

Global Responsibility Report

Print City 2013





THE TEN PRINCIPLE OF THE UNITED NATIONS GLOBAL COMPACT

Print City fulfilled the pledge to UN Global Compact

As a member of UN Global Compact, Print City was committed to follow the Ten Principles of UN Global Compact regarding to human rights, labor, environment and anti-corruption with a broad network covering 130 countries.

1

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

2

Principle 2: make sure that they are not complicit in human rights abuses.

3

LABOUR STANDARDS

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

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Principle 4: the elimination of all forms of forced and compulsory labour;

5

Principle 5: the effective abolition of child labour; and

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Principle 6: the elimination of discrimination in respect of employment and occupation.

7

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

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Principle 8: undertake initiatives to promote greater environmental responsibility; and

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Principle 9: encourage the development and diffusion of environmentally friendly technologies.

10

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

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Print City in brief

Print City is the leader in Print Industry in terms of sustainability with green printing solution. GreenPrint is one of the big issues in the print media industry, with a growing awareness of the need to protect the environment. The increasing scarcity of resources and the impact on air, water, and soil are making this urgently necessary, with the focus first and foremost on cutting CO2 emissions. No other printing has a set of instruments for precisely analyzing and optimizing the carbon footprints of its products and services. Print City provides support for its customers in all areas relating to environmental protection, thus helping enhance their competitiveness.

Print City's view of the future of print is that it will be an evolving mix of multiple scenarios for different market segments, economies and cultures, however, all of them will have a common need for strategy to optimize our success. Firstly, print must be seen, it need to stand in its own right and be valued a functional media. This needs to be underpinned with a combination lean & green strategy to ensure profitability and sustainability. This strategy combines productivity benefits from lean manufacturing that also improve green performance from resource and waste reduction.

Sustainability is a key feature of all Print City solutions and developing environmentally friendly and energy-efficient printing presses is at the top of the company's agenda. By reducing paper waste, general waste, energy consumption, and emissions to a minimum, Print City will also be focusing on the full spectrum of green printing - from the efficient use of resources and energy through to Carbon Neutral printing.



GreenPrint

Can Make Your Business
More Sustainable



GreenPrint can help your business turn sustainability into a competitive advantage.
With Greenprint solutions, you can operate more efficiently and win customers who care about the Earth

Message from the CEO

Our sustainability report showcases the aspirations, achievements and challenges of our commitment to balancing the social, economic and environmental aspects of our business. We invite you to learn about how Print City is using its Carbon Neutral Printing expertise to address social and environmental issues around the globe.

The global business environment in 2013 was not easy, and we do not count on it becoming easier anytime soon. I am not only thinking about the turbulent economy. We know that our planet is running out of natural resources, and that climate change is a reality that will shape our future. To succeed in this changing environment, Print City is going through a transformation into a company that will use renewable materials to create value on a global scale. To do this we must make investments in growth markets, while ensuring that our existing businesses remain profitable.

To support this transformation we took two important steps in 2013 related to our responsibility work. We defined a new purpose for the company, along with new value. Our value is “iChange4World”. If this sounds somehow simple, that is a positive thing. We want our purpose to be simple and inclusive. We want it to be something that each and every one of us at Print City can understand, think and feel. Ultimately, this purpose explains how and why we can succeed in a turbulent world.

Our value lead does not only mean improving our leadership in a business sense. It also expresses our desire to make the world a better place for future generations. At Print City, we want to change the world, and not wait for the world to change us. I think this is something that we can all contribute towards. Our value is rooted in our everyday work, and guides all our choices. Its meaning is clearly defined in our Code of Conduct and our other policies and guidelines, which we train our staff to follow. But doing the right thing involves more than just following the rules – it is about listening to our stakeholders and learning what they think is right.

In practice it means that we may also have to reject business opportunities that would not match our values. The way I see it, Print City, is on the right road towards becoming a better, more inclusive company, equipping itself well for a successful future.

In conclusion, we have reported our progress, successes and challenges. Now, we are focused ahead. We understand that our role as a leading company with carbon Neutral Printing expertise and provides unique opportunities to assist in addressing global problems. We continue to advance our transparency and integration of sustainability into our operations. And we are well-prepared to meet the increasing demands of our stakeholders by providing extensive data about our performance and ambitions.



Teerapol Techavichian Ph.D.
CEO of Print City



Governance and management

For Print City Global Responsibility means realizing concrete actions to fulfill our corporate value “iChange4World”. This means that Global Responsibility entails responsibilities for everyone working within Print City. Global Responsibility involves facilitating the creation of shared value, driving changes that will make our operations more ethical and sustainable, and taking concrete steps to improve environmental and social responsibility along our value chain together with our stakeholders. Our Boards support the highest standards of corporate governance and best practice and are committed to the principles of transparency, integrity and accountability.

Global Responsibility governance

Our CEO and our Group Executive Team (GET) are responsible for Print City’s Global Responsibility strategy, key performance indicators and policies. They also monitor and assess their implementation.

During 2013 we reviewed our Global Responsibility strategy and defined two lead areas where we will particularly strive to enhance the sustainability of our operations and take leadership. These lead areas are:

- Resource Efficiency and Environmental Performance
- Responsible Business and People

Our Business Areas and all support functions are responsible for the operational management of sustainability issues. Our Global Responsibility corporate function provides guidance to everyone throughout the Group on key responsibility issues, and also coordinates and develops Print City’s responsibility work.

Business ethics

Print City has a single set of values that are applied wherever we operate. Our Code of Conduct defines common rules for all our employees, and provides guidance on Print City’s approach to ethical business practices, environmental values, and human and labour rights. During 2013 Print City’s Code of Conduct and related materials were reviewed and revised to reflect more closely the content of our Business Practice Policy, which was launched during 2011, and to further emphasize our views on environmental and human rights issues. The Code of Conduct is divided into three different sections:

- Responsible business
- Caring for people
- Caring for the environment

Code of Conduct

To ensure that our employees understand and follow the rules set out in our Code of Conduct, they receive related training through our established e-learning tool or face-to-face training. By the end of 2010, an estimated 90% of our employees had undergone such training. We are still continuing this training where employees have not yet been trained, and also working to ensure that all new employees are trained promptly. New e-learning and face-to-face training procedures based on our revised Code of Conduct will be launched in 2013.

Anti-Corruption

Print City takes place in accordance with our Code of Conduct and in compliance with all applicable laws. As a consequence, has zero tolerance for corruption. The purpose is to increase awareness and knowledge of corruption problems and to state clearly the attitude to and procedures for ensuring compliance with anti-corruption legislation.



Human rights

At Print City, we are committed to respect and support human rights in all our operations. This also involves complying with human and labor rights in our relationships with our business partners and surrounding communities. Integral component of our Business Plan, built around the pillars of People, Planet and Products, it integrates social, environmental and economic elements into our company's agenda, as take action to sustain healthy working environments and communities. Sustainability weaves a sustainable-business mindset and practice into our operations, and it allows opportunities for our employees, businesses and brands to take an active role in achieving Print City's vision of leading the green industry.

Human resources

During 2013 we continued to promote our People Agenda throughout Print City. Leadership is a priority because we believe it is the single most important driver of performance and culture. Workforce planning and employer branding are also our priorities because we face demographic challenges including an ageing workforce in our mature markets, and a young and growing workforce in our new markets.

Employees and employment

Print City strives to achieve outstanding performance and a leading position as one of the best companies in its industry. To do this, a solid foundation of legally and ethically correct behaviour must be in place. With this in mind, the Managing Board approved a Code of Business Conduct that applies throughout the Group and must be complied with by all employees. The Code of Business Conduct specifies our values and the high ethical and legal standards that apply to all of our business activities — from strategic planning to everyday business operations.

High Level of Engagement

There is a high level of engagement among employees and a great many of them are willing to make an extra effort for the company they work in, as can be seen from Print City's employee opinion survey. For us to succeed as a competitive organization, we need a skilled, trained and committed workforce, able to undertake jobs safely and productively and fulfill their potential. Our aim is to develop and empower our people to perform at their best and to grow in a dynamic culture. We believe in zero harm in the workplace. Our approach is based on a visible management commitment that starts with senior leaders and extends through all levels of the organization. Through a proactive approach we seek to build trust and lasting relationships among employees, contractors, customers, shareholders and communities.

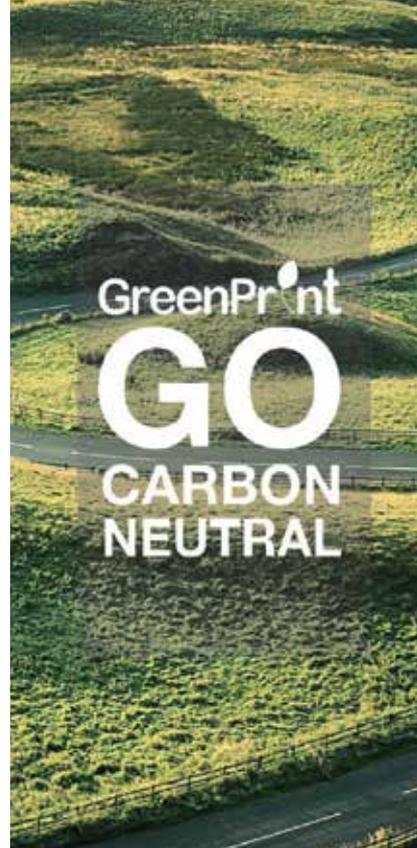
HUMAN RIGHTS



Printing and innovation

Renewable materials play a powerful role in creating sustainable development. Print City's product development and innovation are being actively encouraged through a change process known as "Greenprint Go Carbon Neutral" launched in 2013. In the context of new products, the idea behind this is that we must challenge ourselves and the outside world to rethink the ways we work and live – and utilize our expertise on renewable materials and material efficiency to promote sustainable living.

We measure the sustainability performance of our products using environmental, social and economic performance indicators and related targets. For more information on our sustainability targets, to identify, minimize and inform our stakeholders about the environmental impacts of our products, we also work with product life cycle inventories (LCIs), Paper Profiles, eco-labels and carbon footprint



Product labeling and sustainability performance

Experts on life cycle analyses (LCA) based at Print City's Innovation Center compile life cycle inventory (LCI) data on our products and help our printing to collect the necessary data. We conduct LCI surveys on all of our main products, using calculations that are updated annually. LCIs are used to share information on products' environmental performance and impacts.

We provide product-specific information on the environmental performance of our printing through Paper Profiles and Paper-by Nature declarations. These voluntary environmental product declaration schemes have been jointly developed by leading paper producers.

Several of Printing paper products also bear recognized eco labels such as the EU Flower, the Nordic Swan and the Blue Angel labels, showing that they have been produced using wood from certified forests and controlled sources, and that the whole journey of the raw materials they contain from the forest to the store shelf has been documented and verified by an external party.

Environment Footprint

All of Print City's business areas have calculated carbon footprints for their main products, and this information is freely available to our customers.

Environmental protection has been firmly established as a corporate goal. Print City is working consistently and systematically to achieve this goal along the entire value chain. Focusing in particular on three areas: Resource consumption, emissions, and waste and is looking to reduce - or ideally avoid - all three wherever possible.

Product safety and hygiene

Print City uses high-quality raw materials to manufacture pulp, paper, and wood products for various purposes. Our in-house control systems cover our processes from the product development stage through raw material sourcing to the delivery of the finished products. They also cover the eventual recycling and reuse of products as raw materials for new products or for energy production. We also require our suppliers and partners to comply with Print City's sustainability requirements, including safety aspects.

Our Supplier Diversity Initiative

Focusing on the identification and development of diverse suppliers as sources for the purchase of goods and services, our belief that diverse suppliers provide a competitive advantage in the marketplace. Employees involved in the selection, evaluation and/or approval of vendors, contractors and consultants have primary responsibility for effectively implementing our supplier diversity strategy. Print City invites suppliers who possess these key characteristic to register as a potential supplier. The way we work with suppliers is based on principle to support local business by working with local suppliers is an important way in which we contribute to local economies.

Our sourcing network

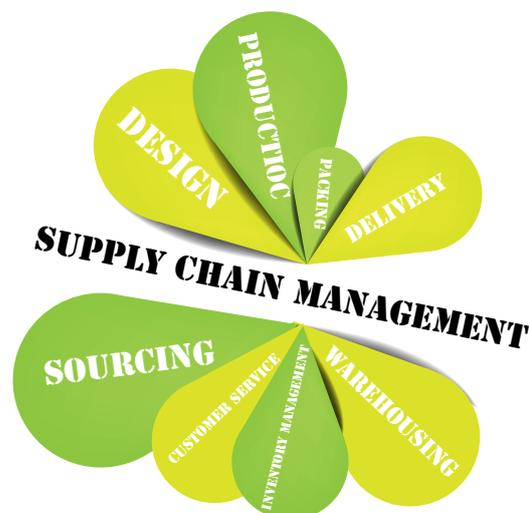
Ensuring responsibility along our supply chain is an integral part of our global approach to responsibility. Our total commitment to responsible sourcing avoids potential negative impacts of suppliers' actions, and helps us to maintain good stakeholder relations. We work closely with our various suppliers around the world to ensure that they meet our requirements on responsibility, and to build up our mutual understanding of sustainability issues.

The environmental credentials of Print City include the whole product life-cycle, from raw material sourcing to production and delivery, from final end-use to disposal of product. Certification, continuous monitoring and reporting prove that Print City's products are made of sustainable raw materials and with minimal environmental impact.

Responsible sourcing of other inputs

Print City actively increased awareness of recycling. In 2013 these direct and indirect inputs other than paper for recycling accounted for 20% of our total variable costs. In these purchases our responsible sourcing approach involves:

- Setting clear responsibility requirements for our suppliers
- Training our own purchasers to integrate responsibility issues into purchasing processes
- Continuous evaluations of suppliers' performance through risk assessments, audits and follow-up
- Building up the capacity of suppliers along our supply chain to act responsibly



Supply chain management

The majority of our purchasing agreements are now covered by our sustainability requirements. For suppliers of materials and services Print City has developed a set of sustainability requirements that are routinely included in our purchasing agreements. These requirements cover environmental management, business practices, health and safety issues, and human and labour rights. If we find that a supplier is not meeting these requirements, we ask for a corrective action plan for reaching compliance, and offer guidance on the necessary improvements where this is needed. Print City reserves the right to terminate contracts in case of serious and repeated violations.

Sustainable purchasing

Print City's purchases of raw materials shall be based on the principle of sustainable production. Sustainable development means meeting the needs of today's population without compromising the ability of future generations to meet their own needs. Global population growth and increased consumption are augmenting the burden on the earth's natural resources. It is already evident that certain natural resources are being exploited.

Climate actions

Environmental issues are integrated into the Print City group and its operational strategies. Operations are required to develop and implement environmental programmes and procedures aligned to Print City operating standards and performance requirements and management standards, which in turn are aligned with our environmental strategy. Environmental performance is taken into account when management performance is measured.

Energy

In the near term, reducing our energy consumption is perhaps one of the most important climate-related measures that Print City can implement.

Water

Fresh water is an increasingly scarce resource in many parts of the world, and water-related costs are expected to rise in the long term. It will therefore be important for Print City to reduce our water consumption and increase our knowledge of water resources.

Environmental impacts from logistics

The environmental impacts of logistical operations are an important factor when we evaluate different transport and supply chain solutions. Print City actively promotes transport solutions with good environmental performance. Our transport chains are planned in line with our environmental policies and always analyzed for their environmental footprint. The carbon dioxide emissions created by our logistical operations are incorporated in the Group's carbon footprint and CO2 emissions target. The transportation of our products accounted for 16% of our total carbon footprint in 2013.

Business risks and opportunities related to climate change

We recognize a strategic opportunity in the fact that our printings are based on renewable materials with comparatively low carbon footprints. Our printings also store carbon throughout their useful lives, after which they can be either recycled or incinerated to produce energy.

Reducing impacts and improving resource efficiency

Print City's environmental work has two main focuses. Firstly, we strive to minimize the environmental impacts of our operations. Secondly, we strive to use raw materials and energy as efficiently as possible to ensure that we do not waste valuable natural resources or financial resources.

Carbon Footprint

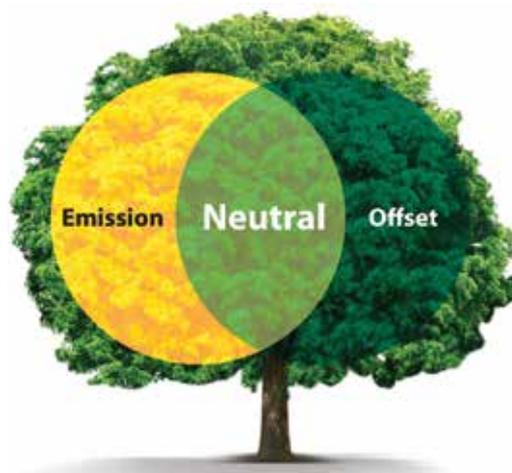
A carbon footprint is a method used to measure and communicate the total amount of greenhouse gases emitted both directly and indirectly in the production and delivery of goods and services. Raw materials, energy consumed and transportation are the main elements used to calculate the carbon footprint of a product. Most of our direct greenhouse gas emissions come from the energy we purchase and produce to operate our printing processes. To reduce costs and reach our environmental goals, we are continuously working to improve the energy efficiency of our operations' and products' carbon footprint.

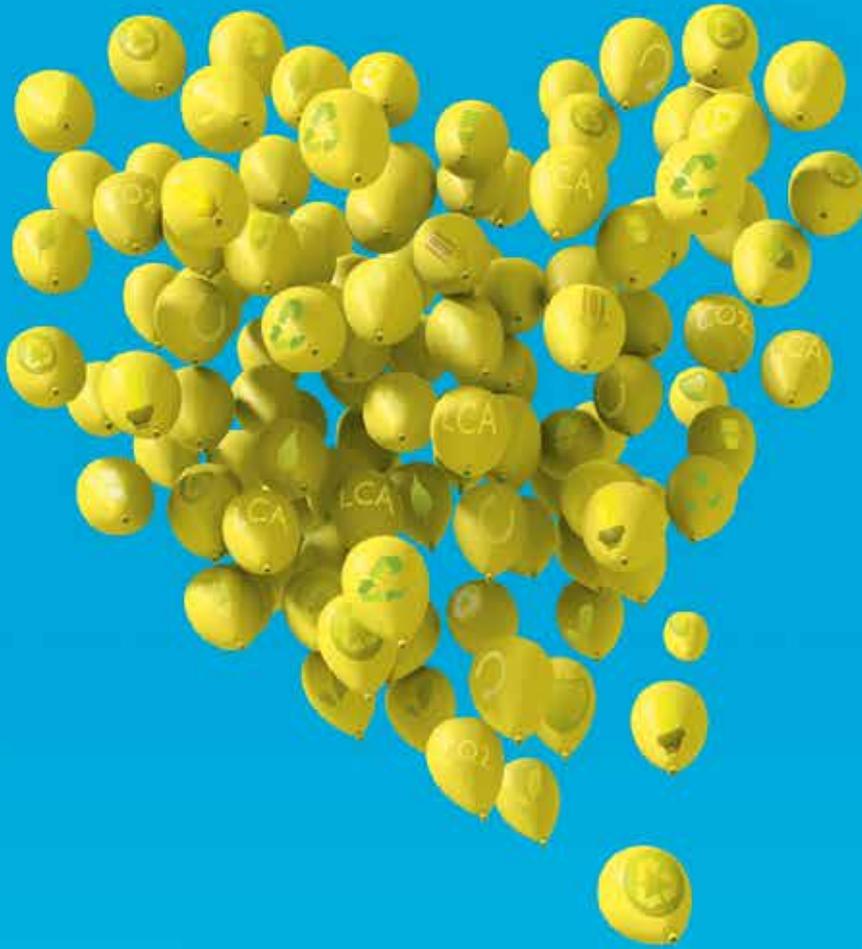
Carbon Footprint reduction target

We are actively working to reduce greenhouse gas emissions from our production. In 2010 we set a target to reduce CO2 emissions per by 35% from 2009 levels by the end of 2015. By the end of 2013 we had reduced our CO2 emissions by 35% compared to the baseline year 2009. As this target was already achieved in 2013, we have set a new target to reduce fossil CO2 emissions by 50% from 2009 levels by the end of 2020.

Carbon Neutral Printing

Calculating and offsetting the CO2 emissions associated with printing processes. The huge increase in emissions of environmentally harmful gases such as carbon dioxide and methane is seen as a key cause of climate change. CO2 emissions are produced when fossil fuels are burned to generate power, and are also a byproduct of transport and an indirect result of the manufacturing and processing of raw materials. Printing is another indirect cause of environmentally harmful emissions. The principle behind carbon neutral printing is to calculate what these CO2 emissions amount to and offset them.





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NUMBER ONE

CARBON NEUTRAL PRINTING

Continues To Expand Leading Role In Climate Protection

