



SUSTAINABILITY REPORT

2013



CEO STATEMENT

I only joined Hartmann recently, 1 January 2014, and it was a considerable pleasure to join a company with more than 10 years' commitment to sustainability and social responsibility. In many aspects Hartmann has been a pioneer within these fields, and you clearly sense that the values underpinning this commitment are firmly embedded in our business and that Hartmann fully embraces the UN Global Compact and its principles.

Our sustainability profile is an identity-setting feature that contributes to Hartmann's platform as the leading supplier of sustainable moulded-fibre egg packaging. Over the years we have leveraged this platform in multiple ways by continuously adding new initiatives, and 2013 was no exception.

During the year, all our European factories were certified under the Forest Stewardship Council rules (FSC) allowing us to introduce FSC-certified products. The FSC mark is our customers' guarantee that the product is subject to a responsible use of trees as the basic raw material.

Another significant element of our product offering is CO₂ neutral products, which we launched in some of our markets in 2013. CO₂ neutrality has set a new standard for environmentally oriented businesses and consumers, further enhancing our sustainability profile.

On the climate front we continued the positive development from previous years. Our focus in this area is of the highest importance and we are constantly seeking new ways of reducing our climate impact. In

2013, we reduced our CO₂ emissions by close to 4%, in strong pursuit of the goal we set last year of a 25% reduction by 2020.

Our new eco-friendly product imagic^{2®} was rolled out in large scale in 2013. With its lower weight and new design, the product compresses better when stacked, resulting in reduced transport and storage needs. Using less raw material, imagic^{2®} reduces the overall environmental emissions.

Over the last years we have boosted our safety performance, year by year reducing the number of work-related accidents. This is a very positive achievement, highly regarded by all Hartmann's stakeholders. Our efforts in this area have greatly helped to install a safety culture we are proud of today. Much to our regret, therefore, we have had to report a smaller than expected reduction in accidents in 2013, falling short of our target. To ensure a better result going forward, we will take corrective action with focus on campaigns, training and behaviour.

Hartmann has come a long way since we first signed the UN Global Compact, and with remarkable results to show. We will continue along that path in 2014, taking steps to further reinforce our profile.



Ulrik Kolding Hartvig
CEO



In Hartmann we have a long-standing tradition of being first movers when it comes to environmental and social issues. An unambiguous commitment ensures the necessary focus on sustainability in all major decisions and investments. We believe this to be at the core of the stable and sustainable development Hartmann is experiencing these years.

See page 6 for an overview of our initiatives in 2013.



HARTMANN AT A GLANCE

Hartmann is the leading manufacturer of moulded-fibre egg packaging and one of the world's largest manufacturers of machinery for producing moulded-fibre packaging. Hartmann's market position can be ascribed to its strong technology know-how and extensive experience of production of moulded fibre since 1936.

Sustainability

Sustainability and environmental considerations are integral elements of Hartmann's business model and strategy. All of Hartmann's products are based on recycled paper; a renewable, CO₂-neutral and biodegradable resource. Hartmann works closely with its customers to support the need for sustainable products in the retail trade, and the company was the first manufacturer to offer both FSC-certified and CO₂-neutral retail packaging.

Markets

Hartmann's egg packaging is sold globally. The group's principal markets consist of Europe and North America, where Hartmann has strong market positions. Hartmann is the market leader in Europe and has a small share of the North American market. Hartmann's technology, including machinery and services, is also sold globally outside its key markets.

Customers

Hartmann sells egg packaging to manufacturers, distributors and to retail chains, which are increasingly seeking Hartmann's expertise in the marketing of eggs. Hartmann's technology and related services are sold to manufacturers of moulded-fibre packaging. Hartmann has more than 1,500 customers in 50 countries, and most of these customers have long-standing relations with Hartmann.

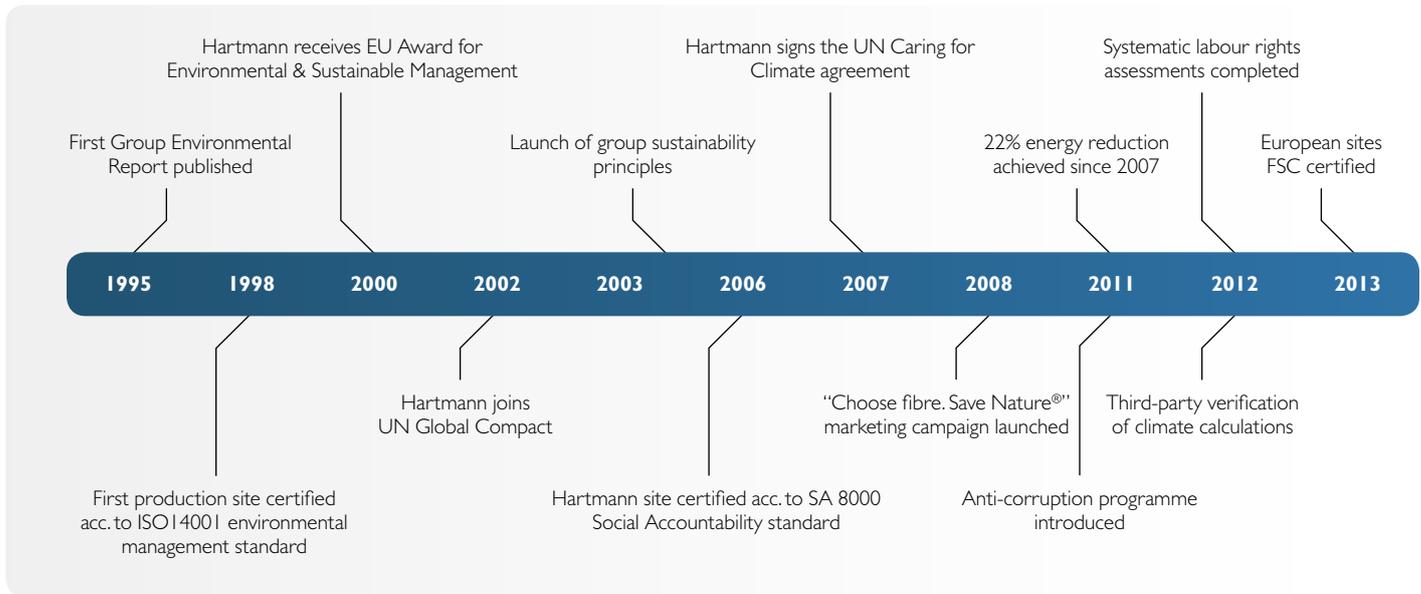
Organisation

Hartmann has about 1,500 employees, and its head office is situated in Gentofte, Denmark. Production takes place at Hartmann's own factories. Four of these factories are located in Europe, one is located in Israel and one in Canada. The group has sales offices in twelve countries.

The Hartmann share

Hartmann's shares have been listed on NASDAQ OMX Copenhagen A/S since 1982. The company has one share class, and each share carries one vote. Interested parties can receive financial reports and company announcements by subscribing to Hartmann's news service at investor.hartmann-packaging.com.

SUSTAINABILITY TIMELINE



CORPORATE MEMBERSHIPS

- Danish Council for Sustainable Development (RBE)
- The Confederation of Danish Industry – Network for Sustainable Development
- UN Global Compact
- UN Global Compact – Caring for Climate
- European Moulded Fibre Association (EMFA)
- Green Industry Platform (www.greenindustryplatform.org)



HIGHLIGHTS 2013

- FSC® certification completed
- imagic²® - large scale roll-out of newly launched eco-efficient product
- Progress on climate target
- Climate calculations expanded with more scope 3 data and third-party verified
- More CO₂ neutral products
- Safety improvements implemented and new target set

OUTLOOK 2014

- Further progress on climate target
- Anti-corruption training for sales staff
- Safety culture further strengthened

PROGRESS INITIATIVES

CLICK ON EACH PROGRESS INITIATIVE BELOW TO READ MORE

The below colours are used in the report to identify each sustainability theme. For a description of each of the ten principles, see Appendix I.

HUMAN RIGHTS • **LABOUR RIGHTS** • **ENVIRONMENT** • **ANTI-CORRUPTION**

OVERVIEW OF 2013 PROGRESS ACTIVITIES RELATED TO EACH GLOBAL COMPACT PRINCIPLE

PRINCIPLE	1	2	3	4	5	6	7	8	9	10
PROGRESS INITIATIVE										
Safety efforts and progress	×	×								
Close-down of manufacturing facility in Finland	×	×	×							
Local volunteer work	×	×								
New group policy on gender equality						×				
Climate protection							×	×	×	
Climate calculations third-party verified							×	×	×	
CO ₂ -neutral products							×	×	×	
FSC certification completed							×	×	×	
EcoDesign – Imagic ^{2®}							×	×	×	
Transport optimising							×	×		
Anti-corruption training										×
Hartmann Croatia wins the Golden Kuna award	×	×	×	×	×	×	×	×	×	×

RELATIVE BUSINESS IMPACT OF GLOBAL COMPACT THEMES

Our suppliers and customers are mainly located in Europe and North America, with few suppliers in high-risk countries. All suppliers are required to respect and support our commitment to the ten UN Global Compact principles¹.

BUSINESS RELEVANCE OF GLOBAL COMPACT THEMES

Global Compact theme	Environment	Labour Rights	Human Rights	Anti-corruption
Business relevance	●	●	●	●

At Hartmann, our main focus lies on reducing CO₂ emissions by reducing energy consumption at our production sites. Life Cycle Assessments² show that this is typically our most significant environmental impact.

The European and international framework and expectations for companies within the fields of human and labour rights have become more

specific and have increased in recent years. In Hartmann we take responsibility throughout our sphere of influence and we continuously hold ourselves to the highest standards in this area.

Due to increased international focus on corruption and the legal development in the field, Hartmann has increasingly focused on this Global Compact theme in the recent years.

¹ See Appendix I for an overview of the UN Global Compact's ten sustainability principles and Hartmann's commitment to these.

² Source: European Moulded Fibre Association, and numerous internal LCAs.

HUMAN RIGHTS

Human and labour rights on site level are managed with the Hartmann STEP® Human management model. For an overview of the model, see www.hartmann-packaging.com.

SAFETY EFFORTS AND PROGRESS

With an intense focus on health and safety in the past years the internal learning curve has been steep. During 2013 this focus was not relaxed and the positive trends from the previous years continued. Our group-wide standards³ from 2011 continued to be harmonized across the organisation through structured knowledge sharing activities. This led to further investments in safety equipment with still more investments planned for 2014 where special attention will be paid to the printing areas at Hartmann's factories.

A safe and healthy physical working environment cannot stand alone without a strong safety culture. This is underpinned by observations that a sub-optimal safety behaviour is often a decisive factor when an accident occurs. Therefore, a number of activities were implemented during the year to further strengthen the safety culture. Still, this is a lengthy process, which requires intense and continuous efforts. Our safety culture enjoys a high priority in Hartmann and our improvement efforts are planned to continue with undiminished strength in the years to come.

Progress on the occurrence of accidents is shown in the graph. Despite a 14% further decrease in the number of accidents compared with 2012, the target was not met. A new target for 2014 has been



set based on the more telling value LTI-FR⁴ instead of the number of accidents. The target is a **40% LTI-FR reduction from 2013 to 2014**, keeping in mind our long-term target of zero accidents.

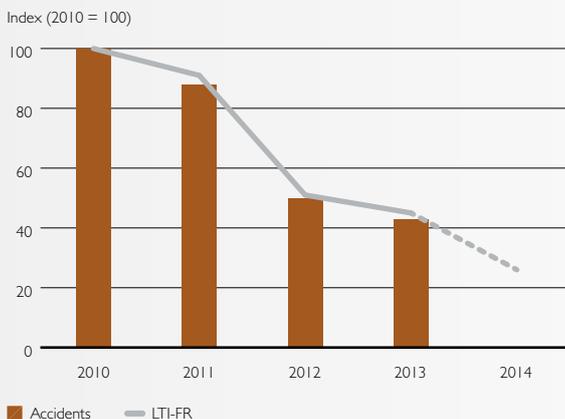
Close-down of manufacturing facility in Finland

In 2013 it was decided to close down Hartmann's manufacturing facility in Varkaus, Finland, and the closure was completed by the end of the year. The reason was to ensure the sustainable and profitable long-term growth in the European business. This strategic decision aims at increasing overall competitiveness and optimising the European production network through complexity reduction and efficiency improvements.

The close-down entailed 41 redundancies.

Varkaus, being a relatively small town, a closure of this kind naturally has an impact on the community besides the large consequences for

ACCIDENT STATISTICS



"The safety target for 2014 is a 40% LTI-FR reduction from 2013 to 2014"

³⁾ For more information about the standards see sustainability report from 2012

⁴⁾ LTI-FR = Lost time injury frequency rate

the people made redundant. Through the process, Hartmann engaged with employee representatives to negotiate the outcome of the potential close down and explore alternatives.

Hartmann has assumed a wide social responsibility in connection with the close-down, following applicable rules and regulations. In addition the company has taken extensive voluntary measures to ensure a smooth process and to mitigate negative local impacts. Some of these measures are:

- Employees were granted payment for a number of extra months after closure to allow them more time to adjust to the loss of their jobs and to find alternative employment.
- Employees were granted extra months with occupational health care service to allow them to continue their normal lives as undisturbed as possible during the months with extra pay. The insurance allows the employees to see a private doctor in the event of disease and thereby have a better or a faster treatment.

• Employees were offered training by MPS Enterprises⁵ to help prepare them to find alternative employment. The training revolved around the following topics:

- Market knowledge
 - CVs and introduction letters
 - Job search process
 - Interview training
 - Guidance about alternative employment, re-education, retirement, etc.
- The employees were assisted in their search for new employment. Also Hartmann strived to be flexible around the redundancy terms depending on the needs of the individual employee.
 - Cooperation with local environmental competences around the physical closedown of the facility in order to withdraw from the premises under good environmental conditions.

LOCAL VOLUNTEER WORK



The local community is an explicit priority in Hartmann's social responsibility commitment, wherever we are present.

Hartmann-Hungary employees expressed this through a voluntary social involvement when they did outdoor repair work in a local kindergarten in need of their assistance. Benches, tables and climbing toys were renewed much to the delight of the 170 children.

"We encourage our staff to get involved in volunteer projects and provide assistance in our community where we are present for more than 20 years," says Managing Director, Attila Vincze.

⁵⁾ www.mps.fi

LABOUR RIGHTS

Human rights and labour rights on site level are managed with the Hartmann STEP® Human management model. For an overview of this model, see www.hartmann-packaging.com.

In 2011 and 2012 we carried out an extensive review of our local processes and standards to ensure that we have a high level of social responsibility and that we comply with our principles as well as applicable international standards. The benefits of this review and the exchange of best practice between our sites continued in 2013, where our focus has remained on these issues.

Looking beyond the social conditions applicable for Hartmann's employees there is a broader responsibility related to the companies' supply chain and ensuring that suppliers meet Hartmann's ethical demands. Since 2011, the systematic evaluation of Hartmann's suppliers has been conducted with new comprehensive tools, including an audit scheme⁶. These tools have been applied in the organisation, now allowing Hartmann to better use its supply chain influence to address the social responsibility in its value chain. The implementation process has also lifted the internal competences related to the evaluation of social conditions.

New group targets and policy on gender equality

Despite significant progress in recent years, women are outnumbered by men in leadership positions in the European corporate sector, and this has been the focus of intense public debate initiated by the European Commission at EU level and in a number of Member States. On 1 April 2013 a new law about the underrepresented gender in management and boards came into effect in Denmark.

Hartmann seeks diversity and gender equality when it comes to recruiting new employees for all levels in the company. On this background Hartmann has introduced a policy to increase the number of the underrepresented gender at the company's other managerial levels, defined as the Executive Committee and managers reporting to the Executive Committee.

As part of this Hartmann has specified a number of focus areas to further ensure a balanced gender distribution at its other managerial levels. The focus areas include:

- To require that internal and external recruiters select qualified representatives of both genders as candidates for vacancies;
- To ensure a transparent recruitment process based on a systematic assessment of the skills and profiles of potential employees and managers with a view to ensuring diversity in the group of candidates for vacancies;
- To continuously work on detailed evaluation and development tools, including annual and semi-annual performance reviews, to increase transparency and objectivity in the assessment of employees' and managers' performance for the purpose of identifying and further developing talent;
- To create a framework for the career development of the individual employee or manager through networking.

With the aim of achieving a balanced gender distribution in the Hartmann board, the Board of Directors set a target for raising the share of the underrepresented gender to a minimum of 40%, out of the general assembly elected, by 1 January 2017. This does not in any way alter the fact that board members are elected by the general assembly based on their individual competences and contribution to the board's collective competences and profile as well as the quality in the board work.



“Our relationships with suppliers are based on detailed contracts - but the most important element is trust. This trust is ascertainable through close co-operation and through auditing relevant supplier aspects. Making both sides' expectations clear early in the evaluation process is a benefit for both the supplier and for Hartmann”

Edit Kovács, Audit and System manager

⁶ For more info about the tools see the 2011 Hartmann COP report

ENVIRONMENTAL



The site level environmental impacts are managed with the Hartmann STEP® Environment management model. For an overview of the model, see www.hartmann-packaging.com.

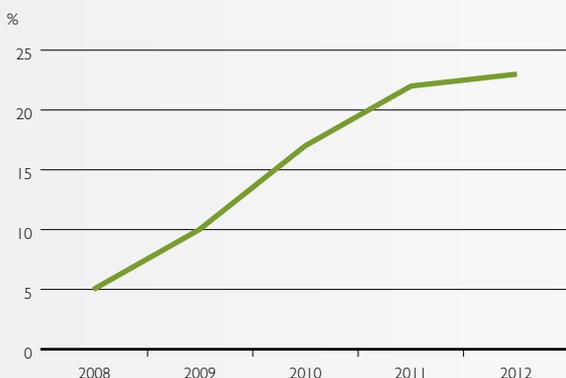
ISO 14000 certificates for environmental management were maintained or renewed in 2013 for all our European production sites.

CLIMATE PROTECTION

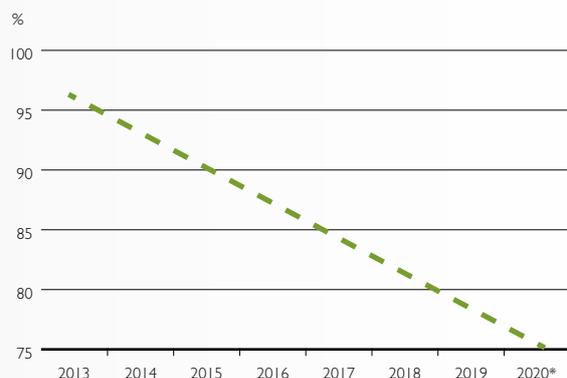
A minus becomes a plus – for the environment !

In light of the ever growing strain on world resources, the global challenge is to do more with less. In this context the choice of biobased and recycled raw materials, such as moulded-fibre, means that more products and value can be derived from the same resources. In Hartmann the commitment to do more with less is also applicable in the area of climate protection, which has resulted in significant energy efficiency improvements over the past six years. Since the formulation of the group climate emission target last year this commitment has become more

ENERGY SAVINGS



REDUCTION IN CO₂-e



* Target = 25% by 2020

Since 2012 the focus changes from energy efficiency to climate protection

clear and the journey towards the target has begun. During 2013 Hartmann reduced its relative CO₂-e emissions by 3.75% as a result of additional energy efficiency improvements in our manufacturing processes.

The basis for the targeted 25% reduction by 2020 is the CO₂-e emissions from energy consumption at our factories (electricity and drying energy) relative to the product quantities sold.

The continued progress on the climate target requires significant changes and innovation. The focus areas remain within the following:

- Investments in new process technology
- Improvement and optimisation of existing equipment
- Product development
- Waste reduction
- Replacement of fossil energy by renewable energy

CARING FOR CLIMATE:

Hartmann endorsed the United Nation's "Caring for Climate" charter in 2007.

Launched by the UN Secretary-General Ban Ki-moon in 2007, "Caring for Climate" is the initiative by UN Global Compact, the UN Environment Programme and the secretariat of the UN Framework Convention on Climate Change aimed at advancing the role of business in addressing climate change. It provides a framework for business leaders to advance practical solutions and help shape public policy as well as public attitudes.

Read more at www.caringforclimate.org

WE SUPPORT
Caring for Climate





CLIMATE CALCULATIONS THIRD-PARTY VERIFIED

In 2013 again, Hartmann's corporate CO₂ accounting scopes 1, 2 and partially scope 3 were completed in accordance with the GHG Protocol⁷ and the figures were third-party verified by the external company Climate Partner. The accounting for scope 3 was expanded compared with the previous years. Hartmann's methodology for calculating product carbon footprints according to PAS2050⁸ was also verified.

The verification gives credibility to Hartmann's climate calculations and is an assurance that calculations are complete and in compliance with the standards. With this verification, calculations can be used externally towards customers and for claiming climate neutral products, see the next chapter.

The verification statement is in appendix 2.

Climate Partner: „As a leading Business Solution Provider within climate protection we fight global warming together with our clients.“

For more information see www.climatepartner.com



ClimatePartner®
Climate Protection.
For Companies.

⁷⁾ The Greenhouse Gas Protocol is the most widely accepted international standard for accounting for corporate greenhouse gas emissions.

⁸⁾ PAS2050 was developed by the British Standards (BSI) and came into effect in October 2008 and was revised in October 2011. Being the first widely acknowledged standard for product carbon footprints, this standard has been applied by many companies worldwide.

CO₂ NEUTRAL PRODUCTS FOR CLIMATE CONSCIOUS CUSTOMERS

During the year Hartmann further strengthened its position as the leading supplier of environmentally friendly moulded-fibre packaging solutions through the active marketing of climate neutral products – a concept, which was developed in 2011.

The concept is targeted at customers who prioritise sustainable solutions and who may in turn benefit from conveying the green message to environmentally conscious consumers. The consumers can see all details about the underlying project by entering a certification code from the logo on Climate Partner's website.

Hartmann claims CO₂ neutrality first of all by reducing emissions and secondly by compensating remaining emissions from production and transportation of the neutral products. This compensation adds a premium on carbon emissions from the neutral products, which further increases the company's incentive to reduce life cycle climate emissions.

Compensation is provided by supporting a reforestation project, which takes place in eastern Mozambique and which is certified to the highest standards to ensure the promised output. Reforestation is a perfect match to the company's products, which are made from recycled paper which ultimately comes from trees.

As is true for many of Hartmann's environmental initiatives, also this concept has a positive social aspect. In this case it benefits the local community where the reforestation takes place.

Before introducing the concept of CO₂ neutral products, Hartmann completed a thorough consumer segmentation study in selected countries. The study revealed a generally positive view on the concept and a grading of the consumer segments with the highest affinity towards this concept. This study allows us to target our sustainability offering towards customers where it will have the highest effect and to convey to our B2B customers that sustainability is a priority for their consumers.

See more about the CO₂ neutral concept and find a marketing brochure at www.hartmann-packaging.com – Egg Marketing – Sustainability.



⁷⁾ A CO₂ neutral product does not emit any net CO₂ emissions and therefore does not contribute to climate change.

FSC CERTIFICATION COMPLETED

FSC is a global not-for-profit organisation dedicated to the promotion of responsible forest management worldwide. The FSC facilitates the development of standards, ensures monitoring of certified operations and protects the FSC trademark so consumers can choose products that come from well managed forests.

The fibre raw material for Hartmann's products originates from responsible sources and we want to help our customers communicate this to the consumers. Therefore, in 2013, all of Hartmann's European production sites were Forest Stewardship Council® (FSC) certified, allowing our customers the possibility to display the FSC logo on the packaging of their products. FSC is a recognised and highly credible organisation whose logo signifies the responsible use of wood fibres.

Hartmann's moulded-fibre products are primarily made from recycled paper such as old newspapers or magazines. FSC acknowledges that recycling paper products contributes to protecting the world's forests.

Any use of virgin paper in Hartmann's products, such as paper labels, is FSC certified. This means that the paper originates from well managed forests that follow the best social and environmental practices. These forests are guaranteed to protect biodiversity, indigenous peoples' rights, workers' rights as well as other areas of significant environmental or cultural importance. Certifying forests according to FSC helps both local communities and society at large to enjoy long-term benefits of managing forests in a responsible way.

See our FSC marketing brochure at www.hartmann-packaging.com – Egg Marketing – Sustainability.

Learn more about FSC at www.fsc.org





ECODESIGN¹⁰ – IMAGIC²® A SUCCESS

During 2013 the newest eco-friendly product – imagic²® was rolled out in large scale. Hartmann's customers have taken well to imagic²® which has already become a big seller. Compared with its predecessor, it has a reduced weight and due to its special design, imagic²® products can be compressed better when stacked, resulting in significantly reduced transport and storage needs. The result is a product which consumes less raw material and reduces the overall environmental emissions.

Innovation and the introduction of new sustainable technologies are a clear priority and during the year Hartmann participated in a government funded project for Green Business Models, which continues into 2014.

TRANSPORT IMPROVEMENTS A REALITY

Hartmann has successfully implemented a project to streamline our transport processes and increase transport efficiency with the environmental benefits that follow.

As a result we now have uniform agreements in place with forwarders in Europe whose terms and conditions have been structured so as to better support the need for efficient and low impact transportation. For example, the new structure, which involves both suppliers and customers, has the benefit of better utilisation of truck loads.

¹⁰⁾ Product design and development, which addresses the environmental impacts from the product

ANTI-CORRUPTION

ANTI-CORRUPTION TRAINING

Refraining from corruption and bribery has been a firm principle in Hartmann since before we signed the UN Global Compact. In recent years the legislative and business focus on the issue has increased, and on this background we identified a need to take further precautionary measures to actively enforce the anti-corruption principle. New anti-corruption measures have been implemented in Hartmann over the past years, also acting as a help to employees who may face this issue when carrying out their jobs.

In 2013 key Hartmann employees, including but not limited to procurement personnel, completed the anti-corruption training programme. This programme ensures a common understanding of Hartmann's policy and practices as well as a commitment to comply with it. The programme consists of an e-learning module, a test of the employees' understanding of the issues and a document, which the employee must sign, stating that they have understood and will adhere to the policy.

Some employee groups are still to complete the training programme, and this will take place early 2014.

LOCAL ACKNOWLEDGEMENT

HARTMANN CROATIA WINS THE GOLDEN KUNA AWARD

In September 2013, Hartmann Croatia received the Golden Kuna award as the most successful mid-size company in 2012, on account of its improvements and initiatives within health and safety and production. Also their positive contributions to the local society were taken into account. This was the sixth time Hartmann Croatia received the award.

The award is given by the Croatian Chamber of Economy, who nominates companies that have reached the highest business results and contributed to the Croatian economy.

“We have reached a lot, but the most important is that we keep up momentum when it comes to health and safety,” says Goran Grotić Production Director, Croatia.



APPENDIX I.

HARTMANN GROUP COMMITMENT TO THE UN GLOBAL COMPACT PRINCIPLES

The original wording of the ten UN Global Compact principles can be found at www.unglobalcompact.org

HUMAN RIGHTS PRINCIPLES

Hartmann will make an effort to promote the conditions outlined in each of the human rights principles in companies that are part of the value chain to which the Group belongs.

Principle no. 1:

Human rights – support & respect

Hartmann will support and respect the protection of internationally proclaimed human rights. Hartmann's commitment includes, but is not limited to, the following:

Hartmann will endeavor to secure the well-being of employees and their families by means of relevant local initiatives, practices and procedures that are in keeping with local traditions, conditions and needs.

Hartmann will endeavor to secure fair wages by means of a wages policy, which is consistent with the situation prevailing in other local industrial companies, and which enables the Group to attract and retain qualified employees.

Hartmann will endeavor to secure health and safety in the workplace, by means of cleaner technologies, procedures and practices as well as by the development of competences and efforts to change attitudes among the employees.

Hartmann will endeavor to secure good relations to the local community by means of active participation in social and business-related activities at local level and by setting a good example to others.

Principle no. 2:

Human rights – abuses

Hartmann will make sure that it is not complicit in human rights abuses.

LABOUR RIGHTS PRINCIPLES

Principle no. 3:

Freedom of association and the right to collective bargaining

Hartmann recognizes the right of its employees to be members of a trade union and to negotiate pay and working conditions collectively. The Group further recognizes the right to organize and collective bargaining in companies forming part of the value chain to which the Group belongs.

Principle no. 4:

Rejection of forced labour

Hartmann will support the elimination of all forms of forced and compulsory labour and does not accept the use of forced labour – neither inside the Group nor in companies forming part of the value chain to which the Group belongs.

Principle no. 5:

The effective abolition of child labour

Hartmann will not employ persons below the minimum age and the Group will apply preventive procedures and practices accordingly. The Group will make an effort to promote that similar procedures and practices are applied by companies forming part of the value chain to which the Group belongs.

Principle no. 6:

Non-discrimination

Hartmann will endeavor to prevent discriminatory practices and secure equal opportunities by means of the application of procedures and practices to prevent discrimination in connection with recruitment or dismissal, career development, training and education, or the granting of staff benefits. Hartmann will endeavor to promote non-discrimination and equal opportunities for employees in companies forming part of the value chain to which the Group belongs.

ENVIRONMENTAL PRINCIPLES

Hartmann will endeavor to protect, respect and safeguard environmental values by means of the systematic and proactive integration of environmental considerations in its daily business activities, by the development of environmentally friendly production methods and products, by training its employees in environmental issues, and by influencing the stakeholders in the value chain to which the Group belongs.

Principle no. 7:

A precautionary approach

Hartmann will support a precautionary approach to environmental challenges.

Principle no. 8:

Environmental responsibility

Hartmann will undertake initiatives to promote greater environmental responsibility.

Principle no. 9:

Environmentally friendly technologies

Hartmann will encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION PRINCIPLE

Principle no. 10:

Refraining from bribery and corruption

Hartmann will work against corruption in all its forms, including extortion and bribery.

It will do this by means of openness towards relevant business partners and by setting up a set of guidelines specifying how to avoid bribery and corruption. Hartmann will also contribute to minimizing bribery and corruption in companies forming part of the value chain to which the Group belongs.

APPENDIX 2.

VERIFICATION STATEMENT



VERIFICATION STATEMENT

ClimatePartner hereby confirms that the accounting for the carbon dioxide emissions generated by Brødrene Hartmann A/S, Ørnegårdsvej 18, 2820 Gentofte, Denmark, was performed in compliance with the *Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard*. The allocation of these emissions to the products was performed in compliance with the general requirements and principles of the Publicly Available Specification *PAS 2050:2011 - Specification for the assessment of the life cycle greenhouse gas emissions of goods and services*.

The organisational system boundaries were the production sites in Denmark, Germany, Hungary, Croatia, Israel, and Canada as well as the headquarters in Gentofte. The primary activity data reviewed reflects the production and administrative activities during the period from January 1, 2012 to December 31, 2012.

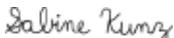
The operational system boundaries include all emission sources from Scopes 1 and 2, as well as relevant emission sources from Scope 3. The emission sources accounted for include (an asterisk indicates no data to be verified for the production site in Canada):

- Direct emissions from heating (steam, natural gas, district heating, LPG) Scope 1 & 2
- Direct emissions from fuels (diesel oil, gas)* Scope 1
- Electricity Scope 2
- Production of fuels (for mobility and heating) Scope 3
- Collection of recycled paper Scope 3
- Production of the product labels* Scope 3
- Plastic wrapping used for transportation* Scope 3
- Transportation of employees with company and other cars* Scope 1 & 3
- Transportation of employees by airplane* Scope 3
- Additives (dyes, AKD size, release agents, etc.)* Scope 3

For the allocation of the emissions to individual products, the functional unit chosen is kg CO₂ per kg product. The system boundary is cradle-to-gate, meaning that carbon dioxide emissions are included that were generated up to the point where the product leaves the organization. Additionally, there was no new verification needed of the methodology for calculating carbon dioxide emissions from the transportation of the products from the production site to the customer, which was approved last year based on a sample calculation for one customer.

The carbon accounting performed by Brødrene Hartmann A/S accurately portrays the carbon dioxide emissions related to the company's productions at the different production sites. It is an appropriate basis for offering climate neutral products by offsetting the carbon dioxide emissions of particular production volumes.

ClimatePartner Deutschland GmbH
 Ainmillerstrasse 22
 80801 Munich
 Germany


 Sabine Kunz, Assessor

Munich, November 19, 2013



Moritz Lehmkuhl, Managing Director



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