



RETURPACK

SUSTAINABILITY REPORT 2019

RETURPACK SVENSKA AB



Ladda elcykel

Öppna påsar till återbruk sparar du till
svensk miljö och gör det till ett bättre
och enklare sätt att göra ditt jobb!

Flippa ett gäng
halloumburgare

Om du ska äta så många burgare du får
flippa över ett av dem till återbruk. Det
sparar du på pengar och gör ditt jobb!

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 2.15 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 considerable 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 SIFO survey that we commissioned 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 climate-proof our transport operations. At the same time, we safeguard the administration of all incoming and outgoing deposit payments. This is what we mean by a genuine deposit system, which enjoys the high level of trust we have.

We are pleased that more and more people are getting involved in climate, environmental and sustainability issues. Agenda 2030 is a central plank in the way we view and conduct our operations. We support initiatives at various levels, as well as participating in research and development projects that benefit the circular economy. In this context, however, it is also important to be able to distinguish between what is genuine, benefitting 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 schemes 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 all 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

OUR MISSION

Our mission is to run the Swedish deposit system for beverage packaging made of metal and plastic, which we have been doing now for 35 years. The main purpose of the deposit system was to reduce littering, but instead it has developed into a sustainability system that, in collaboration with other players in the value chain, ensures that the packaging is recycled and can be made into new cans and bottles.

We coordinate the recovery of deposit packaging, ensure that materials are recycled and administer deposits, fees and payments. We are constantly working to provide information about and develop our deposit system, in order to achieve increased recycling in a cost-effective way and with the least possible impact on the environment. Our deposit system has developed into a role model for many, both in Sweden and abroad, and we are happy to share this knowledge.

The company is jointly owned by Sveriges Bryggerier AB, Svensk Dagligvaruhandel Ekonomisk Förening and Livsmedelshandlarna SSLF AB. The company is the parent company of the two subsidiaries, Returpack-Pet Svenska AB and Returpack-Burk Svenska AB. This report refers to the Returpack Svenska AB group, which is still referred to Returpack.

During the 2019 financial year, Returpack reported net sales of SEK 3.1 billion, and at the end of the year the company had a total of 69 employees. The company

had a balance sheet total of SEK 1,216 million, including SEK 620 million in equity.

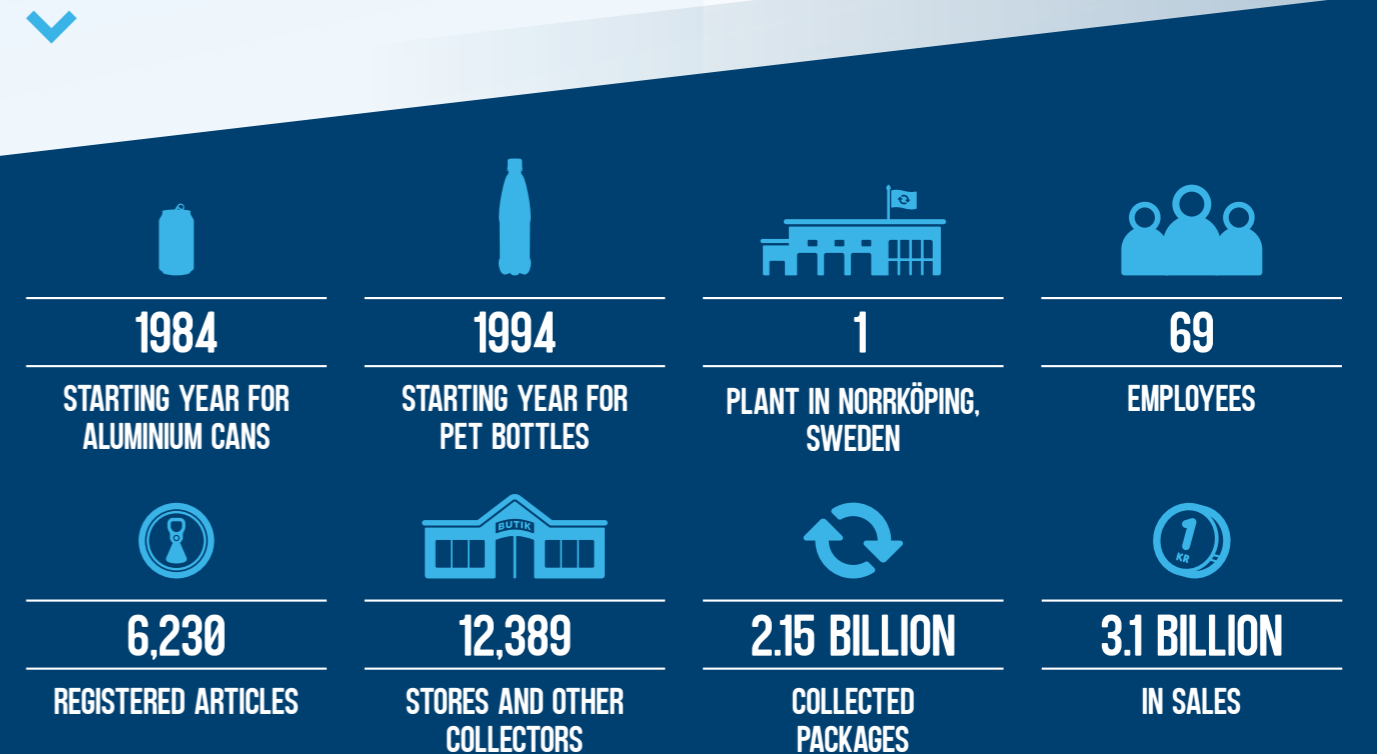
HISTORY

The deposit system is celebrating its 35th anniversary this year. The decision to introduce a deposit system in Sweden was based on concerns that the launch of the aluminium can would result in littering. In 1984, the packaging industry, breweries and the retail sector formed the joint company AB Svenska Returpack to deal with the cans in a newly launched deposit system. Ten years later, in 1994, a deposit system was also introduced for PET bottles, under the control of Returpack. At that time, the collected packaging was handled at the breweries' depots, where it was baled and then forwarded for recycling. Since 2003, however, all collected returns are handled at the factory in Norrköping.

PANTAMERA

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

RETURPACK IN FIGURES 2019



OWNERS > THE SWEDISH BREWERS ASSOCIATION 50%, THE SWEDISH FOOD RETAILERS FEDERATION 25% AND THE SWEDISH GROCERY STORES ASSOCIATION 25%.



Returpack's OPERATIONS

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

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

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.

Producer responsibility and NATIONAL RECYCLING TARGETS

Producer 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.



DEPOSIT AMOUNTS AND PACKAGES



Packages in Returpack's system must be marked with special deposit symbols. The deposit symbol indicates that they belong to Returpack's system as well as the applicable deposit amount.

The deposit on metal cans and small plastic bottles is SEK 1 and on large plastic bottles SEK 2.



At present, the only plastic bottles that are included in the deposit system are PET bottles. The lids are always made of HDPE (high density polyethylene) or PP (polypropylene). Size: 19 cl - 300 cl.

The metal cans in the deposit system are almost exclusively made of aluminium. Steel cans do occur, but only to a very small extent. Size: 15 cl - 95 cl.



The size and shape of the bottles vary, although one thing they all have in common is that they can be accepted by a reverse vending machine.

ARTICLES IN THE DEPOSIT SYSTEM

YEAR	CAN AND PET	OPTIONALLY REGISTERED	TOTAL
2017 >	4,092	80	4,172
2018 >	4,894	179	5,073
2019 >	5,968	262	6,230

RETURPACK'S VISION, BUSINESS CONCEPT, OVERALL GOALS AND STRATEGIES

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.

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.

➤ **Optimise internal and external 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

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 of 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. As a result, it is important to work continuously and develop the corporate culture, and for us to practise what we preach. Our values are also reflected in the company's Code of Conduct and Sustainable Development Policy.

Our values can be summarised in three key words: Responsibility, Innovation and Cooperation. Our work during the year has been focused on our values. You can read more about this on page 45.



BUSINESS MODEL

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

THE DEPOSIT AS AN INCENTIVE

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



01

REGISTER

PACKAGING IS REGISTERED TO THE DEPOSIT SYSTEM

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

02

COLLECT

THE PACKAGES ARE RETURNED AND COLLECTED

Returpack establishes a collection structure with deposit recipients, where consumers can return their packages and have their deposit refunded. With the aid of carriers, Returpack ensures that the packages are collected from the deposit recipients, at the same time as Returpack reimburses the deposit recipients for the deposits they have paid out and their handling costs.

03

PROCESS AND SELL ON

THE PACKAGING IS PROCESSED AND SOLD ON IN THE RECYCLING CHAIN

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

HOW DO OUR FINANCES WORK?

INCOME:

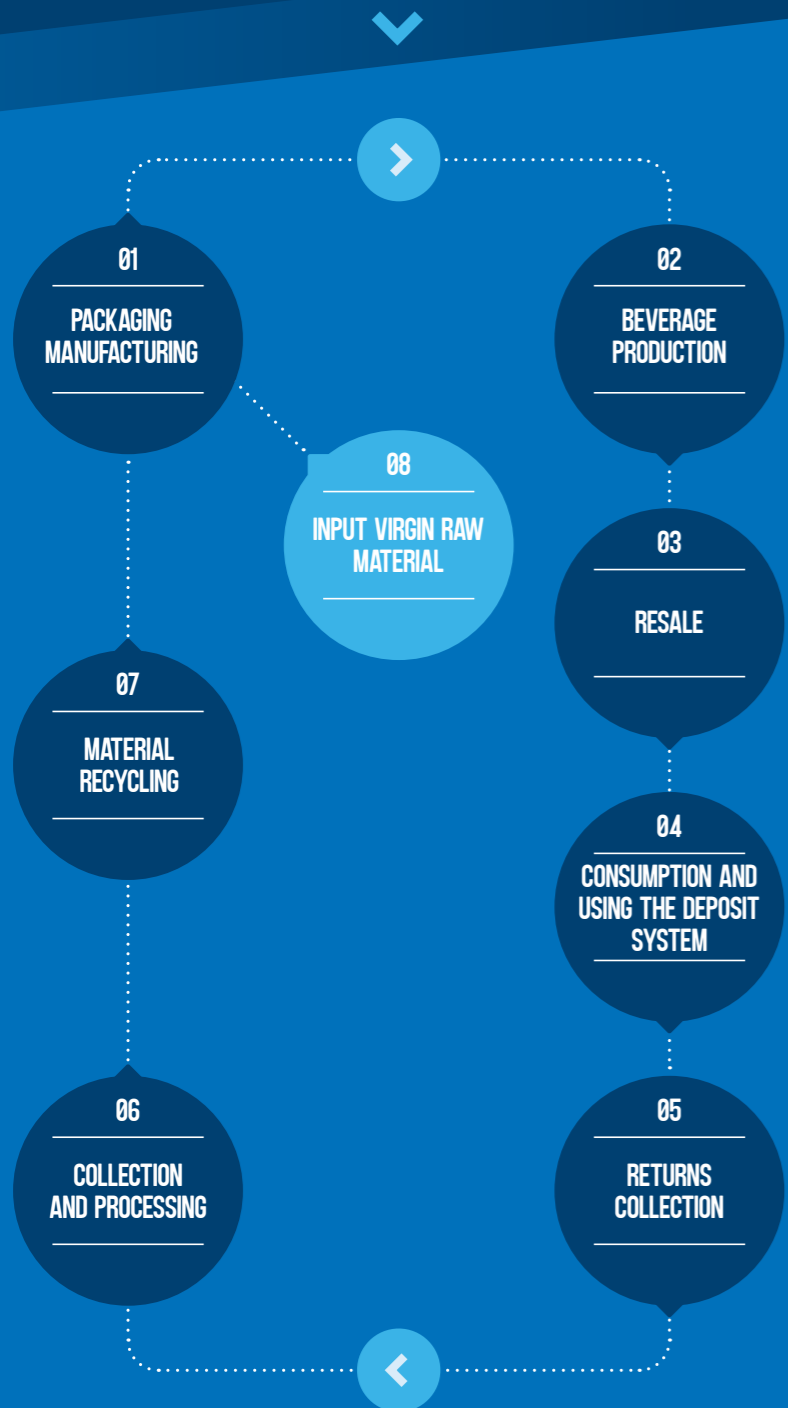
- Sales of recycled material
- Administrative charges from producers and importers

EXPENSES:

- Reimbursement for handling paid to deposit recipients
- Transport costs
- Operation of the business, marketing and development

VALUE CHAIN

Our sustainability work permeates our entire operation, and it is particularly important to work on those areas where our potential to exert influence and the impact of our efforts is greatest. The value chain ensures the visibility of our role in the deposit system along with our other stakeholders, and demonstrates our considerable potential to exert influence both upstream and downstream in the value chain. The demands we place on packaging design and our new sorting 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.



FACTS, VALUE CHAIN

288 PRODUCERS AND IMPORTERS

6,230 ARTICLES IN THE DEPOSIT SYSTEM
(Of which juice: 160 and fruit syrup: 102 = 262)

3,121 SHOPS WITH REVERSE VENDING MACHINES

9,268 OTHER COLLECTORS
(E.g. cafés, restaurants and clubs)

4,138 REVERSE VENDING MACHINES

45 PANTAMERA EXPRESS AT RECYCLING CENTRES

17 TRANSPORT PROVIDERS
(Collection of packaging, transporting material)

2.15 BILLION PACKAGES ENTERING THE FACTORY

PROCESSING AT RETURPACK
(Sorting and baling for increased closed material recycling)

43,114 TONNES
(Aluminium, clear PET & coloured PET for recycling)

3 MATERIAL BUYERS WHICH GUARANTEES THAT THE MATERIAL IS MADE INTO NEW PACKAGING
(Sweden, France, Germany)



Returpack's SUSTAINABILITY WORK

The vision of contributing to a sustainable society by means of the world's best deposit system is at the heart of our sustainability work. One of our three overarching strategies is to conduct the operation in a sustainable manner, which means that we take active responsibility for our employees, the environment and society. Our deposit system should be able to develop with the society of the future and be sustainable for a long time to come, without compromising future resources.

STAKEHOLDERS AND STAKEHOLDER DIALOGUE

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

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

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

MATERIALITY ANALYSIS

The purpose of the materiality analysis is to help us identify which sustainability issues are most relevant to our stakeholders and where our potential to exert

influence is greatest. The materiality analysis is reviewed and overhauled every year in order to identify and prioritise the company's most important sustainability issues, both from a stakeholder perspective as well as from a corporate perspective.

The issues that are considered to be of great importance from both a stakeholder and an influence perspective have the highest priority for Returpack, and the company's sustainability work is therefore based on this analysis. Our five key issues are: increased recycling, product quality, greenhouse gases, customer satisfaction and health and safety.

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

KEY ISSUES

- > INCREASED RECYCLING
- > GREENHOUSE GASES
- > CUSTOMER SATISFACTION
- > HEALTH & SAFETY
- > PRODUCT QUALITY

Our stakeholder dialogue revealed a number of other areas that the stakeholders expect Returpack to take care of in its sustainability work: supplier evaluation, training and development, diversity and gender equality, discrimination issues and anti-corruption. These issues are dealt with in the report, although to a lesser extent than those issues that are considered to be key.

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

- > **Goal 9** Industry, innovation and infrastructure
- > **Goal 11** Sustainable cities and communities
- > **Goal 12** Responsible consumption and production
- > **Goal 13** Climate action
- > **Goal 14** Life below water

GLOBAL GOALS GUIDE OUR SUSTAINABILITY WORK



THE GLOBAL GOALS For Sustainable Development

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 Östgöta Challenge, the aim of which is for our transport operations to be fossil-free as early as 2025. At present, 98% (in transport kilometres) of our transport fleet is fossil-free. The company has an overall goal of climate-neutral operations. Those climate emissions that are not reduced to zero are offset in the Solvatten project.

GOAL 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 leaching to the environment. Recycling beverage packages helps to reduce eutrophication and acidification compared to new production of aluminium and PET.

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 collecting deposits via e-commerce, through various forms of collection for on-the-go consumption, such as deposit tubes in urban environments and parks. With Keep Sweden Tidy and Clean Sweden, we are promoting issues related to littering and the importance of recycling.

RISKS AND RISK MANAGEMENT

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

SIGNIFICANT RISKS AND OPPORTUNITIES

The risk management process is an integral part of our business planning process, involving the regular identification and following-up of the company's overall risks. Risks are normally dealt with in the day-to-day operations and are managed by the manager responsible 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.



RISK ORGANISATION



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 personnel 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 operation's 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 Unauthor-

ised 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.

RETURPACK'S POLICIES

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 VICTIMISATION > explains the basis for Returpack's view of an equal and diversity-oriented workplace and the assumption of responsibility that is incumbent on the business.

UNAUTHORISED INFLUENCE POLICY > specifies Returpack's regulations regarding improper gifts, conflicts of interest and bribery.



Returpack awarded
TOP RATING BY ECOVADIS

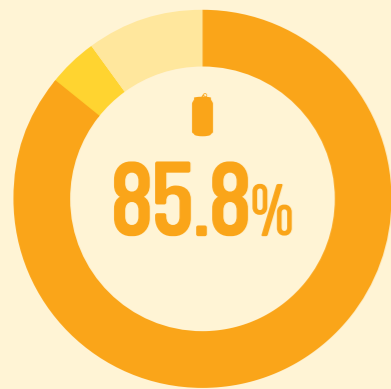
EcoVadis has ranked Returpack at Gold Level for our sustainability work in respect of the environment, working conditions, sustainable procurement and good business ethics. The methodology is based on internationally adopted principles for sustainability reporting such as GRI - Global Reporting Initiative,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

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

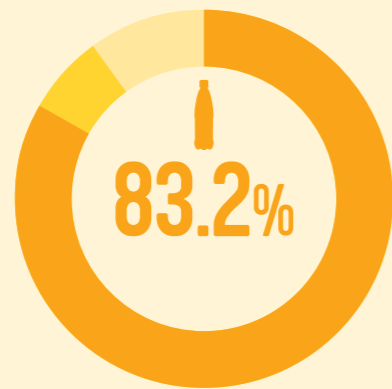
RECYCLING RATE CANS



GOAL: 90%
 INTERIM GOAL 2019: 87.5%

■ OUTCOME ■ GOAL

RECYCLING RATE PET



GOAL: 90%
 INTERIM GOAL 2019: 84.8%

■ OUTCOME ■ GOAL

PRODUCT QUALITY ALUMINIUM

FOREIGN MATERIAL IN SORTED ALUMINIUM: **0.02%**

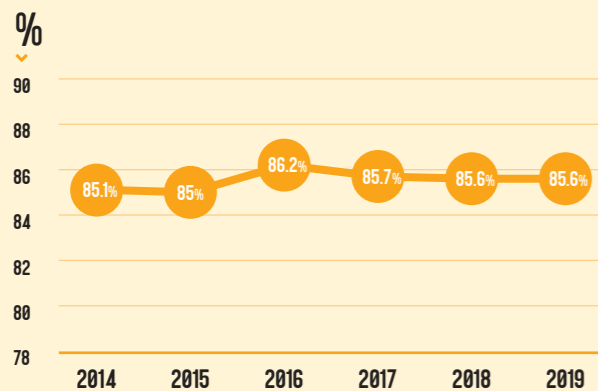
OUTCOME 2018: 0.1%
 AGREEMENT: NOT MORE THAN 0.2%

PRODUCT QUALITY CLEAR PET

FOREIGN MATERIAL IN SORTED CLEAR PET: **0.3%**

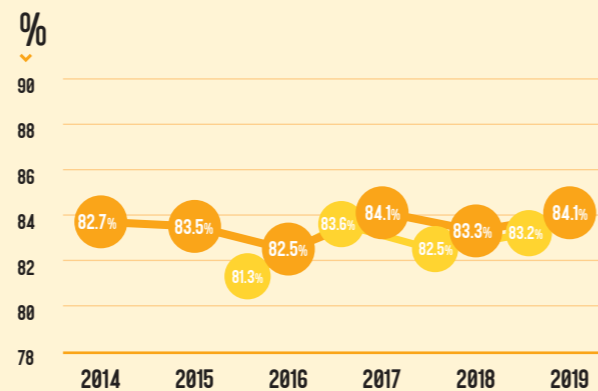
OUTCOME 2018: 0.4%
 AGREEMENT: NOT MORE THAN 4%

INCREASED RECYCLING CANS



■ RECYCLING RATE CANS

INCREASED RECYCLING PET



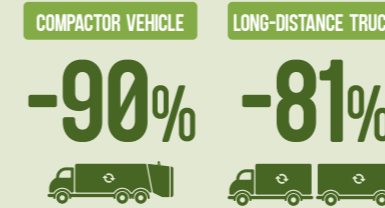
■ RECYCLING RATE PET EXCL. OPTIONAL REGISTRATION
 ■ RECYCLING RATE PET INCL. OPTIONAL REGISTRATION

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.

CLIMATE & THE ENVIRONMENT

CLIMATE IMPACT TRANSPORT

Reduction of CO₂ per pack.



GOAL: Reduce greenhouse gas emissions from transport. Fossil-free domestic transport by 2025.

INTERIM GOAL: Reduce CO₂ per package by 90% for transport by compactor vehicles and by 65% for long-distance transport. (Reference year 2015).

GREENHOUSE GAS EMISSIONS FROM TRANSPORT:
778 TON CO₂e

CLIMATE IMPACT PLANT

Electricity consumption:



GOAL: REDUCE ENERGY CONSUMPTION

INTERIM GOAL 2019: Maintain electricity consumption, excluding lid plant (±0%). (Reference year 2017). Follow up greenhouse gas emissions from the plant.

EMISSIONS OF GREENHOUSE GASES FROM THE PLANT:
228 TON CO₂e

CLIMATE IMPACT BUSINESS TRAVEL

GOAL: FOLLOW UP GREENHOUSE GAS EMISSIONS FROM BUSINESS TRAVEL

GREENHOUSE GAS EMISSIONS FROM BUSINESS TRAVEL:
21 TON CO₂e

TOTAL EMISSIONS 2019: 1 026 TONNES CO₂e

BUSINESS RELATIONS

CUSTOMER SATISFACTION STORE



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

7-POINT SCALE, WHERE 7 IS BEST

GOAL: SATISFIED CUSTOMERS

INTERIM GOAL 2019: CSI shop, overall perception of Returpack, the same good result as in the previous measurement.

SOCIETY

IN 2019:

242
 FLOORBALL CLUBS

HAVE JOINTLY COLLECTED:

725,736
 CANS AND BOTTLES

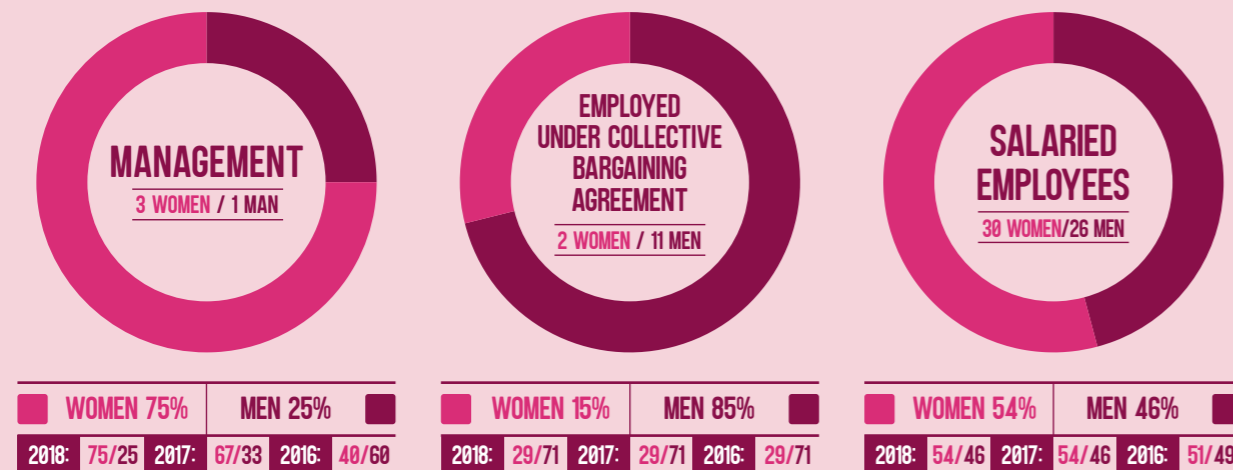
EMPLOYEES



HEALTH & SAFETY OUTCOME



GENDER EQUALITY OUTCOME



GOAL: ACHIEVE A GENDER BALANCE IN THE RANGE 40-60% AT ALL LEVELS OVER TIME

TRAINING & DEVELOPMENT OUTCOME



CORRUPTION INCIDENTS OUTCOME



DISCRIMINATION CASES OUTCOME



EMPLOYEE INDEX OUTCOME



Employee surveys are conducted every two years. Between 2017 and 2019, the company changed its business partner for employee surveys, with the result that direct comparisons are not possible.



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.



RECYCLING TARGETS

Every year we compile statistics regarding how much is submitted to the deposit system in Sweden and can consequently be recycled to make new cans and bottles.

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 using the system in Sweden, 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



METAL CANS

85.8%

2019

PET BOTTLES

83.2%

2019



Swedes are

SATISFIED WITH THE DEPOSIT SYSTEM

In Sweden, we are among the best in the world when it comes to using a deposit system. Swedes are very happy with their deposit system and the positive attitude towards using the system is increasing over time. Trust in the deposit system is high, with 83 per cent of Swedes stating that they have high or very high confidence in the system. This can be seen from the SIFO survey that Returpack commissioned in 2019.

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 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. ■

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.





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 remind and inspire people to use the system – always and for everything.

“For us, it is important to put our message across in places where people actually are, although without intruding. As always, our communications are based on positive feelings regarding the deposit system, where music and humour play a big role,” says 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 syncope,” concludes Katarina Lundell. ■

“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

99%
AV BEFOLKNINGEN
PANTAR

We already know that just about all Swedes, 99 per cent, state that they use the deposit system, although perhaps not always and for everything. Our challenge is to get everyone to always return all their packaging. Our main strategies for increasing recycling are focused on influencing attitudes and behaviour regarding the use of the system, especially among young adults, as well as delivering increased accessibility and simplifications in the deposit system.

PANTAMERA WITH ESPORTS

Together with DreamHack



Our long-standing collaboration with the eSports community is an example of the way we work with targeted communication in order to reach identified audiences. In 2019, our Pantamera with eSports concept joined forces with the iconic DreamHack video game festival, as well as with the two famous Youtube and streamer profiles Samuel “SampeV2” Stronegger and Yacine “yzn” Laghamri, with the aim of increasing the commitment to collecting returns for the benefit of Musikhjälpen.

“Thanks to our significant presence at DreamHack this year, we made this initiative even more accessible to the campaign’s core group – young guys and girls who are very good at consuming beverages, but who may not always be as good at returning the packaging,” says Lovisa Lannerstedt, project manager at Pantamera.

THIS YEAR’S TOTAL CONTRIBUTION TO MUSIKHJÄLPEN ENDED UP AT SEK 603,082, OF WHICH SEK 534,479 CAME FROM PANTAMERA WITH ESPORTS.

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.

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 Returpack’s goals. In a number of customer surveys, it can be seen that many people returning packaging want to have the refunds paid directly into their bank account. Young people in particular, who currently use the system to a slightly lesser extent, are attracted by this idea.

> 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.

Little MATERIAL SCHOOL



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.

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.

THIS IS HOW WE DEFINE AND FOLLOW UP PRODUCT QUALITY

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.

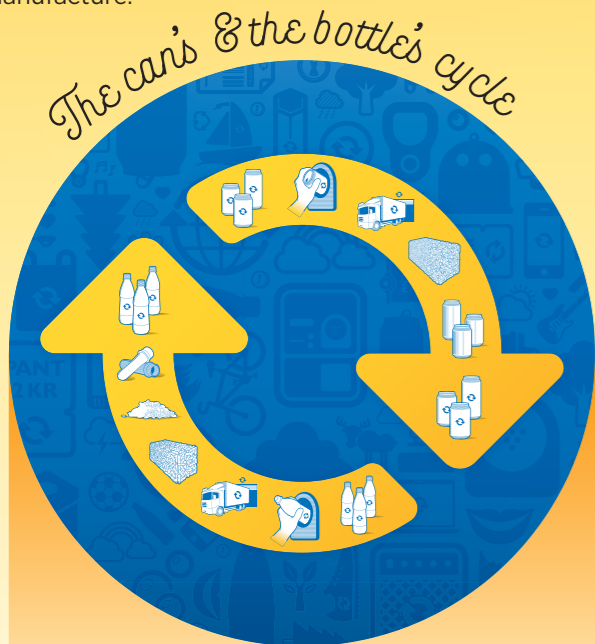
> PRODUCT QUALITY, ALUMINIUM

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%.*

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.



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.

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.



CLIMATE & THE ENVIRONMENT

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

We have a great responsibility to carry out our assignment with as little impact on the climate as possible. Every can and bottle that is returned must be transported to our facility in 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.





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.**

➤ RECYCLED MATERIALS

	2015	2016	2017	2018	2019
ALUMINIUM	15,308 TONNES	16,361 TONNES	16,740 TONNES	18,356 TONNES	19,870 TONNES
CLEAR PET	16,917 TONNES	16,655 TONNES	16,515 TONNES	17,822 TONNES	21,077 TONNES
COLOURED PET	3,252 TONNES	3,990 TONNES	3,767 TONNES	4,539 TONNES	2,167 TONNES
LID MATERIAL*	-	-	-	1,354 TONNES	1,377 TONNES

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

ABOUT THE NEW SORTING PLANT

During 2019, more than 2.1 billion packages arrived at Pantamera’s state-of-the-art facility in Norrköping. In the same year, a total of 19,870 tonnes of aluminium, 23,244 tonnes of PET material and 1,377 tonnes of HDPE (lid material) were recycled. Improving and developing the plant in order to maximise the environmental benefit of the deposit system is a never-ending process. In 2018, we invested in a new plastic sorting plant, which was inaugurated in May 2019. The aim of the investment was to increase the amount of recycled uncoloured plastic, which can be used to make new food-approved packaging. The previous technology was based solely on optical sorting, whereas the new plant can also detect the type of plastic material that makes up the packaging.

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.

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 APPROX: **180,000** TONNES CO₂e



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 packaging was discarded with the household waste and then incinerated for energy and heat extraction. The results showed that the carbon footprint of PET bottles is reduced by 93.5 per cent if they are returned to the deposit system as opposed to being incinerated, while for aluminium cans the carbon footprint is reduced by 69.2 per cent if they are returned. Other environmental impact categories, such as eutrophication, acidification and the formation of ground-level ozone, also show significant reductions if cans and bottles are recycled rather than being incinerated. Through the life cycle assessments, we

have obtained quantifiable values for the environmental benefits generated by the deposit system.

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 cans' 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 RETURPACKS PLANT



A total of 1,618,103 kWh of electricity were consumed at the plant in 2019, an increase of 10.1% from the previous year. The increase in 2019 is also due to the increase in the volume of deposit packaging that was received at the plant. This means that we are not reaching our energy target. In 2020, we will be taking further steps and developing action plans to achieve more efficient energy usage. The refurbishment that was carried out at the plant to further increase product quality also accounted for part of the increase in electricity consumption.



TOTAL ELECTRICITY CONSUMPTION KWH

2015	>	1,446,630
2016	>	1,287,939
2017	>	1,262,127
2018	>	1,469,836*
2019	>	1,618,103*



ELECTRICITY CONSUMPTION/PACKAGE W/PACK.

2015	>	0.86
2016	>	0.73
2017	>	0.69
2018	>	0.72*
2019	>	0.75*



NUMBER OF PACKAGES BILLION PACK.

2015	>	1.69
2016	>	1.77
2017	>	1.86
2018	>	2.05*
2019	>	2.15*



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.



*As from 2018, we are reporting electricity consumption including the lid plant.



From 90 to 95 per cent
FOSSIL-FREE TRANSPORT-KILOMETRES

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

"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.

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 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.

"It is important for us to keep up-to-date regarding which options will be available in the future, so that we always have the potential to make the most sustainable choices," concludes Marie Skoog.



ABOUT OUR LOGISTICS

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.

FACTS BULK GOODS FLOWS

14 938
 AMOUNTS OF ROUTES WERE MADE



3 419 620
 KM WERE DRIVEN

APPROXIMATELY THAT IS

85 ROUNDS
 AROUND THE EARTH

1 487 085

AMOUNTS OF BINS WERE HANDLED AT

293 667

COLLECTION ROUNDS

CO₂ LONG DISTANCE VEHICLE

GOAL > -65% COMPARED TO BASE IN 2015
 OUT- > -81%

CO₂ COMPARTMENT VEHICLES

GOAL > -90% COMPARED TO BASE IN 2015
 OUT- > -90%

21 COLLECTION AREAS

26
 INTERMEDIATE WAREHOUSES

17
 TRANSPORTERS

49
 2 COMPARTMENT VEHICLES

OUR TRANSPORT OPERATIONS PROVIDE SMART SOLUTIONS



EFFICIENT RETURNS RECEPTION IN THE FACTORY

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



SUSTAINABLE CONDITIONS FOR DRIVERS

In all our transport agreements, we have stipulated demands regarding collective bargaining agreements and, as a result, drivers' wages, working environment and road safety.



GOOD OPPORTUNITIES FOR RELOADING

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



FREIGHT TRANSPORT BY RAIL

The aluminium we sell is transported by rail to Germany and France, where the cans are made into plate for new cans. In order to minimise the number of journeys, we take care to optimise the bale sizes according to the design of the train carriage. Loading smaller bales on top allows us to fill the carriages right to the top.

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 PER SCOPE	> 2017 (TONNES CO ₂ e)	> 2018 (TONNES CO ₂ e)	> 2019 (TONNES CO ₂ e)
SCOPE 1	> 1	> 2	> 1
SCOPE 2	> 330	> 527	> 228
SCOPE 3	> 931	> 902	> 797
TOTAL EMISSIONS	> 1,262	> 1,431	> 1,026

EMISSIONS INCLUDED:

- > **SCOPE 1:** Emissions from own vehicles.
- > **SCOPE 2:** Indirect emissions from the production of purchased electricity and heating for our plant, as well as in proprietary reverse vending machines (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 BY CATEGORY	> 2017 (TONNES CO ₂ e)	> 2018 (TONNES CO ₂ e)	> 2019 (TONNES CO ₂ e)
TRANSPORT	> 917	> 878	> 778
THE PLANT	> 330	> 527	> 228
BUSINESS TRAVEL	> 15	> 26	> 21
TOTAL EMISSIONS	> 1,262	> 1,431	> 1,026

> 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.



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!

JUSTIFICATION

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.



Grocery stores PLAY A KEY ROLE

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.

Returpack regularly conducts CSI surveys (Customer Satisfaction Index). The latest survey shows that grocery stores are extremely proud to be part of the deposit chain. In addition, they see themselves as being involved in the work of maintaining and developing one of the world's best deposit systems.

"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.

SUSTAINABLE COLLABORATION

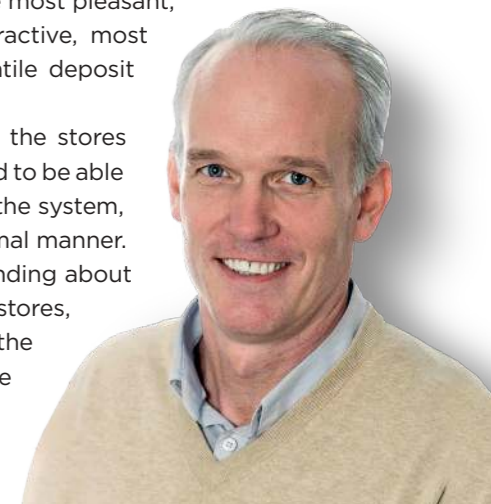
Returpack's operations are dependent on deposit recipients in general, and shops in particular, doing their part. They constitute the foundation for the ability to carry out the work that is so important for the environment.

"It is pleasing to see that the grocery stores are so happy with our relationship and the fact that we are working together to build a good deposit system. Over the years, I have also seen that the stores consider it is becoming even more important to do a good job for the deposit system," says Erik Ebbeson.

DEPOSIT STORE OF THE YEAR

In order to maintain a good relationship with the grocery stores, Returpack is working on several fronts, ranging from customer service and logistics to marketing. In 2019, the "Deposit Store of the Year" competition was initiated, where customers could nominate their stores. The purpose of the competition is to call attention to and thank all the traders who are putting a little extra effort into creating a pleasant environment in their deposit return area. More than 80 nominations were received in total and, of these, five stores were selected in various categories: the most pleasant, most positive, most attractive, most efficient and most versatile deposit stores of the year.

"Our job is to provide the stores with everything they need to be able to play their vital role in the system, and to do this in an optimal manner. We have to be understanding about the needs of the various stores, and be able to explain the role of Returpack and the deposit system in the retail sector," concludes Erik Ebbeson. ■



NICE TO KNOW

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.



CLUBS
2019

NUMBER OF CLUBS THAT PARTICIPATED IN FÖRENINGSKAMPEN:

2,296 >

TOTAL NUMBER OF PACKAGES COLLECTED:

21,425,208



A number of products

ARE REGISTERED TO OUR DEPOSIT SYSTEM

The producers and importers who are registered to our Swedish deposit system ensure that their packaging meets a number of stringent requirements in order to optimise recycling. Firstly, the cans and bottles must fit in the reverse vending machines from a size point of view, at the same time as the barcodes must be easy for the machines to read. Once they have been collected and transported to Returpack's plant, they must be able to be sorted into pure fractions in order for the materials to be fully recycled. By the end of 2019, a total of 288 companies were registered with the Swedish

deposit system as producers, representing an increase of 32 new companies over the past year.

OPTIONAL REGISTRATION

Fruit syrup producers have been able to register their products since 2015, and in 2018 the deposit system was opened up for the optional registration of juice packages. The recycling figures for the optionally registered products are approaching the corresponding figures for products that are governed by regulations.

FRUIT SYRUP	QTY SOLD, PCS	QTY RECYCLED, PCS	RECYCLING RATE
2015 >	46,708	5,005	10.7%
2016 >	10,365,405	3,015,317	29.1%
2017 >	15,148,967	9,091,413	60.0%
2018 >	18,995,694	12,378,589	65.0%
2019 >	19,839,239	14,139,187	71.0%

	QTY SOLD, PCS	QTY RECYCLED, PCS	RECYCLING RATE
2018 >	8,798,428	4,309,685	49.0%
2019 >	19,446,132	11,839,447	61.0%



Sustainable SUPPLIERS

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.



1. SPECIFY EXPECTATIONS

- > PRODUCT-SPECIFIC REQUIREMENTS
- > BASIC REQUIREMENTS
- > CODE OF CONDUCT

2. ASSESSMENT OF RISKS & IMPACT

- > RISK MODEL

3. ENGAGE SUPPLIERS

- > SELF-EVALUATION
- > AGREEMENT

4. EVALUATE & REPORT

- > SUPPLIER EVALUATION & FOLLOW-UP
- > KEY FIGURES & REPORTING

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. ■

Facts

SUPPLIERS & PURCHASING

RETURPACK HAS A TOTAL OF APPROX:

582 ACTIVE SUPPLIERS

PURCHASING, GOODS & SERVICES,

SEK 361 MILLION

TRANSPORT & LOGISTICS SERVICES:

55% OF SEK 361 MILLION

INFORMATION & MARKETING:

17% OF SEK 361 MILLION

PRODUCTION MACHINES & REVERSE VENDING MACHINES:

12% OF SEK 361 MILLION





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. ■



EMPLOYEES

IT IS THANKS TO OUR EMPLOYEES THAT WE ARE ABLE TO CONTRIBUTE TO A SUSTAINABLE SOCIETY AND RUN THE BEST DEPOSIT SYSTEM IN THE WORLD.

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



A WORKING ENVIRONMENT THAT ENGAGES

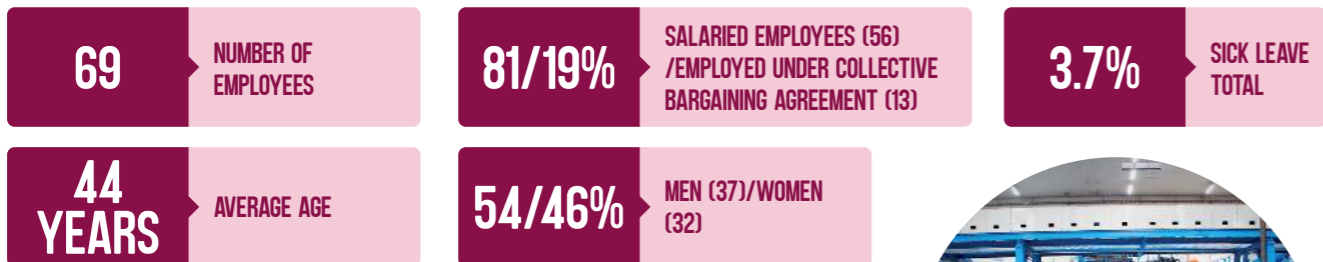
Returpack wants to be an attractive workplace with good leadership as well as committed and innovative employees who feel a sense of involvement and motivation. A workplace with good, secure working conditions, where employees develop and where everyone is of equal value

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 employee survey is scheduled for spring 2021.

EMPLOYEES IN NUMBERS ▼



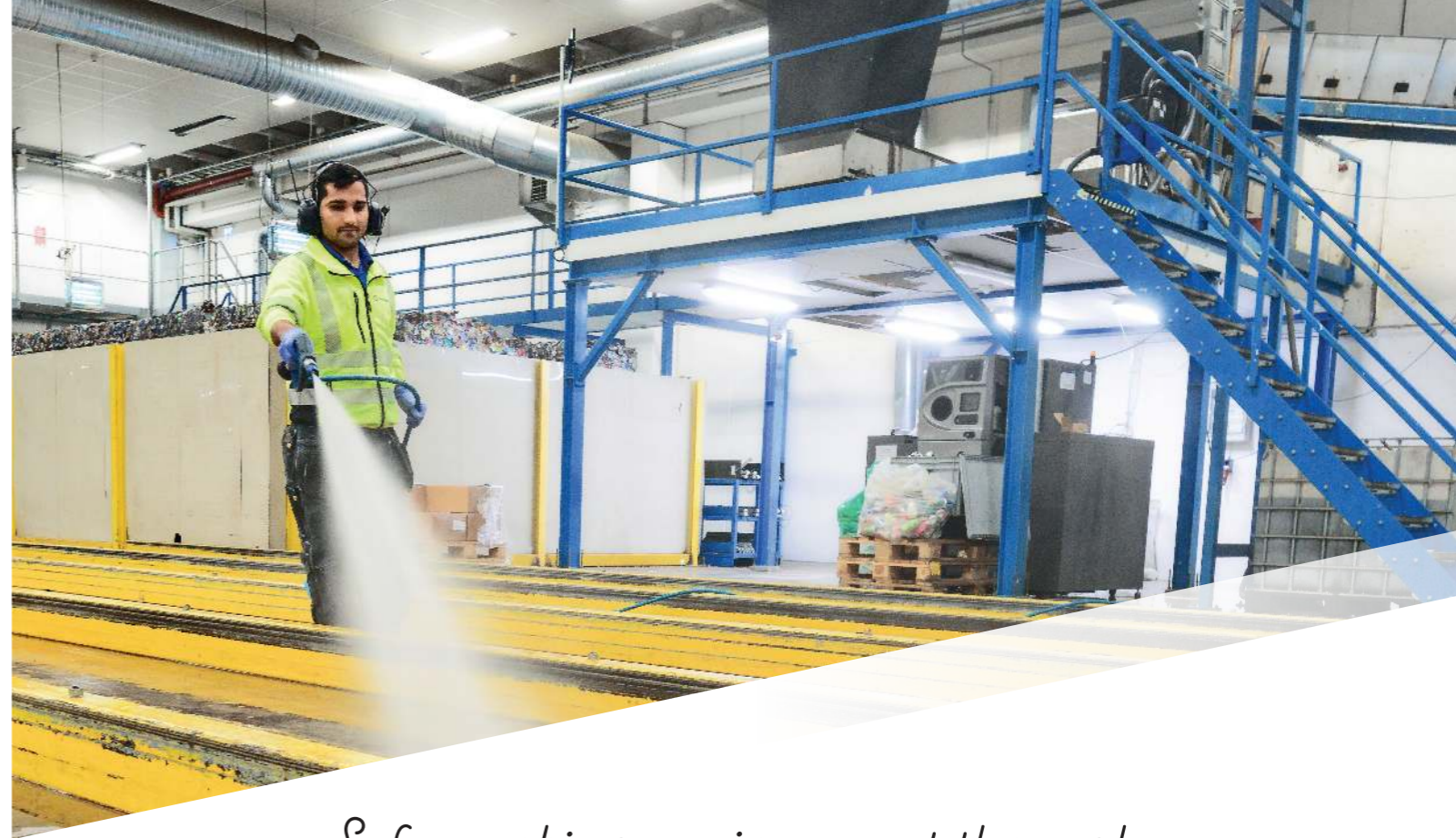
SICK LEAVE	2015	2016	2017	2018	2019
Sick leave, total, %	2.6	3.1	3.9	4.1	3.7
Men	1.7	2.1	3.1	2.1	1.9
Women	3.8	4.3	4.6	6.2	5.7
Sick leave, short-term, %	1.5	1.7	1.6	1.8	1.5
Men	1.6	1.7	1.8	1.9	1.5
Women	1.5	1.8	1.3	1.6	1.7

ACCIDENTS & INCIDENTS	2015	2016	2017	2018	2019
Accidents at work	3	2	0	5	2*
Incidents	40	46	104	105	54
Risk observations	-	-	-	-	109

*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.



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 Kungens Kurva in Stockholm. We have three health and safety officers who represent the employees in occupational health and safety issues. The Safety Committee meets at least once a quarter to consult regarding the working environment and to follow up objectives and action plans. The results from each meeting of the Working Environment Committee are presented at management group meetings, where any major decisions that lie outside of the budget and the business plan are 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. ■



GOOD WORKING ENVIRONMENT PRODUCES HEALTHY EMPLOYEES

The total sick leave at Returpack is low, and this has been the case for a number of years. Regular work aimed at creating a good working environment leads to direct benefits in the form of increased job satisfaction, committed employees and low sickness rates. We work preventively by responding at an early stage to signals, risks and signs of ill health.



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.

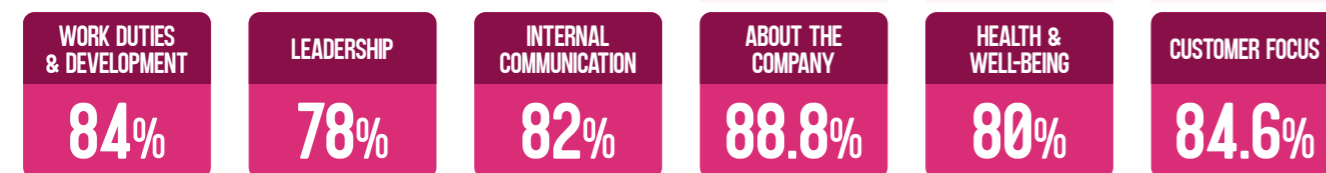
Here at Returpack, we conduct systematic health and safety management work where, in addition to our statutory duties, we place great emphasis on employee influence, health and the opportunity to combine work

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.

EMPLOYEE SURVEY



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 business partner for employee surveys, with the result that direct comparisons are not possible.

Improvements were achieved within all sub-areas that have comparable data. The challenge ahead will now be to maintain and further reinforce these excellent results. Particular focus is being placed on further strengthening leadership, development and internal communication.



RETURPACK RAISING AWARENESS ABOUT ITS SAFETY CULTURE

The company's safety culture denotes our approach and attitude to the risks that exist at companies. A good safety culture involves everyone helping to reduce our risks, as well as avoiding and preventing incidents and accidents. Back in 2018, it was decided that safety should be high up on the agenda in 2019. At the start of the year, a survey was carried out regarding the current situation, in which all the company's employees participated. 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.

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.

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.



SOCIETY

WE WILL CONTRIBUTE ACTIVELY TO SUSTAINABLE SOCIAL DEVELOPMENT WITHIN AND IN ADDITION TO OUR MISSION.

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.



TOTAL NUMBER OF EMPLOYEES	2015		2016		2017		2018		2019	
	EMPLOYEES (QTY)	PROPORTION OF WOMEN	EMPLOYEES (QTY)	PROPORTION OF WOMEN	EMPLOYEES (QTY)	PROPORTION OF WOMEN	EMPLOYEES (QTY)	PROPORTION OF WOMEN	EMPLOYEES (QTY)	PROPORTION OF WOMEN
Number of permanent employees	59	44%	64	45%	63	46%	68	49%	68	46%
➤ Of which full-time	58	43%	64	45%	63	46%	68	49%	68	46%
➤ Of which part-time	1	100%	0	0%	0	0%	0	0%	0	0%
Number of fixed-term employees	0	0	0	0	2	50%	2	50%	1	100%
Number of employees	59	44%	64	45%	65	46%	70	49%	69	46%

Key figures and indicators regarding the number of employees refer to 31 December in the year in ques-



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 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. ■



PANTRESAN

Continuing to educate children and young people

For more than 10 years, we have been offering Pantresan to Sweden's schools. Pantresan is a combined educational package and competition, aimed at children from preschool up to Year 6. The aim is to pass on knowledge and inspiration regarding the environment, energy, recycling and using the deposit system. It shows in an easy-to-understand manner how a circular system works.

“Many children today are incredibly engaged in climate-related and environmental issues, and it is often the children who are encouraging the adults to make sustainable choices. If we can use Pantresan to help encourage children to continue to be involved in sustainability issues, then we have achieved a great deal,” says Katarina Lundell, Marketing and Communications Manager.

➤ **PARTICIPATING CLASSES 2019:** 838 SCHOOL CLASSES
PARTICIPANTS SINCE THE START: MORE THAN 100,000 STUDENTS

Main sponsor for SVENSK INNEBANDY

Since 2015, Returpack has been one of the main sponsors of Svensk Innebandy. This collaboration is an important part of Pantamera's long-term investment in children and young people, who make up one of our most important target groups.

The number of floorball clubs that are registered to our club concept is growing steadily. More than 240 floorball clubs and teams around the country have now signed up, doing their bit for the environment while at the same time bringing a little extra money into the club coffers. During 2019, Sweden's floorball clubs have collected 725,736 cans and bottles.

FAIR PLAY AWARD

Another example of an activity we are continuing to work on is our Fair Play award, which we instituted to promote good team spirit, fair play and a positive floorball climate. In 2019, we developed a new website for schysstinnebandy.nu.



OVERVIEW

STAKEHOLDER DIALOGUE

STAKEHOLDER GROUP	CHANNELS FOR DIALOGUE	ISSUES RAISED DURING DIALOGUE	OUR RESPONSE
Authorities	<ul style="list-style-type: none"> Ongoing dialogue if necessary Annual state-of-play meetings 	<ul style="list-style-type: none"> Recycling rate Development of the deposit system Follow-up and inspection by public authorities 	Read more about increased recycling, page 19 , and about optional registration, page 37 .
Owners	<ul style="list-style-type: none"> Ongoing dialogue Board and strategy meetings 	<ul style="list-style-type: none"> Recycling rate Financial stability Development of the deposit 	Read more about increased recycling, page 19 , and about optional registration, page 37 .
People using the deposit system <i>Customer group</i>	<ul style="list-style-type: none"> Customer services Social media Website Consumer survey at least every two years – (2019: attitudes towards using deposit system) Other surveys (2019: Youth Barometer) 	<ul style="list-style-type: none"> Which packages are included in the deposit system Availability of reverse vending machines and hygiene Payment solutions Deposit amounts 	Read more about cooperation with customers, page 34 .
Producers and importers <i>Customer group</i>	<ul style="list-style-type: none"> Customer service and account managers Website Web portal – producer web Customer survey (2018: customer satisfaction) 	<ul style="list-style-type: none"> Packaging requirements Contractual terms Material development Recycling rate Expanding the deposit system 	Read more about product quality, pages 24 and 26 , and about optional registration, page 37 .
Deposit recipients <i>Customer group</i>	<ul style="list-style-type: none"> Customer services Website Web portal – customer web Visits and meetings Customer magazine Customer survey every two years (2018: customer satisfaction) Customer survey, Clubs and associations, 2019 	<ul style="list-style-type: none"> Refunding of deposits and reimbursement for handling Carriers and collections Waste/quality during collection 	Read more about cooperation with customers, page 34 .
Material buyers <i>Customer group</i>	<ul style="list-style-type: none"> Ongoing dialogue State-of-play meetings 	<ul style="list-style-type: none"> Product quality Packaging materials Sustainable logistics solutions Closed loop for cans and bottles 	Read more about product quality, pages 24-26 , and about our shipments, page 30 .
Employees	<ul style="list-style-type: none"> Daily reconciliation and interaction Meetings and conferences Annual performance review Employee survey every other year (2019) 	<ul style="list-style-type: none"> Working environment Cooperation within the organisation Skills development Good business ethics 	Read more about our proactive work aimed at achieving a pleasant workplace in the Employees section, page 41 .
Suppliers (carriers)	<ul style="list-style-type: none"> Daily contact via Returpack's transport management Annual follow-up meetings 	<ul style="list-style-type: none"> Collection efficiency Customer service Fuel 	Read more about our transport operations, page 29 , and the work on sustainable purchasing, page 39 .
Suppliers (reverse vending machines)	<ul style="list-style-type: none"> Ongoing dialogue State-of-play meetings 	<ul style="list-style-type: none"> Technical development New packages Payout solutions Minimising theft 	Read more about our work on recycling design, page 37 , and the work on sustainable purchasing, page 39 .

RISK ANALYSIS

BASED ON OUR FIVE RISK CATEGORIES AND OUR KEY ISSUES

AREA	RISK	MANAGEMENT/(ACTION)	RISK	BUSINESS OPPORTUNITY
Environment (business-related)	Loss of confidence/relevance for the deposit system <ol style="list-style-type: none"> 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. Politicians/authorities do not perceive the deposit system to be a sustainable, accessible system. Poorly functioning collection and inadequate service for deposit recipients. Cross-border trade 	<ul style="list-style-type: none"> Customer surveys Activities according to marketing plan Activities according to sustainability plan (safe recycling of materials, promoting sustainable transport, transparent activities) Dialogue with decision-makers and opinion-formers Expansion of the deposit system on an optional basis Activities for increased recycling Development of alternative collection channels Internal transport management, supplier agreements and following-up of agreements Regulations in retail agreements 	Medium	<ul style="list-style-type: none"> Goodwill Brand Increased confidence in the company and the brand among stakeholders. Increased awareness of the sustainability benefits of the deposit system. Increased customer satisfaction. Attractive employer. Develop close and long-term relationships with customers and suppliers. Increased recycling
Environment (environment)	Undesirable environmental impacts in the form of: <ol style="list-style-type: none"> emissions to air (greenhouse gases) discharges to water 	<ul style="list-style-type: none"> Environmental requirements when procuring transport, energy and equipment Transition to fossil-free fuels for all domestic transport Implementation of life cycle assessment for packaging in the deposit system Self-monitoring programmes and action plans Optimisation of water treatment plant Certified according to the ISO 14001 environmental management system 	Medium	<ul style="list-style-type: none"> Proactive environmental work driving the sustainability work, internally and externally. Minimise greenhouse gas emissions Satisfying legal requirements minimises costs and increases confidence. Develop the business
Environment (operational)	<ul style="list-style-type: none"> External influences from surrounding activities that affect Returpack's ability to conduct operations Fire in factory and office Prolonged power failure affecting operations and IT Computer fraud & hacking 	<ul style="list-style-type: none"> Collaboration with related operations and emergency services Preventive measures Emergency preparedness, planning, training Contingency plan Training of rescue leaders Backups, continuity plan, disaster resolution and recovery plan 	Medium	<ul style="list-style-type: none"> Reducing or eliminating serious impact from surrounding events affecting people, the environment, property, equipment. Minimising negative effects on our operations and our stakeholders
Environment (operational)	<ul style="list-style-type: none"> Poor quality of delivered materials (consequences: reduced material revenues, hampering reuse to make new cans and bottles, quality problems at packaging and beverage manufacturers) 	<ul style="list-style-type: none"> Ongoing dialogue with material buyers Material requirements and approval process for packaging in the deposit system Daily internal quality checks Regulations in producer agreements Investments in improved sorting technology 	Medium	<ul style="list-style-type: none"> Supplier of top-quality aluminium and PET materials for the production of new beverage packaging. Improved material quality
Social issues & employees (operational)	<ul style="list-style-type: none"> Physical and/or mental ill health among employees. 	<ul style="list-style-type: none"> Returpack's values and internal Code of Conduct Preventive work on the working environment Employee and performance reviews Salary mapping Emergency preparedness, planning, training Preventive healthcare #orkamera and #hålsamera Rehabilitation plans 	Medium	<ul style="list-style-type: none"> Ambition to implement and work according to ISO 45001. Safety and health promoting employees' productivity and morale. Attractive workplace Better working conditions in the supply chain

RISK ANALYSIS CONTINUED

AREA	RISK	MANAGEMENT/(ACTION)	RISK	BUSINESS OPPORTUNITY
Social issues & employees (operational)	<ul style="list-style-type: none"> Skills shortages now and in the future 	<ul style="list-style-type: none"> Staff appraisals and development plans Cooperation with schools and universities as well as participation in labour market days Offering work placements and project placements Offering competitive employment conditions and skills development. 	Medium	<ul style="list-style-type: none"> Motivated and skilled employees, managers increase the potential to achieve company-specific goals. Attractive workplace
Human rights (operational)	<ul style="list-style-type: none"> Violations and unequal treatment Discrimination, harassment & bullying. 	<ul style="list-style-type: none"> Application of purchasing policy and code of conduct for suppliers: environment, human rights, working conditions. Returpack's values and internal Code of Conduct Plan for gender equality with a diversity perspective Plan to counter victimisation Whistleblower system Training in diversity and inclusion for managers and all employees 	Medium	<ul style="list-style-type: none"> Attractive employer Brand Good relations with owners and investors. Strong business ethics promote internal stability and future
Risks relating to corruption and fraud (business-related, financial)	<p>Bribery/Fraud/Corruption</p> <ol style="list-style-type: none"> Fraud aimed at incorrect payments from Returpack. Corruption in connection with agreements or other relationships between Returpack and an external party 	<ul style="list-style-type: none"> Internal checks of deposit data and payments Checks of reverse vending machines and in stores Training and follow-up of internal Code of Conduct and values: environment, human rights, working conditions. Application of purchasing policy and code of conduct for suppliers Secure business systems, delegation arrangements and payment checks 	Low	<ul style="list-style-type: none"> Working to combat corruption and fraud has a positive impact on Returpack as an employer, increasing credibility and transparency in relation to the company's stakeholders (customers, people using the deposit system, suppliers, employees, owners/investors).
Legal risks	<ul style="list-style-type: none"> A change in the legislation affecting, altering or restricting the company's activities. 	<ul style="list-style-type: none"> Business intelligence Expansion of the deposit system on an optional basis. Material recycling Influence, dialogue with and lobbying of politicians, ministers and departments Adapt the business according to current and future legislation. 	Medium	<ul style="list-style-type: none"> Increased confidence Strong business ethics promote future business and development opportunities.
Business operations (financial)	<ul style="list-style-type: none"> Significant foreign exchange losses and a decrease in raw material revenues, as well as risks related to Returpack's financial investments. 	<ul style="list-style-type: none"> Investments, raw material and currency hedging according to policy. Monthly reporting of exposure to investment advice. 	Medium	<ul style="list-style-type: none"> Strong business ethics promote future business and development opportunities.

ABOUT THE MATERIALITY ANALYSIS

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 and 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.

MEMBERSHIP & COMMITMENT 2019

Returpack's commitments and collaborations in 2019 are listed below.

SPONSORSHIP

Main sponsor: Svensk Innebandy

SUSTAINABILITY NETWORK

Member: Cleantech Östergötland

Member: CSR East Sweden

Member: Östgöta Challenge

Member: Norrköpings Miljönätverk

Participant: Fossil Free Sweden

Member: Sustainability network Enacts

Member: Motala Ströms

Vattenvårdsförbund

OTHER NETWORKS

Member: Packbridge, including steering group member of Fempack – packaging network that brings together the education sector and industry

Member: Chamber of Commerce of Eastern Sweden

COLLEGES AND UNIVERSITIES

Supervision of project work:

"Life cycle analysis of PET and aluminium", Linköping University

Collaborative research:

Differentiated producer responsibility system for a circular economy, Nov 2018 – May 2019, run by IVL

Collaborative research:

Identification of incentives for sustainable plastic use in the packaging industry, Nov 2019 – March 2020, run by IVL, publication by the Swedish Environmental Protection Agency

EMPLOYER'S ORGANISATION

Member: IKEM – Innovation and Chemical Industries in Sweden.

OTHER

Founders and directorships:

Keep Sweden Clean

Professional development: Samhall

ABOUT THE REPORT



For the third year in a row, Returpack is reporting its sustainability work according to the guidelines for the Global Reporting Initiatives (GRI) Standards, with the Core application level. The report is reviewed in general terms by Returpack's appointed auditors Ernst & Young AB in connection with the annual report.

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, 556218-9117. 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 2,151,525,621 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 up its own key figures for increased recycling in the form of recycling rates for metal cans and PET bottles respectively. The internal objective includes all packages that are registered to the deposit system, i.e. both the packages covered by the ordinance on return systems and those that are optionally registered.

The recycling rate is calculated as the number of returned packages divided by the number of packages sold. The number of returned packages is primarily based on the reading of barcodes in reverse vending machines or reading conducted in Returpack's factory, or alternatively by weighing materials or using a flat-rate. The number of packages sold is based on reported sales from producers and importers. When calculating the recycling rate for metal packaging, the number of imported cans that have been collected and recycled via Returpack is also included in the number of returned packages. Data management takes place in the Pandum business system.

GREENHOUSE GASES

Climate calculations

Returpack's method for measuring and reporting greenhouse gas emissions is based on guidelines set out in the GHG Protocol's Corporate Standard. Returpack uses the control method and applies the financial

control criterion in order to define the organisation's system boundaries and to allocate emissions between different scopes. Emissions are included from Returpack Svenska AB, Returpack-Pet Svenska AB and Returpack-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. Returpack only reports fossil emissions when data for calculating biogenic emissions is not available. The possibility of being able to report biogenic emissions in future will be reviewed.

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

Transport

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

For a small proportion of the deposit packages, Returpack does not arrange for their collection directly from the 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.

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.

CUSTOMER SATISFACTION

Returpack's key figures for customer satisfaction are based on the outcome of a survey of the deposit recipient customer group. The survey is conducted by means of telephone interviews, is aimed at shops fitted with reverse vending machines, and is carried out every two years or as necessary; a 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.

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 by removing 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 legal annual report. The sustainability report contains essential information about the company's work and results in relation to the environment, social conditions and personnel, respect for human rights and anti-corruption.

THE AUDITOR'S STATEMENT REGARDING 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.

INFORMATION	COMMENTS	PAGE
ORGANISATION PROFILE		
102-1	Name of the organisation	5
102-2	Operations, brands, products and services	5-9
102-3	Location of the head office	6
102-4	Countries where the organisation has operations	Returpack conducts its operations in Sweden. 6, 59
102-5	Ownership structure and corporate form	5
102-6	Markets	6-7, 34
102-7	Size of the organisation	5
102-8	Information about employees and other workers	Returpack reports the number of employees as of 31 December in the year in question. Returpack also occasionally hires temporary replacements during holiday periods, primarily in the summer. Returpack has no significant variations in the number of employees over the year. Returpack's transport operations are not carried out in-house, but rather by transport providers. 46, 59
102-9	Description of the company's supply chain	10, 39
102-10	Significant changes during the reporting period in terms of size, structure, ownership or supply chain.	There have been no significant changes in the ownership structure or supply chain during the 2019 financial year. 59
102-11	Application of the precautionary principle	13-14
102-12	Compliance with external initiatives/guidelines	29, 55
102-13	Membership of organisations	55
STRATEGY		
102-14	CEO's statement	4
ETHICS AND INTEGRITY		
102-16	Values, principles and ethical guidelines	8, 14-15
GOVERNANCE		
102-18	Corporate governance	14
STAKEHOLDER INVOLVEMENT		
102-40	List of stakeholder groups	52
102-41	Proportion of employees covered by collective bargaining agreements	All employees are covered by collective bargaining agreements. 59
102-42	Identification and selection of stakeholders	11, 55
102-43	Methods of cooperation with stakeholders	11, 52, 55
102-44	Key topics and issues that have emerged in dialogue with stakeholders	11, 52, 55

INFORMATION	COMMENTS	PAGE
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
<i>Key issues, boundaries, governance and indicators</i>		
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

INFORMATION	COMMENTS	PAGE
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
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Company-specific key figure Product quality, clear PET		The base year for product quality, clear PET, is 2017. 16, 24
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