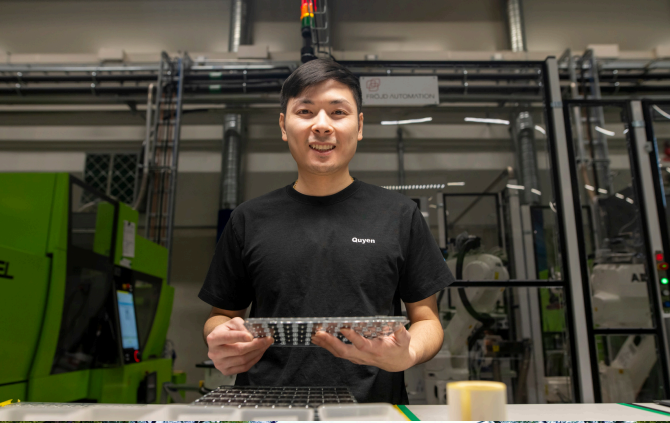




# Sustainability Report

## 2024



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# About Liljas Plast Group

Liljas Plast Group consists of Liljas Plast AB, Polymed Hygienic AB, Polymega i Lagan AB, Bobe Plast AB and Liljas Plastic Suzhou Ltd, where Liljas Plast is the parent company. The companies' different strengths and skills make Liljas Plastic Group a complete contract manufacturer of high-quality and customized products. We are five different companies that share the same core values.

Our group of companies produces advanced components for industry with a main focus on injection molding of technical molded goods and plastic parts in high-performance thermoplastics, silicone and rubber. The vision is to always be at the forefront of technology and to be a key player when new technologies and materials are introduced to the market. The concept is to work with high-performance technical materials and to be our customers' extended development department. Our goal is to always maintain a high level of service with fast decision-making processes and efficient production. Today we deliver to both small and large companies all over the world.

This sustainability report concerns Liljas Plast AB, Polymed Hygienic AB, Polymega i Lagan AB and Bobe Plast AB. In this year's report, we have also included Liljas Plastic Suzhou Ltd in China for the first time.



*Our owners Emil, Kjell and Frida Granstrand and our CEO Peter Johansson*

## Briefly about our history

**Liljas Plast was founded in 1964 as a privately owned family company and still is today.** We have our origins in the Gnosjö region, which is characterized by its cooperation, commitment and ability to take on challenges – an attitude known as the Gnosjö spirit. We apply the approach to all companies within the group. Liljas Plast Group takes responsibility for the future of all of us by putting sustainability in focus. We want to create an attractive workplace that is profitable and robust over time, that's sustainability for us.

# Governance

**Our board and management have the ultimate responsibility for this sustainability report. The daily work is led by our sustainability manager Madeleine Johansson and carried out by a sustainability group.**



The sustainability work in the Chinese operations is led by their HR manager with team who reports to Madeleine. During the years 2022 to 2024, the group has hired consultants from Aspia AB to, through workshops in environmental and social sustainability, increase knowledge of sustainability among employees, assess essential areas and determine short- and long-term goals. We use the management system Pureact, which aims to streamline and facilitate target follow-up within sustainability work. We are not subject to any formal requirements for sustainability reporting, but we have chosen to draw up a voluntary sustainability report that reflects our work, as our customers and other stakeholders and customers increasingly demand such information. We are certified according to ISO 14001:2015 and ISO 9001:2015, which ensures good planning, execution and follow-up of our environmental work. Our operations in China are also IATF certified, which is an important step in ensuring high quality for the automotive industry.

Liljas Plast Group has the following policies and governing documents: Quality and environmental policy, Work environment policy, Anti-corruption policy, Fire protection policy, Discrimination policy, IT policy, Policy against child labour, Alcohol and drug policy and a Code of Conduct for employees and suppliers, which aim to ensure regulatory compliance and consistent management. Our policies are revised annually and form an important part of the introduction of new employees.



# A few words from our CEOs

**The year 2024 has been marked by geopolitical unrest and an uncertain global economy, while climate change has remained high on the agenda. Despite these challenges, we have continued to work with undiminished commitment and continued to drive our sustainability work forward.**

For Liljas Plast Group, working with sustainability is a natural part of the business. We want to involve all of our stakeholders by being clear and transparent in our sustainability reporting. We are convinced that close cooperation with our customers, suppliers, employees and other stakeholders is a prerequisite for long-term and effective sustainability work. This year we are pleased to welcome our Chinese operations in the sustainability report and look forward to a close collaboration in the area of sustainability.

In 2024, we have focused on implementing efforts to reduce our climate footprint and recycling production waste. We have also continued our work to promote good health among employees through health competitions, joint exercise opportunities and a dedicated health week. We are working to become better in the area of sustainability and it is important for us to take the issue very seriously. We therefore strive to constantly, in close cooperation with our customers, develop our products to reduce our greenhouse gas emissions. In order for us to continue to strengthen our sustainability work going forward, we believe that these aspects create good conditions for Liljas Plast Group.

In 2025, work will begin on the expansion of the production area and offices, and we look forward to seeing the business grow.

**Peter Johansson, CEO Liljas Plast Group**

*Joakim Larsson (left) och Peter Johansson (right)*



**At Liljas Plastic Suzhou, we specialize in high-tech industrial components, we are particularly strong in the automotive industry and the telecom sector. The core competence of Liljas Plastic lies in injection molding of technical articles from small details up to very large articles, as we work in the segment from 50t to 2000t. I have had the privilege of working at Liljas Plastic for a little more than a year, but the business itself has been running since 2005. We are proud to now be included in Liljas Plast Group's sustainability report for the first time.**

Our sustainability work is continuously developing, and we have come a long way. We have already carried out a climate assessment and established a sustainability plan that aligns with Liljas Plast Group. Today, there is still no official requirement for our Chinese operations to work with sustainability reporting, but since Liljas Plast Group wants to be at the forefront, this work already began in the middle of 2023. We have also installed solar cells at our factory, replaced compressors and installed new heat pipes on machines to reduce our energy consumption. We are actively working with our customers to transition to materials with a smaller climate footprint and to shift transport to more environmentally friendly alternatives. I believe that today, we are a strong and competent supplier to our customers, both locally and for export.

In 2025, we will continue to focus on reducing even more in Scope 3 and work even more closely with our customers to actively replace existing materials with materials with a smaller climate footprint. Several projects are already underway with strategic customers.

Future challenges lie in how China will generally shift more towards renewable energy, where work is ongoing and developing rapidly. How will the world solve its long-haul transports in the future? Here I look forward with anticipation to new types and ships that will reduce the climate footprint over time.

Through our efforts, we strive not only to meet our customers' high demands for quality and functionality, but also to take responsibility for a sustainable future. We are aware of the challenges we face and look forward to continuing to develop and strengthen our sustainability work together with our employees, customers and partners.

**Joakim Larsson, CEO Liljas Plastic**

# Our priorities

**Defining materiality areas is the first step in sustainability work. They create the conditions for effective work that generate the greatest possible positive change.**

We have based our materiality analysis on the possibilities of contributing to the UN's 17 global goals for sustainable development. In the assessment, the starting points have been industry and geographical location. Consideration has also been given to the expectations of our most important stakeholders. During the year 2022, we conducted an industry study to identify which sustainability areas are most relevant. In 2023, we sent out a survey to the employees to investigate which areas they think we should prioritize. Based on these analyses, we have decided to prioritize three materiality areas/global goals.

## Stakeholder analysis

Stakeholders	Dialogues	Priority areas
Customers	<ul style="list-style-type: none"> <li>• Web pages</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Reducing greenhouse gas emissions</li> <li>• Sustainable transport</li> <li>• Resource efficiency</li> <li>• Responsible waste management</li> <li>• Responsible management of chemicals</li> <li>• Combating discrimination</li> <li>• Good working conditions</li> <li>• Combating corruption</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Combating discrimination</li> <li>• Good working conditions</li> <li>• Economic growth</li> <li>• Innovation</li> <li>• Technical development</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Web pages</li> <li>• E-mail and telephone</li> </ul>	<ul style="list-style-type: none"> <li>• Climate adaptation</li> <li>• Sustainable energy</li> <li>• Good working conditions</li> </ul>
Financiers	<ul style="list-style-type: none"> <li>• E-mail</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce greenhouse gas emissions</li> </ul>
Municipalities	<ul style="list-style-type: none"> <li>• Web pages</li> </ul>	<ul style="list-style-type: none"> <li>• Preventing pollution</li> <li>• Resource efficiency</li> <li>• Good working conditions</li> </ul>





## Materiality areas

### Goal 8. Decent work and economic growth

The goal is about promoting lasting economic growth that does not come at the expense of social and environmental aspects. The skills and commitment of our employees are a great asset to Liljas Plast Group.

During 2024, the operations in China have contributed to achieving goal 8 through activities for the employees, secured personal protective equipment and e-bike helmets for the employees, carried out an annual health examination and offered training in sustainability both externally and internally.

### Goal 9. Industry, innovation and infrastructure

The goal is to build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation and a sustainable business sector. Since Liljas Plast Group is focused on the production of high-tech components for industry, we have high demands on quality and manufacturing processes that take place according to the zero-defect principle. Our Chinese operations contribute to the goal by making equipment more energy efficient and that they have invested in solar cells.

### Goal 12. Responsible consumption and production

The goal is to ensure sustainable consumption and production patterns through responsible waste management and resource efficiency. Hence, we strive to make our use of resources more efficient.

# Our sustainability work

**For Liljas Plast Group, sustainability is a prioritized area that is gaining increasing importance within the organization. As a result of solid work according to long-term sustainability goals, the management system PureAct, and competence-enhancing efforts, we see clear progress in our sustainability work. However, we continue to expand our responsibility and develop to contribute to a sustainable future where the possibilities of plastic are taken advantage of.**

During the year 2024, we have made the following concrete efforts:

- Established a car policy that requires all company cars to at least be hybrid cars.
- Installed charging posts for electric cars at all Swedish companies.
- We have carried out an air leakage search for all companies during 2024. The estimated reduced climate footprint is 1.7 Tonnes of CO<sub>2</sub>e per year.
- Continued health week and health competition.
- Continued joint exercise breaks for all employees, which is held twice a day.
- A new collaboration was initiated for the recycling of production waste. The recycling is located in Sweden instead of outside Sweden's borders and thus reduces our carbon dioxide emissions through shorter transport distances.
- The Chinese operation has installed solar cells on their properties.
- We strengthened our efforts to ensure that customers choose climate-smart materials and tools to minimize production waste.
- We switched to using only renewable energy for all our units' electricity contracts.
- We strengthened the organization by appointing a new sales and marketing manager, who is further integrating sustainability aspects into the sales team's work. In September 2024, we also welcomed a new HR manager.



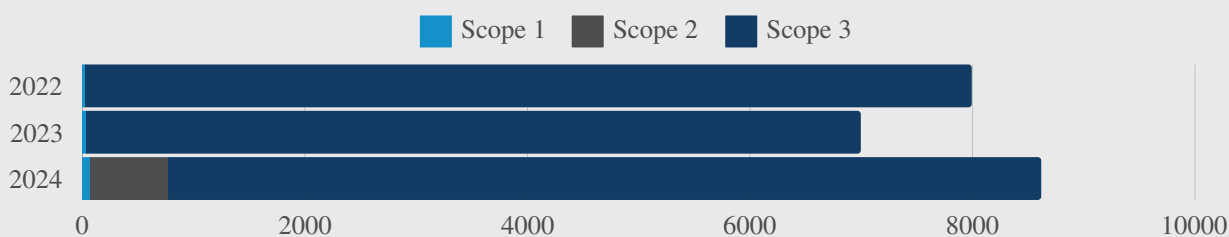
# Environmental sustainability

Our production requires both energy and water use, and we use many different types of materials. In order to reduce our environmental impact, we measure and monitor relevant key figures that are linked to our priority areas within sustainable consumption, production and industry.

## Total climate footprint based on the GHG protocol

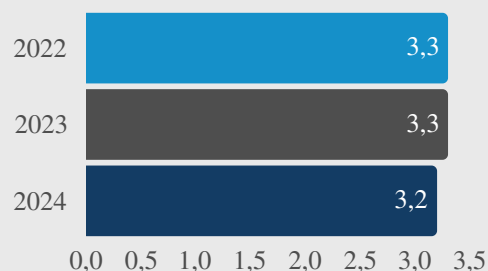
We calculate our climate footprint based on the global standard Greenhouse Gas Protocol (GHG protocol). The climate footprint is measured in carbon dioxide equivalents (CO<sub>2</sub>e) and the calculation includes all companies in the Liljas Plast Group. For the Swedish companies, there has been a decrease of 8 percent compared to the base year 2022. In terms of turnover, absolute emissions have decreased by 20 percent per million turnover. In 2024, Liljas Plastic was included for the first time in the sustainability report and in the climate calculation, hence an increase in total emissions and per scope in the climate calculation for 2024. During the year, the quality has also improved for most data points since 2022.

The largest part of our climate footprint is in Scope 3 (indirect emissions) where our purchases of plastics are the largest emissions driver. Together with our customers, we work actively to select materials with the least possible environmental impact, which at the same time maintain the quality and have the properties required for the final product.



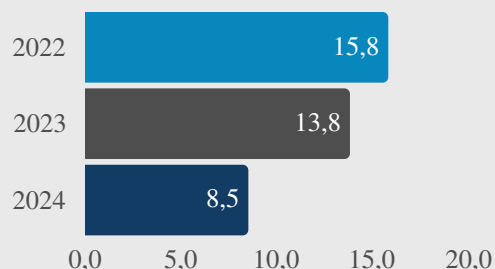
## Total energy consumption (kWh) of consumed material in kg

The diagram shows the total energy consumption. Our production is energy-intensive, and consumption is controlled by how much we produce and sell. Today, all our Swedish companies have electricity agreements with renewable energy. The statistics for 2022 and 2023 are updated compared to the previous year as we have now included calculations from Liljas Plastic.



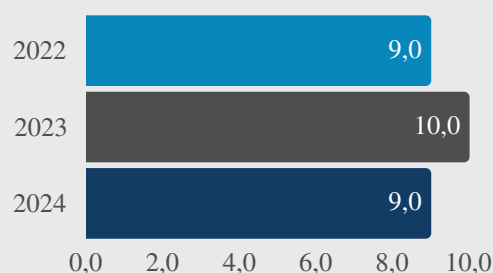
## Total water consumption (kbn) of consumed material in Tonnes

The diagram shows the total water consumption of used material. In production, some water is used, and therefore we measure our annual water consumption. In 2022, we had abnormally high-water consumption which was linked to a water leak. In the coming years, the plan is to install a closed cooling system to reduce water consumption. The statistics for 2022 and 2023 are updated compared to the previous year as we have now included calculations from Liljas Plastic.



## Proportion of combustible waste from used material

The diagram shows the proportion of combustible waste from spent material. In 2028, we must have reduced our amount of combustible waste by 30 percent with the reference year 2022. We calculate the percentage of combustible waste in relation to the amount of material consumed. During 2024, work has been underway to investigate how we can reduce our combustible waste by separating disposals from production and combustible waste. The work will continue in 2025. The statistics for 2022 and 2023 are updated compared to the previous year as we have now included calculations from Liljas Plastic.



# Sustainably produced skirting boards

**During the year, we collaborated with a customer in the plumbing sector who requested skirting boards for underfloor heating systems. We developed a prototype made of 100% recycled granules to reduce CO<sub>2</sub>e emissions.**

By using recycled granules, we have achieved a CO<sub>2</sub>e reduction of around 90% per kilo, which is a significant reduction compared to using newly produced material. Because the skirting board was cast into concrete, with no need for cosmetic adjustments, we were able to keep production costs down without compromising quality or functionality. We have chosen to hire Polykemi, a Swedish producer of recycled granules, to ensure that the quality of the material meets our requirements.

This product development is an important step in our sustainability work, where we develop existing products and use waste materials to reduce resource consumption. With our recently upgraded machinery, which has a lower energy consumption, we have strengthened our ability to deliver high-quality and climate-smart products.

It is through cooperation with our customers and suppliers that we can create a more sustainable future. Together, we can offer high-quality products based on recycled materials and contribute to reducing the climate footprint, while ensuring that our products meet all functional requirements. We look forward to continuing to develop innovative solutions based on waste materials, which not only contribute to reduced costs for us and our customers, but also to lower the overall carbon footprint.





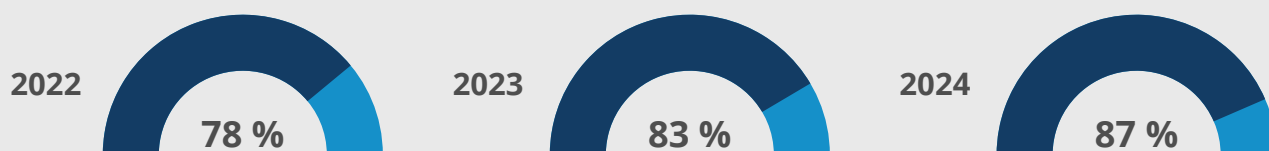
## Social sustainability

It is important to us that our employees work under good and safe conditions and that they feel well and enjoy their work. Liljas Plast Group strives for the fastest possible lead times with strict demands on precision and quality. This places high demands on routines and on the staff's knowledge. In our work, there can also be monotonous moments in production. From this, we also follow up the physical and psychosocial work environment through regular surveys.

We have a whistleblower function for both the Swedish and Chinese operations. This ensures that our employees and other external stakeholders can raise the alarm about irregularities, harassment, discrimination or other violations. The whistleblower function can be accessed via the website and ensures completely anonymous handling to protect individuals from reprisals. As of 2024, no incidents have been reported.

## Employee satisfaction

The charts show employee satisfaction in percentage. The statistics are based on an annual employee survey where each question can receive 1-4 points. The results are summed, and the average score is divided by the maximum score. The goal going forward is that employee satisfaction should continue to be at least 75 percent. We are proud that in 2024 we also managed to raise the already high percentage by 4 percentage points and see this as a result of the social initiatives we carried out during the year. The statistics for 2022 and 2023 are updated compared to the previous year as we have now included calculations from Liljas Plastic.



## Average working hours

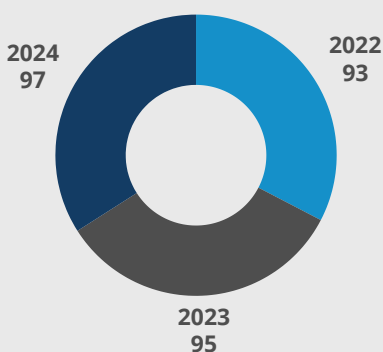
The statistics show the average value for average employment time. The statistics for 2022 and 2023 are updated compared to the previous year as we have now included calculations from Liljas Plastic.

2022 **4,9 years**    2023 **5,6 years**    2024 **6,3 years**

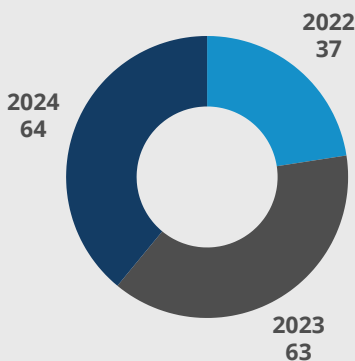
## Health attendance and the rate of utilization of healthcare subsidies

The diagrams show the percentage of healthy attendance and utilization rate of healthcare allowances among our employees. During the year, we increased the wellness allowance and encouraged our employees to use the allowance to a greater extent, which we see has yielded results. The goal was to increase the healthcare subsidy by 50 percent in 2024 with 2022 as the reference year, which we are proud to have succeeded in doing. The goal going forward is to maintain the utilization rate. The statistics do not include information from Liljas Plastic, as health attendance is not measured in our Chinese operations and no healthcare subsidies are offered there.

Health attendance %



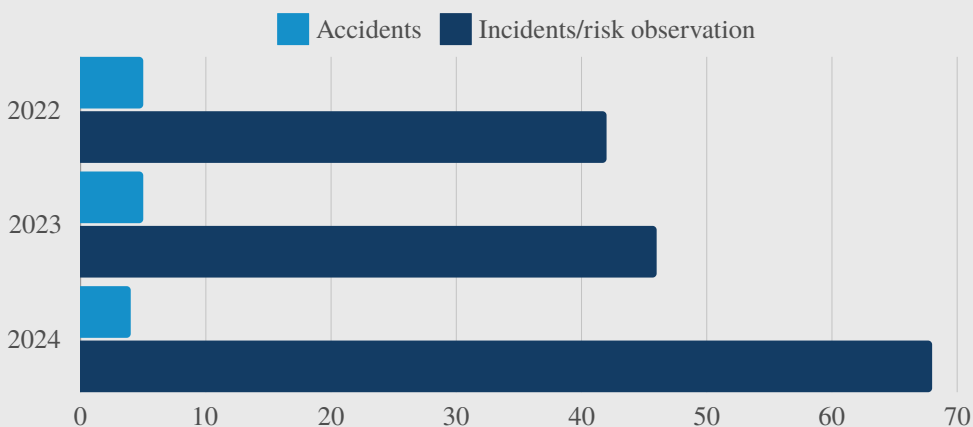
Utilization of healthcare subsidies





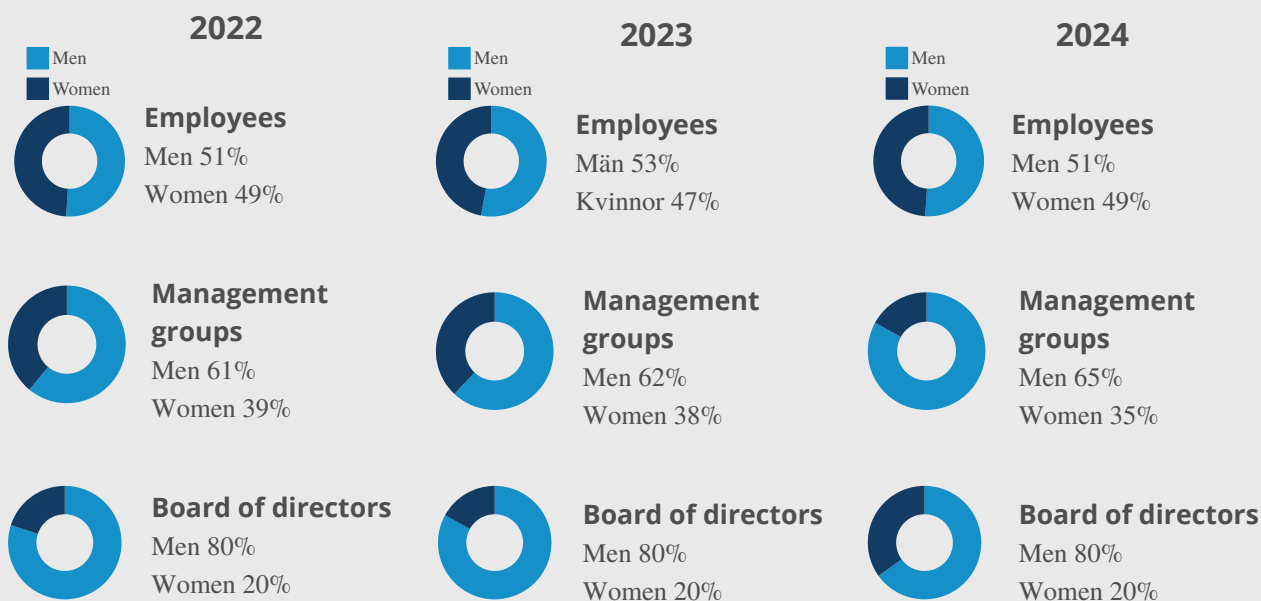
## Accidents and incidents/risk observation

The diagram shows the number of accidents and incidents/risk observations over two years. We encourage our staff to report incidents/risk observations and accidents. We see incidents/risk observations as an opportunity for improvement in our work environment, therefore we are satisfied that the diagram shows more incidents/risk observations than accidents per year. To minimize the risk of injuries and accidents, we have ongoing fire patrols, security patrols and risk assessments, among other things. The statistics for 2022 and 2023 are updated compared to the previous year as we have now included calculations from Liljas Plastic.



## Gender distribution

The diagrams show the number and proportion of women and men among employees, in the management team and on the board. The statistics for 2022 and 2023 are updated compared to the previous year as we have now included calculations from Liljas Plastic.



## Corporate activities

In our companies, we always try to celebrate good results, customer days and holidays together. During 2024, we have organized a lot of social activities which we believe have contributed to, among other things, increased employee satisfaction. Below we have put together a collage with a selection of some activities.





### **What is the best thing about working at Liljas Plast Group?**

Our unit always continues to improve, not only production and office environment, but also ways to reduce energy consumption, reduce emissions and improve production efficiency. Good leaders and management teams.

*Yvonne, Finance Manager, Liljas Plastic*



### **How do you experience your and your colleagues' interest in social and environmental issues?**

I feel that there is a growing awareness of environmental issues at Polymega. We work actively to reduce our waste and see how we can reuse some materials.

*Christoffer, Warehouse & Maintenance, Polymega*



### **What's an interesting thing you've learned recently about sustainability (in your role)?**

We had a course from the Polymercentrum on the web about plastics, where we also learned about the environment and sustainability.

*Heidi, Operator/installer, Bobe Plast*



### **What exciting opportunities do you see within Liljas Plast Group in the next 5 years linked to sustainability?**

We must get better at recycling for disposal, by reusing materials in our own processes and by recycling so that someone else can produce new ones from our waste.

*Mathias, Production Manager, Liljas Plast*



# Community involvement

We as a company and our employees are part of society at large. Therefore, we make sure to promote and sponsor several different local associations and sports activities. Every year we participate in a collaboration with our municipalities and local technical high school in what is called Industrinatten. This means that students in year 8 can visit different companies in the municipality with the aim of creating interest in the industry and the upper secondary school programs on offer. In addition to school classes, we also annually receive other types of visitors such as associations, municipalities and banks to show how we work.

During 2024, we welcomed pensioners for tours of our factories and were visited by Jacob Wallenberg and our governor Brittis Benzler, who were curious about how we work with sustainability. We have also had the pleasure of welcoming interns from upper secondary school.

In 2024, BoBe Plast AB sponsored the "Pepe's cup", which is a soccer cup for children. The whole community comes together and organizes the cup, which is very much appreciated. During the year, we produced frisbees to be used in a newly opened frisbee golf arena. During 2024, our Chinese operation has organized fruit picking for employees with the aim of supporting farmers.

# Haga värdshus

**A hundred years ago, Hillerstorp, Gnosjö, was characterized by hard times with hard-to-use land and scarce resources. Many were forced to pack their bags and seek happiness on the other side of the Atlantic. Those who remained fought hard to make ends meet. This is where the Gnosjö spirit grew - a spirit of perseverance, helpfulness and the courage to do things together.**

Today, around 2,000 people live in Hillerstorp and it has become an important place for Swedish industry. Professional experts from different areas visit Hillerstorp to work. An important resource in Hillerstorp is therefore Haga Vårdshus, where everyone, regardless of role, official or collective employee, can meet over a good meal and quiet time. Over the years, Haga Vårdshus has been a valued and necessary place for Hillerstorp that contributes to well-being and cohesion, but the years have also left their mark. The inn needs extensive renovation to remain functional and meet the needs that exist. To develop Haga Vårdshus, the co-owning companies in Hillerstorp joined forces. The companies have invested around SEK 16 million to equip and improve the location that means so much to Hillerstorp. The project is planned to be completed in the spring of 2025.

Liljas Plast Group has taken a financial role in the project. The investment is not only seen as a financial contribution, but also as an opportunity to build on the local sense of belonging and create a sustainable meeting place for employees and visitors. The project itself has a major impact, both for Liljas Plast Group and for society at large. The inn, for example, is an important feature for visitors. One hundred years later, the project with the Haga inn is thus another chapter in the story of the Gnosjö spirit, a reminder that cooperation can make the impossible possible. Through the investment, we want to pass on this spirit to new generations and employees, regardless of whether they come from Hillerstorp or from outside. For our employees, the project provides a sense of belonging and pride in the fact that our employer is investing in the future of society. It also contributes to building a long-term and sustainable workplace where everyone feels involved in shaping positive development in the area.



# Objectives





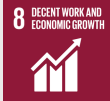
## Goals for 2025

**During 2024, we have continued our work in social sustainability and strengthened our environmental activities by focusing on recycling and more environmentally friendly materials. For 2025, we aim to develop our environmental contribution even more.**

In 2025, we plan to:

- Gradually replace all company cars with either hybrid or electric cars. The first electric car will be delivered in February.
- Carry out an extension for the production area of 3600 square meters for Liljas Plast in Hillerstorp. A 200 square meter office will also be built.
- Continue to invest in resource efficiency and investigate how we can reduce our combustible waste by separating disposals from production and combustible waste. Among other things, we will start cooperation with actors who buy our production waste.
- We will change from an oil boiler on one of our units and instead drill for geothermal heating and install a closed cooling system for water. This means that we completely leave fossil fuels for heating and reduce our water consumption.
- We will continue the work of sending out our code of conduct for approval by our suppliers. This work began in 2022 for our main suppliers and will continue down the supply chain.

# Long-term goals

Long-term goal	Initiatives/ actions	Performance indicators	FN Sustainable development goals
By 2028, we must reduce our combustible waste by 30 percent compared to the amount of material used.	Improved delivery reliability  Reduced complaints	Proportion of combustible waste of consumed material (%)	 
By 2030, we aim to halve our carbon footprint, using 2022 as the reference year.	Improved delivery reliability  Reduced complaints  Reduced energy consumption	Complete carbon footprint  Total energy consumption (kWh) per consumed material in kg  Total water consumption (cubic meters) per consumed material in tons	 
The goal moving forward is for employee satisfaction to remain at least 75 percent.	Benefits  Health-promoting activities  Company activities	Employee satisfaction (%)  Average value for average working hours (years)	

# Risk analysis

<b>Risk</b>	<b>Description</b>	<b>Probability / Consequence</b>	<b>Management</b>
Climate change	Greenhouse gas emissions. Plastic is a better alternative compared to other materials and manufacturing types, but we are aware of our impact.	Medium/Medium	Complete carbon calculation of the business group and actively working to reduce our footprint through resource efficiency, as well as close dialogue with customers and suppliers to find the best solutions.
Dependency on crude oil in plastics	Crude oil is a fossil natural resource and is therefore a limited asset.	Medium/High	Reuse as much material as possible, reduce internal waste, and encourage customers to choose recycled/environmentally friendly materials and resource-efficient design.
Physical and mental workplace deficiencies	High workload, repetitive tasks, working alone, heavy lifting, and night shifts can lead to work-related injuries.	Low/Medium	Prevention: Job rotation, wellness allowance, safety procedures, protective equipment, occupational health services, mandatory medical examinations for night workers, ergonomics training, lone worker alarms, break exercises. Accidents and incidents are measured. In case of deficiencies: Collective agreement with pension, accident, and health insurance.
IT attacks	Nationally, security is not keeping pace with the same speed as technological development. A functioning and secure IT system is a prerequisite for the operation to function.	Medium/High	IT provider that secures our IT environment and expertise within the group. Contingency plan available in case of attacks. Ongoing IT security training provided by the IT supplier.
Slow progress towards set environmental goals	Costs for transitioning to sustainable products/services. Too high costs for sustainable choices, both internally and externally.	High/Medium	Strategic decisions regarding sustainable investments and choices. Maintain good communication with customers and suppliers





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