Environmental Status Report 2013

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OUR

SUSTAINABILITY VISION *We want Elopak to achieve* **absolute sustainability**. *A company with* **zero net impact** *on the environment*. *And we are aiming for nothing less*.

















Niels Petter Wright CEO Elopak

Making packaging count, making customers matter

Recently, Elopak revised our vision and mission statement. The new vision statement; "Making packaging count, making customers matter" also reflects Elopak's environmental efforts. Liquid foods packaging, sometimes seen as an environmental burden by the end consumer, is used to make sure the product inside the packaging is kept safe from light, micro-organisms, and external odor. In short, our packaging exists to protect milk, juice, and other liquid foods, and to reduce food waste as much as possible.

Thus, the effort Elopak invests in optimizing the quality and functionality of our packaging is perhaps the most important environmental work we do. One example of this is the new carton called Pure-Pak® Sense, which enables the end user to squeeze the packaging more effectively, and reduce the amount of product remaining in the carton. The flattened carton is also easier for the end-user to recycle.

Elopak is working continuously to reduce our environmental footprint. We do this by reducing energy consumption, increasing recycling, switching to renewable energy and optimizing our logistics. And at the same time, we promote the role of the beverage carton in society, in protecting foods, and reducing the environmental impact of food packaging. You can read about both areas in this environmental report.



Kristian Hall Director Corporate Environment

Identifying key aspects

In Elopak, we use hard facts as a basis for our business decisions. So too for our environmental efforts. That's why we have spent considerable time calculating the effect of reaching all the targets in our environmental strategy; "Future Proofed Packaging". This analysis showed that the largest savings in terms of CO₂ equivalents comes from our focus on renewable raw materials, transport and renewable energy.

This calculation also gives us the priority for our environmental efforts going forward. When comparing the carbon footprint of our cartons, most of the emissions occur in the value chain prior to our operations. Therefore, we are focusing heavily on reducing the environmental footprint of the board, polymers and aluminum, which we are sourcing for our raw materials. When you look at the environmental footprint of our own operations, most of it is found in indirect emissions connected to the production of electricity. To reduce our footprint in this area, we need to switch to renewable energy. Several of our factories currently have photovoltaic arrays (PV systems) installed. In addition to this, we are looking at different ways of contractually securing a higher share of renewable energy.

This report gives you an outline of how we work with environmental issues in Elopak. I invite you to read the report, and also to interact with us. If you have any questions or comments, feel free to contact me directly at kristian.hall@elopak.com

About Elopak

Elopak is one of the world's leading liquid food packaging suppliers. We produce the Pure-Pak[®] cartons, which are used by and associated with many premium beverage and retail brands.

Headquartered in Norway and owned by the Ferd Group (one of Norway's largest privately owned industrial and investment groups), we continually develop our packaging solutions to match the changing global demands for packaged liquid foods.

With 2 800 employees and revenue of €900 million in 2013, we produce and sell more than 12 billion cartons globally, through 13 manufacturing plants and a global network of sales and service personnel and through joint venture partners.* Our position in the market is primarily as a premium provider.

We only produce high quality cartons, which enable our customers to effectively differentiate their brands, through visual attractiveness, environmental benefits, superior quality and convenience. The environment has been on our agenda for many years and with stronger focus since 2007, when we set ambitious targets to reduce our CO_2 emissions. Subsequently, we developed our sustainability strategy, which aims to take us further towards absolute sustainability.

Elopak joined the Sedex (Supplier Ethical Data Exchange) database in 2011. Sedex gives the possibility to store, share and report on information regarding labor standards, health and safety, environment and business ethics. By being part of this data exchange, we are supporting a culture of openness and transparency throughout the supply chain.

We also report annually to the Carbon Disclosure Project (CDP), which is an independent not-forprofit organization holding the world's largest database of primary corporate climate change information.



*Inclusive 100 % of partly owned Joint Ventures



















The role of the beverage carton in society

Can a beverage carton make a difference when it comes to global environmental impact? The answer is definitely yes. However, this answer has different nuances depending on:

- which part of the world we are talking about
- the packaging alternatives available
- which kind of raw materials are utilized
- the distance between carton producer and consumer
- local and national carton recycling practices.

Reducing food waste

When purchasing liquid foods or non-carbonated drinks, we seldom reflect on the fact that the nutrition contained in the products represents a huge investment in form of the cultivation, processing, transportation and storage. Each of these activities has environmental impact. The primary task of Elopak's cartons is to protect these investments from being wasted. Roughly one third of the food produced in the world for human consumption every year – approximately 1.3 billion metric tons - gets wasted according to FAO (UN Food and Agricultural Organization, 2013). Food waste also amounts to a major squandering of resources, including water, land, energy, labor, capital and produces greenhouse gas emissions. The aim of our carton is to protect the nutritional value of the liquid products inside the carton. In many parts of the world beverages are still traded in bulk, unpacked and at the risk of deterioration before consumption. Suitable packaging has had a major impact on the quality of liquid foods.

It is also important for customers that the CO_2 footprint from the packaging is kept to a minimal level, without compromising the quality of content. Finding the optimal balance is crucial. Currently, the CO₂ emissions of producing a liter of milk are approximately 1000 grams, whereas the CO₂ footprint of a carton is less than 30 grams or slightly less than 3 % of the CO₂ footprint of the sellable product. Hence, it is imperative that the carton meets the demands for bringing the milk product from producer to end-user while maintaining premium quality.



Relations between environmental impact of package & product

Elopak's latest innovation, the Pure-Pak® Sense carton has an easy-fold feature which makes it easier for consumers to squeeze out more of its contents, thereby reducing residuals and food waste. This is ideal for fermented beverages and products with high viscosity.



In research carried out by GfK (Gesellschaft für Konsumforschung) on behalf of Elopak, the Pure-Pak[®] Sense carton was found to reduce residual product waste up to 48 % compared to the cartons tested without easy-to-fold lines. The CO_2 emission effect of this reduction actually compensates for the CO_2 footprint of the carton.

The new foldable design makes recycling easier for consumers by significantly reducing volume at recycling facilities.

Improving resource productivity

Looking at the broader picture of cartons in society, another aspect of sustainability is the availability and regeneration of the raw materials that go into the packaging. With the increasing demands from a growing population, there will be resource shortages. It is therefore important to include resource productivity into the equations when Elopak's customers are evaluating packaging materials for their beverage products. In comparing the environmental impact of cartons with other container materials, numerous life cycle assessment (LCA) reports conclude that paperbased cartons have a significantly lower carbon footprint than alternative packaging materials. Currently, approximately 75 % of our cartons are made of paperboard which originates from wellmanaged forests. This implies that it is a renewable raw material that includes aspects of biodiversity protection, water use and other important environmental concerns. We are working hard to substitute the other non-renewable materials in the carton with more sustainable sources. Our current focus is to replace the water barrier in the carton from fossil-based polymers to a more environmentally friendly polymer. The challenge for Elopak is to find the optimal balance between use of raw materials in the carton with the very important task of protecting the product and its embedded environmental impact.

Strategic Pillars

Focus on the total value chain



Strategic sustainability pillars

Elopak's ambitious sustainability strategy called Future Proofed Packaging includes a wider scope than just looking at the environmental impact of our own industrial operation.

Elopak has a total value chain approach to our environmental efforts – from forest to end of use. If you calculate the environmental impact of all Elopak cartons that are sold during a typical year, it amounts to almost one million metric tons of CO_2 emissions. Elopak's own industrial activity is responsible for approximately 70 000 tons of CO_2 emissions. Hence, it is not enough to focus on what is happening inside our own system boundaries. We call these goals and activities "strategic pillars" and these will be discussed separately in this report. As a step toward showing more transparency in the value chain where the environmental impact is occurring, we have recently updated the Environmental Product Declarations (EPD) of our main products. The graph below illustrates where the source of environmental impact resides in the value chain for a typical Elopak carton for fresh milk. Elopak's share of carbon footprint is around 14 % of the total within this scope, from the forest to our customers' gate.

We are constantly striving to improve our environmental impact across the entire value chain, by working closely with suppliers and customers.

PE Coated Beverage Carton: GWP (g CO₂e) from Forest to Customer Gate



Environmental Product Declaration (EPD) 1 liter milk carton with cap

Future Proofed Packaging



In 2012, after a five-year focus on climate change and CO₂ emissions, Elopak established a strategy with a broader scope to bring the Group closer to becoming a completely sustainable business. We launched our strategic roadmap, Future Proofed Packaging, which is the direction that Elopak's business will head in the years to come. The roadmap is a good starting point in detailing action plans as well as changing attitudes and behavior in the company. We aim to make our sustainability actions and behavior an integral part of the company's business strategy and DNA. We identified five strategic pillars to bring us closer to a sustainable business. In addition, a sixth pillar is related to company culture and governance. We see this as a prerequisite for the implementation of the five strategic pillars.

The year 2013 has seen focused activities for establishing a baseline for all of the 6 strategic pillars. This work is also continuing into 2014 as we live by the mantra "what is measured will be managed". Hence, based on the aforementioned updating of our EPDs, we have tried to quantify the total Global Warming Potential (GWP) of the total amount of products produced and sold in 2013. This amounts to approximately 390 000 metric tons of CO_2 equivalents. The scope of this analysis is currently from the forest to customer gate, including operation of our filling machines.

The challenges we meet and will encounter in the future is how to assure ourselves of the quality, relevance and materiality of the data that we do not have full control of, both up- and downstream from Elopak's own activities. Likewise, the upcoming milestones that are established in the strategy also have inherent challenges:

- Certification, access and costs of renewable raw materials
- Communicating documentation and purchase of renewable energy
- Having impact on a complicated and dispersed logistics network
- Documenting and enhancing environmental performance of a variety of filling machines around the world
- Influencing a locally dominated and very fragmented recycling collection system, and the reuse of valuable raw material qualities in our cartons
- Enhancing the business culture to put a lasting, higher priority on environmental focus in all we do.

Elopak is working to overcome all these challenges and have dedicated resources and activities, both internally and externally.

2020 Roadmap calculator

Elopak has now completed the first draft of an interactive scenario model that simulates the effects of fulfilling the milestones and end-goals of our sustainability strategy. This tool will be used to monitor the actual performance on all pillars in the years to come. The model calculations are linked to Elopak's strategic business plan when it comes to market and financial performance. This is a step towards integrating our sustainability strategy and actions with the normal strategic planning process and established plans.

In 2013 we developed a "Business as Usual" (BAU) scenario that shows the resulting environmental impact of not implementing the strategy (see diagram no. 1). This is then compared to different situations that reflect whether the designated milestones for all years up to 2020 have been achieved. The model is structured in such a way that we can adhere to the Greenhouse Gas Protocol's definition of Scope 1-3, with an extension of Scope 3 to include the status for other entities of our value chain outside Elopak's own business.

As illustrated in diagram no. 2, the effect of fully reaching our strategic milestones is a substantial positive effect on the environmental impact within Elopak's own system boundaries.

This reduction of CO_2 emissions of 66 % from BAU in 2020 and a 44 % reduction from today's emissions is based on the assumption that Elopak's strategic plan shows a substantial volume growth for our products.



No. 1: Total pillar impact

No. 2: Elopak industrial operations



Pillar 1: Renewable raw materials

A renewable resource is a natural resource which can replenish with the passage of time, either through biological reproduction or other naturally recurring processes.

Elopak's cartons consist of paperboard (around 75 % of the total weight) coated with a polyethylene (PE) layer that acts as a liquid barrier. Some cartons have an additional oxygen barrier made out of either EVOH (a polymer) or aluminum. An increasing number of cartons also have a polymer screw cap for easy opening, pouring and closing. Elopak is continuously working to find renewable alternatives for some of our non-renewable raw materials to reduce the burden on our planet's scarce resources and secure a sustainable future. The ultimate goal is to provide a fully renewable carton.

By renewable raw materials we mean that the value chain for the materials may be replenished over time, indefinitely. A renewable polymer is physically identical to one made from fossil sources. Both renewable and non-renewable polymers may or may not be biodegradable. In Elopak's case they are non-biodegradable. This is due to the need for material stability, in order to protect the product inside the carton.





Material	Elopak's Activities				
Paperboard	Gradually increasing the percentage of Forest Stewardship Council (FSC) certified board.				
Polyethylene (PE) -Liquid barrier and closures	In process of phasing in renewable polymers from biomass sources				
EVOH and aluminium -Oxygen barriers	Working with research organizations and suppliers to find renewable alternatives. Participating in several research projects.				
Tie layers (between barrier materials)	Working with research organizations and suppliers to find renewable tie layers.				
Polypropylene (small part of some screw caps)	PE suppliers are also able to supply renewable PP.				

Our main raw material, the paperboard, is already a naturally renewable resource, since forests are harvested and replanted again. Elopak has committed to sourcing all our paperboard from legal and acceptable sources in accordance with the standards of Forest Stewardship Council (FSC), by 2015. We have also committed to obtain chainof-custody certification of all our production plants by 2018.

Forest Stewardship Council[™] (FSC[™]) is an independent, non-profit organization devoted to encouraging the responsible management of the world's forests. FSC sets high standards that ensure forestry is practiced in an environmentally responsible, socially beneficial, and economically viable way.



The mark of responsible forestry



In 2013, in Europe, 100 % of all purchase was specified as FSC certified and other controlled sources. Globally, 96 % of all purchased board was from FSC certified or other controlled sources. The remaining 4 % originate from controlled sources, but cannot be reported as such due to lack of chain-of-custody certification.

By controlled sources we mean wood fiber that is verified to NOT come from:

- Illegally harvested wood
- Wood harvested in violation of traditional and civil rights
- Wood harvested in threatened high conservation value forests
- Wood harvested in forests being converted to plantations or non-forest use
- Wood from forests in which genetically modified trees are planted.

In February 2013, Elopak's plant in Canada received their FSC certificate and all our fully owned plants are now FSC certified.

Renewable Polyethylene

By weight, PE is the second largest material used in our cartons. PE also represents the second most significant CO_2 emissions from our cartons (see illustration on page 10). The main focus has been finding renewable alternatives to fossil-based material with the same technical properties (liquid barrier). PE is produced from ethylene, which is mainly produced from petrochemical sources. Ethylene can be made from bio-based sources such as corn or sugarcane. It can also be made from bio-diesel which can be made of residuebased products from agricultural production or organic waste. Using such residue-based feedstock is Elopak's preferred way forward.

In 2013, Elopak started working with a supplier of bio-based polyethylene in addition to engaging in projects with some key customers. The launch of products featuring renewable PE is planned for 2014.

Using renewable raw materials requires credible proof of sustainability and hence Elopak will only use certified materials. In 2013, Elopak started the process of becoming certified according to the International Sustainability and Carbon Certification System (ISCC Plus). Our renewable PE will be in accordance with the criteria of this standard.

The International Sustainability and Carbon Certification System (ISCC) is a global certification scheme covering all kinds of biomass production through the entire value chain. ISCC ensures biomass production which complies with environmental, climate and social requirements.



Other renewable materials

Elopak is engaged in several projects together with research organizations as well as suppliers and customers, looking at alternatives to the oxygen barriers in our cartons. These projects are still in an early stage, but tests performed during 2013 have given some positive results.















Pillar 2: Sustainable energy



When you look at the CO_2 emissions of Elopak (within Elopak's system boundaries) it becomes clear that most of it comes from the consumption of energy, and especially electricity. 92 % of the total emissions originate from this, and 75 % of the emissions are from consumption of electricity. Reduction of the emissions from energy is therefore a priority for Elopak.

There are two ways we seek to accomplish this:

- Reduction of energy consumption per produced carton
- Reduction of the emissions associated with the purchase of energy.

When it comes to reduction of energy consumption, we are looking at a broad range of mitigation measures. These can be energy recovery in our production, replacement of lighting to high efficiency LED lighting, upgrade of equipment, optimization of our production processes, installation of energy metering devices and other activities. There is continuous work being done across our production facilities in evaluating and implementing such measures. At the same time, the different production facilities are cooperating in their efforts, through the Elopak Environment Cluster, a group of people representing all production facilities. Elopak has also started a global energy audit for our production facilities that has a goal of establishing a "golden standard" for energy consumption per produced carton.

Reduction of the emissions associated with the purchase of energy means to phase in renewable energy by utilising various contractual mechanisms, such as guaranteed certificates of origin for renewable electricity. By purchasing certificates for the production of the renewable energy, a company can secure the rights for renewable electricity. We are currently evaluating different systems to achieve this effect.

At two of our production plants in Europe, smaller solar energy systems (photovoltaic arrays) have been installed. We are investigating if we can expand this source of on-site generated electricity.



*Excluding transport of raw material and finished goods

Pillar 3: Sustainable logistics



Whenever Elopak purchase raw materials for our production facilities, these are transported by rail, ship and road to our factories. There is also some transport between our production facilities (e.g. coated board from our coating plants to our converter plants). Finally, there is the transport of finished products to our customers. Elopak is in the process of calculating the emission impact of transport. This calculation is complex due to a large variety of factors, such as vehicle types, distances and many suppliers.

As part of Elopak's own emissions, we have included business travel with airplanes and cars. The sum of the emissions from business travel is approximately 5000 metric tons of CO_2 emissions or about 7 % of our total CO_2 emissions.

We are working in a systematic way to reduce our emissions from transport. Mainly, we are working with our logistics suppliers in reducing the emissions per ton-km of transport. Also, we are aiming to increase the amount of products we can send per shipment (more cartons on a truck means less emissions per carton transported). We are also seeking to increase freight on rail and ship compared to our road transport (emissions from rail and ship transport are lower than road transport).



Pillar 4: Customer operations



Continuously improving the efficiency of our filling lines at customer sites is important as it reduces the costs for our customers, improves the Total Cost of Ownership (TCO) of our filling machines and the impact of production on the environment.

The goal with the pillar is to reduce the environmental impact of the filling machines in production, meaning CO_2 emissions from electricity and chemicals, as well as the water consumption, in addition to waste reduction and increased production efficiency. The positive environmental effects of these efforts will naturally also be visible for our customers in their actual running costs of the filling machines and their industrial environmental footprint.

In 2012 and 2013 a project on optimizing filling machine efficiency was conducted together with one of our customers. Key findings from this project included improvements in logistics, technical upgrades of filling machines, and the need for enhanced training of machine operators. As a result, production routines were improved, down-time of filling machines was reduced and consumer complaints were reduced. Production efficiency increased, substantial cost reductions were achieved, and the amount of waste was reduced. Lessons from this project have already been taken further into other, similar projects.

In 2013, work was done to map relevant parameters to establish the baseline for chosen filling machine models. This process has been somewhat delayed and will be continued in 2014. Another project which will start in 2014 is optimizing the cleaning and disinfection phase of the filling machines at customer sites.

The environmental impact of our filling machines has not earlier been a part of Elopak's environmental parameters. As part of our new CO₂ scenario model we have included estimates of the emissions of our main filling machine types and potential savings by improving procedures, routines and the overall design of the filling machines. The graph below shows the CO₂ emissions based on the energy consumption of the most common filling machines Elopak has placed at our customers today. The Business as Usual bars indicate growth due to planned increase in filling machines installed at customers. The green bars indicate a great potential for savings, however, the figure must be seen as a rough estimate with the limited information we have available at the moment.





Pillar 5: Total recycling



Recycling for Elopak means two things:

- Ensuring high recycling rate of internally generated waste
- Improving household recycling of used cartons.

When it comes to recycling of internally generated waste, we are well under way to reach our target for 2020 (100 % recycling rate) with a recycling rate of 95 %. One of the main reasons for this is that the materials that are handled in our factories, like different qualities of liquid packaging board and aluminium sheet, have a high material value. These materials are purchased by external companies for conversion to new products.

When it comes to household recycling rates, we are contributing through our membership with the industry associations The Alliance for Beverage Cartons and the Environment (Europe) and Carton Council of North America. These organizations are working for a higher recycling rate in their markets. In some countries in Europe, we are also active in the national recycling organizations.

In Europe, the recycling rates have increased significantly in recent years (see graph). Carton-

recycling access in the U.S. has gone up from 18 % in 2009, to 45 % in 2013. This is an increase of 150 % over the past four years.

In the U.K., beverage carton producers have organized the collection of used beverage cartons for many years. In 2013, the first UK Carton Recycling Facility near Halifax, West Yorkshire was opened. The new site offers numerous benefits to local authorities and the curbside collectors of beverage cartons, making it easier and more costeffective to recycle cartons. It will reduce transport distance and make the recycling of beverage cartons more cost-effective. The new dedicated carton recycling facility will therefore further strengthen the environmental benefits of beverage cartons.

In Switzerland, a 24-month pilot project coordinated by the Association "Verein Getränkekarton-Recycling Schweiz", which is run by beverage carton producers, collected some 100 tons of used cartons.

Elopak is actively engaged in improving recycling rates in these and other local organizations.



Source: Alliance for Beverage Cartons and the Environment (ACE)

Pillar 6: Culture and governance

If we look beyond the activities we perform in connection with measurement and management of our environmental performance, it all boils down to the engagement of the people in our organization.

Elopak's Future Proofed Packaging strategy is a promise; a promise in the sense that the direction that the Group will head for is described in the strategy. Achieving the milestones and the goals we have set for 2020 requires focused attention and activities not only from a dedicated department specializing in these issues, but from all colleagues in the Group. The sum of all daily actions at the end of the day will constitute the company's strategy. Hence it is important that all employees are engaged and inspired and have enough relevant information, competence and understanding as to why we chose this roadmap. International research shows that engaging employees in sustainability galvanizes them. It gives them a sense of belonging, drive, passion and purpose that is beyond increasing the financial bottom line. It unleashes their potential to make a difference. It inspires them to do something more that they can associate themselves with and feel good about. If done well, it will even resonate into their personal lives and impact their decisions so that they make better choices that serve them, their families, communities and the environment.

During 2013 an updated mission was introduced, which specifically states that we should do business in a sustainable manner.

Vision Making packaging count, making customers matter

Mission

Elopak is preserving the world's resources in a healthy, safe and sustainable manner, by providing liquid food paper packaging solutions. We have a proven track record with deep system knowledge. We are a dynamic organization, always working in close collaboration with our customers, committed to quality and growth.



In an effort to intensify our efforts to engage more of our colleagues, Elopak has reestablished our Environmental Cluster Organization (EEC). EEC is a group of Elopak employees consisting of representatives of each production facility as well as some representatives from sales departments. The cluster acts as a virtual environmental organizational unit that shares with and inspires the local organization on enviromental issues. It is a bridge between the central environmental task force and the other organizational units in Elopak.

In addition, Elopak has strengthened its Environment team and its sustainability focus, by employing more personel to the team.

Finally, Elopak has piloted a new management tool, called Footprinter, to measure and manage progress and implementation of our sustainability strategy. Using cloud software, Footprinter is a modern tool giving more real-time feedback on data, plus access to historical data. It enables online monthly reporting and peer reviews and strengthens horizonal communication across the organization.

Elopak continues to participate in the Sedex (Supplier Ethical Data Exchange) database. Sedex gives the possibility to store, share and report on information regarding labor standards, health and safety, environment and business ethics. By being part of this data exchange, we are supporting a culture of openness and transparency throughout the supply chain.

Elopak is proud to be a part of the network of companies reporting environmental data to the Carbon Disclosure Project (CDP). CDP has incentivized thousands of companies and cities across the world's largest economies to measure and disclose their environmental information. In 2013, Elopak achieved a CDP ranking of "B".

Elopak's carbon 'score' and sustainability ambitions are evaluated and ranked in comparison to over 1,000 other reporting companies. CDP has also initiated a Supply Chain project, where Elopak has requested information on environmental strategy and actions from our most important suppliers. Elopak is working with the most strategic suppliers to try to understand and influence the reduction of the embedded CO₂ emissions in their goods and services.



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Independent assurance report

To the management of Elopak AS

Scope of Engagement

We have been engaged by the management of Elopak AS to perform an independent limited assurance engagement of Elopak's 2013 Environmental parameters and CO₂ emissions in the 2013 column presented on pages 25-27 in Elopak's Environmental Report 2013 ("the Report"). We have not performed any procedures related to the period 2008 to 2012.

Reporting criteria

As a basis for the Report, Elopak has applied the definitions for Scope 1-3, set by the Greenhouse Gas Corporate Standard. These definitions are presented on page 25 in Elopak's environmental report under the section "Environmental parameters 2008-2013". We consider these reporting criteria to be relevant and appropriate to review the Report.

The management's responsibility

Elopak's management is responsible for the environmental reporting, and for selecting information, collecting data for presentation and for preparing the Report in accordance with the applicable reporting criteria.

The practitioner's responsibility

Our responsibility is to issue an independent limited assurance report on Elopak's Report.

Assurance standard used and level of assurance

We have performed the assurance engagement in accordance with the ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information". The standard requires that we plan and execute procedures in order to obtain limited assurance that causes us to believe that the Report does not, in all material respects, comply with the above stated reporting criteria. The procedures performed in order to obtain limited assurance aim to verify the plausibility of information and probe less deeply than those performed for assurance engagements aimed at obtaining reasonable assurance. Our independent assurance report does not cover the assumptions used by Elopak or whether or not it is possible for Elopak to reach certain future targets described in the report (e.g. goals, expectations and ambitions).

Assurance procedures for the Environmental Report

Our assurance procedures related to the Report has been planned and performed in accordance with ISAE 3000 (limited assurance). The standard requires that we plan and execute procedures in order to obtain limited assurance on the Report.

Our review has, based on an assessment of materiality and risk, among other things included the following procedures:

- Obtained and reviewed evidence on a test basis to support the material 2013 CO₂ emissions data presented on pages 26-27 in the Report
- Evaluated the overall presentation of the Report, including Elopak's use of definitions for Scope 1-3, based on the Greenhouse Gas Corporate Standard

We believe that our procedures provide us with an adequate and appropriate basis for our conclusion.

Conclusion

On the basis of our procedures aimed at obtaining limited assurance, nothing has come to our attention that causes us to believe that the information in the Report does not comply with the above stated reporting criteria.

Oslo, 20 June 2014 ERNST & YOUNG AS

Nina Rafen / State Authorised Public Accountant

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Environmental parameters 2008–2013

The detailed environmental data on the next two pages originates from Elopak's internal reporting system. Hence they show the relevant development from year to year according to the definition of Greenhouse Gas Protocol for Scope 1-3. This data represent all group emissions including 100% of partly owned Joint Ventures. The 2013 results only show the emissions resulting from the Group's industrial process. There are two subsidiaries that are not included in the data for 2013. These are our converter in St. Petersburg in Russia and the factory for assembling our filling machines in Mönchengladbach in Germany. The reason for not including these two units is that 2013 was a year of establishment and building up production capabilities. For 2014 these units will also be part of our reporting. In addition, for 2014 we will work to expand the Scope 3 data to cover both up- and downstream issues according to GHG Protocol's definitions

The definitions of the different scopes are:

Scope 1 – includes direct greenhouse gas emissions. This includes emissions from our own industrial activity (for example, fossil fuel combustion for energy production). Emissions from the transportation of raw materials and finished goods to and from our operations are not yet included.



Scope 2 – accounts for indirect greenhouse gas emissions from the generation of purchased electricity. We have also included indirect emissions from purchased heat (district heating).

Scope 3 – covers all other indirect emissions that are a consequence of the company's activities, but are from sources not owned or controlled by the company. For 2013 we have included business travel by air, taxi, company cars and also indirect GHG emissions from Volatile Organic Compound (VOC) emissions that occur in production of our cartons.

The conversion factors for calculating indirect CO₂ emissions from purchased electricity were developed by external consultants (Bergfald) in 2008. These are based on information from the International Energy Agency (IEA) on energy production per country taking account of recognized emission factors and efficiency factors for energy production. So-called green energy is not a part of the measurement system for 2013 unless the origin of the energy is known and documented. We have chosen to keep these conversion factors constant since they were first formulated, to allow us to measure the true impact of our internal initiatives.

As can be seen from the data series, the most important parameters show a respectable reduction from 2008. However the development from last year 2012 shows that Elopak has an increase in absolute CO_2 emissions. The reason for this increase stems from building up capacity to meet planned increase in production and sales of our products in the coming years.

Elopak 100% owned subsidiaries (production, sales & administration units)*

			2013	2012	2011	2010	2009	2008	2013 % 2008
	TOTAL CO ₂ EMISSIONS	CO ₂ e	46 034	42 956	42 901	44 578	45 356	47 626	97 %
	PRODUCED UNITS	tUnits	8 276	8 386	8 813	8 941	8 735	8 046	103 %
	CARBON EMISSION INTENSITY	CO₂e/unit	5,56	5,12	4,87	4,99	5,19	5,92	94 %
	Electricity	mWh	77 343	74 273	71 407	71 935	75 127	70 792	109 %
	Electricity guarantied renewable	mWh	-	-	-	-	-	-	-
	District heating (MWh) Burning Waste	mWh	3 393	3 316	2 698	3 691	612	6 125	55 %
	Natural gas	m³	2 858 584	3 080 146	3 399 045	3 897 984	3 788 944	2 996 267	95 %
	Propane	liters	694 633	433 937	422 664	405 546	318 998	302 083	230 %
	Heating oil	liters	180 803	156 140	159 527	223 982	155 767	285 958	63 %
	Paraffin	liters	-	-	-	-	-	-	0 %
NG	Coal	kg	-	-	-	-	-	-	0 %
IN	Wood	kg	-	-	-	-	-	-	0 %
000	Pellets	kg	-	-	-	-	-	2 325	0 %
² AC									
ខ	VOC emissions converted to CO ₂ e	tons	320	345	469	655	875	1 258	25 %
	Airtravel converted to CO ₂ e	tons	3 394	2 756	2 830	3 443	3 231	3 491	97 %
	Car & Taxi travel converted to CO_2	tons	1 526	1 216	1 178	1 067	916	697	219 %
	TOTAL CO2 EMISSIONS SCOPE 1	tons	8 268	8 469	9 189	10 489	9 747	10 086	82 %
	TOTAL CO ₂ EMISSIONS SCOPE 2	tons	32 527	30 212	29 234	28 910	30 588	32 095	105 %
	TOTAL CO ₂ EMISSIONS SCOPE 3	tons	5 240	4 275	4 477	5 179	5 022	5 445	96 %
	TOTAL CO, EMISSIONS	tons	46 034	42 956	42 901	44 578	45 356	47 626	95 %
	WATER								-
	Water consumption	m ³	44 000	42 200	36 850	33 825	38 750	41 554	106 %
	WASTE			1		÷			1
	Board Waste (LPB) to recycling	tons	26 436	23 452	24 640	25 756	23 539	21 930	121 %
	Board waste (LPB) to incineration	tons	-	1 156	1 164	1 222	1 471	1 180	0 %
	Board waste (LPB) to landfill	tons	-	-	-	-	86	66	0 %
	Other Waste Paper/Blanks to recycl	tons	2 575	4 793	6 762	6 097	5 072	3 601	72 %
	Other Waste Paper/Blanks to inciner	tons	2 080	-	-	-	-	-	0 %
	Other Waste Paper/Blanks to landfill	tons	-	-	-	-	-	-	0 %
	TOTAL PAPER WASTE	tons	31 091	29 401	32 566	33 075	30 168	26 777	116 %
	Recycling of Paper Waste	tons	29 011	28 245	31 402	31 853	28 611	25 532	114 %
	Incineration of Board Waste	tons	2 080	1 156	1 164	1 222	1 471	1 180	176 %
	Landfill of Board Waste	tons	-	-	-	-	86	66	-
	HAZARDOUS WASTE		1		1		1		
_	Solvents/ inks	tons	44	77	94	140	134	181	24 %
ATA	Photochemicals	tons	6	6	6	6	10	12	54 %
	Cleaning towels (kg)	tons	28	26	34	22	33	38	74 %
VAS	Waste oil (kg)	tons	2	3	3	4	5	3	61 %
è	Other hazardous waste (kg)	tons	36	40	22	38	25	43	84 %
EA	TOTAL HAZAROUS WASTE	tons	117	151	159	209	207	278	42 %
URC	ENERGY CONSUMPTION CONVERTED T	O MWH	I		1				
SO	Electricity	mWh	77 343	74 273	71 407	71 935	78 857	70 792	109 %
8	Electricity guaranteed renewable	mWh	-	-	-	-	-	-	0 %
	District heating (MWh) Burning Waste	mWh	3 393	3316	2 698	3 69 1	612	6 125	55 %
	Natural gas	mWh	32 874	35 422	39 089	44 827	43 573	34 457	95 %
	Propane	mvvn	4 862	3 038	2 959	2 839	2 233	2115	230 %
		mWh	1 808	1 561	I 595	2 240	I 558	2 860	63 %
	Parallin	mvvn	-	-	-	-	-	-	0%
	Viand	mwn mWh	-	-	-	-	-	-	0%
	Pollets	mW/h	-	-	-	-	-	- 10	0%
		mW/h	-	-	-	125 522	-	116 259	102 %
	Total energy consumption per 1000 blanks	kWh/1000	14.53	14.03	13.36	14.04	14.52	14.46	100 %
	AIBTRAVEL ABSOLUTE NUMBER OF TR	AVEL	. 7,00		10,00		17,02	17,70	100 %
	Airtravel Short haul	#	2 961	3 819	3 539	3 995	4 0 1 9	2 437	122 %
								01	/0
	Airtravel Medium haul	#	4 809	3 656	3 796	4 1 2 7	3 442	2 669	180 %
	Airtravel Medium haul Airtravel Long haul	#	4 809 215	3 656 149	3 796 180	4 127 364	3 442 535	2 669	180 %

* Excluding converter in St. Petersburg and factory in Mönchengladbach

Elopak Group (inclusive 100% of partly owned Joint Ventures)*

	[I	2013	2012	2011	2010	2009	2008	2013%2008
	TOTAL CO ₂ EMISSIONS	CO2e	69 557	67 306	70 782	72 575	73 082	72 571	96 %
	PRODUCED UNITS	tUnits	11 741	12 226	12 381	12 637	12 476	11 556	102 %
	CARBON EMISSION INTENSITY	CO ₂ e/unit	5,92	5,51	5,72	5,74	5,86	6,28	94 %
	Electricity	mWh	112 666	111 204	111 265	112 268	119 555	109 065	103 %
	Electricity guarantied renewable	mWh	-	-	-	-	-	-	-
	District heating (MWh) Burning Waste	mWh	3 393	3 316	2 698	3 691	612	6 125	55 %
	Natural gas	m ³	3 651 121	3 724 451	4 059 616	4 634 156	4 455 097	3 890 872	94 %
	Propane	liters	848 075	595 195	621 499	651 465	571 738	380 104	223 %
	Heating oil	liters	259 292	236 181	227 624	332 678	239 976	365 091	71 %
c	Paraffin	liters	-	-	-	-	-	-	0 %
Ĭ	Coal	kg	-	-	-	-	-	-	0 %
N	Wood	kg	-	-	-	-	-	-	0 %
ö	Pellets	kg	-	-	-	-	-	2 325	0 %
۹ °									
Ö	VOC emissions converted to CO ₂ e	tons	/15	830	989	1 188	1 4/3	1 759	41 %
		tons	3 431	2 792	28//	3 5 1 0	3 303	3 634	94 %
	Car & Taxi travel converted to CU ₂	tons	1 626	1 288	1 248	1 140	1 041	812	200 %
	TOTAL CO ₂ EMISSIONS SCOPE 1	tons	10 573	11 526	11 367	13 026	12 073	12 507	85 %
	TOTAL CO ₂ EMISSIONS SCOPE 2	tons	53 212	50 869	54 301	53 698	55 192	53 857	99 %
	TOTAL CO, EMISSIONS SCOPE 3	tons	5 772	4 910	5 114	5 851	5 817	6 206	93 %
	TOTAL CO, EMISSIONS	tons	69 557	67 306	70 782	72 574	73 082	72 571	96 %
	WATER								
	Water consumption	m³	90 181	95 494	92 893	83 341	102 743	85 794	105 %
	WASTE						-		
	Board Waste (LPB) to recycling	tons	33 005	29 445	30 988	31 853	29 770	26 991	122 %
	Board waste (LPB) to incineration	tons	-	1 1 56	1 164	1 222	1 471	1 180	0 %
	Board waste (LPB) to landfill	tons	12	12	12	12	96	70	17 %
	Other Waste Paper/Blanks to recycl	tons	5 336	7 522	10 721	9 376	8 407	7 033	76 %
	Other Waste Paper/Blanks to inciner	tons	2 080	-	-	-	-	-	0 %
	Other Waste Paper/Blanks to landfill	tons	-	-	-	-	-	-	0 %
	TOTAL PAPER WASTE	tons	40 433	38 135	42 885	42 463	39 744	35 274	115 %
	Recycling of Paper Waste	tons	38 341	36 968	41 709	41 229	38 177	34 024	113 %
	Incineration of Board Waste	tons	2 080	1 1 56	1 164	1 222	1 471	1 180	176 %
	Landfill of Board Waste	tons	12	12	12	12	96	70	17 %
	HAZARDOUS WASTE								
	Solvents/ inks	tons	185	184	185	258	273	353	52 %
ATA	Photochemicals	tons	7	7	8	8	13	14	50 %
	Cleaning towels (kg)	tons	81	80	105	98	103	153	53 %
VAS.	Waste oil (kg)	tons	5	5	5	5	7	13	37 %
≥ Q	Other hazardous waste (kg)	tons	36	40	22	38	25	43	84 %
EA	TOTAL HAZAROUS WASTE	tons	314	316	325	408	422	576	54 %
JRC	ENERGY CONSUMPTION CONVERTED T	O MWH							
SOI	Electricity	mWh	112 666	111 204	111 265	112 268	119 555	109 065	103 %
2	Electricity guaranteed renewable	mWh	-	-	-	-	-	-	0 %
	District heating (MWh) Burning Waste	mWh	3 393	3 316	2 698	3 691	612	6 125	55 %
	Natural gas	mWh	41 988	42 831	46 686	53 293	51 234	44 745	94 %
	Propane	mWh	5 937	4 166	4 350	4 560	4 002	2 661	223 %
	Heating oil	mWh	2 593	2 362	2 276	3 327	2 400	3 651	71 %
	Paraffin	mWh	-	-	-	-	-	-	-
	Coal	mWh	-	-	-	-	-	-	-
	Wood	mWh	-	-	-	-	-	-	-
	Pellets	mWh	-	-	-	-	-	10	-
		mWh	166 577	163 880	167 276	177 139	177 803	166 257	100 %
	I otal energy consumption per 1000 blanks	kWh/1000	14,19	13,40	13,51	14,02	14,25	14,39	99%
		AVEL "	0.000	0.007	0.540	4 000	4.075	0.555	117.0
	Airtravel Short haul	#	2 981	3 837	3 548	4 023	4 075	2 557	117 %
	Airtravel Medium haul	#	4 848	3 692	3 865	4 198	3 540	2 840	1/1%
		# #	219	7 600	7 500	381	543	795	28 %
	AINTRAVEL IVIAL	ff ff	8 048	1 088	1 248	8 002	8 1 28	0 192	130 %

*Excluding converter in St. Petersburg and factory in Mönchengladbach"



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