



## Skanem Corporate Social Responsibility 2015 CSR Report

CSR in Skanem is:

- A way of doing business defining who Skanem is and what we stand for
- An organisational standard by which we operate across all regions and sites
- A systematic way of implementing and managing Skanem's external and internal responsibilities

This report summarises activities and measures based on the 2015 business year, and contains:

- CSR Strategy
- CSR Organisation & Responsible
- Skanem Code of Conduct
- CSR Supply Chain Participation
- CSR Reporting, both HSE, ethically and for GHG impact

### Corporate Responsibility Strategy

In the Business Strategy we have formulated the following strategic intent:

- Further foster behaviours supporting our Skanem Code of Conduct
- Develop our business up to industry accepted CSR & Quality Standards
- Support the development of more environmental friendly products

### CSR Organisation

CSR overall Accountable and owner of the Code of Conduct is our President & CEO, Ole Rugland. The group responsible is EVP Organisation, HR & CSR, Endre L. Lovas (HQ). In addition we have local CSR Site Contacts (CSRSC).

### Skanem Code of Conduct

The Skanem Code of Conduct & policies were developed in 2013 and have been revised yearly.

The Code of conduct covers:

- Main Principles
- Health, Security & Environment
- People & Labour Standards
- Financial Integrity and Company Records
- Confidentiality
- Conflict of Interest
- Bribery & Corruption
- Use of Company Assets
- Fair Dealing
- Travel & Entertainment
- Supply Chain Responsibility



Each of these is supported by policies. These policies were introduced late 2013 and we started training locally.



## CSR Supply Chain Participation

All Skanem sites are registered on Sedex with individual registrations and self-assessments. The Sedex registration reflects the group position on CSR and also local policies and procedures are registered. These are open to 9 customers currently on Sedex.

In addition Skanem as a group is registered on Ecovadis. This registration is open to 3 customers who use EcoVadis. Our 2016 rating is Silver.

Several audits have been conducted by customers, and follow up actions agreed.

## CSR Reporting

We split the report into Environmental Report and HSE and People related measures.

CEMASys is the internal system Skanem have chosen to record and report all CSR activity. The system is in operation at all Skanem regions and sites and is co-ordinated centrally.

The system measures in particular activity around the Skanem Code Of Conduct and the Green House Gas Protocol on carbon emissions. All GHG Protocol scopes are included. Third party verification of the data collection system is given by CO2Focus.

Entries are made by site representatives trained in data collection. Data is collected systematically from verifiable sources. Data source documentation is uploaded to allow verification, is approved as representative of the nominated site and is moderated centrally.

KPI's (Key Performance Indicators) are calculated within CEMAsys allowing comparisons and continuous improvement activity to be carried out.

Data reports are used to support to entries on CSR made in the open access registration system SEDEX and others. Data collected are used in the Carbon Disclosure Project.

## HSE & Labour

The HSE & Labour report covers all Skanem sites world wide.



CSR Measure Employed	Unit	2014	2015
No of People Employed	Qty	1166	1101
No of Employees trained & assessed	Qty	89	622
Average hours training per employee	Hours		6,43
No of women employed	Qty	236	220
Lost time injuries, no of incidents	Qty	39	26
Lost time injuries, no of days	Days	603	166
Short Term sick leave %	%	2,33	1,93
Long Term sick leave %	%	1,70	1,41
Total sick leave %	%	4,03	3,33
Use of child labour	Qty	0	0
Use of handicapped, minority	Qty	26	26
Women in leader position %	%	24 %	26 %
Discrimination & Harassment	Qty	0	0
Grievances	Qty	0	1
Employee satisfaction	Qty	5,25	5,09
Breach of Confidential information	Qty	0	0
Conflict of interest	Qty	0	0
Bribery observations	Qty	0	0
Corruption observation	Qty	0	0
Fair dealing observations	Qty	0	1
Suppliers Compliance to Skanem CoC	%	40 %	45 %

## Emissions, Energy, Consumption data

The figure shows the reported data from 2015 broken down into key elements.

The absolute tonnes of CO<sub>2</sub>e is 17 913,5 in 2015, and 12,1 % below that of 2014.

The detailed report (in Cemsys and reported in CDP) covers all emission elements, all sites and countries (see Appendix 1 for the country report).

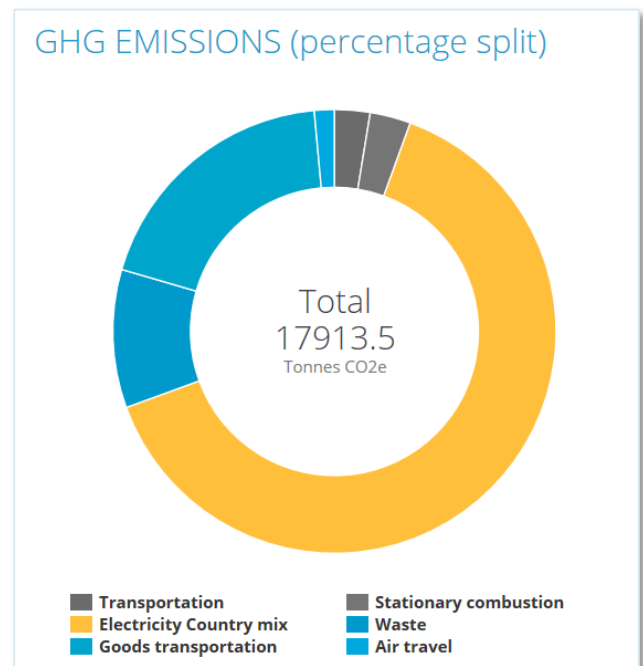
The data collection was done as a total group for the first time in 2013, so we have two years of comparable data.

The biggest contributor is energy consumption related to electricity, heating and production.

In real energy consumption we used:

- 4 619,6 MWh in Scope 1 (4,2 % less than 2014), and
- 23 961,0 MWh in Scope 2 (1,4 % less than 2014).

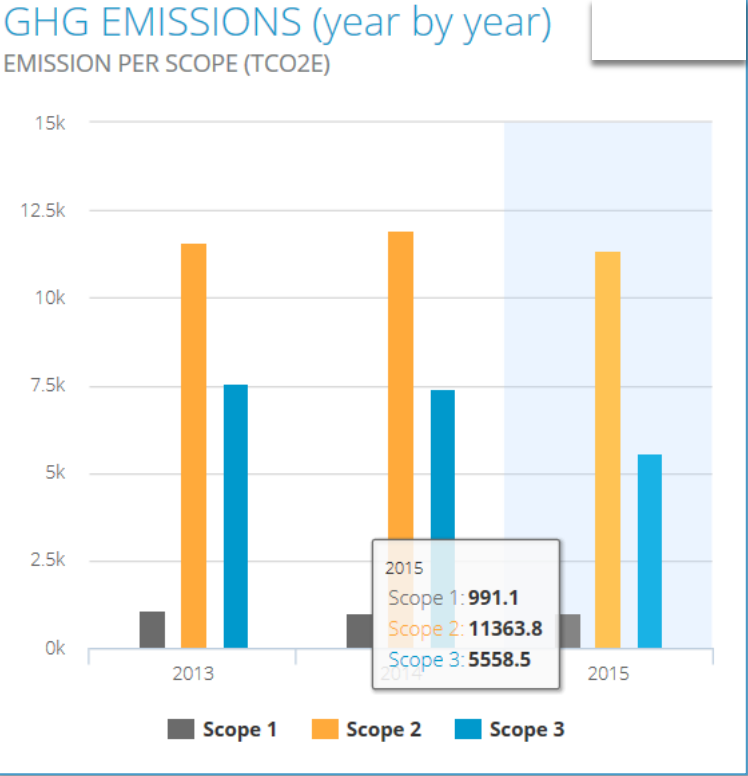
GHG EMISSIONS (percentage split)



Based on the 2013 and 2014 data we were in 2015 able to set a target for Skanem’s environmental footprint for 2020 of 30 % reduction.

This has been operationalised as an intensity target of:

- **By 2020, our total operational scopes 1, 2 & 3 tCO2e per million m<sup>2</sup> produced will be reduced by 30 %**



The key 2015 KPIs look like this:

**GHG Yearly KPI report for Skanem**

Year	Absolute Scope 1 & 2	Absolute Scope 1, 2 & 3	Mill m2	KPI: tCO2 per mill m <sup>2</sup> (Scopes 1 - 3)	% Change
2013	12 709,2	20 273,7	124,9	162,3	
2014	12 941,0	20 377,4	127,2	160,2	-1,3 %
2015	11 363,8	17 913,5	127,1	140,9	-12,0 %

Year	tCO2 per FTE	tCO2 per revenue	tCO2 per Floor-space
2013	18,7	137,9	0,4
2014	19,2	136,1	0,5
2015	17,0	120,0	0,2

We have reduced the key KPI by 12,0 % vs last year. The related KPIs have improved too.



## Emission saving projects

Many of our sites have been working on projects to reduce environmental footprint.

Examples of projects are:

- Replacing light bulbs to energy saving ones (Scope 2)
- Light & heat reduction systems (Scope 2)
- Reduction of landfill waste (Scope 3)
- Recycling waste projects (Scope 3)

Some of these had direct impact in 2015, whilst others will have further impact in 2016.

The work on CSR continues into 2016 and for years to come.

Endre L. Lovas  
Executive Vice President Organisation, HR & CSR  
Skanem AS

2<sup>nd</sup> July 2016

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## Appendix 1:

### Country detailed report:

# Country report for Skanem; Year 2015

## Key Figures GHG Emissions

Category	Unit	Denmark	Poland	India	Norway	UK	Germany	Thailand	Kenya	Sweden	Total
<b>Scope 1</b>											
Transportation Total	tCO2e	27,2	31,5	307	10,4	5,1	13,9	0	65,7	0	460,7
Stationary combustion Total	tCO2e	184,8	148,4	0	0	86,7	110,5	0	0	0	530,3
<b>Scope 1 total</b>	<b>tCO2e</b>	<b>211,9</b>	<b>179,9</b>	<b>307</b>	<b>10,4</b>	<b>91,7</b>	<b>124,4</b>	<b>0</b>	<b>65,7</b>	<b>0</b>	<b>991,1</b>
<b>Scope 2</b>											
DH Nordic locations Total	tCO2e	0	0	0	0,5	0	0	0	0	0	0,5
Electricity Country mix Total	tCO2e	100,3	3184,8	3569	89,3	2169,5	706,8	1102,8	237,6	203,2	14728
<b>Scope 2 total</b>	<b>tCO2e</b>	<b>100,3</b>	<b>3184,8</b>	<b>3569</b>	<b>89,8</b>	<b>2169,5</b>	<b>706,8</b>	<b>1102,8</b>	<b>237,6</b>	<b>203,2</b>	<b>11363,8</b>
<b>Scope 3</b>											
Goods transportation Total	tCO2e	393,2	250,4	769,2	159,3	567,4	119,3	589,1	3,1	534,8	3385,8
Commuting Total	tCO2e	0	0	0	0	0	0	0	52	0	52
Bus.travel & acc. Total	tCO2e	0	15,8	0	0	2,7	0	0	0	27,9	46,4
Air travel Total	tCO2e	8,5	17,6	54	74,5	18,1	1,2	14,6	51,8	19,1	259,3
Waste Total	tCO2e	352,1	108,7	96,9	174,6	345,3	224,6	18,1	55,8	417,5	1793,6
Building materials Total	tCO2e	0	0	0	0	0	0	0	0	0	0
Water Total	tCO2e	1,4	2,8	2,8	0,4	1,7	0,6	5,6	0,8	5,3	21,4
<b>Scope 3 total</b>	<b>tCO2e</b>	<b>755,2</b>	<b>395,3</b>	<b>922,9</b>	<b>408,8</b>	<b>935,2</b>	<b>345,7</b>	<b>627,4</b>	<b>163,5</b>	<b>1004,6</b>	<b>5558,5</b>
<b>Total Emissions 2015</b>	<b>tCO2e</b>	<b>1 067,4</b>	<b>3 760,0</b>	<b>4 798,9</b>	<b>509,0</b>	<b>3 196,4</b>	<b>1 176,9</b>	<b>1 730,1</b>	<b>466,8</b>	<b>1 207,8</b>	<b>17 913,5</b>