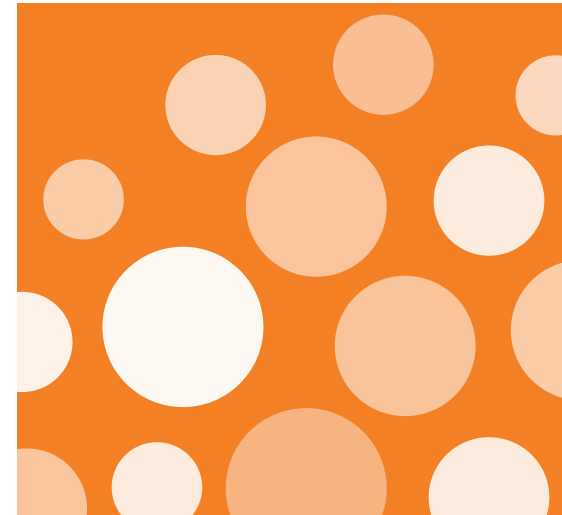


# AR PACKAGING SUSTAINABILITY REPORT 2014

Good ideas for better packaging solutions are a prerequisite  
for long term business success.



## CSR OFFERS A COMPETITIVE EDGE

AR Packaging are one of the leaders in our segment of the packaging market, and therefore a notable presence in CSR – Corporate Social Responsibility – is key to remain competitive.

AR Packaging is a signatory of the United Nations Global Compact, following these specific requirements and committed to conducting its business in an ethically, socially and environmentally responsible manner with the aim of contributing to the positive development of the communities in which its products are used – as well as those in which we conduct our operations.

I am pleased to confirm that AR Packaging will also in the future support and develop improvements on the 10 principles of the UN Global Compact.

Reducing environmental impact is a major concern for us. In 2014, the Group advanced its positions in terms of sustainable certificates and audits, and by the decision to participate in the Carbon Disclosure Project (CDP). Several important

examples and investments of our factories from last year are mentioned in this report, which resulted in less waste and substantially reduced energy consumption as well as CO<sub>2</sub> reduction.

In order to work more efficiently with these matters AR Packaging has appointed a Sustainability Manager at group level who will coordinate activities and work out a new corporate sustainability strategy for the coming years. One decision in this strategy was to restart the publication of a Sustainability report separated from the Annual report. I am pleased to share the AR Packaging Sustainability report 2014 with you.

*Harald Schulz*  
CEO



”

I am pleased to confirm that AR Packaging will also in the future support and develop improvements on the 10 principles of the UN Global Compact.

“

## STRENGTHENING OUR SUSTAINABILITY ACTIVITIES

Our own targets as one of the leaders in packaging market and increasing requirements of our important customers lead to the decision to reinforce our activities on sustainability and to appoint a Sustainability Manager on corporate level for the coordination of activities and reporting. Nevertheless the key responsibility for sustainability is transferred to each unit, placing decisions closer to where the most specific knowledge about possible improvements are.

In 2014, the Group initiated an investment in a new data collection software (360report), which will form the basis for fulfilling the reporting requirements of the UN Global Compact, Carbon Disclosure Project (CDP) and Sustainability reporting following Global Reporting Initiative (GRI) in general. In the future this software will also serve as a benchmark and improvement tool at group level.

With restart and structure our sustainability activities in 2014 and elevating our reporting from A&R Carton to AR Packaging level, we decided to start at zero base in 2014 for all reported figures. Therefore comparison charts to previous years are not included in this report. In the following report for 2015, this will included as well as full reporting of our newly acquired production plants.

*Robert Mayr*  
*Product Safety and Sustainability Manager*

”

The key responsibility for sustainability is transferred to each unit, placing decisions closer to where the most specific knowledge about possible improvements are.

“

# CONTENTS

Introduction to AR Packaging	5
Sustainability - Strategy and management	7
Social responsibility	8
Human rights and anti-corruption	8
Labor principles and employees	9
Working environment and training	11
Health and occupational safety	12
Environment	15
Used raw materials	15
Energy consumption	17
Water use	21
Emissions and reduction of carbon footprint	22
Biodiversity	24
CDP scorecard	25
Food safety and hygiene	26
External ratings/Certifications	27
GRI Index	29
Information and contacts	32

# WHO WE ARE

AR Packaging is one of the leading companies in the European packaging sector. The head office is located in Lund, Sweden. In 2014, the Group generated net sales of 404 MEUR and EBITDA of 42.5 MEUR.

AR Packaging was formed in 2011 as a merger of A&R Carton, one of Europe's leading carton board packaging groups, and Flextrus, a market leader in northern Europe in flexible packaging. Members are also CC Pack and SP Containers offering pressed trays and carton based cups. In January 2015, AR Packaging acquired the European tobacco and general packaging operations of MeadWestvaco Corporation. With this acquisition, AR Packaging is elevated to the top 3 companies in Europe, with net revenue of approximately 550 MEUR. The extended Group now has approximately 2,300 employees and 17 production sites across nine European countries.



## Key market segments

AR Packaging has a broad customer base mainly within the European food and healthcare industry. Our focus is within three key segments:

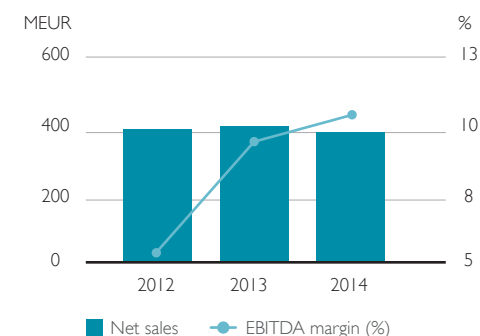
- Barrier packaging provides unique high-performance packaging solutions, both systems and materials, based on proprietary technologies such as Cekacan® and Hermetet® as well as a wide range of advanced flexible barrier materials supplied with world-class product customisation, service and lead times.
- Branded products cover innovative packaging solutions for goods found in duty free stores and offers high reliability, business acumen throughout the entire value chain and extensive geographical coverage to leading brand owners.
- Food packaging offers an extensive portfolio of food-on-the-go packaging solutions where consumer convenience is crucial and high food safety and sustainability standards as well as best-in-class key account management are a prerequisite.



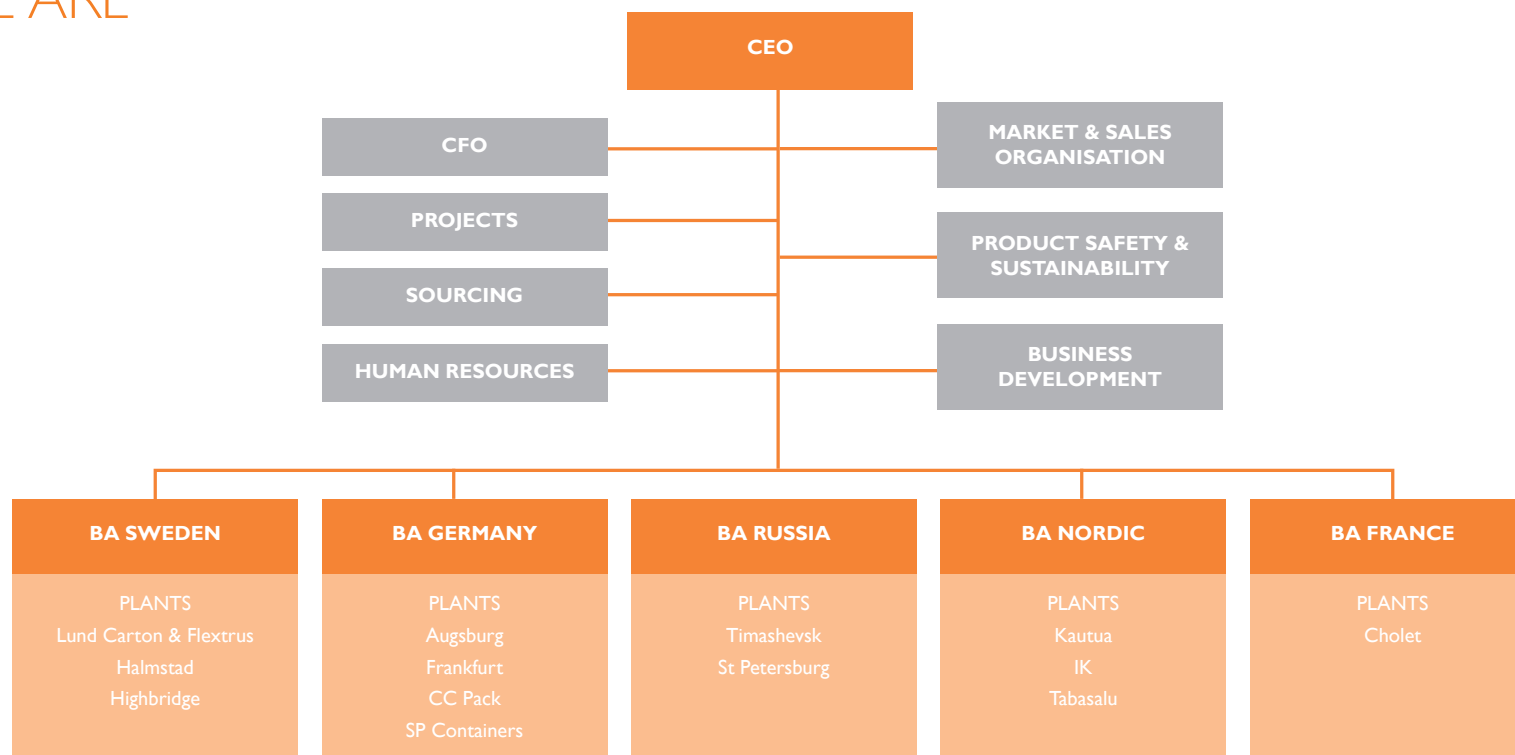
## Net sales by geographic market 2014 and 2013

	2014	2013
Russia	75 837	82 884
France	55 514	63 162
Germany	55 429	55 343
Sweden	38 380	43 370
UK	32 434	30 970
Ireland	27 946	20 583
Finland	22 065	22 182
Netherlands	17 923	24 740
Rest of Europ	72 352	72 993
Other markets	6 450	7 956
<b>Total</b>	<b>404 330</b>	<b>424 183</b>

## Net sales and EBITDA margin



# WHO WE ARE



Organisation per  
January 2015

## Organisational structure

AR Packaging is organised in geographically managed business areas (BA's) where the business area manager has full responsibility for operational and financial performance. On Group level, certain central functions coordinate joint Group activities and support the business areas, such as sourcing and key account management. The CEO leads the Group through the Executive Management Team consisting of the BA management together with Group executives.

Following the acquisition of three plants (Graz, Krakow and Moscow) in May 2015, the Moscow plant has been included in BA Russia and Graz and Krakow are included in BA Germany which has been renamed to BA Central Europe.

## Our owners and corporate governance

The Group is owned by Ahlström Capital (64 percent), Accent Equity Partners (34 percent) and management (2 percent). Family-owned Ahlström Capital is one of Finland's largest private investment companies, with a history dating back to 1851. During 2014, net sales amounted to some 1.4 billion EUR. Assets on the balance sheet total approximately 1 billion EUR. Ahlström Capital has a strong financial position, with over 100 MEUR in available funds.

ÅR Packaging Group AB is a Swedish public company with its head office in Lund Sweden. The company's governance is controlled via the Annual General Meeting (AGM), the Board and the CEO and Group management of AR Packaging in ac-

cordance with the Companies Act, the Articles of Association and the directives of the Board and CEO. Representatives from Group management are also included in the Board of Directors of each subsidiary.



# OUR REPORTING SYSTEM

We are an early starter in the packaging sector with A&R Carton publishing its first yearly Corporate Sustainability Responsibility (CSR) report following guidelines on Global Reporting Initiative (GRI) in 2007.

**360report** Report settings **Reporting** Goals Export 2014 - FAQ Glossary User settings Logout

Data Entry Tables Charts Save

**Organizational Structure**

- AR Packaging Group
  - Augsburg
  - Frankfurt
  - Timashevsk
  - St. Petersburg
  - Tibro (OC Pack)
  - Flextrus Lund
  - Flextrus Halmstad
  - Flextrus Highbridge
  - Rotherham
  - Cholet
  - Kautua
  - Ingeros
  - Lund
  - Tabasalu
  - Administrator

**Indicators**

GRI

**Standard Disclosures**

GRI	GRI Indicator Description	UNGC	ISO 26000	Help	Status
G4-4	Primary brands, products, and/or services				<input checked="" type="checkbox"/> Finished <input type="checkbox"/> Approved

Which brands, products and services are important depends on a particular company. The level of importance can be judged, for example, by the sales of individual brands, products and services. Information on the procurement of the data as well as definition of terms can be found in the help option. This General Standard Disclosure contains up to 2 questions.

**1. Please enter information about your most important brands, products and services.**

Add further brands, products or services with the Plus button.

Brand / Product / Service	Description	
Branded Products	Innovative packaging solutions for	
Food packaging	High food safety and sustainability standards as	
Barrier packaging	Unique high-performance packaging	

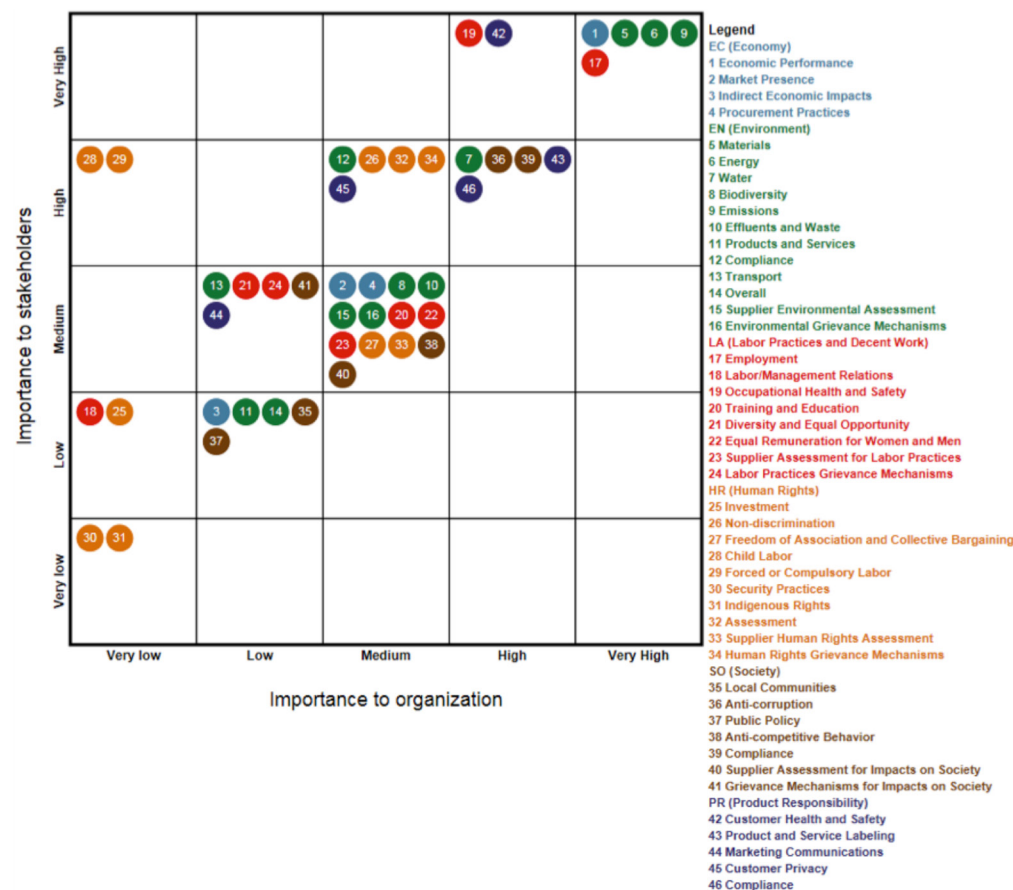
From 2007 to 2011 separate CSR reports are available in printed version and as download on [www.carton.com](http://www.carton.com). In 2013 our sustainability reporting was integrated within the Annual Report, but following the realignment of our sustainability strategy in 2014 separate Sustainability reporting on corporate AR Packaging level is now implemented.

## 360report

Data collection from 14 production plants started with self-made templates but very fast it was recognized a need for

software support that enables better structuring and also with the integration of further data collection needed for reporting on UN Global Compact and Carbon disclosure Project (CDP).

The 360report has been selected as partner, who offers a software tool which incorporates the international reporting standards of the Global Reporting Initiative (GRI G4) and UN Global Compact as well as data collection for Carbon disclosure Project (CDP).



360report will reduce the time spent on manual data processing and provide the needed data on group level in a short and structured way.

## Important indicators

As not all aspects of GRI structure are required for our sustainability reporting with the same importance, we have assessed the stakeholder issues that are significant for our organisation and the industry in which we operate.

# HUMAN RIGHTS AND ANTI-CORRUPTION

(UN GC principle 1/2/10)

AR Packaging extended in 2014 its Code of Conduct guidelines with clear statements on human rights, child labour, discrimination, social standards as well as on anti-corruption and bribery. Although our production plants and our main suppliers are operating in non-critical and well regulated countries, we are very careful and continuously observing the situation in our supply chain.

## Anti-corruption

AR Packaging rejects corruption and bribery and does not tolerate these practices. In principle, contraventions are subject to employment law sanctions. We have centralised sales and purchasing organisation for key customers and key raw materials and act mainly in socially high level European countries.

## Anti-counterfeiting and anti-illicit trade

Moreover we have a separate Anti-counterfeiting and anti-illicit trade policy in place as we assessed this as a serious concern within the worldwide cigarette industry, which we are part of with key customers. The policy gives a clear statement and information of how we work in this field. In 2014 5 of 14 plants had production for customers in the cigarette industry and were therefore exposed to the highest risk for corruption, counterfeiting and illicit trade.

## Social audits

In May 2015 in total 14 of our 17 plants had performed successful regular social audits and self-assessments by external independent companies. In order to prove ethical business practices within our whole group, it is our aim to integrate all 17 plants in this audit system until end of 2016.

## Whistle-blowing

All plants have procedures or contact persons, such as line managers, workers' council or equal opportunities commissioner, in place to inform about social or legal violations by all employees. To further develop this area a new whistle-blower concept will start in 2015 and thereby extend the possibilities and simplify the reporting for our personnel.

### Facts 2014

- During the reporting period one incident of discrimination in 14 plants was reported, based on an inappropriate communication between two employees. Corrective action was taken and sustainability of it checked successful.
- There are no business locations or suppliers to our organisation which are considered risky with regards to forced or compulsory labour, youth work or child labour. Nevertheless we were informed in May 2014 about one case (criticism of child work in Pakistan), where one of our main supplier was involved. We received a clear statement that this case was not within our supply chain but claimed in general to follow international social standards.
- No incidents of corruption, counterfeiting or illicit trade were reported.

### Targets for 2015

- Publication of a completely reworked Business ethics policy after the acquisition of new plants.
  - Implementation of common signing procedure and ongoing training in the new policy.
  - Signing procedure for (initially) main suppliers of the new policy.
- Implementation of Whistle-blower concept on group level.
- Include Business ethics policy approach in our supplier audit system.



# LABOR PRINCIPLES AND EMPLOYEES

(UN GC principle 3/4/5/6)

General statements on labour principles are included in AR Packaging Code of conduct. Elimination of all forms of forced and compulsory labour as well as the use of child labour is legislated in all countries where AR Packaging has employees. More detailed policies are implemented in each of our production plants.

## Labour practices

AR Packaging is committed to providing fair compensation and working conditions for all its employees. Working hours are set according to the domestic laws in force or industrial standards. All employees are informed and have the right to know the basic terms and conditions of their employment.

AR Packaging also does not support differences between salaries and remuneration of women and men in our organization.

## Parental leave

Parental leave is supported within our group. Five females and four males returned in 2014 to their production plants and were integrated into work again. Part-time models are also provided.

## Freedom of association

We respect the freedom of association and the right for collective bargaining within our group. A workers' council is implemented in each production plant. Annual meetings on group level of representatives of local workers' councils are supported by group management. This will secure that labour agreements will be applied.

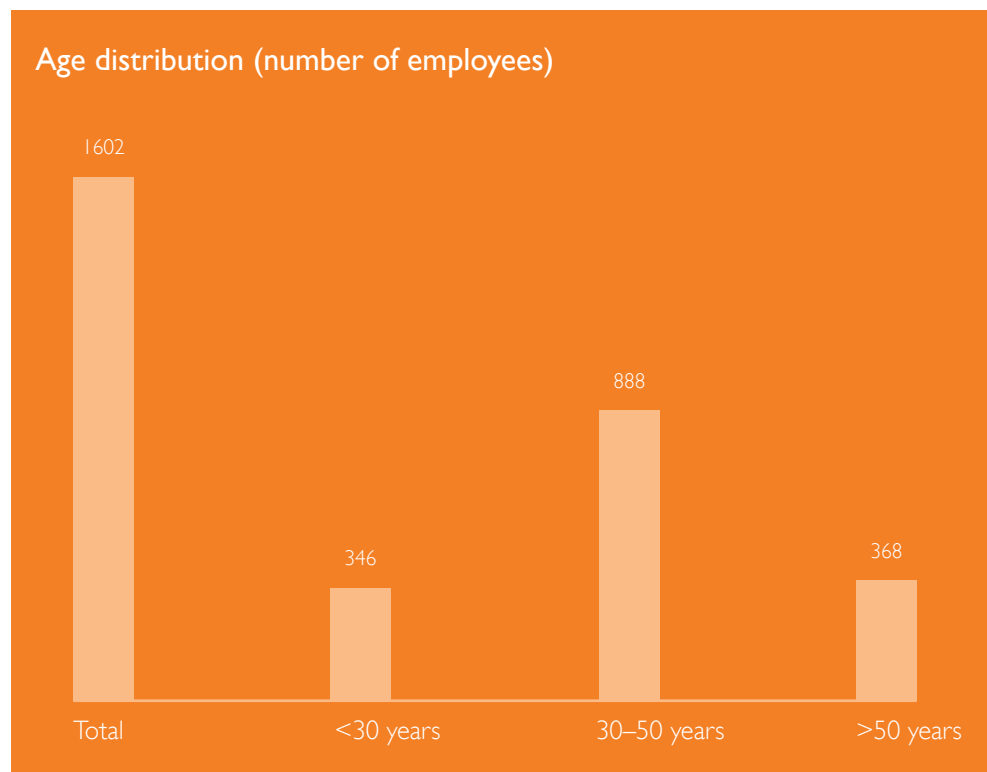
## Benefits

Benefits provided to full-time employees are differing within our group, depending on plant benefits such as healthcare disability and invalidity or life insurance that are offered.

Several other ideas for smaller benefits are existing, e.g. plants in Kauttua and Ingerois provide a sports and culture support of in total 200 EUR per year and employee while our Augsburg plant continuously offers tickets to the German football league to their personnel.



	2014		2013	
	Average no. of employees	Of whom male	Average no. of employees	Of whom male
Sweden	424	326	437	340
Estonia	43	23	41	22
Finland	117	74	122	79
France	204	160	210	165
Germany	345	297	360	303
United Kingdom	74	61	72	60
Russia	391	287	375	258
The United States	1	0	1	0
Norway	3	2	3	2
<b>Group total</b>	<b>1602</b>	<b>1230</b>	<b>1621</b>	<b>1229</b>



### Growing through diversity

As a growing company, with business area operations in different geographic regions and locations, diversity is becoming an increasingly integral aspect across the Group. Each employee should have the knowledge and power to take initiatives that will help to develop and improve the overall performance. Sharing knowledge related to the businesses, products, production processes, routines and performance is strongly encouraged both within and across the business areas.

The Group actively seeks to create diversity in terms of gender, languages, age, culture, skills and experiences – everything that will help to support the customers in the best possible way.

All plants offer also apprenticeship trainings to secure their own secondary growth and to keep their age distribution balanced.

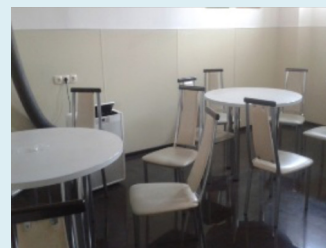
# WORKING ENVIRONMENT AND TRAINING

(UN GC principle 3/4/5/6)

AR Packaging pursues in all plants an improved working environment to support employee's satisfaction in their daily work. Several plants have initiated different social improvements in 2014, for example new designed office areas and lunch rooms, free water, coffee and/or fruits but also updated equipment and software tools.

## Group wide: Examples of working environment improvements 2014

PLANT	CATEGORY	DESCRIPTION
Flextrus Lund	Social facility	Remake of office areas, production offices and lunch rooms with strong focus on improved working environment and improved ergonomic aspects such as using electronically adjustable desks, noise reduction, etc.
Frankfurt	Social facility	Shared room in production area was totally renovated and equipped with new furniture and electrical devices.
Kauttua	Social facility	Total reconstruction and renovation of warehouse offices.
Tibro	Social equipment	Working clothes for all staff was changed to brand new ones.
Timashevsk	Social facility	New designed and equipped area for production personnel at break, including electric devices. Also free access to portable water dispenser.



## Training

AR Packaging actively invests in the continuous education of our employees and teams as well as in improving the company's working processes. About 25.000 hours training (15,6 h per employee) were given in 2014.

Other ways of learning are performed by two Lund plants; A&R Carton Lund and Flextrus Lund, who have restarted an active cooperation with the Lund University. Moreover Flextrus Lund is giving lectures at the University and run joint development projects. In addition to this knowledge transfer, both plants recruit temporary employees for summer period among students within technical engineering and offer practical job training.



# HEALTH AND OCCUPATIONAL SAFETY

Our goal is to protect our personnel from illness or injury in the workplace and make them feel safer, more confident and valued. For us it makes good business sense to get equipped with the knowledge and skills to improve safety at work but also increase the health awareness of our employees.



Domestic and international regulations to ensure health and occupational safety at workplaces are observed by all factories. External auditing of health and safety topics are meanwhile included in several "not classical safety standards" (e.g. ISO 14001, ISO 9001, BRC/IoP, Social audits) which are present in most of our plants.

Safety and health figures are only available in detail on factory level and until now not consolidated on corporate level in a structured manner.

## Targets 2015

- Within the new sustainability strategy it has been decided to consolidate safety and health figures on group level with collection of data starting latest in 2016, also with the aim to use best practices from the different plants.

We also expect to learn from benchmarking with our newly acquired plants in Moscow (Russia), Graz (Austria) and Krakow (Poland), which have very high safety standards due to their American background. The plant in Krakow is currently the only plant in our group which is certified against OHSAS 18001.

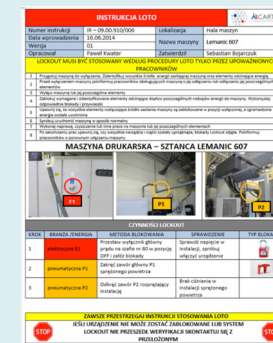
PLANT	CATEGORY	DESCRIPTION	
Augsburg	Safety	<ul style="list-style-type: none"> <li>• Extension of emergency equipment and premises with new central emergency room including extended equipment like face masks, walkie-talkies, gas monitors and professional clothes.</li> <li>• Total review of emergency documentation for internal and external use such as the local fire brigade.</li> <li>• Enlargement of emergency team and intensive training in different realistic scenarios.                             <ul style="list-style-type: none"> <li>→ Aim to an early detection of diseases; sensitize employees of the health and how to save back at work.</li> </ul> </li> </ul>	
Cholet	Safety	<ul style="list-style-type: none"> <li>• Implementation of monthly meetings with Safety institution with participation of plant management and operators.                             <ul style="list-style-type: none"> <li>→ No accident recorded since the monthly meetings were implemented.</li> </ul> </li> </ul>	
Flextrus Lund A&R Carton Lund	Safety	<ul style="list-style-type: none"> <li>• Safety day for all employees: production is stopped for one day to have mandatory safety training including firefighting, hygiene training, risk assessment, stress management training etc.                             <ul style="list-style-type: none"> <li>→ Due to successful outcome and positive feedback it is planned to perform once per year.</li> </ul> </li> </ul>	
Timashevsk	Safety	<ul style="list-style-type: none"> <li>• Reduction of fire risk: Additional installation of more than 100 sprinklers under air vent system and other fire risk areas.</li> <li>• In 2015 it is planned to continue further with such improvements.                             <ul style="list-style-type: none"> <li>→ The additional installations have improved fire safety in general.</li> </ul> </li> </ul>	
Tibro	Safety	<ul style="list-style-type: none"> <li>• General review of safety topics:                             <ul style="list-style-type: none"> <li>– Upgrade of signs and emergency exits.</li> <li>– Updated routines and documentation of chemical handling.</li> </ul> </li> </ul>	

# HEALTH AND OCCUPATIONAL SAFETY

## Occupational safety

- In all plants Safety Managers are appointed and they are the first point of contact of any noticeable issues for all employees.
- Safety committees with regular meetings secure the involvement of all parties and are set-up in most of our plants.
- Behaviour-based safety trainings are held regularly at all plants with the aim to create an ongoing risk awareness and avoid accidents.
- Briefing and training in our standards and rules also includes external workers who are working temporarily at our plants.

PLANT	CATEGORY	DESCRIPTION
Krakow	Safety	<ul style="list-style-type: none"> <li>• LOCK OUT – TAG OUT (LOTO) project                             <ul style="list-style-type: none"> <li>– LOTO is a safety procedure which is used in the industry to ensure that dangerous machines are properly shut off and not started up again prior to the completion of maintenance or service work.</li> <li>– It requires hazardous power sources to be “isolated and rendered inoperative” before any repair procedure is started.</li> <li>→ Training of 117 employees on the LOTO concept and rules of LOTO usage.</li> <li>→ Development and implementation of 22 short one-page LOTO instructions for various equipment and activities.</li> </ul> </li> </ul>
Krakow	Safety	<ul style="list-style-type: none"> <li>• Machine guarding project: Risk assessment of three machines and implementation of corrective actions (e.g. installation of additional guards, emergency stop switches, repair of working platforms).</li> </ul>
Krakow	Safety	<ul style="list-style-type: none"> <li>• Initiated gradual replacement of batteries in fork-lift trucks from electrolyte (acid) to gel, with side effect of lower consumption of electricity.                             <ul style="list-style-type: none"> <li>→ No evaporation of the electrolyte during charging of batteries.</li> <li>→ No risk of electrolyte splashes on employees.</li> </ul> </li> </ul>

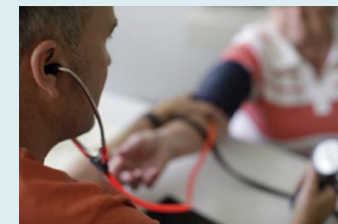


# HEALTH AND OCCUPATIONAL SAFETY

## Health

- Safety Managers are coordinating several health activities in their organisation and will be supported in most of our plants by a works doctor
- Over the last two years nearly all factories are now equipped with heart starters (defibrillator) which could help lifesaving in emergency cases. In 2014, two additional plants (Tibro and Frankfurt) installed such a device and trained their staff in how to use it.

PLANT	CATEGORY	DESCRIPTION
Augsburg	Health	<ul style="list-style-type: none"> <li>• Offering quick health check by external doctor with focus on heart and circulation including bio-feedback and consulting.</li> <li>• Continued advice on back problems, back training and ergonomic working by external physical therapist. This action is performed bottom up with first back consultation 2013.</li> </ul> <p>→ Aim on early detection of diseases; sensitize employees of their health and how to save back at work</p>
Frankfurt	Health	<ul style="list-style-type: none"> <li>• Implementation of professional re-integration: In cooperation with Human Resources, Workers' council and external consultation, a professional reintegration process after long-term illness was established and in practice in 2014.</li> </ul>
Krakow	Health	<ul style="list-style-type: none"> <li>• Review and assessment of working conditions and ergonomics on selected positions and areas.</li> </ul> <p>→ Optimisation and modernisation of lighting in the ink warehouse.</p> <p>→ Several improvements of ergonomics for employees in administration.</p>
Tibro	Health	<ul style="list-style-type: none"> <li>• Installation of pallet lifting labels to improve work ergonomic in production.</li> <li>• Air cleaner/dust absorbers for part of production.</li> </ul>
Timashevsk	Health	<ul style="list-style-type: none"> <li>• Annual medical examination: Medical examination of employees on regular basis, which includes consultations and medical tests by general doctor but also by specialists such as oculist, surgeon, gynaecologist, therapist, etc. Medical examinations take place in company facilities.</li> </ul> <p>→ Aim to keep good health status of employees and detect diseases at an early stage.</p>





# USED RAW MATERIALS

(UN GC principle 7/8)

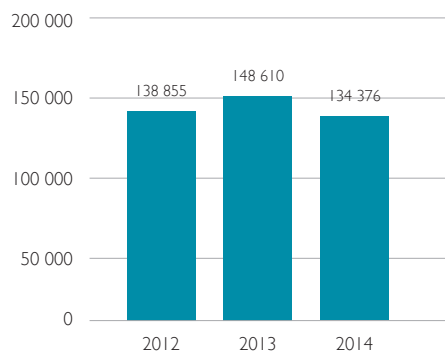
AR Packaging promotes sustainability across all aspects of the business, with a particular focus on sound procurement and conversion practices, thus ensuring responsible management of forests and other natural resources. In principle, all materials used by the company are recyclable and majority is reused as material and a smaller part as source of energy. AR Packaging actively works with customers to decrease material usage with smart designed alternative constructions and to increase the amount of renewable materials in the packaging.

## Carton – a renewable resource

The main materials used by the Group are fibre based materials, carton and paper, which are made from wood pulp. Wood is a naturally renewable resource. Wood used in the company's products comes primarily from sustainably managed European forests and no wood originates from rainforests or other endangered eco-systems. 13 of 17 plants are certified on FSC® (Forest Stewardship Council) and PEFC™ (Programme for the Endorsement of Forest Certification) and can offer our customers to use these standards on responsible forest management for their products.

Fibre based materials, carton and paper, are recyclable and can be used to make new paper pulp or incinerated to generate energy. Recycling practices vary by country and location.

## Consumption of carton board (tons)

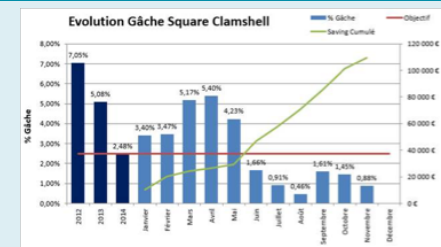


For most of our transport packaging (cases, intermediate layers, edge protection etc.), the use of recycled board materials are standard, depending on the needs of our customers and the applications we also offer and use recycled board grades for food packaging.

Board waste within our process is one of our important KPIs. Optimisation of sheet layouts and ongoing reduction of setting and process waste is therefore followed very close in all our plants.

## Group wide: Examples of waste reduction 2014

PLANT	CATEGORY	DESCRIPTION
Cholet	Waste	<ul style="list-style-type: none"> <li>Waste reduction project on main production line lead to a decrease from 5.1% to 2.5% with an annual savings of 200,000 sheets (~ 100k€).</li> <li>→ Main success based on regular internal communication of the waste level.</li> </ul>
A&R Carton Lund	Waste	<ul style="list-style-type: none"> <li>By optimising the sheet size the technical waste of the six biggest volume products was reduced by 0,4-1,2%</li> <li>Waste for incineration could be reduced by 53%.</li> </ul>
Timashevsk	Waste	<ul style="list-style-type: none"> <li>Reduction of production waste by 1,1 % in comparison with 2013 (offset printing). As a result, board consumption decreased by 150 tons.</li> <li>Thanks to the introduction of waste sorting waste volume was reduced by more than half; from 1.781m³ in 2013 to 870m³ in 2014.</li> </ul>



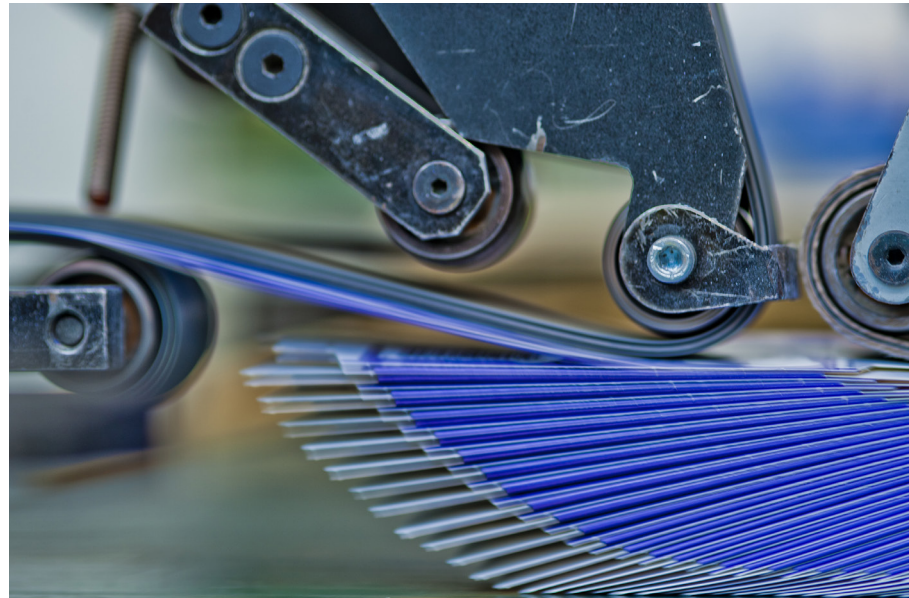
# USED RAW MATERIALS

(UN GC principle 7/8)

## Other raw materials used

Besides carton board and paper; main used raw materials are ink and varnishes (consumption of 2.443 tons in 2014), glue, hot foil for further refinements and at the plants with flexible productions plastic films, plastic granulates and aluminium foil.

Used amount of these raw materials are often product related or needed to fulfil requirements and are therefore in close correlation with the design of the specific products for our customers. AR Packaging work continuously with optimisations of our processes and offer our customers possibilities to reduce specific raw materials, where the main focus and often main possibilities are on the board and paper material but also on transport packaging.



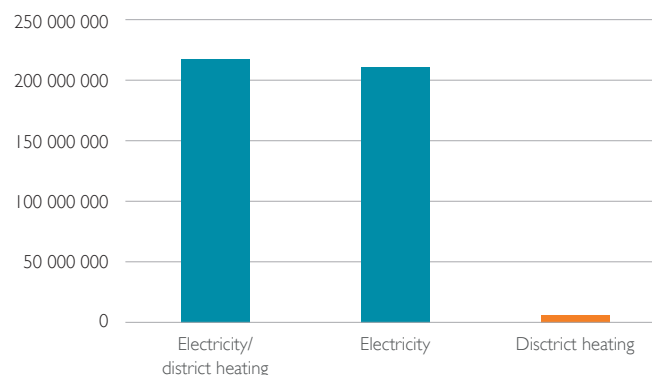
# ENERGY CONSUMPTION

(UN GC principle 7/8)

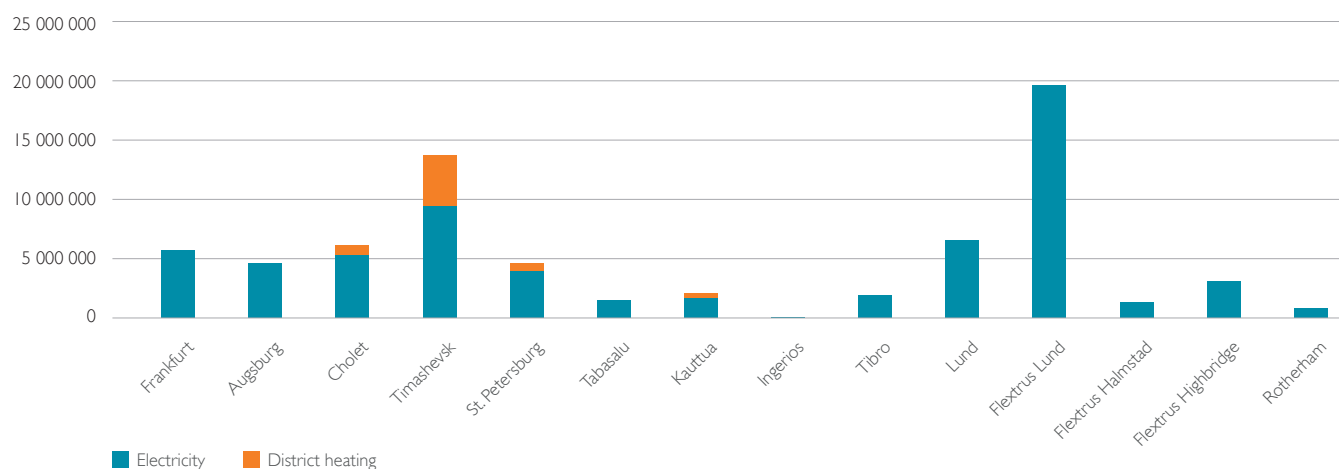
## Energy use

In order to reduce energy consumption, monitoring and reporting of heating and electricity are being continuously increased. Our plants in Augsburg and Frankfurt are preparing for ISO 50001 certification (energy management) and will therefore enable a more detailed breakdown of energy consumption figures in future. Other plants such as Flextrus Lund have worked with optimisation of existing automatic control systems with the aim to reach positive impact on consumption.

2014: Total energy consumption (kWh)



2014: Energy consumption (electricity/district heating) per plant (kWh)



Depending on plants, their location and available suppliers different energy mixes from fossil and renewable sources are used.

## Targets 2015

- Increase share of energy from renewable sources e.g.:
  - Nordic plants All electrical power will be from renewable source (50% wind + 50% water). Contract signed in April 2015 with energy supplier.
- Further decrease of energy consumption e.g.:
  - Lund: Decreasing energy consumption by further reduction of light and heat consumption and implementation of switch-off lights during weekends
  - All: Continued or start of analysis and reorganisation of energy needs, e.g. unnecessary needs will consequently be stopped during production free times
- Ongoing investments, e.g.:
  - Flextrus Lund: Replacement of RTO (regenerative thermal oxidiser for process air cleaning) with incineration unit with better energy efficiency. Main effect on reduction of natural gas consumption
  - Flextrus Lund: Heat recovery from cooling water (extrusion department) with reduction of natural gas and cooling water
  - Frankfurt: Energetic rebuilding of climate chamber
  - Graz: Implementation of an energy monitoring system
- Further external certification e.g.:
  - Augsburg and Frankfurt: Certification according to ISO 50001 (energy management system)
  - Augsburg: Start preparation for certification according to ISO 14001

# ENERGY CONSUMPTION (CONT.)


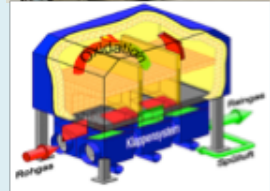


(UN GC principle 7/8)

## Ongoing aim to reduce energy consumption




As we have implemented the new sustainability reporting tool (360report) on group level in 2014, historic data is only available on plant level, but all plants have worked continuously with energy reduction for years. For example the Flextrus Lund plant has reduced its total energy consumption by 10% (energy consumption per produced square meter reduced by 20%) and its carbon dioxide emission by 15% over the last five years.

Projects to enhance energy efficiency are continuously in progress. The reduction of energy consumption is not only an environmental consideration with positive effects on our carbon footprint and emissions, but it is also significant in terms of reducing production costs and making the units more competitive.

## Group wide: Examples of energy consumption 2014

PLANT	CATEGORY	DESCRIPTION	
Augsburg	Energy	<ul style="list-style-type: none"> <li>Installation of new RTO (regenerative thermal oxidation) of waste air: <ul style="list-style-type: none"> <li>Replacement of existing thermal afterburning unit (TNV) by new RTO technology.</li> <li>Reduction of primary energy consumption of power and natural gas for air purification by use of autothermic process engineering.</li> </ul> </li> <li>→ Decrease the share of total power from 10,4 % to 4,3 %. Together with decrease of gas consumption this enables an energy cost reduction of approximately 200.000 € per year.</li> <li>→ 15 tonnes LPG (liquid propane gas) saving which corresponds to 16.000 € per year.</li> </ul>	 
Flextrus Lund	Energy	<ul style="list-style-type: none"> <li>Control of propane gas burners, which are used in printing and extrusion processes for drying ink, primers and lacquers by hot air, as well as the mixing of gas/air ratio has been optimised.</li> </ul>	
Flextrus Lund	Energy	<ul style="list-style-type: none"> <li>Frequency control of cooling water pumps. <ul style="list-style-type: none"> <li>The new frequency controller regulates the pump to use only the required power; instead of always operating at full rpm.</li> </ul> </li> <li>→ Positive effect of 21.000 € per year.</li> </ul>	

## Group wide: Examples of energy consumption 2014 (cont.)

PLANT	CATEGORY	DESCRIPTION	
Flextrus Lund	Energy	<ul style="list-style-type: none"> <li>Compressed air: <ul style="list-style-type: none"> <li>Old compressor was replaced by "state of the art equipment", frequency controlled and also including heat recovery by hot water which is used for facility heating.</li> <li>Decision and project planning in 2014, installation in January 2015.</li> <li>→ Annual saving is expected to 85.000 € per year from 2015.</li> </ul> </li> </ul>	
Frankfurt	Energy	<ul style="list-style-type: none"> <li>Compressed air: <ul style="list-style-type: none"> <li>Existing compressed air squeezer was replaced by a new compressor with integrated heat recovery which enables heating of all needed raw water up to min. 60°C – now without any further energy consumption.</li> <li>Again decreasing operating pressure for compressed air by 0,1 bar resulting in savings of approximately 4.000 kWh per year.</li> </ul> </li> </ul>	
Frankfurt	Energy	<ul style="list-style-type: none"> <li>Two hot water pumps from 1959 were replaced by efficient eco-pumps.</li> <li>→ Savings of approximately 8.300 kWh per year.</li> </ul>	
Lund	Energy	<ul style="list-style-type: none"> <li>Optimisation of production processes and areas: <ul style="list-style-type: none"> <li>Closing of one printing press resulting in less consumption of energy, waste and water.</li> <li>Reduction of areas used for operations, in two steps by 20% and then further 16%, reduced costs for heating by 17%.</li> </ul> </li> </ul>	
Tibro	Energy	<ul style="list-style-type: none"> <li>Investment in new more eco-friendly air compressor resulting in less electricity used.</li> </ul>	
Flextrus Lund	Energy control	<ul style="list-style-type: none"> <li>Optimisation of automatic control system for energy and supply: <ul style="list-style-type: none"> <li>Ventilation system is programmed to automatically switch off at pre-set hours. Frequency controlling of fans.</li> <li>Heat exchangers installed to recycle exhaust air from the extrusion processes in order to maximise energy consumption efficiency.</li> <li>→ Positive impact in general, with up to 20.000 € per year expected.</li> </ul> </li> </ul>	
Cholet	Carbon reduction	<ul style="list-style-type: none"> <li>Wooden reel core protections to be reused by our suppliers instead of being burned.</li> <li>Our suppliers pay to ship the protection back to the mill and to reuse them.</li> <li>→ Reduction of carbon emissions and cost saving of approximately 4.000 €.</li> </ul>	



# ENERGY CONSUMPTION (CONT.)

(UN GC principle 7/8)

## Decreasing energy consumption by lighting efficiency

LED light technology has developed dramatically over the last year and enables us to save energy at the same time as costs can be reduced, in spite of higher investments. Therefore many plants have started to convert to LED lighting, which will be further aimed for in the following years.

## Group wide: Examples of improvements on lighting efficiency 2014

PLANT	CATEGORY	DESCRIPTION	
Flextrus Lund	Lighting	<ul style="list-style-type: none"> <li>Lighting in storage area: 104 units of traditional mercury lightings (400 W) (left side of picture) have been replaced by "state-of-the art" LED lighting (150 W) (right side of picture).</li> <li>→ Positive effect of 21.000 kW corresponding to approximately 12.000 € per year.</li> </ul>	
Flextrus Lund	Lighting	<ul style="list-style-type: none"> <li>Restrooms: LED lighting (motion controlled lighting switches) in dressing rooms and toilets are installed.</li> <li>→ Savings of 60 switched lamps corresponding to 174 watt/lamp and in total 9.000 € per year.</li> </ul>	
Frankfurt	Lighting	<ul style="list-style-type: none"> <li>Replacement of lighting and switch to LED lighting in warehouse area.</li> <li>→ Savings expected to approximately 53.000 kWh per year.</li> </ul>	
Kauttua	Lighting	<ul style="list-style-type: none"> <li>Replacement of old fluorescent tubes by LED tubes covered with plastic protector.</li> </ul>	



# WATER USE

(UN GC principle 7/8)

## Water use

Different kinds and qualities of raw carton paper require different quantities of water in the refinement process. No water sources are significantly affected by withdrawal of our organisation.

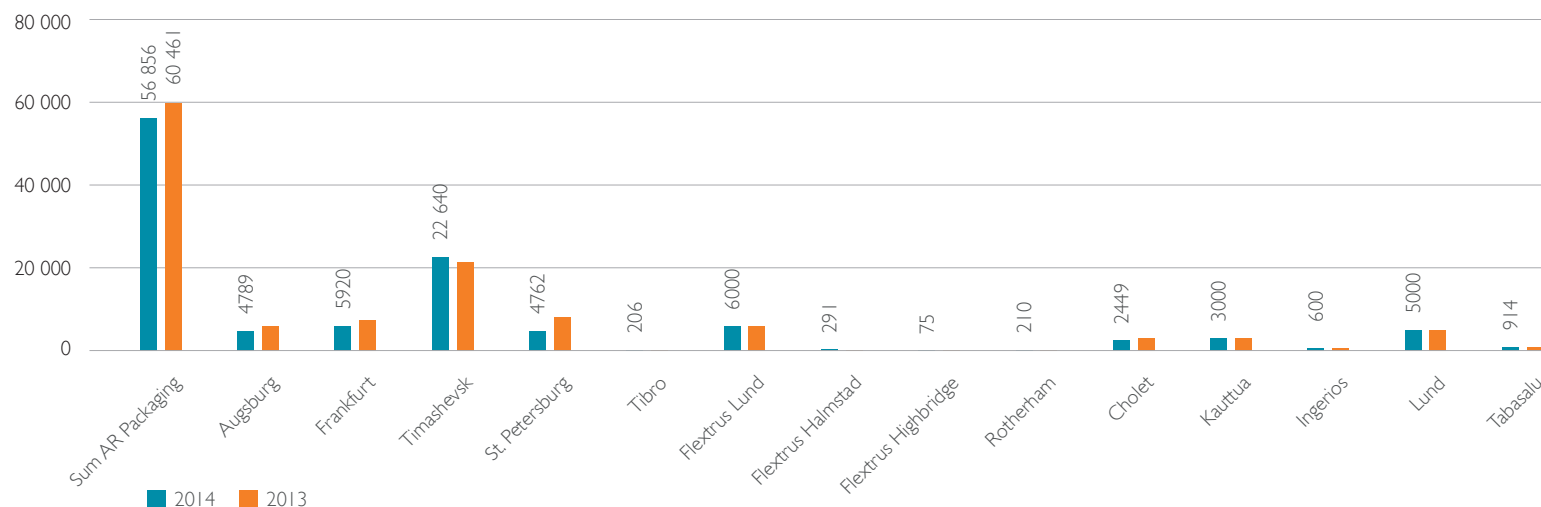
All plants work ongoing on possible process optimisations and minimisation of water consumption – in 2014 we reduced the consumption by 6,1% on group level.

## Group wide: Special example of water protection in Augsburg 2014

PLANT	CATEGORY	DESCRIPTION
Augsburg	Water	<ul style="list-style-type: none"> <li>Change from groundwater cooling to technical cooling of rotogravure printing machines and distillation unit.</li> <li>– Replacement installation of eco-friendly chiller including cooling recovery, which can operate under 20°C outside temperature only over recovery unit.</li> <li>→ Aim to avoid warming of ground water and possible risk of contamination by cooling process.</li> </ul>



Water usage (m<sup>3</sup>)



# EMISSIONS AND REDUCTION OF CARBON FOOTPRINT

(UN GC principle 7/8)

## Beneficial products

Many of our products have a competitive edge also when considering carbon footprint. For example, Flextrus PaperLite® can reduce CO<sub>2</sub> emissions by 85% compared to traditional full plastic trays.

## Reduction of carbon footprint

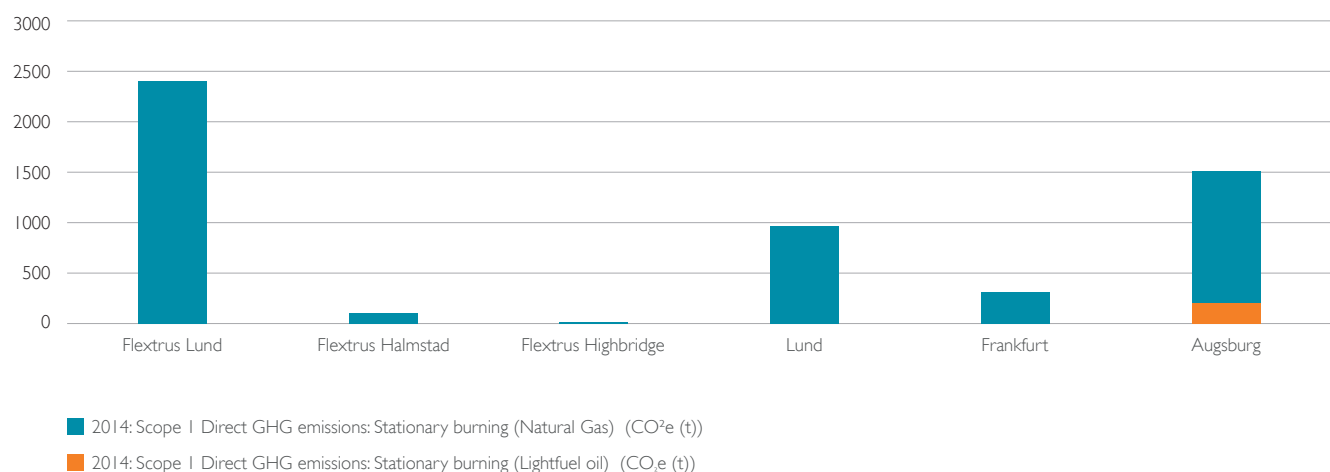
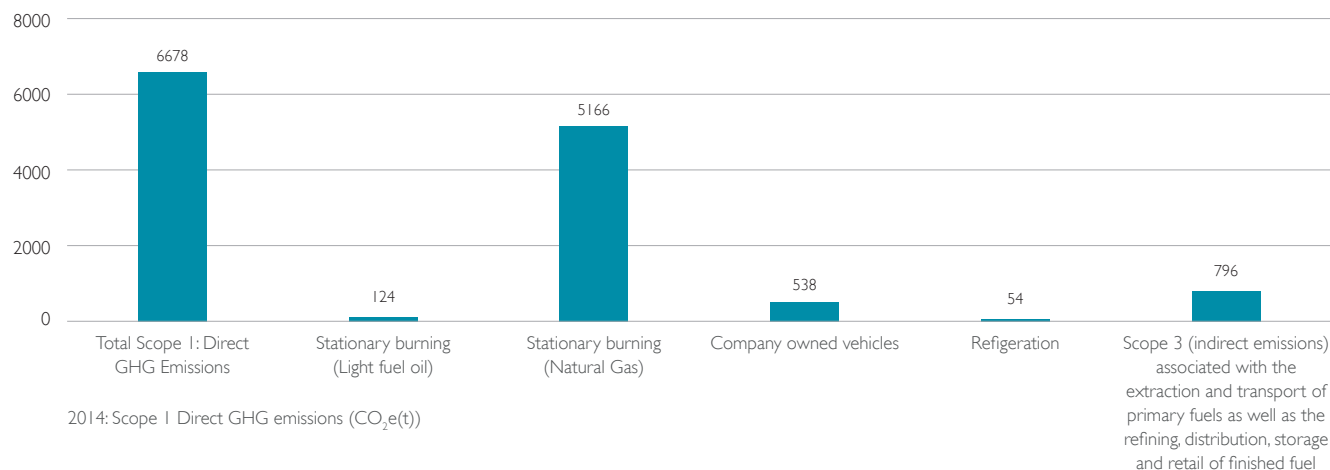
Reduction of carbon footprint is closely linked to reduction of energy usage. Several positive examples from all plants are mentioned under the part about “Energy consumption”, which have direct or indirect effect on carbon emissions. In some areas governmental pressure is increased, e.g. our two plants in Rotherham and Flextrus Highbridge in the United Kingdom are facing a “carbon levy” on energy costs, both electricity and gas. The targets are based on our total site energy usage of electricity and gas.

## Carbon Disclosure Project (CDP)

As a consequence of our membership on Carbon Disclosure Project (CDP) we have started to enhance our transparency on direct and indirect emission sources and to build reporting on group level which help us to track our improvements on reduction of carbon footprint.

## Scope I: Direct GHG emissions

Direct GHG (greenhouse gas) emissions occur from sources that are owned or controlled by the company. Main significant direct emissions from AR Packaging's processes are originated in plants with production of flexible packaging and/or where rotogravure and flexographic printing is used where installed incinerators burn the exhaust.



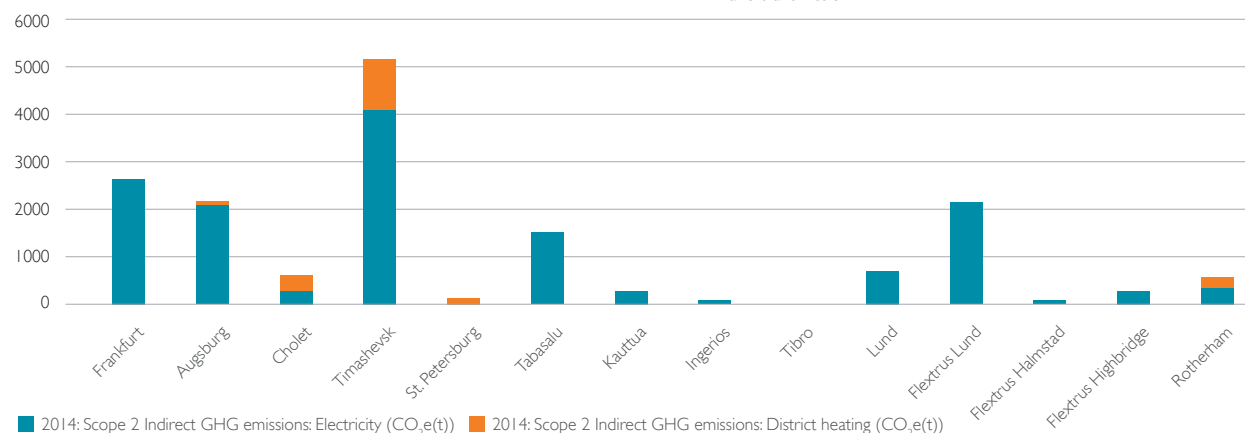
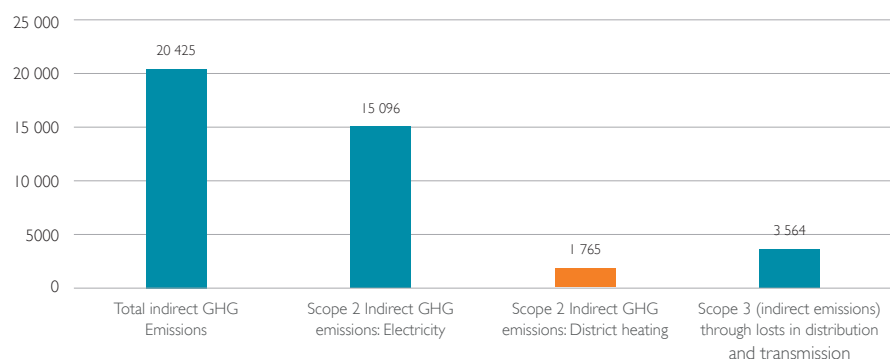
# EMISSIONS AND REDUCTION OF CARBON FOOTPRINT

(UN GC principle 7/8)

## Scope 2: Indirect GHG emissions from electricity and district heating

Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by a company, including district heating. If renewable sources are used, the CO<sub>2</sub> emissions on electricity / district heating are declared as 0 (g)/(kWh).

### 2014: Indirect GHG emissions (CO<sub>2</sub>e(t))



## Scope 3: Other indirect GHG emissions

Scope 3 is an optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. These emissions are currently not under reporting focus within AR Packaging.

## Newly acquired plants

In the sustainability reporting 2015 our plants in Moscow, Krakow and Graz, which were acquired in May 2015, will also be integrated in group level reporting. These plants are already since years active in sustainability improvements and reduction environmental footprint. For example, in 2014 A&R Carton Graz officially signed the so called "klimaaktiv Projektpartnerschaft" – the climate protection initiative of the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management. As a partner, A&R Carton Graz GmbH commits to voluntarily implement actions that lead to a further reduction of carbon emissions.

For the successful implementation of the project "Enhancing energy efficiency by exchanging rigid circulating pumps" (saving of 130.000 kWh per year respectively approximately 16 tons of CO<sub>2</sub> per year), A&R Carton Graz GmbH was in December 2014 officially awarded for the third time within the last four years for expertise in climate protection by the Ministry of Environment.



# BIODIVERSITY

AR Packaging currently has no plants or facilities in protected areas, adjacent to protected areas or in areas of high biodiversity value without protection status. Our products or any activities do not result in an impact on biodiversity in protected or unprotected areas with high biodiversity value.

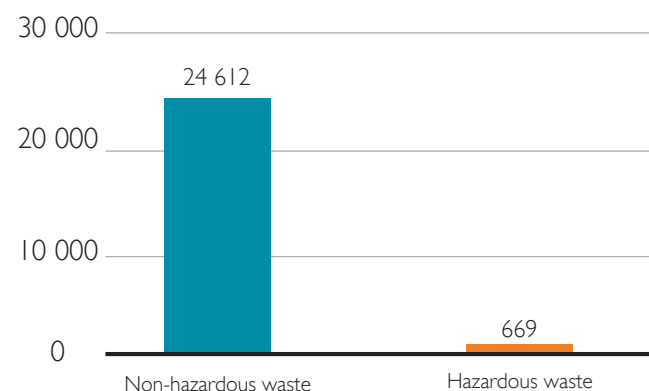
## Waste

Main waste produced in our processes is paper and board waste generated during setting-up, production and from transport packaging. All waste is separated in different sections and classified as

- non-hazardous waste (paper, board, transport packaging, plastic, industry waste etc.) or
- hazardous waste (inks, varnish, glues, oil contaminated waste etc.)

Environmental managers and other responsible persons for waste in our plants secure fulfilling legislation requirements and that all waste is only handled by licensed disposal companies. In 2014 there were no incidents within our organisation in which environmentally harmful substances such as oils, fuels and chemicals have been released.

## Waste AR Packaging 2014 (t)



## Compliance

Following small fines as a results of violation of environmental laws or regulations were imposed on our organisation in 2014:

PLANT	TYPE OF OFFENSE AND VIOLATED LAW OR REGULATION	TYPE OF FINE	FINE (IN EURO)
Lund	Delayed reporting of annual recurring leakage control of the refrigerant system.	Monetary	100
Timashevsk	Late reporting on environmental conditions	Monetary	167
Timashevsk	Non-compliance with environmental regulations during use of a building	Monetary	334
Tabasalu	Environmental fine	Monetary	381

All cases are closed and followed up very seriously by the plants to avoid in future consequences or re-occurrence.

# CARBON DISCLOSURE PROJECT (CDP)

Together with some of our big customers like Philip Morris International, Nestlé or Imperial Tobacco Group we are reviewing the climate change impacts in our supply chain through the internationally recognized CDP disclosure process. CDP is an independent non-profit organisation and responding to CDP is free of charge.

Last year over 5.000 companies disclosed their information to CDP globally and many have seen the benefits of responding by identifying cost savings from increased efficiency. AR Packaging started the disclosure process 2014 and we are already convinced to learn from CDP feedback as well as identifying collaborative opportunities.



Requested environmental information is collected from all AR Packaging plants through CDPs questionnaire and filled in the online response system (ORS). The climate change questions relate to issues such as how you identify risks associated with climate change; what your emissions are; details on your emissions management strategy such as targets and actions to reduce emissions.

Our first aim was to start the process and to come to reliable figures on group level which is now supported by the new 360°report software. Fixing targets to sustainably reduce our environmental impact will be the next step and start latest in 2016.

Our first response 2014 has been analyzed according to CDP's standardized scoring methodology and have to be seen as a starting point for our future development. Please find our 2014 score to the right, which has been benchmarked against 3.400 other companies that responded to CDP's 2014 supply chain information request.

## CDP 2014 climate disclosure score (Out of 100 total points)

Disclosure scores are an assessment of the quality and completeness of a company's response; they are not a measurement of a company's performance in relation to climate change management.

COMPANY NAME	DISCLOSURE SCORE
AR Packaging	50
CDP supply chain average	53

## CDP 2014 climate disclosure score categories

Our disclosure score is comprised of the categories below. Each category has a possible score of 100, but is not equally weighted.

CATEGORY NAME	DISCLOSURE CATEGORY SCORE	SUPPLY CHAIN AVERAGE CATEGORY SCORE
Governance and strategy	86	69
Risk and opportunity management	50	44
Emissions management	44	60
Verification	38	35

## CDP 2014 climate performance band (Ranked on a A-E scale)

Where a company's total disclosure score is 50 or more, the response is also assessed and ranked in a performance band. The assessment looks at actions in the reporting year that contribute to climate change mitigation, adaptation and transparency. The performance scores are expressed as bands (A, A-, B, C, D, E).

COMPANY NAME	PERFORMANCE BAND
AR Packaging	E
CDP supply chain average (for companies that qualify for a performance band)	C

## CDP 2014 climate performance band categories

The performance band is comprised of the below categories to help understand strengths and weaknesses in scored performance.

CATEGORY NAME	PERFORMANCE CATEGORY BAND	SUPPLY CHAIN AVERAGE CATEGORY BAND
Governance and strategy	E	D
Risk and opportunity management	E	D
Emissions management	E	D
Verification	C	E

# FOOD SAFETY AND HYGIENE

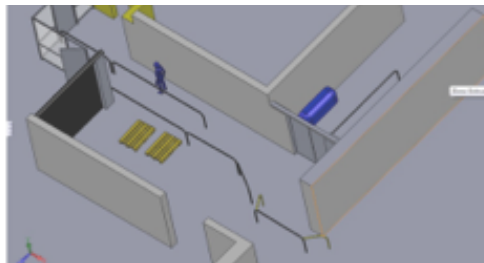
## Product and consumer safety

AR Packaging focuses on the three markets segments; Barrier Packaging, Branded Products and Food Packaging – in each high food safety and hygiene standards are required by customers and the market. Independent from delivering plant within AR Packaging, our customers can trust that our products are safe when used as intended.

Already within product development we discuss important points such as packed food, application, direct or non-direct food contact, used raw materials, selling markets etc. together with our customers – always with consideration of food safety requirements.

All raw materials are examined and approved based on supplier declarations to ensure compliance with legal regulations. During incoming inspection and after production, tests such as organoleptic testing and analyse are performed when required for unprinted and printed product. Moreover food safety is also ensured by risk assessment and through product analysis at independent external laboratories – for a rule based on yearly inspection plans depending of product portfolio of each plant.

Application of Good Manufacturing Practices (GMP) is standard in each of our plants, in several plants we reach meanwhile much higher levels on GMP and hygiene as required in well-known standards – based on customer demands but also on our own approach on critical processes like UV printing for food packaging.



## Outstanding hygiene standards

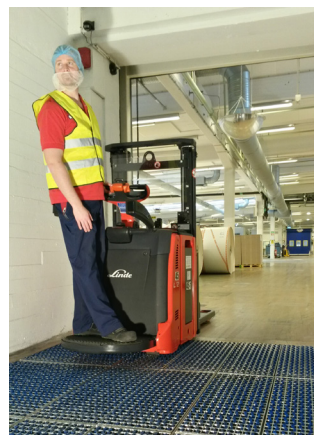
Especially in our factories A&R Carton Lund and Kauttua we have the aim to further improve to reach outstanding hygiene standards for our customers. Therefore two special projects were started in 2014 in these two factories and will proceed in 2015:

### Project PURE in Kauttua

Our plant in Kauttua worked in 2014 with high efforts on a special project called PURE with the target to bring hygiene on a new higher level. Investments in layout changes, new hygiene zones, replacing wooden pallets, new equipment and a new hygiene gate to ensure that all incoming staff washes their hands and disinfect soles were taken.

### Project Sparkle at A&R Carton Lund:

With the aim to create a structure and culture of the highest food safety standards, discipline and awareness, project Sparkle was initiated at A&R Carton Lund in 2014. Storage areas were refurbished with new easy to clean floor, more lighting and white walls to highlight that a high hygiene level must be maintained throughout the entire process chain and an inner shell protection was installed to control access to production areas. A new regulatory system was set up and the HACCP system was enhanced including extended training of employees. During 2015 the project continues with FSSC 22000 certification and further investments as well as continued training.



## Certified management systems on food safety and hygiene

AR Packaging is committed to delivering the highest standards of quality of the packaging solutions that it provides. The high focus on food safety and hygiene is proven by 11 of 17 plants being certified according to BRC/IOP (Hygiene management), 3 plants additionally certified according to the new FSSC 22000 standard (Food safety management) and 3 further plants on ISO 22000 (Food safety management).

All systems are certified by external companies on yearly basis which helps to further improve in several directions. For example the plant in Frankfurt followed a potential tip during external hygiene audit and removed smoker areas inside the production. New dedicated smoker islands outside the building were built.

## Up to date on food safety developments

Beside the compliance work of local Quality Managers and among many other sources of information the Group is actively represented by Product Safety Manager in Quality committees of European Carton Makers Association (ECMA) and German Folding Box Association (FFI). In both committees developments on food safety regulations are observed, discussed and commented if needed. Most discussions in 2014 covered draft of German printing ink regulation, draft of German mineral oil regulation and French regulation on Bisphenol A.





# CERTIFICATIONS AND SUSTAINABILITY MEMBERSHIPS

Continuous assessments and reporting to external experts and organisations increase our transparency and give us important feedback to improve our processes and sustainability activities within our strategy.



## UN Global Compact

Since 2008, A&R Carton, has been signatory to the UN Global Compact. In 2014 this membership was extended to the whole AR Packaging group with yearly reporting on developments to the UN organization.



## Environmental management

At the end of May 2015, eight of 17 plants were certified under ISO 14001 to help us reducing our negative impacts to our environment but also to comply with applicable laws, regulations and other environmental oriented requirements.



## Hygiene and food safety

In May 2015, 11 of 17 plants were certified under BRC/ IOP and three further plants on ISO 22000. In 2015 three plants have decided to move from BRC/IOP to FSSC 22000. All standards follow the high requirements of hygiene to fulfil the needs of our customers but also meet statutory and regulatory requirements related to our products.



## Carbon Disclosure Project

2014, AR Packaging decided to participate in the Carbon Disclosure Project (CDP) and to yearly disclose our greenhouse gas emissions and water usage. Together with our customers we want to support the prevention of dangerous climate change and protection of our natural resources.



## Energy management

Two plants (Augsburg and Frankfurt) are undergoing the certification of ISO 50001 until end of 2015 but also other plants have systems installed to continuously follow up their energy figures.



## Social accountability

In May 2015, 12 of 17 plants perform regular (at least every three years) and successful social self-assessments and audits by external independent company. Two further plants are audited on a comparable standard. It is our target that all AR Packaging plants perform regular social audits by end of 2016, in order to keep but also improve our responsibility and ethical business practices in our supply chain.



## Responsible forest management

In 2010 the first AR Packaging plants were certified to FSC® (Forest Stewardship Council) and PEFC™ (Programme for the Endorsement of Forest Certification). Meanwhile thirteen of 17 plants (status May 2015) could offer customers to use these standards for their products.



## Quality management

Fifteen of 17 plants are working with certified quality management system to ensure that they meet the needs of our customers. Most of them have built up Integrated Management Systems (IMS) to cover all certification within one documentation.

# CERTIFICATIONS AR PACKAGING PLANTS

Status August 2015

		FRANK-FURT	AUGS-BURG	GRAZ	KRA-KOW	CC PACK	SP CON-TAIN-ERS	KAUT-TUA	TABA-SALU	IN-GER-OIS	CHO-LET	TIMA-SHEVSK	ST PE-TERS-BURG	MOS-COW	LUND	FLEX-TRUS LUND	FLEX-TRUS HALM-STAD	FLEX-TRUS HIGH-BRIDGE
QUALITY	ISO 9001	Yes	Yes	Yes	Yes			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SUSTAINABILITY - ENVIRONMENT	ISO 14001	Yes	Planned for 2016	Yes	Yes			Yes							Yes	Yes	Yes	Yes
	FSC®/ PEFC™	Yes (Multisite)	Yes (Multisite)	Yes (Multisite)	Yes (Multisite)	Yes	Yes (FSC®)	Yes		Yes	Yes	Yes (Multisite)	Planned for 2015 (Multisite)	Yes (Multisite)	Yes	Yes (FSC®)		
SUSTAINABILITY - SOCIAL AUDITS	Social account-ability	Yes	Yes			Yes		Yes			Yes	Yes	Planned for 2016		Yes			
	SEDEX	Yes		Yes			Yes	Yes	Yes		Yes	Yes		Yes	Yes	Yes	Yes	Yes
HYGIENE / FOOD SAFETY	BRC/IoP	Yes	Yes	No, but EN15593		Yes	Yes	Yes			Yes	Yes	Yes		Yes	Yes	Yes	Yes
	FSSC 22000			No, but ISO 22000	No, but ISO 22000			Yes	No, but ISO 22000						Yes	Yes		

# GRI INDEX

Table 1: Reported standard disclosures

INDICATOR	DESCRIPTION	PAGE	UN GLOBAL COMPACT
G4-1	Statement from the most senior decision maker of the organization	2	Active: CEO Commitment
UNGC	UN Global Compact Statement of continued support	2	Active: Declaration of membership
G4-3	Name of the organization	5	
G4-4	Primary brands, products, and/or services	5	
G4-5	Headquarters	6	
G4-6	Countries of significant operations	5	
G4-7	Nature of ownership and legal form	6	
G4-8	Markets served	5	
G4-9	Scale of the organization	6	
G4-10	Total numbers of employees	10	Active: 6
G4-11	Employees covered by collective bargaining agreements	9	Active: 6
G4-12	Organization's supply chain	Several examples	
G4-13	Significant changes regarding size, structure ownership or supply chain	6	
G4-14	Addressing of the precautionary principle	15-16	
G4-15	Sustainability charters, principles or initiatives endorsed	8	
G4-16	Memberships of associations	27	
G4-17	Organizational structure	6	
G4-18	Method for defining report content and differentiation of aspects	7	
G4-19	Identified material aspects	15-16	
G4-20/21	Essential aspects and delineation of aspects within and outside the organization	7	
G4-22	Effect of any restatements of information provided	32	

(Cont.)

INDICATOR	DESCRIPTION	PAGE	UN GLOBAL COMPACT
G4-23	Changes from previous reporting periods	23	
G4-24	Stakeholder groups engaged	-	
G4-25	Basis for identification and selection of stakeholders with whom to engage	-	
G4-26	Approach to stakeholder engagement	-	
G4-27	Key topics and concerns of stakeholder engagement	-	
G4-28	Reporting period	32	
G4-29	Date of most recent previous report	7	
G4-30	Reporting cycle	3	
G4-31	Contact point for questions regarding the report or its contents	32	
G4-32	GRI Index	29-31	
G4-33	External assurance of the report	-	
G4-34	Governance structure	-	
G4-56	Codes of conduct and codes of ethics	8	Active: 10

# GRI INDEX

Table 2: Reported performance indicators

INDICATOR	DESCRIPTION	PAGE	UN GLOBAL COMPACT
G4-DMA	Disclosures on Management Approach "EC (Economy)"	-	
G4-EC1	Direct economic value generated and distributed	5	
G4-EC2	Chances and risks due to climate change	15	
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage	9	Active: 6
G4-EC6	Local senior management	9-10	Active: 6
G4-EC7	Infrastructure investments and services supported	Several examples	
G4-EC8	Indirect economic impacts	-	
G4-DMA	Disclosures on Management Approach „EN (Environment)“	-	
G4-EN1	Materials	15-16	Active: 7,8
G4-EN2	Recycled input materials	15-16	Active: 8
G4-EN3	Energy consumption within the organization	17-20	Active: 7,8
G4-EN5	Energy intensity	17-20	Active: 8
G4-EN6	Reduction of energy consumption	17-20	Active: 8
G4-EN8	Total water withdrawal	21	Active: 7,8
G4-EN9	Significantly affected water sources	21	Active: 8
G4-EN11	Operational sites in protected areas	21	Active: 8
G4-EN12	Impacts of the organization on biodiversity	24	Active: 8
G4-EN13	Habitats protected or restored	24	Active: 8
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	22-23	Active: 7
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	22-23	Active: 7
G4-EN18	Greenhouse gas (GHG) emissions intensity	22-23	Active: 8
G4-EN19	Reduction of greenhouse gas (GHG) emissions	22-23	Active: 8
G4-EN20	Ozone-depleting substances	-	Active: 7, 8

(Cont.)

INDICATOR	DESCRIPTION	PAGE	UN GLOBAL COMPACT
G4-EN21	NOx, SOx and other significant air emissions	-	Active: 7, 8
G4-EN22	Water discharge	21	Active: 8
G4-EN23	Waste	24	Active: 8
G4-EN24	Significant spills	24	Active: 8
G4-EN25	Waste deemed hazardous under the terms of the Basel Convention	24	Active: 8
G4-EN26	Significantly affected water sources	21	Active: 8
G4-EN29	Sanctions for non-compliance with environmental laws	24	Active: 8
G4-EN30	Environmental impacts of transport	-	Active: 8
G4-EN31	Environmental protection expenditures and investments	Several examples	Active: 7, 8
G4-EN32	New suppliers screened on the basis of ecological criteria	-	Active: 8
G4-EN33	Negative environmental impacts in the supply chain	-	Active: 8
G4-EN34	Formal grievance about environmental impacts	-	Active: 8
G4-DMA	Disclosures on Management Approach "LA (Labour Practices and Decent Work)"	9-10	

**Table 3: Reported performance indicators**

INDICATOR	DESCRIPTION	PAGE	UN GLOBAL COMPACT
G4-LA1	Employee overview and development	9-11	Active: 6
G4-LA2	Benefits provided	9	
G4-LA3	Parental leave	9	Active: 6
G4-LA5	Total workforce represented in formal joint management-worker health and safety committees	12-13	
G4-LA6	Injuries, occupational diseases, lost days and absenteeism	-	
G4-LA7	Diseases related to occupation	-	
G4-LA9	Training per employee	11	Active: 6
G4-LA11	Employees receiving performance reviews	-	Active: 6
G4-LA12	Diversity of employees and members of governance bodies	-	Active: 6
G4-LA13	Ratio of remuneration of women to men	9	Active: 6
G4-LA14	Suppliers that were screened for impacts on labour practices criteria	8	
G4-LA15	Impacts on labour practices in the supply chain	8	
G4-LA16	Grievances about labour practices	8	
G4-DMA	Disclosures on Management Approach "HR (Human Rights)"	8	
G4-HR3	Discrimination incidents	8	Active: 6
G4-HR4	Freedom of association and collective bargaining	9	Active: 3
G4-HR5	Risk of child labour	8	Active: 5
G4-HR6	Risk of forced and compulsory labour	8	Active: 4
G4-HR9	Examination of the business locations for compliance with human rights	8	Active: 1
G4-HR10	Suppliers that were screened for impacts on human rights	8	Active: 2
G4-HR11	Negative human rights impacts in the supply chain and actions taken	8	Active: 2

(Cont.)

INDICATOR	DESCRIPTION	PAGE	UN GLOBAL COMPACT
G4-HR12	Formal complaints procedure in relation to human rights impacts	8	Active: 1
G4-DMA	Disclosures on Management Approach "SO (Society)"	8	
G4-SO3	Operations assessed for risks related to corruption	8	Active: 10
G4-SO4	Communication and training on anti-corruption policies and procedures	8	Active: 10
G4-SO5	Cases of corruption	8	Active: 10
G4-SO7	Anti-competitive behaviour or anti-trust and monopoly practices	8	
G4-SO8	Fines and non-monetary sanctions	-	
G4-SO9	Suppliers that were screened for impacts on society	-	
G4-SO10	Negative impacts through the supply chain on society	-	
G4-SO11	Grievances about impacts on society	-	
G4-DMA	Disclosures on Management Approach "PR (Product Responsibility)"	-	
G4-PR1	Impacts of products and services on health and safety	26	
G4-PR2	Non-compliance with regulations concerning products and services	26	
G4-PR5	Customer satisfaction	-	
G4-PR8	Breaches of customer privacy and loss of customer data	-	
G4-PR9	Fines for non-compliance with laws and regulations concerning products and services	-	

# INFORMATION AND CONTACTS



## Our sustainability report 2014

This Sustainability report summarizes the key environmental and social developments within AR Packaging in calendar year 2014.

The new plants Graz, Krakow and Moscow merged in May 2015 are partly mentioned in the report, but all figures are based on status 2014 with 14 operating plants.

Based on customer requirements we decided to publish only the PDF version of our Sustainability report. Together with the Annual report this will make an integrated reporting concept.

Our membership of UN Global compact also require an annual progress report which is based on current Sustainability report.

## Communication channels

Our annual report and Sustainability report are available for download on our website [www.ar-packaging.com](http://www.ar-packaging.com). Additionally the Annual report is also available in a printed version.

You can read more about Corporate social responsibility at AR Packaging on our website.



## Contacts

### Sustainability management

Robert Mayr  
Product Safety and Sustainability Manager  
Phone: +49 8231 999 333  
Email: [robert.mayr@ar-carton.com](mailto:robert.mayr@ar-carton.com)

### Corporate communication

Ingrid Lidback  
Group Marketing Manager  
Phone: +46 46 18 31 83  
Email: [ingrid.lidback@ar-packaging.com](mailto:ingrid.lidback@ar-packaging.com)





ÅR Packaging Group AB (publ)  
Maskinvägen 1  
P.O. Box 177  
221 00 Lund, Sweden

Phone: +46 46 287 33 00  
[www.ar-packaging.com](http://www.ar-packaging.com)