



# Shaping the future of sustainable packaging



# About the report

**Our annual sustainability report 2024 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.

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More about our sustainability management:

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



# Introduction from the CEO

2023 was a remarkable year for VPK Group, filled with notable achievements and proud moments. However, one particular highlight truly stands out for me: our recognition as the Belgian Ambassador of the Family Business Award of Excellence 2024. This prestigious award celebrates family-owned enterprises that seamlessly integrate entrepreneurial excellence with strong family values. Our commitment to a robust long-term vision, coupled with our dedication to sustainability — both ecological and economic — played pivotal roles in clinching this esteemed award.

Moreover, our dedication to sustainability earned us even more recognition. At the Awards for Best Belgian Sustainability Reports, VPK Group won both the 'Best Impact Sustainability Report' and the 'Most Creative and Original Sustainability Report' awards. These accolades are a testament to the relentless efforts and determination of our teams. They emphasize our devotion to progress and reinforce our determination to remain at the forefront of our industry.

Throughout 2023, we embarked on ventures that drive us forward in our sustainable growth trajectory. We established a detailed plan with both near- and long-term targets to achieve our ambition of net-zero carbon emissions by 2050, fully aligned with the 1.5°C pathway and the Science-Based Targets initiative (SBTi). Our continued focus on our Six Steps for Safety strategy earned us our best-ever safety performance, marking a significant milestone on our path

to zero accidents. Additionally, we adopted a new policy to ensure that the supply chain for VPK end products is 100% deforestation and forest degradation-free by 2025. Our ambitious ESG targets, along with our continuous exploration of optimization opportunities for our customers' packaging solutions, underscore our commitment to excellence in the most material sustainable development goals (SDG) for our specific activities.

Strengthened by these remarkable achievements, we remain focused on the future. VPK Group is committed to leading by example, upholding our core values, and striving for excellence in every initiative we undertake. We are dedicated to the well-being of our people, our clients, and our planet. We eagerly embrace new opportunities, as well as the challenges that lie ahead. With the unwavering support of our teams and clients, we are confident we can enhance both our economic and overall ESG performance.



Our ambitious ESG targets, along with our continuous exploration of optimization opportunities for our customers' packaging solutions, underscore our commitment to excellence in the most material sustainable development goals (SDG) for our specific activities."



PIERRE MACHARIS  
CEO – VPK GROUP

## 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

3A Pack S.L.  
Aquila Brzeg Sp.z o.o.  
Aquila GmbH  
Aquila Radomsko Sp.z o.o.  
Aquila Wrzesnia Sp.z o.o.  
Argon BV  
Beihai Corenso Paper Core Co Ltd.  
Blue Paper SAS (50%)  
Cartangola - Embalagens Industriais  
Cartonnerie de Saint Just Malmont  
Cartonneries de Wallonie SA  
Corenso Foshan Paper Core Co Ltd  
Corenso Group Holdings Ltd.  
Corenso Holdings Germany GmbH  
Corenso Tolosana SA  
Corenso United (Deutschland) GmbH & Co KG  
Corenso United Verwaltungs GmbH  
Corex Bäckefors AB  
Corex Belgium NV  
Corex Board Atlantic SAS  
Corex Converting Spain  
Corex Czech sro.

Corex Finland Oy  
Corex France SAS  
Corex Germany & CO KG  
Corex Holding NV  
Corex Luxembourg SA  
Corex Mohed AB  
Corex Nederland BV  
Corex Sosnowiec Sp.z.o.o.  
Corex Swiecie Sp.z o.o.  
Corex Turkey AS  
Corex Wigan Ltd.  
Corrboard UK Ltd.  
Ecoformer NV  
Embalpack Levante S.L.  
Encase Ltd.  
Encase Properties Ltd.  
Globcore II, S.A.  
Hangzhou Corenso Hualun PC Co Ltd  
Immowell NV  
Interkor LLC (50%)  
Jellestadveien 37 AS

Nordic Packaging and Container  
(Jersey) Holdings Ltd.  
Nordic Packaging and Container Holdings Ltd.  
NPAC (Finland) Holdings Oy  
Papeleira Coreboard S.A  
Peterson Eiendom Bäckefors AB  
Peterson Eiendom Norrköping AB  
Peterson Eiendom Randers A/S  
Peterson Eiendom Sarpsborg AS  
Peterson Eiendom Sykkylven AS  
Peterson Holding AS  
S.C. Corex Romania srl.  
SC VPK Packaging srl.  
Smart Packaging Solutions BV  
Smart Packaging Solutions NV  
Spiralpack - Manipulados de Papel S.A.  
Viallon Emballage SAS  
VPK Converting SAS  
VPK Corrugating SAS  
VPK Distribution SAS  
VPK Finance NV  
VPK Groisy SAS

VPK Italia S.r.l.  
VPK Les Echets SAS  
VPK Nederland BV  
VPK Packaging A/S  
VPK Packaging AB  
VPK Packaging Alizay SAS  
VPK Packaging AS  
VPK Packaging BV  
VPK Packaging Kft  
VPK Packaging Ltd (former Rigid  
Containers Ltd) – Limerick  
VPK Packaging Ltd.  
VPK Packaging NV  
VPK Packaging Polska Sp. z.o.o.  
VPK Packaging SAS  
VPK Paper Normandie SAS  
VPK Paper NV  
VPK Services NV  
VPK UK Holding Ltd.  
Zetacarton S.p.a.  
Zetatransport S.r.l.

## Date of publishing

26<sup>th</sup> June 2024

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# About VPK Group



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# 01. 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.



# 02.

# 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 an 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 1.4 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.



## 1935

VPK is founded in Oudegem, Belgium.

## 2000

Acquisition of Rigid UK.



## 2005

VPK acquires the Ondulys Group in France and starts producing cardboard sheets under the Aquila brand in Poland.

## 2013

Establishment of Corex's first factory in Turkey.

## 2014

Blue Paper Strasbourg becomes VPK Group's second paper production site.



## 2016

VPK acquires the Scandinavian Peterson Group, adding 6 plants across Norway, Sweden and Denmark.



## 2019

VPK takes over Corenso's European and Chinese divisions.

## 2020

VPK's strategic acquisitions include a majority stake in Viallon Emballage France, Corrboard UK and Encase UK.

## 2021

Launch of the Alizay industrial site conversion project for sustainable development in the circular economy.

## 2022

Start of VPK's greenfield corrugated packaging operation, wall-to-wall to the Alizay paper mill conversion project.

## 2023

VPK takes a minority share in Ribble UK and enters Italy, acquiring Zetacarton. Corex acquires Artech Paper, with 5 sites in Spain and Portugal.



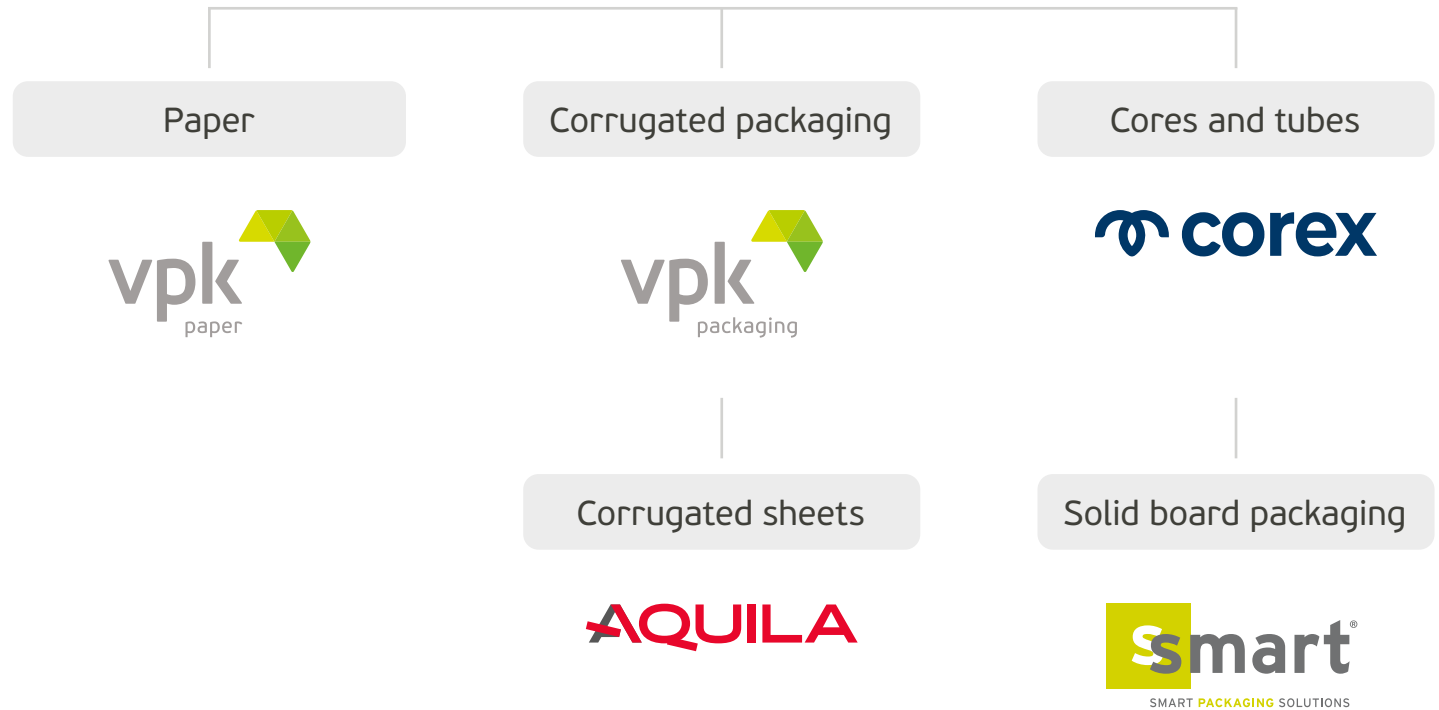
## 2024

VPK continues its Italian expansion with the acquisition of IEMME.





# Overview of our divisions and brands



# Markets served\*

## Fresh and processed food



▶ DISCOVER THE CUSTOMER CASE

## Retail



▶ DISCOVER THE CUSTOMER CASE

## E-commerce



▶ DISCOVER THE CUSTOMER CASE

## Industrial



▶ DISCOVER THE CUSTOMER CASE

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

# 03. Awards and recognitions



In the past year, our team efforts were recognized with three awards: one as an ambassador of successful family businesses and two for our sustainability report 2023.

## Family Business Award of Excellence®

March 27, 2024

VPK Group has been honoured as an Ambassador of the Family Business Award of Excellence 2024, presented by EY. This prestigious award recognises family businesses that successfully combine entrepreneurial excellence with strong family values.

Founded in 1935, VPK Group has grown into a multinational corporation while still being a family business.

The jury of representatives from leading Belgian family businesses considered that VPK Group met all the criteria in the best and most balanced way. As the chairman of the jury motivated: "VPK Group confirms its position among family businesses as a leader in sustainability, corporate governance and growth." This recognition highlights our strong and determined long-term vision and commitment to environmental and economic sustainability.

This award motivates us to continue to innovate, uphold our core values and strive for excellence in everything we do.

## Impact & creativity: VPK Group's Sustainability Report 2023 stands out

November 28<sup>th</sup>, 2023

Since our first sustainability report in 2015, we strive to improve and optimise it both in terms of content and creativity. Last year's edition received two awards from The *Instituut van de Bedrijfsrevisoren*.

### Award 1: 'Best Impact Sustainability Report'

Our goal is to provide concise, clear, and transparent information about our sustainability efforts. The report offers reliable content, covering the entire value chain with comprehensive coverage across all divisions. By presenting absolute and relative figures for environmental, social, and economic performance, we facilitate industry comparisons. The jury praised the report's clarity, comprehensive coverage and excellent visual presentation, providing a fair understanding of our sustainability strategy, key topics and ESG performance.

### Award 2: 'Most Original and Most Creative Sustainability Report'

The report was also recognised for its accessibility to a wide audience, including non-experts. The clear structure, insightful graphs and illustrations and well-written texts stood out. The jury also highlighted our innovative sustainability efforts, interactive links and a user-friendly index.

# 04. Geographical presence



VPK is founding partner of Blue Box Partners, a pan-European alliance of four private capital run companies. Each partner is well-established and successful in its respective home market and shares the same structure, values and long-term business outlook.

Blue Box Partners' coordinated approach, with the combined expertise of 13.400 employees and the production capacity of 128 sites, ensures we can provide the bespoke designs and delivery requirements of any customer, large or small.



▶ Discover all Blue Box Partners' 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.

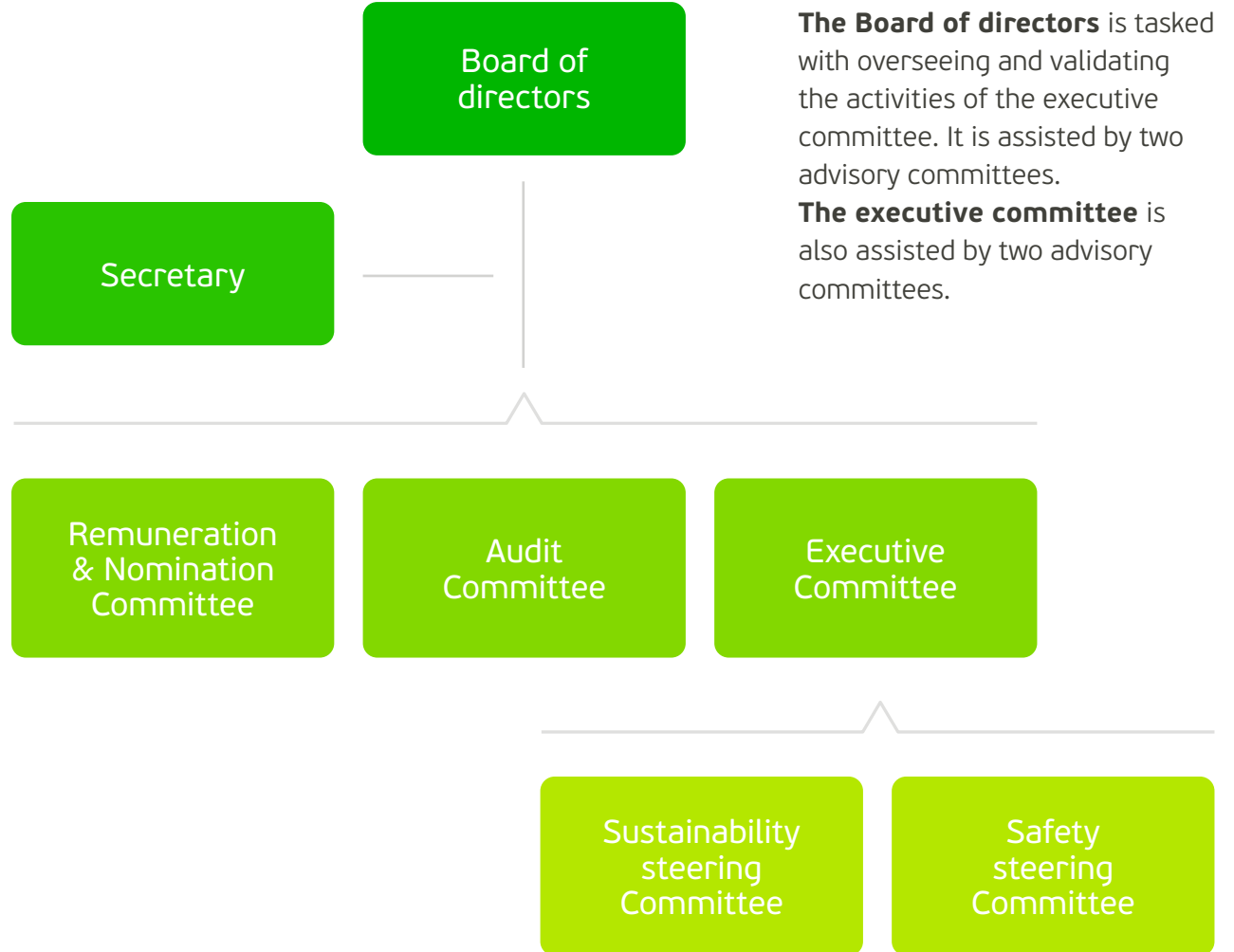
### Responsible Ownership

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



# Governance model

## BOARD OF DIRECTORS

### Carl Verstraelen

Chairman Board of Directors

#### ✔ Responsibilities

- Independent board member VPK Group

### Carla Sinanian

#### ✔ Responsibilities

- Chief Strategy Officer Etex Group
- Independent board member VPK Group

### Jean-Paul Macharis

#### ✔ Responsibilities

- Board member VPK Group
- Member of the R&N Committee

### Wolfgang de Limburg

#### ✔ Responsibilities

- CEO, Managing Partner Ergon Capital
- Independent board member VPK Group

### Pierre Macharis

#### ✔ Responsibilities

- Managing Director VPK Group
- Member of the R&N Committee

### Denis Zenner

#### ✔ Responsibilities

- Head of Packaging division VPK Group
- Independent board member VPK Group

### Dirk Meeus

#### ✔ Responsibilities

- Corporate Partner Allen & Overy
- Independent board member VPK Group
- Member of the R&N Committee

### Stephane Wilmes

Secretary

#### ✔ Responsibilities

- Chief Legal Officer VPK Group

### Veronique Hoflack

#### ✔ Responsibilities

- President Unilin Group, division panels
- Independent board member VPK Group

## EXECUTIVE COMMITTEE

### Pierre Macharis

#### ✔ Responsibilities

- CEO VPK Group

### Erik Peeters

#### ✔ Responsibilities

- CFO VPK Group

### Wim Naessens

#### ✔ Responsibilities

- Head of Paper division VPK Group

### Denis Zenner

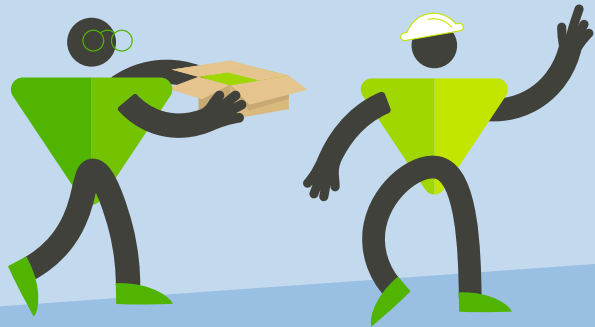
#### ✔ Responsibilities

- Head of Packaging division VPK Group



2023

# 06. Key numbers



> 6,800 employees

employed in 70 PLANTS



2,095,000,000 m<sup>2</sup> of corrugated board



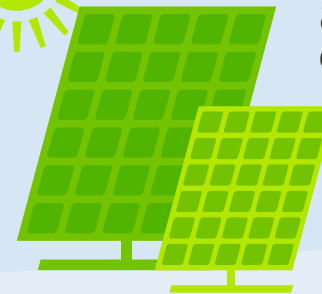
425,000 tonnes of solid board and cores sold



1.4 million tonnes of recovered paper and cardboard recycled



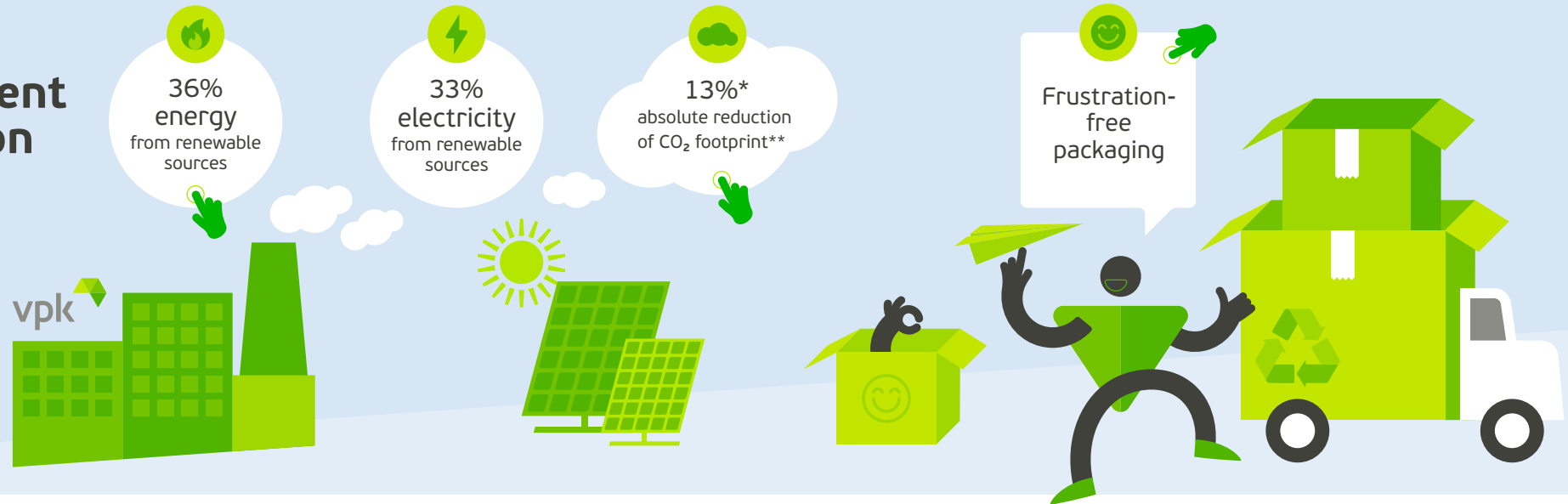
807,792 MWh of green energy



## Responsible sourcing



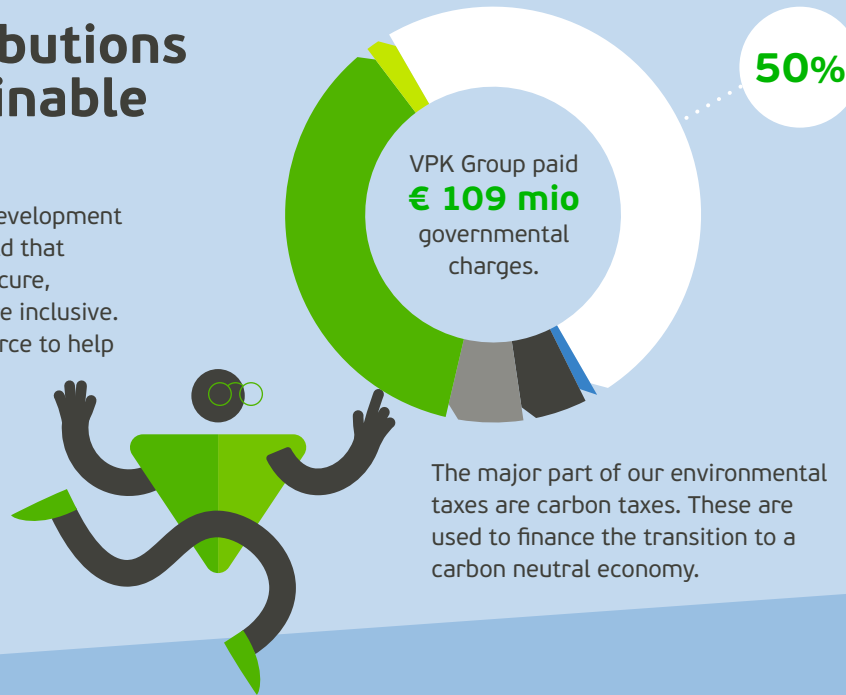
## Eco-efficient production



\* We are certified under FSC-C109033  
 \*\* Absolute CO<sub>2</sub> reduction scope 1+2, SBTi validated rebased baseline 2020 vs 2023

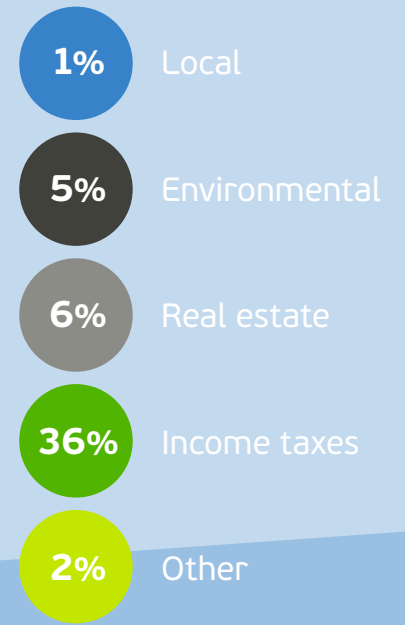
# Our tax contributions support sustainable development

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.



## Employer paid social charges

Our governmental charges contribute to social coherence, education and infrastructure in all countries of VPK activities. The biggest part (50%) are social contributions towards unemployment benefits, health insurance and pensions.



## Key figures 2023



# 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.

As per EU Whistleblowing Directive 2019/1937 and all transpositions into national law by the EU Member States, reports can be made to VPK's internal reporting channel concerning (suspected) practices believed to be non-compliant with ethical business practices, considered as illegal or in breach with this Code (compliance@vpkgroup.com; +32 52 30 79 57; via www.vpkgroup.com).



Environment



Company



People

- 01 We will support a precautionary approach to environmental challenges.
- 02 We undertake initiatives to promote greater environmental responsibility.
- 03 We encourage the development and diffusion of environmentally friendly technologies.
- 04 We respect all laws, rules and regulations.
- 05 We are committed to advancing the business of VPK and its divisions.
- 06 We work against corruption in all its forms.
- 07 We insist on honesty and respect for VPK's assets and property.
- 08 We value and protect confidential information and we respect the confidential information of others.
- 09 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

VPK aims to ensure that all senior management across the Group sign 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 are scheduled to receive annually recurring specific and compulsory training on this topic.

### 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 Whistle-blowing 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](mailto:compliance@vpkgroup.com); +32 52 30 79 57), via [www.vpkgroup.com](http://www.vpkgroup.com).

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 last reporting period, two complaints were reported, both of which the content qualifies as a breach of the Code of Conduct. These reports underwent investigation. One of the complaints fell within the scope of applicable whistleblowing legislation in the relevant jurisdiction. It was thoroughly investigated, but since it was submitted anonymously, no feedback could be provided to the whistleblower.

The second complaint, which did not meet the criteria for whistleblowing legislation, was referred to the local HR department for further action and follow-up.

Read our extensive [code of conduct](#).



# 09.

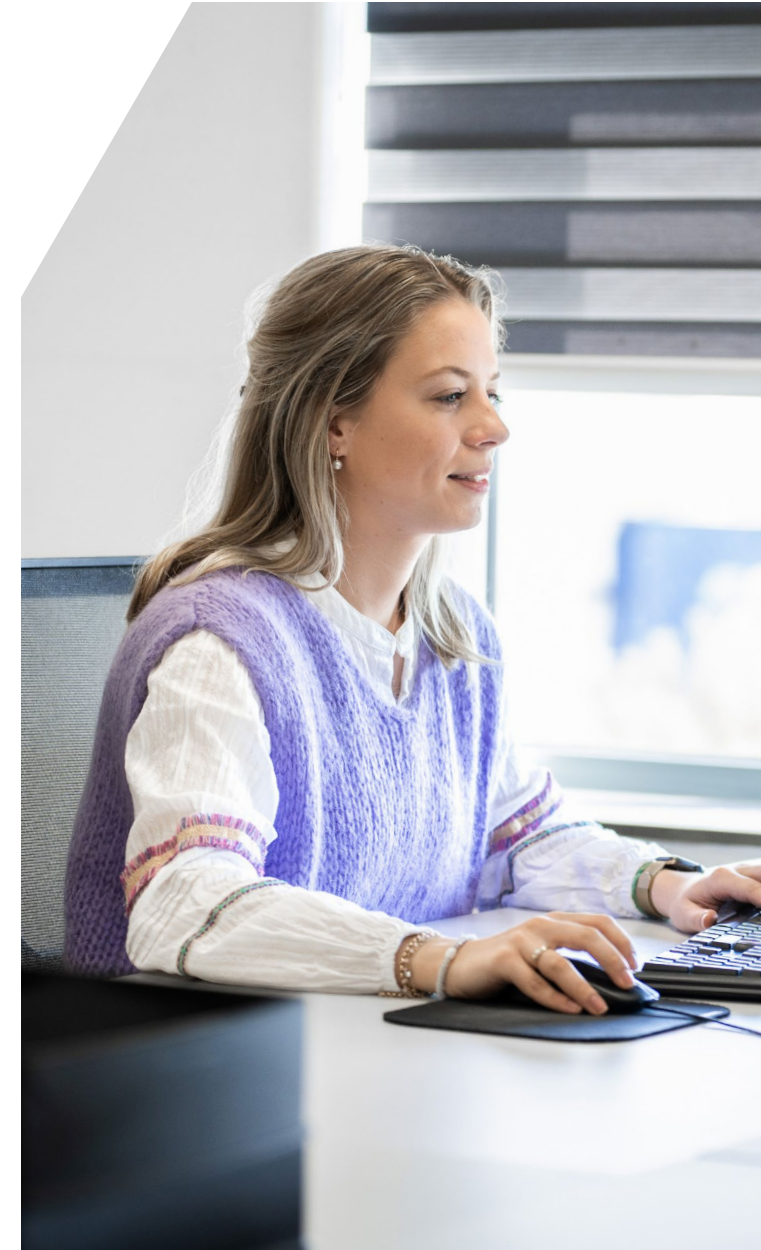
## Cyber security strategy and data protection

In recent years, VPK has increased its investment in cyber security. And we shall continue to do so to ensure business continuity, protect the confidentiality and integrity of customer information, and maintain the timely processing of orders.

The VPK Cyber security and data protection strategy is built around the following key components:

- **Performance measurement and benchmarking.** VPK is benchmarked against industry and ISO 27000 standards for ICT security, in order to continuously improve its cyber security resilience. A management dashboard is in place to report on Key Performance Indicators.
- **Privacy and data protection.** Our customers can rest assured that we have made all possible investments to protect their personal data against potential security breaches. We have robust data recovery plans in place to deal with any cyber security issues that may arise.
- **Identity and access management (IAM).** In order to ensure our cyber resilience, we swear by the tight management of the digital identities and user access within our IT environment.

- **Third-party risk management.** We participate in our ICT service provider's Security Operations Centre, which covers both preventive analysis of security incidents and incident response management in the event of any cyber incidents.
- **Security reporting.** We continuously follow up on our cyber resilience, which is documented in reports by our Chief Information Security Officer (CISO) and Security Operations Centre (SOC).
- **Awareness.** Through various communications and training sessions, we aim to increase cyber security awareness across the Group.



Afia Shuleni aims to provide school-age children with preventive healthcare and health education to improve their physical and mental health.



# 10. Partnerships

Philanthropic cases

## Caring for communities: Supporting health and humanitarian aid initiatives

**At VPK, our commitment to sustainability extends beyond our own operations. We strive to make a difference outside our company walls by providing financial support to numerous organizations and initiatives that fight inequalities and improve the lives of the less fortunate.**

### Contributing to cancer and ALS organizations

Every year, we contribute to advancing medical breakthroughs in the fight against cancer. For example, we donate to the Belgian Anti-Cancer Fund (**Antikankerfonds**), which aims to fill gaps in cancer research to deliver more and better treatments. Their focus includes clinical research to develop new treatments that significantly increase survival rates and improve the quality of life for cancer patients, as well as providing

evidence-based information on various types of cancer and treatment methods to patients, free of charge.

In addition, we support the **ALS Liga**, which represents the interests of ALS patients in Belgium and internationally. The ALS Liga offers free expert care and support — physical, mental, and social — to ALS patients, their loved ones, and other stakeholders. They also raise public awareness and make scientific research more accessible.



### Advancing humanitarian aid

At VPK, we ensure our financial support is directed where it is most needed.

Annually, we support **Afia Shuleni**, a Swahili term meaning “Health at School”. This organization aims to provide school-age children in the Democratic Republic of Congo, particularly in the South Kivu province, with preventive healthcare and health education to improve their physical and mental health. Healthy children can complete their education under better conditions, leading to improved future prospects.

We also support **REVIVE**, a non-governmental not-for-profit organization that provides specialized medical assistance in areas where major humanitarian aid organizations are not active, particularly in Africa. REVIVE targets individuals whose living conditions typically prevent them from accessing specialized medical care, addressing diverse pathologies such as uterine prolapse, trauma, dental caries, oral hygiene, etc. They also provide training to local medical staff and offer Belgian medical students unique internship opportunities. Each mission helps and relieves around a hundred people of their

physical complaints, enabling them to participate fully in daily life again.

In 2023, we also donated to **Médecins Sans Frontières (MSF)** for their mission in Sudan. On 15 April 2023, heavy fighting broke out between the Sudanese army and the Rapid Support Forces (RSF) in

Khartoum and across most of Sudan, displacing over 6.4 million people internally and causing about 1.9 million to flee to neighbouring countries. Currently, 25 million people, including 14 million children, need humanitarian assistance. MSF is active in several areas in Sudan, providing emergency treatments,

performing surgeries, and running mobile clinics. MSF teams also provide water and sanitation facilities and donate medicines and medical supplies to health facilities, with 94,330 emergency room admissions and 3,804 surgical interventions conducted between April 2023 and April 2024.



REVIVE, a non-governmental not-for-profit organization that provides specialized medical assistance.

# 11. 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. For example, at the annual Finance Days, which bring together all key Group finance staff, new compliance requirements (IFRS, tax, CSRD, e-invoicing ...) are addressed in order to discuss and anticipate these initiatives well in advance.

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

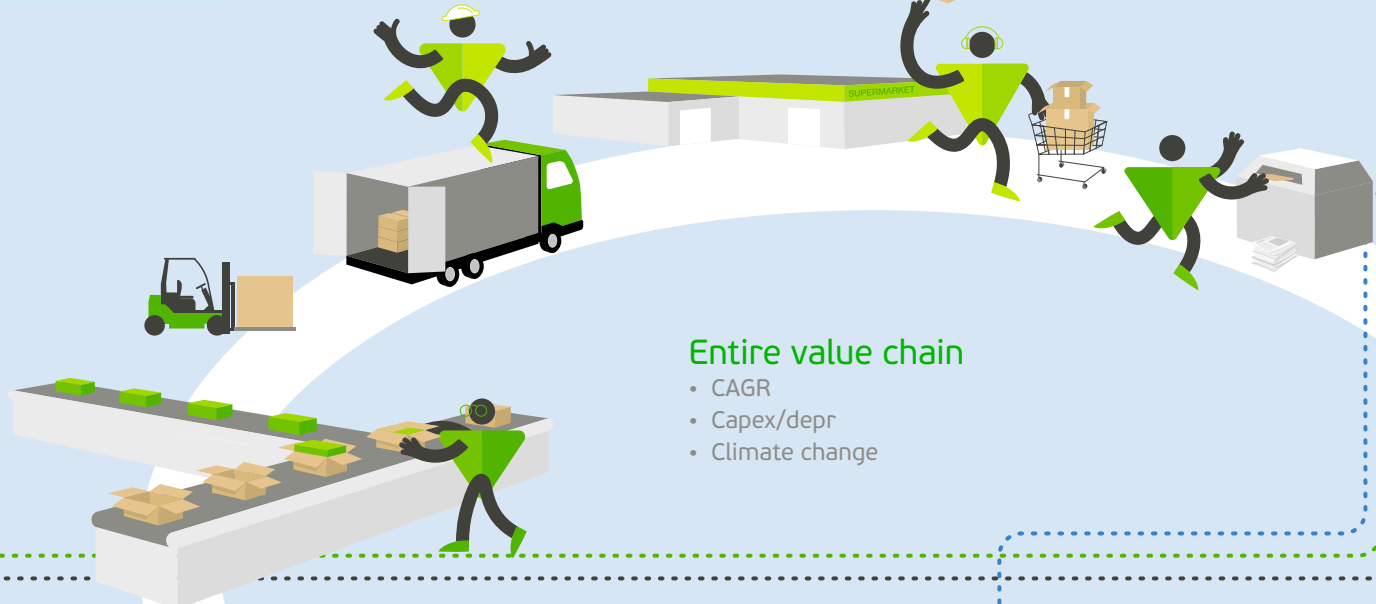
Our current product portfolio consists of paper, cores and packaging, which are fully recyclable. In this value circle, we are both recycler and product seller. During the conception phase of new products, the latter are screened for a variety of parameters including the ultimate recyclability and life 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 Group has a structured approach to risk management and monitoring the effectiveness of internal controls. The Group's risk management system starts with the identification of key risks, followed by an impact assessment. It focuses on clearly defining risk mitigation measures and risk owners. 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, renewable energy, deforestation and biodiversity, cyber security, shifts in consumer behavior, ESG stakeholder expectations, availability of raw materials, innovation and economic growth.

- Sustainable and circular
- Product hygiene
- Transparency
- Partnership
- Shifts in consumer behavior
- ESG stakeholder expectations

## Downstream



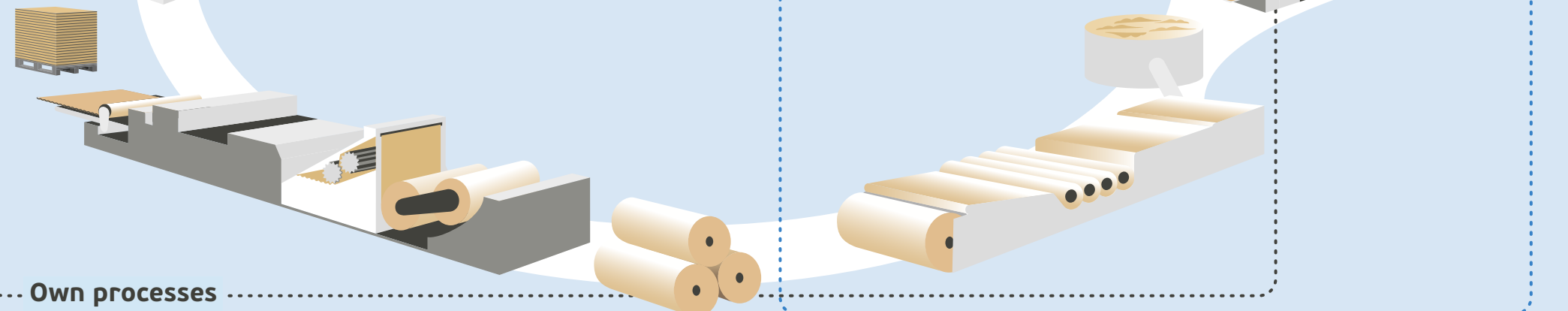
## Entire value chain

- CAGR
- Capex/depr
- Climate change

# Where do risks occur in our value chain

- Water
- Energy
- Deforestation & biodiversity
- Labor & human rights
- Availability of raw materials

## Upstream



## Own processes

- Water, energy
- Employee well-being
- Health and safety
- Training and development
- Cyber security
- Regulatory compliance (compliance with a wide variety of regulations, including CSRD, EUDR, etc.)

SUSTAINABLE DEVELOPMENT GOALS



SDG	KPI
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p>LTIR Hazard and near miss reporting</p> <hr/> <p>Permanent contracts Employee engagement surveys</p>
 <p><b>4</b> QUALITY EDUCATION</p>	<p>Training hours</p>
 <p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>	<p>Sedex, EcoVadis, CDP and UN GC</p>
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Waste</p> <hr/> <p>BRC FSC®</p>
 <p><b>6</b> CLEAN WATER AND SANITATION</p>	<p>Water intake</p>
 <p><b>13</b> CLIMATE ACTION</p>	<p>CO<sub>2</sub> emissions</p>
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p>Renewable energy</p>
 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Capex/Depreciation</p>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p>CAGR</p>



### 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 also 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

### Ethics and transparency

#### Sedex, EcoVadis, CDP and UN GC

The value chain has 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 four well-respected platforms (Sedex, EcoVadis, CDP and UN GC) to work with, so we can map our risks and create an overview for ourselves and for our customers. We create transparency, reduce risks and build on opportunities for our stakeholders. 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  
FSC®

### Certified materials and product hygiene

**BRC** Product hygiene is crucial in our business, as our packaging is a logistics means to getting products to the end consumer. Hence, it 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 and that they are produced in a hygienic environment. We track our performance via the amount of sites we have that are BRCGS certified, and their certification level.

**FSC®** VPK believes in a transparent supply chain and provides its customers with guarantees of the traceability of the materials of origin. We do that by using certified FSC® materials in our production and through FSC® Chain of Custody (CoC) certification at our sites. This gives us the assurance that the materials used in our products come from well-managed forests, controlled sources or recycled materials. Therefore, our products do not harm biodiversity and are deforestation-free.



## 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

### CO<sub>2</sub> 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 emissions in absolute terms and in comparison to the amount of products we sell.





## 7 AFFORDABLE AND CLEAN ENERGY

KPI

### Energy efficiency

#### Renewable energy

Energy in the form of electricity and heat is needed to produce our paper and finally our packaging. Non-sustainable (fossil-based) or 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 renewable 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 and carbon emission reduction projects. The performance of our innovative investments 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.



PART  
**2**

# How we translate our strategy into practice

# content part 2



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# 01. Health and safety\*

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.

## Past reporting period

In 2023, we made significant improvements in our safety performance in the following areas:

- We reported 10,608 hazards and near misses, marking a 33% positive increase compared to 2022. Additionally, we closed out 89.5% of required safety actions, surpassing our 85% target.
- All business units now complete regular site safety inspections.
- We reduced our work related injuries by 15% compared to 2022.
- We ended 2023 with a Lost Time Injury Rate (LTIR) of 7.6 accidents per million exposure hours, below our target of 8. This was our best safety performance ever.



## 3 GOOD HEALTH AND WELL-BEING

KPI | LTIR  
Hazard and near miss reporting



\* Further information about the data can be found in part 3 of this report.

### Outlook for the next few years

We do not rest on our laurels.

For 2024, we have reduced our LTIR target from 8 to 6.5.

We monitor our safety performance using KPIs to drive continuous safety improvements:

- Lost Time Injury Rate (LTIR) should be below 6.5 accidents per million exposure hours.
- Close out rate of reported hazards and near misses should be above 85%.
- Zero accidents are the goal at every site.

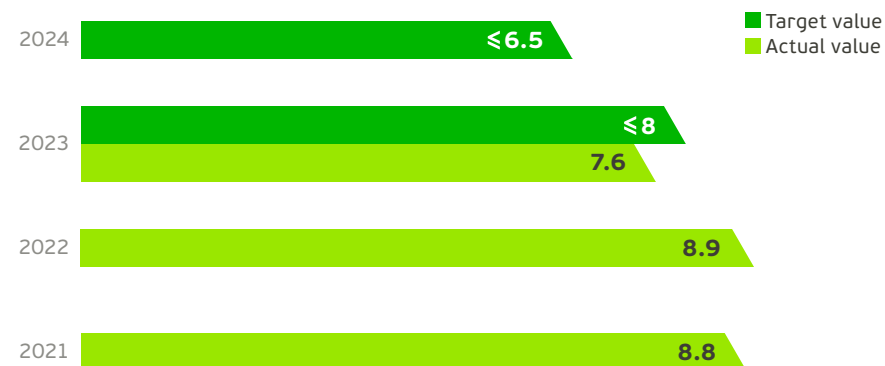
It is vital to continue building a sustainable positive safety culture within our business, ensuring the health, safety, and welfare of our employees, site visitors, and contractors.

To support and drive this positive safety culture, we will focus on the following safety initiatives:

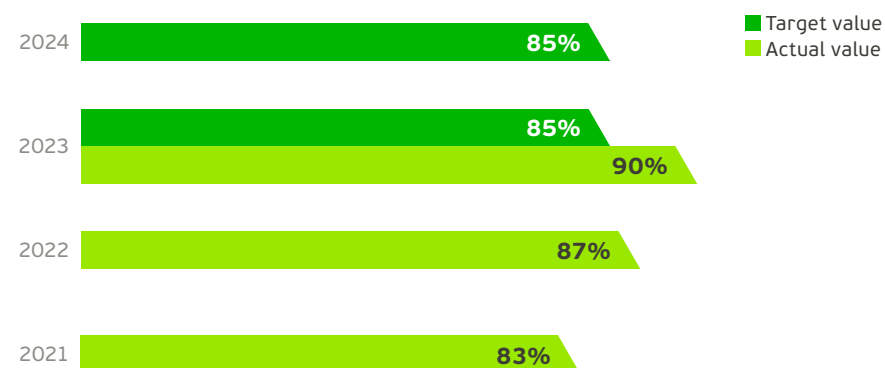
- Implement our six steps for safety strategy at all sites.
- Train all leaders and line management to manage safety throughout their sites.

- Develop and use a risk assessment tool to manage and control identified risks and safety measures.
- Create safety training videos in multiple languages to raise safety awareness at all sites.
- Complete annual safety refresher training with operatives to maintain safety awareness.
- Conduct safety audits throughout the group to ensure the six steps for safety strategy are embraced and implemented.

### Lost time injury rate (LTIR)



### Hazard and near miss close out rate





## Recording the best-ever safety performance on our way to achieving zero accidents

In 2023, VPK Group achieved a remarkable milestone in workplace safety. We recorded a Lost Time Injury Rate (LTIR) of 7.6 per million exposure hours, surpassing our target of 8 and marking our best-ever safety performance. This success is the result of our continued efforts to enhance safety awareness throughout the Group, proving that our Six Steps for Safety strategy truly pays off. It reinforces our commitment to continue on this path and improve the health, safety, and welfare of our people, external contractors, and visitors even further.

### Training for better safety

One of the cornerstones of the Six Steps for Safety strategy is comprehensive training. Richard Lancaster, Group Health & Safety Manager at VPK Group, explains: "Knowledge is power, and ensuring our people are well-trained in safety is crucial."

In 2023, we conducted extensive health and safety training sessions covering key topics such as site hazards, risks, safety control measures,

and the specific safety responsibilities of our management teams. "It is of vital importance that our management understands their individual health and safety responsibilities", says Richard. "Intensive training has helped nurture a safety culture throughout the group, making safety a key element of our daily business activities."

### Proactively monitoring safety risks

Following management training, our senior and line managers regularly

report hazards and near-miss incidents using our dedicated mobile app, Zero Accidents. "This proactive monitoring tool helps capture potential issues before they become accidents", states Richard.



Thanks to the training efforts, senior and line management now regularly report hazards (anything with the potential to cause harm) and near misses (unplanned events that did not result in injury, illness, or damage to property or equipment but had the potential to do so). As a result, we reported over 10,000 hazards and near misses in 2023, a 33% increase from 2022.

This proactive approach also includes weekly site safety inspections conducted by both management and workers to ensure a safe working environment. "All business units now complete regular site safety inspections", adds Richard, emphasizing the importance of these practices in maintaining workplace safety.

### Monitoring safety performance

The proactive monitoring provides leading indicator data to keep track of our safety performance. On top of that, we also log lagging indicators, such as accident types, injury types, and the Lost Time Injury Rate (LTIR) in our Queens database, so that we can learn from accidents.

"This dual approach enables us to develop targeted safety initiatives", Richard adds.

"A great example is our 2023 group-wide safety awareness campaign. Over the course of 12 weeks, we communicated intensively through various channels and in 14 languages about a range of personal and contextual risk factors, targeting team leaders and operators across the group. With great success."

### Continuing on our path to zero accidents

By integrating safety training, proactive monitoring, and a comprehensive safety awareness campaign, we saw a 15% reduction in Lost Time Accidents (LTAs) in 2023 compared to 2022. We also achieved an 89.5% closeout rate for our safety actions.

Building on this success, we decided to launch a new campaign for 2024 focused on hand safety. Richard highlights the importance of this initiative: "This new campaign addresses the main injury trend across the VPK Group, allowing us to further improve our group-wide safety performance and moving us closer to our ultimate goal of zero accidents."

“

It is of vital importance that our management understands their individual health and safety responsibilities. Intensive training has helped nurture a safety culture throughout the group, making safety a key element of our daily business activities.”

RICHARD LANCASTER,  
GROUP HEALTH &  
SAFETY MANAGER  
AT VPK GROUP



# 02. Employee wellbeing



## 3 GOOD HEALTH AND WELL-BEING

KPI

Permanent contracts  
Employee engagement surveys

**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.

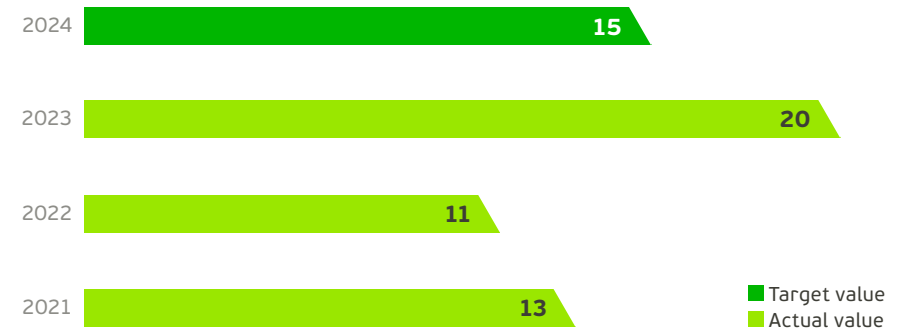
### Past reporting period

- In 2023, the percentage of permanent contracts slightly decreased from 94% to 93%, remaining close to our 95% target.
- We made significant strides in employee engagement surveys, conducting assessments across 20 entities within the VPK Group.

### Outlook for the next few years

The future of VPK is shaped by its people. Employee engagement is a key driver of performance, so we are maintaining our ambitious target of conducting 15 employee engagement surveys per year.

### Number of sites with completed employee engagement surveys



### Percentage of permanent contracts



# That VPK feeling

Proud  
Passionate  
Committed

## Advocating That VPK feeling based on an all-new employer branding campaign

What do VPK and rugby have in common? More than you would think. We share common values. Going the extra mile, taking responsibility, taking care of each other, and trusting each other. It's that team spirit that binds us and inspired us to tailor our employer branding strategy. We sat down with Stephanie De Smedt, Marketing Partner at VPK Group, to get the full story on how this all came together.

### Stephanie, let's start at the beginning. What triggered the development of a VPK employer branding strategy?

"At VPK, we aim to foster sustainable relationships with our people. We want to engage and retain our current colleagues, while also attracting the right talent that help us continue our organization's growth. To achieve this, we want to communicate our story. What we stand for, as a family-owned company and as a group of people. We strongly believe that by doing so in a creative way, we can make a difference in the job market."

### How did you approach this?

"In the initial phase, we identified the target audiences for our employer branding. This resulted in a highly diverse set of people, ranging from blue-collar workers to technical and managerial profiles, including both existing personnel and future team members. The challenge lies in bringing our story to each of these groups accordingly. To do so, we identified the main values that each group upholds. Next, we matched them with our corporate values and the typical VPK DNA to come up with a tailored employer value proposition,

That's what we strive for,  
every single day

[jobs.vpkgroup.be](https://jobs.vpkgroup.be)

enabling us to customize our message for each target group. In this way, we developed the main building blocks of our employer branding strategy.”

**How will you implement this strategy?**

“We translated our employer branding strategy into a campaign centred around an umbrella concept, namely, ‘That VPK Feeling’. This concept perfectly conveys what we stand for. It communicates our familial atmosphere, our sense of togetherness, which our company culture extends beyond the workplace. It expresses the pride we take in our work, which spurs on our creativity and innovation.”

“Based on this core concept, we have developed a campaign strategy divided into two phases. First, we will engage in an image-building campaign, built around ‘That VPK Feeling’, emphasizing a consistent tone of voice, the use of communication channels, and creativity. Once the image-building phase is concluded, we will commence the active recruitment phase.”

**In the image campaign, we see a lot of rugby references. How did that come about?**

“You might not expect it, but our story shares strong similarities with rugby. Team spirit, putting the collective group first with respect for diversity, pride, going the extra mile... it resonates perfectly with what our company stands for. Hence, in our image-building campaign, we have embraced the spirit of rugby wholeheartedly.”

“And you can take that literally. We introduced various employees to the sport and invited them to play for real. This provided the perfect occasion to dress our colleagues in full rugby attire and capture some great video and photo footage, authentically conveying the values we share with rugby. This resulted in stunning visuals that we have displayed on large posters at our sites. We also developed a paid digital media plan to share our campaign on our social media channels and other online platforms.”

“In addition, we are very proud to be the main partner of the 30th-anniversary edition of the Flanders Open Rugby event, which is hosted in our hometown of Dendermonde, Belgium. You will be able to spot our campaign throughout the event. We are going full throttle in our image-building, ensuring that, from autumn 2024 onwards, we will be ready to launch our recruitment campaign on a solid foundation.”



# 03.

# Training and education



## 4 QUALITY EDUCATION

KPI

Training hours

**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 2023.

### Past reporting period

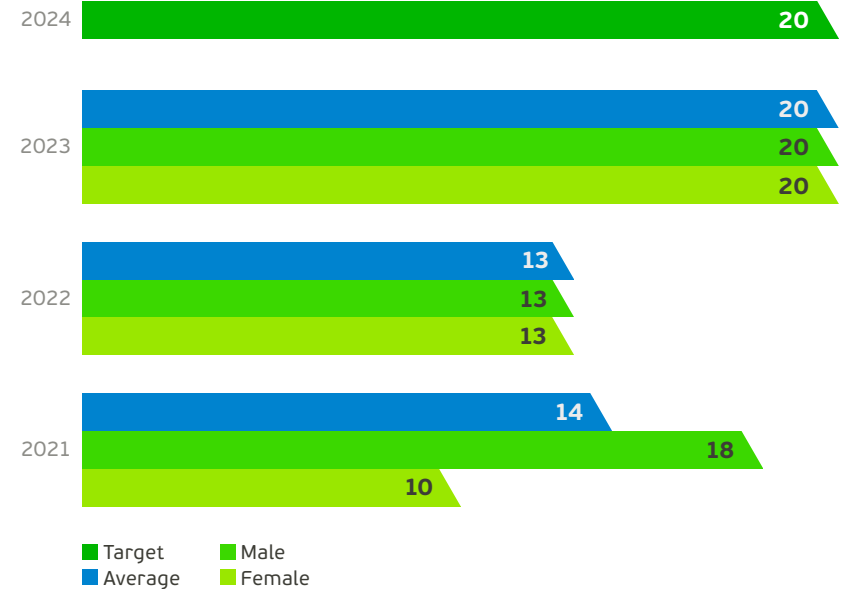
- In 2023, the VPK Group made significant strides in employee training. Each employee received an average of 20 hours of training, a remarkable increase of over 50% compared to the previous year.

### Outlook for the next few years

To meet or exceed our goal of 20 training hours per employee by 2024, we plan to:

- Intensify training efforts, focusing on workplace safety and adherence to VPK’s Code of Conduct.
- Enhance tracking of training hours by implementing a more efficient tool, starting with a pilot project in Belgium.

## Hours of training per employee





## Case

## Training and education

### Cultivating VPK Group's next generation of leaders through our Future Leaders Programme

To ensure the long-term, sustainable future of VPK Group, we invest in training tomorrow's leaders today. Central to this commitment is our 'Future Leaders Programme', which we launched in 2021 in close collaboration with the Vlerick Business School. This comprehensive training programme equips our future leaders with the skills and networks necessary to drive our company's success.

In 2021, VPK Group conducted a group-wide talent management exercise to identify ways to nurture the talents within our Group. This exercise, among other things, revealed the need for succession planning. "Succession planning creates a win-win situation. It not only ensures quality management of our VPK business for years to come, but it also gives our talented colleagues a motivating perspective on their career plan at VPK Group", explains Wim Naessens, CEO Paper division at VPK Group.

In response, VPK Group partnered with Belgium's esteemed Vlerick Business School to create our 'Future Leaders Programme'. This comprehensive training programme consists of four meticulously crafted modules aimed at:

- Developing VPK's future leaders
- Building a cohesive network within VPK Group across countries and business units
- Teaching strategic thinking, vision development, and change management
- Supporting succession planning as part of our broader talent management exercise

### Developing strategic thinking and vision

One of the core elements of the programme is teaching participants how to think strategically and develop a clear vision. “The ability to think strategically is crucial for any leader”, says Wim. “The goal of the programme is to equip our future leaders with the appropriate skills to successfully navigate complex business landscapes and drive our company forward.”

Participants engage in hands-on learning experiences that challenge them to analyse market trends, assess competitive landscapes, and formulate strategies that align with VPK’s long-term objectives. The programme prepares participants to adopt the strategic mindset and visionary approach necessary for leadership positions.

### Delving into change management and leadership

Participants also learn to design and implement change initiatives that enhance the organization’s overall performance and adaptability. “Change is a constant in our industry”, Wim notes. “By training our future leaders in change management, we ensure that VPK remains agile and responsive to new obstacles and opportunities.”

The training includes practical exercises and real-life scenarios that simulate the complexities of managing change within a global organization. It helps the participants gain valuable insights into leading teams through transitions, overcoming resistance, and achieving sustainable change outcomes.

### Networking throughout the VPK Group

The ‘Future Leaders Programme’ is not just about training. It is also about building a strong, interconnected network across VPK’s business units and countries. “One of the most significant benefits of the Future Leaders Programme is the opportunity it provides for participants to build lasting relationships with colleagues from different countries and different parts of the organization”, explains Wim.

These connections foster collaboration and knowledge sharing, creating a more integrated and cohesive company culture. By working together on projects and sharing experiences, participants develop a deeper understanding of the diverse perspectives and expertise within VPK.

### Putting knowledge into practice

In its first year, the programme included 20 participants from different business units and countries, underscoring VPK’s commitment to diversity and inclusivity in leadership development. Since then, a total of 25 colleagues have joined the programme.

Each year, the participants develop tangible projects that address real-world challenges within VPK. A great example is the highly successful Health & Safety campaign that was launched in 2023. This campaign was a major contributor to our best-ever safety performance (read more on [page 37](#) of this report), an important milestone on our way to achieving zero accidents.

“These projects not only provide practical experience but also make a significant impact on our organization”, says Wim. “The 2023 Health & Safety campaign is a testament to the effectiveness of the programme in driving meaningful change.”

“

The goal of the programme is to equip our future leaders with the skills to navigate complex business landscapes and drive our company forward.”

WIM NAESSENS,  
CEO PAPER DIVISION  
AT VPK GROUP

# 04. Ethics and transparency



17 PARTNERSHIPS FOR THE GOALS

KPI

Sedex, EcoVadis, CDP and UN GC

**At VPK, we conduct our business in an ethical and sustainable way, and we want to be transparent about it. In this way, we continue to build trust and increase opportunities with customers.**

To share our commitment to sustainable business practices and ensure transparency, we work with four well-respected platforms.



## Supplier Ethical Data Exchange

Sedex is one of the leading collaborative platforms for sharing ethical supply chain data. VPK has been active on the Sedex platform since 2016, sharing and reporting information on four key areas: Labour Standards, Health & Safety, Environment and Business Ethics.

We evaluate our ethical performance based on the number and the rating of the VPK sites that have subscribed to the Sedex platform. Currently, 22 of our production sites are registered on Sedex.



EcoVadis is a globally recognized rating platform that assesses corporate sustainability based on four key categories: environmental impact, labour and human rights standards, ethics, and procurement practices. The objective of the EcoVadis rating is to measure the quality of a company's Corporate Social Responsibility (CSR) management system annually through its policies, actions and results.

At VPK, we use the EcoVadis assessment tool as a management tool to determine our priorities and decide which steps to take next. We have been disclosing our CSR performance on EcoVadis since 2017 and we are currently participating with nine countries: Belgium, Denmark, France, Norway, Poland, Romania, Sweden, the Netherlands and UK. By the end of 2024, we aim to obtain an additional EcoVadis Group certificate, ensuring coverage for all sites and divisions within the VPK Group.



## Carbon Disclosure Project

CDP is a global disclosure system, which enables investors, companies, cities, states and regions to manage their environmental impacts. VPK has been using CDP since 2016. Each year, we disclose environmental data in three sections: climate change, water security and forests. In each of these sections, we have reached level B rating.

We also participate in the CDP's Supplier Engagement Rating (SER), which assesses our sustainable contribution to the supplier value chain. More specifically, the SER assesses our performance in terms of governance, targets, CO<sub>2</sub> Scope 3 emissions, and value chain engagement. In this specific domain, we have obtained a level B score.





## United Nations Global Compact

The UN Global Compact is a voluntary corporate sustainability initiative that underpins a company's commitment to implement, disclose and promote the ten universal principles in the areas of human rights, labour, environment and anticorruption.

VPK has been publishing its data on the UN Global Compact since 2020. We adhere to their methodology to document our sustainability journey. As a result, we have defined 12 key performance indicators related to the ten universal principles, as well as the nine most important SDGs for our company.

VPK meets all minimum requirements and submits an annual Communication on Progress (CoP). Our CoP and the CEO Statement of Continued Support are publicly available on the UN Global Compact [website](#).

▶ GO TO THE ONLINE CERTIFICATE OVERVIEW



## Other endorsements

- Cradle To Cradle – since 2016
- Pack4Food – since 2017
- Healthy Printing Initiative – since 2018

## Membership of associations

To enhance and ensure cross-industry collaboration and global partnership for sustainable development, VPK is an active member of various trade organizations, as well as multistakeholder partnerships that mobilize and share knowledge, expertise and technology and also support the achievement of sustainable development goals.

- FEFCO: Federation of European Corrugated Organization
- CEPI: Confederation of European Paper Industries
- CPI: Confederation of Paper Industries (UK)
- InDufed: Association of Belgian manufacturers of Glass, Paper and Cardboard
- CBA: Corrugated Benelux Association
- NBF: Norske Bølgepappfabrikkers Forening, Association of Norwegian Corrugated Board Manufacturers.





# 05. Circularity

**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 2.41% 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 2023, the percentage of our corrugated recyclable waste increased from 9% to 13%, slightly above our 10% target.
- Operational enhancements slightly reduced the amount of waste sent to landfills. However, further improvements are necessary to meet our ambitious target.

## Outlook for the next few years

- We are expanding ongoing projects in our paper mills to further reduce landfilled waste.
- We are placing greater emphasis on awareness programs across the VPK Group.
- It's crucial to reinforce our focus on waste stream management within the corrugated board division to improve results. Our ongoing objective is to keep recyclable process waste below 10%.

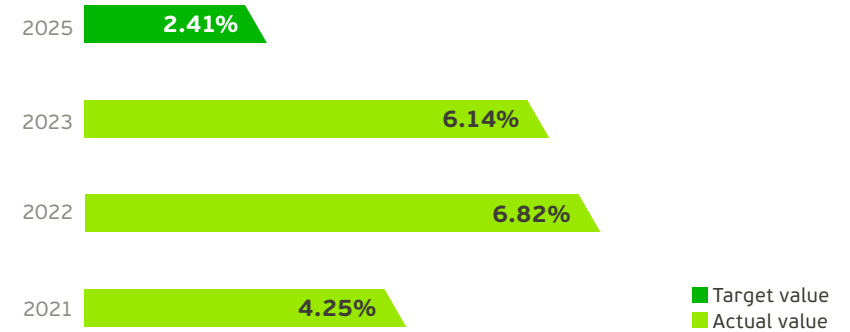


**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

KPI

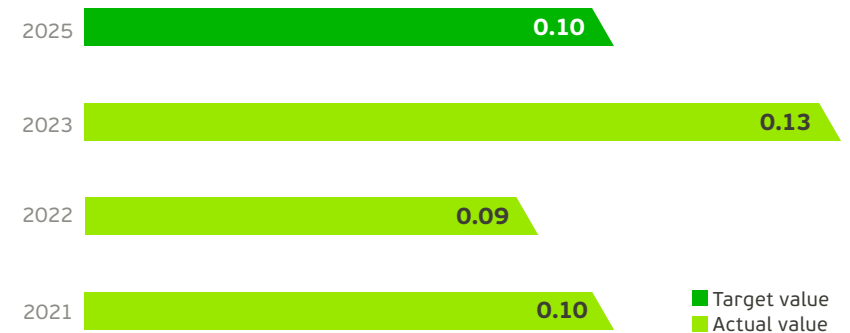
Waste

## Percentage of total waste that is landfilled\*



\* Debris from construction activities (e.g. building conversion) on-site is monitored but reported separately.

## Tonnes of recyclable waste per tonne of corrugated board sold\*\*



\*\* Includes conversion, feeder, corrugated



Recyclable corrugated waste generated during conversion: 2%

## Sustainable and circular





## Continuously optimizing our customers' packaging to enhance their ecological footprint and costs

**Packaging serves essential functions: preserving product freshness, protecting against damage, and facilitating transportation. However, it also has an environmental footprint. At VPK Group, we aim to strike the optimal balance: minimizing packaging material without compromising its essential qualities.**

### Bringing a systematic approach to product optimization

Over the years, VPK Group has developed a standardized workflow to investigate optimization opportunities for a customer's packaging. This workflow includes two major tracks. The first track includes desk research, where the product optimization experts delve into the data we have gathered regarding the packaging for a specific customer. "In total, we analyse the customer's packaging based on eight parameters. For instance, we assess the type of paper used, whether the packaging

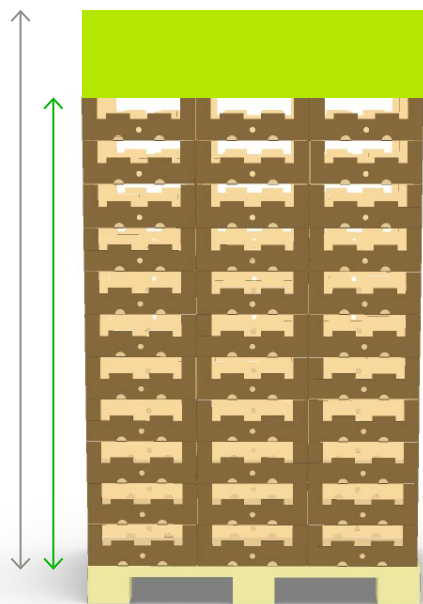
is produced in the best possible way and with the best machines, and if the packaging dimensions are optimal for its contents", illustrates Nikolaas Verhelst, Product Innovation Partner at VPK Group. And these are only the aspects related to the direct costs of packaging. The packaging optimization experts also investigate factors that affect the indirect costs linked to packaging, such as logistics. "If we are able to increase the number of packages per pallet, we can reduce the number of pallets needed, decrease shrink wrap usage, and lower the number of trucks on the road."

The second track includes a customer site visit, to observe the customer's situation first hand. "Data alone doesn't tell the whole story," Nikolaas continues. "For example, during one of our customer visits, we saw our pallets with cardboard boxes being placed and transported in the snow. On another occasion, we noticed some pallets were stacked nearly two metres high, while other pallets were only stacked one and a half metres high. We even check how carefully the customer's machines handle our packaging, how they load their products into our packaging,

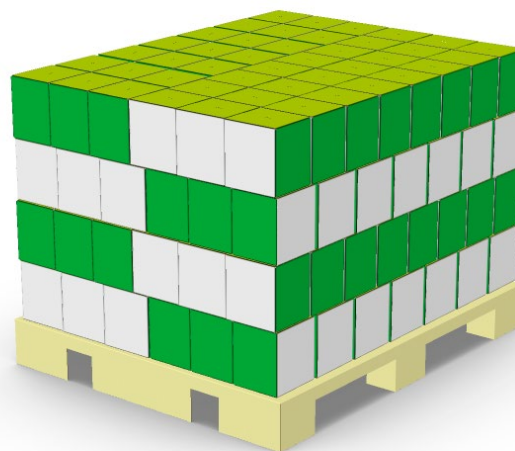
and how the boxes are used by their retail clients. These types of details allow us to go the extra mile in optimizing our customers' packaging."

### Gaining sector-wide importance

No wonder Nikolaas sees the number of customers requiring such optimization tracks steadily increasing. "Major customers include our product optimization service in their contracts, challenging us to propose savings each year."



Increase pallet heights



Optimal pallet fitment



The demand for optimization is also starting to surface in tenders. In 2023, VPK Group received a call for a tender package including the production of a comprehensive packaging range, as well as the optimization of the packaging. The customer emphasized that they would select their packaging partner based on both sub-packages. Therefore, the product optimization team was put to work.

Nikolaas: “We went all out on this challenge. We analysed the packaging data included in the tender, and we even examined the data of the packaging we already produce for the customer in

question. On top of that, we visited two of the customer’s Belgian sites.”

The VPK approach paid off. Every step of our standard workflow revealed savings opportunities. To provide a concrete example, Nikolaas explains how their analysis of the dimension data in the tender revealed significant logistics savings. “The tender included 135 references of American boxes. Grouping all these box types according to volume, with up to 0.001-m<sup>3</sup> accuracy, would enable us to cut the number of different box dimensions from 92 to 36. Closer investigation of the top 2 box references in annual volume revealed that some minor

adjustments to the boxes’ dimensions would ensure 100% pallet utilization. This optimization alone would already help save the customer close to €300,000 in outbound pallets and trucks per year.”

These examples clearly illustrate the added value of VPK Group’s product optimization service. Not only from a monetary perspective, but also from a sustainable one. Reducing packaging materials or the number of outbound trucks also affects carbon emissions. As of summer 2024, we will be able to communicate the CO<sub>2</sub> emissions savings that our product optimization proposals will induce.

### Making small adjustments with a large impact

Even the smallest improvements can quickly add up, especially with large volumes of packaging. A great example is the optimization that our solid board division, Smart Packaging Solutions, achieved for one of their customers. After thorough analysis of the customer’s packaging data, the product optimization experts suggested modifying the construction of the bottom from double long sides to double short sides and changing the paper type from white/brown to brown/brown. This resulted in a savings of 50 grams per package, equating to 125 tonnes of solid cardboard saved annually on 2.5 million units.

“

Major customers include our product optimization service in their contracts, challenging us to propose savings each year.”

NIKOLAAS VERHELST,  
PRODUCT INNOVATION PARTNER  
AT VPK GROUP

# 06. Certified commodities and 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. In addition, we ensure the sustainable production and origin of our recycled paper and fibres through FSC® CoC certification.

## BRCGS certification

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 and especially those supplying to the food and food processing market BRCGS certified by 2024, 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.



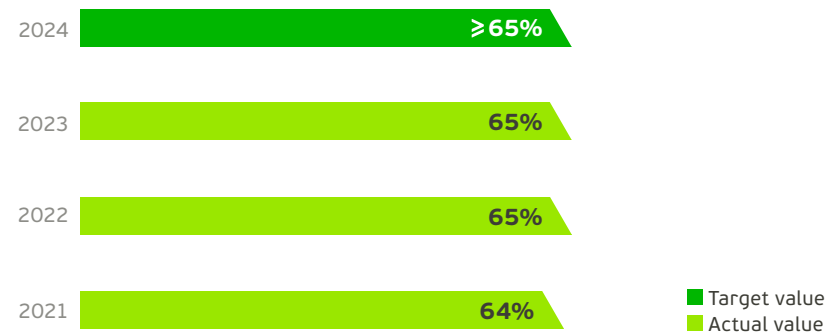
## FSC® CoC certification

VPK believes in a transparent supply chain and guarantees its customers full traceability of the origin of the materials used. Our system has been certified by the Forest Stewardship Council (FSC) Chain of Custody (CoC) since 2011. Thanks to this FSC® CoC certification, we have external assurance that our products originate from

well-managed forests, controlled sources or reclaimed materials.

In addition, we have committed ourselves to only using materials that are supplied through a verified CoC-certified supply chain. For the production of our paper, corrugated boxes and sheets, we only accept FSC®-certified materials.

## Share of BRCGS-certified packaging sites



Metric	unit	2021	2022	2023
<b>Paper production (raw material inputs)</b>				
Recycled fibres	Tonnes	1,083,424	1,026,503	1,197,208
Virgin fibres	Tonnes	0	0	0
Recycled fibres	Percentage	100	100	100
FSC Chain of Custody reclaimed materials	Percentage	100	100	100
<b>Packaging production (raw material inputs)</b>				
Recycled fibres	Tonnes	1,059,816	976,663	1,009,500
Virgin fibres	Tonnes	172,274	147,164	125,000
Recycled fibres	Percentage	86	87	89
FSC Chain of Custody certified materials	Percentage	100	100	100

Figures do not include Corex sites

### Past reporting period

- In 2023, we achieved our target of having 65% of our sites BRCGS certified for the second consecutive year.
- VPK Group had 56 sites FSC® certified, accounting for 72% of all certified sites within the group.
- All our paper mills are FSC® certified and use 100% recycled CoC-certified fibers.
- Additionally, 35 out of 37 packaging sites are FSC® certified.
- This year, we released [VPK's Policy](#) on Deforestation and Forest Degradation-Free Practices.

### Outlook for the next few years

- In 2024, we want to keep at least this percentage of BRCGS-certified sites.
- We will fully endorse and commit to complying with the EU Deforestation Regulation once it becomes effective.
- Our goal is to continue producing 100% FSC®-certified recycled paper and a maximum amount of CoC-certified corrugated boxes and sheets.





## Case

Certified commodities  
and product hygiene

### Going the extra mile, aiming for forest degradation-free operations

**Biodiversity is under significant pressure globally. Although VPK does not exploit its own forests, nor do we intend to, we are committed to contributing to nature conservation. We do so by partnering with local environmental organizations in tree-planting and natural habitat restoration projects. But our commitment reaches far beyond these initiatives. Nature preservation is deeply ingrained in our operations and value chain. We sat down with VPK Group Sustainability Manager, Viktoriya Bakhtina, to expand on VPK's sustainable sourcing strategy.**

**Viktoriya, paper-based products require vast amounts of tree-based input materials. How does VPK ensure that its demand for paper fibres does not put extra pressure on global forest resources and biodiversity in general?**

“At VPK, our commitment to sustainability extends deep into our sourcing practices. Since 2011, we have obtained Forest Stewardship Council® (FSC®) Chain-of-Custody (CoC) certification. Today, all our paper mills and solid board production sites

are FSC-certified. What's more, they work solely with recycled CoC-certified fibres, a standard we are determined to uphold.”

“Currently, we only use a limited amount of virgin fibres in the production of corrugated packaging, to match specific customer requirements. For these virgin fibres, we make sure that they originate from responsibly managed forests and controlled sources. Our objective is to incorporate at least 85% of recycled



fibres into our packaging materials. In addition, we aim to maintain FSC® CoC certification for more than 90% of our corrugated packaging sites."

### **What additional steps is VPK taking to conserve nature's resources?**

"By combining these initiatives, we have dedicated ourselves to surpassing conventional efforts in our sourcing strategy. We want to go the extra mile, aiming not only for FSC® CoC certification but also for achieving 100% deforestation and forest degradation-free operations by 2025. To achieve this goal, we rely on the collaboration and support of all our suppliers."

### **How does VPK engage with its suppliers to ensure a fully reliable supply chain?**

"We ensure the integrity of our supply chain by upholding maximum transparency, traceability, and due diligence. This includes conducting thorough risk assessments of our suppliers, as well as adhering to relevant legislation. In this way, we ensure the procurement of legal forest products and the sourcing of raw materials from well-established

European companies. Currently, we are in the process of implementing a tool and procedure to assess paper suppliers against an extensive set of ESG-inspired risks. Furthermore, we have established effective grievance mechanisms that allow stakeholders to report any potential incidents within our supply chain."

"In addition, we have implemented a comprehensive Supplier Code of Conduct that outlines strict compliance with sustainable forestry practices, biodiversity conservation, and respect for human rights as prerequisites for working with VPK Group. Moreover, we are fully committed to complying with the EU Deforestation Regulation once it takes effect, further underscoring our dedication to sustainable and responsible sourcing practices."

"Through all of these efforts, we demonstrate that environmental responsibility and business success can go hand in hand, leading the way towards forest degradation-free operations."



# 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 riskbased 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 (when technically possible)
- 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 m<sup>3</sup>/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.

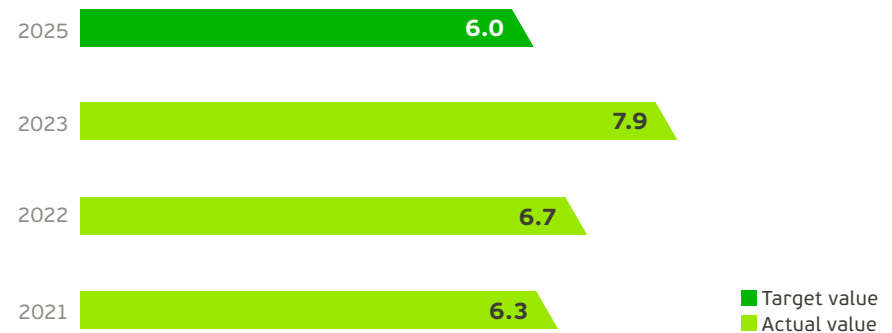
### Past reporting period

- While our water intake remains below the industry average, we've observed an increase in water consumption at our paper mills, primarily due to the commissioning of a new paper mill in France in 2023.

### Outlook for the next few years

- We aim to reduce the net water intake of our paper mills by continuing to implement operational improvements and increase management attention
- By increasing focus on water management and implementing new water-saving projects at our paper mills, we maintain our sharp target.

### Water intake intensity of papermills (m<sup>3</sup>/tonne sold)



## Purifying wash water to ensure optimal use of every water intake

Within VPK Group, the responsible use of water resources is a top priority. We strive to maximize water reuse wherever possible, underlining our dedication to environmental sustainability. Recently, we made a significant investment in enhancing our wastewater treatment capabilities at our site in Norrköping, Sweden. This investment includes the installation of a state-of-the-art Ultra Filtration (UF) system, aimed at recycling water used in washing our printing units, in order to meet the most stringent water quality standards.

At our Norrköping site, we specialize in producing custom-made corrugated packaging solutions tailored to the unique needs of our clients. These high-quality packaging solutions are crafted from recycled paper, making them ideal for a wide range of applications, including consumer goods, food and beverages, e-commerce, and industrial packaging.

### Manufacturing and printing customized packaging solutions

In addition to manufacturing, Norrköping also provides printing services to customize their packaging solutions with their clients' logos, promotions, and other branding elements. To achieve this, the facility relies on its in-house printing units and clichés for print patterns, along with eco-friendly inks.

“To ensure the best possible results for our customers, we wash our printing equipment thoroughly before every order”, explains Morten Harlem, Managing Director Nordic at VPK Group. “While our printing pigments adhere to Best Available Techniques (BAT), they still generate trace amounts of heavy metals, which are present in low concentrations in the wash water.”



### Intensifying the purification of the printing wash water

To further reduce these metal concentrations in the wash water, our Norrköping site decided to invest in a new water purification system in 2023. According to Morten, wastewater treatment is a proven technology to remove heavy metals from process water. “For this reason, we decided to run tests with Ultra Filtration to separate the metal particles from the wash water.”

Extensive testing conducted in collaboration with the suppliers, along with third-party analysis, confirmed the efficiency of the UF technology in reducing heavy metal concentrations. Consequently, the decision was made to invest in a new state-of-the-art UF installation. “This decision was driven by our firm commitment to sustainability and regulatory compliance. With strict guidelines governing heavy metal emissions in water quality standards, upgrading our wastewater treatment capabilities became imperative”, underscores Morten.

### Achieving impressive results

The UF treatment plant has been fully operational since its installation at the end of 2023, with any initial startup issues being promptly resolved. Post installation, some further testing reconfirmed the system’s efficacy, with significant reductions observed in heavy metal concentrations after treatment. Copper, chrome, and nickel concentrations were particularly noteworthy, with the UF equipment demonstrating close to 100% efficiency in reducing their levels. “To be precise, we achieved reductions of between 94% and 100% in heavy metal concentrations in the wash water”, Morten elaborates.

Impressive results that make Morten look back on the investment decision with satisfaction. “The investment is a true success. It minimizes our plant’s environmental footprint, ensures our compliance with new regulatory requirements, and helps create a cleaner and more sustainable future.”

“

To be precise, we achieved reductions of between 94% and 100% in heavy metal concentrations in the wash water.”

MORTEN HARLEM,  
MANAGING DIRECTOR NORDIC  
AT VPK GROUP

# 08. Climate and carbon emissions management



13 CLIMATE ACTION

KPI

CO<sub>2</sub> emissions

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

Reducing our carbon footprint is essential for society and our activities. At VPK, we recognize the importance of climate action and continue to contribute to a sustainable future.

Our goal is to limit global temperature rise in line with 1.5°C above pre-industrial levels and achieve net-zero CO<sub>2</sub> emissions by 2050. To achieve this, we have set ourselves ambitious reduction targets aligned with the Science Based Target initiative (SBTi).

Together with the motivated support of our engineers, sourcing managers, waste managers, logistics managers and material managers, we are fully committed to improving our CO<sub>2</sub> emissions. To reduce our Scope 1 and Scope 2 emissions, we continue to invest in carbon-neutral energy solutions.

We have developed a trustworthy climate transition and carbon reduction plan and choose SBTi to provide our stakeholders with a standardized and robust approach.

## Past reporting period

- In 2023, we achieved a 6.2% reduction in our absolute Scope 1 & 2 CO<sub>2</sub> emissions compared to the previous year.
- We decreased absolute Scope 1 and 2 emissions by 13.4% compared to the 2020 baseline, representing one third of our 2030 target and over 52,000 tonnes of CO<sub>2</sub>e. This progress brings us closer to our goal.
- Last year, we emitted 18% less CO<sub>2</sub>e Scope 1 and 2 emissions per tonne of goods sold compared to the 2020 baseline. This decrease in physical intensity of our products assures us that we are leveraging effective technology

BUSINESS AMBITION FOR 1.5°C



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

## APPROVED NET-ZERO SCIENCE-BASED TARGETS

The Science Based Targets initiative has validated that the science-based greenhouse gas emissions reductions target(s) submitted by VPK Group conform with the SBTi Corporate Net Zero Standard.

**SBTi has classified your company's scope 1 and 2 target ambition as in line with a 1.5°C trajectory.**

The official net-zero science-based target language:

- **Overall Net-Zero Target:** VPK Group commits to reach net-zero greenhouse gas emissions across the value chain by 2050.
- **Near-Term Targets:** VPK Group commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year.\* VPK Group also commits to reduce scope 3 GHG emissions from purchased goods and services and upstream transportation and distribution 52% per ton of goods sold within the same timeframe.\*

\* The target boundary includes land-related emissions and removals from bioenergy feedstocks.

- **Long-Term Targets:** VPK Group commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2050 from a 2020 base year.\* VPK Group also commits to reduce scope 3 GHG emissions 97% per ton of goods sold within the same timeframe.\*

\*The target boundary includes land-related emissions and removals from bioenergy feedstocks.

**Date of approval:** 31 May 2024



# Climate and carbon emissions management

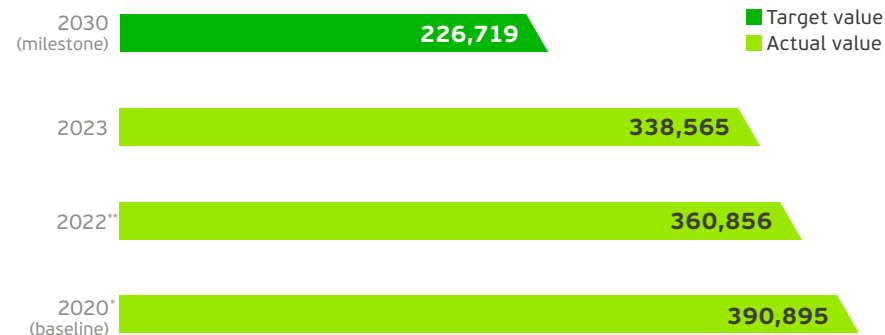
and moving in the right direction to create low-carbon products that contribute to sustainability for our clients.

## Outlook for the next few years

- Numerous fuel switch initiatives have been launched in recent years, though they are still in the process of scaling up to deliver significant outcomes.
- We continue to expand renewable energy sources through new solar and biogas installations, biomass boilers and other alternative solutions to non-fossil fuel.
- We investigate and optimise our packaging in terms of weight, size, raw materials used, components used, strength, to reduce the carbon footprint and offer our customers the most sustainable solutions.
- We continue to implement a route planning system and a 3D load building system to optimize transport to our customers and increase load volume.

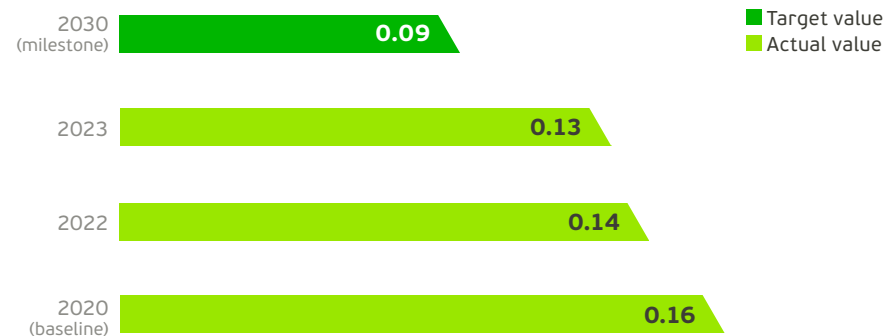


## VPK Group scope 1 + 2 absolute emissions (tCO<sub>2</sub>e)



\* rebased (as submitted to SBTi)  
\*\* rebased

## VPK Group scope 1 + 2 intensity emissions (tCO<sub>2</sub>e/t sold)



# Mapping our Scope 3 emissions

## Climate and carbon emissions management

**Since we have set ambitious reduction targets for our Scope 3 emissions in alignment with SBTi, we are expanding and scaling up our program to reduce GHG emissions from our supply chain and transportation, in line with a 1.5°C trajectory.**

Our Scope 3 mapping encompasses a selection of 9 out of 15 categories that are most pertinent and significant to our business (see text box).

For each of these categories, we took into account all the data that are available throughout the value chain.

Most of the data were collected at group level; for the largest and most important category — purchased goods and services — we contacted our suppliers to provide us with the required primary data on an annual basis. Starting this year, we are implementing independent assurance for all Scope 3 emissions. For more information, see [page 80](#).

### Scope 3 emissions amount to 71% of total GHG emissions

In 2023, we calculated that Scope 3 emissions accounted for approximately 71% of our total GHG emissions, corresponding to 844,472 tonnes of CO<sub>2</sub>e.

Further analysis indicated that 90% of these emissions are concentrated in seven upstream categories, with purchased goods and services and upstream transportation and distribution alone comprising 74% of the total Scope 3 emissions. Consequently, our reduction efforts are primarily focused on these two categories. For our near-term SBTi goals set for 2030, we are targeting reductions in two main categories: purchased goods and transportation, which represent 53% and 17% of our total Scope 3 emissions, respectively.

Our SBTi target for reducing Scope 3 emissions by 2030, compared to the 2020 baseline, is a 52% reduction in CO<sub>2</sub>e per ton of external goods sold, translating to an absolute decrease of 22% in tonnes of CO<sub>2</sub>e. Given VPK's growth and the variability in sold volumes, we cannot solely rely on absolute emissions.

### Past Reporting Period

In 2023, we achieved a 7% reduction in the group's Scope 3 GHG emissions intensity compared to the 2020 base year. This corresponds to a 16% absolute reduction compared to previous year and a 10% reduction compared to 2020. These reductions were driven by decreased production and targeted actions tackling transportation and engagement with raw material suppliers.

From 2020 to 2023, key achievements included mapping the primary data for the Scope 3 footprint of main raw materials (paper and starch), assessing the feasibility of, and setting targets for, 2030-2050, and developing an action plan to achieve these targets.

### Scope 3 emission categories

#### Upstream categories

1. Purchased goods and services
2. Capital goods
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)
4. Upstream transportation and distribution
5. Waste generated in operations
6. Business travel
7. Employee commuting

#### Downstream categories

8. Processing of sold products
9. End-of-life treatment of sold products

\* Other indirect (Scope 3) GHG emissions are a consequence of an organization's activities, but occur come from sources not owned or controlled by the organization.

Source: GRI 305: emissions 2016

## Outlook for the next few years

### Further integration of transport planning system

In 2022, we began implementing a new transport planning system designed to enhance the efficiency of our transport operations and reduce our carbon footprint.

This system optimizes transport loads, selects the most suitable transport methods, and minimizes the distance traveled by empty shipments throughout the order management and transport planning processes.

Currently, the system is operational at pilot plants. We plan to mandate its use across all our corrugated packaging plants throughout 2024. Additionally, we will investigate the possibility of shifting to intermodal transport and the potential of utilizing breakbulk vessels, where feasible, as alternatives to exclusive reliance on direct truck deliveries.

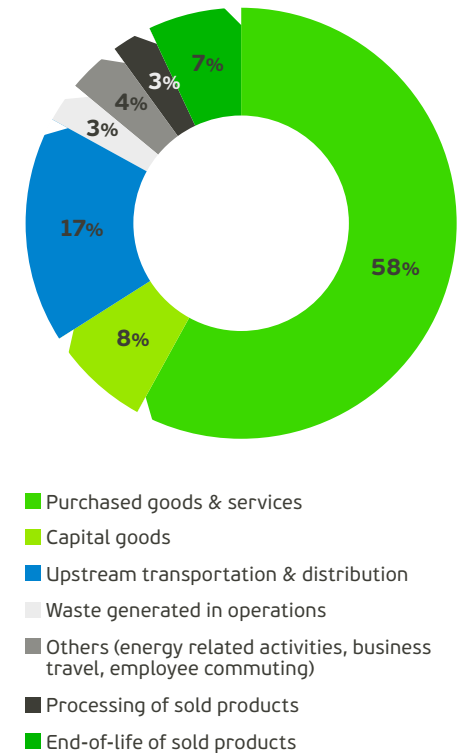
### More initiatives to further address Scope 3 emissions

In addition to the new transport planning system, we have determined a series of future actions to further reduce our Scope 3 emissions:

- In 2023, we already collected primary carbon emissions data from suppliers, representing 80% of the total Scope 3 emissions for purchased goods and services. We aim to further improve the quality of our GHG emissions data by obtaining more primary data from other suppliers.
- As over half of our Scope 3 emissions are represented by purchased goods, we are continuing our focus on a sustainable procurement program to replace carbon-intensive raw materials. Key actions from 2023 onward include:
  - Automating CO<sub>2</sub> footprint calculations for main raw materials (paper and starch) in SAP/BI data processing to enhance reporting and monitor target versus actual progress.

- Integrating CO<sub>2</sub> intensity per ton of paper into our paper optimization tool, making CO<sub>2</sub> intensity a key criterion in our Scope 3 network planning for paper.
- We'll work with suppliers to encourage emissions reductions. A significant leverage point will be the integration of the new VPK Paper mill in Alizay, France. Once fully operational, this mill will add 440,000 tonnes of recycled paper to our network with low CO<sub>2</sub> intensity, significantly reducing our Scope 3 footprint and replacing it with low Scope 1 and 2 emissions.
- The rollout of the previously mentioned transport planning system.

### Scope 3 emissions as % of total scope 3





The Scope 3 inventory has been compiled in accordance with the Greenhouse Gas (GHG) Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Below, we provide additional details regarding the 2023 calculations per category, as well as their related assumptions:

GHG category	Data treatment and assumptions	Emissions factors
<b>Purchased Goods &amp; Services</b>	For Purchased Goods & Services, data has been collected for various material categories (e.g., paper, RCP) based on operational expenditures and sourced weight. CO2 emissions have been calculated for 80% of the raw materials purchased. The remaining smaller purchases (e.g., glue, pallets, chemicals) were covered through extrapolation of the calculated amount. In total, 100% of operational expenditures are covered.	Supplier-specific data, FEFCO LCA 2021 for paper, Starch Europe for starch performed by Vito. Service emissions calculated using EEIO factors (ADEME).
<b>Capital Goods</b>	A high-level assessment of emissions linked to capital investments (CAPEX Group overview), categorized by type of capital investment: safety-related investments, sustainability-related investments, land acquisitions and buildings, construction, and machinery and equipment. The data is based on annual expenditures.	EEIO emission factors from ADEME.
<b>Energy Related Activities</b>	The emissions are calculated based on the consumption data reported for Scope 1 and the industry average upstream emissions as reported by the utilized emission factor database. Scope 1 and 2 company data were not adjusted or altered to calculate Scope 3 – Energy-related activities.	ADEME for fossil fuels, EEA for scope 2 emissions, IEA for upstream electricity emissions.
<b>Upstream Transportation &amp; Distribution</b>	Emissions from transportation and distribution of purchased products and third-party services. This category includes inbound and outbound logistics, calculated based on the exact volumes transported by truck, ship and train. For the different categories within inbound and outbound logistics, assumptions have been taken to calculate the average distances.	the Global Logistics Emissions Council (GLEC).
<b>Waste Generated in Operations</b>	Emissions at the site level from third-party disposal and treatment of operational waste, categorized by type. If waste is recycled, only the emissions for collection and pre-treatment facility are accounted for.	ADEME emissions factors for each waste category and treatment type.
<b>Business Travel</b>	High level assessment of emissions linked to business travel, including transport and accommodation, based on expenditure (EUR).	EEIO emission factors (ADEME).
<b>Employee Commuting</b>	High level assessment of emissions from employee commuting to and from VPK site, split in car transport and public transport, based on average employee transportation distance in EU.	ADEME.
<b>Processing of Sold Products</b>	Calculation includes intermediate products which are sold to end customer and which are further processed by that customer into final products (mainly paper & sheets & coreboard cores). Residuals from production (clippings, etc.) are contained in these figures.	The emissions factor is calculated for the following processes: Production of Cores: Based on Scope 1 & 2 data from VPK's COREX sites, excluding paper mills. Processing of Paper: Based on Scope 1 & 2 data from VPK's corrugated, feeder, and solid plants. Conversion of Sheets: Based on Scope 1 & 2 data from VPK's relevant conversion sites.
<b>End-of-Life of Sold Products</b>	Include end-of-life emissions of all sold intermediate and final products. Calculated based on disposal method and material type. An 82% recycling rate is assumed based on the FEFCO study, with the remaining 18% assumed to be incinerated. Only emissions from collection are considered for recycling. The biogenic emissions resulting from the incineration are calculated, but not included in the final carbon footprint.	ADEME, including collection, processing and incineration.



## Pursuing net-zero emissions with validated near- and long-term targets

**VPK Group has taken a significant step towards addressing climate challenges by committing to the Science-Based Targets initiative (SBTi) Net-Zero Standard. By doing so, we have embraced the challenge to not only reduce our own greenhouse gas emissions, but also actively invest in solutions and innovations to facilitate the transition to a low-carbon economy. We have established a detailed plan with both near- and long-term targets to achieve our net-zero ambition.**

By embarking on this journey towards a net-zero future, VPK Group ensures its resilience to climate-related risks while contributing to the global effort to create a more sustainable future for all. "To reach our net-zero objective, we have outlined [a decarbonization policy](#) that details our transition to renewable energy sources and significant reductions in greenhouse gas emissions, both within our company and throughout the value chain", explains Viktoriya Bakhtina, VPK Group Sustainability Manager.

### Decarbonizing paper production

We have outlined a clear CO<sub>2</sub> reduction plan for all three scopes of carbon emissions, which is built on investments in renewable energy, decarbonization projects, and energy-efficiency measures. Our commitment also extends beyond our own operations. We envision decarbonization measures across our entire value chain, in close collaboration with our suppliers, customers, and stakeholders.

How will this commitment translate into real life? Viktoriya explains: "To guide our net-zero efforts, we have defined validated near-term and long-term targets for all three scopes, set against our 2020 baseline."

## Near-term targets: 2020 to 2030

Our near-term targets for 2030 are fully aligned with the 1.5°C pathway and have been validated by the Science-Based Targets initiative. These targets include science-based emission reduction goals, adhering closely to the SBTi criteria and recommendations.

"Currently, we are intensifying our efforts across six key programmes to achieve our 2030 decarbonization targets. These cover the direct or controlled emissions of our own operations, as well as the indirect emissions throughout our value chain," shares Viktoriya.

By 2030, we aim to increase the share of renewable energy to 50% of our total energy consumption across all operations. Currently, 36% of the energy we use is sourced or produced from renewable and fossil-free sources.

## Long-term targets: 2030 to 2050

We will continue our commitment to significant emission reductions beyond 2030, focusing on three main pillars.

- **Net-zero value chain.** Our long-term objective is to achieve net-zero greenhouse gas emissions throughout our value chain by 2050, in line with the goal to limit global warming to 1.5°C.
- **Renewable energy transition.** We will gradually transition to renewable energy sources across all VPK sites, including biomass, wind energy, photovoltaic installations, and biogas.
- **Energy efficiency:** We will implement energy-efficiency measures across all our facilities to reduce energy consumption and improve overall efficiency. Additionally, we will optimize existing infrastructure and machinery parks, including the use of cogeneration.

## Key programmes to achieve our 2030 decarbonization targets

### Own operations (direct or controlled emissions)

- Enhance energy efficiency and transition to renewable energy sources
- Streamline production processes to minimize waste generation
- Further advance the development of low-carbon products due to the optimization of product designs for lighter, stronger, and fit-to-size packaging

### Value chain (indirect not owned or controlled emissions)

- Increase focus on sourcing low-carbon raw materials
- Improve logistics efficiency and transition to low-carbon modes of transportation
- Collaborate with suppliers to reduce their greenhouse gas emissions

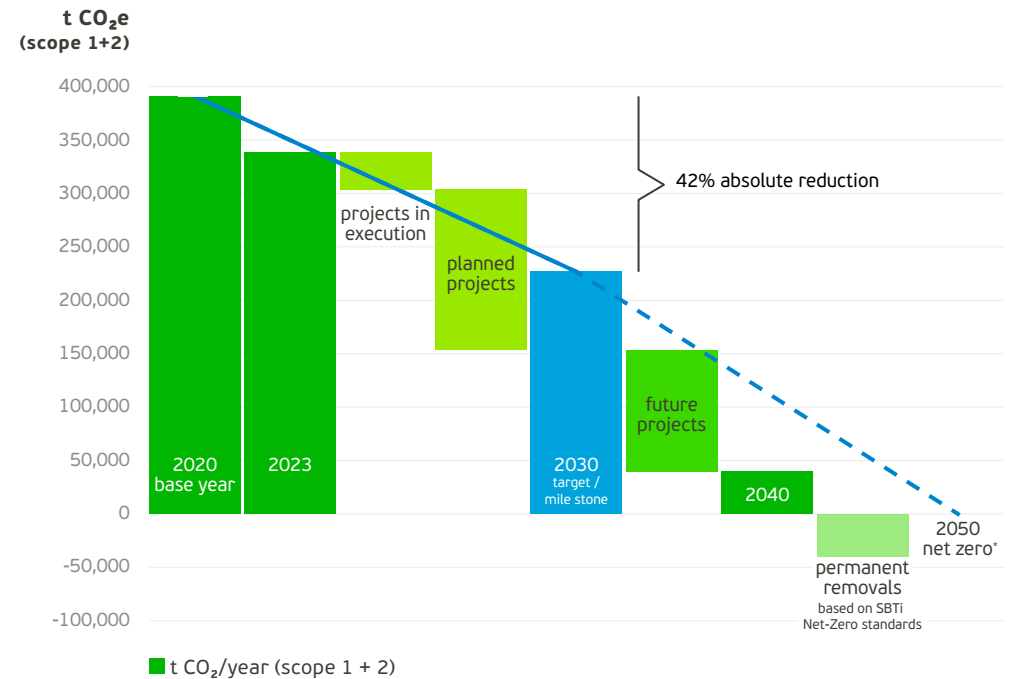
“

To reach our net-zero objective, we have outlined a decarbonization policy that details our transition to renewable energy sources and significant reductions in greenhouse gas emissions, both within our company and throughout the value chain.”

VIKTORIYA BAKHTINA,  
GROUP SUSTAINABILITY MANAGER  
AT VPK GROUP



## Summary of VPK's Net-Zero roadmap



\* Net-zero requires reducing >90% of emissions and reducing the remaining 10% through permanent removal and storage (carbon capture,...).

Scope	Parameters	NEAR-TERM TARGET Target year 2030	LONG-TERM TARGET Target year 2050
Scope 1 & 2	Absolute contraction	42% reduction*	90% reduction*
Scope 3	Physical intensity contraction	52% reduction*	97% reduction*

\* versus 2020 base year

For more information on our near- and long-term targets, see [page 61](#).

### Projects in execution

- Reject drying installation at Blue Paper
- Wood pellets and biochar at Oudegem
- Methaniser installation at Corex Board Atlantique
- Biomass boiler installation at Papeleira Coreboard

### Planned projects

- Warm Dendermonde initiative at VPK Oudegem
- Extension of pellet boilers and solar panel installations
- Biomass boiler installation at Corex Board Atlantique

# 09. 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 increase the percentage of renewable energy. Every year, we evaluate our progress in this area. The revised Renewable Energy Directive EU/2023/2413 significantly raises the EU's mandatory renewable target for 2030 to at least 42.5%, up from the previous 32% target, with the aim of reaching 45% (Source: <https://energy.ec.europa.eu/topics/renewable-energy/>).

In 2019, VPK met the EU target of 21.8% renewable energy. We are bolstering our commitment with an additional 28%, targeting a minimum of 50% by 2030. This not only exceeds the EU target but also aligns perfectly with our objective of transitioning from fossil fuels to renewable energy to mitigate emissions, as we strive for carbon neutrality by 2050 at the latest.

### Past reporting period

- Every year we add more renewable energy sources (solar panels, biomass

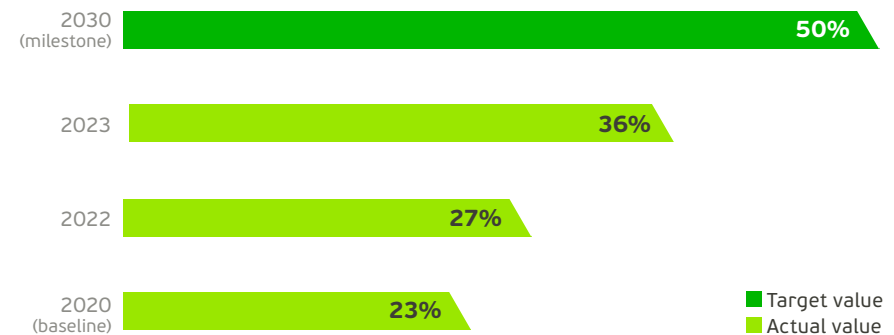
boilers, biogas, ...) and reduce consumption of fossil energy along with CO<sub>2</sub> emissions.

- In 2023, renewable energy comprised 36% of our total energy consumption, reflecting a 9% increase from 2022.

### 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.

### Renewable energy as % of total energy





## Combining water purification and methane generation, and saving up to 1,720 tonnes of carbon emissions along the way

There are many ways to manage energy needs efficiently, including tapping into the energy potential of overlooked resources. At VPK Group, we recognize the potential within our processes to generate energy from organic waste, such as the organic load in process water. Through anaerobic digestion, bacteria convert this organic load into methane, a natural process that yields biogas containing approximately 75% of the energy content of natural gas. This presents a compelling opportunity, as illustrated by Corex Board Atlantique's investment of €4.4 million in this energy-efficient technology.

Over the years, Corex Board Atlantique's production capacity has surged, reaching nearly 100,000 tonnes per year from a modest 40,000 tonnes in 1990. Consequently, the strain on the site's aerobic digesters has intensified, particularly during hot summer days. Expansion became imperative to sustain the effective removal of organic load from the site's process water.

"As our production volumes escalate, our process water accumulates a higher organic load", explains Johan Dhaese, Group Energy and Environment Manager at VPK Group. "We could resize the aerobic digester, enabling it to process higher volumes of organic matter. However, there is a better alternative. A strategy already implemented at our sites in Oudegem, Strasbourg, and Alizay."



### Reaping the win-win of anaerobic digestion

After comprehensive analysis, the decision was made to build a new anaerobic digester. This type of installation is also referred to as a methanizer, as anaerobic digestion yields methane. This methane gas is a viable replacement for natural gas and therefore opens up a window of sustainable opportunities. "Currently, the site relies on natural gas to power the on-site steam boiler. With the anaerobic digester's installation, the site can partially fulfil its natural gas demand with green methane and lower its need for fossil fuels by approximately 10%", states Johan.

"The anaerobic digester will boast a capacity of 1 MW, generating 130 Nm<sup>3</sup> of methane per hour", elaborates Johan Dhaese. "Annually, this new digester will produce 8,400 MWh of green methane gas, offsetting the same amount of natural gas energy consumption. And, to top it all off, we will save about 1,720 tonnes of carbon emissions. Simply by removing the organic load from the site's process water."

### Opening up room for expansion

Additionally, it was decided to position the methanizer before the aerobic stage. This set-up reduces the organic load that is transferred to the latter, allowing the aerobic digester to operate with greater capacity and remain well within its limits. This, in turn, opens up possibilities for future expansions in production capacity, while improving wastewater quality.

“

Annually, this new digester will produce 8,400 MWh of green methane gas, offsetting the same amount of natural gas energy consumption.

And, to top it all off, we will save about 1,720 tonnes of carbon emissions. Simply by removing the organic load from the site's process water.”

JOHAN DHAESE,  
GROUP ENERGY AND ENVIRONMENT  
MANAGER AT VPK GROUP

# 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 (3 years average) above 1.25 at all times. This value ensures our position as an innovative investor.

### Past reporting period

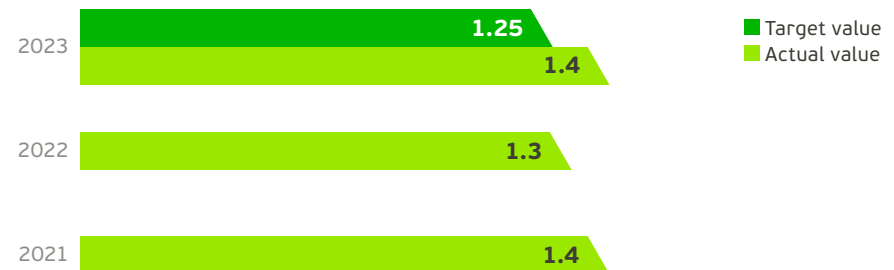
- Over the past three years, we have invested heavily in new machinery and the construction of a greenfield site in Poland and Norway.

- We've heavily invested in a new integrated paper mill situated in Alizay, France. This facility features state-of-the-art machinery and a low carbon footprint, ensuring the production of high-quality printing and fit-to-size products.

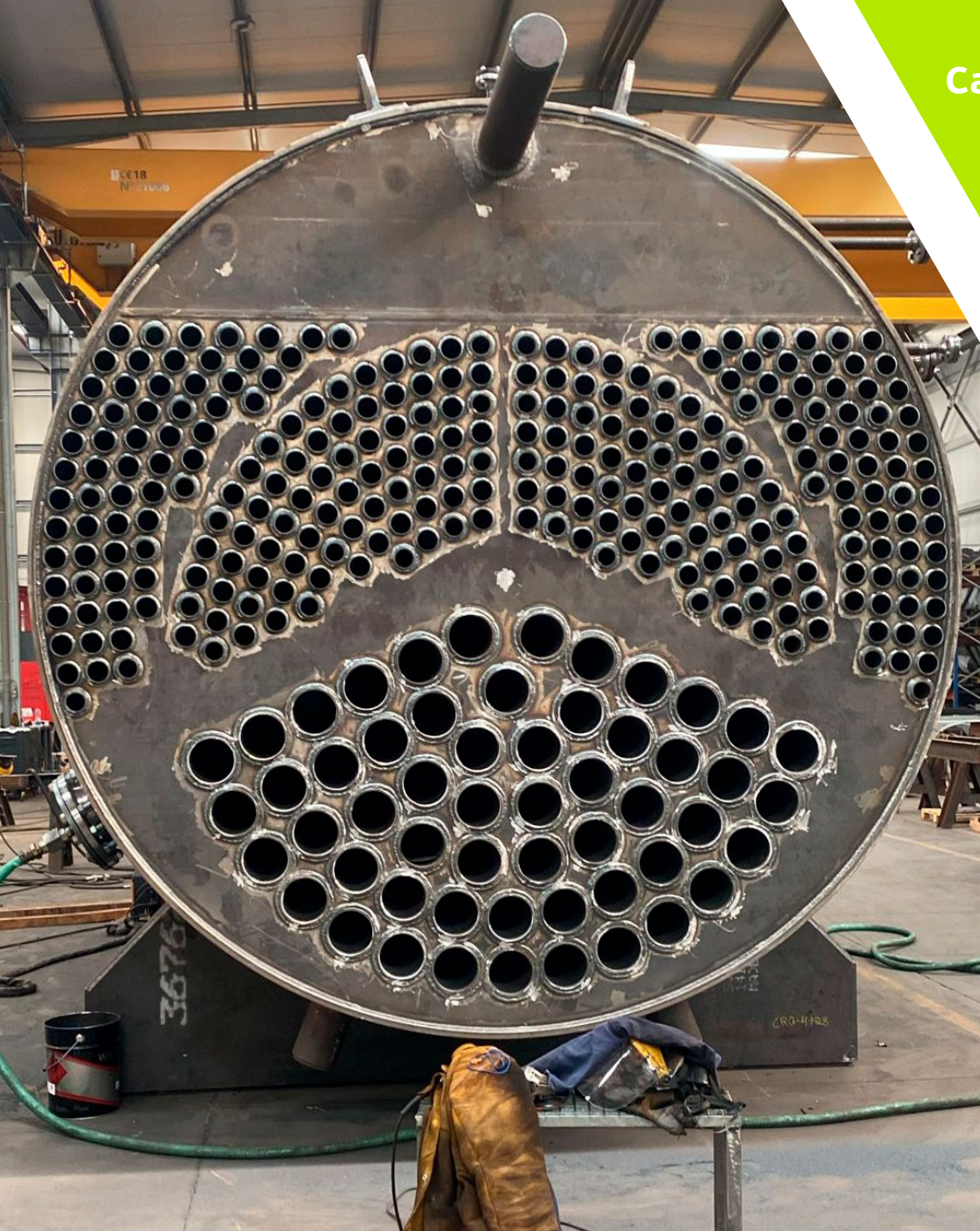
### Outlook for the next few years

- A large portion of the investments will be dedicated to the reduction of the Scope 1 and 2 emissions.

### Investment depreciation ratio







## Replacing natural gas with biomass, to reduce annual carbon emissions by 10,000 tonnes

Europe's ambitious goal of achieving carbon neutrality by 2050 necessitates proactive measures by industries. Committed to aligning with this imperative, VPK Group is investing in carbon-neutral energy technologies. More specifically, we are systematically replacing fossil fuels in our existing facilities and we aspire to get our newly acquired assets swiftly on track as well. That is why the recent acquisition of a paper mill in Porto spurred on the immediate investment in a biomass boiler.

Corex, the cores and edge protectors division of VPK Group, has been actively growing its network throughout Europe and China. After the acquisitions of Corenso and Topcore in 2019 and 2021 respectively, Corex expanded its geographical footprint by acquiring Artech Paper in February 2023. The acquisition included a coreboard mill in Porto and converting units across multiple locations in Portugal and Spain.

The Porto paper mill operates entirely on recycled paper and cardboard, consuming vast amounts of steam. "Old paper is dissolved in water, allowing the paper fibres to detach from each other. The result is pulp, a combination of fibres and water. Since we only need the fibres to produce new paper solutions, the water must be removed as far as possible. Hence, the need for steam", explains Johan Dhaese, Group Energy and Environment Manager at VPK Group.



**Investing in a biomass boiler shortly after acquisition**

For its steam generation, the Porto paper mill solely relied on natural gas. True to our commitment to achieve carbon neutrality by 2050, we decided to invest in a biomass boiler shortly after the acquisition. We joined forces with a local partner and initiated the construction of a state-of-the-art biomass boiler on site, representing a €4.5 million investment that promises rapid returns, both financially and environmentally.

**Avoiding the consumption of 50,000 MWh of natural gas**

The biomass boiler boasts a thermal capacity of approximately 10 MW, facilitating the production of 10 tonnes of steam per hour on average. This steam production will rely on locally sourced wood chips, derived from sustainable forest management practices, thereby replacing the demand for natural gas for the site's steam production. According to Johan's calculations, "The transition from natural gas to biomass not only avoids the consumption of approximately

50,000 MWh of natural gas annually, but also mitigates about 10,000 tonnes of CO<sub>2</sub> emissions, substantiating VPK Group's commitment to environmental stewardship."

**Ensuring ample supply of biosteam**

Moreover, the biomass boiler has been over-dimensioned, anticipating future expansion of the site's paper production capacity. As such, the site's green steam production is ensured without reliance on fossil fuels. In essence, this investment exemplifies VPK Group's dedication to sustainable practices, aligning with both short-term objectives and long-term aspirations for carbon neutrality.

“

The transition from natural gas to biomass not only avoids the consumption of approximately 50,000 MWh of natural gas annually, but also mitigates about 10,000 tonnes of CO<sub>2</sub> emissions, substantiating VPK Group's commitment to environmental stewardship.”

JOHAN DHAESE,  
GROUP ENERGY AND  
ENVIRONMENT MANAGER  
AT VPK GROUP

# 11. Economic growth

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)\* 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 a slight decrease of growth rates in 2023. VPK continues to post strong economic value following organic growth and growth by acquisition.

## Outlook for the next few years

- We strive to keep our CAGR as high as possible KPI CAGR

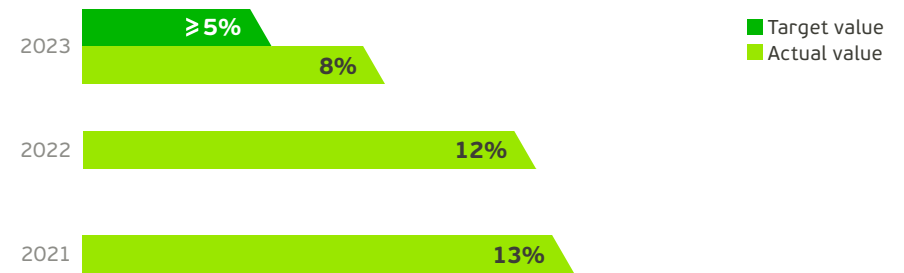


8 DECENT WORK AND ECONOMIC GROWTH

KPI

CAGR

## Compound annual growth rate



\* 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.

## Revolutionizing the paper and cardboard industry, through innovation, vertical integration, and carbon-free production

In June 2021, VPK Group announced the purchase of the Alizay site in Normandy, marking a pivotal step towards transforming the historic industrial site into a beacon of sustainability. True to its commitment, VPK Group has since made significant investments, turning the site into a model of sustainable paper production practices.

### Creating a sustainable centre for processing recovered paper and cardboard

With an investment of 210 million euros, VPK Group has revitalized the historical Alizay site into an exemplary production plant for recycled paper that is used in the production of corrugated board and packaging. With the capacity to process no less than 550,000 tonnes of recovered paper and cardboard annually, the on-site paper machine is able to produce up to 450,000 tonnes of paper per year. This, combined with the output from

our two other paper mills in Gironde and Alsace, pushes our total annual production capacity in France to over 1,000,000 tonnes of recycled paper.

### Integrating vertically throughout the Group

Approximately 20% of the paper produced at Alizay is transformed locally into recyclable corrugated sheets and boxes. The majority of this paper finds its way to VPK's packaging production sites in France, Belgium, and the UK, ensuring reliable outlets and consistent production levels.

## Economic growth

Moreover, the paper is used to feed the site's new corrugated packaging production unit that specializes in the production of "Z-Fold" corrugated board, the latest fanfold innovation, which produces a continuous length of corrugated sheet that has been accordion-folded into a stack and scored to fit each customer's exact specifications.

Leveraging this technology, VPK has introduced fit2size®, VPK's brand of

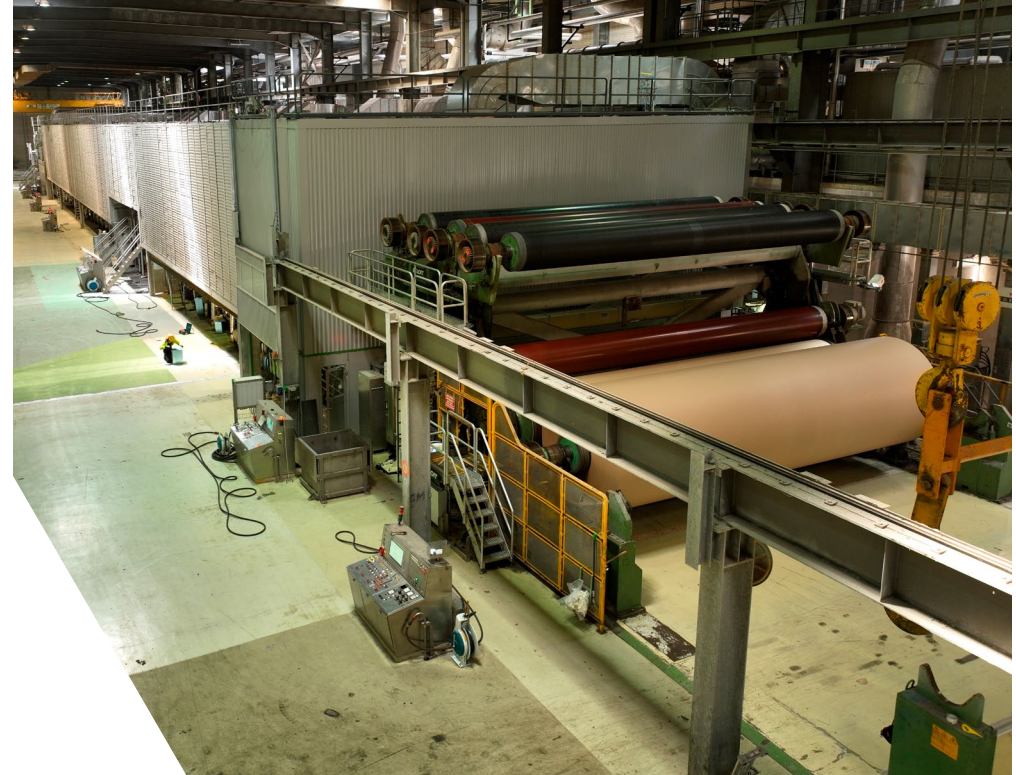
sustainable e-commerce packaging solutions, which eliminates excess material and optimizes space utilization, thereby reducing logistics costs and manual handling.

Following the introduction of fit2size®, VPK also equipped the Alizay site with a unique digital printing line. This inkjet press is the first of its kind in France and is capable of printing corrugated sheets in a single pass at a speed of 75 metres per minute using an LED drying system. Its main advantages: lower energy consumption and virtually no emissions of volatile organic compounds (VOCs).

### Carbon-free operations

To minimize environmental impact, VPK Group has implemented stringent measures to reduce carbon emissions throughout its operations.

The Alizay hub strategically sources its recycled paper from Paris, Normandy, and the Hauts de France regions, ensuring a maximum transportation distance of 250 km. Additionally, all sourced materials are supplied using multimodal transport methods, including river transport, to further reduce CO<sub>2</sub> emissions.



Furthermore, VPK invested in carbon-free energy production and use. The site operates a biomass boiler with a capacity of 180 MWe, supplying steam for paper production and ranking as the third largest biomass-powered energy production facility in France. For the record, the biomass boiler's input materials are sourced from local forest management, as well as from the site's production waste. Discharging the collected waste into the boiler avoids transporting 35,000 tonnes of waste to various waste processors and saves up to 7,000 tonnes of carbon emissions per year.

The site also features an anaerobic digester, which converts the organic load in the paper mill's process water into biogas, powering one of the on-site gas boilers and further minimizing environmental impact.

In conclusion, VPK Group's commitment to sustainability represents a transformative shift in the paper and packaging industry. As the Alizay hub continues to lead the charge towards sustainable manufacturing practices, VPK Group reaffirms its pledge to forge a greener, more sustainable future for the European paper industry.



PART  
**3**

# Driven by data



# content part 3



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02	Materiality	p.82
03	General and economic topics	p.90
04	Environmental topics	p.95
05	Social topics	p.102
06	Certificates	p.106
07	GRI index	p.110

# 01. Assurance statement

**This report has been prepared in accordance with the terms of our engagement contract dated 27 February 2024 (the "Agreement"), whereby we have been engaged to issue an independent limited assurance report in connection with a selection of sustainability indicators marked with "✳" included in the Sustainability Report as of and for the year ended 31 December 2023 (the "Report").**

## The Directors' responsibility

The Directors of VPK Group NV ("the Company") are responsible for the preparation and presentation of the selection of sustainability indicators for the year 2023 marked with "✳" included 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 2023 in the Report;
- conducting interviews with responsible officers;
- undertaking site visits at 2 of VPK Group NV's sites; we selected these sites based on their inherent risk and materiality to the group, and sites not visited in the prior period
- 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 management

We have complied with the independence and other ethical requirements in the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (IESBA Code) together with the legal Belgian requirements in respect of the 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 organising the audit profession and its public oversight of registered auditors.

Our firm applies International Standard on Quality Management n°1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Related Services Engagements, and accordingly, maintains a comprehensive system of quality management 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 2023 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 2023 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, 26 June 2024

PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL  
Represented by

Marc Daelman\*  
Partner

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\* Acting on behalf of Marc Daelman BV



## 02.

# Materiality

## Identifying and selecting stakeholders

A fourth revision was carried out in 2023 based on subsequent feedback, competitor analysis, the current economic, environmental and ethical situation and recent relevant changes. We added new topics to our questionnaire: digital and cyber security; sustainable supply chain partners; and the traceability of raw materials. We also put more focus on climate change, emission reduction and renewable energy. A detailed stakeholder survey was conducted among the highest- and medium-priority stakeholders: employees; the Executive Committee; the Board of Directors; shareholders; customers; suppliers and financial institutions. This led to a prioritisation of topics represented by the SDGs, per stakeholder category, see below.

	High impact	Medium impact	Low impact
<b>High interest</b>	Shareholders, Executive committee, Board of directors, Employees		
<b>Medium interest</b>	Trade unions	Suppliers, customers, financial institutions	
<b>Low interest</b>	Local communities		

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

## 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 and financial institutions

Suppliers and financial institutions are engaged via periodical 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.

### 6. Suppliers and financial institutions

Through a dedicated survey, our largest suppliers per country and financial institutions were asked to prioritise 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 and local communities.

# 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 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. A fourth revision was performed in 2023 based on subsequent feedback, competitor analysis, the current economic, environmental, ethical situation and recent relevant changes. We added new topics to our questionnaire, being digital and cyber security, sustainable supply chain partners, traceability of raw materials. We also put more focus on climate change, emission reduction and renewable energy. A detailed stakeholder survey was conducted among the highest and medium-priority stakeholders: employees; the Executive Committee; the Board of Directors; shareholders; customers; suppliers and financial institutions. This led to a prioritisation of topics, represented by the SDGs, per stakeholder category, see below.



	Employee	Stakeholders (customers, suppliers, financial institutions)	Board – Executive Committee – Shareholders
<b>3</b> GOOD HEALTH AND WELL-BEING	✓	✓	✓
<b>4</b> QUALITY EDUCATION	✓		✓
<b>17</b> FOR THE GOALS		✓	✓
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION		✓	✓
<b>6</b> CLEAN WATER AND SANITATION		✓	✓
<b>13</b> CLIMATE ACTION		✓	✓
<b>7</b> AFFORDABLE AND CLEAN ENERGY	✓	✓	✓
<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE	✓		
<b>8</b> DECENT WORK AND ECONOMIC GROWTH	✓		✓

## Key outcomes

### Topics of interest to internal stakeholders

Employee wellbeing, health and safety, talent development, energy management, emission reduction, ethics and transparency, and economic growth were identified as strategic or high priority by this stakeholder group.

In addition, for employees, innovation and progress were identified as high priorities.

For the board of directors and executive committee, we saw a strong focus on data and cyber security. Therefore, we decided to include this topic as a short status in the sustainability report, pending more comprehensive metadata from the EU CSRD in the coming years.

### Topics of interest to external stakeholders

Within this group, the topics have remained relatively constant in recent years, focusing on sustainable and circular product and supply chains, responsible fibre sourcing, innovation and progress. We notice a stronger focus on our environmental footprint – energy and emissions, and climate change.

Formerly defined 11 high-priority material topics and 12 KPIs, translated to 9 GRI disclosures and 3 non-GRI disclosures, have remained.

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.

# Boundary Matrix

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

division	plant name	1	2	3	4	5	6	7	8	9	10	11	12
Cores and tubes	Deerlijk	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Foshan	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Hangzhou	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Vyskov	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Imatra	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Pori	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Loviisa	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Leers	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Krefeld	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Luxemburg	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Sosnowiec	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Swiecie	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Salonta	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Bäckefors	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Mohed	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Wigan Limited	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Bursa	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Corlu	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Beihai	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Tolosana	●	●	●	●	●	●	●	●	●	●	●	●

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# Boundary Matrix

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

division	plant name	1	2	3	4	5	6	7	8	9	10	11	12
Cores and tubes	3A Pack	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Embalpack	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Spiralpack	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Cartangola	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Converting Spain	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Tolosana	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	3A Pack	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Embalpack	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Spiralpack	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Cartangola	●	●	●	●	●	●	●	●	●	●	●	●
Cores and tubes	Converting Spain	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Courcelles	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Desborough	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Distribution	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	East Kilbride	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Erembodegem	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Groisy	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Halden	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Leeds	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Les Echets	●	●	●	●	●	●	●	●	●	●	●	●

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division	plant name	1	2	3	4	5	6	7	8	9	10	11	12
Corrugated packaging	Limerick	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Lisieux	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Lomme_Lille	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Longjumeau	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Norrköping	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Oudegem	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Raamsdonksveer	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Randers	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Roye	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Saint-Quentin	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Lisieux	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Les Echets	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Salonta	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Selby	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Sykkylven	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Tourcoing	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Viallon 1	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Viallon 2	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Alizay	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Wellington	●	●	●	●	●	●	●	●	●	●	●	●

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division	plant name	1	2	3	4	5	6	7	8	9	10	11	12
Corrugated packaging	Zetacarton	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Borgenhaugen_Display	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging	Banbury	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging and sheets	Brzeg Aquila VPK	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated packaging and sheets	Radomsko Aquila VPK	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated sheets	Corrboard Scunthorpe	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated sheets	Września Aquila VPK	●	●	●	●	●	●	●	●	●	●	●	●
Corrugated sheets	Aquila Leinefelde	●	●	●	●	●	●	●	●	●	●	●	●
Paper (Cores and tubes)	Pori	●	●	●	●	●	●	●	●	●	●	●	●
Paper (Cores and tubes)	Board Atlantic	●	●	●	●	●	●	●	●	●	●	●	●
Paper (Cores and tubes)	Papeleira Coreboard	●	●	●	●	●	●	●	●	●	●	●	●
Paper (Cores and tubes)	Papeleira Coreboard	●	●	●	●	●	●	●	●	●	●	●	●
Paper (Corrugated packaging)	Alizay	●	●	●	●	●	●	●	●	●	●	●	●
Paper (Corrugated packaging)	Blue Paper	●	●	●	●	●	●	●	●	●	●	●	●
Paper (Corrugated packaging)	Oudegem	●	●	●	●	●	●	●	●	●	●	●	●
Paper (Solid board)	Loenen	●	●	●	●	●	●	●	●	●	●	●	●
Solid board packaging	Meer	●	●	●	●	●	●	●	●	●	●	●	●
Solid board packaging	Oudegem	●	●	●	●	●	●	●	●	●	●	●	●

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# 03.

# General and economic topics



## Scale of the organization

	2021	2022	2023	% variation
Total number of employees	6,560	6,514	6,812	<b>4.6%</b>
Total number of operations	64	64	70	<b>9.4%</b>
Net sales (in m€)	1,746	2,129	1,818	<b>-14.6%</b>
% debt of total capitalization	/	/	/	/
Quantity of products sold corrugated (in Mm <sup>2</sup> )	2,458	2,231	2,095	<b>-6.1%</b>
Quantity of products sold corrugated (in ktonnes)	1,136	1,027	964	<b>-6.2%</b>
Quantity of products sold paper (in ktonnes)	1,014	960	1,056	<b>10.0%</b>
Quantity of products sold cores and solid (in ktonnes)	444	426	425	<b>-0.2%</b>

# Information on employees and other workers

general and economic topics

## Percentage temporary contracts to temporary and permanent contracts

By region	2021	2022	2023
Belgium	0.3%	0.5%	0.5%
China	0.0%	0.0%	0.0%
Czechia	6.8%	0.0%	0.0%
Denmark	0.6%	0.0%	0.0%
Finland	7.8%	8.8%	5.7%
France	10.1%	9.4%	12.0%
Germany	6.1%	17.4%	14.0%
Ireland	8.4%	0.0%	0.0%
Luxembourg	11.4%	0.0%	4.5%
Netherlands	49.1%	8.0%	3.2%
Norway	7.6%	4.0%	6.1%
Poland	65.0%	27.8%	6.1%
Romania	0.0%	0.0%	26.7%
Spain	8.5%	12.5%	3.9%
Sweden	2.5%	2.8%	6.2%
Türkiye	4.9%	3.9%	0.0%
United Kingdom	0.4%	0.0%	0.0%

By gender	2021	2022	2023
Female	9.9%	11.4%	13.1%
Male	9.3%	5.1%	5.5%

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

By gender	2021	2022	2023
Female	13.6%	10.5%	10.26%
Male	3.8%	1.8%	1.5%

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, 93% of our employees are employed under permanent contracts.



## 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.

### Audit committee

Composed of three members, all nonexecutive 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 several times a year.

### Sustainability Steering Group

The Sustainability Steering Group comprises nine core members: the Divisional CEO for Paper, the Chief Legal Officer, the CFO, the Group Controlling Manager, the Group Energy & Environmental Manager, the Group Environmental Manager, the Group Procurement Manager, the Business Process Owner for Supply Chain, and the Group Sustainability Manager. Additionally, other members attend on an ad hoc basis, depending on the topic under discussion.



The committee's responsibilities include, among others:

- Discussing the findings and recommendations of the Group Sustainability Manager.
- Formulating and updating the company's sustainability strategy.
- Developing policies and guidelines that promote sustainable practices across all business units.
- Developing and managing action plans for specific sustainability domains.
- Setting measurable sustainability goals and targets, monitoring progress towards these targets, and reporting on achievements and areas needing improvement.
- Identifying and assessing environmental, social, and governance (ESG) risks, and implementing risk mitigation strategies to address identified ESG risks.
- Initiating and overseeing sustainability projects and programs, and encouraging a culture of sustainability among employees.

By fulfilling these responsibilities, the Sustainability Steering Group ensures that the organisation remains committed to its sustainability goals and continuously improves its environmental, social, and governance performance.

The overall strategy and action plans are formulated to support the business units. This steering committee meets several times a year.

## Collective bargaining agreements

In total, 74% of our employees are covered by collective bargaining agreements.

	2021	2022	2023
CBA	66.8%	66.3%	74.4%

## Innovation and progress

	2021	2022	2023	change '23 vs '22
Capex (M€)	91	135	122	-10%
Depreciations (M€)	82	84	87	4%
Ratio 3Y average Capex/Depreciation	1.4	1.3	1.4	8%

## Economic growth

	2021	2022	2023	change '23 vs '22
CAGR% Operating income (5Y)	13%	12%	8%	-4%

general and economic topics





# 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	2021	2022	2023	change '23 vs '22
Renewable materials	2,802,145	2,689,433	2,632,091	-2%
Non-renewable materials	33,927	44,750	53,076	19%

# 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, 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. This is less than 1%.

Waste tonnage by processing method				
In tonnes	2021	2022	2023	change '23 vs '22
Preparation for reuse	33,434	15,792	12,125	-23%
Recycling	145,665	139,920	173,535	24%
Incineration	96,769	91,476	114,442	25%
Landfill	12,216	18,101	19,620	8%
<b>Total waste*</b>	<b>288,084</b>	<b>265,289</b>	<b>319,722</b>	<b>21%</b>

\* Debris from construction activities (e.g. building conversion) on-site is monitored but reported separately. Infrastructure waste from building conversion was 9,891 tonnes in 2022 and 889 tonnes in 2023.

Tonnes of recyclable waste per tonne goods sold				
In tonne/tonne	2021	2022	2023	change '23 vs '22
Cores	0.06	0.07	0.07	-5%
Conversion	0.11	0.06	0.15	141%
Corrugated	0.12	0.10	0.16	50%
Feeder	0.06	0.06	0.07	9%
Paper mill	0.14	0.15	0.14	-4%
Solid	0.09	0.09	0.09	-3%



# Water intake\*

Regions without water stress				
In m <sup>3</sup>	2021	2022	2023*	change '23 vs '22
Surface water usage	2,124,824	2,006,107	1,894,377	-6%
Ground water usage	2,296,886	2,451,575	4,204,200	71%
Rainwater usage	20,908	20,864	20,557	-1%
Municipal water usage	317,473	323,681	333,326	3%
<b>Total water usage</b>	<b>4,760,090</b>	<b>4,802,226</b>	<b>6,452,460</b>	<b>34%</b>

Regions with water stress				
In m <sup>3</sup>	2021	2022	2023*	change '23 vs '22
Surface water usage	1,760,118	1,804,486	2,018,743	12%
Ground water usage	116,772	70,922	127,701	80%
Rainwater usage	77,217	77,217	77,217	0%
Municipal water usage	158,644	135,230	170,630	26%
<b>Total water usage</b>	<b>2,112,751</b>	<b>2,087,855</b>	<b>2,394,291</b>	<b>15%</b>

All water used comes from freshwater sources. Regions are classified in water stress levels according to WRI Aqueduct, a global water stress rating platform. We updated this in 2024. For VPK, we include locations in this category if the regions are characterised by significant stress (more than 40% on the WRI Aqueduct rating) and if there's also a high consumption of water present. This encompasses two paper mills situated in the regions of Belgium and Portugal.

This new approach was applied to all reported years. However, adjustments have only been made for the figures in 2023 due to the acquisition of the paper mill in Portugal during that year. 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.

Relative water consumption within the organisation				
In m <sup>3</sup> /ton	2021	2022	2023	change '23 vs '22
Cores	0.22	0.23	0.22	-3%
Feeder	0.17	0.18	0.18	-1%
Conversion	0.21	0.26	0.20	-23%
Corrugated	0.26	0.27	0.29	6%
Paper mill	6.32	6.70	7.88	18%
Solid	0.03	0.03	0.04	48%

\* Data marked with "\*" is in the scope of an independent limited assurance performed by PwC. For the assurance report, refer to p.80

Absolute energy consumption						
	2020	2021	2022	2023	Unit	23 vs 22
Total fuel consumption of non-renewable sources	1,317,224	1,334,173	1,235,543	1,192,933	MWh	-4.1%
	4,742	4,803	4,448	4,295	TJ	-4.1%
Total fuel consumption of renewable sources	230,143	253,678	283,459	357,060	MWh	25.4%
	829	913	1,020	1,285	TJ	25.4%
<b>Renewable fuel as % of total fuel consumption</b>	<b>15%</b>	<b>16%</b>	<b>19%</b>	<b>23%</b>	<b>%</b>	<b>23.7%</b>
Net electricity purchased for consumption	324,932	366,181	335,446	408,804	MWh	21.8%
	1,170	1,318	1,208	1,472	TJ	21.8%
Net steam purchased for consumption	113,321	120,373	122,468	304,610	MWh	148.7%
	408	433	441	1,097	TJ	148.7%
<b>Renewable electricity as % of total consumed electricity</b>	<b>30.6%</b>	<b>31.4%</b>	<b>30.9%</b>	<b>33.1%</b>	<b>%</b>	<b>7.3%</b>
Total energy consumption within the organisation (excl. self cons PV electricity)	1,985,620	2,074,405	1,976,916	2,263,408	MWh	14.0%
	7,148	7,468	7,117	8,148	TJ	14.0%
Total energy from renewable sources	457,539	497,267	528,385	807,792	MWh	52.6%
	1,647	1,790	1,902	2,908	TJ	52.6%
<b>Renewable total energy as % of total energy</b>	<b>23.0%</b>	<b>24.0%</b>	<b>26.7%</b>	<b>35.7%</b>	<b>%</b>	<b>33.8%</b>

Relative energy consumption within the organization (including photovoltaic panels)				
In GJ/tonne	2021	2022	2023	change '23 vs '22
Cores	0.68	0.67	0.58	-12%
Feeder	0.77	0.78	0.77	-2%
Conversion	1.13	1.01	0.94	-7%
Corrugated	1.31	1.26	1.16	-7%
Paper mill	5.66	5.80	6.30	9%
Solid	0.22	0.21	0.23	7%

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

# Emissions

With regard to determining our roadmap towards 2050, we follow a methodology of the Science Based Target initiative (SBTi). We chose 2020 as the base year for VPK Group's CO<sub>2</sub> emissions. Our goal is to limit global temperature rise in line with 1.5°C above pre-industrial levels and achieve **net-zero CO<sub>2</sub> emissions by 2050**.

This supports the most ambitious goal of the Paris Agreement. The table below shows our total scope 1 and 2 emissions in the last three years for VPK Group and the changes compared to last and base year.

VPK Group					
In tonne CO <sub>2</sub> e	2020* (baseline)	2022**	2023 †	change '23 vs '22	change '23 vs '20
Scope 1 emissions (tCO <sub>2</sub> e)	319,482	300,672	277,671	-7.6%	-13.1%
Scope 1 biogenic emissions (tCO <sub>2</sub> b)	88,846	98,303	119,070	21.1%	34.0%
Scope 2 emissions (tCO <sub>2</sub> e)	71,413	60,183	60,894	1.2%	-14.7%
Scope 1 + 2 emissions (tCO <sub>2</sub> e)	390,895	360,856	338,565	-6.2%	-13.4%

\* rebased (as submitted to SBTi)  
\*\* rebased

Papermills					
In tonne CO <sub>2</sub> e	2020* (baseline)	2022**	2023	change '23 vs '22	change '23 vs '20
Scope 1 emissions (tCO <sub>2</sub> e)	273,929	252,346	236,554	-6.3%	-13.6%
Scope 1 biogenic emissions (tCO <sub>2</sub> b)	83,322	92,544	113,492	22.6%	36.2%
Scope 2 emissions (tCO <sub>2</sub> e)	36,868	22,642	26,193	15.7%	-29.0%
Scope 1 + 2 emissions (tCO <sub>2</sub> e)	310,797	274,988	262,747	-4.5%	-15.5%

\* rebased (as submitted to SBTi)  
\*\* rebased

In 2023, Scope 1 emissions from the EU ETS installations\*, which include seven paper mills, comprised 85% of VPK Group's Scope 1 emissions and 78% of the entire Scope 1 and 2 emissions (compared with the table above for total Scope 1 and 2 emissions). This represents the bulk of our emissions, for which we have highly accurate data.

In 2023, we calculated that Scope 3 emissions accounted for approximately 71% of our total GHG emissions, corresponding to 844,472 † tonnes of CO<sub>2</sub>e (total scope 3 emissions (tCO<sub>2</sub>e)). Our Scope 3 mapping encompasses a selection of 9 out of 15 categories that are most pertinent and significant to our business (for more details, see [pages 63-64](#)).

\* The general operation and rules of the EU Emissions Trading System (ETS) are incorporated in the 'ETS Directive 2003/87/EC'.  
\* Data marked with "†" is in the scope of an independent limited assurance performed by PwC. For the assurance report, refer to [p.80](#).



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.

In 2023, we rebased the 2020 baseline due to submitting SBTi targets and incorporating two new paper sites (EU ETS) along with several packaging and Corex sites. Consequently, our absolute CO<sub>2</sub> emissions have been recalculated for the period from 2020 to 2022.

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. All emission factors were updated for the reporting years.

For Scope 2 emissions, we use location-based emission factors based on Eurostat energy mix data from the last available year, as the default calculation methodology. These were updated this year.

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

### The Scope 1 + 2 emission intensity of our products

In tonne CO <sub>2</sub> e/tonne	2020	2022	2023	change '23 vs '22	change '23 vs '20
Cores	0.063	0.060	0.052	-14.2%	-17.9%
Feeder	0.075	0.062	0.064	3.7%	-14.7%
Conversion	0.036	0.023	0.023	2.6%	-34.4%
Corrugated	0.070	0.058	0.051	-11.8%	-26.9%
Paper mill	0.297	0.266	0.243	-8.5%	-18.2%
Solid	0.010	0.009	0.010	5.6%	-4.6%



## Greenhouse gas emission intensity of electricity generation

Country	gCO <sub>2</sub> e/kWh	Country	gCO <sub>2</sub> e/kWh
Austria	96*	Italy	252*
Belgium	145*	Latvia	86*
Bulgaria	422*	Lithuania	180*
China	1031*	Luxembourg	52*
Croatia	133*	Malta	347*
Cyprus	589*	Netherlands	321*
Czechia	400*	Norway	7 <sup>†</sup>
Denmark	103*	Poland	666*
Estonia	658*	Portugal	173*
EU27	251*	Romania	247*
Finland	66*	Slovakia	104*
France	68*	Slovenia	220*
Germany	366*	Spain	205*
Greece	416*	Sweden	7*
Hungary	180*	Türkiye	465 <sup>°</sup>
Ireland	310*	United Kingdom	207 <sup>■</sup>

Source: \*EEA EU webiste, <sup>■</sup>DEFRA, <sup>°</sup>Ember Climate, <sup>†</sup>AIB

Fuel	Conversion factor	Unit
Natural gas	0.19*	kg CO <sub>2</sub> e/kWh
LPG	1.63*	kg CO <sub>2</sub> e/l
Heavy fuel oil	3,110*	kg CO <sub>2</sub> e/ton
Light fuel oil (including diesel)	3,170*	kg CO <sub>2</sub> e/ton
Hard coal	2,339*	kg CO <sub>2</sub> e/ton
Brown coal	2,020*	kg CO <sub>2</sub> e/ton
Biodiesel	188 <sup>■</sup>	kg CO <sub>2</sub> e/ton
Biodiesel	2,650 <sup>■</sup>	kg CO <sub>2</sub> b/ton
Biogas	0.001 <sup>■</sup>	kg CO <sub>2</sub> e/kWh
Biogas	0.20 <sup>■</sup>	kg CO <sub>2</sub> b/kWh
Biomass (pellets)	52 <sup>■</sup>	kg CO <sub>2</sub> e/ton
Biomass (pellets)	1,677 <sup>■</sup>	kg CO <sub>2</sub> b/ton

Source: \*ADEME, <sup>■</sup>DEFRA

# 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. Our sites develop their health and safety management systems based on our group six steps for safety strategy. 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

Risk management is the foundation of health and safety management systems. 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. Risk assessments are reviewed when there are any changes to a work situation, when there has been an incident or accident and at least annually to check for changes or additional hazards. E.g. actual reported and observed hazards, which were not yet taken into account in the risk assessment, can be included to reevaluate priorities.

All employees of VPK Group are encouraged to report hazard and near miss situations to their immediate line manager who will record them on our zero accidents mobile app. This information is immediately sent to our internal incident reporting system. This report will be emailed to the responsible person delegated to complete the action in a timely manner.

If an employee fears reprisal for reporting a given hazard, the employee can report this specific hazard via the whistleblowing procedure. Dangerous situations as detailed below with an unacceptable risk must be stopped immediately. 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 on a regular basis either monthly or bimonthly 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.

## social topics

### 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.

### 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
- Workplace transport

The actions taken to make our employees work safer have clearly borne fruit. We will continue this trend in 2024, 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	2021	2022	2023	change '23 vs '22
Fatalities	0	0	0	0%
Recordable work related injuries	93	91	77	-15%
LTIR	8.8	8.7	7.6	-13%
Hours worked	10,461,817	10,189,706	10,154,756	-0%
Contractors	2021	2022	2023	change '23 vs '22
Fatalities	0	0	0	0%
Work related injuries	46	39	55	41%

The LTIR is calculated as follows: number of accidents multiplied by one million divided by total hours worked. This give an expression of the number of accidents per million exposure hours.

### The three main causes of accidents in 2023 were:

- 18% of accidents involve handling, lifting and carrying.
- 16% of accidents involve slip, tripped or fell on same level.
- 12% of accidents involve contact with moving machinery.

## Hazardous situations and near miss incidents

	2021	2022	2023	change '23 vs '22
Reported	8,225	7,103	10,608	49%
Closed out	6,787	6,184	9,696	57%
% closed out	83%	87%	90%	3%

## Training and education

Annual training hours per person	2021	2022	2023	change '23 vs '22
Blue collar	14	13	19	44%
White collar	16	11	22	98%
Female	10	13	17	24%
Male	18	13	20	62%
<b>Total</b>	<b>15</b>	<b>13</b>	<b>20</b>	<b>57%</b>

**Restatements of information:** none.

**Changes in reporting:** none.

# 06. Certificates

▶ GO TO THE ONLINE CERTIFICATE OVERVIEW



division	plant name	ISO9001	ISO14001	OHSAS18001 / ISO45001	ISO50001	FSC	C2C	BRCGS
Cores and tubes	Deerlijk	✓	✓					
Cores and tubes	Foshan	✓	✓	✓				
Cores and tubes	Hangzhou	✓	✓	✓				
Cores and tubes	Vyskov	✓	✓					
Cores and tubes	Imatra	✓	✓					
Cores and tubes	Pori	✓	✓	✓		✓		
Cores and tubes	Loviisa	✓	✓					
Cores and tubes	Leers	✓	✓			✓		
Cores and tubes	Krefeld	✓	✓			✓		
Cores and tubes	Luxemburg	✓						
Cores and tubes	Sosnowiec	✓	✓					
Cores and tubes	Swiecie	✓						
Cores and tubes	Salonta	✓				✓		
Cores and tubes	Bäckefors	✓	✓			✓		
Cores and tubes	Mohed	✓	✓					
Cores and tubes	Wigan Limited	✓						
Cores and tubes	Bursa	✓	✓					
Cores and tubes	Corlu	✓	✓					
Cores and tubes	Beihai	✓	✓	✓				
Cores and tubes	Tolosana	✓		✓				
Cores and tubes	3A Pack							
Cores and tubes	Embalpack	✓				✓		
Cores and tubes	Spiralpack	✓				✓		
Cores and tubes	Cartangola	✓				✓		
Cores and tubes	Converting Spain	✓						
Cores and tubes	Tolosana	✓		✓				

division	plant name	ISO9001	ISO14001	OHSAS18001 / ISO45001	ISO50001	FSC	C2C	BRCGS
Cores and tubes	3A Pack							
Cores and tubes	Embalpack	✓				✓		
Cores and tubes	Spiralpack	✓	✓			✓		
Cores and tubes	Cartangola	✓	✓			✓		
Cores and tubes	Converting Spain	✓	✓					
Corrugated packaging	Courcelles					✓		
Corrugated packaging	Desborough		✓			✓		AA+
Corrugated packaging	Distribution					✓		
Corrugated packaging	East Kilbride	✓				✓		AA+
Corrugated packaging	Erembodegem					✓		A+
Corrugated packaging	Groisy	✓	✓					
Corrugated packaging	Halden	✓	✓			✓		A
Corrugated packaging	Leeds	✓				✓		AA+
Corrugated packaging	Les Echets					✓		
Corrugated packaging	Limerick	✓				✓		AA
Corrugated packaging	Lisieux	✓				✓		
Corrugated packaging	Lille	✓				✓		
Corrugated packaging	Longjumeau	✓				✓		
Corrugated packaging	Norrköping	✓	✓			✓		A
Corrugated packaging	Oudegem					✓		A+
Corrugated packaging	Raamsdonksveer	✓	✓			✓	✓	
Corrugated packaging	Randers					✓		AA
Corrugated packaging	Roye	✓				✓		
Corrugated packaging	Saint-Quentin	✓	✓			✓		A
Corrugated packaging	Lisieux	✓				✓		
Corrugated packaging	Les Echets					✓		

division	plant name	ISO9001	ISO14001	OHSAS18001 / ISO45001	ISO50001	FSC	C2C	BRCGS
Corrugated packaging	Salonta	✓	✓			✓		AA+
Corrugated packaging	Selby		✓			✓		AA+
Corrugated packaging	Sykkylven	✓				✓		
Corrugated packaging	Tourcoing					✓		
Corrugated packaging	Viallon 1	✓				✓		
Corrugated packaging	Viallon 2	✓				✓		
Corrugated packaging	Alizay					✓		
Corrugated packaging	Wellington		✓			✓		AA+
Corrugated packaging	Zetacarton	✓				✓		
Corrugated packaging	Borgenhaugen_Display							
Corrugated packaging	Banbury	✓				✓		AA
Corrugated packaging and sheets	Brzeg Aquila VPK	✓	✓			✓		AA+
Corrugated packaging and sheets	Radomsko Aquila VPK	✓	✓			✓		AA+
Corrugated sheets	Corrboard Scunthorpe					✓		
Corrugated sheets	Września Aquila VPK	✓	✓			✓		
Corrugated sheets	Aquila Leinefelde				✓	✓		
Paper (Cores and tubes)	Pori	✓	✓	✓		✓		
Paper (Cores and tubes)	Board Atlantic	✓	✓	✓		✓		
Paper (Cores and tubes)	Papeleira Coreboard	✓	✓	✓	✓	✓		
Paper (Cores and tubes)	Papeleira Coreboard	✓	✓	✓		✓		
Paper (Corrugated packaging)	Alizay					✓		
Paper (Corrugated packaging)	Blue Paper	✓	✓	✓	✓	✓		
Paper (Corrugated packaging)	Oudegem	✓	✓	✓	✓	✓	✓	
Paper (Solid board)	Loenen	✓	✓			✓		AA+
Solid board packaging	Meer					✓		AA
Solid board packaging	Oudegem					✓		A



## 07. GRI index

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# Sustainability report 2024



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