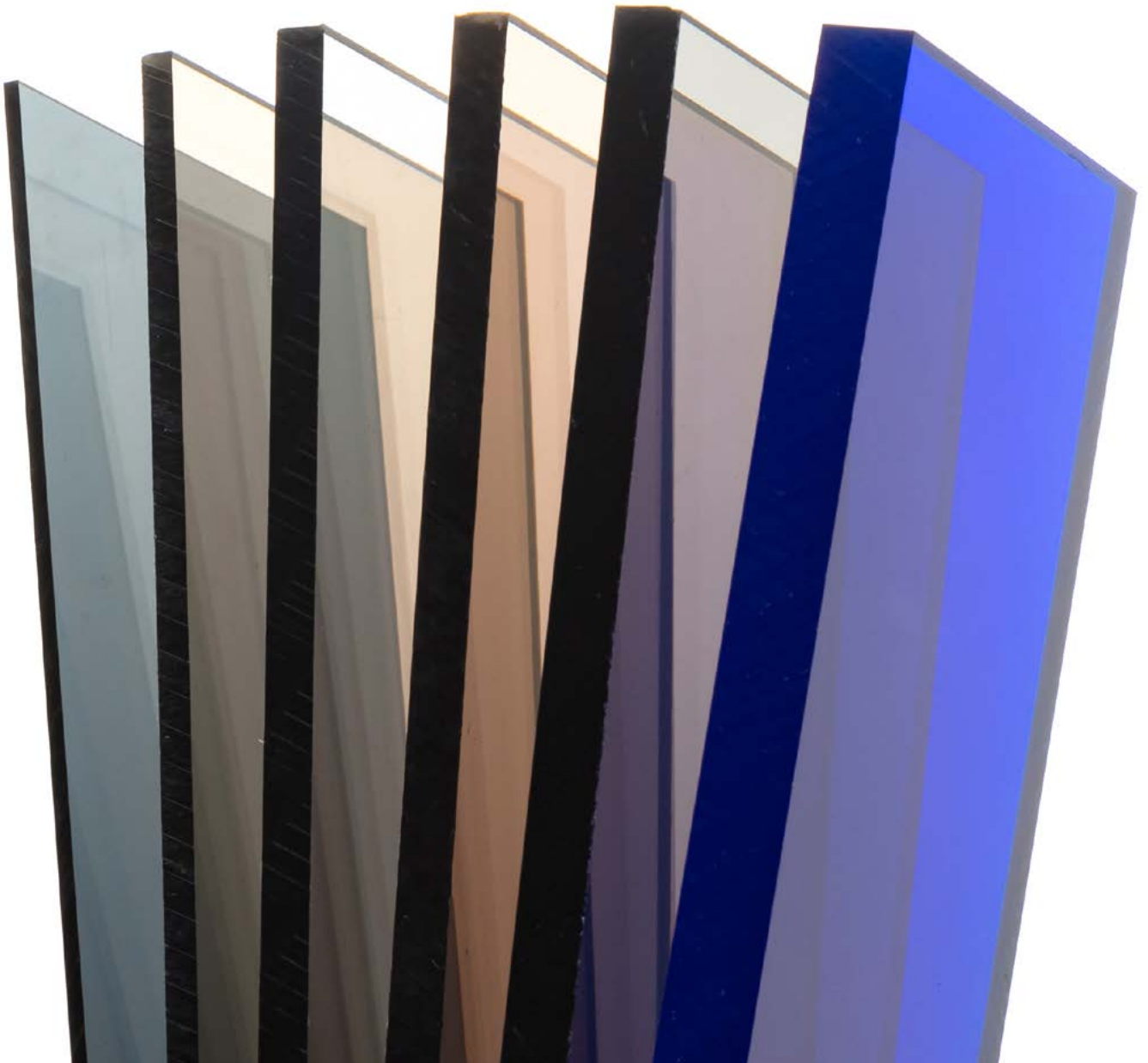


Sustainability report



SUSTAINABILITY REPORT

Our sustainability performance

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

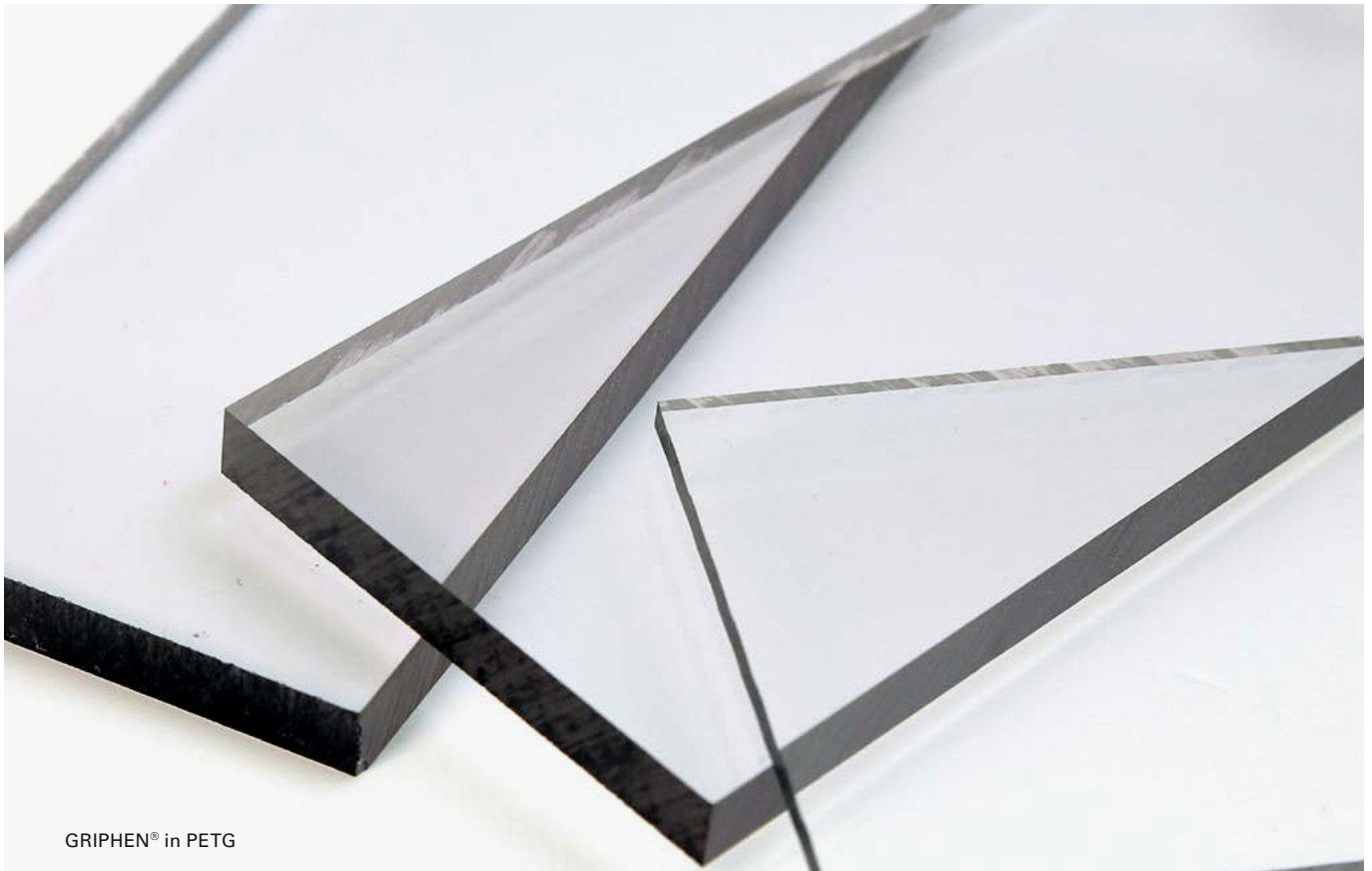
To ensure sustainable development, it is essential to integrate these sustainability aspects into all company activities and decisions. Our work is guided by our vision and our strategy, the 2030 Agenda. The sustainability information in this report relates to the 2024 financial year and includes all wholly owned businesses at the start of 2024.

Sustainability – a tradition

Arla Plast's commitment to sustainable development goes back decades. We started recycling our own materials

back in the 1970s, and today we recycle almost all of the regrind material generated in our business and some of the regrind generated by many of our customers. Arla Plast introduced certified management systems for the environment (ISO 14001) and quality (ISO 9001) at its production facilities early on. Health and safety (ISO 45001) and energy management systems (ISO 5001) 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

SUSTAINABILITY REPORT CONT.

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 continue to work with external partners, predominantly raw materials suppliers, on developing renewable or partially renewable materials and continue to work actively on recycling and take-back.

Arla Plast's goal and strategy for reducing 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 our efficient use 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 will 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 to our facilities by road.

Performance in 2024

During the year, we made significant progress on improving the efficiency of our use of materials. We have increased the proportion of recycled plastic in our production from 7.6 percent to 9.6 percent, in other words an increase of an impressive 26 percent.



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 our sustainable customer offering:

- Increasing the share of products with a lower CO₂ footprint
- Increasing the use of recycled materials
- Increasing the share of investments that enable circularity
- Consolidating transport to attain more sustainable transport

Arla Plast is constantly striving to improve the value chain to increase the sustainability of its customer offering and to be a partner that helps our customers achieve their sustainability goals. During the year, we have developed product life cycle assessments, which will be used as the basis of Environmental Product Declarations (EPDs) to enable our customers to predict the climate impact of our products. As part of this process, we have carried out ISCC certifications, enabling us to offer products based on circular raw materials. We work actively to take back materials from customers to increase reuse and circularity.

Our products are sold around the world and are mainly transported to customers by truck or container. To reduce the impact of transport, we are working to consolidate transport to offer a more sustainable transport solution.

SUSTAINABILITY REPORT CONT.

Performance in 2024

During the year, we conducted and third-party certified life cycle assessments for products produced in Sweden. This process is in its final phase at our Czech sites, with third-party certification in progress.

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

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

Sustainable production



Arla Plast strives to continuously develop its production facilities to put us at the forefront of sustainable production. Our extensive industry experience has given us unique expertise in developing our own production processes and products, so they have less of a negative impact on the environment and climate.

Key issues in our 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. Extrusion and grinding in mills account for the bulk of energy consumption.

The Borensberg facility in Sweden uses renewable electricity, produced by hydroelectric power, which 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 5001.

The primary waste at Arla Plast consists of combustibles, packaging, refuse, electronics, waste oil and emulsion. Residual materials in the form of start-up 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 proportion of environmentally hazardous waste that cannot be recycled. We aim to continually reduce this percentage.

Performance in 2024

During the year, we worked on the further streamlining of our production processes, which resulted in a 3 percent reduction in electricity consumption per tonne produced. The share of energy from renewable sources has remained at 87 percent.

%	2024	2023	2022
Renewable	87	87	66
Other sources	13	13	34

A key ambition for Arla Plast is that nobody should be injured in the workplace. One of the most important 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.

	2024	2023	2022
Lost Time Injury Rate (LTIR)	15	12	24

SUSTAINABILITY REPORT CONT.

Corporate social responsibility

Focus on employees

Being a workplace where people thrive and have the opportunity to grow and develop is not just a corporate goal, it is a key part of our identity and who we want to be as an organisation. 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 characterised by the fundamental principles of quality, service, speed and flexibility. These core values shape the way we interact with our customers and each other within the organisation.

Employees

Our Personnel Policy is based on acknowledging our employees' know-how and skills, achieving gender equality, a high level of ethics, and open and honest communication that enables the exchange of ideas. Arla Plast is founded on values that promote a working environment in which everyone is of equal value. This means everyone at Arla Plast is to have the same rights, obligations and opportunities.

Health and safety

Our employees must 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 health and safety management systems, 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

Offering opportunities for development and career options is an important element in being an attractive employer. A planned, systematic induction process gives all new employees the opportunity to familiarise themselves with the organisation and start working.

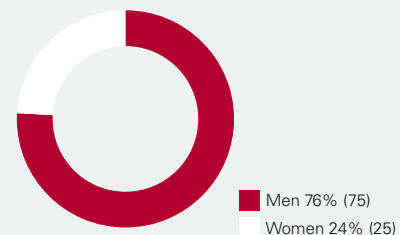
Any needs for training or other activities to enhance skills are identified during employee performance appraisals. There are a number of examples of employees who have switched between different tasks or undergone further training during their employment, thus taking on new duties and greater responsibility.

Working conditions

Arla Plast aims to ensure that its employees are healthy, committed and motivated. Our approach is that achieving this comes down to health and safety. Therefore, at Arla Plast, health and safety is an integral part of everyday work and 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. Our work on this spans physical and psychosocial health and safety, including issues related to ergonomics, protection and safety, sickness absence, promoting fitness, and tackling alcohol and drug use.

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

Proportion of men and women



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. We do 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 2024. Arla Plast has also supported the important work of Médecins Sans Frontières for several years.

SUSTAINABILITY REPORT CONT.

Business ethics

Arla Plast's ambition is to develop sustainably and responsibly. One way to ensure good business ethics and corporate responsibility is to create awareness and understanding in employees and other stakeholders. We have a Code of Conduct, policies and training programmes in place to support this.

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

The Arla Plast Way describes and guides employees on 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 in The Arla Plast Way and the appropriate laws in the countries in which we operate. A whistleblowing function is in place to detect any violations of these. No incidents were reported in 2024.

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 personnel, 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.



SUSTAINABILITY REPORT CONT.

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 via 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, who in turn regularly report developments and results to the company's Board of Directors. The Group's Board of Directors continuously evaluate 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 on many of the company's sustainability priorities, and in recent years, efforts have been stepped up further. We have raised our 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 minimise negative impacts on the external environment.

The Insider Policy is intended to reduce the risks of insider trading and other unauthorised 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, so committing to fulfilling its principles on human rights, labour law, the environment and anti-corruption.

These principles also form the basis of our Code of Conduct. Arla Plast has also undertaken to contribute towards the 2030 Agenda and the UN Sustainable Development Goals (SDGs). Arla Plast has identified the SDGs that are most relevant to the company and where we have 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 endeavour to operate in accordance with the applicable regulations and are prepared to report in accordance with them once their scope is broadened and the business becomes subject to these regulations.

Sustainability risks

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

SUSTAINABILITY REPORT CONT.

The 2030 Agenda UN SDGs

Arla Plast contributes to the 2030 Agenda and the UN Sustainable Development Goals (SDGs). Our work on the SDGs centres around several key areas.

In focusing on these areas, we are seeking to achieve measurable progress towards our sustainability targets and create a positive impact in our organisation, not to mention sustainable development for the countries of the world.

Arla Plast's contribution to the UN SDGs

People

We want to create a sustainable workplace by prioritising the health, wellbeing and engagement of our employees. We strive to create a culture characterised by respect and cooperation.



Circularity

We seek to reduce our environmental impact by reducing and recycling residual materials from our production. We collaborate with customers and suppliers to promote a circular attitude throughout the value chain.



Climate

Reducing our impact on the climate by investing in new technology, optimising our processes and reducing the use of raw materials, cutting our water consumption, improving energy efficiency in our production and using a higher proportion of renewable energy. Reducing environmental impact by optimising and coordinating transport.



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 2024 sustainability information covers all wholly owned operations at the start of 2024. Alphaplex GmbH is not a producing unit and is therefore not included in key performance indicators related to tonnes produced.

Reporting greenhouse gas (GHG) emissions

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

The protocol requires us to report emissions from three different scopes; see page 32.

Environmental footprint

Area	Key performance indicators	2024	2023	2022	2021	2020
Compliance	Number of violations of environmental legislation (fines, sanctions)	0	0	0	1	1
Energy	Energy consumption (MWh)	16,673	16,951	17,793	21,256	22,417
	Energy use/tonne produced (MWh/tonne)	0.89	0.92	0.96	0.95	0.92
	Energy use/sales (MWh/SEKm)	15.52	16.70	19.27	22.92	25.34
Climate ¹	CO ₂ e emissions (tonnes)	66,362	69,653	65,164	84,043	92,969
	Emissions, CO ₂ e/tonne produced (CO ₂ e/tonne)	3.37	3.54	3.50	3.76	3.83
	CO ₂ e emissions/sales (CO ₂ e/SEKm)	61.8	68.62	70.57	90.61	105.09
Water ²	Water consumption (1,000 m ³)	5,753	5,197	3,829	1,234	2,244
	Water consumption/tonne produced (m ³ /tonne)	0.31	0.28	0.21	0.09	0.15
	Water consumption/sales (m ³ /SEKm)	5.36	5.12	4.15	1.99	3.65
Raw materials ³	Recycled plastics (% recycled of total use)	9.6	7.6	9.6	6.3	5.0
Management systems	ISO 14001-certified sites, %	67	67	100	100	100

¹ The key performance indicator started to be measured in 2020.

² The key performance indicator refers only to operations in the Sweden segment up to and including 2021.

³ Comparable data for the years 2018–2019 cannot be presented due to differences in the monitoring methodology.

Social sustainability

Area	Key performance indicators	2024	2023	2022	2021	2020
Employees	Number of employees (average)	258 ¹	256	248	265	258
Compliance	Number of violations of health and safety legislation (fines, sanctions)	0	0	0	0	0
Health and safety	Lost Time Injury Frequency Rate (LTIFR)	15	12	24	29	24
Diversity	Proportion of women in Group Management, %	33	50	20	25	25
	Proportion of women in local management teams, %	29	24	18	17	17
Management systems	ISO 45001-certified sites, %	67	67	100	100	100

¹ Excluding the Spain segment, which was not part of the Group on 1/1/2024.

SUSTAINABILITY REPORT CONT.

Business ethics

Area	Key performance indicators	2024	2023	2022	2021	2020
Code of Conduct	Reporting of serious irregularities (number)	0	0	0	0	0

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 results under Scope 1 show emissions related to the use of diesel forklift trucks in our operations. The calculation is based on the actual volume of diesel multiplied by a diesel emission factor.

Across the Group, more than 88 percent of forklifts have now been switched to electrical power. The results under Scope 2 show emissions related to electricity use. In the Sweden segment,

EPD-labelled hydroelectric power is used and the Czech Republic segment has also been able to obtain some of its energy from renewable sources.

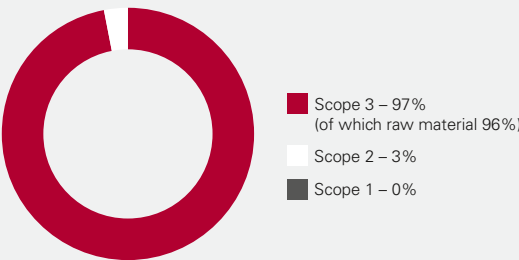
Under Scope 3, we account for and report emissions in the value chain: production of raw materials used, waste and transport to customers. To calculate the production of raw materials used, each new main raw material used is multiplied by an emission factor for the respective raw material minus the raw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

For the Sweden segment, transport to customers is based on the actual outcome of emissions reports provided by carriers under the EN16258 standard. For the Czech Republic segment, the CO₂e outcome is calculated based on volume sold and distance travelled.

The GHG Protocol enables the comparability of emissions from operations, facilitating relevant benchmarking, and detailing which areas have the most impact and should be prioritised in efforts to reduce our carbon footprint.

Arla Plast calculation of greenhouse gas emissions, 2024

Total emissions 3.37 tonnes CO₂e/tonne of product



Arla Plast calculation of greenhouse gas emissions, 2023

Total emissions 3.54 tonnes CO₂e/tonne of product

