

OUR BLUE MISSION

CORPORATE SOCIAL RESPONSIBILITY REPORT 2014



CORPORATE SOCIAL RESPONSIBILITY - THE BASIS FOR GOODFOODMOOD

Duni brings goodfoodmood to where people meet and eat. That is what we promise our customers. In order to achieve this, we have to offer products and concepts that are not only functional, but that also add a positive emotional dimension to the meal experience. Or, to put it in a CSR context: there can be no real goodfoodmood, if we as a company do not operate responsibly. This is also the basis for Duni's Blue Mission, our ambitious sustainability program platform.

My own personal approach is that Duni, being the market leader, has a responsibility to lead the way when it comes to sustainability. This entails having a clear and concise plan for what we need to do. And perhaps equally important: that we should be proactive and develop new and environmentally friendly products - sometimes even before there is sufficient demand for them. The same can be said for our goal of becoming 100 percent fossil-free in our production, our energy-saving measures and the way we collaborate with our suppliers. We should be in the lead. Our aim of creating a work environment that makes it possible for all Duni employees to become per-

sonally involved in our value-based work is another important part of our sustainability plan.

We have set some very tough goals for ourselves and allocated the resources needed to turn our sustainability plan into reality. Not because we feel the outside pressure to do so, but because it makes Duni stronger. I think of our Blue Mission as an opportunity for us to become a brand that is not only very well-known, but also truly appreciated.



Thomas Gustafsson, CEO of Duni



In 2014 I was appointed CSR & Quality Director for Duni. The year has been inspiring and challenging. Inspiring with the great offers that we have been able to present to our customers: Our unicolored

Based on a rating system, we then do re-audits to ensure that there are continuous improvements. We work closely with suppliers and offer support when corrections are necessary and help with training

our group. Paper+Design is not only an asset in the sense that it adds to our product range, it also brings relevant quality experience and a good environmental track record into Duni.

'We are committed to operating in the most accountable, resource-efficient way we can – for us, innovation, quality, safety and environmental standards go hand in hand.'

range of OK compost-labelled napkins and tablecoverings and the introduction of our fantastic bioplastics tray – finally a functional alternative to our fossil PP trays. We also see how our eco-products are in increasing demand from our customers.

Challenging because we are building a new organization to improve our work towards safe and environmentally sound products. We also strive to strengthen our support to and dialogue with our customers. Our Blue Mission program is being developed in functional, cross-site groups and steered by a committee appointed by our top management.

An area that typically receives less attention than others is the work that we do to ensure that our products are produced in a socially responsible way. We have a well-functioning Code of Conduct policy where we do initial audits for approval with every new supplier.

when needed. We find that the conditions in a workplace are closely connected to management competence and attitude, more perhaps than the geographical location.

In June we welcomed a new napkin-converting company into

So far the goals we set out in Our Blue Mission program are well under way. We have increased our compostable and renewable range of products. We have started a research project to enable our 100% fossil-free goal and we are well and beyond the targets for our Code of Conduct audits. Reduction of energy is an important area. All our manufacturing units show decrease of energy consumption per ton since 2010, but we are a bit below our target level of 2% per year. Coming changes of manufacturing structure in our paper mill



Elisabeth Gierow, Corporate CSR & Quality Director



includes moving production from an older unit to a more modern, which is expected to increase our efficiency further.

Stakeholder dialogue is of utmost importance. Engaged customers are our main cooper-

ation partners, showing us their needs and supporting us in our development of new materials and concepts such as our new bioplastics material.

We also value input from our investors and the general public.

Questions and requests give us valuable feedback.

Where our production is a significant part of the local community, we strive to be a good neighbor and contributor to local life.

THE LIFE OF A DUNI PRODUCT

Find & Trace

The life of a Duni product starts with the choice of material. We prefer renewable raw materials from trees and plants, responsibly grown and sourced. These do not contribute to global warming or the exploitation of limited mineral resources. Many bio-plastics are based on agricultural products, such as maize. However, this may come in conflict with the world's need to increase its food production. This is why we, to an increasing degree, use leftover material from other processes, such as sugarcane fibers, so-called bagasse. Potato peels and algae are other upcoming raw materials. Our products already contain a high degree of renewable materials. And what today is not renewable should be recycled as many times as possible.

Create & Make

A Duni product has many components: design, functionality and,

of course, quality. The way the product is made matters too. We strive for good working conditions and limited environmental impact at our manufacturing sites. We make production and products safe – and hygienic. To be able to be in contact with food, free from hazardous substances, is central to Duni's products. Most products are made in Europe, but suppliers can be found all over the world. Many of the more exciting new materials come from developing countries. The same standards apply everywhere.

Choose & Use

Conscious convenience is a good reason to choose and use Duni products. The advantages of choosing single-use products for a company event or picnic in the park should be practicality and hygiene, as well as being environmentally and socially sensible. Therefore we need to make the sustainable choices for our customers, making

sure that Duni products leave the least negative footprints out of all available options. You never need to worry about safety aspects since we take care of that for you.

Sort & Return

This is where the relatively short life cycle of a Duni product ends. You have used your cup or napkin, and it has to be taken care of, one way or another. It can be recycled, composted or burned. These are the options. Littering is never an alternative. We are doing our best to make it as simple as possible to bring products back to where they once came from, and to make them useful again. As soil, new materials or energy. More ecologically responsible materials are being developed, but the infrastructure to handle, compost or recycle them is not sufficient in many of Duni's markets. This needs to be addressed by us and others in society.



Find & Trace



Create & Make



Choose & Use



Sort & Return



To an increasing degree, we use leftover material from other processes, such as sugarcane fibers, so-called bagasse and turn them into functionally designed products.

PRODUCTION GOING GREEN

100% FOSSIL-FREE 2020

We work actively to reduce the environmental impact of our production and distribution. Napkins and tablecoverings are at the heart of the Duni product range and are mainly produced at our four production sites in Europe.

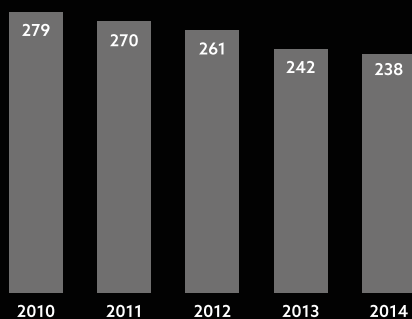
Here we work to reduce our energy and water consumption, CO₂-emissions and contribution to landfill. Wastewater treatment is another important area. And of course we use mainly water-based, organic dyes and inks.

Our bio-boiler at the Swedish Rexcell paper mill has been a success. We now use local forest resources for an increasing part of

our energy needs. At our German site in Bramsche, we use electricity from hydropower.

To reach our target of becoming 100 percent fossil-free by 2020 we look closely at local advantages at our manufacturing sites. These could be, for example, district heating from biofuel, locally produced biogas from farmland, solar panels or adding on to our bio-boiler.

CARBON DIOXIDE FROM OWN OPERATIONS,
KG/TON (NOT INCLUDING PAPER + DESIGN)



PROMISING PROGRESS TOWARDS FOSSIL-FREE TISSUE

Making our tissue-production entirely fossil fuel-free by 2020 is a formidable challenge, but in the last few years we have been taking important steps in the right direction.

The process of drying tissue for napkins relies on two heat sources: steam and propane gas burners. In our production facility in Skåpafors, the steam is produced in our bio-boiler. Since the bio-boiler is fired with renewable resources like forestry waste, the net emissions of fossil greenhouse gases are very low. The propane gas is necessary for fine-tuning the heat in the drying process and has proved much harder to replace with renewable alternatives.

From feasibility study to test facility

Our Skåpafors unit contributes to 70 percent of the total fossil CO₂-emissions from Duni's pro-

duction sites. More than half of this is related to the drying process. Solving the propane issue would mean that Duni becomes 90-percent fossil free in our own production. Roy Andreasson is managing a project that is looking at ways of adapting the production process: he and his colleagues are currently doing a feasibility study together with a wide number of interested parties, such as the University of Karlstad, the Swedish Energy Agency and various equipment manufacturers. 'We are looking at everything from mapping potential suppliers to doing simulations. We also need to do tests to make sure that we don't get any adverse effects on the

product properties.' So far, everything is going according to plan: 'If we don't run in to any major issues by the end of 2015, we will move forward to phase two of the project and build a test facility'.

Full-scale production

The final phase of the project is to build a full-scale production facility. Roy Andreasson is cautiously optimistic: 'If both the gasification side and the production process side of the project works out, we are planning to have a full-scale production facility up and running during 2020. Together with projects on our other plants we could then meet our goal set out in our Blue Mission'.

DUNI ECOECHO™ TAKE-AWAY TRAYS - A BREAKTHROUGH BIOMATERIAL

Over the last few years, Duni has invested heavily in the development of new and more sustainable packaging solutions. Many of our products for the meal service industry are made from plastic and we are constantly looking at ways of replacing fossil-based materials with more sustainable alternatives.

Enter our ecoecho™ bioplastics tray, a breakthrough in biomaterials manufactured from plants and natural waxes.

94% renewable

Our new range of trays has a bio-based organic content of 94%, showing that it is predominantly

derived from renewable resources. We have not been able to find any alternatives with a biobased content even close to this figure. The material is also fully recyclable as a plastic. Duni's goal in developing our ecoecho™ offering implies an increasing number of sustainable food packaging solutions using bioplastics.

Works like a regular tray

There is no shortage of packaging materials that are marketed as sustainable. The problem is that they rarely offer the functionality of traditional plastics, like the ability to withstand use in microwave ovens, vacuum-sealing in machines etc. The Duni ecoecho™ bioplastics tray has none of these drawbacks. Consequently, our new line of sealable Duniform® Take-Away Trays enable restaurants and catering managers to significantly decrease the environmental impact of their businesses – without compromising looks, quality or ease of use.

Key benefits:

- Breakthrough biomaterial
- Bio-based and fully recyclable
- No compromises in functionality





Tried and tested

Mathias Pilblad is the owner of Meatballs for the People, a combination of deli and restaurant in Stockholm, specializing in delicious, organic meatballs. He has been testing our new Duniform® Take-Away Trays made from bioplastics as part of the evaluation process - with excellent results.

A NEVER-ENDING PURSUIT OF QUALITY AND SAFETY

As a leading supplier of candles, Duni takes part in the important work of establishing European standards for quality and safety, as well as conducting tests to ensure that the products we sell meet our own strict requirements. This is only one example of how we work to ensure product safety.

European quality standards

The European Committee for Standardization (CEN) is an association that brings together the national standardization bodies from more than 30 European countries. Duni, together with IKEA, represents Sweden in the subcommittee for candle standards, which is responsible for developing and defining voluntary standards for our industry. There are CEN candle standards for Fire Safety, Labels, and Sooting Behavior.

The standards are developed through discussions between manufacturers, regulatory authorities,

testing laboratories, suppliers and other interested parties. Consensus is required within the subcommittee.

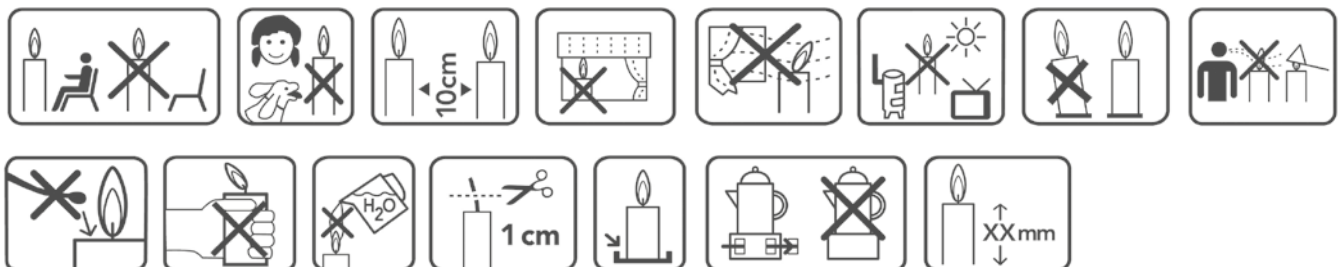
RAL-marking

In addition to complying with the voluntary standards of the CEN, most Duni candles carry the RAL quality mark. This marking is awarded by the European Quality Association for Candles and guarantees that our candles undergo regular tests by an independent institute, meeting criteria for burn time, smoking, soot, wicks, raw materials and safety. Together with our suppliers

we also set stringent in-house test routines for all candles.

Product safety labels

Our candles carry the product safety labels that are required by the European standard (EN 15494). 'Our stringent test-routines mean that we are satisfied that our candles meet relevant standards', says Biljana Slavkovic, Duni responsible for Candle product safety. 'But all of us who love lighted candles also need to assure that we handle them in a safe manner. That way we may safely enjoy the cozy atmosphere.'



The image shows two lit white candles in glass holders. The candle on the left is in a tall, cylindrical gold-colored holder. The candle on the right is in a shorter, wider, dark brown holder. In the foreground, there are several other glass holders, some gold and some dark brown, some of which are empty. The background is a plain, light gray wall. The text is centered in the middle of the image.

The most important warnings include:

1. Never leave a burning candle unattended.
2. Burn candle out of the reach of children and pets.
3. Always leave at least 10 cm between burning candles.
4. Do not burn candles on or near anything that can catch fire.



THE WORLD'S FIRST RANGE OF COMPOSTABLE UNICOLORS

For restaurant owners and caterers who want to create a colorful atmosphere while sparing the environment, our new and extensive range of compostable unicolored products is the natural choice.



Despite their vivid colors, the products in the new range carry the OK compost label. This means that they are guaranteed as biodegradable in an industrial composting plant, contain no harmful chemicals, and may be sorted with food waste when allowed. Our tissue napkins have also been labelled with the Nordic Ecolabel 'Swan' for many years. The FSC®-label for responsible forestry was introduced in 2009.

Tried and tested

Making sure that our napkins and tablecoverings are suitable for

industrial composting has been a long process. Colors, although non-toxic, are typically made to last, and not to fade away too quickly. Therefore there are limits to the amount of color allowed in a compostable product. We also use simple binders and chalk filler to give the right texture and feel to the materials. These have been shown to biodegrade or in other ways be safe for the composting process.

You do not have to be brown to be green

'This is an important step in our on-going work for a responsible

business', says Elisabeth Gierow, CSR & Quality Director at Duni. 'There is strong demand for sustainable solutions and our customers can rely on us to develop new eco-conscious choices that are also attractive and functional.'

Key benefits:

- OK compost and FSC®-certified*
- Contain no chemicals that harm nature
- Biodegrade a few weeks after composting
- May be sorted with food waste when allowed



Duni wins the prestigious Environmental Award at The Caterer's 2014 Product Excellence Awards

Duni received the award for its range of compostable, OK compost and FSC®-certified, unicolored napkins and tablecoverings at a celebration in London.

GROWING TOGETHER WITH OUR SUPPLIERS

Regular supplier audits ensure that our Supplier Code of Conduct is adhered to. And perhaps equally important: it adds value to our products by making sure that we deliver on the promises we make to our customers.

Ethical sourcing

Choosing the right suppliers and paying a competitive price for the products we buy is crucial to Duni's success. At the same time, we try to look beyond lowest price and bottom line, and instead choose the suppliers that offer us the best and safest products that have been manufactured in accordance with our ethics. This is why we begin every new supplier relationship with a thorough audit – and why we keep coming back for new audits at regular intervals.

Duni's Supplier Code of Conduct

The basis for our auditing activities is Duni's Supplier Code of Conduct, a document that defines the basic rights of our suppliers' employees, based on ILO conventions. As a general rule, our operations and those of our

suppliers are to comply fully with local and national laws in the countries and regions where they are located. However, our own demands are often more stringent than the basic legal requirements. This does not necessarily mean increased costs for the supplier. Sourcing Manager, Sylvia Rong Xu, explains: 'First and foremost, we try to influence the mind-set of our suppliers and help them make changes that will benefit both the people who do the work and the quality of the products. We want to form long-lasting relationships with our suppliers and grow together. It is not always a question of price'.

A systematic approach

Our audits are conducted in the same way, and to the same standards, regardless of where the

supplier is located in the world. The frequency of the audits is then determined by a rating system based on the result of the audit.

Adding value

Regular and independent auditing not only sends a clear message to our suppliers, it increases transparency and helps us identify issues that need remedying. The cost of even a thorough auditing system like ours is relatively small and we know by now that an ethical supply chain and financial success are not mutually exclusive. On the contrary: our auditing activities build good relations and trust, as well as add value for us and our customers. Sylvia Rong Xu again: 'When our suppliers act responsibly, we can do the same towards our customers'.



A close-up, low-angle shot of a person's right foot wearing a white sneaker with white laces and a white sole. The foot is positioned on a dark-colored treadmill belt. The background is a blurred gym environment with various pieces of exercise equipment and bright, out-of-focus lights, creating a bokeh effect. The overall lighting is warm and focused on the foot.

A NOVEL APPROACH TO HEALTH MANAGEMENT

Prevention is the best cure. That was the starting point when Jürgen Hugenschütt and his colleagues at our factory in Bramsche, Germany, decided to try a new way to manage the sickness absence levels.





Concern over sickness absence leave

Jürgen Hugenschütt, HR Manager and Project Leader for 'Company Health Management' project in Bramsche, Germany. He and his project team had for some time been thinking about how they could make an impact on the rising sickness absence levels in our factories.

'We wanted to build on the successful safety work that had already been done. We decided to try a structured approach to influence the behavior among our employees and raise the awareness of the fact that there is a lot you can do your-

people to take better care of themselves is another thing entirely. That is why the project team decided to start with a comprehensive employee survey. 'We got very deep into people's feelings with questions not only related to health but also cultural issues', Jürgen explains. 'And of course, we implemented strict routines to make sure that the sensitive information was kept secure.'

Dealing with the issues

A lot of work had already been done in the factory in order to avoid repetitive workflows, heavy lifting and forced postures. Never-

fitness studio', says Jürgen. 'So we decided to open up our own fitness rooms as well as offering subsidies for those who wanted to work out at a local health studio.'

In-house reintegration team

Another measure that the project team decided on, was to introduce a routine that ensures that employees and managers cannot shy away from health problems. Jürgen: 'Every time an employee returns from sick leave, the managers and shift leaders are obliged to have what we call a return talk. Short, confidential minutes are written to make sure no one is forgotten.' But it is not all about systems and routines, a friendly "how are you feeling today?" can make wonders too, according to Jürgen.

Results

'We will never have zero sickness absence. When you are ill, you need to stay at home and get well. But we hope to do a lot to help our employees to stay healthy', says Jürgen. 'This is not a quick fix. A project like ours has to go on for many years before we can draw any definitive conclusions. But a lot of people are very positive. Not least since they feel that Duni shows empathy and cares about them. And that is a promising start.'

'When you are ill, you need to stay at home and get well. But we hope to do a lot to help our employees to stay healthy.'

self, to keep healthy', says Jürgen. The importance of a healthy lifestyle also grows with increased age. In our Bramsche factory as in most parts of Western Europe, the average age of employees is increasing, which means that employers need to find new ways to support a long working life and motivate healthy and safe behavior at work and at home.

A sensitive topic

Improving safety in the workplace is rarely a sensitive subject. To tell

theless, muscular and skeletal problems in the form of pain in legs, arms and shoulders persisted. After an analysis, the team decided to tackle the issue by offering about 50 volunteers appointments for physiotherapeutic diagnosis, exercise and massage – of course paid for by the company and during regular work time. The underlying motive was to motivate the employees to start working out in their free time. 'Many of our staff are around 50 years old and a lot of them do not see themselves in a

THIS IS DUNI'S FOOTPRINT

Duni's Corporate Responsibility report is published yearly and aims to give a comprehensive overview of our key aspects and progress as a responsible company.

Together with detailed information on Duni.com and our Annual report we aim to fulfil the requirements of GRI reporting.

Key Aspects and stakeholders

In the process of defining Our Blue Mission program a materiality and stakeholder assessment has been performed and reviewed by top management. The Key Aspects guide our prioritized work areas and targets.

- Dependence on and usage of raw-material & energy
- Climate impact
- Products intended for food contact use and safety for consumers
- Occupational health and human rights of people working to manufacture Duni products
- Short life-cycle of Duni products, end-of life impact
- Impact on local communities and environment of Duni's own manufacturing
- Risk in external business relations, anti-corruption, business ethics

Key stakeholders

- Consumers and Duni customers
- Duni employees and our first-tier supplier employees
- Local communities where Duni has manufacturing or logistics operations

As a public company our shareholders are of course key stakeholders. Corporate Responsibility work and reporting is ultimately to secure investments in Duni. In a wider sense there are also stakeholders more indirectly affected by Duni operations.

Secondary

- Local communities where Duni and Duni suppliers source raw-material
- People concerned about the life-cycle efficiency of single-use products and littering of the environment.

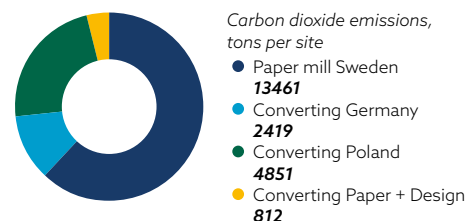
More details on the program and our performance are found at Duni.com.

Environmental facts

Selected data from Duni operations, manufacturing and logistics. The indicators are chosen from G3.1 Guidelines.

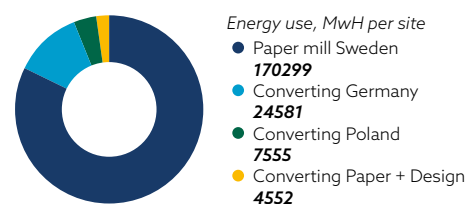
CARBON DIOXIDE OF OWN MANUFACTURING

Carbon dioxide is calculated from direct and indirect sources of energy. Conversion factors are from the supplier of energy or national statistics.



ENERGY USE OF OWN MANUFACTURING

Primary energy use in own manufacturing is calculated from input of energy to the plants. No conversion is used for primary electricity source.



WATER USE OF OWN OPERATIONS

Water at converting plants originates from municipal sources. Water used in process at paper mill is drawn directly from the nearby hydro-power plant. After use it is treated and returned to the same water body.

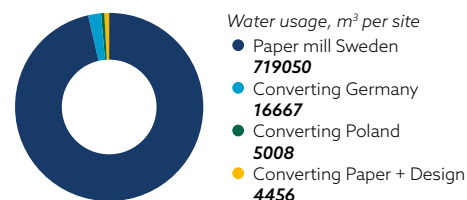


TABLE OF ENVIRONMENTAL DATA FOR MANUFACTURING

	Paper mill Sweden	Converting Germany	Converting Poland	Converting Paper + Design Germany
Material use (tons)				
Pulp and paper	72016	48791	18484	6779
Recycled pre-consumer paper	900			
Additives	11182	10642		
Dyes and inks, process chemicals	2048	445	282	655
Energy (MWh) and water (m³)				
Total energy	170299	24581	7555	4552
Electricity	71472	12255	5543	3306
Bio-fuel (wood chips)	43080			
Steam (district)			2012	
Petroleum gas (LPG)	55736	350		
Natural gas (LNG)		11976		1012
Diesel oil	11			234
Water (m³)	719050	16667	5008	4456
Emissions to air and water (tons)				
CO ₂ total	13461	2419	4951	1564
CO ₂ direct	13057	2419	0	165
NOx	7	3		0,15
BOD	19			
COD	86			
AOX	0,04	0		
Waste (tons)				
Recycled	170	4148	2042	543
Energy recovery	2855	223	4	166
Landfill (incl. cover)	1068	47	15	
Hazardous waste	38	37	<5	<5
Waste water, silts etc.		73	133	
Other (incl. electrical)	<5	<5	<5	<5

PEOPLE FACTS

Duni employees are mainly employed in Sweden, Germany and Poland. Facts on human resources management may also be found in our annual report.

EMPLOYEES

Country	Blue-collar	White-collar	Total
Sweden	200	167	367
Germany	689	346	1035
Poland	315	101	416
Netherlands	0	55	55
UK	0	19	19
Other	18	172	190
Total	1222	860	2082

GENDER DISTRIBUTION



CODE OF CONDUCT

Our Code of Conduct is signed by all of our suppliers of finished goods. Audits have been carried out at suppliers of finished goods representing about 92% of the purchase value. Remaining suppliers have a proven track record and are mostly based in Scandinavia and Germany. In risk countries re-audits are done for every supplier at least yearly.

TABLE OF CODE OF CONDUCT AUDITS, SUPPLIERS OF FINISHED GOODS

Geographical area	Purchase value (%) (2013)	Approved (Level A-C)	Not approved/ under observation (Level D)	Remains to be audited (of purchase value) %
Asia	20	18	2	0
Eastern Europe	9	9	0	0
Western Europe	70	30	0	8
Other	0,6	2	0	0

STANDARDS AND CERTIFICATES OF OWN MANUFACTURING

	Paper mill Sweden	Converting Germany	Converting Poland	Converting Paper + Design Germany
Quality and Product safety				
ISO 9001 (Quality Management)	Yes	Yes	Yes	Yes
BRC or IFS /Hygiene and Food contact Safety		Yes	Yes	Yes
Environment				
ISO 14001 (Environmental Management)	Yes	Yes	Yes	Yes
EMAS III		Yes		Yes
ISO 50001 (Energy Management)	Yes			
FSC Chain of Custody (Responsible forestry)	Yes	Yes	Yes	Yes
Nordic Ecolabel (Swan) license	Yes	Yes	Yes	Yes
OK Compost label	Yes	Yes	Yes	
Social audits				
SEDEX		Yes	Yes	Yes

The certificates may be found on Duni.com and www.paper-design.de



SUPPLIER OF GOODFOODMOOD