



Modulpac

Sustainability Report 2024





About this report

This sustainability report covers the year 2024 and focuses on Modulpac's commitment to economic, social, and environmental sustainability—without a financial emphasis. It provides an overview of our sustainability journey, including our vision, targets and the measures we have implemented.

Now in its third edition, the report continues to align our efforts with the UN's Sustainable Development Goals and presents climate data in accordance with the Greenhouse Gas Protocol (GHG). A key milestone this year was the collection of emissions data for all material activities within Scope 3, along with the completion of our double materiality analysis.

A few words from our CEO

At Modulpac, sustainability is not just a commitment — it is an integral part of our growth and innovation. In 2024, we have taken significant strides toward reducing our environmental impact while strengthening our position as a responsible industrial player.

One of our most notable achievements this year has been the successful implementation of our solar panel investment. With 1,240 panels now fully operational, we have begun generating renewable energy, reducing our carbon footprint. Additionally, the expansion of our western plant has enabled us to optimize production processes and further enhance workplace sustainability. The increased capacity also opens new business opportunities, allowing us to meet growing customer demand and take on new projects more efficiently.

We have also intensified our efforts to align with the Corporate Sustainability Reporting Directive (CSRD), ensuring transparency in our environmental, social, and governance (ESG) initiatives. Through close collaboration with our parent company's sustainability team, we have refined our data collection and reporting methods to meet the new regulatory requirements.

Looking ahead, we remain committed to innovation and continuous improvement in sustainability. By integrating sustainable economy principles, increasing our use of recycled materials and exploring new technologies, we aim to further reduce our environmental impact while continuing to deliver high-quality products to our customers.

Kind regards,

A handwritten signature in black ink, appearing to read 'Sven Ingvaldsson', with a stylized, flowing script.

Sven Ingvaldsson
CEO
Modulpac AB

Our sustainability vision

At Modulpac, we recognize that sustainability must be an integral part of how we operate — woven into every aspect of our business. For us, a truly sustainable company is one that successfully balances economic, social, and environmental responsibility.

Sweden's long-term goal is to achieve net-zero greenhouse gas emissions by 2045, a challenge that requires collective action from both the public and private sectors. Reaching this target is not a solo effort. For Modulpac, it means working closely with our whole value chain to reduce our reliance on fossil-based raw materials and increase the use of recycled and bio-based alternatives.

Our vision is to be fully integrated into a sustainable economy, where resources and raw materials are used and reused responsibly. We are committed to designing and producing high-quality components with maximum material recyclability, ensuring that sustainability is embedded in every stage of our production process.



Sustainable economy according to Modulpac

Cooperation

Building strong networks with suppliers, customers, and local as well as national organizations is essential for fostering a circular economy. By exchanging knowledge and best practices, we can accelerate the transition to low-impact materials, implement return-systems and ensure transparent sustainability reporting. Through close partnerships, we aim to create a more resource-efficient value chain where materials are recycled rather than wasted.

Research & Development

We design products that maintain high quality throughout a long-life cycle, are easily recyclable, and incorporate more sustainable, energy-efficient materials. Our focus remains on optimizing function and automation in production.

Production

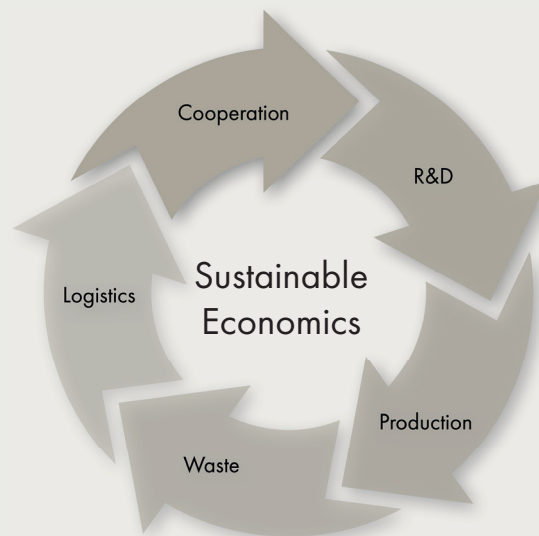
Enhance our processes to minimize waste, reduce chemical and energy consumption, and maintain a safe and healthy working environment.

Waste Management

Reduce waste by prioritizing recycling and reusing production spillage.

Logistics

Prioritize local subcontractors, optimize packaging methods, and increase the share of internal and automated assembly to improve efficiency.



We recognize that there are no simple solutions to balancing economic, social and environmental demands. That is why we continuously evaluate our progress, invest in ongoing education, and refine our processes through a sustainability-driven perspective—always adapting to meet our customers' evolving needs.



Sustainability Management

Modulpac's management team is responsible for our vision, strategy and targets. Each member of the management team is accountable for their sustainability targets and action plans. Each employee is responsible for contributing to our sustainability work within their area of responsibility. Our Sustainability Manager provides guidance and support on sustainability-related issues and plays a key role in fostering a strong sustainability culture.

Certified management systems- our foundation

Modulpac's operations are built on a foundation of certified management systems that ensure quality and environmental responsibility.

We are certified according to:

- ISO 14001 Environmental Management
- ISO 9001 Quality Management
- ISO 13485 Quality Management for Medical Devices
- FSSC 22000 Food Safety
- ISCC+ Traceability and sustainability in the circular economy

Our long-standing commitment to certified systems ensures that we systematically identify environmental aspects, fulfil regulatory requirements, and are well-prepared for environmental incidents. By embedding sustainability into both our strategic direction and our daily management system, we ensure that progress is continuous, structured, and measurable.

Internal documents

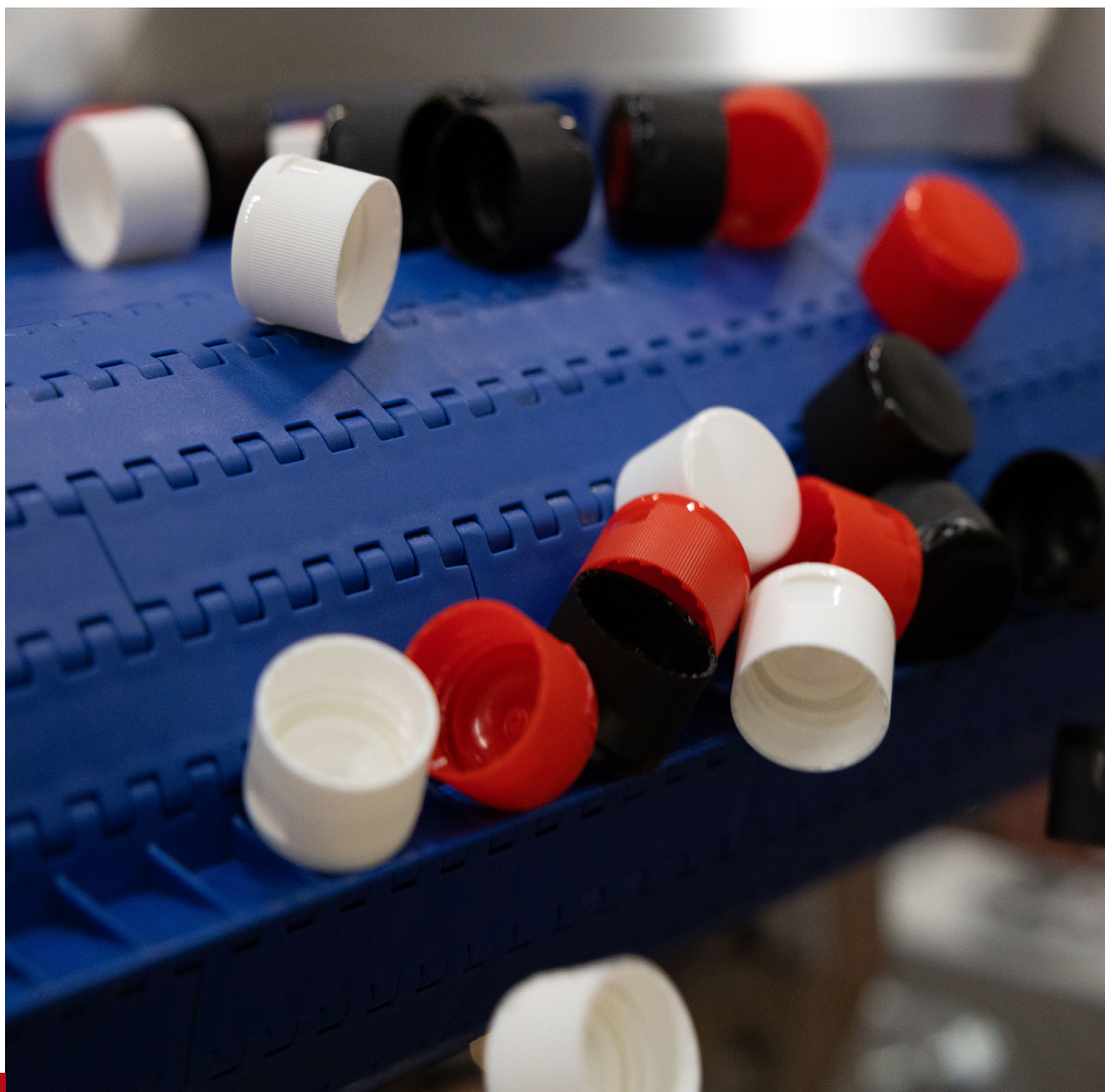
Sustainability Policy

The sustainability policy pinpoints what Modulpac believes to be important when it comes to lasting as a company in the long run. The environmental policy is integrated into the sustainability policy.

Internal Code of Conduct – a shared commitment

Modulpac is a subsidiary to the Pomona-gruppen AB, and our internal Code of Conduct was created with them. It is designed to clarify the expectations for us working for the Pomona-gruppen AB, outlining the policies and practices that define who we are and what we stand for as a business group. Created with our employees in mind, this document is meant to provide clear directions and actionable guidance on what is expected of all full- and part time employees, contractors, consultants, managers and members of the board of directors.

The Code of Conduct is a part of our introduction program and each of our employees must confirm that they have read and understood it and that they intend to comply with it.



Supplier Code of Conduct

As Pomona-Gruppen AB invests in Modulpac with a long-term vision, Modulpac wants to build long-term relations with its suppliers. The supplier code of conduct is also outlined by Pomona-Gruppen AB. Modulpac expect its suppliers to respect and act according to the Code, since we want to cooperate with suppliers who take responsibility, not only for the environment but also for the social and ethical aspects of business.

Our Supplier Code of Conduct is based on:

- The United Nations Universal Declaration of Human Rights (UDHR)
- The core conventions of the International Labour Organisation (ILO)
- The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- The OECD Due Diligence Guidance for Responsible Business Conduct
- The UN Global Compact
- The EU CSRD, ESRS and CSDDD

Sustainable Purchasing Policy

In 2024, Modulpac implemented a formal Purchasing Policy that guides all procurement activities in line with our Code of Conduct and Sustainability Policy. The policy ensures a high level of business ethics and promotes sustainability, objectivity, long-term thinking and fair competition in our purchasing processes.

In addition to the above-mentioned internal documents, the following policies are of importance to our sustainability work:

- Anti-Illicit Trade Policy
- Work Environment policy
- Food Safety Policy
- Know Your Customer policy
- Policy for remote working
- Privacy Policy
- Quality Policy
- Whistle-blowing policy
- Anti-corruption and bribery policy



Sustainability in action

For our second EcoVadis sustainability assessment – evaluation of our performance in environmental impact, labour and human rights, ethics, and sustainable procurement – we proudly achieved a gold medal.

Stakeholder dialogue

Stakeholder	Dialogues	Key questions
Customers	Customer satisfaction survey (annual) Requirement specifications/agreements Face-to-face meetings Web page	<ul style="list-style-type: none"> • High-quality products • Delivery performance • Good working conditions for subcontractors • Sustainable logistics • Healthy and safe work environment • Compliance • Anti-corruption • Material recyclability
Employees	Performance review (annual) Internal meetings (continuous) Employee survey (annual)	<ul style="list-style-type: none"> • Decent terms of employment • Long-term employer • Healthy and safe work environment • Responsible company with strong environmental work • Non-discrimination • Development opportunities
Suppliers	Orders (continuous) Supplier meetings Supplier visits/audits (recurring) Supplier assessment/forms (annual)	<ul style="list-style-type: none"> • Health and safety • Quality in delivery • Supplier Code of Conduct • Compliance
Parent company/ Shareholder	Board meetings Financial reporting (monthly) Investments Budget	<ul style="list-style-type: none"> • Financial performance • Sustainable investments • Reinvest profits



Sustainability in action

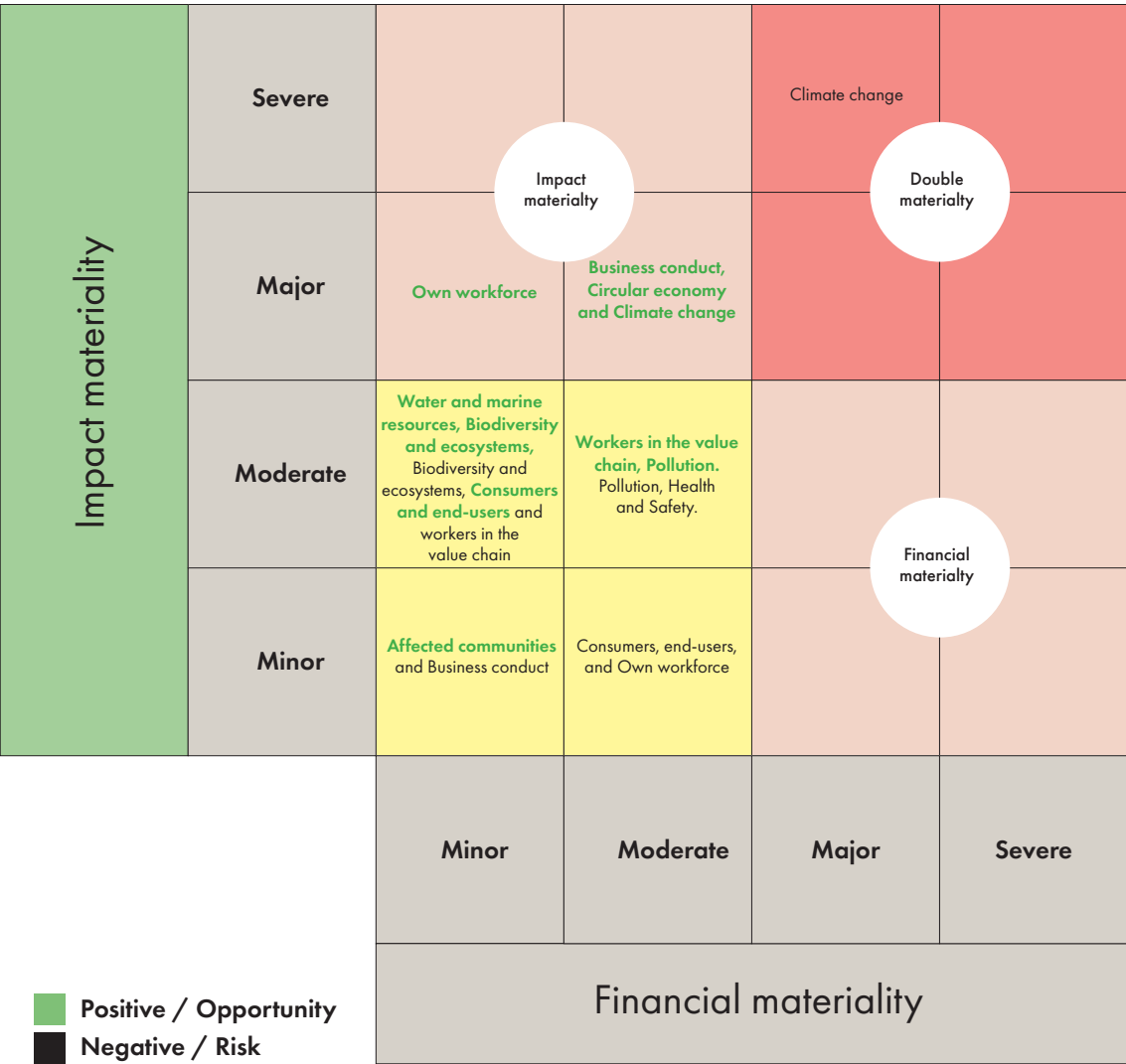
By disclosing through CDP's first dedicated SME questionnaire, Modulpac has taken the essential first step toward establishing ourselves as a leader in environmental transparency and action. We are proud to share our 2024 CDP result:

- Climate score: SME B

This is the highest possible rating for an SME and reflects our commitment to measuring and managing our climate impact.

Double materiality matrix






In 2024, Modulpac conducted its first-ever double materiality analysis, marking a significant step in our sustainability journey. This approach allows us to assess both the financial impact of sustainability factors on our business and our own impact on society and the environment. By identifying key risks and opportunities, we can make more informed strategic decisions, strengthen our commitment to sustainable development and guide us in what we need to report on linked to legislation (CSRD/ESRS).



Sustainability targets

To realise our vision and contribute meaningfully to the UN's Sustainable Development Goals (SDGs), Modulpac sets clear sustainability targets and actively works to achieve them. Out of the 17 SDGs, we have identified four where we can make the greatest impact.

We focus particularly on promoting sustainable consumption and production by reducing resource use, improving waste management and developing high-quality packaging from more sustainable materials. As an employer, we also recognise our responsibility to provide a safe and inclusive workplace that supports continuous learning and professional development.

Material aspect		Indicator	Outcome	Target	Sustainable development goal
Economic sustainability	Financial performance	Turnover	288	275 MSEK	
	Long-term business	Customer satisfaction	4,51	>4,50	
		Delivery performance	97%	97%	
Social sustainability	Health & safety	Work-related accidents that lead to an employees absent	1	0	 
	Competence	Conduct sustainability related trainings	OK*	OK	
Environmental sustainability	Sustainable materials	Increase the quantity of sustainable plastic raw material	282	180 tonne	 
		Increase the use of transparent raw material	21,7%	>1%	
	Responsible energy consumption	Reduce electricity consumption /kg of plastic raw material	1,903 kWh/kg	1,906 kWh/kg	
	Responsible use of resources	Reduce the amount of combustible waste	-40%	>1%	

* Internal training for Code of Conduct, Sustainability Policy and targets, all employees. External training of LCA analys, 2 days training for 2 persons. ESG Controller, 20th training for 2 persons. CSRD/ESRS, 1 days of training for 1 person.

Economic sustainability

At Modulpac, we view profitability as a foundation for taking long-term responsibility — both socially and in terms of resource efficiency. Sustainable business growth depends on consistently high product quality and reliable delivery performance.

By maintaining strong quality standards, we help ensure the efficient use of resources across the value chain. Preventive maintenance, process optimization, and continuous quality control reduce production waste, minimize defects and extend the lifespan of tools and machinery. High product quality also supports our customers by minimizing disruptions in their production, contributing to greater overall efficiency.

In contrast, defective parts may lead to increased waste and, in the worst case, scrapping at the end-customer level. That's why delivery accuracy and the rate of internal and external complaints are key performance indicators for Modulpac, monitored and followed up monthly to support continuous improvement.

Responsible sourcing

Our suppliers play a key role in Modulpac's long-term success. We have established strong, long-standing relationships with many of them — built on trust & quality. While most of our raw materials are sourced through distributors, limiting our visibility into the upstream supply chain. We do not currently have a full overview of how many tiers our supply chain includes nor its complexity.

To ensure responsible practices throughout the chain, we rely on our Supplier Code of Conduct, which outlines our and our customers' requirements for climate-related and social aspects- for both our direct suppliers and their subcontractors.

Suppliers are re-evaluated annually according to Modulpac's purchasing procedures. Historically, audits have primarily focused on quality, but going forward, greater attention will be given to work environment, safety, and human rights. If a suspected non-compliance is identified in any of these areas, an on-site audit will be conducted.

In 2024, Modulpac introduced a new target to begin auditing selected suppliers based on sustainability criteria. These audits aim to better understand how far suppliers have come in their sustainability efforts and to map potential risks within the supply chain. This initiative strengthens our commitment to environmental and social responsibility, while promoting transparency and continuous improvement.

No cases of bribery or corruption were reported in 2024.



Competence development and retention of competence

Modulpac firmly believes that training strengthens competence. That's why we invest both time and resources in competence development at all levels of the organisation.

As part of our structured performance appraisal process, training is offered through a combination of internal programs and external courses, tailored to the needs of each role and individual. By fostering a learning culture, we not only strengthen individual competence but also increase engagement, innovation, and long-term retention within the company

14

Average hours of
training per employee

Social sustainability and occupational health and safety

At Modulpac, social sustainability means that our employees and temporary workers must have a safe and sound work environment, free from discrimination and biases, with the essential requirement to stay healthy in both body and mind.

Actions to prevent ill health and accidents at work and to achieve a satisfactory work environment are being performed. Modulpac does not accept any harassment, and our ambition is to be a fair and responsible employer, having a good mix of different skills, backgrounds and characteristics in terms of gender, age and culture.

Workplace safety is supported by our systematic work environment management, a dedicated safety committee, and regular workplace assessments. All employees are entitled to a wellness allowance, and we invest in both internal and external resources to ensure machine safety and fire protection. Together, we work for a good working climate where we make sure we get the right tools to succeed. The target is to have zero workplace accidents.

	2022	2023	2024
Reported events (incidents without injuries)	1	11	3
Long-term sick leave(all persons 4-13 days) *.	2	4	5
Short-term sick leave (number of days 1-3) *	94	60	62,5

* The data excludes temporary or contracted personnel.

83 024 hours was worked by Modulpac's own employees during the reporting year. This indicator is estimated using standard working hours, adjusted for paid leave such as vacation, public holidays, and sick leave.

Environmental sustainability and responsible use of resources

Plastic is a prerequisite for a sustainable society. High-quality closures and packaging impact the shelf life of a product, which in turn reduces waste and contributes to reduced greenhouse gas emissions.

Modulpac's direct emissions are at a very low level. While most of our greenhouse gas emissions occur in our value chain, there are things we can control and/or influence:

- The development of recyclable packaging
- Product weight
- The development of packaging that is efficient to produce
- Optimisation of packaging methods
- The number of sustainable materials we can offer to our customer
- Production efficiency and energy consumption
- The proportion of assembly work that takes place in-house or in our immediate area
- Optimisation of transports
- Responsible management of chemicals

Sustainability in action

Biodiversity is essential for a healthy and balanced ecosystem. Pollinators like bees play a crucial role in food production and maintaining natural habitats. Bee populations worldwide are declining due to factors such as climate change and increasingly industrialized agriculture, which alters their natural habitats. Modulpac has installed a beehive with 30 000 bees at our Western factory. By providing a safe habitat for bees, we contribute to the preservation of vital pollinators.

DIRECT EMISSIONS (SCOPE 1)

In 2024, Modulpac's direct greenhouse gas emissions (Scope 1) amounted to 7.1 tonnes of CO₂e. These emissions stem solely from the use of our two shared company vehicles, primarily used for transport between our production sites and visits to nearby suppliers. Since there were no reported refrigerant leaks during the year, other operational emissions to air were negligible.

Refrigerants and cooling systems

Both of Modulpac's production facilities are equipped with modern, energy-efficient cooling systems used for comfort cooling and process water. To further reduce energy consumption, both sites are connected to free cooling systems, allowing us to lower temperatures without the need for mechanical refrigeration when outdoor conditions permit. Additionally, we recover return water from our processes to heat our premises, contributing to reduced energy use.

Scope 1	Direct emissions (diesel, petrol)	7,1 ton	CO ₂ e
	Leakage of refrigerants	0 ton	CO ₂ e
Scope 2	Indirect energy consumption	248 ton	CO ₂ e

The calculations are based on documented emission factors from ei.se (Final Residual Mix for Sweden) and car manufacturers.

Sustainability in action

A successful climate strategy requires a shift toward sustainable energy. At our western site, we have installed a 7,000 m² solar panel system, which was commissioned in 2024.

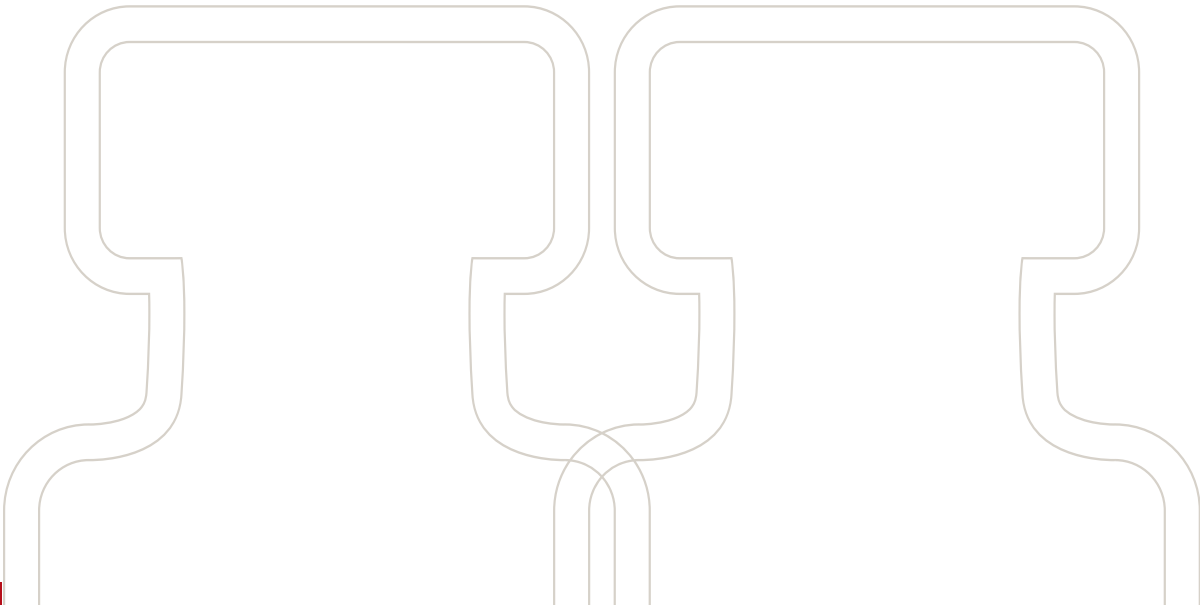
DIRECT EMISSIONS (SCOPE 3)

In 2024, we expanded our Scope 3 emissions calculations to include all material categories, thanks to an increased number of emissions reports provided by our suppliers. While some data remains based on estimates, this broader coverage gives us a more complete picture of our climate impact. Emissions from raw material purchases continue to represent the largest share of our total emissions — highlighting a key area for future reduction efforts.

Sustainability in action

-110kg CO₂

In 2024, Modulpac took a step toward increased efficiency and sustainability by digitalising manufacturing documents. This initiative eliminated the need for paper-based production instructions and saved at least 17,000 sheets of paper during the year—contributing to both reduced waste and streamlined operations.



CO₂ emissions by category

3.1 Purchased good & services	Raw material	77%
	Packaging consumables	3%
3.2 Capital goods		11%
3.3 Fuel- & energy-related activities		5%
3.4 Upstream transport- and distribution	Transportation of materials to Modulpac	2%
3.5 Waste generated in operations	Paper, Combustible waste	
	Corrugated cardboard	
	Metal, Hazardous waste, plastic films	
	Waste water treatment	0,04%
3.6 Business travel	Emissions from car travel, flights, hotel	0,4%
3.7 Employee commuting	Emissions from car travel (fuel)	1%
3.8 Upstream leased assets	Not material	
3.9 Downstream transport - and distribution	WTW	1%
3.10 Processing od sold product	Not material	
3.11 Use of sold products	Not material	
3.12 End-of-life treatment of sold products	Waste treatment plastic household packaging	0,3%
3.13 Downstream teased assets	Not material	
3.14 Franchise	Not material	
3.15 Investments	No data	

	2023	2024
Turnover (in million SEK)	257	288
Carbon mission per turnover (1 t CO ₂ e/1 million SEK)	23,6	22,6

Sustainability in action

When furnish one new conference room, Modulpac chose reused furniture. This sustainable choice helped us avoid the environmental impact of producing new items and resulted in a carbon saving of approximately 32 kg CO₂.

Materials

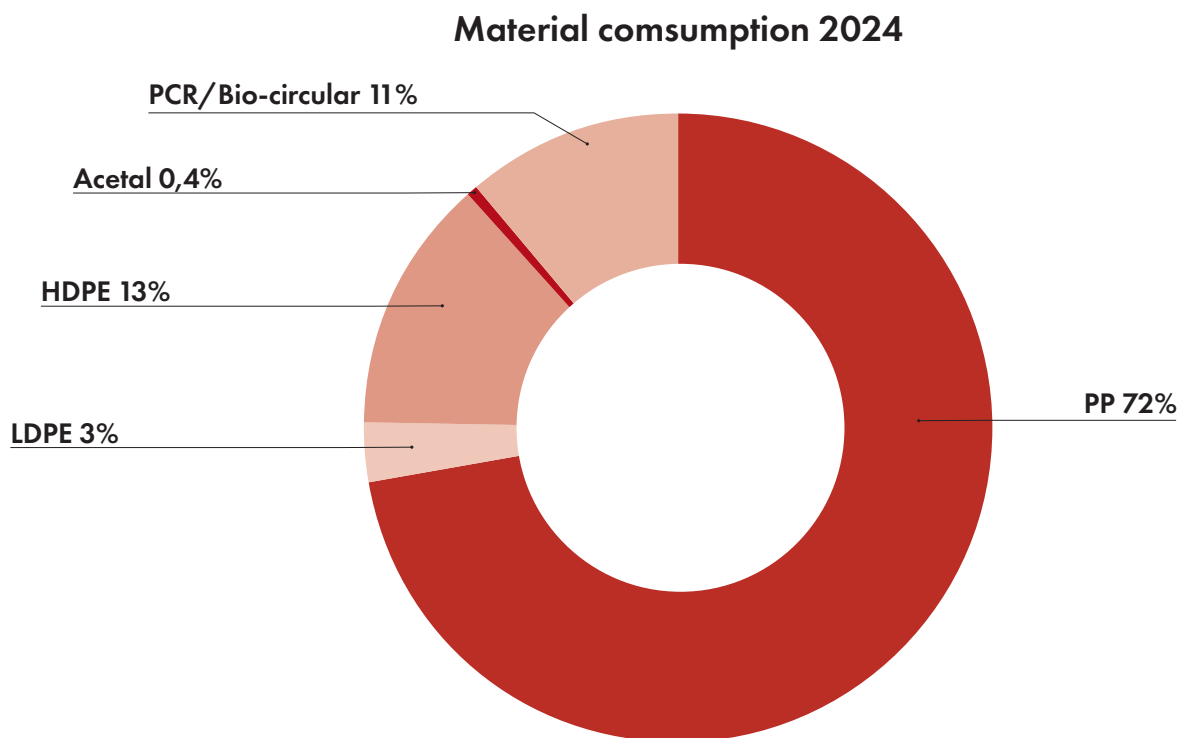
Material selection plays a key role in reducing our environmental impact. However, all materials must first and foremost meet strict requirements for product safety and functionality — at a reasonable cost. Ensuring that the packaging performs reliably in its intended application remains a top priority in all material-related decisions.

While we currently produce parts using bio-circular and post-consumer recycled (PCR) materials, the majority of materials purchased are still fossil-based PP and PE. Recognising this challenge, Modulpac has taken a proactive role in working with new and existing suppliers to develop and test more sustainable material options.

These efforts led to a measurable increase in the use of bio-circular and PCR materials by 5% during 2024. Notably, we also expanded the use of NIR-detectable black masterbatches, which improve recyclability compared to traditional carbon black pigments.

As an ISCC+ certified company, Modulpac is well-positioned to source bio-circular raw materials in compliance with the globally recognised sustainability standard.

Material choices are made in close collaboration with our customers, as Modulpac cannot make these decisions independently. We also rely on our suppliers' ability to supply sustainable and high-quality material alternatives.



CHALLENGES – PLASTIC IN A CIRCULAR CONTEXT

Plastic is a widely used and essential material in modern society. It plays a key role in everything from medical devices and telecommunications to energy distribution and transport. Despite its many benefits, plastic often receives negative attention in the media — most of which focuses on littering. One of the key challenges is to shift the conversation: the issue lies not with the material itself, but with how we handle it. Behavioural change and improved waste management are essential.

Another significant challenge is the limited availability of recycled materials approved for food contact and pharmaceutical or medical use. The reason lies in the complexity of plastic waste streams, which often consist of mixed materials and may contain harmful substances. The Swedish environmental protection agency has assessed in their report 7171, that there is a lack of capacity for material recycling of plastics in Sweden and recycling takes place mainly in other EU countries. To increase material recycling, the amount of plastic waste collected needs to increase and the quality improve.

Today's mechanical recycling methods need to be complemented by other techniques. For instance, chemical recycling, a process that breaks plastics down into their original building blocks—returning them to virgin-like quality. These materials can then be safely used in demanding applications, such as food packaging and medical devices.

Globally, a large proportion of post-consumer plastic waste still ends up in landfills or is incinerated, indicating a clear opportunity for improvement. To build a circular plastics economy, a combination of recycling technologies and closed-loop systems is needed. A closed loop means the material is recycled back into the same application. One example is Modulpac's Closure2Closure project, where new caps are manufactured using PCR (post-consumer recycled) material sourced from used plastic caps.

Upcoming Legislation – Adapting to the New EU Packaging Rules (PPWR)

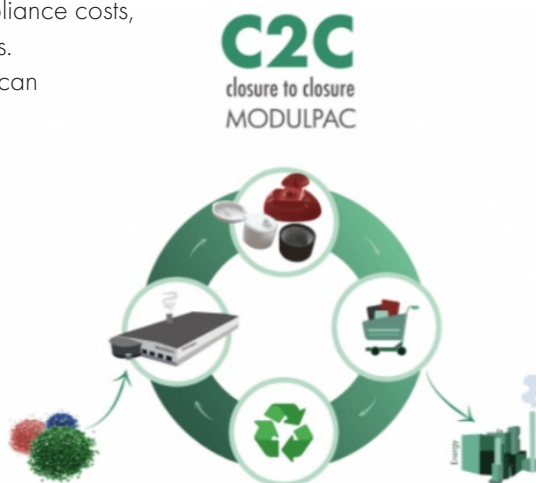
The packaging industry is facing significant changes with the introduction of the EU's new Packaging and Packaging Waste Regulation (PPWR). This legislation aims to reduce packaging waste, promote reuse and recycling, and improve the overall circularity of packaging within the EU.

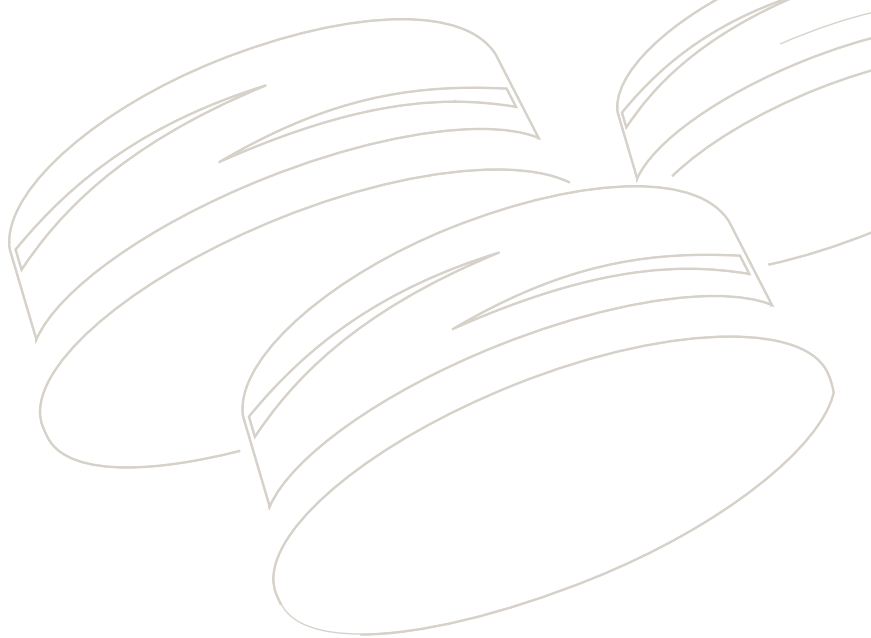
For the plastics and food-contact packaging industry, PPWR presents both challenges and opportunities. Stricter requirements on recyclability, the use of recycled content, and material reduction will demand innovation, material transparency, and close collaboration across the supply chain.

Key risks include regulatory uncertainty, increased compliance costs, and limited availability of food-grade recycled materials.

At the same time, opportunities arise for companies that can deliver high-performing, mono-material, and recyclable solutions that meet food safety standards.

Modulpac is actively following the development of PPWR and is preparing to adapt its product portfolio and processes to meet the new legal framework — supporting both our customers and the broader shift toward circular packaging solutions.





PRODUCT SAFETY

Product Safety – Protecting People and the Planet

At Modulpac, product safety is a top priority. Through quality control, internal inspections, and accredited external testing, we ensure full compliance with legal and industry-specific requirements across all segments we serve. This includes testing for organoleptic properties and migration of substances from packaging material, verification of child-resistant closures, and maintaining valid UN certifications for hazardous goods packaging.

Our packaging and closures are subject to numerous regulations. To ensure we remain compliant and up to date, we use a web-based legal monitoring system that allows us to track and interpret changes in applicable legislation globally.

Our aim is clear: our products must never pose a risk to people or the environment.

Sustainability in action

We are proud to introduce our new tethered cap, 38PVRT – a solution designed to fit most standard bottles on the market. This cap has been developed in compliance with the EU Single-Use Plastics Directive (2019/904), which came into effect in July 2024.

A tethered cap is a closure that remains attached to the bottle or container after opening, helping to reduce litter and support more effective recycling.



Today, our cleanroom facility — relocated to the western plant—is validated to ISO Class 8. Modulpac currently manufactures CE-marked medical devices in this strictly controlled environment.

Plastic plays a crucial role in medtech/pharma technology due to its versatility, sterilisation compatibility, and resistance to moisture, odour and contamination. Without plastic, many life-saving procedures and products simply wouldn't be possible. Today, we are also exploring sustainable plastic alternatives.



HALVED FOOD WASTE IN THE WORLD

The UN's target to halve global food waste by 2030 highlights the importance of efficient food packaging. Plastic packaging is currently the most effective material for this purpose and more than half of all goods in Europe are packaged in plastic. Plastic packaging is offering 'a unique combination of properties'. Plastic packaging also reduces emissions during transportation. Despite this, roughly 20% of all food intended for consumers is wasted at the retail, hospitality, and household levels.

Many of Modulpac's closures and packaging solutions are delivered to the food industry, where quality and functionality help protect contents and support reduced waste.

RESPONSIBLE MANAGEMENT OF CHEMICALS, WASTE AND WATER

Environmental compliance is fundamental to our responsible operations. In 2024, no fines or penalties were issued to Modulpac for environmental violations.

We manage our chemical use through an external chemical control system that ensures all approved chemicals are tracked, documented with safety data sheets, and evaluated for potential substitution.

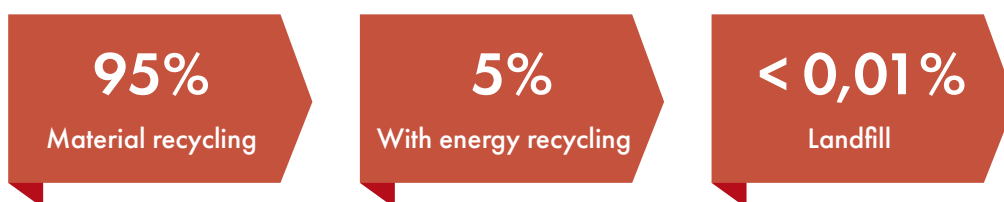
All hazardous waste is safely handled to minimise environmental risks. This includes correct labelling and storage in dedicated, separated areas.



	Total waste generated (tonne)	Hazardous waste
2023	178	6%
2024	161	14%

To prevent pollution and protect surrounding ecosystems, we regularly inspect both indoor and outdoor environments. Our facilities are designed without floor drains, and outdoor wells are equipped with strainers to prevent plastic granules from escaping. Our emergency procedures include absorbent barriers and sealing equipment, ensuring fast response in case of spills. Any deviations are temporary and are considered to have minimal environmental impact.

Hazardous Waste



Sustainability in action

Last year, we donated benches to the Bergastigen nature trail, which were well received and appreciated. Building on that, Modulpac donated a picnic table that will be placed along the same trail. With this latest addition, Bergastigen will now have three resting spots, offering visitors a chance to take a break, enjoy the surroundings, or have a classic Swedish fika outdoors.

Modulpac also donated to Åbrinken's retirement home, with the hope to spread a little extra joy. Given the current economic challenges facing local municipalities, we want to support our seniors—who have contributed so much throughout their lives. Our contribution will help fund christmas presents and a pizza night for the residents.

At Modulpac, we believe in supporting the community we are part of. Our goal is to help make Lagan a place where people feel proud to live—and where small actions can make a meaningful difference.



Modulpac

modulpac.se