

**CORPORATE
SOCIAL
RESPONSIBILITY
REPORT 2014**



And Gender distribution in Management

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Introduction by the CEO

Danapak Flexibles A/S has for many years worked systematically with Corporate Social Responsibility. In prior years we were part of the CSR reporting of the Arla Group being a subsidiary of (Ultimately) Arla Foods AmbA. In July 2014 Arla Foods sold the shares in Danapak Flexibles A/S to Schur Flexibles Holding GesmbH, Austria.

This Corporate Social Responsibility report will be the first report prepared for Danapak Flexibles A/S. This report is to be seen as an integrated part of Management's review in the Annual report 2014.

We continuously strive to reduce the impact of our business to the environment, to reduce and manage waste and pollution to the air, energy consumption, working accidents and absence due to illness.

Thanks for your interest.

Lars W. Hyldgaard

CEO

Presentation of Danapak Flexibles A/S

The activities of the Company are development, production and marketing of flexible packaging products primarily for the pharmaceutical, dairy and food industries.

The Company is producing and selling packaging materials in plastics, aluminum foil, paper and various laminates with or without printed decoration. Printing inks and lacquers can be solvent based or solvent free. Production of such packaging materials demands besides raw materials and energy also adhesives.

The Company's plants are located in Slagelse and Horsens in Denmark. Both plants meet the highest hygienic standards and the plant in Slagelse is certified according to ISO9001, ISO22000 and Global Standard for Packaging and Packaging material (BRC/IOP).

Due to the nature of the production, the Company prepares each year an environmental report per site for the Danish Authorities. These reports are available via link to www.mst.dk/miljoeoplysninger.

The Danish Authorities has announced a permit for both sites in course of "*Miljøbeskyttelsesloven §41b, Lovbekendtgørelse nr. 1757 af 22. December 2006*"

CSR structure

The corporate social responsibility (CSR) of Danapak Flexibles A/S (Danapak) is based on our:

- Code of conduct
- Mission
- The values of Danapak

The contents of the individual areas are elaborated on in separate policies in Danapak's Code of Conduct.

We have a special focus on Human rights, Employment rights, Environment, climate and Anti-corruption.

Danapak systematically measures the external environment (energy consumption and waste) and the internal environment (working accidents and sick days). The result of this year's follow ups/measures have been included in the schedule of results on 11.

Human rights

Policy

On a continuous basis, Danapak will ensure that human rights are complied with including that no differential treatment takes place due to gender, race, skin color, religion or faith, political opinion, sexual orientation, age, disability, ethnic origin or nationality.

Measurement

The above mentioned is verbalized by Management to the employees once a year through information meetings.

Result

We can confirm that Management for this reporting year has had no knowledge of any cases of violation of human rights.

Anti-corruption

Policy

No person within Danapak may encourage or accept any kind of bribery, receive or give presents of a higher value in an attempt to influence business partners in order to achieve unlawful advantages.

Measurements

The abovementioned is verbalized by Management to the employees once a year through information meetings.

Result

We can confirm that Management for this reporting year has had no knowledge of any examples of corruption.

Gender Distribution in Management

Policy

Danapak aims to fill leader jobs on basis of competences and qualifications needed that will add value to the company on short term as well as on long term basis.

Danapak will direct its attention to talents of the underrepresented gender who have the desire and abilities to pursue a wish of a specialist or leader job. Danapak wants to create an environment where each employee – despite of gender – has equal possibilities for a leader job.

Danapak will always fill a vacancy or a Board of Directors membership with the person who has the best qualifications, but aims at a distribution of 40-60% among specialists/leaders as well as in the Board of Directors within the end of 2018.

Measurement

On a continuous basis, Danapak will measure the number of specialists/leaders distributed by gender as well as the gender distribution in the Board of Directors.

Result

The Board of Directors consists of only 3 members elected by the general assembly, all of which is Male. The Board of Directors consists of the – at any time - CEO and CFO of the Schur flexible group and the CEO of Danapak.

The distribution of gender among the salaried staff in 2014 :

	Male	Female	Total	In percentage	
				Male	Female
Management group	6	1	7	86	14
Leaders	9	5	14	64	36
Specialists	5	2	7	71	29
Other salaried staff	19	18	37	51	49
Salaried staff in total	39	26	65	60	40

Compared to 2013 there are only insignificant changes.

Child labor

Policy

Danapak wants to avoid any kind of child labor.

Any employee at Danapak must be of the age of 15 or older.

Measurements

The abovementioned is verbalized by Management to the leaders and the HR department is focused on this.

Result

We can confirm that no employee is under the age of 15.

External environment, climate, energy and Co2

Policy

The Company is supporting the work for sustainable development and is also on the environmental area acting responsible for the benefit of the climate.

The Company complies to all national and international environmental legislation and rules for the internal and external environment in the countries in which we operate.

The Company strives to have a safe, healthy and good working environment which meets the high expectations of our employees and the local society.

The Company strives to use the most rational processes having a minimum consumption of energy, raw materials and auxiliary materials within reasonable technical and economical frames.

The Company is working targeted to minimize the use of products which have a negative impact on the environment, climate or on the employee's health. Where ever such products are unavoidable, we strive to handle them with absolute focus on safety and waste handling.

The Company is striving to recycle waste. All waste from production is being sorted at the source and send to recycling where ever possible. Waste paper from the offices are also sorted and recycled.

During the production of the Company's products solvents will be sucked out through the ventilation system and into an incinerator, where the solvents will be heated and burned. This process is controlled and almost no solvents are emitted to the air.

The Company always takes reduction of energy consumption and noise and safe working environment into consideration when investing in new equipment.

Car fleet

The Company is leasing the car fleet through a leasing Company. A company car is renewed every fourth year or with a high mileage even sooner. This means there are no old cars in the fleet. Since the automakers become still better at developing environmental friendly cars, we find it best to renew the fleet in a four year schedule.

Measurements

During the development phase and in construction of new packaging materials and in optimizing existing products the Company is working closely with its customers with the aim to reduce material consumption and secure safety and durability of our customers product through a high quality of the packaging material.

Energy consumption and waste are monitored on a continuous basis and are reported yearly in the Company's Environmental accounts.

The Company has invested DKK 1,1 mill. in energy saving investments and has received a grant of DKK 0,1 mill. for this. This will contribute to reduce CO2 emission and our impact on the climate.

During 2014 the windows in the main administration building has been mounted with energy glass with a solar filter to reduce the energy consumption for heating and to improve the work environment for the employees.

Results

The result of this year's follow ups/measures has been included in the schedule of results on page 11.

The Company succeeded in reducing emission of CO₂ by 5,5% compared to 2013, which to some extent is a good result from an investment made in the middle of 2013. This investment makes it possible to distillate solvents used for cleaning of cylinders and re-use the solvents and thereby reduce the total use of solvents and the CO₂ emission hereof.

In addition emission of NO_x and SO₂ have been reduced by (approx. 9%) compared to 2013.

Where ever it is possible the development of new products aims to reduce the use of aluminum and plastic. In 2014 the proportionate part of aluminum and plastic has been reduced instead there is an increase in the use of paper, which is a more sustainable material.

Throughout the organization there is high attention to the sorting of waste. Waste is split in different fractions at the source and a majority of the waste (approx. 99%) is recovered.

Internal environment

Policy

Danapak aims to be a company with good working conditions for the employees, with high focus on the internal environment and the well-being of the employees.

Danapak aims to minimize the potential physical and mental impact from the working environment to the employees through systematically preventive work and by developing new and better ways of production methods.

Danapak has a constant attention to the "near-by" accidents and implement corrective actions to avoid actual accidents to happen.

Measurements

At Danapak we are working continuously with workplace assessments, employee interviews, fire protection and first aid training as well as, education is an important factor in having a good working environment.

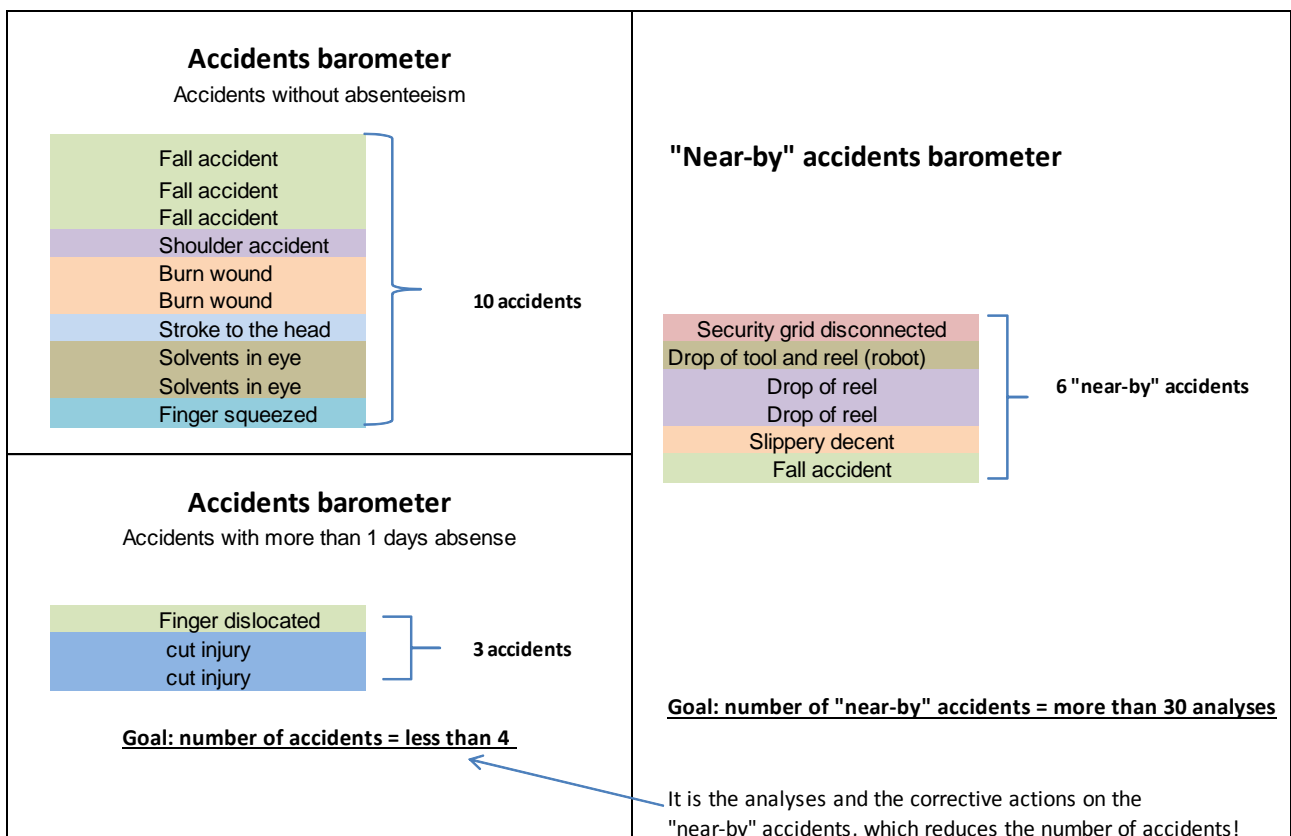
The well-being of our employees is important and the employees are invited to conversations regarding absenteeism with the aim to help the employee back to work and to avoid the job being the reason for the absenteeism.

Danapak encourages the employees to participate in sports or Fitness. Danapak supports the employees who participate in e.g. "DHL stafetten" an event where a group of employees are running 5 kilometers. This event is very popular amongst the employees and every year more employees are participating. It is not just a sports event but also a social event that contributes to a good working environment.

Danapak monitors not only accidents but encourage the employees to report every "near-by" accident. Reports on each event are analyzed carefully and corrective actions are implemented when possible. It is the analyses and the corrective actions which reduces the number of accidents.

Results

Accidents and "near-by" accidents 2014 - goals and status



Contribution to society

Danapak is contributing to the society in various ways.

It has for many years been accepted that employees who are a blood donor may use working hours while donating blood.

Danapak is participating in councils such as "Det lokale beskæftigelsesråd" and "Det lokale Uddannelsesudvalg på det merkantile område" and Danapak is filling a place as board member of the regional Employers association.

Danapak has made commitment to the local "Jobcenter" and has signed a "Partnerskabsaftale". Thereby committing to make effort to help people who in various ways are having difficulties to maintain or getting a job or who are on the way back from longtime illness.

Danapak supports the programme "InterForce". A cooperation between the National Danish Defence and private companies to support the work of the volunteers in the National Danish Defence.

Data overview

Emission 2014

	Use:	Unit	emission of CO2:	emission of NOX:	emission of SO2:	Unit
Combustion of solvents (re-used for heating)	553.043	kg	1.094,3	1,6	-	ton/year
<u>Direct emissions</u>						
Naturalgas	1.112.830	m3	2.431,5	1,9	0,0	ton/year
Gasoline (transport):	-	liter				ton/year
Diesel (transport):	38.993	liter	103,3	1,2	0,0	ton/year
<u>Indirect emissions</u>						
Electricity	9.064	Mwh	4.387,0	4,0	1,4	ton/year
District heating	1.457	Mwh	177,8	0,5	0,1	ton/year
Heating from combustion of solvents	1.481	Mwh				
Total:			8.193,9	9,1	1,5	ton/year

2013	8.673,8	10,0	1,7
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	Unit	2014	2013
Input			
<u>Rawmaterials for production</u>			
Aluminium	Ton	1.443	1.656
Paper/ Cardboard	Ton	2.662	2.835
Plastic	Ton	3.327	3.856
Other	Ton	215	220
Total	Ton	7.647	8.567
<u>Inks, lacquers, adhesives etc</u>			
Waterbased inks	Ton	4	10
Inks and lacquers	Ton	421	476
Adhesives, wax etc	Ton	225	292
Total	Ton	650	778
Solvents	Ton	553	652
<u>Energy consumption</u>			
Electricity	Mwh	7.559	9.515
District heating	Mwh	4.443	3.689
Natural gas	1000 m3	1.113	1.092
Water	m3	2.238	2.279
Unleaded gasoline	liter	0	0
Diesel (transport)	liter	38.993	45.147
Waste			
Hazardous waste for recovery	Ton	126	122
Non hazardous waste for landfill	Ton	10	10
Non hazardous waste for recovery	Ton	2.004	2.135