



FOREWORD

Oy Fiblon Ab took an environmental perspective into its strategy back in the beginning of the 1990s. We have been working actively as a pioneer in developing solutions for sustainable development.

This has demanded that operations are in line with the strategy as well as systematic product development and adjustment of our product portfolio. We have utilized life cycle analysis throughout our operations. In order to meet the requirements of the future we have in many ways renewed our ways of working. This is not always easy but change is inevitable. We see a bright future ahead.

We have especially invested in avoiding unnecessary consumption of energy. The most important actions have been adopting adjustable automatic lighting and the optimization of energy efficiency of production machinery through the choice of machines and state of rest steering.

Particular attention has been paid to the mental and physical wellbeing of the work environment. An essential part of development has been the weekly communications throughout the whole organization in order to ensure continuous development. We invest significantly in

developing the personnel's competencies on all levels of the organization.

Our strong profitable growth continues sustainably together with customers, personnel and partners.

Pekka Ekberg



KEY PERFORMANCE INDICATORS	2009	2010	2011	2012
Revenues, 1000 € (EC1)	7 550	8 026	7 904	7 283
Operating costs, 1000 € (EC1)	4 469	4 305	4 302	3 907
Employee wages and benefits, 1000 € (EC1)	1 063	1 286	1 391	1 354
Payments to providers of capital, 1000 € (EC1)	794	877	1 021	1 082
Payments to government, 1000 € (EC1)	136	90	110	48
Community investments, 1000 € (EC1)	0	0	0	0
Coverage of defined benefit plan obligation (EC3) ¹	100% / not paid			
Significant financial assistance received from government, 1000 € (EC4)	0	109	0	371
Average length of employment, years	13	14	11,8	12,8
Average days of absence per employee (LA7)	6,7	8,0	13,7	7,8
Total number of injuries (LA7)	1	2	3	5
Total number of lost days (LA7)	0	10	27	4
Percentage of employees receiving regular performance and career development reviews, % (LA12)	100 %	100 %	100 %	100 %
Average hours of training per employee, total (LA10)	N/A	N/A	24	32
Office staff average	N/A	N/A	40	48
Manufacturing staff average	N/A	N/A	16	24
Total employees 31.12. (LA1 and LA2)	30	32	34	34
Female	16	18	17	18
Male	14	14	17	16
Permanent contract	29	32	33	32
Fixed term contract	1	0	1	2
Full-time	29	31	33	33
Part-time	1	1	1	1
New employee hires during reporting year (LA2)	0	2	5	2
Female	0	2	1	1
Male	0	0	4	1
Employees left during reporting year (LA2)	0	0	3	2
Female	0	0	2	0
Male	0	0	1	2
Total employee turnover, % (LA2)	0%	6%	24%	12%
Energy consumption, MWh	1 109	1 290	1 016	1 082
Direct energy consumption by primary energy source, TJ (EN3)	N/A	N/A	0,00033	0,00033
Indirect energy consumption by primary energy source, TJ (EN4)	N/A	N/A	3,66	3,90
Water consumption ² , m ³ (EN8)	478	491	410	353
Total direct and indirect GHG emissions, tCO ₂ (EN16) ³	312	339	108	98
Total weight of waste by type, 1000 kg (EN22)	245,66	202,34	229	204,02
Energy waste	90,80	74,16	81,62	70,72
Biodegradable waste	1,10	0,65	0,65	0,80
Landfill waste	6,20	2,40	1,4	2,1
Landfill waste, %	2,5	1,2	0,6	1,0
Paper and cardboard waste	143,36	120,61	142,03	129,5
Wood waste	1,70	3,32	3,3	0,9

1) Defined benefit plan obligation arranged through Varma Mutual Pension Insurance Company

2) Water source: municipal water supplier

3) Emissions for 2009 and 2010 were previously reported as 329 and 364 tonnes CO₂ respectively. The figures were updated in 2013 due to an error identified in the logistics data.

FIBLON IN BRIEF

Fiblon is a privately owned family-run company established in 1979. All company operations from production to management are located under the same roof in Pori, Finland. At the end of 2012, we employed 34 persons and achieved over 7 million EUR in revenues. Our clientele consists of both domestic and international customers. Geographically, our customers are located in Scandinavia and continental Europe, but our products can be found all over the world.

OUR PRODUCT PORTFOLIO



Tabletop products



Wiping products



Travel comfort items

OUR MARKETS AND CUSTOMERS

- Professional catering
- Travel markets
- Hotels
- Airlines
- Restaurants
- Railway companies
- Catering
- Ferry lines

Fiblon is licensed to use the Swan label for its tissue products. We also have the right to use the Key Flag for our products. Our operations apply the principles of ISO standards 22000 and 9001.



The Swan is the official Nordic eco-label, introduced by the Nordic Council of Ministers. The Swan label demonstrates that a product is a good environmental choice. The Key Flag, issued by the Association for Finnish Work, is a registered collective trademark that proves a product or service is Finnish-made.

CORPORATE RESPONSIBILITY IS ALL ABOUT CARING

Our business activities are based on the principles of corporate responsibility. We comply with all valid laws, rules and regulations as well as the principles associated with good governance. We fulfil our responsibility for sustainable development by taking into consideration the social, environmental and economic factors in our decision-making. We expect that our partners comply with and support our point of view on corporate responsibility issues.

In the past we had already reported to several customers on corporate responsibility issues, but since 2010 we shifted to a more comprehensive reporting system. This is now our second Corporate Responsibility Report that focuses on our progress made since the publishing of our first report in 2010. This report details how we have integrated corporate responsibility into our operations and provides concrete examples of our progress. We focus on our past achievements and future ambitions for each of our four key themes: Profitable Growth, Joy of Working, Satisfied customers and Respecting the Environment.

Our contact person in corporate responsibility issues at Fiblon is CEO Pekka Ekberg. The Board of Directors also plays a key part in developing our corporate responsibility strategy. The Board meets ten times a year and every decision is made taking corporate responsibility into consideration. In addition, Fiblon's management is actively participating in various forums such as the leading corporate responsibility network in Finland, Finnish Business & Society (FiBS), Finatex, Satakunta Chamber Of Commerce, The Finnish Family Firms Association, The Federation of Finnish Enterprises, The local Entrepreneurs' Association in Pori, Finnish Chamber of Commerce /Cauncil, Confederation Of Finnish Industries Trade Policy Committee, Foundation For Economic Education, High Technology Foundation Of Satakunta.

MISSION

Fiblon helps professional customers to profile their operations and increase their profit by manufacturing tabletop products, wiping products and travel comfort items combined with services. Profiling consolidates the customer's own way of operation.

VISION

Fiblon is on its way to the "Champions League" in 2015 as a forerunner by genuinely caring, transparently communicating and continuously developing. The customer is served with both products and services, that fulfil customer needs.

VALUES

All operations are expected to be in line with Fiblon values:



Profitable growth



Joy of working



Satisfied customers



Respecting the environment

PROFITABLE GROWTH

At Fiblon, we have continued our efforts to improve profitability according to our long-term plan. Profitable operations and growth are our financial foundation and enable us to make a positive contribution to society.

Significant improvements have been achieved due to, among others, increasing the level of automation in our production processes. This has simultaneously improved ergonomics and safety for our employees. Automation has also reduced our logistics costs as we can fit more of our products in one delivery. We have increased focus on

our most profitable products and developed more customised solutions. This has also had a positive environmental impact on our material selection: one material can now be used for a broader range of end products than before rationalising the selection and the associated logistical requirements.

Finally, we have begun implementing a very broad employee training programme. In addition to providing employees more development opportunities, training has increased our efficiency and therefore profitability.

Concrete example of our efforts: **IMPROVING MATERIAL EFFICIENCY**

Taking a more proactive approach to corporate responsibility led to the identification of many new improvement opportunities. One immediate improvement made was the development of a new napkin production line. It provided us a possibility to reduce our napkin size from 40 x 40 cm to 39 x 39 cm.

This adjustment has benefited us remarkably in terms of reducing raw material use and the amount of waste generated while maintaining the level of performance and value to customers. The adjusted measurements and packaging have reduced storage and delivery costs through optimized use of space on the delivery pallets. We learned by doing that small adjustments to product design can result in wide effects and positive outcomes for all our stakeholders!

Strategic objective 2011-2012

Improving profitability programme launched

Actions completed

- Increased level of automation
- More focus on profitable products and customisation
- Broad employee training programme launched

Measurable impacts

- Operating costs reduced 9% between 2010 and 2012
- Average of 32 hours training per employee in 2012

Strategic objective 2013-2014

Continue improvement, for example through:

- New storage facilities to optimise production
- Continuation of training programme to achieve 20 days training per person on average during 2013-2014

SATISFIED CUSTOMERS

Fiblon has a unique service model in the field – we focus closely on our customers’ business and continuously develop innovative product and service solutions. Nearly all of Fiblon’s products are tailored to the customer’s wishes. We research what our customers really need and create additional value with our products.

Utilizing the Fiblon Service Cycle we have improved the security of our deliveries by instating customer and product specific sales plans. Our unique approach involves the development and updating of these plans together with our customers in a structured manner. Our role in helping customers estimate changes in their sales volumes has become increasingly important and valuable in the face of a more uncertain and unpredictable economy.

The dedicated customer and product specific sales plans have also improved our communication with our customers as part of our previous objective to increase the role of customer care. Our ambition is to be a forerunner in



customer care: our Fiblon Future Concepts will be launched in early 2013 to support this.

In 2012 we published our Code of Conduct to provide a set of ground rules for our business. This has been the first step towards achieving a fair agreement with our customers. We will continue towards this objective by sharpening our customer strategy in the coming years.

Concrete example of our efforts: FIBLON FUTURE CONCEPTS

Fiblon’s solutions help our customers to increase their productivity. The new Fiblon Future Concepts takes one step further. Fiblon Future Concepts is introducing tools from anticipating customers’ future business to supporting the design process. Our Fiblon Future Concepts Team is tackling the future trends of our customers’ service environments in even more detail by utilising scenario work and anticipatory workshops. Fiblon Future Concepts gives our customers a head start in developing their services and strengthening their co-operation with us.

The Fiblon Future Concepts Team surveying the future consists of Vice President Anne Ekberg, Director of Business Development Eerik Korpunen and Product Manager Kati Aalto.

Strategic objective 2011-2012

Improving security of deliveries

Actions completed

- Customer and product specific sales plans
- New Customer Relationship Management (CRM) system
- Formalised process to communicate disruptions

Measurable impacts

- Security of deliveries 99% in 2012
- Timely communication of all disruptions

Strategic objective 2013-2014

No significant changes are planned, we expect to continue our approach of dedicated sales plans

Fair agreement

- Definition of ground rules
- Customer strategy development has begun

- Code of Conduct published and communicated

Sharpen our customer strategy by 2015

Stronger role of customer care plan

- Continuous communication with customers

- Improved with dedicated customer planning, positive feedback received

Launch of Fiblon Future Concepts

JOY OF WORKING

One characteristic of our operations is the spirit of collaboration. We want to create and sustain a motivating working environment, so that every employee can be proud of working at Fiblon. We fulfil our social responsibility by giving our employees challenging assignments in an international environment, supporting the continuous professional development of our employees and taking care of our employees' well-being with our extensive occupational health care system.

Since the beginning of 2012, the management system we developed involving Fiblon employees has been fully operational. Jointly agreed-upon targets formed the starting point for the development process. This has evolved into an interactive process we refer to as the *Fiblon Common Goal Process*.

This has been one of the most significant developments in Fiblon during the reporting period. The crux of the approach is to ensure that personnel have an opportunity to influence the operations of Fiblon, and to facilitate interactive cooperation between personnel and management. Sharing of best practices and demonstrating courage to do things differently are also important objectives of the approach.

Skills development is the number one focus area for the coming two years. Our broad training programme is the primary means to improving personnel's capabilities and know-how. The programme aims to motivate employees and it is based on their own development objectives identified through a skills mapping exercise.

Concrete example of our efforts: OUR COOPERATIVE APPROACH – DEVELOPMENT STORY

Fiblon has been an active player incorporating flexible working arrangements into practise for many years. These arrangements are covering our whole personnel including head office, sales, maintenance, logistics and production. We strive to offer similar possibilities for everyone to combine a good fit of working life together with different phases of employees' private life. The results have been beneficial for both parties.

An excellent example is our working arrangements within our production unit. Our production runs 24 hours a day in process-like-flow. It is necessary to have a certain occupation at each machine to run it effectively. Different requirements in private life (e.g. small children, day care) may result in difficulties to work within the agreed shift arrangement. We have designed our working shift arrangements to cover the 24-hour time scale ensuing smooth operations in production and a good work-life balance for our employees.

Strategic objective 2011-2012

Development and implementation of an interactive management system (Fiblon Common Goal Process)

Actions completed

- Fiblon Common Goal Process launched
- Sharing best practices among teams
- Definition of job descriptions and personal goals
- Development discussions held once a year

Measurable impacts

- Administration manager hired to coordinate the Fiblon Common Goal Process
- 70% of employees state that communication has improved as a result of the Fiblon Common Goal Process

Strategic objective 2013-2014

Continue to implement the Fiblon Common Goal Process. New strategic objective is skills development:
• Target to achieve 20 days training per person 2013-2014 on average

Balance between work and personal life

- Implemented flexible working time arrangements

- 100% of personnel work have flexible/remote working arrangements

No significant changes are planned

RESPECTING THE ENVIRONMENT

We acknowledge our responsibilities in environmental matters and we aim to work according to the principles of sustainable development. Fiblon's environmental mindset directs our products in every step of their life cycle. It starts from choosing the raw material suppliers and continues through to production, packing, transportation, end-use and recycling of the product. We aim to reduce the amount of waste we generate and the amount of energy we consume.

We have made small changes and new investments to decrease our environmental impact in both our manufacturing, R&D and administrative operations. In the past two years, we have managed to reduce

our carbon footprint significantly through, for example, switching 100% to renewable energy. Our overall energy consumption as well as our water use and the amount of waste we generated have decreased.

Over the next two years, we will continue to minimize our environmental impacts. Based on the updated carbon footprint calculations, the main source of our emissions is our product logistics accounting for over 75% of our total emissions. Further efforts will therefore be invested in improving the efficiency of our deliveries. Already our new warehouse extension has decreased transportation needs.

Concrete example of our efforts: **SMALL DEEDS MAKE A BIG STATEMENT**

Over the years, Fiblon has strived to decrease our environmental impacts. Many of these efforts may as such seem rather small adjustments to our operations, but we have realized that together they make a significant difference. Examples include:

We have, already several years ago, implemented electronic billing into our sales process for each customer that is prepared to receive them. We are now working to adopt the same procedure within our purchasing. This development is an integral part of our aim to decrease the amount of office paper consumed.

We have completely renewed the compressed air system within our premises. Energy efficiency has improved and we utilize the generated heat directly at our premises. We have stopped using lighting appliances that contains mercury. We have increased the energy efficiency of heating pumps.

We have built a new warehouse extension improving our internal material flow resulting in less transportation needed for the same volume of products.

Strategic objective 2011-2012

Actions completed

Measurable impacts

Strategic objective 2013-2014

Better control of yield

- Increased automation, development of product and packaging design, rationalisation of material selection

- Improved yield by 3% between 2011 – 2012, total level now at 95% (theoretical maximum around 98%)

Continue improvement, for example through:

- personnel training program
- machine improvement through own R&D

Consideration of environmental impacts in R&D

- Systematic development of product and material portfolio

- Material selection 8% smaller
- Reduced wastage by 3%

Continue systematic development of product and material portfolio

Continuous improvement in environmental matters

- Purchased energy 100 % wind energy generation
- Installation of motion detectors to control lighting
- New storage facilities for readymade products to improve logistics

- Carbon footprint - 71% between 2010 and 2012
- Energy use - 16% between 2010 and 2012
- Water use - 28% between 2010 and 2012
- Landfill waste decreased

Continue decreasing environmental impacts

fiblon

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REPORTING PRINCIPLES

The aim of this report is to describe Fiblon's past achievements and future ambitions in demonstrating our corporate responsibility in a comprehensive manner. The reporting period for this report is 2011-2012. As a basis for reporting, Fiblon has followed the international Global Reporting Initiative (GRI) G3 Guidelines on the contents and reporting principles. Based on Fiblon's own evaluation the report corresponds to GRI's application level C. This report will be updated every second year.