

Sustainability report 2020

ENG



Always around

ViskoTeepak.

ViskoTeepak is one of the biggest manufacturers of fibrous, cellulose and plastic casings in the world, and we have production plants, converting facilities and technical support offices worldwide. We're also proud to have the industry's largest business-partner network, through which our products are offered in nearly 100 countries.

Our newly built head office (ViskoTeepak Holding Ab), which opened in May 2018, is located in Mariehamn, in Finland's Aland Islands. In Europe, we have fibrous and cellulose production plants in Lommel (Belgium) and Hanko (Finland). Additionally, we have a plastic-casing production plant in Nuevo Laredo (Mexico). Our converting facilities are located in Delfzijl (Netherlands), Brno (Czech Republic) and Kenosha (Wisconsin, USA). Our sales offices are in Moscow, Hamburg and Mexico City.

ViskoTeepak is owned by the Eriksson Capital Group, based in Mariehamn, Finland. Eriksson Capital is a privately owned investment company with a focus on small to medium-size high-tech industrial companies operating in the global marketplace. Eriksson Capital is active in various industries such as medical tubing, shipping, real estate, aircraft leasing and asset management.

The reporting period is 2019, and the reporting cycle is annual. Our production units in Hanko and Lommel are covered in the reporting numbers. ViskoTeepak reports on sustainability in accordance with the Global Reporting Initiative Standard (GRI), option Core.

www.viskoteepak.com

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Foreword.

Sustainability is a rapidly growing trend around the world. People are becoming more aware of how and what we consume and how it affects our environment. "Me, myself" is an excellent example of that behavior. Let me explain why.

Recently I decided to buy a new car or, more precisely, to switch to a model that was newer and better. Because I'm very interested in cars, I did a lot of research. I read magazines, I used the Internet, and I talked to professionals from this business. I knew exactly which car was the safest in its class and which one had the highest score in terms of comfort. Eventually I was able to point out the price range more or less for every brand.

Considerable evaluation was involved, but I didn't choose the car based on any of the above-mentioned criteria. Of course, all criteria matter, but more importantly I made my final decision based on something that more and more people are focusing on. I chose the most suitable brand in the class when it came to its sustainability performance.

Let's walk the talk. Let's all become better and work for a more sustainable world. That's at least something we'll continue to do at ViskoTeepak. Did you, for example, know that our fibrous and cellulose casings are 100% biodegradable and could potentially be used as an ethanol gas source for cars or as compost after peeling?

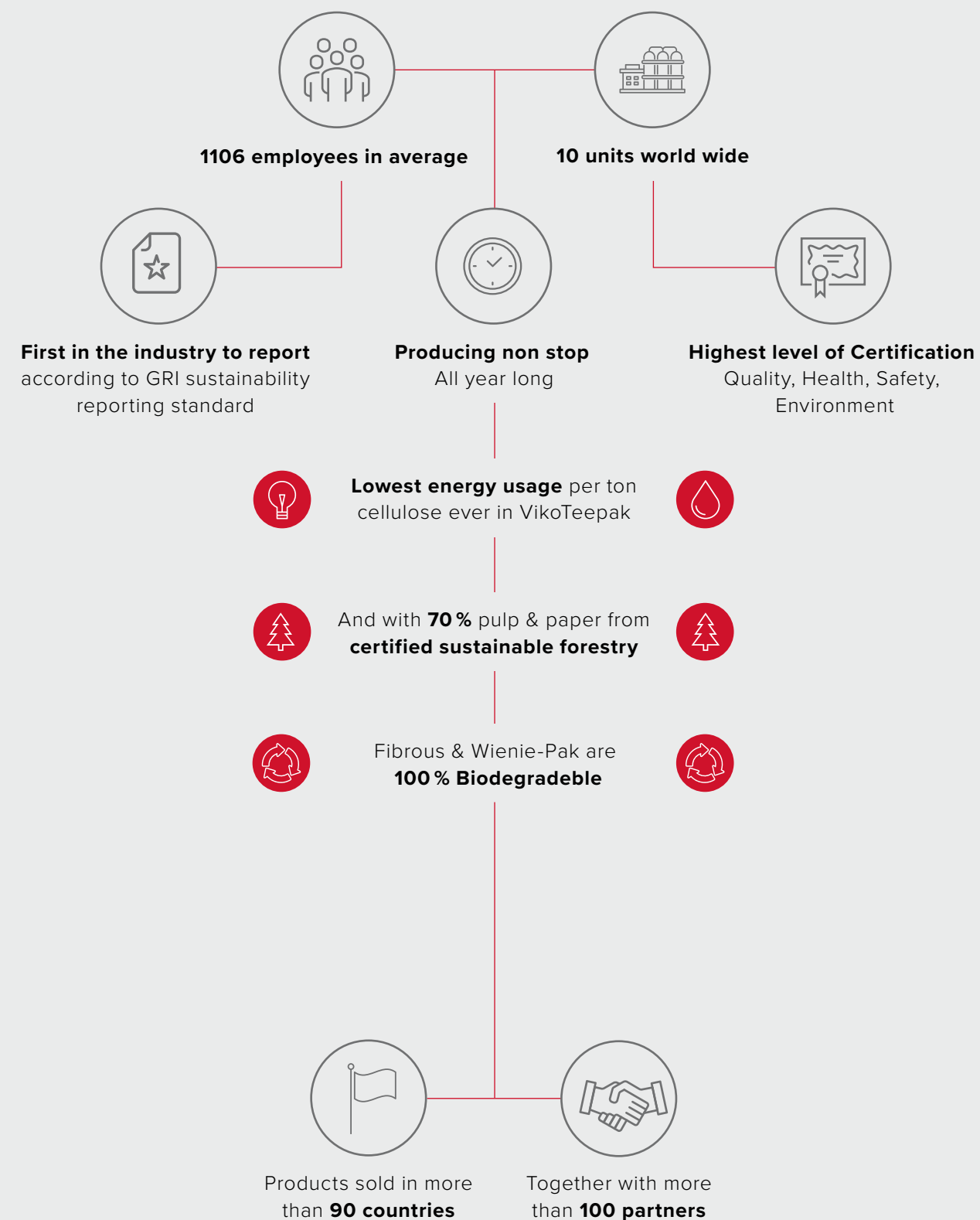
Did you know that ViskoTeepak was the first company in industry to issue reports in accordance with the GRI sustainability standard? Of course, that's just a part of our achievements so far. We're by no means done with our sustainability work, and we promise to become even better.

I hope you'll take time to read the latest sustainability report and that you'll be interested by what we produce and the way we work. If you have any feedback, we'll gladly receive your comments.

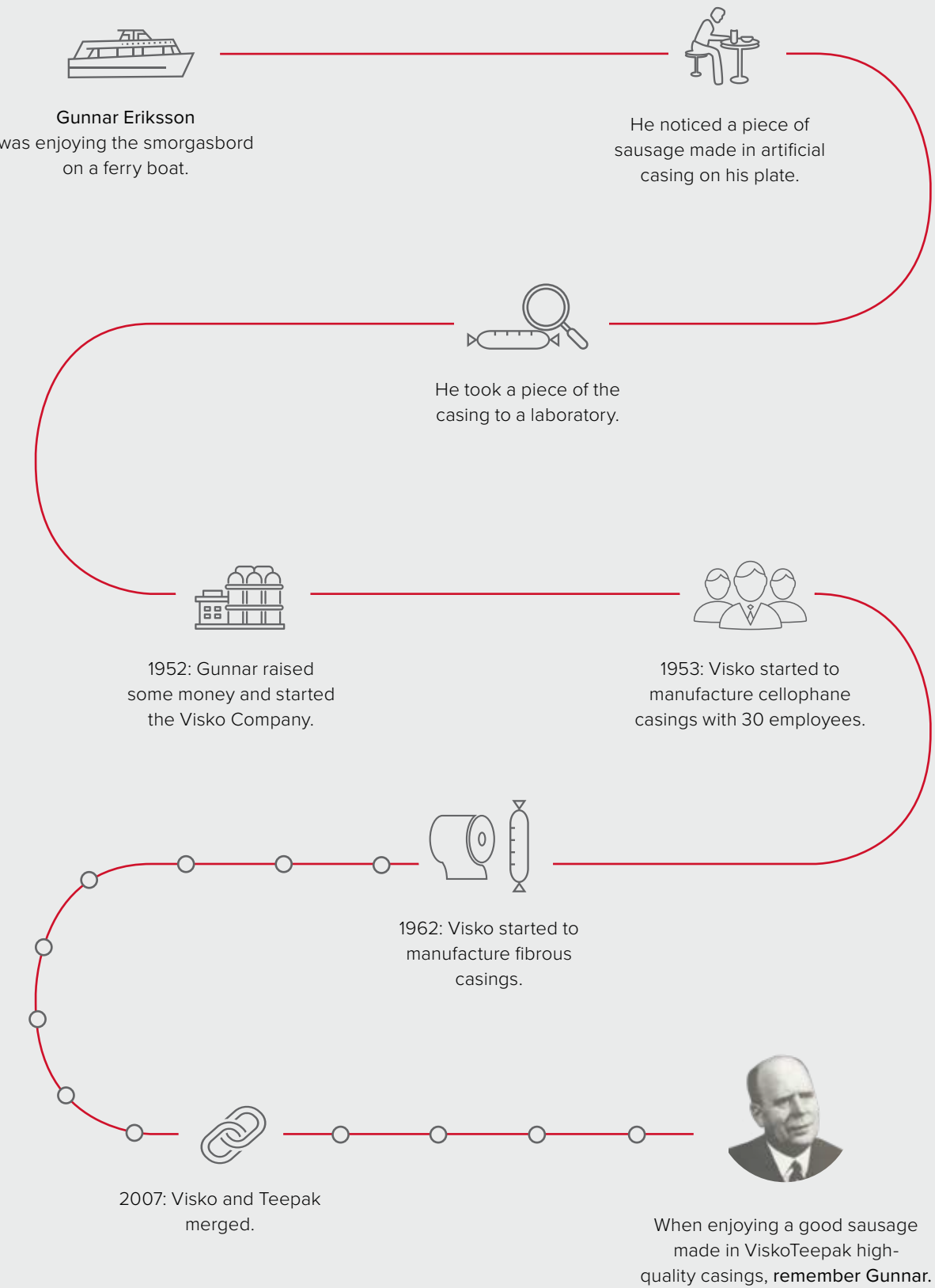
Enjoy your reading!

Jan Maas
Manager Safety & Environmental Control

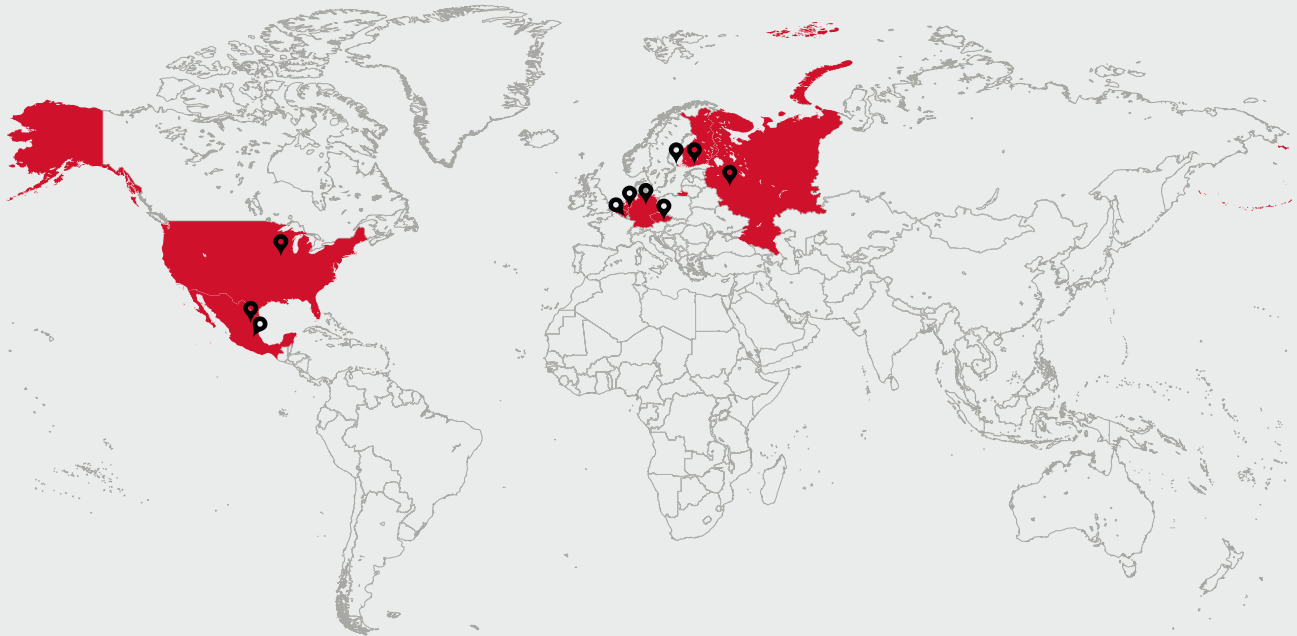
2019 quick facts.



History.



Today's locations.



 Lommel, Belgium Cellulose and Fibrous manufacturing unit Established: 1975	 Hanko, Finland Fibrous manufacturing unit Established: 1952	 Nuevo Laredo, Mexico Plastic and pre-tied elastic loops manufacturing and conversion unit Established: 1995 Moved: 2004	 Brno, Czech Republic Cellulose conversion unit Established: 1994 Moved: 2012
 Kenosha, USA Fibrous conversion unit Acquired: 2014	 Delfzijl, The Netherlands Fibrous conversion unit Established: 1965	 Hamburg, Germany Sales and logistics unit Acquired: 2011	 Moscow, Russia Sales office Established: 1995
 Mexico City, Mexico Sales office Established: 2004	 Mariehamn, Finland Head office Established: 2007 Moved: 2018		

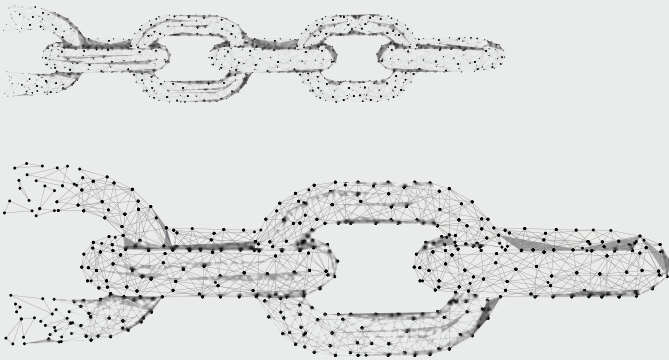


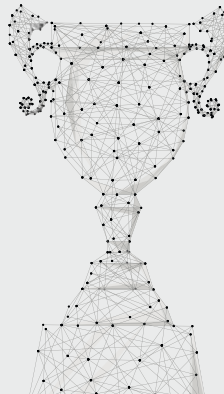

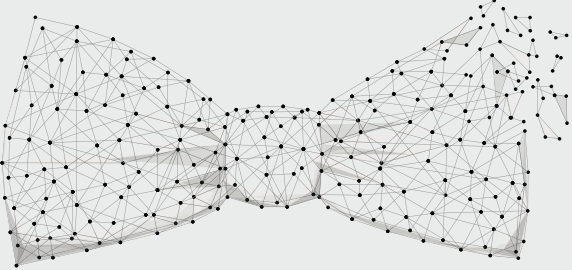
Strategic values.

Brand promise

ViskoTeepak is a global brand with a local touch that delivers productive and tailor-made casing solutions. We understand the needs of our customers and nurture long-lasting mutually beneficial and rewarding relationships.

Company culture.

The company culture is the personality of the company. At ViskoTeepak we base our business and our culture on three company Values: Trust, Ambition and Fun. But what do we mean when we talk about these values?

Brand cornerstones		Values	
	<p>Partnership</p> <p>We strive to be a strong partner and provide the best possible support. We have the largest partner network in the casing world and together with our partners we're able to produce a casing that fits our customers' processes and applications perfectly. We achieve our success in partnership, we work closely with our customers and we understand their needs. We're in it for the long run and we will always be around to support them.</p>		<p>Trust</p> <p>Trust is built on credibility, being fair and treating each other with respect. We earn trust by delivering on our promises, which is particularly true for how we manage our business and our people. Respecting your colleagues regardless of their age, sex or race is a base requirement for a fair working community.</p>
<p>Productive solutions</p> <p>We offer the world's most productive casing solutions. We constantly improve and develop new solutions that bring value. We're creative, and we develop our products in a sustainable way.</p> <p>If there's a better way, we'll find it.</p>		<p>Ambition</p> <p>We have a strong desire to be the best and want to be ambitious on our road to success. That is why we will walk the extra mile to help our customers and partners to succeed in their business. Our "can-do" mentality creates energy and by providing training and development opportunities, we make sure we reach our goals.</p>	
	<p>Tailor-made</p> <p>Our goal is to tailor-make the most productive casing solution for each customer. We're willing to go the extra mile to craft each product to perfectly fit our customers' needs. This makes our products unique and gives our customers the ability to produce with great efficiency and high quality.</p>		<p>Fun</p> <p>Fun is created by being successful in achieving your goals and by working with a team of people that you trust and feel connected to. It creates the energy that we need for taking on the next challenge!</p>

Senior management team.



Ben Eriksson
President & CEO



Luc Van Erom
Vice President of Operations



Tom Pussinen,
Vice President of Sales & Marketing



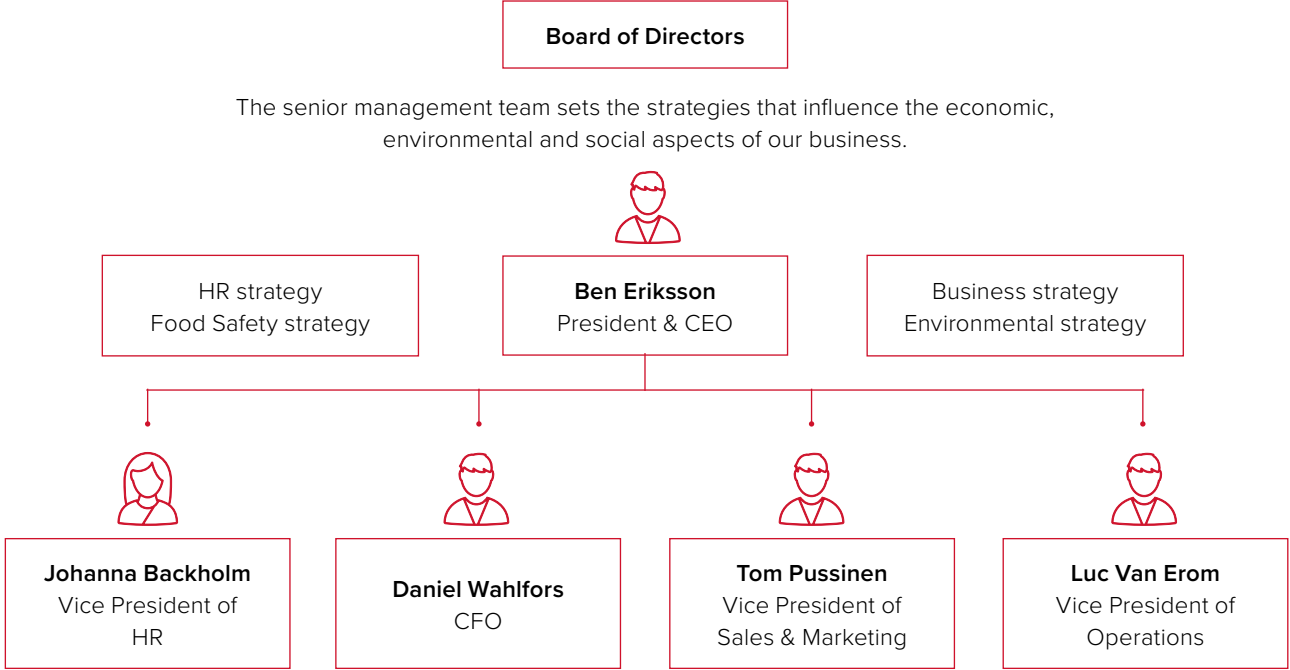
Johanna Backholm
Vice President of HR



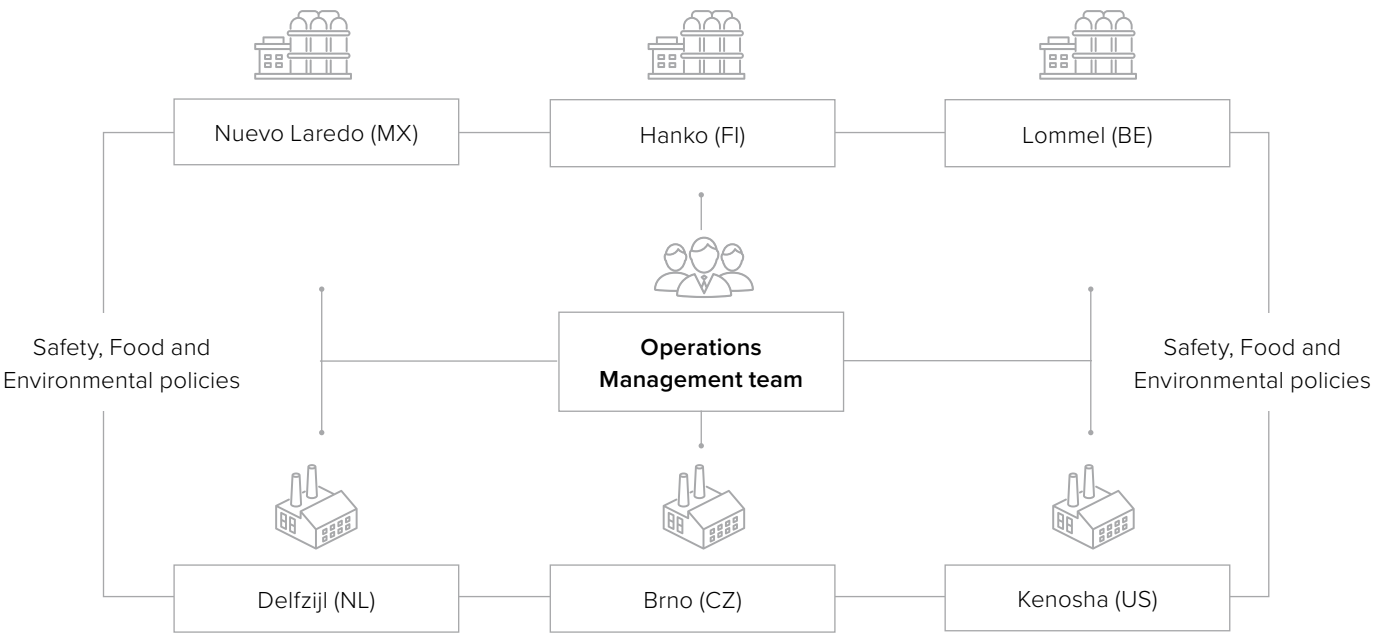
Daniel Wahlfors
CFO

Governance.

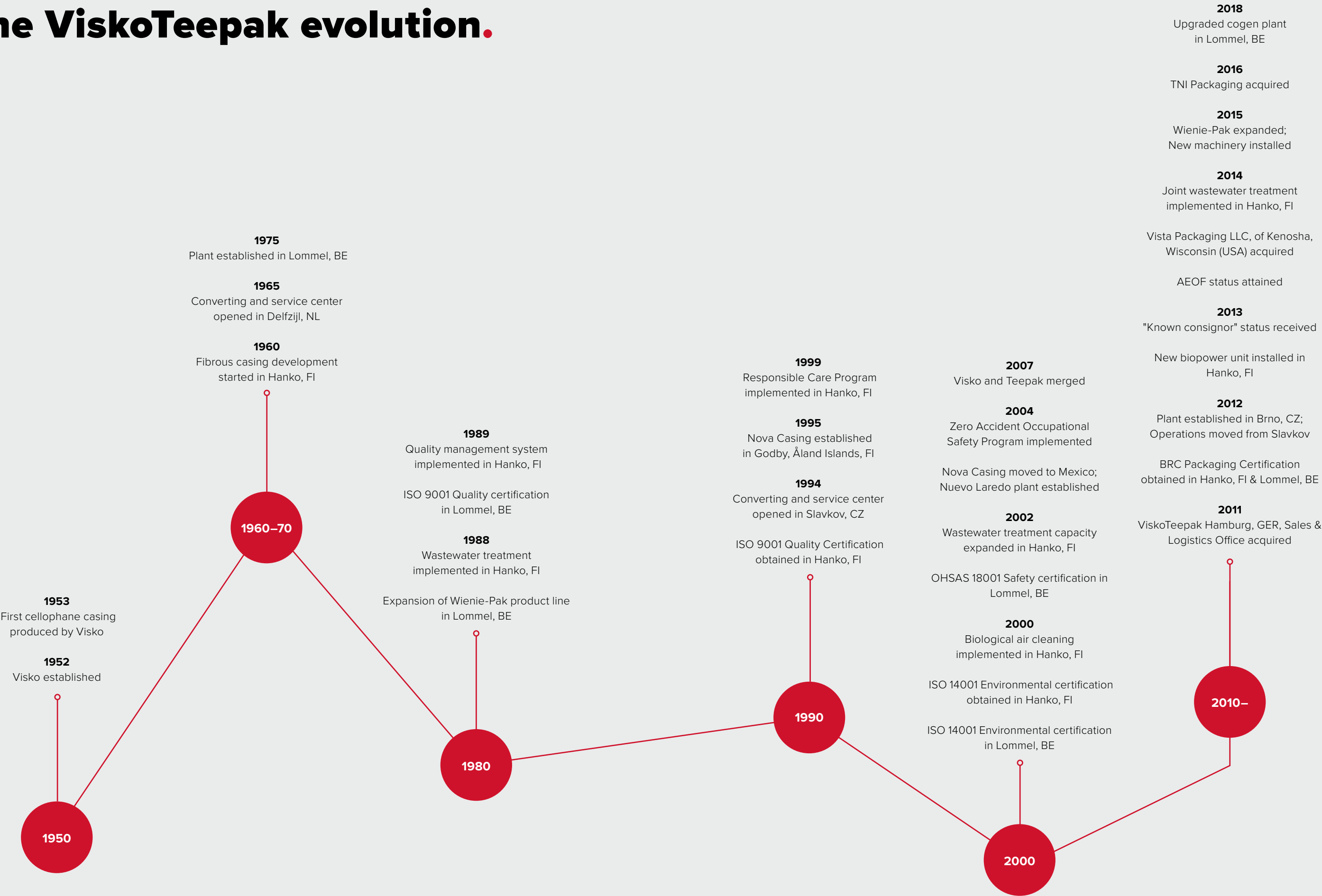
ViskoTeepak is a privately held company owned by Eriksson Capital Ab, of Mariehamn (FI). The daily management of the company rests with the senior management team, formed by the CEO, the CFO, and the Vice Presidents of the Sales and Marketing, HR and Operations divisions.



This is translated into policies mainly by the Operations Group, which consists of the HR manager and the plant managers at all locations.



The ViskoTeepak evolution.










Sustainable development goals.

How Visko Teepak's strategic objectives contribute to the SDGs

In 2015, 17 Sustainable Development Goals (SDG) were launched by the United Nations. This universal set of targets and indicators is designed to help end poverty, protect the planet and ensure global prosperity as part of a new sustainable development agenda. To evaluate how our business minimizes negative impacts as well as maximizes positive impacts on people and the planet, we turned to these UN's Sustainable Development Goals (SDGs). ViskoTeepak has identified five SDGs that are most impactful, relevant and strategically embedded in our company:

Sustainable development goals		Our action	Key achievements	Page
3 Good-health and wellbeing 	We implement adequate occupational health and safety procedures to ensure that employees and anyone at or in the vicinity of business operations and in the supply chain are not harmed or affected.	Acting responsibly Food safety & hygiene Health & safety	OHSAS 18001 BRC	16 39 44
	We support the precautionary approach to foreseeable environ-mental, health and safety-related impacts of operations and the lifecycle of products and services.	Acting responsibly Responsible Care Food safety & hygiene	Highest level of certification	16 17 39
8 Decent work and economic growth 	We ensure that decent working practices are applied within the supply chain.	Renewable resources	Supplier Code of Conduct	22
	We respect and protect labor rights and provide safe, secure and healthy working environments for all employees.	Acting responsibly Health & safety	Code of Conduct OHSAS 18001	16 44
	We use operational health and safety (OHS) management systems based on internationally agreed principles to protect workers' health and safety and to reduce potential hazards and risks for productivity.	Acting responsibly Health & safety	OHSAS 18001 Constantly follow-up on accident severity & frequency	16 44
	We seek to offer all of our employees a stimulating and rewarding place to work, a place where they feel engaged, and contribute to reaching the company goals, and where their talents can develop.	Being a good employer	Thousands of training hours amongst employees	40

Sustainable development goals		Our action	Key achievements	Page
12 Responsible consumption and production 	We establish and maintain proactive environmental management systems.	Acting responsibly	ISO 14001	16
	We avoid or mitigate the foreseeable environmental, health and safety related impact over the lifecycle of products and services and take a precautionary approach to environmental challenges.	Responsible Care	Responsible Care Hanko, Finland Lommel, Belgium	17
	We improve resource efficiency as well as increase supply chain and resource security.	Sustainability performance	Constantly following up on: - Freshwater usage - Wastewater usage - Solid waste - Energy consumption - NOx emissions - SOx emissions	30
	We use renewable materials and efficient clean and technologies to reduce the risk of over-exploitation of natural resources and decreasing biodiversity	Renewable resources	Sustainable Forestry Initiative® (SFI)	22
	We implement circular business models such as using renewable, bio-based or fully recyclable inputs, recovering resources, extending product lifecycle.	Renewable resources		22
15 Life on land 	We are committed to sustainable fiber sourcing strategies in purchasing fiber from suppliers		Our main supplier Georgia-Pacific holds chain of custody certifications from SFI®, Forest Stewardship Council® (FSC®) and Programme for the Endorsement of Forest Certification (PEFC®) at many of their locations	22
		Renewable resources		
17 Partnerships for the goals 	We consider sustainability along our entire value chain, from raw materials sourcing to product manufacturing, consumption and end-of-life. We take responsibility for our own activities, but also in our sphere of influence upstream as well as downstream. To help deliver our sustainability ambitions, we invest in close partnerships with the stakeholders along our value chain.	ViskoTeepak value chain Creating value for customers Stakeholder interactions	 IFFA 2019	20 24-27 28

Acting responsibly.

Code of conduct

Our values—trust, ambition and fun—form the basis for our company culture and for the behavior we expect from our employees. ViskoTeepak is proud of its excellent reputation as a responsible, reliable partner. ViskoTeepak is committed to the conduct of its business with honesty and integrity, in which we follow the law and ensure that each employee and business partner is treated respectfully. Our Code of conduct forms a set of rules explaining how we conduct our business and contains the seven main business standards as rules of ethical behavior all ViskoTeepak employees must follow:

1. Business integrity
2. Information disclosure
3. Dealing with suppliers
4. Responsible work conduct
5. Responsible work environment
6. Corporate responsibility
7. Proper authorisations and approvals



Code of Conduct

The full text of our Code of Conduct is available in English on our website:
www.viskoteepak.com

Sustainable development for the environment

People all over the world have seen the effects of industrial evolution, and there is growing concern over the global warming and climate change. So, it's the responsibility of every company – and every individual – to actively protect our planet's future. At ViskoTeepak, we've implemented systems and procedures for waste management and energy control. We minimize and recycle all waste that's generated through our operations. We have also implemented air and water-cleaning systems that minimize the negative environmental effects on our surroundings.

Health & Safety

The health and safety of our employees and the community will always come first with ViskoTeepak. The viscose process and casing production imply certain risks, so our success depends entirely on the assurance of safety in every aspect of our operation. We follow the guidelines and audit ourselves through the established routines of the BRC Packaging standard.

We also try to identify and anticipate health hazards in the work environment and work with effective risk management. We monitor all parts of our operations and work for a "safety first" culture. We motivate each other by using common courtesy in everything we do, throughout the entire organization. Moreover, we take full responsibility for our actions and will always accept accountability in the event a defect or other issue is found.

The highest level of certification

ViskoTeepak has the highest level of certification in the casing industry. We accept our responsibility when it comes to quality, health, safety and the environment. For example, did you know that ViskoTeepak, in the early 1990's, was the first plant in the casing business to achieve the ISO 9001 quality certification and an ISO 14001 environmental certification. Since then, it has never failed one audit. ViskoTeepak was also the first company to obtain the BRC packaging certification for all of its cellulose, fibrous and plastic product lines.



Responsible care.

Responsible Care is the chemical industry's unique global initiative that drives continuous improvement in health, safety and environmental (HSE) performance, together with open and transparent communication with stakeholders. Responsible Care embraces the development and application of sustainable chemistry, helping our industry contribute to sustainable development while allowing us to meet the world's growing need for essential chemicals and the products those chemicals make possible. In Finland, the Responsible Care program is run by Kemianteollisuus ry and in Belgium by Essenscia. Both plants has been a member of the Responsible Care initiative since 1999.

The development of companies' corporate responsibility work is supported through cooperation in networks and development projects. Responsible Care commits companies, national chemical industry associations and their partners to continuously improve the environmental, health, safety and security knowledge and performance of our technologies, processes and products over their life cycles so as to avoid harm to people and the environment. In short, use all kinds of resources efficiently and minimize waste. In total, more than 60 countries around the world participate in the Responsible Care program.

For example, in Finland, 98 companies have committed to the program, representing some 80 % of all production in the chemical industry and some 60 % of its employees.

ViskoTeepak in Hanko, Finland: Kemianteollisuus ry (Chemical Industry Federation of Finland) is a trade association for the chemical industry and its closely related sectors, covering various fields in the basic and production chemical industry. Teollisuusliitto and Pro are the blue- and white-collar labor organizations represented in the plant. Other stakeholders are Krogars vattenskyddsförening, a local NGO for the protection of recipient water, and LUVY (Association for Water and Environment of Western Uusimaa).

ViskoTeepak in Lommel, Belgium: Essenscia is the Belgian federation of the chemical and life sciences industry, a multisector umbrella organization that represents the numerous business sectors of chemicals, plastics and life sciences. Sustainable development and the contribution of the chemical and life sciences to a sustainable society are central to the mission of Essenscia.

KEMIANTEOLLISUUS



Products and plants.

We strive for perfection in everything we do to ensure that our customers will get the best experience possible. We offer some of the most productive complete casing solutions in all our product lines, which we achieve together with our partners and tailoring not only our products but also by creating the optimal complete solution and support for your business.

**Fibrous and Cellulose casings are covered in the reporting numbers.*



Fibrous casing*

We're the world's leading manufacturer of fibrous casings, in terms of volume as well as variety. We also offer the widest range of diameters, from the smallest to the largest casing diameter. Fibrous casings are used for a wide range of applications, such as pepperoni, salami and luncheon meats.

Cellulose casing*

We're one of the big players in the cellulose-casing market, and our reputation is based on the ability to offer our customers the most efficient cellulose casing available. Wienie-Pak is used for a wide range of applications, including all kinds of frankfurters, hot dogs, beer sausages and mini-salamis.



Plastic casing

The Nova casing is a combination of different types of high-performance plastic resins, which work together to provide a unique level of performance. The Nova casing is used for a wide range of applications such as cooked hams, liver sausages, pâtés and different cheese products.

Collagen casing

We supply collagen casings from the world's top producers. We offer both edible and non-edible collagen for the US and German markets. Collagen is a strong and flexible casing which is used for a wide range of applications such as cooked, dry and fresh sausages.



Packaging materials

We're a full line food packaging supplier to the meat and poultry processing industry. Our packaging materials and brands are today offered mainly in Germany, Canada, Mexico and the U.S. Our packaging materials are used for a wide range of products such as pouches, shrink bags and films.



DELFIJL, NETHERLANDS



KENOSHA, USA



HANKO, FINLAND



LOMMEL, BELGIUM



BRNO, CZECH REPUBLIC



NUEVO LAREDO, MEXICO

ViskoTeepak value chain.



We have analyzed our value chain and our business model in order to identify key risks and opportunities. Our value-creation process is as shown on the left. The following material issues are connected to the respective value steps.

Upstream influence



Renewable resource

We use a number of renewable materials in our manufacturing process. All the renewable materials we use are also taken care of and disposed of in the correct manner.



Procurement & supplier assessment

We assess our suppliers and other partners to ensure they work fairly, taking environmental issues into account and always stepping away from fraud and collusion.

Direct control



Economic performance / investments

The economic performance of the company has to provide for a healthy future; that means that our financial performance needs to enable investments for assuring growth, increasing efficiency and securing our environmental performance. At the same time, we want to keep our investors interested in our company by providing them with a competitive return on their investment.



Health & safety

ViskoTeepak committed to a zero accident safety program for several years. The goal is to improve the safety culture and achieve a safety level comparable to the best in the chemical industry.



Labor & management relations

We work actively and proactively to be an attractive employer, offering good and safe working conditions and opportunities to develop as an individual.



Anti-competitive behavior

We take an active approach against all anti-competitive behavior such as dumping, price fixing or market division, all actions that may reduce the competition in the market.



Energy & waste

We strive to minimize our energy consumption in all our plants. We'll also minimize the carbon footprint of our products and we'll recycle wherever possible in our operations.

Downstream influence



Product innovation

ViskoTeepak strives to be in the forefront in our business. That means always striving to improve our contributions within the areas of food safety, health and efficiency of our products.



Customer satisfaction

We continuously measure customer satisfaction with respect to our services and products. We do not see collecting input from customers as only marketing, but as key in managing, monitoring and developing our company.



Marketing & communication

One of the cornerstones of the ViskoTeepak message is Partnership. By always communicating in line with what we feel is true and contributing in our brand we help steer our market while applying the same values as we do in ViskoTeepak, striving to achieve a sustainable world.

Renewable resources.

Upstream influence



Raw materials – Wood pulp

ViskoTeepak uses softwood-based specialty pulps to produce viscose as base ingredient for our Wienie-Pak and Fibrous products. These pulp materials are purchased from companies in the U.S. and Scandinavia which manage their forests on a sustainable basis.

We always become extra glad when our vendors, customers and partners are reporting steps in the right direction when it comes to improve our environment. This time, one of ViskoTeepaks major wood pulp suppliers, Borregaard's sustainable business model has been positively recognized once again.

Borregaard has been commended for its climate action, achieving a place on global environmental impact non-profit CDP's prestigious 'A List' for climate change, based on the company's climate reporting in 2019. Borregaard is one of 8,400 companies reporting to CDP last year, only 179 of these made the climate change 'A List'.

Borregaard was recognized for its actions to cut emissions, mitigate climate risks and develop the low-carbon econo-

my, based on the data submitted by the company through CDP's 2019 climate change questionnaire. Borregaard is one of a small number of high-performing companies out of thousands that were scored.

CDP's annual environmental disclosure and scoring process is widely recognized as the gold standard of corporate environmental transparency. In 2019, over 525 investors with over US\$96 trillion in assets and 125 major purchasers with US\$3.6 trillion in procurement spend requested companies to disclose data on environmental impacts, risks and opportunities through CDP's platform and over 8,400 responded.

A detailed and independent methodology is used by CDP to assess these companies, allocating a score of A to D-based on the comprehensiveness of disclosure, awareness and management of environmental risks and demonstration of best practices associated with environmental leadership, such as setting ambitious and meaningful targets. Those that don't disclose or provide insufficient information are marked with an F.

Sustainability is a key component of Borregaard's business model and one of its three core values. The company offers green products with good climate and environmental properties that replace oil-based products. This is Borregaard's second year on CDP's 'A List'.

Raw materials – Chemicals

Besides fiber based materials like specialty pulps and paper, we use various chemicals in our production process. It is equally important that these chemicals are produced in a sustainable way.

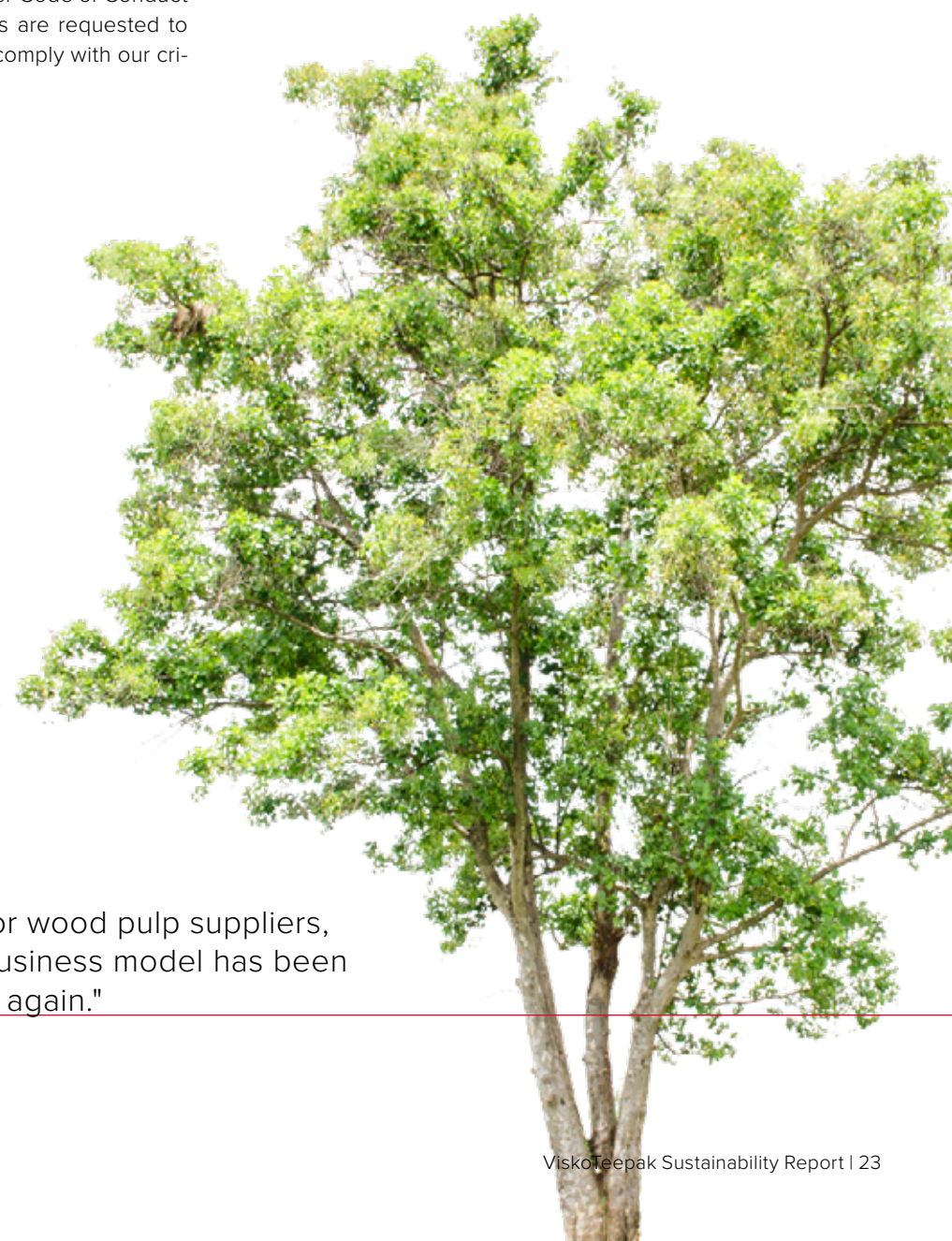
New suppliers

Our Code of Conduct contains a Supplier Code of Conduct in Annex 5. New and existing suppliers are requested to sign this document and by doing so to comply with our criteria on:

- Ethical behavior
- Legal compliance
- Equal treatment of workers
- Fair working conditions
- Rights of association
- Care for Safety & Environment



More than 70%
of the fibrous material is certified.



"One of ViskoTeepaks major wood pulp suppliers, Borregaard's sustainable business model has been positively recognized once again."

Creating value for customers.

Since 2012 we've worked hard on implementing our three brand cornerstones, Partnership, Tailor-Made and Productive Solutions in our external communication. We mainly use five communications channels for creating value for our customers.

5 main communication channels



Website

Available in four languages



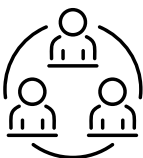
Partner Network

Additional information, requires a login



Solutions

Our partner and customer magazine, e-mail newsletter



Events

Continuous events, IFFA and Partner Days.



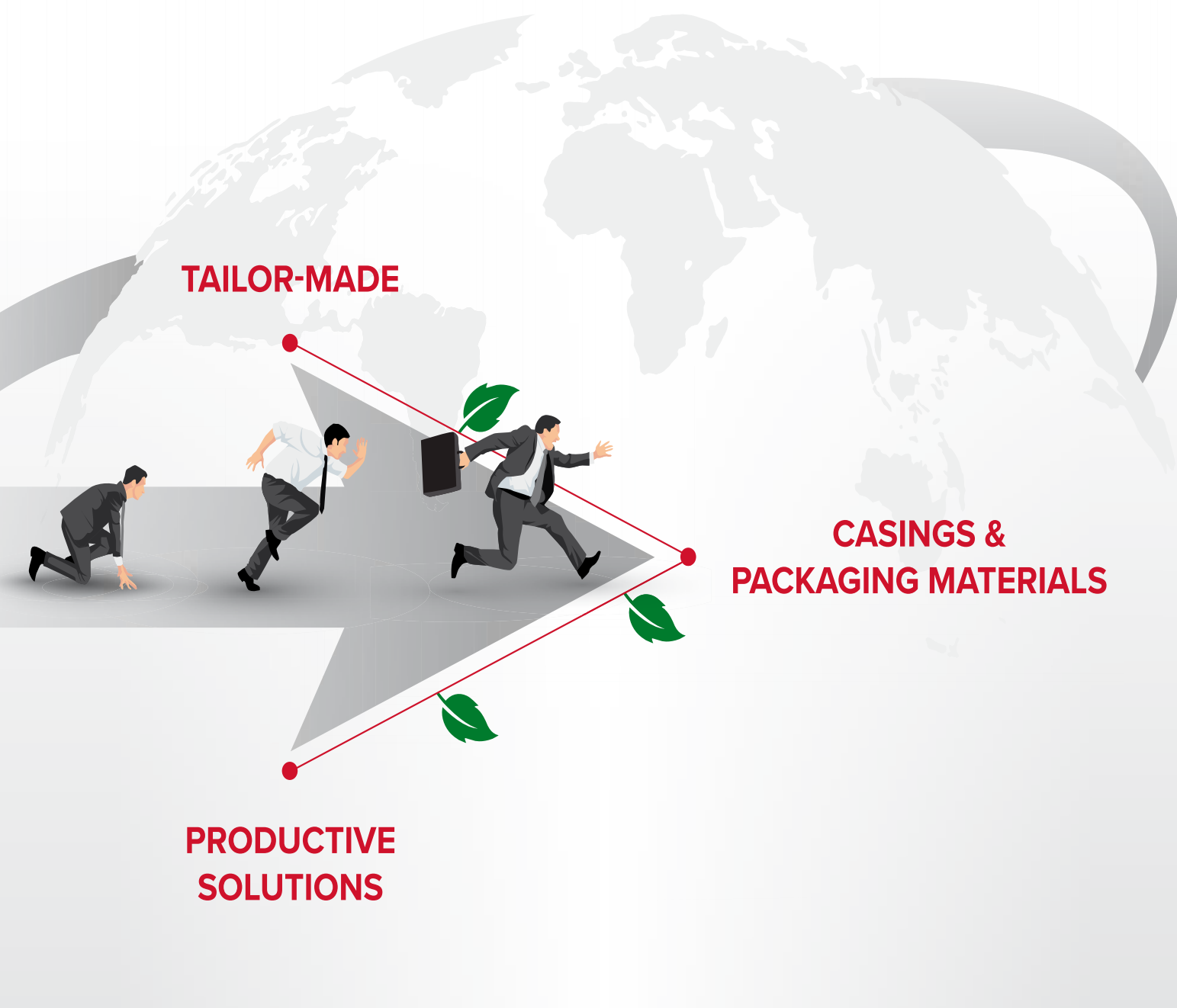
Social media

Continuous updates on LinkedIn and Facebook



"We think the close, long-lasting business relationship and the open, constructive business approach are the best things about Darimex and ViskoTeepak's cooperation"

Johan Mari Schouten & Violeta Mazilu, Darimex, Romania



Our main message and a crew ready to serve

Events

Every third year we arrange ViskoTeepak Partner Days, an event where we invite all of our partners from around the world to get an update of what's going on in our business. We also attend IFFA, the world's largest fair for the meat industry which also is arranged every third year. Besides these two big events, we're also present at several smaller fairs around the world.

Partner Network

We also launched a new Partner Network, our extranet, a platform for our distributors. The platform requires a user registration which will be checked before it's confirmed. Partner Network works as an extension to our official website where we made more content accessible for our distributors. Our partner network is under constant improvement to provide added value to our partners around the globe.



IFFA 2019

Between the 4th and 9th of May many partners and customers visited our IFFA booth in Frankfurt am Main. We named one of our conference rooms "sustainability room"



Showcase corners



At IFFA we had product corners for each one of our five product lines including Fibrous, Cellulose, Collagen, Plastic and Packaging Materials.

Solutions newsletter

Since 2012 we've continuously published our company and product news as e-mail news to our Partners and Customers. Our newsletter is called Solutions and in 2019 we published 2 editions in 4 languages.

Social Media

Through our social media channels in Facebook and LinkedIn, we strive to increase our brands' visibility by building relationships and communicating with our stakeholders. We are putting extra effort in employer branding. The style is fun, light and fact-focused. In social media, we generally use English.

 1078 followers
 2958 followers



Product innovations

At IFFA we had an excellent opportunity to talk to customers, highlight innovations, solutions and the support we mutually offer customers in our everyday work.



+300 booth space

To be able to host all visitors our booth was more than 300 square meters big, including three conference rooms, a bar, kitchen space and much more.

Stakeholder interactions.

We define a stakeholder as anyone with whom we have a relationship. This can be internal or external, but in any case it's important to know how we can have a constructive dialogue and stay connected to those who are interested in what we do.



"We define a stakeholder as anyone with whom we have a relationship"

	Communications	Comments raised	Our response
Customers	Product information, Technical support, Sales calls, Satisfaction surveys, Trade shows, Solutions newsletter, End-customer visits IFFA trade show	Service rated high, Reliable company, Walks the extra mile, Perceived as innovative in a conservative industry	Increased focus on innovative projects, New organization for project management
Owner	Regular business updates, Board of Directors meetings	Vision and strategy development	Strategic House activities
Partners	Direct contact, Business plans, Partner days, Trade shows, Newsletter, Marketing materials	Continue the Partner Days concept, Stay close to new developments	Organize Partner Days in between IFFA trade shows
Employees	Daily communication, Employee meetings, iConnect interactive intranet, Project meetings, motivational activities	Bi-annual satisfaction surveys standardized, local actions appreciated, better information, support good causes	Further improve internal communication, Local TV, introduced, "Health challenge" organized to support a good cause.
Suppliers	Supplier rating system, negotiations, technical meetings, trouble shooting, Trade shows	Stable relationships, technical dialogue, more focus on innovation	Focus on value for money, continue shared innovation projects
Industry peers	Trade associations, CIPCEL lobby, Trade shows	Industry in line with the environmental standards	Connect and reach out to justify industry needs vs. best available technology



Customers
Service rated high, Reliable company & walks the extra mile



Partners
Stay close to new developments



Industry
In line with the environmental standards





Sustainability performance.

We at ViskoTeepak believe that safety and environmental performance go hand in hand with product quality and production efficiency. We aim at standardizing our work methods to continuously improve them by relying on and developing the skills of our personnel. The ISO 14001 Environmental, ISO 9001 Quality, OHSAS 18001, BRC Packaging Product Safety and AEO-F Logistics management systems are all a foundation for our activities.



New Cogen plant

Increased efficiency of heat and electricity when we convert natural gas

Freshwater and wastewater

Various issues are involved when comes to minimizing the environmental impact from our wastewater. The first one is to use as little freshwater as possible. We have also improved casing-machine water circulation in recent years. The new system is based on a more efficient counter-current principle. Not only do we use less of this valuable raw material, but we also achieve a better functioning cleaning operation since the load on the treatment facility is smaller.

Secondly, in our process we use absorber/strip-per systems for the efficient recirculation of process chemicals. The normal recirculation level is approximately 95%. Thirdly, we place great emphasis on our process control. The more steadily and smoothly the operation runs, the more efficiently our wastewater cleaning operate. The Lommel plant already sends its wastewater for joint treatment in the community cleaning facility. In Hanko, ViskoTeepak was operating a chemical-biological treatment unit for wastewater cleaning. As a sign of continuous improvement in the field of wastewater cleaning, the plant signed in 2014 an agreement with the city of Hanko regarding joint wastewater treatment. As a result, the plant's wastewater is transferred by pipeline some 15 km to the city of Hanko, where it's treated in a state-of-the-art chemical-biological cleaning facility.

Solid waste

In regard to solid waste, our main effort is in minimizing the sources of waste and the early separation of various waste streams. In terms of absolute amounts and kg/produced casing, we've seen positive trends. A major part of our solid waste in Hanko is used externally for energy production.

Air

ViskoTeepak Hanko invested in biotrickling cleaning technology in 2004 in order to ensure the lowest possible effluent levels. We operate six cleaning towers based on this BAT (Best Available Technology). The sulfur components are converted from the gaseous phase to the liquid phase in the bio-filters and in turn to sulfuric acid, which is then neutralized for safe handling in wastewater treatment. In line with the company's plan, the plant renewed the filter media with a newer generation type during the autumn of 2014. There is a new European initiative in the form of a BREF: Common Waste Gas Treatment in the chemical sector (Best available technology REFERENCE document).

Energy

Energy is used for the generation of hot water for the process of drying the casing and heating the buildings. After an intensive energy reduction program in all plants, ViskoTeepak undertook a feasibility study to identify a more environmentally friendly and modern way of producing the heat energy we require at the plant. The new technology that was chosen is based on a renewable raw material: wood chips. The new boiler is fluidized bed-based. The biofuel boiler is 6 MW in size. As a back-up, there is a 6 MW gas-fired boiler. We began using this boiler in July 2013. Consequently, our carbon-dioxide footprint for the generation of energy for heating was reduced to 0 ton of CO₂, because it's considered a renewable resource.

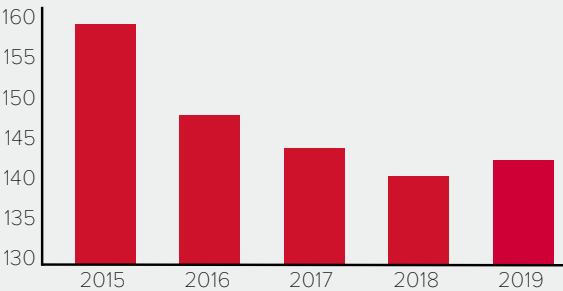
Finnish national energy initiative

In 2017, ViskoTeepak Hanko joined the Finnish national energy initiative Motiva for the period until 2025. The total energy figure decreased for 2016 and 2017 due to the energy-reduction investment of a new multi-stage evaporator in Lommel in 2015. An efficiency improvement in the evaporator was done in 2017, whereby energy consumption will decrease through the coming years. NOx and SOx are two generic parameters of combustion from energy-generation units. Both are local air pollutants that can be avoided through the control of energy production and reduced energy consumption. These parameters have been significantly reduced in all our manufacturing facilities during the past four years. The NOx in the Lommel plant decreased significantly with the major upgrade of the cogeneration plant. This increased efficiency gives us more heat and electricity when we convert natural gas. Together with the installation of two new, low NOx burners in 2019 and 2020 the plant reduces NOx emissions with more than 50%. The new installation is therefore fully compliant with the strictest European standards

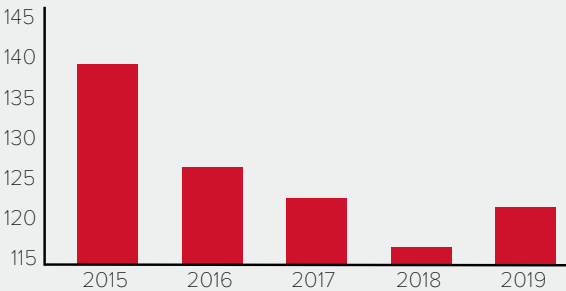
Sustainability in numbers.

Five year trend for Hanko and Lommel plant

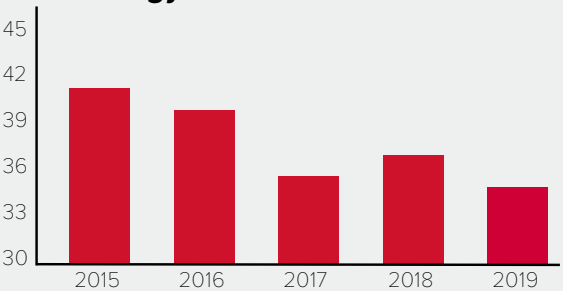
Freshwater m3 / ton cellulose



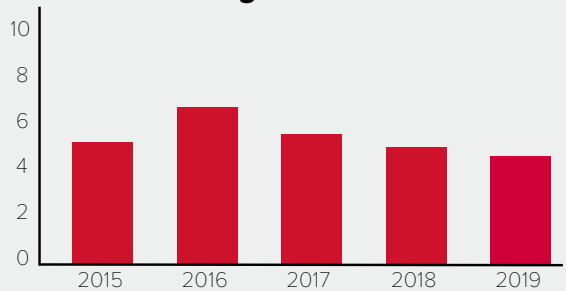
Wastewater m3 / ton cellulose



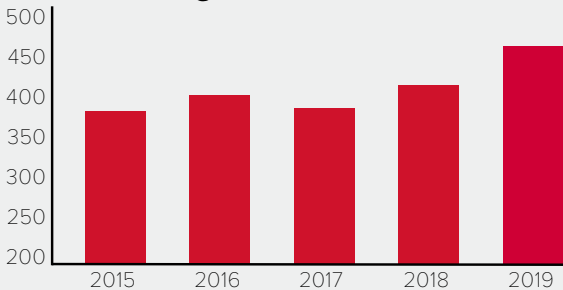
Total energy MWh / ton cellulose



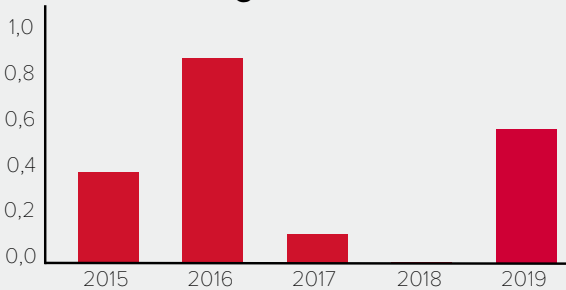
NOx emissions kg / ton cellulose



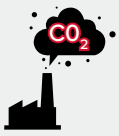
Solid waste kg / ton cellulose



SOx emissions kg / ton cellulose



Nox was lower in 2019 partly **driven by the good results of our Cogeneration installation** in Lommel. This new cogenerations was running almost the whole year of 2019.



The energy emission per ton cellulose was **1740590 Kg CO2 less** per year compaired to last year.



Energy usage per ton cellulose in 2019 **was the lowest ever in ViskoTeepak.**



Waste was higher in 2019 mainly driven by a major powerfailure in Lommel.

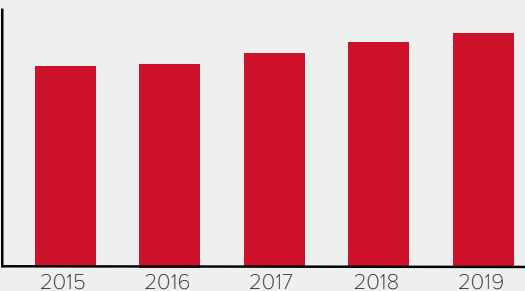
Finance and environment.

Performance, protection and expenditures

Economic performance

Sales Revenue

Full year sales value 2019 increased compared to 2018.



Environmental protection

Environmental Investments

●	2019	€ 660 k
●	2018	€ 310 k
●	2017	€ 465 k
●	2016	€ 1,384 M
●	2015	€ 407 k

Environmental expenditures

Environmental Expenditures

●	2019, Disposal & Treatment cost	€ 2,210 M
●	2019, Preventive & Management cost	€ 383 k

Sustainability in practice.

A great deal has been written in the effort to define what sustainability stands for, but ultimately it's all based on real feelings and concerns. We at ViskoTeepak use the following definition, and we think it's the most comprehensive: "The ability to meet the needs of the present without compromising the ability of future generations to meet their own needs"


The challenge

This single sentence is capturing the fact that we understand that we live in a fast-developing world where there's a risk of using the natural resources in a way that will deprive our children and grandchildren of their freedom of choice.

Although hunger and poverty still exist, no previous generation has enjoyed a higher standard of living than we do today. Let us nurture and build on this. Technological development is the main driver and this is only the beginning. In other words, "We ain't seen nothing yet." Ironically, the modern technologies can be energy-hungry and consume our natural resources in an irresponsible way. The challenge is to use the reasonable technology and encourage research to overcome this temporary condition.

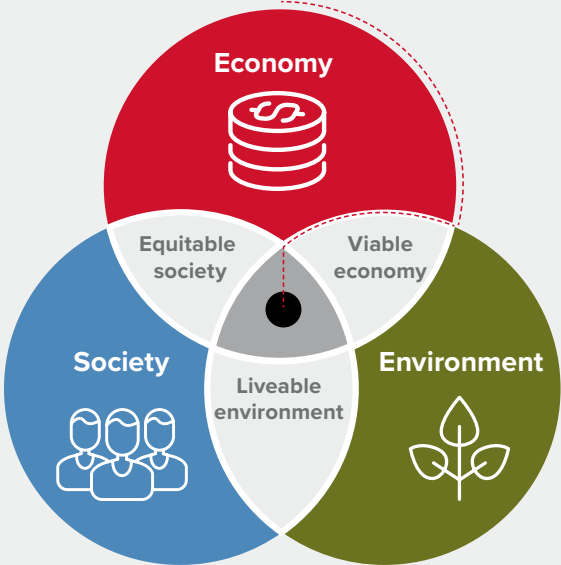
The three pillars of sustainable development

The origin of the sustainability concern is to be found in the environmental footprint the human kind leaves behind on our planet. For many years this has been making us start questioning industrialization, being pro-green, etc. While each organization has its own means and capabilities, for years it has been obvious that we must find a balance where people can feel secure, have an income that allows for proper meals and a home, a work/private balance that supports the social needs and a chance to enjoy the beauty of what nature gives us. We must be able to improve with each new generation. All of this comes together in the three pillars of sustainability: economic, environmental and social. These are informally referred to as people, the planet and profits.

 "We must be able to improve with each new generation"

"When all three pillars are strong, people live in a system where high quality of life is the norm.

*They have a healthy **environment**, a satisfactory level of **economic** well-being and a robust level of **social** fulfillment."*





Environmental – Planet

This is probably the best known and most discussed part of sustainability. We can't take the natural resources for granted, because they aren't limitless.

This pillar supports initiatives such as the following:

- Renewable energy
- Reducing fossil fuel consumption and emissions
- Sustainable agriculture and fishing
- Organic farming, tree planting and reduced deforestation
- Recycling
- Better waste management

For all the resources we use in our processes we can ask the simple questions: Can we Reduce? Can we Reuse? Can we Recycle? No? then we must Rethink.

At ViskoTeepak, we have applied the "four Rs" approach in the following areas:

Fresh and waste water

- Continuously rethinking for reduction, reusing and recycling.
 - *16% lower consumption per ton of ready product achieved during the past 7 years*
 - *Waste water cleaned and recycled by a third party*

Energy

- Continuously rethinking for reduction and finding renewable resources
 - *Gradually installing LED lights*
 - *Wood chips burner installed*
 - *New, more efficient cogen installation; reusing gas-engine heat*

Wood pulp

- 100% renewable by using certified suppliers

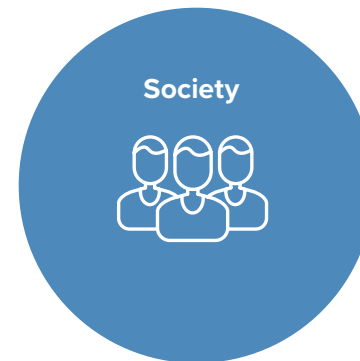
Long-fiber paper

- 100% renewable by using certified suppliers

Cellulose waste

- Reused as biofuel

"We strive toward the ability to maintain the rates of renewable resource harvesting, pollution creation and responsible consumption of nonrenewables that can continue indefinitely."



Social – People

A company is a group of people who work toward the same goal, have mutual respect, support each other, grow themselves in their skills and knowledge, socialize and attain results. **People ARE the company!**

At ViskoTeepak, we support our people by taking care of:

- Safety and security
- Health
- Belonging, being part of
- Education and training
- Empowerment and participation

We develop programs to support each of these needs and train our leaders to take care of and live by these principles. Fundamental for this process are our three core values that we call "TAF", Trust, Ambition and Fun.

"The social pillar in a sustainable development takes care of the ability of a social system, such as a company, to function indefinitely at a defined level of social well-being."



Economics – Profit

"At ViskoTeepak, we strive toward the ability to support a defined level of economic production and to do it indefinitely."

No business model can function without profitability. So, profitability is essential for a global sustainability plan.

Translating this to behaviors we value at ViskoTeepak, it can be summed up as follows:

- Striving for perfection in everything we do
- Creating best experience possible for our customers
- Offering some of the most productive complete casing solutions in all our product lines, which we achieve together with our partners
- Tailoring not only our products but also by creating the optimal complete solution and support for your business
- Being cost-minded
- Continuously invest in new technologies / materials

In 2017, we started with the introduction of the Zero Defects approach. The core idea is that when something goes wrong (i.e., the occurrence of a defect) the natural reaction of the people involved is to seek the root cause, find it and eliminate it in order to prevent repetition of the same defect. When the entire workforce behave this way, we improve product quality, reduce waste and empower people to take responsibility. We also eliminate costs and activities that don't add value. In other words, we pursue sustainable performance.

Final words

The opportunities are endless. The need to actively work on this and make progress is undeniable, and there's an enormous amount of work to be done. We have a long way to go, but we have a good plan and are determined to meet our goals.



Food safety & hygiene.

As a manufacturer of casings to be used as packaging in the food industry, we have a legal responsibility for the safety of our products. In order to ensure the food safety of our products, we operate in accordance with requirements set by the international ISO 9001 quality standard and BRC Packaging standard. We are also committed to use standard operating procedures, HACCP-planning, self-monitoring, good manufacturing practices and good cleanliness of the production areas. Meeting all regulatory and legislative requirements is the foundation of food safety and hygiene and of our operation. We test and inspect all our products before sending them to our customers and we comply with the current EU legislation for materials intended to come into contact with food, with the German BfR Recommendation and the U.S. FDA Regulations.

General

ViskoTeepak manufactures products for the food industry. Today, the gap between food and packaging is getting narrower, and that makes us even more aware of the fact that a proactive approach in food safety is the best option. We often get requests from large customers like Unilever to deliver certificates of conformity pertaining to components used in production and manufacture methods. In addition, the legislation in food and food packaging gets more stringent because of more demanding customers.

Based on the fact that ViskoTeepak already has certified management systems for Quality (ISO 9001) and Environment (ISO 14001), we've decided that an overall management system for food safety would be the best choice for us. Based on consultations with specialists, we've chosen the BRC Packaging and Packaging Materials standard, which is targeted at producers of packaging for food products. The standard was developed by the British Retail Consortium in cooperation with the Packaging Society (formerly the Institute of Packaging) and is known throughout the industry.

The basis for the system is a risk analysis of all processes, starting from development up to transportation of the products to the customer. Based on the risk level, procedures are developed and implemented that will ensure that risk for contamination is eliminated or reduced.

Part of this is the clothing that is allowed in the manufacturing areas. We now have "Red zones," where the risk level is the highest and "Blue zones" in our manufacturing plants where the product is already protected by cartons or plastic films. In the red zones, protective and clean clothing is required and strict hygiene rules apply.

Product development

The mission to guarantee food safety applies not only to the operational activities of our company. It also plays a role in the creation of our products. Together with our customers, we identify ways to prevent fragments of our products from ending up in the food, particularly when it's intended for small children.

An example of this is a product line where we use invisible UV-reflecting pigments that are clearly visible when the food is exposed to UV light. The addition of a camera-based detection system can automate this process and facilitate the removal of foods that contain such fragments.

Certificates	Lommel	Hanko	Delfzijl	Brno	Nuevo Laredo	Kenosha
BRC Packaging and Packaging Materials	★	★	★	★	★	
SQF Level II						★
Quality: ISO 9001	★	★	★	★	★	
Environment: ISO 14001	★	★			★	
Safety: OHSAS 18001	★	★				
Kosher standard	★	★	★	★	★	★
Halal standard	★		★	★		
EU Food Contact Regulation (EC) No 1935/2004	★	★	★	★		
FDA food contact regulations	★	★	★	★	★	★
FDA Food Facility Registered	★	★	★	★		★
AEO certification	★	★	★	★		

ViskoTeepak has the highest level of certification in the casing industry.





Becoming the employer of choice.

In ViskoTeepak we are striving for becoming the employer of choice in each region where we operate. What does this then mean? It means we want to be a good employer in every aspect and location of our business. We want our employees to enjoy their work and be proud to say they work for ViskoTeepak. We want our company values; Trust, Ambition and Fun to be seen in how we behave and felt in our organisation. Naturally we also adhere to all fair-labor codes and practices.

Quest for talents

Today, there is a battle to attract the best people to your organization. In many regions the unemployment rate is already very low. The success of our activities is mainly determined by our ability to employ and retain competent and engaged employees. So, this is a priority and we strive to be an attractive employer by offering good and safe working conditions and options to develop as an individual. To support the organization in achieving these goals, several procedures and guidelines are developed and implemented across the worldwide organization. Some of these systems are described below.

Employee engagement survey

ViskoTeepak conduct employee surveys on a regular basis. The engagement survey is very important and gives us valuable feedback on the feeling in the organization. The last survey was sent out during end of 2019 and the result will be communicated and discussed during Q1 2020. The response rate was improved compared to the survey 2017.

The questionnaire is the same for all locations and allows comparing the scores. The survey is translated to seven languages. The results will be discussed in the local management teams which will communicate the result to the organization. Every department will discuss their own result and create an action plan where they decide and propose improvement actions. We also discuss areas we see as strengths from the survey.

Performance review

The ViskoTeepak Performance Management Process (VPMP) links the individual contribution of the employee to the Company Objectives.

This system has four goals:

1. To review the individual performance against expectations in the job description and individual objectives
2. To compare the individual competence levels against the required level as crucial to achieve the company's Vision and Mission.
3. To evaluate an employee's contribution to the business.
4. To determine development plans on an employee's professional skills and abilities. The plans are coordinated and monitored by HR to ensure that the execution is done in a professional manner.

Company culture

In ViskoTeepak, we strive to build our business and our culture on our three Company Values: Trust, Ambition and Fun. These values are recognized and supported by the entire organization and we work consciously with keeping them alive in our everyday work. We're strongly convinced that this is an important factor in keeping and attracting good people and staying competitive in our business.

"We strive to be an attractive employer by offering good and safe working conditions and options to develop as an individual"

Communication

Communication on plant level is coordinated by the local Plant Management Teams and includes regular updates on the status of the business and local initiatives and projects. TV screens presents daily updates on plant performance and other topics of interest. There are also regular meetings with all employees. Some plants have regular meetings with employee representation groups like the Works Council and Union representatives.

Intranet

Our Intranet is called iConnect. It is an interactive tool which lets our employees connect with colleagues and content all over the world. In this platform we share corporate news, celebrate successes, present new employees and each location present more location specific news.

The Red Book

To describe our business as well as to present our company culture, strategic values and more, we've launched our "Red Book". This book is presented to new employees, so all get knowledge about ViskoTeepak, and to understand our values and how we conduct our business. The content of the Red Book together with our Code of Conduct forms the base of how we behave and conduct our business.

Employer branding

Our success is dependent on the performance of our employees. By sharing Viskoteepak workers experiences in our social media channels we hope, not only to keep loyal and hardworking employees, but also to find new talents to our organization.

Meetings

The bigger plants have regular meetings with employee representation groups like the Works Council and Union representatives.



More than 37,000
Training hours in 2019

+36%

Calls made in 2019
5,232 phone calls

February

Most Poular month
6,5 hours/day usage

Available

On all ViskoTeepak
locations



+25%

Minutes made in 2019
182,950 minutes

+25%

Minutes in average
710 minutes/day

Video conference system

In 2017 ViskoTeepak installed a new video conference system. Not only saving time and money, video conferencing is also a helpful tool to save the environment when avoiding unnecessary traveling between plants. The already high usage is still increasing.

Employee statistics.



1,106

Employees



8 languages
Spoken in the company



25%

Women



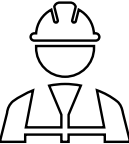
75%

Men



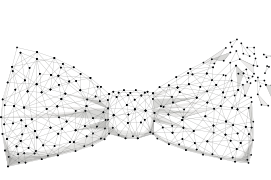
25%

White collar



75%

Blue collar



"In ViskoTeepak, we strive to build our business and our culture on our three company values: Trust, Ambition and Fun"



ViskoTeepak remains committed to the continuous improvement of safety performance throughout the company's operations and among the contractors working under our supervision. ViskoTeepak has been member of a zero-accident occupational safety program for several years. The goal is to improve the safety culture and achieve a safety level comparable to the best in the chemical industry.

Occupational safety is a joint effort requiring ongoing effort from both employees and management in order to maintain and develop a safe working culture. The long-term goal is to prevent all accidents from happening. Employee's safety awareness has increased continuously and the target is that every employee understands his/her role in maintaining a safe workplace, which encourages the reduction of incidents.

After several years in a row with decreasing numbers, the accident frequency grade was higher in 2019 compared to 2018. The accident severity grade was lower compared to 2018. The road forward is to continue our work against an accident free working environment, and we are determined to learn and become better during 2020.



Notes.

GRI content index.

GRI 102 General disclosures

GRI Standard		Reference	Omission
1. Organizational Profile			
102–1	Name of the organization	p 2	
102–2	Activities, brands, products, and services	p 18	
102–3	Location of headquarters	p 2	
102–4	Location of operations	p 2, 7, 19	
102–5	Ownership and legal form	p 2	
102–6	Markets served	p 2	
102–7	Scale of the organization	p 7, 11	
102–8	Information on employees and other workers	p 43	
102–9	Supply chain	p 20–21	
102–10	Changes to the organization and its supply chain		Not applicable
102–11	Precautionary principle or approach	p 8–9, 14–15, 16–17	
102–12	External initiatives	p 14–15, 16–17	
102–13	Memberships of associations	p 17	
2. Strategy			
102–14	Statement from the senior decision–maker	p 4	
3. Ethics and integrity			
102–16	Values, principles, standards and norms of behavior	p 8–9, 14–15, 16–17	
4. Governance			
102–18	Governance structure	p 10–11	
5. Stakeholders engagement			
102–40	List of stakeholder groups	p 28	
102–41	Collective bargaining agreements	p 40–43	
102–42	Identifying and selecting stakeholders	p 28–29	
102–43	Approach to stakeholder engagement	p 22, 24–27, 29, 40–43	
102–44	Key topics and concerns raised	p 29	
6. Reporting practice			
102–45	Entities included in the consolidated financial statements	p 2	
102–46	Defining report content and topic boundaries	p 14–15, 20–21, 35–37	
102–47	List of material topics	p 14–15, 20–21	
102–48	Restatements of information		Not applicable
102–49	Changes in reporting		Not applicable
102–50	Reporting period	p 2	
102–51	Date of most recent report	2019	
102–52	Reporting cycle	p 2	
102–53	Contact point for questions regarding the report	Backcover	
102–54	Claims of reporting in accordance with the GRI–standards	GRI standards, Core option	
102–55	GRI content index	p 46–47	
102–56	External assurance		Not applicable

Material topics

GRI Standard		Reference
ECONOMIC		
Economic performance		
103	Management approach	p 34–37
201–1	Direct economic value generated and distributed	p 33
ENVIRONMENTAL		
Energy		
103	Management approach	p 30–31, 34–37
302–3	Energy intensity	p 32
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103	Management approach	p 30–31, 34–37
303–1	Water withdrawal by source	p 32
Emissions		
103	Management approach	p 30–31
305–7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	p 32
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103	Management approach	p 30–31, 34–37
306–1	Water discharge by quality and destination	p 32
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Environmental compliance		
103	Management approach	p 30–31, 33–34
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103	Management approach	p 22, 35–37
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403–2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work–related fatalities	p 44
Supplier Social Assessment		
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414–1	New suppliers that were screened using social criteria	p 23
Customer health and safety		
103	Management approach	p 38–39
416–1	Assessment of the health and safety impacts of product and service categories	p 38–39



Always around



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