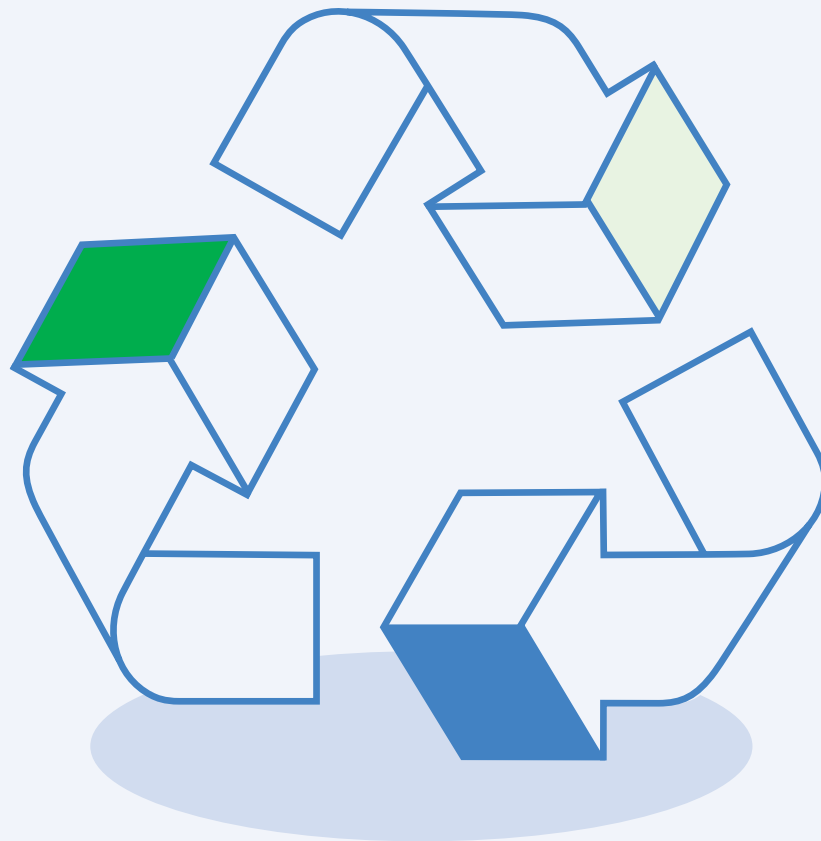


# THE FUTURE OF PACKAGING IS **CIRCULAR**



# About this report

[ GRI 102-45 ]

5<sup>th</sup> sustainability report of VPK Packaging Group NV

This report is published in 2018 and covers the data of year 2017.

We report in accordance with the 'core' option of the Global Reporting Initiative (GRI) guidelines.

It is our intention to report on a yearly basis.

## FEEDBACK WELCOME

If you have suggestions, comments or questions about this report or about the CSR policy of VPK Packaging Group, do not hesitate to submit them:

**Contact:** Liesbeth Roelandt, Communication Manager

**E-mail:** [sustainability@vpk.be](mailto:sustainability@vpk.be)

More about our sustainability management:

[www.vpkgroup.com/sustainability](http://www.vpkgroup.com/sustainability)

## COLOFON

Publisher: VPK Packaging Group – Kareelstraat 108 – B-9300 Aalst

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## Table of contents

INTRODUCTION	3
ORGANISATIONAL PROFILE	4
INNOVATIVE PACKAGING SOLUTIONS	10
WASTE MANAGEMENT	14
PULPER ROPES	18
VPK ACADEMY	22
FULLY CIRCULAR WATER MANAGEMENT	28
UPCYCLING INSTEAD OF REPLACING	32
FIGURES & TABLES	38
GRI INDEX	48
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES	50

# The future of packaging is circular

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*The design flexibility, printability and easy recyclability of cardboard make it the ideal material for a wide range of packaging applications.*

**Pierre Macharis**  
CEO, VPK Packaging Group

In the VPK Packaging Group we – along with our customers and final consumers – are deeply concerned about the sustainable use of the raw materials we use and the products we produce. These concerns drive our commitment to further reduce the environmental footprint of all our facilities, and continue on the path to a circular economy for packaging.

The importance of the circular economy is well illustrated in the steady expansion of e-commerce and the complexity of the associated supply chains. Not only is e-commerce creating new market models, it is leading to a greater focus on ecological packaging along the whole logistics value chain.

For packaging to be eco-friendly it has to be of the right size and design; hence the growing importance of packaging engineering. For the final customer, packaging also has to be frustration-free and made of easy-to-sort packaging materials. Along with the focus on sustainability, customer experience is another core aspect for brand owners and retailers.

The design flexibility, printability and easy recyclability of cardboard make it the ideal material for a wide range of packaging applications.

Efficient sorting of paper and board at source remains key for the industry. International regulations and best practices concerning recovered paper and board are exerting legitimate pressure to keep the quality of the recovery flows high and to process the collected paper and board locally. This is a good development for the sustainability of our sector.

I hope you find this sustainability brochure informative. It clearly affirms our ongoing commitment to the further implementation of the circular economy in the paper and board packaging industry.
















# Pioneer in circular packaging solutions

VPK Packaging Group is a pioneering packaging supplier, operating 50 sites in 17 countries, and with headquarters in Belgium. We have been producing **innovative and protective cardboard packaging for logistics purposes since 1935** and continue to show steady growth and expansion.

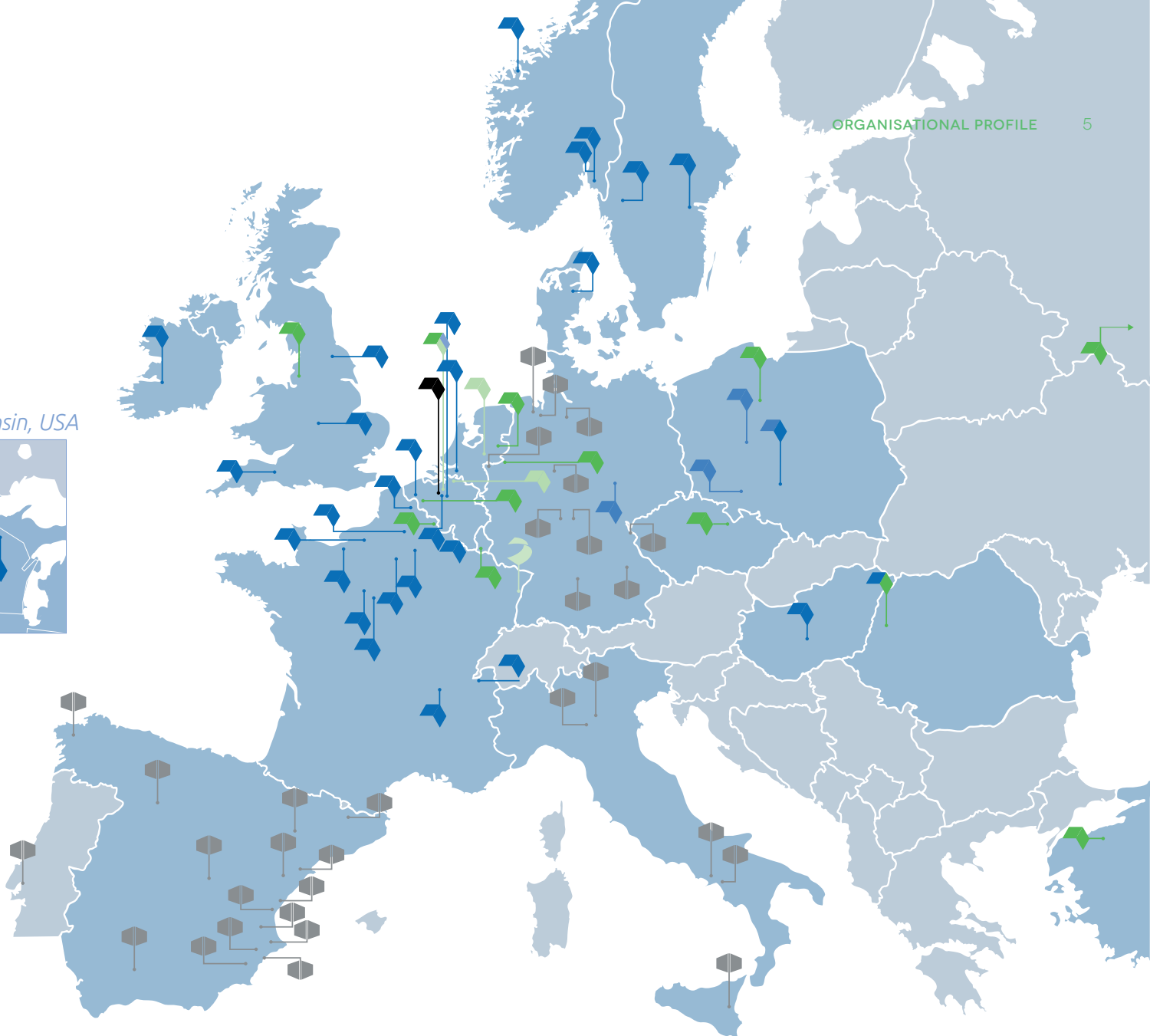
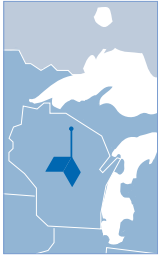
## CIRCULAR ECONOMY

The VPK product range covers tailor-made solutions for corrugated board and solid board packaging, cores and edge protectors. All of these products are fully recyclable. Furthermore, our paper is made of exclusively recycled fibres, which underlines our determined ambition to operate within a circular economy.

## PRODUCTS AND BRANDS

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

Wisconsin, USA



## LOCATIONS



VPK Packaging Group  
Headquarters



VPK Packaging Group  
Solid Board



VPK Packaging Group  
Corrugated Packaging



Blue Paper



VPK Packaging Group  
Corrugated Sheets



Blue Box Partners



VPK Packaging Group  
Paper



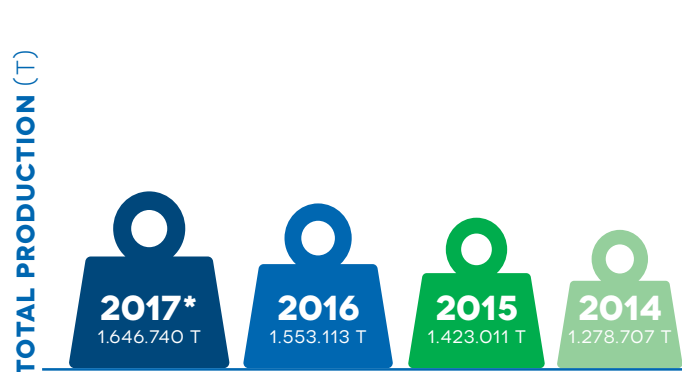
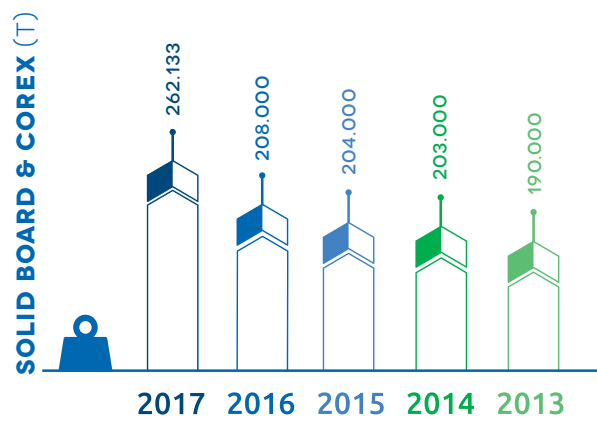
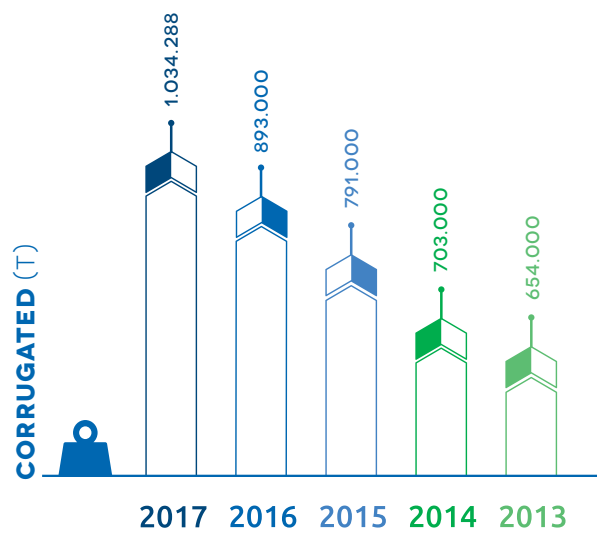
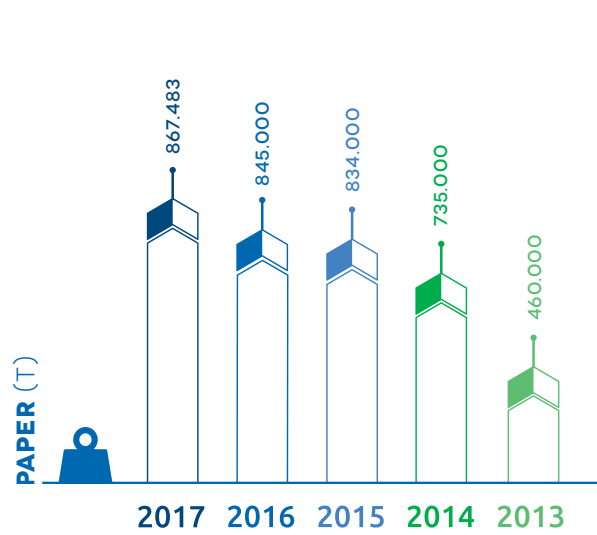
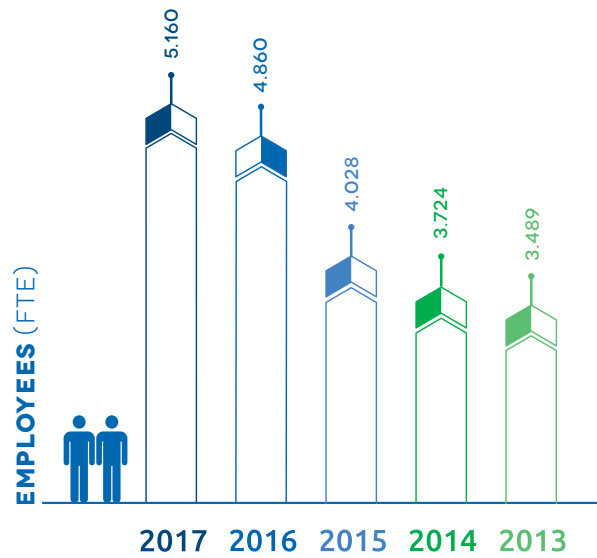
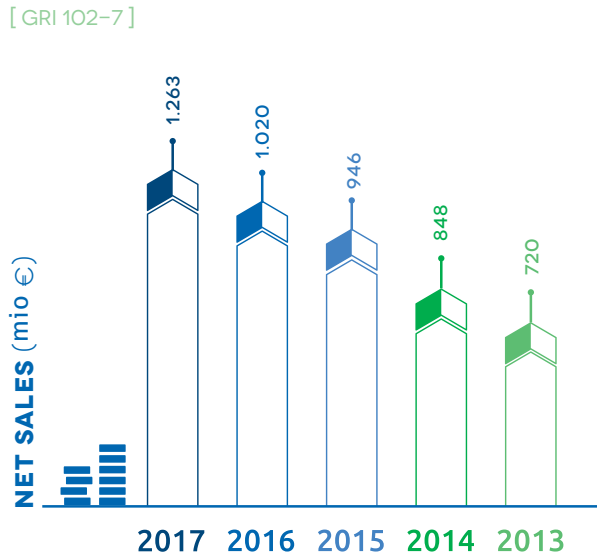
VPK Packaging Group  
Cores & Edge Protectors

Canary Islands



## ORGANISATIONAL PROFILE

[ GRI 102-7 ]

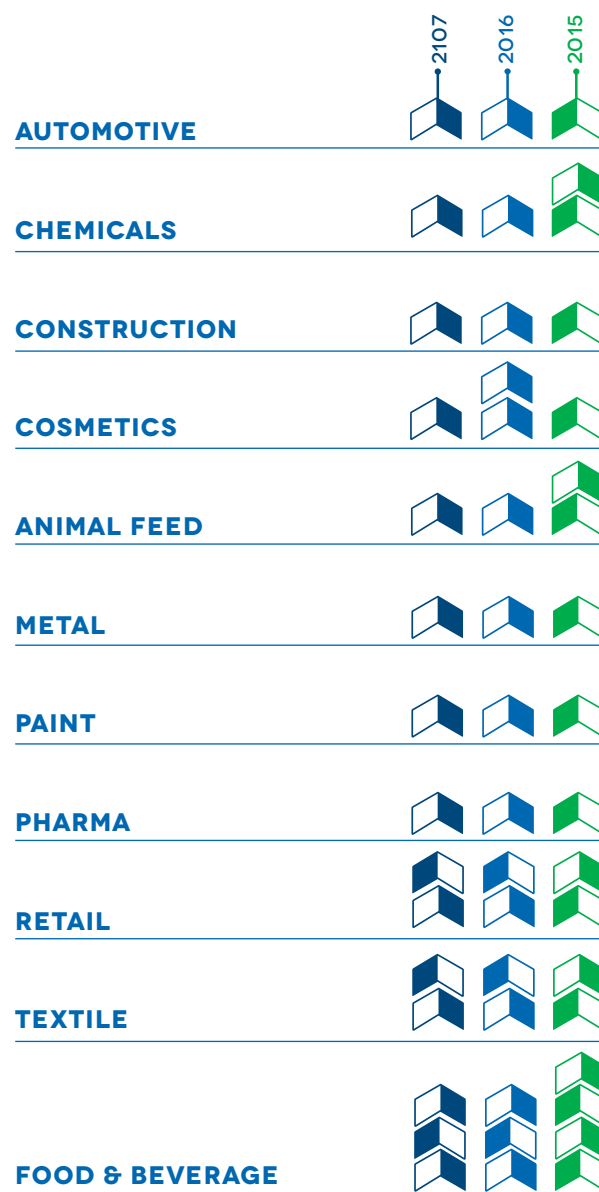


\*of which 59% sold as FSC

## INDUSTRIES SERVED

[ GRI 102-6 ]

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



## MAIN MEMBERSHIPS [ GRI 102-13 ]

<b>CEPI</b>	Confederation of European Paper Industries	Board membership
<b>CBA</b>	Corrugated Benelux Association	Board membership
<b>FEFCO</b>	European Corrugated Packaging Association	Board membership
<b>BLUE BOX PARTNERS</b>	European Economic Interest Group	Founding member







# To a circular future in sustainable packaging

Our continual strive to move forward and enjoy sustainable growth is summarized by three pillars:



## Great to work for

VPK Packaging Group offers a stable working environment within a framework of corporate responsibility and sustainability. It allows motivated and qualified employees to pursue an exciting career path in which initiative is rewarded and opportunities can be seized with both hands. Our recently established VPK Academy is one example of tailor-made training and development for all employees.

> See page 23.

## Easy to work with

At VPK Packaging Group we are committed to listening to our customers and responding to your specific requirements. In recent years we have, for instance, developed a new packaging solution for one of Norway's most important food distributors. This is an excellent example of how we gladly share our experience with you on how to improve your logistics chain.

> See page 11.

## Operational excellence

Efficient and optimal improvements of the production process are essential within a competitive environment. Logistics and transportation are an important part of our business. We have been analysing how we can optimise both. This year's report will illustrate that we not only recycle materials, where possible we also support upcycling.

> See cases on pages 15, 19, 29 and 33.



## BENEFITS



renewable  
materials



efficient  
and fast



optimal brand  
support

# INNOVATIVE PACKAGING SOLUTIONS

VPK Packaging Group has resolutely opted for sustainable packaging solutions, in both standard and custom formats. A team of specialists in our in-house labs continuously work on developing new packaging constructions, based on renewable raw materials. Packaging that can be used to protect, transport, present and recycle again. Packaging that offers more than just one solution.

# Corrugated packaging replaces plastic containers



After decades of using plastic trays for distribution packaging, *Nortura* switched to corrugated board boxes. Next to the environmental benefits, the Norwegian market leader in the food industry now realises considerable financial savings in logistics and handling.

Until 2017, distribution packaging for *Nortura* meant washable plastic crates in a closed loop system. *Nortura* is one of the largest suppliers of processed meat in Norway, so their decision to switch from plastic to corrugated packaging sent out a strong signal.

*Einar Foss*, Sales Manager Peterson, explains: "Before a major player decides upon such a big change there must be considerable reasons to do so. Five years ago we approached *Nortura* to show how changing from plastic crate packaging to corrugated boxes could result in significant savings in logistics. This was possible due to the inherent size flexibility of corrugated boxes compared to plastic crates. At that time, they liked our ideas, but the factories were all equipped to handle plastic crates; the required changes and investments were huge. But the opening of new, automated distribution warehouses – which started in 2014 – was a game changer."

## + 44% MORE PACKS PER TRANSPORT

PLASTIC TRAYS		CORRUGATED BOARD BOXES
555 AV. PACKS / PALLET		801 AV. PACKS / PALLET
32.134 PALLETS/YEAR		21.681 PALLETS/YEAR
487 TRUCKS/YEAR		328 TRUCKS/YEAR





## Automated warehouses prefer cardboard

In 2014 *Coop* (a Norwegian grocery store chain with 25% market share) completed the first automated distribution warehouse. At the same time *ASKO* (a Norwegian grocery store chain with 50% market share) was also building an automated distribution warehouse. The plastic crates from Nortura would not work well in these new warehouses, so there was all the more reason for Nortura to change their packaging. Einar Foss: "With our proposal from the previous year in mind, Nortura asked us to work with them to make the change from plastic crates to corrugated boxes. This external trigger from the retailers made them decide to make the switch."

## Substantial investments rewarded with significant savings

During the past four years, Nortura has rebuilt seven of their factories to enable them to pack in corrugated boxes, thus replacing plastic crates. 25 complete automated packing lines have been installed. The investments have been substantial.

"Peterson has developed packaging to meet all the new packaging needs," says Einar. "More than a hundred new boxes have been introduced, and in the process Nortura has been able to realise the logistics savings that we initially proposed to them."

As fewer truckloads are necessary to distribute the goods, and the need for return transport and washing of crates is eliminated, the logistics savings are closely correlated to environmental benefits.

## Extra benefits for Peterson PackTech

It has been a big project for Peterson with approximately 200 articles that have gone from plastic to corrugated. The new boxes include shelf-ready packaging, boxes made for refrigerated display counters and transport boxes.

Peterson develops and provides not only new packaging, but also new packaging machinery. Nortura has already bought ten machines from Peterson PackTech, Peterson's division for packaging machinery.

*For Nortura,  
corrugated board  
boxes ship more  
products in less  
space than plastic  
trays.*

**Einar Foss,**  
Sales Manager Peterson



**BENEFITS**



**ISO 4001:2015  
compliant**







**greater  
transparency**



**cost and  
environmental savings**



**less truckload  
transport**

# WASTE MANAGEMENT

Sustainability is in the DNA of VPK Packaging Group. One of the spearheads is our well thought-out waste management strategy. Reducing waste at all our plants leads to significant environmental benefits.

# Waste management is teamwork

---

A fresh new compliance team at Rigid's Desborough site is continually pushing for improvements across the sustainability agenda with a firm focus on enhancing Rigid's environmental processes.



*The three team members pictured with Kiera: Steven Panter, Compliance Assistant (top left), Mick Sutherland, Health & Safety Supervisor (top right) and Ian Constable, Engineering Manager (bottom right).*

Compliance is always firmly at the forefront of our activities but 2017 was all about **transitioning to the new ISO 14001:2015 standard**. This was successfully achieved with an outstanding result of zero non-conformances recorded, and with the team working intensively to ensure that the transition was as seamless as possible.

## SAVE COSTS AND THE ENVIRONMENT

It has also been all about the waste, with waste cutting strategies across the Desborough site in full force to ensure cost savings as well as environmental savings. With stage one completed, Rigid Desborough has reduced the number of general waste skips going off site from four to three, and has implemented a special paper/cardboard skip that allows the waste to be easily recycled. The next stage involves working towards a compactor to do away with skips altogether, as well as installing a shredder for plastic strapping.

The team has been hard at work setting up an intensive waste mapping exercise for the forthcoming year to identify all areas of waste across the site and highlight further potential environmental savings.



*Waste cutting strategies save costs as well as the environment.*

**Kiera May**, Compliance Manager Rigid Containers UK

## GREATER TRANSPARENCY

In addition to the new projects planned for the year, other waste reduction projects are underway.

**Site Compliance Manager Kiera May** said the potential to make environmental savings across the board will be strengthened. "Waste mapping will enable the team to analyse and check in greater detail where there are any issues or possibilities to cut back waste. This in turn will lead to environmental savings. We look forward to sharing our findings from the project next year."

A recent improvement under the 'Prevention of Pollution' objective was finding a solution for the cardboard debris on-site. Working intensively to **prevent cardboard debris** from blockages in the cyclone of Rigid's baler system falling to the floor, a metal plate was installed around the edge by the Desborough engineering team and a hatch added so that all debris is now collected and swept back into the baler.

A great example of environmental teamwork!



## BENEFITS



100%  
valorisation



less  
transport



less  
CO<sub>2</sub>

# PULPER ROPES

## RECYCLING PROGRAM

Which ropes? The steel cables that hold recovered paper and cardboard challenged us to push the boundaries of the circular economy. VPK built a proper installation to separate the metal and paper fractions and recycle almost everything on the spot.

# How pulper ropes fit into the circular economy

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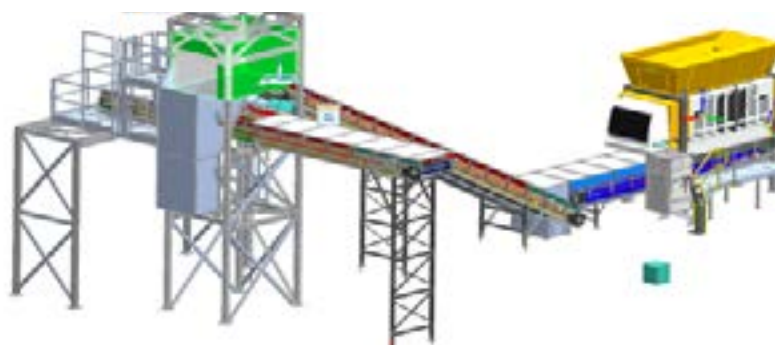
In our pursuit of the circular economy, we always strive to push the boundaries. At the end of 2017 at our Oudegem site, this involved putting into service a special installation for the processing of so-called *pulper ropes*.

The paper recycling process starts with old paper and cardboard, delivered in bales that are held together by steel cables. The bales and cables are then fed into the pulping installation to separate the paper fibres from the other materials. In this process, the steel cables mix with impurities to form 'pulper ropes'. They consist of a recyclable metal fraction and a combustible residual fraction.

## LARGE-SCALE PROJECT

Instead of removing the pulper ropes for external processing, we've built our own installation at Oudegem. It consists of shredder and separation technology to process the waste flow and separate the output into the metal fraction and combustible fraction.



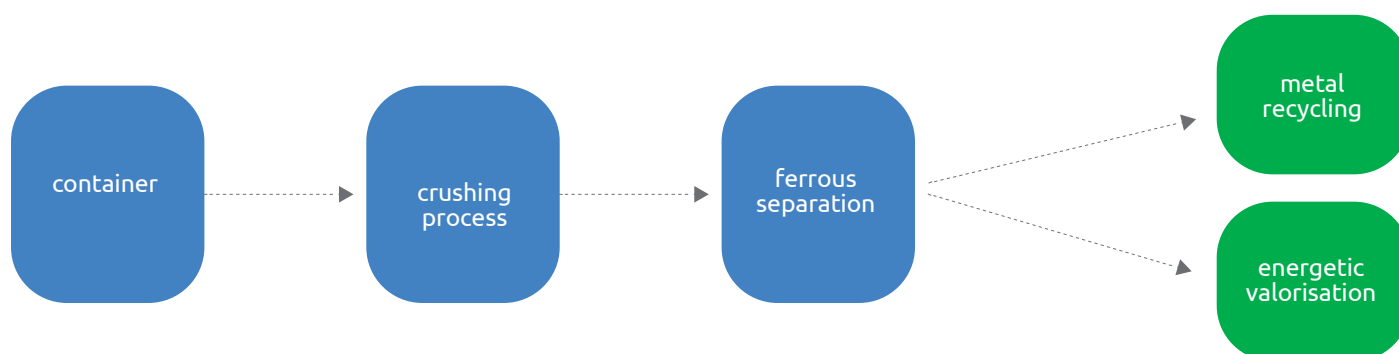


## 100% VALORISATION

Annually the site produces 5,800 tonnes of pulper ropes, of which 4,350 tonnes consist of combustible fraction which is now separated on site and converted into energy. Only the ferrous fraction is still removed externally, for further recycling.

## EXTRA BENEFITS: LESS TRANSPORT, LESS CO<sub>2</sub>

By processing the pulper ropes on-site, we have reduced the number of freight transports by 500 per year. That's a significant extra saving on both logistics costs and CO<sub>2</sub> emissions!





## BENEFITS



measurable  
results



stakeholder  
interaction



know-how  
retention

# VPK ACADEMY

As part of our mission, we are committed to being a great employer to work for. We work to achieve this with targeted efforts and action plans. We measure our efforts and we engage in direct dialogue with our people, so that they can tell us how to provide a better workplace.

# Innovative, tailor-made training and development for all employees

In 2017, VPK Packaging in Salonta (Romania) established **VPK Academy**. It offers all employees the possibility to choose their most appropriate development path. This motivating and user-friendly online tool aims to generate a culture of empowerment.

VPK Academy is an initiative of *Loredana Suiugan*, HR Manager of VPK Packaging Romania.



*If we think long term, VPK Academy should be able to generate a culture of empowerment.*

**Loredana Suiugan,**  
HR Manager of VPK  
Packaging Romania

**Loredana, what was the trigger to start VPK Academy?**

Providing training programs just for the sake of doing so, may not lead to a significant increase in productivity and efficiency; nor increase engagement levels. Yet employee engagement is one of the keys for organisational success. Through VPK Academy we offer a **tailor-made training and development plan based on objectives defined personally by each employee**, in line with company goals.

**Which goals do you want to achieve with VPK Academy?**

VPK Academy is all about showing genuine interest in employees' professional growth. In the short term we want to boost their performance by reducing reluctance about trainings they consider irrelevant or a waste of time. At the same time we want to decrease employee turnover, to keep all the know-how inside the company. If we think long term, VPK Academy should be able to generate a culture of empowerment. When we feel empowered, we can accomplish anything.



### What makes VPK Academy unique?

It empowers employees to make decisions and take actions concerning their professional and personal development as well as their career path. Based on internal and a 360 degree evaluation, employees are guided through the process of **taking an active role on their career path** while aligning personal and company goals.

### How is the platform integrated in daily management processes?

Training is the first component developed. Activities are described as competences to be addressed; time resources needed are estimated. After choices have been made and validation of managers and HR department obtained, suppliers are identified and a calendar is established.

VPK Academy is a 'live' entity, with the possibility of continuous input – from managers and employees – on training needs and new competences that should be addressed.

The entire communication – calendar, emails, feedback, documents and material uploads linked to an activity – is done through the platform. An archive is created to enable close follow-up of what was done by whom, and what are the future development steps.

### How accessible is this platform?

VPK Academy is very user-friendly. All employees can easily connect to it through a desktop or smartphone. The only requirement is an email account, which can be personal or job related. Nevertheless, it will take some time for all teams to understand and embrace the new functionality.

### What are the next steps with VPK Academy?

The platform is also to be seen and used as a **communication tool**. Components such as news feed and survey are already active. Recruitment, performance management, compensation & benefits, and employer branding are components to be further developed.

### How do you measure the Return on Investment?

The easiest way to measure ROI of this particular initiative is to clearly demonstrate a significant reduction in the turnover rate compared with industry or geographical benchmarks.





## HR: EMPOWERING LOCAL COMMUNITY

Alongside VPK Academy, VPK Romania has set up many other HR initiatives

“We aim to take full responsibility for our employees’ well-being,” adds Loredana. “That’s why we support and encourage employees to participate in sport events in order to promote teambuilding and enjoy great results together! Moreover, since 2015 we work closely with a clinic in Salonta that offers us continuous medical support and screening.”

With the same objective of increasing employee engagement, social events are also organised, such as the annual **Family Day**. Loredana is visibly pleased when we mention it: “Organised for the first time in 2014, Family Day has become a tradition. Almost every company in the neighbourhood has taken over the concept. In 2017 we built a 3.10 metre-high cardboard pyramid!”

Another Romanian initiative is **The Share Project**, an NGO created by employees. Funds are raised by redirecting a percentage of taxes (in accordance with Romanian fiscal legislation). Recently, local companies were invited to a fundraising charity football competition. The funds collected were donated to a local junior football team. VPK sees this as a first step in acknowledging that all businesses together can really **empower local community ...and this can be seen as a common benefit.**



## THE IMPORTANCE OF CORPORATE AND SOCIAL RESPONSIBILITY

When we ask Loredana how far-reaching a production plant's corporate and social responsibility could be, she emphasizes that companies must understand the importance of giving back to the communities that are supporting their businesses. "When it's about ethical choices and responsible decisions, we need to put faith in development and empower employees to act. That's why the next components to be developed are **Recruitment and Employer Branding/CSR**. For Corporate Social Responsibility to become a critical part of our long-term strategy, we need to inform; share stories that are simple and clear; create and maintain internal healthy communication flows; include CSR questions on employee surveys; and consider volunteering opportunities."

*Employees who feel empowered,  
accomplish the extra mile with a smile*

**Loredana Suiugan**, HR Manager VPK Packaging Romania



**BENEFITS**



**zero water  
discharge**





**saving 3,000 m<sup>3</sup>  
water/year**



**80% water savings in  
cleaning process**



**ease of  
maintenance**

# FULLY CIRCULAR WATER MANAGEMENT

With the construction of an on-site wastewater treatment plant, VPK has reduced water consumption by 37%. The optimisation of rainwater – collecting and integrating it into the water circuit – will even further reduce water consumption, as well as the environmental impact.

# Fully circular water management

---

Ondulys, the French subsidiary of VPK Packaging Group, is strongly committed to decreasing water consumption at its nine sites in France. A major water-saving project implemented in 2015 in Ondulys Tailleur, where industrial cleaning water is now entirely reused for new glue preparation, has been rolled out in Ondulys Lille. It has reduced water consumption there by up to 37%.

In 2017, Ondulys Lille invested in the construction of an on-site wastewater treatment plant. The objectives of the project were to decrease overall water consumption, enable fully circular water management, collect and integrate rainwater into the water circuit, and ensure zero discharge into the public sewers.

## 37% LESS WATER USED!

"The installation of the wastewater treatment plant has enabled us to reduce our water consumption by 37%," says Ondulys Lille Plant Manager *Gérard Plus*. "That's more than 3,000 cubic metres of water per year! The most important savings are in the glue production process and cleaning the corrugator. Such a project has to take into account a number of challenges. In particular, the balance between recovered water and fresh water needs to be continuously monitored."

The team has been hard at work setting up an intensive waste mapping exercise for the forthcoming year to identify all areas of waste across the site and highlight further potential environmental savings.

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*Saving 3,000 cubic metres of water a year has significantly reduced our environmental footprint.*

**Gérard Plus**, Plant Manager





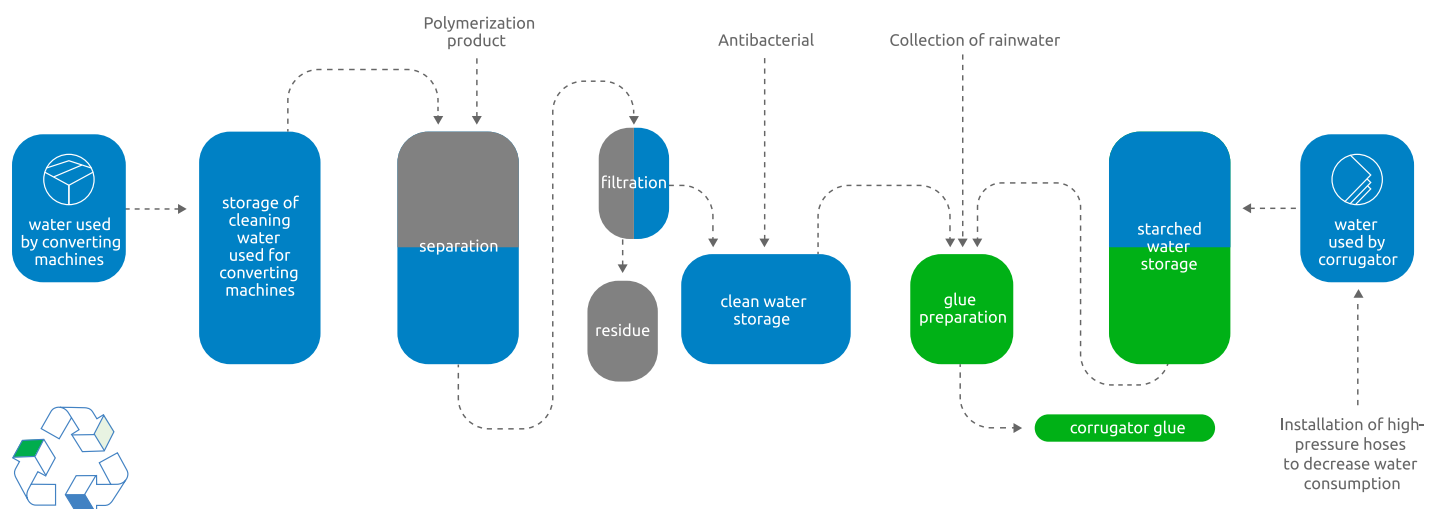
The main steps to achieve the water savings consisted of:

- Installing high-pressure hoses to clean the corrugator – which led to savings of 80% in the cleaning process – and collecting and filtering the cleaning water afterwards
- Re-using and filtering the cleaning water of the converting machines
- Recycling the collected water for glue preparation.

## OPTIMISATION CAN SAVE EVEN MORE WATER

Lessons learned from the first water treatment installation in Ondulys Tailleux enabled the Lille project to be implemented cost-effectively and quickly. The collection of rainwater in Lille was an additional functionality, while ease of maintenance is another key feature of the installation.

In the future, the project may be expanded to other Ondulys sites. However, for the moment the focus is on monitoring and fine-tuning the two existing installations to enable further water consumption reductions to be made, resulting in even less environmental impact.





## BENEFITS



increased  
productivity







**higher  
quality**



**15% less steam  
consumption**



**80% less energy  
consumption**


# UPCYCLING INSTEAD OF REPLACING

The circular ambitions of VPK Packaging Group extend beyond the recycling of raw materials and the optimisation of production processes.

# Sustainable machine management through upcycling

---

Continuing the objectives of VPK Packaging Group to align itself with the circular economy, in 2017 two machines in Oudegem underwent a special upgrade.



*If we recycle paper,  
why not upcycle  
the machines that  
produce it?*

VPK's site in Oudegem has a long history, dating back to 1935 when the first production activities were set up here by VPK Packaging Group. Today, the site has grown into a large and integrated site, annually handling the production of 500.000 tons of recycled paper, 70.000 tons of solid board and 110.000 m<sup>2</sup> of corrugated board. The historical growth also creates specific sustainability challenges. To address them, in 2017 there was a strong and special focus on machine management.

## CUSTOM LAMINATOR TO MEET SPECIFIC DEMANDS

The laminator is indispensable in the solid board production process. This machine supplies the raw material that is further processed into packaging: sheets of unprinted solid board that are subsequently punched, printed, folded and glued. As is typical of a niche market, this machine is highly customised. This consideration played a major role in the decision to use our own technicians to upcycle it so that it can fully meet increasingly specific demands.

*We are very proud of our technical team, who completely and successfully rebuilt the laminator. The assignment was a firm challenge and the end result has given the team a fantastic drive.*

**Pieter Fiers,** Plant Manager



The work started in the week between Christmas 2017 and New Year, and lasted for three weeks. The timely build-up of stock ensured that deliveries were not compromised. Due to increased automation, the need for thorough training of operators was paramount, which the technical team carried out in small groups. All the new information about the machine was also written down in manuals to ensure continuity. After the upgrade, the laminator is now more energy efficient, uses 80% less energy, and produces output of a higher quality, meaning more stable production and flatter board.

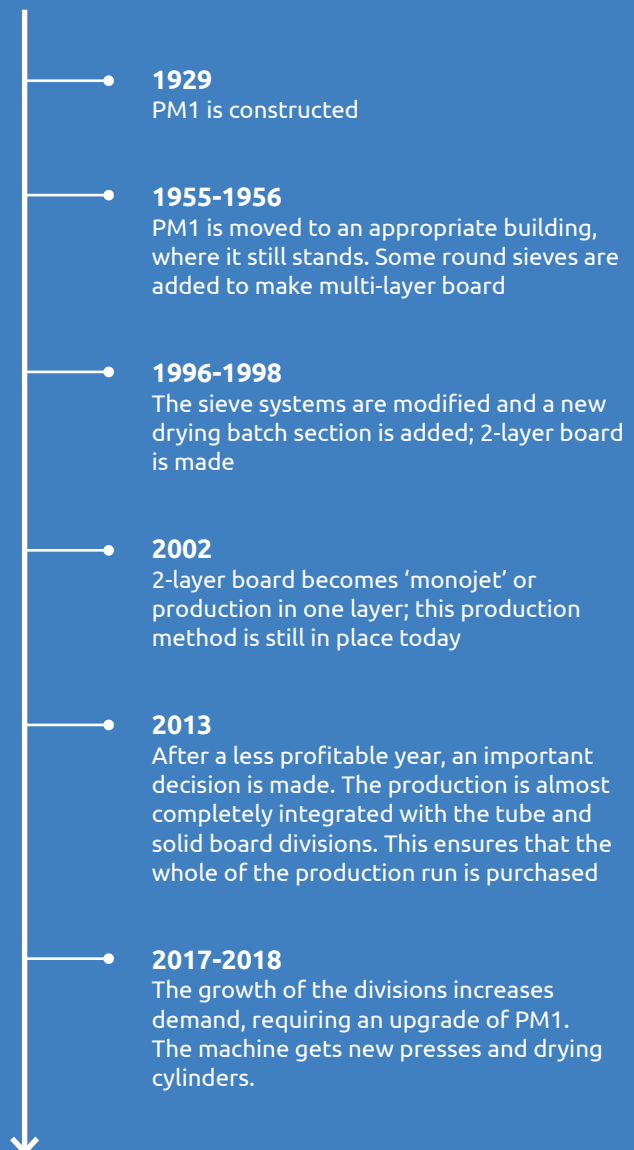
*The most recent upgrade of PM1 was a special project. Although the machine has long since ceased to resemble its original version due to many investments over the years, it nevertheless symbolises our business continuity. It also shows how an inventive approach can lead to successful results.*

**Alexis Zenner**, Business Unit Manager VPK Paper

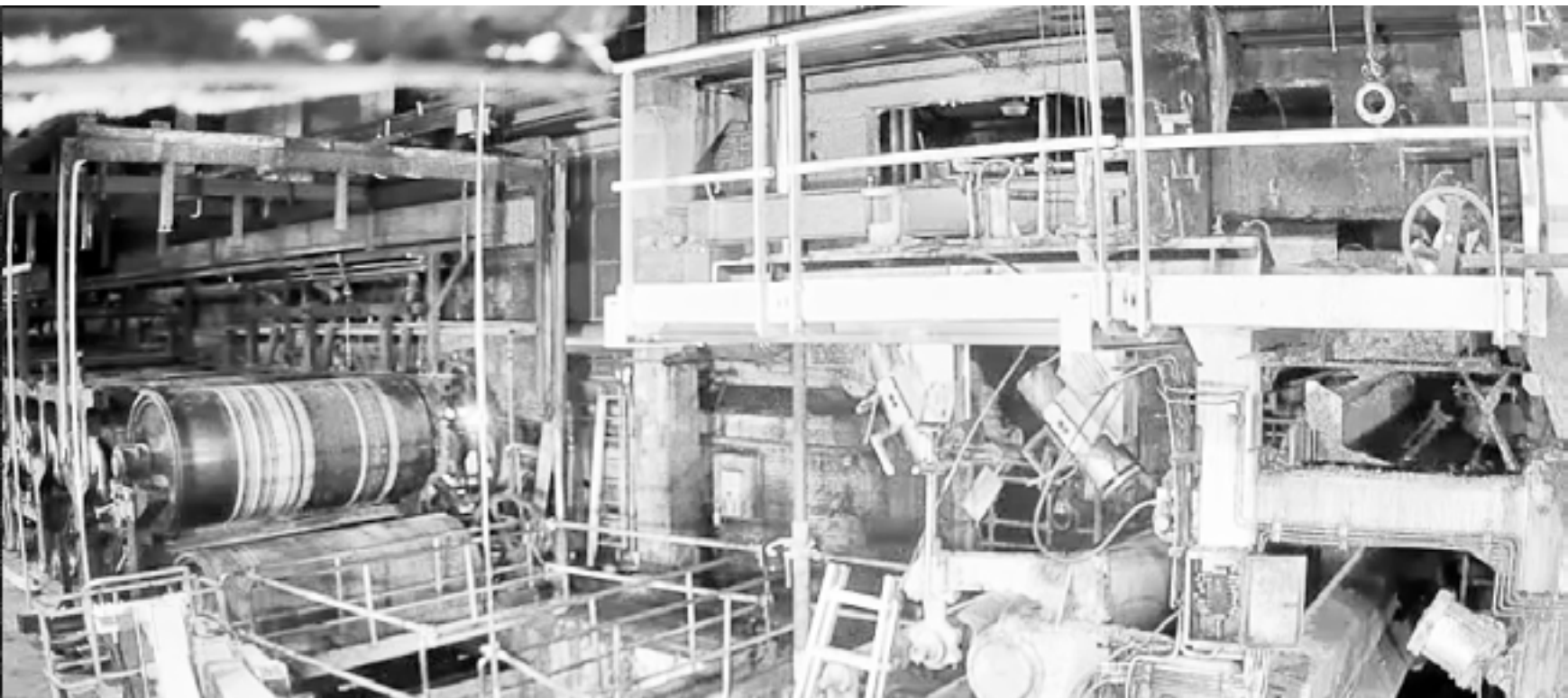


## TOTAL MAKEOVER FOR PM1

Paper machine 1, or PM1 for short, has also been upcycled. The name PM1 bears witness to the long history of VPK's first-ever paper machine, which has now been running for nearly 90 years. This long lifetime of service is due to continuous investments and technical maintenance. A brief history of PM1:







After upcycling PM1, the benefits include:

- Increased productivity
- Reduced steam consumption by 15%

In addition ...

Let's not forget that PM1's grey board is used to produce quality packaging from solid board and tubes.



**View the spectacular transformation of the paper machine in this time-lapse video.**









**certificates**



**aspect  
matrix**

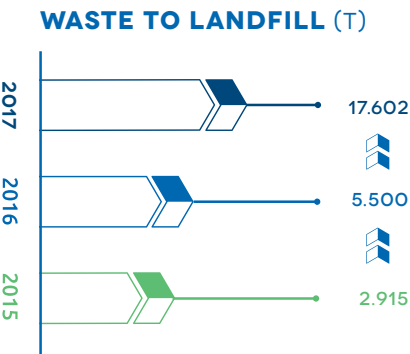
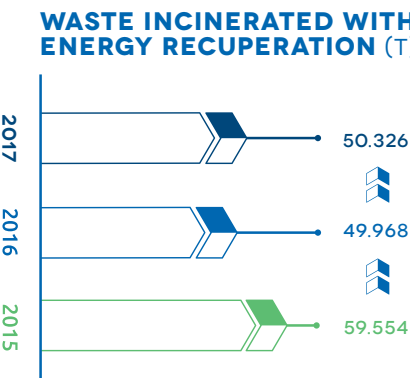
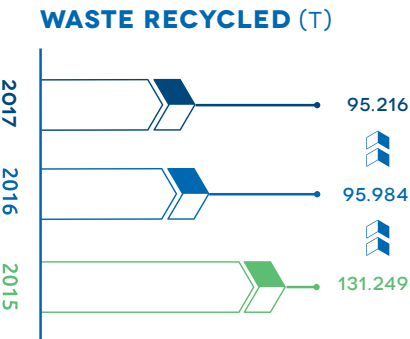
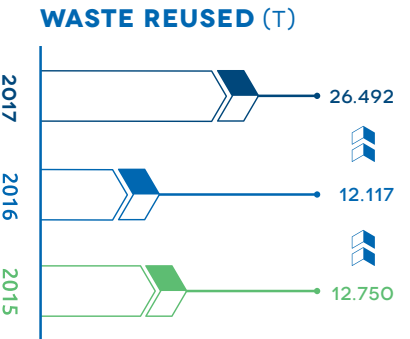


**boundary  
matrix**

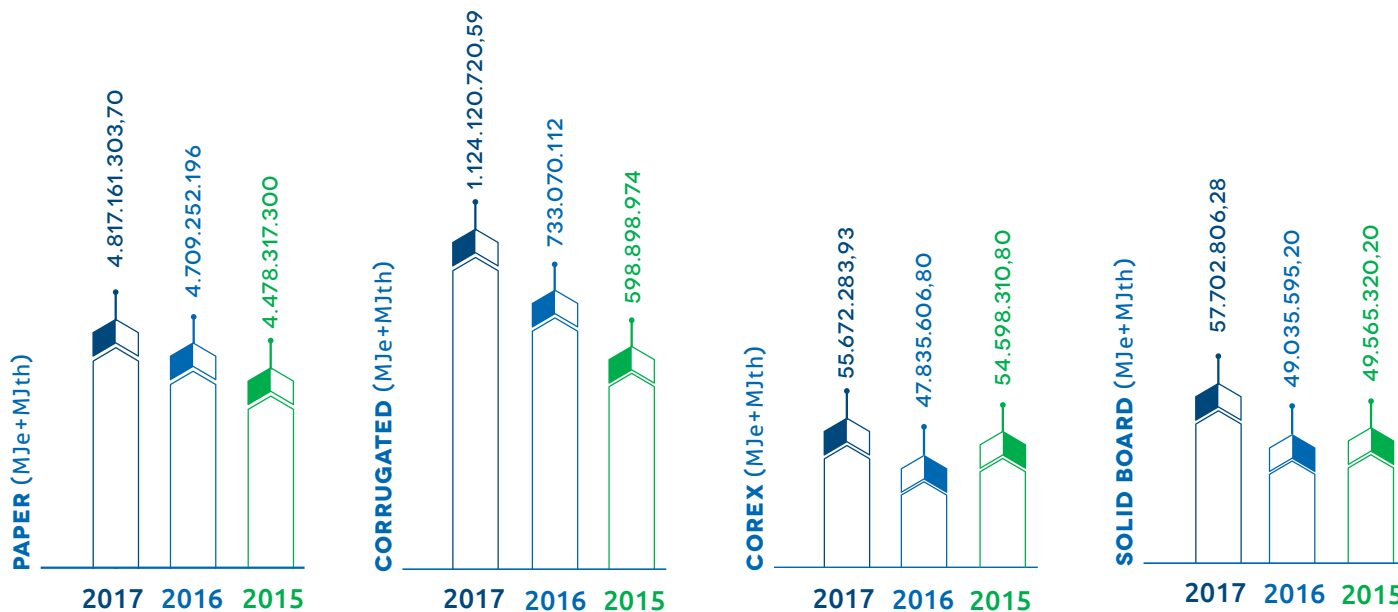
# FIGURES & TABLES

We report in accordance with the 'core' option of the Global Reporting Initiative (GRI) guidelines.

WASTE [ GRI 306-2 ]



## ENERGY [GRI 302-1]

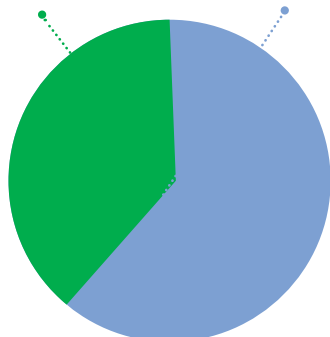


Energy consumption has risen due to production increase as well as the acquisition of new sites.

## ENERGY CONSUMPTION SPLIT 2017 [GRI 302-1]

**31% ELECTRICITY**  
1,883,842,449 MJ

**69% HEATING PRODUCTION**  
4,143,289,648 MJ



**ELECTRICITY INJECTED  
ON THE GRID**  
4,753,080 MJe

## WATER

### WATER USAGE SPLIT [GRI 303-1]



	2017			
	SURFACE	WELL	MUNICIPAL	RAIN
PAPER (m <sup>3</sup> )	2.052.189	5.651.847	265.018	77.217
CORRUGATED (m <sup>3</sup> )	58.409	0	190.305	20.081
COREX (m <sup>3</sup> )	0	0	14.572	6.863
SOLID BOARD (m <sup>3</sup> )	1.750	0	5.977	0
<b>TOTAL</b>	<b>2.112.348</b>	<b>5.651.847</b>	<b>475.872</b>	<b>104.161</b>

	2016			
	SURFACE	WELL	MUNICIPAL	RAIN
PAPER (m <sup>3</sup> )	1.711.478	5.618.794	277.440	77.217
CORRUGATED (m <sup>3</sup> )	11.601	0	107.385	14.009
COREX+SOLID (m <sup>3</sup> )	0	0	19.105	6.866
<b>TOTAL</b>	<b>1.723.079</b>	<b>5.618.794</b>	<b>403.930</b>	<b>98.092</b>

	2015			
	SURFACE	WELL	MUNICIPAL	RAIN
PAPER (m <sup>3</sup> )	1.756.961	5.725.079	161.198	77.217
CORRUGATED (m <sup>3</sup> )	0	0	123.121	9.740
COREX+SOLID (m <sup>3</sup> )	0	0	14.906	6.570
<b>TOTAL</b>	<b>1.825.505</b>	<b>5.725.079</b>	<b>299.225</b>	<b>93.527</b>



Water consumption has predominantly risen because of the acquisition of the paper mill at Loenen.



**WATER CONSUMPTION EVOLUTION** [ GRI 303-1 ]

	2017	2016	2015
PAPER (m³)	8.046.271	7.684.929	7.720.455
CORRUGATED (m³)	268.795	132.995	201.405
COREX (m³)	21.435	25.971	21.476
SOLID BOARD (m³)	7.727	*	*
<b>TOTAL</b>	<b>8.344.228</b>	<b>7.843.895</b>	<b>7.943.336</b>

\* data before 2017 is included in the Corex figure

**WATER RECYCLED AND REUSED** [ GRI 303-3 ]

	2017
PAPER (m³)	8.311.610
CORRUGATED (m³)	11.523
COREX (m³)	1.770
SOLID BOARD (m³)	0
<b>TOTAL</b>	<b>8.324.903</b>

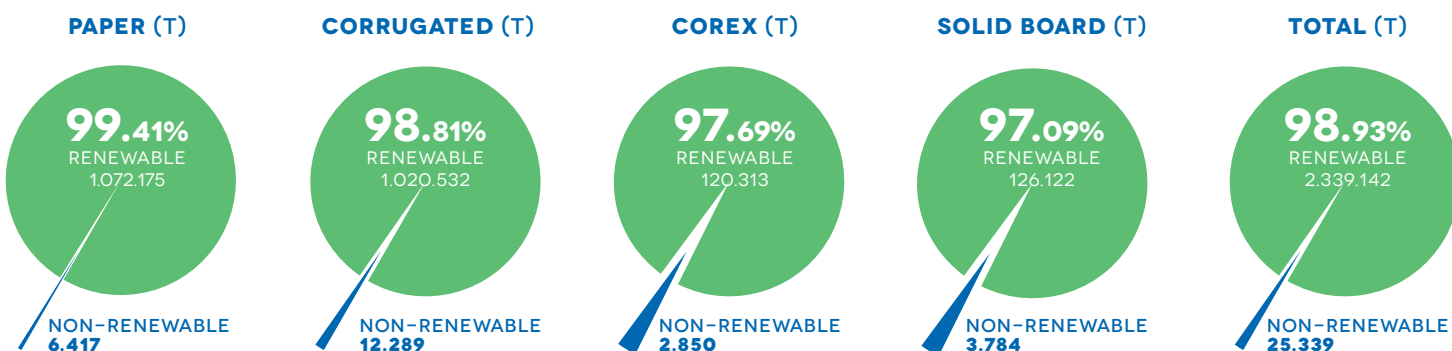
**WATER DISCHARGE** [ GRI 306-1 ]

	2017
PAPER (m³)	6.298.383
CORRUGATED (m³)	77.905
COREX (m³)	2.384
SOLID BOARD (m³)	1159
<b>TOTAL</b>	<b>6.381.848</b>

**MATERIAL** [ GRI 301-1 ]

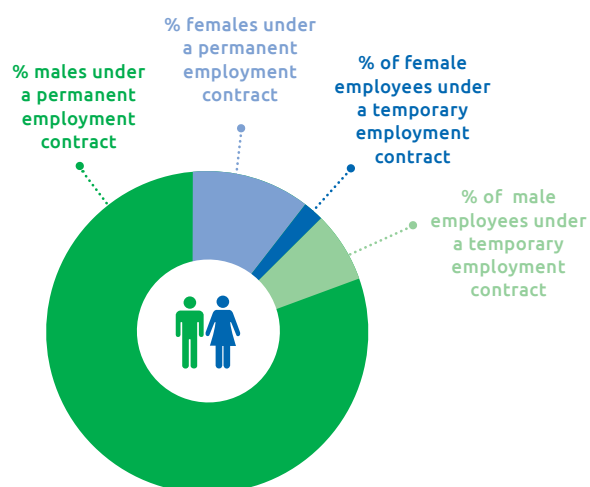
The total weight of materials that are used to produce and package the organisation's primary products during the reporting period, by:

- Non-renewable materials used
- Renewable materials, predominantly paper, used.




## EMPLOYEES PER GENDER AND PER EMPLOYMENT CONTRACT

[ GRI 102-8 ]



## EMPLOYMENT SPLIT 2017 [ GRI 405-1 ]



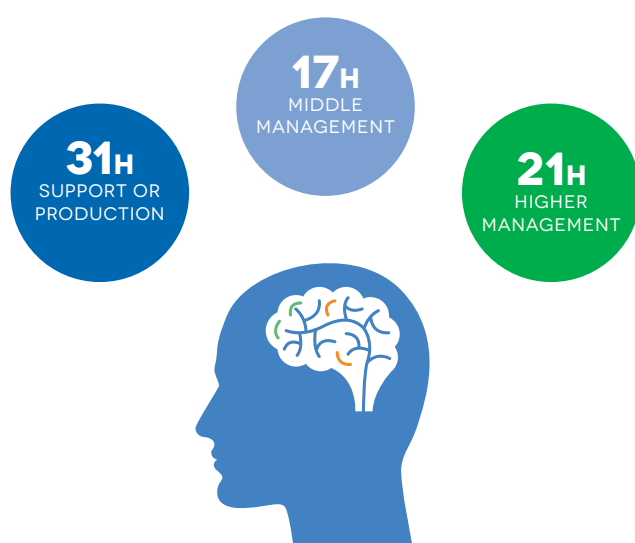
SENIOR MANAGEMENT	82%	18%
MIDDLE MANAGEMENT	80%	20%
PRODUCTION OR SUPPORT	86%	14%

## REMUNERATION SPLIT [ GRI 405-2 ]

	2017	2016	2015
SENIOR MANAGEMENT	0,72	0,70	0,76
MIDDLE MANAGEMENT	0,90	0,85	0,89
PRODUCTION OR SUPPORT	0,92	0,80	0,74

## TRAINING AND EDUCATION [ GRI 404-1 ]

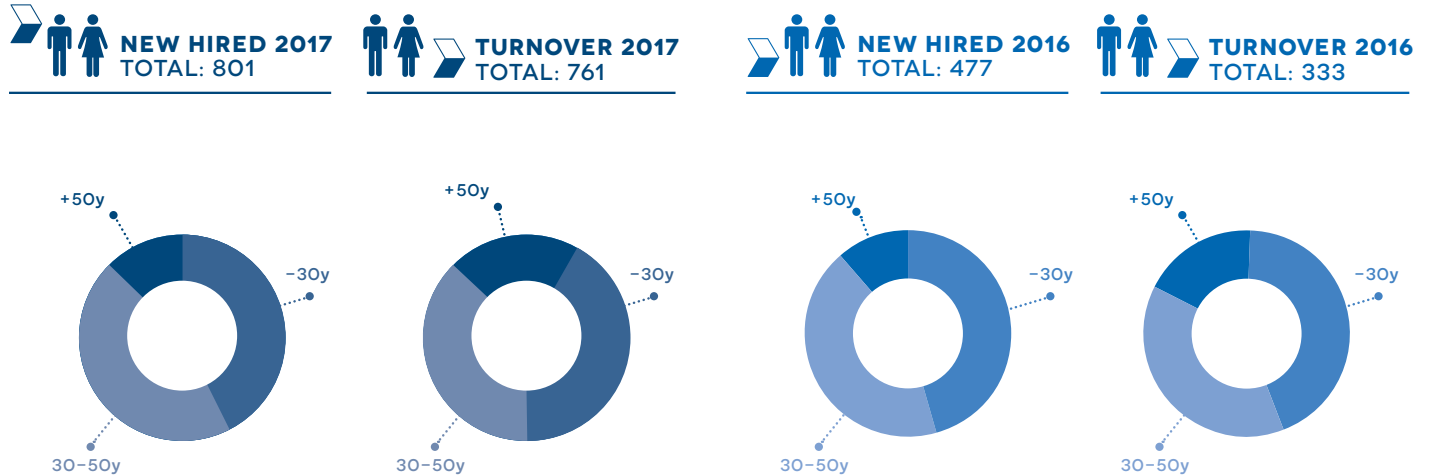
AVERAGE HOURS OF TRAINING PER YEAR



The newly established VPK Academy offers all employees the possibility to choose their most appropriate development path (read more on p. 22)

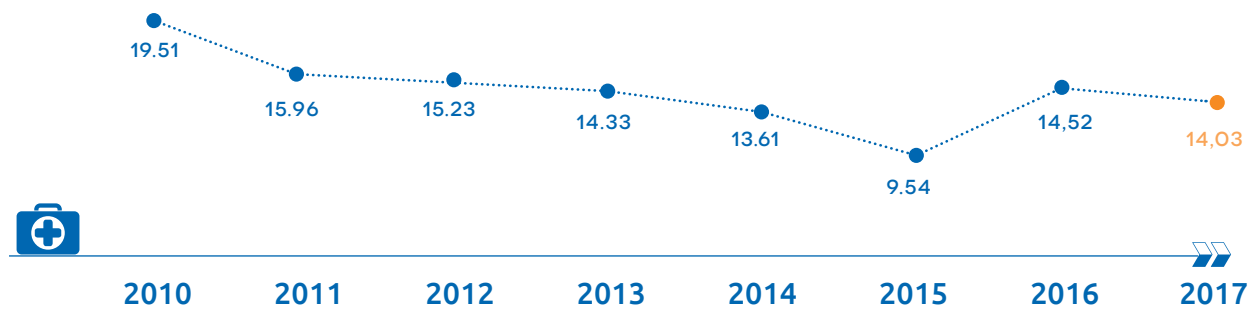
 **vpk** | Academy

## EMPLOYMENT [GRI 401-1]



## OCCUPATIONAL HEALTH AND SAFETY

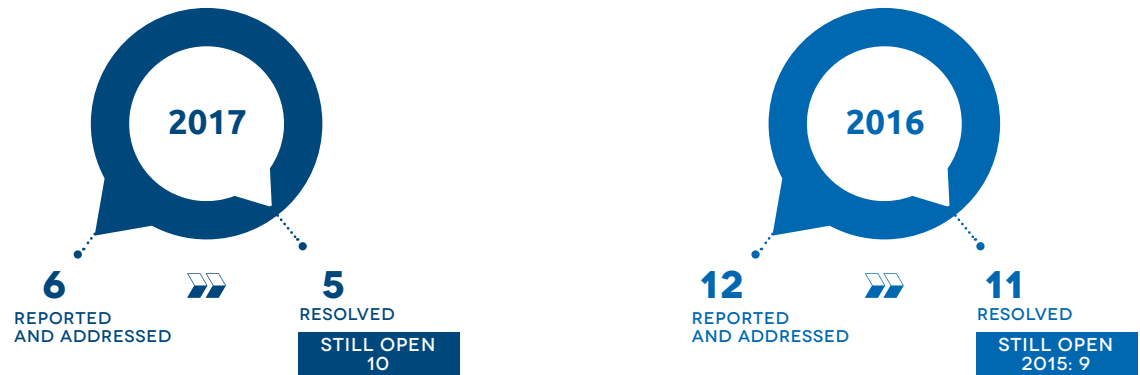
LOST TIME FREQUENCY NUMBER (LTIR, amount of work accidents\*1.000.000)/amount of worked hours)



**Three initiatives should generate a positive impact on 'health & safety':**

1. The pilot project around safety culture, currently running in our business unit Rigid, will be continued.
2. Increase involvement of safety personnel in industrial projects and / or new installation projects.
3. Share best practices in project management to integrate safety from the start.

LABOUR PRACTICE GRIEVANCES [ GRI 103-2 ]



FORMAL GRIEVANCES [ GRI 103-2 ]



## CO<sub>2</sub> EMISSIONS TO AIR 2017 [ GRI 305-1/305-2/305-3 ]

Scope 1: Direct emissions from operations that are owned or controlled by the organisation.


Scope 2: Indirect emissions from the generation of purchased or acquired electricity.

Scope 3: Other indirect emissions from operations not owned or controlled by the organisation (predominantly transport).



	SCOPE 1	SCOPE 2	SCOPE 3
PAPER (T)	258.483	23.730	17.081
CORRUGATED (T)	38.121	36.227	37.437
COREX (T)	1.743	2.360	471
SOLID BOARD (T)	1.945	1.084	4.552

## EMISSIONS EVOLUTION [ GRI 305-1/305-7 ]



	2017	2016	2015
CO <sub>2</sub> EMISSIONS (T)*	258.483	241.541	241.607
NO <sub>x</sub> EMISSIONS (T)	351	318	422
SO <sub>x</sub> EMISSIONS (T)	39	53	80

\*The CO<sub>2</sub> emission evolution contains only Scope 1 data from VPK Paper and Blue Paper for which 2015 was established as the base year. In 2017 we included the emissions of other plants and will be able to show an evolution with next year's reporting.

## CO<sub>2</sub> EMISSION INTENSITY AND ECO FOOTPRINT [ GRI 305-4 ]

2017 (PER TON PRODUCT)	electric energy intensity (MJe/T)	thermal energy intensity (MJth/T)	CO <sub>2</sub> total intensity (T/T)	water intake intensity (m <sup>3</sup> /T)	water discharge intensity (m <sup>3</sup> /T)	incineration + landfill intensity (kg/T)
PAPER	1449,92	3946,84	0,31	8,26	6,47	67,94
CORRUGATED	422,74	688,04	0,11	0,27	0,08	1,85
COREX	229,28	224,21	0,04	0,17	0,02	0,19
SOLID BOARD	218,16	258,30	0,06	0,06	0,01	0,18



## General Standard Disclosures 'Core' Option

STRATEGY AND ANALYSIS		
102-14	statement CEO	p.3
ORGANISATIONAL PROFILE		
102-1/4	name, brand, products, headquarters and geographical presence of the organisation	p.4
102-5	nature of ownership	p.2
102-6/7	markets (sectors) served (only for corrugated packaging) and scale of the organisation	p.7
102-8	employee split	p.44
102-41	% employees covered by collective bargaining agreements	overall, approximately 80%
102-9	organisation's supply chain	GRI G4 Report 2014, p.6 <a href="http://www.vpkgroup.com/en/sustainability/social-responsibility/publications/">http://www.vpkgroup.com/en/sustainability/social-responsibility/publications/</a>
102-10	significant changes during the reporting period regarding the organisation's size	acquisition of major shareholding in Tupak BV and SPS Loenen
102-11	precautionary approach or principle	internal controlling mechanisms and independent internal audits monitor financial, compliance, regulatory, contractual, market and environmental risks
102-12	externally developed economic, environmental and social charters, principles, or other initiatives	VPK has long term partnerships with numerous non-profit organisations and, additionally, financially supports ad-hoc charity initiatives
102-13	memberships of associations and national or international advocacy organisations	p.7
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
102-45	entities included in the organisation (covered by the report)	p.52
102-46	defining report content and defining material aspects	p.50-51
103-1	Aspect Boundary for material aspects, within and outside the organisations	p.52
102-48	restatements of information in previous reports	none
102-49	significant changes from previous reporting periods	none
STAKEHOLDER ENGAGEMENT		
102-40/42	stakeholder groups and basis for identification engaged by the organisation	GRI G4 Report 2014, p.14 <a href="http://www.vpkgroup.com/en/sustainability/social-responsibility/publications/">http://www.vpkgroup.com/en/sustainability/social-responsibility/publications/</a>
102-43/44	approach to stakeholder engagement, including frequency by type and by stakeholder group + key topics raised	none
REPORT PROFILE		
102-50/55	reporting period, previous report, reporting cycle, contact point and 'in accordance' option	p.2
102-56	external assurance for the report	no external assurance provided
GOVERNANCE		
102-18	governance structure	GRI G4 Report, p.27 <a href="http://www.vpkgroup.com/en/sustainability/social-responsibility/publications/">http://www.vpkgroup.com/en/sustainability/social-responsibility/publications/</a>
ETHICS AND INTEGRITY		
102-16	values, principles, standards and norms of behaviour	p. 3

MATERIALS		
301-1	non-renewable vs. renewable materials used	p.43
ENERGY		
302-1	energy consumption	p.41
WATER		
303-1	total water withdrawal by source	p.42
EMISSIONS		
305-1	direct greenhouse gas (GHG) emissions (scope 1)	p.47
305-2	energy indirect (scope 2) GHG emissions	p.47
305-3	other indirect (scope 3) GHG emissions	p.47
305-4	GHG emissions intensity	p.47
305-7	NOx, SOx, and other significant air emissions	p.47
EFFLUENTS AND WASTE		
306-1	total water discharge by quality and destination	p.43
306-2	total weight of waste by type and disposal method	p.40
306-3	total number and volume of significant spills	Data not disclosed
COMPLIANCE		
307-1	significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations	Data not disclosed
TRANSPORT		
	environmental impact of transporting	Included in other indirect (Scope 3) GHG emission
ENVIRONMENTAL INVESTMENTS		
	environmental protection expenditures and investments by type	Data not disclosed
ENVIRONMENTAL GRIEVANCE MECHANISM		
	grievances about environmental impacts	p.46
SOCIAL		
EMPLOYMENT		
401-1	total number and rates of new employee hires and employee turnover by age group, gender and region	p.45
LABOUR/MANAGEMENT RELATIONS		
402-1	minimum notice periods regarding operational changes	Data not disclosed
OCCUPATIONAL HEALTH AND SAFETY		
403-1	percentage of total workforce represented in formal joint management-worker health and safety committees	Data not disclosed
TRAINING AND EDUCATION		
404-1	hours of training per year	p.44
DIVERSITY AND EQUAL OPPORTUNITY		
405-1	governance bodies and breakdown per gender, age	p.44
EQUAL REMUNERATION FOR WOMEN AND MEN		
405-2	ratio of remuneration of women to men by employee category	p.44
LABOUR PRACTICE GRIEVANCE MECHANISM		
103-2	grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	p.46

## Identified Material Aspects and Boundaries

[ 102-45/102-46/102-47/103-1/103-1/102-48/102-49 ]

The following table gives an overview of the scope of the report by reporting the G4 reporting aspects which are material for the organisation and for this report (Aspect Matrix). Subsequently, the boundaries per site are listed (Boundary matrix).

### Aspect matrix

	ASPECT MATERIAL	NOT RELEVANT	LOW IMPACT	REMARKS
<b>ECONOMIC</b>				
Economic performance	X			
Market presence	X			
Indirect Economic Impacts			X	203-1: No infrastructure investments are made or planned. 203-2: At this time the indirect economic impact on the whole economy of a country is limited.
Procurement Practices	X			
<b>ENVIRONMENTAL</b>				
Materials	X			
Energy	X			
Water	X			
Biodiversity	X			SPS Loenen is situated 11 km from Nationaal Park Veluwezoom. VPK Packaging BV (Raamsdonksveer, NL) is situated 500 m from Biesbosch, a NATURA 2000 area (tidal maritime ecosystem), Rigid Desborough and Rigid Selby (UK) are 400 m away from woodland. VPK Paper (B) is about 3 km from a HABITAT area. No direct impact is expected from the plants for the identified biodiversity hotspots.
Emissions	X			
Effluent and Waste	X			
Product and Services		X		301-3 manufactured products are mainly based on reclaimed material and after usage will be reused as raw material. Used packaging materials will have only a limited effect on the environmental footprint.
Compliance	X			
Transport	X			
Overall	X			
Supplier Environmental Assessment	X			
Environmental Grievance Mechanisms	X			
<b>SOCIAL</b>				
<b>LABOUR PRACTICES &amp; DECENT WORK</b>				
Employment	X			
Labour/Management Relations	X			
Occupational Health & Safety	X			
Training and Education	X			

	ASPECT MATERIAL	NOT RELEVANT	LOW IMPACT	REMARKS
Diversity & Equal Opportunity	X			
Equal Remuneration for Women & Men	X			
Supplier Assessment for Labour	X			
Labour Practices Grievance Mechanisms	X			
<b>HUMAN RIGHTS</b>				
Investment			X	412-2/412-3 indicators dealing with HR clauses in contractual agreements and training foreseen on human rights policies for employees is considered not to be a priority at this time.
Non Discrimination	X			
Freedom of Association and Collective Bargaining	X			
Child Labour		X		408-1: VPK Group does not operate at this time in regions where child labour could be a risk factor. Sufficient legal instruments to abolish child labour are in place in those countries where VPK operates. The same goes for our suppliers.
Forced or Compulsory Labour		X		409-1: No operations or suppliers have been identified as having significant risk for incidents of forced or compulsory labour.
Security Practices			X	410-1: VPK works with external security services. Nonetheless this material aspect is considered to be of low priority.
Indigenous Rights		X		411-1: Since VPK Group does not operate in areas where this material aspect is a problem, this section is considered to be not material for our operations.
Assessment		X		412-1: VPK has not been subjected to human rights reviews or impact assessments on this subject.
Supplier Human Rights Assessment			X	414-1/414-2: At this time these elements are considered as low priority whilst assessing our suppliers.
Human Rights Grievance Mechanisms			X	103-2: No process of capturing grievances on human rights have been implemented; this is considered to be of low priority.
<b>SOCIETY</b>				
Local communities	X			
Anti-Corruption	X			
Public Policy		X		415-1: No political contributions are made.
Anti-competitive Behaviour	X			
Compliance	X			
Supplier Assessment for Impact on society			X	414-1/414-2: Suppliers are not at this time assessed for their impact on society.
Grievance Mechanism for Impacts on Society	X			
<b>PRODUCT RESPONSIBILITY</b>				
Customer Health & Safety		X		416-1/416-2: VPK products will have no effect on customer health and safety.
Product Service Labelling	X			
Marketing Communications		X		102-2/417-3: No products are on the banned or disputed lists.
Customer Privacy		X		418-1: Customer privacy is not a material issue for our operations.
Compliance			X	419-1: No history of compliance issues (only labelling linked to non regulatory requirements are used, eco labels)

## Boundary matrix

This matrix gives an overview of the material aspects boundaries; in this report we did not assess the impact and limitations outside of the organisation.

	<div><div></div> Data reported in full</div> <div><div></div> Data reported partially (*)</div> <div><div></div> No data available</div> <div><div></div> Data not disclosed (**)</div> <div><div></div> Data not consolidated</div>												
	SOLID BOARD	VPK PAPER	BLUE PAPER	VPK PACKAGING BELGIUM	AQUILA POLAND	AQUILA GERMANY	COREX	RIGID UK & IRELAND	ONDULYS	VPK PACKAGING HOLLAND	VPK PACKAGING ROMANIA	PETERSON	
Economic performance (201-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Market Presence (102-6)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Procurement Practices (204-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Materials (301-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Energy (302-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Water (303-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Biodiversity (304-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Emissions (305-1/305-4)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Effluent and Waste (306-1/306-2)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Compliance on environmental aspects (306-3/306-5;307-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Supplier environmental assessment (308-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Environmental grievance mechanism (103-2)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Employment (401-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Labour/Management relations (402-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Occupational Health & Safety (403-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Training and Education (404-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Diversity & Equal opportunity (405-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Equal remuneration for Women & Men (405-2)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Supplier assessment for labour (414-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Labour practice grievance mechanism (103-2)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Non discrimination (406-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Freedom of association & collective bargaining (407-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Local communities (413-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Anti corruption (205-2)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Anti competitive behaviour (206-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Compliance on society aspects (419-1)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
Products & Service label (102-43/102-44)	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	

(\*) Peterson was acquired in October 2016. Integration of all reporting is ongoing. We aim to include a full integration of all sustainability reporting in 2018.

(\*\*) VPK's activities in Romania represent 2% in terms of output when compared within the corrugated packaging segment.



## OVERVIEW OF CERTIFICATES VPK PACKAGING GROUP

	ISO 9001	ISO 14001	OHSAS 18001	ISO 50001	FSC	CRADLE 2CRADLE	BRC	ISO 22001	GMP
VPK PAPER	X	X		X	X	X			
BLUE PAPER	X	X	X	X	X				X
VPK PACKAGING OUDEGEM					X		A		
VPK PACKAGING EREMBODEGEM					X		A		
CDW					X				
VPK DISPLAY									
SOLID BOARD OUDEGEM					X		A		
SOLID BOARD MEER					X		AA		
SOLID BOARD LOENEN	X	X			X		AA		
VPK PACKAGING RAAMSDONKVEER	X	X			X	X			X
VPK PACKAGING SALONTA	X	X			X		AA		
RIGID DESBOROUGH	X	X			X		AA		
RIGID SELBY	X	X			X		AA		
RIGID WELLINGTON	X	X			X		AA		
RIGID LIMERICK	X				X		AA+		
ONDULYS LILLE	X				X				
ONDULYS ST QUENTIN	X	X			X		B		
ONDULYS GHEYSSENS									
ONDULYS LA LIANE					X				
ONDULYS ROYE	X				X				
ONDULYS ANDELLE	X				X				
ONDULYS LISIEUX	X				X				
ONDULYS TAILLEUR	X				X		A		
AQUILA GERMANY LEINEFELDE					X				
AQUILA POLAND BRZEG					X				
AQUILA POLAND RADOMSKO					X				
AQUILA POLAND WRZESNIA					X				
VPK PACKAGING POLAND	X	X			X		AA		
COREX BELGIUM	X	X						X	
COREX FRANCE	X	X							
COREX THE NETHERLANDS	X	X							
COREX UK									
COREX TURKEY									
COREX CZECH	X								
COREX ROMANIA	X								
COREX US									
COREX LUXEMBOURG	X								
COREX POLAND									
PETERSON DENMARK RANDERS					X		A		
PETERSON SWEDEN BÄCKEFORS	X	X			X				
PETERSON SWEDEN NORRKÖPING	X	X			X		B		
PETERSON NORWAY DISPLAY SARPSBORG									
PETERSON NORWAY SARPSBORG	X	X			X				
PETERSON NORWAY SYKKYLVEN									



VPK Packaging Group - Kareelstraat 108, 9300 Aalst - Belgium

[sustainability@vpk.be](mailto:sustainability@vpk.be)

[www.vpkgroup.com](http://www.vpkgroup.com)