

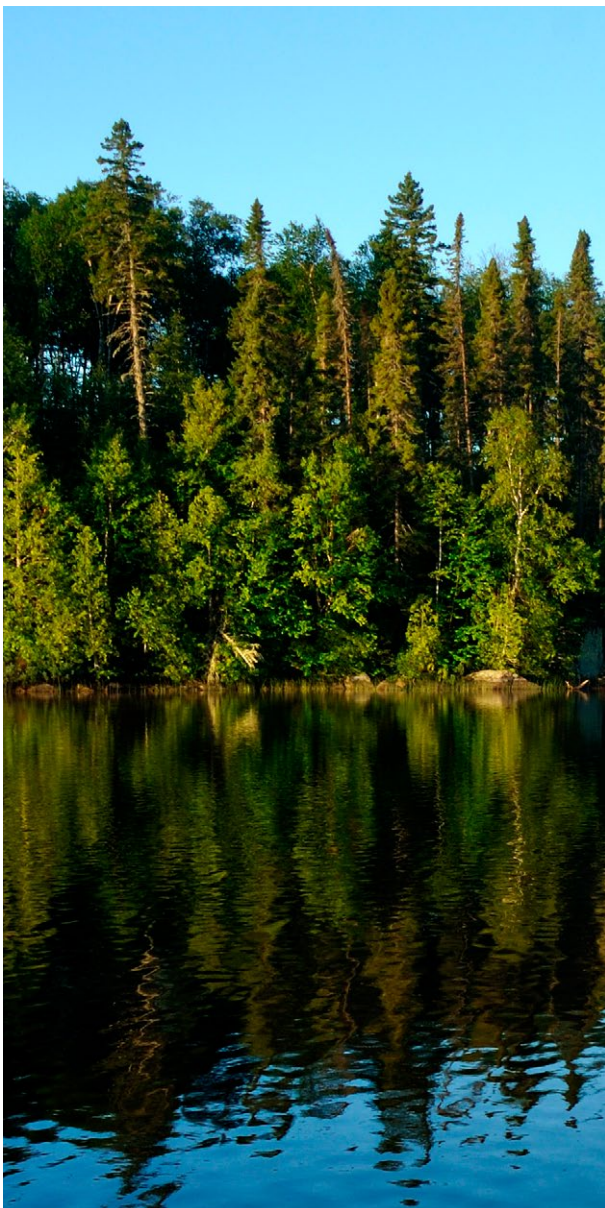
SUSTAINABILITY REPORT 2016



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AN IMPORTANT YEAR OF GROWTH AND STRATEGIC DEVELOPMENT

AR Packaging is one of Europe's leading companies in the packaging sector offering a wide portfolio of carton-based and flexible packaging solutions. Serving many blue chip companies in the food, healthcare, confectionery and tobacco segments in a rapidly evolving global market, a proactive approach to sustainability is one of the key criteria to ensure long-term business growth and an even stronger market position.



The Group has a strategic plan, called Agenda 21, built on three pillars: continued growth in Europe in selected business segments, global expansion with selected packaging solutions, and further improved operational excellence. This approach has proven to be very successful and 2016 was a year with very strong performance, with the best result ever, coupled with strategic acquisitions of three new plants. With CVC Capital Partners as the new main owner of AR Packaging, the Group has a stable platform for continued expansion and development.

AR Packaging is a signatory of the United Nations' Global Compact and submits an annual COP (Communication on Progress) to show our efforts to embed the Ten Principles of the UN Global Compact into our strategies and operations. As a fundamental basis for realising our growth strategy, the Group is committed to conducting its business in an ethically, socially and environmentally responsible manner. We aim to contribute to the positive development of the communities where our products are used. Just as important, we strive to operate our plants sustainably and thereby increase social awareness and reduce our carbon footprint. Set targets are continuously followed-up on and plant initiatives are recognised

to nurture further Group-wide implementation where applicable. Being in an expansion phase, newly acquired businesses are carefully integrated in an effective manner and adherence to set obligations is secured. Consequently, the acquisitions made in second half of 2016 will be fully integrated in our reporting for 2017.

2016 is the second year of full sustainability data collection using common software throughout the Group that enables the efficient monitoring of improvements and the identification of focus areas. Food safety continues to be a top priority, and the Group takes a leading role through the extensions of certifications and strong product innovation. The new system solution Sealio® is one example of such innovation, and Futeco Galaxy and is a demonstration of product development with substantially reduced environmental impact.

This Sustainability Report 2016 complements our long track record of reports since 2008 and demonstrates a strong commitment at both the Group level and the local plant level.

Harald Schulz
CEO

” This Sustainability Report 2016 complements our long track record of reports since 2008 and demonstrates a strong commitment at both group level and the local plant level. “

SUSTAINABILITY IS A STANDARD REQUIREMENT AND OPPORTUNITY

With more stringent customer requirements and an increased demand for environmentally sound packaging, sustainability topics are part of our offerings to large international brand owners as well as smaller local customers. The use of common standards, certificates, memberships and sustainability activities is crucial to maintain long-term partnerships. Additionally, we are expected to decrease our use of resources, show environmental engagement, and support our customers in reaching their targets on carbon emission reduction among others.

AR Packaging sees these changes in demands as an opportunity to further develop its sustainability approach. A few examples of developments made in 2016 are:

- new revision of the Code of Conduct and assure that all plants commit to set social standards
- a new whistleblowing system introduced at Group level in January 2016
- new membership in EcoVadis, in addition to existing membership in the Carbon Disclosure Project (CDP), covering various aspects such as the environment and fair labour; business and supply chain practices, all with a yearly scoring.

2016 was the first reporting year where the three plants acquired in May 2015 were included. Therefore, the 2016 report includes all plants and thereby enables comparisons of the chosen figures that demonstrate the positive impacts of our sustainability approach and reporting.

In 2017, two additional plants located in Indonesia, being the first plants located outside of Europe, will be integrated into the sustainability approach and reporting. This will bring new experiences in different surroundings and with new suppliers and customers, although some of them are already familiar to us as they operate globally.

The Sustainability Report for 2016 summarises all of the efforts made in our Group, gives an overview of the obtained results, and shows many plant examples. I hope you enjoy reading the report, and I look forward to receiving any feedback!

Robert Mayr
Product Safety and Sustainability Manager



” Additionally, we are expected to decrease our use of resources, show environmental engagement, and support our customers in reaching their targets on carbon emission reduction among others. “

AR PACKAGING IN SHORT

WHO WE ARE

AR Packaging is one of Europe's leading companies in the packaging sector, with its head office located in Lund, Sweden. The Group creates added value for customers through a broad product offering and deep knowledge of packaging.

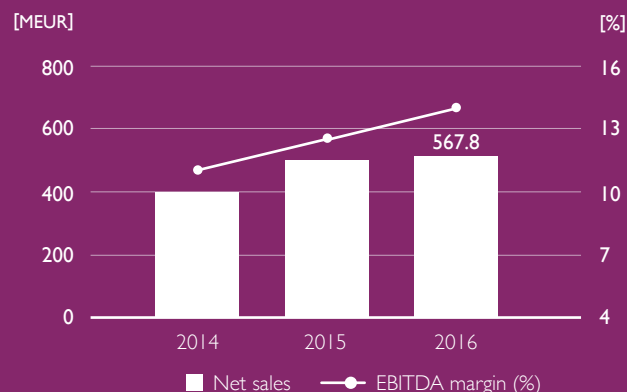
The Group was formed in 2011 through the merger of A&R Carton, one of Europe's leading cartonboard packaging companies, and Flextrus, a market leader in northern Europe in flexible packaging. CC Pack and SP Containers are also members of the Group, offering pressed trays and carton-based cups.

AR Packaging is in a growth phase, and in the second half of 2016 the Group acquired Maju Jaya in Indonesia, a leading Indonesian packaging company with its customer base in the tobacco and food segments, and Mediaköket, a digital service provider bringing unique expertise and digital capacity to the Group.

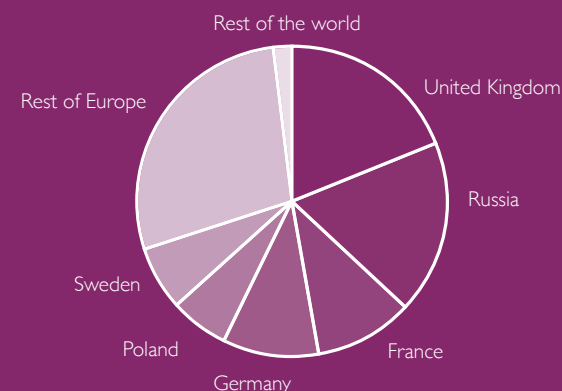
The products and solutions offered by AR Packaging are mainly printed folding cartons and flexible packaging. The offering includes everything from proprietary machinery systems to packaging design and development.



NET SALES AND EBITDA MARGIN



NET SALES BY GEOGRAPHICAL MARKET 2016



MISSION AND BUSINESS STRATEGY

AR Packaging has shown strong development over the last few years and has built a good foundation for future advancement. The new main owner since 2016, CVC, adds comprehensive experience and funds to fulfil an ambitious growth strategy for the Group. The acquisitions made in 2016 will be fully integrated in 2017, and further global expansion is targeted coupled with a vast investment programme and a holistic review of our footprint.

WITH THE MISSION TO OPTIMISE THE BENEFITS OF PACKAGING IN OUR CUSTOMERS' VALUE CHAINS, AR PACKAGING HAS A BUSINESS STRATEGY BASED ON THREE ELEMENTS:



To grow in segments and applications where the Group has a competitive advantage.



To further improve operational excellence and cost efficiency through increased specialisation, investments in key technologies, and an optimised footprint.



To adopt a global approach in core segments and to expand beyond Europe with selected packaging solutions.

OUR THREE DIVISIONS

AR Packaging has a broad customer base mainly serving the European food and healthcare industry and our business is divided into three divisions.

BRANDED PRODUCTS

Innovative packaging solutions for goods found in duty-free stores. Being a reliable packaging supplier with business acumen throughout the value chain and extensive geographical coverage are keys to our success.



BARRIER PACKAGING

Unique, high-performance packaging system solutions based on proprietary technologies, such as Sealio® and Cekacan®. Wide range of advanced flexible barrier materials supplied with world-class product customisation, service, and lead times.



FOOD PACKAGING

Key player in the development of food-on-the-go packaging, where consumer convenience is crucial. High food safety and sustainability standards coupled with best-in-class key account management ensure customer benefits.



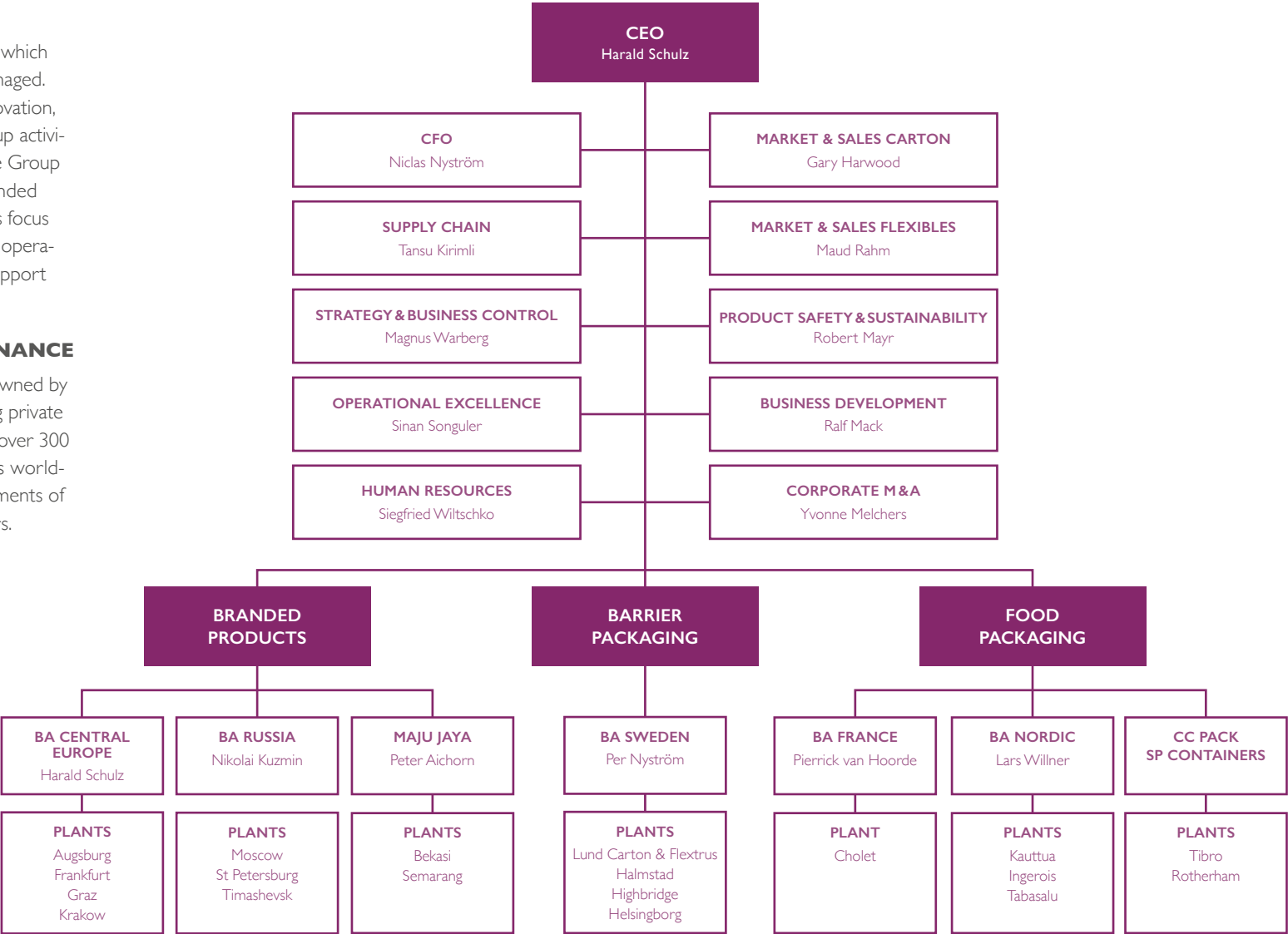
ORGANISATIONAL STRUCTURE

AR Packaging is organised into three divisions in which the operational and financial performance is managed. Certain central functions – such as sourcing, innovation, and key account management – coordinate Group activities and support the divisions. The CEO leads the Group through the Executive Management Team. Extended management meetings with operational and sales focus respectively, are held 3-4 times per year in which operational and sales managers as well as corporate support functions also participate.

OWNERS AND CORPORATE GOVERNANCE

ÅR Packaging Group AB is a Swedish company owned by CVC Capital Partners, one of the world's leading private equity firms which manages capital on behalf of over 300 institutional, governmental, and private investors worldwide. Over the years, CVC has secured commitments of more than 71 billion USD in funds from investors.

The Group's governance is controlled via the Annual General Meeting (AGM), the Board, the CEO, and the Group management of AR Packaging in accordance with the Companies Act, the Articles of Association, and the directives of the Board and CEO. Representatives from Group management are included in the Board of Directors of each subsidiary.



SUSTAINABILITY STRATEGY AND TARGETS

AR Packaging has a long track record of a consistent approach towards sustainability. We recognise sustainability as an increasing opportunity together with our stakeholders, including customers, suppliers, and many other groups and organisations. We aim to demonstrate continuous improvement in environmental, social, and economic sustainability in our Group.

SUSTAINABILITY STRATEGY

In addition to our performance targets to effectively integrate new acquisitions, increase sales and profit margins, and operate in an optimised and efficient manner, we aim to create added value for our customers through unique packaging solutions, while reducing the environmental footprint. Additionally, we aim to have no negative impact on the communities in which we operate. As a results-oriented organisation, we have decentralised the responsibilities to the operational locations and their respective experts, who are monitored and sponsored by Group management.

OUR REPORTING SYSTEM

Sustainability data collection from 17 production plants in 2016 was achieved using the 360report software. The software meets the requirements of the Global Reporting Initiative (GRI G4), COP reporting linked to our membership in the UN Global compact, and reporting for Carbon Disclosure Project (CDP).

The software provides the possibility to rate the indicators because not all aspects of the GRI structure are considered equally important or required for our sustainability reporting. Therefore we have assessed the stakeholder issues that are significant to our organisation and to the industries in which we operate.



ECONOMY

1. Economic Performance
2. Market Presence
3. Indirect Economic Impact
4. Procurement Practices

ENVIRONMENT

5. Materials
6. Energy
7. Water
8. Biodiversity
9. Emissions
10. Effluents and Waste
11. Products and Services
12. Compliance
13. Transport
14. Overall
15. Supplier Environmental Assessment
16. Environmental Grievance Mechanisms

LABOUR PRACTICES AND DECENT WORK

17. Employment
18. Labour/Management Relations
19. Occupational Health and Safety
20. Training and Education
21. Diversity and Equal Opportunity
22. Equal remuneration for Women and Men
23. Supplier Assessment for Labour Practices
24. Labour Practices Grievance Mechanisms

HUMAN RIGHTS

25. Investment
26. Non-discrimination
27. Freedom of Association and Collective Bargaining
28. Child Labour
29. Forced or Compulsory Labour
30. Security Practices
31. Indigenous Rights
32. Assessment
33. Supplier Human Rights Assessment
34. Human Rights Grievance Mechanisms

SOCIETY

35. Local Communities
36. Anti-corruption
37. Public Policy
38. Anti-competitive Behaviour
39. Compliance
40. Supplier Assessment for Impacts on Society
41. Grievance Mechanisms for Impacts on Society

PRODUCT RESPONSIBILITY

42. Customer Health and Safety
43. Product and Service Labeling
44. Marketing Communications
45. Customer Privacy
46. Compliance

SUSTAINABILITY STRATEGY AND TARGETS

Following our strategic business plan, the sustainability targets are set on a five-year basis, starting in 2015, and they focus on the activities listed below. The figures show good improvement for 2016 compared to the previous year, when initially excluding the newly acquired plants that have had a negative impact on the sustainability targets. In summary, there have been positive developments toward all of the set targets, with the only exception being waste figures in actual numbers.

	TARGET 2020 (ON THE BASIS OF 2014 PRODUCTION PER TON)	EXAMPLES REACHED IN 2015	STATUS REACHED IN 2016
CARBON EMISSION	Reduction for Scope 1 & 2 GHG emissions by 10% by 2020 <ul style="list-style-type: none"> • Increase our environmental performance at our 17 plants • Improve our reporting on environmental figures • Close cooperation with customers to support their targets and improve scoring on the Carbon Disclosure Project • Increase supplier involvement for all targets 	<ul style="list-style-type: none"> ✓ Improved and more detailed data collection at the plant level and the Group level ✓ Improved CDP Scoring from 2014 ✓ Integration of sustainability aspects in supplier audits 	<ul style="list-style-type: none"> ➔ Scope 1 at a comparable level as 2015 and -4% compared to the base year 2014 calculated on produced tons ✓ Scope 2 -12% compared to 2015 and -9% in comparison to the base year 2014 as calculated on produced tons ✓ Improved CDP Scoring in 2016 compared to 2015
	Reduction for Scope 3 GHG (indirect) by 5% by 2020 <ul style="list-style-type: none"> • Start tracking Scope 3 GHG figures until the end of 2017 and set the basis for measurements 		
ENERGY	Reduction of energy consumption by 10% by 2020 <ul style="list-style-type: none"> • Improved and enhanced data collection at our 17 plants • Increase activities at plants to reduce energy consumption 	<ul style="list-style-type: none"> ✓ Increased energy mapping at several plants ✓ ISO 50001 certification at German plants ✓ Multiplicity of measures at all plants 	<ul style="list-style-type: none"> ➔ A change of -7% compared to 2015, while on a comparable level as 2014 when calculated on produced tons ✓ Energy mapping at several plants refined to generate the basis for further measures

	TARGET 2020 (ON THE BASIS OF 2014 PRODUCTION PER TON)	EXAMPLES REACHED IN 2015	STATUS REACHED IN 2016
ENERGY	Increase use of renewable energy in comparison to base year	✓ Three Nordic plants moved to 100% renewable energy	
WATER	Reduce water consumption by 3% <ul style="list-style-type: none"> Water management and measures to reduce water use from sustainable resources 		✓ Water consumption reduced by 3% compared to 2015 and in comparison to 2014 per production tons
WASTE	Reduce hazardous and non-hazardous waste generation by 5%		↑ Hazardous waste increased by 11% compared to 2015 and by 13% in comparison to 2014 as calculated per production ton ↑ Non-hazardous waste increased by 2% compared to 2015 and by 9% in comparison to base year 2014 as calculated per production ton
SAFETY	Reduce injury rate by 20% (based on 2015 figures) <ul style="list-style-type: none"> Install improved health and safety reporting at Group level until the end of 2018 Activities to increase injury awareness among employees 	✓ Safety days and safety promotions in several plants ✓ Multiplicity of technical measures to support target	→ Number of accidents reduced by 13% (68 accidents in 2015) ✓ No recorded accidents with lost work days at seven of our 17 plants
SOCIAL	Compliance with UN Global Compact, local legislation, and industry standards <ul style="list-style-type: none"> Member of Sedex and Social audits at all plants by 2020 Implementation of a whistleblowing system 	✓ Reviewed Business Ethic Guidelines ✓ 14 of 17 plants are now Sedex members and are performing social audits ✓ Implementation of a whistleblowing system	✓ Plant in St. Petersburg, Russia, started to perform social audits ✓ Whistleblowing system in place the for the whole year
STAKE-HOLDER ENGAGEMENT	Public and transparent reporting of sustainability figures following GRI and UN Global Compact requirements	✓ Enhanced Sustainability Report 2015	✓ Target reached

CUSTOMER SATISFACTION

To achieve complete customer satisfaction, AR Packaging works cross functionally and in close collaboration with its customers. Depending on the needs of the customer, various measurement approaches are used to assess customer satisfaction. These are followed up on a regular basis in meetings with management, sales, innovation, quality management, etc., and provide confirmation of successful actions that have been taken as well as input for improvement, the latter being highly important. In 2016, we received two prestigious awards related to customer satisfaction, which we are particularly proud of.

FLEXTRUS SUPPLIER OF THE YEAR 2016

Six years ago, Flextrus Lund started to build a strong long-term relationship with its customer Mölnlycke – a world leading medical solutions company and one of AR Packaging's top 10 customers. Over the years, Flextrus has moved from being one of Mölnlycke's material suppliers to become a strategic partner actively participating in the generation and development of new business ideas. This has led to Flextrus being named Mölnlycke's "Supplier of the Year" in 2016, chosen from 1.600 other suppliers.



NOMINATION BY MÖLNLYCKE

"Innovation can come in many shapes and forms and we are very proud to give our Innovation award to a supplier in the packaging area. Our packaging is such an integral part of our product properties and something that can truly support how we are perceived by our customers."

"This supplier has done a great job in recent years and has especially during the past year supported us by providing innovative solutions and materials – which have enabled us to be perceived by our customers as the trusted expert."

QUALITY AWARD TO A&R CARTON GRAZ

For the second year in a row, A&R Carton Graz won an award at the annual Quality Focus Initiative in June 2016 hosted by Mars Inc. This prestigious award for best-performing plant in the solid cardboard packaging category included 4.500 EUR, which was spent on a special event for the employees at the plant.

SOCIAL RESPONSIBILITY



HUMAN RIGHTS AND LEGAL COMPLIANCE

AR Packaging is fully aware of and assumes responsibility for respecting and supporting the protection of human rights, not only within its organisation, but also concerning its external influence.

The foundation of our business is the ability to build and maintain mutually beneficial long-term relationships with our customers, to develop sustainable and innovative packaging solutions, and to attract motivated people. We aim to guard this foundation by being committed to conducting our business in a legally, ethically, socially, and environmentally responsible manner. As a member of the UN Global Compact, the company submits an annual progress report that describes our efforts to implement the ten principles of the Global Compact (www.unglobalcompact.org/what-is-gc/mission/principles).

An updated version of the AR Packaging Business Ethics Guideline was published and implemented in 2015. However, linked to a possible IPO (initial public offering), a total review of existing company policies, the addition of new policies, and the extension of the ethical guidelines into a Code of Conduct were made and published in April 2016. Following the new ownership development, the IPO was never completed but all policies remain valid. Further reviewed and published policies cover areas such as Communication policy, Insider policy, and IT policy and thereby support the Code of Conduct.

CODE OF CONDUCT

The AR Packaging Code of Conduct supports all employees in putting the values of the company into action in everyday work situations and provides guidance for how to act. It also explains what the employees can expect from AR Packaging. The Code contains the most important corporate principles

and behavioural rules with reviewed statements on human rights, child work, discrimination, forced labour, and social standards, which are in line with UN Global Compact requirements. Moreover, statements regarding land rights of communities and the environment are also part of the Code of Conduct.



Managers at the Group and plant level play a key role by clearly expressing their position and setting good examples for their personnel. Management as well as all white collar and new employees have signed the extended Code after a short training course. All other employees were informed of the Code through different channels and at meetings. A plan for re-training of critical and non-critical groups is set for the coming years.

SUPPLIERS

The distribution to our main suppliers of the Code of Conduct adapted for suppliers has continued in order to secure the company's values with our business partners as well. Purchased material and services mainly come from socially high-level EU countries, and most suppliers are well-reputed and in long-term partnership with the Group. Many of them have established their own Codes of Conducts with similar principles.

The Code of Conduct for suppliers is integrated in the new AR Packaging Procurement policy and underlines the importance that the suppliers are aware of the Group's values and undertake measures to follow those. The first supplier audits with integrated sustainability and code of conduct questions were undertaken through questionnaires in 2016. The Flextrus Lund plant developed a self-audit survey corresponding to SEDEX (Supplier Ethical Data Exchange) and their social audits. This was forwarded to all Flextrus suppliers of packaging material and will be evaluated to see if it is also useful for other plants or at the Group level.

Our main suppliers are currently operating in non-critical and well-regulated countries, and none of them were identified with a significant risk for incidents on human rights or other topics in the AR Packaging Code of Conduct. No supplier incidents were noted by the organisation in 2016.

ANTI-CORRUPTION

AR Packaging is committed to working against corruption in all forms, including extortion and bribery. No such illegal activity is tolerated either in action or as negligence by any employee, supplier, or business partner. Suitable means are used to promote transparency, trading with integrity, responsible leadership, and company accountability. The Group complies with the applicable criminal law on corruption. This commitment is supported by lean purchasing and sales organisations that were re-briefed on this topic in 2016.

Most activities are still in socially high-level European countries, while all Code of Conduct commitments are observed in terms of the global expansion strategy. Key customers and main raw materials suppliers have high and identical demands leading to high pressure of these commitments. The Code of Conduct clearly states that neither AR Packaging employees nor anyone acting on behalf of the Group may solicit, give, or receive, directly or indirectly, gifts, gratuities, special allowances, or benefits that might influence the judgement of the recipient or are deemed unreasonable in the context. The whistleblowing system installed in 2015 allows all employees to report any abnormalities anonymously.

The organisation and all plants are checked regularly by external business consultants and authorities and during social audits to look for any signs of corruption or other bribery process. In general, the assessment of our business segments show no considerable risks for corruption or bribery. In 2016, no incidents involving corruption occurred, and no politically motivated donations were made by the organisation.

ANTI-COMPETITIVE PRACTICE

AR Packaging was not involved in any court proceedings due to anti-competitive behaviour or violations of antitrust laws in 2016. The Group strictly follows the international and local legal

requirements as well as business obligations when merging other companies as part of our global strategy, e.g. in 2016 for our activities in Indonesia.

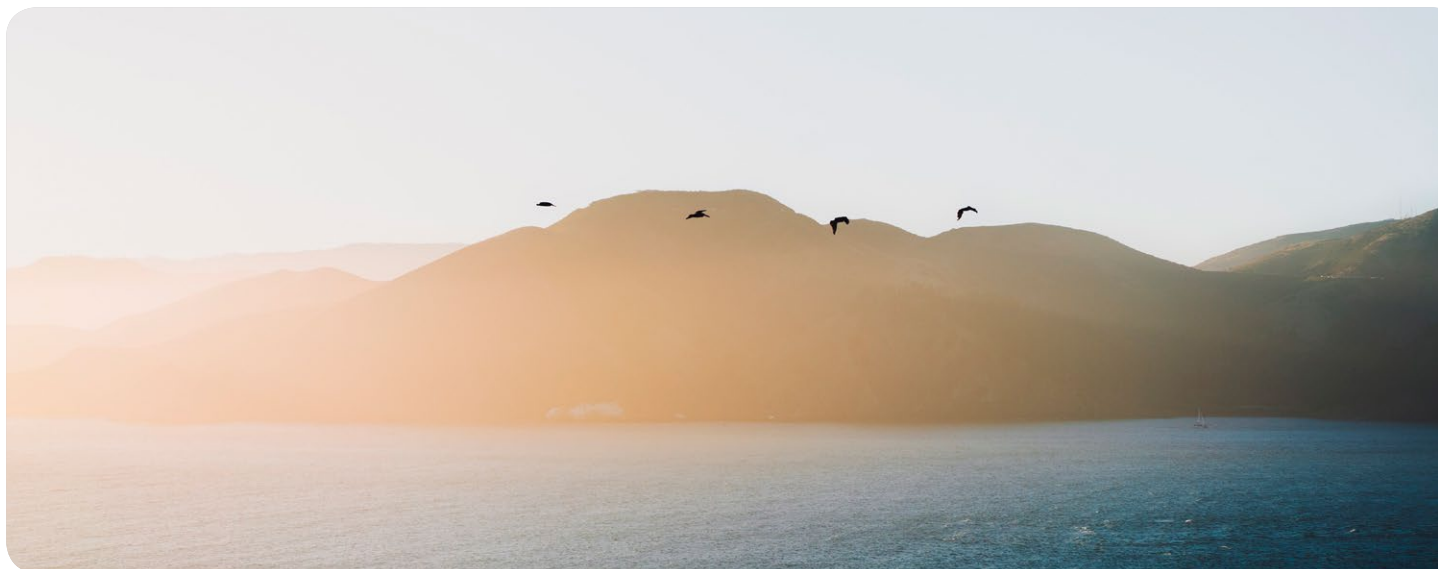
ANTI-COUNTERFEITING

The whole organisation was in the reporting year not confronted with any administrative or judicial sanctions levied against the organisation for failures to comply with laws or regulations. Also, no social complaints based on impact from our operational sites were documented, but all plants have procedures in place to track and improve on any such possible complaint.

A separate Anti-Counterfeiting and Anti-Illicit Trade Policy was also reviewed and published in April 2016. The policy regulates how the Group manages activities related to anti-counterfeiting and anti-illicit trade as well as defining roles and responsibilities for these areas.

AR Packaging regards product authenticity as a very serious matter, especially in the tobacco business where we are confronted with counterfeiting risks. The Group cooperates with customers in observing the potential use of its products and services for illegal purposes, and it offers solutions to secure the business on both sides.

Another example of our engagement in this field in 2016 is a report regarding food fraud by A&R Carton Lund, Sweden, using a special tool recommended by a customer. Based on a questionnaire, risks of fraud corruption and similar aspects, including the supply chain, were assessed. The risk of fraud has been identified as low, and therefore control measures, both internal and external, have been concluded to be adequate both for the company as well as for the products supplied to customers.



INCIDENTS AND SOCIAL AUDITS

While all plants in AR Packaging operated in non-critical and well-regulated countries in 2016, we continuously observe the situation in our supply chain. During 2016, no incidents in conflict with statements in our Code of Conduct were reported at any of our 17 plants, and no formal complaints on human rights abuse were raised to any plant and/or the Group.

Most of the requirements are tested by external independent companies during social audits. With the plant in St. Petersburg, Russia, newly integrated into the Social audit program, 15 of 17 plants have performed successful regular social audits and self-assessments since December 2016. It is our aim to integrate all of our plants in this audit program by the end of 2020.

WHISTLEBLOWING

To foster high business ethics and to report concerns of misconduct, AR Packaging introduced a whistleblowing procedure at the end of 2015 and beginning of 2016. All employees and stakeholders who suspect a breach of the Group's Code of Conduct shall report the matter to relevant supervisors, plant managers, or a HR representative. However, if necessary, a whistleblowing service is available for reporting suspected breaches anonymously. Contact information is posted at every local facility and is available online in the languages of the countries in which the Group operates.


A whistleblowing compliance team, including representatives from corporate quality & sustainability, HR, and communica-

tion functions, as well as selected regional directors, investigate any reports as appropriate, and they do so as confidentially as possible. No employee acting in good faith shall be subject to disciplinary measures for reporting suspected violations of law or company policy.

No incidents were reported in 2016 using the Whistleblowing portal, which might be explained by the well-known availability of other channels to report issues, such as through supervisors, work councils, or other trusted persons. The use of these channels was promoted during training. More promotion of the whistleblowing system will be decided upon based on reporting statistics for 2017.



SCREENSHOT OF THE WHISTLEBLOWING PORTAL

 Please **ESC** to exit full screen English (en)

We want to do what is right

Our company strives to maintain a transparent business climate and high business ethics. We value the safety and respect of everyone affected by our business.

You have a vital role in our success.

Our whistleblowing service

Whistleblowing gives an opportunity to report suspicions of misconduct; anything that is not in line with our company values and policies. Our whistleblowing service is an early warning system to reduce risks. It is an important tool to foster high business ethics and maintaining customer and public confidence in our company.

Primarily we encourage you to contact your manager, a member of your local management team or local human resources in our organisation. If you feel you cannot be open with your information, we offer the option of reporting your concern anonymously.

Your report is handled with high security and confidentiality

Our reporting channel is provided by an external partner, WhistleB, to ensure maximum process security and anonymity. The reporting process is encrypted and password-protected. All reports and communication will be investigated as appropriate and kept as confidential as possible.

How do I submit an anonymous report?

You may report anonymously. Please note that you do not need proof of your suspicions, but all reports must be made in good faith.

You can submit your report easily and securely by following the instructions in the reporting form. After having sent your report you will receive a personal ID and password. Please make sure you save these for your own future use, as you will need them if you wish to stay updated on responses and follow-up questions. You will remain anonymous throughout the whole process.

Within 10 calendar days, we may post a response or follow-up question for you.

[Create message +](#)

[Follow up](#)

Adhering to high ethical standards is crucial to our success. Thank you for contributing to it!

EMPLOYEES, LABOUR PRINCIPLES AND SOCIAL ENGAGEMENT

General statements on our labour principles are included in the AR Packaging Code of Conduct. The elimination of all forms of forced, compulsory, and child labour is legislated in all countries where AR Packaging has employees. More detailed policies and procedures are implemented locally at the plants.

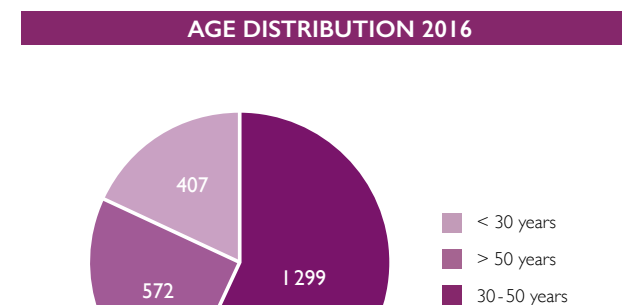
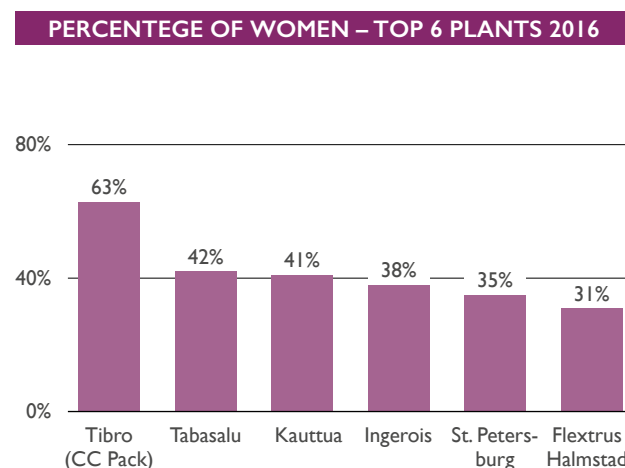
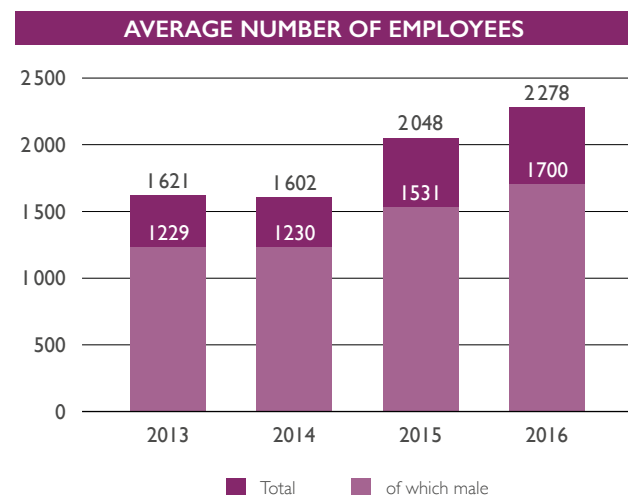
A GROWING AR PACKAGING FAMILY

Following our set growth strategy, the number of employees increased in 2016 and is expected to do so in 2017 as well when the recently acquired plants in Indonesia will be included in the report.

Being a manufacturing company, the percentage of women remains stable at 25% in the total Group. Traditionally the North European plants have a higher share of women in their organisations, e.g. Tibro with 63% women.

AR Packaging is in the highly valuable position to employ many people with a long working relationship, which can indicate high satisfaction and loyalty to the company. In 2016 the entry rate was 10%, and the fluctuation rate was 7%.

The main age range is still 30-50 years, but the group of experienced people at >50 years has increased in 2016 by 17% compared to previous year.



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 to industrial standards. All employees are informed of and have the right to know the basic terms and conditions of their employment. AR Packaging condemns differences in salary and remuneration between women and men in our organisation.

FREEDOM OF ASSOCIATION

The Group respects the rights of employees to join trade unions and representative organisations of their choice in line with applicable legal legislation. Each plant has a workers' council, and annual meetings with representatives of the workers' councils at Group level are supported by the management. This ensures that labour agreements are put into effect.

PARENTAL LEAVE

AR Packaging is aware of the importance of family life and supports several different possibilities of parental leave for both parents. A total of 48 employees, of which 10 were men, went on parental leave in 2016, and 19 employees returned to their plants and were integrated back into work. Depending on country and plant, there are of course various part-time models with differing approaches.

BENEFITS

Benefits provided to full-time employees vary between the plants in the Group. Typical benefits offered are healthcare, disability, and invalidity or life insurances. Several other benefits are in place and have been established over many years. Most plants sponsor daily food in a canteen, as well as free water and fruit during the work day.

Every plant has a company suggestion system where employees can propose good ideas to improve the production processes and work environment and thereby be rewarded.

APPRENTICESHIP

All of our plants offer apprenticeship training to secure their secondary growth and keep a balanced age distribution. However, because several plants are located in economically well-structured regions, a competition for apprentices has begun in these regions. This requires creativity and new ways of finding and inspiring apprentices. An example of such a new approach is at A&R Carton in Graz, Austria, where close cooperation with the local schools as well as participation in special school projects is practiced. One goal, among others, is to encourage children and young people to take part in science and technology.



Potential employees mixing ink at the Graz plant

In this context, the plant arranges plant tours and work experiences for students, while at the same time providing clear project assignments. The concept is rounded off by participation in appropriate professional orientation exhibitions.

Another example is from Flextrus in Halmstad, which for the first time participated at a local recruitment exhibition in 2016. This initiative is an extension of similar activities in Lund where A&R Carton Lund and Flextrus Lund have participated at Lund University recruitment exhibitions for many years. In addition to attracting students to possible employments after their studies, many temporary summer workers for all three plants are recruited at these exhibitions. While securing the production capacity needed during summers, this also provides the students with highly appreciated work experience.



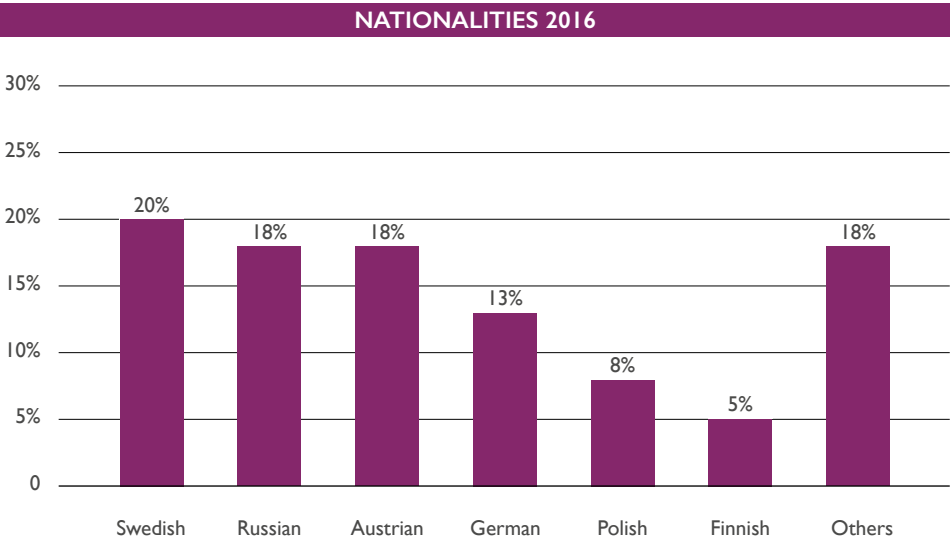
School and job information fair in Graz

GROWING THROUGH DIVERSITY

As a growing company with business operations in different geographical 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 their overall performance. In 2016, we had 30 different nationalities working at our 17 plants across 10 countries (excluding the plants acquired during 2016). The main nationalities remain Swedish (3 plants) and Russian, but incorporating the latest acquisition of two plants in Indonesia will alter the diversity and nationalities in the Group as we become more global.

The Group actively seeks to create diversity in terms of gender, language, age, culture, skills and experience. Sharing knowledge related to the businesses, products, production processes, routines, and performance is strongly encouraged both in and across the divisions. This is promoted both locally and at Group level with numerous measures, such as exchange visits, group projects and workshops.



SOCIAL ENGAGEMENT

AR Packaging aims to work with social involvement that goes beyond direct business interests. These activities are mainly promoted by the plants themselves, often in cooperation with local organisations and authorities to keep maintain and increase our good relationship with them. Three examples of activities in 2016:

SUPPORT TO CHILDREN AND THE FIRE BRIGADE

Our plant in Krakow, Poland, focused in 2016 on kids engagement and supported a local school (Stanislawice) with computers and a needed renovation of a sports ground, donated loud-speaking equipment and furniture to two kindergarten (Cikowice, Klaj), and equipped a football school with sportswear. The local volunteer fire brigade in Targowisko was supported with breathing apparatuses.



SCHOOL AND EMPLOYMENT SPONSORSHIP

Flextrus sponsors a school in Africa and local people in need of employment.

Through Flextrus employees in Lund who are directly engaged in St Matthews lower basic school in Gambia, the company's donation enables children to go to school. The financial support is used for basic needs such as utilities and food, but also to develop the school and motivate parents to send their children to school.

Flextrus also supports the humanitarian organisation SOS Children's Village by donating the remaining value of outdated and scrapped mobile phones. On local level, continuous support goes to the local Faktum organisation that helps former addicts to re-enter working life again as well as to Missing People – a voluntary organisation searching for lost people.

ST Matthews lower Basic School
Koumo village
Fori Bintemg Karamai
West Coast Region
11-12-16
Dear FLEXTRUS
I write to thank you so much for the help you are doing for me and my school children. Without you I will not be able to run my school well. Also I have money you sent to me to help me. I am saying a big thank you to the whole group and praying for all of you in my compound.
I wish all of you a Merry Christmas and Mama Eura. Thank you! Especially the head of the group Maud Rahm.
Thank you all.
yours faithfully,
Mrs Njai Jof.

SUPPORT TO LOCAL FAMILIES IN NEED

As part of its social engagement, the plant in Graz, Austria, supported the local charity organisation "Steirer helfen Steirern" initiative with a donation of 3.000 EUR in 2016. Noted in a newspaper article, the management decided to help a family whose parents are no longer able to meet their duty of care.

"We support a charity project each year, as it is an important matter for us to give back to communities. As an old and established company with 148 years of Styrian company history, the local reference is very important to us" explained Peter Szabó. "Our employees are able to see exactly where the donation sum flows and what happens with it. Unfortunately, each of us can end up in an emergency situation where we are dependent on help – and this matter especially sad when children are affected".

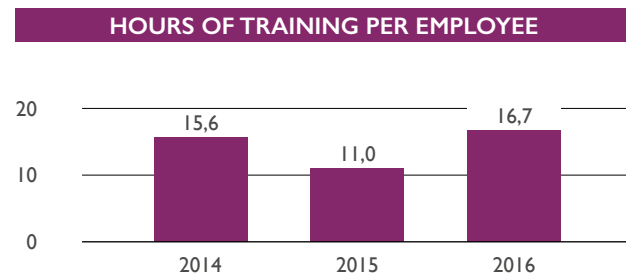


TRAINING

AR Packaging strongly believes that best performance is achieved when employees enjoy their work. Satisfied, knowledgeable, and engaged employees benefit the customers and the business. Therefore, AR Packaging actively invests in the continuous training of its employees, where an important part is focused on sales and business generation.

TRAINING FOR INCREASED COMPETENCE

The Group continuously invests in the training of its employees and teams and in the improvement of the company's working processes. The majority of the training is performed locally at our plants. In total, around 38.200 hours of training took place in 2016, which is equal to about 16,7 hours per employee. This is a significant increase compared to the previous year (2015: 11,0 hours per employee) when a significant focus was put on merger activities and the integration of new plants. The substantial increase proves our commitment to the training and development of our employees.



Several areas of standard training are included in these figures, e.g., regular work safety, food safety, and hygiene safety, and these types of trainings are normally conducted annually at each department and are based on existing qualification matrices. Regular updates and training in changed customer requirements is another important part – partially conducted together with customers at our plants and sometimes also arranged for our customers.

In 2016, several plants developed special programmes and implemented training with specific focus for different parts of the organisation. Training is also initiated as a consequence of external changes when new provisions regarding the organisational and social work environment come into effect. For example, all managers at the Swedish A&R Carton and Flextrus plants (Lund and Halmstad) participated in a tailored training that covered how to recognise and prevent stress-related diseases and psychological illnesses at work. Focus was put on factors impacting the organisational and social work environment, early warning signs, preventive measures, the importance of good leadership, and the company obligations as an employer.

Similar topics are also recognised by other plants, and more resources will be put on these matters in, for example Graz, where a "Quality of life" day will be held in 2017, with the aim to support staff members in stress management.

SHARING AND BENCHMARK EXPERIENCE

At the Group level, we push our approach by "learning from one another" – mainly driven by our mergers in 2015 and 2016, the integration of new plants, and the possibilities to share and benchmark best practices. Several visits and workshops were conducted in 2016 under this umbrella, e.g., at the plants supplying the tobacco industry (Graz, Krakow, Augsburg, and Frankfurt), at our Russian and Nordic plants, and together with other European plants in Finland. Several improved processes and approaches showed positive results. This work continued at our new plants in Indonesia where support was given to start the integration into AR Packaging in the best possible way.

DEVELOPMENT OF INTERNAL ROOKIES AND STARS AND USING OUR METHUSALEMS

In 2016, the decision was taken to start a programme for rookies who we wish to develop in management, leadership, and project skills, but also to ensure attention and support is given to the experienced middle-aged and well-performing employees (called Stars) so as to improve their experience and link to our company. A programme for maintaining and sharing knowledge in our organisation with the aid from highly and long experienced "Methusalems" employees is planned in this comprehensive approach. The programme starts in 2017 with the Rookies, nominated by the local and group management, performing a self-assessment as a basis for upcoming support and training. In addition to training in management skills and improvement of company language, strong focus will be put on cross plant project work.

PERFORMANCE REVIEWS

Appraisals of employees against targets with aims to contribute to both skills management and individual or group development is common for management and first-level leaders, and it is also widely spread in lower levels. In 2016, about 57% (+1% compared to previous year) of the whole organisation took part in such appraisals leading to individual training and overall improvement in organisational performance.

HEALTH AND OCCUPATIONAL SAFETY

Occupational safety in the workplace is of central value in our organisation and involves, in addition to our employees, also contractors, visitors, and any other person within our organisation's sphere.

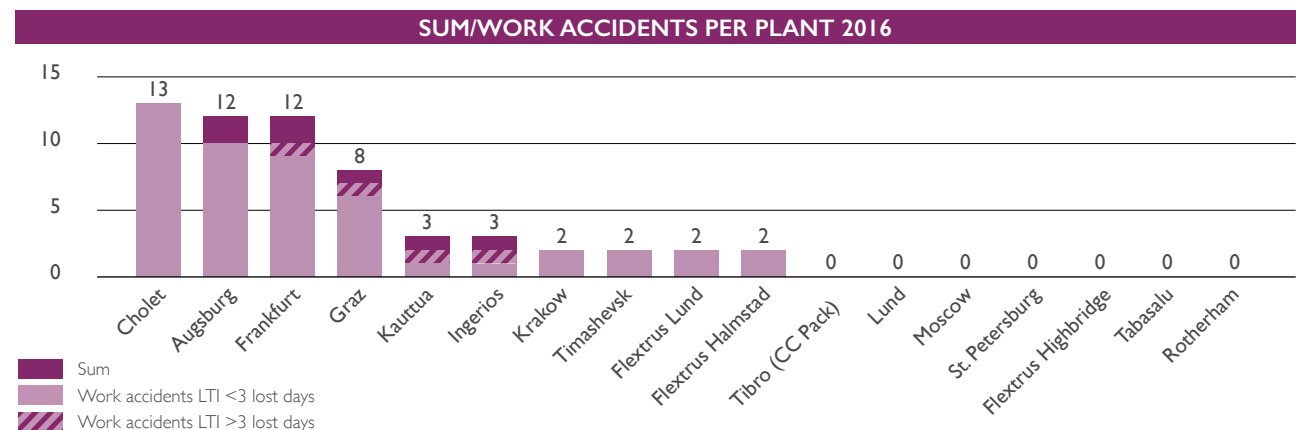
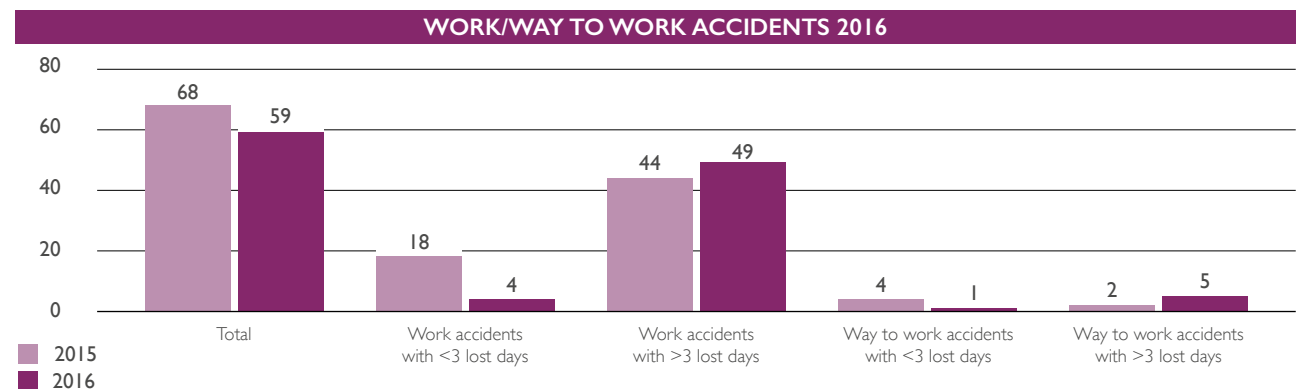
AR Packaging is aware of the importance of encouraging and supporting a solid and effective safety culture at our plants. Through several new training initiatives and/or safety days with a focus on increasing awareness, the plants convey the key message that every person involved must take ownership of the initiatives with the aim of constantly improving the health and safety conditions in the organisation. The intensive work with root-cause analyses and actions on accidents that have already occurred, combined with good communication and visualisation, forms the foundation for increasing the awareness of the people in our organisation. Different concepts on this are shared within the Group, and best practices are undertaken.

For 2016 the Group once again successfully reduced the number of accidents compared to the previous year – from 68 to 59 accidents with seven of the 17 plants without any recorded accidents with lost work days.

Statistics per plant with absolute number of accidents and LTIF (Lost time injury frequency calculated on 200.000 working hours) show that the plants in Augsburg and Frankfurt, Germany, and Cholet, France, are the three plants with the highest accident rates. Several measures and initiatives show improvement (e.g. Cholet from 20 accidents in 2015 to 13 accidents in 2016). However, lots of work remains because many of the accidents are still based on human carelessness, which in many cases has led to minor bruises, cuts, or sprains.

Increased focus on attention and safety awareness of our employees through appropriate training must proceed into 2017 in order to reach our long-term goal of “zero accidents” at all plants.

All safety activities at our plants are coordinated by appointed safety managers supported by each plant management. The plants are also responsible for continuously observing domestic and international regulations to ensure health and occupational safety at all workplaces.

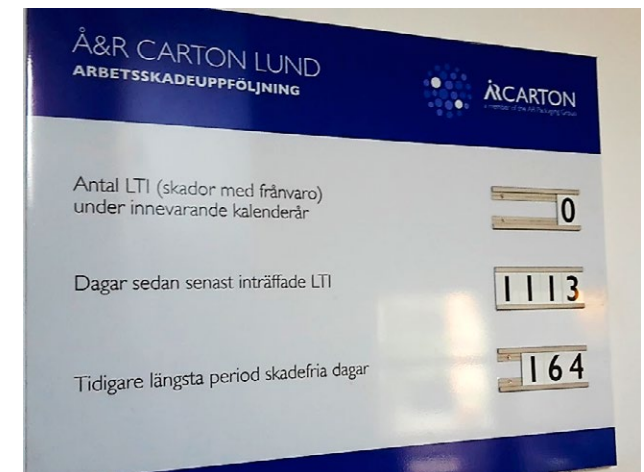


A&R CARTON LUND 1113 DAYS WITHOUT LOST TIME INJURY

Seven plants had no work accidents in 2016, which shows that the target of “zero accidents” at all plants is reachable. One recurrent example is the A&R Carton plant in Lund, Sweden, where the safety of workers is a top priority and the record of 1.113 days without any work-related injuries leading to absence was reached in December 2016! The previous longest period in Lund was 164 days, which shows the benefits of a strong safety culture, continuous safety improvements, and active personnel who are relentless in their aim to further reduce risks. One key to this achievement is the “near accident” process implemented in Lund. The aim of the “near accident” reporting is to keep focus on safety at all times by identifying many unsafe actions and environments so as to prevent the staff from ever having an accident in the first place. This process is strongly driven by

encouraging the employees to report unsafe conditions, and Lund has now reached the level of one “near accident” report per working day. Consequently, the “near accident” reporting is part of the plant’s KPIs (Key Performance Indicators), and the target for 2017 is set at zero LTIs and one “near accident” report per day.









Besides the “near accident” process, three groups actively discuss safety on a regular basis – the work environment committee, the management team, and the production morning meeting. A fourth group, the RAG-group (Rescue and Assistance Group), steps in in case of an incident. Safety rounds at every department, co-worker dialogues, employee questionnaires, fire safety rounds, and risk assessments when installing new equipment or changing any process round out the whole concept.



Signage for occupational injury statistics at A&R Carton Lund



SAFETY IMPROVEMENT EXAMPLES

PLANT	CATEGORY	DESCRIPTION	
KRAKOW	CERTIFIED HEALTH AND SAFETY	Our plant Krakow, Poland, is still the only plant certified on OHSAS 18001. Although confronted with 2 LTIs in 2016 (after zero accidents in 2015), Krakow has installed a very robust work safety system with continuous improvements, which in addition leads to willingness to invest in work safety. An example of this is the relocation of a rotogravure printing press at the plant. After thorough analysis of the machine by Krakow experts before installation, the printing press was adapted to legal requirements but also to local high safety standards. The investments was about 11.000 EUR.	
KRAKOW FRANKFURT MOSCOW ETC.	FIRE PROTECTION	<p>Fire protection is also a focus area at our plants and part of ongoing upgrading of installed systems. In 2016 our plant in Krakow, Poland, invested about 65.000 EUR in modernisation of the fire detection and extinguishing system so as to have the newest model of main control unit and modern smoke detectors.</p> <p>Another example is the plant in Frankfurt, Germany, which extended the fire protection system to a further office area in order to increase the early detection. The plant in Moscow, Russia, did a total survey with maintenance and control of the fire protection equipment in 2016.</p> <p>Several plants perform drills with professional and volunteer fire brigades at the plants. Fire brigades must know the organisation and structure of the plant to be able to react fast and efficiently. Moreover, employees are trained to extinguish fires and to cooperate with the fire brigade.</p>	  
AUGSBURG	NEW WAYS TO TRAIN SAFETY AND AWARENESS	With the help of external support, the plant in Augsburg, Germany, built a new e-learning tool on work safety that covers questions on behaviour in the workplace, the handling of hazardous substances, behaviour in case of fire, and a final test for each employee.	 
FRANKFURT	PERSONAL PROTECTIVE EQUIPMENT	In 2016, the plant located in Frankfurt, Germany, used a poster series of German employer's liability insurance coverage to draw the employees' attention to the safety rules such as wearing earplugs or glasses.	 

HEALTH INITIATIVES

With regards to health issues, new initiatives and activities have been launched at our plants, mainly coordinated by the safety managers and often supported by external experts.

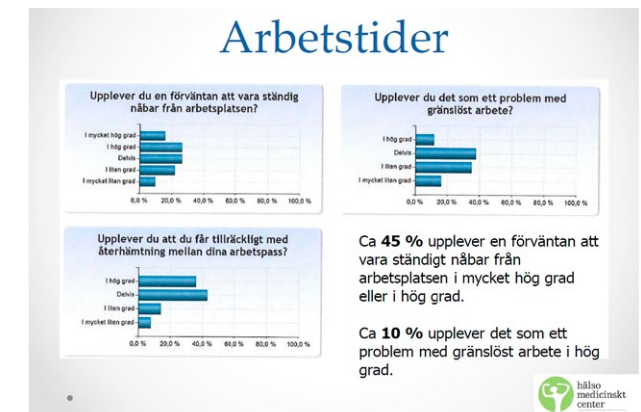
In 2016, the plant in Graz, Austria, continued to be very active in these fields and offered appropriate measures such as:

- workshops on the subject of resilience (increase of stress resistance)
- regular publishing of health topics in the plant's newsletter

- the possibility to consult an industrial psychologist. The number of persons in individual counselling in occupational psychology/medicine has risen to more than 50 in 2016.
- the plant continues to offer occupational medicine such as vaccinations and control of birth marks/moles by a dermatologist.

For 2017, a "Quality of life" day with varied programmes is planned with support from new external partners. Such days and comparable activities are also offered at other plants in the Group.

With the aim to better identify and understand areas for improvement, the Swedish plants Flextrus Lund and Halmstad have performed employee surveys in 2016. The surveys covered areas related to both physical and psychological work environment, cooperation and management, balance between work and private life, and work place values. The overall outcome was shared at all-employee meetings, while more detailed information has been discussed on the department level where action plans have also been put in place. It is planned to perform such surveys every second or third year.



An example of the employee survey outcome in Flextrus Lund

Flextrus Lund has in 2016 started a close cooperation with an external partner for occupational health by providing a nurse on site every week to support the rehabilitation and prevention of work-related injuries and diseases and offering health check-ups. A health improvement programme has also been initiated that includes a step-by-step upgrade of the company gym with a personal trainer present every week as well as a tobacco cessation programme.

ENVIRONMENT



SUSTAINABLE INNOVATION

AR Packaging's driving force to continuously develop and enhance packaging values and overall performance has led to several awards in innovation and sustainability. Increasing consumer convenience and creating attractive products for optimised brand exposure while maintaining our environmental consciousness is a top priority.

A rapidly evolving global consumer market means that the role of packaging is changing. AR Packaging links new product development to four identified megatrends which describe the change in society and consumer behaviour.

A proactive approach to different needs of our customers – now and in the future – is crucial in order to secure long-term business growth and an even stronger market position. By sharing expertise in selected technologies and comprehensive material know-how throughout the Group, skilled packaging experts provide a comprehensive product portfolio, and new innovative packaging solutions are developed.

AWARD WINNING PACKAGING

In 2016, AR Packaging was awarded several ProCarton ECMA awards, one of Europe's most well-recognised packaging awards. My von ERL won the prestigious Carton of the Year award for the luxurious packaging for e-cigarettes, representing modern simplicity and high technological quality. In the Healthcare & Pharmaceuticals category, Sileo, a childproof packaging developed for Orion Pharmaceuticals, was awarded for its sustainability and state-of-the-art functionality.



Other awards received in 2016 were the Deutsche Verpackungspreis, for the innovative folding box for Triumph International's Sloggi brand, creating the best product experience, and the Promotional Gift Award 2017 for the German Lauenstein Christmas calendars developed with several unique and innovative solutions.

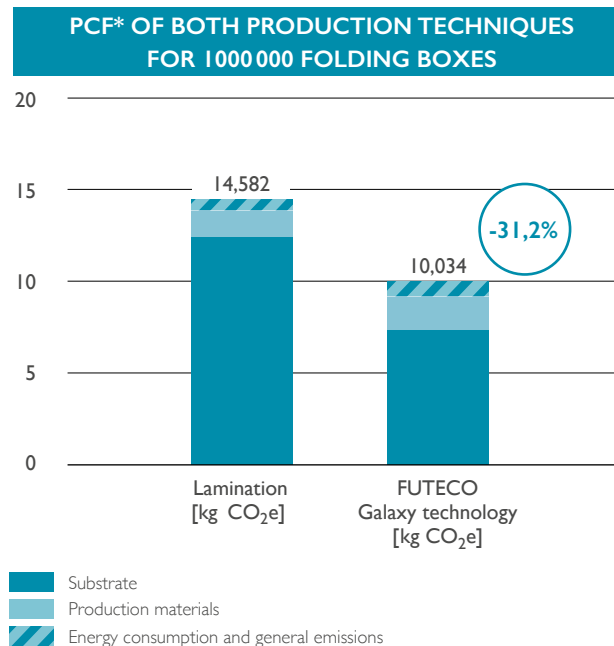


FUTECO® GALAXY

Packaging with different looks and attractive shapes is more important than ever; with increasing competition in store shelves. Futeco Galaxy is a new, unique product that meets these customer requirements, while being a more sustainable packaging solution with reduced environmental footprint. A value-added printing process for high-end products in the beauty care, confectionery and tobacco sectors, creates a shiny metallic surface on the pack to attract consumer attention. It replaces the need for foiled or laminated metallised cartonboard and thereby eliminates foil waste and mixtures of different material making it fully recyclable and repulpable.



A comparative study made by ClimatePartner GmbH investigated carbon emissions generated by the production of a Futeco Galaxy folding box compared to a corresponding product with the same board and construction but produced with lamination techniques. Based on Product Carbon Footprints (PCF) and the cradle-to-gate approach, carbon emissions of the transportation of raw materials and intermediate products to AR Packaging's production site, the raw materials, and the production process itself is taken into account. The study showed that using the Futeco Galaxy technology results in a reduction of carbon emissions by almost a third.



*PCF – Product Carbon Footprints

DIGITAL PRINTING

The acquisition of Mediaköket in 2016 added digital printing capabilities to AR Packaging and thereby complements the technology base of the Group to cover a wide range of different needs.

Digital printing is production from file directly to exact print. Setup waste is minimal, and there is no need for print plates or clichés, reducing delivery time and saving costs as well as the environment.

The technological setup is ideal for industrial production of smaller orders to local food and healthcare companies as well as for test launches, consumer tests and prototyping to larger brand owners. Digital printing allows for individual print designs and can be used on several packaging materials such as flexibles, folding cartons and labels. The capability for variable data is immense and can be generated randomly or controlled. For example, when each piece needs a unique code, name or address, digital printing is ideal.

The wider print press at Mediaköket is combined with a wide web finishing unit that can be used for special varnishes, lamination and slitting. The deliberate choice to use electron beam curing in combination with digitally printed flexible materials makes Mediaköket unique in Europe and provides a safe solution when it comes to environmental and food safety aspects. Many customers of AR Packaging are exploring the new opportunities with digital printing, and a number of strategic projects have been initiated.



BOARDIO®

With excellent pack rigidity and integrity, Boardio is an exclusive packaging solution offering excellent product protection for green brands.

The patent pending packaging system is specifically designed for the protection of sensitive food products such as powders, snacks and coffee. The advanced sealing technology and state-of-the-art packaging machinery ensure superior product protection. Through the use of a tape seam, the packaging effectively protects the product's content against micro leakage, increasing consumer safety.



Boardio has a clear environmental profile with optimal material usage and high carton-board content making it a winner of carbon footprint benchmarks in rigid airtight packaging. Additionally, with all components delivered flat it saves space and cost of freight and inbound logistics compared to pre-erected containers such as for example tin cans.

Being flexible in size, shape and structure, Boardio can be customised to meet customers' specific needs and requirements. The unique shape and structural design also effectively prevents counterfeiting and cannot be copied. Further, the exclusive look allows for an attractive print on all six sides along with several innovative features for consumer convenience, such as efficient reclosing and easy dosing.

Boardio is part of a portfolio of innovative packaging systems comprising both machinery and the packaging components as well as services such as installations, spare parts, machinery upgrades and project management. Put simply, a complete system from one reliable partner.

A&R Carton is the exclusive supplier of the Boardio packaging solution including both barrier packaging components and machinery.



RAW MATERIAL USAGE

AR Packaging promotes sustainability across all aspects of its business, with a particular focus on sound procurement and conversion practices, e.g ensuring responsible management of forests and other natural resources. The Group actively works with its customers to decrease material usage through smartly designed alternative constructions and by increasing the amount of renewable materials in the packaging.

The main materials used by A&R Carton are carton and paper, followed by ink and varnish – with solvents pending on the used printing technology. Other materials like glue, hot,- and cold foil, etc., play a subordinate role in our business. For our flexible business the main materials used, besides carton and paper, are plastic resin and film and aluminium foil.

CARTON – A RENEWABLE RESOURCE

The vast majority of timber used in the European paper and board industry comes from European forests. The largest forests are located in Finland and Sweden, where our main board suppliers are located.

European forests are large enough to provide all the fibre needed on a sustainable basis. The paper and board industry does not use wood from tropical rain forests (or other endangered eco-systems).

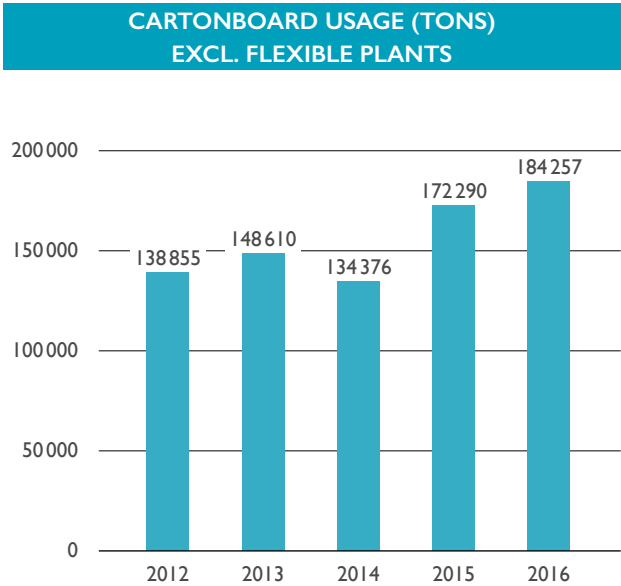
Moreover, the forest area in Europe is growing – European forests are today over 30% larger than in the 1950s. Our suppliers and other forest owners/operators carefully manage forests and can prove this through certification schemes such as the Forest Stewardship Council FSC® and the Programme for the Endorsement of Forest Certification PEFC™. These certifications cover the whole supply chain verifying that the wood used at

each stage of the production process comes from a forest certified as being sustainably managed. It is only valid if each step in the supply chain is checked. At AR Packaging, 17 of 20 plants are certified according to FSC® and/or PEFC™; thus AR Packaging offers its customers the use of these standards for responsible forest management of their products.

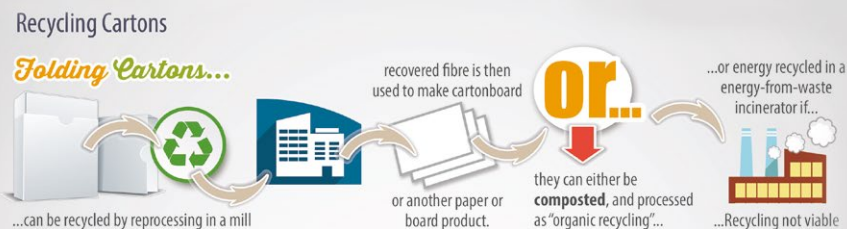


© Pro Carton (www.procarton.com)

The usage of our cartonboard has increased significantly over the last three years, which is following our growth strategy. Together with our customers, we aim to save resources by reducing the usage of cartonboard. This is made possible through improved construction using less material, reduction of board grammage and ongoing reduction of setting and process waste. This is all part of AR Packaging's KPIs and therefore carefully monitored at all plants.



Another advantage with our products is that folding cartons can be recycled easily:



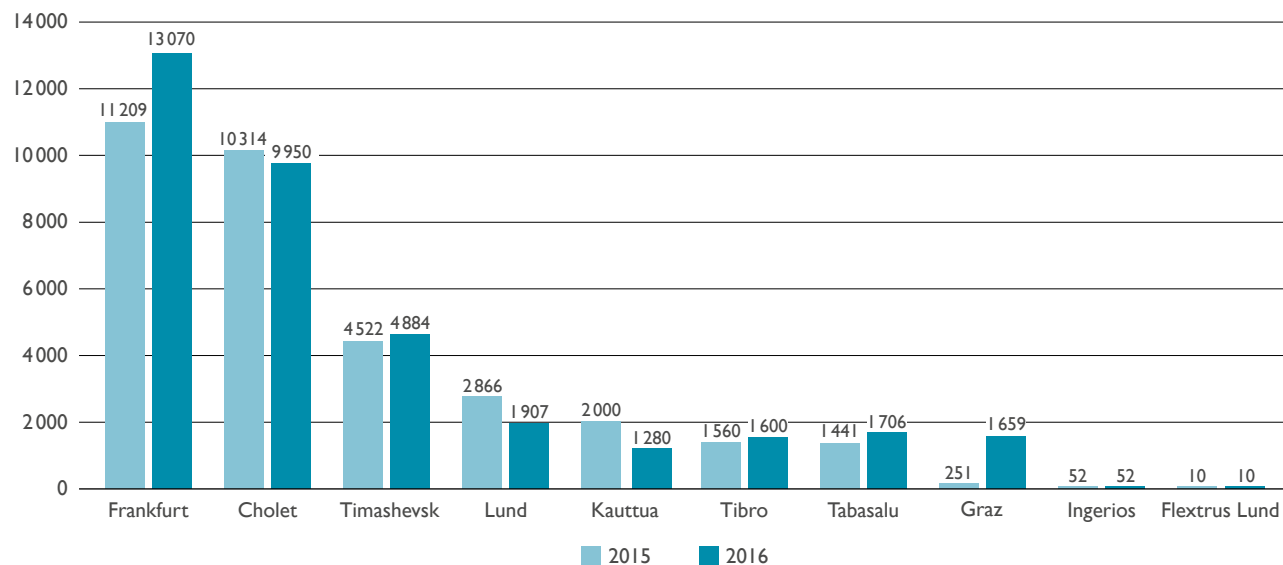
© Pro Carton (www.procarton.com)

RECOVERY AND RECYCLING

Increasing efficiency of stock preparation through investment in modern technology in the board and recycling industry has led to an increase in the recuperation of recovered fibres by several thousand tons per year and the reduction of rejects from the production process.

AR Packaging uses recycled board materials as standard for most of the transport packaging (cases, intermediate layers, edge protection, etc.). For our folding boxes, the use is dependant on the needs of the customer and on the application. However, recycled cartonboard grades for food packaging is always offered to and discussed with our customers. In 2016, the use of recycled board increased by 5%.

USAGE OF RECYCLED BOARD (TONS)

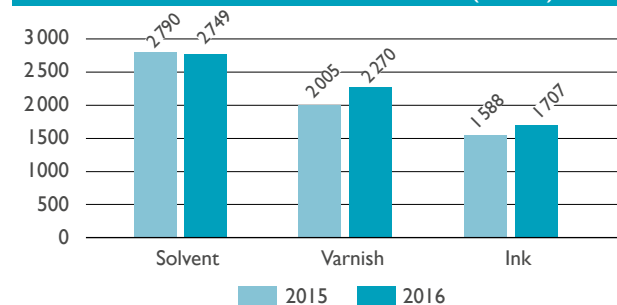


OTHER RAW MATERIALS USED

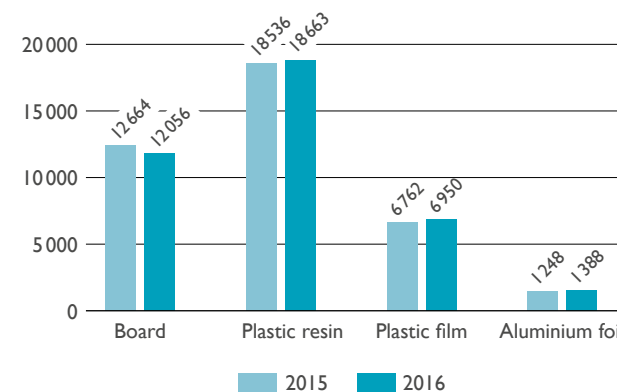
Besides cartonboard, the usage of our other main materials increased in 2016 closely linked to the board usage. The main materials for the flexible plants remain on a comparable level.

The general use of recycled raw materials over all raw materials slightly decreased from 24% in 2015 to 23% in 2016. This is driven by the use of cartonboard and is connected to mineral oil discussion on recycled board grades and higher volumes in the cigarette industry – an industry currently not using recycled board grades for their packs.

OTHER MAIN MATERIALS USAGE (TONS)



MAIN MATERIALS FLEXIBLE PLANTS (TONS)



ENVIRONMENT

Printed folding cartons is the main business of AR Packaging, and because they are made from a renewable resource they have a great environmental story to tell.

Cartonboard is made of wood fibre coming from sustainably managed forests, predominantly from European forests in Sweden and Finland. At the end of their lifecycle, cartons are collected and recycled to form a secondary raw material. About 40% of cartons in Europe are made from virgin fibre and 60% from recycled fibre.

Additionally, our board suppliers are leaders in the European pulp, paper and board industry when it comes to energy consumption and conserve the use of water – an essential element to paper and board production. 95% of the water used is cleaned and reused on site. (www.procarton.com)

AR Packaging sees the importance and advantages of cartonboard as a renewable raw material and demonstrated the commitment to this with a special event in 2016.

PLANT-A-TREE-DAY AT CC PACK, TIBRO

On the 14th of September 2016, AR Packaging and Stora Enso arranged a "Plant-a-tree-day". 20 specially invited brand owners from the food industry in the Nordics and France were gathered to start the project of planting 6.000 birch trees in what will become the so-called "tray forest" next to the CC Pack plant in Tibro. During the event, AR Packaging, CC Pack and

Stora Enso presented their businesses and highlighted how trees contribute to the natural environment and explained the benefits of fibre-based and recyclable packaging.

The initiators to the event was the CEO of CC Pack, Christoffer Olbrich and plant manager Andreas Carlsson. "The environmental perspective is what drives our innovation and development. Regardless of whether it is about our products or processes, we always strive to make more of less. To plant trees on our land is yet another example of what we do to become a carbon neutral business" said Christoffer Olbrich.



SUPPLIERS

Sustainable and sound business can only be achieved if the whole supply chain works in harmony with common values and frameworks. Consequently, AR Packaging is dependent on its suppliers and their undertakings to adhere to the Group's expectations on sustainable performance.

To underline the importance of sustainable performance, a new procurement policy that complements the Code of Conduct was implemented in 2016. The policy states that business ethics and environmental requirements should be considered at all times when working with both existing and new suppliers. Starting in 2016, negotiations with suppliers are addressed, and emphasis is put on environmental performance (e.g. environmental policy, energy consumption, and carbon footprint) when selecting suppliers and awarding them business.

Moreover, sustainability measures have been implemented in the Group's audit system and began to be used in supplier audits in 2016. The main material suppliers are in general very active in the field of sustainability, and an example of this is our ink supplier Siegwerk.

SIEGWERK

With its expertise in individual solutions and product safety, Siegwerk is a worldwide market leader for printing inks for packaging. The recent Cradle-to-Cradle Material Health Gold certification by the Environmental Protection Encouragement Agency (EPEA) is just one example of Siegwerk's innovative approach towards more sustainable products.



Looking back on a successful tradition of 190 years as a family-owned company, Siegwerk has always strived for long-term partnerships and taken responsibility for society and the environment. In 2015, this mindset drove the company to relaunch its sustainability activities.

The newly-formed global sustainability team carried out a stakeholder and materiality analysis and took the learnings and used these to create new overarching Guiding Principles. A comprehensive sustainability program with specific targets and corresponding KPIs constantly develops and follows one purpose: to bring these Guiding Principles to life and help Siegwerk live up to its commitment to sustainable development.

Major investments are screened for defined sustainability criteria. Siegwerk drives transparency regarding its workforce, production and products and builds the foundation for continuous improvement in one aligned direction. Two examples from the company's rapidly growing Asian region:

- the new exhaust air purification system in Shanghai, China, reduces volatile organic compounds (VOC) emissions significantly below the thresholds required by Chinese law
- a new water treatment plant can process 3.000 metric tons of water per year, which can be reused for cleaning of production containers.

Siegwerk also invests in traditional economies like Western Europe. The modern blending plant in Annemasse, France, is characterised by an extremely high degree of precision, increasing product quality and safety. At Siegwerk's headquarters in Siegburg, Germany, production in a closed system has led to significant reduction of VOC emissions by 170 metric tons per year. The electrical energy consumption has likewise been reduced by 625.000 kWh per year.

The strategic integration of sustainability in the company processes allows linking of compliance, ethics, environment and social topics to steer and control them. Several activities and first achievements are described in detail in the first Sustainability Report published at the end of 2016. In adherence to the international Global Reporting Initiative (GRI) standard, the publication is aimed to actively promote dialogue with its stakeholders and to help the company proceed the journey towards a more sustainability future.



WASTE

Waste is predominantly generated during set-up and production as well as from transport packaging. In our processes, the main waste produced in the non-hazardous fraction is paper and cartonboard waste, which undergoes a recycling process. In the hazardous fraction, printing process waste such as ink and varnish are the main waste.

All waste is separated into different sections and classified as:

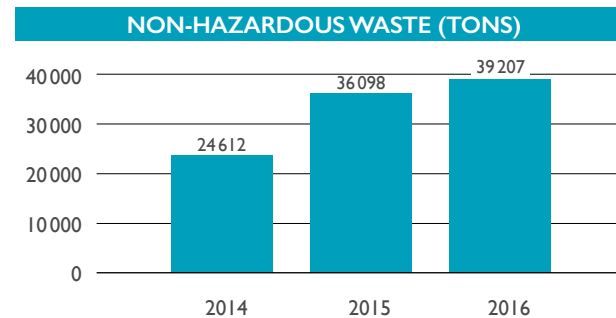
- non-hazardous waste (paper, board, transport packaging, plastic/films, household waste, etc.)
- hazardous waste (inks, varnishes, glues, oil contaminated waste, etc.).

Both sections have increased in 2016 – partly based on higher production volumes. Therefore we are currently not on track for our sustainability target on waste, which is a reduction of hazardous waste generation and non-hazardous waste generation both by 5% by 2020.

In general, our waste sections follow recycling schemes where possible and where these are locally available. Environmental Managers and other employees responsible for waste handling at our plants ensure that legislation requirements are met and that all waste is taken care of by licensed disposal companies. All waste is handled locally in the countries in which we operate, and consequently no hazardous waste is transported, imported, exported or treated under the provisions of the Basel Convention.

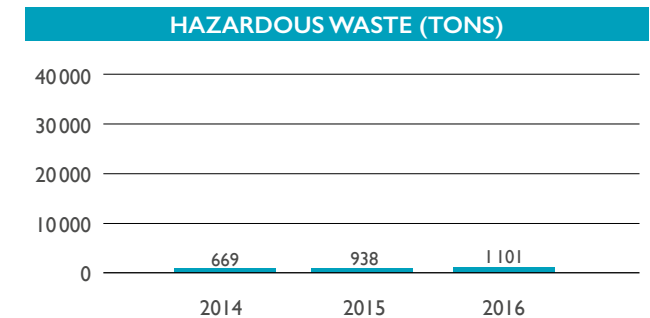
In 2016, no incidents occurred, in which environmentally harmful substances such as oils, fuels and chemicals were released.

NON-HAZARDOUS WASTE



NON-HAZARDOUS WASTE	2016 (TONS)
Paper/cartonboard	29 830,6
Plastics/films	4 554,4
Others	2 015,9
Household waste/commercial waste	1 106,0
Wood/wooden pallets	1 012,6
Metal (gold, aluminium) and embossing foils	332,0
Metals	241,8
Ink and varnishes (non hazardous)	88,7
Construction and demolition waste	11,6
Compost	11,2
Electronic devices and units	1,2
Bio-waste	0,7
TOTAL (TONS)	39 206,8

HAZARDOUS WASTE



HAZARDOUS WASTE	2016 (TONS)
Waste from use of printing inks, coatings, adhesives	384,7
Waste packaging: absorbents, wiping cloths or filter materials	287,6
Others	188,9
Discharged packaging and bulks (e.g. uv printing tins, packaging of dangerous goods, cleaning agent bulks, ...)	112,9
Solvents, solvent mixtures (also cleaning agents, roll cleaning agents, dilutors ...)	46,7
Waste from the photographic industry (e.g. prepress)	39,7
Batteries and lead accumulators	23,7
Waste oils of different kinds	8,7
Electrical and electronical equipment	7,7
TOTAL (TONS)	1 100,7

WASTE PROJECTS

All plants are continuously working on waste reduction and must report waste on a regular basis. Waste reduction of the main raw materials is strongly linked to cost minimisation and is therefore a set KPI for all operations. To reach reductions, several approaches are followed by the plants, of which three examples from 2016 are shown below.

A&R CARTON LUND

One possibility for reduction of waste is to review the whole process in total. This was done by A&R Carton Lund, Sweden on their base production of Cekacan packaging, and an investment in a state-of-the-art base cutter followed. Only one production step is required today, which has led to a 50% waste reduction. A positive side effect of this is that reels are now used instead of cut sheets, which reduces the inbound transport significantly.



New base cutter in Lund

KRAKOW

The investments in new machines and upgrades in existing machine equipment must be considered because these might bring positive impact on our waste figures. A&R Carton Krakow, Poland upgraded its printing press during a transfer project of a printing press from another factory. About 500.000 EUR was invested in a new register system called Registron S 6100 as well as in upgrades of existing drives of the printing process. Besides improved process stability and an increased capacity by decreasing change-over time, this update brought about a significant reduction in waste of board and ink/varnish and the usage of these materials, leading to 190.000 EUR savings/year.

Registron® S 6100 - Register control system



New register control system in Krakow

CHOLET

Waste sorting is an ongoing project, and in our offices there is still room for improvements with regular awareness of our employees. A&R Carton Cholet, France started a project with easy measures and small investments in different sorting bins, and it was able to achieve a reduction of seven tons of household waste, equal to 19% at the end of 2016. Collecting other waste sections were re-organised and improved to secure better recycling.



Separation of computer waste and neon in Cholet



Breaking room sorting bins in Cholet

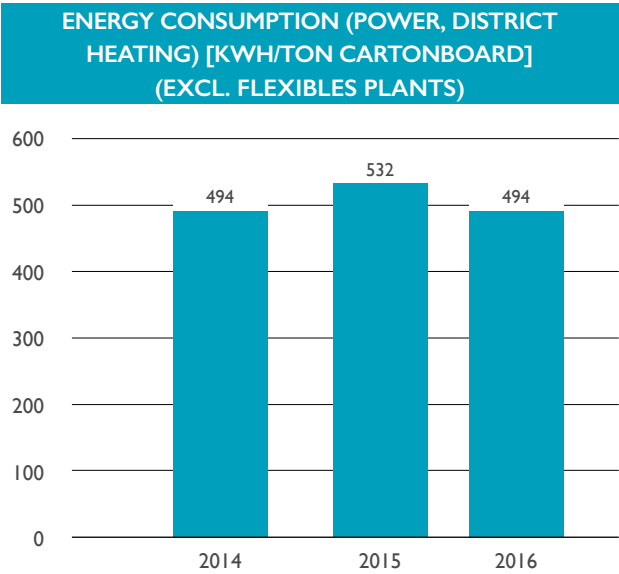
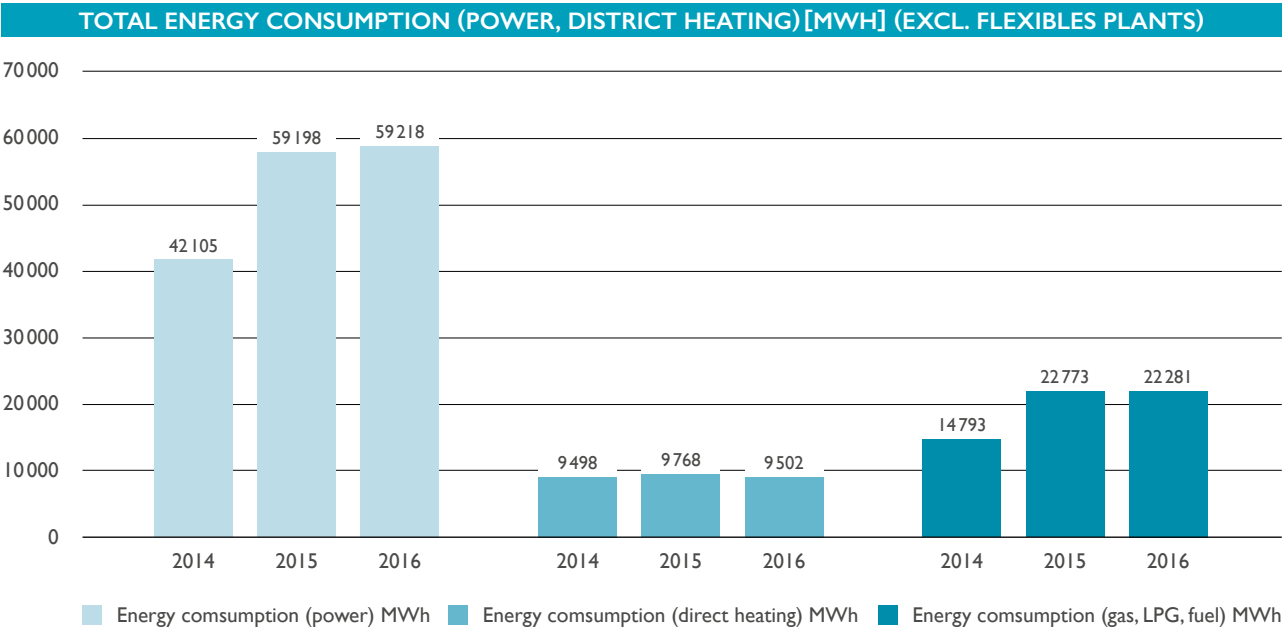
ENERGY CONSUMPTION

Reduced energy consumption is not only an environmental consideration with positive effects on our carbon footprint and emissions, it is also significant in terms of reduced production costs. Projects that aim to enhance energy efficiency are continuously in progress at all of our plants.

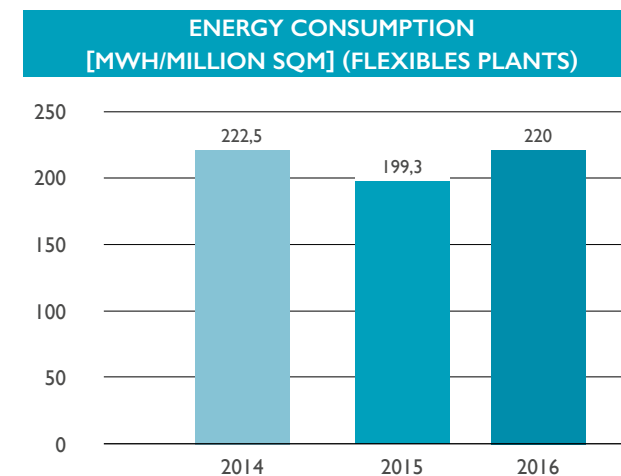
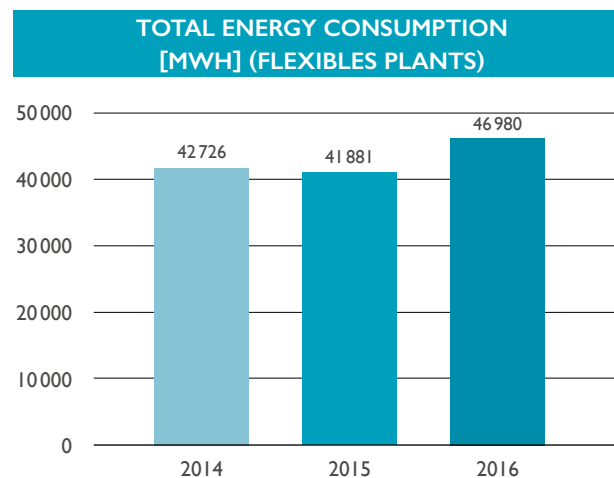
AR Packaging is in a strong growth phase, and the integration of the newly acquired plants has naturally led to increased energy consumption and CO₂ figures. In the previous year's report, existing and newly acquired plants were taken into account to be able to report progress compared to the previous year. This year's figures on key performance are published based on used tons of main material (cartonboard) for A&R Carton, while the three flexible plants are reported separately in terms

of energy consumption because they entail different processes and key performance figures.

The A&R Carton plants reduced their overall energy consumption by 7% compared to the previous year; a significant reduction that is now comparable to the target base year 2014 before the integration of the plants acquired in 2015.



For our flexible business, an increase from the previous year by 11% in overall energy consumption brings us back to the target level for 2014. In addition to a new machine installation at Flextrus Lund causing an increased electric power consumption, a general higher output cannot compensate for a higher energy consumption at all plants. However, planned projects are expected to bring positive impacts in coming years.



ACTIVITIES TO REDUCE ENERGY CONSUMPTION

The main focus at all plants is to further improve and refine the energy mapping in order to generate a basis for further measures and projects. Additionally, the involvement of people in this process generates ideas for further savings. 2016 shows many examples of this:

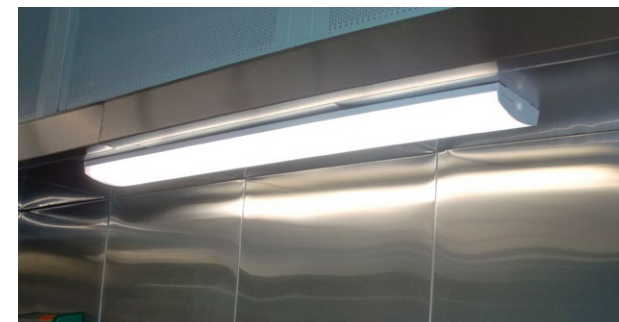
MOVE TO LED LIGHTING

The move to LED lighting is a very popular target and has been an ongoing project at all of our plants over the last two years. Changes to LED are made in case of standard replacements or as part of small projects for different plant areas. Moreover, the plants take the possibility to optimise the lighting, amount of lighting or the use of motion sensors to save energy. A reduction in energy consumption is directly visible in the figures.

- At A&R Carton Lund, optimisation of lighting in the production areas in 2016 resulted in a lighting energy reduction by

60%. In this case it was connected to the elimination of the regular exchange of fluorescent lights. Glass in production areas could be reduced with a positive impact on food safety and hygiene.

- In 2016, the Highbridge plant in the UK started a project with the aim to replace all lighting units with low-energy LED units. About 90% is completed, and a return of investment (approximately 24.000 EUR) will be reached in a short time. Additionally, savings in reduced UK Government Climate Change charges have been achieved.



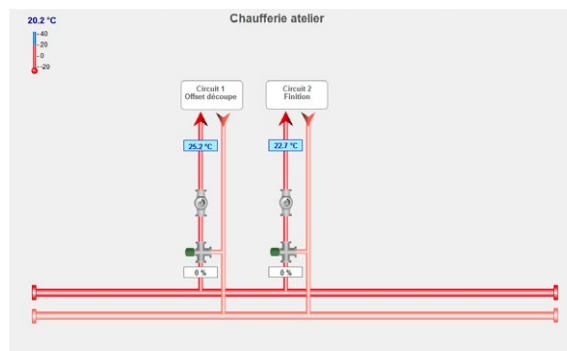
REPLACEMENT OF EQUIPMENT

- The Group and all plants have started extensive investment programmes using state-of-the-art technology, and these have all had a direct impact on energy consumption and CO₂ figures. This is valid for the installation of new machine equipment and for surrounding equipment with the aim to save energy and costs with short payback time. The investment programme will proceed in 2017 with new printing machines at the plants in Cholet, France, and Frankfurt, Germany, where local environmental and energy managers are involved in finding the best solutions for savings.
- An example of surrounding equipment is shown by the plant in Graz. In the offset printing department, an old screw chiller (max. 1.000 kW) was replaced by two new scroll chillers (max. 480 kW). The two new chillers are connected by a master/slave function, and consequently the full load performance will no longer be reached. The energy efficiency has increased significantly, and higher system reliability (failure safety) has been achieved. With an investment of about 120.000 EUR, an energy reduction of 447 MWh per year – equivalent to 37.200 EUR per year – was achieved.
- The overall usage of cartonboard has increased even though some plants show lower production figures for 2016. Consequently, figures related to energy consumption are inconsistent. The plant in Augsburg, Germany, used 18% less cartonboard in 2016 and had a reduction in energy consumption of 3%. This was mainly due to a recuperator for thermal oil in the rotogravure printing process that was installed in 2015. It was in operation in 2016 and showed an expected decrease in gas usage by 27%. The installation of further consumption readers in the process and improved optimisation of equipment will lead to further decreases in the coming years.

OPTIMISATION OF EXISTING EQUIPMENT AND PROCESSES

Existing equipment and processes offer a lot of possibilities for improvement – often with little or no needed investment.

- The plant in Cholet, France, installed a new self-regulator for its heating system, and a EUR 3.000 investment led to a 12% reduction in gas consumption.



- The plant in Frankfurt, Germany, reached its targets of decreasing energy consumption by 10% in 2016 compared to the previous year. A successfully performed programme without any investments being made, called “optimised and efficient set-up of production orders in offset printing and die cutting processes”, included instructions on when to turn on power for different process equipment. This programme was given to operators with the instruction that these must be followed during the set-up process. Moreover, it was analysed when turning off power makes sense, e.g. during breaks and during weekends. Another main driver for saved energy consumption was the installation of a new high-pressure humidifier system that replaced the old system and resulted in an electricity saving of 180 MWh.

CARTON
a member of the AR Packaging Group
Werk Frankfurt

Energieeffizientes Rüsten

Um ein Energieeffizientes Rüsten in der Stanzerlei gewährleisten zu können, muss an der Maschine folgender Ablauf eingehalten werden.

Nr.	Prozessschritt	Schredder	Abfallband	Absaugung *
1	Auftrags Ende / Vorauftrag	Aus	Aus	Aus
2	Ausräumen Vorauftrag	Aus	Aus	Aus
3	Einräumen neuer Auftrag	Aus	Aus	Aus
4	Rüstvorgang	Aus	Aus	Aus
5	Produktionsbeginn	An	An	An

* kann nur an der SM 4 und 12 separat ausgeschaltet werden

WATER USAGE

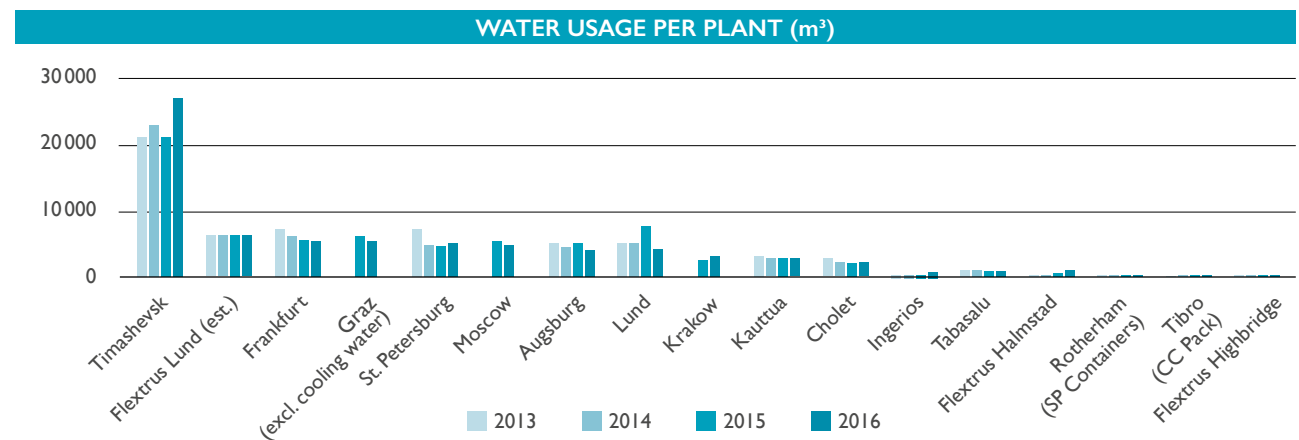
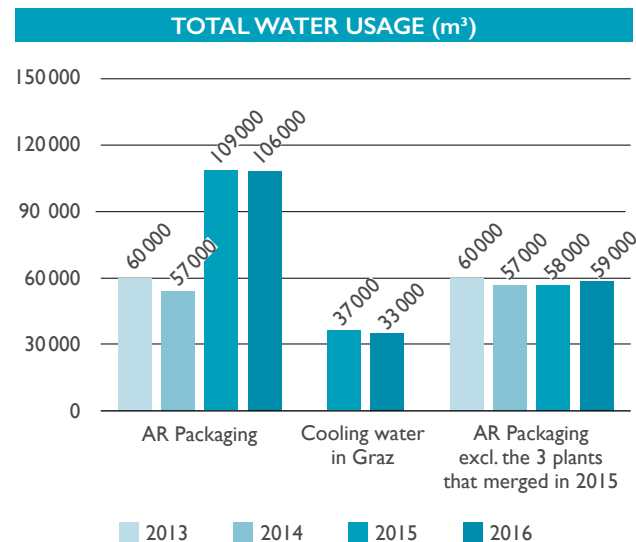
In addition to sanitary water, the AR Packaging plants use water for printing, humidification and washing in quantities depending on the plant size and production processes, buildings and machines. At our plant in Graz, Austria, a high volume of ground water is used for process cooling.

In total the water usage was reduced by 3% in 2016. Examples show that simple measures can bring substantial positive effects:

- Augsburg, Germany: Change of water skin to spray nozzle in cylinder washing room and optimisation of high speed steam generator resulted in 1.512 l less water used
- Graz, Austria: Valve optimisation/repair of installed cooling device resulted in 4.099 l less water used
- A&R Carton Lund, Sweden: Focused work on realistic figures showed much lower water usage than in previous years (-4.100 l) and will be the basis for future comparisons

Although water is not a main need in our processes, all plants work continuously with optimisations for minimised use of water. Only the Timashevsk plant, Russia, showed a relevant increase in water usage of 5.970 l linked to higher production volumes.

Water springs are known by the providers and no water sources are significantly affected by our withdrawal. Used water goes into the public sewage systems and is reprocessed in waste water treatment plants.



BIODIVERSITY

AR Packaging had in 2016 (full year), 17 plants located in nine countries in Europe. Only two of the plants are located in or adjacent to protected areas:

- The plant in Frankfurt, Germany (offset production) is located in an official flood protection zone next to a brook. Additional requirements from authorities were fully implemented in 2015, and no changes have been made in 2016.
- The plant in Augsburg, Germany (rotogravure production) will be adjacent to a drinking water protection area. Licensing requirements and orders will be respected and controlled by authorities.

The other 15 plants are not located in protected areas, adjacent to protected areas or in areas of high biodiversity value without protection status. In general, none of our products or any activities at our plants have an impact on biodiversity in protected or unprotected areas with high biodiversity value. Therefore, no species on the IUCN Red List of Threatened Species or on national or regional conservation lists are identified in habitats near our plants or are affected in any way by our operations.

EMISSIONS AND REDUCTION OF CARBON FOOTPRINT

AR Packaging carries an extensive product portfolio with cartonbased and flexible products where folding carton is the largest part. The main advantage with all carton and paperbased packaging is the use of renewable sources as the main material. Pro Carton (the European Association of Carton and Cartonboard manufacturers) has published an explanation and background to the carbon cycle. The carbon cycle for cartonboard products is a closed loop, beginning and ending with the sustainably managed forest:

- CO₂ is absorbed and stored in trees – sustainable forestry maintains or increases the amount of CO₂ stored.
- Thinnings and offcuts are processed into fibres and further into cartonboard in mills, many of which generate their own power in the production process from wood residues.
- Carbon is stored in the wood fibres in cartonboard products in use.
- Cartons can be recycled, and this process prolongs the time in which carbon is stored in products in use.
- At the end of their useful life, cartons can be disposed of, for example, by incineration with energy recovery, and cartons are then replacing fossil fuels.
- Carbon is released through natural degradation or from disposal processes.
- Carbon is then absorbed and stored in sustainably managed forests.

The process of sequestration of carbon in the forest is closely linked to the renewability of the forest. Renewable materials are composed of or manufactured from biomass that is sustainably managed and continually replenished by natural processes. Sustainably managed forests have an important role in the production of biomass and renewable materials and in mitigating climate change.



© Pro Carton (www.procarton.com)

Besides the great impact of raw material, the reduction of carbon footprint for AR Packaging is closely connected to the reduction of energy usage and emissions thereof. Therefore, all measures and activities with less energy consumption lead to a direct or indirect reduction of CO₂ emissions, and many positive examples are mentioned under the part "Energy consumption".



A&R Carton, Graz has started a project with the aim to motivate staff members to use bicycles instead of motorised vehicles. The project included the installation of modern bicycle racks close to the workplace. Being a small project, the intention of making employees aware of emissions and use a more sustainable alternative for transportation proved to be a success. The project received the "klimaaktiv" award from the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW).

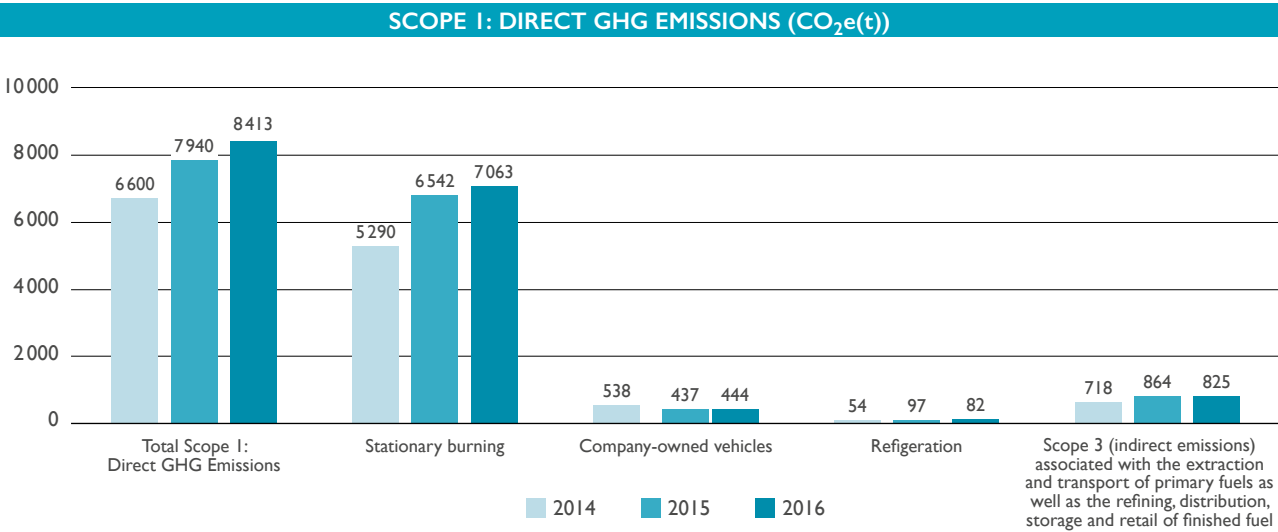
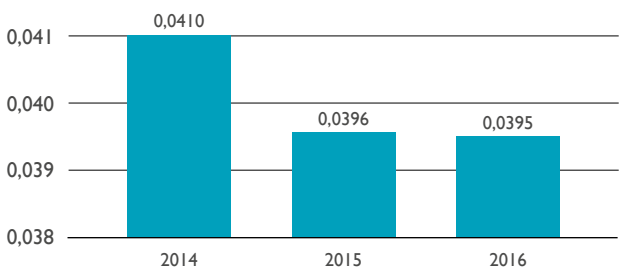
SCOPE I: DIRECT GREEN HOUSE GAS (GHG) EMISSIONS

Scope I includes all GHG emissions generated directly by the organisation, e.g. GHG emissions from the combustion of stationary sources (e.g. boilers) or mobile sources (e.g. company-owned vehicles), GHG emissions from chemical processes and volatile GHG emissions as a result of leakage from air conditioners.

The direct emissions from AR Packaging's processes originate in plants with production of flexible packaging and/or where rotogravure and flexographic printing is used because installed incinerators burn the exhaust.

Increased absolute figures are linked to higher production volumes and newly acquired plants. Like-for-like comparison between 2015 and 2016 shows equivalent levels, while compared to base year 2014 a reduction with 4% in Scope I emissions is reached.

SCOPE I: TOTAL DIRECT GHG EMISSIONS (CO₂e(t)) PER COMPARATIVE FIGURE



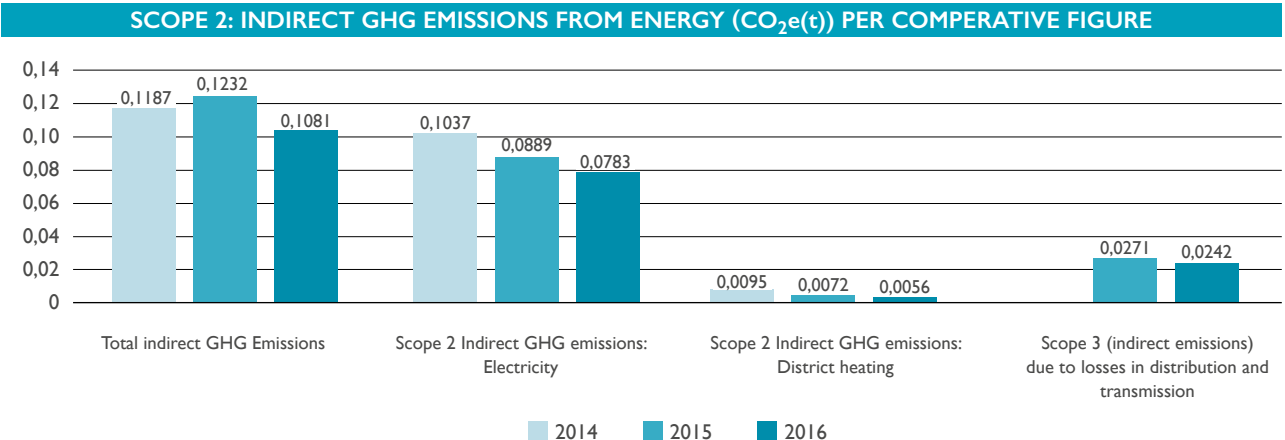
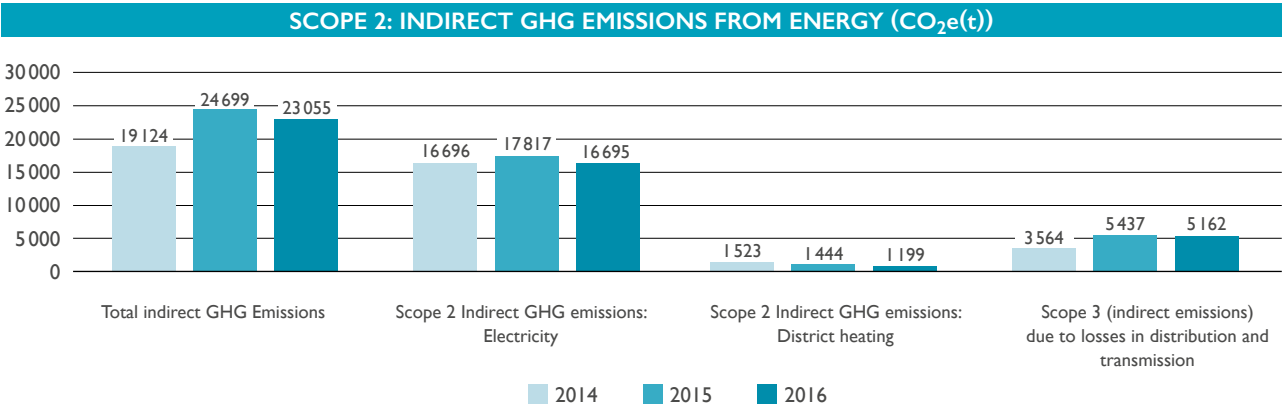
SCOPE 2: INDIRECT GHG EMISSIONS FROM ELECTRICITY AND DISTRICT HEATING

Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company, including district heating. If electricity and heating from renewable sources are used, CO₂ emissions are declared as 0 g/kWh.

Currently four of the Nordic plants (Flextrus Lund, Flextrus Halmstad, A&R Carton Lund and CC Pack in Tibro) and the large A&R Carton plant in Graz, Austria (see certification on left) have used 100% renewable “green” energy since 2015 with zero CO₂ emissions.

Other plants increased the part of renewable energy used by up to 80%. The aim for the coming years is to further increase the renewable energy levels at all plants using a mix of energy.

AR Packaging has reduced its total indirect GHG emissions per produced ton by 12% compared to the previous year and by 9% in comparison to the base year 2014.



SCOPE 3: OTHER INDIRECT GHG EMISSIONS

Scope 3 is an optional reporting category that allows for all other indirect emissions. These emissions are a consequence of company activities but generated from sources not owned or controlled by the company. They are not in focus for this report but we aim to start reporting these within the next few years.

CDP DISCLOSURE PROJECT

Together with some of our large international customers, we are reviewing the impacts of climate change in our supply chain through the internationally recognised CDP disclosure process.

CDP, formerly known as the Carbon Disclosure Project, is an independent nonprofit organisation that runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts. CDP has built the most comprehensive collection of self-reported environmental data in the world.

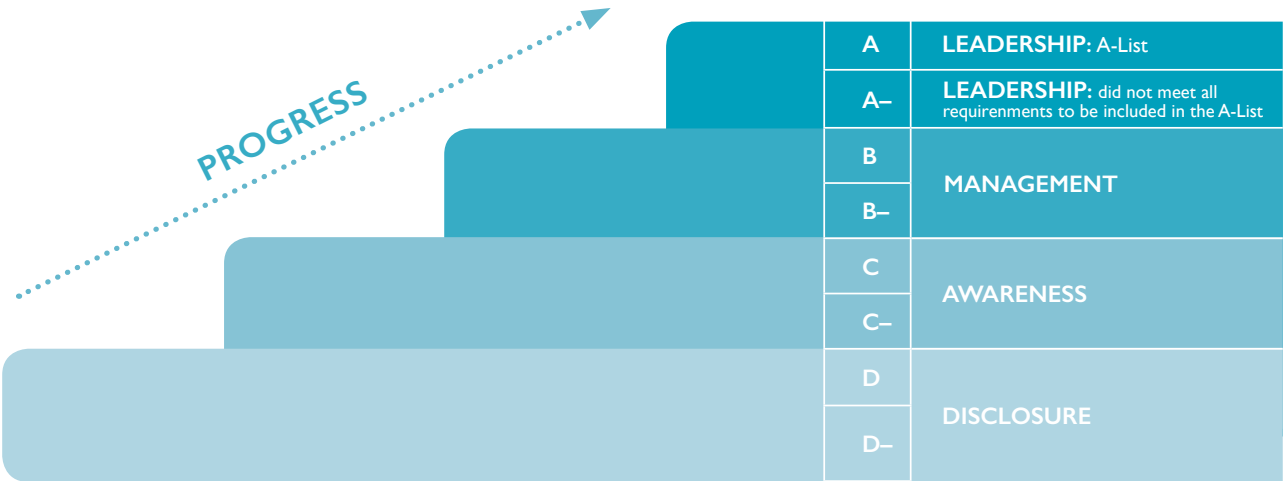
Over 5.600 companies responded to CDP's annual climate change questionnaire in 2016, and see the benefits of responding by identifying cost savings from increased efficiency. AR Packaging has participated in the CDP since 2014. The survey's questions relate to issues such as; how you identify risks associated with climate change, what your emissions are, details on your emissions management strategy such as targets, and actions to reduce emissions.

In 2016, 17 plants answered the CDP questionnaire (for reporting year 2015) through our data collection software 360°report. All data were summarised at Group level and transferred to the CDP online response system (ORS). This process is executed annually at the end of July. All input is assessed by the CDP organisation, and scores are published in November. The results for AR Packaging are visible for those customers who have requested to participate in the CDP.



NEW SCORING METHODOLOGY BY CDP

CDP has changed the scoring methodology for 2016 and combined the previous disclosure and performance score into one new classification ranking:



IMPROVED RESULTS IN 2016

Based on the results in 2015, AR Packaging appointed the consultancy firm and accredited CDP provider DFGE+ for support. The aim was to map deficiencies in our processes and structure in order to improve the CDP scoring to adequately

reflect AR Packaging's efforts. The resulting CDP scoring in 2016 improved significantly in all categories, and AR Packaging is now above average compared to all submitted supply chain responses.



CDP 2016 CLIMATE SCORE

The performance scores are expressed as grades (A, A-, B, B-, C, C-, D, D-) with A being the highest level.

AR Packaging obtained the following results:

COMPANY NAME	PERFORMANCE BAND
AR Packaging	C
CDP supply chain average	D

Due to the mentioned change of scoring methodology, direct comparison to previous years cannot be done. However, conversion of the figures shows significant improvement from D to C with status “Awareness”, and above average (level D) of all responding companies.

CDP 2016 CLIMATE PERFORMANCE GRADE CATEGORIES

The performance grades for the categories below show strengths and weaknesses.

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

CDP 2016 WATER SCORE

The performance scores are expressed as grades (A, A-, B, B-, C, C-, D, D-) with A being the highest level.

AR Packaging obtained the following results:

COMPANY NAME	PERFORMANCE BAND
AR Packaging	C
CDP supply chain average	D

CDP’s water programme is based on the fact that a stable supply of good quality and fresh water can no longer be guaranteed in many regions. Although our plants are currently located in regions with no limitations in water or water quality, AR Packaging is motivated to disclose and protect sources and reduce water usage. Results for 2016 are comparable to the previous year’s level with the status of “Awareness”.

CDP 2016 WATER PERFORMANCE GRADE CATEGORIES

The performance grades for the categories below show strengths and weaknesses.

CATEGORY NAME	PERFORMANCE CATEGORY BAND	CDP SUPPLY CHAIN AVERAGE CATEGORY BAND
Context	C	D
Governance and strategy	C	D
Risk assessment	C	D
Risk and response: direct operations	C	D
Risk and response: supply chain	C	D







ECOVADIS SUSTAINABILITY REPORTING

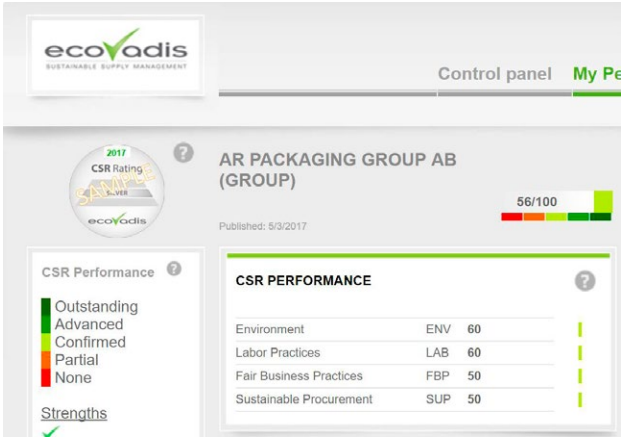
AR Packaging joined the reporting platform EcoVadis at the end of 2016, while some individual plants have been members for some time.

The EcoVadis methodology is built on international CSR standards, including the Global Reporting Initiative (GRI), the United Nations Global Compact and the ISO 26000, covering 150 different categories and 140 countries. EcoVadis includes 21 criteria across the four themes of environment, fair labour practices, ethics/fair business practices and supply chain.

Although AR Packaging already meets the above-mentioned criteria with existing GRI reporting, the CDP Reporting and memberships in the UN Global Compact and SEDEX, the extension to participate in EcoVadis has been taken to meet customer requests.

After the first participation at Group level, the status “Confirmed” was reached as the result of a diversified questionnaire, providing suggestions for further improvement in the next coming years.

ENVIRONMENT 	SOCIAL 	ETHICS 
Energy consumption	Health & safety	Corruption & bribery
Water	Working conditions	Anti-competitive practices
Biodiversity	Labor relations	Fair marketing
Local pollution	Career management	
Material, chemicals & waste	Child & forced labour	SUPPLY CHAIN 
Air emissions	Freedom of association	Environment
Green house gases	Non discrimination	Labour practices & Human rights
Product use/End of life	Fundamental human rights	
Customer health & safety		



FOOD SAFETY AND HYGIENE MANAGEMENT

Food packaging and food safety is one of the key areas and priorities for AR Packaging. We work with our customers in all business segments to meet the increasing demands and to further improve the protection of food against external and unwanted substances and to ensure its optimal shelf life.

In addition, we have seen a change in requirements from our customers in the tobacco segment with demands on strict compliance to common food legislation and further requirements for the tobacco industry. Such compliance has to be confirmed with declarations comparable to the food sector as well as secured by external migration analyses. The AR Packaging knowledge and expertise from the food sector was used as input to the new customer guidelines and systems that were implemented at our plants producing tobacco packaging.



In general, each step of the life cycle of our products is analysed from the perspective of consumer safety. It starts with the choice of raw materials and operating supplies, which are examined and approved by experts based on supplier declarations to ensure suitability for the intended application and compliance with legal regulations. The main destinations for our products are the European countries, including Russia, but we also need to fulfill food safety regulations and requirements in Asia (e.g. China) and the USA.

NEW WAYS TO INCREASE EMPLOYEE AWARENESS

A key element of our high food safety and hygiene approach is the strong involvement of our personnel in the requirements and the understanding of our customers. Therefore, A&R Carton Lund started a new way to further increase the awareness by integrating food safety in the yearly work safety day for all employees. The now called "Safety and food safety day" is an annually recurring event for which production is closed in order to have a full day of exercises, education and inspiration with a focus on safety in general and food safety specifically. In 2016, the day was dedicated to food safety topics such as hygiene, baby food safety and work motivation. In addition, a customer was presenting its requirements and views on market demands.

SEALIO® DEVELOPED FOR PREMIUM SAFETY

Our plants continuously develop their food safety approach depending on the packed food, applications and conditions such as hot fill, oven or microwave heating, etc., and these often exceed customer requirements. One example of further development on food safety and other increased customer requirements is Sealio – a composite can made for premium airtight packaging of sensitive food products such as infant milk formula (IMF) and coffee. In addition to many other advantages, it offers an advanced sealing technology with excellent product protection bringing high product and consumer safety.

Sealio is the first composite can that is tight enough to block moisture also after reclosure. This is needed from a food safety perspective for two reasons – to increase shelf life after opening and prevent contamination of small insects.



INTERNALLY AND EXTERNALLY PROVEN FOOD SAFETY

All AR Packaging plants follow the Good Manufacturing Process (GMP) and strictly comply with the inspection of not only incoming raw materials, but also of material handling during and after production. Moreover, organoleptic tests and analysis are performed when required for both unprinted and printed products.

In addition to analyses performed at our internal local laboratories, AR Packaging had a multitude of external analyses performed in 2016 by accredited external laboratories to ensure legal compliance of delivered products. No migration of unwanted substances into food was detected or exceeded set legal limits.

In 2016, local authorities undertook a large number of food packaging inspections and analyses in several segments – in our case mainly in the food service and confectionery sectors. Non-governmental organisations such as Foodwatch ran campaigns discussing mineral oils and its effect on food. AR Packaging and its customers were only partially included in such inspections and publications, and none of our plants were involved in any official complaints related to food safety. Neither do our products show any negative impact on consumer health and safety. Consequently, no fines for non-compliance according to laws or regulations related to our products were registered. The careful choice of raw materials, depending on application, is yet another proof of our commitment to food safety. For example, only mineral oil-free low-migration inks and varnishes have been used for several years.

MINERAL OIL IN FOCUS

Since 2011, mineral oil in food has been a hot topic in Germany. With an international customer base, the matter is highly relevant to AR Packaging on a European level. It is well-known that mineral oil traces can derive from various sources, ranging from the direct treatment of food with oil, via lubricants, to direct absorption from the environment. However, recovered paper and board also contain these oils, with ink components from the recovered paper, especially newsprint.

Due to the continued absence of legislation, media and organisations have pushed the topic forward with their own analyses and evaluations for traces of mineral oil in food and its packaging. Meanwhile, German authorities have published the 4th draft (March 2017) of a German mineral oil guideline with the potential to become a European standard. In order to reach the guideline's limits for mineral oil, the use of functional barriers will be obligatory. Although the guideline is not yet in force, AR Packaging already offers its customers different solutions combining barrier expertise with a unique know-how in tight and direct-contact food packaging. The range covers barrier extrusion coatings or lamination to fully recyclable and repulpable barrier coatings. Barrier solutions from board suppliers can also be used.

BEING ON TOP OF REGULATIONS

AR Packaging now operates with 20 plants located in 10 different countries and works with its customers on food safety for products that are distributed in several countries – including outside of Europe. This provides us with a great knowledge pool of local legal developments and requirements that can be shared quickly within the whole Group.



AR Packaging is actively represented by the Product Safety Manager in Quality committees of the European Carton Makers Association (ECMA), where developments on food safety regulations are observed, discussed and commented if needed. Furthermore, local experts at the plants are members of several other local associations, and regular participation at conferences supplements our continuous knowledge updates.

PRODUCT STEWARDSHIP

Our products are labelled with customer as well as legal requirements and are therefore fully traceable. To our knowledge, they are not used for illegal trade. Neither have we received any complaints regarding violations in our advertising.

HYGIENE MANAGEMENT

In the context of food safety, work hygiene management is essential in the food industry and is therefore also demanded in the production of food packaging. Impurities, foreign bodies, quality defects or spread of diseases are only a few examples of risks for all stakeholders in the supply chain. These can result in costly recalls or damaged reputation and must be countered accordingly.

HYGIENE MANAGEMENT IN CONTINUOUS DEVELOPMENT

Linked to customer structure, 17 plants are certified according to a hygiene management systems, including the HACCP risk analysis of processes. Due to changing customer requirements, four plants have in 2016 moved to the FSSC 22000 standard – also called the “Food safety management system” – with the latest example being the plant in St. Petersburg, Russia, where a cup production centre has been set up in addition to the existing tobacco business. Nine plants are still on well-established BRC standards (one plant holds both certifications), and five plants are certified with ISO 22000.



UNANNOUNCED AUDITING

Together with one of our demanding customers, it has been agreed that six plants will submit to the new approach of “unannounced audit” within BRC/FSSC22000 certifications. Such an unannounced audit will be performed 3-12 months before the audit due date and at the latest 42 days before the certificate expires. The certification grading will remain unchanged. This approach will raise the involved plants to a higher level because all employees have to expect an audit every day, even when the experts of the plant are not available.

INCREASING REQUIREMENTS

Our plants supplying the infant nutrition industry need to meet higher requirements on hygiene. This is partly driven by special baby food limits in both EU and Chinese regulations and reflected in the requirements from our customers. These high demands cover hygiene, food protection, food fraud and migration – and also require high attentiveness and the ability to assist customers rapidly if any problems occur.

Our main plant involved is A&R Carton Lund, Sweden, where food safety and hygiene standards have increased over the last few years. One example of this in 2016 is the newly installed modern system for inlet control, ensuring 100% compliance with hygiene rules for hand hygiene. Other entrance doors have been blocked with a strict limitation for entry to production areas through a hygiene entrance, resulting in no incidents

with personnel entering production areas without following the set hygiene rules. Overall compliance with hygiene rules clearly improved and will be followed up closely. Hand hygiene swab testing shows improved hygiene to a very high level, and new targets are fixed for 2018 to challenge the process. These types of hygiene gates are common for food producers and a good example of how strict requirements are transferred to the packaging suppliers. Based on customer structure and strategy, the plant in Cholet, France, plans to implement comparable high levels of food safety and hygiene management in 2017.



RISK MANAGEMENT

AR Packaging is exposed to a number of business-related risks that are continuously monitored by the Group. Compliance and sustainability-related risks, implemented by the Group, are listed below with examples of preventive measures. Strategic, operational and financial risks are not a part of this sustainability report.

COMPLIANCE RISKS	DESCRIPTION	PREVENTIVE MEASURES
CORRUPTION	Risk that the Group, its affiliated entities or their respective officers, directors, employees and agents may act in a manner deemed to be in violation of anti-corruption or trade sanction laws.	Implementation of reviewed Code of Conduct as well as Counterfeiting and Anti-illicit trade policy in 2016. Training programme for employees initiated and will proceed in 2017. A whistleblowing scheme is available since 2016 and is well communicated to all employees.
COMPLIANCE WITH INTERNAL RULES	Risk that the Group, its affiliated entities or their respective officers, directors, employees and agents may not comply with the Group's Code of Conduct or other critical policies and procedures.	All important policies and procedures were reviewed in 2016 and implemented according to a defined plan. Re-training of employees is performed. A whistleblowing scheme is available since 2016 and well communicated to all employees.
FOOD SAFETY	<p>Risk of product/food safety claims against the Group caused by transfer of substances from our food packaging product and/or used raw materials, with possible impact on human health, unacceptable change of food properties or deterioration of the organoleptic characteristics.</p> <p>Risk of damaged reputation and thereby a negative business impact through public discussion and/or the media in connection to the food.</p>	<p>Clear responsibilities at all plants on food safety approval and strict compliance with legislation. Only evaluated raw materials with declarations of conformity, which meet our food safety approach, are used. Only low migration and mineral oil-free printing inks and varnishes are used for all food packaging. The installed process often exceeds GMP (Good Manufacturing Processes standard) and customer requirements.</p> <p>Risk management on food safety starts in product development in open discussion with our customers and it is then confirmed by continuous external analysis. Active participation in local and European associations to stay updated on new regulations and discussions. Hygiene management systems are implemented at most plants.</p>

COMPLIANCE RISKS	DESCRIPTION	PREVENTIVE MEASURES	
SUPPLIERS	Risk that suppliers do not have internal business practices to ensure awareness of and compliance with our Code of Conduct. Possible publicity that could have a negative impact on the Group's reputation and on the business with our customers.	Long-term relationship with our main suppliers, who mainly operate in the European region with existing laws covering international standards, Code of Conduct for suppliers, implementation of sustainability issues in Group audit approach and a Procurement Policy reviewed in 2016.	
ENVIRONMENTAL RISKS	DESCRIPTION	PREVENTIVE MEASURES	
COMPLIANCE WITH ENVIRONMENTAL LAWS AND RULES	Risk that the Group and its plants breach environmental laws and/or local rules or fail approvals for buildings and assets.	Policies and procedures are implemented and monitored by appointed Environmental managers at all plants. Continuous further training of the Environmental managers and regular reviews by local authorities. ISO 14001 certification at some of our plants.	
ENVIRONMENTAL ACCIDENTS WITH IMPACT ON SURROUNDINGS	Risk that accidents caused by the Group, its plants and/or manufacturing processes have an impact on the human environment and surroundings, with consequences such as damaged reputation due to the impact of authorities and media.	Clear procedures and responsibilities in case of environmental accidents are implemented at the plants, including open and transparent external communication. Environmental managers and Plant managers jointly monitor and continuously develop protection systems and procedures. The common approach is for all plants to follow local legal requirements and international standards.	
CLIMATE CHANGE RISKS	DESCRIPTION	PREVENTIVE MEASURES	OPPORTUNITIES
STRICTER ENVIRONMENTAL REGULATIONS AND/OR INTERNATIONAL AGREEMENTS	Risk that stricter environmental regulations and/or new international standards will have a noticeable impact on our business, industry, the manufacturing processes or the surroundings of our plants.	The plants are mainly located in European countries with stable and predictable law developments. This normally allows time to react to potential new obligations.	<p>Development of our business and environmental reputation thanks to the following:</p> <ul style="list-style-type: none"> • Sales of mainly sustainable, recyclable products. • Cartonboard sourced from sustainably managed forests is the main raw material. • Our manufacturing processes have less environmental impact, and our footprint is continuously being reduced.

CLIMATE CHANGE RISKS	DESCRIPTION	PREVENTIVE MEASURES	OPPORTUNITIES
CARBON AND/OR ENERGY TAXES	Risk that increased carbon and/or energy taxes could have an impact on our prices in general and in competition with manufactures in other countries. This includes higher prices due to change in energy form, e.g. from nuclear to wind power.	Tracking of carbon and energy usage aiming for reduction. Ongoing projects at all plants to reduce dependency on limited resources e.g. the complete move to "green energy" at our Nordic plants. Increased prices of resources are regularly discussed with customers.	Development of business and environmental reputation together with existing and new customers by reduction of environmental footprint and communicating this to our customers.
CHANGE IN AVERAGE TEMPERATURE	Risk that further increase of the average temperature will have a noticeable impact on our business, manufacturing processes or plant surroundings.	Our plants are mainly located in Europe with secure and stable environmental surroundings. Newly acquired plants outside of Europe will be included in risk assessments for 2017. Countries and locations where we operate are currently not affected by risk of climate phenomena (floods, storms, etc.) or possible increase in temperature. The status is continuously observed by the plants.	Development of our business by offering long-term stable environmental surroundings.
WATER RISKS	DESCRIPTION	PREVENTIVE MEASURES	
USE OF WATER FROM LIMITED OR ENDANGERED RESOURCES	Risk that water from limited, endangered or protected resources is used by our plants.	The plants are all located in secure environmental surroundings with access to sufficient sustainable water. Withdrawal of water follows local laws and regulations and is continuously monitored by authorities.	
WATER SHORTAGE DUE TO ENVIRONMENTAL OR CLIMATE CHANGES	Water is required in our supply chain (e.g. cartonboard and paper manufacturing process) as well as in our processes. Risk that water shortage could impact our business, supply chain or manufacturing processes at our plants.	Our suppliers are mainly located in Europe with secure environmental surroundings and with access to sufficient sustainable water. The process water used internally has a secondary role. Water consumption is tracked, and projects to reduce water usage run continuously at the plants.	Development of our business and our environmental reputation by demonstrating the limited use of water resources.

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 in line with our strategy.



UN GLOBAL COMPACT

United Nations Global Compact is the world's largest corporate sustainability initiative with participation of 9,269 companies from 170 countries. A call to companies to align with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals. A&R Carton has since 2008 been a signatory and in 2014 it was extended to include the whole AR Packaging. Yearly progress on developments is reported to the UN. More information: www.unglobalcompact.org



CDP DISCLOSURE PROCESS

Since 2014, AR Packaging has participated in the CDP and aims to disclose our annual greenhouse gas emissions and water usage. Together with our customers, we support the prevention of dangerous climate change and the protection of our natural resources. More information: www.cdp.net



RESPONSIBLE FOREST MANAGEMENT

The first AR Packaging plants were certified according to FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification) in 2010. Today 17 of our 20 plants (as of May 2017) can offer customers the use of this standard for their products. More information: www.pefc.org/ www.ic.fsc.org/en



CERTIFIED GRAPHICAL PRODUCTION

Mediaköket, a part of AR Packaging since 2016, got excellent results in the certification process of Certified Graphical Production (CGP ISO 12647-2) in 2016.



ENVIRONMENTAL MANAGEMENT

At the end of May 2017, eight of 20 plants were certified under ISO 14001 to help us reduce our negative impacts on the environment and to comply with applicable laws, regulations and other environmentally oriented requirements. Migration to the new standard version ISO 14001:2015 was successfully done in 2016 for all plants involved.



QUALITY MANAGEMENT

16 of 20 plants operate with a certified quality management system to ensure that they meet the needs of our customers. The majority have implemented integrated management systems (IMS) to cover all certifications in one documentation system. In 2016 we have successfully started the migration of plants to the new ISO 9001:2015 version, which will be finalised in 2017.



ENERGY MANAGEMENT

The plants in Augsburg and Frankfurt, Germany, hold certification according to ISO 50001 with detailed energy management systems and energy potentials installed. This certification is focused on Germany only because it is linked to the energy tax return.



SOCIAL ACCOUNTABILITY

As of May 2016, 17 of 20 plants were performing regular (at least every three years) and successful social self-assessments and audits using an external independent company. Two additional plants are audited according to a comparable standard.



HYGIENE AND FOOD SAFETY

In December 2016, nine of our 20 plants were certified and had migrated to the new tightened version BRC Pack5. BRC Pack5 follows the high requirements of hygiene to fulfil and exceed the needs of our customers, but also meet statutory and regulatory requirements related to our products. Based on special requirements, some plants will in 2017 move to the unannounced audit approach, meaning that a BRC auditor could come any day to a plant.



HYGIENE AND FOOD SAFETY

In 2016, the St. Petersburg plant successfully moved from BRC/LoP to FSSC 22000. FSSC 22000 is a standard largely comparable to BRC/LoP, has a wide acceptance in the food supply chain and is requested by some of our largest customers. Four of 20 plants are now certified with this standard (as of May 2017) of which one plant (Flextrus Lund) also continues to hold the BRC certification due to customer requirements. Four further plants are certified on ISO 22000 – a pre-stage of FSSC 22000.



SUSTAINABILITY RATING

EcoVadis was launched in 2007 to address the needs of procurement executives who were looking for reliable sustainability indicators for their suppliers. Until 2016, only our plants in Cholet, France, and Flextrus Lund, Sweden, were part of EcoVadis' platform. At the end of 2016, it was decided to participate at the Group level due to crossplant customers.

CERTIFICATIONS PER PLANT

	Frankfurt	Augsburg	Graz	Krakow	CC Pack	SP Containers	Kauttua	Tabasalu	Ingerois	Cholet	Timashevsk	St Petersburg	Moscow	A&R Carton Lund	Maju Jaya Bekasi	Maju Jaya Semarang	Flextrus Lund	Flextrus Halmstad	Flextrus Highbridge	Media-köket
ISO 9001	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
ISO 14001	✓		✓	✓			✓							✓		planned for 2018	✓	✓	✓	
ISO 50001	✓	✓																		
FSC/PEFC	✓ (Multisite)	✓ (Multisite)	✓ (Multisite)	✓ (Multisite)	✓	✓ (FSC)	✓	✓	✓	✓	✓ (Multisite)	✓ (Multisite)	✓ (Multisite)	✓	✓ (FSC)	✓ (FSC)	✓ (FSC)			
SOCIAL ACCOUNTABILITY	✓	✓			✓		✓			✓	✓	✓		✓						
SEDEX	✓		✓			✓	✓	✓		✓	✓		✓	✓	planned for 2018	planned for 2018	✓	✓	✓	
BRC	✓	✓	EN15593		✓	✓				✓	✓						✓	✓	✓	
FSSC 22000			ISO 22000	ISO 22000			✓	ISO 22000				✓		✓	ISO 22000	ISO 22000	✓			ISO 22000 planned for 2018

STATUS MAY 2017

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TABLE I: REPORTED GENERAL STANDARD DISCLOSURES

INDICATOR	DESCRIPTION	PAGE	UN GLOBAL COMPACT
G4-I	Statement from the most senior decision maker of the organisation	3	Active: CEO Commitment
UNGC	UN Global Compact Statement of continued support	3	Active: Declaration of membership
G4-3	Name of the organisation	5, 7	
G4-4	Primary brands, products, and/or services	5, 6	
G4-5	Headquarters	5, 7	
G4-6	Countries of significant operations	5	
G4-7	Nature of ownership and legal form	7	
G4-8	Markets served	6	
G4-9	Scale of the organisation	5, 7	
G4-10	Total numbers of employees	5	Active: 6
G4-11	Employees covered by collective bargaining agreements	17	Active: 6
G4-12	Organisation's supply chain	6, 29-30	
G4-13	Significant changes regarding size, structure ownership or supply chain	5, 7	
G4-14	Addressing of the precautionary principle	26-28, 45-46, 48-50	Active: 9
G4-15	Sustainability charters, principles or initiatives endorsed	51	
G4-16	Memberships of associations	47	
G4-17	Organisational structure	7	
G4-18	Method for defining report content and differentiation of aspects	8	

INDICATOR	DESCRIPTION	PAGE	UN GLOBAL COMPACT
G4-19	Identified material aspects	8	
G4-20/21	Essential aspects and delineation of aspects within and outside the organisation	8	
G4-22	Effect of any restatements of information provided	-	
G4-23	Changes from previous reporting periods	4, 56-57	
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	4, 57	
G4-29	Date of most recent previous report	56	
G4-30	Reporting cycle	4, 56-57	
G4-31	Contact point for questions regarding the report or its contents	57	
G4-32	GRI Index	53-55	
G4-33	External assurance of the report	-	
G4-34	Governance structure	7	
G4-56	Codes of conduct and codes of ethics	13-15	Active: 10

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TABLE 2: REPORTED SPECIFIC DISCLOSURES

INDICATOR	DESCRIPTION	PAGE	UN GLOBAL COMPACT
G4-DMA	Disclosures on Management Approach "EC (Economy)"	-	
G4-EC1	Direct economic value generated and distributed	5-6	
G4-EC2	Chances and risks due to climate change	48-50	
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage	17	Active: 6
G4-EC6	Local senior management	16-18	Active: 6
G4-EC7	Infrastructure investments and services supported	-	
G4-EC8	Indirect economic impacts	-	
G4-DMA	Disclosures on Management Approach "EN (Environment)"	-	
G4-EN1	Materials	29-30	Active: 7,8
G4-EN2	Recycled input materials	30	Active: 8
G4-EN3	Energy consumption within the organisation	35-37	Active: 7,8
G4-EN5	Energy intensity	35-37	Active: 8
G4-EN6	Reduction of energy consumption	35-37	Active: 8
G4-EN7	Reduction in energy requirements of products and services	35-37	
G4-EN8	Total water withdrawal	38	Active: 7,8
G4-EN9	Significantly affected water sources	38	Active: 8
G4-EN10	Percentage and total volume of water recycled and reused	32, 39	
G4-EN11	Operational sites in protected areas	38	Active: 8
G4-EN12	Impacts of the organisation on biodiversity	38	Active: 8
G4-EN13	Habitats protected or restored	38	Active: 8

INDICATOR	DESCRIPTION	PAGE	UN GLOBAL COMPACT
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	39-41	Active: 7
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	39-41	Active: 7
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	41	
G4-EN18	Greenhouse gas (GHG) emissions intensity	39-41	Active: 8
G4-EN19	Reduction of greenhouse gas (GHG) emissions	39-41	Active: 8
G4-EN20	Ozone-depleting substances	-	Active: 7, 8
G4-EN21	NOx, SOx and other significant air emissions	-	Active: 7, 8
G4-EN22	Water discharge	38	Active: 8
G4-EN23	Waste	33-34	Active: 8
G4-EN24	Significant spills	33-34	Active: 8
G4-EN25	Waste deemed hazardous under the terms of the Basel Convention	33-34	Active: 8
G4-EN26	Significantly affected water sources	38	Active: 8
G4-EN29	Sanctions for non-compliance with environmental laws	-	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	13, 32	Active: 8
G4-EN33	Negative environmental impacts in the supply chain	13	Active: 8
G4-EN34	Formal grievance about environmental impacts	-	Active: 8
G4-DMA	Disclosures on Management Approach "LA (Labour Practices and Decent Work)"	16-17	

GRI INDEX

TABLE 3: REPORTED SPECIFIC DISCLOSURES

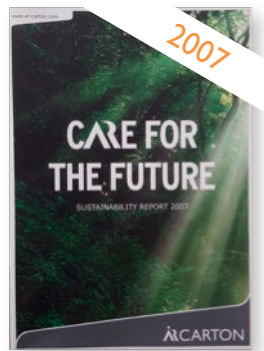
INDICATOR	DESCRIPTION	PAGE	UN GLOBAL COMPACT
G4-LA1	Employee overview and development	16-18, 20	Active: 6
G4-LA2	Benefits provided	17	
G4-LA3	Parental leave	17	Active: 6
G4-LA5	Total workforce represented in formal joint management-worker health and safety committees	16-18, 20-24	
G4-LA6	Injuries, occupational diseases, lost days and absenteeism	21-22	
G4-LA7	Diseases related to occupation	21	
G4-LA9	Training per employee	20	Active: 6
G4-LA11	Employees receiving performance reviews	20	Active: 6
G4-LA12	Diversity of employees and members of governance bodies	-	Active: 6
G4-LA13	Ratio of remuneration of women to men	17	Active: 6
G4-LA14	Suppliers that were screened for impacts on labour practices criteria	13	
G4-LA15	Impacts on labour practices in the supply chain	13	
G4-LA16	Grievances about labour practices	15	
G4-DMA	Disclosures on Management Approach "HR (Human Rights)"	13	
G4-HR3	Discrimination incidents	15	Active: 6
G4-HR4	Freedom of association and collective bargaining	17	Active: 3
G4-HR5	Risk of child labour	13-14	Active: 5
G4-HR6	Risk of forced and compulsory labour	13-14	Active: 4
G4-HR9	Examination of the business locations for compliance with human rights	13-15	Active: 1

INDICATOR	DESCRIPTION	PAGE	UN GLOBAL COMPACT
G4-HR10	Suppliers that were screened for impacts on human rights	13-14, 32	Active: 2
G4-HR11	Negative human rights impacts in the supply chain and actions taken	13-14	Active: 2
G4-HR12	Formal complaints procedure in relation to human rights impacts	13-15	Active: 1
G4-DMA	Disclosures on Management Approach "SO (Society)"	13-14	
G4-SO3	Operations assessed for risks related to corruption	13-15	Active: 10
G4-SO4	Communication and training on anti-corruption policies and procedures	13-14	Active: 10
G4-SO5	Cases of corruption	13-15	Active: 10
G4-SO7	Anti-competitive behaviour or anti-trust and monopoly practices	14	
G4-SO8	Fines and non-monetary sanctions	14	
G4-SO9	Suppliers that were screened for impacts on society	13, 32	
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	45-47	
G4-PR2	Non-compliance with regulations concerning products and services	45-47	
G4-PR5	Customer satisfaction	11	
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	46	

SUSTAINABILITY REPORTING HISTORY

AR Packaging has since 2007 published annual Sustainability reports – first as A&R Carton and since 2013 as AR Packaging. Due to organisational changes in 2012, a shorter Sustainability policy document was published.

All Sustainability reports published since 2010 are available for download at www.ar-packaging.com.



INFORMATION AND CONTACTS

OUR SUSTAINABILITY REPORT 2016

This sustainability report summarises the key environmental and social developments at AR Packaging for the calendar year 2016. It is published digitally as a pdf document. Together with the AR Packaging in brief 2016, it forms an integrated reporting concept.

Our membership in the UN's Global Compact includes the obligation to issue an annual progress report, and that report is based on this sustainability report.

COMMUNICATION CHANNELS

Our annual reports as well as the sustainability reports are available to download on our website where you are most welcome to read more about corporate social responsibility at AR Packaging.

www.ar-packaging.com

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AR Packaging is a family of strong companies. With vast experience and unique competencies in each respective field of packaging we offer synergies to customers looking for a long term partner delivering cutting edge solutions.

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