



WELCOME TO THE ECOLEAN SUSTAINABILITY REPORT 2022

2022 was a year when climate change was in the headlines – with multiple records for extreme weather events broken. In one of our markets, Pakistan, a third of the country was submerged following heavy monsoon rainfall, which destroyed the homes of 1.7 million people and claimed the lives of over 1,700 people. Ecolean has set science-based targets and has begun initiatives to reduce our carbon emissions.

Circularity is another important area for the packaging industry. With a growing population and increased urbanization, the amount of waste we generate is expected to double by 2050. Coming legislation and brand-owner initiatives are focusing on packaging recyclability. The most important objective for our company is to design packaging that contributes to circular resource use.

This report describes our approach to sustainability and the progress we made during the year. It 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.

During the year, we started to implement and follow up on our Sustainability Roadmap 2030 targets. Our Sustainability roadmap confirms that all topics in our current Sustainability program continue to be material for the company. The targets are clustered into three areas – ‘Taking climate action’, ‘Towards a circular business’, and ‘Fair, equal and inclusive’ – and are all equally material to Ecolean. Our working groups are putting projects and initiatives in place to support the targets. We already report on some of our targets in this Sustainability Report, while we have just started to monitor the results for others. This report follows our progress based on our Sustainability Roadmap 2030 targets.

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

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

Anna Palminger,
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A LIGHTER FUTURE

We operate in a world where climate change, biodiversity loss and pollution thresholds are breached every day. The world is out of balance and we acknowledge that we are part of the problem. But we also recognise Ecolean as being part of the solution.

As a packaging system manufacturer, we are small, yet effective in our endeavours. We help brand owners within liquid food to reduce their environmental impact every day, package by package.

Ecolean also commits to adjust the way we operate and how we produce our packaging solutions, to meet future demands.

The next step is to continue our journey set out towards our 2030 targets to ensure a future, where we can balance people and planet. This will be a future where packages are recycled, where every gram of CO₂ is accounted for and reduced to an absolute minimal. It will also be where we develop and use the most sustainable raw materials and sources of energy, and where we make fact-based decisions – all while continuing to provide consumers with safe food.



FOOD IS THE REASON

We are here to keep food safe. This is the reason food packages were developed in the first place – and is what our packages do well.

The fact that roughly a third of all the food produced globally is lost or wasted¹ highlights the importance of good packaging. Ecolean packages not only help reduce food waste by prolonging shelf life – they allow food products to be transported over large distances and withstand harsh environments. Food packaging also protects consumers from becoming ill.

Ecolean is committed to protecting food, while also reducing environmental impact compared with other types of packages. Did you know that our packages weigh half as much as a conventional food package?

In terms of total global emissions, the footprint of food production far exceeds that of packaging. Food production accounts for 26 percent² of the planet's total emissions – of which, food packaging only accounts for 5 percent of the emissions derived from food production.

We are proud to report another year with zero liability claims in 2022. This means that our products have the highest possible food safety rating. Our high standards of quality and reliability are appreciated by our customers and consumers around the world.

1) UNEP Global Waste Management Outlook.

2) Food production is responsible for one-quarter of the world's greenhouse gas emissions - Our World in Data



SDG 2 – ZERO HUNGER

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

TAKING CLIMATE ACTION

Climate change is happening all around us. In 2022, we witnessed greater impacts in the markets where we operate – from long periods of drought in China and immense floodings in Pakistan to extreme heat in many parts of the world. The devastating effects on people’s lives and living conditions, emphasise just how important it is to reduce emissions however we can.

At Ecolean, we’re committed to halving our Scope 1 and 2 emissions by 2030 in alignment with science-based targets and the most ambitious aim of the Paris Agreement. Since our base year of 2018, we have reduced our scope 1 and 2 emissions by 92 percent.

We already produce our packaging solutions with as little raw materials and energy as possible, and source 100 percent renewable electricity in all our production sites globally.

Raw materials are still our largest source of emissions, accounting for 85 percent of our total carbon

footprint. This is the reason why we aim to shift to 100 percent renewable or recycled polymers by 2030. Transport is our second-largest source that accounts for 11 percent of our total emissions, and in this area we are making great progress. We have a target for all our goods to be transported by sea or on land by 2030, completely phasing out air freight. During 2022, we came closer to that target as only 0.44 percent of our goods (by weight) were transported by air. This is a 78 percent reduction in air freight compared with the previous year and a 56 percent reduction of our transport-related carbon emissions.



SDG 13 – CLIMATE ACTION
Take urgent action to combat climate change and its impacts



SDG 7 – AFFORDABLE AND CLEAN ENERGY
Ensure access to affordable, reliable, sustainable and modern energy for all

As 85 percent of our total carbon footprint comes from raw materials, we aim to use 100 percent renewable or recycled polymers by 2030. By then, all our storage tanks like these ones in our plant in Sweden will be filled with 100 percent renewable materials.



THE RACE TOWARDS CIRCULARITY

Most food packages today follow a take-make-waste material flow and landfills around the world are inevitably growing. Customer demands, consumer preferences, coming legislation as well as our own sustainability ambitions call for more sustainable packaging solutions based on circularity and recycling.

At Ecolean, we have a considerable task before us, to adapt our packages to the proposed EU Packaging and Packaging Waste Regulation requirements on recyclable packaging from 2030. The proposal establishes that all packaging need to comply with design for recycling criteria by 2030 and be recycled at scale from 2035. We are following the developments closely and predict similar legislation to spread around the world once it comes into effect.

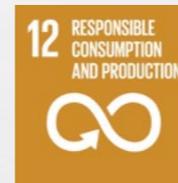
We welcome this clarified approach, driving the entire packaging industry towards circularity in a common direction. This will ultimately make it a lot easier for consumers to choose packaging based on its actual sustainability credentials – rather than creative marketing and greenwashing. We believe that consumers should be able to easily compare packages based on both their environmental impact and recyclability, and we work to help our customers to be clear and accurate in their communication.

Ecolean has already committed to design all its packages for recycling, manufacture them with 100 percent recycled and/or renewable polymers by 2030, and to support the establishment of recycling systems on the markets in which we operate.

During the year, our Chinese market team has joined three different circular economy associations to engage in and support the recycling of plastics, develop recycling infrastructure and the circular economy in the market.

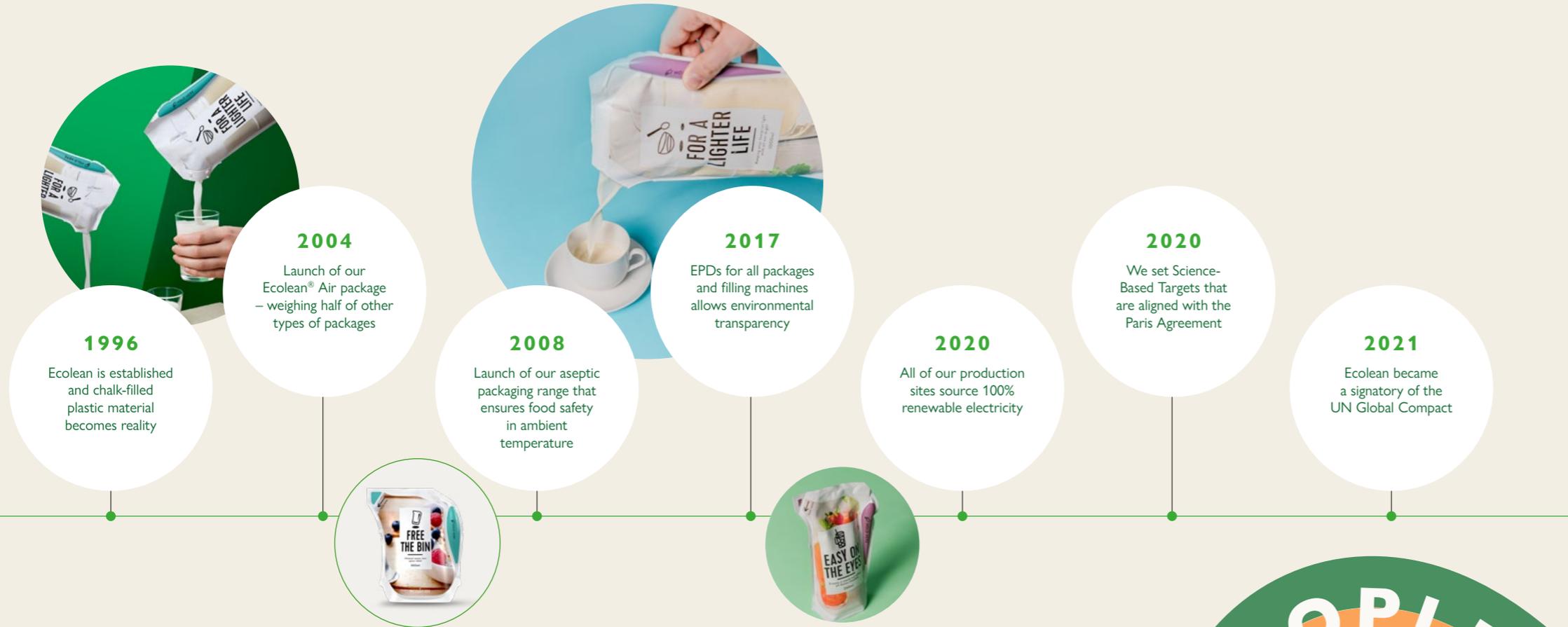
We attend forums organised by these associations and are promoting our sustainability credentials such as being lightweight, reducing plastic usage, and using life-cycle assessments and Environmental Product Declarations.

Ecolean participates in the development of guidelines and standardisation in our core markets to always stay ahead of the latest developments, which in turn ensures that our innovation projects match future demands.



SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

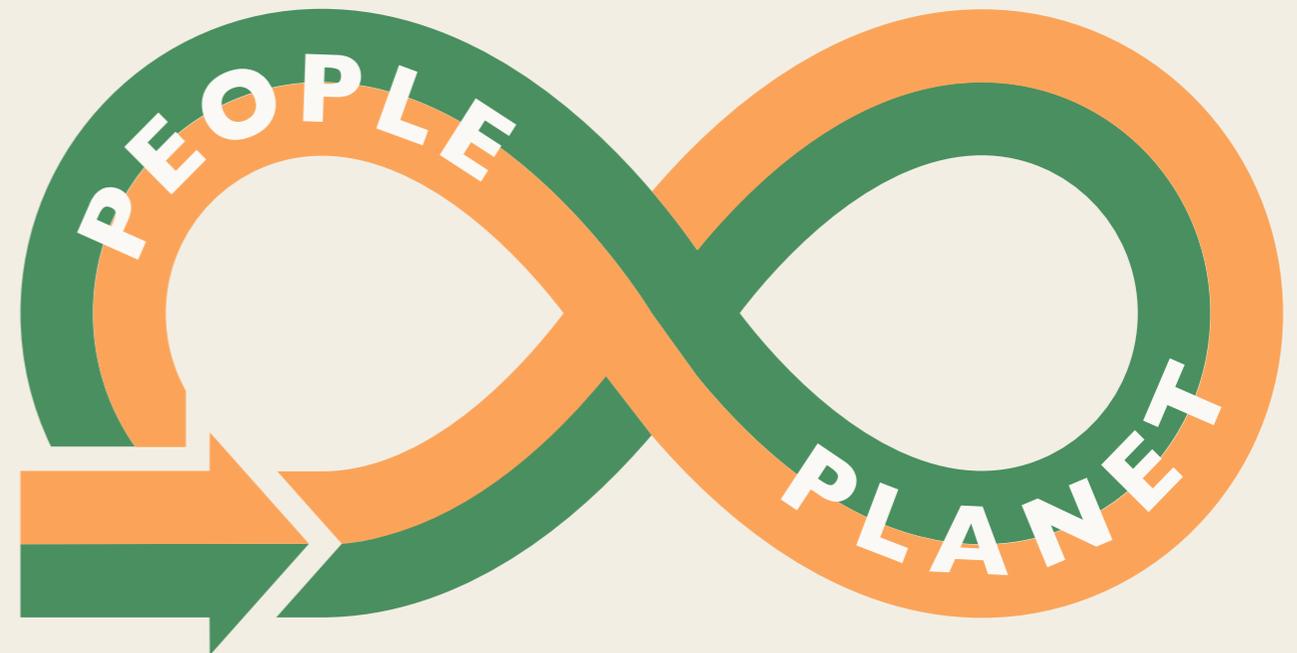


SUSTAINABILITY ROADMAP 2030

Our Sustainability Roadmap 2030 serves 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).

OUR PROACTIVE APPROACH

We proactively work to reduce our environmental impact. For example, we continually increase energy efficiency, use 100 percent renewable electricity in our production, apply life-cycle analyses to promote more sustainable raw material choices, 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, and have a zero-tolerance policy on corruption. However, our sustainability journey continues and we know that we need to go further to meet today's sustainability challenges.





2030 TARGETS

TAKING CLIMATE ACTION

We have set science-based targets that are aligned with the Paris Agreement. By 2030, we aim to:

- 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.
- Continue to source 100 percent renewable electricity for our production.
- Transport 100 percent of our products by sea or land.

TOWARDS A CIRCULAR BUSINESS

Becoming part of the circular economy is central to our transition. Our 2030 targets are to:

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

FAIR, EQUAL AND INCLUSIVE

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

- Achieve a 50/50 gender balance.
- Ensure 5 percent of our employees are part of work rotation programmes.
- Provide an average of one-week training per year for every employee.
- Achieve zero injuries and work-related illnesses.
- Zero corruption and zero breaches of human rights.

Our Sustainability Roadmap 2030 targets set high ambitions going forward. We also constantly work to improve the quality of our packaging solutions to maintain zero liability claims and provide transparent information. The implementation of the roadmap began in 2022 and the organisation is working with different activities and projects to support the targets.



"We have already committed to ensuring all our packages are designed for recycling as well as producing them using 100 percent renewable or recycled polymers by 2030."

MESSAGE FROM THE CEO

I joined Ecolean as CEO in June 2022. After following the company for many years, I have always been impressed by Ecolean's truly sustainable business idea and how it is incorporated into the very reason of existence. The company was founded in 1996 with the mission to challenge the world of food packaging and saving resources along the way. Through this ambition, Ecolean has been able to build a solid portfolio of unique packaging solutions and customer partnerships with some of the largest dairy companies in the world.

But there have also been challenges in the corporate world. In recent years, raw material prices have increased dramatically, global free trade has become more polarised, inflation is the new norm and the pandemic continues to impact our major markets. On top of this, several major climatic disasters devastated the living conditions of people in many of the markets in which we operate. All our main markets – including China, Vietnam, Pakistan and East Europe and Central Asia – were significantly impacted during 2022.

In the corporate world, there is a risk that sustainability and the necessary investments are overlooked in challenging times, as companies focus on their immediate survival. With our long-term and uncompromising approach to sustainability, we have continued our sustainability investments throughout 2022 and into 2023. I believe that sustainability not only enables us

to better adapt to the challenges we currently face – but also to ensure we meet the long-term expectations of our stakeholders, future legislation as well as ensuring our position as a long-term, stable and profitable company.

During 2022, we set out in a more focused direction that aims to emphasise and further develop the strengths in our offering and how sustainability differentiates our business. When reviewing our sustainability targets from the perspective of our core markets, we can see the importance of continuing to work towards circularity and taking climate action, as well as leading with the values of equality and inclusiveness.

Recyclability is a prerequisite for the sustainable use of packaging. Packaging producers like Ecolean have a considerable task ahead of us, to adapt our packages to new requirements proposed in the coming EU Packaging and Packaging Waste Regulation. As sustainability is at the core of our business, we have already committed to ensuring all our packages are designed for recycling as well as producing them using 100 percent renewable or recycled polymers by 2030.

Despite restrictions and lockdowns during the year, I nonetheless look back at 2022 as an eventful year. We defined a five-year plan and performed a reorganisation to clarify the core functions within our company – including sustainability.

The universal benefits of our life-cycle approach were showcased to the industry at the second Carbon Neutrality Conference, China Green Packaging Innovation Summit 2022 and the FoodTech exhibition in Vietnam. We will continue to support the UN Global Compact and hereby renew our ongoing commitment to the initiative and its principles.

I am proud of our sustainability work and what we have accomplished so far. But our sustainability journey continues as we now strive to further develop our lighter approach to packaging into a circular and innovative business, package by package.

It's also essential that we bring everyone along on our sustainability journey – from our colleagues and customers to our partners and other stakeholders. I am looking forward to continuing our journey together with you!

Marie Samuelsson
CEO, Ecolean Group



Our Sustainability Policy ensures that we have a holistic and effective approach to sustainability throughout our business.

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 in 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 climatic 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.

The Sustainability Policy covers our 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 our most material topics and by working to prevent and reduce our negative impacts.
- We reduce, monitor and follow up on our impact from greenhouse gases, energy, waste, raw materials and water use.

SOCIAL SUSTAINABILITY

- As a signatory of the United Nations (UN) Global Compact, we respect human rights as set out in the UN Guiding Principles on Business and Human Rights. We are committed to respect all internationally recognized human rights standards.
- We follow our Code of Conduct, which covers the areas of human rights, diversity, equality and non-discrimination.
- We support our employees and provide equal opportunities for career development.

- Ecolean has a zero injury and ill health 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 fulfils compliance obligations and relevant 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.

The Sustainability Policy is in accordance with Ecolean's Code of Conduct and is supported and complemented by our Whistleblowing Policy.

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

[Our vision, mission and core values](#)

[Safe and convenient packaging solutions for liquid food](#)

[Providing safe packaging solutions](#)



Ecolean develops and manufactures innovative packaging systems for the beverage, dairy and liquid food industry. Our modern lightweight packaging solutions and resource-efficient filling lines offer both customer and consumer convenience as well as environmental responsibility.

Ecolean is a privately-owned company with its headquarters in Sweden. Established in 1996, the company has commercial activities in over 30 countries, with China, Pakistan and Vietnam being its largest markets. During 2022, Ecolean had 15 sales offices distributed through Europe, Asia, the Americas and Oceania.

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 to sustainability.

Following several years of pandemic lockdowns on most markets, the world finally started to open up again in 2022. In the Chinese market, Ecolean was still impacted by lockdowns through most of the year. We have been able to maintain 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 Covid-19. Our employees in the Chinese market made great efforts to maintain operational uptime despite lockdowns in our regions.

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.

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 wasted¹. 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 line 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 2022, the Ecolean filling machines EL1+ and EL2+ for chilled distribution and EL3+, EL4+ and EL6 for ambient distribution were available. During the year, we sold five new filling machines to customers.

Ecolean packaging materials are produced in our production plant in Sweden and are formed into 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 2022, we sold 2.6 billion packages.



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.

PROVIDING SAFE PACKAGING SOLUTIONS

OPPORTUNITIES AND CHALLENGES

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.

Customer and consumer health and safety is Ecolean’s main priority. A potential product safety or integrity incident could have adverse consequences to consumer health and harm the company’s reputation and financial performance. To continuously work with quality and our management systems safeguards the integrity of our packaging system.

PROGRESS

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 2022, Ecolean performed 41 audits at customer sites focusing on personnel and food safety performance.

Producing and packaging liquid food products is complex, and our customers have the ultimate responsibility to ensure compliance with the 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 2022, no product liability claims or product recalls related to the Ecolean packaging system were reported by our customers.

HOW WE WORK

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.

Claims process

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 improvement throughout our business.



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/FSSC 22000, QS-Mark
Packaging forming production, Pakistan	ISO 9001, ISO 14001, ISO 45001, ISO/FSSC 22000, Halal

Customer training

The Ecolean technical service team provides external training for customers. During the year, several on-site trainings took place held by Ecolean trainers as well as technicians. These external trainings covered over 2,100 hours in total. 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 – from establishing guidelines and design processes to producing our filling line equipment.

POLICIES

Ecolean has several policies that are relevant for the production of safe packaging solutions, including the Ecolean Food Safety and Quality Policy. Our policies are linked to our various management systems.

Reducing environmental impact

Reducing greenhouse gas emissions

Reducing environmental impacts from raw materials and waste

Recyclability of packages



Our philosophy has always been to keep our packages lightweight – to use less raw materials and energy in production and transportation.

All production and products have consequences for the environment, and we always strive to minimise our direct impacts as much as possible. By working with a life-cycle approach for all our products, Ecolean contributes to resource efficiency and reduced environmental impact.

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 is further enhanced by a set of Sustainability Roadmap 2030 targets.

Ecolean is a signatory of 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.

ECOLEAN SUSTAINABILITY OBJECTIVES

PLANET	Key Performance Indicator	2022	2021	Progress
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.	Reduction of CO ₂ -eq (Scope 1 and 2) compared to 2018	-92%	-91%	ACHIEVED
	Reduction of CO ₂ -eq (Scope 3) compared to 2018	-26%	-14%	
100 percent of our products will be transported by sea or on land by 2030.	Share of transports by sea or on land (%)	99.56%	98%	IN PROGRESS
	Share of air transports (%)	0.44%	2%	
We continue to purchase 100 percent renewable electricity for our production sites.	Share of renewable electricity in production sites (%)	100%	100%	ACHIEVED
	Share of renewable energy in production sites (%)	96%	96%	
We will have 100 percent renewable or recycled polymers in our packages by 2030.	Share of renewable or recycled polymer in our raw material mix (%)	0%	New target	NOT ACHIEVED
We will continuously decrease the amount of generated waste from our packaging solutions.	Amount of generated waste within our production (tonne)	5,843 tonne	5,127 tonne	NOT ACHIEVED¹
	Share of waste sent to recycling	95%	94%	ACHIEVED
We will continue to send zero waste to landfill.	Amount of waste sent to landfill (tonne)	0 tonne	0 tonne	ACHIEVED
By 2030, all of our packages will comply with 'Designed for recycling guidelines'.	Number of packaging ranges assessed to relevant guideline	0	0	NOT ACHIEVED
We will work in partnerships to establish recycling infrastructure for our packaging solutions in all our markets by 2030.	Markets with infrastructure initiatives	2	2	IN PROGRESS

¹⁾ Increased the total amount of generated waste by 14 percent.

REDUCING GREENHOUSE GAS EMISSIONS

Our Sustainability Roadmap 2030 promotes the use of renewable sources of energy and raw materials. We are already purchasing 100 percent renewable electricity at all our production plants in Sweden, China and Pakistan.



OPPORTUNITIES AND CHALLENGES

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 to 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 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 low-carbon solutions in society.

During the year, our scope 3 emissions decreased compared to the previous year. This was mainly due to the decreased impact from the transport of our products to customers, with a reduction of the transport related emissions by 56 percent compared to 2021.

Of the year's total emissions, 85.5 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 Ecolean in Sweden to customers around the world was responsible for 11 percent of the total emissions. Our products are transported by sea, road and air.

Our remaining emissions are related to business travel (2 percent) and facilities and waste (1.5 percent). Our emissions from business travel reduced by 38 percent compared to the previous year due to travel restrictions related to the pandemic.

PROGRESS

Science-based targets

In 2022, our direct and indirect scope 1, 2 and 3 GHG emissions according to the GHG Protocol amounted to 47,430 tonnes CO₂-eq, which is a decrease of 29 percent compared with the base year (2018). We also reduced our scope 1 and 2 emissions by 92 percent compared to the base year.

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 114 tonnes CO₂-eq in 2022.

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

Renewable electricity

During 2022, we used a total of 109,948 gigajoules (GJ) of energy at our production plants, which is an increase of 3 percent compared with 2021. Electricity accounted for 95 percent of the total energy we used. In 2022, Ecolean purchased 100 percent renewable electricity for all its production sites, for the third year in a row. This reduced our scope 1 and scope 2 emissions by 92 percent compared to our base year of 2018. Globally, the proportion of total renewable energy used in our operations remained at 96 percent.

Emissions from downstream transport

In 2022, our logistics department focused on further reducing the amount of goods sent by air. We have a target for all our transport to be made by sea or on land. During the year, we came closer to that target, only 0.44 percent of our goods (by weight) were transported by air. This is a reduction of transporting goods by air by 78 percent compared with the previous year and a 56 percent reduction of our transport-related carbon emissions.

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HOW WE WORK

Science-based targets

As part of our work to tackle climate change, our climate targets have been approved by the Science Based Targets initiative (SBTi) since 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 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 Agreement – limiting global warming to well-below 2°C, above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

Renewable electricity

We have committed to using 100 percent renewable electricity for all our production plants, according to the RE100 definition. Since 2017, Ecolean 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 Renewable Energy Certificates (I-RECs) for our 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 from renewable sources 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 transport

As a provider of packaging solutions that are distributed in many markets, the transportation of materials and products is unavoidable. Our Sustainability Roadmap 2030 includes a specific target to avoid transport by air. But air freight can be unavoidable in certain circumstances. By planning production and lead times, the amount of goods transported by air can be minimised. We are cooperating with our transport suppliers to optimise transport and reduce air freight.

Ecolean's warehouse and logistics departments have implemented a new transport standard that optimises the number of packages when transported in shipping containers. The new standard led to avoiding the need to send over 100 containers during the year.

POLICIES

The Ecolean Sustainability Policy and the Sustainability Roadmap 2030 guide how we work with reducing our carbon emissions.

REDUCING ENVIRONMENTAL IMPACTS FROM RAW MATERIALS

OPPORTUNITIES AND CHALLENGES

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. The main challenge is that the supply of renewable plastics remains limited. 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.

PROGRESS

In 2022, Ecolean used 25,266 tonnes of materials in total, mainly for the production and printing of packages, but also for our filling machines, and secondary packaging materials used to pack packages and filling line equipment when shipping to customers. This is a decrease of two percent compared to the previous year, where materials for filling machines show the largest decrease. Raw materials are purchased from external suppliers and the procurement data is sourced from our Enterprise Resource Planning system (ERP).

During the year, 94 percent of the raw materials in our secondary packaging came from renewable sources. This recycled material equated to six percent of all the materials we used at Ecolean in 2022. We did not purchase any renewable or recycled polymers during the year.

We use water at all our offices and production plants. The 29,895 m³ of water used in 2022 was mainly for drinking, sanitary purpose and air conditioning. Our packaging film production recycles water to minimise water usage.

HOW WE WORK

Renewable and recycled polymers

The emerging opportunity to purchase renewable or chemically recycled plastics through the mass-balance principle creates new opportunities 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 but the progress is dependent on the availability of alternative polymers.

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.

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 involves refurbishing filling line equipment for use in new applications, which reduces the use of raw materials and creates greater resource efficiency. We are also investigating the possibilities to increase the proportion of recycled materials in our filling line equipment.

POLICIES

The Ecolean Sustainability Policy, the Sustainability Roadmap 2030 and the Ecolean Health and Safety Policy guide how we work with reducing the impact from raw materials and chemicals used for our products.

UPSTREAM IN VALUE CHAIN

OWN ACTIVITIES

DOWNSTREAM IN VALUE CHAIN

REDUCING THE IMPACT OF WASTE

OPPORTUNITIES AND CHALLENGES

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. All production waste means a waste of resources, energy and production time. By focusing on reducing waste during filling, we can further improve the performance of our filling lines.

PROGRESS

Our total amount of waste increased by 14 percent, compared to the previous year. The main reason for this was that we emptied old storage units, which involved sending materials for recycling. The amount of waste recycled increased by 15 percent during the year due to this.

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. We sent no waste to landfill in 2022.

All our manufacturing plants work intensively to reduce production waste through continuous improvements and standardisation work. For example, our Pakistan plant reduced the total amount of waste it generated by 20 percent during the year.

HOW WE WORK

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 have operational control of the waste generated within our own activities.

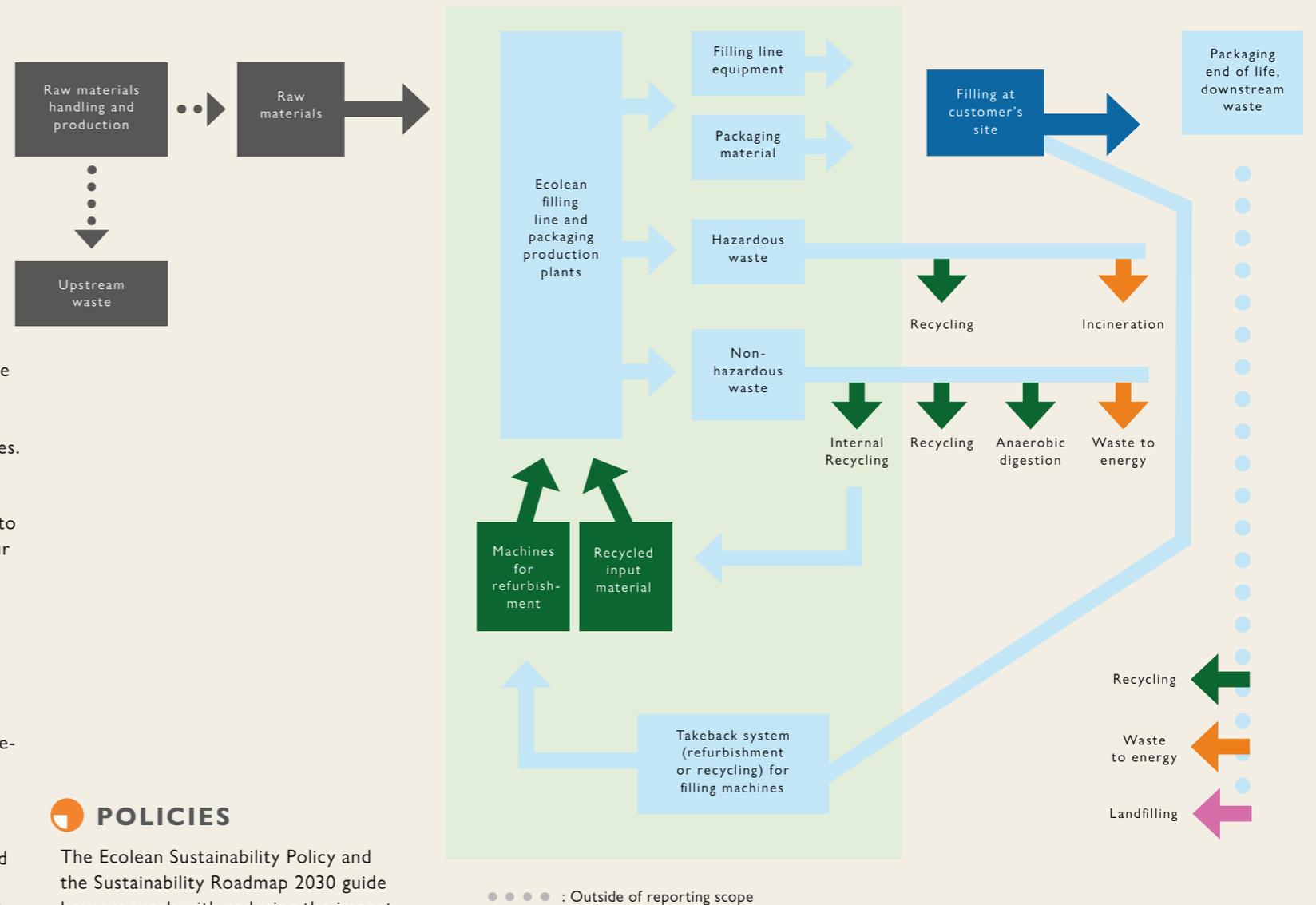
Waste generated in our production is processed by different waste contractors in each country according to local regulations. The waste contractors are part of our supplier self-assessment and audit process. Our waste standard defines what elements the waste contractors need to fulfil to be contracted.

Reduce production waste

Our packaging production plants have a great focus on reducing production waste through continuous improvements and standardisation work.

Internal recycling

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.



POLICIES

The Ecolean Sustainability Policy and the Sustainability Roadmap 2030 guide how we work with reducing the impact from waste generated within our operations.

THE RECYCLABILITY OF OUR PACKAGES

OPPORTUNITIES AND CHALLENGES

The main challenge is at the packaging end of life as waste will be generated when the consumer has emptied the package. 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 two billion people worldwide¹ 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 main reasons for Ecolean’s focus on greater package recyclability.

PROGRESS

Designing for recycling

By 2030, all our packages will comply with ‘Designed for recycling guidelines’. To be able to fulfil this target, we need to closely follow the development of design

guidelines and legislation in the markets in which we operate. Developing new materials is complex and it is important to ensure that the material works throughout the entire product process – from material production to filling machine. We continue to focus on material development to be able to fulfil our 2030 target.

Circular economy in the Chinese market

Plastic pollution is a growing concern in the Chinese market. Flexible packaging is one of the most common packaging formats in China, but the recycling rate remains very low. In its ‘14th Five-Year Plan’, the Chinese government highlights the importance of waste management and recycling infrastructure. Our Chinese market team has joined three different circular economy associations to engage in and support the reuse of plastics, recycling and the circular economy in the market.

We attend forums organised by the associations and are promoting our sustainability credentials such as being lightweight, reducing plastic usage, and using life-cycle assessments and Environmental Product Declarations.

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HOW WE WORK

Monitoring coming legislation

On 30 November 2022, the European Commission published the second part of its Circular Economy package, which included the introduction of its proposal for revision of the Packaging and Packaging Waste Directive (PPWD). It incorporates a proposed legal change that would turn the current Directive into a Regulation. As part of its sustainability requirements, the proposal establishes that all packaging on the European market shall be recyclable. This means that all packages would need to comply with design for recycling criteria from 1 January 2030, and be recycled at scale from 1 January 2035. The recyclability assessment would be done on the basis of Design for recycling criteria, which is to be set out by the Commission in secondary legislation. The proposal will now be processed by the European parliament together with the European Council. Ecolean will closely monitor the outcome of this process.

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 easier recycling by 2025 at the latest. By 2030, all our packages will comply with 'Designed for recycling guidelines'. 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.

Partnerships

CEFLEX

By engaging and sharing knowledge with the recycling industry and dedicated recycling projects, we enhance the opportunities to recycle our packaging solutions. 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. CEFLEX's 'Mission Circular' commits to the collection of all flexible packaging and over 80 percent of the recycled materials are channelled into valuable new markets and applications that substitute virgin materials. The project has the goal to establish collection, sorting and reprocessing infrastructure throughout Europe for flexible packaging by 2025.

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.

CORE PAKISTAN

Ecolean is a member of the recycling initiative Collect & Recycle (CoRe) in Pakistan, which aims to enable packaging recycling in this market.

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.

The system in Australia, REDcycle, was forced to stop all its recycling activities at the end of 2022. REDcycle's supply chain and connected collectors and recyclers was impacted by unforeseen challenges related to the pandemic, which forced REDcycle to temporarily store the plastic materials instead of processing the materials to granulates. REDcycle is currently working to find new ways and new contractors in order to restart their recycling activities. Ecolean has maintained its support so far to help REDcycle overcome these challenges.

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.



Ecolean has already committed to design all its packages for recycling, manufacture them with 100 percent recycled and/or renewable polymers by 2030, and to support the establishment of recycling systems on the markets where we are present.

During 2022, we engaged in recycling activities with our customers to create usable everyday items out of recycled Ecolean materials.

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 2022, 12 used machines were returned to Ecolean to be recycled or refurbished.

POLICIES

The Ecolean Sustainability Policy and the Sustainability Roadmap 2030 guide how we work with reducing the impact from waste at end of life.

Our social impact

Diverse workforce and
equal opportunities

Employee training
and education

Health and
safety

Ethical business

Accurate and transparent
information

Responsible
supply chain

Our social impact

Diverse workforce and equal opportunities

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Responsible supply chain

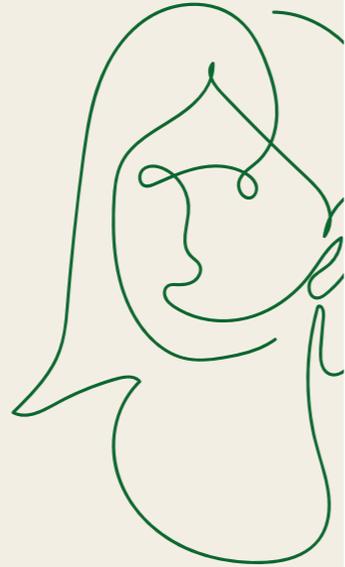
We have the ambition to be the best packaging company in the world in the eyes of all our stakeholders and we care about how we achieve this.

We respect human rights as defined by 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. Our Code of Conduct shall be applied throughout Ecolean to protect human rights, and promote fair employment conditions, safe working conditions, responsible environmental management and high ethical standards.

Our Sustainability Programme consists of a set of focus areas and defined targets to address our material social and economic risks and opportunities. The programme guides our organisation on what to focus on in our daily operations and in various situations. In cross-functional working groups in 2022, we detailed and further developed our ambitions in alignment with our Sustainability Roadmap 2030 targets. This work included developing the baseline and how progress will be maintained and documented, as well as the planning of specific actions.

Ecolean is a signatory 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.



ECOLEAN SUSTAINABILITY OBJECTIVES

PEOPLE	Key Performance Indicator	2022	2021	Progress
We have zero tolerance for corruption.	Number of reported cases	0	0	ACHIEVED
We have zero tolerance for breaches of human rights.	Number of reported cases	0	0	ACHIEVED
By 2030, we will have a 50/50 gender balance.	Gender balance (%)	Female: 21 % Male: 79%	Female: 20 % Male: 80%	IN PROGRESS
5 percent of our employees will be part of work rotation programmes by 2030.	Share of employees in rotation programmes (%)	Not monitored yet	Not monitored yet	
We have zero injuries and work-related illnesses by 2030.	Total Recordable Incident frequency (TRIF) <small>(Number of incidents among our own employees per one million hours worked)</small>	11.2	5.7	NOT ACHIEVED
	Number of reported Near miss /employee	1.01	0.81	ACHIEVED
By 2030, our employees will spend an average of one week annually on training.	Number of hours spent in training per employee	8 hours	8 hours	IN PROGRESS¹
We constantly improve the quality of our packaging solutions to maintain zero liability claims.	Number of liability claims	0	0	ACHIEVED²
We comply with relevant marketing regulations and good practice, by maintaining zero incidents of non-compliance.	Number of reported incidents of non-compliance	0	0	ACHIEVED
We drive sustainability throughout our supply chain.	Share of selected suppliers that signed Supplier Code of Conduct (%)	41%	47%	IN PROGRESS³

¹ The monitoring is under development, only training within Ecolean Academy is covered. A new function to make it possible to report local and/or external courses into the Ecolean Academy platform to be implemented Q1 2023.

² No liability claims or product recalls made by customers.

³ The SRM system has been implemented globally and more suppliers are now covered in the SRM system.

Our social impact

Diverse workforce and equal opportunities

Employee training and education

Health and safety

Ethical business

Accurate and transparent information

Responsible supply chain

DIVERSE WORKFORCE AND EQUAL OPPORTUNITIES

OPPORTUNITIES AND CHALLENGES

We are dependent on our ability to attract and retain key talent and competences to maintain Ecolean’s operating and financial performance in the long term. Our human resources team works together with our line management to identify the competences we need as well as to develop and retain our 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 for the better.

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

PROGRESS

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 2022, Ecolean had 507 employees, 21 percent were women within our organisation and 30 percent of our managers or directors were women. It will be a challenge to reach our target of a 50/50 gender balance, but we know that a more diverse workforce will bring many benefits to our company.

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 avoid discrimination and harassment. At Ecolean, all employees have the same rights, obligations and opportunities regardless of their 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. In 2022, no cases of discrimination were reported.

In 2022 we performed a reorganisation to clarify the core functions within our company. The new organisation will support our increased focus on quality, sustainability and profitable growth.

HOW WE WORK

Equal opportunities

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 that we identify and remove the barriers that prevent equal opportunities for all.

Being an employer that provides equal employment opportunities is essential. Ecolean cooperates 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. In 2022, Ecolean had one female intern.

A mandatory workshop on diversity and inclusion was arranged at Ecolean Pakistan. The main objective of the workshop was to support an understanding of positive human interaction and how to leverage the benefits that diversity can bring to the workplace.



Our employment terms and conditions

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 International Labour Organisation (ILO) Conventions. We respect our employees’ right to bargain collectively. Our employees have the right to form or join unions and we respect the right of our employees and their unions to negotiate collective agreements. All our employees in Sweden are covered by collective bargaining agreements, with 47 percent of our total global workforce covered. All employees receive a living wage, calculated in accordance with best practices as determined in collaboration with external experts.

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

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 Ecolean’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

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Our social impact

Diverse workforce and equal opportunities

Employee training and education

Health and safety

Ethical business

Accurate and transparent information

Responsible supply chain



Cont. ▶

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 an annual survey. Performance reviews are implemented in all our markets.

Peakon

The employee engagement tool 'Peakon' has gradually been rolled out throughout our global organisation since 2019.

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.

Ecolean's overall engagement score improved from 6.8 in the spring 2019 to 7.3, on a 10 graded scale, at the end of 2022. The result from 2022 was a slight decrease (0.2) from the end of 2021, mainly due to ongoing strategy development work. As of the end of 2022, over 22,000 comments had been submitted in Peakon, which provides valuable input on how our employees think and feel.

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. Our ambition is to expand this exchange and development of competence, within the 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. During the year, we started the preparations to create a work rotation programme between China and Pakistan. The first profession to be part of the programme in 2023 will be printing operators.

Workers who are not employees

During the year, 28 consultants were involved in various activities in our operations. 20 of the consultants were part-time consultants supporting with specific matters and projects and eight were full-time consultants in specific functions within the company. These activities are not a significant portion of our activities.

POLICIES

Key documents applied in Ecolean people and safety management include:

- Ecolean Code of Conduct
- Ecolean Whistleblowing Policy
- Ecolean Sustainability Policy
- Ecolean Health and Safety Policy
- Ecolean People Policy

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EMPLOYEE TRAINING AND EDUCATION

OPPORTUNITIES AND CHALLENGES

To be able to promote our packaging system, we all need to share common ground and have the same knowledge. By offering training, we can retain skilled employees and reduce knowledge gaps. Our training platform Ecolean Academy shall provide the necessary training opportunities to ensure the sustainable and profitable growth of our business as well as organisational and personal development.

PROGRESS

Our Sustainability Roadmap 2030 target highlights the importance of training and education. Most of the training is provided through our Ecolean Academy but also through external training sessions. At the end of 2022, we had 485 active users on Ecolean Academy. During 2022, each of these 485 employees completed eight hours of training on average via the Ecolean Academy. Our employees also attend locally hosted and/or external trainings that are not registered in the Ecolean Academy platform. During the year, preparations were made for a new function in the Ecolean Academy to make it possible to also report these courses in the Ecolean Academy platform from Q1 2023.

The range of courses in the Ecolean Academy has increased during 2022, which in total offered 119 courses on various topics by the end of the year. Each course had been completed by 37 employees on average at year end.

The courses launched during 2022 cover topics such as cyber security, safety, sustainability, diversity and inclusion, organisational and working environment, and the Ecolean management system. The majority of courses are e-learnings and digital courses, but we have also been able to have some training sessions in classroom settings after pandemic restrictions were removed. We have also conducted a series of webinar/live market presentations to engage and increase general knowledge about the commercial part of our business. All employees globally were invited to participate. This initiative will continue during 2023.

The Ecolean technical service team also provides external training for customer operators and technicians. During the year a number of on-site trainings took place, held by Ecolean trainers as well as technicians. These external trainings covered over 2,100 hours in total. 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 sessions adapted to identified local needs and when new employees join the company. The plants in Sweden, Pakistan and China arranged over 60 additional trainings during the year, adding another 2,500 hours of training (not covered in the training hours above).

Many of the local courses focus on skill improvement, health and safety, fire safety and operational efficiency.



HOW WE WORK

Since 2019, the Ecolean Academy has offered 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.

The Ecolean Academy includes several mandatory e-learning courses that reoccur every one to two years, for example on the Whistleblowing Policy, Ecolean Code of Conduct, Ecolean Sustainability Objectives and the Ecolean Management System.

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 the event of termination.

POLICIES

The Ecolean Sustainability Policy and the Sustainability Roadmap 2030 guide how we work with training and education.

Our social impact

Diverse workforce and equal opportunities

Employee training and education

Health and safety

Ethical business

Accurate and transparent information

Responsible supply chain



HEALTH AND SAFETY

OPPORTUNITIES AND CHALLENGES

One of our most material sustainability aspects is health and safety. Ecolean has identified work-related hazards that pose a risk of high-consequence injury, based on risk assessments and analysis of reported incidents. The top hazards are moving machine parts, fire in flammable solvents, chemical exposure, traffic incidents, forklift incidents and working at height, which are all linked to our production sites.

Ecolean has set a zero injury and work-related illness target, that 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.

PROGRESS

Work-related injuries

During 2022, we continued to improve our safety reporting and worked with the goal of 'Minimum one Near Miss reported per employee and year'. This target was achieved in 2022, with 1.01 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 serious injury) and the number of reported near misses was 1:9 (nine near misses reported per injury). We have accomplished our target to create a reporting culture in our operations, where employees feel safe and encouraged

to report. Our focus on reporting will continue in 2023.

Our Total Recordable Injury Frequency (TRIF) was 11.2 injuries per million work hours. Our most frequent work-related injury categories are: slip/trip/fall, hit by objects or moving machine part, and injuries caused by sharp objects.

Actions to eliminate high-consequence hazards during 2022 included:

- Establishing standards for working at height and training at all units
- Chemical safety in Sweden
- Fire safety installations
- Night shift emergency evacuation drills
- 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.

None of the top hazards identified (moving machine parts, fire in flammable solvents, chemical exposure, traffic incidents, forklift incidents and working at height) resulted in high-consequence injuries during 2022 (i.e. resulting in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months).

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Our social impact

Diverse workforce and equal opportunities

Employee training and education

Health and safety

Ethical business

Accurate and transparent information

Responsible supply chain

Cont. 

 **HOW WE WORK**

Occupational health and safety management system

Our production plant in Pakistan is certified to the ISO 45001 occupational health and safety certification. This certification will provide us with 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

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 a statistical review. The key performances, all reporting data and investigations within the safety area are also available to all employees through our intranet.

The reporting process is simple with the employee submitting a report in the Ecolean 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.

Some of our initiatives during the year focused on health and safety improvements that support our targets on zero injuries and work-related illnesses by 2030. Our plants have launched a risk assessment project on hazardous areas and implemented several solutions to reduce the risk of injury. Solutions include the installation of fall protection measures on machinery, increased firefighting protection systems and safety knives to reduce the risk of cutting injuries.

Our plant in China has implemented a new cleaning method for package forming tools that uses laser cleaning instead of using chemicals. The new method results in savings in water and chemical use and improves the working environment for personnel.

Our social impact

Diverse workforce and equal opportunities

Employee training and education

Health and safety

Ethical business

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Responsible supply chain

Cont. ▶

Occupational health services

The identification and elimination of hazards and the 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 variation due to different local regulations. At the end of 2022, 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. The Ecolean Academy platform, which offers training in different areas based on local and global needs, is increasingly managing safety-related topics. Training methods range from e-learnings to offsite external classroom trainings.

In 2022, several health and safety training sessions were held at our market offices. The topics ranged from safety trainings and using the Ecolean Ticket System for incident reporting, to forklift operator training, working at heights training, hazardous chemicals training and the management of flammable goods. Ecolean has also performed off-the-job safety trainings on motorcycle driving on relevant markets.

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 increased during the year due to an increased focus on site safety awareness.

During 2022, Ecolean’s technical service organisation performed 41 audits, including health and safety, at customer sites. The safety audits focused on both safe operations and a safe working environment around the filling line equipment at customer sites.

POLICIES

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

Our social impact

Diverse workforce and equal opportunities

Employee training and education

Health and safety

Ethical business

Accurate and transparent information

Responsible supply chain

ETHICAL BUSINESS

OPPORTUNITIES AND CHALLENGES

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 company operating on many markets 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.

PROGRESS

Risk assessments, control processes and monitoring are fundamental to any compliance management system. Ecolean's risk assessment procedures are outlined in the Enterprise Risk Management (ERM) procedure. The procedures cover all parts of the company and are carried out regularly.

Since 2020, Ecolean has performed a mandatory Ecolean Code of Conduct e-learning every second year. During 2022, 276 Ecolean employees participated in an Ecolean Code of Conduct e-learning and 66 employees received additional training on the Code of Conduct during the year. The e-learning covers business ethics, human rights, fair employment conditions and safe working conditions, environmental responsibility and high ethical standards. 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. Eight cases were reported via the whistleblowing function during 2022, none of these cases were directly related to any of our sustainability objectives. The cases were related to operative matters and the local management solved the cases through discussions with the involved parties.

No ethical breaches relating to human rights violations or corruption were reported in 2022.

HOW WE WORK

All Ecolean employees responsible for personnel are obligated to introduce new employees to our Code of Conduct as well as regularly update current employees. Furthermore, we strive to ensure that our business partners also comply with our Code of Conduct and other policies. A specific Supplier Code of Conduct is shared with all suppliers. Employees can find information regarding bribery and corruption in our Code of Conduct on the Ecolean intranet.

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.

All companies have a responsibility to respect human rights, which means to avoid infringing on the human rights of others and to address these impacts where they occur. Ecolean respect human rights as set out in the UN Guiding Principles on Business and Human Rights and are committed to respect all internationally recognized human rights standards, for example the International Bill of Rights and the ILO's Declaration on the Fundamental Principles and Rights at Work.

Ecolean is a signatory to the United Nations (UN) Global Compact, committing itself to upholding the Compact's ten principles governing human rights, labour standards, environmental responsibility and anti-corruption.

POLICIES

Ecolean Code of Conduct

We apply our Code of Conduct throughout Ecolean. 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 global company policies, which are statements of mandatory behaviour concerning areas such as whistleblowing, IT, HR, confidentiality and authorisation. All global policies are approved by the Ecolean Group

Management Team. All employees shall comply with our Code of Conduct, which sometimes exceeds the applicable laws, regulations and standards in the countries we operate in.

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 Ecolean's reputation, it is important that any misconduct is reported, either to Ecolean 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.

Ecolean Supplier Code of Conduct

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.

Our social impact

Diverse workforce and equal opportunities

Employee training and education

Health and safety

Ethical business

Accurate and transparent information

Responsible supply chain

ACCURATE AND TRANSPARENT INFORMATION

OPPORTUNITIES AND CHALLENGES

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’.

PROGRESS

Any complaints regarding the quality of our communications are reported to the communication department and are managed by the Group Communications 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.

HOW WE WORK

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) and on our website.

Annual assessments, achieved by independent sustainability ratings provider EcoVadis assess our performance within this field. It provides a tool for recognising potential improvements and areas of strength as well as benchmarking our performance against other companies. Our sustainability work during 2022, placed Ecolean in the top 1 percent of 100,000 assessed companies, which awarded us the EcoVadis Platinum medal.

POLICIES

The Ecolean Communication Policy guides how we work with communication and transparent information.

During 2022, Ecolean engaged in networking and knowledge-sharing events to promote a life-cycle approach, on the Chinese market. The 2022 China Green Packaging Innovation Summit was held in Nanjing, from 2-3 August, and the 2nd Carbon Neutrality Conference in Tianjin, on 2 November of 2022. As key speaker, Klaus Warmedinger, the Managing Director of Ecolean China, shared our key insights to having transparency as a fundamental belief in our sustainability agenda and how Environmental Product Declarations, as a standard in the packaging industry, would benefit comparability and the ability to making fact-based decisions.



Our social impact

Diverse workforce and equal opportunities

Employee training and education

Health and safety

Ethical business

Accurate and transparent information

Responsible supply chain



RESPONSIBLE SUPPLY CHAIN

OPPORTUNITIES AND CHALLENGES

The importance of working with our supply chain was highlighted during the pandemic, when the access to a global world was truly tested. The supply of raw materials and global trade continued to be strained for most industries during 2022.

There has always been a risk that suppliers might go out of business, do not deliver on time or stop producing an important raw material or component but these threats were more evident during the pandemic.

PROGRESS

Assessing new suppliers before signing supplier contracts, both through self-assessments and on-site audits, is part of our procurement process. At the end of 2020, a new Supplier Relation Management (SRM) system was implemented by our global procurement team. During 2022, the system was implemented on a global scale and the work to include more suppliers in the system has continued. This means that more suppliers have entered the system and the work to collect supplier information is ongoing.

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

HOW WE WORK

Ecolean works with suppliers in order to produce packaging material and filling line equipment. Our main raw material 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 for non-raw material products and services.

Ecolean focuses on the following defined supplier categories, which we refer to as our 'selected suppliers' in this report:

- Strategic suppliers
- Contract suppliers
- Capex suppliers

These selected suppliers are included in our SRM system and are the suppliers we monitor regularly. 665 suppliers were active in the SRM system at the end of 2022.

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. As more suppliers have been included into the SRM system, we still have work to do to get them to use our self-assessment process. As of the end of 2022, 31 percent of our suppliers included in the SRM platform had taken part in environmental and social screening. Seven percent of our selected suppliers had completed an on-site assessment and our target is that 100 percent of our strategic suppliers (approximately 60 suppliers) will have completed an on-site audit by 2025. Of the selected suppliers that have done the self-assessment, 21 percent are certified according to the ISO 14001 environmental management system.

POLICIES

Supplier Code of Conduct

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 2022, we continued to raise awareness and deepen 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, 42 percent of our new and existing suppliers added to the SRM system had signed the code. Ecolean has set a target that by 2025 that 100 percent of its selected suppliers will have signed the Supplier Code of Conduct.

Governance

External initiatives

GOVERNANCE

We have comprehensive governance structures to ensure the effective management of our sustainability efforts and work proactively with our stakeholders to ensure we focus on the topics that are most material to our business.

The Ecolean AB Board of Directors is responsible for the governance of the overall Ecolean 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 Ecolean Group and is also responsible for the Sustainability Report. The outcomes from our sustainability work are presented twice a year at Board meetings.

The Ecolean Group Management Team is responsible for the operational governance of the company, including decision making on economic, environmental and social topics. The team is responsible for developing, approving, and updating the organisation's purpose, value or mission statements, strategies, policies and goals related to sustainable development. The Ecolean Group Management Team consists of the CEO and the Chief Officers for Sustainability, Marketing, Human Resources, Finance, Operations and Development, Services and Regional directors.

SUSTAINABILITY GOVERNANCE AT ECOLEAN

Ecolean has 12 defined sustainability objectives covering the material topics identified by the materiality assessment.

During 2021, we defined our long-term targets and related projects in the Ecolean Sustainability Roadmap 2030, which uses the data from our previous Sustainability Reports as baselines. The roadmap has been defined by the Ecolean Group Management Team together with additional working groups and decided upon by the Ecolean 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 Ecolean Group Management Team, including the materiality analysis. Any compliance deviations related to laws and legal obligations are communicated to the Ecolean Group Management Team and reported in our annual Sustainability Report.

Critical concerns reported in the Ecolean Ticket system are reported to the Ecolean Group Management Team and discussed at monthly meetings.

Our sustainability objectives have been linked to appropriate GRI Standard topics and disclosures have been chosen to ensure the completeness of the report. Our objectives are arranged in two focus areas: People, which includes our objectives related to social topics, and Planet, which 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. The objectives related to People and Planet have a wide responsibility and are managed by all relevant positions within the organisation. The organisation uses the necessary resources to run projects and implement activities.

STAKEHOLDER ENGAGEMENT

Interest in plastics and plastic packaging particularly from media and society in general 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 are increasingly choosing packaged food instead of unpackaged.

Ecolean 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.

We use various sources to identify the relevant topics for Ecolean 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 Ecolean'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 through surveys, conferences and industry meetings.

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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.

MATERIALITY

The packaging industry has been waiting for a long time for the proposal for the revision of the Packaging and Packaging Waste Directive (PPWD). On 30 November 2022, the proposal was published by the European Commission. As part of its sustainability requirements, the proposal establishes that all packaging on the European market shall be recyclable, which means being designed for recycling from 1 January 2030, and be recycled at scale from 1 January 2035. The recyclability assessment would be done on the basis of Design for recycling criteria to be set out by the Commission in secondary legislation. The proposal will now be processed by the European parliament together with the Council. Ecolean will closely monitor the outcome of this process. The importance of recyclability on all markets is growing and the challenge still remains to determine how the packages should be designed to be truly recyclable and still fulfil all packaging requirements for food safety.

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 Ecolean committed to the Science Based Targets initiative (SBTi) 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 has been approved by the Ecolean Group Management Team. Our Sustainability programme consist of a set of focus areas and defined targets to address our material environmental, social and economic risks and opportunities. Our programme helps us guide our organisation and in 2021 was further reinforced with a set of Sustainability Roadmap 2030 targets.

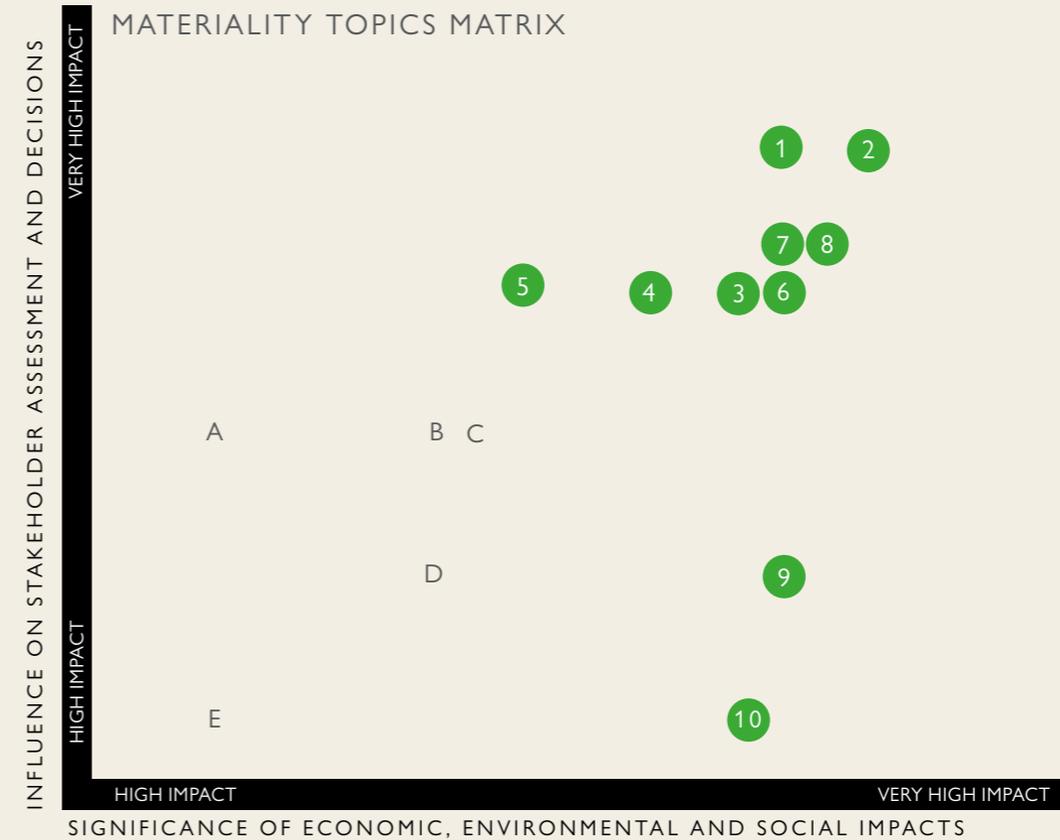
SUSTAINABILITY REPORTING

The annual Ecolean Sustainability Report describes our approach to sustainability and the progress we made between 1 January 2022 and 31 December 2022 (the same period as our Annual Report). 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 Ecolean Sustainability Report covers all activities within the Ecolean Group during 2022. 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 with reference to the GRI Standards. No restatements are made for the reporting period. In 2022, no deviations related to laws and legal obligations resulting in significant fines were reported.

Our external assurance provider PwC has performed a limited assurance on Ecolean's Sustainability Report for 2022.



- IDENTIFIED MATERIAL TOPICS (PRIORITY)**
- 1. Occupational Health and Safety
 - 1. Customer Health and Safety
 - 2. Anti-corruption
 - 3. Marketing and Labelling
 - 3. Diversity and Equal Opportunity
 - 3. Non-discrimination
 - 4. Human Rights Assessment
 - 5. Training and Education
 - 6. Effluents and Waste
 - 7. Promote recycling
 - 8. Emissions
 - 9. Materials
 - 10. Energy

- OTHER IMPORTANT TOPICS (NOT PRIORITY)**
- A. Operational water in filling machines
 - B. Market presence
 - C. Energy use in filling machines
 - D. Human rights in supply chain
 - D. Environmental impact in supply chain
 - E. Employee turnover

ECOLEAN SUSTAINABILITY PROGRAMME

PEOPLE

Ecolean Sustainability Objectives	Action	GRI standard disclosure	Boundary/Specific interest to stakeholders	Management approach/Covered by
<i>We have zero tolerance for corruption.</i>	Ecolean has zero tolerance concerning all forms of corruption and will work to maintain continuous non-existence within the Ecolean Group.	205, Anti-corruption	Ecolean	Ecolean Code of Conduct
			Customers	Sustainability Policy
			Suppliers	Ecolean Supplier Code of Conduct
<i>We have zero tolerance for breaches of human rights.</i>	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.		Ecolean	Ecolean Code of Conduct
			Society	Sustainability Policy
				Ecolean Supplier Code of Conduct
<i>By 2030, we will have a 50/50 gender balance. 5 percent of our employees will be part of work rotation programmes by 2030.</i>	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	Ecolean People Policy
<i>We have zero injuries and work-related illnesses by 2030.</i>	Appropriate health and safety information and training are provided to employees.	403, Occupational Health and Safety	Ecolean	Ecolean Code of Conduct
				Ecolean Health and Safety Policy
<i>By 2030, our employees will spend an average of one week annually on training.</i>	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
				Ecolean People Policy
<i>We constantly improve the quality of our packaging solutions to maintain zero liability claims.</i>	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	Ecolean Food Safety and Quality Policy
			Consumers	
			Suppliers	
<i>We comply with relevant marketing regulations and good practice, by maintaining zero incidents of non-compliance.</i>	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
				Ecolean Communication Policy

PLANET

Ecolean Sustainability Objectives	Action	GRI standard disclosure	Boundary/Specific interest to stakeholders	Management approach/Covered by
<i>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.</i>	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	
<i>We continue to purchase 100 percent renewable electricity for our production sites.</i>	We will use renewable electricity, by using the RE100 definitions.	302, Energy	Ecolean	Ecolean Code of Conduct
				Sustainability Policy
<i>We will have 100 percent renewable or recycled polymers in our packages by 2030.</i>	By monitoring raw material usage and research progress, we will reduce the impact from materials used in a life-cycle perspective.	301, Materials	Ecolean	Ecolean Code of Conduct
			Suppliers	Sustainability Policy
<i>We will continuously decrease the amount of generated waste from our packaging solutions. We will continue to send zero waste to landfill.</i>	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
<i>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.</i>	Work in upstream innovation projects to develop materials to comply with recycling guidelines. Support different initiatives for recycling of flexible plastic packaging and offer circular solutions for our filling line equipment.	306, Waste	Ecolean	Ecolean Code of Conduct
			Customers	Sustainability Policy
			Consumers/ Society	
			Industry/ Partners	

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.



ORGANISATION

MEMBERSHIP

GEOGRAPHIC AREA

The United Nations Global Compact	Participant	Global
CEFLEX	Member	Europe
EUROPEN	Member	Europe
EHEDG	Member	Europe
Normpack	Member	Sweden
Swedish Association for Quality	Member	Sweden
FTI AB	Member	Sweden
IKEM	Member	Sweden
SWEFLEX	Member	Sweden
SIS – Swedish Institute for Standards	Member	Sweden
Normpack	Member	Sweden
The Confederation of Swedish Enterprise	Member	Sweden
Lahore Chamber of Commerce and Industry	Member	Pakistan
Pakistan Dairy Association	Member	Pakistan
CoRe Collect Recycle Pakistan	Member	Pakistan
Sundar Industrial Estate	Member	Pakistan
HR Association, Tianjin	Member	China
China Dairy Industry Association	Member	China
China Beverage Industry Association	Member	China
China Plastic Reuse and Recycling Association	Member	China
Plastic Recycling Association of China Resource Recycling Association	Member	China
China Association of Circular Economy	Member	China
Bakery Committee of China National Food Industry Association	Member	China
IHR League, Tianjin	Member	China
Safety Production Association	Member	China
Dairy Association of China	Member	China
China National Food Industry Association	Member	China
China Packaging Federation	Member	China
The Swedish Chamber of Commerce in China	Member	China
The European Union Chamber of Commerce in China	Member	China
AMEE, Mexican Packaging Association	Member	Americas
Indonesian Packaging Federation	Member	Indonesia
Japan Soft Drink Association	Supporting member	Japan
Japan Dairy Industry Association	Supporting member	Japan
The Packaging Forum Inc.	Member	New Zealand
Red Group Programs & Services	Member	Australia

2-7 SCALE OF THE ORGANISATION

Data compiled and reported by all offices, by the end of the year, 31 December 2022.
The data corresponds to head count data in human resource management systems.

TOTAL NUMBER OF EMPLOYEES						
Region	Gender	2018	2019	2020	2021	2022
<i>Europe</i>	Female	31	43	45	46	53
	Male	168	186	184	184	184
	Total	199	229	229	230	237
<i>Americas</i>	Female	0	1	1	0	0
	Male	1	4	3	3	3
	Total	1	5	4	3	3
<i>East Europe and Central Asia</i>	Female	12	13	12	12	10
	Male	17	17	16	18	19
	Total	29	30	28	30	29
<i>Asia and Oceania</i>	Female	35	33	33	40	43
	Male	137	172	190	199	195
	Total	172	205	223	239	238

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT, BY REGION						
Region	Employment contract	2018	2019	2020	2021	2022
<i>Europe</i>	Permanent	184	228	226	223	231
	Temporary	15	1	3	7	6
	Total	199	229	229	230	237
<i>Americas</i>	Permanent	1	5	4	3	3
	Temporary	0	0	0	0	0
	Total	1	5	4	3	3
<i>East Europe and Central Asia</i>	Permanent	29	30	28	29	28
	Temporary	0	0	0	1	1
	Total	29	30	28	30	29
<i>Asia and Oceania</i>	Permanent	172	199	214	233	233
	Temporary	0	6	9	6	5
	Total	172	205	223	239	238

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT, BY GENDER						
Employment contract	Gender	2018	2019	2020	2021	2022
<i>Permanent</i>	Female	73	90	91	94	102
	Male	313	372	381	394	393
<i>Temporary</i>	Female	5	0	1	4	4
	Male	10	7	11	10	8

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE, BY GENDER						
Employment type	Gender	2018	2019	2020	2021	2022
<i>Full time</i>	Female	69	86	86	94	103
	Male	315	374	387	400	397
<i>Part time</i>	Female	9	4	6	4	3
	Male	8	5	5	4	4

301-1 MATERIALS USED BY WEIGHT OR VOLUME

In 2022, Ecolean used 25,266 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.

USED RAW MATERIALS (TONNES)					
	2018	2019	2020	2021	2022
<i>Packaging material production*</i>	27,340	26,060	23,131	23,910	23,683
<i>Secondary (transport) packaging</i>	1,847	1,820	1,771	1,736	1,558
<i>Filling machine production</i>	139	100	142	81	25

* including inks from 2020

TOTAL AMOUNT OF RAW MATERIALS (TONNES)					
	2018	2019	2020	2021	2022
<i>Renewable</i>	1,776	1,720	1,664	1,660	1,467
<i>Non-renewable</i>	27,550	26,260	23,381	24,067	23,799

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.

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)					
	2018	2019	2020	2021	2022
<i>Electricity</i>	108,965	103,854	105,566	101,085	104,141
<i>Natural gas</i>	1,105	0	0	0	0
<i>District heating</i>	1,858	2,721	3,067	4,102	4,519
<i>Biogas</i>	473	1,525	1,109	1,172	1,168
<i>Diesel for electricity generation</i>		1,645	141	163	120
Total	112,401	109,745	109,883	106,522	109,948

RENEWABLE ENERGY (GJ)					
	2018	2019	2020	2021	2022
<i>Renewable energy</i>	91,681	86,968	106,675	102,257	105,309
<i>Non-renewable energy</i>	20,720	22,777	3,209	4,265	4,639
Share	82%	79%	97%	96%	96%

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 CO ₂ -EQ/ GHG SCOPE AND YEAR)					
	2018	2019	2020	2021	2022
<i>Scope 1</i>	122	165	63	74	45
<i>Scope 2</i>	3,343	3,448	169	226	249
<i>Scope 3</i>	63,745	66,062	48,851	54,711	47,137
Total	67,210	69,675	49,083	55,011	47,430

BIOGENIC CARBON (TONNE CO ₂ -EQ)					
	2018	2019	2020	2021	2022
<i>Biogenic carbon</i>	53	148	111	118	114

305-4 GHG EMISSIONS INTENSITY

We changed our method of reporting GHG intensity in 2020, which explains the change in trend data. 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 2022 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 18 percent reduction compared to the base year.

GHG INTENSITY (KG CO ₂ -EQ/KG SOLD PACKAGES)					
	2018	2019	2020	2021	2022
<i>Scope 1-2</i>	0.17	0.18	0.01	0.02	0.02
<i>Scope 3</i>	3.16	3.33	2.68	3.02	2.72
<i>Scope 1-3</i>	3.33	3.51	2.69	3.04	2.73

306-3 WASTE GENERATED

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)					
	2018	2019	2020	2021	2022
<i>Hazardous waste</i>	88	81	125	171	192
<i>Energy recovery</i>	67	68	67	122	110
<i>Landfill</i>	0	0	0	0	0
<i>Organic treatment</i>	5	1	6	2	1
<i>Recycling</i>	5,187	6,172	5,751	4,832	5,540
Total	5,347	6,322	5,949	5,127	5,843

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. No fatalities or high-consequence work related injuries in 2022.

WORK-RELATED INJURIES			
	2020	2021	2022
<i>Number of Recordable injuries</i>	11	5	10
<i>Number of Lost Time Injuries (LTI)</i>	7	1	2
<i>Number of days lost due to LTI</i>	101	1	8
<i>Number of hours worked</i>	800,800	883,520	894,080

CALCULATED FREQUENCIES			
	2020	2021	2022
<i>Total Recordable Injury Frequency (TRIF) per million work hours</i>	13.7	5.7	11.2
<i>Lost Time Injury Frequency (LTIF) per million work hours</i>	8.7	1.1	2.2
<i>Lost Time Injury Severity Rate (LTISR)</i>	0.12610	0.00113	0.00895

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

AGE DIVERSITY BY EMPLOYMENT CATEGORY						
Employment category	Age	2018	2019	2020	2021	2022
<i>Production</i>	<30	37%	38%	35%	31%	26%
	30–50	54%	53%	54%	55%	61%
	>50	9%	9%	11%	14%	13%
<i>Commercial/ Technical/ General</i>	<30	20%	14%	11%	9%	10%
	30–50	58%	65%	64%	65%	65%
	>50	22%	21%	25%	26%	25%
<i>Management</i>	<30	0%	2%	0%	0%	0%
	30–50	76%	73%	66%	63%	63%
	>50	24%	25%	34%	37%	37%
<i>Total</i>	<30	22%	20%	17%	16%	14%
	30–50	60%	62%	61%	61%	63%
	>50	18%	18%	22%	23%	23%

GENDER DIVERSITY BY EMPLOYMENT CATEGORY						
Employment category	Gender	2018	2019	2020	2021	2022
<i>Production</i>	Female	7%	6%	6%	10%	8%
	Male	93%	94%	94%	90%	92%
<i>Commercial/ Technical/ General</i>	Female	27%	25%	25%	25%	27%
	Male	73%	75%	75%	75%	73%
<i>Management</i>	Female	26%	25%	27%	25%	30%
	Male	74%	75%	73%	75%	70%
<i>Total</i>	Female	19%	19%	19%	20%	21%
	Male	81%	81%	81%	80%	79%



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 2022 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, 24 March 2023
Öhrlings PricewaterhouseCoopers AB


Sofia Götmar Blomstedt
Authorised Public Accountant


My Lidén
Authorised Public Accountant

United Nations Global Compact Index

United Nations Global Compact index	Page
PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	9, 31, 37
PRINCIPLE 2: make sure that they are not complicit in human rights abuses.	10, 31, 33, 37
PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	25
PRINCIPLE 4: the elimination of all forms of forced and compulsory labour;	10, 31, 33
PRINCIPLE 5: the effective abolition of child labour; and	10, 31, 33
PRINCIPLE 6: the elimination of discrimination in respect of employment and occupation.	24, 25, 26
PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges;	15-22, 32, 37
PRINCIPLE 8: undertake initiatives to promote greater environmental responsibility; and	15-22, 32
PRINCIPLE 9: encourage the development and diffusion of environmentally friendly technologies.	19, 21, 22, 32
PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery.	31, 33, 37

GRI Content Index

Statement of use	Ecolean has reported the information cited in this GRI content index for the period 220101-221231 with reference to the GRI Standards				
GRI 1 used	GRI 1: Foundation 2021				
GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	Page Number	Omissions	Explanation/ Information
GRI 2: General Disclosures 2021	2-1	Organizational details	2, 12, 35		
	2-2	Entities included in the organization's sustainability reporting	36		
	2-3	Reporting period, frequency and contact point	2, 36		Last report published 2022-06-30
	2-4	Restatements of information	36		
	2-5	External assurance	36, 44		
	2-6	Activities, value chain and other business relationships	12, 13, 33		In 2022, Ecolean had net sales of SEK 1,047.0 (1,096.5) million. No changes of the share capital structure has occurred during the year.
	2-7	Employees	25, 41		
	2-8	Workers who are not employees	26		
	2-9	Governance structure and composition	35		
	2-10	Nomination and selection of the highest governance body			Information unavailable
	2-11	Chair of the highest governance body			Information unavailable
	2-12	Role of the highest governance body in overseeing the management of impacts	35		
	2-13	Delegation of responsibility for managing impacts	35		
	2-14	Role of the highest governance body in sustainability reporting	35		
	2-15	Conflicts of interest			Information unavailable
	2-16	Communication of critical concerns	14, 35		
	2-17	Collective knowledge of the highest governance body	35		
	2-18	Evaluation of the performance of the highest governance body			Information unavailable
	2-19	Remuneration policies			Information unavailable
	2-20	Process to determine remuneration			Information unavailable
	2-21	Annual total compensation ratio			Information unavailable
	2-22	Statement on sustainable development strategy	9		
	2-23	Policy commitments	10, 12, 16, 24, 31, 33, 38		
	2-24	Embedding policy commitments	31, 33		
	2-25	Processes to remediate negative impacts			Information unavailable
	2-26	Mechanisms for seeking advice and raising concerns	31		
	2-27	Compliance with laws and regulations	32, 35, 36		
	2-28	Membership associations	14, 39		
	2-29	Approach to stakeholder engagement	35		
	2-30	Collective bargaining agreements	25		

GRI Content Index

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	Management approach 205-3	Confirmed incidents of corruption and actions taken	31		
GRI 301 Materials 2016	Management approach 301-1	Materials used by weight or volume	16, 19, 41	No data available for associated process materials. Only raw materials, inks and transport packaging materials are reported upon.	
GRI 302 Energy 2016	Management approach 302-1	Energy consumption within the organization	16, 17, 42		Ecolean does not produce or sell energy.
GRI 305 Emissions 2016	Management approach 305-1	Direct (Scope 1) GHG emissions	16, 17, 42	Energy from renewable sources can be used in scope 3 but the data is not provided from suppliers.	Emissions are consolidated from entities over which Ecolean has operational control.
	305-2	Energy indirect (Scope 2) GHG emissions			Emissions are consolidated from entities over which Ecolean has operational control.
	305-3	Other indirect (Scope 3) GHG emissions			
	305-4	GHG emissions intensity			
GRI 306 Effluents and Waste 2020	Management approach 306-2	Waste by type and disposal method	16, 20, 21, 22, 43		
GRI 403 Occupational Health and Safety 2018	Management approach 403-1	Occupational health and safety management system	24, 28, 29, 30, 43		
	403-2	Hazard identification, risk assessment, and incident investigation			
	403-3	Occupational health services			
	403-4	Worker participation, consultation, and communication on occupational health and safety			
	403-5	Worker training on occupational health and safety			
	403-6	Promotion of worker health			

GRI Content Index

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	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			
	403-9	Work-related injuries		No available data for workers others than Ecolean employees. Frequency numbers are related to this fact.	Lost days refers to scheduled working days and counts actual days when the employees is unable to work.
GRI 404 Training and Education 2016	Management approach		24, 27		
	404-2	Programs for upgrading employee skills and transition assistance programs			
GRI 405 Diversity and Equal Opportunity 2016	Management approach 405-1	Diversity of governance bodies and employees	24, 25, 26, 43		
GRI 406 Non-discrimination 2016	Management approach 406-1	Incidents of discrimination and corrective actions taken	24, 25, 26		
GRI 416 Customer Health and Safety 2016	Management approach 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	14		
GRI 417 Marketing and Labeling 2016	Management approach 417-3	Incidents of non-compliance concerning marketing communications	24, 32		
We are taking action in increasing the possibilities for a circular economy for our packaging solutions	Management approach No topic specific GRI standard	Report on initiatives taken to increase recycling and circular economy for our products	16, 21, 22		Data on availability of circular solutions for flexible plastic packaging is missing.



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. From 2020, we have included emissions from printing inks and secondary packaging materials, which were 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 the base year for our data as it was set when we submitted our climate targets to the Science Based Targets initiative (SBTi). 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 added 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 has been included in the scope since 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 is 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 249 tonnes of GHG emissions from our electricity use compared with 6,177 tonnes GHG emissions using the 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 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
a lighter approach to packaging

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