



THIS IS A SHORT VERSION OF
ECOLEAN'S SUSTAINABILITY
REPORT FOR 2020.
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FULL REPORT](#)

ECOLEAN SUSTAINABILITY REPORT 2020 OVERVIEW

WELCOME

This is an overview of Ecolan's fourth Sustainability Report, which introduces our approach to sustainability and a summary of the progress we made during 2020. Please read the full report for an in-depth view of our sustainability work.

Despite the challenges that 2020 and the coronavirus pandemic brought all around the world, Ecolan continued to refine its approach to sustainability. Our sustainability 2020 highlights include the fact that we began sourcing 100 percent renewable electricity for all our production plants. We also committed to the Science Based Target initiative and had our science-based climate targets approved by the initiative.

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



Anna Palminger, Sustainability Director
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THIS IS ECOLEAN

Ecolan develops and manufactures innovative packaging systems for the beverage, dairy and liquid food industry. Ecolan's modern lightweight packaging solutions and resource-efficient filling lines offer both customer and consumer convenience as well as environmental responsibility. Ecolan is a global company with its headquarters in Sweden. Established in 1996, the company has commercial activities in over 30 countries, with China, Pakistan, Russia and Europe being its largest markets.

Ecolan has production plants in Sweden, China and Pakistan and sales offices in 15 locations around the world. Our production plants in Sweden and China are certified according to ISO 14001.

CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Ecolean operates in a changing world that is shaped by global megatrends and international expectations, such as the UN Sustainable Development Goals (SDGs). A number of SDGs are directly related to key global megatrends that are relevant to Ecolean's approach to sustainability – particularly concerning climate action, providing decent work for all and reducing waste.

ECOLEAN'S APPROACH TO SUSTAINABILITY

Sustainability at Ecolean is based on the company business promise "A lighter approach to packaging"- for People and Packaging Solutions.

As part of our ongoing sustainability work, where materiality analysis and stakeholder engagement are key influencers, we link all of our sustainability objectives to relevant SDGs. Read the full [2020 Sustainability Report](#) for an in-depth view of how these alignments are made and the results from working with and striving towards our own sustainability objectives.

SUSTAINABILITY OBJECTIVES

Ecolean has twelve defined sustainability objectives covering the material topics identified by the materiality assessment. Not all our objectives have clearly defined targets due to

inadequate baselines when they were first defined in 2017. We have now started to define our long-term targets and related projects, the Ecolean Sustainability Roadmap 2030, using the data from our previous Sustainability Reports as baselines. The objectives have been defined and decided upon by the Ecolean Group Management Team.

Packaging solutions

Within Packaging Solutions, the objectives and approaches concerning the environmental impact from the production and the products manufactured are presented.

The objectives are based on thorough analysis and a life cycle perspective, where four of the five objectives strive to reduce the environmental impact even further.

People

This focus area collects the objectives and approaches concerning employees, customers and society.

To Ecolean, being a fair company and workplace is essential and five out of seven objectives within the People focus area concern the welfare of our employees. Equally important is the impact we make on society, and how we can support our customers.



CLIMATE ACTION

Climate change poses major risks for all organisations and society in general. Combatting climate change by reducing emissions and using products with a low-carbon footprint is more important than ever.

The UN Sustainable Development Goals highlight energy as one of the core topics at the heart of both the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change*. By ensuring access to affordable, reliable, sustainable and modern energy for all, a new world of opportunities for billions of people will be created. Every action has an impact and every action counts.

ECOLEAN'S APPROACH

We take climate action in the way we conduct our business as well as through our customer offering. In our operations, we work to minimise our impact, for example by optimising energy use and ensuring that the energy we use is from responsible and renewable sources. We also extend our responsibility to facilitate carbon action for customers and for consumers by optimising resource efficiency and using less energy in production and distribution – to offer low-carbon packaging solutions.

REDUCING GREENHOUSE GAS EMISSIONS

As part of our work with climate action, we had our climate targets approved by the Science Based Target initiative (SBTi) at the end of 2020. Our target is to reduce our Scope 1 and 2 emissions by 50 percent by 2030 compared with 2018 and



SDG 13 – Climate action

Take urgent action to combat climate change and its impacts.



SDG 7 – Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all.

to measure and significantly reduce our scope 3 emissions. We will define our scope 3 goals in our Sustainability Roadmap 2030.

PROMOTING RENEWABLE ELECTRICITY

The majority of the energy we use is consumed in our production and manufacturing operations. Our main way to reduce the emissions related to our operations is our objective to use 100 percent renewable electricity in all our production sites globally by 2030. This target was actually met in 2020 by signing renewable energy agreements for our production sites in Pakistan and China.

We also increased the proportion of total renewable energy used in our operations from 81 percent in 2019 to 96 percent. We are working to replace the remaining non-renewable energy we use in power aggregates.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

* <https://sdgs.un.org/topics/energy>

REDUCING WASTE

Waste generation, through resource mismanagement and the habit of discarding packages in the environment, is one of the greatest challenges for the packaging industry. Today, 2 billion people in the world lack access to solid waste collection*, and an even larger portion of the global population lack recycling infrastructure.

We need to increase opportunities for recycling and enable circularity for flexible plastic packages. Opportunities for recycling differ between markets. Two of the main reasons for this are that waste collection and recycling infrastructure are not available or only are suitable for limited packaging types.

ECOLEAN'S APPROACH

We believe that no package should ever go to waste – the resources in each package are simply too valuable to be wasted. Ecolan works on several levels to create opportunities for minimising waste and enabling the recycling of our packages, both in our own production and for our customers and consumers.

ZERO WASTE TO LANDFILL

For the third year in a row, Ecolan's production sites sent no waste to landfill. Globally, 97 percent of the waste generated in our production is sent for recycling.

PROMOTING RECYCLING

Ecolan works proactively to find solutions for recycling and supports local schemes to enable end consumers to recycle Ecolan packages. During 2020, we made good progress on several levels, with for example REDcycle in Australia and New Zealand announcing in 2020 that they had recycled three



SDG 12 – Responsible consumption and production

Ensure sustainable consumption and production patterns.



SDG 14 – Life below water

Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

billion packages since the start of their local recycling scheme. Ecolan is one of several packaging companies supporting REDcycle.

In 2020, Ecolan joined the recycling initiative Collect & Recycle (CoRe) in Pakistan, to enable the recycling of Ecolan packages in this large and significant market, and to investigate the potential to support projects locally.

Together with Ecolan customer Mengniu, which is among the ten largest dairy companies globally, we arranged a series of sustainability awareness events in Xinjiang, China. A temporary collection site for the recycling of Ecolan packages was established to highlight environmental awareness and the importance of collecting and recycling packages.

In Russia, our pilot project with customer Molvest established collection and recycling infrastructure for Ecolan packages in Voronezh and the surrounding region. During the year, about 10 tonnes of Ecolan post-consumer packages were collected and recycled and tests of applications are ongoing.

*UNEP and ISWA report 'Global Waste Management Outlook Summary for Decision-Makers'



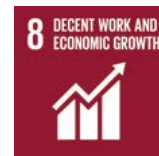
DECENT WORK FOR ALL

Responsible production doesn't only involve minimising environmental impact on the environment. It also includes setting a social standard for how we work in our value chain – for our employees, customers, suppliers and the societies in which we operate.

ECOLEAN'S APPROACH

Ecolean is a relatively small player in the packaging industry and we focus on securing the best conditions for our 484 employees globally. We take responsibility in our supply chain and work to emphasise the responsibility of those in direct business relations with Ecolean, in order to promote decent work for all.

During 2020, we continued to further deepen the understanding of our Supplier Code of Conduct, covering



SDG 8 – Decent work for all

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all².

the expectations Ecolean has on suppliers, including anti-corruption, environmental awareness, human rights and health and safety. The implementation of a new Supplier Relation Management (SRM) system has increased opportunities for the interaction and assessment of suppliers. All new strategic suppliers are also added to the SRM platform and are screened for environmental and social criteria.

² <https://sdgs.un.org/topics/employment-decent-work-all-and-social-protection>

CEO LETTER

THE ESSENTIAL ROLE OF PACKAGING DURING THE PANDEMIC

At the beginning of last year, who would have thought where 2020 would take us? The coronavirus made 2020 a challenging year for everyone – all around the world. Forced lockdowns and restrictions on movement due to the pandemic also affected consumer behaviour and the packaging industry, such as through more home consumption, online shopping, and a greater focus on food safety and nutrition.

The pandemic highlighted the role of packaging in ensuring consumers have access to safe and nutritious food. In this sense, the almost 3 billion Ecolean packages sold in 2020 benefited millions of people all around the world – particularly through their lightweight, flexible, resource-efficient and food-saving characteristics.

SUSTAINABILITY AND OUR PROGRESS IN 2020

At the start of the pandemic, some feared it would be detrimental to the sustainability movement as progress in recent years is eroded as individuals and organisations are forced to re-prioritise. However, we can now conclude that the coronavirus actually had the opposite effect – stimulating an increased focus on more sustainable business, responsible production and conscious consumption. I am pleased to say that this trend also reflects the sustainability progress Ecolean made in 2020.

During the year, we had our climate targets approved by the Science-Based Targets initiative. Our target is to halve our Scope 1 and 2 emissions by 2030 compared with 2018 and to measure and significantly reduce our scope 3 emissions. We will define our scope 3 goals in our Sustainability Roadmap 2030 that is currently under development. The fact that we now are purchasing 100% renewable electricity for all our production plants will also reduce our carbon footprint substantially, going forward.

One acknowledgement standing out from last year is the recognition we received from South Korea's Ministry of Environment that Ecolean's aseptic packages are more recyclable than cartons and other liquid food packaging. The ministry acknowledged our aseptic packages as being easier to recycle due to the absence of aluminium in its material structure.

HEALTH AND SAFETY FIRST

As always, and especially during the unprecedented pandemic, Ecolean's mantra is 'Safety First'. Our top priority is to ensure that our employees, customers, partners and consumers stay safe. During the pandemic, this involved implementing additional health and safety measures in our operations, to safeguard our employees as well as product safety for consumers.

ECOLEAN CONTINUES TO DELIVER

We were also committed to doing everything possible to support our customers and help them manage the challenges they faced during the year. This involved adapting our technical service teams to be able to conduct virtual training sessions, and maintaining our production and customer deliveries throughout the pandemic. Our operations and production plants were, and still are, in full production and we didn't have to make anyone redundant at any of our production plants or offices. This is of course great proof of how resilient and essential Ecolean is to the industry and broader society.

Our lightweight packaging solutions and efficient filling lines continue to spark an interest among beverage and dairy producers around the world every day. During 2020, an increased number of new and exciting customer collaborations saw the light of day, with many more planned for 2021. During the year, we increased filling line sales by 50% compared to 2019, a significant result whilst in the middle of a global pandemic.

LOOKING AHEAD TO OPPORTUNITIES IN 2021 AND BEYOND

We always look at how we can contribute to make more of a difference and create positive change, for example by analysing the impact of different material and recycling rates around the world. For Ecolean, recyclability is one of the most important requirements for the sustainable use of packaging and it is something we work hard on every day – for example through our own upstream innovation projects, our involvement with CEFLEX as well as through collection, and sorting and recycling initiatives in various markets. During four weeks in December 2020, we partnered with Ecolean customer Mengniu to offer a collection site for the recycling of Ecolean packages and highlight environmental awareness through different consumer activities in Xinjiang, China.

In addition, Ecolean's innovation and R&D agendas are filled with new projects, new material strategies and fresh ideas ready to challenge the industry and further strengthen our position going forward.

We entered 2021 from a position of strength and look forward to continue to support our customers and consumers as the markets recover. Ecolean will continue to grow globally – to supply more people with lightweight and resource-efficient liquid food packaging innovations perfectly suited for everyday life. Stay safe!

“Our top priority is to ensure that our employees, customers, partners and consumers stay safe.”



Peter L Nilsson, CEO
Ecolean Group



COMMITMENTS & RECOGNITIONS 2020



ECOVADIS

Ecolean was placed in the top 1% of 75,000 companies reviewed by sustainability ratings provider EcoVadis. Ecolean obtained the Platinum EcoVadis Medal for our sustainability work during 2020. The assessment score is based on the company's strategic work with clear objectives within significant areas such as environment, including renewable energy and climate impact and social aspects – as well as via monitoring and transparent reporting of sustainability data of our lightweight packages and filling line equipment.



CORE ALLIANCE PAKISTAN

The Collect and Recycle (CoRe) Alliance is the first ever packaging alliance in Pakistan with the mission to eliminate packaging waste by enabling formal collection and recycling. Ecolean joined CoRe in 2020, to improve and enable the post-consumer collection and recycling of packaging. The alliance also promotes knowledge sharing on the importance of packaging and its recyclability through collaboration and advocacy.



RECYCLABILITY RANKING IN SOUTH KOREA

In 2020, South Korea's Ministry of Environment recognised the recyclability of Ecolean's aseptic packages, ranking them higher than most other food and drink packaging solutions in the country's new recyclability grading system. The absence of aluminium in Ecolean's aseptic package material structure, means that our portfolio ranked 'good' in a four-grade scale that determines how easily packages can be recycled and were considered to be less complex to recycle than cartons and other liquid food packaging.



EHEDG

European Hygienic Engineering & Design Group (EHEDG) is a consortium of equipment manufacturers, food producers, suppliers to the food industry, research institutes and universities, public health authorities and governmental organisations. As a company member of EHEDG, Ecolean contributes to the promotion of food safety by improving hygienic engineering and design in all aspects of food manufacturing – through establishing guidelines and also in the way we manufacture our equipment.

[READ OUR FULL
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