

ANNUAL AND SUSTAINABILITY REPORT 2022

EVERYONE
WINS WHEN YOU
RECYCLE



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THIS IS FTI

THE SWEDISH PACKAGING COLLECTION SERVICE (FTI AB) has been collecting packaging for recycling on behalf of the Swedish business sector for nearly three decades. The nationwide collection scheme is carried out via some 5,000 recycling stations and at a large number of properties, totaling two million households. The operations are financed by the packaging fees paid by companies with producer responsibility, and indirectly by consumers and by revenue from sales of collected and sorted material. No dividends are paid to the organization's owners. FTI is owned by the 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. Each type of material should bear its own costs, and each materials company is responsible for selling and recycling the packaging material collected. Together with our owners and other stakeholders, we have created an efficient value chain for the design, collection and recycling of packaging.

**PRODUCER RESPONSIBILITY**

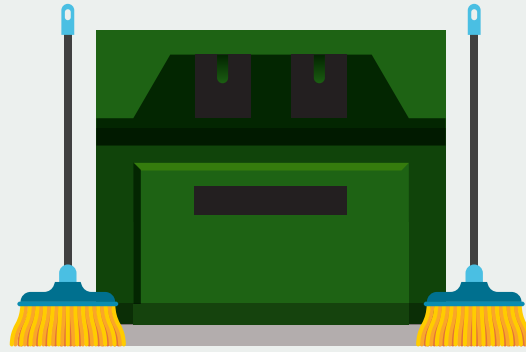
Producer responsibility for packaging was introduced by the Swedish government in 1994, and means that anyone who produces, fills or places packaging on the market is also obligated to recover and recycle the packaging waste. The aim is to reduce the amount of waste and ensure that packaging is recycled to the greatest extent possible and used to make new products. Together with our owners, the materials companies, we are helping producers meet their producer responsibility. About 8,200 producers are currently affiliated with FTI. In June 2022, the Swedish government introduced a new ordinance on producer responsibility for packaging. Under the ordinance, operational responsibility for the collection of packaging will be transferred to Swedish municipalities on January 1, 2024 and, as of November 1, 2023, all producers must be affiliated with a producer responsibility organisation approved by the Environmental Protection Agency (EPA).

2.6

million times. That's how often our recycling bins for paper, plastic and metal were emptied.

531,175

times. That's how often the recycling stations were tidied.



30%

That's how much consumer complaints decreased in 2022 compared with 2021. A positive result that shows how our hard work to continuously improve the quality of the collection scheme has paid off.

2022 IN BRIEF

INAUGURATION OF THE ULTRA-MODERN SITE ZERO

■ In 2022, Swedish Plastic Recycling (SPÅ) intensified its efforts to construct Site Zero, the ultra-modern recycling facility in Motala. Upon completion, Site Zero will have the capacity to recycle 200,000 tonnes of packaging per year and be able to accept three times as many types of plastic as today. It will essentially be possible to recycle all types of plastic packaging in Sweden. The first stage of Site Zero is scheduled for completion in 2023.

MUNICIPALITIES RESPONSIBLE FOR COLLECTION

■ In June, the Swedish government introduced a new ordinance on producer responsibility for packaging. In brief, it means that Swedish municipalities will be responsible for the collection of packaging from January 1, 2024.

Under the new ordinance, curbside collection (CC) services will also be significantly expanded. As of 2027, municipalities must provide CC services for all Swedish households. Read more on page 6.

NEW COMPANY TO MEET TIGHTER PRODUCER RESPONSIBILITY REGULATIONS

■ The aim of the new ordinance when it takes effect on January 1, 2024, is to increase recycling rates, and it contains new and tougher requirements for producers. To meet these requirements, several industry organizations have formed a new company – Näringslivets Producentansvar i Sverige AB. Read more on page 7.

EIGHT OF TEN FTI CUSTOMERS ARE SATISFIED

■ Our latest customer satisfaction survey showed that 80 percent of our largest customers are satisfied with our collaboration. The overall rate of satisfaction for the entire customer base was 72 percent. But perhaps most importantly, a full 93 percent of FTI's customers perceive that we are making a positive contribution to their sustainability performance.

SOUGHT-AFTER EXPERTISE

■ Since the pandemic restrictions were eased, FTI has been invited to participate in several events. These often involve contributing with expertise and experience in matters related to sustainable packaging design in general, and recyclability and circularity in particular. Scanpack, Packmarknaden, Circular Plastic Summit, university lectures and Almedalen Week are some of the activities where one or more of FTI's experts participated in 2022.

EVERYONE WINS – PRIZE-WINNING CAMPAIGN THAT ENGAGES

■ 'Everyone wins when you recycle' is FTI's consumer communication concept. The concept has been seen and heard for several years now, and also in 2022. The fact that the ads, videos and so forth are successful was evident from the follow-up conducted after the summer's activities. 78 percent of the respondents say the message was clear, and 82 percent of those who saw the campaign video say it inspired commitment. The campaign also won the 2022 Publishing Prize in the category of best video to market a business B2C.

Increasingly efficient collection and recycling



THIS NOW IN ONE of its most intensive periods ever. In addition to the effects of a turbulent business environment, our operations are also affected by several

directives, laws and ordinances that were introduced in 2022. The most significant of these is the Swedish government's new ordinance on producer responsibility for packaging. In brief, this means that responsibility for the collection of packaging will be transferred to Swedish municipalities on January 1, 2024.

SINCE THE DECISION was announced in June, we have been actively engaged in a transition process while also maintaining full focus on our core assignment since almost three decades – to provide an efficient, well-functioning and nationwide packaging collection scheme. We now collect 15 percent more packaging than just five years ago. Against this background, and combined with last year's soaring fuel prices, we worked hard to improve efficiency. The results have enabled us to keep packaging fees down and decreased the proportion of consumer complaints by 30 percent compared with 2021.

TOGETHER WITH our owners – Svensk Plaståtervinning, Returkartong, Svensk Glasåtervinning and Svenska Metallkretsen – we continued to guide our affiliated producers through their design processes for more recyclable packaging. This ranges from providing design manuals to holding seminars and training courses. During the year, we also assisted with interpretations of the new law regarding single-use plastics so that the relevant producers could take the necessary measures.

Helena Nylén
is CEO of
**Förpacknings-
insamlingen**
and the newly
formed
**Näringslivets
Producent-
ansvar.**



WE STEPPED UP our collaboration with municipalities during the autumn, to support them in their preparations for assuming collection responsibility. This will continue throughout 2023 and we will be doing everything we can to ensure the transition is as seamless as possible.

UNDER THE NEW ordinance, all producers that place packaging on the Swedish market must be affiliated with a producer responsibility organisation (PRO) which, in turn, is required to ensure that the packaging is recycled. To meet the new and tighter regulations, a new company – Näringslivets Producentansvar – has been formed. The new company has applied for accreditation as a PRO and will thereby take full responsibility for all types of materials (read more on page 7). When the new ordinance comes into effect, FTI's operations will be discontinued.

“Since the decision on the new ordinance was announced in June, we have been actively engaged in a transition process.

I AM PROUD OF what FTI achieves every day. Most of all, I'm proud of all the committed employees who, in the midst of a major change process, remain a stable and committed partner to all of our stakeholders, so that we can all work together to achieve more circular material flows. Read more in our Sustainability Report on pages 25-35.

NEARLY THREE DECADES OF RECYCLING

For almost three decades, FTI's assignment has been to collect packaging so it can be recycled. Below you can find a selection of the events and activities that have made waste sorting and recycling a popular movement in Sweden.

1992

The Declaration on Environment and Development was signed at the UN 'Earth Summit' in Rio de Janeiro. The OECD Council adopted the Polluter Pays Principle. After the Summit, the Swedish Riksdag introduced the Ecocycle Bill, which included the Extended Producer Responsibility Act. This Act is now included in the Swedish Environmental Code.

1995

Producer responsibility came into effect on January 1. The first collection bins were installed, an administrative system was introduced for fees, contractors were procured and a giant campaign was launched to encourage four million households to sort their waste.

2001

The first of several public inquiries into producer responsibility was carried out and the issue of municipal responsibility for the collection was raised.

2008

A unanimous Riksdag decided that a license would be required to provide collection services.

2015

- The 'More CC for Gothenburgers' project was launched to raise awareness of curbside collection (CC) services. Återvinneriet (an online recycling quiz) – was also launched, primarily for schools and associations.
- Kick off for 'Old Things Become New,' our first large-scale communication campaign for many years. Ebbot Lundberg was the campaign's first ambassador, followed by Titiyo and then Magnus Carlson.

2017

- The FNI.nu (CC) campaign site was launched and CC services for private properties began to increase in several municipalities. The Recycling Barometer, an upgraded version of earlier quality control surveys, was introduced.
- The Plastic Manual was launched – an important tool that makes it easier for producers to develop packaging that is more recyclable. There are now manuals for all four types of materials.

2012

- 358,000 tonnes of packaging were collected.
- The concept of a 'circular economy' was used for the first time in a McKinsey report.
- We launched our Five-Point Program, a framework for more and better recycling. Six years later, the program was concluded with excellent results.

2014

- The EU amended the Packaging and Packaging Waste Directive from 1994 with sharply increased recycling targets.
- A new packaging ordinance came into effect. The regulations were tightened for quality in the recycling system and the national recycling targets were increased.

2020

- Waste paper was exempted from producer responsibility and as of January 1, 2022, the responsibility for collecting newspapers was transferred from FTI to municipalities.
- Collection rates hit a record high in the wake of the pandemic, due to working from home, more meals at the kitchen table and an increase in online shopping. The number of emptying operations rose 30 percent compared with 2016.

2022

- The government adopted a new ordinance entailing that responsibility for the collection of packaging will be transferred to municipalities from January 1, 2024. FTI's operations will therefore be discontinued, and in 2023 several industry organizations formed Näringslivets Producentansvar.

2018

- Swedish Plastic Recycling (SPÅ) one of FTI's owners, started building the most technologically advanced facility for sorting plastic-packaging in Northern Europe. The facility has been fully operational since 2019 and capacity will be increased in 2023 with the ultra-modern Site Zero.
- We launched our 'Everyone wins when you recycle' concept, which has been the company's communication slogan ever since. The Material World was also launched for preschool children, and FTI's first Sustainability Report was published.
- The government adopted new producer responsibility ordinances that would be gradually implemented from 2019, and FTI launched the LCS project to meet the requirements of the new ordinance. In October 2020, the government decided to postpone some parts of the new ordinance and an internal inquiry was set up.

- 530,000 tonnes of packaging were collected, a 50 % increase compared with 2012.



Tighter producer responsibility obligations

In June 2022, the Swedish government adopted a new ordinance entailing major changes for producer responsibility. All of FTI's stakeholders will be affected when responsibility for the collection is transferred to municipalities at the beginning of 2024.

THE SWEDISH GOVERNMENT introduced producer responsibility for packaging in 1994. Since then, the business sector – with FTI's help – has built up and developed a collection scheme that is contributing to environmental benefits and a resource-efficient economy. The nationwide collection scheme is now accessible to a total of two million households via approximately 5,000 recycling stations, and curbside collection (CC) services.

OVER THE PAST THREE DECADES, the essence of producer responsibility has never changed. Manufacturers and importers of products bear a responsibility for the environmental impacts of their products and are therefore obligated to dispose of their products when they reach post-consumer stage. But in line with increasingly ambitious emissions reduction and environmental targets and a turbulent business environment, the regulations have gradually been tightened. More and more must be collected and recycled. As a result, Producer Responsibility has been continuously scrutinized. The first inquiry was held in 2001 and the latest, in 2021, resulted in a consultation document and finally, in June 2022, the enactment of a new ordinance with even tighter regulations. In brief, this means that the recycling tar-

“In line with increasingly tougher emission reductions and environmental targets and a constantly changing world, the regulations have gradually been tightened.”

gets have been further raised and that the amount of packaging must be reduced.

This new ordinance brings major changes for producer responsibility, not least in practical terms. As of January 1, 2024, Swedish municipalities will be responsible for the collection of household packaging. Three years later, all Swedish households will be provided with CC services. For producers, this entails, for example, joining a producer responsibility organization (PRO) approved by the Swedish Environmental Protection Agency (EPA) by November 1, 2023 and, via the PRO, financing the collection, reception and recycling of all types of material. A PRO's responsibilities include paying the municipalities for the collection, ensuring that data is reported to the EPA, and so forth.

TO MEET THE NEW AND TIGHTER REQUIREMENTS, several industry organizations have formed a joint company – Näringslivets Producentansvar (NPA). The new company has applied for accreditation as a PRO and as such, will continue to build on FTI's combined knowledge and expertise. FTI's current operations will be discontinued when responsibility for the collection is transferred to municipalities. Read more on the next page.

Responsibilities under the new ordinance

PRODUCERS:

- Provide only packaging that can be re-used or recycled.
- Engage or provide a producer responsibility organisation (PRO) to take care of packaging waste.
- Register with the EPA and report the volumes and quantity of packaging they place on the Swedish market.
- Help to achieve the national recycling targets.

A PRODUCER RESPONSIBILITY

ORGANISATION:

- Work to ensure that producers increase their proportion of re-usable packaging.
- Recycle or otherwise take care of all packaging waste from households.
- Reimburse municipalities for collection of household packaging via packaging fees.
- Accept and handle packaging waste from companies.
- Report the number of affiliated producers and the amount of material received from each municipality to the EPA.
- Help to achieve the national recycling targets.

MUNICIPALITIES:

- Collect packaging waste (plastic, paper, metal, glass, wood and so forth) from households as of January 1, 2024, and via fully expanded CC services as of 2027.
- Accept other types of material via easily accessible collection points (also from 2027 and onwards).
- Deliver the collected packaging to their respective PRO.
- Report the amount of material collected and costs to the EPA.

THE EPA:

- Inform about producer responsibility.
- Serve as supervisory body, issue regulations and set out exemptions.
- Determine reimbursement amounts to municipalities.
- Ensure that PROs, municipalities, market-driven systems, property owners and environmental organizations engage in continuous dialog.
- Monitor the national recycling targets and report to the EU.

NEW COMPANY TAILORED TO MEET TIGHTER REGULATIONS



Karin Brynell.

Näringslivets Producentansvar AB was formed in spring 2023 to meet the new and tighter producer responsibility regulations for packaging producers.

“The new company will be focused on circular material flows and traceable recycling,” says Karin Brynell, CEO of the Swedish Food Retailers Federation, one of the new company’s owners.

WHEN THE NEW Ordinance on Producer Responsibility for Packaging comes into effect in early 2024, a number of changes will follow. One of them is that all producers must join a producer responsibility organisation (PRO) approved by the EPA. Näringslivets Producentansvar (NPA) has applied for accreditation as a PRO and all producers that are now customers of FTI can expect a seamless transition to the new company. The aim is to offer services that draw on the skills and expertise within FTI.

“Via NPA, producers will have access to the support they need to meet the new ordinance’s regulations,” says Karin Brynell. This ranges from reporting and keeping track of their legal obligations, to offering traceable and circular recycling at a competitive price.

In addition to building up NPA, FTI is preparing for the upcoming transfer of collection responsibility to Swedish municipalities. Producers will contin-

ue to bear the costs of the collection via their PRO. These costs are expected to increase significantly in pace with the municipal expansion of curbside collection services pursuant to the ordinance. NPA will play a key role here via a sustainable and responsible portfolio of services, and strategic partnerships with recycling service providers. Moreover, the company has several major owners including the Swedish Food Retailers Federation, DLF, the Swedish Trade Federation, the Swedish Brewers Association and the Spirit and Wine Suppliers Association.

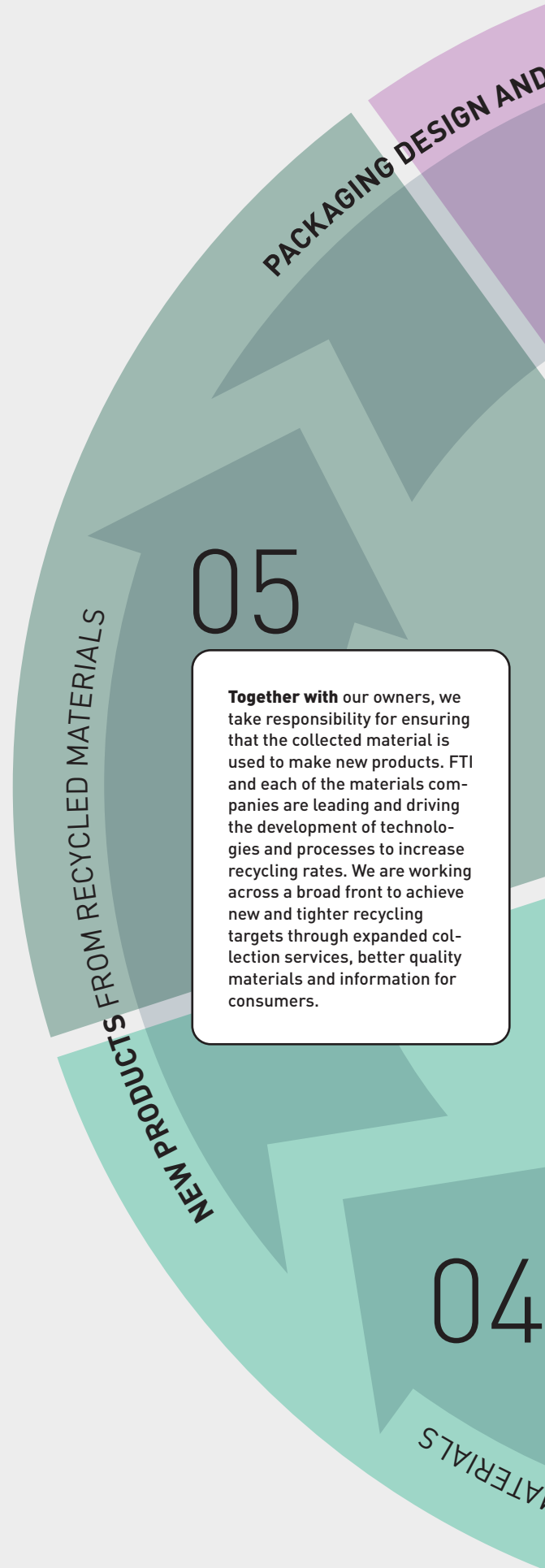
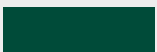
“The ownership structure will inspire confidence that NPA always has the producers’ best interests at heart,” says Karin Brynell.

In other words, there are many good reasons for joining Näringslivets Producentansvar, which is very likely to become the leading PRO in the market.

FTI'S VALUE CHAIN

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.



MANUFACTURE

01

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 (EPA) and other stakeholders. In addition, we promote the interests of producers by taking part in collaborations and research projects, and by monitoring our operating environment.

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, conduct behavioral surveys and offer assistance with issues related to labeling and sorting instructions for packaging to make it easier for consumers to sort properly.

02

On behalf of the materials companies, we ensure that the collected material maintains the highest-possible quality. FTI's quality control of each type of material involves 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 instructions and a comprehensive online Sorting Guide.

Households and companies are obligated to sort their packaging waste. FTI trains 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 essential part of the service. We provide safety training, and keep track of our fuel consumption and emissions.

PACKAGING SORTING AND COLLECTION

03

QUALITY CONTROL OF COLLECTED MATERIAL



Detergent in recycled plastic

Together with Swedish Plastic Recycling (SPÅ), ICA has developed plastic packaging for SKONA laundry detergent made from 95 percent recycled plastic. A key step on the path to circular plastic flows.

■ **ALL PLASTIC PACKAGING** that is sorted by consumers and collected by FTI is transported to SPÅ (one of our owners) in Motala for recycling. The total amount is about 94,955 tonnes, which can increasingly be used to make new products. According to Mattias Philipsson, CEO of SPÅ, the SKONA bottle is creating a paradigm shift.

“It exemplifies the ideal for the circular system we are trying to build, where used plastic packaging is recycled into new plastic packaging.

ICA has long been focused on minimizing the environmental impacts of its own packaging.

“The SKONA bottle is a specific example of our aim to increase the proportion of recycled plastic,” says Kerstin Lindvall, Chief Corporate Responsibility Officer of ICA Gruppen. At the same time, it becomes clear to our customers that the products they choose and that they send their packaging for recycling make a positive contribution to a sustainable society.



Easy to do the right thing with a labeled pizza box

■ **DURING THE YEAR**, packaging company Pibox introduced the Nordic sorting label on its pizza boxes. A key step that makes it easier for consumers to do the right thing, while also raising its customers' awareness of quality and sustainability. Only Pibox's most popular box carries the label at present, but the plan is to also label other box variations as one of several activities for improved recyclability.

Transparent PET trays can now be recycled

■ **RECYCLING TRANSPARENT PET TRAYS** has been possible since autumn 2022. This was previously limited in Europe, if not impossible. Together with Wellman Recycling, Swedish Plastic Recycling (SPÅ) conducted extensive testing, where sorting was optimized many times before sufficiently high quality could be achieved for transparent Mono PET. Quality is essential for ensuring a market for the recycled material. SPÅ expects to recycle 1,500-2,000 tonnes of transparent PET trays in 2023. The fact that these transparent plastic trays can now be recycled has led to an update of the Plastic Manual, and an amendment of the fee criteria for plastic packaging, entailing a reduction for some of them.

New regulations for single-use plastics

■ **UNDER NEW LEGISLATION** that became effective on January 1, 2022, some single-use plastic items such as straws are now banned. Other items must be labeled, and producer responsibility was also introduced for another category. This includes candy wrappers, single-use plastic lids and food containers where the food is intended for immediate consumption at the point of sale or away from the food outlet.

No plastic windows for Delicato



■ **LESS PLASTIC** is an important sustainability target for Delicato, one of the biggest confectionery manufacturers in the Nordic region. The company has been running a project to reduce the use of plastic in its packaging since 2021. Their new paper packaging was launched in autumn – now without plastic windows.

“Unlike other plastic packaging, the windows didn’t serve any purpose for our products,” says Nadja Radwan, Brand Manager at Delicato. We hope that the product images where the plastic window used to be will be just as effective for finding the right product.”

In addition to reducing Delicato’s plastic use by 15 tonnes, the new packaging is easier to recycle.

Is the packaging recyclable?

■ **FOR SOME TIME NOW**, FTI-affiliated producers have been able to test their plastic packaging with the same technology used by SPÅ’s sorting facility in Motala.

The tests provide in-depth information about the recyclability of the packaging. In other words, they provide confirmation of whether it can be recycled and thereby become part of circular material flows.

Paper packaging can also be tested at Fiskeby Board to see whether it can be recycled in their process.

FTI + Bower = true

■ **DURING THE SUMMER**, FTI launched a collaboration with Bower – an app that enables consumers to earn money for recycling their packaging. Via the collaboration, FTI-affiliated producers also receive a discount on their Bower membership fee. The app has now more than 500,000 users who have collectively scanned more than 55 million items of packaging.

FTI’s services are increasingly attractive

■ **PRODUCER RESPONSIBILITY** has become more and more complex over the years. FTI’s portfolio of services to affiliated producers has grown in line with tighter sustainability requirements, regulatory changes and a generally growing concern about climate change and the environment. Our services are no longer confined to offering assistance with reporting. Equally as often, affiliated producers are requesting support and advice about design, or a clarification of, for example, the tighter reporting requirements for single-use plastics. During the year, to meet the sharp increase in demand, FTI arranged a number of well-attended seminars, communicated via newsletters and our own publication Circular, and provided guidance, advice and information via discussions, visits and our website.

Recycling inspiration from preschool to university

■ **FTI’S RECYCLING TEACHING KIT**, The Material World, was launched in autumn 2018 and has since engaged nearly 120,000 children. By getting to know the Materialites – Ploppa, Prasslis, Flirp, Bånk, Klirr and Kras – the children learn all about sorting waste which, in many cases, seems to influence recycling at home. To reach even more children and young people, FTI is also collaborating with Natur & Miljöboken, which is a series of teaching materials in both printed and digital formats about sustainability and the environment for Years 4-6. To make it easier for older students who are looking for information about recycling, we have gathered all relevant material under the heading of “Schools and Students” on FTI’s website. This includes information that is often requested by students for their essays or other school projects.

Continuous dialogue with Swedish municipalities

Close dialogue with Sweden's 290 municipalities is one of the cornerstones of FTI's collection scheme. Meet Jan Mattsson, waste strategist in Kristinehamn, who presents his views on the collaboration from the mid 2000s until today's preparations for a transfer of the packaging collection to municipalities on January 1, 2024.

FTI HAS BEEN collecting packaging on behalf of the business sector for almost three decades. The packaging is now collected from about 5,000 recycling stations, but also via gradually expanding curbside collection (CC) services. Throughout all of these years, collaboration with municipalities has been a prerequisite for running an efficient collection scheme. FTI has been responsible for establishment and operation, while municipalities have supervised and been responsible for land allocation and building permits (development). But despite similar terms of reference, the forms have varied both over time and across the country.

"In the 1990s, we owned Kristinehamn Municipality's recycling stations and leased them to FTI under a turnkey contract, but that changed in 2008, and FTI's subcontractors have been handling the collection ever since," says Jan Mattsson.

In recent years, Kristinehamn Municipality has been collaborating with FTI in the form of a public-private partnership (PPP) to make it easier for the municipality's 24,000 residents to drop off their packaging for recycling. More and more packaging has been collected, especially in recent years.

"We have set ambitious targets for the amounts collected, but also for reducing the amount that is incorrectly sorted, and that is more difficult for us to achieve. Too much packaging is still ending up in household waste," says Jan Mattsson.

Several information campaigns were conducted to help residents sort correctly, also with the help of campaign material from FTI.

"Targeted communication generates results, but the changes are usually only temporary. We need to find new ways to break old habits and it's difficult to influence the social trend with the accelerating tempo, new consumption patterns and so on, to the extent required."

Information is a key element of the dialogue between the municipality and FTI, especially when it comes to systemic changes. As a municipal resident, you need to know if a recycling station has been relocated or removed, for example, or if a new station has been added. But the collaboration also encompasses supervisory issues, building permit processes and so forth.

"There have been many discussions over the years, we haven't always been on the same page," says Jan Mattsson. "But the good collaboration with FTI's regional managers has always led to solution-oriented and constructive discussions with a common goal – to maintain the highest quality and level of service possible."

On June 30, 2022, the government approved a new ordinance entailing that municipalities would assume responsibility for the collection of packaging from January 1, 2024, and that all of their residents must be offered CC services from January 1, 2027.

"In our municipality, most people who live in apartment buildings already have CC services, but not those who live in houses. This will require a significant expansion moving forward."

Like its neighboring municipalities, Kristinehamn has accepted FTI's offer to take over its recycling stations and Jan Mattsson expects they will remain in the near future and then become a collection point for packaging from bulky household items.

New collaborations have been established with other municipalities in Värmland, Örebro and Skaraborg over the past few months.

"We all maintain close contact with FTI and the Swedish Waste Management Association, and preparations for the handover have proceeded very well so far."



"Too much packaging is still ending up in household waste."

JAN MATTSSON



"We want the transition to be as smooth as possible"

REGIONAL MANAGER Mia Steinbach is one of FTI's key players in the handover of collection responsibility to Swedish municipalities. She is responsible for Värmland and Örebro Regions, and therefore Jan Mattsson's primary contact.

"We started preparing as soon as the government's decision was announced and produced information material almost immediately, including a guide describing the various steps, and the relat-

ed services that would be included in the collection responsibility."

Mia Steinbach and her seven regional manager colleagues spend most of their time supporting the municipalities, answering their questions and explaining where they can find the information they need.

"We are doing everything we can to ensure the transition will be as smooth as possible."

More people can recycle close to home

■ **TWO MILLION SWEDES**, or about 40 percent of households, can now leave their packaging by the curbside for recycling. Curbside collection (CC) services have 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 includes, for instance, houses with 4-compartment recycling bins or color sorting, and apartment buildings with a recycling room.

Online marketplaces are also included

■ **ON JANUARY 1, 2023** producer responsibility was extended. This means that everyone who places packaging on the Swedish market is now covered, including online marketplaces and distance retailers that, for example, sell a packaged product or packaging to an end user or private person in Sweden. Over the past few months, FTI has been working actively to inform about the change via, for example, industry organizations, the Swedish Chamber of Commerce and embassies.



Egg cartons top the list of packaging that is usually sorted incorrectly.

Sorting correctly is good for the climate and saves money

■ **SOURCE SORTING** is almost a popular movement now. Unfortunately, a lot of packaging is still sorted incorrectly and the top offenders are potato chip bags, egg cartons, wrapping paper, carrier bags and dairy product cartons. Moreover, a lot of packaging still ends up in household is incinerated instead of recycled. If all households in Sweden sorted an additional half kilo of plastic packaging per week, CO2 emissions would decrease by 250,000 tonnes per year. According to a recent survey, better source sorting could reduce emissions and energy

use by up to 30 percent. Sorting correctly also saves money, especially when it comes to items that are not packaging. Handling laundry baskets, grill grates, frying pans and toys is costly. Anyone who does not sort their waste is at risk of having to pay twice for their packaging – a packaging fee, then a surcharge on the waste disposal fee.

Easy to recycle

■ **SEVEN OUT OF TEN SWEDES** think its easy to sort their packaging so it can be recycled. This applies to paper, metal, glass and plastic packaging. These were the results of FTI's annual survey, the Recycling Barometer. However, some packaging is made from two or more different materials and 75 percent say this makes sorting difficult. For this reason, three out of ten take the packaging into account when they are shopping and could consider paying more for packaging made from recycled raw material. Nearly eight out of ten say they send their packaging for recycling for environmental reasons.

2.5 million tonnes of packaging collected in 5 years

■ **OVER THE PAST FIVE YEARS**, FTI has collected 2.5 million tonnes of packaging. This is a considerable amount, and paper packaging accounts for the largest increase during the period – a full 28 percent. Plastic packaging also increased significantly – up 22 percent. In 2022, a total of 530,000 tonnes was collected, corresponding to a few million recycling bins, which were emptied 2.6 million times. The logistics around emptying, cleaning and snow clearing is a machine that just has to work – 365 days of the year. This makes demands on the contractors who are working on FTI's behalf, as well as on FTI, which has to adapt its operations to new behaviors and habits, and to a turbulent environment with an economic slowdown and soaring energy prices. Read more in our Sustainability Report on page 25.

FTI's Board of Directors and CEO



LARS PÅLSSON
Chair of the Board
since 2020 and
Board member
since 2020.



MAGNUS ANDERSSON
Board member
since 2020.
Other assignments:
CEO Svensk Glasåter-
vinning AB.



INGRID NÄSSTRÖM
Board member
since 2020.
Other assignments:
CEO RK Retur-
kartong AB.



MATTIAS PHILIPSSON
Board member
since 2020.
Other assignments:
CEO Svensk Plaståtervin-
ning i Motala AB.



PETER TRIMMEL
Board member
since 2020.
Other assignments:
CEO Svenska
Metallkretsen AB.



HELENA NYLÉN
CEO of FTI AB since 2021.
Other assignments:
CEO of Näringslivets
Producentansvar
i Sverige AB.



CECILIA MÖLLER
Board member
since 2021.
Employee
representative,
Akademikerna FTI.

Board changes in 2022: No changes compared with 2021.

GOVERNANCE STRUCTURE

Board FTI

According to the Swedish Companies Act, the Board is responsible for the organization of the company and for managing the company's affairs. The Board is required to regularly assess the company's ongoing business management and financial situation.

Chief Executive Officer

The Chief Executive Officer is responsible for managing the operations and overseeing the day-to-day administration, and for leading the company in accordance with the Board's guidelines, instructions and decisions.

Sustainability management

The Board is responsible for the oversight of sustainability and has delegated this responsibility to the CEO, Helena Nylén, who reports to the Board in regard to the organization's progress, performance, lessons and planned measures to reduce FTI's environmental, social and economic impact.

Ownership structure at Dec 31, 2022

Svenska Förpackningsinsamlingen AB, with its head office in Solna, is jointly owned by Svensk Plaståtervinning AB, RK Returkartong AB, Svenska Metallkretsen AB and Svensk Glasåtervinning AB.

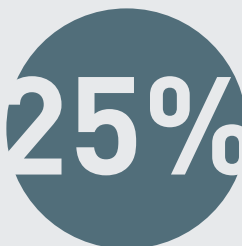
OWNERS WITH A HOLDING OF MORE THAN 10 PERCENT OF THE SHARES:



SVENSK PLASTÅTERVINNING I MOTALA AB



RK RETURKARTONG AB



SVENSKA METALLKRETSEN AB



SVENSK GLASÅTERVINNING AB

THE MATERIALS COMPANIES' OWNERS:

DLF (Dagligvaruleverantörers Förbund), Svensk Handel AB, Svensk Dagligvaruhandel, DS Smith Packaging Sweden AB, Elopak AB, Fiskeby Board AB, Holmen AB, Billerud AB, SCA Obbola AB, Smurfit Kappa Kraftliner Piteå AB, Smurfit Kappa Sverige AB, Stora Enso Packaging AB, Stora Enso AB, Svenska Kartongförpackningsföreningen, Tetra Pak Sverige AB, PIR - Plastbranschens Informationsråd, Holmen AB, Ardagh Glass Limmared AB, Sprit & Vinleverantörsföreningen och 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	25
RISKS AND RISK MANAGEMENT	26-33
ENVIRONMENT	32-33, 34
SOCIAL CONDITIONS AND EMPLOYEES	30, 31, 34
HUMAN RIGHTS	29
ANTI-CORRUPTION	29
RECYCLING	26-27, 34

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, on the date of our electronic signature.

Ernst & Young AB

Andreas Nyberg Selvring
Authorized Public Accountant

DIRECTORS' REPORT

**THE CEO AND BOARD OF DIRECTORS OF SVENSKA FÖRPACKNINGS-
INSAMLINGEN AB, WITH ITS HEAD OFFICE IN SOLNA, SWEDEN,
HEREBY PRESENT THE ANNUAL REPORT FOR THE 2022 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. FTI also offers space at our recycling stations to municipalities for newspaper collections and to El-Kretsen for battery collections, and sometimes for clothing collections. 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 Returkartong, Svensk Plaståtervinning and Svenska Metallkretsen. FTI also offers support to the materials companies in the form of various modules that they can opt to engage FTI for, as an alternative to providing the services themselves.

SIGNIFICANT EVENTS DURING THE FISCAL YEAR

The year was characterized by waiting for, preparing for and adapting to the new ordinance on producer responsibility for packaging that was approved by the Swedish government in July. When the decision was announced, it became clear that a municipal collection monopoly would be responsible for household packaging, and that a considerable proportion of FTI's activities would therefore cease on January 1, 2024. At the end of the year, it was also clear that FTI's owners had decided that FTI would not be applying for accreditation as a producer responsibility organisation (PRO), and that this would take place via a new company owned by some of the members of FTI's owner consortium. FTI was assigned to assist with the establishment of this company – Näringslivets Producentansvar i Sverige AB (NPA). A comprehensive program has been drawn up to phase out FTI and transfer those parts of the business operations, including certain employees, that will be continued in NPA as of January 1, 2024. Competition has intensified since the EPA announced its decision on the supervisory matter, giving competitors access to the revenue generated by producers without offering an easy-to-access nationwide collection scheme. FTI has appealed the decision.

In 2022, FTI's operations were characterized by a decline in the volume of packaging placed on the market, as well as the volume of packaging collected. This was partly due

to a return to normal consumption and movement patterns after the pandemic, but also to a clear decline in terms of consumption at the end of the year, especially in the consumer durables category due to the rapidly deteriorating economy. FTI also noted a sharp increase in costs for fuel and energy for transportation and baling facilities due to the Russian invasion of Ukraine. In a situation with falling volumes, lower revenues and rising costs, FTI has maintained a strong focus on improving the efficiency of emptying and removal operations, with positive results.

EXPECTED FUTURE DEVELOPMENT AND SIGNIFICANT RISKS AND UNCERTAINTIES

At the beginning of 2022, the company changed its name from Svenska Förpacknings- och Tidningsinsamlingen AB to Svenska Förpackningsinsamlingen AB. FTI's operations are working well and wherever possible, the ongoing decline in volumes will be met with overall efficiency improvements. Efforts are ongoing to sell the bin system owned by each of the materials companies to municipalities prior to the transfer of responsibility for the packaging collection on January 1, 2024. This means that some of the activities related to recycling station infrastructure, and for which FTI is currently responsible for establishment and maintenance, are now being reduced.

The extensive planning required for the discontinuation of FTI, the establishment of NPA, and the continuation of FTI's operational activities in 2023, are placing major demands on planning and management. FTI has therefore strengthened the organization with a number of consultants to support both project management and operational activities.

The planned discontinuation of FTI in 2024, which has been openly communicated to employees, will already expose the company to risks in 2023. One of the biggest risks is high employee turnover, in terms of both numbers and key competence, which may affect our ability to deliver on our assignment for 2023. Management has anticipated and mitigated this issue by offering a security package for those employees who will not be offered employment in NPA, but who will remain with FTI until spring 2024. The notice period for all employees has been extended to at least three months and we have prepared additional consulting solutions and focused on strengthening the company culture which, despite major uncertainty for several years, has motivated employees to stay.

SUSTAINABILITY REPORT

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, FTI has elected to prepare its statutory Sustainability Report separately from the Annual Report. The Sustainability Report was submitted to the auditor together with the Annual Report. The Sustainability Report can be found on page 15 of this printed document. The auditor's opinion is on page 15. The Board of FTI is responsible for the sustainability reporting on pages 25-35. Both the Sustainability Report and the sustainability reporting will be available from June 8, 2023.

MULTI-YEAR SUMMARY (SEK 000S)

	2022	2021	2020	2019
Net sales	1,091,671	965,258	901,532	874,851
Operating profit	43	11	65	113
Total assets	342,985	342,468	316,696	235,584
Profit after financial items	40	60	60	106
Equity/assets ratio (%)	0.2	0.2	0.2	0.3
No. of employees	62	63	56	64

CHANGE IN EQUITY

	SHARE CAPITAL	ACCUMULATED PROFIT OR LOSS	PROFIT FOR THE YEAR	TOTAL
Opening amount	100,000	566,591	30,110	696,701
Appropriation as decided by the AGM		30,110	-30,110	0
Profit for the year			1,581	1,581
Closing amount	100,000	596,701	1,581	698,282

PROPOSED APPROPRIATION OF PROFIT

THE BOARD PROPOSES THAT THE FOLLOWING UNAPPROPRIATED FUNDS (SEK):	
Profit brought forward	596,701
Profit for the year	1,581
	598,282
Be carried forward	598,282

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, 2022 -DEC 31, 2022	JAN 1, 2021 -DEC 31, 2021
Net sales		1,091,670,606	965,258,107
Other operating income		15,350	0
		1,091,685,956	965,258,107
Operating expenses			
Other external costs	1, 2	-1,015,150,160	-897,211,129
Personnel expenses	3	-72,836,000	-65,179,319
Amortization of intangible assets	4	-804,598	-692,973
Depreciation of tangible assets	5	-2,803,347	-2,164,054
Other operating expenses		-49,284	0
		-1,091,643,389	-965,247,475
Operating profit		42,567	10,632
Profit from financial items			
Other interest income and similar profit items		5	53,032
Interest expense and similar loss items		-2,572	-3,664
		-2,567	49,368
Profit after financial items		40,000	60,000
Profit before tax		40,000	60,000
Tax on profit for the year	6	-38,419	-29,890
Profit for the year		1,581	30,110

BALANCE SHEET

ASSETS	NOTE	DEC 31, 2022	DEC 31, 2021
Non-current assets			
Intangible assets			
Licenses	4	2,696,369	2,463,039
Ongoing development activities and advance payments on intangible assets	7	111,538	74,476
		2,807,907	2,537,515
Tangible assets			
Equipment	5	1,129,782	2,874,127
Financial assets			
Other non-current securities	8	56,835	56,835
Total non-current assets		3,994,524	5,468,477
Current assets			
Current receivables			
Trade receivables		153,284,706	151,481,194
Tax assets		1,575,105	1,583,634
Other receivables		665	7,212,881
Prepaid expenses and accrued income	9	11,365,095	5,908,683
		166,225,571	166,186,392
Funds	10, 11	59,752,308	49,690,071
Cash and bank balances	16	113,012,971	121,122,904
Total current assets		338,990,850	336,999,367
TOTAL ASSETS		342,985,374	342,467,844

BALANCE SHEET

EQUITY AND LIABILITIES	NOTE	DEC 31, 2022	DEC 31, 2021
Equity	12.13		
Restricted equity			
Share capital		100,000	100,000
Unrestricted equity			
Profit brought forward		596,701	566,591
Profit for the year		1,581	30,110
		598,282	596,701
Total equity		698,282	696,701
Current liabilities			
Trade payables		98,887,915	120,515,730
Other liabilities		13,710,217	4,741,428
Offset liabilities	11	118,954,736	124,475,539
Accrued expenses and deferred income	14	110,734,224	92,038,446
Total current liabilities		342,287,092	341,771,143
TOTAL EQUITY AND LIABILITIES		342,985,374	342,467,844

CASH-FLOW STATEMENT

	NOTE	JAN 1, 2022 -DEC 31, 2022	JAN 1, 2021 -DEC 31, 2021
Operating activities			
Profit before financial items		42,567	10,632
Adjustment for non-cash items	15	3,658,838	2,857,027
Interest received		5	53,032
Interest paid		-2,572	-3,664
Tax paid		-29,890	1,287,757
Cash flow from operating activities before change in working capital		3,668,948	4,204,784
Cash flow from change in working capital			
Change in current receivables		-10,110,749	-27,909,898
Change in current liabilities		515,949	25,741,933
Cash flow from operating activities		-5,925,852	2,036,819
Investing activities			
Investments in intangible assets		-1,074,990	-623,604
Investments in tangible assets		-1,124,952	-1,374,053
Sales of tangible assets		15,861	0
Cash flow from investing activities		-2,184,081	-1,997,657
Financing activities			
Cash flow from financing activities		0	0
Cash flow for the year		-8,109,933	39,162
Cash and cash equivalents, Jan 1			
Cash and cash equivalents, Jan 1		121,122,904	121,083,742
Cash and cash equivalents, Dec 31		113,012,971	121,122,904

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 amortization 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 4,726,963 (4,727,313).

Future lease payments for non-cancelable leases are due for payment as follows:

	2022	2021
Within 1 year	4,385,075	4,240,235
Between 1 and 5 years	1,239,613	1,374,637
	5,624,688	5,614,872

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	2022	2021
Audit assignment	250,000	220,000
Other services	316,668	342,006
	566,668	562,006

NOTE 3 EMPLOYEES AND PERSONNEL EXPENSES

	2022	2021
Average no. of employees		
Women	34	32
Men	28	31
	62	63
Salaries and other remuneration		
Board and CEO	2,646,639	1,181,901
Bonuses and other remuneration of management	8,525,592	0
Other employees	37,698,478	38,357,724
	48,870,709	39,539,625

	2022	2021
Social security expenses		
Pension costs for Board and CEO	951,719	348,435
Pension costs for other employees	5,000,761	6,945,769
Other statutory and contractual social security contributions	12,532,045	13,227,959
Other statutory social security contributions and contractual bonuses, and other remuneration of management	2,884,341	
	21,368,866	20,522,163
Total salaries, remuneration, social security expenses and pension costs	70,239,575	60,061,788
Gender distribution among senior executives		
Share of women on the Board	38%	33%
Share of men on the Board	62%	67%
Share of women among other senior executives	50%	56%
Share of men among other senior executives	50%	44%

NOTE 4 LICENSES

	DEC 31, 2022	DEC 31, 2021
Opening cost	3,829,143	2,893,363
Purchases	1,037,928	935,780
Closing accumulated cost	4,867,711	3,829,143
Opening amortization	-1,366,104	-673,131
Amortization for the year	-804,598	-692,973
Closing accumulated amortization	-2,170,702	-1,366,104
Closing carrying amount	2,696,369	2,463,039

NOTE 5 EQUIPMENT

	DEC 31, 2022	DEC 31, 2021
Opening cost	21,022,325	19,648,272
Purchases	1,124,952	1,374,053
Sales/disposals	-13,613,969	0
Closing accumulated cost	8,533,308	21,022,325
Opening amortization	-18,148,198	-15,984,144
Sales/disposals	13,548,019	0
Amortization for the year	-2,803,347	-2,164,054
Closing accumulated amortization	-7,403,526	-18,148,198
Closing carrying amount	1,129,782	2,874,127

NOTE 6 CURRENT AND DEFERRED TAX

TAX ON PROFIT FOR THE YEAR	2022		2021	
	PERCENT	AMOUNT	PERCENT	AMOUNT
Current tax		-38,419		-29,890
Total recognized tax		38,419		29,890
RECONCILIATION OF EFFECTIVE TAX				
Recognized profit before tax		40,000		60,000
Tax at applicable tax rate	20.60	-8,240	20.60	-12,360
Non-deductible expenses		-30,179		-17,530
Recognized effective tax rate	96.05	-38,419	49.82	-29,890

NOTE 7 ADVANCE PAYMENTS ON INTANGIBLE ASSETS

	DEC 31, 2022	DEC 31, 2021
Ongoing VipadSalesForce-related projects	111,538	0
Ongoing GDPR-related projects		74,476
	111,538	74,476

NOTE 8 OTHER NON-CURRENT SECURITIES

	DEC 31, 2022	DEC 31, 2021
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, 2022	DEC 31, 2021
Prepaid expenses	2,756,994	2,472,174
Accrued income, collection	435,632	150,326
Accrued annual fees	6,307,520	3,028,355
Other accrued income	1,864,949	257,828
	11,365,095	5,908,683

NOTE 10 FUNDS

	DEC 31, 2022	DEC 31, 2021
Packaging fees paid, not transferred to the materials companies	59,752,308	49,690,071
	59,752,308	49,690,071

NOTE 11 OFFSET LIABILITIES

	DEC 31, 2022	DEC 31, 2021
Liability to the materials companies offset by packaging fees in December. Not paid.	59,202,428	74,785,468
Liability to the materials companies offset by packaging fees in December. Not transferred.	59,752,308	49,690,071
	118,954,736	124,475,539

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	596,701
Profit for the year	1,581
	598,282
Be carried forward	598,282

NOTE 14 ACCRUED EXPENSES AND DEFERRED INCOME

	DEC 31, 2022	DEC 31, 2021
Accrued expenses, collection	98,591,663	84,295,897
Accrued vacation pay	5,882,031	5,535,307
Accrued social security contributions	1,008,161	996,045
Other accrued expenses	5,252,369	1,211,197
	110,734,224	92,038,446

NOTE 15 ADJUSTMENT FOR NON-CASH ITEMS

	DEC 31, 2022	DEC 31, 2021
Amortization/depreciation	3,658,838	2,857,027
	3,658,838	2,857,027

NOTE 16 PLEDGED ASSETS

	DEC 31, 2022	DEC 31, 2021
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

No significant events occurred after the balance-sheet date.

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 Report in accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act (refer to page 15), and the sustainability reporting in accordance with the Global Reporting Initiative (GRI) (refer to the GRI content index on page 35).

SOLNA, ON THE DATE OF OUR
ELECTRONIC SIGNATURE.

Lars Pålson
Chair

Ingrid Näsström

Mattias Philipsson

Peter Trimmel

Magnus Andersson

Cecilia Möller

Helena Nylén
Chief Executive Officer

Our audit report was submitted
on the date of our electronic signature.

Ernst & Young AB

Andreas Nyberg Selvring
Authorized Public Accountant

REPORT ON THE ANNUAL ACCOUNTS

OPINIONS

We have audited the annual accounts of Svenska Förpackningsinsamlingen AB for the year the financial year 2022-01-01 – 2022-12-31. The annual accounts of the company are included on page 16-21 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 Svenska Förpackningsinsamlingen AB as of 31 December 2022 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 shareholders 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 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 THAN THE ANNUAL ACCOUNTS

This document also contains other information than the annual accounts and is found on pages 1-15 and 25-36. 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 ISAs 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 the 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 financial year 2022-01-01 – 2022-12-31 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 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 judgment 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 judgment 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, on the day of our electronic signature.

Ernst & Young AB

Andreas Nyberg Selvring
Authorized Public Accountant



2022 Sustainability Report

The Packaging Collection Service (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, with a mission to recycle as much of the packaging placed on the Swedish market that is technically and economically possible. Other material is handled sustainably and cost efficiently.

FTI HAS REPORTED ITS sustainability performance since 2018 and this year's report has been prepared in accordance with GRI Standards 2021. The starting point for the report is FTI's material topics from a sustainability perspective. Following a review of our materiality assessment from 2018 (refer to the 2018 report), we have concluded that our material topics on the following pages are consistent with all of our previous focus areas. We engage in continuous dialog with our stakeholders to obtain information and manage our sustainability impacts, to maximize transparency and environmental benefits, and to protect human health and the environment at all levels in accordance with the precautionary principle. Our stakeholders include consumers, producers, contractors and municipalities, as well as our owners, our Board, relevant industry organizations, the EPA and similar bodies. The GRI content index (refer to page 35) lists the disclosures from the GRI standards that are relevant to FTI.

THE 17 SUSTAINABLE DEVELOPMENT GOALS – HOW FTI CONTRIBUTES

FTI is a non-profit organization that provides a public service. FTI's sustainability efforts are based on the 2030 Agenda for Sustainable Development. Based on its material topics, FTI can make the greatest contribution to the following sustainable development goals (SDGs): Goal 5 – Gender equality, Goal 8 – Decent work and economic growth, Goal 12 – Responsible consumption and production, Goal 13 – Climate action and Goal 16 – Peace, justice and strong institutions. The absolute most relevant SDG for us is Responsible consumption and production, where we make a strong positive contribution with our responsible circular business.

SUPPLY AND VALUE CHAIN

FTI's value chain (refer to pages 8-9) is defined by packaging producers' recycling obligations.

FTI's supply chain comprises our nationwide collection scheme, where subcontractors take care of emptying, transportation, cleaning, snow clearing, station establishment and maintenance, materials management and quality controls of the material. Logistics account for 55 percent of costs including administration and infrastructure, while CC services and maintenance account for 11 and 34 percent, respectively. In 2022, the collection scheme continued to operate without any changes, with 5,000 recycling stations and CC services that now reach two million households. In June 2022, the Swedish government approved a new ordinance on producer responsibility for packaging whereby Swedish municipalities will assume operational responsibility for the collection of packaging from January 1, 2024. Read more on page 6.

CODE OF CONDUCT

FTI and its providers are required to adhere to the organization's Code of Conduct, which has been formulated jointly with Svensk Glasåtervinning, Returkartong, Svensk Plaståtervinning and Svenska Metalkretsen. The Code of Conduct is based on the Ten Principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption, and on the precautionary principle. The Board establishes the Code of Conduct and determines measures on the basis of follow-ups. All contracted providers must commit to our Code of Conduct and the professional standards set out therein. The obligations of business partners are set out in business agreements and communicated to employees in the form of appended agreements.

CIRCULARITY AND RECYCLABILITY

More packaging must be recycled

Circularity and recyclability are synonymous with our core business. Our mission is to make packaging easier to collect and recycle.

2022

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

- The collection volume has increased 15% in five years.
- The total recycling rate was 70 percent.
- 93 percent of our customers say we make a positive contribution to their sustainability performance.

COMMENTS

Advice to producers and information to consumers, research and partnership projects, competitive intelligence, field trips and much more. Nearly everything we do has the same goal – to increase the amount of packaging that is recycled.



FTI'S ASSIGNMENT is to provide a nationwide and sustainable collection scheme for packaging, so that these materials can be part of a closed loop and used to make new products. In line with growing concerns about the environment and climate change, the demands and expectations on our operations are increasing. We can now offer collection via some 5,000 recycling stations and CC services that reach two million households.

Over the past five years, the volumes collected have risen 15 percent. Paper packaging accounts for the largest increase at 28 percent, followed by plastic packaging at 22 percent. Metal and glass packaging account for 6 and 4 percent, respectively. In 2022, we collected 530,000 tonnes of packaging in total, corresponding to just over 50 kg per person. The packaging collected from recycling stations accounts for two-thirds of the total volume, and CC services for the remaining third. At the end of 2022, we noted a slight slowdown and expect that the declining economy, less remote working and reduced consumption will continue to be reflected in both the amount of material collected and the volumes placed on the market. While not as high as the record figures during the pandemic, the levels will still be comparatively high moving forward. A high proportion of collected packaging is crucial to achieving circularity, but 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 recycling bins that is not packaging. We monitor the composition of materials carefully and perform sampling in several steps. Material is first collected from all separation facilities in Sweden and then mixed according to a well established procedure

before extracting the samples. The samples are then sorted in a waste audit laboratory, where the packaging is separated from other waste. The latest analysis showed that the proportions of incorrectly sorted material among plastic, paper and metal packaging were 27 percent, 15.6 percent and 35.4 percent, respectively.

DESIGN AND THE CHOICE of packaging materials are key factors for recyclability. That is why, on behalf of each materials company, 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 technological advances, 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 are used, for example, before and during the development of packaging solutions and can therefore be part of each producer's efforts to become more sustainable. Producers can also request advice and support through their entire design process. FTI and SPÅ are planning to join RecyClass in 2023 and adopt its science-based approach to plastics circularity. By joining RecyClass, FTI and SPÅ will be able to help shape the future of plastic recycling in Europe.

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. According to our latest customer satisfaction survey, the vast majority (93 percent) of our



affiliated producers perceive that we are making a positive contribution to their sustainability performance.

In 2022, FTI also initiated the establishment of a 'materials advisory panel' together with representatives from DLF, the Swedish Food Retailers Federation, the Swedish Trade Federation and others. The materials advisory panel is mainly a discussion forum for issues related to the development of design and materials, and the sorting and recycling of all four types of materials.

Since January 2021, packaging producers have been required to report the amount of packaging material they place on the market to the EPA on an annual basis. Via reporting contracts, FTI can take care of both registration and reporting, a cost-free service that is offered to affiliated producers. We apply a fee structure where the fee for packaging that is easy to recycle is lower than the fee for packaging that is more difficult to recycle.

FTI WORKS continuously to make sorting and recycling easier for households. Our consumer survey, the Recycling Barometer, has been providing insights for this process for over a decade. We conduct regular information campaigns for both children and adults, where our preschool teaching kit – The Material World – and other communication campaigns based on the concept of "Everyone wins when you recycle" are some examples of the activities we carried out during the year. The follow-up of our communication concept in 2022 showed very positive results –

“We conduct regular information campaigns for both children and adults.”

78 percent of the respondents say the message was clear. Of those respondents who watched the campaign video, 82 percent say it inspired commitment.

All of FTI's recycling stations use pictograms from the joint Nordic recycling labels that FTI helped to develop, enabling producers to label their packaging with the same symbol. This is becoming increasingly popular, because consumers find it easier to sort and recycle when packaging has the same symbol as the recycling bins.

In summer 2022, FTI launched a collaboration with the Bower recycling app. By downloading the app and scanning their packaging before sending it to recycling, consumers receive a deposit in their app in the form of points or money. Via Bower, producers gain access to valuable statistics and data on how many and which items of packaging have been scanned. Via the partnership, FTI's producers receive a discount on their Bower joining fee.

OUR OBJECTIVE IS to recycle the highest-possible amount of packaging placed on the Swedish market, and that all types of material will achieve the national targets that apply up to 2029 before being raised even further. In 2022, the total recycling rate was 70 percent (70). The recycling rates were 86 percent (84) for glass packaging, 78 percent (82) for paper packaging, 33 percent (32) for plastic packaging, 83 percent (85) for metal packaging of steel, and 68 percent (67) for metal packaging of aluminum. Refer also to page 34 for more detailed statistics.

BUSINESS ETHICS AND ENVIRONMENTAL COMPLIANCE

The cornerstones of FTI's operations

2022

FTI'S entire operations are based on packaging producers' recycling obligations. Sound business ethics and environmental compliance are crucial for us.

- 100 percent of FTI's collection, cleaning and maintenance providers have signed our Code of Conduct.
- All employees completed an anti-corruption course.
- FTI was not subject to any significant penalties, injunctions or fines for environmental breaches.

COMMENTS

Since 2014, FTI has also been helping to shape recycling at European level through EXPRA. EXPRA is a non-profit umbrella organization for companies like FTI that bring together collection and recycling companies in their own countries.



Environmental compliance and sound business ethics are central to FTI's operations. Our entire business is based on being perceived as credible and accountable by our customers and the community at large.

OUR OPERATIONS ARE based on packaging producers' recycling obligations. It is crucial therefore that we comply with environmental requirements, uphold sound business ethics and that our stakeholders – from producers and consumers to contractors, municipalities and other partners – perceive us as credible and accountable.

FTI's CEO is ultimately responsible for our efforts to maintain sound business ethics and environmental compliance. Our operations are mainly 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 dialog and collaboration with the EPA, municipalities, industry organizations and the business sector. That applies to collection and recycling, as well as production and development. By doing so, we 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 2021. Waste paper was exempted from producer responsibility on December 31, 2021

and responsibility for the collection of newspapers was transferred to municipalities. At the request of the EPA, application of the regulations for a licensed collection scheme was postponed. On behalf of the government, an internal inquiry was conducted. It resulted in a consultation document – Improved packaging collection, new roles for municipalities and producers – which included the recommendation that responsibility for the collection of packaging be transferred from producers to Swedish municipalities. In June 2022, the government adopted a new ordinance entailing that the consultation document's proposal of municipal collection would take effect on January 1, 2024. As of 2027, municipalities must also provide all Swedish households with CC services.

The ordinance also entails that, as of November 1, 2023, all producers must be affiliated with a PRO approved by the EPA. To meet this requirement, several industry organizations have formed a joint company, Näringslivets Producentansvar i Sverige AB (NPA), which has applied for accreditation as a PRO. (Read more on page 7.) All producers that are currently affiliated with FTI will be offered a seamless transition to NPA. The CEO of the new company is FTI's current CEO, Helena Nylén. When municipalities assume responsibility for the collection of household packaging waste on January 1, 2024, FTI's operations will be discontinued.

In 2022, FTI was not subject to any significant penalties, injunctions or fines for environmental breaches.

BUSINESS ETHICS, CORRUPTION AND COMPETITION

FTI promotes fair competition. We are 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. In 2021, Board members, management and a selection of employees completed competition law training. In addition, our anti-corruption policy was updated and in 2022 all of our employees completed anti-corruption training. All of FTI's collection, cleaning and maintenance providers have signed our Code of Conduct, which sets out clearly that no form of corruption, including blackmail and bribery, will be tolerated. In 2022, no known cases of corruption linked to FTI or its employees were reported or detected.

“FTI has a responsibility to the people who provide services or produce products on our behalf.”

BUSINESS ETHICS AND HUMAN RIGHTS IN THE SUPPLY CHAIN

A major share of FTI's activities are carried out by business partners, contractors and providers, 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.

By signing our Code of Conduct, our providers and their sub-contractors commit to supporting and respecting international human rights, including safe and healthy working conditions, and to not violating human rights.

Our aim is to monitor our contractual partners on a regular basis and in 2022, we conducted a survey of all of our collection, cleaning and maintenance providers. All 18 of 18 responded to questions about their company's health and safety policy, labor law compliance, health checks, access to personal protection equipment, planning, preparedness, accident and near miss reporting, and whether a drug and alcohol policy was in place.

The few non-conformances that were reported were essentially due to the irrelevance of the question for their activities.



HEALTH AND SAFETY

A sustainable work-life balance

In 2022, we continued working to establish clear leadership and employeeship. This is essential for building a sustainable company culture, where both employees and the company can grow and develop.

2022

FTI aims to offer a company culture where all employees can grow and develop. That benefits us as a company, as well as our clients, customers, partners and the community at large.

- The percentage of women in our Management Team is 56%.
- Our Employee Satisfaction Index score increased from 7.3 to 8.0.
- The total sick leave rate was 2.48%.

COMMENTS

Our cultural development has generated results. This was shown by continuous pulse surveys of nine areas related to work environment and well-being. Our sick leave rate was low and below the target of 2.6 percent. Employee turnover was halved compared with 2021.

LEARNING AND DEVELOPMENT are a prerequisite for delivering on our assignment and adapting to new conditions. All employees need to continue developing their skills and abilities, both as individuals and a group, in their respective teams and in the company as a whole. Learning and development are cornerstones of our organization, but they are equally important for job satisfaction and well-being, and for feeling motivated and engaged. The feeling of contributing to something bigger provides a greater sense of meaning and job satisfaction.

FTI believes that most learning takes place in our day to day work. We need to challenge ourselves and each other every day to find new solutions to routine tasks. This relationship with our colleagues – when we embark on new situations

together, reflect and find new perspectives – is what enables us to grow and develop. We are all responsible for our own and others' learning, and for driving our company forward. But daring to fail is equally important – daring to walk new paths and learn when things don't go as planned. This should be a firmly established mindset in a company culture where trust and confidence are fundamental, alongside of effective communication and good relationships.

With good cooperation as the starting point, we worked strategically during the year to clarify and strengthen FTI's company culture. The aim is that we will lead ourselves and others by helping each other to learn and grow. At the beginning of

5 GENDER EQUALITY

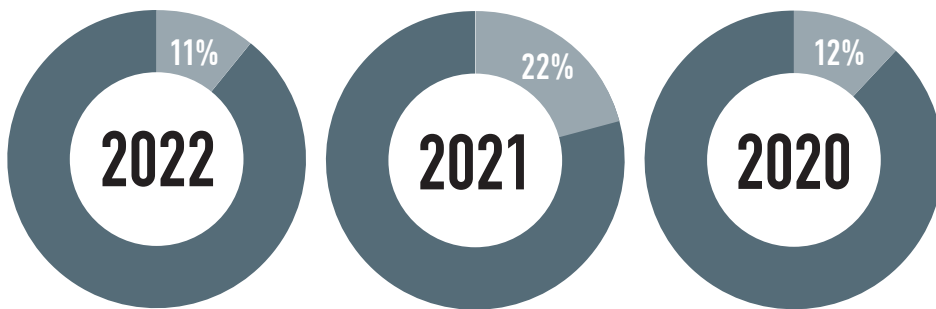


8 DECENT WORK AND ECONOMIC GROWTH





Our strategy to improve FTI's company culture resulted in a manual.



Total employee turnover

the year, we defined three underlying principles for our culture – focus on the task, clarity and transparency, and care at all times. At an overall level, these principles guide everything that we do and all of our relationships, both internally and externally. In addition to understanding human reactions, subsequent manager and employee development also focused on the tools that can best help us to build and sustain good cooperation.

With the foundations in place, the potential for continuous employee and company development is high. We can continue to build our structures, processes and procedures together, so that we are ready to face the challenges ahead. Development activities resulted in a manual that describes the lessons we learned during the year and relevant research. The manual serves as a reminder, and a source of inspiration, support and guidance.

We introduced a new process for employee appraisals based on the theories and tools that we applied and used during the year. To measure and monitor our health and safety management from several aspects, we use the pulse survey tool and digital support for employee appraisals that were introduced in 2021. FTI is committed to health and safety management in accordance with the company's health and safety policy, and our health and safety committee performs regular follow ups, combined with standard procedures, possible measures and effects.

FTI focuses on the psychosocial work environment and mental health, and all employees have access to tools enabling them to work pro-actively with their mental health and well-being. All employees also have access to therapists and coaches for conversations about major and minor life challenges, both work-related and personal, before they lead to ill health.

“Learning and development are a prerequisite for delivering on our assignment and adapting to new conditions.”



2022

A key step in measuring FTI's sustainability performance is to quantify our GHG emissions, and we have gradually expanded our calculations since 2018.

Emissions from FTI's entire value chain have been included since 2021.

- 1,587 new recycling bins purchased.
- The proportion of fossil-free transportation for emptying is 70 percent.
- 80 percent of our contractors say they have set dates and plans for reducing their fossil-fuel dependence.

COMMENTS

Despite the increased amount of packaging collected in recent years, FTI's emissions have not increased correspondingly. The proportion of fossil-free transportation increased and energy consumption in our own premises decreased, despite a lower level of working from home.



GREENHOUSE GASES

Reduced GHG emissions

Greenhouse gas (GHG) emissions and their contribution to global warming is one of the biggest challenges of our time. This is a top priority for us and we are focused on reducing the emissions from our collection and recycling processes, while working actively to increase the recycling rate for the packaging placed on the market.

FTI'S EFFORTS WITH THIS ESSENTIAL topic strengthen legitimacy in our relationships with stakeholders – from FTI's employees to customers, authorities, contractors and providers. 2018 was the first year we reported our GHG emissions (Scope 1 and Scope 2). We reported some Scope 3 emissions for 2019 and 2020, and as of 2021, emissions from onward transportation and from recycling the collected material are also included for paper, plastic, metal and glass packaging.

RECYCLING IS THE BIGGEST SOURCE OF EMISSIONS

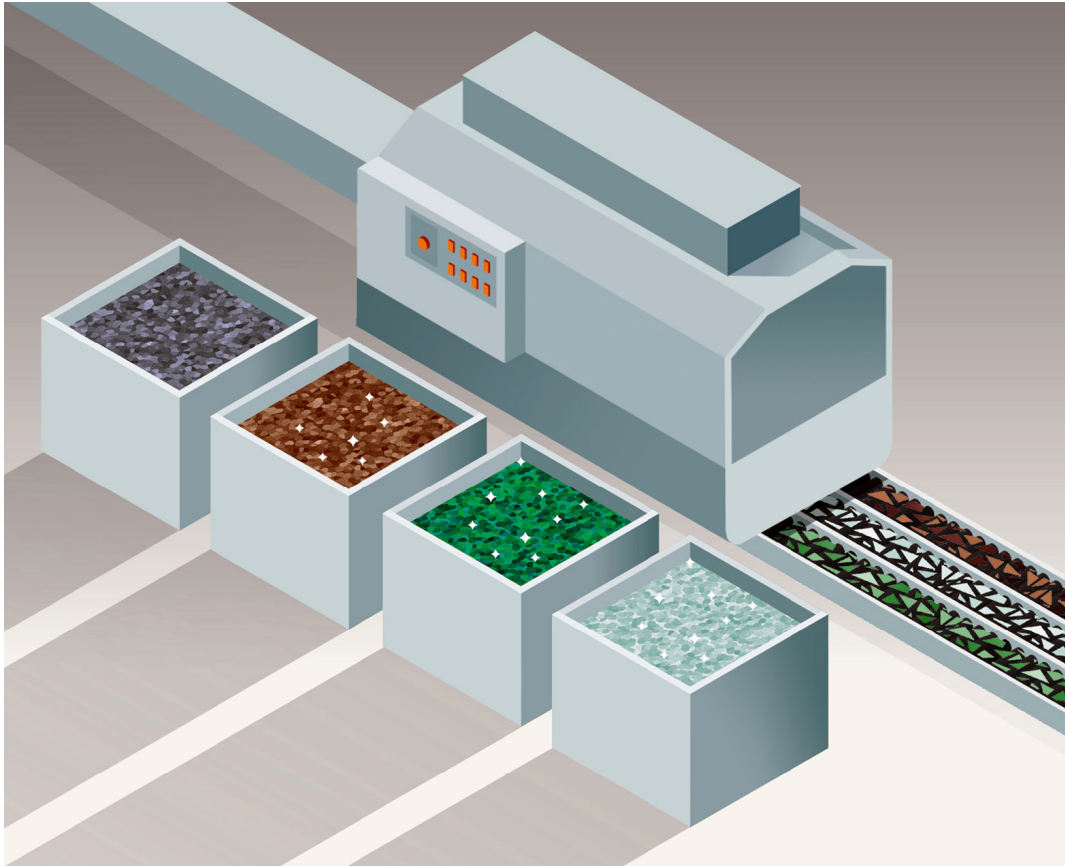
In 2022, the GHG emissions we calculated amounted to 201,603 tonnes of CO₂e. The absolute largest share of FTI's emissions, more than 99 percent, are from Scope 3 activities. Emissions from the recycling of collected paper, plastic, metal and glass packaging account for 72 percent of FTI's total emissions, while presorting at FTI's facilities accounts for the equivalent of 1 percent. Scope 3 also includes the collection of packaging from FTI's recycling stations, recycling centers and curbside collection services, downstream transportation for the materials companies, cleaning recycling stations, purchasing bins, business travel including hotel stays, employee commuting, purchased IT products and indirect emissions from Scopes 1 and 2. Scope 2 GHG emissions are derived from the

energy consumed by FTI's head office and the electricity used to charge electric cars. Between 2021 and 2022, emissions from the energy used by FTI's office decreased from 165 kg CO₂e to 132 kg CO₂e, even though more employees were working from the office in 2022. However, total Scope 2 emissions increased to 395 kg CO₂e, due to the addition of electric car charging during the year. Replacing fuel vehicles with electric vehicles is considered an improvement, even though the trend of increased emissions from electric cars is expected to continue.

NEW IMPORTANT KPIS

To reduce our Scope 3 indirect emissions, we work actively with our customers and value chain service providers. One example is how we started working in 2022 to create key performance indicators (KPIs) for our affiliated producers that describe GHG emissions from the recycling system for packaging with high and low recyclability, respectively. This process is expected to continue in 2023. Another example is how 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.

Increased recycling reduces both emissions and resource consumption. For this reason, we place a strong focus on helping consumers



sort more of their packaging and on preventing incorrect sorting. In 2023, our communication will be focused on the climate benefits of recycling, based on the GHG calculations for 2022. Alongside efforts to reduce our GHG emissions, we are also working to improve our GHG calculations, in order to better monitor and understand how our activities are contributing to climate change. There were some changes in the methods used for 2022 calculations, which also affected the outcomes. At the same time, the calculations have gradually been expanded with more emission categories and activities between 2018 and 2022. As a result, it is not possible to compare emissions over the years.

ACCOUNTING AND REPORTING PRINCIPLES

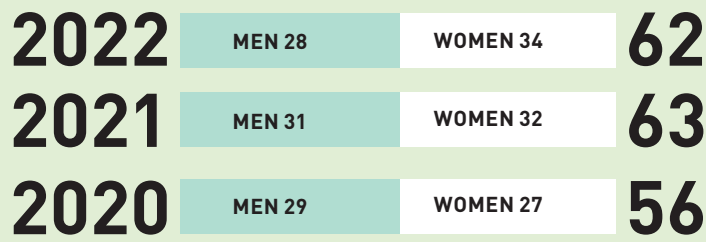
FTI calculates and reports its GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Activity data for calculating GHG emissions are based on, for example, utility bills, fuel consumption, survey responses and data obtained from landlords, service providers and our owners (the materials

“Increased recycling reduces both emissions and resource consumption.”

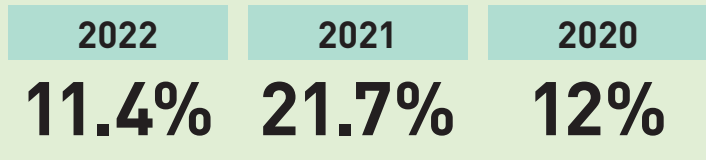
companies). The emissions were calculated by applying appropriate emission factors from the Swedish Transport Administration, NTM, DEFRA, IVL, the Swedish Energy Agency, Vattenfall, the Swedish Recycling Industries’ Association and Swedenergy. In some cases, emission factors for specific processing stages of the materials companies were obtained from the ecoinvent database.

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. Biogenic CO₂ emissions from the combustion of biofuels and biomass are reported separately from other GHG emissions in the GHG calculations, in accordance with GHG Protocol methodology. FTI applies the operational control approach for consolidating its GHG emissions. The market-based method was used to calculate Scope 2 emissions, which means that Guarantees of Origin were used to quantify emissions from purchased energy. The GHG calculations contain certain inherent uncertainties due to input data factors and the use of general emission factors, which means that actual emissions may deviate from estimated emissions.

No. of employees

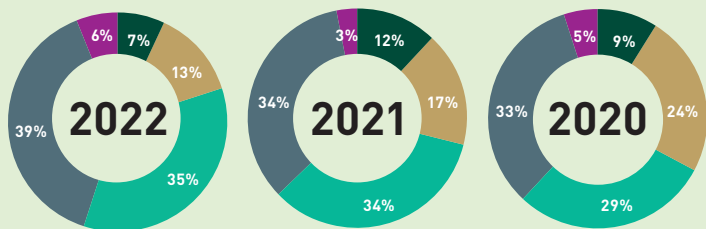


Total employee turnover



Age distribution

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



New employments

NEW EMPLOYMENTS PER GENDER AND AGE 2022				
	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
WOMEN	0	3	3	6
MEN	0	1	2	3
TOTAL:	0	4	5	9

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

Gender equality

	2022	2021	2020
Women on the Board	38%	33%	15%
Women in the Management Team	50%	56%	44%
Share of women of total employees	56%	51%	49%

Sick leave

	2022	2021	2020
SHORT-TERM	1.21%	1.02%	0.90%
LONG-TERM	1.26%	1.17%	0.95%
TOTAL:	2.48%	2.19%	1.85%

GREENHOUSE GASES

GHG EMISSIONS (TONNES OF CO2e)	2022	2021	2020
SCOPE 1	25	18	21
SCOPE 2 (MARKET-BASED)	0.4	0.17	0.05
SCOPE 2 (LOCATION-BASED)	3.1	4	3.2
SCOPE 3	201,578	197,864	53,592
TOTAL (MARKET-BASED)	201,603	197,883	53,613

RECYCLING RATES

MATERIAL	RECYCLING RATE HOUSEHOLDS		RECYCLING RATE COMPANIES		RECYCLING RATE TOTAL		GOVERNMENT'S TARGET FOR 2029
	2022	2021	2022	2021	2022	2021	
GLASS*	86%	84%	86%	84%	86%	84%	85%
PAPER	68%	72%	83%	87%	78%	82%	85%
PLASTIC	19%	18%	48%	50%	33%	32%	50%
METAL (STEEL)	86%	90%	81%	81%	83%	85%	70%
METAL (ALUMINUM)	64%	72%	84%	55%	68%	67%	50%

*Glass packaging from households and companies is collected in the same flow.

SATISFIED EMPLOYEE INDEX

	2022	2021
LEADERSHIP	8.3	7.6
TEAM SPIRIT	8.6	8.0
PARTICIPATION	8.2	7.7
EMPLOYEE SATISFACTION INDEX	8.0	7.3

GRI content index

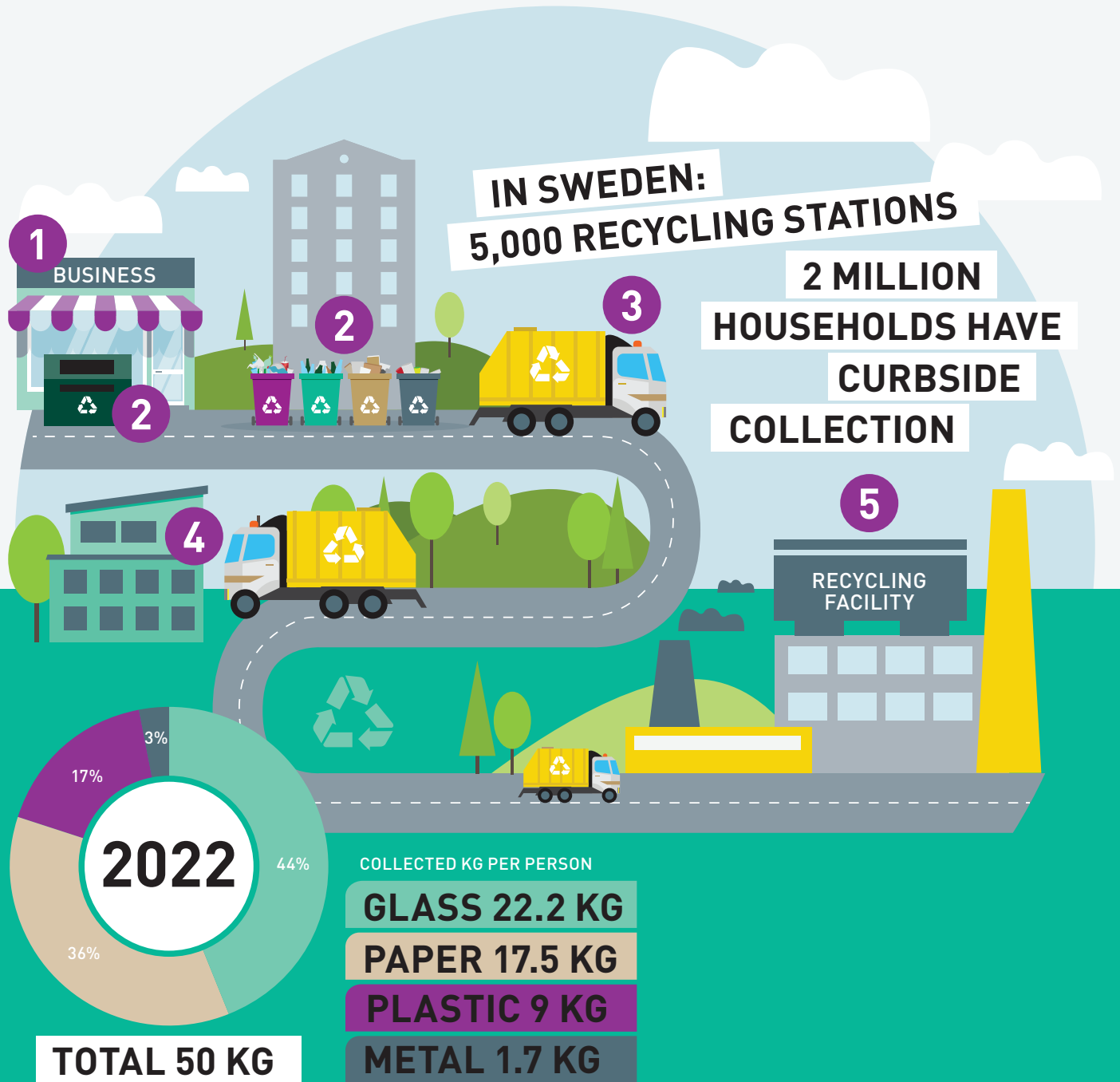
THIS IS THE SUSTAINABILITY REPORT for the limited liability company, The Packaging Collection Service (FTI), and its operations for the period of January 1-December 31, 2022. All information and KPI reporting refers to the fiscal year of 2022, unless otherwise stated. The GRI content index below shows where the various disclosures can be found. For questions about FTI's Sustainability Report, please contact the Head of Communications Malin Ryding.

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GRI STANDARD	DISCLOSURE	PAGE
GRI 2: General disclosures	2-1 Organizational details	2.16
	2-2 Entities included in the organization's sustainability reporting	8, 15
	2-3 Reporting period, frequency and contact point	16, 35
	2-4 Restatements of information	No changes
	2-5 External assurance	15
	2-6 Activities, value chain and other business relationships	8
	2-7 Employees	20, 30-31, 34
	2-9 Governance structure and composition	14
	2-22 Statement on sustainable development strategy	4
	2-29 Approach to stakeholder engagement	25
GRI 3: Material topics 2021	3-1 Process to determine material topics	25
	3-2 List of material topics	26-33
GRI 201: Economic performance 2021	201-1 Direct economic value generated and distributed	18-21
Circularity and recyclability	E-1 Recycling rate	27, 34
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	305-5 Reduction of GHG emissions	32-33
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	29
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	29

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 can be converted into car bodies. Follow the recycling journey of packaging.



1. Products are bought and used. The empty packaging is left over.
2. The packaging is dropped off in the respective bins by the curbside or at a recycling station.
3. The material is picked up by collection trucks and driven to waste transfer stations. 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 large 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.