



# FOREWORD

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

This has demanded that operations are in line with the strategy as well as systematic product development and adjustment of our product portfolio.

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

Particular attention has been paid to the mental and physical wellbeing of the work environment. An essential part of development has been the weekly communications throughout the whole organization in order to ensure continuous development. We invest significantly in developing the personnel's competencies on all levels of the organization.

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

Pekka Ekberg  
CEO



## MISSION

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

## VISION

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

## VALUES

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

- Profitable growth
- Joy of working
- Satisfied customers
- Respecting the environment

	2009	2010		2009	2010
<b>Economic Performance Indicators</b>			<b>Labor Practices and Decent Work Performance Indicators</b>		
<b>(€)</b>					
Turnover	7 550 000	8 026 000	Total workforce by		
Employee compensation	1 062 547	1 285 515	Employment type	29 full time, 1 part-time	31 full time, 1 part-time
Operating costs	4 469 007	4 305 220	Employment contract	1 fixed-term,	all permanent
Payments to owners and capital providers				29 permanent	
Dividends	0	100 000	Region	100% in Satakunta region	100% in Satakunta region
Interests	117 052	97 095	Gender	16 women, 14 men	18 women, 14 men
Loan payments	676 784	679 603	Age group		
Payments to government			20-30	3	5
Taxes	89 949	70 187	31-40	11	11
Social security contributions	46 055	19 884	41-50	10	10
Donations and other community investments	0	0	51-	6	6
Coverage of the organization's defined benefit plan obligation	covers all personnel/ not paid	covers all personnel/ not paid	Total number and rate of employee turnover (%)	0 (0%)	2 (6%)
Significant financial assistance received from government			Average length of employment (years)	13	14
Investment support	0	108 837	Absenteeism percentage (%)	6,7	8,0
			Terminated contracts	-	-
			Number of injuries	1	2
			Lost days (Calendar days)	0	10
			Percentage of employees receiving regular performance and career development reviews (%)	100	100
			<b>Environmental Performance Indicators</b>		
<b>Total capitalization</b>			Consumption of energy (kWh)	1 109 206	1 289 800
Debt	4 589 658	4 629 859	Consumption of water (m3)	478	491
Equity	897 606	1 093 798	Total direct and indirect greenhouse gas emissions by weight (tCO2)	329	364
			Total weight of waste by type and disposal method (1 000 kg)		
			Energy waste	90,80	74,16
			Biodegradable waste	1,10	0,65
			Landfill waste	6,20	2,40
			Paper and cardboard waste	143,36	120,61
			Wood waste	1,70	3,32
			Landfill waste (%)	2,50	1,20



# ORGANIZATIONAL PROFILE

Fiblon is a privately owned family-run company established in 1979 and located in Pori, Finland. All operations from production to management take place under the same roof. This enables effective communication between different departments.

Fiblon's product portfolio consists of tabletop products, wiping products and travel comfort items. Fiblon operates in the professional catering and travel markets. Customers in the HoReCa market are hotels, restaurants and catering companies and in the travel market customers include airlines, railway companies and ferry lines.

The clientele consists of both domestic and international customers. Geographically, our customers are located in Scandinavia and continental Europe, but our products can be found all over the world.

Our operations are compliant with ISO standards 22000 and 9001. Fiblon is licensed to use the Swan label for its tissue products. The Swan is the official Nordic eco-label, introduced by the Nordic Council of Ministers. The Swan label demonstrates that a product is a good environmental choice. Fiblon's products are manufactured under customers' private labels and therefore if the customer wishes to have the Swan label on its tissue products, the license is applied for separately case-by-case. We also have the right to use the Key Flag for our products. The Key Flag, issued by the Association for Finnish Work, is a registered collective trademark that proves a product or service is Finnish-made.

## CORPORATE RESPONSIBILITY IS ALL ABOUT CARING

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

Responsibility is a vital part of the company's continuous operations. Fiblon has taken part in VALID, a development programme for responsible business operations in the region of Satakunta in Finland. In the past we had already reported to several customers on corporate responsibility issues but by taking part in VALID we are aiming at an even more comprehensive reporting system by shifting the focus to a predefined reporting format. The end result is the publication of our first Corporate Responsibility Report. The aim is to continue reporting and publish our corporate responsibility report every second year. Our contact person in corporate responsibility issues at Fiblon is CEO Pekka Ekberg.

At Fiblon, the Board plays a key part in corporate responsibility issues. The Board meets ten times a year and every decision is made taking corporate responsibility into consideration.

Fiblon's management is active in networking locally and nationally in various associations related to economic life, education, local politics and culture, e.g. the Confederation of Finnish Industries (EK), the Finland Central Chamber of Commerce, the Foundation for Economic Education, Finnvera, the Satakunta Chamber of Commerce. Fiblon actively takes part in development programmes such as VALID for corporate responsibility.

# PROFITABLE GROWTH

The starting point of economically responsible operations is profitable business activity – and this also applies to us. Operations have to be profitable to all the parties involved: owners, employees, customers, suppliers and other partners. This can be achieved through long-term planning and continuous follow-up of the plans. At Fiblon this includes taking advantage of automation in production, adjusting operations according to e.g. sales and production plans, developing the product portfolio and monitoring contribution.

Our profitable operations and growth are a strong financial foundation for our business and enable us to make a positive contribution to society. Additionally, we ensure the efficiency and competitiveness of our operations by focusing on our core business and its strong development.

Our operational culture promotes healthy competition in our line of business, taking into consideration the quality of service and the price factor.

We monitor our financial performance on a weekly basis. The productivity and efficiency of our business operations as well as responsible reporting are assessed using internal and external audits.

# SATISFIED CUSTOMERS

All of Fiblon's products are tailor-made according to the wishes and needs of the customers. Fiblon does not only offer products but products combined with the Fiblon service cycle concept. This is the starting point of all customer relationships.

At the core are the requirements and wishes of the customer. In this stage the target market, competitors, strengths, organization, processes and logistics system of the customer are analysed. Based on this analysis, the customer is considered either as being compatible or non-compatible with Fiblon's way of operating. In other words, it is determined whether the customer can benefit from co-operation with Fiblon. If the end result is positive, we will develop suitable products, services, order-delivery process, logistics etc. for the customer in question according to their needs and wishes. We can also provide consulting for the customer related to the choice of raw material, printing and packaging, to name but a few.

Customer relationships require constant care and development and therefore the focus at Fiblon is on long-term customers. The purpose is to make the co-operation as smooth for the customer as possible. Fiblon aims to find the best sustainable solution for the customer and to develop it constantly, bearing in mind the economic, social and environmental points of view.

Customer relationships are taken care of in a systematic manner; sales are budgeted on customer and product levels. Follow-up is done continuously and updating on a weekly and monthly basis. As a result of continuous follow-up and open communication within the organization, we are able to react quickly to changes and ensure the promptness of service and deliveries to the customer.

The aim for 2011 is to make a "fair agreement" with all the customers. The purpose of the fair agreement is to clarify and define the ground rules for how the daily actions in the customer relationship are taken care of and who in the Fiblon organization will handle them. Thus we can live up to customer expectations and make our co-operation even more comfortable for the customer.

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## STRATEGIC OBJECTIVES RELATED TO PROFITABLE GROWTH FOR 2011:

### Improving profitability

- improving profit

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## STRATEGIC OBJECTIVES RELATED TO SATISFIED CUSTOMERS FOR 2011:

### Improving security of deliveries

- security of deliveries 100% to customers with whom agreed
  - customer- and product specific plans
  - continuous updating of plans on a weekly and monthly basis

### Fair agreement

- definition of customer specific ground rules

### Stronger role of customer care plan

- continuous interactive communication



## JOY OF WORKING

One characteristic of our operations is the spirit of collaboration, which is typical for family-owned companies. We want to create and sustain a motivating working environment, so that every employee can be proud of working at Fiblon. We support the balance between work and personal life by offering flexible working time arrangements when needed.

We fulfil our social responsibility by giving our employees challenging assignments in an international environment, supporting the continuous professional development of our employees, taking care of our employees' well-being with our extensive occupational health care system and by providing the possibility to go to sport venues free of charge. We offer equal opportunities to women and men regardless of age, background or position. We aim to offer our employees excellent possibilities for personal development and encourage them to take part in training. Willingness for personal development is always considered to be a very positive attribute.

In 2011 the management system at Fiblon will be under development. Employee participation will be emphasised. When you can take part and feel that you can have an influence on things, motivation will increase. Therefore we wish to further highlight the importance of open communication on all levels and give information about our common goals and where we are heading. The goals set for the whole organization are adopted on a personal level in the yearly development discussions where our common goals are broken down into personal goals, which can be measured and followed up. In the development discussions each individual's job description and personal responsibilities are defined.

Every week different teams come together for meetings. The production is stopped so that everyone can take part in the weekly production team meetings where current issues are presented and discussed together. Likewise the office staff comes together for a weekly meeting. Furthermore meetings are held regularly within the different departments. For example the customer service team has a meeting every fortnight where everyone gives an update from their own area of responsibility.

In 2010 Fiblon started a tradition of organizing a yearly co-operation day for the personnel. The purpose is that everyone at Fiblon has the chance to express their ideas and suggestions for improvement and development. Besides work-related meetings, recreational activities are also organized twice a year, where people can spend time together outside the work environment. Whether work-related or a recreational activity day, the production is stopped so that everyone can take part regardless of their shift (the production runs in three shifts 24 hours a day).

Starting in 2011 a new course of action will be introduced in production operations. The focus will shift from individual working at a certain production machine to teamwork. In the future every member of the team working on the shift will have the know-how to take action when it is needed regardless of which production machine is concerned. To achieve this, a long-term plan for training has been made.

### STRATEGIC OBJECTIVES RELATED TO THE JOY OF WORKING FOR 2011:

#### Development of the management system

- definition of job description for all employees
- definition of personal goals and measures for all employees

#### Increasing personnel's opportunity to have an influence

- regular meetings
- communication, raising needs
- theme of involving management in teams

#### Maintaining and developing co-operation activities

- co-operation day once a year
- development discussions once a year

#### Balance between work and personal life

- working time arrangements



# RESPECTING THE ENVIRONMENT

We acknowledge our responsibilities in environmental matters and we aim to work according to the principles of sustainable development. We are aware of the environmental effects of our business operations and aim to adapt our operations to match the principles of sustainable development and prevent possible detrimental effects. Environmental awareness is part of Fiblon's continuous development process.

Fiblon's environmental thinking directs our products in every step of their life cycle. It starts from choosing the raw material suppliers and continues through to production, packing, transportation, end-use and recycling of the product.

Today's marketing requires that the product is the best possible and does not needlessly stress the environment. The amount of waste generated must be reduced and savings in energy consumption must be made. We at Fiblon take care that all the products we manufacture are also cutting-edge from an environmental point of view. The operations of Fiblon are such that they do not require any environmental permits. Our production facilities have been purpose-built to save energy, and no additional heating is required because of our efficient heat recovery system.

In 2011 we will invest in improving the utilization of production machinery and capacity in order to increase our output of products and decrease the amount of waste. This will be done by recruiting a utilization engineer, training production employees and through more systematic product design. We already have a trial production process for new products, through which possible problems can be eliminated in the early stages of production. Furthermore, careful material selection, taking the product life cycle into consideration, and innovation play an important role from an environmental perspective.

On-going development continues in the areas of decreasing energy and water consumption as well as cutting the amount of waste and better utilization of waste.

Since the beginning of 2011 Fiblon uses environmentally friendly electricity generated by wind power. This will be one step in decreasing the amount of greenhouse gas emissions and saving nature for future generations.

## STRATEGIC OBJECTIVES RELATED TO RESPECTING THE ENVIRONMENT FOR 2011:

### Better control of utilization (output)

- achieving 97% output utilization
- recruitment of utilization engineer
- organization of training for employees
- product design

### Consideration of environmental perspective in R&D

- systematic development of product portfolio
- systematic development of material portfolio

### Continuous improvement in environmental matters

- decreasing carbon footprint
- decreasing consumption of energy
- decreasing consumption of water
- decreasing amount of waste
- better utilization of waste  
(recycling and energy use)

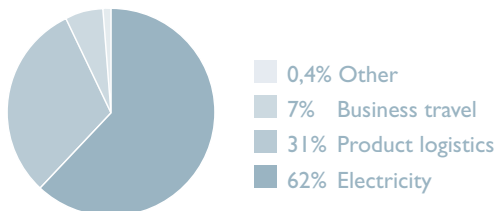
## CASE: CARBON FOOTPRINT

In this report, Fiblon is reporting its operational carbon footprint for the years 2009-2010 for the first time. In this calculation, Fiblon uses the Greenhouse Gas Protocol (GHG Protocol) developed by World Resources Institute and World Business Council for Sustainable Development, which represents the best available calculation method.

The calculated footprint includes Fiblon's operations in Pori, but excludes the carbon emitted during the lifecycle of its products. Reflecting the emissions categories defined by the GHG Protocol, Fiblon's carbon footprint takes into account direct fuel use (scope 1), electricity consumption (scope 2), as well as water consumption, waste and paper consumption in the Pori property, product logistics, mail, courier services and business travel (all included in scope 3). The most significant sources for relevant carbon dioxide emissions of operations are the property's electricity consumption and product logistics.

Fiblon's carbon footprint in 2010 totalled 364 tonnes of CO<sub>2</sub> equivalent, broken down as illustrated in the figure below. Compared with 2009, emissions grew by 11%, which is mainly due to a rise in electricity consumption and an increase in business travel.

## FIBLON CARBON FOOTPRINT 2010 (%)



## CASE: FIBRA

FIBRA, as all of Fiblon's products, was tailor-made to meet the customer needs. FIBRA is a cleaning wipe for general surface wiping, for professionals in the HoReCa market for example. Currently the FIBRA product family has five members of which three are 100% biodegradable and can be decomposed with bio-waste. A wide assortment of cleaning wipes can be found on the market, and in Finland most of them are cleaning wipe rolls. One of Fiblon's customers expressed a need for a cleaning wipe that would be packed in a case and so the innovation process at Fiblon began.

Fiblon developed a new kind of form for cleaning wipes by packing cut and folded cleaning wipes into a cardboard dispenser case. The materials used for FIBRA products were already familiar in the market.

The new form and packaging offer many advantages: the cleaning wipes are ready to use, consumption decreases because the packaging is very hygienic and the cleaning wipes are stored away from dirt and moisture in the opened case until the last cleaning wipe. The price is economical: according to Fiblon's calculations, at least 31% can be saved in a year by using FIBRA cleaning wipes. The packaging takes very little space compared to the cleaning wipe rolls, therefore transportation and storage costs also decrease.

The raw materials of the cleaning wipes are produced in the Satakunta region of Finland. The cardboard packaging is 100% recyclable and no outer packaging is needed. Thus the amount of waste generated is very little.

FIBRA is an excellent example of a product innovation that reflects all of Fiblon's values and views on social responsibility!





## CONTACT US

Oy Fiblon Ab  
P.O. Box 149  
28101 Pori, Finland  
[www.fiblon.com](http://www.fiblon.com)

### REPORTING PRINCIPLES

The aim of the report is to describe Fiblon's operating principles and performance in the areas of economic, social and environmental responsibility in a comprehensive manner. This is Fiblon's first corporate responsibility report and the information presented is based on years 2009-2010. As a basis for reporting, Fiblon has followed the international Global Reporting Initiative (GRI) guidelines on the contents and reporting principles.

Based on Fiblon's own evaluation the report corresponds to GRI's application level C. A more detailed analysis of the contents of the report can be found together with the report on Fiblon's website [www.fiblon.com](http://www.fiblon.com). The report will be published every second year. Fiblon will continue to expand on the scope of reporting in the future, as the quality and depth of data gathering improves.