



ERTECO RUBBER & PLASTICS AB

SUSTAINABILITY REPORT 2024/2025





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ERTECO AND OUR SUSTAINABILITY WORK

1.1 Erteco and Our Sustainability Work

Erteco Rubber & Plastics AB ("Erteco") is a leading distributor of plastic materials and rubber raw materials in the Nordic market, with a presence also in the Baltic countries and Poland. We work with world-leading manufacturers to ensure that our customers always have access to materials of the highest quality – from bulk products such as natural rubber and commodity plastics to advanced engineering plastics. We strive to deliver sustainable and innovative solutions that meet both our customers' needs and society's growing demands for environmental responsibility.

As an entrepreneur-driven, privately owned company with a long-term perspective, we take an active responsibility for developing the Nordic polymer industry. We value close and long-term relationships with customers, end users, and suppliers. We see personal service and availability as crucial to creating real value.

Our responsibility extends far beyond distribution. We work purposefully to drive technical development and innovation that contributes to our customers' development and competitiveness – with knowledge and expertise all the way from idea to finished product. This work is carried out with a clear sustainability perspective.

1.2 CEO's Statement

This report clearly shows how we at Erteco assume responsibility for driving the development toward a more sustainable plastics and rubber industry.

Every year we take a significant step forward in our sustainability work and strengthen our position as the leading distributor of plastics and rubber in the Nordic region.

This year's report is inspired by the CSRD framework and ESRS and is therefore aligned with market and customer requirements. A double materiality assessment has been carried out, as well as a refined climate statement with improved data quality, which significantly increases the reliability of our reporting.

A wide range of measures have been implemented during the year, resulting in reduced emissions per product and increased awareness among our suppliers, customers, and employees. Our organization is structured to manage sustainability issues in terms of responsibility, information, and governance.

At Erteco, our employees and their knowledge are our most valuable resource. We safeguard our long-term perspective and strong culture, and we have top scores in employee satisfaction.

I am proud of the progress we have made and look forward to taking the next steps together toward achieving our goals.

Niklas Lindberg, CEO

We are certified according to ISO 9001 and ISO 14001. We are also certified according to ISCC PLUS, which enables the sale of bio-based and recycled materials under the mass balance principle. The ISCC PLUS mass balance principle allows certified and non-certified raw materials to be physically mixed, while the certified share in the final product must be traceable and accounted for. Through training, material guides and close dialogue with both customers and suppliers, we work to increase the proportion of sustainable material choices every year. We see it as our responsibility to drive the transition toward more circular and resource-efficient use of plastics, and we set high requirements on documentation and transparency throughout the supply chain. Our sustainability work is assessed by EcoVadis, which in the previous financial year awarded us the rating Committed. During the year we have worked intensively to improve our score and are now awaiting the new assessment in the fall/winter of 2025.

Our ambition is to be the most sustainable supplier of rubber and plastics. Through our expertise, our commitment and strong partnerships, we create solutions that make a difference – both today and for the future.



1.3 About This Sustainability Report

This sustainability report is designed to provide a transparent and up-to-date picture of Erteco's work and progress within sustainability. The report is inspired by the principles of the CSRD framework and ESRS standards and is aligned with market and customer requirements. Climate data has been produced in accordance with the GHG Protocol, which ensures that our calculations are of high quality and comparable with international guidelines.

We strive to continuously improve our reporting and adapt to new legal requirements and expectations. During the year, we have deepened and strengthened our sustainability work by conducting a double materiality assessment with support from an external consultant. We closely monitor developments in legislation and directives and comply with them. Although Erteco is currently not required to report under CSRD due to the postponed rules, we have chosen to prepare for being covered by the framework. Therefore, we have further developed our processes and data, and this year's report is inspired by the principles of the framework. The report covers environmental, social, and economic

aspects of our operations. We present our targets, actions, and results in an open way and work actively to improve data quality and increase transparency throughout the reporting process. For the third consecutive year, we are improving our calculations for purchased plastic and rubber materials, and the volume is now 85 percent based on specific data (from our suppliers). Our ambition is that the report should serve as a tool for both internal development and external dialogue with customers, suppliers, and other stakeholders.

We see sustainability reporting as a central part of our responsibility and long-term business development. By following up and analyzing our results, we can identify areas for improvement and ensure that we contribute to sustainable development – for our customers, society, and the environment.

Since 2021, Erteco has assessed the extent to which we can contribute to the UN Sustainable Development Goals and identified five goals as the focus for our sustainability work.

UN Sustainable Development Goals

GOAL

7 Affordable and Clean Energy (Goal 7)

8 Decent Work and Economic Growth (Goal 8)

9 Industry, Innovation and Infrastructure (Goal 9)

12 Responsible Consumption and Production (Goal 12)

15 Life on Land (Goal 15)



These five goals have previously formed our materiality areas and focus for our sustainability work. In this year's report, we base our work on the results of our double materiality assessment, which means that we analyze both how our operations impact people and the environment (impact materiality) and how sustainability issues may affect our financial position, performance, and development (financial materiality).

The five global goals continue to be considered in our sustainability work, which we describe in summary form.

1.4 Strategy and Business Model

Our business model is to offer high-quality and innovative material solutions that support our customers' business and product development and meet their increasing requirements for environmental responsibility and circularity. We collaborate closely with suppliers to drive the development of more sustainable material choices and efficient processes. By investing in knowledge, digitalization, and partnerships, we strengthen our competitiveness and contribute to positive development for both the industry and society.

We see it as our responsibility to be proactive in the transition to a more sustainable industry. This means that we continually evaluate and develop our targets, actions, and results to ensure that we meet both internal and external expectations.

1.5 Our Value Chain and Stakeholders

Erteco's value chain covers the entire flow from extraction of raw materials to use and recycling of end products. We take an active responsibility for understanding and managing the impacts our business has on the environment, people, and society, both upstream, in our own operations, and downstream. Through a systematic analysis of our value chain, we identify both risks and opportunities and ensure that sustainability aspects are integrated at every stage.

We have identified our key stakeholders along the value chain: suppliers, subcontractors, employees, customers, end users, owners, the board, authorities, business partners, non-profit organizations, and society at large. We maintain ongoing dialogue with these groups to understand their needs, expectations, and the trends that affect our operations. This dialogue is crucial for our ability to develop relevant and responsible solutions.

UPSTREAM	OWN OPERATIONS	DOWNTREAM
Activities		
Extraction of raw materials (fossil and bio-based)	Sales/Marketing	Distribution/Transport
Procurement of raw materials	Management of supplier relationships	Use/processing of sold materials
Production of materials	Tech Center	Use of end products
Energy use at suppliers	Design	Waste generation and management
Purchase of indirect materials/services	Customer support	Recycling
Transport	Warehousing	
	Sustainability work	
	Governance and regulatory compliance	
	Business travel	
Key stakeholders		
Suppliers (transport, materials, energy companies, consultants, indirect materials)	Owners	Customer
Subcontractors (raw materials)	Board	End customers and end users
Employees at suppliers	Management	Society
Authorities	Employees	Non-profit organizations
	Consultants in various disciplines	Business partners (technical consultants, logistics partners, machine manufacturers)
	Warehouse partners	
	Trade unions	
	Authorities	
	The environment ("silent stakeholder")	Authorities



By working in a structured way with our value chain and stakeholders, we can identify and manage both risks and opportunities and thereby create long-term value for both the company and society at large. Our ambition is to be a transparent and responsible player that drives the development toward a more sustainable industry.

An open and structured dialogue with our stakeholders is a fundamental part of Erteco's sustainability work. We continuously identify and engage our key stakeholders along the entire value chain – from suppliers and subcontractors to employees, customers, end users, owners, the board, authorities, business partners, non-profit organizations, and society. By actively listening to their needs, expectations, and viewpoints, we ensure that our sustainability work is relevant, transparent, and creates long-term value.

Dialogue takes place through regular meetings, surveys, workshops, and ongoing communication. We strive to build trusted relationships in which stakeholders are given the opportunity to influence and contribute to the development of our operations. This dialogue is crucial for identifying material sustainability issues, risks, and opportunities and for prioritizing the right initiatives.

We document and analyze stakeholder feedback and integrate it into our materiality assessment, strategy, and business model. In this way, we ensure that our targets and actions are anchored in both internal and external expectations and that we comply with applicable legislation and international standards.

Stakeholder group	Form of dialogue	Purpose of the dialogue	Examples of questions/topics
Suppliers	Supplier meetings, surveys, contracts	Ensure sustainability requirements and transparency	Material choices, documentation, risks
Customers	Customer meetings, workshops, surveys	Understand needs and expectations and share knowledge	Product requirements, sustainability targets, innovation
Employees	Performance reviews, internal forums	Engagement, work environment, development	Working conditions, gender equality, training
Owners and Board	Board meetings, reporting	Strategic governance and follow-up	Targets, results, risk management
Authorities	Consultations, reporting	Compliance with laws and regulations	Permits, reporting requirements
Non-profit organizations and society	Dialogue meetings, collaboration	Responsible business and impact	Environmental and social issues



1.6 Material Impacts and Financial Risks and Opportunities

The result of our materiality assessment clarifies which sustainability issues are most important to prioritize in our operations and governance. The assessment is carried out in accordance with the principles of double materiality, which also form the basis of CSRD. Double materiality means that we analyze both how our operations impact people, the environment, and society (impact materiality) and how sustainability factors may affect our financial position, results, development, and reputation (financial materiality).

Our analysis covers the entire value chain – from suppliers and production to use and recycling of end products. The Board has overall responsibility for sustainability work and the materiality assessment, and the work is carried out in close collaboration between management and the Head of Sustainability.

Method and process for the materiality assessment

The assessment is carried out in several steps:

Identification of material issues

Through workshops and dialogues with internal and external stakeholders, we identify the sustainability topics that are most relevant to Erteco. These include environmental, social, and governance-related aspects such as climate change, pollution, water and marine resources, biodiversity, circular economy, working conditions, human rights, and business ethics.

Analysis of impacts and risks

We assess both actual and potential positive and negative effects across the entire value chain – from suppliers and production to use and recycling of end products. Risks and opportunities are analyzed based on their impact on the environment, people, and the company's finances.

Stakeholder dialogue

Ongoing dialogue with customers, suppliers, employees, owners, authorities, and other key stakeholders ensures that the assessment is relevant and anchored in both internal and external expectations.

Validation and follow-up

The results of the materiality assessment are validated and followed up to ensure that we focus on the right areas and can adapt to changing requirements and expectations.



Results and prioritized areas

The table below presents our materiality assessment with an overview of material sustainability topics, their impact on people and the environment, and the related financial risks and opportunities.

Material Sustainability Topics	Impact Materiality (the organization's impacts on people and the environment)	Financial Materiality (risks and opportunities for the organization, linked to its impacts and dependencies on people and the environment)
Climate change	Climate-related emissions upstream from raw material extraction and energy use in material production, transport, emissions from our own operations such as business travel, indirect purchases, energy use, and downstream transport, use of sold materials and end products.	* Opportunity to offer recycled and bio-based materials and services/advisory to help customers reduce their climate impact. Risk that customers choose other suppliers with a more sustainable portfolio, and risk of reduced material availability due to market demand and climate-related legislation.
Pollution	Potential pollution of water, soil, and air from chemicals, PFAS and microplastics in material production.	* No material risks or opportunities identified.
Water and marine resources	Negative impact on water due to water use in the production of plastic materials (both fossil and bio-based).	* No material risks or opportunities identified.
Biodiversity and ecosystem services	Negative impact on biodiversity and ecosystems due to land use for cultivation of raw materials for bio-based materials (especially rubber) and extraction of fossil raw materials.	* No material risks or opportunities identified.
Circular economy	Positive impact by replacing plastics from virgin raw materials with recycled or bio-based materials and by helping customers replace metal with plastic in certain products, reducing weight and emissions. Negative impact as a result of resource consumption in the production of plastic materials from virgin raw materials. Negative impact from plastic waste (low recycling rate of plastic).	* Opportunity to offer recycled materials and services/advisory to help customers increase circularity in their products. Risk that customers choose other materials or suppliers due to raw material origin, circularity, or legislation.
Own workforce	Positive impact by offering employment with good working conditions and opportunities for skills development. Gender imbalance among employees, management, and board. Work-environment risks for employees due to high workload leading to stress, as well as risks linked to travel and customer visits.	* Opportunity to attract skilled employees who develop the organization and business. Risk of failing to secure needed competence as current employees retire and relevant skills/experience are scarce on the market.
Workers in the value chain	Potential negative impact due to poor working conditions and inadequate work environment in the supply chain, particularly in fossil raw material extraction.	* No material risks or opportunities identified.
Responsible business conduct	No material direct impacts identified.	Risks of non-compliance, corruption and bribery that may cause reputational damage and financial costs. Risks of non-compliance or lack of responsibility in the supply chain that may cause reputational damage and loss of customers. Risk of lack of transparency or greenwashing in communication, for example regarding climate data, which may harm trust or lead to regulatory breaches.

* = risk * = opportunity

Continuous development

The materiality assessment is not static and will be continuously developed in response to new legal requirements, stakeholder expectations, and changes in the external environment. During the year, we have deepened our analysis and strengthened dialogue with stakeholders, as well as begun adapting to potential future legal requirements. We see the assessment as a strategic tool for steering and further developing our sustainability work in a responsible and long-term way.

1.7 Overall Sustainability Governance

The Board of Directors has overall responsibility for Erteco's sustainability work, targets, strategy, risks, and reporting. The management team, together with the Head of Sustainability, is responsible for the operational implementation of sustainability within the business and follows up sustainability targets within each area. The Head of Sustainability is responsible for preparing the basis for strategies and proposed targets and reports directly to the CEO.

Our governance is based on established policies, management systems (ISO 9001, ISO 14001 and EcoVadis), legislation, and guidelines covering environment, social responsibility, business ethics, and compliance. Governance documents are updated regularly, decided annually by the Board, and communicated to all employees. Employees are instructed by management to keep themselves updated on the latest versions. A dedicated sustainability steering group coordinates the sustainability work, follows up key figures, and ensures that activities align with external requirements. Through appointed ambassadors in the organization, we ensure that sustainability is integrated throughout the business. Workshops and internal dialogues are used to promote engagement and understanding of the importance of sustainability issues. Employees are offered ongoing training in sustainability-related areas.

Our governance is characterized by transparency and continuous improvement. Regular follow-ups and audits ensure that sustainability work develops in line with changing external requirements and stakeholder expectations.

1.8 Due Diligence

Due diligence is an integrated part of Erteco's sustainability strategy and is continuously improved. The purpose is to identify, prevent, mitigate, and report on actual and potential negative impacts on people, the environment, and society that may arise through our operations and value chain. Over the past year, we have strengthened our processes for risk analysis, increased requirements on suppliers, and deepened collaboration with key stakeholders. We see this work as crucial for ensuring long-term, responsible, and sustainable business.

The due-diligence process includes several steps:

Risk analysis

Regular risk assessments are conducted to identify areas with high impact.

Integration into governance

The results of risk analyses are integrated into our governance documents, codes of conduct, and purchasing routines.

Stakeholder dialogue

We maintain ongoing dialogue with stakeholders such as customers, suppliers, employees, and civil-society organizations to ensure that our assessments and actions are relevant and well-grounded.

Transparency and reporting

We report on our due diligence efforts in the sustainability report and work to increase transparency throughout the entire value chain.



02

Environmental Topics

- 2.1 Climate Change
- 2.2 Pollution, Water, Biodiversity and Ecosystems, Resource Use and Circular Economy



ENVIRONMENTAL TOPICS

2.1 Climate Change

Climate change is a central sustainability issue for Erteco and affects both our operations and our stakeholders. This topic has been identified as material through our materiality assessment based on the double materiality principle. We analyze both how our operations contribute to climate change and how climate-related risks and opportunities may affect our business model, strategy, and financial position.

Our climate impact is primarily linked to emissions from material purchases, transport, and use of sold products. These areas are prioritized in our climate work and form the basis for our targets and actions. We work actively to reduce emissions by increasing the share of bio-based and recycled materials, improving logistics, and promoting products with lower climate impact. During the past year, we have implemented several actions, including increased marketing of recycled plastics, improved logistics planning, sustainability seminars with customers and industry organizations, and internal training on climate issues. The result is lower emissions per product and increased awareness among our suppliers, customers, and within the organization. We have mapped our emissions according to the GHG Protocol and are now analyzing the results in order to set long-term targets.

At the same time, climate change entails risks such as increased raw material costs, disruptions in the supply chain, and changing customer requirements. We therefore work

actively to identify and manage these risks as well as to leverage opportunities created by the transition to a more climate-friendly economy.

2.1.2 Governance and Targets

Erteco views the governance and management of climate issues as a strategic tool to create long-term value and contribute to sustainable development—both for the company, the industry, and society at large. This is achieved through the use of high-quality materials with lower emissions in products that meet their expected lifespan. We continuously strive for improvement through regular follow-up, stakeholder dialogue, and adaptation to new legal requirements and expectations.

Our overarching goal is to be the most sustainable supplier of plastics and rubber. To achieve this, we need, among other things, to reduce our CO₂e impact by 40 percent per kilo of purchased material by 2030, with 2022 as the base year. We also need to develop and implement tools for data management and calculation of climate footprints.

We continuously follow up on climate targets (scope 1, 2 and 3) and analyze them annually. Any changes to targets or measurement methods are reported and addressed by management and the Board for ongoing development and adjustment of targets.

Key points of the climate targets:

Reduced emissions	The aim is to continuously reduce total climate emissions, both in absolute terms and relative to net sales. During the 2024/2025 period, emissions decreased by 4 percent compared with the base year 2021/2022, and by 12 percent relative to net sales. One target is to reduce climate emissions from purchased materials by 40 percent by 2030. This is calculated using the formula: Erteco's total climate emissions (all scopes) minus the use phase (the automotive industry strongly affects Erteco's use-phase emissions, and we have limited influence over material choice there), divided by the kilos of purchased material. This formula is used to capture the climate impact in the scopes where we have greater influence.
Increased share of sustainable materials	Erteco strives to increase the share of bio-based and recycled materials in sales every year. The share of sustainable materials has increased from 0.02 percent in 2019/2020 to 7.85 percent in 2024/2025 (a decrease from last year's 9.5 percent due to material shortages).
More efficient transport	Active work to make logistics and transport more efficient in order to reduce climate impact.
Internal training and engagement	Employees receive ongoing training in climate issues and sustainability to strengthen engagement and knowledge within the organization.

Transparency and follow-up:

Climate targets are regularly followed up and analyzed. Any changes to targets or methodologies are reported transparently to ensure comparability over time.

- Affordable and Clean Energy (Goal 7) – We focus on the energy sector to support the green transition.
- Industry, Innovation and Infrastructure (Goal 9) – With our expertise, knowledge, and materials we contribute to

lowering the climate impact of future products in all sectors, while ensuring that products meet their expected lifetime.

- Responsible Consumption and Production (Goal 12) – Our expertise, knowledge, and materials help ensure that future products are designed sustainably, with efficient production, optimized material use and improved recyclability.

2.1.3 Actions and Resources

Erteco works systematically and long-term to reduce our own and our customers' climate impact through a number of concrete actions and resource allocations. We have identified material purchases, transport, and use of sold products as the largest sources of emissions, and these areas are prioritized in our climate work.

We also work actively to raise awareness around metal replacement. By replacing metal components with modern plastic materials, we reduce both weight and CO₂ emissions, which brings environmental benefits throughout the value chain – from production and transport to use of the end products. We help our customers understand and optimize the entire chain, from design and material choice to production, lifetime, and recycling, to ensure genuine sustainability.

During the past year, Erteco has implemented several key actions:

Sustainable materials	Work to increase the proportion of bio-based and recycled materials in sales through active marketing, training, and close dialogue with suppliers and customers to reduce climate impact. We also see growth going forward, based on ongoing projects and customer inquiries.
Sustainable solutions	We have placed a strong focus on metal replacement projects, where we see opportunities to reduce the overall climate impact for both end customers and society. This is achieved by replacing metal with plastic in various applications. The effect is lower CO ₂ e emissions from the materials used, as well as reduced weight, which in turn leads to lower energy consumption during, for example, propulsion.
More efficient transport	Improved logistics planning and optimized transport flows, which have reduced emissions from both upstream and downstream transport. More accurate data from suppliers has contributed to increased transparency and better follow-up. This has been the first full year with HVO as a fuel for transports in Finland.
Replacement of company cars	Erteco has a clear internal policy that every new company car must have a lower climate footprint than the previous one and, when possible, be fully electric.
Internal training and engagement	Employees have received ongoing training in climate and sustainability, which has strengthened engagement and knowledge in the organization.
Focus on the energy sector	To contribute to the green transition through our materials and expertise.
Improved data quality	Erteco has actively worked to improve the quality of climate data by collecting more detailed information from stakeholders and suppliers. In this year's report, 85 percent of purchased volume regarding materials' climate impact has been calculated using supplier-specific data, compared with approximately 65 percent in the previous year. This enables more accurate calculations and transparent reporting.

Erteco allocates significant resources to ensure that climate work is effective and long-term. This includes:

Financial resources	Investments in new digital solutions for better follow-up, control, and information management. Logistics solutions are being enhanced to reduce emissions. Training, both external and internal, is provided to increase circularity.
Human resources	A sustainability steering group with representatives from different parts of the organization coordinates climate work, follows up key indicators, and ensures that activities align with external requirements.
Competence development	Employees are offered continuous training within sustainability-related areas.
Technical resources	Investments in digital tools and systems to improve data collection, analysis, and reporting of climate data.
Collaborations	Collaboration with external experts, suppliers, and customers to drive the development of more sustainable solutions and increase the share of sustainable materials.

Erteco views continuous improvement and transparency as central elements of climate work.

By investing in sustainable materials, efficient logistics, competence development, and digital tools, we create long-term value for the company, the industry, and society.



2.1.4 Climate Report 2024/2025

Erteco reports climate data and outcomes annually in accordance with the GHG Protocol and relevant ESRS requirements. The purpose is to provide a transparent and up-to-date picture of our climate impact and to enable follow-up of targets and actions over time. Reporting covers emissions in scopes 1, 2, and 3 and is based on collected data across the value chain.

Data quality is continuously improved through increased collection of detailed information from suppliers, customers, and internal processes. Any changes to calculation methodologies or assumptions are reported openly to ensure comparability between years and against set targets.

We map and follow up on the quality of the data forming the basis for our climate calculations.

Total emissions	2021/22 (tCO ₂ e)	2022/23 (tCO ₂ e)	2023/24 (tCO ₂ e)	2024/25 (tCO ₂ e)	2024/25 vs 2023/24	2024/25 vs 2021/22	Share of total (2024/25)
Scope 1 – Direct emissions	80	50	57	57	-1%	-29%	0,00%
Emissions from company cars	80,1	49,9	57	56,7	-1%	-29%	0,00%
Of which business miles	40	26	27,6	25,5	-8%	-36%	0,00%
Scope 2 - Energy	11	12	14	10	-27%	-2%	0,00%
Electricity (market-based)	4,7	5,7	8,2	6,7	-17%	44%	0,00%
Electricity (location-based)	2,5	5,4	9,3	10,2	10%	309%	0,00%
Heat	5,9	6,6	6,1	3,6	-41%	-38%	0,00%
Scope 3 – Indirect emissions	146 348	116 530	140 669	141 030	0%	-4%	100,00%
Purchased goods and services	81 813	53 104	62 764	64 654	3%	-21%	45,80%
Plastics	79 008	51 781	61 719	63 178	2%	-20%	44,80%
Rubber	2 762	1 278	1 005	1 428	42%	-48%	1,00%
Other	43	45	39	48	21%	11%	0,00%
Capital goods	82	59	54	77	43%	-6%	0,10%
Fuel- and energy-related emissions	21	14	18	18	2%	-12%	0,00%
Upstream transportation	6 622	5 275	4 628	5 384	16%	-19%	3,80%
Business travel	33	28	31	62	100%	88%	0,00%
Commuting	5	5	5	5	-7%	5%	0,00%
Downstream transportation	1 883	568	803	545	-32%	-71%	0,40%
Waste management of sold products	510	378	438	102	-77%	-80%	0,10%
Total climate impact excl. use of sold products	91 059	59 491	68 812	70 913	3%	-22%	50,30%
Use of sold products	55 380	57 100	71 928	70 183	-2%	27%	49,70%
Total climate impact	146 439	116 592	140 740	141 097	0%	-4%	100%

The data table above provides an overview of Erteco's climate impact and shows trends over time. In previous years, the periods were labeled as calendar years; this has now been adjusted to fiscal years.

KPI – Climate footprint per net sales (tCO₂e / MSEK), excl. use of sold products

	2021/22	2022/23	2023/24	2024/25	2024/25 vs 2023/24	2024/25 vs 2021/22
Net sales (MSEK)	1 036	928	916	944	3%	-9%
Total climate impact	88	64	75	75	0%	-15%

KPI – Climate footprint per kg of handled raw material (kg CO₂e/kg material), excl. use of sold products

	2021/22	2022/23	2023/24	2024/25	2024/25 vs 2023/24	2024/25 vs 2021/22
Climate impact of procurement	3,4	3,0	3,0	3,0	-1%	-12%
Climate impact from transport & overhead	0,4	0,4	0,3	0,3	-1%	-25%
Cradle-to-gate climate impact (customer)	3,8	3,4	3,3	3,3	-1%	-14%

KPI – Carbon footprint of sold products per kg of processed raw material (kg CO₂e/kg material)

	2021/22	2022/23	2023/24	2024/25	2024/25 vs 2023/24	2024/25 vs 2021/22
Total climate impact	27,3	27,1	26,2	25,4	-3%	-7%

The annual information above has been adjusted to clarify that we have a fiscal year that does not align with the calendar year. There is no difference in the data, only a clarification.

Company cars (average climate impact)

Year	CO ₂ g/km
2019 (calendar year) (base year)	127,6
2022/2023 (calendar year)	84,38
2023/2024 (calendar year)	56,45
2024/2025 (calendar year)	46,47

The decrease is due to a higher number of fully electric company cars compared to previous years.

Key insights

Changes since the base year RK2021/2022:

Scope 1 emissions reduced by 29 percent due to a shift to plug-in hybrids and electric vehicles.

Scope 2 emissions have decreased by 2 percent overall. Within Scope 2, electricity (market-based) emissions from offices have decreased, as all offices and two of the four office hotels now use renewable or fossil-free electricity. Electricity consumption from company-owned vehicles has increased, which has caused total electricity-related emissions to rise. Emissions from district heating have decreased, primarily driven by improved data quality.

Within scope 3, emissions have decreased by 22 percent in absolute terms and 15 percent relative to net sales (excluding use of sold products). This change is driven by lower climate impact per kg of purchased material (-12 percent) and lower overhead emissions for transports etc. relative to kg of handled material (-25 percent). Data quality for purchased plastics has improved significantly since the base year. 85 percent of emissions from purchased materials (plastic and rubber) are calculated using supplier-specific data, which is assessed to be of high quality. In the previous year, this figure was 65 percent, while for the base year 2021/2022, it was

zero percent. The improved data quality has often resulted in slightly lower values compared to standard default values. In some cases, supplier-provided values have been higher than the corresponding default values, which has been observed for several supplier values obtained over the past year.

Emissions related to the use of sold products have increased in absolute terms (+27 percent) because a larger share of the business now targets the automotive industry, where Erteco's customers produce materials mainly for the truck industry. We follow this annually. The reduction in emissions per kg of material (-7 percent) reflects the automotive industry's own reported reductions in the category "use of sold products." The reduction relative to net sales is -27 percent, reflecting that the volume of material sold to the automotive industry has not increased as much as net sales. Public data from Volvo's sustainability report has been used to calculate these emissions.

Changes since the previous year 2023/2024 are marginal for the total as well as for Scope 1 and Scope 2 (except for improved data quality). Within scope 3 categories, business travel has increased significantly, mainly due to air travel related to a company-wide conference. Emissions from waste treatment of sold products have decreased significantly due to updated values at the source used for emission factors (DEZNS previously. BEIS)¹.

Methodology and base-year adjustment

Methodology for calculating the emissions footprint may evolve over time, which can change results in order to ensure accurate comparisons. If the calculation method or assumptions are adjusted in a material way, our intention is to report this transparently and, where significant, adjust the baseline in order to understand progress against targets.

During FY 2023/2024, a base-year adjustment was made for scope 1 and scope 3 (use of sold products). The base year and subsequent years have been corrected based on improved data quality and methodology. This enables more transparent follow-up of targets for these scopes.

For upstream and downstream transport there has been no base-year adjustment, but changes are partly driven

by methodology and improved data quality, and partly by real changes in routes and carriers. From this financial year, upstream emissions (WTT) are included in the generic emission factors per ton-km. This contributes to some increase in these categories but affects the total by less than one percent. The main focus is on improving data quality and ensuring that improvements are based on known conditions.

Results are used to analyze trends, identify areas for improvement, and follow up the effect of actions taken.

Erteco aims to increase transparency and quality in climate reporting and sees continuous follow-up of data as a central part of sustainability work.

¹BEIS: UK Department for Business, Energy & Industrial Strategy (now often called DESNZ: Department for Energy Security and Net Zero).

2.2 Pollution, Water, Biodiversity and Ecosystems, Resource Use and Circular Economy

Erteco's operations can impact the environment in several ways, and we take active responsibility for understanding, managing, and reducing this impact. In this section, we describe how we work with the environmental aspects: pollution, water use, biodiversity and ecosystems, and resource use and circular economy. We provide support to ensure that components achieve their expected lifespan. Together with our expertise and materials with a lower climate footprint, this can contribute both directly and indirectly to reduced environmental impact through optimized material use, reduced waste, and designs that facilitate recycling.

We work to understand both the direct and indirect impacts from our operations – from raw material extraction and production to use and recycling of end products.

Our ambition is to reduce negative impacts, promote positive effects, and contribute to a more sustainable industry.

Through our materiality assessment, we have identified that the following areas are particularly relevant for our industry and value chain:

Pollution

Risks of emissions to air, water, and soil from our transports, chemicals, microplastics, and particularly PFAS. These can negatively affect both human health and ecosystems. We aim to increase the share of fossil-free transport and follow this up annually.

Water

Water use is not directly significant in our own operations, but impacts occur indirectly in the supply chain, especially in raw-material production.

Biodiversity and ecosystems

Impacts occur mainly through land use and emissions in the supply chain. Erteco sees a need to increase understanding of how operations affect ecosystem services.

Resource use and circular economy

Material flows and resource consumption are central. Our focus is on reducing resource losses, promoting recycling, and increasing the share of recycled materials.

2.2.1 Governance and Targets

Pollution	Governance is based on requirements for environmental documentation from suppliers, substitution of hazardous substances, and increased transparency. The goal is to reduce pollution risks and comply with regulatory requirements, particularly around PFAS.
Water and ecosystems	Erteco will explore possibilities for mapping indirect impacts and integrating biodiversity considerations into supplier assessments.
Resource use	The goal is to increase the share of recycled materials, improve product lifetime, and promote circular solutions.
Life on Land	(Goal 15) - Erteco strives to minimize its impact on ecosystems and biodiversity through systematic work with material choices, supplier requirements, and compliance with international environmental regulations. Our objectives in this area are to: <ul style="list-style-type: none"> - Ensure that all products comply with relevant environmental legislation - Promote transparency and traceability - Contribute to a circular economy - Increase the share of sustainable materials sold, year by year

2.2.2 Actions and Resources

Pollution	Substitution of substances of concern, staff training, and improved supplier dialogue. All our suppliers comply with current laws and directives and are well prepared for upcoming regulations. We continuously work toward a transition to fossil-free alternatives, where both HVO100 and electric vehicles play a central role in our transports.
Water and biodiversity	No direct measures in our own operations, but increased awareness and stronger requirements in the value chain.
Resource use and circular economy	Our expertise and knowledge of recyclability requirements, use of recycled materials and design for long lifetime is a major asset and resource. Together with our customers, this enables reduced resource use and increased circularity. Erteco participates in industry initiatives and develops internal routines to promote circularity, for example through seminars at industry events.
Operation Clean Sweep	Operation Clean Sweep is an international program initiated by the plastics industry to prevent plastic pellets, flakes, and powder from entering the environment. We are a member and have clear routines for how we handle materials and any spills.
Actions outside the value chain	To contribute to the urgent global transition, Erteco has supported the rainforest project Regnskogsföreningen since 2001 by donating 5 percent of annual profits. The association works to protect rainforest in the Amazon region in Brazil and currently contributes to protecting 28 million hectares in northern Amazonia as well as actively countering deforestation fronts in the southern part of the state. <p>The association cooperates with and provides support to indigenous peoples and local organizations.</p>

2.2.3 Data and Outcomes

Pollution	Limited direct data, but we aim to develop indicators for indirect impacts via the supply chain.
Water and ecosystems	Limited direct data, but we aim to develop indicators for indirect impacts via the supply chain.
Resource use	Data includes product weight, share of bio-based material, origin, amount of recycled material, and climate footprint. Erteco reports openly any changes in targets, methodologies, and assumptions to ensure comparability.

Sales of sustainable materials (bio-based, bio-composites and recycled materials)

Year	% of total sales (kg)
2019/2020 (base year)	0,02
2022/2023	7,52
2023/2024	9,44
2024/2025	7,85

The decline in 2024/2025 is due to a material shortage for a specific material. Demand has been higher than available supply.

03

Social Topics

- 3.1 Our Own Workforce
- 3.2 Workers in Our Value Chain



SOCIAL TOPICS

3.1 Our Own Workforce

Our own workforce is one of the most central resources for Erteco's long-term success and business. Ensuring good working conditions, gender equality, skills development, and a safe work environment is essential to attract, develop, and retain employees who contribute to the company's goals and values.

Erteco strives to offer a work environment where all employees feel safe, included, and appreciated. We promote a healthy balance between work and private life, and employees are given opportunities to influence their work environment. We also provide good opportunities to combine career and parenthood.

Work-environment issues are managed systematically through regular performance reviews, internal forums, and training activities. During the year, specific initiatives have been made in training within sustainability, work environment, and gender equality. Erteco also has a Code of Conduct and governance documents covering work environment, equality, diversity, and whistleblowing.

3.1.1 Governance and Targets

Erteco follows up and analyzes work environment, gender equality, and skills development through internal metrics and dialogue with employees. Any changes in targets, processes, or working conditions are reported openly to ensure transparency and comparability over time.

Decent Work and Economic Growth (Goal 8)

3.1.2 Actions and Resources

Skills development is a cornerstone of Erteco's operations. Employees are offered continuous training in relevant areas, including sustainability, climate impact, and circular economy. During the year, the sales organization has received training from suppliers on new sustainable materials, and several employees have participated in external courses on sustainability reporting.

Employee engagement is strengthened through sustainability ambassador groups, internal communications efforts, and involvement in the company's development. Erteco conducts regular employee surveys and works actively to follow up on and improve the work environment.

A recent employee survey shows very high employee satisfaction. The survey will be carried out annually.

3.1.3 Data/Outcomes

Erteco works actively to counter discrimination and promote gender equality at all levels. During the year, we had 41 employees. The share of women in the organization has gradually increased and reached 44 percent in 2024/2025, while the share of women in leadership positions was 13 percent. Erteco sees diversity as a strength and works to create an inclusive workplace where everyone is given equal opportunities for development.

An employee survey conducted using Employer Net Promoter Score (eNPS) shows a result of 80 in 2025, which is considered "best in class" according to the method.

Gender distribution

	2019/2020 Base year	2022/2023	2023/2024	2024/2025
Entire organization, proportion of women	35%	41%	44%	44%
Entire organization, proportion of men	65%	59%	56%	56%
Leadership positions, proportion of women	-	14%	13%	13%
Leadership positions, proportion of men	-	86%	87%	87%

3.2 Workers in Our Value Chain

Erteco is one of the largest distributors of plastic materials and rubber raw materials in the Nordic market, with operations also in the Baltic countries and Poland. Our value chain includes everything from purchasing raw materials and materials from leading manufacturers, through transport and warehousing, to sales and advisory services to end customers. Workers in our value chain are a central and material issue for us, both from a sustainability and business perspective.

Workers' conditions and rights are crucial for ensuring a sustainable and responsible business. We place high demands on our suppliers through our Code of Conduct, where we clearly communicate our expectations regarding human rights, good working conditions, work environment, and safety.

3.2.1 Governance and Targets

Decent Work and Economic Growth (Goal 8)

We apply Codes of Conduct and supplier requirements that cover work environment, fair wages, non-discrimination, and freedom of association. Suppliers are expected to sign our Code of Conduct or share their own equivalent code. We work to increase transparency in the supply chain and to improve data quality related to working conditions.

Our operations are based on Codes of Conduct and supplier requirements grounded in internationally recognized standards, including the UN Universal Declaration of Human Rights, ILO's core principles, the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and the UN Children's Rights and Business Principles.

Our goal is for all strategic suppliers to have signed our Code of Conduct, or alternatively shared their own, by 2026 at the latest. We strive to increase the share of suppliers undergoing third-party reviews of working conditions and to keep statistics on the number of audited suppliers.

Opportunities arise as we can contribute to improved working conditions and increased awareness of sustainability issues throughout the value chain. By demanding sustainable materials and responsible production, we can influence suppliers and partners to develop their operations toward a more sustainable direction.

3.2.2 Actions and Resources

Risks related to workers in the value chain include poor work environments, discrimination, and violations of human rights. We address these risks through dialogue and follow-up with our suppliers, as well as annual review and revision of our policies. Because we do not have full control over the entire value chain, this is a challenging area to fully manage.



04

Governance Topics

4.1 Responsible Business Conduct

GOVERNANCE TOPICS

4.1 Responsible Business Conduct

Erteco runs its operations with a clear focus on responsible business conduct, which permeates the entire value chain – from sourcing raw materials to sales and advisory services to end customers. For Erteco, responsible business means taking responsibility for both direct and indirect impacts on the environment, people, and society, and ensuring that operations are conducted in accordance with applicable legislation, international guidelines, and good business ethics.

Risks related to responsible business conduct are managed through regular analyses and follow-up of the company's impact on the environment and society. Erteco works proactively to identify and manage risks such as climate change, deficiencies in work environment, regulatory requirements, and changing customer behavior. We strive for continuous improvement and development of sustainable solutions and view innovation as a key to long-term success.

4.1.1 Governance and Targets

Erteco has policies in the areas of procurement, quality, environment, work environment, traffic safety, equality,

diversity, IT, plastics and chemicals, whistleblowing, data, and privacy. A Code of Conduct has been developed that clearly communicates expectations for suppliers and partners, particularly around human rights, working conditions, and business ethics. We are certified under ISO 9001 and ISO 14001. Policies in quality, environment, and work environment are established in line with these standards, and updated versions are available on our intranet. During the onboarding of new employees, the immediate manager reviews our policies and shows where they can be accessed. Thereafter, employees themselves are responsible for staying up to date on the latest versions. We use ISO 9001 and ISO 14001 as quality management systems for sustainability in order to ensure compliance and achievement of objectives.

4.1.2 Data/Outcomes

Ongoing dialogues are held with stakeholders such as customers, suppliers, authorities, and employees. Meetings with suppliers and follow-up on their sustainability work are part of the process to ensure that the entire value chain lives up to Erteco's requirements for responsible business conduct. External communication efforts through trade fairs, seminars, and training aim to increase knowledge about sustainability and inspire change both internally and externally.

Reported irregularities

Year	Reported cases (corruption)
2021/2022 Base year	0
2022/2023	0
2023/2024	0
2024/2025	0

No irregularities have been reported.

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