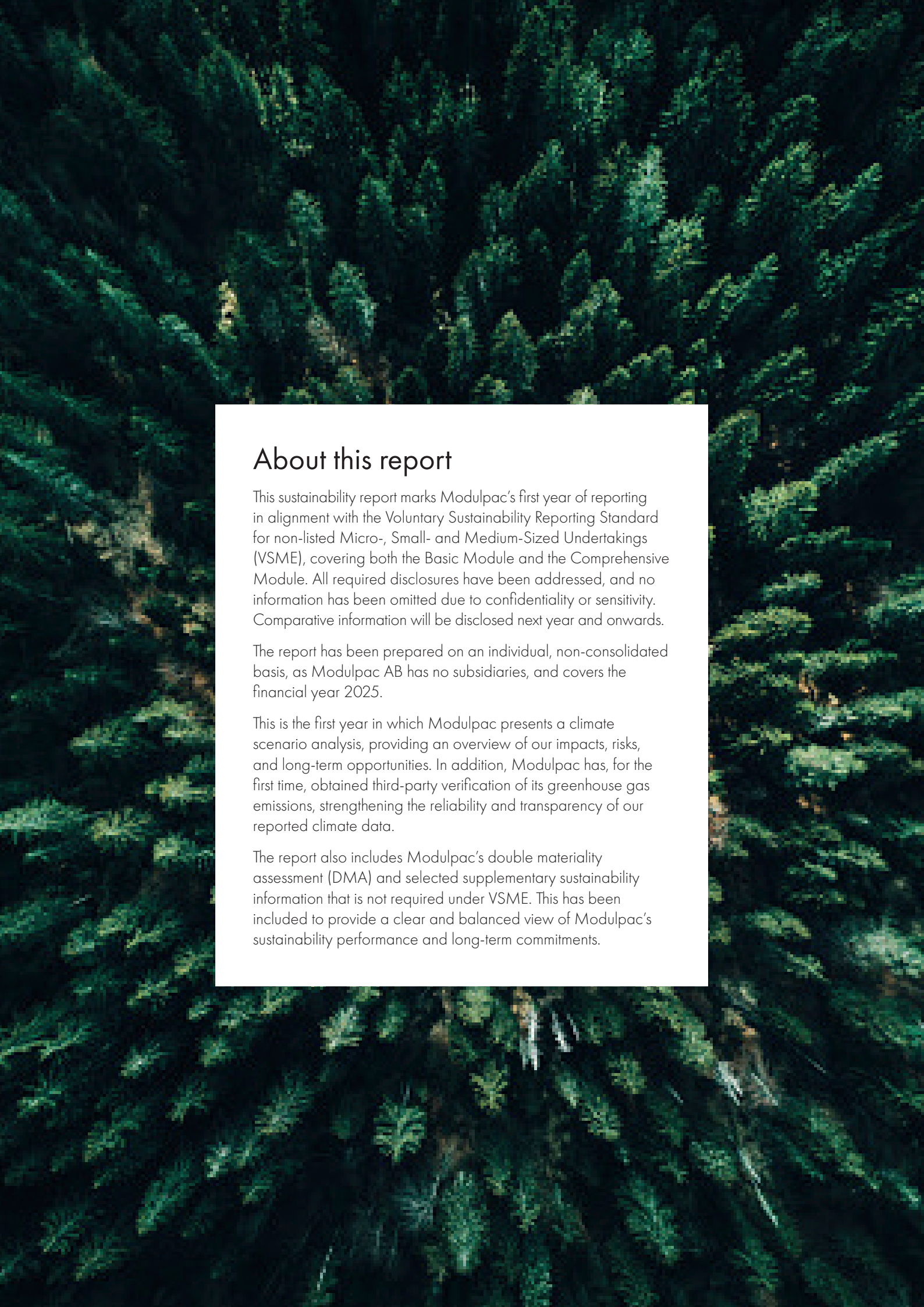
Modulpac

Sustainability Report 2025



About this report

This sustainability report marks Modulpac's first year of reporting in alignment with the Voluntary Sustainability Reporting Standard for non-listed Micro-, Small- and Medium-Sized Undertakings (VSME), covering both the Basic Module and the Comprehensive Module. All required disclosures have been addressed, and no information has been omitted due to confidentiality or sensitivity. Comparative information will be disclosed next year and onwards.

The report has been prepared on an individual, non-consolidated basis, as Modulpac AB has no subsidiaries, and covers the financial year 2025.

This is the first year in which Modulpac presents a climate scenario analysis, providing an overview of our impacts, risks, and long-term opportunities. In addition, Modulpac has, for the first time, obtained third-party verification of its greenhouse gas emissions, strengthening the reliability and transparency of our reported climate data.

The report also includes Modulpac's double materiality assessment (DMA) and selected supplementary sustainability information that is not required under VSME. This has been included to provide a clear and balanced view of Modulpac's sustainability performance and long-term commitments.

A few words from our CEO

During 2025, our customers continued to raise the bar for climate action and responsible production. Many of the companies we supply now operate with ambitious Science Based Targets, and we took an important step ourselves by committing to near-term SBTi targets. This marked a significant milestone in Modulpac's climate journey.

Regulatory developments also continue to shape our sustainability work. As a result of the EU Omnibus Package, our owner is no longer within the scope of mandatory CSRD reporting. Nevertheless, sustainability remains a strategic priority at group level, with continued investments in reporting, training, and support across the organisation. This enables us to maintain a high level of transparency and remain well prepared to meet evolving customer and stakeholder expectations.

Looking ahead, we see both challenges and opportunities. Climate change, material transitions, and regulatory developments will continue to influence our sector, but they also create opportunities for innovation and long-term value creation. With skilled employees, strong partnerships and ongoing investments in technology and materials, Modulpac is well positioned to deliver with a clear focus on quality, responsibility, and long-term resilience.

Kind regards,

Sven Ingvaldsson
CEO
Modulpac AB

About Modulpac

Modulpac is a leading manufacturer of plastic closures and packaging solutions, serving major brands across Europe. Our core business is the development and production of caps, lids, cans & pharma/medtech products to four primary market segments: pharma/medtech, food, cosmetics, and the chemical industry. With long-standing expertise in injection moulding and product development, we offer both a wide range of standard products and custom-designed solutions tailored to customer needs along with value added services such as labelling, and assembly.

Food

Cosmetics

Pharma/Medtech

Chemical-technical

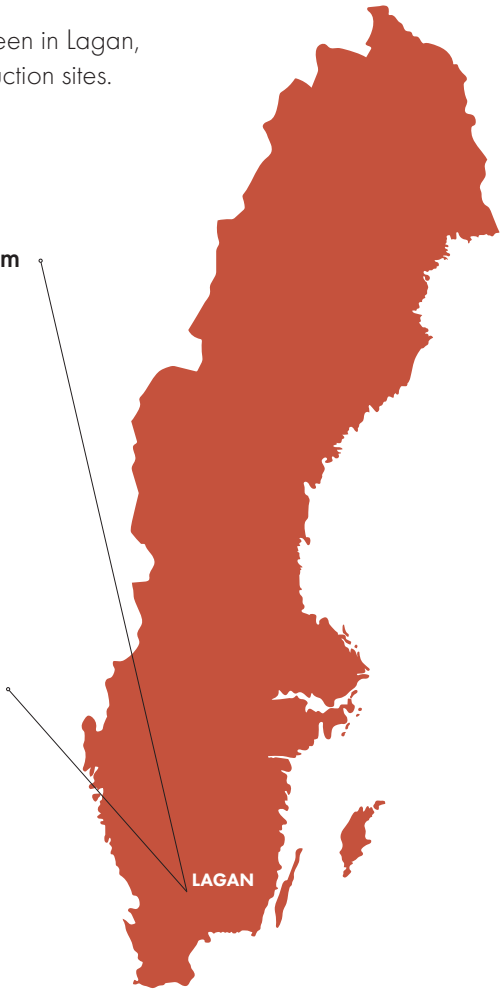
Modulpac operates only in B2B markets, mainly across the Nordic region and Europe, supplying industrial customers that require high quality and reliable packaging components.

Location

Since the company was founded in 1982, all operations have been in Lagan, Sweden, where Modulpac today owns and operates two production sites.

Hygiene & clean room
Västra fabriken
Västergatan 16
341 50 Lagan

Hygiene production
Östra fabriken
Industrigatan 11
341 50 Lagan



Head Office & Production Site	Adress	Postal code	City	Country	Coordinates
Hygiene & clean room ISO 8 production	Västergatan 16	341 50	Lagan	Sweden	56.91605, 13.97539
Production site Hygiene production	Industrigatan 11	341 50	Lagan	Sweden	56.916108, 13.990467

Modulpac is a limited company with the NACE Code 22.22 Manufacture of plastic packing goods

Turnover and balance sheet were 307MSEK respectively 302MSEK

Double Materiality Assessment (DMA)

The double materiality assessment is an important step in understanding both how sustainability topics affect our business and how our operations impact people and the environment. The assessment provides a structured basis for prioritising actions, guiding our reporting, and strengthening transparency.

We recognise that material topics may evolve over time. Therefore, we will revisit the assessment yearly and update when our activities, stakeholder expectations, or sustainability related requirements changed, and we continue to monitor topics that may become material in the future.

Methodology

Our assessment was inspired by the principles of the European Sustainability Reporting Standards (ESRS). Although Modulpac is not in scope of the CSRD, the ESRS based approach provides a robust framework for identifying relevant impacts, risks, and opportunities.

We reviewed all topics, sub-topics and sub subtopics listed in Appendix B of the VSME Standard, assessing each from:

- Impact materiality (positive and negative, actual and potential), and
- Financial materiality (sustainability related risks and opportunities).

When evaluating impact materiality, we considered:

- Scale (severity or benefit),
- Scope (how widespread the impact is),
- Irremediable character (whether negative impacts can be reversed), and
- Likelihood (probability of the impact occurring).

For financial materiality, we assessed:

- Potential financial effect, and
- Likelihood.

Thresholds were applied to determine which topics were considered material. The consolidated results highlight the most significant impacts, risks and opportunities for Modulpac, presented in the next page.

Stakeholder Engagement

Stakeholder perspectives were incorporated into our assessment through interviews at digital meetings with several of Modulpac's largest customers. These dialogues helped identify perceived risks, customer priorities, and key areas where Modulpac can strengthen its sustainability work.

Materials Topics

Climate change
All three sub topics – energy use, climate change mitigation, and climate change adaptation – are highly material for Modulpac from both an impact and a financial perspective. Our production of plastic closures relies on energy intensive processes and the upstream climate impact of plastic raw materials, making climate change a significant driver of both risks and opportunities for the company. Exposure to changing regulations (e.g. PPWR), customer requirements and energy related costs makes climate change financially material.

Circular economy
All sub topics within the circular economy theme – resource inflows, resource outflows, and waste management – are material to Modulpac. Efficient use of raw materials is one of the greatest challenges and opportunities for the plastics industry on the path toward decarbonisation. Modulpac is committed to contributing to a more circular plastics system by applying the principles of reduce, recycle and recover, and by increasing the share of recycled and biobased materials where viable. Shifts in customer demand, regulatory pressures and costs for material and process adaptation make circularity financially relevant.

Own workforce
Several topics related to our employees are material. Modulpac strives to be a responsible employer, ensuring a safe and supportive work environment. Our employees are central to our ability to deliver high quality products and long term value to our customers. Employee health, safety and working conditions are material as our workforce is essential to maintaining quality and operational reliability.

Financial materiality due to attraction, retention and competence development directly influence productivity, quality and long-term competitiveness.

Business conduct
Good governance and strong business ethics are material to Modulpac, as they are closely linked to both business performance and reputational risk. Maintaining high standards for integrity, compliance and responsible business conduct is essential to sustaining trust across our value chain. Non compliance or unethical behaviour could lead to financial losses, legal risks and reputational damage.

Sustainability Management

Modulpac's management team is responsible for developing and implementing the company's policies and targets. All policies are formally approved by the CEO, who carries the overall accountability for ensuring that they align with Modulpac's strategic direction.

Each member of the management team is accountable for the targets and action plans within their respective areas. All employees are expected to contribute to our sustainability efforts by integrating responsible practices into their daily work.

Our Sustainability Manager provides guidance, support and coordination on sustainability-related matters.

Strategic Team
Our PPWR cross-functional team concentrates on establishing a tactical program to address our customers' growing needs for packaging solutions containing Post Consumer Recycled Material (PCR) as a consequence of EU Packaging and Packaging Waste Regulation (PPWR). This initiative will refine and integrate Modulpac's sourcing of high-quality PCR materials & technical development.

The team analyses the progress of the regulation, interprets the practical consequences as well as covers the work within European Chemicals Agency (ECHA) around the different substances and how they affect the recycling process. They follow the development of recycled materials, where the EU just discussed the possibility of chemical recycled material from the consumer side which might be allowed in food packaging.

Certified management systems- our foundation
Modulpac's operations are built on a foundation of certified management systems that ensure quality & environmental responsibility.

We are certified according to:

- ISO 14001 Environmental Management
- ISO 9001 Quality Management
- ISO 13485 Quality Management for Medical Devices
- FSSC 22000 Food Safety
- ISCC+ Sustainability Certification for the Circular Economy and Bioeconomy

Modulpac holds an ISCC PLUS certification, issued by an independent accredited certification body. The certification is renewed annually; our most recent certification was issued in 2025-12-03. ISCC PLUS (International Sustainability and Carbon Certification) verifies the traceability and sustainability of raw materials throughout the value chain and allows Modulpac to use and supply certified recycled and biobased materials under the ISCC mass balance approach.

This certification demonstrates that Modulpac meets internationally recognised sustainability criteria related to responsible sourcing, traceability, greenhouse gas reduction and chain of custody requirements. It supports our efforts to increase the share of more sustainable raw materials in our products and to provide verified sustainability data to our customers.

Certificate Holder ISCC International Sustainability & Carbon Certification

Our Policies

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

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

The Internal Code of Conduct is a part of our introduction program and covers child labour, forced labour, human trafficking, discrimination and accident prevention, while also addressing our social and environmental responsibilities, including workplace safety, reduced emissions and responsible use of resources.

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

Our Supplier Code of Conduct is based on:

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

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

- Anti-Illicit Trade Policy (G)
- Work environment policy (S)
- Food Safety Policy (S)
- Know Your Customer policy (G)
- Policy for remote working (S) (G)
- Privacy Policy (G)
- Quality Policy (S)(G)
- Whistle-blowing policy (G)
- Anti-corruption and bribery policy (G)
- Sustainable Purchasing Policy (E) (S) (G)

Environmental (E) Social (S) Governance(G)

Annual reporting

Modulpac reports to CDP on climate-related topics. Our latest disclosure was submitted for the 2025 reporting cycle and resulted in the overall CDP Climate change score of B. The highest possible rating for a SME. CDP is a global non profit organization that operates the world's leading environmental disclosure system, where companies report data on climate impact, emissions and environmental risks.

SILVER | Top 15%
ecovadis
Sustainability Rating
NOV 2025

EcoVadis is a globally recognised sustainability rating platform that evaluates companies on four key areas: Environment, Labour & Human Rights, Ethics, and Sustainable Procurement.

Table over policies, targets, practices, and future initiatives

Topic	Material topic	Policies?	Policies publicly available?	Implemented policy targets	Sustainability practices	Future initiatives
Climate Impact	YES	Sustainability Policy Pomona Roadmap	YES YES	Increase the range of products offered in lower carbon or recycled materials Reduce electricity consumption Achieve a ≥ 42% reduction in absolute Scope 1 & 2 emissions, tCO2e. Lower the energy intensity of our operations, MWh/ MSEK net sales. Ensure that all Pomona companies have achieved significant reduction in their Scope 3 emissions. Ensure that all Pomona producing entities are in transition to a low-carbon emission product portfolio. Ensure that all Pomona companies have set a net-zero transition plan	Continuous development of sustainable packaging Use energy-efficient equipment & plastic injection moulding machines Use energy-efficient lighting Motion-sensor activated light switches Fossil free electricity sources Needle sealing in new tooling Optimisation of the production process Solar panels ISO 14001 EcoVadis ISCC+	Get validated SBTi-targets (short term).
Pollution	NO	Sustainability Policy	YES	No target	Routine inspections of the outdoor environment Operation Clean Sweep	
Water and Marine Resources	NO	Sustainability Policy	YES	No target	Routine inspections of the outdoor environment Operation Clean Sweep	
Biodiversity and Ecosystems	NO	Sustainability Policy	YES	No target	A beehive has been installed at the western production site to support local biodiversity and pollinators	Plant a meadow
Resource use & circularity	YES	Sustainability Policy	YES	All new larger product development projects must undergo a lifecycle analysis Increase the number of products that can be offered in materials with lower carbon emissions compared to standard materials Increase transparent & light-coloured materials Switch from masterbatch with carbon black (invisible in sorting) to masterbatch visible to near-infrared sensors	No waste is sent to landfill A large amount cardboard sheet & boxes are returned from customer for re-use Increase high-flow material Decrease virgin/fossil-based material and carbon black Tooling Technology Upgrades In-process recycling to convert plastic waste into raw materials Digitalisation of operation	

reporting	Material topic	Policies?	Policies publicly available?	Implemented policy targets	Sustainability practices	Future initiatives
				Reduce the amount of combustible waste Reduce the amount of scrap	LCA competence ISCC+ certificate Collaborative efforts include participation in Producer Responsibility Organizations	
Own Workforce	YES	Work environmental policy	NO	Improving employee wellbeing Zero recordable accidents Zero incidents of discrimination, including harassment	Promotion of a culture of openness around health & well-being Implementation of relevant actions raised from suggestion box, employee survey, safety committee & employee appraisal meeting Incident reporting and root-cause analysis for all near misses and injuries Safety audits All employees are covered by a health and safety management system Personal Protection Equipment Training (internal & external) Wellness allowance	Promote gender balance in top management and across all employees by ensuring equal opportunities, aiming for at least 30% representation of the underrepresented gender
Workers in the Value Chain	NO	Supplier code of conduct Purchasing Policy	YES NO	Fully implement and integrate a group-wide Sustainability Due Diligence process across all procurement and supplier onboarding procedures Secure 100% commitment on our Code of Conduct from suppliers representing ≥ 95% of total spend Grow the proportion of procurement spend with suppliers evaluated and approved against sustainability criteria and risk assessments Have zero incidents of illegally or unethically sourced raw material		

reporting	Material topic	Policies?	Policies publicly available?	Implemented policy targets	Sustainability practices	Future initiatives
Affected Communities	NO	NO	N/a	No target	Yearly gift to community	
Consumers and End-users	NO	Sustainability Policy Food Safety Policy Allergen Policy Quality Policy	YES NO NO NO	No target	ISO 9001 ISO 13485 FSSC 22000 CRC certificates UN certificates Migration tests COC/DOC Align our packaging and product development with the requirements and objectives of the EU Packaging and Packaging Waste Regulation (PPWR)	
Business Conduct	YES	Code of conduct Anti-Illicit Trade Policy Anti-corruption and bribery policy Know your customer policy Policy for remote working GDPR policy Policy for whistleblowing	YES NO NO NO NO YES YES	Zero confirmed incidents of corruption, bribery, and severe human rights violations	Ensure that the Code of Business Conduct and Ethics as well as relevant company policies are known and respected Established procedures for handling discrimination claims EcoVadis NDA Visits are logged Third-party whistleblowing channel All supplier invoices are paid within the contractually agreed time	Training of management in anti-corruption

Environmental metrics

Right-quality closures and packaging impact the shelf life of a product, which in turn reduces waste and contributes to reduced greenhouse gas emissions. Environmental compliance is fundamental to our responsible operations.

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

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

Energy consumtion and mix	**MWh**
Fuel consumption from crude oil and petroleum products	57
Fuel consumption from other fossil sources	70
Total fossil energy consumption	127
Total renewable energy consumption	3586
Total energy consumption	7249
	%
Share of fossil sources in total energy consumption	2
Share of consumption from nuclear sources in total energy consumption	49
Share of renewable sources in total energy consumption	49
GHG intensity per net revenue (tCO2e/MSEK)	0,30

Scope 1: Direct emissions

Scope 1	Share of total emissions (%)	Scope 1 emissions (tCO2e)
Direct emissions	0,7	58

Scope 1 - share of emissions by source	tCO2e
Company vehicles	29
Fugitive emissions - refrigerants	29

Own-produced electricity from non-fuel renewables	Solar PV (kWh)
Electricity production	431708
Electricity consumption	431708

Refrigerants and Cooling Systems

Modulpac's production facilities are equipped with modern, energy efficient cooling systems used for both comfort cooling and process water. To further reduce energy use, both sites are connected to free cooling systems, which allow us to lower temperatures without mechanical refrigeration when outdoor conditions permit. In addition, return water from our processes is recovered and used for heating our premises, further improving overall energy efficiency.

Refrigerant emissions arise from leakage in cooling equipment. In 2025, Modulpac recorded a leakage of 15 kg, originated from a pressure gauge, an area where leakage is typically minimal and hard to identify. In accordance with regulatory requirements, the system is inspected twice per year, and the leakage was identified and repaired as part of this routine control.

Scope 2: Indirect energy greenhouse gas emissions

Emissions source	Share of total emissions (%)	Emissions (tCO2e) Marked-based*	Emissions (tCO2e) Location-based*
Purchased electricity	0,4	572	34

*AIB (2024)

Source of electricity consumption* (MWh)	Fossil	Nuclear	Renewable	Total
Purchased electricity	0	3534	3153	6687

*Data from utility billings

Scope 3:

	Share of total emissions (%)	Emissions (tCO2)
Indirect carbon emissions from value chain, excluding direct energy purchases	98,9	8287

Scope 3 represents the largest share of Modulpacs climate footprint and scope 3 emissions was allocated across all our key categories:

Emissions By Category	tCO2e
Cat. 1: Purchased goods and services	6790
Cat. 2: Capital goods	563
Cat. 3: Fuel- and energy-related activities, outside of scope 1 & 2	159
Cat. 4: Upstream transportation and distribution	369
Cat. 5: Waste generated in operations	2
Cat. 6: Business travel	7
Cat. 7: Employee commuting	86
Cat. 9: Downstream transportation and distribution	292
Cat. 12: End-of-life treatment of sold products	17

The largest share of Modulpac's greenhouse gas emissions comes from the purchase of virgin polypropylene (PP) and polyethylene (PE). These materials have relatively high embedded emissions because their production is energy intensive and relies on fossil feedstocks, which generate significant CO_2 emissions during extraction, refining and polymerisation. As a result, raw material purchases represent our most emission intensive Scope 3 category.

This category is also the part of our footprint where Modulpac has the least direct influence. Material choices are shaped by strict legal requirements for food contact and product safety, as well as by customer specifications. In many cases, PP and PE are required due to their regulatory compliance, performance (e.g. child-resistant requirements), and recyclability in existing systems, which limits our ability to substitute materials without compromising quality or compliance.

Despite this limited influence, Modulpac works actively to reduce the climate impact linked to raw materials. This includes increased evaluation of recycled, biobased & bio circular/mass balance PP and PE grades, collaboration with suppliers, and dialogue with customers about future material options. As regulatory frameworks such as PPWR evolve and customers adopt science based climate targets, our goal is to work together across the value chain to identify pathways that can reduce emissions without compromising product integrity or safety.

Climate targets

Modulpac took an important step forward in 2025 by becoming committed to having our near-term science-based targets (SBTi) validated. This commitment reflects both Modulpac's own climate ambitions and the increasingly high expectations from our customers, many of whom operate with SBTi-aligned strategies and require suppliers to demonstrate credible progress on decarbonisation.

Modulpac also plans to develop and adopt a comprehensive net-zero transition plan no later than 2027. This plan will outline our pathway for reducing emissions through a range of decarbonisation measures. It will extend beyond our near-term targets and describe how Modulpac will reduce emissions across our operations and supply chain towards 2050.

By committing to SBTi and preparing for a structured transition plan, Modulpac strengthens its role as a responsible value-chain partner and actively supports the climate ambitions of the companies that rely on our products.

Since Modulpac not yet has validated SBTi-targets, Modulpac aligns with the climate targets set at group level through Pomona-gruppen's Sustainability Roadmap 2030.

Pomona-gruppen has committed to achieving at least a 42% reduction in absolute Scope 1 and 2 greenhouse gas emissions by 2030, with 2025 as the baseline year, in line with the Paris Agreement goal of limiting global warming to 1.5°C, and to achieving net-zero emissions by 2050. The group targets cover Scope 1 and Scope 2 emissions and require that subsidiaries also address significant Scope 3 emissions, with a minimum of 67% of total Scope 3 emissions included in reduction targets, where Modulpac particularly will focus on purchased goods and services and transport.

Climate risks

Modulpac has identified climate-related physical hazards and transition events through a structured climate scenario analysis covering its own operations and selected parts of the value chain. Key physical hazards include heatwaves, storms, heavy precipitation and flooding, as well as longer-term risks related to changing precipitation patterns, seasonal supply variability and water infrastructure capacity. Climate-related transition events mainly relate to evolving EU and Swedish regulations, carbon pricing, availability and cost of sustainable materials, and increasing customer demand for low-carbon packaging solutions.

Exposure and sensitivity have been assessed using scenario-based physical risk modelling for Modulpac's production sites and evidence-based transition risk assessments informed by internal workshops. Risks have been evaluated across short-term (2030), medium-term (2040) and long-term (2050) time horizons.

Modulpac will now initiate and plan climate adaptation actions focused on strengthening water and drainage infrastructure, improving cooling and ventilation, enhancing supply-chain resilience and integrating climate considerations into operational and investment planning. Overall, climate-related risks are assessed as low to moderate. Physical risks are mainly operational and manageable, while transition risks are driven by regulatory developments and market expectations. Modulpac does not identify any severe climate-related risks to financial performance in the short term, provided that planned actions are implemented and monitored.

Climate Scenario Risk Analysis

Risks & Opportunities by Climate Pathway - Horizon 2050

TCFD aligned

Achieving the Paris Agreement

Orderly Transition / Net – Zero Pathway

RISKS

- Stricter EU & National regulations on packaging design, materials, emissions and reporting
- Higher near – term costs: carbon pricing, energy transition, compliance & compliance product redesign
- Pressure on energy sourcing & compliant material availability during transition

OPPORTUNITIES

- Cost efficiency gains: energy efficiency, electrification, reduced fossil exposure
- Competitive edge: low – carbon & recyclable products, early regulatory alignment
- Increased attractiveness to sustainability – driven customers & markets

FINANCIAL OUTLOOK

Higher short – term capex – offset by greater long – term cost tability. Reduced carbon & energy volatility exposure. Increased earnings predictability

Net Zero Pathway: Near – term investment & compliance burden – but lowers long term financial risk and secures competitive position

Business as Usual

Delayed Transition Pathway

RISKS

- Growing physical climate impacts on operations & supply chains
- Higher long – term costs: rising energy prices, carbon pricing escalation, accelerated regulatory catch-up
- Asset inefficiencies & erosion of competitive positioning over time

NEAR TERM RELIEF ONLY

- Lower short – term transition costs
- Fewer immediate investment requirements

FINANCIAL OUTLOOK

Higher cumulative costs from delayed adaptation. EBITDA volatility driven by energy prices shocks, carbon exposure & regulatory escalation. Elevated long-term financial risk

Business As Usual: Short-term relief – but accumulative physical, regulatory & financial risks, increasing EBITDA volatility and standard-asset exposure

Strategic Conclusions & Priority Actions

DOMINANT RISK DRIVER

Transition Risks are the primary drivers of Modulpac's long term climate related financial exposure – led by regulatory escalation, carbon pricing & market-driven demand shifts.

PHYSICAL RISK PROFILE

Physical risks remain more concentrated and manageable through targeted resilience investments – lower systematic exposure then transition risks.

THE CASE FOR EARLY ACTION

Acting now reduces long – term risk, improves cost predictability, and strengthens competitiveness across all future scenarios – regardless of which climate pathway materialises.

Key Insight

The Paris pathway carries higher near – term costs but delivers superior long-term financial resilience. The scenario analysis provides a clear basis for capital allocation and strategic planning.

PRIORITY ACTIONS – CLEAR BASICS FOR INVESTMENT

Regulatory Readiness

Align products, processes & reporting with EU packaging regulations and CSRD requirements ahead of enforcement deadlines.

Carbon Reduction

Invest in energy efficiency, electrification & low-carbon materials to reduce cost exposure to carbon pricing and fossil volatility.

Operational Resilience

Strengthen supply chain against physical climate risks through diversification, adaptation measures & scenario-informed procurements.

Long-Term Strategic Planning

Embed climate scenarios into capital allocation decision, product roadmap development & stakeholder reporting cycles.

Pollution of air, water and soil

Modulpac is not legally required to submit environmental reports to authorities, but our operations are certified according to ISO 14001 and are subject to annual inspections by the local municipality. As part of our environmental management system, we assess potential emissions from our processes. Operational pollution to air, water and soil are negligible, we have therefore not included quantitative data on pollutants.

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

Biodiversity

Modulpac´s two production sites in Lagan, Ljungby municipality, are not located in a biodiversity sensitive area, according to publicly available data from the Swedish Environmental Protection Agency (https://skyddadnatur.naturvardsverket.se).

In 2025, Modulpac, Western Plant, joined Operation Clean Sweep, an international programme aimed at preventing plastic pellet loss. Conducted internal audits and implement additional preventive measures to strengthen our handling routines, reduce the risk of material spills, and ensure responsible management throughout our production processes.

Operation Clean Sweep®

Biodiversity, including land use, is not material to Modulpac, we have not prioritised the collection of land use data.

Water

Our facilities are located within a designated water protection area, which places additional requirements on spill prevention and chemical handling. In response, we have implemented preventive measures to protect local water resources, including improved routines for storage, emergencies and handling of material.

We have confirmed through WRI's Aqueduct that none of our sites are in high-water stress areas, and as it is not material, no detailed data is collected.

- 868 m³ total water use*
- 100 % municipal water supply
- 100 % returned to municipal wastewater treatment plant

* Measured data, as reported in our water bills.

Circular economy

Circular economy is a central part of Modulpac's sustainability approach and a material topic for our business. As a producer of plastic closures and components, we hold an important role in contributing to a more resource efficient value chain. Instead of the traditional linear model – "take, make, dispose" – the circular economy aims to keep materials in use for as long as possible, minimise waste, and reduce dependency on virgin resources. Within the technical cycle of the circular economy, plastics can be reused and recycled repeatedly when designed and handled correctly.

Our priorities within circularity

The transition to a circular economy is closely linked to the EU Packaging and Packaging Waste Regulation (PPWR), which places strong emphasis on recyclability, material efficiency and reduced use of virgin plastics. PPWR introduces mandatory recyclability performance grades, limits on unnecessary packaging, and requirements for increased use of recycled content in plastic packaging placed on the EU market.

Modulpac directly supports our customers in meeting these new obligations by actively working with the following focus areas:

- Circular product design: We develop products that prioritise recyclability and material efficiency. E.g. transparent materials, light-coloured materials and NIR detectable masterbatch increase the recycling possibilities.
- Increasing circular material use: We aim to raise the share of recycled, biobased and bio circular/ mass balance raw materials in our products where quality and regulatory requirements allow.
- Reducing primary raw material use: Through optimised design, weight reduction and efficient production, we minimise the need for virgin plastics.
- Sustainable sourcing: We work to ensure responsible sourcing practices and to evaluate renewable materials in line with circularity and cascading principles.
- Responsible waste management: Our internal waste streams are carefully sorted to ensure high quality recycling and proper treatment of residual waste.

By integrating PPWR-aligned principles into product development and production, Modulpac not only strengthens its own circular performance, but also contributes to more sustainable value chains.

Material Use and Annual Material Inflows

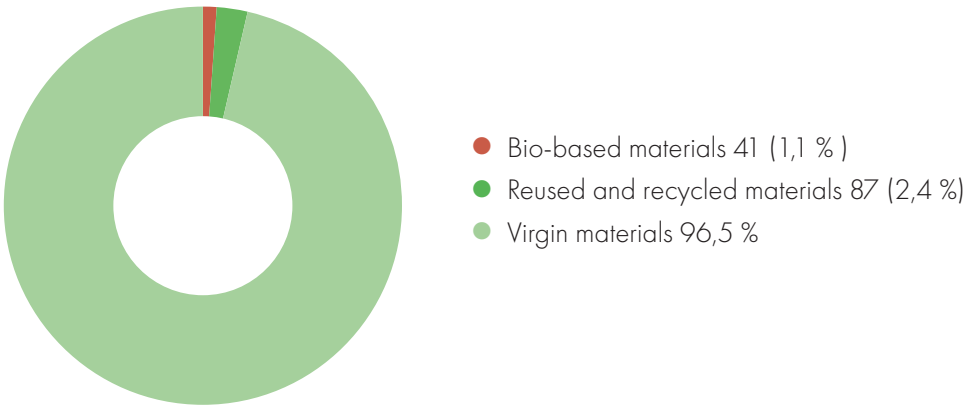
Modulpac operates in a sector where material efficiency plays a key role in reducing environmental impact. The company's annual material inflow is dominated—both in volume and economic value—by plastic raw materials, primarily polypropylene (PP) and polyethylene (PE), which are used as the main feedstocks in our injection-moulding processes.

In addition to polymers, Modulpac also purchases complementary input materials essential for product functionality and packaging, including:

- Masterbatch for colouring and technical performance
- Labels and liners
- Packaging materials such as plastic bags and corrugated boxes/sheets

Although these additional materials represent a minor share of our total inflow, they remain important components of our overall resource use and are included in our waste sorting and circularity efforts.

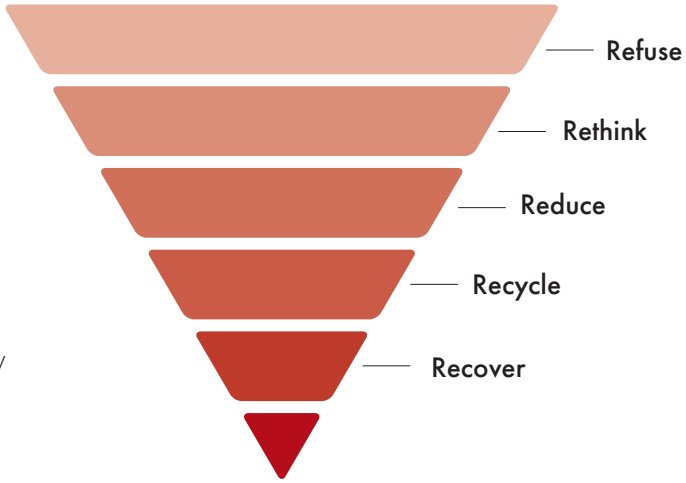
Resource inflows	2025
Weight of raw material & masterbatch used	3805 tonnes
Weight of packaging materials	224 tonnes
Labels & liners	212 MPCS



The waste hierarchy

Modulpac applies the waste hierarchy as part of its circularity strategy, placing focus on avoiding waste before it is generated and maximising the value of materials before disposal is considered. From the waste hierarchy, Modulpac prioritises activities where we can create the greatest impact:

- **Refuse:** Avoid products that generate waste or are unnecessary
- **Rethink:** Consider alternative ways to meet needs with less environmental impact
- **Reduce:** Minimize the quantity of materials and energy used
- **Recycle:** Ensuring that our material streams are sorted and recycled, enabling high quality material loops.
- **Recover:** Supporting responsible recovery of energy or materials when recycling is not possible.



At Modulpac, we recognise that responsible waste management is essential to reducing our environmental footprint and supporting our customers in achieving more sustainable packaging solutions. Our waste streams arise primarily from our production of plastic closures and components, as well as supporting activities related to packaging, maintenance and administration:

- **Mixed non recyclable waste** from production support processes.
- **Cardboard** – secondary packaging used for incoming goods and internal handling.
- **Plastic fraction (transparent & coloured LDPE)** –bags used for incoming raw material
- **Metal** – originating from maintenance, tooling adjustments and equipment handling.
- **Wood** – primarily from pallets and transport packaging.
- **Paper** – office and administrative processes.
- **Hazardous waste** – including chemicals, oils or residues that must be managed in accordance with regulatory requirements, and obsolete or damaged electronic equipment.

Scrap recovery

At Modulpac, scrap recovery is an integral part of our circular production approach. Defective or off spec production items are either reground and directly reintroduced into the manufacturing process or collected and granulated outside the production flow. Material that cannot be reused internally is sent to an external recycling partner, where it is processed into new raw material and sold onward. This ensures that plastic scrap remains in high value material loops and supports the reduction of virgin material use across the value chain.

On this picture you'll see our shattered waste material that we send to Rondo Plast for it to get a new life as recycled compound material. You can also see an example of how it looks when we change colour from black to transparent.

All the waste generated at our facilities consists of material fractions that can be efficiently sorted and sent for recycling or proper treatment.

Through structured waste sorting, continuous improvement in material efficiency, and strong collaboration with our waste management partners, Modulpac works to reduce waste generation at the source, maximise recycling rates and ensure safe, compliant handling of all residual waste.

	Non-hazardous waste generated (tonne)	Hazardous waste (tonne)	Total waste (tonne)	Recycled (%)	Sent to landfill
2023	168	12	178	48%	0%
2024	139	22	161	53%	0%
2025	147	19	166	45%	0%

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

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

Social metrics

At Modulpac, social sustainability means ensuring that our employees and temporary workers have a safe and healthy working environment, free from discrimination and bias, and one that supports both physical and mental well being.

Modulpac's Work Environment Policy sets the framework for creating a safe, secure and satisfactory working environment, where risks are systematically identified, prevented and managed.

Modulpac does not tolerate any form of harassment, discrimination or unfair treatment. Our ambition is to be a fair and responsible employer that promotes diversity and inclusion through a balanced mix of skills, backgrounds and characteristics such as gender, age and cultural background.

Workplace safety is supported through systematic work environment management (SAM), a dedicated safety committee, and regular workplace assessments in accordance with applicable legislation. All employees are entitled to a wellness allowance, and we continuously invest in safety.

Through joint responsibility and access to the right tools and training, we work proactively to maintain a positive working climate. In line with our work environment policy, Modulpac's long-term ambition is to achieve zero workplace accidents.

Clear and well defined processes are essential not only for efficiency, but also for personal development and sustainable wellbeing over time. Operating in a manufacturing environment often characterised by a high tempo and demanding schedules, we recognise the importance of creating conditions that support recovery, health and long-term performance.

Health and safety*	
Number of recordable work-related accidents (#)	0
Rate of recordable work-related accidents (%)	0
Number of work-related injuries and work-related ill health (#)	0
Rate of absence ** (%)	2.3
Number of work-related fatalities (#)	0
Number of days lost to work-related injuries, fatalities & ill health	59

** Social metrics reported relate exclusively to employees directly employed by Modulpac*
***Includes all causes of absence and is not limited to work related ill health (88 025 scheduled hours).*

Employee headcount	Permanent contract	Employee turnover rate	Non-employee workers
41	41	0 %	38
(december 2025)	*(100 %)*		*(december 2025)*

Number of employees by gender

Gender	Headcount
Male	29
Female	12
Other	0
Not reported	0
Total employees	41

Female to male ratio Management Team	Confirmed human rights incidents related to child labour, forced labour, human trafficking and discrimination	Confirmed incidents involving workers in the supply chain, affected communities, consumers and end-users
2:5	0	0

Remuneration and collective bargaining

Sweden has no statutory minimum wage. Instead, wage levels are set through collective bargaining agreements negotiated between employers and trade unions. At Modulpac, 100% of employees are covered by such agreements, and all wages are in accordance with them. This ensures that employees receive fair wages.

Competence development/retention of competence

Modulpac invests time and resources in competence development at all levels of the organisation. As part of our structured performance appraisal process, training is provided through a combination of internal programmes and external courses, tailored to the needs of each role and individual. By fostering a strong learning culture, we strengthen individual competence while also supporting employee engagement, innovation, and long term retention within the company.

Average hours of training per employee
14

**Applies to both female and male employees. The average number of training hours is based on a survey. The total number of hours is divided by the number of employees (headcount) during the year. No gender-specific estimates were made due to lack of exact data.*

Modulpac has established complaints handling mechanisms for its own workforce, as described in the Code of Conduct. Employees can also report concerns through a confidential whistleblowing channel. In addition, Modulpac has defined procedures for reporting and handling cases of discrimination and harassment.

Internal mobility

Internal mobility is an important part of Modulpac's approach to competence development and long term employee engagement.

Internal mobility cases reflect our ambition to support career development, retain knowledge within the organisation and make use of existing competence across different functions.

Internal mobility cases

Ildiko Albert

Current position: Production Planner

Joined the company: 2013

How did your journey with the company begin?

I initially started at Modulpac´s sister company Modulpac Assembly, where I gained experience in various assembly processes. I was given the opportunity to demonstrate my skills and capabilities. I worked there for eight months.

How did your internal transition take place?

After eight months, I was offered a position at Modulpac as a machine operator. I worked in production for 12 years, most recently as a Shift Leader, and I am also part of the Safety Committee. Throughout this time, I actively sought opportunities to learn more and take on new challenges. My manager was aware of my ambition to develop, and I trusted that he would let me know when a suitable position became available — and he did.

Which experiences from your previous role have been valuable in your current position?

I brought with me all the knowledge I had gained in production, including experience with injection moulding machines, robots, assembly equipment, products and quality requirements, as well as a strong understanding of internal systems. During this time, I have also built strong relationships with my colleagues.

Johan Molin

Current position: Quality Coordinator

Joined the company: 2013

How did your journey with the company begin?

I started at Modulpac in 2013 as an agency operator at the eastern factory. Prior to that, I had worked as a machine technician and completed training courses alongside my work. A year later, I was offered a permanent position as a machine technician. Since then, I have continued to undertake further training in the field, as well as conducting internal training sessions for the production staff

How did your internal transition take place?

In 2025, I applied for an internal position within our quality department in pursuit of new challenges. I experienced the transition between departments as very welcoming.

Which experiences from your previous role have been valuable in your current position?

In my new role, I use my previous knowledge of our products, machines, and systems on a daily basis, and I benefit greatly from this experience.

Governance metrics

Practices and Performance at Modulpac

At Modulpac, our governance framework is built on high ethical standards, integrity and consistency in decision making. Responsible business conduct is fundamental to maintaining trust with employees, customers, suppliers and other stakeholders, and
to managing risks related to corruption, bribery and unethical behaviour.

Potential risks are mitigated through the application of our Code of Conduct, which applies to all employees and suppliers, clearly sets out expectations regarding ethical behaviour, compliance and integrity. The whistleblowing channel, enabling employees as well as external partners to report suspected misconduct or violations in a secure manner.

Employees and representatives of the company are strictly prohibited from offering, giving, requesting or accepting any form of payment, gift or benefit that could influence, or be perceived to influence, business decisions. All employees are expected to act independently and avoid conflicts of interest in both professional and private contexts.

Modulpac also works actively to safeguard information and data through clear internal procedures, role based access and compliance with agreed requirements toward customers and external partners, including data processing agreements where applicable. Information security risks are assessed on a risk based approach, considering both business impact and operational needs.

Targets and ambitions

Modulpac has zero tolerance for any form of corruption or bribery. During the reporting period, Modulpac had no confirmed incidents, convictions or fines related to corruption or bribery.

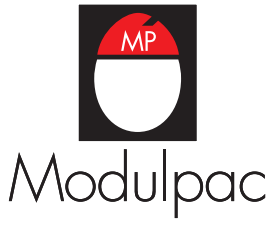
While no formal quantitative targets related to information security have been adopted, our ambition is to prevent any significant incidents affecting the availability, confidentiality or integrity of company or customer information.

VSME Index

Module	Topic	Disclosure	Page	§	Comment
Basic	General information	B1 Basis for preparation	2	24 a-d	No information has been omitted. Modulpac AB is part of the Pomona-gruppen AB but has no subsidiaries, and the report is prepared on an individual basis.
Basic	General information	B1 Basis for preparation	5	24 e) i-iv. vi-vii	Limited company. NACE code: 22.22. Revenue and balance sheet total are 307 respectively 302 MSEK. Dislosures align with our financial reporting.
Basic	General information	B1 Basis for preparation	25	24 e) v.	41 employees in headcount
Basic	General information	B1 Basis for preparation	8,9	25	Modulpac holds an ISCC PLUS certification
Basic	General information	B2 Practices, policies and future initiatives	11-13	26-28	
Basic	Environment	B3 Energy and greenhouse gas emissions	14	29	
Basic	Environment	B3 Energy and greenhouse gas emissions	15	30	
Basic	Environment	B3 Energy and greenhouse gas emissions	14	31	GHG intensity amounts to 0,29 tCO2e/ MSEK (location based)
Basic	Environment	B4 Pollution of air, water and soil	19	32	Modulpac is not subject to pollution reporting requirements and pollution is not a material topic; no quantitative data disclosed.
Basic	Environment	B5 Biodiversity	19	33	Biodiversity is not assessed as material.
Basic	Environment	B6 Water	19	35-36	The injection moulding process requires water. Water stress assessed using WRI Aqueduct. Water consumption: 868 m³
Basic	Environment	B7 Resource use, circular economy, waste management	20-23	37-38	Modulpac has a significant material flow of raw material, mainly PP & PE but also liners, labels, masterbatches and packaging material.
Basic	Social	B8 Workforce – General characteristics	24-25	39-40	All employees are located in Sweden.
Basic	Social	B9 Workforce – Health and safety	24	41	Work-related accidents, ill-health and absence disclosed.
Basic	Social	B10 Workforce – Remuneration, collective bargaining, training	25	42	Pay, training hours and collective bargaining coverage disclosed.

VSME Index

Module	Topic	Disclosure	Page	§	Comment
Basic	Governance	B11 Convictions and fines for corruption and bribery	27	43	No confirmed incidents, convictions or fines related to corruption or bribery.
Comprehensive	General information	C1 Strategy: Business model and sustainability initiatives	4	47	Modulpac´s business model is based on the development and production of packaging solutions. Sustainability-related considerations are integrated into the strategy, with focus on the material, production efficiency, and responsible sourcing.
Comprehensive	General information	C2 Practices, policies and future initiatives	9, 11-13	48-49	Detailed description of sustainability policies and initiatives.
Comprehensive	Environment	C3 GHG reduction targets and climate transition	17	54	Modulpac has committed to science-based near-term targets; not operating in high climate-risk sectors.
Comprehensive	Environment	C4 Climate risks	17	57	Climate scenario analysis conducted covering physical and transition risks.
Comprehensive	Social	C5 Additional workforce characteristics	25	59	Female to male ratio Management Team
Comprehensive	Social	C5 Additional workforce characteristics	24	60	Modulpac´s non-employee workers in own workforce: 38
Comprehensive	Social	C6 Human rights – own workforce	9	61	Human rights covered by Code of Conduct: child labour, forced labour, human trafficking, discrimination and accident prevention.
Comprehensive	Social	C7 Severe negative human rights incidents	25	62	No confirmed severe human rights incidents in own workforce or value chain.
Comprehensive	Governance	C8 Revenue from certain sectors and EU benchmarks		63-64	No revenue from a-d sectors; not excluded from EU reference benchmarks.
Comprehensive	Governance	C9 Gender diversity in governance body		65	Female to male ratio Board of Directors 0 : 4
Additional	General information	A1 Double materiality assessment	6-7		Double materiality assessment conducted in line with ESRS-inspired methodology.



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For any questions related to our Sustainability Report or GHG data inquiries, please contact our Sustainability Manager, at malin@modulpac.se.