

ECOLEAN SUSTAINABILITY REPORT 2019 – OVERVIEW

*This is a
short version
of our
sustainability
report 2019.*

*View the full
report here!*



ecolean
a lighter approach to packaging

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WELCOME

For Ecolean, sustainability is truly in our DNA and has been since the start. Our ambitions are high because we know that we can make a difference. Our Sustainability Report, which is a vital part of our sustainability framework, covers the areas that are most important for us to prioritise and improve on. Our sustainability objectives have been linked to appropriate GRI Standard topics and disclosures have been chosen to ensure the completeness of the report. The objectives are arranged in two focus areas – *People* includes our objectives related to social topics and society, and *Packaging Solutions* relates to the environmental impact of our production and products.

Our main focus is on keeping food safe and reducing food waste, to produce packaging solutions in a resource efficient way and to run a responsible business in every activity and operation globally. These focus areas make up our sustainability strategy and clearly connect it to the UN Sustainable Development Goals and to Ecolean's business strategy.

Ecolean strives to provide the world with optimal packaging solutions in terms of safety, convenience and environmental responsibility. The unique composition and design of Ecolean packages brings safe food products to people all over the world – regardless of local distribution channels and climatic conditions.

Our life-cycle approach means that we assess, understand and reduce our impacts. This includes both our carbon footprint in our own operations and our lightweight approach when providing the world with packaging solutions with minimal environmental impact. In fact, Ecolean is the only packaging system supplier that provides Environmental Product Declarations for its entire product range. Ecolean's sustainability programme also covers social responsibility, including our responsibilities towards employees, customers, suppliers and society.

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



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THIS IS ECOLEAN

Ecolean is a rapidly growing and globally expanding system supplier of both lightweight packaging and filling systems for liquid food products. Ecolean's approach to packaging is light – to the benefit of both consumers and the environment. Because we care.



HIGHLIGHTS IN 2019

GROWTH

Increased capacity

Our new production plant in Pakistan is Ecolean's third globally.

469

Increase in employees, from 401 employees in 2018 to 469 in 2019.



Sales representation in 15 countries. New market contacts in Mexico, Brazil and the United Arab Emirates in 2019.

2,000

We engaged with and received useful insights from almost 2,000 consumers at Coke Fest in Lahore and Karachi Eat in Karachi.

140%

The launch of EL1+ in August, Ecolean's fourth machine launch in two years, increases capacity by up to 140 percent while saving resources and reducing environmental impact.

BUSINESS



SUSTAINABILITY

Well on our way towards reaching our 2030 targets.

Top 5% in sustainability

Ecolean was rated Gold Medal Recognition Level in sustainability by EcoVadis, an independent global provider of sustainability ratings. The ranking puts Ecolean in the top 5 percent of 60,000 assessed companies around the world.

25%

We increased the proportion of women in senior positions to 25 percent in 2019, compared to 19 percent in 2017.

During 2019, over 5000 insights were shared in Peakon, our employee engagement survey tool.

81% Renewable electricity. The majority of the electricity we use originated from renewable sources.

In April 2019, Ecolean's Sustainability Manager was one of the speakers at the FBIF Food Beverage Innovation Forum in Hangzhou, China explaining how to evaluate the sustainability aspects of a packaging system.

Designed for recycling. Ecolean's clear packaging ranges are designed for recycling according SUEZ.Circpack®

CEO STATEMENT

WE PRODUCE PACKAGES FOR LIQUID FOOD FOR A REASON

At Ecolean, we work hard every day to provide a lighter solution for the good of the planet, and enable our customers and consumers around the world to make a difference. Every time a liquid food producer invests in our lightweight Ecolean packaging solutions or a consumer picks up our package at the supermarket – a small, but important choice is made. A choice not to waste food or resources, and to treat the world a little better.

We believe that produced food should reach somebody's mouth. It is simply too important and valuable not to. In a world where almost 1 in 10 people fall ill from unsafe food every year, according to WHO¹, packaging is essential and has an important job to do. By keeping food safe and available for many, regardless of local distribution channels and climatic conditions, packaging makes a difference. Our lightweight packaging solutions bring safe food products to people all over the world every day, whilst minimising the impact on nature's resources and not compromising on consumer convenience.

The global packaging industry is adapting to the shift in customer and consumer behaviour and their increasing demands for sustainable alternatives. I believe this change is positive and much needed. As the industry leader in providing honest and transparent environmental data from all of our operations and products, we set an example for others to follow. A fact-based and holistic approach is the way forward for the entire industry – to enable liquid food producers to compare the sustainability performance of different packaging solutions.

But by being completely transparent, companies also have to identify and address those aspects where progress can be made. Recycling is essential for the sustainable use of packaging, and is a priority for Ecolean. We work to enhance the recyclability of flexible packages within conventional recycling systems through CEFLEX² and work closely with our customers in markets that lack collection, sorting and waste handling systems to increase recycling opportunities. We have raised our own ambitions by setting the goal to offer a new range of packages designed for recycling no later than 2025.

Sustainability is part of our DNA – in every activity, department and in all our interactions with stakeholders. We have taken our economic, social and environmental impact seriously since the start in 1996, and continue to do so. Our efforts were recognised by EcoVadis, the third-party sustainability ratings provider that awarded Ecolean

Gold Medal Recognition for our strategic sustainability work. This puts Ecolean in the top 5 percent of 60,000 companies assessed from 195 different industries and 155 countries. The award reflects our commitment to reduce our environmental impact and and strengthen our position as a responsible packaging supplier.

In 2019, we continued to expand geographically – to make it easier for more markets to choose sustainable solutions. We have completed the construction of our third production plant, located in Lahore, Pakistan. The new plant meets the growing customer and consumer demands for lightweight, convenient packaging solutions in the region and is now being prepared for full commercial production. We established sales representation in Brazil and Mexico, which has led to several new customer launches. A strategic move into the MENA region was also made as we opened a new sales office in Dubai, in the United Arab Emirates.

The EL1+ machine was introduced during the year, which is our fourth machine launch in two years. With up to a 140 percent increase in capacity compared with previous models, this new machine focuses on resource efficiency and a lower utility consumption per filled package.

Looking at our organisation and the committed people contributing to making a difference every day, I see something unique. No matter their geographic location, age or time spent at Ecolean, everyone works hard to maintain and improve our high level of sustainability in all their actions. This dedication is embodied in this report.



Peter L Nilsson, CEO Ecolean Group



¹ WHO (World Health Organisation); information on food safety

² CEFLEX (Circular Economy for Flexible Packaging); a collaboration between companies representing the entire value chain of flexible packaging

ECOLEAN'S APPROACH TO SUSTAINABILITY FROM A WIDER PERSPECTIVE

The seventeen United Nations Sustainable Development Goals (SDGs), adopted by all United Nations Member States in 2015, addresses economic, social and environmental development issues on a global scale. The Sustainable Development Goals provide a powerful aspiration for improving our world – laying out where we collectively need to go and how to get there.

As a global supplier of packaging solutions for liquid food, we support all the SDGs. But we have identified the six goals that are most relevant to our operations and where we see the greatest potential for us to contribute. These six SDGs and how we contribute to them are briefly described below. See the full version of the [Ecolean sustainability report 2019](#) for a complete assessment of how relevant each SDG is to our business and how we contribute to them.


2 ZERO HUNGER






By providing safe packaging solutions, Ecolean brings safe food products to people all over the world – regardless of local distribution channels and climatic conditions.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION





We support efforts to increase recycling opportunities for flexible plastic packaging by collaborating with customers and local recycling systems. Ecolean's packaging solutions also help prevent unnecessary food waste as our packages are easy to empty.

7 AFFORDABLE AND CLEAN ENERGY





We work to reduce our energy use and have the objective to use 100 percent renewable electricity at our production plants. Ecolean produces and develops efficient filling machines in terms of filling capacity and energy use.


13 CLIMATE ACTION






Ecolean's lightweight approach and resource efficient packaging systems result in packaging solutions with low carbon emissions. We provide fully transparent environmental data for the entire packaging system to help customers make fact-based decisions.

8 DECENT WORK AND ECONOMIC GROWTH





Ecolean aims to provide a good working environment and local employment where we operate. We also work to safeguard the rights of our employees – both in our own operations and our supply chain through our Code of Conduct, which sometimes exceeds local regulations.

14 LIFE BELOW WATER





The use of packaging can create waste that needs to be addressed by proper waste management systems and recycling infrastructure. Ecolean supports efforts to increase recycling opportunities for flexible packaging.

ECOLEAN SUSTAINABILITY OBJECTIVES

PEOPLE

Ecolean Sustainability Objective	Action	2019 Activities & Results
<i>We have zero tolerance for corruption.</i>	Ecolean has zero tolerance concerning all forms of corruption and will work actively to ensure a non-existence within the Ecolean Group.	Our Code of Conduct makes our zero tolerance for corruption very clear. We report all suspected cases to the manager in charge or other members of Ecolean's management. No cases of corruption were reported during 2019.
<i>We have zero tolerance for breaches of human rights.</i>	We will respect human rights as defined in the United Nations Global Compact, and we desire to take that responsibility towards our employees and the societies within which we work.	Human rights are addressed in our Code of Conduct and in our Supplier Code of Conduct. Violations to human rights can for example be child labour, forced labour or hindering employees' right to act together or join unions. No cases relating to human rights violations were reported in 2019.
<i>We promote a diverse workforce and equal opportunities.</i>	<p>We offer all individuals equal opportunities regardless of gender, nationality, religion, age, ethnic background or other distinctive characteristics.</p> <p>We will work actively for a company culture and a working community free from discrimination and harassment.</p>	<p>Equality in the workplace addresses our ambition to break down the barriers that could block opportunities in our business for certain groups of people.</p> <p>Discrimination can be a symptom of inequality and any cases of discrimination should be reported to the Ecolean management or via our whistleblowing function. During 2019, no cases of discrimination were reported.</p>
<i>We have a zero injury target in all our operations.</i>	Appropriate health and safety information and training are provided to employees.	One of our most material sustainability aspects is health and safety in our operations, and our target is to achieve zero injuries throughout our operations. In 2019, twelve injuries were reported. We can all help by reporting injuries and near miss incidents and a new reporting system has been launched in March 2020.
<i>We invest in training and education for our personnel.</i>	We will strive to develop and retain qualified and motivated employees in a professional environment.	As the number of Ecolean employees grows, the need for a well-developed training offering increases. The Ecolean Academy is a common portal and platform that provides our employees around the world with internal education and training, orientation courses and e-learning on a range of topics. In 2019 eight new e-Learnings were launched.
<i>We provide the world with safe and convenient packaging solutions for liquid food.</i>	The products produced and marketed by Ecolean comply with all laws and rules relating to product safety, throughout the value chain.	This objective focuses on the importance of quality in our products. Products produced and marketed by Ecolean must comply with all laws and rules relating to product safety. Beyond this, we also comply with voluntary certification schemes. During the year, our new plant in Pakistan began production and the plant was certified according ISO 9001 and FSSC 22000.
<i>We take responsibility for accurate and transparent information regarding our systems.</i>	Information regarding our systems will always be fact-based and transparent, by following relevant standards and guidelines.	In a world where environmental claims and messages are everywhere, transparent communication based on facts is more important than ever. This is why we have committed ourselves to always base our environmental communication on life-cycle assessments. We only make claims that we can back up with solid proof.

PACKAGING SOLUTIONS

Ecolean Sustainability Objective	Action	2019 Activities & Results
<i>We will reduce the GHG intensity from our packages.</i>	Reducing GHG emissions by reducing use, shift to renewable energy sources, optimising production, transports, etc.	Since 2017, we monitor our greenhouse gas (GHG) emissions. In 2019, our direct and indirect greenhouse gas emissions amounted to 44,354 tonnes CO2-eq. The biggest share (66%) comes from the production of raw materials and transport from our suppliers to our packaging material production. Transporting the packages to our customers stands for 19% of the emissions.
<i>We will use 100% renewable electricity in all our production sites by 2030.</i>	We will use renewable electricity, by using the RE100 definitions.	The Ecolean manufacturing process uses electricity as its main energy source. By switching to renewable electricity, we can reduce the climate impact of our production, and help drive the demand for more renewable energy in society. In 2019, our production plants in Sweden were powered by 100 percent renewable energy, from hydropower and biogas. In total, 81% of the electricity used in our production plants was renewable in 2019.
<i>We will keep reducing the environmental impact from raw materials used in production, based on a life-cycle perspective.</i>	By monitoring raw material usage and research progress, we will reduce the impact from materials used in a life-cycle perspective.	The fundamental premise behind our production process is the optimisation of raw materials and energy while maintaining food safety. In 2019, Ecolean used 27,991 tonnes of materials in total, mainly for the production of packages, but also filling machines and secondary packaging materials, used to pack packages and filling line equipment shipping to customers. Ecolean uses approximately 25% internally recycled material in the production of packaging film.
<i>We will have zero waste to landfill from our production sites by 2030.</i>	Use the waste hierarchy (EU Directive 2008/98/EC) as a guideline for our waste handling and work with waste contractors to find better treatment options than landfill for all our production sites.	In 2019, the majority of our production waste was sent for recycling. We recycle 97,6% of all generated waste in our production.
<i>We are taking action to increase the possibilities for a circular economy for our packaging solutions.</i>	Support different initiatives for recycling of flexible plastic packaging. To offer circular solutions for our filling line equipment.	Ecolean works to increase opportunities for recycling and enable circularity for flexible plastic packaging. During 2019, Ecolean joined the Swedish Institute for Standards (SiS). In the technical committee for plastics, Ecolean is part of formulating standards for plastic recycling. In 2019, SUEZ.Circpack® evaluated our transparent packaging ranges and both Ecolean® Air Clear and Ecolean® Air Aseptic Clear received the certification 'Designed for Recycling'. The certification provides third-party verification that the packages are recyclable where recycling systems for mixed polyolefin plastic are available in a particular market.

Ecolean's high set sustainability ambitions are documented and reported on annually. Our twelve sustainability objectives are arranged in two focus areas – **People** includes our objectives related to social topics and **Packaging Solutions** relates to the environmental topics. An in-depth view of our ongoing sustainability work and the initiatives and results related to each objective are presented in the full [2019 Sustainability Report](#).



For more information regarding our Sustainability approach, please view the full Sustainability report [here](#).