

Rely on us.SM

Flint Group Packaging
Sustainability Report 2020



FlintGroup

Hint Group

Rely on us.SM

Flint Group is dedicated to serving the global printing and packaging industry. The company develops, manufactures and markets an extensive portfolio of printing consumables and printing equipment, including: a vast range of conventional and energy curable inks and coatings for most offset, flexographic and gravure applications; pressroom chemicals, printing blankets and sleeves for offset printing; photopolymer printing plates and sleeves, plate-making equipment and flexographic sleeve systems; pigments and additives for use in inks and other colourant applications; Flint Group also designs, develops and delivers web-fed digital colour presses for labels and packaging applications, document printing, commercial printing as well as platemaking equipment for the newspaper industry and computer-to-plate (CtP) solutions for the commercial printing market. With a strong customer focus, unmatched service and support, and superior products, Flint Group strives to provide exceptional value, consistent quality and continuous innovation to customers around the world. Headquartered in Luxembourg, Flint Group employs over 6500 people. Revenues for 2019 were in excess of € 2 billion. On a worldwide basis, the company is the number one or number two supplier in every major market segment it serves. For more information, please visit www.flintgrp.com

FlintGroup

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Flint Group Key Facts

Headquarters:

Flint Group S.A., 26b Boulevard Royal,
 L-2449 Luxembourg, Luxembourg

Ownership:


Flint Group is privately owned by Goldman Sachs Merchant Banking Division in partnership with Koch Equity Development LLC, a subsidiary of Koch Industries Inc.

Key Personnel:

- Pierre-Marie De Leener, Chairman
- Antoine Fady, CEO
- Ron Muawad, CFO
- Steve Dryden, COO

Flint Group in numbers...

6500
 Flint Group Employees

130  sites
Across 40

 countries on all continents

over **1,300**
 Raw Material Suppliers

6,650
 Raw Materials

over **170,000**
 unique customer formulations

Over **21,000**
 direct customers and many more through our extensive distributor network

Revenue 2019

€ **2 billion**
 \$ **2.2 billion USD**

over **490**
million kg
 of ink products (1,080 million lb)

3.8 million m²
 of plates and blankets
 (41 million square feet)

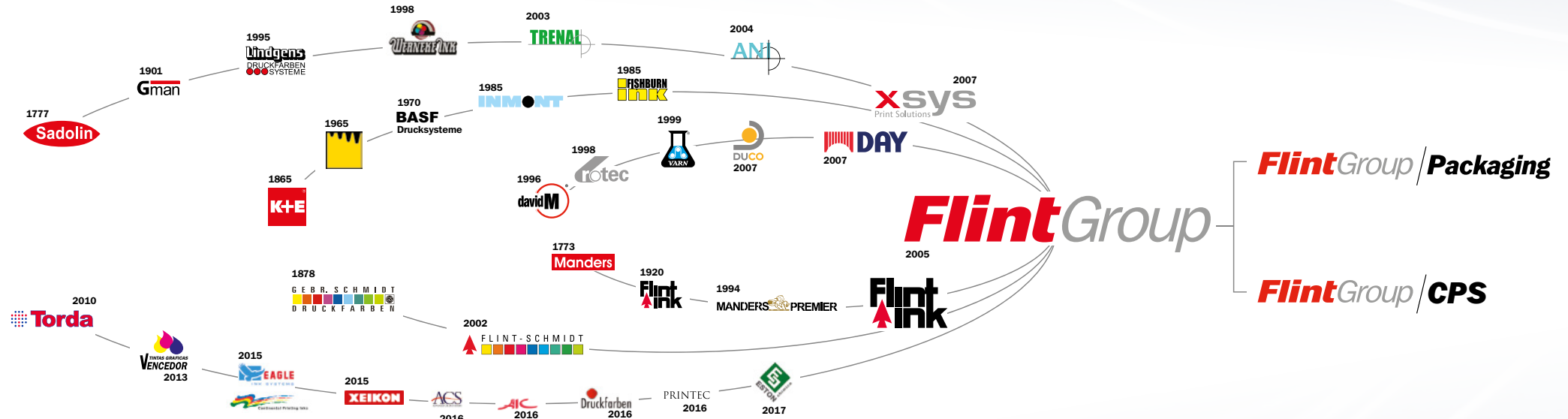
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Flint Group sustainable growth as a business

Flint Group Family Tree:



Flint Group history has been characterised by a long list of mergers and acquisitions. Formed in 2007 following the successful integration of four key graphic arts companies, our strategy to grow our existing packaging market focussed businesses and acquire complementary businesses to support our customers has been very successful. Since our last report in 2017 this strategy has continued, though the focus in recent years has been on integrating the great businesses we have acquired. With the support of our owners, we continued to increase our participation in the Paper & Board segment through the acquisition of Eston Chimica in Italy in 2017, and we also took 100% control of Continental and Eagle Inks in South Africa.

Flint Group divisional structure:



Antoine Fady, CEO Flint Group

“ I take great pride in the strides we have made in recent years on our sustainability journey... ”

Welcome to the Flint Group Packaging 2020 Sustainability Report. We are proud to share with you the progress we have made in improving our governance and social and environmental impact over the past three years, in what has been a transformational period for our business.

Since the last report, we have repositioned Flint Group to become a supplier of choice to the packaging industry, following a series of acquisitions. Our mission is to be the best performing supplier to the packaging industry in the segments where we operate, by consistently delighting our customers with high quality, innovative products and services.

Sustainability is deeply engrained in our values and the way we do business. We recognise that maintaining a high degree of economic, environmental and social sustainability is fundamental to delivering value for our stakeholders now and in the long term. Exercising good governance over these issues allows us to manage risk effectively and differentiates us in the marketplace as a responsible, low-risk partner.

Our owners, Goldman Sachs and Koch Equity Developments, have shown considerable support for our business and sustainability vision, helping us to accelerate our journey and grow as a company. Since 2015, we have made a number of major acquisitions, most notably acquiring Xeikon, a leading digital solutions provider to the packaging and commercial printing markets, in December 2015, strengthening our diverse portfolio of products and services we offer across the globe. Looking ahead to 2021 and beyond, we will maintain our strong market focus, developing clear strategies for each segment in which we operate and striving to exceed our customers' expectations, while creating value for all our stakeholders by adhering to sustainable and responsible business practices.

Our sustainability journey...

Flint Group Packaging operates within the spirit of the UN Global Compact for sustainability. Everyday our people and teams are committed to improving the health, safety and well-being of our employees; whilst a continuous improvement culture helps to reduce our current and future environmental footprint. As ever, making progress on our sustainability journey would not be possible without the hard work, creativity and dedication of our 6,500 employees. We strive to stay ahead of evolving regulations on chemicals, packaging and labelling, and our relentless focus on improving health and safety of workplace has seen some positive trends results but that battle is never won.

As we have grown, we have maintained a strong focus on building and consolidating our sustainability culture. We have taken some important steps to reduce our environmental footprint, and we only partner with trusted suppliers who adhere to our high standards and uphold rigorous human rights and environmental standards.

We invite you to discover more about some of our great initiatives in this report. There are so many important examples of sustainability in action that we could not fit them all into this report, clearly showing that one of Flint Group greatest strengths is our 'can do' culture.

GOVERNANCE

We continue to foster a culture of integrity and compliance at all levels of the organisation. Our objective is that each Flint Group employee lives the values from our Code of Conduct. To achieve this ambitious objective, we continuously deliver extensive training to our 6500 employees to help them understand which behaviours are acceptable and expected.

We also strive to make Flint Group an even safer place to work. We have an unrelenting commitment to improving health and safety in the workplace – with a clear strategy to improve awareness and ownership of the safety culture.

We continue to rollout numerous programmes to help the organisation achieve its strategies and enhance the reputation of Flint Group so that the business succeeds in a compliant way.

ENVIRONMENT

In the environmental component of our sustainability journey, our focus is on energy usage, water consumption, waste reduction and recycling. This is aligned with the spirit of the UN Global Compact for sustainability and the expectations of our customers.

We have set up a transparent process for collecting and monitoring

our progress. On the next pages of this report we will provide you with more details about our environmental processes and our progress. We are especially proud of our waste-focussed initiatives, including our VIVO Colour Solutions, new filtration technology for nyloflex® and RST cleaners, which significantly reduced the amount of hazardous waste, non-hazardous waste, waste to landfill and materials requiring recycling.

SOCIAL

We know that it's our employees that make this organisation a success. We invest a lot of time and effort in helping them evolve and grow, whether that be with challenging new assignments, training and workshops, or programmes to recognise the best creative ideas. We care about their health and well-being, and have launched some great initiatives to focus on health at work. For example, our 'Biggest Loser' challenge encouraged employees to lose weight, while our 'Appetite for Health' initiative focussed our employees on increasing their vitamin consumption.

Around the globe, Flint Group Packaging employees continued to show great enthusiasm in their support of local charities and worthy causes. Children's education is still a key driver for our social initiatives. Our South African organisation sponsored an educational theatre for schools, helping to improve children's awareness of the environment, the importance of recycling and boost school attendance. Our Polish colleagues also ran to support children's education.

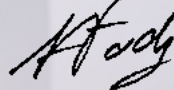
Blood donation, assisting children with cancer and single mothers are some of the many great initiatives that our colleagues are taking the initiative to support, all contributing to the societies in which we live and work and the world around us.

Next steps

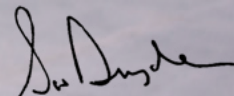
While we have made considerable progress in terms of sustainability, we recognise that there is still a long way to go. However, you can "rely on us."

Finally, we would like to thank our customers, employees, shareholders, suppliers and communities for their continued support and partnership. We remain humble in the face of the challenges ahead, and committed to driving positive change for our business and stakeholders, as we continue on our journey.

Antoine Fady
CEO Flint Group



Steve Dryden
COO Flint Group



UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

The UN's 17 sustainable development goals (SDGs) seek to address the world's biggest challenges, including ending poverty, improving health and education, making cities sustainable and tackling climate change.



FLINT GROUP PACKAGING SUSTAINABILITY STATEMENT

Our approach to continuously improving our sustainability performance is underpinned by our Mission and Guiding Principles - a fundamental set of clear and simple values.

Flint Group operates within the spirit of the UN Global Compact for sustainability. Every day our people and teams are committed to providing increased health, safety and well-being whilst a continuous improvement programme is in place to reduce our current environmental impact now and for future generations. An uncompromising integrity policy and strong ethical values set by our own Guiding principles ensure that you can truly **Rely on us** for sustainable development.

This strategy enables Flint Group to deliver integrated solutions in the three key dimensions of corporate sustainability:

- Governance** Guides corporate governance, Code of Conduct, risk and compliance.
- Environment** Steers our goal to continually reduce impact on the environment and regulates the reporting of progress.
- Social** Drives corporate citizenship, labour practices, people development, social reporting, talent attraction and retention.

FLINT GROUP PACKAGING MISSION AND GUIDING PRINCIPLES



At Flint Group, our mission is to be the best-performing supplier to the printing and packaging industries as measured by our customers, shareholders, and employees, through our ability to deliver exceptional value, consistent quality, and continuous innovation to customers around the world.

Our Guiding Principles

- Our customers are the focus of all that we do
- Every employee contributes to our success
- Integrity shall never be compromised
- Continuous improvement drives performance and supports our aspiration to achieve excellence
- Leadership and teamwork are prerequisites to achieving our goals

FLINT GROUP PACKAGING SUSTAINABILITY MODEL



Feature stories

RESPONSIBLY BUILT PRODUCTS AND SOLUTIONS DESIGNED FOR A CIRCULAR ECONOMY

FLINT GROUP PACKAGING INKS

Our sustainability vision: To support packaging markets with responsibly built products and sustainable solutions designed for circular economies.

The requirements for effective packaging are changing constantly, some of the largest drivers being littering concerns, food preservation and avoiding food waste. We address these global sustainability concerns, and more, via our manufacturing processes and product development approach.

WE PROVIDE SUSTAINABLE PRODUCTS AND SOLUTIONS

Addressing overall sustainability concerns

- We think beyond ink chemistry and about solutions that mitigate overall waste.
- We have solutions for printers that move away from petroleum based materials and from rigid plastics to flexible plastic packaging.
- We have solutions that help paper and board printers ensure clean testliner papers and an ability to compete more and more in the food & beverage markets.

Addressing the converter operation

- We have programmes to help converters reduce waste, to save process energy and be more cost effective overall.
- We have programmes to help converters reduce waste.....to save processes energy.....and be more cost effective overall.

Addressing the recycling process

- We are working with recyclers to understand which chemistries are most attractive considering future packaging recycling processes.
- We work with advocacy groups to discuss sustainable end markets - such as CEFLEX and Materials Recovery for the Future (MRFF) Collaborative.
- We actively collaborate with the paper-packaging industry, participating in associations such as FEFCO (European Federation of Corrugated Board Manufacturers) and ensuring all our paper-packaging demand is served by FSC (Forestry Stewardship Council) or PEFC (Programme for Endorsement of Forest Certification) accredited boards.

Flint Group Packaging Inks is pleased to present a series of whitepaper on the sustainability topic. These papers can be found on the Flint Group website - simple search for "Packaging Inks Sustainability Platform" in the search bar on our home page to access current and future information on this critical topic.



TerraCode

RESPONSIBLY BUILT PRODUCTS

At Flint Group Packaging Inks, we aim to address sustainability concerns through our responsibly built products. Our developmental processes continually consider the impact our products are having on the world around us. This rings true in both our water-based and solvent-based developments.

Water-based inks, by nature, are built on a sustainable foundation. However, conventional solutions still contain synthetic ingredients that are made from oil derivatives and other processed chemicals. While these products are fully approved for food packaging and provide a high performance solution required for today's packaging markets, we all have a social responsibility to further develop solutions that contribute to the well-being of our planet.

All water-based products designed by Flint Group are compliant with local and national regulations in all the regions of the world in which we operate and are manufactured using sustainably sourced materials. This is a standard and basic requirement of our design process. However, we have gone a step beyond this basic requirement and have designed an entire range of products based on bio-renewable chemistry.

TerraCode water-based paper and board inks have been designed using bio-renewable raw material technology to support market demands for sustainable packaging and a circular economy. This dynamic product offering can be tailor made for converters' individual needs and will support a wide variety of paper and board applications, including corrugated pre and post print, food wraps, folding carton, cups, paper bags, and aseptic packaging.

To meet our customers' needs, we offer a series of products:



1. **TerraCode Bio** is designed with the highest level of bio-renewable content where a typical formulation contains greater than 90% renewable resources.

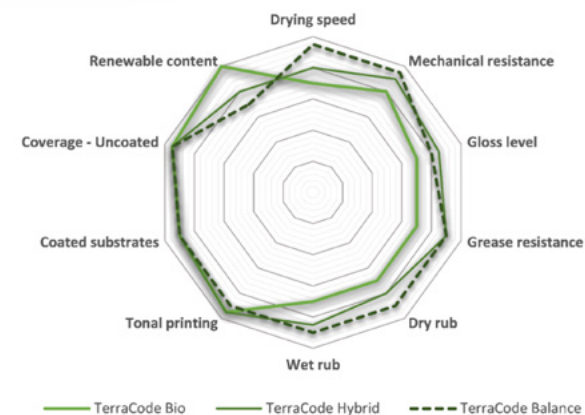


2. **TerraCode Hybrid** is a combination of renewable and conventional raw materials where a typical formulation contains in excess of 50% renewable resin content.



3. **TerraCode Balance** is based on biomass balance technology, a process that maintains the performance of existing synthetic solutions.

These inks deliver the necessary requirements for premium packaging results – such as high quality, consistency, and ease of use. These inks and coatings are bio-renewable content (BRC) certified and sustainably sourced and available in a convenient building block package or ready to use.



Water Based Bio-renewable Product Range

TerraCode Bio	Highest levels of bio renewable content in TerraCode series, >90% of the resin system made from renewable resource.
TerraCode Hybrid	Hybrid technology, suitable for applications that require higher resistance properties.
TerraCode Balance	Biomass Balance technology offers the same performance as conventional acrylic systems.

PRODUCTS DESIGNED FOR CIRCULARITY

Chlorine-free products to address mechanical recycling

There is a strong trend to move away from multi-material structures in flexible packaging and toward mono-materials. Packaging made from a single material, for example PE, PP or PO, is more likely to be mechanically recycled (collected, sorted and extruded into new recyclate). Substances like chlorine disturb this recycling process due to gassing and corrosion of the extruders. Flint Group Packaging Inks offers a full range of chlorine-free primers, overprint varnishes and heat seal lacquers which do not disturb the mechanical recycling process.

A full range of polyvinyl chloride (PVC) and polyvinylidene chloride-free (PVDC) specialties

- Single component primers for metalised films are available in both transparent and white and are de-inkable!
- Two-component PVC-free overprint varnishes which utilise a unique resin technology are available.
- A range of PVC-free and universal heat seal lacquers for aluminium lid applications.

A full range of barrier coatings delivers many options to address sustainability goals

Barrier coatings are designed to protect food from a range of gases and moisture degrading the packed product. Using these coatings can keep food fresh for longer periods of time – allowing extra transit time to get foods to people in various parts of the world and more time on supermarket shelves.

Barrier coatings can protect a product from odour, keeping the scents of consumer goods including detergents, household chemicals and perfumes, inside the pack and not contaminating the immediate environment. By using a specially designed barrier coating, packaging producers can eliminate a full layer of plastic, aluminium or glass materials, which would otherwise act as a barrier to odour release.

Barrier coatings, designed for both surface and lamination printing applications, can provide a shield against the penetration of light. Packaged foods, for example potatoes and other goods, can be affected by light migrating through the pack. Typically, aluminium is used to prevent this. However, by using a correctly designed barrier coating, the goods are protected without adding an extra layer of material and the pack remains recyclable.



Solvent-based chemistries can also be designed using bio-renewable raw materials and Flint Group is proud to offer inks designed with these innovative components.

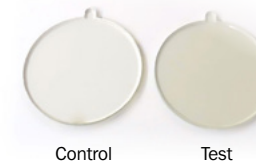
Flint Group Packaging Inks offers nitrocellulose-based products that can be manufactured with a bio-based carbon content of 60-80%. These products have been tested using the C14 isotope method which is used to determine the age of fossils and can be used to differentiate between fossil-based carbon and bio-carbon materials*. Examples show that the organic compound content of a standard nitrocellulose-based pigment concentrate is between 10% and 20%; however, with special formulations, our nitrocellulose-based products can reach from 60% to 80%. Inks with maximised bio-renewable content offer the same performance qualities as standard products.

In addition, Flint Group Packaging Inks is proud to offer a range of flexible packaging inks for surface and lamination printing which are certified for composting. When used in conjunction with pre-certified substrates, these inks make it very easy to achieve full compost certification for the final printed package, and are suitable for both flexographic and gravure presses.

*Testing completed by Beta Analytic testing laboratory. Contact Flint Group for more information.

Addressing clean recyclate by deinking

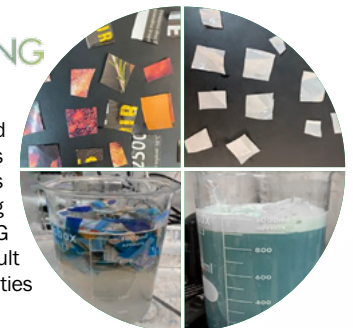
Water-washable nitrocellulose gravure inks for shrink applications are a reality today! Flint Group offers inks which have been tested and certified according to the Association of Plastics Recycling (APR) quality criteria. In an ideal world, all labels would be removed from bottles prior to the recycling process. However, there are cases where labels are not removed due to lack of interference during the infrared identification process. In order to accommodate the needs of the recycling market, Flint Group has developed inks for floatable OPP mono-web labels, and an ink system for sinkable shrink PET labels that do not hinder the physical traits of recyclable bottle flakes.



Deinkable flexographic inks for surface printing applications



CADEL DEINKING has developed an innovative process that removes printed inks from plastic surfaces for recycling and converting companies. The CADEL DEINKING process is unique and the end result is an ink-free plastic with qualities similar to virgin plastics.



Flint Group offers a range of inks for polyolefin substrates including LDPE, HDPE and PO stretch films that have been approved for the water-based CADEL DEINKING process. These solvent-based inks are suitable for flexographic printing for hygiene applications, collation shrink and outdoor surface printing jobs.

FLINT GROUP FLEXOGRAPHIC

We are continuously evaluating every lever we have to reduce our own environmental footprint and to help our customers to reduce theirs.

Studies have shown that many packaging materials only have a minor influence on the environmental footprint of packaged food. Only about 5% of the environmental footprint of 1kg of packed food comes from the packaging materials, while roughly 15% is linked to transportation and 80% to production. Further, one set of flexographic printing plates can print up to several 100.000 m of printed packaging material. Hence the ecological footprint of the printing plate – one of Flint Group Flexographic's main products – seems negligible when compared to the footprint of the final packaged food to which it contributes.

So does it at all matter what efforts we invest into continuous sustainability improvement? We at Flint Group Flexographic firmly believe that the answer is "YES."

With this spirit, we keep evaluating every lever we have to reduce our own environmental footprint and to help our customers to reduce theirs. The biggest levers and hence main focal points are the reduction of the environmental footprint of our production plants and the development of innovative products that help our customers to reduce waste, VOCs and energy consumption, while operating more safely and efficiently.

Our operation facilities have well-structured environmental and energy management systems in place. All Flexographic production sites are ISO 14001 certified. The manufacturing sites in Willstätt and Ahaus, Germany also hold ISO 50001 certificates. Following on from a long series of measures taken over the last years to reduce waste and energy consumption, we recently made a c.€1m investment in 2019 in new production technology that resulted in a material yield increase and consequent waste reduction in our manufacturing plant for printing plates in Willstätt (see page 34).

When it comes to helping our customers to reduce their environmental footprint, there are two technologies where we currently focus our R&D resources in order to make them available for an increasing number of packaging applications. These include:

- inherent Flat Top Dot plates that offer advantages in printing and plate processing reducing the usage and waste of materials
- thermal plate processing allowing customers to avoid the VOC output that comes with solvent plate processing

Over the last five years, Flint Group Flexographic has been one of the forerunners in the development of Flat Top Dot (FTD) flexo printing plates. This plate technology has specific benefits:

- FTDs allow repro houses and printers to texture the plate surface (Surface Screening) to achieve higher ink densities and improved ink laydown in flexible packaging printing, often with the same or less ink consumption compared to an untextured plate
- Enable printers in post-print corrugated printing to achieve good print quality on lower quality boards that have higher content of recycled fibres
- Extend plate life for printers using more abrasive substrates, minimising dot gain over the print length

Furthermore, when digital Flat Top Dots were introduced to the flexo printing market in 2008, this dot shape had to be generated by an extra plate processing step. For example, by laminating the plate with a high barrier film, removing oxygen, before the UV exposure or by exposing the plate under a nitrogen atmosphere. With the development of Flat Top Dot plates, such extra steps are not needed. The characteristic dot shape can now be achieved with common UV tube exposure eliminating these additional steps.

With the launch of four new Flat Top Dot printing plates in 2019 – nyloflex® XFH D, nyloflex® FTH D, nyloflex® FTS D and nyloflex® FTM D – for flexible packaging, label and aseptic applications, we have substantially diversified our offer in this area tailoring the various plates to the specific needs of the respective packaging applications. In May 2020, with nyloflex® FTL D, we introduced the most recent member of our FTD plate family to the corrugated post print market. In addition to its ability to achieve high print qualities even on liners with higher content of recycled fibres, its exceptional softness allows printers to combine screens and linework on one plate. Traditionally, where sensitive designs were involved, printers would keep them separate and waste more substrate until the plates were in perfect register.

While solvent processing is still the most versatile plate processing technology offering, highest cliché qualities and covering plates for all flexo printing applications, with our nyloflex® Xpress Thermal plate processing system we have made a big step forward in rivaling the quality and versatility of solvent processed plates. For more information on how

we designed our nyloflex® Xpress thermal system, not only to offer a solvent-free operation but also minimising waste production and energy consumption, please see the separate article below. After the launch of the nyloflex® Xpress technology in 2016 with an FIV size machine we supplemented our offering by a larger FV size machine in 2019 for processing of the largest plate sizes commonly used in flexo market. Further, we added two new thermal flexo plates a digital RTD (Round Top Dot) plate, nyloflex® XAH, and an inherent FTD plate, nyloflex® XFH D for flexible packaging printing to our portfolio, continuously pushing out the boundaries of thermal plate capabilities.

As long as solvent plate processing for some packaging applications does not have a viable alternative and cannot be completely eliminated, we will keep innovating in this area to further minimise any negative health and environmental impacts. In March 2020, the collaboration between Flint Group Flexographic and Xeikon Pre-Press culminated in the launch of the ThermoFlexX Catena W plate processing unit and the ThermoFlexX Catena DL dryer and light finishing unit, both for solvent plate processing. Compared to other washers on the market, the Catena-W operates in a sealed environment having an encapsulated washout zone with very low emissions into the work space benefitting the health and safety of operators. Furthermore, we took it as a design goal that an operator should be able to handle large plates, single handedly, and without ever having to come into contact with the solvent-wetted surface, after leaving the washer. The result was that the ThermoFlexX Catena W washout unit releases the processed and still solvent soaked plates onto a plate shuttle that the operator can move to the dryer without touching. Due to a special elevator system, the ThermoFlexX Catena DL dryer & light finishing unit the wet plate together with the plate carrier can then be moved from the shuttle to the dryer drawers, and from the dryer drawers into the light finishing section, all while avoiding any human contact.

Our journey towards more sustainable operations and products will continue with having many more ideas and projects in our pipeline that are expected to unfold in the coming years. We are looking forward to keeping you informed about our progress. Stay tuned!

XEIKON

FLINT GROUP DIGITAL

Xeikon, the Digital Printing Solutions division of Flint Group, is a longstanding leader and innovator in digital printing technology. Grounded in the principles of quality, flexibility and sustainability, Xeikon designs, develops and delivers sheet-fed digital colour presses for labels, carton packaging, and graphic arts and decoration. It thereby offers a full solution suite, consisting of presses, consumables, peripheral equipment, software and services.

Driven by digital printing's ability to print exact quantities, reduce (start-up) waste, and enable lower stock-keeping, sustainability is at the heart of everything we do and influences our long-term strategy.

We have defined three key areas where we focus our actions.

CONTINUE TO REDUCE OUR CARBON FOOTPRINT

The company's sustainability approach started several years ago, when we decided to convert our toner factory site in Heultje, Belgium to 100% green energy. All energy and material processes were redesigned to reduce the company's carbon footprint and its waste levels. Toner waste has been halved within 10 years.

Next to the toner production, we continue to look at the toner itself. We are in the process of moving our resin sourcing from Japan to Italy, thereby reducing transport. In addition, we evaluate how to recycle our toner bottles.

Our printing solutions are designed to reduce our carbon footprint to the lowest degree possible. Among other initiatives, we work on printing press energy reductions and diminishing the waste between print jobs. Our printing solutions are also increasingly connected online, thereby enabling remote monitoring and servicing. This reduces the amount of travelling by the service organisation.

OFFER SOLUTIONS THAT PROMOTE RECYCLABILITY

Xeikon pays attention to recycling and ensures that toner particles can easily be removed from their substrates at the end of the functional life, no matter whether used on paper or plastic. As such, all toner prints are 100% recyclable and drinkable. Xeikon also works together with specific customers to re-use toner bottles. A sustainable way to deliver good and environmental-friendly products on the market!

INNOVATIVE SOLUTIONS FOR THE CIRCULAR MARKET

Finally, the REX (Reconditioned Digital Presses) programme enables us to give our machines a second life by putting them back into the market. REX helps to extend the lifetime of an engine by an additional five to seven years. A similar arrangement is in place for peripheral equipment including unwinders and rewinders.



XEIKON REX PROGRAMME

REMANUFACTURED, ECOLOGICAL: XEIKON QUALITY

XEIKON
A division of **FlintGroup**

QUALITY GUARANTEED
OUR REX PROCESS IN 6 STEPS:

REX

In February 2020, Xeikon announced the launch of its REX programme supporting printers looking for entry-level, affordable digital production solutions to fulfil their customers' demands for shorter runs, just-in-time production and customisation. The investment threshold for professional digital printing solutions can be an issue for smaller companies wanting to step into this new market. The REX programme offers a range of remanufactured Xeikon presses, providing an attractive and affordable option for printers and converters looking to expand their business with digital applications.

Jeroen Van Bauwel, director of product management states, "Xeikon has been offering digital presses into the market for more than 30 years. But often, our customers' digital business runs faster than their press and after a few years they already need to re-invest in a faster model. The returned press still has a long lifetime ahead so with our REX programme we are remanufacturing these older presses by running them through our factory, implementing all recent updates and upgrading the digital front end to the latest version of our workflow: X-800 6.0. The presses that have gone through the REX programme are then offered again into the market at a very attractive investment cost. Through the REX programme, we are making our well-known digital presses accessible to converters new to digital, with limited investment budgets."

REX stands for Remanufactured, Ecological Xeikon quality.

Label converters are today investing in digital solutions ranging between 200k€ up to 1.5m€. About 20% of these converters have an investment capacity of up to 300k€. Last year, Xeikon introduced its Label Discovery Package, which provided an offer within this range of investment. By adding the 3030 REX to its portfolio, Xeikon is expanding the possibilities for all label converters.



The Xeikon 3030 REX is an entry-level press, which will catapult converters looking to take their first steps into digital immediately into the professional and industrial space. This is a full colour digital press with the benefit of opaque white, which gives access to health and beauty markets, premium beer and other end-use markets in labelling. The 3030 REX uses Xeikon dry toner technology, certified for food safety, therefore giving access to the significant food label markets. The dry toner is also light fast allowing converters to address label end-uses requiring durability. The 1200 dpi print resolution ensures converters can also serve the high-quality offset label market as well the flexo quality market. Xeikon's digital front end, X-800 6.0 is an additional significant advantage, as this can be integrated with existing MIS systems, allow fully automated job preparation and handle complex variable data jobs with ease.

1) Full life cycle management

- Every press in the REX programme has always been serviced by Xeikon and will be admitted to the REX programme based on its history

2) Component inspection and cleaning

- Engine and critical components are thoroughly cleaned
- Check service messages are double checked and key components tested
- recycling or disposal of damaged and wear parts is defined

3) Remanufacturing of parts

- Strict specifications for reworked parts
- All damaged or worn parts are replaced
- The press is remanufactured by our experts at Xeikon's original manufacturing site in Belgium
- Both HW and SW updated to the latest version

4) Extensive test benchmarking

- Individual unit testing for each remanufactured product (similar same as new engines)
- High quality standards

5) Packaging and storage

- Original case is used for repacking and safe shipment worldwide

6) Ready for service and support

- All counters are reset and the unit is reloaded in the database for the best service and warranty

FLINT GROUP NARROW WEB

At Flint Group Narrow Web, we aim to be the one stop ink supplier for Narrow Web, label and packaging printing.

We offer a complete range of the latest inks for any Narrow Web printing technique and take great pride in the high and consistent quality of our press-ready products.

We operate globally and service our inks and varnishes to converters locally.

A RESPONSIBLE STRATEGY TO PROTECT HEALTH AND THE ENVIRONMENT

Narrow Web has a genuine responsibility as regards to society, environment, customers, employees, suppliers. Health and environmental protection aspects are key elements of our sustainability agenda for our employees and the markets we serve.

Our innovation plans aim to deliver against these objectives.

INNOVATIVE & SUSTAINABLE SOLUTIONS FOR AN EXIGENT MARKET

We continue to innovate LED curing technology to help our customers to reduce their energy consumption and waste costs. We constantly develop our high performing portfolio of solutions, with selected suppliers, for the demanding markets served by our customers with, for example, low migration inks and varnishes for food contact regulations but, at the same time, support recyclability and compostability of packaging and labels with specific innovation programmes.

Our innovation programmes include our VIVO Colour Solutions digital colour matching tools. This programme is designed to simplify our customers' colour matching processes with increased responsiveness at reduced costs.

CONTINUE TO REDUCE OUR CARBON FOOTPRINT

In the last two years, we have invested significantly in enhancement programmes in our main factories in Europe and North America delivering significant performance improvements for the safety of our employees and energy consumption and waste reductions through yield and process improvements.

FLINT GROUP OFFSET SOLUTIONS

Flint Group Offset Solutions not only leverages its robust product portfolio and differentiated service model, but also focusses on sustainability as a key differentiator to be a supplier of choice for customers globally. For Offset Solutions, sustainability is about responsible growth – reducing our environmental impact, protecting the safety of our employees and customers, and supporting the communities where we do business - while ensuring the growth and profitability of our company and our customers is met.

- Our manufacturing teams have implemented continuous improvement methods to all facets of our operations to reduce waste, emissions, and energy consumption.
- A brand new converting facility was centrally located in the United States to reduce customer lead times while minimising transportation and fuel emissions.
- Product development continues to prioritise concepts with improved performance and reduced solvent concentrations.

Our Offset Solutions facility in Irlam, UK is working on several projects to reduce its environmental impact, as well as supporting local communities with waste reduction initiatives. Teams continue to focus on UV Wash and Heatset Wash product development and are currently supporting UK communities by manufacturing and supplying hand sanitiser materials, complying with the World Health Organisation (WHO) recommended formulation.



Flint Group Offset Team

Governance

Contents:

Integrity and Compliance

Identifying and Managing Risk

Health and Safety

Flint Group Sustainable Supplier Management

Chemical Legislation and Trade Compliance

Integrity and Compliance



STRONG BUSINESS ETHICS

Business ethics is at the heart of Flint Group decisions and actions.

Our company is fully committed to ethical business practices and has a strong global culture of integrity and compliance. Our core values are implemented via our Code of Conduct, effective policies, processes and procedures. Flint Group places high demands in terms of responsible conduct and integrity on its employees, customers, suppliers, service providers and other contractual partners. All of them are expected to follow our core values:

- We don't cheat
- We don't steal
- We don't bully or harass
- We don't discriminate
- We don't lie
- We don't treat people badly or disrespectfully
- We don't compete unfairly

Since 2015, all Flint Group employees complete Code of Conduct training. Robust policies are in place to support the implementation of our values and foster a strong, consistent global culture of integrity and compliance. Third party partners are encouraged to adhere to our Code of Conduct or prove that they follow a similar approach.

Flint Group combats modern slavery and human trafficking and is a signatory of the UK Modern Slavery Act.

Through our company hotline and annual Employee Representation Certificate (ERC), we seek feedback from employees on potential violations of the Flint Group Code of Conduct. All employees can raise concerns about practices within our business or supply chain without fear of reprisals.

CODE OF CONDUCT

Flint Group pursues responsible management guided by the principles of integrity, compliance, honesty and transparency. Respective guidelines have been created where applicable to support the implementation of the principles.

Flint Group Code of Conduct sits at the heart of our integrity and compliance efforts. It reflects our values and principles, and sets out the

values and standards expected of all our employees and all those who work for or on behalf of Flint Group.

The three pillars of our Code of Conduct are:

- Legal compliance and business ethics – We comply with the law in every country where we operate and uphold the guiding principles of the United Nations (UN) Global Compact.
- People and the environment – We place a strong emphasis on keeping our employees healthy and safe, protecting the environment and respecting the human rights of the people in our supply chain (in line with the UN's Declarations of Human Rights and Rights of the Child).
- Confidentiality – We respect the confidential nature of our business partners' and customers' business and expect the same from others.

Through extensive training in 16 languages we communicate with employees and third party partners the importance of all aspects of the Flint Group Code of Conduct including compliance with local laws, respect for human rights and a zero tolerance for any form of forced labour.

An internal communication campaign has been launched in 2020 to encourage all employees to speak-up and report any possible wrongdoing without fear of retaliation.

INTERNAL AUDITING OF ILLEGAL PRACTICES, ERC

We conduct yearly Code of Conduct monitoring by inviting our employees to confirm whether they are aware of any violations, through our annual Employee Representation Certificate (ERC) programme. Our Internal Audit team determines which of our leaders is best placed to review any issues and ensures that investigations are managed transparently and actions are taken, where necessary.

Our ERC programme has been in place since 2009 and is conducted on an annual basis and we have invited more employees to participate compared to prior years. We benchmarked our ERC programme in 2019 with global reputed companies and those learnings helped us improve our administrative efficiency without compromising compliance assurance. Our ERC Programme is conducted using an online tool where participating employees have an option to respond in 12 different languages. For the year 2019, 1170 employees participated and raised 48 issues of which 0, 28 and 20 were identified as high, medium and low risks respectively.

ONLINE TRAINING

Flint Group has developed tailored e-learning courses on individual policies. Overall, 94% invitations have been fulfilled to date. Since the implementation of these courses we have seen a cultural change in our company which has led to more transparency. For example, our Integrity and Compliance team is receiving a growing number of employee enquiries on issues such as suitability of gifts and entertainment and potential conflicts of interest.

2020 is a key year. The company has invested in a new centralised training tool connected to our HR system. This will help us to better address the different training needs of each function. A new training matrix has been developed with different departments to offer a broader training package. Corresponding retraining options have also been designed. We will assess how frequently to invite employees to undertake refresher training, both on our Code of Conduct and our integrity and compliance policies. We also created specific questionnaires for employees and third party partners to better target retraining needs.

GAIN GREATER VISIBILITY OF THIRD PARTIES

Flint Group undertakes background checks on its 3rd party partners, such as joint venture companies, sales agents & distributors, and requires a contractual commitment to abide by all applicable laws, regulations and the Flint Group Code of Conduct.

Within our supply chain we play a proactive role in raising the awareness of business ethics, including modern slavery. All major first line suppliers are asked to sign up to the Flint Group Code of Conduct. Within our procurement contracts and our general terms and conditions of purchase we emphasise the importance of high ethical standards including the condemnation of forced and child labour and will cease trading with suppliers that do not share our values.

Between 2015 and 2019, we ceased working with approximately 242 third party partners. At the same time we have identified new partners who meet our requirements, and consolidated our existing relationships with trusted partners. Over the years we have invited over 1,000 third party partners to complete an e-learning course focussed on our Code of Conduct.

These efforts complement our background checks of prospective partners and our standard third party partner contract, through which partners agree to respect our Code of Conduct.

HOTLINE / REPORTING

Our employees have raised more than 350 concerns since the Integrity Assurance Hotline (our whistle-blowing channel) was introduced in 2014. 60% of these concerns were reported anonymously. Each case is thoroughly investigated by a neutral and experienced investigator, issues are addressed and corrective actions are set in motion, as appropriate. The measures taken depend on the severity of the misconduct, with the most serious being termination of employment. The hotline process was automated and standardized in 2019; Investigator's Guidelines have been created and investigators trainings have been conducted. A number of training materials has been developed in a response to their needs.

We make sure that an anonymous phone hotline number is accessible at each Flint Group location to enable reporting in the native language and ensure that posters and leaflets promoting the Hotline are available at every Flint Group location.

Flint Group Compliance team is currently working on 'Speak up' policy to better address all methods of misconduct reporting. At the same time, the team is introducing a 'No retaliation' policy to make sure employees feel comfortable and safe when reporting wrongdoings. The project 'Encourage Speak Up Culture' has been initiated in 2020 and we believe it will be a good step to enhance our open and friendly working environment.

POLICIES

Over the years, we have developed integrity and compliance policies and translated them into over 23 languages.

Each addresses specific areas of risk and adds structure, formality and consistency to our established processes and Integrity Hotline. These are:

- Code of Conduct
- Gifts and entertainment policy
- Anti-bribery and corruption policy
- Competition and anti-trust policy
- International trade controls and sanctions policy

We will roll out a new policy management tool to create, edit and distribute policies to relevant employees more efficiently, tracking their receipt and acknowledgement. This new tool is GDPR compliant and ensures we are in compliance with data protection laws globally.

We will continue our efforts to update existing integrity and compliance policies and our Code of Conduct, and supplement them with new policies where necessary.

COMPLIANCE COMMUNICATION

In 2019 we also raised the awareness of our employees on the following subjects:

- How to avoid anti-competitive activities and promote proper contacts with competitors
- Gifts and Entertainment – What is acceptable and prohibited by Flint Group
- How to report misconduct, what happens after an employee creates a hotline report

We'll be working on "Encourage Speak up Culture" project to help Flint Group employees live the values from the Code of Conduct. Flint Group Compliance team is developing new policies related to wrongdoing reporting: Non-retaliation policy and Speak up policy. The team is also creating a survey on misconduct reporting climate in Flint Group, case studies, tips, one pagers and additional communication materials.

Identifying and managing risk



MANAGING OUR RISK IN AN UNCERTAIN WORLD

Managing risk effectively is fundamental to becoming a sustainable business and achieving long-term profitability. In a rapidly changing, uncertain world, we continuously seek to understand the risks and opportunities facing our global business in a robust and structured way. Importantly, we take action to maximise opportunities, such as those presented by the growing packaging market, ensure the security of our manufacturing operations and safeguard our commercial interests, particularly as digitisation continues to challenge traditional print media.

HOW WE MANAGE RISK

Flint Group operates within the spirit of the ISO 31000 norm which provides guidance for managing risk. This principle-based approach enables Flint Group to integrate risk-based decision making into the organisation's governance, planning, management, reporting, policies, values and culture. UN Sustainable Development Goals 3, 8, 9, 11, 14, 15, 16 (see page 8):

Responsibility for managing risk starts at the top. Leaders representing every major function collaborate through our Risk Committee to review our global risks and develop our risk management strategies. We take a group-wide approach to identifying and managing risk, classifying risks according to their commercial, human, legal or financial nature. Sustainability considerations flow throughout this process, particularly when we consider health, safety, environmental and succession planning issues. To determine the level of severity posed by each risk, we consider the probability of it occurring, its potential impact on both our financial health and our reputation.

We compile the risk events in a central database and perform a risk assessment where we identify the drivers (e.g. process, system, employees, externals) and their potential impact. Each risk is then analysed, evaluated and prioritised with corrective actions. An annual risk map pinpoints our most critical risks to management. This dashboard helps the Board to see both the positive opportunities and negative consequences associated with those risks, and allows for more informed decision making in the allocation of resources. This systematic and regular approach improves Flint Group's governance and performance.

WHAT IT MEANS IN PRACTICE

In 2014, Flint Group decided to separate the risk, integrity and compliance programmes to ensure in-depth understanding of the issues and the development of global responses in both areas. As a result, a new Code of Conduct was created, new policies were implemented and workshops and training were conducted all around the world to achieve the implementation of a compliance risk-based culture.

In 2017, we proudly announced that we had succeeded in laying the foundations for a stronger, global Integrity and Compliance programme. Thus the decision was made to recombine the two committees to become a consolidated Risk, Integrity and Compliance Committee (RICC) with risk management and compliance remaining key strategic priorities. The committee continues to play an integral role in ensuring we build an accurate picture of the key risks and initiate mitigation programmes accordingly.

We have developed a set of tools to manage and reduce risk in our organisation including:

- Risk Integrity and Compliance Committee (RICC)
- Enterprise Risk Management (ERM) programme
- Definition of risk management principles, strategies, policies, processes, trainings and frameworks
- Employee Representation Certificate (ERC)
- Process Audit reviews and Risk assessment
- Stable ERP system with controlled functionalities (e.g. SAP) and
- Risk workshops



Jeremy Berenzweig
General Counsel and Chief
Administration Officer

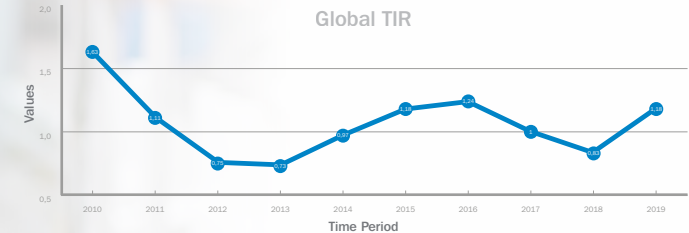
Health and Safety

OUR APPROACH TO HEALTH AND SAFETY

When it comes to health and safety at Flint Group Packaging, we never compromise. It has always been, and will continue to be, one of our core values. We fully understand that our fundamental values are essential to the success of our business. Health and safety (H&S) is in the DNA of our senior leaders, including the CEO and COO, and this is instrumental in guiding efforts of each manager, each supervisor and each employee to make Flint Group a safer and healthier place to work, year by year.

In 2018-2019, we continued to implement the health and safety strategy that we developed in previous years, including a stronger focus on high impact, low frequency hazards. In particular, our global health and safety programme was based on 4 key pillars:

- accident and incident reduction
- life injury and fatality elimination (LiFE)
- improvement of process safety and
- legal and permit compliance



Leading & Lagging Indicators YTD 2019 (2019 compared to 2018)		2018	2019
Reportable Injury Lost Time Cases	▼	34	27
First Aids	▼	294	214
Near Misses	▲	1,772	2,012

CONTINUOUS HEALTH AND SAFETY IMPROVEMENT

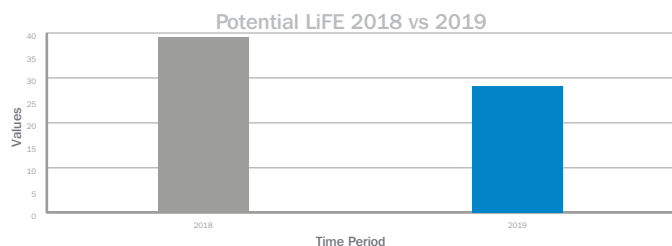
Even with organisational changes including mergers and acquisitions, market challenges, and transformation projects, in 2018-2019, the company managed to implement health and safety programmes and improve the KPIs related to LiFE and lost time injuries, as well as process safety. The leading indicators also improved including near miss reporting and a reduced number of first-aid cases. We are continuously working

on decreasing Total Incident Rate (TIR), which is, however, dependant on the number of hours worked by our employees and contractors globally. We are exploring these results in depth at a Group level, so that we can identify good practices, apply them more broadly and take actions to help specific sites, regions or divisions.

LIFE AND RECORDABLE INJURIES

At Flint Group, we fully understand that even 1 LiFE injury is 1 too many. Our LiFE focus is about mitigating those hazards and risks that can cause life-changing accidents and injuries, including disabilities and fatalities. Proper and efficient management of LiFE hazards and risks is absolutely crucial for us as each LiFE-related accident is a personal tragedy.

We are proud to communicate that we closed the year 2019 with 43 months without any LiFE injuries and with a significant reduction of potential LiFE events.



Potential - top 5 causes:

- Workplace Transport
- Chemicals
- Fire
- Machinery / Work Equipment
- Lifting Operations

Recordable injuries - top 5 causes:

- Manual Handling
- Slips/trips/sharps
- Contact with metal/sharps
- Caught in/under/between
- Contact with chemicals

INCREASING AWARENESS, DEVELOPING HEALTH AND SAFETY COMPETENCIES

Increasing awareness of our employees and contractors, and developing the capability of our leaders and supervisors, is a vital part of our health and safety programme. We aim to encourage people to protect themselves and others, so that it is not only a duty, but it becomes their instinctive choice. We learn from mistakes, design and roll out global H&S campaigns based on the deep analysis of causation of injuries that already happened or were only prevented by luck. Therefore, our key training focus is currently: workplace transport and pedestrian safety, handling of chemicals (based on the potential LiFE events causation), manual handling and slips/trips/falls (based on the recordable injuries causation). We are also developing training methods and tools to enable sites to adopt the most appropriate and tailored systems, procedures and

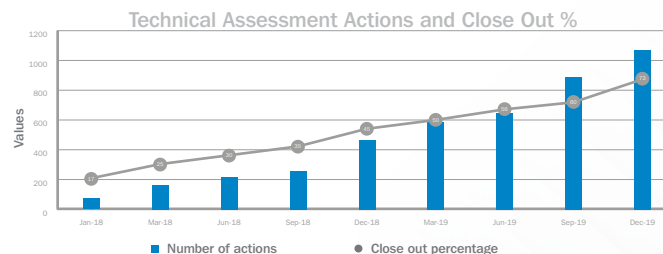
behavioural activities. These methods and tools include, among others, implementation of an e-learning platform and the interactive format of training.

WE NEVER FORGET ABOUT LEGAL COMPLIANCE, PERMITS AND LICENCES

It is always vital that we remain legally compliant and can demonstrate that we have the correct licences to operate. We use a database to manage permits and to alert our sites when they need to renew a permit or licence. We also carried out our Health, Safety and Environment (HSE) compliance assessment programme in cooperation with an independent professional third party.

PROCESS SAFETY: TECHNICAL ASSESSMENT PROGRAMME

Over 2018 and 2019, as part of the process safety masterplan, 31 Flint Group high and medium hazard sites (according to company hazard register ranking) underwent a process safety technical assessment. The programme assessed the sites controls to manage hazards like flammable liquids, explosive dusts and vapours. Each action closed is reducing the risk to the business and employees, and removing the potential of an issue which could escalate to an incident. This level of commitment to the process safety programme is an important element of strengthening our safety culture. The site visits are also an opportunity to see best practice process safety application and share this with our other sites to maximise benefits for the business as a whole.



PROCESS SAFETY: BUILDING COMPETENCE GLOBALLY

Over 2018 and 2019 we trained 220 Operations, Engineers and HSE employees on Process Safety Management and Process Hazard Analysis techniques. The course targeted building knowledge and practical application of tools and techniques to improve managing the hazards our teams work with every day. As a result of the training, process safety

techniques like Hazard and Operability Analysis (HAZOP) and visual management tools like BOWTIE analysis have been used to reduce process safety risks in our factories. Over this period, process safety awareness has risen significantly around the business. Since the training was rolled out, practical materials have been developed to further support the process safety programme, including new employees, and to support local factory programmes.

THE WAY FORWARD: NEVER-ENDING CONTINUOUS IMPROVEMENT

At the end of 2019, we re-designed our Sustainability, Health & Safety and Quality structure to better manage our risks, market requirements and our customer needs. The Global Integrity, Compliance and HSE Team work closely with the Business Units, regional and local HSE leaders. We defined the 2020 HSE strategy, objectives and responsibilities based on the Plan-Do-Check-Act cycle and the following pillars:

- strategy & organisation
- risk assessment
- standard setting
- training & communication
- control activities
- monitoring & reporting and
- investigation & remediation

We will further develop our LiFE and Process Safety programmes, improve H&S awareness by targeted campaigns and e-learning platform, review and upgrade our HSE Management System and improve accident and incident investigation and sharing lessons learned – with a deeply rooted belief that nothing we do is worth getting hurt for.

Flint Group sustainable supplier management

“We see sustainability as one of the key building blocks of our company – one which will provide a source of constant evolution for us.”

Antoine Fady

Flint Group recognises international sustainability and social responsibility frameworks such as the ISO 20400 Guidance on Sustainable Procurement.

Sustainable procurement represents an opportunity to provide more value to the organisation by improving productivity, assessing value and performance, enabling communication between purchasers, suppliers and all stakeholders, and by encouraging innovation.

Flint Group manages its suppliers in accordance with its environmental, compliance, social and sustainable objectives.

Priority is given to the suppliers of key materials that are used in the manufacture of Flint Group products. All Flint Group suppliers are required to comply (as a minimum) with relevant national and international environmental legislation concerning sustainability issues. Flint Group ensures that key suppliers meet these requirements by promoting continuous improvement programmes and processing supplier audits.

Flint Group suppliers are requested to comply with the Flint Group Code of Conduct and to the UN Global Compact principles in terms of human rights, labour, environment and anti-corruption.

Flint Group does not work with suppliers that do not comply with its values, all applicable laws and do not provide healthy and safe working conditions for their employees.

Flint Group is committed to reduce its environmental impact throughout its value chains and the life cycle of its products. Therefore Flint Group is evaluating its overall sourcing policy regularly to ensure responsible and ethical sourcing and procurement.

HOW FLINT GROUP SELECTS SUPPLIERS

Flint Group follows the ISO 20400 guidance on sustainable procurement.

Sustainable procurement represents an opportunity to provide more value to the organisation by improving productivity, assessing value and performance, enabling communication between purchasers, suppliers and all stakeholders, and by encouraging innovation.

During the sourcing procedure, potential new suppliers are requested to:

- adhere to Flint Group Code of Conduct
- complete the sustainability questionnaire and
- provide a financial assessment

When conducting supplier selection, particular attention is given to ethics, prevention of corruption, conflicts of interest, respect of property, intellectual property infringements and internal controls. Many industry specific standards, codes of supplier conduct and management systems are used in prequalification. Flint Group also ensures the supplier is respecting the legislation in terms of working conditions, human rights, labour and environmental regulations.

Whenever possible, new suppliers' factories are physically checked/audited to ensure they are compliant with Flint Group principles.

In case a supplier does not comply with our policy, we ask them to take corrective actions and work on an improvement plan with an agreed timeline.

A follow-up audit confirms that corrective actions have been taken. If a supplier does not comply with our principles or does not take the requested corrective actions, Flint Group does not start business with them.



FLINT GROUP SUSTAINABILITY QUESTIONNAIRE FOR VENDORS

Flint Group has a long-standing commitment to continuous improvement in our health, safety and environmental (HSE) performance, which is now an integral part of our approach to sustainability.

This commitment extends to the organisations that provide us with services, raw materials and packaging. Our view is that good corporate citizenship should not only deal with the way a company conducts its business, but also the manner in which suppliers are selected.

As part of our ongoing commitment to sustainability, we ask our suppliers to complete a specific questionnaire covering the below areas:

Policies

We ensure each supplier has a sustainability and environmental policy in place.

Flint Group supports the ten principles of the UN Global Compact. Specific questions ensure that our suppliers follow the same approach. The areas covered in the questionnaire are:

Human rights

Principle 1: Support and respect the protection of internationally proclaimed human rights within their sphere of influence.

Principle 2: Make certain their own companies are not complicit in human rights abuses.

Labour

Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining.

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

Principle 5: Support the effective abolition of child labour (exploitation).

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

Environment

Principle 7: Support a precautionary approach to environmental challenges.

Principle 8: Undertake initiatives to promote greater environmental responsibility.

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

Principle 10: Work against corruption in all its forms, including extortion and bribery.

Chemical legislation and

Flint Group

Trade Compliance

Providing high quality products that are safe to use across the printing industry is our highest priority. Our products are sold throughout the world, and we work to ensure that our products pose no risk to people or the environment when they are used responsibly and in the manner intended. We strive to meet the quality and safety expectations of our customers.

How we manage evolving legislation

Flint Group has global regulatory programmes and systems that are overseen by a team of dedicated regulatory professionals. We follow our own global standards applied appropriately in each local market. We use approved ingredients and suppliers, and follow all applicable regulations issued by government and regulatory authorities. We abide by global chemical control laws, monitor chemicals of concern, and publish safety data sheets and labels.

At the end of May 2018, Flint Group completed phase III of the REACH registration. During this phase, Flint Group registered data with the European Chemicals Agency (ECHA) on all chemical substances manufactured or imported in excess of 1 ton per year. 39 total dossiers were submitted. The regulatory team continues to develop efficient structures and processes throughout the organisation in order to meet REACH targets. While we are shifting away from the registration efforts, we are moving towards implementing dossier updates, focussing on substances of very high concern (SVHC), and completing safe use documents for downstream users. We continuously work on communications with suppliers and only representatives.

Registration of substances

In 2018, as part of the Frank Lautenberg Act to reform the Toxic Substance Control Act (TSCA), the U.S. TSCA inventory was updated to show that of the roughly 90,000 chemical substances listed, roughly only 45,000 substances are active in commerce. It has now become the responsibility for every U.S. chemical user throughout the supply chain to ensure that a substance has been listed as 'active' prior to manufacturing, importing or processing. Flint Group has reviewed all of the nearly 10,000 U.S. raw material substance codes to ensure that they are active. Additionally, we have put in place a new TSCA inventory monitoring system for active and inactive substances.

Also, as part of the Frank Lautenberg Act, the U.S. Environmental Protection Agency (EPA) has chosen 20 high-priority chemicals for evaluation. US Manufacturers and importers of these 20 chemicals will be responsible for paying for the evaluations of these chemicals. Currently, Flint Group only domestically purchases and processes two of the high priority chemicals: TPP and dicyclohexylphthalate.

In all major countries of sales, Flint Group classifies product hazards with the Globally Harmonised System of classification and labelling of chemicals (GHS). GHS addresses the classification of chemicals by types of health, physical and environmental hazards. GHS will then propose an internationally harmonised hazard communication classification that will be published on labels and safety data sheets (SDSs). The United Nation's newest updates to GHS, versions 6 and 7, will be seen on most global Flint Group SDSs, including Australia and the EU, with update mandates as soon as Fall, 2020.

Regulatory considerations often come from periphery environments within our company. Therefore, regulatory programmes are woven throughout Flint Group organisation. Product safety processes and systems are seen throughout the organisation. For example packaging type, level of risk, operational situations and customer requirements are addressed in the product development, technical, sales, and procurement teams.

Looking ahead

Flint Group carefully formulates customised products for the intended market. We are committed to continuously minimising any impact that our products have on the inside of our customer's package, wrapping, or bag. We are especially careful when we are partnering with our customers on food contact materials and high temperature applications. Following the EuPia Exclusion Policy in the EU, we do not use any Category 1 or 2 carcinogens, mutagens, or reproductive toxins in our formulations. We also do not choose SVHCs for formulating our products. We are especially careful when we are partnering with our customers on food contact materials and high temperature applications. Flint Group follows the EuPia Guideline on Printing Inks Applied to Food Contact Materials and the EuPia Note on Inks and Coatings for High Temperature Applications. We adhere to the ink maker's standard that a final independent risk assessment on the pack belongs to the customer.

These days, the end life of our products often comes with questions about compostability. Flint Group has developed a toolbox of products that are certified as compostable products. These printing inks are considered in the compostable programmes for the "Seedling" and "OK Compost" label as "non-biodegradable additives." Disintegration, chemical composition and the ecotoxicity of the contaminated compost has been tested.

TRADE COMPLIANCE

Export control and customs

Delivering high quality products across the globe in a timely and compliant fashion is now more important than ever. Being able to navigate legislative changes on an almost daily basis has become more important than ever.

How we manage export control

There are four basic questions that need to be asked when exporting goods: The what? To whom? The where? And the Why? The global trade compliance team strives to put system checks in place to cover the risk associated with these questions. SAP, where available, is continuously being updated to screen "the what" for dual use products, those that may require a license, etc. A Sanctioned Party Screening tool is used to screen "to whom" - vendors, customers, and third party providers to ensure we do not do business with a partner on any global restricted party lists. Embargo controls are set up, also in SAP where available, to restrict the movement of goods and services to nations, "the where," that are forbidden or restricted. The team also provides periodic updates and training materials globally to address "the why" - educating the workforce to identify when a partner's business does not fit their normal business practices.

Looking ahead

The Global Compliance Team has reorganised under a functional strategy - Import Control, Export Control, Classification, and Preference. This enables team members to focus efforts on their area of expertise to better serve the business globally. We will continue to refine processes and procedures to provide time saving opportunities to the business while keeping our compliance at its expected high level. Legislation changes are reviewed on a regular basis to keep the team and our systems up to date. Whether tariffs are increasing due to various trade wars, additional restrictions are put in place to ensure national security, or special programmes are created to ease economic pressures during times of need, the Global Compliance Team is here to guide the business through the changes to make a stronger organisation.

Environment

FOR THE ENVIRONMENT, FLINT GROUP FOCUSSES ON ENERGY USE, WASTE, POLLUTION AND NATURAL RESOURCE CONSERVATION.

Contents:

CLIMATE CHANGE

With a clear focus on the reduction of energy consumption, emissions and carbon footprint



CARBON EMISSIONS



PRODUCT CARBON FOOTPRINT



FINANCING ENVIRONMENTAL IMPACT



NATURAL RESOURCES



CLIMATE CHANGE VULNERABILITY

POLLUTION & WASTE

With initiatives to reduce waste within Flint Group and at the customer



TOXIC EMISSIONS AND WASTE



PACKAGING MATERIAL & WASTE



ELECTRONIC WASTE

ENVIRONMENTAL OPPORTUNITIES

Targets Flint Group projects for more renewable and biodegradable materials and the use of green energy



OPPORTUNITIES IN CLEAN TECH



OPPORTUNITIES IN GREEN BUILDING



OPPORTUNITIES IN RENEWABLE ENERGY

CLIMATE CHANGE



MONITORING AND IMPROVING OUR ENVIRONMENTAL FOOTPRINT

In our 2017 Sustainability Report, we shared the foundations of our global sustainability process.

With the support from all our business units in Flint Group Packaging, we implemented a global programme of data collection and measurements in order to provide a broad view of our energy, water and waste performance, and to drive sustainable improvement. In 2018 and 2019 we continued – and we are still continuing – this journey. We are putting our efforts into developing the sustainability process and reducing both our environmental impact and related costs. We do understand, though, that there is still an area for improving the quality of our reporting, which is mainly related to the dynamic growth of our company, substantial acquisition activity and important organisational changes, as well as to the fluctuating situation on the market. However, we really want to make a difference and meet the growing expectations of our customers.

In particular, our approach to environmental aspects of the sustainability process have included the following key elements: energy usage, water consumption, waste reduction and recycling. We set up targets and implemented sustainability programmes at divisional, regional and site level, and provided support from the HSE department, Procurement, HR and Communications. This cross-divisional, cross-level and cross-functional focus and cooperation drove great initiatives and resulted in measurable improvements in our environmental performance. Therefore, we are pleased to share with you our latest global sustainability results.

GREENHOUSE GAS EMISSIONS

It is vital for us to play our part in reducing global greenhouse gas (GHG) emissions. We have a global programme in place to monitor the GHG emissions arising directly from our activities and operations (Scope 1) and the emissions derived from our purchased electricity, created during the production of the energy and eventually used by our organisation. (Scope 2).

The majority of our GHG emissions are produced by our consumption of natural gas and electricity. Addressing these areas is therefore our key priority. Our efforts are focussed on mother plants and production facilities in Europe and North America, and we continue to expand our initiatives to all our sites worldwide, helping them to gather data at the site level.

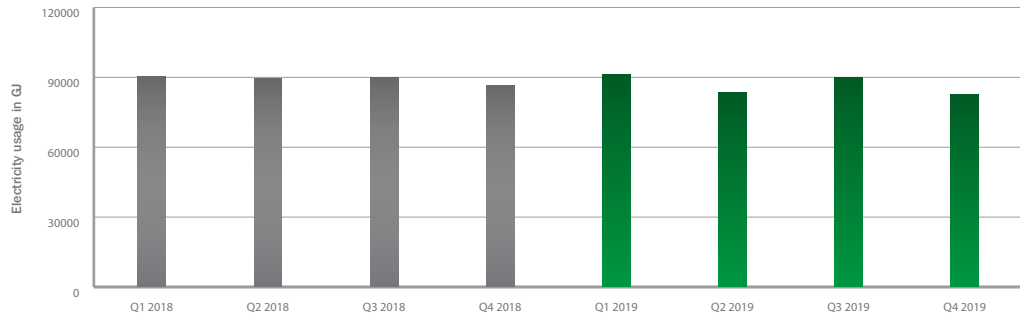
CONSERVING WATER

Managing water usage effectively is key to protecting the world's scarce fresh water resources, as the global population grows. Every Flint Group employee can contribute to conserving water by shutting off a running tap, issuing a work order to fix a leaking system or simply lowering the volume of water they use. Overall, every drop of water saved can have a significant

impact on our total water usage. In 2018 and 2019, we expanded on the number of sites reporting water consumption. Additionally, with more initiatives in place to tackle water usage across our operations, we saw a 15% reduction in water consumption between 2018 and 2019.

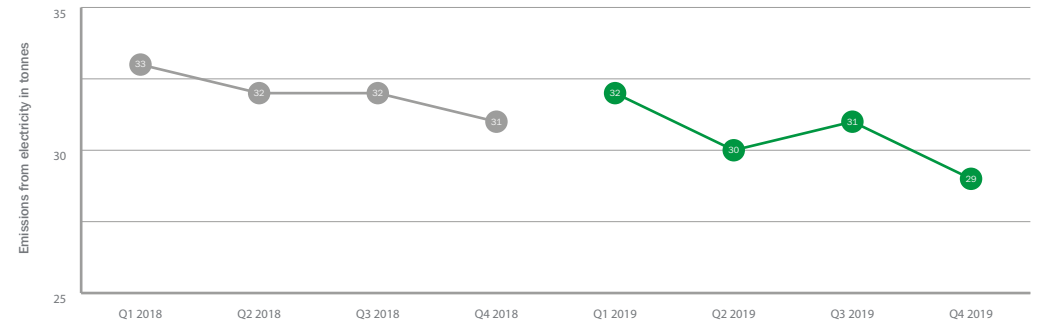


Electricity usage (in GJ)



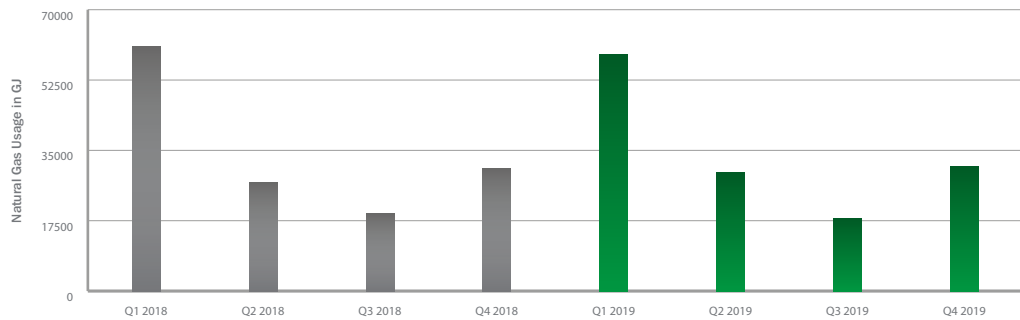
- 2% reduction (2018 vs 2019)

Emissions from electricity (in tonnes)



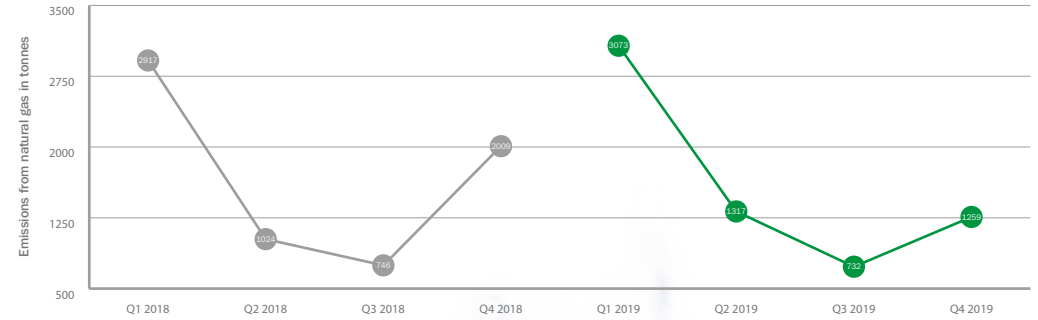
- 4% reduction (2018 vs 2019)

Natural gas usage (in GJ)



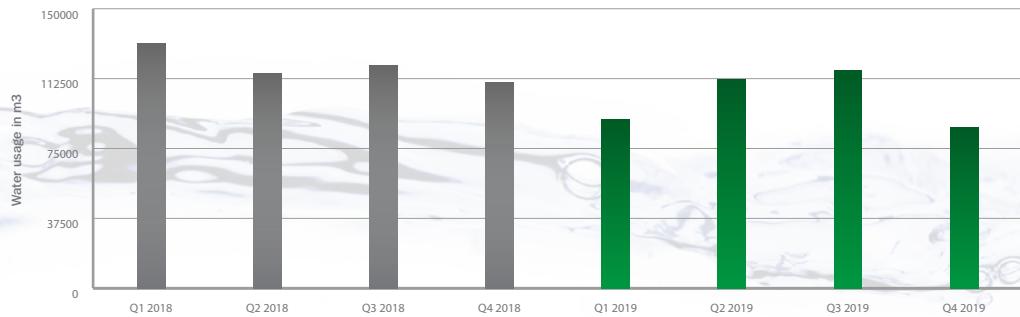
- 0,25% reduction (2018 vs 2019)

Emissions from natural gas (in tonnes)



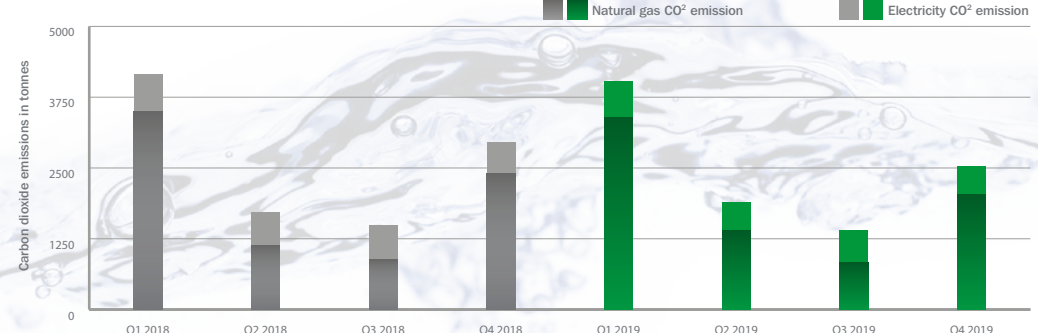
- 5% reduction (2018 vs 2019)

Water usage (in m³)



- 15% reduction (2018 vs 2019)

Carbon dioxide emissions (in tonnes)



- 6% reduction in total (2018 vs 2019)

SOLVENT-FREE, SOLVENT QUALITY – NEW GENERATION THERMAL PROCESSING

The nyloflex® Xpress Thermal Processing System from Flint Group is a sustainable plate processing alternative without solvents, contributing to your overall sustainability efforts.

solvent processing of flexo plates for the packaging market, ecological issues were of secondary consideration to improved quality, with the flexo industry understandably driven by the need for results before emissions.

Sustainability is not a trend, it's a fact. While being environmentally responsible may have been a 'nice to have' in recent years, now it's non-negotiable and, increasingly, a legal requirement. When it comes to

But customers don't want to make that choice anymore and, with the nyloflex® Xpress Thermal System, you don't have to.



Sustainability Macro Trends affecting the Packaging Industry¹

Increase quality, reduce VOC emissions

Reducing emissions isn't a commercial issue any more. Being 'green' isn't the preserve of a few artisan brands that aren't driven by revenue and success. All companies of all sizes across all industries are having to wake up to the fact that sustainability is the only option. Changing EU and global legislation regarding emissions are crucial, yet even they can be one step behind what is the right thing to do.

Organic chemical compounds that quickly evaporate due to their low boiling point and high vapour pressure are called Volatile Organic Compounds, or VOCs, and they can be emitted both inside and outside from products such as paints, solvents and carpets, as well as industrial processes on both large and small scales. For the printing industry specifically, VOCs are legally-defined pollutants that are coming under increasingly strict regulations- but not for regulations' sake. Whatever our profession, we are all consumers too, so we need to trust that the air we breathe is clean, and the water we drink is safe, at work and at home.

VOC FACTS

VOC = Volatile organic compounds

Organic chemical compounds that evaporate under normal indoor atmospheric conditions of temperature and pressure²

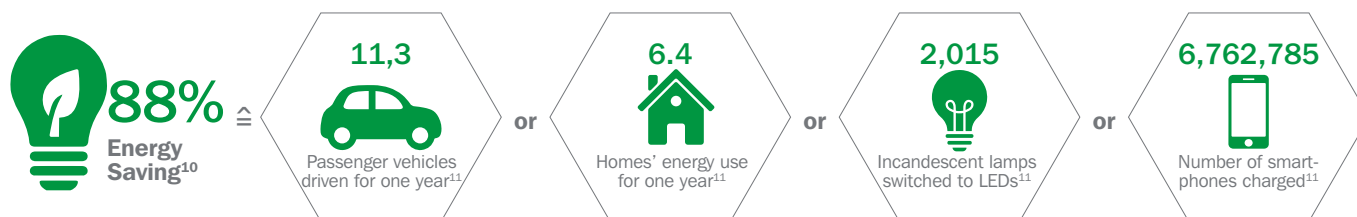
142,000,000 tons carbon

emitted per year in form of VOCs from man-made sources³

2 - 5

VOC levels are 2 to 5 times greater indoors than outdoors³

RESPONSIBLE INNOVATION



Flint Group Product Manager, Peter J Fronczkiewicz, explains how the considerable savings offered by the nyloflex® Xpress plates go beyond environmental. “We knew there was no point in creating a ‘me too’ product; we wanted to get ahead of the curve, to use our expertise in plate technology to address the traditional quality issues with thermal plates. Once we realised we had successfully created a solution that delivered consistently beautiful printed solids and screens at the speed of thermal processing and the quality of solvent plates, the nyloflex® Xpress Thermal System was ready to hit the market.”

Fronczkiewicz notes, “The nyloflex® Xpress Thermal System goes beyond VOC savings; energy savings are considerable too, with a typical 6-colour flexible packaging job using three 42x60 plates seeing 50 fewer kilowatt hours consumed when comparing nyloflex® Xpress to solvent. That’s equivalent to recycling 24lbs of rubbish instead of throwing it in a landfill! While the energy saving is nice, it’s the impressive quality of the finished plates where nyloflex® Xpress really shines,

and with almost no VOCs or vapours generated. Thanks to our clever heating system that uses very little energy, the nyloflex® Xpress plates never overheat and, due to the special plate chemistry, we have solved traditional issues like shallow reverse depth and unwanted patterning of the plate surface due to the non-woven developer material leaving its mark. The printing surfaces of developed nyloflex® Xpress plates are virtually indistinguishable from the surface of solvent-washed plates.”



ECO FRIENDLY OFFICE IN POLAND

Plastic pollution has become one of the most pressing environmental issues, as rapidly increasing production of disposable plastic products overwhelms the world’s ability to deal with them. Only a small percentage of plastic products is recycled so it is important to do our best minimise their usage. As a result, we decided to make some changes to our office in Lodz to help the environment!

The first step we made was to stop ordering plastic mugs, cutlery and dishes. Before this change we had used reusable dishes but many employees were used to using plastic ones and didn’t want to change their habits. So we restocked our tableware, making sure everyone had a fork and a plate to eat lunch or glass to drink coffee or water, and we bought more reusable items for our kitchens last year.

We also noticed that each month, we ordered around 400 bottles of water and beverages for guests for internal or external meetings and workshops. Our next action was therefore to replace single-use water bottles. We exchanged bottled water coolers for fed ones and began to serve water for all meetings in cafes and glasses. It’s not only more environmentally friendly but also more elegant.

Single-use plastics account for 40 percent of the plastic produced each year. The small changes we made contribute to reducing the production of plastic products and we believe that even small actions like ours can positively impact the world we live in.

1. <https://www.trendone.com/en/trend-universe/mega-trends/mega-trend-detail/sustainability.html> (20.05.2019)
 2. <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator> (20.05.2019)
 3. https://en.wikipedia.org/wiki/Volatile_organic_compound#Anthropogenic_sources (20.05.2019)
 4. <http://ec.europa.eu/environment/archives/air/stationary/solvents/legislation.htm> (09.05.2019)

5. <https://chemlinked.com/news/chemical-news/voc-managementchina> & <https://www.loc.gov/law/foreign-news/article/china-2020-air-pollution-action-plan-released/> (09.05.2019)
 6. <http://cpcb.nic.in/index.php> (09.05.2019)
 7. <https://www.epa.gov/indoor-air-quality-iaq/volatile-organic-compounds-impact-indoor-air-quality>
 8. Performance of Flint Group worldwide in 2018 compared to 2016
 9. Reduction of power consumption in manufacturing nyloflex® printing plates

in Willstätt, Germany, in percentage per m² 2016 compared to 2013.
 10. Savings of nyloflex® Xpress Thermal Processor FIV compared to the majority of similar-sized units in the market. Savings for other sizes are estimated to be similar, as all nyloflex® Xpress Thermal Processor units operate without a catox and chiller.
 11. <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator> (29.04.2019)



SUSTAINABLE MANAGEMENT OF ENERGY CONSUMPTION AT WILLSTÄTT PLATE PRODUCTION SITE

Significant investment has been made at the Willstätt Industrial Park to reduce Electrical Energy and Natural Gas consumption improving the overall CO2-footprint of the site.

A track record of CO2 footprint reduction at Willstätt site

As a site with high demand for electric energy, from 2012 to today, the CO2 footprint for Electrical Energy has been reduced to 33% through the conscious selection of suppliers with the highest percentage of green energy sources.

Highly efficient LED street lighting

The Willstätt Flint Group Plates Manufacturing Plant has replaced more than 180 street lamps along the roads and paths on site in the last two years.

The conversion of the existing street lighting to environmentally friendly LED technology reduced energy consumption by 75%.

Another benefit of the conversion to LED technology was also the extended lifetime of the light source. Conventional technology has an average lifetime of four to five years, while highly efficient LED technology can be expected to last around 10-15 years without maintenance.

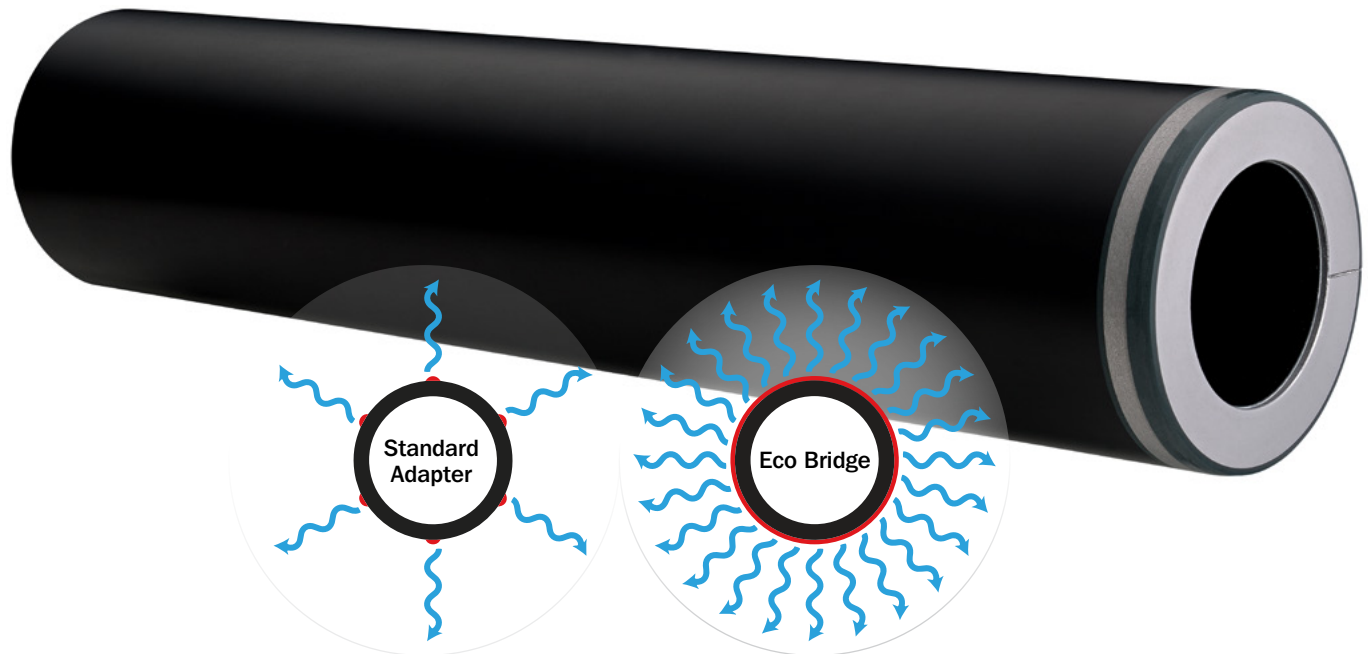
New steam boiler for the Industrial Park

2m€ have been spent to install a new boiler system for the supply of the whole site with steam and heat. The replacement is managed by the industrial park management with the full approval and support of local authorities.

The overall energy efficiency was increased from 91% to 96%.

All of these projects and activities have taken place on one of the 36 biggest manufacturing Sites of Flint Group boosting overall sustainability efforts.

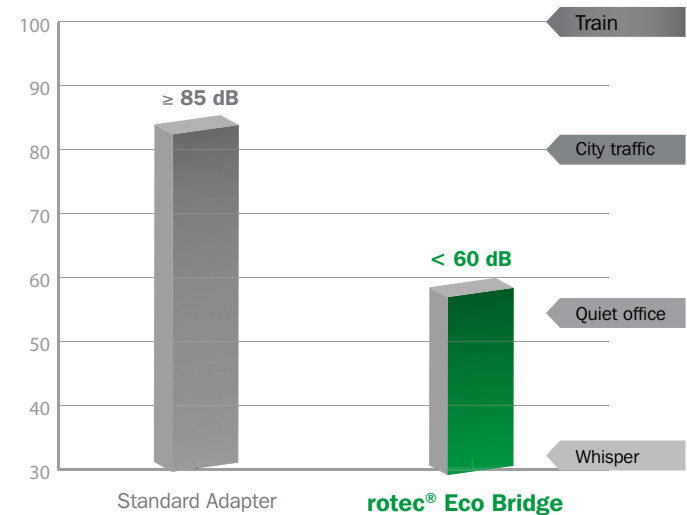
rotec® ECO BRIDGE



In 2017, Flint Group launched its revolutionary state of the art rotec® Eco Bridge for use in flexographic printing presses and on plate-mounting equipment.

The rotec® Eco Bridge is an adapter with a breathable metal ring at the operator side which creates an air pillow to allow easy and fast mounting of sleeves. Typical adapters have only four to eight air stream holes to help mount the sleeves. In comparison, the rotec® Eco Bridge forms a ring of air across the entire circumference of the adapter.

Another significant benefit of the rotec® Eco Bridge is the reduced air volume requirement. A standard adapter normally needs about 720 l/min of compressed air at six bar of pressure to mount a sleeve; the rotec® Eco Bridge can achieve the same results with only 50-70 l/min, and the required pressure can sometimes be reduced. This is more than 90 % reduction in air volume needed. Not only do the savings in air pressure significantly contribute to our customers sustainability efforts, but reduced air volume also equates to much less noise contributing to a healthier working environment. A working rotec® Eco Bridge produces decibel levels a little over normal room noise (< 60 dB) compared to a typical adapter set-up at ≥ 85dB.



IMPLEMENTING SUSTAINABLE MANUFACTURING AND OPERATIONAL EXCELLENCE IN FLINT GROUP PACKAGING INKS






A widely understood definition of sustainable development is, “development that can meet the needs of the present circumstances without compromising the ability of future generations to meet their own needs.”

In any manufacturing process, various tasks and activities have a potential impact on the environment. Protection of our environment is not a new concept for Flint Group Packaging Inks and a consideration we take very seriously. Our goal is to create value for our customers, employees and shareholders in a responsible, reliable and consistent way. This goal must

align with our sustainability objectives. As such, operational management is critical to build the best balance between consistently providing customers the products they need on time, in full whilst maintaining our focus on the environment.

Facility improvement programmes across all Flint Group Packaging Inks’ sites have delivered sustainable results. Here are just a few of our global initiatives and projects, designed to both reduce our environmental impact and increase production efficiency:

Greenhouse gas emission, process energy

Replacement of chillers with the heat recovery system	Recovery of the heat from the chillers as a source for heating in Flint Group Clermont.	
Replacement of standard bulbs with LED technology	Providing significant energy savings in both in/around Flint Group facilities.	
Central ventilation system improvements	Renewing the central ventilation system to recuperate the heat and gain the energy back for the incoming area.	
Power management	Automatic control of energy consumption thanks to switch off function for the energy consuming devices on standby mode.	
Installation of timers for dispensers	Automatic time management allows for just the right amount of mixing time, saving energy.	

Many methodologies have been implemented into our operational processes to drive efficiency and a reduced ecological impact. By transforming theoretical frameworks into practical solutions, our people are the key to achieving our sustainability goals. Flint Group Packaging Inks encourages change management by engaging and inspiring all employees, while ensuring that our objectives and key performance indicators are being met.

Lean Production, Maintenance Excellence and Process Engineering work streams collaborate closely together via multiple stakeholders to

Water discharge and waste to landfill

Reduction of NC packaging	Reducing waste to landfill by returning NC packaging to suppliers.	
Increase quota of recyclable material	Improvement of waste separation allows for better and increased recycling of material waste.	
Increase cooling water recycling	Reduction in the use and discharge of water in the Flint Cinisello plant.	
Installation of new water treatment units	Optimisation process aimed at lowering the level of water consumption, reducing the amount of cleaning water thanks to smaller water treatment units.	

establish standardised processes for both task at corporate and local locations. The processes developed within these frameworks enable our business to continuously improve its value proposition to our valued customers, financially perform, achieve organisational health objectives and sustainability goals.

LEAN & Six Sigma manufacturing transformation is making a positive contribution to the Health, Safety, Environment and Quality (HSEQ) performance of the entire Flint Group Packaging Inks organisation.



In North America, Flint Group Fairfield, Ohio location is committed to operating in the most cost effective manner with some of the latest technology to optimise energy usage, reduce waste, and increase the use of renewable resources. One way they demonstrate commitment to environmental stewardship is by generating zero process water discharge. This facility recycles all of the water that they use in their manufacturing process through a closed loop system. None of the domestic water used in their process is discharged to the city; it is recycled and used in the production of additional products.

For example, water used to clean mixing tanks is reclaimed and filtered and is then reintroduced back into the ink production process. By doing so, we are able to save over 250,000 gallons of water annually!

REDUCING OUR CARBON FOOTPRINT WITH RECYCLED MATERIAL PALLETS

Flint Group Packaging Inks manufactures inks and coatings in sites strategically located in many regions around the world. Our sites and personnel are focussed on sustainability and have implemented various programmes to reduce their carbon footprint.

One such example has been initiated within our solvent-based manufacturing facility at Cinisello in Italy, where we have successfully launched our GreenyPack Project. With GreenyPack we introduce a new, environmentally-focussed, pallet that is an excellent alternative to a traditional wood pallet.

These innovative pallets are made from 100% recycled polycoupled* materials. These environmentally friendly pallets provide multiple benefits:

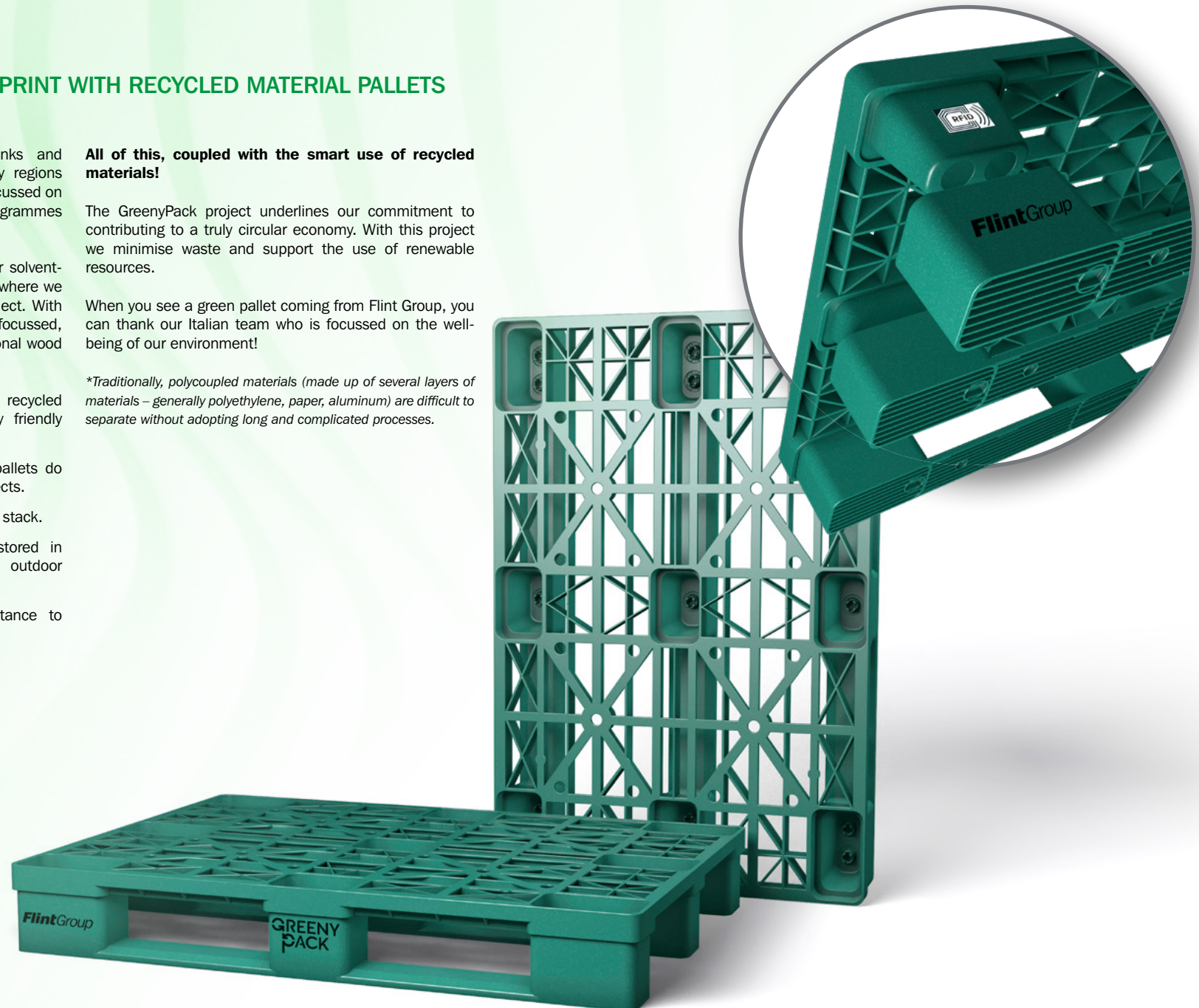
- **Increased hygiene properties** – these pallets do not attract humidity, bacteria, mould or insects.
- **Lighter weight** – much easier to move and stack.
- **Excellent resistance** properties when stored in open-air environments and exposed to outdoor weather conditions.
- **Strong and durable** – increased resistance to breakage and scratches.

All of this, coupled with the smart use of recycled materials!

The GreenyPack project underlines our commitment to contributing to a truly circular economy. With this project we minimise waste and support the use of renewable resources.

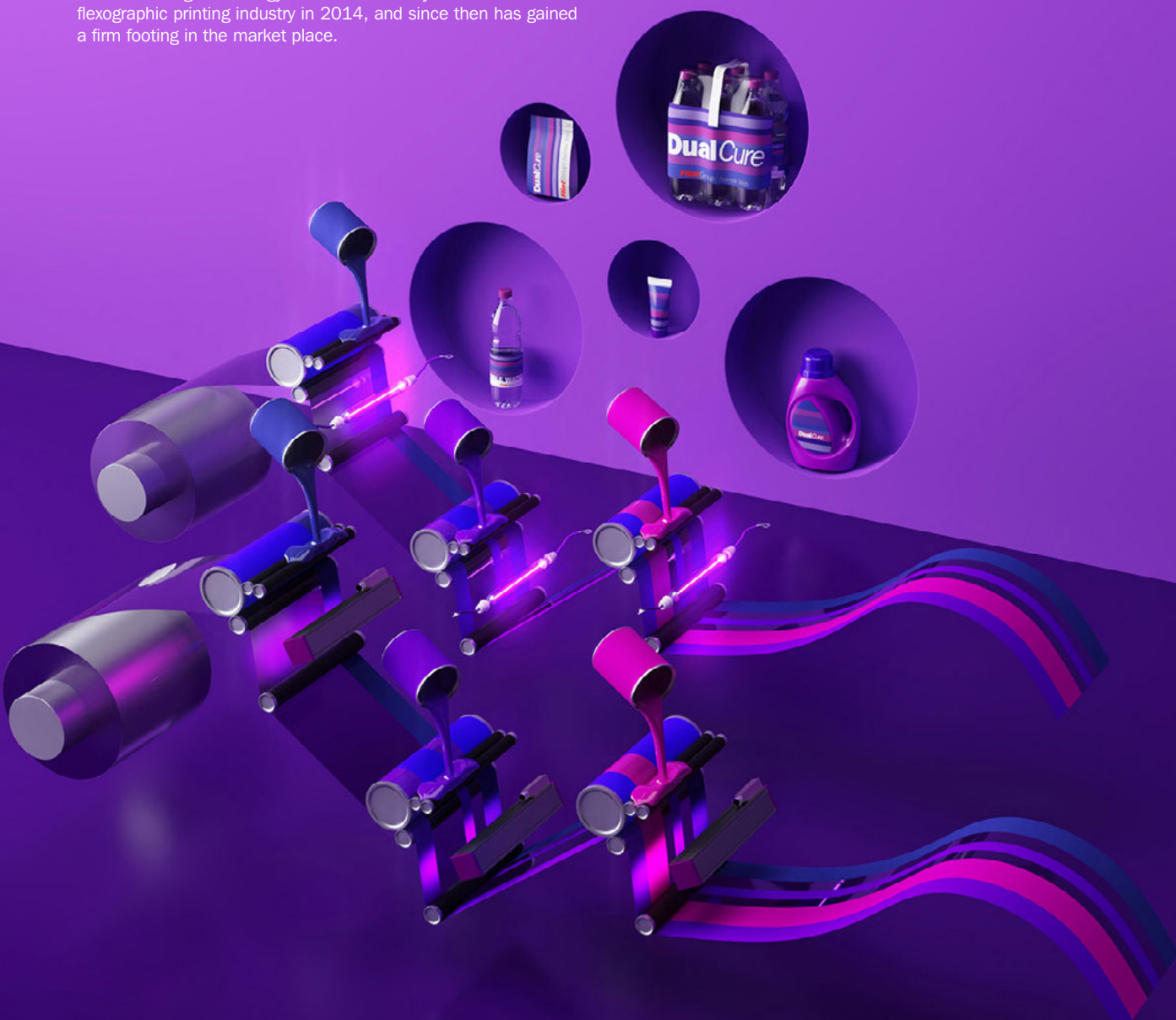
When you see a green pallet coming from Flint Group, you can thank our Italian team who is focussed on the well-being of our environment!

**Traditionally, polycoupled materials (made up of several layers of materials – generally polyethylene, paper, aluminum) are difficult to separate without adopting long and complicated processes.*



UV LED CURING: A TECHNOLOGY TO REDUCE PRINTERS' IMPACT ON THE ENVIRONMENT

UV LED curing technology was commercially introduced to the flexographic printing industry in 2014, and since then has gained a firm footing in the market place.



The positive environmental impacts of using UV LED curing technology as a replacement for mercury UV are far reaching. Those benefits primarily stem from the fundamental LED technology and efficient conversion of energy to light with less heat by-product. Traditional mercury bulbs generate a significant amount of heat that requires appropriate management. The supporting system to manage that heat can be a significant consumer of energy as well. Whereas UV LED as a curing mechanism requires less energy to operate and lower heat management capacity. Printers who have converted from traditional UV to UV LED have measured a 50% reduction in energy consumption or more.

A secondary positive impact centres on the reduction of waste product. Curing with UV LED utilises a focussed dose of energy that results in the opportunity to start printing immediately after starting the press as well as very fast full cure of inks. The first of these two benefits will reduce the amount of start-up scrap generated each time the press has to stop and start. Additionally, as the inks and coatings are cured more thoroughly, printing defects, such as tracking on press or poor ink adhesion, are reduced leading to less waste requiring disposal and the opportunity to print at faster production speeds. Both are pivotal to a printer's continuous improvement programme and achieving their sustainability goals.

Ever since the first introduction of the UV LED technology into the market, Flint Group Narrow Web division was at the forefront of this new technology with a full product portfolio and strong technical and application support. Our most recent product launches, EkoCure ANCORA and EkoCure XS are two examples of this.

EkoCure ANCORA, our UV LED FCM (Food Contact Material) product line has been specially developed to address the specific needs of the short run, indirect food contact, flexible packaging market. The assuredness and depth of cure of the UV LED technology in combination with less heat generation allows our customers to use thinner, heat sensitive substrates which, when combined with the good adhesion of the EkoCure ANCORA products lead to migration proof flexible packaging and labels for the indirect food contact market.

The EkoCure XS product line has been specifically designed for the dynamic application challenges associated to the shrink sleeve labels like the high shrinkage requirements (up to 70%), the post-shrink adhesion and the use of heat sensitive substrates. The EkoCure XS product line and the UV LED technology are a perfect fit to address all these challenges. The extreme flexibility of the EkoCure XS allows converters to print sleeves with up to 70% shrinkage while still having a perfect post-shrink adhesion and the less heat generation of the UV LED lamps will not damage temperature sensitive substrates.

The next generation EkoCure® F utilises the latest in UV LED technology which optimises finished ink properties to match those of conventional UV inks that many of our converter customers have been running for years.

UV LED curing is recognised as a growing and more sustainable technology to cure UV inks. Flint Group Narrow Web will continue to partner with customers to design solutions that further enable the use of this technology and drive sustainability in our industry.

DIGITAL HEAT TRANSFER TO REDUCE CO2 EMISSIONS BY MORE THAN 70%

Xeikon technology enables print service providers to change conventional decoration processes and revolutionise their way of working. An example of this is in heat transfer decoration. Typically today, in a direct printing process, the container to be decorated requires surface treatment, which typically involves flame treatment. The surface treatment enables inks to adhere and ensure durability for the lifetime of the container. The flame process involves the use of gas flames being directly exposed to the surface of the container, which involves the consumption of natural gas and creates CO2 emissions.

The digital heat transfer process overcomes the need for flame surface treatment by using primers and glue instead to ensure ink adhesion. Xeikon customers have indicated that they were able to reduce CO2 emissions by 77% compared to their traditional decoration process.

Xeikon contribution to the digital heat transfer decoration

- Provide a digital press which can print the labels. Xeikon presses enable print service providers (PSP) to produce run lengths in shorter volumes.
- Xeikon toners can be tailored to provide very high scuff and rub resistance, as well as light fastness, key factors in this type of application.

In summary, Xeikon solves environmental challenges for its customers by offering an alternative more sustainable decoration process and high CO2 processes are eliminated or vastly reduced.



WASTE WATER REDUCTION PROGRAMME

Flint Group Offset Solutions has been looking into ways to improve the efficiency of waste streams at the Irlam site. Our target for 2018 was to reduce our effluent waste creation by 10% in 2019 which we didn't achieve, only managing a 5% reduction. Our effluent and clean in place process is our biggest waste stream due to the clean down process in the aqueous production plant. As with most manufacturing industries, waste creation is one of our significant environmental concerns. As such environmental improvement plans are in place to reduce our impact.



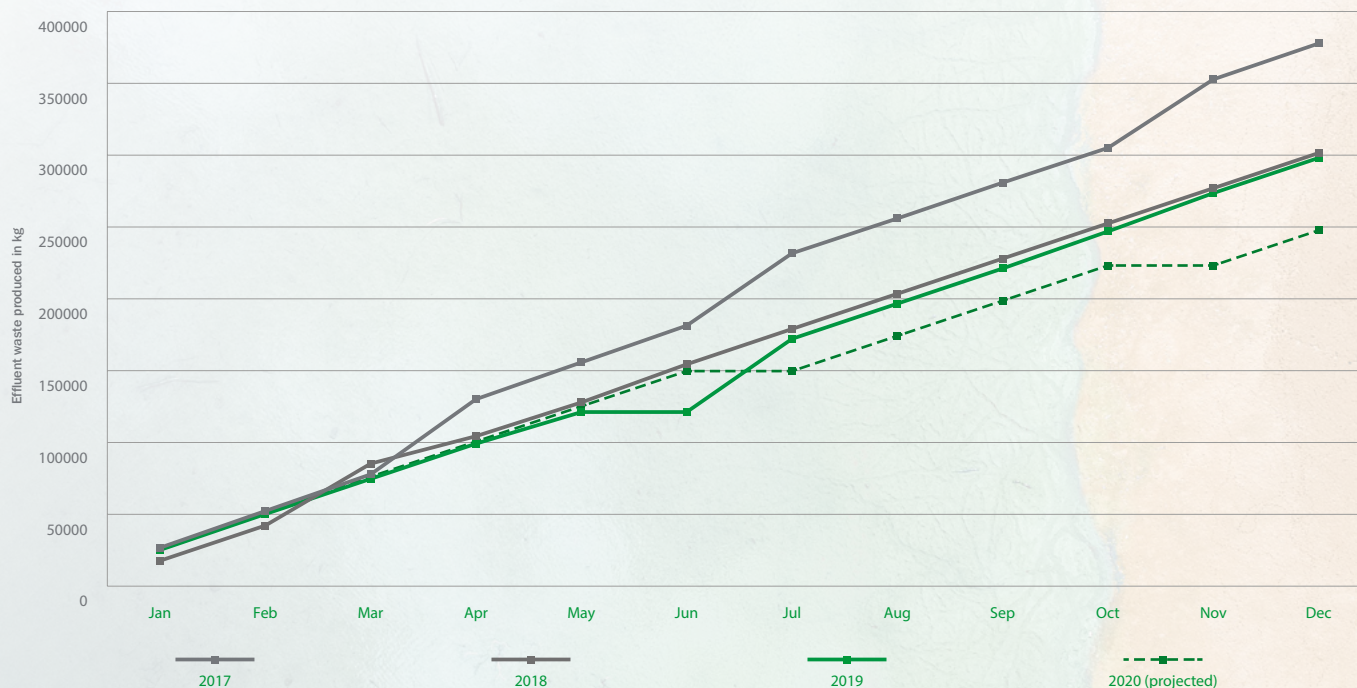
Despite several projects being implemented to improve our cleaning process, to reduce product contamination, we only achieved a 5% reduction against our target of 10%. However, we have reset the target to 10% this year. Looking at previous programmes we realised that we could recycle the water flushings as water additions, rather than sending these for disposal as effluent waste, due to these being the diluted finished product.

In order to understand why previous attempts had failed, we formed a cross department project to investigate all the reasons for the previous failures. The project team consisted of Product Development, Production, Supply Chain, Quality Control, Packers and Batch Makers performing a deep dive into the issues. The Project team made a strategic decision to analyse the top 50 products and groupings. The product development team broke down and analysed each product to assess which flushings could successfully be recycled.

Finally, we addressed the practical process and control of recycled flushings into our procedures to ensure no cross contamination could occur. A critical factor to ensure this processed worked was getting buy in and ownership from the production teams carrying out these tasks.

We had our final implementation meeting in the 3rd week in May 2020 putting us in a place to start our trial on group products. If these prove successful this will reduce the amount of effluent created by 30 tonnes, which is almost our 10% target. More importantly if all groups succeed this will create a zero waste finished product for around 30 products, saving a total of approximately 60 tonnes of effluent per annum.

Effluent waste produced (in kg)



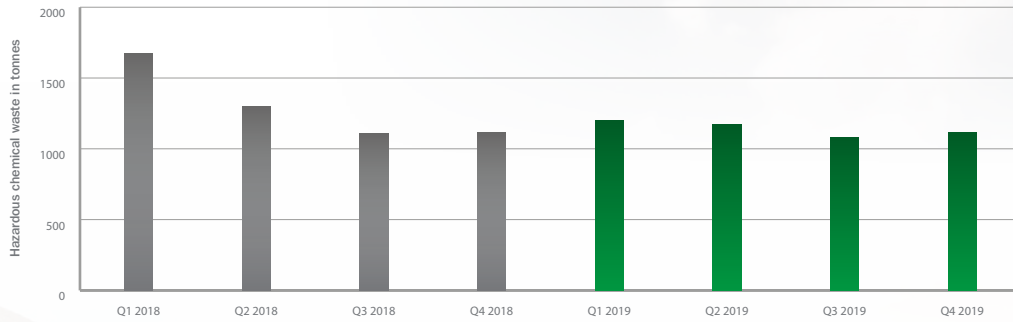


MANAGING WASTE EFFECTIVELY

Managing waste effectively is still one of our top environmental priorities. Our key waste challenges are continuously linked to the complexity of our product portfolio and the high frequency of production changeovers, combined with relatively small batch sizes.

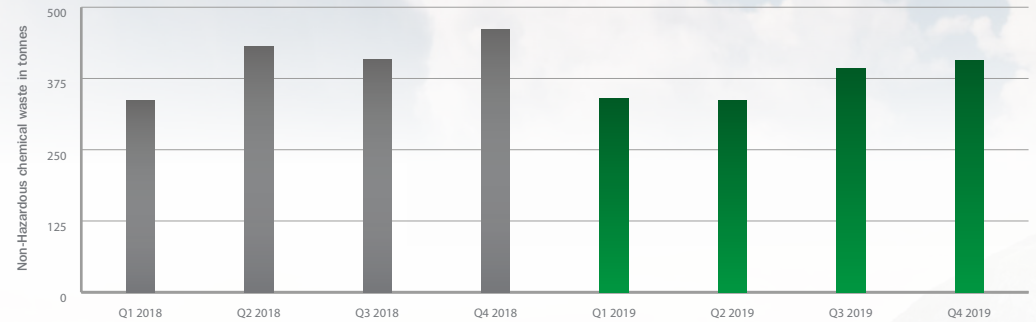
With all our waste-focussed initiatives, e.g. the VIVO Colour Solutions, the new filtration technology for nyloflex® or the RST cleaners, we managed to significantly reduce the amount of hazardous waste, non-hazardous waste, waste to landfill and materials requiring recycling.

Hazardous chemical waste (in tonnes)



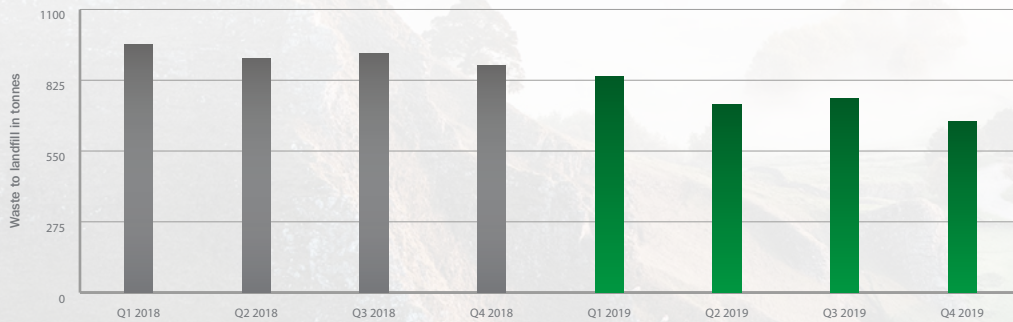
- 12% reduction (2018 vs 2019)

Non-Hazardous chemical waste (in tonnes)



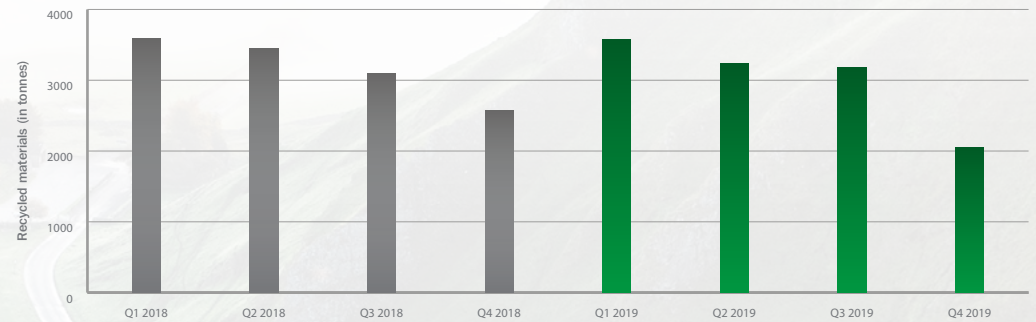
- 10% reduction (2018 vs 2019)

Waste to landfill (in tonnes)



- 19% reduction (2018 vs 2019)

Recycled materials (in tonnes)



- 5% reduction (2018 vs 2019)



FOOD CONTACT MATERIAL (FCM) INKS

Flint Group Narrow Web has developed a complete range of UV inks FCM (Food Contact Material) meeting regulation levels of migration designed for food applications.

When printing onto indirect food-contact flexible packaging and labels, FCM inks are almost always needed as strict regulations are in place to control the migration of any components of the ink or coating system into the food product itself. At Flint Group Narrow Web, we have developed over the years a complete portfolio of FCM inks and varnishes for label and flexible packaging manufacturers. In addition to a comprehensive ink range, we also offer global and regional technical support to meet the needs of indirect food contact applications printed by our customers.

Our comprehensive portfolio allows converters to manufacture safe and sustainable labels and flexible packaging for the indirect food contact industry.

Included in the portfolio, we offer the ANCORA ink range for UV Hg flexo printing of labels and flexible packaging. This ink range enables converters to benefit from excellent technical performance, while meeting the most

stringent food contact packaging legislation. The ANCORA range enables our customers to manufacture safe and sustainable labels and flexible packaging.

In addition, we have developed and commercialised the EkoCure ANCORA range of UV FCM LED inks. With excellent technical performance combined with outstanding migration behaviour, this range improves the environmental performance of our customers utilising UV LED technology delivering less energy use, reduced maintenance requirements, less waste, less noise and does not generate ozone.

Both ink ranges, as well as all other Flint Group FCM ink ranges, are manufactured according to GMP (Good Manufacturing Practice) standards, which ensures contamination and hygiene is controlled. These inks are also compliant with EuPIA guidelines and The Swiss Ordinance requirements.



VIVO Colour Solutions

For Packaging Inks & Narrow Web

SUPPORT FOR PRINTERS TO IMPROVE PRODUCTIVITY AND REDUCE WASTE

Flint Group Packaging Inks and Narrow Web offers a suite of custom-tailored service offerings through its XtraMile® service platform. The seven modules of XtraMile provide printers and converters with various tools and expert insight to increase their operational efficiencies, reduce waste, and increase productivity. Within the Colour module of XtraMile, we are proud to offer VIVO Colour Solutions.

VIVO Colour Solutions was introduced to support customers with their colour matching requirements and to meet the increasing demands on colour accuracy today associated with digital colour communication.

Brand owners are challenging label converters with more new colour targets, meaning designs are changing more frequently and up to 50% of mixed colours today are new colour targets.

By working with a small number of Beta customers in Europe, the Flint Group team demonstrated how big an impact could be made by simply preparing colour offline, in terms of productivity and the reduction of set up waste.

Customers were using their press to make final colour corrections, resulting in up to 10% unnecessary material waste creating cost and environmental impact.

Utilising the VIVO Colour Solutions, converters can benefit from improved productivity, more efficient energy use, reductions in ink waste as well as ensuring colour targets are correct the first time.

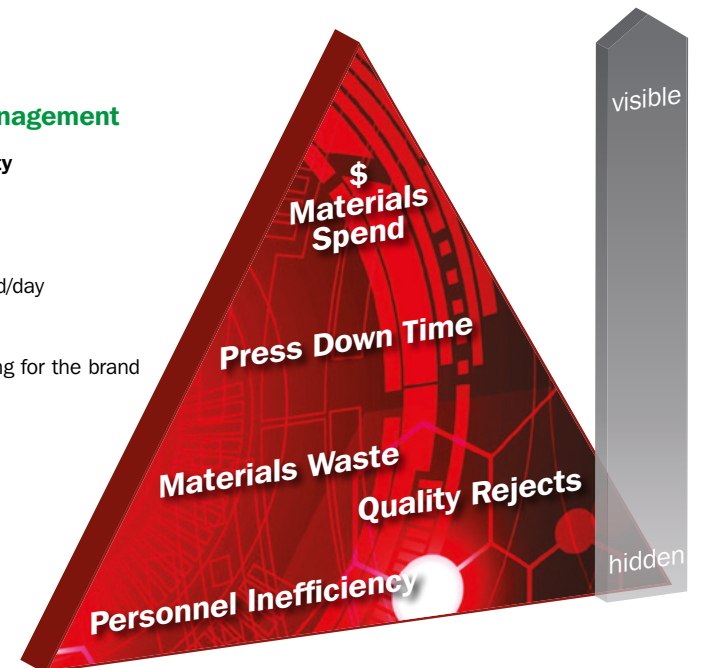
A Root Cause of Printer Losses - Improper Colour Management

Customer VOC highlights the impact of poor colour match capability

- Is the # 1 reason that ink impairs operations
- Converters mix a lot of colours - min: 7/day - max: 50/day
- Converters have many new matches - 20%-50% of all colours mixed/day
- On average 3.5 NEW colours to match every day
- The average converter loses 2.5hrs/day of printing time while striving for the brand owner expected DeltaE < 1.5

Poor Colour Management causes both visible and hidden costs

- Press Down Time
- Rejects / re-run of job
- Material waste due to match adjusted on press
- Extra waste ink / extra ink inventory
- All above reduce personnel efficiency



You will learn more about XtraMile on page 51 of this report.



NEW FILTRATION TECHNOLOGY FOR NYLOFLEX® TO LEVERAGE MANUFACTURING YIELDS AND MAKE FLEXO PLATES MORE SUSTAINABLE

The implementation of continuous melt filter technology for manufacturing flexo plates in 2019 was a significant step change in yield improvement and waste reduction. As a regular step in the manufacturing process the polymer has to undergo a filtration step for removal of all foreign matter. Before the introduction of the new technology the sieves had to be changed every few hours discontinuously with a loss of several plates during the change over operation.

For manufacturing flexo plates the improvement of yield, as well as product quality, are key targets to increase manufacturing efficiencies as well as to reduce the waste which has to be incinerated.

We started carefully with one production line at our plant as a pilot to gain experience with the new technology. It took six months of careful monitoring of the results with all plate formulas and – even more important- maintaining the high level of quality. But, at the end, all those efforts were successful and the decision was a given to roll out across other production lines.

The 1m€-investment in new manufacturing technology is another good example of continuous improvement and manufacturing efficiencies combined with a reduction in the CO₂-footprint of every flexo plate produced at Flint Group in Willstätt. A win-win scenario for cost reductions, capacity gains and environmental protection! It is not only the lower consumption of raw materials that benefits the business, but the reduction of waste that is now incinerated has a positive impact on our carbon footprint.



WASTE REDUCTION IN AHAUS, GERMANY

Waste reduction is important in all our lives. By implementing the manufacturer's handling instructions for an RST cleaner, the Ahaus production site for Sleeves reduced the consumption and disposal of the mixture considerably. This product is mainly used in the winding department and it helps to reduce the use of solvents (harmful to health) for cleaning tools and plant components. The polyester resin processed in our production is prevented from reacting with RST and can be removed from the tools without the use of solvents. RST acts like an alkaline soapy water and stops the reaction of the resin.

The PH value of the cleaner is measured once a week, additionally if necessary, and new cleaner is added according to the data sheet until the effective PH value range is reached again.

Previously, the mixture was changed weekly, thus reducing the waste from 12.8 tons in 2017 to less than 3 tons in 2019.

This reduction in use of RST cleaner was introduced in late summer 2019 and has led to a saving of 3850€ in 2019. So the positive effect in 2020 should be even bigger. In addition to this, we were able to achieve 3500€ savings in disposal costs.

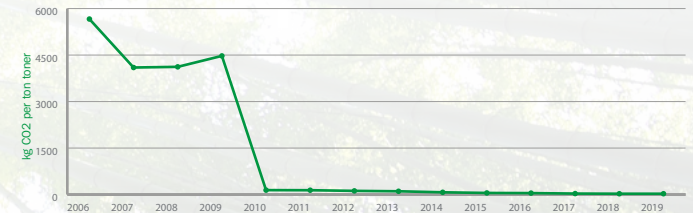
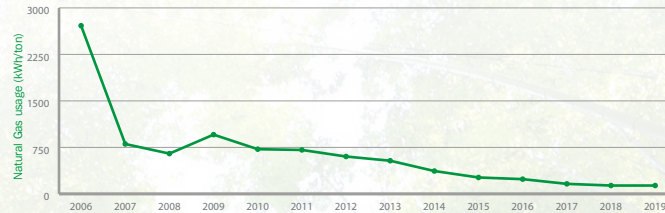
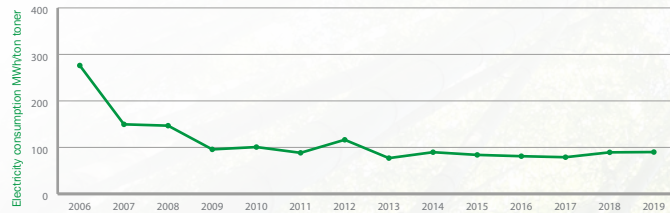
GREEN ENERGY, LESS WASTE

In 2010, Xeikon converted to 100 percent green energy generated from renewable sources – such as wind, sun and water – for its factories, ensuring a significant CO2 reduction. Gas consumption was also drastically reduced by investing significantly in a system for heat recovery from the production processes and air compressors. Heultje plant in Belgium is continuously being optimised to increase efficiency and reduce energy consumption, leading to gas consumption being decreased to 1/6th the volume in just three short years. Electricity consumption dropped more than 1/3rd since 2008.

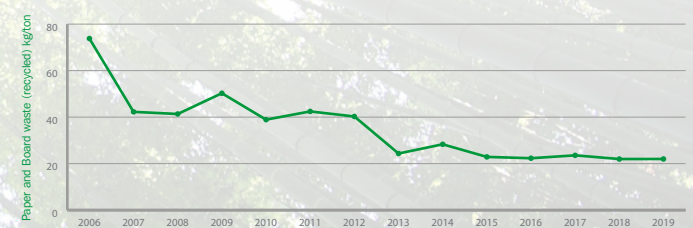
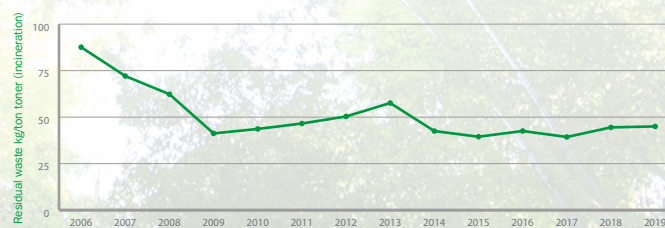
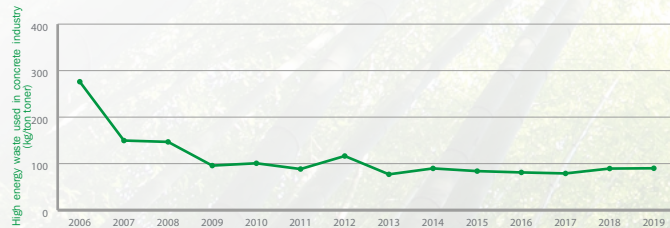
Through this type of intervention in its working method and by rethinking the energy and material processes, Xeikon has been successful in targeting overall waste reduction, halving the quantity of waste originating from toner production over a period of 10 years. Paper and carton are mostly recycled, but the amount has been drastically reduced at the same time: from some 40 kilograms of recycled paper and board per tonne of toner in 2008 down to only 20 kilograms in 2018. Moreover, a large component of the remaining waste is used as raw material in other industries, such as in the production of cement and concrete. And again, the total amount of this type of waste has significantly decreased, from 150 kilograms per ton of toner in 2008 to some 90 kilograms in 2018. Ultimately, only about 40 kilograms of waste per tonne of produced toner is destined for incineration. Zero toner waste from the manufacturing process ends up in a landfill.



Energy usage reduction



Waste reduction



UNITING TO ADDRESS PLASTIC WASTE AND POLLUTION

Flint Group IT function strives to dispose all electronic waste produced at its sites in an environmentally correct way and according to legislation.

This is carried out by sending obsolete computers, printers and other office electronics to recycle where possible, using only ISO 14001 certified disposal companies.

Most of our partners have recycling programmes that we use for our toners, batteries, computers and certain hardware.

Flint Group is also encouraging users of IT equipment to ensure a sustainable power plan on their equipment, so that machines not used, go into power-save mode.

Maintaining the battery life of any hardware is also taken into consideration, therefore the policy is applied to all the laptops regulating the power plan in battery mode to shut down the monitors when not used and processor speed reduction.

Our focus on reduction of waste has also meant that we have replaced physical servers with software based solutions, helping greatly to reduce power use, conserve space and resources, while at the same time offering

greater system flexibility and better performance.

The IT department operates policies that regulate how equipment should be handled by users, what is allowed and prohibited in order to stay aligned with Flint Group environmental regulations.

Choosing partners who take their commitments to the environment very seriously is also a key factor for Flint Group.

In addition, most of our tech-partners use recycled material in their plastic caging and packaging material. For example, Dell is using up 25% recycled ocean plastic in their new computers and monitors.

i *“According to some estimates, there are more than 5 trillion pieces of plastics in the oceans right now – equivalent to 5 grocery bags full of plastic stacked upon every foot of every nation’s coastline around the world. The vast majority of the debris is less than 5 mm in size.*

That’s because the plastics break down into ever smaller pieces (despite what you may have heard, it never breaks down completely).”

source: dell.com

PARTNERING WITH CEFLEX IN EUROPE TO SUPPORT THE DEVELOPMENT OF A CIRCULAR ECONOMY FOR FLEXIBLE PACKAGING.

Flint Group Packaging Inks has partnered with CEFLEX to support the development of a circular economy for the flexible packaging sector.

Working with CEFLEX, a European consortium of companies and associations representing the entire value chain of flexible packaging, Flint Group Packaging Inks is supporting the development of a set of design guidelines and innovating new ink technologies to aid the sorting and recycling of packaging.

Thomas Gray, Global Director of Strategy & Marketing, Flint Group Packaging Inks, comments, “We have a clear strategy to support the wider packaging industry achieve its sustainability goals and truly believe that it takes a joint effort from all corners of the market to make it a reality. CEFLEX has identified seven key areas to drive change in the flexible packaging market and ultimately create a circular economy. By lending our expertise in inks, print and packaging and aligning our sustainability strategies, we believe we have a crucial role to play.

“The flexible packaging market is growing thanks to the versatility, durability, functionality and light weight nature of the format. It really is an engineering masterpiece and perfect to meet the demands of an increasingly complex global supply chain. However, it presents a number of obstacles that need to be overcome in order for it to meet the needs of today’s recycling infrastructure.

Flint Group is proud to be working alongside CEFLEX to implement solutions that support a circular, rather than a linear, approach for a more sustainable future in flexible packaging.



ENVIRONMENTAL OPPORTUNITIES



DEINKABILITY

For the last 20 years, Xeikon has always been at the forefront of programmes to ensure graphic paper is reused as much as possible, as we do not have enough trees to address the need for paper in world. Collecting paper is one thing, making it white again for reuse in magazines, sanitary tissues, office paper, is another thing. Therefore marking particles (offset ink, toner) should be easily removed from the paper fiber. Xeikon guarantees, in contrast to a lot of other digital printing technologies such as liquid toner, many water-based and UV inkjet systems, that all our paper prints are 100 % recyclable and deinkable; this also applies to our latest high performance toner systems recently brought to market. Furthermore, last year we started initial tests to check if plastic material printed with our packaging toner systems could be deinked to obtain transparent or white polymeric material in order to make it possible to reuse these plastics again in a pure form. The tests have shown this was possible and have also opened new recycling opportunities for this printed matter as well!

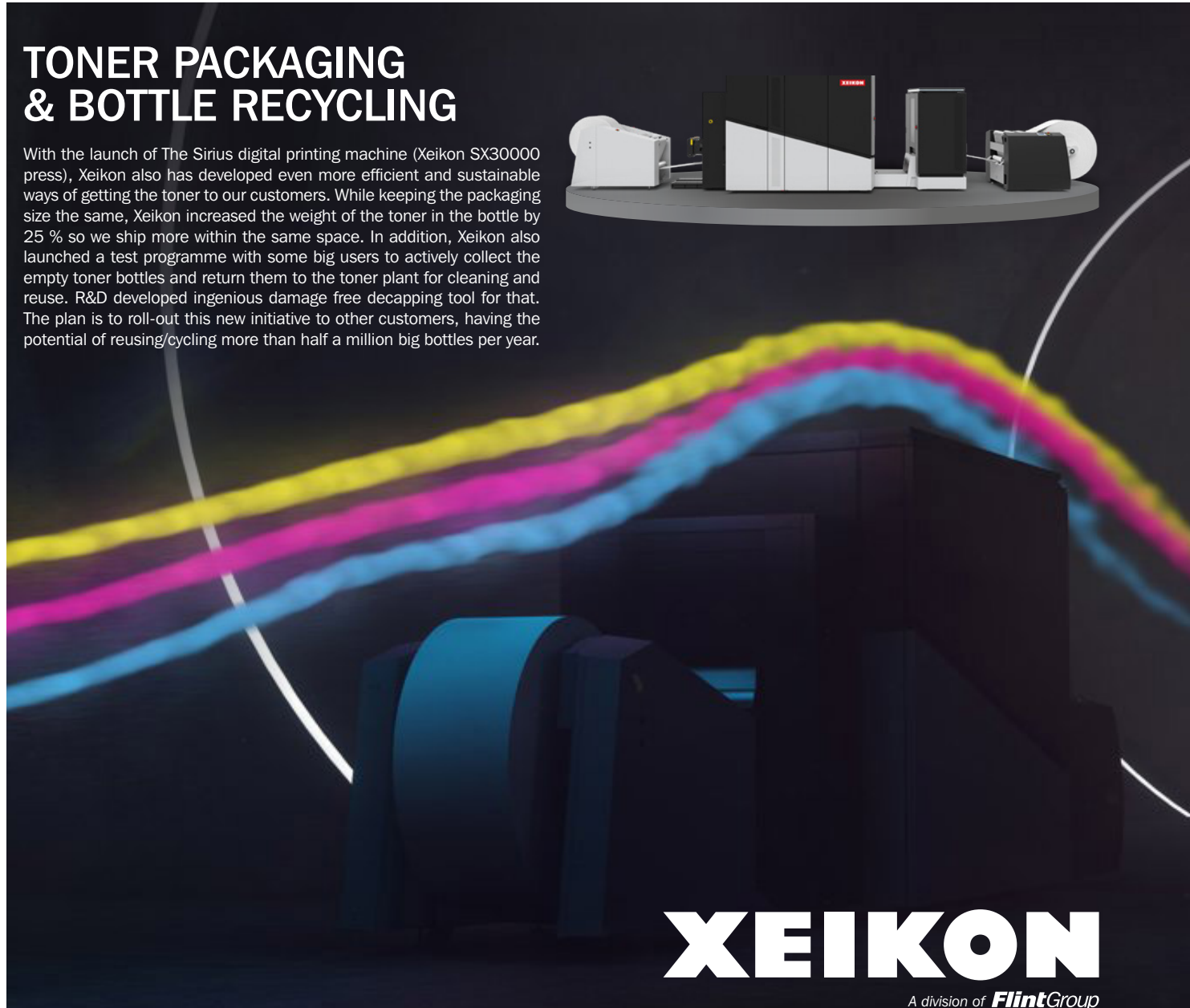


FUTURE SUSTAINABLE DIGITAL INKS

It is more common to find packaging made with biodegradable substrates. From a digital printing point of view we want to be sure that the decoration on these biodegradable or compostable materials doesn't alter the biodegradability or compostability of the pack or label. Therefore R&D is focussing on water-based inkjet inks and dry toner systems that are biodegradable.

TONER PACKAGING & BOTTLE RECYCLING

With the launch of The Sirius digital printing machine (Xeikon SX30000 press), Xeikon also has developed even more efficient and sustainable ways of getting the toner to our customers. While keeping the packaging size the same, Xeikon increased the weight of the toner in the bottle by 25 % so we ship more within the same space. In addition, Xeikon also launched a test programme with some big users to actively collect the empty toner bottles and return them to the toner plant for cleaning and reuse. R&D developed ingenious damage free decapping tool for that. The plan is to roll-out this new initiative to other customers, having the potential of reusing/cycling more than half a million big bottles per year.



XEIKON

A division of **FlintGroup**



RECYCLABILITY AND COMPOSTABILITY

We are currently developing solutions via new ink technologies and formulations, to improve the performance and recyclability of labels, shrink sleeves and flexible packaging, which will help our customers to meet their sustainability goals.

These solutions target the removal of the inks during the recycling process in order to increase the quantity and improve the quality of the recycled material e.g. PET in the recycling process of PET bottles, where the purpose is to get PET flakes as clear as possible.

We also have engaged in developing inks that are compostable according to the DIN EN 13432 norm and are looking to increase the use of renewable raw materials, which reduces the product's carbon footprint.

The above initiatives, both on raw materials level as well as end-product level, clearly underline Flint Group Narrow Web's commitment towards sustainability and will further design the future of labels, shrink sleeves and flexible packaging.



TRELLEBORG ENERGY REDUCTION

The Trelleborg plant of the Narrow Web business in Sweden produces a large proportion of the division's total volume and supports the vast network of regional service centres. Since 2019, significant investments have supported core performance enhancement including Safety and Sustainability. The facility is now operating on 100% renewable energy from hydro-, wind-, and sun power. This has reduced the emissions of green house gases by 38% per year. In addition, a heat recycling system for the compressors has been implemented to recycle heat back to the production facility. The system delivers annual energy savings equal to 12 000 kWh. In 2019, the site connected to the municipality's distant heating system that fully operates on bio fuels.

RESPONSIBLE SOURCING OF MATERIALS

Packaging sustainability is an increasingly important topic around the world. Brand owners and consumers look for packaging which is more sustainable and not harmful to our environment. Therefore, printers and converters seek suppliers who can help them address these sustainability concerns through the consumable products they use every day.

Flint Group Packaging Inks employs stringent global standards for all material suppliers; responsible sourcing is of utmost importance to us. With an ethical business platform for the sourcing of all raw materials, we can assure our customers that we are environmentally conscious within our manufacturing processes and raw material sourcing.

We connect our standards with the United Nations Global Compact and United Nations Sustainable Development Goals by considering three key themes:

- Socio-Economic Growth
- Green Economy
- Socio-Environmental Progress

Below you will see how our key themes connect with the elements, and the essence, of UN principles such as human rights, anti-discrimination, environmental well-being, anti-corruption, and equal opportunity.

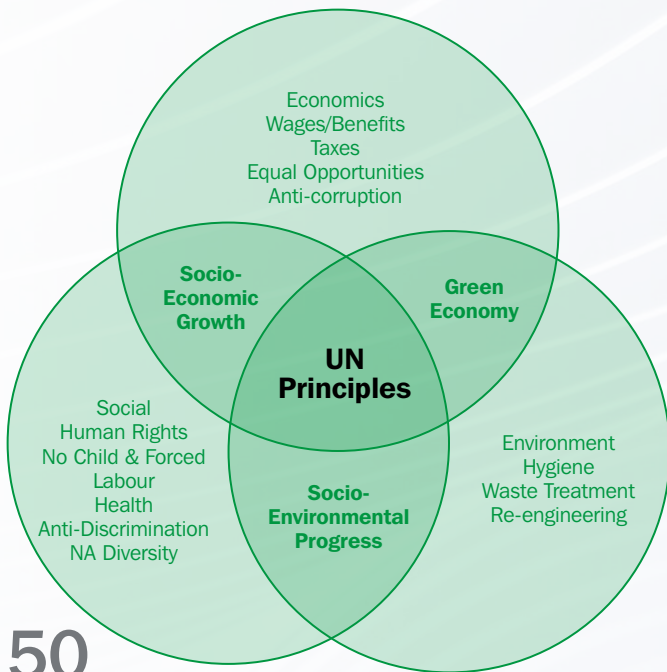
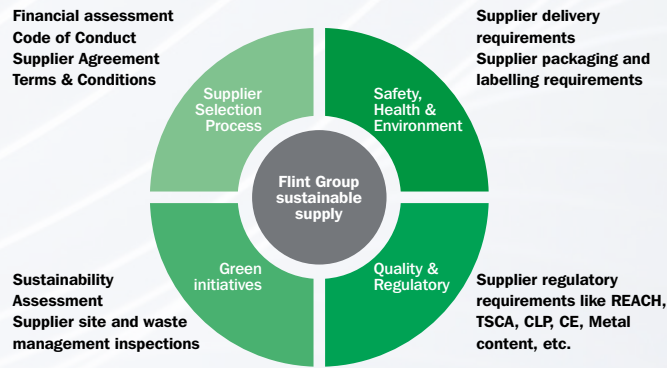
Furthermore, to ensure that we address sustainability in the supply of our materials, we have developed a Sustainability Supply Model which consists of four key quadrants:

1. Supplier Selection Process
2. Green Initiatives
3. Safety Health & Environment
4. Quality & Regulatory

To confirm that suppliers fit within our guidelines, we have developed an assessment process which addresses all four quadrants and calculates a supplier score. Once a supplier has been qualified to work with Flint Group, we schedule regular audits to review their performance and ensure our high standards are continuously met.

Packaging printers who seek responsible sourcing of materials, supply chain compliance, and a supplier who is environmentally conscious, can rely on us.

Four key quadrants comprise our Sustainable Supply Model





FLINT GROUP PACKAGING INKS: SERVICES DESIGNED TO GO THE EXTRA MILE THROUGHOUT OUR SUSTAINABLE JOURNEY

XtraMile® Programme - helping our customers achieve their goals to reduce their ecological impact.

Flint Group offers a wide range of services to support our customers in every aspect of their operation. XtraMile is a portfolio of services to assist customers in optimising their quality, performance, and cost in the entire value chain. The seven modules of XtraMile are designed for customers who want to achieve improvements in their process and increase their overall profitability by streamlining their operations through press productivity, ink management, waste reduction, colour consistency, and by using the latest innovative technologies.

When it comes to sustainability, two modules shine through – XtraMile® Force and XtraMile® Colour.

XtraMile® Force:

Following time spent working closely with printer converters – we understand the difference between necessary and unnecessary waste. XtraMile Force can increase value added activity, along with a reduction of energy and waste, in the press room. Therefore, Flint Group XtraMile Force module connects productivity and reduced waste to sustainability by providing insights to printers on the best use of printing inks and the productivity of their printing process.

For example:

- Utilisation of expanded gamut printing to realise lower ink consumption and less ink waste.
- Processes to reuse and rework post press run inks reduce new ink consumption.
- Advice and insight on how to reduce setup and make-ready times to reduce substrate waste and unnecessary use of power and energy.

- Understanding the difference between necessary and unnecessary waste and value-added activities across the entire printing workflow.

XtraMile Force can reduce waste from the press run scenario.

XtraMile® Colour:

This module of our XtraMile programme is dedicated to colour management. We know that printers are concerned about achieving 'right first time' colour and brand colour management. Regardless of where printers are in the world, Flint Group Packaging Inks can help printers reach their colour objectives.

VIVO Colour Solutions, a state of the art ink and colour management system, was developed to help converters achieve colour consistency, 'right first time' printing, and a reduction of total cost to print. With VIVO Colour Solutions, printers have access to achievable recipes and digital colour standards, full traceability, and colour process improvements to enhance their end result printed packaging.

With VIVO printers have access to:

- A modular set of colour toolbox options
- A multi-site, multi-region, solution
- Process improvement opportunities
- Quality control processes
- Savings through efficiencies, time, resources, and waste

Imagine the elimination of unnecessary press stops and wasted material – imagine cost saving and value creation through reduced waste and increased efficiency! These things are a possible today with VIVO Colour Solutions.

COGENERATION PLANT LEADING AT ENERGY SAVING AND EMISSIONS REDUCTION



Flint Group Caronno Pertusella site (VA, Lombardia, Italy) produces about 23.000 tons of resins for inks every year. 88 Flint Group employees work here and the Plant area is wide 37.619 m2. All the activities in the plant consume about 5 GWh of electricity per year and about 1.700 Sm3 of gas per year.

After a successful energy saving plan started in 2007 with an energy consumption reduction of about 15%, Resins and site Director Ing. Enrico Boffi decided to make the next big step with the installation of a cogeneration plant.

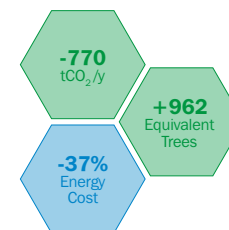
He started work with the installation of a 530 kWel Cogeneration plant powered by natural gas for the production of electrical and thermal energy for process use and requalification of the integrated thermal power plant. He had the idea that optimisation of the input energy flows necessary for this Flint Group plant could be generated by the combined production of thermal and electrical energy on site.

He found in Edison S.p.A. a capable energy partner for the project signing an 8 year «tolling» contract, generating an economic saving for Flint Group since the first year of operation, with an average 35% reduction in energy costs.

The next phase in the cogeneration project was temporarily suspended by the Covid-19 lockdown. Once this new phase is operational it will result in an 80% reduction in the plant's reliance on the electrical grid/network and a reduction in CO2 emissions equal to -770 tCO2 per year (that corresponds to a saving of 962 trees!).

The Cogeneration plant consists of a 530 kWel indoor gen-set, capable of generating up to 600 kWth, divided between hot water and steam, through its heat recovery systems. Caronno Pertusella plant is also equipped with an SCR system capable of significantly reducing NOx emissions.

This is a great example of how plant efficiency and technology can help environmental sustainability.





LONGER LIFE OF THE SLEEVE

The product development group for rotec® sleeves and adapters is continuously working on innovations with the customer in mind, often inspired by direct conversations with individual clients. Retaining this collaborative approach when it comes to product development has been key to Flint Group success in the marketplace. We have a passion for finding solutions to help our customers excel.

Flexographic printers use many different sizes of sleeves on various jobs for the flexible packaging market. Very thin sleeves are often quite brittle and prone to cracking, especially at the notch. Metal- or composite-reinforced notches are not possible when the sleeve is so thin. These sleeves often have a short lifetime and must be replaced quite often.

In 2016, the product development group integrated a robust, reinforcing material into the base of the sleeve to help strengthen the notch and the sleeve, in general. This helped the customer to extend the life of the sleeve. Unfortunately, the production process for these thin sleeves was still quite complex and in need of further stability.

In 2019, using a new sleeve construction from a separate development, the production process was simplified and the stability of the resulting thin Blue Light Sleeve was significantly improved!

The new sleeves have been sent to several test customers, who are extremely happy with this new construction of the thin Blue Light Sleeves. One said, "This new version of Blue Light is so much more stable. It has already lasted more than 50% longer than our usual sleeves." The operators at a second test customer claimed, "The surface is more cut-resistant than other sleeves on the market." And, compared to competitive sleeves, the tape is much easier to remove for the next job. The improved stability and longer life offers customers a more sustainable product with significant savings.

In the end, the new construction of thin rotec® Blue Light Sleeve allows for a better, more stable, longer-lasting product for our customer... an easier, more robust production process... and an improved environment from a more sustainable product and process.

HEATSET AUTOMATIC BLANKET WASH AND SHEETFED UV WASH DEVELOPMENTS

New more demanding machines, tougher legislation and increasing health and safety standards are driving the development of print chemicals that are safer to use and have less impact on the environment.

This is most noticeable in the heatset segment where the size and speed of lithographic printing presses has increased considerably over the last 20 years. The performance of automatic blanket washing systems and consumables have become more critical both from an environmental and health and safety aspect.

Historically, the use of blanket and roller washes based on low flash point petroleum distillates was commonplace. This practice carried a higher risk in the heatset oven due to a build-up of hydrocarbons above the critical lower explosion limits. In an attempt to regulate the use of these more volatile washes, the press manufacturers together with the German research institute FOGRA and BG-ETEM (the body that oversees the health and well-being of employees in the print industry in the DACH region) introduced strict approval criteria for automatic blanket washes. These criteria mandated the use of higher flashpoint solvents, limited the use of aromatic hydrocarbons and imposed restrictions on other chemicals linked to health concerns.

Other criteria such as explosion testing and tests to determine the evaporation characteristics of the wash became critical in preventing explosions in the heatset oven thereby enhancing employee safety. These criteria are now used in the calibration of the automatic blanket washing system with a particular approved blanket wash in order to ensure safe levels of hydrocarbons in the oven.

From a cost perspective paper waste is a key factor in blanket washing. Paper continues to run through the press during the wash cycle generating waste copy.

If there was some way to shorten the wash cycle, surely savings could be realised due to waste minimisation.

One way to shorten the wash cycle would be to apply more blanket wash for faster cleaning and strengthen the ink dissolving power of the wash. Applying more wash inevitably leads to higher hydrocarbons levels in the heatset oven and a less safe condition as far as explosion risk is concerned. This problem can be overcome by careful selection and use of less volatile solvents so that more of the wash remains on the paper rather than evaporating in the oven. Irlam is currently developing a new Heatset Automatic Blanket Wash E9294 with these goals and characteristics in mind.

A further advantage E9294 is that it has similar evaporation characteristics over a wider temperature range. This allows the printer more flexibility in being able to run the oven at a higher temperature whilst still maintaining safe levels of hydrocarbons. This allows for greater ink drying performance at higher press speeds and improves the efficiency of the print process. Under EU definition E9294 is classed as a zero VOC product and reduces the use of conventional fossil fuels such as petroleum distillates by 50%.

The demand for efficiency and effectiveness of UV washes for our customers' sheet-fed lithographic printing presses is also continuously increasing in order to reduce press downtime, reduce product environmental impact, and reduce the health and safety impact on people.

The development of our new UV Wash SFW9295 has focussed on improved cleaning power to reduce the frequency of press washes and the amount of wash used. In combination with this, the wash has a very low swell advantage on EPDM & combi-roller compounds and is formulated to minimise the VOC content.

There are a number of reasons why we are looking to make — and consumers should be looking to buy — low VOC products:

- **Improved air quality**
Poor air quality can have a detrimental effect on health and the environment, as VOCs evaporate transferring chemicals into the air. Using products with high VOC levels can be dangerous
- **Better for the environment**
As well as having a potential negative impact on health, poor air quality caused by products with a high VOC content can also cause damage to the environment. If everyone was to make more of an effort to make and use low VOC products, this could help to reduce the overall levels of air pollution both indoors and outdoors
- **Reduced odour**
Products with a high VOC content tend to have a strong odour and often the fumes can cause headaches. This means, by producing low VOC products, people can buy products with a reduced odour

The development of SFW9295 is complete and we are in process of conducting field trials prior to submitting the product for press manufacturer approval.

In the Offset Division, we recognise that we have a responsibility to continually challenge ourselves to achieve the best results in terms of developing innovative, sustainable, new product solutions. We focus on the improvement, wherever possible, of product portfolio in terms of meeting and exceeding our customers' expectations for each products' application, health & safety and environmental performance.

SUSTAINABILITY FORCE AT OFFSET IN ASHEVILLE



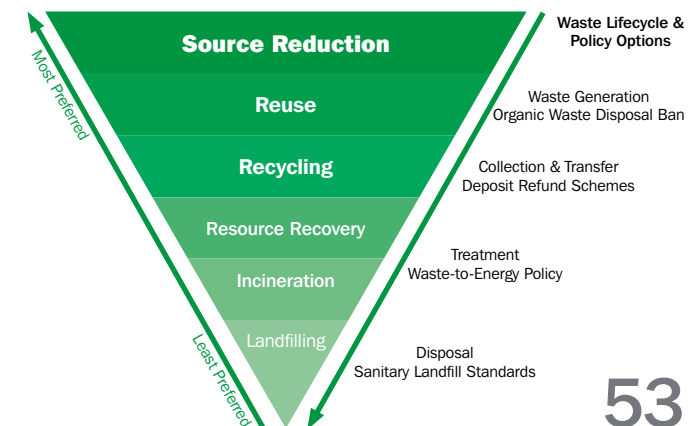
Co-Op students, Aurora Whitson and Cathrine Campbell gathered support and started a Sustainability Climb team in Flint Group Asheville. The goal of the team is to promote sustainability awareness and implement sustainable solutions to wasteful problems. In collaboration with Ashevilleideas.com, the team is exploring environmental ideas and encouraging all employees to speak up about any wasteful habits they notice. The team is currently investigating landfill alternatives and methods to reduce and reuse waste. In 2018, the Asheville team recycled or reused 15% of its waste, and the rest went into landfill. The sustainability team aimed to increase recycling to 40% by the end of 2019 and foster a green culture within the plant.

Sustainability Achievements in Asheville:

- Recycling Lunch and Learn
- Created single stream waste awareness with posters and Town Hall presentation
- Made recycling a 5S audited standard
- Made reporting sustainable problems easier and implementation faster by working with Asheville Ideas

Future Flint Group Asheville Sustainability Efforts:

- Continue search for sustainable rubber dust solutions
- Implement talc recovery ideas in granulator room
- Continue looking into wasteful problems and finding sustainable solutions
- Remember hierarchy of waste pyramid



*VOC - volatile organic compounds. The term refers to a class of chemicals that begin to vaporise under typical indoor temperature and pressure conditions.

Social

Contents:

BUILDING ENGAGEMENT AND COMMITMENT - CREATING ENVIRONMENT FOR OUR DEVELOPMENT

TALENT RECOGNITION - CREATING OPPORTUNITIES FOR EMPLOYEES AND APPRECIATION OF THEIR EXCEPTIONAL SERVICE

TAKING SOCIAL RESPONSIBILITY - EMPLOYEE ENGAGEMENT IN SOCIAL SUSTAINABILITY

EMPLOYEE INITIATIVES - ENHANCING TEAM SPIRIT THROUGH TEAM ACTIVITIES

Building engagement and commitment



Through our established People Strategy, we consistently aim to achieve working environments across all our locations around the world, which are good places to work with strong cross-functional collaboration & teamwork, and regular celebration of success. We aim to ensure that all of our employees are treated with respect, their ideas listened to and opportunities provided to grow and develop their skills.

To look for opportunities and ways to further develop and build on company success, we ran the Global Organisational Health Index survey at the beginning of 2018. Understanding our internal perceptions and hearing the voice of our employees enabled us to identify the actions to further engage and motivate our teams. The results of the survey were extensively reviewed on all organisational levels and hundreds of great actions were designed and implemented worldwide.

The number of employees who participated in the survey shows how much we want to contribute to the culture of the company. Many of our sites have created local teams to develop tailor made action plans and employees at all levels were involved in the initiative's implementation. In addition, to encourage a 'bottom up' approach, a cross functional group of volunteers, called 'Change Champions,' was created to support the organisational transformation, representing the employees voice and needs as well as advocating strategies and bringing initiatives to all layers of organisation and regions.

To draw special attention to these organisational health initiatives a Health Weeks/Months programme was introduced. Thanks to the cross country collaboration of local Site Management Teams, each quarter many meaningful initiatives were introduced. Some examples include a 'Leadership Table' programme supporting the development of managers focussing on improving leadership skills, building confidence and motivation. The 'Open Days' initiative allows people from different departments to learn more about specific functions in our company. Lunch and Learn sessions or HR Caffe enhances the knowledge sharing between the employees.

We put significant effort into strengthening our internal communication and in creating transparency about the goals and progress. Divisional newsletters, CEO videos, conference calls, all give our employees greater insight into the business and more opportunity to share success stories.

Town Hall meetings (staff meetings with General Managers) are a standard feature with a dedicated session of Q&A where employees can ask questions to senior management.

We also pay more attention to cascading goals and strategy, which helps employees better understand how the targets of different departments are interconnected and contribute to overall company success.

Improvement of the Performance Management process allows everyone to better align their operation goals with business strategy and direct individual focus on high priority areas.

These are only a small range of initiatives implemented in the past two years. You can read more about some great actions on the next pages.

Employee Testimonials



Daniele Teruzzi – HR Manager Italy & Turkey

"...we are moving in the right direction. I see more engagement within all our employees around the world, whether that is from hosting barbeques, through videos or articles, through all of those different medias for communicating. These are big changes ensuring more two way communication that enables people to start the discussion and to have their questions answered."



MAIN ORGANISATIONAL HEALTH THEMES

- 
Rewards and recognition
- 
Clarity of vision and mission
- 
Personal ownership & employee involvement
- 
Supportive Leadership
- 
Sharing knowledge & best practices

Building high performing teams

At Flint Group, we aim to create an environment where our people and teams are motivated to give their best and enjoy meeting the opportunities and challenges posed by the world around us

We are committed to the development of teams & Individuals and firmly believe that we can only grow as an organisation by allowing and enabling our people and teams to grow with us. Our ability to develop high-performing, cross-functional and multicultural teams, following a clearly defined set of priorities, sets us apart from our competitors and helps us to perform effectively in our chosen markets.

STEP UP PROGRAMME

We endeavour to create strong-performing teams whose skills and knowledge respond to the complexity of our industry and the market demands of our diverse businesses and international customers. In today's very competitive business environment, having an advantage over the competition is crucial. One of the most important tools that we have to ensure that we stay one step ahead is our powerful product and service portfolio, mastered by our strong sales teams. As it is our ambition at Flint Group to become the innovation leader in the Packaging industry, it is natural to invest in equipping our commercial teams for success.

To assist our employees in increasing market-focus, we introduced a tailor-made sales development programme in 2018, called Step Up. It was designed to support our Sales Teams in offering and delivering our products in a way that creates optimal value for our customers and best corresponds to their needs. The programme was held globally in cross-functional teams allowing best practice exchange and high quality market approach development across the whole of Flint Group. The workshop formula, based on real-life examples, increased understanding of business challenges, self-awareness of the employees and ability to set up a valuable dialogue with our current and potential customers.

Employee engagement & social responsibility initiatives

Corporate responsibility is an integral part of our company culture. As a high performing and responsible company we look beyond our organisation to see how we can contribute to society at large. We respect the environment and society in which we operate and we actively seek opportunities to contribute to underserved communities.

We strive to create a supportive, open and inclusive environment where people can share their passion for helping others and visibly involve into CSR initiatives for worthy causes but we believe our highly engaged employees are and will be the main drivers of charity activities.

Flint Group Employee Engagement Model...



Our approach to continuously improving on employee engagement is underpinned by our Mission and Guiding Principles - a set of clear and simple values.

At Flint Group we aim to create an environment where our people and teams are motivated to give their best and enjoy meeting the opportunities and challenges we face. We are committed to the development of teams and individuals, and firmly believe that we can only grow as an organisation by allowing and enabling our people and teams to grow with us. Therefore, we encourage our employees to use their skills and expertise to build both team spirit and creativity within our organisation and the world around us.

Employee Testimonials



Yes Jegou – Sales Development Manager, France

“It is more than useful to have tools streamlining the way of negotiating and managing relations with Customers.. It’s good to know your personality and be open for differences in approach from the other side. Diversity is a great tool in negotiations.

“We spent a very good time together with people from various divisions...”

HOW WE EMPOWER OUR PEOPLE TO SUCCEED

A. Leadership and Capability

- Ensure consistently high standards of Integrity and Compliance globally
- HSE – systematically reducing life changing accidents/incidents and application of behavioural safety tools
- Leadership assesment, development and succession planning to ensure the right mix of internal promotions and key hires – including coaching and mentoring
- Further develop a collaborative culture – open to new and innovative ideas.

C. Employee Engagement

- Equipping our people with required tools, skills and knowledge – invest in learning, coaching and mentoring
- Effective performance management – aligned goals and regular ‘how is it going?’ discussions
- Further develop digital HR processes – with Capability & Talent management next
- Variable pay plans with the right level of line of sight to accountabilities and targets.

B. Team and Individual Performance

- Continuous improvement in safety, quality, customer service, productivity and cost – build sustainability programmes into site Balanced Scorecards/Vital actions
- Communication channels optimised with alignment to strategy, values and sustainability – with increasingly effective employer branding
- Encourage team and individual recognition – celebrate success and also encourage local social responsibility programmes.

D. Effective Organisations

- Driven by segment and functional strategies with clarity of roles and responsibilities
- Vital Action management through project management tools
- Total compensation and benefit costs in line with business performance
- Effective change management – ensure we are open to newly acquired cultures and manage well the ‘soft’ side of integrations.
- Treating our people affected by change to our business or locations with full respect and appropriate support



Keith Redmond – Regional Sales Manager, Ireland

“Step up training was very thought-provoking, giving a lot of good ideas and processes for better sales planning and relationship management. It was nice to get to know our colleagues better from other departments and regions. Culturally, we can be different, but we all aim to achieve the same goal... and our Italian colleagues taught us that drinking cappuccino after 10 is a crime.”

Personal data security is our priority, but also a lifelong journey

Flint Group is dedicated to conducting business lawfully and ethically. Due to strict legal requirements and technological advances the need to ensure effective protection of personal data privacy is paramount. Given the risks associated with the collection and use of personal data, Flint Group has made personal data protection and respect for privacy a critical initiative.

Our Global Personal Data Policy establishes appropriate, worldwide standards for data protection (privacy) and security of Personal data that we collect and process. Our privacy standards are designed to be consistent with all applicable laws and requirements and also take into account and comply with any notices and contracts or other agreements that we enter into.



But personal data protection is not only about tools and templates, it is about trust and business awareness. Being a business leader, Flint Group embraced this responsibility with a wide range of tools and trainings that empower our people to process data in a safe and compliant manner.

At Flint Group we are aware that complying with world-wide data privacy legislation is challenging, but we take this challenge as an opportunity to excel. Strong data privacy culture is a competitive advantage that builds trust, results in enhanced security standards and improved processes. Cultivating the values of data security is a way to highlight our respect to customers,' vendors' and employees' data privacy.



SINGLE MOTHER SUPPORT

For three years Flint Group employees in Poland have been helping a Single Mother Charity in Lodz, providing support for expectant mothers and women who are raising their children alone having encountered difficulties.

The facility, which is run by Antonian Nuns, provides a safe place where single mothers can find shelter, help and support for themselves and their children. It can house up to 60 people with private living space, communal rooms and support services such as professional development, social assistance and counselling.

Thanks to our latest contributions – two rooms in the facility have now been renovated. We also participated in an annual picnic to celebrate International Children's Day – organising a play day for the children and their families. The children also enjoyed refreshments in the form of ice cream and enjoyable activities such as soap bubbles, face-painting and creative time. At the end of an enjoyable day, each family also received a portraits as a souvenir supplied to them by our team in Poland.



OPEN DAY FOR COLLEAGUES AT THE TECHNICAL CUSTOMER SERVICE AND LABORATORY DEPARTMENT IN WILLSTÄTT WAS A HUGE SUCCESS!



On Friday, 11th January the Technical Customer Service (TCS) and laboratory department in Willstätt opened its doors to colleagues from all other departments. The teams around Eddy Arbogast, Lead Lab and Regional Technical Manager FP CE & EE, organised a detailed information session related to products and their applications at customers.

The tour started with an overview of which raw materials are used within our inks and how the right mix of solvent, pigments, technical compounds and additives is crucial in order to set up inks that fulfil customer, as well as legal requirements, and are safe to use.

The R&D (Research & Development) team presented case studies of some recent projects to improve product performance and explained how they interact with colleagues from other Flint Group laboratories, print technicians, sales colleagues that visit our customers and of course, the TCS.

All of our products are tested thoroughly before they are approved and released for sale. The TCS team showed different test equipment they use to examine individual parameters such as scratch and rub resistance, gloss, deep freeze and water resistance.

Before our inks leave the Willstätt premises, Quality Control (QC) always takes a sample that is then stored safely for 12 months, using a well-regulated process. At the same time, the colleagues from QC examine each delivery of raw materials arriving at our site. In case of customer audits, or any other product related issues, the corresponding batch can be found within a few minutes.

During the open day, colleagues also learned more about the different printing processes and watched short videos showing live print demos.

As a final step, a variety of end-use products - from pouches for pet food, chips bags and beer labels to baby diapers and cigarettes - were presented and the attendees realised just how often we come across our inks when strolling through the supermarket. Four groups in total were guided through the different stages, allowing 60 colleagues to benefit from the event.

The open day was very well-received and is likely to be repeated on a regular basis. Well done and a big thank you to everyone involved!

THE IDEA GENERATION, PROBLEM SOLVING & RECOGNITION PLAN

The Flint Group Idea Generation Programme was created in 2018. The main purpose of the project was to improve organisation health by challenging employees to be more creative, go an extra mile and reward them using financial and non-financial incentives. Involvement and participation of employees in continuous improvement helps improve motivation as well as financial results.

We created a place where our employees are able to search for solutions to their problems and share good practices.

The Idea Generation Programme is a global platform with two aspects:



Problem solving

Sharing specific existing issues/ challenges/ problems and asking for ideas to solve the problem

New Idea Generation

Sharing new solutions/improvements/ideas globally

Idea Generation Programme in numbers:

(as for May 2020)

19 months since launch

1007 ideas sent

550 in progress

234 implemented ideas

awards

19 Gold 🏆 **14** Silver 🏆 **29** Bronze 🏆

320 Gifts, vouchers and others 🎁

around

919 907 €
Declared cost savings per year





THE IDEA GENERATION EXAMPLES

Özkan - Istanbul, Turkey



Idea: Each week the site fills and dispatches hundreds of ink tins to customers all over Europe.

While being ideal for shipping and storage the metal tins do not come without their problems... It can be difficult for customers to empty the entirety of the contents often leaving a residue of unused products (up to 250g)

Özkan's solution? To simply line each can with a nylon bag! This simple but effective solution will provide significant savings in recycling costs to the organisation – reducing the need to wash used tins while also allowing for more flexibility in using the tins full contents saving waste at the customer. Flint Group could also then offer a collection service from customers to return the tin pails for reuse. This provides a win-win situation for the customer from a value and service proposition and for the company in cost efficiencies with enhanced environmental benefits due to the ability of the nylon bag to be rubbed and filtered.

Chris - Irlam, UK



Idea: Reducing waste effluent disposal costs while improving environmental footprint...

Flint Group Irlam site creates solvent waste as part of the process to clean mixing tanks and lines between batches to avoid contamination. Under the existing process – this waste then had to be collected and disposed of by specialists to ensure it did not enter the water course and cause potential pollution.

This did not seem to be an effective solution to Chris who flagged this issue, as part of the idea generation and problem solving initiative. With the collective help of the team Chris was able to identify a third-party who would be willing to purchase the solvent effluent to recycle as a fuel source – not only saving the site over £8000 per annum in disposal costs but significantly reducing its environmental footprint in the process.



FLINT GROUP BRAZIL RECOGNITION PROGRAMME

Every quarter a group formed by the Brazilian leadership team choose 'employees of the quarter.' They are recognised in public for their exceptional service in the last quarter during a Townhall meeting for all employees.

Evaluation criteria

The evaluation criteria are diverse: higher-than-expected customer contributions, excellent performance, savings generated, cost reductions (expense, inventory, formulation, raw material), improved controls, improved safety, productivity gains, winning new customers, problem solving and teamwork.

Purpose

The Recognition Programme in Brazil seeks to make a public recognition for exceptional service of employees.

The team then uses a fair and transparent voting process to select the winning employees.

Participants

All employees below management level may participate in the recognition event.

Souvenirs

Souvenirs are given to the winners as a symbol of recognition during the townhall. In focus groups conducted in June 2018 with employees of all levels and areas, it was identified that Flint Group employees really appreciate company souvenirs such as shirts, sweaters, backpacks and purses.

Evaluating Committee

Formed with a leader from each department, the evaluation Committee is responsible for presenting and evaluating outstanding contributions that deserve recognition.

These events happen once a quarter and are very well received . Well done to all the winners!

Members of this Committee nominate employees from their respective teams and from other teams that have delivered something beyond expectations. All members treat nominees and evaluations confidentially.

TALENT MANAGEMENT - HIGH PERFORMANCE TEAMS PROGRAMME CALLED T-EVOLUTION

Flint Group has developed, with the help of an external provider, a programme to develop teams with the aim of improving team performance.

High-performance teams are those that exceed conventional standards and limits.

Process steps:

Step 1

Kick-off meeting with consultants and Flint Group sales team in order to review the methodology and objectives of the course.

Step 2

Diagnosis questionnaire completed by all team members. Interviews, if necessary.

Step 3

- 8-hour workshop with the entire team
- 3-hour meetings each month thereafter
- Meeting 1 - Presentation by the working groups
- Meeting 2 - Presentation of action plans drawn up by each group
- Meeting 3 - Approval of the action plan

Step 4

Three coaching sessions of 2h30min.

Step 5

Resitting the questionnaire and evaluation of results.

Step 6

Evaluation of final results.

Delivery of final report and workshop to present the results and final recommendations.

KPIs

Score before and after the questionnaire applied.

Implementation of the Action Plan = implemented actions / total approved actions.

Measurement of the performance against agreed action plans 1 year later.

EMPWR COAT - WINTER FUND RAISER

"Breaking the cycle of homelessness through employment"



Upon hearing about the EMPWR (sleeping bag) coat last fall, an employee in Flint Group's Michigan facility did some research on the organisation behind it and was amazed to learn this was a local, non-profit organisation based in Detroit.

The materials used to produce the sleeping bag coat are donated from various manufacturers, so these materials are not going to waste or landfills, which has a positive impact on the environment.

In the metro Detroit area, the organisation collects the used EMPWR coats during warmer months to have them professionally cleaned and provides each recipient with a claim check to exchange for a clean coat before the colder months arrive.

Not only does this organisation produce and distribute sleeping bag coats to homeless communities around the globe, but they train and provide paid employment, along with a host of useful resources and benefits to local single parents with children who are homeless. By helping them to obtain a home, health care and the skills necessary to build confidence and self esteem, they can boost their job opportunities and experience to create a better quality of life.

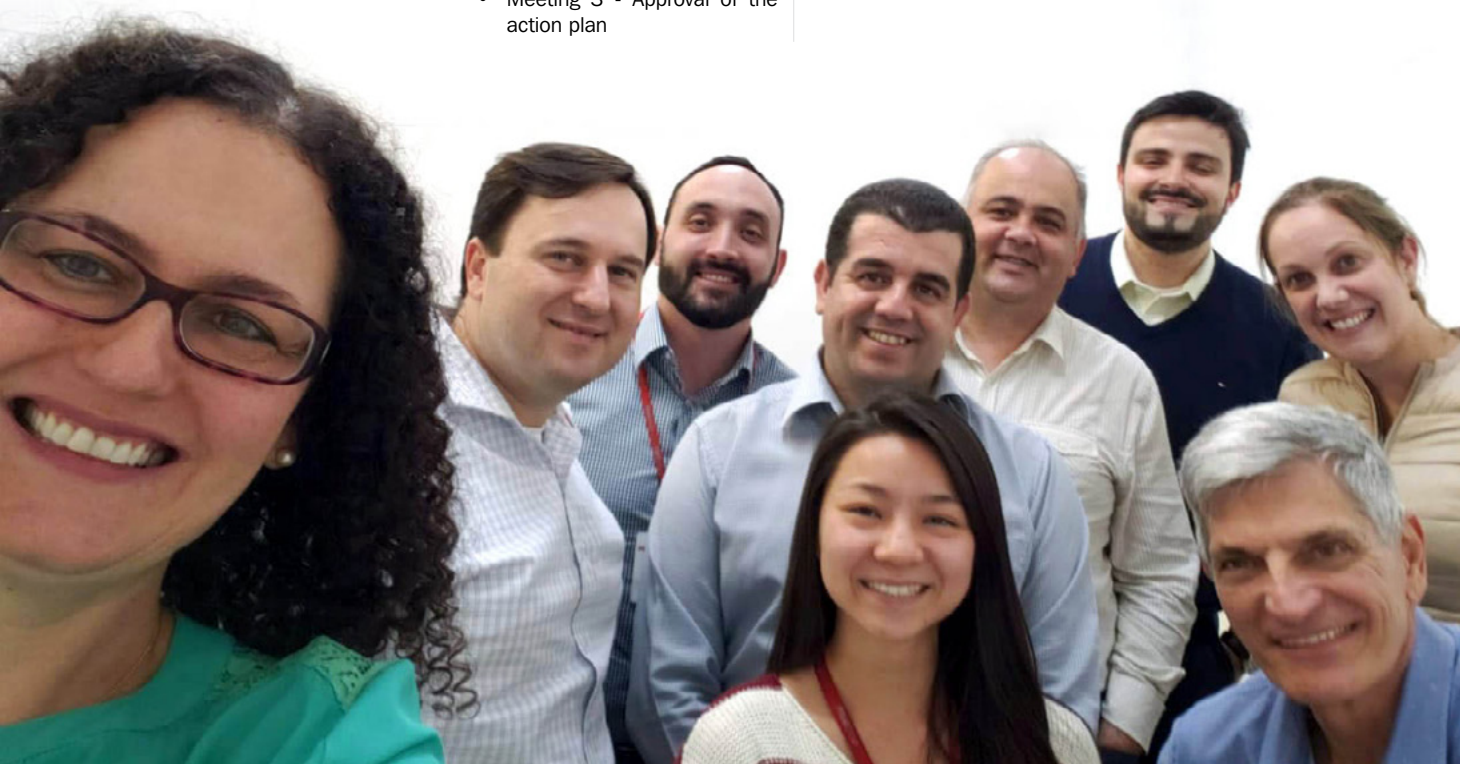
The Empowerment Plan's track record is quite impressive. Each homeless person they've employed has been able to enrich their lives and retain a home AND none have returned to the streets.

All of these factors indicate that this organisation knows how to come full circle and why our colleague in Michigan encouraged the Flint Group "CONNECT" committee to support such a worthwhile cause this past winter.



EMPWR coat can transform into a sleeping bag or be worn as an over-the-shoulder bag.

65





SUPPORT FOR PREMATURE BABIES

The Otuklinka Centre is a unique place in Lodz, found by the Kolorowy Świat Foundation. Its main goal is to support parents and their newborns born with developmental risks in the first few months after birth. A group of specialists - physiotherapists, neurologists and psychologists - provide care and support to make sure that babies develop properly. The Foundation also conducts a range of activities in the city and across Poland to increase the awareness of these babies' needs.

Flint Group Polska has been a partner to the Centre since 2018 with financial donations. The team at Lodz have run competitions including 'Cuddle for the premature baby.' Children in kindergartens all over Poland take part in the competition and design cuddly toys and dolls to give to newborns but, importantly, to also familiarise children with the problems premature newborns can have.



Congratulations young winners!



30 MINUTES IS ALL IT TAKES TO SAVE A LIFE

Blood is a life-giving fluid – one unit can save three lives. That is why donating blood for the sick and the wounded is a noble act, and at the same time it gives extraordinary satisfaction.



Blood donations in Poland

Envision, a CSR group from Poland, organises every year honorary blood donations. Before every event they organise a promotional campaign among local Flint Group employees which contains all the necessary information for those who want to donate blood. Usually one of the conference rooms is transformed into a professional blood donation room. Last year was quite unique – a special bus from the Regional Blood Donation and Blood Care Centre in Łódź came to our site ready to welcome donors in safe and sterile conditions. Before each donation of this invaluable fluid happens, a detailed interview is conducted concerning the state of health, past diseases, operations or travel of the individual. A small blood sample is also taken and tested on the spot - all to make sure that the donor can donate healthy blood.



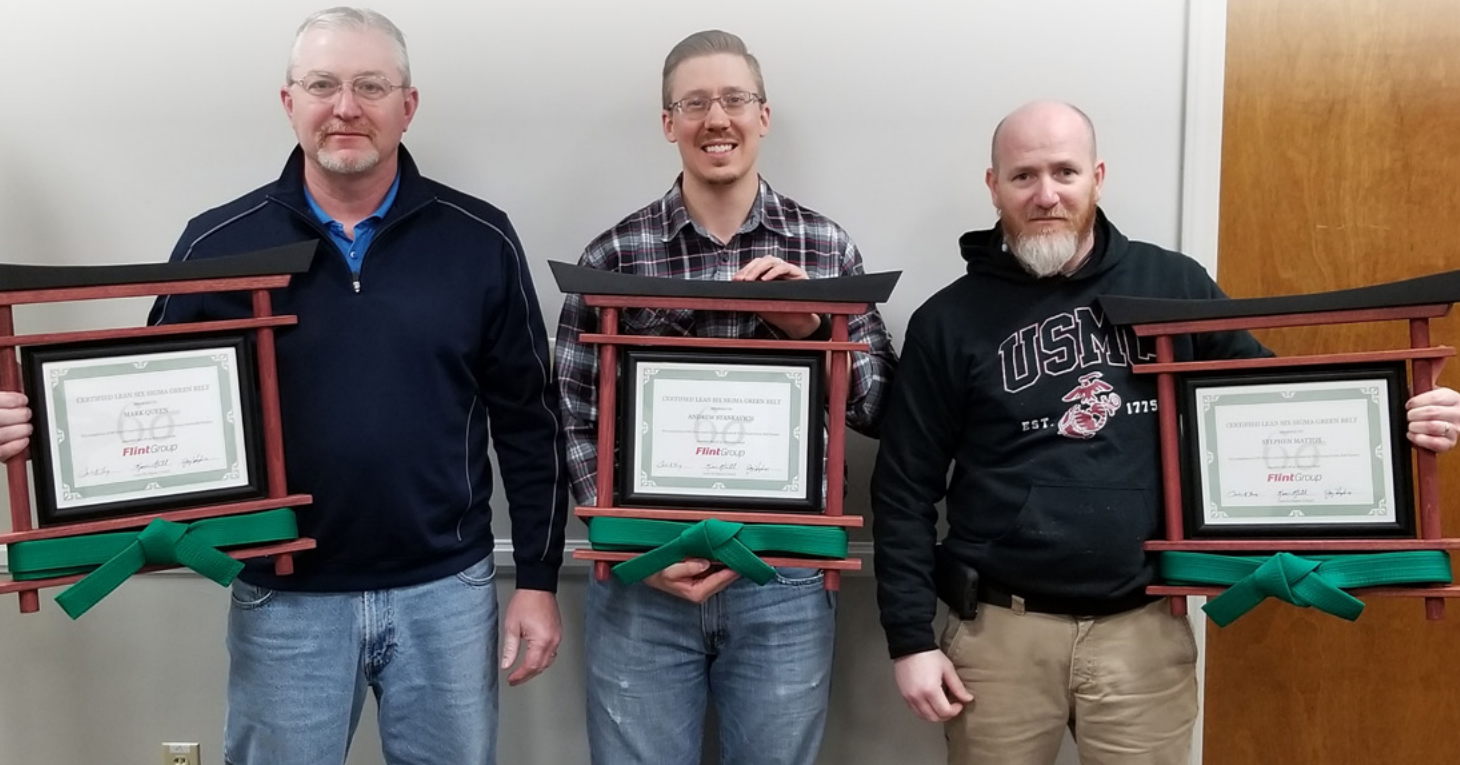
Every year, a group of Flint employees gets involved and commits to give blood. They say that doing this with their colleagues gives them extra courage and the knowledge that someone's life is being saved is priceless. We are glad to be able to support and promote the selfless attitude of our committed employees.



Blood donations in Sweden

In Trelleborg, our employees were encouraged to take the time off from work (for free of course) to either donate blood or register to become a blood donor. About 25-30 people visited the bus, which was very good for the few hours it was here. Given the high interest this will be a recurring event at our site.





LUNCH AND LEARN

To expand employee engagement within the Narrow Web division, an optional training programme has been created. The topics are selected by popular vote through regular surveys. Employees, regardless of role, physical location, background, or experience, are offered the opportunity to participate. The programme, titled Lunch and Learn, offers an opportunity for employees to step away from their typical daily work and learn something new with people they may not normally see or even know. As it is conducted electronically, remote employees are also encouraged to join virtually. As the name would suggest, it is conducted during the lunch hour at our Rogers, MN manufacturing site and lunch is provided as an added benefit. Top vote receiving topics include: Effective Communication, Business Finance, Meditation and Mindfulness, Personal Finance, and VIVO Colour Solutions.

The programme has been quite successful as measured by the participants on the feedback survey that follows each training. One participant commented "I think this training should be mandatory. It was very helpful!" The topics are refreshed regularly and new trainers are recruited to allow the team to become more connected. It is a programme that will continue on as the team grows.

FLINT GROUP ASHEVILLE LEAN SIX SIGMA PROGRAMME

Flint group Asheville has developed a progressive training and mentoring programme to support lean transformation, helping drive positive change and growth. This programme is a Lean Six-Sigma based process that involves all levels and areas of an organisation.

Lean Six Sigma is a process improvement methodology designed to remove waste and inefficiency (Lean) and reduce variation in our processes (Six Sigma). This process also improves working conditions and provides a better response to customers' needs. It combines the tools, methods and principles of Lean and Six Sigma into one powerful methodology for improving the organisation's operations. Lean Six Sigma's team-oriented approach has proven results in maximising efficiency and dramatically improving profitability for our business.

Flint Group Asheville has set targets for the number and type of Lean Six Sigma training levels based on industry standards. There is much training left to hit the 2020 targets but progress has been made. The picture

above is of the first three Greenbelt graduates under the new programme. Certification requires 88 hours and a completed, approved project. There are ten more Greenbelt candidates going through the certification process. Yellow belt training is scheduled to begin 2020 Q2 and white belt training is nearly complete.

The Asheville site has achieved over \$6M USD annualised run rate savings since 2018 and is on target to increase that total to \$7M USD by the end of 2020. The Lean Six Sigma programme is a critical part of the lean transformation and has demonstrated its importance in driving change and improving culture.



(Lunch and Learn team meeting on Zoom)

THE APPETITE FOR HEALTH

We constantly encourage our employees to take care of their health. Apart from promoting physical activity, we emphasise the importance of changing eating habits by including fruit and vegetables in our daily menu. They are so important because they contain vitamins that are necessary to maintain health and proper functioning of our body. This is the message behind the Appetite for Health initiative organised monthly in Poland.

Each month a different vitamin is the main theme of the Appetite for Health Initiative and each month a different team prepares healthy meals that contain the vitamin for the rest of employees. Such monthly events create great opportunity to integrate with colleagues whilst having a healthy meal. Moreover, employees often share recipes with each other to help them implement healthier diets in their everyday lives.



OFFSET SOLUTIONS – HAND SANITISER

With hand sanitisers in short supply, at the time of writing and much needed to help protect individuals in the fight against Coronavirus, Offset Solutions happily switched over some of its solvent production capacity at the Irlam Pressroom Chemical factory to the manufacture of hand sanitiser.

Having never manufactured hand sanitiser before, we were satisfied that in April 2020 we were able to manufacture our first batch according to the World Health Organisation approved formula.

In addition to complementing our Pressroom Chemical product range and enabling us to pursue potential new sales markets, our aim is to donate further product to support local Care Homes and Schools in the coming weeks.

It's thanks to the teamwork and efforts of employees from across Flint Group, with Regulatory advice, materials, packaging and labels, that we have been able to scale up production of the hand sanitiser from

laboratory trials to factory production in a short time and in response to the Covid19 pandemic.

With stringent health and safety requirements around the use of Ethanol and Isopropyl Alcohol (the main ingredients used in hand sanitizer), our Irlam factory was well-placed to start producing supplies quickly, as alcohol is already used in some of the products manufactured at the site.

In order to ensure we could make an effective, compliant product, and to identify any potential issues, we made a small trial batch in our on-site pilot plant. Colleagues from across our business were called on to advise on all aspects of producing the hand sanitiser from hygiene regulations, to quality control, to transport safety etc.

In time we intend to scale up production of hand sanitiser to also help Flint Group employees, local communities and individuals stay protected against the virus.



WANTED – BIGGEST LOSER!

As the Asheville site Safety Health and Environmental Manager I would admit that our focus has been primarily on safety. No doubt the safety of the people that work at and visit the site is absolutely critical. It takes an everyday, all the time effort by all to work safely and to help each other do the same.

Recently we've started a new emphasis on employee health, addressing the H in SHE! Every year in the Fall, around the beginning of the flu season, we hold an annual health fair offering flu shots, some other great health checks and receive a lot of good information from local vendors. To complement the fair, we recently started a 'Biggest Loser Challenge' in an effort for some of us (myself definitely included) to lose weight through healthier eating and (at least a little) physical activity. We've enlisted help from a local registered dietician from Pardee Hospital to provide some guidance and share some recipes too!

At the time of writing, we are in week 5 of the 12 week challenge and the 46 people that are participating have lost a total of 194 lbs. The Challenge winners will be based on percent weight loss honouring the top 5 participants through week 4, then through week 8 and then finally celebrating our overall Biggest Loser at our week 12 weigh in. So far it has been great for all participating: making us healthier and helping to build a true team spirit among our challengers.

Congratulations to our week 4 top 5 winners!



Left to right... Michael Plemmons (7.6% body weight loss), Dean Moore (6.53%), Eddie Nichols (5.09%), Connie Douglas (5.47%), and Fenton Lang (3.76%)

In addition to our challenge, a few of our employees had started a lunch time walking routine and now the group is adding to their numbers. In the photo starting in the back, from left to right we have some of our most passionate walkers – Sandra Suttles, Amy Dill, and Cindy Greer, and in the front row left to right – Helen Fowler, Connie Douglas and Toni Keenan. Snowdena Scott, also one of our walkers, was not available for the photo.

Thanks for getting us moving ladies and gents!



SUPPORT FOR CHILDREN WITH CANCER IN SÃO PAULO, BRAZIL

Flint Group Brazil is holding SIPAT (Internal Week for The Prevention of Accidents) and one of our activities will be the collection of donations to the Marta Kuboia Child Cancer Support Centre.

CMK is a non-profit organisation and was founded on January 11, 2006 thanks to the initiative of Marta Kuboia, who has had cancer since 1994.

The project aims to assist children with cancer from all over the country and to welcome them during their treatment in São Paulo.

We invite everyone (employees, apprentices and regular third parties working for Flint Group) to participate in this Donation Campaign and to get to know the CMK institution.

Employees can donate food and other goods. Participants can deliver as many donations as they can.

The participation of all employees is very important in continuity of our work focussed on Social Responsibility.



HELPING THE LITTLE ONES...

In Winter 2019, as part of the activity of a CSR group from Flint Group Poland, a collection of money and gifts in kind for the Asylum Foundation was organised in our local sites. Thanks to their proactivity and the generosity of the rest of the Polish team, we managed to collect a considerable amount of money, as well as many gifts - a total of 97 kg of wet and dry dog food, 41 kg of cat food, as well as blankets, towels and accessories for animals such as toys, bowls or leashes.

The owners of the foundation were grateful for the support and donations and said that our contribution will help their pupils survive the winter. The local Flint Group team was delighted to help and decided to turn this initiative into a regular annual action. Helping others brings a lot of satisfaction, especially when it concerns our four-legged friends!



NOBLE PACKAGE FOR FAMILIES IN NEED

The Christmas season is supposed to be a time of joy, but for families finding themselves in a difficult financial situation, it can be a tough time. In December 2019, the Flint Group employees in Poland organised help for families in need as part of the 'Noble Package' charity initiative.

As always, it was a very intensive 3 weeks full of various actions such as internal auctions, cake fairs as well as the collection of donations and gifts for chosen families in need. Although the organisation of the whole initiative requires volunteers to devote a lot of time and energy, they were delighted to be able to bring joy to those in need and make their holidays more pleasant.





WE ARE PROUD TO SUPPORT STORIESKIP A TRAVELLING THEATRE COMPANY IN SOUTH AFRICA

Flint Group South Africa is proud to support Storieskip, an educational group introducing theatre to underprivileged youth. Storieskip shared their thanks to our South African organisation in this positive letter.

Dear Flint Group,

We focus on bringing Educational Theatre to Junior Schools and more importantly to the disadvantaged schools in the Western and Southern Cape Provinces of South Africa.

Storieskip has been operating successfully for the past 19 years! The background of our crew has had a positive influence on our success. Members have Qualifications and Experience in Theatre and Acting as well as Teaching and Languages.

Storieskip strives to introduce Theatre to the poorest of the poor and we also get invited by Private Schools to bring Theatre to their doorstep. We aim to introduce as many children possible to Theatre! This is why we are so grateful for the Flint Group sponsorship and support!

With the help of Flint Group, we can reach children in the rural areas, where we are always welcomed with open arms. For many children our visit is their first and sometimes only exposure to Theatre. Our main aim is to promote the importance of Reading as a skill and we visit libraries regularly. We focus our attention on learners, aged between 4-14 years old. (Duration : 50 minutes) We write our own material. Our productions always have Educational themes Eg: Pollution, Global Warming, Recycling, Endangered Sea Life, Pet care, Poaching and looking after Mother Earth. Valuable Life Skills are brought across in a fun way Eg Good Manners,

Moral Values and Respect for all. When visiting schools, Storieskip provides everything and educators and learners can just walk into the venue and enjoy the show. Our venues vary from libraries to school halls with stage lights and lovely acoustics, to performing outside under a tree.

We love every moment! The children's reactions and excited faces make what we do worth while! Storieskip also provides schools with a Word Search Puzzle. Teachers often use our visit as a Second Language Vocabulary Lesson.

We use Flint Group Sponsorship for:

- Sponsoring under privileged schools
- Keeping us on the road (petrol)
- Accommodation and food when touring (once a year)
- Sound and Editing
- Costumes
- Backdrops
- Props
- Rehearsals
- We travel safely in the Opel Vivaro sponsored by Flint Group, we have seating for 3 and enough space for the Set and Sound.

On behalf of the Storieskip Crew, we would like to thank you for your loyal support. Thank you for your share in keeping Theatre alive in South Africa!

Storieskip will spread Flint Group name proudly wherever we go!

Theatre Greetings!
Storieskip (Bernadette)



FEEDBACK FROM SCHOOLS:

"Absolutely OUTSTANDING! We are so well acquainted with Storieskip's high standards, excellent quality and exceptional talents! Their visit is a highlight on our calendar!"

Gordon's Bay Primary School

"FABULOUS! Pitched at the right level, educational and relevant to the kids. Storieskip never disappoints!"

Fish Hoek Primary School

"EXCELLENT! Learners were mesmerized and the educators became totally de-stressed! Thank you, Storieskip! See you next year!"

Golden Grove Primary School (Rondebosch)

"Always ENTERTAINING, Educational and captivating! Everyone enjoyed every moment - the smiling faces said it all! Please come again and again!"

Sir Lowry's Pass Library

"We are so grateful! Thank you for traveling so far to bring Theatre to our community. It is a WONDERFUL opportunity for our children to experience Theatre. Thank you for the valuable Life Lessons. We appreciate your hard work! See you next year!"

Denneoord Primary School (George)

From Ahaus to Asheville, Santiago to Shanghai...

EUROPE / MIDDLE EAST / AFRICA

Belgium Flint Group Digital Division - Leper
 Xeikon Manufacturing NV - Lier
 Xeikon International - Westerlo

France Flint Group - Fréfin
 Flint Group - Clermont
 Flint Group France S.A.S. - Clermont
 Flint Group France S.A.S. - Coignieres
 Flint Group International BV - Messigny Et Vantoux
 Flint Group France - Nanterre
 Flint Group France S.A.S. - Sarrebourg

Germany Flint Group - Ahaus
 Flint Group Germany GmbH - Boizenburg
 Flint Group Germany GmbH - Frankfurt
 Flint Group Germany GmbH - Stuttgart
 Flint Group Germany GmbH - Willstätt
 Flint Group Germany GmbH - Winterbach

Greece Flint Group S.A. - Athens

Ireland Flint Print Group Ireland Ltd. - Dublin

Italy Flint Group - Caronno Pertusella
 Flint Group - Cinisello Balsamo
 Flint Group - Milan
 Flint Group Italia srl - Rome
 Flint HoldCo - Luxembourg

Luxembourg Flint Group - Deventer

Netherlands Flint Group Netherlands B.V. - Helmond
 Flint Group Supply Platform B.V. - Hilversum
 Flint Group - 's-Gravenzande
 Flint Group - Winschoten

Norway Flint Group Norway A/S - Oslo

Poland Flint Group Polska Sp. z o.o. - Konstantynow Lodzki
 Flint Group Polska Sp. z o.o. - Lodz

Russia Flint CPS Inks LLC - Moscow
 Flint Group LLC - Moscow
 Flint Group Ltd. - St. Petersburg

Serbia Flint Group Balkan d.o.o. - Gornji Milanovac
 Flint Group South Africa (PTY) Ltd. - Bellville

South Africa Flint Group South Africa Ltd. - Blackheath
 Flint Group South Africa Ltd. - Cape Town
 Flint Group South Africa (PTY) Ltd. - Durban
 Flint Group South Africa Ltd. - Eastern Cape
 Flint Group South Africa Ltd. - Eiland
 Flint Group South Africa Ltd. - Johannesburg
 Flint Group South Africa (PTY) Ltd. - Midrand
 Flint Group South Africa Ltd. - Milnerton

Spain Flint Group Iberia S.L. - Vilanova

Sweden Flint Group Sweden AB - Lund
 Flint Group Sweden AB - Malmo
 Flint Group Digital Division Scandinavia AB - Stockholm
 Flint Group - Trelleborg
 Flint Group Sweden AB - Trelleborg

Switzerland Flint Group Switzerland AG - Burgdorf

Turkey Flint Group Matbaa Murekkepleri San. Tic. A.S. - Istanbul

U.A.E Flint Group Middle East LLC - Dubai

United Kingdom Flint Group Ltd. - Corby
 Flint Group - Dundee
 Flint Group - Irlam
 Flint Group (UK) Ltd. - London
 Flint Group (U.K.) Limited - Swindon
 Flint Group - Wrexham
 Flint Group - Wolverhampton
 Flint Group (UK) Ltd. - York

NORTH AMERICA

Canada Flint Group - Montréal

USA Flint Group - Arden
 Flint Group Packaging Inks North America Corporation - Atlanta
 Flint Group Packaging Inks North America Corporation - Batavia
 Flint Group - Beaufort
 Flint Group Packaging Inks North America Corporation - Charlotte
 Flint Group Packaging Inks North America Corporation - Dallas
 Flint Group - Elizabethtown
 Flint Group Packaging Inks North America Corporation - Fairfield
 Flint Group Inc. - Fletcher
 Flint Group - Indianapolis
 Flint Group Digital Division America Inc. - Itasca
 Flint Group - Lebanon
 Flint Group Packaging Inks North America Corporation - Livonia
 Flint Group Packaging Inks North America Corporation - Louisville
 Flint Group Packaging Inks North America Corporation - Marietta
 Flint Group Packaging Inks North America Corporation - Neenah
 Flint Group Packaging Inks North America Corporation - Ontario
 Flint Group - Pine Bluff
 Flint Group - Portland
 Flint CPS Inks North America LLC - Rochester
 Flint Group LLC - Rogers
 Flint Group Packaging Inks North America Corporation - Romeoville
 Flint Group Packaging Inks North America Corporation - Sheridan
 Flint Group Coatings - Shreveport
 Flint CPS Inks North America LLC - Spartanburg
 Flint Group - Three Rivers

Flint Group Packaging Inks North America Corporation - Tualatin
 Flint Group Incorporated - Ypsilanti
 Flint CPS Inks North America LLC - Warsaw
 Flint Group Packaging Inks North America Corporation - West Chester

LATIN AMERICA

Argentina Flint Group - Buenos Aires

Brazil Flint Group - Cotia
 Flint Group Soluções para Impressão S/A / Perttu Matias Katila - Curitiba

Chile Flint Group Overseas Incorporated Agencia en Chile - Santiago
 Flint Group Chile Comercial Limitada - Santiago

Colombia Flint Inc. de Colombia Lyda - Bogota

Mexico Flint Group - Lerma
 Flint Group De Mexico S.A. DE C.V. - Estado De Mexico
 Flint Group - Mexico City
 Flint Group - Lima

Peru Flint Group - Lima

Venezuela Flint Group - Caracas

ASIA-PACIFIC

Australia Flint Group Australia PTY Ltd. - Dandenong

China Flint Group - Dalian
 Flint Group Print Media Asia/Pacific - Guangdong
 Flint Group - Guangzhou
 Flint Group Chemicals (China) Co. Ltd. - Shanghai
 Flint Group Printing Ink (Shanghai) Co. Ltd. - Shanghai

India Flint Group India Private Ltd. - Guwahati
 Flint Group Ltd. - Hosur
 Flint Group India Private Ltd. - Hyderabad
 Flint Group India Private Ltd. - Kolkata
 Flint Group - Lamdapura
 Flint Group (India) Private Ltd. - Navi Mumbai
 Flint Group Private Ltd. - Noida
 Flint Group Private Ltd. - Vadodara
 PT Flint Group Indonesia - Jakarta

Indonesia Flint Group Japan, Inc. - Tokyo

Japan Flint Group Japan, Inc. - Tokyo

Republic of Korea Flint Group Korea LLC - Seoul

Malaysia Flint Group (Malaysia) SDN BHD - Selangor
 Flint Group Asia SDN BHD - Shah Alam

New Zealand Flint Group NZ Ltd. - Auckland

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