



# CEO STATEMENT

As a leading supplier of sustainable moulded-fibre packaging and a responsible citizen, we seek to enhance our efforts through new activities and initiatives. We consider it a prerequisite for success that Hartmann's entire production process is part of a sustainable value chain from raw material back to raw material. In that context, the recyclability of our products was validated in 2014 by tests showing that the products are well suited for re-entering the paper-recycling loop.

We maintain our climate ambition of a 25% cut in CO<sub>2</sub> emissions by 2020 – even if our efforts in 2014 did not entirely paid off yet. Our eco-friendly product imagic2® continues to gain market shares, and with its lower weight and volume when stacked, our transportation and storage needs are reduced. This along with many other activities going on in our business units towards reaching the climate target, and with the energy and engagement put into this, gives me confidence that we will get there.

An internal campaign to raise the green and social awareness at Hartmann's head office in Denmark engaged the staff and myself through new ways of thinking and acting green. The campaign was a direct benefit to both our working and personal lives, but will also have a wider impact on the communities in which we operate and live.

Continuous improvements and a systematic approach to sustainability at our production sites are achieved through new ISO certifications, which further raise our environmental efficiency and embed sustainability as a living part of our mindset and performance in still bigger areas of our business.

Corporate Social Responsibility is an integral part of Hartmann's business model and a key element of our competitiveness. Our commitment is as strong as ever and we reaffirm our endorsement of the UN Global Compact and its principles.

Ulrik Kolding Hartvig  
CEO



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

# HARTMANN AT A GLANCE

Hartmann is the world's leading manufacturer of moulded-fibre egg packaging, market leader within the production of fruit packaging in South America and one of the world's largest manufacturers of machinery for producing moulded-fibre packaging. Founded in 1917, Hartmann's market position is based on its strong technology know-how and extensive experience of moulded-fibre production since 1936.

## Sustainability

Sustainability and environmental considerations are integral elements of Hartmann's business model and strategy. All Hartmann's products are based on recycled paper, which is a renewable, CO<sub>2</sub>-neutral and biodegradable resource. Hartmann works closely with its customers to support the need for sustainable products in the retail trade and was the first manufacturer to offer both FSC-certified and CO<sub>2</sub>-neutral retail packaging.

## Markets

Hartmann's egg packaging is sold globally. The main markets are Europe, South America and North America, where Hartmann has strong market positions. Hartmann is market leader in Europe and in South America, where the product portfolio also includes fruit packaging. Hartmann has a small, but growing share of the North American market. Hartmann's technology, including machinery and services, is also sold globally outside its main markets..

## Customers

Hartmann sells egg and fruit packaging to manufacturers, distributors and retail chains, which are increasingly seeking Hartmann's marketing expertise. Hartmann's technology and related services are sold to manufacturers of moulded-fibre packaging.

## Organisation

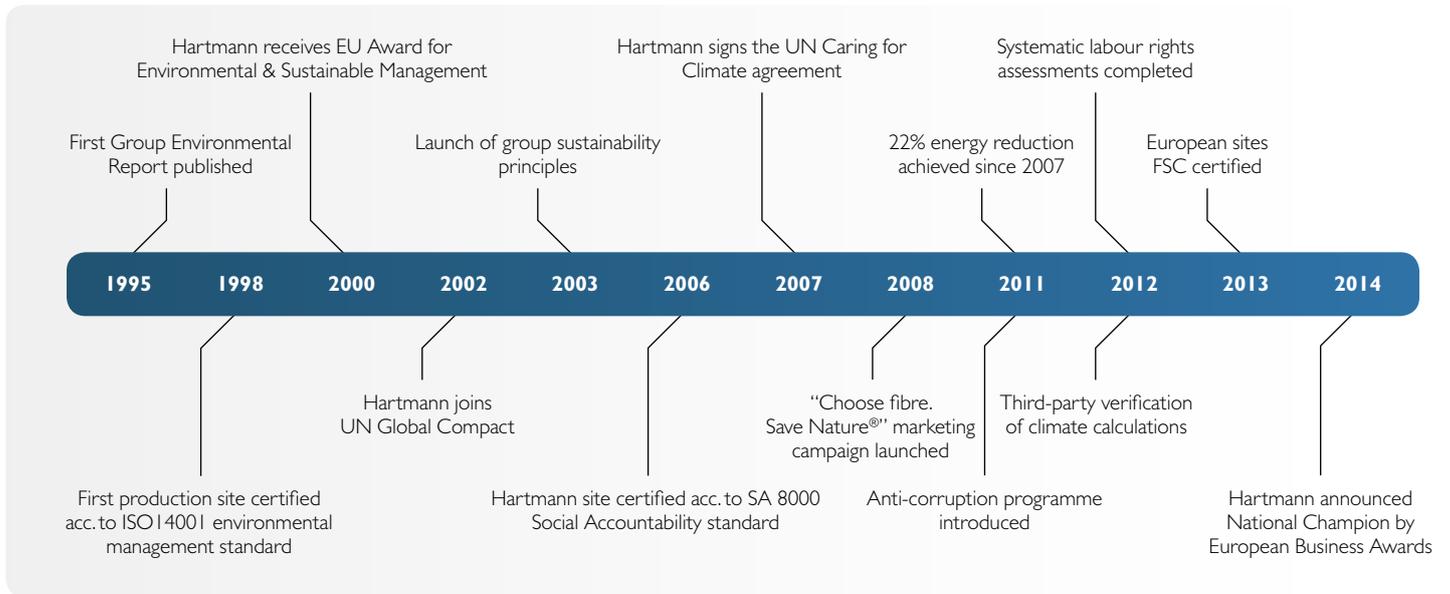
Headquartered in Gentofte, Denmark, Hartmann has 2,100 employees. Production takes place at Hartmann's own factories, of which four are in Europe, one in Israel, four in South America and one in Canada.

## The Hartmann share

Hartmann's shares have been listed on Nasdaq Copenhagen since 1982. There is one class of shares, and each share carries one vote. Interested parties can receive financial reports and company announcements by subscribing to Hartmann's news service at investor.hartmann-packaging.com.



# SUSTAINABILITY TIMELINE



## CORPORATE MEMBERSHIPS

- Danish Council for Sustainable Development (RBE)
- The Confederation of Danish Industry – Network for Sustainable Development
- UN Global Compact
- UN Global Compact – Caring for Climate
- European Moulded Fibre Association (EMFA)
- Green Industry Platform ([www.greenindustryplatform.org](http://www.greenindustryplatform.org))

# HARTMANN 2014

>300 

>300 saved truck-transport as a consequence of imagic<sup>2</sup>® sales

70 mill 

70 mill recycled newspaper saved as a consequence of imagic<sup>2</sup>® sales

15,000 

15,000 trees planted in Mozambique for CO<sub>2</sub> compensation

3.5% 

Reduction on CO<sub>2</sub> since base year. The target 25% by 2020 stands

30% 

30% of the underrepresented gender in the other managerial levels

100% 

100% of paper raw materials from FSC or recycled sources

50-65% 

An estimated 50-65% of moulded-fibre products recycled within Europe

19 

19 employees trained in anti-corruption

# PROGRESS INITIATIVES

## CLICK ON EACH PROGRESS INITIATIVE BELOW TO READ MORE

The below colours are used in the report to identify each sustainability theme. For a description of each of the ten principles, see Appendix I.

**HUMAN RIGHTS** • **LABOUR RIGHTS** • **ENVIRONMENT** • **ANTI-CORRUPTION**

### OVERVIEW OF 2014 PROGRESS ACTIVITIES RELATED TO EACH GLOBAL COMPACT PRINCIPLE

PRINCIPLE	1	2	3	4	5	6	7	8	9	10
<b>PROGRESS INITIATIVE</b>										
CSR awards	X	X	X	X	X	X	X	X	X	X
Sustainability campaign at head office	X	X	X	X	X	X	X	X	X	X
Safety efforts and progress	X	X								
Hartmann Croatia ISO 22000 certified	X	X								
Low migration printing inks	X	X					X			
Status on gender equality						X				
Climate protection							X	X	X	
Hartmann Germany ISO 50001 certification process initiated							X	X	X	
Climate calculations third party verified							X	X	X	
Climate protection in Hartmann Technology							X	X	X	
Closing the loop with product recycling							X	X	X	
Imagic2® environmental benefits in numbers								X	X	
Wastewater treatment plant in Hartmann Hungary							X	X	X	
Anti-corruption training completed										X

# RELATIVE BUSINESS IMPACT OF GLOBAL COMPACT THEMES

Our suppliers and customers are mainly located in Europe and North America, with few suppliers in high-risk countries. All suppliers are required to respect and support our commitment to the ten UN Global Compact principles<sup>1</sup>.

## BUSINESS RELEVANCE OF GLOBAL COMPACT THEMES

Global Compact theme	Environment	Labour Rights	Human Rights	Anti-corruption
Business relevance	●	●	●	●

At Hartmann, a key focus area is climate protection. Life Cycle Assessments show that this is typically the most significant environmental impact related to our products.

We relate to European and international frameworks and expectations for companies within the fields of human and labour rights and consider our responsibility to reach throughout our sphere of influ-

ence. Therefore, we continuously hold ourselves to the highest standards as regards our social responsibility.

Due to increased international focus on corruption and the legal development in the field, Hartmann has maintained a high focus on this Global Compact theme in recent years.

<sup>1)</sup> See Appendix I for an overview of the UN Global Compact's ten sustainability principles and Hartmann's commitment to these.

<sup>2)</sup> Source: European Moulded Fibre Association, and numerous internal LCAs.

# AWARDS

## EUROPEAN BUSINESS AWARDS – NATIONAL CHAMPION

Hartmann won prestigious European Business Award (EBA).

Commercial success, innovation and business ethics are the European Business Awards' criteria when selecting the company that has done best in the competition, first nationally and then internationally. The European Business Awards are granted in ten categories in 33 countries, and Hartmann was named National Champion in Denmark in the category 'Environmental and Corporate Sustainability'.

The main achievements that won Hartmann the award were:

- Responsible use of resources and FSC certification
- Climate strategy with CO<sub>2</sub> targets and energy reductions as well as CO<sub>2</sub> neutral products for customers
- Social responsibility initiative
- Safety

"This award recognises our sustainability achievements and the efforts to continuously strengthen our profile as a sustainable business," says Ulrik Kolding Hartvig, CEO of Hartmann.

The European Business Award is known for its high-calibre judges in a panel consisting of leading business and political figures, academics, entrepreneurs and thought leaders, supported by key influencers including EU Trade Commissioner Karel De Gucht.

## HARTMANN CROATIA WON CSR AWARD – CSR INDEX

In December 2014, our Croatian business was awarded for its investments in corporate social responsibility. It was the sixth time the CSR Index award was given and Hartmann Croatia won in the category of midsize companies.

Hartmann Croatia was recognised for its efforts to promote the sustainability of its business through investing in human resources, new technologies, environmental protection and local community work. An example of the community work is Hartmann Croatia organising Christmas workshops and donations for orphaned children.

The objective of the CSR Index is to provide annual assessments of the most successful Croatian companies to give them a clear picture of the value of their efforts and the areas in which they can further progress – with the overall goal of implementing CSR in the Croatian economy.



*Hartmann was nominated with the following words:  
"We were particularly impressed with the success  
Hartmann has demonstrated in its approach to  
Environmental and Corporate Sustainability and the impact  
this has had across its business and society as a whole.  
With this in mind, Hartmann has been selected for entry in  
the Environmental and Corporate Sustainability category."*

**Read more about the award here:**  
<http://www.businessawardseurope.com>



## LET'S GO GREEN – AWARENESS CAMPAIGN

Being a signatory to the UN Global Compact, Hartmann is expected to make its principles an integral part of the organisational culture and to practice active outreach to stakeholders in support of the UN Global Compact principles. In this context Hartmann's employees represent a key stakeholder.

During the spring of 2014, an extensive sustainability campaign was conducted at Hartmann's head office near Copenhagen under the slogan of "Let's Go Green". The campaign addressed the awareness and mindset of the employees, who play a vital role in executing our sustainability strategy. The head office is not a company location with the greatest environmental or social impacts. However, the employees there have a significant influence on the performance of the organisation as a whole.

The core philosophy in the Let's Go Green campaign was to engage employees in the sustainability agenda in a fun and motivating fashion. The campaign involved posters, quizzes and lectures leveraging the strong head-office team spirit to run an eight-week competition with fair trade prizes as the backbone of the campaign.

During the campaign, the head office implemented solutions to optimise energy consumption, transportation, food waste and recycling, including social aspects in employee events and much more. On top, the campaign generated ideas on how to improve business processes in other parts of the organisation. A small example from the campaign is a new system for carpooling between company locations.

The ultimate target of the competition was to reach a predefined level of employee activity and engagement during the campaign that would result in making the head office climate neutral for 2014. At the award show that marked the end of the campaign it was concluded that the employees had exceeded the target level set. This triggered a CO2 neutralisation of the office emissions remaining after implementation of the initiatives to lower the energy consumption in the building.

For new employees, who did not participate in the campaign, there is a follow-up programme to maintain the motivation and knowledge level at the office location.

# ENVIRONMENT



Environmental impacts in production are managed with the Hartmann STEP® Environment management model. For an overview of the model, see [www.hartmann-packaging.com](http://www.hartmann-packaging.com).

ISO 14000 certificates for environmental management were maintained or renewed in 2014 for all our European production sites.

## CLIMATE PROTECTION

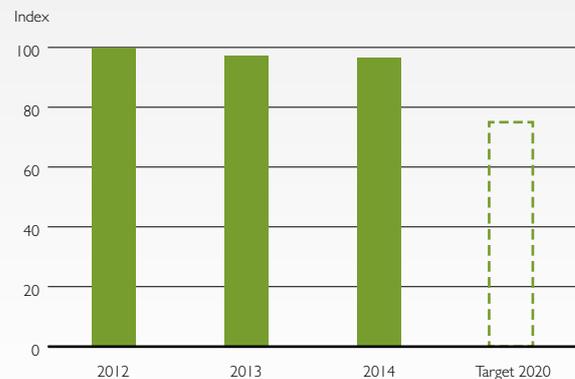
### Do more with less

Manufacturing always requires energy and traditional energy consumption contributes significantly to the growing problem of global warming. However, Hartmann does not consider these factors a reason why the company should not act in favour of climate protection.

Climate change gives the global challenge of doing more with less, and Hartmann has taken on that challenge. Over the past seven years, significant energy efficiency improvements have been realised, and since the base year 2012 a CO<sub>2</sub>-e reduction of 3,49% was achieved.

The group climate emission target remains at 25% CO<sub>2</sub>-e by 2020\* and so the journey towards the target will continue in the years to come. In the reporting year the focus was on efficiency improvements in our

### REDUCTION IN CO<sub>2</sub>-e



\* The basis for the targeted 25% reduction by 2020 is the CO<sub>2</sub>-e emissions from energy consumption at our factories (electricity and heat) relative to the sellable product quantities put on stock (kg).

This was changed since 2013 where the target was relative to the product quantities sold (kg), which means a <1% correction of the reduction reported in the 2013 sustainability report. The new method for calculating progress on the target better reflects the performance in each reporting year until 2020.



manufacturing processes including the implementation of a new and promising tool for better control of the product drying process.

The focus areas for continued progress on the climate target are:

- Investments in new process technology
- Improvement and optimisation of existing equipment
- Product development
- Waste reduction
- Replacement of fossil energy by renewable energy

A number of options for replacing fossil energy by renewable energy exist. A mapping of these options and their financial, practical and environmental implications were initiated during the reporting year – starting with Hartmann Denmark. The mapping will continue in 2015.

### HARTMANN GERMANY ISO 50001 CERTIFICATION PROCESS INITIATED:

Hartmann Germany is planning to obtain an ISO 50001 certification for energy management in 2015 with the aim of improving the overview of all on-site energy consumption and the general structure of site energy management. A structured and certified approach to energy management shall ensure an efficient use of energy resources, contribute to the manufacturing sites' CO<sub>2</sub> emission reductions and provide evidence of efficient energy management to external stakeholders.

An analysis of the needed changes and the potential gain was carried out by the external advisory company EEB ENERKO Energiewirtschaftliche Beratung GmbH. This analysis is the foundation for the next stage of the certification process, and in early 2015, internal audits will be carried out in preparation of the final ISO certification.

WE SUPPORT  
**Caring for Climate**



## CLIMATE CALCULATIONS THIRD-PARTY VERIFIED

Hartmann's corporate CO<sub>2</sub> accounting scopes 1,2 and partially 3 were completed in accordance with the GHG Protocol<sup>6</sup> with the figures third-party verified by the external company Climate Partner. Hartmann's methodology for calculating product carbon footprints according to PAS2050<sup>7</sup> was also verified.

The verification gives credibility to Hartmann's climate calculations and is an assurance that calculations are complete and in compliance with the standards. With this verification, calculations can be used externally towards customers and in the context of climate neutral products.

The verification statement is found in appendix 2.

ClimatePartner<sup>o</sup>

### CO<sub>2</sub> neutral egg packaging

*Egg packaging with zero carbon footprint is sold to those of Hartmann's climate friendly customers who acknowledge that climate protection cannot wait. For all CO<sub>2</sub> neutral products sold, we supported a certified reforestation project in Mozambique, which ensures the restoration of depleted forest areas and improves the livelihoods of the local population.*



**See more about the CO<sub>2</sub> neutral concept and find a marketing brochure at [www.hartmann-packaging.com](http://www.hartmann-packaging.com) – Egg Marketing – Sustainability.**

<sup>6</sup> The Greenhouse Gas Protocol is the most widely accepted international standard for accounting for corporate greenhouse gas emissions.

<sup>7</sup> PAS2050 was developed by the British Standards (BSI) and came into effect in October 2008 and was revised in October 2011. Being the first widely acknowledged standard for product carbon footprints, this standard has been applied by many companies worldwide.

## CLIMATE PROTECTION IN HARTMANN TECHNOLOGY

Hartmann Technology<sup>8)</sup> supplies manufacturing technology for moulded-fibre packaging to the Group's own companies and makes it available to external customers and licensees. In the development of the manufacturing solutions offered by Hartmann Technology, the possibilities for energy and climate efficiency for the customers are set for years after completion of the sale. This is a consequence of the long life spans of this type of machinery.

Whether a technology customer is internal or external, climate protection is a key priority in all Hartmann solutions. This message was conveyed at a Hartmann Technology customer seminar in 2012, along with a specific ambition to reduce the energy consumption of the primary energy consuming machinery by more than 15%. The feedback from customers confirmed that energy efficiency is a significant purchase parameter. However, there was also a certain scepticism as to the possibilities of achieving Hartmann's ambition.

Over the past 3-5 years, Hartmann has undertaken dedicated research into the parameters that influence the energy efficiency of moulded-fibre production. This has resulted in the development of a new type of oven, which is notably more energy efficient than its predecessor. The oven is typically the most energy intensive part of a moulded-fibre production line and the new type has enabled Hartmann to lower the energy specifications for our new ovens.

In addition to the equipment, a modern and energy optimised moulded-fibre production depends on a number of factors such as the raw materials, the skilled operation of the equipment and proper maintenance.



For this reason, energy efficient equipment from Hartmann is always supplied as part of a general solution, which has focus on energy efficiency. This allows our customers to benefit from our extensive knowledge in this area. By making a specific promise about the energy performance of equipment provided by Hartmann Technology, we take responsibility for this performance throughout the phases of production preparation, implementation and after sales as an inherent part of our service and partnership offering.

The first machine with the improved equipment was installed in South America early in 2014 and, as is our custom, we keep a close dialogue with the customer to allow for the vital and mutual exchange of knowledge.

**Learn more about Hartmann Technology at [www.hartmann-packaging.com](http://www.hartmann-packaging.com).**



“My customers expect Hartmann to deliver equipment with a top energy performance, which is a decisive factor when they select us as their supplier. I also have no doubt that the current focus on energy consumption will continue to increase our revenue in the years to come. Whether it is replacement of inefficient equipment or optimisation on existing machinery – the driver will be to reduce the energy consumption,”

**Mogens Berger Christensen, Vice President Technology**

<sup>8)</sup> Hartmann Technology is a business unit within the Hartmann Group

## Recyclability of moulded-fibre product tested and documented

### CLOSING THE LOOP WITH PRODUCT RECYCLING

From a society point of view, paper recycling increases the lifespan of materials and is a key strategy towards saving on primary raw materials, lowering the energy and chemical consumption, reducing the impact on fresh water and improving waste management policies.

Each year, more and more paper, and in particular types of paper, is being recycled in Europe where in 2013, the recycling rate for paper reached a world record of 71.7%. In general, paper fibres are recycled an average of 3.5 times in Europe, notwithstanding that approximately 21% is not recyclable or collectable such as for example used tissue paper. As regards packaging waste in Europe, the most recycled fraction is paper and board<sup>1</sup>.

No statistical data are available about the recycling of moulded-fibre egg packaging and the possibility of recycling varies a great deal depending on national and local collection systems and practices. However, statistics on "household waste, paper waste and paper packaging waste recycling" in Europe can give an indication of the average recycling rate for moulded-fibre egg packaging in Europe. An estimate, derived from the listed waste fractions and qualitative insights about moulded-fibre in the waste streams, suggests a recycling rate within 50-65%. Considering both EU and national targets and plans for increasing recycling rates, recycling as a disposal method is bound to become ever more relevant in the years to come.

A prerequisite for recycling Hartmann's products is that they are in fact suitable for recycling. A priority in the production and design of moulded-fibre packaging is therefore to ensure that the qualities of the final product match the needs in a typical downstream recycling process, without inhibiting the process. A paper recycling process can be inhibited for example by non-paper content such as adhesives, which may disturb the process. In 2014, the recycling qualities of a representative Hartmann moulded-fibre product was tested according to a new recyclability assessment method for paper-based packaging developed as part of the EcoPaperLoop<sup>2</sup> project and performed by PMV<sup>3</sup>. The positive results show without any doubt that the tested product is recyclable.

Any non-recycled paper content in Hartmann products is Forest Stewardship Council certified to ensure the responsible use of new wood fibres.



<sup>1)</sup> Source: CEPI

<sup>2)</sup> An extensive Central Europe Project with the aim to improve the quality of paper for recycling. The project is co-funded by the European Union

<sup>3)</sup> Chair of Paper Technology and Mechanical Process Engineering, Technical University of Darmstadt

## IMAGIC2® – ENVIRONMENTAL BENEFITS IN NUMBERS

The desire to conserve resources in the life cycle of Hartmann's moulded-fibre products makes recycling a priority in the product design together with an efficient use of paper and other resources. Hartmann's most recent high-end product, Imagic2®, is designed to meet each of these aspects, for example through its reduced weight and ability to compress better when stacked. An assessment of the environmental benefits of substituting other products for Imagic2® has shown that, within the reporting year, Imagic2® provided savings of at least 300 full truck transports and over 700 tons of wastepaper. The latter corresponds to approximately 70 million newspapers, which can then be recycled for other purposes:

## WASTEWATER GENERATION AND TREATMENT IN HARTMANN HUNGARY

At Hartmann's manufacturing facility in Hungary, the wastewater is continuously monitored for unwanted substances. In the previous years a deinking process step was added to the production to take out impurities, which originate from the wastepaper. At the same time, the recycling and utilisation of the freshwater on site improved, causing the wastewater to become more concentrated. Therefore, during the year, process changes were implemented, resulting in reduced wastewater loads.

Today, the wastewater is treated at the municipal wastewater treatment plant in agreement with local authorities. However, with the goal to reduce the loads even further and to ensure sufficient wastewater treatment capacity for future activities, it was decided to build a wastewater pre-treatment plant. The construction of a combined chemical and biological treatment plant was initiated in the second half of 2014, with completion planned for early 2016. The initiative will ensure this manufacturing facility's responsible use of water with a high degree of environmental protection and keep wastewater loads below BAT<sup>12</sup> levels.



*Imagic2® saved more than 300 full truck transports and what corresponds to a minimum of 70 million recycled newspapers!*

<sup>12)</sup> Best Available Technology

# HUMAN RIGHTS

## SAFETY EFFORTS AND PROGRESS

All OHSAS certificates were maintained or renewed in 2014.

Accepting that a majority of accidents are difficult to prevent entirely with physical prevention measures, work was undertaken to improve the safety culture across operations. The thinking is that the responsibility for safety lies equally with management and employees. In this context, managers from all levels attend safety training and are instructed in how to practice safety management. This is done through leading by example and cooperating to establish and maintain a good safety culture, for example with regular "safety walks and talks". At a safety walk and talk, alternating members of the management walk through all production areas observing and talking with employees about safety. These walks contribute to lifting employee awareness, which can help prevent accidents from happening.

With relatively low levels achieved in the past years, the LTI target for 2014 was not met and in fact slightly exceeded the 2013 level. The pre-

vailing types of incidents that occurred were stumble/falling accidents and incidents in the printing area. The unsatisfactory progress on the LTI target caused an acceleration of planned precautionary activities. Examples include visual behaviour modification tools such as yellow markings or illustrative cartoons as well as installation of safety equipment in the printing areas. The latter is planned to continue into 2015.

For safety reasons, as well as reasons of efficiency and quality, certain operating areas have begun a 5S<sup>3</sup> organisational restructuring. With the introduction of the 5S methodology, the ensuing order, tidiness and improved structure are expected to contribute to a more pleasant as well as a safer working environment.

Human and labour rights on site level are managed with the Hartmann STEP® Human management model. For an overview of the model, see

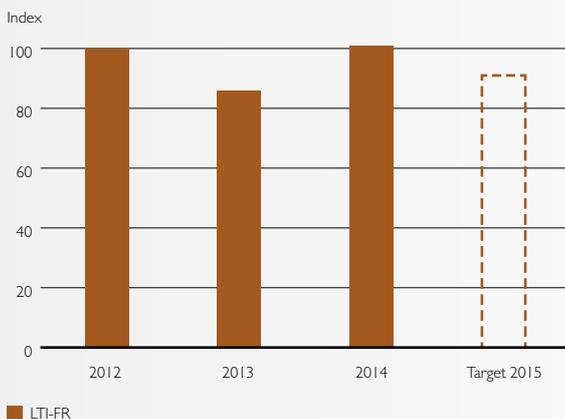
[www.hartmann-packaging.com](http://www.hartmann-packaging.com)



"It is my personal belief that all injuries are preventable. Consequently I am very firm in ensuring that all management, employees, contractors and visitors are dedicated to reducing the risk of injury."

**Gerry Lavis, President HNA at Hartmann's factory in Canada**

## ACCIDENT STATISTICS



"The safety target for 2015 is a 10% LTI-FR reduction from 2014 to 2015"

<sup>3)</sup> 5S is the name of a workplace organisation method that uses a list of five Japanese words: seiri, seiton, seiso, seiketsu, and shitsuke and which focuses on factors such as structure, sorting, standardisation a.m.

## *Safety first! – especially when it comes to food safety for egg consumers*

### FOOD SAFETY

Food safety is important to Hartmann's customers and the requirements to food safety measures are regulated ever more detailed and strict within Europe. Hartmann's policy is to stay clear of grey zones by keeping a steadily high level. For that reason, materials used in the production as well as the production processes are continuously monitored and controlled to ensure the quality. The end-products are tested in accordance with applicable requirements to further reaffirm the safety of Hartmann's moulded-fibre products.

#### **Hartmann Croatia ISO22000 certified**

In the moulded-fibre production process, hygiene risks are assessed and managed as an integral part of the local management systems. In November 2014, Hartmann's production facility in Croatia was certified under Food Safety Management standard ISO 22000, the internationally most widely acknowledged standard. ISO 22000 combines the principles of HACCP (Hazard Analysis Critical Control Point) with established product manufacturing practice. Through this external control measure, the quality of the preventive and corrective actions in the production process are defined, documented and verified. By obtaining the ISO 22000 certificate, Hartmann Croatia has proven its ability to meet increasing customer needs in the field of food safety.

#### **Low migration printing inks**

Printing inks are generally used in low quantities and mainly on the outside of the egg cartons. Still, Hartmann needs to ensure that no eggs are contaminated with unwanted substances from the use of ink. For this reason, the inks used in Hartmann are subject to several applicable standards and limitations to the content. Such limitations include for example the absence of heavy metals and other unwanted substances. In the reporting year, the precautionary approach in Hartmann led to a decision to use exclusively "low migration inks" for direct printing. In addition to applicable restrictions for actively added ingredients in low migration printing inks, such inks are also subject to elevated requirements as regards the ink production process. By strictly controlling the ink production environment, Hartmann is able to avoid incidental contaminations with substances from the surrounding environment.

### EGGS AS NATURE'S SUPER FOOD – PACKED FULL OF GOODNESS:

Eggs have been described by nutritionists as nature's large vitamin pill. They contain many of the essential nutrients required for a healthy diet, including vitamins, minerals and high-quality protein.

For example, eggs contain the highest quality protein you can buy and an egg yolk is one of only few foods to be a naturally good source of vitamin D.

Research shows that egg production has a much lower carbon footprint than beef or pork production. Laying hens have low greenhouse gas emissions due mainly to their high feed efficiency. In this way, eggs offer a responsible solution to the dilemma of how to feed the growing global population using our planet's finite resources.

#### **Source: International Egg Commission (IEC)**

A natural product deserves natural packaging! Eggs breathe and transpire. To allow for this natural process, without negative consequences for the egg quality, eggs need packaging that breathes and absorbs – such as moulded fibre.



*“Besides the physical changes, ISO 22000 is also about behaviour and attitude change. During the implementation, I was very pleased to see our production staff take on the challenge and live the new procedures every day”*

**Goran Grotić, Operations Manager, Hartmann Croatia**

# LABOUR RIGHTS

Human rights and labour rights on site level are managed with the Hartmann STEP® Human management model. For an overview of this model, see [www.hartmann-packaging.com](http://www.hartmann-packaging.com).

## Ethical sourcing

In accordance with Hartmann's commitment to our 10 sustainability principles we consider our responsibility to extend throughout our sphere of influence. In the area of ethical sourcing we apply a systematic supplier evaluation programme. During the reporting year, this included evaluating selected suppliers and the extent of the evaluation was proportional to the risk related to the individual supplier. No supplier was de-selected on ethical grounds. In 2015, there will be a focus on upgrading the competences of lead auditors in relation to ethical sourcing.

## Gender equality

Access to equal opportunities in employment, pay and development as well as a discrimination-free working environment is a human right. At Hartmann, we are committed to providing a workplace where opportunities are equal and differences are valued. At the same time, we want to attract the best and brightest people from the broadest pool possible. This is why the right candidates are selected on merit, skill and personality.

The work with gender diversity was formalised in 2013 with the introduction of a policy to increase the number of the underrepresented gender at the company's other managerial levels, defined as the Executive Committee and managers reporting to the Executive Committee. The policy addresses relevant precautionary measures and transparency related to for example recruitment, performance reviews and career development. For details about the policy, see [www.hartmann-packaging.com](http://www.hartmann-packaging.com).

In 2015, a new European master data system will be introduced for monitoring HR data. The system will increase the internal transparency and monitoring of gender-related data such as gender statistics and pay comparisons for equal work at all levels of the organisation. In time, this information will be part of the foundation for managing the issue.

The value of gender diversity also applies to Hartmann's Board of Directors. The Board has set a target for raising the share of the underrepresented gender to a minimum of 40% of the shareholder-elected members by 1 January 2017. This does not alter the fact that board members are elected by the shareholders based on their individual competences and contribution to the board's collective competences and profile as well as the quality in the board work.

## REPRESENTATION OF WOMEN

	2013	2014	Target 1 January 2017
Board of Directors <sup>4</sup>	25%	25%	40%
Other managerial levels <sup>5</sup>	37%	30%	-

<sup>4</sup> Only the shareholder-elected members

<sup>5</sup> Includes the Executive Committee and managers reporting to the Executive Committee

# ANTI-CORRUPTION

## ANTI-CORRUPTION TRAINING

The internal anti-corruption training programme was completed in 2014, which means that all selected key Hartmann employees have taken the anti-corruption training programme and committed themselves to the anti-corruption policy in writing.

Enforcement of the anti-corruption principle remains an integrated part of Hartmann's supplier handling process, and since the introduction of the anti-corruption policy, at least one supplier has been rejected on the grounds that Hartmann will not be involved in any activities related to corruption or bribery. In this particular case, it was the

judgment that cooperation with the supplier in question was deemed not to be possible under Hartmann's anti-corruption policy.

Going forward, the anti-corruption programme remains the precautionary measure taken for the active enforcement of the 10th sustainability principle. Where relevant, new employees will be required to complete the programme to ensure their training and awareness and validate their commitment to avoiding violations, wherever they may occur.

<sup>1)</sup> Source: CEPI

<sup>2)</sup> An extensive Central Europe Project with the aim to improve the quality of paper for recycling. The project is co-funded by the European Union

<sup>3)</sup> Chair of Paper Technology and Mechanical Process Engineering, Technical University of Darmstadt

## APPENDIX I.

# HARTMANN GROUP COMMITMENT TO THE UN GLOBAL COMPACT PRINCIPLES

The original wording of the ten UN Global Compact principles can be found at [www.unglobalcompact.org](http://www.unglobalcompact.org)

## HUMAN RIGHTS PRINCIPLES

Hartmann will make an effort to promote the conditions outlined in each of the human rights principles in companies that are part of the value chain to which the Group belongs.

### **Principle no. 1:** **Human rights – support & respect**

Hartmann will support and respect the protection of internationally proclaimed human rights. Hartmann's commitment includes, but is not limited to, the following:

Hartmann will endeavor to secure the well-being of employees and their families by means of relevant local initiatives, practices and procedures that are in keeping with local traditions, conditions and needs.

Hartmann will endeavor to secure fair wages by means of a wages policy, which is consistent with the situation prevailing in other local industrial companies, and which enables the Group to attract and retain qualified employees.

Hartmann will endeavor to secure health and safety in the workplace, by means of cleaner technologies, procedures and practices as well as by the development of competences and efforts to change attitudes among the employees.

Hartmann will endeavor to secure good relations to the local community by means of active participation in social and business-related activities at local level and by setting a good example to others.

### **Principle no. 2:** **Human rights – abuses**

Hartmann will make sure that it is not complicit in human rights abuses.

## LABOUR RIGHTS PRINCIPLES

### **Principle no. 3:** **Freedom of association and the right to collective bargaining**

Hartmann recognizes the right of its employees to be members of a trade union and to negotiate pay and working conditions collectively. The Group further recognizes the right to organize and collective bargaining in companies forming part of the value chain to which the Group belongs.

### **Principle no. 4:** **Rejection of forced labour**

Hartmann will support the elimination of all forms of forced and compulsory labour and does not accept the use of forced labour – neither inside the Group nor in companies forming part of the value chain to which the Group belongs.

### **Principle no. 5:** **The effective abolition of child labour**

Hartmann will not employ persons below the minimum age and the Group will apply preventive procedures and practices accordingly. The Group will make an effort to promote that similar procedures and practices are applied by companies forming part of the value chain to which the Group belongs.

### **Principle no. 6:** **Non-discrimination**

Hartmann will endeavor to prevent discriminatory practices and secure equal opportunities by means of the application of procedures and practices to prevent discrimination in connection with recruitment or dismissal, career development, training and education, or the granting of staff benefits. Hartmann will endeavor to promote non-discrimination and equal opportunities for employees in companies forming part of the value chain to which the Group belongs.

## ENVIRONMENTAL PRINCIPLES

Hartmann will endeavor to protect, respect and safeguard environmental values by means of the systematic and proactive integration of environmental considerations in its daily business activities, by the development of environmentally friendly production methods and products, by training its employees in environmental issues, and by influencing the stakeholders in the value chain to which the Group belongs.

**Principle no. 7:  
A precautionary approach**

Hartmann will support a precautionary approach to environmental challenges.

**Principle no. 8:  
Environmental responsibility**

Hartmann will undertake initiatives to promote greater environmental responsibility.

**Principle no. 9:  
Environmentally friendly technologies**

Hartmann will encourage the development and diffusion of environmentally friendly technologies.

## ANTI-CORRUPTION PRINCIPLE

**Principle no. 10:  
Refraining from bribery and corruption**

Hartmann will work against corruption in all its forms, including extortion and bribery.

It will do this by means of openness towards relevant business partners and by setting up a set of guidelines specifying how to avoid bribery and corruption. Hartmann will also contribute to minimizing bribery and corruption in companies forming part of the value chain to which the Group belongs.

APPENDIX 2.

# VERIFICATION STATEMENT



**VERIFICATION STATEMENT**

ClimatePartner hereby confirms that the accounting for the carbon dioxide emissions generated by Brødrene Hartmann A/S, Ørnegårdsvej 18, 2820 Gentofte, Denmark, was performed in compliance with the *Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard*. The allocation of these emissions to the products was performed in compliance with the general requirements and principles of the Publicly Available Specification *PAS 2050:2011 - Specification for the assessment of the life cycle greenhouse gas emissions of goods and services*.

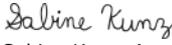
The organisational system boundaries were the production sites in Denmark, Germany, Hungary, Croatia, Israel, and Canada as well as the headquarters in Gentofte. The primary activity data reviewed reflects the production and administrative activities during the period from January 1, 2013 to December 31, 2013.

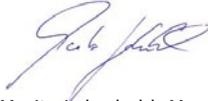
The operational system boundaries include all emission sources from Scopes 1 and 2, as well as relevant emission sources from Scope 3. The emission sources accounted for include (an asterisk indicates no data to be verified for the production site in Canada):

- Direct emissions from heating (steam, natural gas, district heating, LPG) Scope 1 & 2
- Direct emissions from fuels (diesel oil, gas)\* Scope 1
- Electricity Scope 2
- Production of fuels (for mobility and heating) Scope 3
- Collection of recycled paper Scope 3
- Production of the product labels\* Scope 3
- Plastic wrap used for transportation\* Scope 3
- Transportation of employees with company and other cars\* Scope 1 & 3
- Transportation of employees by airplane\* Scope 3
- Additives\* Scope 3

For the allocation of the emissions to individual products, the functional unit chosen is kg CO<sub>2</sub> per kg product. The system boundary is cradle-to-gate, meaning that carbon dioxide emissions are included that were generated up to the point where the product leaves the organization. There was no new verification needed of the methodology for calculating carbon dioxide emissions from the transportation of the products from the production site to the customer, which was approved in 2012 based on a sample calculation for one customer – this permits the expansion of the system boundaries to extended cradle-to-gate for individual orders since transportation beyond the factory gate is accounted for.

The carbon accounting performed by Brødrene Hartmann A/S accurately portrays the carbon dioxide emissions related to the company's production at the different production sites. It is an appropriate basis for offering climate neutral products by offsetting the carbon dioxide emissions of particular production volumes.

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 Sabine Kunz, Assessor

Munich, November 19, 2014  
  
 Moritz Lehmkuhl, Managing Director





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CVR no. 63 04 96 11

