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 Novavit F 918 SUPREME BIO ink series and  
 dayGraphica 3000 offset blankets and  
 Varn Pressroom Chemistry

[www.flintgrp.com](http://www.flintgrp.com)

 @flinteresting

# Sustainability Report 2014

***Rely on us.***<sup>SM</sup>

Flint Group is dedicated to serving the global printing and packaging industries. The company develops, manufactures and markets an extensive portfolio of printing consumables, 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. 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 some 6,600 people. Revenues for 2013 were €2.2 billion (US \$2.9 billion). On a worldwide basis, the company is the number one or number two supplier in every major market segment we serve. For more information, please visit [www.flintgrp.com](http://www.flintgrp.com)

***FlintGroup***

# Flint Group Key Facts

**Headquarters:**

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

**Ownership:**

Flint Group is privately owned – mainly by  
private equity funds directed by CVC  
Capital Partners

**Key Personnel:**

- Charles Knott, Chairman
- Antoine Fady, CEO
- Steve Dryden, CFO

Flint Group in numbers...

**6600**

Flint Group Employees

**140** Sites

Across **40**  
countries on all continents

Over **2,000**

Raw Material Suppliers

**6,500**

Raw Materials

Over **120,000**

unique customer formulations

Almost **20,000**

direct customers and many more through  
our extensive distributor network

Revenue 2013

€ **2.20**bn  
(US\$2.9 billion)

Over

**620**

million kg

of ink products (1,340 million lb)

**4.6 million m<sup>2</sup>**

of plates and blankets  
(50 million square feet)

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**“I take great pride in the strides we made last year on our sustainability journey”**

## Antoine Fady, CEO Flint Group

“The hard work and spirit our employees have demonstrated over the last year has again provided some outstanding results in the field of sustainability.”

**Flint Group has a long tradition of developing no-nonsense approaches to the things we do. This, combined with our passion for continuous improvement, makes us the company we are today.**

These characteristics have been integral to our ability to achieve our goals. Since our formation, Flint Group has worked hard to expand our global presence while remaining fully dedicated to local markets. We've focused on developing new products and providing improved services that most benefit our customers. We have achieved these and other objectives through an unyielding focus on learning, setting higher and higher expectations and remaining accountable for everything we do.

In this same vein, our Sustainability Programmes are driven by continuous improvement. For several years we reported our efforts and progress internally, as we strongly believe you cannot improve what you do not measure. This enabled us to develop and share best practices and solidify our approach to Safety, Labour (working conditions internally and externally) and control throughout the Group. It also helped us to formalise a thorough and ongoing review of our processes – work which culminated in the publishing of our first publicly available report in 2013.

We take the positive reaction to that report as a signal that we are approaching this important subject in the right way. We also remain keenly aware of our need to improve. We have far to go, and we have a long list of goals that we want to reach. The hard work and spirit our employees have demonstrated over the last year has again provided some outstanding results in the field of sustainability. Perhaps more importantly though - is the fact that, this work will also provide us with a solid base that will enable us to make even greater strides in the coming years to meet our sustainable goals.

### Safety

One of the clearest examples of our employees' dedication and diligence is Flint Group's 2013 Total Incident Rate. We exceeded our safety improvement goals, setting record safety levels for our company. Our TIR was significantly better than our industry's average, and it firmly placed us amongst the safest companies in the world and across all industries. That said, we must guard against complacency and remember that safety is an ongoing effort. We must keep sight of the need to make Flint Group an increasingly safer company for everyone.

### Products and services

Our passion for continuous improvement brings benefits to pressrooms across the globe. With our eyes set on product quality, innovation and customer support, we strive to continually improve the way we do business while increasing the value we offer customers. This spans all areas of our business and all links of the supply chain, as we work together to maximise our efforts and minimise our impact on the environment.

I take great pride in the strides we made last year on our sustainability journey – as summarised in this report. I also look forward to next year with a tremendous amount of confidence. I firmly believe that the capability our people possess and our can-do attitude will serve Flint Group, our customers and our communities well.

**Antoine Fady**  
CEO Flint Group

# Flint Group and Sustainability



In 2013, Flint Group published its first external sustainability report. Since then, the responses we have received from employees, customers, suppliers and other key stakeholders have been very positive, specifically in relation to the clear and data-driven approach we took. Our reporting on not just where we have strength, but also where we can further improve was, we believe, well appreciated.

Since publishing our first report, PricewaterhouseCoopers were asked to execute a benchmark study on all the portfolio companies of CVC Capital Partners, covering all the different elements of sustainability. Not surprisingly, Flint Group obtained particularly strong results in areas such as Governance, People Management and Safety. The report, however, did also highlight improvement opportunities on Marketing Sustainability, Sustainable Product Development and Community Involvement – three areas that have been given more attention in this 2014 report.

The publication of Flint Group's first external Sustainability report in 2013 was a first key step not just in doing the right things, but also in being proud to talk about them. This is also true for our community involvement. It is clear from the many examples we have that Flint Group is close to the communities we operate in – some of which we have focused on in this report. We cannot change the world through our community involvement, but in helping we have many examples where we can make a real difference for a small group of people – whether it is collecting money for specific diseases through sponsored runs, voluntarily working with less fortunate kids or selling valuable waste and gifting the proceeds to local communities, Flint Group continues to contribute...

While we have focused on the areas for improvement, we have also continued the drive to improve in our stronger areas. In this report you will find more comprehensive data on water usage and waste, and we have also taken further steps in detailing our carbon footprint relating to travel.

We see the sustainability process in Flint Group as a journey. That journey did not start with the publication of the first report in 2013 and will not end with the publication of this report in 2014. The history of Flint Group, which goes back to the 1700s, has always been one of strong values. The "One Flint Group" initiative brought the strongest elements of the company together in 2007 and was governed by the introduction of Flint Group's Mission and Guiding principles, which form the basis of our sustainability approach.

Early in 2011, the decision was taken to move to the next stage and we started to develop a more focused and detailed Sustainability Statement, Policy and Framework. We incorporated the UN Global Compact as our base principles and have used the strong reporting structure of the Dow Jones Sustainability Index (DJSI) as a basis for reporting back on progress.

During 2012 we updated our Code of Conduct to reflect these important changes and further developed our Sustainability Model.

What will not change is our "can do" mentality, whether this involves our business drive or our passion for sustainability. What also will not change is our approach. At Flint Group we firmly believe that: "We say what we do and we do what we say."

**Jan Paul van der Velde**  
Senior Vice President - Procurement, Sustainability, IT and Regulatory

“What will not change is our ‘can do’ mentality, whether this involves our business drive or our passion for sustainability. What also will not change is our ‘no nonsense’ approach. At Flint Group we firmly believe that: “We say what we do and we do what we say.”

**Flint Group’s Sustainability Statement:**

Flint Group’s approach to continuously improve sustainability is underpinned by our own Mission and Guiding Principles – a fundamental set of simple, clear values.

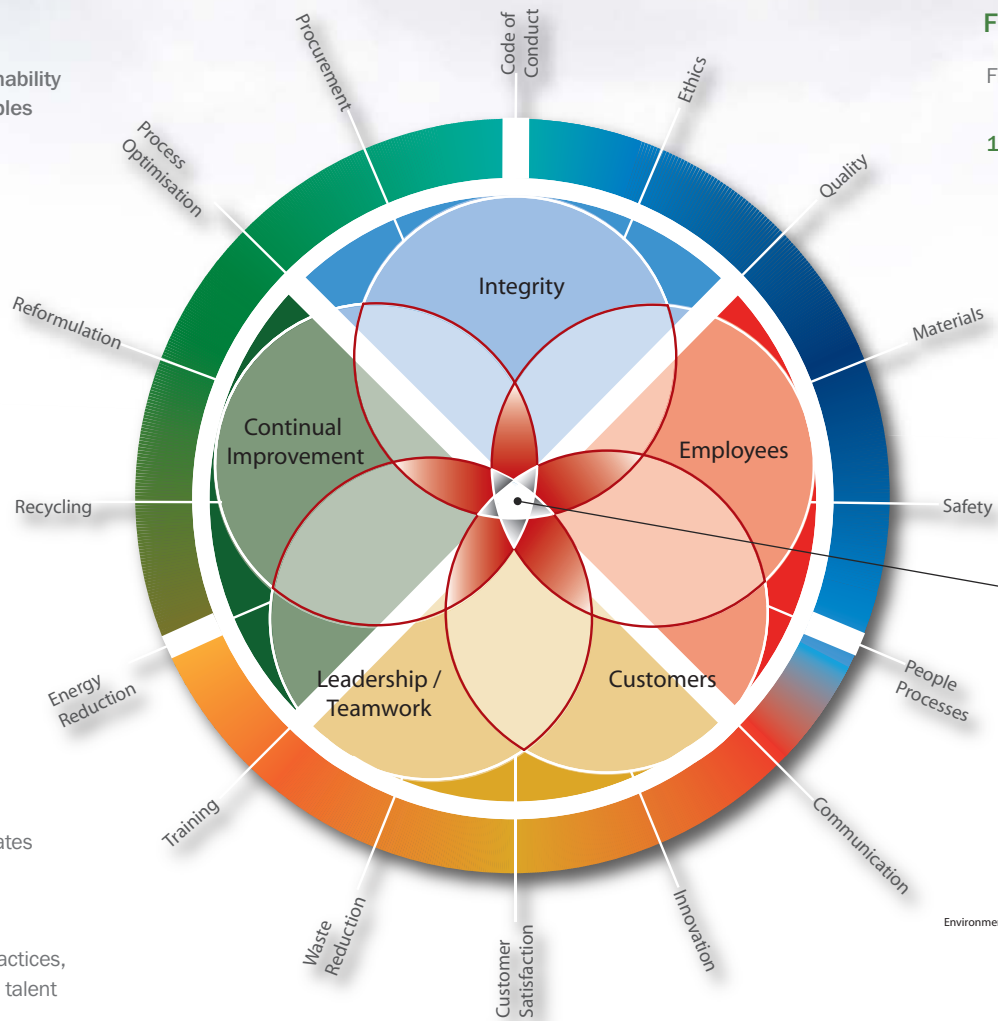
Flint Group operates within the spirit of the UN Global Compact for sustainability. Every day our people and teams are committed to providing increased health, safety and well being whilst a continuous improvement programme is in place to reduce our current environmental impact now and for future generations. 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\*:

**Economic** 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’s Sustainability Model:**

Flint Group’s Sustainability Model combines three elements:

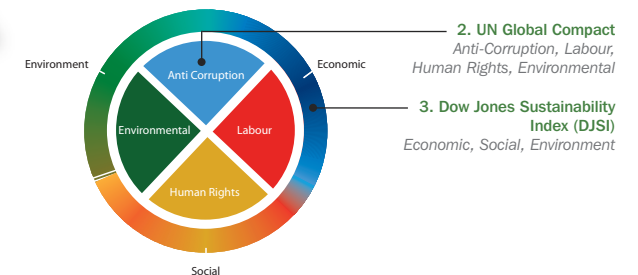
1. Flint Group’s Mission and Guiding principles – our way to ensure that we deliver on our commitments
2. The UN Global Compact
3. The reporting outline as defined by the Dow Jones Sustainability Index

**1. Flint Group’s Mission and Guiding Principles**

The long-established Mission and Guiding principles cover, in five key areas, the way of working in Flint Group:



This fundamental set of simple clear values allows us to align our activities internally within the spirit of the UN Global Compact while our external reporting methods detail the delivery of integrated long-term economic, social and environmental solutions:



\* - As outlined within the Dow Jones Sustainability Index.

# Economic:

CONTENTS:

10. Risk Managing – a robust risk and compliance process ensures that Flint Group is doing its utmost to identify, track and manage risk.

11. Integrity and Compliance - Flint Group is committed to operating at the highest levels of integrity, transparency and accountability.

12. Code of Conduct – ever since Flint Group was formed, there has been a strong emphasis placed on “ensuring that we do our business in the right way”.

# Identifying and managing risk

Flint Group, whilst being a private company, aims to operate our business in a manner consistent with that of a public company, including a structured Risk Management process. Therefore, in 2010, Flint Group introduced a formalised Risk and Compliance Management process in order to ensure that the risk profile of the Group is reviewed and updated on a regular basis and in a structured way.

The Risk and Compliance Committee includes members from the Executive Management Team and functional experts. There are two meetings every year where all the identified risks are mapped and mitigation actions are reviewed, modified, added, or deleted. Every identified risk is scored for likelihood and impact and categorised within the Flint Group Risk Profile. At the same time new risks might be added while others might be removed from the priority list due to reduced scoring.

Risks are defined very widely and can include all areas of our operations, such as financial, people (organisation, retention and other Human Resource key elements), environmental, compliance (tax, regulatory, etc.), product liability or business risks.

A detailed Risk Register along with a heat-map reflecting the current Risk scoring profile is managed, reviewed and shared with the main board members on a regular basis.

Currently, more than 50 relevant risks are identified and 28 have a critical score of which 16 are in the highest category. For all critical risks the committee develops comprehensive action plans to mitigate or eliminate the risk and monitors and reviews actions during subsequent meetings.

This risk and compliance process ensures that Flint Group is doing its utmost to identify, track and manage risks consistent with being a sustainable company.

Steve Dryden  
CFO Flint Group

Martin Sauer  
CFO EMEA & China

Flint Group is committed to achieving the highest possible standards of integrity and compliance in all of its business practices – as per our Mission and Guiding Principles.

**Building on the Code of Conduct and Employee Representation Certificate process, Flint Group's Board decided to implement a process for employees (including contractors and temporary staff) to report any possible ethical concerns in a safe and secure environment. This process was implemented in February 2011 and is secured through a detailed policy called the "Integrity Assurance Policy" (IAP).**

Through this policy and process, all employees – independent of location and hierarchy – are requested to raise any concern they may have. In general, employees are encouraged to raise concerns in the first instance with their line manager or the line manager's manager, but they can also raise it directly under strict confidentiality rules to a small number of senior executives. The nominated senior executives include the Flint Group Chairman and the Senior VP for Human Resources and Communications.

During 2013, Flint Group has looked to expand on its Integrity and Compliance programme with the introduction of the "Integrity Assurance Hotline" launched in February 2014. This will provide a confidential, third-party telephone and internet hotline service, accessible 24 hours a day, 7 days a week in 25 languages. Under this programme, employees, contractors and others can report concerns anonymously to a third party person should the person wish to do so.

The Hotline will provide even greater accessibility to employees to make a complaint or flag up a potential problem - it also serves to act as a deterrent for wrong actions and / or behaviours and will provide another performance indicator to ensure we continue to operate in an ethical and proper manner.

The policy helps employees to raise issues in the right way without the fear of retaliation – in many businesses this approach is called a "whistle blowing" policy. For Flint Group it is much more than that – it is another way of reinforcing our culture that integrity and transparency are fundamental to the way we do business. It is a deterrent to employees who may be tempted to break the rules in some way and it underlines the fact that all our employees are responsible for adherence to the Guiding principles.

In 2013 six Integrity cases were raised. All of these have been investigated and the appropriate actions taken.

The Board of Flint Group and the Executive Management Team (EMT) take IAP cases very seriously and integrity and compliance case reviews are a standing item on the EMT meeting agenda, with the Board informed quarterly.

**Russell Taylor**  
**Senior Vice President, Human Resources and Communication**

# Integrity and compliance





# Ensuring we do business right

Ever since Flint Group was formed, there has been a strong emphasis placed on “ensuring that we do our business in the right way”. Having enjoyed the luxury of being built from leading companies in the industry as well as “carve outs” from large companies with well-established policies, Flint Group, from its very early days, has been able to put in place a transparent Code of Conduct.

This Code of Conduct forms a part of the induction programmes of every new employee and is published internally on our intranet site as well as externally on our website.

In 2012, we introduced an updated version of our Code of Conduct. While the core principles of compliance, safety and environment, confidentiality and how we do our business did not change, we did strengthen our policy in respect of the Declaration of Human Rights and the UN Global Compact to align with our sustainability programme.

To actively promote and enforce the Code of Conduct, a significant percentage of our employees – through our Employee Representation Certificate (ERC) – are requested to certify on an annual basis that they have not violated the Code of Conduct and are not aware of anybody else in the company that has done so over the past reporting period. The ERC programme is backed up by a very strict process of investigation and consequences in case of non-compliance, up to and including termination of employment.

Under this process all general and senior management, including all country managers and their management and sales teams along with procurement, key finance, human resources and all other key people who have external interaction with customers, suppliers, other third parties or government officials must comply with the ERC reporting.

Over the years we have increased the number of employees that take part in the ERC process:

2009	1563 employees out of 7,281 total Flint Group employees, i.e. 21%
2010	1541 employees out of 7,308 total Flint Group employees, i.e. 21%
2011	1919 employees out of 6,975 total Flint Group employees, i.e. 28%
2012	2041 employees out of 6,798 total Flint Group employees, i.e. 30%
2013	1962 employees out of 6,464 total Flint Group employees, i.e. 30%

During 2013 we changed our approach to increase focus and depth in the ERC process to concentrate on the functions where we see higher potential risks while reducing activities in other lower risk functions.

In 2013 there were 14 new issues raised in the ERC process. All have been investigated and, where required, corrective actions have taken place.

**Steve Dryden**  
CFO Flint Group



## Key elements of the Code of Conduct are:

- Compliance with the law and to support the spirit of the UN Declaration of Human Rights, the UN Global Compact and application of good ethical business behaviour
- Strong emphasis on Safety and the Environment as well as on good Working Conditions, including
  - condemnation of forced labour
  - abiding by the UN Declaration on the Rights of the Child
  - avoidance of any discrimination
- Confidential treatment of information
- As part of our high ethical standards, we have in place processes that help avoid
  - conflict of interests (backed up by Flint Group's gift policy)
  - commercial bribery
  - inappropriate relations to government representatives
  - fraud and criminal activity
  - infringements of anti-trust and competition laws
  - political involvement
 and we shall support all official investigations as required by the applicable laws
- Appropriate records and bookkeeping
- Compliant use of company assets as well as emails and internet
- Full back-up of all terms of the Code of Conduct by strict reporting regulations, underpinned by Flint Group's Integrity Assurance Policy.

# Environment:

CONTENTS:

16. Energy and water use – Flint Group is committed to the effective and efficient use of resources throughout our operations.
21. Classification and labelling – making certain that human health and the environment are well protected.
22. Packaging and Narrow Web division – providing the colour that identifies brands on packaging and labels around the world.
26. Print Media division – exploring formidable ideas and efforts that continually reach new heights in safety and sustainability.
30. Flexographic Products division – adopting new attitudes and altering the way we think to achieve positive and lasting results.

Flint Group is committed to the effective and efficient use of energy and water throughout our operations and we are committed to actively conserving energy and water throughout the life cycle of our products.

Using environmentally responsible practices, Flint Group promotes energy efficiency by evaluating new technology, optimising current processes and implementing programmes that focus on improvements in reducing our operational use of fossil fuels and electricity.

In the last several years, Flint Group has implemented many projects and process improvements that have resulted in direct reduction of carbon dioxide equivalent emissions. Some of our energy saving initiatives and projects to conserve valuable resources include:

#### Energy monitoring control systems

- Fully automated, online energy consumption systems used at large facilities to help visualise, understand and better manage energy consumption
- Provide alarm system for leakages or high peaks of energy demands

- Existing systems have resulted in building and tank farm heating reduction by 10% and overall electricity consumption reduction of 6.89% since 2011.

#### Digital monitoring of energy usage

For several years we have been using a digital monitoring and measuring system and each year we see energy reductions. The main advantage is we are able to visualise the usage and the clear relationship between process steps and consumption. This has been particularly evident in the first few years where we have reduced energy consumption by two digit percentages. One important step in the project has been the implementation of limits during operations and also at the weekend, and automatic e-mails are sent out with an alarm to ensure it is very easy to recognise any kind of leakage, e.g. for compressed air. Because of its monitoring system and information flow in real time, we see the effect of energy consumption and can look to use this process to optimise a facility.

# Committed to the effective and efficient use of energy and water

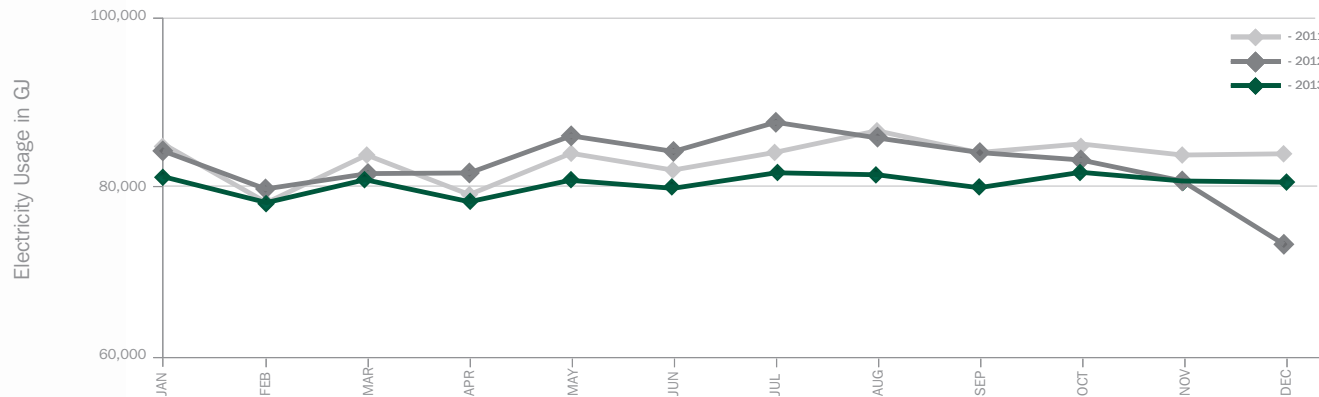
**Improvements**

- Replacement of older fluorescent lights with T8 lights. T8 fluorescent lights are more energy efficient than older fluorescent systems. In addition, they run on less mercury than older bulbs and have more consistent light output, are quieter and produce less heat than standard fluorescent tubes
- Replacement of standard fluorescent ballasts with energy-efficient magnetic ballasts or electronic ballasts
- Upgrading equipment with higher efficiency units which consume less power
- Motion sensing lighting systems in warehouses, office areas and less occupied areas to reduce electrical consumption without employee intervention
- Boiler upgrades
- Installed boiler units called “economisers” that preheat water for steam generation using heat from boiler flue

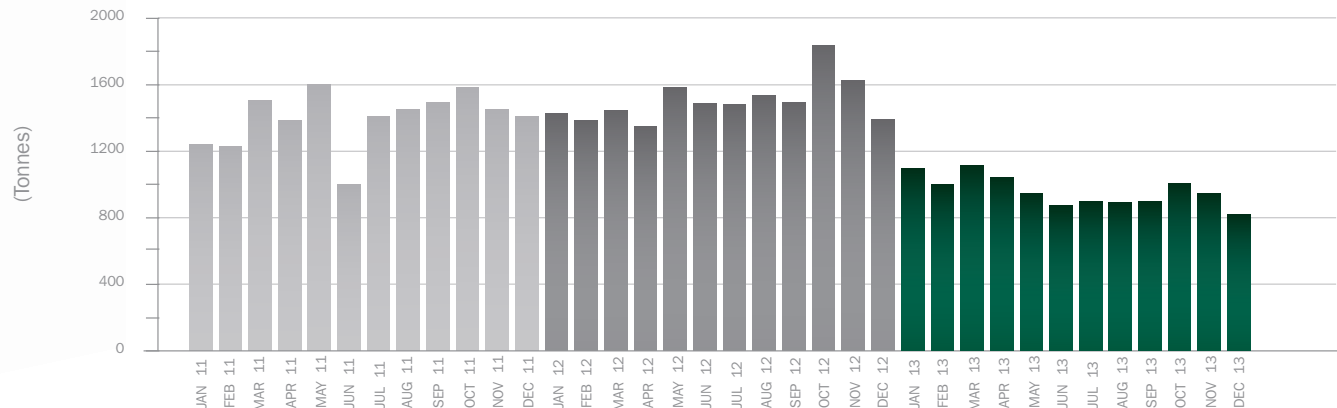
- Condensate return from steam lines that allow reuse of heated water resource
- Elimination of condensed air and steam leaks
- Production processing optimisation, reducing per unit energy consumption
- Supply chain efficiency improvements
- Selection of freight carriers who participate in various programmes such as the US EPA SmartWay
- Transport Partnership for inbound materials and outbound products to customers
- Internal transport tractor fleet equipped with auxiliary power units (APU) to avoid main engine idling
- Improved packaging to eliminate unnecessary weight and volume of material being shipped
- Maximise weight and volumes of incoming materials resulting in fewer numbers of inbound shipments.



**Electricity Usage**



**Emissions from Electricity**



**Transient voltage**

Where applicable, the larger sites have added TVSS (Transient Voltage Surge Suppressors). TVSSs mount to the main or sub-panel and remain passive until a voltage surge hits the panel then within a nanosecond clamp the excess voltage to ground. Excess voltage, if left unchecked, creates heat which increases resistance and leads to poor mechanical operation. TVSSs flat line this voltage, reduce energy consumption by 15%, reduce equipment maintenance costs and repairs and will save sensitive equipment from dangerous voltage transients. The formula is simple. Heat wastes energy. Removing transients reduces operating temperature and premature mechanical breakdowns=energy cost savings and mechanical cost avoidance.

**Lighting**

Reducing energy is only one reason why we looked deeply into our lighting package(s). EPACT (US Energy Policy Act of 2005) was a bill signed into law in July 2005. This Act promotes energy conservation through changes in lighting requirements: discontinuing lighting systems and offering tax incentives to consumers who make lighting improvements. Where applicable, many plants have upgraded their lighting. One specific analysis at our Batavia, Illinois, plant identified wasted energy through poor wiring and older fixtures. Inefficient ballasts with steel design created large amounts of heat and noise, increasing HVAC demand and causing premature lamp failure. The study also identified fixtures that were daisy chained together, which is dangerous and also a heavy drag on energy. New conduit and new fluorescent fixtures with parabolic reflectors, air ventilation holes and black emissive coatings on the ballasts were installed. This system delivered more light using less wattage. The upgrade reduced heat dissipation, electrical drain, HVAC demand and ultimately nearly 50% in electricity costs.

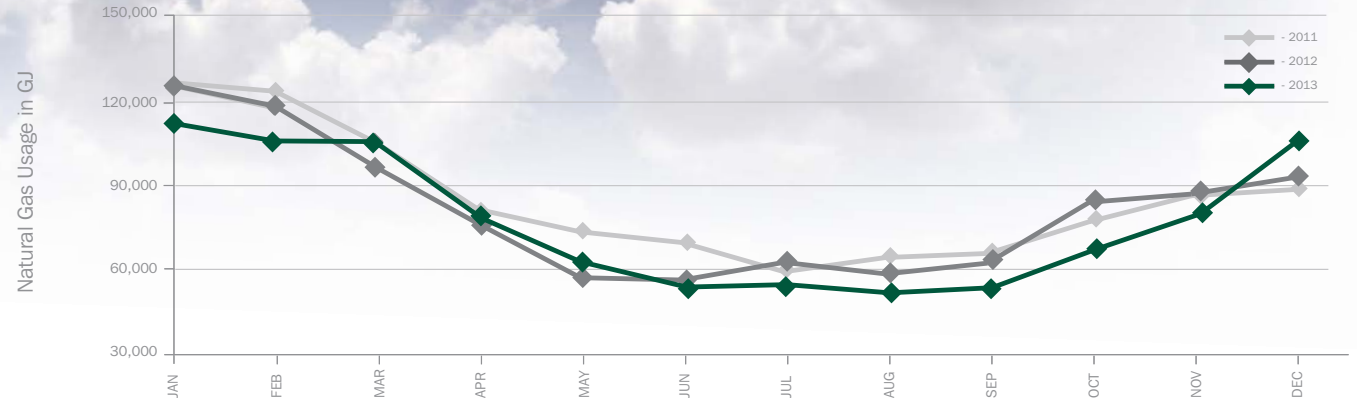
## Greenhouse gases

Although sustainability is a comprehensive activity that includes all functions and aspects of a business, the monitoring and reduction of Greenhouse Gases (GHGs) is a key tenet of any company's sustainability programme. GHGs are important to a sustainability programme for two key reasons. First, GHGs are a key factor in the development of ozone in the lower atmosphere and the development of smog. And second, GHGs are the result of the use and depletion of resources.

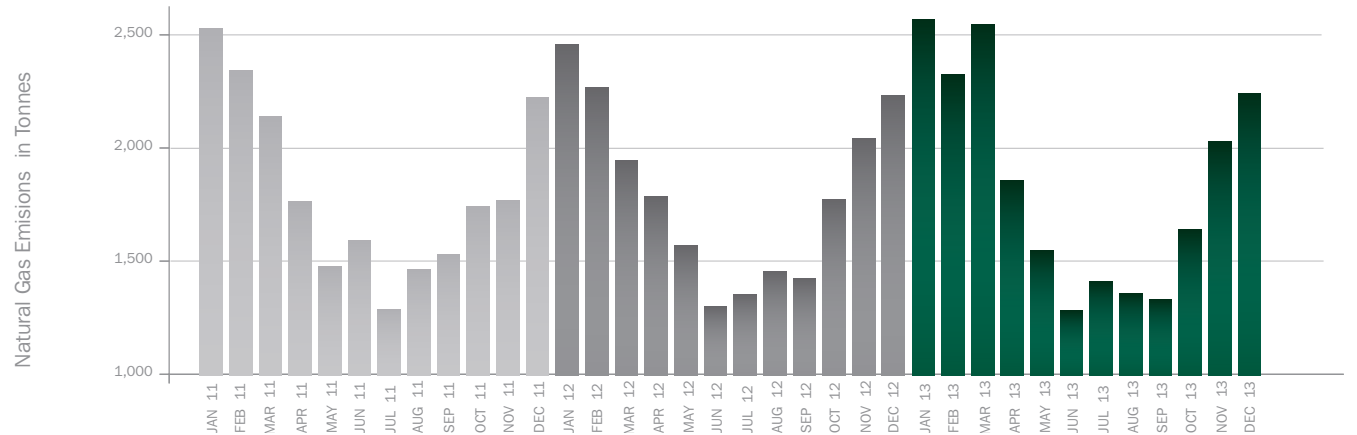
Flint Group has a global programme of GHG monitoring. A baseline is being developed by location for emission of GHG and water usage. Within Flint Group the vast majority of GHG comes from electrical and natural gas consumption. During pilot studies we found these two sources of GHG accounted for more than 95% of GHG emissions. All sites are encouraged to reduce emissions from all sources of GHG, but electrical and natural gas are the sources that make up Flint Group's global GHG programme. The programme began with sites in Europe and North America and is being expanded to all sites worldwide.

Electrical and natural gas consumption data is gathered for each location and a baseline of use is established. The baseline for individual sites as well as the company as a whole is used as our standard to determine year over year improvements and the quantifiable results of improvement projects. Flint Group's GHG and water usage monitoring and documentation is a centralised system, which is accessible to local management to track local activities and available in a consolidated format to track company-wide progress. Flint Group's intention is to reduce its consumption of fossil fuels and energy through best practices and continuous improvement. Although lowering our carbon footprint is the primary objective, it is recognised that variation from year to year can also occur due to business and facility rationalisation, and process changes due to customer demand.

## Natural Gas Usage



## Emissions from Natural Gas



## Results

Flint Group measures CO<sub>2</sub> emissions by tracking internally consumed fossil fuel and purchased electricity (Scope 1 and Scope 2) at approximately 90% of Flint Group operations in Europe and North America. Our largest facilities in Latin America and Asia are also included in the Carbon Dioxide Emission table below.

Scope 1 and 2 energy generation accounts for almost all the carbon dioxide released as a result of Flint Group activities. Scope 1 emissions are created by the combustion of fossil fuels at Flint Group operations (Gasoline, Diesel, Propane & Natural Gas usage). Scope 2 emissions are from brought in energy such as electricity. Through internal auditing and additional reporting, information for 2011 and 2012 has also been updated.

## Carbon Dioxide Emissions

In thousand metric tons

	2010	2011	2012	2013
Scope 1 Emissions	31.1	29.5	28.1	29.58
Scope 2 Emissions	152.9	148.6	143.5	133.1
<b>Total</b>	<b>184.0</b>	<b>178.1</b>	<b>171.6</b>	<b>162.68</b>

## Water conservation

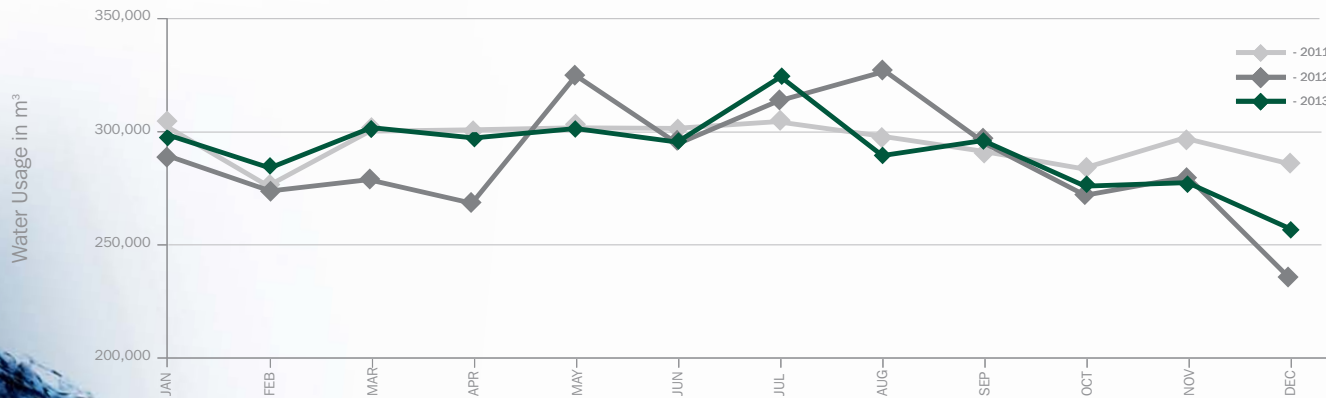
It is important to understand how we use and manage water throughout our facilities. Managing water usage effectively reduces the impact and demand on several environmentally affected systems such as the impact on fossil fuels used for the heating and treating of water, or reducing the overall impact on the ecosystem and wildlife habitat. Between 2011 and 2012, Flint Group has reduced its overall water usage by 81,117 cubic metres (23 million US gallons, or 87.1 million litres). This reduction is important to demonstrate the impact water conservation has had on Flint Group's environmentally friendly practices. The following are a few practices that contributed to this saving:

- Previously mentioned Boiler upgrades, using condensate return from steam lines, elimination of steam leaks.

- Reduction in lawn irrigation requirements
- Identification and repairs to other sources of water leaks
- Better management of waste water treatment facilities.

Every employee has the capability of conserving water, from shutting off a running tap, issuing a work order to fix a leaking system or simply reducing individual impact on overall water usage. Every unused drop of water, when collected as total water savings, can have a tremendous impact for Flint Group's total water usage. As part of our effort to improve on our measurements, we have reviewed water usage and have now implemented better definitions in our reporting. As a consequence it does appear that water usage has increased when compared to 2012 however, this is more likely due to these new measurements being only introduced in the 2013 figures.

## Water Usage



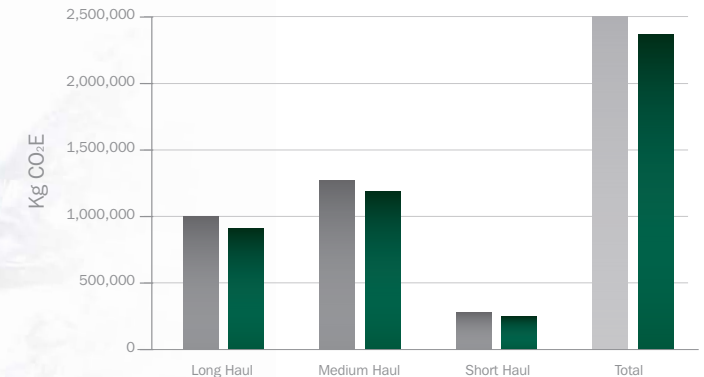
## Emissions from air travel

New this year for Flint Group is reporting emissions from travel. Of the many modes of travel, planes release higher carbon emissions (and other aerosol gasses) into the atmosphere per distance traveled vs. any other mode. Flint Group is reporting air travel data using the distance-based method, which involves determining the total distance travelled for each flight for the calendar years 2012 and 2013.

Data was gathered on travellers based in Europe and North America. In 2013, these two regions recorded 13million travel miles (down 8% from 2012). For calculating CO<sub>2</sub> emissions, the EPA has published emission factors for each travel segment:

	Flight Segment	kg/mile
Short Haul Flights	0-300 Miles	0.275
Medium Haul Flights	300-2300 Miles	0.162
Long Haul Flights	2300+ Miles	0.162

Of the three segments, short hauls have the highest emission factors due to the landing and take off cycles on emissions. Long hauls come in a close second simply due to the weight from extra fuel. This graph shows kg of carbon emissions for each of the three haul segments by year (CO<sub>2</sub>e/mile/year). Each of the three segments have a year-over-year decline in both miles and kg of CO<sub>2</sub>e. Of the three segments, 57-58% of Flint Group's travel miles are from the medium haul - both reporting years.





## Eyes on task

Following on from the “Safestart” training, staff who regularly use the car to carry out their work in Italy were asked to attend a safe driving course in late 2013 to create greater awareness of personal safety.

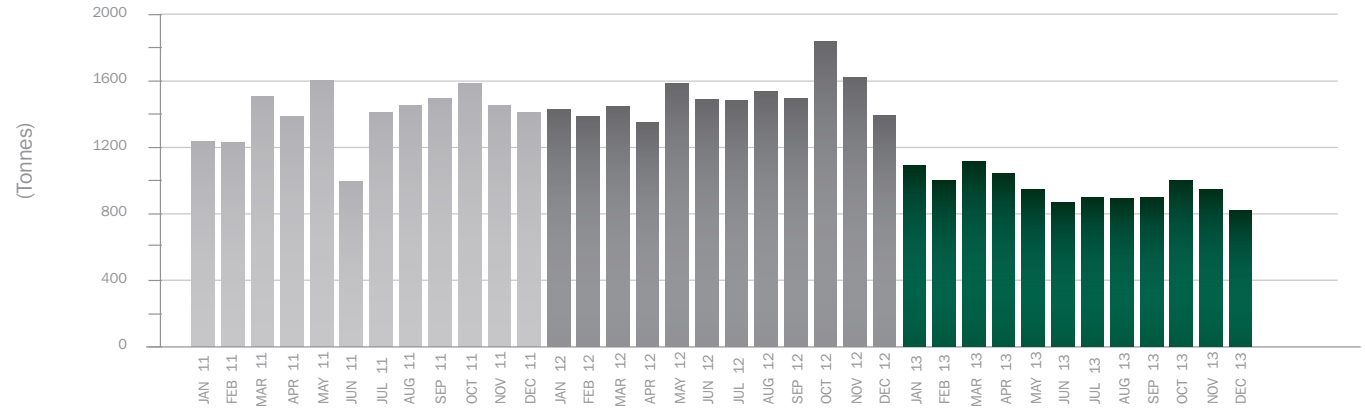
In two training sessions, 50 colleagues spent a day at ASC – Automotive Safety Centre of Quattroruote – with the objective of the course to become more aware of the dangers on the road, how to help prevent these and to develop the capacity to deal with these situations if they should ever arise.

The Flint Group team supported by a team of driving instructors received both theoretical training in the classroom as well as experiencing a series of exercises on the track designed to test increasing levels of difficulty. They practised emergency situations that may occur while driving, including the reasons why a vehicle may sometimes lose traction or take a sudden unintended direction and how to correct this.

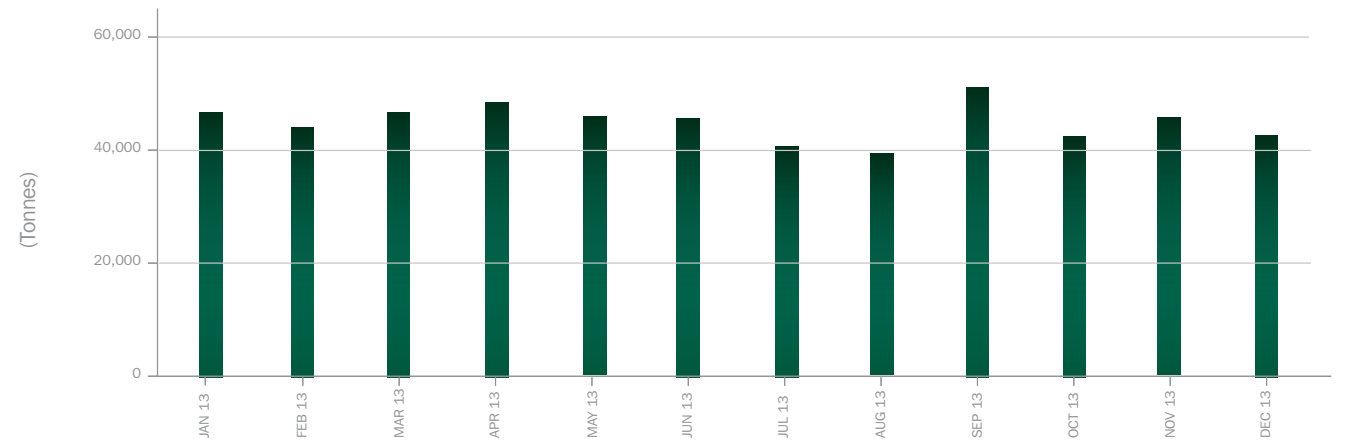
At the end of the day, the drivers went home tired but happy – safer in the knowledge that their new-found skills would provide a greater control over their vehicles.

Vincenzo Console  
Quality Management e Comunicazione

## Solid waste to landfill



## Hazardous waste to incineration



## Waste management

Operational efficiencies and therefore waste management have been high on the priority list for our Operations team for a long time. The key challenges to waste are linked to the product portfolio complexity and the high frequency of production changeovers, combined with relatively small batch sizes. Customisation as late as possible in the supply chain is key to ensure an effective production cycle, reducing waste. Each business unit has developed

best practice over the years. We are in the process of aligning the metrics around waste because it is clear that any waste, be it time / effort or materials, should be avoided, from both a financial and sustainability point of view. Between 2012 and 2013 we managed to reduce dry waste 6,400 tonnes. Elizabethtown, KY, USA contributed to 1,891-tonne reduction with this result obtained through improved recycling efforts.

	2011	2012	2013
Dry Waste (mtons)	16.9	18	11.6
Hazardous Waste (mtons)	not reported	not reported	539.6

# Classification and labelling

REACH (Regulation, Evaluation and Approval of Chemicals) was adopted by the European parliament in 2006 as by far the biggest legislation ever made at an EU level to make sure that human health and the environment are well protected from the negative impacts of chemical substances – so REACH has become a major focus within Flint Group's sustainability programme.

**While in principle REACH is a European regulation, it has global impact on the sourcing of raw materials and the selling of finished goods. As a consequence and adapting to this situation, Flint Group has created a more global regulatory organisation.**

Following REACH, the rules for the classification and labelling (C&L) of chemical products will change remarkably, with the legislation following a global approach.

The Regulatory team manages REACH and C&L with the following activities having been successfully executed:

## Registration of substances

- 2,730 substances used by Flint Group are pre-registered, including additional late pre-registrations done in the meantime. As the regulations at the time of pre-registration were unclear, Flint Group decided to pre-register most if not all substances. Now 6 years later most of the pre-registrations were not required in order to continue to offer the entire portfolio of Flint Group products..
- For 2010 11 substances are registered, registration updates for 4 substances in 2013
- For 2013 13 registrations have been performed on time and in full
- For 2018 the preparation of our registration activities has been started. We expect approx. 75 registrations
- For 4 key substances Flint Group acts as a lead registrant for the industry to ensure effective registration processes
- In our role as downstream user we are, together with our procurement, in a process to ensure that our suppliers follow their registration obligations out of REACH. This will ensure that Flint Group will be able to continue with its current product offering.

## "Substances of Very High Concern" (SVHC)

- In the public perception SVHCs are the most crucial area. Once they appear on the relevant candidate list they are in fact to be banned. So far Flint Group has managed successfully to replace all possible SVHC

substances before the legislation comes in force. The relevant list of the legislation holds by end of 2013 151 substances and will increase further

- No products supplied by Flint Group in Europe contain any SVHCs in concentrations above 0.1% (as per the relevant legislation)
- Ongoing management of new substances when they are added on the candidate list by the European Chemistry Agency as relevant legislator

## Safety data sheets (SDS)

- Approval process for Safety Data Sheets (SDS) including checklist to cover all legally relevant sections, e.g. hazardousness or exposure scenarios, launching management of change (MOC) processes as corrective action if appropriate. As our suppliers have learnt a lot in the meantime including proper upfront information, our corrective actions are now rather seldom.
- Number of checked SDS in 2013: 3953 (note: in last year report we only focused on eSDS numbers, now we include the entire number of SDS's to ensure we capture the full scope)

## Classification and labeling (C&L)

- 129 notifications to the legislator have been sent under the C&L notification process (Classification & Labeling), all finalized on time and in full
- A project has been launched to be fully in line with the legal requirements regarding C&L for mixtures coming into force in 2015, close cooperation with associations (national and European level) and IT suppliers in this context.

Flint Group has a long tradition in market-leading safe products. To cope with the ever faster changing legislation and following the more global regulatory approach in Flint Group, a global system of communication, process harmonisation, clarification of responsibilities and accountabilities, tools, common risk management, daily business support and sharing best practice has been established.

The principles of this approach have been laid down in our "Regulatory Charter" which is valid globally.

**Andreas Tüschen**  
Director Global Regulatory

## Flint Group Regulatory Charter at a Glance

The things we do

The way we act

The trust we gain

The reputation we build

Flint Group's business ethics and the consequences for all Flint Group personnel are well described in its general Code of Conduct. The Regulatory Charter is fully in line with the general Code of Conduct but focuses on the various high risks in the regulatory area (financial and reputation) and how Flint Group copes with them.

The Regulatory Charter is valid GLOBALLY and aligns all activities of Flint Group regarding the risks arising out of:

- Export Control
- Customs
- SHE data (Safety, Health and Environment)
- Chemical control laws and regulations (e.g. REACH).

All four areas impact high risks for Flint Group, i.e. up to several million US\$ / € financial fines for the company (or its legal entities) AND individuals, plus / or imprisonment of up to 20 years. The major task of the Regulatory global team is to avoid any negative impacts from the areas mentioned above and to protect Flint Group and its employees against imprisonment and fines.

The Regulatory Charter specifies responsibilities and accountabilities. In principle the legal accountability is ALWAYS with the legal entity and its representatives and never with Regulatory or its team members. However, Global Regulatory feels responsible and supports Flint Group in all the mentioned regulatory areas to ensure that risks in this area are managed in an appropriate manner.

Due to the high complexity of Regulatory, its Charter clarifies the areas of responsibility, i.e. which legislations, inventories, etc. are covered by Regulatory and which are not.

Regulatory's direct reporting line is to the Executive Management Team (EMT). To protect Flint Group in a proper manner, the Regulatory team, represented by the Director Global Regulatory, must report any case of severe regulatory misbehaviour to the EMT.

Flint Group Packaging & Narrow Web provides the colour that identifies brands on packages and labels around the world – our inks and coatings products fulfil many functions – providing eye catching colours to enhance shelf appeal, special effects and brand security.

**But, eye catching colour is only part of what we do – we provide inks that are safe and functional; we ensure our operational facilities are working in the most streamlined and energy efficient ways; we ensure our employees are safe; and that we are taking care of those around us.**

Flint Group Packaging & Narrow Web offers a wide portfolio of products to fit all types of packaging and label applications. These products range from solvent and water-based, to energy curable ink systems. Often we are asked about “environmentally friendly” ink systems – this is a very tricky question because every type of ink impacts the environment differently. At Flint Group we make every effort to use the most environmentally friendly materials and the most energy efficient processes to manufacture our inks. We have experts on hand to help converters choose the “right” ink for their application – whether that be food compliant inks, inks that contain biorenewable content, or inks that cure using energy efficient UV LED lamps.

Regardless of the type of inks and coatings, sustainability improvements can be made for all ink systems by carefully reviewing the materials used, as well as the impact the inks have on the printers’ processes. Choosing the right ink can help minimise the effect on the environment and also help printers run in the most efficient way possible – to reduce waste, time and energy.

From a formulary standpoint Flint Group does not utilise materials in its packaging and label inks that are considered carcinogenic, mutagenic or reproductive toxins. We have eliminated the use of heavy metals in our packaging inks to conform to regulations and to provide a lower impact end-of-life scenario for the printed package. Any substance that is listed by any country as having an associate hazard is monitored closely and is reported to our customers to assist with their regulatory compliance.

Raw materials used to manufacture inks come from a variety of sources. Although many are petrochemical based, we have a significant number of materials that are made up of biorenewable materials. We have solvents like ethanol which can be based on corn, nitrocellulose and polyamide resins that are based on cotton and cellulose (trees) production, and a variety of other materials which are wholly, or partially, based on biorenewable feed stocks. When reviewing the broad use of biorenewable materials we find the majority of our inks contain at least some level of biorenewable substance.

From an operational standpoint the environmental impact of inks goes beyond the chemical make-up of the ink itself. It also includes the impact of the ink manufacturing. Flint Group Packaging & Narrow Web works hard to reduce the loss of materials during manufacturing through emissions into the air. We work with volatile materials that can easily evaporate. We minimise this loss by studying our processes, identifying points of potential loss or escape, and implement controls to these exposure points. Some of the controls include process cooling, tank enclosures and venting. Through close study and observation, we have increased our yields at our large manufacturing plants to nearly 99% – reducing wasted and lost materials.

Flint Group focuses on Sustainability and Safety – for many years packaging has received a much more thorough examination. With growing concerns about sustainability, packaging has been highlighted because packaging is highly visible in the waste stream. Due to this high visibility, consumers, companies and countries have been looking for ways to reduce, reuse or recycle packaging to minimise its presence in the waste streams – and reduce its impact on the environment.

Most people only see the packaging and few truly think about the the real

...eye catching colour is  
only part of what we do

purpose of the packaging or the components that make up that package – the substrate, adhesives, coatings and inks. Each of these materials has its own specific function and will have a different impact on the sustainability of the package and on the environment. Ink makes up a very small portion of the package – less than 1% of the package's weight. Subsequently, ink makes up a very small part of the carbon footprint of the packaged product, posing a limited impact on total sustainability. However, ink cannot be ignored. Flint Group puts much effort into minimising our impact on the environment – this is truly important to Flint Group and our customers.

#### Here's just a taste of what we're doing...

Flint Group offers a wide range of solvent and water-based inks that are specifically formulated for compostable packaging. These products meet the international standards for compostable and biodegradable packaging. Moreover, Flint Group is a patron of the Sustainable Green Printer Partnership, an organisation that provides a third-party certification of a graphic communication/printing facility's sustainability programme.

In addition, Flint Group has many programmes in place to minimise the generation of hazardous waste; no matter how small some amounts may be – this is a priority for Flint Group. Whenever hazardous waste is generated, Flint Group handles and disposes of these materials in strict observance of local and federal regulations. Furthermore, Flint Group selects only reputable and licensed companies for its hazardous waste disposal.

Flint Group is fully aware of the concerns around food packaging. Food packaging is a sensitive area, and manufacturers in this segment must focus on the highest levels of manufacturing controls in line with the imperative of protecting the consumer. This is naturally the subject of extensive legislation, which applies to all the packaging components of a packaged food – including the label and package itself.

Flint Group manufactures and sells Food Packaging Compliant Inks, which have been specially formulated and tested for use in these sensitive printing applications. These products are made from materials that, under normal or foreseeable conditions and when correctly used in the intended application, do not migrate into the finished package at levels above current accepted limits.

Consumer health and safety is of paramount importance with regard to food packaging and labelling. Flint Group is committed to minimising the risks involved with the use of our products for food packaging applications, and is active in industry forums addressing this issue.

We have all been given the great right to live on this planet and in our communities; we've been given the right to enjoy our land and seas. But we all share the responsibility, and the right, to contribute in making our planet great, safe, and continual.

**Flint Group Packaging & Narrow Web offers several options of ecological and socially responsible inks for all segments it serves:**

#### For Narrow Web packaging and label applications

**EkoCure™** – the latest UV curable technology – curable with UV LED lamps, which provides both economical and ecological sustainability.

**BioCure™ F** was generated for customers who want to utilise inks which are made from materials that have biorenewable content. BioCure F is a UV curing ink system, which contains biorenewable materials to minimise the use of petroleum based chemicals. Colours have 10% biorenewable content and extenders have 40% BRC and are registered with NAPIM.

**Flexocure® ANCORA™ and Lithocure® ANCORA™** – our line of ANCORA products are food packaging compliant and have passed the most stringent testing as required by Nestlé and Swiss Ordinance. These inks are available in UV flexo and UV offset technologies and provide the highest quality while providing a secure option for printers. Also available are a wide range of coatings, adhesives, metallic silver and metallic pastes.

#### For Sheetfed commercial and packaging applications

**Ultraking® XCURA™ and Ultraking® XCURA™ LED** – the XCURA line of inks are low energy UV curable inks for sheetfed and web offset presses; XCURA LED inks cure using low maintenance and energy efficient LED lamps, while the XCURA inks cure using low energy (LE or HUV) lamp technology. Both are suitable for commercial and non-food packaging applications.

**Ultraking® 4500 LM PREMIUM and Ultraking® 4600 LM PLAS PREMIUM** – these inks are suitable for primary food packaging, low migration, UV curable inks for sheetfed offset applications. These inks have been certified by an independent analytical testing facility as compliant to both the Nestlé Guidance Note for Packaging Inks and Swiss Ordinance.

**Arrowstar UV 7700** – UV workhorse that contains soy oil and meets the Soy Association Seal requirements.

**Arrowstar 8041 Low VOC and Arrowstar 4041 HS Low VOC** – high level of biorenewable content (NAPIM BRC rating of 70) and less than 3% VOCs. Ideal for folding carton and label packaging.

**K+E Novasens P660** – conventional low migration ink series suitable for primary food packaging and meeting Nestlé requirements.

**K+E Novavit 908 Low Tack BIO, 918 Supreme BIO and 950 Plus BIO** – vegetable based systems for commercial applications (NAPIM BRC of 70)

#### For Paper & Board packaging applications

##### In EMEA -

Flint Group proudly announces PremoNova® – free from VOC and excluded TMDD that is classified R52/53, harmful to aquatic organisms and may cause long-term adverse effects in the aquatic environment, and also ethoxylates of TMDD. PremoNova is a food packaging compliant ink with regulatory compliance and full traceability.

##### In North America -

The PremoCorr™ series of low maintenance inks for the Corrugated Market Place. This ink series does not require the use of additional amines on press. This enables lower VOC's at our customer sites.

# Flint Group Narrow Web wins new Innovation Award at Labelexpo 2013

Flint Group has launched PremoCup™ – a series of low maintenance inks for the Consumer Products Market Place. Similar to PremoCorr™ this ink series does not require the use of additional amines on press. This enables lower VOCs at our customer sites.

For Flexible packaging applications –

In EMEA -

Flint Group offers VarioLam, a PVC-free alternative for high-end lamination – these inks are universal and can be used with the widest range of materials including retort application. Due to its multipurpose usage VarioLam also supports the waste reduction in day-to-day customer production when changing jobs and printing substrates.

A new Chlorine-free primer for metalised films has been developed and introduced into marketplace.

In North America -

FlexiStar™ BRC – the first solvent-based biorenewable inks certified by NAPIM. These inks were developed using NAPIM certified bio-based raw materials and boast a BRC index of 80! This is among the highest in biorenewable content of all the NAPIM registered systems.

PremoFilm™ SXS series of self cross linking inks for the outdoor bag market. This series does not require the use of cross linkers like aziridine to achieve the performance characteristics needed.

**Tuesday, 24 September 2013, Brussels, Belgium – the night was full of energy as hundreds of industry professionals paid tribute to the best in Narrow Web. The Label Industry Global Awards celebrated its 10th anniversary and presented three awards – European Converter of the Year Award, Award for Sustainability, and the Award for Innovation; plus, the R. Stanton Avery Lifetime Achievement Award.**

Flint Group was among more than twenty entrants for the Award for Innovation – with eight companies short-listed as possible winners (Flint Group being one of those).

Flint Group personnel attending the event were awestruck and extremely proud as they heard “Flint Group Narrow Web” named as joint winner alongside co-supplier and development partner, Mark Andy. After multiple years of being nominated for the Award for Innovation, it was definitely time that Flint Group Narrow Web took prime position as winner!

Jennifer Joyce had this to say, “We knew this should be our year to win the award – this was clear. But, with the competition as strong as it was, we really had no idea if we would succeed. When our name was announced, we looked at each other in pure excitement and shock.”

She continues, “Winning this award proves that more than two years of development work invested toward UV LED has now been recognised for what it is – true game-changing innovation that will lead our industry into the future.”

The award was jointly won by Flint Group Narrow Web and Mark Andy for their work in UV LED technologies. Flint Group Narrow Web won for its EkoCure UV LED ink technology, which judges described as providing improved cure response, cost and productivity savings, waste reduction, energy savings and enhanced safety that will undoubtedly have a significant impact on the future of the label industry.

One of the judges, when asked how the decision was made, noted Flint Group’s submission as a “clear choice” for the win.

Flint Group’s EkoCure UV flexo and screen inks are the first-ever narrow web printing inks developed for use in combination printing: inks that bring the market economical and ecological benefits. First launched in the US in 2012, these inks are now available globally.



Niklas Olson, Jennifer Joyce and Guillaume Clement (all centre) seen collecting the innovation award along with members of the Mark Andy team

# Making a positive impact...

Flint Group's Packaging & Narrow Web division provides donations each year to numerous great causes that continue to make positive impacts on the communities we live and work in...

In Europe Flint Group sponsors a magazine, which provides education and awareness on senseless violence. Employees also take an active, and sometimes independent, role in social welfare – donating blood, visiting nursing homes, participating in toy donations for children, and sponsoring walks, runs and events.

## The Hole in the Wall Gang...

In the United States, Flint Group donates \$25,000 each year towards a children's cancer camp started by US Film Star – Paul Newman. In 1988, Paul Newman opened The Hole in the Wall Gang Camp in Connecticut USA so that children coping with serious illnesses could have a special hideout where they could simply be kids.

The Camp served 288 campers in its first year. In 2012/13 the camp celebrated its 25th anniversary, and now has over 20,000 children and family members.

Each year, 2,500 children are served directly at the Camp. Over 19,000 visits by the Hospital Outreach Programme bring the fun and friendship of the Camp into more than 20 sites in the North-east region of the United States.

The camp has a variety of different programmes that support both the children with illnesses and also their families. There are four different ways in which the camp benefits those they graciously serve...

**Summer Programmes:** Every summer the camp hosts children with illnesses over the course of week-long visits. A programme exists for both the ill children and also their healthy siblings – serious illnesses affect the entire family; the charity finds it very important to serve the entire family unit.

**Weekend Programmes in the spring & autumn:** Weekend programmes exist for children who are too young to go away for a week-long camp experience, or for children who may be too ill to leave for an extended length of time. These weekend programmes are available during spring and autumn time frames

**Hospital Outreach Programmes:** In Ashford, Connecticut, there exists a hospital outreach programme through which a team of specialists and volunteers go directly to hospitals visiting entire wards of patients and also incorporating family events into these visits. This benefits those children who are too ill to leave a medical care centre.

**The "CampOut" Programme:** Launched in late 2013 is a "camp out" programme whereby specialists visit families homes in a very special Hole in the Wall Game camper – going directly to people's houses and parks near them – camping out with families who are unable to leave their home or community.

The Hole in the Wall Gang charity uses the funds provided by Flint Group to support each of these programmes – the donation is spread over the various projects to ensure all continue to run smoothly, and without fail, for those who need and rely on them.

Hole in the Wall Gang is always seeking volunteer help...learn more by visiting [www.holeinthewallgang.org](http://www.holeinthewallgang.org)

Flint Group's challenge for 2014 and beyond is to see how we can "pay it forward": a new initiative that will start in 2014 and hopefully grow to bring further awareness in our social responsibility efforts.



Each year Flint Group donates \$25,000 to the 'Hole in the Wall Gang' charity that supports children coping with serious illness

A close-up photograph of a woman with long blonde hair and a young boy with dark hair, both wearing school uniforms, leaning over a table and reading a colorful book together. The woman is pointing at the text in the book, and the boy is looking intently at the pages. The background is bright and out of focus, suggesting an indoor setting with natural light. The text "Trusted Brands. Perfect Synergy. Great Responsibility." is overlaid in large, white, bold letters across the top half of the image.

**Trusted Brands.  
Perfect Synergy.  
Great Responsibility.**

**FLINT GROUP SUSTAINABILITY REPORT 2014**

Print Media’s approach to sustainability mirrors the philosophy behind our product portfolio: the power of quality options, especially when used in concert with each other. Print Media explores many formidable ideas and efforts to continually reach new heights in the areas of safety and sustainability.

We encourage the involvement of employees, we share best-practices in order to benefit from others’ knowledge and experience, and we consider many options that can yield results. Each pursuit counts, and the combination of efforts is key to making a difference. Among the many planet-friendly avenues we pursued in 2013 are the following:

**To The Beat Of a Different Drum...**

Many Flint Group products are sent to customers in drums – a safe and convenient way to transport and store the finished goods. To limit container waste worldwide, many Flint Group facilities work with customers and container suppliers to recycle empty drums or, whenever possible, to clean them until they gleam like new and can be reused. Among other containers we refurbish and reuse are specially designed bags and boxes for resin and other materials, as well as wooden pallets.

Carefully managing our use of containers and related materials helps us limit waste significantly across Flint Group facilities worldwide.

**FIRST RESPONDERS: Employees Rise to the Occasion...**

Flint Group’s safety guidelines recommend that each facility identifies First Responders. These employees are trained to address situations ranging from spills to CPR, fire safety to first aid, and more. In some cases, First Responders provide care until emergency services arrive. In others, they guide colleagues through necessary safety steps, such as evacuations.

Our First Responders are often volunteers who willingly assume this additional responsibility and dedicate the time to the necessary training. The help they can offer on a moment’s notice can have a big impact on their colleagues’ safety and well-being.

**Turning Scraps Into Savings...**

In Asheville, North Carolina, USA, employees manufacture tube-shaped, rubber-based printing sleeves used to produce newspapers and similar products. When the sleeves are trimmed to size, unusable rubber – one of the site’s most high-volume waste products – is created. In another area of the site, rubber cement is used to manufacture other transfer media components.

In 2013, members of the Subcommittee on Sustainability in Asheville figured out how to manufacture rubber cement from the facility’s sleeve scraps. By recycling and reusing the waste, they keep the scrap out of landfill while at

the same time reducing the need for the overall manufacture and transportation of rubber cement.

Meanwhile, in Dundee, Scotland, similar activities were brewing...

Dundee employees brainstormed ways to put excess rubber to use, such as sending it to suppliers for testing custom equipment. Among numerous other waste-reduction programmes in Dundee is a process that has reduced the amount of fabric used to lead blankets through production equipment. As in Asheville, programmes like these have a positive domino effect on the landfill and on the overall eco-system.

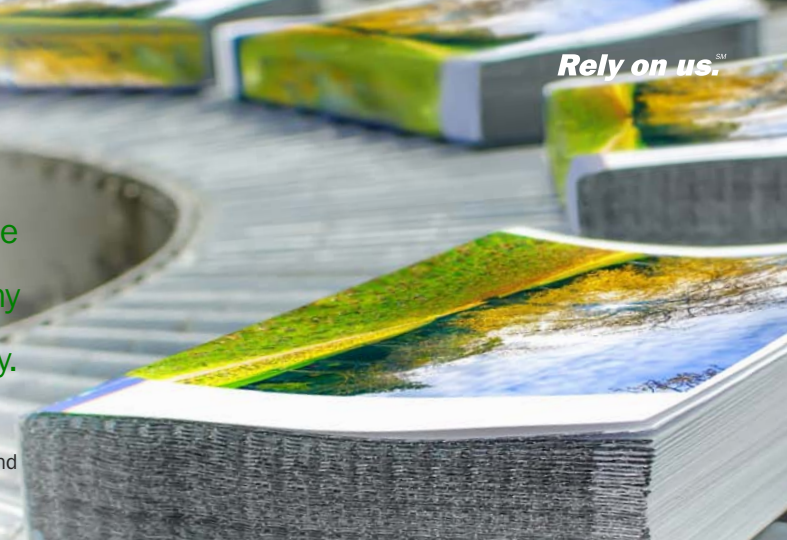
“To be honest,” says David Wood, Regional Operations, UK, Ireland & Export, “we don’t really see these as sustainability improvements but rather a case of ‘What can we do better?’”.

**Spotlight on Light and Other Efforts in Elizabethtown...**

Let’s zoom in to see how continuous improvement takes shape in Elizabethtown, Kentucky, USA, where heatset inks, news inks, varnishes and pigments are produced. In 2013, Elizabethtown put in place a number of employee-generated ideas to enhance its commitment to sustainability:

- Replacing over 250 metal halide light fixtures with lower-wattage, compact-fluorescent bulbs led to a discernible reduction in energy consumption.
- Working in cooperation with the local utility provider by redesigning part of the infrastructure that distributes power throughout the facility led to reduced peak electrical demand
- A raw material refrigeration improvement project reduced greenhouse gas emissions
- Segregating the location’s various waste streams led to recycling, reusing or selling to other companies more than 60 tons of material that would have otherwise been sent to landfill. Funds from the sales support various safety, environmental and health initiatives, including the site’s Safety Suggestion and Safety Milestone awards for employees.

All told, we make strides by exploring opportunities large and small, regional and global, employee-driven and in partnership with other companies. Just as a greater breadth of Print Media products benefits our customers, we hope this greater breadth of sustainability efforts continues to benefit the industry and our planet.



Flint Group facilities work with suppliers worldwide to clean and re-use or recycle empty drums and containers



Flint Group’s first responders are trained to address numerous situations



Flint Group - Asheville’s (North Carolina) Sustainability Committee



## China Green Certification

### New programme promotes use of environmentally favourable products in China



China's Environmental Labelling Programme encourages companies to enhance their focus on eco-friendly products and processes and helps to increase the public's awareness of environmentally responsible products.

During the past three years, Flint Group has worked with the Environmental Labelling Programme to certify more than 85 offset inks and 192 narrow web and liquid packaging inks manufactured in China. This achievement has far-reaching significance to Flint Group's customers – many of whom are also working to obtain certification – as well as consumers and the environment at large.

When printers see the Environmental Labelling Programme logo on Flint Group products, they can rest assured that the inks will live up to their quality demands while also complying with environmental requirements for production, use and disposal. This is just one more way that Flint Group brings value to our customers.

China is not alone in its efforts to identify environmentally responsible inks. The United States' Bio-Renewable Content labelling programme, run by The National Association of Printing Ink Manufacturers and Canada's Eco-Logo™ programme are similar in nature. With the two North American programmes combined, nearly sixty Flint Group printing inks have been certified.

## ISO 14001

### Across borders and business units, Flint Group continues to raise the bar

Two sites, one in the south-east region of the United States and one in Southern India, now benefit from ISO 14001 certification. Combined, the sites manufacture a diverse range of products, including packaging inks, flexographic plates and equipment, and offset printing blankets.

Nearly 9000 miles apart, the sites in Hosur, India, and Asheville, NC, experienced similar outcomes as a result of the ISO 14001 certification process and audits. Both facilities, for example, identified new ways to limit waste and improve working conditions for employees. Other benefits include reduced energy consumption, increased recycling opportunities, decreased emissions and less waste.

ISO 14001 helped Hosur and Asheville manufacture the best products in the market in a more environmentally responsible way than ever before. That, combined with a doubled-down focus on safety and sustainability training and communication, as well as ongoing monitoring and auditing at each site, will ensure that these process changes have long-lasting impact.

*Dan Xu, Quality Control  
Laboratory Technician,  
Shanghai Pigments plant*

# Flint Group and United Way...

For over two decades, United Way of Asheville and Buncombe County (USA) has successfully partnered with Flint Group in Arden, North Carolina, to mobilise people into collective action through Giving, Advocating and Volunteering in the areas of Education, Income and Health.

## In their words: United Way describes the impact of Flint Group's support...

The support received from both employees and the corporation has made a tremendous impact on communities here in Western North Carolina. Since 1995, employees of Flint Group have donated over \$270,000 to United Way. Additionally, a combined \$100,000 in corporate funds has been donated to the United Way of Asheville and Buncombe County and United Way of Henderson County. Because of this support, we have been able to invest close to \$400,000 back into the community.

Every year, the Arden facility nominates an Employee Campaign Coordinator. In 2013, Donna Semmel led the charge. She mobilised 75 employees to give over \$20,000 to United Way through payroll deductions. Donna scheduled five "rallies" so that her co-workers had the chance to learn about United Way and hear from a handful of our funded partner agencies, including the childcare facility "Mountain Area Child and Family Center", the financial literacy programme "On Track", and the legal assistance/advocacy provider "Pisgah Legal Services".

Last year, over 73,000 lives were impacted by United Way dollars in Asheville and Buncombe County. Results like that would not at all be possible without the strong support from local donors.

Flint employees not only GIVE, they VOLUNTEER. Flint Group has participated in United Way's Day of Caring during four of the last five years. During this annual day-long volunteer event, over 1,000 community members are mobilised to volunteer with their co-workers. The estimated savings to participating organisations is valued at over \$70,000 every year. In 2011 Flint Group employees painted and reorganised a classroom at Valley Childhood Development Center. Then, in 2012, employees assisted in cleaning up the Wild for Life wildlife rehabilitation centre.

When we combine our efforts with those around us – our co-workers, our faith community, our civic groups, our family or our friends – we have the power to strengthen our community and have a better quality of life. Employees at the Arden Flint Group facility have recognised this. They know that we all have a stake in our neighbours' success, so when they succeed, we all do!

The giving, advocacy and volunteerism of our Flint Group friends have been magnified by the same generosity of their neighbours and has continually made a meaningful difference in people's lives.

Thank you for inspiring hope for a better tomorrow!

**David D Bailey**  
President & CEO  
United Way of Asheville  
& Buncombe County

*Asheville employees donate time each year to United Way's Day of Caring...*



## A picture is worth a 1000 words...

In April 2013, a new campaign on accident prevention was completed. Previously developed in joint collaboration with SHE and Human Resources in Latin America, the main subject was: Accident Prevention with Eyes and Sight Safety Campaign.

Using the phrase "A picture is worth a thousand words", the goal of the campaign is to make our employees more aware of the importance of this precious asset and the difficulties involved with vision loss.

As a reminder and token of the campaign, all employees have received a flash drive or key holder with the campaign's logo.

During a one hour session, the employees received information about the potential causes of accidents to eyes, major injury and how to prevent accidents at home and work as well as tips about eye health.

The training also included some simple activities to illustrate the difficulty in performing even the simplest of daily activities without sight, such as walking without seeing or filling a glass with water.

# Altering the way we think

Sustainability is one of the key building blocks of Flint Group. Over the years it has become apparent that employees have adopted this attitude and started a process of cultural change. In several instances, Flint Group Flexographic Products demonstrates how the way of thinking can be altered and the results that can be achieved with this new approach.

## Successful certification for Flint Group Flexographic Products: Energy Management Certificate according to ISO 50001 : 2011

In 2011, the International Organization for Standardization (ISO) released the energy management system ISO 50001. This standard specifies the requirements for establishing, implementing, maintaining and improving an energy management system, whose purpose is to enable an organisation to follow a systematic approach in achieving continual improvement of energy performance, including energy efficiency, energy security, energy use and consumption.

In 2013, the Willstätt site of Flint Group with its two divisions, Flexographic Products and Packaging & Narrow Web, has established an energy management system and passed successfully through both certification levels of the DQS (German society for the certification of quality assurance systems). The basis of this certificate was an energy audit, in which the current situation was evaluated and opportunities for savings were developed. With simple actions like switching off power in the laboratories overnight and during the weekends, a considerable energy saving can be achieved. Additional steps are being taken to re-examine the production processes from an energy perspective to determine how we can make them more energy-efficient.

## High Speed Sleeve to reduce waste and energy consumption

Compared with other printing technologies, for example offset or gravure printing, the flexographic printing process has one disadvantage: the press bounce. Using a three-dimensional flexible elastomeric printing plate along with non-continuous graphics makes this a difficult issue to manage. Press bounce can result in lower print quality, a reduction in press speeds and a higher quantity of wasted consumables.

Flint Group Flexographic Products recently completed an extensive study on

the sources of bounce, which lead to the development of a sleeve that greatly reduces the negative impact of cylinder bounce. The unique outer layer on the "High Speed Sleeve" imparts outstanding dampening effects and greatly reduces the negative impact of press bounce. Customers report increases in press speed of between 30 – 80%, without showing signs of press bounce. In addition, the amount of wasted substrates has been drastically reduced, and press run times have been shortened, resulting in a reduction of energy consumption.

The outside dampening layer on the sleeve allows for the use of an economical, thin 0.127 mm (0.005") mounting tape, eliminating the need for the 0.508 mm (0.020") compressible tape. Both the tape thickness reduction along with the reduction of wasted substrate at press will assist printers in reaching their landfill reduction goals.

## Stable white opacity, while reducing ink consumption with nyloflex® NExT

The cost of titanium dioxide (TiO<sub>2</sub>), one of the main ingredients used in white inks, continues to increase, which is causing the consumption of white ink to be a far greater concern than in the past. Flint Group Flexographic Products worked together with the Packaging & Narrow Web division of Flint Group to develop a process to use a thinner ink film while still achieving white opacity specifications. The teams concluded that higher opacity values can be achieved with lower volume anilox rollers when using plates exposed with Flint Group's flat top dot technology, nyloflex® NExT, containing high line screen surface screening patterns. These studies have shown that this configuration provides ink reduction benefits above 10% in addition to the many other advantages known when printing with thinner ink films.

These are only three from a vast string of examples. We as Flint Group Flexographic Products focus on innovation as well as cost and technology improvements to serve our customers with valuable and sustainable solutions for the future.

## Education and training

### Flint Group once again awards German Scholarship

Flint Group has once again awarded a German scholarship at the Print Media University in Stuttgart. Under this promotional programme, capable apprentices are supported and excellent performance honoured. In addition to any particular successes achieved at a school or university, special value is also placed on high social commitment; therefore, each German scholarship is jointly financed by the German government as well as a company.

From a pool of different candidates, Matthias Rieth was chosen to receive the scholarship. Following his education as a media designer, Matthias began his bachelor degree programme in print media management in the winter semester 2012/2013. During this degree programme, students received a thorough grounding in the processes and procedures involved in the print, media and packaging industries, graduating after seven semesters with a Bachelor of Science degree.

During a ceremony on 31st July 2013 at the Print Media University, Dr Erich Frank, Head of Technology Management and Regulatory Affairs at Flint Group, presented the scholarship certificate to Matthias Rieth. "It's essential for me to learn more about habits and customs of other people to be able to better understand them and to behave properly when being in contact with them," states Matthias. "This applies to all areas, no matter whether in business or in leisure time."

With this scholarship and other projects, Flint Group promotes young talent in the printing industry. There are worldwide diverse partnerships with universities, such as the Technical University in Xi'an (China) or the Chulalongkorn University in Bangkok (Thailand), where scholarships and prizes are awarded and practical training programmes in the company are offered.

### Flint Group Flexographic Products sign agreement with Shanghai Publishing and Printing College

Flint Group is dedicated to further develop the Chinese flexo market and to improve the talent and education within this industry. Therefore, in February 2012, Flint Group Flexographic Products and the esteemed Shanghai Publishing and Printing College signed a general cooperation agreement. The purpose of this cooperation is to promote education, consulting, research, development, technology service and career guidance in the Chinese printing and packaging industry.

Founded in 1953, the Shanghai Publishing and Printing College was the first educational institution linked to the publishing and printing industry in China. "With a well-organised and highly competent team of teachers, the college has established the top-ranking training facilities and key laboratories of GAPP-National Engineering Research Centre of Digital Printing and Modern Communication Science Centre", explained Teng Vueming, Executive Vice

President Shanghai Publishing and Printing College. "The partnership with Flint Group is poised to become a win-win alliance." With more than 170 sites worldwide, a highly experienced team and as a technology leader in many areas, Flint Group is well positioned to respond effectively to customer needs with tailor-made solutions.

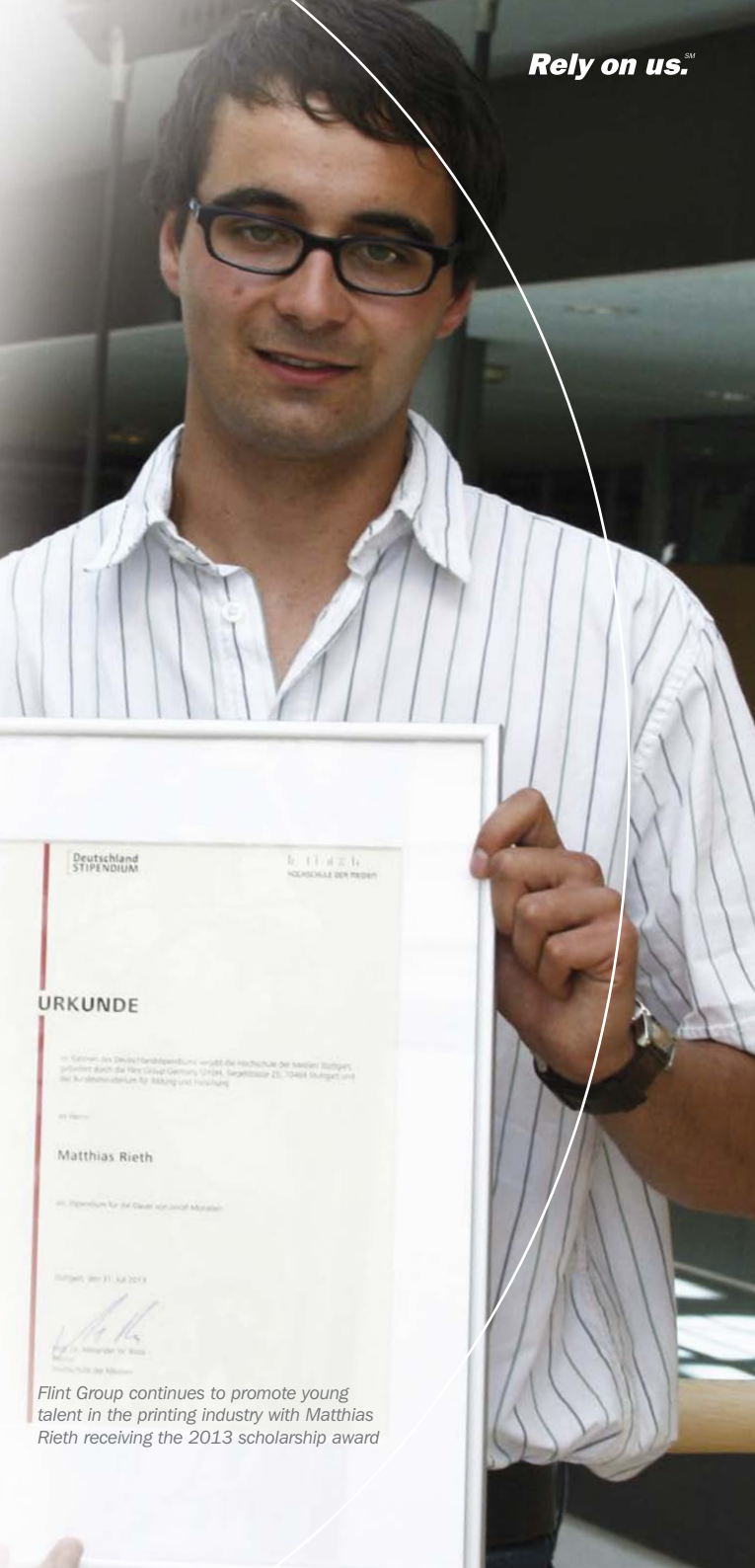
Both partners will support the Chinese flexographic industry in the long term by providing specific education to talented students and offering them possibilities for practical training in research and application. "The Chinese printing market is extremely vast and important, but flexography is still a minor part of this industry," says Magenta Zheng, General Manager Flint Group Flexographic Products in China, "our cooperation will help to develop talent and to promote the flexographic industry on the short and long term."

### Chinese Professors visit Flint Group in Stuttgart

Promoting young talent in the printing industry is a long-held tradition within Flint Group. Apprenticeships are offered at many sites, with partnerships carefully cultivated at many schools and universities worldwide where we can offer trainees and students guidance with their bachelor's or master's thesis. One example of this is the close cooperation we have with the Stuttgart Media University, where diverse joint projects are undertaken. For almost 60 years Flint Group has presented the K+E Prize to promote excellence in the field – with the biannual award being presented to the best master's thesis in printing technology. In addition to this Flint Group also enjoys excellent relationships with several universities and institutes in China, such as the Technical University in Xi'an or the Beijing Institute of Graphic, where scholarships and prizes are

awarded and practical training programmes in the company are offered.

At the beginning of August 2013, three professors from these Chinese partners visited Flint Group in Stuttgart (Germany). Professor Xu Wencai, Vice President of the Beijing Institute of Graphic, Professor Cao Congjun, Deputy Dean of the Technical University Xi'an' and Ms Hengzhen Diao from the Stuttgart Media University used the opportunity to learn more about the company's product portfolio and the latest technologies used to produce flexo printing forms. The visitors were particularly impressed by the further developments to a standardised production of flexo printing forms and the possibilities with automated plate processing.



Flint Group continues to promote young talent in the printing industry with Matthias Rieth receiving the 2013 scholarship award

# Social:

CONTENTS:

34. Building a sustainable organisation – at Flint Group we strive to shape our culture to provide an environment that is motivational and challenging.

37. Safety – our vision is to create an injury and illness free workplace where everyone goes home safe and healthy after each day's work.

40. Supply chain – understanding the forward and backward supply chain remains crucial in helping us to meet our sustainability goals.



A. Leadership	B. Team and Individual Performance
<ul style="list-style-type: none"> <li>- drive increasingly high standards of compliance and integrity</li> <li>- developing leadership competence and confidence</li> <li>- ensure we have the right people in the right roles at the right time – right mix of internal succession and key hires</li> <li>- capability and talent review process – robust delivery of actions</li> </ul>	<ul style="list-style-type: none"> <li>- continuous improvement in safety, quality, customer service, productivity and cost</li> <li>- effective change management – motivate the “stayers”</li> <li>- communication channels optimised – with consistency and authenticity – and alignment to strategy and values</li> <li>- team and individual recognition</li> <li>- base salary / total compensation / benefits management</li> </ul>
C. Employee Engagement	D. Effective Organisations
<ul style="list-style-type: none"> <li>- equipping our people with required tools, skills and knowledge</li> <li>- effective performance management – aligned goals and regular “how is it going?” discussions</li> <li>- digital processes</li> <li>- variable pay plans with the “right” level of line of sight and targets / payments</li> </ul>	<ul style="list-style-type: none"> <li>- driven by segment and functional strategies</li> <li>- clarity of roles and responsibilities</li> <li>- pragmatic utilisation of skills and knowledge</li> </ul>



# Building a sustainable

Whether it is our people in the laboratories that develop our technology and customer applications, our people in the factories making quality products on time and safely, our logistics, sales and procurement people that ensure all commercial elements work effectively or the people that support all the main processes, such as IT, Finance and Human Resources – all are crucial for the success of the company.

To maximise our success we need to have simple and robust people processes and a clear strategy for managing our employees effectively. There are four elements to our people strategy – all fully aligned to the Flint Group strategy and our business unit strategies around the world:

#### A. Leadership

##### Capability and Talent Review Process

It is a clear “win-win” for the company and its people if employees can be encouraged to grow and develop to their maximum capability. We have implemented a formal Capability and Talent Review (CTR) process. The key

objectives in this process are to identify:

- Ensure organisation design follows strategy and is fit for purpose
- The capability of our people
- Opportunities for growth in these capabilities
- Succession planning options
- Actions required – training, development, hiring, etc

We are utilising this CTR process mainly at the top three levels of the organisation together with emerging talent – and will utilise this further as we learn from experience.

...continued on page 36

*Members of Flint Group's second European Phoenix Leadership training course - designed to provide greater insight into business and operational excellence*



#### Community Involvement: Family matters...

Following on from the good work of recent years, Flint Group – Cotia, situated in Brazil, has once again continued to expand on its social contribution programmes. Much of this work is focused internally and is related to our employees and their families. One recent good example of this was the Children’s Day Party, where employees families were invited to enjoy food, fun and games to help families get to know each other. Each child also received a toy to celebrate the day as well as families being given food parcels to help enjoy Christmas dinner together.

#### “Lar Zulmira” Orphanage...

Aside from the Children’s Party, Flint Group and its employees are also heavily involved with several local community projects. Most notable of these has been our work with “Lar Zulmira” a local orphanage to Flint Group – Cotia where 20 boys and girls under 18 live. Being a non-governmental institution, “Lar Zulmira” very much relies on donations and volunteer work.

Several Flint Group employees work as volunteers in “Lar Zulmira” with Flint Group also joining them to provide support and assistance during 2013.

There has been a campaign that has been ongoing throughout the year to raise food, clothes and toys, and, during last year’s winter time, Flint Group employees raised enough money to purchase about 30 pairs of trousers and almost 50 jackets, amongst other clothes.

In October 2013, Flint Group – Cotia again conducted a campaign for Children’s Day and Christmas. Employees bought presents for the children with Flint Group also donating toys and some much-needed food supplies to the children’s home.

And the great work doesn’t stop there... employees continue to donate food, clothes and money to help “Lar Zulmira” to carry on doing this priceless work...



## Shanghai Pigments - Employee Teambuilding

Members of Flint Group's VAPP Zhongshan team gathered in the Guangzhou college town on a cold, damp, day in early winter for its 2013 team building event. The event brought many different groups together from across Zhongshan's workforce with experienced staff joining newer members to the Flint Group team. In bringing these diverse groups together we hoped to enhance team cohesiveness and cooperation by shortening interpersonal distance while promoting mutual understanding and efficient communication amongst colleagues.

There were various events designed to train colleagues in the many different tasks they routinely encounter during a working day - including memory testing and more physical tasks with participants competing as teams in the many events. Despite the weather, employees joined in enthusiastically, cheering and supporting colleagues as they took part in their tasks.

The event was considered a huge success with everybody involved providing excellent feedback on the event during the wrap up meeting.

Flora Zhao



## Stretching body and mind...

One of the key objectives of Flint Group is to ensure that the good health and safety of all staff members are being looked after.

As recommended by Beijing Factory Safety Committee, our company has organised an exercise break at 15:00 hours every day to perform the 8th version of eurhythmic.

After sitting in the office for a good part of the day, we all feel the tensions in our shoulders and backs. Coming outdoors to stretch our arms and legs helps make us relax and energetic. We have received positive feedback from our staff members on these exercise sessions and would like to keep this as a regular routine in our daily activities. The employees of Flint Group (Beijing) believe that it has improved their physical condition.

Grace Goa / Ann Peng

The manager and selected employees who have the desire and personal drive to grow and develop sit together and build an understanding of current capabilities and gaps and future aspirations. From that understanding, assisted by the use of Flint Group Leadership competencies, the manager and the employee build a "Talent on a Page" (TOAP) document. This TOAP, together with a succession plan for key roles, provides important building blocks of the CTR and resulting action plan. These plans are reviewed with the CEO and the VP Global Human Resources and Communications – follow-up is completed at the very least on an annual basis.

Investment in training at Flint Group is accelerating – especially related to safety improvement, leadership development, negotiating skills and high performing teams. The Phoenix leadership programme now has 3 groups totalling around 50 managers so far who have completed or are participating in the programme. We will increase our investment in training and development over the coming years.

We also have a world-class e-learning platform, whereby employees can sign in for a broad curriculum of around 300 courses, 500 full-length books and 300 short (3 to 10 minute) videos. These courses range from topics as diverse as "Financials for the non-financial managers" to project management, computer software training and leadership effectiveness. This training is provided at no cost to our people and we encourage all employees to pick training relevant to their job and interests. Some of the course offerings are in eight languages in addition to English and we want to further broaden these language offerings in future, subject to demand.

## B. Team and Individual Performance

With around 140 locations in over 40 countries employing around 6,600 people in very varied roles, it is fundamental to the continuing success of Flint Group that we have robust but simple-to-use processes to ensure that all teams and individuals have clear goals aligned to strategy and to our critical success factors, Balanced Scorecard and vital actions, which help us all prioritise what we do every day. Effective alignment of teams and individuals means competitive advantage in a global company of the size and complexity of Flint Group. Our tremendous "can do" culture, shaped by strategy and clarity of goals and priorities, contributes massively to Flint Group being a leading business in our chosen markets.

The Performance Log is a simple process that focuses on what needs to be done and how these actions should be achieved. Integrity, complete commitment to safety improvement, customer responsiveness, fairness and transparency are all hallmarks of high quality leadership behaviours that we insist on – so the "how" things get done is important.

The Performance Log process applies to all our managers and professional staff – and we encourage other appropriate performance management processes to apply through our operations and supply chain organisations globally. We believe in regular "how is it going?" conversations between

managers and their people – and the Performance Log facilitates this.

## C. Employee Engagement

We aim to create an environment where our people are motivated to give their best and enjoy meeting the opportunities and challenges posed by customers, global and regional economies, trading conditions in the industries we serve, competitive activity, the need to keep mind on task and work safely...and so on. The immediate line manager or supervisor has a key role in the creation of a productive, high performing team environment – assisted by the company leadership with regular communications through "Town Hall" meetings, Visions newsletter, Divisional and regional newsletters, CEO Comment and regular briefings on performance and key issues.

With change in our business now almost a daily event, the need for regular open and authentic communication is more important than ever in building an environment where people are proud to work for Flint Group. We have started measuring engagement through structured, confidential employee surveys in LATAM, Australia / New Zealand and in Packaging North America – and plan to do more of this measurement with resulting actions going forward. Whilst the overall scoring of engagement in these surveys was reasonable – we know we have a great deal of work to do to build engagement to world-class levels, which is not surprising given the scale of continuous change the business has been through over the last three years and well before that. We aim to celebrate success more often and to continue to improve the ways in which we recognise the contribution of teams and individuals.

## D. Building effective organisations

Organisation and resourcing must follow strategy and our strategy must be driven by our business plans for the markets we choose to serve and the complex world we operate in together with our customers, investors, and suppliers.

Organising our routes to market efficiently, building our functional expertise and striking the right balance between local, regional and global roles is challenging. What is crucial is for senior leadership to provide clarity on roles and responsibilities to avoid confusion, misalignment with strategy and wasted time, effort and resources.

## Overall

Our people in Flint Group make a huge contribution to our success. It is the responsibility of leaders at all levels in Flint Group to shape the culture and the right environment for those who want more than just a job – an experience that is motivational, challenging and gives the satisfaction of working in a great team.

Russell Taylor  
Senior Vice President, Human Resources and Communication

FLINT GROUP SUSTAINABILITY REPORT 2014

Our safety vision is to create an injury and illness-free workplace where everyone goes home safe and healthy after each day's work. At Flint Group, we believe that "no job is worth getting hurt for."

The policies, standards, programmes and targets we set are important to our safety success. While these programmes have moved our performance forward in recent years, they alone will not deliver our safety vision. We are progressing on our journey towards a zero-injury culture where everyone knows that they make a difference and where all employees and contractors have the knowledge, competence and desire to work safely. Flint Group's safety strategy provides an integrated approach to building a zero-injury culture at each Flint Group operation. Leadership remains central to our safety strategy.

When our leaders take visible ownership for safety, it sets the tone for our safety culture. It establishes the level of risk that will be accepted and it encourages employees and contractors to participate in all aspects of safety management.

Our safety management systems are integral to our Safety, Health and Environment Management (SHE) system and our safety performance standards. The extent to which we integrate these elements will determine how successful we are at making our performance sustainable, both in terms of personal injury elimination as well as in increased competence in process safety management.

Our approach to achieving a zero-injury culture has five core focus areas:

1. Leaders are trained and demonstrate genuine commitment to improve safety. Strong leadership affects all elements of safety performance by demonstrating, encouraging and rewarding safe, desired behaviours. It is important to ensure that leaders understand their role and have the right capability and competency. Flint Group meetings, starting with Executive Management Team meetings through to shift change meetings at operations, all begin with a Safety Review. There is expectation at Flint Group that leaders not only talk about safety but demonstrate their commitment by their actions.

2. All incidents are reported, thoroughly investigated and lessons are learned. We need to ensure that the culture at all of our operations is one

that encourages the reporting of incidents, including near misses and other leading safety indicators. Flint Group utilises a consistent approach to investigate the root of incidents.

3. Employees and contractors are actively involved in all areas of safety management. We believe that safety management is led from top management and driven by all Flint Group employees and contractors. Employees and contractors see and manage the risks in the workplace.

4. Process safety risk management and assessing risks within our processes is an on-going assessment process used to understand the risks our employees and contractors are exposed to daily. Process safety risk management is a core element of our safety strategy; therefore everyone is expected to participate in safety management at Flint Group through identifying and reducing various aspects of risks within each facility.

5. SHE compliance as it relates to Flint Group standards, and the various global and regional laws and regulations. Being compliant with these standards, laws and regulations demonstrates Flint Group's ability to understand and implement systems to ensure each site works towards compliance and the ability to remain compliant.

Occupational Safety

The table shows progress for recordable lost time and medical case workplace injuries and illnesses in relation to hours worked for Flint Group employees and on-site contractors (per 200,000 hours worked).

Flint Group TIR Rate (Total Incidence Rate)

2007	2008	2009	2010	2011	2012	2013
2.07	1.70	1.38	1.42	0.93	0.74	0.72



Steve McKeown, Silicone Process Operator at Flint Group's Pressroom Chemical plant in Irlam, Manchester, UK where over 1,200 days without any lost time incidents have been recorded...

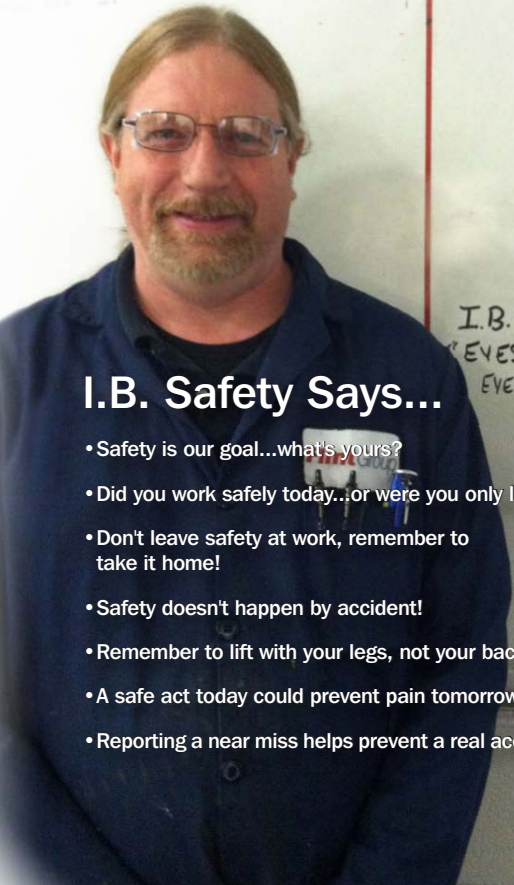
"No job is worth getting hurt for"

## Meet Mr I.B. Safety

Have you met Mr I.B. Safety? Based in Atlanta, Georgia, USA, I.B. Safety is a safety guru of few words, which he uses to offer important safety reminders to his colleagues. Sure enough, he practises what he preaches, always dressing appropriately in hard hat, safety goggles and steel-toed shoes.

I.B. Safety gets his voice from Mike Tucker, Lab Technician, who conceptualised our favourite stick-figure employee. "Mike comes up with the safety slogans every month on his own," notes Preston Morgan, Operations Manager in Atlanta. Mike and I.B. Safety remind us of two important lessons: 1) Each of us has something to offer in the ongoing safety journey, and 2) With creativity, drive and motivation, we can make our jobs fun and meaningful.

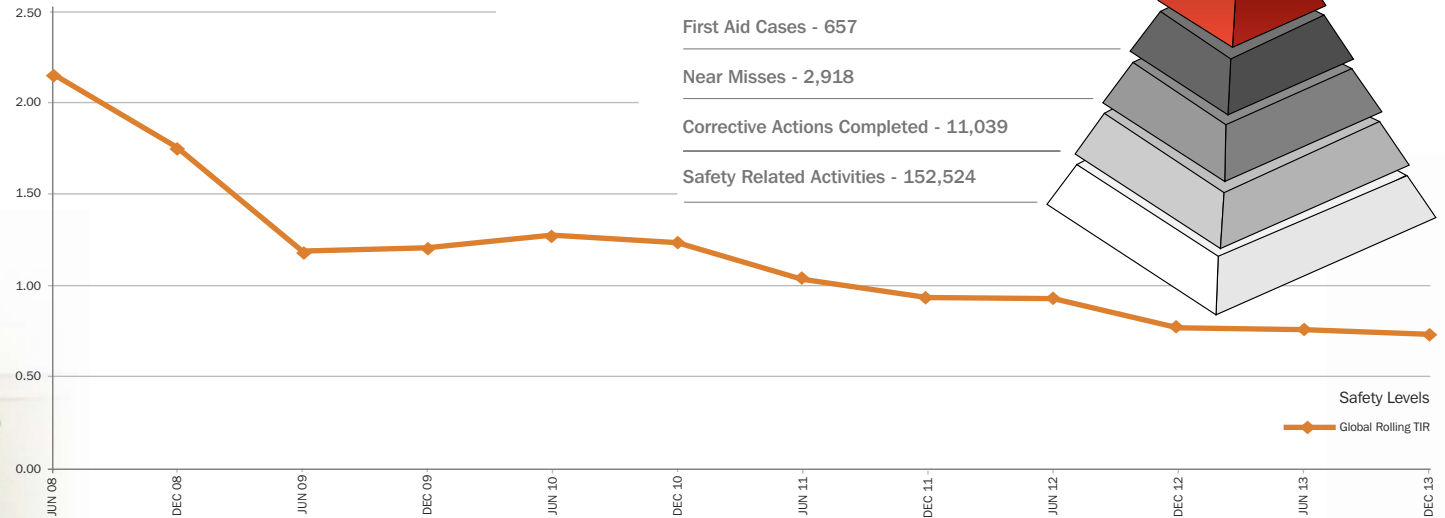
You can find some of Mr I.B. Safety's favourite slogans below...



## I.B. Safety Says...

- Safety is our goal...what's yours?
- Did you work safely today...or were you only lucky?
- Don't leave safety at work, remember to take it home!
- Safety doesn't happen by accident!
- Remember to lift with your legs, not your back!
- A safe act today could prevent pain tomorrow!
- Reporting a near miss helps prevent a real accident!

## Total Incidence Rate



## 2013 Flint Group Safety Pyramid

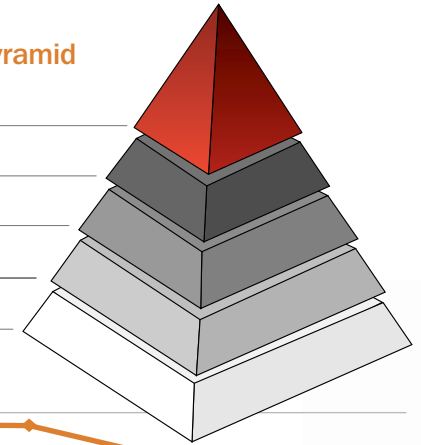
Total Recordable Injuries - 51

First Aid Cases - 657

Near Misses - 2,918

Corrective Actions Completed - 11,039

Safety Related Activities - 152,524



We realise that unsafe behaviour is responsible for most workplace incidents involving worker injury. Therefore we train and educate all Flint Group employees in behavioural safety disciplines using Safe Start™ and other behaviour-based safety management techniques and tools. Further, we believe that safety conditions are reflective of employee safety behaviours. We have developed a site safety acceleration process to drive improved performance at our sites where injuries occur more frequently, or where we face persistent challenges for injuries. The process is built around a detailed analysis of the underlying causes of poor safety performance and through the engagement of key leaders. We then develop site-specific practical interventions that lead to sustainable safety improvements.

## Results

Flint Group measures progress towards our goal of zero injuries by determining our total injury rate (TIR) which includes data for all employees and contractors. At the end of 2013 our TIR was 0.72 per 200,000 hours worked. Flint Group's TIR is significantly lower than most printing ink industry averages. It is vital to remember the tools and disciplines that bring success to safety management and ensure that they continue and are properly maintained while pushing forward towards a zero-injury culture.

## Flint Group Global Injury Reduction

From 2007 several management systems were implemented globally with emphasis on reducing injuries and illnesses to employees. The table above

identifies the progress towards a zero-injury culture. With each incident event, whether it is a recordable injury, near miss, property damage or an event where there may be impact to the environment, there are valuable lessons to be learned. Only through comprehensive investigations into the root cause or causes of each event have management systems been able to drill down to the behavioural-based safety risks, or the condition-based safety. In addition, through assessing our processes and understanding each risk or hazard, we have learned valuable information to help improve our workplace safety environment and reduce the number of injured employees year after year.

In 2012, the Knife/Hand Safety High Risk Assessment was introduced to all Flint Group facilities. This programme continued to roll out and develop during 2013 with a focus on reducing hand related injuries resulting from knives and other sharp related tools and materials. The results of the knife/hand safety team reduced hand cut related injuries by 33% in comparing 2013 to 2012. In 2013 a similar high risk team was developed to analyse potential risks for forklift operations and pedestrians involved with forklift operations. There were improvements made in 2013 relating to forklift safety; however, the primary impact of the team's effort is expected to be realised in 2014 or early 2015.

Being able to recognise specific risk cluster groups with respect to process safety risks and hazards, and then having the ability to design and implement systems for mitigating such risks, is critical in order to drive the "Zero by Choice, not by Chance" safety culture.

## No accidents is no accident!

That was the situation at our Dundee facility in 2011. Not only was the TIR one of the worst in a large Flint Group manufacturing facility but Flint Group's 5 Star audit process yielded a seriously deficient 2 star H&S result.

The reality behind these numbers meant that our own people were getting hurt simply by the process of coming to work. That was completely unacceptable.

This simple motivation created the impetus to initiate a period of harsh introspection that identified that there were three main areas that needed to change:

- All employees provided a voice in changes in safety, culture and production methods
- Leadership, at all levels, that consistently rewarded positive actions and ensured that all unsafe acts or conditions were not acceptable
- Investment required in building and machinery infrastructures required investment to comply with current regulations and be tightly controlled thereafter.

To address the above required a combination of senior level support, local commitment to change attitude and working practices, and many hours of coaching and training including more than 40 Tool Box Talks.

Some of key deliverables were:

- A visible management team on the production floor on a daily basis to further encourage participation at all levels
- Full engagement of local union representatives and key employees that supported the above

- Frequent Safety audits, Behavioural Observations and Tool Box Talks that created engagement of those carrying out tasks and generated opportunities to improve through effective communication. Following through on these generated more momentum for further improvements.
- Management of the change process was revised and implemented throughout the plant.
- Commitment from Flint Group to support the expertise needed to achieve full regulatory, legislative and environmental compliance
- Easy-to-use observation cards – giving customers, suppliers and visitors, as well as employees, the ability to easily communicate concerns and opportunities to improve conditions or behaviours. To date 278 unsafe conditions have been addressed
- Introduction of Stop Work Cards which gave every employee the right to challenge unsafe conditions. These also had the knock-on effect of allowing every employee to take a greater responsibility for safety of themselves and their co-workers. To date 19 potentially dangerous situations have been mitigated and resolved.

And the outcome of the above? Dundee is now consistently exceeding the global TIR target and achieved 4 stars in the most recent audit. Looking forward, our vision is one self-motivated team who will work with safety in mind as a top priority at all times.

If the above methods are successful, absolutely nothing happens. And that is exactly what we all want, because having no accidents is no accident.

David Wood – Operations Manager, Dundee



## Zero Harm Culture – Flint Group Malaysia

On the 6th July 2013 team members of all departments from the two Flint Group sites in Malaysia got together for Safety, Health and Environment training. Flint Group's mission statement, a refresher on the roles and responsibilities of employers and employees towards Safety and Flint Group's ongoing commitment to Safety were outlined during the full day's training. Attendees were given an overview of the Malaysian Occupational Safety and Health Administration (OSHA) standards and programmes as well as SHE training material available within Flint Group.

## Improving safety behaviours...

In June 2013, Flint Group's Irlam facility in Manchester, UK, held its first Safety Week aimed at further improving on safety behaviours in the workplace. This was conducted as part of a larger safety campaign, with each of Flint Group's facilities within Europe agreeing to hold similar events as part of its drive for continuous improvement within the safety arena. The week also provided the perfect opportunity to remind and reinforce to employees of the importance of vigilance, with the site recording no lost time incidents since November 2010.

The goal in instigating this safety initiative within Flint Group's Irlam site was to try to engage with employees to make the week interesting and enjoyable for everybody involved. To achieve this a combination of toolbox training sessions mixed in with quizzes and competitions were devised.

Each employee took the opportunity to carry out a full site safety walk during the week involving all areas of the site. This way we could place fresh eyes on and help highlight the day-to-day problems that people faced and put plans in place to address any issues. In doing this we hoped we would not just raise the safety standards but also improve morale and engage employees in areas they might not get chance to visit during the course of their regular day-to-day activities.

Local businesses within the industrial estate and regional authorities were invited into the facility to discuss disaster planning and emergency response. Particular emphasis was given to planning and the specific information that would be needed from the site in the event of any incident in addition to offering the local companies assistance and resources should they themselves ever be involved in a major incident.

This has led to better working relationships with local companies and also the local fire brigade. Finally, we also invited employees' families to site to take a tour of the plant and to pass on information on how safety in the workplace can not only help in work based situations but also in the home and on the road to keep you safer.

Mark Shurba – Irlam, Safety Manager

# Flint Group's supply chain



## Focus on supplier improvements: Waste water treatment

Flint Group takes sustainable sourcing seriously and therefore selects the right partners. The cooperation between Flint Group and ChangZhou North America (CZNA) goes back to the early days of the establishment of CZNA and has been mutually very successful. Recently CZNA has commissioned an US\$36m state of the art waste water treatment plant with incinerators and reverse osmosis system. This facility can handle 30,000 mt/day of waste water with 30% of water recycled. CZNA also aim to achieve 60-70% water recycled. To tackle the challenge of air pollution, CZNA has also upgraded all its vacuum system within its production area at a cost of US\$ 1.5m. With these investments CZNA is by far the most environmentally friendly producer of its specific pigments and far ahead of environmental requirements in almost any part of the world.

Understanding the supply chain, both forward and backward, is crucial for producers like Flint Group. From a process and materials point of view it is fair to say that, with some few exceptions where we have fundamental chemistry, most of our processes are around formulation management. This means the combining of purchased materials in processes such as mixing, separation, cutting, blending, etc.

As a consequence the key to understanding the overall sustainability impact in the chain needs to include the impact we “receive” with the purchased raw materials from our suppliers. To put that into context, over 60% of our revenue is directly linked to our purchased raw materials.

Flint Group relies globally on over 2,000 raw material suppliers. Our suppliers are based in all parts of the world and the products we buy range from natural crop products to highly engineered chemicals, from commodities to patented specialties. As a consequence we have a wide range of different suppliers with different practices and from different backgrounds and cultures. While we all understand local and regional differences in approaches towards Sustainability, understanding where our suppliers are in their development is important to Flint Group.

Building on its existing programme developed 4½ years ago – Flint Group took time in 2013 to review the programme and engage with the supplier base to ensure we were on track. The underlying philosophy within the programme is that through constant attention for, and discussion on, the key critical elements of sustainability, the supplier base will itself identify the need for continuous improvement. In order to achieve this, we have shared with the suppliers their sustainability benchmark against the overall scoring of the supplier base of Flint Group and in using this document we have sought to identify joint improvement areas. Our intention is to continue this process over the next few years, to drive overall improvement for the entire supply base.

In engaging and working with suppliers in this way we hope they will recognise the need “to improve of their own accord, not because they are forced to”. However, this does not mean that if certain minimum requirements are not met Flint Group will not engage in immediate discussions or, if required, will

decide to exit a certain supplier relationship. However, our preferred route is to closely work with our vendors to improve on results year over year.

In 2013, our key focus has been on the waste water treatment at our pigment suppliers. Detailed discussions on COD<sup>1</sup> and other specific indicators for different pigment colours have led to changes in sourcing and (joint) improvement projects in both China and India.

The supplier sustainability questionnaire is built around the UN Global Compact and has ten principles divided over four categories:

**Human Rights** – The Human Rights chapter of the UN Global Compact consists of two principles. We have asked our suppliers to answer 12 detailed questions covering these two principles.

**Labour practices** – The Labour chapter of the UN Global Compact consists of five principles (one shared with Human Rights). We ask our suppliers to answer 24 detailed questions to cover these four principles.

**Environment** – The Environmental chapter of the UN Global Compact consists of three principles. We ask our suppliers to answer 34 detailed questions to cover the three principles.

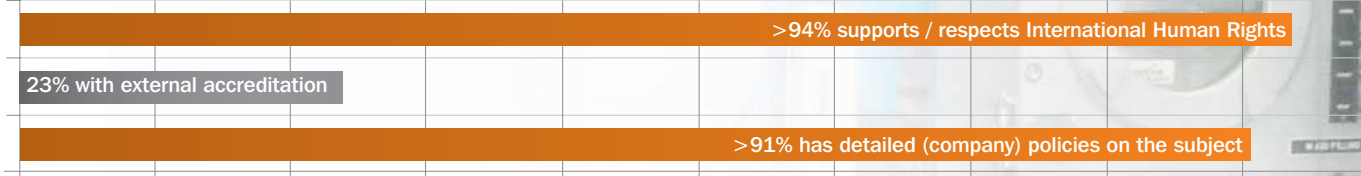
**Anti-corruption** – The Anti-corruption chapter of the UN Global Compact consists of one principle. We ask our suppliers to answer two detailed questions to cover this principle (as well as associated questions under Environment and Labour).

1 In environmental chemistry, the chemical oxygen demand (COD) test is commonly used to indirectly measure the amount of organic compounds in water. Most applications of COD determine the amount of organic pollutants found in surface water (e.g. lakes and rivers) or wastewater, making COD a useful measure of water quality. It is expressed in milligrams per litre (mg/L) also referred to as ppm (parts per million), which indicates the mass of oxygen consumed per litre of solution.

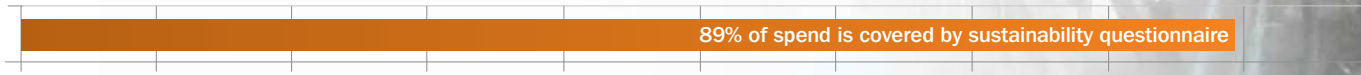
### Labour Practice



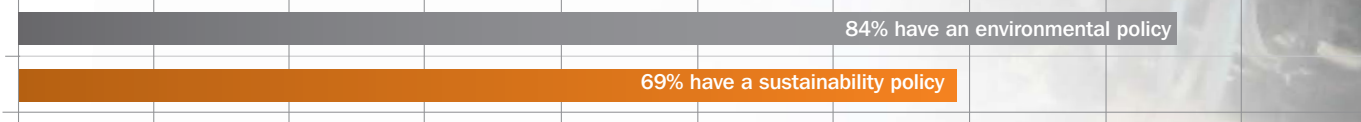
### Human Rights



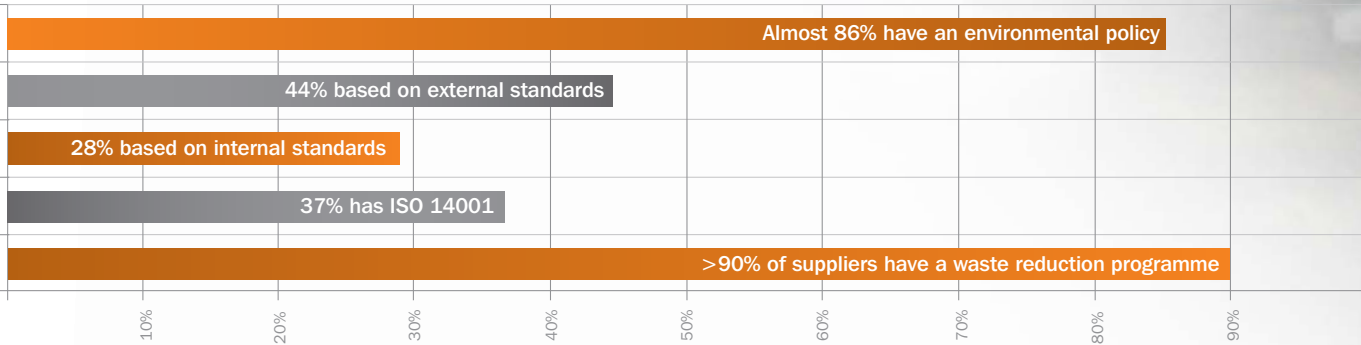
### Coverage



### Depth



### Environment



**2014 actions based on the 2013 status:**

- Intensify engagement discussions with suppliers and seek “evidence” for self-declaration for at least 25% of the suppliers
- Better understand waste management at our supplier base

- Roll out “external code of conduct” programme based on the Flint Group Code of Conduct
- Increase coverage to our (global) packaging suppliers (2014) and prepare for a 2015 addition of logistics service providers. Our 2014 goal is to reach 90% of the combined spend.

Vipul Patanvadiya,  
Production Operator  
at Flint Group's  
packaging ink plant at  
Lamdapura – India

# Measuring sustainability



Flint Group fundamentally believes that: “unless you measure things consistently it is difficult to document improvement”. While we have many examples of excellent sustainability-driven actions, it is our aim to improve on our measurements over the coming years to support what we are trying to achieve with clear factual data.

In doing so we believe – that, along with our commitment to “continuous improvement” – that we have the correct formula to deliver ongoing excellence in the sustainability agenda.

For two years we have published a factual based, data-driven Sustainability report. Each year we have improved reporting and moved categories from “not reported” to “data available” on a consistent and globally aligned reporting method. We continued these improvements during 2013 and plan to further continue in the coming years. Our ambition is to be able, on a global and consistent basis, to report fully on all aspects of Sustainability. We see this as an evolutionary process rather than revolutionary and only report on data where we feel our figures are clearly defined. This way we can avoid making empty claims.

In 2013 we improved on data consistency and will continue to do so. By developing these improved measures, we also have been able to go back and report on key subjects over 2010 / 2011 and 2012, where in our report last year we stated “not reported”.

As a consequence, this year’s report now includes Flint Group’s carbon footprint as a result of travel. In 2013 we had also planned to report on our outbound logistics carbon footprint, but have not derived yet a data accuracy level on a global basis that we believe to be factually correct.

Good progress has been made on waste management and we are now in a position to provide more comprehensive data on water and waste management in this year’s report. There are also many areas where we are working to improve on our level of reporting over the next few years and have actions plans in place to improve on our results.

The table on the next page shows our ambition to deliver on this.

*Xiaolan Li - Laboratory  
Technician - Technical  
Service, Shanghai  
Pigments plant*

**Jan Paul van der Velde**  
Senior Vice President Procurement, Sustainability, Regulatory and IT

## Economic:

	2009	2010	2011	2012	2013
<b>Employee Certificate Programme</b>					
Annual reconfirmation of the Code of Conduct					
Number of Employees involved	1,563	1,541	1,919	2,041	1,962
% of total Flint Group population	21%	21%	28%	30%	30%
<b>Integrity Assurance Policy cases raised and resolved</b>					
Number of cases	not reported	not reported	4	4	6
Actions taken	not reported	not reported	3 dismissals	4 dismissals	4 dismissals, 1 demotion, 1 suspension
<b>Risk and Compliance process</b>					
Number of risks identified and with action plan	not reported	not reported	50	50	50
Of which are in highest risk category	not reported	not reported	16	16	16

## Environment:

	2009	2010	2011	2012	2013
<b>Products introduced with better sustainability footprint</b>					
Print Media	not reported	not reported	not reported	55	343*
Packaging	not reported	not reported	not reported	13	4
Flexographic Products	not reported	not reported	not reported	1	2
<small>*R&amp;D at its best... a key product evolution increased the eco-friendliness of a high number of Print Media Products without negative impact on performance</small>					
<b>Waste (in mT)</b>					
Hazardous	not reported	not reported	not reported	not reported	539.6
Dry Waste	not reported	not reported	16.9	18	11.6
Recycled Waste	not reported	not reported	not reported	not reported	not reported
<b>Water Consumption m³</b>					
	not reported	not reported	3,531,519	3,268,284	3,465,544
<b>Carbon Dioxide Emissions (in 1000 mT)</b>					
Scope 1 Emissions	not reported	31.1	29.5	28.1	29.6
Scope 2 Emissions	not reported	152.9	148.6	143.5	133.1
Total	not reported	184	178.1	171.6	162.7
Outbound travel / transport (kg CO2e)	not reported	not reported	not reported	2,501,093	2,304,621
<b>Classification and labelling</b>					
REACH substances pre-registered	not reported	not reported	2,715	2,715	2,722
2010 registration	not reported	not reported	Done 11	Done 11	Done 11
2013 registration	not reported	not reported	In progress	Done 13	All Done - including 4 updates
2018 registration	not reported	not reported	not reported	not reported	75 in progress
SDS checks**	not reported	not reported	208	1,469	3,953

\*\* Now all SDS reported

## Social:

	2009	2010	2011	2012	2013
Hours training spend	not reported	not reported	not reported	not reported	not reported
Safety TIR	1.38	1.42	0.93	0.74	0.72
Average UN Global Compact Score Suppliers (max. 100)	not reported	not reported	62%	72%	79%