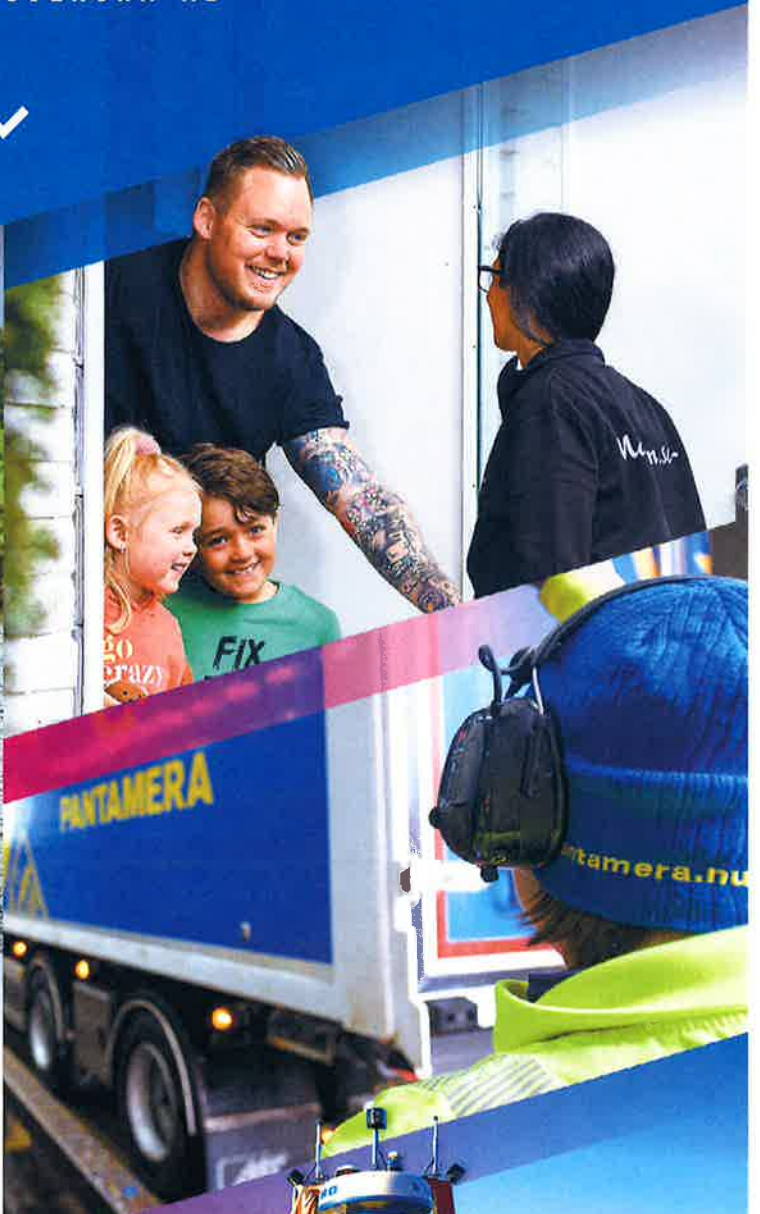
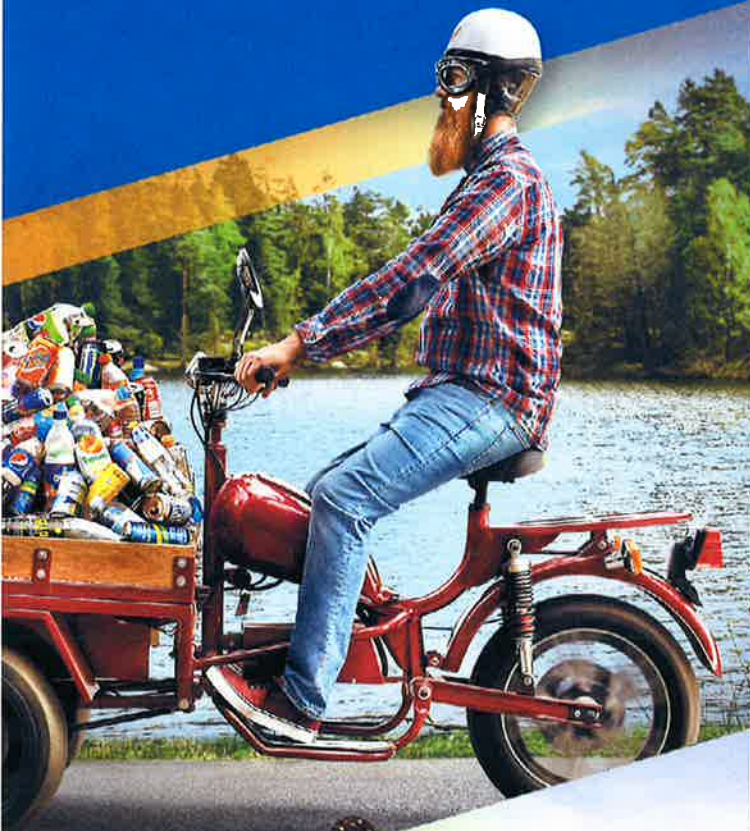




RETURPACK

# SUSTAINABILITY REPORT 2020

RETURPACK SVENSKA AB



# SUSTAINABILITY REPORT 2020

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## ABOUT OUR SUSTAINABILITY REPORT

This sustainability report is a summary of Returnpack Svenska AB's sustainability work during the financial year 1 January – 31 December 2020, and is the third to be reported according to Global Reporting 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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Tel.: +46 (0)11-19 19 68 E-mail: [annelie.niva@returnpack.se](mailto:annelie.niva@returnpack.se)



# CEO'S STATEMENT

*Increased recycling despite a very different year*



Our employees are our most important asset. This is clearer than ever in times like these. During the past year, we have managed to maintain a well-functioning deposit system without interruption, while adapting our business based on the new challenges we have faced. Collection has shifted from events and festivals to camping and more work from home. Our plans for 2020 had to be remade. To an increasing extent, we at Returpack, just like many others, have changed our working methods and introduced home working whenever possible. The health and well-being of employees has always been in focus. In 2020, we were named Sweden's healthiest company. Material recycling and circularity of our collected material has always been in focus at Returpack. The bottles and cans we collect are used in the production of new bottles and cans. This is how we ensure the sustainability of the system and the confidence we have among the public. This can only be achieved through a genuine deposit system. A system that has full control over all bottles and cans sold and collected on the market, which ensures that the bottles and cans sold meet the requirements for recycling, that ensures that the packaging reported actually belong to the system and are collected, and that only sells the packaging collected to materials recovery facilities that use it to make new packaging. This is how a genuine deposit system works, and this is how we manage to save about 180,000 tonnes of CO<sub>2</sub>.

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

**Bengt Lagerman**  
CEO, Returpack

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## OUR MISSION

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

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

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

During the 2020 financial year, Returpack reported net sales of SEK 31 billion, and at the end of the year the company had a total of 73 employees.

The company had a balance sheet total of SEK 993 million, including SEK 405 million in equity.

### HISTORY

The deposit system has been in place for over 35 years. 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 1982, the packaging industry, breweries and the retail sector formed the joint company AB Svenska Returpack. In 1984, the deposit system for cans was launched. 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 2020



**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.

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

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

## Produce 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 percent 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.

### RECYCLING TARGETS

# 90%

NATIONAL



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.



The plastic bottles that are part of the pledge system today almost exclusively PET bottles. The lids are always made of HDPE (high density polyethylene) or PP (polypropylene).

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.

### DEPOSIT AMOUNTS AND PACKAGING



## ARTICLES IN THE DEPOSIT SYSTEM

YEAR	CAN AND PET	OPTIONALLY REGISTERED	TOTAL
2017 >	4 892	80	4 172
2018 >	4 894	179	5 073
2019 >	5 968	262	6 230
2020 >	7 226	341	7 567



## 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 2020, Returpack achieved a recycling rate of 88.1% and a profit margin of -0.6%.

### OUR OVERALL GOALS WILL BE ACHIEVED THROUGH THREE OVERARCHING STRATEGIES

These strategies will support us in our efforts to increase recycling, take responsibility for employees, the environment and society and to continuously develop a deposit system adapted to today's and tomorrow's requirements.

- **Increasing recycling towards our goal** - 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.

- **Sustainable processes** - Sustainability should permeate everything we do. With our second strategy, Sustainable Processes, we are placing particular emphasis on developing resource-efficient and coordinated processes, reducing our environmental impact and being an attractive, inclusive and safe workplace.

- **Develop the deposit system of the future** - We will develop a dynamic deposit system that meets tomorrow's needs. Monitor the outside world and influence legislation and government decisions and be 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 stores with reverse vending machines (RVMs), camping sites with deposit bins, etc., where consumers can return their packages and have their deposit refunded. With the aid of carriers, Returpack ensures that the packages are collected from e.g. the grocery stores, at the same time as Returpack reimburses the stores 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:

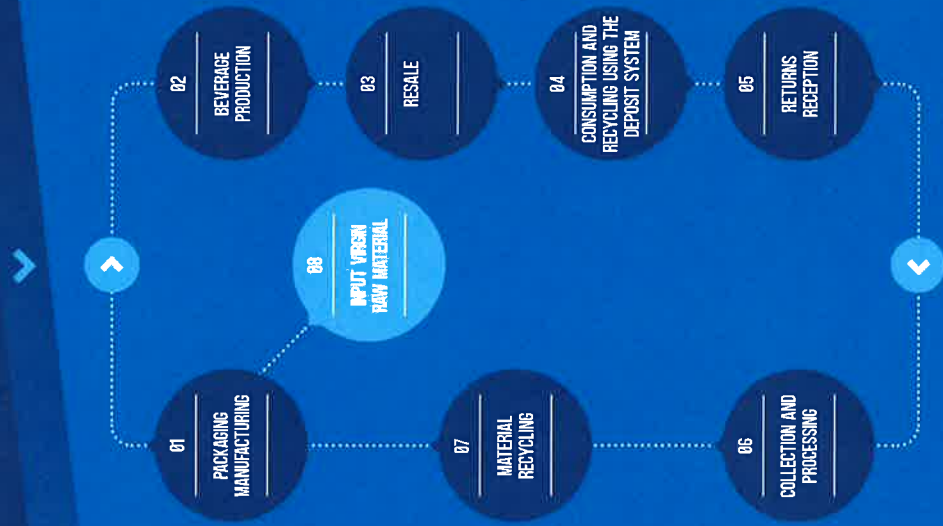
- Sales of recycled material
- Administrative charges from producers and importers

### EXPENSES:

- Reimbursement for handling paid to stores with RVMs etc.
- Transport costs
- Operation of the business, production, 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.



*Returpack's*

# SUSTAINABILITY WORK

Our vision is at the heart of our sustainability work. Our overall strategies will support us in our efforts to increase recycling, take responsibility for employees, the environment and society and to continuously develop a deposit system adapted to today's and tomorrow's requirements. 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, stores with RVMs etc., suppliers, material buyers and employees.

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

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.

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

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

## KEY ISSUES

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

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.

## MATERIALITY ANALYSIS

The purpose of the materiality analysis is to help us identify which sustainability issues are most relevant

## FACTS. VALUE CHAIN

**329** PRODUCERS AND IMPORTERS

**7 567** ARTICLES IN THE DEPOSIT SYSTEM  
(Of which juices: 240 and fruit syrup: 101 = 343)

**3 153** SHOPS WITH REVERSE VENDING MACHINES

**8 872** OTHER COLLECTORS  
(E.g. cafés, restaurants and clubs)

**4 224** REVERSE VENDING MACHINES

**54** PANAMERA EXPRESS AT RECYCLING CENTRES

**30** TRANSPORT PROVIDERS  
Collection of packaging, transporting material

**2.22 BILLION** RECYCLED PACKAGING

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

**45 338 TONNES**  
(Aluminium, clear PET, coloured PET and HDPE for recycling)

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



# AGENDA 2030

Five sustainability goals have been identified that are linked most clearly to our operations, and where our potential to exert influence is greatest. The sustainability work is firmly 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.

## GLOBAL GOALS GUIDE OUR SUSTAINABILITY WORK



### THE GLOBAL GOALS

#### 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 has taken on the Ostgota 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 9 INDUSTRY, INNOVATIONS & INFRASTRUCTURE

Our vision is to develop the existing deposit system and to streamline and facilitate recycling. 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.

#### GOAL 14 LIFE BELOW WATER

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

#### 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

## RISKS AND RISK MANAGEMENT

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

## SIGNIFICANT RISKS AND OPPORTUNITIES

The risk management process is an integral part of our business planning process, involving the regular identification and following-up of the company's overall risks. Risks are normally dealt with in the day-to-day operations and are managed by the manager responsible. Working on the basis of 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 Returnpack's operations in a sustainable manner. The Board of Directors establishes the strategic focus of Returnpack'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.

Returnpack'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 Returnpack 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

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

Returnpack'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 Returnpack's Internal Code of Conduct and Unauthorised

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. Health and safety work is reviewed internally and under regulatory supervision.

## RETURPACK'S POLICIES

Policies and guidelines govern our sustainability work.

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

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

**PRODUCT QUALITY POLICY** describes how Returnpack 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 Returnpack'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.

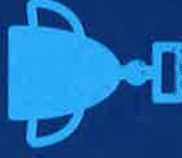
**CODE OF CONDUCT FOR SUPPLIERS** communicates the requirements that Returnpack imposes on its suppliers and their subcontractors regarding labour and human rights, health and safety, the environment and business ethics.

**SPONSORSHIP POLICY** sets out guidelines for how Returnpack 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 Returnpack 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 Returnpack's view of an equal and diversity-oriented workplace and the assumption of responsibility that is incumbent on the business.

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



*Returnpack awarded  
THE BEST BY EDWARDS*

EcoVadis has ranked Returnpack 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 reviewed 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 2020:	87%
OUTCOME	89.1%

### RECYCLING RATE PET



GOAL:	90%
INTERIM GOAL 2018:	85.7%
OUTCOME	85.9%

### PRODUCT QUALITY ALUMINIUM



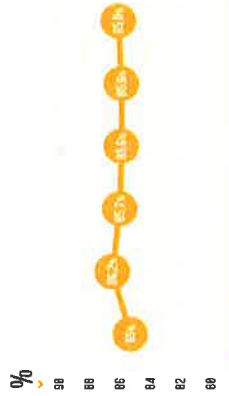
OUTCOME 2019:	0.02%
AGREEMENT:	NOT MORE THAN 15%

### PRODUCT QUALITY CLEAR PET



OUTCOME 2019:	0.3%
AGREEMENT:	NOT MORE THAN 4%

### INCREASED RECYCLING CANS



### INCREASED RECYCLING PET



RECYCLING RATE CANS

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

For 2020, Returpack achieved a total recycling rate of 89.1 per cent, an increase of 3.2 percentage points compared to the previous year. If we exclude the optionally registered products, the recycling rate for 2020 stands at 86.6 per cent.

## CLIMATE & THE ENVIRONMENT

### CLIMATE IMPACT TRANSPORT

Reduction of CO<sub>2</sub> per pack.



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

INTERIM GOAL 2020: Reduce CO<sub>2</sub> per packaging by 90% for transport by compactor vehicles and 80% for long-distance transport. (Reference year 2015).

### CLIMATE IMPACT PLANT

Electricity consumption:



GOAL: REDUCE ENERGY CONSUMPTION. IMPLEMENT ENERGY MAPPING.

INTERIM GOAL 2020: 0.785 MWh/package Follow up greenhouse gas emissions from the plant.

### EMISSIONS OF GREENHOUSE GASES FROM TRANSPORTS

630 TON CO<sub>2</sub>e

### CLIMATE IMPACT BUSINESS TRAVEL

GOAL: FOLLOW UP GREENHOUSE GAS EMISSIONS FROM BUSINESS TRAVEL

11 TON CO<sub>2</sub>e

TOTAL EMISSIONS 2020: 774 TONNES CO<sub>2</sub>e

## BUSINESS RELATIONS

### CUSTOMER SATISFACTION STORE



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

7-POINT SCALE, WITH 7 BEING THE BEST

GOAL: SATISFIED CUSTOMERS

INTERIM GOAL 2018: CSI shop, overall perception of Returpack, the same good result as in the previous measurement.

## SOCIETY

IN 2020:

91

FLOORBALL CLUBS

HAVE JOINTLY COLLECTED:

637842

CANS AND BOTTLES

## EMPLOYEES

### HEALTH & SAFETY OUTCOME



**GOAL:**  
NO WORKPLACE ACCIDENTS AT LEAST PER RISK OBSERVATIONS  
SHORT-TERM SICK LEAVE ≤ 2%

### 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



### OF EMPLOYEES

**GOAL:** All employees must have an annual follow-up in the form of a staff appraisal and a development plan.

### REPORTED INCIDENTS

**GOAL:** NO CORRUPTION INCIDENTS

### REPORTED CASES

**GOAL:** NO DISCRIMINATION CASES

### EMPLOYEE INDEX OUTCOME



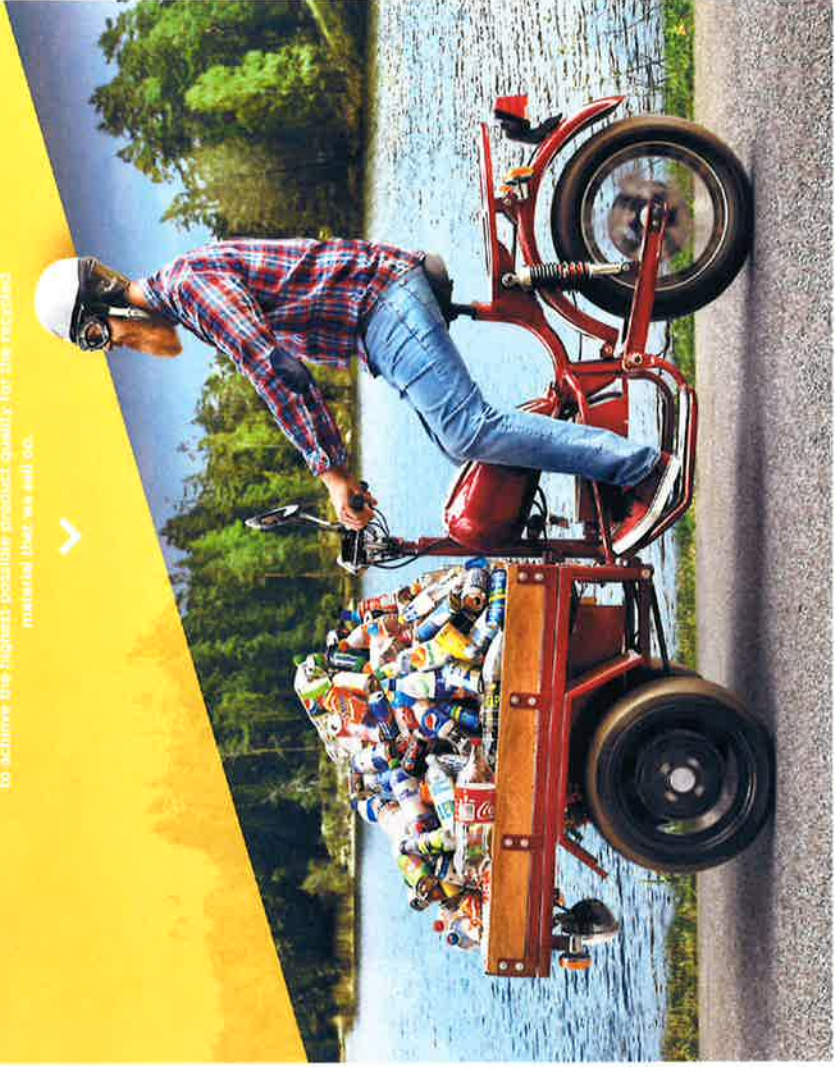
Employee surveys are conducted every two years. Between 2017 and 2019, the company changed its business partner for employee surveys, with the result that direct comparisons are not possible. The next employee survey will be conducted in 2021.



# 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 relies on 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. Simultaneously reminding people to use the deposit system through > we also need to provide them with an accessible and simple deposit system. We will also demonstrate the importance of keeping our fleet 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 AND DEPOSIT STATISTICS

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

The year 2020 was a different year, also for our deposit system. It turns out that depositing has increased more than usual in most parts of the country, while the number of deposited cans and bottles has decreased in other parts where cross-border trade is usually significant. The corona pandemic is a likely explanation for the changed usage pattern for the system. Returnpack's total recycling for 2020 amounted to 88.1 per cent, an increase of 3.2 percentage points compared to the previous year. 2020 was also a record year in terms of volume, as we received more than 2.2 billion recycled packages in our facility.

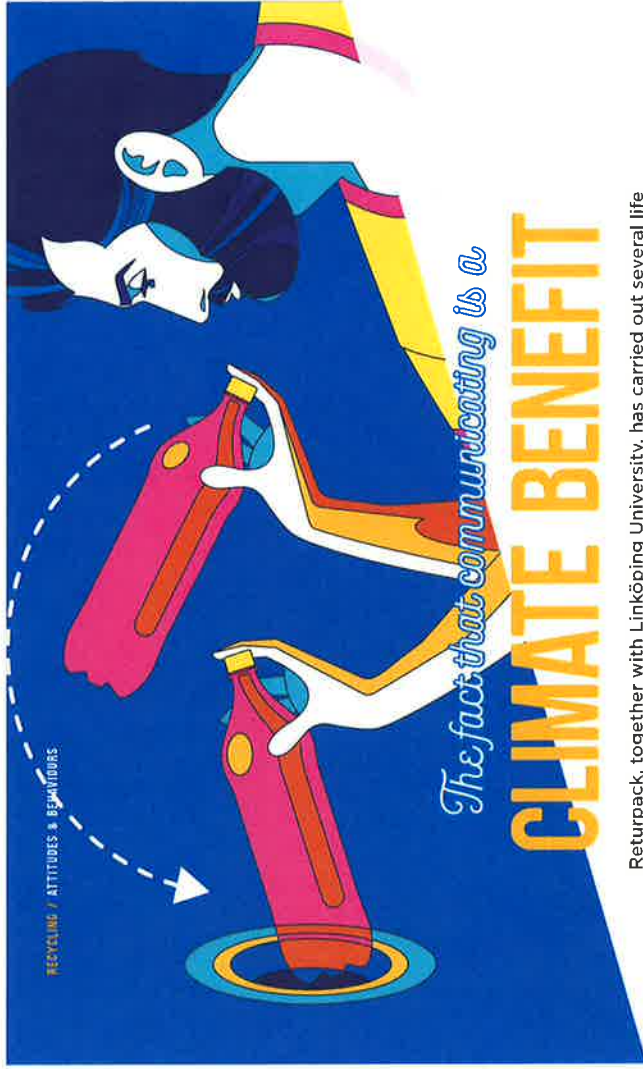
"We see an increase over almost the entire country with the exception of Värmland, Jämtland, Västra Götaland and Norrbotten. These are counties that usually have large-scale cross-border trade and that were strongly affected when Norway closed its border with Sweden in March. Since then, Norwegians have not been able to shop or use the system in Sweden with the exception of a few weeks during the summer," says Katarina Lundell, communications manager at Returnpack/Pantamera.

"Since March, when the border between Norway and Sweden closed, deposits from cross-border trade decreased by 67 percent. Even if all the cans and bottles which are normally sold to Norway, do not return to our Swedish deposit system, usage is affected by the cessation of border trading," says Katarina Lundell.

### WE CURRENTLY SUBMIT



NATIONAL RECYCLING TARGETS 80% 90%



Returnpack, together with Linköping University, has carried out several life cycle analyses to investigate the environmental impact of aluminium and PET packaging and to investigate the differences between how the 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. But how do you make these facts available? During 2020, we chose to communicate the environmental benefits of the deposit system, partly through our overall marketing communication, and partly through a targeted effort on Instagram.

#### SWEDEN'S SMALLEST CLIMATE MOVEMENT

Since 1984, through Pantamera, we have reminded consumers to use the deposit system, often with captivating music and humour. And consumers have been good at catching on, using the deposit system has become a bit of a climate movement in Sweden. With the new advertising concept "Sweden's smallest climate movement", we highlight the great climate benefit

created by the small movement required to put a can or bottle in the deposit machine.

Every time you use the system, you save some CO2 and over time the savings become enormous. During the 2020 collector year, all deposits made in Sweden corresponded to a CO2 saving of approximately 180,000 tonnes. Since the deposit system was introduced, we have submitted over 42 billion cans and bottles.

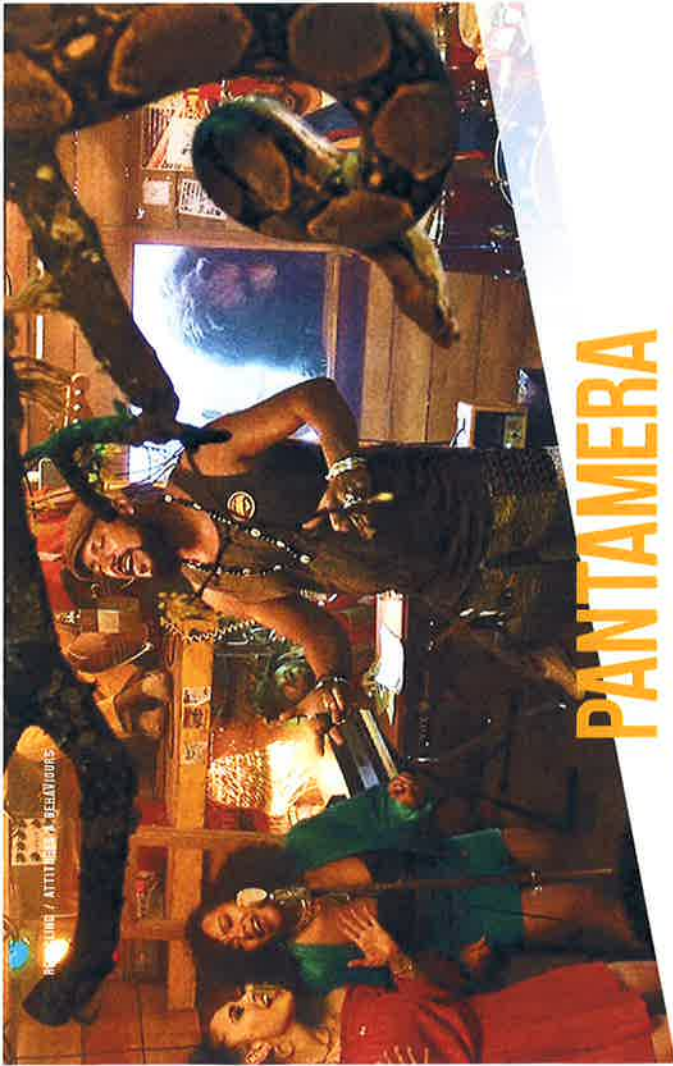
"We use the deposit system more and more in Sweden every year and in fact Pantamera is perhaps one of the country's largest climate movements which means an enormous climate benefit. In the new campaign, we have a bit of fun with the bodily movement: only a very small movement is needed to put the can or bottle in the deposit machine."



#### THE WORLD'S LEADING COUNTRY FOR RECYCLING CANS AND BOTTLES

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





# PANTAMERA WITH KALIFFA

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

Our challenge is to get everyone to always return all their packaging. And Sweden is one of the best in the world when it comes to recycling. 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.

"For us, it is important to put our message across in places where people actually are, although without intruding. We want to promote a positive feeling about recycling, where music can play a big role," says Katarina Lundell, marketing and communications manager for Pantamera at Returpack.

World citizen Kaliffa was responsible for the 2020 version of the now classic Pantamera song and his interpretation became a real Afrobeat hit.

## HOW WE GET MORE PEOPLE TO USE THE DEPOSIT SYSTEM

- Increase accessibility and simplify the deposit system
- Influence attitudes and behaviour to encourage the use of the system, particularly in young adults

## REVISING / INCREASED ACCESSIBILITY

### PANTAMERA WITH ESPORTS

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 2020, when all major physical events, such as DreamHack, had to be cancelled, we chose to reorganise. During the year, we instead recorded eight talk shows with our hosts, the two well-known YouTubers and streamers Samuel "SampeV2" Strongegger and Yacine "yzi" Laghamri to increase commitment to the collection system to benefit Musikhjälpen.



## USING THE DEPOSIT SYSTEM OUTDOORS IS POPULAR

Statistics show that more consumers chose to deposit their cans and bottles in the Pantamera Express machines in 2020. These are reverse vending machines that are located outdoors and where you can submit a large amount of packaging at the same time.

"Our Pantamera Express machines are found at recycling centres. We know that pressure on these has increased in connection with the corona pandemic, as many people have spent more time renovating and clearing out their storage rooms. At the same time, they have taken the opportunity to bring their cans and bottles and submit them outdoors," says Carita Classon, product manager for Pantamera Express at Returpack.

## FACTS ABOUT PANTAMERA EXPRESS

90 million packages were collected via Pantamera Express in 2020. This is an increase of around 30 million packages from the previous year.

In 2020, 9 new reverse vending machines were installed and 2 were replaced. Use of the deposit system has increased significantly during the year - it grew by 55 percent compared to 2019.

## PRODUCT QUALITY

The agreements that we at Returpack have entered into with our material buyers contain various limits as regards what the material 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 2020 was **0.02%** for aluminium and **0.2%** 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.

*the can & the bottles cycle*





# DESIGN FOR RECYCLING



All packaging that is approved in the system must be able to be recycled; that is the basis of the circular deposit system. This means that strict demands are placed on the packaging from the very beginning.

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

**CLOSE COLLABORATION WITH PRODUCERS AND IMPORTERS**

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

**WHY IS THIS IMPORTANT?**

"The producers have a dual role in the deposit system: they put the products with a deposit on the market

and they buy back the recycled material. For them, it is important that their packaging is recyclable so that they can buy back high-quality recycled materials and use them in new bottles. Today, about 50 percent of recycled plastic is found in most PET beverage bottles, while the recycled plate for cans can be used directly for new cans and, the proportion of recycled material in aluminium cans is even higher.

**TESTING NEW PRODUCTS ENSURING GOOD PRODUCT QUALITY**

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



# CLIMATE & THE ENVIRONMENT

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

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





*Four life cycle analyses in three years*

## CREATE VALUABLE INSIGHTS

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

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

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

The difference in environmental impact was then compared if a used PET bottle or can was thrown in the household rubbish, in the plastic and metal recycling, or if it was submitted to the deposit system. Environmental impact was measured in four categories: global warming measured in CO<sub>2</sub> equivalents, eutrophication, acidification and ground-level ozone. The result was clear and showed that the least emissions are generated by using the deposit system. Almost twice as much carbon dioxide is saved by using the deposit system compared to sorting them into plastic and metal recycling and more than three times as much as if they were thrown in the household rubbish and incinerated," Sara explains.

### WHAT PART OF THE PACKAGING LIFE CYCLE HAS THE GREATEST ENVIRONMENTAL IMPACT?

The following two life cycle analyses carried out in 2019 looked at a larger part of the life cycle of packaging. It also included the production of virgin material and the manufacture of the packaging. The parts

that were excluded were the influence of the beverage producers and until the consumer disposed of the packaging. The purpose here was to find out where in the packaging life cycle the greatest environmental impact occurs.

Following these analyses, we were able to conclude that the part of the life cycle that creates the greatest emissions when it comes to the can is the extraction of aluminium and surface treatment. And when it comes to the PET bottle, it is the production of the PET material and the blow moulding that generates the most emissions. These parts of the process are beyond our control at Returpack. But it also means that there is a great environmental benefit when we increase the recycled material that can be used in the production of new packaging and thus can avoid the production of virgin material through the deposit system," says Sara.

### LARGER PACKAGES HAVE A LOWER CLIMATE IMPACT

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

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

While the glass bottle has the greatest impact on the environment, the other three materials have an equivalent total environmental impact. At the same time, the study determined that if material recycling increases, the environmental impact is reduced, regardless of which of the four materials the packaging is made of. The PET bottle is the packaging that has the greatest potential for improvement through recycling, as a lot of emissions occur when PET is incinerated.

The study also showed that the larger the packaging,

Almost twice as much carbon dioxide is saved by using the deposit system compared to sorting into plastic and metal recycling, and more than three times as much CO<sub>2</sub> is saved compared to throwing cans and bottles in the household rubbish for them to be incinerated.

the lower the climate impact, which is logical because less material is needed per litre of beverage. When it comes to PET, aluminium and liquid cardboard, they are basically equal. In addition, it determined that all four packaging materials have a reduced environmental impact at higher collection and material recycling levels, which shows that the packaging materials have a value that should be greater used", says Sara.

### INSIGHTS TO MANAGE THE BUSINESS

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

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

	2016	2017	2018	2019	2020
<b>RECYCLED MATERIALS</b>					
ALUMINIUM	16 361 TONNES	16 740 TONNES	16 356 TONNES	19 870 TONNES	20 993 TONNES
CLEAR PET	16 555 TONNES	16 515 TONNES	17 822 TONNES	21 077 TONNES	21 246 TONNES
COLOURED PET	3 990 TONNES	3 767 TONNES	4 539 TONNES	2 167 TONNES	1 665 TONNES
LID MATERIAL	-	-	1 354 TONNES	1 377 TONNES	1 418 TONNES
HOPE	-	-	-	-	16 TONNES



## REDUCED CLIMATE IMPACT

During 2020, 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 bio-gas. All electricity used at Returpack has been supplied from renewable energy sources for many years.

### SOLAR PANELS AND ENERGY MAPPING

In 2020, we began the installation of solar panels at our facility so that our own solar electricity can be produced and used in our own operations. In this way,

the electricity that we have previously purchased is freed up for the benefit of someone else. During the year, we have also conducted energy mapping and energy efficiency measures in order to further minimise and streamline our operations.

Returpack carbon offsets the greenhouse gas emissions that are presented in the climate calculation on page 32. The calculation of our climate impact encompasses both indirect and direct activity-related emissions in the three scopes. The most significant climate impact remains in Scope 3, i.e. other indirect emissions, and is primarily related to the company's transport operations. We see a reduction in greenhouse gas emissions in all scopes in 2020.

**IN 2020, THE DEPOSIT SYSTEM PRODUCED 180 000 TONNES A TOTAL SAVING EQUIVALENT TO APPROX.**



## OUR LOGISTICS PLANNING PROVIDES SMART SOLUTIONS

### EFFICIENT RETURNS RECEPTION IN THE FACTORY

Our regular deliveries of returns to the factory mean that, for much of the year, we can move from two shifts to one extended 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. The agreements are followed up regularly.

### 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, the bale sizes are based on the design of the train carriage. Loading smaller bales on top allows us to fill the carriages right to the top.

## ELECTRICITY CONSUMPTION RETURPACK'S PLANT

A total of 1,597,891 kWh of electricity were consumed at the plant in 2020, an increase of 1,2% from the previous year. The decrease is due to interruptions associated with the redevelopment of the cork processing plant.



## 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.



### TOTAL ELECTRICITY CONSUMPTION KWH

2016	>	1 287 939
2017	>	1 262 127
2018	>	1 469 836
2019	>	1 618 103
2020	>	1 597 891

### ELECTRICITY CONSUMPTION /PACKAGING W/PACKAGE

2016	>	0.73
2017	>	0.69
2018	>	0.72
2019	>	0.75
2020	>	0.72

### NUMBER PACKAGES BILLION PACKAGES

2016	>	1.77
2017	>	1.86
2018	>	2.05
2019	>	2.15
2020	>	2.22

As of 2018, we report electricity consumption including the cork processing facility installed in 2017.



*The journey towards*

## 100% FOSSIL FREE CONTINUES

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

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

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

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

In December 2015, the first HVO shipments were rolled out. But then the challenge was that there was nowhere to refuel with HVO so a collaboration was initiated with Ener-

gifabriken which approached the hauliers in question. The following year, HVO became available to the public and is now available across virtually the entire country. The climate challenge of fossil-free transport in 2017. Returnpack was one of the first companies to write about Fossil-free Sweden's challenge of fossil-free transport by 2030. But our CEO Bengt Lagerman did not want to stop there; he further increased the pace and changed the year for the target to be reached to 2025.

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

Next step - compressed and liquid biogas 90 percent of all fuel for Returnpack's transport, in litres, is currently HVO. Some RME and biogas is also used. But since the latest major transport procurement was made, other techniques have been developed,

"HVO will continue to be important for quite some time to come. But we have taken the next step in the transition and will be switching technologies in some regions



as early as next year. There we have chosen compressed and liquid biogas; so-called CBG and LBG. In Stockholm, eight vehicles running on compressed gas will be put into service in June and later in 2021 another four vehicles will be introduced in Gothenburg.

### A VARIETY OF FUELS AND TECHNOLOGIES

Marie and her colleagues in the logistics department monitor the latest developments around the world, where there is currently a lot of focus on electricity and hydrogen. They are active in Fossil Free Sweden and the Ostgöta Challenge and have agreed to participate in Eon's project on electric roads for heavy transport.

"The interest in and knowledge of fuels and new technology has exploded in recent years and very exciting developments are taking place. Electricity is of course a technology we give a lot of attention, but so far it only works for shorter distances. I find the most interesting new fuel is hydrogen gas - a fuel that only emits water vapour. But it takes too much

energy to produce hydrogen and the vehicles have yet to be developed. I do not think there will be a single fuel in the future, we will have a variety of many different fuels depending on availability and area of use," she concludes.

### FACTS TRANSPORT FLOWS

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.

26  
INTERMEDIATE  
WAREHOUSES

17  
TRAN-  
SPORTERS

49  
2 COMPARTMENT  
VEHICLES

21 COLLECTION AREAS

1 535 744  
AMOUNTS OF BINS WERE HANDLED AT  
293 252  
COLLECTION ROUNDS

CO<sub>2</sub> LONG DISTANCE  
VEHICLE  
GOAL → -88% NOT BIAS 2015  
OUTCOME → -85.5%

CO<sub>2</sub> COMPARTMENT VEHICLES  
GOAL → -89% NOT BIAS 2015  
OUTCOME → -90.2%

FACTS BULK GOODS FLOWS  
14 452  
AMOUNTS OF ROUTES WERE MADE

3 492 770  
KM WERE DRIVEN

APPROXIMATELY THAT IS  
85 ROUNDS  
AROUND THE EARTH



# 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 (CO<sub>2</sub>e). The table below shows the distribution between the scopes.

EMISSIONS PER SCOPE	2017	2018	2019	2020
SCOPE 1	1	2	1	1
SCOPE 2	330	527	228	133
SCOPE 3	931	902	797	640
TOTAL EMISSIONS	1 262	1 431	1 026	774

## 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 sub-categories in order thereby to provide ourselves with a good foundation for follow-up and improvement work.

EMISSIONS PER CATEGORY	2017	2018	2019	2020
TRANSPORT	917	878	778	630
THE PLANT	330	527	228	133
BUSINESS TRAVEL	15	26	21	11
TOTAL EMISSIONS	1 262	1 431	1 026	774

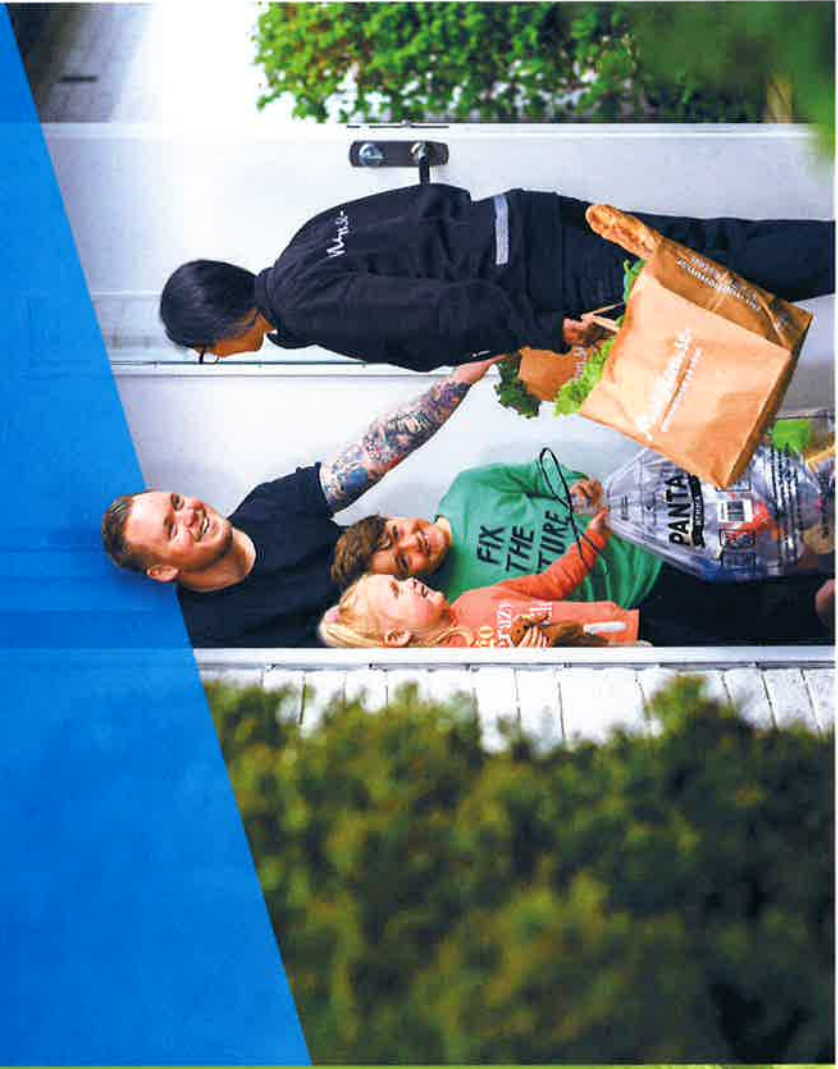
The reference year for our climate calculations is 2017.



# 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 DEPOSIT SYSTEM AND THE RECYCLING PROCESS.

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





## CUSTOMERS

At Retursystem, we divide our customers into four different categories: recyclers, stores with reverse vending machines etc., producers & importers and material buyers.



### RECYCLERS

All those who return their cans and bottles.



### STORES WITH RVMS ETC.

Stores with RVMs etc. include 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

On October 8, it was time to hand out the Sustainability Initiative of the Year award at the Grocery Gala, a category that Pantamera/Returpack took over in 2019 together with Svenska Retursystem. This year's winner was the Food of the Future project, which is run by the Axfoundation. This year's Grocery Gala was a completely digital event.

To further draw attention to this year's fantastic finalists, Pantamera and Svenska Retursystem hosted a digital seminar in November starring Madeleine Linins Mörrner from Axfoundation together with the other finalists in the category - the research team of Helén Williams and Fredrik Wikström and Ekotipset author Ellinor Strén. 2019's winner Lidö also participated in the seminar.

### ABOUT THE GROCERY GALA

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

### JUSTIFICATION

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

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



## Deposit store OF THE YEAR NOMINATED

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

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

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

### THIS YEAR'S WINNERS ARE:

- **#MINMATBUTIK I BORLÄNGE**  
The Smartest Deposit Store of the Year
- **ICA NÅRA SÄLLNÅS**  
Most Personal Deposit Store of the Year
- **MAXI ICA STORMARKNAD UNIVERSITETET**  
Most Maxed-out Deposit Store of the Year
- **MAXI ICA STORMARKNAD LINKÖPING**  
Peepiest Deposit Store of the Year
- **COOP SIMRISHAMN**  
Most Diligent Deposit Store of the Year

### YOUNG RECYCLERS

We know from our research that young adults - 16-29 years - state that they consume more drinks than average and that they use the deposit system less than the average. We need to influence the young to believe that it is important to use the deposit system, while also being present in the places where they are.

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

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





## 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 material 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: CONSTELLUM, NOVELIS, VEOLIA PET SWEDISH AB AND AXJO.**

*The club concept*

## OUR WAY OF SUPPORTING CLUBS AND ASSOCIATIONS

All non-profit organisations can register free of charge for our club concept and earn money from returns. Club customers submit full bags of packaging at one of our drop-off points, where they receive a refund of SEK 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.

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

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

CLUBS  
2020

NUMBER OF CLUBS THAT PARTICIPATED IN THE FREEING-

TOTAL NUMBER OF PACKAGES COLLECTED

2 256

18 243 448

## A number of products are registered TO THE DEPOSIT SYSTEM

The producers and importers who have joined our Swedish deposit system ensure that their packaging meets a number of stringent requirements in order to 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

### 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	11%
2016	10 365 405	3 015 317	29%
2017	15 148 967	9 091 413	60%
2018	18 995 694	12 378 589	65%
2019	19 839 239	14 139 187	71%
2020	21 730 919	16 885 341	78%

JUICE	QTY SOLD, PCS	QTY RECYCLED, PCS	RECYCLING RATE
2018	8 798 428	4 309 685	49%
2019	19 446 132	11 839 447	61%
2020	35 335 738	21 588 410	61%

MADE GROWTH IN AGE PRODUCTS IN 2020





# 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.



## Facts

### SUPPLIERS & PURCHASING

RETURPACK HAS A TOTAL OF APPROX.:

**685** ACTIVE SUPPLIERS

PURCHASING GOODS & SERVICES:

**SEK 387** MILLION

TRANSPORT & LOGISTICS SERVICES:

**52%** OF SEK 387 MILLION

INFORMATION & MARKETING:

**19%** OF SEK 387 MILLION

PRODUCTION MACHINES & REVERSE VENDING MACHINES:

**14%** OF SEK 387 MILLION



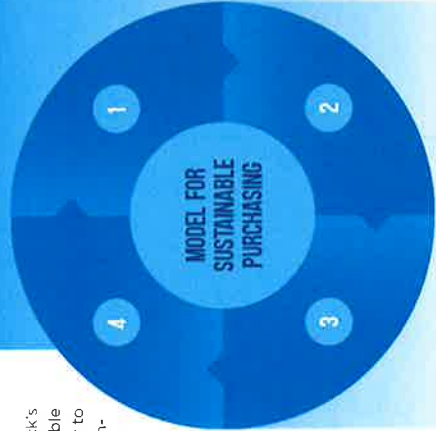
## SUSTAINABLE PURCHASING

**OUR MODEL AND CODE OF CONDUCT**  
Our model for sustainable purchasing, along with our Supplier Code of Conduct, is fundamental for our cooperation with our suppliers. The sustainable purchasing model is used to quality-assure our purchasing activities. The model describes the processes and the demands we place on ourselves internally and on our suppliers externally. As the model is relatively new, we still have work to do with the suppliers that has not yet been implemented. We are constantly working to develop our supplier collaborations and to have an updated supplier base. In 2020, we reduced our supplier base by 28 percent.

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

### PURCHASING

A purchasing manager is responsible for 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. In 2020, we acquired a new purchasing and order system that will be implemented on a small scale in 2021.



- 1. SPECIFY EXPECTATIONS**
  - 2. ASSESSMENT OF RISKS & IMPACT**
  - 3. ENGAGE SUPPLIERS**
  - 4. EVALUATE & REPORT**
- > PRODUCT-SPECIFIC REQUIREMENTS
  - > BASIC REQUIREMENTS
  - > CODE OF CONDUCT
  - > SELF-EVALUATION
  - > AGREEMENT
  - > SUPPLIER EVALUATION & FOLLOW-UP
  - > KEY FIGURES & REPORTING



## A SAFE WORKING ENVIRONMENT

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

### EMPLOYEES IN NUMBERS

73

NUMBER OF EMPLOYEES

79/21%

SALARIED EMPLOYEES (80)/  
EMPLOYED UNDER COLLECTIVE  
BARGAINING AGREEMENT (10)

2,8%

SICK LEAVE  
TOTAL

44

AVERAGE AGE

56/44%

MEN (60)  
/WOMEN (32)

### SICK LEAVE

	2016	2017	2018	2019	2020
Sick leave, total, %	3,1	3,9	4,1	3,7	2,8
Men	2,1	3,1	2,1	1,9	2,0
Women	4,3	4,6	6,2	5,7	3,6
Sick leave, short-term, %	1,7	1,6	1,8	1,5	1,8
Men	1,7	1,8	1,9	1,5	1,7
Women	1,8	1,3	1,6	1,7	2,0

### ACCIDENTS & INCIDENTS

	2016	2017	2018	2019	2020
Accidents at work	2	0	5	2	6*
Incidents	46	104	105	54	41
Risk observations	-	-	-	109	119

\*One of which entailed sickness absence.



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 Kurvans 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 deci-

sions that lie outside of the budget and the business plan are adopted.

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

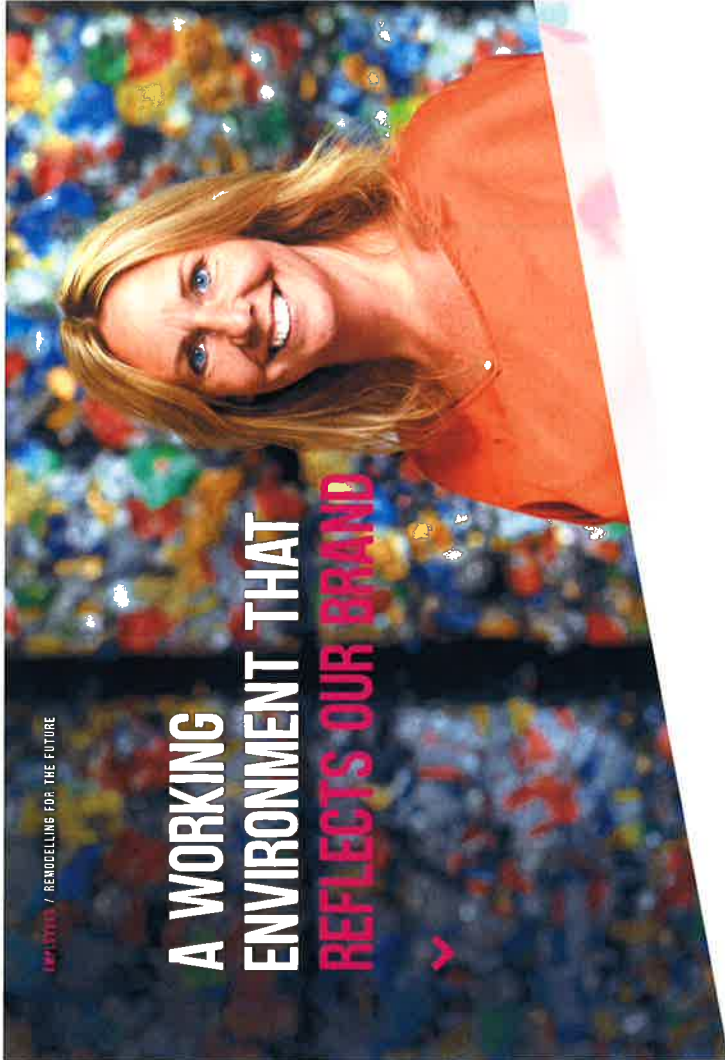
### ACCIDENTS AT WORK

	TYPE/NUMBER	RETURPACK	TYPE/NUMBER	CONTRACTORS
Fatalities due to work		0		0
Serious accidents at work (not fatalities)		0		0
Total number of accidents involving personal injuries		6*		0
Main types of injuries		Falling objects, crush injury, stretching, slipping		-
Total hours worked		127,652		17,344

\*One of which entailed sick leave.



# A WORKING ENVIRONMENT THAT REFLECTS OUR BRAND



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

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

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

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

In November 2019, Nina Vogel was hired from technical consultancy company Reijers as project manager for the remodelling. Nina's task is to take the project from

start to finish at the right price, at the right time and with the right quality. She has spent a large proportion of her working hours at Returnpack over the past year.

Initially, the aim was to be able to meet requirements through the redevelopment of existing premises. But Nina soon realised that it would be difficult to meet the requirements set without expansion.

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



## SUSTAINABILITY HAS PERMEATED THE ENTIRE PROJECT

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

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

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

## ABOUT THE REMODELLING PROJECT

Returnpack's ambition has been to reuse everything possible - it's in the company's nature.

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

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

## 2021 WILL ALSO BE A DIFFERENT YEAR

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

"The pandemic has not affected our future need for larger premises, although we may continue to work from home at times. During this period, many of us have realised the importance of cooperation and the exchanges we have with each other when we meet in real life. However, we have done some rethinking, for example in the design of the new dining room, to ensure that it does not get too crowded in some areas. We have also added hand-washing facilities at our coffee machines. The new premises will also be more airy, so it will be easier to keep your distance," says Ulrika.

In early December, half the office staff moved to temporary office space within walking distance of Returnpack. The plan is that everything will be ready for occupancy in the new premises in December 2021.







## LEADERSHIP DEVELOPMENT

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

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

During the autumn, it is planned that management development will continue in four blocks with a focus on sustainable leadership, communication and innovation. The goal is for all managers at Returnpack, regard-

less of experience and skill level, to learn something new about themselves and their leadership. They feel secure in the leadership role and have acquired both knowledge and tools to create conditions for motivation and commitment among Returnpack's employees. In addition, all managers have begun the journey to increase Returnpack's innovative power.

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

### > ABOUT LEADERSHIP DEVELOPMENT

The working environment is a compulsory part



## RETURNPACK RAISES AWARENESS ABOUT ITS SAFETY CULTURE

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

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

## A GOOD WORKING ENVIRONMENT RESULTS IN

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



## Sweden's HEALTHIEST COMPANY

For many years, Returnpack has worked to put employees in focus. It is an important and obvious part of the company's sustainability mission. And it paid off when in the spring of 2020 Returnpack won the Sweden's Healthiest Company award.

"Winning this award when we are in the middle in a pandemic can feel a little strange. But it is proof that our long-term work on environmental sustainability in all areas has yielded results. For us, employee well-being, commitment and social sustainability are a very important part of sustainability work. Having employees who feel good, are healthy, committed and happy at work is an important reason why we in Sweden have one of the world's best deposit systems," says Bengt Lagerman, CEO of Returnpack.

### > RETURNPACK'S OCCUPATIONAL HEALTH SERVICE

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

## COMPETENCE PLANNING

Before 2020, a number of business-critical focus areas were identified for the organization to continue working on in the coming years. On the basis of the focus areas, a competency survey was conducted at departmental level with gap analysis to identify possible competency development requirements. The results of the survey have been included in a number of activities in the 2021-2023 business plan and are included in the company's competence development plan. In 2021, development days will focus on sustainability and diversity. Competence

development initiatives will primarily be implemented in project management, innovation and leadership. In the next few years, Returnpack will also focus on further developing analytical ability in a number of business areas and continue to improve and clarify processes regarding current external monitoring, innovation and project management. In 2021, system support, for identification of competence development and training needs, will also be implemented to facilitate Returnpack's future competence supply.



## 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 percent at all levels over time. The overall gender balance at the end of 2020 is even, with 56 percent men and 44 percent women. Similarly, we see an even distribution between men and women among salaried employees. When it comes to blue-collar workers, however, the distribution is not as even, with 85% of these employees being men. At the end of the year, the management team consisted of three women and one man.



### TRAINING AND SKILLS DEVELOPMENT

We are working to constantly raise the 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.

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

### BUSINESS ETHICS AND ANTI-CORRUPTION

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 2020.

### INTRODUCTION OF NEW EMPLOYEES

During 2020, we have strengthened our organisation with additional expertise in the fields of IT, customer service, logistics and production. All new employees at 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, including on the working environment.

TOTAL NUMBER OF EMPLOYEES	2016		2017		2018		2019		2020	
	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	64	45%	63	46%	68	49%	68	46%	73	44%
➤ Of which full-time	64	45%	63	46%	68	49%	68	46%	73	44%
➤ Of which part-time	0	0%	0	0%	0	0%	0	0%	0	0%
Number of fixed-term employees	0	0%	2	50%	2	50%	1	100%	2	50%
Number of employees	64	45%	65	46%	70	49%	69	46%	75	44%

Key figures and indicators regarding the number of employees refer to 31 December in the year in question.



# 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.







## A different winter AND SUMMERSEASON

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

"In a normal summer season we are present at concerts, festivals, city parties and other events to remind people to use the deposit system. This year, basically all of those types of events were cancelled. We then decided that instead of just cancelling we would reorganise and invested in being visible at camping facilities and marinas and collecting the guests' returns," says Carita Classon, product manager for Pantamera at Returnpack.



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

## Deposit money to MUSIKHJÄLPEN

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

"It is easy to think that a small can or bottle does not make much difference. But we received over SEK 140,000 through the fundraising activity for Musikhjälpen," says Rickard Andersson, strategic marketing manager at Pantamera and project manager for the initiatives related to Musikhjälpen week.

The fundraising for Musikhjälpen was carried out partly on-site in Norrköping, and partly by a majority of the Pantamera Express vending machines around the resetting their donation buttons in favour of Musikhjälpen during the week. The fundraiser gave a total of SEK 144,290 to Musikhjälpen.



## NEW DEPOSIT STATION OPENS IN NORRKÖPING CITY

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

The deposit station is unmanned and payment is made via a cash machine in the room where you scan your deposit receipt.

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## Sponsorship & Fundraising COLLABORATIONS

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

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



## Collaboration

## S WITH STUDENTS

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





## For the 15th year running we PRIZES FOR PANTRESAN

Despite a different year, interest in the environmental and climate issue has remained high among the country's school children. During the year, the competition has also become even more digitally adapted to be able to meet the new needs for teaching at home. The first prize in the autumn round of Pantresan went to Lindbacka Grundsarskola in Lindesberg.

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

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

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

PARTICIPATING CLASSES 2020: **856 SCHOOL CLASSES**  
 PARTICIPANTS SINCE THE START: **MORE THAN 100,000 STUDENTS**

# CHILDREN & YOUNG PEOPLE

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

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

We consider that it is important for young people

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

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



## Main sponsor for SVENSK INNEBANDY

Returpack har varit huvudsponsor till Svenska Innebandyförbundet (SIBF) sedan 2015. Samarbetet har bland annat omfattat exponering hos landslagen och i arenor, framtagande av hemsidor med tips och tricks, Fair Play-utmärkelser, samt de senaste samarbetena kring Schyssat Spel och Schyssat Lag.

In 2020, the agreement was extended by another three years and also involves the Swedish Super League Association (FSSL).

"Swedish floorball stands for basic values that are also important to us. The collaboration has always been successful and we have managed to reach the right target groups with our messages," says Bengt Lagerman, CEO of Returpack.

All over the country, there are now floorball associations connected to our association concept, all



making a contribution to the environment at the same time as they bring in some extra cash for the club fund. During 2020, 91 of Sweden's floorball clubs collected 637,842 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.



# OVERVIEW STAKEHOLDER DIALOGUE

STAKEHOLDER GROUP	CHANNELS FOR DIALOGUE	ISSUES RAISED DURING DIALOGUE	OUR RESPONSE
<b>Authorities</b>	<ul style="list-style-type: none"> <li>Ongoing dialogue if necessary</li> <li>Annual state-of-play meetings</li> </ul>	<ul style="list-style-type: none"> <li>Recycling rate</li> <li>Development of the deposit system</li> <li>Follow-up and inspection by public authorities</li> </ul>	<p>Read more about increased recycling, page 19, and about optional registration, page 37.</p>
<b>Owners</b>	<ul style="list-style-type: none"> <li>Ongoing dialogue</li> <li>Board and strategy meetings</li> </ul>	<ul style="list-style-type: none"> <li>Recycling rate</li> <li>Financial stability</li> <li>Development of the deposit</li> </ul>	<p>Read more about increased recycling, page 19, and about optional registration, page 37.</p>
<b>Recyclers Customer group</b>	<ul style="list-style-type: none"> <li>Customer services</li> <li>Social media</li> <li>Website</li> <li>Consumer survey at least every two years - (2021: attitudes towards using deposit system)</li> <li>Other surveys (2020: Youth Barometer)</li> </ul>	<ul style="list-style-type: none"> <li>Which packages are included in the deposit system</li> <li>Availability of reverse vending machines and hygiene</li> <li>Payment solutions</li> <li>Deposit amounts</li> <li>The environmental benefit of the deposit system</li> </ul>	<p>Read more about cooperation with customers, page 34.</p>
<b>Producers and importers Customer group</b>	<ul style="list-style-type: none"> <li>Customer service and account managers</li> <li>Website</li> <li>Web portal - producer web</li> <li>Customer survey (2018: satisfied customer)</li> <li>Visits and meetings</li> </ul>	<ul style="list-style-type: none"> <li>Packaging requirements</li> <li>Contractual terms</li> <li>Material development</li> <li>Recycling rate</li> <li>Expanding the deposit system</li> </ul>	<p>Read more about product quality, page 24, and about optional registration, page 37.</p>
<b>Stores with RVMs etc. Customer group</b>	<ul style="list-style-type: none"> <li>Customer services</li> <li>Website</li> <li>Web portal - customer web</li> <li>Visits and meetings</li> <li>Customer magazine</li> <li>Customer survey every two years (Satisfied Customer 2021)</li> <li>Customer survey, Clubs and associations, 2020</li> </ul>	<ul style="list-style-type: none"> <li>Refunding of deposits and reimbursement for handling</li> <li>Carriers and collections</li> <li>Waste/quality during collection</li> <li>The environmental benefit of the deposit system and the role of the recycler</li> <li>Contractual terms</li> <li>Which packages are included in the deposit system</li> </ul>	<p>Read more about cooperation with customers, page 34.</p>
<b>Material buyers Customer group</b>	<ul style="list-style-type: none"> <li>Ongoing dialogue</li> <li>State-of-play meetings</li> </ul>	<ul style="list-style-type: none"> <li>Product quality</li> <li>Packaging materials</li> <li>Sustainable logistics solutions</li> <li>Closed loop for cans and bottles</li> </ul>	<p>Learn more about product quality, product quality pages 23-24, our shipments page 28, transport pages 30-31</p>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Daily reconciliation and interaction</li> <li>Meetings and conferences</li> <li>Annual performance review</li> <li>Employee survey every two years (2021)</li> </ul>	<ul style="list-style-type: none"> <li>Working environment</li> <li>Cooperation within the organisation</li> <li>Skills development</li> <li>Good business ethics</li> </ul>	<p>Read more about our proactive work aimed at achieving a pleasant workplace in the Employees</p>
<b>Suppliers (carriers)</b>	<ul style="list-style-type: none"> <li>Daily contact via Returnpack's transport management</li> <li>Annual follow-up meetings</li> </ul>	<ul style="list-style-type: none"> <li>Collection efficiency</li> <li>Customer service</li> <li>Fuel</li> </ul>	<p>Read more about our transport operations, page 28-31, and the work on sustainable purchasing, page 35.</p>
<b>Suppliers (reverse vending machines)</b>	<ul style="list-style-type: none"> <li>Ongoing dialogue</li> <li>State-of-play meetings</li> </ul>	<ul style="list-style-type: none"> <li>Technical development</li> <li>New packages</li> <li>Payment solutions</li> <li>Minimising theft</li> </ul>	<p>Read more about our work on recycling design, page 37, and the work on sustainable purchasing, page 38.</p>

# RISK ANALYSIS BASED ON OUR FIVE RISK CATEGORIES AND KEY ISSUES

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



RISK ANALYSIS CONTINUED

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

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 Returnpack'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 Returnpack'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 (1150). In the web-based 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 Returnpack 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 Returnpack 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 Returnpack'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 Returnpack: 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 Returnpack 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 & ENGAGEMENT 2020

Returnpack's commitments and collaborations in 2020 are listed below.

SPONSORSHIP

Main sponsor: Swedish football

SUSTAINABILITY NETWORK

Member: Cleantech Östergötland

Member: CSR East Sweden

Member: Ostgöta Challenge

MEMBER: NÄRRÖKNINGENS MILJÖNÄTVERK

PARTICIPANT: FOSSIL FREE SWEDEN

MEMBER: Sustainability network Enacts

Member: Motala Ströms Vattenvärdsförbund

Member: Altinget

Other networks

Member: Packbridge, including steering group member of Fempack

- packaging network that brings together the education sector and industry

Member: Trampoline, innovation management knowledge network

Member: Chamber of Commerce of Eastern Sweden

Member: SIS technical committee for packaging and the environment

Colleges and universities

Collaborative research:

The deposit system in a circular economy - understanding social values, Örebro University

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

Graduate work:

Material properties of recycled PET in drink bottles, KTH

"Lifecycle Analysis of PET and aluminium", Linköping University

EMPLOYER'S ORGANISATION

Member: IKEM - Innovation and Chemical Industries in Sweden.

OTHER

Founders and directorships: Kesp Sweden Clean

Professional development: Society



# ABOUT THE REPORT

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

## REPORTING PRINCIPLES

Returpack's sustainability report refers to the Returpack Svenska AB group, corp. reg. no. 556753-4259, 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 2020 to 31 December 2020.

When formulating the scope and content of the sustainability report, Returpack has worked on the basis of GRI's principles. The ambition is for the report to provide a complete and balanced picture of the company's operations, where the content has been determined on the basis of the sustainability issues that are most important for the operation and for the company's stakeholders. The implemented materiality analysis has resulted in five key sustainability issues, which are linked to at least one GRI aspect where possible. In those cases where there is no equivalent aspect in GRI, sustainability governance information is presented, as well as at least one company-specific key figure for the company-specific sustainability issue (see the GRI index on pages 59-61). 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.

## 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 SA 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, and these are described below.

### Transport

Greenhouse gas emissions from transport refer to the collection of deposit packaging from stores with RVM's etc, 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 store, but instead retrieves the packages from various depots for onward transport to the factory. Greenhouse gas emissions from such stores to depots are not currently included in Returpack's calculations. Car journeys by employees to and from work are also not calculated or presented in this report in respect of greenhouse gases.

### The plant

Data regarding the consumption of electricity and district heating in Returpack's plant in 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. 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 Returnpack 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 Returnpack as permanent, fixed-term, full-time and part-time employees and those workers who are not employed by Returnpack but whose work or workplace is controlled by the organisation. 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 Returnpack's case management system. Sick leave is calculated as the number of hours of sick leave in relation to planned working hours.

#### CUSTOMER SATISFACTION

Returnpack's key figures for customer satisfaction are based on the outcome of a survey of the customer group comprising stores with RVMs etc. 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 2020. The CSI rating is calculated on the basis of the overall perception of Returnpack. 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. Returnpack 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 THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of Returnpack Svenska AB, org. no. 556753-4259

#### MISSION AND DIVISION OF RESPONSIBILITY

The Board of Directors is responsible for the sustainability report for 2020 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, 26 March 2021

Ernst & Young AB

Peter von Knorring

Authorised Public Accountant

# GRI INDEX

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

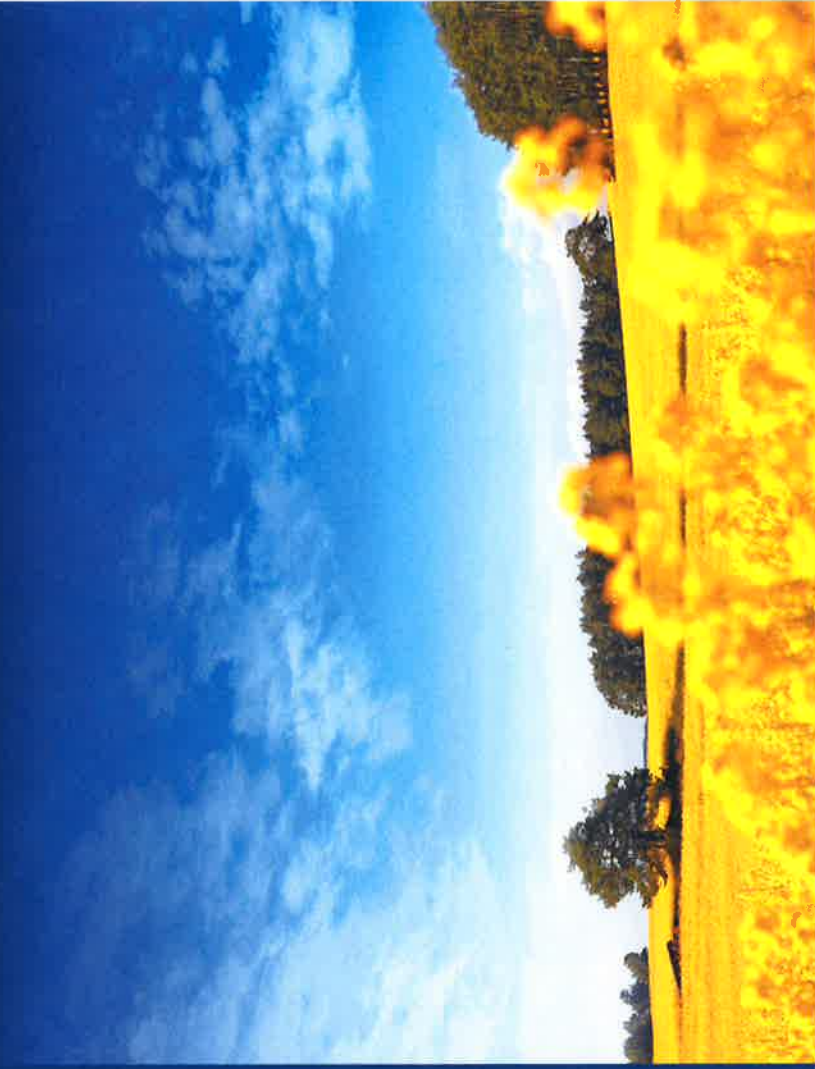
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102-4	Countries where the organisation has operations	Returnpack conducts its operations in Sweden.	6, 59
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102-8	Information about employees and other workers	Returnpack reports the number of employees as of 31 December in the year in question. Returnpack also occasionally hires temporary replacements during holiday periods, primarily in the summer. Returnpack has no significant variations in the number of employees over the year. Returnpack's transport operations are not carried out in-house but rather by transport providers.	46, 59, 56
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102-51	Most recent report	Returpack's sustainability report for 2019 was published on pantameranu on 6 May 2020, 60
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305-2	Indirect greenhouse gas emissions (scope 2)	The reference year for our climate calculations is 2017, 17, 32, 57-58
305-3	Other indirect greenhouse gas emissions (scope 3)	The reference year for our climate calculations is 2017, 17, 32, 57-58
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<b>Company-specific key figure Product quality, clear PET</b>		
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