

ECOLEAN SUSTAINABILITY REPORT 2021



CONTENT

SUSTAINABILITY REPORT 2021		PEOPLE		41
Welcome	3	Our social impact		42
Roadmap 2030	4	Promoting a common ground		44
CEO letter	10	Diverse workforce and equal opportunities		46
Achievements & recognitions 2021	12	Employee training and education		48
Ecolean Sustainability Policy	14	Ethical business		54
Ecolean Sustainability Programme	16	Accurate and transparent information		56
THIS IS ECOLEAN	19	Responsible supply chain		58
Global outlook	20	STRATEGY, STAKEHOLDERS, GOVERNANCE		61
Our vision, mission and core values	21	Materiality assessment		62
Safe and convenient packaging solutions for liquid food	22	Impact on UN SDGs		66
Providing safe packaging solutions	24	External initiatives		68
PLANET	27	REPORTING DATA		71
Reducing environmental impact	28	EXTERNAL ASSURANCE		78
Reducing greenhouse gas emissions	30	INDEX		80
Reducing environmental impacts from raw materials and waste	32	APPENDIX – GHG EMISSIONS		85
Recyclability of packages	36			

WELCOME

Welcome to our fifth Sustainability Report that describes our approach to sustainability and the progress we made during 2021. The report covers how we work with sustainability in our business and our production, as well as the consumption and end-of-life stages for our packaging solutions.

The ongoing pandemic made 2021 another challenging year and prevented the return to normality we all hoped for around the world. Despite the pandemic, Ecolean continued to refine its approach to sustainability during the year and established its Sustainability Roadmap 2030. The roadmap consists of detailed targets within our existing focus areas. We have already established reporting in our Sustainability Report for some of the new targets, but we have just started to monitor results for others.

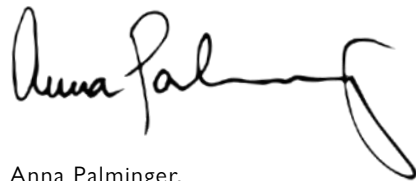
In 2021, Ecolean signed up as a signatory to the UN Global Compact. We are committed to the implementation, disclosure and promotion of its ten principles on human rights, labour, the environment and anti-corruption. This report will also be submitted as our first Communication on Progress.

The Ecolean Sustainability Report covers all activities within the Ecolean Group during 2021. This includes Ecolean AB and the subsidiaries Ecolean (Tianjin) Co., Ltd., Ecolean Inc., Ecolean Pakistan (Pvt) Ltd., Ecolean SE Asia SDN. BHD, UMZ Ecolean Ltd and Ecolean Japan Co., Ltd.

The report is prepared in accordance with the GRI Standards Core option.

All our annual Sustainability Reports can be found at: ecolean.com/sustainability.

Please don't hesitate to contact us with any queries.



Anna Palminger,
Sustainability Director
anna.palminger@ecolean.se

ROADMAP 2030— TOWARDS A CIRCULAR BUSINESS

In 2021, we established our Sustainability Roadmap 2030, serving as a cornerstone of our journey to becoming a more circular business. The roadmap centres around a set of actionable goals that align with the principles of United Nations Global Compact, the Paris Agreement ambitions and the UN Sustainable Development Goals (SDGs). We have worked dedicatedly within our sustainability focus areas for years, but we need to and can do more. Now is the time to further step up and do what's necessary to reinvent the balance between people and planet. The following pages outline how our Roadmap will start to achieve this by 2030 and beyond.



TOWARDS BALANCE

We operate in a world where climate change, biodiversity loss, pollution and human rights thresholds are being breached. Human activity has seriously disturbed the Earth’s balance, and we know we are part of the problem. But we firmly believe that Ecolan can and must become an even larger part of the solution. We need to find ways on how we can contribute to an equilibrium between people and planet, where our roadmap will guide us forward. It is not about going backwards but instead is focused on helping meet people’s needs without over-using or harming natural resources and systems.

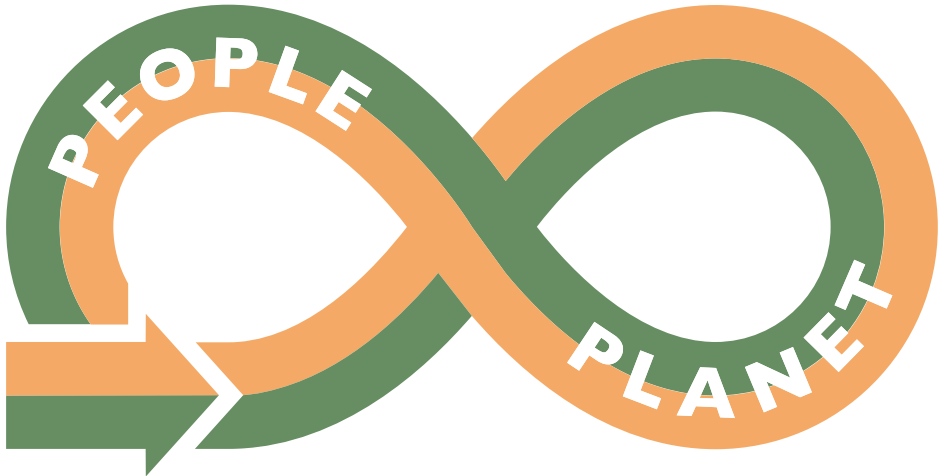
OUR STARTING POINT

We have taken steps to reduce our environmental impact from the beginning. For example, we continually increase energy efficiency, use 100 percent renewable electricity in production, apply life-cycle analysis to improve raw materials, reduce waste and lessen our impact from transport. From a people perspective, we promote a diverse and equal workforce, ensure the health and safety of our employees, respect human rights in our operations and value chain. We have a zero-tolerance policy on corruption.

However, these efforts have only taken us part of the way, and we know that we need to go further to meet today’s sustainability challenges. Therefore, we have set meaningful 2030 targets, which we are now starting to put into action. We will be fully transparent throughout this process and as we move forward.

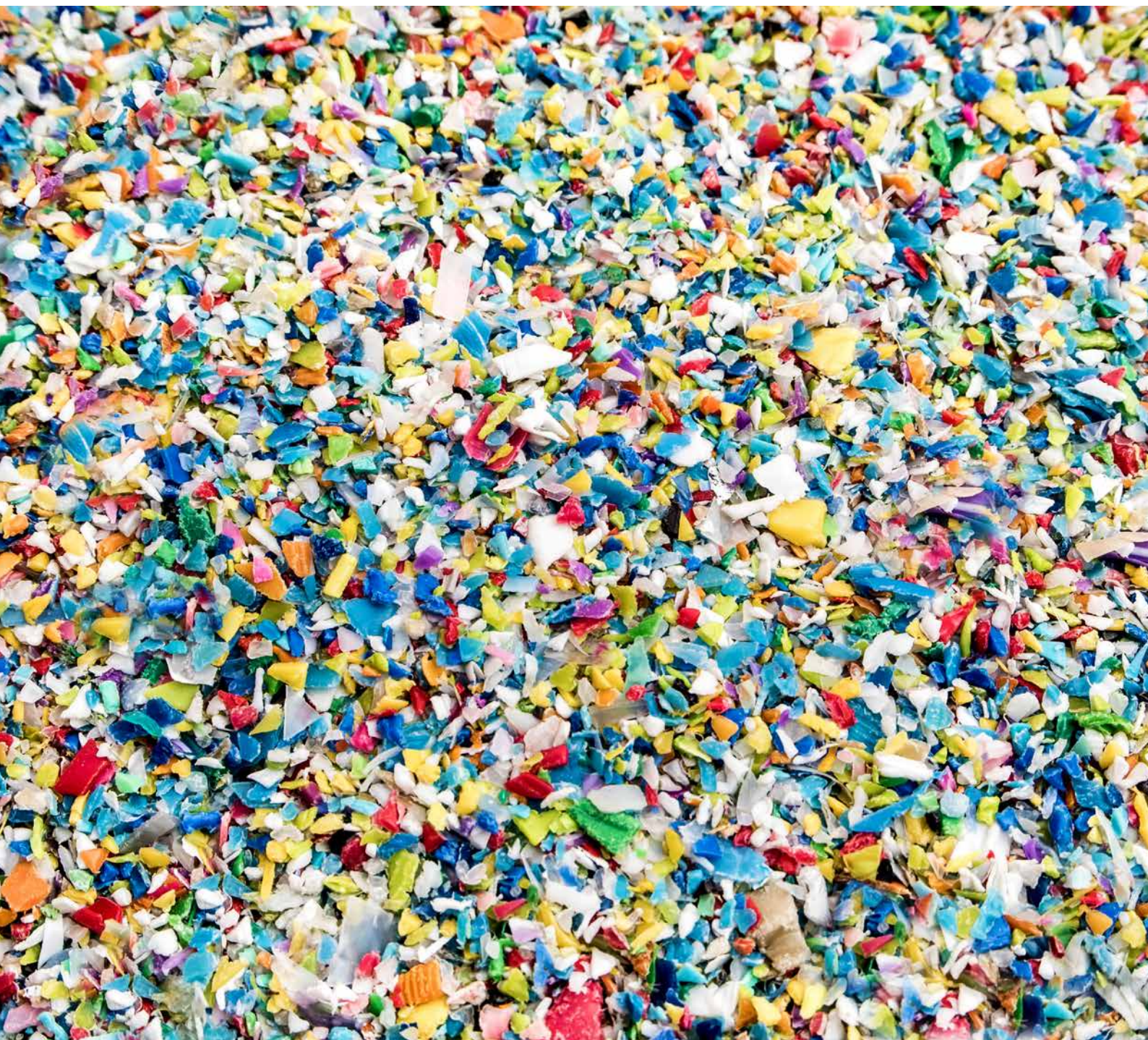
LIFE QUALITY

A socially responsible company is defined by respecting human rights and meeting basic needs. We want to go further. Ecolan’s goal is to enable the best life quality for our employees, the people involved in our supply chain and our wider stakeholder network. Our priorities involve greater diversity as well as maintaining safe operations. We have set targets for a fair, equal and inclusive work environment.

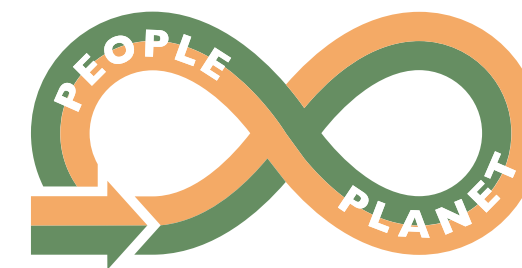


LIVING CONDITIONS

Rebalancing a climate at risk means we must align with science-based targets and develop alternative approaches to doing business and producing products. We want to contribute to a world where ecosystems are in balance, biodiversity is preserved, and living conditions are optimal for all. Our priorities are climate action, rethinking materials, and ultimately taking steps towards a more circular business.



2030 TARGETS



PEOPLE LIFE QUALITY

Fair, equal and inclusive

Our 2030 targets in relation to the people in our company and throughout our supply chain are guided by our Code of Conduct and the principles of UN Global Compact:

- A 50/50 gender balance
- 5 percent of our employees will be part of work rotation programs
- An average of one-week training per year for every employee
- Zero injuries and work-related illnesses

PLANET LIVING CONDITIONS

Taking climate action

We have used Science-Based Targets (SBT) to set the following 2030 targets in line with the Paris Agreement:

- By 2030, we will reduce our scope 1 and scope 2 GHG absolute emissions by 50 percent, and measure and reduce our scope 3 emissions, with 2018 as the base year
- Reduce energy use in production with target to be defined during 2022
- 100 percent of our products will be transported by sea or land

Towards a circular business

Becoming part of the circular economy is central to our transition. The following targets will start to get us there, with ongoing work required beyond 2030:

- 100 percent renewable or recycled polymers in our packages
- Maximum recycling of waste even when scaling up production
- All of our packages will comply with 'Designed for recycling guidelines'
- Support and establish partnerships to develop recycling infrastructure in all our markets

CEO LETTER

As another year marked by the global pandemic, 2021 prevented businesses from performing as usual. All companies were affected by restrictions and lockdowns, concern over employee health, challenges in global logistics, scarcity of raw materials and a general feeling of caution within the industry. However, I believe that our determination and innovative spirit helped mitigate many of these impacts on Ecolan.

Although these unprecedented events impacted the entire world as well as Ecolan, we maintained and even strengthened our focus on sustainability. A good example is our continued investment in sustainability activities, where we think in new ways, and consistently challenge ourselves to do more with less. We will never compromise when it comes to sustainability, and this is evident from the way we were able to perform last year.

While other companies struggled to get service personnel to different countries around the world, we were able to perform extremely complicated procedures with no negative impacts on the result, thanks to our local personnel with online remote support from experts. When the lack of raw materials challenged our filling line manufacturing processes, we focused on further developing and improving our circular approach and resource efficiency, by refurbishing filling equipment to be used for new applications and new customers.

We continue to support our customers and partners and always strive to make it as easy for them as possible. For this reason, we developed a new service approach during 2021 that offers completely flexible service agreements to ensure that our customers can always produce as planned. While traditional service agreements typically offer customers too much or too little of what they need, Ecolan FlexCare™ is tailored to fit the unique business of every customer.

Our commitment to transparency was further strengthened in 2021 as we updated our Environmental Product Declarations. Through the EPDs, we provide third-party verified, publicly available full life-cycle data for the environmental impact of our products.

With everyone's dedication and hard work throughout the year, Ecolan has been able to continue to deliver as promised, despite the challenges during the year.

In 2021 we signed up to the UN Global Compact, with which we will continue to support and hereby renewing our ongoing commitment to the initiative and its principles.

In the beginning of 2022, we closely follow the disruptive events unfolding in the Ukraine and Russia. Ecolan's main priority in any situation is the health and safety of our employees. We focus on ensuring that all employees in the region are kept safe.

WE WILL GO EVEN FURTHER

Our sustainability performance is on a very high level, as confirmed by EcoVadis sustainability ratings and our solid sustainability work since many years. But this doesn't mean that we can sit back and relax. Climate change and biodiversity loss means that things are out of balance, and we know that we are part of the problem. At the same time, we are confident that we can also be part of the solution.

With our new Sustainability Roadmap 2030, we ensure that we contribute to change. In fact, I believe the roadmap has the potential to challenge our entire industry.

By 2030, we will only use renewable polymers in all our packaging solutions, phasing out fossil-based polymers completely.

We will work hard to make sure that our packages, as well as filling lines are designed for recycling – and that they are collected and recycled more broadly on the markets where we are present. We will continue to be completely transparent about our environmental impact and push the entire industry to follow our lead. We will also promote a 50/50 gender balance globally in our operations. These are just a few of our new commitments. You can learn more about our Sustainability Roadmap 2030 in this Sustainability Report.

Our ability to question, to act and to change is crucial for our success in meeting these higher sustainability demands. We need to question ourselves and others, to go even further and to do even more. We need to act, and we need to act today – we cannot wait. We need to change and we will change our products, our company, and the way we do business.

We invite all our employees, customers, suppliers and partners to join us on our sustainability journey. Let's work towards the balance between people and planet together – creating real change not only for Ecolan, but throughout our value chain and the entire industry. We already have the tools and competence, and now our Sustainability Roadmap 2030 will lead the way.



Peter L Nilsson, CEO Ecolan Group

"We will never compromise when it comes to sustainability, and this is evident from the way we were able to perform last year"



ACHIEVEMENTS & RECOGNITIONS 2021



STILL IN TOP 1% IN SUSTAINABILITY

For the second year in a row, Ecolean has been awarded the Platinum EcoVadis medal, placing the company's sustainability work in the top 1 percent of assessed companies globally in 2022. Global sustainability ratings provider EcoVadis evaluates 90,000 companies from over 200 industries and 160 countries annually.

"We use the annual EcoVadis sustainability ratings to get an independent assessment on the work we are doing and to be able to benchmark our sustainability performance with other companies," says Anna Palminger, Sustainability Director, Ecolean Group.

MINIMISING WASTE

Our waste from production was reduced with 17 percent thanks to focused efforts on waste reduction.

HEALTH AND SAFETY

The number of recordable injuries decreased more than 50 percent during the year.

ECOLEAN SWITCHES TO RENEWABLE DIESEL IN SWEDEN

The trucks transporting containers with Ecolean's packages or film to the harbour in Helsingborg now run on HVO100 renewable diesel. The fuel is made from 100 percent renewable raw materials and results in up to 90 percent less greenhouse gas (GHG) emissions over the fuel's life-cycle when compared with fossil diesel. HVO100 also improves the local air quality by reducing particles and NOx compared to diesel. The switch has reduced the environmental impact from the first part of the journey of Ecolean's products as they are then transferred onto ships where they are transported to customers, market offices and production plants around the world.

PUBLIC PARK WASTE BIN PROJECT INITIATED IN PAKISTAN

Ecolean is a member of an alliance that partnered with the Capital Development Authority to install 250 waste-bins in two parks in Islamabad, Pakistan.

The CoRe (Collect and Recycle) alliance includes leading consumer goods and packaging companies, recyclers and non-governmental organisations.

CoRe's goals are to improve the post-consumer usage, collection and recycling of packaging waste, to help become waste neutral in Pakistan. "We understand the unique challenges posed by packaging waste and its collection mechanism, and this waste-bin project is a collective step towards a wastefree future," said Waqar Ahmad, CEO CoRe Alliance.

ECOLEAN SUSTAINABILITY POLICY

Ecolean delivers unique lightweight packaging solutions to liquid food producers around the world. We believe in resource-efficiency – both in terms of our innovative products and the way we conduct our business. We develop products and solutions in an ongoing dialogue with our stakeholders in order to meet their demands in the most efficient way.



In a world of growing population and customer demands, we offer safe and innovative packaging that reduces waste and can be used anywhere, regardless of local distribution channels and climate conditions. In everything we do, we strive to exceed quality expectations and create value for all our key stakeholders – from our employees to the end-users of the packaged liquid food.

Our Sustainability Policy covers Ecolean's approach to economic, environmental and social aspects. The effective management of these aspects enhances Ecolean's performance and the quality of our products. We acknowledge that quality is essential to a sustainable business. Our target is always to strive for zero defects and to reduce our production waste. We continuously improve our management system and processes to strengthen our operational efficiency.

ECONOMIC SUSTAINABILITY

- We always follow our Code of Conduct in terms of business ethics, and we have zero tolerance towards all forms of corruption.

ENVIRONMENTAL SUSTAINABILITY

- Ecolean's packaging solutions shall have the lowest possible environmental impact. Our design and manufacturing processes are based on a life-cycle perspective.
- Ecolean strives to improve its sustainability performance by focusing on its most material topics and by working to reduce negative impacts.

SOCIAL SUSTAINABILITY

- We support our employees and provide equal opportunities for career development.
- We follow our Code of Conduct, which covers the areas of human rights, diversity, equality and non-discrimination.
- Ecolean has a zero-injury target that we strive to meet by systematically improving our work environments and promoting the physical, mental and social health of our employees.

- Food safety and superior quality packaging solutions are at our core. By risk reduction through continuous improvements, following standards and audits we safeguard food safety and quality within our part of the value chain.

- We always provide our stakeholders with accurate and transparent information about our operations.

- All our environmental data is based on life-cycle assessments.

COMPLIANCE

Ecolean complies with relevant legislation and voluntary standards that apply to our operations and packaging solutions in each country we operate in. We constantly work to raise awareness of sustainability and quality, and encourage our employees and business partners to respect people and the environment in their day-to-day activities. We also expect our suppliers to aspire to the same standards in their business operations, by signing and following the Ecolean Supplier Code of Conduct. We communicate the policy with stakeholders and raise awareness among our suppliers. Ecolean's Sustainability Policy is in accordance with the company's Code of Conduct and is supported and complemented by its Whistleblowing Policy.

Through our commitment to reduce environmental and social impacts and improve performance, we contribute to a more sustainable world.

ECOLEAN SUSTAINABILITY PROGRAMME

PEOPLE

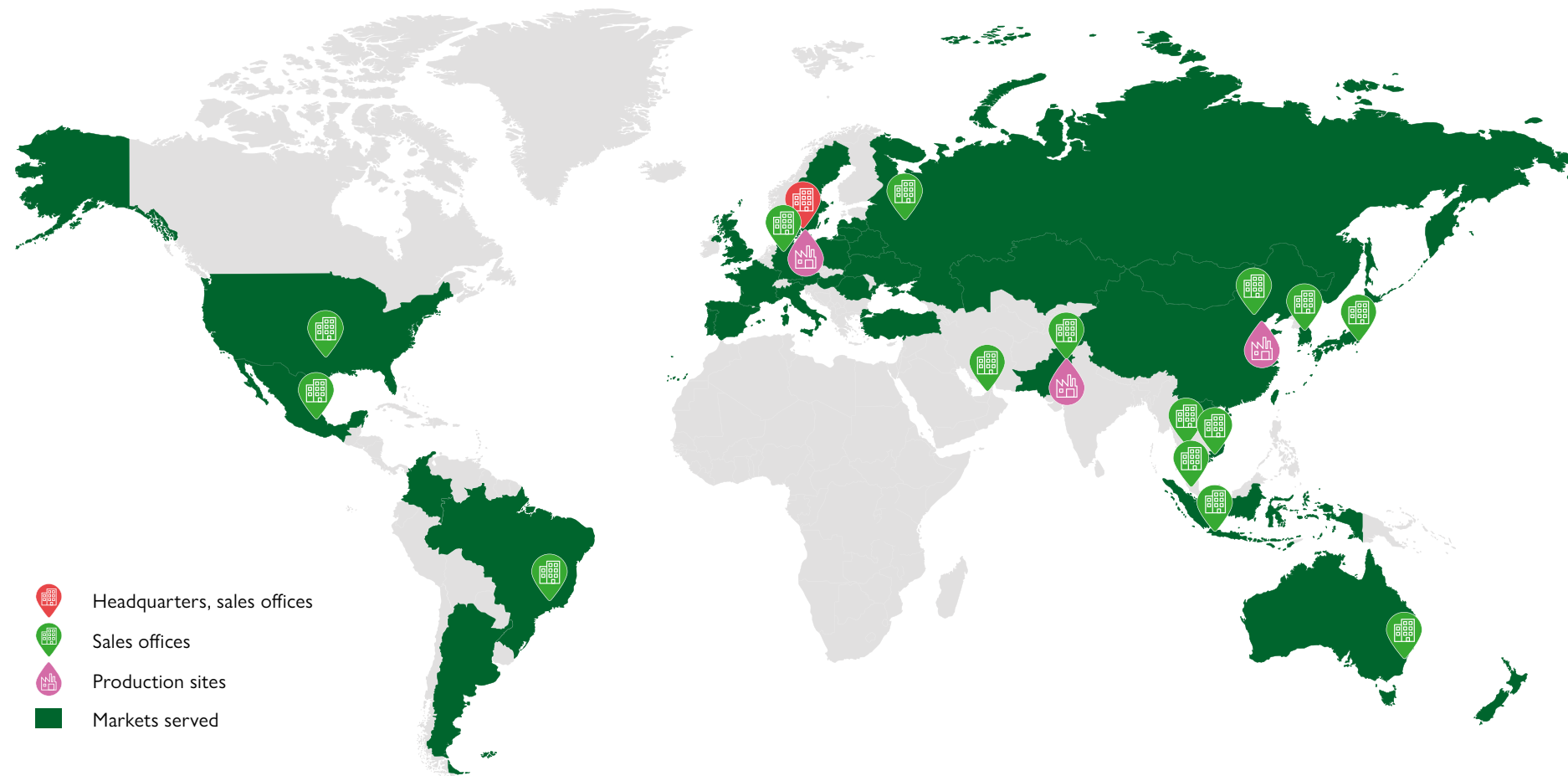
Ecolean Sustainability Objectives	Action	GRI standard disclosure	Boundary/Specific interest to stakeholders	Management approach/Covered by
We have zero tolerance for corruption.	Ecolean has zero tolerance concerning all forms of corruption and will work actively to ensure a non-existence within the Ecolean Group.	205, Anti-corruption	Ecolean	Ecolean Code of Conduct
			Customers	Sustainability Policy
			Suppliers	Ecolean Supplier Code of Conduct
We have zero tolerance for breaches of human rights.	We respect human rights as defined in the UN Global Compact, and we desire to take that responsibility towards our employees and the societies within which we work.	412, Human Rights Assessment	Ecolean	Ecolean Code of Conduct
			Society	Sustainability Policy
By 2030, we will have a 50/50 gender balance. 5 percent of our employees will be part of work rotation programmes by 2030.	We offer all individuals equal opportunities regardless of gender, nationality, religion, age, ethnic background or other distinctive characteristics.	405, Diversity and Equal Opportunity	Ecolean	Ecolean Code of Conduct Sustainability Policy
	We will work actively for a company culture and a working community free from discrimination and harassment.	406, Non-discrimination	Ecolean	
We have zero injuries and work-related illnesses by 2030.	Appropriate health and safety information and training are provided to employees.	403, Occupational Health and Safety	Ecolean	Ecolean Code of Conduct Sustainability Policy
By 2030, our employees will spend an average of one week annually on training.	We will strive to develop and retain qualified and motivated employees in a professional environment.	404, Training and Education	Ecolean	Ecolean Code of Conduct Sustainability Policy
We constantly improve the quality of our packaging solutions to maintain zero liability claims.	The products produced and marketed by Ecolean comply with all laws and rules relating to product safety, throughout the value chain.	416, Customer Health and Safety	Ecolean	Ecolean Code of Conduct
			Customers	Sustainability Policy
			Consumers	
			Suppliers	
We comply with relevant marketing regulations and good practice, by maintaining zero incidents of no-compliance.	Information regarding our systems will always be fact-based and transparent, by following relevant standards and guidelines.	417, Marketing and Labeling	Customers	Ecolean Code of Conduct Sustainability Policy

PLANET

Ecolean Sustainability Objectives	Action	GRI standard disclosure	Boundary/Specific interest to stakeholders	Management approach/Covered by
By 2030, we will reduce our scope 1 and scope 2 GHG absolute emissions by 50 percent, and measure and reduce our scope 3 emissions, with 2018 as the base year. 100 percent of our products will be transported by sea or land by 2030.	Reducing GHG emissions by reducing use, shift to renewable energy sources, optimising production, transports, etc.	305, Emissions	Ecolean	Ecolean Code of Conduct
			Customers	Sustainability Policy
			Suppliers	
			Logistics	
We continue to purchase 100 percent renewable electricity for our production sites.	We will use renewable electricity, by using the RE100 definitions.	302, Energy	Ecolean	Ecolean Code of Conduct Sustainability Policy
We will have 100 percent renewable or recycled polymers in our packages by 2030.	By monitoring raw material usage and research progress, we will reduce the impact from materials used in a life-cycle perspective.	301, Materials	Ecolean Suppliers	Ecolean Code of Conduct Sustainability Policy
We will continuously decrease the amount of generated waste from our packaging solutions. We will continue to send zero waste to landfill.	Use the waste hierarchy (EU Directive 2008/98/EC) as a guideline for our waste handling and work with waste contractors to find better treatment options than landfill for all our production sites.	306, Waste	Ecolean	Ecolean Code of Conduct Sustainability Policy
By 2030, all of our packages will comply with 'Designed for recycling guidelines'. We will work in partnerships to establish recycling infrastructure for our packaging solutions in all our markets by 2030.	Work in upstream innovation projects to develop materials to comply with recycling guidelines.	306, Waste	Ecolean	Ecolean Code of Conduct
	Support different initiatives for recycling of flexible plastic packaging and offer circular solutions for our filling line equipment.		Customers Consumers/ Society Industry/ Partners	Sustainability Policy



THIS IS
ECOLEAN



GLOBAL OUTLOOK

Ecolean develops and manufactures innovative packaging systems for the beverage, dairy and liquid food industry. Ecolean’s modern lightweight packaging solutions and resource-efficient filling lines offer both customer and consumer convenience as well as environmental responsibility. Ecolean is a global company with its headquarters in Sweden. Established in 1996, the company has commercial activities in over 30 countries, with China, Pakistan, Europe and Vietnam being its largest markets.

Despite challenges related to the pandemic in 2021, we were able to maintain our operations without disruption to our production or delays to customers. We maintained business continuity through strict hygiene routines, our employees taking personal responsibility, and by implementing new procedures for working and meeting to reduce the risks associated with the pandemic.

Ecolean has production plants in Sweden, China and Pakistan. All our production plants in Sweden, China and Pakistan are certified according to the ISO 14001 environmental management system. We have a long history of monitoring environmental data and we apply the precautionary principle with regard to sustainability.

OUR VISION

To be the best packaging company in the world in the eyes of all our stakeholders.

OUR MISSION

To provide the world with safe and convenient packaging solutions for liquid food with minimal environmental impact.

OUR CORE VALUES

We are brave.

We always strive to be bolder and better than we were yesterday. We are quick on our feet, and our drive to do better than all others is limitless.

We are **innovative**. The known is already known and done. Different means a change for the better.

We create less. The world doesn't need more. It needs less. That is what we bring; a **lighter** solution for the good of the planet.

And yes, this includes **you**.

SAFE AND CONVENIENT PACKAGING SOLUTIONS FOR LIQUID FOOD

Ecolean is committed to contributing to everyone's right to safe food. Food safety is critical at every stage of the food chain from processing and storage to distribution and consumption. Ecolean's packages bring safe food products to people all over the world – regardless of local distribution channels and climatic conditions.

Our Sustainability Programme consists of a set of focus areas and defined targets to address our material environmental risks and opportunities. Our programme helps us guide our organisation and was in 2021 further reinforced with a set of Sustainability Roadmap 2030 targets.

Every year, 600 million people fall ill from unsafe food according to the World Health Organisation. At the same time, it is estimated that a third of all food produced globally (equivalent to 1.3 billion tonnes worth around \$1 trillion each year) is wasted*. Food may be wasted due to packages not fulfilling food safety requirements, or being difficult to fully empty, especially when it comes to viscous products.

ECOLEAN PACKAGING SOLUTIONS

Ecolean provides the complete system of filling lines solutions and flexible lightweight packages for liquid food. Ecolean filling lines are designed for efficient operation. We develop and produce our filling line equipment in Helsingborg, Sweden, and assemble the components and equipment for Ecolean filling line equipment together with our suppliers. These partners work closely with our technical departments and global technical service teams.

Our filling line technical service teams provide customers with support and expertise on optimising the performance of the Ecolean packaging system. We continuously work to reduce food waste by minimising product waste during the filling process at the customer production plant. Systematic performance assessments, customised training programmes and technical upgrades maximise performance and minimise downtime.

In 2021, the Ecolean filling machines EL1, EL1+, EL2 and EL2+ for chilled distribution and EL3, EL3+, EL4, EL4+ and EL6 for ambient distribution were available. In 2021, we sold 19 filling machines.

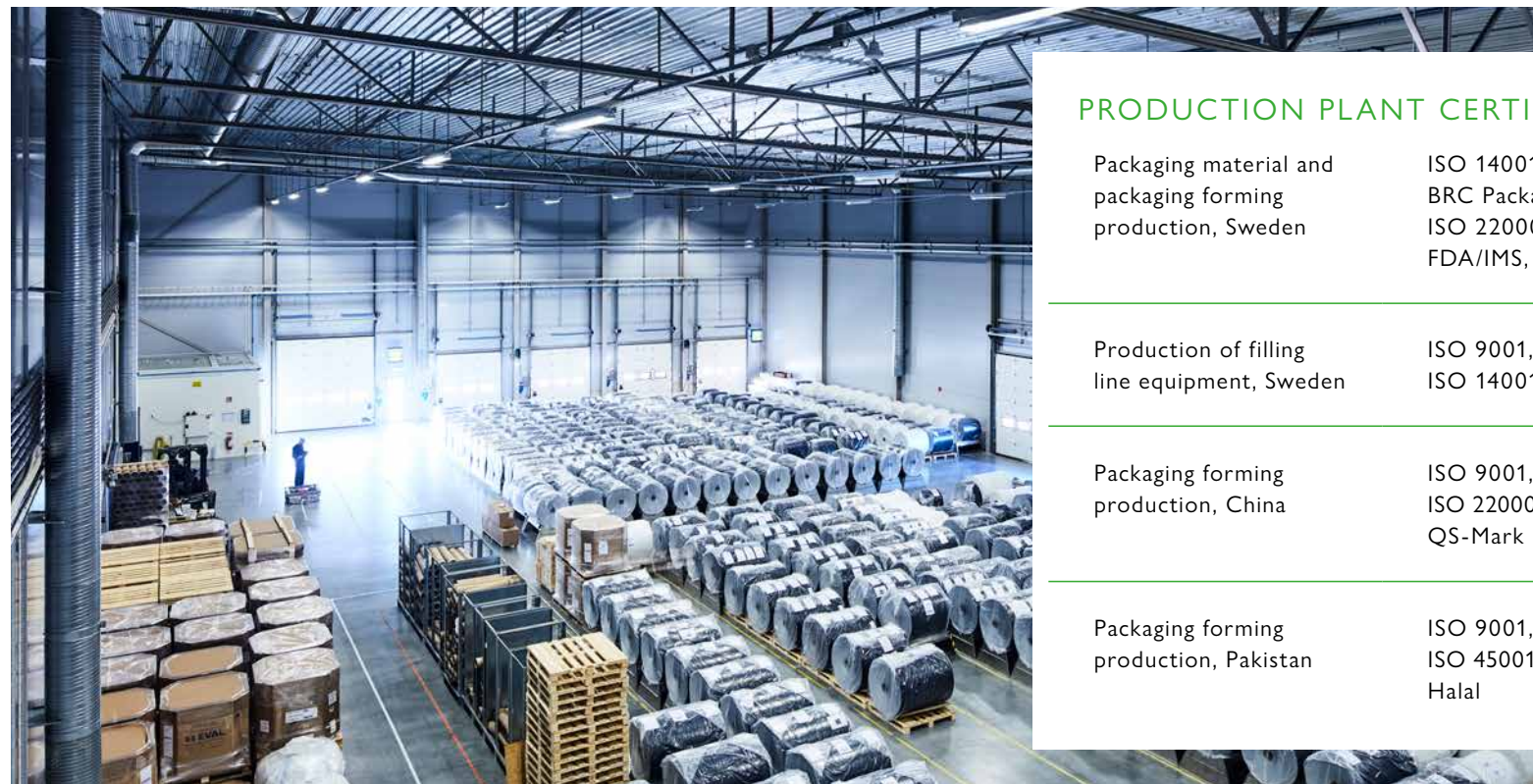
Our packages are designed to allow the user to easily squeeze out every last drop, no matter how viscous a product is. By providing packages in different sizes, for both chilled and ambient distribution, we also enable consumers to buy exactly the amount of product they need. Packages need to be designed for convenience in order to make a difference in the everyday lives of consumers. Ecolean's lightweight packages are approved by the Swedish Rheumatism Association (SRA) for being easy-to-open and easy-to-use by people with reduced hand function.

Ecolean packaging materials are produced in our production plant in Sweden, and are formed to ready-to-fill packages at our plants in Sweden, China and Pakistan. We deliver a range of hermetically sealed ready-to-fill packages in a variety of different sizes to our customers. Ecolean's packages for ambient distribution are sterilised using electron beam treatment, or e-beam, at our production plants. In 2021, we sold 2.8 billion packages.



PROVIDING SAFE PACKAGING SOLUTIONS

Ecolean provides packaging solutions for liquid food with a focus on food safety and convenience. Products produced and marketed by Ecolean must comply with all laws and rules relating to product safety. Beyond this, we also comply with voluntary certification schemes.



PRODUCTION PLANT CERTIFICATES:

Packaging material and packaging forming production, Sweden	ISO 14001, BRC Packaging, ISO 22000, Halal, FDA/IMS, Normpack
Production of filling line equipment, Sweden	ISO 9001, ISO 14001
Packaging forming production, China	ISO 9001, ISO 14001, ISO 22000, FSSC 22000, QS-Mark
Packaging forming production, Pakistan	ISO 9001, ISO 14001, ISO 45001, FSSC 22000, Halal

Customer and consumer health and safety is Ecolean's main priority. A potential product safety or integrity incident could have adverse consequences to consumers health and harm the company's reputation and financial performance. In the Sustainability Programme, this is manifested by:

- We constantly improve the quality of our packaging solutions to maintain zero liability claims.

CUSTOMER HEALTH AND SAFETY

We follow the ISO 22000 food safety management system. We also follow the global BRC Packaging standard, which verifies technical performance, supports manufacturer legal obligations and helps provide consumer protection. The FSSC 22000 Food Safety System Certification provides us with a framework for effectively managing food safety responsibilities.

Our production plants continuously work with quality inspections and audits. All our processes have documented instructions to follow including quality checks and hygiene

rounds. The performance of our management systems is regularly audited, both by internal and external experts.

As part of our work to provide safe packaging solutions, our technical service engineers perform audits at customer sites. The audits follow up on safety, machine operator and technician training, and optimise machine performance. Customers gain higher equipment efficiency, lower operating costs and better skilled operators. During 2021, Ecolean performed 60 audits at customer sites focusing on personal and food safety performance.

LIABILITY CLAIMS

Producing and packaging liquid food products is complex, and our customers have the ultimate responsibility to ensure compliance with relevant health and safety regulations. If regulations are violated and the customer believes the packaging system is at fault, they can issue a product liability claim. In 2021, no product liability claims or product recalls made by customer related to Ecolean packaging system were reported by our customers.

In the event of a customer making a claim on one of our products, including anything from a minor issue to a liability claim, they first approach our regional market office. All claims follow our deviation process, and a claim investigation is coordinated by the quality department to assure relevant actions are taken. The actions are communicated with the customer and further activities are agreed depending on the claim.

As part of our continuous improvement work, we use the Ecolean Ticket System to report and track incidents, including environmental, health and safety incidents and customer complaints. The system was introduced in 2020 and has become a useful tool to drive continuous development.

CUSTOMER TRAINING

The Ecolean technical service team also provides external training for customers. During the year, a combination of remote and on-site training took place, with on-site training held by Ecolean trainers as well as technicians.

These external trainings covered over 5,032 hours in total (three times more than 2020). This highlights the focus our technical service team has on working together with our customers to improve customer operators and technician knowledge of the Ecolean offering.

EUROPEAN HYGIENIC ENGINEERING & DESIGN GROUP MEMBERSHIP

Ecolean is a member of the European Hygienic Engineering & Design Group (EHEDG), which is a consortium of equipment manufacturers, food producers, suppliers to the food industry, research institutes and universities, public health authorities and governmental organisations. As a company member of EHEDG, Ecolean contributes to the promotion of food safety by improving hygienic engineering and design in all aspects of food manufacturing – through the work of establishing guidelines and in the way we design and produce our filling line equipment.



PLANET

REDUCING ENVIRONMENTAL IMPACT

All production and products have consequences for the environment, and we always strive to minimise our direct impacts as much as possible. Our philosophy has always been to keep our packages lightweight, to use less raw materials and energy in production and transportation. By working with a life-cycle approach for all our products, Ecolean contributes to resource efficiency and reduced environmental impact.



Climate change is a major challenge for society in general and using products with a low-carbon footprint is more important than ever. Ecolean's approach to use minimal raw materials and energy in production and distribution enables us to offer low-carbon packaging solutions.

Climate change can also pose risks that can impact our operations. Warmer weather might increase the need for cooling in our facilities, and climate change increases the risk of heavy rain and flooding. Such eventualities can also increase costs and disrupt our operations and logistics. We monitor and work to decrease our emissions, and life-cycle assessments help to identify our most urgent areas for improvement. By switching to renewable electricity and renewable raw materials, we can reduce the climate impact of our production, and help drive the demand for more carbon free solutions in society.

Our Sustainability Programme consists of a set of focus areas and defined targets to address our

material environmental risks and opportunities. Our programme guides our organisation and was further enhanced by a set of Sustainability Roadmap 2030 targets during the year.

- By 2030, we will reduce our scope 1 and scope 2 GHG absolute emissions by 50 percent, and measure and reduce our scope 3 emissions, with 2018 as the base year.
- We continue to purchase 100 percent renewable electricity for our production sites.
- We will have 100 percent renewable or recycled polymers in our packages by 2030.
- We will continuously decrease the amount of generated waste from our packaging solutions.
- We will continue to send zero waste to landfill.

- 100 percent of our products will be transported by sea or land by 2030.
- By 2030, all of our packages will comply with 'Designed for recycling guidelines'.
- We will work in partnerships to establish recycling infrastructure for our packaging solutions in all our markets by 2030.

In 2021, Ecolean signed up to the UN Global Compact. The environmental aspects of our Sustainability Programme are covered by the following three of the ten UN Global Compact's principles:

- *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.

As part of our work to tackle climate change, we had our climate targets approved by the Science Based Targets initiative (SBTi) at the end of 2020. Our targets are to reduce our scope 1 and 2 greenhouse gas (GHG) emissions by 50 percent by 2030 compared with 2018 and to measure and significantly reduce our scope 3 emissions. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Climate Agreement – limiting global warming to well-below 2°C, above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

REDUCING GREENHOUSE GAS EMISSIONS

- By 2030, we will reduce our scope 1 and scope 2 GHG absolute emissions by 50 percent, and measure and reduce our scope 3 emissions, with 2018 as the base year.
- We continue to purchase 100 percent renewable electricity for our production sites.
- 100 percent of our products will be transported by sea or land by 2030.

OUR SCIENCE-BASED TARGETS

In 2021, our direct and indirect scope 1, 2 and 3 GHG emissions according to the GHG Protocol amounted to 55,011 tonnes CO₂-eq, which is a decrease of 18 percent compared with the base year (2018). We have reduced our scope 1 and 2 emissions by 91 percent compared to the base year.

During the year, our total emissions in all three scopes increased slightly compared to the previous year. This was mainly due to the increased impact from the transport of products to customers and use of raw materials.

Of the year's total emissions, almost 75 percent were derived from the raw materials for film and packaging production and filling machines, including spare parts and printing ink. The downstream transportation of packaging material, filling line equipment and spare parts from Ecolan in Sweden to customers around the world was responsible for 21 percent of the emissions. Our products are transported by sea, road and air. Our remaining emissions are related to business travel (3 percent) and facilities (1 percent). Our emissions from business travel reduced by 11 percent compared to the previous year due to travel restrictions related to the pandemic.

The use of renewable biogas for production heating processes at our Helsingborg plant and the use of fuels in cars generated biogenic carbon dioxide emissions amounted to 118 tonnes CO₂-eq in 2021.

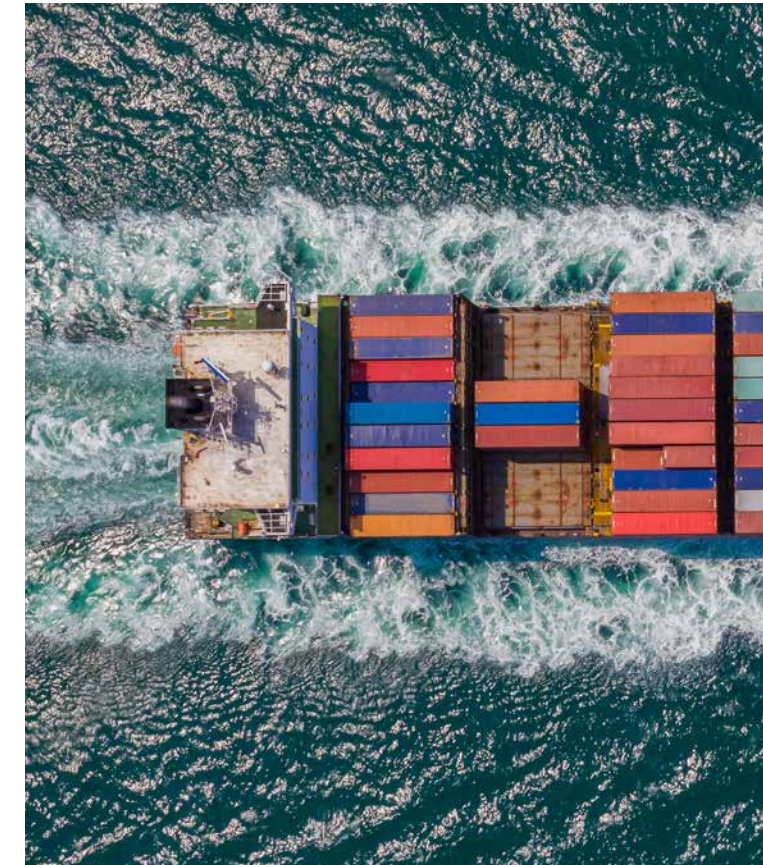
Several of our targets in the Sustainability Roadmap 2030 aim to reduce our greenhouse gas emissions and we have a multitude of activities planned for the coming years to decrease our emissions. However, it will take time before they have a full impact.

WE CONTINUE TO PURCHASE 100 PERCENT RENEWABLE ELECTRICITY FOR OUR PRODUCTION SITES

During 2021, we used a total of 106,522 gigajoules (GJ) of energy at our production plants, which is a decrease of 3 percent compared with 2020. Electricity accounted for 95 percent of the total energy we used. In 2021, Ecolan purchased 100 percent renewable electricity for all its production sites, for the second year in a row. This led to a reduction of our scope 1 and scope 2 emissions by 91 percent compared to our base year of 2018. Globally, the proportion of total renewable energy used in our operations reached 96 percent in 2021.

We have committed to using 100 percent renewable electricity for all our production plants, according the RE100 definition. This target was actually met in 2020 by signing renewable energy agreements for our production sites in Pakistan and China and we continued to buy certificates for renewable electricity for the electricity used in 2021.

Since 2017, Ecolan has sourced renewable hydropower electricity for its production plants in Sweden, and renewable biogas for production heating processes at our Helsingborg plant through a Guarantee of Origin. Since 2020, we have purchased renewable energy by buying International RECs (I-RECs) for wind power for the production sites in Pakistan and China. Similar to a Guarantee of Origin, each I-REC represents proof that 1 MWh of renewable energy has been produced and includes the environmental benefits this renewable energy created. I-REC is recognised by the Greenhouse Gas Protocol scope 2 Guidance as a tool to document electricity consumption from renewable energy sources. We will continue to monitor and maintain this objective as the establishment of new plants can have an impact.



EMISSIONS FROM DOWNSTREAM TRANSPORTS

As a global provider of packaging solutions, the transportation of materials and products is unavoidable. Our Sustainability Roadmap 2030 includes a specific target to avoid transports by air. But air freight can be unavoidable in certain circumstances. Even small volumes of goods that are transported by air have a large impact on our total transport emissions. 59 percent of the total emissions from our downstream transports were due to 2 percent of our goods having to be transported by air in 2021.

By planning production and lead times, the amount of goods being transported by air can be minimised. We are cooperating with our transport suppliers to optimise transports and reduce air freight.





REDUCING ENVIRONMENTAL IMPACTS FROM RAW MATERIALS AND WASTE

- We will have 100 percent renewable or recycled polymers in our packages by 2030.
- We will continuously decrease the amount of generated waste from our packaging solutions.
- We will continue to send zero waste to landfill.

START THE SHIFT TO RENEWABLE AND RECYCLABLE POLYMERS

The fundamental premise behind our production process is the optimisation of both the use of raw materials and energy while maintaining food safety. By making resource efficient packages, and helping our customers use less packaging material, we reduce environmental impact.

Ecolean currently uses polymers made from fossil oil due to the quality and safety requirements for food packaging. We need to find more sustainable alternatives to be able to reduce our greenhouse gas emissions. We have set a long-term target to completely replace our polymers (polyolefins) with renewable or recycled materials by 2030.

Renewable plastics are being developed that have the potential to become an alternative to fossil-based plastics. The emerging opportunity to purchase renewable or chemically recycled plastics through the mass-balance principle creates new possibilities to use renewable and recycled content in plastic packaging. The main challenge is that the supply of renewable plastics remains limited. Ecolean has close dialogue with suppliers regarding opportunities for renewable materials and by setting this target we will be part of developing the market for alternatives to fossil-based virgin polymers. We are developing a step-by-step plan for this shift.

USE OF RAW MATERIALS IN FILLING MACHINES

Our filling machines mainly consist of stainless steel, aluminium, glass, rubber and copper. The amount of raw materials used are documented in our Environmental Product Declarations for Ecolean filling machines. Our circular approach by refurbishing filling line equipment to be used for new applications reduces the use of raw materials and creates a greater resource efficiency.

CHEMICAL USE

We handle chemicals in our operations that might pose risks to the environment and our employees. All the chemicals we use are registered in a web-based system and employees handling chemicals in their daily work are trained on chemical use. To decrease possible health, safety and environmental impact, our ongoing work involves reviewing and conducting risk assessments and substituting certain chemicals.

WATER

We use water at all our offices and production plants. The 29,128 m3 of water used in 2021 was mainly for drinking, sanitary purpose and air conditioning. This is a decrease of 16 percent compared to the previous year. Previous year's use of water of 59,977 m3 was a registration error and the correct water use was 34,692 m3. Our packaging film production recycles water to limit water usage.



UPSTREAM IN VALUE CHAIN

OWN ACTIVITIES

DOWNSTREAM IN VALUE CHAIN

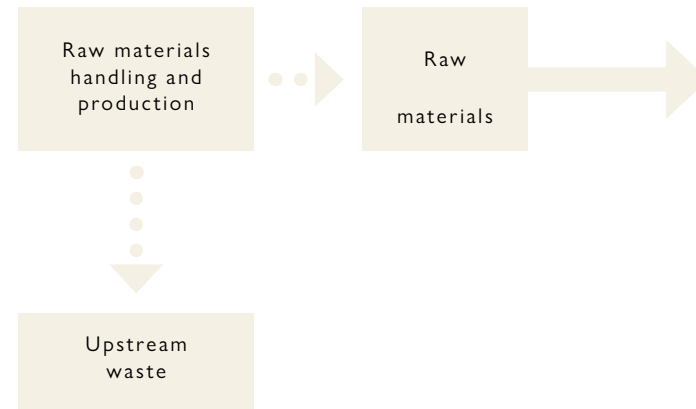
REDUCING THE IMPACT FROM WASTE

The waste hierarchy defined in the EU Directive 2008/98/EC sets the framework for how Ecolean handles waste that is generated within our organisation. We have direct control over our production waste, in contrast to upstream or post-consumer waste downstream where Ecolean has no or very limited control in its different markets. We follow the waste hierarchy by striving to optimise the recycling of our production waste, sorting waste and finding solutions for waste to energy.

We have operational control of the waste generated within our own activities. We sent no waste to landfill in 2021. Almost 95 percent of the waste we generated within our organisation was sent for recycling, with the remaining 3 percent treated as hazardous waste and 2 percent sent for energy recovery. Waste is processed by different waste contractors in each country according to local regulations. The waste contractors are part of our supplier self assessment and audit process. Our waste standard defines what elements the waste contractors need to fulfil to be contracted.

In 2021, our packaging production plants continued to focus on reducing production waste through continuous improvements and standardisation work. During the year, these improvements resulted in 17 percent less production waste and 14 percent less waste generated in total. These improvements will continue in 2022.

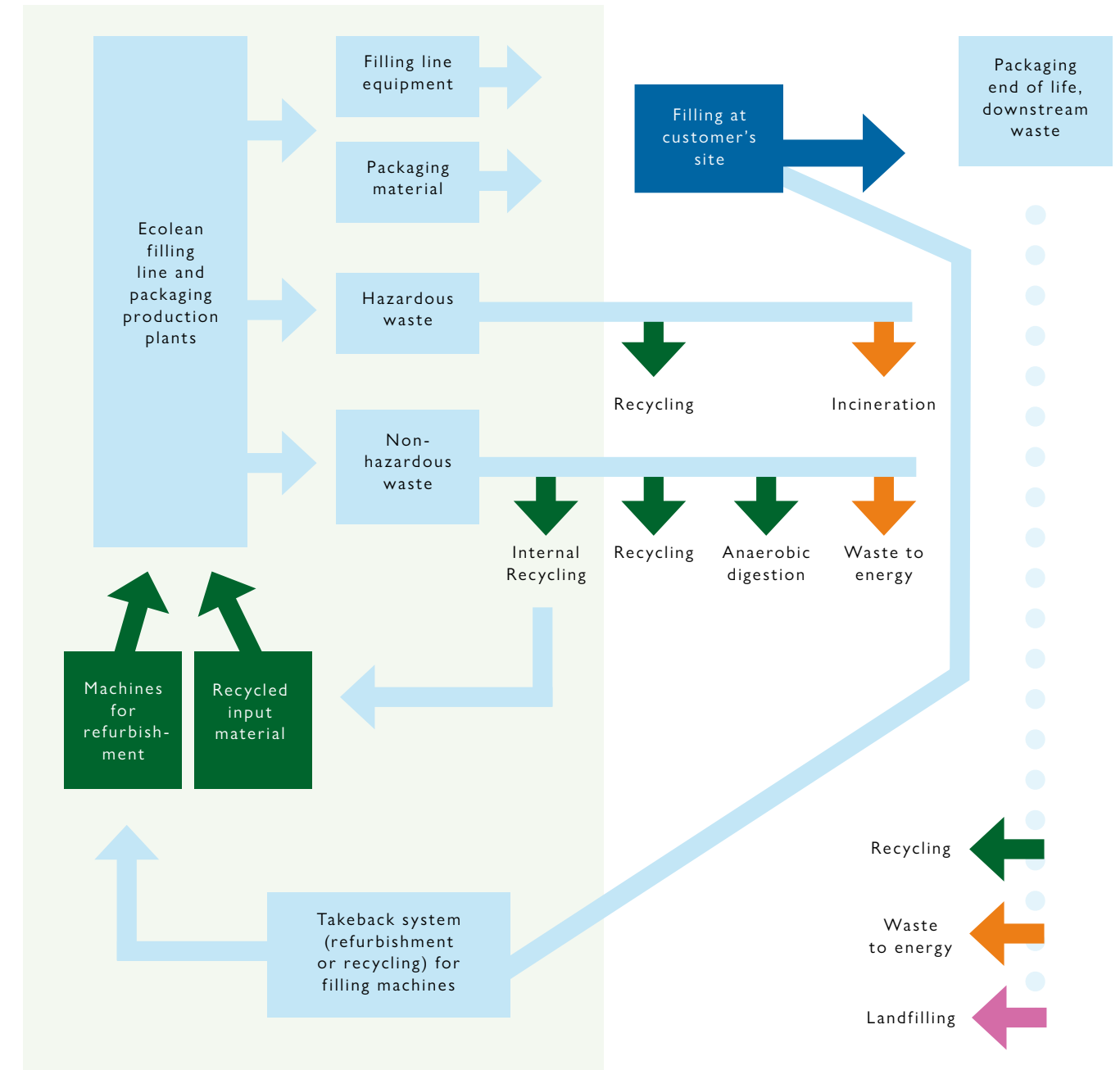
Ecolean uses approximately 25 percent internally recycled material in the production of the packaging film. Edge trims from packaging film production are reground and granulated internally and mixed with our virgin raw material. This reduces waste, carbon emissions and the need for virgin materials.



DOWNSTREAM WASTE

Our focus on continuously decreasing the amount of waste from our packaging solutions includes waste generated downstream in the value chain at our customers' sites. By focusing on reducing waste during filling, we can further improve the performance of our filling lines.

At the packaging end of life, when the consumer has emptied the package, waste will be generated. The impact of this waste depends on the local market. Many countries have inadequate collection and waste management systems for packaging. Some countries even lack proper waste management in general, with approximately 2 billion people worldwide* lacking access to waste management. We need to address and downsize the risk of packaging being mismanaged and ending up in the environment, both on a national and international level as well as through the entire packaging value chain. This is one of the reasons for Ecolean's focus on greater package recyclability.



● ● ● ● : Outside of reporting scope

RECYCLABILITY OF PACKAGES

- By 2030, all of our packages will comply with 'Designed for recycling guidelines'.
- We will work in partnerships to establish recycling infrastructure for our packaging solutions in all our markets by 2030.



DESIGNED FOR RECYCLING

Designing packages for recycling means they are composed of material that can be easily sorted and recycled where suitable collection and sorting systems are available. Recycling infrastructure currently varies around the world. In recent years, we have seen an increased focus on the development of recycling guidelines for flexible packaging but there has not yet come an international standard.

Recycling is essential for the sustainable use of packaging and is a priority for Ecolean. Due to material composition, some packaging ranges can be diverted in the recycling process in some markets, depending on local recycling technologies. It is important for us to work closely with our customers and local recycling organisations to improve the opportunities to recycle our packages. As a producer of packaging material, we have set the goal to offer a new range of packaging designed for easy recycling by 2025 at the latest. By 2030, all of our packages will comply with 'Designed for recycling guidelines'. Design guidelines for flexible packaging are still missing on many markets and a global standard does not yet exist. Ecolean participates in the development of guidelines and standardisation to always stay ahead of the latest developments. This target will require innovative solutions to maintain packaging quality and the adaption of filling line equipment.

In 2021, Interseroh evaluated our transparent packaging ranges and both Ecolean® Air Clear and Ecolean® Air Aseptic Clear received the 'Good recyclability' classification. To analyse packaging recyclability, Interseroh uses an independent, science-based assessment method developed together with the bifa environmental institute, which has been evaluated and approved by experts from

the Fraunhofer Institute for Process Engineering and Packaging (IVV). The method looks at different aspects including the recyclability of the materials used and how easy these are to sort.

The certification provides third-party verification that our packages are recyclable in markets where recycling systems for mixed polyolefin plastic are available.

PARTNERSHIPS

By engaging and sharing knowledge with the recycling industry and dedicated recycling projects, Ecolean enhances the opportunities for recycling of our packaging solutions.

CEFLEX

Ecolean is member of the European project CEFLEX (a circular economy for flexible packaging), which includes a growing group of over 180 companies in the flexible packaging value chain. Through CEFLEX, Ecolean attends stakeholder meetings and various workgroups. The project has the goal to establish collection, sorting and reprocessing infrastructure/economy throughout Europe for flexible packaging by 2025. This goal is based on end-of-life technologies and processes that deliver the best economic and environmental outcomes for a circular economy.

CORE PAKISTAN

Ecolean is member of the recycling initiative Collect & Recycle (CoRe) in Pakistan, which aims to enable the recycling of packaging in this large and significant market. In 2021, CoRe installed 250 waste bins in Islamabad, Pakistan.



As one of the members of CoRe, Ecolean supported this initiative. As part of this joint initiative, two parks in Islamabad each received 125 waste bins, which will encourage citizens to dispose of waste more responsibly and contribute to the circular economy.

SWEDISH INSTITUTE FOR STANDARDS

Ecolean is a member of the Swedish Institute for Standards (SIS). In the technical committee for plastics, Ecolean is involved in formulating standards for plastic recycling.



SUPPORTING LOCAL
RECYCLING SCHEMES

Local recycling schemes are gaining ground in some markets, for example in Australia and New Zealand where the REDcycle and Soft Plastic Recycling schemes offer collection services at designated drop off locations, often near stores to transport material to recyclers. The systems are developed and financed by a product stewardship model where manufacturers, retailers and consumers share responsibility to create a more sustainable future. Ecolean supports these schemes to enable end consumers to recycle Ecolean packages.

ENABLING LOCAL
RECYCLING PROJECTS

In Russia, we have continued to widen and deepen our collection and recycling activities for post-consumer packages. Through a project with our customer Molvest, we continued to establish collection and recycling infrastructure for Ecolean packages in the region of Voronezh. This involved strengthening our collaboration with the regional official waste collection operator with the aim to collect 50 percent of all post-consumer Ecolean packages in the region.

We also continued our collaboration with the leading waste operator in Moscow to collect Ecolean post-consumer materials at their collection points. Similar collaborations with private waste collection and sorting companies in the regions of Voronezh, Tula and Ulyanovsk were established during the year. In 2022, we plan to begin recycling collaborations in the Siberia, Northwest and South regions of Russia.

Ecolean has signed an agreement with the biggest recycler of plastics in Russia to be able to facilitate the recycling of Ecolean post-consumer packaging. The recycled material is transformed either into an agglomerate, which is used for applications such as road slabs, playground surfacing and street furniture, or into granules that are used for stationery, bijouterie, souvenirs and other products.

By cooperating with collection, sorting and recycling companies, Ecolean contributes to building the infrastructure that is required to recycle our packages.

A CIRCULAR SOLUTION
FOR FILLING LINES

We have the manufacturer responsibility to provide information on the recycling of our equipment, which is included in the equipment documentation. For filling line equipment, we have already implemented a circular solution, included in our manufacturer responsibility and related to the CE-marking.

This is also emphasised through filling line equipment agreements that usually include a paragraph that regulates what happens at the end-of-life of the machine. Our regional directors and sales teams work to ensure that this paragraph is included and used. When filling line equipment is taken out of service, Ecolean offers to refurbish or recycle it. In 2021, 13 used machines were returned to Ecolean to be recycled or refurbished.



PEOPLE

OUR SOCIAL IMPACT

Ecolean has the ambition to be the best packaging company in the world in the eyes of all our stakeholders and we care about how we achieve this. We respect human rights as defined in the United Nations Global Compact, and we take responsibility for our employees and the societies in which we operate.



We believe that a culture of respect, openness and accountability is essential for our success. To protect human rights, and promote fair employment conditions, safe working conditions, responsible environmental management and high ethical standards, our Code of Conduct shall be applied throughout Ecolean.

Our Sustainability Programme consists of a set of focus areas and defined targets to address our material social and economic risks and opportunities. Our programme guides our organisation and was further enhanced by a set of Sustainability Roadmap 2030 targets during the year.

- By 2030, we will have a 50/50 gender balance.
- 5 percent of our employees will be part of work rotation programmes by 2030.
- By 2030, our employees will spend an average of one week annually on training.
- We have zero injuries and work-related illnesses by 2030.
- We comply with relevant marketing regulations and good practice, by maintaining zero incidents of no-compliance.
- We have zero tolerance for corruption.
- We have zero tolerance for ethical breaches of human rights.
- We drive sustainability throughout our supply chain.

In 2021, we defined our Sustainability Roadmap 2030. This includes a set of targets to further address our material social and economic risks and opportunities.

In 2021, Ecolean signed up to the UN Global Compact. The social and economic aspects of our Sustainability Programme are covered by the following seven of the ten UN Global Compact's principles:

- *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.
- *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 labour;
- *Principle 5:* the effective abolition of child labour; and
- *Principle 6:* the elimination of discrimination in respect of employment and occupation.
- *Principle 10:* Businesses should work against corruption in all its forms, including extortion and bribery.

PROMOTING A COMMON GROUND

As a constantly growing company, it is important to maintain employee engagement and transparency. We do this by promoting our core values and a common Ecolan culture in all our markets and offices. Our core values help us find a balance between an international and regional approach.

ECOLEAN CODE OF CONDUCT

We apply our Code of Conduct throughout Ecolan. Our code covers business ethics, human rights, fair employment conditions and safe working conditions, environmental responsibility and high ethical standards.

The Code of Conduct is supported by more detailed company policies, which are statements of mandatory behaviour concerning areas such as whistleblowing, IT, HR, confidentiality and authorisation. All employees shall comply with our Code of Conduct, which sometimes exceeds the applicable laws, regulations and standards in the countries we operate in.

All Ecolan employees responsible for personnel are obligated to introduce new employees to our Code of Conduct as well as regularly update current employees. In 2021, 69 Ecolan employees participated in an Ecolan Code of Conduct e-learning, which is a mandatory e-learning that employees must complete every second year. Furthermore, we strive to ensure that also our business partners comply with our Code of Conduct and other policies.

WHISTLEBLOWING POLICY

Several of our sustainability objectives within our People focus area are related to how we interact with each other, both as colleagues and as business partners. As misconduct in these interactions can damage Ecolan's reputation, it is important that any misconduct is reported, either to Ecolan management or through our reporting systems. Being an organisation with fast decision-making processes, we can quickly address potential problems. The reporting of deviations is also part of our management systems, and we have a Whistleblowing Policy and system in place with an external online whistleblowing function. Our whistleblowing function provides a mechanism for reporting, investigating and remedying any wrongdoing in the workplace. We strive to maintain a transparent business climate and high business ethics. The openness between colleagues and management often helps to address issues and find solutions before any serious harm is done, which is illustrated by the fact that our whistleblowing function is rarely used. One case was reported via the whistleblowing function during 2021, although this case was not related to any of our sustainability objectives. The case was solved through discussions with the involved parties.

PERFORMANCE REVIEW

We use a common company-wide performance review template, and all our employees have regular discussions with their manager on relevant individual objectives for the year that support Ecolan's overall business, as well as personal development objectives. Furthermore, we want to ensure a simple and qualitative approach in the discussions as well as a continuous follow-up mechanism that goes beyond the standard annual review format. Each manager has the responsibility to have performance review discussions with their team members four times a year. We measure the follow-through rate of those discussions in a yearly survey. Performance reviews are implemented in all our markets.

PEAKON

The employee engagement tool 'Peakon' has now been in use at Ecolan since 2019. After being introduced in the Swedish white-collar departments, Peakon has gradually been rolled out throughout our global organisation. Today all units are connected to the tool, which is equivalent to 89 percent of Ecolan employees, with only our Russian organisation and local market units left to be included during the first quarter of 2022.

The tool provides continuous, weekly feedback and tracking of each department's overall engagement as well as more detailed performance on several 'drivers' that indicate wellbeing and effectiveness. Another important aspect of feedback provided by Peakon is the open and anonymous comments that all employees are invited to submit, either related to questions asked in weekly surveys or on more general topics.

The true value of Peakon (as with any employee survey) lies not in the tool data itself, but in the live discussions that take place in each department on their wellbeing and performance and the engagement that this discussion

sparks within the team. The discussion involves the teams' strengths, weaknesses, key areas for improvement and the related action planning that is generated by these talks.

The overall engagement score has improved from 6.8 in the spring 2019 to 7.5, on a 10 graded scale, at the end of 2021. The engagement score is calculated by averaging each employee's average score. The engagement score baseline will be defined once all employees are enrolled into Peakon. As of the end of 2021, over 17,000 comments had been submitted in Peakon, which provides valuable input on how our employees think and feel.

It should be noted that this development took place as Ecolan has gradually introduced new geographies, departments and units to the business. We are now looking forward to creating a true Peakon baseline for the entire organisation, which will enable us to monitor our progress going forward.

OUR EMPLOYMENT TERMS AND CONDITIONS

At the end of 2021, Ecolan had 502 employees. The employment terms and conditions offered to our employees are easy to understand and comply with national law and/or collective agreements as well as relevant ILO Conventions. We respect our employees' right to act together. Our employees have the right to form or join unions and we will respect the right of our employees and their unions to negotiate collective agreements. All our employees in Sweden and Japan are covered by collective bargaining agreements, with 46 percent of our total global workforce covered.

Ecolan offers employees several benefits, with minor differences due to different local regulations. In total, 97 percent of all employees within Ecolan are offered life insurance, 98 percent health care, 95 percent disability and invalidity coverage, 97 percent parental leave and 90 percent retirement provision.

DIVERSE WORK-FORCE AND EQUAL OPPORTUNITIES

- By 2030, we will have a 50/50 gender balance.
- 5 percent of our employees will be part of work rotation programmes, by 2030.

We are dependent on our ability to attract and retain key talent and competences as losing key employees could impact Ecolean's operating and financial performance. Being a fast-growing company requires the continuous recruitment of skilled employees. Our human resources team works together with line management to identify the competences we need as well as developing and retaining existing employees, to ensure that our future business needs are met. Ecolean offers its employees the opportunity to develop personally and professionally – and to be part of a journey to change the world of packaging.

We have adopted a successful strategy of hiring locally in the markets where we are active, which has resulted in a very diverse global organisation. Ecolean considers several criteria for each individual recruitment, including the promotion of a better gender balance in our workforce. Many of the positions within Ecolean are of technical nature and are traditionally male dominated. At the end of 2021, 20 percent were women within our organisation and 25

percent of our managers or directors were women. It will be a challenge to reach our target of 50/50 gender balance, but we know that a more diverse workforce will bring many benefits to our company.

PROMOTING EQUAL OPPORTUNITIES

Being an employer that provides equal employment opportunities is essential. For the past seven years, Ecolean has cooperated with the Swedish organisation Teknisksprånget that offers internship opportunities to people under the age of 21 with the relevant technical education. Through internships, Ecolean has offered young people opportunities to work as engineers within the company for four months. Local restrictions due to the pandemic unfortunately limited the number of interns to only one, a female in 2021.

Equality in the workplace addresses our ambition to break down the barriers that could block opportunities in our business for certain groups of people. We risk unintentionally excluding highly competent and talented people, so it is important we identify and remove the barriers that prevent equal opportunities for all.

Ecolean works to ensure that all employees develop through their daily work and feel secure in their professional roles.

We demand that personal differences are respected to counteract discrimination and harassment. At Ecolean, all employees have the same rights, obligations and opportunities regardless of gender, gender identity or gender expression, age, sexual orientation, disability, ethnicity, religion or nationality. Any cases of discrimination should be reported to the Ecolean management or via our whistleblowing function. During the year, one case of discrimination was reported. The case involved harassment and an investigation was carried out immediately, resulting in the termination of the employment of the harasser.

EMPLOYEE DEVELOPMENT

As part of promoting employee development, Ecolean offers work rotation opportunities. We facilitate internal horizontal or vertical movement within our constantly evolving organisation and operations. Today we have employees from different Ecolean locations working at our headquarters in Helsingborg. Our ambition is to expand this exchange and development of competence, within Ecolean Group. The decision to formulate a Sustainability Roadmap 2030 target regarding work rotation will increase the focus on the possibilities and benefits of work rotation. In the coming years, a rotation programme will be developed and implemented.





EMPLOYEE TRAINING AND EDUCATION

As the number of Ecolean employees grows, the need for a well-developed training program increases. The Ecolean Academy is a group-wide portal and platform that provides our employees around the world with education and training, orientation courses and e-learning on a range of topics.

- By 2030, our employees will spend an average of one week annually on training.

Our new Sustainability Roadmap 2030 target highlights the importance of training and education. The first step for us will be to document all trainings that occur during a year, both within the Ecolean Academy but also local and/or external training sessions our employees take part in. In 2021, our employees spent eight hours each of training on average, as reported in Ecolean Academy.

The Ecolean Academy aims to:

- Encourage and promote a culture of learning and competence development
- Continuously identify training needs and fill knowledge gaps
- Offer internal and external training
- Provide classroom sessions and digital learning

During 2021, we added new courses to the Ecolean Academy, which offered 104 courses on various topics by the end of the year. Each course has been completed by 47 employees on average and the total number of completed courses increased by 40 percent compared to the previous year. In addition, another 50 courses were held locally but not reported within the Ecolean Academy system.

The courses launched during 2021 cover topics such as fire safety, organisational and social work environment, our new Ecolean management system, internal audits and forklift safety. We continued with mainly e-learning and digital courses, due to travel restrictions during the pandemic.

During the year, several mandatory e-learning courses were completed by our employees, including courses on:

- Whistleblowing Policy
- Code of Conduct
- Ecolean Sustainability Objectives

- Ecolean Management System
- Information security

Our technical service team worked continuously to provide training to maintain and further develop our technicians' skills. Despite the pandemic, five technical training sessions covering different topics were held, covering 823 hours in total, with 100 percent of the training being held remotely. Additional focus was spent on developing and implementing Ecolean Academy courses to encourage continuous training despite the global pandemic.

The Ecolean technical service team also provides external training for customers. During the year, a combination of remote and on-site training took place, with on-site training held by Ecolean trainers as well as technicians. These external trainings covered over 5,032 hours in total (three times more than in 2020). This highlights the focus our technical service team has on working together with our customers to improve customer operator and technician knowledge of the Ecolean offering.

In addition to these global training sessions, several market offices provide various training adapted to identified local needs and when new employees join the company.

At Ecolean, we want to ensure the long-term employability of our employees, which involves focusing on the uniqueness of our technology, product development and production processes. Following a needs analysis, we have invested in substantial employee training to ensure that we have the right competence now and in the future. On-the-job training ensures that employees keep up to speed with developments in our technology, products and production. The Ecolean Academy supports this by promoting training for our employees.

Ecolean provides transition assistance programmes to support employees who are retiring or have had their employment terminated. The support offered can differ between our offices but includes for example pre-retirement planning for intended retirees, severance pay and the offering of job placement services in case of termination.

HEALTH AND SAFETY

One of our most material sustainability aspects is health and safety, and our zero injury and work-related illness target highlights the importance of this area. We work towards this target through continuous risk management, promoting incident reporting, scheduling employee training, implementing critical safety procedures and by promoting a culture of zero injuries.

In 2021, we maintained our hygiene routines related to the pandemic. During much of the year, our office personnel continued to primarily work from home to ensure our business continuity and promote employee wellbeing.

- We have zero injuries and work-related illnesses by 2030.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Our production plant in Pakistan became the first Ecolean plant to be certified to the ISO 45001 occupational health and safety certification during 2021. This certification will act as guidance in the coming years as we plan to implement ISO 45001 in our other operations.

Meanwhile, we have global safety policies, procedures and standards in place that are mandatory for all our employees. Our work with health and safety includes management reviews, incident reporting and incident investigation, root cause analysis, risk analysis and detailed topic specific standards. The different elements in

our safety management are inspired by the ISO systems we are certified to, such as ISO 22000, ISO 14001, ISO 9001 and ISO 45001. The ownership of all safety related activities is within the line organisation, supported by experts on Environment, Health and Safety.

HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

Our global Health and Safety Policy states that employees should not conduct work if it is unsafe. We should also take the same care of our contractors and people working within our facilities.

Work-related hazards are identified either proactively through risk analyses or in our global incident reporting system. Safety risk assessments are performed on all processes and formal health and safety committees

conduct safety inspections/safety walks on a regular basis, attended by employees, management and external safety engineers in some cases. All our plants conduct regular safety inspections and safety observations.

The risk assessment methods used range from 'What-if' to Failure Mode and Effects Analysis. We use standardised procedures and forms, and the risk rating matrix is standardised globally. Training in risk assessment methods is provided to key stakeholders.

Our incident reporting process follows a global procedure that ensures notification to key stakeholders, case ownership and incident investigation with mandatory time requirements for root-cause analysis. All managers are trained in incident reporting procedures and requirements, and all employees are trained by their managers on how to report. Reports are consolidated at local and group levels for statistical analysis and to identify future improvement actions and programmes.

Monthly safety reports are sent to senior management for further discussion within their organisations. Every Group Management Team meeting and Board meeting starts with a safety review of recent incidents and statistical review.

The reporting process is simple with the employee submitting a report in our new Ticket System. Incident notifications for all injury cases are automatically sent to both the direct manager and group functions. Having dual receivers of the report ensures transparency and protects against reprisals. The main target is the number of near-misses reported to promote a high reporting frequency. Our philosophy is the more the better.

During 2021, we continued to focus on increasing our reporting and worked with the goal of 'Minimum one Near Miss reported per employee and year'. This target was not achieved in 2021, although, compared to 2020, it almost doubled to 0.81 reported near miss per employee during the year. The ratio between all incidents with personal injury (lost time injury, medical treatment

case, restricted work case and first aid or less) and the number of reported near misses was 1:7 (7 near misses reported per injury). This focus will continue in 2022.

OCCUPATIONAL HEALTH SERVICES

The identification and elimination of hazards and minimisation of risks are mainly addressed by formal health and safety committees or functional management teams. Health services can differ between geographic locations due to local arrangement but are mainly handled by external occupational health care service providers. Depending on different job descriptions, regular health checks are offered by occupational health services. The service providers have doctors, nurses, psychologists and work environment engineers to help our employees when needed. The service can also be included in the health insurance that is provided to our employees.

In addition, Ecolean offers employees several benefits, with minor variations due to different local regulations. At the end of 2021, 97 percent of all full-time employees within Ecolean were offered life insurance, 98 percent occupational health care service, and 95 percent disability and invalidity coverage.

EMPLOYEE ENGAGEMENT IN OCCUPATIONAL HEALTH AND SAFETY

Regardless of location, employee participation in health and safety is either organised through departmental meetings, safety walks, risk assessments or incident investigations. Employees are always informed by their direct managers about work-related incidents in their areas of work, and what actions are taken in response. Local trade union agreements in Sweden require a unionised safety representative to be part of safety committees that meet at least four times each year.



OCCUPATIONAL HEALTH AND SAFETY TRAINING

Employee training is managed both locally at our sites and globally, to ensure we fulfil all legal requirements and can identify particular safety competence needs. We have an Ecolean Academy platform where training in different areas is managed with a learning management system, supporting both local and global needs. Training methods range from e-learnings to offsite

external classroom trainings. Safety-related topics are increasingly managed within the Ecolean Academy.

In 2021, several health and safety training sessions were held at our market offices. The topics ranged from safety trainings and the ticket system used for incident reporting, to forklift operator training, working at heights training, hazardous chemicals training and the management of flammable goods.

PROMOTION OF EMPLOYEE HEALTH

Ecolean offers different programmes for the promotion of employee health. Typically these initiatives are described and accessed through our intranet sites. Our Chinese organisation offers annual health checks at hospitals to promote employee health and the Swedish organisation has the same offering every second year.

Other local examples include local sports clubs, programmes to quit smoking, how to prevent psychosocial illness and wellness allowances for employees to promote physical activity outside the workplace.

MITIGATING CUSTOMER OCCUPATIONAL HEALTH AND SAFETY IMPACTS

Ecolean works closely with its customers on site, and we have a technical service organisation that supports and trains machine operators on customer sites. Reported near misses and incidents from our engineers on site has increased during the year due to an increased focus on site safety awareness.

During 2021, Ecolean's technical service organisation performed 47 audits, including health and safety, at customer sites. The safety audits focused on both safe operation and a safe working environment around the filling line equipment at customer sites.

WORK-RELATED INJURIES

Ecolean has identified work-related hazards that pose a risk of high-consequence injury, based on risk assessments and analysing reported incidents. The top hazards are moving machine parts, fire in flammable solvents, chemical exposure, traffic incidents, forklift incidents and working at height. Although none of these risks resulted in high-consequence injuries during 2021.

In 2021, our safety performance improved significantly compared with the previous year. Our Total Recordable Injury Frequency (TRIF) decreased by more than 50 percent, reaching a level of 5.7 injuries per million work hours. Our most frequent work-related injury categories are: hit by objects or moving machine part, slip/trip/fall and injuries caused by sharp objects.

Actions to eliminate high-consequence hazards during 2021 included:

- A new incident reporting system with all the capabilities needed to report, notify, track, assign and follow cases until remedial actions are implemented.
- Implementation of an enterprise risk management system.
- Establishing standards for forklift driving and training on all units.
- Fire safety installations.
- Training

Our safety work will be further refined in the coming years to further eliminate other work-related hazards, minimise risks and improve occupational health and safety. We plan to focus on life-critical safety standards, in-depth training and various measures to promote a world class safety culture.

During 2021, Ecolean was fined due to an incident taking place in 2020. The worker got one finger injured in a rotating machine that was not properly mounted to the floor. Ecolean has now prevented the reoccurrence of similar incidents and the worker has returned to full-time work at Ecolean.

ETHICAL BUSINESS

Ethical breaches in our operations and supply chain can potentially have severe detrimental impacts on individuals and society, as well as potential negative impacts on our business. The risk of ethical violations within Ecolean is very low, but we need a comprehensive risk assessment system as our global supply chain continues to grow. Ecolean is a global company and entering a new market can pose risks. Ethical breaches of our Code of Conduct might relate to human rights, corruption or bribery, which are all detrimental to society and can damage a company's brand and reputation.

- We have zero tolerance for corruption.
- We have zero tolerance for ethical breaches of human rights.

Before entering a new market, we conduct a risk assessment that includes human rights and corruption-related risks. We continuously identify and evaluate risks and the Ecolean Group Management Team is ultimately responsible for this work. This is also part of our due diligence of suppliers and consultants, and is particularly relevant for some of the high-risk markets we operate in. As a rule, Ecolean does not give donations or sponsorships.

Human rights and corruption are addressed in our Code of Conduct and in our Supplier Code of Conduct. All new

employees receive the Code of Conduct and are informed of its content and importance. Employees can find information regarding bribery and corruption on the Ecolean intranet and printed versions of our Code of Conduct are available at all our offices.

Since 2020, Ecolean has performed a mandatory Ecolean Code of Conduct e-learning every second year. During 2021, 69 Ecolean employees participated in an Ecolean Code of Conduct e-learning and 40 employees received additional training on the Code of Conduct during the year. All suspected ethical breaches should be reported to the Ecolean Group Management Team or through our whistleblowing system. Our whistleblowing function is in place to report any suspected corruption and human rights violations. No ethical breaches relating to human rights violations or corruption were reported in 2021.

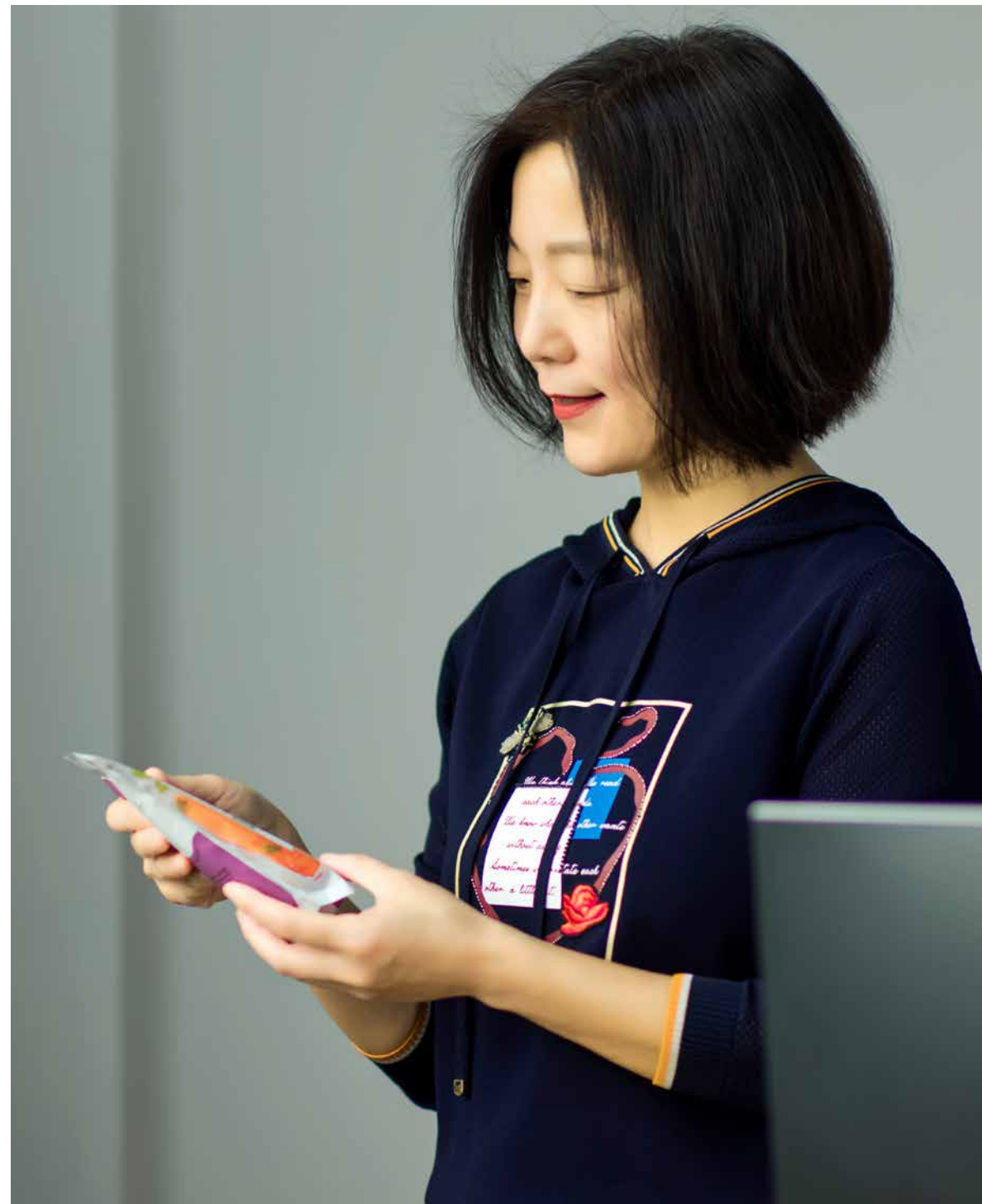


ACCURATE AND TRANSPARENT INFORMATION

In a world where environmental claims and messages are everywhere, transparent communication based on facts is more important than ever. This is why we are committed to always base our environmental communication on life-cycle assessments. We only make claims that we can back up with solid proof – which helps to strengthen our brand and avoid "greenwashing".

- We comply with relevant marketing regulations and good practice, by maintaining zero incidents of non-compliance.

We believe that our customers should have access to accurate and transparent information regarding our systems to base their decisions upon. We follow all relevant laws and regulations regarding marketing and use the International Chamber of Commerce (ICC) Framework for Responsible Environmental Marketing Communications as guidance in our environmental communications. We use standardised programmes to give customers environmental data from a full life-cycle perspective and allow them to request the same type of documents from other suppliers. Environmental Product



Declarations (EPDs), follow the ISO 14025 standard, and are seen as the most transparent way to communicate the environmental impact of our products. The documents are based on full life-cycle assessments and are third-party verified. They are also publicly available at the International EPD® System (www.environdec.com).

During 2021, Ecolean updated its four EPDs covering the packaging range for ambient and chilled distribution, and filling machines for ambient and chilled distribution. Four new updated documents are now available at the International EPD® System webpage and are valid until 2026.

Annual assessments, performed by independent sustainability ratings provider EcoVadis indicate our performance within this field and provide a tool for recognising potential improvements and areas of strength as well as benchmarking our performance against other companies. Our sustainability work during 2021, placed Ecolean in the top 1 percent of 90,000 companies reviewed by EcoVadis, which awarded us the EcoVadis Platinum medal.

As an essential part of our company and products, sustainability is communicated extensively internally as well as by customers in their consumer communications. Ecolean helps to navigate the field of sustainability communication through a series of principles. We believe in making it easy for our customers to talk about sustainability and their environmental impact and offer communication materials for them to use in their channels. Our transparent approach also embodies the use of realistic imagery and visuals used in our sustainability communication, depicting the actual topic to not risk giving the viewer a misleading impression.

Any complaints regarding the quality of our communications are reported to the communication department and are managed by the Communication Director. The reasons for the complaint are investigated and corrected if necessary. No complaints or incidents of non-compliance concerning marketing communications were reported during the year.

RESPONSIBLE SUPPLY CHAIN

There is always a risk that suppliers might go out of business, do not deliver on time or stop producing an important raw material or component. Our procurement department assesses new suppliers before signing supplier contracts, both through self-assessments and audits on site.



- We drive sustainability throughout our supply chain.

SUPPLIER DIALOGUE

At the end of 2020, a new Supplier Relation Management (SRM) system was implemented by our global procurement team. During 2021, the work to include more suppliers in the system has continued and approximately 38 percent of our suppliers were included in the SRM platform at the end of the year. The system will be fully implemented globally during 2022 once all our suppliers have been added.

A more detailed supplier self-assessment is conducted if applicable along with an on-site audit if necessary. All our new suppliers that were asked to perform the supplier self-assessment complied with the request and were screened using criteria that included environmental

and social topics. All our commodity suppliers have been assessed on sustainability criteria along with most of our other strategic suppliers. At the end of 2021, 37 percent of the suppliers included in the SRM platform had taken part in environmental and social screening.

An important part of our supplier dialogue is related to our Supplier Code of Conduct. The Supplier Code of Conduct covers all the expectations Ecolean has on its suppliers, including anti-corruption, environmental awareness, human rights, and health and safety. Abiding by our Supplier Code of Conduct is mandatory for our suppliers to be able to sign a supplier agreement with Ecolean. In 2021, we continued to raise awareness and deepened the understanding of our Supplier Code of Conduct through dialogue with suppliers. This dialogue includes signing the Supplier Code of Conduct and by the end of the year, 47 percent of our new and existing suppliers added in the SRM system had signed the code.

OUR SUPPLY CHAIN

Ecolean works with 275 suppliers for the packaging material production and the production of filling line equipment in Sweden. Our main suppliers are large, international companies in the chemicals sector, located in Sweden and Europe, that provide us with the polymers and additives we need to produce our packaging material. We have several additional suppliers delivering indirect materials and services.

In filling line equipment production, Ecolean mainly works with European and global suppliers that provide parts and components for machine assembly. Some of the equipment assembly is done by European suppliers. Our production plants use both local and European suppliers, approximately 300 suppliers, for non-raw material products and services.

No significant changes to our supply chain occurred during the reporting period.



STRATEGY, STAKEHOLDERS, GOVERNANCE

MATERIALITY ASSESSMENT

Relevant or material topics are those that may be considered significant for our economic, environmental and social impacts, or that influence the decisions of our stakeholders. We have used the GRI Reporting Principles as a guideline to define the content of this report.

We use various sources to identify the relevant topics for Ecolan and our stakeholders:

- Media
- Input from industry organisations
- New laws and regulations relating to our industry and raw materials
- Environmental organisations
- The United Nations Sustainable Development Goals
- The United Nations Global Compact principles
- Direct communication with stakeholders during the reporting period

These sources provide us with a list of relevant topics that reflect Ecolan's greatest sustainability impacts and the interests of our stakeholders. Our stakeholders are those directly or indirectly impacted by our business, including our owner, employees, customers, consumers, suppliers, auditors, governments, local authorities and neighbours of our operations. Input for the analysis was provided by customers, employees, industry organisations, media and regulators. Input was collected by surveys, at conferences and industry meetings. Sustainability is a common discussion topic at our regular meetings with various stakeholders, such as our Board, owners, customers and suppliers, which provides valuable input for our continuous materiality analysis and reporting.

STAKEHOLDER TRENDS IN 2021

The interest in plastics and plastic packaging particularly from media and society remains high. In fact, the importance of plastic packaging recycling is increasing in all our markets as a solution to plastic littering. As a result of the pandemic, the importance of packaging and food safety has increased and several retailers report that consumers increasingly choose packaged food instead of unpackaged.

Ecolan closely follows the increasing regulations in several markets regarding circular economy, single use products, recycling rates, recyclability and recycled content.

The increased attention on plastic packaging, littering and recycling were identified in our materiality assessment and sustainability objectives are in place to focus on these topics. All our offices continue to report on the recyclability of packaging as the most material sustainability issue in our markets.

MATERIALITY

A full materiality assessment was performed in 2017 to define our sustainability objectives and is reviewed on an annual basis by the Ecolan Group Management Team.

In recent years, we have seen increasing evidence of climate change and that we all need to work together to build a low-carbon society. An initial scoping of opportunities to reduce our emissions has been done and Ecolan committed to the Science Based Targets initiative at the end of 2020.

We have incorporated the key topics and concerns raised by our stakeholders in the analysis. The material topics and concerns raised have been adopted into our approach and constitute the foundation for our sustainability objectives and how we work. The materiality matrix is approved by the Ecolan Group Management Team.

Our Sustainability programme consist of a set of focus areas and defined targets to address our material social and economic risks and opportunities. Our programme helps us guide our organisation and was in 2021 further reinforced with a set of Sustainability Roadmap 2030 targets.

Our objectives are arranged in two focus areas: **People**; includes our objectives related to social topics, and **Planet** (previously called Packaging Solutions); relates to environmental topics.

The responsibility to achieve the objectives follows our organisational structure where each function has identified relevant actions to address their impact. Most objectives related to Planet are primarily managed by the directors for material production and filling lines. The objectives related to People have a wider responsibility and are managed by all relevant positions within the organisation. The organisation uses the necessary resources to run projects and implement activities.

ECOLEAN SUSTAINABILITY

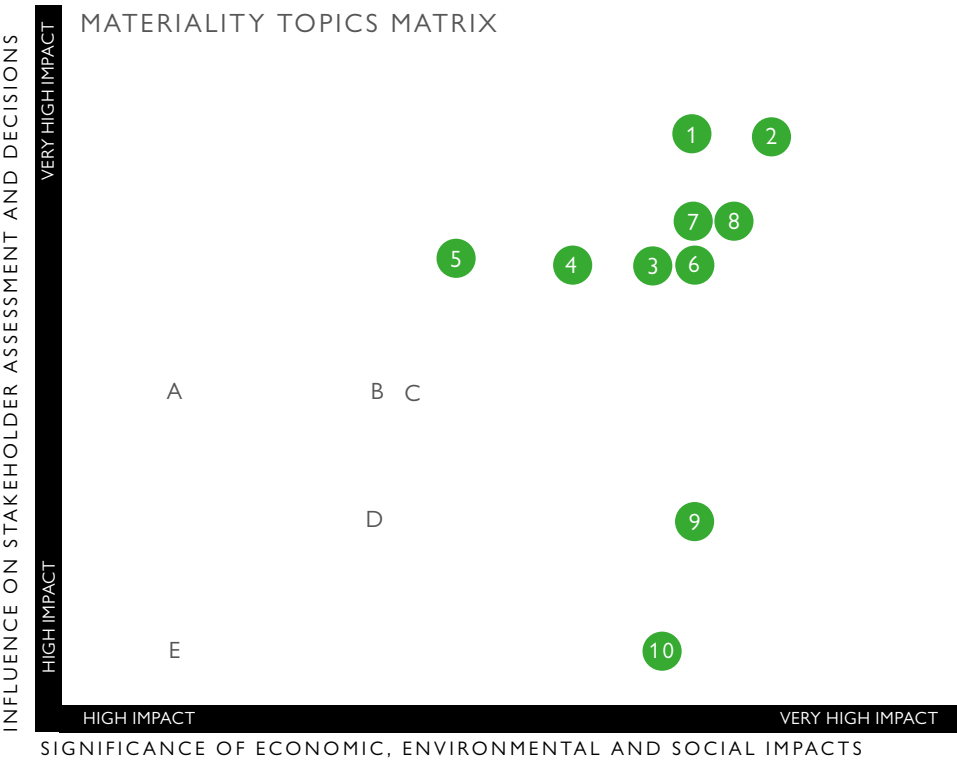
Ecolan has 12 defined sustainability objectives covering the material topics identified by the materiality assessment. Not all our objectives have clearly defined targets due to inadequate baselines when they were first defined in 2017. During 2021, we defined our long-term targets and related projects in the Ecolan Sustainability Roadmap 2030, which uses the data from our previous Sustainability Reports as baselines. The roadmap has been defined by the Ecolan Group Management Team and additional working groups and decided upon by the Ecolan Board. The roadmap further strengthens our comprehensive Sustainability Programme and covers all our material topics. The effectiveness of our sustainability management is annually reviewed by the Ecolan Group Management Team. Any compliance deviations related to laws and legal obligations are communicated to the Ecolan Group Management Team and reported in our annual Sustainability Report. The outcomes from our sustainability work are also presented twice a year at Board meetings.

Our sustainability objectives have been linked to appropriate GRI Standard topics and disclosures have been chosen to ensure completeness of the report.

GOVERNANCE STRUCTURE

Ecolan is a privately-owned company, founded in 1996 in Helsingborg, Sweden.

The Ecolan AB Board of Directors is responsible for the governance of the overall Ecolan Group. There are four sub committees to the Board of Directors – the Audit Committee, the Remuneration Committee, the Sales and Marketing Committee and the Technology and Innovation Committee. The Board of Directors has the ultimate authority in strategic decision making within the Ecolan Group and is also responsible for the Sustainability Report. The Ecolan Group Management Team, including the CEO and the functional directors, is responsible for the operational governance of the company, including decision making on economic, environmental and social topics.



IDENTIFIED MATERIAL TOPICS (PRIORITY)		OTHER IMPORTANT TOPICS (NOT PRIORITY)
1. Occupational Health and Safety	5. Training and Education	A. Operational water in filling machines
1. Customer Health and Safety	6. Effluents and Waste	B. Market presence
2. Anti-corruption	7. Promote recycling	C. Energy use in filling machines
3. Marketing and Labelling	8. Emissions	D. Human rights in supply chain
3. Diversity and Equal Opportunity	9. Materials	D. Environmental impact in supply chain
3. Non-discrimination	10. Energy	E. Employee turnover
4. Human Rights Assessment		

IMPACT ON UN SUSTAINABLE DEVELOPMENT GOALS

UN SDG	Relevance	Ecolean contribution and impact
	High	<ul style="list-style-type: none">+ Ecolean packages bring safe food products to people all over the world – regardless of local distribution channels and climatic conditions.+ Ecolean packages allow food products to be transported long distances, handle harsh environments and withstand long-term storage at ambient temperatures without access to refrigeration.
	Medium	<ul style="list-style-type: none">- Ecolean's operations involve health and safety risks.+ Through our work with health and safety, we work to minimise and manage risks and educate employees.+ Through our work with audits on customer sites, we promote health and safety, and the safe operation of filling machines.+ Through the design of our filling line equipment, we reduce exposure to chemicals and risks during the filling operation for customer personnel.
	Medium	<ul style="list-style-type: none">+ Ecolean promotes a diverse workforce and works towards a gender balance in our workforce.+ Through our Code of Conduct we promote an inclusive culture and tolerate no discrimination.
	Low	<ul style="list-style-type: none">+ Ecolean filling machines do not require water during filling, only during cleaning.
	High	<ul style="list-style-type: none">- The manufacturing of packaging material requires energy and Ecolean works to promote energy efficiency and the use of renewable energy in our most energy consuming processes.+ We work to increase the proportion of renewable energy at our production sites+ We work to reduce energy use, both at our production sites and in our filling line equipment.
	High	<ul style="list-style-type: none">+ Ecolean works to safeguard employee labour and human rights, both in our own operations and in our supply chain through the Ecolean Code of Conduct.+ We contribute to economic growth by paying taxes and fees in the countries in which we operate.
	Medium	<ul style="list-style-type: none">+ Ecolean works continuously to reduce the environmental impact of our system and adopts sustainable practices throughout the value chain.+ Ecolean provides jobs and helps build infrastructure in the countries in which we operate.+ Ecolean promotes product innovation.
	High	<ul style="list-style-type: none">- The use of packaging can create waste that needs to be addressed by proper waste management systems and recycling infrastructure.- Ecolean's production involves emissions to air. Emissions are regulated by environmental permits in the countries where we operate and we constantly work to reduce our emissions.+ Ecolean promotes recycling opportunities for flexible plastic packaging.

UN SDG	Relevance	Ecolean contribution and impact
	High	<ul style="list-style-type: none">- With the use of packages, waste is created. Proper waste management systems and the availability of recycling infrastructure is a prerequisite in all markets.- Ecolean's production today uses finite resources. We work to increase the use of renewable materials in our production.+ Ecolean's packaging solutions prevent food waste. Our packages are flexible and easy to empty.+ Ecolean packaging prevents food waste by prolonging the shelf life of the products inside.+ We work with sustainability as part of our business concept by promoting product innovation and driving a life-cycle perspective+ Ecolean is part of creating increased recycling opportunities for flexible plastic packaging.
	High	<ul style="list-style-type: none">- Any manufacturing process or produced products generate carbon emissions.+ Ecolean's lightweight approach and efficient production process results in packages with a low carbon footprint.+ Ecolean provides full environmental data for the entire packaging system, to help customers make fact-based decisions.+ Ecolean works to increase the use of renewable energy at our production sites.+ Ecolean works to reduce energy use, both at our production sites and when optimising our filling line equipment.
	Medium	<ul style="list-style-type: none">- With the use of packages, waste is created. Proper waste management systems and the availability of recycling infrastructure is a prerequisite in all markets.- The risk of plastic littering is high in some of the markets, where Ecolean operates.+ Ecolean takes action to increase recycling opportunities for flexible plastic packaging.
	Low	<ul style="list-style-type: none">- As the demand for renewable materials increases, the risk of these materials being produced in a non-sustainable way increases.+ As part of our sustainability work, we always evaluate new raw materials with a life-cycle perspective.
	Low	<ul style="list-style-type: none">+ Ecolean's Code of Conduct and supplier Code of Conduct set the rules regarding sustainability aspects such as corruption and human rights.
	Medium	<ul style="list-style-type: none">+ Ecolean works to increase the value of flexible packaging and promote a circular economy. By promoting recycling infrastructure, Ecolean helps to reduce littering and the mismanagement of plastic waste.+ Ecolean engages with relevant partners to address any challenges and collaborate with stakeholders to constantly improve performance.

Excluded SDGs, due to negligible impact: SDG 1 – No poverty, SDG 4 – Quality education, and SDG 10 – Reduced inequalities.



EXTERNAL INITIATIVES

Our approach to sustainability is described in our Code of Conduct, which refers to the United Nations Global Compact guidelines. Our filling line equipment production plant and packaging production plants are certified according to ISO 14001 and several standards relevant to products for liquid food packaging. These standards are described in the relevant sections of this report.



REPORTING DATA

102-7 SCALE OF THE ORGANISATION

TOTAL NUMBER OF EMPLOYEES						
Region	Gender	2017	2018	2019	2020	2021
Europe	Female	31	31	43	45	46
	Male	158	168	186	184	184
	Total	189	199	229	229	230
Americas	Female	0	0	1	1	0
	Male	4	1	4	3	3
	Total	4	1	5	4	3
Russia	Female	12	12	13	12	12
	Male	17	17	17	16	18
	Total	29	29	30	28	30
Asia and Oceania	Female	31	35	33	33	40
	Male	121	137	172	190	199
	Total	152	172	205	223	239

102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT, BY REGION						
Region	Employment contract	2017	2018	2019	2020	2021
Europe	Permanent	181	184	228	226	223
	Temporary	8	15	1	3	7
	Total	189	199	229	229	230
Americas	Permanent	4	1	5	4	3
	Temporary	0	0	0	0	0
	Total	4	1	5	4	3
Russia	Permanent	28	29	30	28	29
	Temporary	1	0	0	0	1
	Total	29	29	30	28	30
Asia & Oceania	Permanent	152	172	199	214	233
	Temporary	0	0	6	9	6
	Total	152	172	205	223	239

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT, BY GENDER						
Employment contract	Gender	2017	2018	2019	2020	2021
Permanent	Female	72	73	90	91	94
	Male	293	313	372	381	394
Temporary	Female	2	5	0	1	4
	Male	7	10	7	11	10

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE, BY GENDER						
Employment type	Gender	2017	2018	2019	2020	2021
Full time	Female	70	69	86	86	94
	Male	293	315	374	387	400
Part time	Female	4	9	4	6	4
	Male	7	8	5	5	4

301-1 MATERIALS USED BY WEIGHT OR VOLUME

In 2021, Ecolean used 25,727 tonnes of materials in total, mainly for the production and printing of packages, but also for filling machines and secondary packaging materials used to pack packages and filling line equipment when shipping to customers.

Raw materials are purchased from external suppliers and the procurement data is sourced from our Enterprise Resource Planning system (ERP).

USED RAW MATERIALS (TONNES)					
	2017	2018	2019	2020	2021
Packaging material production*	22,051	27,340	26,060	23,131	23,910
Secondary (transport) packaging	1,668	1,847	1,820	1,771	1,736
Filling machine production	119	139	100	142	81
*including inks from 2020					

TOTAL AMOUNT OF RAW MATERIALS (TONNES)					
	2017	2018	2019	2020	2021
Renewable	1,594	1,776	1,720	1,664	1,660
Non-renewable	22,244	27,550	26,260	23,381	24,067

302-1 ENERGY CONSUMPTION WITHIN THE ORGANISATION

Our reporting covers the energy use of our filling line equipment production in Helsingborg, Sweden and our three packaging production plants in Sweden, Pakistan (from 2019) and China. The energy consumption of previous years had a registration error for heating consumption that has now been adjusted.

All energy data is obtained from suppliers. The consumption of steam and cooling are excluded since they are not used or bought from suppliers. Ecolean does not produce or sell energy.

ENERGY CONSUMPTION (GJ)					
	2017	2018	2019	2020	2021
Electricity	98,335	108,965	103,854	105,566	101,085
Natural gas	1,556	1,105	0	0	0
District heating	2,139	1,858	2,721	3,067	4,102
Biogas		473	1,525	1,109	1,172
Diesel for electricity generation			1,645	141	163
Total	102,029	112,401	109,745	109,883	106,522

RENEWABLE ENERGY (GJ)					
	2017	2018	2019	2020	2021
Renewable energy	86,013	91,681	86,968	106,675	102,257
Non-renewable energy	16,016	20,720	22,777	3,209	4,265

305-1 DIRECT (SCOPE 1) GHG EMISSIONS,
305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS,
305-3 OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

Scope 1: Emissions from sources that are owned or controlled by the organisation.

Scope 2: Emissions from the consumption of purchased electricity, steam, or other sources of energy generated upstream from the organisation.

Scope 3: Emissions that are a consequence of the operations of Ecolean but are not directly owned or controlled by the organisation.

Biogenic carbon dioxide emissions are defined as emissions from a stationary source directly resulting from the combustion or decomposition of biologically based materials other than fossil fuels.

EMISSIONS (TONNE CO2-EQ/ GHG SCOPE AND YEAR)					
	2017	2018	2019	2020	2021
Scope 1	145	122	165	63	74
Scope 2	2,366	3,343	3,448	169	226
Scope 3	60,542	63,745	66,062	48,851	54,711
Total	63,053	67,210	69,675	49,083	55,011

Updated numbers due to review of GHG calculation model.
In 2021, we have included emissions from printing inks and secondary packaging materials. This was reported from 2020 but was not included in 2017–2019 as the data was not previously collected. More information can be found in the appendix.

BIOGENIC CARBON (TONNE CO2-EQ)					
	2017	2018	2019	2020	2021
Biogenic carbon	7	53	148	111	118

305-4 GHG EMISSIONS INTENSITY

Due to the review of our calculation method, a new method of reporting GHG intensity was defined in 2020. To be able to monitor our progress in reducing our climate impact, we monitor GHG intensity, which is the total GHG emissions from scope 1, 2 and 3 divided by the total weight of sold packages during the year. The GHG intensity comparison for 2021 shows a 90 percent decrease for scope 1 and 2 compared with the base year due to the use of 100 percent renewable electricity in all our production sites during the year. Scope 1–3 indicates an 9 percent reduction compared to the base year.

GHG INTENSITY (KG CO2-EQ/KG SOLD PACKAGES)				
	2018	2019	2020	2021
Scope 1–2	0.17	0.18	0.01	0.02
Scope 3	3.16	3.33	2.68	3.02
Scope 1–3	3.33	3.51	2.69	3.04

306-2 WASTE BY TYPE AND DISPOSAL METHOD

Our reporting covers the waste generated in our filling line equipment production in Helsingborg, Sweden and our three packaging production plants in Sweden, Pakistan (from 2019) and China.

WASTE (TONNES)					
	2017	2018	2019	2020	2021
Hazardous waste	64	88	81	125	171
Energy recovery	241	67	68	67	122
Landfill	7	0	0	0	0
Organic treatment	23	5	1	6	2
Recycling	3,555	5,187	6,172	5,751	4,832
Total	3,890	5,347	6,322	5,949	5,127

403-9 WORK-RELATED INJURIES

A new reporting system and monitoring of work-related injuries was implemented during 2020, hence the absence of data for previous years. Number of days lost due to LTI for 2020 has been adjusted. No fatalities or high-consequence work related injuries in 2021.

WORK-RELATED INJURIES		
	2020	2021
Number of Recordable injuries	11	5
Number of Lost Time Injuries (LTI)	7	1
Number of days lost due to LTI	101	1
Number of hours worked	800,800	853,520


CALCULATED FREQUENCIES		
	2020	2021
Total Recordable Injury Frequency (TRIF) per million work hours	13.7	5.7
Lost Time Injury Frequency (LTIF) per million work hours	8.7	1.1
Lost Time Injury Severity Rate (LTISR)	0.12610	0.00113
The above numbers include all employee and contractor injuries, but only employee working hours.		
Rates have been calculated per million hours worked		

405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

GENDER DIVERSITY BY EMPLOYMENT CATEGORY						
Employment category	Gender	2017	2018	2019	2020	2021
Production	Female	6%	7%	6%	6%	10%
	Male	94%	93%	94%	94%	90%
Commercial/ Technical/ General	Female	30%	27%	25%	25%	25%
	Male	70%	73%	75%	75%	75%
Management	Female	19%	26%	25%	27%	25%
	Male	81%	74%	75%	73%	75%
Total	Female	20%	19%	19%	19%	20%
	Male	80%	81%	81%	81%	80%

AGE DIVERSITY BY EMPLOYMENT CATEGORY						
Employment category	Age	2017	2018	2019	2020	2021
Production	<30	34%	37%	38%	35%	31%
	30–50	60%	54%	53%	54%	55%
	>50	6%	9%	9%	11%	14%
Commercial/ Technical/ General	<30	19%	20%	14%	11%	9%
	30–50	61%	58%	65%	64%	65%
	>50	20%	22%	21%	25%	26%
Management	<30	3%	0%	2%	0%	0%
	30–50	72%	76%	73%	66%	63%
	>50	25%	24%	25%	34%	37%
Total	<30	22%	22%	20%	17%	16%
	30–50	62%	60%	62%	61%	61%
	>50	16%	18%	18%	22%	23%

EXTERNAL ASSURANCE




Assurance statement

Ecolean AB requested AFRY to conduct an independent third-party assessment to verify the Ecolean 2021 sustainability report. This to assure fulfilment of the GRI Sustainability Reporting Standards (2016) requirements at the Core reporting level. The assessment process has involved desktop assessment of the written report in its final version.


The audit has been conducted and quality assured by AFRY. The assessment does not include verification of the contents of the report.

We hereby confirm that Ecolean's 2021 sustainability report fulfil the GRI Sustainability Reporting Standards (2016) requirements at the Core level. Omissions were made with valid reasons which are described throughout the report and in the GRI Index.

Uppsala 2022-03-04
ÅF Infrastructure AB (AFRY)



Julia Westman
Sustainability consultant



Johan Fridh
Senior advisor, Sustainability



Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Ecolean AB, corporate identity number 556361-0212

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2021 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Malmö, 25 March 2022
Öhrlings PricewaterhouseCoopers AB



Sofia Götmar Blomstedt
Authorised Public Accountant



My Lidén
Authorised Public Accountant

INDEX

United Nations Global Compact Index

United Nations Global Compact index	Page
<i>PRINCIPLE 1:</i> Businesses should support and respect the protection of internationally proclaimed human rights; and	16-17, 42-45, 54-55
<i>PRINCIPLE 2:</i> make sure that they are not complicit in human rights abuses.	54-55
<i>PRINCIPLE 3:</i> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	45, 58-59
<i>PRINCIPLE 4:</i> the elimination of all forms of forced and compulsory labour;	42-45, 54-55, 58-59
<i>PRINCIPLE 5:</i> the effective abolition of child labour; and	42-45, 54-55, 58-59
<i>PRINCIPLE 6:</i> the elimination of discrimination in respect of employment and occupation.	42-45, 46-47, 58-59
<i>PRINCIPLE 7:</i> Businesses should support a precautionary approach to environmental challenges;	20
<i>PRINCIPLE 8:</i> undertake initiatives to promote greater environmental responsibility; and	16-17, 28-39, 56-57
<i>PRINCIPLE 9:</i> encourage the development and diffusion of environmentally friendly technologies.	28-39, 56-57
<i>PRINCIPLE 10:</i> Businesses should work against corruption in all its forms, including extortion and bribery.	16-17, 42-45, 54-55, 58-59

GRI Content Index

GRI Standard Title	Dis-closure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	Page	Omis-sions	Explanation / Information
GRI 102: General Disclosures 2016	102-1	Name of the organisation	3		
	102-2	Activities, brands, products, and services	20-23		
	102-3	Location of headquarters	20, 81		Helsingborg, Sweden
	102-4	Location of operations	20-21		
	102-5	Ownership and legal form	3, 65		
	102-6	Markets served	20-23		
	102-7	Scale of the organisation	20-23, 45, 72		In 2021, Ecolan had net sales of SEK 975.3 (1,043.4) million and total capitalisation of SEK 2,155.8 (1,655.1) million (equity SEK 1,658.5 (1,282.9) million and debt SEK 497.3 (372.1) million). No changes of the share capital structure has occurred during the year.
	102-8	Information on employees and other workers	45, 72		Data compiled and reported by all offices, by the end of the year, 2021-12-31. The data corresponds to head count data in human resource management systems.
	102-9	Supply chain	58-59		
	102-10	Significant changes to the organisation and its supply chain	58-59, 81		No significant changes to the organisation and our supply chain has occurred during the year.
	102-11	Precautionary Principle or approach	21		
	102-12	External initiatives	3, 10-11, 28-29, 42-43, 66-67, 68-69		
	102-13	Membership of associations	3, 10-11, 28-29, 42-43, 66-67, 68-69		
	102-14	Statement from senior decision-maker	10–11		
	102-16	Values, principles, standards, and norms of behavior	14–15, 21, 58-59		
	102-18	Governance structure	65		
	102-40	List of stakeholder groups	62-63		
	102-41	Collective bargaining agreements	45		
	102-42	Identifying and selecting stakeholders	62-63		
	102-43	Approach to stakeholder engagement	62-63		
	102-44	Key topics and concerns raised	62-65		
	102-45	Entities included in the consolidated financial statements	3		
	102-46	Defining report content and topic Boundaries	16-17, 64-65		
	102-47	List of material topics	64		
	102-48	Restatements of information	33, 74-75		
	102-49	Changes in reporting	81		No significant changes have occurred from our last Sustainability report 2020.
	102-50	Reporting period	3		
	102-51	Date of most recent report	81		Published 2021-06-30
	102-52	Reporting cycle	3		
	102-53	Contact point for questions regarding the report	3		
	102-54	Claims of reporting in accordance with the GRI Standards	3		
	102-55	GRI content index	81-83		
	102-56	External assurance	78-79		

GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	Page Number	Omissions	Explanation / Information
GRI 205: Anti-corruption 2016	GRI 103: Management approach 2016		16-17, 44-45, 54-55, 58-59,		
	205-3	Confirmed incidents of corruption and actions taken	54		
GRI 301: Materials 2016	GRI 103: Management approach 2016		16-17, 28-29, 32-33	No data available for associated process materials. Only raw materials, inks and transport packaging materials are reported.	
	301-1	Materials used by weight or volume	73		
GRI 302: Energy 2016	GRI 103: Management approach 2016		16-17, 28-29, 30-31	Energy consumption covers production sites and offices located within the sites. Steam and cooling consumption are omitted.	Ecolean does not produce or sell energy.
	302-1	Energy consumption within the organisation	30-31, 74		
GRI 305: Emissions 2016	GRI 103: Management approach 2016		16-17, 28-29, 30-31		Emissions are consolidated from entities over which Ecolean has operational control.
	305-1	Direct (Scope 1) GHG emissions	30-31, 75, 85		Emissions are consolidated from entities over which Ecolean has operational control.
	305-2	Energy indirect (Scope 2) GHG emissions	30-31, 75, 85		
	305-3	Other indirect (Scope 3) GHG emissions	30-31, 75, 85	Energy from renewable sources can be used in Scope 3 but the data is not provided from suppliers.	
	305-4	GHG emissions intensity	75		
GRI 306: Waste 2020	GRI 103: Management approach 2020		16-17, 28-29, 33-39		
	306-1	Waste generation and significant waste-related impacts	33-39		
	306-2	Management of significant waste-related impacts	33-39		
	306-3	Waste generated	76		

GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	Page Number	Omissions	Explanation / Information
GRI 403: Occupational Health and Safety 2018	GRI 103: Management approach 2018		16-17, 42-45, 50-53		
	403-1	Occupational health and safety management system	50-53		
	403-2	Hazard identification, risk assessment, and incident investigation	50-53		
	403-3	Occupational health services	50-53		
	403-4	Worker participation, consultation, and communication on occupational health and safety	50-53		
	403-5	Worker training on occupational health and safety	50-53		
	403-6	Promotion of worker health	50-53		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	50-53		
	403-9	Work-related injuries	50-53, 76		Lost days refers to scheduled working days and counts actual days when the employees is unable to work. No fatalities as a result of work-related injury.
GRI 404: Training and Education 2016	GRI 103: Management approach 2016		16-17, 42-45, 48-49		
	404-2	Programs for upgrading employee skills and transition assistance programs	48-49		
GRI 405: Diversity and Equal Opportunity 2016	GRI 103: Management approach 2016		16-17, 42-45, 46-47		
	405-1	Diversity of governance bodies and employees	77		
GRI 406: Non-discrimination 2016	GRI 103: Management approach 2016		16-17, 42-45, 46-47		
	406-1	Incidents of discrimination and corrective actions taken	46-47		
GRI 412: Human Rights Assessment 2016	GRI 103: Management approach 2016		16-17, 42-45, 54-55		
	412-2	Employee training on human rights policies or procedures	54-55	412-2a, b: No data available on total hours devoted to training on human rights or percentage of employees trained during 2021.	
GRI 416: Customer Health and Safety 2016	GRI 103: Management approach 2016		16-17, 24-25		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	24-25		
GRI 417: Marketing and Labeling 2016	GRI 103: Management approach 2016		16-17, 56-57		
	417-3	Incidents of non-compliance concerning marketing communications	56-57		



APPENDIX – GHG EMISSIONS

ECOLEAN EMISSIONS REPORTING

In 2020, we conducted a review of our previous GHG calculations and updated our calculation tool, which is based on the GHG protocol and verified by a third party. Comparing data from different years is difficult as we have continued to broaden the scope of our data. In 2021, we have included emissions from printing inks and secondary packaging materials. This was reported from 2020 but was not included in 2017-2019 as the data was not previously collected. These changes in boundaries reduce the comparability of historical data.

GHG EMISSIONS – SCOPE 1, 2 AND 3

We use 2018 as base year, as it was pre-set when applying for The Science Based Initiative. We report on the emissions from our production plants by using common boundaries for GHG calculations related to energy and waste. In 2019, we broadened the scope for the reporting and the new packaging material production plant in Pakistan was added to our emissions data. This impacted our scope 1 emissions due to the need to generate some electricity on site with a diesel generator and it adds electricity and waste from the new production plant. For business travel, we include data from all Ecolean subsidiaries, including data from our smaller market offices from 2019.

Data from business travel by car, train and air is used when available. The proportion of renewable fuels in petrol and diesel are unknown in many markets. Spare part transportation is included in the scope from 2019.

In 2020, a review of our previous GHG calculations was made and we updated our calculation tool, which was verified by an external partner and based on the GHG protocol. Data from recent years has been recalculated in the new and improved calculation tool. This means that previous GHG emission data has been updated and previous reported emissions are no longer valid. We use both generic and company specific emission factors.

SCOPE 1 AND 2

The Greenhouse Gas Protocol has been used to calculate emissions. The emissions of greenhouse gases are limited to carbon dioxide, nitrous oxide and methane. The calculation model has been conducted and reviewed by an independent consultancy. For scope 1 and 2 emissions, we use operational control as a

consolidation approach. For scope 2, we report according to the market-based method. The market-based method calculates 226 tonnes of GHG emissions from our electricity use compared with 5,704 tonnes GHG emissions using location-based method. The emission factors from EPDs from Vattenfall for hydro and wind power are used for all three markets due to limited information from Chinese and Pakistani suppliers.

Scope 1 emission factors for natural gas are based on values from Swedenergy and emission factors from fuel for company-owned cars are based on data from the Swedish Transport Agency. In Sweden, vehicle fuels contain a proportion of renewable content, but it is unknown if this is the case in our other markets. The proportion of biogenic carbon dioxide emissions is therefore unknown. Emission factors for scope 2 are based on data for electricity and district heating in China and Pakistan from a Werner, International review of district heating and cooling, Scope 3: Swedenergy (2017), IVL (2017). Emission data for Swedish electricity is based on data from EPDs from Vattenfall. The Swedish Environmental Protection Agency Emission data has been used to calculate biogenic carbon dioxide emissions from biogas and for the calculation of emissions from the combustion of diesel for electricity in scope 1: Greenhouse Gas Protocol Emission factors from cross sectors tool.

SCOPE 3

Scope 3 emissions cover all other indirect emissions in a company's value chain. In scope 3, Ecolean reports according to the GHG Protocol Corporate Value Chain Standard using the following categories: 1) Purchased goods and services, 3) Fuel and energy use, 5) Waste generated in operations, 6) Business travel and 9) Downstream transportation and distribution.

Emission factors for business trips by air are derived from a model by NTM and 2050. Business trip factors by train and car were obtained from NTM, DEFRA, WRI and IPCC.

Impacts from raw materials are based on background data from life-cycle assessments performed during 2020, to be published in the four Ecolean Environmental Product Declarations. Energy from renewable sources can be used in scope 3 but the data is not provided from suppliers, which means there is no specific reporting of biogenic carbon emissions.



Ecolean AB, Box 812, 251 08 Helsingborg, Sweden, Visiting Address: Landskronavägen 23
Phone: +46(0)10 459 40 00, info@ecolean.se, ecolean.com



Nordic Swan Eco-Label Print