

#### SUSTAINABILITY REPORT

# Our sustainability performance

Arla Plast's sustainability work is focused on three key ESG areas: environmental footprint, social responsibility and business ethics and code of conduct.

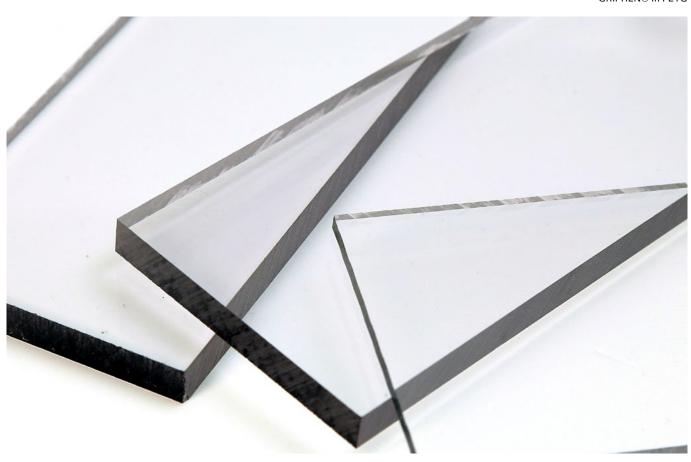
To ensure sustainable development, it is essential to integrate these sustainability aspects into all company activities and decisions. Our work is guided by our vision and strategy, the 2030 Agenda and our commitment to the UN Global Compact. The sustainability information in this report relates to the 2023 financial year and includes all wholly owned businesses at the start of 2023.

#### Sustainability - a tradition

Arla Plast's commitment to sustainable development goes back decades. As early as the 1970s, we started recycling our own materials, and today we recycle almost all of the regrind material generated in our business and some of the regrind by most of our customers. Arla Plast introduced certified management systems for the environment (ISO 14001), quality (ISO 9001) and occupational health and safety (ISO 45001) at its production facilities early on. Energy management systems (ISO 50001) are also in place at two out of three facilities.

Our ambition is to run Arla Plast in a sustainable and responsible way. This should be reflected in our corporate culture and in the way we treat our stakeholders, whether they are customers, employees, suppliers, the local community or shareholders.

GRIPHEN® in PETG



OVERVIEW

## **Environmental footprint**

Reducing our environmental footprint is our biggest sustainability challenge. We are endeavouring to reduce our climate impact throughout the value chain and from a product life cycle perspective. The production of the plastic granules, our main input in the manufacture of extruded plastic sheets, is the single largest contributor to our carbon footprint.

We are continuing to cooperate with external partners, especially raw materials suppliers on developing non-fossil or partially fossil-free materials and to work actively on recycling and take-back.

Arla Plast's goal and strategy for the reduction of its environmental footprint is based on the focus areas efficient use of materials, sustainable customer offering and sustainable production.



### Efficient use of materials

The production of the raw material, which is our input for the production of extruded plastic sheets, accounts for the vast majority of the carbon footprint of our operations. It is therefore of the utmost importance that the material is used as efficiently as possible.

#### Key issues in the efficient utilization of materials:

- Increasing take-back of materials from customers
- Increasing the reuse of regrind in production
- Reducing regrind generation

Our production of extruded plastic sheets uses plastic granules, mainly made of PC, ABS or PETG. These main raw materials are circular materials that can be recycled endlessly without losing their original properties of lightness, formability and impact resistance. The manufacturing process generates regrind. Most of the regrind is recycled into virgin sheets by mixing it with virgin raw material or completely replacing the use of virgin raw material. The percentage of regrind that can be reused in the plastic sheets depends largely on the purpose for which the sheets are to be used.

Our main suppliers are in the EU and the raw material is shipped by sea to one of the major ports in Europe. From there it is transported by truck to our facilities.

#### Performance in 2023

During the year, we made significant progress with improving the efficiency of our material utilization. We reduced our regrind generation by 7%. We also increased our take-back of materials from customers, even though we reduced our overall reuse by 11%. The overall decrease is due to the fact that during the year we produced a high proportion of products for applications where reuse is not possible. We have increased reuse in the products and applications where this is possible, but cannot present any data at this stage.

### Sustainable customer offering



Arla Plast's ambition is for customers to appreciate the company's offering as one of the most sustainable in the industry.

#### Key issues in sustainable customer offerings:

- Increasing the share of products with a lower CO<sub>2</sub> footprint
- Increasing the use of recycled materials
- Increasing the share of investments that enable circularity
- Sustainable modes of transport

Arla Plast is constantly striving to improve the value chain to increase the sustainability of the customer offering and to be a partner that helps our customers achieve their sustainability goals.

For example, we are developing product life cycle analyses so that our customers can easily predict the climate impact of our products. We also carry out ISCC certifications as part of the process enabling us to offer products based on circular raw materials. We offer customers the take-back of materials to increase reuse and circularity.

Our products are sold around the world and mainly transported to customers by truck or container. To reduce the impact of transport, we are working on consolidated transport and offering sustainable modes of transport.

#### Performance in 2023

During the year, we worked on a comprehensive life cycle analysis for products produced in Sweden. This is in its final phase and a third-party review is in progress. Similar analyses have been initiated, or will be initiated, at our Czech sites.

Bio circular ISCC certification has been completed for PC in Sweden and one facility in the Czech Republic. Our work on bio circular and circular ISCC certification is ongoing.

Over the past year, Arla Plast has experienced greater interest in its sustainable customer offering, from both existing and potential customers. Suppliers have also shown greater commitment to our sustainability initiatives.

## Sustainable production



Arla Plast strives to continuously develop its production facilities to put it at the forefront of sustainable production. Through our extensive industry experience, we have acquired unique expertise by developing our own production processes and products so that they have less of a negative impact on the environment and climate.

#### Key issues in sustainable production:

- Increasing the purchase and use of renewable energy
- Reducing environmentally hazardous waste
- Reducing the use of fresh water
- Health and safety

Electricity is used throughout the production process, with extrusion and grinding in mills accounting for the bulk of energy consumption.

The Borensberg facility in Sweden uses renewable electricity, produced by hydroelectric power, that carries an environmental product declaration. The facility in Kadaň, in the Czech Republic, uses environmentally declared

electricity. Both Kadaň and Pelhřimov are certified to ISO 50001.

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Arla Plast's primary waste consists of combustible waste, wood, containerboard, refuse, office paper, electronics, waste oil, emulsion, batteries and fluorescent tubes. Materials retained in the form of 'starting lumps', protective film and materials with special pigments are sold instead of being recycled in the company's own production.

Despite our ambitious aims, there is always a small percentage that consists of environmentally hazardous waste that cannot be recycled. We aim to continually reduce this percentage.

#### Performance in 2023

During the year, we worked on the further streamlining of our production processes, which resulted in a 4% reduction in electricity consumption per tonne produced. The share of energy from renewable sources has increased by 32%.

Percent	2023	2022	2021
Renewable	87	66	55
Other sources	13	34	45

A key ambition for Arla Plast is that nobody should be injured in the workplace. One of the key metrics is the Lost Time Injury Rate (LTIR), which measures the number of work-related accidents resulting in sick leave per 200,000 hours worked.

	2023	2022	2021
Lost Time Injury Rate (LTIR)	12	24	29

OVERVIEW

# Corporate social responsibility

## Focus on employees

Being a workplace where people thrive and have the opportunity to grow and develop isn't just a corporate goal, it's a key part of our identity and how we want to be as an organization. We firmly believe that by investing in our employees we are not only creating a positive working environment but also laying a strong foundation for our sustainable future.

#### **Arla Plast's corporate culture**

Our corporate culture is characterized by the fundamental principles of quality, speed, service and flexibility. These core values shape the way we interact with our customers and each other within the organization.

#### **Employees**

Our Personnel Policy is based on acknowdedging our employees' know-how and skills, achieving equal proportion between men and women, a high level of ethics, and open and honest communication that enables the exchange of ideas. Arla Plast is based on a set of values that promotes a work environment where everyone is of equal value. This means everyone at Arla Plast should have the same rights, obligations and opportunities.

#### Health and safety

Our employees should feel safe, and we promote a healthy working environment. As Arla Plast has production facilities, it is important to limit the risk of workplace accidents and occupational injuries. All production facilities have certified management systems for health and safety, and all new employees are trained in safe working practices. Our long-term aim is to have no accidents or injuries that lead to absence.

#### Training and skills development

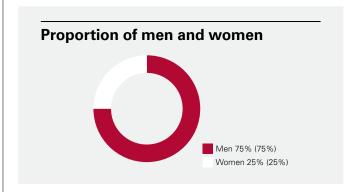
An important part of being an attractive employer is offering opportunities for development and career options. Through a planned and systematic introduction process, all new employees are given the opportunity to familiarize themselves with the organization and start working.

The need for training or other activities to enhance skills is identified during employee performance appraisals. There are a number of examples of employees who have switched between different tasks or undergone further training during their employment, thus taking on new tasks and greater responsibility.

#### **Working conditions**

Arla Plast aims to ensure that its employees are healthy, committed and motivated. We believe health and safety provides the basis for this. So health and safety measures at Arla Plast are an integral part of everyday work and are conducted on a long-term basis. This means we work systematically with health and safety, conduct regular risk assessments and monitoring, set clear goals and develop action plans based on these. The work includes both physical and psychosocial health and safety, including issues related to ergonomics, protection and safety, sick leave, the promotion of fitness, and alcohol and drugs.

We regularly conduct employee surveys to find out how the organization and the working environment are perceived by employees. The results are published and followed up by both company management and union representatives.



#### Arla Plast - an active corporate citizen

Arla Plast aims to contribute to positive social development and to be an important and committed player in the local community. It does this through an open dialogue and various targeted initiatives such as sponsorship, cooperation and offering summer jobs.

Arla Plast sponsored local associations and activities for the elderly and for children in 2023. Arla Plast has also supported the important work of Médecins Sans Frontières for several years.

### Lotta Hultman, Education developer and coordinator

Lotta, you started in production at Arla Plast in 2007 and now, 17 years later, you're still here. How did your journey at Arla Plast begin?

As a newcomer to Borensberg, I thought that Arla Plast, the town's biggest factory and employer, would have a job for me. I got one in production and immediately saw that it was an exciting, fast-paced company where I could learn new things and develop. Then I moved on to orders, where the work is stimulating, things move quickly and there is a lot of contact with our sales representatives and customers across Europe. In this role, our four cornerstones of quality, service, flexibility and speed are truly present in the day-to-day work.

What is your current role?

I work in HR as a education developer and coordinator. My work includes the introduction of all new employees and developing a training plan for production. This perfectly combines all my previous training and experience as I get to structure the training, make sure it is communicated properly and interact with almost every employee in the company.

What does Arla Plast signify for you? I'm proud to work here, especially when I show new employees around the company. That's when you really get a sense of what Arla Plast is all about – the warm and friendly atmosphere. Every employee welcomes new employees with a smile. We enjoy meeting new colleagues and start joking with them right away. It doesn't take long for them to be included in our familiar atmosphere.





#### Pavel Horák, Product Technician

Pavel, you have a degree in environmental science and worked and carried out research for several years at PhD level at Charles University in Prague. How did your journey at Arla Plast begin?

I had been working on recycling and managing plastics for several years. In 2020, I started working as a product technician at Arla Plast in the Czech Republic. I was responsible for quality control and running development projects on site in our two factories. It was an exciting job, with international contacts and a lot of work in English.

For the last year you've been working and living in Sweden though? Yes, I'm an outdoor person and I like sail-

ing and swimming, so Sweden seemed very attractive. And I wanted to be part of a bigger team. So in spring 2023, I moved to Borensberg. My job is to improve Arla Plast's offering and quality by developing our processes and products.

How do you view the sustainability aspect of our products?

The plastics we produce are optimized for their areas of application and are robust. We never make any disposable products, and what we make remains in place for many years. In many cases, no other products can match their durability and weight. The general problem with plastics is that half of what is produced is disposable and is not properly recycled. We work hard to recycle plastic, both in our own operations and where our customers are concerned.

What does Arla Plast signify for you? The ability to adapt to customer specifications and offer many colours, products or small volumes. This gives us an advantage over the really big companies in the industry. We have a more dynamic process where the focus is always on flexibility and quality.

## **Business ethics**

Arla Plast's ambition is to develop in a sustainable and responsible way. One way to ensure good business ethics and corporate responsibility is to create awareness and understanding in employees and other stakeholders. This is supported by a Code of Conduct, policies and training programmes.

Arla Plast has a guide for all its employees called The Arla Plast Way.

The Arla Plast Way describes and guides employees regarding how to act in different situations and is based on the Sustainability Policy and Code of Conduct.

#### The guide contains

- · Arla Plast: a good place to work
- Honesty and integrity
- · Respect for customers
- Respect for each other
- · Respect for company property
- We care about the world around us
- · Inside information issues

#### **Human rights and corruption**

Guidelines on human rights and corruption can be found in The Arla Plast Way. All employees and company representatives have been trained on The Arla Plast Way and the appropriate laws in the countries in which we operate. A whistleblowing function is in place to detect if someone violates these. No incidents were reported in 2023.

#### **Suppliers**

All plastic granule purchases are made from approved suppliers that have passed our supplier selection process. We work upstream, which means that we only accept suppliers that have committed to complying with international human rights, labour law and anti-corruption rules.

In addition to our own personnell, we work with carefully selected subcontractors at our production facilities in areas such as construction, safety, cleaning, IT, maintenance and logistics. All subcontractors are informed of our Health and Safety Policy, our procedures and, of course, our Code of Conduct.

Our supplier monitoring includes checking suppliers' compliance with our Code of Conduct. No cases of suppliers breaching our Code of Conduct were noted during the year.



OVERVIEW

# Governance of sustainability

Overall responsibility for the company's sustainability work lies with the Board of Directors, while the CEO has operational responsibility.

Sustainability efforts are managed and monitored through a management system with action plans and measurable targets. This also includes joint policies and guidelines. Target fulfilment and action plans are monitored and reported regularly to Group Management, which in turn regularly reports developments and results to the company's Board of Directors. The Group's Board of Directors continuously evaluates the sustainability work through reporting at Board meetings.

#### Systematic approach

Sustainability efforts form an integral part of Arla Plast's operational management. Progress has been made with many of the company's sustainability priorities. In recent years, this work has been further intensified. We have raised the level of ambition in order to develop a sustainable product portfolio, increase supplier responsibility, raise the level of responsible business practices, develop a sustainable workforce and directly address our climate impact in various ways.

#### **Guideline documents**

The company has adopted a number of policies and guideline documents. All policies have been approved by the Board of Directors, and those that are primarily relevant to Arla Plast's sustainability work are presented below.

The Sustainability Policy and Code of Conduct, including The Arla Plast Way, set out Arla Plast's overall conduct with regard to customers, employees, suppliers, business ethics, anti-corruption and wider society.

The Operating Policy governs how the company aims to achieve a good and safe working environment and

how it aims to minimize negative impacts on the external environment.

The Insider Policy is intended to reduce the risks of insider trading and other unauthorized practices and to facilitate the Group's compliance with the applicable rules on handling inside information.

The Purchasing Policy guides the company's efforts to establish and develop long-term business relationships with suppliers and other partners.

The Related-Party Policy is intended to reduce the risk of errors and irregularities arising from related-party relationships and transactions.

The management system ensures a long-term, focused and systematic approach to continual improvement.

#### **Commitments and initiatives**

Arla Plast supports the UN Global Compact initiative and is committed to fulfilling the principles on human rights, labour law, the environment and anti-corruption.

These principles also form the basis of our Code of Conduct. In addition, Arla Plast is committed to contributing to Agenda 2030 and the Sustainable Development Goals (SDGs), and has identified the SDGs that are most relevant to the company and where Arla Plast has the greatest impact and can contribute the most.

#### **EU taxonomy and CSRD**

Arla Plast has not yet been affected by the CSRD or the taxonomy. We will endeavour to operate in accordance with the applicable regulations and be prepared to report in accordance with them when this obligation is broadened and the business becomes subject to it.

#### Sustainability risks

Changing or new sustainability risks are identified and assessed on an ongoing basis, activities are planned to counteract them.

## 2030 Agenda UN SDGs

Arla Plast contributes to the 2030 Agenda and the UN Sustainable Development Goals (SDGs). All the SDGs that have been identified as most relevant to Arla Plast's business and those to which Arla Plast can contribute the most have been integrated into Arla Plast's systematic improvement efforts and are monitored. Arla Plast has assessed that the company can make a positive contribution above all to the following Sustainable Development Goals (SDGs) for countries across the world.



Sustainable Development Goals	Sustainable Development Goals, targets	Arla Plast's key areas		
3. Good health and well-being	<ul><li>3.5 Preventing and treating substance abuse</li><li>3.8 Making healthcare accessible to all</li><li>3.9 Reducing the number of deaths and illnesses from hazardous chemicals and pollution</li></ul>	preventively on risk assessments and offer activities that promote staff health and well-being.  • Arla Plast has procedures to prevent and treat drug abuse.		
4. Quality	4.4 Increasing the number of people with skills for financial security	friendly as possible.  • Arla Plast works to retain and attract skilled labour. We work closely with schools and universities to secure future expertise		
education	With Skills for illiancial security	<ul> <li>Arla Plast works to develop skills that both improve the individual performance of employees and benefit the company.</li> </ul>		
5. Gender equality	5.1 Ending discrimination against women and girls	Arla Plast promotes equal opportunities, diversity and gender equality.		
	5.5 Ensuring women's full participation in leadership and decision-making	<ul> <li>Regular salary surveys are conducted in Sweden, and throughout the Group, Arla Plast monitors how employees perceive gender equality through employee surveys.</li> </ul>		
		<ul> <li>Arla Plast monitors and works actively to promote a gender balance in management and the Board of Directors.</li> </ul>		
6. Clean water and sanitation	6.3 Improving water quality and wastewater treatment and increasing	Arla Plast works to reduce emissions to both air and water.  The production facilities have action plane to manage water.		
	recycling	<ul> <li>The production facilities have action plans to manage water- related impacts, including improvements to increase efficiency.</li> </ul>		
	6.4 Increasing water-use efficiency and ensuring water supply	We are actively working to reduce water use.		

Sustainable Development Goals	Sustainable Development Goals, targets	Arla Plast's key areas			
7. Affordable and clean energy	<ul><li>7.2 Increasing the share of renewable energy in the world</li><li>7.3 Doubling the rate of improvement in energy efficiency</li></ul>	<ul> <li>The production facility in Sweden uses environmentally declared renewable hydroelectric power. In the Czech Republic, environ- mentally declared electricity is used in one of the facilities. The production facilities in the Czech Republic are certified to ISO 5001.</li> </ul>			
		<ul> <li>Arla Plast actively works to streamline production processes and reduce electricity consumption.</li> </ul>			
8. Decent work and economic growth	8.2 Achieving higher levels of economic productivity through diversification, technological upgrading and	<ul> <li>Arla Plast continuously invests in the technical upgrading of processes to increase productivity in both the production environment and in support functions.</li> </ul>			
	innovation 8.4 Improving resource efficiency in	<ul> <li>Arla Plast has a systematic improvement programme for the environment, working environment and quality.</li> </ul>			
	consumption and production  8.5 Achieving full employment and decent work with equal pay for all	<ul> <li>Arla Plast works to ensure equal pay in a non-discriminatory environment, along with a working environment with high safety standards.</li> </ul>			
	8.6 Reducing the proportion of youth not in employment, education or training	<ul> <li>Arla Plast works on risk prevention, to avoid workplace accidents and to address deficiencies in the working environment.</li> </ul>			
	8.8 Protecting labour rights and promoting safe and secure working environments for all	<ul> <li>We work with schools to promote young people's learning and offer a chance to experience a business environment.</li> </ul>			
9. Industry, innovation and infrastructure	9.4 Upgrading all industries and infra- structure for increased sustainability	Arla Plast actively works to streamline production processes and reduce electricity consumption.			
10. Reduced inequalities	10.3 Ensuring equal opportunities and ending discrimination	Arla Plast monitors how employees perceive gender equality through an employee survey.			
		<ul> <li>Arla Plast has a clear policy on business ethics, supplemented by a guide for all employees known as The Arla Plast Way.</li> </ul>			
11. Sustainable cities and communities	11. Making cities and human settle- ments inclusive, safe, resilient and sustainable	<ul> <li>Arla Plast works to capitalize on the sustainability properties of materials, including their low weight, impact resistance and circularity, that contribute to energy-efficient and sustainable applications such as in buildings and guards along transport routes.</li> </ul>			
12. Responsible consumption and production	12.4 Environmentally sound management of chemicals and waste 12.5 Substantially reducing waste generation	<ul> <li>Arla Plast monitors and works actively to reduce the generation of regrind from production. Materials are recycled to a high degree, and work is in progress on the utilization of regrind fror other stages of the value chain.</li> </ul>			
	12.6 Encouraging companies to adopt sustainable practices and sustainability reporting	<ul> <li>Arla Plast sorts and recycles all waste where possible and works to minimize harmful emissions.</li> </ul>			
13. Climate action	13. Climate action	The single largest contribution to Arla Plast's carbon footprint is the raw material used. The plastics produced by Arla Plast have a theoretical recycling rate of 100%, and work on increasing circularity is in progress. The share of recycled materials is being closely monitored and increased. Work is in progress on the utilization of material from other stages of the value chain.			
16. Peace, justice and strong institutions	16.5 Substantially reducing corruption and bribery	<ul> <li>Arla Plast has zero tolerance for bribery and other types of corruption in its operations and has a guidance document for al employees known as The Arla Plast Way.</li> </ul>			
17. Partnerships for the goals	17.6 Cooperating and sharing knowledge about science, technology and innovation	<ul> <li>Arla Plast supports the UN Global Compact and works with industry organizations and networks to promote sustainable development.</li> </ul>			
	17.16 Enhancing the Global Partnership for Sustainable Development	• The company works to promote and improve the sustainability performance of materials through value chain partnerships.			

GOVERNANCE

#### SUSTAINABILITY REPORT, CONT.

## Five-year summary

For Arla Plast, sustainability is an integral part of our core business and strategy. It helps to increase long-term competitiveness and value for our stakeholders. Improvements are undertaken continually and gradually over

time. The 2023 sustainability information covers all wholly owned operations at the start of 2023. Alphaplex GmbH is not a producing unit and is therefore not included in key performance indicators related to tonnes produced.

Area	Key performance indicators	2023	2022	2021	2020	2019
Compliance	Number of violations of environmental legislation (fines, sanctions)	0	0	1	1	3
Energy	Energy consumption (MWh)	16,951	17,793	21,256	22,417	20,175
	Energy use/tonne produced (MWh/tonne)	0.92	0.96	0.95	0.92	1.01
	Energy use/sales (MWh/SEK m)	16.70	19.27	22.92	25.34	25.39
Greenhouse gas emissions <sup>1</sup>	CO <sub>2</sub> e emissions (tonnes)	69,653	65,164	84,043	92,969	n/a
	Emissions, CO <sub>2</sub> e/tonne produced (CO <sub>2</sub> e/tonne)	3.54	3.50	3.76	3.83	n/a
	CO <sub>2</sub> e emissions/sales (CO <sub>2</sub> e/SEK m)	68.62	70.57	90.61	105.09	n/a
Water <sup>2</sup>	Water consumption (1,000s m³)	5,197	3,829	1,234	2,244	3,699
	Water consumption/tonne produced (m3/tonne)	0.28	0.21	0.09	0.15	0.29
	Water consumption/sales (m3/SEK m)	5.12	4.15	1.99	3.65	7.13
Waste <sup>3</sup>	Quantity of waste (tonnes) – combustible waste, industrial waste for landfill, industrial waste for sorting.	729	540	586	868	361
	Volume of waste/produced (tonnes/tonnes)	0.03	0.03	0.03	0.04	0.03
	Volume of waste/sales (tonnes/SEK million)	0.72	0.58	0.60	0.93	0.73
Raw materials <sup>4</sup>	Recycled plastics (% recycled of total use)	7.6	9.6	6.3	5.0	n/a
Management system	ms ISO 14001-certified sites, %	67	100	100	100	100

<sup>1)</sup> The key performance indicator started to be measured in 2020.

The key performance indicator refers only to operations in the Sweden segment up to and including 2021.

<sup>3)</sup> The years 2020–2022 refer to the Sweden and Czech Republic segments, while the years 2018–2019 refer to the Sweden segment only.

<sup>4)</sup> Comparable data for the years 2018–2019 cannot be presented due to differences in the monitoring methodology.

Area	Key performance indicators	2023	2022	2021	2020	2019
Employees	Number of employees (average)	256	248	265	258	256
Compliance	Number of violations of health and safety legislation (fines, sanctions)	0	0	0	0	C
Health and safety	Lost Time Injury Frequency Rate (LTIFR)	12	24	29	24	18
Ma	Proportion of women in Group Management, %	50	20	25	25	20
	Proportion of women in local management teams, %	24	18	17	17	29
Management system	ns ISO 45001-certified sites, %	67	100	100	100	100

Business ethics						
Area	Key performance indicators	2023	2022	2021	2020	2019
Code of Conduct	Reporting of serious irregularities (number)	0	0	0	0	0

#### Reporting on greenhouse gases (GHG) emissions

To track our progress towards the climate targets set, our reporting follows the guidelines of the Greenhouse Gas Protocol (GHG). The GHG Protocol is the widely recognized leading method for managing greenhouse gas emissions in industry, providing comprehensive and internationally comparable figures.

#### Scope 1

Direct impact from own operations, burning of fossil fuels in own production.

#### Scope 2

Indirect environmental impact generated by use of electricity, district heating and cooling.

#### Scope 3

Indirect environmental impacts in our value chain, purchasing of goods and services, such as raw materials.

The protocol requires us to report emissions from three different areas or scopes; see page 36.

The results under scope 1 show emissions related to the use of diesel forklifts trucks in our operations. The calculation is based on the actual volume of diesel multiplied by a diesel emissions equivalent.

Across the Group, more than 88% of forklifts are now powered by electricity. The results under scope 2 show emissions related to electricity use. The Sweden segment uses EPD-labelled hydroelectric power and the Czech Republic segment has also been able to obtain some of its energy from renewable sources.

Under scope 3, we account for and report emissions in the value chain: production of raw materials used, waste and transport to customers. To calculate the production of raw materials used, each new main raw material used is multiplied by an emissions equivalent for the respective raw material minus the raw material sold. The impact related to waste is calculated on the amount of waste multiplied by an emissions equivalent for each fraction.

For the Sweden segment, transport to customers has been based on the actual outcome of emissions reports provided by transporters according to the EN16258 standard. For the Czech Republic segment, the  $\mathrm{CO}_2\mathrm{e}$  outcome has been calculated based on volume sold and distance travelled.

The GHG protocol enables the comparability of emissions from operations, creating the conditions for relevant benchmarking and detailing which areas have the most impact and should be prioritized in efforts to reduce our carbon footprint.

