

# Sustainability Report

## 2023



*Skifsforsen, Vansbro - a percentage of our renewable energy contract comes from hydropower*



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Objectives



# Om Liljas Plast Group

Liljas Plast Group comprises Liljas Plast AB, Polymed Hygienic AB, Polymega i Lagan AB, Bobe Plast AB and Liljas Plastic Suzhou Ltd, where Liljas Plast's parent company is located. The different strengths and points of expertise among these companies make Liljas Plast Group a complete supplier of high-quality and customised products. All five companies within the group embrace the same values.

The company group produces advanced components for the industry, with the main focus on injection moulding of technical moulded and plastic parts in high-performance thermoplastics, silicon and rubber.

Our vision is to be at the cutting edge of technologies and to be a key player when new technologies and materials are introduced onto the market. Our concept is to work with high-performance technical materials and to be an extension of our customers' development departments. Our goal is to always maintain a high service level with quick decision paths and efficient production. We presently deliver to both small and large companies across the globe.

The present sustainability report covers Liljas Plast AB, Polymed Hygienic AB, Polymega i Lagan AB and Bobe Plast AB. Liljas Plastic Suzhou Ltd is not included in this report.

# Our history in brief

**Liljas Plast was founded in 1964 as a family-owned business, and remains so today.**

We have our origins in the Gnosjö region of southern Sweden, which is renowned for its cooperativeness, commitment and ability to take on challenges – a mindset known as the Gnosjö spirit. We encourage this mindset in all of the companies in the group. Liljas Plast Group takes responsibility for our common future by focusing on sustainability. Our aim is to create an attractive workplace that is profitable and robust over time – that is our definition of sustainability.



# Governance

**Our board of directors and management are ultimately responsible for this sustainability report. The ongoing work is led by our sustainability manager Madeleine Johansson and carried out by a sustainability team.**

In 2022 and 2023, the group engaged consultants from Aspia AB to conduct environmental and social sustainability workshops in order to raise employee awareness of sustainability, assess key areas and set short- and long-term goals. We use the Acture management system, which aims to streamline and facilitate goal monitoring in sustainability work.

While not subject to any formal sustainability reporting requirements, we have chosen to prepare a voluntary sustainability report that reflects our work, as our stakeholders and customers are increasingly demanding such information.

We are ISO 14001:2015-certified, which ensures good planning, implementation and monitoring of our environmental work. We are also ISO 9001:2015-certified to ensure we can optimally meet the quality demands presented by some of our stakeholders.

Liljas Plast Group has the following policies and governance documents in place: Quality and Environmental Policy, Occupational Health and Safety Policy, Anti-Corruption Policy, Fire Safety Policy, Anti-Discrimination Policy, IT Policy, Child Labour Policy, Alcohol and Drug Policy and a Code of Conduct for employees and suppliers; these documents aim to ensure compliance and consistency. Our policies are revised annually and form an important part of the onboarding process for new employees.

*Madeleine Johansson,  
Sustainability Manager*



# A few words from our CEO

**Sustainability has long been an integral part of the Liljas Plast Group, and it is with pride and pleasure that we present our sustainability report for the second year. Creating a sustainable and secure future for our customers, suppliers and employees has always been a priority for us. It is of the utmost importance that our stakeholders both feel and see that we assume full responsibility for our common future. We are humbled by the challenges we face but also very proud of the progress we have made in 2023.**

Our strategic work allows us to reflect on our impact and make active choices to promote environmental, social and economic sustainability. Environmental sustainability and reducing our climate footprint are incredibly important concerns for Liljas Plast Group, our customers, suppliers and employees. We are all part of the climate solution and we work hard to actively reduce our carbon footprint and inspire our customers to make sustainable choices. Liljas Plast Group strives to stay at the forefront of technology and take on new challenges, even as we are mindful of the field's inherent complexity. We still have work to do, but we can guarantee that we take this issue very seriously. A major focus over the course of 2023 was on increasing recycling in our production, which we will continue to do in 2024.

We have also carried out a number of concrete initiatives in social sustainability, which are also reflected in our performance indicators, such as increased employee satisfaction, increased utilisation of wellness benefits and high attendance rate. Our employees are our most important resources, and it is a matter of course to offer them a safe working environment where everyone feels welcome and valued.

Our future outlook is optimistic, despite the global unrest that has shaken our societies in recent years. Together we make a difference!

*Peter Johansson*  
CEO, Liljas Plast Group



# Our priorities

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

We have based our materiality analysis on the potential to contribute to the 17 UN Sustainable Development Goals. Our assessment was based on industry and geographical location. The expectations of our key stakeholders have also been taken into account. In 2022, we conducted an industry study to identify which of the sustainability areas would be most relevant. In 2023, we sent out a survey to employees to find out which areas they thought we should prioritise. Based on these analyses, we've decided to prioritise three materiality areas/global goals.

## Stakeholder analysis

Stakeholders	Dialogues	Priority areas
Customers	<ul style="list-style-type: none"> <li>• Web pages</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 adjustments</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>• Reducing 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

### **SDG 8. Decent work and economic growth**

The goal involves working towards sustainable economic growth that is not at the cost of social and environmental aspects. Our employees competence and commitment are major assets for Liljas Plast Group.

### **SDG 9. Sustainable industry, innovation and infrastructure**

This goal involves building a resistant infrastructure, working towards an inclusive and sustainable industrialisation and promoting innovation and a sustainable business operation. Since Liljas Plast Group is geared for the production of high-tech components for industry, we place high demands on quality and production processes, which are based on the zero defects principle.

### **SDG 12. Responsible consumption and production**

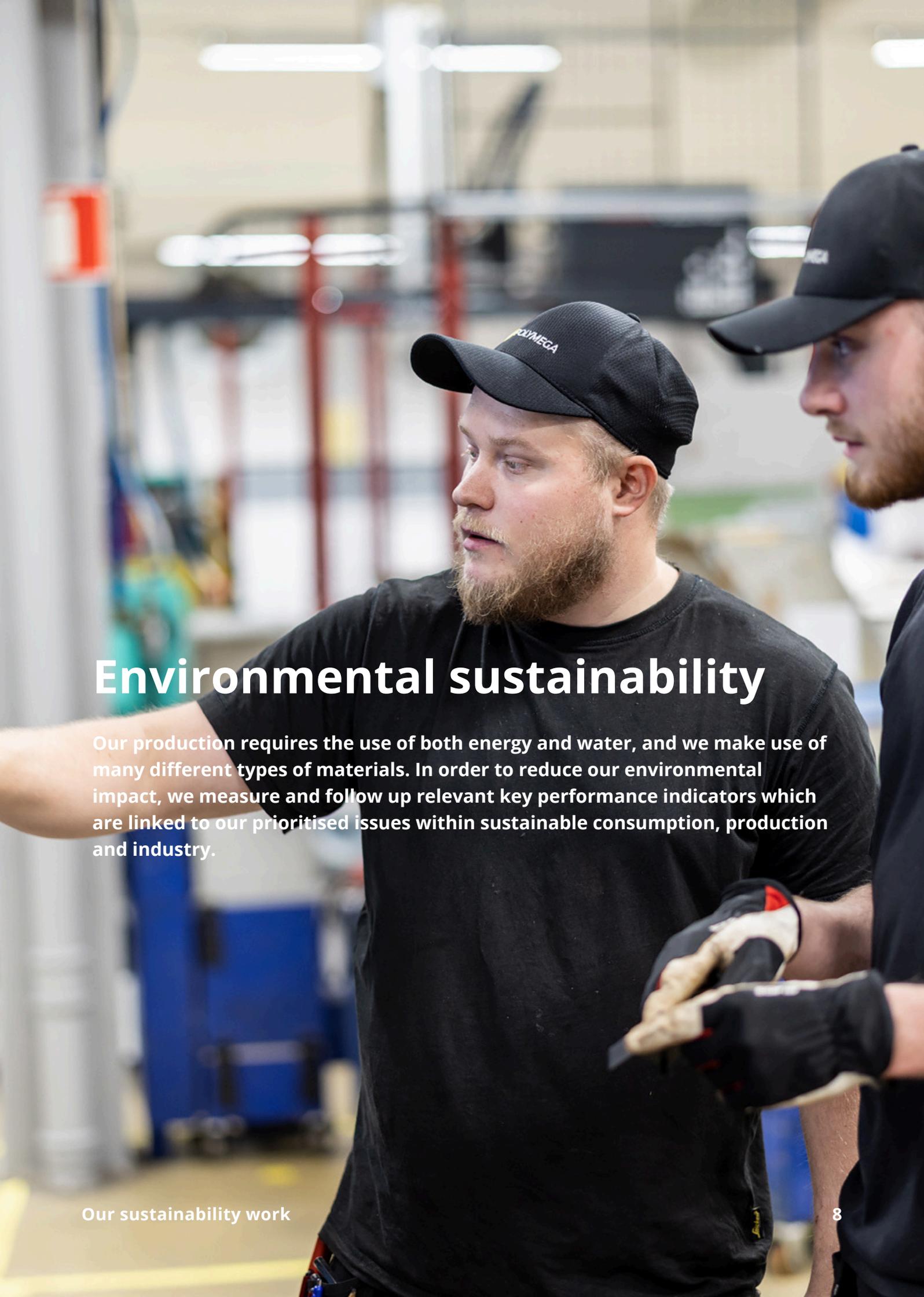
This goal revolves around sustainable consumption and production patterns by means of responsible waste management and resource efficiency. We therefore endeavour to optimise our resource utilisation.

# Our sustainability work

**For Liljas Plast Group, sustainability is a priority area that is becoming increasingly important in the organisation. Over the past two years, we have formulated long-term sustainability goals, implemented the Acture management system, made capacity-building efforts and made progress in the three focus areas of environment, social sustainability and governance. However, we are always endeavouring to continuously develop and broaden our responsibilities.**

Concrete actions undertaken in 2023 included:

- Expansion of our long-term goals to include an environmental goal of halving our carbon footprint by 2030.
- Increased wellness benefit.
- Organisation of a health awareness week and health competition.
- Introduction of a joint exercise break for all staff, held twice a day.
- Investment in our premises, updating and improving ventilation and lighting.
- Switch to 100 percent renewable energy on all our entities' electricity contracts.
- Replacement of older energy-intensive machines with more energy-efficient alternatives.
- Focus on increased recycling in our production, including finding buyers for our production waste and reviewing our grinding mills. We will maintain focus on increasing recycling in 2024, with the expectations of eventually being able to issue a more detailed report.
- All of our A-level suppliers have signed our Code of Conduct or have their own code of conduct that we have approved. The goal was for 95 percent of our A-level suppliers to sign the Code of Conduct by 2023. We are pleased that we have achieved this goal and to enjoy such close co-operation with our suppliers.



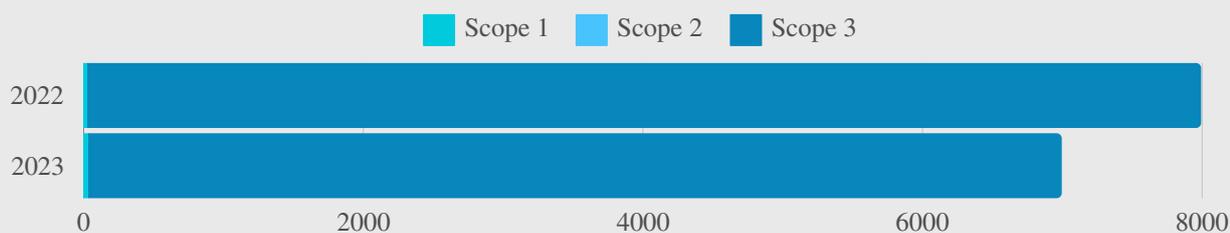
# Environmental sustainability

Our production requires the use of both energy and water, and we make use of many different types of materials. In order to reduce our environmental impact, we measure and follow up relevant key performance indicators which are linked to our prioritised issues within sustainable consumption, production and industry.

## Total climate footprint based on GHG-protocol

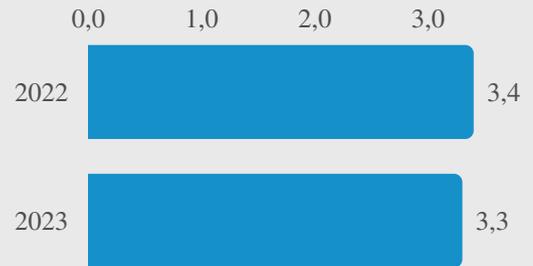
We calculate our carbon footprint based on the global standard Greenhouse Gas Protocol (GHG Protocol). Climate footprint is measured in carbon dioxide equivalents (CO<sub>2</sub>e) and the calculation includes Liljas Plast AB, Bobe Plast AB, Polymed Hygienic AB and Polymega i Lagan AB. Ownership in the Chinese company (Liljas Plastic Suzhou Ltd) is not included in the scope. This is the same system boundary used in other sustainability reports. Absolute emissions have decreased by 12 percent compared to the base year 2022. In terms of turnover, absolute emissions have decreased by 25percent per million in turnover. The reduction has taken place within scope 3. Data quality has improved for most data points since 2022.

A base year adjustment has been made for 2022 to better reflect actual emissions and enable a more relevant comparison between years. The revised result for the base year is around 10 percent lower than the previously estimated result. 99 percent of our carbon footprint is in Scope 3 (indirect emissions), where our purchases of plastics are the biggest emissions driver. Together with our customers, we work actively to select materials with the lowest possible environmental impact, while maintaining the quality and properties required for the final product.



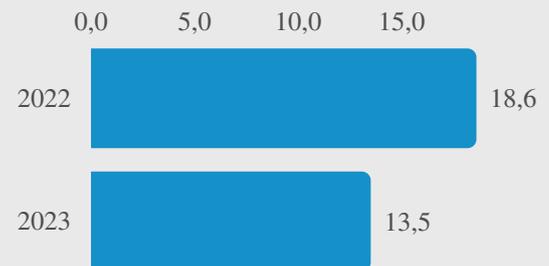
## Total energy consumption (kWh) of consumed material in kg

The graph shows total energy consumption over two years. Our production is energy-intensive and consumption is dictated by how much we produce and sell. Today, all our Swedish companies have electricity contracts with renewable energy.



## Total water consumption (m3) of material used in tonnes

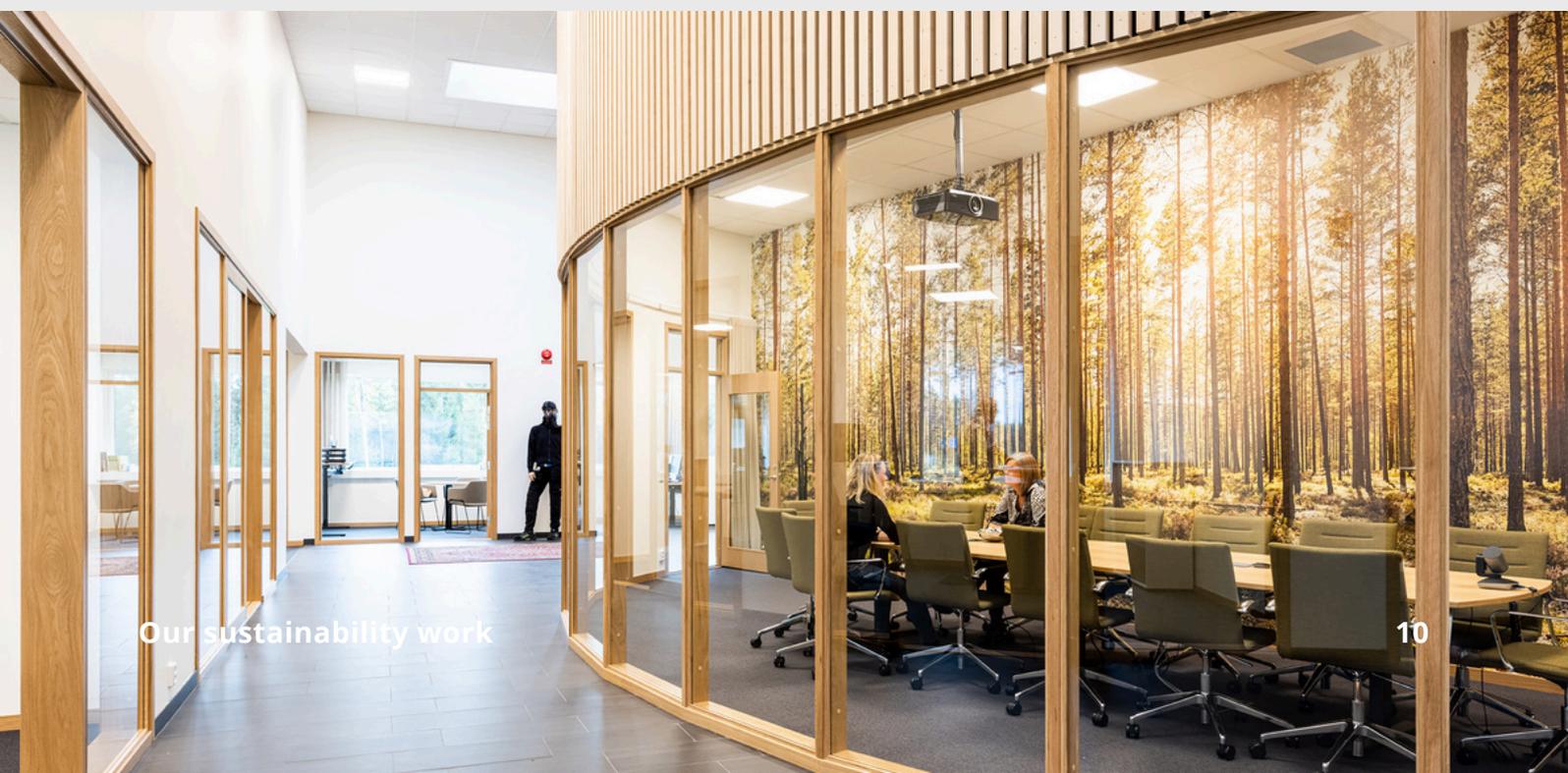
The graph shows the total water consumption of materials consumed over two years. We measure our annual water consumption, as our production is water-intensive. In 2022 we had abnormally high water consumption, this resulting from a leak. In the coming years, the plan is to install a closed cooling system to reduce water consumption.



## Percentage of combustible waste from materials used

Percentage of combustible waste from materials used over two years, 11 percent in 2022 and 2023. By 2028, we will have reduced our combustible waste by 30 percent compared to the reference year 2022. We calculate percentage of combustible waste in relation to the amount of used materials. In 2024, we will explore how we can reduce our combustible waste by separating production discards and combustible waste.

11%



# Sustainable business

**To produce high-quality products with minimal climate impact, Liljas Plast Group collaborates closely with material suppliers and customers. We take pride in our successful partnerships and joint efforts to achieve this goal.**

Through collaboration, we encourage customers to choose materials with lower environmental impact. We have a clear example where the customer has chosen a PP grade with a low climate impact. The prototypes of the envisaged product have undergone extensive trialling and are scheduled for testing in early 2024. The aim is to replace Polyamide 12 with the PP plastic. Polyamide 12 is known for its low moisture absorption, which, though necessary in the application, also generates a high carbon footprint at the same time. With the more environmentally friendly PP plastic, we reduce the carbon footprint considerably but with retained function.

A prominent focus area for Liljas Plast Group is within Scope 3, where customer choice of material accounts for as much as 74 percent of our climate footprint. Customers often request alternative materials with a lower climate impact. We endeavour to balance these requests with respect to the versatility and environmental impact of plastics. Ensuring product function and quality over time is a priority.

There is a strong commitment from both suppliers and customers to work on sustainability issues. To increase knowledge about different material choices, Liljas Plast Group offers training programmes on the positive and negative properties of plastics. The aim is to inform and inspire stakeholders to make informed and sustainable material choices. Going forward, we will include the CO2 footprint in our quotes and, where possible, propose more sustainable alternatives to help customers make informed choices.

By using recycled materials, we can reduce our carbon footprint by as much as 90 percent. Nevertheless, it is recognised that recycled plastics have somewhat limited applications due to certain quality differences compared to virgin plastics.



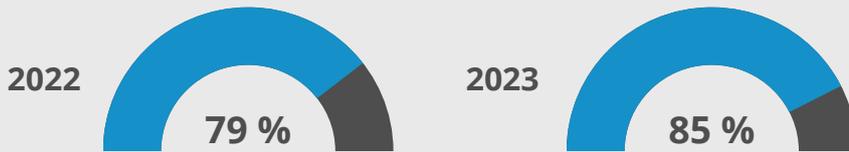


## Social sustainability

It's important for us that our employees work in satisfactory and safe conditions and that they feel good and thrive at work. Liljas Plast Group strives for the fastest possible lead times with strict requirements for precision and quality. This puts high demands on procedures and on staff expertise. In our work, there may also be repetitive steps in production. That's why we monitor the physical and psychosocial work environment by means of surveys on a regular basis.

## Employee satisfaction

The graphs show employee satisfaction as a percentage over two years. These statistics are based on an annual employee survey where each question can be scored 1-4 points. The results are totalled and the average score is divided by the maximum score. The goal going forward is to maintain an employee satisfaction level of 75 percent at the very least. We are proud that in 2023 we managed to increase the already high level by six percentage points, something we see as a result of the social initiatives we implemented during the year.



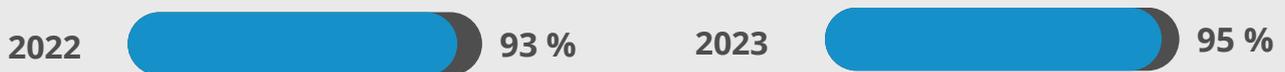
## Average time with the company

The statistics show the average annual working time over two years.

2022 **6,4 years**    2023 **6,5 years**

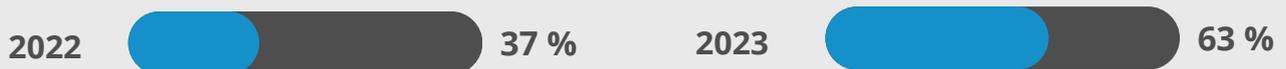
## Attendance rates

The graph shows the employee attendance rate over two years.



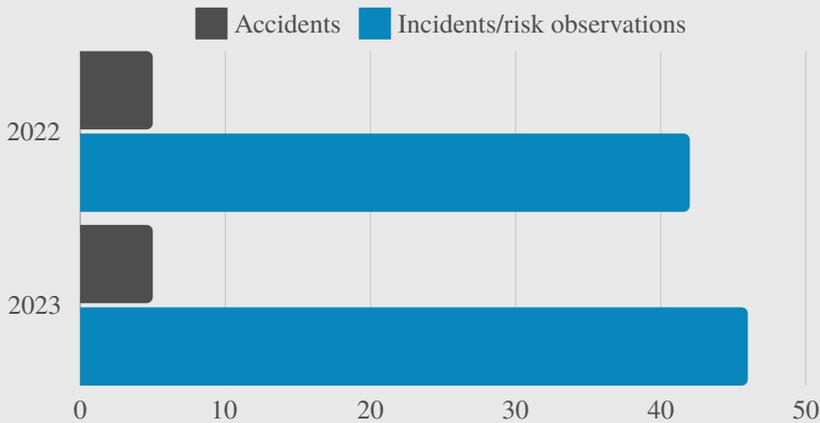
## Utilisation rate of wellness benefits

The graphs show the utilisation rate of wellness benefits over two years. We increased the wellness benefits over the year and encouraged our employees to make greater use of these benefits, which we see has produced results. The goal is to increase the wellness benefit by 50percent in 2024, with 2022 as the reference year.



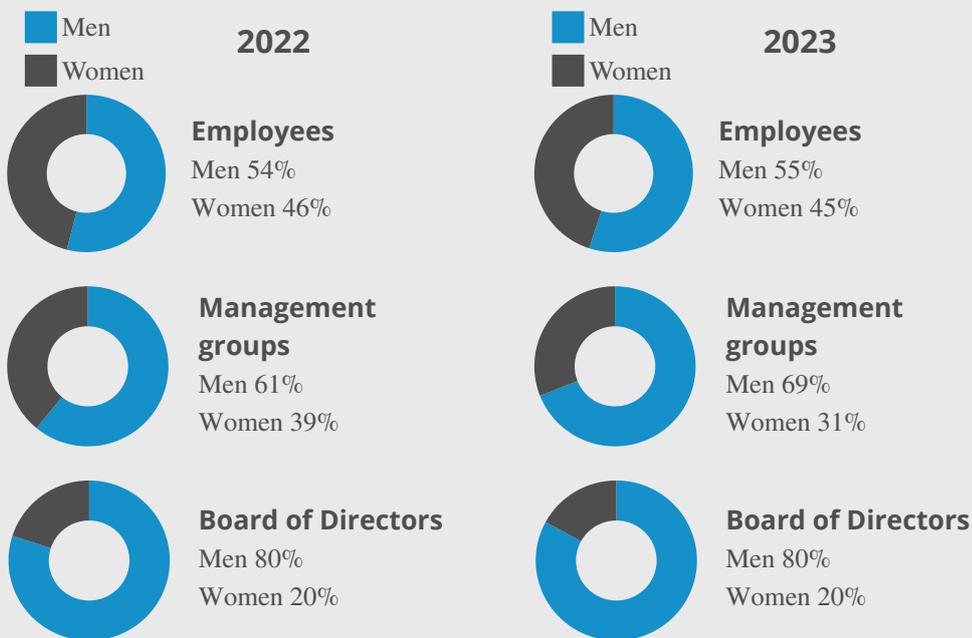
## Accidents and incidents/risk observation

The graph 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 to improve our working environment, so we are pleased that the graph shows more incidents/risk observations than accidents per year. To minimise the risk of injuries and accidents, we conduct routine fire inspections, safety inspections and risk assessments.



## Gender distribution

The table shows the number and percentage of women and men in the staff, management team and board of directors over two years.



## Company activities

In our company, we always try to celebrate good results, customer days and public holidays together. We organised a good number of social activities in 2023, which we believe have contributed to increased employee satisfaction, among other things. A selection of these appear in the collage below.





### **How do you perceive interest in sustainability issues among our customers?**

"We're witnessing a growing demand for sustainability and smarter material choices, a shift that wasn't as pronounced a few years ago. We now actively collaborate with customers and suppliers to find optimal solutions. More customers are approaching us with metal replacement projects, recognizing the benefits of substituting materials like aluminum, zinc, or brass with suitable plastics. This not only reduces weight and the need for post-processing but also lowers the carbon footprint" - Håkan, Site Manager, Polymega



### **How can you contribute to social or environmental sustainability in your professional role?**

"I contribute to environmental sustainability by conserving resources like paper, water, and electricity, turning off lights and computers when not in use. I promote reuse and recycling instead of disposal. Additionally, I support colleagues and share knowledge, believing that small changes in our work habits can have a significant impact on the environment!" - Sanela, Operator, Liljas Plast



### **How do you like working at Liljas Plast Group?**

"I've progressed from a machine setter to warehouse manager, and I'm grateful for the opportunity. I enjoy being organized and having a say in my work's direction. It's fulfilling to develop towards a role that aligns with my personality and skills. I appreciate the exchanges between companies in our group; it demonstrates commitment despite our geographical separation. We maintain good communication, always making time for questions and answers!" - Albin, Warehouse Manager, Bobe Plast

# Community involvement

We, as a company, and our employees are a part of society at large. So we make sure that we promote and sponsor several different local associations and athletics events. Every year, we take part in a joint venture with our local municipality and local technical colleges in what is called “Industry Night”. This means that students between 14-15 years old get to visit different companies in the municipality with the purpose of arousing interest in the industry and the programme we offer to upper secondary students. In addition to school classes, we annually welcome other types of visitors such as associations, municipalities and banks to show how we work.

In 2023, Polymega had an open house where we welcomed anyone interested to the factory for a tour. We offered food and drink and gave visitors the opportunity to try out a machine. It proved to be a highly appreciated event that increased interest in our company and our social commitment.

During the autumn, we also welcomed a college student, Carl Faletg, to our unit in Hillerstorp. He chose to do his college project with us in metrology. Carl was supervised by our measurement technician Jasmin. We’ve put together an interview with Carl on the next page.





### **What kind of work have you done with us?**

I did my college project on measurement and metrology by programming a coordinate measuring machine and producing measurement protocols. There were different segments to the work, where the focus was on identifying what points would be used. The main part and method consist of the programming and how the programme works. The results consist of the development of measurement protocols and comparison with different standards and tolerances.

### **What have you found valuable during your time here?**

All the help I have received during my time on site has been very valuable, and everyone I have met within Liljas Plast Group has been interested in the project I am working on. Receiving input and assistance at a high level has given me a good foundation for my future writing. What has been most valuable, however, is the welcome I received! All the people working there are kind and I felt appreciated. I have received enormous support, which has also led to greater self-confidence in my work and a desire to do the best work I possibly can.

### **Why did you choose Liljas Plast Group for your project?**

There were several factors that influenced me to choose Liljas Plast Group, partly because Liljas Plast Group had a job that I felt interested in, and partly because I would be learning something new from scratch, as I did not have much prior knowledge in the area.

I had a positive impression of Liljas Plast Group from our first meeting; they showed eagerness to collaborate and offered support from knowledgeable individuals. This has helped me portray a strong overall picture in my work. Furthermore, I'm aware that Liljas Plast Group is a professional company committed to staying at the forefront of development and upholding good values. I had heard positive feedback about the company from former employees.

# Objectives

## Goals for 2024

2023 was a year marked by a strong focus on our work in social sustainability, and we are very pleased and proud of what we have achieved. In 2024 we will maintain our work in social sustainability, but otherwise our focus will be on more environmental activities.

Some of our plans for 2024:

- Invest in resource efficiency and explore how we can reduce our combustible waste by separating production discards and combustible waste. As part of this, we will begin co-operating with operators who buy our production waste.
- We will be switching from an oil-fired boiler on one of our units and instead drill for geothermal energy and install a closed cooling system for water. This will enable us to completely eliminate fossil fuels for heating and reduce our water consumption.



## Long-term goals

**By 2028, we will have reduced our amount of combustible waste by 30% in relation to material consumed.**

The goal is linked to materiality area SDG 9 and SDG 12.

**By 2030, we will halve our carbon footprint compared to the reference year 2022.**

The goal is linked to materiality area SDG 9 and SDG 12.

**The goal going forward is to maintain an employee satisfaction level of 75% at the very least.**

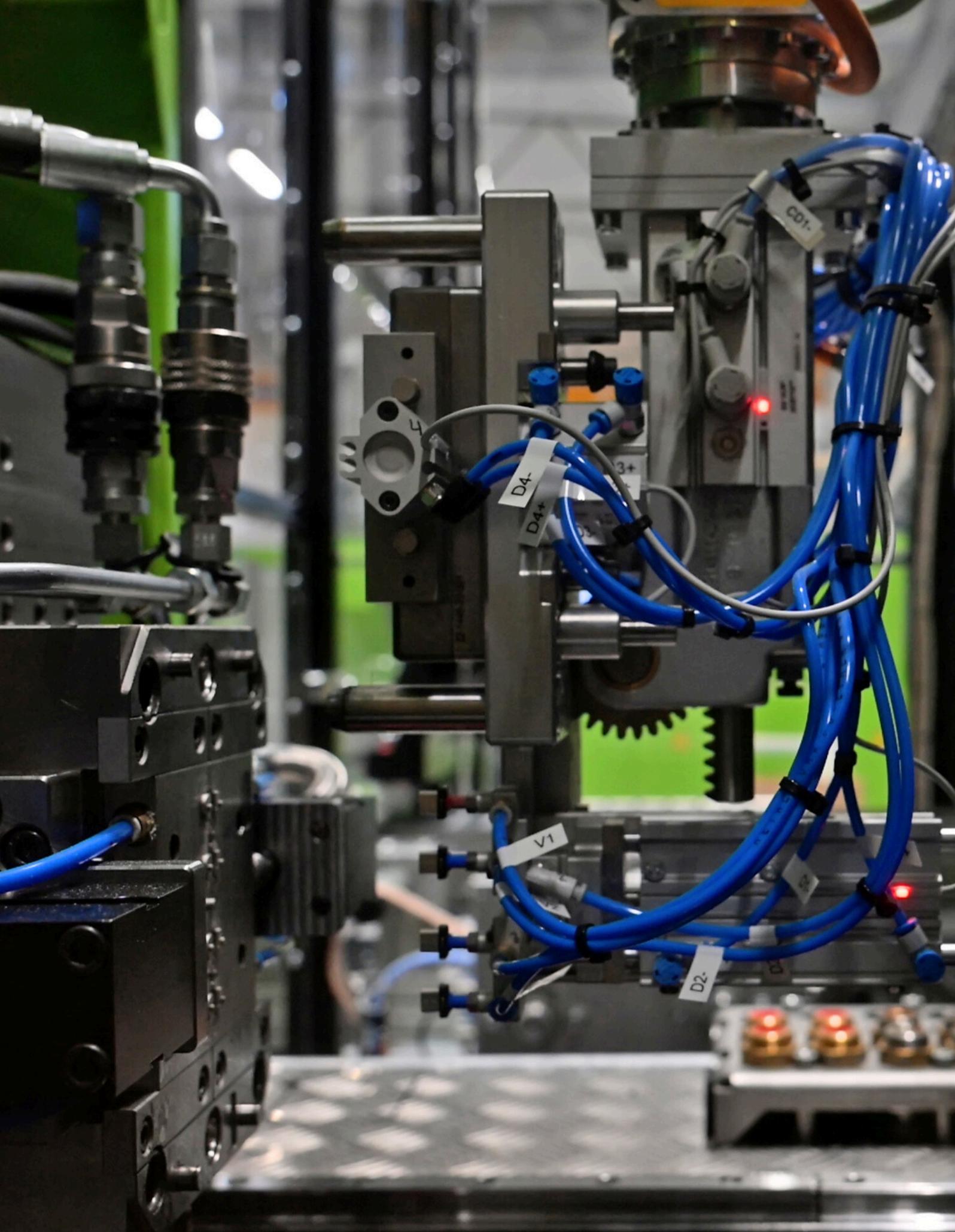
The goal is linked to materiality area SDG 8.

**In 2024, the goal is for the utilisation rate of the wellbeing allowance to increase by 50% compared to the reference year 2022.**

The goal is linked to materiality area SDG 8.

In 2024, we will review our long-term goals and potentially adjust/expand them.







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