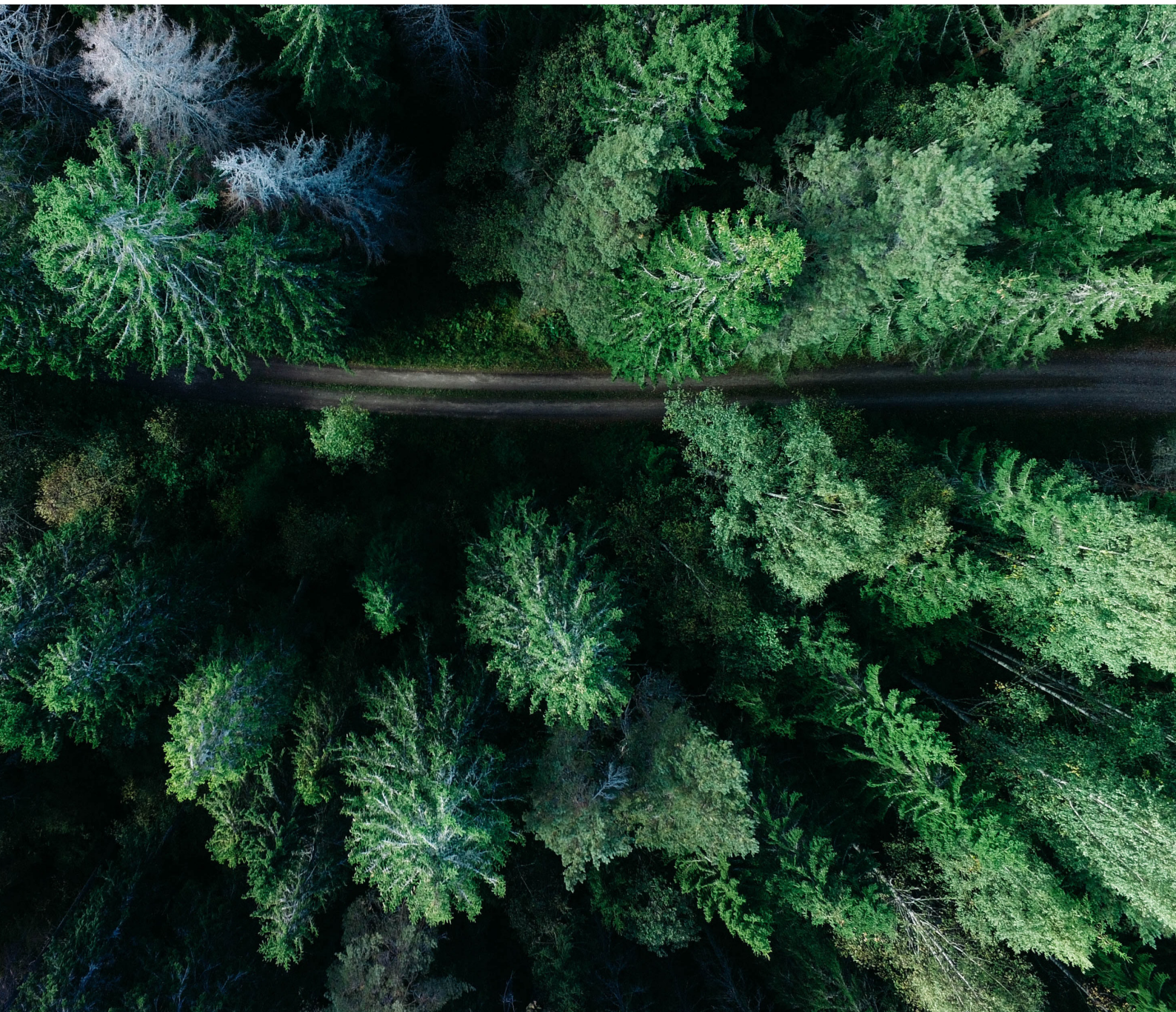


Sustainability Report 2020

Boxon Group AB





Adding value beyond the box

Boxon Group AB
Sustainability Report & Communication on Progress 2020



UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Table of Content

Statement of continued support by the CEO	07
About this report	09
Corporate Social Responsibility statement	10
Boxon Group	14
Human Rights	35
Labor & Social conditions	39
Environment	45
Anti-Corruption	65
GRI Index	68
Imprint	70



“Develop the world’s most intelligent, sustainable value-creating packaging concept.”

Declaration of the CEO and the Chairman



To our stakeholders

Boxon is a global player in the packaging industry where we deliver our packaging concept and add value to customers all over the world. At the same time, the climate change challenges everyone and we are at a critical time. Concrete and real actions are needed. No doubt. Boxon is committed to do what we can in adjusting and develop our operations as well as the products and services we offer to be even more sustainable. In other areas such as social responsibility and anti-corruption we recognize our responsibility to be in the forefront of improving way of life and way of working.

This is without doubt a global challenge, but also an opportunity. Consequently, we have committed the Boxon Group to the 10 principals within UN Global Compact.

In our CSR statement, we set clear goals that we aim to achieve by 2025. We integrate environmental aspects at all critical stages in our supply chain. We help our customers to optimize their own supply chain and packaging flows in such a way that CO2 can be reduced effectively.

We are also aware of the importance of all our producer’s actions and decisions and by that the importance of our interaction with our partners. By this, we always consider the overall picture: With our specific Life Cycle approach, all possibilities are explored to create sustainable packaging concepts - from production to end of life or recycling. And, most of all, we focus on the people who make this possible - their safety, health and well-being are our priority.

This way of working derives from our vision - “To develop the world's most intelligent, sustainable value-creating packaging concept”.

Christer Rapp
CEO

Anders Ylffors
Chairman



About this Report

This report represents the Communication on Progress of Boxon Group AB with reference to the past year 2020. The report relates to the activities of Boxon Group AB. All subsidiaries' activities and figures taken into account in the scope of the present document.

The report is subject to an external auditor's examination. The corresponding auditor's report will be appended to the end of this document.

Reporting frequency: annual

Publication of previous report: March 2020

Report content and topic boundaries

Following our Boxon Group CSR statement, which we introduced in late 2019, we state a lot of progress in 2020. Based on the Boxon CSR Statement and our commitments as a member of the UN Global Compact, a detailed strategy was developed with the involvement of all departments and employees. Webinars, trainings, workshops led to a group-wide systematic strategy that requires employees at all levels. There is a high level of awareness and motivation among the entire workforce. Thus, the achievement of CSR goals is not limited to individual employees, but is an integral part of the corporate strategy and our day-to-day work.

With the present document, Boxon Group reports on all CSR related activities from the past year, reflecting own performance figures, as well as external aspects on supplier and customer level. It also documents the present company's structure, an overview of commercial activities and external initiatives.

This report follows the Global Reporting Index (GRI) standards and guidelines. As some KPIs were defined in 2020, these figures are communicated to the extent available at this point in time. An overview of all GRI standards applied can be found at the end of this report.

Corporate Social Responsibility statement



Corporate Social Responsibility refers to the social responsibility of companies in the sense of sustainable economic activity related to their core business. Companies are responsible for the people and the environment in the direct and indirect sphere of their activities, including social, environmental and economic aspects.

Stakeholders have a legitimate interest, especially when it comes to international production, transports and the use of resources.

Boxon Group is a Packaging Company with presence in Europe and Asia with the aim to expand our business globally. As global Packaging Company, we are aware of our important role and impact of our business for the development of a more sustainable future.

Boxon Group has signed and commits to UN Global Compacts 10 principles. We invite all our stakeholders in this mission – our employees, suppliers, partners and customers.

Our Objectives



DECREASE

our total carbon footprint as a company by **30 %**



INCREASE

the share of packaging solutions based on recycled material by **30 %**



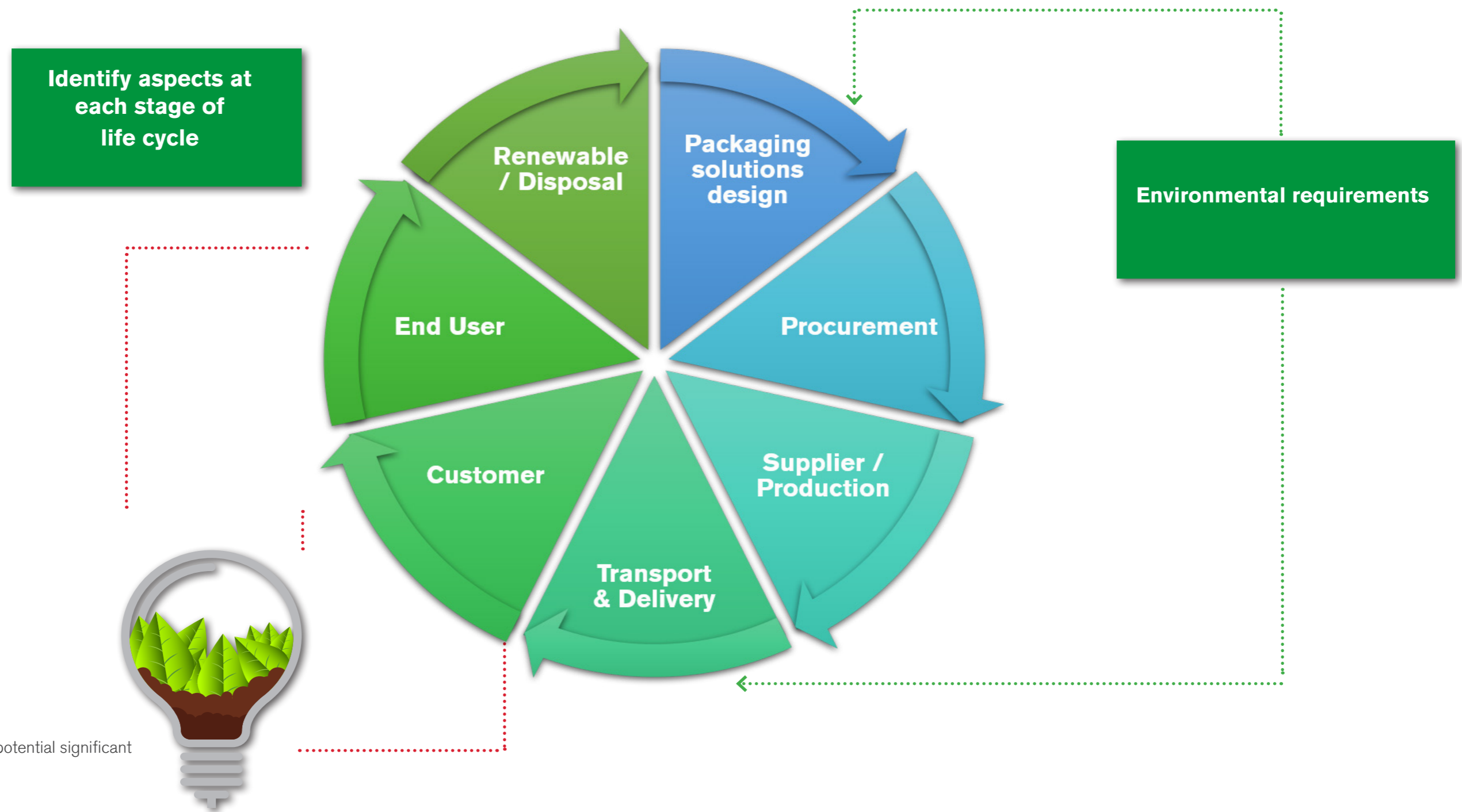
STAY

innovative by introducing new packaging solutions with a **climate neutral footprint**

These goals refer to the year 2025 and are to be achieved through the systematic implementation of the Company CSR Strategy and the associated implementation of appropriate measures.

Life cycle product solutions

Increased efficiency is a key driver to reach common sustainability goals. Our model is a life cycle approach including innovation, development and optimization of sustainable products and solutions for our customers.



The Boxon Group in 2020

Boxon Group was founded in 1932 and has today approximately 270 employees. The company headquarter is Helsingborg, Sweden. The formal legal name is Boxon Group AB which is the parent company for all activities.

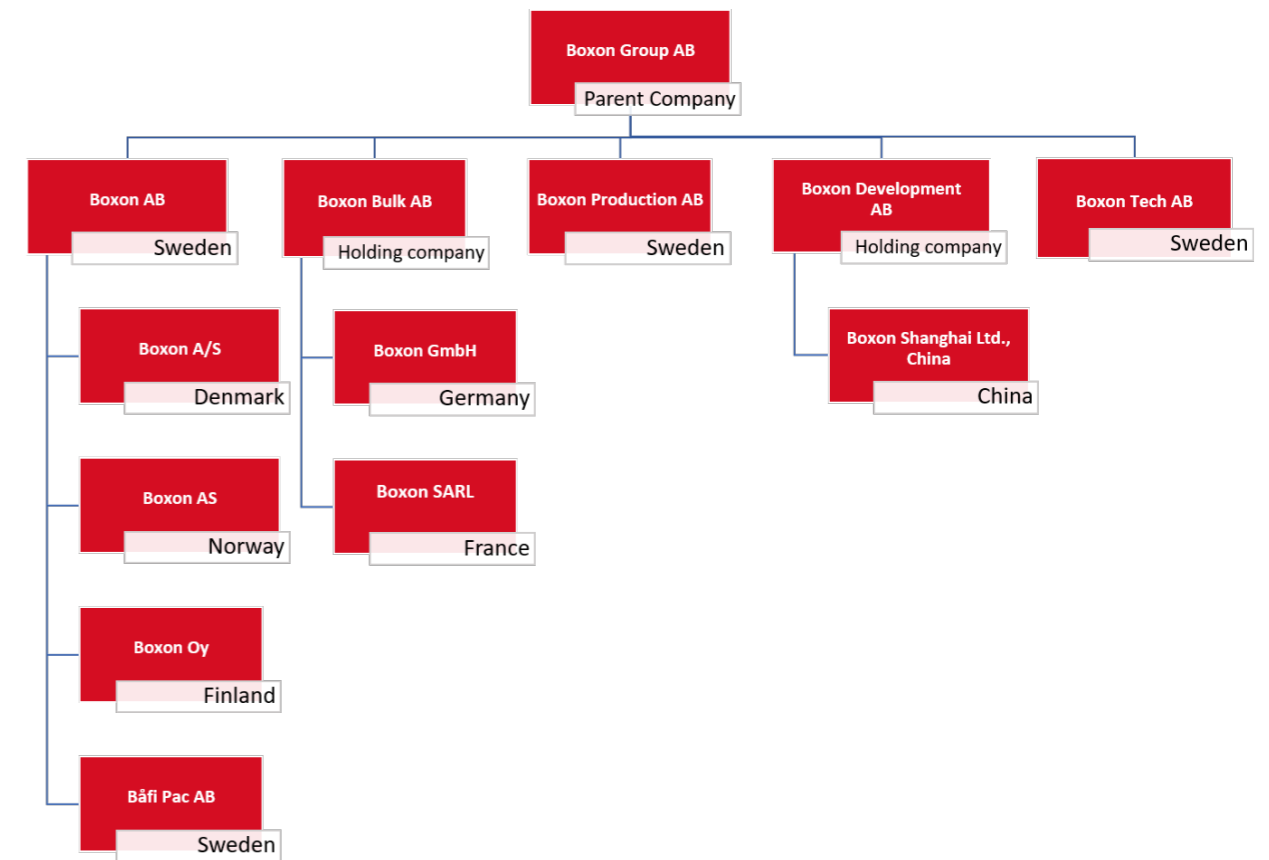
Boxon Group is represented in seven countries with legal entities which includes Sweden (Boxon AB, Boxon Tech AB, Boxon Production AB), Germany (Boxon GmbH), France (Boxon SARL), Denmark (Boxon A/S), Norway (Boxon AS), Finland (Boxon OY) and China (Boxon (Shanghai) Packaging Co. Ltd. China). The Group operates 11 distribution centres with a total warehouse space of 35 000 square meters with a permanent stock of 3 500 articles for 10 000 customers.

Boxon serves the seven markets with legal entities but also other markets such as, central Europe, Benelux, the US, India and others. The total group turnover in 2020 was 120 Million Euros.

The main assortment range offered are corrugated packaging, Big Bags (FIBC), plastic packaging, wood packaging, labelling and machines for packaging and printing. The company also provides a wide range of services including warehouse services, technical service software solutions and printing solutions.



Boxon Group is privately held company which includes eleven operational entities in seven different countries (see above). All legal entities have the legal structure as "limited liability companies". The legal entities and structure are as follows:



Management structure

The Boxon Group is organised in markets, Nordics, EMEA and Asia. Each market has full responsibility for market and selling of the complete offer. The management is organised into one management group for the total operations, whereby each function has a global responsibility except for Sales, which is organised per market.

In early 2021, the Board of Directors appointed a new CEO of Boxon Group which formally took over on the Annual General Meeting (AGM). The former CEO was then elected as Chairman of the Board for the Company.

Board of Directors (BoD)

- Financial follow up
- Decision about the Strategy and follow up
- Decisions about investments, acquisitions
- Major organisational changes
- Follow up of Management

Group Management Team (GMT)

- Leading the Boxon group
- Strategy execution and follow up
- Operations
- Organisational questions and changes
- Preparing for Board of Directors decisions
- Follow ups

Global Counsel Teams (GCT)

- Global synchronising
- Utilizing global strength
- Lead the function
- Ways of working between market areas and within function
- Clarity about dotted lines

Group Coordination Team Nordics (GCT)

- Resource allocations
- Periodically co-ordination of plans for Group functions

Our organisation will be supplemented with a project organisation in case of major changes or projects. Decisions on the use of available funds to meet the company's business concept, policies and objectives are taken by the management team and documented in the budget process. Decisions on the start of a strategic project are taken by the management team. Decisions on the project launch for limited changes are taken by sales manager/function manager. Changes that concern only a region or function are considered an activity that is part of normal work, so it should not be defined as a project.

The Quality and environmental manager is the management's representative in quality and environmental matters and should ensure that the quality and environmental system is respected and continuously valued. Internal quality and environmental audits report the operational and quality of the system.

The management's representative should ensure that quality and environmental systems comply with the requirements of ISO 9001: 2015 and 14001: 2015 and that quality and environmental audits are carried out.

Boxon CSR strategy and development

The CSR work in Boxon is now organised as Group function, meaning that we have centralised the responsibility for all CSR activities. This way of working is implemented for 2021 and going forward.

For 2021, the whole CSR work is driven as one of four Key Objectives for Boxon Group in 2021 and going forward. Every function in the company has a specific action plan to execute during the year. The Group Management Team follows the progress on every meeting and with a more detailed follow up on every quarter.

The action plan for 2021 was worked out during 2020 by a number of workshops in each function where, based on our CSR statement, each function came up with proposals on actions that would take the company in the right direction. All proposals were then reviewed by a group of four appointed persons with specific knowledge and decisions powers. This group selected activities which was most relevant and achievable for 2021 and put forward a proposal on a plan to the Group Management Team which approved the 2021 CSR plan.

In the second half of 2020, the Boxon Group committed the whole company to UN Global Compact by becoming a part of the initiative. It is now the mission to make the UN Global Compact and its principles an integral part of our business strategy, day-to-day operations and organizational culture.

For the practical work, we have implemented a tool developed by our partner myclimate for collecting and calculating the company's carbon footprint. This work is done in each country where Boxon is present.

Going forward, Boxon Group will during 2021 be rated by world's most trusted business sustainability rating organisation – Ecovadis.



Production

One part of Boxon's intelligent packaging concept is our label production, located in Borås. Here we produce our customer's labels for different products and different applications.

Our manufacturing includes all types of labels and labelling solutions, from qualified brand profiling labels, to unprinted logistics labels. We provide the customer with a fast flow, with opportunities for uniquely designed labels and a production optimized for their different needs. Our label printing site is equipped with modern printing presses, both digital and analogue flexo presses. The production possibilities are flexible, we can produce larger series but also smaller ones. Colourful labels, cardboard and hang tag labels, or labels with variable data: the possibilities are enormous, and our production is efficient.

We strive to minimize the overall impact on the environment by using our printing presses more efficiently. Reducing waste and energy in production is therefore a permanent focus, which is why we systematically monitor our material consumption. One long term goal is to replace all our synthetic materials with fossil free materials. Our label production is FSC certified and thus contributes to the responsible use of raw materials.

Innovation and product management

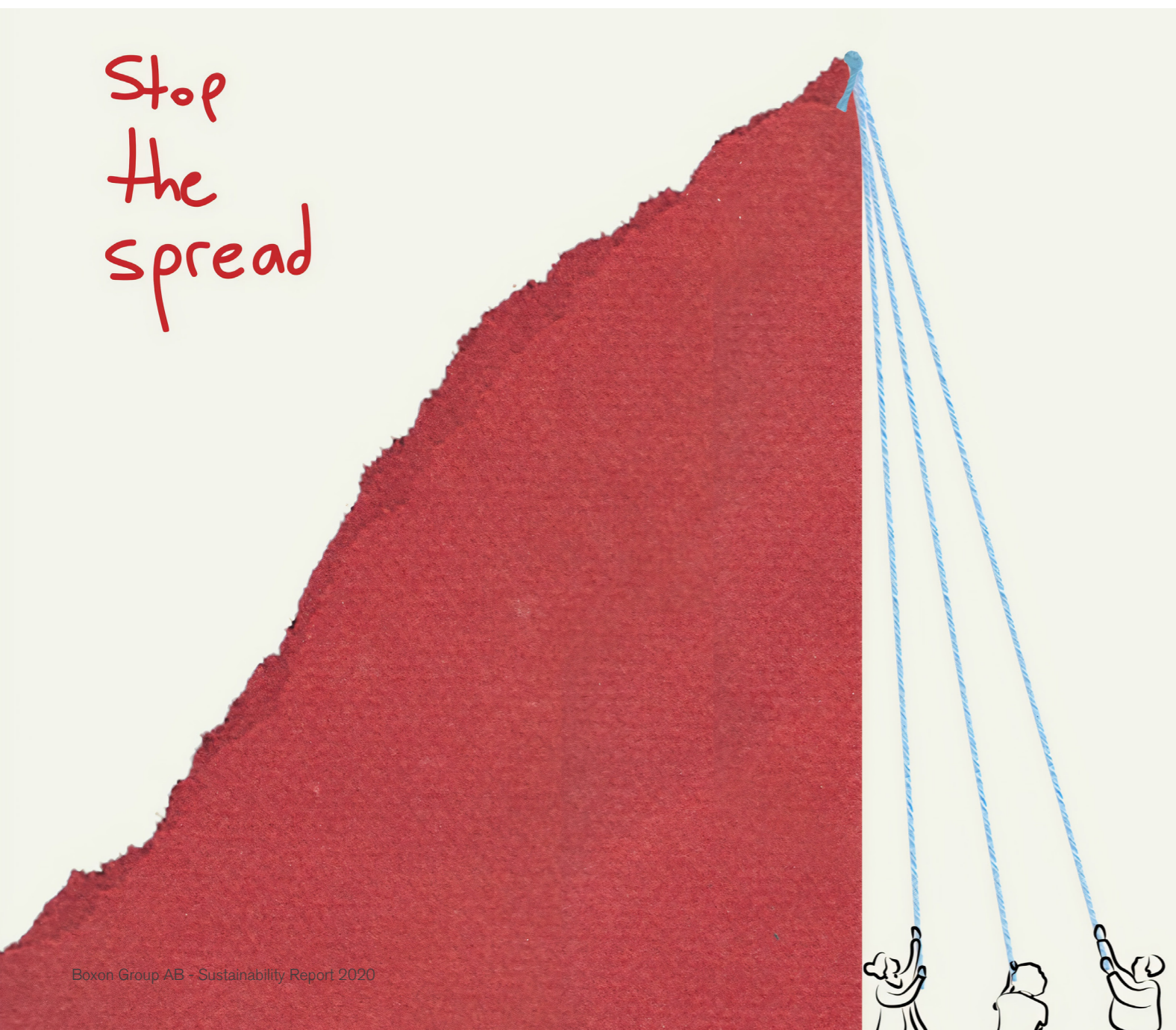
Boxon Innovation Team has many years of combined knowledge and experience in the field of packaging, labelling and customized solutions.

In our Innovation Team, we create animations as well as design and labels samples, prototypes and specially manufactured injection moulded trays, system integrated solutions and cloud-based outsourcing. With our overall competence, we take the solution one step further, independently, if we are in the Nordic region, Germany or China. The Boxon Innovation Team is our way of driving the development forward, with the best interests of the end customer and with sustainability as a key aspect when doing so. The Life Cycle approach is an integrated part of our innovation work.

Covid-19

The year 2020 has been very different due to the global Covid-19 pandemic and its effects. Boxon has had the ability to change the way of working at an early stage of the outbreak and we have continued this way of working also going into 2021. This includes working from home as basic rule for all staff except for positions that require physical presence and part of functions that need to work from office due to security and confidentiality reasons. Physical interactions with customers, suppliers and employees have to a bigger extent been replaced by digital meetings. From a sustainable perspective, this has had positive environmental impact with a lot less travelling etc.

Despite the situation, Boxon Group has both from operational and financial standpoint managed the situation very well and coming out from the pandemic as a stronger, efficient, and a more sustainable company.



Our ideology

Ideology is an important foundation stone for creating a sustainable culture internally and externally at Boxon. We are passionate by nature and have a culture that is about winning together, taking responsibility, understanding and helping. A basic prerequisite for us is to describe why we exist, what we believe in and how we can offer a higher value to our customers and the society at large.

Our Pyramid consists of four parts and illustrates our ideology.



Core values

Boxon's core values are central to the entire Group. They're about what we believe in and stand for. The core values tell us who we are, where we are going and ensure that we navigate in the right direction so we can both further develop our culture and communicate with continuity:

- Win Together
- Simplicity
- Transparency
- Responsibility

Our Mission

Our mission gives us a common understanding of why we exist and what our targets are.

Our Vision

Our vision reminds us about where we are heading and our long-term ambitions and targets. It helps us to get an overall perspective, see the big picture as well as the day-to-day details.

Our Promise

Our promise is the core of everything we do and how we would like to be perceived. Something we must keep at all costs! Our promise also communicates the essence of what we do – we add and deliver values to our customers.

External initiatives and memberships

FKG – the Scandinavian Automotive Supplier Association

FKG has almost 400 members and all members have one thing in common – they are customers or suppliers to the automotive industry. The objective for FKG is to represent their members interests politicians, industry, organisations and media in Sweden and the rest of the world.

EFIBCA

As a long-standing member, Boxon GmbH is committed to the EFIBCA Code of Conduct. The EFIBCA-Q Quality Promise and EFIBCA Code of Conduct have been developed with a special focus on the particularities of the FIBC industry and promote the implementation of ethical principles and the application of an adequate and fair competitive behaviour. The German Association of plastic converters acts as the umbrella organization of the entire plastics processing industry in Germany.

Nordic Bioplastic Association

Nordic Bioplastic Association's goal is a platform and representative of companies in the Nordic region active in the development of bioplastics. The association will promote and simplify market and technology development for the materials group.

The activity covers all parts of the life cycle of bioplastics, from A to Z. The aim is also to inform politicians and authorities through information about the possibilities and merits of materials and to help them create frameworks for the progress of bioplastics in the market. Boxon AB is an active member since 2018.

Gesamtverband Kunststoffverarbeitende Industrie e.V.

The association plays a major role in the public dialogue of the industry with politics and society and takes a proactive position on sustainability topics within the sector in Germany.

Civil engagements of the company

We continue to have ongoing interactions with different schools and educations be they private, university-based or public educational establishments. This interaction includes that we take on “on the job training” programmes where students get the opportunity to practice at Boxon for four to twelve weeks depending on the education plan. Following the internship, an evaluation is elaborated in cooperation with the school or the respective other educational establishment.

Boxon is also engaged in local sponsoring by supporting local associations such as sport clubs, especially those which our employees and their families are engaged in.

Awards

PackTheFuture-Award 2020

In the context of the 5th edition of the PackTheFuture Awards, Boxon was selected as a winner by the jury: From a total of 58 entries, Boxon's rPET Big Bag, which is made from used PET bottles in Indonesia, received the award in the "Social benefit" category. This category honors packaging solutions that "correspond to the new consumption trends and habits of today's customers or the new consumption patterns of target groups such as children, the elderly and families. It can also have a benefit to society".

The PackTheFuture Award is based on an initiative by ELIPSO, the French association for plastic packaging and the German IK Industrievereinigung Kunststoffverpackungen e.V. The aim of the competition is to focus on the innovation potential of plastic packaging throughout Europe. All winning entries are presented in the "Innovation Book", which can be found on the official website of the award.

For Boxon, the PackTheFuture Award is an important award that underlines that the packaging sector, with its special responsibility for environmental protection, can create new sustainable packaging solutions and perspectives for a better future through innovation and commitment.

Ecovadis

For the third consecutive year, Boxon has been awarded Gold status by Ecovadis for their CSR activities in 2020. The Gold status represents the highest recognition level issued in the assessment.

In the 2020's assessment Boxon GmbH could improve its score by 1 point. With a total score of 72 points out of 100 Boxon GmbH ranks among the top 1 % of all companies assessed by Ecovadis in the sector. The objective of the Ecovadis methodology is to measure the quality of a company's sustainability management system through its policies, actions and results.

The assessment focuses on 21 sustainability criteria that are grouped into four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement. These criteria are based on international sustainability standards such as the Ten Principles of the UN Global Compact, the International Labour Organization (ILO) conventions, the Global Reporting Initiative (GRI) standards, the ISO 26000 standard, etc.

In 2021 Boxon GmbH ends its membership to Ecovadis. Instead, Boxon Group will join, including all entities. The assessment of Boxon Group's CSR performance is planned for Q2 2021.

Stakeholders

For our company, we have identified the following stakeholders which have significant interest or impact on Boxon Group:

- Owners
- Employees
- Customers
- Suppliers
- Financial institutions
- Trade unions

The Company interacts with the different stakeholders on regular basis depending on the interest for each stakeholder. The scope of stakeholders' involvement in this report, the material topics are concentrated to the following areas:

• Ensuring human rights and universal labour standards

For us as a company with a long history based on sound principles, it is given that we, without exception, do everything we can to ensure and enforce human rights principles as well as the adopted universal labour standards in our operations. We especially focus on securing our suppliers by asking them to sign our Supplier code of conduct. We are also doing on site audits for suppliers outside the European Union on regular basis.

• Business ethics

Being a global partner to our customers, our way of doing business is high on the agenda. Boxon does not enter any unsound or wrongful business arrangements of any kind. Furthermore, Boxon has zero tolerance when it comes to any type of corruption and we have clear guidelines for business ethics.

• Competence and knowledge of the employees

In the last two years we have built the Boxon Academy which main purpose is to make training available for all employees. By introducing Boxon Academy, we are working in a structure which will ensure building competence and knowledge among all employees.

• Good place to work

Boxon is known to be a good place to work at and this is one of the key parts in our company values – VETA. We have continued dialogue with all our employees by annual development talks and scheduled follow ups during the year. We also conduct an annual employee survey.

• Innovative products

Being innovative is the key to our mission statement and something we remind ourselves about all the time. Being innovative is also a part of our CSR statement where this is one of three key objectives.

• Sustainability work and progress

Boxon decided several years ago to put sustainability at the centre of our business operation. We have taken many steps but much more steps will be taken to reach our goals for 2025.

Stakeholder dialogue

Owners

The owners act through the Board of Directors, where strategic decisions are met, including all major CSR policies and follow up. The Board meets four to five times per year.

Employees

An annual Employee survey is conducted and followed up by a dialogue on function level on the results. On individual level, a yearly development talk is conducted where every employee is encouraged to give his personal feedback and opinion on the company and our operations. A summary is made by the HR-manager which is presented to the Group Management and the CEO reports the conclusions to the Board of Directors.

Customers

Customers now have the possibility to leave instant feedback through Trustpilot. This has been introduced in Nordics but will during 2021 also be introduced in other markets.

For a more structured dialogue, we have sent out a survey to selected customers asking them respond to several key questions in 2020. For result, see next section. In addition, we ask our Account Managers to have an open and frequent dialogue with our customers which is documented in our CRM system.

Suppliers

The main supplier dialogue takes place in continuous follow up meetings where our cooperation is always a subject on the agenda. All meetings with suppliers are documented.

Furthermore, once a year we ask our suppliers to sign our Supplier Code of conduct with the purpose that both parties ensure a common understanding of basic principles for our business relations.

Financial institutions

The interaction with our banks takes place at least every quarter where a wide range of topics are discussed including CSR questions. The company is represented at the meetings by its executive management.

Trade unions

Boxon has a collective agreement in countries where this is common practice, and the company applies these standards on all markets. In this work we make the best effort to have a sound and correct dialogue with respective trade union.

The results from the dialogue with the different stakeholders listed above is satisfying and we have concluded that we have good balance between different interests and that we will continue to build on this coming years.

Customer survey

Boxon continuously measures our customers' satisfaction and thereby increase knowledge about the customers' perception of quality, innovation, services, and other important areas.

In 2020 we conducted a global customer satisfaction survey which was carried out on all our markets. This time, the purpose of the survey was to find out more about the following:

- the segments our customers belong to
- the customer's knowledge of our offer and assortment
- what the customer is looking for in a packaging partner

The survey was done as a web based questionnaire, that went out to all active customers. In total we had 278 answers distributed per market.

The result showed a good level of satisfaction where the ability of being able to serve our customers in a fast and timely manner was the most important factor.

To be able to follow our customers satisfaction in more continuous way, Boxon has in 2020 introduced the Trustpilot. Trustpilot helps Boxon to get instant feedback and to improve. Over 480 000 businesses are rated on Trustpilot worldwide. The tool was introduced on all Nordic Boxon websites in 2020 and will be implemented in Germany and France in early 2021. Trustpilot provides a possibility for a continuous dialogue with our customers and by that a base for evaluation and improvement in our daily operations.

Key impacts, risks, and opportunities

Precautionary Principle

For handling any risk concerning the environment or to human health, both in operational planning and when introducing new products and services, the companies apply the following principles.

When it comes to operational planning and major changes in our way of working, all decisions are made by the General Management Team (GMT) where all functions in the company are represented. The GMT also runs specific business follow up covering quality and environmental factors four times a year.

On a more detailed or operational level, any major decisions on products or services are decided by a Business Board or the Sales Council depending on the questions at hand. The members are qualified with a specific responsibility and or specific knowledge on a subject.

Analysis of the opportunities and risks for the environment and society

We have analysed the areas where we as company have the biggest risks and best opportunities to take action concerning our environmental impact and in the society. According to our knowledge, our products, services and activities have no significant direct impact on the biodiversity in the areas in which we operate.

Key areas	Potential risks	Potential Opportunities	Environmental impact	Social impact
Products	Products with mixed material is increasing the risk of not being recycled after being used.	New technologies together with innovative materials make it possible to develop packaging solutions that can be recycled or reused or that provide a more sustainable footprint.	Our products can have a negative impact on the environment if not recycled or reused.	Our products are considered to have limited social impact.
Transports	All our products must be transported to the user and the risk is that we do not optimize way of transport and by that increase CO 2 emissions.	By increasing the optimization of logistics flows, we can minimize the risks. In the future, changes in the logistic sector for more environmentally friendly power sources will change the impact dramatically for the better.	All transports as of today have a direct impact on the environment.	Our transport has an overall negative impact on the society through CO2 emission and by that the general health conditions.
Travelling	Unnecessary travelling has a clear negative impact.	By using digital meetings to higher degree, we can both increase the efficiency and limit the negative impact.	Most traveling as of today have a direct impact on the environment	Our travelling has an overall negative impact on the society thru CO 2 emission and by that the general health conditions
Productions of labels	Products manufactured of mixed material or plastics increase the risk of non-recycling.	By using new FSC certified-materials and not mixing them with plastics can make labels much more friendly to the environment.	A risk for an environmental impact can occur when the product is not recycled.	Label production is considered to have limited social impact.
External Supply	Buying products from external we are exposed for certain risk since we are not controlling the full process.	By working actively with our Supplier Code of Conduct and frequent supplier dialogues we can limit the potential risks.	The way our suppliers produce can potentially have an impact on the environment.	Labor conditions, the application of human and workers rights can have an impact on the social perspective.

Based on the above analysis, Boxon has decided to focus on:

- Continue to develop sustainable packaging solutions with climate neutral impact.
- Focus on our logistic set up and operations in order optimize our transport flows.
- Build up our capability to conduct digital meetings for all range of meetings by using the latest technology.
- Work actively with our suppliers using our tools such as Supplier Code of Conduct, Audits, and frequent dialogues.

These focus areas are covered in Boxons CSR statement and followed up by the General Management Team (GMT).

Supply Chain

Boxon aims to develop solutions that respond in the best way to customer's needs and independently of which materials are used. It requires the access to the best of production possibilities out there and bring the outcome all the way to the customer in the most efficient way at the lowest possible cost, and always keeping in mind our sustainability objectives.

During 2020 we have set up two new logistics warehouses in central and southern Europe. This has increased our delivery capacity for new market areas. Also, this step makes our logistic more efficient with in total shorter transports from manufacturers of various products to the end customers. We have however had some negative impact on the operations due to longer lead times, or in some cases disruptions, in deliveries from our suppliers. By taking early precautionary steps, we have managed the situation and limited any severe impact for our customers.

Supplier Structure

To do so we count on a portfolio of approximately 250 manufacturers and forwarders mostly located in Scandinavia and rest of Europe and supporting us in our packaging materials offer diversity including corrugated board, wood and Plastic based articles.

One corner stone of our business model drives us to develop our supplier portfolio close to our customers achieving thus shorter lead times, reduced freight costs and significant positive impact on CO2 transport related emissions.

2020 has been a very different year in many ways and our supply chain has been particularly challenged byt the different lockdowns and transportation disruptions. We have been forced to focus even more on local sourcing to better respond to fluctuating demand with minimal disruptions in our flows. By the end of 2020 raw materials started to lack forcing us once again to adapt using the full potential of our diversified sourcing strategy.

Approximately 35% of our sales are generated by our standard items (1300) allowing a better optimization of production and transport for better overall sustainability. The rest is generated by customer unique solutions where larger batches and direct deliveries are encouraged as they have a lower impact on the environment.

Transport plays a very large roll in our business. Therefore, we have the same demands when selecting our forwarders.

Supplier Selection

The selection of our partners responds to strict standards described in our supplier selection process.

Boxon shall interact with suppliers, enabling Boxon to live up to our proposition:

- A competitive position on the markets where Boxon is present
- High level of quality and consistency and reliability.

- Continuous improvement with respect to our environmental impact
- Cost efficiency in products and flow
- Creative and innovative, in products, processes and services.

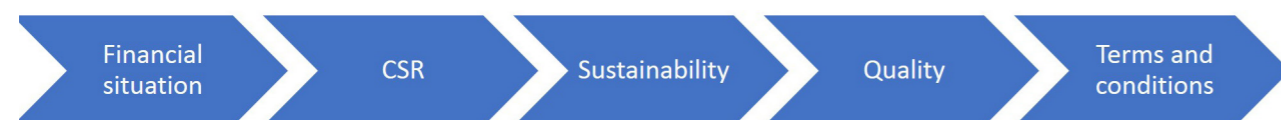
This means that:

- We work with suppliers that strengthen our competitiveness
- We must have access to the suppliers' competence and know how.
- We work with suppliers that can improve our common processes and reduce our total cost
- We choose vendors that provide goods and services that meet environmental criteria
- We choose suppliers that have efficient management systems when it comes to waste, quality, environment and ethics,
- We adapt the cooperation with the suppliers based on the nature of the goods and services they supply

Risk Management

From selection process and on a regular basis, suppliers are assessed for their risk in business.

Based on the importance of the supplier or material, the risk level, and according to the market or production limitations, Boxon will develop back up alternatives within our supplier portfolio.



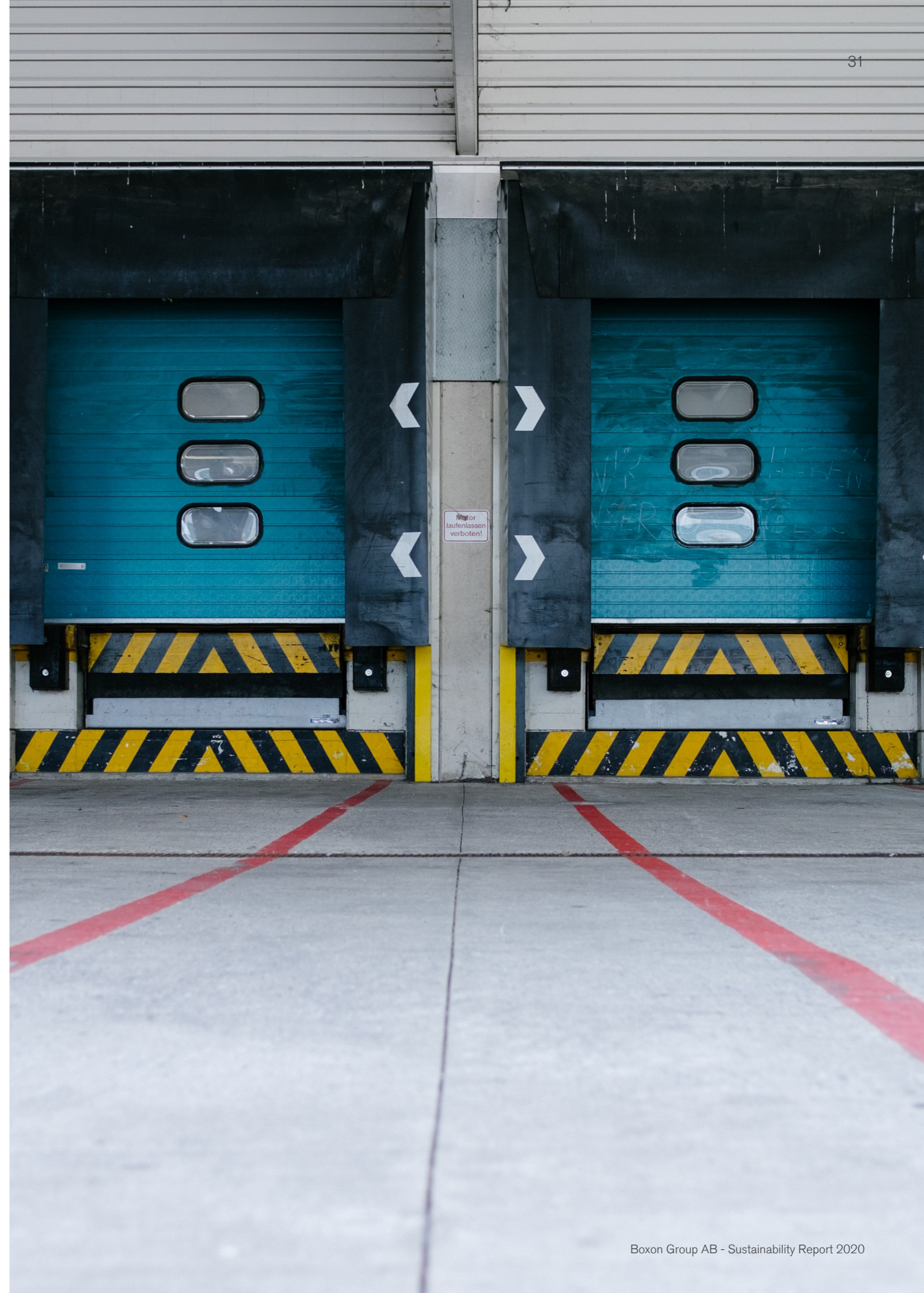
Back-up alternatives can be the simple identification that we have several suppliers capable of producing similar items to the extent of dual sourcing.

This follow up can generate instant corrective actions. Follow up is also done via regular meetings according to an agreed frequency. The frequency is decided according to complexity and importance of the supplier and reflected by the supplier classification.

Low cost vs. Risk

The importance of low-cost production countries is increasing in Boxon's sourcing portfolio. Implementation of a sourcing flow from low cost countries requires a thorough risk analysis and can only be validated provided that risks are low and total costs competitive.

The same strict criteria for supplier selection and evaluation are to be met.



Supplier follow up

All Suppliers are measured on a monthly basis according to fixed KPI.

- Sales development
- Purchase development
- Delivery performance
- Price discrepancies
- Sustainability
- Claims

In the evaluation parameters such as business flow; supportive cooperation; and reliability are also taken into account. This follow up can generate instant corrective actions. Follow is also done via regular meetings according to an agreed frequency. Frequency is decided according to complexity and importance of the supplier and reflected by the supplier classification.

Supplier classification (launched in 2020)

Boxon has implemented a supplier classification allowing us to steer the portfolio development towards a more structured plan. This plan reflects different expectations towards our partners depending on the level of engagement in business. When evaluated the suppliers can be downgraded or promoted to the next level of the classification.

The supplier classification was planned to be launched at our supplier day in March 2020 to all our suppliers. From there Our procurement team would start an active work of evaluation the selection criterias, encouraging supplier development to full compliance.

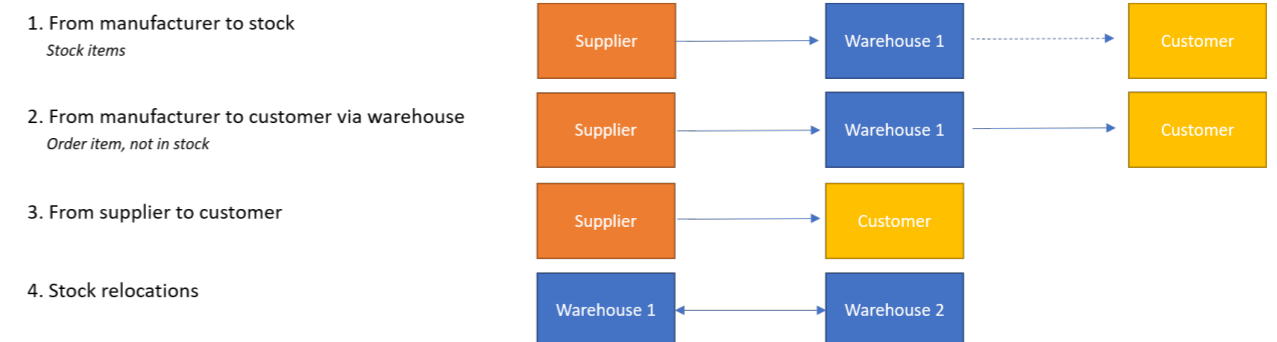
Unfortunately Covid-19 outbreak put a dent to the launch and the classification was implemented but communicated on an individual level which makes the activities less efficient. Nevertheless we believe supplier classification will once fully deployed be a strong tool to drive our business activity in a more sustainable way.

Logistic flows

Our manufacturer structure combined with our customer locations trigger a large number of logistics operations both inbound and outbound.

During 2020 we have taken steps towards more environmental transportation alternatives assessing our forwarders on train/boat routes as well as bio fuels.

We want to be close to the customer to shorten lead times, reduce additional transport or environmental costs and we utilize therefore to the maximum our options to either produce close to the markets we cover or utilize our warehouses (7 in Europe; 4 in Asia) allowing consolidation of inbound orders to and flexible distribution to our customers. During Q4 2020 we have opened 2 new warehouses in Europe reinforcing our strategy. We use mainly 4 types of logistic flows today:



Order optimization

We have a minimum order value of 300EUR and have an active dialogue with our customers to increase average order value and as such reduce the number of transports in distribution. We offer possibilities to make order plans and consolidate deliveries.

We have implemented 2 cut off times to be able to better plan distribution from our warehouses and route optimize our deliveries.



Human rights

Principle 1: *Businesses should support and respect the protection of internationally proclaimed human rights; and*

Principle 2: *make sure that they are not complicit in human rights abuses*

It is our responsibility as a company to guarantee our employees full compliance with human rights - this is our first and highest priority. Every employee receives the same opportunity, regardless of gender, nationality, sexual orientation or age.

But Boxon also has an important responsibility with regard to our supply chain: wherever people are directly or indirectly affected by our business activities, we must be able to guarantee compliance with human rights. It is up to us to implement the appropriate mechanisms to ensure this and to maintain this compliance through close relationships and an ongoing dialogue, especially with our suppliers and business partners.

Principles

In 2020 no complaints regarding human rights were registered, not internally, but also not in the context of our supplier relationships. Boxon is committed to respecting the human rights of all employees and all those directly affected by our business activities. We share values based on the conventions of the United Nations and the International Labor Organization. It is our responsibility to ensure these basic rights in our daily business.

At all Boxon sites, compliance with universal human rights is required and implemented. With our commitment to the 10 principles of United Nations Global Compact and our CSR Statement, we set the basis for these principles within our company. They are part of every business relationship as well as every employment with Boxon.

We attach great importance to strictly implementing our principles and reject any form of

- Child labor or forced labor
- Corruption, blackmail and bribery or inappropriate influence
- Discrimination or harassment

We offer all employees a safe and healthy working environment and equal opportunities regardless of age, skin color, gender, nationality, religion, sexual orientation or ethnicity.

In 2020, all employees took part in webinars that focused on our CSR statement, with the 10 principles of the UN Global Compact being examined more detail as a part of our commitment.

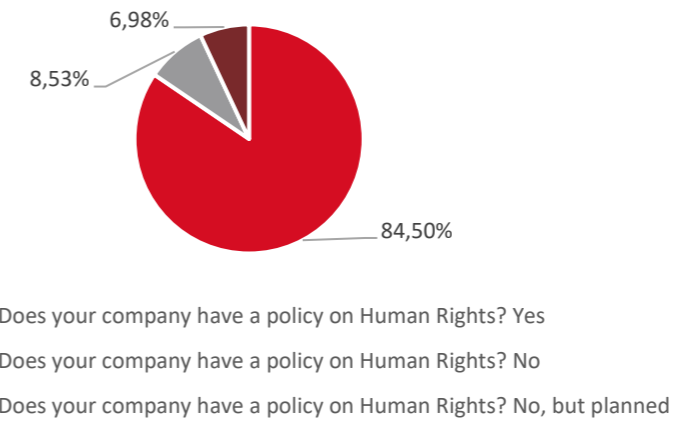
Suppliers

To ensure that all standards relating to human rights are guaranteed on the supplier side, we rely on a system of various mechanisms. The basis is our Supplier Code of Conduct, in which we clearly state all requirements in line with SA8000, the ILO conventions and the Universal Human Rights Declaration. Every supplier is expected to sign the Boxon Supplier Code of Conduct in line with all other business agreements. As a follow up mechanism to our Supplier Code of Conduct and for purposes of keeping our supplier profiles up-to-date, we conduct an annual supplier questionnaire among all suppliers and logistic partners. As part of this survey, the supplier is asked to make statements about their company's principles, actions and KPIs in the areas of human rights, labor and the environment and selected official certificates are requested. In addition, supplier visits take place throughout the year, following a precise annual schedule. The close dialogue with our suppliers is an integral part of our day-to-day work.

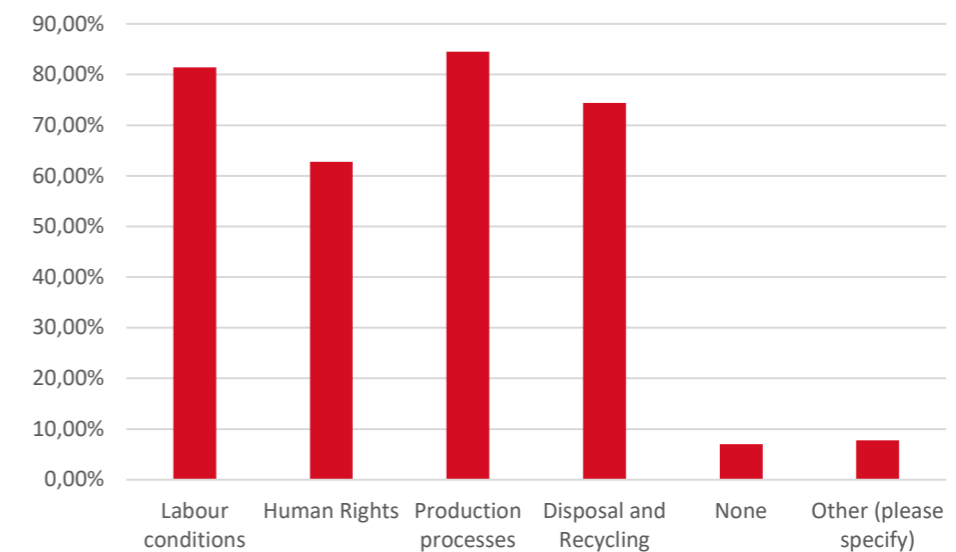
In 2020, 40 % of our suppliers took part in the web based supplier questionnaire. The vast majority states having a policy on labor practices and human rights. Most of them state that they regularly review labor conditions and human rights, production processes, disposal and recycling processes, products and others as part of their own assessments.

Various factors (such as the human rights situation in the production country) may be the reason for further verification at the supplier's production site. External auditors regularly participate in independent reports in accordance with international standards. In case areas of improvement are identified, comes the supplier is required to change the situation within an appropriate period of time. If the issue is not resolved or other problems arise, and there is reason to believe that the company concerned cannot guarantee human rights and occupational safety, the business relationship will be terminated immediately.

Suppliers with a policy on labor practices and human rights



Regularly assessed areas (suppliers)





Labor & social conditions

Principle 3: *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*

Principle 4: *the elimination of all forms of forced and compulsory labor;*

Principle 5: *the effective abolition of child labor; and*

Principle 6: *the elimination of discrimination in respect of employment and occupation.*

At Boxon we strive to offer all employees a good workplace, where they can develop professionally and contribute with their experience, expertise and ideas.

It is important to provide a safe space in which we meet each other with respect and equal opportunity. Together, we are responsible for our results towards our customers, but also for each other. We can only be successful if we integrate responsibility and the will to win together in our work: This is part of our core values that we live and promote.

We offer our employees a workplace where human and labor rights are respected – and we expect the same from our business partners and suppliers.

Principles

We share the values based on conventions of the UN and the International Labor Organisation, which are summarized in the international standard SA8000 by Social Accountability International.

Our policies on Human Rights and Labor strictly regulate the following areas:

- Health and safety of employees
- Working hours, wages and salaries
- The absolute ban on child and forced labor
- Freedom of association and the right to collective bargaining
- Any form of discrimination and discipline
- Health, Safety and reconciliation of work and family

On a supplier perspective we work actively with our supplier code of conduct, making sure all suppliers engaged with Boxon agree and sign the document. This is a mandatory step in our way of working to engage only with partners committed to support the establish principles concerning Human Rights. In 2020 close to 90% of our suppliers declared to have a Labour Policy.

Work safety & health

Our overall goal is to provide a good working environment for all Boxon employees. Therefore, we follow a strict occupational safety policy and take measures for safe production and occupational health in regular quality management audits.

In 2020,

- no work related accidents and diseases have been recorded.
- no injuries, occupational diseases or work-related fatalities have been recorded.

In 2020, the global Covid-19 pandemic made additional measures necessary. National government regulations have been strictly followed to ensure the health of our employees at all locations and at all times. This includes equipping the workplaces in accordance with the distance rules, providing information and posting safety notices, providing disinfectants and masks and working from home wherever possible. These measures are continued in 2021 and adapted according to the current situation.

Equal opportunity

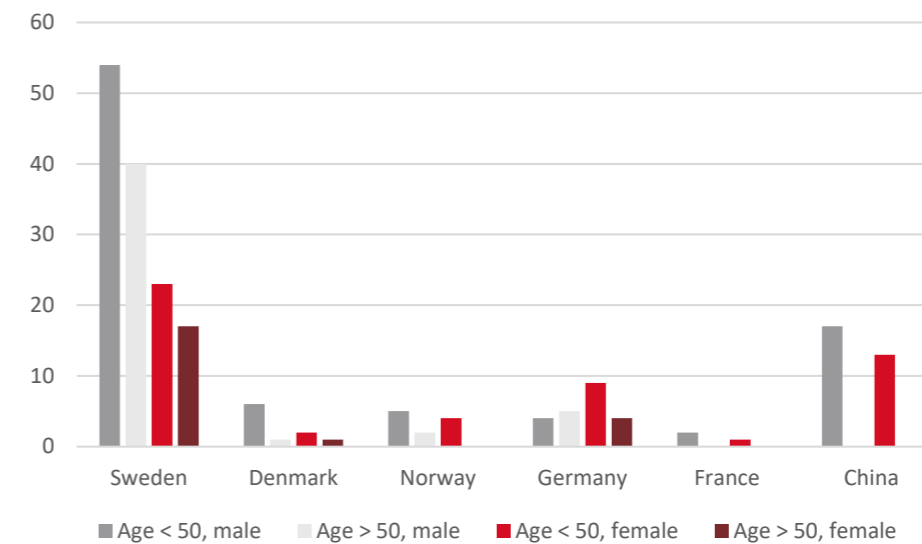
Boxon strives to offer all employees a meaningful and innovative workplace and encourages each employee to actively develop their own ideas and projects. Therefore, the basic requirement is to create a safe space where every employee can move freely and not allow harassment and abuse to be tolerated. Regardless of gender, religion or origin, every employee is treated equally and benefits from the same opportunities. In our gender equality policy, we stipulate that positions are allocated based on ability, and further development must be based on needs and support Boxon's competitiveness. Salary should be based on the severity and performance of the position. Boxon strives to make it easier for men and women to balance work and parenthood. Our equality and occupational safety policies are in place to regulate these areas. In 2020, no cases of discrimination were recorded at Boxon Group.

Employees

In 2020, Boxon had the equivalent of 215 full time employees:

- 97 % were permanently employed
- The biggest number of employees are based in Sweden, with a total of 64%.
- 65 % of employees are male, 35 % female.
- The majority of the employees are younger than 50 years.
- 100 % of employees are covered by collective agreements

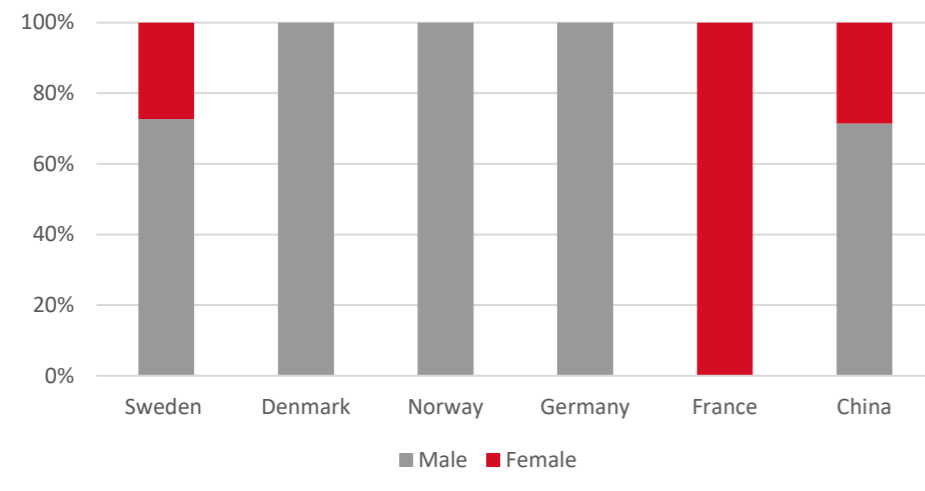
Employees by age and gender / country



Employees by age and gender overall



Manager positions by country and gender



Competence & training

At Boxon, every employee has the opportunity to continuously develop on a professional basis. As part of the annual development talks, there is the opportunity for evaluation with the line manager on a regular basis. In addition, feedback is given in both directions. The professional competence development takes place throughout the year as part of trainings and further education. In order to ensure even more efficiency here, Boxon Academy, which offers employees skills development in a wide variety of areas, was launched in 2020. All employees have received training in different ways, both within their own responsibility areas and also more general training for example first aid education and fire prevention training.

Most of the physical trainings have taken place during 2019, while in 2020 most trainings were web based. Due to Covid-19 we have not had any general onsite trainings in safety and health in Nordics and EMEA. These trainings are postponed to autumn 2021. In China two employees attended certified safety and protection training and 8 employees received health protection training in 2020. All employees at all sites were given instructions regarding Covid-19 health protection and safety measures.

Employee survey

At least once a year, Boxon conducts an anonymous survey among all employees and managers, in which the following areas are evaluated:

- Communication
- Structure/goals
- Relationships/Culture
- Leadership/Employeeeeship
- Competence/Development

We work with the result in each function to determine relevant development areas for each group/function. The result provides a basis for the identification of improvement areas and the development of appropriate actions. Each manager is responsible of implementing improvement within their teams.





Environment



Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

While 2019 brought climate change into focus and public awareness increased more than ever before, the world in 2020 certainly was more pre-occupied by the impact of the global Covid-19 pandemic. On a company level, Boxon had to ensure health and safety of the employees, the supply chain, working conditions and other areas that were not foreseen in the previous year.

But we did not give up on our ambitious plan, that we set with our CSR strategy by the end of 2019. In order to achieve our goals regarding the decrease of emissions, the increase of products based on recycled material and the introduction of new innovative products with a sustainable footprint, all departments and employees were involved in this work. In 2020/21 for the first time, we measure our carbon footprint as a company at all Boxon locations, which serves us as a basis for optimizing our greenhouse gas balance. This valuable data helps us to derive measures and innovations and in this way to achieve our goals by 2025.

Principles

Our environmental management system has passed ISO14001 certification and is regularly evaluated. This environmental policy is based on Boxon's "Corporate Social Responsibility Statement", which will continue to be implemented on the basis of major steps taken in 2020 and continuous improvement towards 2025. Our activities are based on the Sustainable Development Goals set by the United Nations and the ten principles of the United Nations, the United Nations Global Compact that we are committed to.

Before introducing new solutions, products or new processes, we consider the of saving raw materials, energy and water resources. With regards to our own consumption, we raise awareness within the company to use raw materials and energy sparingly, and minimize environmental pollution and waste. Based on applicable environmental regulations, global standards and the United Nations' Sustainable Development Goals, our goal is to systematically and continuously reduce the environmental impact in relation our activities as a company. This applies at all locations, without exception.

Training and education

As part of the implementation of the CSR statement, workshops were held across the company in 2020, involving all departments. In this way, we raise awareness on our ambitions and goals among all employees, and at the same time included everyone in this work with their specific areas of expertise. Sustainability and Competence are two of Boxon's Key objectives in 2021, which is why Sustainability will be an integral part in the upcoming competence training program of Boxon Academy.

Suppliers

The packaging sector has a specific responsibility regarding the environmental impact of their products. Sector-specific areas arise in particular in the area of forestry and the manufacture of plastic products. The origin of the products, raw materials, additives and further processing are therefore of great importance. In this context, when selecting our suppliers, we attach great importance to responsible handling of the mentioned areas. In addition, emissions caused during production processes, transport and distribution must be kept as low as possible. Boxon looks at the emissions at every stage of the supply chain and expects its suppliers to continuously optimize emissions from their facilities. Boxon expects its suppliers to have an effective environmental policy and to comply with existing legislation and regulations regarding the protection of the environment. Where possible, suppliers should support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies that implement sound lifecycle practices. Suppliers should strive to implement recognized management systems and guidelines, such as ISO 14001.

Requirements

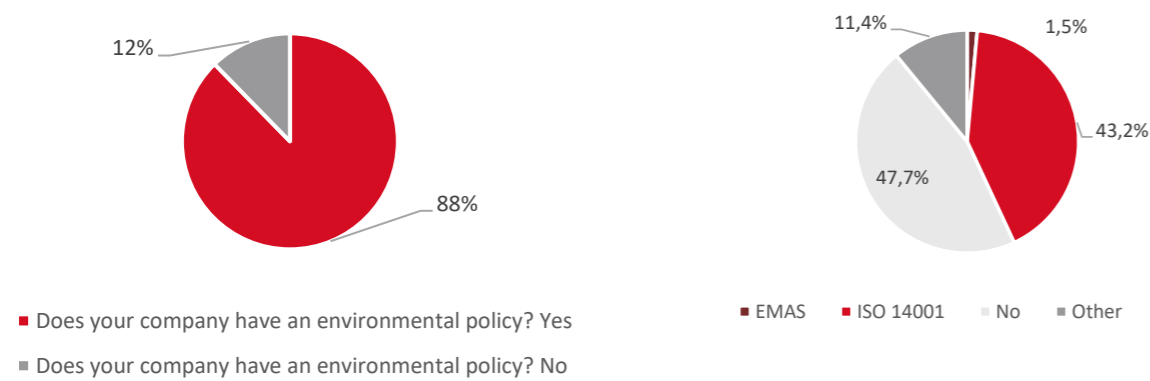
- **Environmental policy** - Boxon requires its suppliers to have an environmental policy statement.
- **Chemical and hazardous materials** - Chemical and other material posing a hazard if released into the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.
- **Minimize waste, maximize recycling** - Wastewater and solid waste generated from operations, industrial processes and sanitation facilities is to be monitored, controlled and treated as required prior to discharge or disposal. Other types of waste are to be reduced or eliminated at source or through such practices as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.
- **Air emissions** - Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals and combustion of by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge.
- **Greenhouse gas emission** - The supplier shall strive to reduce greenhouse gas emissions caused by its business operations, primarily carbon dioxide (CO₂) emissions. The monitoring and documentation of CO₂ emissions associated with Boxon's share of production will be encouraged. Information about CO₂ management shall be provided to Boxon on request.
- **Energy management** - Energy management with focus on minimizing the waste of energy shall be applied in all suppliers' business operations.

In a continuous dialogue, which is in line with our supplier classification process, we follow up on these requirements. This includes supplier visits, audits and evaluations, the signature of Boxon's Supplier Code of Conduct, as well as an annually conducted questionnaire among all suppliers.

Supplier questionnaire 2020

In order to follow up on our supplier's own measures to reduce emissions, energy consumption, policies, sustainability strategies and certifications, we conducted a web based questionnaire and invited all of our suppliers to participate. A total of 40 % participated (vs. 35 % in 2019).

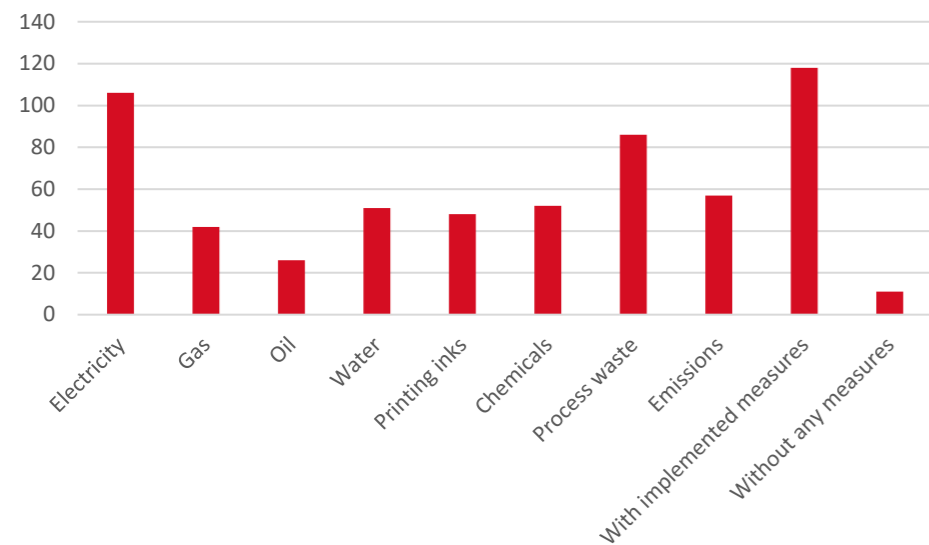
The results of this year's questionnaire show, that among the participating suppliers, 88 % have an environmental policy, while 44 % work with a certified environmental management system.



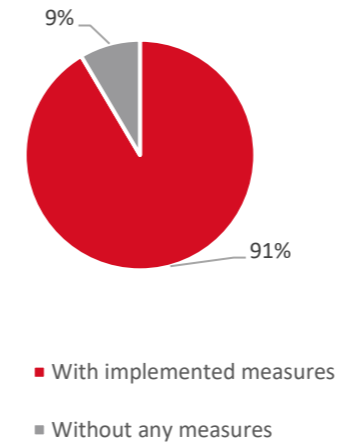
A majority of suppliers state having implemented measures to reduce energy consumption and greenhouse gas emissions. These concern:

- The purchase environmentally friendly energy
- The generation of renewable energies
- The reduction of energy consumption through innovative technologies or facilities
- Green IT measures
- The monitoring of direct or indirect greenhouse gas emissions

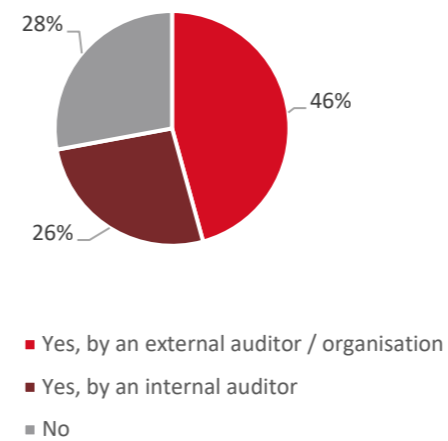
More than half of the suppliers can provide documentation on the implemented measures, either by an internal or external auditor.



Suppliers with implemented measures to reduce energy consumption and greenhouse gas emissions



Suppliers with documentation on assessed areas (external or internal audit)



Products and services

Definition of sustainable products

Boxon is working with many different materials and product solutions and in some cases also solutions with a combination of different materials. Boxon therefore needs to define what we mean by sustainable products based on its own specific criteria.

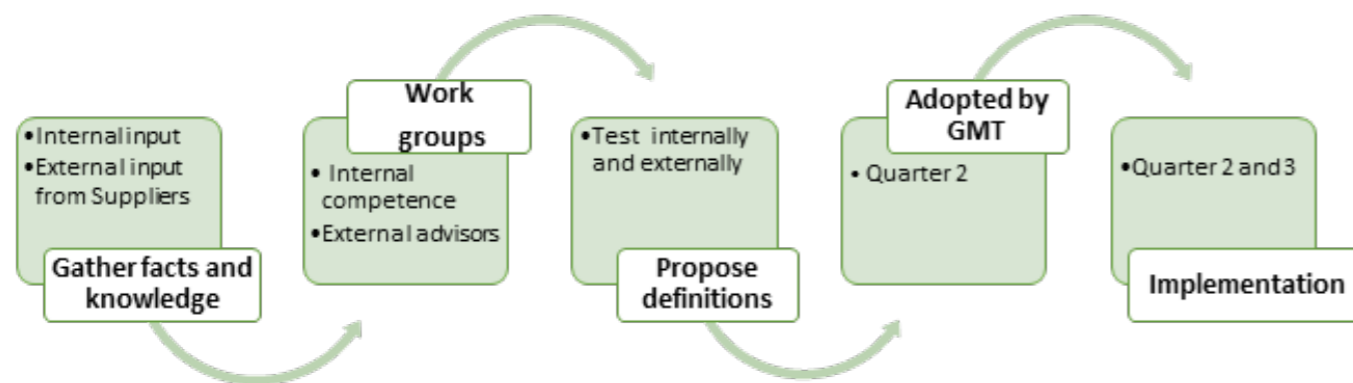
This definition is significant when identifying and describing what we mean, and stand for, with sustainable products both internally and for our customers. By setting a clear definition, allows both a good communication as well as being able to measure our performance on product level.

Boxon has started up this process of setting the definitions in quarter one 2021 with the objective to implement the definition during quarter two and three in 2021. Examples of possible definitions could be as follows:

- Sustainable products in corrugated material must include no less of 80% recycled material
- Sustainable products based on polyethylene material must include no less than 70% of recycled material or come from climate neutral sources such tall oil.

The basis will be to meet our set objectives for 2025 in our CSR statement.

Working process



This process is driven by Boxon PCS function (Category Managers) together with Procurement and in close dialogue with main Suppliers and partners.

Products and services

Our offer is composed of different materials that respond to our customer needs. From here Boxon works actively to develop and promote environmental friendly initiatives with the ambition that our responsible lifecycle management of products is valued by our customers. In 2020 we continue to see great results on our initiatives. In 2020 we keep on developing new solutions and services that have a positive impact on the environmental balance of our customers products. These add up to other environmentally friendly products and materials from our existing range. In this way we contribute to reduced CO2 emissions and improve the life cycle of packaging.

Within the selected product groups, we grown up to 53% in total for more sustainable products and options. The following products and materials are part of our portfolio in 2020.

FSC certified label production

With its new FSC approval, Boxon becomes one of the first label manufacturers in the Nordic region with the certification on its products. The purchase of FSC-certified paper and corrugated cardboard products means supporting the careful use of forest resources.

The FSC (Forest Stewardship Council) is a non-profit, non-governmental organisation that is committed to promoting environmentally friendly and responsible forest management. Based on the FSC certification on our labels and packaging, the customer can see that the raw material used comes from responsibly managed forests. A distinction is made between three labels that indicate whether a product comes from FSC-certified forestry and whether it was produced from a mixture of several raw materials or exclusively from recycling material. A defined system can be used to check whether the strict requirements of the FSC are met.

Paper

Constant improvement and customer demands drive our paper-based assortment forward. Our range of paper-based products have substantially grown in the past year. Alternative to traditional plastic based products like e-commerce bags that grow over 2000%, paper based cushioning products grow 51%. Many of the products are from FSC certified materials but also products with a high content of recycled paper.

Recycled LDPE (PIR & PCR)

Recycled LDPE is a base for the major parts of our plastic assortment. Depending on the usage at the customer we offer both PIR (Post Industrial Recycled material) and PCR (Post-Consumer Recycled material). By using recycled LDPE, we reduce CO2 emissions and improve the life cycle of packaging. Products like stretch film, top sheets and hoods are now produced in recycled LDPE. Our assortment within e-commerce bags in plastic grow 49% during 2020. The product contains up to 90% recycled LDPE.

Green PE

Green PE has the same properties as LDPE and the same appearance. The only difference is that it is made from renewable raw materials. Boxons Green PE is made from sugar cane. Green PE is recyclable. It is 100% CO2 neutral and can be recycled back into PE. When burning Green PE, no additional CO2 is released into the atmosphere.

Tall Oil material

Tall Oil materials have the same properties as LDPE and Green PE and are made from renewable raw materials based on wood product. Since it is plastic, it can be recycled with LDPE, LLDPE and Green PE. New products like stretch film (Reborn) and top sheets are in the assortment.

Environmentally friendly single-use system for Frametrays

The Frametray system is based on a closed material loop. From producer, via a sub-contractor who packs components, to the OEM manufacturer and then shipped to a nearby recycling centre where used packaging material is ground down and immediately returned to produce new trays.

PP based FrameTray™

Over the past 10 years, we have delivered Injection-moulded trays to the European automotive industry, both to protect engine components and to streamline inflow logistics to factories. With the FrameTray concept, we have many good examples of how we have halved the number of complete pallets in flows. Furthermore, the products are being grinded down at the site of the user and then shipped back for production of new FrameTray. The whole chain is a "closed loop" where all packaging is either recycled and used for new production or used as returnable packaging. For more info go to www.frametray.com

PET Big Bags

Boxon is the first European packaging company to offer Big Bags made entirely from used and recycled PET bottles. This increases FIBC's recycling input to almost 100%. The recycling of the used PET bottles contributes to protecting the oceans from marine litter.

Climate neutral Big Bags

Since 2018, Boxon customers can purchase Big Bags from Boxon that are 100 % climate neutral. With the climate compensation the customer supports a climate protection project in Tanzania, in which the equivalent amount of emissions caused by big bag production, is reduced.

Climate neutral products and CO2 Compensation by customers

In 2018 Boxon turned to their now longtime partner myclimate in order to get support in calculating the carbon footprint of their products. The request came from Boxon GmbH, located in Germany and it concerned the product group of FBIC. Historically, FIBC, or Big Bags, were the core product in Boxon's portfolio in EMEA. It is made mainly out of polypropylene and is produced mostly in Asia, for example in specialized production sites in India, Vietnam or Turkey. The product itself can be very specific and must correspond to highest hygiene or security standards, as it is used for example by the food or the chemical industry. Besides a solid standard portfolio, Boxon is specialized in producing tailor made packaging products for their clients, which also applies to Big Bags.

Big Bags can differ in size, weight and in specific characteristics, such as discharge capacity, clean room production or shape stability. The raw materials, the production process and the transportation of the products constitute a carbon footprint, that is caused by the product itself. With the help of myclimate, Boxon could calculate an average footprint of 7,1 kg CO2 per Big Bag with an average weight of 1,5 kg. Depending on the real weight, it is possible to calculate the product carbon footprint (PCF) for each Big Bag, including the tailor made products.

Value adding and climate protection

Boxon decided to share the information about the product carbon footprint with their customers, as the packaging is a substantial part of an end products footprint. The Big Bag's PCF is a highly valued information for many Boxon customers, as it contributes to the calculation of their own product's and their company's greenhouse gas balance. In order to take it one step further, Boxon again teamed up with myclimate for compensating for the Big Bag's carbon footprint. The result is a service offered to Boxon customers, where they can compensate for the entire emissions caused by their FIBC by supporting a climate protection project in Tanzania.

The project enables the implementation of solar systems in households, schools and small businesses in rural areas in Tanzania. The electricity generated by solar energy replaces the previously frequently used kerosene. Kerosene causes CO2 emissions that are eliminated through the use of solar energy. In addition, Kerosene has often caused respiratory and eye diseases that no longer occur. With the help of the Solar panels, devices such as cell phones and notebooks can be charged. With training in the installation of solar systems, the project also contributes to the development of new professional training opportunities and jobs.

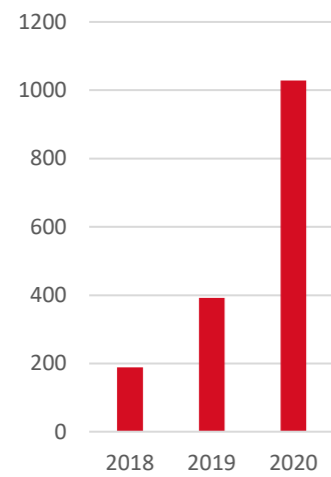
The Big Bags become climate neutral, as the emissions have been offset by supporting the climate protection project in Tanzania.

A successful service program with constantly increasing numbers

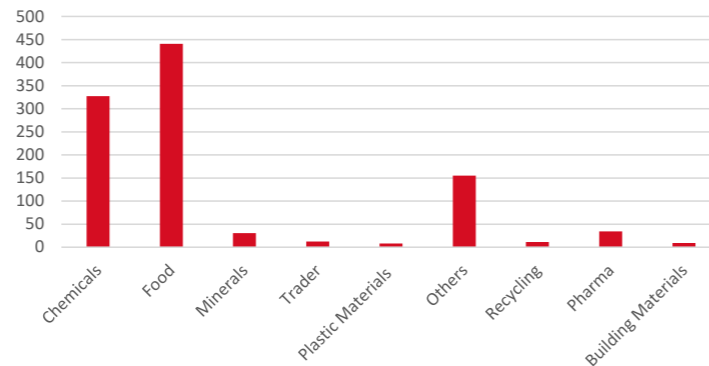
From the beginning of the service offer, we can observe a constantly growing amount of offset carbon dioxide. In 2020, Boxon customers compensated for 1029 tons of carbon dioxide. In comparison to 2019, this amount more than doubled and increased by 162 %. The increase from 2018 to 2020 is 444 %. The growth reflects Boxon's ambition to motivate more Key Accounts for the programme in 2020.

With many customers being loyal to the programme and compensating every order, new customers can be motivated to take part. In 2020, The highest share of customers that use the service, can be found in the food sector (43 %), followed by the chemical sector (17 %) and wholesalers (10 %). The distribution of the total compensated CO2 amounts is similar: With more than 440 tons of carbon dioxide offset, the food sector has the highest share (42 %).

CO2 offset by customers in 2020 (tons)



CO2 offset by sector in 2020 (tons)



Perspective

With these encouraging results, Boxon plans to continue the program in the same way in 2021 and further expand it in all sectors. It is planned to expand it to more product groups and to provide more detailed information on the product's carbon footprint and the individual development per customer.

Greenhouse gas emissions

At Boxon, CO2 emissions are examined on two levels: on product level and in relation to our business activities. Beginning 2021 we collected data from all Boxon locations in order to calculate our CO2 footprint as a company and on group level for the first time. The idea behind this calculation is to have a solid basis for the achievement of our goals in terms of reducing emissions as a company. The calculation is done with the help of our partner myclimate, a swiss non-profit organization, that advizes companies and organisations in optimizing their carbon footprint. myclimate is a longterm partner to Boxon GmbH in Germany, where we have been following our Company Carbon Footprint (CCF) as well as the Product Carbon Footprint (PCF) for FIBC (Big Bags) for the past three years. The calculation on group level will be renewed on annual basis in order to follow up on our performance.

Greenhouse gas balance 2019 and 2020

As 2020 has been exceptional on many levels, we have decided to add 2019 as a reference year to our analysis. The 2019 figures constitute the basis for the achievement of our goals in terms of CO2 reduction and were subjected to a plausibility check and verified by myclimate. The direct comparison shows, that significant differences can mainly be identified in the areas of mobility and transport, which, due to the global Covid-19 pandemic, substantially decreased in 2020.

Method

The greenhouse gas balance is based on the internationally recognized standard GHG Protocol Corporate Value Chain Accounting and Reporting. The collected figures include the areas of energy, mobility, transport, food and beverages, material as well as waste and recycling and are shown as CO2 equivalents (=CO2e). A CO2 equivalent is a unit of measurement that is used to standardise the climate effects of various greenhouse gases. In addition to carbon dioxide, other greenhouse gases exist, for example methane. However, they remain in the atmosphere for different periods of time and do not contribute to global warming to the same extent. In order to have a comparable unit for the different greenhouse gases, the Intergovernmental Panel on Climate Change (IPCC) has defined the Global Warming Potential-Index, which puts the global warming effect of a specific greenhouse gas in relation to CO2. In this way, greenhouse gases can be calculated as CO2 equivalents. In our greenhouse gas balance, all relevant greenhouse gases (carbon dioxide, methane, nitrogen dioxide, hydrofluorocarbon, perfluorocarbons and sulfur hexafluoride) are taken into account according to IPCC 2007.

Greenhouse Gas Balance - Boxon Group

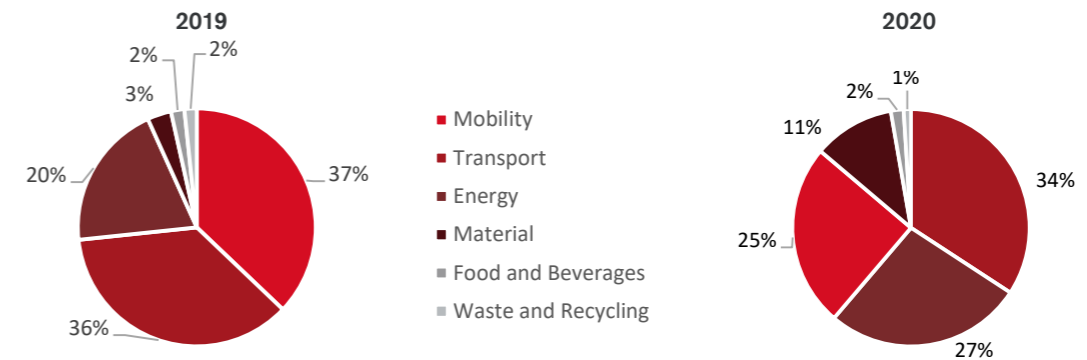
Our total emissions as a company in 2019 amount to 1881.19 tons of CO2e without including our production site in Borås. This value includes the activities of all locations in the Nordics, EMEA and China. It is calculated from the areas of transport, energy consumption, mobility, material consumption, food and beverages as well as waste and recycling. With the very detailed balance report that we have worked out with myclimate, we can see at which locations and in which areas the most emissions are generated and use this knowledge efficiently for the systematic reduction of emissions.

The below figures relate to our business activities regarding the mentioned areas only. Our label production is analysed separately. For the years 2019 and 2020 the same criteria as for the office locations were taken into account. The emissions from the production processes and emissions that occur at our supplier's are part of the product related carbon footprint. This must be part of a further analysis in the future, taking into account our various products. If we include our production in Borås in the calculation, the total emissions amount to 2214.78 t CO2e in 2019 and 1476.87 t CO2e in 2020.

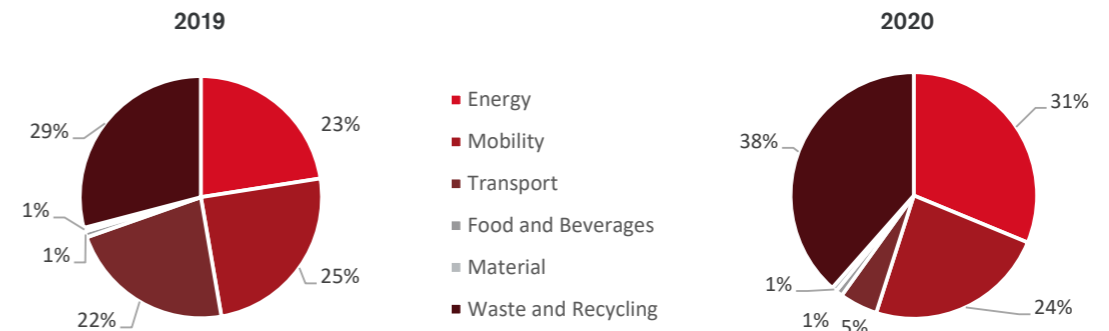
Distribution of CO2e emissions in 2019 and 2020

Year	Total emissions (tons CO2e)		Share (%)		Difference 2020 vs. 2019
	2019	2020	2019	2020	
Total	1881,19	1246,83	100%	100%	-33,72%
Transport	681,28	426,46	36%	34%	-37,40%
Energy	374,68	337,03	20%	27%	-10,05%
Mobility	698,22	311,10	37%	25%	-55,44%
Material	61,24	138,14	3%	11%	125,57%
Food and Beverages	34,29	21,67	2%	2%	-36,81%
Waste and Recycling	31,47	12,43	2%	1%	-60,51%

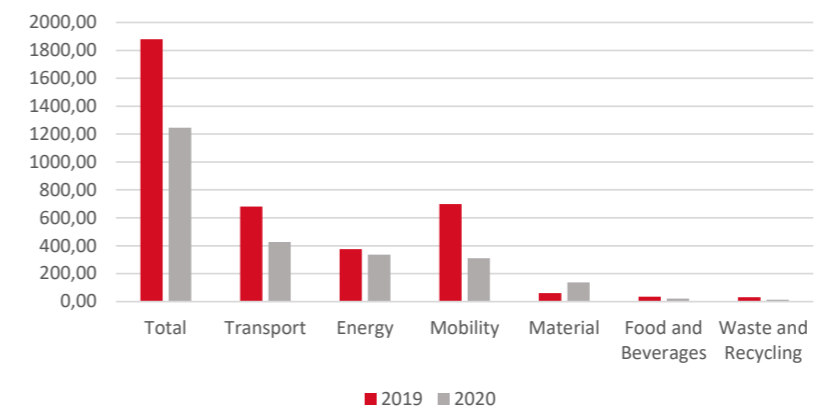
Distribution of CO2e emissions in 2019 and 2020, Office locations



Distribution of CO2e emissions in 2019 and 2020, Production Borås



Total CO2e emissions in 2019 vs. 2020



Our total carbon footprint as a company in 2020 decreased by almost 34 % compared to 2019. This decrease was expected and can be explained by the different measures regarding Covid-19. This is most evident in the areas of mobility, transport and waste & recycling, where emissions decreased the most. Business trips and commuting to the office locations were reduced to a minimum and due to the increased working from home rate, a comparatively little waste occurred in the offices. Our total emissions of 2019 represent the starting point for achieving our CO2 reduction targets for 2025.

Energy consumption & Waste

The table below shows the energy consumption per location in 2020 compared to 2019. Unlike in the 2019 report, we are referring to the energy data per country in this report. The different Boxon locations fulfill different functions, which together with the surface and the number of employees result in the corresponding consumption figures. It should be taken into account that we operate warehouses in Norway, Sweden and China and that Sweden Production is shown independently from the other locations.

Saved energy & Covid-19

In all locations we can state a significant amount of saved energy in 2020. While we have ambitions to reduce energy throughout all Boxon locations, the saved energy based on our own efforts cannot reliably be stated, as a part of the substantial decrease is a direct consequence of Covid-19 measures, which led to Boxon employees working from home for various amounts of time, according to the situation and governmental decisions in the different countries.

Location	Total surface m ²		Electricity (kWh)		Heating (kWh)		Water (m ³)	
	2019	2020	2019	2020	2019	2020	2019	2020
Sweden Offices & Warehouse	29.200	29.200	1.355.815	1.292.996	432.130	413.766	292	221
Sweden Production	3.356	3.356	631.709	589.982	*	*	191,5	152,5
Denmark	190	190	5.500	4.700	38.532	38.532	27,5	22,5
Norway Office & Warehouse	1.991	1.991	185.330	194.300	*	*	54,6	3,13
Germany	710	657	16.290	7.255	97.160	81.590	115	72,93
France	38	25	2.045	945	5.949	5.950	17,6	8
China Office & Warehouse	598	598	84.230	62.455	*	*	196	201

* Heating included in electricity

New lighting system in Kjula Warehouse

In 2020, we replaced our old lighting system with energy efficient LED luminaires. It is reducing energy consumption by more than 50% comparable to the lighting we had before. The calculated figures (due to hours with lighting etc):

- Energy consumption for the old lighting = 153.816 kWh per year
- Energy consumption for the new installation of energy-efficient LED lighting = 40.781 kWh per year
- Total saving in kWh 113.035 kWh per year

The investment for this was about 1 MSEK (about 100.000 EUR). The saved energy can however not be measured separately from the heating, which is highly associated with the outside temperature and causes the biggest impact in kWh.

Waste in production

Hazardous waste only occurs in our production in Borås. Detailed numbers are shown below. There is no leakage of harmful substances.

Waste Recycled		
R/D Code	Description	Weight
R13	Plastics	1014 kg
R3	Paper	6897 kg
R3	Corrugated	2240 kg
R4	Metal	517 kg
Waste with energy recovery		
R1		173.540 kg
Hazardous waste		
R4	Recycled office electronics	239 kg
R9	Recycled waste oil	1398 kg
R1	With energy recovery	1146 kg
TOTAL		
Waste		184.208 kg
		99 % of total waste
Hazardous waste		2783 kg
		1 % of total waste

Materials used in production

Materials in production		
Type	Material	Weight
Associated process materials	Lubricants	20 kg
Semi-manufactured goods or parts	Ink	2234 kg
Materials for packaging purposes	Cardboard / Plastic	25105 kg
	Paper	3 166 997 m ²
	Raw materials in 2020	4 524 281 m ²

Risk provisions

Boxon does not carry out any activity that directly causes damage to the environment. There are no emissions from our plants, but our production facility in Borås handles hazardous waste (see "Waste") and in the event of an accident special procedures, are to be taken into account. According to our knowledge, our products, services and activities have no direct impact on the biodiversity in the areas in which we operate.

Location

Our warehouses and our production facility are located in industrial areas and the properties are classified as industrial properties. The residential buildings are at a safe distance from the activities. All our warehouses and production operations are located in areas that according to the detailed plans are intended for industrial activities.

Ground

Soil pollution is a major threat to the environment. Leakage of tanks and vessels, accidents in transport and reckless waste management are typical causes of soil pollution and this is under supervision.

Groundwater

Groundwater is not used. There are no water courses or water sources in the immediate vicinity of the company.

Tap water

The properties get their water from the municipal networks. Water is basically used only for ordinary household purposes and cleaning.

Energy

Our energy consumption is mainly used to heat buildings and the operation of our production facility.

Chemicals and chemical products/Hazardous products

We use a small amount of chemicals on our own warehouses to clean the premises and trucks. We have reviewed what products we use, and we try as far as possible to use eco-labelled products. We are responsible for cleaning the warehouse areas, while we have cleaning companies responsible for cleaning offices and other common areas and throughout the production facility. We have informed our cleaning companies about our environmental work.

In our label production, chemicals are used in less quantity partly for cleaning and partly as a component of our Digital Press.

Noise

In the production unit in Borås we have regular noise measurements and other noise that may arise comes exclusively from truck transport to and from the facilities. There are no residential buildings in its immediate vicinity that can be disturbed and there are essentially only transport and loading/unloading between 07.00-16.00 on weekdays.

Waste

All locations have recycling systems/waste sorting according to local regulations. Hazardous waste is sorted and collected according to separate contracts.

External security

We do not store any explosives in the facilities, and we are well prepared in the event of fire. There are fire extinguishers deployed around the premises and fire sight is carried out regularly. There are safety representatives appointed in the workplaces where we are five or more workers. The safety representatives carry out protection rounds with responsible managers or HR managers regularly.

We are also insured for the event that an accident would occur, and the business may be down for a period while the construction work is ongoing. In the last three years, there have been no incidents which have yielded or could have caused negative effects on the environment. The biggest risk of accidents that could cause negative environmental impact is fire, especially in our warehouses as there are large amounts of paper and other flammable materials.

Working

Our premises are adapted to the business, both warehouse, production and office premises. The company subsidizes the well being of all employees, this to prevent Musculoskeletal disorders and we have been connected to health care for many years where we conduct ongoing health surveys. During the last 3 years we have completed training courses in Cardiac Lung Rescue and First Aid as well as practical and theoretical fire protection training.

Employees who have tasks involving "special operations" such as forklift driving have driving licences/permits for such work. This also applies to temporary agency staff.

Air emission

The air emissions that we provide to the environment through our operations come primarily from transport to and from Boxon. It is deliveries to Boxon and deliveries to the customer as well as the transport of staff to and from the workplace as well as trips carried out in the service.

Transport

When it comes to transporting goods to our customers, we continue to concentrate our choice of carriers as far as possible. Our largest suppliers of transport services we follow up through regular meetings and ongoing supplier valuations.

Most of the services are carried out by company car and within the respective sales districts. In addition to the environmental aspects, the safety aspect and economic aspect weigh heavily in the choice of the company car.

Incidents

In the last three years, there have been no incidents that have yielded or could have caused negative effects on the environment.

Consulting and product development

When it comes to our sales and product development, we carry out constant advice and product development where environmental considerations are taken on an ongoing basis. The sales process provides instructions on how this work is carried out and, in most cases, the environmental aspect follows the economic aspect (the less material consumption the lower the cost) which is a major advantage in sales work.

Our ambition is to manage the advice as a natural part of our sales work. We have come a long way along our catalogue and our website where we mark out the alternatives that have less environmental impact and reinforce and clarify the environmental assessments a customer can make from an environmental point of view when choosing packaging.

Products for own consumption (excl. chemicals) and office machinery

We have the following consumption for our own part in the business;

Office and kitchen

- Copy paper and other paper products
- Disposable products in kitchens
- Plastic bags/sacks
- Cleaners

Warehouses and production facilities

- Packaging and packaging materials
- Material for the labelling of goods
- Paper and labels
- Cleaners

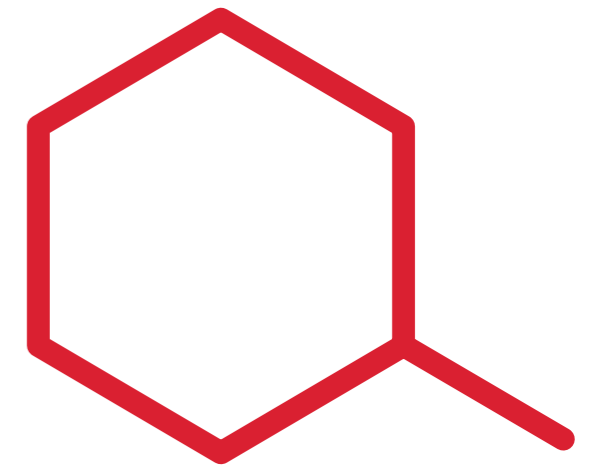
Office machines

Copiers and other equipment are mostly eco-labelled and are selected under the consideration to save energy. Toners are sent to recycling.





Anti-Corruption



Principle 10: *Businesses should work against corruption in all its forms, including extortion and bribery.*

Transparency is one of our core values at Boxon. In addition to the way we work and communicate with one another internally, transparency also stands for our relationship with our business partners. Transparency creates trust and, we believe it is the most important foundation in every business relationship. All partners must act fairly, unselfishly and transparently, including unrestricted compliance with all applicable laws.

Corruption undermines trust in the integrity and functionality of any type of business relation. Boxon firmly rejects any form of corruption and it is one of our highest principles that corrupt behavior is not given any chance in our business activities.

Principles & prevention

As an internationally operating company, we take corruption very seriously. Corruption can take various forms, be it on a global or on a local level. In this context, Boxon follows a zero tolerance policy, which applies at all locations without exception. It applies equally to our business partners and suppliers as well as to ourselves.

Partners and suppliers must implement governance rules in their organization to comply with applicable laws and regulations. Every employee and business partner is obliged to inform Boxon of all situations that could appear to be a conflict of interest. Blind spots must be identified at all times and clarified immediately.

With our Anti-Corruption policy, implemented in early 2021 our supplier agreements and our supplier code of conduct, we set a binding framework for these principles and every supplier is required to guarantee compliance by signature. Systematic monitoring is part of preventing cases of corruption. In 2021, we will continue to sensitize our employees in this area even more and carry out further training. The aim is that employees, especially those who are exposed to a greater risk due to their position, are able to recognize situations and / or to report them in case of doubt. No case of corruption or complaints in that area has been recorded at Boxon in 2020.

Should a case of corruption be recorded nevertheless, we will act in accordance with our principles: Any indication of bribery or corruption in the business relationship is examined in detail and leads to the termination of the cooperation in case the suspicion is confirmed, or doubts cannot be resolved.



GRI Content Index

GRI 100: General disclosures

Indicator	Description	Page
GRI 102-1	Name of the organisation	14
GRI 102-2	Activities, brands, products and services	14
GRI 102-3	Location of headquarters	14
GRI 102-4	Location of operations	14
GRI 102-5	Ownership and legal form	14
GRI 102-6	Markets served	14
GRI 102-7	Scale of the organisation	15
GRI 102-8	Information on employees and other workers	40
GRI 102-9	Supply chain	29
GRI 102-10	Significant changes to the organisation and its supply chain	16
GRI 102-11	Precautionary Principle or approach	27
GRI 102-12	External initiatives	23
GRI 102-13	Membership of associations	23
GRI 102-14	Statement from senior decision-maker	07
GRI 102-15	Key impacts, risks, and opportunities	60
GRI 102-16	Values, principles, standards, and norms of behavior	21
GRI 102-18	Governance structure	16
GRI 102-40	List of stakeholder groups	25
GRI 102-41	Collective bargaining agreements	40
GRI 102-42	Identifying and selecting stakeholders	25
GRI 102-43	Approach to stakeholder engagement	25
GRI 102-44	Key topics and concerns raised	25
GRI 102-45	Entities included in the consolidated financial statements	15
GRI 102-46	Defining report content and topic Boundaries	09
GRI 102-47	List of material topics	25
GRI 102-49	Changes in reporting	09
GRI 102-50	Reporting period	09
GRI 102-51	Date of most recent report	09
GRI 102-52	Reporting cycle	09
GRI 102-53	Contact point for questions regarding the report	70
GRI 102-55	GRI content index	68
GRI-102-56	External assurance	72

GRI 200: Economic

Indicator	Description	Page
GRI 203-1	Infrastructure investments and services supported	23
GRI 205-2	Communication and training about anti-corruption policies and procedures	66
GRI 205-3	Confirmed incidents of corruption and actions taken	66

GRI 300: Environmental

Indicator	Description	Page
GRI 301-1	Materials used by weight or volume	59
GRI 302-1	Energy consumption within the organization	58
GRI 302-4	Reduction of energy consumption	56
GRI 303-1	Water withdrawal by source	58
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	28
GRI 305-1	Direct (Scope 1) GHG emissions	56
GRI 305-2	Energy indirect (Scope 2) GHG emissions	56
GRI 306-2	Waste by type and disposal method	58
GRI 306-4	Transport of hazardous waste	58

GRI 400: Social

Indicator	Description	Page
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	40
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	42
GRI 405-1	Diversity of governance bodies and employees	42
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	36
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	36
GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	36
GRI 414-1	New suppliers that were screened using social criteria	36
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	40

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p. 20, United Nations COVID-19 Response

In addition to health professionals, it is an incentive for people not to continue transmitting the virus and to think about starting to flatten the curve. Art created jointly by Ângela Oyafuso and Suzy Sakano, who made the illustrations, under the guidance of Eunice Liu. Submitted for United Nations Global Call Out To Creatives - help stop the spread of COVID-19.

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