

WE ASSUME RESPONSIBILITY

THIMM SOCIAL RESPONSIBILITY

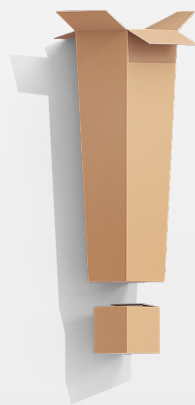
People



Ideas



Solutions



People, Ideas, Solutions.

”

The strategic concept of our corporate responsibility has, in the last two years, taken a tangible and specific shape. In the first Sustainability Report of THIMM Group, this progress is now measurable.

“

*Anke Peinemann
Head of Corporate Affairs
THIMM Gruppe*

Ladies and Gentlemen,

The mission of THIMM Group is to be long-term and future-oriented in our thought-processes and to conduct ourselves sustainably and responsibly. An issue here is the future survivability of our company in a consolidating market, which requires from us the right mix of continuity and reliability on the one hand, plus a willingness to change and flexibility on the other.

Even if packaging in itself is a simple product, the packaging market is complex and demanding. For example, through both high automation levels together with a large proportion of manual work, a diverse range of market and customer needs can be serviced and numerous packaging variations can be created which support the global flow of goods in different places. Anyone wanting to survive in this market requires an intelligent business model. Size alone says little here about the performance and innovation of any particular company. In our approach, comprehensive corporate social responsibility means offering innovative, resource-conserving and environmentally friendly products and services, to be environmentally aware in the design of our business processes and their sustainable orientation, but in addition to be an attractive employer and integrate ourselves as a member of the community at our company locations.

Since 2011 we have consolidated these complex issues under the concept of THIMM Social Responsibility (TSR). However, the idea of TSR is not new for us. For many years we have been pursuing objectives and projects which we are now bringing together and expanding under the TSR umbrella. Growth and internationalisation are our strategic cornerstones. The opening up of new markets and our continuous investments in our existing and new plants and state-of-the-art technologies are also crucial, as is the ongoing expansion of our products and services portfolio, the design of resource-conserving business processes as well as the spirit of partnership in our fair and respectful treatment of each other and our business partners. Our employees also play a central role here as it is our employees who through their ideas and commitment play their part in the continuous further development of all areas of our company.

One milestone in the implementation of our TSR strategy was the development and introduction of our Employee Code of Conduct at all our company locations. Today this Code of Conduct is a fixed part of our induction programmes for new employees. In addition, our business divisions have developed action plans designed to achieve the formulated TSR objectives which have been systematically revised over the last two years. In this process we have initially concentrated on our German locations. We have already achieved – and also learned – a great deal in this regard. But there is still a lot to do.

As a next step our task will be to more closely incorporate our locations outside Germany and integrate newly acquired plants in a targeted way into our TSR strategy implementation. In short, we are always looking to the future and setting new objectives – such as the introduction of additional useful management systems, the optimisation of our energy consumption and the constant expansion of our apprenticeship and training quality and quantity – and to work consistently towards their achievement.

To this end we are striving for a high level of transparency in our conduct and we want to promote awareness of sustainability issues in a dialogue with everyone who has an interest in our company. Alongside many other activities within our corporate communications function, this first Sustainability Report is an important step in this direction. For this report we have established group-wide figures which we aim to sustain regularly over the long term. Moving forward from this basis, we want to determine measurable sustainability objectives which will help us to implement the TSR strategy consistently over the next few years.

We must retain our sharp focus on market requirements and on the needs of our customers, employees and other stakeholders, but also on the associated processes and the environment. This is the only way that flexibility and change will become the drivers for what THIMM has represented for decades, namely a partner and employer that stands for continuity and reliability. In this way these two poles become the key to long-term success in a market with its constantly changing and more complex requirements and in which we feel very comfortable.



Jens Fokuhl
Chief Financial Officer THIMM Group

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Report profile

This is the first Sustainability Report from THIMM Group. Our objective as part of our comprehensive corporate responsibility is to inform the company's stakeholders such as our customers, employees, business partners and sustainability experts every two years about the sustainability performance of the company, to measure this tangibly and to establish reporting structures. Our website is the focus of our sustainability reporting and is where all the relevant information is collated.

Reporting period, content and scope

The 2013 Sustainability Report relates to the 2013 financial year which equates to the calendar year. So that we can present developments and trends, the figures reported also cover, as far as possible, the financial years 2011 and 2012. The report is based on Guideline G3.1 of the Global Reporting Initiative (GRI) and corresponds, in our estimation, to application level C. In order to determine the sustainability areas which are important for our report, in the first half of 2013 we carried out a materiality analysis with the involvement of relevant stakeholders. As part of this analysis, the important fields of action for our sustainability performance, namely Market, Environment & Processes and Employees were considered. The content and structure of the 2013 Sustainability Report is based on these three areas, to which the field of action Community has been added. More information about the fields of action defined can be found in the chapter Sustainability in THIMM Group.

Unless indicated otherwise, the information stated in this Sustainability Report refers to the entire THIMM Group, including both its locations in Germany and in other countries. Exceptions include the new locations

added during 2013, namely Bremen, Duisburg and Essen. Also excluded from the report is the Graz (Austria) location as THIMM Group has a 49 percent minority shareholding in THIMM ACE Packaging located there. Any deviations from these general reporting boundaries have been clarified at the relevant places. To facilitate readability, this report does not use gender-specific duplicate mentions. However, this does not represent any judgement on our part. All such mentions are to be understood as gender-neutral.

We hereby state that all forward-looking statements in this report are based on current assumptions. In the compilation of this report, THIMM Group has established group-wide figures, the aim of which as the next step, is the formulation of measurable sustainability objectives. These will form the basis for the content and structure of the sustainability strategy of THIMM Group over the next few years.

For any questions about the Sustainability Report, please contact:

Anke Peinemann –
Head of Corporate Affairs/Corporate Communications
 Telephone: +49 5551 703 414
 E-Mail: anke.peinemann@thimm.de



Company profile

The name THIMM embodies skills and expertise all around packaging. Since its foundation in 1949, employees from the international family business working in six innovation centres have been creating customised packaging, sales promotion display stands and decorations for prestigious customers from all sectors. About 100 packaging solutions are developed every day and systematically managed until they are production-ready.

In the last ten years the company has grown continuously. Revenues at THIMM Group have doubled in this period to today's EUR 456 million (as of 31 December 2013). These were generated at the Group's 16 locations in five countries - Germany, Austria, Czech Republic, Romania and Poland. At the end of 2013 we employed 2,466 people of whom 117 were apprentices in seven different professions in Germany.

The above-average growth is due to the strategic orientation of the company. Under the umbrella brand THIMM - THE HIGHPACK GROUP, the company offers the industry an innovative full packaging service from a single source. This covers consultancy on packaging management processes, the customised development and manufacture of corrugated cardboard packaging, multi-material packaging systems and displays through digital pre-press, the selection of suitable print procedures, pre-assembly and contract packaging services to sales-specific deliveries.

These products and services are structured in the following business divisions:

» **THIMM Verpackung**

Locations: Alzey, Castrop-Rauxel, Eberswalde, Northeim (Germany), Všetaty (Czech Republic), Sibiu (Romania) and Tychy (Poland)

» **THIMM SCHERTLER Verpackungssysteme**

Locations: Nordhausen, Neuburg a. d. Donau, Duisburg, Bremen (Germany), Chotětov (Czech Republic) and Graz (Austria)

» **THIMM Display**

Locations: Wörrstadt, Ludwigsburg and Essen (Germany)

» **THIMM Consulting**

Location: Northeim (Germany)

THIMM Group is therefore one of the most important providers of corrugated cardboard transportation and sales packaging, high-quality promotional displays, multi-material packaging and packaging-related services in the German and European markets. In addition to its core market in Germany, THIMM currently serves European markets in the Czech Republic, Poland, Romania, Hungary, Slovenia, Austria, Denmark, Netherlands, France, Belgium, Luxembourg, Switzerland, Italy, Spain, Portugal, the UK and Ireland. THIMM also supplies the fast growing market of India. The company's head office is located in Northeim (Lower Saxony, Germany) and employs around 440 people.

Sustainability in THIMM Group



THIMM Social Responsibility Strategy

THIMM Group is committed to the principle of comprehensive responsibility in all company divisions and in all aspects of value creation. Our central theme is our long-term thought-processes, with our sustainable actions making us a reliable partner.

THIMM is family business that is aware of its responsibilities and which aims to be the leader in selected segments of the European packaging industry. To merit this position we stand for innovation, flexibility, safety and growth. That means harnessing the creativity and drive of our employees in cooperation with our customers and partners to create packaging solutions and services optimised to deliver maximum benefits to our customers. Our corporate responsibility is based on the three pillars of economy, ecology and society. THIMM Group aligns itself to the conventions of the International Labour Organisation and to the common international guidelines such as the ten principles of the UN Global Compact.

For THIMM Group, TSR is the bringing together of our entrepreneurial past and our future. We assume responsibility by...

- » Offering innovative, environmentally friendly products and services that conserve resources and are economical in the long term (**field of action: Market**).
- » Environmentally conscious framing of business processes and sustainable orientation of our supply chain (**field of action: Environment & Processes**).
- » Being an attractive employer (**field of action: Employees**).
- » Being a respected member of the community (**field of action: Community**).

Our corporate actions are based on the THIMM Social Responsibility (TSR) strategy. This was developed and implemented in 2011 in order to secure the future survivability of the company and to systematically focus our actions on the challenges facing us such as limited resources, climate change and even demographic change. Our TSR strategy comprises our four fields of action of Market (economy), Environment & Processes (ecology), Employees and Community (society).

It is true that the idea of TSR is not all that new in the Group, since for many years we have been pursuing objectives and products which today are referred to under the umbrella term of "TSR". These include the opening up of new markets, continuous investments, resource conservation, new product solutions and the fair and respectful treatment of each other. Responsible and sustainable growth is our way of remaining an independent family business. These are accompanied by

an appropriate organisational development and clearly defined leadership principles. All this corresponds to our corporate philosophy that we have embodied for decades.

Our strategic sustainability objectives

In our individual fields of action we have defined the following sustainability objectives. We want to...

Field of action Market

- » Work together with customers and suppliers as partners
- » Legal compliance in economic management.
- » Ensure maximum quality requirements and product safety.
- » Promote innovative, sustainable product solutions.
- » Grow dynamically and generate profits for the long-term commercial success of the company.
- » Identify relevant opportunities and risks and to manage them.

Field of action Environment & Processes

- » Use environmentally friendly materials.
- » Make efficient use of resources (energy, water, raw materials, consumables and supplies).
- » Design environmentally friendly logistics processes.
- » Avoid, reduce or reuse emissions and waste.
- » Integrate environmental and social standards into procurement policies.
- » Drive forward the introduction of sensible management systems.

Field of action Employees

- » Embody the leadership values of appreciation, willingness to develop and performance-orientation.
- » Design a healthy environment to minimise safety risks.
- » Implement and further develop customised continuing and vocational training plans.

- » Promote diversity and equality of opportunity.
- » Promote a healthy life balance.
- » Offer challenging tasks and support employee-identification with the company.

Field of action Community

- » Promote our transparent involvement in donation and sponsorship activities based on uniform principles.
- » Cooperate consistently with regional interest groups and with national organisations and associations.
- » Support volunteer activities by our employees within the scope of our capabilities.

Sustainability organisation and control

The implementation of our TSR strategy is a long-term process. Therefore in 2011 we formulated an action plan for its implementation for the entire THIMM Group which specifies the strategy and breaks it down into individual business divisions and locations. This action plan has been systematically followed since then and has manifested differing degrees of fulfilment depending on the business division or location. The plans are assessed every two to three years, updated and enriched with new objectives. The focus of 2011-2013 was initially on the locations in Germany with the locations outside Germany to be gradually incorporated over the next few years.

Efficient sustainability management requires clear structures and the consistent incorporation of sustainability strategy into the company's organisation. We have therefore anchored TSR Management at the very top management level of THIMM Group and central leadership at Group level is incumbent on the Corporate Affairs department. This is where the strategy implementation is monitored and controlled and where responsibility for group-wide projects such as the introduction of the Employee Code of Conduct and the development of a Sustainability Report is initiated and

coordinated. Group-wide reporting with defined reporting routes is still being formulated. Sustainability reporting will in future form part of our integrated corporate communications. More information on TSR can also be found in our TSR Strategy Paper.

Stakeholder dialogue and materiality matrix

Anyone wishing to be credible, must seek out dialogue. In line with this motto we exchange knowledge with our customers, suppliers, employees, investors and relevant partners in our corporate environment. These stakeholders also extend to representatives from NGOs, science/research, the media, politics / public administration, neighbours and the population around our locations. The objective is to design this dialogue to be as transparent and open as possible in order to establish maximum trust and credibility for all stakeholders. Stakeholders with whom we make contact are selected based on their relevance to our business processes. We have accurate and in-depth knowledge of our corporate environment and we approach our dialogue partners in a very targeted manner. In return, we respond to external approaches and are always open to dialogue.

These exchanges occur through a range of communications channels. For example we conduct regular customer surveys. Within the framework of THIMM Academy, seminars and workshops discuss packaging issues, current developments, trends and future prospects. Selected representatives of our corporate group also participate in important congresses and other events both on the subject of sustainability and on other future trends and issues. Exchanges with our customers also take place in specialised working groups during which various aspects of sustainability are highlighted. Direct customer surveys also lead to

intensive exchanges. Moreover we are in close contact with our key suppliers with whom we also collaborate on joint innovation projects.

In 2011 and 2013 we also conducted a survey with around 140 selected external stakeholders, with the aim of identifying and evaluating relevant sustainability themes and to obtain an estimation of the sustainability performance of THIMM Group. The people surveyed belong to the following groups: customers, suppliers, politics / public administration, science / research, NGOs, business / industry associations and the capital market. The survey results from 2011 were also used to develop our TSR strategy. Within this framework a first materiality analysis was compiled which classifies by internal and external relevance various issues in accordance with the fields of action of Market, Environment & Processes, and Employees, such as anti-corruption, resource-conserving production processes, occupational health and safety etc. It was revised after the 2013 survey. The following materiality mix shows the different sustainability issues based on internal and external relevance. It created an important basis for the concept behind this Sustainability Report.

Sustainability communication

The external communications of sustainability performance are provided on the TSR website and in the Sustainability Report. We also inform the general public via our active media relations work. The customer magazine is also an important channel for reporting on current developments. Personal discussions, customer meetings and trade fairs are also used as means of communicating our comprehensive corporate responsibility.

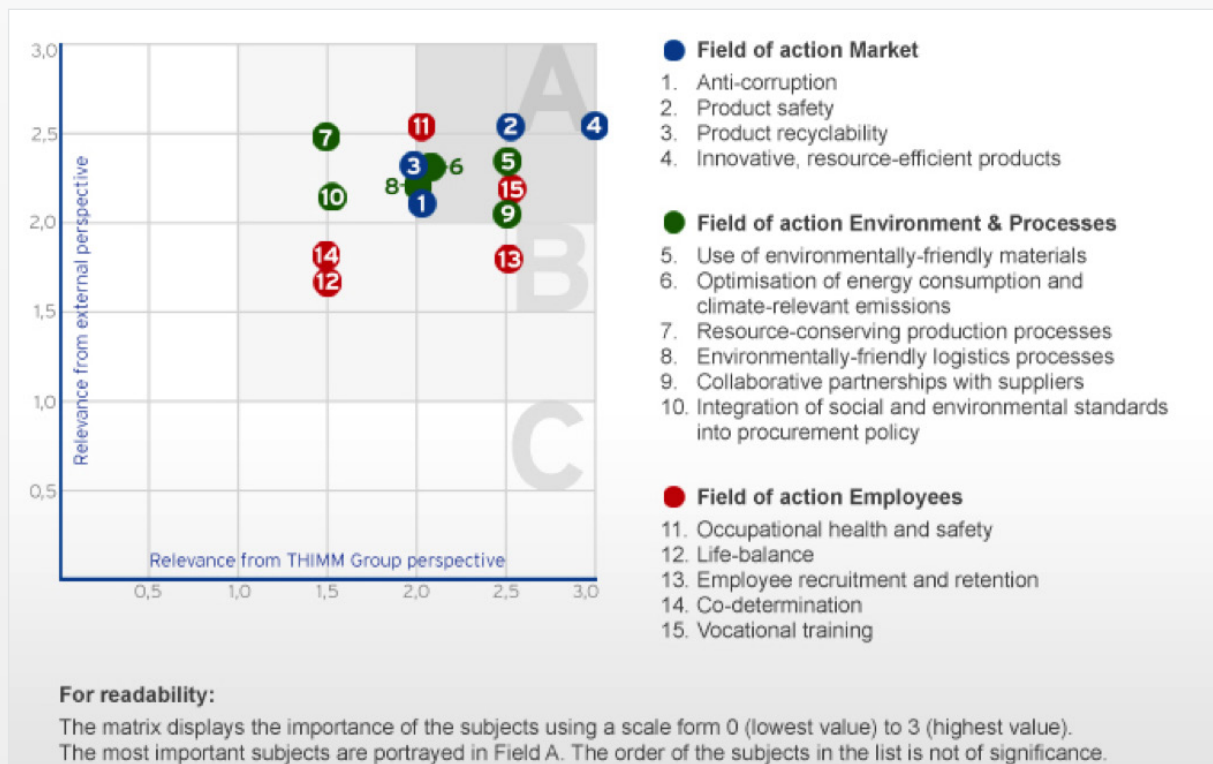
Internally we inform our employees via the employee magazine and the intranet. In 2013 we started to develop a system for intensifying dialogue with our employees. Entitled „TSR Days“ a targeted touring exhibition will visit all our locations both in Germany and elsewhere. This roadshow will provide opportunities for gathering information, for discussion and for interaction with the aim of bringing the issue of sustainability to life in tangible terms.

We already run standardised workshops as part of our training schemes and we have created modules for the induction of new employees as well as comprehensive training measures around the introduction of the Employee Code of Conduct. This assumes particular importance as it defines the Code of Conduct applicable to all employees. What applies to our employees, we

also demand from our suppliers. Therefore most of our partners already received the THIMM Group Supplier Code of Conduct.

Outlook

The creation of our first Sustainability Report will help us to define and implement figures and control parameters for the measurability of the TSR activities of the entire THIMM Group. As the next step, through the figures we have established, we will be able to complement our strategic objectives with measurable target figures, manage them better and substantiate them with results. A review of the action plans is planned for the fourth quarter of 2014 and at the same time our objectives for the next years will be formulated.





Economy: **Market**

Strategy and management approach

THIMM Group is an independent family business. This is not only reflected in the ownership structure – the company is now transitioning from the second to the third generation – but also in the corporate philosophy and strategy. THIMM Group has a long-term approach.

Through the continuous verification and adjustment of its strategy, the company has been able to grow dynamically in the 65 years since its foundation and generate adequate profits out of its own resources to make the necessary investments. We have achieved this through our consistent focus on our customer's requirements and a management structure that is as decentralised as possible. This is why THIMM Group is divided into four business divisions – THIMM Verpackung, THIMM SCHERTLER Verpackungssysteme, THIMM Display and THIMM Consulting – which are legally independent and each with their own management teams.

Regular strategy workshops are held in the business divisions. The underlying basis here is our desire to see a long-term expansion of the business through focused, profitable growth both in Germany and internationally. Our strategic objectives of growth and internationalisation also reflect this. For the purposes of operational control, the necessary investments are derived from the strategy, transferred into multi-year plans and verified annually. In every business division the management team specifies the objectives for the forthcoming year based on the multi-year plan. The objectives for both management and employees are aligned to this annual planning. The achievement of objectives is regularly determined and forms part of variable salary components.

When it comes to overriding issues, the management teams of all business divisions come together in strategy meetings, workshops and workgroups. Some main topics (principles of leadership, corporate communications, apprenticeship, THIMM Social Responsibility, raw materials procurement) are managed on a group-wide basis.

We observe the changing markets very closely. Regular customer surveys and market analyses provide us with an important basis in this regard. The key premise is to quickly identify opportunities and risks and to manage them actively. Only when we invest promptly, whilst at the same time optimising our production costs, we can grow profitably and maintain our competitiveness. This applies both to the opening up of new business fields and markets and to the renewal and expansion of capacities as well as to the further development of corporate processes.

Our customers' wishes are clear. They want innovative and environmentally friendly products and services that make efficient use of resources. In order to meet these requirements to the best of our ability and to always find the optimum packaging solution, each business division has its own product development department. We work together with our clients and suppliers as partners and create high-quality, customised and safe products. We also strive to be considerate in our handling of natural resources and to use energy efficiently.

Challenges, risks and opportunities

The European packaging market is currently in the middle of consolidation. Corrugated cardboard packaging is a well-known product. The production process, as regards its technical development, is virtually optimised to its very limits. More and more international providers are surging into local markets and aggravating competition. The consolidation of important

Our strategic sustainability objectives in the field of action Market:

- Work together with clients and suppliers as partners.
- Legal compliance in economic management.
- Ensure maximum quality requirements and product safety.
- Promote innovative, sustainable product solutions.
- Grow dynamically and generate profits for the long-term commercial success of the company.
- Identify relevant opportunities and risks and to manage them.

customers is also furthering this process. Nevertheless, there are still new approaches for product innovations and improvements in customer benefits.

Internationalisation and globalisation are also delivering further challenges and opportunities. In particular the requirement for nationwide customer support and supply as well as cross-border logistics concepts are creating many opportunities for THIMM. We sell our products in considerably more countries than even ten years ago and our production is becoming increasingly international in its orientation. Therefore we are concentrating on the growth markets in Central and Eastern Europe. We work closely with our German customers in these markets, supply them with packaging and grow together with them. This is how our commitment to international markets also creates and secures jobs in Germany.

Increasing challenges also arise from the growing individual demands and standards of our customers. For example, with the objective of reducing their inventory stocks, our customers expect the deliveries of our packaging solutions directly into ongoing production. This increases the requirements for delivery security and flexibility. Shorter product life cycles require intensive collaboration with customers, so that the associated falling batch sizes must be taken into consideration in business processes. The result of this change means that our customer service, our production and our logistics must be ever more flexible and customised. Geographic proximity to our customers is an important basis for our business in this regard. Through our locations close to our customers we can react more quickly, avoid long transportation journeys, optimise the use of raw materials and energy and reduce costs. Risks, which we are unable to influence, are the extreme fluctuations in world market prices for paper and recycled paper. This volatility requires a constant verification of our financial planning. As we

use a lot of paper, this expenditure takes up a substantial proportion of our total cost calculation, in particular in the packaging business division.

Against this backdrop, our developers are constantly creating new, resource-saving packaging solutions – and often in close collaboration with our customers. At the same time we want to ensure maximum quality and product safety.

The opening up of new markets, the development of new locations and of innovative products tie up a lot of capacity in the company. Therefore the associated costs must be considered in planning and assumed by the financial strength of existing business.

Long-term collaboration

Close collaboration with customers and suppliers is becoming more and more important. Long-term collaborations often result in crucial competitive advantages. For example, within the framework of a strategic cooperation with a paper producer, THIMM Verpackung has developed two paper types which, with improved technical values, replace fresh fibre papers with recycled papers. As a result the company has further increased its proportion of recycled paper used.

Another example of long-term, joint projects is the collaboration between THIMM SCHERTLER Verpackungssysteme, our customer Audi and a logistics company. In Duisburg Harbour the automotive manufacturer is operating its world's largest CKD centre (CKD = Completely Knocked Down), from where it exports the disassembled individual parts which are then reassembled into vehicles at the destination. We produce our customised transport packaging for Audi as part of an integrated concept for streamlining processes directly on-site in Duisburg. The finished, pre-assembled

containers are handed over “wall to wall” to the logistics company which then packs them directly with vehicle parts. This saves time, resources and money.

THIMM Academy

We also live and breathe our customer orientation in the THIMM Academy which we founded in 1999. Through this cross-sector platform for vocational training, and continuing education, and in conjunction with our partners from science and industry, we pass on the knowledge relevant for packaging. Our aim is to equip people, by dealing with the fundamentals and current trends, plus with industry-sector and customer specific issues, with the requisite skill-sets so that they can work successfully and continue to develop professionally.

In this process we exchange experiences with our customers and other large industrial consumers of packaging and then flow these findings into our new product development.

Our introductory seminars are now regularly used by a few of our customers for training new employees, in particular as regards packaging procurement and product management.

In the years 2000 to 2013 around 700 participants attended our events. Our range of seminars was expanded in 2013 and now covers even more subject areas.

Governance and compliance

Corporate Governance and Compliance are fixed dimensions in the management and control of THIMM Group. So that we are able to run and control our company independently and with legal compliance, we have an advisory board and a Group management function. In order to safeguard the dual-control (four-eyes) principle, at least two managing directors are always appointed per business division. Consistent planning and control structures apply across the Group. Each manager is responsible for a clearly defined area.

In order to specify rules for interaction within the company, we have also developed and introduced an Employee Code of Conduct which applies across all business divisions and countries where the company operates. It applies to all employees and lays out the basis for due and proper employee conduct. As a self-imposed commitment undertaken by all employees, it also comprises aspects such as anti-corruption, cartel and competition law and human rights. We respect the freedom of association of our employees and the right to collective bargaining. We also take a stand against child labour and forced labour. None of our business activities infringe human rights. Mutual appreciation is one of our central values when we are dealing with each other. As contact partners for our employees in all our locations in Germany and internationally we have appointed independent experts as ombudsmen. There were no recorded infringements of the Employee Code of Conduct in the reporting year.

We also require our suppliers to comply with these guidelines. To this end we have developed and communicated a corresponding Supplier Code of Conduct. Following the introduction of our Employee Code of Conduct in 2012, all THIMM Group employees without exception were trained in the issues covered in it.

Training in the specifics of these guidelines are an integrated part of the induction of new employees. The training ratio is therefore 100 percent. We are also planning for additional further training for our management, purchasers and field-sales employees on legal cartel issues.

In the report period we have not ascertained any incidents of corruption or any infringements of other statutory provisions. Accordingly there were no proceedings instigated or official demands for fine payments.

As part of the membership of THIMM Verpackung and THIMM Display in the SEDEX (Supplier Ethical Data Exchange) organisation, our social and ecological standards are also verified by external auditors. When we joined in 2008 we complied with requests from our customers' who have also committed themselves there in the same way. The corrective action plan from the auditors provided us with the basis for optimising our processes. Our first SMETA audit (Sedex Members Ethical Trade Audit) was carried out in 2012. The next audit is planned for 2015. THIMM is active in the same way in the EcoVadis environmental and ethics platform.

Our company also has clear rules for handling donations. These are anchored in our Guidelines on donations and sponsorship applicable across the Group. In essence we do not make charitable donations to private individuals or to politically-motivated institutions and only for activities which have a connection to our company locations. In addition, the use of the resources must be assigned to a specific benefit. At our locations in Germany we have replaced the previously usual customer gifts with Christmas charitable donations.

Product responsibility

We substantiate the group-wide responsibility for our packaging with our ISO 9001 quality management system which applies at all our locations in Germany and internationally. In addition, at THIMM Verpackung in Castrop-Rauxel and at the corrugated cardboard plant in Všetaty (Czech Republic), we ensure through our hygiene management in compliance with rules of the BRC/IoP Standard, that no avoidable contaminants are emitted either from our products or the production environment. All the other corrugated cardboard factories operate according to hygiene standards but are not yet certified.

Product developments and commendations

Our sustainable corporate principles play a big role in the development of customised packaging and services. This applies to all phases of the product development cycle – from the first discussion with the customer and the definition of the product development order, through the intensive exchanges between developers regarding the design and production to the use of the finished packaging solution.

In all the development areas at THIMM Group, we use computer-aided programs in the design and construction of our packaging solutions which are also equipped with optimisation tools for storage space calculations. When selecting the materials to be used, databases with technical values for needs-based uses are utilised. We examine and test all the desired requirements of the product, also in relation to its protective function, material efficiency and health aspects in our in-house laboratories and also through external testing institutions. Similarly the planned production method is subject to an efficiency test.

Many innovations are created due to our quest for constant product improvements and individual solutions. THIMM employs approximately 70 developers who deal every day with ideas and optimisations. For example, within the framework of our internal innovation management, THIMM Verpackung has established a system for typifying the degree of innovation identifiers.

We also participate group-wide in national and international developer and packaging competitions and regularly receive prestigious awards for our innovations. For example, THIMM Verpackung was awarded the German Packaging Prize 2013 and the Promotional Gift Award 2013 for "Flip Pack". By turning this innovative packaging it can be used as gift packaging or return packaging. THIMM "Carrycool", a cooling shopping box with an automatic lid, was awarded the iF packaging design award 2014. The THIMM "UP-Display" was also nominated for the same award. This promotional display consists of an integrated crosspiece system with easy partition locking.

In the Czech Republic our "THIMM Multipack I can" packaging, which we developed for two beer cans for the Budweiser Budvar brewery, was awarded the Obal roku Prize (packaging of the year) 2013 and the World Star Award for one of the best packaging solutions worldwide. "THIMM Multipack I can" was also recently awarded the Goldene Welle by the German Association of Corrugated Board Makers.

In 2013 THIMM SCHERTLER Verpackungssysteme also won the Czech "Packaging of the year" prize for its innovative sunroof transportation packaging.

Product safety

Safety plays a very important role in the development of our packaging and services. However, for us product safety does not only mean our quest to ensure that our packaging solutions are safe and harmless, it also represents a seamless presentation of the delivery process, recall management and the continuous compliance to all laws and standards. We are also mindful of the certification of our suppliers and their compliance with our Supplier Code of Conduct.

So that we are in a position to offer our customers safe products, we have introduced a range of control mechanisms. Our quality and product managers regularly review all statutory and market-related requirements and trends. We are also in close contact with associations such as the German Association of Corrugated Board Makers (Verband der Deutschen Wellpappen-Industrie, vdw) and we regularly follow vocational training courses at specialist institutes such as the Paper Technology Foundation (Papiertechnische Stiftung, PTS).

Product recyclability

THIMM Group views product recyclability as extremely important. Corrugated cardboard is a cycle product which is produced from renewable raw materials and consists largely of recycled papers. We purchase all our paper from renewable raw materials and prefer to use secondary fibres. Nearly 100 percent of our packaging produced in Germany can be recycled.

In cooperation with paper producers we have also developed two new paper types which improve resource efficiency and in part replace the fresh fibre papers previously used by us. In the production of our packaging we also pay attention to the environmental compatibility of the raw materials and mainly use water-soluble inks for instance.

The year 2013

In 2013 THIMM Group recorded a significantly more positive development than the market in general and increased its revenues, from EUR 431 million in the previous year, to EUR 456 million, corresponding to a growth of almost 6 percent.

The revenue growth was essentially generated from the business divisions THIMM Verpackung and THIMM Display. THIMM Verpackung increased revenue by 6.6 percent and THIMM Display by 15 percent. This includes the acquisition of a display plant in Essen on 1 September 2013. In the final quarter of the financial year THIMM SCHERTLER Verpackungssysteme started operations at two new production sites in Germany (Bremen, Duisburg).

Personnel costs increased proportionately to revenue to EUR 79.2 million (previous year: EUR 74.5 million). Operating costs increased disproportionately due to higher logistics costs to EUR 76.7 million (previous year: EUR 65.7 million). The operating result fell due to increasing raw materials prices to EUR 41.5 million (previous year: EUR 51.1 million). The company has therefore achieved its objective of a positive result despite the difficult market conditions.

THIMM Group investments in fixed assets in 2013 amounted to EUR 45.4 million (previous year: EUR 15.7 million). The main focal points here were the expansion of the corrugated cardboard factories in

Poland, Romania, Czech Republic and Germany, the expansion of the Display business division with the addition of the plant in Essen and the development of the new production sites in Duisburg and Bremen for packaging systems. In total over the last three years THIMM Group has invested EUR 90.3 million in company growth and in the next phases of the company's internationalisation. Between the start of the works in 2011 and the end of 2013, we received around EUR 1.7 million in state funding for the expansion of the Eberswalde plant. Since the project is not yet completed, the final figures are not yet available. We are assuming state funding of about EUR 4 million by the end of 2014.

Outlook

For 2014 we expect a positive development and revenue growth to over EUR 500 million. With a good flow of incoming orders the 2014 financial year has been positive for the THIMM Verpackung business division. THIMM SCHERTLER Verpackungssysteme recorded significant revenue increases in the 2014 financial year due to the commissioning of its two new locations. Against the backdrop of a continuing positive order situation, good capacity utilisation and activity levels are expected for 2014. THIMM Display has recorded above-average revenue growth in comparison to the previous year, a result due both to the acquired display plant and to the positive development of other market activities. During this year the use of synergies and the stabilisation and expansion of the international business is planned.

In 2014 THIMM Group is planning similar levels of investments to the previous year of approximately EUR 50 million. Part of this investment policy has been the acquisition of a corrugated cardboard factory in Unterschleißheim (Bavaria, Germany) by THIMM Verpackung on 1 February 2014. Our aim is to further expand our

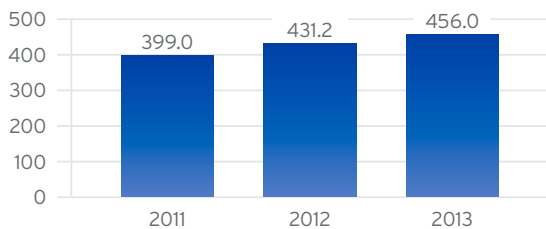


6%
revenue increase in
comparison to 2012

are planning solutions which are even more resource-conserving and environmentally friendly than previously.

With unchanged intensity the company will continue to commit to its compliance with all legislation and internal rules. As we are continuing to grow, we are hiring new employees both in Germany and in our international locations, or we are adopting them in the course of our acquisitions of other companies. We familiarise all our employees with the principles of our Code of Conduct and, depending on their area of work, we train them in specific questions. We train our management regularly in continuing education programmes and inform them about new laws and amendments to existing regulations. In 2014 training courses on cartel law are again planned.

THMM Group Total Revenue
(in EUR million)



market presence in southern Germany and to better serve the Bavarian market, primarily with more cost-effective logistics. Therefore, as the next step we are planning the construction of a next-generation corrugated cardboard factory in Pfaffenhofen which in the medium-term will replace the factory in Unterschleißheim. Construction should start over the next two years. Start of production is planned for 2016.

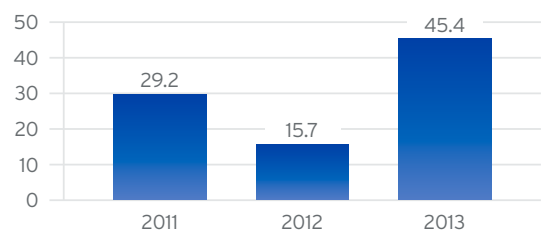
THMM Verpackung is strengthening its market position as an internationally operating packaging producer with its capacity increases in Germany together with the expansion of activities and production capacities in the growth markets of Poland and Romania.

This year the other business divisions will continue their increased focus on the integration of the new sites and all business divisions are working on the further market-aligned development of their products and services. As part of our innovation strategy we



EUR 45.4 million
investments in fixed assets

THMM Group Investments in Fixed Assets
(in EUR million)





Ecology:

Environment & Processes

Strategy and management approach

Our mission is to assume responsibility for the environment by designing our business processes to be environmentally friendly and energy-efficient. This also includes the sustainable orientation of our supply chain. To achieve these objectives we are working on the introduction of a consistent environmental management system for the whole company.

The efficient handling of resources such as energy, water, raw materials, auxiliaries and supply materials plus the use of environmentally friendly materials, is of high priority in THIMM Group. At the same time we are working continuously to reduce emissions and waste.

Analyses and improvements are not only limited to our own processes. We are in close contact with our customers and suppliers and want to integrate them in our quest for the optimisation of logistics processes and the compliance of environmental and social standards along the supply chain. For instance, due to the



91%

of the raw paper used at THIMM Verpackung were FSC® certified

85%

of the raw paper used at THIMM Verpackung were recycled papers



proximity of our locations to our customers, we avoid long transportation journeys. Through improved volume usage of loading units and intelligent route planning, we try to optimise HGV capacity. In our Supplier Code of Conduct we have defined our requirements for due and proper conduct. We expect that our business partners will also comply with these.

We ensure the efficient use of resources, in particular through packaging design and in raw materials processing. Due to the high volatility on the global paper market and the comparatively high proportion of paper in the company's overall costings, this area is of particular importance to THIMM. We are very aware of how we handle this valuable raw material and we advise our customers of potential savings in their packaging development. At the same time in the production of all our packaging and point-of-sale solutions, we are striving to reduce all our material offcuts and waste as far as possible. Waste generated during the production process is mainly fed into the recycling cycle.

Management systems support us in processing complex topics as a complete entity so that we achieve continuous improvements. An important basic requirement for our products is reliable quality. To meet this demand all our group-wide domestic and international locations are working with the quality management system ISO 9001.

THIMM Verpackung plays a leading role in the implementation and certification of various management systems. In this largest business division in our company group, we generally achieve the biggest performance improvement effects. To that extent, THIMM Verpackung often takes on a pioneering role in the Group. Therefore we have brought together all the methods and tools from the different specific areas as well as commonalities from different systems into one Integrated Management System (IMS) in order to exploit any synergies and avoid stand-alone solutions within this division.

Our strategic sustainability objectives in the field of action Environment & Processes:

- Use environmentally friendly materials.
- Make efficient use of resources (energy, water, raw materials, consumables and supplies).
- Design environmentally friendly logistics processes.
- Avoid, reduce or reuse emissions and waste.
- Integrate environmental and social standards into procurement policies.
- Drive forward the introduction of sensible management systems.

For example, all German locations of THIMM Verpackung have been ISO 50001 certified for their energy management, ISO 14001 certified for their environmental management and OHSAS 18001 certified for their occupational health and safety management. The two locations of Castrop-Rauxel and Všetaty (Czech Republic) are also certified for their hygiene management in compliance with the BRC / IoP-Standard. Our foreign subsidiaries in Sibiu (Romania) and Všetaty (Czech Republic) have the ISO 14001 environmental certification, too. In accordance with the requirements of this environmental management system, an environmental officer has been designated at every THIMM Verpackung location. This officer monitors compliance with the processes and provisions. He will also regularly collect and acquire data in order to monitor and optimise any developments.

THIMM Display and THIMM Verpackung including the print facility in Northeim and the corrugated cardboard plants in the Czech Republic and Poland are also certified according to the FSC® standard. For customers this means transparency in the paper supply chain through all processing stages plus the security that the paper types processed originate demonstrably from responsible forestry, or within the context of the recycling economy, meet the required criteria for recycled fibre papers.

In parallel to the various certified management systems, THIMM Verpackung works with the TPM (Total Productive Maintenance) management concept. The objective of this production philosophy is to sustainably improve production processes through early fault identification and avoidance, reducing down time and material wastage as a result. As a control measure all production machines are regularly subjected to a TPM audit and when considered overall, the implementation of this concept leads to employees having an increased sense of responsibility for their machines and to more material and plant efficiency.

To be in a position to control environmental performance, some THIMM Group locations already capture regular data. A comprehensive data system has been developed since the creation of this Sustainability Report. Future reports will continue to be compiled on the basis of this system. This will enable us to systematically manage our activities in our field of action of Environment & Processes.

Challenges, risks and opportunities

Paper as the main raw material for our production processes is the most critical success factor for our company group. Paper is traded on the world market, as are the raw materials used to produce it.

In particular the raw material of recycled paper is becoming scarcer on the world market due to increasing demand and is therefore becoming more expensive over the long-term. One of the main causes for this is the huge expansion of the paper industry in Asia. Due to the fact that the raw material of waste paper is traded worldwide, rising demand in Asia also directly influences price development in Europe. The paper industry, and notably the medium-sized producers, have recognised this and have invested in the development of lighter grammages – a trend which has developed from the market itself and as an answer to the global challenges. As a result of the continuous investments in state-of-the-art technologies over the last few years, all THIMM Verpackung locations have been able to implement these lighter papers in the corresponding corrugated cardboard types.

Therefore, it is not only the procurement market with its state-of-the-art paper machines that is available to us. We can also optimise paper usage through a stable production process in combination with our extremely modern corrugated cardboard plants and processing machines.

Printing on these types of lighter grammages is a challenge and more difficult than on average thickness papers. THIMM has the relevant printing technology and expertise. Therefore we are in a position to service the continuing trend for multi-coloured packaging in combination with light-weight papers.

Resource-conservation is becoming a key term in the context of sustainability. Footprints, recycling and paper certificates such as FSC® are now important qualification features in the sustainability strategy of many customers and also for our company. We are working consistently on the further development of our processes and products in order to safeguard the future survivability of THIMM Group.

Use of environmentally friendly materials and resource-conserving production

THIMM Group has for many years been utilising resources as efficiently as possible and developing new environmentally friendly packaging solutions. We commit, through our clearly defined objectives, to keep the environmental impact of our production as low as possible and to continuously reduce our water consumption and emissions.

One approach in this regard is the TPM management concept that THIMM Verpackung has been practising since 1999.

Raw materials and other materials used

We use various raw materials and other materials in the production of our packaging. All business divisions and locations process corrugated cardboard, inks and glue. THIMM Verpackung and THIMM Display also have paper finishing processes. At THIMM Verpackung paper rolls are processed into corrugated cardboard and partially printed in an upstream production phase; at THIMM Display sheets of paper are printed, glued with corrugated cardboard or board and then processed into display components. THIMM SCHERTLER Verpackungssysteme and THIMM Display also process other materials. At THIMM SCHERTLER Verpackungssysteme wood and cushioning foams complement the range of raw materials used. At THIMM Display small amounts of plastic and metals enhance the production of displays in the form of fixtures for perfume bottles or sunglasses.

We advise our customers in their selection of appropriate raw materials and the combination of materials. The final decision as to which materials are to be used is based on the requirements that the packaging or decoration have to meet. For example, in the case of heavy goods which often have to be shipped by sea, cushion foams next to corrugated cardboard offer ideal transport protection and have become a specific export requirement for the automotive industry. These are also recyclable. They can be partially substituted by alternative packaging materials. The same applies to the replacement of common wood packaging with container solutions made of heavy-duty solid cardboard. The latter not only reduces transportation costs but also offers better product protection through a higher cushioning effect.

Paper

Paper is the central raw material for the business division THIMM Verpackung which uses it to produce corrugated cardboard sheets and then in a further processing step, corrugated cardboard packaging. For our other business divisions paper has a subordinate role and here corrugated cardboard sheets are purchased and processed.

Last year THIMM Verpackung used almost 300,000 tonnes of raw paper. The increase over the previous year is due to the expansion of our business. 91 percent of the papers used in 2013 were FSC®-certified; 85 percent of the papers processed were recycled paper-based corrugated cardboard raw paper.

THIMM Verpackung has been certified since 2012 according to the international FSC® standard. For customers this means transparency in the paper supply chain through all processing stages plus the security that the paper types processed originate demonstrably

from responsible forestry, or within the context of the recycling economy, meet the required criteria for recycled fibre papers.

The ECO-seal from the German Association of Corrugated Board Makers (Verband der deutschen Wellpappen-Industrie, vdw) further underscores the environmental compatibility of corrugated cardboard packaging. Corrugated cardboard, in the perspective of consumers, is demonstrably a packaging material which is produced from environmentally friendly materials and in ecologically harmless processes, since the recyclable product of corrugated cardboard is produced from renewable raw materials and today consists largely of recycled paper.

However, the quality seal not only evaluates good environmental practices in the product chain of the upstream and downstream production phases, but also the minimal use of paper and packaging materials in packaging design itself.

THIMM Verpackung Paper Use¹⁾

		2011	2012	2013
THIMM Verpackung total raw paper use	(in t)	278,241	277,448	294,963
FSC®-certified paper ²⁾	(in %)	77%	92%	91%
	(in t)	213,357	254,031	267,673
Recycled paper-based corrugated cardboard raw paper	(in %)	86%	85%	85%
	(in t)	239,201	236,534	251,428

¹⁾ 2011 and 2012: Without Sibiu (Romania). Raw paper has only been processed there since December 2013.

²⁾ Procurement including controlled wood at THIMM Verpackung in Germany.

Inks, varnish and glue

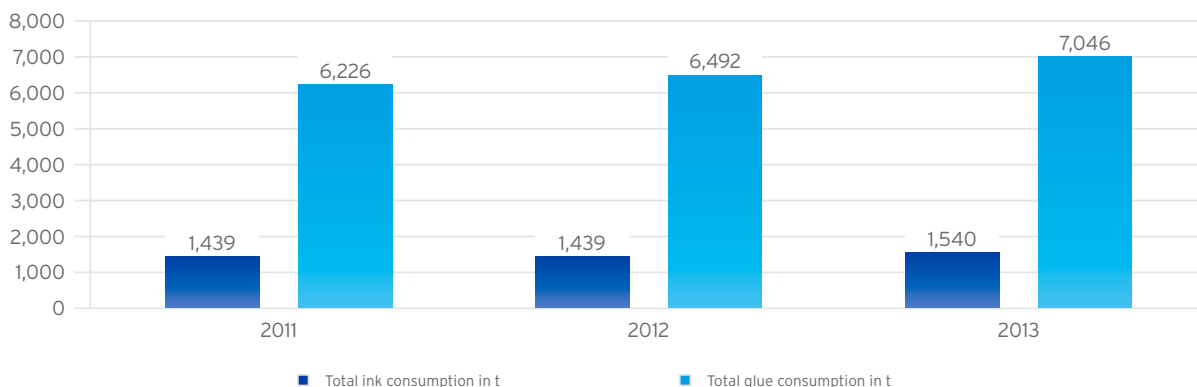
In 2013 THIMM Group used around 1,500 tonnes of ink and varnish which corresponds to an increase of 7 percent in comparison to the previous year. This is due to the continuous expansion of our business and the increasing demand for multi-coloured printed packaging. Consumption fell in relation to revenue. Our growth also caused an increase in glue consumption which in the last financial year amounted to more than 7,000 tonnes.

99 percent of the inks and varnish used group-wide in 2013 were processed in the THIMM Verpackung business division. This ratio is also reflected in glue consumption, in which THIMM Verpackung was also in first place with a proportion of 94 percent. 99 percent of the inks and varnish used group-wide in 2013 were processed in the THIMM Verpackung business division. This ratio is also reflected in glue consumption, in which THIMM Verpackung was also in first place with a proportion of 94 percent.

Apart from a few exceptions, THIMM Verpackung uses water-based inks and varnishes in all its corrugated cardboard plants and in the central print facility in Northeim. The central print facility also has an intelligent residual ink management system which feeds back over 50 percent of all non-used inks into the production cycle. We plan to further increase this proportion over the next few years.

Our new processing machines in the sites also have inking systems with lower ink volumes which reduce the amount of ink which remains on the printer roller after the production process.

THIMM Group Ink and Glue Consumption (in t)¹⁾



¹⁾ Ink consumption also includes varnish.

Water consumption

THIMM needs water in all its business divisions. In 2013 water consumption was about 135,000 m³ in comparison to 127,000 m³ the previous year. Most is consumed by printing and corrugated cardboard machines and sanitary facilities. Overall in the packaging division we produced considerably more corrugated cardboard than in the previous year. At the end of the year we also started production of corrugated cardboard at the Sibiu plant (Romania). Several construction activities at various locations have also required water.

Our objective is to minimise water consumption at all our locations. This applies equally to production and administration.

THIMM Verpackung has equipped the printing works at the central print facility with automatic printing plate washing systems, saving water as a result. The state-of-the-art technologies installed in the new

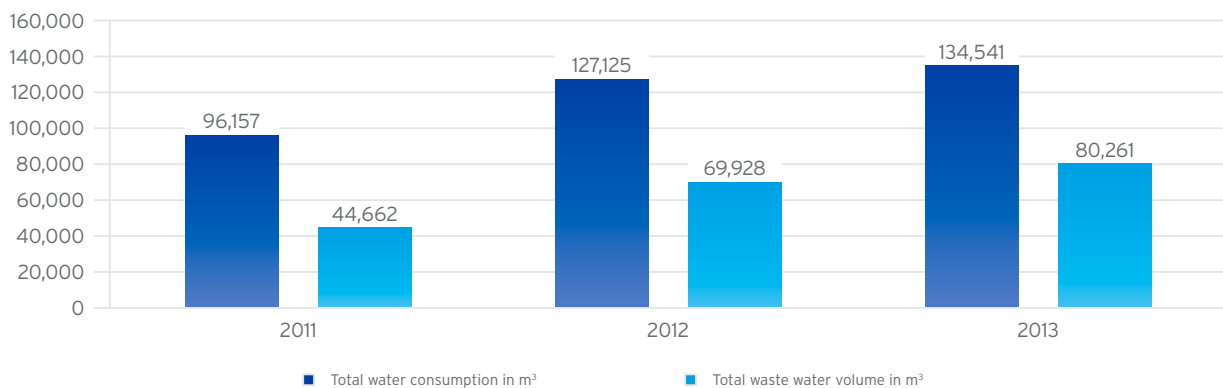
corrugated cardboard plants in Eberswalde and Tychy (Poland) will lead to a proportionately lower water consumption for steam generation in the production process.

The use of water-save buttons and motion detectors on wash-hand basins and toilets in our sanitary facilities have had a positive effect group-wide. Further savings in the sanitary facility area are on the agenda of all our business divisions.

Waste water

Through its use of water our company also produces waste water at all our production locations. Last year this amounted to 80,000 m³. Here again this rise in relation to 2012 is due to our growth.

THIMM Group Water Consumption and Waste Water Volume (in m³)¹⁾



¹⁾ Water consumption and waste water values at the Nordhausen location have only been collated since 2013.

We carefully clean the water impured in our print processes and then return it to the public waste water cycle. The same applies to the production process in the corrugated cardboard plants. THIMM Verpackung is planning in future to re-feed the process-water back into the production process and use it in the glue production. Relevant tests in this regard are currently being conducted.

In autumn 2010 in Všetaty (Czech Republic) we installed a company-owned industrial waste water plant which cleans the water and then feeds it back into the public waste water cycle. This plant has rendered the previously required waste water transportation through the outskirts of the plant superfluous. It also reduces our CO₂-emissions.

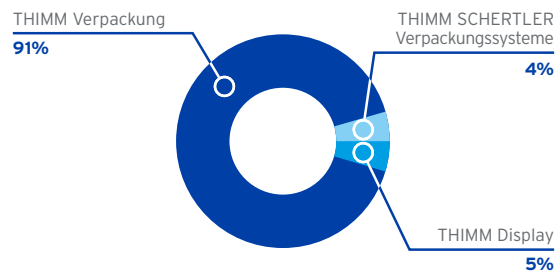
In 2000 at the Castrop-Rauxel location THIMM Verpackung commissioned an infiltration system for rainwater. It feeds the rainwater from the roof of the plant to a leaching area in the plant grounds. This eases the burden on the public drainage system and helps build up ground water volumes. The Emscher Genossenschaft Lippe Verband awarded this active water protection system with the "Watermark" award. THIMM Verpackung transferred this successful concept to its Alzey plant in 2013. At THIMM Display at the Wörrstadt location, surface water is also fed into infiltration ponds in the plant grounds.

Waste/handling hazardous substances

Last year our company generated almost 62,000 tonnes of waste. The 16 percent rise over the previous year can be explained through the rise in production and the various building projects at our different locations.

THIMM Verpackung generated the highest proportion, namely 55,200 tonnes. About 55,000 tonnes, therefore about 99 percent, are to be classified as "non-hazardous waste". This mainly consists of recyclable materials such as paper and wood. Only 141 tonnes are considered to be hazardous substances such as acids, lyes or used oil. We treat and dispose of these in an environmentally friendly manner.

THIMM Group Waste Generation 2013
by Business Divisions (in %)



THIMM Verpackung Waste Categories (in t)

	2011	2012	2013
Non-hazardous waste	43,755	47,551	55,042
<i>of which potential recyclable materials</i>	43,080	46,930	54,348
Hazardous waste	224	119	141

Hazardous substances occur in production especially as a result of maintenance and repairs to machinery and equipment.

The management at THIMM Verpackung has introduced processes to monitor the due and proper handling of these materials, for employee protection and for disposal in accordance with the "Procedural Instruction for Hazardous Substances". This is based on current German and European legal provisions. THIMM Display disposes of hazardous substances such as used oils, varnish residues, film developers, fluorescent tubes and oil filters via an external engineering practice specialising in company environmental protection. At THIMM SCHERTLER Verpackungssysteme no hazardous substances are created and all production waste is disposed of through certified companies.

Our objective is to reduce the waste volume of the whole Group. One example of this can be seen at THIMM SCHERTLER Verpackungssysteme at the locations of Neuburg a. d. Donau and Bremen, where fully-automated foam waste presses – one for white and one for coloured foam residues – compress the large-volume production waste. This has led to an improvement in our internal company processes and the investment has enabled us in particular to reduce our transportation volumes, saving costs and decreasing CO₂-emissions.

Production processes and technologies used

Over the last few years we have continuously modernised our production technologies. New corrugators in the corrugated cardboard plants in Castrop-Rauxel, Alzey, Northeim, Eberswalde and Tychy (Poland) alongside investments in the further processing area, inner-company logistics and automation, in conjunction with the expansion into new buildings and the optimisation of processes, have led to a capacity increase and to significantly higher efficiency in the production process.

This modern equipment also conceals improved consumption values. With the expansion of the locations in Castrop-Rauxel, Alzey and Eberswalde the raw paper provisioning of the corrugated cardboard plants was redesigned. This paper is now supplied directly from the paper store, therefore almost "through the wall" which has enabled the forklift truck traffic inside the plant to be reduced considerably. A new steam and condensate system has been integrated at the Czech location of Všetaty.

THIMM SCHERTLER Verpackungssysteme has improved its goods-flow organisation at the Nordhausen location. A realignment of material flows and a modified layout of the machines has led to inner-company transportation being optimised. Furthermore with the development of a new location in Duisburg Harbour, we have implemented our strategy of accompanying our customers geographically in their growth plans.

We supply automotive manufacturer Audi locally with packaging for exporting vehicles. Our proximity to our customer has simplified our capacity planning and reduced delivery times and routes. Also with the new plant in Bremen we are focusing on shorter transportation routes and more flexibility in our processes. Whereas containers are mainly assembled in Duisburg, in Bremen we mainly process cushion foams for

multi-material packaging solutions. In future we will be able to provide a local source of supply of these products to the North German market, which up to now has been supplied exclusively from the company's Bavarian site in Neuburg. As the two sites in Bremen and Neuburg will have approximately the same equipment, our order processing management can be improved still further and our capacities can be planned much more efficiently. All these measures result in resources being saved due to lower HGV transportation expenditure.

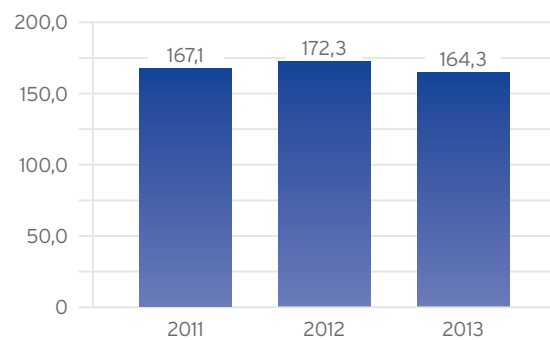
THIMM Display is using a new glue-frothing process which reduces glue usage in the laminating plant by up to 40 percent. The PSO certification, in accordance with ISO 12647, also has a positive effect in the print sector. PSO certification is testament to a higher level of safety and transparency from data acceptance through to the final print run. A new laminating machine and a die-cutter including a depaneling machine reduce process times. A new compressed air control system reduced energy consumption 17.5 percent between 2007 to 2011.

Energy efficiency

Energy is one of the most important factors for our production. We want to handle this scarce and expensive asset extremely sparingly whilst minimising pollutant emissions - without endangering the security of supply for our customers.

Within THIMM Group, the energy management of THIMM Verpackung Germany has the highest level of maturity. It was introduced in 2012. The ISO 50001 certification of the energy management is testament to our continuous improvement efforts.

Gesamtenergieverbrauch bei THIMM Verpackung
(in MWh pro produzierte 1 Mio. m²)



Energy requirement

In 2013 group-wide production and administration used around 125,000 MWh of energy. Although we grew and expanded our production, our requirement only increased marginally over the whole year.

Last year THIMM Verpackung modernised the heating systems in some offices and staff buildings, further modernised the machinery and equipment and partially exchanged gas-operated steam boilers and lighting. These measures have had an effect. In 2013 energy consumption per 1 million m² of corrugated cardboard produced fell from around 167.1 MWh in 2011 to 164.3 MWh in 2013.

By 2018 THIMM Verpackung aims to reduce its energy consumption by at least 10 percent in relation to 2013. The following measures should contribute to this:

Optimisation and expansion of the energy management system

- » Consistent implementation of the results of audits and management reviews
- » Inclusion of all employees in order to develop the system into a living management system
- » Full exploitation of all potential energy savings

Renewal of machinery equipment and plant technology

- » Use in electrical drives with frequency converters or replacement with energy-saving motors
- » Operation of compressed air systems (reduce pressure ratings, avoid leakage losses, adapt power output)

Use of an energy monitoring system

- » Transparent visualisation of energy consumption
- » Assignment of energy consumption to instigators and cost centres
- » Determination of concealed energy consumers
- » Creation of needs forecasts
- » Short-term intervention option (with inadmissible increasing energy consumption)
- » Access control and logging of load profile readings

Utilisation of renewable energy sources and use of waste heat from production

- » It is planned to test and implement the options from the use of renewable energy sources such as heat pumps, combined heat and power stations (BHKW) and solar systems.
- » We also want to reclaim waste heat created during production as usable energy.

In the current year THIMM Display aims to introduce the energy management system, too and will then work towards gaining ISO 50001 certification.

Energy-efficient buildings

We also want to reduce our energy consumption through energy efficient buildings. Therefore we focus on state-of-the-art building standards. Our administration building in Northeim for instance is heated with the waste heat from the corrugated cardboard plant.

The new office building in Eberswalde has a heat pump in order to reuse waste heat. In Sibiu in Romania we use the waste heat from the steam boiler to heat the production hall and for warm water preparation.

The heating of the rented building of THIMM SCHERTLER Verpackungssysteme in Nordhausen is fed via a pump using geothermal energy. Up to external temperatures of zero degrees Celsius, the building is heated without the use of gas, electricity or coal. The heating system in Duisburg production site has been designed so that only the work areas and not the entire hall are heated.

Solar modules have been installed on the roofs of the rented production building at THIMM Display business division in Wörrstadt. They supply 8 to 10 percent of the energy required. The new laminating hall commissioned in 2013 was also built according to energy-efficient factors.

In future all new buildings will be planned and built with more consideration of energy-efficient criteria. THIMM SCHERTLER Verpackungssysteme plans to remove the radiant heaters from the production hall in Nordhausen and use the heat from the waste plant. More efficient and effective lighting is also planned.

THIMM Display in Wörrstadt is equipping the die-cutting and glueing hall with a new heat exchange ventilation system.

Logistics

We are pursuing our objective of achieving a sustainable supply chain. This means that we are also redesigning our logistics processes to be environmentally friendly and are gradually integrating environmental and social standards into our purchasing policies. We prefer to contract logistics service providers who adapt their management systems to international standards.

Transport flows and transportation resources

THIMM Group processes 96 percent of all transportation journeys by HGV. At THIMM Verpackung this equates to more than 98 percent of all deliveries. The remainder is spread between rail and shipping. THIMM

SCHERTLER Verpackungssysteme only uses road transportation. At THIMM Display 2 percent respectively of all transportation is by ship or air.

The packaging and display divisions mainly purchase their raw paper, starch-based adhesives and loading units from Germany and other regional markets. In addition, primary fibre papers and fresh fibre cardboard is mainly delivered from Scandinavia. THIMM SCHERTLER Verpackungssysteme obtains its pallets from the Czech Republic, glues from Switzerland and cushion foams from Italy, Poland and Belgium.

We deliver most of our products, particularly in the packaging business division, within an area of about 300 km directly to our customers or consignment

THIMM Group Energy Consumption (in MWh)

	2011	2012	2013
Total energy consumption ^{1) 2)}	114,876	119,131	125,021
Direct energy consumption	62,791	68,367	70,223
<i>Natural gas consumption</i>	62,058	67,666	69,144
<i>Heating oil consumption</i>	8	17	17
<i>Coal consumption</i>	725	684	1,062
Indirect energy consumption ³⁾	51,890	50,547	54,223
<i>Electricity consumption</i>	35,604	36,835	39,057

¹⁾ Direct and indirect energy consumption do not add up to the total energy consumption since for the Sibiu (Romania) location only the total energy consumption could be stated with no distinction between direct and indirect energy consumption.

²⁾ Estimated values 2013 only for Ludwigsburg.

³⁾ The difference between electricity consumption and indirect energy consumption is due to the data from the Tychy (Poland) location which does not produce steam on-site but purchases it from a provider.

warehouses (warehouses of suppliers or service providers). We mainly sell our finished products from THIMM SCHERTLER Verpackungssysteme and THIMM Display in Germany and Europe, and only worldwide in a few cases.

THIMM Verpackung uses a capacity management software application for its route planning. When selecting the transportation service provider, the decision is based on price and also on compliance with environmental standards. The logistics service providers of our largest business division only use Euro 5 Standard compliant HGVs. We are working towards only using vehicles which comply with the Euro 6 Standard.

Optimisation of transport routes and capacity utilisation

In principle, through our locations close to our customers we want to design our transport routings to be as short as possible. For this reason, in October 2011 THIMM Verpackung acquired a majority stake in a corrugated cardboard plant in Tychy (Poland). The location is ideal for integration into the existing production network from both a geographical and technical perspective. As from 2014 a corrugated cardboard plant in Unterschleißheim was added to the business division. Other examples of the expansion of our geographical coverage in the reporting year are the new locations of THIMM SCHERTLER Verpackungssysteme in Bremen and Duisburg as well as THIMM Display in Essen.

Degree of Fulfilment of the Supplier Code of Conduct by Business Divisions

	Procurement volume in EUR mill.	Proportion of suppliers by procurement values who have		
		accepted the Code of Conduct*	not yet signed the Code of Conduct	not yet been informed about the Code of Conduct
THIMM Verpackung	194.5	92%	1%	7%
THIMM SCHERTLER Verpackungssysteme	74.8	82%	16%	2%
THIMM Display	19.7	85%	9%	6%
THIMM Group	289.0	89%	5%	6%

¹⁾ Most suppliers have accepted the THIMM Supplier Code of Conduct without limitations. Some suppliers have stated limitations or not signed the Code of Conduct as they have their own Code of Conduct. These suppliers are also included here.

Adding to our geographic network is part of our growth strategy and gives our customers more flexibility and also greater security of supply.

In THIMM Group in our procurement function we ensure that we do not order half-full HGVs, but make maximum possible utilisation of the total transport volume available. To this end we are also further improving our planning processes so that our products are ready at the scheduled time for loading and that no loading space is wasted.

Sustainability in the supply chain

We also require our suppliers and service providers to implement sustainability in their companies and to meet social and ecological standards. All suppliers undergo an internal THIMM evaluation. Depending on the classification we then conduct regular audits and keep in constant contact with the respective suppliers. The type and scope of the inspection depend on the impact of the delivered product on the safety of the employees, the environment and the production process. The assessments are held in databases.

Supplier Code of Conduct

In order to fulfil our responsibility as a contracting entity, in 2012 THIMM Group formulated and adopted a Supplier Code of Conduct. In 2013 we systematically moved forward with the introduction of the Supplier Code of Conduct. The majority of our most important suppliers have already signed it. At the closure date of the reporting year, the degree of fulfilment was about 89 percent of purchasing volume, which means that the respective suppliers have accepted the code in full or with restrictions or have their own equivalent document. Measured by purchasing volume, only around 6 percent of our suppliers still do not know

about the Code of Conduct. They are being written to gradually. We have not yet imposed the sanctions stated in the Code.

Supplier selection and evaluation

In THIMM Group the business divisions work closely together with quality management in the selection and evaluation of suppliers. At our German locations once a year we develop joint plans for auditing our suppliers. We plan to also introduce this approach in the foreign subsidiaries.

Outlook

For the ongoing year we have set objectives with a sense of proportion and are working continuously to increase our resource efficiency. Management is planning investments in a range of projects.

Our employees support this commitment. They also suggest process improvements. In order to fully exploit this potential, THIMM Verpackung and THIMM SCHERTLER Verpackungssysteme have introduced a system, initially in their respective German locations, to collect ideas for the continuous improvement in the company.

In 2014 for the Wörrstadt location THIMM Display is planning to introduce the ISO 14001 and ISO 50001 environmental and energy management systems and then undergo certification.



Society:

Employees

Strategy and management approach

Our employees are the guarantor for satisfied customers and the long-term success of the company. The figures of the last few years prove that we have been able to successfully implement our strategic objectives of growth and internationalisation.

THIMM has not only grown continuously from a revenue perspective. Growth at THIMM Group in 2013 was also reflected in the significant increase in employee numbers. As of 31 December 2013 the company had a total of 2,466 employees¹ (2012: 2,195) across its sites in Germany and in other countries. 157 new jobs have been created in Germany. 50 percent of these were due to the acquisition of the display plant in Essen (78 employees). The other half, plus a further 114 jobs, are attributable to our production sites in other countries and to organic growth.

Personnel management is a function that is decentralised to the individual business divisions which through their independent personnel departments, manage

and control the hiring and mentoring of our employees and management executives. Responsibility for the respective personnel strategy is also incumbent on the personnel managers in the individual companies. They report to the management board of the respective business division. This group meets regularly to exchange possible group-wide personnel issues and to discuss current and future subjects.

Two areas are managed centrally, namely leadership development and training strategy. Management development is the responsibility of Group management board which is supported by the personnel function in THIMM Verpackung. Responsibility for a group-wide vocational training strategy is incumbent on the

Corporate Affairs department which reports into Group management board. In the exchanges with the personnel of the respective business divisions, qualitative and quantitative objectives are defined, fundamentals for requirements-specific cornerstones for the vocational training programme are developed, knowledge exchange is encouraged and the further training measures for the instructors are instigated.

Corporate culture and employer brand

In accordance with our management philosophy, we embody the values of willingness to develop, performance-orientation and appreciation. Management's objective is to encourage each employee individually based on need and to organise efficient teams.

In order to embody responsible mutual interactions, at the end of 2011 we formulated a Code of Conduct which reflects the corporate culture that we have advocated for 65 years. The Code supports our efforts to treat people fairly and respectfully in everyday

business life and to duly conduct ourselves accordingly. In a first step management were made familiar with the principles enshrined in the code, the content was discussed, questions answered and the foundation was created for its gradual introduction. This was then followed in the individual departments and business divisions by presentation and discussion rounds with management and their employees. Since spring 2013 all employees have been acquainted with the Code of Conduct and since then it has been a fixed part of induction programmes for new employees. More information is available in the chapter Market.

In order to clearly position the company as an employer, in 2013 we developed an employer brand. This is based on our corporate brand, the leadership values, our sustainability strategy and the Code of Conduct. The objective of the employer brand is to create an even stronger identification of our employees with the company and in parallel to also acquire new employees who are attracted to the company through our values and performance profile.

Our strategic sustainability objectives in the field of action Employees:

- Embody the leadership values of appreciation, willingness to develop and performance-orientation.
- Design a healthy environment to minimise safety risks.
- Implement and further develop customised continuing and vocational training plans.
- Promote diversity and equality of opportunity.
- Promote a healthy life balance.
- Offer challenging tasks and support employee-identification with the company.

The various cornerstones of our personnel work fill the employer brand with life. Challenging tasks and customised personnel development programmes with great emphasis on further and vocational training, form part of this as does occupational health and safety, the design of a health-promotion working environment, equality of opportunity, work/family life balance, occupational pension provision and appropriate systems of pay.

Our mission is to be amongst the pioneers in the sector through the use of enhanced-value services and intelligent, high-quality products. Each employee contributes his share, since the innovative packaging solutions from THIMM Group as well as the continuous development of our internal processes have been created from the ideas of our employees and their willingness to always accept new challenges.

Challenges, risks and opportunities

So that we can continue our growth in the future, we are devoting a great deal of our attention to the demographic change and the skills shortage in our society. This development is noticeable everywhere and means also that our employees collectively are getting older. In many industrialised nations, particularly in Germany, skilled resources are rare. Therefore it is worth the effort to establish a long-term personnel policy which meets the demands of age-appropriate working. We must also train young talent and secure new employees with packaging expertise. We can only fill some specialist positions from our own ranks which is why apprenticeship, internal qualifications and continued training are assuming a key role in this regard.

Employee recruitment, retention and qualification is also of vital importance at our locations in the Czech Republic, Romania and Poland in order to ensure we have the personnel we need and to continue to increase the packaging expertise of our skilled resources.

The 2,466 employee numbers mentioned refer to full-time equivalents. All other employee numbers presented in the text below are headcount figures or are based on headcount figures (unless specified otherwise.) All the new locations added in 2013 (Bremen, Duisburg, Essen) are not included in the figures. This also applies to the Chotětov (Czech Republic) location and marginally employed workers at the Wörrstadt location. New locations are incorporated into and reflected in the key data figure reporting in the year after their start-up or acquisition.

Employee recruitment and retention

To continue our growth we need committed and qualified employees. To find them and to keep them is one of our biggest challenges. The development of the employer brand is an important step in the identification of appropriate personnel marketing measures and in the further development of our personnel programme of increasing our attractiveness as an employer. A motivating management style, a good working atmosphere, modern workspaces and good working conditions are of equal importance to remuneration levels that are commensurate with requirements, performance, the market and job security.

Employee satisfaction

Our objective of reinforcing employee retention is also demonstrated in the design of our working conditions. At a level of 92 percent, the overwhelming majority of our employees were employed by us on permanent contracts in 2013. In the previous year the level was 91 percent.

The average job tenure of our employees over the last three years has remained constant at about 10 years. The employee survey carried out in 2012 at THIMM Verpackung, THIMM SCHERTLER Verpackungssysteme, THIMM Display and THIMM Consulting delivered pleasing results yet at the same time it is an incentive. Our employees' expectations of us as an employer were met "fully and completely" and "to a large extent" by between 77 and 81 percent of employees. From the employees' perspective, THIMM stands for job security, collegiality/teamwork, customer orientation, residence proximity, growth and change. When aligning their personal expectations to their employer in general and to THIMM in particular, our employees consider the aspects of personal responsibility and flexible working hours in their professional daily life as well as attractive products, market success and company image as particularly well fulfilled and indicate that they are very satisfied with these. The main areas where our employees saw potential for improvement were remuneration and communications. All the points mentioned have provided us with important and good starting points to enable us to continue to work on our attractiveness as an employer. We document the results of this work also in this report.

Our personnel policy at the Czech location of Všetaty was acknowledged both in 2012 and 2013 with the "Best Employer in Central Bohemia" award. The corrugated cardboard plant had participated in the "Sodexo - Employer of the year" competition.

Diversity and fairness

People at THIMM operate within the reliable culture of our family business. Our values make us an employer that appreciates, promotes and values the individuality, personality and wealth of ideas of its employees. We enable every individual employee to assume responsibility within the context of his specific role.

We also support our employees in finding their work / life balance and offer specific solutions for every age group, ranging from vocational training to retirement. We do not tolerate discrimination due to origin, gender, age, disability, religion or sexual orientation at any of our locations. Accordingly this is also specified in our Employee Code of Conduct. We experience diversity and fairness as an opportunity and a success-factor.

Our employees originate from 26 different countries. 3 percent of our employees are disabled.

In 2013 the gender distribution is as follows: THIMM encourages mixed-age teams in all locations because they achieve better work results than teams which consist of only young people or exclusively of older employees. The demographic change requires specific endeavours and efforts on our part, in order to inspire young employees in particular for our sector. Currently 49 percent of our employees are aged 40 years or older.

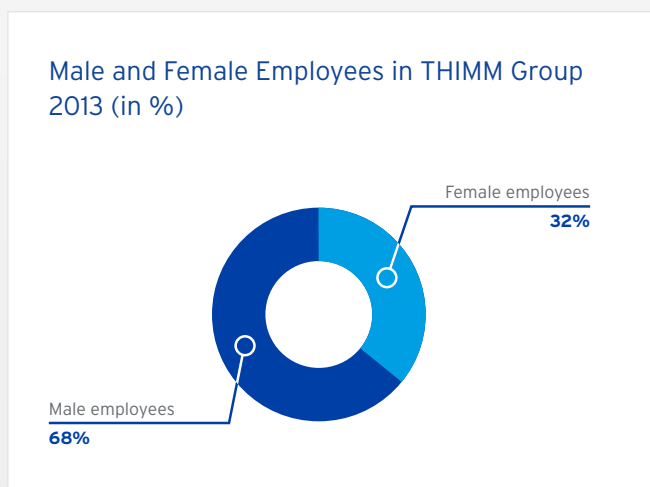
THIMM is also striving to achieve a balanced and performance-related age and gender structure in its management teams. We want to retain older employees and increase the proportion of women. Currently the proportion of female managers fluctuates from location to location. Group-wide in 2013 it was around 16 percent; it was around 14 percent in 2011.

Employees who feel they have been subject to discrimination due to their origin, gender, age, disability, religion or sexual orientation can turn to their superior, the personnel department, works councils or external ombudsmen.

Professional Training

One of our most important social tasks is the vocational training of young people. The company has been training people since the 1960s and in this period has instigated and monitored the development of the professional profile of packaging mechanic.

In the reporting year in Germany 108 apprentices (2012: 107) were being trained in the seven job profiles: packaging technologist, print media technologist, electronics technician for operating technology, media designer, industrial mechatronic, IT specialist systems integration and industrial clerks as well as students in B. A. Business Administration dual study courses. Measured by those jobs which require a completed vocational qualification, the apprenticeship ratio in 2013 was also constant at 9.8 percent.



We strive to hire all apprentices when they have passed their examination. Last year the hire ratio was between 80 and 90 percent.

In our locations outside Germany there are still no vocational training schemes like there are in Germany. This is mainly due to the fact that in the Czech Republic and Poland classroom-based vocational training schemes are common. Since 2012 Romania has been working on a vocational training system based on the German model.

We are monitoring this development with great interest. As soon as the vocational training system in the various countries permits and our locations there define the relevant needs, we will examine possible collaborations with schools and the offer of work placements and introduce them based on need.

Further Training

Irrespective of any initial vocational training, THIMM Group also invests in the continuous further training of its employees. Last year the average number of training hours expended per employee rose to 15.1 hours in comparison to 14.8 hours in 2012. Total expenditure of almost EUR 840,000 rose by 12 percent.¹⁾

In addition, in 2011 THIMM Verpackung initiated a comprehensive further training scheme at our location in the Czech Republic with financial support from the European Union. For two years we trained our employees there in information technology, foreign languages and hygiene management.

For employees with management potential, THIMM Group developed an appropriate management training scheme. The objective is intensively prepare these employees within three years for their future roles. The training focuses on employee management, project management and exchange of experiences with superiors.

The key elements of the management responsibility are the leadership values of appreciation, a results-oriented approach and a willingness to develop. These should be internalised and embodied by all managers. To achieve this regular group-wide management training sessions are held.

Our managers are expected to deploy each employee based on his individual skills and encourage them based on need. Development potential is established through regular feedback and development meetings.

Remuneration and occupational pension provision

Standardised principles apply to our policy on remuneration. Our remuneration is based on the job requirements, performance and market conditions, whilst also considering legal, local and if in place collective wage agreements. At locations without collective bargaining coverage in place, our employees receive the wages and salaries which are specified in company wage agreement or in other agreements. Depending on the business division, employees may receive additional benefits which may differ, but which still comply with the principles of our overriding remuneration policy. In manual work areas which do not require any vocational training, we comply in principle to the minimum wage threshold which we in part extend through additional benefits. When granting company benefits we treat full-time and part-time employees, as well as employees on permanent or temporary employment contracts, equally.

Within the framework of its occupational pension provision, THIMM pays subsidies to its employees. The type and level of subsidization is based on the provisions in force in the individual countries concerned. Only in Romania is this not yet the case due to Romanian rules on such provision.

Employee participation

THIMM Group considers the opinions of its employees to be very important and therefore involves them in corporate decision-making. In all our locations, both in Germany and internationally, we work closely together with our employee representative bodies. In the individual business divisions, there is also a central works council in addition to the local works councils. The Group Works Council takes care of higher-level Group issues.

We also invite our employee representatives to formal and informal meetings such as departmental meetings, monthly and weekly meetings or to the daily production meetings.

The management also draw important findings for the further development of the company from employee surveys.

Life/balance

We want to keep our employees with us for as long as possible and therefore we work with them in their life planning. We promote flexible working and make flexi-time and part-time working possible. Whenever the business model so permits our industrial employees who are parents of small children are exempted from shift rotas and only assigned to early shifts which means they can be there for their children in the afternoons. In some business divisions it is also possible to work from home. In 2013, 95 percent of all THIMM Group employees worked full-time. 5 percent took advantage of our part-time offers.

Since mid-2014 THIMM Verpackung has offered two other opportunities for creating a positive life/balance: a Sabbatical model with a one to three month leave of absence with adjusted remuneration and a selective working time model. The latter offers the adjustment

¹⁾ THIMM SCHERTLER Verpackungssysteme is not included in the training hours numbers.

of the life-long working hours by a temporary reduction of up to 20 percent and a right of return to the previous working hours.

Ideas management

In line with the fundamental thought-processes behind our employer brand, we take the ideas of our employees very seriously. Many of their ideas have led to improvements in our internal processes.

THIMM Verpackung has therefore created the “Ideas for the Continuous Improvement Process in the Company” project. This involvement and contribution of everyone is designed to improve internal company process, further increase environmental protection and occupational safety and intensify collaboration in and between all areas. A Continuous Improvement Process has also been established at THIMM SCHERTLER Verpackungssysteme for many years. THIMM Display is also planning to introduce an ideas management system in the medium term.

Occupational health and safety and health promotion

Occupational health safety and health promotion are also important elements of our personnel work. It is our objective to promote the safety and well-being of our employees.

Occupational health and safety

At THIMM Verpackung the issue of occupational health and safety, health management and the TPM (Total Productive Maintenance) production philosophy is established at the plants. This business division has been OHSAS 18001:2007 certified since 2012 and this also applies to all the German plants. The OHSAS 18001

Standard for Occupational Health and Safety requires that all corrugated cardboard plants undergo an external audit every year. The non-certified locations outside Germany carry out internal safety audits every twelve months. THIMM Verpackung regularly trains all employees by its own specialists and managers to ensure they know and can comply with the safety rules. In order to increase protection, trip hazards and similar sources of accidents are systematically identified and removed.

THIMM SCHERTLER Verpackungssysteme and THIMM Display also train their employees but manage this process through external occupational safety engineers. At THIMM SCHERTLER Verpackungssysteme the external expert trains employees in occupational health and safety and fire protection and supports the plant management with on-site inspections and consultancy services on special topics and questions. At THIMM Display in addition to the external occupational safety engineer, five trained safety officers and a hazardous substance officer ensure the implementation and control of the different measures.

The works safety committees meet every three months and the external occupational safety engineers also attend these meetings. The most important subjects discussed are accident prevention and minimisation of safety risks. In 2011 28 accidents per 1,000 employees occurred. In 2013 the number fell to 23.

Health promotion

We consider it to be our responsibility to design a health-promoting working environment. Therefore we ensure, for example, that working areas are well lit and that any ergonomic requirements are complied with. We have also given our employees the opportunity to clean their hands at numerous disinfectant points in our company buildings.

Company doctors in our German locations provide a range of medical check-ups such as sight tests at pre-defined appointment times. At some locations flu jabs are also provided. THIMM Display conducts regular Health Days during which employees can learn more health issues. They also benefit from special pricing and conditions at local fitness studios which THIMM Display has agreed on a cooperative basis.

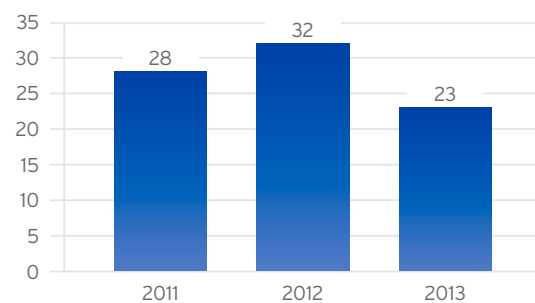
THIMM Verpackung has already established a systematic health management system. The objective is to raise our employees' awareness of how to look after their own health. A central element of this are the regular Health Days. Various seminars and courses round off the portfolio. Every employee receives suggestions and can select health-promoting measures if required. THIMM Verpackung also offers its employees special pricing and conditions at local fitness studios on a cooperative basis. Management and team leaders are trained specifically in "Management and Health".

Outlook

We continue to develop the personnel strategy of our business divisions based on our growth and internationalisation strategy. In this process the specific circumstances of the individual business models with their locations need to be taken into consideration and joint management approaches for daily business challenges need to be defined.

In Germany one of the most important tasks in this regard is to integrate our new locations of Bremen, Duisburg, Essen and Unterschleißheim along with their employees into the corporate group. This is taking place step by step by means of cross-location subject-specific working groups and training courses for new management colleagues on our management philosophy.

Number of Notifiable Work-Related and Commuting Accidents per 1,000 Employees¹⁾



¹⁾ Reference value for calculation: Full-Time Equivalent employees.

We will expand our group-wide vocational and continuing training offers and orient them even more closely to the needs of our employees. In this year we plan to rework the existing management training scheme and introduce a two-year programme for senior managers.

A further leadership module is also being planned to establish peer coaching, where small groups of managers at the same hierarchical level but from different business divisions will regularly exchange ideas and experiences of management issues and advise and support each other.

We also want to further develop our health management over the next few years and expand it to all our business divisions.



Society:

Community

Strategy and management approach

Social commitment for THIMM Group is an integral part of its self-image and an important element of its corporate social responsibility.

We work together with associations, organisations and initiatives. We also contribute targeted financial resources through our donations and sponsorship activities. We also cooperate with educational and training institutions and promote voluntary commitments on the part of our employees.

As a respected member of the community we combine specific objectives with our activities in these areas. We want to work together continuously with local community representatives and with national professional associations. We would also like to support the diverse voluntary commitments of our employees within the scope of our capabilities. We want to deliver our donation and sponsorship actions in a transparent manner and in compliance with uniform principles. These are anchored in our Guidelines on Donations and Sponsorship applicable across the Group. THIMM Group devel-

oped the guidelines during 2010 in consultation with all business divisions and they were communicated in October 2010.

We do not manage our social commitment centrally. In principle each business division decides independently on the scope and formulation of individual measures. Generally the respective management board, and sometimes also with the plant manager, take the decisions regarding donations and sponsorship activities. Memberships of professional associations and the assumption of honorary posts are decided by the management board of the respective business divisions and sometimes this occurs in close consultation with their specialist departments. The supervisors get also involved in decisions relating to voluntary commitments of their employees.

The corporate affairs department coordinates the development of the Guidelines for Donations and Sponsorship activities across the entire group and answers any queries that arise at the German locations in this regard. It reports in detail about our respective contributions on our donations page. This department is also responsible for implementing the donations for our company head office in Northeim and supports the corrugated cardboard plants in processing financial donations. It is also the driver behind our annual group-wide Christmas charitable donations.

THIMM Verpackung plays the largest part in our social commitment. As the largest business division in our corporate group, this division has most of the resources and the biggest budget at its disposal.

Involvement in associations, organisations and initiatives

THIMM Group, represented by its respective business divisions, takes an active role in regional and national subject-specific associations, organisations and initiatives. The business divisions permit the employees involved to take time off work for these activities.

One example of our national commitment is our active involvement in the German Association of Corrugated Board Makers (Verband der deutschen Wellpappen-Industrie, vdw). Our largest business division, THIMM Verpackung, not only supports the sector through the association but also contributes to the development of the entire corrugated cardboard industry. Our employees are involved in the managerial and technical committees of the association. Since mid-2010 we have been the chair of the technical committee which deals with questions, trends and future topics related to further technical developments in this industry sector.

THIMM Verpackung is also actively involved in associations in other countries and since 2010 has been the chair of the Czech Corrugated Board Association (Svaz výrobců vlnitých lepenek, SVVL).

Apart from the above, the different THIMM business divisions are involved in many other professional associations and organisations. The table below provides a full overview of this.

Donations and sponsorship

Through its donations and sponsorship activities, THIMM Group supports charitable purposes, science, art and culture primarily in our locations, where we support numerous projects with a regional focus. However, we do not only make money available. Often on request we also donate materials such as paper and corrugated cardboard, thereby supporting the pedagogical work of pre-schools, schools and similar institutions.

Our preference is to make donations to charitable institutions and local projects which are solely financed by donations. Our contributions are used by hospices, women's shelters, food pantries and shelters for the homeless to support people in need. In conjunction with educational and cultural projects we thereby increase the quality of life in the respective regions. Every year about 2,000 people benefit from our donations. In the last financial year donations at THIMM Group amounted to approximately EUR 110,700.

Strict and transparent group-wide rules apply to the approval of donations. These are specified in our Guidelines on Donations and Sponsorship. We check them on a regular basis and adapt as required.

	THIMM THE HIGHPACK GROUP	THIMM Verpackung	THIMMSCHERTLER Verpackungssysteme	THIMM Consulting
Bundesverband Materialwirtschaft, Einkauf und Logistik (BME)				●
Europäisches Handelsinstitut (EHI)		●		●
Fachverband Schaumkunststoffe und Polyurethane (FSK)			●	
Flexodruck Fachverband (DFTA)		●		
Kompetenznetzwerk der Solarbranche in Thüringen, SolarInput			●	
Rationalisierungs- und Innovationszentrum der Deutschen Wirtschaft (RKW)	●			●
Standardisierungsorganisation GS1				●
Tschechischer Wellpappenverband Svaz výrobců vlnitých lepenek (SVVL)		●		
Verband der Automobilindustrie (VdA)			●	
Verband der deutschen Wellpappenindustrie (vdw)		●		
Verband Deutscher Ingenieure (VDI)				●
Verein zur Förderung innovativer Verfahren in der Logistik (VVL)				●
Zentrum für Nachhaltige Unternehmensführung (ZNU)		●		

THIMM approves no donations to politicians, parties and political organisations. We do not consider sports clubs, individuals, profit-oriented organisations and companies, whose objectives do not correspond to our corporate philosophy.

Donations within any current year are granted by THIMM Group management board in consultation with the corporate affairs department. Management, corporate affairs and the management teams from business divisions decide jointly on Christmas charitable

donations. THIMM Verpackung also involves the plant managers at the locations in the decision. As regards employee projects, group management and corporate affairs make a pre-selection and present these to the works council.

We continuously document all donation and sponsorship activities as part of our corporate communications on our donations website. As of now this will also appear in the Sustainability Report.

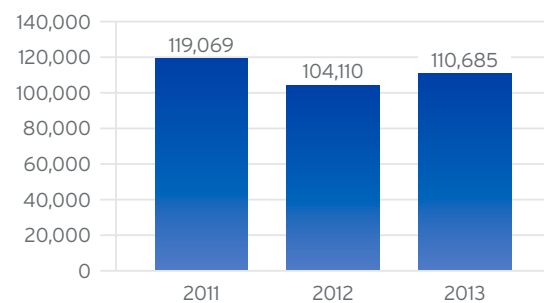
Donation amounts and example projects

THIMM Group defines a donation amount depending on the economic situation. Part of this amount is allocated to an Employee Special Fund. Our corporate head office in Northeim is the focus of our donation and sponsorship activities.

Our Christmas charitable donations are one fixed element of donation planning in the Group. In our German locations these replace the traditional customer gifts. We ensure that every year other projects and institutions are included. Long-term relationships have developed from our Christmas donation schemes which if required we also support during the year with donations.

For instance THIMM Verpackung supports the “Hospice am Drachenkopf” in Eberswalde, where people suffering from incurable illnesses are taken in and cared for with loving devotion. The International Teaching Farm in Hardegsen (Lower Saxony) receives sponsorship from THIMM Verpackung. This UNESCO institution enables children and young people experience the raw material cycle of wood through practical examples and reinforce their understanding of the environment. This long-term collaboration also originated from a Christmas donation. At our Všetaty location in the Czech Republic, THIMM Verpackung financed the construction of a bypass which has eased the density of HGV traffic through the village and improved the quality life for the residents there. This also enabled us to design more efficient logistics processes. In addition to this, our largest business division in the Czech Republic also supports local institutions with donations.

THIMM Group Donation Expenditure (In EUR)¹⁾



¹⁾ The donation expenditure refers to monetary donations. Material donations are not included.

THIMM SCHERTLER Verpackungssysteme makes donations, amongst others, to the Nordhausen Food Pantry which collects flawless quality food and distributes this to socially and economically disadvantaged people. THIMM Display supports the Bärenherz Foundation in Wiesbaden. The children’s hospice provides a range of caring and welfare relief services for families with critically-ill children.

For personal volunteer commitments every THIMM employee can once in three years apply for donating from our according Special Fund. The financial resources of the fund can be increased through tombolas and other internal activities. All projects are examined and must meet the same criteria as our donation and sponsorship recipients.

Educational collaboration

THIMM Verpackung collaborates with schools and universities. For example, THIMM Group's biggest business division works closely together with teachers and pupils from Northeim Gymnasium Corvinianum. A few THIMM Verpackung employees lecture at Leipzig University of Applied Sciences, Hannover University of Applied Sciences and Art and Stuttgart Media University. THIMM Verpackung also collaborates with the Lower Saxony Metal Foundation which initiates community projects with schools, universities and companies whose focus is the MINT subjects (Mathematics, Information Technology, Natural Sciences and Technology & Engineering).

To link theory and practice, THIMM Verpackung supports project work undertaken by individual school year groups from a range of schools. We also help train young people in how to make job applications.

THIMM Verpackung is also committed to young people without any current professional prospects. In conjunction with the Economy and Schools Educational Initiative (Bildungsinitiative Wirtschaft und Schule NOM e. V. BI-NOM) we focus our efforts on helping young people qualify for a vocational training course. We collaborate in the board of the association.

Employee volunteer commitments

THIMM Group also supports the volunteer commitments of its employees outside of the company. Provided that business operations so permit, we design working hours to be flexible and enable committed employees to be involved in the fire service, the Technische Hilfswerk (German Agency for Technical Relief) or to perform jury service.

Some employees work on a voluntary basis in specialist areas as examiners or as chairs of examination boards, thereby contributing actively to vocational training in Germany.

Outlook

Over the next few years our Polish, Romanian and Czech locations will discontinue their previously customary Christmas gifts to customers and donate the corresponding budgets to social institutions. Due to the varying cultural customs and practices we are exercising a degree of flexibility in this regard and have not set a fixed date for the switch-over.

In Germany THIMM Verpackung will extend the sponsorship agreements with the Bad Gandersheim Cathedral Festival and the Teaching Farm in Hardegsen. The Teaching Farm is preparing a range of workshops for school children on environmental issues. We also want to increase our future collaboration with those schools with which we have not any cooperative agreements yet in order to expand our reach. The commitment to BI-NOM will be continued.

This section presents relevant key figures and background data related to our fields of action of Market, Environment & Processes, Employees and Community. Noticeable changes and additional explanations are to be found in the comments next to the graphics. The data basis for the field of action Market corresponds to the scope of consolidation of the THIMM Group's annual financial statements. However, the data prepared for the other fields of action does not yet include data for the new locations added during 2013 (Bremen, Duisburg, Essen). New THIMM Group locations are incorporated into and reflected in the key data figure reporting in the year after their start-up or acquisition. More information on the scope of this Sustainability Report can be found in the Report Profile.

GRI Index

The 2013 THIMM Group Sustainability Report is oriented to Guideline G3.1 of the Global Reporting Initiative. (GRI) corresponds, in our estimation, to Application Level C. The degree of fulfilment of the individual GRI indicators, and where the respective indicator is reported, can be found in our commented GRI index.

Legend:

- This indicator is reported in full
- This indicator is reported in part
- / This indicator is not reported
- C There is a comment for this entry (see right column)

	Short description of the indicator	Reported	Reference	Comments
GRI G3.1 Indicators				
1. Strategy and analysis				
1.1	Statement from the chairman of the board on the relevance of sustainable action.	●●	Foreword	
1.2	Most important impacts of business activities and risks and opportunities	●	Sustainability in THIMM Group Market: Strategy and management approach Environment & Processes: Strategy and management approach Employees: Strategy and management approach	
2. Organisation Profile				
2.1	Name of the organisation	●●	Company portrait	
2.2	Most important products and services	●●	Company portrait	
2.3	Organisation structure	●●	Company portrait	
2.4	Head office	●●	Company portrait	
2.5	Countries of business operations	●●	Company portrait	
2.6	Ownership structure and legal form	●●	www.thimm.de/en/imprint/ C	The company THIMM is 100% family-owned. Karola Schliep née Thimm (12%), Klaudia Benary-Redlefsen née Thimm (12%), Kornelius Thimm (35%), Kristof Thimm (36%), Klaus Thimm (5%). Klaus Thimm holds the majority of the voting rights.
2.7	Markets served	●●	Company portrait	
2.8	Size of organisation	●●	Company portrait Data and facts: Market C	As THIMM Group mainly sells customised packaging solutions and services, the specific number of products and services offered is not collated and can therefore not be stated. Background information on our products can be found online at www.thimm.de/products . In 2013 the equity ratio of THIMM Group was 46 percent.
2.9	Significant changes relating to size, structure and ownership conditions in the report period.	●●	Market: The year 2013 C	Since the 2013 Sustainability Report is the first publication of its kind at THIMM Group, no information can be provided on changes that have occurred in comparison to the last report period. Significant developments from 2013 are to be taken from the section Market/The Year 2013.
2.10	Commendations/ Awards	●●	Market: Product responsibility Employees Employee recruitment and retention	
3. Report Parameters				
3.1	Report Period	●●	Report Profile	
3.2	Publication of the last report.	●●	C	This is the first Sustainability Report from THIMM Group.
3.3	Report Cycle	●●	Report Profile	
3.4	Report contact partners	●●	Report Profile	
3.5	Approach for determining report content	●●	Report Profile Sustainability in THIMM Group Stakeholder dialogue and materiality matrix	
3.6	Scope	●●	Report Profile	

3.7	Specific limitations of the scope	●●	Report Profile	
3.8	Reporting basis	●●	Report Profile	
3.9	Methods of data collection and calculation principles	/		
3.10	Revised statements	●●	C	This is the first Sustainability Report from THIMM Group. Therefore there are no revised statements.
3.11	Changed report parameters in comparison to previous years	●●	C	This is the first Sustainability Report from THIMM Group. Therefore there are no revised statements.
3.12	GRI-Index	●●		
3.13	External verification of the report	●●	C	There was no external verification of the Sustainability Report.
4. Corporate Governance, Obligations and Commitment				
4.1	Management structure	●●	Market: Strategy and management approach; Governance and compliance Sustainability in THIMM Group: Sustainability organisation and control	
4.2	Independence of the chair of the highest management body	●●	C	Presiding over THIMM Group are the Group managing directors, Mathias Schliep (chair) and Jens Fokuhl. Group management is controlled by the company advisory board which is currently composed of four family-independent, external members from the industry and three representatives of the Thimm family. Currently, these representatives are Klaus Thimm and his sons Kornelius and Kristof Thimm.
4.3	Number of independent members in the highest management body	●●	C	The THIMM Group company advisory board consists of seven members. Four of them are external representatives from industry and who are not part of the THIMM family (see comment to Indicator 4.2).
4.4	Right of voice for employees and shareholders	●●	Employees: Employee recruitment and retention C	The company THIMM is 100% family-owned (cf. comment to indicator 2.6). General shareholder meetings take place regularly in which shareholders can exercise their right of voice. In addition the family interests are represented via the company advisory board which includes three members of the Thimm family.
4.5	Connection between remuneration of board members and sustainability performance of the organisation	/		
4.6	Mechanisms to avoid conflicts of interest	●●	Market: Governance and compliance	
4.7	Expertise of the members of the highest management body in the field of economy, environment and society	/		
4.8	Sustainability mission statements, codes of conduct and principles	●	Sustainability in THIMM Group Market: Governance and Compliance Environment: Sustainability in the supply chain	
4.9	Verification of the sustainability performance by the highest management body	/		
4.10	Assessment of the sustainability performance of the highest management body	/		
4.11	Consideration of the precautionary principle	●	Sustainability in THIMM Group	
4.12	Support of external economic, ecological and social activities	●	Community	
4.13	Memberships in associations and interest groups	●●	Community: Involvement in associations, organisations and initiatives; educational collaborations	
4. Corporate Governance, Obligations and Commitment				
4.14	Company stakeholders	●●	Sustainability in THIMM Group: Stakeholder dialogue and materiality matrix	
4.15	Identification of stakeholders relevant for the company	●●	Sustainability in THIMM Group: Stakeholder dialogue and materiality matrix	
4.16	Approaches for stakeholder dialogue	●	Sustainability in THIMM Group: Stakeholder dialogue and materiality matrix; sustainability communication Employees: Employee recruitment and retention	
4.17	Stakeholder issues	/		

Economic performance indicators				
	Management approach	●	Market: Strategy and management approach	
EC 1	Actual generated and paid-out economic value	●	Data and Facts: Market; Community	
EC 2	Financial implications of climate change	/		
EC 3	Additional company benefits for employees	●	Employees: Employee recruitment and retention	
EC 4	Financial support from the public sector	●●	Market: The year 2013	
EC 5	Ratio of entry-level salary to local minimum wage	●	Employees: Employee recruitment and retention	
EC 6	Business policy and practices and share of expenditure for local suppliers	/		
EC 7	Recruitment of local employees	/		
EC 8	Development and effects of investments for the common good.	●	Community: Charitable donations and sponsorship www.thimm.de/spenden	
EC 9	Indirect economic impacts	/		
Ecological performance indicators				
	Management approach	●	Environment & Processes: Strategy and management approach	
EN 1	Materials used	●●	Data and Facts: Environment & Processes	
EN 2	Proportion of recycled material	●	Data and Facts: Environment & Processes	
EN 3	Direct energy consumption	●●	Data and Facts: Environment & Processes	
EN 4	Indirect energy consumption	●●	Data and Facts: Environment & Processes	
EN 5	Energy savings	●	Data and Facts: Environment & Processes; Energy efficiency	
EN 6	Energy-efficient products and services	/		
EN 7	Initiative to reduce indirect energy consumption	/		
EN 8	Water consumption	●	Data and Facts: Environment & Processes	
EN 9	Water sources affected by water withdrawal	/		
EN 10	Reclaimed and reused service water	/		
EN 11	Land use in protected areas	/		
EN 12	Impacts of products and services on protected reserves or areas with a high biodiversity	/		
EN 13	Protected or reinstated natural habitats	/		
EN 14	Strategies and management of the impacts on biodiversity	/		
EN 15	Endangered species in areas of our business activities	/		
EN 16	Direct and indirect greenhouse gas emissions	/		
EN 17	Other relevant greenhouse gas emissions	/		
EN 18	Initiatives to reduce greenhouse gases and results achieved	/		
EN 19	Emissions of ozone-depleting substances	/		
EN 20	NO _x , SO ₂ and other considerable emissions	/		
EN 21	Waste water volume	●	Data and Facts: Environment & Processes; use of environmentally-friendly materials and resource-conserving production	
EN 22	Waste volume by type and disposal method	●	Data and Facts: Environment & Processes	
EN 23	Significant releases of harmful substances	/		
EN 24	Transported, imported, exported and treated hazardous waste	/		
EN 25	Polluted water courses due to waste water pipes or surface run-off	●●	C	There is no pollution of water courses due to waste water pipes or surface run-off following the business activities of THIMM Group.
EN 26	Measures to reduce environmental effects of products	●	Market: Product responsibility Data and facts: Environment & Processes	
EN 27	Receipt of returned packaging materials for reuse and recycling	/		
EN 28	Fines and non-monetary penalties due to infringement of statutory provisions	●●	Market: Governance and compliance	
EN 29	Environmental impacts due to transport activities	●	Environment & Processes: Logistics	
EN 30	Total expenditure for environmental protection	/		

Performance indicators for work practices & decent employment				
	Management approach	●	Employees: Strategy and management approach	
LA 1	Total workforce by type of work role, employment contract and region broken down by gender	●	Data and Facts: Employees, Employee recruitment and retention	
LA 2	Employee fluctuation	/	Employees: Employee recruitment and retention	
LA 3	Company benefits for only full-time employees at essential locations	●●	Employees: Employee recruitment and retention	
LA 4	Proportion of employees covered by collective wage agreements	/		
LA 5	Notification periods for important company changes	/		
LA 6	Proportion of workforce represented in works safety committees	●	Employees: Occupational health and safety and health promotion	
LA 7	Infringements, occupational illnesses,	●	Data and Facts: Employees	
Performance indicators for work practices & decent employment				
LA 8	Healthcare and healthcare advice	●	Employees: Occupational health and safety and health promotion	
LA 9	Occupational health and safety agreements with trade unions	/		
LA 10	Education and vocational training	●	Employees: Employee recruitment and retention	
LA 11	Knowledge management and life-long learning	●	Employees: Employee recruitment and retention	
LA 12	Performance assessment and development planning	/		
LA 13	Diversity of employees and management bodies	●	Data and Facts: Employees; Employee recruitment and retention	
LA 14	Men/women salary ratio	●●	C	A system to examine the equal pay situation for men and women does not exist. Our remuneration is based on the three pillars of job requirements, performance and market conditions. In principle the salaries of employees are not gender-based. Information on remuneration of our employees can be found in the section Employees/Remuneration and Occupational Pension Provision.
LA 15	Parental leave	/		
Performance indicators human rights				
	Management approach	●	Sustainability in THIMM Group: THIMM Social Responsibility Strategy Market: Governance and Compliance Environment & Processes: Sustainability in the supply chain Employees: Employee recruitment and retention	
HR 1	Human rights aspects in investment agreements	/		
HR 2	Verification of suppliers for compliance with human rights	●	Market: Governance and compliance Environment & Processes: Sustainability in the supply chain	
HR 3	Employee training on human rights	●	Market: Governance and compliance	
HR 4	Number of discrimination incidents in the organisation and measures taken	●●	Market: Governance and compliance	
HR 5	Threat to the right of freedom of association and collective bargaining	●	Market: Governance and compliance	
HR 6	Risk of child labour	●	Market: Governance and compliance	
HR 7	Risk of forced labour and compulsory labour	●	Market: Governance and compliance	
HR 8	Training of safety staff in human rights aspects	/		
HR 9	Incidents of infringements of the rights of the indigenous population	/		
HR 10	Risk analysis on the subject of human rights	/		
HR 11	Complaints procedures related to human rights infringements	/		

Performance indicators society				
	Management approach	●	Market: Governance and Compliance Community: Strategy and management approach	
SO 1	Type, scope and effect of business activities on municipalities or regions	●	Community: Donations and sponsorship; involvement in associations, organisations and initiatives; educational collaborations; employee volunteering commitments	
SO 2	Analysis of corruption risks	●	Market: Governance and compliance	
SO 3	Anti-corruption training	●●	Market: Governance and compliance	
SO 4	Corruption incidents and measures taken	●●	Market: Governance and compliance	
SO 5	Political opinion forming and lobbying	/		
SO 6	Donations to politicians and parties	●●	Community: Donations and sponsorship	
SO 7	Incidents of anti-competitive conduct	●●	Market: Governance and compliance	
SO 8	Fines due to infringement of statutory provisions	●●	Market: Governance and compliance	
SO 9	Operative activities with a negative impact on the local community	/		
SO 10	Avoidance and mechanisms to mitigate the negative effects on the local community	/		
Performance indicators product responsibility				
	Management approach	●	Market: Strategy and management approach; Governance and compliance; product responsibility	
PR 1	Examined life cycle stages in relation to health and product safety	●	Market: Product responsibility	
PR 2	Non-compliance with legal provisions in relation to health and product safety	●	Market: Governance and compliance	
PR 3	Statutory information obligations for products and services	/		
PR 4	Infringements of legal provisions in relation to product and service labelling	●	Market: Governance and compliance	
PR 5	Recording of customer satisfaction	●	Market: Strategy and management approach	
PR 6	Compliance with laws, standards and voluntary codes of conduct in relation to advertising	/		
PR 7	Non-compliance with legal provisions in relation to advertising	●	Market: Governance and compliance	
PR 8	Justified data protection complaints	/		
PR 9	Significant fines due to infringements of legal provisions in relation to the acquisition and use of the products	●●	Market: Governance and compliance	

Status August 2014

Data and Facts

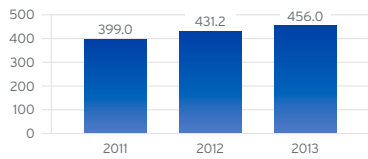
This section presents relevant key figures and background data related to our fields of action Market, Environment & Processes, Employees and Community. Noticeable changes and additional explanations are to be found in the comments next to the graphics.

The data basis for the field of action market corresponds to the scope of consolidation of the Group's annual financial statements. However, the data prepared for the other fields of action does not yet include data for the new locations added during 2013 (Bremen, Duisburg, Essen). New THIMM Group locations are incorporated into and reflected in the key data figure reporting in the year after their start-up or acquisition.

Market

GRI Indicator **2.8** **EC1**

THMM Group Total Revenue (in EUR million)

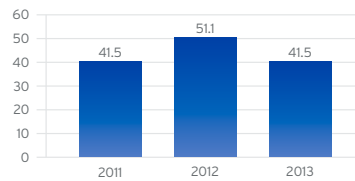


Revenue

In comparison to the previous year, in 2013 revenues at THMM Group increased by EUR 24.8 million or by almost 6 percent. This rise in revenues is mainly due to the increased revenues of the business divisions THMM Verpackung and THMM Display.

GRI Indicator **EC1**

THMM Group Operating Result (in EUR million)

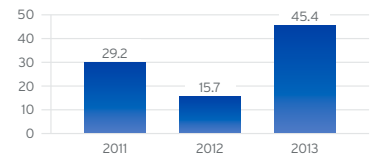


Operating Result

In the 2013 financial year the operating result fell by EUR 9.6 million, around 19 percent, and was therefore at the same level as in 2011. This was due to higher raw materials and logistics costs.

GRI Indicator **EC1**

THMM Group Investments in Fixed Assets (in EUR million)

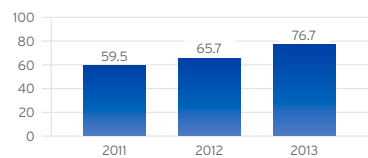


Investments in Fixed Assets

In the 2013 financial year investments in fixed assets reached EUR 45.4 million, a record value in the history of THMM Group. The investments are being used in part to expand the factories in Poland and Romania.

GRI Indicator **EC1**

THMM Group Operating Costs¹⁾ (in EUR million)



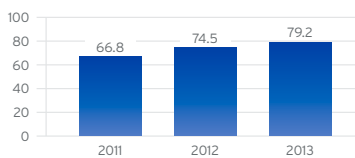
¹⁾ Operating costs are all other operating expenses excluding costs for paper, rent, leases as defined in the Group profit and loss account.

Operating Costs

In the 2013 financial year operating costs at THMM Group increased by EUR 11 million which corresponds to almost 17 percent. This rise was due to increased logistics costs, alongside higher sales volumes.

GRI Indicator **EC1**

THMM Group Personnel Expenses (in EUR million)



Personnel Expenses

In 2013 THMM Group expenditure on employees was EUR 4.7 million higher than in the previous year. The rise virtually corresponds to the revenue growth. The background to this increase is the growth of employee numbers in our company.

Environment & Processes

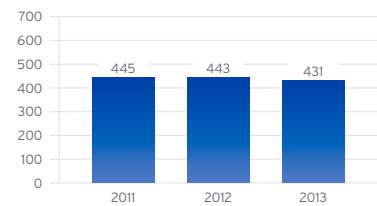
Paper

Since mid-2010 THIMM Verpackung has used FSC®-certified paper and in 2011 obtained the FSC® Chain of Custody Certification. Since then the proportion of FSC®-certified papers has increased significantly and is now over 90 percent. The proportion of recycled paper is stable at the high level of around 85 percent.

The raw paper quantity used for each m² of corrugated cardboard produced has decreased by 3 percent in the last three years. The reason for this is that we are using lighter grammage papers in order to conserve resources.

GRI Indicator **EN1**

Raw Paper Use at THIMM Verpackung (in t per 1 million m² produced)



GRI Indicator **EN1** **EN2**

THIMM Verpackung Paper Use¹⁾

		2011	2012	2013
THIMM Verpackung total raw paper use	(in t)	278,241	277,448	294,963
FSC®-certified paper ²⁾	(in %)	77%	92%	91%
	(in t)	213,357	254,031	267,673
Recycled paper-based corrugated cardboard raw paper	(in %)	86%	85%	85%
	(in t)	239,201	236,534	251,428

¹⁾ 2011 and 2012: Without Sibiu (Romania). Raw paper has only been processed there since December 2013.

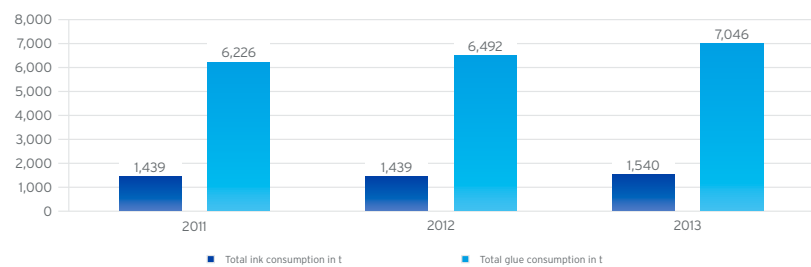
²⁾ Procurement including controlled wood at THIMM Verpackung in Germany.

Ink and Glue Consumption

Over the last three financial years ink and glue consumption have each increased by 7 and 13 percent respectively. This is due to the expansion of our business and the associated higher production volumes.

GRI Indicator **EN1**

THIMM Group Ink and Glue Consumption (in t)¹⁾



¹⁾ Ink consumption also includes varnish.

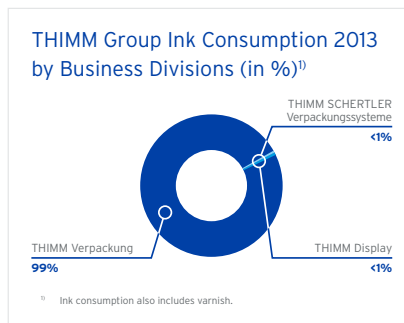
Environment & Processes

Ink and Glue Consumption

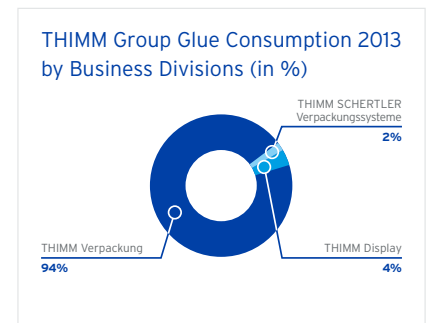
As the largest business division, THIMM Verpackung has the highest ink and glue consumption within the Group. In the last financial year the proportion was 99 and 94 percent respectively.

At THIMM Verpackung in 2013 ink consumption per 1 million m² of corrugated cardboard produced slightly decreased in comparison to the previous year. This reduction can be ascribed to modernisations in our processing machines and to the increasing use of lighter grammages which require less ink. Glue consumption per one million square metres of corrugated cardboard produced remained constant in 2012 and 2013.

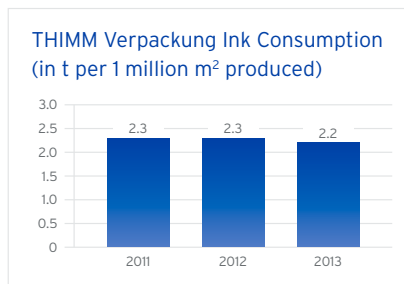
GRI Indicator **EN1**



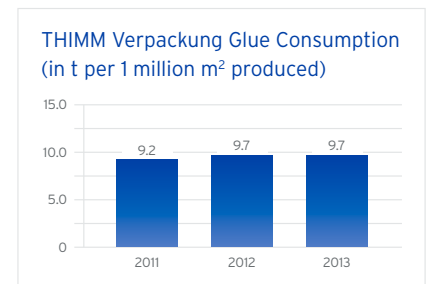
GRI Indicator **EN1**



GRI Indicator **EN1**



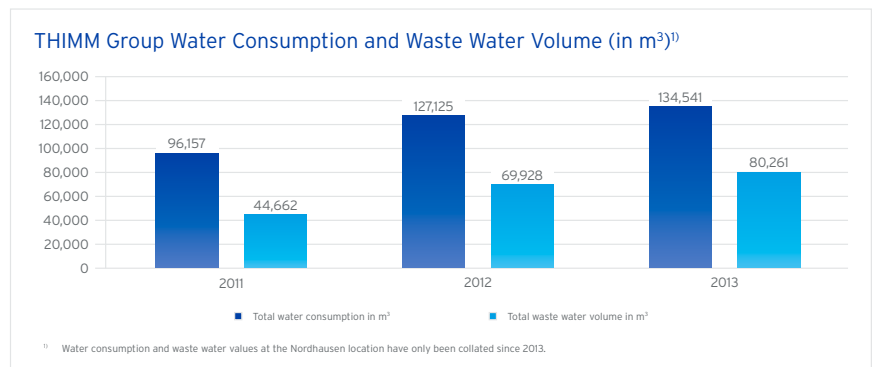
GRI Indicator **EN1**



Water and Waste Water

Water consumption and waste water volumes have also risen as a result of the expansion of our business over the last few years. The sharp rise in water consumption from 96,157 m³ in 2011 to 127,125 m³ in 2012 equates to an increase of 32 percent and is specifically due to changes in the THIMM Verpackung business division as the corrugated cardboard factory in Tychy (Poland) was integrated into the business division in 2011. For technical reasons data on water consumption in Tychy could not be collated for the full year of 2011. Data for the last five months of the year only is reflected in the report. Furthermore, during the same period there were also technical problems regarding the water supply in Všetaty (Czech Republic). Production volumes also increased here in 2012. In the 2013 financial year water consumption in THIMM Group increased only slightly.

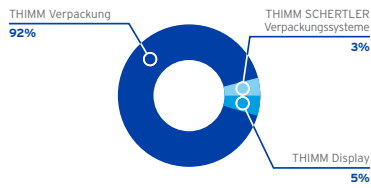
GRI Indicator **EN8 EN21**



Water and Waste Water

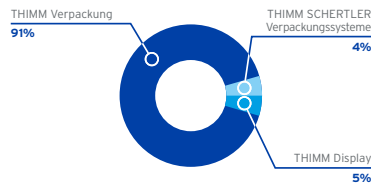
GRI Indicator **EN8**

THIMM Group Water Consumption 2013 by Business Divisions (in %)



GRI Indicator **EN21**

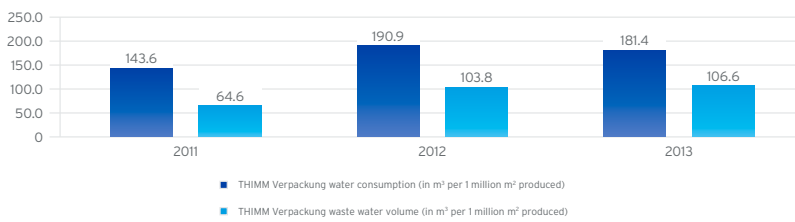
THIMM Group Waste Water Volume 2013 by Business Divisions (in %)



Due to different business processes, both water consumption and waste water volumes of our smallest producing business division, THIMM Display, were slightly over the level of THIMM SCHERTLER Verpackungssysteme.

GRI Indicator **EN8** **EN21**

THIMM Verpackung Water Consumption and Waste Water Volume

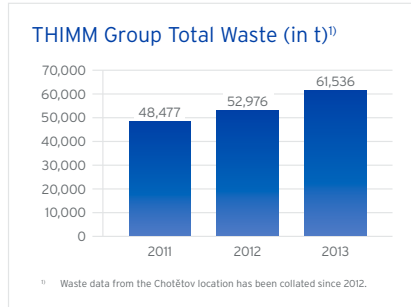


As regards the m² produced figure, in 2013 in the business division THIMM Verpackung, water consumption fell by 5 percent in comparison to the previous year. This is due to our continuous investments in state-of-the-art technology and the associated improved consumption values for steam generation. However, waste water volumes increased by 3 percent from 2012 to 2013. This is because our customers ordered smaller order quantities in the last financial year than in 2012. Therefore, our plants had to be cleaned more often in relation to the volumes produced. Since water is required for the cleaning processes, the waste water volume per m² has increased accordingly.

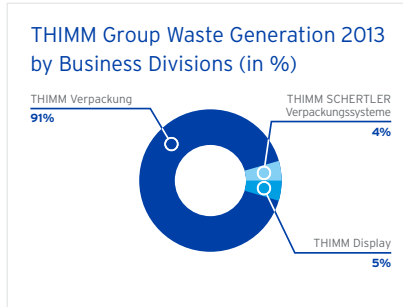
Environment & Processes

Waste

GRI Indicator **EN22**



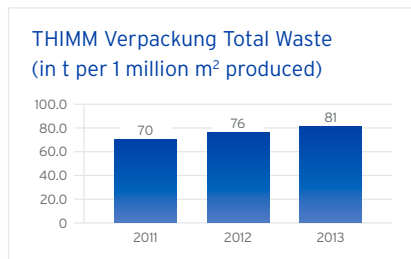
GRI Indicator **EN22**



Waste volume increased in 2013 by 8,560 tonnes due to our business expansion. This corresponds to a rise of 16 percent.

Viewed as a percentage, at 91 percent the largest proportion of the group's total waste volumes is attributable to THIMM Verpackung. Due to its specific products and production processes, THIMM Display has slightly higher waste volumes than THIMM SCHERTLER Verpackungssysteme.

GRI Indicator **EN22**



As regards the corrugated cardboard volume produced, total waste volume at THIMM Verpackung increased slightly in the last financial year. It must be stated as general comment that most of the waste is categorised as "non-hazardous waste". This in turn mainly consists of recyclable materials such as paper and wood. We feed these materials into the recycling cycle. Only a very small proportion of our waste falls into the "hazardous waste" category. We duly dispose of such waste in accordance with relevant regulations.

GRI Indicator **EN22**

THIMM Verpackung Waste Categories (in t)

	2011	2012	2013
Non-hazardous waste	43,755	47,551	55,042
<i>of which potential recyclable materials</i>	43,080	46,930	54,348
Hazardous waste	224	119	141

Energy

GRI Indicator **EN3** **EN4**

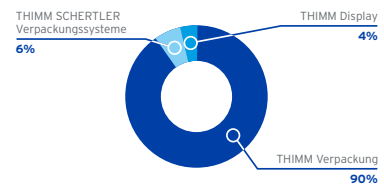
THIMM Group Energy Consumption (in MWh)

	2011	2012	2013
Total energy consumption ¹⁾ 2)	114,876	119,131	125,021
Direct energy consumption	62,791	68,367	70,223
<i>Natural gas consumption</i>	62,058	67,666	69,144
<i>Heating oil consumption</i>	8	17	17
<i>Coal consumption</i>	725	684	1,062
Indirect energy consumption ³⁾	51,890	50,547	54,223
<i>Electricity consumption</i>	35,604	36,835	39,057

¹⁾ Direct and indirect energy consumption do not add up to the total energy consumption since for the Sibiu (Romania) location only the total energy consumption could be stated with no distinction between direct and indirect energy consumption.
²⁾ Estimated values 2013 only for Ludwigsburg.
³⁾ The difference between electricity consumption and indirect energy consumption is due to the data from the Tychy (Poland) location which does not produce steam on-site but purchases it from a provider.

GRI Indicator **EN3** **EN4**

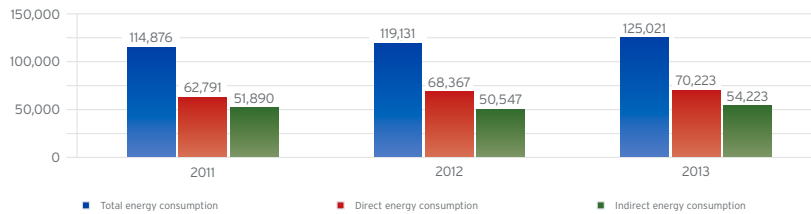
THIMM Group Total Energy Consumption 2013 by Business Divisions (in %)



Associated with our business expansion, THIMM Group's total energy consumption has increased by 9 percent over the last three years. Commensurate with the size of our three producing business divisions, THIMM Verpackung has the highest energy requirement. In the last financial year the proportion was 90 percent. THIMM Display, as the smallest business division, also requires the least energy. Here the proportion in 2013 was 4 percent.

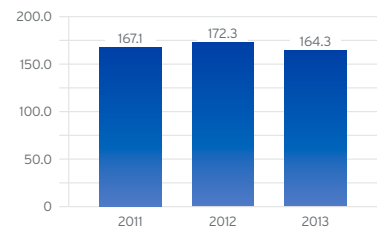
GRI Indicator **EN3** **EN4**

THIMM Group Energy Consumption (in MWh)



GRI Indicator **EN5**

THIMM Verpackung Total Energy Consumption (in MWh per 1 million m² produced)



At THIMM Verpackung, total energy consumption per 1 million m² of corrugated cardboard produced fell in the last financial year by 5 percent. This reduction is due to modernisations in the heating systems in the offices and staff buildings, in our machinery and equipment and to the exchange of gas-operated steam boilers and lighting.

Environment & Processes

Supplier Code of Conduct

Degree of Fulfilment of the Supplier Code of Conduct by Business Divisions

	Procurement volume in EUR mill.	Proportion of suppliers by procurement values who have		
		accepted the Code of Conduct*	not yet signed the Code of Conduct	not yet been informed about the Code of Conduct
THIMM Verpackung	194.5	92%	1%	7%
THIMM SCHERTLER Verpackungssysteme	74.8	82%	16%	2%
THIMM Display	19.7	85%	9%	6%
THIMM Group	289.0	89%	5%	6%

* Most suppliers have accepted the THIMM Supplier Code of Conduct without limitations. Some suppliers have stated limitations or not signed the Code of Conduct as they have their own Code of Conduct. These suppliers are also included here.

In order to comply with our responsibility in the supply chain, in 2012 we drew up a Supplier Code of Conduct. Measured by procurement volumes, this has already been accepted by almost 90 percent of THIMM Group suppliers. We are gradually approaching all other suppliers, thereby moving ahead systematically with the introduction of our code.

Employees

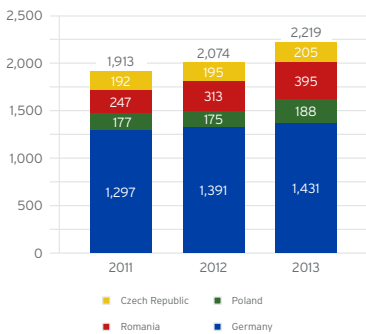
Unless specified otherwise, the employee numbers stated below reflect headcount or proportionate headcount figures. In addition to the new locations for 2013 (Bremen, Duisburg, Essen), the Chotěšov (Czech Republic) location and marginal employed workers at the Wörrstadt location are not included in the following employee figures.

General Employee Numbers

GRI Indicator **2.8** **LA1**

GRI Indicator **LA1**

Employees by Producing Countries (number)



In accordance with our growth and internationalisation strategy, employee numbers have risen both in our locations in Germany and in other countries. In 2013 almost two thirds of our employees worked in Germany. To successfully handle peak order periods, 162 temporary workers supported THIMM Group in 2013.

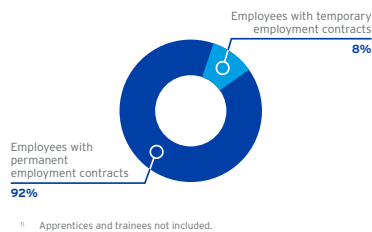
Employees by Work Areas

	2011		2012		2013	
	Female	Male	Female	Male	Female	Male
Salaried employees	Number		269	376	292	394
	Total Number		645		686	
	<i>In % in the total workforce</i>		34%		33%	
Industrial employees	Number		316	952	367	1,021
	Total Number		1,268		1,388	
	<i>In % in the total workforce</i>		66%		67%	

GRI Indicator **LA1**

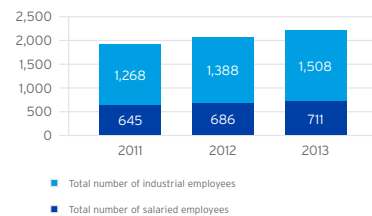
GRI Indicator **LA1**

Permanent and Temporary Contracts 2013 (in %)¹⁾



In 2013, 92 percent of our employees were employed by us on permanent contracts. In 2011 and 2012 the proportion of permanent employment contracts was also over 90 percent. This reflects our efforts to retain our staff for as long as possible.

Salaried and Industrial Employees (total number)



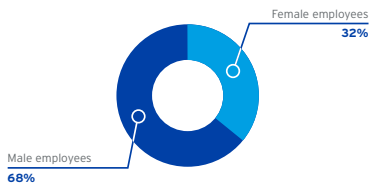
In 2013 there was a rise in both salaried and industrial employees. 43 percent of our salaried employees were women and in the industrial area this proportion was 27 percent.

Employees

Diversity and Fairness

GRI Indicator **LA13**

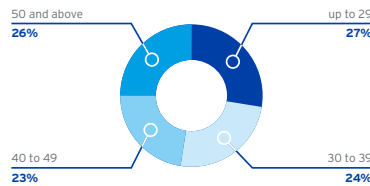
Male and Female Employees in THIMM Group 2013 (in %)



The proportion of women in the total workforce has risen slightly since 2011. In 2013 the proportion was almost 32 percent (2011: 31 percent). The proportion of male employees fell slightly accordingly (2011: 69 percent).

GRI Indicator **LA13**

Employees by Age Groups 2013 (in %)¹⁾

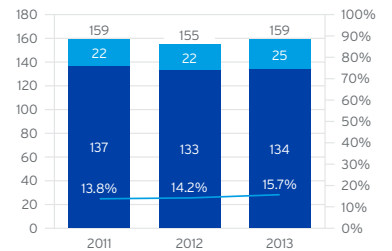


¹⁾ Sibiu (Romania) location is not included.

The age structure of our employees is relatively evenly spread. We recorded a rise in all age groups in comparison to previous years. This is a result of our promotion of mixed-age teams in all locations and our commitment to the training of young people. The proportion of people with impairments in 2013 was 3 percent, similar to previous years.

GRI Indicator **LA13**

Men and Women in Management Positions¹⁾



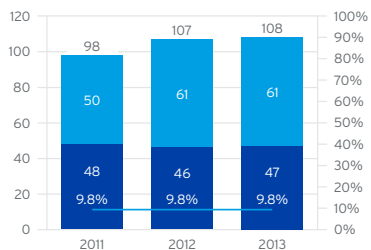
¹⁾ Sibiu (Romania) location is not included.

In 2013 the proportion of women in management positions rose slightly. Out of 159 managers, 25 were female which corresponds to a proportion of 15.7 percent.

Education and Vocational Training

GRI Indicator **LA10**

Number of Apprentices by Area and Apprenticeship Ratio¹⁾



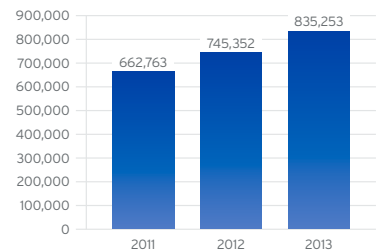
¹⁾ Apprenticeship ratio = number of apprentices in Germany / number of jobs in Germany for which a completed apprenticeship is required.

In 2013 we trained 108 apprentices. Our apprenticeship ratio over the last few years has been constant at 9.8 percent.

The continuous further training of our employees is a major focus of THIMM Group. Accordingly, total expenditure for continuing and vocational training also increased. From 2012 to 2013 we increased our training budget by almost EUR 90,000.

GRI Indicator **LA10**

Total Training Expenditure (in EUR)¹⁾

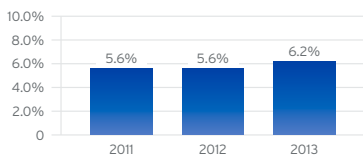


¹⁾ Sibiu (Romania) location and THIMM Consulting are not included.

Occupational Safety and Health Protection

GRI Indicator LA7

Sickness Ratio¹⁾²⁾³⁾

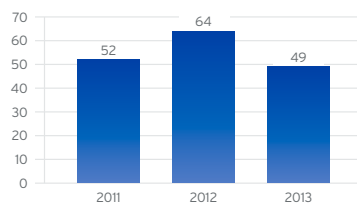


¹⁾ Sickness ratio = (sum of all absence days of all employees / target working days of all employees) x 100
²⁾ Sibiu (Romania), Vsetaty (Czech Republic) locations are not included.
³⁾ No figures were available for the Wörstadt location for 2011.

The 2013 THIMM Group sickness ratio of 6.2 percent was a slight increase in comparison to the two previous years.

GRI Indicator LA7

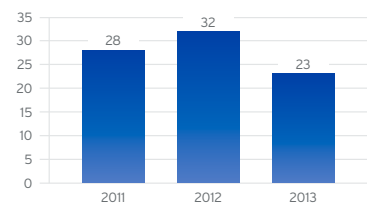
Number of Notifiable Work-Related and Commuting Accidents causing Lost Work Days



The number of notifiable work-related and commuting accidents with one or several lost days was reduced from 64 cases in 2012 to 49 cases in 2013.

GRI Indicator LA7

Number of Notifiable Work-Related and Commuting Accidents per 1,000 Employees¹⁾



¹⁾ Reference value for calculation: Full-Time Equivalent employees.

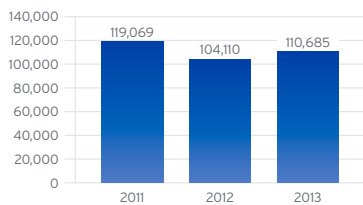
Per thousand employees, 23 work-related and commuting accidents were recorded in 2013. This corresponds to a 28 percent reduction in relation to 2012 (2012: 32) and is a result of our continuous occupational safety optimisation measures.

Community

Donations

GRI Indicator EC1

THIMM Group Donation Expenditure (In EUR)¹⁾



¹⁾ The donation expenditure refers to monetary donations. Material donations are not included.

THIMM Group defines an appropriate annual figure for donations. In 2013 total donations amounted to around EUR 110,700 which represented an increase of around EUR 6,500 in comparison to the previous year.

Imprint

Publisher

THIMM Group GmbH + Co. KG
Breslauer Str. 12
37154 Northeim
Germany

Tel.: +49 (0)5551 703-0
Email: infoline@thimm.de

AG Göttingen HRA 130117
VAT ID No. DE 116 210 411

General partner:

THIMM GmbH, Northeim
AG Göttingen HRB 130294

Managing Directors:

Mathias Schliep, Jens Fokuhl

Responsible for content:

Anke Peinemann
Head of Corporate Affairs
THIMM Group GmbH + Co. KG

Concept, Editorial and Design

Schlange & Co. GmbH, Hamburg
THIMM Group GmbH + Co. KG, Northeim
Hoschke & Consorten Public Relations GmbH, Hamburg
gimmickmedia GmbH, Hamburg

Print

Langebartels & Jürgens GmbH
Wördemanns Weg 58
22527 Hamburg

Paper types

Printed on Igepa Profisilk



Image source

Signet Deutscher Verpackungspreis: Deutsches Verpackungsinstitut e.V. (dvi), Berlin
Signet Worldstar of Packaging: World Packaging Organisation, www.worldpackaging.org
All other images: THIMM Group GmbH + Co. KG, Northeim

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THIMM - THE HIGHPACK GROUP

Breslauer Straße 12
37154 Northeim
Germany

Tel.: +49 (0) 5551 703-0
Email: infoline@thimm.de

Web: www.thimm.eu