

# SUSTAINABILITY

# ABILITY

REPORT 2024



## emballator

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# Packaging solutions for future generations

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## **Emballator Group**

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Head of sustainability

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# A MESSAGE FROM OUR CEO

Yet another year has progressed, but our focus on sustainable packaging solutions remains! We take a lot of pride in our commitment to create “packaging solutions for future generations”. Great progress was made last year, but there is more to be done in the years ahead.

As we reflect on the past year, the achievements made and highlighted in this report are a testament to the dedication and innovation of our entire team.

I take the opportunity to mention just a few highlights already here. One of our standout achievements was the 33% reduction in CO<sub>2</sub>e emissions from transport, thanks to our increased use of bio-based fuels, both on internal and external transport and the introduction of electric vehicles on specific routes. This is a crucial step towards our goal of climate-neutral transport by 2030.

We also made remarkable advancements in our use of recycled materials. Our use of post-consumer recycled (PCR) plastics reached 24%, and we doubled the amount of recycled aluminum used to around 50%, now offering PCR aluminum to all our tube customers, including those in the food industry.

Our focus on innovation and sustainability has not only reduced our environmental footprint but also garnered positive attention from our customers and other stakeholders. This is key since all players in the value chain need to collaborate to harvest the opportunities. We are in line with our targets for 2030, and we continue to push the boundaries of what is possible in sustainable packaging.

As we look to the future, we remain committed to our vision of a sustainable world. We have a solid funnel of projects and innovations so that we can continue to optimise material usage, reduce our customer’s climate footprint, and ensure that our products meet the requirement of 100% recyclability.

Thank you for your continued support and partnership as we work together to create a better and more sustainable future.

## *Enjoy the reading;*

we hope we can inspire with some examples in this report!

*Kent Viitanen*



## About us

**The Emballator Group**, headquartered in Ulricehamn, Sweden, offers packaging solutions in plastics, tinsplate, and aluminium within the widest range of packaging solutions in the Nordic region, producing cans, pails, bottles, tubes, and closures for different industries, such as food, pharmaceutical products, chemicals, paint, and health products. We are located in seven places in Sweden, two in Finland, one in the United Kingdom, and one in France.

Emballator is a wholly owned subsidiary of Herenco, an independent and family-owned holding company that creates, develops, and refines companies and brands, often through careful acquisitions.

Our Code of Conduct is the foundation of our sustainability approach and permeates the entire business: from employee health and safety and due diligence in the supply chain to concern for the local environment, the climate, and new product innovations. More information can be found on our website, [emballator.com](https://www.emballator.com)

# Sustainability highlights

## 33% reduction of CO<sub>2</sub>e emissions from transport

One of our focus areas is to be climate-neutral in transport by 2030. 2024, we took a big step in the right direction. The increased use of bio-based fuels in transport and the introduction of electrical transport on specific routes led to a 33% reduction of CO<sub>2</sub>e emissions compared to 2021.



## Increased use of recycled material

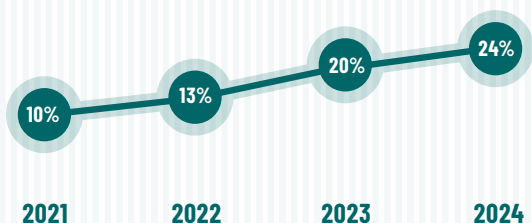
Our focus areas 1 and 2 state that we shall increase the use of recycled materials. We are on track with our goal for 2030 on plastics and ahead of our goal on aluminium. By 2030, 30% of our plastic product portfolio will be recycled, and a minimum of 30% of the aluminium used should be recycled.

In 2024, the Emballator Group used 24% post-consumer

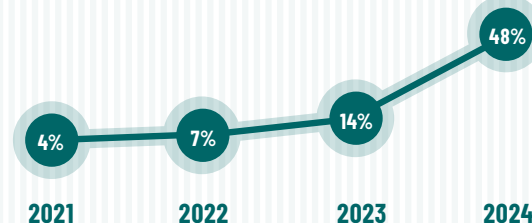
recycled (PCR) plastics. At Emballator UK, we have increased the total percentage by 11% compared to the year before, and at Emballator Lagan, we have increased the amount by 10%.

Almost half of the aluminium used was recycled, which means that the amount has doubled within the last year and that we now offer post-consumer recycled (PCR) aluminium to all our tube customers, also for food. This has saved us over 5000 tons of CO<sub>2</sub>e compared to last year.

### Recycled plastics



### Recycled aluminium



## Facing out black plastic material

Emballator is working on replacing plastic material containing carbon black with lighter colours to increase the amount of recyclable packaging. In 2024, we replaced closures for acrylate petrol and food applications with fully recyclable non-carbon black alternatives.

# 4 questions to our Head of Sustainability

## 1. How much progress have we made?

We have taken a step in the right direction with a 17% reduced climate footprint per revenue compared to our base year of 2021.

In 2024, we focused on recycled plastics and transport. We increased the use of recycled plastics from 20% to 24%, even though we have acquired companies that produce products in areas where recycled plastics are not possible to use.

Within transport, we have lowered our climate footprint by 33%, mainly by using bio-based fuels but also electrical vehicles on some routes.

## 2. What are you most proud of?

The amount of recycled aluminium has increased tremendously, from 14% to 48% in only one year. This has received a lot of positive attention from our customers. We have passed our goal for 2030, but we are not satisfied and will try to increase this amount further.

## 3. What are the biggest challenges with the new packaging and packaging waste regulation (PPWR)?

The biggest challenge is to implement 100% recyclable products by 2030 in a sometimes very conservative

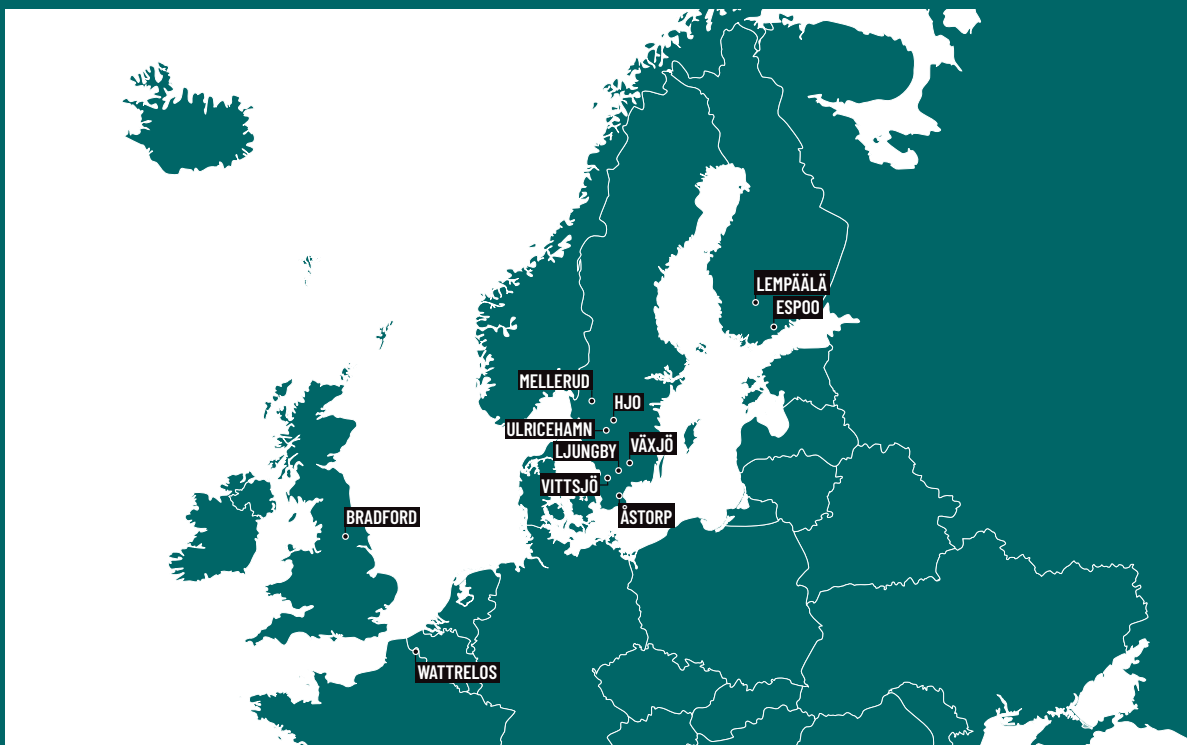


Maria Edqvist Schultz, Head of sustainability

market. Customers want to fulfil the legislation, but package design could be a strong argument against it. One example is changing the colours of the packaging to remove carbon black, which is interfering with near-infrared (NIR) detection in plastic waste sorting facilities. Another example is reducing the size of inmould labels (IML) on packaging. The lacquer that protects the label from moisture might reflect the NIR and make it hard to verify which material the packaging is made from.

## 4. Could you mention some key focus areas for 2025?

This year, we will focus on optimizing the material usage in our tins with a more streamlined design without compromising quality or performance. We will also continue to focus on reducing our climate footprint from transport and materials and reducing production waste. Finally, we will also focus on the new legislation for sustainability reporting, CSRD, that we will report on starting next year.





## Our sustainability targets

In September 2015, the world's leaders adopted a new development agenda and the Sustainable Development Goals (SDGs). Agenda 2030 consists of the 17 SDGs that aim to eradicate poverty, stop climate change, and create peaceful and secure societies.

Emballator has implemented the following four SDGs and broken them down into internal targets for 2030.



### Goal 5: Gender equality

- Minimum 40% of women in leading positions

### Goal 8: Decent work and economic growth

- Maximum 4.5% sick leave

### Goal 12: Responsible consumption and production

- Minimum 30% recycled plastic in product portfolio by 2030
- 100% recyclable products by 2030
- Prohibition of conflict minerals
- 100% of virgin metal from approved smelters

### Goal 13: Climate action

- Climate neutrality by 2045
- Halved climate footprint per revenue in 2030 compared to 2021
- Net-zero climate footprint in Scope 1 by 2030
- Net-zero climate footprint in Scope 2 by 2030
- Climate neutrality from transports that Emballator is responsible for by 2030



# Environment

## Climate change

Emballator's vision is to create packaging solutions for future generations. The single greatest risk for future generations is the greenhouse gas emissions from our operations. Partly the direct emissions from our production facilities, but mostly the indirect emissions from the use of finite resources in our raw materials, along with the transport of goods.

### Our climate goals are to:

- Become climate-neutral throughout the value chain in 2045.
- Halven our climate footprint per revenue in 2030 compared to 2021.

### To achieve these goals, we need to:

- Reduce emissions from plastics.
- Reduce emissions from metals.
- Improve energy efficiency and produce and use climate-neutral energy.
- Reach net-zero emissions from the transport we are responsible for.
- Establish solutions for circular loops.

| Target for 2030/KPIs                                   | 2021              | 2022              | 2023              | 2024 |
|--|-------------------|-------------------|-------------------|------|
| Halved climate footprint per revenue compared to 2021  | Base year         | -19%              | -24%              | -17% |
| Climate neutrality in scope 1 (tons CO <sub>2</sub> e) | 4816 <sup>1</sup> | 4057 <sup>1</sup> | 4052 <sup>1</sup> | 4185 |
| Climate neutrality in scope 2 (tons CO <sub>2</sub> e) | 1880 <sup>2</sup> | 1546 <sup>2</sup> | 1421 <sup>2</sup> | 1297 |
| Minimum 30% recycled plastic in Sweden and Finland     | 2%                | 5%                | 8%                | 12%  |
| Minimum 80% recycled plastic in the UK                 | 65%               | 61%               | 66%               | 75%  |
| 100% recyclable products                               | 94%               | 94%               | 97%               | 97%  |

<sup>1</sup> Values for Avez and Europak are estimated based on 2024.

<sup>2</sup> Scope 2 electricity has been recalculated using more accurate emission factors based on reported data from each country (source: electricitymaps.com)

# Energy

Emballator uses energy in the form of Liquid Petroleum Gas (LPG), natural gas, electricity, district heating, and district cooling. LPG is used for painting and lacquering our packaging in tinplate and aluminium. In 2024, the paint shop for pails in Emballator Lagan was closed and replaced by in-mould labels (IML). There is currently no possibility to replace LPG with climate-neutral alternatives, but we plan to do so as soon as this is available. The goal is to become climate-neutral in Scope 1 by 2030.

In Sweden and one of our Finnish facilities, electricity is purchased via certificates from climate-neutral sources. In the other Finnish facility and our facility in the UK, this is currently not available. We plan to become climate-neutral in Scope 2 by 2030 by actively working to reduce energy use by replacing older, energy-intensive equipment and producing our own climate-neutral electricity.

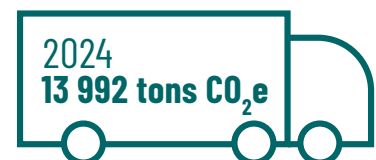
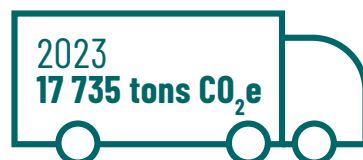
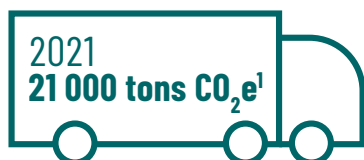
| KPIs                          | 2021          | 2022          | 2023          | 2024          |
|-------------------------------|---------------|---------------|---------------|---------------|
| Liquid Petroleum gas (MWh)    | 17 419        | 14 500        | 15 182        | 14 504        |
| Natural gas (MWh)             | 6 254*        | 5 438*        | 5 038*        | 6 144         |
| Electricity (MWh)             | 60 025*       | 58 240*       | 56 695*       | 57 409        |
| District heating (MWh)        | 1 957         | 2 153         | 1 468         | 1 255         |
| District cooling (MWh)        | 2 162         | 2 083         | 1 874         | 2 011         |
| <b>Total energy use (MWh)</b> | <b>87 817</b> | <b>82 414</b> | <b>80 257</b> | <b>81 324</b> |

\*Values for Avez and Europak are estimated based on 2024.

# Transportation

To receive climate-neutral transport in 2030, we choose electrified vehicles and HVO100 instead of conventional diesel trucks when available. We also work to optimize our logistics by how we pack our products on pallets and in trucks and by reviewing routes and transport frequency. Process planning is also an important topic, and we reduce our climate footprint by using full shipments as much as possible.

During 2024, we have increased the use of electric vehicles and HVO100, mainly within internal transport but also for some customers. This has led to a reduction of CO<sub>2</sub>e emissions from transport of 33% compared to 2021.



**Target for 2030/KPIs**  
Climate-neutral transports

<sup>1</sup> Estimated value. UK and Finland are not included. Transports were not calculated for 2022.

# Resource use and circular economy

It is of high importance for us to reduce our environmental footprint. Therefore, we try to reduce our waste and, when possible, reuse our internal scrap as much as possible. The waste that still occurs should be sent to 1. Recycling, 2. Incineration, and 3. Landfill if there are no other options. We also monitor our water consumption to ensure that it is stable or reduced.

| KPIs                                | 2022              | 2023                | 2024              |
|-------------------------------------|-------------------|---------------------|-------------------|
| Material efficiency plastics (%)    | 96%               | 99%                 | 98%               |
| Material efficiency metal (%)       | 85%               | 81%                 | 83%               |
| Waste for recycling (tons)          | 7681              | 7346                | 7430              |
| Waste for incineration (tons)       | 831               | 547                 | 950               |
| Waste for landfill (tons)           | 11                | 2                   | 0                 |
| Hazardous waste (tons)              | 182               | 200                 | 238               |
| Water consumption (m <sup>3</sup> ) | 8800 <sup>1</sup> | 8159 <sup>2 3</sup> | 7494 <sup>3</sup> |

<sup>1</sup> The value for Tectubes is estimated based on the outcome of 2023.

<sup>2</sup> The value for Europak is estimated based on 2024.

<sup>3</sup> Avez not included

## Social responsibility

Emballator is committed to a well-functioning society in which we operate by contributing to positive aspects, such as sponsorship of local associations and interest groups. We also take full responsibility for our impact on society, the economy, and the local environment. If we have caused a negative impact, we try to remedy it as soon as possible and ensure that it will not happen again by, for example, updating our routines if necessary and ensuring compliance with them.

Transparency is important to us as an organization. This is accomplished by an open and truthful dialogue with our customers, suppliers, and other stakeholders and through our sustainability report.

### Own workforce

Emballator believes in value-driven employees. It is through our engaged employees that we drive a successful and sustainable company into the future. The development of our employees is vital for Emballator's positive financial results. We also believe that a culture of inclusiveness and diversity leads to higher engagement and better solutions for the customer.



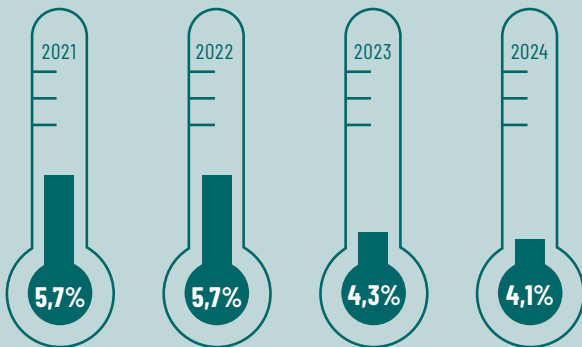
In the future, we see the risk of not finding the right skills when we recruit. Emballator focuses both on keeping the current employees and on attracting new ones. This is done by monitoring the outside world and trying to be and offer an attractive workplace for different genders and ages. Examples of that could be the possibility to work from home and the focus on internal growth within the company.



The health and safety of our employees are of the highest importance, and we work preventively to create a safe workplace by continuously evaluating and developing both our employees and our working methods. During the last years, a pulse survey tool has been implemented in most of our factories to be able to follow, analyse, and develop our work environment.

The goal is to have no lost time incidents; nevertheless, to report on accidents, incidents, or near misses. In 2024, we started measuring the number of recordable work-related ill health cases; therefore, we do not have any previous data.

| KPIs   | 2022 | 2023 | 2024 |
|--|------|------|------|
| Health & safety accidents                    | 83   | 76   | 104  |
| Health & safety near misses                  | 219  | 235  | 239  |
| Number of recordable work-related ill health | -    | -    | 26   |



Short-time sick leave 2,5%  
Long-time sick leave 1,6%

## Sick leave

Sick leave is one metric for the health and safety of our employees. We measure short- and long-term absences and follow up with our employees to be able to see and help at an early stage and to make the right decisions to keep them healthy.

Within Emballator, equality and diversity are of the highest importance, and we work to ensure that everyone is given the same opportunities regardless of gender, transgender identity or expression, ethnicity, religion, disability, sexual orientation, or age. We have a goal to have at least 40% women in leading positions by 2030, and to achieve this, we need to work for a more equal gender distribution throughout the group overall.

| Target/KPI for 2030                    | 2022 | 2023 | 2024 |
|--|------|------|------|
| Minimum 40% women in leading positions | 18%  | 21%  | 14%  |
| Share of women in total                | 24%  | 23%  | 23%  |



All suppliers are risk-assessed from a sustainability perspective. High-risk suppliers shall be subject to self-assessments and/or audits. In 2024, one supplier was audited and approved as a supplier for the Emballator Group. 81% of the plastics used by Emballator in 2024 were produced in Europe, less than 1% bio-based plastic used was produced from sugar canes in Brazil, and the rest was produced in Asia and North America.

## Workers in the Supply Chain

The biggest risk of failing to meet our high demands on social sustainability lies within the supply chain. Therefore, Emballator has implemented a Supplier Code of Conduct, and the goal is for all existing and new suppliers to sign it. If the supplier has an equivalent Code of Conduct, it could be approved by Emballator.

| Targets/KPIs                                    | 2022 | 2023 | 2024 |
|---|------|------|------|
| 100% approved Supplier Code of Conducts         | 90%  | 98%  | 97%  |
| Number of supplier audits performed             | 7    | 2    | 1    |
| Suppliers phased out for sustainability reasons | 1    | 0    | 0    |

All aluminium used in 2024 was produced in Europe, and most of the tinplate was produced in Asia and the rest in Europe. The reason for the high amount of Asian tinplate was mainly due to the price difference between Europe and Asia. Our customers are mainly located in Northern Europe due to the design of our packaging and the relatively large amount of air we transport.

# Governance

## Protection of Whistle-blowers

As part of Herenco, we have a whistle-blower service that allows employees and other stakeholders to report any misconduct within the group anonymously, including unethical or illegal behaviours. All reports are sent to our external representatives to ensure they are handled impartially. The report is then anonymously forwarded to the chair of the board of Herenco for further investigation. There were no whistleblower cases within Emballator in 2024.

## Human Rights

According to our Code of Conduct, all companies within the Emballator Group and our partners must respect and comply with international human rights conventions. The most significant risks of violations of our Code of Conduct or the UN Convention on Human Rights are in the supply chain. However, our suppliers located in high-risk areas are relatively few and consist mainly of tinplate suppliers in Asia. They have all embraced our Supplier Code of Conduct and assessments, and audits of high-risk suppliers are made according to plan. Suppliers that are not considered to have risks within human rights still need to embrace our Supplier Code of Conduct to clarify the requirements in areas we believe are essential for our suppliers to work with. In 2024, there were no reported cases of violation of our Code of Conduct concerning Human Rights.



## Anticorruption

Emballator follows good business practices and respects our customers and competitors. Our values guide us to act ethically and treat everyone professionally and commercially fairly.

The greatest risks of violations of international anti-corruption conventions are in the supply chain and relationships with our customers. However, a few of our suppliers and customers are in high-risk areas regarding corruption. All buyers, sellers, and other staff are trained in the Code of Conduct, where anti-corruption is key.

In 2024, there were no reported corruption cases within Emballator and no reported information security incidents that led to legal issues.

## Information Security

There was one major information technology incident in 2024. No external stakeholders were affected, and the case was solved within days.



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