisations and individuals engaged in high-quality women’s and youth sports and activities.

During 2024, we continued our efforts to review our community engagement and explore ways to align these initiatives more closely with our strategic sustainability efforts.

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With clear accountability, transparency, and structured decision-making processes, we ensure that Sunpine's sustainability matters are managed effectively and that we operate with integrity. This section provides an overview of our governance framework and how it serves as the foundation for a responsible and sustainable business. It also covers Sunpine's material sustainability subtopics within this domain.

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Governance information | **ESRS G1** – Business conduct

Disclosure requirement descriptions

GOV-1	The role of the administrative, supervisory and management bodies	28
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	31-33
G1-1	Business conduct policies and corporate culture	58-59
G1-2	Management of relationships with suppliers	59
G1-6	Payment practices	59
COMPANY-SPECIFIC SUBTOPIC	Management of the legal and regulatory environment	59

ESRS G1 Business conduct addresses a company's business ethics and the governance of its sustainability efforts. It covers areas such as ethical corporate culture, supplier relationships, and the prevention of corruption and bribery.

ESRS G1 covers six sustainability subtopics, two of which have been identified as material in Sunpine's double materiality assessment. Additionally, there is one company-specific subtopic. The three subtopics are:

1. Corporate culture
2. Management of relationships with suppliers, including payment practices
3. Management of the legal and regulatory environment – company-specific subtopic

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Corporate culture

The Corporate culture subtopic focuses on the values, norms, and behaviours that shape an organisation and influence decision-making and operations. It covers how companies ensure a strong and responsible corporate culture through clear values, leadership, and organisational climate. Transparency, ethical decision-making, and employee engagement are key factors in fostering a sustainable and inclusive workplace.

Identified materiality for Sunpine

Sunpine has identified a positive impact within this material subtopic. This assessment is supported by our employee survey, which demonstrates high levels of engagement and employee satisfaction. Sunpine employees enjoy strong cohesion, and the organisation is characterised by an entrepreneurial spirit. We take pride in these qualities and continuously work to strengthen them. While there are always areas for improvement, our overall assessment is that we have a positive impact.

Business ethics and anti-corruption

Responsibility, business ethics, and transparency are fundamental to Sunpine’s corporate culture. We actively promote ethical business practices and integrity both internally and in our relations with stakeholders.

To uphold high ethical standards in our operations, we have established several key policies and procedures:

- **Our Code of Conduct** for Employees defines our values and expectations regarding employee behaviour. We also adhere to the Swedish Anti-Corruption Institute’s Business Code.
- **Our whistleblowing system** allows employees, contractors, and external parties to report suspected irregularities or ethical violations. The system is publicly available on Sunpine’s website. No cases were reported in 2024.
- **Internal audits and controls** ensure compliance with ethical business policies and facilitate swift action in case of any violations.

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Management of relationships with suppliers, including payment practices

This sustainability subtopic covers compliance with legal and regulatory requirements in areas such as environmental protection, labour rights, and corporate governance, as well as how corporate governance and risk management ensure legal certainty, regulatory compliance, and transparency in reporting. A key aspect is the management of business relationships, where procurement processes and supplier conditions are strategically managed to ensure fair and effective collaborations. Payment practices, supply chain risk assessment, and the integration of social and environmental criteria in supplier selection are also critical elements.

Identified materiality for Sunpine

A limited number of suppliers provide the majority of Sunpine’s raw material. While these partnerships are stable, their limited number poses an inherent financial risk. Additionally, we anticipate increased competition for suppliers as demand for biofuels grows, driven in part by stricter EU regulations.

To enhance supply security, we are actively establishing new partnerships. Through long-term agreements and a clear procurement strategy, our goal is to enhance operational stability and mitigate financial risk in the long term.

Responsible supply chain management

A well-functioning and responsible supply chain is critical to Sunpine’s operations. Through continuous dialogue and fair terms, we strive to build long-term, sustainable partnerships that benefit all parties. We set clear expectations for our suppliers regarding sustainability, regulatory compliance, and business ethics.

To support these requirements and promote social and environmental sustainability in our supply chain, we utilise several key tools:

- **Our Supplier Code of Conduct**, which is signed as part of the contracting process. The code outlines expectations for our suppliers’ sustainability work, covering social conditions, environmental impact, climate, and anti-corruption. It is based on internationally recognised conventions and legislation.
- **Our ISCC certification**. ISCC conducts annual audits, including supplier visits, to verify compliance with our supplier requirements.
- **Our procurement and crude tall oil handling procedures**, which are based on our control system for sustainable biofuels. This system adheres to Swedish legislation and ISCC regulations. Our procurement team follows an annual plan that includes supplier evaluations and supplier meetings.

Sunpine’s suppliers operate in countries with strong traceability systems, fair working conditions, and high regulatory compliance. Suppliers must be able to document the origin of raw materials, comply with sustainability criteria under the EU Renewable Energy Directive, and adhere to national regulations for liquid biofuels and biofuels.

In 2024, Sunpine continued to refine its onboarding process for new suppliers, a project initiated in 2023. We have enhanced supplier assessments by developing a more comprehensive and structured evaluation framework and by involving more departments in the risk assessment process.

Payment practices

Sunpine is committed to fair and transparent payment practices with all suppliers and business partners. In most cases, payments are made within 30 days of receiving and approving an invoice. Our payment terms are aligned with industry standards and are established in mutual agreement with customers, suppliers, and contractors.

Sunpine’s finance department actively monitors payment processes to ensure timely transactions. If delays occur, both Sunpine and the affected party are notified, and corrective actions are promptly implemented. Interviews with suppliers confirm that Sunpine provides favourable payment terms.

In 2024, 97 % of invoices received were paid on time.

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Governance information | **ESRS G1** – Business conduct

Management of the legal and regulatory environment

Legislation and regulatory requirements govern businesses in areas such as environmental protection, labour rights, and corporate governance. This sustainability subtopic covers regulatory compliance, risk management, and corporate governance. Key factors include legal certainty, adherence to regulations, and transparency in reporting.

Our approach

Sunpine systematically adheres to applicable legal requirements and sustainability standards. Through structured governance, risk management, and monitoring, we proactively adapt to regulatory changes and ensure responsible business operations. Certifications, internal audits, and sustainability targets are key tools in strengthening transparency and complying with national and international regulations. Read more on page 29.

Identified materiality for Sunpine

We have identified a financial opportunity for Sunpine within this material subtopic, as several EU countries are increasing their respective reduction obligations. This provides Sunpine with opportunities to expand production and sales in Europe. In the short term, this financial opportunity is projected to be significant, with expectations of substantial growth in the medium to long term.



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THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

The auditor's opinion regarding the statutory sustainability report

To the general meeting of Sunpine AB, registration number 556682-9122

Tasks and division of responsibilities

It is the board of directors that is responsible for the sustainability report for the year 2024 on pages 25-59 and that it is prepared in accordance with the annual report and with the previous wording that was in effect before July 1, 2024.

Focus and scope of the review

Our review has taken place in accordance with FAR's recommendation REVR 12. The auditor's opinion on the statutory sustainability report. This means that our review of the sustainability report has a different focus and a significantly smaller scope compared to the focus and scope of an audit according to International Standards on Auditing and good accounting practice in Sweden. We believe that this review provides us with a sufficient basis for our statement.

Statement

A sustainability report has been drawn up.

Piteå on the date specified by digital signature

Ernst & Young AB

Magnus Holmgren

Authorized Public accountant



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The Board of Directors of SunPine AB, 556682-9122, with its registered office in Piteå, hereby submits the annual report for 2024.

General Overview of the Business

Sunpine refines residual products from the pulp and paper industry and manufactures products that contribute to the critical energy transition. Sunpine currently extracts five products from crude tall oil. Raw tall diesel, which constitutes the largest share of the company's revenue, serves as a biofuel feedstock used in the production of HVO (Hydrogenated Vegetable Oil). Bio-oil is a fossil-free fuel oil that can be used in a range of industries. Rosin is used in the production of, for example, printing inks, paints and adhesives. Alpha-Pinene, a refined form of turpentine, is used in the cosmetics, food, and pharmaceutical industries, among others. The fifth product is district heating – the excess energy generated in Sunpine's production process is supplied via PiteEnergi as district heating to the surrounding industrial area. Sunpine is based in Piteå.

Ownership structure

Lawter BVBA owns 24.7 percent of the company, while the remaining shares are equally distributed among Preem AB, Sveaskogs Förvaltnings AB and Södra Skogsägarna ekonomisk förening, each holding 25.1 percent. The ownership consortium in SunPine AB represents the entire value chain from forest raw material to processing, marketing and distribution of renewable fuel and rosin.

Events during the financial year

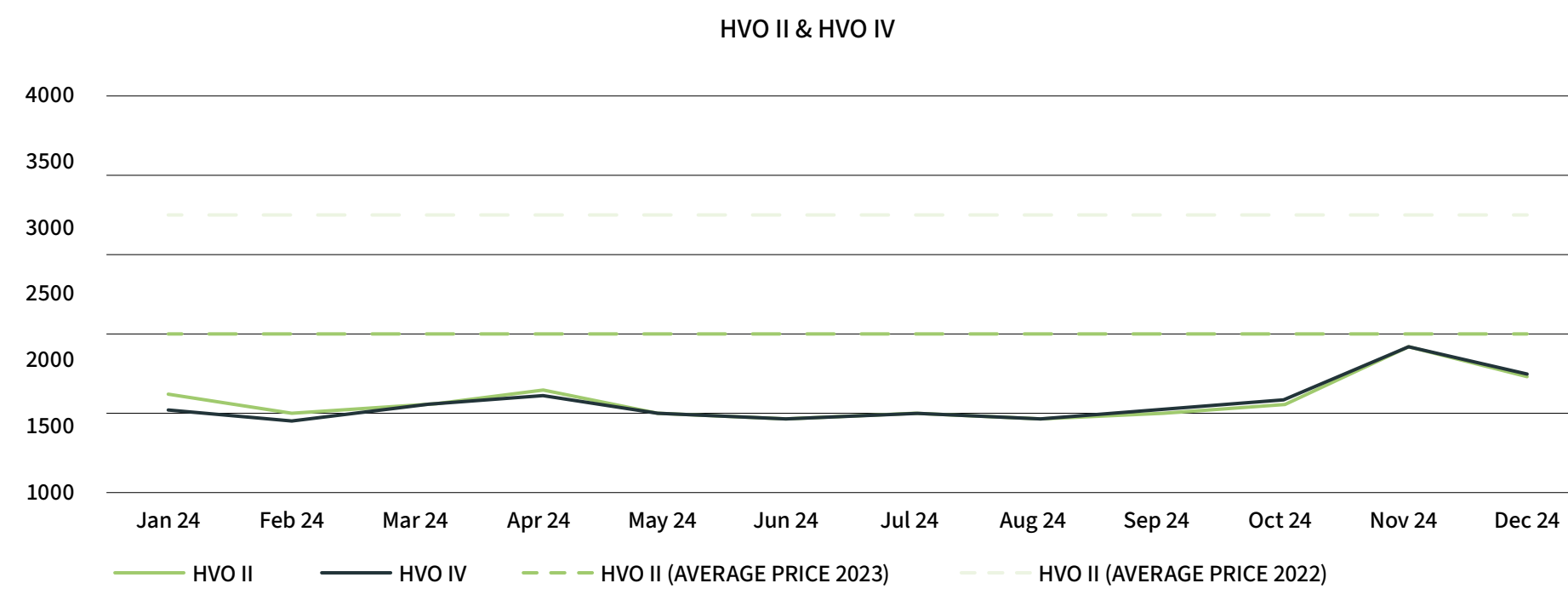
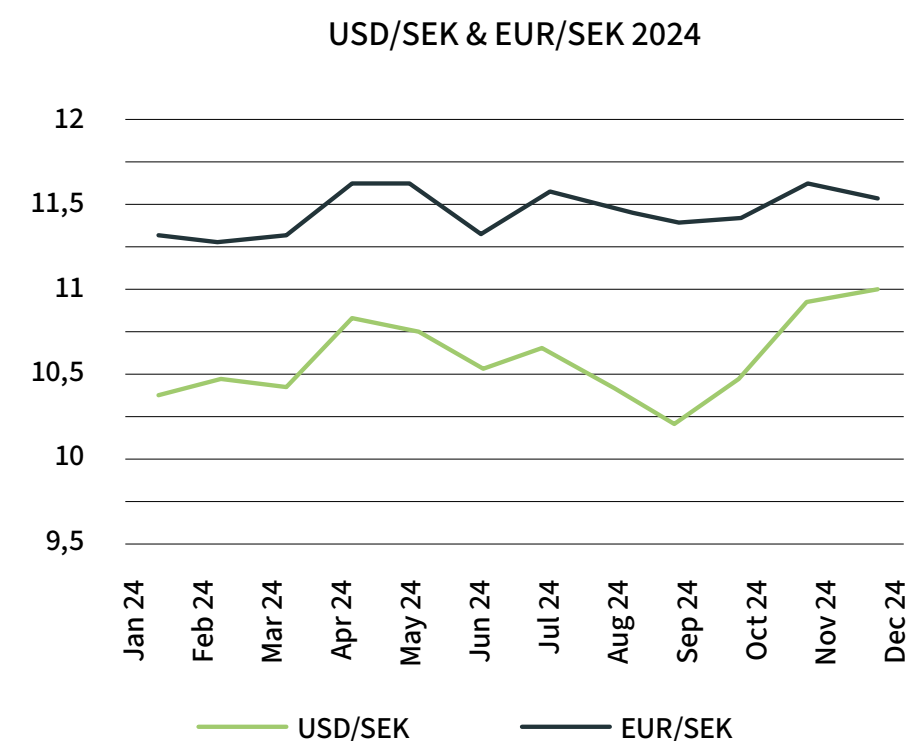
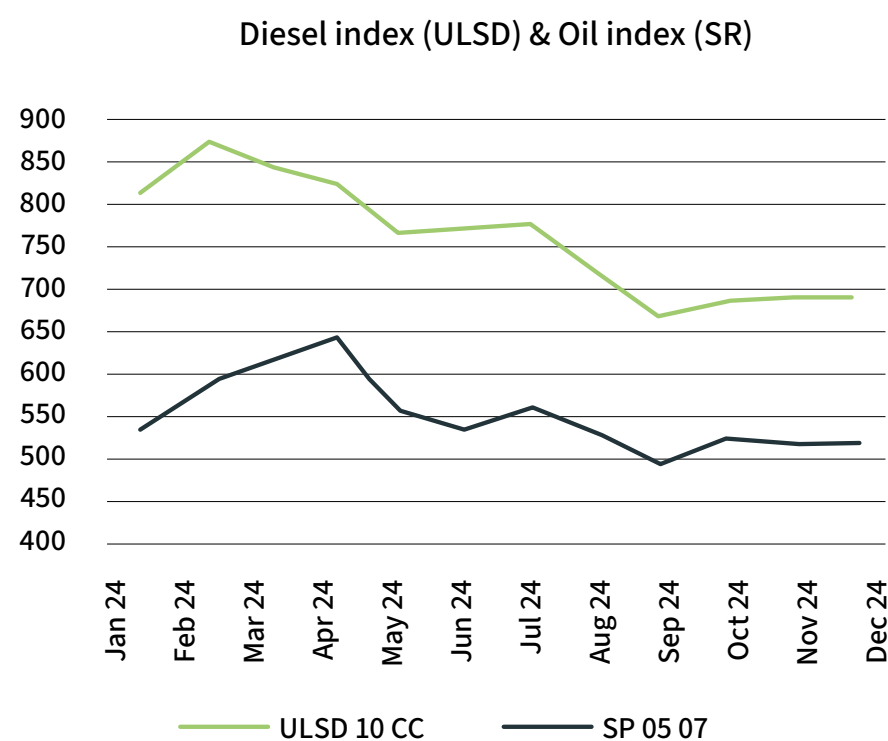
Sunpine is influenced by various external financial factors, including oil and diesel prices as well as currency fluctuations, all of which affect the company's profitability. During 2024, the USD exchange rate has been relatively stable against the Swedish krona, with the USD rate fluctuating between 10.30 and 10.80 USD/SEK for much of the year (see graph below).

The price of diesel, however, has declined over the course of the year. Since its peak in February, the diesel index has fallen by 21 % (see graph below), negatively impacting the company's financial results for the year.

Another key factor influencing the company's profitability is the underlying demand for biofuels in Europe. As of 1 January 2024, Sweden's reduction obligation was lowered from 30.5 % to 6.0 %. This reduction, combined with a higher influx of biofuel feedstock from Asia in 2023 and 2024, led to lower demand and an increased supply of biofuel feedstock in Europe. As a result, biofuel prices have remained historically low throughout 2024.

The quotas for advanced biofuels were rapidly met in Europe, which meant that the market did not attribute a higher value to advanced biofuels. The price of HVO IV (the HVO classification to which Sunpine's Raw tall diesel belongs) therefore followed the price trend of HVO II. This market mechanism is illustrated in the graph below, by the almost non-existent gap between the prices of HVO II and HVO IV.

However, in the last quarter of the year, biofuel prices increased, driven by policy decisions and production disruptions in Europe.



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Despite a weak biofuel market, the company has continued to engage in dialogues with new customers and test volumes have been delivered to potential new customers. A broader customer base helps reduce business risk and strengthen the company's position in the European biofuel market.

The market climate for rosin and alpha-Pinene has been generally weak throughout the year, impacting the company's product mix. The decreasing demand for these products has led to reduced production volumes. This, in combination with the decreasing demand for biofuels, has resulted in lower production compared to 2023. Although production was in line with the budget, the lower sales prices prevented the financial results from reaching the company's budget target for the year.

Since the company has no long-term debt, higher interest rates throughout the year have not negatively impacted profitability. On the contrary, the higher interest rates have benefitted deposit interest rates, leading to a higher-than-expected net interest income.

Development of the company's operations, results and financial position

(KSEK)

	2024	2023	2022	2021	2020
Net Sales	2 678 476	3 945 797	3 041 751	2 106 205	1 361 209
Operating margin %	-1	4	16	11	3
Profit after financial items	-5 507	163 198	476 154	234 442	36 170
Balance sheet total	1 553 283	1 763 713	1 681 344	1 446 655	1 120 354
Return on capital employed	-2	13	38	26	6
Equity ratio %.	72	66	68	59	60

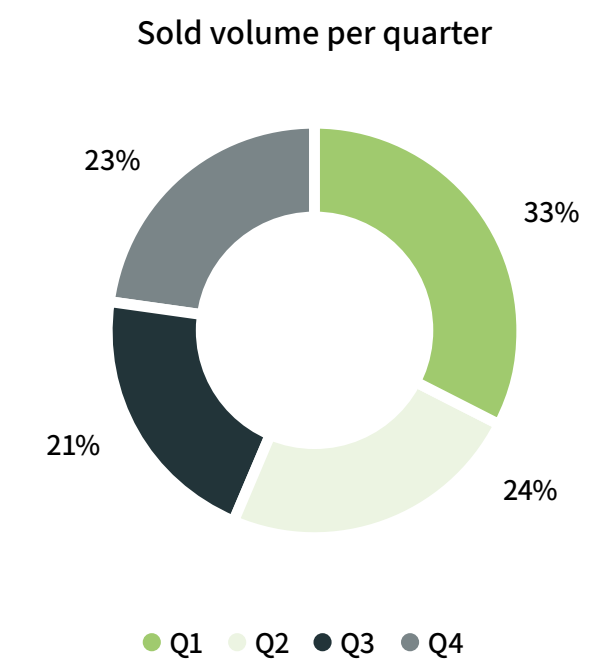
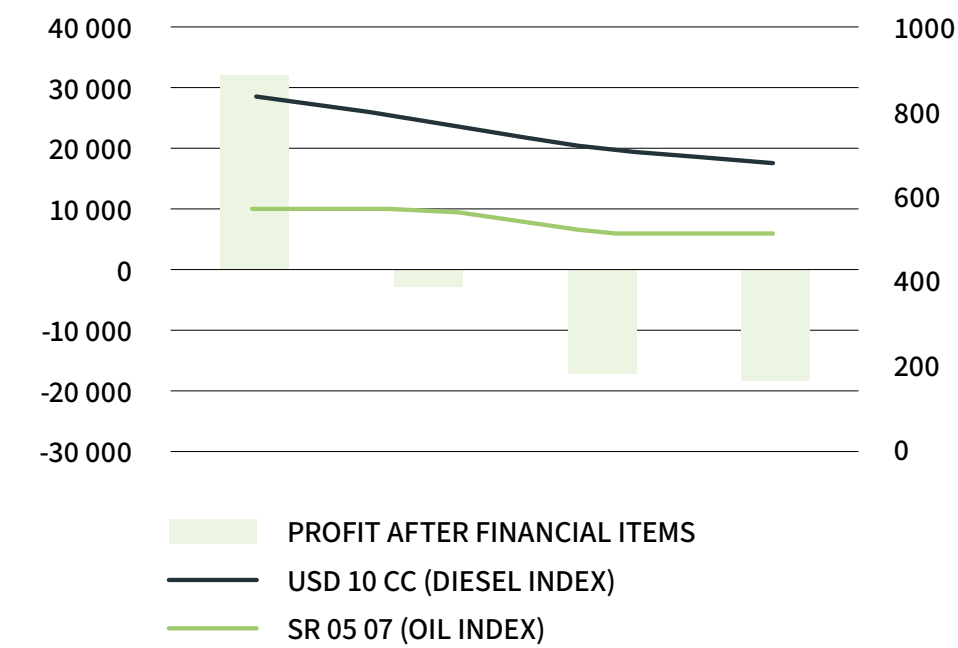
Definitions: see note 27

As previously mentioned, the decreasing diesel index and the weak biofuel market had a significant impact on Sunpine's profit for 2024. The first quarter was the strongest financially, with a profit after financial items of SEK 33 million. The quarter was favourable in terms of both volume and price compared to the rest of the year. One-third of the company's total sales volume was sold in the first quarter, with the highest average sales prices of the year. The USD/SEK exchange rate remained stable at around SEK 10.40, while the average diesel price for the quarter was the highest of the year.

In the second quarter, the profit after financial items decreased to SEK -3 million. The diesel price weakened compared to the first quarter, while the USD exchange rate increased to an average of SEK 10.70, partly offsetting the negative effects of a lower diesel price. The deterioration in market conditions, combined with lower sales volumes, negatively impacted profitability in the second quarter.

The negative trend continued in the third quarter, where the profit after financial items amounted to SEK -17 million. Sales volumes were the lowest of the year, while the price of diesel fell further, and the USD exchange rate returned to the same level as in the first quarter. In addition, raw material costs increased, further negatively impacting margins. Due to falling market prices, an inventory write-down was implemented, negatively impacting the profit.

The fourth quarter was characterized by persistently weak prices for Raw tall diesel, due to the weak biofuel market and continued declines in diesel prices. Further inventory write-downs were recorded at the beginning of the quarter. However, in December, the inventory devaluation was lower than expected, resulting in a financially positive month to close the year. Sales volumes for the quarter remained at the same level as in the second and third quarters. Overall, the fourth quarter was the company's least profitable, with a profit after financial items of SEK -18 million.



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From a production perspective, 2024 was a stable year. Sales volumes delivered to customers were in line with the year's budget. Production availability was generally good with few disruptions and Raw tall diesel yields resulted in an annual average above the company's target. However, overall yields declined in 2024 due to reduced demand for rosin and alpha-Pinene.

Net sales decreased by 32 % relative to 2023, driven by a combination of lower Raw tall diesel production, reduced sales volumes, and a weaker price environment, again linked to the sluggish biofuel market and declining diesel prices.

Gross profit decreased by 38 % compared with 2023. The deterioration in performance is linked to lower Raw tall diesel prices, and the fact that Sunpine's raw material prices did not decrease to the same extent. The high raw material costs can be partly attributed to raw material contracts already procured in 2022, when market prices were higher.

Fixed costs relative to volumes produced increased by 28 % compared to 2023. The increase is primarily linked to the lower production volumes. In absolute terms, fixed costs increased by around 2 % compared to 2023. The profit after tax amounted to SEK -5.5 million, SEK 169 million lower than in 2023.

Total investments for the year amounted to SEK 19 million (SEK 44 million in 2023). The majority of the company's investments focused on optimising raw material utilisation by refining the bottom sludge fraction of the feedstock. This initiative also contributes to lower handling costs for the bottom sludge fraction.

The company's liquidity remained strong and showed positive development in 2024. As of December 31 2024, the cash balance was SEK 394 million. Liquidity was positively impacted by working capital effects, primarily due to current accounts receivables being settled in 2024 instead of 2023, as well as a positive EBITDA result.

Maintaining a positive EBITDA in a weak market environment demonstrates the resilience of the company's business model and its ability to effectively balance costs in relation to declining revenues.

Expected future developments

Towards the end of 2024, demand for biofuels started to rise, resulting in increased customer enquiries and a growing order book. Based on contracted volumes, the company plans to produce and sell more Raw tall diesel in 2025 than in any previous financial year. In addition to the already contracted volumes, dialogues are ongoing regarding additional volumes in 2025. However, it remains too early to conclude that the biofuels market has turned around. HVO prices remain below the average levels for 2022 and 2023, but the increased demand gives some indication that prices may increase in 2025.

Most EU member states have signalled an increase in blending mandates over the coming years, fundamentally driving the rising demand for biofuels. One example is Sweden, where the government decided in 2024 to increase the GHG reduction obligation from the current 6 % to 10 %, effective July 1 2025.

To mitigate business risks and ensure future profit margins, the company has intensified the implementation of a strategy linking pricing and volumes between sales and procurement contracts. This approach aims to reduce volatility in the company's future results and profitability. Sunpine has also strategically increased the share of green indices into its pricing formulas, while gradually phasing out fossil-based indices. This adjustment ensures that the company's products are priced in relation to market-driven mechanisms within the biofuels sector.

In the long term, the company's strategic business outlook has improved. Demand for biofuels is expected to rise as the aviation and maritime sectors increasingly transition to sustainable fuels. As previously mentioned, several EU countries are also expected to introduce higher blending mandates. The company has developed a roadmap to gradually increase production and sales volumes year-on-year, with the aim of expanding and fully utilising production capacity.

Demand for the company's feedstock, crude tall oil, has slightly declined over the year, resulting in lower prices for 2025. However, the company maintains an unchanged long-term outlook for this market. Demand is expected to increase over time, with heightened competition potentially impacting crude tall oil pricing going forward.

When evaluating the company's future risks, it is important to consider that the biofuels industry remains a relatively nascent market, where supply, demand, and prices are highly sensitive to external factors, such as political decisions and shifts in global trade flows. These factors could impact the company's long-term profitability, which is fundamentally dependent on sustained biofuel demand. Sunpine also advocates for greater transparency and a more structured pricing model for biofuels.

The company is actively involved in several strategically important development projects, aimed at optimising raw material utilisation, increasing capacity, and expanding the product portfolio for new markets.

Sustainability Disclosures

SunPine AB is subject to the Annual Accounts Act's requirements on sustainability statementing. The sustainability statement is integrated into the annual report, and the company operates under a permit-based environmental framework in compliance with the Swedish Environmental Code.

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Equity	(KSEK)		
	Share capital	Balanced profit	Year profit
At the beginning of the year	6 636	669 031	90 681
Transfer of previous year's profit		90 680	-90 681
Net profit for the year			16 369
At the end of the year	6 636	759 711	16 369

Unconditional shareholder contribution amounted to SEK 60 993 thousand (SEK 60 993 thousand).

Proposal for the appropriation of the company's profits	(KSEK)	
The Board of Directors proposes that the available funds:		
Share premium account		380 809
Balanced result		328 902
Net profit for the year		16 369
Total		726 080
be allocated as follows		
Dividend of	SEK 1,506.9546 per eligible share, total	100 000
Carried forward		626 080
In total		726 080

Considering the requirements that the nature, scope and risks of the company's operations place on the size of its equity, as well as the company's consolidation requirements, liquidity and overall financial position, the Board of Directors deems the proposed dividend for the year to be in compliance with the prudence rule in Chapter 17, Section 3 of the Swedish Companies Act. For further details regarding the company's financial results and overall position, reference is made to the following income statement and balance sheet, along with the accompanying notes.

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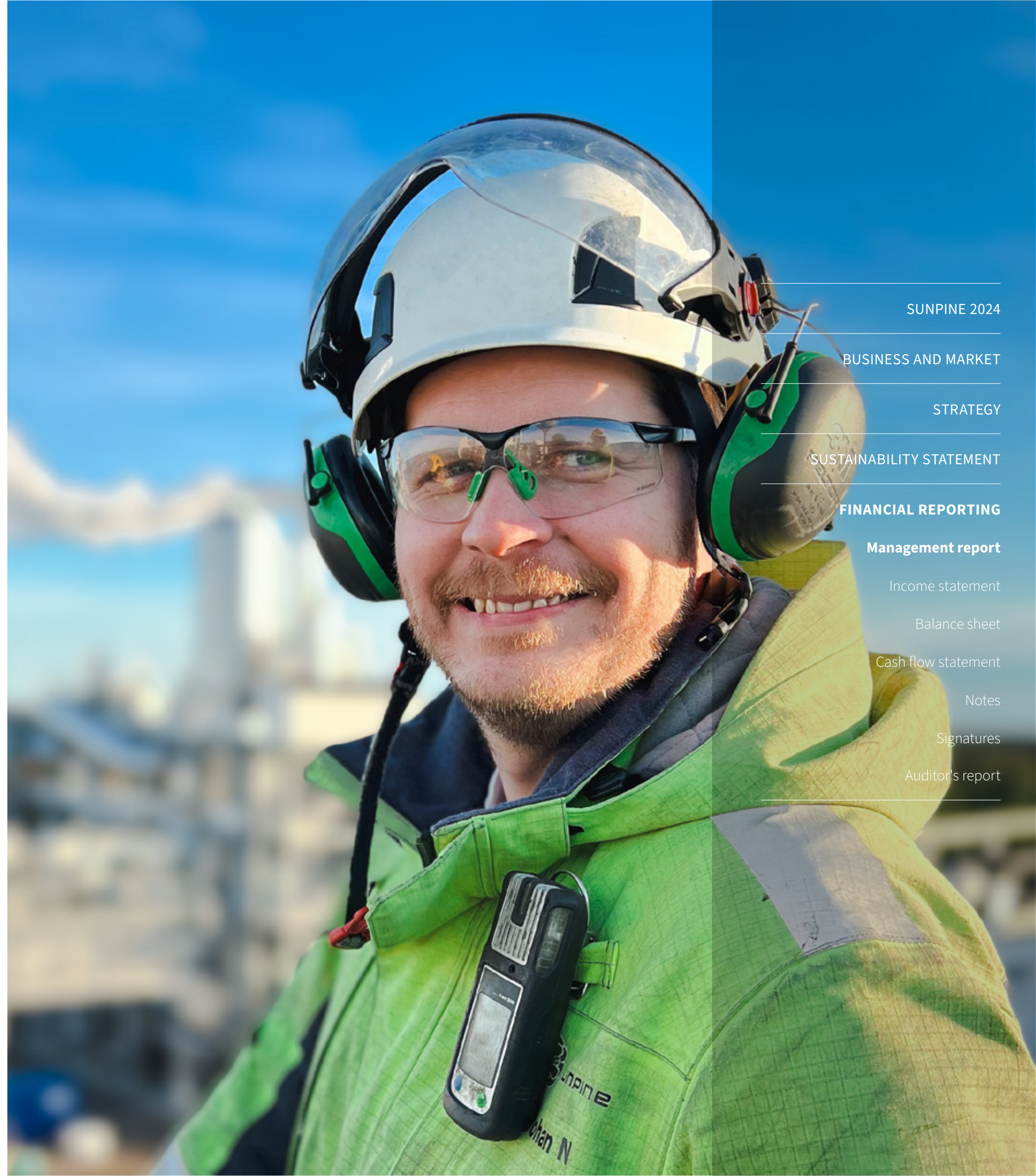
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Amount in KSEK	Note	20240101-20241231	20230101-20231231
Net sales		2 678 476	3 945 797
Other operating income	3	14 159	30 111
		2 692 635	3 975 908
Operating expenses			
Raw materials and consumables		-2 403 318	-3 511 364
Other external costs	4,5	-135 116	-130 122
Staff costs	6	-69 047	-69 174
Depreciation, amortisation, and impairment of tangible and intangible fixed assets		-89 904	-87 826
Other operating expenses	7	-9 243	-13 344
Operating result		-13 993	164 078
Profit from financial items			
Interest income and similar items	8	14 593	9 374
Interest expenses and similar expenses	9	-6 107	-10 254
Profit after financial items		-5 507	163 198
Appropriations for the financial year	10	28 984	-47 626
Profit before tax		23 477	115 572
Deferred tax	11	-7 108	-24 891
Net profit for the year		16 369	90 681

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Balance sheet

Amount in KSEK	Note	2024-12-31	2023-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
Other intangible assets	12	12 257	13 357
		12 257	13 357
Tangible fixed assets			
Buildings and land	13	85 399	83 024
Plant, machinery and other technical installations	14	331 356	396 854
Equipment, tools, and installations	15	29 040	28 154
Construction in progress and advance payments to tangible fixed assets	16	20 212	27 977
		466 007	536 009
Financial fixed assets			
Deferred tax assets		45	45
Other long-term receivables	17	467	337
		512	382
Total fixed assets		478 776	549 748
Current assets			
Inventories etc.			
Raw materials and consumables		291 360	317 222
Finished products and goods for resale		110 147	68 933
		401 507	386 155
Current receivables			
Accounts receivable		250 089	727 520
Current tax asset		5 373	2 983
Other receivables		12 119	6 032
Prepaid expenses and accrued income	18	11 168	13 500
		278 749	750 035
Cash and bank balance		394 251	77 775
Total current assets		1 074 507	1 213 965
TOTAL ASSETS		1 553 283	1 763 713

Amount in KSEK	Note	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (66 359 shares)	19	6 636	6 636
		6 636	6 636
Non-restricted equity			
Share premium reserve	20	380 809	380 809
Profit or loss brought forward		328 902	288 221
Net profit for the year		16 369	90 681
		726 080	759 711
Total equity		732 716	766 347
Untaxed reserves			
Accumulated excess depreciation	21	232 658	229 632
Tax allocation reserves	22	242 578	274 588
		475 236	504 220
Provisions			
Provisions for pensions and similar obligations		527	365
Other provisions	23	21 549	26 000
		22 076	26 365
Non-current liabilities			
Loans from financial institutions	24	-	-
		-	-
Current liabilities			
Accounts payable		247 853	303 477
Other current liabilities		28 302	93 934
Accrued expenses and deferred income	25	47 100	69 370
		323 255	466 781
TOTAL EQUITY AND LIABILITIES		1 553 283	1 763 713

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Amount in KSEK	Note	20240101-20241231	20230101-20231231
Operating activities			
Profit before financial items		-13 993	164 078
Adjustments for non-cash items, etc.	26	85 614	89 074
		71 621	253 152
Interest received		14 593	9 374
Interest paid		-919	-871
Paid income tax		-9 486	-80 770
Cash flow from operating activities before changes in working capital		75 809	180 885
Cash flow from changes in working capital			
Increase (-) / Decrease (+) in inventories		-15 352	27 746
Increase (-) / Decrease (+) in operating receivables		473 678	-390 172
Increase (+) / Decrease (-) in operating liabilities		-143 537	117 887
Cash flow from operating activities		390 598	-63 654
Investment activities			
Acquisitions of tangible assets		-18 804	-43 902
Acquisition of financial assets		-130	-193
Cash flow from investing activities		-18 934	-44 095
Financing activities			
Change in non-current liabilities/bank overdraft facilities		0	-22 222
Currency change		-5 188	-9 383
Dividends paid to shareholders		-50 000	-100 000
Cash flow from financing activities		-55 188	-131 605
Cash flow for the year		316 476	-239 354
Cash and cash equivalents at the beginning of the year		77 775	317 129
Cash and cash equivalents at the end of the year		394 251	77 775

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Note 1 Accounting principles

Amounts in SEK thousand unless otherwise stated.

General accounting principles

The annual account has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

Valuation principles etc.

Assets, provisions and liabilities have been valued at cost unless otherwise stated below.

Intangible fixed assets

Other intangible assets acquired by the entity are stated at cost less accumulated amortisation and impairment losses. Expenditure on internally generated goodwill and trademarks is recognised as an expense in the income statement when incurred.

Amortisation

Amortisation is applied on a straight-line basis over the asset's estimated useful life. Amortisation is expensed in the income statement.

Intangible fixed assets	% per year
Acquired intangible assets	20

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price and expenditure directly attributable to the acquisition.

Additional expenditure

Additional expenses that meet with asset criteria are included in the asset's carrying amount. Expenditures for maintenance and repairs are expensed as they arise.

Depreciation

Depreciation is applied on a straight-line basis over the estimated useful life of the asset as it reflects the expected consumption of the asset's future economic benefits. Depreciation is recognised as an expense in the income statement.

The following depreciation rates have been applied, taking into account the holding period of assets acquired and divested during the year.

Tangible fixed assets	% per year
Buildings	4–5
Expenditure made on other's property	10–25
Land improvements	5
Plant and machinery	10–20
Equipment, tools and installations	10–20

Buildings consist of a number of components whose useful lives are the same. The main classification is buildings and land. No depreciation is charged on the land component, which is deemed to have an indefinite useful life.

Foreign currency

Monetary items (receivables and payables) denominated in foreign currencies have been translated at the exchange rate on the balance sheet date. Exchange differences on operating receivables and liabilities are included in operating profit, while differences on financial receivables and liabilities are included in financial items. Non-monetary items are recognized at the date of the transaction.

Inventories

Inventories are valued at the lower of cost and net realizable value. Obsolescence risk is taken into account. Cost is calculated on the basis of weighted average prices and includes not only the cost of purchase but also the cost of bringing the goods to their present location and condition.

In the case of semi-finished and finished products manufactured in-house, the acquisition cost consists of direct production costs and those indirect costs which represent more than an insignificant part of the total cost of production. Valuation considers normal capacity utilisation. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs for completion and sale.

Tax

Reported income taxes include taxes payable or refundable for the current year and adjustments for previous years' taxes.

Tax liabilities/assets are valued at the amount which is payable to, or receivable from, the Swedish Tax Agency according to the company's assessment. The assessment is made according to the tax regulations and tax rates decided or announced and which in all likelihood will be adopted.

Deferred tax assets are recognised for all deductible temporary differences and unused tax loss carry forwards, to the extent that it is probable that future taxable profits will be available against which the temporary differences or the unused tax loss carry forwards can be utilised.

Deferred tax assets have been valued at no more than the amount likely to be recovered, based on the current and future taxable profit. Estimates are reviewed at each balance sheet date.

Revenues

The inflow of economic benefits that the entity has received or will receive on its own account is recognised as revenue. Revenue is measured at the fair value of the consideration received or receivable, less discounts.

Sale of goods

Revenue from the sale of goods is recognized when the following criteria are met:

- The economic benefits associated with the transaction are likely to accrue to the company
- Income can be calculated reliably
- The company has transferred the significant risks and rewards of ownership of the goods to the buyer
- The company no longer retains control over or continuing involvement in the sold goods.

The expenses that have arisen or are expected to arise as a result of the transaction can be reliably calculated.

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Leasing

All leases in which the company is the lessee are reported as operational leases, whether or not they are financial or operational leases. Leasing charges are expensed on a straight-line basis over the lease term.

Operating leases

Leasing charges in accordance with operational leases, including the marked up initial payment but excluding expenses for services such as insurance and maintenance, are reported on a straight-line basis as a cost over the lease term.

Employee benefits

Short-term benefits

Short-term employee benefits in the company consist of salaries, social security contributions, paid vacation, paid sick leave, medical care and any profit-sharing. Short-term employee benefits are recognised as an expense and a liability when there is a legal or constructive obligation to pay a benefit.

Post-employment benefits

The company only has defined contribution plans. Under defined contribution plans, the company pays fixed contributions to another entity and has no legal or constructive obligation to pay additional amounts, even if the other entity is unable to fulfil its obligations. The group's earnings are charged with costs as employees render services entitling them to pensions.

Compensation in the event of dismissal

Termination benefits are paid when a company decides to terminate an employment before the normal retirement date or when an employee accepts an offer of voluntary resignation in exchange for such remuneration. If the remuneration does not give the company a future economic benefit, it is reported as a liability, and a cost when there is a legal or constructive obligation to pay benefits. The benefit is measured to the best estimation of the remuneration required to settle the obligation on the balance sheet date.

Financial assets and liabilities

Financial assets and liabilities are reported in compliance with Chapter 11 (Financial instruments are valued according to acquisition value) in BFNAR 2012:1.

Financial instruments recognised in the balance sheet include securities, trade and other receivables, current investments, trade payables, borrowings and derivative instruments. The instruments are reported in the balance sheet when the company becomes party to the contractual conditions of the instrument. Financial assets are derecognised when the right to receive cash flows from the instrument has expired or has been transferred, and the com-

pany has, in all significant aspects, transferred all risks and benefits associated with ownership. Financial liabilities are derecognised when the liabilities have been settled or have expired in any other way.

Trade receivables and other receivables

Receivables are recognised as current assets except for items falling due more than 12 months after the balance sheet date, which are classified as non-current assets. Receivables are stated at the amount expected to be received less individually assessed doubtful debts. Receivables that are interest-free or bear interest at a rate different from the market rate and have a maturity of more than 12 months are stated at a discounted present value and the change in time value is recognized as interest income in the income statement.

Current investments

Securities acquired as short-term holdings are initially recognised at cost, and in subsequent valuations according to the lowest value principle at the lower of cost or market value. The item investments in securities, etc. includes shares held for the short-term investment of cash surpluses.

Trade payables

Current trade payables are recognised at cost.

Offsetting of financial receivables and financial liabilities

A financial asset and a financial liability are offset and recognised at a net amount in the balance sheet only when there is a legally enforceable right to offset and when settlement on a net basis is intended, or when there is a simultaneous disposal of the asset and settlement of the liability.

Provisions

The entity recognises a provision when a legal or constructive obligation exists, and a reliable estimate of the amount can be made. The entity recognises the present value of obligations that are expected to be settled after more than twelve months. The increase in the provision due to the passage of time is recognised as interest expense.

Government Grants

Government grants are recognised at fair value when there is reasonable assurance that the grant will be received and that the company will comply with all related conditions. Government grants relating to expected costs are recognised as deferred income. The grant is recognised in the period when the cost arises for which the government grant is intended to compensate. Government grants for the acquisition of tangible fixed assets reduce the carrying amount of the asset.

Cash flow statement

The cash flow statement is prepared using the indirect method. The reported cash flow only includes transactions that have resulted in cash inflows or outflows. In addition to cash and cash equivalents, the entity classifies as cash and cash equivalents the balances available with banks and other credit institutions.

Note 2 Estimates and assessments

Inventories are a significant asset for the company and are assessed for obsolescence. An assessment of the amount is also made under the item provisions.

Note 3 Other operating income

	2024-12-31	2023-12-31
Insurance compensation	0	4 659
Other grants received	51	385
Exchange rate gains	12 869	24 303
Other	1 239	764
Total	14 159	30 111

Note 4 Operating leases - lessees

	2024-12-31	2023-12-31
Future minimum lease payments for non-terminable operating leases:		
Within one year	25 877	25 124
Between one and five years	52 360	47 679
Later than five years	17 027	21 241
	95 264	94 044
Lease payments expensed in the financial year in respect of premises rentals, cistern rentals, containers and passenger cars.	25 321	23 976

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Note 5 Audit fees and compensation to auditors

	2024-12-31	2023-12-31
EY		
Audit assignments	565	275
Audit activities in addition to the audit task	109	-
Other assignments	8	90
Total	682	365

Note 6 Employees and personnel costs

Average number of employees	2024-12-31	2023-12-31
Men	50	48
Women	32	32
Total	82	80

Gender distribution in company management	2024-12-31	2023-12-31
Percentage of women		
The Board of Directors	20%	50%
Other senior executives	30%	33%

Salaries and other remuneration, including social security costs and pension expenses	2024-12-31	2023-12-31
Board of Directors and CEO	2 260	1 928
Other employees	43 475	43 622
Total	45 735	45 550

Social security costs	21 191	20 961
(of which pension expenses) ¹⁾	5 179	4 819

¹⁾ Of the company's pension expenses, SEK 643 thousand (previous year SEK 531 thousand) relates to the Board of Directors and CEO. The company's outstanding pension obligations to them amount to 0 (previous year 0). An agreement has been reached with the CEO on severance pay amounting to 12 months' salary. The agreement only applies if termination is initiated by the company.

Note 7 Other operating expenses

	2024-12-31	2023-12-31
Exchange losses on operating receivables/liabilities	9 243	13 344
Total	9 243	13 344

Note 8 Interest income and similar profit items

	2024-12-31	2023-12-31
Interest income, other	14 593	9 374
Total	14 593	9 374

Note 9 Interest expense and similar profit items

	2024-12-31	2023-12-31
Interest expenses, other	318	272
Credit expenses	600	599
Exchange rate differences	5 189	9 383
Total	6 107	10 254

Note 10 Appropriations

	2024-12-31	2023-12-31
Difference between tax and accounting depreciation:		
-Plant, Machinery and other technical installations	3 026	7 326
Tax allocation reserve, provision for the year	11 490	40 300
Tax allocation reserve, reversal for the year	-43 500	-
Total	-28 984	47 626

Note 11 Tax on profit for the year

	2024-12-31	2023-12-31
Current tax expense	7 108	24 936
Deferred tax	-	-45
Tax on profit for the year	7 108	24 891

Reconciliation of effective tax

	2024-12-31		2023-12-31	
Profit before tax	%	23 477	%	115 572
Tax at current rate	20,6	-4 836	20,6	-23 808
Non-deductible expenses	0,9	-221	0,20	-177
Non-taxable income	0,05	13	0,03	30
Adjustment of taxable depreciation	0,2	-44	0,04	-45
Standard interest rate on tax allocation reserve	6,3	-1 482	0,80	-936
Effect of change in tax rates on tax allocation reserve	2,3	-538		-
Reported effective tax	30,35	-7 108	21,67	-24 936

Note 12 Concessions, patents, licenses, trademarks and similar rights

	2024-12-31	2023-12-31
Accumulated cost of acquisition		
-At the beginning of the year	19 499	14 184
Acquisition of the year	150	5 314
-Reclassifications	3 546	-
At the end of the year	23 195	19 498
Accumulated depreciation		
-At the beginning of the year	-6 142	-3 284
-Depreciation for the year	-4 796	-2 857
At the end of the year	-10 938	-6 141
Carrying amount at year-end	12 257	13 357

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Note 13 Buildings and land

	2024-12-31	2023-12-31
Accumulated cost of acquisition		
-At the beginning of the year	118 391	113 869
-New acquisitions	287	2 728
-Reclassifications	8 155	1 794
At the end of the year	126 833	118 391
Accumulated depreciation		
-At the beginning of the year	-35 367	-29 671
-Depreciation for the year	-6 067	-5 696
At the end of the year	-41 434	-35 367
Carrying amount at year-end	85 399	83 024
Of which land		
Accumulated cost of acquisition	3 343	3 343
Carrying amount at year-end	3 343	3 343

Note 14 Machinery and other technical equipment

	2024-12-31	2023-12-31
Accumulated cost of acquisition		
-At the beginning of the year	982 810	954 618
-New acquisitions	2 399	14 767
-Reclassifications	5 754	13 425
At the end of the year	990 963	982 810
Accumulated depreciation		
-At the beginning of the year	-585 956	-512 739
-Reclassifications	0	1 159
-Depreciation for the year	-73 651	-74 376
At the end of the year	-659 607	-585 956
Carrying amount at year-end	331 356	396 854

Note 15 Equipment, tools and installations

	2024-12-31	2023-12-31
Accumulated cost of acquisition		
-At the beginning of the year	114 028	111 870
-New acquisitions	795	1 402
-Reclassifications	5 482	756
At the end of the year	120 305	114 028
Accumulated depreciation		
-At the beginning of the year	-85 874	-79 820
-Reclassifications		-1 159
-Depreciation for the year	-5 391	-4 895
At the end of the year	-91 265	-85 874
Carrying amount at year-end	29 040	28 154

Note 16 Construction in progress and advance payments for tangible assets

	2024-12-31	2023-12-31
At the beginning of the year	27 977	24 261
Reclassifications	-22 938	-15 974
Investments	15 173	19 690
Carrying amount at year-end	20 212	27 977

Note 17 Other long-term receivables

	2024-12-31	2023-12-31
Endowment insurance	467	337
Carrying amount at year-end	467	337

Note 18 Prepaid expenses and accrued income

	2024-12-31	2023-12-31
Prepaid rents	6 600	5 887
Accrued transport subsidies	1 246	2 023
Accrued income	-	2 010
Prepaid expenses	2 797	2 600
Other items	524	980
Carrying amount at year-end	11 167	13 500

Note 19 Number of shares and quota value

The share capital consists of 66 359 A shares and 0 B shares. B shares (previous year 66 359 A shares and 0 B shares). Quota value SEK 100.

Note 20 Allocation of profit or loss

Proposed allocation of the company's profit or loss. The Board of Directors proposes that non-restricted equity of SEK 726 080 168 be allocated as follows:

	2024-12-31
Dividend (66 359 shares * SEK 1506.9546 per share)	100 000
Carried forward	626 080
Carrying amount at year-end	726 080

Note 21 Accumulated excess depreciation

	2024-12-31	2023-12-31
Machinery and equipment	232 658	229 632
Carrying amount at year-end	232 658	229 632

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Not 22 Tax allocation reserves

	2024-12-31	2023-12-31
Accrual reserve, allocated at tax year 2018	-	43 500
Accrual reserve, allocated at tax year 2019	25 600	25 600
Accrual reserve, allocated at tax year 2020	7 800	7 800
Accrual reserve, allocated at tax year 2021	44 800	44 800
Accrual reserve, allocated at tax year 2022	112 588	112 588
Accrual reserve, allocated at tax year 2023	40 300	40 300
Accrual reserve, allocated at tax year 2024	11 490	-
Total	242 578	274 588

Of the tax allocation reserve, 20.6 % (20.6) is deferred tax.

Not 23 Other provisions

	2024-12-31	2023-12-31
Future costs for emptying the bottom sediment	21 549	26 000
Total	21 549	26 000
Carrying amount at beginning of year	26 000	24 975
Provisions made during the year*	17 300	4 799
Amounts used during the year	-21 751	-3 774
Carrying amount at year-end	21 549	26 000

*(including increases in existing provisions)

The provision relates to future costs for emptying and handling of bottom sediment in cisterns used by the company.

Not 24 Overdraft facility

	2024-12-31	2023-12-31
Granted credit limit	200 000	200 000
Unused portion	-200 000	-200 000
Utilised credit amount	-	-

Not 25 Accrued charges and deferred income

	2024-12-31	2023-12-31
Staff-related costs	11 694	10 539
Accrued cost of raw material purchases	33 642	57 554
Other accrued expenses	1 764	1 277
Total	47 100	69 370

Not 26 Other information to the cash flow statement

	2024-12-31	2023-12-31
Adjustment for items not included in cash flow, etc.		
Depreciation and amortisation	89 904	87 826
Other provisions	-4 289	1 247
Total	85 615	89 073

Not 27 Key figure definitions

Operating margin: Operating profit / Net sales.

Return on capital employed: Operating profit / capital employed.

Capital employed: Total assets - non-interest-bearing liabilities.

Non-interest-bearing liabilities: Liabilities that are not interest-bearing. Pension liabilities are considered as interest-bearing.

Solidity: Adjusted equity / Total assets.

Not 28 Pledged assets and contingent liabilities

Collateral pledged	2024-12-31	2023-12-31
Collateral pledged for own liabilities and provisions		
Floating charges	150 000	150 000
Total	150 000	150 000

Contingent liabilities

Contingent liabilities		
Other guarantees, County Administrative Board	8 600	8 600

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Date 2025 - shown by the digital signature

Martin Forsén
Chairman of the Board of Directors

David Öquist
Chief Executive Officer

Our audit report has been submitted on the date shown by the digital signature Ernst & Young Aktiebolag

Malin Hallin
Member of the Board of Directors

Anders Jönsson
Member of the Board of Directors

Magnus Holmgren, EY Authorised Public Accountant

Mikio Katayama
Member of the Board of Directors

Magnus Björkman
Member of the Board of Directors

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THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Auditor's report

To the general meeting of the shareholders of Sunpine AB, corporate identity number 556682-9122

Report on the annual accounts

Opinions

We have audited the annual accounts of Sunpine AB for the year 2024-01-01--2024-12-31. The annual accounts of the company are included on pages 61-77 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Sunpine AB as of 31th of December and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the Sunpine AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises sustainability report at pages 25-60.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Sunpine AB for the year 2024-01-01--2024-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the Sunpine AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Piteå on the date specified by digital signature

Ernst & Young AB

Magnus Holmgren
Authorized Public Accountant



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