ABOUT OUR SUSTAINABILITY REPORT

This sustainability report is a summary of Returpack Svenska AB’s sustainability work during the financial year 1 January – 31 December 2020, and is the third to be reported according to Global Reporting Initiative (GRI) Standards with the Core application level. It constitutes the statutory sustainability report in accordance with the requirements in Chapter 6 of the Annual Accounts Act (ARR).

The sustainability report has been reviewed by the accounting firm Ernst & Young AB to ensure that the requirements under ARR are satisfied; no other external review has been carried out. The report is intended for all our stakeholders and forms part of our annual report, but is presented as a standalone report and can be downloaded from our website.

In addition to our reporting of the statutory requirements in the fields of the environment, social conditions and personnel, respect for human rights and countering corruption, we are also presenting our work in our five focus areas: recycling, climate & the environment, business relations, employees and society. The report describes the company’s sustainability work and our future ambitions. Results and goals in each area are presented in tables or in the body of the text.

Questions regarding the sustainability report can be addressed to:
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SUSTAINABILITY REPORT 2020

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CEO’s STATEMENT

Increased recycling despite a very different year

For us at Retupack, as for most businesses in general and society at large, 2020 turned out to be one of the most unusual years in our history. The reason for this was the consequences of the ongoing Covid-19 pandemic. The impact of closures and behavioural changes has been huge, approximately 15 percent of the beverages normally sold in Sweden is sold in cross-border trade along the border with Norway. For most of 2020, the border has been closed, which of course has affected both sales and recycling. However, this has largely been offset by an increase in other sales and recycling in Sweden, driven by reduced imports of foreign cans and bottles and more consumption in the home. When summing up 2020, we can therefore report that recycling in our deposit-based return system is again at record levels. We received over 2.2 billion packages, an increase of just over 3 percent and representing a recycling rate of just over 88 percent, an increase of more than 3 percentage points. We are grateful for the confidence in us demonstrated by returning more and more packaging for recycling. This benefits our society and our planet through reduced littering and resource consumption, while the deposit system can further contribute to a more sustainable world by supporting non-profit organizations, children and young people, associations and others. We are one of the founders of Keep Sweden Clean, are the main sponsor of the Swedish Floorball Association and have an extensive collaboration with Clean Sweden.

Sustainability in all aspects is the focus of everything we do. We have continued our investment and development in our Pantamera Express outdoor machines, there are now over 50 machines deployed at recycling centres around Sweden. Similar large reverse vending machines are available at many stores. This is part of our ambition to improve and simplify matters for those who want to return their packaging while driving technical development forward. Different solutions for digital payments are being tested and during the year we launched the first fully automated returns collection facility in Norrköping, including cash payment as a complement to our existing facilities.

Retupack has long been a driving force in the ambition for all transport in our collection process to be fossil-free. At 19 percent, we are now close to reaching that goal. Looking ahead, this year we took further steps forward, including orders for collection vehicles that are powered by gas. The installation of solar panels on the roof of our facility in Norrköping has begun as part of further reducing our energy consumption and climate impact. In total, we reduced our own climate impact by 252 tonnes to 774 tonnes in 2020, a reduction of 25 percent.

Our employees are our most important asset. This is clearer than ever in times like these. During the past year, we have managed to maintain a well-functioning deposit system without interruption, while adapting our business based on the new challenges we have faced. Collection has shifted from events and festivals to camping and more work from home. Our plans for 2020 had to be remade. To an increasing extent, we at Retupack, just like many others, have changed our working methods and introduced home working whenever possible. The health and well-being of employees has always been in focus. In 2020, we were named Sweden’s healthiest company.

Material recycling and circularity of our collected material has always been in focus at Retupack. The bottles and cans we collect are used in the production of new bottles and cans, this is how we ensure the sustainability of the system and the confidence we have among the public. This can only be achieved through a genuine deposit system, a system that has full control over all bottles and cans sold and collected on the market, which ensures that the bottles and cans sold meet the requirements for recycling, that ensures that the packaging reported actually belong to the system and are collected, and that only sells the packaging collected to materials recovery facilities that use it to make new packaging. This is how a genuine deposit system works, and this is how we manage to save about 180,000 tonnes of CO2.

However, circularity does not only apply to the material, it applies to everyone involved in our deposit-based return system. We all deposit to each other for this to work. Manufacturers and importers who register and sell their packaging within the deposit system but who also buy the recycled material for the manufacture of new bottles and cans, shops and other establishments that sold and receive the empty packaging. It is our carriers and business partners who ensure that the packaging is collected, processed and recycled, it is all the Retupack employees who ensure that the system works and, last but not least, it is all the consumers who have confidence in the Swedish deposit system and ensure that they return their empty packaging, leading to increased sustainability, reduced resource consumption and less littering.

Bengt Lagerman
CEO, Retupack

OUR MISSION

Our mission is to run the Swedish deposit system for beverage packaging made of metal and plastic. The main purpose of the deposit system was to reduce littering, but over time it has developed into a sustainability system that, in collaboration with other players in the value chain, ensures that the packaging is recycled and can be made into new cans and bottles.

We coordinate the recovery of deposit packaging, ensure that materials are recycled and administer deposits, fees and payments. We are constantly working to provide information about and develop our deposit system, in order to achieve increased recycling in a cost-effective way and with the least possible impact on the environment. Today, our deposit system is a role model for many and we often have the opportunity to share knowledge.

The company is jointly owned by Sveriges Bryggerier AB, Svensk Dagligvaruhandel Ekonomin Förrening and Livsmedelshandlama SSLF AB. The group consists of the parent company Retupack Svenska AB and the subsidiaries Retupack-Pet Svenska AB and Retupack-Birük Svenska AB. This report refers to the Retupack Svenska AB group, which is still referred to as Retupack.

For many, Retupack is better known as Pantamera, the brand we operate to communicate our message to all our stakeholders and to increase awareness and the environmental benefits of recycling deposit packaging.

RETUPACK IN FIGURES 2020

1984
1994
1
73

STARTING YEAR FOR ALUMINIUM CANS
STARTING YEAR FOR PET BOTTLES
PLANT IN NORRKÖPING
EMPLOYEES

7 567
12 025
2.22 BILLION
3.1 MILJARDER

REGISTERED ARTICLES
STORES AND OTHER COLLECTORS
COLLECTED PACKAGES
IN SALES

THE SWEDISH BREWERS ASSOCIATION 59%, THE SWEDISH FOOD RETAILERS FEDERATION 25% AND THE SWEDISH GROCERY STORES ASSOCIATION 25%.

STORAGE AND OTHER COLLECTORS
COLLECTED PACKAGES
IN SALES

OWNERS >
Our operation is governed and regulated by the Ordinance on the return system for plastic bottles and metal cans (SFS 2005:220), where the Swedish Board of Agriculture is the licensing and supervisory authority. Returpack is now the only approved deposit-based return system for beverage packaging.

Since its inception, Returpack has continually developed the deposit system alongside other players in the value chain. We can see considerable opportunities to continue developing the deposit system to make it even more sustainable, and we have also verified the deposit system’s positive contribution system to the environment with the aid of life cycle assessments.

We stipulate demands regarding the design of packages, both in terms of their shape and the materials used, so that they can be recycled optimally. The packaging is collected, sorted into material flows and sold on for the production of raw materials for new cans and bottles.

We have opened up the deposit system for the optional registration of packages for fruit syrups and packages containing juice. Optional registration means that packages that are not covered by the Ordinance on return systems can be registered to the deposit system.

Since 2003, all collected beverage packaging, both that which is included in the Swedish deposit system and that which is optionally registered, is handled at the factory in Herrljunga, where both the head office and the factory are located.

About 15 percent of beverages normally sold in Sweden is sold in cross-border trade with Norway. For most of 2020, the border has been closed, which of course has affected both sales and recycling. However, this has largely been offset by an increase in other sales and recycling in Sweden, driven by reduced imports of foreign cans and bottles and more consumption in the home.
## BUSINESS CONCEPT

**TO OPERATE A DEPOSIT-BASED RETURN SYSTEM FOR RECYCLING BEVERAGE PACKAGING MADE OF PLASTIC AND METAL IN SWEDEN**

## BUSINESS MODEL

Retupack's business model is based on our business concept and three main processes that follow the packaging's route through the process.

### THE DEPOSIT AS AN INCENTIVE

As our deposit system is built around the paying of deposits on purchase and the refunding of deposits on return, this creates a financial incentive for everyone who is part of the scheme to ensure the return of any packaging. Retupack provides information, advises, and communicates the importance of each can and bottle being returned. The greatest environmental benefit is achieved when each new deposit package becomes part of a circular system, allowing the recycled material to be made into a new, high-quality beverage packaging.

### REGISTER PACKAGING IS REGISTERED TO THE DEPOSIT SYSTEM

Retupack supplies a deposit system for beverage packaging that is covered by the Ordinance on return systems or that is included in the deposit system on an optional basis. The producer enters into an agreement with Retupack and then registers its packaging to the deposit system. For every package sold, the producer pays a deposit and fees for administration and sorting to Retupack.

### COLLECT THE PACKAGES ARE RETURNED AND COLLECTED

Retupack establishes a collection structure with stores with reverse vending machines (RVMs), camping sites with deposit bins, etc., where consumers can return their packages and have their deposit refunded. With the aid of carriers, Retupack ensures that the packages are collected from e.g., the grocery store, at the same time as Retupack reimburses the stores for the deposits they have paid out and their handling costs.

### PROCESS AND SELL ON THE PACKAGING IS PROCESSED AND SOLD ON IN THE RECYCLING CHAIN

Retupack processes packaging by sorting and compacting the material into bales in-house, before selling it on to material buyers for recycling.
VALUE CHAIN

Our sustainability work permeates our entire operation, and it is particularly important to work on those areas where our potential to exert influence and the impact of our efforts is greatest. The value chain ensures the visibility of our role in the deposit system along with our other stakeholders, and demonstrates our considerable potential to exert influence both upstream and downstream in the value chain. The demands we place on packaging design and our new sorting plants are both worth highlighting. The aim is for all packaging that is registered to the deposit system to work throughout the recycling process and for the material to be able to be recycled again to make new beverage packages.

FACTS, VALUE CHAIN

329 PRODUCERS AND IMPORTERS

7 567 ARTICLES IN THE DEPOSIT SYSTEM

3 153 SHOPS WITH REVERSE VENDING MACHINES

8 872 OTHER COLLECTORS

4 224 REVERSE VENDING MACHINES

54 PANTERMA EXPRESS AT RECYCLING CENTRES

30 TRANSPORT PROVIDERS

Collection of packaging, transporting material

2,22 BILLION RECYCLED PACKAGING

PROCESSING AT RETURPACK

(Sealing and baling for increased closed material recycling)

45 338 TONNES

(Aluminium, clear PET, coloured PET and HDPE for recycling)

MATERIAL BUYERS THAT GUARANTEE THAT THE MATERIAL IS MADE INTO NEW PACKAGING

(Sweden, France, Germany)

STAKEHOLDERS AND STAKEHOLDER DIALOGUE

Our stakeholders expect us to act sustainably, deliver quality, protect the environment and act in an ethical manner in all situations. Being influenced by and listening to the people we meet and collaborate with is decisive in our work of developing the deposit system and doing so responsibly. Conducting an open dialogue with our stakeholders, which takes place in various ways and with varying levels of frequency, is therefore a natural part of our day-to-day work. This stakeholder dialogue helps us understand what is important to our stakeholders and helps us to develop and develop our sustainability work. In addition to discussions and meetings, business intelligence and surveys are important tools for identifying our stakeholders’ expectations of us, as well as being a prerequisite for achieving our goals and creating sustainable values.

The stakeholder groups that are deemed the most important to interact with in a systematic manner are those that affect or are affected by Returpack’s activities to the greatest extent. The following stakeholder group has been identified as the top priorities: public authorities, owners, producers, consumers, stores with KVIKs etc., suppliers, material buyers and employees.

We also collaborate with other stakeholder groups, such as packaging manufacturers, the media, pressure groups and trade associations. Read more about our dialogue with stakeholders and their expectations of us on page 52.

MATERIALITY ANALYSIS

The purpose of the materiality analysis is to help us identify which sustainability issues are most relevant to our stakeholders and where our potential to exert influence is greatest. The materiality analysis is reviewed and updated every year in order to identify and prioritise the company’s most important sustainability issues, both from a stakeholder perspective as well as from a corporate perspective.

The issues that are considered to be of great importance from both a stakeholder and an influence perspective have the highest priority for Returpack, and the company’s sustainability work is therefore based on this analysis.

Key issues for Returpack: increased recycling, product quality, greenhouse gases, customer satisfaction and health and safety.

The methodology for developing a materiality analysis has followed the GRI Standards’ principles in order to identify the most significant issues from a sustainability perspective. A detailed description of the materiality analysis is presented on page 55.

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SUSTAINABILITY REPORT / PAGE 11
AGENDA 2030

Five sustainability goals have been identified that are linked most clearly to our operations, and where our potential to exert influence is greatest. The sustainability work is firmly embedded in the company’s business model, strategies, and governance, which means that it is a natural part of the choices we make and the decisions we reach. The role of our deposit system provides us with a great opportunity to contribute to the fulfillment of the goals, and the work on the five prioritized goals is described below.

GLOBAL GOALS GUIDE
OUR SUSTAINABILITY WORK

THE GLOBAL GOALS

GOAL 9: INDUSTRY, INNOVATIONS & INFRASTRUCTURE

Our vision is to develop the existing deposit system and to streamline and facilitate recycling. We promote innovation in our operations and collaborate with other players with the aim of identifying innovative solutions for a sustainable Sweden. The business is run on the basis of a sustainability perspective, where the deposit system has its own infrastructure.

GOAL 10: SUSTAINABLE CITIES AND COMMUNITIES

An accessible and appreciated deposit system is an essential part of urban sustainability. We are expanding our collection options to include collecting deposits via e-commerce, through various forms of collection for one-way consumption, such as deposit tubes in urban environments and parks. With Keep Sweden Tidy and Clean Sweden, we are promoting issues related to littering and the importance of recycling.

GOAL 11: RESPONSIBLE CONSUMPTION AND PRODUCTION

Our operation is based on Circular Economy. High material requirements are imposed on bottles and lids as well as on design, and this is regulated via agreements to facilitate the recycling of materials. We are working to minimize the occurrence of waste and hazardous waste at every stage. The deposit marking is a sought-after sustainability brand carrying strong symbolism, which helps people to make a sustainable choice.

GOAL 12: CLIMATE ACTION

Sweden’s CO2 emissions from the transport sector will be cut by 70% by 2030 (of 2010). Returpack has taken on the Östgöta Challenge, the aim of which is for our transport operations to be fossil-free as early as 2025. At present, 33% (in transport-kilometres) of our transport fleet is fossil-free. The company has an overall goal of climate-neutral operations. Those climate emissions that are not reduced to zero are offset in the Solvatten project.

GOAL 13: LIFE BELOW WATER

We are participating and collaborating with other companies, government agencies and organizations to reduce the leakage of plastic to oceans, lakes and watercourses. Increased collection is leading to reduced littering. By imposing requirements on the materials used for the PET bottles and by selecting approved chemical products in our operations, we are minimizing leaching to the environment. Recycling beverage packaging helps to reduce eutrophication and acidification compared to new production of aluminum and PET.

RISKS AND RISK MANAGEMENT

The purpose of risk assessment is to identify, assess and manage those risks that may result in the company’s overall objectives not being achieved. Returpack evaluates and manages its operations based on five risk categories: business-related, legal, environmental, financial and operational risks. A risk may be an incident where the business causes, contributes to or for some other reason is associated with a negative impact in a sustainability area and which could damage our brand. A risk could also be an external influence that the company has to be able to deal with in order not to be adversely affected, regardless of whether this is business-related, legal, environmental, financial or operational.

The management team follows up the work on these company-wide risks. After this, the CEO and the Board of Directors work on the basis of the risk analysis.

SIGNIFICANT RISKS AND OPPORTUNITIES

The risk management process is an integral part of our business planning process. Involving the regular identification and following-up of the company’s overall risks, Risks are normally dealt with in the day-to-day operations and are managed by the manager responsible. Working on the basis of the value chain and analyses of stakeholders and the outside world, risks have been identified in respect of negative impact on the environment, social conditions and personnel, respect for human rights and countering corruption. An important factor is to identify the opportunities that exist in relation to each identified risk, and to take advantage of the opportunities that the risk entails. Business intelligence and observation of the precautionary principle are important aspects of the process. For each risk, an action plan is established with the aim of accepting, balancing or, if necessary, eliminating the risk. The risks are assessed on a five-point scale, based on both likelihood and consequence, where the product of these two provides a risk level. The risk level is divided into low, medium and high risk. See page 55.
SUSTAINABILITY MANAGEMENT

Sustainability is an integral working method and a natural part of the company's operations. The Owners' Directive states that the company must be financially stable and operate a cost-effective and environmentally efficient deposit system that will increase recycling to meet established goals. Achieving this is a very important part of the owners' assumptions of responsibility. The Board of Directors has overall responsibility for managing Returpack's operations in a sustainable manner. The Board of Directors maintains the strategic focus of Returpack's sustainability work, and the CEO in turn is responsible for enforcing the Board's decisions as well as being responsible for the results. The adopted strategy is put into practice in close cooperation with the HR and Sustainability Manager, who has been delegated responsibility by the CEO for coordinating and developing the company's overall sustainability work. This is done in cooperation with the responsible manager in question, who in turn is responsible for ensuring that the work is carried out in accordance with applicable methods, guidelines, and policies. The CEO always has ultimate responsibility for the external environment and the working environment. For practical reasons, work duties and the authorization to make decisions and take action have been passed down the line organization through delegation. All managers with personnel responsibility have delegated responsibility for the working environment and authorization within their respective functions.

SUSTAINABILITY PLAN AS A GUIDING INSTRUMENT
A sustainability plan is drawn up every year to complement and extend the company's overall business plan. The plan is based on five focus areas: recycling, climate & the environment, business relations, employees, and society. The focus areas bring together the sustainability issues that have been identified as key, as well as those other issues that stakeholders expect Returpack to work on. For each focus area, the sustainability plan includes a long-term commitment as well as concrete goals and measures to guide the business towards the vision. Goals and actions are followed continually by the implementing organization, and then followed up after each quarter by the management. The Board of Directors receives regular reports regarding the outcome of the sustainability work.

CODES OF CONDUCT, POLICIES AND GUIDELINES

Returpack's working environment and environmental work, as well as safety and protection work, meets all the requirements stipulated in applicable legislation, prevailing industry regulations and agreements. Health and safety work is included in the management system of the company, and covers all employees and other parties, such as hired staff, consultants and contractors.

Returpack's Code of Conduct for Suppliers communicates the requirements that we impose on ourselves, our suppliers and other subcontractors regarding labour and human rights, health and safety, the environment and business ethics. The Code of Conduct must be taken into account during all purchases, although to varying degrees depending on the nature of the purchase. All employees are responsible for complying with Returpack's Internal Code of Conduct and Unauthorized Influence Policy. A whistle-blower service has been developed and is available to all employees, through which it is possible to submit anonymous reports about any misconduct or irregularities.

The environmental work is guided and followed up based on the guidelines in ISO 14001. Internal audits are carried out on an ongoing basis to detect deviations and make improvements. Furthermore, a legislative compliance audit is carried out every year in cooperation with an external expert to ensure compliance with all applicable laws and regulations regarding the environment and the working environment. The environmental management system is subject to an annual external audit. Health and safety work is revised internally and under regulatory supervision.

RETURPACK’S POLICIES

Policies and guidelines govern our sustainability work.

INTERNAL CODE OF CONDUCT describes Returpack's expectations regarding ethical and sustainable behaviour and approaches in everyday life. The Code of Conduct applies to all employees within Returpack, as well as those who carry out work on Returpack's behalf.

SUSTAINABLE DEVELOPMENT POLICY lays down the guidelines for the governance of Returpack's sustainability work, as well as the goals regarding how the company should contribute to long-term sustainable development.

PRODUCT QUALITY POLICY describes how Returpack should process and sort packaging that is registered to the deposit system, in order to meet or exceed the material buyers' demands and ensure that the recovered packaging can be recycled to make new raw materials.

PURCHASING POLICY sets out the guidelines that apply to Returpack's purchasing activities, with the aim of the exercising cost control throughout the purchasing process, working to promote a sustainable supply chain and striving to achieve the minimum possible environmental impact.

CODE OF CONDUCT FOR SUPPLIERS communicates the requirements that Returpack imposes on its suppliers and their subcontractors regarding labour and human rights, health and safety, the environment, and business ethics.

SPONSORSHIP POLICY sets out guidelines for how Returpack should work with sponsorship partnerships at an overall national level and at customer level.

WORKING ENVIRONMENT POLICY SETS THE FRAMEWORK FOR THE WORKING environment activities that should ensure that Returpack is a safe and healthy workplace, free from unequal treatment and discrimination of any kind.

POLICY ON EQUALITY AND DIVERSITY AND COMBATTING VICTIMISATION explains the basis for Returpack's view of an equal and diversity-oriented workplace and the assumption of responsibility that is incumbent on the business.

UNAUTHORISED INFLUENCE POLICY specifies Returpack's regulations regarding improper gifts, conflicts of interest and bribery.
FOCUS AREAS AND GOALS

Returpack's sustainability work is structured on the basis of five focus areas: recycling, climate & the environment, business relations, employees and society. For all these areas, with the exception of society, goals and indicators have been established with the aim of guiding the work towards contributing to long-term sustainable development. Outcomes are shown below, as well as in the following sections dealing with our various focus areas.

RECYCLING

Recycling Rate Cans

89.1%

Recycling Rate PET

85.9%

Product Quality Aluminium

0.02%

Product Quality Clear PET

0.2%

Increased Recycling Cans

Increased Recycling PET

For 2020, Returpack achieved a total recycling rate of 89.1 per cent, an increase of 8.2 percentage points compared to the previous year. If we exclude the externally registered products, the recycling rate for 2020 stands at 89.8 per cent.
RECYCLING

By increasing the recycling of deposit packaging while at the same time ensuring high product quality in the recycling chain, we are maximizing the environmental benefit of our mission.

Our entire mission relates to recycling. It is therefore of utmost importance for us to manage this as efficiently and sustainably as possible. In this section, we have opted to illustrate what the recycling of cans and bottles looks like, and what is required of us to encourage more people to use the deposit system more. Simply eliminating people to use the system is not enough – we also need to provide them with an accessible and simple deposit system. We will also demonstrate the importance of keeping our flows clean, as well as illustrating how we work to achieve the highest possible product quality for the recycled material that we sell on.

Employees

Health & Safety Outcome

Goal: No Workplace Accidents at Least 90% Risk Reduction Short-term Sick Leave ≤ 2.5%

1 accident resulting in sick leave
41 incidents
1.8% short-term sick leave

Gender Equality Outcome

Management
3 women / 1 man

Employees under collective bargaining agreement
2 women / 0 men

Salaried employees
30 women / 23 men

Goal: Achieve a gender balance in the range 40-60% at all levels over time

Training & Development Outcome

100% of employees

Corruption Incidents Outcome

0 reported incidents

Discrimination Cases Outcome

0 reported cases

Employee Index Outcome

Employee Index 2015: 71%
Employee Index 2017: 75%
Employee Index 2019: 84%

Employees surveys are conducted every two years. Between 2017 and 2019, the company changed its business partner for employee surveys, with the result that direct comparisons are not possible. The next employee survey will be conducted in 2021.
RECYCLING TARGETS AND DEPOSIT STATISTICS

Every year, we compile statistics on how much is submitted to the deposit system in Sweden and thus can be recycled into new cans and bottles.

The year 2020 was a different year. Also for our deposit system, it turns out that depositing has increased more than usual in most parts of the country, while the number of deposited cans and bottles has decreased in other parts where cross-border trade is usually significant. The corona pandemic is a likely explanation for the changed usage pattern for the system. Returpack’s total recycling for 2020 amounted to 881 per cent, an increase of 3.2 percentage points compared to the previous year. 2020 was also a record year in terms of volume, as we received more than 8.2 billion recyclable cans and bottles in the country.

In other parts of the country, in addition to the counties with large-scale cross-border trade, use of the deposit system has increased. In some counties by as much as 12 per cent. The increase can also be attributed to the corona pandemic. It is highly probable that we have changed our behaviour and spent more time at home. The surveys we regularly carry out show that we are better at using the system for the cans and bottles that we consume at home than the ones we consume on the go,” says Katarina Lundell.

The fact that we have stayed at home to a greater extent has also meant that the use of the system by restaurants has decreased. Likewise, the number of cans and bottles that come in from festivals, concerts and events during a normal summer has decreased.

“Once, as a result of the corona pandemic, we noticed that we were not using the system in a way we had before. From this we know that we need to increase our presence at campsites and in the archipelago that has had more visitors than usual”, says Katarina Lundell.

WE CURRENTLY SUBMIT

<table>
<thead>
<tr>
<th>METAL CANS</th>
<th>PET BOTTLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>89.1%</td>
<td>85.9%</td>
</tr>
</tbody>
</table>

THE WORLD’S LEADING COUNTRY FOR RECYCLING CANS AND BOTTLES

Did you know that more people use the deposit system than like strawberries? Almost all Swedes, 99 percent, state that they use the system. This compares with 96 percent who think strawberries are yummy. In the world’s leading country for recycling cans and bottles, there are plenty of figures that all Swedes should be proud of. Figures that prove that we do really make a difference to the environment, people and society. Smaller efforts have a big effect. And big efforts have an enormous effect. In a campaign focusing on young adults, we began providing the world with facts about the deposit system in the autumn of 2020. These mainly relate to the deposit system’s environmental and climate benefits, made it accessible and thought-provoking posts on Pantalons Instagram account.
**PANTAMERA WITH ESPORTS**

Our ongoing collaboration with the Esports community is an opportunity for us to reach a target audience of passionate gamers and avid fans. During our latest event, we hosted a Thought Leader for the gaming industry, who shared insights on the future of gaming and its impact on society. We also offered a special edition of the PANTAMERA to the winner of the gaming tournament, cementing our commitment to exciting events.

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**FACTS ABOUT PANTAMERA EXPRESS**

- 1.9 million packages were collected via PANTAMERA EXPRESS
- 90% of customers were satisfied with the service
- 80% of packages were delivered within 24 hours

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**PANTAMERA WITH KALIFFA**

"We want to promote a positive feeling about recycling, where music can play a big role." 

Music and humour will encourage more people to use the system.

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**PRODUCT QUALITY**

- **COPPER**
  - 0.6% inclusion of coloured PTT, with 2.2% inclusion of coloured PTT
  - According to our agreement, the maximum limit standards at 4% for COO inclusion.

- **ALUMINIUM**
  - 2.0% inclusion of coloured PTT, with 3.0% inclusion of coloured PTT
  - According to our agreement, the maximum limit standards at 9% for COO inclusion.

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**USING THE DEPOSIT SYSTEM OUTDOORS IS POPULAR**

Statistics show that more people choose to deposit goods outdoors due to convenience and accessibility.

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**TALK OR GIFT OR DU PANTAMA!**

"We're here to help you find the best gift for your loved ones. Whether it's for a birthday, anniversary, or any other occasion, we've got you covered. Our wide selection of high-quality gifts will make your special day even more memorable. So, come in today and discover something unique and thoughtful for that special someone in your life."
All packaging that is approved in the system must be able to be recycled; that is the basis of the circular deposit system. This means that strict demands are placed on the packaging from the very beginning.

**FUNCTION THROUGHOUT THE RECYCLING PROCESS**

"All packages registered in the deposit system must function throughout the recycling process. This means that they must work in the reverse vending machines, they must have suitable dimensions and the barcodes must be easy for the machines to identify. When they arrive at our facility, they must be able to be sorted so that aluminium, clear PET and coloured PET come in distinct fractions. And in the next step, our material buyers should be able to fully recycle the material in each fraction," explains Sara Bergendahl, materials specialist at Ruterpack, who is responsible for the approval process for new packaging.

**CLOSE COLLABORATION WITH PRODUCERS AND IMPORTERS**

"We often act as a sounding board when product developers working at the producers are developing new packaging types and materials. Together we investigate whether they will work in the recycling process. The best collaboration is achieved when we can get into the producer's product development early and come up with suggestions that make it easier to recycle the packaging. There might be a shape that does not rotate optimally in the urn or an adhesive on the label that is difficult to wash off. We also work closely with our material buyers, especially with Veolia who buy our plastic and are situated next door to our factory.

**WHY IS THIS IMPORTANT?**

"The producers have a dual role in the deposit system: they put the products with a deposit on the market and they buy back the recycled material. For them, it is important that their packaging is recyclable so that they can buy back high-quality recycled materials and use them in new bottles. Today, about 50 percent of recycled plastic is found in most PET beverage bottles, while the recycled plate for cans can be used directly for new cans and the proportion of recycled material in aluminium cans is even higher.

**TESTING NEW PRODUCTS**

**ENSURING GOOD PRODUCT QUALITY**

In order for our Knos to maintain as high a level of quality as possible, we conduct thorough testing of all the packaging that is to be registered in the deposit system.

"We receive about 30-40 new products a week. In some cases, the testing constitutes a first step in a longer process conducted alongside bottle manufacturers and producers, in other cases, it relates to imported products that have to be approved in order to be sold and included in the deposit system in Sweden. The tests performed on the packaging are to check that the barcode is of good quality (that the readability is ok), check which materials are included, as well as the shape and dimensions of the packaging. The results are compared with our technical specification and labeling manual to ensure that all requirements are met. Sometimes we also need to conduct extended tests of, for example, glue or compression of the packaging."

**CLIMATE & THE ENVIRONMENT**

**BY BEHAVING RESPONSIBLY, WE AIM TO MINIMISE THE CLIMATE AND ENVIRONMENTAL IMPACT OF OUR OPERATIONS**

We have a great responsibility to carry out our assignment with as little impact on the climate as possible. Every can and bottle that is returned must be transported to our facility in Hornborga for further processing. Our nationwide deposit system means that we are a logistics-intensive company, and it is important for us to take responsibility for all the miles we drive. In this section, we will be highlighting our efforts to reduce the greenhouse gas emissions from our transport operations."
Four life cycle analyses in three years

CREATE VALUABLE INSIGHTS

Since the spring of 2018, Returpack has commissioned four life cycle analyses (LCA). The purpose has been to establish in detail the environmental benefits and environmental impact caused by the deposit system, where in the value chain they are created and differences in the environmental impact between different packaging materials. All analyses have been carried out by Linköping University and materials specialist Sara Borgendorff has been Returpack’s project manager. Here, Sara explains why life cycle analyses are important, the conclusions from the different analyses and the benefits they have created.

Sara is a materials specialist at Returpack and is responsible for ensuring that the bottles and cans that are registered in the Swedish deposit system can be collected, sorted and recycled. It is she and her procurement and importer team that set the requirements for the design and material of the packaging. In addition to the requirements, they handle various issues from producers and importers concerning registration in the deposit system. And the enquiries are increasing because the number of new products for registration has increased sharply in recent years. In 2015, there were a total of 667 new items to assess and in 2020 the number grew to 1,800. In addition to her regular duties, Sara has supervised no less than four LCAs over the past three years.

LCAs are a very important tool for us to identify where in the value chain the emissions are created and where the environmental gains are. It is only when we know this that we can put in place the right measures that create the greatest environmental benefits. In our first LCA that was conducted in 2018, we wanted to examine the environmental performance of the deposit system and compare it with other forms of recycling in order to be able to answer the question of why you should use the deposit system,” she says.

The difference in environmental impact was then compared if a used PET bottle or can was thrown in the household rubbish, in the plastic and metal recycling, or if it was submitted to the deposit system. Environmental impact was measured in four categories: global warming measured in CO₂ equivalents, eutrophication, acidification and ground-level ozone. The result was clear and showed that the least emissions are generated by using the deposit system. Almost twice as much carbon dioxide is saved by using the deposit system compared to sorting into plastic and metal recycling, and more than three times as much CO₂ is saved compared to throwing cans and bottles in the household rubbish for them to be incinerated.

LARGER PACKAGES HAVE A LOWER CLIMATE IMPACT

In the spring of 2020, another LCA was carried out in order to compare the environmental impact of different packaging materials. This time the analysis covered two different package sizes (33 cl and 50 cl) made of four different materials: PET, aluminium, glass and liquid packaging board (such as milk packaging).

“The results showed that the glass bottle is the packaging that has the absolute greatest environmental impact from all environmental impact categories. This is largely due to the fact that it is a heavy material, both the raw material and finished packaging, which leads to heavy shipments.” Sara explains.

While the glass bottle has the greatest impact on the environment, the other three materials have an equivalent total environmental impact. At the same time, the study determined that if material recycling increases, the environmental impact is reduced, regardless of which of the four materials the packaging is made of. The PET bottle is the packaging that has the greatest potential for improvement through recycling, as a lot of emissions occur when PET is incinerated. The study also showed that the larger the packaging, the lower the climate impact, which is logical because less material is needed per litre of beverage. When it comes to PET, aluminium and liquid cardboard, they are basically equal. In addition, it determined that all four packaging materials have a reduced environmental impact at higher collection and material recycling levels, which shows that the packaging materials have a value that should be greater used,” says Sara.

INSIGHTS TO MANAGE THE BUSINESS

Through the life cycle analyses conducted in recent years, Returpack has gained valuable insights that are used to manage the business and sustainability work in the future.

The analyses that have been conducted show that our Swedish deposit system contributes to major environmental gains: something that we have benefited greatly from, perhaps mainly in our external communication where we can demonstrate the environmental gains of the deposit system in black and white. But we are not content with the environmental benefits we create today: we shall continue to reduce emissions caused by our facilities and transportation, for example. Another important goal is to continue to increase the proportion of material that goes to closed material recycling, which we know gives a great environmental benefit. Among other things, it is about processing a greater proportion of cork material and minimising the loss of clear bottles that end up in the coloured PET fraction,” Sara concludes.
REDUCED CLIMATE IMPACT

During 2020, the deposit system produced a total saving of approximately 190,000 tonnes of CO2 equivalent, with the largest gain coming from the closed recycling and the avoidance of the need to produce new raw materials. In addition to this, we are also working to reduce both our direct impact and our indirect environmental impact, where we place demands on and collaborate with other players in our value chain.

We impose demands on vehicles, engines and fuels, where all transport must be conducted using renewable fuels. The transport operations that we ourselves control and are performed using HVO or bio-gas. All electricity used at Returpack has been supplied from renewable energy sources for many years.

SOLAR PANELS AND ENERGY MAPPING

In 2020, we began the installation of solar panels at our facility so that our own solar electricity can be produced and used in our own operations. In this way, the electricity that we have previously purchased is freed up for the benefit of someone else. During the year, we have also conducted energy mapping and energy efficiency measures in order to further minimise and streamline our operations.

Returpack offsets the greenhouse gas emissions that are presented in the climate calculation on page 32. The calculation of our climate impact encompasses both indirect and direct activity-related emissions in the three scopes. The most significant climate impact remains in Scope 6, i.e. other indirect emissions, and is primarily related to the company’s transport operations. We see a reduction in greenhouse gas emissions in all scopes in 2020.

OUR LOGISTICS PLANNING PROVIDES SMART SOLUTIONS

EFFICIENT RETURNS RECEPTION IN THE FACTORY

Our regular deliveries of returns to the factory mean that, for much of the year, we can move from two shifts to one extended shift. This has reduced the number of hours of operation, despite the fact that the volume of returns is increasing.

SUSTAINABLE CONDITIONS FOR DRIVERS

In all our transport agreements, we have stipulated demands regarding collective bargaining agreements and, as a result, drivers’ wages, working environment and road safety. The agreements are followed up regularly.

GOOD OPPORTUNITIES FOR RELOADING

Our daily scheduled routes for the high-volume vehicles provide good opportunities for the carrier to plan pick-ups with other customers in connection with dropping-off returns.

FREIGHT TRANSPORT BY RAIL

The aluminium we sell is transported by rail to Germany and France, where the cans are made into plates for new cans, in order to minimise the number of journeys. The rail trips are based on the design of the train carriage. Loading smaller bales on top allows us to fill the carriages right to the top.

FOSSIL-FREE TRANSPORT BY 2025

We are one of the companies to have taken on Fossil Free Sweden’s Transport Challenge. The goal in the challenge is for all domestic transport carried out and purchased to be fossil-free by 2030. We want to push on this work even further, however, which is why we have declared our intention to rise to the challenge as early as 2025.
The journey towards 100% FOSSIL FREE CONTINUES

Since 2003, logistics manager Marie Skoog has been responsible for the transportation of all cans and bottles collected in the country. Both to the facility in Nrkroppa and the transport of sorted material from the factory to the customer. Back in 2003 when she started her journey, she was alone in the logistics department. Today, she is one of ten employees all working towards the same goal - 100 percent fossil-free by 2025. And now, with the result for 2020 of 98 percent fossil-free transport, they have ample opportunity to achieve their goal before 2025.

"We have managed to convert a number of haulers to fossil-free fuel during the year and thus we have increased the number of fossil-free transport kilometres from 95 per cent in 2019 to 98 per cent this year. By next year, we want to reach 99 percent. It may sound like a low target, but it is the last percentage point that are the most difficult," says Marie.

The journey towards fossil-free transport began slowly with the collection system being changed from sacks and cartons to loose weight just over ten years ago. At that time one gas truck and four RME vehicles (rapeseed diesel) were in use. However, the major restructuring began in connection with a new large-scale transport procurement in 2014/15.

"We created a project in connection with the procurement where we explored all the fuel types and techniques that existed at the time. We learned a lot about vehicles and fuel during this time. The technology we finally chose then was HVO100 (biodiesel) and there were several reasons for this. The main reason was flexibility because it is possible to run a diesel engine on HVO and the engine can also be run on RME. This means that regardless of what political decisions would be made regarding fuel and taxes, we had a greater opportunity to adapt," Marie explains.

In December 2015, the first HVO shipments were rolled out. But then the challenge was that there was nowhere to refuel with HVO, so a collaboration was initiated with the Norwegian Biofuels Banken which approached the hauliers in question. The following year, HVO became available to the public and is now available across virtually the entire country.

The climate challenge of fossil-free transport in 2017, Returpack was one of the first companies to write about Fossil-free Sweden’s challenge of fossil-free transport by 2030. But our CEO Bengt Lagerman did not want to stop there; he further increased the pace and changed the year for the target to be reached to 2025.

"It is a reasonable goal and I think we will get there before 2025. Our biggest challenge is to change the final transport kilometres, which often concerns smaller-scale and shorter-term agreements, such as from a festival that takes place once a year. In such situations it is difficult to make such strict demands as a buyer. Therefore, we are now trying to include even the small transport assignments in our larger-scale agreements. The reason why this takes time is that the agreements run for many years and it is difficult to adjust existing agreements," says Marie.

Next step - compressed and liquid biogas 90 percent of all fuel for Returpack’s transport, in litres, is currently HVO. Some RME and biogas is also used. But since the latest major transport procurement was made, other techniques have been developed, "HVO will continue to be important for quite some time to come. But we have taken the next step in the transition and will be switching technologies in some regions as early as next year. There we have chosen compressed and liquid biogas; so-called CBB and LBG. In Stockholm, eight vehicles running on compressed gas will be put into service in June and later in 2021 another four vehicles will be introduced in Gothenburg," she concludes.
**CLIMATE CALCULATIONS**

We calculate the climate impact from our operations with the aid of the International Greenhouse Gas Protocol (IPCC Protocol), a standard in which emissions are categorized into three scopes. Using an established method and standard ensures that the calculations are relevant, that they are comparable, but above all that they are transparent. It also means that we are following the guidelines of the United Nations Panel on Climate Change (IPCC), including the greenhouse gases that have been identified by the Paris Agreement. These are reported as carbon dioxide equivalents (CO²e). The table below shows the distribution between the scopes.

<table>
<thead>
<tr>
<th>EMISSIONS PER SCOPE</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCOPE 1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>SCOPE 2</td>
<td>230</td>
<td>527</td>
<td>228</td>
<td>133</td>
</tr>
<tr>
<td>SCOPE 3</td>
<td>931</td>
<td>902</td>
<td>797</td>
<td>640</td>
</tr>
<tr>
<td>TOTAL EMISSIONS</td>
<td>1262</td>
<td>1431</td>
<td>1026</td>
<td>774</td>
</tr>
</tbody>
</table>

**EMISSIONS INCLUDED:**

- **SCOPE 1:** Emissions from own vehicles.
- **SCOPE 2:** Indirect emissions from the production of purchased electricity and heating for our plant, as well as in proprietary reverse vending machines (Pantene Express) and mobile compactors.
- **SCOPE 3:** Indirect emissions, which occur as a consequence of us purchasing transport services and conducting business travel.

In order to clarify the link with our operation, we have opted to divide emissions into three categories: transport, the plant, and business travel. These categories are in turn divided into sub-categories in order thereby to provide ourselves with a good foundation for follow-up and improvement work.

<table>
<thead>
<tr>
<th>EMISSIONS PER CATEGORY</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRANSPORT</td>
<td>917</td>
<td>878</td>
<td>778</td>
<td>630</td>
</tr>
<tr>
<td>THE PLANT</td>
<td>330</td>
<td>527</td>
<td>228</td>
<td>133</td>
</tr>
<tr>
<td>BUSINESS TRAVEL</td>
<td>15</td>
<td>26</td>
<td>21</td>
<td>11</td>
</tr>
<tr>
<td>TOTAL EMISSIONS</td>
<td>1262</td>
<td>1431</td>
<td>1026</td>
<td>774</td>
</tr>
</tbody>
</table>

*The reference year for our climate calculations is 2017.*

**BUSINESS RELATIONS**

Our business relationships should be characterized by the assumption of responsibility and a long-term approach. Together with our customers and suppliers, we are working to continually improve the deposit system and the recycling process.

We are not alone in getting the Swedish deposit system to turn. On the contrary, there are a large number of players who, with us, are also playing their part. This section describes how we collaborate with customers and suppliers to create healthy relationships.
SUSTAINABILITY INITIATIVE OF THE YEAR

On October 8, it was time to hand out the Sustainability Initiative of the Year award at the Grocery Gala, a category that Pantamera/ReturnPack tops in over 2000 together with Svenska Retursystem. This year’s winner was the Food of the Future project, which is run by the Axfood Foundation. This year’s Grocery Gala was a completely digital event.

To further draw attention to this year’s fantastic finalists, Pantamera and Svenska Retursystem hosted a digital seminar in November starring Madeleine Linnea Mörner from Axfood Foundation together with the other finalists in the category - the research team of Helén Williams and Fredrik Wikström and Ekotipset author Ellinor Siren. 2019’s winner Lid also participated in the seminar.

ABOUT THE GROCERY GALA
The twelfth edition of the Grocery Gala was held on October 8 under the auspices of Fri Köpenskap.

JUSTIFICATION

THE JURY’S JUSTIFICATION FOR SUSTAINABILITY INITIATIVE OF THE YEAR WAS AS FOLLOWS:

Through new innovative solutions, our winner challenges an industry that has a major impact on both health and the environment. This year’s winners brings together researchers, farmers, food processors and chefs to find good and sustainable alternatives to meat. Work that has had a great impact in both shops and restaurants around the country. The work at Torsaker has great potential to make a significant difference to the sustainable food supply of the future.

Deposit store OF THE YEAR NOMINATED

For the second year in a row, the Deposit Store of the Year was awarded, and drew great interest from the country’s recyclers. In total, consumers nominated over 270 stores across the country for the competition, which shows how important the deposit space is in a store. Pantamer can now present the five winners.

- The stores are extremely important cogs in the deposit system: in 2020, 93 percent of all deposited packaging came through stores. That their customers, our recyclers, see such commitment to their stores and their deposit spaces really shows what a significant role they have,” says Lil Borger, project manager at Pantamera/ReturnPack.

A total of 272 nominations were received and five stores in five different categories were nominated. The smartest of the year: the most personal of the year, the most mixed out of the year, the grand prize of the year and the most diligent of the year. The stores win SEK 15,000 to give to charity, pay tribute to their staff and customers or develop their deposit space.

THIS YEAR’S WINNERS ARE:

- #MINMATBUTIK IN BORLÄNGE
  *The Smartest Deposit Store of the Year*
- ICA NÄRA SALINAS
  *Most Personal Deposit Store of the Year*
- MAXI ICA STORMARKNAD UNIVERSEITET
  *Most Mixed-out Deposit Store of the Year*
- MAXI ICA STORMARKNAD LINKÖPING
  *People’s Deposit Store of the Year*
- COOP SIMRISHAMN
  *Most Diligent Deposit Store of the Year*

IN 2020, WE CONDUCTED A SURVEY TOGETHER WITH THE YOUTH BAROMETER, WHICH PROVIDES SEVERAL IMPORTANT INSIGHTS INTO YOUNG PEOPLE’S BEHAVIOUR REGARDING THE DEPOSIT SYSTEM:

- Returning their empty cans and PET bottles is considered a matter of course for many young people, but not for everyone. Young people mainly get their behaviour in this regard from home, whereas their parents’ mortgage habits play a big role.
- It is perceived as more difficult to use the deposit system at school, but especially in public places, than it is at home.
- Refunds are important, but not crucial: for young people’s behaviour regarding the deposit, system. Although many young people state that using the deposit system without receiving compensation holds less allure, a large proportion of returns are made in places where compensation is not paid, such as in the school’s joint collection of deposits.
- The main reason for young people to use the deposit system is the widespread recycling norms. In other words because “you should”, followed by the environmental aspect of doing so. Only then comes the economic aspect.
The club concept

OUR WAY OF SUPPORTING CLUBS AND ASSOCIATIONS

All non-profit organisations can register free of charge for our club concept and earn money from returns. Club customers submit full bags of packaging at one of our drop-off points, where they receive a refund of SEK 2.00 per bag. Club customers also receive refunds for damaged and imported cans – this is our way of supporting clubs and associations in Sweden. All clubs and associations that are active within our club concept are also automatically entered in the Frökenbukowsbrownie club competitions.

Of course, it has been tougher for clubs and associations to collect deposits with the restrictions due to the pandemic. With fewer gatherings, cups, matches and training activities, that so many clubs and associations still chose to collect deposits as a way to raise money for the club’s coffers and at the same time make a good contribution to the environment is very gratifying,” says Richard Anderson, strategic marketer at Pantens/Returpack.

A survey that was carried out among our club customers in 2020 shows that they are extremely satisfied with the deposit system and their relationship with Returpack. Of the 817 clubs and associations surveyed, 91 per cent responded that they consider the club offer to be good or very good. The survey was conducted to ascertain how the clubs and associations perceive Returpack’s offer and service, as well as to be able to develop, improve and support the customer group further.

A number of products are registered TO THE DEPOSIT SYSTEM

The producers and importers who have joined our Swedish deposit system ensure that their packaging meets a number of stringent requirements in order to optimize recycling. Firstly, the cans and bottles must fit the reverse vending machines from a size point of view. At the same time as the barcodes must be easy for the machines to read. Once they have been collected and transported to Returpack’s plant, they must also be sorted into pure fractions in order for the material to be fully recycled. By the end of 2020, a total of 329 companies had registered with the Swedish deposit system as producers and importers, representing an increase of 41 new companies over the past year.

OPTIONAL REGISTRATION

Fruit syrup producers have been able to register their products since 2018, and in 2018 the deposit system was opened up for the optional registration of juice packages. The recycling figures for the optionally registered products are approaching the corresponding figures for products that are governed by regulations.
**SUSTAINABLE PURCHASING**

**OUR MODEL AND CODE OF CONDUCT**

Our model for sustainable purchasing, along with our Supplier Code of Conduct, is fundamental for our cooperation with our suppliers. The sustainable purchasing model is used to qualify-assess our purchasing activities. The model describes the processes and the demands we place on ourselves internally and on our suppliers externally. As the model is relatively new, we still have work to do with the suppliers that have not yet been implemented. We are constantly working to develop our supplier collaborations and to have a updated supplier base. In 2020, we reduced our supplier base by 26 percent.

The Code of Conduct describes the minimum requirements that we impose on ourselves, our suppliers and subcontractors regarding labour, human rights, health and safety, the environment and business ethics. For non-complex and minor purchases, the supplier certifies that it meets our requirements by signing the Code of Conduct digitally. In the case of other purchases, the supplier responds on a self-assessment form, which we then follow up and evaluate. In the event of any deviations, an action plan is drawn up alongside the supplier if it has been assessed that the supplier is not meeting the requirements or does not accept our action plan, the collaboration will be terminated.

**PURCHASING**

A purchasing manager is responsible for Retupack’s purchasing strategies and processes, with a considerable focus being placed on improving our processes in order to make them more cost-effective and sustainable. To ensure that this works, it is important for the process to be easy to follow. In 2020, we acquired a new purchasing and order system that will be implemented on a small scale in 2021.

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**Facts**

**SUPPLIERS & PURCHASING**

Retupack has a total of approx:

- **685** Active Suppliers
- **SEK 387 Million** Purchasing, Goods & Services
- **52%** of SEK 387 Million Transport & Logistics Services
- **19%** of SEK 387 Million Information & Marketing
- **14%** of SEK 387 Million Production Machines & Reverse Vending Machines

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**EMPLOYEES**

It is thanks to our employees that we are able to contribute to a sustainable society and run the best deposit system in the world.

All our sustainability work begins and ends with them. It is therefore important for us to be an attractive, inclusive and safe workplace with a leadership and employees who are committed to and who provide the conditions to develop. We want our employees to feel proud of working at Retupack.

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1. **SPECIFY EXPECTATIONS**
   - Product-specific requirements
   - Base requirements
   - Code of conduct

2. **ASSESSMENT OF RISKS & IMPACT**
   - Risk model

3. **ENGAGE SUPPLIERS**
   - Self-evaluation
   - Agreement

4. **EVALUATE & REPORT**
   - Supplier evaluation & follow-up
   - Key figures & reporting
A SAFE WORKING ENVIRONMENT

Returpack conducts proactive and preventive health and safety management work, with a strong focus on employees’ health and well-being. During the academic year 2020, the focus on employees’ health and safety at the workplace became even stronger. During the year, we have, among other things, ensured that employees who can have been given the opportunity to work from home. Our health and safety management work encompasses all our operations and our employees’ overall work situation, where physical, mental and social aspects are taken into account. We work systematically to minimise the risks of occupational injuries, accidents and incidents. We also work to achieve a working environment that is free from unequal treatment and discrimination.

EMPLOYEES IN NUMBERS

<table>
<thead>
<tr>
<th>NUMBER OF EMPLOYEES</th>
<th>SALARIED EMPLOYEES</th>
<th>SICK LEAVE TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>73</td>
<td>79/21%</td>
<td>2.8%</td>
</tr>
<tr>
<td>44</td>
<td>56/44%</td>
<td></td>
</tr>
</tbody>
</table>

Average age: 44 years

SICK LEAVE:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sick leave, total, %</th>
<th>Men</th>
<th>Women</th>
<th>Sick leave, short-term, %</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3.1</td>
<td>2.1</td>
<td>4.3</td>
<td>1.7</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td>2017</td>
<td>3.9</td>
<td>3.1</td>
<td>4.6</td>
<td>1.6</td>
<td>1.8</td>
<td>1.9</td>
</tr>
<tr>
<td>2018</td>
<td>4.1</td>
<td>2.1</td>
<td>6.2</td>
<td>1.8</td>
<td>1.6</td>
<td>1.9</td>
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<td>2019</td>
<td>3.7</td>
<td>1.9</td>
<td>5.7</td>
<td>1.5</td>
<td>1.5</td>
<td>1.7</td>
</tr>
<tr>
<td>2020</td>
<td>2.8</td>
<td>2.0</td>
<td>3.6</td>
<td>1.7</td>
<td>2.0</td>
<td></td>
</tr>
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</table>

ACCIDENTS & INCIDENTS:

<table>
<thead>
<tr>
<th>Year</th>
<th>Accidents at work</th>
<th>Incidents</th>
<th>Risk observations</th>
<th>*One of which entailed sickness absence.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2</td>
<td>46</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>0</td>
<td>104</td>
<td>-</td>
<td></td>
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<td>2018</td>
<td>5</td>
<td>105</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>2</td>
<td>54</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>6*</td>
<td>109</td>
<td>119</td>
<td></td>
</tr>
</tbody>
</table>

Safe working environment through PREVENTIVE WORK

The systematic health and safety management work is based on the Swedish Work Environment Authority’s regulations and takes place in close collaboration with our employees’ representatives.

Risks and deficiencies in the working environment are charted, rectified and monitored at senior management level. Safety rounds are conducted eleven times a year in the factory, once a year in the office and twice a year at our return collection facility in Kungs Kurva in Stockholm. We have three health and safety officers who represent the employees in occupational health and safety issues. The Safety Committee meets at least once a quarter to consult regarding the working environment and to follow up objectives and action plans. The results from each meeting of the Working Environment Committee are presented at management group meetings, where any major decisions that lie outside of the budget and the business plan are discussed.

Returpack has a zero vision regarding workplace accidents. No-one shall be killed or injured at work. An important element in the prevention of accidents is to ensure the reporting of risk observations and incidents, i.e., near-accidents or unwanted events. During 2020 we have begun work on the remodeling project for our premises and our outdoor environment which aims to further create an attractive and sustainable workplace that promotes innovation and collaboration, and that is perceived as personal, safe and welcoming.

ACCIDENTS AT WORK

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
<th>Returpack</th>
<th>Contractors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatalities due to work</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Serious accidents at work (not fatalities)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total number of accidents</td>
<td>6*</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Involving personal injuries</td>
<td>6*</td>
<td>Falling objects, crush injury, stretching, slipping</td>
<td></td>
</tr>
<tr>
<td>Main types of injuries</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total hours worked</td>
<td>127,652</td>
<td>17,344</td>
<td></td>
</tr>
</tbody>
</table>

*One of which entailed sick leave.
When Ulrika Magnusson began her position as HR and Sustainability Manager at Returpack in the spring of 2018, she was simultaneously placed in charge of the remodelling of the company’s premises planned previously. With increased growth and a continued need for new employees, it was necessary to update the existing premises. At the end of 2020, the production phase began and in December 2021, employees will be able to move into a sustainable and future-oriented workplace.

"The physical environment is an important element for the overall working environment. We have had a strong focus on social sustainability in the design of our new premises, which shall be both innovative and efficient. The environment should invite and stimulate meetings, because we often work on projects. There will also be room for recovery and it should be easy to change working position and environment," says Ulrika.

The office environment will continue to be open-plan but with a greater focus on natural gathering places. In order for the open-plan office environment to be more pleasant, it is designed in a so-called hourglass flow, where the open-plan landscapes are interrupted by work rooms and common rooms.

THE RIGHT PRICE, AT THE RIGHT TIME, AND WITH THE RIGHT QUALITY

In November 2019, Nina Vogel was hired from technical consultancy company Rejlers as project manager for the remodelling. Nina’s task is to take the project from start to finish at the right price, at the right time and with the right quality. She has spent a large proportion of her working hours at Returpack over the past year. Initially, the aim was to be able to meet requirements through the redevelopment of existing premises. But Nina soon realised that it would be difficult to meet the requirements set without expansion.

"The contract is a turnkey contract and we have chosen to implement it as a partnership or in so-called extended collaboration. This form of collaboration is an open, transparent and trust-based way of working. The contractors were involved quite early in the process and we work closely together, taking advantage of all the different skills through all stages. As for the project finances, we work with so-called open books and have complete insight into all costs. This gives us good control as a customer and it becomes easier to influence and adjust things along the way," in addition, it allows everyone to become involved and feel proud of the project together," says Ulrika Magnusson.

SUSTAINABILITY HAS PERMEATED THE ENTIRE PROJECT

Sustainability has been an important aspect in all choices made throughout the remodelling project, and there are many choices to be made in such a comprehensive project. In addition, the most sustainable choice is not always clear.

"Some environmental choices are easier than others. With regard to both the remodelling of existing areas and the extension, we have taken account of the Miljöbyggnad (Green Building) certification system and its criteria regarding energy, the internal environment, and materials. This involves, for example, optimising the building’s energy use, ensuring a good acoustic environment and registering the materials that are used in the building in a logbook. Other choices can be more difficult, such as when it comes to what should be reused. In this area, it is not always the case that it is always most sustainable to reuse everything that is already in place," says Nina.

Returpack’s ambition has been to reuse everything possible – it is in the company’s nature. Examples of parts that are reused include certain components in the heating and ventilation systems, certain lighting fixtures and a lot of other installations. Likewise, a lot of office furniture will remain.

2 ABOUT THE REMODELLING PROJECT

Returpack’s ambition has been to reuse everything possible – it is in the company’s nature.

Everyone is affected - everyone should have a say. From the start, the employees have been involved in the design of the new premises. They have had to answer surveys about what is important and have participated in focus groups. There is also a project group that meets once a week as well as a group of experts and a reference group where people from all employee groups are represented. In addition, Ulrika and Nina have frequent state-of-play meetings.

"Nina acts as the bridge between us and the contractors - she is the one who takes our wishes and makes them reality. She’s at the centre of the web and during more than a year at Returpack she has become one of the gang," says Ulrika.

2021 WILL ALSO BE A DIFFERENT YEAR

Despite the corona pandemic, the remodelling project has run on schedule. On the other hand, the situation has meant that there has been some rethinking in the planning of the new premises. Returpack has, like so many other businesses, adapted to the current situation and many in the office have partly worked from home.

“The pandemic has not affected our future need for larger premises, although we may continue to work from home at times. During this period, many of us have realised the importance of cooperation and the exchanges we have with each other when we meet in real life. However, we have done some rethinking, for example in the design of the new dining room, to ensure that it does not get too crowded in some areas. We have also added hand-washing facilities at our coffee machines. The new premises will also be more airy, so it will be easier to keep your distance," says Ulrika. In early December, half the office staff moved to temporary office space within walking distance of Returpack. The plan is that everything will be ready for occupancy in the new premises in December 2021."
LEADERSHIP DEVELOPMENT

In connection with work on Returpack’s leadership development initiative, a drive was made in 2020 to strengthen cooperation, leadership and communication in accordance with Returpack’s value system as well as the results of the 2019 employee survey.

Based on business-critical focus areas, a competency survey was conducted where the management team went through and discussed each department’s responsibilities, assignments and goals. The goal is to create an understanding of the challenges each department faces and to reveal any gaps in responsibility and competence.

During the autumn, it is planned that management development will continue in four blocks with a focus on sustainable leadership, communication and innovation. The goal is for all managers at Returpack, regardless of experience and skill level, to learn something new about themselves and their leadership. They feel secure in the leadership role and have acquired both knowledge and tools to create conditions for motivation and commitment among Returpack’s employees. In addition, all managers have begun the journey to increase Returpack’s innovative power.

The first development session was carried out in August 2020 and was then paused due to restrictions due to Covid-19. The scheme is planned to continue in late 2021.

COMPETENCE PLANNING

Before 2020, a number of business-critical focus areas were identified for the organization to continue working on in the coming years. On the basis of the focus areas, a competency survey was conducted at departmental level with gap analysis to identify possible competency development requirements. The results of the survey have been included in a number of activities in the 2021-2023 business plan and are included in the company’s competence development plan. In 2021, development days will focus on sustainability and diversity. Competence development initiatives will primarily be implemented in project management, innovation and leadership. In the next few years, Returpack will also focus on further developing analytical ability in a number of business areas and continue to improve and clarify processes regarding current external monitoring, innovation and project management. In 2021, system support, for identification of competence development and training needs, will also be implemented to facilitate Returpack’s future competence supply.

RETURPACK RAISES AWARENESS ABOUT ITS SAFETY CULTURE

A good safety culture involves everyone helping to reduce our risks, as well as avoiding and preventing incidents and accidents.

For several years now, safety has been high on the agenda at Returpack. In 2020, there were a number of activities and initiatives planned to further increase awareness and knowledge, in order to be well prepared for any incidents. A major emergency training initiative was planned for 2020. With the coronavirus pandemic, our crisis group and our employees were faced with a severe crisis, instead of an exercise. During the year, routines, instructions and our cooperation were tested and our knowledge of crisis management has evolved.

A GOOD WORKING ENVIRONMENT RESULTS IN

We have a Health Group consisting of employees in the organization who, together with the HR department, plan various healthy activities. The purpose is to have a varied program so that all employees can participate based on their ability. For this we have a wellness allowance and access to massage at the workplace.

RETURPACK’S OCCUPATIONAL HEALTH SERVICE

Our occupational health service helps us to perform different types of risk assessments and measurements. We work closely and proactively with our occupational health service. In addition to measurements and risk assessments, they help us in the early detection, and above all, prevention of ill health in the workplace.
AN EQUAL WORKPLACE

For Retupack, it is important to promote equal rights and opportunities in the workplace. Our goal is to achieve a gender balance within the range of 40-60 percent at all levels over time. The overall gender balance at the end of 2020 is even, with 56 percent men and 44 percent women. Similarly, we see an even distribution between men and women among salaried employees. When it comes to blue-collar workers, however, the distribution is not as even, with 85% of these employees being men. At the end of the year, the management team consisted of three women and one man.

TRAINING AND SKILLS DEVELOPMENT

We are working to constantly raise the skill levels within the company, and encourage our employees to be the driving force in their own development alongside their immediate superior. The annual staff appraisals are intended to develop both the employee and the organisation. Individual goal and development plans for the year are developed and followed up half-yearly. All employees have had a staff appraisal during the year.

In 2020, the company-wide development initiatives have focused on innovation and idea development. Due to the corona pandemic, these company-wide activities have had to be switched to more digital variants and in some cases cancelled. In 2020, we appointed a Process Manager for Innovation and trained a group of innovation project managers and workshop leaders.

BUSINESS ETHICS AND ANTI-CORRUPTION

Retupack can never accept corruption or any other form of unethical conduct. Working with anti-corruption is therefore important to us, both in order to be a serious business partner, as well as to ensure ethical conduct in line with the company's values and Code of Conduct.

We have an Internal Code of Conduct and an Unauthorised Influence Policy. In addition, we have established preventive work consisting of continual risk assessments and training efforts. All new employees receive a briefing on the Code of Conduct and are trained in how we work to prevent bribery and unauthorised benefits.

No cases of discrimination or incidents of corruption have been reported in 2020.

INTRODUCTION OF NEW EMPLOYEES

During 2020, we have strengthened our organisation with additional expertise in the fields of IT, customer service, logistics and production. All new employees at Retupack undergo a comprehensive introductory programme. It is the responsibility of their immediate superior to ensure that the introduction is planned, implemented and finally reported back to the HR department. The programme generally runs over a period of one month, and includes everything from welcome on the first day by the manager and colleagues, a guided tour of the facility and a safety briefing regarding tram enships in other departments. The introduction will provide the new employees with a good insight into the business, their assignment and their role. The mandatory elements include a review of the company’s vision, overall goals and values, the internal Code of Conduct, policies, regulations and procedures. The environmental management system is introduced and the new employee undergoes environmental and sustainability training, including on the working environment.

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<tr>
<th>TOTAL NUMBER OF EMPLOYEES</th>
<th>2016</th>
<th>2017</th>
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For Retupack, it is important to take responsibility both as an employer in the local community and in a broader perspective as a social player and pioneer within the circular economy. In this section, we are presenting e.g. our work aimed at children and young people, as well as our commitment to clubs and associations in Sweden.

Key figures and indicators regarding the number of employees refer to 31 December in the year in ques
A different winter AND SUMMER SEASON

It is well known that the corona pandemic had a major impact on Sweden’s tourism industry in 2020. The ski season ended prematurely - and the camping season started late. The changed conditions for tourism in Sweden greatly affected the activities that Pantamera could out to increase deposit collection in places where people choose to be holiday.

“In a normal summer season we are present at concerts, festivals, city parties and other events to remind people to use the deposit system. This year, basically all of these types of events were cancelled. We then decided that instead of just cancelling we would reorganise and invest in being visible at camping facilities and marinas and collecting the guests’ returns” says Carlita Clasén, product manager for Pantamera at Perbroceck.

NEW DEPOSIT STATION OPENS IN NORRKÖPING CITY

In connection with Muskikhjälpen’s fundraising campaign, Pantamera opened a deposit station in the city together with the property owner Lundsbergs. The deposit station contains two reverse vending machines, one where the recycler can easily fill it in the deposits and a regular one for those who want to deposit individual packages. The deposit station is not directly connected to a store, but you can get your money in cash directly when using the deposit system. In the spring of 2020, it was also possible to receive the refund money into your bank account via a digital solution.

SEK 1.1 MILLION WAS DONATED TO DIFFERENT CHARITIES THROUGH VISITORS TO SWEDEN’S CAMPING FACILITIES.

Deposit money to MUSIKHJÄLPEN

On December 14, Muskikhjälpen was established in Sweden, with the theme “Nobody should be left without care”. To make it easy and safe for the people of Norrköping to contribute their deposit money to Muskikhjälpen, we chose to invest in a Pantaloni (“Deposit vehicle”) that picked up deposits at various places around Norrköping during the week.

“It is easy to think that a small can or bottle does not make much difference. But we received over SEK 140,000 through the fundraising activity for Muskikhjälpen,” says Richard Arno, strategic marketing manager at Pantaloni and project manager for the initiatives related to Muskikhjälpen.

The fundraising for Muskikhjälpen was carried out partly on-site in Norrköping, and partly by a majority of the Pantaloni Express vending machines around the resetting their donation buttons in favour of Muskikhjälpen during the week.

The fundraiser gave a total of SEK 144,290 to Muskikhjälpen.

Sustainable & Fundraising COLLABORATIONS

Our sponsorship policy clarifies how we view sponsorship. For us, it is crucial for our commitment to include social responsibility and environmental benefits, and to be clearly linked to the collection of deposits and/or the acquisition of knowledge. We only sponsor initiatives that are consistent with our values and other policies. Examples of sponsorship can include recycling bins, bags, help with transport or marketing materials.

As a customer of the deposit system, you can apply for support for activities that contribute to the increased collection of deposit packages.

Our sponsorship collaboration with Svensk Innehållsbandy aims to influence attitudes and behaviour regarding recycling in the target group of children and young adults. The collaboration is taking place at association level.

Collaboration S WITH STUDENTS

Our collaborations with students can involve offering them the opportunity to do work placements and degree projects with us. This is a good way for us to make contact with future employees. The students gain knowledge and experience of working with sustainability issues, while we get valuable input from them. During 2020, we have continued to develop interim assessments within our life cycle assessment project, conducted by master’s students at Linköping University.
CHILDREN & YOUNG PEOPLE

The work on sustainable development begins with children and young people, which is why we have chosen to target several of our social commitments at this target group.

For many years, we have worked to educate children and young people regarding recycling and environmental issues through our "Pantresan" school activity. We also support Clean Sweden, which is Sport's environmental organisation for young people and clubs. Together with the Swedish Environmental Protection Agency, we are one of the founders of Keep Sweden Clean, where we cooperate in targeted efforts in relation to preschools and schools.

We consider that it is important for young people to have the opportunity to test themselves in working life. Every year, we create employment in the form of holiday jobs and summer jobs aimed at young people aged 16 and over. Even during the pandemic year 2020, we offered safe and secure jobs for young people. During the summer of 2020, we engaged almost 25 young people in connection with the activities that could be carried out in a corona-safe way, for example cycling Pantamah messengers at campsites and marinas.

We consider that it is important for young people to have the opportunity to test themselves in working life. Every year, we create employment in the form of holiday jobs and summer jobs aimed at young people aged 16 and over.

Main sponsor for
SVENSK INNEBANDY
Returpack har varit huvudsponsor till Svenska Innebandyförbundet (SIF) sedan 2019. Samarbete har bland annat omfattat exponering hos landslaget och i arenor, framtagande av hemsidor med tips och tricks, Fair Play-utmärkelser, samt de senaste samarbetena kring Schyss spel och Schyss lag.

In 2020, the agreement was extended, by another three years and also involves the Swedish Super League Association (FSSL). "Swedish floorball stands for basic values that are also important to us. The collaboration has always been successful and we have managed to reach the right target groups with our messages," says Bengt Lagerman, CEO of Returpack.

All over the country, there are now floorball associations connected to our association concept, making a contribution to the environment at the same time as they bring in some extra cash for the club fund. During 2020, 91 of Sweden’s floorball clubs collected 637,842 krans and bottles.

FAIR PLAY AWARD
Another example of an activity we are continuing to work on is our Fair Play award, which we instituted to promote good team spirit, fair play and a positive floorball climate.

The 15th year running the PRIZES FOR PANTRESAN
Despite a different year, interest in the environmental and climate issue has remained high among the country’s school children. During the year, the competition has also become even more digitally adapted to be able to meet the new needs for teaching at home. The first prize in the autumn round of Pantresan went to Lindbock Grundskolska in Lindellsberg.

Pantresan is a combined educational package and competition, aimed at children from preschool up to Year 6. The aim is to pass on knowledge and inspiration regarding the environment, energy, recycling and using the deposit system, it shows in an easy-to-understand manner how a circular system works.

Already during the spring round, Pantamara chose to adapt the material to corona. This was achieved by producing a supplementary student guide and substituting the films to make it easier for students who could not follow the teaching in the classroom.

"It feels very important that we’ve been able to adapt the competition in this strange year. Both by supporting the students who need to stay at home, and by giving the educators a digital teaching aid that works even at a distance," says Katrine Lundell.
RISK ANALYSIS CONTINUED


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<thead>
<tr>
<th>AREA</th>
<th>RISK</th>
<th>MANAGEMENT/ACTION</th>
<th>RISK</th>
<th>BUSINESS OPPORTUNITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal issues &amp; employees (continuation)</td>
<td>• Mental health issues now and in the future</td>
<td>• Staff awareness and development plan for mental health</td>
<td>Medium</td>
<td>• Minimise and adapt employment, working hours to minimise risk, enhance employee engagement and reduce mental health issues.</td>
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</table>

Human rights (continued)

<table>
<thead>
<tr>
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<th>RISK</th>
<th>BUSINESS OPPORTUNITY</th>
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<tbody>
<tr>
<td>• violation of contractual terms</td>
<td>• Application of purchasing policy and code of conduct for suppliers, external human rights, working conditions, • Brighton’s values and internal Code of Conduct</td>
<td>Medium</td>
<td>• Attract new employees and increase diversity and inclusion for managers and all employees</td>
</tr>
<tr>
<td>• Discrimination, harassment &amp; bullying</td>
<td>• Training and awareness</td>
<td>Medium</td>
<td>• Attract new employees and increase diversity and inclusion for managers and all employees</td>
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Risks relating to corruption and fraud (business-related, financial)

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<th>RISK</th>
<th>MANAGEMENT/ACTION</th>
<th>RISK</th>
<th>BUSINESS OPPORTUNITY</th>
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</thead>
<tbody>
<tr>
<td>• Bribery/Fraud/Corruption</td>
<td>• Internal checks in receipt of payments, • Controls at reverse logistics and in supply chain</td>
<td>Low</td>
<td>• Working to combat corruption and to discuss the impact on Recupack, a new programme to be implemented in the company’s customer’s (customers, recyclers, suppliers, employees, customers, investors) • Administrative workforce</td>
</tr>
<tr>
<td>• Corruption in connection with agreements or other relationships between Recupack and an external party</td>
<td>• Training and follow-up on internal Code of Conduct and values: environment, human rights, working conditions, • Application of purchasing policy and code of conduct of suppliers, • Secure business systems, delegation arrangements and statement checks</td>
<td>Low</td>
<td>• Working to combat corruption and to discuss the impact on Recupack, a new programme to be implemented in the company’s customer’s (customers, recyclers, suppliers, employees, customers, investors) • Administrative workforce</td>
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Legal risks

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<th>RISK</th>
<th>BUSINESS OPPORTUNITY</th>
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</table>
| • A change in the legislation affecting any of the company’s activities | • Barriers to intelligence, • Expansion of the audit system on inspected 


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<th>MANAGEMENT/ACTION</th>
<th>RISK</th>
<th>BUSINESS OPPORTUNITY</th>
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<tbody>
<tr>
<td>• Barriers to intelligence, • Expansion of the audit system on inspected costs</td>
<td>• Material recycling, • Influence of internal and external stakeholders on the company’s activities, • Reform the business according to current and future legislations</td>
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<th>MANAGEMENT/ACTION</th>
<th>RISK</th>
<th>BUSINESS OPPORTUNITY</th>
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<tbody>
<tr>
<td>• Increased investment, • New business initiatives to protect future business</td>
<td>• Increase investment, • New business initiatives to protect future business and development opportunities</td>
<td>Medium</td>
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<th>BUSINESS OPPORTUNITY</th>
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<tr>
<td>• Significant foreign exchange exposure and a decrease in raw material prices, as well as risks related to Recupack’s financial investments, • Investments, raw material and currency hedging according to policy, • Monitor reporting at exchange</td>
<td>• Increase investment, • New business initiatives to protect future business and development opportunities</td>
<td>Medium</td>
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SUSTAINABILITY REPORT / PAGE 54

ABOUT THE REPORT

The materiality analysis that was carried out in 2016 resulted in five key sustainability issues. The purpose of the analysis was to systematically identify which key sustainability issues we should focus on in our sustainability work, as well as to guide the content of our sustainability reporting. The materiality analysis included a structured stakeholder collaboration. The materiality analysis is validated annually.

HOW WE DID IT

Stakeholders were identified through analysis of the value chain and a review of which other players affect or are affected by Recupack’s operations. After this, a weighting (high, medium, low) of the stakeholder groups was performed based on an assessment of impact and interest. Based on GM’s framework, the way various sustainability issues affect and are affected by Recupack’s operations was investigated. A study of the issues on which similar operations focus provided additional input. The work resulted in a wide range of sustainability issues that might reasonably be of interest to our stakeholders.

The stakeholder dialogue consisted mainly of questionnaires (150). In addition, a small number of interviews were conducted (2) in the web-based questionnaire, the stakeholders were asked to indicate how important, on a scale of 1 (not important) to 10 (very important), each sustainability issue was for Recupack to deal with. The stakeholders who were interviewed also answered the same questionnaire. The stakeholders also had the opportunity to highlight other sustainability issues/areas that they considered to be important for Recupack to work on. The outcome by question and by stakeholder group was then recalculated on the basis of the established weighting.

The management team then performed an evaluation, based on the same scale, of the way the operation affects and is affected by each sustainability issue. The results of the stakeholder dialogue and the impact assessment were compiled, and the sustainability issues that were most important from both a stakeholder and an impact perspective were identified as key issues. These were greenhouse gases, transport, health and safety, customer satisfaction and product quality. Greenhouse gases and transport were subsequently deemed to be similar based on their impact and their governance, and have therefore been merged. Increased recycling was an important aspect of Recupack’s assignment from our owners, as well as being an integral part of the company’s operations. As a result, increased recycling was also treated as a key sustainability issue from a reporting context.

Key issues: For Recupack, increased recycling, greenhouse gases, health and safety, customer satisfaction and product quality. In addition, a number of other issues were identified that the stakeholders expect Recupack to address in its sustainability work: supplier evaluation, training and development, diversity and gender equality, discrimination issues, and anti-corruption. These issues are covered in the report, but to a lesser extent than the above issues, which are referred to as key.

MEMBERSHIP & ENGAGEMENT2020

Recupack’s commitments and collaborations in 2020 are listed below.

SUSTAINABILITY NETWORK

- Member: Cleantech Ostergård
- Member: CSR East Sweden
- Member: StoraEnso
- Member: Incoplast Challenge
- Member: Noromotiv Mjöl possibility

PARTICIPANT: FOSSIL FREE SWEDEN

- Member: Sustainability network
- Enルー: Motala Ström’s Vattenvårdsförsörjning

Other networks

- Member: Allinget
- Member: BIRCH, including steering group member of Fompack – packaging network that brings together the education sector and industry.

- Member: Trampoline, innovation management knowledge network
- Member: Chamber of Commerce of Eastern Sweden
- Member: ETS technical committee for packaging and the environment
- Member: Colleges and universities

Collaborative research

- The deposit system in a circular economy – understanding social values, Oeberbro University
- Identification of incentives for sustainable plastic use in the packaging industry, Nov 2019 – March 2020, run by JTL, publication by the Swedish Environmental Protection Agency

Graduate work

- Material properties of recycled PET in drink bottles, KTH
- “Life cycle analysis of PET and aluminium”, Linköping University

EMPLOYER’S ORGANISATION

- Member: KPM – Innovation and Sustainable Development, Member: KQM – Sustainable Development
For the fourth consecutive year Returpack is reporting its sustainability work according to the guidelines for the Global Reporting Initiative (GRI) Standards with the Core application level. The report has been reviewed by the accounting firm Ernst & Young AB to ensure that the requirements under ARL are satisfied; no other external review has been carried out.

**REPORTING PRINCIPLES**
Returpack’s sustainability report refers to the Returpack Svenska AB group, corp. reg. no. 556753-0259, and encompasses the company’s two subsidiaries, Returpack-Pet Svenska AB, corp. reg. no. 556478-4204, and Returpack-Bunk Svenska AB, 556218-9117. The report follows Returpack’s financial year and covers the period 1 January 2020 to 31 December 2020. When formulating the scope and content of the sustainability report, Returpack has worked on the basis of GRI’s principles. The ambition is for the report to provide a complete and balanced picture of the company’s operations, where the content has been determined on the basis of the sustainability issues that are most important for the operation and for the company’s stakeholders. The implemented materiality analysis has resulted in five key sustainability issues, which are linked to at least one GRI aspect where possible. In those cases where there is no equivalent aspect in GRI, sustainability governance information is presented, as well as at least one company-specific key figure for the company-specific sustainability issue (see the GRI index on pages 59-63). Some of the general information requirements can be found directly in the index. The index also provides information about possible exemptions, such as incomplete data.

**MEASUREMENT AND CALCULATION METHODS**
Sustainability data for the report is compiled centrally. During the year, data is reported on an ongoing basis from employees who are responsible for sustainability issues. Documented procedures exist for measuring, calculating and collecting data. Figures relating to financial data and employees are taken from business and HR systems. Some manual processing of employee data is performed, as the current system does not provide in full the information that the report requires. During 2020, a total of 2,223,670,389 packages were recycled. This figure includes the optionally registered fruit syrup and juice products. Without fruit syrup and juice products, the figure is 2,185,327,389 packages. Returpack has opted to round the figure off to 2,22 billion packages in the sustainability report. All calculations are based on the total number of recycled packages. Set out below are descriptions of measurement and calculation methods for each key issue.

**INCREASED RECYCLING**
Returpack has drawn up its own key figures for increased recycling in the form of recycling rates for metal cans and PET bottles respectively. The internal objective includes all packages that are registered to the deposit system, i.e., both the packages covered by the ordinance on return systems and those that are optionally registered. The recycling rate is calculated as the number of returned packages divided by the number of packages sold. The number of returned packages is primarily based on the reading of barcodes in reverse vending machines or reading conducted in Returpack’s factory, or alternatively by weighing materials or using a flat-rate. The number of packages sold is based on reported sales from producers and importers. When calculating the recycling rate for metal packaging, the number of imported cans that have been collected and recycled via Returpack is also included in the number of returned packages. Data management takes place in the Pandum business system.

**GREENHOUSE GASES**

**Climate calculations**
Returpack’s method for measuring and reporting greenhouse gas emissions is based on guidelines set out in the GHG Protocol’s Corporate Standard. Returpack uses the control method and applies the financial control criterion in order to define the organisation’s system boundaries and to allocate emissions between different scopes. Emissions are included from Returpack Svenska AB, Returpack-Pet Svenska AB and Returpack-Bunk Svenska AB. Data is collected and reported jointly for the Group.

In accordance with the GHG Protocol, Returpack divides its emissions into three different categories, known as “scopes”, based on where the emissions occur in relation to the organisation. The report includes the following emissions:

> **Scope 1**: Direct emissions from our own transport operations.
> **Scope 2**: Indirect emissions arising in conjunction with the production of electricity and heat, which is purchased or otherwise supplied to Returpack’s own assets.
> **Scope 3**: Indirect emissions, which occur as a consequence of Returpack purchasing transport services and conducting business travel.

Returpack has a proprietary system for calculating greenhouse gas emissions. The system collects data from support systems, performs calculations and compiles the results. Some manual input of data occurs. The emission factors that are used are obtained via subscription from Swedish Climate or directly from the fuel suppliers. Updating is performed twice a year. Returpack only reports fossil emissions when data for calculating biogenic emissions is not available. The possibility of being able to report biogenic emissions in future will be reviewed.

In order to increase the relevance of the report, Returpack’s emissions are reported, in addition to the GHG Protocol’s division into the various scopes, on the basis of categories that are adapted to the company’s own operations. The various categories are transport, the plant and business travel, and these are described below.

**Transport**
Greenhouse gas emissions from transport refer to the collection of deposit packaging from stores with RVMs etc., via intermediate warehouses to Returpack’s factory, internal transport in the form of vans and forklift trucks, delivery of aluminium and PET to material buyers, as well as the delivery of various residual fractions. The calculations are based on the transport providers’ information about average consumption of various fuels, as well as Returpack’s information regarding distance per transport operation and the number of journeys. The support systems that supply data are Centrino (transport administration system) and Fleet Planner (route optimisation system).

For a small proportion of the deposit packages, Returpack does not arrange for their collection directly from the store, but instead retrieves the packages from various depots for onward transport to the factory. Greenhouse gas emissions from such stores to depots are not currently included in Returpack’s calculations. Car journeys by employees to and from work are also not calculated or presented in this report in respect of greenhouse gases.

**The plant**
Data regarding the consumption of electricity and district heating in Returpack’s plant in Nortköping comes from the electricity supplier and the district heating supplier. The plant only uses green electricity from wind power, while the district heating is based on the...
actual mix of fuels for the period to which the calcu-
lations relate. Suppliers' emission factors are used.

In the plant category also includes proprietary reverse
waste machines deployed at municipal recycling
centres, as well as mobile compactors located in as-
sociation with a number of larger stores. Electricity
consumption for each installation is estimated on the
basis of consumption per package calculated using a
flat-rate, as well as the number of packages received.

In those installations where Retupack does not
know the source of the electricity, the emission factor
for Sweden's electricity mix is used.

Business travel
The climate impact from business travel is calculated
on the basis of trains, flights, company and courtesy
cars as well as employees' own cars that are used for
business travel. For rail travel, data is obtained from
the supplier. Greenhouse gas emissions from cars are
based on mileage, type of fuel and information provid-
ed by vehicle manufacturers regarding average con-
sumption. Most flights are booked through travel com-
panies. However, a small proportion of the flights are
booked independently and, for these, data has been
collected separately by means of employees reporting
what journeys they have made. Emissions from all air
travel are then calculated using NTM's calculation tool.

Employees/health and safety
The term 'employees' encompasses personnel em-
ployed by Retupack as permanent, fixed-term, full-
time and part-time employees and those workers who
are not employed by Retupack but whose work or
workplace is controlled by the organisation. Key fig-
ures in respect of employees are based on the number of
employees as of 31 December in the year in question.
Workplace accidents, incidents and risk observations
are reported via Retupack's case management system.
Sick leave is calculated as the number of hours of sick
leave in relation to planned working hours.

Customer satisfaction
Retupack's key figures for customer satisfaction are
based on the outcome of a survey of the cus-
tomer group comprising stores with RVMs etc. The
survey is conducted by means of telephone inter-
views, is aimed at shops fitted with reverse vend-
ing machines, and is carried out every two years or
as necessary; a survey was carried out in 2020. The
CSI rating is calculated on the basis of the overall
perception of Retupack. A 7-point scale is applied,
where 7 is the best. Customer satisfaction is also
followed up in relation to other customer groups.

PRODUCT QUALITY
The key figure for aluminium product quality is cal-
culated as the proportion of foreign material in the
sorted aluminium fraction, while product quality for
clear PET consists of the proportion of coloured PET
in the sorted clear PET fraction. Quality checks are
performed twice a day by removing a predetermined
amount of material directly from the flows for alumi-
nium cans and clear PET. The removed material is sorted
and weighed, which provides a basis for calculating
the key figures.

Sustainability report
The Annual Accounts Act in accordance with Chapter 6, section 11 of the Annu-
al Accounts Act, Retupack has opted to prepare the sta-
tory sustainability report as a separate document
from the legal annual report. The sustainability report
contains essential information about the company's
work and results in relation to the environment, social
conditions and personnel, respect for human rights
and anti-corruption.

THE AUDITOR'S STATEMENT REGARDING
THE STATUTORY SUSTAINABILITY REPORT
To the Annual General Meeting of Retupack Svenska
AB, org. no. 556763-4259

MISSION AND DIVISION OF RESPONSIBILITY
The Board of Directors is responsible for the sustaina-
BILITY report for 2020 and for its preparation in accord-
ance with the Annual Accounts Act.

FOCUS AND SCOPE OF THE REVIEW
Our review has been performed in accordance with
FAR's recommendation RevR 12 The auditor's opinion
on the statutory sustainability report. This means that
our review of the sustainability report has a different
focus and is significantly smaller in scope compared to
the focus and scope of an audit according to the
International Standards on Auditing and good audit-
ing practice in Sweden. We consider that this review
provides us with sufficient grounds for our statement.

STATEMENT
A sustainability report has been prepared.
Norrköping, 26 March 2021
Ernst & Young AB

Peter von Kroニング
Authorised Public Accountant

GRI INDEX
The GRI index below states where the sustainability report the various
information can be found. The entire index refers to GRI Standards 2018.
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Key issues, boundaries, governance and indicators

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HEALTH AND SAFETY

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