



ANNUAL AND SUSTAINABILITY REPORT



Everyone wins when you recycle 

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From empty packaging to new material and new products.

THIS IS FTI

THE PACKAGING COLLECTION SERVICE (FTI AB) has been assigned by the business sector to collect packaging so it can be recycled. The nationwide collection scheme is carried out via some 5,000 recycling stations and a large number of properties, totaling two million households. The operations are financed by packaging fees paid by companies with producer responsibility, funds from the paper industry and revenue from sales of collected and sorted materials. No dividends are paid to the organization's owners. FTI is owned by four materials companies – RK Returkartong AB, Svensk Plaståtervinning i Motala AB, Svensk Glasåtervinning AB and Svenska Metallkretsen AB. In turn, the materials companies are owned by retail and industry trade associations, as well as individual companies.

**PRODUCER RESPONSIBILITY**

Producer responsibility for newspapers and packaging was introduced by the Swedish government in 1994, and means that anyone who produces, fills or places packaging on the market is also obligated to recover and recycle the packaging waste. In 2018, the Swedish government passed two new ordinances that would be gradually implemented from January 2019. In October 2020, the government decided to delay some parts of the new Ordinance on Producer Responsibility for Packaging. The Swedish Ministry of the Environment established an internal inquiry and the consultation document "A better packaging collection" was presented in November 2021. The consultation period expired in February 2022 and a decision on a new ordinance is expected in June. Transitional arrangements apply until December 31, 2023.

Waste paper was exempted from producer responsibility on December 31, 2021. Swedish municipalities have been responsible for the collection of newspapers since January 1, 2022 and the vast majority have opted to collaborate with FTI.

5,000

recycling stations across the country.

965

SEK million in sales.

8,200

affiliated producers.

53

kg packaging /person and year collected.

2021 in brief



FTI HAS A NEW NAME

■ FTI has changed its name from Förpacknings- och Tidningsinsamlingen (Packaging and Newspaper Collection Service) to Förpackningsinsamlingen (The Packaging Collection Service), a natural consequence of the fact that waste paper is now exempt from producer responsibility and that municipalities are now responsible for the collection of newspapers. The new name came into effect in early 2022 and clarifies that we are the leading company in Sweden for the collection of packaging. We have not changed our abbreviation or logo.

HELENA NYLÉN NEW CEO

■ In September 2021, Helena Nylén took office as the new CEO of The Packaging Collection Service AB. Helena was most recently at Spendrups where she served as Supply Chain Director. She succeeded Lars Pålsson who assumed the role of Interim CEO in September 2020 when Håkan Ohlsson stepped down.

PROTRACTED SUPERVISORY CASE

■ In 2020, the Swedish Patent and Market Court of Appeal ruled that only FTI-affiliated producers have the right to use FTI's recycling stations. The decision cannot be appealed. In light of this decision, the Swedish Environmental Protection Agency (EPA) initiated a supervisory case to determine whether those producers who are affiliated with a competitor are providing an appropriate collection scheme in accordance with the current ordinance. FTI is hoping for a decision from the EPA soon.

HIGHER CUSTOMER SATISFACTION

■ The vast majority of FTI's customers (93 percent) perceive that we are making a positive contribution to their sustainability performance. This was revealed by the 2021 customer survey. Overall satisfaction was 80 percent for our largest customers, and 72 percent in general, which is a very gratifying result with high scores for collaboration, support and guidance.

MESSAGE FROM THE CEO



HELENA NYLÉN
CEO, FTI

Time for a shift

IT HAS BEEN CHALLENGING, but exciting and very rewarding, to take office as FTI's CEO in the midst of a transition period. During my first four months, newspapers were exempted from producer responsibility, the government presented a consultation document (A better packaging collection) and the Single-Use Plastics Directive came into force. All three of these events will have a major impact on FTI's operations, especially the consultation document's recommendation that the responsibility for packaging collection be transferred to municipalities. While FTI supports this recommendation, we also outlined a number of weaknesses in our consultation response, especially regarding the transitional rules.

LOOKING BACK ON THE YEAR, the pandemic continued to have a major impact on collection volumes, which reached new record highs. That also shows that we Swedes are committed and want to recycle.

Our communication campaigns to increase engagement were effective, which is gratifying, as well as the fact that our customers rated us highly in the year's customer satisfaction survey.

THE GROWING VOLUMES are placing even greater demands on a flexible collection scheme and we are continuously working to improve efficiency, which also resulted in a Christmas and New Year period with considerably fewer complaints than ever before. I am proud of the work that FTI does every day. We have committed employees who all take responsibility for their parts and promote FTI's role as a stable partner to producers, municipalities and other business partners. Together with our owners, we are working to create more circular material flows.

Read more in our Sustainability Report on pages 19-27.

GROWING AWARENESS OF CLIMATE CHANGE

FTI's operations are a constant feature of people's everyday lives and we therefore need to interpret and understand our operating environment. A surge in e-commerce sales, growing awareness of climate change and rising environmental concern are some of the trends that affects us, and that were strengthened by the pandemic.

E-COMMERCE GROWTH CONTINUES

Despite a year of extreme growth during the pandemic year of 2020 – from SEK 87 billion to SEK 122 billion – e-commerce continued to grow in 2021, albeit at a somewhat slower pace. The increase was 20 percent and total sales amounted to SEK 146 billion.¹ Supermarkets continued to show strong sales growth, as well as home furnishings. Consumer electronics grew significantly and half of all sales are now made online. E-commerce growth is increasing demand for packaging materials and more and more is being collected. In 2021, paper packaging accounted for the largest increase at 13 percent.

WHAT FTI DOES: In 2021, the amount of collected packaging reached an all-time high, but the growing volumes are also increasing pressure on the system. In addition to increasing the number of cleaning and emptying operations, more and more flexibility is required to offer clean, attractive and accessible recycling stations, and increased preparedness for new patterns of behavior.

CONTINUED FOCUS ON PLASTIC

In 2021, more parts of the EU's Single-Use Plastics Directive came into force and certain products have now completely disappeared, while others have been redesigned or must be labeled. Plastic remains in focus and the pressure to replace fossil-based plastics with renewable and recycled alternatives is mounting. Over the past ten years, the amount of plastic packaging that is collected has almost doubled – from 4.9 kg/person in 2012 to 9.0 kg in 2021.

WHAT FTI DOES: One of FTI's owners, Svensk Plaståtervinning (SPÅ), owns and runs Europe's most efficient sorting facility in Motala. All of the plastic packaging that FTI has collected is sorted here and a new ultra-modern plastic recycling facility, Site Zero, is currently being constructed with zero emissions. The Plastic Manual issued by SPÅ and FTI provides guidance and information for producers about design that makes recycling easier. Plastic packaging that is easy to recycle costs less to place on the market than plastic packaging that is difficult.

INCREASING CONCERN FOR THE ENVIRONMENT

In addition to the pandemic, the world has also been affected by climate change, political tensions and greater polarization in recent years. One in four Swedes is deeply concerned about the environment, nine out of ten think that sustainability is important, almost as many have started to sort more of their waste in the past two years to reduce their environmental impact, and more and more people think that recycling is easy.²

WHAT FTI DOES: We have refined our mission in line with changing views on climate change and the environment. The core, collection and recycling, remains unchanged, but together with our owners, we are now more of an engine in a circular system – ranging from packaging that is placed on the market, sorting at source and collection via separation and processing through to sales. We have intensified our consumer communication and use our Recycling Barometer to monitor changes in attitudes to recycling and a gradual change in behavior.



PRODUCER RESPONSIBILITY UNDER DEVELOPMENT

In June 2018, the Swedish government adopted two new producer responsibility ordinances for packaging and waste paper. A new decision to postpone some parts of these ordinances was announced in September 2020, while in December a decision to exempt waste paper from producer responsibility on December 31 2021 was announced. In early 2021, the Swedish Ministry of the Environment established an internal inquiry. The consultation document "A better packaging collection" was presented in November 2021 and the consultation period expired in February 2022. During 2022 transitional arrangements apply to producer responsibility for packaging and since January 1st Municipalities are responsible for the newspaper collection.

WHAT FTI DOES: In 2021, we formed a sister company to FTI, Svenskt Producentansvar AB, with the mission to create even better conditions for sustainable and cost-efficient producer responsibility for packaging. FTI and Svenskt Producentansvar support the inquiry's recommendation that responsibility for packaging collection be transferred to municipalities, but we also outlined a number of weaknesses in regard to the transitional arrangements in our consultation response. During the transitional period, we will provide a sustainable and flexible collection service with the aim of achieving the greatest-possible environmental benefits.

¹E-barometern, ²Svenskar och Hållbarhet (Swedes and Sustainability survey), Återvinningsbarometern (Recycling Barometer survey) and Allmänheten om klimatet (Public opinion on climate change survey).

TOWARDS TOMORROW'S RECYCLING

The maximization of environmental benefits and achievement of recycling targets requires an even more flexible collection scheme, more packaging that is easy to recycle, better material quality and a continued determined transition to a circular economy.

2. BETTER RECYCLABILITY

TOUGHER REQUIREMENTS from both legislation and consumers, combined with producers' ambitions to achieve their sustainability targets, are driving the trend of more packaging that can be recycled. Many producers are turning to FTI for support in their design processes, for advice about the requirements for improved recyclability and the factors they need to consider in terms of materials and technical feasibility. The four recycling manuals that FTI has produced on behalf of each materials company are continuously updated to keep pace with technological advances and regulatory changes. In addition, we also keep our 8,200 affiliated producers informed via newsletters, virtual and in-person visits, and training sessions.



3. HIGHER QUALITY MATERIAL FOR CIRCULAR FLOWS

THE PROPORTION OF PACKAGING that is collected is growing sharply, which is creating conditions for a higher rate of recycling. But in order to compete with virgin material and be used for new products, the quality of the recycled material must be sufficiently high. Ensuring high-quality materials is a top priority for FTI and our owners, the materials companies.

At Svensk Plaståtervinning's (SPÅ's) facility in Motala, where all of the plastic packaging collected by FTI is separated, the ultra-modern Site Zero for plastic recycling without any emissions is now under construction, a pioneering step along the way together with the glass recycling facility in Hammar.

1. FLEXIBLE AND ACCESSIBLE COLLECTION SCHEME

FTI HAS CREATED A FLEXIBLE AND ACCESSIBLE collection scheme to reduce carbon emissions at the lowest-possible cost and with the highest-possible quality for consumers. With 5,000 recycling stations and two million household with access to curbside collection services, we have laid a solid foundation for tomorrow's collection and recycling of packaging.

Via our sister company Svenskt Producentansvar, FTI has contributed experience and insights to the government's consultation document, which is aimed at reformulating parts of the 2018 ordinance.

In our consultation response, we support the recommendation of municipal collection responsibility, but also outlined weaknesses such as the proposed transitional rules and the risk of market distortion.

To be successful in the long term, we believe that the ordinance should be clearly formulated to ensure that the collected materials maintain high quality, that the recycling targets are achieved, that cost control is ensured over time, and that the costs and conditions for producer responsibility are competition-neutral between the companies that are covered.

4. CIRCULARITY RESEARCH

FTI WANTS TO HELP shape the circular economy and has therefore participated actively in several research projects. One of these is Circ Pack, which we are leading together with Svensk Plaståtervinning, RISE and IVL Swedish Environmental Research Institute. The project started up in November 2021 and is funded by Vinnova, with the objective of increasing the circularity of the large amount of barrier packaging, which is packaging made from multiple layers of plastic film.

The aim is to find recyclable alternatives to plastic film and thereby increase sorting rates in the recycling process. We have been represented in the government's advisory body, the Swedish Circular Economy Delegation, via Mattias Philipsson (CEO of Svensk Plaståtervinning) since June 2020.

PRODUCER RESPONSIBILITY FOR CIRCULARITY

Reduced CO2 emissions, more climate-smart packaging or improved recyclability. No matter what sustainability targets our customers have set, we are creating the best possible conditions for cost-efficient and sustainable producer responsibility for packaging, from design and manufacture to recycling.



PACKAGING DESIGN AND MANUFACTURE

All packaging placed on the Swedish market should be recyclable. On behalf of our owners, the materials companies, FTI offers a range of design and manufacture-related services to make it easier for producers. We offer guidance through the design process, provide recycling manuals, and hold seminars and training sessions together with the materials companies, the Swedish Environmental Protection Agency and other stakeholders. In addition, we promote the interests of producers by taking part in delegations and research projects, and by monitoring our operating environment.

NEW RULES FOR SINGLE-USE PLASTICS

■ In June 2019, the EU adopted the Single-Use Plastics Directive, with a range of measures to reduce the impact of certain plastic products on the environment. At the end of 2021, the Swedish government adopted ordinances to incorporate the provisions of the directive into Swedish law. The first new rules came into force on January 1, 2022 when certain single-use plastic items were banned, while others must be labeled to inform consumers, and new obligations were introduced for producers.

RAISED AWARENESS WITH MANUALS

■ It started with the plastic manual five years ago, and now there are manuals for all four types of material with clear advice on how to make more packaging recyclable. “The manuals help producers make informed decisions in their design process and they are well used,” says Anette Löhn, Marketing Manager at FTI. The manuals have led to many projects and we are starting to see an effect out in the market. They are updated every year to keep pace with technological advances and regulatory changes.



PACKAGING USE

Together with the materials companies, we can make it easier for our affiliated producers to understand how packaging design can influence both consumer behavior and how the packaging is used. We monitor our operating environment and conduct behavioral surveys and similar, and help to label packaging correctly to make it easier for consumers to sort correctly.

EASY TO RECYCLE

■ More and more people feel that packaging is easy to recycle, young people have become more committed to recycling and the main reason for not sending more packaging to recycling is lack of space at home. These were the results of FTI's annual survey, Återvinningsbarometern (the Recycling Barometer). Moreover, 88 percent of the respondents say they recycle to protect the environment.

88%

of FTI's survey respondents say they recycle for environmental reasons.





SEPARATION AND PACKAGING COLLECTION

Households and companies are obligated to sort their packaging waste. FTI educates and inspires consumers to sort and recycle by conducting information campaigns and programs for schools and preschools. FTI's emptying and cleaning contractors are an integral part of the operations. We provide safety training, and keep track of our fuel consumption and emissions.

A CAREFULLY PREPARED CHRISTMAS

■ Based on our experience in packaging collection, we have built up well-functioning processes and large amounts of reliable data. But the pandemic required even more accurate forecasts, especially prior to the Christmas and New Year period when the pressure is high.

"In December, our bins were emptied a little over 262 000 times," says Nicolas Torres-Vargas, FTI's Team Manager Logistics. Based on extensive analyses, we could adjust our model and respond even more accurately. More frequent emptying, even more cleaning operations and extra bins at popular stations, combined with ambulatory cleaning teams to pick up the litter outside the bins, led to considerably fewer complaints than in previous years.

EVERYBODY WANTS TO BE A WINNER

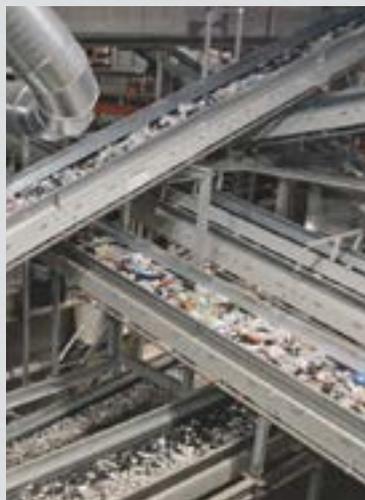
■ While Swedes are good at recycling, they still need a pat on the back for doing the right thing. That's why FTI's campaign – Everyone wins when you recycle – has been so successful.

"The message is clear and makes a positive overall impression," says Malin Ryding, FTI's Director of Communications. In 2021, as in previous years, we tried to achieve a good mix of digital, moving images and text to reach a broad audience, which generated positive results. Our surveys show that our campaigns are well-received and generating a great deal of engagement.



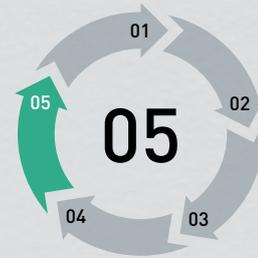
QUALITY CONTROL OF COLLECTED MATERIALS

On behalf of the materials companies, we ensure that the collected material maintains the highest-possible quality. FTI checks the quality of each type of material by taking samples of the collected material to obtain an adequate assessment of how well the collection scheme is working. We visit baling and sorting facilities to check the quality of deliveries and materials, and arrange field trips for producers, municipalities and others. We support consumers by providing sorting guides and other information.



FIELD TRIPS

■ FTI's field trips to the sorting facilities of the materials companies have been highly appreciated over the years. We are therefore pleased to once again be offering our stakeholders direct insight into what happens with household packaging. During the winter, several groups from municipalities with CC services visited Svensk Plaståtervinning's sorting facility in Motala. In addition to a guided tour, they also took part in discussions about traceability, GHG emissions and the new Site Zero facility.



NEW PRODUCTS FROM RECYCLED MATERIALS

Together with our owners, we take responsibility for ensuring that the collected material is used to make new products. FTI and each of the materials companies are leading and driving the development of technologies and processes to increase recycling rates. We work across a broad front to achieve new and tough recycling targets through expanded collection services, better quality materials, information for consumers, and so forth. We support producers by offering advice on recyclable design and providing assistance with reporting.

ULTRA-MODERN SITE

■ In Motala, Svensk Plaståtervinning is building the world's largest and most technologically advanced facility for plastic recycling, Site Zero. The new facility will create conditions for recycling far more plastic packaging than today without any emissions, and the first stage is scheduled for completion in 2023.

2023

The first stage of Site Zero is scheduled for completion.

REPRESENTATIVE FOR PRODUCERS

■ Since January 2021, producers have been obligated to report the amount of packaging material they have placed on the market to the Swedish Environmental Protection Agency (EPA) every year. Following registration, the data is submitted online. Via reporting contracts, we helped a large number of producers with both registration and reporting to the EPA in 2021, a service that is free-of-charge and included in FTI's offering.

RECORD AFTER RECORD

– more and more is being collected



■ **FTI'S COLLECTION VOLUME** has risen 55 percent in ten years and reached a new record high in 2021 – 552,600 tonnes of packaging were sent for recycling, corresponding to 53 kg per person. The logistics around emptying, cleaning and snow clearing are the lifeblood of FTI's operations, a system that just has to work. 365 days of the year. But the growing volumes also increase the risk of waste being dumped, and FTI works systematically to reduce this problem.

"We've carried out a number of projects over the past few years and drawn up a checklist of actions," says Patrik Hamerslag, FTI's Team Manager, Infrastructure. "They range from contacting the person who dumped the waste to guarding recycling stations. Sometimes it's enough to cut back the shrubbery around the station, or to move the station a few hundred meters away, but sometimes we have to close the station altogether."

Convenient recycling close to home

■ **TWO MILLION SWEDES**, or about 40 percent of Swedish households, can now leave their packaging by the curbside for recycling. Curbside collection (CC) has been rolled out to more and more households in recent years, and these collection volumes are key to achieving the recycling targets. The definition of curbside collection also includes houses with 4-compartment recycling bins or color sorting, or apartment buildings with a recycling room.

Collection for companies

■ Only household packaging is permitted at FTI's recycling stations. But we also provide commercial collection services in all Swedish municipalities via "drop-off points." Restaurants, cafés, tradespeople and stores, for example, can drop off their packaging waste here free-of-charge. All companies and organizations are responsible for their waste and have a legal duty to sort it.

2.5
million times
per year is how often our recycling bins are emptied.*

527
thousand times per year is how often the recycling stations are cleaned.

Labels make it easier

■ In 2021, we continued to roll out the new recycling labels that were launched in summer 2020. The same labels are used on both the packaging and the recycling bins to make it easier for consumers to sort their waste correctly. This is the result of a decision by the Nordic waste management sector to introduce a common labeling system for all waste fractions.

All producers have access to the new common labels for a smooth replacement, and most of our bins at the recycling stations have been relabeled.



60
thousand is the number of calls and e-mails we receive from consumers every year.

*Refers to paper, plastics and metal.

FTI'S BOARD OF DIRECTORS & CEO



Chair of the Board
LARS PÅLSSON



Boardmember
MAGNUS ANDERSSON
CEO, Svensk
Glasåtervinning AB



Boardmember
INGRID NÄSSTRÖM
CEO RK
Returkartong AB



Boardmember
MATTIAS PHILIPSSON
CEO, Svensk
Plaståtervinning i Motala AB



Boardmember
PETER TRIMMEL
CEO, Svenska
Metallkretsen AB



HELENA NYLÉN
CEO, FTI



Boardmember
CECILIA MÖLLER
Employee representative,
Akademikerna at FTI

OWNERSHIP STRUCTURE AT DEC 31, 2021

Owners who hold more than 10 percent of the company's shares: In 2021, Pressretur AB sold its shares to the remaining shareholders.



Svensk Plaståter-
vinning AB



RK Retur-
kartong AB



Svenska Metall-
kretsen AB



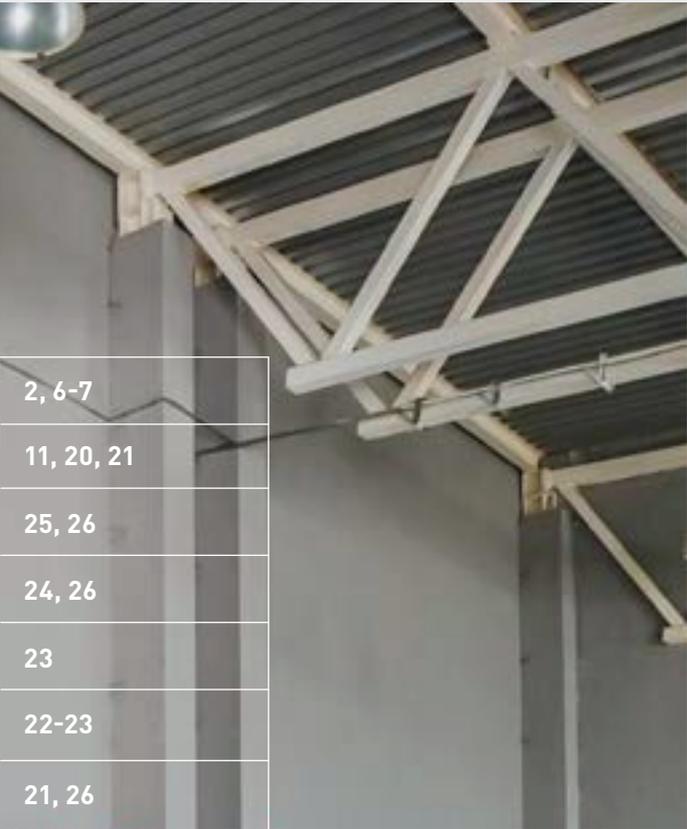
Svensk Glasåter-
vinning AB

THE MATERIALS COMPANIES' OWNERS:

DLF (Swedish Grocers Association), Svensk Handel AB, Swedish Food Retailers Federation, DS Smith Packaging AB, Elopak AB, Fiskeby Board AB, Holmen AB, Korsnäs AB, SCA Obbola AB, Smurfit Kappa Kraftliner AB, Smurfit Holdings AB, Stora Enso Packaging AB, Stora Enso Skoghall AB, Svenska Kartongförpackningsföreningen, Tetra Pak Sverige AB, PIR (Plastbranschens Informationsråd), Holmen Paper AB, SCA Forest Products AB, Stora Enso Hylte AB, Ardagh Glass Limmared AB, Sprit & Vinleverantörsföreningen, Sveriges Bryggerier

FTI is required to prepare a sustainability report pursuant to the Swedish Annual Accounts Act. Sustainability data based on the disclosure requirements contained in the Swedish Annual Accounts Act are presented on the following pages:

BUSINESS MODEL AND VALUE CHAIN	2, 6-7
RISKS AND RISK MANAGEMENT	11, 20, 21
ENVIRONMENT	25, 26
SOCIAL CONDITIONS AND EMPLOYEES	24, 26
HUMAN RIGHTS	23
ANTI-CORRUPTION	22-23
RECYCLING	21, 26



THE AUDITOR’S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of Svenska Förpackningsinsamlingen AB, corporate, identity number 556665-4090.

ENGAGEMENT AND RESPONSIBILITY

The Board of Directors is responsible for that the statutory sustainability report as above has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination of the statutory sustainability report has been conducted in accordance with FAR´s auditing standard RevR 12 The auditor´s report on the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINION

A statutory sustainability report has been prepared. Stockholm, May 30, 2022

Ernst & Young AB

Andreas Nyberg
 Authorised Public Accountant

DIRECTORS' REPORT

THE BOARD OF DIRECTORS AND CEO OF SVENSKA FÖRPACKNINGSINSAMLINGEN AB, WITH ITS HEAD OFFICE IN SOLNA, SWEDEN, HEREBY PRESENT THE ANNUAL REPORT FOR THE 2021 FISCAL YEAR. THE ANNUAL REPORT HAS BEEN PREPARED IN SWEDISH KRONOR (SEK).

INFORMATION ABOUT THE OPERATIONS

Svenska Förpackningsinsamlingen AB (FTI) develops and provides coordinated schemes for the collection and recycling of packaging on behalf of companies with producer responsibility. We also offer space to municipalities for the collection of newspapers, to El-Kretsen for the collection of batteries and to some charities for the collection of clothing at our recycling stations. The operations are conducted on behalf of the materials companies – Svensk Plaståtervinning i Motala AB, RK Returkartong AB, Svenska Metallkretsen AB, and Svensk Glasåtervinning AB – and are carried out under own management or via contractors. FTI sells the producer responsibility service on behalf of RK Returkartong, Svensk Plaståtervinning and Svenska Metallkretsen. FTI also supports the materials companies by offering various modules that they can opt to engage FTI for, as an alternative to performing the work themselves.

SIGNIFICANT EVENTS DURING THE FISCAL YEAR

Like 2020, the past year was also dominated by the impact of the COVID-19 pandemic. FTI can confirm that the high levels of collected packaging we saw in 2020 have not abated. The large volumes have continued to challenge our collection scheme. However, we still delivered in line with our performance metrics for both quality and costs. Despite a highly competitive environment, FTI acquired several new customers during the year due to the wide geographic reach of our collection scheme. A new CEO, Helena Nylén, took office during the year.

Waste paper was exempted from producer responsibility on December 31, 2021 and Swedish municipalities have been responsible for the collection of newspapers since January 1, 2022. The vast majority have opted to collaborate with FTI by using space at FTI's recycling stations.

We were not directly affected by other external events, but the high and volatile prices for fuel and electricity during the autumn were noticeable. We were able to assume these costs in 2021 without any major impact on our operations.

EXPECTED FUTURE DEVELOPMENT AND SIGNIFICANT RISKS AND UNCERTAINTIES

At the beginning of 2022, the company changed its name to Svenska Förpackningsinsamlingen AB.

At the time of writing, FTI's operations are running smoothly. The effects of changed habits as society reopens after the pandemic are difficult to estimate. We can see how the scheme's high volumes have continued, but are no longer increasing.

It was confirmed in 2020 that only FTI-affiliated producers are entitled to capacity at FTI's recycling stations. In light of this, the EPA has pursued an ongoing supervisory case regarding the issue of whether certain producers, who are not FTI-affiliated, provide an appropriate collection scheme under the currently applicable ordinance. FTI is hoping for closure in regard to this issue in 2022.

In June, the government is expected to issue a decision regarding a new ordinance for packaging producer responsibility that will take effect from 2023, and may already affect the operations indirectly in 2022. At the beginning of 2022, we do not know what these effects will be, what changes will take place or the time frame, but we are preparing for a range of possible scenarios.

The war in Ukraine will mainly affect us by continually driving up prices for fuel and electricity. We also see a risk of rising inflation, which will lead to a general increase in prices.

SUSTAINABILITY REPORT

The Board is responsible for the 2021 Sustainability Report, which is defined and presented on pages 19-27 of this printed document, and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act. The auditor's opinion is on page 10.

MULTI-YEAR SUMMARY (SEK 000S)

	2021	2020	2019	2018
Net sales	965,258	901,532	874,851	851,560
Operating profit	11	65	113	123
Total assets	342,468	316,696	235,584	255,877
Profit after financial items	60	60	106	118
Equity/assets ratio (%)	0.2	0.2	0.3	0.2
No. of employees	63	56	64	60

CHANGE IN EQUITY

	Share capital	Accumulated profit or loss	Profit for the year	Total
Opening amount	100,000	544,640	21,951	666,591
Appropriation as per the year's Annual General Meeting		21,951	-21,951	0
Profit for the year			30,110	30,110
Closing amount	100,000	566,591	30,110	696,701

PROPOSED APPROPRIATION OF PROFIT

THE BOARD PROPOSES THAT THE FOLLOWING UNAPPROPRIATED FUNDS (SEK):	
Profit brought forward	566,591
Profit for the year	30,110
	596,701
Be carried forward	596,701

The company's earnings and otherwise financial position are presented in the following income statement, balance sheet and cash-flow statement with additional disclosures.

INCOME STATEMENT

	NOTE	JAN 1, 2021 -DEC 31, 2021	JAN 1, 2020 -DEC 31, 2020
Net sales		965,258,107	901,532,308
Other operating income		0	855
		965,258,107	901,533,163
Operating expenses			
Other external costs	1, 2	-897,211,129	-836,178,061
Personnel expenses	3	-65,179,319	-62,139,678
Amortization of intangible assets	4	-692,973	-578,672
Depreciation of tangible assets	5	-2,164,054	-2,572,055
		-965,247,475	-901,468,466
Operating profit		10,632	64,697
Profit from financial items			
Other interest income and similar profit items		53,032	0
Interest expense and similar loss items		-3,664	-4,697
		49,368	-4,697
Profit after financial items		60,000	60,000
Profit before tax		60,000	60,000
Tax on profit for the year	6	-29,890	-38,049
Profit for the year		30,110	21,951

BALANCE SHEET

ASSETS	NOTE	DEC 31, 2021	DEC 31, 2020
Non-current assets			
Intangible assets			
Licenses	4	2,463,039	2,220,232
Ongoing development activities and advance payments on intangible assets	7	74,476	386,652
		2,537,515	2,606,884
Tangible assets			
Equipment	5	2,874,127	3,664,128
Financial assets			
Other non-current securities	8	56,835	56,835
Total non-current assets		5,468,477	6,327,847
Current assets			
Current receivables			
Trade receivables		151,481,194	160,412,303
Current tax assets		1,583,634	2,901,281
Other receivables		7,212,881	3,026,448
Prepaid expenses and accrued income	9	5,908,683	14,250,890
		166,186,392	180,590,922
Funds	10, 11	49,690,071	8,693,289
Cash and bank balances	16	121,122,904	121,083,742
Total current assets		336,999,367	310,367,953
TOTAL ASSETS		342,467,844	316,695,800

BALANCE SHEET

EQUITY AND LIABILITIES	NOTE	DEC 31, 2021	DEC 31, 2020
Equity	12.13		
Restricted equity			
Share capital		100,000	100,000
Unrestricted equity			
Profit brought forward		566,591	544,640
Profit for the year		30,110	21,951
		596,701	566,591
Total equity		696,701	666,591
Current liabilities			
Trade payables		120,515,730	110,059,028
Other liabilities		4,741,428	1,131,384
Offset liabilities	11	124,475,539	116,943,305
Accrued expenses and deferred income	14	92,038,446	87,895,492
Total current liabilities		341,771,143	316,029,209
TOTAL EQUITY AND LIABILITIES		342,467,844	316,695,800

CASH-FLOW STATEMENT

	NOTE	JAN 1, 2021 -DEC 31, 2021	JAN 1, 2020 -DEC 31, 2020
Operating activities			
Profit before financial items		10,632	64,697
Adjustment for non-cash items	15	2,857,027	3150 727
Interest received		53,032	0
Interest paid		-3,664	-4,697
Tax paid		1,287,757	-264,231
Cash flow from operating activities before change in working capital		4,204,784	2,946,496
Cash flow from change in working capital			
Change in current receivables		-27,909,898	-14,126,216
Change in current liabilities		25,741,933	81,089,694
Cash flow from operating activities		2,036,819	69,909,974
Investing activities			
Investments in intangible assets		-623,604	-386,652
Investments in tangible assets		-1,374,053	-412,833
Cash flow from investing activities		-1,997,657	-799,485
Financing activities			
Cash flow from financing activities		0	0
Cash flow for the year		39,162	69,110,489
Cash and cash equivalents, Jan 1			
Cash and cash equivalents, Jan 1		121,083,742	51,973,253
Cash and cash equivalents, Dec 31		121,122,904	121,083,742

Notes

ACCOUNTING AND MEASUREMENT POLICIES

GENERAL INFORMATION

The Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Statements (K3).

Receivables are recognized at the amounts that are expected to flow to the company. Other assets and liabilities are recognized at cost, unless otherwise specified.

Receivables and liabilities denominated in foreign currencies are recognized at the closing-day rate. Currency exchange gains and losses on operating receivables and liabilities are recognized in operating profit, while currency exchange gains and losses on financial receivables and losses are recognized as financial items.

The accounting policies are unchanged compared with the preceding year.

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. This means that the company recognizes revenue at nominal value (billed amount) if the company receives consideration in cash equivalents immediately upon delivery. Deduction are made for discounts.

NON-CURRENT ASSETS

Intangible, tangible assets and financial assets are measured at cost less accumulated amortisation or depreciation and impairment losses.

Intangible and tangible assets are depreciated/amortized according to plan over the asset's useful life less any residual value. The following depreciation periods are applied:

Licenses: 5 years. Equipment: 5 years.

LEASES

The company recognizes all leases as operating leases. Operating leases are recognized as an expense on a straight-line basis over the lease term.

INCOME TAXES

Current tax

Current tax refers to income tax for the current fiscal year and the portion of the previous fiscal year's income tax not yet recognized. Current tax is calculated using the applicable tax rate at the balance-sheet date.

Deferred tax

Deferred tax is income tax payable in future fiscal periods due to past events. Deferred tax is recognized using the balance-sheet method. According to this method, deferred tax liabilities and assets are recognized as the temporary differences arising between the carrying amount and tax base of assets and liabilities, and carried forward tax losses and credits.

EMPLOYEE BENEFITS

Employee benefits refer to all types of compensation that the company pays its employees.

Benefits include salaries, paid vacation, paid leave of absence, bonuses and post-employment benefits (retirement). Benefits are recognized as they are earned.

POST-EMPLOYMENT BENEFITS

The company only has defined-contribution retirement plans. Defined-contribution plans are classified as plans in which a fixed fee is paid and there is no obligation to pay further contributions besides these fees.

Fees for defined-contribution plans are recognized as an expense in the period in which the benefit is earned by the employee.

CASH-FLOW STATEMENT

The cash-flow statement is prepared using the indirect method. The recognized cash flow only includes transactions resulting in inflows and outflows of cash and cash equivalents.

In addition to cash, the company classifies cash and cash equivalents as deposits with banks and other credit institutions, as well as short-term liquid investments that are listed on a trading venue and have a maturity of less than three months from the date of acquisition.

Changes in blocked funds are recognized as investing activities.

DEFINITIONS OF KEY PERFORMANCE MEASURES

Net sales: Operating income, invoiced costs, incidental income and revenue restatements.

Operating profit: Profit after amortization/depreciation and items affecting comparability, but before financial income and expense.

Total assets: The company's combined assets.

Equity/assets ratio (%): Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of total assets.

No. of employees: Average number of employees during the fiscal year.

NOTE 1 LEASES

Lease payments for the year amounted to SEK 4,727,313 (4,622,416). Future lease payments for non-cancelable leases are due for payment as follows:

	2021	2020
Within 1 year	4,240,235	4,243,050
Between 1 and 5 years	1,374,637	5,020,121
	5,614,872	9,263,171

The company has entered into the following material leases, which are recognized as operating leases:

ALD Automotive AB – cars

Fastighets AB Lysios – office premises

NOTE 2 AUDITORS' FEES

Audit assignment refers to audits of the annual report and accounts, as well as the administration of the Board of Directors and CEO, other duties incumbent upon the company's auditor to perform, and advice or other assistance arising from observations during such audits or the completion of such other duties.

ERNST & YOUNG AB	2021	2020
Audit assignment	220,000	177,498
Other services	342,006	369,996
	562,006	547,494

NOTE 3 EMPLOYEES AND PERSONNEL EXPENSES

	2021	2020
Average no. of employees		
Women	32	27
Men	31	29
	63	56
Salaries and other remuneration		
Board and CEO	1,181,901	2,024,250
Other employees	38,357,724	36,824,235
	39,539,625	38,848,485
Social security expenses		
Pension costs for Board and CEO	348,435	467,827
Pension costs for other employees	6,945,769	6,125,760
Other statutory and contractual social security contributions	13,227,959	11,786,905
	20,522,163	18,380,492
Total salaries, remuneration, social security expenses and pension costs	60,061,788	57,228,977

Gender distribution among senior executives

Women on the Board	33%	15%
Share of men on the Board	67%	85%
Share of women among other senior executives	56%	44%
Share of men among other senior executives	44%	56%

NOTE 4 LICENSES

	DEC 31, 2021	DEC 31, 2020
Opening cost	2,893,363	2,893,363
Purchases	935,780	0
Closing accumulated cost	3,829,143	2,893,363
Opening amortization	-673,131	-94,459
Amortization for the year	-692,973	-578,672
Closing accumulated amortization	-1,366,104	-673,131
Closing carrying amount	2,463,039	2,220,232

NOTE 5 EQUIPMENT

	DEC 31, 2021	DEC 31, 2020
Opening cost	19,648,272	29,085,901
Purchases	1,374,053	412,833
Sales/disposals	0	-9,850,462
Closing accumulated cost	21,022,325	19,648,272
Opening depreciation	-15,984,144	-23,262,551
Sales/disposals	0	9,850,462
Depreciation for the year	-2,164,054	-2,572,055
Closing accumulated depreciation	-18,148,198	-15,984,144
Closing carrying amount	2,874,127	3,664,128

NOTE 6 CURRENT AND DEFERRED TAX

TAX ON PROFIT FOR THE YEAR	2021		2020	
	PERCENT	AMOUNT	PERCENT	AMOUNT
Current tax		29,890		38,049
Total recognized tax		29,890		38,049
RECONCILIATION OF EFFECTIVE TAX				
Recognized profit before tax		60,000		60,000
Tax at applicable tax rate	20.60	-12,360	21.40	-12,840
Non-deductible expenses		-17,530		-25,209
Recognized effective tax rate	49.82	-29,890	63.42	-38,049

NOTE 7 ADVANCE PAYMENTS ON INTANGIBLE ASSETS

	DEC 31, 2021	DEC 31, 2020
Ongoing projects related to digital contract management	0	386,652
Ongoing GDPR-related projects	74,476	0
	74,476	386,652

NOTE 8 OTHER NON-CURRENT SECURITIES

	DEC 31, 2021	DEC 31, 2020
Opening cost	56,835	56,835
Closing accumulated cost	56,835	56,835
Closing carrying amount	56,835	56,835

NOTE 9 PREPAID EXPENSES AND ACCRUED INCOME

	DEC 31, 2021	DEC 31, 2020
Prepaid expenses	2,472,174	1,936,291
Accrued income, collection	150,326	8,772,705
Accrued annual fees	3,028,355	3,330,000
Other accrued income	257,828	211,894
	5,908,683	14,250,890

NOTE 10 FUNDS

	DEC 31, 2021	DEC 31, 2020
Packaging fees paid, not transferred to the materials companies	49,690,071	8,693,289
	49,690,071	8,693,289

NOTE 11 OFFSET LIABILITIES

	DEC 31, 2021	DEC 31, 2020
Liability to the materials companies offset by packaging fees in December. Not paid.	74,785,468	108,250,016
Liability to the materials companies offset by packaging fees in December. Not transferred.	49,690,071	8,693,289
	124,475,539	116,943,305

NOTE 12 NUMBER OF SHARES AND QUOTIENT VALUE

NAME	NO. OF SHARES	QUOTIENT VALUE
No. of Class A Shares	100	1,000
	100	

NOTE 13 APPROPRIATION OF PROFIT OR LOSS PROPOSED APPROPRIATION OF PROFIT

THE BOARD PROPOSES THAT THE FOLLOWING UNAPPROPRIATED FUNDS (SEK):	
Profit brought forward	566,591
Profit for the year	30,110
	596,701
Be carried forward	596,701

NOTE 14 ACCRUED EXPENSES AND DEFERRED INCOME

	DEC 31, 2021	DEC 31, 2020
Accrued expenses, collection	84,295,897	76,125,295
Accrued vacation pay	5,535,307	5,521,728
Accrued social security contributions	996,045	1,035,203
Accrued social security contributions on pensions	0	3,102,551
Other accrued expenses	1,211,197	2,110,715
	92,038,446	87,895,492

In 2021, accrued social security contributions on pensions were classified as a liability.

NOTE 15 ADJUSTMENT FOR NON-CASH ITEMS

	DEC 31, 2021	DEC 31, 2020
Amortization/depreciation	2,857,027	3,150,727
	2,857,027	3,150,727

NOTE 16 PLEDGED ASSETS

	DEC 31, 2021	DEC 31, 2020
Rental guarantee	810,000	810,000
	810,000	810,000

NOTE 17 CONTINGENT LIABILITIES

The company has no contingent liabilities.

NOTE 18 SIGNIFICANT EVENTS AFTER THE END OF THE FISCAL YEAR

At the beginning of 2022, the company changed its name to Svenska Förpackningsinsamlingen AB.

SIGNING OF THE FINANCIAL STATEMENTS

The Board and CEO certify that the Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Statements (K3). The financial statements have been prepared in accordance with generally accepted accounting principles and present a true and fair view of the company's financial position and results. The Directors' Report for the company gives a true and fair view of the development of the company's operations, financial position and results and describes the significant risks and uncertainties faced by the company. In addition, the undersigned hereby present FTI's sustainability reporting in accordance with Chapter 6, section 11 of the Swedish Annual Accounts Act, refer to page 10, and the Sustainability Report in accordance with the Global Reporting Initiative (GRI), refer to the GRI content index on page 27.

STOCKHOLM, MAY 27, 2022

Lars Pålsson
Chair of the Board

Ingrid Näsström Mattias Philipsson

Peter Trimmel Magnus Andersson

Cecilia Möller

Helena Nylén
Chief Executive Officer

Our Audit Report was submitted on May 30, 2022.
Ernst & Young AB

Andreas Nyberg
Authorized public accountant

AUDITOR'S REPORT

OPINIONS

We have audited the annual accounts of Svenska Förpackningsinsamlingen AB for the year 2021. The annual accounts of the company are included on page 11-16 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Svenska Förpackningsinsamlingen AB as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of share-holders adopts the income statement and balance sheet.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Svenska Förpackningsinsamlingen AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OTHER INFORMATION

This document also contains other information than the annual accounts and is found on pages 1-10 and 19-28. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the

annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a

high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and

events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Svenska Förpackningsinsamlingen AB for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Svenska Förpackningsinsamlingen AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the

size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance

with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm May 30 2022

Ernst & Young AB

Andreas Nyberg

Authorized Public Accountant



SUSTAIN- ABILITY REPORT

FTI has been assigned by the business sector to collect packaging so it can be recycled. Sustainability and circularity are the mainstay of our operations. In 2018, we established the framework for working with sustainability in a structured way, and this was formalized in 2019. This is FTI's third formal report.

THE CONTENTS OF FTI'S Sustainability Report are based on the materiality assessment conducted in 2018 and which we deem still relevant following a review. The assessment is based on a structured dialogue with our key stakeholders. Seven material topics were identified and categorized into four main areas – circularity and recyclability, business ethics and environmental compliance, occupational health and safety, and greenhouse gases. Through these four areas, FTI is contributing to the achievement of several Sustainable Development Goals. The connection with the goals is shown in the table on the next page. This year's report covers the 2021 fiscal year, unless otherwise stated. The report has been prepared in accordance with the GRI Standards (Core option) issued by the Global Reporting Initiative. FTI's CEO is ultimately responsible for FTI's sustainability performance.

FTI intends to gradually set and report more measurable sustainability targets for the company's material topics. The recycling targets for packaging were raised from 2020 and onwards, and the method for calculating recycling rates was changed. The new measurement points will improve opportunities moving forward for calculating the actual and environmental benefits of recycling. In 2020, a project aimed at enabling this measurement commenced and when reporting FTI's GHG emissions for 2021, we can now include the most significant parts of

our value chain. The project is now entering a new stage together with our owners, the four materials companies.

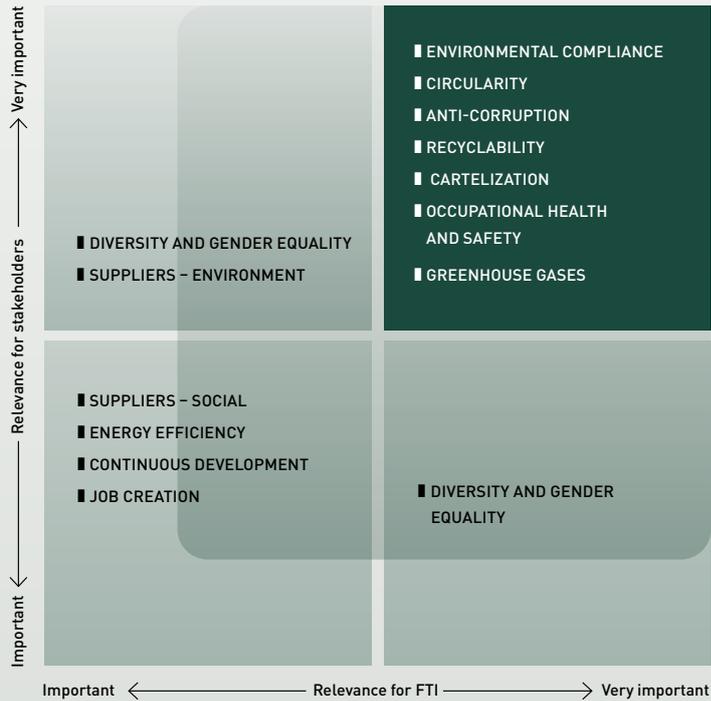
FTI'S VALUE CHAIN is defined by statutory producer responsibility, for which the Swedish government adopted two new ordinances in 2018, with gradual application from 2020 onwards. In September 2020, the government decided to delay the application of some parts of the new Ordinance on Producer Responsibility for Packaging, and an internal inquiry was conducted in 2021.

The memorandum was referred in November and the consultation document included a recommendation that operational responsibility for the packaging collection be transferred from producers to Swedish municipalities. The government intends to issue a decision on the new ordinance in summer 2022 with effect from January 1, 2023.

In 2021, the collection scheme continued to operate without any changes, with 5,000 recycling stations and curbside collection services for two million households. Waste paper was exempted from producer responsibility on December 31, 2021, and the responsibility for collecting newspapers was transferred to municipalities on January 1, 2022. The government decisions of recent years have had a major impact, and future decisions may have an even greater impact, on FTI's operations and, in turn, serve as guidance for sustainability initiatives moving forward.

MATERIALITY ASSESSMENT

Based on a structured stakeholder dialogue, a materiality assessment was conducted in 2018 that resulted in seven material topics which were categorized into four main areas. For more information about methods, refer to the 2018 Sustainability Report.



SUSTAINABLE DEVELOPMENT GOALS – FTI’S CONTRIBUTION AND IMPACT

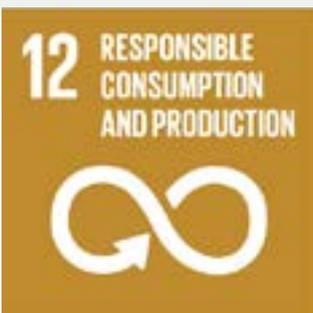
FTI’s sustainability efforts are based on the 2030 Agenda for Sustainable Development. The SDGs that FTI is best able to contribute to, based on the material topics identified, are Goals 8, 12, 13 and 16.

FTI’S MATERIAL TOPICS

CIRCULARITY AND RECYCLABILITY

+ Our nationwide collection scheme makes it possible for all Swedish residents to drop off their packaging so that it can be transported on to each materials company’s recycling process.

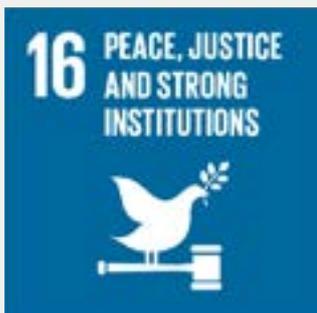
- Risk that collection volumes, material quality and recyclability are not high enough to increase circularity.



BUSINESS ETHICS AND ENVIRONMENTAL COMPLIANCE

+ FTI expects its suppliers to maintain high standards in terms of human rights and corruption. We engage in close dialogue with the EPA, Swedish municipalities, trade organizations and the business sector.

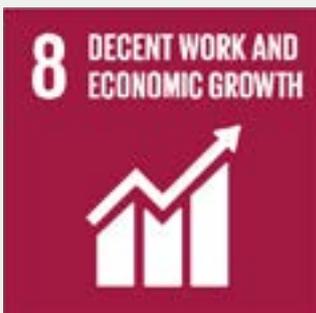
- As laws change and new situations arise, the knowledge of what constitutes corruption needs to be raised within the organization.



OCCUPATIONAL HEALTH AND SAFETY

+ We impose requirements on decent working conditions in our own operations, as well as those of our partners and suppliers, through our Code of Conduct, for example.

- Major changes in external factors are placing new and tougher demands on FTI as an organization, and on our employees and partners.



GREENHOUSE GASES

+ We will continue to calculate our total GHG emissions in order to set targets for how we can reduce FTI’s direct and indirect emissions.

- The coming changes to producer responsibility in the new ordinances will make it more difficult to forecast and set targets for FTI’s emissions.



CIRCULARITY AND RECYCLABILITY

Circularity and recyclability are obvious and prioritized issues for FTI, and are the mainstay of our value chain via our nationwide packaging collection scheme.

More packaging must be recycled

Circular and recyclability are the cornerstones of FTI's operations. Our mission is to make packaging easier to collect and recycle.

FTI'S ASSIGNMENT is to provide a nationwide and sustainable collection scheme for packaging, and for newspapers* until December 31, 2021, so that these materials can be part of a closed-loop cycle and used to make new products. In line with a growing concern for the environment and climate change, the demands and expectations on our operations are also increasing. We now offer collection via 5,000 recycling stations and curbside collection services for two million households. Over the past ten years, the volume of collected packaging has increased 55 percent and 2021 was another record year. In total, we collected 552,600 metric tonnes of packaging, corresponding to 53 kg per person, compared with 50 kg in 2020. Paper packaging accounted for the biggest increase at 13 percent, while both plastic packaging and glass packaging rose 3 percent. Metal packaging remained unchanged compared with 2020. About two-thirds of the total volume was collected from recycling stations, and the rest from curbside collections. While a high proportion of collected packaging is fundamental to circularity, much more is needed to meet ambitious recycling targets. Some of the challenges we are now seeing are the sorting quality, and the amount of material in the recycling bins that is not packaging.

DESIGN AND CHOICE OF PACKAGING MATERIALS are key factors for recyclability. That is why, on behalf of each materials company, our owners, we have produced recycling manuals for plastic, paper, metal and glass packaging. The aim of these manuals is to guide and inform producers about how design and the choice of materials make sorting and recycling easier. The manuals are continuously updated to keep pace with developments, new regulatory requirements and other changes. Due to growing consumer demand for packaging that is easy to recycle, more and more producers are turning to FTI for advice and support. The manuals can be used, for example, before and during procurements of packaging materials and can therefore help to improve each producer's sustainability performance. Producers can also request advice and support from FTI

throughout the entire design process. We hold seminars and training together with the materials companies, the EPA and other stakeholders. During the year, we hosted a number of webinars with a large number of attendees.

Since January 2021, producers have been required to report the amount of packaging material they place on the market to the EPA on an annual basis. Producers must first register, and the reporting deadline is March 31 as of 2022. Via reporting contracts, FTI can take care of both registration and reporting, a service that is free-of-charge and used by a large number of producers. We apply a fee structure where the fee for packaging that is easy to recycle is lower than the fee for more complex packaging.

FTI WORKS CONTINUOUSLY to make sorting and recycling easier for households. Our consumer survey, the Återvinningsbarometern (The Recycling Barometer), has been providing insights for this process for over ten years. We work consistently with several information initiatives for both children and adults, where our preschool teaching kit – The Material World – and other campaigns are based on the concept of "Everyone wins when you recycle."

Our objective is to recycle the highest-possible share of the packaging placed on the Swedish market. The Swedish government raised the national recycling targets from 2020 onwards, and the EU has introduced new reporting requirements. For the second consecutive year, only the amount of material that is actually recycled is reported, i.e. the proportion that becomes new material and used to replace virgin raw material. The new measurement points will improve opportunities moving forward for calculating the actual environmental and emission-reduction benefits of recycling. In 2021, the total recycling rate was 82 percent (77) for paper packaging, 32 percent (28) for plastic packaging, 85 percent (87) for metal packaging made from steel, and 67 percent (56) for metal packaging made from aluminum.

*Waste paper was exempted from producer responsibility on December 31, 2021, and the responsibility for collecting newspapers was transferred to municipalities on January 1, 2022.

BUSINESS ETHICS AND ENVIRONMENTAL COMPLIANCE

Sound business ethics and environmental compliance are fundamental to FTI. Our operations are based on producer responsibility for packaging and our success as an organization is largely determined by the fact that we are accountable, credible and professional.

The cornerstones of FTI's operations

It is crucial for FTI that our customers as well as the community at large can see that we comply with environmental regulations and that we are perceived as credible and accountable.

FTI'S OPERATIONS ARE BASED ON producer responsibility for packaging and waste paper, from which waste paper became exempt on January 31, 2021. As of January 1, 2022, municipalities have been responsible for the collection of newspapers.

It is paramount that FTI is environmentally compliant, that our business ethics are sound and that we are perceived as credible and accountable by our customers as well as the community at large. FTI's CEO is ultimately responsible for our efforts to maintain sound business ethics and environmental compliance.

Our operations are funded by packaging fees, which should be completely material-independent and based on the costs incurred by the scheme.

ENVIRONMENTAL COMPLIANCE

WHEN IT COMES to environmental compliance, we engage in close dialogue and collaboration with the Swedish Environmental Protection Agency (EPA), municipalities, trade organizations and the business sector. That includes collection and recycling, as well as production and development.

CODE OF CONDUCT

FTI's Code of Conduct for suppliers is based on the Universal Declaration of Human Rights and is an important governing document that sets out the guidelines for business ethics, including anti-corruption, health, environment and safety. The Code of Conduct sets minimum standards of sustainability performance for suppliers, but enables partnership and dialogue in order to achieve improvements. FTI's values apply to all employees, and are based on the following principles: focus on the task, clarity and transparency, and care at all times.

In 2021, FTI was not subject to any significant penalties, injunctions or fines for breaching environmental regulations.

By doing so, we can stay up to date and involved, and help to shape future trends. Our operations are mainly governed by Chapter 15 of the Swedish Environmental Code, the Ordinance on Producer Responsibility for Packaging, the Waste Management Ordinance and the regulations issued by the EPA. In June 2018, the Swedish government adopted a gradual application of the new producer responsibility ordinances for packaging and newspaper collections, with partial application from January 2019.

In autumn 2020, at the request of the EPA, the government stipulated that implementation of the provisions related to a licensed collection scheme would be postponed for two years, until January 2023. In February 2021, the Swedish Ministry of the Environment announced that it would be conducting an internal inquiry to review producer responsibility for packaging. In addition to recommending new provisions for the collection and recycling of packaging, the inquiry would also ensure that Swedish laws were harmonized with EU directives in the area. In November, the memorandum presented a consultation document, Improved packaging collection – new roles for municipalities and producers, which included the recommendation that operational responsibility for packaging collection be transferred from producers to Swedish municipalities.

FTI welcomes the memorandum's recommendation for municipal collection, but has identified several serious weaknesses, such as the proposed transitional rules. FTI's views were presented in our consultation response statement from February 2022. The government intends to issue a decision on the recommended ordinance in summer 2022 with effect from January 1, 2023.

In 2021, FTI was not subject to any significant penalties, injunctions or fines for breaching environmental regulations.

BUSINESS ETHICS, CORRUPTION AND COMPETITION

FTI PROMOTES COMPETITION, is a non-profit organization, and no dividends

are paid to our owners. The costs of collection and recycling should affect the price of the packaged goods as little as possible. Through our ownership structure, in which several of our owners and their respective owners are competitors in some instances, we are committed to working as transparently and objectively as possible. We have competition law guidelines for the Board, describing how the Board and its members should act to avoid breaching competition law. Pricing, market share, strategies, profit margins and commercial terms for companies associated with our Board are some of the issues that must not be discussed. Any discussions or exchanges of information between members of the Board shall only concern matters that are necessary for the operation and management of FTI. Due to Board and management changes, the Board, management and a selection of employees completed competition law compliance training in 2021. FTI's Code of Conduct for suppliers states clearly that no form of corruption, including blackmail and bribery, will be tolerated. We updated our anti-corruption policy in 2021, and intend to arrange training for all employees in this area. No known cases of corruption linked to FTI or its employees were reported or detected in 2021.

BUSINESS ETHICS AND HUMAN RIGHTS IN THE SUPPLY CHAIN

A MAJOR SHARE OF our activities are carried out by partners, contractors and suppliers and we expect these operators to act fairly and ethically. FTI has a responsibility to the people who provide services or produce products on our behalf. We must ensure that the people whose efforts contribute to our success are not deprived of their human rights, or suffer physical or mental harm. FTI's Code of Conduct includes the requirements that our suppliers and their subcontractors support and respect international human rights, including safe and healthy working conditions, and that they do not violate human rights. Our aim is to monitor our contracting parties on a regular basis, but this did not take place in 2021 due to the COVID-19 pandemic. In view of the pending government decision on a new ordinance, we intend to perform a new assessment of the risks in our future supply chain. This may, in turn, serve as guidance for the process of ensuring compliance with our Code of Conduct.



In 2021, no known cases of corruption linked to FTI or its employees were reported or detected.

WASTE PAPER NOW EXEMPT FROM PRODUCER RESPONSIBILITY

Waste paper was exempted from producer responsibility on December 31, 2021, and the responsibility for collecting newspapers was transferred to municipalities on January 1, 2022. The vast majority of Swedish 290 municipalities (90 percent) have opted to use FTI's recycling stations as their collection point. That makes it easier for consumers and helps to ensure the material maintains high quality. To clarify that our assignment has been changed, FTI has changed its name from Svenska Förpacknings- och Tidningsinsamlingen AB to Svenska Förpackningsinsamlingen AB, but retained the abbreviation (FTI) and existent logo.

OCCUPATIONAL HEALTH AND SAFETY

FTI aims to offer a company culture where all employees can grow and develop. Therefore, in 2021, we continued to work actively to create the clear leadership and employeeship that is required to establish a company culture that is sustainable over time, and a learning organization where both the company and employees can develop.

A sustainable work-life balance

FTI promotes a sustainable work culture with sustainable employees. To achieve our goals and meet the expectations of our owners, customers and society at large, there must be conditions for employee engagement and well-being, as well as opportunities for every individual to use and develop their skills. We believe that all aspects of sustainability are important

FTI'S LEARNING CULTURE is based on research that shows how intrinsic motivation is developed by building trust and confidence through functioning relationships and communication. To facilitate and promote good health, FTI offers a wellness subsidy and virtual meetings with a focus on physical activity with the aim of spreading knowledge, inspiration and energy based on various focus areas.

In 2021, we expanded our preventative approach to employee health to also include mental health. Here we collaborated with a company that helps employees and managers find skills for coping with the challenges of everyday living, both at home and in the workplace.

Via this collaboration, we can offer our employees virtual training sessions and activities to improve their mental well-being, and access to talking therapy with professional therapists.

During the year, we replaced our annual employee satisfaction survey with pulse surveys. The aim is to respond faster to signs that something is wrong in our work environment and therefore take effective action in time. All employees are covered by collective bargaining agreements and represented on the Board.

In 2021, the low rate of sick leave continued with a only a marginal increase year-on-year.

“FTI aims to offer a company culture where all employees can grow and develop.”

IN 2021, THE PANDEMIC continued to have a major impact on the way we work and most of us worked from home in accordance with the guidance issued by the Public Health Agency of Sweden. In light of the long period of remote working, a “new normal” gradually emerged and by the time the restrictions were eased at the end of September, we had created principles for our post-pandemic workplace.

The basic idea is that we want to retain the positive aspects by combining work in the office with greater flexibility and working from home two or three days a week.

In 2021, FTI's low rates of sick leave continued, with a marginally higher rate of short-term sick leave year-on-year. The increase was almost entirely due to the pandemic.



GREENHOUSE GASES

A key step in measuring FTI's sustainability performance is to quantify our GHG emissions. Scope 1 and 2 emissions were calculated for 2018. Some Scope 3 categories and emission factors were included for 2019, and even more for 2020. In 2021, we managed to include even more Scope 3 categories, which means that FTI's entire value chain is now included in our climate-related disclosures – from collection to recycling.

A climate focus

One of the biggest challenges of our time is GHG emissions. As a company in the recycling industry, this is an issue of high priority that we are working actively to address.

FTI'S EFFORTS in this area are strengthening legitimacy in our relationships with stakeholders – from FTI's employees to customers, authorities, contractors and suppliers. 2018 was the first year we reported our GHG emissions (Scope 1 and Scope 2). We reported some Scope 3 emissions in 2019 and 2020, and even more Scope 3 emissions are included in our calculations for 2021, where we also include onward transport and recycling of the collected material for paper, plastic, metal and glass packaging. This affects our total emissions, which amounted to 361,000 metric tons of CO₂e (60,500) in 2021 – using the market-based method, which includes biogenic emissions.

The absolute highest share of FTI's CO₂ emissions are Scope 3 emissions, which include indirect emissions from the collection of paper, plastic and metal packaging at FTI's recycling stations, and from curbside collection services. This also include emissions from the cleaning of stations, purchasing and replacing bins, non-collection-related transportation of materials, handling the materials at facilities, onward transport for recycling and recycling processes, business travel (including hotel accommodation), commuting, the extra energy consumed by employees working from home and IT product purchasing, as well as direct Scope 1 and indirect Scope 2 emissions.

Scope 2 GHG emissions are derived from the energy consumed by FTI's head office. The low emissions using the market-based method compared with the location-based method are attributable to green electricity, district heating and district cooling. Due to the increase in remote working during the pandemic combined with some improvements by suppliers, Scope 2 emissions remained at a low level of 166 kg CO₂e (50) in 2021, and the energy used by employees is included in the calculations for Scope 3. FTI is aware that Scope 3 emissions represent the absolute majority of our emissions, meaning indirect emissions in our supply chain, and that we identified as a material topic for 2021. Moving forward, we will report complete material categories and also improve the quality of our data. Alongside of mapping our total emissions, we are also creating an action plan.

We joined Fossil Free Sweden in 2019 and committed to their transport challenge with the target of only purchasing and providing fossil-free domestic transport by 2025.

Efforts to identify the environmental and emission-reduction benefits of recycling packaging waste from Swedish households have now moved into new projects and will be addressed together with our owners, the four materials companies. That also applies to the issue of biodiversity, which is still relevant, and we will review the ways in which this category may be relevant to report when we update our materiality assessment.

REPORTING POLICIES

FTI CALCULATES and reports its GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Scope 2 emissions are calculated using the GHG Protocol Scope 2 Guidance for market and location-based methods. Scope 3 emissions are calculated using the GHG Protocol Guidance for Calculating Scope 3 Emissions. Activity data is obtained from utility bills, and information reported by landlords and suppliers. Energy conversion is based on publicly available conversion factors, and emission factors are obtained from open databases, such as the International Energy Agency (2018), DEFRA (2021), the EPA's calculation tool in collaboration with IVL (2018), certified environmental declarations as well as purchased databases such as EcolInvent V3.6 and GaBi TS professional. The GHG gases included in the reporting are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Biogenic CO₂ emissions from the combustion of biofuels and biomass are reported separately from other GHG emissions under Outside Scope. The global warming potential (GWP) values used to calculate CO₂e are based on the IPCC's Fifth Assessment Report (AR5) over a 100-year time horizon. FTI applies the operational control approach for consolidating its GHG emissions. Emissions data has some inherent uncertainty due to both scientific and estimation uncertainty, with subsequent effects on measurements and estimates.

SOCIAL DATA

NO. OF EMPLOYEES

2021	MEN 31	WOMEN 32	63
2020	MEN 29*	WOMEN 27	56*
2019	MEN 34	WOMEN 30	64

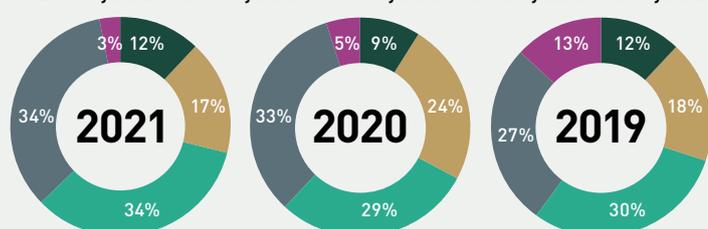
*Corrected from 2020's Sustainability report.

TOTAL EMPLOYEE TURNOVER

2021	2020	2019
21,7%	12%	14,3%

AGE DISTRIBUTION

■ 21-30 years ■ 31-40 years ■ 41-50 years ■ 51-60 years ■ 60+ years



NEW EMPLOYMENTS

NEW EMPLOYMENTS PER GENDER AND AGE 2021				
	<30 years	30-50 years	>50 years	TOTAL
WOMEN	6	2	1	9
MEN	0	2	5	7
TOTAL:	6	4	6	16

NEW EMPLOYMENTS PER GENDER AND AGE 2020				
	<30 years	30-50 years	>50 years	TOTAL
WOMEN	0	5	1	6
MEN	1	2	2	5
TOTAL:	1	7	3	11

NEW EMPLOYMENTS PER GENDER AND AGE 2019				
	<30 years	30-50 years	>50 years	TOTAL
WOMEN	0	4	0	4
Men	6	3	3	12
TOTAL:	6	7	3	16

GENDER EQUALITY

	2021	2020	2019
Women on the Board	33%	15%*	17%
Women in the Management Team	56%	44%*	50%
Share of women of total employees	51%	49%	47%

*Corrected from 2020's Sustainability report.

SICK LEAVE

	2021	2020	2019
SHORT-TERM	1,02%	0,90%	1,56%
LONG-TERM	1,17%	0,95%	2,59%
TOTAL:	2,19%	1,85%	4,15%

GREENHOUSE GASES

GHG EMISSIONS	2021	2020	2019
SCOPE 1	18 455 KG CO2E	20 644 KG CO2E	30 300 KG CO2E
SCOPE 2 (MARKET-BASED)	166 KG CO2E	50 KG CO2E	107 KG CO2E
SCOPE 2 (LOCATION-BASED)	4 000 KG CO2E	3 155 KG CO2E	4 589 KG CO2E
SCOPE 3	197 864 153 KG CO2E	53 592 342 KG CO2E	6 360 863 KG CO2E
BIOGENIC EMISSIONS	163 092 150 KG CO2E*	6 941 507 KG CO2E	4 056 292 KG CO2E
TOTAL (MARKET-BASED)	360 974 924 KG CO2E	60 557 718 KG CO2E	10 447 572 KG CO2E

*Svensk Plaståtervinning has not reported its biogenic emissions for 2021.

RECYCLING RATES

MATERIAL	RECYCLING RATE HOUSEHOLDS		RECYCLING RATE COMPANIES*		RECYCLING RATE TOTAL		GOVERNMENT'S TARGET FROM 2020 ONWARDS
	2021	2020	2021	2020	2021	2020	
YEAR							2020
PAPER	72%	66%	87%	84%	82%	77%	85%
PLASTIC	18%	15%	50%	46%	32%	28%	50%
METAL (STEEL)	90%	93%	81%	81%	85%	87%	70%
METALL (ALUMINIUM)	72%	53%	55%	84%	67%	56%	50%

*The materials companies only handle packaging from Swedish households. The packaging consumed by companies is handled by commercial recycling operators. However, FTI and the materials companies have undertaken to gather statistics and report collection and recycling rates to the EPA for this packaging as well.

GRI CONTENT INDEX 2021

THIS IS THE SUSTAINABILITY REPORT for the limited liability company Förpackningsinsamlingen (FTI) and its operations for the period of January 1-December 31, 2021. All information and performance measures reported refer to the fiscal year of 2021, unless otherwise stated. The GRI content index below shows where the various disclosures can be found. For questions about FTI's Sustainability Report, please contact the Director of Communications **Malin Ryding. Phone: +46 (0)8-566 144 07, e-mail: malin.ryding@ftiab.se**

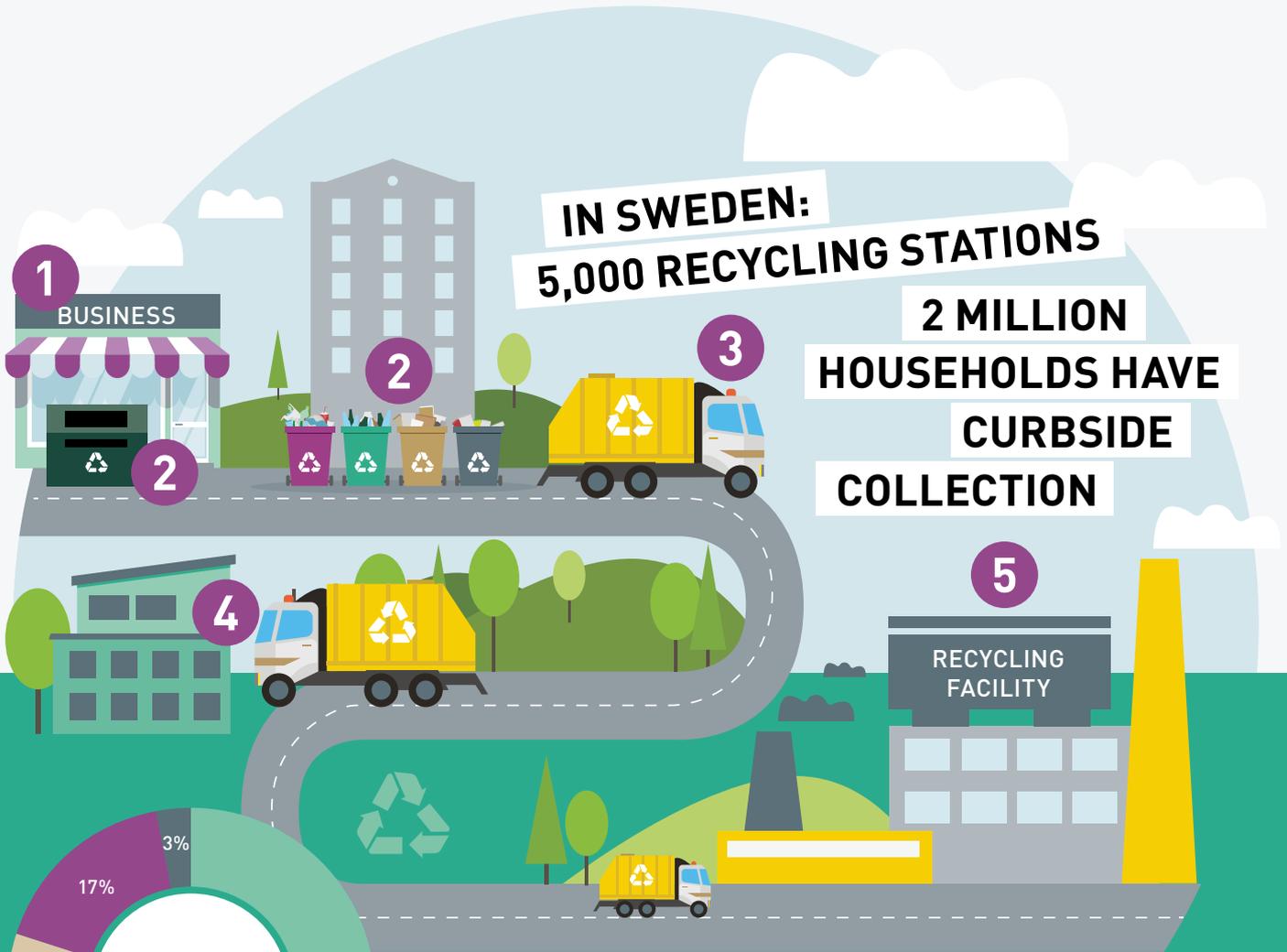
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THE RECYCLING JOURNEY

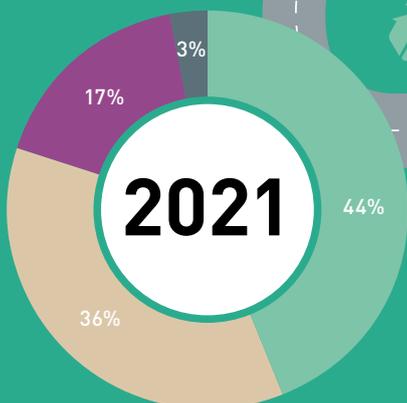
A milk carton becomes a pizza box, your jam jar comes back as an olive oil bottle, and your shampoo bottle as a suitcase. And used bottle caps are converted into raw material for car bodies. Follow the recycling journey of packaging.



**IN SWEDEN:
5,000 RECYCLING STATIONS**

**2 MILLION
HOUSEHOLDS HAVE
CURBSIDE
COLLECTION**

**5
RECYCLING
FACILITY**



2021

COLLECTED KG PER PERSON

GLASS 23,2 KG
PAPER 18.9 KG
PLASTIC 9 KG
METAL 1.8 KG

TOTAL 53 KG

FTI's supply chain comprises our nationwide collection scheme, where contractors take care of emptying, transport, cleaning, snow clearing, the establishment and maintenance of stations, material management and material quality control. Logistics account for 57 percent of costs including administration and infrastructure, while CC and facility account for 30 and 13 percent, respectively.

1. Products are bought and used. The empty packaging is left over.
2. The packaging is dropped off in the respective bins in a recycling room or recycling station.
3. The material is picked up by collection trucks and driven to bailing facilities. Usually on a

daily basis, but sometimes several times a day.
4. At the waste transfer stations, balers pre-sort the waste. Each type of material, except metal, is compressed into separate bales.
5. The bales are transported to a recycling facility. Plastic packaging

is sent to SPÅ in Motala, where it is sorted and rebaled for transportation, and then washed, ground into pellets and sold as raw material. Paper packaging is used to make new cardboard at a paper mill outside Norrköping. Glass packaging is crushed in Hammar and either

driven to glassworks, or used to make glass wool or foam glass aggregate. Aluminum and steel are separated with a huge magnet and driven to ironworks and aluminum smelters, where they are smelted and cast into steel bars and aluminum ingots.