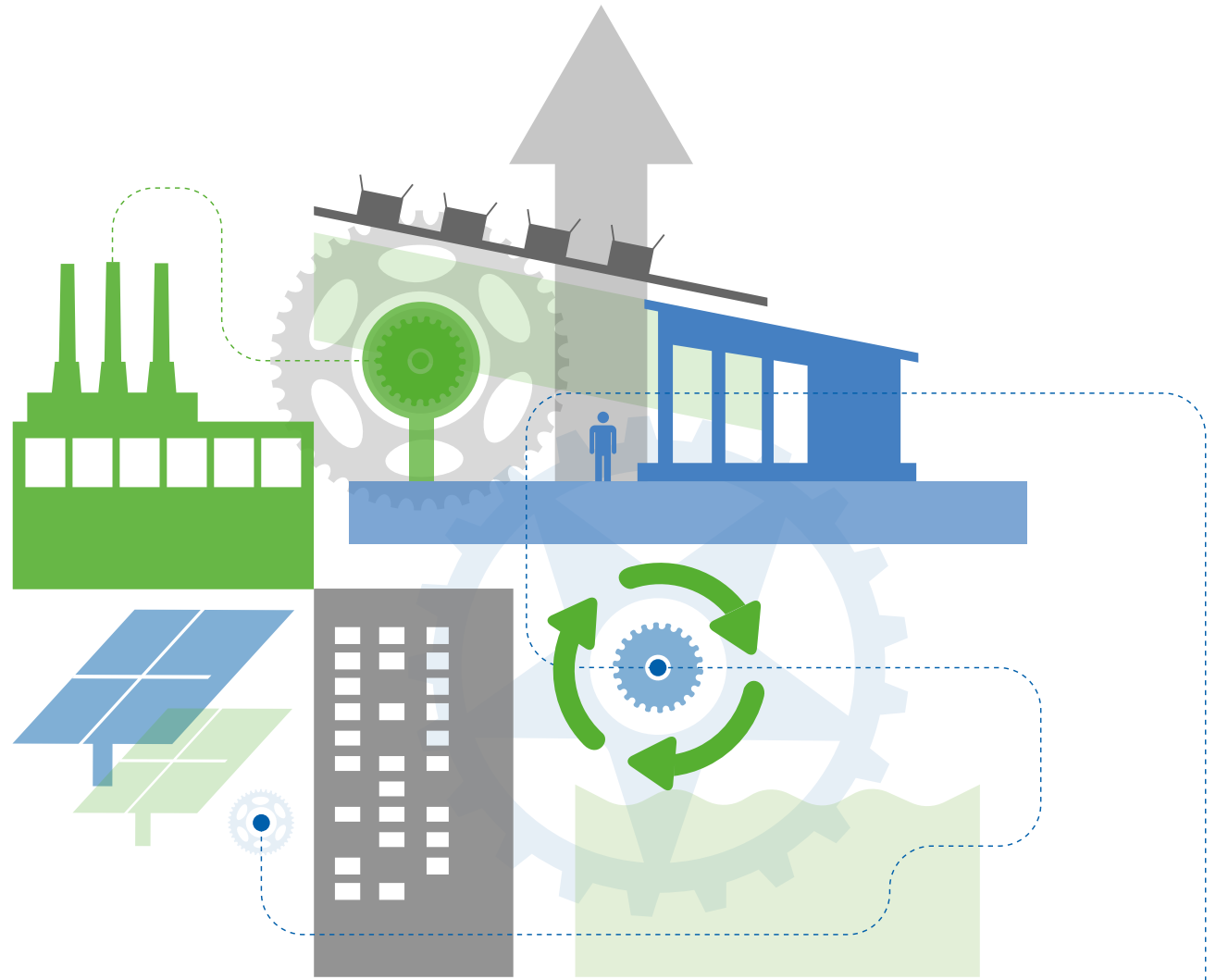


SUSTAINABILITY REPORT 2015



Dear reader,

We are pleased to present the third edition of our sustainability report. And because at VPK we like thinking out of the box, this format is once again different to the last. This year we are keeping it brief and to the point. Clarity and transparency is the aim.

The year 2015 was one of healthy, sustainable growth at VPK. Our new Blue Paper paper site now has its first full production year behind it. We have bolstered our position in Ireland with an acquisition. The first steps in the US have been taken. We continued working actively on our safety culture, while making further investments in green energy.

However, the coming years we will redouble our efforts. The packaging paper capacity on the European market is set to increase. Margins will inevitably come under pressure as a result. VPK will therefore devote extra effort to creativity, proximity, agility and particularly: the long-term vision that characterises us as a family business.

CEO STATEMENT

It is important for our core activity – corrugated cardboard packaging – that we meet the centralised purchasing requirements of large FMCG customers. Geographic coverage therefore remains crucial. At the same time our market strategy takes account of more local needs with the integration of digital technology and stock & serve principles.

We are also convinced that our investments in sustainable energy will continue to offer a competitive advantage in due course. Our three objectives are still focused on our customers, our processes and our employees respectively: *Easy to work with*, *Operational Excellence* and *Great to work For*.

We can then guarantee the future of sustainable, recyclable packaging that ensures the optimal protection of your goods.















Pierre Macharis
CEO VPK Packaging Group



VPK PACKAGING GROUP'S ORGANISATIONAL PROFILE

G4 / 3 - 4 - 5 - 7 - 8 - 9 - 10 - 13 - 16

Products & brands

	PAPER	The base material that creates all our cardboard	 
	SHEETS	Raw, unprocessed cardboard sheets to be processed at local converters	
	CORRUGATED PACKAGING	Customized protective packaging, ranging from transport packaging, over displays to shelf-ready packaging	   
	SOLID BOARD	Smooth and dens cardboard packaging, highly suitable for agricultural products in damp environments	
	CORES	Cardboard cores for winding applications in textiles, foil, metal and paper industry	

Main memberships of organization

CEPI	Confederation of European Paper Industries	Board membership
CBA	Corrugated Benelux Association	Board membership
FEFCO	European Corrugated Packaging Association	Board membership
BLUEBOX	European Economic Interest Group	Founding member

Headquarters

Kareelstraat 108 - 9300 Aalst - Belgium

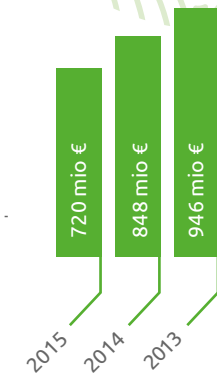
Legal form

Privately owned limited liability company under Belgian law

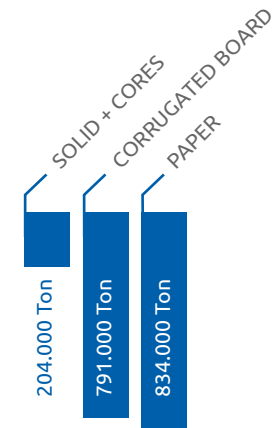
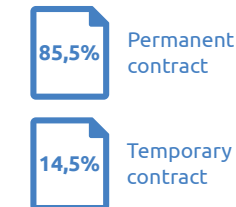
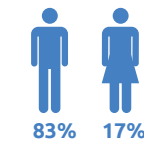
4.028 employees


40 plants

Operating income (mio EUR)



Production



 3 facilities opened (Rigid Containers in Limerick, Ireland; Corex US in Wisconsin, USA and Cartonneries de Wallonies in Charleroi, Belgium)

 0 facilities closed

VPK Packaging Group has chosen the in accordance option core.

REPORT PROFILE

VPK reports on an annual basis about sustainability.

The data in this report consolidates information from 01/01/2015 to 31/12/2015.

G4 / 32

For any inquiries please contact our communication department via sustainability@vpk.be.

G4 / 30

The previous sustainability reports were published in June 2015.

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G4 / 31

G4 / 29



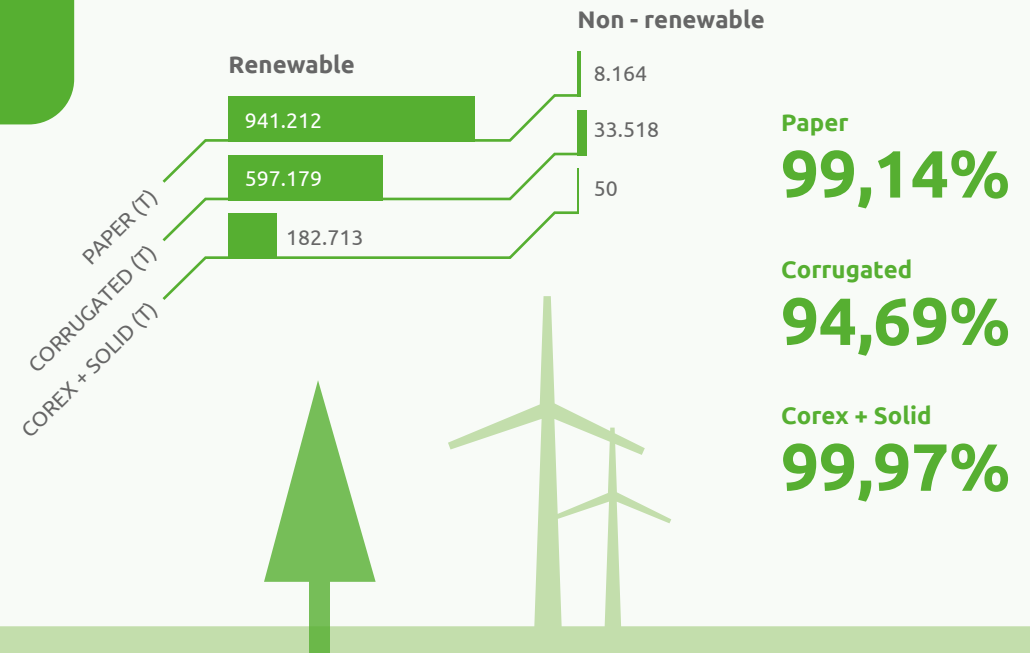
ENVIRONMENT

MATERIAL

G4 / EN1

The total weight of materials that are used to produce and package the organization's primary products during the reporting period, by:

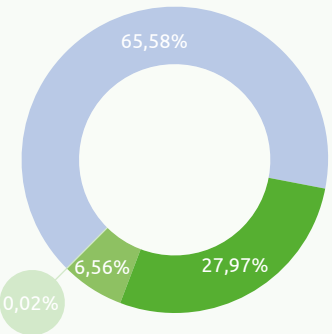
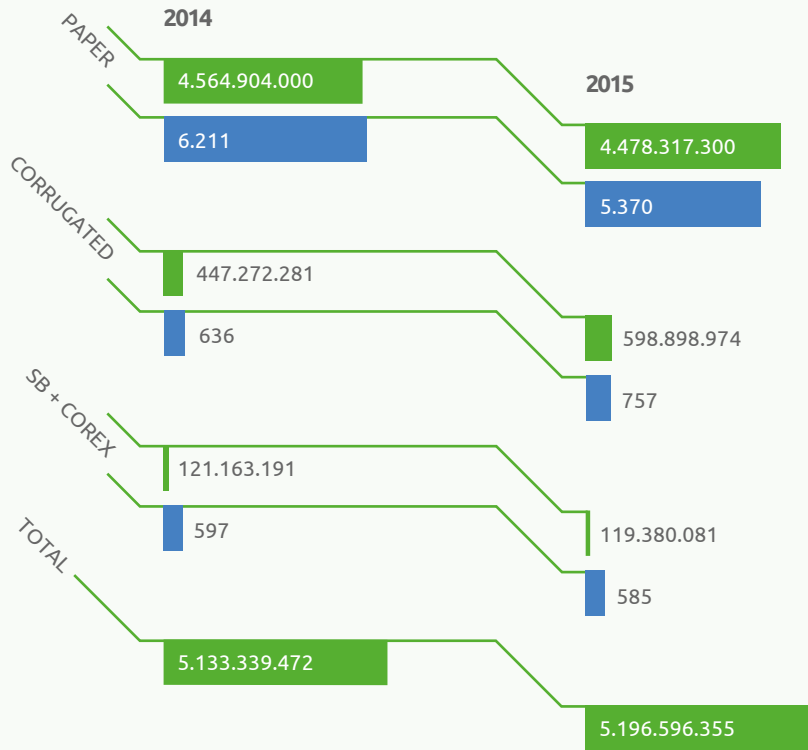
- Non - renewable materials used
- Renewable materials used



ENERGY

G4 / EN3

- Total electricity consumption (MJ)
- Specific energy consumption (MJ/T finished product)



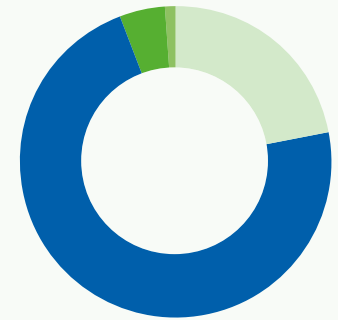
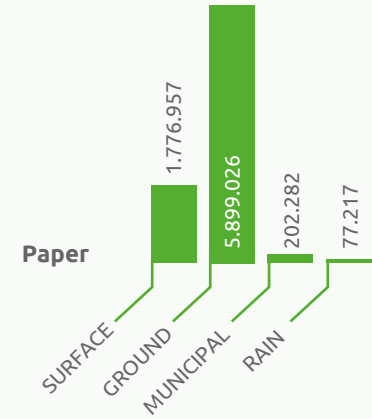
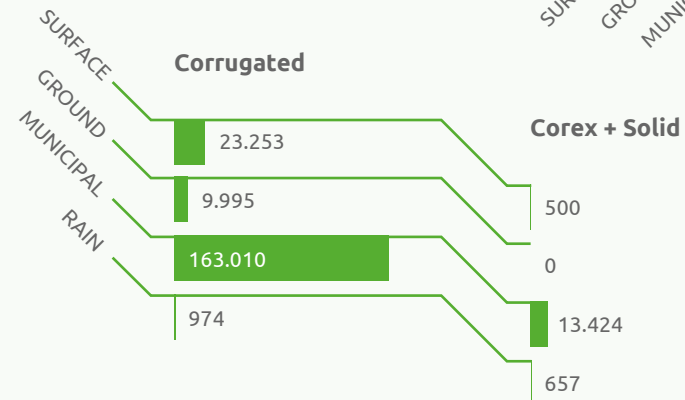
Energy split from source 2015 (MJ)

- Electricity: 1.453.262.895
- Heating: 340.732.541
- Cooling: 1.126.000
- Steam generation: 3.407.736.399

WATER

G4 / EN8

Water used (M³)



Total 2015 (M³)

- Surface: 1.800.710
- Ground: 5.909.021
- Municipal: 378.716
- Rain: 78.848

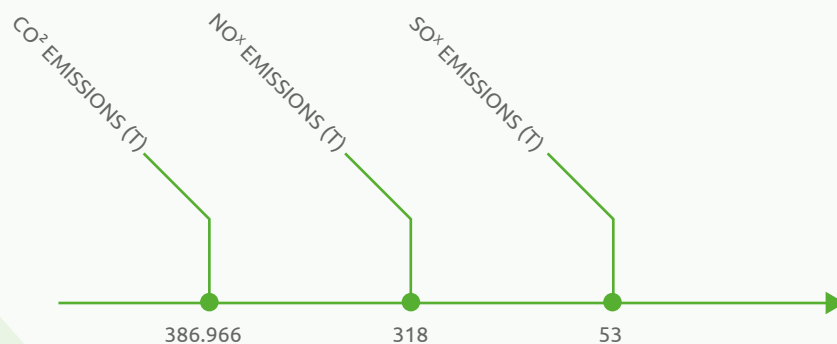
EMISSIONS

G4 / EN15 - EN21

Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent, independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances (calculated for CO2 gasses).

No biogenic CO2 emissions emitted, base year will be 2015.

Scope 1: Emissions from operations that are owned or controlled by the organization.

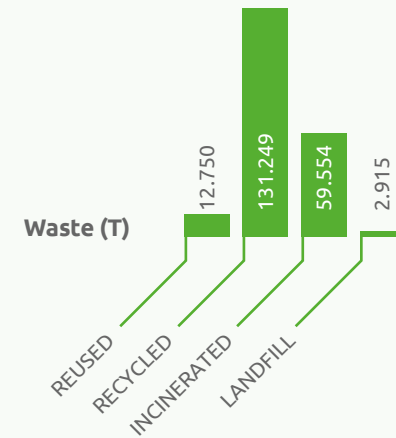


EFFLUENT AND WASTE

G4 / EN22 - EN23 - EN24

DMA: 4 spills were reported for 2015.

No transports of (imported, exported, or treated) waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII were executed.



OVERALL

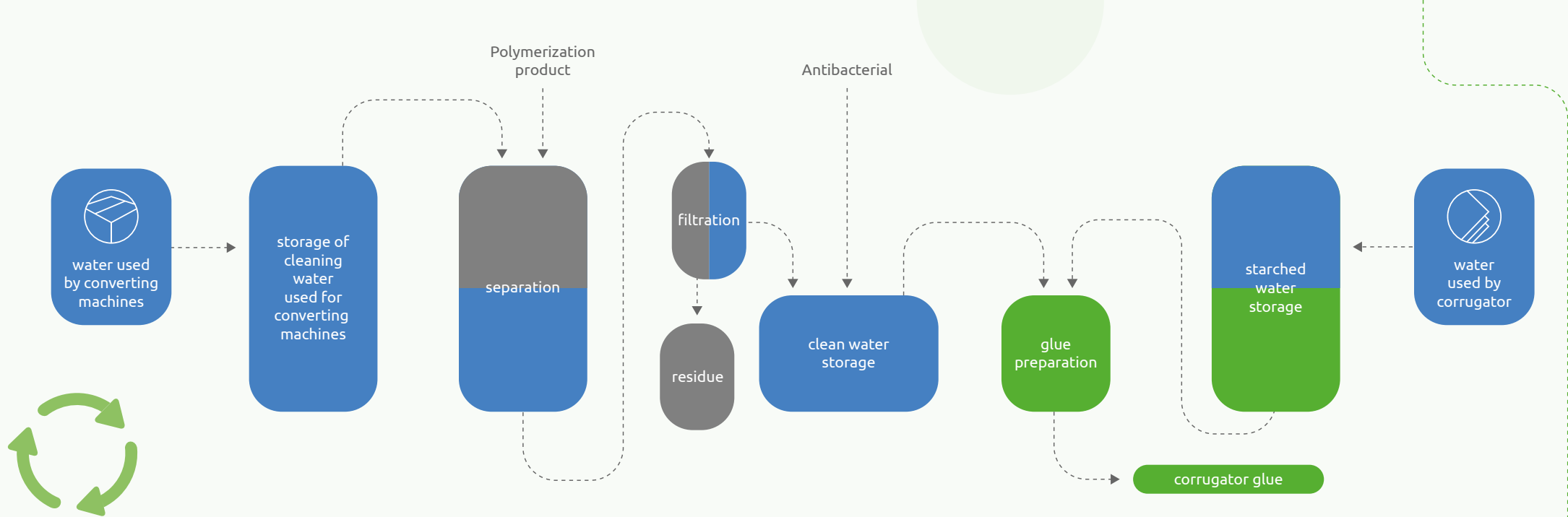
G4 / EN31

Total environmental expenditures

€ 3.915.086

G4 / EN34

In 2015 37 grievances were reported and addressed, 24 were resolved. 0 are still open for the 2014 reporting period.



SAVING WATER IN ONDULYS TAILLEUR

Adhesive and ink are some of the basic materials required for the production of corrugated packaging. Residues are collected in the water circuit of the production site. Usually this waste water is then either collected and treated, or is purified and returned to the natural water cycle. Not so at the VPK plant in Longjumeau, near Paris, where the industrial cleaning water is entirely reused for new glue preparation.

In the first stage of the process, the volume of cleaning water has been reduced by the installation of high-pressure hoses. In addition, the water used for cleaning is

heated through energy recuperated from the plant's compressors. The combination of heat and high pressure results in water saving and shorter cleaning times.

Secondly, a water loop system has been put in place to reuse the industrial cleaning water. This happens in two separate loops or phases. Phase one collects the cleaning water from the converting machines. The second phase recycles the cleaning water used for the corrugator. This water is injected directly into the second glue preparation phase.

Such a project must take into account a number of challenges. To maintain optimum viscosity and colour of

the adhesive, the balance between recovered water and fresh water is continuously monitored. On the other hand growth of bacteria is restrained by a compact distribution system.

The final result is that industrial waste water is no longer discharged. On top of that, the use of fresh water has reduced by 70%, cleaning times are halved and the consumption of fresh water and starch has been significantly decreased.



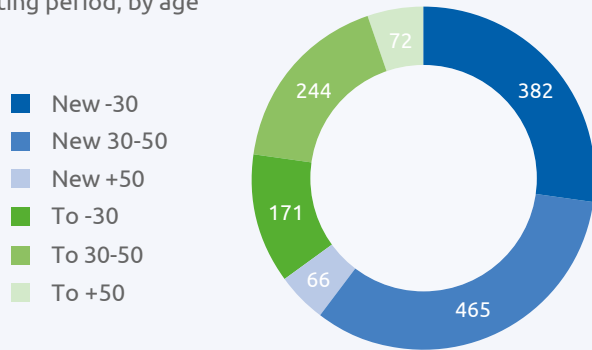
SOCIAL

EMPLOYMENT



G4 / LA1

Number of new employee hires and employee turnover during the reporting period, by age group.



Employee relations, including collective bargaining agreements, are mainly managed on a national level. Percentage of employees covered by collective bargaining agreements:

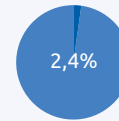
app. 80%



OCCUPATIONAL HEALTH AND SAFETY

G4 / LA5

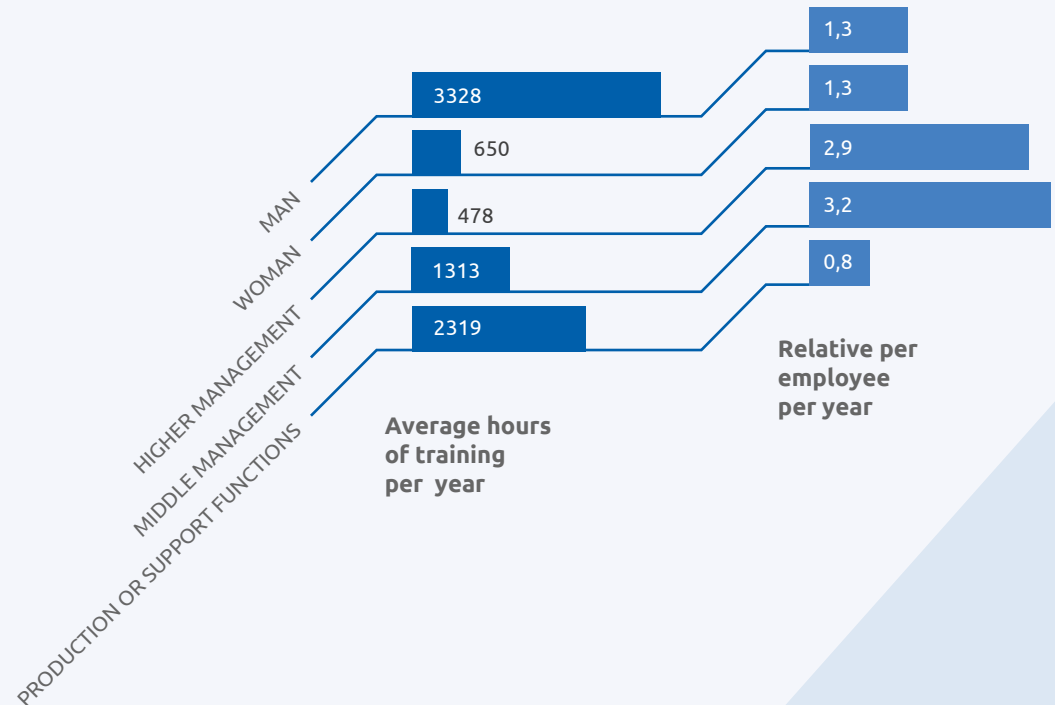
This Indicator provides a measure of the extent to which the workforce is actively involved in health and safety.



97 employees out of 4028

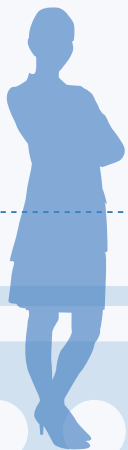
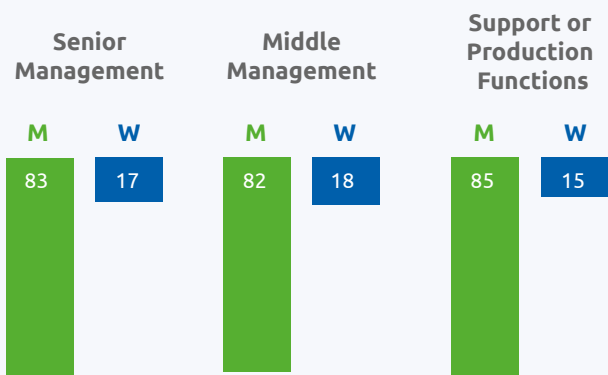
TRAINING AND EDUCATION

G4 / LA9



DIVERSITY AND EQUAL OPPORTUNITY

G4 / LA12

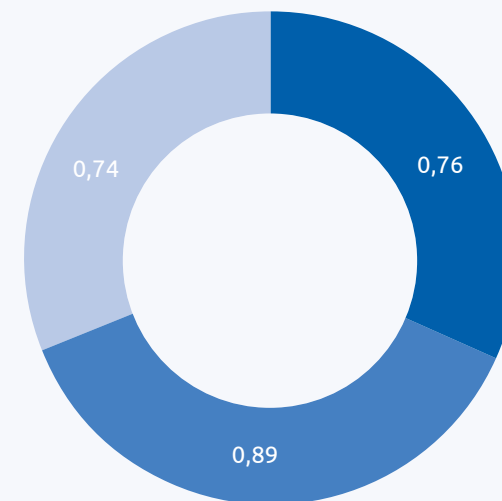


REMUNERATION SPLIT

G4 / LA13

Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

- Senior Mgmt
- Mid Mgmt
- Prod + Support





CHANGING VPK'S SAFETY CULTURE

VPK's intention to make further significant improvements in safety kicked off at the VPK Safety Day in Bruges in November 2015, with the introduction of a behaviour-based safety program. A total of 80 safety specialists and plant managers attended this 2-day event. In-house speakers were complemented by a renowned international speaker on safety who described a workplace accident in 1990 in which he lost his sight. His dedication to creating positive safety cultures and setting new standards was an inspiration to everyone.

Experts from two workplace safety organisations gave presentations on tools used to measure and improve behaviour-based safety performance. One of these organisations – JOMC, whose core competence is business performance improvement through cultural and behavioural change – was selected as VPK's partner for the implementation of a behaviour-based safety project.

A pilot project is currently underway at the Rigid Containers manufacturing and

logistics facility in Desborough, UK. It is based on a process developed by JOMC known as Safe and Unsafe Acts (SUSA). It involves management and site operatives being trained to engage in conversations and observe people working. The objective is to praise safe working behaviour and to catch hidden, unsafe behaviours and work practices, discuss why a person is working unsafely, and then agree on a positive change.

Each SUSA is recorded in a database, analysed, and used to target and prevent unsafe behaviours. This will help create a strong positive safety culture throughout the facility. Afterwards, the project will be rolled out in all VPK sites in the UK and then across Europe.

'Our goal is to focus more strongly on creating and maintaining a safety culture throughout the organisation', says Jan Thienpont, Group Quality System Manager. 'Working with JOMC as external consultant will help us implement safety as a priority in all aspects of behaviour at all levels, from employees to management.'



INNOVATIVE SUSTAINABILITY PROJECT IN POLAND



Visitors to the Solny Square in Wroclaw, Poland, in the summer of 2015 were treated to a unique sight. It was an eye-catching pavilion made out of 500 cardboard tubes provided by Corex and illuminated by the same number of LED lights. This joint project between VPK and the Wroclaw University of Technology housed an exhibition illustrating the university's 70-year history.

The pavilion, which measured 11.5 x 6.2 metres, was designed by architect Jerzy Latka, who has worked with cardboard for a number of years on account of its strength, versatility and sustainability. It was assembled

with the help of 50 students on the square, where it attracted much attention and positive feedback from visitors for two weeks. It was then moved to one of the main entrances of the university campus for a month. VPK regularly supports external initiatives and social projects like this one, which clearly demonstrate VPK's commitment to sustainability and the use of cardboard as a strong, sustainable material. It was also an honour to support Wroclaw University of Technology, which has been designated the best technical university in Poland. Alongside this initiative, VPK supports many other educational projects, both in Europe and elsewhere.

Other main projects supported in 2015:

- Anticancer Fund: provides research-based information and funds for the development of promising therapies
- Niño Feliz: supports Bolivian families in need in terms of food, health and education
- YouthStart: helps underprivileged youth to develop their skills
- MS Liga: helps and supports multiple sclerosis patients
- Protos: develops projects to provide drinking water, sanitation and/or water for agriculture in several southern countries

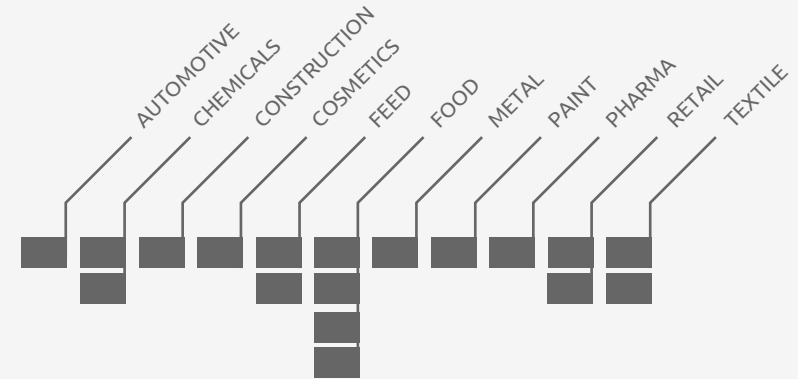


ECONOMIC

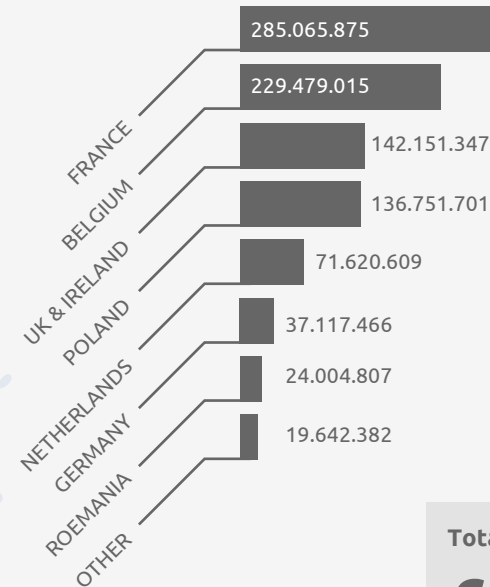
INDUSTRY SERVED

G4 / 8B1 - 8B2 - 8B3 - 8B4 - 8B5 - 8B6 - 8B7 - 8B8 - 8B9 - 8B10 - 8B11

Reporting on the markets/Industry served, the figure gives an indication on a scale of 1-4 (1: LOW to 4: HIGH) on VPK products being sold in the industries indicated.

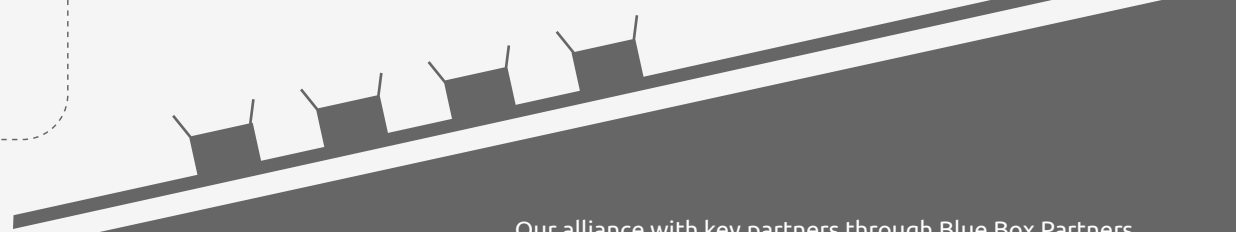


SALES BY COUNTRY



Total

€ 945.833.202



MARKET INSIGHTS

It has been my privilege to represent the Benelux market within FEFCO - the European corrugated board federation - for many years. The first FEFCO summit I attended was in 1982 in Malta. Earlier this year it was held at Berlin, where I received the honour of being elected vice-president of the board.

Today we can ascertain that the European market is characterized by on-going, yet slow, consolidation. Certainly much slower than in the US, where 76% of the corrugated packaging market is now controlled by the top four players. In Europe, the corresponding figure is 46%.

Within this market evolution VPK is seeking to grow through acquisitions, such as the recent acquisition of ICS Europaks in Ireland, in order to increase our European coverage and better meet the requirements of large FMCG customers, who are increasingly purchasing corrugated packaging centrally for all their facilities across Europe.

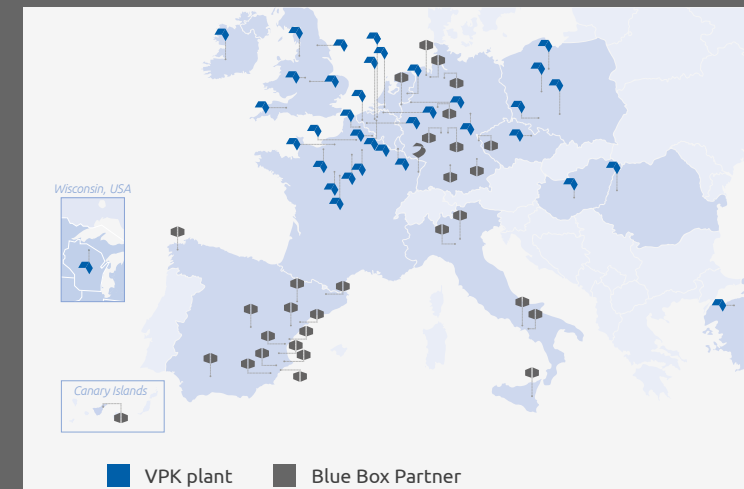
In those countries where the purchasing power of consumers is growing, such as Poland or Romania, we have been investing significantly in greenfield projects as a key source of sustainable growth. In a mere decade our Polish Aquila division has become a market leader as a producer of corrugated sheets.

Our alliance with key partners through Blue Box Partners gives us valuable market coverage in Italy, Spain and Germany. VPK co-founded Blue Box Partners exactly ten years ago and now has a turnover of 217 million euros, mainly with large FMCG customers. We have always believed that building strong alliances offers strategic advantages in matters of market access, risk management and expertise sharing. Blue Box Partners is now one of the top three players in Europe.

Corrugated packaging provides exceptional added value. Life cycle analysis underpins the awareness that we must continue its product development as a versatile, extremely cost-effective and adaptable, and naturally sustainable and recyclable packaging solution.

Jean-Paul Macharis

President of the VPK Packaging Group Board of Directors
Vice-President of the FEFCO Board of Directors



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 G4/7 Organisational profile
 G4/8 Organisational profile / Markets served - <http://www.vpkgroup.com/en/about/vpk-at-a-glance/where-we-operate/>
 G4/9 Organisational profile
 G4/10 Organisational profile / Employment / Diversity and equal opportunity
 G4/11 Employment
 G4/12 Sustainable Growth in 2014
 G4/13 Organisational profile
 G4/14 Internal controlling mechanisms and independent internal audits monitor financial, compliance, regulatory, contractual, market and environmental risks. More detailed information in our 2013 sustainability report.
 G4/15 Innovative sustainability project in Poland
 G4/16 Organisational profile

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4/17 Material Aspects and Boundaries
 G4/18 Material Aspects and Boundaries
 G4/19 Material Aspects and Boundaries
 G4/20 Material Aspects and Boundaries
 G4/21 Material Aspects and Boundaries
 G4/22 Based on recent knowledge the GRI report 2014 needs to be rectified on indicator GRI G4-EN3 : Total energy consumption 2014 - 4.564 904 GJ
 G4/23 Material Aspects and Boundaries



STAKEHOLDER ENGAGEMENT

G4/24 GRI Report 2014
 G4/25 GRI Report 2014
 G4/26 GRI Report 2014
 G4/27 GRI Report 2014

REPORT PROFILE

G4/28 Report Profile
 G4/29 Report Profile
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 G4/32 Report Profile
 G4/33 No external assurance provided

GOVERNANCE AND ETHICS

GOVERNANCE

G4/34 GRI Report 2014

ETHICS AND INTEGRITY

G4/56 Sustainable Growth in 2014
 A new Code of Conduct was introduced in the first half of 2016.

SPECIFIC STANDARD DISCLOSURES ON MATERIAL ASPECTS

MATERIALS

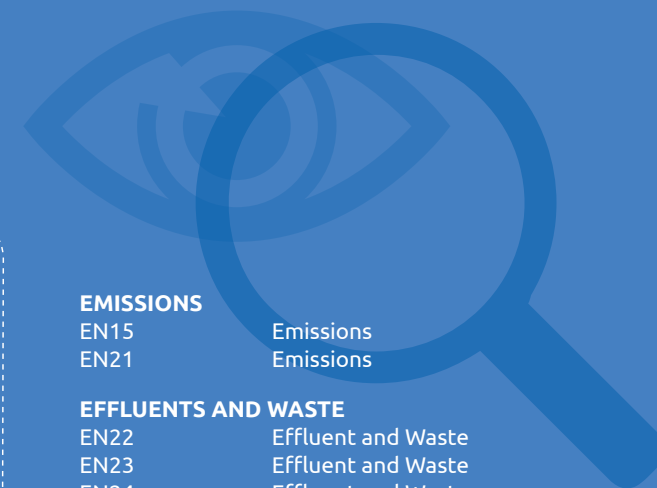
EN1 Materials

ENERGY

EN3 Energy

WATER

EN8 Water



EMISSIONS

EN15 Emissions
 EN21 Emissions

EFFLUENTS AND WASTE

EN22 Effluent and Waste
 EN23 Effluent and Waste
 EN24 Effluent and Waste

COMPLIANCE

EN29 Data not disclosed

TRANSPORT

EN30 Not consolidated

ENVIRONMENTAL INVESTMENTS

EN31 Environment, Overall

ENVIRONMENTAL GRIEVANCE MECHANISM

EN31 Environment, Overall

EMPLOYMENT

LA1 Employment

LABOUR/MANAGEMENT RELATIONS

LA4 Data not disclosed

OCCUPATIONAL HEALTH AND SAFETY

LA5 Occupational health and safety

TRAINING AND EDUCATION

LA9 Training and education

DIVERSITY AND EQUAL OPPORTUNITY

LA12 Diversity and Equal Opportunity

EQUAL REMUNERATION FOR WOMEN AND MEN

LA13 Diversity and Equal Opportunity

LABOUR PRACTICE GRIEVANCE MECHANISM

LA16 Data not disclosed