

TRIOPLAST SUSTAINABILITY REPORT



2019



WE ARE
SUSTAINABLE



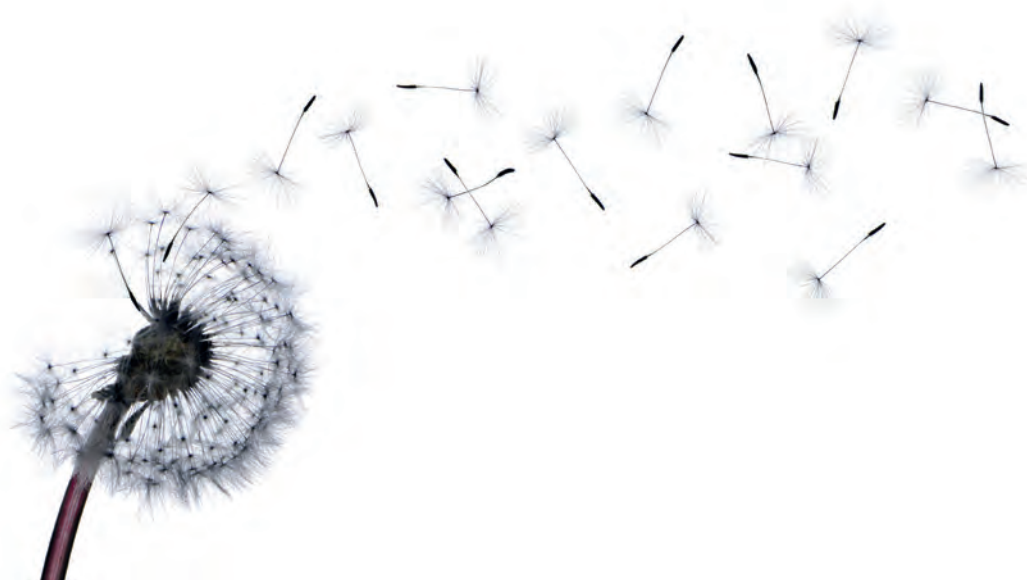
Trioplast Sustainability Report 2019

Trioplast publishes an annual Sustainability Report, which summarizes the sustainability work for the previous year. Transparent communication is important, and this Sustainability Report includes Trioplast's sustainability progress and activities. Trioplast continuously works to provide a more

sustainable product offering for all market requirements and focuses particularly on recycling and reducing consumption of raw material. Sustainability is an integral part of what Trioplast does – a strive to achieve a minimal impact on the environment; We Are There.

Significant sustainability events in 2019

- Launch of Trioplast sustainable product portfolio: Triogreen, Trioloop, Triolean and Triogreenway
- Implementation of SimaPro for calculation of carbon footprint for our customer's use of Trioplast products. To be used to evaluate sustainability performance for Trioplast in the future
- Development of non-food packaging film for tissue application, based on recycled plastic
- During the Agritechnica exhibition in Hannover 2019 Trioplast presented a premium silage stretch film for bale wrapping, with PCR (post-consumer resin) material. The use of PCR reduces the carbon footprint by 22 % compared to conventional silage stretch film made from 100% virgin raw material. Trioplast has a patent pending for this innovation
- First Trioplast site certified according to ISCC Plus for bio based polyethylene (PE).





Content

| | | | |
|--|-----------|--|-----------|
| Statement from the CEO | 5 | Raw material | 21 |
| Business results | 5 | Recyclable material | 22 |
| Sustainability results | 5 | Sustainable product development | 23 |
| Support of UN Global Compact | 5 | Energy consumption | 25 |
| About Trioplast | 6 | Waste and waste handling | 26 |
| Trioplast Divisions | 7 | Environmental legislation | 26 |
| Governance | 8 | Social responsibility | 27 |
| Trioplast Vision, Mission and Core values | 9 | Employees | 27 |
| Supply Chain | 10 | Occupational health and safety | 28 |
| External initiatives and Membership of associations | 11 | Diversity, equality and non-discrimination | 30 |
| Management approach | 12 | Community engagement | 31 |
| Stakeholder analysis | 13 | About the Sustainability Report | 32 |
| Risk analysis | 14 | Scope and boundary | 32 |
| Materiality analysis | 15 | Reporting principles | 34 |
| Code of Conduct | 16 | Contact persons | 35 |
| Competition Compliance Policy | 17 | GRI Index 2019 | 36 |
| Management systems | 17 | GRI Standards | 36 |
| Open communication | 18 | UN Global Compact and Communication on progress | 40 |
| UN Sustainable Development Goals | 18 | Ten principles on responsible business practice | 40 |
| Economic responsibility | 20 | Communication On Progress | 41 |
| Financial value for stakeholders | 20 | Definitions | 42 |
| Environmental responsibility | 21 | | |





Statement from the CEO

Welcome to Trioplast's Sustainability Report 2019, in which we aim to present our results regarding sustainability in an open and transparent manner.

We see real opportunities in continuing to develop our business and products in a sustainable way, by co-operating with partners such as customers, suppliers and colleagues in the business. We expect increasing sustainability demands from legislation, customers and society in general and we are prepared to do the work – We Are There.

BUSINESS RESULTS

2019 was a good year for Trioplast. During the year our work in strengthening our position as one of Europe's leading players in innovative and cost-efficient packaging solutions based on PE film continued, for example by the acquisition of Apeldoorn Flexible Packaging (AFP) in the Netherlands, but also by optimizing our already existing production sites.

During the year this meant moving volumes from Trioplast Fjugesta AB, Sweden to other sister-companies within the group, as well as moving volumes and equipment from Trioplanex International AB in Landskrona Sweden to Trioplanex France SAS in Saint Ouen, France.

SUSTAINABILITY RESULTS

We have, during the year, continued working with our sustainability Key Performance Indicators (KPIs) – energy consumption and LTAR (Lost Time Accident Rate). In addition, we continue to support, for example, cancer research as a part of our social responsibility. Our largest impact on the environment is the use of raw material, and we work hard to introduce and increase the amount of recycled, and/or bio-based PE in our products. During 2019 we decided to gather them all in

a sustainability portfolio. Trioplast's sustainable offering consists of three brands; Triogreen, Trioloop and Triolean, representing different sustainable technologies. In addition, we offer our customers consulting services to help develop their sustainable offering through Triogreenway. Triogreenway includes for example a high quality LCA (Life Cycle Assessment) customized for each customer's needs to emphasis environmental and economical benefits from using sustainable materials.

SUPPORTING UN GLOBAL COMPACT

Trioplast has since 2017 been committed to the UN (United Nations) Global Compact and continues to support this important, voluntary initiative. In our Sustainability Report you will find more information on Trioplast's status and progress in the UN Global Compact's ten principles. In 2019 we initiated an update of Trioplast Code of Conduct, in which we have stated for example Trioplast's initiative on Human Rights, Labor, Environment and Anti-corruption. The updated Code of Conduct will be implemented during 2020.

Finally, I would like to thank all employees, customers and other parties participating and helping Trioplast in its sustainability journey – a journey that is an important part of our company's strategy for the future.

ANDREAS MALMBERG

President and CEO Trioplast Industrier AB



About Trioplast

Trioplast was founded in 1965 and is currently one of Europe's leading players in innovative and cost-efficient packaging solutions based on PE film. The production sites and sales companies are subsidiaries to Trioplast Industrier AB, with head office is in Smålandsstenar, Sweden. The production sites are in Sweden, Denmark and France, with customers on the global market.

LATE IN 2019, Trioplast acquired Apeldoorn Flexible Packaging (AFP) in the Netherlands, strengthening the position in the market of load stability and food packaging. Trioplast Industrier AB has at the end of 2019 ten subsidiary companies (production/sales sites) and additional three sales offices, located in Finland, UK and Germany.

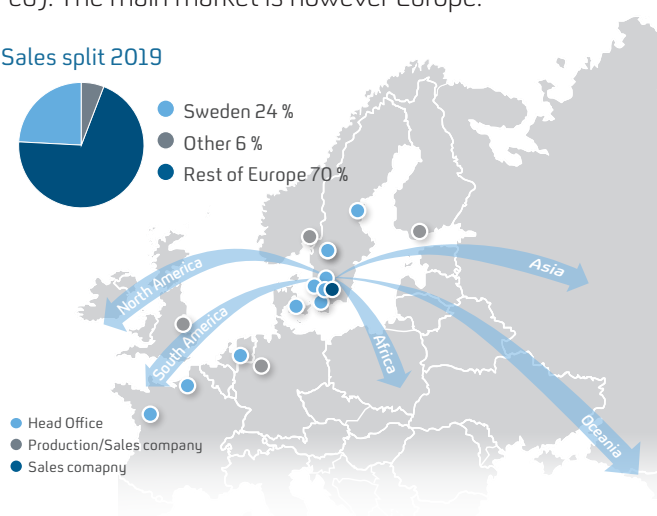
THE COMPANY STRUCTURE was altered in 2018, when the company was acquired by Altor Fund IV. This Sustainability Report refers to Trioplast Industrier AB and its subsidiaries, as well as the group parent company Trioplast Holding AB ("Trioplast"). For more information on the legal structure of the group, please see financial annual report of Trioplast Holding AB.

*Approved production = products produced, approved for delivery to customer >>

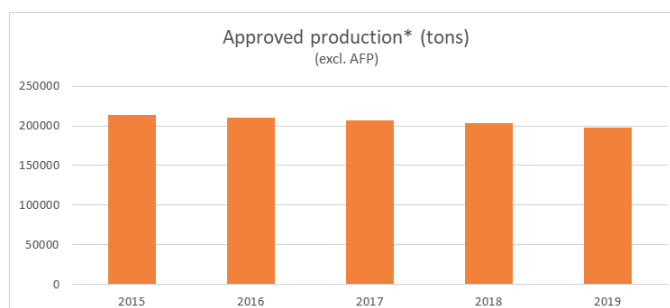
>> Key figures for Trioplast Industrier AB, after acquisition of AFP.

TRIOPLAST PRODUCED about 200 000 tons of PE film 2019 for customers all over the world (AFP excluded). The main market is however Europe.

Sales split 2019



The slight decrease in volumes sold over the last years is mainly due to strategic decision to focus the business on premium products. This has resulted in closure/sale of parts of the business. In addition, the successful work of down-gauging products, producing a product with the same performance but with less material, naturally also reduce volumes sold.



KEY FIGURES

1 200

Employees

15

Companies

1965

Founded

540

Turnover of EUR Million

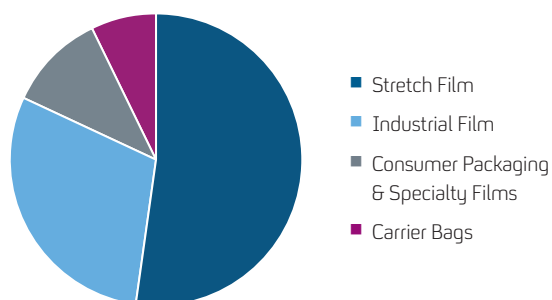


ABOUT TRIOPLAST

Trioplast Divisions

During 2019 Trioplast had four divisions; Stretch Film, Industrial Film, Consumer Packaging & Specialty Films (former Hygiene Film) and Carrier Bags. AFP was introduced on January 1st, 2020 and became a fifth division of Trioplast. Each division has its own unique conditions in which to devolve and become financially sustainable.

Approved production 2019
Total 198 000 tons



CARRIER BAGS – BENGT LUNDIN

This division manufactures and markets carrier bags for the Nordic region. Functional, durable and eco-friendly carrier bags are produced for grocery chains and retailers.

Production site in Sweden.

CONSUMER PACKAGING & SPECIALTY FILMS (FORMER HYGIENE FILM)

This division manufactures and markets cast extruded film, embossed multilayer or breathable film, as well as blown film, that can be supplied with 8-colour printing and bag converting. The division also offers lamination capability for non-woven applications, including printing. Products range from hygiene and medical applications to diverse packaging for the hygiene and food segments. Production sites in France and Sweden.

INDUSTRIAL FILM

This division manufactures and markets packaging films, mainly for industrial and transport packaging. The product range includes several industrial film products, including shrink film, FFS (Form Fill Seal) and stretch hoods. In addition, the Industry Division produces refuse bags made from recycled PE.

Production sites in Denmark and Sweden.

STRETCH FILM

This division manufactures and markets packaging stretch films for palletizing and for agricultural applications such as bale wrap, silage film and net replacement film. In addition, the Stretch Film division produces refuse bags made from recycled PE.

Production sites in France and Sweden.

AFP (APELDOORN FLEXIBLE PACKAGING)

Dutch-based AFP started production of plastic films in 1968 and is a leading producer and supplier of premium load stability film and food packaging film. AFP became part of Trioplast as of January 1st, 2020. The company has a strong market position in Europe with global reach in some segments.

Production site located in the Netherlands.





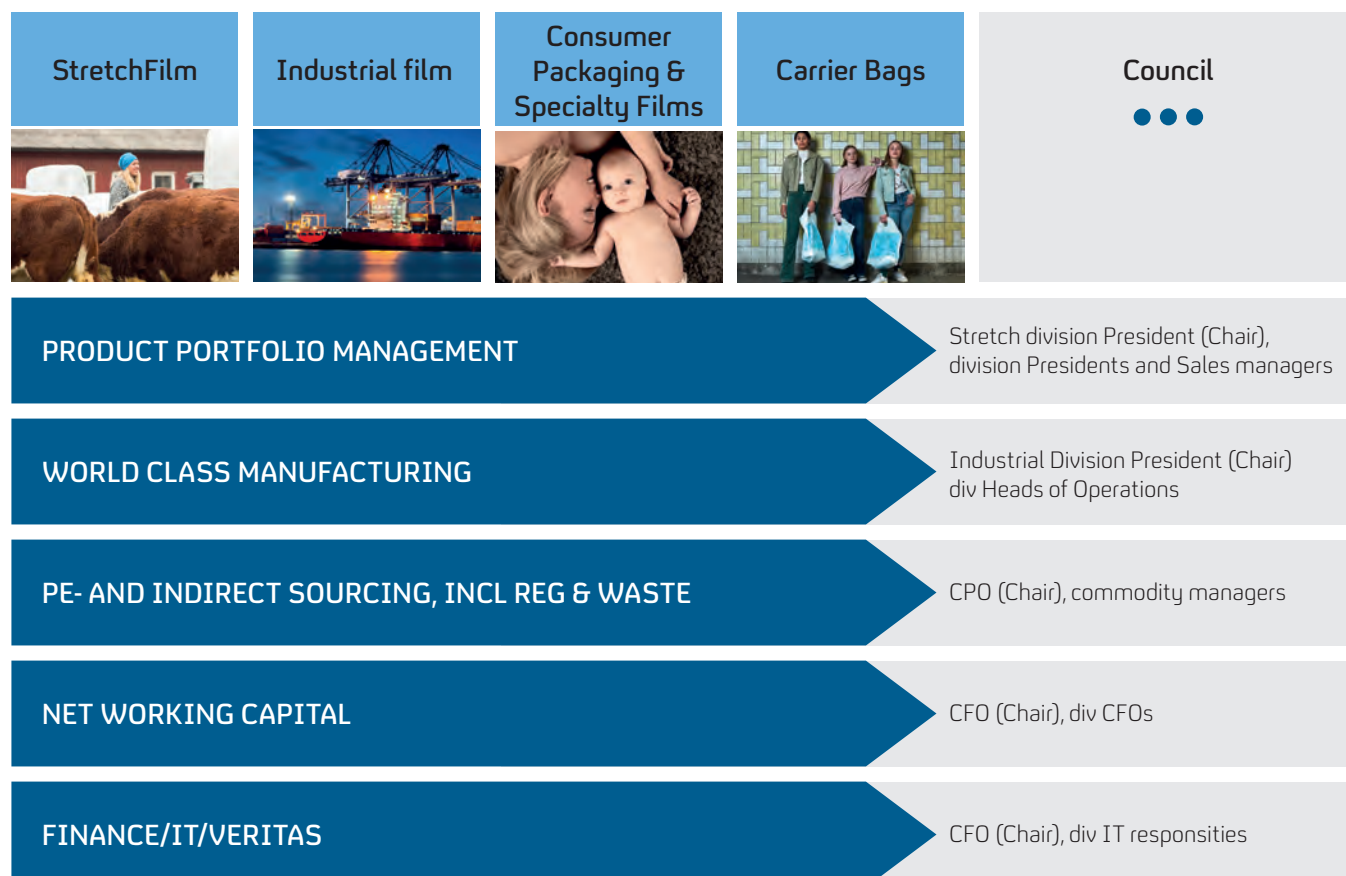
ABOUT TRIOPLAST

Governance

Trioplast Group Management Team (GMT) is responsible for the governance of the Trioplast. Trioplast is run through a decentralized organizational structure where each division is having full responsibility for their respective profit & loss and balance sheets. Divisional presidents are members of GMT, together with CEO, CFO, HR Director and CPO.

SYNERGIES IDENTIFIED across divisional boundaries are captured through councils, in which each division is represented.

GMT IS RESPONSIBLE for and setting the Trioplast common Vision, Mission, Core Values and any other common policies and targets, including updates. The divisions are thereafter responsible for incorporating these in operations, and to align any other divisional/local policies thereto. GMT will in this work benchmark and discuss with any relevant stakeholders, including for example divisions and owners, to broaden knowledge and experience.





ABOUT TRIOPLAST

Trioplast Vision, Mission and Core values

RELIABLE



LONG-TERM



ACTIVE



The Vision is long term, while the Mission describes what Trioplast do each day to achieve the Vision. The core values affects everyday work, for everyone in Trioplast. They are incorporated in the company culture and run as a common theme through the Trioplast organization as a reminder of the promise to customers of Trioplast.

TRIOPLAST VISION

Driven by our customer's present and future needs, we constantly strive to be the first choice in polyethylene film solutions.

TRIOPLAST MISSION

- We focus on our selected core markets with our core products
- We are a natural part of our customers' competitiveness

- We offer sustainable premium products and solutions with the highest possible service level
- We do this by manufacturing and procuring world-class raw materials and by having the industry's best value-based sales and marketing by far

TRIOPLAST CORE VALUES

Reliable, Long-term, Active





ABOUT TRIOPLAST

Supply Chain

A global sourcing organization, together with a local operative purchasing department in the divisions, work to supply the Trioplast production sites with products and services needed. The global sourcing organization is responsible for supply of raw material as well as category management of the major indirect categories, such as for example energy, transport, additives, machinery etc. These suppliers are normally global suppliers. In addition, local operative purchasing departments in the divisions and at the production sites, complete the sites' needs, using mostly local suppliers for office material, services etc. In total Trioplast has more than 2 000 suppliers of materials and services.

SECURING SUPPLIES for the production sites is the main task of sourcing, including finding alternative suppliers, qualifying, evaluating and auditing suppliers. Changing supplier is hence not unusual, but none of the contracts have been terminated during 2019 due to non-compliance with our requirements.

AN UPDATE of Trioplast Sourcing Guidelines

- describing the responsibility and process of sourcing
- was started in 2019 and will be fully implemented in 2020.





ABOUT TRIOPLAST

External initiatives and Membership of associations

Trioplast supports the UN Global Compact as well as the Global Sustainable Development Goals (SDG), see page 18. These initiatives are both voluntary and used

as basis for Trioplast's updated Code of Conduct, see page 16. Many of Trioplast's sustainability targets are in line with the SDG.



Trioplast also holds memberships and/or supports the following organizations:

BUSINESS ASSOCIATIONS

- EDANA (European Disposals and Nonwovens Association)
- EUMOS (European Safe Logistics Association)
- EuPC (European Plastic Converters)
- Graphics Companies
- IK (Industrievereinigung Kunststoffverpackungen e.V.)
- IKEM (Innovation and Chemical Industries in Sweden)
- SNIF (Swedish Industrial Association)

STANDARDISATION BODIES

- AFNOR (Association Française de Normalisation)
- CEN (Comité Européen de Normalisation)
- DS (Danish Standards)
- ISO (International Organization for Standardization)
- SIS (Swedish Standards Institute)

RESEARCH PLATFORMS AND SUSTAINABILITY PROJECT

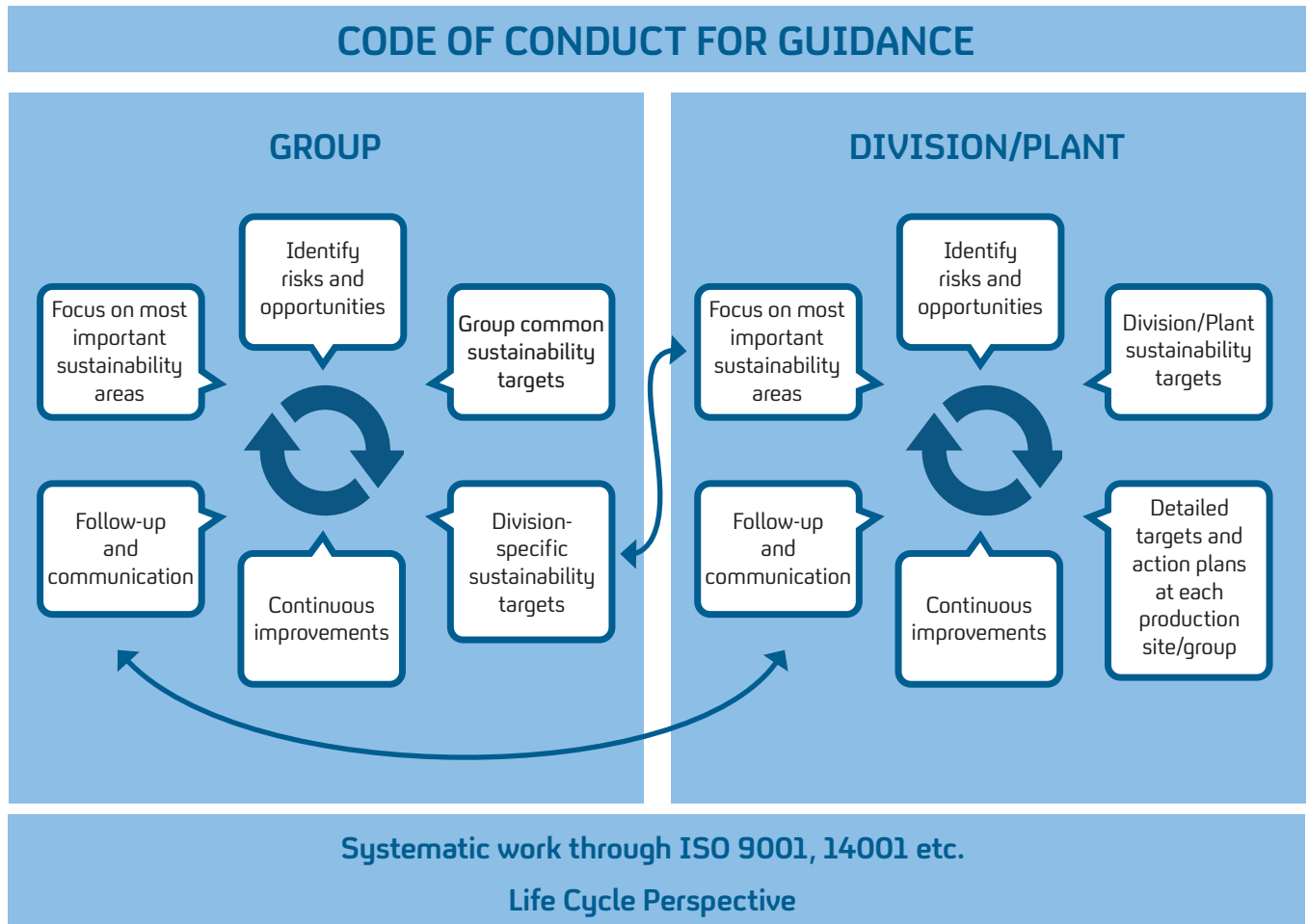
- Circular Plastic Alliance (CPA)
- Normpack, Sweden
- SusChem (European Technology Platform for Sustainable Chemistry)

SUSTAINABLE PLATFORMS

- Ecovadis
- SEDEX

In addition, Trioplast has several local involvements and memberships linked to specific production sites.

Management approach



Based on frequently reviewed and updated **risk analysis**, **stakeholder analysis** and **materiality analysis**, GMT sets group sustainability targets. The sustainability strategy was developed during 2019 and will be implemented in 2020. Its implementation is managed by the Sustainability Development Director, who works closely with the divisions. The Sustainability Director is responsible for group sustainability activities and will set division specific targets. The divisions are responsible for the division targets, defining activities and plans to reach the targets, executing plans and reporting to the Sustainability Development Director.

In addition to the sustainability targets, GMT sets group policies, which are reviewed as needed. This is always aligned with the Vision, Mission and Core Values of Trioplast, described on page 9.

- Trioplast **Code of Conduct** describes the basis of how Trioplast acts to ensure sustainable business.
- To avoid corruption and ensuring sound business ethics Trioplast has a **Competition Compliance Policy** and clarifying documents, to be signed annually by employees, where relevant.

Policies, targets etc. are applied in each division, via for example applicable **management systems**.

Trioplast aims to **communicate** openly regarding its sustainability work and progress, this Sustainability Report being a part of that strategy.

Trioplast's sustainability is also aligned with **SDGs**, which are shown in the end of this section of the Sustainability Report, see page 18.



MANAGEMENT APPROACH

Stakeholder analysis

Trioplast frequently reviews and updates its stakeholder analysis. A selected group of participants, covering different aspects and interests of Trioplast, are invited

to a workshop to share their experience, knowledge and understanding about Trioplast's stakeholders.

| STAKEHOLDER | EXPECTATIONS AND REQUIREMENTS | VALUE CREATED BY TRIOPLAST |
|--|---|--|
| Authorities | Compliance with applicable legislation. | Compliance with applicable legislation is a basic requirement for Trioplast. In 2019 no material breaches in environment or working environment legislation have been reported. |
| Customers, agents and distributors | High quality products and on-time delivery, in addition to proactivity and innovation of Trioplast's products. Increasing interest in sustainability. Support in questions arising when using Trioplast's products. | For customer satisfaction (as well as agents and distributors), Trioplast has an active and supportive sales organization in each division, to ensure timely and correct delivery to customers as well as any support needed. To meet the increasing interest of sustainability Trioplast launched the sustainable product portfolio in 2019, as described on page 24 |
| Employees and trade unions | Employee satisfaction, including health and safety, well-being, financial compensation for work and personal development. Fair treatment and possibility to influence. | Trioplast value creation for employees is described under Social responsibility, see page 27 Health and safety are always in focus. Trioplast is committed to ensuring that the workplaces are healthy and safe, as the employees and their competence are vital to the company's production and future. In 2019, an employee survey was conducted, with high participation. Results are discussed within each working group. Close cooperation with trade unions at the production sites is maintained. No discrimination reports were sent to HR during 2019. |
| Financial institutions and banks | Earn interest and security of the investment. Long term sustainable business model. | Frequent reports and meetings as needed to show status and progress of the company. Financial stable performer in 2019, with a well anchored sustainable strategy and business model. |
| Owner | Maximize enterprise value by execution of the agreed strategy. | Strong focus on long-term sustainable growth, profitability and cash-flow, achieved by - continuous follow-up - business conducted in an ethical and fair manner - knowledge in applicable and coming legislation - sustainable product development, to meet future demands of customers |
| Partners, Industry/Standardization organizations | Experience, expertise and knowledge. | Trioplast supports, participates and in some cases leads several associations, where the knowledge, expertise and experience of Trioplast has been requested and is needed. A list of such associations can be found on page 11 and 22. |
| Society | Contribution to national and global sustainable goals and to support initiatives, such as charity. Long-term employment possibilities. | Examples of Trioplast work with society is described on page 27 and 31. |
| Suppliers | Business conducted in an ethical and fair manner. Profitable growth to maintain/increase business partnerships. Input on future sustainable raw material development. | Suppliers are treated fairly and ethically, in accordance with Trioplast's Code of Conduct and Competition Compliance Policy described on page 16-17. Trioplast is a reliable and sustainable business partner. Trioplast supports development of suppliers' products, by sharing knowledge as applicable. |



MANAGEMENT APPROACH

Risk analysis

The risk analysis is reviewed frequently, in similar manner as the stakeholder analysis and is based on their possible impact and their probability of occurring.

The risk analysis presented here focuses on sustainability risks.

| RISK | RISK MANAGEMENT |
|--|---|
| Injured/sick employees The production process can be dangerous for production employees, if instructions and procedures are not complied with. In addition, for all employees, work related risks exists, for example related to travels, well-being etc. | Health and safety are top priority for Trioplast and is first on the agenda at internal meetings. Action to improve the working environment is ongoing at the production sites and knowledge can be shared within Trioplast WCM (World Class Manufacturing)-group. Annual health and safety week is carried out, to raise awareness of health and safety. Trioplast's concern for its employees to improve well-being is also described in this Sustainability Report, page 27-31. |
| Increasing environmental/regulatory demands Due to the on-going discussions in society about plastics and chemicals, there is a risk that regulatory requirements increase in the future. Changes in regulatory and/or legal demands in different countries, may cause an unfavorable market situation for Trioplast in comparison to competitors and/or competing products. | Trioplast closely monitors changes and updates in legislation at an early stage and adopts accordingly. In addition, Trioplast will increase capacity on regulatory knowledge, to stay well informed about upcoming changes and to participate in selected associations. Trioplast also proactively adopts its production and products, for example increasing the use of PCR in the products, as described in this Sustainability Report, page 23-24. |
| Loss of sales volume Customer demands and/or regulatory changes may cause Trioplast decreasing sales volumes. | Trioplast has long-term relationships with many customers and good market and regulatory knowledge, which enables product development in accordance with customer and/or regulatory expectations. |
| Raw material price increases Increasing prices of the raw material has a large impact on Trioplast profitability. The price of the raw material is dependent upon world market prices, which can vary largely. | Trioplast has created a sourcing and business model that is neutral to market price variations. |
| Raw material supply Trioplast is dependent on timely and correct delivery of raw material. Delayed delivery of material, or lack of material, causes production limitations. | Group sourcing has a group-wide strategy for raw material sourcing and by close cooperation with the supplier the supply chain is kept stable. Material planners at the production sites continuously monitor the supply chain, to avoid and/or limit any effect of delayed (and/or missing) material in due time. |
| Un-ethical business behavior In business, there's always a risk of un-ethical, un-fair or even corrupt situations arising. This would harm the reputation of Trioplast and cause large financial impact. | The Core Values, Code of Conduct and the Competition Compliance Policy all work to avoid any un-ethical behavior in the business of Trioplast. They are all described in this Sustainability Report. In addition, Trioplast will in 2020 implement a Whistle-blowing function to enable anonymous reporting of un-ethical behavior. |



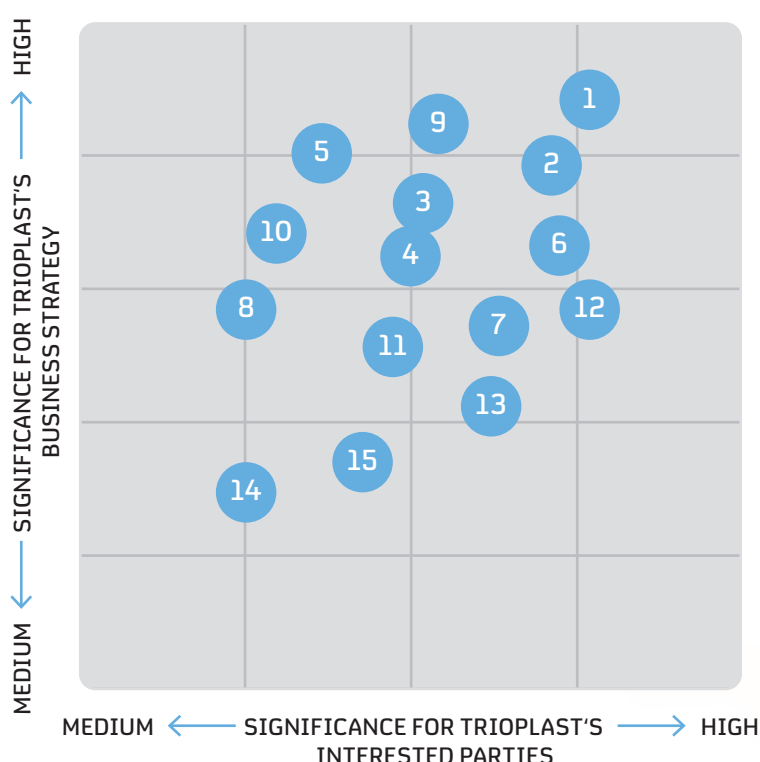


MANAGEMENT APPROACH

Materiality analysis

In the materiality analysis Innovative sustainable products, Sustainability requirements from customers and Climate change were identified as the topics of highest importance, which were similarly identified in

2018. The materiality analysis is performed by GMT, based on sustainability reporting standards (GRI, Global Reporting Initiative) as well as stakeholder and divisional input.



1. Innovative sustainable products
2. Sustainability requirements from customers
3. Health and safety
4. Attractive employer
5. Legal requirements
6. Sound business ethics
7. Littering caused by plastics products
8. Energy-efficiency
9. Climate change
10. Supply of materials and services
11. Engagement in society
12. Sustainability requirements from owners
13. Diversity, human rights
14. Environmental impact of transport
15. Discharges to wastewater



MANAGEMENT APPROACH

Code of Conduct

Based on the Core Values, UN Global Compact, the Global Sustainable Development targets and Agenda 2030 as well as other international agreements and guidelines, Trioplast has developed a Code of Conduct. The Code of Conduct is aligned with the mission, vision and core values of Trioplast, described on page 9. An update of the Code of Conduct was initiated in 2019 and will be implemented during 2020.

THE REVISED Code of Conduct "We are responsible" is meant to be the basic policy document for Trioplast from which all other policies are assigned. The purpose of the Code of Conduct is to show employees, suppliers, customers and other interested parties how Trioplast contributes to a sustainable development. "We are responsible" will after implementation be available at www.trioplast.com.

THE NEW CODE of Conduct "We are responsible" will be a guide for working at Trioplast as well as

giving guidance to the work on strategy. The message of the code is that Trioplast is responsible and work in accordance with sound business principles. The Code of Conduct states Trioplast's take on, e.g. environment, anti-corruption, labor and human rights, right to freedom of association and collective bargaining, elimination of forced/compulsory and child labor and discrimination, as well as emphasizes the precautionary principle in case of environmental and health risks. Suppliers will also be asked for compliance to the new Code of Conduct.

THE DECISION to install a whistle-blowing function was taken in 2019, to enable employees and others to report irregularities anonymously, and will be implemented together with the updated Code of Conduct in 2020.





MANAGEMENT APPROACH

Competition Compliance Policy

To ensure anti-corruption, anti-competitive behavior and sound business ethics Trioplast has a Competition Compliance Policy, informing employees about a zero-tolerance approach to bribery, corruption and other irregularities. These documents provide guidance how to behave around business partners, such as suppliers and customers, but also competitors etc. Trioplast's Competition Compliance Policy and its clarifying documents are reviewed annually and signed by

employees involved in purchasing and sales, and those in the company's executive positions. This also applies to other staff members who have regular external contacts. The process and the signed documents are handled by the managing directors of each Trioplast legal entity.

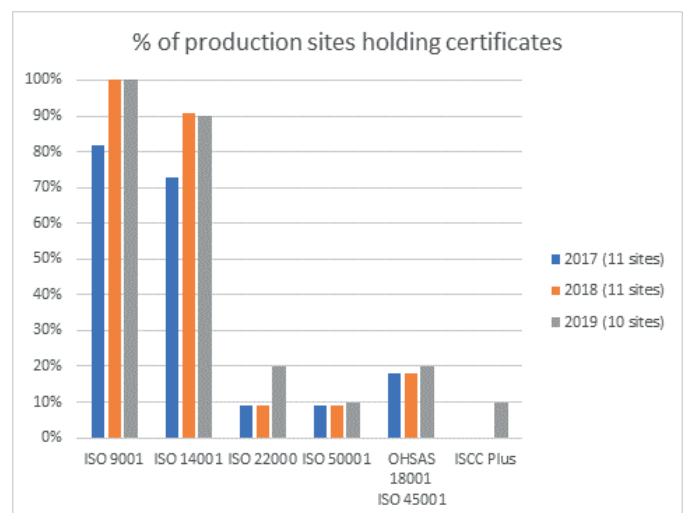
NO BREACHES concerning corruption or competitive behavior were identified during 2019.

MANAGEMENT APPROACH

Management systems

Management system for quality (ISO 9001) is applied at all production sites. ISO 14001 (environment) is applied at most of the production sites, whereas the standard for social responsibility (ISO 26000) has provided guidance to the Trioplast Code of Conduct. Some production sites have in addition chosen to be certified according to ISO 50001 (energy) OHSAS 18001/ISO 45001 (work environment), ISO 22000 (food safety) and ISCC Plus (sustainability).

THE CERTIFICATES can be found at
» trioplast.com/en/about-trioplast/certificates/





MANAGEMENT APPROACH

Open communication

Trioplast aims to provide stakeholders with relevant and correct information on its work on sustainability and progress. The purpose is to share the knowledge as well as strengthening confidence in Trioplast, internally and externally. Trioplast's website www.trioplast.com is the basis for most of Trioplast's external communication. Financial reporting is made in accordance with the Swedish Annual Accounts Act. The statutory sustaina-

bility report is included in the Financial Report 2019 for Trioplast Holding AB. This Sustainability Report is available at www.trioplast.com and also with

- UN Global Combat, see Communication On Progress (COP) page 40-41.
- Ecovadis
- SEDEX

MANAGEMENT APPROACH

UN Sustainable Development Goals






In September 2015, all 193 Member States of the United Nations adopted a plan for the next fifteen years to end extreme poverty, fight inequality and injustice, and protect our planet. At the heart of "Agenda 2030" are the seventeen Sustainable Development Goals (SDGs). The SDGs provide a clear and

useful framework for meeting global challenges and have made a considerable impact within society. At the same time, they serve to inspire innovation and business opportunities in the area of sustainability.








Trioplast has an impact on several of the SDGs and has chosen to focus on the following

| | OBJECTIVES | TRIOPLAST STATUS AND COMMENTS |
|---|---|---|
|  | <p>Energy consumption (kWh/approved production of PE) is to be reduced continuously.</p> | <p>Trioplast production is fairly energy intensive. Energy consumption is reported by each site and followed up on group level. It is shown on page 25. KPI for reduction of energy consumption will be set.</p> |
|  | <p>Employees of Trioplast are covered by collective agreement. This, together with cooperation with trade unions/work councils, ensure employees' rights. Trioplast promotes a safe working environment. The vision is always zero accidents.</p> | <p>All production sites work continuously to improve the working environment, as well as preventing accidents. LTA (Lost Time Accident) is followed at every site, in order to take preventive measures. LTAR is a group KPI and is shown on page 29.</p> |
|  | <p>Trioplast works to reduce raw material consumption, increase use of recycled material and non-fossil polymer.</p> | <p>In 2019, Trioplast launched its sustainable product portfolio, described on page 23-24. KPIs will be set e.g. content of recycled material.</p> |
|  | <p>Trioplast will improve the climate by helping customers to select feedstock and product alternatives with lower carbon footprint.</p> | <p>Triogreenway is a part of Trioplast's sustainable product offering, where Trioplast can support its customers with tailor made LCAs using software SimaPro. This gives Trioplast as well as the customers the possibility to evaluate the environmental impact of different feedstock alternatives. KPI will in the future be set for decreasing carbon-dioxide equivalents for Trioplast.</p> |
|  | <p>Trioplast supports reducing/deleting the littering of pellets during production and operation of the plastic industry.</p> | <p>In 2017 Trioplast decided to participate in Operation Clean Sweep, towards to goal of having Zero pellets loss, see page 26. The focus is now on action and implementation on the sites and across divisions.</p> |

In addition, Trioplast actively works on several other SDGs.

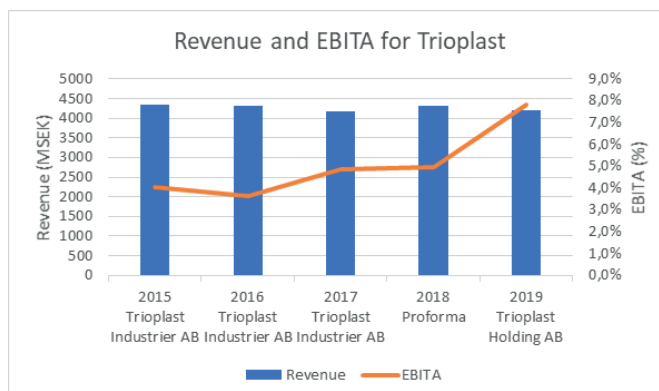
| | OBJECTIVES | TRIOPLAST STATUS AND COMMENTS |
|--|---|---|
|   | <p>Equality, not only gender based, is one of the corner stones for Trioplast. Everyone is considered equal, regardless of gender, age, political options, background, ethnicity etc.</p> | <p>Trioplast does not accept discrimination of any kind. This is stated for example in the updated Code of Conduct. An update of the policy for equal treatment is planned for 2020, and will cover all kinds of equality, not only gender based.</p> |
|  | <p>Trioplast does not accept corruption, bribery or any kind of business-related misconduct.</p> | <p>New Code of Conduct will be implemented in 2020, together with a Whistleblowing function. In addition, for employees with frequent external contacts a Competition Compliance Policy applies.</p> |



Economic responsibility

FINANCIAL VALUE FOR STAKEHOLDERS

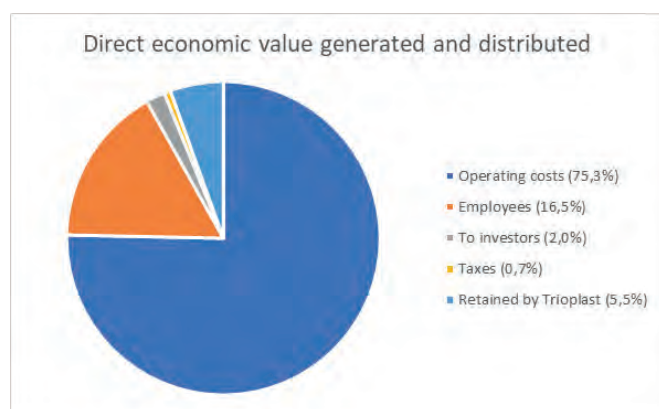
Trioplast's group parent company is Trioplast Holding AB, since the middle of 2018 when Altor Funds' acquired Trioplast group. Prior to this the group parent company was Trioplast Industrier AB. This is shown in the diagram for revenue and EBITA (Earnings Before Interest, Taxes and Amortization), for the purpose of giving a comparable five-year overview of Trioplast's financial development.



Note; AFP is not included in the financial annual report of 2019.

REVENUE HAS THE LAST FIVE years been on a stable level, whereas EBITA in 2019 increased due to activities in improvement program initiated when Altor acquired Trioplast.

DIRECT ECONOMIC value generated, defined as the customer invoiced value less all direct costs incurred in the financial year adjusted for any significant non-cash items, and distributed in 2019 is shown below. The major parts are operating costs and employees. Trioplast has in 2019 invested MSEK 143 of the retained value in new factory equipment and machinery.



FOR MORE INFORMATION, please see Trioplast Holding AB's financial annual report 2019.

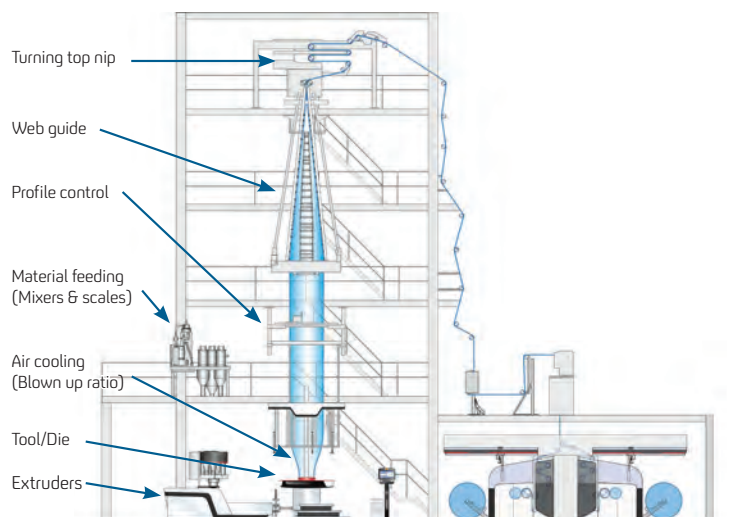




Environmental responsibility

Trioplast produces polymer film products, both blown and cast. The film products can also be printed by Trioplast, depending on customer demands and requirements.

Example of process for polymer production (blown). Raw materials (polymer pellets and for the final product necessary additives) are put into silos, and “melted” in extrusion machines. The melted polymer is blown into a bubble of polymer film. Once cooled off shaped to a film and rolled for further processes such as printing etc.

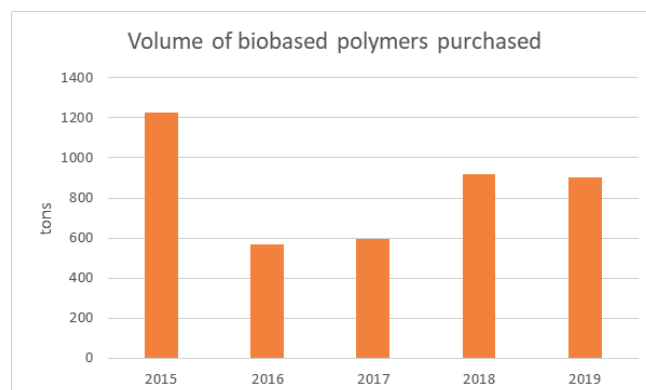


RAW MATERIAL

The main raw material for Trioplast products is polymer; PE (and minor part polypropylene (PP)) granules. In addition, additives, compounds and masterbatches are added as raw material to the products. They too mainly consist of polymers.

The polymers are sourced directly from producers of virgin polymers or recycled material. Trioplast is also sourcing waste as a feedstock for its own regranulation plants. The virgin polymers are traditionally fossil based, but the origin might also be biobased, for example from sugar canes, palm oil or second-generation raw material.

In addition to the polymers purchased, Trioplast recycles production waste. The purpose is to minimize any waste from the production site, which is favorable both from an economic and environmental point of view. The internal recycled material is recycled directly at the production line, or via a separate regranulating process. In some cases, the material is used at another Trioplast site.

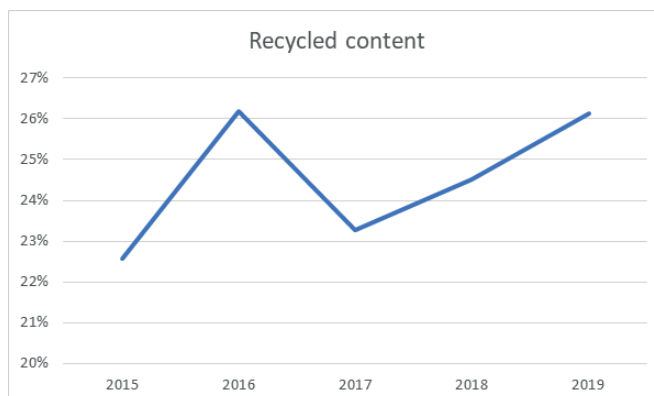


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The share of virgin polymers used varies with the material specification and for the individual production sites and divisions of Trioplast. Some sites, divisions and products have been very successful in reducing the share of virgin polymers. For example, a carrier bag can be produced with as much as 93% recycle material. In average during 2019, the total recycled content (purchased recycled material and waste as well as internally recycled material) in products from Trioplast was about 26%. The trend of recycled content is increasing over the last five years, where 2019 and 2016 now have the highest average recycled content.



Excluding production at Ekmans (2015 and 2016), which was divested in 2016

RECYCLABLE MATERIAL

The material produced by Trioplast is technically recyclable; by collecting and cleaning the material all of Trioplast's products can be recycled. However, the recycled material must be of high quality, hence its recyclability depends on the use of the product as well as the collection and cleansing system after use. There are many different polymers on the market, and they need to be sorted and segregated in the correct way to achieve a high and consistent quality.

TRIOPLAST PARTICIPATES in a number of waste-collection schemes across the regions and markets where Trioplast is active.

TO SUPPORT recyclability, Trioplast is actively engaged in several initiatives for recycling. In its Plastic Strategy, the EU Commission has defined standardization as one of the most important ways to a circular economy. In order to stay informed and be able to influence the future of the industry, Trioplast has broad engagement in standardization of environmental aspects. Trioplast's engagement is on all levels – local, regional and global. The engagement in standardization is anchored in the

organization, with the purpose to drive the development of new standards in order to enable an increased circularity, with a focus on recycling.

Example of working groups of standardization:

GLOBAL

- **ISO**; Environmental and sustainability aspects – standards for recycled plastics, such as but not limited to bio-based plastics, biodegradability, environmental footprint, waste management etc. Trioplast is engaged in working group for Vocabulary as well as Characterization of plastics leaked into the environment (including micro plastics) and is leading the work for the working group Mechanical and chemical recycling (Convenor).

EUROPE

- **CEN**; Plastic recycling – standards for plastic recycling in order to increase the use of recycled plastics.

NATIONAL

- **SIS**, Sweden; Plastic and environmental aspects – standards for bio-based and biodegradable plastics, carbon footprint, plastic recycling, resource recycling etc.



- **SIS**, Sweden; Packaging and environment – standards for resource efficiency/optimization, re-use, recycling, energy recovery and biodegradation of packaging
- **DS**, Denmark; Environment and sustainability for plastics – standards for bio-based and biodegradable plastics, carbon footprint, plastic recycling, resource recycling etc.
- **AFNOR**, France; Recycling and waste management – Household and industrial waste, recycling of paper, metal, plastic, etc. The end-of-life stage of materials and their reprocessing to create other materials is the subject of numerous normative documents.

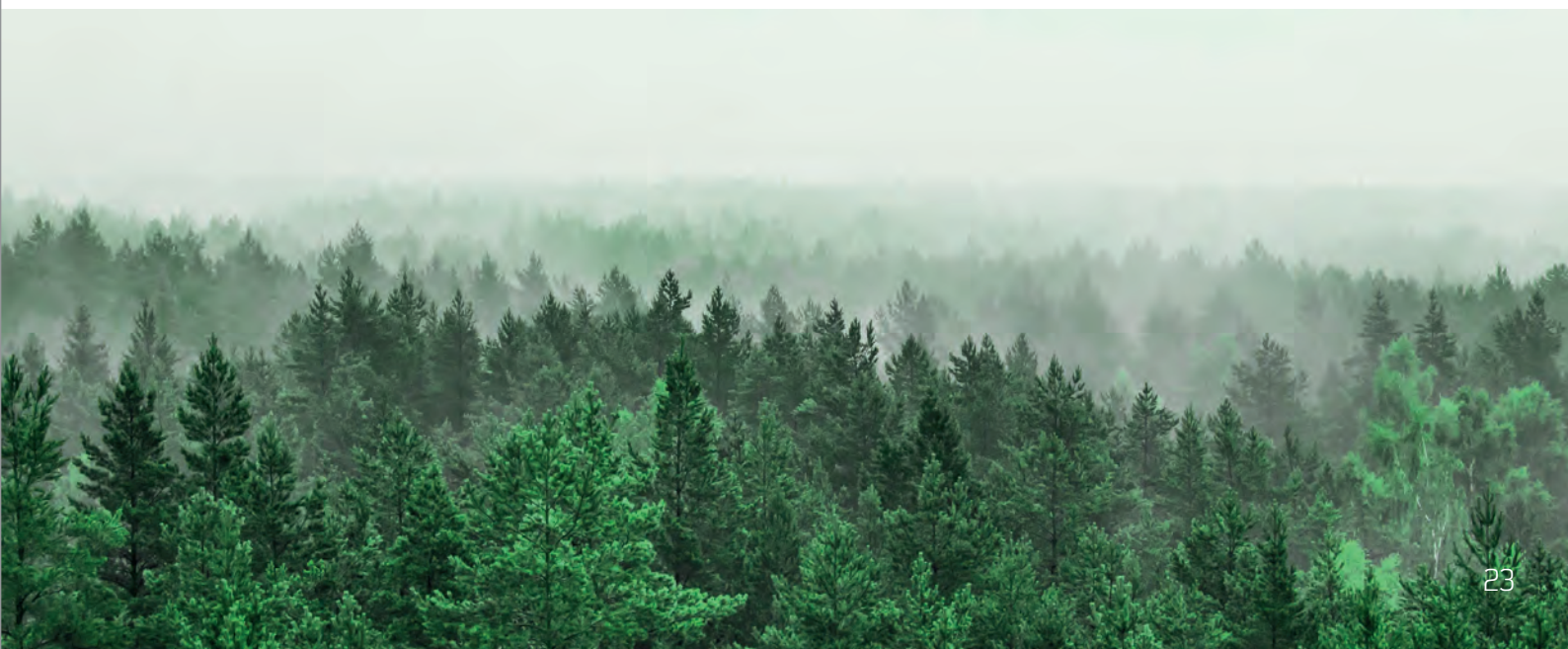
IN ADDITION, Trioplast joined CPA (Circular Plastic Alliance) in November 2019. CPA was launched by the European Commission in September 2019, with the aim to enable an uptake of 10 million tons of recycled plastics by 2025. CPA covers the full plastic value chain and includes over 180 organizations representing the industry, academia and public authorities.

SUSTAINABLE PRODUCT DEVELOPMENT

The raw material is traditionally made from fossil-based oil, a non-renewable resource. If incinerated after use, one of the components created is carbon dioxide (CO₂). CO₂-emissions increase the greenhouse effect - the more CO₂-emissions, the more CO₂ is in the atmosphere and more of the sun's radiation is reflected at earth and hence contributes to global warming and eventually a potential risk of contributing to climate change.

THE RISK OF climate change and global warming has during recent years been intensified in public media. Beside legislation making demands on reduction of fossil raw material usage, Trioplast also has noticed an increased demand from owners and customers to find and use more environmentally friendly raw material. To limit the use of fossil-based PE, Trioplast launched a portfolio of sustainable products 2019.

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TRIOLEAN

Trioplast's downgauged products, with sustained or increased performance, sometimes with less than 50% of the original material weight and volume. Trioplast is striving to reduce the amount of material used for an application, while still maintaining or even improving the performance of the product. Trioplast is constantly working to reduce the environmental impact without compromising the quality of its products.

TRIOLOOP

Trioplast's brand for PE film that contains recycled material. Using recycled material reduces waste, improves the carbon footprint and closes the material loop. Learning on Trioplast's extensive experience in working with recycled PE, Trioplast has refined both the quality of the material, and the processes used to produce high quality film with stable properties.

TRIOGREEN

Trioplast's products, based on fossil-free green PE with a very low carbon footprint. Trioplast's green PE is based on feedstock derived from various natural resources.

Having the same properties as fossil-based PE, it can be used in all applications of films and products.

In addition, for best service for Trioplast's customers **TRIOGREENWAY** was created; A high quality LCA customized for customers, to evaluate and show the benefits for the environment and economics. Trioplast has leading expertise in making the use of plastics circular. Trioplast wants to help customers to minimize the carbon footprint. One way is to do this is the Triogreenway. Triogreenway also includes arranging workshops with customers to revise current portfolio to enable a change to environmentally friendly products, through design for recycling, carbon footprint optimization and general guidance.

Trioplast work with sustainable product offering will be intensified over the coming years and sustainability targets for increased use of recycled material will be set for 2021, as well as KPI for reducing CO₂ emissions.



ENERGY CONSUMPTION

Energy is used within Trioplast for the production process as well as for heating of buildings etc. Production of plastic products is fairly energy intensive. The total consumption of energy varies from year to year, depending upon volumes produced and major changes in manufacturing equipment and process etc. However, the average consumption (per kg approved film) for the group has been stable for several years. Energy consumption reviews are made on a regular basis to facilitate improvement.

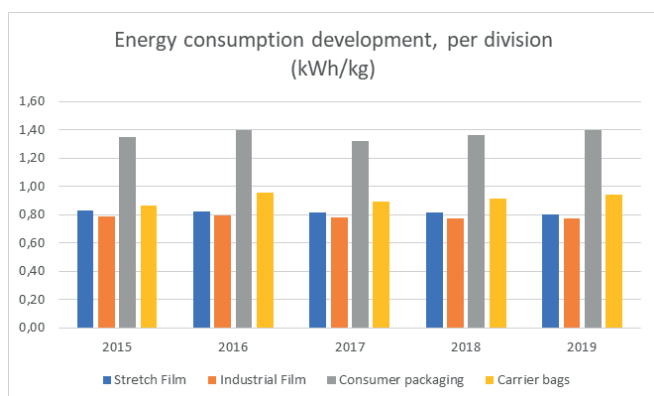
MOST OF THE ENERGY used at Trioplast is electricity. Trioplast does not produce any energy to sell or to use

within Trioplast. Instead all electricity consumed is purchased on the open market. Part of that electricity is from renewable sources as wind, solar or hydro-electric power, having as little impact on the environment as possible as they are not associated with high CO₂-emissions.

IN ADDITION to electricity, gas is used to burn gases from printing lines, at some of the production sites. Gas roughly corresponds to 2% of the Trioplast's total energy consumption.

ENERGY CONSUMPTION (kWh/kg approved production) is a KPI for each site and it is followed-up at group level.

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------|------|------|------|------|
| Energy consumption (GWh) | 187 | 187 | 185 | 181 | 174 |
| Energy consumption / approved production (kWh/kg) | 0,87 | 0,89 | 0,89 | 0,89 | 0,88 |



THE CONSUMER PACKAGING DIVISION uses more energy per kg of produced material than the other divisions. This is due to a more energy demanding process, since the product goes through additional process steps before being shipped to the customers.

Continue on the next page >>



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WASTE AND WASTE HANDLING

By optimizing production and by that minimizing waste, Trioplast uses as much of the raw material in its finished products as possible. Production waste is preferably recycled in a closed loop at the production machine. Second best option is to make on-site recyclates, through a central on-site regranulation process. The recyclates are used at the production site or sold to another production site.

IN 2017 Trioplast decided to participate in Operation Clean Sweep, an initiative aiming towards the goal of having Zero pellets loss. The purpose of this operation

is to reduce and ultimately avoid all littering of pellets during production and operation of the plastic industry. This is done by ensuring pellets are not contaminating the soil or the wastewater on the production site and therefore not reach the ocean. When consumers take their responsibility not to dispose any plastic material/ products into the environment, seabirds, turtles, fish and other wildlife, will be less likely to ingest this material that may cause malnutrition or starvation. Trioplast's program for Zero pellets loss will continue to benchmark ideas during 2020.

ENVIRONMENTAL LEGISLATION

Trioplast production sites are following relevant environmental legislation of the country where the production site is located. In addition, the group follow environmental legislation from EU directives,

such as REACH, energy efficiency and sustainability reporting.

IN 2019 no material breaches in environment or working environment legislation were reported to GMT.





Social responsibility

Trioplast believes and supports social responsibility. Focus is mainly on Trioplast employees, but also on surrounding communities. Following the applicable laws and legislation is a minimum demand but Trioplast has

in many cases a higher ambition for social responsibility. In 2019, Trioplast had no non-compliances regarding laws and regulation in the social or economic areas.

| Head counts per country | 2017 | 2018 | 2019 |
|-------------------------|-------------|-------------|-------------|
| Denmark | 169 | 165 | 169 |
| Finland | 4 | 4 | 3 |
| France | 171 | 166 | 180 |
| Germany | 9 | 9 | 11 |
| Sweden | 663 | 663 | 695 |
| UK | 2 | 2 | 2 |
| Total | 1018 | 1009 | 1060 |

EMPLOYEES

The majority of the work performed at Trioplast is performed by its own employees. In cases of vacation and/or vacancies, employees normally stand-in for the employee missing. In addition, production adjustments may be planned and executed. Therefore, temporary workers are not normally employed.

HISTORICALLY, employee turnover has been very low. No measurements of employee turnover and new recruitments have been carried out at group level during 2019. As Trioplast now is expecting an increase in employee turnover due to many employees are getting closer to retirement, this may be of interest for Trioplast in the near future.

THE NUMBER of employees at each production site can be seen in table "Production sites", see page 33-34

in this Sustainability Report. In addition, the Trioplast Industrier AB has four employees, and all sales offices a total of 15 employee full time equivalent (at three sale companies; Finland, UK and Germany). The rest of Trioplast's sales employees are included in the production sites' numbers. The human resources department is responsible for collecting and maintaining data for the number of employees, employee turnover and new employees.

TRIOPLAST DO NOT allow child labor, illegal labor or any kind of forced labor. This is clearly stated in Trioplast new Code of Conduct and applies also to the suppliers to Trioplast, as they sign compliance to this document.

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EMPLOYEES' BENEFITS AND LABOR/ MANAGEMENT RELATIONS

All companies / production sites have an agreement with an external corporate healthcare service. Healthcare benefits are provided at most of the companies / production sites and for example massage and recreational activities may be subsidized for the benefit and well-being of the employee. Trioplast provides working clothing, including safety shoes and necessary protective equipment, computer glasses and medical examinations, where necessary for the employee.

INDIVIDUAL PERFORMANCE review is conducted annually with all employees. This includes planning for the following years, also regarding for example training/ education required, personal development targets etc. Each manager is responsible for arranging and documenting these performance reviews and to support the employee's development ambitions. When performance reviews were implemented some time ago, the share of performed performance reviews were measured. This KPI is no longer in focus, as it was recurrently reaching very close to 100%. Performance reviews are now a part of Trioplast's normal annual operation.

ALL EMPLOYEES at the production sites in Sweden, France and Denmark are covered by collective agree-

ments. Such collective agreements are valid both for full-time employees as well as all temporary or part-time employees. Most employee benefits are governed by central agreements. In addition there are several local collective agreements at each company that regulate additional employee benefits, such as for example flexible working hours and bonus systems where applicable. This includes for example regulation of notice period. The right to exercise freedom of association or collective bargaining is there fully covered for Trioplast employees. For suppliers, this right will be emphasized in the updated Code of Conduct – We are responsible, which suppliers will be asked to comply with. This also applies to child labor and forced/ compulsory labor.

TRIOPLAST COLLECTIVE agreements together with national legislation set the rules for cooperation with the unions. Trioplast strives to have close cooperation with the unions, based on honest and open communication with regards to expected changes and current/future operations and development within the company. Local trade unions are present on all production sites and are represented on company boards of directors.





OCCUPATIONAL HEALTH AND SAFETY

Health and safety are at the top of the agenda in Trioplast and two production sites have chosen to be certified, see Management systems page 17.

Certification is voluntary for the production sites – working with health and safety related issues is of course not.

TO CREATE AND MAINTAIN a healthy and safe working environment is key for Trioplast. LTA is measured and reported on each production site and LTAR is calculated for the Trioplast group, in accordance to LTAR definition at page 43.

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------|-----------|-----------|-----------|-----------|
| LTAR (employees) | 4,5 | 4,7 | 5,6 | 5,4 | 5,3 |
| Number of fatalities as result of work-related injuries | 0 | 0 | 0 | 0 | 0 |
| Number of worked hours | 1 821 012 | 1 783 355 | 1 647 259 | 1 654 906 | 1 630 307 |

THE INCREASE OF LTAR in 2017 is partly an effect of divestment of the production site Ekman in Jönköping, a site with few LTAs. This also effected the number of worked hours, being the basis of the LTAR calculation. Trend after 2017 is slightly improving, with fewer actual LTAs in Trioplast.

THE TARGET FOR each production site is zero LTAR. On-going activities to support this target is e.g. focus on 5S (Sort, Set in order, Shine, Standardize and Sustain) and weekly score card follow-up (including actions taken for incidents occurred). In addition, implementation of safety observations in all sites will take place in 2020.

AN LTA NORMALLY creates an investigation of the accident; what has happened, how did it happen and what preventive actions should take place to prevent it from happening again. This work is carried out at the affected production site and normally includes employees from the area of the plant in which the LTA occurred. The results and learnings can be shared via Trioplast's WCM-group, i.e. amongst the division

operational presidents.

EMPLOYEES ARE TRAINED in health and safety at its respective production site.

WORK RELATED ILL HEALTH, i.e. employees work absence not related to an accident – such as but not limited to stress – are in some cases not calculated as an LTAR. In many cases it is very difficult to determine if the cause for the ill health is work related. The number of employees and/or frequency of ill health is not public information, on grounds of confidentiality and integrity of the employee. The manager of the affected employee is a key person in rehabilitating actions and local HR supports and assists. Rehabilitating action depends on individual employee and specific situation; external counselling, job rotation, temporary part time employment for example. Trioplast also supports preventive action for work related ill-health, for example by subsidizing recreational activities, see Employees' benefits at page 28.

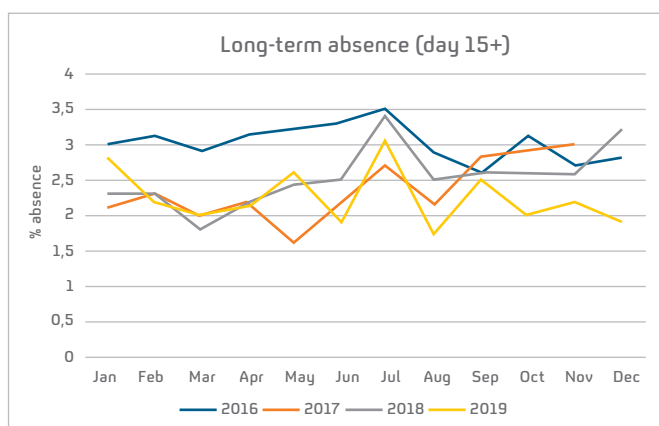
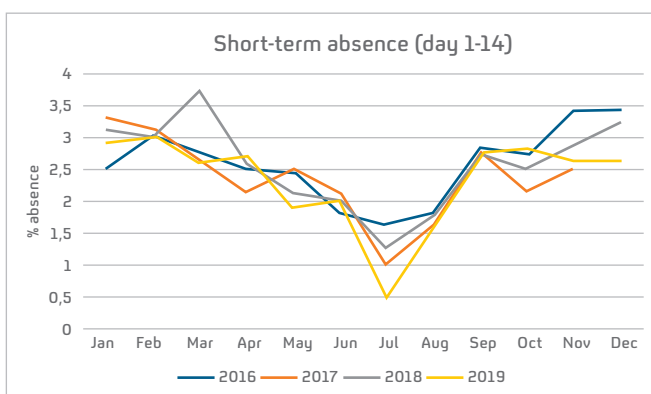
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Trioplast follows and reports on employees' absence, due to illness. The follow-up is divided into absence days 1-14 (short-term absence) and from day 15 and onward (long-term absence) and is calculated as a percentage of employees on absent compared to total number of employees.

IN GENERAL, short term-absence is constant from year to year – normally a bit higher in the winter/early spring months and lower in the summer months. 2019 followed a similar trend.



Trioplast has been successful in lowering long-time absence from 3% in 2016, to reaching a level of 2% by the end of 2019. The low rate of long-term absence is partly due to early and regular follow-up meetings between HR, employee and the relevant manager. The purpose of an early meeting is to find a way to have the employee back at work as soon as they are fit to work, sometimes with altered tasks or reduced workload.

DIVERSITY, EQUALITY AND NON-DISCRIMINATION

Trioplast strongly believes in and supports diversity and equality. This applies not only to gender, but also ethnicity, age, background etc. Trioplast do not accept any kind of discrimination. HR is available for support in the case of discrimination. In 2019, no such incidents were reported to group HR for corrective action. However, when summarizing the all employee survey some employees claimed to have been discriminated against. As the employee survey is anonymous, HR can not act directly on these indicators, more than clearly stating

that discrimination is not acceptable at Trioplast. In case any employee experiences discrimination they should contact the manager and/or local HR for support.

DIVERSITY STRUCTURE for Trioplast regarding age and gender is shown below. According to Swedish law, diversity indicators other than age and gender are not allowed to be registered and therefore not followed up. Age distribution is monitored on production site level, in accordance with country requirements, but not consolidated at group level as the country requirements are dissimilar.

| | NUMBER OF EMPLOYEES FULL TIME EQUIVALENT (2019) | MALE/FEMALE REPRESENTATIVE (HEAD COUNTS) |
|---|--|---|
| Board of directors Trioplast Industrier AB | 7 | 86% / 14% |
| GMT | 8 | 88% / 12% |
| Trioplast* | 953,1 | 80% / 20% |

* excluding AFP



SOCIAL RESPONSIBILITY

Community Engagement

TRIOPLAST'S CAMPAIGN OF COLORED SILAGE BALES AND PRODUCTS

Trioplast proudly sponsors cancer research via the campaign of colored silage bales and products. The initiative to highlight and support cancer research through silage bales in colored film was introduced in 2014 and focused from the start on breast cancer, as the pink bales raised funds for breast cancer research. The idea of the pink bales came from a female contractor in New Zealand, where the campaign also started.

REFUSE BAGS in the same color and for the same cause, soon joined the pink bales. A yellow carrier bag was introduced the same year - yellow being the symbol for the fight against childhood cancer. Also, a blue silage film has been introduced, to support research against prostate cancer. The addition of yellow silage stretch film raised further funds for childhood cancer research.

OVER THE YEARS, the initiative has spread across the world and charity work has contributed to much-needed funds for cancer research.

THE INITIATIVE HAS also attracted considerable attention in the media, which has helped to create awareness of the significance of the brightly colored bales. This means that the visual signaling value of the bale colors is now very strong. Today the colors symbolize the constant fight against cancer – a fight that Trioplast is proud to be a part of.

IN THE YEAR of 2019 the campaign for bales worldwide (24 different countries participating) has contributed by about MSEK 1,2 to cancer research. Additionally, about KSEK 45 has in total been raised by the refuse sacks campaign in Sweden.



OTHER COMMUNITY ENGAGEMENT

Trioplast has in recent years also supported the Rynkeby children's cancer funding, making yellow plastic bags for a regional food store chain in Sweden close to the manufacturing site of Bengt Lundin AB. By purchasing the yellow plastic bags, the community is supporting cancer research. In 2019 the campaign contributed MSEK 2,2.

BENGT LUNDIN AB also helps to administrate the Norwegian initiative for Handelen's environmental foundation. A mandatory, additional fee is paid by the

consumer for each plastic carrier bag purchased in Norway. This forwarded to Handelen's environmental foundation, using the donation for several projects affecting the environment. This was implemented as an alternative to a tax system, ensuring the investment to better the environment. In 2019 this campaign raised MSEK 217.

TRIOPLAST ALSO PROVIDES an annual contribution to the Swedish Childhood Cancer Foundation, as an alternative to Christmas gifts for its customers.



About the Sustainability Report

This Sustainability Report has been prepared in accordance with the GRI Standards: Core option.

TRIOPLAST ANNUALLY publishes a Sustainability Report, with the purpose of providing a transparent overview of Trioplast's work on sustainability. Focusing on performance during 2019, but in some cases also some historical data is included. In addition, work to be performed during 2020 is in some cases described, especially for implementation and follow-up activities for initiatives started in 2019. The Sustainability Report

aims to describe Trioplast's impact on the environment, people, communities and the economic contribution to any interested stakeholder.

THE SUSTAINABILITY REPORT 2018, summarizing the calendar year 2018 was published in June 2019. Financial reporting is made in accordance with the Swedish Annual Accounts Act. The statutory sustainability report is included in the financial report 2019 for Trioplast Holding AB.

SCOPE AND BOUNDARY

The Sustainability Report 2019 covers performance on environment, health, safety and social conditions at Trioplast throughout the calendar year of 2019. Focus is on Trioplast Industrier AB and its subsidiaries, where all

the operative work is carried out in the group. It also briefly gives an overview of the financial result at Trioplast. For more details, please see the annual financial report of Trioplast Holding AB.

| Divisions | | | |
|--|--|--|---|
| STRETCH FILM | INDUSTRIAL FILM | CONSUMER PACKAGING & SPECIALTY FILMS | CARRIER BAGS |
| Product lines | | | |
| Pallet stretch film Agricultural film Refuse sacks Building and covering film | FFS film Stretch hoods Shrink film Forest industry film Refuse sacks Bags and sacks | Embossed film Breathable film Laminates Blown film Film with high-quality printing Bags for hygienic purposes | Plastic carrier bags for food retailers |
| Units | | | |
| Trioplast AB Trioplast France SAS | Trioplast Nyborg A/S Trioplast Sifab AB Trioplast Fjugesta AB Ekoplast Emballage AB Mo Industri AB | Trioplast Landskrina AB Trioplanex International AB Trioplanex France SAS | Bengt Lundin AB |

Sales companies (in addition to the sales offices at each factory)

| | | | |
|-------------------------|---------------------|---------------------------|------------------------|
| Trioplast OY Finland | Trioplast LTD UK | Trioplast GmbH Germany | Trioplast AS Norway |
|-------------------------|---------------------|---------------------------|------------------------|



Included in this Sustainability Report are production sites that have been owned by Trioplast for the majority

part of the fiscal year of 2019, whereas for example AFP that was acquired in December 2019 is not yet included.

| PRODUCTION SITE | ADDRESS | EMPLOYEE FULL TIME EQUIVALENT (DEC. 2019) | MALE/FEMALE REPRESENTATIVE (HEAD COUNTS) | COMMENT | INCLUDED IN THIS SUSTAINABILITY REPORT |
|---------------------------------|---|---|--|---|--|
| Division AFP | | | | | |
| AFP | Laan van Westenek 11, 7336 AZ Apeldoorn The Netherlands | 214,8 | 87% / 13% | | No ¹ |
| Division Carrier Bags | | | | | |
| Bengt Lundin AB | Linbanegatan 2 Jössefors 671 60 Arvika Sweden | 94,9 | 62% / 38% | | Yes |
| Division Industrial film | | | | | |
| Ekoplast Emballage AB | Hammervägen 7 432 32 Varberg Sweden | 26,2 | 83% / 17% | | Yes |
| Mo Industri AB | Stråkenvägen 3 565 76 Bottnaryd Sweden | 26,0 | 69% / 31% | | Yes |
| Trioplast Fjugesta AB | Fjugesta Byväg 5 716 30 Fjugesta Sweden | 1,0 | 0% / 100% | The production in Fjugesta was closed during autumn 2019 and part of the production was moved to Mo, Nyborg and Ekoplast. | Yes, until closed |
| Trioplast Nyborg A/S | Taasingevej 1 5800, Nyborg Denmark | 163,0 | 82% / 18% | | Yes |
| Trioplast Sifab AB | Rasåsen Töva 853 59 Sundsvall Sweden | 34,0 | 91% / 9% | | Yes |

¹ AFP was acquired by Trioplast in late December 2019. Integration of AFP into Trioplast started in the beginning of 2020, but forms for now a division for itself.



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| PRODUCTION SITE | ADDRESS | EMPLOYEE FULL TIME EQUIVALENT (DEC. 2019) | MALE/FEMALE REPRESENTATIVE (HEAD COUNTS) | COMMENT | INCLUDED IN THIS SUSTAINABILITY REPORT |
|--|--|---|--|---|--|
| Division Consumer packaging and special purpose film (former Hygiene film) | | | | | |
| Trioplanex France SAS | 80, Rue de la République 80610, Saint-Ouen France | 79,0 | 86% / 14% | | Yes |
| Trioplanex International AB | Lodjursgatan 5 261 44 Landskrona Sweden | 0 | N/A | In 2019, the production was moved to Trioplanex France SAS. The production site in Landskrona is now fully operated by Trioplast Landskrona AB. | Yes, until closed |
| Trioplast Landskrona AB | Lodjursgatan 5 261 44 Landskrona Sweden | 145,0 | 78% / 22% | | Yes |
| Division Stretch film | | | | | |
| Trioplast AB | Parkgatan 10 333 31 Smålandsstenar Sweden | 270,0 | 79% / 21% | | Yes |
| Trioplast France SAS | 4 Rue de la Pidaie Pouancé 49420, Ombrière d'Anjou France | 95,0 | 85% / 15% | | Yes |

REPORTING PRINCIPLES

Production sites report on current sustainability KPIs (energy consumption and LTAR) monthly, in Trioplast's financial reporting system Frango. This also provides information on number of employees and working hours etc. In addition, some information is collected from the salary systems. The rest of the information in this Sustainability Report is from other available information collected by a reference group with collective insight into the organization.

A MORE DETAILED sustainability reporting data collection system was drafted during 2019. It is under development and will be implemented during 2020. The purpose is to collect information and sustainability data in a more structured manner from each production site.



ABOUT THE SUSTAINABILITY REPORT

Contact persons

Please contact **Sustainability Development Director Eva Hultén** regarding questions about this Sustainability Report.

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GRI Index 2019

The GRI Sustainability Reporting Standards (GRI Standards) are the first and most widely adopted global standards for sustainability reporting. GRI's core product are the Sustainability Reporting Standards. They have been continuously developed over 20 years and represent global best practice for reporting on

economic, environmental and social issues. According to GRI, sustainability reporting should provide a balanced and reasonable picture of a company's results with regards to sustainability. Trioplast has used GRI indicators since the Sustainability Report 2018.

GRI STANDARDS

This report has been prepared in accordance with the GRI Standards: Core option.

THE FOLLOWING TABLE shows the GRI Standard Indicators that Trioplast has chosen. It also contains references to where in the Sustainability Report Trioplast's efforts, progress and in some cases plans for

this GRI indicator is described. Management Approach is described collectively for all Indicators, as described in the table.

THIS SUSTAINABILITY Report has not been audited by a third party, as has been indicated below.

| GRI 101: FOUNDATION 2018 AND GRI 102: GENERAL DISCLOSURES (CORE) | | |
|--|--|-----------------|
| GRI STANDARD | DISCLOSURE | PAGE NUMBER/URL |
| GRI 102 | General Disclosures | |
| 1 | Organizational profile | |
| 102-1 | Name of the organization | 6-11 |
| 102-2 | Activities, brands, products and services | 6-11 |
| 102-3 | Location of headquarters | 6-11 |
| 102-4 | Location of operations | 6-11, 33-34 |
| 102-5 | Ownership and legal form | 6-11 |
| 102-6 | Markets served | 6-11 |
| 102-7 | Scale of the organization | 6-11 |
| 102-8 | Information on employees and other workers | 6-11, 30, 33-34 |
| 102-9 | Supply chain | 10 |
| 102-10 | Significant changes to the organization and its supply chain | 6-11, 32-34 |



| GRI 101: FOUNDATION 2018 AND GRI 102: GENERAL DISCLOSURES (CORE) | | |
|--|--|------------------|
| GRI STANDARD | DISCLOSURE | PAGE NUMBER/URL |
| GRI 102 | General Disclosures | |
| 1 | Organizational profile | |
| 102-11 | Precautionary Principle or approach | 16, 40-41 |
| 102-12 | External initiatives | 11 |
| 102-13 | Membership of associations | 11 |
| 2 | Strategy | |
| 102-14 | Statement from senior decision-maker | 5 |
| 3 | Ethics and integrity | |
| 102-16 | Values, principles, standards, and norms of behavior | 9, 16-18 |
| 4 | Governance | |
| 102-18 | Governance structure | 8 |
| 5 | Stakeholder engagement | |
| 102-40 | List of stakeholder groups | 13 |
| 102-41 | Collective bargaining agreements | 27-28 |
| 102-42 | Identifying and selecting stakeholders | 13 |
| 102-43 | Approach to stakeholder engagement | 13 |
| 102-44 | Key topics and concerns raised | 13-15 |
| 6 | Reporting practice | |
| 102-45 | Entities included in the consolidated financial statements | 6, 20, 32-24 |
| 102-46 | Defining report content and topic Boundaries | 32-34 |
| 102-47 | List of material topics | 15 |
| 102-48 | Restatements of information | 6, 17, 20, 32-34 |
| 102-49 | Changes in reporting | 15, 32-24 |
| 102-50 | Reporting period | 32 |
| 102-51 | Date of most recent report | 32 |
| 102-52 | Reporting cycle | 32 |
| 102-53 | Contact point for questions regarding the report | 35 |
| 102-54 | Claims of reporting in accordance with the GRI Standards | 36 |
| 102-55 | GRI content index | 36 |
| 102-56 | External assurance | No, 36 |



» Continuation from the previous page

| GRI 101: FOUNDATION 2018 AND GRI 102: GENERAL DISCLOSURES (CORE) | | |
|--|--|-----------------|
| GRI STANDARD | DISCLOSURE | PAGE NUMBER/URL |
| GRI 103 | Management Approach | |
| 103-1 | Explanation of the material topic and its Boundary | 12-19 |
| 103-2 | The management approach and its components | 12-19 |
| 103-3 | Evaluation of the management approach | 12-19 |
| GRI 201 | Economic performance | |
| 201-1 | Direct economic value generated and distributed | 20 |
| GRI 205 | Anti-corruption | |
| 205-2 | Communication and training about anti-corruption policies and procedures | 16-17, 19 |
| 205-3 | Confirmed incidents of corruption and actions taken | 17 |
| GRI 301 | Materials | |
| 301-1 | Materials used by weight or volume | 21-24 |
| 301-2 | Recycled input materials used | 21-24 |
| GRI 302 | Energy | |
| 302-1 | Energy consumption within the organization | 25 |
| 302-3 | Energy intensity | 25 |
| 302-4 | Reduction of energy consumption | 25 |
| GRI 306 | Effluents and waste | |
| 306-2 | Waste by type and disposal method | 26 |
| GRI 307 | Environmental compliance | |
| 307-1 | Non-compliance with environmental laws and regulations | 26 |
| GRI 401 | Employment | |
| 401-1 | New employee hires and employee turnover | 27-30 |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 27-30 |
| GRI 402 | Labor/Management relations | |
| 402-1 | Minimum notice periods regarding operational changes | 27-30 |
| GRI 403 | Occupational health and safety | |
| 403-1 | Occupational health and safety management system | 17, 29-30 |
| 403-2 | Hazard identification, risk assessment, and incident investigation | 29-30 |
| 403-3 | Occupational health services | 29-30 |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | 29-30 |



GRI 101: FOUNDATION 2018 AND GRI 102: GENERAL DISCLOSURES (CORE)

| GRI STANDARD | DISCLOSURE | PAGE NUMBER/URL |
|----------------|--|-----------------------|
| 403-5 | Worker training on occupational health and safety | 29-30 |
| 403-9 | Work-related injuries | 29-30 |
| 403-10 | Work-related ill health | 29-30 |
| GRI 404 | Training and education | |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | 28 |
| GRI 405 | Diversity and equal opportunity | |
| 405-1 | Diversity of governance bodies and employees | 30, 33-34, 40-41 |
| GRI 406 | Non-discrimination | |
| 406-1 | Incidents of discrimination and corrective actions taken | 13, 16, 19, 30, 40-41 |
| GRI 407 | Freedom of association and collective bargaining | |
| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 16, 28, 40-41 |
| GRI 408 | Child labor | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | 16, 27, 40-41 |
| GRI 409 | Forced or compulsory labor | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 16, 27, 40-41 |
| GRI 411 | Rights of indigenous people | |
| 411-1 | Incidents of violations involving rights of indigenous peoples | 30 |
| GRI 419 | Socioeconomic compliance | |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | 27 |





UN Global Compact and Communication on progress

TEN PRINCIPLES ON RESPONSIBLE BUSINESS PRACTICE

Launched in 2000 by former UN Secretary-General Kofi Annan, the UN Global Compact was initiated to bring business and the United Nations together to give a human face to the global market. UN Global Compact is the world's largest corporate sustainability initiative, now covering over 170 countries and more than 10 000 voluntary CEOs' commitments to implement ten universal sustainability principles. For more information, see www.unglobalcompact.org.

Rights and the Convention against Corruption and covers areas of human rights, working conditions, the environment and anti-corruption. In 2017, Trioplast joined the UN Global Compact and currently holds a learner status. By implementing the ten principles of UN Global Compact into the updated Code of Conduct compliance is ensured for all employees. Code of Conduct is a part of the introduction for new employees.

TRIOPLAST'S APPLICATION of the ten principles is published on its official web-page www.trioplast.com.

THE TEN SUSTAINABLE principles are based on various UN conventions, such as the Declaration of Human

| THE GLOBAL COMPACT PRINCIPLES | | TRIOPLAST APPLICATION OF THE PRINCIPLE | GRI INDICATORS |
|-------------------------------|--|---|----------------------|
| Human rights | | | |
| 1 | Business should support and respect internationally proclaimed human rights | We support and respect the protection of international human rights in the areas we can influence. | 103-2 |
| 2 | Business should make sure they are not complicit in human rights abuses. | We make sure our company is not complicit in human rights abuses. | 103-2 |
| Labor | | | |
| 3 | Business should uphold the freedom of association and the effective recognition of the right to collective bargaining. | We uphold the freedom of association and the effective recognition of the right to collective bargaining. | 102-41, 103-2, 407-1 |
| 4 | Business should work to eliminate all forms of forced and compulsory labor. | We eliminate all forms of forced and compulsory labor. | 103-2, 409-1 |
| 5 | Business should work for the effective abolition of child labor. | We work efficiently for the abolition of child labor. | 103-2, 408-1 |



| THE GLOBAL COMPACT PRINCIPLES | | TRIOPLAST APPLICATION OF THE PRINCIPLE | GRI INDICATORS |
|-------------------------------|---|--|-----------------------------|
| Labor | | | |
| 6 | Business should work to eliminate all discrimination in respect of employment and occupation. | We eliminate discrimination in respect of employment and occupation. | 102-8, 103-2, 406-1 |
| Environment | | | |
| 7 | Business should support a precautionary approach to environmental challenges. | We support the precautionary principle to environmental responsibility. | 103-2, 102-11 |
| 8 | Business should undertake initiatives to promote greater environmental responsibility. | We take initiatives to promote greater environmental responsibility. | 103-2, 301-1, 301-2, 302-4 |
| 9 | Business should encourage the development and diffusion of environmentally friendly technologies. | We encourage the development and diffusion of environmentally friendly technologies. | 103-2, 301-2, 302-4 |
| Anti-corruption | | | |
| 10 | Business should work against corruption in all its forms, including extortion and bribery. | We work against corruption in all its forms, including extortion and bribery. | 102-16, 103-2, 205-2, 205-3 |

COMMUNICATION ON PROGRESS

Organizations that have endorsed the Global Compact must produce an annual Communication On Progress (COP), detailing how they meet the ten principles.

Trioplast provides this information using this Sustainability Report.





Definitions

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|--------------------------------------|--|
| 5S | Sort, Set in Order, Shine, Standardize and Sustain 5S is an important part of Lean manufacturing/WCM, originally developed by Toyota. It is defined as a methodology that results in a workplace that is clean, uncluttered, safe and well organized to help reduce waste and optimize productivity. |
| Agenda 2030 (AFP) | The UN's 2030 Agenda for Sustainable Development is a comprehensive plan that outlines how poverty is eradicated and transform the world into a peaceful, sustainable environment for all – a Plan of Action to Change the World. |
| CO₂ | Carbon dioxide is formed in all carbon combustion processes, such as fossil fuel combustion. |
| CO₂-eq. | Carbon dioxide equivalent, the result in SimaPro software calculation for LCA, taking all GHG into consideration and recalculating it to CO ₂ . |
| Carbon footprint | Total GHG emissions. At Trioplast, CO ₂ -eq. is used for carbon footprint measurement. |
| CEO | Chief Executive Officer, Managing director. |
| CFO | Chief Financial Officer, Head of finance. |
| Code of Conduct | Behavior code of Trioplast. |
| Competition Compliance Policy | Trioplast's policy for ensuring fair and legal competition compliance. Employees in critical positions, such as sales, sourcing and/or management team verify compliance annually. |
| COP | Communication On Progress Organizations' annual report on how ten principles of UN Global Compact are progressing. |
| CPO | Chief Procurement Officer, Head of sourcing. |
| Global Compact | An UN initiative in the area of corporate social responsibility. Participating organizations agree to adhere to then principles in the areas of human rights, labor conditions, the environment and anti-corruption. Trioplast's interpretation of the Global Compact is reflected in Code of Conduct. |
| GMT | Group Management Team for Trioplast Industrier AB, see page 8 |
| GHG | Green House Gases Gases being captured in the atmosphere, participating to the greenhouse effect by reflecting the sun's radiation back at earth. This includes water vapor (H ₂ O), carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O) and ozone (O ₃). |
| GRI | Global Reporting Initiative The GRI Sustainability Reporting Standards (GRI Standards) are the first and most widely adopted global standards for sustainability reporting. |
| HR | Human Resources |
| ISCC Plus | International Sustainability & Carbon Certification Globally leading certification system, contributing to the implementation of environmentally, socially and economically sustainable production and use of all kinds of biomass in global supply chains |



| | |
|----------------------|---|
| ISO 9001 | International standard relating to quality management. |
| ISO 14001 | International standard relating to environmental management. |
| ISO 22000 | International standard relating to food safety management. |
| ISO 26000 | International standard that provides guidance on how organizations can deal with social responsibility issues. The standard has influenced Trioplast Code of Conduct, also the updated version that will be implemented in 2020. |
| ISO 45001 | International standard relating to Occupational health and safety. |
| ISO 50001 | International standard relating to energy management systems. |
| KPI | Key Performance Indicator. |
| LCA | Life Cycle Assessment. For Trioplast this normally means calculation of CO ₂ -eq. during the products life cycle from cradle to Trioplast end gate. |
| LTA | Lost Time Accident, a work-related where the employee has not been able to return to work the following day due to the incident |
| LTAR | Lost Time Accident Rate, of Trioplast employees having a work-related accident. LTAR is calculated in the standardized calculation: $LTAR = \frac{(number\ of\ LTA \times 200\ 000)}{(number\ of\ labor\ employee\ hours)}$ |
| OHSAS 18001 | International standard relating to Occupational health and safety. |
| PCR | Post-Consumer Recycled An EU classification of recycled plastic, also called Post-Consumer Resin, that is recycled after being used for its purpose. Plastic recycled after not being used for its purpose is classified as PIR; Post-Industrial Recycled or Post-Industrial Resin. |
| PE | Polyethylene, raw material used in Trioplast's products. Traditionally, it is primarily produced from crude oil, but is also produced from fossil free raw materials, such as sugar canes etc. |
| SEDEX | Sedex is one of the world's leading ethical trade service providers, working to improve working conditions in global supply chains. |
| SDG | Sustainable Development Goals Seventeen sustainable development goals for end of extreme poverty, fight inequality and injustice, and protect our planet, adopted by UN in 2015 under the umbrella of Agenda 2030. |
| SimaPro | Computer software, to support in calculation of LCA. |
| Triolean | Trioplast's downgauged products, with sustained or increased performance. |
| Trioloop | Trioplast's brand for PE film that contains recycled material. |
| Triogreen | Trioplast's products, based on fossil-free green/bio based PE with a very low carbon footprint. |
| Trio:Greenway | Trioplast's sustainable services, including tailor made life cycle assessment. |
| UN | United Nations |
| WCM | World Class Manufacturing, Trioplast's operational system for production, based on LEAN-principles. This work is led by division operational heads. |



TRIOPLAST

WE ARE THERE

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