

2012 INTEGRATED STAKEHOLDERS' REPORT

Engineered Success

At PGI, we engineer our products with improved performance and built-in properties which provide protection against existing and new hygiene threats and help to make the world healthier and more sanitary.

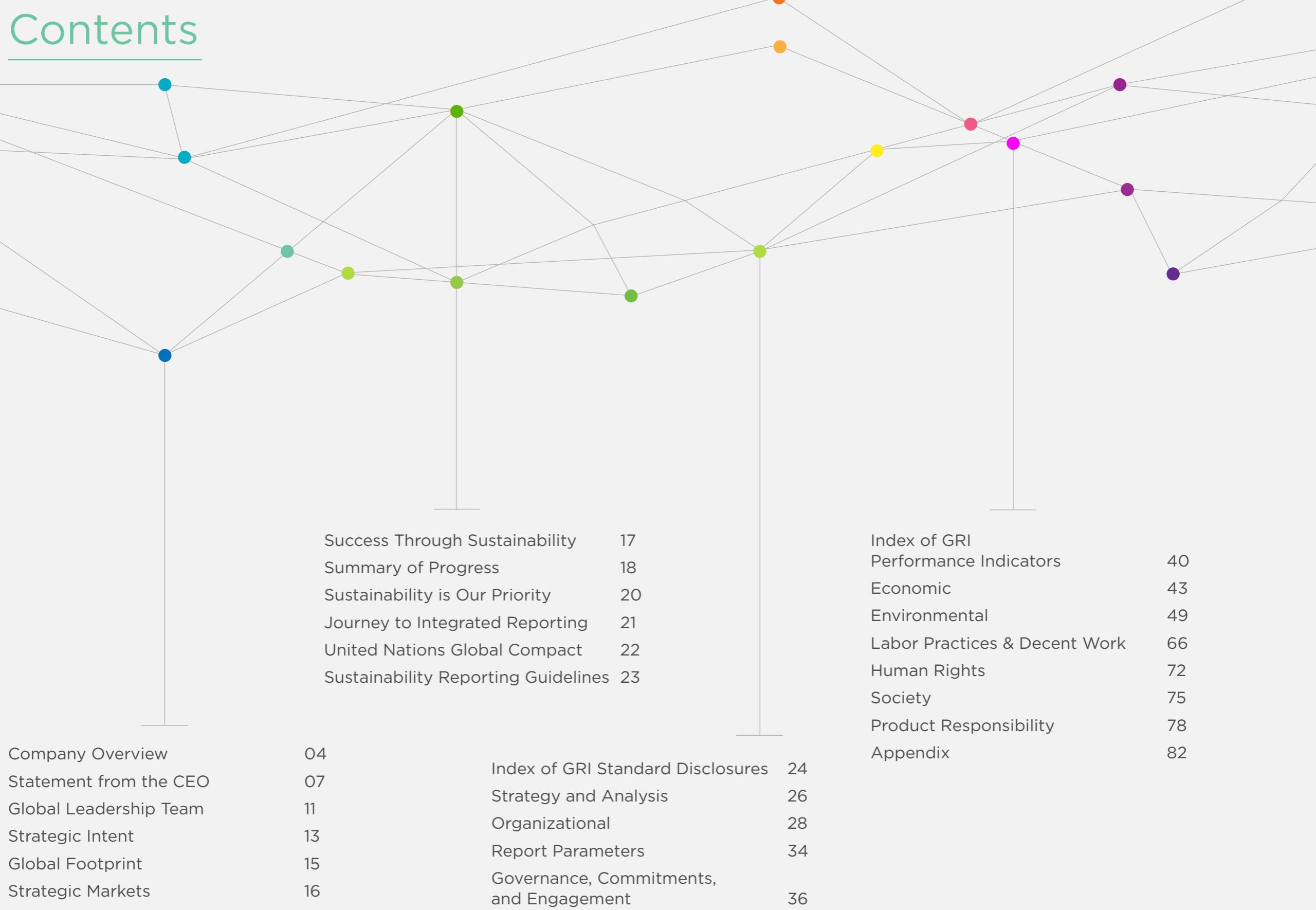
As a global company, the impact of our products is widely felt. Our non-woven materials are used in many applications, including:

- Diapers – to help keep babies dry, clean and healthy
- Medical gowns and drapes - to protect healthcare professionals and patients against contamination
- Wipes - to prevent the spread of germs in restaurants and homes
- Filtration media - to clean and maintain air and water quality
- Specialty products including house wrap, cable wrap, bedding components and crop covers - to protect the inside and outside of buildings, communication wires and crops from damage by environmental elements.

In this annual Integrated Stakeholders' Report, we put the spotlight on our products, technologies, locations and people that make the world in which we live safer and cleaner.



Contents



Company Overview

Few companies in the nonwoven industry have PGI's infrastructure, technology and focus on creating innovative, sustainable solutions that help its customers succeed.



Key Figures:



Polymer Group, Inc. (PGI) is a leading global innovator, manufacturer and marketer of engineered materials – specifically, high performance, low cost nonwoven products. Critical components in a wide range of applications, PGI's products provide value-added characteristics that traditional materials don't, such as absorbency, tensile strength, softness and barrier properties, among others.

Our global platform is one of the largest in the industry and we believe we also have one of the broadest and most advanced technology portfolios. This means PGI is very specially positioned as an organization, to meet the demands for increasingly sophisticated products in new and growth markets, across the Americas, Europe, Africa the Middle East and Asia.

Within these regions, our primary target markets are hygiene, healthcare, wipes and filtration. Hygiene applications include baby diapers, feminine hygiene products and adult incontinence products. For the healthcare market, typical applications include single-use surgical gowns and drapes, hospital

apparel, and infection control supplies. In the wipes industry, uses include household, personal care and commercial cleaning wipes. In the filtration industry, PGI's products are engineered to meet a range of specialty applications, such as bedding components, house and cable wrap and crop covers, with stringent functional specifications.

In all of the markets we serve, our products are developed using modern, sustainable manufacturing processes. Our customers are well-established multinational and regional consumer and industrial product manufacturers, who use our engineered solutions to create and maintain a healthy environment for all of us.

The global nonwovens market is estimated to be in excess of \$25B. PGI has evolved its approach in response to changing market dynamics.

On April 10, 2012, our Board of Directors approved a redesign and restructuring of our global operations, to consolidate the benefits of our global footprint, align resources and capabilities with future growth opportunities, and provide better structural efficiencies to existing markets. Of significance was the combining of the US and Latin American capabilities to create a consolidated Americas infrastructure, which will deliver greater efficiencies to broader markets.

A new Global Growth & Innovation unit was established to be the growth engine for PGI. A new Global Supply Chain unit was established to integrate our strong global procurement team into the operational strategy of the business and strengthen the linkage and alignment into our P&L.

PGI's footprint now comprises 13 manufacturing and converting facilities in nine countries, with a significant presence in growth markets like Asia and Latin America. Furthermore, the strategic positioning of facilities ensures we are located close to our key customers, allowing us to most efficiently respond to local and regional demands, while maintaining a deep understanding of the trends and influences that drive our solutions innovation process.

This third annual integrated stakeholder's report focuses on change and growth, both for PGI and the world for which we innovate. It provides a full picture of our performance financially and against a set of established sustainability goals regarding the use of energy, water and non-renewable resources. It also aims to show our continual commitment to developing products and technologies that can be used in sustainable applications in mature and emerging markets.

Sustainable manufacturing is defined as the creation of manufactured products that use processes that are non-polluting, conserve energy and natural resources, and are economically sound and safe for employees, communities and consumers.



PGI's Advanced Sustainable Technology Platform

Arium™

Submicron fiber-containing products manufactured utilizing a proprietary Melt Film Fibrillation (MFF) process.

Advanced SMS / Polypropylene

Hybrid integration of spunbond and meltblown technologies to form products with various performance characteristics.

Spinlace®

Products made from a highly efficient manufacturing process that incorporates continuous filament with hydroentanglement.

Film Lamination

Products made from a process combining various materials through adhesive bonding or extrusion coating.

APEX®

PGI-patented advancement of hydroentanglement that produces nonwovens with unique, textile-like properties.

Thru-Air Bond

Heated air is passed through webs of bi- or tri-component fibers, causing them to bond together.

Spunbond Polypropylene

Extruded spun filaments are deposited onto a collecting belt where the fibers are bonded.

Spinlace-Hydroentanglement

High-pressure water jets further entangle webs of loose fibers on moving perforated screens or belts.

Chemical Bond

Carded webs are transitioned into substrates using chemical adhesives.

Advanced Composites

Layers of nonwovens and film substrates are adhered using ultrasonics, chemical bonding or extrusion.

Printing

Color is added to PGI substrates in patterns and bonded to fibers in a manner that prevents removal of ink by friction.

Apertured Film

Porous mesh structures are created that are liquid permeable.

Statement from the CEO

In this report you will see how PGI continues to make improvements and measurable progress as the global leader in nonwovens; providing our customers with the world-class engineered materials they need to succeed in increasingly sophisticated and competitive markets.

We continue to move closer to our main sustainability goals that were established in 2008, and are to be met by 2014. From the beginning of my tenure at PGI, we have maintained a commitment to deliver superior customer value by placing emphasis on four key areas: Innovation, Customer Satisfaction, Operational Excellence and Global Capability. This focus remains strong as we strive to retain our position at the forefront of the nonwovens industry.

As a truly global company, PGI has grown even stronger by being grounded in the culture of the regions we serve. This global sensitivity combined with our unwavering commitment to sustainability, and our productive partnerships with our customers, underpins our very ethos: engineered success.

VERONICA HAGEN

President and Chief Executive Officer



In very tough economic times and competitive environments, we sold more volume in 2012 year-over-year and improved our profitability. This could not have been accomplished without the contributions from our teams in all regions – the Americas, Asia and Europe.

The year was characterized by changing market conditions. Several of our competitors, in regions where we do business, announced expansion plans or installed capacity in excess of what we believe the current market demands, putting downward pressure on selling prices. Faced with overcapacity in these regions, PGI met those challenges and responded confidently to the new realities.

In April 2012, we repositioned ourselves with a new framework to maximize the benefits of PGI's global footprint, respond with greater flexibility and speed, and focus on growth by aligning resources and capabilities with future opportunities.

We are moving ahead under this new structure, that has:

- United the strengths of our U.S. and Latin American businesses into a new Americas region, that delivers greater efficiencies to serve broader markets, better aligns with customers, and improves costs and competitiveness

- Formed a "Global Growth and Innovation" unit as a consolidated growth engine that supports development of innovative solutions to customer and market needs
- Established a Global Supply Chain unit to more closely bring together global procurement and our operational strategy, and to extend our world-class operational excellence across the supply chain
- Established a new regional structure to put leadership closer to customers and markets, foster closer collaboration, and increase speed of decision making

- Underlying volume growth was partially offset by reduced selling prices from the pass-through of lower raw material costs, unfavorable market pricing trends, and the impact of foreign currency translation.

Profit Profile Improves on Return to More Normalized Operating Environment and Contributions from Cost Savings Initiatives

- Gross profit was 5.8% higher at \$197.2 million for fiscal year 2012 compared with \$186.5 million in the prior year, including purchase accounting adjustments and the effect of the flood in Colombia.

Fiscal Year 2012 Highlights:

Increased Volumes Paced by Growth Investments in Americas and Asia

- Total sales volumes (as measured in metric tonnes) grew 6.1% compared with the prior year, and were up 1.9% excluding volumes from the Colombia operations that were disrupted in fiscal year 2011. The year-over-year volume growth reflected contributions from new capacity in the Americas and Asia segments, combined with improved demand in the healthcare markets as well as certain industrial markets.



Increased Volumes Paced by Growth Investments in Americas and Asia



- Overall profit was positively impacted by higher volumes and cost reduction initiatives, which also resulted in lower SG&A costs. These benefits were partially offset by certain volume-related manufacturing inefficiencies, a volatile raw material environment, increased lease expense associated with the new line in Virginia and higher depreciation expense.

Strong Cash Generation and Disciplined Working Capital Management Continues

- Liquidity remained strong with cash balances of \$97.9 million as of December 29, 2012.
- Operating working capital improved year-over-year to 2.6% of net sales as of year-end compared with 4.6% of net sales as of December 31, 2011.

Fiscal Year 2012 Results

The positive impact from new investments in Suzhou, China, and Waynesboro, Virginia, were the largest contributors to net sales for the fiscal year ended December 29, 2012. Net sales were \$1,155.2 million in fiscal 2012 compared with \$1,187.5 million for the year ended December 31, 2011 (on a combined basis of successor and predecessor - see form 10-K for further detail). The year-over-year decrease was primarily driven by lower net selling prices resulting from our passing through lower raw material costs in addition to a negative foreign currency translation impact. The decrease was partially offset by improved net selling prices in our Oriented Polymers segment as well as higher volumes in each of our Nonwoven segments, of which \$32.1 million was associated with higher volumes at our Colombia facility, compared with the prior year when the facility was impacted by a flood at the location. Increased volumes in the Americas segment were driven by wipes and healthcare products, while incremental growth in Asia was led by healthcare and hygiene products sold from our new spunmelt line, installed in 2011. The stabilization of underlying demand in our industrial markets, as well as additional volumes for wipes, benefited our business in Europe.

The redesigned organizational structure we commenced in 2012 is complete with the new “Global Growth & Innovation Group” focused on matching resources with existing growth opportunities as well as identifying and developing new applications of PGI

technologies and capabilities. The new structure is expected to achieve \$10 million to \$12 million of annualized savings, a portion of which will contribute to incremental profit in fiscal year 2013.

Safety and Sustainability

Our safety record in 2012 was the best in our history. Our recordable incident rate continues to decline. Safety is our number one value. It goes hand in hand with our pursuit of protecting health and enhancing hygiene. We continue to set higher internal and external safety standards to identify and eliminate unacceptable risks, and relentlessly pursue an incident free workplace.

Our commitment to sustainability is a reflection of our values and represents an integral part of the PGI brand. PGI takes great pride in its exceptional personnel throughout facilities worldwide who are all individually dedicated to our sustainability goals and responsible corporate citizenship.

2012:
Our Best Ever
Safety Record

-14.3%
from 2011



Safety and Sustainability Highlights:

- Our technical teams are creating dynamically lighter materials while maintaining their valuable functions and lowering the carbon footprint
- Our new manufacturing lines are driven by the most efficient motors, reducing our electrical needs on a per unit basis
- Our product mix has evolved such that our demand for the consumption of water has decreased dramatically
- Our portfolio of products allows us to recycle materials in a manner that is not typical of other manufacturing processes
- We have advanced our engineering and manufacturing to significantly decrease our solid waste generation
- Each PGI facility participates in numerous activities that foster awareness of health improvement and wellness in local communities

Global Leadership Strategy

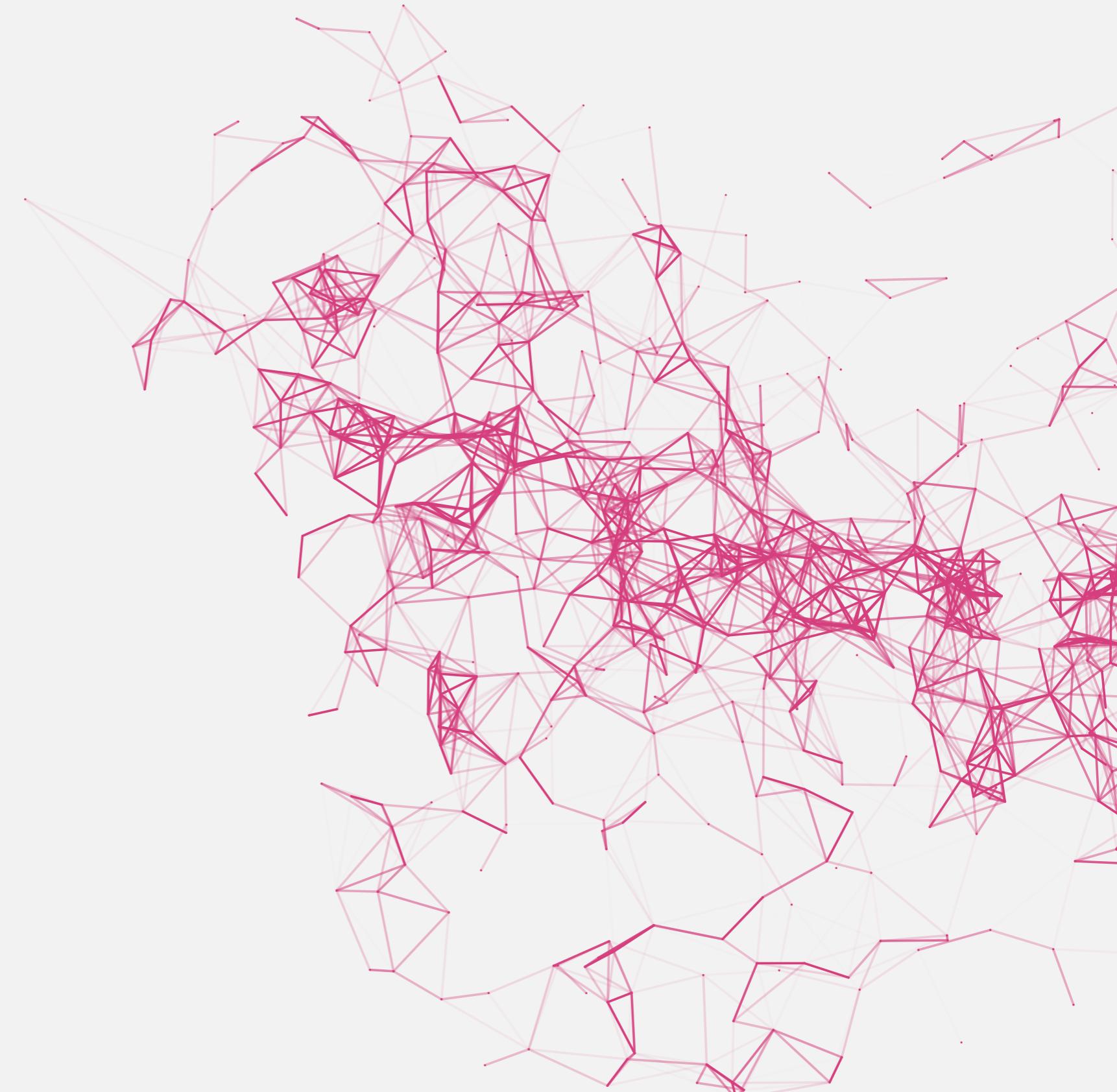
PGI continues to progress toward our goal of being a leading global provider of nonwovens for customers focused on disposable applications; which present long-term growth opportunities, especially in emerging markets.

We are focused on expanding our global capabilities, our customer base, innovation, operational excellence and Corporate Social Responsibility, to drive our continued success. Our new operating structure — combined with having one of the broadest and most advanced technology portfolios in the industry based on modern, sustainable manufacturing practices — positions us well for the future.

Our entire leadership team is fully committed to moving the company boldly into the future, to realize the full potential of our global footprint, and use it to our competitive advantage.

VERONICA M. HAGEN

President and Chief Executive Officer



PGI's Global Leadership Team

PGI's leadership team represents a blend of industry expertise and highly experienced, visionary business management. It is well equipped to navigate the company's goals confidently, in today's complex and competitive global business environment. PGI's market-leading position is founded upon its values as a globally responsible and sustainable manufacturer, employer and community member.

The leadership team is unanimously committed to innovative, yet responsible, manufacturing. The team keeps the company focused on providing exceptional products for customers, which requires a motivated and nurtured workforce. Leadership therefore ensures the prioritization of employee health and safety, environmental management and fair treatment of personnel, along with responsible supply chain policies. Combined with a focus on PGI's facilities operating responsibly and respectfully within their local communities and environments worldwide, this helps our company to succeed.

PGI has a policy of hiring local talent across its global locations and creating a culture

throughout the company for employees to personally develop and advance. This ultimately fuels a sustainable pipeline of leadership succession from within the company, that ensures ongoing success. Our global leadership relies on respecting different talents, perspectives and backgrounds.



Global Leadership Team

DENNIS NORMAN
Executive Vice President
& Chief Financial Officer



MICHAEL MODAK
Senior Vice President, Global
Growth and Innovation Officer



MIKE HALE
Senior Vice President, Global
Supply Chain Head



MARY TOMASELLO
Senior Vice President, Global
Human Resources & Employee
Communications



DAN RIKARD
Senior Vice President,
General Counsel & Secretary,
Ethics Compliance Officer



SCOTT TRACEY
Senior Vice President,
General Manager – Americas



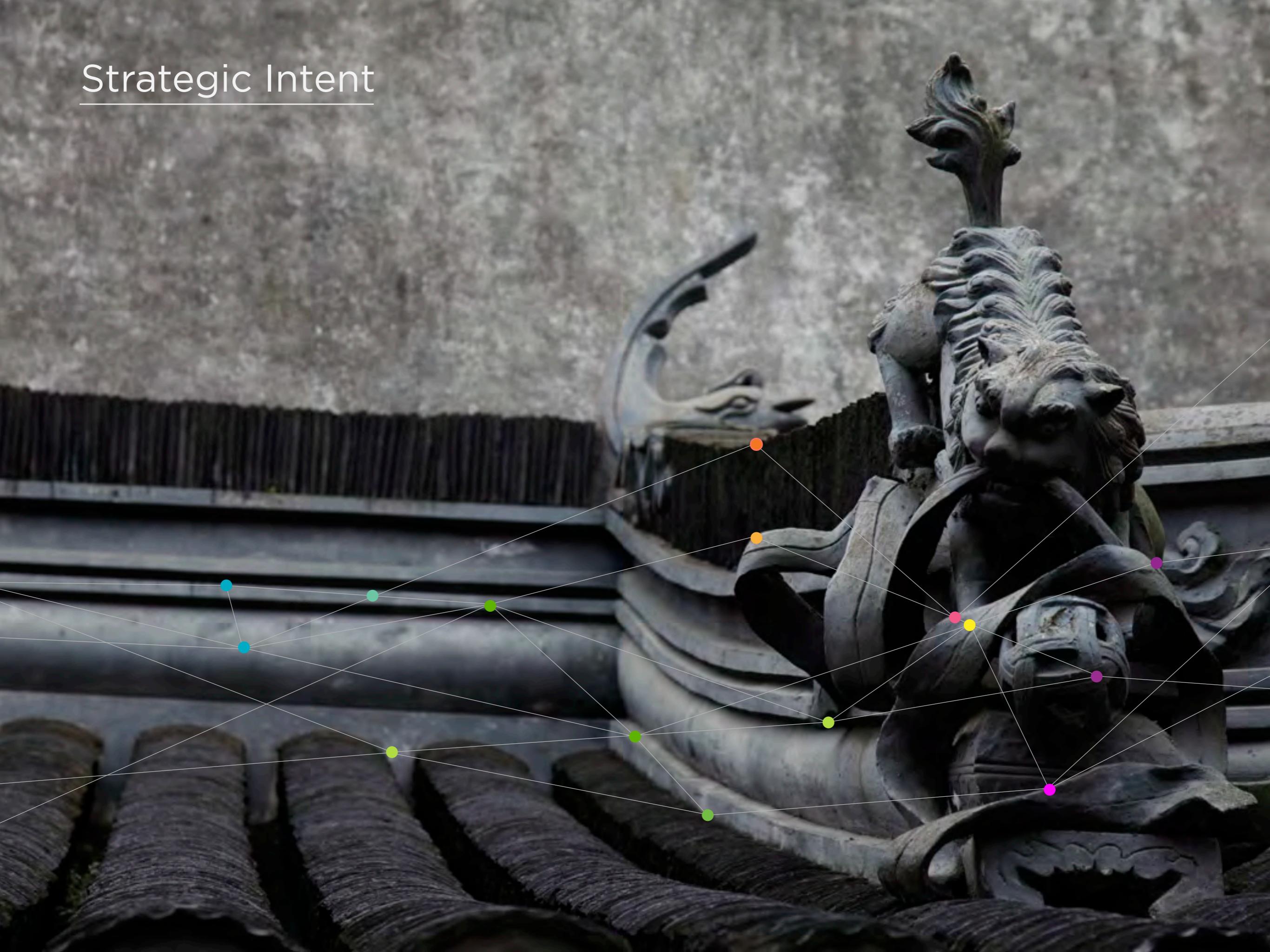
JEAN-MARC GALVEZ
Senior Vice President,
General Manager – Europe



BOB DALE
Senior Vice President and
General Manager – Asia



Strategic Intent



Strategic Intent

Become a global leader in the development, production and delivery of engineered materials that offer superior value to manufacturers and marketers

Leverage our:

- Diverse portfolio of assets, technologies and intellectual property
- Expertise in operating a process business, and manufacturing nonwovens and composite structures
- Global operating footprint to enable broad reach to customers and markets, consistent product quality and short lead times

Prioritize markets where:

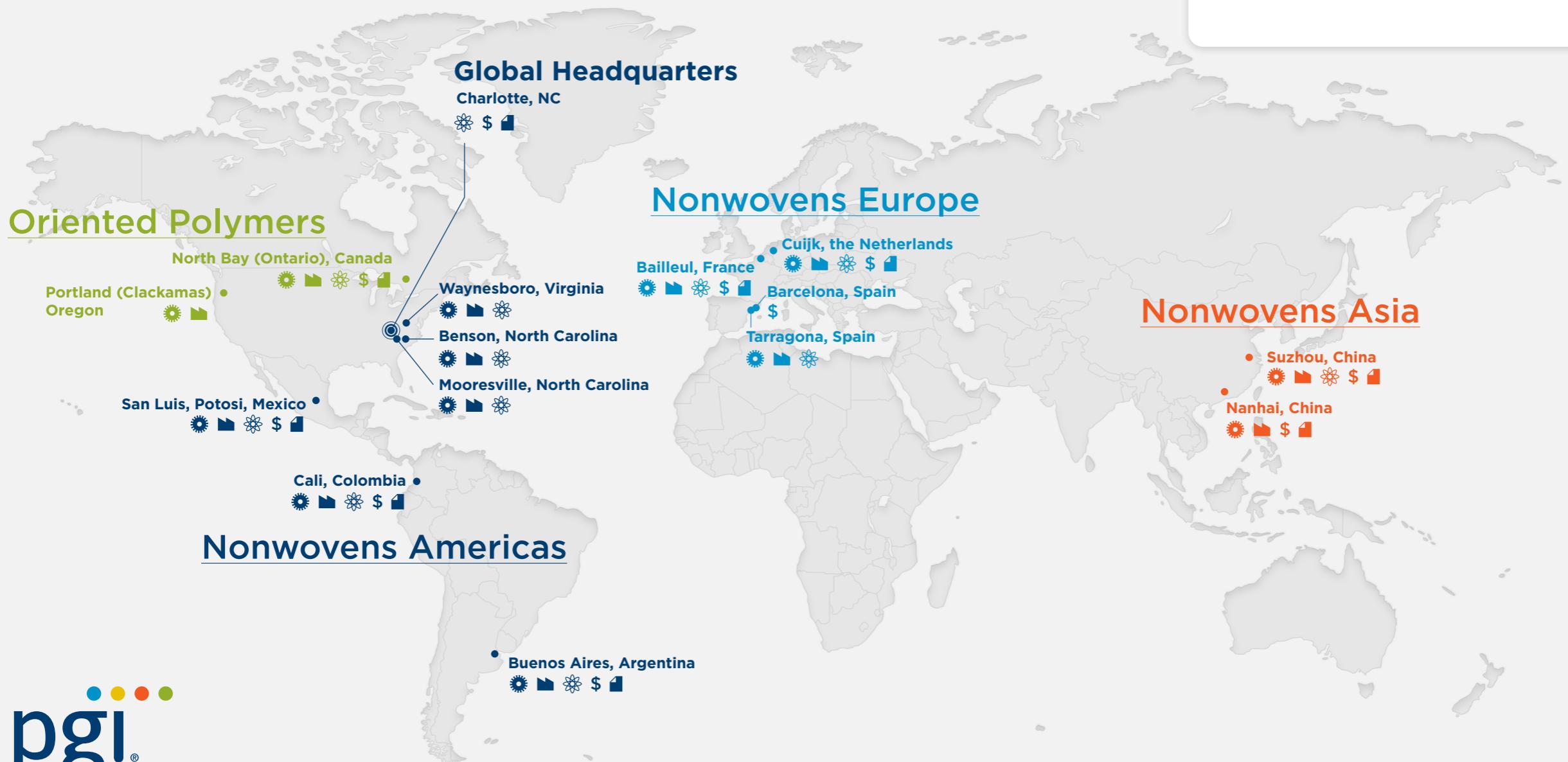
- Engineered materials are of high relative value to the end product
- Customers are seeking product solutions
- Leadership positions can be secured through scale and/or intellectual property
- Demand is less cyclical

Focus on Hygiene,
Healthcare, Wipes & Filtration
market segments



Global Footprint

PGI is committed to employing modern technologies across all of its global facilities. This allows us to provide consistent engineering advantage to our customers in all markets.



Strategic Markets

With one of the largest global technology platforms in the nonwovens industry, PGI is a leader in key markets including hygiene, healthcare and wipes. We have also reorganized resources, and our global implementation of generic and proprietary technologies, to position us for leadership in growth markets such as filtration.



HYGIENE

- Infant Diapers
- Training Pants
- Adult Incontinence Briefs
- Panty Liners & Tampons
- Pull-ups & Pants
- Femcare Napkins



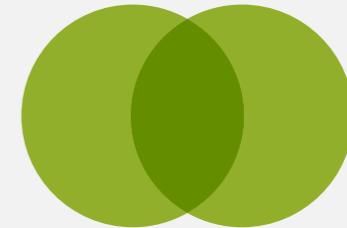
HEALTHCARE

- Surgical Gowns
 - Patient Drapes
 - Healthcare Worker Apparel
 - Face Masks
 - Wound Care Substrates
 - CSR Wrap
 - Medical Accessories
 - Transfer Wrap
- Primary Brands:**
Medisoft®, Pentamax®, Poly-breathe®



WIPES

- Automotive OEM
 - Automotive Aftermarket
 - Foodservice
 - Building Care
 - Industry
 - Consumer Home Care
 - Healthcare
 - Consumer Personal Care
 - General Purpose
- Primary Brands:**
Boxer®, Chicopee®, C pro-Chlor®, C Pro Quat®, Chix®, Chux®, C-Tex®, Durawipe®, Durawipe Xtra®, Fresh Guy®, Marine Island®, Quix®, Stretch'n Dust®, Worxwell®, B-Clean®, Cartex®, Chifonet®, Dusty®, I-Solve®, J-Cloth®, Lavette®, Masslinn®, Morana®, Sur-Prep®, Swansoft®, Ultra-Tex®



FILTRATION

- Water
 - HVAC
 - Transportation
 - Food Processing
 - Manufacturing
 - Healthcare
 - Petroleum Processing
 - High-Tech
- Primary Brands:**
Air-Gard®, Kiara®, Ultraply®, Ultraloft®

INDUSTRIAL

PGI nonwovens serve a diverse collection of industrial end products, including cable wrap, house wrap, furniture and bedding, and landscape and agricultural applications

Achieving Engineered Success Through Sustainability

Around us, customers, employees, investors, regulators and the market are putting pressure on all suppliers to be socially responsible and transparent.

PGI decided years ago not just to respond to these demands, but to lead the industry in showing how to adopt these values as part of everyday business. We have done so by committing to sustainability - from our leadership team throughout all levels of our global organizations, and by being visible in our reporting.

We stand committed to the Global Reporting Initiative as the best format for communicating our progress and initiatives.

Summary of Progress 2012

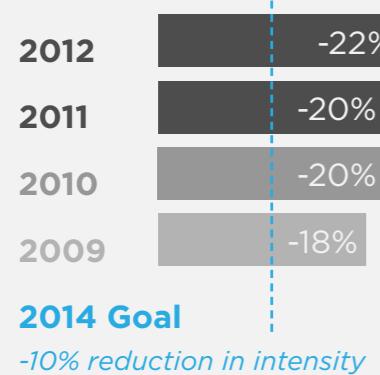
Inputs and Outputs

Overall Material Use (g/m²)



-22%

Reduction since 2008



Recycled Input Material Use



+1748 BPS

Reduction since 2008

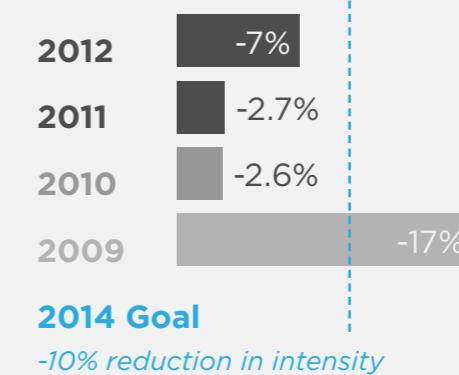


Electricity Consumption



-7%

Reduction since 2008

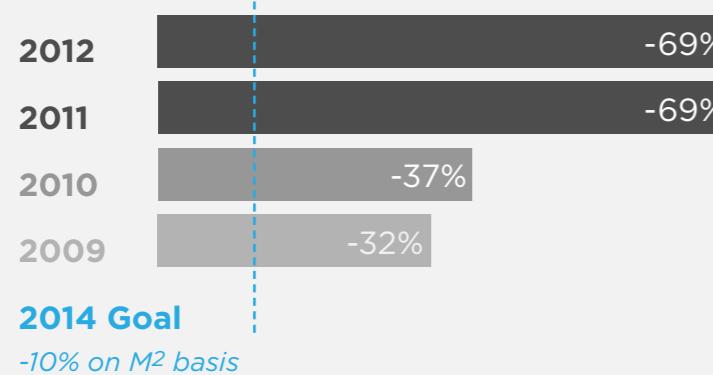


Water Consumption



-69%

Reduction since 2008

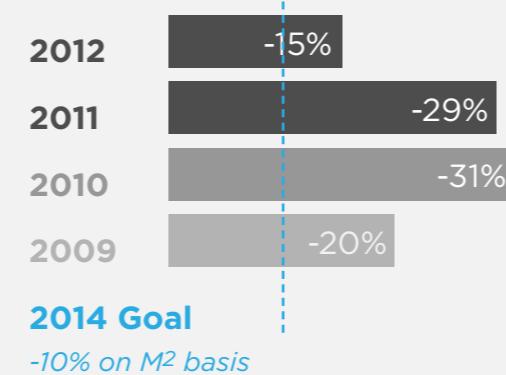


Carbon Footprint



-15%

Reduction since 2008

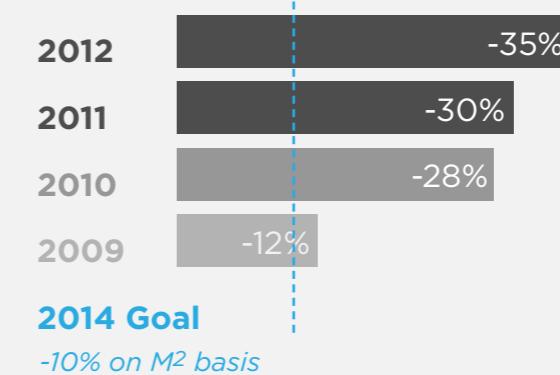


Solid Waste Generation



-35%

Reduction since 2008



Summary of Progress 2012

Product	Transparency & Safety	Employee Engagement																
<p>2014 Goal 10 new sustainable products & services commercialized</p>  <p>2010 J-Cloth® 3000</p> <p>Total progress since 2008</p> <p>4 Sustainable products</p> <ul style="list-style-type: none"> • J-Cloth® 3000 • Safecover Repellent Blanket • Oxy-Biodegradable materials • Infection Control Sterile Wrap 	<p>2014 Goal Sustainability Reporting at GRI Application Level A</p> <p># of core indicators</p> <table> <tbody> <tr> <td>2012</td> <td>+19</td> </tr> <tr> <td>2011</td> <td>+19</td> </tr> <tr> <td>2010</td> <td>+14</td> </tr> <tr> <td>2009</td> <td>+9</td> </tr> </tbody> </table> <p>2014 Goal Zero recordable incidents</p> <p># of incidents</p> <table> <tbody> <tr> <td>2012</td> <td>-25</td> </tr> <tr> <td>2011</td> <td>-19</td> </tr> <tr> <td>2010</td> <td>-11</td> </tr> <tr> <td>2009</td> <td>-11</td> </tr> </tbody> </table> <p>Total progress since 2008</p> <ul style="list-style-type: none"> • 19 Indicators • Sustainability Reporting at GRI Application Level B • -39% Sustainability Reporting at GRI Application Level B • 25 fewer incidents 	2012	+19	2011	+19	2010	+14	2009	+9	2012	-25	2011	-19	2010	-11	2009	-11	<p>During 2012, PGI enhanced the methodology of its Employee Engagement survey.</p> <p>From 2008-2011 our survey measured overall engagement relative to the average of the four key indicators of engagement; Discretionary Effort, Intent to Stay, Emotional and Rational Commitment.</p> <p>In 2012 the survey enhancements included shifting from indicator averages to overall percentages of favorable responses in a) overall engagement, b) the four key indicators of engagement, and c) the drivers of engagement; Talent, Strategy, Innovation, Execution, Leadership, Achievement, Customer Alignment and Immediate Manager.</p> <p>In doing so, this provides PGI with the opportunity for more robust action plans to strengthen our performance within the drivers that have the biggest impact on engagement.</p> <p>Key outcomes for 2012</p> <p>In 3 of the 4 key categories (Discretionary Effort, Intent to Stay, Emotional Commitment and Rational Commitment), PGI is above the global norm.</p> <ul style="list-style-type: none"> • Manager, Team Leader, Supervisor level exhibits the strongest Engagement • PGI's strength is employee willingness to put forth extra effort and the company's commitment to employee safety. • Employees express favorable opinions towards co-workers and immediate managers. <ul style="list-style-type: none"> - Managers recognized for treating employees fairly - Employees cooperate to accomplish work • 53% Favorable Global Rating
2012	+19																	
2011	+19																	
2010	+14																	
2009	+9																	
2012	-25																	
2011	-19																	
2010	-11																	
2009	-11																	

Sustainability is Our Priority

As global sustainability compliance becomes more complex, PGI is ready to address the new global challenges.

In the five years since we formally began our sustainability journey at PGI, we have collaborated with our strategic customers and partners to help them achieve their sustainability goals, measured and reported our results with transparency, and energized and involved our entire organization in our efforts.

PGI's approach to sustainability is aligned with global concerns for society and the environment. It is part of our business strategy - supported by our Board of Directors and all our stakeholders.

At PGI, sustainability is integrated across our supply chain and rooted in our company culture. It is part of how we run our daily business operations, contributes to our development of innovative products and is part of everyday open conversations with our customers.

Our products play crucial roles safeguarding society against risks that are concerns all people around the world face.

Our materials used in hygiene applications help keep babies dry, clean and healthy; in healthcare we protect professionals and patients against contamination; food service and home cleaning wipes prevent the spread

of germs, and in filtration we keep air and water quality clean.

Our processes seek to provide solutions that are sustainable and to increase our energy and water efficiency, reduce overall materials and solid waste, and minimize waste and our carbon footprint.

Our people are involved in making a difference in their individual efforts from making our work sites safe and recycling materials to contributing and volunteering to nonprofit organizations in their communities.

Sustainability is an ongoing journey, focused on long-term objectives, short-term goals and measurable parameters. In the past five years of reporting our progress, we have made significant progress. This report presents how we performed against six performance indicators consistent with the GRI initiative.



Sustainability: Key Points 2012



We continue to deliver products with equal or better functionality made with less material



Our reliance on water consumption in our manufacturing process continues to diminish



As we expand our manufacturing capacities we remain focused on reducing the intensity of our electrical consumption



Our solid waste generation continues to decline significantly each year

MICHAEL MODAK
Senior Vice President,
Global Growth and Innovation Officer

PGI's Journey to Integrated Reporting



June 2010 GRI Readers Choice Awards

- 2,000 Reports Submitted
- 30 Finalists
- 4 Other U.S. Finalists:
 - Apple
 - Ford
 - 3M
 - Walmart
- 6 Award Categories
- **PGI the only U.S. runner-up**

May 2011 SEC Sustainability Rankings

- Companies headquartered in Southeast U.S.
- Top 5 Most Sustainable Companies:
 - United Parcel Service
 - **Polymer Group, Inc.**
 - Duke Energy Corp.
 - The Coca-Cola Co.
 - Hanesbrands Inc.

April 2012 Bloomberg

PGI one of 5 new integrated reporters . . . along with Clorox®, Northrup Grumman, SAS and Genentech.

United Nations Global Compact

"What is the UN Global Compact? The Global Compact asks companies to embrace universal principles and to partner with the United Nations. It has grown to become a critical platform for the UN to engage effectively with enlightened global business."

**UN Secretary
General Ban Ki-moon**



More information on the UN Global Compact can be found at:
www.unglobalcompact.org



PGI is a partner of Sustain Charlotte, a nonprofit organization in the community where our corporate and Americas headquarters and one of our manufacturing sites, the Mooresville facility are located. The organization serves to advance a region-wide sustainability movement by serving as a catalyst for change with a mission to inspire, inform and facilitate a holistic and collaborative approach to building a vibrant and sustainable future for the entire Charlotte metropolitan region.


Veronica M. Hagen
Chief Executive Officer

December 13, 2011

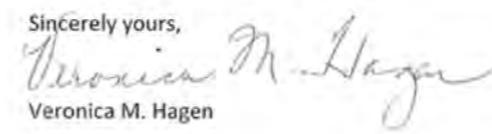
H.E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,

I am pleased to confirm that PGI supports the ten principles of the Global Compact with respect to human rights, labor, environment and anti-corruption. With this communication we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. PGI will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy.

Sincerely yours,


Veronica M. Hagen

Polymer Group, Inc.
9335 Harris Coiners Parkway • Suite 300 • Charlotte, NC 28269
Direct +1 704 697 5252 • Fax +1 704 697 5122 • www.polymergroupinc.com

Sustainability Reporting Guidelines

PGI employs the Global Reporting Initiative (GRI) G3.1 reporting guidelines and framework to report on its sustainability activities. Based on the number and level of disclosures and indicators, PGI is declaring a B-level application. More information on the GRI can be found at: www.globalreporting.org

PGI is open to your feedback.

Please submit any suggestions to:

Michael Modak, Senior Vice President,
Global Growth and Innovation Officer

Polymer Group, Inc.

Telephone: +1 704 697 5662

Email: modakm@pginw.com

In 2011 PGI was acquired by the Blackstone Group

Blackstone has been a strong supporter of efforts by the private equity industry to promote the highest standards for ethical investing and improving transparency.

Blackstone is a founding member of the U.S. Private Equity Council (PEC), a trade group representing the industry. Working with the PEC in 2009, Blackstone helped craft a set of Guidelines for Responsible Investment that incorporated environmental, health, safety, labor, governance and social issues into investment decision-making and ownership activities.

Blackstone Statement Regarding Transparency

At Blackstone, transparency and disclosure are fundamental to the way we do business. We strive at all times to ensure that our investors, unit holders, employees, portfolio companies and all parties with whom we do business, can rely on us to operate in a responsible and ethical manner. We have a deep commitment to professionalism, fairness and integrity in all of our business activities.

Environmental Responsibility

Blackstone believes that protecting the environment of the communities in which we operate is critically important. Responsible environmental stewardship is vital for health and social reasons and ultimately impacts our business.



Statement GRI Application Level Check

GRI hereby states that **Polymer Group, Inc.** has presented its report "PGI, Engineered Success, 2012 Integrated Stakeholders' Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 12 June 2013

Nelmaria Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 18 April 2013. GRI explicitly excludes the statement being applied to any later changes to such material.*

More information on the GRI can be found at: www.globalreporting.org

Index of GRI Standard Disclosures

In the 2012 Stakeholders' Report, PGI is using the performance indicators outlined in this index, which are consistent with our application level of B in reporting against the GRI G3.1 guidelines and framework.

Key

- Reported
- Partially or indirectly reported

1.0 STRATEGY & ANALYSIS

- | | | |
|------------|------|--|
| 1.1 | P.26 | ● Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy |
| 1.2 | P.27 | ● Description of key impacts, risks and opportunities |

2.0 ORGANIZATIONAL

- | | | |
|-------------|------|---|
| 2.1 | P.28 | ● Name of the reporting organization |
| 2.2 | P.28 | ● Primary brands, products and/or services |
| 2.3 | P.28 | ● Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures |
| 2.4 | P.29 | ● Location of the organization's headquarters |
| 2.5 | P.29 | ● Number of countries where organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report |
| 2.6 | P.30 | ● Nature of ownership and legal form |
| 2.7 | P.30 | ● Markets served (including geographic breakdown, sectors served and types of customers / beneficiaries) |
| 2.8 | P.32 | ● Scale of the reporting organization |
| 2.9 | P.32 | ● Significant changes during the reporting period regarding size, structure or ownership |
| 2.10 | P.33 | ● Awards received in the reporting period |

3.0 REPORT PARAMETERS

- | | | |
|------------|------|--|
| 3.1 | P.34 | ● Reporting period for information provided |
| 3.2 | P.34 | ● Date of most recent previous report |
| 3.3 | P.34 | ● Reporting cycle |
| 3.4 | P.34 | ● Contact point for questions regarding the report or its contents |
| 3.5 | P.34 | ● Process for defining report content |

3.6	P.34	● Boundary of the report	4.6	P.37	● Processes in place for the highest governance body to ensure conflicts of interest are avoided
3.7	P.34	● Limitation on the scope or boundary of the report	4.7	P.38	● Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics
3.8	P.35	● Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and / or between organizations	4.8	P.38	● Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation
3.9	P.35	● Data measurement technique and the basis of calculations	4.9	P.38	● Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance
3.10	P.35	● Explanation of the effect of any restatement of information provided in earlier reports	4.10	P.38	● Processes for evaluating the highest governance body's own performance
3.11	P.35	● Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report			COMMITMENTS TO EXTERNAL INITIATIVES
3.12	P.35	● Table identifying the location of the Standard Disclosures in the report	4.11	P.38	● Explanation of whether and how the precautionary approach or principle is addressed by the organization
3.13	P.35	● Policy and current practice with regard to seeking external assurance for the report	4.12	P.38	● Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses

4.0 GOVERNANCE, COMMITMENTS & ENGAGEMENT

GOVERNANCE					
4.1	P.36	● Governance structure of the organization	4.11	P.38	● Explanation of whether and how the precautionary approach or principle is addressed by the organization
4.2	P.36	● Whether the Chair of the highest governance body is also an executive officer	4.12	P.38	● Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses
4.3	P.37	● Number of members of the highest governance body that are independent and / or non-executive members	4.13	P.39	● Memberships in associations and/or national or international advocacy organizations
4.4	P.37	● Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body			STAKEHOLDER ENGAGEMENT
4.5	P.37	● Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements) and the organization's performance	4.14	P.39	● List of stakeholder groups engaged by the organization
			4.15	P.39	● Basis for identification and selection of stakeholders with whom to engage
			4.16	P.39	● Approaches to stakeholder engagement
			4.17	P.39	● Key topics and concerns that have been raised through stakeholder engagement

1.0 Strategy & Analysis

1.1 Statement from the most senior decision-maker of the organization.

Please refer to statement from the CEO located on page 7.

PGI's primary sustainability goals were presented in our 2009 report, to be achieved by 2014:

1. We will reduce our ecological footprint – primarily by driving continual operational efficiencies. Our biggest focus will be reducing electric consumption, which represented 83% of PGI's carbon footprint at the onset of our five year sustainability initiative.
2. We will focus expansion on innovation into nonwoven products that bring sustainable benefits or enable our customers or end users to improve their performance. We will also actively seek supply partnerships that introduce more sustainable raw materials.
3. We will pursue best-in-class customer satisfaction and deliver clearly discernible value to our customers and technology end users.

4. We will inspire our employees to conserve and bring efficiencies through invention and material substitution. Our sustainability practices will be incorporated into everyday activities, and we will engage employees in these practices and in awareness of their communities.
5. We will work hard to achieve a recognized industry-leading position for sustainability, social responsibility and global community contributions.
6. We will position PGI as a responsible and successful company in a future global society that will be very different. Our operational efficiencies will focus on sustainability but also reduce costs and achieve competitive advantage.

PGI has established the following goals to be achieved by 2014:



Commercialize 10 new sustainable initiatives



Reduce our carbon footprint by 10%



Reduce the use of water in manufacturing by 10%



Reduce the use of non-renewable materials in delivered products by 10%



Reduce solid waste from manufacturing processes by 10%



Report at an A GRI application level



Reduce recordable safety incidents to zero



Achieve a Low Risk employee engagement benchmark level

1.2 Description of key impacts, risks, and opportunities.

Please refer to statement from the CEO located on page 7.

Impacts

Among PGI's business risks impacting future financial performance, there are three directly related to sustainability trends, impacts and opportunities:

- Increases in prices for raw materials and energy or the unavailability of raw materials could reduce our profit margins.
- We generate most of our revenue from the sale of manufactured products that are used in a wide variety of consumer and industrial applications and the potential for product liability exposure could be significant.
- We could incur substantial costs to comply with environmental laws, and violations of such laws may increase costs or require us to change certain business practices.

Risks

Among PGI's other business risks, there are four indirectly related to sustainability trends, impacts and opportunities:

- We must continue to invest significant resources in developing innovative and sustainable products to maintain a competitive edge in the highly specialized markets in which we operate.
- A material disruption at one of our manufacturing facilities could prevent us from meeting customer demand, reduce our sales, or negatively affect our results of operation and financial condition.
- In response to changing market and environmental conditions, we may decide to restructure certain aspects of our operations, resulting in additional cash restructuring charges and asset impairment charges.
- Reductions in our selling prices to customers, pursuant to contractual requirements or imposed environmental laws, could reduce our profit margins.

Opportunities

Opportunities include:

- Transitioning to renewable raw materials, minimizing the water and energy required for our conversion processes, and altering product formulations to enhance material biodegradability.

2.0 Organizational

2.1 Name of the organization.

Polymer Group, Inc.

2.2 Primary brands, products, and/or services.

PGI is a leading global innovator, manufacturer and marketer of engineered materials, focused primarily on the production of nonwoven products. Nonwovens are a high-performance and low-cost fabric-like alternative to traditional textiles, paper and other materials. They can be made with specific value-added characteristics including absorbency, tensile strength, softness and barrier properties, among others. Our nonwoven products are critical components used in consumer and industrial products, including hygiene, medical, wipes and industrial applications. Hygiene applications include baby diapers, feminine hygiene products and adult incontinence products; medical applications include surgical gowns and drapes; wiping applications include household, personal care and commercial cleaning wipes; and industrial applications include filtration, house wrap and furniture and bedding.

2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.

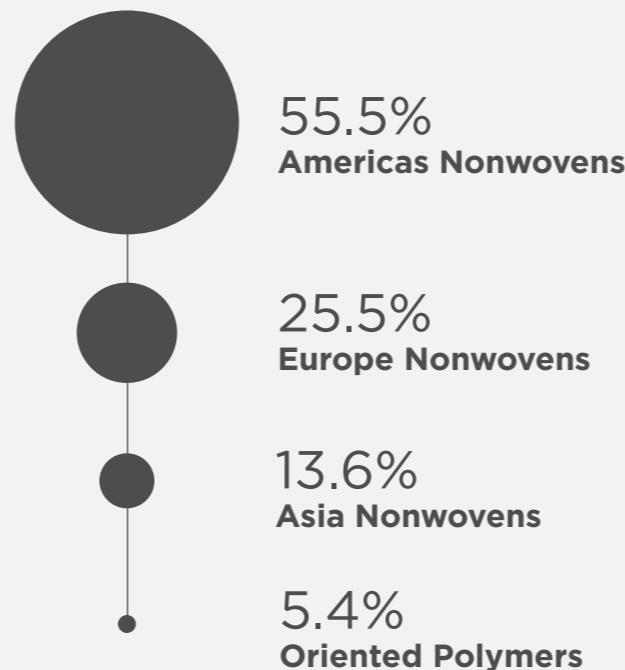
PGI operates in four segments:

Americas Nonwovens
Europe Nonwovens
Asia Nonwovens
Oriented Polymers

*Collectively,
the "Nonwovens
Segments"*

These segments represented approximately 55.5%, 25.5%, 13.6% and 5.4% of our net sales, respectively, for 2012. Our Nonwovens Segments generated substantially all of our operating income over the same period.

Net Sales 2012



Key PGI brands include:



Hygiene

Amira™, Comfortsilk®, Nuvibond™



Healthcare

Medsoft®, Pentamax®, Poly-breathe®



Wipes

Boxer®, Chicopee®, C pro-Chlor®, C pro Quat®, Chix®, Chux®, C-Tex®, Durawipev, Durawipe® Xtra, Fresh Guy®, Marine island ®, Pick It Up®, Quix®, Stretch'n Dust®, Worxwell®, B-Clean®, Cartex®, Chifonet®, Dusty®, I-Solve®, J-Cloth®, Lavette®, Masslin®, Morana®, Sur-Prep®, Swansoft®, Ultra-Tex®



Filtration & Specialty

Agribon®, Agriban®, Dominion®, Air-Gard®, Cladline®, Cleanswell®, Freeswell®, Liteswell®, Topswell®, Aquapex®, Durapex®, Kiara®

PGI subsidiaries as of December 29, 2012:

Albumia S.A.S.
 Bonlam, S.A. de C.V.
 Bonlam Holdings B.V.
 Chicopee Asia, Limited
 Chicopee Holdings B.V.
 Chicopee Holdings C.V.
 Chicopee, Inc.
 Difco Performance Fabrics, Inc.
 Dominion Textile (USA), L.L.C.
 Dominion Textile Inc.
 Dominion Textile Mauritius Inc.
 DT Acquisition Inc.
 Fabrene, L.L.C.
 Fabrene, Inc.
 Geca-Tapes B V
 Geca-Tapes (S) Pte Ltd
 Nanhai Nanxin Non-Woven Co. Ltd.
 Nordlys S.A.S
 PGI Argentina S.A.
 PGI Colombia LTDA
 PGI Europe, Inc.
 PGI Holdings B V
 PGI Non-woven (Foshan) Co., Ltd.
 PGI Nonwovens B.V.
 PGI Nonwovens (China) Co., Ltd.
 PGI Nonwovens Limited
 PGI Nonwovens (Mauritius)
 PGI Neunkirchen GmbH
 PGI Nonwovens Switzerland Sarl
 PGI Polymer, Inc.
 PGI Spain S.L.
 Pristine Brands Corporation
 Tesalca Polska SP. ZO.O

Board of Directors and Executive Officers:

Veronica Hagen – President & Chief Executive Officer Polymer Group, Inc. and Director

Dennis Norman – Executive Vice President & Chief Financial Officer

Michael Hale – Senior Vice President, Global Supply Chain Lead

Michael Modak – Senior Vice president, Global Growth and Innovation Officer

Mike S. Zafirovski – Director and Non-Executive Chairman

James S. Alder – Director

Mark S. Burgess – Director

Jason Giordano – Director, the Blackstone Group

Anjan Mukherjee – Director, the Blackstone Group

Christine St.Clare – Director

2.4 Location of organization's headquarters.

9335 Harris Corners Parkway
 Suite 300
 Charlotte, North Carolina 28269
 United States of America

Tel: +1 704-697-5100

Fax: +1 704-697-5116

www.polymergroupinc.com

2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.

As of January 1, 2012, PGI operates 13 manufacturing and converting facilities, and two administrative offices in nine countries. The facilities are located as follows:

United States

- Benson, North Carolina
- Charlotte, North Carolina (administrative)
- Mooresville, North Carolina
- Clackamas, Oregon
- Waynesboro, Virginia

Canada

- North Bay, Ontario

Mexico

- San Luis Potosi

Colombia

- Cali

Argentina

- Buenos Aires

The Netherlands

- Cuijk

France

- Bailleul

Spain

- Barcelona (administrative)
- Tarragona

China

- Nanhai
- Suzhou

2.6 Nature of ownership and legal form.

Polymer Group, Inc. is a privately-held company. Certain private investment funds affiliated with the Blackstone Group, along with co-investors, and certain members of Polymer Group, Inc.'s management, through their collective ownership of Scorpio Holdings Corporation, beneficially own all of the issued and outstanding capital stock of Polymer Group.

The Blackstone Group, one of the world's leading global investment and advisory firms, was founded in 1985. Blackstone's alternative asset management businesses include the management of corporate private equity funds, collateralized loan obligation vehicles and closed-end mutual funds. Blackstone also provides various financial advisory services, including mergers and acquisition advisory, restructuring and reorganization advisory, and fund placement services. Through its different businesses, Blackstone had total fee-earning assets under management of approximately \$168.0 billion as of December 31, 2012.

2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).

Nonwovens Segments

The Nonwovens Segments develop and sell products that are critical substrates and components used in various consumer and industrial products, including hygiene, medical, wipes, and industrial applications. Our products are used in hygiene applications such

as baby diapers, feminine hygiene products and adult incontinence products; medical applications including surgical gowns and drapes; household and commercial wipes; and various durable industrial applications including filtration, house wrap and furniture and bedding. Our key customers include global and regional manufacturers such as Procter & Gamble (diapers, feminine sanitary protection, household wipes), which represented \$1,092.4 million of our fiscal 2012 net sales, Kimberly-Clark (diapers, surgical drapes, face masks) and Cardinal Health (surgical drapes, medical accessories).

Nonwovens are fabric-like materials constructed from plastic resins, primarily polypropylene and various types of natural and man-made fibers. Nonwovens can be created through several different manufacturing techniques. The predominant and fastest-growing manufacturing technology for disposable applications is the spunmelt manufacturing process which uses large, high-volume equipment to manufacture large rolls of nonwoven fabrics. In addition to spunmelt, there are several other manufacturing processes, including carded, air-laid, and wet-laid. We use both spunmelt and other manufacturing technologies, but have invested significant capital over the last five years to construct several new state-of-the-art spunmelt lines and to restructure several legacy operations.

Nonwovens applications are categorized as either disposable or durable. We primarily supply nonwovens to customers that manufacture disposable products, which

account for approximately 79% of our total nonwoven sales. Disposable products include diapers and other personal care products, medical gowns and drapes, and cleaning wipes, among others. We believe that disposable products are less cyclical than durable products and will have higher growth rates in the future, driven primarily by the increasing adoption of these products in developing economies due to rising per capita income and population growth. We add value to our products through our printing, laminating, and small roll converting capabilities and, in limited instances, convert product ourselves for sale directly to the end consumer.

Hygiene Applications

For hygiene applications, our substrates are critical components providing superior absorbency, barrier properties, strength, fit, and softness in baby diapers, feminine hygiene products, adult incontinence products, and training pants. Our broad product offering provides customers with a full range of these specialized and highly engineered components, including top sheet, transfer layer, backsheet fabric, leg cuff fabric, sanitary protective facings, and absorbent pads for incontinence guard, panty shield, and absorbent core applications. We frequently partner with select, industry-leading manufacturers to jointly develop innovative products to meet changing consumer demands. As a global nonwovens provider, we are differentiated by our ability to serve global manufacturers while providing substrate consistency across geographical regions.

Healthcare Applications

Our healthcare products are high-performance materials that are used in disposable surgical packs, surgical gowns and drapes, face masks, shoe covers and wound care sponges and dressings. Our nonwovens feature characteristics and properties which address barrier performance, breathability, strength and softness. We believe that we are the leading global supplier of nonwoven medical fabrics. Our customers' medical end products are predominantly manufactured in lower labor cost countries, such as China, for export to Western markets. Our high-quality finished fabric manufacturing capabilities in China, located strategically near the manufacturing and converting operations of our customers, combined with our global position, provide a competitive advantage in serving these customers.

Wipes Applications

We produce nonwoven products for consumer wipes applications, which include personal care and facial wipes, baby wipes, and household cleaning wipes. We also directly market a line of wipes under our Chix brand to industrial, foodservice, and janitorial customers. Wipes producers rely on nonwovens to provide key features, such as abrasiveness and liquid dispensability, which enable product performance to meet customer demands. For example, our proprietary APEX® technology enables us to impart three-dimensional images on nonwovens, which enhance performance by creating ridges for dust collection and increase abrasiveness, as well as improve branding and customer appeal.

Industrial Applications

Our nonwovens serve a diverse collection of industrial end product applications which include filtration, cable wrap, house wrap, furniture and bedding, and landscape and agricultural applications. We focus on applications where our technological capabilities enable us to effectively serve customers who place significant value on highly engineered and tailored materials.

Oriented Polymers Segment

The Oriented Polymers segment utilizes extruded polyolefin processes and woven technologies to produce a wide array of products for industrial packaging, building products and agriculture. We sold our Difco business in the second quarter of 2011.

PGI's sales are geographically diversified, with 56% generated in the Americas, 25.4% in Europe, 13.6% in Asia and 5% in Canada for 2012.

2.8 Scale of the reporting organization.

PGI has one of the largest global platforms in the industry, with 13 manufacturing and converting facilities in nine countries throughout the world, including a significant presence in emerging markets like Asia and Latin America.

In 2012, PGI generated net sales of \$1,155.2 million. Our sales are geographically diversified, with 55.5% generated in the Americas, 25.5% in Europe, 26%, 13.6% in Asia and 5.4% in Canada for the same period.

As of December 29, 2012, PGI had approximately 2800 employees. Of this total, approximately 42% of these employees are represented by labor unions or trade councils that have entered into separate collective bargaining agreements with the company. Approximately 36% of the company's labor force is covered by collective bargaining agreements that will expire within one year. We believe we generally have good relationships with both our union and non-union employees.

Key Operating Performance Metrics

15.1	Billion m ² Product Shipped To Customers
309	Million kg Product Shipped To Customers
\$ 1,155,163,000	Total Net Sales
\$ 1,023,455,000	Total Assets
\$ 873,281,000	Total Liabilities
\$ 579,399,000	Total Debt, including ST Borrowings
\$ 148,692,000	Total Shareholders' Equity

2.9 Significant changes during the reporting period regarding size, structure, or ownership.

On April 10, 2012, our Board of Directors approved an internal redesign and restructuring of our global operations for the purposes of realigning and repositioning our businesses to consolidate the benefits of our global footprint, align resources and capabilities with future growth opportunities and provide for a more efficient structure to serve existing markets. The major component of the organizational change involved combining the strengths of the Company's existing U.S. and Latin American footprint to create a consolidated Americas region that contains greater efficiencies to serve broader markets. In addition, we plan to gain further efficiencies through a focused and standardized approach to world-class operational excellence across the supply chain. The final component includes the heightening focus of concentrated resources around the Company's global markets, with a consolidated strategic approach to each of our geographic and scalable innovation capabilities. As a result, we realigned our external reporting structure to more closely reflect our corporate and business strategies.

We have incurred \$12.4 million of costs associated with this restructuring initiative during 2012, primarily associated with employee separation expenses and other fees. We anticipate that these actions, when fully implemented, will result in pretax structural cost savings of approximately \$10.0 million to \$12.0 million on an annualized basis. The cost reductions are expected to be achieved

primarily from a reduction in our global salaried workforce. As of December 29, 2012, the substantial majority of related activities have been completed.

2.10 Awards received in the reporting period.

- Suzhou, China-facility received the LEED Green Building Silver Certification for an expansion of its building. LEED is an acronym for Leadership in Energy and Environmental Design. It is a suite of rating systems for the design, construction and operation of high-performance green buildings, homes and neighborhoods. Points are distributed across five major credit categories: Sustainable sites, Water efficiency, Energy and Atmosphere, Materials and Resources, and indoor Environmental Quality.
- San Luis Potosi, Mexico facility received an Environmental Award from Hewlett-Packard-Mexico. SLP's strong annual internal environmental plan, which is aligned with PGI's corporate sustainability goals, resulted in PGI Mexico being recognized as an Active Participant in the HP Planet Partner Program.
- San Luis Potosi, Mexico was recognized by Cruz Roja Mexicana, (Red Cross-Mexico) for its continuous commitment to their organization. A majority of PGI's donations are used for transportation vehicles, hydraulic equipment for units of rescue, medical equipment and training teams.
- Cali, Colombia received certification for its Quality Management System from The Bureau Veritas, an internally recognized leader in assessment and certification services. ISO 9001: 2008 Standards was awarded. These standards are designed to ensure the best quality standards within manufacturing environments.
- Nanhai, China facility received a product innovation award from Cardinal Health in recognition of outstanding dedication and contribution to the development of engineered materials for infection control.

3.0 Report Parameters

3.1 Reporting period (e.g., fiscal/calendar year) for information provided.

This report addresses calendar year 2012.

3.2 Date of most recent previous report (if any).

A stakeholders' report addressing the calendar year 2011 was released in the fourth quarter of 2012.

3.3 Reporting cycle (annual, biennial, etc.).

PGI reports on an annual basis.

3.4 Contact point for questions regarding the report or its contents.

Mike Modak, Senior Vice President,
Global Growth and Innovation Officer

Polymer Group, Inc.
9335 Harris Corners Parkway, Suite 300
Charlotte, North Carolina, USA 28269

Telephone: +1 704 697 5226
Email: modakm@pginw.com

3.5 Process for defining report content.

PGI believes that a clear definition of all aspects of its business conduct is paramount to success and necessary for a sustainable future. We have invested time and utilized the appropriate personnel and resources to

complete the compilation and writing of PGI's third annual Integrated Report.

The process for creating this third integrated report follows closely our previous four reports on sustainability. The addition of relevant financials and organizational information that has historically been included in our annual reports is presented and is also linked to our 10 K reporting which can be found at www.bit.ly/ZcHr7R.

3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).

This report addresses operations and activities in all PGI facilities. Our two administrative offices are excluded from the majority of the quantitative environmental data reported.

3.7 State any specific limitations on the scope or boundary of the report.

This report addresses the broad and full range of economic, environmental and social impacts of PGI, as defined in the context of the GRI reporting guidelines and within the boundary described in 3.6.

Key Figures:



3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.

Comparability of the basis for reporting on joint ventures and subsidiaries and other entities is not an issue since PGI currently and previously reports about its 13 manufacturing and converting facilities in nine countries.

3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.

Along with Site-specific ISO 9001 registration, PGI operates by principles and values that govern our behavior and actions. To adhere to our ISO 9001 registration and core values, we are analytical and self-critical with respect to measurement against established annual goals and metrics for all facets of the organization. To ensure that results meet established goals, business performance is reviewed and adjusted at established intervals.

Data for this 2012 reporting period was extracted from specific intra-company sources that are unique to the particular needs of the respective measure. A critical source of information continues to be our Enterprise Resource Planning System. In most instances,

data was cross-checked against our financial reports to ensure accuracy. In all cases, devices used for data gathering met PGI local policy for calibration, measuring equipment/systems, and critical instruments. Greenhouse gas emissions were calculated using the Greenhouse Gas Protocol (GHG Protocol).

3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).

Re-statements have not been employed.

3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

This is PGI's third annual Integrated Stakeholder Report, which merges our sustainability report based on the GRI guidelines with our annual report. This is fifth year of reporting sustainability metrics that follows the GRI protocol.

3.12 Table identifying the location of the Standard Disclosures in the report.

Please refer to the Index of Standard Disclosures located on page 24 and 25.

3.13 Policy and current practice with regard to seeking external assurance for the report.

External assurance was not utilized for this report, but is planned for later reports. Dialogue is on-going with a global accounting firm that specializes in the external assurance for reports of this type.

4.0 Governance, Commitments, and Engagement

4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.

PGI's leadership is structured in a manner that grants essential decision-making at various level of management, guided by the President & Chief Executive Officer, Veronica and the Corporate Leadership Team:

Dennis Norman – Executive Vice President & Chief Financial Officer

Michael Modak – Senior Vice president, Global Growth and innovation Officer

Mike Hale – Senior Vice-President, Global Supply Chain

Scott Tracey – Senior Vice-President, General Manager, Americas

Jean-Marc Galvez – Senior-Vice President, General Manager, Europe

Bob Dale – Senior Vice-President, General Manager, Asia

Mary Tomasello – Senior Vice-President, Global Human Resources & Employee Communications

Daniel L. Rikard – Senior Vice-President, General Counsel and Secretary & Ethics Compliance Officer

The company relies on the Board of Directors to be familiar with operations via review sessions, where they address issues deemed important.

The Board of Directors at PGI currently comprises seven Board members. Corporate officers are accountable to the Board and accountable for their management roles within the company.

PGI's Sustainability Governance Committee, under the direction of President and Chief Executive Officer, acts as the governance body within the company for key sustainability issues. This committee formulates reports for the Board of Directors that guide the Board in its decisions pertaining to PGI.

4.2 Indicate whether the Chair of the highest governance body is also an executive officer.

The Chair of the Board of Directors, Mike S. Zafirovski, is not an executive officer.

PGI's Core Values:



Safety



Integrity



Trust



Customer Relationships



Innovation



Accountability



Team and Winning Spirit



Excellence

4.3 For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.

There are two male and one female independent board members.

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.

Parties interested in communicating directly with the Board of Directors may do so by writing to the Corporate Secretary, Polymer Group Inc. 9335 Harris Corners Parkway, Suite 300, Charlotte, N.C. 28269.

The PGI Secretary regularly forwards to the Board a summary and copies of all such correspondence that, in his opinion relates to the functions of the Board or committees or otherwise requires their attention. Directors may at any time review a log of all correspondence that is addressed to members of the Board and request copies of any such correspondence. Concern relating to accounting, internal controls or auditing matters are immediately brought to the attention of the Board and handled in accordance with established procedures.

4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).

The Board of Directors regularly reviews PGI's compensation plans to ensure that pay levels and elements of compensation are consistent with our compensation philosophy. The goals of our compensation plans and compensation policies are generally to create a meritocracy by individual performance and contribution and to invest in future potential in every aspect of compensation. Compensation structures are designed to deliver median compensation when median performance is achieved, at the individual, operating unit, or corporate level.

Material increases for executive officers' compensation typically happen in three situations: when performance is so outstanding that the Board, at the CEO's recommendation, awards a cash payout and/ or special equity award; when market salary survey data indicates a disparity; or when there is an internal disparity in levels of executive compensation considering the executive officer's relative responsibilities and experience.

Our compensation decisions are also influenced by the general status of global economic activity. In times of uncertain global economic activity, our short-term and long-term financial planning is impacted. This may cause us to be more conservative in our compensation decisions to manage employment stability and profitability in the face of uncertain economic conditions.

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.

All Directors, Officers, and Employees of PGI are required to comply with the Company's Code of Business Conduct. The Code of Business Conduct is written to ensure that Directors, officers and Employees conduct themselves ethically in their daily performance.

Transactions with related persons are required to be disclosed under our Code of Ethics and our Code of Business Conduct, whose policies include disclosure of items covered by item 4049a of SEC Regulation S-K. Depending on the source and type of related person transactions, the Board of Directors – which is charged with reviewing reports and disclosures of insider and affiliated party transactions may review, approve or ratify the related person's transaction, each in accordance with the standards stated in the Code of Business Conduct or Code of Ethics.

4.7 Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.

PGI's Board of Directors has not established a separate Nominating Committee.

When considering whether directors and nominees have the experience, qualifications, attributes or skills, taken as a whole, to enable our Board of Directors to satisfy its oversight responsibilities effectively in light of PGI's business and structure, our Board of Directors focuses primarily on experience and other personal attributes in an effort to provide a diverse mix of capabilities, contributions and viewpoints.

4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.

PGI Purpose Statement

PGI strives to be the premier partner of choice for innovative companies seeking materials that, in simplest terms, perform better and offer superior value.

We will achieve this by delivering outstanding customer satisfaction and solutions that help them succeed.

We are committed to making the world a safer, better place by providing the highest quality products to customers in four markets around the world – hygiene, healthcare, wipes, filtration and specialty applications.

4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.

Each committee of The Sustainability Governance Committee is scheduled to meet regularly and is accountable for specific responsibilities pertaining to the execution and reporting of PGI's sustainability policies and practices.

4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.

The Board does not currently have a process of self-evaluation.

4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.

Principle 15 of the Rio Declaration defines the precautionary approach to protecting the environment, and that it shall be widely applied by all executives according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.

PGI Colombia serves the community of Cali, Colombia by donating its recyclable residues from its production plant to a charity organization called FUNDAMOR – which provides for Underprivileged children affected by AIDS.

A specialized company called GERT receives scrap materials directly from PGI Colombia and separates the recyclables in accordance with environmental regulations. GERT also certifies the correct handling of residues in compliance with environmental legislation.

A significant portion of the proceeds from the sales of scrap materials are turned over to FUNDAMOR to help children's needs. PGI has been supporting FUNDAMOR since early 2004.

4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: Has positions in governance bodies; Participates in projects or committees; Provides substantive funding beyond routine membership dues; or Views membership as strategic.

- International Nonwovens & Disposables Association (INDA)
- European Disposable & Nonwovens Association (EDANA)
- Asia Nonwovens Fabric Association (ANFA)
- Global Reporting Initiative (GRI)
- UN Global Compact
- Sustain Charlotte

4.14 List of stakeholder groups engaged by the organization.

- Customers
- Supply chain partners
- Employees
- Communities
- Investors
- Industry Associations
- The media
- Think tanks
- Potential employees
- Government
- Various NGO's

4.15 Basis for identification and selection of stakeholders with whom to engage.

PGI's Stakeholders are individuals or groups who can have an impact on the company ability to conduct business, or who may be impacted by our activities, such as customers.

4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

There are numerous ways that our stakeholders can communicate with us and engage in dialogue. Our website offers three different portals for individuals to communicate directly. Our contact information, including postal addresses and relevant service telephone numbers, are also publicized on our website and in public documents.

Customers: Meetings are conducted regularly to engage with our customers and understand their needs, as well as to assess our quality and performance ratings. A global digital customer survey is available on our websites, enabling customers to comment at their convenience on numerous points, with categories pertaining to all levels of customer satisfaction.

Employees: Employee opinion surveys are conducted regularly and reviewed across the Board of Directors and management. Leadership programs are conducted, as well as quarterly meetings to update all employees on performance and the current state of the company.

Supply Chain Partners: Meetings are conducted on a regular basis with key suppliers to share our needs and give them insight into our sustainability goals.

4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

PGI works with its customers and its supply chain through traditional account managers and procurement management. Also, PGI promotes the interface of its key managers from functional areas such as Research and Development, Technical Service, Information Services, Human Resources, Communications and Marketing to engage in collaborative dialogue with our customers and Supply Chain to advance their sustainability agenda as well as our own.

Index of GRI Performance Indicators

For this 2012 Stakeholders' Report, PGI is using the performance indicators outlined in this index, which are consistent with our application level of B in reporting against the GRI G3.1 guidelines and framework.

Key

- Reported
- Partially or indirectly reported

Disclosures on Management Approach

ECONOMIC

- Economic Performance (Page 44)
- Market Presence (Page 48)

ENVIRONMENTAL

- Materials (Page 50)
- Energy and Water Usage (Page 55)
- Biodiversity (Page 58)
- Emissions, Effluents and Waste (Page 59)
- Compliance (Page 65)

LABOR PRACTICES & DECENT WORK

- Equality of Opportunity (Page 67)
- Safety Performance (Page 71)

HUMAN RIGHTS

- PGI Values (Page 73)
- Child labor (Page 74)

SOCIETY (Page 61)

- Corruption (Page 76)
- Public Policy (Page 77)
- Anti-Competitive Behavior (Page 77)

PRODUCT RESPONSIBILITY

- Customer Health and Safety (Page 79)
- Product and Service Labeling (Page 79)
- Marketing Communications (Page 80)
- Customer Privacy (Page 81)
- Compliance (Page 81)



ECONOMIC

ECONOMIC PERFORMANCE		
EC1	P.45	○ Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments.
EC3	P.47	● Coverage of the organization's defined benefit plan obligations.
EC4	P.48	● Significant financial assistance received from government.
MARKET PRESENCE		
EC6	P.48	○ Policy, practices and proportion of spending on locally based suppliers at significant locations of operation.

ENVIRONMENTAL

MATERIALS		
EN1	P.50	● Materials used by weight or volume.
EN2	P.52	● Percentage of materials that are recycled input materials.
ENERGY		
EN3	P.53	● Direct energy consumption by primary energy source.
EN5	P.54	● Energy saved due to conservation and efficiency improvements.
WATER USAGE		
EN8	P.55	● Total water withdrawal by source.
EN9	P.56	● Water sources significantly affected by withdrawal of water.
BIODIVERSITY		
EN11	P.56	● Location and size of land owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
EN12	P.57	● Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.
EN13	P.58	● Habitats protected or restored.

EMISSIONS, EFFLUENTS AND WASTE

EN16	P.59	● Total direct and indirect greenhouse gas emissions by weight.
EN19	P.60	● Emissions of ozone-depleting substances by weight.
EN20	P.60	● NOx, SOx and other significant air emissions by type and weight.
EN21	P.61	● Total water discharge by quality and destination.
EN22	P.62	○ Total weight of waste by type and disposal method.
EN23	P.63	● Total number and volume of significant spills.
EN24	P.63	● Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.
EN25	P.64	● Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

PRODUCTS AND SERVICES

EN27	P.64	● Percentage of products sold and their packaging materials that are reclaimed by category.
COMPLIANCE		
EN28	P.65	● Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.

OVERALL

EN30	P.65	● Total environmental protection expenditures and investments by type.
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LABOR PRACTICES & DECENT WORK

EMPLOYMENT		
LA1	P.67	● Total workforce by employment type, employment contract and region, broken down by gender.
LA2	P.68	● Total number and rate of new employee hires and employee turnover by age group, gender and region.
LA3	P.70	● Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.

		MANAGEMENT RELATIONS
LA4	P.70	● Percentage of employees covered by collective bargaining agreements.
		OCCUPATIONAL HEALTH AND SAFETY
LA7	P.71	● Rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender.
HUMAN RIGHTS		
		INVESTMENT AND PROCUREMENT PRACTICES
HR2	P.73	● Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.
		NON-DISCRIMINATION
HR4	P.73	● Total number of incidents of discrimination and corrective actions taken.
		CHILD LABOR
HR6	P.74	● Total number of incidents of discrimination and corrective actions taken.
		FORCED AND COMPULSORY LABOR
HR7	P.74	● Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.
		INDIGENOUS RIGHTS
HR9	P.74	● Total number of incidents of violations involving rights of indigenous people and actions taken.
		REMEDIATION
HR11	P.74	● Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.
SOCIETY		
		CORRUPTION
SO2	P.76	● Percentage and total number of business units analyzed for risks related to corruption.
SO3	P.76	● Percentage of employees trained in organization's anti-corruption policies and procedures.

SO4	P.76	● Actions taken in response to incidents of corruption.
		PUBLIC POLICY
SO6	P.77	● Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.
ANTI-COMPETITIVE BEHAVIOR		
SO7	P.77	● Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.
		COMPLIANCE
SO8	P.77	● Monetary value of significant fines and total number of nonmonetary sanctions for non-compliance with laws and regulations.
PRODUCT RESPONSIBILITY		
		CUSTOMER HEALTH AND SAFETY
PR2	P.79	● Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.
		PRODUCT AND SERVICE LABELING
PR4	P.79	● Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.
		CUSTOMER SATISFACTION PRACTICES
PR5	P.80	● Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.
		MARKETING COMMUNICATIONS
PR6	P.80	● Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.
		PR7
	P.80	● Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes.
		CUSTOMER PRIVACY
PR8	P.81	● Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.
		COMPLIANCE
PR9	P.81	● Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

Economic



Economic

PGI Disclosure on Management Approach: Economic Performance

We believe we are the fourth-largest merchant manufacturer of nonwovens in the world, the leading merchant supplier of nonwoven for disposable applications and the largest or second largest supplier of nonwovens for disposable applications in most regional markets where we operate, in each case measured by revenue.

Our consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of financial statements in conformity with U.S. GAAP requires the appropriate application of certain accounting policies, many of which require management to make estimates and assumptions about future events that may affect reported amounts of assets, liabilities, revenues, and the disclosure of contingent assets and liabilities.

We believe the following Accounting policies are critical to our business operations and the understanding of results of operations and affect the more significant judgments and estimates used in preparation of our consolidated financial statements: revenue recognition, accounts receivable and concentration of credit risks, acquisitions, inventories, income taxes, impairment of long-lived assets, impairment of indefinite-lived intangible assets, stock-based compensation, and restructuring.

EC1

Economic Performance

Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

* Fiscal year 2011 financial results represents combined basis reporting for the period from January 1, 2011 to December 31, 2011. The combined financial results were sourced from our audited financial statements included in our Annual Report on Form 10-K for fiscal year 2012, filed with the United States Securities and Exchange Commission on March 28, 2013.

Fiscal Year Ended

STATEMENT OF OPERATIONS	Dec 29, 2012	Dec 31, 2011*
Net sales	\$ 1,155,163	\$ 1,187,535
Cost of goods sold	(957,917)	(1,001,054)
Gross profit	197,246	186,481
Selling, general and administrative expenses	(140,776)	(146,047)
Special charges, net	(19,592)	(62,169)
Other operating, net	287	(2,070)
Operating income (loss)	37,165	(23,805)
Other income (expense):		
Interest expense	(50,414)	(48,331)
Foreign currency and other, net	(5,134)	(18,718)
Income (loss) before income taxes	(18,383)	(90,854)
Income tax (provision) benefit	(7,655)	2,723
Income (loss) from continuing operations	(26,038)	(88,131)
Discontinued operations, net	—	(6,101)
Net income (loss)	(26,038)	(94,232)
Less: Earnings attributable to noncontrolling interests	—	142
Net income (loss) attributable to Polymer Group, Inc.	\$ (26,038)	\$ (94,374)

EC1

Economic Performance

[^] Operating working capital is defined as accounts receivable plus inventories less trade accounts payable and accrued liabilities.

[†] For purposes of determining the ratio of earnings to fixed charges, earnings are defined as pre-tax earnings from continuing operations plus fixed charges. Fixed charges include interest expense on all indebtedness, amortization of debt issuance fees and one-third of rental expense on operating leases representing that portion of rental expense deemed to be attributable to interest. Earnings for the Predecessor were insufficient to cover fixed charges for the fiscal year ended January 3, 2009 by \$2.6 million and the one month ended January 28, 2011 by \$17.9 million. For the Successor, earnings were insufficient to cover fixed charges for the eleven months ended December 31, 2011 and the fiscal year ended December 29, 2012 by \$74.8 million and \$20.0 million, respectively.

* Fiscal year 2012 financial results represents combined basis reporting for the period from January 1, 2012 to December 31, 2012. The combined financial results were sourced from our audited financial statements included in our Annual Report on Form 10-K for fiscal year 2012, filed with the United States Securities and Exchange Commission on March 30, 2012.

Fiscal Year Ended

STATEMENT OF OPERATIONS	Dec 29, 2012*	Dec 31, 2011
Operating & other data		
Net cash provided by (used in) operating activities	\$ 75,471	\$ (1,153)
Net cash provided by (used in) investing activities	(50,233)	(476,273)
Net cash provided by (used in) financing activities	(42)	476,552
Gross margin	17.1%	15.7%
Depreciation and amortization	66,706	60,825
Capital expenditures	51,625	68,428
Balance sheet data (at end of period)		
Cash and cash equivalents	\$ 97,879	\$ 72,742
Operating working capital [^]	29,628	54,567
Total assets	1,022,069	1,060,578
Long-term debt, less current portion	579,399	587,853
Non-controlling interests	—	—
Total Polymer Group, Inc. shareholders' equity	139,202	187,297
Ratio of earnings to fixed charges [†]	—	—

EC3

Economic Performance

Coverage of the organization's defined benefit plan obligations.

PGI sponsors defined benefit plans in the United States, Canada, Netherlands, Mexico, Germany and France.

It is PGI's policy to contribute to defined benefit plans where pension laws and economics either require or encourage funding. Many of the plans are funded through separate trusts. PGI also offers pension plans above the required limits in Canada.

All plans are in compliance with local funding laws. The aggregate projected benefit obligation ("PBO") under U.S. GAAP as of December 29, 2012 for all of PGI's defined benefit plans was USD \$147.9 million with an aggregate market value of assets of USD \$151.2 million.

PGI also offers defined contribution plans in the U.S., Canada and France. The plan formulas are based on local law and the market place. Since pension plans and other retirement benefits build upon social security, and social security benefits vary widely by country, PGI's plans vary considerably country to country.

* Fiscal year 2011 financial results represents combined basis reporting for the period from January 1, 2011 to December 31, 2011. The combined financial results were sourced from our audited financial statements included in our Annual Report on Form 10-K for fiscal year 2012, filed with the United States Securities and Exchange Commission on March 28, 2013.

PENSION PLANS (Change in Projected Benefit Obligation)	U.S. Pension Plans	Non-U.S. Pension Plans		
	Fiscal Year Ended Dec 29, 2012	Fiscal Year Ended Dec 31, 2011*	Fiscal Year Ended Dec 29, 2012	Fiscal Year Ended Dec 31, 2011*
Benefit obligation at beginning of year	\$ (15,219)	\$ (13,367)	\$(105,637)	\$(102,909)
Service costs	—	—	(2,002)	(2,079)
Interest costs	(620)	(704)	(5,032)	(5,720)
Participant contributions	—	—	(173)	(185)
Actuarial gain / (loss)	(1,451)	(2,130)	(25,848)	(3,641)
Settlements / curtailments	—	—	5,520	—
Benefit payments	981	982	4,556	4,808
Currency translation	—	—	(2,964)	4,089
Benefit obligation at end of year	(16,309)	(15,219)	(131,580)	(105,637)
Change in Plan Assets				
Fair value at beginning of year	\$ 11,341	\$ 11,965	\$ 129,365	\$ 117,398
Actual return on plan assets	1,091	(363)	12,611	17,706
Employer and participant contributions	721	721	3,493	4,192
Settlements / curtailments	—	—	(4,542)	—
Benefit payments	(981)	(982)	(4,556)	(4,808)
Currency translation	—	—	2,693	(5,123)
Fair value at end of year	\$ 12,172	\$ 11,341	\$ 139,064	\$ 129,365
Funded (unfunded) status	\$ (4,137)	\$ (3,878)	\$ 7,484	\$ 23,728

EC4 Economic Performance

Significant financial assistance received from government.

In 2012, PGI received government financial assistance of approximately \$0.57 million, which represented enterprise, economic development and environmental grants, subsidies and financial incentives.

PGI Disclosure on Management Approach: Market Presence

We have one of the largest global platforms in our industry, with 13 manufacturing and converting facilities in nine countries throughout Asia and Latin America. Our manufacturing facilities are strategically located near many of our key customers in order to increase our effectiveness in addressing local and regional demand, as many of our products do not ship economically over long distances.

EC6 Market Presence

Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

PGI sources both direct and indirect materials as well as services for multiple locations in all regions of the world. Direct materials tend to be highly complex and sometimes are only available from a relatively few number of suppliers that may or may not be located in the regions where we do business. The company does not have a policy that dictates the proportion of spending on locally based suppliers. However, within each region a significant proportion of our indirect spend (packaging materials, corporate services) lends itself to locally based suppliers.

Although there is no mandate to do so, each of our global regions has the flexibility to source locally for such goods and services. PGI believes that local sourcing may provide value in terms of supporting the local economy and providing opportunity to reduce logistics and transportation costs in terms of fuel, freight and storage. Of the indirect spend, up to 23% of this spend may be eligible to be sourced locally.

Environmental



EN1

Raw Materials

Materials used by weight or volume.

PGI Disclosure on Management Approach: Materials

PGI continually reviews its materials consumption. Research initiatives that employ renewable, compostable and biodegradable options yield new products.

The primary raw materials used to manufacture our products are polypropylene, polyester and polyethylene resin and fibers, and to a lesser extent, rayon fiber and pulp. In certain regions of the world, we may source certain raw material from a limited number of suppliers or on a sole source basis. In addition, to the extent that we cannot procure raw materials from a local country supplier, we will import raw materials from outside refiners.

Non-Renewable Materials

2012 vs 2011	2012	2011	2010	2009
40 Basis Point Increase	92.5%	92.1%	91.1%	92.9%

Direct Materials (Based on Reported Categories)

2012 vs 2011	2012	2011	2010	2009
40 Basis Point Increase	98.4%	98.8%	98.8%	99.9%

Material Use per Unit of Output (kg/thousand m²)

2012 vs 2011	2012	2011	2010	2009
9.8% Decrease	20.07	22.25	21.47	22.03

EN1**Raw Materials**

Materials used by weight or volume.

Total Material Used (kmt)

2012 vs 2011 **3.8% Increase**

<u>2012</u>	303.9
<u>2011</u>	292.5
<u>2010</u>	321.5
<u>2009</u>	315.8

Top 5 Resins / Fibers Used (kmt)

Polypropylene Resin/Fiber	Polyester Fiber	Rayon Fiber
<u>2012 vs 2011</u> +3.01%	<u>2012 vs 2011</u> +1.28%	<u>2012 vs 2011</u> +3.1%
<u>2012</u> 244.5	<u>2012</u> 16.6	<u>2012</u> 12.1
<u>2011</u> 237.3	<u>2011</u> 16.4	<u>2011</u> 11.9
<u>2010</u> 238.3	<u>2010</u> 18.0	<u>2010</u> 11.6
<u>2009</u> 209.5	<u>2009</u> 16.4	<u>2009</u> 14.0

Polyethylene Resin	Pulp
<u>2012 vs 2011</u> +20.7%	<u>2012 vs 2011</u> -2.43%
<u>2012</u> 9.4	<u>2012</u> 10.6
<u>2011</u> 11.8	<u>2011</u> 10.8
<u>2010</u> 14.6	<u>2010</u> 10.8
<u>2009</u> 12.8	<u>2009</u> 11.7

Top 5 Additives Used (kmt)

Binder	Masterbatch	Chemicals
<u>2012 vs 2011</u> +18.6%	<u>2012 vs 2011</u> -10.6%	<u>2012 vs 2011</u> +13.2%
<u>2012</u> 4.1	<u>2012</u> 2.4	<u>2012</u> 1.7
<u>2011</u> 3.5	<u>2011</u> 2.7	<u>2011</u> 1.5
<u>2010</u> 4.6	<u>2010</u> 2.9	<u>2010</u> 1.2
<u>2009</u> 3.3	<u>2009</u> 0.7	<u>2009</u> 0.8

Polyolefin Additives & Conc.	Specialty Resins/Additives/Conc.
<u>2012 vs 2011</u> -11.6%	<u>2012 vs 2011</u> +215.1%
<u>2012</u> 1.4	<u>2012</u> 1.1
<u>2011</u> 1.2	<u>2011</u> 0.4
<u>2010</u> 0.9	<u>2010</u> N/A
<u>2009</u> 0.7	<u>2009</u> 0.3

EN2

Recycling

Percentage of materials that are recycled input materials.

It is a standard procedure for PGI to recycle as much material as possible that is left over from its primary manufacturing processes. While committed to internal recycling, PGI does not source or use externally produced recycled materials or chemicals. We also recycle indirect materials such as cardboard, metal and plastics. PGI is actively researching alternate uses of production waste that is currently sent to landfills.

Percentage of recycled input materials

2012 vs 2011	2012	2011	2010	2009
300 Basis Point Increase	12.6%	9.6%	8.8%	9.7%

EN3

Energy Consumption

Direct energy consumption by primary energy sources and non-renewable sources.

2012 2,263,300GJ

Direct Energy Consumption Intensity
(GJ / million m²)

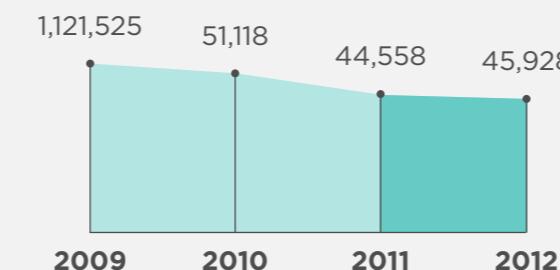
2012 vs 2011 **5.9% decrease**

<u>2012</u>	183.02
<u>2011</u>	194.47
<u>2010</u>	202.65
<u>2009</u>	231.36

Direct Emissions from Fuel Combustion (tonnes of CO₂e)

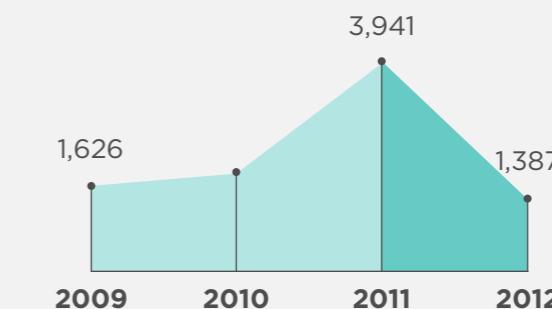
Natural Gas

2012 vs 2011 **-3.7%**



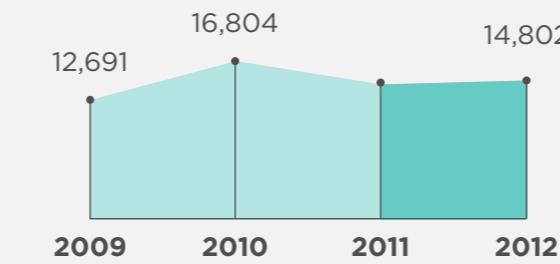
Gasoline

2012 vs 2011 **-184%**



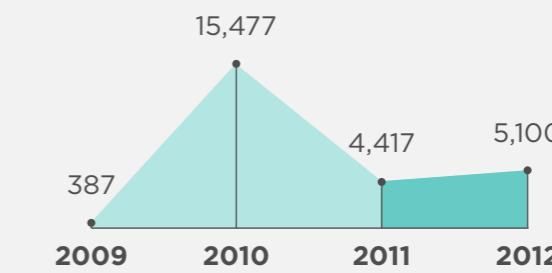
Propane

2012 vs 2011 **+3.3%**



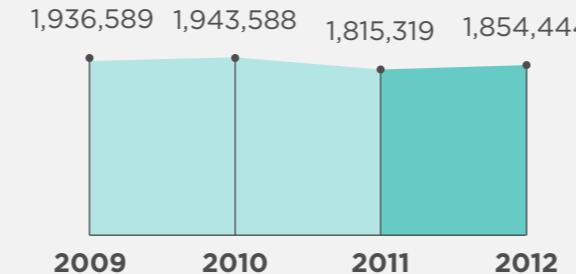
Diesel

2012 vs 2011 **+15.4%**



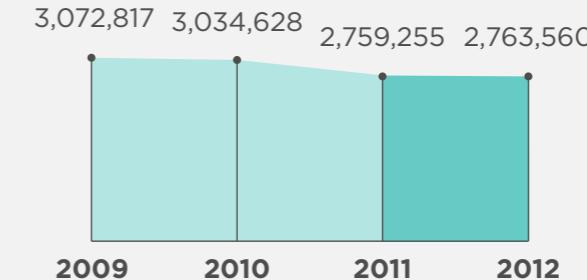
Electricity

2012 vs 2011 **-2.1%**



Total

2012 vs 2011 **+1.08%**



EN5

Energy Conservation

Energy saved due to conservation and efficiency improvements.

Total Energy Saved (GJ)

2012 vs 2011 **74.9% Decrease**

<u>2012</u>	65,000
<u>2011</u>	259,099
<u>2010</u>	164,920
<u>2009</u>	184,564

EN8

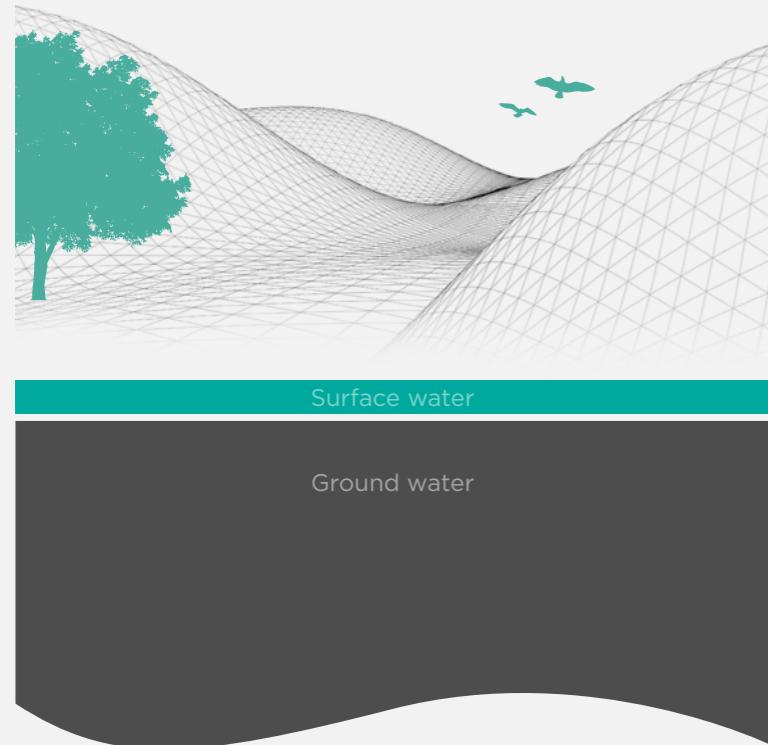
Water Usage

Total water withdrawal by source.

PGI Disclosure on Management Approach: Energy And Water Usage

PGI recognizes that energy usage and the methods required to generate energy have a significant impact on the environment. There are numerous operational energy conservation projects at each PGI facility. It is a policy of PGI to monitor its energy and water consumption and conservation.

Note: The divestment of the Difco business within our Oriented Polymers segment accounts for the majority of the reduction in water discharge from 2010 to 2011.



Total Water Withdrawn (m³)

2012 vs 2011 **5.9% Increase**

<u>2012</u>	972,110
<u>2011</u>	917,921
<u>2010</u>	1,979,467
<u>2009</u>	1,918,977

Water Consumption Intensity (m³/million m²)

2012 vs 2011 **0.04% Increase**

<u>2012</u>	64.38
<u>2011</u>	64.69
<u>2010</u>	132.19
<u>2009</u>	144.48

Surface Water Withdrawn (m³)

2012 vs 2011
+7.9%

<u>2012</u>	655,029
<u>2011</u>	607,224
<u>2010</u>	1,655,972
<u>2009</u>	1,571,369

Ground Water Withdrawn (m³)

2012 vs 2011
+2.1%

<u>2012</u>	317,081
<u>2011</u>	310,697
<u>2010</u>	323,195
<u>2009</u>	347,608

Combined Water Withdrawn (m³) 2009 - 2012



EN9

Water Usage

Water sources significantly affected by withdrawal of water.

PGI Fabrene facility in North Bay, Ontario, Canada

The PGI Fabrene facility in North Bay, Ontario, Canada, draws some surface water from the La Vase river, which is designated as a conservation area, in part because it is a habitat for the endangered Blanding's turtle.

EN11

Biodiversity

Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

PGI's Fabrene facility is located at 240 Dupont Road, North Bay, Ontario, Canada P1B 9B4. The 106,507m² property is adjacent to the La Vase River and La Vase Lake with a feeder stream running under the parking area. The La Vase River forms part of the historical Voyageur route used to cross Canada and feeds Lake Nipissing, which is bookended by two provincial parks. PGI participates in the Ontario Conservation Land Tax Incentive Program (2.77 of the 26.32 acres are designated Provincially Significant Wetlands [PSW] through the Ministry of Natural Resources-MNR).

EN12

Biodiversity

Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

PGI Fabrene facility in North Bay, Ontario, Canada

Impact of construction or use of manufacturing plants, mines and transport infrastructure; habitat conversion:

The plant, parking lot, access road and septic beds were built on virgin ground, which was zoned commercial. Additionally, our materials and manufactured goods are transported over roads and rail lines that have altered the natural environment.

Impact of introduction of invasive species, pests and pathogens:

None

Impact of reduction of species:

None

Impact of changes in ecological processes outside the natural range of variation (e.g. salinity or changes in groundwater level):

The road, parking lot and pathways are salted and sanded throughout winter months. Catch basins are used to collect the sand, but the salt probably makes its way into the nearby waterway. However, the facility's contribution is small relative to salt runoff from the nearby city and highway.

Impact of species affected:

None

Impact of pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources):

Pollutants include: Suspended Solids, Nitrates, Phosphorous, BOD. The wastewater system is monitored monthly, with the MoE Sewage CoA requiring this monitoring quarterly. There are established maximum concentrations of BOD, Suspended Solids, Nitrates and Phosphorous that must be met. There is a Nalco water treatment system in place. We are also required to monitor average daily flow to the disposal system and this too has a maximum not to be exceeded. There is also an annual reporting requirement.

Extent of areas impacted (this may not be limited to areas that are formally protected and should include consideration of impacts on buffer zones as well as formally designated areas of special importance or sensitivity):

None

Duration of impacts:

Short Term

Reversibility or irreversibility of the impacts:

Reversible

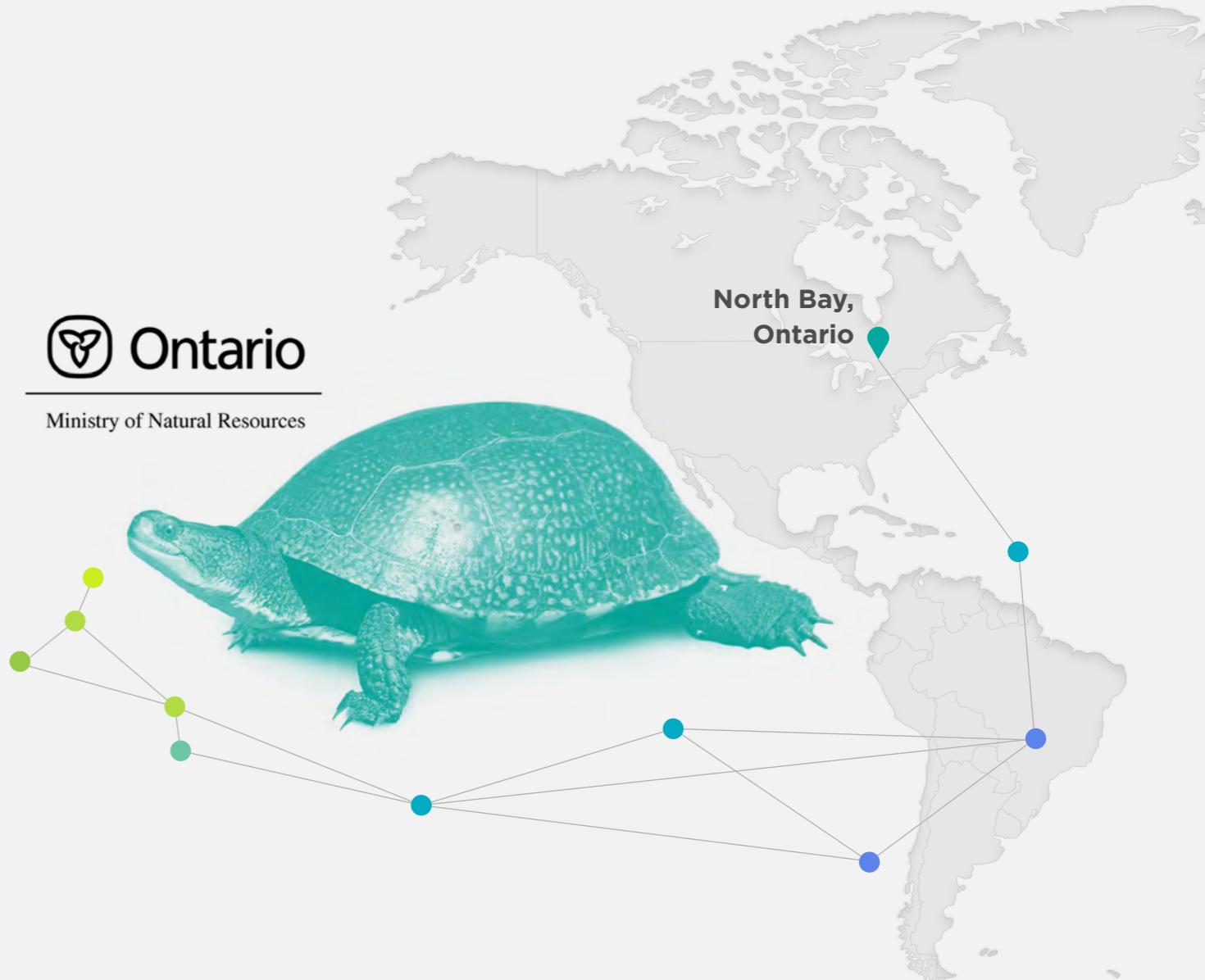
EN13

Biodiversity

Habitats protected or restored.

PGI Fabrene facility in North Bay, Ontario, Canada

The site of PGI's Fabrene facility in North Bay, Ontario, Canada, has for many years been part of the Ontario Conservation Land Tax Incentive Program supported by the Ontario Ministry of Natural Resources (MNR). We have approximately 10% of the property's area (1.1 hectare) classified as Provincially Significant Wetlands and thus protected by an agreement to preserve this land in its natural state in exchange for some tax relief. This area is a potential home for the Blanding's turtle, which is classified as a species at risk by Ontario's MNR. Part of this agreement permits the MNR to audit the site to assure we are in compliance with the agreement. The plant also cooperates with the North Bay - Mattawa Conservation Authority, making one of our wells available for monitoring. Water level analysis is the primary objective.



EN16

Emissions

Total direct and indirect greenhouse gas emissions by weight (tonnes CO₂e).

PGI Disclosure on Management Approach: Emissions, Effluents and Waste

PGI is committed to abiding to a broad range of federal, foreign, state and local laws and regulations relating to the pollution and protection of the environment. Various environmental requirements are applicable to us, including laws relating to air emissions, wastewater discharges, the handling, disposal and release of solid and hazardous substances and wastes and remediation of soil, surface and groundwater contamination.

Note: Calculation based on default data. Historical data was revised to reflect updated GWP values from 2007 IPCC Fourth Assessment Report, and latest year of emission factors for each location.

Indirect Emissions from Purchased Electricity (tonnes of CO₂e)

2012 vs 2011 **30.8% Increase**

<u>2012</u>	298,999
<u>2011</u>	228,652
<u>2010</u>	229,083
<u>2009</u>	232,830

Direct Emissions from Fuel Combustion (tonnes of CO₂e)

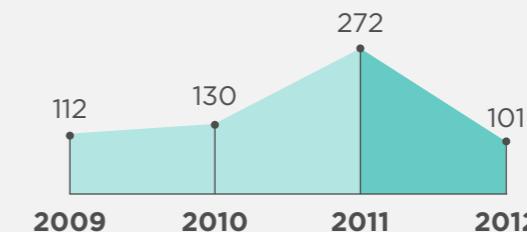
Natural Gas

2012 vs 2011 **+3.1%**



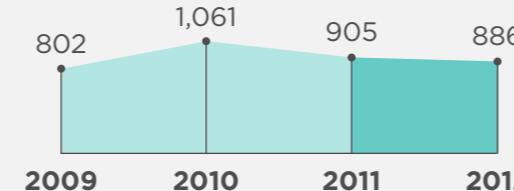
Gasoline

2012 vs 2011 **-62.9%**



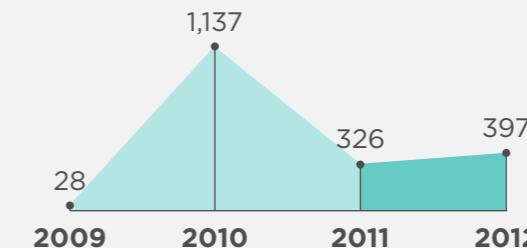
Propane

2012 vs 2011 **-2.1%**



Diesel

2012 vs 2011 **+17.9%**



Emissions Intensity (tonnes of CO₂e/million m²)

2012 vs 2011 **18% Increase**

<u>2012</u>	22.9
<u>2011</u>	19.4
<u>2010</u>	18.9
<u>2009</u>	21.7

EN19 Emissions

Emissions of ozone-depleting substances by weight.

CFCs – R22 and R410 refrigerant (tonnes)

2012 vs 2011	2010	2011	2012
197% Increase	0.27	0.37	1.07

EN20 Emissions

NOx, SOx and other significant air emissions by type and weight.

Note: Estimates were used for calculations.

Total Air Emissions (kg)

2012 vs 2011	12.2% Decrease
2012	114,185
2011	130,000
2010	109,504

Emissions by Type and Weight (kg)

	2012 vs 2011	2012	2011	2010
NOx	-26.7%	26,502	36,152	29,194
SOx	-64.2%	515	1,438	143
POP (Persistent Organic Pollutants)	N/A	0	-	703
VOC (Volatile Organic Compounds)	3.5%	2,663	2,574	2,611
HAP (Hazardous Air Pollutants)	N/A	0	-	-
Stack and Fugitive Emissions	N/A	574	-	-
PM (Particulate Matter)	-1.2%	19,220	19,446	19,220
NMTHC (Nonmethane Total Hydrocarbons)	-53.8%	1810	3,915	3,958
Ozone	0.0%	37,339	37,339	37,339
Carbon Monoxide	-12.3%	25,562	29,136	16,336

EN21

Effluents

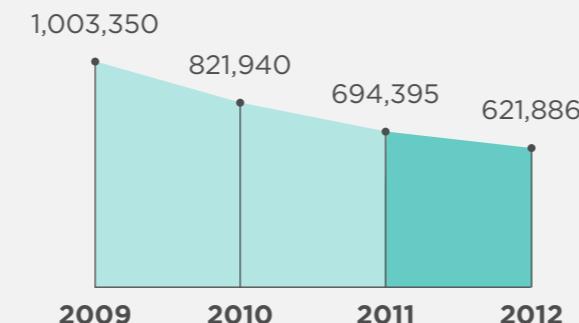
Total water discharge by quality and destination.

Note: The divestment of the Difco business within our Oriented Polymers segment accounts for the majority of the reduction in water discharge from 2010 to 2011.

Water Discharge by Quality & Destination (m³)

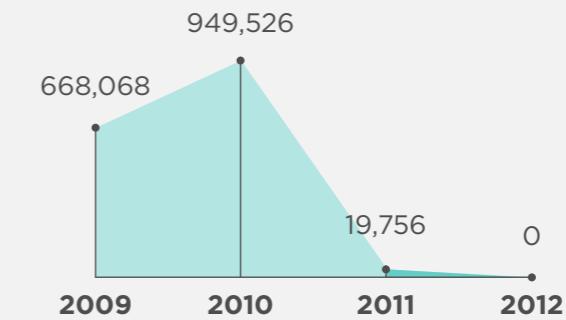
Non-Potable

<u>2012 vs 2011</u>	-10.5%
<u>2011 vs 2010</u>	-15.5%
<u>2010 vs 2009</u>	-18.1%



Potable

<u>2012 vs 2011</u>	-100%
<u>2011 vs 2010</u>	-97.9%
<u>2010 vs 2009</u>	+42.1%



Total Water Discharged (m³)

<u>2012 vs 2011</u>	12.3% Decrease
---------------------	-----------------------

<u>2012</u>	621,762
<u>2011</u>	708,965
<u>2010</u>	1,771,466
<u>2009</u>	1,671,418

Water Discharge Intensity (m³/million m²)

<u>2012 vs 2011</u>	18.2% Decrease
---------------------	-----------------------

<u>2012</u>	4.09
<u>2011</u>	5.00
<u>2010</u>	11.83
<u>2009</u>	12.58

EN22

Solid Waste

Total weight of waste by type and disposal method.

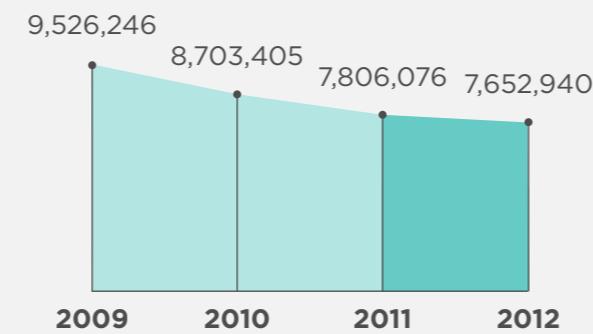
Water Discharge by Quality & Destination (m³)

Non-Hazardous

<u>2012 vs 2011</u>	-19.7%
<u>2011 vs 2010</u>	-10.3%
<u>2010 vs 2009</u>	-8.6%

Hazardous

<u>2012 vs 2011</u>	+285%*
<u>2011 vs 2010</u>	+49.9%
<u>2010 vs 2009</u>	+11.6%



Total Waste Discharged (kg)

2012 vs 2011 **9.0% Increase**

<u>2012</u>	10,095,895
<u>2011</u>	510,005,507
<u>2010</u>	9,126,871
<u>2009</u>	8,430,643

Waste Intensity (kg/million m²)

2011 vs 2010 **12.1% Decrease**

<u>2012</u>	522.00
<u>2011</u>	594.17
<u>2010</u>	609.48
<u>2009</u>	753.34

EN23

Spills

Total number and volume of significant spills.

Number / Volume of Spills (m³)

<u>2012</u>	0
<u>2011</u>	0
<u>2010</u>	0
<u>2009</u>	0

PGI did not record the occurrence of any significant spills during this reporting period.

EN24

Hazardous Waste

Total number and volume of significant spills.

Waste Deemed Hazardous (kg)

Transported

2012 vs 2011 **97.2% Decrease**

<u>2012</u>	18,057
<u>2011</u>	633,553
<u>2010</u>	412,010

Treated

2012 vs 2011 **100% Decrease**

<u>2012</u>	None reported
<u>2011</u>	263,940
<u>2010</u>	150,958

EN25 Water Bodies

Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

PGI's Fabrene facility in North Bay, Ontario, is adjacent to the La Vase River and La Vase Lake with a feeder stream running under the parking area. The La Vase River forms part of the historical Voyageur route used to cross Canada and feeds Lake Nipissing, which is bookended by two provincial parks. PGI participates in

the Ontario Conservation Land Tax Incentive Program (2.77 of the 26.32 acres are designated Provincially Significant Wetlands [PSW] through the Ministry of Natural Resources [MNR]).

PGI Disclosure on Management Approach: Products and Services

PGI is committed to developing and selling products into applications that are basic to elevating global standards of hygiene, wipes, filtration, and healthcare. Our materials are critical substrates and components used in various consumer and specialty products. Our products are used in hygiene applications such as baby diapers, feminine hygiene products and adult incontinence products; healthcare applications including surgical gowns and drapes; household and commercial wipes; and various durable specialties including filtration, house wrap and furniture and bedding.

EN27 Reclaimed Products & Packaging Materials

Percentage of products sold and their packaging materials that are reclaimed by category.

While the products that PGI manufactures are made largely of recyclable material (PP), the end-use products are mostly disposable, and contaminated with organic matter during use – such that recycling is infeasible (due to safety issues or lack of infrastructure).

In general, PGI's products use very little packaging materials. The reclamation of these materials is currently only tracked in PGI's Chinese facilities.

EN28 Compliance

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

PGI Disclosure on Management Approach: Compliance

Compliance with all applicable environmental laws and regulations is required at each PGI facility. We are committed to meeting all applicable Environmental, Health & Safety (EHS) government laws as well as our own self-imposed EHS requirements and company EHS standards. We believe that a robust and transparent system of measurement and reporting is essential for effective management of environmental performance at PGI.

Notices of Violations	Monetary Value of Fines
<u>2012</u> 0	<u>2012</u> \$0
<u>2011</u> 0	<u>2011</u> \$0
<u>2010</u> 0	<u>2010</u> \$0
<u>2009</u> 3	<u>2009</u> \$0

EN30 Overall

Total environmental protection expenditures and investments by type.

Environment Protection Expenditures

<u>2012 vs 2011</u>	61.5% Decrease
<u>2012</u>	\$663,823
<u>2011</u>	\$1,725,080
<u>2010</u>	\$1,223,134
<u>2009</u>	\$663,823

Labor Practices & Decent Work



LA1

Employment Data

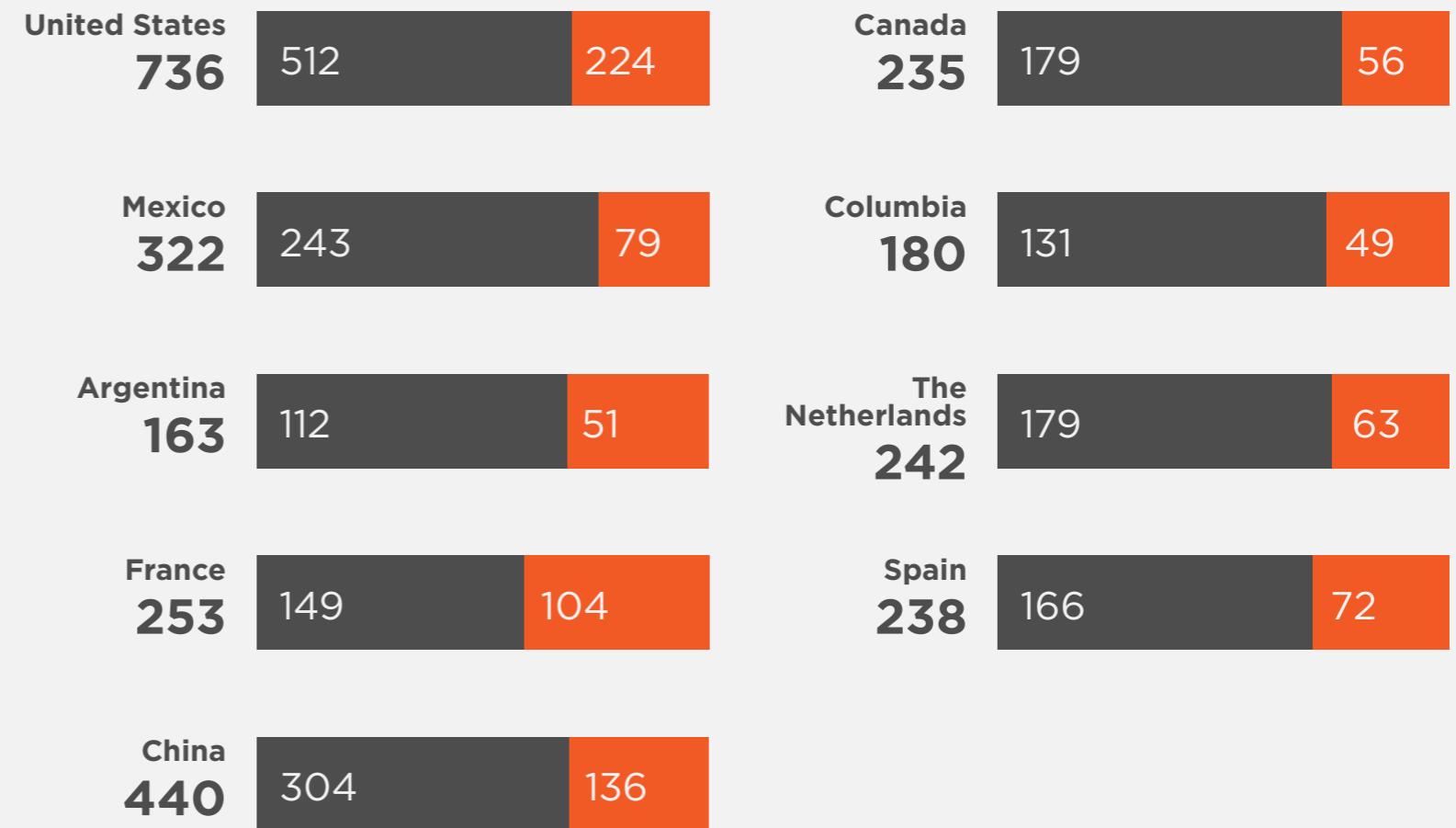
Total workforce by employment type, employment contract and region, broken down by gender.

PGI Disclosure on Management Approach: Equality of Opportunity

Our compensation philosophy is based upon the notion of meritocracy. We strive to implement that philosophy in all areas of our business, even those where historical general increases and seniority-based systems remain. Our meritocracy process and goal attracting, developing, promoting, transferring and retaining the best talent is based upon our observation of one's ability to drive results. We ensure that compensation meets or exceeds statutory requirements and is competitive with industry standards and local markets. Our compensation philosophy is clearly communicated to employees.

Workforce by Employment Type and Region

● Paid an Hourly Wage ● Paid a Salary



Hourly **1,975**

Salaried **834**

Total Workforce **2,809**

LA2

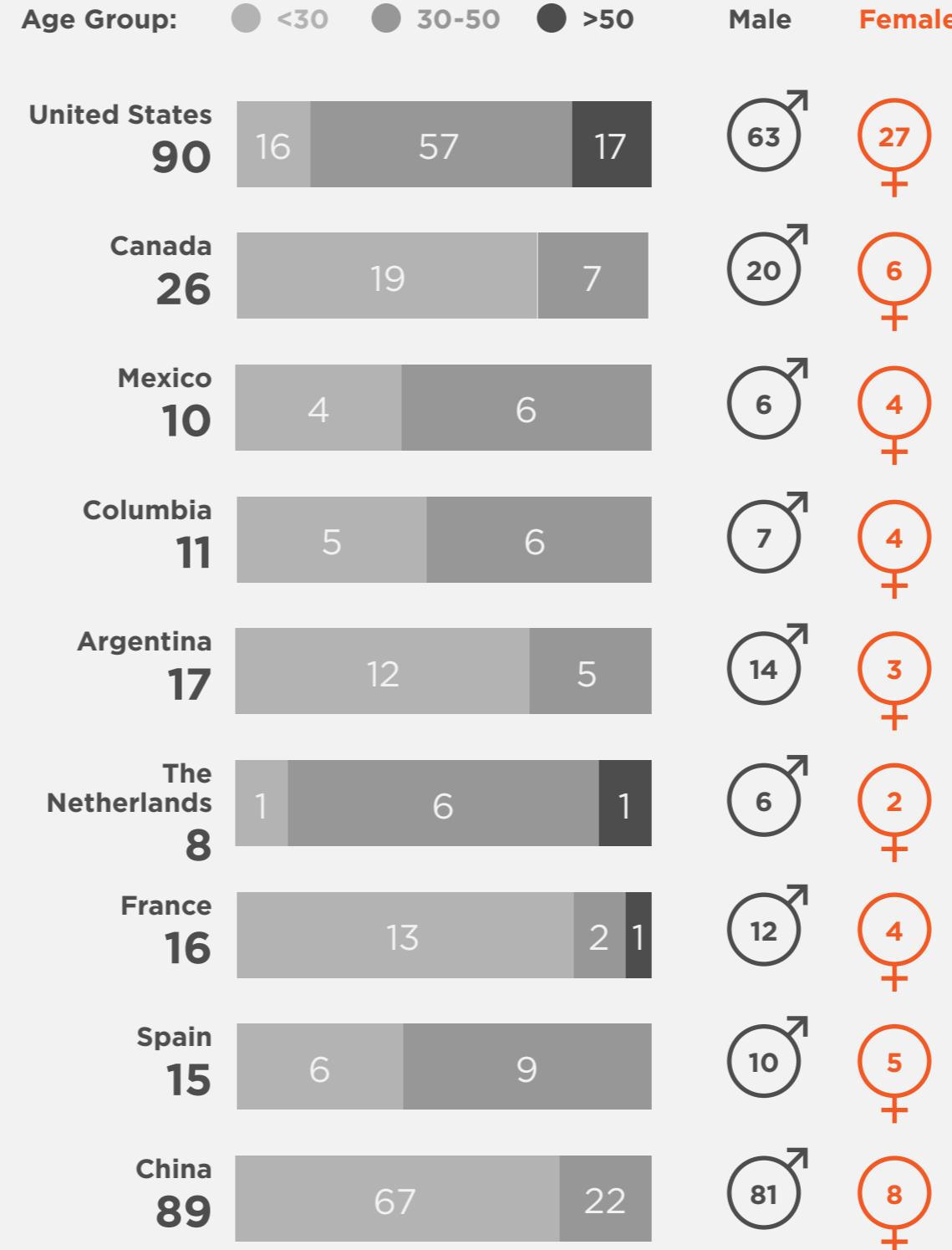
Employee Turnover

Total number and rate of new employee hires and employee turnover by age group, gender and region.

Total New Hire Number & Rate (%)

282 -10%

Total Number and Rate of New Employee Hires by Age Group, Gender and Region



LA2

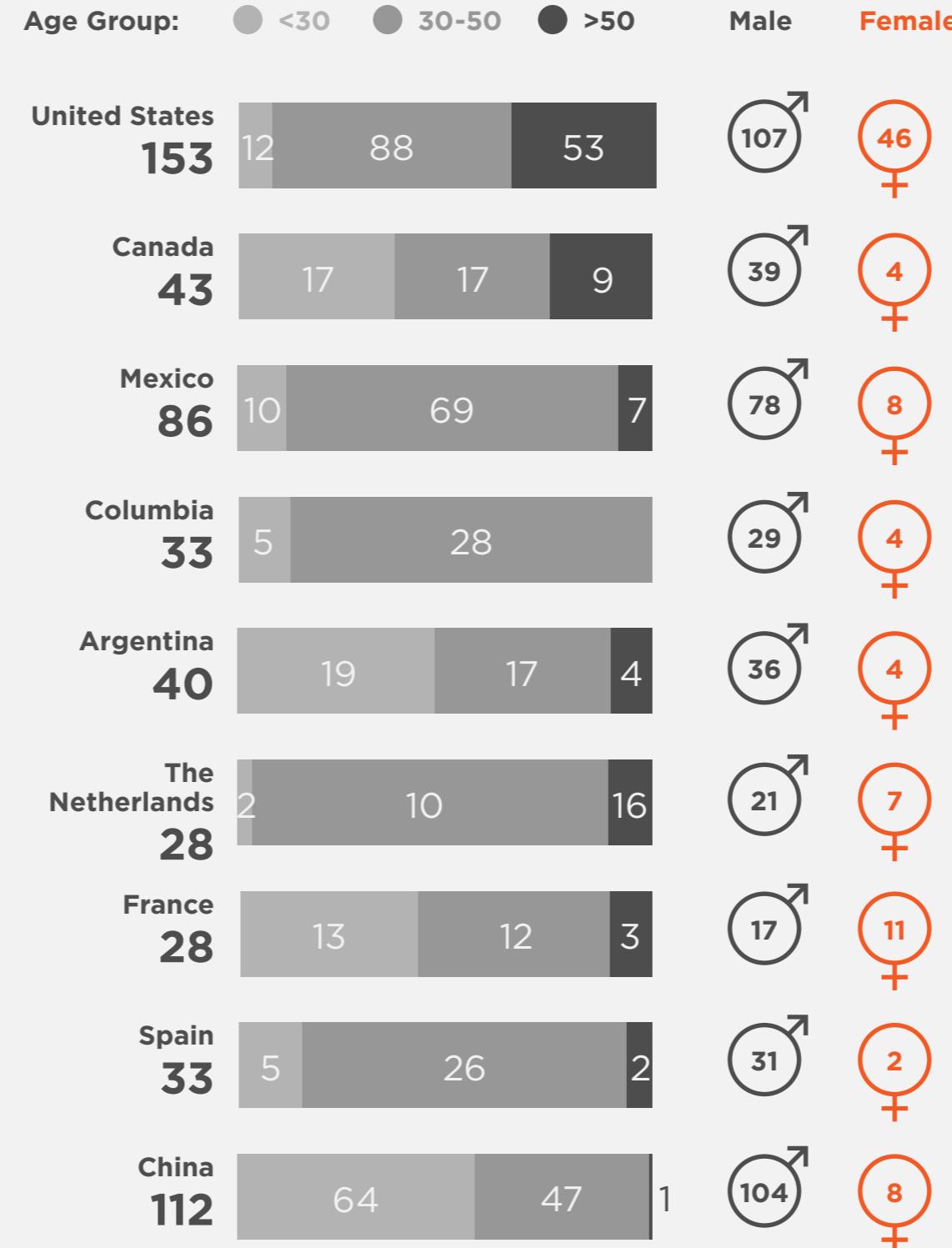
Employee Turnover

Total number and rate of new employee hires and employee turnover by age group, gender and region.

Total New Hire Number & Rate (%)

556 -19%

Total Number and Rate of Terminations by Age Group, Gender and Region



PGI Disclosure on Management Approach: Compensation

Our compensation philosophy is based upon the notion of meritocracy. We strive to implement that philosophy in all areas of our business, even in those where historical general increases and seniority-based systems remain. Our meritocracy process and goal of attracting, developing, promoting, transferring and retaining the best talent is based upon our observation of one's ability to drive results. We ensure that compensation meets or exceeds statutory requirements and is competitive with industry standards and local markets. Our compensation philosophy is clearly communicated to employees.

LA3 Employment Benefits

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.

PGI offers competitive benefits to employees including:

- Medical Plans
- Dental Care Coverage
- Vision Coverage
- Wellness and Health Prevention Services
- Life Insurance
- Disability Protection
- Accident Insurance
- Paid Vacation, Holiday and Leave Programs
- Business Travel Accident Insurance
- Retirement Plans – either defined benefit or defined contribution

Plans vary considerably by country as they are designed to supplement the social security benefits provided in each country, which can vary widely. PGI funds different programs depending upon governmental and competitive market conditions — from paying the entire cost of the benefit, to sharing in the cost with employees for a program, to leveraging our size and negotiation power to provide access for employees to employee-pay-all voluntary benefits.

LA4 Management Relations

Percentage of employees covered by collective bargaining agreements.

At December 29, 2012, the Company had approximately 2,809 employees worldwide. Of this total, approximately 42% of employees are represented by labor unions or trade councils that have entered into separate collective bargaining agreements with the Company. Approximately 36% of the Company's labor force is covered by collective bargaining agreements that will expire within one year.

LA7

Occupational Health & Safety

Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region and by gender.

PGI Disclosure on Management Approach: Safety Performance

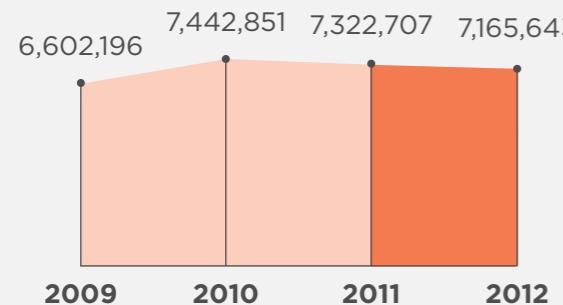
Safety performance is included as a component of our annual incentive compensation program because we are committed to protecting the personal well-being of our employees and the communities in which we operate, and we believe it to be an important indicator of the underlying health of our operation.

Emissions by Type and Weight (kg)

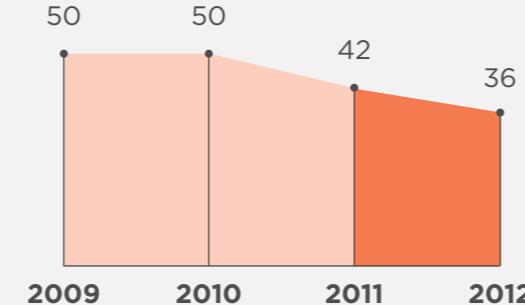
Metric	Asia	Europe	Latin America	United States	Canada	Corporate	2012 PGI Total
Hours Worked	1,377,604	1,476,722	2,187,545	1,417,986	464,137	241,650	7,165,643
OSHA Recordable Incidence Rate	0.44	1.35	0.73	1.97	0.43	0	1.00
Incidents	3	10	8	14	1	0	36
Lost Work Case Incidence Rate	0.15	0.14	0.46	0.99	0	0	0.42
Lost Work Cases	1	1	5	10	0	0	15
Occupational Disease Rate	0	0	0	0	0	0	0
Fatalities	0	0	0	0	0	0	0

Progress

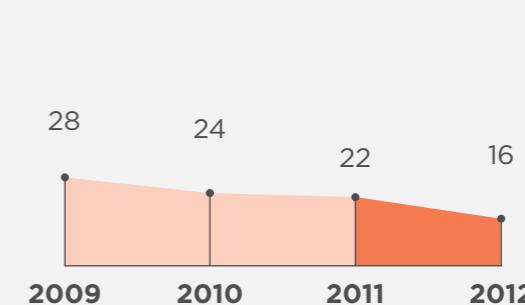
Hours Worked 2012 vs 2011 **-2.8%**



OSHA Recordable Incidents 2012 vs 2011 **-14.3%**



Lost Work Cases 2012 vs 2011 **-27.7%**



Note: Absenteeism rates are not tracked at all facilities.

GRI Standard Performance Indicators: Labor Practices & Decent Work

Human Rights



PGI Disclosure on Management Approach: PGI Values

Our values (safety, integrity, trust, customer relationships, innovation, accountability, team, and winning spirit and excellence) drive the essence of our approach to employment practices and labor/management decisions. Our values are reflected in our code of conduct, which commits us to compliance with all applicable labor, employment, and wage and hour laws and other statutes regulating the employer-employee relationship and the workplace environment.

HR2 Investment & Procurement Practices

Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.

PGI does not have a stand-alone process in place to evaluate business partners on human rights performance criteria. However, as part of our standard terms and conditions that are attached with every purchase order for products or services, PGI requests that each supplier or seller of goods and services certify

on each invoice that all goods sold under the purchase order have been produced in compliance with all applicable requirements of the Fair Labor Standards Act of the United States Department of Labor. In addition, under these terms and conditions, the supplier agrees to comply with all applicable laws, statutes, rules, regulations and orders of the United States, or of any State or political subdivision thereof.

HR4 Non-Discrimination

Total number of incidents of discrimination and actions taken.

The company has not recorded any incidents of discrimination in 2012 and does not have any awareness of incidents that should be disclosed.

PGI Disclosure on Management Approach: Child Labor

As a global organization our values and code of conduct are at the core of our decisions and actions in all operating regions. We do not employ children or support the use of child labor.

HR6 Child Labor

Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.

PGI operations are not considered at risk for abuses pertaining to child labor practices, and the company has not recorded any incidents of violations with governing labor regulations.

HR7 Forced and Compulsory Labor

Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.

PGI operations are not considered at risk for abuses pertaining to compulsory labor practices, and the company has not recorded any incidents of violations with governing labor regulations.

HR9 Indigenous Rights

Total number of incidents of violations involving rights of indigenous people and actions taken.

The company has not recorded any incidents of violations involving rights of indigenous people in 2012, and does not have any awareness of incidents that should be disclosed.

HR11 Remediation

Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.

The company has not recorded receipt of any grievances related to human rights in 2012 and does not have any awareness of grievances that should be disclosed.

Society



PGI Disclosure on Management Approach: Corruption

PGI supports and maintains strict policies that prohibit bribery and other improper payments to public officials consistent with the US Foreign Corrupt Practices Act, similar laws in other countries and the OECD Anti-Bribery Convention.

SO2 Corruption

Percentage and total number of business units analyzed for risks related to corruption.

As part of PGI's corporate governance policies, which includes analysis of risks related to corruption, PGI has ongoing discussions and evaluations of all of its business units across the globe regarding such risks. For the purposes of this indicator SO2, PGI is defining "corruption" as any form of bribery involving private parties or government officials related to the business of the company.

SO3 Corruption

Percentage of employees trained in organization's anti-corruption policies and procedures.

In 2012 we did not train in anti-corruption policies and procedures.

SO4 Corruption

Actions taken in response to incidents of corruption.

PGI's corporate governance policies include analysis of risks related to corruption (as "corruption" is defined in SO2). These measures include the PGI Code of Conduct and Business Principles, in place since 2004, which sets forth guidelines specifically addressing business-related corruption. Actual or suspected violations of the Code of Conduct are required to be promptly reported through various company communication avenues which include an anonymous compliance telephone line. Any incident of corruption reported through this process or otherwise brought to the attention of management would result in the PGI Compliance Officer investigating the matter, working with the Law Department and with oversight of the Audit Committee of our Board of Directors as appropriate. If such an investigation was to lead to a substantiated incidence of corruption, PGI would pursue all appropriate disciplinary, corrective and reporting measures, as well as pursuing legal recourse as necessary.

**PGI Disclosure on Management Approach:
Public Policy**

PGI actively works through appropriate governance structure with respect to environmental, public health, safety and social issues, with the goal of improving performance and minimizing adverse impacts.

**PGI Disclosure on Management Approach:
Anti-Competitive Behavior**

PGI supports competition in the global marketplace, and prohibits employees from engaging in practices or activities that violate applicable laws or compromise our business ethics standards.

**SO6
Public Policy**

Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.

No financial or in-kind contributions to political parties, politicians and related institutions were reported by PGI in 2011.

**SO7
Anti-Competitive Behavior**

Total number of legal actions for anti-competitive behavior, antitrust and monopoly practices and their outcomes.

PGI is unaware of any actual or pending legal actions involving PGI and allegations of anti-competitive behavior, antitrust and monopoly practices in 2012.

**SO8
Compliance**

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

PGI is unaware of any significant fines or non-monetary sanctions involving PGI and allegations of non-compliance with laws and regulations in 2012.

Product Responsibility



**PGI Disclosure on Management Approach:
Customer Health and Safety**

PGI is committed to transparency when it comes to the development and manufacture of its products. We promote and support laws, procedures and practices that safeguard all our communities and devote our innovation to socially-beneficial products.

**PGI Disclosure on Management Approach:
Product and Service Labeling**

PGI promotes a global policy of communicating about our products and services with a distinctive label to show that we conform to recognized environmental, ethical and social standards, complying with various regulations and in some instances voluntary codes.

**PR2
Customer Health & Safety**

Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

The company has not recorded any incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle in 2012, and does not have any awareness of incidents that should be disclosed.

**PR4
Product & Service Labeling**

Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

The company has not recorded any incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling in 2012, and does not have any awareness of incidents that should be disclosed.

PGI Disclosure on Management Approach: Marketing Communications

PGI follows a program of adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.

PR5 Customer Satisfaction Practices

Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

PGI conducts annual customer satisfaction surveys in an effort to identify opportunity areas for performance improvement, to refine PGI's value proposition in specific market segments and to guide important customer-facing business decisions. PGI changed its survey methodology in 2012, such that recent results can neither be aggregated into a composite score, nor meaningfully compared to historical results. Nevertheless, 2012 survey results were positive overall, with the majority of customers signaling a high degree of satisfaction.

In addition to the annual surveys, PGI engages in regular and periodic studies, collaborative development and scorecarding activities with customers as supplementary means to assess and maintain customer satisfaction.

PR6 Marketing Communications

Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.

All internal and external marketing communications, as well as news releases, are reviewed and approved by the Senior Director of Global Communications. The PGI Legal Team, the Corporate Lead Team, Executives and Regional Leadership are also involved in the approval process. Product marketing communications on the website, printed collateral, trade show materials, press releases and packaging are reviewed with marketing and legal specialists within the company.

Outside product marketing specialists and legal counsel are used to ensure that PGI's communications are aligned with the global standards where sustainability claims are being made of the workforce.

PR7 Marketing Communications

Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.

The company has not recorded any incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship in 2012, and does not have any awareness of incidents that should be disclosed.

**PGI Disclosure on Management Approach:
Customer Privacy**

PGI is committed to strictly abiding by nondisclosure or confidentiality agreements, and respecting confidential relationships and information which we are legally bound to keep from public disclosure.

PR8 Customer Privacy

Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

PGI is unaware of any substantiated complaints involving PGI and allegations of breaches of customer privacy and losses of customer data in 2012.

**PGI Disclosure on Management Approach:
Compliance**

PGI supports and adheres to the laws and regulations in the countries where we do business concerning the provision and use of products and services.

PR9 Compliance

Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

PGI is unaware of any significant fines involving PGI and allegations of non-compliance with laws and regulations concerning the provision and use of products and services in 2012.

Appendix

Polymer Group, Inc. is a global, technology-driven developer, producer and marketer of engineered materials, and one of the world's leading producers of nonwovens. With the broadest range of process technologies in the nonwovens industry, PGI is a global supplier to leading consumer and industrial product manufacturers. The company operates 13 manufacturing and converting facilities in nine countries throughout the world.

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& Chief Financial Officer

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Email: normand@pginw.com

The financial information for fiscal 2012 in this report can be viewed in detail in the 10-K report, dated March 28th, 2013 in the investor section of: www.polymergroupinc.com

The GRI G3.1 data in this report reflects performances for the fiscal year 2012.

Content pertaining to personnel, organization and locations are reported as of August 31, 2012.



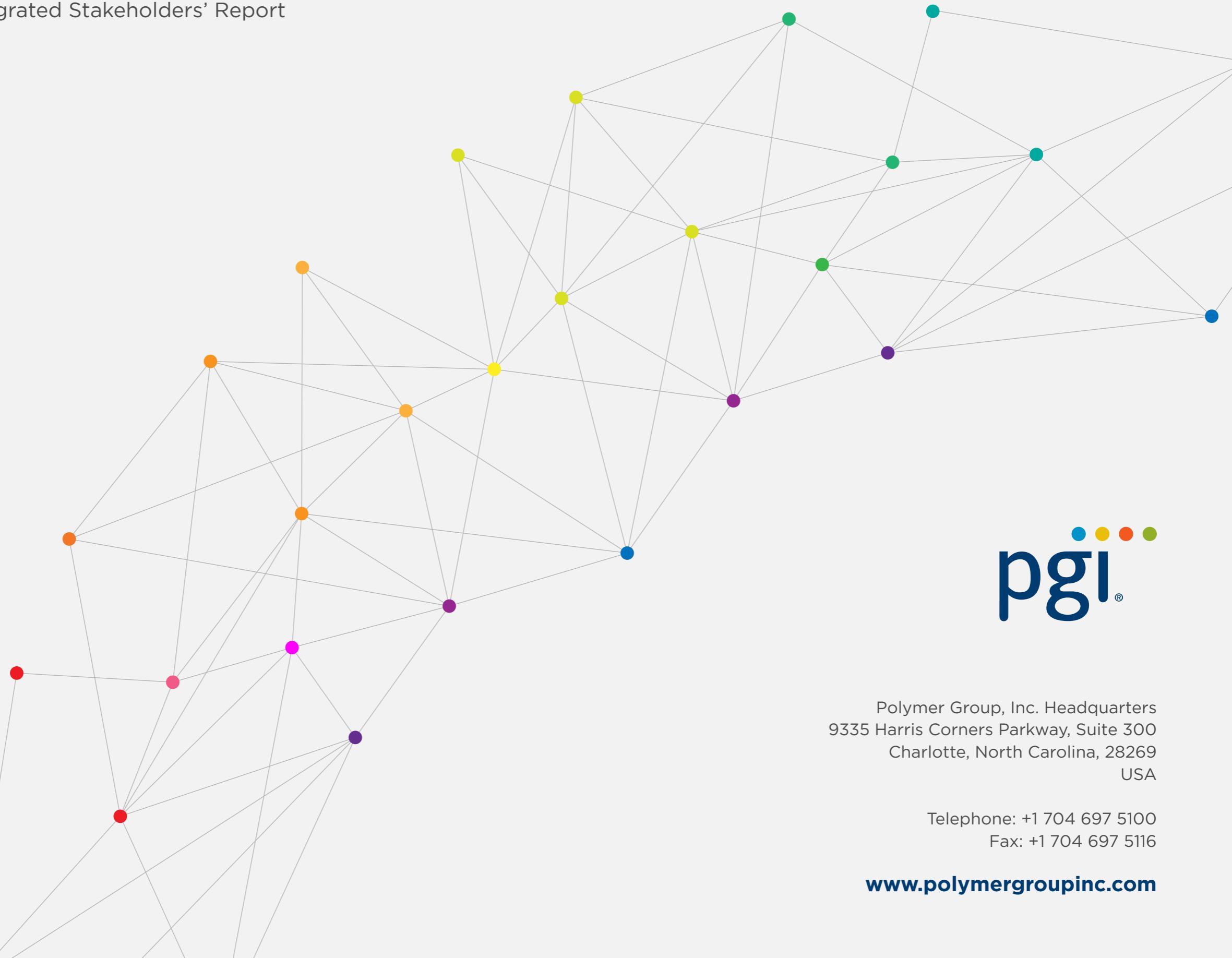
Safe Harbor Statement

Except for historical information contained herein, the matters set forth in this press release are forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These forward-looking statements speak only as of the date of this release. Important factors that could cause actual results to differ materially from those discussed in such forward-looking statements include: general economic factors including, but not limited to, changes in interest rates, foreign currency translation rates, consumer confidence, trends in disposable income, changes in consumer demand for goods produced and cyclical or other downturns; cost and availability of raw materials, labor and natural and other resources and the inability to pass raw material cost increases along to customers; changes to selling prices to customers which are based, by contract, on an underlying raw material index; substantial

debt levels and potential inability to maintain sufficient liquidity to finance our operations and make necessary capital expenditures; inability to comply with existing and future debt covenants; achievement of objectives for strategic acquisitions and dispositions; inability to achieve successful or timely start-up of new or modified production lines; reliance on major customers and suppliers; domestic and foreign competition; information and technological advances; risks related to operations in foreign jurisdictions; and changes in environmental laws and regulations, including climate change-related legislation and regulation. Investors are directed to consider the risks and uncertainties discussed in documents provided by Polymer Group, Inc. to investors, including the company's Annual Report and any subsequent Quarterly Reports.

Engineered Success.

2012 Integrated Stakeholders' Report



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