



The future of
packaging is
**shaped by
our people**



About the report

Our annual sustainability report 2022 aims to provide transparency to our stakeholders about our sustainable business practices. This report has been prepared in accordance with the GRI Standards: Core option and extra-financial information is audited by a third party.

Feedback welcome

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

Contact: Stephanie De Smedt,
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More about our sustainability management:

www.vpkgroup.com/sustainability

Ownership and legal form

VPK Group NV is a Belgian limited liability company whose registered office is located at Kareelstraat 108, 9300 Aalst, Belgium.

VPK Group NV is registered in the Register of Legal Persons of Dendermonde under the number 0400313852.

Entities included in the consolidated financial statements

VPK Packaging NV	Rigid Charta Ltd	Jellestadveien 37 AS	Corenso United Verwaltungs GmbH
VPK UK Holding Ltd.	Peterson Holding AS	Interkor LLC *(50%)	Corenso United (Deutschland) GmbH & Co KG
VPK Services GCV	Peterson Eiendom Sykkylven AS	Immowell NV	Corenso Tolosana SA
VPK Papier GmbH	Peterson Eiendom Sarpsborg AS	Hangzhou Corenso Hualun PC Co Ltd	Corenso Poland Sp.z.o.o.
VPK Paper NV	Peterson Eiendom Randers A/S	Encase Properties Ltd.	Corenso Leiza SL
VPK Packaging SAS	Peterson Eiendom Norrköping AB	Encase Ltd.	Corenso Holdings Germany GmbH
VPK Packaging Polska Sp. z.o.o.	Peterson Eiendom Bäckefors AB	Elfes Betailigungs GmbH	Corenso Holdings France SAS
VPK Packaging Ltd.	Ondulys Saint Quentin SAS	Edelymmo 2 SAS	Corenso Holdings China Ltd.
VPK Packaging Ltd (former Rigid Containers Ltd) - Limerick	Ondulys Roye SAS	Ecoformer NV	Corenso Group Holdings Ltd.
VPK Packaging Kft	Ondulys Pays de Savoie SASU	Corrboard UK Ltd.	Corenso France SAS
VPK Packaging AS	Ondulys Lille SAS	Corex Wigan Ltd.	Corenso Foshan Paper Core Co Ltd
VPK Packaging AB	Ondulys Les Echets SAS	Corex US LLC	Cartonneries de Wallonie SA
VPK Packaging A/S	Ondulys Industrie SAS	Corex Turkey AS	Cartonnerie de Saint Just Malmont
VPK Nederland BV	Ondulys Gheysens SAS	Corex Polska Sp.z o.o.	Blue Paper SAS *(50%)
VPK Finance NV	Ondulys Emballages SAS	Corex Mohed AB	Beihai Corenso Paper Core Co Ltd.
VPK Corrugating SAS	Ondulys Andelle SAS	Corex Luxembourg SA	Argon BV
Viallon Emballage SAS	NPAC (Finland) Holdings Oy	Corex Holding NV	Aquila Wrzesnia Sp.z o.o.
Topcore Oy	Nordic Packaging and Container(UK) Holdings Ltd.	Corex Germany & CO KG	Aquila Radomsko Sp.z o.o.
Smart Packaging Solutions NV	Nordic Packaging and Container Holdings Ltd.	Corex France SAS	Aquila GmbH *(50%)
SICL SAS	Nordic Packaging and Container (Jersey) Holdings Ltd.	Corex Finland Oy	Aquila Brzeg Sp.z o.o.
SC VPK Packaging srl.		Corex Czech sro.	Alizay Papier SASU
S.C. Corex Romania srl.		Corex Belgium NV	Alizay Ondulé SASU
		Corex Bäckefors AB	

Date of publishing

22/6/2022

*For the entities with 50% ownership, the reporting of the figures is proportionally included in this report.



About VPK Group

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To date, we have obtained the EcoVadis gold medal in five countries, ranking us among the top 5% of the more than 90.000 companies assessed by this world-renowned business sustainability rating platform. This is a result I am genuinely proud of, and which we owe to our unwavering commitment to quality in its many forms.

PIERRE MACHARIS
CEO - VPK GROUP



01.

Introduction from the CEO

Europe wants to be the first climate-neutral continent in the world by 2050. To realise this ambition, the European Union has launched numerous measures. For instance, there is the 'Fit for 55' package, a series of actions that aim to reduce CO₂ emissions in the European Union by 55% by 2030.

In this context, many companies are looking for ways to make their activities, products and services more sustainable, including their packaging. More and more companies are choosing to package their products in cardboard, as the renewability and recyclability of paper are excellent environmental characteristics, in line with these companies' sustainability aspirations.

These packaging consumers find in VPK the perfect partner to contribute to their sustainability targets. We can truly and honestly make that claim thanks to our excellent EcoVadis results: to date, we have obtained the EcoVadis gold medal in five countries, ranking us among the top 5% of the more than 90.000 companies assessed by this world-renowned business sustainability rating platform.

This is a result I am genuinely proud of, and which we owe to our unwavering commitment to quality in its many forms.

Quality in terms of making efficient use of the available resources, for instance. Because, in everything we do, we focus on using our resources more and more sparingly. Our efforts in this regard range from the recovery of rainwater to the powering of our processes and to combating waste, as well as to continuing our investments in state-of-the-art and efficient equipment. Quality also means reducing our ecological footprint. We are doing this by increasing our use of green energy through the conclusion of green energy contracts, the installation of solar panels on the roofs of the buildings at our sites, and the implementation of anaerobic digesters

that convert the organic load of our process waste into energy. We are also experimenting with water transport to supply our sites with paper products. In this way, we can significantly reduce the amount of road transport and thus further reduce the CO₂ emissions of our logistics.

Lastly, our quality is also shaped by our people. They remain the driving force behind our sustainability efforts, and the results we achieve are to a large extent due to them. That is why we continue to invest in the recruitment of new colleagues, as well as in the further development of the talents of our existing colleagues. We do this by providing training inside and outside our company walls, and by offering them the necessary career opportunities within VPK.

Our focus on quality fits perfectly into our long-term vision. We always want to do better, and to this end we look beyond what is happening today or even tomorrow. We consistently anticipate the long-term future, because only in this way can we build a truly sustainable future for VPK, our people, our stakeholders, the next generation and society as a whole.

02.

Mission statement and values

As an international packaging group, we share a common company mission, a clear statement why our company exists and the direction we're heading to.

We push sustainable growth beyond tomorrow's standards, both ecologically and economically. We think and act globally, while staying close to our clients and their products.

To achieve this, we put an updated set of values at the heart of our company. They are the drivers of our company culture. Our own moral compass.



Ownership

We own our **decisions** and **actions**, we encourage to try new things and dare to fail, we give **responsibility** and cultivate initiative.



Trust

We have **confidence** in our people and clients, with one **handshake** you can set things in motion.



Care

We are **dedicated** to the **well-being** of our people, our clients and our **planet**.



Beyond

We **anticipate** the future. We **accelerate** where needed. We go **beyond** what is required.



03.

Growth and development

VPK Group is a leading packaging group that was established in Belgium in 1935. Since then, it has grown from being a local player to the current international supplier of sustainable protective packaging solutions, covering 3 market segments: **corrugated board, solid board, and tubes & corner protectors.**

To produce our products, **we recycle 1,3 million tons of paper and board on a yearly basis**, and use it as a raw material for our 100% recyclable and biodegradable protective cardboard packaging solutions. We create value through the efficient use of sustainable raw materials, with respect for natural resources, all within a circular business model.

As a packaging group, we strive to provide an **optimal and reliable service** by paying close attention to the local markets and, at the same time, share our expertise and knowledge across countries, in order to guarantee the best solutions in line with our customers' needs.

VPK Group's continued growth is mainly the result of its long-term vision, a sound financial structure and commitment to sustainability, both ecologically and economically. We believe that **sustainability** not only concerns our products, but also our internal and external relationships, our management approach and our planet.

Overview of our divisions and brands



Milestones

VPK Group has grown sustainably over the past 80 years.

From a local family business to an international company with more than 6.500 employees worldwide. Let's take a look at some remarkable milestones in the history of our company.

1935



VPK is established in Oudegem, Belgium

2000



Rigid UK is acquired.



2005



In France VPK acquires the Ondulys group. In Poland the production of cardboard sheets is started under the brand Aquila.

2016



The Scandinavian Peterson Group with 6 plants in Norway, Sweden and Denmark is acquired.



2014



Blue Paper Strasbourg becomes the second paper site within the VPK Group.



2013



The first factory outside Europe is a fact. Corex is founded in Turkey.

2019



VPK acquires European and Chinese divisions of Corenso.



2020



VPK acquires a majority stake in Viallon Emballage France, Corrbboard UK and acquires Encase in the UK.



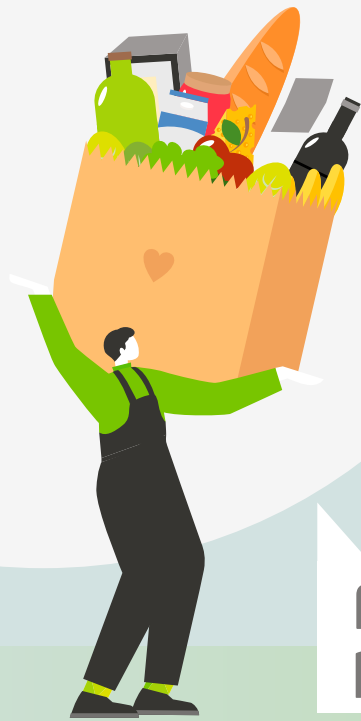
2021



VPK launches the project to convert the Alizay industrial site into a hub for sustainable development in the circular economy.



Markets served*



Fresh and processed food

Retail



E-commerce



Industrial



*These markets represent the largest share of our customers, but are not exhaustive.

04.

Geographical presence

 [Click here to discover our locations](#)





05.

Sustainable corporate governance

VPK Group is a private capital company owned by a limited set of investors who have a long-term commitment to the firm. This allows the company and its management to set out long-term goals and targets.

Concentrated ownership: VPK Group has a concentrated and stable ownership business model as opposed to dispersed ownership. Inside these concentrated models, values drive the business, and these instil responsibility.

Responsible ownership: Family business owners inspire family values throughout a company and ensure that it is ready to be passed on to the next generation. Therefore, family ownership is, in essence, responsible and plays a fundamental role in sustainability practices and the guidance of a company's strategy.

Overcoming short-termism: Short-term thinking in a business can have an adverse effect on sustainability and the perception of companies. One of the clear advantages of family companies is their long-term approach; meaning sustainability is already built in to the fabric of these enterprises.

Governance model

The **Board of directors** is tasked with overseeing and validating the activities of the executive committee. It is assisted by two advisory committees. The executive committee is also assisted by two advisory committees.



BOARD OF DIRECTORS

 Carl Verstraelen Chairman Board of Directors Responsibilities Board member	 Pierre Macharis Responsibilities CEO and Shareholder VPK Group
 Michel Delbaere Responsibilities Managing Director, Crop's	 Ludwig de Mot Responsibilities CEO, interim manager, board member
 Jean-Paul Macharis Responsibilities Shareholder VPK Group	 Dirk Meeus Responsibilities Managing Partner, Allen & Overy
 Wolfgang de Limburg Responsibilities CEO, Managing Director, Ergon Capital	 Stephane Wilmes Corporate Secretary Responsibilities Chief Legal Officer VPK Group

EXECUTIVE COMMITTEE

 Pierre Macharis Responsibilities CEO and Shareholder VPK Group	 Wim Messiaen Responsibilities Head of Corrugated division VPK Group
 Erik Peeters Responsibilities CFO VPK Group	 Denis Zenner Responsibilities Head of Specialties division VPK Group (Corex and Smart Packaging Solutions)
 Wim Naessens Responsibilities Head of Paper division VPK Group	

06. Key numbers



>6.500
employees



employed in 64 plants



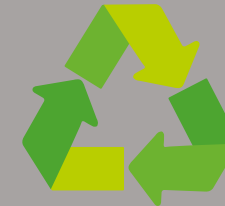
present in
20 countries



2.458.000.000 m²
of corrugated
board &
444.000 tonnes of
solid board and
cores produced

Facts & Figures

2021



1,3 million tonnes
of recovered paper
and cardboard
recycled

275.629

MWh of green energy



turnover of 1.746
million euros

Future

91 million invested in
sustainable growth

Commitment to people



Innovation



Responsible sourcing

100% recycled paper

2021 ecovadis Sustainability Rating GOLD

CDP DRIVING SUSTAINABLE ECONOMIES

Cradle-to-cradle certified

FSC[®] certified suppliers

Supplier code of conduct

Eco-efficient production

21% of primary energy from renewable sources

31% Ratio of electricity from renewable sources to grid electricity consumption

20% reduction of CO₂ footprint**

Frustration-free packaging

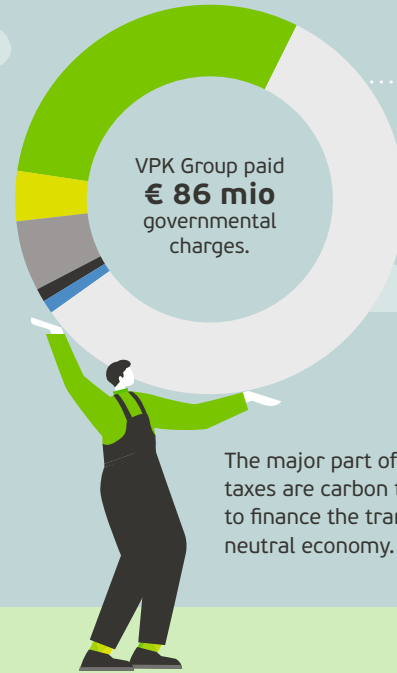
Just-in-time deliveries and volume maximisation with Tetris algorithm

vpk

*We are certified under FSC-C109033** Measured in tonnes of CO₂ per tonne of paper sold, % 2021 vs 2005

Our tax contributions support sustainable development

The United Nations Sustainable Development Goals (SDGs) help to create a world that is socially fair, environmentally secure, economically prosperous and more inclusive. Taxes are a critical financial resource to help reach these goals.



55%

Employer paid social charges

Our governmental charges contribute to social coherence, education and infrastructure in all countries of VPK activities. The biggest part (57%) are social contributions towards unemployment benefits, health insurance and pensions.

The major part of our environmental taxes are carbon taxes. These are used to finance the transition to a carbon neutral economy.

1%

Local

4%

Environmental

5%

Real estate

3%

Other

32%

Income taxes

Key figures 2021

€ 1.746
Million revenue



€ 117
Million profit before corporate income taxes



25%
Tax rate

MC	M+	÷	x
7	8	9	-
4	5	6	+
1	2	3	=
0	.		



€ 91
Million investments



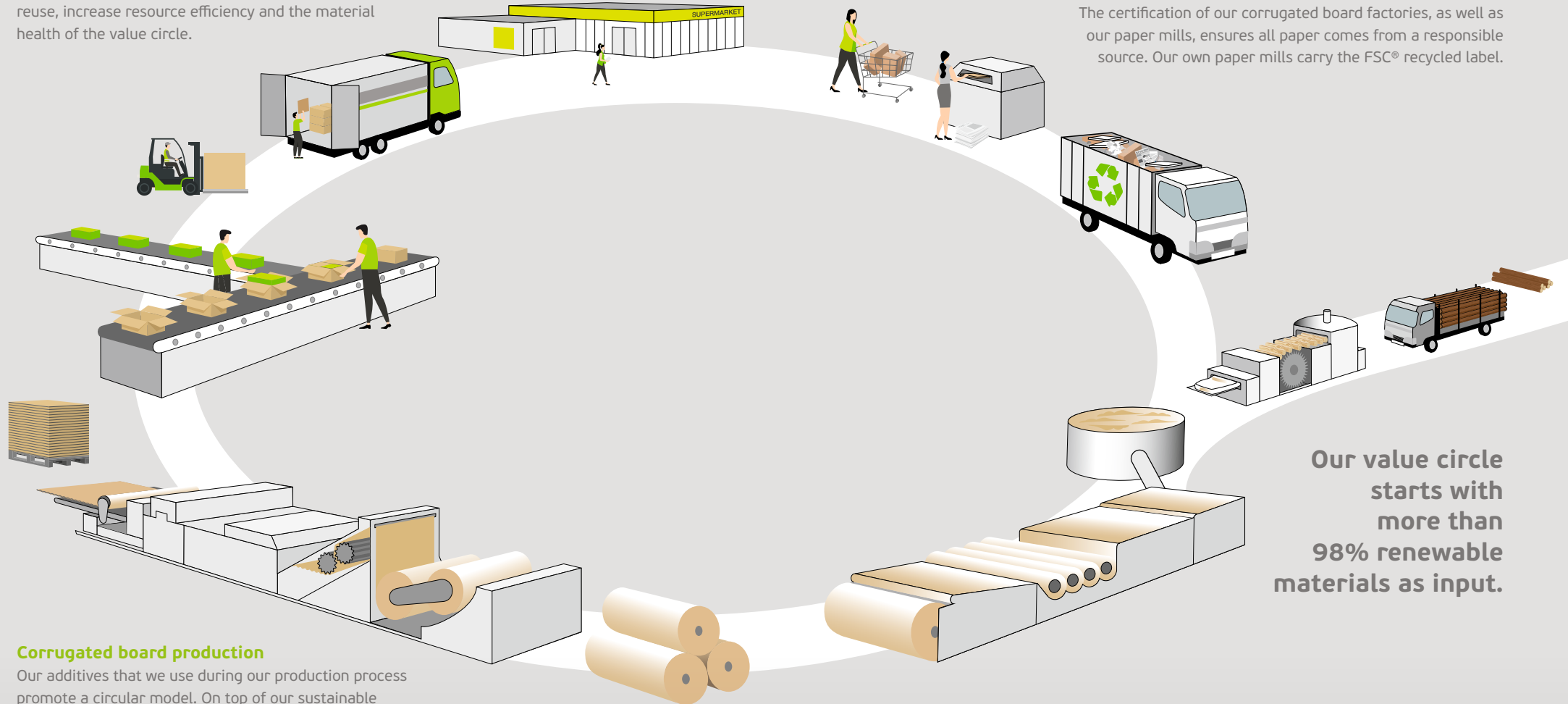
€ 27 Million income taxes



13%
CAGR (5 year period)

07. Supply chain

Closed loop recycling management is essential for the development of a circular economy. Our priorities are to further promote recycling and reuse, increase resource efficiency and the material health of the value circle.



Production of corrugated based paper

For the production of our corrugated cardboard, we mainly use recovered paper partly coming from our own processes. The certification of our corrugated board factories, as well as our paper mills, ensures all paper comes from a responsible source. Our own paper mills carry the FSC® recycled label.

Corrugated board production

Our additives that we use during our production process promote a circular model. On top of our sustainable resources, our technological innovations guarantee an environmentally friendly production process.

Our value circle starts with more than 98% renewable materials as input.

08. Code of conduct

Rules of conduct for the VPK Group

VPK aims for sustainable growth. We want to pursue business success with respect for a code of ethics. Therefore, we use a single code as a guiding principle throughout the group. This code was developed for all our employees and external stakeholders and is aligned with the ten principles of the United Nations Global Compact. A summarized version of our code of conduct can be found on your right hand side.

This code can not possibly cover every situation that you may encounter. For any additional questions, there is a single point of contact via sustainability.hq@vpkgroup.com.

Nature



- 1 We will support a precautionary approach to environmental challenges.
- 2 We undertake initiatives to promote greater environmental responsibility.
- 3 We encourage the development and diffusion of environmentally friendly technologies.

Company



- 4 We respect all laws, rules and regulations.
- 5 We are committed to advancing the business of VPK and its divisions.
- 6 We work against corruption in all its forms.
- 7 We insist on honesty and respect for VPK's assets and property.
- 8 We value and protect confidential information and we respect the confidential information of others.

People



- 9 We will eliminate all forms of forced, compulsory and child labour.
- 10 We want to be best in class in occupational health and safety and target zero accidents.
- 11 We respect the freedom of association and the right to collective bargaining.
- 12 We will eliminate all forms of discrimination with regard to employment and occupation.
- 13 We will safeguard the principle of fair remuneration and decent working hours.

Implementation of the code of conduct

All members of management teams throughout VPK have signed the code of conduct. Furthermore, the complementary approach for a set of topics is found below.

Anti-bribery and anti-corruption

Besides signing off the code of conduct, we have identified several countries in our operational parameter where significant risks exist and supplementary actions are required. Management members, sales and procurement staff of business units located in countries scoring less than 60 on Transparency International's anti-bribery index annually receive recurring specific and compulsory training on this topic.

Forced, compulsory and child labour

Besides signing off the code of conduct, management members, sales and procurement staff of business units located in countries with and identified 'high risk' on the Child Labour Index by Verisk Maplecroft are required to sign a declaration on honour stating that they are not involved either directly or indirectly in the practice of child labour. This entails own production facilities as well as suppliers who are asked to provide a similar statement.

Diversity and Inclusion

VPK actively promotes diversity and inclusion. Employees are recruited and

promoted based on their ability, skills, competence and motivation for each job. However when a male candidate and a female candidate apply with equal qualifications and motivation for a job, the female candidate will be preferred, as long as the advised gender diversity ratio of 1/3 female versus 2/3 male has not been reached.

Grievance mechanism

All breaches against the code of conduct are reported. Besides the possibility of reporting to a superior, HR or the legal department and as per EU Whistleblowing Directive 2019/1937 and all transpositions into national law by the EU Member States, reports can also be made to VPK's official internal reporting channel (compliance@vpkgroup.com; +32 52 30 79 57). While VPK prohibits retaliation against any employee for such reports made in good faith, it also protects the rights of any person mentioned in or involved in the report. During the past reporting period we noted zero confirmed cases.





09.

Partnerships

Philanthropic initiatives

Taking up our social responsibility by addressing large societal issues

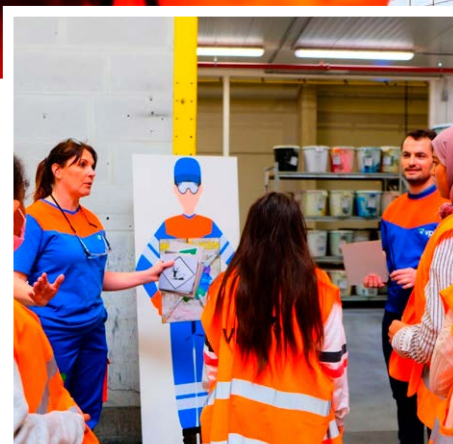
At VPK, we look at the world around us with an open mind. As an international family business, we want to take up our social responsibility and address larger societal issues. More specifically, we want to contribute to the fight against poverty, the achievement of medical breakthroughs and bridging the global inequality gap. On the following pages, you will find some examples of philanthropic initiatives that we have supported throughout 2021.

Giving disadvantaged young people a fair chance in life

“Only those who are given chances are able to seize them.” With this motto in mind, TAJO, a non-profit organization in the Belgian city of Ghent, gives youngsters in a vulnerable situation opportunities to explore and develop their skills and talents. It helps them strengthen their self-knowledge (what am I good at?),

gain perspective on what ‘later on’ really means, and increase their networks.

For instance, every Saturday, TAJO organizes workshops on all kinds of social topics. One of the topics that was tackled in 2021 included the various aspects of safety, such as mental safety (e.g., racism), physical safety (e.g., first aid) and safety professions. ▶



In this particular context, VPK Group opened the doors of its Erembodegem site to a group of 20 young people to see how the safety of people, machines and products is ensured. First, we showed them the importance of wearing the right personal protective equipment at work and how cardboard packaging protects products during transport. Next, we guided them through the factory, explaining the operation of the various machines in our production process and the safety aspects that must be taken into account. We also organized a workshop where the youngsters were challenged to be creative with cardboard and to experience its strength.

It was an instructive and successful day with much satisfaction for both the TAJO youngsters and the VPK colleagues.

Bridging the global inequality gap

We not only endeavour to give opportunities to people living in the immediate vicinity of our sites, but also support initiatives in more remote and underprivileged areas.

For example, two thirds of the world's population have no access to proper medical care. That is why we decided to support **Mercy Ships**. Mercy Ships has the largest private hospital ship in the world and has provided



medical care to more than 2,8 million people and trained more than 55.000 local health professionals in over 70 countries since its foundation in 1978. Thanks to the contributions of partners such as VPK Group, this non-profit organization can offer a wide range of medical treatments free of charge, including tumour removal, orthopaedics, reconstructive plastic surgery, cataracts, general surgery, dentistry and fistula surgery.

We also supported a pupil retention programme in Benin. The country suffers from a persistent school dropout rate. Although many children in the country have access to education, only 67% complete primary school and only 18% graduate from secondary school. We have funded a **Plan International**

project to keep 34.000 students in school.

Supporting humanitarian aid

At VPK Group, we want to focus on our social responsibility as much as we can and contribute where help is needed most, including in very urgent circumstances such as in the aftermath of the earthquake in Haiti. In 2021, part of our annual donation to **Médecins Sans Frontières** (MSF) was used for MSF's intervention in Haiti to help people in need after a 7.2-magnitude earthquake struck the southern part of the island.

Another example brings us closer to home. In July 2021, the Walloon Region was hit by devastating floods, destroying the houses of thousands of people. We made a donation to the Red Cross in support of their efforts to provide the victims with food aid, temporary housing, basic assistance and all kinds of primary support.

Fuelling the fight against cancer

Each year, we contribute to sparking medical breakthroughs. Last year, for instance, we made a donation to the **Oncology Foundation of the Antwerp University Hospital**, which uses funding to continue their investments in the best possible training of its specialists, the recruitment of international

experts and vital cancer research. Similarly, we supported the **Anti-Cancer Fund**, an organization funding promising cancer research around the world.

Showing our solidarity with the Ukrainian people

In 2022, war broke out in Ukraine, pushing the country and its population into a deep humanitarian and economic crisis. In line with our values as a family business, we want to take care of the Ukrainians, as they need our help now more than ever. As such, each of our European sites has set up local aid actions, collecting canned food, (moving) boxes, essential supplies (e.g., clothes, blankets and hygiene products), and financial help. These goods and funds are supplied to our sites in Poland and Romania, where lots of Ukrainians that have fled their country end up. Our local colleagues provide essential humanitarian assistance to these Ukrainian refugees, putting our collected aid to good use.

As this huge humanitarian crisis continues, we will continue to provide support and assistance to those in need.

Endorsements*

VPK Group endorses following organizations and consults their guidelines towards more sustainable business practices:

- Forest Stewardship Council** - since 2011
- Carbon Disclosure Project** - since 2016
- Cradle To Cradle** - since 2016
- Sedex** - since 2016
- Ecovadis** - since 2017
- Pack4Food** - since 2017
- Healthy Printing Initiative** - since 2018
- United Nations Global Compact** - since 2020



Membership of associations

To ensure cross industry collaboration and partnerships, VPK Group is an active member of European and national trade associations:

- FEFCO:** Federation of European Corrugated Organization
- CEPI:** Confederation of European Paper Industries
- CPI:** Confederation of Paper Industries (UK)
- Indufed:** Association of Glass, Paper and Board Belgium
- CBA:** Corrugated Benelux Association
- NBF:** Norske Bølgepappfabrikkers Forening, Association of Norwegian Corrugated Board Manufacturers

*For more information, see pages 110-112



10.

Sustainable management

General framework

Over the years, VPK has recorded strong growth, both organically and through successful acquisitions. This rapid growth resulted in a strong need for fundamental and effective internal control and risk management systems. To develop a clear company structure, the entire group has been divided up into three operational divisions. Financial management, group purchasing, ICT and risk management in its broadest sense are centralized: they are organized and managed at group level. Specific expert topics are also centralized. These entail: safety management; infrastructure and technology management; operational excellence; and sustainability strategy. All other functions are organized at a decentralized level to ensure full accountability with business unit management.

Accounting and control

All guidelines with regard to management reporting and external financial reporting have been set out in detail in the Group Accounting Manual. The aim is to obtain a

well-performing and transparent financial reporting process, ensuring mutual comparability between all group companies. The accounting principles mentioned in this internal manual comply with the International Financial Reporting Standards (IFRS) and are respected by all the group's companies. Periodically, all staff members closely involved in the financial reporting process liaise, in order to discuss and address new accounting or financial topics in a structured way. These initiatives, for instance, the annual Finance Day, which brings together all financial staff, enable VPK to identify and fundamentally analyse new risks related to the financial reporting process in time, taking into account their probability and possible impact on the group. At a decentralized level, business controllers review financial data and report on a monthly basis in turn to the group controller. Hence, our business controllers are the link between the operational and the financial aspects of the corresponding business units. Their specific local knowledge allows for a very accurate analysis of the financial data. In addition, the group controller ensures that there is

overall coordination and clear reporting to the executive committee.

Introduction of new products

Our current product portfolio consists of paper, cores and packaging, which are fully recyclable. In this value circle, we are both recycler and product seller. During the conception phase of new products, the latter are screened for a variety of parameters including the ultimate recyclability and life cycle impacts of what we put on the market.

Risk analysis

The board of directors and the executive committee translate VPK's strategy into concrete and measurable objectives, for both the short and the long term. Each of these objectives is characterized by an on-going pursuit of internal growth and international expansion, and defines the company's risk exposure. These objectives can only be realized by taking specific, calculated and well-considered financial risks, supported by adequate measures.

Furthermore, the group strategy is built on a thorough risk and opportunity assessment, to make the company more resilient in pursuing its business objectives.

The principal risks and opportunities in our own operation or value chain identified are: health and safety, employee wellbeing, training and development, ethics and transparency, product hygiene, circularity, water impact, climate action, energy security, innovation and economic growth.



Where do risks occur in our value chain

Downstream

- Sustainable and circular
- Product hygiene
- Transparency
- Partnership

Upstream

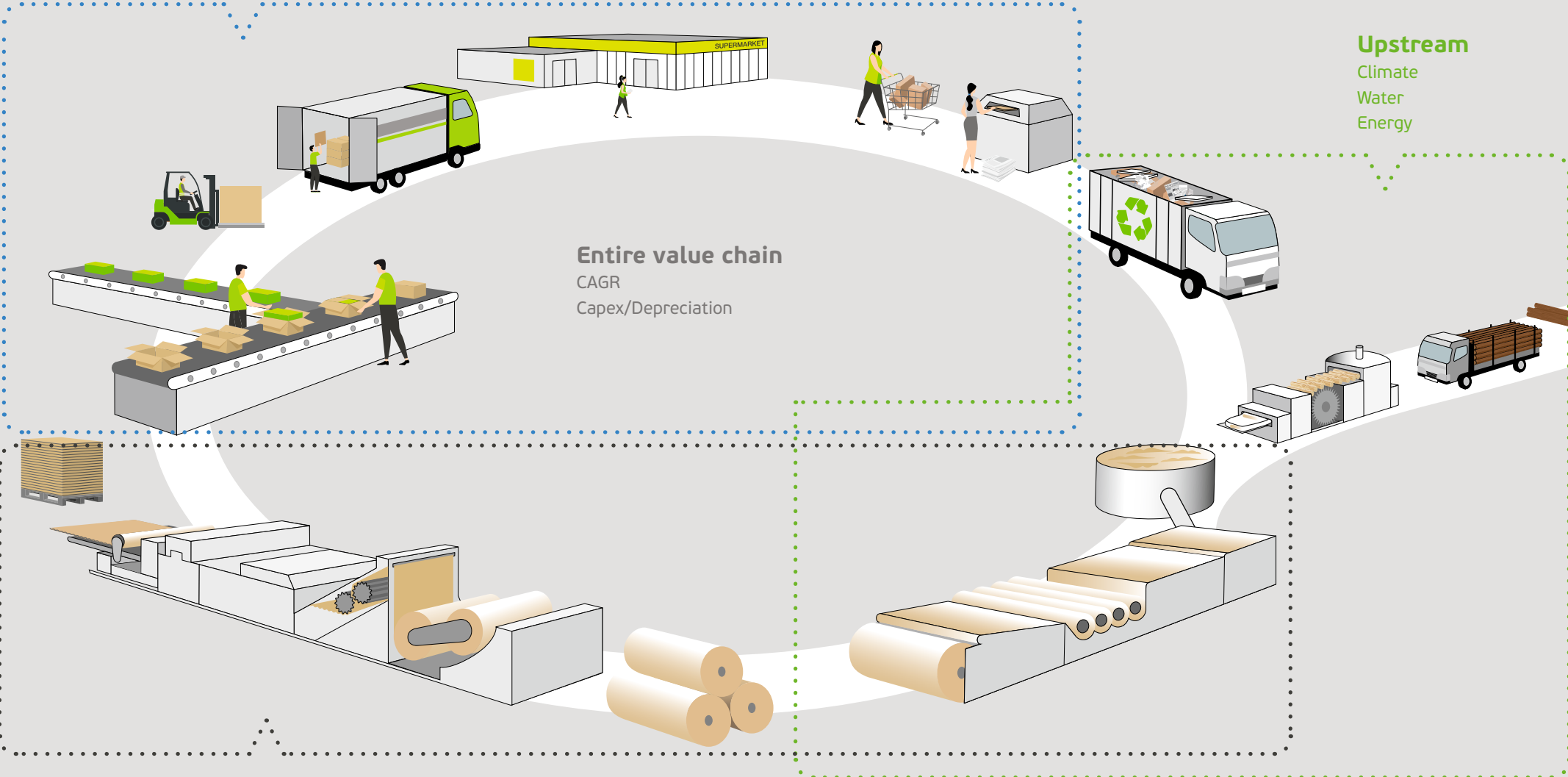
- Climate
- Water
- Energy










Entire value chain

- CAGR
- Capex/Depreciation

Own processes

- Climate, water, energy
- Employee well-being
- Health and safety
- Training and development



SDG		KPI
	3 GOOD HEALTH AND WELL-BEING	LTIR Hazard and near miss reporting
	4 QUALITY EDUCATION	Permanent contracts Employee engagement surveys
	17 PARTNERSHIPS FOR THE GOALS	Training hours
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ecovadis and Sedex
	6 CLEAN WATER AND SANITATION	Waste
	13 CLIMATE ACTION	BRC
	7 AFFORDABLE AND CLEAN ENERGY	Water intake
	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	CO ₂ emissions
	8 DECENT WORK AND ECONOMIC GROWTH	Energy efficiency
		Capex/Depreciation
		CAGR



3 GOOD HEALTH AND WELL-BEING

KPI

LTIR
Hazard and near miss reporting

Health and safety

The health and safety of all our employees and contractors is paramount. Safety risks can have a tremendous impact on our companies' operations, as our employees are our most valuable assets. If we provide a healthy and safe environment, this also helps enhance the company's overall performance. Therefore, we report and track work-related injuries via the lost time incident rate (LTIR). Our policy is to have zero accidents. Furthermore, a lot of situations or incidents can cause accidents with injuries, but are not shown in the LTIR. Therefore, we also put a big focus on the reporting of hazards, near misses and other leading indicators. The close out rate of these incidents is our measure to evaluate performance.



3 GOOD HEALTH AND WELL-BEING

KPI

Permanent contracts
Employee engagement surveys

Employee well-being

Our employees' mental well-being and satisfaction are seen as one of the key risks and opportunities of our business. If this is not fully managed, it can affect our employees' sense of belonging and sense of personal value. We have zero tolerance for incidents involving harassment and discrimination. We strive to create an open, diverse and trusting environment with satisfied and respected employees. As a management parameter, we report on the employee engagement surveys and initiatives carried out to evaluate and improve the happiness and motivation of all our employees.



4 QUALITY EDUCATION

KPI

Training hours

Training and development

A lack of skilled employees and individuals who are not fully educated can hamper our company's performance or create safety risks. It is also undesirable for the development of the employees themselves. We want to grasp the opportunity to attract and develop talent. The development of this talent provides a competitive differentiator and is essential for our company's future successes. Training and education empower our employees. More skills give people possibilities and flexibility. For VPK it translates into a more resilient organization. We actively develop training and development for entrepreneurial colleagues. We track this via the average amount of training hours.



17 PARTNERSHIPS FOR THE GOALS

KPI

Ecovadis and Sedex

Ethics and transparency

Supply chains have become increasingly complex with a multiplicity of actors. This increases the risks of limited transparency and unethical business practices. Without this transparency there can be no trust between us and our customers on the one hand, and our suppliers on the other. We have selected two well-respected platforms (Sedex and Ecovadis) to work with, so we can map our risks and create an overview for our customers and us. We create transparency and we reduce risks and build on opportunities for our direct and indirect suppliers. We track our performance via the amount of businesses that have subscribed to these platforms, and how well they manage it.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

KPI

Waste

Circularity

Linear economic models entail a risk for the finite amount of resources that are present on the planet. The basis of our circular model provides a good framework for moving away from this depletion of resources. The opportunity lies in greater resource efficiency and keeping all materials in the loop as long as possible. Overall, our impact on global resource depletion is relatively low. We track our performance via our waste figures.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

KPI

BRC

Product hygiene

Hygiene, and more specifically product hygiene, is crucial in our business, as our packaging is a logistics means to getting products to the end consumer. Insufficient protection of the end consumer is a key risk for our business and hence requires stringent controls. Via a GFSI-accredited food safety certification, we provide a credible guarantee to our food and non-food customers that our products will cause no harm to the consumer and that they are produced in a hygienic environment. We track our performance via the amount of sites we have certified, and their certification level.



6 CLEAN WATER AND SANITATION

KPI

Water intake

Water security

Water is needed to produce paper in our recycling facilities, to manufacture finished packaging, and also to grow trees, which provide the basis of our raw material. Therefore, the availability of water is crucial in order to continue our business. Overall, our impact on water availability on a basin level is quite low, but some of the basins we operate in are under water stress. Our performance is tracked via the water we withdraw from various bodies compared with the amount of products we sell.



13 CLIMATE ACTION

KPI

CO₂ emissions

Climate action

Changing climate poses a risk to our direct business, our customers, suppliers and, more broadly speaking, to the carrying capacity of the planet. It is expected to cause disruptions to society. If we build sufficient capabilities to manage these disruptions, it will also provide opportunities. Overall, our impact on climate change is relatively low, but our operations may be affected adversely by future climate change. We track our current performance by comparing our direct and indirect in-house emissions with the amount of products we sell.



7 AFFORDABLE AND CLEAN ENERGY

KPI

Energy efficiency

Energy security

Energy in the form of electricity and heat is needed to produce our paper and finally our packaging. Uncertain supply entails a key risk for our continuous operability. Overall, our energy needs are relatively low in comparison with the energy needs of the countries we operate in. We track our current performance by comparing our energy consumption with the amount of products we sell. Furthermore, increasing our self-generated energy is a strategic priority.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

KPI

Capex/Depreciation

Innovation

Lack of innovation constitutes a big risk, if markets evolve and consumer preferences shift. In the current legislative and policy-related climate, significant changes are underway to alter the way companies do business. VPK accelerates innovation to maintain its leading position in single-use plastics substitution projects. The performance of our innovative investment strategy is evaluated by dividing the value of investments by the depreciation of our current assets.



8 DECENT WORK AND ECONOMIC GROWTH

KPI

CAGR

Economic growth

Economic growth is crucial for increasing profits and financing new investments. The risk of lower economic growth entails slower investment capabilities and a slower transition towards sustainable business models. The CAGR evaluates our financial growth on a longer timescale to have a more robust image of the performance of an investment in volatile and uncertain markets.





How we put our strategy into practice

PART
2

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01. Health and safety*



3 GOOD HEALTH AND WELL-BEING

KPI

LTIR
Hazard and near miss reporting

The health and safety of our workforce is one of our top priorities. That is why we create a strong safety culture at all levels of our organization.

All co-workers, at all sites and in all positions, are responsible for achieving our safety goals. More specifically, all members of our hierarchy commit themselves to providing the required resources and ensuring clear information, instructions, training and supervision at all VPK facilities. In addition, we count on all managers and supervisors to promote safe behaviour among their team members and report any unsafe behaviour or unsafe situations.

We stress the importance of reporting all accidents and incidents throughout our organization in our safety management systems, so that we can evaluate our progress towards a safer working environment. We do so through the monitoring of various KPIs, on which we have focused for the past two years:

- Lost time injury rate (LTIR) should be below 10
- Close out rate of reported hazards and near misses should be above 85%
- Zero accidents at every site

Past reporting period

- In 2021, we met our LTIR target
- We also succeeded in reaching our target for hazards and near misses. The closed out rate increased significantly by 31%
- We observed a slight decrease in the number of hazards and near misses being reported and addressed

Outlook for the next few years

For 2022, we want to sharpen the target for the lost time incident rate to a value of 8 (top 25 percentile of the industry) and hazards and near miss close out rate to 90%. To continue our positive progress, our coordinated approach will focus on the following priorities:

- Implementation of the six steps for safety strategy
- Follow-up of the ten golden safety rules
- Group-wide safety audits
- In 2022, we will also organize IOSH training for leading safely and managing safety in the UK

*Further information about the data can be found in the annex to this report.





CASE

Health and safety

Creating a safe working environment by taking targeted actions and monitoring results

At VPK Group, we are all committed to continuously improving our overall safety performance. From senior management to shop floor personnel, everyone supports and participates in driving safety improvements. Our guiding principle is our 'Six steps for safety strategy'. This strategy outlines our safety requirements, and we have provided our sites with the tools to put these requirements into practice. Our safety performance monitoring clearly shows positive results in helping reduce the risks of accidents and ill health at all our sites.

Providing centralised access to safety guidance

To help support our sites with our 'Six steps for safety strategy', we have developed a safety and health

SharePoint where our employees can find all up-to-date safety guidance documents. "This information platform helps steer our sites' safety management in a positive direction," explains Richard Lancaster, VPK Group Health and Safety Manager.

For instance, based on these centralised tools, our sites were given the task of completing a workplace transport audit in order to identify good safety management practices, as well as opportunities for improvement. The audit revealed various safety gaps, which were subsequently addressed. "To give an example, our sites in Randers, Halden and Lomme have installed pedestrian walkways protected by barriers to keep our workers out of the traffic zones," illustrates Lancaster. ▶

“Through clear information, instructions, training and regular supervision, we ensure that our safety initiatives get anchored in our workers’ daily routines.”

Driving positive change through data

We monitor our safety performance to check whether our proactive efforts are helping us reduce the risks of accidents and ill health. In support of this strategy, we have introduced hazard and near-miss reporting across all our business units and sites. This includes monitoring **close-out rates**. Lancaster: “Our Group-wide close out rate surpassed our target of 85% - we finished the year with an average close out rate of 88%, which is a fantastic achievement.”

“We also created and released a **zero accidents app**,” adds Lancaster. “Our line managers have this app on their

smartphones, allowing them to instantly and easily report hazards and near misses.” This proactive work tool also speeds up the required follow-up improvement actions by sending tasks to the relevant members of management teams.

We also follow up on all incidents and accidents across all our business units using our **Queens incident reporting platform**. This platform enables the group to check and make sure that incidents and accidents have been properly investigated and closed out in a timely manner.

In the event of a lost time accident, the information is shared with all VPK sites, to raise awareness, to check whether this accident could also happen at their site and whether they have the right safety measures in place to reduce the risk of this accident occurring at their premises.

Our Lost Time Injury Rate (LTIR) has shown year on year improvements and we finished 2021 with a LTIR of 8,8 accidents per million exposure hours. “At several of our sites, such as VPK Roye and Aquila Września, they have already had more than 1.000 days without any accidents,” states Lancaster proudly. “This marvellous milestone is the result of everyone’s hard work. To continue this success, we need everyone’s support. Together we can create a working environment where everybody can work safely.”

Six steps for safety

VPK Group’s commitment to health and safety is firmly embedded in its ‘Six Steps for Safety Strategy’, which adheres to the core principles of the HSG65 Managing for Health and Safety guidelines.

The six steps cover the following key elements:

1. Create a safe working environment.
2. Have safe machinery and equipment.
3. Have a safety policy, safety action plans, risk assessments, safe working, training and supervision systems.
4. Complete regular safety inspections, monitoring and learning from incidents and accidents.
5. Complete safety audits and safety reviews at the sites.
6. Encourage the creation of safe workers and safe working.

“Through clear information, instructions, training and regular supervision, we ensure that our safety initiatives get anchored in our workers’ daily routines.”

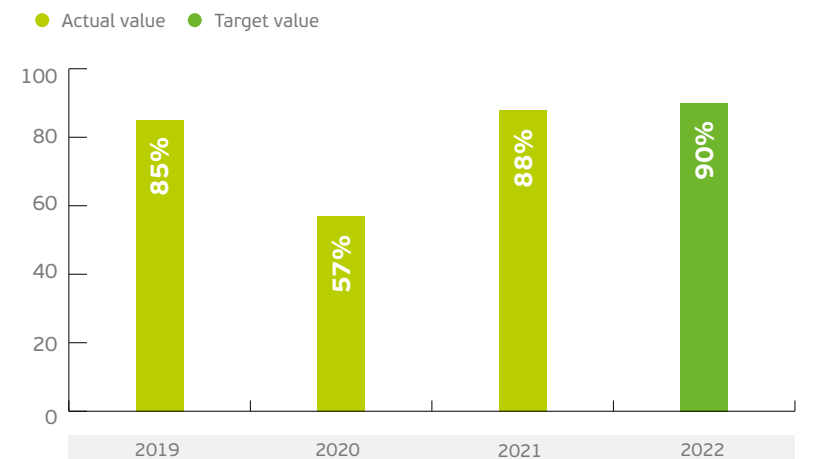
Richard Lancaster, VPK Group Health and Safety Manager



Lost time injury rate (LTIR)



Hazard and near miss close out rate



02. Employee wellbeing

The wellbeing of our employees is a vital ingredient for our business success. We are convinced that when our people feel appreciated for their work, they will go the extra mile for us and support our smart and sustainable growth ambition.

Therefore, we have implemented various policies to nurture the wellbeing of the entire VPK workforce on multiple levels, including:

- Long-term stable employment
- Fair and equal remuneration
- Dedicated talent management, personal development and learning perspectives

To measure the effectiveness of our initiatives, we follow up on our employees' wellbeing. This is done through informal talks in the car park, at the (coffee) machines and even at lunch. Additionally, we engage in more formal evaluations through toolbox talks and digital surveys. At least every five years, we conduct a vast survey, which probes into different aspects of employee wellbeing: work content, working conditions, working atmosphere, work organization and labour standards.

We have also defined a KPI to monitor our progress in employee wellbeing: we use the percentage of permanent contracts as an indicator for providing our people with stable and long-term employment. It is our goal to keep this figure as high as possible.

Past reporting period

- In 2021, we conducted 13 employee engagement surveys and thus fulfilled our target.

Outlook for the next few years

- The future of VPK is shaped by its people. Employee engagement is a key driver of performance. Therefore we have decided to increase our target for employee engagement surveys to 15 per year.



3 GOOD HEALTH AND WELL-BEING

KPI

Permanent contracts
Employee engagement surveys





CASE

Employee well-being

Growing the VPK family, through well-considered recruitment campaigns

One of the most important resources for capitalising on our growth ambitions is people. We need people who want to join us in building a circular economy and who are excited about lifting our company to a higher level. But finding those people poses a challenge in the current market conditions. VPK UK & Ireland HR Director Sonia Card explains what initiatives have been taken to introduce new members to the VPK family.

Sonia, what led to the need for a recruitment campaign in the UK & Ireland?

“COVID-19 accelerated the growth in online retail, which created a fantastic opportunity for a packaging manufacturer and supplier such as VPK Group. However, there is a flipside

to this trend, as there has been a massive disruption in the availability of resources. The combination of Brexit and COVID-19 created a perfect storm. Many people went back home to Europe and we lost a core group of people. On top of that, work opportunities and pay have improved in EU countries, so now people no longer feel the need to return to the UK.”

What efforts have you made to let VPK stand out as an attractive employer?

“First of all, we have reviewed our reward and recognition packages. More specifically, we have increased wages and revamped our retention bonuses and apprenticeship programmes. We have also continued to engage widely with the local communities surrounding our sites. ▶

For instance, we did not want to have our people at risk of not getting paid if they had to be off work due to contracting COVID-19. That is why we accelerated the implementation of contractual sick pay schemes at some of our sites where this wasn't already in place."

You also launched Open Job Days at several sites. How did you go about this and turn these events into a success?

"With labour very much in demand, we needed to think outside the box to establish how we could promote the business, build trust, and educate the local community about who we are and what we can offer. So, we formed an internal project team and sat down with some of our key stakeholders to work out a recruitment campaign built around Open Job Days.

The project team put together a comprehensive campaign to promote

VPK Group, and share information within the communities local to our sites. The campaign took VPK to the streets with a broad range of publications. To give an example, every property within a 15-mile radius of the Selby site received an introductory information leaflet, and a digital advertising van drove around the community advertising the Open Job Day. In addition, all social media channels had promoted content and the VPK UK careers page was overhauled to make the primary focus the Open Job Day.

We learned a lot from this event and we have copied the key success factors to organise Open Job Days at our other sites. For instance, we have continued to commence each event with a dedicated project team, comprising stakeholders that know the local area, and subject matter experts. We have also pushed for banners outside of the site, social media campaigns

and reinvigorated the 'employee refer a friend' scheme."

What can you tell us about the Open Job Days themselves? Were they a success?

"Understanding that not all applicants would have relevant experience, the day was designed to educate and inform applicants, before attending a strategically designed 'speed dating' type interview. This interview gave the applicants the opportunity to share their experiences and allowed us to select the right candidate for the right role.

The results speak for themselves. The Open Days at the Selby, Banbury, Desborough and Wellington sites attracted various applicants, and allowed us to fill the majority of our vacancies, create a pool of candidates for the future, and greatly increase the awareness of VPK as a local employer in the community."

The VPK UK & Ireland Open Job Days breakdown in numbers

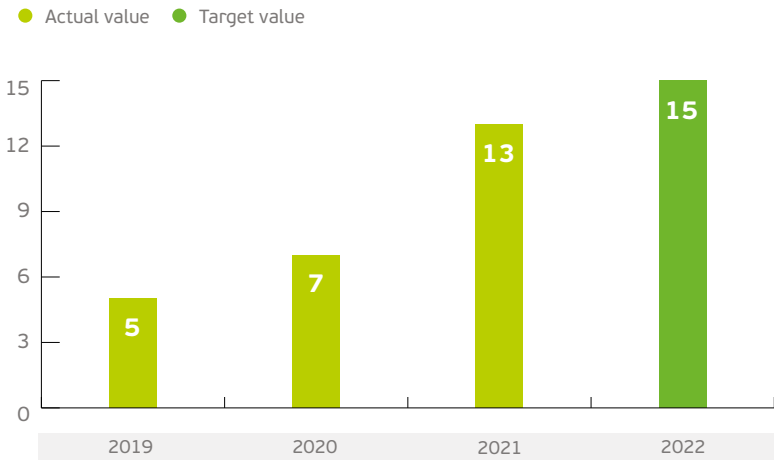
- Selby: 1 Open Day, 40 attendees, 25% of attendees received an offer.
- Banbury: 1 Open Day and 1 smaller recruitment day the week after, 50 attendees, 20% of attendees received an offer.
- Desborough: 1 Open Day, 19 attendees, 52% of attendees received an offer.
- Wellington: 1 Open Day, 108 attendees, 11% of attendees received an offer.

"With labour very much in demand, we needed to think outside the box to establish how we could promote the business, build trust, and educate the local community about who we are and what we can offer. So, we formed an internal project team and sat down with some of our key stakeholders to work out a recruitment campaign built around Open Job Days."

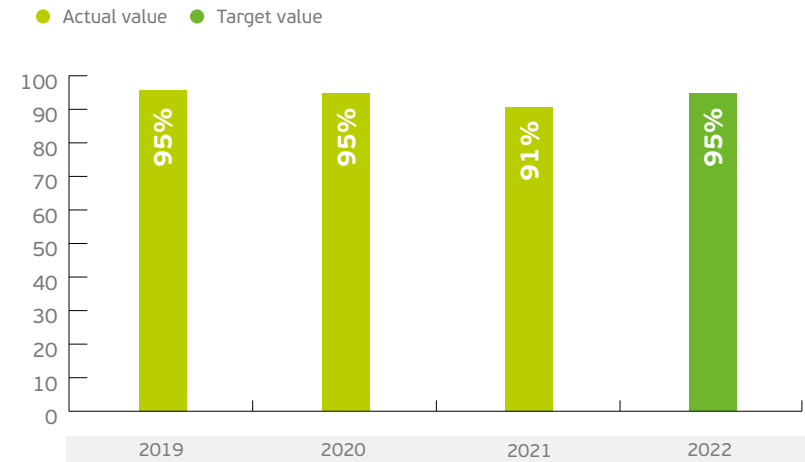
Sonia Card, VPK UK & Ireland HR Director



Number of employee engagement surveys conducted



Percentage of permanent contracts



03. Training and education

VPK's entrepreneurial spirit is in every fibre of our company. All around the world, our people are given full responsibility and trust to run our business as if it was their own. To live up to this commitment, we want to make sure all our colleagues have the appropriate competencies to fulfil that role.

That is why we continuously invest in learning and developing their skillsets and expertise, so that they can excel in their job and advance their career at VPK. We do this from the time they join VPK until they retire:

- We make sure people get the right training and support during their onboarding period to learn the skills needed for the function
- Every year, we identify the learning and development needs of our employees and develop a training calendar based on performance talks and talent management exercises
- We also invest in various safety training courses, to make sure everyone understands the different safety policies and rules

The training and development of our employees will enable us to excel as a

company and continue to differentiate ourselves positively from our competitors. Therefore, we are aiming to provide at least 20 hours of training per employee per year by the end of 2022.

Past reporting period

- In 2021, we averaged 16 training hours per employee. This is an increase of 30% when compared to the previous year.

Outlook for the next few years

To hold on to our ambition of 20 training hours per employee by 2022, we intend to:

- Increase our training intensity
- Improve the recording of training hours



KPI

Training hours





CASE

Training and education

Developing skills and talents, through both on- and off-the-job training programmes

Trust and ownership are two core values at VPK Group. It means that we have confidence in our people and that we do not shy away of giving them the responsibility to make decisions. We support them in this by providing training to sharpen their talents and skills, ranging from external leadership to on-the-job training programmes. Together with the HR managers in Belgium (Joke Reynaert) and Poland (Karolina Koniec-Krych), we discuss some of the training courses we organised in 2021.



CASE

Training and education

Taking responsibility and having the courage to make decisions requires leadership. How do we support our colleagues in developing and nurturing their leadership qualities?

Joke: “We organise various types of leadership training. For instance, in February 2021, 21 of our colleagues participated in a leadership training programme that was designed to empower employees. Every year, we also devote a great deal of attention to training supervisors who work in a production environment. Last year, 41 supervisors took part in our ‘Leadership for supervisors’ course.”

In Belgium, VPK Group also joined forces with Vlerick Business School to set up a ‘Future Leaders Programme’. What can you tell us about this initiative?

Joke: “In September 2021, 20 colleagues from various business units and different countries kicked off our first ‘Future Leaders

Programme’. The programme is one of the results of our talent management exercise, which revealed the need for succession planning. It prepares the participants to become VPK’s future leaders, teaching them how to think strategically, how to develop a vision and how to roll out a change programme. And, equally important, it gives them the chance to get to know each other and build a network across the various VPK business units.”

Four of our colleagues also obtained their Six Sigma green belt. What does that mean?

Joke: “Six Sigma is a renowned concept for all those involved in continuous improvement. Applying the Six Sigma methodology allows people to enhance business processes by reducing variations and the risk of errors in each process, which, in the end, results in significantly lower operational costs.”

“Apart from classical promotions, we also offer our colleagues the chance to apply for a different position within the Group. It is a great way to retain our talents and build loyalty.”

Joke Reynaert – HR Manager VPK Belgium – the Netherlands



The training that we organised aimed at achieving the green belt, which enables people to analyse and solve business problems. It focuses on collecting data, performance assessment, identifying and addressing bottlenecks, etc."

There are many career opportunities within VPK. How do we prepare our colleagues to switch jobs internally?

Joke: "Apart from classical promotions, we also offer our colleagues the chance to apply for a different position within the Group. Last year alone, no fewer than 22 employees took on new assignments within VPK Belgium. To break it down in numbers: five have changed from blue-collar to white-collar jobs, ten have switched department and seven took on new roles within their department. It is a great way to retain our talents and build loyalty."

Preparing people for a new job is the basic principle of our training courses. In Poland, we took things even further, training people before the factory was even operational. How did that work?

Karolina: "During the construction of the new factory in Brzeg, we came up with the idea of attracting new workers and thoroughly preparing them for their actual job in the new factory. Having trained personnel would enable us to have the new plant up and running right after commissioning. Hence, we put this idea into practice and for eight months we sent nine workers to our factory in Radomsko where they could learn the ropes."

What did they learn in Radomsko?

Karolina: "They learned how to operate the various machines in our production, including die-cutters, inliners and folder-

gluers. More specifically, they got to know the operating conditions and the machine's instructions. They also got to understand the production process in general, as well as the health and safety measures we adhere to in the workplace."

How did this intensive on-the-job training work out in the end?

Karolina: "Because of our training and working programme at the Radomsko factory, the workers became highly qualified operators of our machines. Some of them have even been promoted to the position of supervisor."

Because of their newly acquired skills, we already had one team ready to start up operations in the new Brzeg plant immediately. Moreover, they were able to pass on their knowledge to other new

employees. In this way, we quickly had a three-shift system in place, boosting the plant's productivity."

"Because of our training and working programme at the Radomsko factory, the workers became highly qualified operators of our machines. Some of them have even been promoted to the position of supervisor."

Karolina Koniec-Krych, HR Business Partner VPK & Aquila Poland



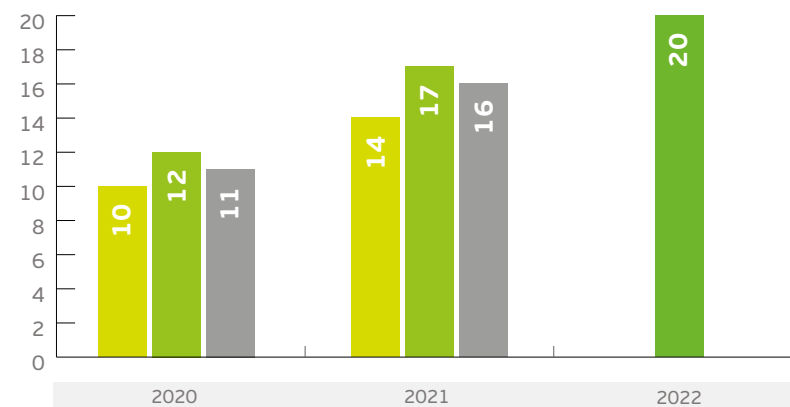


REPORT

Training and education

Hours of training per employee

● Female ● Male ● Average ● Target



04. Ethics and transparency



17 PARTNERSHIPS FOR THE GOALS

KPI

Ecovadis and Sedex

At VPK, we conduct our business in an ethical way, and we expect the same from all our direct and indirect suppliers. To reduce the risks in our value chain, we support our local managers and experts with coaching, group-wide policies and resources.

In order to share our commitment to ethical business practices with all our stakeholders, we work with two respected platforms:

- Sedex: one of the world's leading organizations helping businesses improve working conditions in global supply chains
- EcoVadis: the world's largest provider of business sustainability ratings

We evaluate our ethical performance based on the number of sites that have subscribed to these platforms and their scoring. More specifically, we have set ourselves the following targets for end of year 2022:

- Increase the number of countries participating in EcoVadis from seven to at least ten
- Achieve EcoVadis Gold status in every participating country

Past reporting period

- We are proud to report that increased efforts have resulted in 3 countries being awarded Ecovadis Gold status and 4 countries being awarded Ecovadis Silver status

Outlook for the next few years

- In 2022 we will target a total of six Gold status countries
- We expect two more countries to achieve Gold status in 2022. Our ambition for 2023 is to achieve Gold status in all participating countries





CASE

Ethics and transparency

Strengthening the sustainability of our supply chain by obtaining the EcoVadis Gold Medal in five countries

In our previous sustainability report, we communicated our ambition to integrate sustainability throughout our supply chain. To make this ambition tangible, we had set ourselves the objective of participating in the EcoVadis business sustainability rating platform with an increasing number of countries. Today, we are proud to announce that we obtained the EcoVadis Gold Medal in five countries, putting our local activities among the top five percent of the 90.000+ companies that have been evaluated by EcoVadis.

In the past reporting period, we achieved the EcoVadis Silver status as an overall average across the various countries participating in the EcoVadis business sustainability rating platform. In our continuous pursuit of improvement, we committed ourselves to adding five more countries to the platform and having the first countries achieve the Gold Medal status in 2021.



This past year, we were awarded the EcoVadis Gold Medal in three countries: Belgium, the Netherlands and Romania. In 2022, we already added France and Poland to the list. This achievement surpasses our initial ambition and is a more than gratifying recognition of our efforts.

Appreciation for our long-standing focus on quality

At VPK we have always been committed to quality. Proof of this endeavour is our long track record in quality certifications, including ISO 9001, ISO 14001 and BRC-IOP (AA grade). With EcoVadis, we have raised the bar on our commitment to quality, and more particularly sustainability. As the world's largest and most trusted provider of business sustainability ratings, EcoVadis has helped us translate and document our existing values and good practices regarding Labour and Human Rights, Ethics and

Sustainable Procurement more elaborately into our quality management systems. It challenged us in questioning our approach regarding the above-mentioned subjects, allowing us to upgrade the sustainability of our supply chain upstream and downstream.

Guarantee of sustainability for our stakeholders

The reason why we have entered the EcoVadis rating platform is to provide our stakeholders with the assurance that VPK is synonymous with a sustainable supply chain. For instance, obtaining the EcoVadis Gold Medal guarantees our customers that they can rely on us as a trusted partner in achieving their proper sustainability targets. In addition, it also provides our employees with proof of our continuous focus on their well-being, as Labour is one of the key evaluation factors embedded in the EcoVadis sustainability rating system.

Last but not least, EcoVadis also assures the outside world of our unwavering commitment to sustainability. The platform not only shows the areas in which we perform well, but also those in which we can still make progress. Moreover, we can use the platform to evaluate our partners throughout our supply chain. It provides us with the necessary tools to maintain and further develop the sustainability of our supply chain, today and in the future.

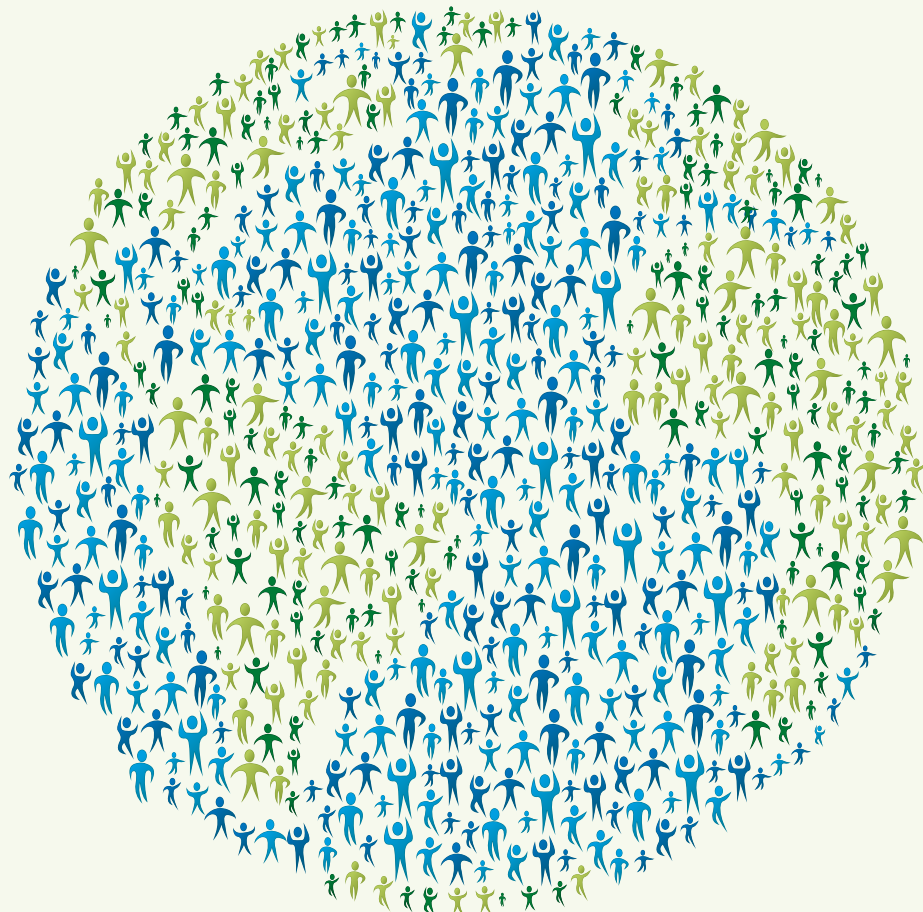
CASE

Ethics and transparency



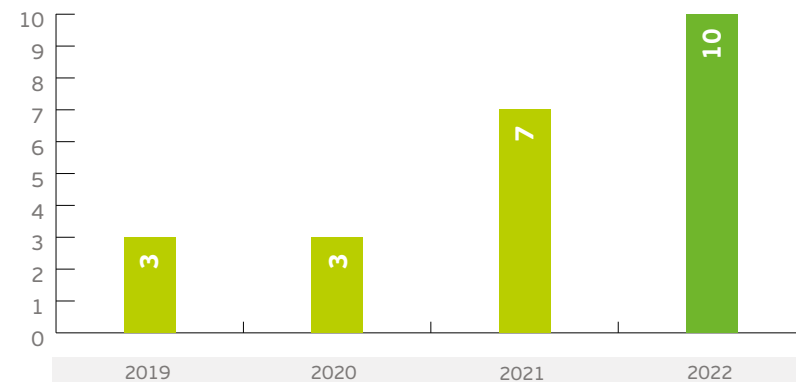
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Number of countries participating in EcoVadis

● Actual value ● Target value



05. Circularity



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

KPI

Waste

Packaging and more specifically packaging waste has become a huge challenge for the development of a more sustainable economy.

At VPK, we want to contribute to a better society by reducing the impact of our packaging as much as possible. We do this by:

- Working closely with our customers to avoid inefficiencies from the design stage onwards
- Making optimal use of our packaging materials, ensuring our packaging is fit-to-size
- Using recycled materials as much as possible and looking for renewable alternatives
- Collecting and recycling our customers' packaging waste.

Based on these efforts, we aim to reduce the amount of waste that is landfilled to less than 2,5% of our total waste by 2025. In addition, we want to avoid waste as far as possible, even if it is recyclable. Therefore, we want to keep our corrugated recyclable waste at the same level and even lower it.

Past reporting period

- In 2021, we significantly reduced our corrugated recyclable waste by reusing more
- In the same period, our landfill waste increased for a variety of reasons – one of the reasons is that we produced and sold more tonnes of paper, which causes a higher percentage

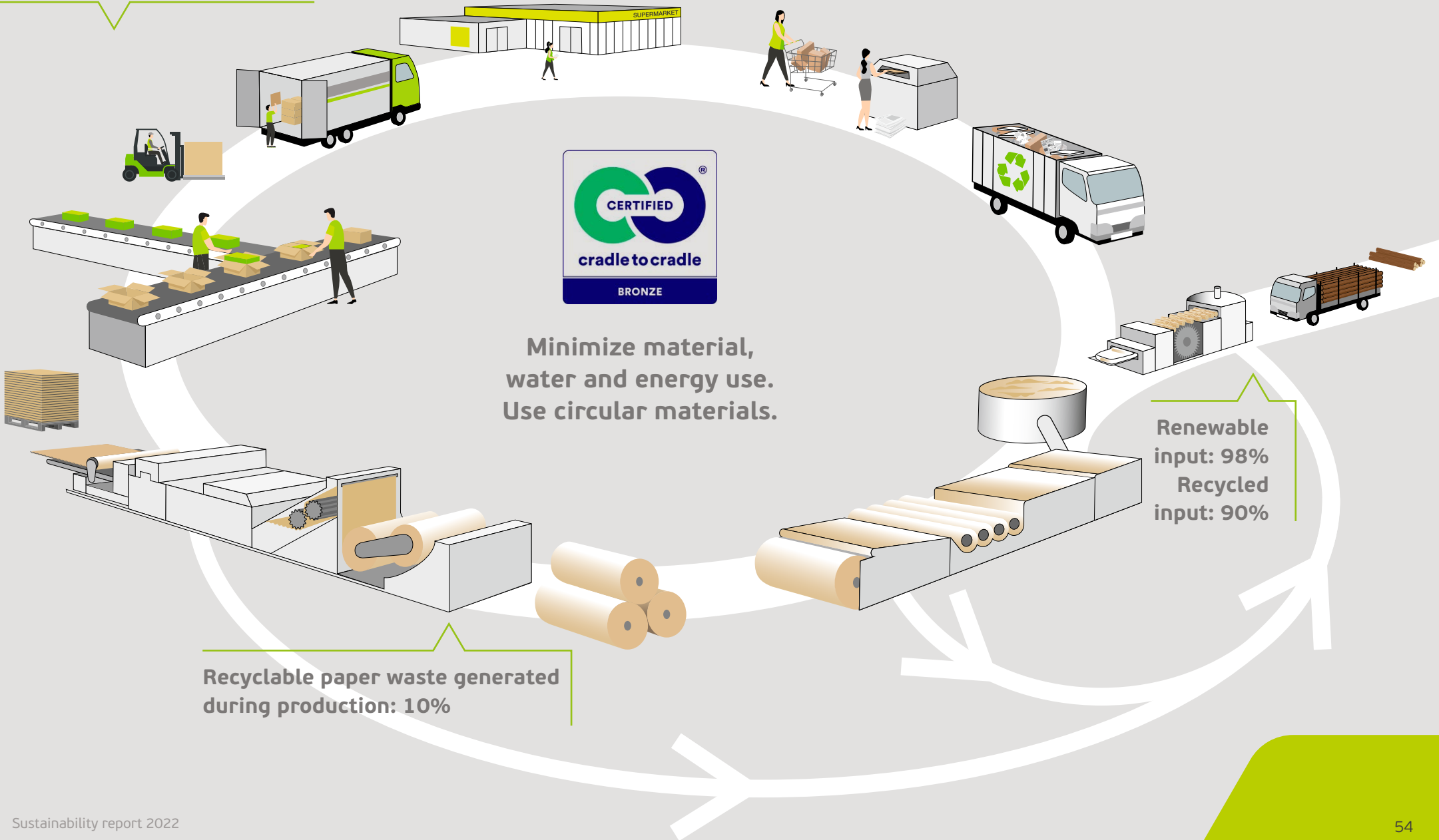
Outlook for the next few years

- New initiatives to incorporate current landfill waste into biomass installations will bring the percentage down to the target of 2,41% faster than planned. We have already started additional projects to reduce landfill waste from the largest producers within our group.
- By increasing the focus on the management of its waste streams, the corrugated board division has achieved a tremendous improvement in its results over the past 2 years. We are now approaching the long-term target of 10% recyclable waste.



Sustainable and circular

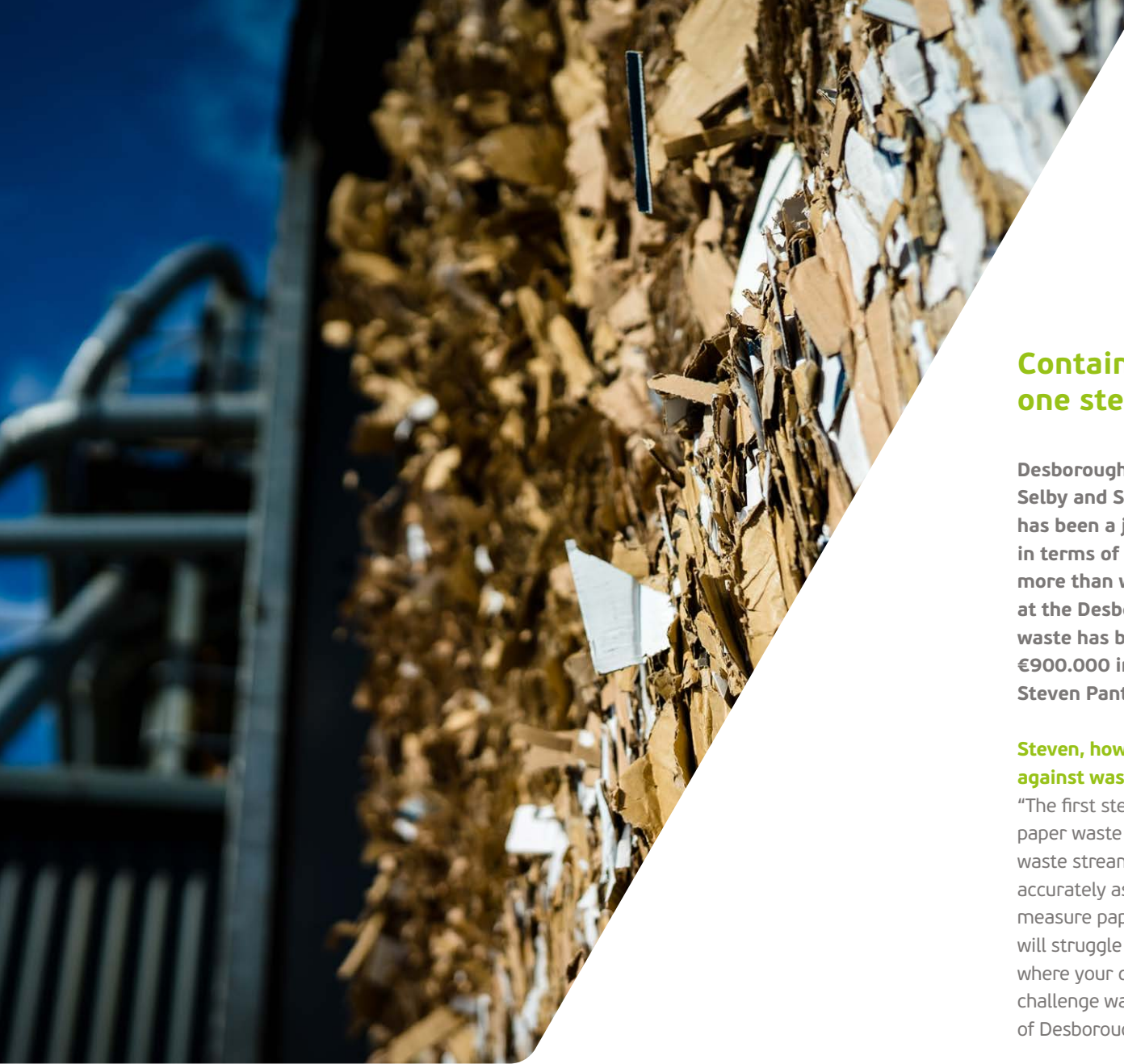
Recyclable corrugated waste generated during production: 14%



Minimize material, water and energy use. Use circular materials.

Renewable input: 98%
Recycled input: 90%

Recyclable paper waste generated during production: 10%



CASE
Circularity

**Containing waste streams,
one step at a time**

Desborough is one of four pioneers within VPK Group, together with Aalst, Selby and Salonta, to start measuring their waste streams. Since then, it has been a journey that has seen them constantly challenging themselves in terms of how they manage their waste. The results, however, make it more than worthwhile. Since 2018, the total amount of waste generated at the Desborough site has dropped by 2,5% (to 15%) and the controllable waste has been reduced by 2,39% (to 8,48%). This has resulted in more than €900.000 in savings. Desborough waste champion, Compliance Co-ordinator Steven Panter, explains how this success came about.

Steven, how do you start the war against waste?

“The first step to gaining control of paper waste is to measure the various waste streams effectively, and as accurately as possible. If you just measure paper in and boxes out, you will struggle to get to the root cause of where your challenges are. So, our first challenge was to sense check every one of Desborough’s waste streams.

This in itself was already a tremendous challenge, as paper waste is very much like an iceberg: you only tend to see the part that sticks out, whilst most of the waste is harder to see from the surface. For instance, corrugator, conversion and overproduction waste are easy to spot, whereas customer returns, obsolete stocks and the part where overproduction is created are not that visible.”



▼
How did you manage to gain a detailed insight into all the site's waste streams?

"We have waste measurement systems in place at Desborough. However, in order to keep track of the less visible waste streams too, we needed to check every parameter of our measurement systems. In this quest for accuracy, we are lucky to rely on the valued support of UK Operations Manager Jon Jinks, Desborough Operations Manager Paul Johnson, and the site's departmental managers."

What was the next step in the waste containment programme?

"Once we had the measurement disciplines in place, we came to the hardest part of the programme: reducing the waste. This has

become part of an ever-evolving process of fine-tuning the whole waste management process, challenging the production methods and overall site processes... and doing it all again."

Will we ever achieve zero waste?

"We will never tell you that we have completely mastered our waste streams, but our expertise is growing steadily and the team is still very passionate about the challenge. It's not an easy task to accurately measure, manage and ultimately reduce paper waste. It takes top-down and bottom-up support, drive and a focused team. And we are lucky enough to have all that. We talk about waste every day at our production meetings and we publish our wins and losses

on our information boards. In this way, we try to engage as many people as possible in a culture change.

In addition, we monitor and measure our waste streams continuously. We even do 'waste walks' with open eyes to track down any new waste reduction opportunities on site. And when anyone has an idea, we add it to the planning, so that we are sure to follow up on it.

If everyone is on board, then we can continue to shave off another percentage, one step at a time. And we are all eager to see where this journey can bring us."

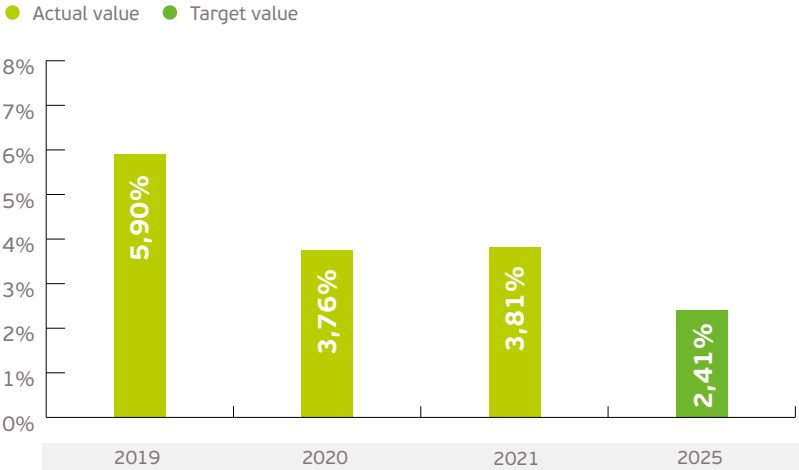


"Once we had the measurement disciplines in place, we came to the hardest part of the programme: reducing the waste. This has become part of an ever-evolving process of fine-tuning, challenging... and doing it all again."

Steven Panter, Compliance Co-ordinator



Percentage of total waste that is landfilled



Tonnes of recyclable waste per tonne of corrugated board sold



06. Product hygiene

Many of our packaging solutions are widely used in the food and feed market and will therefore come into direct and indirect contact with perishable goods. To ensure food safety and product integrity, we make sure our products are manufactured in a clean and hygienic environment. We have appointed local food safety specialists who are responsible for the implementation and follow-up of the BRCGS management system, a GFSI-accredited international benchmark for good manufacturing practice, which reassures customers that our products are safe, legal and of high quality.

We evaluate our performance based on the number of sites that are BRCGS certified and their scoring. More specifically, we aim to have 65% of our sites supplying to the food and food processing market to be BRCGS certified by 2023, thus ensuring broad geographical coverage for our food portfolio. We evaluate our approach to food safety continuously and review our target and progress on a yearly basis.

Past reporting period

- In 2021, the number of certified sites remained the same

Outlook for the next few years

- In 2022, we want to add two more sites in regions with a large number of possible food customers



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

KPI

BRC





CASE

Product hygiene

Halden site achieves grade B BRCGS certification, bolstering trust in the quality and food safety of our products

BRCGS

Packaging Materials

CERTIFICATED

As many of our corrugated packaging ranges are used in the food industry, a clean and hygienic production environment is essential. Through the BRCGS management system, we ensure our customers that our packaging products are of high quality and that they comply with the industry's most stringent food safety standards. In 2021, our production site in Halden, Norway, achieved its first grade B BRCGS certification. Halden's Plant Manager Per Anders Johansen explains what this means.

Last year, the VPK Nordic site in Halden achieved grade B BRCGS certificate. What does BRCGS stand for?

"BRCGS stands for Brand Reputation through Compliance Global Standards. It is a certification standard that includes product safety, food safety and product quality. Or more specifically food safety related to packaging purposes in our case."

What was the main motivation to achieve BRCGS certification at VPK Halden?

“Even before the site was completed, we already had the ambition to become BRCGS certified. Hence, the plant’s layout was designed with BRCGS certification in mind, which made it easier for us to implement it.

The reason why we absolutely wanted BRCGS certification is because most of the packaging we produce here in Halden is delivered to the food industry. Consequently, excellent hygiene and food safety are of utmost importance to us.

Implementing BRCGS puts us in perfect control of our processes. It enables us to act proactively through good routines, while reducing the number of questions and concerns from customers. In other words, it helps us ensure customer satisfaction.”

What is the significance of the certification for the customer?

“First and foremost, it gives our customers the reassurance that our products meet stringent quality and safety requirements. Because BRCGS is a widely renowned certification standard, our customers know in advance which guidelines and rules we follow. It provides them with evidence that our production processes live up to a high standard and that they can trust the quality and food safety of our products. This is an addition to our ISO certification.”

Now that you mention ISO, if the site is already ISO certified, why is it so important to become BRCGS certified too?

“ISO is the International Organization for Standardization. It is better known here in Norway than BRCGS, and we have been ISO certified for many years already. However, BRCGS is more specific. Simply put: ISO

contains guidelines, BRCGS contains rules. While ISO 9001 and ISO 14001 cover quality and the external environment respectively, BRCGS puts even more emphasis on hygiene and product safety.”

Have any other VPK Nordic sites achieved BRCGS certification?

“Halden is the third VPK Nordic plant to get BRCGS certified. VPK sites in Norrköping, Sweden and Randers, Denmark have already been using BRCGS for quite some time now.”

How does the process work, and when were you audited?

“Actually, we have been working towards certification since the end of 2020 but, due to COVID restrictions, there have been a few delays. Finally, the BRCGS audit took place from 30 November to 2 December 2021. The audit report was very positive and identified some improvement actions.

We were given four weeks to tackle these improvement actions, but we were able to address all of them by 21 December 2021. After having supplied the evidence of our actions, we passed the BRCGS audit with grade B and received the certification two days later, on 23 December 2021. It was the perfect Christmas present.”

Who contributed to achieving this grade B BRCGS certification?

“Practically everyone! BRCGS involves most of our departments, ranging from operators and maintenance workers to HR, sales, product development and so on.

We also got great assistance from the quality team over at Norrköping. They provided useful tips and advice on how to get through the first BRCGS audit.

In short, this certification is the result of great VPK teamwork.”

“Because BRCGS is a widely renowned certification standard, our customers know in advance which guidelines and rules we follow. It provides them with evidence that our production processes live up to a high standard and that they can trust the quality and food safety of our products.”

Per Anders Johansen, Plant Manager at VPK Halden





REPORT
Product hygiene

Share of certified packaging sites



07. Water Intake



6 CLEAN WATER AND SANITATION

KPI

Water intake

Our production processes require a lot of water. However, water is a scarce resource, and as a sustainable company, we do not want our intensive water consumption to impact the water needs of other stakeholders.

Therefore, we are committed to keeping our water footprint as low as possible. In concrete terms, we take the water stress of different regions into account, based on a global water stress evaluation (WRI Aqueduct), and the water intensity of our operations in a risk-based approach. Based on this, we prioritize the water management goals and objectives relevant to our organization.

To control our water impact, we have implemented environmental management systems and, where necessary, water treatment facilities. Environmental managers and process technologists are responsible for using as little water as possible.

More specifically, our goals are to:

- Protect existing water bodies in accordance with the stand-still principle and thus prevent long-term deterioration
- Positively affect neighbouring water bodies that have been impacted by historical overconsumption
- Use water according to the following hierarchy: rainwater > surface water > ground water > city water

- Promote water stewardship among our key suppliers, customers and other stakeholders in our value chain
- Reduce the impact of discharged water from our operations to zero

In concrete terms, we aim to reduce the net water intake of our paper mills to less than 6 m³/ton by 2025. This is a 9% decrease when compared to the reference year 2019, and is well below the industry average. We evaluate our performance each year to see if we are on track to achieve this target.

Past reporting period

- Thanks to operational improvements, we have significantly reduced the water consumption per tonne of goods sold at our paper mills

Outlook for the next few years

- We aim to further reduce the net water intake of our paper mills by continuing to implement operational improvements and increase management attention





CASE

Water intake

Reducing our water footprint, by making maximum use of rainwater

The production processes at VPK Group are water-intensive. For reference, all our facilities combined consume almost 7 million m³ of water per year. It is our intention to considerably reduce our water footprint, not only by limiting our net water intake, but also by making maximum use of rainwater and, thus, limit the impact of our water needs on our direct environment. A good example of this is the buffer tank in Erembodegem, Belgium in which rainwater is collected and stored for use on site.

The Erembodegem site collects all the water from the roofs on the site and stores it in one large buffer tank, which is installed under one of the site's machines. This tank can store up to 364 m³ of water.

Ensuring sufficient water supply, intelligently

"The aim is to use the water in this tank for various purposes on our site," explains Robin De Pauw, Maintenance Manager at VPK Erembodegem. To make this possible, the tank must be able to meet the water needs of the

various processes at any time, even in periods of drought or low rainfall. Therefore, a system has been built in that automatically tops up the tank with city water if the water level drops below 15% of the total volume.

"In addition, we installed two pumps in the tank. If one should fail, the other will take over. In this way, we avoid the water supply to the connected consumers stopping, and the water being lost through the sewage system," adds De Pauw.



CASE

Water intake

▼ Supplying water to various on-site consumers

An extensive piping network ensures that the tank can supply water to various consumers on site.

► Production of steam in the steam boiler (17 bar)

The Erembodegem site is equipped with a steam boiler that produces energy by turning water into steam. The water used in this process is supplied by the 364m³ buffer tank. To make sure the water quality is in tune with the boiler's requirements, the water first passes through a softener and de-aerator. Once the water is converted into steam, the steam is used to heat the flute rolls on the corrugator and to feed the dryer of our flexographic printing press.

► Production of starch glue

The glue, needed for the on-site corrugator, is a mixture of starch, NaOH and water. The water needed in this process is supplied by the buffer tank.

► Cleaning of the corrugator

The outgoing pipelines of the buffer tank are connected to multiple water hoses that are used to clean the corrugator and, more specifically, the flute rolls.

► Cleaning of the conversion machines

The buffer tank also supplies water to all the conversion machines, so that the operator can clean the machine or the stereotypes.

Monitoring the buffer tank's water flows

An important prerequisite for keeping control of our water consumption is measuring. That is why we closely monitor the water flowing in and out of the tank. "We have installed meters on the pipe supplying city water and the pipe transporting the tank water to the various on-site consumers," states De Pauw. "This shows that the tank supplies on average some 16.000 m³ of water per year, of which just over 60% is rainwater. In other words, each year, we save 10.500 m³ of city water, which is equivalent to more than four Olympic swimming pools."

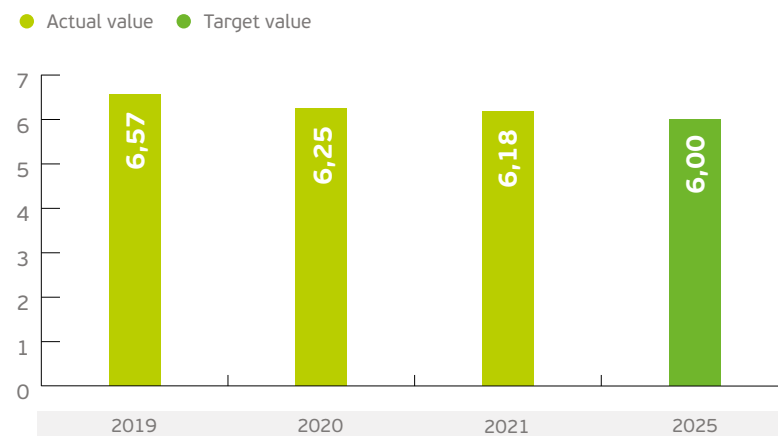
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Robin De Pauw, Maintenance Manager, VPK Erembodegem





Water intake intensity of water intensive operations in m³ per tonne (paper mills)



08. Climate and carbon emissions management

Like any manufacturing company, our activities also have an environmental footprint. To mitigate the climate impact of our operations, we apply a dedicated management approach.

To reduce our Scope 1 and Scope 2 emissions, we invest in carbon-neutral energy solutions. We also run specific programmes to address our Scope 3 emissions, which are mainly attributed to the impact of our materials and our transport. That is why we evaluate our packaging solutions, run waste reduction programmes and consider the impact of our sourced materials. Regarding transport, we launch initiatives to optimize the distances our vehicles have to cover, encourage our transport partner to adopt renewable fuels and investigate alternative modes of transportation.

Together with the motivated support of our sourcing managers, waste managers, logistics managers and material managers, we are fully committed to improving our CO₂ emissions. Our goal is to become carbon neutral by 2050. To achieve this, we have set ourselves the ambitious target of reducing the Scope 1 emissions of our energy-intensive operations by 16.700 tonnes by 2025. Compared to reference year 2005, this will reduce our emission intensity by 24%.

Currently, we have achieved a 20% reduction in our Scope 1 CO₂ emissions, and we will continue to monitor our progress on an annual basis.

Past reporting period

- In 2021, we have achieved a reduction in our absolute Scope 1 CO₂ emissions for the most intensive production sites (ETS sites representing more than 80% of all our CO₂ emissions). This brings us closer to our target
- We also emitted less CO₂ per tonne of paper sold by the paper mills

Outlook for the next few years

- Several fuel switch projects have been initiated, but they still need to be scaled up to provide measurable results
- We continue to study and implement the installation of solar panels, biofuel boilers and other alternative fuel solutions
- We will roll out a route planning system and a 3D load building system for transport to our customers and increase the volume per load

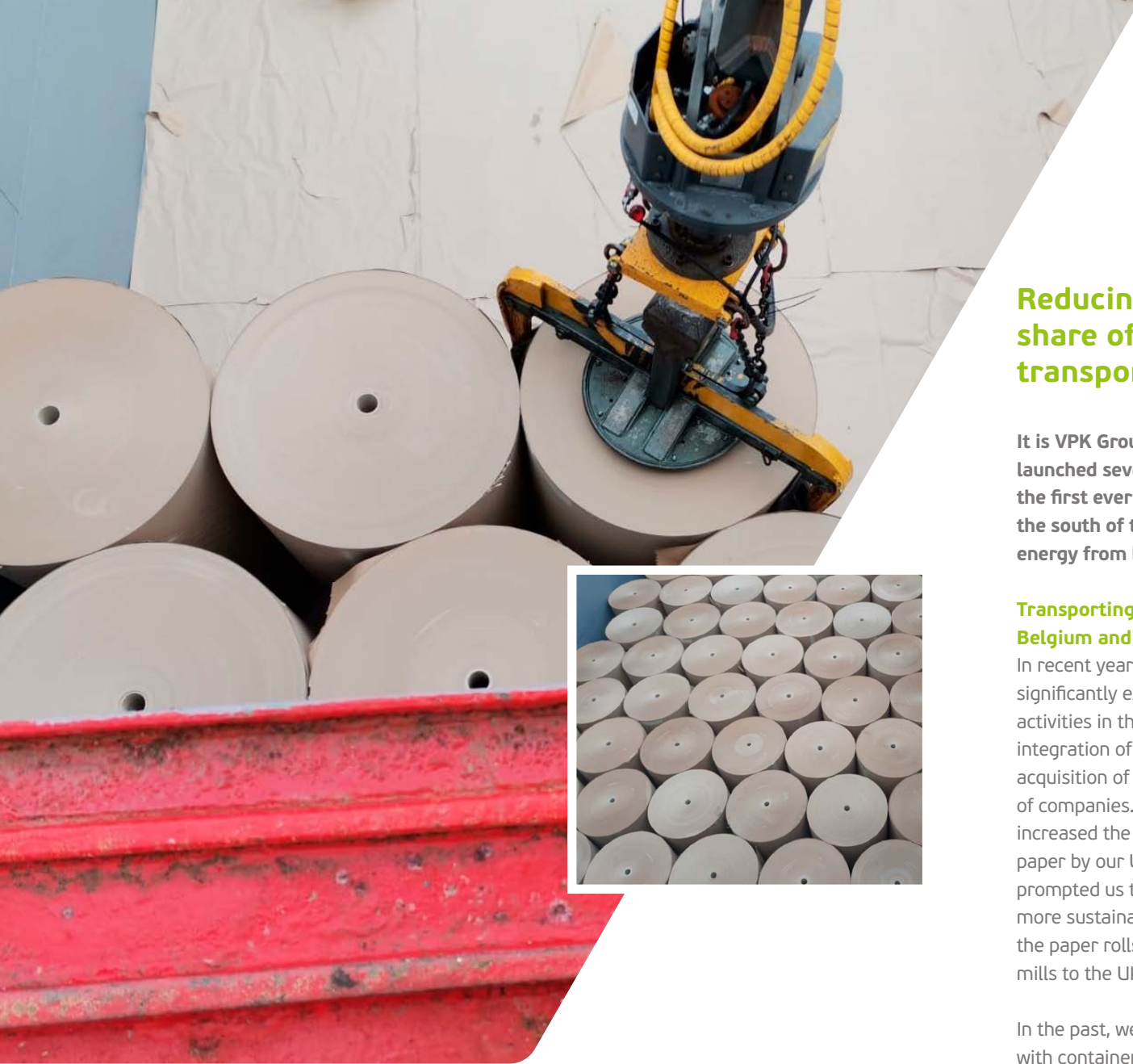


13 CLIMATE ACTION

KPI

CO₂ emissions





CASE

Climate and carbon emissions management

Reducing carbon emissions, by increasing the share of green energy and shifting to water transport

It is VPK Group's objective to become carbon neutral by 2050. In 2021, we launched several initiatives to bring us closer to this ultimate goal. For example, the first ever 100% VPK paper break-bulk vessel shipped 630 rolls of paper to the south of the UK, and our plants in Strasbourg and Pori are now getting more energy from biofuels.

Transporting paper by ship between Belgium and southern UK

In recent years, VPK Group has significantly expanded its packaging activities in the UK through the integration of CorrBoard and the acquisition of the Encase group of companies. This expansion has increased the consumption of recycled paper by our UK operations and this has prompted us to look for alternative and more sustainable ways of transporting the paper rolls from our Belgian paper mills to the UK.

In the past, we already experimented with container transport by water to the UK. Now, the time has come to

take things further. Early in 2022, we launched our first 100% dedicated VPK Paper break-bulk vessel. The vessel transported approximately 1.700 tonnes of paper from Terneuzen (Netherlands) to Northfleet (UK), where the paper rolls were unloaded with a crane and stored in a warehouse awaiting further transportation to the appropriate UK sites.

The switch to break-bulk vessels is currently set up only for our southern UK plants in Banbury, Wellington and Desborough. Each year, these sites are supplied with 20.000 tonnes of paper from the VPK site in Oudegem, Belgium.



Gradually shipping all 20.000 tonnes through break-bulk vessels, could help us save 131 tonnes of carbon emissions per year, as water transport generates 32% fewer emissions than road transport (6.550 g in carbon emission savings per tonne of paper).

Once these transports with the break-bulk vessels run smoothly, we will investigate the possibility of setting up a line to the northern UK plants in Selby and CorrBoard in Scunthorpe as well. This would allow us to transport 60.000 tonnes by water and save up to 393 tonnes of CO₂.

Boosting on-site biogas production at the Blue Paper site

To limit the carbon footprint of our energy consumption, several VPK sites produce their own energy. The Blue Paper site in

Strasbourg, for example, is equipped with anaerobic digesters that convert the organic material in the site's wastewater into biogas that has about 75% of the energy content of natural gas.

Due to the recent expansion in Blue Paper's production capacity, the organic load in the process water had increased as well. In order to remain compliant with the prevailing discharge norms, additional purification capacity had to be added. For this reason, a second bioreactor was added. This investment increased the on-site production of biogas from 500 m³ per hour up to 800 m³ per hour. With this amount of biogas, the site's biogas motor and connected generator are now fully loaded and able to generate 1,8 MWe per hour, which corresponds to the electricity consumption of about

4.000 households. In addition, the motor's flue gases are recovered and converted into 8.000 tonnes of steam per year, the equivalent of the heating consumption of 500 households. The remaining biogas is used to generate steam through one of the gas boilers.

Thanks to this investment project, the Blue Paper site now saves about 10.000 tonnes of carbon emissions per year, which corresponds with the annual emissions of 5.000 cars.

Fuelling the Corex Pori production processes with 100% green steam

The Corex board mill in Pori, Finland, is one step closer to achieving carbon-neutral production. The local site is supplied with steam from the nearby Pori Energia Oy's

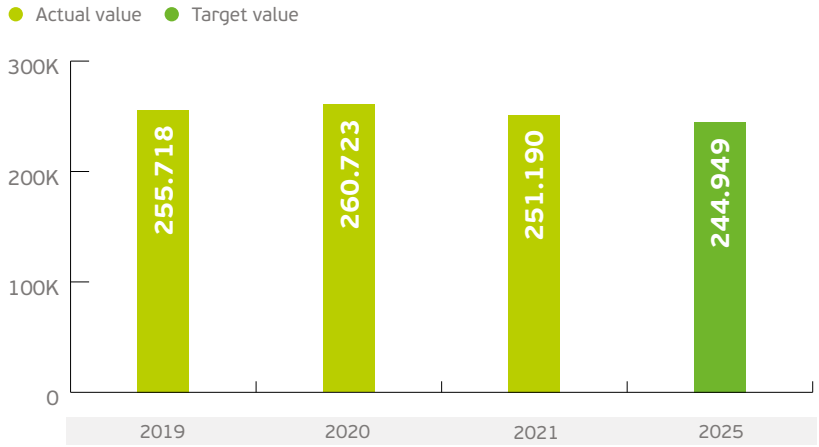
Aittaluoto power plant, which recently installed a new 100% biomass-fuelled boiler that turns forest industry by-products, such as sawdust and bark, into steam. On top of that, the energy is produced using the best available techniques. This includes a flue gas condenser that recovers a larger portion of the energy contained in the biofuel, increasing the power plant's overall energy efficiency. Hence, the system reduces the plant's fuel requirements by nearly 1.000 truckloads per year.

All these investments are part of Pori Energia's bigger plan to become 100% carbon-neutral by the year 2023. This makes the Aittaluoto power plant a perfect fit for our cardboard recycling business.

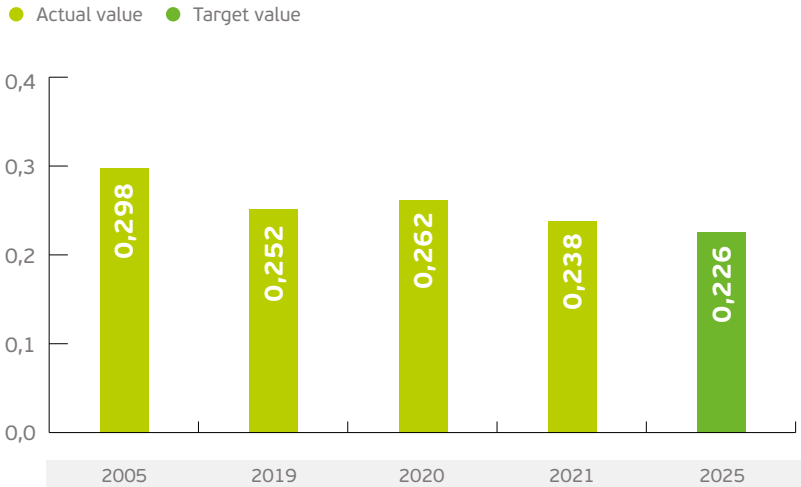
CASE

Climate and carbon emissions management

Absolute Scope 1 CO₂ emissions of energy-intensive operations in tonnes (paper mills)



Scope 1 emission intensity in tonnes of CO₂ per tonne of paper sold (of paper mills operations)



09. Energy



7 AFFORDABLE AND CLEAN ENERGY

KPI

Energy efficiency

Energy production and consumption weigh heavily on our environment, especially, considering the use of fossil fuels during production and the emission of greenhouse gases that goes with it. In addition, lots of energy is still wasted before and during use.

VPK has committed itself to reducing its energy consumption and stepping up the clean energy transition. To put this commitment into practice, we abide by a three-pillar energy policy:

- 1. Use less:** Sustainable energy use means avoiding unnecessary energy use. That is why we invest in energy-efficient process technology, LED lighting, insulation, high-efficiency engines, etc. We ensure our relentless focus on energy efficiency by participating in the Flemish energy agreement, ISO certification, national energy agreements, etc.
- 2. Use to the fullest:** We aim to achieve the most efficient conversion of primary energy into steam or electricity. This is accomplished through the optimal configuration of our installations, cogeneration and different forms of energy recovery.
- 3. Use renewables:** We are gradually implementing alternative and renewable energy resources such as solar power, biomass, biogas, etc.

With the support of our central and local energy managers, we intend to put this policy into practice and thus reduce our energy intensity per product category by 1.5% by 2025. Every year, we evaluate our progress in this area.

Past reporting period

- In our corrugated board facilities, we were able to reduce our energy intensity through a number of energy-saving projects
- In 2021, our paper production facilities have managed to use more green fuel instead of fossil fuel and have also purchased more green electricity

Outlook for the next few years

- We envision more energy-saving projects to further reduce our energy consumption for both our paper and our corrugated board activities





Moving forward in the clean energy transition, through increased insulation and the installation of solar panels

VPK Group's energy policy is built on three pillars: cutting down on our energy use, getting the most out of the energy that we do use, and increasing the share of renewable energy in our overall energy consumption. We always keep these three pillars in mind during any structural work at our sites.

Our factory in Raamsdonksveer, the Netherlands, is one of the legacy sites within VPK Group. The building was built in 1993 and has been in use since 1994. This rich history gradually left its mark, with the result that in some places the roofs were suffering from leaks.

▼

Refurbishing the roofs at Raamsdonksveer

At the beginning of 2021, the idea therefore arose to renew the oldest roofs at our Dutch site, and this quickly led to even more renovation ideas. "We did not want to just patch up the roofs by putting a new top layer on the degraded roofing. The first thing that came to mind was to increase the insulation value of the roofs. And from that emerged the idea of installing solar panels on the refurbished roofs," recalls Alain Raeman, Project Engineer at VPK Group.

These plans were picked up and thoroughly studied for their feasibility. After all, solar panels impose an additional load on the roof, so we had to establish whether the current construction could bear this additional weight. "After a comprehensive analysis, we decided to reinforce approximately 6.000 m² of the total roof area of 10.100 m² with additional supports," explains Raeman.

Reducing gas consumption by up to 60 MWh

"During the renovation works, we also added extra insulation to the roofs," Raeman continues. "More specifically, we improved the insulation value of the roofs by 0,23W/m²K by adding a layer of 70 mm of PIR."

Thanks to the insulation upgrade, the Raamsdonksveer site consumes 58 MWh less gas per year.

Saving 1200 MWh of electricity per year

Regarding the solar park, a feasibility study showed that we could install a total of 2.700 solar panels, each of 450 Wp. This amounts to a total capacity of 1200 kWp, which corresponds to the production of 1.200 MWh per year. "Our plan is to use about 80% of the generated solar power on site. The remaining 20% will be injected into the public electricity network.

Consequently, on a total consumption of about 8.400 MWh for the entire site, we will have to buy 12% less electricity after the installation of the solar panels," says Raeman. "A fine saving, which will repay the installation in 6 years. That, and the fact that we are thus ensuring our facilities contribute to a lower carbon footprint, make this project more than worthwhile."

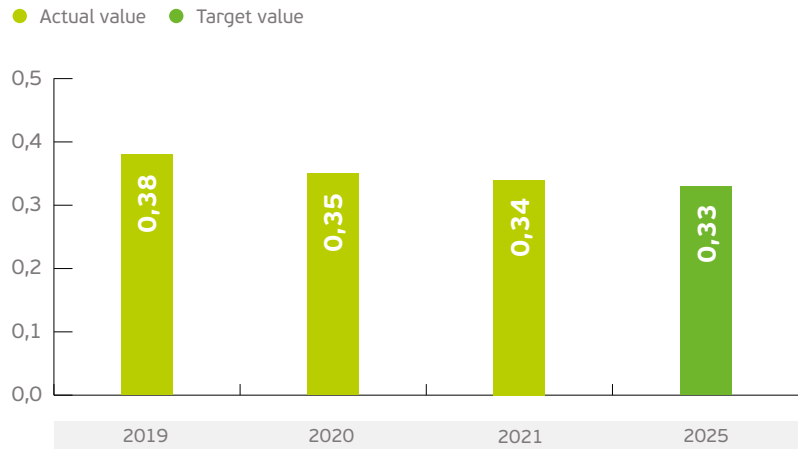


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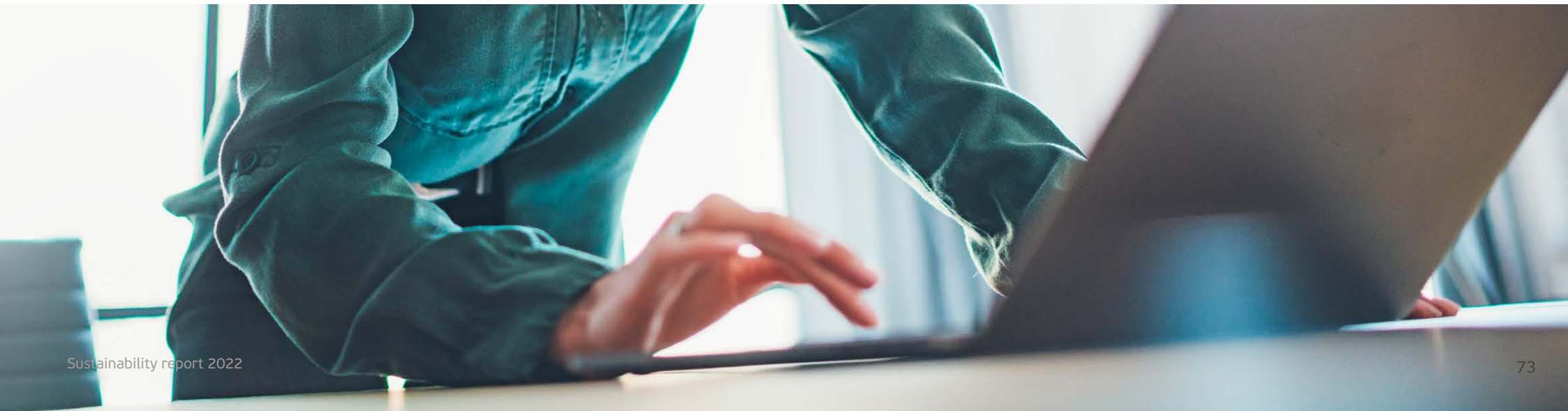
Alain Raeman, Project Engineer at VPK Group



Energy intensity of corrugated production in MWh per tonne sold



Energy intensity of paper production in MWh per tonne sold



10. Innovation



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

KPI

Capex/Depreciation

The world we live and work in is becoming increasingly uncertain and complex, with more and more changes coming our way, the impact of which is not always clear. In order to thrive in such a volatile context, we at VPK rely on our vision. We want to go beyond compliance – we focus on innovation.

Innovation is an essential aspect of our risk and opportunity management. Our dedicated innovation managers survey market trends, business development opportunities, and trends and changes in legislation in order to develop novel packaging solutions.

More specifically, our product innovation partner manages the development of new product ideas in collaboration with the various country R&D managers. In general, new ideas are divided into three categories:

- **Core business:** ideas that can be implemented in the short term
- **Close to core business:** ideas that can be implemented in the medium term
- **New business:** ideas that can be implemented in the long term

Alongside product innovation, we also invest in the innovation of our machinery to make sure our products live up to the highest

market standards. Consequently, the overall value of our existing assets increases. That is why we evaluate our investments in innovation by dividing the value of our investments by the depreciation of our current assets. We aim to keep this innovation investment ratio above 1.25 at all times. This value ensures our position as an innovative investor. However, we re-evaluate this rate annually to see whether we have to adjust it.

Past reporting period

- Over the past three years, we have invested heavily in new machinery and the construction of a greenfield site Poland and Norway

Outlook for the next few years

- In the coming years, we expect to keep our innovation investment ratio high due to the paper and conversion project in Alizay (France) and various replacement projects





CASE
Innovation

**Staying on top of market trends,
through acquisitions and continued
infrastructural investments**

The corrugated market is going through an exceptionally busy period due to food buying patterns throughout the pandemic, the switch from single-use plastic to more sustainable options and the soaring e-commerce business. To ensure that VPK Group continues to be a leading supplier to the corrugated industry and operates sustainably, we have continued to invest in various sites, including the previous Encase site in Banbury.

In October 2020, VPK Group acquired Encase, manufacturer and designer of corrugated cardboard packaging, with two integrated corrugated packaging plants in England (Banbury, Leeds) and one sheet plant in Scotland (East Kilbride).

Following the acquisition, VPK Group decided to invest significantly in the Banbury site to achieve a higher output, better quality and a more versatile product range. Banbury was brought in line with the equipment quality we have in VPK UK and Ireland's existing sites and the capacity has been increased by nearly 50%. ▶

▼
With acquisition and market trends comes change and investment

"We decided to make some changes at the Banbury site to add more reliability and quality consistency, reduce waste and increase productivity," explains VPK UK and Ireland Operations Director Paul Barber. The overall investment included overhauls, repairs and the installation of new equipment such as a Vega multi-point gluer, complete with conveyors and a Signode bundle strapper. On top of that, the Banbury site also welcomed a sheet board line, re-located from a French VPK site.

"I have been exceptionally pleased with how well the Vega machine has performed from the start," states Barber. "These investments are a real game changer for Banbury and ensure we can deliver the highest quality

corrugated packaging for all our customers."

Continuing investments in state-of-the-art machinery

2020 and 2021 have been exciting years in terms of acquisitions and investments, and the future will be no different. Customers are increasingly looking at how corrugated packaging can play an integral part of their overall packaging strategies. To address this trend, it is VPK Group's strategy to carry on its investments in state-of-the-art machinery to continue to deliver reliable, high-impact and sustainable packaging solutions for a wide variety of goods. For the Banbury site, this will involve the construction of a new loading and unloading canopy and an upgrade of the yard area. And more sites will follow.



"These investments are a real game changer for Banbury and ensure we can deliver the highest quality corrugated packaging for all our customers."

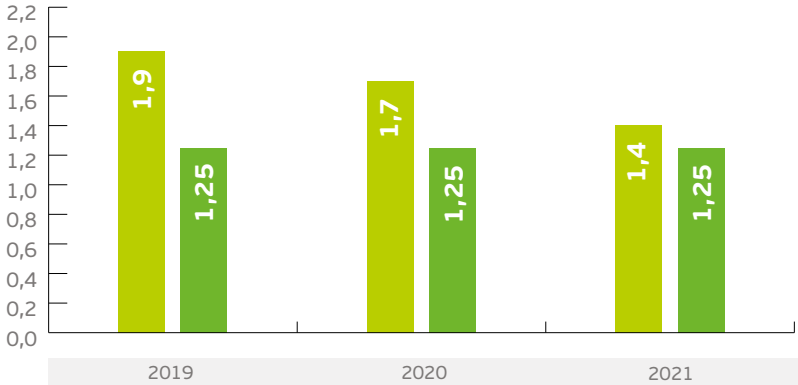
Paul Barber, VPK UK and Ireland Operations Director





Investment depreciation ratio

● Actual value ● Target value



11. Economic growth



8 DECENT WORK AND ECONOMIC GROWTH

KPI

CAGR

In everything we do, we always aim for long-term sustainable growth. In this way, we secure our commitment to people, planet and profit. It ensures our financial health, which will allow us to continue our investments in broadening our offer, expanding our production capacity, enhancing our resource efficiency, implementing more green technologies, valorizing our R&D efforts, etc.

To monitor our sustainable financial growth, we use the compound annual growth rate (CAGR)¹ as one of our leading indicators. This indicator evaluates our financial growth over a longer period of time, providing a more robust performance tracker for our investments in the cyclical market and the volatile and uncertain environment in which we operate. It is our objective to have a CAGR of more than 5%, measured over a five-year period.

Our CAGR is continuously managed and evaluated by our CFO and the finance department, so that we can continue to pursue our sustainability goals at a stable pace.

Past reporting period

- We reported strong growth rates in 2021, namely 4% more compared to the previous year. This is even higher than in 2018 and 2019

Outlook for the next few years

- We strive to keep our CAGR as high as possible



¹ Compound annual growth rate (CAGR) is the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each year of the investment's lifespan



CASE

Economic growth

Going for sustainable growth, both economically and ecologically

Right at the core of VPK's activities, is our continuous striving for sustainable growth, both economically and ecologically. This commitment is clearly reflected in two investment projects in the past year, namely the acquisition of the Finnish core converter Topcore and the wide-ranging reconversion project at the Alizay site in Normandy, France.

Strengthening our presence in the European Nordics

In August 2021, Corex Finland Oy completed the acquisition of Topcore, a well-established Finnish core converter close to Helsinki, Finland.

Corex is the cores, tubes, consumer packaging and edge protectors division of VPK Group. With 27 production sites, spread across 15 countries in Europe and Asia, Corex produces over 300.000 tonnes of cardboard tubes, cores, consumer packaging applications and edge protectors.



With the acquisition of Topcore, Corex further strengthens its network in the Nordics: it now operates five converting facilities in Finland and Sweden, as well as a paper mill in Pori, Finland. Furthermore, the newly acquired plant diversifies the Corex product portfolio into the flexible film core segment. And, finally, the Topcore site is located near the Pori board mill, securing and increasing board integration with favourable transport costs.

Conversion of a historic industrial site into a sustainable development hub

From the upper northern parts of Europe we move to northwest France, where VPK Group agreed on the acquisition of the industrial site in Alizay, close to Rouen, with the aim of transforming it into a centre of excellence for sustainable development in Normandy.

The reconversion project includes the transformation of the existing paper machine into a production unit with the capacity to produce 450.000 tonnes of recycled paper per year (start-up is scheduled for the first quarter of 2023). The new site, in synergy with VPK's two other French paper factories, will produce more than 1.000.000 tonnes of recycled paper per year in France.

The vast majority of the paper produced in Alizay will supply VPK's own packaging processing sites in France, Belgium and the UK. It will also be used to feed the new corrugated packaging production unit that will be implemented on site. This new corrugator will produce innovative "Z-Fold" corrugated board, which makes it possible to produce protective fit-to-size e-commerce packaging, eliminating over-packaging and

lowering logistical costs.

The Alizay site also contributes to the achievement of VPK's sustainability goals. For instance, the site features a water purification station, which will purify 300 m³ of process water per hour, the equivalent of the water consumption of 40.000 people. Moreover, the site houses the third largest biomass-powered electricity production unit in France with a capacity of 50 MW, which matches the electricity needs of 240.000 people. The plant ensures the long-term supply of decarbonated steam and electricity to the various on-site consumers. And, to top things off, the site will process 250.000 tonnes of wood per year originating from by-products of the wood industry and end-of-life wood, to produce 150.000 tonnes of wood pellets per year. These will in turn be used to

generate carbon-free steam for use in VPK's corrugated cardboard factories in France, the Netherlands and Belgium.

Thanks to these combined initiatives, VPK Group is taking a big step towards carbon-free production. The Alizay Sustainable Development Hub will actively contribute to the environmental, economic and industrial development of the Normandy region. The revitalization of the historic industrial Alizay site will ensure the preservation and development of highly qualified jobs and create added value from locally recovered secondary raw materials, recycling close to 500.000 tonnes of recovered paper and cardboard per year.

CASE Economic growth

"The revitalization of the historic industrial Alizay site will ensure the preservation and development of highly qualified jobs and create added value from locally recovered secondary raw materials, recycling close to 500.000 tonnes of recovered paper and board per year."

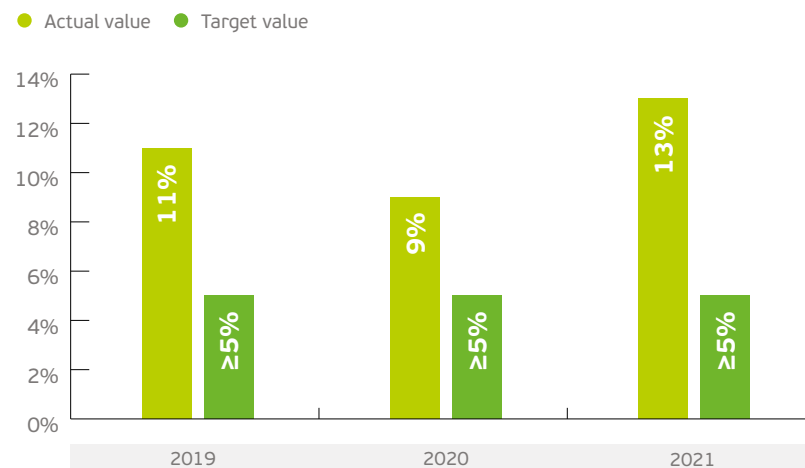




REPORT

Economic growth

Compound annual growth rate (CAGR - 5 year period)



Driven by data

PART 3

Sustainability report 2022

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01.

Assurance statement

This report has been prepared in accordance with the terms of our engagement contract dated 28 February 2022 (the “Agreement”), whereby we have been engaged to issue an independent limited assurance report in connection with a selection of ESG indicators marked with symbol “✱” included in the Sustainability Report as of and for the year ended 31 December 2021 (the “Report”).

The Directors’ Responsibility

The Directors of VPK Group NV (“the Company”) are responsible for the preparation and presentation of the information and data of the selection of ESG indicators marked with symbol “✱” in the Sustainability Report (the “Subject Matter Information”), in accordance with the criteria disclosed in the Report (the “Criteria”).

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Directors includes the design, implementation and maintenance

of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we have obtained.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (ISAE 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable engagement been performed. The selection of such procedures depends on our professional judgement, including the assessment of the risks of material misstatement of the Subject Matter Information in accordance with the Criteria.

The scope of our work comprised the following procedures:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information as of and for the year ended 31 December 2021 presented in the Report;
- conducting interviews with responsible officers;
- undertaking 3 site visits of VPK Group;

01. Assurance statement

- reviewing, on a limited test basis, relevant internal and external documentation;
- performing an analytical review of the data and trends in the information submitted for consolidation;
- considering the disclosure and presentation of the Subject Matter Information.

The scope of our work is limited to assurance over the Subject Matter Information. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Report.

Our independence and quality control

Our engagement has been carried out in compliance with the legal requirements in respect of auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organizing the audit profession and its public oversight of registered auditors, and with other ethical requirements of the International Code of Ethics for Professional

Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information within your Sustainability Report as of and for the year ended 31 December 2021 has not been prepared, in all material respects, in accordance with the Criteria.

Other ESG related information

The other information comprises all of the ESG related information in the Report other than the Subject Matter Information and our assurance report. The directors are responsible for the other ESG related information. As explained above, our assurance conclusion does not extend to the other ESG related information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other ESG related information and, in doing so, consider whether the other ESG related information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Other matter - restriction on use and distribution of our report

Our report is intended solely for the use of the Company, to whom it is addressed, in connection with their Report as of and for the year ended 31 December 2021 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Diegem, 22 June 2022

PwC Bedrijfsrevisoren BV/Reviseurs
d'Entreprises SRL
represented by

Marc Daelman¹
Registered auditor

¹ Marc Daelman BV, member of the Board of Directors, represented by its permanent representative Marc Daelman

02.

Materiality

Identifying and selecting stakeholders

We have identified our stakeholders as groups of people who may be reasonably affected directly or indirectly by the positive or negative effects of our direct operations and as a group of people who can contribute to building our company and making it more sustainable.

The stakeholders identified are classified in a matrix as shown below.

	High impact	Medium impact	Low impact
High interest	Shareholders, Executive committee, Board of directors, Employees		
Medium interest	Trade unions	Customers	
Low interest	Local communities		Suppliers

The priority for engaging with stakeholders is: shareholders; executive committee; board of directors; employees; customers; trade unions; local communities; suppliers.

Current approach to stakeholder engagement

1. Local communities

We interact with local communities via our local plant management and staff members. Press communication is used to communicate proactively about our company and operations.

2. Customers

10-20% of our customer base interact regularly on sustainability topics via supplier questionnaires, customer satisfaction surveys, and sustainability cooperation initiatives.

3. Employees

Employees are consulted via regular employee engagement moments, formal employee engagement surveys, trade union meetings and workers committees. Specific employee engagement around sustainability topics has not been carried out formally. VPK works with an internal

newsletter as a proactive means of communication.

4. Shareholders

Shareholders are informed regularly of important changes and hold periodical shareholder meetings where relevant topics are discussed.

5. Executive committee

The executive committee is engaged via periodical sustainability steering meetings and dedicated meetings to discuss priority topics.

6. Board of directors

The board of directors is engaged via periodical meetings.

7. Suppliers

Suppliers are engaged via periodical supplier discussions.

Stakeholders consulted specifically in order to determine the content of this report

1. Employees

Dedicated interviews with a set of employees were conducted to validate the materiality topics and determine the content of the report. Via a dedicated survey, all employees were asked to prioritize the material topics.

2. Executive committee

The executive committee determines the end content of the report, the KPIs and cooperates in the evaluation of the materiality matrix. Via a dedicated survey, all ExCom members were asked to prioritize the material topics.

3. Customers

Via a dedicated survey, our biggest customers per country were asked to prioritize the material topics.

4. Shareholders

Via a dedicated survey, all shareholders were asked to prioritize the material topics.

5. Board of directors

Via a dedicated survey, the board of directors was asked to prioritize the material topics.

Future approach to stakeholder engagement

We intend to consult and engage a broader range of stakeholders in the future, in greater detail as our maturity level increases. We are considering trade unions, local communities and financial institutions.

Approach to determining material topics and report content

The first materiality analysis of VPK was conducted in 2014. This was executed by the environment manager of the paper mill, together with an experienced sustainability consultant to engage with. A competitor analysis was performed to define a long list of material topics, which were then subsequently ranked. This ranking was

validated by top management. The first materiality matrix was updated in 2017 to reduce the amount of material topics, and refocus priorities. In 2019, a new revision was performed based on subsequent feedback and strategic working sessions with the executive committee, guided by an experienced sustainability consultant. A competitor

analysis was also carried out. During the working session, the executive committee members, from different business backgrounds, discussed the material topics that they perceived to be important and which were seen as important by the stakeholders they engage with.


A set of material topics was validated by 25 key employees. This led to 11 high priority material topics and 12 KPIs. Some of the material topics were rephrased so as to better reflect our business. These 12 KPIs were translated to 6 GRI disclosures and 6 non-GRI disclosures. A total of 6 other material topics were evaluated being of lower priority, and hence they will continue to be managed locally. Group consolidated reporting for these topics exists at a minimum level.

For the 11 retained material topics, a detailed stakeholder survey for the highest priority stakeholders was

executed: employees; the Executive Committee; the Board of Directors; shareholders; and customers. This led to a prioritization of topics, displayed by the SDGs, per stakeholder category, see below.

Overall, we notice a stronger focus on our environmental footprint. Next to that, an increasing focus on transparency, ethical business and implementation of the European non-financial reporting directive has increased awareness and commitments. Due to the coronavirus pandemic of 2020-2021, product hygiene and food security have regained attention as a very important topic.

The data included in this report have been validated by an external and registered audit company since 2020. The KPIs in scope are marked with the symbol “✳” throughout the report.

	Employee	Customer	Board- excom - shareholder
 <p>3 GOOD HEALTH AND WELL-BEING</p>	✓	✓	✓
 <p>4 QUALITY EDUCATION</p>	✓		
 <p>17 FOR THE GOALS</p>		✓	
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>		✓	✓
 <p>6 CLEAN WATER AND SANITATION</p>			✓
 <p>13 CLIMATE ACTION</p>			✓
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>			✓
 <p>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</p>		✓	✓
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>		✓	✓



Boundary Matrix

02. Materiality

		1	2	3	4	5	6	7	8	9	10	11	12
COREX	Bäckefors	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Beihai	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Bursa	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Corlu	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Deerlijk	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Edam	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Foshan	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Hangzhou	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Imatra	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Krefeld	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Leers	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Leiza	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Loviisa	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Luxemburg	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Mohed	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Nijkerk	●	●	●	●	●	●	●	●	●	●	●	●

- 1 Work related injuries
- 2 Work related hazard and incidents
- 3 Employee engagement
- 4 Average hours of training per employee per year

- 5 Ethical trade platforms
- 6 Waste
- 7 Number of GFSI certified sites
- 8 Water withdrawal by source
- 9 Greenhouse gas emissions

- 10 Energy Consumption
- 11 Capex/depreciation
- 12 Compound annual growth rate

- Data reported in full
- Data reported partially
- No data available
- Data not disclosed
- Data not consolidated

Boundary Matrix

02. Materiality

		1	2	3	4	5	6	7	8	9	10	11	12
COREX	Salonta	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Sosnowiec	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Swiecie	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Tolosana	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Vyskov	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Wierden	●	●	●	●	●	●	●	●	●	●	●	●
COREX	Wigan Limited	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Andelle	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Aquila Leinefelde	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Bäckefors	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Banbury	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Borgenhaugen Display	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Brzeg Aquila VPK	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Corrboard Scunthorpe	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Courcelles	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Desborough	●	●	●	●	●	●	●	●	●	●	●	●

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Boundary Matrix

02. Materiality

		1	2	3	4	5	6	7	8	9	10	11	12
CORRUGATED	Distribution	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	East Kilbride	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Erembodegem	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Groisy	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Halden	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Leeds	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Les Echets	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Limerick	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Lisieux	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Lille	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Longjumeau	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Norrköping	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Oudegem	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Raamsdonksveer	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Radomsko Aquila VPK	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Randers	●	●	●	●	●	●	●	●	●	●	●	●

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Boundary Matrix

02. Materiality

		1	2	3	4	5	6	7	8	9	10	11	12
CORRUGATED	Roye	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Saint-Quentin	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Salonta	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Selby	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Sykkylven	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Tourcoing	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Viallon	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Wellington	●	●	●	●	●	●	●	●	●	●	●	●
CORRUGATED	Wrzesnia Aquila	●	●	●	●	●	●	●	●	●	●	●	●
PAPER	Blue Paper	●	●	●	●	●	●	●	●	●	●	●	●
PAPER	Oudegem	●	●	●	●	●	●	●	●	●	●	●	●
PAPER	Pori (corex)	●	●	●	●	●	●	●	●	●	●	●	●
PAPER	Soustre (corex)	●	●	●	●	●	●	●	●	●	●	●	●
SOLID	Loenen	●	●	●	●	●	●	●	●	●	●	●	●
SOLID	Meer	●	●	●	●	●	●	●	●	●	●	●	●
SOLID	Oudegem	●	●	●	●	●	●	●	●	●	●	●	●

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03.

General and economic topics

Scale of the organization

	2019	2020	2021	% Variation
Total number of employees	6.213	6.440	6.560	1,9%
Total number of operations	65	70	64	-8,6%
Net sales (in €)	1.341	1.345	1.746	29,8%
% debt of total capitalization	/	35%	/	/
Quantity of products sold corrugated (in Mm ²)	2.040	2.166	2.458	13,5%
Quantity of products sold corrugated (in ktonnes)	1.020	1.083	1.229	13,5%
Quantity of products sold paper (in ktonnes)	899	960	1.014	5,6%
Quantity of products sold cores and solid (in ktonnes)	381	417	444	6,5%

Information on employees and other workers

03. General topics

Percentage temporary contracts to temporary and permanent contracts

By region	2019	2020	2021
Belgium	0,0%	1,4%	0,3%
China	0,0%	0,4%	0,0%
Czechia	2,4%	7,0%	6,8%
Denmark	0,0%	0,0%	0,6%
Finland	3,2%	6,6%	7,8%
France	4,3%	6,5%	10,5%
Germany	18,5%	12,3%	6,1%
Ireland	6,0%	2,4%	8,4%
Luxembourg	0,0%	0,0%	11,4%
Netherlands	13,3%	6,0%	49,1%
Norway	11,8%	5,8%	7,6%
Poland	1,7%	23,1%	25,0%

By region	2019	2020	2021
Romania	20,0%	0,7%	0,0%
Spain	4,3%	1,4%	8,5%
Sweden	2,2%	4,0%	2,5%
Turkey	3,9%	6,5%	4,9%
United Kingdom	0,3%	0,8%	0,4%

by gender	2019	2020	2021
female	6,75%	8,31%	9,89%
male	3,94%	4,71%	9,34%

Percentage part-time contracts to full-time and part-time contracts

by gender	2019	2020	2021
female	/	15,36%	13,64%
male	/	4,77%	3,81%

This data is compiled via local ledgers, which are managed by the HR department. It is consolidated via the annual HR sustainability questionnaire. For certain dedicated projects and expert assignments, VPK Group works with consultants. We estimate this is below 0,1% of the total hours worked. Overall, 91% of our employees are employed under permanent contracts.

Governance

The executive committee

The executive committee meets twice a month. The following areas fall under its authority:

- Development of strategy and long-term objectives, which are submitted to the board of directors for approval;
- Execution of strategy (translation into plans, firming up objectives);
- Monitoring budgets and adjusting investment plans;
- Control and coordination of the various activities and subsidiaries within the group;
- Managing internal control;
- Coordination of the operational managers with final responsibility;
- Identifying and realizing group synergies;
- Developing new activities within the core activities;
- Proposing potential acquisitions to the board of directors.

There have been no reports of conflicts of interest between VPK Group and the members of the executive committee for the past reporting period.

Advisory committees

Remuneration committee

Composed of two members, both independent non-executive directors, it makes general recommendations concerning salary policy and, in particular, the remuneration of the directors, as well as the members of the

executive committee. The chairman of the executive committee has the right to attend remuneration committee meetings except when it is discussing his own evaluation. This committee also serves as an appointment committee and meets once a year.

03. General topics

Audit committee

Composed of three members, all non-executive directors, two of whom are Independent directors. It discusses the findings and recommendations of the external and auditors. It has an advisory role to the board of directors. The audit committee's role is to assist the board of directors in its supervisory duties regarding the internal control systems at VPK and its domestic and foreign subsidiaries in the broadest sense, including internal controls for financial reporting. The audit committee meets once a year.

Safety steering committee

The safety steering committee is composed of six members, the three COOs, the group technical manager, the group safety manager and the sustainability manager. The committee discusses the findings and recommendations of the group safety manager. In addition to that, it discusses safety performance throughout the company and develops plans to guide and assist the business units. This steering committee meets four times per year.

Sustainability steering committee

The sustainability steering committee is composed of eight members, the three COOs, the group energy & environment manager, the group environment manager, the group technical manager, the marketing partner and the sustainability manager. The committee discusses the findings and recommendations of the group sustainability manager. The overall strategy and action plans are determined in order to guide and assist the business units. This steering committee meets four times per year.

Collective bargaining agreements

In total, 67% of our employees are covered by collective bargaining agreements.

	2017	2020	2021
CBA	65,7%	64,6%	66,7%

Innovation and progress

	2019	2020	2021	% change
Capex (M€)	117	96	91	-6%
Depreciations (M€)	59	73	80	9%
Ratio Capex/Depreciation	1,9	1,7	1,4	-18%

Economic growth

	2019	2020	2021	% change
CAGR% Operating income (5Y)	11%	9%	13%	48%



04.

Environmental topics

Materials

Our **renewable materials** used predominantly consist of (recycled) paper, starch glue and pallets.

Our **non-renewable materials** used predominantly consist of non-renewable glue (cold melt), inks, strapping bands and plastic foil.

in tonnes	2019	2020	2021	% change
Renewable materials	2.465.993	2.572.991	2.839.068	10%
Non-renewable materials	37.471	36.009	33.927	-6%

Waste

Our waste is predominantly composed of paper, which in the majority of cases is recycled. Recycling of paper waste happens partly in our own installations, partly in others. If the paper waste is contaminated with plastics, waxes, glue residues etc.

and unfit for recycling, incineration with energy recovery is the second preferred method. This energy valorization happens predominantly on site. In the rare event that no recycling or incineration installation is available, off-site landfills are still used. However,

04. Environmental topics

this is decreasing in favour of other treatment categories. Information on off-site treatment methods is supplied by the third party. Reuse happens solely on site.

Downstream, our paper-based products follow the same processing methods. Our products become waste at the final consumer stage, either in households or via retailing channels. Paper waste is collected and sorted via community collection companies. The sorted fraction that is fit for recycling returns eventually to our recycling installations or other ones. Collected paper is only incinerated if it is heavily contaminated.

Circularity measures involving our products include actively designing our products so they are fit for our own recycling installations. Our focus on increasing recyclability is to advocate the higher use of renewables and the use of fewer additives that hamper recycling efficiency.

These include e.g.:

- limiting the use of non-recyclable coatings
- the use of renewable inks
- investigating alternatives to plastic strapping

- limiting the use of plastic wrapping in our products

Our waste-related data are monitored via different tools, depending on the scale and complexity of the site.

These include:

- the weighing of waste going off site via a weighing bridge
- the weighing of waste manually or automatically and reporting it digitized
- the collection of data from the waste processing company

Data are monitored via reporting systems or local ledgers.

Hazardous waste categories can be seen as negligible compared to other waste streams.

Tonnes of recyclable waste per tonne of corrugated board sold

	2019	2020	2021	% change
Preparation for reuse	15.138	13.408	32.973	146%
Recycling	190.679	190.335	172.460	-9%
Incineration with energy recovery	63.833	65.166	94.273	45%
Incineration without energy recov.	1.212	2.447	2.292	-6%
Landfill	16.985	10.592	11.975	13%

In tonne/tonne	2019	2020	2021	% change
Conversion	0,07	0,17	0,13	-25%
Cores	0,08	0,09	0,06	-34%
Corrugated	0,17	0,19	0,15	-17%
Feeder	0,06	0,07	0,06	-15%
Papermill	0,11	0,10	0,13	39%
Solid	0,09	0,09	0,09	0%

Water intake

04. Environmental topics

Regions without water stress

In m ³	2019	2020	2021 (✱)	% change
Surface water usage	2.099.251	1.838.262	2.124.824	16%
Ground water usage	2.450.060	2.216.779	2.296.886	4%
Rainwater usage	6.977	8.834	9.394	6%
Municipal water usage	275.648	267.557	294.542	10%
Total water usage	4.831.936	4.331.432	4.725.646	9%

Regions with water stress

In m ³	2019	2020	2021 (✱)	% change
Surface water usage	1.723.180	1.786.697	1.760.118	-1%
Ground water usage	116.503	105.477	116.772	11%
Rainwater usage	86.578	88.731	88.731	0%
Municipal water usage	205.478	196.035	197.194	1%
Total water usage	2.131.739	2.176.940	2.162.815	-1%

All water used comes from freshwater sources. Regions are classified in water stress levels according to WRI Aquaduct, a global water stress rating platform. For VPK, the only region with significant stress (above 40% on the WRI Aquaduct rating) and a significant scale of activities is Belgium. For

municipal water, data are based on invoicing or metered data. Surface water and ground water are pumped and thus data are based on pump flows. Rainwater is based on metered data or estimated based on average annual rainfall in the region and the surface on which it is captured.

in m ³ /tonne	2019	2020	2021 (✱)	% change
Conversion	0,09	0,28	0,18	-35%
Cores	0,16	0,18	0,16	-7%
Corrugated	0,27	0,25	0,25	-2%
Feeder	0,19	0,18	0,22	25%
Papermill	6,57	6,25	6,18	-1%
Solid	0,05	0,07	0,08	15%

In TJ	2019	2020	2021	% change
Non-renewable fuel consumed	5.270,09	5.089,79	5.155,94	1%
Renewable fuel consumed	1.257,75	879,14	992,26	13%
Electricity purchased for consumption	2.927,45	2.451,09	2.961,56	21%
Steam purchased for consumption*	399,33	378,81	400,82	6%
Electricity sold	4,54	5,26	8,01	52%
Total primary energy consumption	9.850,08	8.793,57	9.502,56	8%

In GJp/tonne	2019	2020	2021	% change
Conversion	0,613	3,094	2,040	-34%
Cores	1,245	1,327	1,282	-3%
Corrugated	2,190	1,884	1,843	-2%
Feeder	1,051	1,032	1,244	21%
Papermill	7,461	6,734	6,636	-1%
Solid	0,748	0,540	0,569	5%

The primary energy intensity of our products is calculated based on the amount of sold products, as disclosed in the general disclosures. The sources of primary energy include fuel, biomass, biogas, steam and electricity consumed inside the organization.

* (Pori FI)

Emissions

04. Environmental topics

The table below shows our total scope 1 and 2 emissions in the last three years.

In tonnes	2019	2020	2021 (*)	% change
Direct CO₂ emissions (scope 1)	296.673	306.787	306.391	-0,1%
Direct Biogenic CO₂ emissions (scope 1*)	/	60.351	70.344	16,6%
Indirect CO₂ emissions (scope 2)	95.771	87.598	88.197	0,7%

In view of determining our roadmap towards 2050, we have developed a method to determine our base year emissions. We chose 2005 as a base year for CO₂ emissions, as this is the earliest year of EU ETS reporting for our organization. EU ETS is the carbon reporting and trading mechanism of the European Union

for energy intensive operations, such as our paper mills. We currently operate 5 installations reporting via this mechanism and are able to track all of these emissions to the year 2005. The data for these sites for the base year and last two years are shown below.

In tonnes	2005	2020	2021 (*)	% change
Direct CO₂ emissions (scope 1) papermills	253.530	260.723	251.190	-3,7%

In 2021, the Scope 1 emissions of the EU ETS installations** - five paper mills - accounted for 82% of our total Scope 1 emissions and 76%

of our total Scope 1&2 emissions (compare with the table with total scope 1&2 emissions above). This is the majority of our emissions for

*Blue Paper, VPK Nordic Bäckefors & Norrköping.

**The general operation and rules of the EU Emissions Trading System (ETS) are incorporated in the 'ETS Directive 2003/87/EC'.

which we thus have very accurate data. For other installations, the following scenarios were followed to determine the emissions for 2005:

- The operation was part of VPK in 2005, but it is assumed that emissions have remained more or less stable (higher production, but also higher energy efficiency and better energy management), so the data from 2017*** is assumed to be more or less equal to those from 2005;

- The operation was acquired after 2005 and was already in operation in 2005. In that case the emissions of the first available year were used for the baseline year;
- The operation was built after 2005. In this case we can speak of organic growth, and this does not affect the baseline figure.

For the scope 2 emissions from the paper mills it was also assumed that the emissions from 2017 were the same as those from 2005.

In tonnes	2005
Direct CO₂ emissions (scope 1) papermills	239.495
Indirect CO₂ emissions (scope 2) papermills	49.789
Sites part of VPK before 2005 or acquired until 2017	40.628
Sites acquired in 2018	571
Sites acquired in 2019	9.804
Total	340.287

***2017 was a year that significant changes to the carbon reporting of VPK took place.

Emissions

04. Environmental topics

We intend to recalculate our base year emissions under following scenarios:

- The acquisition of an installation under EU ETS;
- Every three years if significant other acquisitions have been made.

We only include CO₂ in our emissions, as the other GHG emissions are negligible. For our installations on EU ETS we have site-specific emission factors for all fuel types, which are monitored on a continuous basis. For the other sites, we use general scope 1 emission factors as shown below, based on co2emissiefactoren.nl from 2018. For the next reporting year, we will use the updated emission factors.

This year we have still applied the previous figures. For scope 2 emissions, we use location-based emission factors based on Eurostat energy mix data from 2016, as the default calculation

methodology. These will be updated annually. If a site has purchased another energy source (Scope 2 emissions), for example steam, we use the appropriate energy mix which is also location-based. For the calculation of steam, we have based us on UK Government GHG Conversion Factors for Company Reporting from 2021.

Applying the update of emission factors and energy mix data next year may affect our CO₂ emissions. It is likely to be lower because in five countries (Belgium, Finland, France, the Netherlands and Poland) representing more than 90% of our CO₂ emissions, the average of the energy mix data decreased by 8,5%. We will communicate these differences transparently in next year's report.

We consolidate all figures based on equity share. We follow the GHG protocol for guidance on reporting.

Fuel	Emission factor	Unit
Natural gas (The Netherlands)	1,89	kg CO ₂ /Nm ³
Natural gas (rest of Europe)	2,24	kg CO ₂ /Nm ³
LPG	1,73	kg CO ₂ /L
Light fuel oil (including diesel)	3.126,00	kg CO ₂ /tonne
Hard coal	2.339,00	kg CO ₂ /tonne
Brown coal	2.020,00	kg CO ₂ /tonne
Biomass (wooden pellets)	556,00	kg CO ₂ /tonne
Biogas	1,26	kg CO ₂ /Nm ³

Emissions

04. Environmental topics

Electricity

Country	gCO ₂ e/kWh	Country	gCO ₂ e/kWh
Austria	82	Lithuania	45
Belgium	161	Luxembourg	29
Bulgaria	410	Malta	379
Croatia	134	Netherlands	328
Cyprus	621	Norway	17
Czechia	437	Poland	710
Denmark	109	Portugal	198
Eastern China	792	Romania	300
Estonia	775	Russia	639
EU28	231	Slovakia	102
Finland	69	Slovenia	218
France	51	Southern China	804
Germany	331	Spain	156
Greece	479	Sweden	9
Hungary	216	Turkey	460
Ireland	279	United Kingdom	228
Italy	213		
Latvia	107		

The scope 1&2 emission intensity of our products is calculated based on the amount of products sold, as disclosed in the general disclosures.

In tonne CO ₂ /tonne	2019	2020	2021 (*)	% change
Conversion	0,008	0,042	0,030	-27,9%
Cores	0,041	0,061	0,055	-10,2%
Corrugated	0,067	0,063	0,065	4,0%
Feeder	0,065	0,065	0,071	9,7%
Papermill	0,307	0,314	0,282	-10,0%
Solid	0,017	0,009	0,010	6,7%

05.

Social topics

Occupational health and safety

VPK implemented an occupational health and safety management system based on various recognized risk management and management systems and guidelines. For large operations the occupational health and safety management systems were ISO 45001 certified. The scope of our health and safety management system covers all our employees and other workers who perform work in places controlled by VPK.

Hazard identification, risk assessment, and incident investigation

A crucial part of our health and safety management system is the hazard and risk evaluation. This is done on various levels throughout the organization.

Machinery risk assessments

These risk assessments are performed on the level of the machines, and are evaluated periodically for existing

machines, and on acquisitions of new machines. Specific machinery guidelines exist to carry out this evaluation. Validation is undertaken by the group safety manager or external machinery safety experts.

Site risk assessments

These risk assessments are performed

on a plant level and consider tasks performed, taking into account human aspects, organizational aspects, the product and the environment. These are done on a plant level. This is part of the continuous safety management of the sites and can be delegated to management. Trained safety officers ensure the adequacy of these assessments.

Risks are evaluated to distinguish between severe risks and low priority risks. This prioritization of the risks determines yearly action plans. The yearly action plan aims to solve risks following the hierarchy of controls (elimination, substitution, guarding, PPE, organisation, correction, safety signage). The result is a low residual risk. The risk assessment and its results are evaluated on a periodic basis and adjusted where necessary. E.g. actual reported and observed hazards, which were not yet taken into account in the risk assessment, can be included to re-evaluate priorities.

Hazardous situations are reported on a structural basis either via local ledgers or via the internally developed safety management and reporting system. The immediate reporting of hazardous situations is an absolute obligation for all employees.

If an employee fears reprisal for reporting a given hazard, the employee can report this specific hazard via the whistleblowing procedure. Work that entails an unacceptable risk cannot be performed. This entails working on machines with insufficient safety devices, working at heights without permit, work on electrical devices which are not locked out, no provision of correct PPE, ... Unsafe work has to be halted immediately, workers are protected if they halt unsafe work via the rules of procedure.

Incidents and accidents are reported and analysed on a structural basis. The analysis is done via a root cause analysis to correctly identify all associated risks and possible causes. The root causes are the basis on which to act to determine corrective and preventive actions.

Occupational health services

Members of the hierarchical line are advised by dedicated safety officers who have received appropriate training, depending on the scale and complexity of their operation(s). The safety officers serve as the leading

experts in the implementation of the health and safety management system, the identification of hazards, the guiding of the risk assessments and incident investigation.

Worker participation, consultation and communication on occupational health and safety

Our operations have dedicated safety committees, which are represented by members of the hierarchy, employee representatives and the safety officer. The committee meets at least once a month and discusses the

development of the yearly action plan, accidents that have happened since the last committee, possible safety improvements from the employees, and the evaluation of the safety management system.

Worker training on occupational health and safety

Each worker receives adequate training, so he or she can perform his job safely. This is supplemented with periodic generic training, evacuation practices and first aid training for dedicated employees. Specific

employees perform tasks, which entail higher risks and thus receive dedicated training. More specifically, this includes maintenance personnel, who are required to work on electrical devices, welding stations and so on.

Promotion of worker health

Our operations have external company physicians who are the first point of contact in the event of concerns regarding employee health. In a large portion of our operations, we provide hospital insurance as part of the

remuneration package. Furthermore, a healthy lifestyle is actively promoted via sports activities (internal) and access to facilities (external). Dedicated training to promote mental health and reduce stress is open to voluntary participation.

05. Social topics



Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Part of our supplier code of conduct stipulates that our suppliers have to maintain an effective health and safety management system. The safety performance data of suppliers are monitored.

Work-related injuries

Internal risk analysis has identified the following hazards with possible high-consequence injuries:

- Working on heights
- Work on electrical equipment
- Contact with moving machinery

The actions taken to make our employees work safer have clearly borne fruit. We will continue this trend in 2022, with an emphasis on

cultivating an even safer mindset among management and operators.

During the last reporting period we had high consequence injuries regarding contact with moving machinery. We will pay even more attention to the integration of safety into the introduction of contractors and interim staff, as there is still room for improvement.

Employees	2019	2020	2021	% change
Fatalities	0	0	0	0%
Recordable work related injuries	121	95	93	-2%
LTIR	14,6	9,7	8,8	-9%
Hours worked	8.277.946	9.794.270	10.461.817	7%

Contractors	2019	2020	2021	% change
Fatalities	0	0	0	0%
Work related injuries	34	26	45	73%

The LTIR is calculated on a million working hours basis.

The main causes of accidents within the company are:

- Injuries while handling, lifting or carrying something
- Operators hitting something fixed or stationary
- Operators coming into contact with moving machinery or material

Hazardous situations and near miss incidents

	2019	2020	2021	% change
Reported	5502	8524	8257	-3%
Closed out	4651	4842	7227	49%
% closed out	0,85	0,57	0,88	54%

Training and education

Yearly training hours per person	2019	2020	2021	% change
Blue collar	6	12	15	23%
White collar	13	13	17	31%
Female	8	10	14	38%
Male	7	12	17	43%
Total	7	12	15	25%

Restatements of information: none.

Changes in reporting: none.

06.

Certificates



Division	Plant name	ISO9001	ISO14001	OHSAS18001/ISO45001	ISO5001	FSC	C2C	BRC	ISO22000	GMP
COREX	Bäckefors	✓	✓							
COREX	Beihai	✓								
COREX	Bursa	✓	✓							
COREX	Corlu									
COREX	Deerlijk	✓	✓						✓	
COREX	Edam	✓	✓							
COREX	Foshan	✓	✓	✓						
COREX	Hangzhou	✓	✓	✓						
COREX	Imatra	✓	✓						✓	
COREX	Krefeld	✓	✓							
COREX	Leers	✓	✓							
COREX	Leiza	✓								
COREX	Loviisa	✓	✓							
COREX	Luxemburg	✓								
COREX	Mohed	✓	✓							
COREX	Nijkerk	✓	✓						✓	
COREX	Salonta	✓				✓				
COREX	Sosnowiec									
COREX	Swiecie									
COREX	Tolosana	✓								
COREX	Vyskov	✓								
COREX	Wierden	✓	✓						✓	
COREX	Wigan Limited	✓								

Division	Plant name	ISO9001	ISO14001	OHSAS18001/ISO45001	ISO5001	FSC	C2C	BRC	ISO22000	GMP
CORRUGATED	Andelle	✓				✓				
CORRUGATED	Aquila Leinefelde					✓				
CORRUGATED	Bäckefors	✓	✓			✓				
CORRUGATED	Banbury					✓				
CORRUGATED	Borgenhaugen Display									
CORRUGATED	Brzeg Aquila VPK					✓				
CORRUGATED	Corrboard Scunthorpe									
CORRUGATED	Courcelles					✓				
CORRUGATED	Desborough		✓			✓		AA		
CORRUGATED	Distribution					✓				
CORRUGATED	East Kilbride									
CORRUGATED	Erembodegem					✓		A		
CORRUGATED	Groisy									
CORRUGATED	Halden	✓	✓			✓				
CORRUGATED	Leeds									
CORRUGATED	Les Echets					✓				
CORRUGATED	Limerick	✓				✓		AA		
CORRUGATED	Lisieux	✓				✓				
CORRUGATED	Lille	✓				✓				
CORRUGATED	Longjumeau	✓				✓				
CORRUGATED	Norrköping	✓	✓			✓		A		
CORRUGATED	Oudegem					✓		A		
CORRUGATED	Raamsdonksveer	✓	✓			✓	✓		✓	

Division	Plant name	ISO9001	ISO14001	OHSAS18001/ISO45001	ISO5001	FSC	C2C	BRC	ISO22000	GMP
CORRUGATED	Radomsko Aquila VPK	✓	✓			✓		AA		
CORRUGATED	Randers					✓		AA		
CORRUGATED	Roye	✓				✓				
CORRUGATED	Saint-Quentin	✓	✓			✓		A		
CORRUGATED	Salonta	✓	✓			✓		AA		
CORRUGATED	Selby		✓			✓		AA		
CORRUGATED	Sykkylven					✓				
CORRUGATED	Tourcoing									
CORRUGATED	Viallon									
CORRUGATED	Wellington		✓			✓		AA		
CORRUGATED	Wrzesnia Aquila	✓	✓			✓				
PAPER	Blue Paper	✓	✓	✓	✓	✓				✓
PAPER	Oudegem	✓	✓	✓	✓	✓	✓			
PAPER	Pori (corex)	✓	✓	✓		✓				
PAPER	Soustre (corex)	✓	✓	✓		✓				
SOLID	Loenen	✓	✓			✓		AA		
SOLID	Meer					✓		AA		
SOLID	Oudegem					✓		A		

07. GRI index



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Sustainability report 2022