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 2019, and is the third to be reported according to Global Reporting Initiatives (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 (ÅRL).

The sustainability report has been reviewed by the accounting firm Ernst & Young AB to ensure that the requirements under ÅRL 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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CEO's Statement

A true deposit system with genuine climate benefit

Once again, we are able report a record number of returned cans and bottles under the system, with more than 215 billion packages arriving at our facility during the year. In addition, the rate of returns increased to 84.9 per cent in Sweden, and it should also be remembered that up to a further 10 per cent is collected in Norway, due to the cross-border trade between the two countries. What a fantastic way of celebrating the first 35 years of the deposit system! In total, since the start in 1984, we have collected an incredible 42 billion packages under the system!

The study conducted by SIFO in 2019 shows that Sweden's citizens are extremely satisfied with their deposit system, and that the positive attitude towards using the system is increasing over time. There is a high level of confidence, with 83 per cent stating that they have high or very high confidence in the deposit system. This serves important proof of the significance of our work.

Our deposit-based return system for beverage packaging involves dealing with all the cans and bottles in a resource-efficient and climate-smart way, so that the material can be recycled to make new packaging. We place demands on the packages to ensure that they function throughout the recycling chain, we make sure that the packages we collect are actually recycled and we support initiatives at various levels, as well as participating in development projects that benefit the circular economy. In this context, however, it is also important to be able to distinguish between what is genuine, benefiting a more sustainable world, and what merely gives the appearance of being genuine. There are parties out there that want to take advantage of all the good that a genuine deposit-based return system stand for, but without either running a return system or handling deposits.

In order for a recycling system to create maximum environmental benefit, the cycle needs to be closed, just like the deposit-based return scheme that we operate. A can should be able to be made into a can and a bottle into a new bottle. For the plastic material that is sorted in the plant, this means that it can be used to make new, food-approved plastic bottles. In 2019, we inaugurated a new plastic sorting installation to further improve the quality of the recycled material, so that even more plastic can be recycled to make new bottles. With our latest investment, we have managed to increase this share by 10 per cent.

We now have 69 employees, who are working together to develop the deposit system. We are focusing in particular on preventing and managing the risks we have identified. We are also working on a number of health promotion measures, with the aim of maintaining the low sick leave levels and the high degree of commitment among our employees. As a result, we were awarded the title Östergötland's healthiest company for 2019.

Our social commitment is an important part of our sustainability work, and we are focusing in particular on influencing attitudes and behaviour regarding the use of the deposit system among children and young adults. Our club concept is also worthy of mention, where we provide support to children and young people and their clubs and associations when they participate in the collection of cans and bottles.

However, the Swedish deposit system is so much more than just Returpack. It is the producers and importers who ensure that their products can be included in the deposit system. It is the shops which, through their returns collection facilities, enable simple and efficient use of the system across the country. It is the cafes and restaurants, petrol stations, holiday resorts, airports, festivals and other events that are also contributing to increasing accessibility. It is the associations and organisations that collect cans and bottles in various ways. It is our carriers and business partners who ensure that the collected packaging finds its way to our facility. It is our material buyers who ensure that the material from the cans and bottles is recycled and can be made into new cans and bottles again and again and again...

And last, but definitely not least, it’s everyone who uses the system. We would like to thank you for the trust you have placed in us to run Sweden’s deposit system, and thereby be part of the vital work towards a sustainable society.

Bengt Lagerman
CEO, Returpack
Producer responsibility and national recycling targets

Producers responsibility for packaging and newspapers is a consequence of the EU’s Packaging Directive, and has been implemented through the Ordinance on Producer Responsibility for Packaging (SFS 2018:1462). In Sweden, the goal is for 90 per cent of all deposit packages made of metal or plastic to be recycled, and in recent years we have been just below this level. The Swedish Environmental Protection Agency is the authority responsible for the combined national recycling statistics from all material companies.

More than two billion packages from the Swedish market have been collected and handled at our plant during the year. For us, it is of the utmost importance that the material from the cans and bottles we collect is recycled and can be used in the manufacture of new cans and bottles.

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 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.

In order to raise the quality of the collected plastic material even further, an investment and refurbishment have been carried out in the factory. The new plastic sorting facility has improved the sorting of clear and coloured plastic, so that we can now recycle a further 10% more clear PET, which was previously included in the coloured fraction. This transfer of 10% of the material from open material recycling to closed material recycling reduces the overall environmental impact of bottles. If a calculation is performed based on the impact of the deposit system on collected annual volumes, this corresponds to a reduction of more than 25,000 tonnes of CO₂ equivalent annually.

Since 2005, 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 Norrköping, where both the head office and the factory are located.
Our work during the year has been focused on our values. You can read more about this on page 45. Our values can be summarised in three key words: Responsibility, Innovation and Cooperation. These strategies will support us in our efforts to increase recycling, achieve cost-effectiveness and take responsibility for employees, the environment and society.

The Work at Returpack has two overarching goals:

- Increased recycling to achieve the 90% recycling target.
- Achieve a profit margin over time of at least 1.5% to ensure long-term financial stability.

In 2019, Returpack achieved a recycling rate of 84.9% and a profit margin of 5.53%.

Our overall goals will be achieved through three overarching strategies. These strategies will support us in our efforts to increase recycling, achieve cost-effectiveness and take responsibility for employees, the environment and society.

- Develop the deposit system - We will make it easier for consumers to return their deposit packages by improving existing and developing new collection options. The positive image of the deposit system will be enhanced by the fact that we are sensitive to the needs and expectations of our stakeholders.
- Improve our processes - We will constantly improve our processes and working methods, while at the same time ensuring that the deposit system is run in a cost-effective and sustainable manner with effective governance and control.
- Conduct operations in a sustainable way - Sustainability should permeate everything we do. With our third strategy, of conducting operations in a sustainable way, we are placing particular emphasis on reducing our environmental impact as well as being an attractive workplace and a good social player.

Our values form the basis of our corporate culture and guide us, so that we act honestly and responsibly in all our relations within and outside the company. It is important to have a clear corporate culture with common values, as well as committed employees who are aware of their role in maintaining these values. Everyone should be familiar with the company’s values and be able to stand up for them.

Our values are also reflected in the company’s Code of Conduct and Sustainable Development Policy. We are inspired by having satisfied customers, and we are looking for new challenges that will lead us on to our goals.

In order for us to live up to our vision, our business concept and our values, it is important for everyone to contribute, support and inspire each other so that we can achieve our overall, departmental and personal goals. We are operating in a changing world, and here at Returpack we are working to ensure continual improvements. We are inspired by having satisfied customers, and we are looking for new challenges that will lead us on to our goals.
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 plant 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.
AGENDA 2030

agenda 2030 and the 17 global goals drawn up by the UN General Assembly represent the most ambitious agenda adopted jointly by the countries of the world. The aim is to guide the world towards peaceful and sustainable development and is valid until 2030. The Agenda’s objectives are to eradicate extreme poverty, reduce inequalities, solve the climate crisis and promote peace and justice.

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 anchored 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 fulfilment of the goals, and the work on the five prioritised goals is described below.

RETURPACK’S SUSTAINABILITY GOALS WITHIN AGENDA 2030

1. Goal 9 Industry, innovation and infrastructure
2. Goal 11 Sustainable cities and communities
3. Goal 12 Responsible consumption and production
4. Goal 13 Climate action
5. Goal 14 Life below water

GLOBAL GOALS GUIDE OUR SUSTAINABILITY WORK

THE GLOBAL GOALS
For Sustainable Development

GOAL 9: INDUSTRY, INNOVATION & INFRASTRUCTURE

Our vision is to develop the existing deposit system and to streamline and facilitate the use of the system. We promote innovation in our operation 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 11: 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 depositing via e-commerce, through various forms of collection for on-the-go consumption, such as deposit tubs 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 12: 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 minimise 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 13: CLIMATE ACTION

Sweden’s CO₂ emissions from the transport sector will be cut by 70% by 2030 (cf. 2010). Returpack is one of the players who want this to happen faster, and has taken on the Östgötta Challenge, the aim of which is to reduce the leaching of plastic into the sea, lakes and watercourses, and 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 minimising leakage from the environment. Recycling beverage packages helps to reduce emissions and acidification compared to new production of aluminium and PET.

GOAL 14: LIFE BELOW WATER

We are participating and collaborating with other companies, authorities and organisations to reduce the leaching of plastic into the sea, lakes and watercourses, and 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 minimising leakage from the environment. Recycling beverage packages helps to reduce emissions and acidification compared to new production of aluminium and PET.

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 for the operational activity. Working on the basis of our 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 53.

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.
### Returpack’s Sustainability Work

Returpack has a number of policies and guidelines that govern its 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 Combating Victimization** 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.

**Unauthorized Influence Policy** specifies Returpack’s regulations regarding improper gifts, conflicts of interest and bribery.

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### 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 towards established goals. Achieving this is a very important part of the owners’ assumption of responsibility. The Board of Directors has overall responsibility for managing Returpack’s operations in a sustainable manner. The Board of Directors establishes 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 authorisation to make decisions and take action have been passed down the line organisation through delegation. All managers with personal responsibility have delegated responsibility for the working environment and authorisation within their respective functions.

Returpack’s sustainability work is integrated into the company’s business model, strategies and governance. The company’s values and Code of Conduct, along with the sustainability plan, form the basis for this work. The sustainability issues naturally permeate all aspects of the business, where the active assumption of responsibility for people, the environment and society guides us on a day-to-day basis in our actions and decisions. The basis is to work preventively as far as possible and to apply the precautionary principle in the event of changes in operations.

### 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 us 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 up continually by the implementing organisation, 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 operations must be conducted in a professional, safe and environmentally friendly manner that meets all the requirements stipulated by applicable legislation, prevailing industry regulations and agreements.

Returpack’s Code of Conduct for Suppliers communicates the requirements that we impose on ourselves, our suppliers and their 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 whistleblower 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 in order 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.

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EcoVadis has ranked Returpack at Gold Level for our sustainability work in respect of the environment, working conditions, sustainable procurement and good business ethics. The methodology is based on internationally adopted principles for sustainability reporting such as GRI - Global Reporting Initiative, the UN Global Compact and ISO 26000, and is revised by independent experts in the field of sustainability.
RETURPACK’S SUSTAINABILITY WORK

SUSTAINABILITY REPORT / PAGE 16

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

RECYCLING RATE PET

PRODUCT QUALITY ALUMINUM

FOREIGN MATERIAL IN SORTED ALUMINUM: 0.02%

OUTCOME 2018: 0.1%

AGREEMENT: NOT MORE THAN 0.2%

PRODUCT QUALITY CLEAR PET

FOREIGN MATERIAL IN SORTED CLEAR PET: 0.3%

OUTCOME 2018: 0.4%

AGREEMENT: NOT MORE THAN 4%

INCREASED RECYCLING CANS

INCREASED RECYCLING PET

For 2019, Returpack achieved a total recycling rate of 84.9 per cent, an increase of 0.4 percentage points compared to the previous year. If we exclude the optionally registered products, the recycling rate for 2019 stands at 85.2 per cent.

SUSTAINABILITY REPORT / PAGE 17

CLIMATE & THE ENVIRONMENT

CLIMATE IMPACT TRANSPORT

Reduction of CO₂ per pack.

INTERIM GOAL 2019: -90%

LONG-DISTANCE TRUCK

REDUCE ENERGY CONSUMPTION

INTERIM GOAL 2019: -81%

EXCL. THE LID PLANT.

CLIMATE IMPACT PLANT

Electricity consumption:

INTERIM GOAL 2019: +3.7%

INCL. THE LID PLANT.

EMISSIONS OF GREENHOUSE GASES FROM THE PLANT:

228 TON CO₂

INTERIM GOAL 2019: +10.1%

GREENHOUSE GAS EMISSIONS FROM TRANSPORT:

778 TON CO₂

GREENHOUSE GAS EMISSIONS FROM BUSINESS TRAVEL:

21 TON CO₂

Total emissions 2019: 1 026 tonnes CO₂e

BUSINESS RELATIONS

CUSTOMER SATISFACTION STORE

CSI 2016

5.5

CSI 2017

5.9

CSI 2019

5.5

7-point scale, where 7 is best

The evaluations are carried out every two years. The next evaluation will take place in 2021.

FLOORBALL CLUBS

HAVE JOINTLY COLLECTED:

725,736 CANS AND BOTTLES

SOCIETY

IN 2019:

242 FLOORBALL CLUBS

SATISFIED CUSTOMERS

CSI shop, overall perception of Returpack, the same good result as in the previous measurement.
EMPLOYEES

**Health & Safety Outcome**

- **Goal:** No workplace accidents
- **Goal:** At least 100 reported incidents
- **Goal:** Short-term sick leave ≤ 2%

**Outcome**

- Accidents: 2
- Incidents: 105
- Short-term sick leave: 1.8%

**Gender Equality Outcome**

**Management**
- Women: 2
- Men: 1

**Employees under collective bargaining agreement**
- Women: 0
- Men: 0

**Salary employees**
- Women: 0
- Men: 0

**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%

**Sustainability Report**

**Recycling**

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

Our entire mission relates to recycling. It is therefore of the 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 reminding 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.
Attitudes & behaviours

95%,” says Bengt Lagerman, CEO of Returpack.

the rate of recycling is well over 90% and approaching the volume that is sold and also consumed in Sweden, cling using the system in Sweden, as we estimate that of Sweden, while the remainder is dealt with in Norway. Around a third of this volume is refunded in Norway. The price differences between beverages sold in Sweden and Norway mean that an estimated 15% of the beverages in deposit packaging that are sold in Sweden are taken out and consumed in Norway. A third of this volume is refunded in Sweden, while the remainder is dealt with in Norway. “This has a major impact on the reported rate of recycling, as we estimate that of the volume that is sold and also consumed in Sweden, the rate of recycling is well over 90% and approaching 95%,” says Bengt Lagerman, CEO of Returpack.

Returpack’s total recycling for 2019 amounted to 84.9 per cent, an increase of 0.4 percentage points compared to the previous year. 2019 was also a record year in terms of volume, as we received more than 2.15 billion recycled packages in our facility. Overall, the figures show an extremely well-functioning deposit system.

The level of reverse vending that we achieve is affected by what is sold and returned in Sweden, but also increasingly by what is sold in the Swedish cross-border trade with Norway. The price differences between beverages sold in Sweden and Norway mean that an estimated 15% of the beverages in deposit packaging that are sold in Sweden are taken out and consumed in Norway. Around a third of this volume is refunded in Sweden, while the remainder is dealt with in Norway. “This has a major impact on the reported rate of recycling, as we estimate that of the volume that is sold and also consumed in Sweden, the rate of recycling is well over 90% and approaching 95%,” says Bengt Lagerman, CEO of Returpack.

WHAT IS A DEPOSIT SYSTEM?

When we talk about a deposit-based return system or a deposit system, it is important to be able to distinguish between what really benefits a more sustainable world and what merely gives the appearance of doing so. “There are parties out there who want to take advantage of all the good that a genuine deposit-based return system stands for, who state that their packages can also be included in the system. In most cases, however, this is no different from the normal recycling of packaging – no deposit that is paid out when making the purchase is refunded on the return of the packaging, there is no controlled return, and no recycling of materials that can actually ensure that the packaging can genuinely be made into new packaging. Some form of incentive may be paid out when purchasing new goods for new consumption – it is this that is the ‘deposit,’” concludes Bengt Lagerman.

WE CURRENTLY SUBMIT

WE CURRENTLY SUBMIT

METAL CANS
85.8%
2019

PET BOTTLES
83.2%
2019

DEPOSITS - AN EFFECTIVE NUDGE

A deposit means that, when purchasing a beverage, a consumer is borrowing a can or bottle in return a fee. The fee is then refunded when the packaging is returned. Deposits have proven to be a very effective tool for creating a desired behaviour – they serve as a nudging tool, quite simply. Today, using a deposit system has become a part of Swedes’ everyday lives, and is only natural to the vast majority.

Climate and environmental issues are high on the agenda for many. The most recent SIFO survey confirms this picture. Almost 8 out of 10 Swedes feel that they are doing something for the environment when use the deposit system for their cans and bottles. “The fact that so many people associate using a deposit system with doing something for the environment confirms that we are doing an important job when we communicate the environmental benefit of this simple everyday act,” says Rickard Andersson, Product Manager at Returpack.

Young men and women are the group that sticks out somewhat in the survey. They state that they are slightly less likely to use the deposit system than the population as a whole, while at the same time being responsible for a higher consumption of beverages in cans and bottles. Young women are also the group that claims to have the greatest confidence in the Swedish deposit system, with as many as 87 per cent stating they have high or very high confidence.

“It is doubly important to reach this group. At the same time as using the deposit system to a lower extent, they also account for a high level of consumption. Young people also have a slightly different consumption pattern compared to others, and consume more drinks when they are on the go,” says Rickard Andersson.

To acquire further knowledge about young adults, Returpack has collaborated with the Youth Barometer. Their analyses clearly show that young people today are more value-driven. They identify with their leisure interests, what they spend their money on and the accounts they follow on social media. They also feel that they are able to influence society to a greater degree than young people have done in previous generations.

“It is clear that young people are more environmentally and climate conscious, and that they consider this to be the most important social issue. This provides us with a great opportunity to continue to influence this group in the right direction,” says Rickard Andersson.

In 2020, Returpack is placing additional focus on meeting young people’s needs and increasing accessibility for this group. As a first step, Returpack is conducting youth focus groups in collaboration with the Youth Barometer.
**PANTAMERA WITH ROLANDZ**

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

Sweden is one of the best in the world when it comes to using the deposit system. Of course, this is partly because we are one of only relatively few countries to actually have a deposit system, but also because we Swedes have made using the system something that feels completely natural. In our regular SIFO surveys, around 99 per cent of Swedes state that they use the deposit system. Our challenge is to get everyone to always return all their packages in total – always and for everything.

“As always, our communications are based on positive feelings regarding the deposit system, where music and humour play a big role.”

*Katarina Lundell, Marketing and Communications Manager for Pantamera at Returpack.*

In 2019, the Pantamera brand celebrated its 15th anniversary with the release of an entirely new version of the Pantamera song. May we present the dance band phenomenon Rolandz and their interpretation of the Pantamera song in their own unique way.

“We have been working on the theme of music for many years, and have commissioned a range of artists to make their own versions of the Pantamera song. This time we opted for a real summer hit in 4/4 time and syncopé,” concludes Katarina Lundell.

**DIGITAL PAYMENT SOLUTIONS at Pantamera Express**

During 2019, a new digital refund solution using BankID has been tested in two of our 45 Pantamera Express machines, with the aim of implementing the solution in all reverse vending machines in the long term. PayPal is already installed as a refund option in the remaining 43 Pantamera Express machines around the country.

Being able to pay refunds digitally has long been one of our long-standing collaboration with Universal and DreamHack. The deposits that were donated to Musikhjälpen come from some of Sweden’s biggest players in the fields of eSports and music, who built up the pot along with gamers all over the country.

Pantamera with eSports is run in collaboration with Universal and DreamHack. The deposits that were donated to Musikhjälpen come from some of Sweden’s biggest players in the fields of eSports and music, who built up the pot along with gamers all over the country.

**FACTS ABOUT PANTAMERA EXPRESS**

3% of all returned packaging – almost 60 million packages in total – was collected via Pantamera Express in 2019, an increase of around 20 million packages from the previous year.

**PET - WHAT IS IT?**

PET is an abbreviation that stands for polyethylene terephthalate (say it quickly if you can). PET is a lightweight plastic material that can be blown into any shape. It is also particularly good at withstanding abrasion and shocks. The uncoloured PET bottles that are returned can be recycled as food-approved plastic for new bottles. The coloured PET material is recycled for other purposes.

**ALUMINIUM**

Aluminium is a light metal and a metallic element. When you return a can, the material is recycled to make new plate for cans. It is the most energy-efficient way of dealing with the material, as the material simply has to be melted down and rolled into new sheet metal before being made into new cans. When an aluminium can is recycled to make a new can, this saves 95% of the energy compared to what is used to manufacture new aluminium.

**THE LID SHOULD BE ON!**

Leave the lid in place when you return the package – all lids that come with the bottles are recycled when they come to us. The lids are usually made of the plastic HDPE. The lids that come off during our sorting process are reborn as cable drums, while the lids that are still attached to the bottle after the sorting process accompany the bottle to the next stage in the recycling chain at Veolia PET.
Sustainability report

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 assignments with as little impact on the climate as possible. Every can and bottle that is returned must be transported to our facility in Norrköping 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. We will also be describing the work we do to optimise the handling of collected packaging in our facility.

This is how we define and follow up product quality

The agreements that we at Returpack have entered into with our material buyers contain various limits as regards what the material we supply may contain. The limit values have been set to ensure that the material buyers can recycle the material in a resource-efficient manner. Our objective is obviously to meet or exceed the requirements of the material buyers. This means that we need to have full control over the packaging included in the deposit system, from the registration of new packaging, via collection to the final sorting that takes place in our facility.

Product quality

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The quality tests are based on regularly checking that the mechanical sorting process is working properly and that we are delivering the right material quality to the customer. Measurements are performed twice a day. The results are presented daily and followed up at weekly quality meetings.

Product quality, aluminium

Proportion of foreign material in sorted aluminium fraction. Returpack’s goal: max 0.2%. According to our agreements, the maximum limit stands at 1.5%.

Product quality, clear PET

Proportion of coloured PET in sorted clear PET fraction. Returpack’s goal: max 0.3% inclusion of coloured PET. According to our agreement, the maximum limit stands at 4%.

TESTING NEW PRODUCTS

Ensuring good product quality

In order for our flows to maintain as high a level of quality as possible, we conduct thorough testing of all the packaging that is to be registered to the deposit system. Every week, 10-15 new products are sent to Returpack. 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. For example, we measure which plastics the packaging contains and how the shape of the packaging works in the reverse vending machines. In addition, any labels are scanned to detect e.g. heavy metals or other harmful substances that are not permitted, but which might be present in inks and adhesives.

Design for recycling

“We only register products that are completely recyclable,” explains Sara Bergendorff, Producer and Importer Manager at Returpack, who is responsible for the approval process for new packaging. “We often act as a sounding board when product developers working at the producers are developing new packaging types and materials.”

The internal key figures for product quality were produced for 2017. The outcome for 2019 was 0.02% for aluminium and 0.3% for clear PET. The clear plastic is recycled to make new, food-approved bottles, while the coloured plastic is mainly used as a raw material for packaging tape, as well as for clothing and in furniture manufacture.
From really good to even better

NEW PLASTIC SORTING PLANT

In 2019, Pantamera inaugurated a new plastic sorting plant to improve the quality of the recycled material, so that even more plastic can be recycled to make new bottles. In 2019, the amount of food-approved plastic from the plant increased by 10%, contributing a further reduction in carbon dioxide of just over 25,000 tonnes.

The Pantamera factory in Norrköping is one of the most modern in Europe, recycling around 9 million cans and bottles every day. At the start of the summer, we inaugurated the new upgraded sorting plant, which has further improved the quality of the recycled PET material. This has been done so that an even larger proportion of the recycled material can be used to make new bottles, thereby safeguarding the circular flow.

The material that can be recycled to produce food-approved plastic, and thereby be used in the manufacture of new bottles, is the uncoloured plastic. It is therefore important to extract as much uncoloured plastic as possible in order to maximise the environmental benefit.

“In order for a recycling system to create the maximum environmental benefit, it needs to have a closed cycle. This means that the plastic material that is sorted in the plant will be able to be used to make new, food-approved plastic bottles. With our latest investment, we have managed to increase this proportion by 10 per cent,” says Christer Rynegård, Project Manager.

> During 2019, the amount of food-approved plastic from the plant increased by 10%, delivering a further reduction in carbon dioxide of just over 25,000 tonnes.

The new plant has significantly improved the sorting of uncoloured and coloured plastic. The results show a 10 per cent increase in uncoloured plastic material that was previously included the coloured fraction. The 10 per cent increase in the amount of material going from open to closed recycling is reducing the environmental impact of the bottles. If a calculation is performed based on the impact of the deposit system on collected annual volumes, this corresponds to a reduction of more than 25,000 tonnes of CO2 equivalent annually. In addition to the reduction in carbon dioxide, the environmental impact from acidification, eutrophication, ground-level ozone and ozone depletion is being reduced by between 15 and 30 per cent.

### RECYCLED MATERIALS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>15,308 T</td>
<td>16,361 T</td>
<td>16,740 T</td>
<td>18,356 T</td>
<td>19,870 T</td>
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<tr>
<td>Clear PET</td>
<td>16,917 T</td>
<td>16,655 T</td>
<td>16,515 T</td>
<td>17,822 T</td>
<td>21,077 T</td>
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<tr>
<td>Coloured PET</td>
<td>3,252 T</td>
<td>3,990 T</td>
<td>3,767 T</td>
<td>4,539 T</td>
<td>2,167 T</td>
</tr>
<tr>
<td>Lid Material*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,354 T</td>
<td>1,377 T</td>
</tr>
</tbody>
</table>

*The lid plant was commissioned in the latter part of 2017.
REDUCED CLIMATE IMPACT

During 2019, the deposit system produced a total saving of approximately 180,000 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 as well as 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 procure are performed using HVO or biogas. All electricity used at Returpack has been supplied from renewable energy sources for many years. A number of solar panels will be installed in 2020, so that we can produce and employ our own solar electricity for our own use. In this way, the electricity that we have previously purchased is freed up for the benefit of someone else. During 2020, a great deal of work and emphasis will be focused on energy mapping and energy efficiency measures in order to further minimise and streamline our operations. Returpack carbon offsets the greenhouse gas emissions that are presented in the climate calculation. 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 3, i.e. other indirect emissions, and is primarily related to the company’s transport operations. In Scope 2, on the other hand, we can see a reduction in greenhouse gas emissions. This is due to the electrical choices being used in Pantamera Express. In 2019, Pantamera Express has increased by 13 reverse vending machines, and their collections have increased to nearly 60 million packages.

IN 2019, THE DEPOSIT SYSTEM PRODUCED A TOTAL SAVING EQUIVALENT TO APPROXIMATELY 180,000 TONNES CO₂-

Deposit system’s CLIMATE BENEFIT

Working alongside Linköping University, Returpack has carried out a number of life cycle assessments with the aim of investigating the environmental impact of packaging made from aluminium and PET, as well as investigating the differences between the ways bottles and cans are handled once they have been consumed. The purpose of the studies has been to identify hard facts about why it is important for people to return their cans and bottles, as well as to pinpoint measures to further improve the environmental performance of the deposit system.

In the latest life cycle assessment, which was carried out in spring 2019 by students on the Master’s programme in Energy-Environmental Management at Linköping University, the entire life cycle of the PET bottle and aluminium can was analysed, from the extraction of the raw materials to material recycling. The results were then compared with the situation if, rather than being returned, the same can was analysed, from the extraction of the raw material, the entire life cycle of the PET bottle and aluminium can to material recycling.

All electricity used at Returpack has been supplied from renewable energy sources for many years. A number of solar panels will be installed in 2020, so that we can produce and employ our own solar electricity for our own use. In this way, the electricity that we have previously purchased is freed up for the benefit of someone else. During 2020, a great deal of work and emphasis will be focused on energy mapping and energy efficiency measures in order to further reduce our climate impact.

The largest environmental values are created by the fact that the recycling of materials avoids the production of new raw materials. Producing new aluminium and PET requires much greater resources than the processes required to collect and recycle the materials so that they can be used to make new packaging. If Returpack were to succeed in raising collection levels to its 90 per cent target, the bottles’ carbon footprint would be reduced by a further 9 per cent and the can’s footprint by 6 per cent. If the quality of the material from the collected PET bottles were to improve and if the proportion of coloured bottles were to decrease, it would be possible to achieve further environmental improvements. The greatest environmental benefits can be achieved when bottles can be used to make new bottles, this is when, and this is only possible if they are collected via the deposit system.

ELECTRICITY CONSUMPTION

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 faster, however, which is why we have declared our intention to rise to the challenge as early as 2025.
Returpack runs a transport-intensive business. All cans and bottles that are returned to the system throughout the country have to be transported to the plant in Norrköping. There they will be processed, before continuing their journey to become new recycled products. For this reason, the modes of transport and fuel options that Returpack’s carriers use represent incredibly important
to reduce e.g. carbon dioxide emissions, it is possible to cover part of the additional cost of investing in more environmentally smart vehicles. Three of the hauliers that participated in the test-drive in Borås have now ordered new vehicles powered by liquid gas (LBG). This is a type of biogas that has been cooled down, making it possible to fill larger amounts at a time and enabling longer journeys,” says Marie Skoog.

REGIONAL DIFFERENCES IN FUEL SUPPLY
A great deal is happening in the field of transport, and it is clear that it is not advisable to put all your eggs in one basket.

“We also need to look at the regional situation: if an area is strong in gas, then we should use that, as there will be enough suppliers and filling stations. It may also be the case that individual local authorities have conducted procurements and stipulated demands regarding the supply of gas over an extended period, in which case we should go with that,” says Marie Skoog.

TEST-DRIVING WITH LIQUID GAS
Working closely with major hauliers is important when it comes to promoting developments. That’s why Returpack visited Scania in Borås along with one of its hauliers, in order to test-drive various vehicles and engines powered by alternative fuels. The hauliers make high demands as regards the performance of their engines. Returpack’s cans and bottles don’t weigh much, but the hauliers never drive empty, and they often transport much heavier goods on their way back.

“The investment in vehicles with alternative, more environmentally friendly engines is considerably greater than in a traditional diesel vehicle. With the assistance of Klimatklivet, a type of investment aid that is applied for from the Swedish Environmental Protection Agency to cover part of the additional cost of investing in more environmentally smart vehicles. Three of the hauliers that participated in the test-drive in Borås have now ordered new vehicles powered by liquid gas (LBG). This is a type of biogas that has been cooled down, making it possible to fill larger amounts at a time and enabling longer journeys,” says Marie Skoog.

“During 2019, Returpack has gone from 90 per cent fossil-free transport-kilometres to 95 per cent – moving a big step closer to our goal of being completely fossil-Free by 2025,” says Marie Skoog, Logistics Manager at Returpack.

Although the goal of being completely fossil-free will soon be achieved, the work of monitoring the outside world and testing alternative fuels is continuing.

“There is a difference between good and better, even when it comes to fossil-free – reductions in CO₂ vary, and some of the raw materials from which the fuels are made are debatable. We have been working alongside our suppliers in the long term, and there were fewer options available during the last major procurement in 2014/15. If the alternatives that are available today had existed then, we would certainly have made other choices as well,” explains Marie Skoog.

Our largest collection flow consists of bulk collection. Here, we collect the packaging from shops using compacting 2-compartment vehicles, drive to intermediate warehouses, reload to high-volume vehicles and then drive to our facility. Within the facility, we use forklift trucks and smaller vans. The PET material is transported by forklift truck to our neighbouring plant, where Veolia PET performs its work of recycling the PET material. The vast majority of the aluminium is transported by rail, with a smaller proportion going by truck. The lid material and any residual fractions are transported by truck.
CLIMATE & THE ENVIRONMENT / CLIMATE CALCULATIONS

CLIMATE CALCULATIONS

We calculate the climate impact from our operations with the aid of the international Greenhouse Gas Protocol (GHG Protocol), a standard in which emissions are categorised 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.

**Emissions included:**
- **SCOPE 1:** Emissions from our 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 (Pantamera 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 subcategories in order thereby to provide ourselves with a good foundation for follow-up and improvement work.

**Emissions per scope**

<table>
<thead>
<tr>
<th>Scope</th>
<th>2017 (TONNES CO2e)</th>
<th>2018 (TONNES CO2e)</th>
<th>2019 (TONNES CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Scope 2</td>
<td>330</td>
<td>527</td>
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</tr>
<tr>
<td>Scope 3</td>
<td>931</td>
<td>902</td>
<td>797</td>
</tr>
<tr>
<td>Total emissions</td>
<td>1,262</td>
<td>1,431</td>
<td>1,026</td>
</tr>
</tbody>
</table>

**Emissions by category**

<table>
<thead>
<tr>
<th>Category</th>
<th>2017 (TONNES CO2e)</th>
<th>2018 (TONNES CO2e)</th>
<th>2019 (TONNES CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>917</td>
<td>878</td>
<td>778</td>
</tr>
<tr>
<td>The plant</td>
<td>330</td>
<td>527</td>
<td>228</td>
</tr>
<tr>
<td>Business travel</td>
<td>15</td>
<td>26</td>
<td>21</td>
</tr>
<tr>
<td>Total emissions</td>
<td>1,262</td>
<td>1,431</td>
<td>1,026</td>
</tr>
</tbody>
</table>

The reference year for our climate calculations is 2017.

BUSINESS RELATIONS

Our business relationships should be characterised by the assumption of responsibility and a long-term approach. Together with our customers and suppliers, we are working to continually improve 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.
BUSINESS RELATIONS / CUSTOMERS

CUSTOMERS

At Returpack, we divide our customers into four different categories: people using the deposit system, deposit recipients, producers & importers and material buyers.

PEOPLE USING THE DEPOSIT SYSTEM

All those who return their cans and bottles.

DEPOSIT RECIPIENTS

Deposit recipients are shops that accept returns via reverse vending machines, as well as restaurants, cafés, ski resorts, recycling centres, festivals, campsites and clubs that collect returns.

PRODUCERS & IMPORTERS

Those parties that put the packaging on the market, such as breweries and wholesalers.

MATERIAL BUYERS

The material buyers take over from us in the recycling chain and manufacture new raw materials.

SUSTAINABILITY INITIATIVE OF THE YEAR

In 2019, together with Svenska Retursystem, we took over the Sustainability Initiative of the Year category at the Grocery Retail Gala. The sustainable winner was Lidl Sweden. Many congratulations!

THE JURY’S MOTIVATION FOR THE SUSTAINABILITY INITIATIVE OF THE YEAR STATES:

By working smartly and efficiently, our winner is demonstrating that sustainable choices are the way forward - regardless of the size of your wallet. In recent years, many large strides and smaller steps have been made with the aim of making climate-smart consumption easier. With their innovative work, they are paving the way for sustainable transport, reduced food waste and the climate-neutral trading environments of the future.

SUSTAINABLE COLLABORATION

Returpack’s operations are dependent on deposit recipients in general, and shops in particular, doing their part. They constitute the foundation for the ability to carry out the work that is so important for the environment.

“The stores are proud of the sustainability work they achieve by having a reverse vending machine on site. And rightly so, because the stores play a key role in the system,” says Erik Ebbeson, Customer Manager at Returpack.

SUSTAINABILITY REPORT / PAGE 34

The grocery stores play a very important role when it comes to our Swedish deposit system. Of all the returns that are collected, as much as 94 per cent come from the country’s stores.

And they are proud to be a part of the deposit chain, according to Returpack’s latest CSI survey.

The stores have a very positive overall attitude towards Returpack, with an average value of 5.9.

The vast majority (eight out of ten) stores also have a positive view of Returpack’s sustainability work, and 87 per cent of the stores feel they are involved in creating a sustainable deposit system. Just about all the stores consider that a well-managed deposit department is important for their customers, a view that has been further reinforced compared to the previous survey.
MATERIAL BUYERS

MAKE RECYCLING POSSIBLE

The circular approach is important to us when we are selecting who to sell our material to. Our material buyers must be able to guarantee that the recycled material is food-approved and, consequently, can be used to manufacture new cans and bottles. For our part, this means that the quality of the product we deliver is central. At present we have three material buyers, all of whom can guarantee that the recycled material they buy from us can be made into new cans and bottles. Continuity is important, and the agreements with our material buyers extend over a long period of time. In addition, Axjo ensures that our lid material is recycled.

OUR MATERIAL BUYERS: CONSTELLIUM, NOVELIS, VEOLIA PET SVENSKA AB AND AXJO.

The club concept

OUR WAY OF SUPPORTING CLUBS AND ASSOCIATIONS IN SWEDEN

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 flat-rate refund of SEK 200 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 Föreningskampen club competition.

A survey that was carried out among our club customers in 2019 shows that they are extremely satisfied with the deposit system and their relationship with Returpack. Of the 995 clubs and associations surveyed, 92.5 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. “Club collaborations are one of our most important projects. We receive a large number of returns in this way that might not otherwise have been returned at all, instead ending up in rubbish bins or in some other recycling system where the climate benefit is not as great,” says Rickard Andersson.
Our suppliers are like an extension of our own operation and we are totally dependent on them to achieve our goals. Our aim is for all our suppliers to share our values and our vision of a society that is sustainable in the long-term. By stipulating demands throughout the supply chain and building good, long-term supplier relationships, we are working together towards a more sustainable future.

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 quality-assure our purchasing activities. The model describes the processes and the demands we place on ourselves internally and on our suppliers externally. 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 small purchases, the buyers themselves assess whether the supplier is meeting the requirements we set. 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.

SUPPLIER ASSESSMENT

The size of the purchase, the risk assessment and the evaluation of our Code of Conduct form the basis for the classification and assessment performed by the supplier. By assessing the suppliers, it is possible to obtain a clear picture of which steps in the process the purchase should follow, where a high risk means that higher demands are placed on the purchase compared to a lower risk. Most of the suppliers are located in Sweden, but a high proportion have subcontractors in other parts of the world. In the risk analysis, the risks are assessed throughout the entire supplier stage, both at country and raw material level.

PURCHASING

A purchasing manager is responsible for Returpack’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. During the year, work has been initiated aimed at digitalising and simplifying the purchasing process, to ensure to an even greater extent that all purchases follow our model for sustainable purchasing.

Almost all of our major suppliers are included in our sustainable purchasing model, but since the model is relatively new, we still have work to do regarding the smaller suppliers that have not yet been included. The goal is for 90% of our active suppliers to be included during the course of next year. During 2020, significant work will be devoted to buying in a new purchasing and ordering system, which will streamline our purchasing process and the following-up of our suppliers.
SUSTAINABLE PURCHASING

Making the right choices and checking that the requirements that are stipulated are complied with

Strengthening the sustainability aspect of purchasing is essential from a number of perspectives. It is an important part of Returpack’s mission and fundamental values, as well as prerequisite when running a company in a long-term and cost-effective manner.

“Sustainability is firmly established in our culture, and is the foundation of our mission and business concept. Our employees understand the importance of considering sustainability and the environment at every stage of the operation. This is a rewarding area as we continue to work to improve and adapt our purchasing even more from a sustainability perspective,” says Viktor Edholm, Purchasing Manager at Returpack.

SIMPLIFY, DIGITALISE AND FOLLOW UP

Returpack already has good processes and a model that describes all the stages for making sustainable purchases. During the year, the work has focused on simplifying and digitalising the purchasing process, as well as on following up.

“We are already good at placing demands on our suppliers, and now we are focusing even more on carrying out daily operational checks and ensuring that the requirements we impose are complied with by our suppliers,” says Viktor Edholm.

THE HANDBOOK AS A GUIDE

An important step in ensuring more sustainable purchasing is to notify our employees who perform purchasing about the processes and tools that are available. To help with this, we have a purchasing handbook and conduct purchasing meetings for the employees who are in charge of purchasing in their various departments.

“Sustainability is so central here, that it comes quite naturally. During our purchasing meetings, we analyse whether various suppliers are up to scratch, as well as how we can make the right choices based on all the aspects that we need to take into consideration,” says Viktor Edholm.

“Sustainability is firmly established in our culture, and is the foundation of our mission and business concept.

VIKTOR EDHOLM • PURCHASING MANAGER

ENCOURAGE MORE PLAYERS TO BE SUSTAINABLE

During 2020, the work is continuing aimed at including all suppliers in Returpack’s model, which encompasses a Code of Conduct, risk analysis and giving consideration to financial aspects.

“Our work focuses largely on encouraging other players to become more sustainable and to satisfy the same sustainability requirements that we impose on ourselves,” concludes Viktor Edholm.
A WORKING ENVIRONMENT THAT ENGAGES

Returpack wants to be an attractive workplace with good leadership as well as committed and innovative employees who feel a sense of involvement and motivation. A workplace with good, secure working conditions, where employees develop and where everyone is of equal value and shows each other respect. We create participation by regularly asking our employees what they think works well, as well as what can be done differently or improved. Surveys and active participation in staff meetings and business planning are important tools when it comes to ensuring continuous improvements as regards the working environment, leadership and employeeship.

The next employees survey is scheduled for spring 2021.

EMPLOYEES IN NUMBERS

- **Number of employees**: 69
- **Average age**: 44 years
- **Salaried employees (56)**
- **Men (37)/Women (22)**
- **Employed under collective bargaining agreement (13)**
- **Sick leave total**: 3.7%
- **Sick leave, total, %**: 2015: 2.6, 2016: 3.1, 2017: 3.9, 2018: 4.1, 2019: 3.7
- **Men**: 2015: 1.6, 2016: 1.7, 2017: 1.8, 2018: 1.9, 2019: 1.5

ACCIDENTS & INCIDENTS

- **Accidents at work**: 2015: 3, 2016: 2, 2017: 0, 2018: 5, 2019: 2

*Sick leave, total, %: Of which one travel accident. No fatalities.

A SAFE, SECURE & HEALTHY WORKPLACE

Returpack conducts proactive and preventive health and safety management work with a strong focus on employees’ health and well-being. 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.

ACCIDENTS & INCIDENTS

- **Accidents at work**: 2015: 3, 2016: 2, 2017: 0, 2018: 5, 2019: 2

Sick leave, total, %: Of which one travel accident. No fatalities.

A working environment that engages employees who feel a sense of involvement and motivation. A workplace with good leadership and employeeship.

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 returns collection facility in Kungsbacka. 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 adopted.

Returpack has a zero vision regarding workplace accidents. No-one should 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. Health and safety improvement measures have been implemented during 2019, including to improve lighting, air quality and temperature in the premises. In addition, the refurbishment project in respect of our premises and our outdoor environment aims to further create an attractive and sustainable workplace that promotes innovation and collaboration, and that is perceived as personal, safe and welcoming.

There were two accidents involving people slipping during the year, due to the sudden change in the weather in November. During one of this year’s safety rounds in the factory, an increased risk of noise-induced hearing loss was identified in conjunction with the operation of the lid machine. In order to reduce the risk of injury, we have carried out refurbishment work and installed noise protection, worked to further reduce risk factors and strengthened Returpack’s safety culture.
Östergötland’s healthiest company

In order to perform well at work, and to have the energy for active leisure time, it is important to take care of your health. Returpack works with a number of health-promoting measures, with the aim of maintaining the low sick leave rates and the high level of commitment among our employees.

In 2019, Returpack was awarded the title of Östergötland’s healthiest company.

At Returpack, we conduct systematic health and safety management work where, in addition to our statutory duties, we place great emphasis on employee influence, health and the opportunity to combine work and leisure.

All the health-promoting activities we carry out are developed by our employees. A health group was also appointed in 2019, focusing specifically on health-promoting activities, where we ensure that the joint activities are varied and are always suitable for someone.

The activities carried out during the year included cookery classes, archery, step competitions and inspirational lectures. During the year, by general request, we have also expanded the health theme with cultural elements such as theatre visits and city walks, says Ulrika Magnusson, HR and Sustainability Manager.

We conduct employee surveys every two years. For example, we measure the Employee Satisfaction Index (ESI) and the Employee Net Promoter Score (eNPS), which present our employees’ job satisfaction level and how likely employees are to recommend their employer to others.

We reported positive results in 2019, increasing our ESI from 75 per cent to 84 per cent and raising our eNPS from 25 to 37, compared to a reference value of 20, which is considered very good. 89 per cent of our employees (62 out of 70) responded to the survey. The results show that the majority of our employees are satisfied with their work situation and with Returpack as an employer. Between 2017 and 2019, the company changed its leadership, development and internal communication.

The majority of the activities were carried out, including both a theoretical element as well as a more workshop-based part, where everyone had the opportunity to say what was good, what was less good and what could be done better.

The work resulted in more extensive training, with all employees receiving training in CPR, first aid and fire safety, both in theory and in practice. The focus during the year has been on reporting and conducting risk observations, in order to work preventively. This might be a result of the fact that reported incidents have decreased compared to the previous year, and that the number of accidents has gone down.

Emergency and disaster management is also an important part of how well equipped the company is to deal with incidents of this type. A review of the company’s crisis management has been carried out, where the crisis team has jointly drawn up procedures, documents and checklists. A new alarm app has been developed and implemented.

In order to be well prepared for any incidents, a major emergency training initiative will take place in 2020. There is still a need to train crisis teams and employees, both in theory but above all in practice, to see how well procedures, instructions and our cooperation work in the event of a crisis or unusual incident.

During 2019, there were 2 accidents, 54 incidents and 109 risk observations.

Our values: important watchwords for success

Everyone should be familiar with the company’s values and be able to stand up for them. As a result, it is important to work continuously and develop the corporate culture, and for us to practise what we preach. In conjunction with the annual business planning work carried out in November 2019, we immersed ourselves in our company-wide values - Responsibility, Innovation and Cooperation. Based on this work, it became evident that we want to further develop our ability to be creative with the aid of lateral thinking in an innovation culture.

Responsibility

We work with a long-term approach and take full responsibility, between employees, in relation to our customers, suppliers and other stakeholders, and in social issues that are important to us. We are inclusive and strive to do our job both simply and in a manner that is sustainable in the long term.

Innovative

We are curious and have the capacity to want to develop and improve ourselves and the society we operate in. We dare to think along new lines, we welcome and ask for ideas and new solutions. We take on challenges, and enjoy learning new things and implementing improvements where everyone is pulling in the same direction.

Cooperation

Our culture is based on trust, respect and commitment, where we help each other and have clear goals, expectations and feedback. We enjoy a strong team spirit in situations where it is natural to pull together, we are clear in our communications, we listen, we dare to ask questions and to think differently.
AN EQUAL WORKPLACE

For Returpack, 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 per cent at all levels over time. The overall gender balance at the end of 2019 is even, with 54 per cent men and 46 per cent 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 skills 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.

During 2019, the company-wide development efforts have focused on safety, inclusion and the company’s value system. The theme during the spring, i.e. social sustainability, focused on health and well-being, while the autumn development day provided our employees with more in-depth knowledge, both practically and theoretically, regarding safety and protection issues. All new recruits have undergone basic training in respect of the environment and anti-corruption.

INTRODUCTION OF NEW EMPLOYEES

During 2019, we have strengthened our organisation with additional expertise in the fields of purchasing, logistics and production. All new employees at Returpack 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 traineeships in other departments. The introduction will provide the new employee 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.

BUSINESS ETHICS AND ANTI-CORRUPTION

Returpack 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 2019.

For Returpack, 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.
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. A large number of jobs for young people are also created in connection with various events and festivals around the country. During the summer of 2019, we took on almost 30 young people in connection with our activities, including Stadium Sports Camp, DreamHack and O-Ringen.

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.

SOCIETY / 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.

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SOCIETY / COLLABORATIONS

Deposits as ENABLERS

Donating your can during a visit to a restaurant may seem insignificant. But the effect when a lot of people do a little thing can be great. This can be seen from Pantamera’s collaboration with McDonald’s in Sweden, which has now succeeded in raising more than SEK 1 million for the Ronald McDonald Barnfond foundation, which works to ensure that seriously ill children and their families can live together in a secure and homely environment.

“It’s wonderful to see what a difference deposits can make, in addition to the obvious climate benefit. McDonald’s is one of a number of players that we at Pantamera are collaborating with to create the conditions for non-profit organisations to do good work,” says Katarina Lundell, Communications Manager at Pantamera/Returpack.

The cooperation with McDonald’s in Sweden is an example of collaborations where the deposits can be an enabler, strengthening both clubs’ coffers and sustainability initiatives.

We are working with a large number of different players in order to increase the collection of deposits. Through our collaborations with campsites and ski resorts, visitors can choose to donate their deposit packaging to various sustainability projects.

We are working with a large number of different players in order to increase the collection of returns. Through our collaborations with campsites and ski resorts, visitors can choose to donate their deposit packaging to various sustainability projects.

Sponsorship & COLLECTION COLLABORATIONS

Our sponsorship policy clarifies our view of 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 deposit containers, 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 Innebandy aims to influence attitudes and behaviour regarding the use of the deposit system in the target group of children and young adults. The collaboration is taking place at association level.

Collaborations 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 2019, we have continued to develop interim analyses within our life cycle assessment project, conducted by master’s students at Linköping University.

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SOCIETY / 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.
SUCCESSFUL COLLABORATION WITH THE ACADEMY FOR THE ENVIRONMENT

During the year, students from the Master of Science programme on Energy, the Environment and Management at Linköping University have conducted life cycle assessments on assignments on behalf of Returpack. In this project, the students have analysed the environmental benefits of the deposit system. Here, it has been possible to determine e.g. the ways in which and the reasons why the deposit system enjoys the best environmental performance compared to other forms of package recycling.

Niclas Svensson is senior lecturer and head of the Resource-Efficient Material Management department at Linköping University. He believes that it is a great benefit for students to work with practical assignments from the business sector. This is being done both within teaching and in research projects at the university.

“For us working in education, this type of collaboration is natural, especially when we are working with environmental issues. We need to be socially relevant, which is why it is important for us to understand the problems and challenges facing the business sector,” says Niclas Svensson.

COMPLEX ENVIRONMENTAL SYSTEMS

When it comes to environmental issues, the systems are complex and are not always easy to understand. It can also be difficult to see the links that exist between the different systems in which one and the same company may be operating. Commissioning the education sector to look at the systems, and at the same company may be operating. Commissioning the education sector to look at the systems, and at the company and the role of its products in the systems, provides a broader systemic approach.

“This type of collaboration is good, not only for us working in education, but also for business. We can supply knowledge that the business community can use to develop its strategies and operations,” says Niclas Svensson.

A SUCCESSFUL COLLABORATION

The students on the Master of Science programme on Energy, the Environment and Management have a strong environmental interest, and want to be involved in bringing about change. In cooperation with Returpack, they are being given the chance to participate and exert genuine influence, at the same time as gaining an understanding of how their knowledge can be utilised on the labour market.

“Students who get to put their knowledge to the test in genuine assignments learn a great deal and become highly motivated. This has been noticed in the work with Returpack, which is so active when it comes to environmental issues. The students have found the employees at Returpack to be extremely committed and they have also elected to invest time in the project,” says Niclas Svensson.

A STRONG REGION

Östergötland enjoys a strong position in the field of environmental technology, and plastics is one of the areas where the region possesses particular knowledge, for example at Returpack, Svensk Plaståtervinning and Tekniska Verken. Östergötland holds a very prominent position in the field of biogas, too, with many companies being based in the region.

“There is still a lot to do, of course, but a great deal has already been done and there is a clear awareness here. Getting to work with my research in the field of environmental systems analysis here, with so many committed parties, feels both fun and rewarding,” concludes Niclas Svensson.
## Overview Stakeholder Dialogue

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Channels for Dialogue</th>
<th>Issues Raised During Dialogue</th>
<th>Our Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorities</td>
<td>Ongoing dialogue if necessary</td>
<td>Recycling rate</td>
<td>Read more about increased recycling, page 19, and about optional registration, page 37.</td>
</tr>
<tr>
<td></td>
<td>Annual state-of-play meetings</td>
<td>Development of the deposit system</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ongoing dialogue and follow up by public authorities</td>
<td>Financial stability</td>
<td></td>
</tr>
<tr>
<td>Owners</td>
<td>Ongoing dialogue</td>
<td>Recycling rate</td>
<td>Read more about increased recycling, page 19, and about optional registration, page 37.</td>
</tr>
<tr>
<td></td>
<td>Board and strategy meetings</td>
<td>Financial stability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ongoing dialogue if necessary</td>
<td>Deposit of the deposit</td>
<td></td>
</tr>
<tr>
<td>People using the deposit system</td>
<td>Customer services</td>
<td>Which packages are included in the deposit system</td>
<td>Read more about cooperation with customers, page 54.</td>
</tr>
<tr>
<td></td>
<td>Social media</td>
<td>Availability of reverse vending machines and hygiene</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Website</td>
<td>Payment solutions</td>
<td></td>
</tr>
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<td></td>
<td>Consumer survey at least every two years – (2019: attitudes towards using deposit system)</td>
<td>Deposit amounts</td>
<td></td>
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<tr>
<td></td>
<td>Other surveys (2019: Youth Barometer)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Producers and importers</td>
<td>Customer service and account managers</td>
<td>Packaging requirements</td>
<td>Read more about product quality, pages 24 and 26, and about optional registration, page 37.</td>
</tr>
<tr>
<td></td>
<td>Website</td>
<td>Contractual terms</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Web portal - producer web</td>
<td>Material development</td>
<td></td>
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<td></td>
<td>Customer survey (2018: customer satisfaction)</td>
<td>Recycling rate</td>
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<tr>
<td></td>
<td></td>
<td>Expanding the deposit system</td>
<td></td>
</tr>
<tr>
<td>Deposit recipients</td>
<td>Customer services</td>
<td>Refunding of deposits and reimbursement for handling</td>
<td>Read more about cooperation with customers, page 54.</td>
</tr>
<tr>
<td></td>
<td>Website</td>
<td>Carriers and collections</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Web portal - customer web</td>
<td>Waste quality during collection</td>
<td></td>
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<tr>
<td></td>
<td>Customer survey, Clubs and associations, 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material buyers</td>
<td>Customer group</td>
<td>Product quality</td>
<td>Read more about product quality, pages 24-26, and about our shipments, page 30.</td>
</tr>
<tr>
<td></td>
<td>State-of-play meetings</td>
<td>Packaging materials</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sustainable logistics solutions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Closed loop for cans and bottles</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>Daily reconciliation and interaction</td>
<td>Working environment</td>
<td>Read more about our proactive work aimed at achieving a pleasant workplace in the Employees section, page 41.</td>
</tr>
<tr>
<td></td>
<td>Meetings and conferences</td>
<td>Cooperation within the organisation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Annual performance review</td>
<td>Skills development</td>
<td></td>
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<tr>
<td></td>
<td>Employee survey every other year (2019)</td>
<td>Good business ethics</td>
<td></td>
</tr>
<tr>
<td>Suppliers (carriers)</td>
<td>Daily contact via Returpack’s transport management</td>
<td>Collection efficiency</td>
<td>Read more about our transport operations, page 29, and the work on sustainable purchasing, page 39.</td>
</tr>
<tr>
<td></td>
<td>Annual follow-up meetings</td>
<td>Customer service</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fuel</td>
<td></td>
</tr>
<tr>
<td>Suppliers (reverse vending machines)</td>
<td>Ongoing dialogue</td>
<td>Technical development</td>
<td>Read more about our work on recycling, page 19, and about the work on sustainable purchasing, page 39.</td>
</tr>
<tr>
<td></td>
<td>State-of-play meetings</td>
<td>New packages</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Payout solutions Minimising theft</td>
<td></td>
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</tbody>
</table>

## Risk Analysis

### Area: Environment (business-related)

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk Management/Action</th>
<th>Risk Business Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of confidence/relevance for the deposit system</td>
<td>Customer surveys</td>
<td>Medium</td>
</tr>
<tr>
<td>1. Reduced use of the deposit system due to customers/ consumers not perceiving the deposit system to be a sustainable, accessible system. Changes in consumption habits.</td>
<td>Activities according to marketing plan</td>
<td></td>
</tr>
<tr>
<td>2. Politicians/authorities do not perceive the deposit system to be a sustainable, accessible system.</td>
<td>Activities according to sustainability plan (dealing with recycling of materials, promoting sustainable transport, transparent activities)</td>
<td></td>
</tr>
<tr>
<td>3. Poorly functioning collection and inadequate service for deposit recipients.</td>
<td>Dialogue with decision-makers and opinion-formers</td>
<td></td>
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<tr>
<td>4. Cross-border trade</td>
<td>Expansion of the deposit system on an optional basis</td>
<td></td>
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<tr>
<td><em>Ongoing dialogue if necessary</em></td>
<td>Activities for increased recycling</td>
<td></td>
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<tr>
<td><em>Ongoing dialogue</em></td>
<td>Development of alternative collection channels</td>
<td></td>
</tr>
<tr>
<td><em>Annual state-of-play meetings</em></td>
<td>Internal transport management, supplier agreements and follow-up of agreements</td>
<td></td>
</tr>
<tr>
<td><em>Ongoing dialogue with material consumers.</em></td>
<td>Regulations in retail agreements</td>
<td></td>
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<tr>
<td><em>Certified according to the ISO 14001 environmental management system</em></td>
<td></td>
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<tr>
<td><em>Proactive environmental work</em></td>
<td>Medium</td>
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<tr>
<td><em>Driving the sustainability work, internally and externally.</em></td>
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<tr>
<td><em>Minimise greenhouse gas emissions.</em></td>
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<tr>
<td><em>Satisfy legal requirements.</em></td>
<td>Medium</td>
<td></td>
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<tr>
<td><em>Minimise negative effects on our operations and our stakeholders.</em></td>
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</tbody>
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### Area: Environment (environment)

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk Management/Action</th>
<th>Risk Business Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undesirable environmental impact in the form of:</td>
<td>Environmental requirements when procuring transport, energy and equipment</td>
<td>Medium</td>
</tr>
<tr>
<td>1. Emissions to air (greenhouse gases)</td>
<td>Transition to fossil-free fuels for all domestic transport</td>
<td></td>
</tr>
<tr>
<td>2. Discharges to water</td>
<td>Implementation of life cycle assessment for packaging in the deposit system</td>
<td></td>
</tr>
<tr>
<td><em>Ongoing dialogue with material consumers.</em></td>
<td>Self-monitoring programmes and action plans</td>
<td></td>
</tr>
<tr>
<td><em>In-house environmental management system.</em></td>
<td>Optimisation of water treatment plant</td>
<td></td>
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<tr>
<td><em>Certified according to the ISO 14001 environmental management system.</em></td>
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<tr>
<td><em>Satisfy legal requirements.</em></td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td><em>Minimise negative effects on our operations and our stakeholders.</em></td>
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</tbody>
</table>

### Area: Environment (operational)

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk Management/Action</th>
<th>Risk Business Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>External influences from surrounding activities that affect Returpack’s ability to conduct operations</td>
<td>Collaboration with related operations and emergency services</td>
<td>Medium</td>
</tr>
<tr>
<td><em>Prolonged power failure affecting the deposit system.</em></td>
<td>Preventive measures</td>
<td></td>
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<tr>
<td>Fire in factory and office</td>
<td>Emergency preparedness, planning, training</td>
<td></td>
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<tr>
<td>Prolonged power failure affecting operations and IT</td>
<td>Contingency plan</td>
<td></td>
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<tr>
<td>Computer fraud &amp; hacking</td>
<td>Training of rescue leaders</td>
<td></td>
</tr>
<tr>
<td>Backups, continuity plan, disaster resolution and recovery plan</td>
<td><em>Supplier of top-quality aluminium and PET materials for the production of new beverage packaging.</em></td>
<td></td>
</tr>
<tr>
<td><em>Certified according to the ISO 14001 environmental management system.</em></td>
<td>Medium</td>
<td></td>
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<tr>
<td><em>Minimise negative effects on our operations and our stakeholders.</em></td>
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</table>

### Area: Environment (operational)

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk Management/Action</th>
<th>Risk Business Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor quality of delivered materials (consequences: reduced material revenues, hampering reuse to make new cans and bottles, quality problems at packaging and beverage manufacturers)</td>
<td>Ongoing dialogue with material buyers</td>
<td>Medium</td>
</tr>
<tr>
<td><em>Internal transport management, supplier agreements and follow-up of agreements.</em></td>
<td>Material requirements and approval process for packaging in the deposit system</td>
<td></td>
</tr>
<tr>
<td><em>Daily internal quality checks.</em></td>
<td>Optimisation of water treatment plant</td>
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<tr>
<td><em>Certified according to the ISO 14001 environmental management system.</em></td>
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</tr>
<tr>
<td><em>Minimise negative effects on our operations and our stakeholders.</em></td>
<td>Medium</td>
<td></td>
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<tr>
<td><em>Satisfy legal requirements.</em></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Social issues & operational

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk Management/Action</th>
<th>Risk Business Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical and/or mental ill health among employees.</td>
<td>Ongoing dialogue with material buyers</td>
<td>Medium</td>
</tr>
<tr>
<td><em>Returpack’s values and internal Code of Conduct.</em></td>
<td>Material requirements and approval process for packaging in the deposit system</td>
<td></td>
</tr>
<tr>
<td><em>Preventive work on the working environment.</em></td>
<td>Optimisation of water treatment plant</td>
<td></td>
</tr>
<tr>
<td><em>Employee and performance reviews.</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Safety training.</em></td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td><em>Emergency preparedness, planning, training.</em></td>
<td><em>Supplier of top-quality aluminium and PET materials for the production of new beverage packaging.</em></td>
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<tr>
<td><em>Preventive Healthcare Workman’s and Insurers.</em></td>
<td>Medium</td>
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<tr>
<td><em>Certified according to the ISO 14001 environmental management system.</em></td>
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<td></td>
</tr>
<tr>
<td><em>Minimise negative effects on our operations and our stakeholders.</em></td>
<td>Medium</td>
<td></td>
</tr>
</tbody>
</table>

### Risk Analysis

<table>
<thead>
<tr>
<th>Area</th>
<th>Risk</th>
<th>Risk Management/Action</th>
<th>Risk Business Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental requirements when procuring transport, energy and equipment</td>
<td>Customer surveys</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>Transition to fossil-free fuels for all domestic transport</td>
<td>Activities according to marketing plan</td>
<td></td>
<td></td>
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<tr>
<td>Implementation of life cycle assessment for packaging in the deposit system</td>
<td>Activities according to sustainability plan (dealing with recycling of materials, promoting sustainable transport, transparent activities)</td>
<td></td>
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<tr>
<td>Dialogue with decision-makers and opinion-formers</td>
<td>Ongoing dialogue if necessary</td>
<td></td>
<td></td>
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<tr>
<td>Expansion of the deposit system on an optional basis</td>
<td>Ongoing dialogue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities for increased recycling</td>
<td>Development of alternative collection channels</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal transport management, supplier agreements and follow-up of agreements</td>
<td>Regulations in retail agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified according to the ISO 14001 environmental management system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proactive environmental work</td>
<td>Medium</td>
<td></td>
<td></td>
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<tr>
<td>Driving the sustainability work, internally and externally</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimise greenhouse gas emissions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfy legal requirements</td>
<td>Medium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimise negative effects on our operations and our stakeholders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier of top-quality aluminium and PET materials for the production of new beverage packaging</td>
<td>Medium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved material quality</td>
<td></td>
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</tbody>
</table>

Continued overleaf
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 Returpack’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 GRI’s framework, the way various sustainability issues affect and are affected by Returpack’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 dialogues consisted mainly of questionnaires (1,150). In addition, a small number of interviews were conducted (5). 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 Returpack 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 Returpack 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 being key. 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 is an important aspect of Returpack’s assignment from our owners, as well as being an integral part of the company’s operations. As a result, increased recycling is also treated as a key sustainability issue from a reporting context.

### Key issues for Returpack:

- Increased recycling
- Greenhouse gases
- Health and safety
- Customer satisfaction
- Product quality

In addition, a number of other issues were identified that the stakeholders expect Returpack 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.
REPORTING PRINCIPLES

Returpack’s sustainability report refers to the Returpack Svenska AB group, corp. reg. no. 556753-4259, and encompasses the company’s two subsidiaries, Returpack-Pet Svenska AB, corp. reg. no. 556478-4204, and Returpack-Burk Svenska AB, 556218-917. The report follows Returpack’s financial year and covers the period 1 January 2019 to 31 December 2019.

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 59-61). 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 2019, a total of 2,101,525,621 packages were recycled. This figure includes the optionally registered fruit syrup and juice products. Without fruit syrup and juice products, the figure is 2,125,546,987 packages. Returpack has opted to round the figure off to 2,15 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 upon 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-Burk 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 SÅ Klimat Calc or directly from the fuel supplier. Updating is performed twice a year.

For a small proportion of the deposit packages, Returpack does not arrange for their collection directly from the deposit recipient, but instead retrieves the packages from various depots for onward transport to the factory. Greenhouse gas emissions from deposit recipients 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 Norrköping 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 calculations relate. The suppliers’ emission factors are used. The plant category also includes proprietary reverse vending machines deployed at municipal recycling centres, as well as mobile compactors located in association 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 Returpack 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 provided by vehicle manufacturers regarding average consumption. Most flights are booked through travel companies. 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.

CUSTOMER SATISFACTION
Returpack’s key figures for customer satisfaction are based on the outcome of a survey of the deposit share. The survey is conducted by means of telephone interviews, is aimed at shops fitted with reverse vending machines, and is carried out every 2–3 years as long as the survey was carried out in 2019. The CSI rating is calculated on the basis of the overall perception of Returpack. A 7-point scale is applied, where 7 is the best. Customer satisfaction is also followed up in relation to other customer groups.

EMPLOYEES/HEALTH AND SAFETY
The term ‘employees’ encompasses personnel employed by Returpack as permanent, fixed-term, full-time and part-time employees. Key figures 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 Returpack’s case management system. Sick leave is calculated as the number of hours of sick leave in relation to planned working hours.

PRODUCT QUALITY
The key figure for aluminium product quality is calculated 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 on a predetermined amount of material directly from the flows for aluminium cans and clear PET. The removed material is sorted and weighed, which provides a basis for calculating the key figures.

SUSTAINABILITY REPORT ACCORDING TO THE ANNUAL ACCOUNTS ACT
In accordance with Chapter 6, section 11 of the Annual Accounts Act, Returpack has opted to prepare the statutory sustainability report as a separate document from the annual financial 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 ON THE STATUTORY SUSTAINABILITY REPORT
To the Annual General Meeting of Returpack Svenska AB, org. no. 556753-4259

MISSION AND DIVISION OF RESPONSIBILITY
The Board of Directors is responsible for the sustainability report for 2019 and for its preparation in accordance with the Annual Accounts Act.

THE AUDITOR’S STATEMENT REGARDING ON THE STATUTORY SUSTAINABILITY REPORT
To the Annual General Meeting of Returpack Svenska AB, org. no. 556753-4259

MISSION AND DIVISION OF RESPONSIBILITY
The Board of Directors is responsible for the sustainability report for 2019 and for its preparation in accordance 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 auditing practice in Sweden. We consider that this review provides us with sufficient grounds for our statement.

STATEMENT
A sustainability report has been prepared. Norrköping, 18 March 2020
Ernst & Young AB
Peter von Knorring
Authorised Public Accountant

GRI INDEX
The GRI Index below specifies where in the sustainability report the various information can be found. The entire index refers to GRI Standards 2016.
GRI INDEX

INFORMATION

REPORTING PARAMETERS
102-45 Units included in the report 5, 56
102-46 Process for defining the content of the report 11, 55
102-47 Issues identified as key 11, 55
102-48 Explanation of corrections from previous reports No corrections have been made. 60
102-49 Changes in the report No changes compared to previous reporting period. 60
102-50 Reporting period 2, 56
102-51 Most recent report Returpack’s sustainability report for 2018 was published on pantamera.nu on 11 April 2019. 60
102-52 Reporting cycle Annually, calendar year 60
102-53 Contact person for questions about the report 2
102-54 Claims for reporting in accordance with GRI Standards 2, 56
102-55 GRI index GRI Standards 2016 59-61
102-56 External review 2

Key issues, boundaries, governance and indicators

GREENHOUSE GASES
103-1 Description of the issue and its boundaries 25, 28
103-2 Method of sustainability management 14-15, 17, 28-31
103-3 Evaluation of sustainability management 32
305-1 Direct greenhouse gas emissions (scope 1) The reference year for our climate calculations is 2017. 17, 32, 57
305-2 Indirect greenhouse gas emissions (scope 2) The reference year for our climate calculations is 2017. 17, 32, 57
305-3 Other indirect greenhouse gas emissions (scope 3) The reference year for our climate calculations is 2017. 17, 32, 57

HEALTH AND SAFETY
103-1 Description of the issue and its boundaries 41
103-2 Method of sustainability management 14-15, 42-47
103-3 Evaluation of sustainability management 42-46
403-2 Extent of injuries and sick leave Reported accidents and incidents refer to Returpack’s own employees, hired personnel and contractors, where Returpack is responsible for the working environment. Reported sick leave encompasses Returpack’s employees. The injuries that have occurred have only affected men. 18, 42-43

INCREASED RECYCLING – COMPANY-SPECIFIC KEY ISSUE
103-1 Description of the issue and its boundaries 6-7, 56
103-2 Method of sustainability management 14-15, 20-23
103-3 Evaluation of sustainability management 21-22
Company-specific key figure Recycling rate, cans 16, 20
Company-specific key figure Recycling rate, PET 16, 20

PRODUCT QUALITY – COMPANY-SPECIFIC KEY ISSUE
103-1 Description of the issue and its boundaries 24, 58
103-2 Method of sustainability management 14-15, 24, 26
103-3 Evaluation of sustainability management 24
Company-specific key figure Product quality, aluminium 16, 24
Company-specific key figure Product quality, clear PET The base year for product quality, clear PET, is 2017. 16, 24

CUSTOMER SATISFACTION – COMPANY-SPECIFIC KEY ISSUE
103-1 Description of the issue and its boundaries 34, 58
103-2 Method of sustainability management 14-15, 34-38
103-3 Evaluation of sustainability management 34-36
Company-specific key figure CSI (monitoring customer satisfaction, stores) The next follow-up will be carried out in 2021. 17, 61