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# 1. Word from CEO

This is our starting point. This is Talent Plastics, as a group, starting point to become a proactive sustainability partner to our customer and to meet our owner's high expectations on being focused to support in creating a better world. This is our starting point of working together as a group, making use of synergies, our know how and learning from each others experiences. Our five Talent companies has over time, each on their own, been taking actions to be part of a more sustainable future. However, this is our starting point to, as a group, take coordinated steps and actions, and annually with this report show our progress.

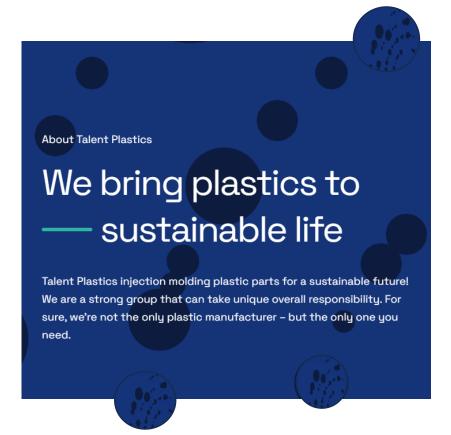
In making a sustainability report, different approaches can be taken. We have decided to aim to align with the European Commission's CSRD requirements expecting this to become a demand in a near future. We have also taken into consideration our owner's request to work with the UN:s sustainability Development Goals and have chosen targets relevant to our business and group, relevant in the context, where we can make a difference. In addition to this, our customers have set high targets for themselves, requesting our support. To comply with our customer's demands we have chosen to also take the automotive sustainability standard SAQ 5.0 into consideration.

This document reflects on the company's commitment to sustainable development, outlines future sustainability goals and strategies, and emphasizes the importance of sustainability to the company's overall mission and business model. Being at a starting point, during the year actions will be taken to get a better understanding and coordinating ourselves as a group, working with our KPI:s pushing ourselves through benchmarking and sharing successes and learning from each other's mistakes. During the year we will also add KPI:s to push our work in becoming a future net zero partner to our customers.

This is our starting point, as a group to become and identify us as a sustainable company. I am sure that being a sustainable company is needed to make us relevant to all our Talent employees, our owner's, customers and other stakeholders. To me personally, this approach, the actions we are taking and will take makes my work more fun, giving it added meaning. Now, let's get going our work for a sustainable future has started.

# 2. Talent Plastics In Short

1 owner		O.F. Ahlmarks & Co Eftr. AB, Karlstad, Sweden		
	272 Employees	A stable amount since 2021.		
	5 sites	Talent Plastics is situated in <b>Sweden</b> (Gislaved, Bredaryd, Laxå) <b>Estonia</b> (Tallinn, Tartu)		
	126 IM Machines	Invested 3 machines in 2023		
	3 799 ton raw material	Combined we have produced products using 3 799 tons of raw material during 2023.		
<b>83</b>	>500 Customers	Talent Plastics supply to:  • Automotive ~30%  • General industry ~30%  • Electronics ~15%  • Consumer ~15%  • Medical ~5%  • Other 5%		
	CO₂ Emissions	Goal to monitor and report emissions during 2025		



# 3. Introduction

The report details Talent Plastics Group's journey towards becoming more sustainable. It explains how the company plans to be a positive actor by reduce its negative impact on the environment, improve its' social practices and secure a long-term financial stability. Referring to the UN sustainable goals development goals this specifically includes tackling climate change, reducing pollution, recycling more, and ensuring the company is a good place to work for everyone. It also discusses how the company plans to behave responsibly in its business dealings. By focusing on these areas, Talent Plastics Group aims to make sustainability a core part of its culture, ensuring that it contributes positively to the planet and society while thriving as a business.

#### 3.1. Leadership

Talent Plastics Group, consisting of five producing companies, are run by local managements with the support from group management. The group is acting on directives presented by the ultimate owners of Ahlmarks group. In doing that a 3-year business plan is updated yearly. The business plan is made and communicated internally to ensure that activities in separate areas of the group are aligning with a common target. Alignment is done at regular business review meetings and board meetings in the respective entities as well as in meetings with management. In addition to that a number of policies and a code of conduct has been published and communicated internally to ensure that actions and behaviors are in line with Talent group expectations. Talent also has core values based on being Positive, Innovation, Respect, Responsibility to lean on.

Beside our owners and Talent Group expectations on our governance, some of our main customers' high expectations have an impact on how the group and companies are run. Also complying with ISO- and IATF standards sets up guidelines for our organizations and ways to act. Besides that, customers are increasingly expressing additional requirements, complying to sustainability demands in different ways, in order to be a future supplier.

The Talents Plastics Group consists of five operating, separate, legal entities. It needs to be clearly stated that the responsibility for running each business, including taking care of sustainability efforts, falls on the local managers. One way of supporting the sustainability work is by following our different local certifications on ISO and IATF. The group as a whole is supporting in presenting guidelines, policies, following up on KPI:s and also producing and maintaining this sustainability report.

# Talent Plastics Group High level Goals and KPI's Policies and Guidelines

Talent Plastics	ent Plastics Talent Plastics Talent Plasti		Talent Plastics	Talent Plastics
Bredaryd	Gislaved	Laxå	Tartu	Tallinn
Legal responsability	Legal responsability	Legal responsability	Legal responsability	Legal responsability
Sustainability	Sustainability	Sustainability	Sustainability	Sustainability
responsability	responsability	responsability	responsability	responsability
ISO 9001	ISO 9001	ISO 9001	ISO 9001	ISO 9001
ISO 14001	ISO 14001	ISO 14001	ISO 14001	ISO 14001
NSF	IATF 16949	IATF 16949	ISO 45001	IATF 16949
		VDA 6.3		SAQ 4.0
		SAQ 4.0		
		Volvo Cars SEMAT		

To ensure our Sustainability Report meets the SAQ-5.0 document standards, we considered the following topics:

- 1. Management Structure and Responsibility
- 2. CSR/Sustainability Practices
- 3. Management Systems
- 4. Third-Party Verifications and Certifications

# 3.2. Strategy

Talent Plastics has responsibilities, towards owners, employees, other stake holders such as customers, financers and suppliers and importantly, our future. Talents Plastics task is to be long term profitable and to be sustainable in different areas is crucial. Sustainability has become a key word to our business. In order to maintain a financial sustainability and stay in the business focus areas this has been described in Talent Plastics Business plan. We have expressed that we want to be a proactive partner to our customers, by working with and proposing, whenever possible, materials that are more sustainable and internally work with a zero waste mindset to reduce inefficiencies in energy, material usage and also time. This will not only have positive impact on our environment but also be beneficial in our offers to customers and our own profit. The Talent Plastics employee satisfaction is also a sustainability issue. Satisfied employees are happy to support and develop our business and are also attracting new competent employees.

Talent Plastics have also decided to commit to not be intimidated by our customers' high sustainability demands but instead see them as an opportunity to be ahead of our competitors. To present this sustainability report is a way for Talent Plastics to show our employees, management, owners and not the least, our customers our sustainability strategic position. The report is also a preparation for expected upcoming legal requirements.

### 3.3. Background to the report

This report takes a wider look at sustainability, building on past efforts to report on individual companies. It follows the 2024-26 Business Plan's goal to emphasize on sustainability actions.

The report is structured around the Corporate Sustainability Reporting Directive (CSRD), with a specific focus on Appendix 1, the European Sustainability Reporting Standards (ESRS). This framework mandates a complete approach, ensuring that all

sustainability actions are not only documented but are also meaningful and impactful in the broader context of environmental, social and financial responsibility. In this report, we have decided not to include sections:

- E3 water and marine resources
- E4 biodiversity and ecosystems
- S3 affected communities
- S4 consumers and end-users

This decision is based on our assessment that our activities have minimal or no effect on these areas, meaning we neither impact them nor are we impacted by them.

A critical component of our opening work involved conducting a stakeholder analysis. This process, detailed in section 4 of the report, involved identifying the risks and demands of our stakeholders and prioritizing them based on their relevance and impact on Talent Plastics and our sustainability goals. This analysis is important for aligning our sustainability efforts with the expectations and needs of our valued stakeholders.

Following the stakeholder analysis, we engaged in a double materiality analysis (outlined in Section 6) to determine the sustainability issues that are most significant to both our business operations and our stakeholders. This dual perspective ensures that our sustainability initiatives not only resonate with broader societal and environmental concerns, but also relevant to our business model.

In accordance with our owners' directive, we have identified and committed to 5 United Nations Sustainable Development Goals (UN SDGs) that are most pertinent to Talent Group. This alignment underscores our commitment to global sustainability priorities, providing a clear direction for our sustainability strategies and actions.

Beyond ESRS, and UN:s sustainable development goals, legal requirements, internal and stakeholder expectations, we have also taken into account the demands of our automotive customers, particularly in the context of SAQ-5.0, such as:

- 1. Organizational responsibility
- 2. Greenhouse gas reduction targets
- 3. Renewable energy usage
- 4. Policies covering working conditions, human rights, and business ethics.
- 5. Training initiatives for these policies.
- 6. Communicate which directives we are using.

This consideration ensures that our sustainability efforts not only fulfill regulatory and stakeholder requirements but also create value for our customers, raising our competitive advantage and market position.

Drawing from the information gathered through these analyses, we have identified key areas for prioritized action. These areas represent the intersection of stakeholder expectations, regulatory requirements, and our strategic sustainability vision. Our action plan is designed to address these priorities effectively, ensuring that Talent Group meets its sustainability commitments.



# 4. Stakeholder Analysis

In order to find the information relevant for updating the stakeholder analysis with details from regular and frequent meetings with the most important stakeholders, such as customers and employees, the following approaches have been taken, where it has been possible:

- 1. Internal Records and Meeting Minutes from past meetings with customers and employees.
- 2. Wherever possible, each site has complied logs of interactions with customers, including scheduled meetings, agendas, feedback, and follow-up actions.
- 3. For employees, each manager maintains records of formal meetings, such as monthly information and performance reviews.

  Managers typically have an intuitive understanding of interactions based on one-on-one meetings and feedback sessions.

We have implemented a framework of continuous engagement with our key stakeholders — customers and employees. This involves regular, scheduled meetings to discuss various aspects of our business, including but not limited to performance, sustainability initiatives, and innovation.

With customers, these interactions are designed to deepen relationships, gather feedback on our products and services, and align our offerings with their evolving needs.

For employees, we foster an open dialogue through various platforms, ensuring that their voice contributes to shaping the work environment and the company's strategic direction. These ongoing conversations are not only critical for operational success but also important for long-term strategic planning, as they help us to remain aligned with our stakeholders' values and expectations.

	Needs and Requirements	Perception and Influence:	Risks:	Mitigation Strategies:	
		Owners have a significant influence on strategic decisions			
_	Owners expect profitability and a	and financial allocations. They perceive Talent Plastics			
Je!	commitment to sustainability from Talent	positively if it meets profitability targets and effectively		Regular communication on financial performance	
Owner	Platsics.	integrates sustainable practices.	Risk of financial underperformance	and sustainability initiatives.	
O				Implementing robust sustainability practices	
			Risk of not meeting sustainability goals.	aligned with the owners' values.	
	Suppliers expect a long-term partnership	Suppliers can impact Talent Plastics by influencing the			
ន	focused on sustainability. They desire	availability and cost of materials. Positive perception			
<u>:</u>	competitive pricing and effective supply	results from fair competition and proactive steps toward		Diversify suppliers, establish clear communication channels, and collaboratively work on sustainable solutions.	
Suppliers	solutions.	environmental impact reduction.	Supplier relationship breakdown.		
Su			Dependence on suppliers not aligned with		
			sustainability goals.		
		Customers' perception is influenced by Talent Plastics's			
er.s	Customers seek competitive pricing and	competitiveness and commitment to environmental		Regularly assess market competitiveness,	
Ĕ	environmentally friendly solutions. Long-	responsibility. They have the power to influence Talent	Loss of customers due to non-competitive	maintain open communication with customers,	
; ;	term relationships are important.	Plastics's market presence.	pricing.	and align product offerings with environmental	
Customers			Reputation damage for not meeting	concerns.	
J			environmental expectations		
ပ်	Adherence to laws and active				
ᅙ	participation in achieving Agenda 2030	Public actors can influence regulatory approvals and		Obsist adlasses to be seen advantable as a stire	
Actors	targets.	public opinion.	Legal penalties for non-compliance.	Strict adherence to laws and regulations, active	
				involvement in Agenda 2030 initiatives, and	
Public		Positive perception is essential for regulatory compliance	Public backlash for not contributing to	transparent reporting.	
屲		and market reputation.	sustainability goals.		
ည	Fair competition and continuous learning				
ţ	opportunities.	Competitors' perception is crucial in maintaining fair play.	Negative industry perception.	Foster a reputation for fair play, invest in mark	
Competitors				intelligence, and adapt strategies based on	
dμ		Observing and learning from competitors' practices is	Missed opportunities due to lack of	competitor analysis.	
Ö					
_	Competitive employees to see divise :	essential for strategic improvements.	competitive awareness.		
_ es	Competitive employment conditions,	Employees impact Talent Plastics's productivity and	High ampleus a turneyer	Offer competitive banefite promote as inclusive	
) Je	inclusivity, and support for personal	innovation. Positive perception is crucial for attracting	High employee turnover.	Offer competitive benefits, promote an inclusive	
Employees	development.	and retaining talent.	Diminished washing a march offs - the	work culture, and invest in employee	
Ë			Diminished workplace morale affecting	development programs.	
			performance.		

# 5. UN SDGs

As part of our commitment to sustainability and in alignment with our broader corporate vision outlined in the 2023 business plan, we have taken on a process to identify which United Nations Sustainable Development Goals (UN SDGs) Talent should commit to.

We began by reviewing our core activities, historical sustainability efforts, and the results from our stakeholder and materiality analyses. This review helped us identify areas where our business operations intersect with global sustainability challenges. Our aim was to identify SDGs where we could have the most meaningful impact, considering both our potential to contribute to these goals and the importance of these areas to our stakeholders and the broader community.

In choosing to commit to specific SDGs, we also considered the broader context of our sustainability journey, including our energy-saving initiatives, focus on minimizing waste and resource optimization, and the continuous improvements we are making in safety and operational efficiency. Additionally, we took into account our strategic business objectives and how these align with the aspirations of the SDGs.

The SDGs we selected reflect our responsibility to not only our stakeholders but to the planet as a whole.

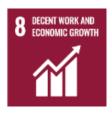
#### 1. SDG 7: Affordable and Clean Energy -

Given our efforts towards energy-saving activities, committing to this goal emphasizes our dedication to increasing energy efficiency and transitioning to more sustainable energy sources. This aligns with our historical focus on minimizing waste and optimizing resource use, reinforcing our commitment to reducing environmental impact through improved energy practices. Supporting this, we strive to be responsible energy consumers, prioritizing the procurement of energy from renewable sources.



#### 2. SDG 8: Decent Work and Economic Growth -

Our initiatives aimed at fostering a positive work environment and supporting economic development resonate with this goal. By focusing on creating job opportunities, ensuring equitable pay, and promoting an inclusive workplace, we are committed to contributing to sustained, inclusive economic growth and productive employment for all. This commitment not only reflects our dedication to the well-being of our employees but also to the broader goal of enhancing economic stability and growth, which are fundamental for sustainable development.



#### 3. SDG 9: Industry, Innovation, and Infrastructure -

Our focus on continuous improvements for safety and minimizing material waste and material usage\_directly aligns with promoting sustainable industrialization. By committing to this goal, we highlight our efforts in fostering innovation and building strong Industry, which are key to achieving sustainable development and competitive advantage in our industry.



#### 4. SDG 12: Responsible Consumption and Production -

This goal complements our actions towards minimizing waste and efficiently using resources. It emphasizes the need for sustainable management and efficient use of natural resources, encouraging companies to reduce waste through reduction, recycling, and reuse. We aim to support our customers in their efforts to discover end products produced more sustainably and to make these products more recyclable. Our commitment here would showcase our dedication to sustainability throughout the production and consumption process.



#### 5. SDG 13: Climate Action -

Even though our report does not mention detailed climate-related actions, the focus on energy saving and efficiency inherently contributes to climate action by reducing greenhouse gas emissions. Highlighting this goal underlines our role in taking urgent action to combat climate change and its impacts, a critical global challenge.

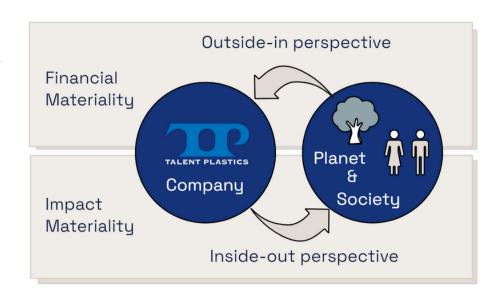


These goals resonate with our sustainability reporting context, reflecting a complete approach to environmental, social responsibility, and economic efficiency. Committing to these SDGs improves Talents clear and impactful sustainability strategy, demonstrating leadership and commitment to global sustainability priorities.

# 6. Double Materiality Analysis, DMA

# 6.1. Description of a DMA

Materiality analysis and double materiality analysis are concepts related to sustainability reporting, specifically in the context of disclosing environmental, social, and governance (ESG) information. While a materiality analysis focuses on the company's impact on the external world, a double materiality analysis broadens the perspective to identify and prioritize issues that are material to the company and its stakeholders. The double materiality concept aligns with the idea that sustainability reporting should not only assess how the company affects sustainability on a global scale but also how sustainability issues affect the company, supporting identification and managing the risks for the company.



In the world of corporate sustainability reporting, the idea of double materiality is crucial. Unlike the traditional focus on how Environmental, Social, and Governance (ESG) issues affect a company's finances, double materiality looks at both internal and external impacts. It recognizes that a company's actions not only affect its financial success but also influence the broader environment and society.

Our analysis investigates into this dual perspective, examining how our company's decisions shape our sustainability efforts and contribute to the larger social and environmental landscape. Through this exploration, we aim to highlight the complete impact and significance of double materiality in the context of Talent Plastics' sustainability journey.

# Where in the value chain are these topics more significant?

			Design &	Raw		Product	Transport and		Product	
Ambition	Our focus	Material topics	product	material	Material	processing and	warehouse		use and	
areas	areas	(Risk & Opportunities)	development	sourcing	handling	manufacturing	operations	Sales	recycling	How do we manage these impacts?
Climate and	Climate and nature	Climate (E1) Water (E3) Chemicals (incl. hazardous waste) (E2) Biodiversity (E4)		•		•				Environmental Policy, see SR 6.2 N/A Environmental Policy, see SR 6.3 Intersolia N/A
		Animal welfare  Material/ resouce use (E5)								N/A Environment Policy, Business Plan
	Resource use	Waste incl. Packaging (E5-4/5) Deforestation								Environment Policy, see SR 6.4 N/A
		Health, safety and wellbeing (S1-14) Freedom of Assocoíation & collective		•	•	•	•			Local Policies and Code of conduct, SR 6.5
	Fair jobs	bargaining. (S1-2) Wages and compensation.		•	•	•	•			Code of conduct, SR 6.5
	raii jobs	(S1-10, S1-16)								Code of conduct, SR 6.5
		Social security and protection (S1-3)								Code of conduct, SR 6.5
Fair and		Working hours (S1-15)				•				Code of conduct, SR 6.5
equal		Forced labour (\$2-4)				•				Code of conduct, SR 6.6
		Child Labour (S2-4)		•		•	•			Code of conduct, SR 6.6
	Inclusion &	Discrimination and equal treatment Inclusion and diversity (S1-9, S1-12)								Code of conduct, SR 6.5 Code of conduct, SR 6.5
	Diversity	Gender equality (\$1-9)								Code of conduct, SR 6.5
		Land rights and Livelyhoods								N/A
	Community	Access to water								N/A
	rights	Comunity Enagement								N/A
		Public policy (G1-1)								Code of conduct, SR 6.7
		Tax payment (G1-6)								Legislation, Code of Conduct, SR 6.7
Standards	Corporate									Policies, Code of conduct, Whistle
and policies	governance	Anti corrution (G1-4)								Blower, SR 6.7
		Data privacy and protection (G1)								GDPR
		Supply chain assessments (G1)		•						Routines, SR 6.7
Other		Marketing and labeling								Customer requirements
5		Economic performance	•			•	•			KPI's , P&L

Talent Plastics has minor impact or is minimally impacted

Talent Plastics has a major impact or is greatly affected.

# 6.2. Climate change CO2 (E1)

Talent has initiated a journey towards a strategy to take our responsibility for climate change through our environmental policy and sustainability report. This initiative underlines our commitment to significantly mitigate our carbon footprint and the broader environmental impact we have. In 2023, we started on several key actions aimed at improve our sustainability practices. These efforts include a broad spectrum, counting the reduction of production waste, optimizing energy efficiency, promoting the use of materials that is more carbon neutral among our customers, and transitioning our company vehicles to more sustainable fuel alternatives.

Our approach to sustainability involves technological upgrades such as the implementation of LED lighting across our premises, utilizing excess machinery heat for warehouse heating, and reconfiguring our workspaces to improve workplace safety and efficiency. An important move was the investment of 3D printing technology within our production lines, enabling us to manufacture components such as fixtures in-house, lessening our dependency on traditional metal manufacturing processes. In collaboration with Stena Recycling in Sweden, we have incorporated a method for recycling production waste, repurposing it for external use.

For our sustainability reporting, we have established specific numerical goals to guide our climate change mitigation and adaptation efforts. These include:

- 1. Achieving a continuous reduction in production waste starting from 2024.
- 2. Lowering energy consumption/ton consumed across all facilities by 2025 through improved efficiency and investments.
- 3. Increasing the use of renewable energy sources for our total energy mix.
- 4. Reducing emissions from fuel consumption (including emissions from purchased transportation services and those controlled by the customer) by adopting cleaner transportation options and optimizing logistics and supporting our customers in optimizing logistics.

We carefully evaluate the environmental impact of our operations, considering both direct effects and broader issues such as climate change-related weather changes, fluctuations in material costs, and their availability. This strategy reflects our strong commitment to sustainability and recognizes our role in both experiencing the impacts of climate change and contributing to them.

At Talent Plastics, we acknowledge the complex link between our business activities and their influence on climate change. Through our environmental policy and sustainability reports, we aim to do more than just reduce our carbon footprint. We are actively working towards creating a more sustainable future. Our focused efforts on reducing waste, improving energy efficiency, and sourcing materials responsibly are key steps in addressing the challenges posed by climate change. We understand that our actions and the actions of our industry today, will significantly affect future generations, emphasizing the critical importance of our dedication to environmental care and sustainable growth.

Additionally, we at Talent recognize that government regulations and EU policies are shaping a new landscape. Our customers, as part of their supply chain, are increasingly expecting higher standards of environmental responsibility from us. A practical expectation is that every product we sell will need to include information on its CO2 footprint alongside its price. This shift suggests that our customers might prioritize sustainability over cost, opting for more environmentally friendly options even if they come at a higher price. This insight guides our strategy, as we aim to meet and exceed these evolving expectations, reinforcing our commitment to not only comply with regulations but also to lead by example in our industry.

The tables below outlines our primary goals and key performance indicators that will be used to follow our sustainability work. It describes our standing 2023. During 2024 goals KPI:s can be added and adjusted.

Our main sustainability goal is to follow up on our Carbon footprint and reducing it. To do so we need to understand our current position better. Our aim is to introduce KPI:s related to carbon footprint including greenhouse gas emissions and scope 1-3 by 2025. As of now we will present the actual KPI:s for our current consumption.

Energy resources	2023
Energy consumption	8 622 MWh
Energy consumption/ ton consumed	0,45 MWh/ton
Energy consumption/ MSEK turnover	48,2 MWh/MSEK

Our five production facilities operate under varying circumstances when it comes to selecting their energy providers. However, we prioritize the use of renewable energy whenever feasible. With an anticipated increase in production volume, our energy usage is expected to rise accordingly. To monitor this efficiently, we will employ Key Performance Indicators (KPIs) such as energy per unit of consumed material or energy per million SEK of revenue as benchmarks for measurement.

Water resources	2023
Water consumption m3	3 676 m3
Water consumption m3/ton cons.	0,97 m3/ton
Water consumption/ MSEK turnover	8,7 m3/MSEK

Our water usage is minimal, as our production process does not rely on any free-flowing water. In all of our plants, the cooling systems are designed as closed-loop systems. Water is primarily used for cleaning purposes and for the personal hygiene for our staff.

Waste Management	2023
Waste Total	358 tons
Waste Recycled, incl polymers	95,2 ton

In our waste management efforts, we collaborate with trusted partners such as Ragnsells and Stena Recycling. Their user-friendly online platforms make it straightforward to access data on our total waste and the types of recyclable waste we produce, including metals, cardboard, electronics, and LDPE plastic. Recognizing the significant advantages of reducing and recycling our production waste—specifically, the clean and well-documented plastic from our manufacturing processes—we acknowledge the operational and reporting challenges this entails. Consequently, we have set a goal to standardize the sorting, measuring, and management of production waste across all our facilities.

Material consumption	2023
Raw-material consumtion	3 799 tons
Recycled or bio-based, % of total	4,1 %

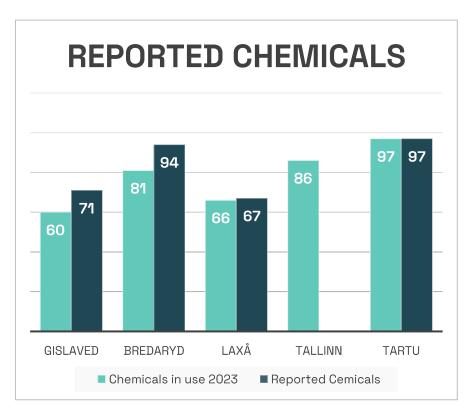
As we aim to increase our production volume, the need for purchased materials and additives in our production process will inevitably rise. However, it's crucial for us to narrow the discrepancy between the amount of material bought and the quantity sold. Monitoring production waste as a Key Performance Indicator (KPI) helps us minimize the unnecessary consumption of fossil-based materials.

Adopting more recycled, reprocessed, or bio-based materials is another strategy to reduce our reliance on new, fossil-based resources. The benefits of using recycled or reprocessed materials are significant; these materials, being derived from fossil-based sources but reused, help us cut down on the need for new raw materials, thus reducing our carbon footprint. Often, materials procured from suppliers include a percentage of recycled content, marketed as sustainable options. In this initial Sustainability Insights report, we have opted to consider any material containing a portion of recycled content as entirely recycled due to the complexity of the calculations involved. Nevertheless, we aim to refine this approach and provide a clearer representation in future reports.

Bio-based materials frequently include fossil-based polymers blended with fillers like cornstarch, hemp fibers, flax or wood flour. Utilizing these materials is more sustainable than relying solely on fossil-based materials, as it reduces our consumption of the

latter. Determining the precise calculation method for this can be equally challenging as for recycled material, so we have chosen to categorize in the same way; the total weight of the material used as bio-based for the time being. We plan to further refine this calculation method in future reports, aiming for more accuracy and transparency.

# 6.3. Pollution (E2)



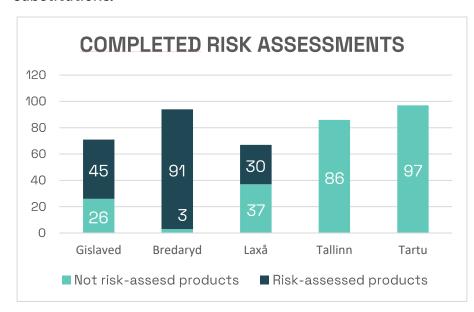
Talent Plastics regulates emission requirements and limits through its Environmental Policy. The group is convinced that its operations do not have any direct pollution to the air that would significantly impact the surrounding environment. Therefore, there are no specific goals or action points related to this aspect of the report. The same applies to pollution of soil and water.

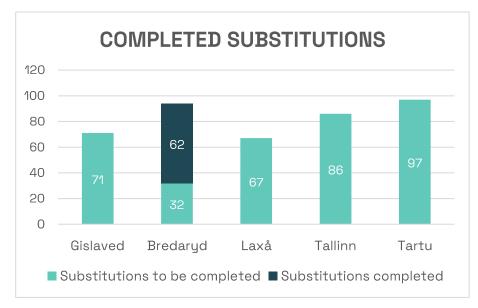
All three companies in Sweden hold an environmental permit granted by the local municipality and are subject to yearly inspections. In contrast, Estonian companies undergo evaluations and are not required to have annual inspections.

However, all sites in the company uses various chemicals, and these undergo risk assessments with monitoring conducted through a thirdparty software; Intersolia. Intersolia tracks the content in safety data sheets, cross-referencing them with the SVCH list and other regulations to inform Talent Plastics if any substance needs replacement.

During 2023 all sites have reported a number of chemicals used for production purposes. Continuous improvements and 5S results in less purchased products and not all chemicals are used.

Intersolia supports risk-assessment and substitution of all reported chemicals. Our sites have started to work in Intersolia during 2023 by uploading information of chemicals in use and there is a continuous ongoing work to complete risk assessments and substitutions.





In conclusion, Talent Plastics' commitment to environmental responsibility is evident in the measures taken to address pollution concerns. On the regulatory front, the organization follows emission requirements and limits, supported by its Environmental Policy and annual audits conducted for all sites in Sweden and Estonia. This ensures that both internal and external stakeholders can trust in the organization's efforts to minimize direct environmental impacts.

Internally, the detailed breakdown of chemicals used, reported, and under risk assessment provides a transparent view of Talent Plastics' material impacts. The ongoing substitution efforts, especially notable achievements in sites like Bredaryd, showcase a

dedication to continuous improvement and sustainability. The incorporation of Intersolia in the monitoring and substitution process adds an extra layer of accountability, aligning with the organization's commitment to responsible chemical management.

By actively engaging with both regulatory frameworks and internal initiatives, Talent Plastics ensures a dual-sided approach to pollution control. The organization not only meets external expectations set by permits and regulations but also takes proactive steps internally to reduce its environmental footprint. This full strategy positions Talent Plastics as a responsible actor in pollution management, contributing to our operational efficiency but also improves to a wider environmental responsibility by tackling the complex challenge of micro-plastics.

Recognizing the growing concern over micro-plastics pollution, Talent Plastics has implemented measures to minimize the risk of release of granulates or other tiny plastic particles into the environment. This effort not only helps in protecting marine and terrestrial ecosystems but also addresses the concerns of consumers and stakeholders about plastic pollution.

# 6.4. Resources and circular economy (E5)

# "Circular industrial economy mindset is at heart of our business"

- TPAB, Business Plan 2024-2026.

Our main policy governing resources and the circular economy is our Environmental Policy, which also directs environmental and energy aspects. Specific measures associated with resources and the circular economy fall under our Business Plan. The plan includes various activities, such as:

- 1. Before quoting a customer the alternative of a more sustainable material should be considered.
- 2. During 2024 a strategic purchaser will be appointed, who actively identifies and develops preferred suppliers. Talent Plastics aims to establish and strengthen relationships with suppliers committed to a robust sustainability agenda.
- 3. We will proactively assist customers in achieving their goals by 2030. Talent Plastics aspires to be a partner supporting customers in their sustainability initiatives.

Taking into account the inflow of resources and materials, we consider the entire lifecycle of materials. This is achieved through both customer and supplier cooperations, encouraging reusability of packaging materials. Our approach spans the procurement of all resources, from raw materials to customer products, aligning with our dedication to the principles of the circular economy.

Talent Plastics focus extends to material outflow, including waste management and the handling of used material packaging. By integrating sustainability into our material management processes, we strive to contribute positively to the circular economy and reinforce our dedication to responsible resource utilization.

Circular economy, (C5), involves a sustainable and closed-loop approach to resource management, minimizing waste and optimizing the use of materials throughout the entire lifecycle. Here's an overview of circular economy principles and considerations for resource inflow and outflow in an injection molding plant.

This sustainability report focuses on inserting circular economy principles into the operational framework, divided into several key action plans:

- Material Selection and Procurement emphasizes the use of recyclable and environmentally friendly materials, aiming to increase the percentage of total consumption of recycled material. Efforts include offering stock material to reduce usage, collaborating with suppliers for a responsible supply chain, and establishing sustainability roadmaps.
- 2. **Production Efficiency** seeks to optimize manufacturing processes, to minimize waste and energy consumption. This includes adopting lean manufacturing principles to reduce inventory excess and improve resource efficiency, with metrics such as scrap rate, uptime/stoptime, OEE (Overall Equipment Effectiveness), and energy consumption per sales unit.



3. Waste Reduction and Recycling focuses on launching recycling programs for excess materials and exploring closed-loop systems for material reuse within the production cycle, aiming to reduce raw material waste significantly.

- 4. **Packaging Solutions** involves using sustainable packaging materials and collaborating with customers to implement reusable packaging solutions, thus reducing packaging waste and monitoring the recycled share in compliance with regulations.
- 5. Continuous Improvement and Innovation involves investing in research and development for new materials and technologies, continuous training for sustainable processes, and active participation in industry networks to improve circularity. Monitoring resource outflows and engaging in sustainability-focused projects are key to driving innovation and improvement.

This approach aligns with circular economy principles, aiming for sustainability across all stages of the production process, from material procurement to end-of-life management, through continuous innovation and collaboration with suppliers and customers.

The impact on our organization is multifold. Firstly, we can identify areas where resource efficiency can be optimized, leading to potential cost savings. Additionally, minimizing waste and maximizing the use of recycled materials aligns with environmental stewardship, reducing our ecological footprint.

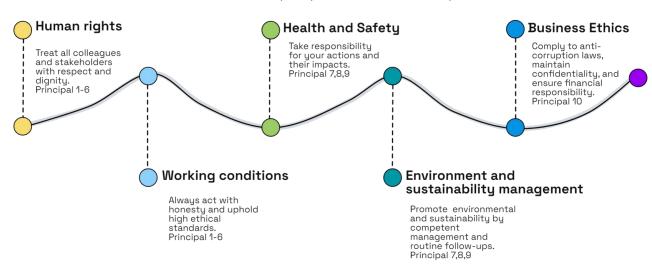
As for our stakeholders, this commitment to responsible resource management demonstrates our dedication to sustainable practices, which can improve our reputation and relationships with customers, investors, and the broader community.

# 6.5. Own workforce (S1)

The primary policies guiding our operations handling our own workforce are the Code of Conduct and Work Environment policies, both of which highlight our dedication to ethical practices, employee well-being, and fostering a positive workplace culture.

# **Code of Conduct Essentials**

Connects to Ten principals of the UN Global Compact



Our Code of Conduct serves as a compass for ethical behavior, emphasizing integrity, transparency, and responsible business practices. At the same time, our Work Environment policies prioritize the well-being of our workforce, ensuring a safe, respectful,

and inclusive workplace. In addition to these, employee surveys play an important role in creating an encouraging and motivating work environment.

#### Corporate Social Responsibility (CSR):

Our dedication to being socially responsible goes beyond just following rules; it's about how we interact with people who matter to our business. We make it a point to involve our team through groups like the Safety Committee and make sure we're in line with Sweden's and Estonian work laws when we make business decisions. We also have regular chats to keep everyone in the loop and sort out any issues our team members bring up.

#### **Health and Safety Practices:**

Ensuring the well-being of our employees is top priority. Our health and safety routines cover a spectrum of areas, including physical safety, psychosocial well-being, and ergonomics. We have established robust whistleblower system to encourage the reporting of any safety concerns without fear of reprisal.

#### Whistleblowing practice:

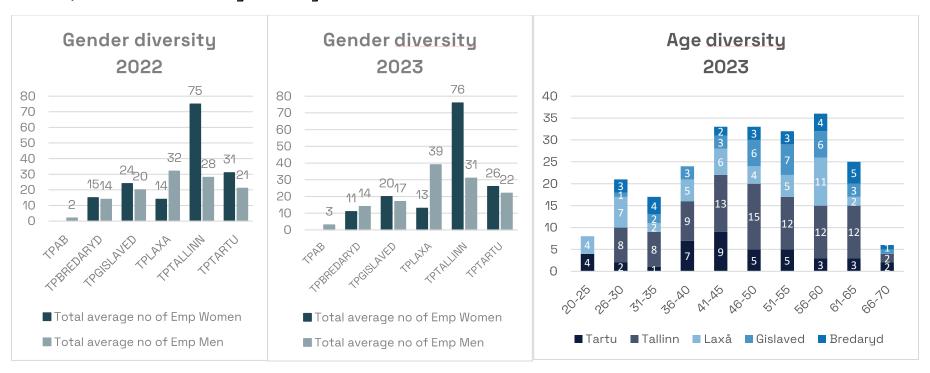
Talent Plastics Group is covered by the Whistleblower policy of our owners, O.F. Ahlmarks Eftr AB, (Ahlmarks). Reporting can be done at our website through a webmail link or by contacting the head office of Ahlmarks directly. All contacts to Ahlmarks can be done anonymously to Talent Plastics.

#### Inclusion and Diversity:

In our commitment to creating an inclusive workplace, we prioritize diversity and strive to foster an environment that values individual differences. Inclusion and diversity are not just policies but integral aspects of our organizational culture.

At our Swedish sites, we collaborate with an industry organization that provides training and matches individuals outside the labor market to long-term employment opportunities within our organization.

We monitor our gender and age diversity within out sites and as shown below we have a well-adjusted spread in both areas. However, our efforts to encourage diversity continues.



### Follow-up System:

To ensure that our policies and initiatives are effectively implemented, we have a comprehensive follow-up system. This includes regular Internal Audits, employee meetings (medarbetarsamtal), safety rounds (skyddsronder), IKEMIA for HSE follow-up and other relevant mechanisms. These practices allow us to track the performance of our sustainability initiatives, address emerging issues promptly, and continuously improve our practices.

Our internal operations benefit from increased transparency and accountability, leads to improved CSR practices. This not only aligns with ethical business standards but also positions us as a responsible and careful business operation.

The positive impact on our stakeholders is considerable. Employees experience a safer and more inclusive workplace, fostering a sense of well-being and engagement. This, in turn, can contribute to higher employee satisfaction, productivity, and maintenance.

Externally, our commitment to diversity and social responsibility can enhance our reputation with customers, investors, and the community at large. As societal expectations for responsible business practices continue to rise, our proactive approach positions us favorably in the market.

In conclusion, the meticulous monitoring of CSR, health and safety, and inclusion and diversity not only strengthen our internal processes but also positively influences our relationships with stakeholders, contributing to a more sustainable and socially responsible business model.

# 6.6. Workforce in value chain (S2)

Talent Plastics is committed to promoting sustainability across its operations, with a particular focus on the well-being and rights of workers in the value chain. This chapter outlines our policies, processes, and actions undertaken to engage with and mitigate the impact on value chain workers.

Our Code of Conduct serves as a cornerstone in ensuring fair and ethical treatment of workers throughout the value chain. It outlines our commitment to upholding the rights, safety, and dignity of all workers involved in our business.

Our approach includes Supply Chain audits to monitor and evaluate working conditions, and loyalty to our Code of Conduct.

In instances where negative impacts are identified, we have established processes for remediation. If a supplier is in breach with our Code of Conduct our first action is to C-rate the supplier which also means that the supplier is not eligible for further business with us. Being C-rated a as a supplier also means that we actively start to search for other suppliers for replacement.

To ensure the well-being of value chain workers, we continue to implement actions identified through Supply Chain audits. These audits also play a crucial role in managing risks and pursuing opportunities. Our business plan considers social and environmental criteria, promoting responsible sourcing and mitigating potential negative impacts. Being sustainable is considered a crucial request to stay in business.

Setting goals to reduce our negative environmental effects is challenging, but we're actively looking for ways to make a positive difference and tackle potential risks and opportunities. This involves looking into setting standards that fit with our goal to be more sustainable.



# Key steps in Talent Plastics' sustainable practices.



Talent Plastics is committed to supporting the well-being of workers in our supply chain and is aware of increasing customer demands for sustainability. We aim to be a sustainable partner throughout the entire value chain, guided by specific policies and actions. Our goal is to build a supply chain that is responsible and reflects our ethical business values. Recognizing upcoming challenges, we're dedicated to continual improvement and adapting our business to meet these higher sustainability standards. Adding resources to our purchase organization and doing supplier evaluations are actions taken to support this.

Taking a double materiality approach, Talent Plastics understands that our actions affect both our financial success and the world around us. When we do well in treating our value chain workers right, it not only helps our business thrive but also builds trust with our customers and the community. We follow a Code of Conduct that sets the rules for treating workers fairly and meeting global standards. By checking in with our value chain workers through regular audits, we make sure our operations not only improve financial growth but also contribute positively to the communities

we work with. This way, we're not just thinking about making profits, but also about doing what is right for people and the planet.

# 6.7. Business conduct (G1)

Talent Plastics is dedicated to fostering a corporate culture built on strong business conduct policies and ethical values. This sustainability report provides an overview of our commitment to upholding these principles and outlines specific measures taken to manage relationships with suppliers and prevent corrupt practices.

Our Code of Conduct serves as a foundational document, guiding our employees in ethical decision-making and promoting a corporate culture that prioritizes integrity, honesty, and fairness.

Our commitment to ethical supplier relationships involves following up on the principles outlined in 6.6 Workforce in value chain (S2), with a focus on Supply Chain audits. We have implemented measures to evaluate and manage supplier relationships, ensuring compliance with our Code of Conduct and ethical standards.

The prevention and detection of corruption and bribery are integral to our corporate values. Our Code of Conduct explicitly addresses these issues, promoting transparency, fair competition, and responsible business practices. We educate our management on these matters to maintain an attentive and ethical business environment.

In our commitment to transparency, we actively encourage whistleblowing regarding incidents of corruption or bribery. The reported incidents are handled, including a thorough investigation, if needed corrective actions, and knowledge development in competition law matters.



We engage in responsible political influence and lobbying activities by participating in recognized employer and trade organizations such as SINF and trade associations as FKG. This ensures that our contributions align with ethical standards, legal requirements, and societal expectations.

Our commitment to fair payment practices is reflected in our evaluation of customer payment terms. We assess the impact of extended payment terms on suppliers and determine whether to accept or negotiate terms. Setting goals for payment terms is considered to strike a balance that benefits both parties in the value chain.

Talent Plastics remains steadfast in its commitment to ethical business conduct, supplier relations, and the prevention of corrupt practices. By fostering a corporate culture rooted in integrity and transparency, we strive to contribute to a sustainable business environment and positively impact our stakeholders. Continuous improvement and adherence to these principles will remain integral to our corporate ethos.

Taking a double materiality approach, Talent Plastics believes that doing business ethically is not just good for our company but also for the world around us. Our Code of Conduct, is at the heart of our corporate culture. We follow these rules to treat everyone fairly and make sure our suppliers do, too. In managing relationships with suppliers, we check if they follow similar ethical practices through audits. We actively work to prevent corruption and bribery, and if there are any problems, we encourage our team to report them. Our involvement in employer organizations ensures that our influence in politics is responsible and ethical. We also pay attention to how we handle payments, making sure it is fair for everyone in our business chain. Through all these efforts, we aim not only to run a successful business but also to make a positive impact on people and the environment around us.

# 7. Summary of Actions

The action plan we work with details a strategic framework aimed at addressing key areas for sustainable development within our organization. These areas are:

- 1. Climate and Nature
- 2. Resource Use
- 3. Fair Jobs
- 4. Inclusion & Diversity
- 5. Community Rights
- 6. Corporate Governance

For each focus area, there are associated material topics that outline the risks and opportunities, actions to be taken, timeframes for implementation, and guidelines on how these are regulated by KPIs, directives, or policies.

Given this framework, we're embedding sustainability into our organization. When we talk environment, and sustainability, it's all about meaningful actions to keep our planet green. We are not just cutting back on waste; we are getting creative about using everything more effectively, implementing a zero waste mindset.

Being employed at Talent goes beyond just having a job. Our vision extends to creating a workplace culture where fairness is a lived experience. Embracing diversity and making sure everyone is included is how we want to be perceived. And since we know we are part of a bigger community, we're keen on lifting others up and making sure we're good citizens.

Lastly, corporate governance isn't simply about ticking boxes. It's about being honest, open, and making sure we are the kind of business, people trust and respect. It isn't just about checking off a list of good deeds. It's about redefining what citizenship means in the business area and setting new standards. We're excited to start this journey, and this report is our blueprint for a brighter, more responsible future.

# 8. Conclusion

In our business plan a zero waste mindset is expressed. Talent Plastic's employees are expected to minimize waste in every form, materials, energy, water, time. This is an important mindset to internally work towards being more sustainable for our environment and financial stability.

At Group level, we acknowledge the universal presence of plastics in our society and its broader environmental implications. Plastics include a diverse range of materials, displaying varying properties, from hardness and strength to softness and flexibility. All of our subsidiaries, engages in the injection molding of thermoplastics, catering to industrial customers who integrate these molded components into their final products.

In alignment with our commitment to environmental responsibility, Talent Plastics has taken proactive steps to address the environmental impact of its operations. Collaborative efforts with suppliers have been initiated to jointly develop processes that incorporate renewable and sustainable raw materials. This strategic move aligns with our long-term vision to replace fossil-based materials with renewable alternatives, fostering a shift toward sustainability.

The collaboration has gathered positive responses from both existing and potential customers, who express interest in testing and adopting products with these environmentally more sustainable materials. The advantages of choosing a more sustainable alternative are substantial. Often a material choice has been made with little consideration to sustainability. The development of materials goes fast and yesterday's material can often be replaced by another material with less CO2 impact, be it biomaterial, recycled or of another grade. Together with our suppliers we want to support our customers in increasing the knowledge of available materials to use the most CO2-efficient materials but still meeting the specifications of the product.

Understanding the environmental impact of different thermoplastics, Talent Plastics AB actively seeks information from reputable sources. This commitment to knowledge sharing, underscores our dedication to making informed choices that contribute to a more sustainable future. As a group, we encourage similar initiatives across all subsidiaries, promoting the use of renewable and sustainable materials, ultimately reducing our collective ecological footprint.

#### This is the plan and what we have learned.

The sustainability report outlines our commitment to fostering a sustainability mindset within TP as a group. We follow to specific directives, notably focusing on incorporating sustainable material alternatives in any quotation where it is possible, building strong relationships with suppliers who share our sustainability agenda, and actively supporting customers in their sustainability efforts. By implementing these directives, we aim to cultivate a culture of sustainability across TP, ensuring that our practices align with environmental and social responsibility. This approach not only demonstrates our dedication to sustainable business but also contributes to a positive impact on our stakeholders and the broader community.

