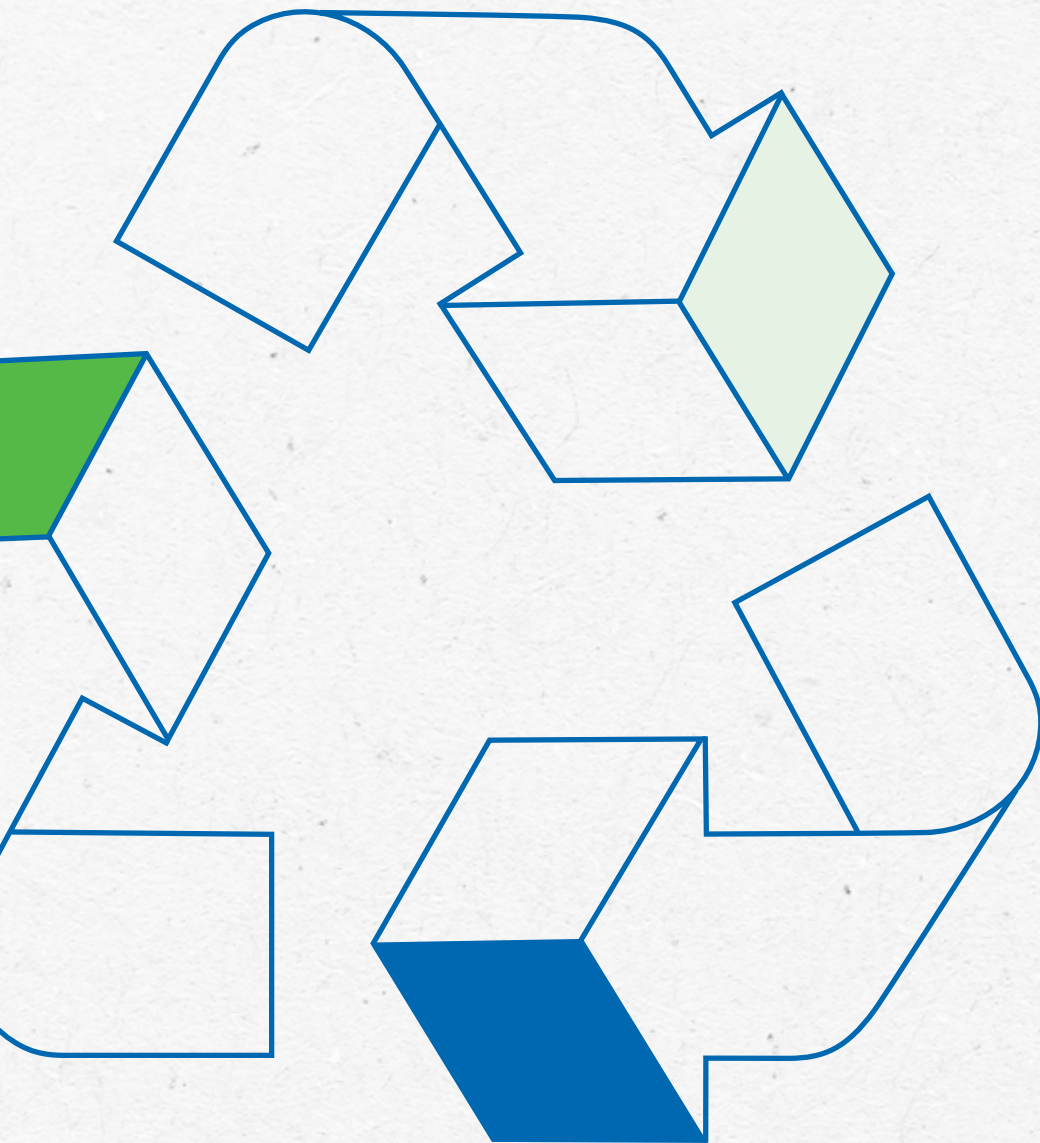


# THE FUTURE OF PACKAGING IS CIRCULAR

SUSTAINABILITY REPORT 2019



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# Preface

The past year has been one of ecological awakening. Environmental sustainability has become a hot topic, calling on all of society to innovate and act accordingly.

We are consuming two planets every year. Depletion of natural resources is accelerating at an alarming pace. Greenhouse gas emissions are putting pressure on our climate. The time to act is now. And at VPK, we'll continue to contribute to the solution – not the problem.

Our core focus remains circular packaging with minimal impact on the environment and maximum focus on sustainability at every step of the process. We've already invested heavily in order to achieve the highest form of circularity in our processes, while at the same time providing our end-users with materials that are easy to use and to sort.

What's more, we'll continue to reduce our energy consumption, moving closer towards carbon neutrality and renewable resources. It is our duty to stay on that path and invest in ways to recycle resources to the full and optimize our own processes.

These investments have supported our growth and are turning out to be a unique trait of our company's story. We will continue to monitor and perfect our processes, using the Sustainable Development Goals and the indicators that go along with them.

We're proud that this vision gets turned into concrete policy every day. Our commitment in this area and our overall growth contribute to our reputation as a



“

We are consuming two planets each year. The time to act is now. And at VPK, we'll continue to contribute to the solution – not the problem.

Pierre Macharis, CEO, VPK Packaging Group

top employer. We're fully dedicated to attracting the right talent that will turn our sustainability goals into everyday achievements.

VPK Packaging Group is a partner for everyone committed to the circular and sustainable economy. This sustainability report details which steps we take in the process – and which goals we've set to improve our results in the future.

# About this report

With this report, we aim to provide external and internal stakeholders with insight into our sustainability journey, strategy, and material considerations. The report discusses the social, environmental and economic aspects of sustainability for the 2018 period.

Our sustainability report was drawn up in accordance with the Global Reporting Initiative (GRI) Standards, Option "Core". It is our intention to report on a yearly basis.

## Feedback welcome

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

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**More about our sustainability management:**

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

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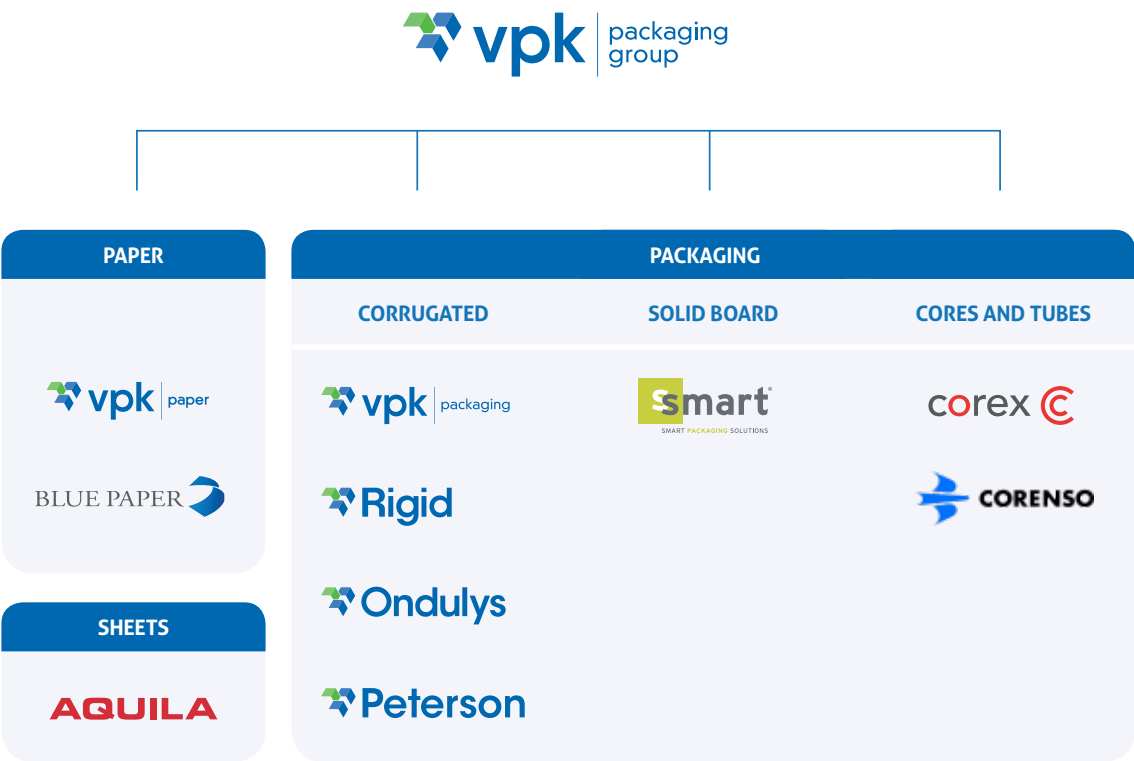
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# About VPK Packaging Group

*VPK Packaging Group is a pioneering packaging supplier. We have been producing innovative and protective cardboard packaging since 1935. Our continued growth is built on dedication to sustainability, a sound financial structure, and close, long-term relationships with our customers. Furthermore, we strongly believe in locally based entrepreneurship, with a stimulating environment for staff and innovation. To us, this is the best way to meet our customers' most stringent requirements. Recycled paper is the core of our sustainable packaging. The VPK range includes customized solutions for corrugated packaging, solid board packaging, tubes and edge protectors.*

## Overview of our brands and activities



*At VPK we combine a local customer focus with a broad geographic reach. We attach great importance to close collaboration, both with each other and with our external partners. Together we are committed to developing circular packaging solutions, to ensure optimal product protection in a sustainable flow of goods.*

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

1

### Great to work for

We offer our people the opportunity to grow, develop and progress in a dynamic and entrepreneurial working environment where health & safety and future progression are valued.



2

### Great to work with

We build close and long-term partnerships with our customers to provide sustainable packaging to protect and promote their products while adding value to their business.



3

### Great at what we do

We create value by the efficient use of sustainable raw materials with respect for natural resources – all within a circular business model.



# Close to you and your products

## A redefined approach to sustainability

As part of this year's sustainability report, we have reviewed and defined our approach to sustainability. The summary below is the result of working sessions involving Executive Committee members and several cross-divisional internal stakeholders, guided by an external consultant. The figure illustrates how our sustainability approach and KPIs are grounded in our corporate vision and mission.

Six pillars exemplify our company's commitment to contributing to the development of a cleaner, fairer, better world. We have based these pillars on the UN Sustainable Development Goals and established clearly defined KPIs in order to monitor our progress. This is, however, an ongoing process. We are currently continuing to define KPI's for all six sustainability pillars. To go one step further, we aim to publish future targets for each of the defined KPI's over the following months. ■

## Great to work for

### 1 Health & safety



Together we are committed to create a safe and healthy working environment.

### 2 People engagement



We foster initiative and entrepreneurship, creating opportunities to pursue a stimulating and rewarding career.

## Great to work with

### 3 Circular solutions



We protect goods in an efficient logistics chain with minimal environmental footprint.

### 4 Sustainable partnership



We build long-term partnerships with our customers, suppliers, local communities and other stakeholders.

## Great at what we do



“

Our core focus remains circular packaging with minimal impact on the environment and maximum focus on sustainability at every step of the process. We'll continue to reduce our energy consumption, moving closer towards carbon neutrality and renewable resources.

Pierre Macharis, CEO





“

VPK is a highly dynamic and fast-growing company. In an ever-changing environment, its pragmatic company culture creates opportunities for our employees. Health, safety and well-being are cornerstones of this dynamic working environment.

Wim Naessens, Head of HR



A worker in a blue and orange VPK uniform is walking away from the camera down a long, brightly lit industrial hallway. The worker is wearing a blue cap and has the VPK logo on the back of their orange and blue jacket. The hallway has white walls and a polished floor that reflects the overhead lights. The overall image has a blue tint.

# GREAT TO WORK FOR

*There are many facets to being an excellent employer. One of them is offering a safe and clean work environment, so people can return home safe and sound after work. This year's sustainability report provides more details on the steps VPK Packaging Group has taken to strengthen both its safety culture and overall safety performance throughout the group.*

### Enhancing safety throughout the group

Offering employees a safe and healthy work environment is one of VPK Packaging Group's main concerns. We achieve this by seeking and developing targeted actions to enhance our overall safety performance. In 2018, this approach led to the launch of a group-wide safety programme.

# Building a strong safety culture among our people

*People are VPK's main asset. We thus feel it is our moral obligation to guarantee every employee a safe and clean work environment, so that they can return home safe and sound after work. To achieve this, we have launched several new initiatives, ranging from self-assessment safety questionnaires to the implementation of the safety continuum model. We have also set up a group-wide safety committee to monitor the progress of our safety performance. These additional efforts will help us further strengthen our safety culture throughout the group.*

## Zero tolerance for unsafe behaviour

"At VPK, we have adopted a policy of zero-tolerance for unsafe behaviour," announced Wim Messiaen, COO of VPK Packaging Group. "As part of this, we've fine-tuned our six-step safety implementation manual to integrate a group-wide perspective, keeping the group and each site focussed on their path to rigorous health and safety management. At the core of this strategy are active safety measures, targeting our people's work environment and the machinery they work with, as well as the monitoring of our safety performance through audits, inspections, reviews, etc. The latter will enable us to assess whether all safety management systems and tools in place contribute to enhancing the overall safety performance of all sites."

## Assessing the situation, and taking targeted action

"But before we could start enhancing our sites' safety performance, we first needed to know how they are currently performing," explained Wim Messiaen. "We therefore launched a survey for business unit managers, plant managers and safety managers to share site-specific feedback on local safety management through a self-assessment questionnaire." Based on the results, we introduced the safety continuum model. It ranks the local safety culture on a scale of Levels 1 to 5. The goal is simple: we want each site to move up at least one level by 2020.

The survey revealed some working points. To address these, we developed an action plan to help

plants advance by at least one level on the safety continuum model scale. "For instance, to motivate the operators on the floor, we introduced 5-minute toolbox meetings, we linked incentives to safety targets and we set up safety corners to better inform people about unsafe behaviour. What's more, we created a mobile app to record safety conversations, best practices and near miss events", Wim Messiaen revealed. "Those initiatives weren't new to our organization, but we lacked the resources to effectively spread them to the whole company."



### Improved safety and productivity through clean and tidy work environments

Studies have shown that clean work environments lead to safer work and greater productivity. At several sites, this was also flagged as a working point. We have therefore taken targeted action to tackle this issue. For instance, in June we organized a national safety day in all French manufacturing locations which everyone attended, from the shop floor to the board room – slips, trips and falls are some of the main causes of incidents throughout the entire VPK Packaging Group. In this way, the French division aims to create awareness and motivate people to maintain a clean work environment. The initial results are promising: the frequency of accidents has clearly dropped.



Before & after

“

By giving our sites the possibility to learn from their peers, we aim to boost the group's overall safety performance.

Wim Messiaen, Head of Division Corrugated Packaging

### Sharing best practices

Such local initiatives might also inspire other VPK sites. In April 2019, a group safety committee was appointed to ensure that these best practices are better noticed and shared throughout the group. This was a missing piece to better orchestrate efforts within the company and learn from peers. "By giving our sites the possibility to learn from peers, we hope to boost the group's overall safety performance." Based on these actions and the sharing of best practices, we are confident that we will reach our safety targets, and more specifically to keep our Lost Time Incident Rate below 10 (LTIR < 10) and improve the close-out rate for dangerous situations and incident reports to >90%. ■

<sup>1</sup> 5S is a management system which focusses on keeping workspaces organized so that work can be performed efficiently, effectively, and safely. The term 5S originates from 5 Japanese words, often translated in English as Sort, Set in Order, Shine, Standardize, and Sustain.





# GREAT TO WORK WITH

*At VPK Packaging Group we are committed to building strong long-term relationships with all our stakeholders. This includes not only customers and suppliers, but also the communities within which we operate. We therefore welcome opportunities to support organizations, programmes and projects that help create safe, healthy and convivial living environments. In this report, we focus on our involvement in the Limerick community, in Ireland.*

# Continued sponsorship of the Limerick GAA Underage County Team by Rigid Ireland

*Rigid Ireland is committed to the local community and has welcomed opportunities to get involved with volunteer groups and organizations. Its investment in the country's future goes beyond the company's production of superior corrugated packaging. In April 2019, for the third year running, Rigid Ireland announced its continued sponsorship of Limerick GAA youth hurling and football.*

## Investing in the business and the local community

Representatives from the Rigid Group management team, along with Rigid Ireland's site director and sales manager, attended a launch at Limerick's Gaelic Ground and were warmly welcomed by the Secretary of the Limerick County Board Michael O'Riordan, as well as other board representatives, players and their families.

Mark Munnelly, site director at Rigid Limerick, announced: "Rigid Containers is particularly proud

to be associated with underage hurling and Gaelic football in Limerick. Just over four years ago Rigid Containers' parent company, VPK Packaging Group, bought ICS Europaks as a going concern. Since then, we have invested €10 million in capital upgrades, infrastructure and general improvements at the Limerick site, as well as working closely with our staff and the local community.

"Rigid Containers recognizes the importance of investing and supporting a project in its early months and years to allow it to grow to its full potential. Just



“

Being able to contribute to local communities and make a difference in people's everyday lives has been part of our company's policy for decades. I believe it's not only consistent with our DNA as a family-owned business, but also one of the most rewarding achievements of my career.

Jean-Paul Macharis, Managing Director

as we are seeing such investment come to fruition in our business in the Galvone Business Park, so too we see it on the hurling pitch as a result of Limerick GAA's support of underage teams. We are therefore happy to support these young Limerick teams through the continued sponsorship of their team jersey."

John Kiely, Manager of the Limerick Senior Hurling Team, also attributes team success to early intervention and support, particularly through the work of the Academy. "The importance of the Academy structure and the work the coaches within that structure do with the young Limerick players in



their skill development, game management, strength and conditioning and personal development off the pitch is absolutely essential in ensuring the continued player growth that will see these players emerge from the academy ready to perform at the highest level for their county. Were it not for the Academy structure of the last 10 years we would not have seen the current Senior team success," he said. ■







### Moving from road to water

Traffic congestion, increasing fuel prices, carbon emissions... These are just some of the trends urging VPK Packaging Group to rethink its transportation methods. Moreover, as Brexit looms, it is becoming vital to ensure the continuity of our services and raw

material supply at all times. We have thus proactively investigated the potential of sea transportation, for instance by resorting to the container shortsea service between the Port of Ghent and the Port of Hull. The results are simply astonishing: guaranteed paper supply and a decreased carbon footprint.

# Destination UK: reducing road transport to a minimum

*Every year, VPK Paper transports 50,000 tonnes of paper from its site in Dendermonde to various customers within Belgium and Europe. One of the group's most important destinations is the United Kingdom, where the paper is used as raw material in the production of corrugated cardboard packaging products.*

### Taking to the water

Historically, these paper rolls were transported to the UK by road. However, as the Group attaches great importance to sustainability and mobility, we were eager to find a more sustainable alternative. It was Multimodaal Vlaanderen, which supports Flanders-based companies in finding the best (multimodal) transport solution for their goods flows, that pointed us in the direction of the newly developed container shortsea service between the Port of Ghent and the Port of Hull.

The shortsea avenue proved very interesting, not least because of the proximity of the final destinations of the paper rolls in the centre and north of the UK. However, before we could actually make the switch, a series of investments were required in both the Belgian and the UK sites, including installing mobile loading ramps, acquiring additional buffer storage

capacity (which we found in the Port of Hull), and optimizing internal processes.

### Reducing carbon emissions by 70%

Today, 2,000 tons of paper leave Ghent every month in containers on shortsea ships to the Port of Hull, where it is distributed to our customers in the packaging industry and to our own Rigid plants to produce corrugated packaging in Selby, Desborough and Wellington.

As a result, VPK is saving about 65% of kilometres on Belgian roads and about 70% of CO<sub>2</sub> emissions across the entire route between Dendermonde and Hull. These savings could become even more spectacular in the future once the Port of Ghent expands its shortsea services, making other unloading points in the south of the UK accessible by water. ■

Being 'Great to work with' extends to all our stakeholders, but first and foremost it refers to the added value that we create for our customers. Our packaging solutions help them protect their goods, improve their logistical efficiency and reduce their environmental impact. In providing these solutions, we engage in close customer relationships.

# Redesigned packaging eliminates the use of plastic foil

*Hennig Olsen is a leading Norwegian ice cream and frozen desserts producer. For its ice cream cones, the company wished to increase the number of products per box. Together with Peterson, VPK's Scandinavian packaging division, they redesigned the boxes' packaging, affording multiple environmental benefits.*

## New box design eliminates the use of plastic foil

The new packaging is the fruit of a close collaboration between the customer's internal project group and Peterson's designers. Combining their expertise,

they designed a bigger box that can contain more ice cream cones per box. The plastic foil around the pallet is now no longer needed, as this design allows for a much better fit on the pallet. And last but not least, the new packaging also requires less raw material. Here are the numbers at a glance.

- ✓ Plastic foil eliminated
- ✓ 34% reduction of corrugated material used
- ✓ Over 4% increase of product per pallet



	Old packaging	New packaging
Plastic wrap needed per year	2500 kg	0 kg
Ice cream cones per box	8	20
Boxes per pallet	168	70
Total ice cream cones per pallet	1344	1400
Corrugated board needed per year	84.639 m <sup>2</sup>	55.982 m <sup>2</sup>

# GREAT AT WHAT WE DO

*As a sustainable business, we are mindful of the raw materials and natural resources we use. We are continuously optimizing and innovating our production processes to reduce our environmental footprint. This year's report illustrates how we make optimal use of energy, water and waste materials.*

### Reducing waste and energy

Responsible production starts with a sound use of energy. And that is just what the new waste to energy plant at the Blue Paper site in Strasbourg (France) does: it converts the plant's residual waste into steam, thus reducing the site's natural gas consumption by 80%.

# Onsite waste-to-energy plant put into operation at Blue Paper mill

*At VPK, we continuously strive for innovations that deliver on our sustainability promise and increase efficiency. In May, the new power plant at the Blue Paper site in Strasbourg was put into operation. The ambitious project, for which 25 million euros were invested, enables the site to convert its own residual materials into thermal energy and thus consume 80% less natural gas.*



Blue Paper mill in Strasbourg, France

### From waste to steam

Blue Paper produces over 1,000 tons of packaging paper every day, using recycled fibres exclusively. The fibres are obtained through a recycling process which extracts and purifies reusable paper fibres and separates them from residual materials. These residual materials – a combination of mainly non-reusable fibres, plastics and other materials – were previously transported to an offsite recycling unit.

With the new onsite power plant, this transport has become superfluous: "all 25,000 tonnes of annual residue will be converted into steam on site, keeping 500 trucks off the road annually", explains Johan Dhaese, head of Energy and Environment. "We will use the steam to dry the new paper. This will allow us to reduce our natural gas consumption by 80% and make optimal use of all material flows."

## From start to finish

With this investment, VPK aims to close the sustainable loop completely, from the collection of materials through to the end of the production process. The Blue Paper mill, co-owned by VPK Packaging Group and Klingele Papierwerke, has been at the forefront of sustainable innovation since 2013:

- **2013:** Conversion of the paper mill, producing recycled packaging paper instead of virgin fibre magazine paper.
- **2014:** A biogas engine and steam turbine are installed to further increase energy efficiency. Together the installations produce one third of the electricity and half of the steam consumed.
- **2017:** VPK launches the construction of a new thermal power plant to valorise production waste.
- **2019:** Residual materials are transformed into steam on site, which is then used to dry paper.



The project received support from ADEME (Agence De l'Environnement et de la Maitrise de l'Energie). It was also selected by CEPI, the Confederation of European Paper Industries, to be showcased at the European Parliament in February, together with other European success stories about investments in innovation and ground-breaking technology. ■

“

Within VPK, we continuously seek to further improve our energy efficiency. This is what keeps us at the cutting edge of innovation. For instance, what we have achieved in our Blue Paper mill over the past years is nothing less than impressive. It is the perfect illustration of how we close the loop with our materials and processes, always striving to minimise the environmental impact.

Johan Dhaese, Head of Energy & Environment, VPK Packaging Group



### Cleaning river water

Water is a crucial ingredient for the production of paper. As a result, VPK Packaging Group requires huge amounts of water. What's more, the water needs to be of high quality, containing minimal impurities. To meet this need in a sustainable way, we invest in our own water purification projects, such as the new installation that was built at our site in Oudegem, Belgium.

## Safeguarding groundwater levels thanks to new water treatment processes

*The production of paper requires a considerable amount of water. As a result of climate change, however, groundwater is becoming scarcer. Thanks to a new water treatment plant, our paper mill in Oudegem is now able to turn the water from the nearby river Dender into clean, high-quality water that we can use in our processes, without impacting groundwater levels.*

The location of the paper mill in Oudegem, right next to the river Dender, provides the site with an abundant supply of fresh water. However, the river's water quality does not meet the high-quality standards that have been set for certain processes.

For these processes, the site previously had to rely on municipal water or groundwater. This situation was problematic: for instance, as one of the results of climate change, groundwater levels are becoming critical in many areas, which can, in turn, harm the local fauna and flora.

### Cleaning river water, sustainably

To reduce this potential negative impact of our activities, we have built a state-of-the-art water





treatment plant that takes water from the river and purifies it to achieve the high quality we require. The treatment process involves two stages:

- 1 The first stage consists in removing suspended solids from the river water with the help of a coagulant ( $\text{FeCl}_3$ ) in a flocculation tank. Next, decantation and sand filtration reduce the amount of suspended solids in the water by 95%.
- 2 In the second stage, a semi-permeable ultrafiltration membrane filters out particles as small as  $0.1 \mu\text{m}$  in size, including bacteria and viruses – all of this without any chemical modification of the water.

### Reducing the environmental impact of water consumption

The result is clean, high-quality river water that we can use in our processes. This has allowed us to stop using groundwater altogether and to reduce our use of municipal water to a minimum.

On top of our existing initiatives to recycle as much water as possible and purify our wastewater before discharge, it adds to our continuous effort to reduce the environmental footprint of our water consumption. ■





### Reducing corrugator waste

VPK Packaging Group is strongly committed to tackling the global waste problem: it is our ambition to do everything within our means to help solve this issue. To make it clear that we mean business, we have committed to reducing corrugator waste by 1% throughout the entire Group.

# Fighting corrugator waste throughout the group

*VPK Packaging Group is very much committed to tackling the global waste problem, not only by recycling recovered paper into sustainable packaging products, but also by limiting paper waste within company walls. For this reason, in 2018 we set a new target, namely to reduce corrugator waste by 1% throughout the entire Group.*

### Reducing paper on rest roll

VPK Packaging Group operates 25 corrugators across its international network. In order to map their performance and continuously improve production processes, group corrugator meetings were launched in 2018. One of the common concerns was optimizing the splicing<sup>2</sup> step and reducing paper waste.

In order to properly initiate this waste reduction project, an internal audit of all corrugator sites took place. The results informed the development of standard operating procedures, as well as a new categorization and definitions of seven types of waste. The audits also revealed a common area of concern: in most of the factories, there was insufficient control over the amount of paper left on the roll after splicing into a new roll.



Based on this observation, VPK is now investing in a so-called tail grabber system. With the help of laser monitoring, this equipment not only measures the

<sup>2</sup> In the corrugated business, this step refers to starting up a new reel of paper, either when the paper reel is finished, or when a different grade is required. This is done by fixing both papers together with the help of a gluing system.

paper left on the paper reel, but also reacts to any damage to the edges of the paper. This technology allows the operating teams to run the rolls down to a bare minimum, without disrupting production. In addition to this major waste-reducing benefit, tearing paper edges are also a frequent cause of paper breaks in the corrugator, resulting in downtime and further paper loss. So with the new tool, not only are we making better use of paper, but we are also preventing machine stops due to paper breaks.

The installation of this new equipment is to be finalized over the next few months in the UK. The second step will be to start installation in one of the Aquila sheet feeding plants in Radomsko, Poland. Even more so for sheet feeding plants than for converting sites, continuity and efficiency are key.

### Measuring is knowing

VPK has also implemented a standardized waste reporting process. In order to know how we are doing and whether or not our improvement actions are bearing fruit, it is essential to produce reliable data. This is why we also invested in new measuring equipment, recording software and a reporting tool to support monthly and quarterly reporting. Thanks to standardized reporting, we are now able to better monitor our efforts.



### Continuous improvement

The reporting system, as well as the waste audits, will help VPK support local waste management efforts in a targeted way and continuously improve the Group's overall waste performance. We have recently started re-auditing the sites where the system was first installed, showing promising initial results. The overall goal is to reduce waste by 1%. Evaluation of this target is planned over the course of the first half of 2020. ■

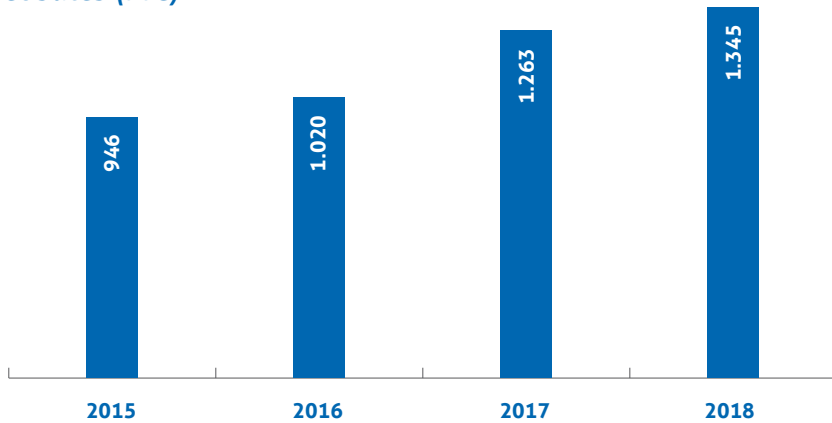
# Sustainability data

*We are happy to share our concrete results with you. In addition to our best practices, we have also collected an overview of VPK's reported key indicators in accordance with the core option of the GRI Standards.*

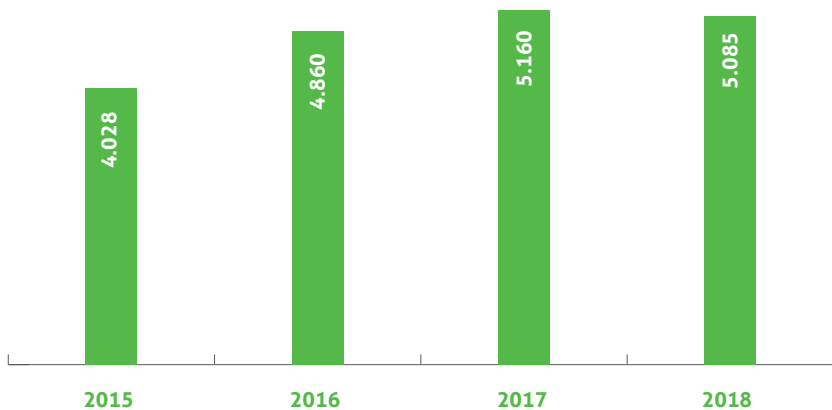
## ORGANISATIONAL PROFILE



Net sales (M€)

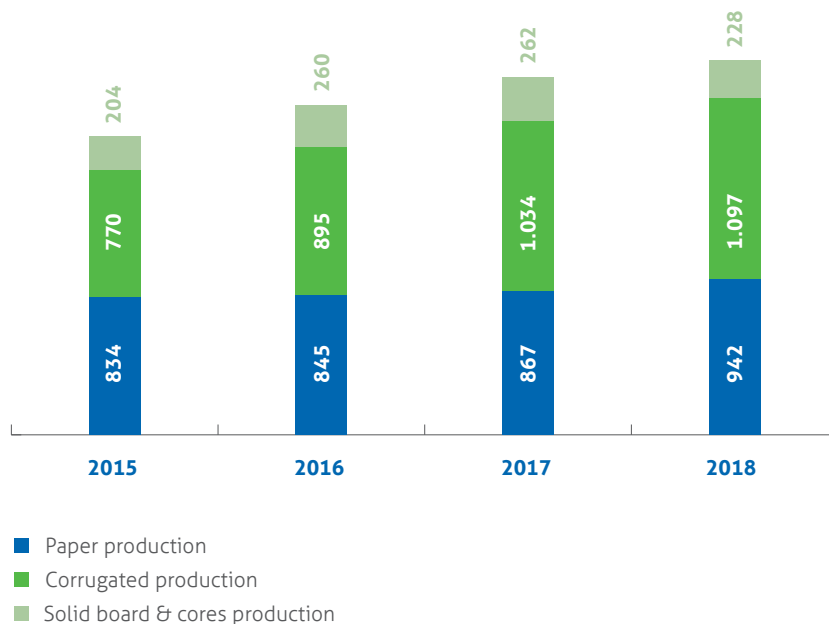


Employees (FTE)





### Production (kT)



### Employees per gender and per employment contract

EMPLOYEES PER GENDER AND PER EMPLOYMENT CONTRACT		2018
Female employees by employment contract: permanent		723
Female employees by employment contract: temporary		92
Male employees by employment contract: permanent		4.033
Male employees by employment contract: temporary		237
Total employees		5.085
Percentage of female employees under permanent contract		14%
Percentage of female employees under temporary contract		2%
Percentage of male employees under permanent contract		79%
Percentage of male employees under temporary contract		5%

## EMPLOYMENT

NEW HIRES	2017	2018
New employees hired under 30 years old	329	329
New employees hired between 30 and 50 years old	383	441
New employees hired over 50 years old	89	112
<b>Total new hires</b>	<b>801</b>	<b>882</b>

TURNOVER	2017	2018
Employee turnover under 30 years old	247	273
Employee turnover between 30 and 50 years old	347	435
Employee turnover over 50 years old	167	209
<b>Total turnover</b>	<b>703</b>	<b>917</b>
<b>Turnover percentage</b>	<b>14,4%</b>	<b>17,6%</b>

## TRAINING &amp; EDUCATION

TRAINING AND EDUCATION	2017	2018
Hours of training per year (higher management)	21	14
Hours of training per year (middle management)	17	13
Hours of training per year (support or production)	31	13

## EMPLOYMENT SPLIT

EMPLOYMENT SPLIT	2017	2018
Percentage of women in senior management positions	17,6%	17,3%
Percentage of women in middle management positions	20,3%	32,9%
Percentage of women in support and production positions	14,3%	12,7%

## ENERGY &amp; EMISSIONS

ENERGY	2017	2018
<b>Cores</b>		
Electricity consumption (MJe)	28.147.266	20.140.057
Heating consumption (MJth)	27.525.018	22.868.847
<b>Recycled paper</b>		
Electricity consumption (MJe)	1.411.931.628	1.394.783.294
Heating consumption (MJth)	3.594.105.334	3.660.051.207
<b>Solid board packaging</b>		
Electricity consumption (MJe)	26.420.868	26.801.741
Heating consumption (MJth)	31.281.938	28.744.757
<b>Corrugated packaging</b>		
Electricity consumption (MJe)	417.342.687	464.667.361
Heating consumption (MJth)	679.253.016	700.831.971
<b>Total electricity consumption (MJe)</b>	<b>1.883.842.449</b>	<b>1.906.392.452</b>
<b>Total heating consumption (MJth)</b>	<b>4.332.165.307</b>	<b>4.412.496.782</b>

EMISSIONS	CO <sub>2</sub> SCOPE 1 (T)	CO <sub>2</sub> SCOPE 2 (T)	CO <sub>2</sub> SCOPE 3 (T)
Cores	1.759.560	1.944.030	5.162.110
Recycled paper	255.949.430	19.344.990	23.353.560
Solid board packaging	195.610	3.251.342	0
Corrugated packaging	38.059.310	24.181.029	35.349.701
<b>Total</b>	<b>295.963.910</b>	<b>48.721.391</b>	<b>63.865.371</b>

EMISSIONS	NO <sub>x</sub> AIR EMISSION (KG)	SO <sub>x</sub> AIR EMISSION (KG)
Cores	279	5
Recycled paper	337.505	85.933
Solid board packaging	71	0
Corrugated packaging	2.666	402
<b>Total</b>	<b>340.521</b>	<b>86.340</b>

ECO FOOTPRINT 2018



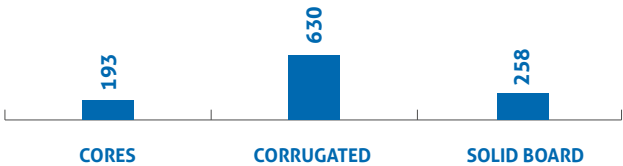
Thermal energy intensity (MJth/T)

RAW MATERIAL



PAPER

FINISHED PRODUCTS



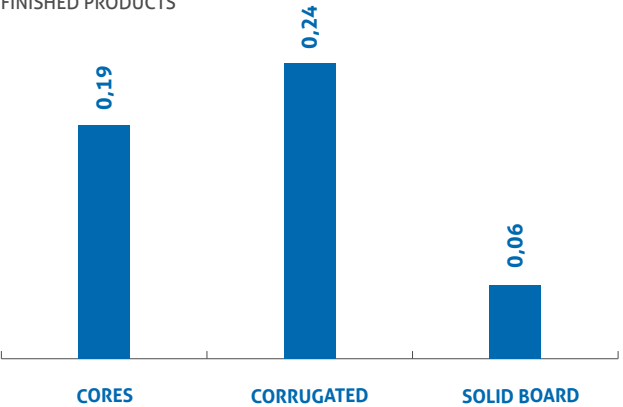
Water intake intensity (m³/T)

RAW MATERIAL



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ECO FOOTPRINT 2018



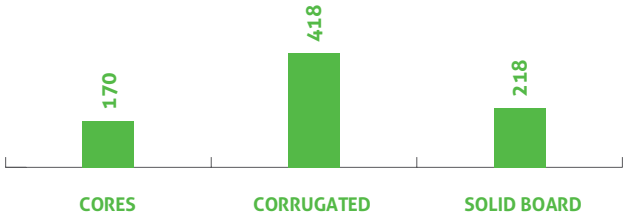
Electric energy intensity (MJe/T)

RAW MATERIAL



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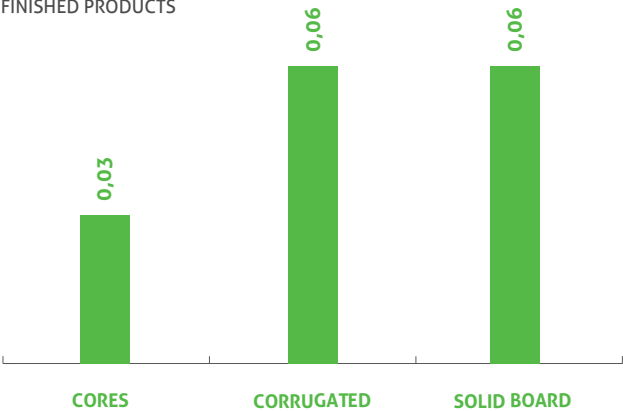
CO<sub>2</sub> total intensity (T/T)

RAW MATERIAL



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ECO FOOTPRINT 2018



Landfill intensity (T/T)

RAW MATERIAL



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For finished products, values are negligible.



Water discharge intensity (m³/T)

RAW MATERIAL

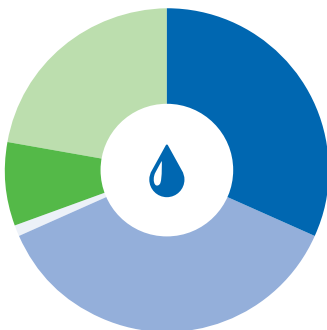


PAPER

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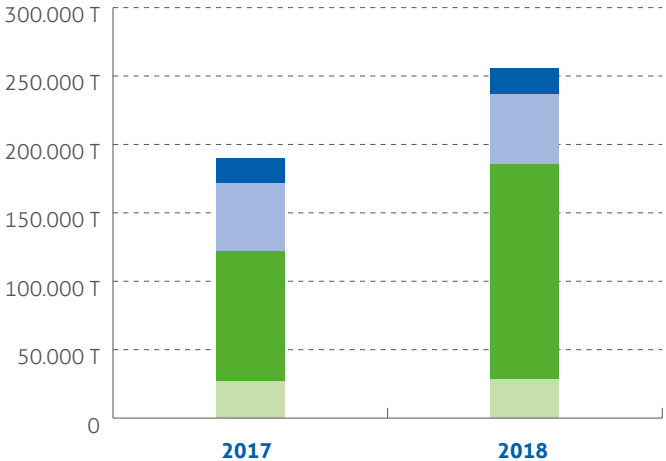
For finished products, values are negligible.

WATER (m³)

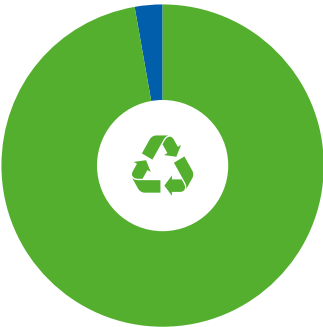


Groundwater	31,77%
Groundwater used for cooling	36,72%
Rainwater	1,16%
Municipal water	8,32%
Surface water	22,04%

WASTE & MATERIALS (T)



- Waste reused
- Waste recycled
- Waste incinerated with energy recovery
- Waste used in landfill



- Non-renewable material **2,74%**
- Renewable material **97,26%**

# Process for defining the report content

*Our aim with this report is to provide external and internal stakeholders with insight into our sustainability journey and its most material aspects. Sustainability is taken into consideration across our entire value chain. We take responsibility for our own activities, and for those within our sphere of influence, upstream as well as downstream. Our stakeholders, who invest in and impact on our activities to the highest degree, include our customers (including consumers), employees and suppliers.*

For this year's report, we redefined our strategic approach to sustainability. We started off by remapping our material considerations during working sessions involving the CEO, Executive Committee members and cross-divisional stakeholders, guided by an external consultant. The summary can be found at the start of this report, under "A Redefined Approach to Sustainability".

VPK Packaging Group supports the United Nations' Sustainable Development Goals. More specifically, based on an in-house materiality exercise, we have built our sustainability objectives around the following six SDGs:



# GRI-content index

## GRI 102 GENERAL DISCLOSURES

GRI STANDARD	REFERENCE	OMISSION
<b>1. ORGANIZATIONAL PROFILE</b>		
102-1	Name of the organization	p. 4
102-2	Activities, brands, products, and services	p.5
102-3	Location of headquarters	p. 4
102-4	Location of operations	<a href="https://www.vpkgroup.com/en/sustainability/sustainability-reports">https://www.vpkgroup.com/en/sustainability/sustainability-reports</a>
102-5	Ownership and legal form	<a href="https://www.vpkgroup.com/en/sustainability/sustainability-reports">https://www.vpkgroup.com/en/sustainability/sustainability-reports</a>
102-6	Markets served	<a href="https://www.vpkgroup.com/en/sustainability/sustainability-reports">https://www.vpkgroup.com/en/sustainability/sustainability-reports</a>
102-7	Scale of the organization	p. 27-28
102-8	Information on employees and other workers	p. 28
102-9	Supply chain	<a href="https://www.vpkgroup.com/en/sustainability/sustainability-reports">https://www.vpkgroup.com/en/sustainability/sustainability-reports</a>
102-10	Changes to the organization and its supply chain	in 2018 the acquisition of 2 sites in France was completed.
102-11	Precautionary principle or approach	Internal controlling mechanisms and independent internal auditors monitor financial, compliance, regulatory, contractual, market and environmental risks.
102-12	External initiatives	VPK supports several partnerships on a long term basis. This includes non-profit organizations, charity initiatives and philanthropic projects.
102-13	Memberships of associations	<a href="https://www.vpkgroup.com/en/sustainability/sustainability-reports">https://www.vpkgroup.com/en/sustainability/sustainability-reports</a>
<b>2. STRATEGY</b>		
102-14	Statement from the senior decision-maker	p.3
<b>3. ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards and norms of behavior	Included in internal Code of Conduct and company policies



GRI STANDARD		REFERENCE	OMISSION
<b>4. GOVERNANCE</b>			
102-18	Governance structure		<a href="https://www.vpkgroup.com/en/sustainability/sustainability-reports">https://www.vpkgroup.com/en/sustainability/sustainability-reports</a> As of October 2018, Wim Messiaen joined the Excom as COO in France, UK, Ireland, Germany and Poland.
<b>5. STAKEHOLDERS ENGAGEMENT</b>			
102-40	List of stakeholder groups	p. 35	
102-41	Collective bargaining agreements		Overall, approximately 74%
102-42	Identifying and selecting stakeholders	p. 35	
102-43	Approach to stakeholder engagement	p. 35	
102-44	Key topics and concerns raised	p. 35	
<b>6. REPORTING PRACTICE</b>			
102-45	Entities included in the consolidated financial statements	p. 5	
102-46	Defining report content and topic boundaries	p. 35	
102-47	List of material topics	p. 38-41	
102-48	Restatements of information		None
102-49	Changes in reporting		None
102-50	Reporting period	p. 4	
102-51	Date of most recent report	Jun-18	
102-52	Reporting cycle	\$2	
102-53	Contact point for questions regarding the report	p. 4	
102-54	Claims of reporting in accordance with the GRI-standards		None
102-55	GRI content index	p. 36-41	
102-56	External assurance		No external assurance was provided.





## MATERIAL TOPICS

GRI STANDARD		REFERENCE	OMISSION	REASON FOR OMISSION
<b>ECONOMIC</b>				
<b>ECONOMIC PERFORMANCE</b>				
103	Management approach	p. 6-8		
201-1	Direct economic value generated and distributed	p. 27		
201-2	Financial implications and other risks and opportunities due to climate change		✓	Reported via CDP
201-3	Defined benefit plan obligations and other retirement plans		✓	Dependent from country to country
<b>MARKET PRESENCE</b>				
103	Management approach	p. 6-8		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		✓	Dependent from country to country
<b>ENVIRONMENTAL</b>				
<b>MATERIALS</b>				
103	Management approach	p. 6-8		
301-1	Materials used by weight or volume	p. 34		
301-2	Recycled input materials used	Around 89 %		
301-3	Reclaimed products and their packaging materials	Around 75% of products and 85% of the transport pallets		
<b>ENERGY</b>				
103	Management approach	p. 6-8		
302-1	Energy consumption within the organization	p. 30		
302-2	Energy consumption outside of the organization		✓	Negligible
302-3	Energy intensity	p. 31-32		

GRI STANDARD		REFERENCE	OMISSION	REASON FOR OMISSION
302-4	Reduction of energy consumption	No significant decrease in comparison to last year		
302-5	Reductions in energy requirements of products and services	No significant decrease in comparison to last year		
<b>WATER</b>				
103	Management approach	p. 6-8		
303-1	Water withdrawal by source	p. 33		
303-2	Water sources significantly affected by withdrawal of water	None identified		
303-3	Water recycled and reused	Overall, around 93%		
<b>BIODIVERSITY</b>				
103	Management approach	p. 6-8		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Three sites operate in the vicinity of protected areas.		
<b>EMISSIONS</b>				
103	Management approach	p. 6-8		
305-1	Direct (Scope 1) GHG emissions	p. 30		
305-2	Energy indirect (Scope 2) GHG emissions	p. 30		
305-3	Other indirect (Scope 3) GHG emissions	p. 30		
305-4	GHG emissions intensity	p. 32		
305-5	Reduction of GHG emissions	No significant decrease in comparison to last year		

GRI STANDARD	REFERENCE	OMISSION	REASON FOR OMISSION
305-6	Emissions of ozone-depleting substances (ODS)	✓	Negligible
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	p. 30	
<b>EFFLUENTS AND WASTE</b>			
103	Management approach	p. 6-8	
306-1	Water discharge by quality and destination	Approximately 95% is discharged in the river after treatment, the remaining volume in local sewage.	
306-2	Waste by type and disposal method	p. 34	
306-3	Significant spills	None identified	
306-4	Transport of hazardous waste	✓	Negligible
306-5	Water bodies affected by water discharges and/or runoff	✓	Negligible
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>			
103	Management approach	p. 6-8	
308-1	New suppliers that were screened using environmental criteria	More than 98% by volume	
308-2	Negative environmental impacts in the supply chain and actions taken	We have identified 2 potential negative impacts which we are evaluating.	



GRI STANDARD	REFERENCE	OMISSION	REASON FOR OMISSION
<b>SOCIAL</b>			
<b>EMPLOYMENT</b>			
103	Management approach	p. 6-8	
401-1	New employee hires and employee turnover	p. 29	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	✓	Dependent from country to country
401-3	Parental leave	✓	Dependent from country to country
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
103	Management approach	p. 6-8	
403-1	Workers representation in formal joint management-worker health and safety committees	Approximately 5%	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	For 2018, we reported an LTIR=13,84	
<b>TRAINING AND EDUCATION</b>			
103	Management approach	p. 6-8	
404-1	Average hours of training per year per employee	p. 29	
<b>NON-DISCRIMINATION</b>			
103	Management approach	p. 6-8	
406-1	Incidents of discrimination and corrective actions taken	None identified	
<b>SUPPLIER SOCIAL ASSESSMENT</b>			
103	Management approach	p. 6-8	
414-1	New suppliers that were screened using social criteria	More than 98% by volume	



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