

ECOLEAN SUSTAINABILITY REPORT 2020



ecolean
a lighter approach to packaging

WELCOME	3
CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS	4
CEO LETTER	10
COMMITMENTS & RECOGNITIONS 2020	12
ECOLEAN SUSTAINABILITY POLICY	14
THIS IS ECOLEAN	16
GLOBAL OUTLOOK	18
OUR VISION, MISSION AND CORE VALUES	19
SAFE AND CONVENIENT PACKAGING SOLUTIONS FOR LIQUID FOOD	20
PROVIDING SAFE PACKAGING SOLUTIONS	22
PACKAGING SOLUTIONS	24
REDUCING ENVIRONMENTAL IMPACT	26
PROMOTING RENEWABLE ELECTRICITY	28
REDUCING GREENHOUSE GAS EMISSIONS	30
A LIFE-CYCLE PERSPECTIVE ON RAW MATERIAL IMPACTS	34
ZERO WASTE TO LANDFILL FROM OUR PRODUCTION PLANTS	36
RECYCLABILITY OF PACKAGES	38
PEOPLE	42
A COMMON GROUND	44
PROMOTING A DIVERSE WORKFORCE AND EQUAL OPPORTUNITIES	48
EMPLOYEE TRAINING AND EDUCATION	50
OUR ZERO INJURY TARGET	52
ZERO TOLERANCE FOR CORRUPTION	56
ZERO TOLERANCE FOR HUMAN RIGHTS VIOLATIONS	57
ACCURATE AND TRANSPARENT INFORMATION	58
RESPONSIBLE SUPPLY CHAIN	60
STRATEGY, STAKEHOLDERS, GOVERNANCE	62
MATERIALITY ASSESSMENT	64
ECOLEAN SUSTAINABILITY OBJECTIVES	68
IMPACT ON UN SDGS	70
EXTERNAL INITIATIVES	72
EXTERNAL ASSURANCE	74
GRI CONTENT	76
APPENDIX – GHG EMISSIONS	79

WELCOME

Welcome to our fourth Sustainability Report that introduces our approach to sustainability and the progress we made during 2020. 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.

Despite the challenges that 2020 and the coronavirus pandemic brought all around the world, Ecolean continued to refine its approach to sustainability. Our sustainability 2020 highlights include the fact that we began sourcing 100 percent renewable electricity for all our production plants. We also committed to the Science Based Target initiative and had our science-based climate targets approved by the initiative.

The Ecolean Sustainability Report covers all activities within the Ecolean Group during 2020. This includes Ecolean AB and the subsidiaries Ecolean (Tianjin) Co., Ltd., Ecolean Inc., Ecolean Pakistan (Pvt) Ltd., Ecolean SE Asia SDN. BHD, UMZ Ecolean Ltd and Ecolean Japan Co., Ltd.

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

All our annual Sustainability Reports can be found at: ecolean.com/sustainability. Please don't hesitate to contact us with any queries.



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

CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Ecolean operates in a changing world that is shaped by global megatrends and international expectations, such as the UN Sustainable Development Goals (SDGs). A number of SDGs are directly related to key global megatrends that are relevant to Ecolean's approach to sustainability – particularly concerning climate action, providing decent work for all and reducing waste.

CLIMATE ACTION

Climate change poses major risks for all organisations and society in general. Combatting climate change by reducing emissions and using products with a low-carbon footprint is more important than ever.

The UN Sustainable Development Goals highlight energy as one of the core topics at the heart of both the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change¹. By ensuring access to affordable, reliable, sustainable and modern energy for all, a new world of opportunities for billions of people will be created. Every action has an impact and every action counts.

Ecolean's approach

We take climate action in the way we conduct our business as well as through our customer offering. In our operations, we work to minimise our impact, for example by optimising energy use and ensuring that the energy we use is from responsible and renewable sources. We also extend our responsibility to facilitate carbon action for customers and for consumers by optimising resource efficiency and using less energy in production and distribution – to offer low-carbon packaging solutions.

As part of our work with climate action, we had our climate targets approved by the Science Based Target initiative (SBTi) at the end of 2020. Our target is to reduce our Scope 1 and 2 emissions by 50 percent by 2030



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.

compared with 2018 and to measure and significantly reduce our scope 3 emissions. We will define our scope 3 goals in our Sustainability Roadmap 2030.

The majority of the energy we use is consumed in our production and manufacturing operations. Our main way to reduce the emissions related to our operations is our objective to use 100 percent renewable electricity in all our production sites globally by 2030. This target was actually met in 2020 by signing renewable energy agreements for our production sites in Pakistan and China.

We also increased the proportion of total renewable energy used in our operations from 81 percent in 2019 to 96 percent. We are working to replace the remaining non-renewable energy we use in power aggregates.

¹ <https://sdgs.un.org/topics/energy>



DECENT WORK FOR ALL

Responsible production doesn't only involve minimising environmental impact on the environment. It also includes setting a social standard for how we work in our value chain – for our employees, customers, suppliers and the societies in which we operate.

Ecolean's approach

Ecolean is a relatively small player in the packaging industry and we focus on securing the best conditions for our 484 employees globally. We take responsibility in our supply chain and work to emphasise the responsibility of those in direct business relations with Ecolean, in order to promote decent work for all.

During 2020, we continued to further deepen the understanding of our Supplier Code of Conduct, covering



SDG 8 – Decent work for all

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all².

the expectations Ecolean has on suppliers, including anti-corruption, environmental awareness, human rights and health and safety. The implementation of a new Supplier Relation Management (SRM) system has increased opportunities for the interaction and assessment of suppliers. All new strategic suppliers are also added to the SRM platform and are screened for environmental and social criteria.

² <https://sdgs.un.org/topics/employment-decent-work-all-and-social-protection>

REDUCING WASTE

Waste generation, through resource mismanagement and the habit of discarding packages in the environment, is one of the greatest challenges for the packaging industry. Today, 2 billion people in the world lack access to solid waste collection³, and an even larger portion of the global population lack recycling infrastructure.

We need to increase opportunities for recycling and enable circularity for flexible plastic packages. Opportunities for recycling differ between markets. Two of the main reasons for this are that waste collection and recycling infrastructure are not available or only are suitable for limited packaging types.

Ecolean's approach

We believe that no package should ever go to waste – the resources in each package are simply too valuable to be wasted. Ecolean works on several levels to create opportunities for minimising waste and enabling the recycling of our packages, both in our own production and for our customers and consumers.

For the third year in a row, Ecolean's production sites sent no waste to landfill. Globally, 97 percent of the waste generated in our production is sent for recycling.

Ecolean works proactively to find solutions for recycling and supports local schemes to enable end consumers to recycle Ecolean packages. During 2020, we made good progress on several levels, with for example REDcycle in Australia and New Zealand announcing in 2020 that they had recycled one billion packages since the start of their local recycling scheme. Ecolean is one of several packaging companies supporting REDcycle.



SDG 12 – Responsible consumption and production
Ensure sustainable consumption and production patterns.



SDG 14 – Life below water
Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

In 2020, Ecolean joined the recycling initiative Collect & Recycle (CoRe) in Pakistan, to enable the recycling of Ecolean packages in this large and significant market, and to investigate the potential to support projects locally.

Together with Ecolean customer Mengniu, which is among the ten largest dairy companies globally, we arranged a series of sustainability awareness events in Xinjiang, China. A temporary collection site for the recycling of Ecolean packages was established to highlight environmental awareness and the importance of collecting and recycling packages.

In Russia, our pilot project with customer Molvest established collection and recycling infrastructure for Ecolean packages in Voronezh and the surrounding region. During the year, about 10 tonnes of Ecolean post-consumer packages were collected and recycled and tests of applications are ongoing.

³ UNEP and ISWA report 'Global Waste Management Outlook Summary for Decision-Makers'

CEO LETTER

THE ESSENTIAL ROLE OF PACKAGING DURING THE PANDEMIC

At the beginning of last year, who would have thought where 2020 would take us? The coronavirus made 2020 a challenging year for everyone – all around the world. Forced lockdowns and restrictions on movement due to the pandemic also affected consumer behaviour and the packaging industry, such as through more home consumption, online shopping, and a greater focus on food safety and nutrition.

The pandemic highlighted the role of packaging in ensuring consumers have access to safe and nutritious food. In this sense, the almost 3 billion Ecolean packages sold in 2020 benefited millions of people all around the world – particularly through their lightweight, flexible, resource-efficient and food-saving characteristics.

SUSTAINABILITY AND OUR PROGRESS IN 2020

At the start of the pandemic, some feared it would be detrimental to the sustainability movement as progress in recent years is eroded as individuals and organisations are forced to re-prioritise. However, we can now conclude that the coronavirus actually had the opposite effect – stimulating an increased focus on more sustainable business, responsible production and conscious consumption. I am pleased to say that this trend also reflects the sustainability progress Ecolean made in 2020.

During the year, we had our climate targets approved by the Science-Based Targets initiative. Our target is to halve our Scope 1 and 2 emissions by 2030 compared with 2018 and to measure and significantly reduce our scope 3 emissions. We will define our scope 3 goals in our Sustainability Roadmap 2030 that is currently under development. The fact that we now are purchasing 100% renewable electricity for all our production plants will also reduce our carbon footprint substantially, going forward.

One acknowledgement standing out from last year is the recognition we received from South Korea's Ministry of Environment that Ecolean's aseptic packages are more recyclable than cartons and other liquid food packaging. The ministry acknowledged our aseptic packages as being easier to recycle due to the absence of aluminium in its material structure.

HEALTH AND SAFETY FIRST

As always, and especially during the unprecedented pandemic, Ecolean's mantra is 'Safety First'. Our top priority is to ensure that our employees, customers, partners and consumers stay safe. During the pandemic, this involved implementing additional health and safety measures in our operations, to safeguard our employees as well as product safety for consumers.

“Our top priority is to ensure that our employees, customers, partners and consumers stay safe.”

ECOLEAN CONTINUES TO DELIVER

We were also committed to doing everything possible to support our customers and help them manage the challenges they faced during the year. This involved adapting our technical service teams to be able to conduct virtual training sessions, and maintaining our production and customer deliveries throughout the pandemic. Our operations and production plants were, and still are, in full production and we didn't have to make anyone redundant at any of our production plants or offices. This is of course great proof of how resilient and essential Ecolean is to the industry and broader society.

Our lightweight packaging solutions and efficient filling lines continue to spark an interest among beverage and dairy producers around the world every day. During 2020, an increased number of new and exciting customer collaborations saw the light of day, with many more planned for 2021. During the year, we increased filling line sales by 50% compared to 2019, a significant result whilst in the middle of a global pandemic.

LOOKING AHEAD TO OPPORTUNITIES IN 2021 AND BEYOND

We always look at how we can contribute to make more of a difference and create positive change, for example by analysing the impact of different material and recycling rates around the world. For Ecolean, recyclability is one of the most important requirements for the sustainable use of packaging and it is something we work hard on every day – for example through our own upstream innovation projects, our involvement with CEFLEX as well as through collection, and sorting and recycling initiatives in various markets. During four weeks in December 2020, we partnered with Ecolean customer Mengniu to offer a collection site for the recycling of Ecolean packages and highlight environmental awareness through different consumer activities in Xinjiang, China.

In addition, Ecolean's innovation and R&D agendas are filled with new projects, new material strategies and fresh ideas ready to challenge the industry and further strengthen our position going forward.

We entered 2021 from a position of strength and look forward to continue to support our customers and consumers as the markets recover. Ecolean will continue to grow globally – to supply more people with lightweight and resource-efficient liquid food packaging innovations perfectly suited for everyday life. Stay safe!



Peter L Nilsson, CEO Ecolean Group



COMMITMENTS & RECOGNITIONS 2020

ECOVADIS

Ecolean was placed in the top 1% of 75,000 companies reviewed by sustainability ratings provider EcoVadis. Ecolean obtained the Platinum EcoVadis Medal for our sustainability work during 2020. The assessment score is based on the company's strategic work with clear objectives within significant areas such as environment, including renewable energy and climate impact and social aspects – as well as via monitoring and transparent reporting of sustainability data of our lightweight packages and filling line equipment.



RECYCLABILITY RANKING IN SOUTH KOREA

In 2020, South Korea's Ministry of Environment recognised the recyclability of Ecolean's aseptic packages, ranking them higher than most other food and drink packaging solutions in the country's new recyclability grading system. The absence of aluminium in Ecolean's aseptic package material structure, means that our portfolio ranked 'good' in a four-grade scale that determines how easily packages can be recycled and were considered to be less complex to recycle than cartons and other liquid food packaging.

CORE ALLIANCE PAKISTAN

The Collect and Recycle (CoRe) Alliance is the first ever packaging alliance in Pakistan with the mission to eliminate packaging waste by enabling formal collection and recycling. Ecolean joined CoRe in 2020, to improve and enable the post-consumer collection and recycling of packaging. The alliance also promotes knowledge sharing on the importance of packaging and its recyclability through collaboration and advocacy.



EHEDG

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



Ecolean's production site in the Sundar Industrial Area, in Lahore, Pakistan.

ECOLEAN SUSTAINABILITY POLICY

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

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

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

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

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.



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 reduce our negative impacts.

SOCIAL SUSTAINABILITY

- We support our employees and provide equal opportunities for career development.
- We follow our Code of Conduct, which covers the areas of human rights, diversity, equality and non-discrimination.
- Ecolean has a zero-injury target that we strive to meet by systematically improving our work environments and promoting the physical, mental and social health of our employees.
- Food safety and superior quality packaging solutions are at our core. By risk reduction through continuous improvements, following standards and audits we safeguard food safety and quality within our part of the value chain.
- We always provide our stakeholders with accurate and transparent information about our operations. All our environmental data is based on life-cycle assessments.

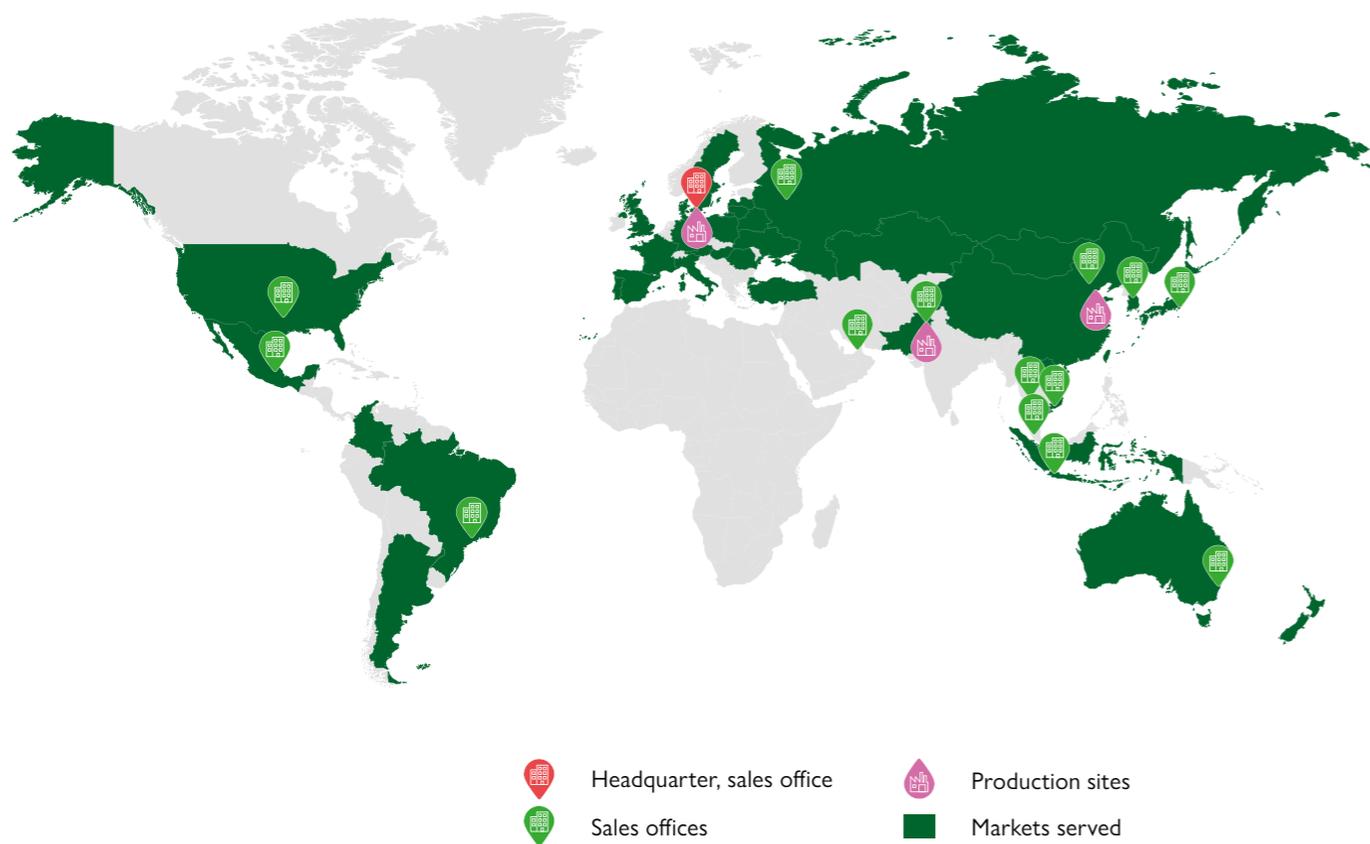
THIS IS
ECOLEAN



GLOBAL OUTLOOK

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

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



OUR VISION, MISSION AND CORE VALUES

VISION

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

MISSION

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

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, storage and distribution, to 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 wasted⁴. 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 full system of filling machines and flexible lightweight packages for liquid food. 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 quantity they need. Packages need to be designed for convenience in order to make a difference in the everyday lives of consumers. Ecolean's lightweight packages are approved by the Swedish Rheumatism Association (SRA) for being easy-to-open and easy-to-use by people with reduced hand function.

Ecolean packaging materials are produced in our production plant in Sweden, and are formed at our plants in Sweden, China and in 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 2020, we sold 2.8 billion packages.

Despite challenges in 2020 related to the coronavirus pandemic, we were able to maintain our operations without disruption to our production or delays to customers. We maintained business continuity through strict hygiene routines, our employees taking personal responsibility, and by implementing new procedures for working and meeting to reduce the risk associated with the pandemic.

ECOLEAN FILLING LINE EQUIPMENT

Ecolean filling lines are designed for efficient operation. We produce our filling line equipment in Helsingborg, Sweden, and assemble the components and equipment for Ecolean filling machines 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 any food waste by minimising filled 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 2020, the Ecolean filling machines EL1, EL1+, EL2 and EL2+ for chilled distribution and EL3, EL3+, EL4, EL4+ and EL6 for ambient distribution were available. In 2020, we sold 31 filling machines.



Ecolean filling lines at a customer's site.

⁴ <https://www.un.org/sustainabledevelopment/sustainable-consumption-production/>

PROVIDING SAFE PACKAGING SOLUTIONS

Ecolean provides packaging solutions for liquid food with a focus on food safety. A potential product safety or integrity incident could have adverse consequences on the company’s reputation and financial performance. 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.

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

Our production plants continuously work with quality inspections and audits. All our processes have documented instructions to follow including quality checks and hygiene rounds. The performance of our management systems is regularly audited, both by internal and external experts.

As part of our work to provide safe packaging solutions, our technical service engineers perform audits at customer sites. The audits follow up on safety, machine operator and technician training and optimising machine performance. Customers gain higher equipment efficiency, lower operating costs and better skilled operators. During 2020, 75 external audits at customer sites were performed focusing on personal and food safety performance.

The Ecolean technical service team also provides external training for customers. During the year, a combination of remote and on-site training took place, with on-site training held by local Ecolean trainers and technicians. These external trainings covered over 1,650 hours in total and is an example of how our technical service team works together with our customers to train the operators and technicians of the filling line equipment.

MEMBER OF EUROPEAN HYGIENIC ENGINEERING & DESIGN GROUP

During 2020, Ecolean became a member of European Hygienic Engineering & Design Group (EHEDG), which is a consortium of equipment manufacturers, food producers, suppliers to the food industry, research institutes and universities, public health authorities and governmental organisations. As a company member of EHEDG, Ecolean contributes to the promotion of food safety by improving hygienic engineering and design in all aspects of food manufacturing – through the work of establishing guidelines and also in the way we produce our equipment.

LIABILITY CLAIMS

Producing and packaging liquid food products is complex, and our customers have the ultimate responsibility to ensure compliance with relevant health and safety regulations. If regulations are violated and the customer believes the packaging system is at fault, they can issue a product liability claim. In 2020, no product liability claims or product recalls were reported by our customers.

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



Unloading of pallets in Ecolean's production plant in Pakistan.

As part of continuous improvement, we have in 2020 launched a new reporting system called Ecolean Ticket System. The system is used for reporting and tracking incidents, including environmental, health and safety incidents and customer complaints.

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

PACKAGING SOLUTIONS

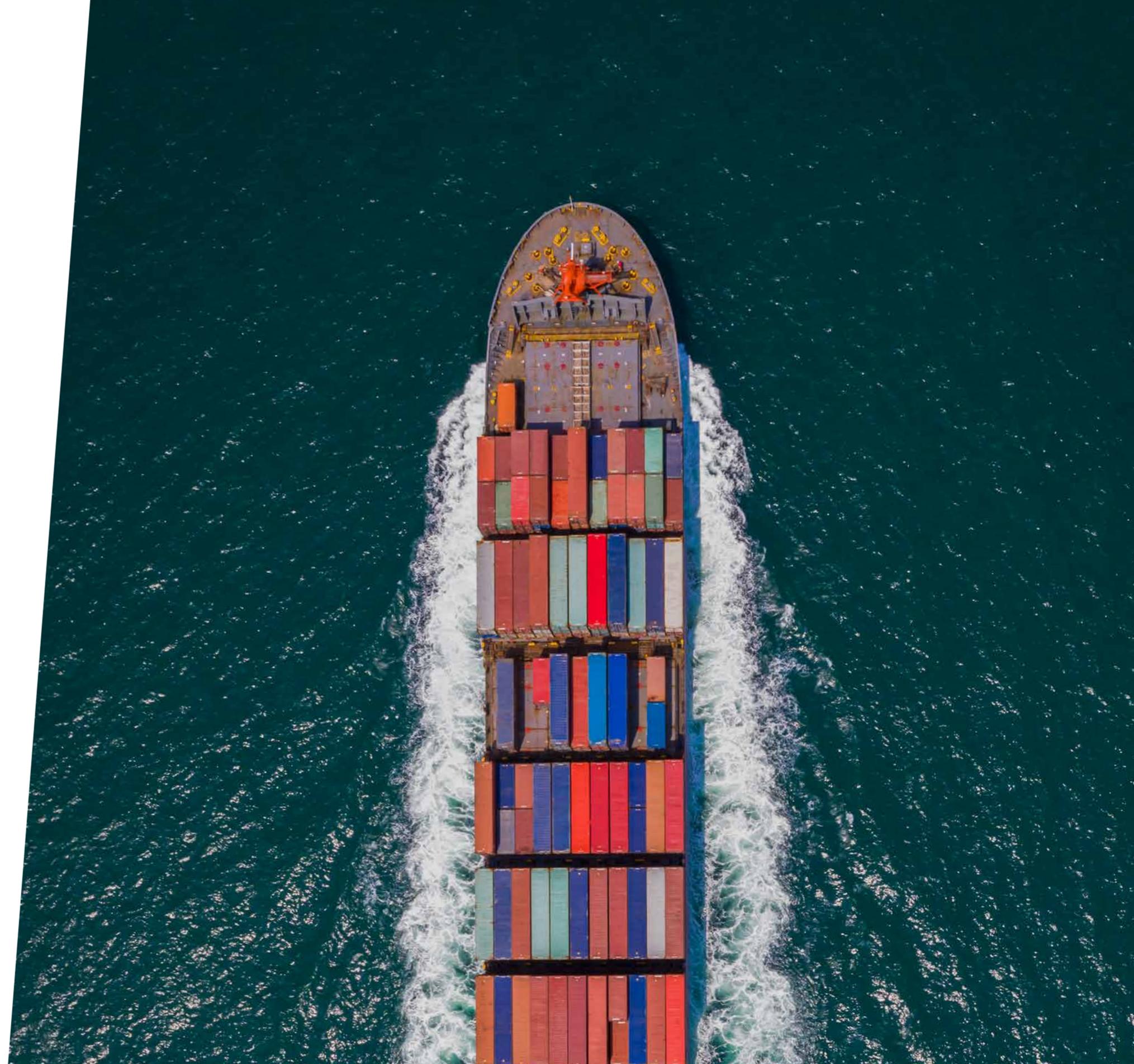


REDUCING ENVIRONMENTAL IMPACT

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

To be able to address our material environmental risks and opportunities, we have identified five sustainability objectives, clustered within our Packaging Solutions area. These objectives mainly focus on the environmental performance of our production sites as this is where our greatest impacts occur.

As part of our work with climate action, we had our climate targets approved by the Science Based Target initiative (SBTi) at the end of 2020. Our target is to reduce our Scope 1 and 2 emissions by 50 percent by 2030 compared with 2018 and to measure and significantly reduce our scope 3 emissions. We will define our scope 3 goals in our Sustainability Roadmap 2030.



PROMOTING RENEWABLE ELECTRICITY

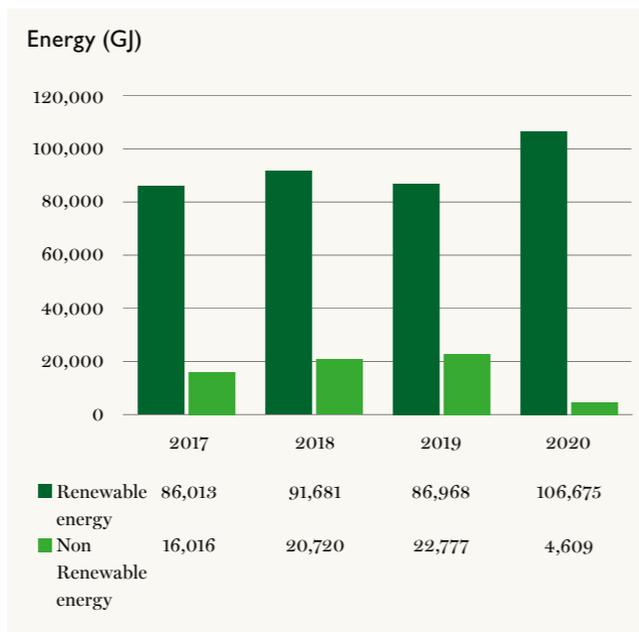
The Ecolean manufacturing process uses electricity as its main energy source, which can emit greenhouse gases depending on how the electricity is generated. By switching to renewable electricity, we can reduce the climate impact of our production, and help drive the demand for more renewable energy in society.

We have committed to using 100 percent renewable electricity for all our production plants by 2030, according to the RE100 definition. This target was actually met in 2020 by signing renewable energy agreements for our production sites in Pakistan and China. We will continue to monitor and maintain this objective as the establishment of new plants can have an impact.

PURCHASING 100 PERCENT RENEWABLE ELECTRICITY

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.

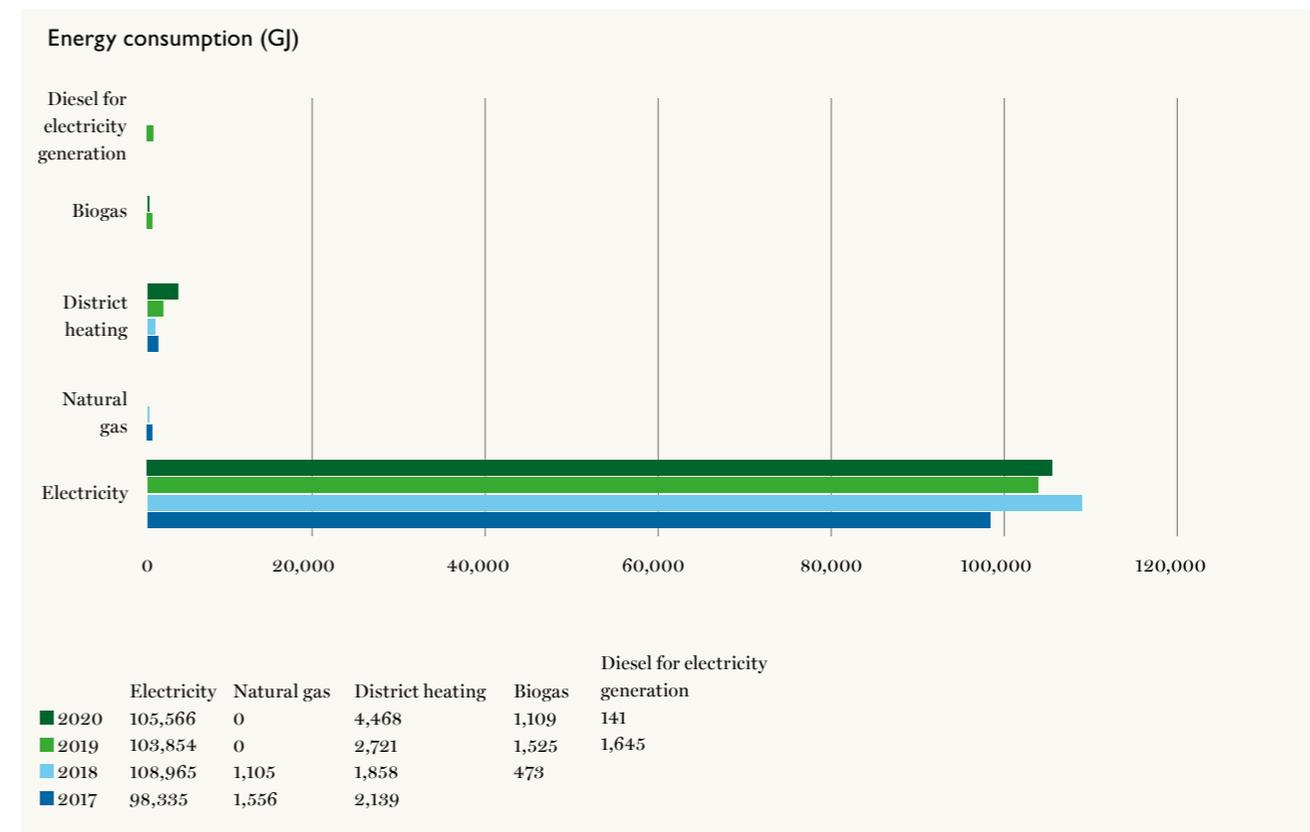
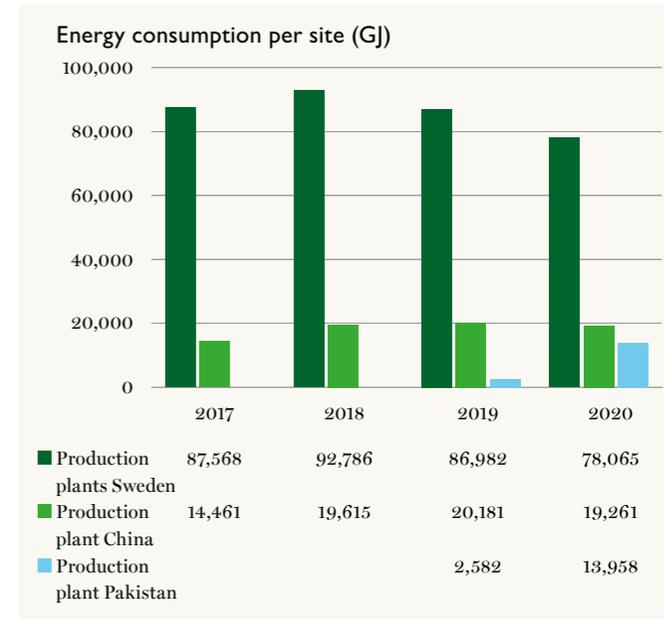
In 2020, we stepped up our commitment to purchasing renewable energy by buying International RECs (I-RECs) for wind power for the production sites in Pakistan and China. Similar to a Guarantee of Origin, each I-REC represents proof that 1 MWh of renewable energy has been produced and includes the environmental benefits this renewable energy has generated. I-REC is recognised by the Greenhouse Gas Protocol Scope 2 Guidance as a tool to document electricity consumption from renewable energy sources.



OUR ENERGY USE

During 2020, we used a total of 111,284 gigajoules (GJ) of energy at our production plants, which is an increase of 1 percent compared with 2019. From 2019, the production plant in Pakistan has been included in our data. In 2020, the plant continuously increased production volumes, which is reflected in our total energy use. Globally, the proportion of total renewable energy used in our operations reached 96 percent, from 81 percent in 2019.

Our reporting covers the energy use of our filling line equipment production in Helsingborg, Sweden and our three packaging production plants in Sweden, Pakistan and China. All energy data is obtained from suppliers.



REDUCING GREENHOUSE GAS EMISSIONS

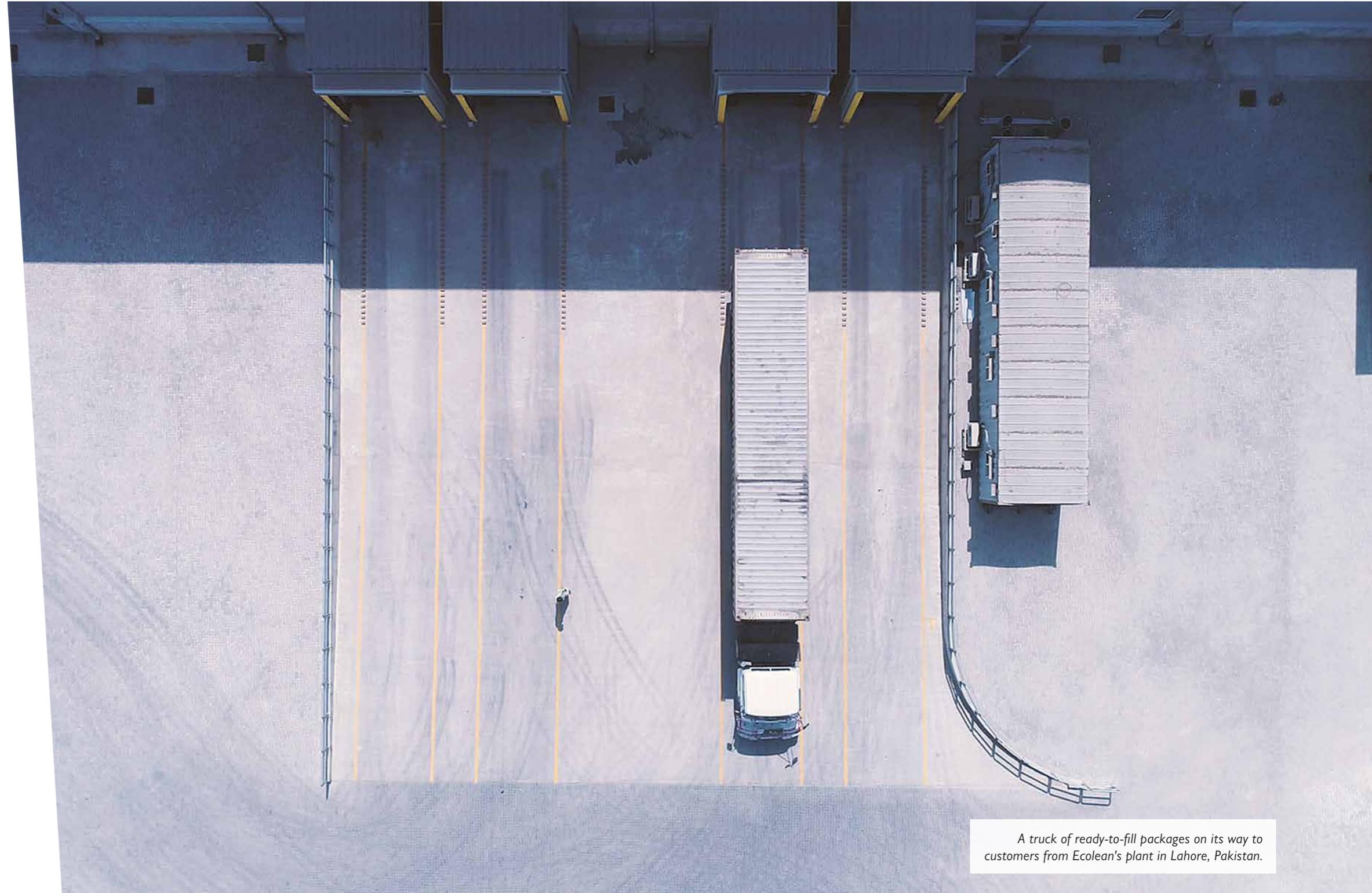
As part of our work with climate action, we had our climate targets approved by the Science Based Target initiative (SBTi) at the end of 2020. Our target is to reduce our Scope 1 and 2 greenhouse gas (GHG) emissions by 50 percent by 2030 compared with 2018 and to measure and significantly reduce our scope 3 emissions. We will define our scope 3 targets in our Sustainability Roadmap 2030.

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

Climate change can also pose risks that can impact our operations. Warmer weather might increase the need for cooling in our facilities, and climate change increases the risk of heavy rain and flooding. Such eventualities can also increase costs, and disrupt our operations and logistics. We monitor and work to decrease our emissions, and life-cycle assessments help to identify our most urgent areas for improvement.

ECOLEAN EMISSIONS REPORTING

In 2020, we conducted a review of our previous GHG calculations and updated our calculation tool, which is still based on the GHG protocol and verified by a third party. Following the review, GHG emission data from previous years has been recalculated and our climate reporting from previous years is no longer valid. New emission values from 2017 to 2020 are presented below. More information on the GHG calculation can be found in the appendix.



A truck of ready-to-fill packages on its way to customers from Ecolean's plant in Lahore, Pakistan.

OUR SCIENCE-BASED TARGETS

At the end of 2020, Ecolean committed to the Science Based Target initiative. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Climate Agreement – limiting global warming to well-below 2°C, above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

In 2020, Ecolean purchased 100 percent renewable electricity for all its production sites. This has led to a reduction of our Scope 1 and Scope 2 emissions by 94 percent compared to our base year of 2018.

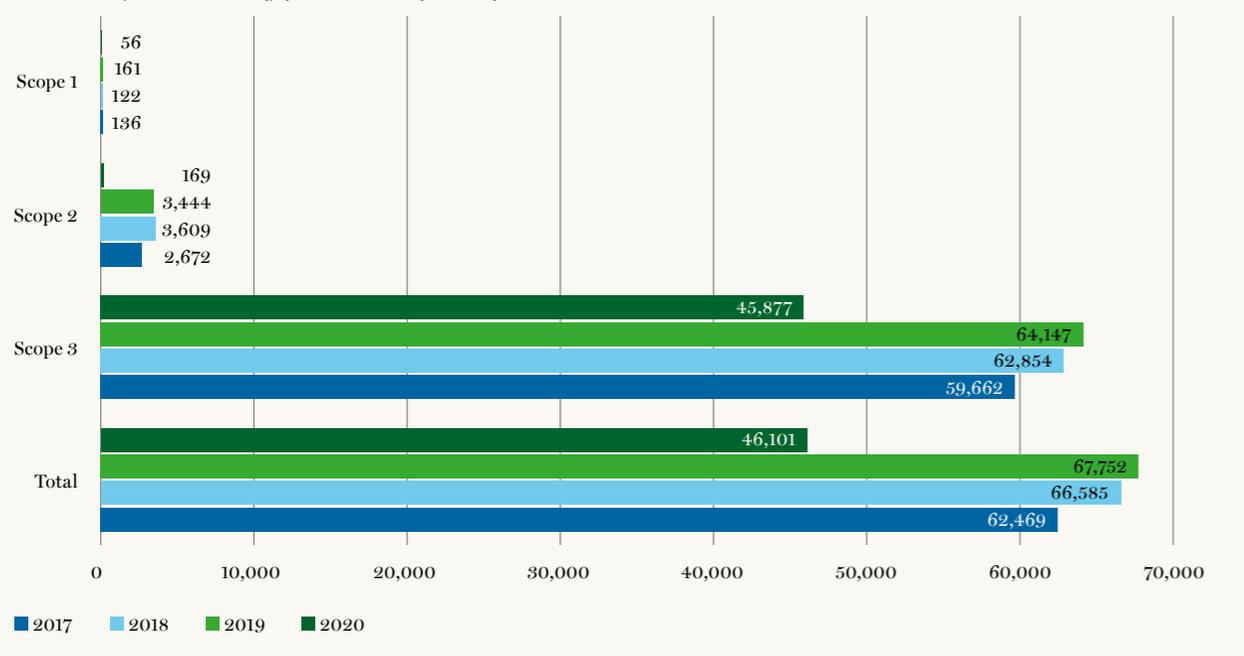
In 2020, our direct and indirect scope 1, 2 and 3 GHG emissions according to the GHG Protocol amounted to 46,101 tonnes CO₂-eq, which is a decrease of 31 percent compared with 2018. However, comparing data from different years is difficult as we have continued to broaden the scope of our data, for example by commencing

production at a new plant in Pakistan in 2019.

79 percent of our emissions are derived from the raw materials for film and packaging production and filling machines. 16 percent of these emissions are related to the downstream transportation of packaging material and filling machines from Ecolean in Sweden to customers around the world. In 2019, we also included the transportation of filling line spare parts into our reporting. Our products are transported by sea, road and air. Our remaining emissions are linked to business travel (4 percent) and facilities (1 percent). The emissions from business travel reduced by 55 percent compared to the base year, due to travel restrictions related to the pandemic.

The use of renewable biogas for production heating processes at our Helsingborg plant and use of fuels in cars generated biogenic carbon dioxide emissions amounted to 110 tonnes CO₂-eq in 2020.

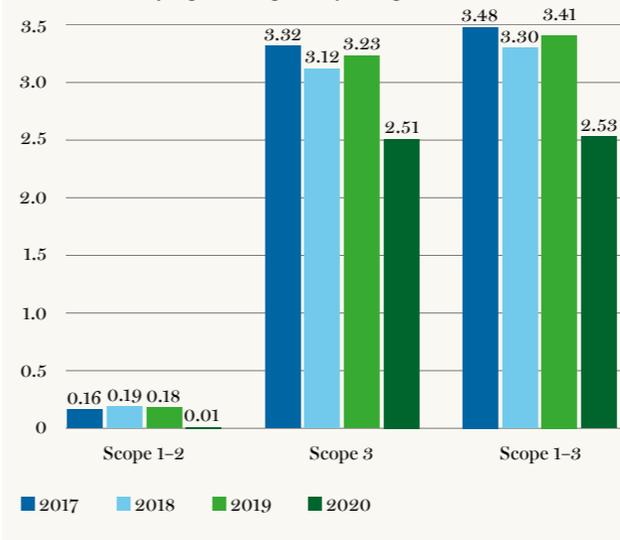
Emissions (tonne CO₂-eq) per GHG scope and year



GHG INTENSITY

Due to the review of our calculation method, a new method of reporting GHG intensity was defined. 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 2020 shows a 93 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 shows a 24 percent reduction compared to the base year.

GHG intensity kg CO₂/kg sold packages



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.

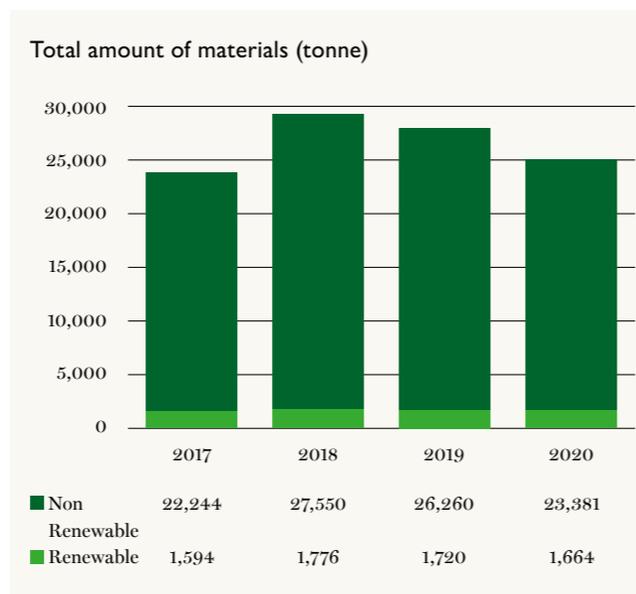
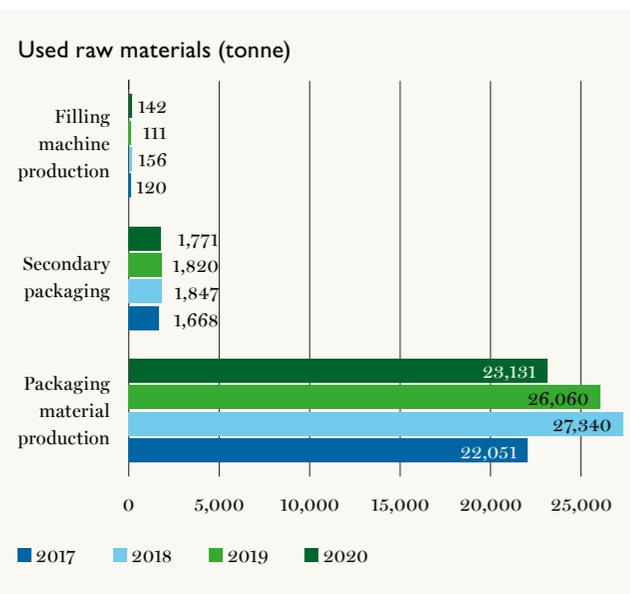
Biogenic carbon dioxide emissions are defined as emissions from a stationary source directly resulting from the combustion or decomposition of biologically based materials other than fossil fuels.

A LIFE-CYCLE PERSPECTIVE ON RAW MATERIAL IMPACTS

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 to use less packaging material, we reduce environmental impact.

In 2020, Ecolean used 25,045 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. This is a decrease of 10 percent compared to the previous year, despite printing inks for packaging production being included for the first time.

Renewable materials amounted to 1,664 tonnes and non-renewable materials to 23,381 tonnes. Raw materials are purchased from external suppliers and the procurement data is sourced from our Enterprise Resource Planning system (ERP).



OUR USE OF PLASTICS

Ecolean uses polymers made from fossil oil, due to the quality and safety requirements for food packaging, and future restrictions on the use of fossil oil could impact our business. New bio-based plastics are becoming an alternative, but the supply of bio-based plastics still remains limited and the total environmental impact of using bioplastics has not been comprehensively studied. Ecolean has close dialogue with suppliers regarding opportunities for bio-based materials.

Legislation and brand owner commitments can create greater demands on using recycled plastics in products. However, such rules would pose risks for the food packing industry, as most recycled plastics today do not meet the strict requirements for food contact materials. Ensuring a high quality of recycled plastic raw material for the food packaging industry is a key issue that needs to be addressed. Another challenge is to ensure that raw material changes actually have environmental benefits. Life-cycle assessments are needed to evaluate the environmental effects of switching to bio-based plastics and recycled materials.

INTERNAL RECYCLING OF PLASTIC MATERIAL

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

RAW MATERIALS FOR OUR 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 (EL1 and EL2+, EL3+ and EL4+).

CHEMICAL USE

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

WATER

We use water at our offices and production plants. The 59,977 m³ of water used in 2020 was mainly for drinking, sanitary purpose and air conditioning. No separate meters are used to specifically measure water consumption in production, but our packaging film production recycles water which limits the water usage.

ZERO WASTE TO LANDFILL FROM OUR PRODUCTION PLANTS

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 post-consumer waste where Ecolean has no or very limited control over waste streams in its different markets.. We follow the waste hierarchy by striving to optimise the recycling of our production waste, sorting waste and finding solutions for waste to energy.

We sent no waste to landfill in 2020. 97 percent of the waste we produced is sent for recycling, 2 percent is treated as hazardous waste and 1 percent is sent for energy recovery. We will continue to monitor and maintain this objective as the establishment of new plants can have an impact.

During 2020, our packaging production plants focused on reducing production waste through continuous improvements and standardising work. This has resulted in further improvements to our processes. Action on these improvements will proceed in 2021.

Waste is processed by different waste contractors in each country according to local regulations. Hazardous waste in Sweden and China is primarily incinerated.



Storing of Ecolean's packaging material in the Helsingborg plant in Sweden.

RECYCLABILITY OF PACKAGES

The public debate on plastic and littering is closely related to inadequate waste management and recycling infrastructure in some markets. The risk of potential bans or taxes to reduce the use of plastic packaging and single use products exists in several markets.

In response to this, many brand owners are defining their commitments to introduce recyclable, reusable or compostable packaging within certain timespans. For Ecolean, it is crucial that we work with innovation and development to help fulfil these commitments. The incentive for recycling can be strengthened by improving the market and creating value for recycled plastics.

CHALLENGES RELATED TO RECYCLING PLASTIC PACKAGING

The main issues concerning recycling plastic packaging are:

- Inadequate infrastructure – many countries lack collection systems for plastic packaging. Some countries even lack proper waste management in general, with approximately 2 billion people worldwide⁴ lacking access to waste management.
- Recycling technologies – mechanical recycling is still the dominant recycling technique for plastic packaging, which involves sorting, grinding, washing and typically converting the recycled plastic into granulates. The quality of recycled plastic can be difficult to ensure, which limits its market potential.
- Limited demand for recycled plastic – recycled plastic raw material is currently limited to low-value products (trays, sacks, pots, etc.), while plastics with more advanced material properties are mainly derived from virgin raw material. The quality of plastics that Ecolean uses in its packaging is not currently available from recycled material and there is a limited amount of recycled plastic that fulfils food packaging demands.

⁴ UNEP Global Waste Management Outlook

All three areas need to be addressed, both on a national and international level but also in the entire packaging value chain.

PARTNERSHIPS

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

CEFLEX

Ecolean is member of the European project CEFLEX (a circular economy for flexible packaging), which includes a growing group of over 160 companies in the flexible packaging value chain. Through CEFLEX, Ecolean attends stakeholder meetings and different workgroups.

In 2020, CEFLEX published 'The Designing for a Circular Economy Guidelines'. The guidelines are the result of a unique collaboration, drawing on the technical, environmental and business expertise of hundreds of CEFLEX stakeholders, including Ecolean.

The guidelines are unique and give a holistic picture – to build understanding of end-of-life processes, give practical advice on circular economy design principles and make sustainable design choices for recyclability clear.

The project has the goal for established collection, sorting and reprocessing infrastructure/economy throughout Europe for flexible packaging by 2025. The goal is based on end-of-life technologies and processes that deliver the best economic and environmental outcomes for a circular economy.



CoRe Pakistan

In 2020, Ecolean joined the recycling initiative Collect & Recycle (CoRe) in Pakistan, to enable the recycling of Ecolean packages in this large and significant market. We look forward to supporting various projects in the country.

Swedish Institute for Standards

Ecolean has been a member of the Swedish Institute for Standards (SiS) since 2019. In the technical committee for plastics, Ecolean is involved in formulating standards for plastic recycling.

DESIGNED FOR RECYCLING

Designing packages for recycling means that packages are composed of material that can be easily sorted and recycled where applicable collection and sorting systems are available. In 2019, SUEZ.Circpack® evaluated our transparent packaging ranges and both Ecolean® Air Clear and Ecolean® Air Aseptic Clear received the certification ‘Designed for Recycling’. The certification provides third-party verification that the packages are recyclable where recycling systems for mixed polyolefin plastic are available in particular markets.

SUPPORTING LOCAL RECYCLING SCHEMES

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

ENABLING LOCAL RECYCLING PROJECTS

During the year, Ecolean cooperated with customers to arrange collection and recycling activities.

Together with Ecolean customer Mengniu, which is among the ten largest dairy companies globally, we arranged

a series of sustainability awareness events in Xinjiang, China. A temporary collection site for the recycling of Ecolean packages was established, with the purpose of highlighting environmental awareness and the importance of collecting and recycling packages.

In Russia, our pilot project with customer Molvest established collection and recycling infrastructure for Ecolean packages in the region of Voronezh. During the year, we saw the first products made from Ecolean packaging materials, such as park benches.

MATERIAL DEVELOPMENT PROJECT

Recycling is essential for the sustainable use of packaging and is a priority for Ecolean. Due to material composition,

our product range for white packages can in some markets be diverted in the recycling processes, 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. But this is not enough. We as a producer of packaging material have set a goal aiming to offer a new range of packaging designed for easy recycling by 2025 at the latest.

A CIRCULAR SOLUTION FOR FILLING LINES

We have an extended producer responsibility to provide information on the recycling of our equipment. For filling equipment, we have already implemented a circular solution, included in the producer responsibility and related to the

CE-marking. This is emphasised through filling line equipment agreements that usually include a paragraph that regulates the end-of-life of the machine. Our regional directors and sales teams work to ensure that this paragraph is included and used. When a machine is taken out of production, Ecolean offers to refurbish or recycle it. In 2020, two used machines were returned to Ecolean to be recycled.



Ecolean and Mengniu sustainability event in Xinjiang, China.

PEOPLE



A COMMON GROUND

Ecolean is constantly growing and this might impact our employees, and it is important we 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 to find a balance between an international and regional approach.

ECOLEAN CODE OF CONDUCT

We apply our Code of Conduct throughout Ecolean and it covers business ethics, human rights, fair employment conditions and safe working conditions, environmental responsibility and high ethical standards. The Code of Conduct is supported by more detailed company policies, which are statements of mandatory behaviour concerning areas such as whistleblowing, IT, HR, confidentiality and authorisation. All employees shall comply with our Code of Conduct, which sometimes exceeds the relevant laws, regulations and standards in the countries we operate in.

All Ecolean employees responsible for personnel are obligated to introduce new employees to our Code of Conduct as well as regularly update current employees. During 2020, all Ecolean employees participated in an Ecolean Code of Conduct eLearning. Furthermore, we strive to ensure that our business partners comply with our Code of Conduct and other policies. Ecolean respects human rights as defined by the principles of the United Nations Global Compact.

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 via our reporting systems.

Being an organisation with fast decision-making processes, we have the ability to quickly address potential problems. The reporting of deviations is also part of our

environmental and quality 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 results in addressing issues and finding solutions before any serious harm is done, which is demonstrated by the fact that our whistleblowing function is rarely used. One case was reported via the whistleblowing function during 2020, although this case was not related to any of our sustainability objectives. The case was solved through discussions with the involved parties.

PERFORMANCE REVIEW

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



PEAKON

We use the Peakon employee engagement survey tool to follow up and promote engagement with our employees. The system is used by hundreds of companies throughout Europe and the US, and its insights provide a more objective view of our performance as an employer and where we can improve. This feedback helps us improve our organisation and promote our culture, and all feedback provided from employees is completely anonymous.

Our plan for 2020 was to continue to make Peakon available for all employees globally. Due to pandemic restrictions on travel and meeting in person, the implementation was delayed until 2021.

OUR EMPLOYMENT TERMS AND CONDITIONS

At the end of 2020, Ecolean had 484 employees. The employment terms and conditions offered to our employees must be easy to understand and comply with national law and/or collective agreements as well as relevant ILO Conventions. Ecolean respects all of our employees' right to act together. Our employees have the right to form or join unions and we will respect the right of our employees and their unions to negotiate collective agreements. All our employees in Sweden and Japan are covered by collective bargaining agreements, with 48 percent of our total global workforce covered.

Ecolean offers employees several benefits, with minor variance due to different local regulations. In total, 96 percent of all full-time employees within Ecolean are covered by life insurance, 97 percent by health care, 95 percent by disability and invalidity coverage, 81 percent by parental leave and 89 percent by retirement provision. There is no difference made between full and part time employees.

TOTAL NUMBER OF EMPLOYEES

	<i>Europe</i>				<i>Americas</i>				<i>Russia</i>				<i>Asia and Oceania</i>			
	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
<i>Female</i>	31	31	43	45	0	0	1	1	12	12	13	12	31	35	33	33
<i>Male</i>	158	168	186	184	4	1	4	3	17	17	17	16	121	137	172	190
<i>Total</i>	189	199	229	229	4	1	5	4	29	29	30	28	152	172	205	223

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT, BY GENDER

	<i>Permanent</i>				<i>Temporary</i>			
	2017	2018	2019	2020	2017	2018	2019	2020
<i>Female</i>	72	73	90	91	2	5	0	1
<i>Male</i>	293	313	372	381	7	10	7	11

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT, BY REGION

	<i>Europe</i>				<i>Americas</i>				<i>Russia</i>				<i>Asia and Oceania</i>			
	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
<i>Permanent</i>	181	184	228	226	4	1	5	4	28	29	30	28	152	172	199	214
<i>Temporary</i>	8	15	1	3	0	0	0	0	1	0	0	0	0	0	6	9
<i>Total</i>	189	199	229	229	4	1	5	4	29	29	30	28	152	172	205	223

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE, BY GENDER

	<i>Full time</i>				<i>Part time</i>			
	2017	2018	2019	2020	2017	2018	2019	2020
<i>Female</i>	70	69	86	86	4	9	4	6
<i>Male</i>	293	315	374	387	7	8	5	5

All figures refer to the number of employees 2020-12-31

PROMOTING A DIVERSE WORKFORCE AND EQUAL OPPORTUNITIES

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

We have adopted a successful strategy of hiring locally in the markets where we are active, which has resulted in a very diverse global organisation.

Many of the positions within Ecolean are of technical nature and are traditionally male dominated. Ecolean considers several criteria for each individual recruitment, including the promotion of a better gender balance in our workforce.

unintentionally excluding highly competent and talented people, so it is important we identify and remove the barriers that prevent equal opportunities for all.

Any cases of discrimination should be reported to the Ecolean management or via our whistleblowing function. The Code of Conduct is discussed at staff meetings and is part of our daily work. During the year, no cases of discrimination were reported.

PROMOTING EQUAL OPPORTUNITIES

Being an employer that provides equal employment opportunities is essential. For the past six years, Ecolean has cooperated with the Swedish organisation Tekniksprånget that offers internship opportunities to people under the age of 21 with the relevant technical education. Through internships, Ecolean has offered young persons’ opportunities to work as an engineer within the company for four months. Local restrictions due to the coronavirus situation unfortunately limited the number of interns to one in 2020.

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

EMPLOYEE DEVELOPMENT

Ecolean works to ensure that all employees develop through their daily work and feel secure in their professional roles. We demand that personal differences are respected to counteract discrimination and harassment. At Ecolean, all employees have the same rights, obligations and opportunities regardless of gender, gender identity or gender expression, age, sexual orientation, disability, ethnicity, religion or nationality.

GENDER DIVERSITY BY EMPLOYMENT CATEGORY

	<i>Production/Blue collar</i>				<i>Commercial/ Technical/General</i>				<i>Management</i>				<i>Total</i>			
	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
<i>Female</i>	6%	7%	6%	6%	30%	27%	25%	25%	19%	26%	25%	27%	20%	19%	19%	19%
<i>Male</i>	94%	93%	94%	94%	70%	73%	75%	75%	81%	74%	75%	73%	80%	81%	81%	81%

AGE DIVERSITY BY EMPLOYMENT CATEGORY

	<i>Production/Blue collar</i>				<i>Commercial/ Technical/General</i>				<i>Management</i>				<i>Total</i>			
	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
<i><30</i>	34%	37%	38%	35%	19%	20%	14%	11%	3%	0%	2%	0%	22%	22%	20%	17%
<i>30-50</i>	60%	54%	53%	54%	61%	58%	65%	64%	72%	76%	73%	66%	62%	60%	62%	61%
<i>>50</i>	6%	9%	9%	11%	20%	22%	21%	25%	25%	24%	25%	34%	16%	18%	18%	22%

EMPLOYEE TRAINING AND EDUCATION

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

Ecolean Academy aims to:

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

In total, 3,445 individual training sessions were completed during 2020 (including 65 courses, each completed by 53 employees on average).

Due to the coronavirus pandemic, we had to put our Ecolean employee orientation course on hold as it requires face-to-face meetings. But in order to maintain opportunities to develop and train our employees, we transformed some classroom courses into digital courses. We also launched a number of webinars, instead of having face-to-face sessions.

We produced a number of courses where experienced employees who are experts in different areas shared their knowledge and experience with other employees. In order to equip our employees with the right knowledge when working from home due to the coronavirus pandemic, we launched courses about how to use digital collaboration tools and digital meeting tools.

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

- Whistleblowing Policy
- Code of Conduct
- Ecolean Sustainability objectives
- Ecolean Management System
- Information security

Our technical service team worked continuously to provide training to maintain and develop skills. Despite the coronavirus pandemic, 18 technical training sessions covering different topics were held, covering 1,608 hours in total, with over 50 percent of the training being held remotely.

In addition to these internal training sessions, the service engineering team also developed external training for customers with a mix of remote and on-site training, where the on-site training was held by local Ecolean technicians. These external training sessions covered over 1,650 hours in total and is an example on how our technical service team works together with our customers to train the operators and technicians of the filling line equipment.

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

At Ecolean, we want to ensure the long-term employability of our employees, which involves focusing on the uniqueness of our technology, product development and production processes. Following a needs analysis, we have invested in substantial employee training to ensure we have the right competence now and in the future. We also facilitate internal horizontal or vertical movement within our constantly evolving organisation and operations. Today we have employees from different Ecolean locations working at our headquarters in Helsingborg and our ambition is to

increase this exchange and development of competence. On-the-job training ensures employees keep up to speed with developments in our technology, products and production. The Ecolean Academy supports this by promoting internal training for our employees.



During 2020, Ecolean Academy transformed some of the classroom courses into digital courses.

OUR ZERO INJURY TARGET

One of our most material sustainability aspects is health and safety, and our target is to achieve zero injuries throughout our operations. We work towards this target through continuous risk management, promoting incident reporting, scheduling employee training, implementing critical safety procedures and by promoting a culture of zero injuries.

In 2020, we have implemented extended hygiene routines linked to the outbreak of the pandemic. During the year, all our office personnel adapted to primarily working from home to ensure our business continuity and promote employee wellbeing.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Ecolean has not yet implemented a certified occupational health and safety management system. We have global safety policies, procedures and standards 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 for: ISO 22000, ISO 14001 and ISO 9001. 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 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

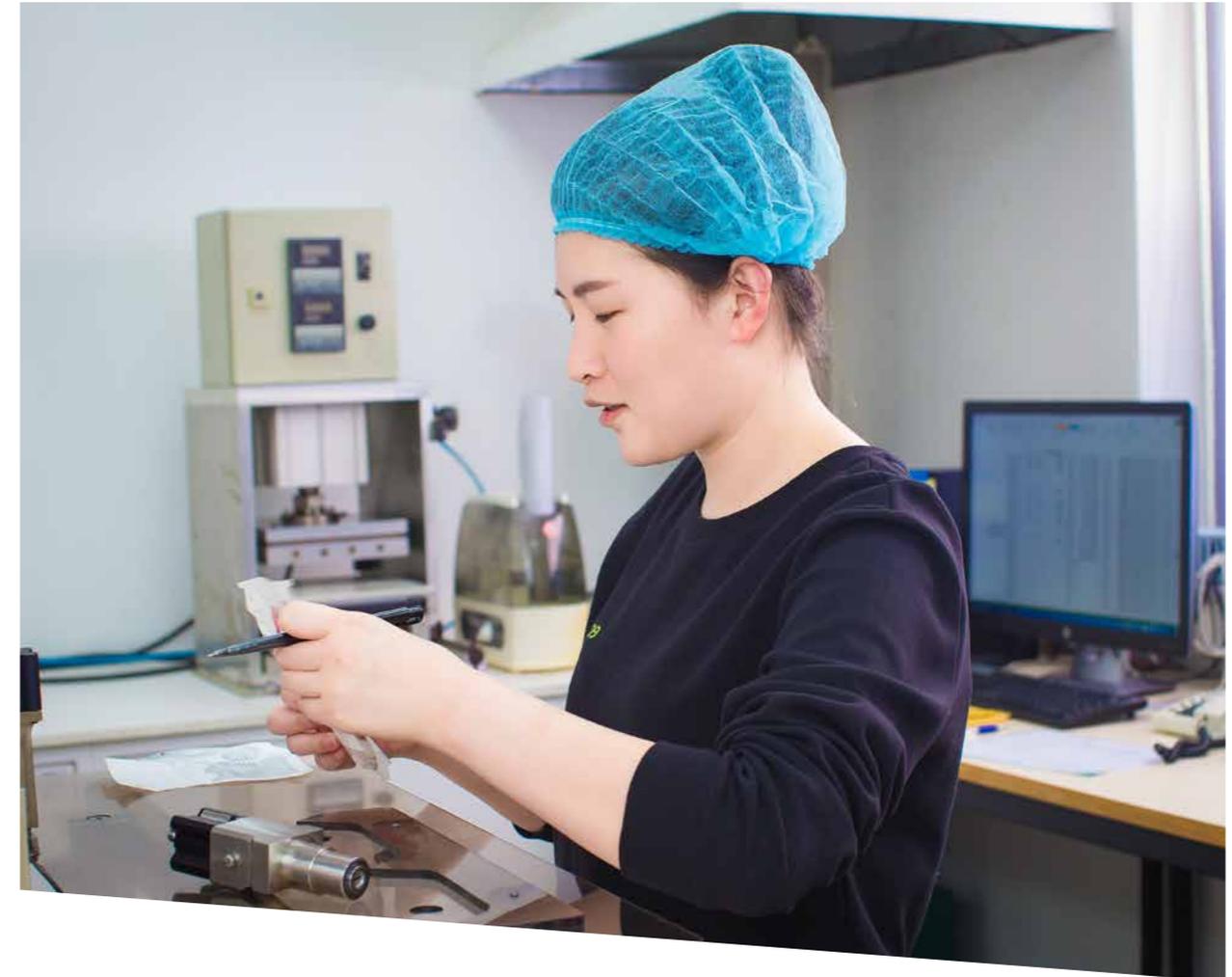
some cases. All our plants conduct regular safety inspections and safety observations.

The risk assessment methods used are either 'What-if' or 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 level for statistical analysis and to identify future improvement actions and programmes. Monthly safety reports are sent to senior management for further discussion with their organisations. Every Group management team meeting and Board meeting starts with a safety review of recent incidents and statistical review.

The reporting process is simple with the employee submitting a report that goes to both their direct manager and the Group Safety Coordinator. Having dual receivers of the report ensures transparency and protects against reprisals. The main Group target is the number of near-misses and hazards reported to promote a high reporting frequency. Our philosophy is the more the better.

During 2020, we focused on increasing our reporting and worked with the goal of 'Minimum 1 Near Miss reported per



employee and year'. This goal was not achieved in 2020, with 0.44 reported per employee during the year so this focus continues into 2021. However, the ratio between incidents with personal injury and number of reported near misses was 1:7 (7 near misses reported per injury), which compares well with the rule of thumb for incident relationship.

OCCUPATIONAL HEALTH SERVICES

The identification and elimination of hazards and minimisation of risks are mainly addressed by our formal health and safety committees. Our plants and offices are equipped with safety regulations, both in local languages and in English and also have first aid rooms or first aid kits. The 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 controls 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 health insurance that is provided for our employees.

In addition, Ecolean offers employees several benefits, with minor variance due to different local regulations. At the end of 2020, 96 percent of all full-time employees within Ecolean were covered by life insurance, 97 percent by health care insurance, and 95 percent by 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 taken in response. Local trade union agreements in Sweden require a Unionised Safety representative to be part of a safety committee that meet at least four times each year. Ecolean will implement mandatory local safety committees for all large sites globally in 2021.

OCCUPATIONAL HEALTH AND SAFETY TRAINING

Employee training is managed both locally at our sites and globally, to ensure we fulfil all legal requirements and are able to identify particular safety competence needs. We have an Academy platform where training in different areas is managed with a learning management system, supporting both local and global needs. Training methods range from e-learning to offsite external classroom trainings. Safety related topics are increasingly managed within the Academy.

In 2020, several health and safety training sessions were held at our market offices. At our plant in China, seven different external training sessions related to health and safety certificates were performed. Our office in Pakistan held training sessions in basic lifesaving, firefighting, forklift operations as well as safe motorcycle riding. Our production plant in Sweden provided training sessions in sky lift and forklift operation, and first aid and defibrillator training.

In 2020, we also continued to demand training in global focus areas, included incident reporting, forklift traffic safety standards, and fire hazard assessment for our printing operations.

PROMOTION OF EMPLOYEE HEALTH

Ecolean offers different programmes for the promotion of employee health. Our Chinese organisation offers annual health checks at hospitals to promote employee health and the Swedish organisation has the same offering every second year.

During 2020, we implemented a health promotion service in our operations in Pakistan. Several of our employees in Pakistan commute by motorcycle, both to work and in their daily life. In low- and middle-income countries including Pakistan, head injuries contribute to approximately 88 percent of deaths among motorcyclists (WHO). However, studies show that less than five percent of riders wear a helmet. Wearing a good quality motorcycle helmet can reduce the risk of death by 40 percent and the risk of serious injury by over 70 percent. To prevent accidents, Ecolean Pakistan conducted a comprehensive training for employees who ride motorcycles, which highlighted the importance of helmets and traffic knowledge. Ecolean also provided good quality helmets to its employees who ride motorcycles in Pakistan for their personal safety.

Other local examples are programmes to quit smoking, an e-learning on how to prevent psychosocial illness that will be provided in 2021 and a wellness allowance for employees to promote physical activity outside the workplace.

MITIGATING CUSTOMER OCCUPATIONAL HEALTH AND SAFETY IMPACTS

Ecolean works closely with its customers on site and we have a technical service organisation that supports and trains machine operators on customer sites. Reported near misses and incidents from our engineers on site has increased during the year due to an increased focus on site safety. During 2020, 75 external audits, including health and safety, at customer sites were performed. We can see a large increase in reported near misses due to the focus on site safety. The safety audits focus on both safe operation and a safe working environment around the filling line equipment at customer sites.

Ecolean's technical service team also works with providing external training for customers. During the year a mix of remote and on-site training took place, with on-site training held by local Ecolean technicians. These external trainings covered over 1,650 hours in total and are examples of how our technical service team works together with our customers to train the operators and technicians of the filling line equipment.

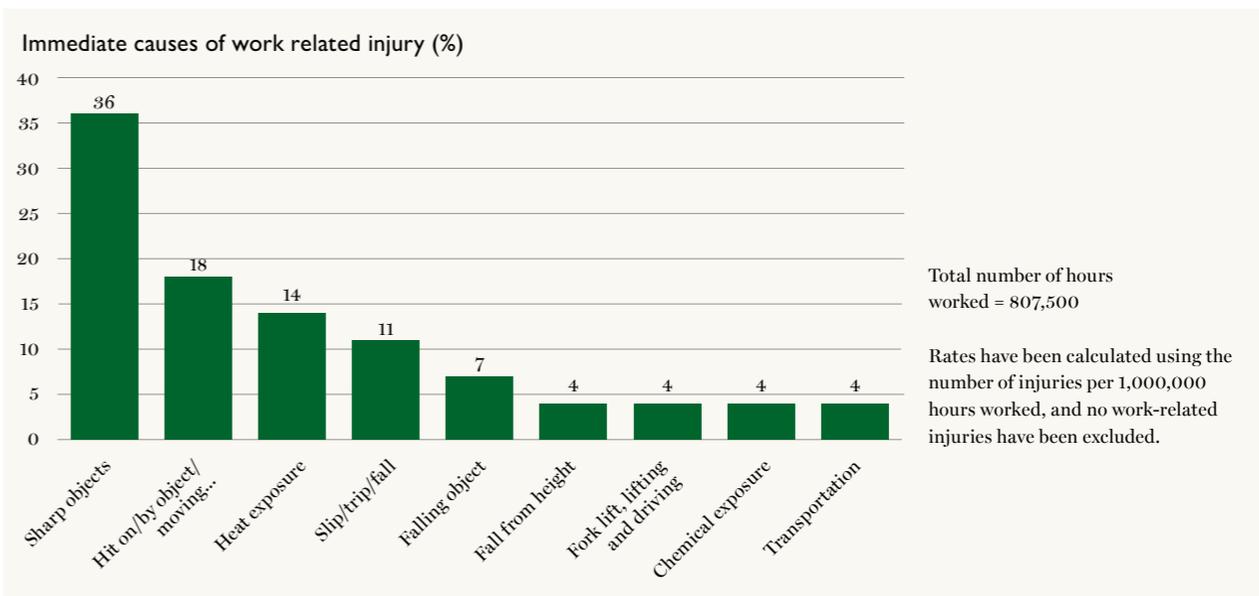
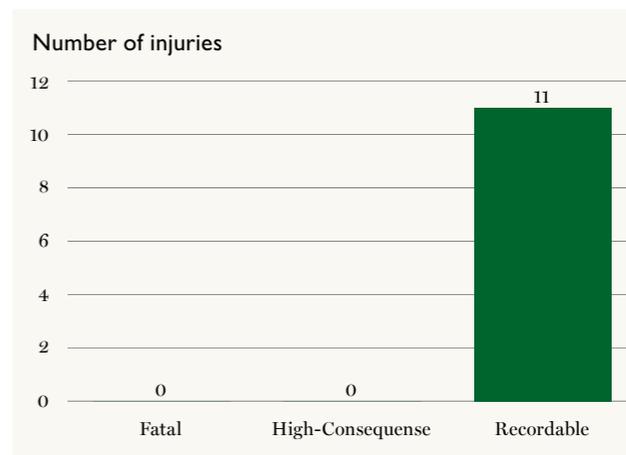
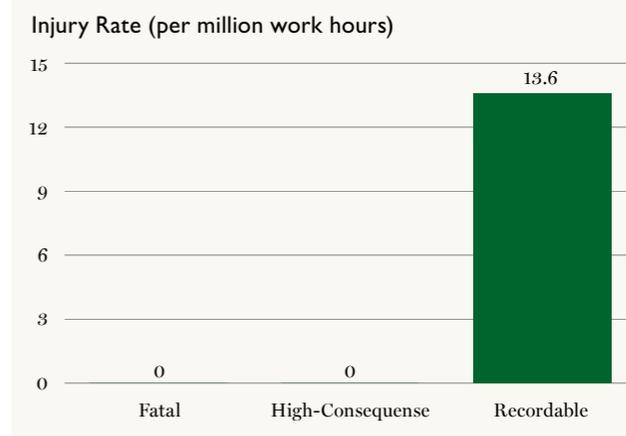
WORK-RELATED INJURIES

Ecolean has identified work-related hazards that pose a risk of high injury, based on risk assessments and analysing reported incidents. The top five hazards are moving machine parts, fire in flammable solvents, traffic incidents, forklift incidents and working at height. None of these risks resulted in high-consequence injuries during 2020, although they did cause four lost time injuries (two related to moving machine parts and two related to traffic incidents).

The following key actions to eliminate high-consequence hazards has been made during 2020:

- Implemented a standard for forklift driving and conducted training as well as upgraded our facilities with better separation between drivers and pedestrians.
- Further risk assessments and improved fire safety installations were conducted at our printing operations.
- We have conducted safe driving education in Pakistan, including providing every employee who rides motorcycles with their own helmet.

A roadmap is being defined for 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.



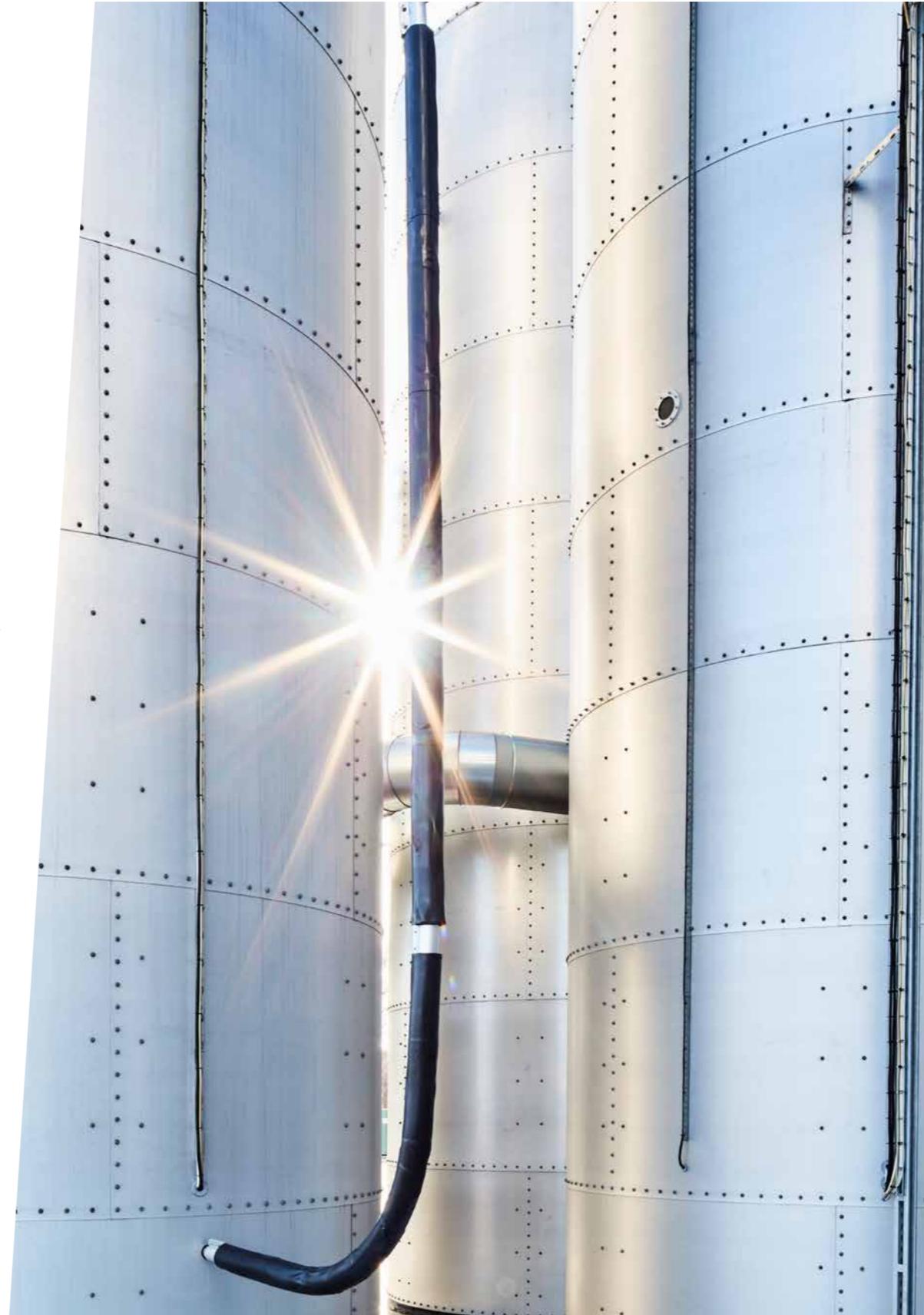
ZERO TOLERANCE FOR CORRUPTION

Ecolean is a global company operating in many markets, and entering a new market can pose risks. These might include breaches of our Code of Conduct related to corruption or bribery, which are detrimental to society and can damage a company's brand and reputation.

Before entering a new market, we conduct a risk assessment that includes corruption-related risks. We continuously discuss and evaluate corruption risks and the Ecolean Group Management Team is ultimately responsible. 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 suspected cases should be reported to the Ecolean Group Management Team. As a general rule, Ecolean does not give donations or sponsorships.

Our Code of Conduct makes our zero tolerance for corruption very clear. All new employees receive the Code of Conduct and are informed of its content and importance. Employees can find information regarding bribery and corruption on the Ecolean intranet and printed versions of our Code of Conduct are available at all our offices.

During the year, a mandatory e-learning on the Code of Conduct and the importance of zero tolerance for corruption was held and additional information for employees without an email took place. No cases of corruption were reported during the year.



ZERO TOLERANCE FOR HUMAN RIGHTS VIOLATIONS

Violations of human rights in our operations and supply chain can potentially have severe detrimental impacts on individuals and society, as well as potential negative impacts on our brand and reputation. The risk of human rights violations within Ecolean is considered to be very low, but we need a comprehensive risk assessment system as our global supply chain continues to grow.

Human rights are addressed in our Code of Conduct and in our Supplier Code of Conduct. During 2020, a new Supplier Relation Management system was implemented by our global procurement team. As part of the assessment for new suppliers, an assessment took place, including social aspects such as human rights. Ecolean respects human rights as defined by the United Nation Global Compact.

We also provide human rights training as part of our Code of Conduct training. All new employees receive information on our Code of Conduct during their induction. During the year, a mandatory e-learning on the Code of Conduct, including human rights, were held and additional training for employees without an email took place. Our whistleblowing function is in place to report any suspected human rights violations, although no cases relating to human rights violations were reported in 2020.

ACCURATE AND TRANSPARENT INFORMATION

In a world where environmental claims and messages are everywhere, transparent communication based on facts is more important than ever. This is why we have 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 avoid ‘greenwashing’ and strengthens our brand.

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 communication.

We use standardised programmes to give customers the big picture and allow them to request the same type of documents from other suppliers. Environmental Product Declarations (EPDs), follow the ISO 14025 standard, and are 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 open sourced at the International EPD® System (www.environdec.com).

During 2020, Ecolean started to update the four EPDs covering the packaging range for ambient and chilled distribution, and filling machines for ambient and chilled distribution. This work will be completed in the spring 2021.

Yearly assessments, performed by independent sustainability ratings provider EcoVadis indicate our performance within this field and provide a tool for recognising improvements and areas of strength as well as benchmarking our performance against other companies. Our sustainability work during 2020, placed Ecolean in the top 1% of 75,000 companies reviewed by EcoVadis, obtaining us the Platinum EcoVadis medal.

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



Ecolean provides transparent and comparable environmental data for its products in Environmental Products Declarations.

RESPONSIBLE SUPPLY CHAIN

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

ECOLEAN SUPPLIER CODE OF CONDUCT

Our 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 2020, 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 we had engaged with 25% of our new and existing suppliers.

SUPPLIER RELATION MANAGEMENT

At the end of the year, a new Supplier Relation Management (SRM) system was implemented by our global procurement team. All new strategic suppliers are also added to the SRM platform and are then screened for environmental and social criteria. A more detailed supplier self-assessment is conducted if applicable along with an onsite 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.

OUR SUPPLY CHAIN

Ecolean works with 275 raw material suppliers for the packaging material production and the production of filling line equipment in Sweden. Our main suppliers are large, international companies in the chemical sector, located in Sweden and Europe, that provide us with the polymers and additives we need to produce packaging material.

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



STRATEGY, STAKEHOLDERS, GOVERNANCE



MATERIALITY ASSESSMENT

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

We use various sources to identify the relevant topics for 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
- 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 by surveys, at conferences and industry meetings. Sustainability is a common discussion topic at our regular meetings with various stakeholders, such as our board, owners, customers and suppliers, which provides valuable input for our continuous materiality analysis and reporting.



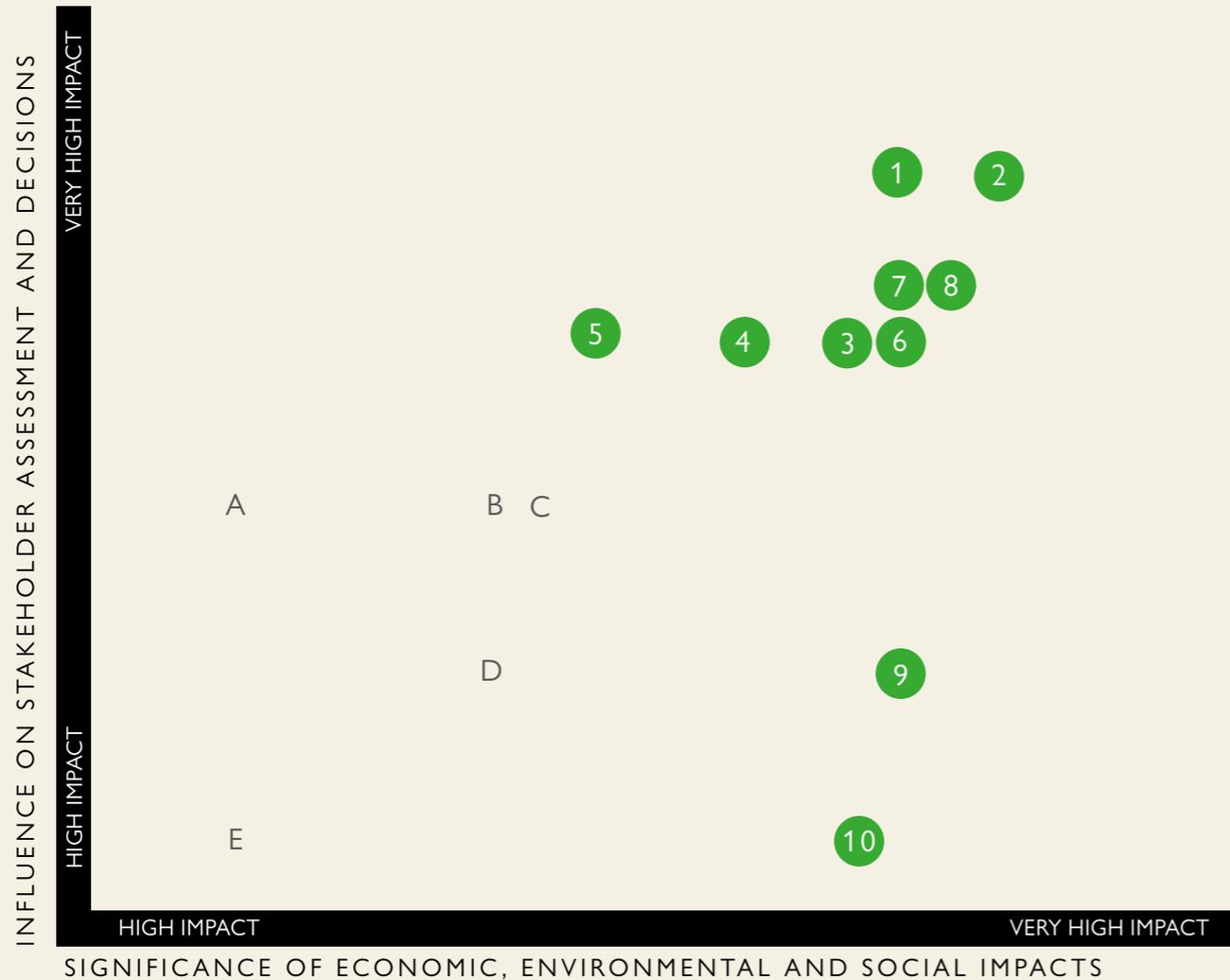
STAKEHOLDER TRENDS IN 2020

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

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 first materiality assessment and sustainability objectives are in place to focus on these topics. The increased importance of this topic is shown in our reviewed materiality matrix.

MATERIALITY TOPICS MATRIX



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

MATERIALITY

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

In recent years, we have seen increasing evidence of climate change and that we all need to work together to build a low-carbon society. In 2020, Ecolean contracted an independent expert to review our GHG calculations, and update our calculation tool to fully abide by the requirements of GHG Protocol. An initial scoping of opportunities to reduce our emissions has been done and Ecolean committed to the Science Based Target initiative at the end of the year. During the last review in 2020, it was decided to increase the importance of topic number 8 – Emissions (see matrix) due to its very high impact.

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.

Any compliance deviations related to laws and legal obligations are reported in our annual Sustainability Report. The materiality matrix is approved by the Ecolean Group Management Team.

ECOLEAN SUSTAINABILITY OBJECTIVES

Ecolean has twelve defined sustainability objectives covering the material topics identified by the materiality assessment. Not all our objectives have clearly defined targets due to inadequate baselines when they were first defined in 2017. We have now started to define our long-term targets and related projects, the Ecolean Sustainability Roadmap 2030, using the data from our previous Sustainability Reports as baselines. The objectives have been defined and decided upon by the Ecolean Group Management Team.

The effectiveness of our sustainability management is annually reviewed by the Ecolean Group Management Team. The outcomes from our sustainability work are also presented twice a year at Board meetings.

Our sustainability objectives have been linked to appropriate GRI Standard topics and disclosures have been chosen to ensure completeness of the report. Our objectives are arranged in two focus areas:

- People; includes our objectives related to social topics, and
- Packaging Solutions; relates to environmental topics.

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

GOVERNANCE STRUCTURE

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

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 Ecolean Group and is also responsible for the Sustainability Report. The Ecolean Group Management Team, including the CEO and the functional and regional directors, is responsible for the operational governance of the company, including decision making on economic, environmental and social topics.

ECOLEAN SUSTAINABILITY OBJECTIVES

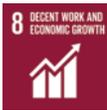
PEOPLE

Ecolean Sustainability Objective	Action	GRI Topic	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 actively to ensure a non-existence within the Ecolean Group.	205, Anti-corruption	Ecolean Customers Suppliers	Ecolean Code of Conduct Sustainability Policy
<i>We have zero tolerance for breaches of human rights.</i>	We will respect human rights as defined in the United Nations Global Compact, and we desire to take that responsibility towards our employees and the societies within which we work.	412, Human Rights Assessment	Ecolean Society	Ecolean Code of Conduct Sustainability Policy
<i>We promote a diverse workforce and equal opportunities.</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	
<i>We have a zero injury target in all our operations.</i>	Appropriate health and safety information and training are provided to employees.	403, Occupational Health and Safety	Ecolean	Ecolean Code of Conduct Sustainability Policy
<i>We invest in training and education for our personnel.</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
<i>We provide the world with safe and convenient packaging solutions for liquid food.</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 Customers Consumers Suppliers	Ecolean Code of Conduct Sustainability Policy
<i>We take responsibility for accurate and transparent information regarding our systems.</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 Sustainability Policy

PACKAGING SOLUTIONS

Ecolean Sustainability Objective	Action	GRI Topic	Boundary/Specific interest to stakeholders	Management approach/Covered by
<i>We will reduce the GHG intensity from our packages.</i>	Reducing GHG emissions by reducing use, shift to renewable energy sources, optimising production, transports, etc.	305, Emissions	Ecolean Customers Suppliers Logistics	Ecolean Code of Conduct Sustainability Policy
<i>We will use 100% renewable electricity in all our production sites by 2030.</i>	We will use renewable electricity, by using the RE100 definitions.	302, Energy	Ecolean	Ecolean Code of Conduct Sustainability Policy
<i>We will keep reducing the environmental impact from raw materials used in production, based on a life-cycle perspective.</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 Suppliers	Ecolean Code of Conduct Sustainability Policy
<i>We will have zero waste to landfill from our production sites by 2030.</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, Effluents and Waste	Ecolean	Ecolean Code of Conduct Sustainability Policy
<i>We are taking action to increase the possibilities for a circular economy for our packaging solutions.</i>	Support different initiatives for recycling of flexible plastic packaging. To offer circular solutions for our filling line equipment.	No topic-specific GRI Standard – Circular Economy	Ecolean Customers Consumers/ Society Industry/ Partners	Ecolean Code of Conduct Sustainability Policy

IMPACT ON UN SDGS

UN SDG	Relevance	Ecolean contribution and impact	Ecolean sustainability objectives
	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. 	We provide the world with safe and convenient packaging solutions for liquid food.
	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. 	We have a zero injury target in all our operations.
	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. 	We promote a diverse workforce and equal opportunities.
	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. 	<p>We will use 100% renewable electricity in all our production sites by 2030.</p> <p>We will reduce the GHG intensity of our packages.</p>
	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. 	<p>We have a zero injury target in all our operations.</p> <p>We invest in training and education of our personnel.</p>
	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. 	<p>We are taking action to increase the possibilities for a circular economy for our packaging solutions.</p> <p>We will reduce the GHG intensity of our packages.</p> <p>We will send zero waste to landfill from our production sites by 2030.</p>

UN SDG	Relevance	Ecolean contribution and impact	Ecolean sustainability objectives
	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. 	<p>We are taking action to increase the possibilities for a circular economy for our packaging solutions.</p> <p>We will keep reducing the environmental impact from raw materials used in production, based on a life-cycle perspective.</p> <p>We will send zero waste to landfill from our production sites by 2030.</p> <p>We take responsibility for accurate and transparent information regarding our systems.</p>
	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. 	<p>We will use 100% renewable electricity in all our production sites by 2030.</p> <p>We will reduce the GHG intensity from our packages.</p> <p>We take responsibility for accurate and transparent information regarding our systems.</p>
	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. 	We are taking action to increase the possibilities for a circular economy for our packaging solutions.
	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. 	We will keep reducing the environmental impact from raw materials used in production, based on 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. 	<p>We have zero tolerance for corruption.</p> <p>We have zero tolerance for breaches of human rights.</p>
	Medium	<ul style="list-style-type: none"> + Ecolean works to increase the value of flexible packaging and promote a circular economy. By promoting recycling infrastructure, Ecolean helps to reduce littering and the mismanagement of plastic waste. + Ecolean engages with relevant partners to address any challenges and collaborate with stakeholders to constantly improve performance. 	

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

EXTERNAL INITIATIVES

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



ORGANISATION

MEMBERSHIP

GEOGRAPHIC AREA

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
Association of Russian dairy producers	Member	Russia
Association of Russian beverage producers	Member	Russia
Lahore Chamber of Commerce	Member	Pakistan
Pakistan Dairy Association	Member	Pakistan
CoRe Collect Recycle Pakistan	Member	Pakistan
Swedish Business Council, Pakistan	Member	Pakistan
Sundar Industrial Estate	Member	Pakistan
HR Association, Tianjin	Member	China
China Dairy 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
AMEE, Mexican Packaging Association	Member	Americas
ABRE, Brazilian 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

EXTERNAL ASSURANCE



Assurance statement

2050 Consulting was commissioned by Ecolean AB to conduct an independent third-party assessment to verify the Ecolean Group's 2020 sustainability report's fulfillment of the GRI Sustainability Reporting Standards (2016) requirements at the Core reporting level. The assurance does not include verification of the robustness and veraciousness of the contents of the report.

The audit has been conducted and quality assured using a systematic and documented method developed by 2050 Consulting AB. The assurance process has involved desktop assessment of the written report in its final version.

We hereby confirm that Ecolean Group's 2020 sustainability report does fulfill the GRI Sustainability Reporting Standards (2016) requirements at the Core level. Omissions were made with valid reasons which are described throughout the report and in the GRI Index.

Stockholm, 2021-03-02

Stina Tang

2050 Consulting AB

Malmö, 2021-03-02

Mats Tedenvall

2050 Consulting AB



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 2020 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, 12 March 2021

Öhrlings PricewaterhouseCoopers AB

Sofia Götmar Blomstedt
Authorised Public Accountant

My Lidén
Authorised Public Accountant

GRI Standard Title	Disclosure Number	Disclosure Title <i>Individual disclosure items ('a', 'b', 'c', etc.) are not listed here</i>	Page Number	Omissions	Explanation / Information
GRI 102: General Disclosures 2016	102-1	Name of the organisation	3		
	102-2	Activities, brands, products, and services	18, 20–21		
	102-3	Location of headquarters	18		Helsingborg, Sweden
	102-4	Location of operations	18		
	102-5	Ownership and legal form	3, 67		
	102-6	Markets served	18, 20–21		
	102-7	Scale of the organisation	18, 20–21, 47		In 2020, Ecolean had net sales of SEK 1,043.4 (1,096.5) million and total capitalisation of SEK 1,655.1 (2,069.7) million (equity SEK 1,282.9 (1,705.6) million and debt SEK 372.1 (364.1) million). No changes of the share capital structure has occurred during the year.
	102-8	Information on employees and other workers	46–47, 76		Data compiled and reported by all offices, by the end of the year, 2020-12-31. The data corresponds to head count data in human resource management systems. During the year, 22 consultants have been involved in various activities in our operations to support specific projects, which is not a significant portion of our activities.
	102-9	Supply chain	60		
	102-10	Significant changes to the organisation and its supply chain	76		No significant changes to the organization and our supply chain has occurred during the year.
	102-11	Precautionary Principle or approach	18		
	102-12	External initiatives	4–9, 26, 70–71, 72–73		
	102-13	Membership of associations	72–73		
	102-14	Statement from senior decision-maker	10–11		
	102-16	Values, principles, standards, and norms of behavior	14–15, 19, 60		
	102-18	Governance structure	67		
	102-40	List of stakeholder groups	64–65		
	102-41	Collective bargaining agreements	46		
	102-42	Identifying and selecting stakeholders	64–65		
	102-43	Approach to stakeholder engagement	64–65		
	102-44	Key topics and concerns raised	64–65, 66, 68–69		
	102-45	Entities included in the consolidated financial statements	3		
	102-46	Defining report content and topic Boundaries	64–65, 68–69		
	102-47	List of material topics	66		
	102-48	Restatements of information	30–33		During 2020 a review of the previous GHG calculations has been done. This has led to recalculations and new values for emissions.
	102-49	Changes in reporting	76		No significant changes have occurred from our last Sustainability report 2019.
102-50	Reporting period	3			
102-51	Date of most recent report	3		Published 2019-06-30	
102-52	Reporting cycle	3			
102-53	Contact point for questions regarding the report	3			
102-54	Claims of reporting in accordance with the GRI Standards	3			
102-55	GRI content index	76–78			
102-56	External assurance	74–75			

GRI Standard Title	Disclosure Number	Disclosure Title <i>Individual disclosure items ('a', 'b', 'c', etc.) are not listed here</i>	Page Number	Omissions	Explanation / Information		
GRI 205: Anti-corruption 2016	GRI 103: Management approach 2016 205-3	Confirmed incidents of corruption and actions taken	44, 46, 56, 67, 68–69				
			56				
GRI 301: Materials 2016	GRI 103: Management approach 2016 301-1	Materials used by weight or volume	22-23, 26, 34–35, 67, 68–69	No data available for associated process materials. Only raw materials, inks and transport packaging materials are reported.			
			34–35				
GRI 302: Energy 2016	GRI 103: Management approach 2016 302-1	Energy consumption within the organisation	22, 28–29, 67, 68–69	Energy consumption covers production sites and offices located within the sites. Steam and cooling consumption are omitted.	Ecolean does not produce or sell energy.		
			28–29, 79				
GRI 305: Emissions 2016	GRI 103: Management approach 2016 305-1	Direct (Scope 1) GHG emissions	22, 30–33, 67, 68–69	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. Emissions are consolidated from entities over which Ecolean has operational control.		
			30–33, 79				
			305-2			Energy indirect (Scope 2) GHG emissions	30–33, 79
			305-3			Other indirect (Scope 3) GHG emissions	30–33, 79
GRI 306: Effluents and Waste 2016	GRI 103: Management approach 2016 306-2	Waste by type and disposal method	30–33, 79				
			30–33, 79				
GRI 403: Occupational Health and Safety 2018	GRI 103: Management approach 2018 403-1	Occupational health and safety management system Hazard identification, risk assessment, and incident investigation Occupational health services Worker participation, consultation, and communication on occupational health and safety Worker training on occupational health and safety Promotion of worker health Prevention and mitigation of occupational health and safety impacts directly linked by business relationships Work-related injuries	22, 44, 46, 52–55, 68–69	Partly omitted. 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. No fatalities as a result of work-related injury.		
			52–55				
			52–55				
			52–55				
			52–55				
			52–55				
			52–55				
52–55, 77							

GRI Standard Title	Disclosure Number	Disclosure Title <i>Individual disclosure items ('a', 'b', 'c', etc.) are not listed here</i>	Page Number	Omissions	Explanation / Information
GRI 404: Training and Education 2016	GRI 103: Management approach 2016 404-2	Programs for upgrading employee skills and transition assistance programs	44, 46, 50–51, 68–69 50–51		
GRI 405: Diversity and Equal Opportunity 2016	GRI 103: Management approach 2016 405-1	Diversity of governance bodies and employees	44, 46, 48–49, 68–69 48–49		
GRI 406: Non-discrimination 2016	GRI 103: Management approach 2016 406-1		44, 46, 48–49, 68–69 48–49		
GRI 412: Human Rights Assessment 2016	GRI 103: Management approach 2016 412-2	Employee training on human rights policies or procedures	44, 46, 57, 68–69 57	412-2a: No data available on total hours devoted to training on human rights	
GRI 416: Customer Health and Safety 2016	GRI 103: Management approach 2016 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	22–23, 68–69 22–23		
GRI 417: Marketing and Labeling 2016	GRI 103: Management approach 2016 417-3	Incidents of non-compliance concerning marketing communications.	58, 68–69 58		
We are taking action to increase the possibilities for a circular economy for our packaging solutions.	GRI 103: Management approach 2016 No topic specific GRI standard	Report on initiatives taken to increase recycling and circular economy for our products.	39–41, 68–69 39–41	Data on availability of circular solutions for flexible plastic packaging solutions is missing.	

APPENDIX – GHG EMISSIONS

• GHG EMISSIONS – SCOPE 1, 2 AND 3

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 impacts our scope 1 emissions due to the need to generate some electricity on site with a diesel generator and adds electricity and waste from the new production plant. For business travel, we include data from all Ecolean subsidiaries, including data from our smaller market offices from 2019. Data from business travel with cars, train and flights is used when available. The proportion of renewable fuels in petrol and diesel are unknown in many markets. From 2019, spare part transportation is included in the scope. These changes in boundaries reduces the opportunities for historical data comparisons.

In 2020, a review of our previous GHG calculations has been made and we updated our calculation tool, which has been verified by external partner and is based on 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 gives 285 tonnes GHG emissions from our electricity use compared with 4,207 tonnes GHG emissions using location-based method. The emission factors from EPDs

from Vattenfall for hydro and wind power are used for all three markets due to limited information from Chinese and Pakistani suppliers.

Scope 1 emission factors for natural gas are based on values from Swedenergy and emission factors from fuel for company-owned cars are based on data from the Swedish Transport Agency. In Sweden, vehicle fuels have a portion 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 are based on data from EPDs from Vattenfall. The Swedish Environmental Protection Agency Emission data has been used to calculate biogenic carbon dioxide emission from biogas and for 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, 4) Upstream transportation and distribution, 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 trips by train and car from NTM, DEFRA, WRI, 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

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