

Sustainability report 2019



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 Åland 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 2018, 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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A note from the CEO.

Welcome to ViskoTeepak's sixth edition of the Sustainability Report. As part of our goal to continuously improve in everything we do, we'd like to show you the progress we've made during the course of 2018. It was another record year for ViskoTeepak, and our casings were used to manufacture more food products than ever.

Sustainability has become the standard for responsible business operation, and I can gladly say that we've taken the industry lead in reporting our efforts and targets. Hopefully, we'll increase the awareness that we all need to contribute more than we consume. It's the only way for a business to survive in the long run.

I hope you'll take time to read the latest report. Offer some feedback if you see things you like. More importantly, you can give us feedback if there's something you'd like to see done better or covered in more detail.

A particular accomplishment in 2018 is the major upgrading of the cogen plant at our Belgian facility. Increased efficiency in the cogen plant gives us more heat and power when we convert natural gas. The improved efficiency means the plant now emits less than half the previous level of NOx. Today, the installation is fully compliant with the strictest European standards.

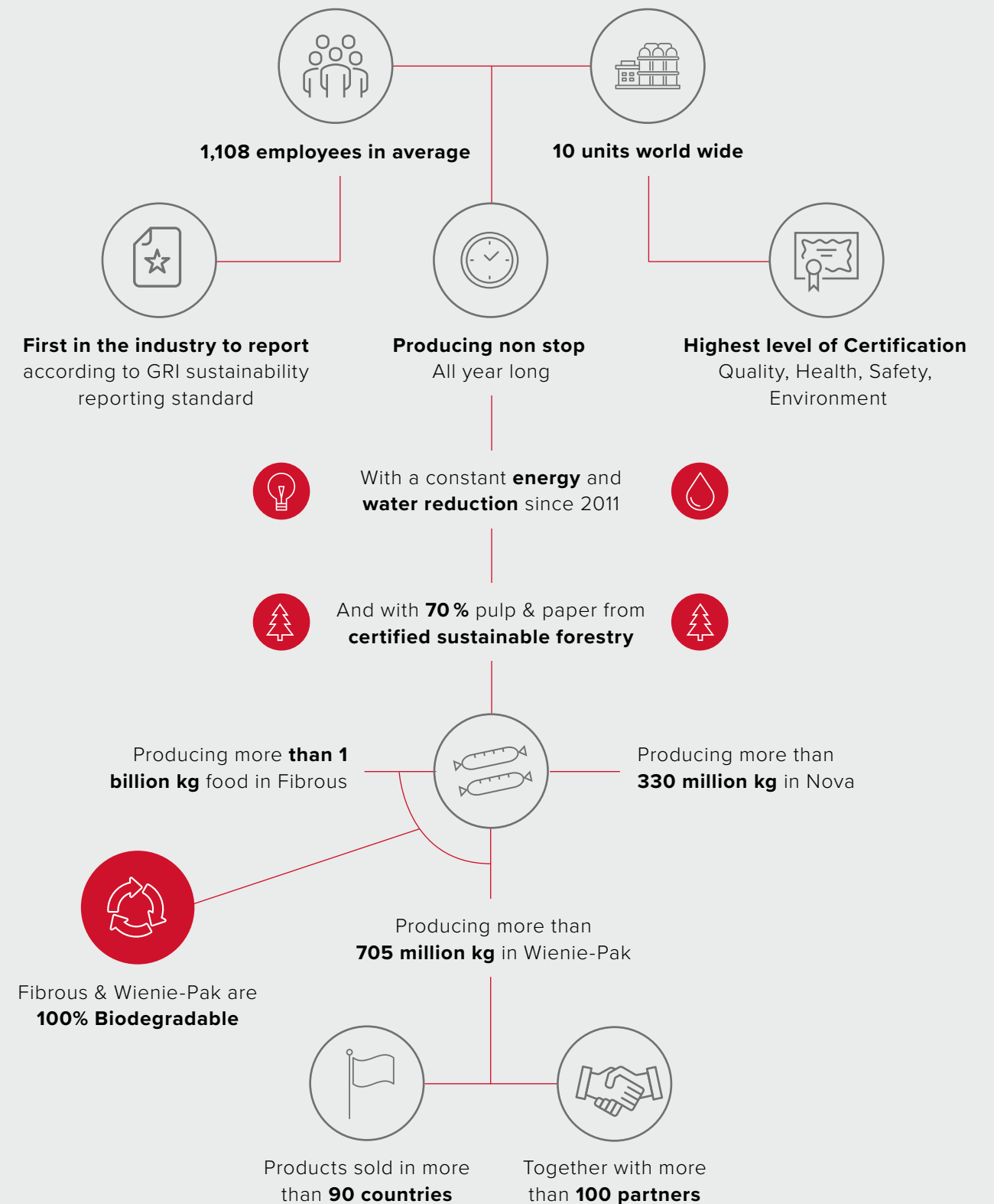
The year 2018 was a very dry one in Europe. Access to water was a big topic, especially during the summer. As the global population grows, clean water will be an increasingly vital resource. As water is used in many of our processes, we'll need to continue working on improvements in usage, just as we have for many years. We're proud to say we've reduced our consumption by 17% since 2011, but for everyone the challenge is to do even better.

The ViskoTeepak mission is to make food more accessible. In order to accomplish that goal, we need to make sure that not only the casings are manufactured using minimal resources but also that the food producers have the perfect tools to do the same. By tailor-making the products to meet our customers' specific requirements, we effectively minimize the resources they need to make their products. It's a constant journey of learning and improvement, so we--and our customers--won't be done until we have emission-free systems, zero claims and zero accidents. It might sound like a dream now, but if we all work on these improvements, the dream will come true. Happy reading!

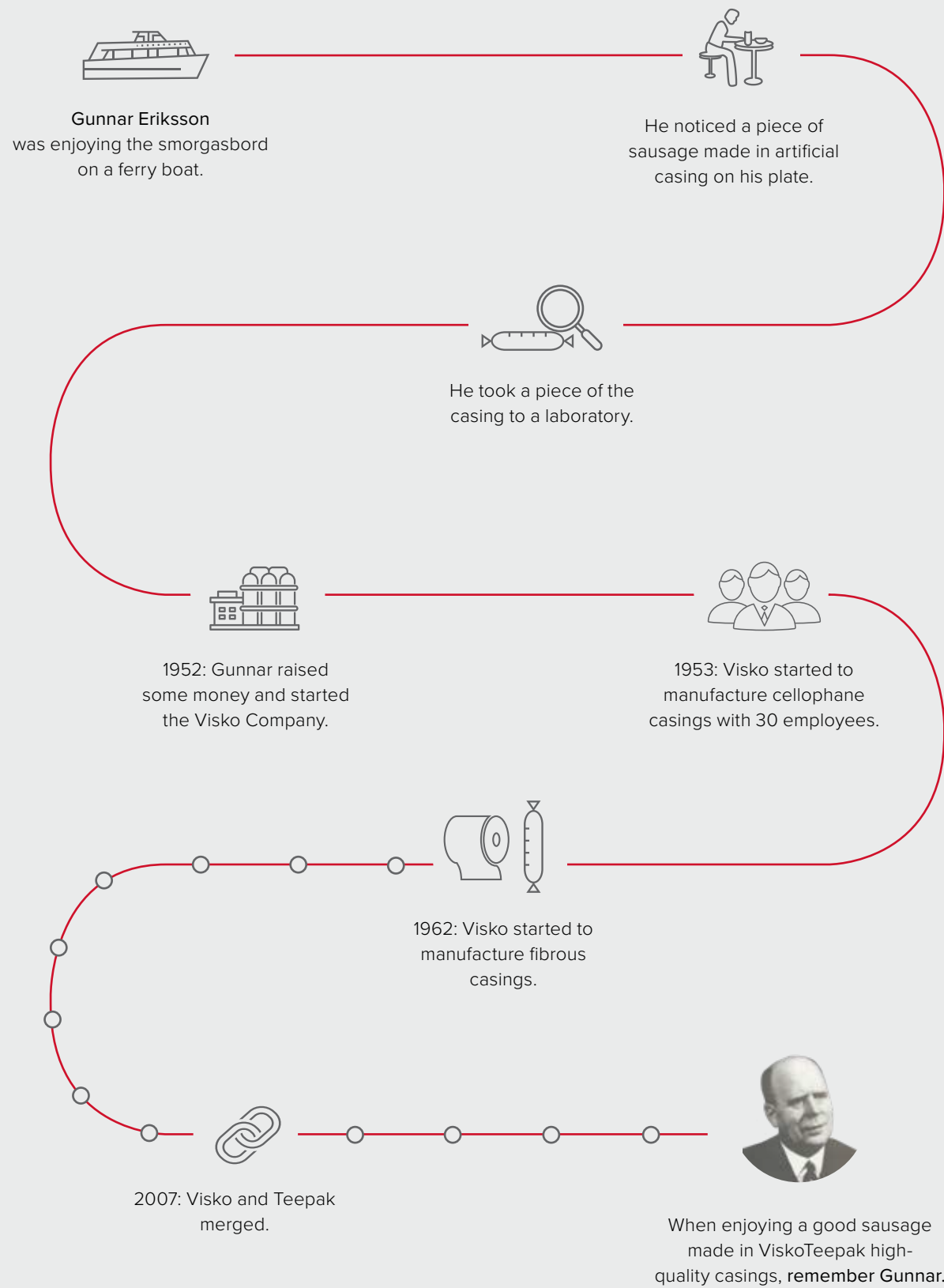


Ben Eriksson, President & CEO

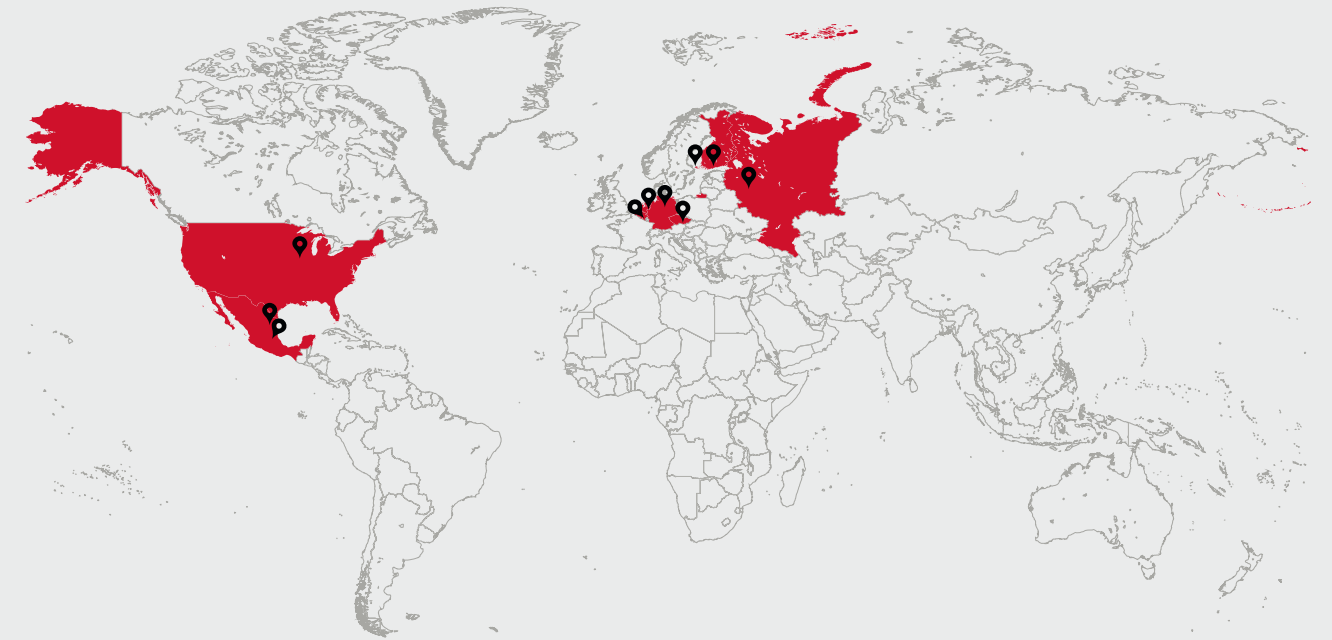
2018 quick facts.



History.



Today's locations.



| | | | |
|--|--|---|---|
|  Lommel, Belgium Cellulose and Fibrous manufacturing unit Established: 1975 Employees: 356 |  Hanko, Finland Fibrous manufacturing unit Established: 1952 Employees: 169 |  Nuevo Laredo, Mexico Plastic and pre-tied elastic loops manufacturing and conversion unit Established: 1995 Moved: 2004 Employees: 82 |  Brno, Czech Republic Cellulose conversion unit Established: 1994 Moved: 2012 Employees: 294 |
|  Kenosha, USA Fibrous conversion unit Acquired: 2014 Employees: 109 |  Delfzijl, The Netherlands Fibrous conversion unit Established: 1965 Employees: 57 |  Hamburg, Germany Sales and logistics unit Acquired: 2011 Employees: 26 |  Moscow, Russia Sales office Established: 1995 Employees: 4 |
|  Mexico City, Mexico Sales office Established: 2004 Employees: 2 |  Mariehamn, Finland Head office Established: 2007 Moved: 2018 Employees: 8 | | |

Strategic values.

Brand promise

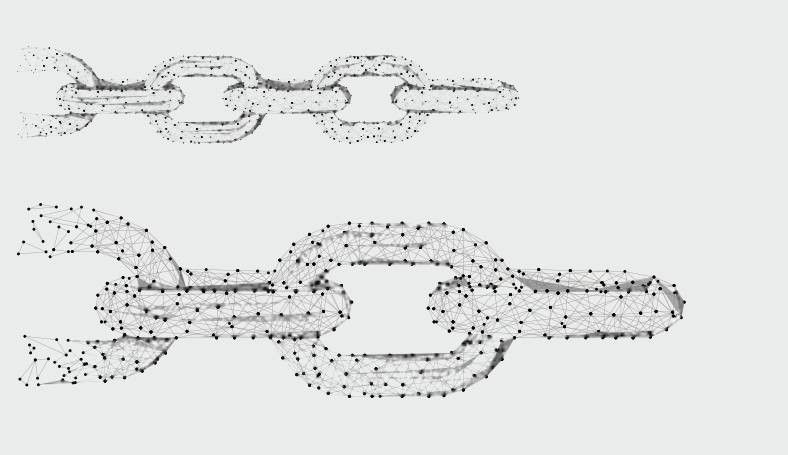
ViskoTeepak is a global brand with a local touch that delivers productive and tailor-made casing solutions. We understand the needs of our customers and nurture long-lasting mutually beneficial and rewarding relationships.

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



Partnership

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.



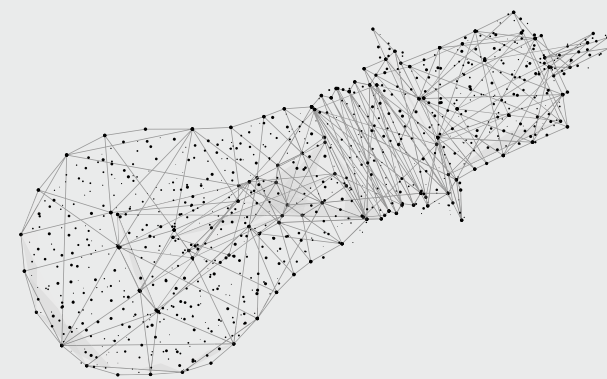
Trust

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.

Productive solutions

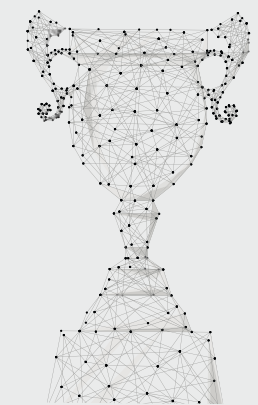
We offer the world's most productive casing solutions. We constantly improve and develop new solutions that bring value. We're creative, and we develop our products in a sustainable way.

If there's a better way, we'll find it.



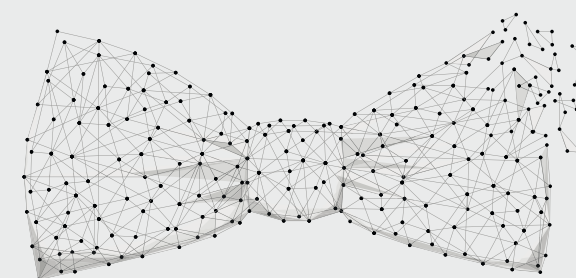
Ambition

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.



Tailor-made

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.



Fun

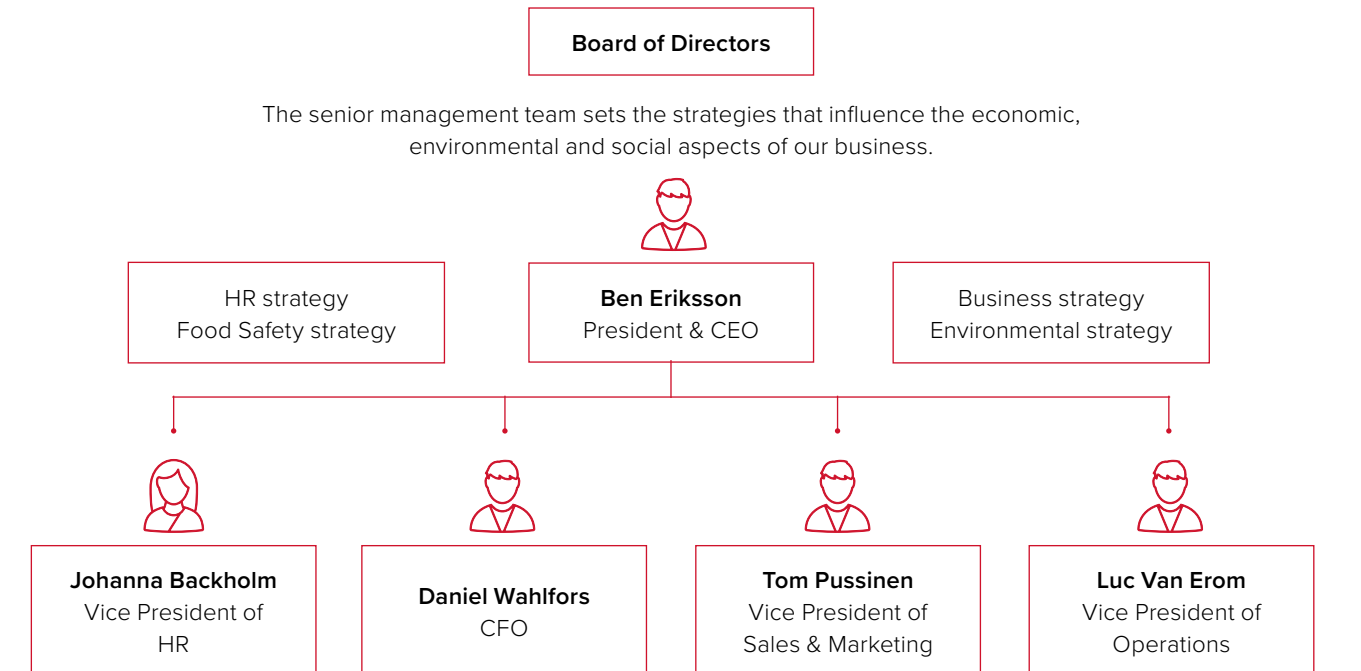
Fun is created by being successful in achieving your goals and by working with a team of people that you trust and feel connected to. It creates the energy that we need for taking on the next challenge!



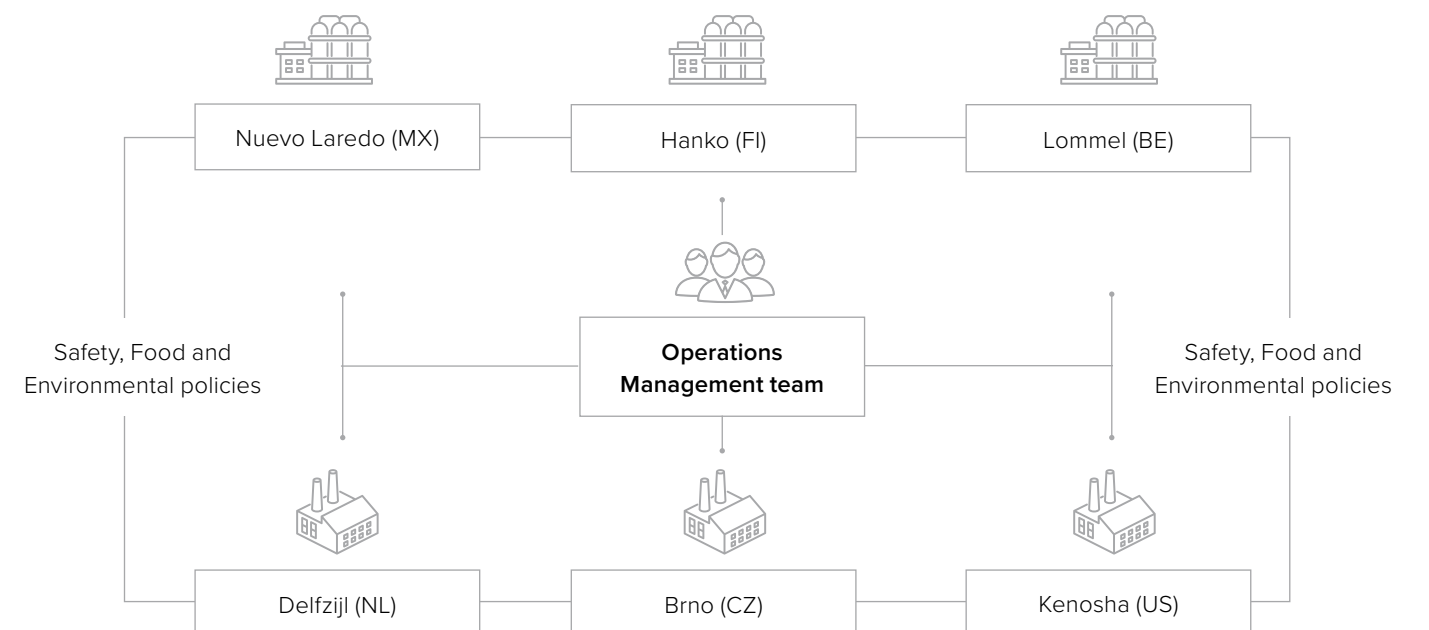
From left: Johanna Backholm, Daniel Wahlfors, Ben Eriksson, Tom Pussinen and Luc Van Erom

Governance.

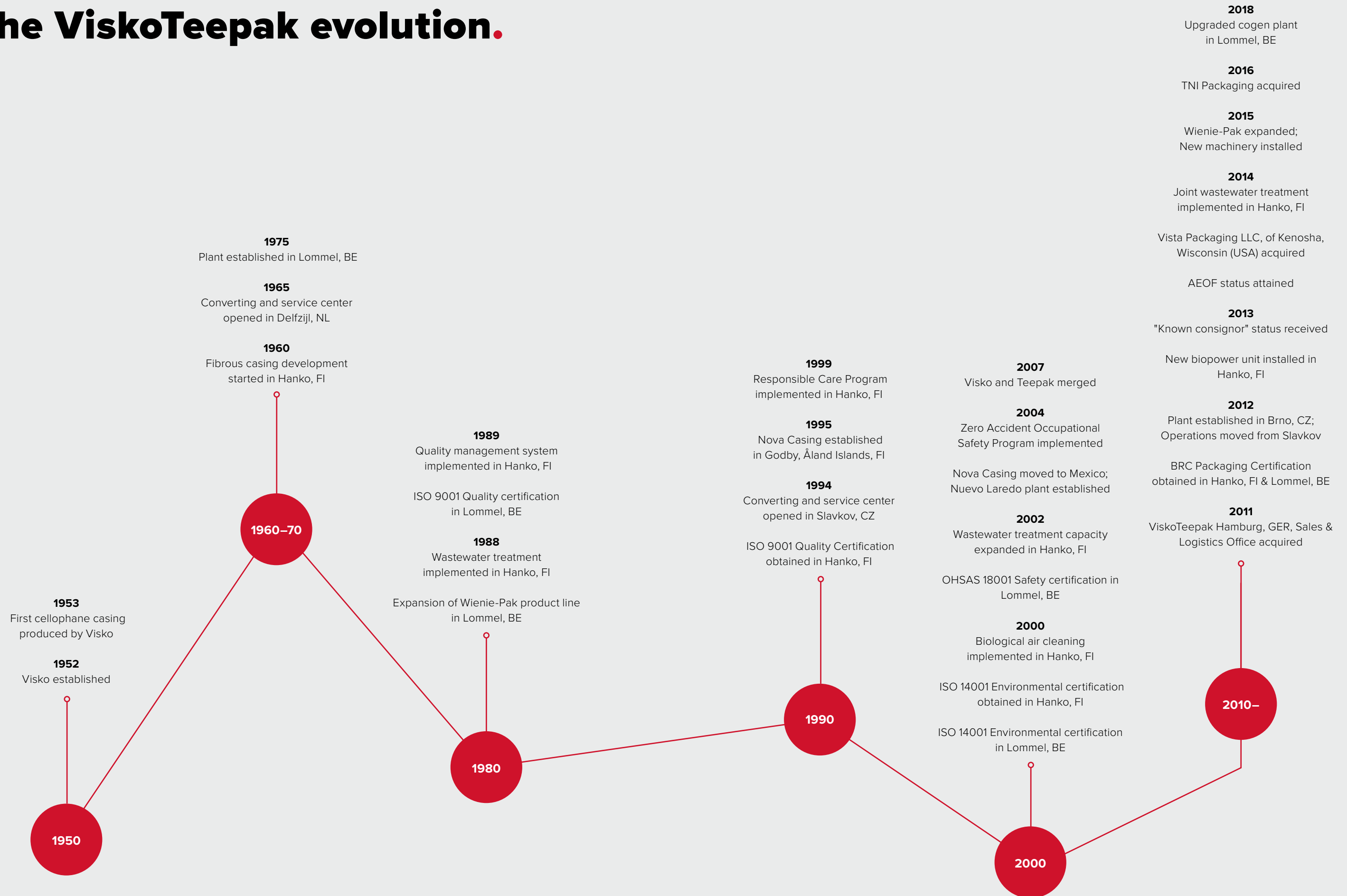
ViskoTeepak is a privately held company owned by Eriksson Capital Ab, of Mariehamn (FI). The daily management of the company rests with the senior management team, formed by the CEO, the CFO, and the Vice Presidents of the Sales and Marketing, HR and Operations divisions.



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 Visco 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). ViscoTeepak 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 environmental, 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 Accident frequency, LWDI: 20.67 Accident severity: 0.33 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 | 1,083 employees 87% fulltime employees 29,2% women More than 47,000 training hours 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 | Since 2014: - 10.6% freshwater / ton cellulose - 14.5% wastewater / ton cellulose - 8.8% energy / ton cellulose - 7.9% NOx emissions /ton cellulose +6.1% solid waste kg /ton cellulose - 99% SOx emissions kg / ton cellulose 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 |
| 15 Life on land  | We implement circular business models such as using renewable, bio-based or fully recyclable inputs, recovering resources, extending product lifecycle. | Renewable resources | 22 |
| | We are committed to sustainable fiber sourcing strategies in purchasing fiber from suppliers | Renewable resources | 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 |
| 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 | 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

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.

| 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 | ★ | ★ | ★ | ★ | | |



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 repre-

sented 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

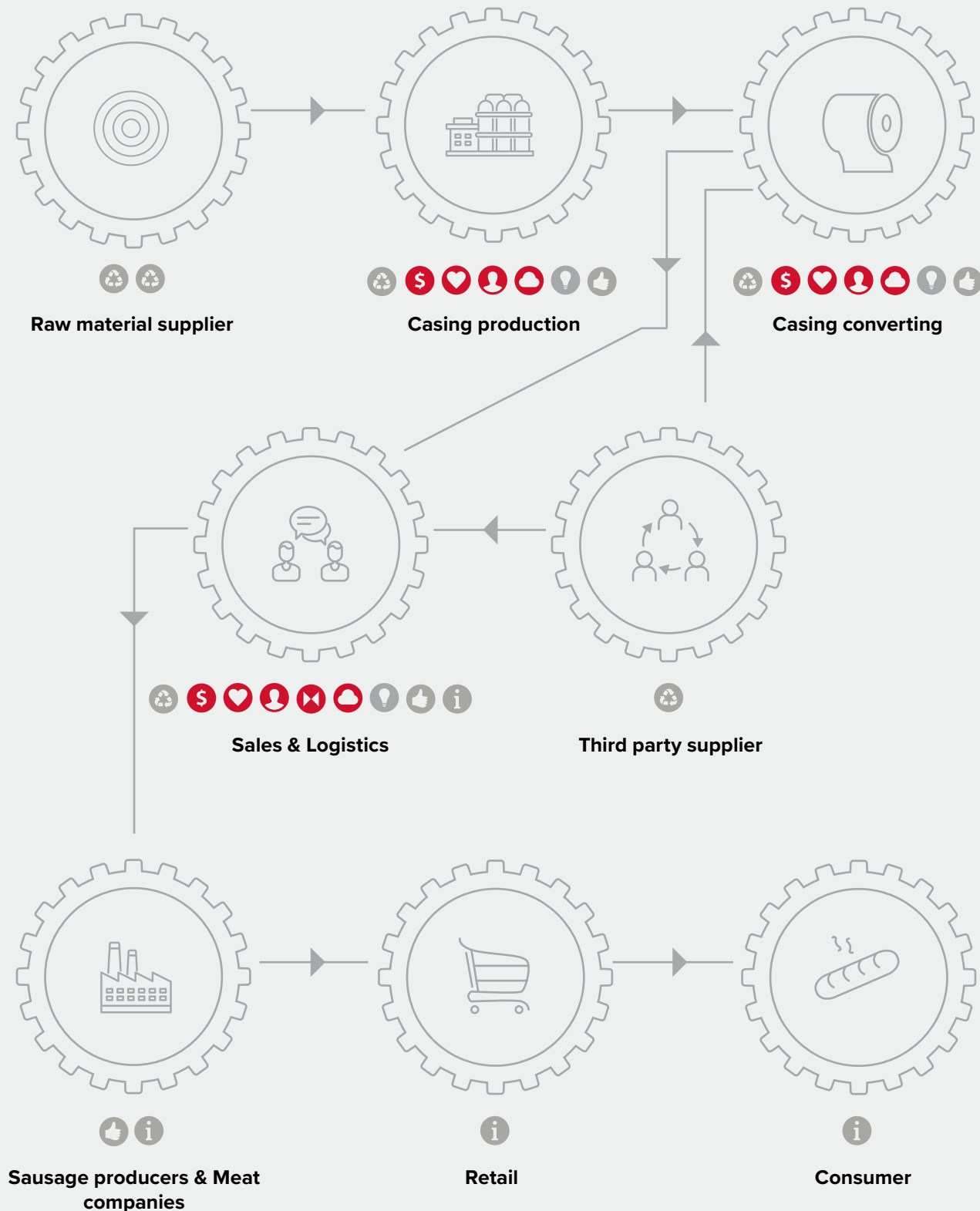
HANKO, FINLAND

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. As an example of their approach please find a quote below from our main supplier, GP Cellulose:

"As a company that does not own forestland, Georgia-Pacific takes steps to assure our customers and consumers that we are responsibly sourcing wood and fiber for our pulp, paper and wood products operations. It starts with our due diligence system, which includes:

- *Building relationships with our suppliers and knowing, down to the county level, where they are sourcing fiber*
- *Incorporating our responsible sourcing expectations into our purchase contracts*
- *Evaluating risk levels and public concerns about harvesting practices outside of the United States.*

Our due diligence is reinforced by our support for sustainable forestry practices such as:

- *Fiber Sourcing Certification – Our wood and fiber procurement practices are certified to the Sustainable Forestry Initiative® (SFI) Fiber Sourcing Standard. This certification confirms that:*
 - *raw material in our supply chain comes from legal and responsible sources*
 - *trained loggers are used in all harvesting activities*
 - *forestry best management practices are followed*
- *Chain of Custody Certification – Chain of custody certification is an accounting system that tracks fiber content through production and manufacturing to the end product. 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 our locations.*
- *Controlled Wood Risk Assessment – An independent analysis determined that all basins in which Georgia-Pacific operates are at low risk for impacting high conservation value forests, conversion to plantations or non-forest use, illegal harvesting, violating traditional and civil rights, and use of genetically modified trees."*

GEORGIA-PACIFIC

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. Akzo Nobel has been one of our suppliers during many years. In the following a quote from their home page about the sustainability efforts they make:

"It won't be long before the world's population reaches nine billion. How will we cope? Can the planet handle so many people?"

Yes it can, but we have to do things differently. We have to use our ambition and imagination and deal more efficiently with the world's limited resources. Which is why we've adopted a Planet Possible approach to sustainability.

By doing radically more with less and working closely with customers and suppliers in our key end-user segments (Buildings and Infrastructure, Transportation, Consumer Goods, Industrial), we can help to make life more affordable, colorful, healthy and comfortable for the world's ever-growing population."

AKZO NOBEL

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.



"We are committed to sustainable fiber sourcing strategies in purchasing fiber from suppliers"



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



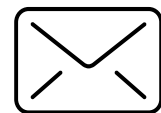
Website

Available in five 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

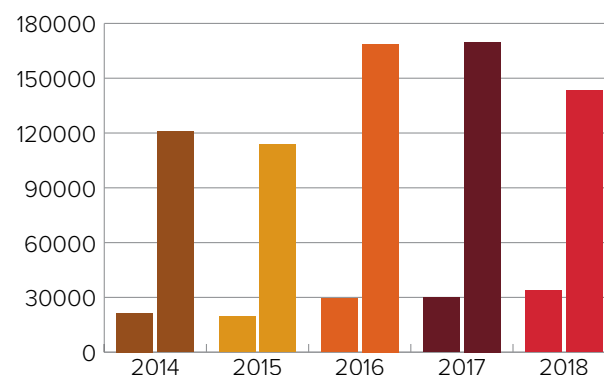
Website

We launched a new website in August 2017, and it exhibits considerable growth in technology and content. We've put a lot of effort into making the website more user-friendly, with more accessible content and an independent platform. We've continued our four-language policy, the website is fully translated into Russian, German and Spanish. All content has been updated, and the reference materials are just a click away.

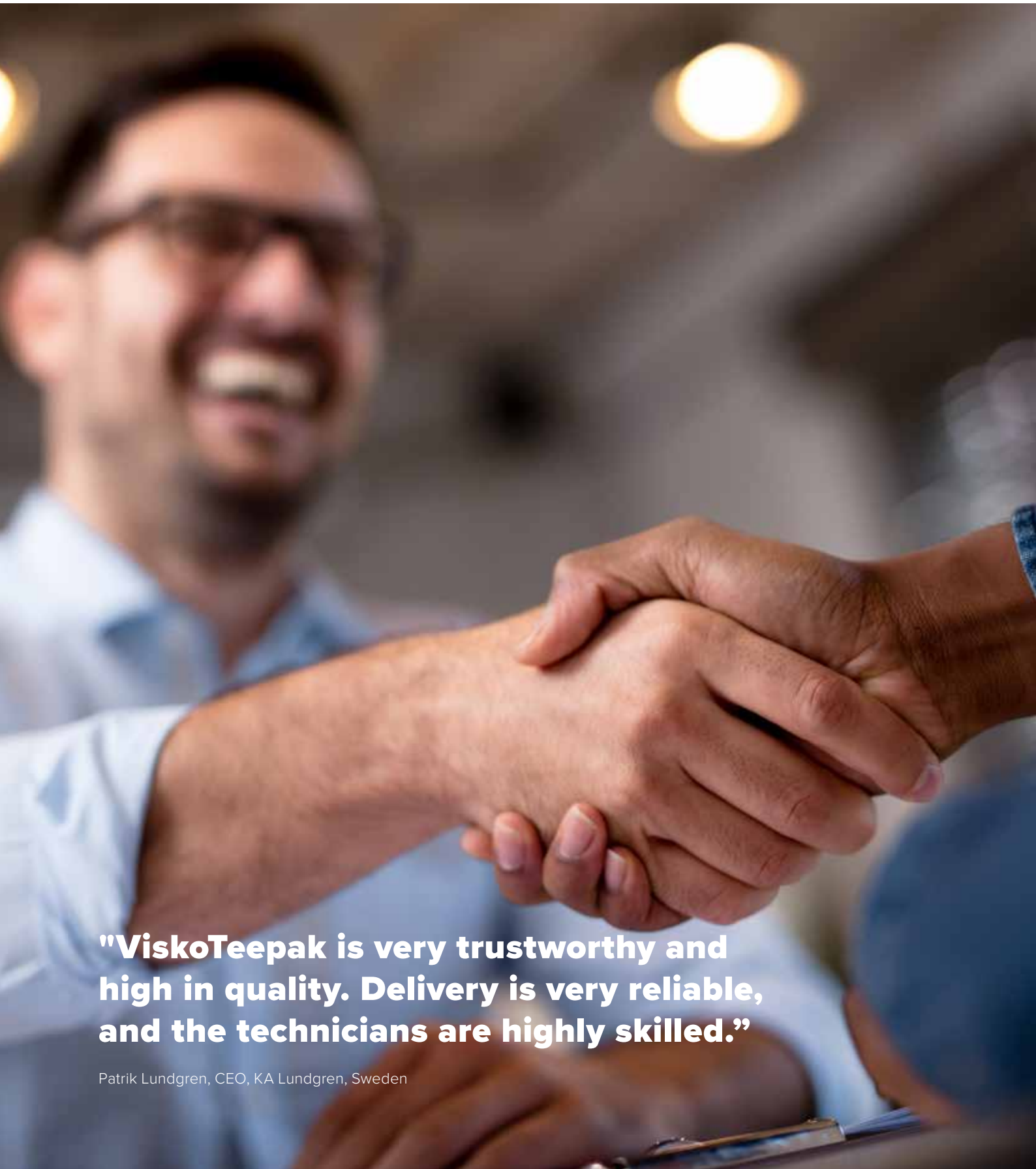
Website statistics in 2018:

33,671 users
143,331 page views

Website, users and page views



25% more followers on LinkedIn since 2017



"ViskoTeepak is very trustworthy and high in quality. Delivery is very reliable, and the technicians are highly skilled."

Patrik Lundgren, CEO, KA Lundgren, Sweden

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.

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 2018 we published 2 editions in 4 languages.



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.

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.

 588 followers
 2498 followers



Partner Days

In early September, many of our Partners visited Långvik Spa & Conferens hotel, located outside Helsinki in Finland, and attended the ViskoTeepak Partner Days.

After we compiled the survey, which was designed to provide feedback on the event, it was gratifying to see that 95% of participants felt their participation was worth the time and expense.



Hormel, Spirit of Excellence Award

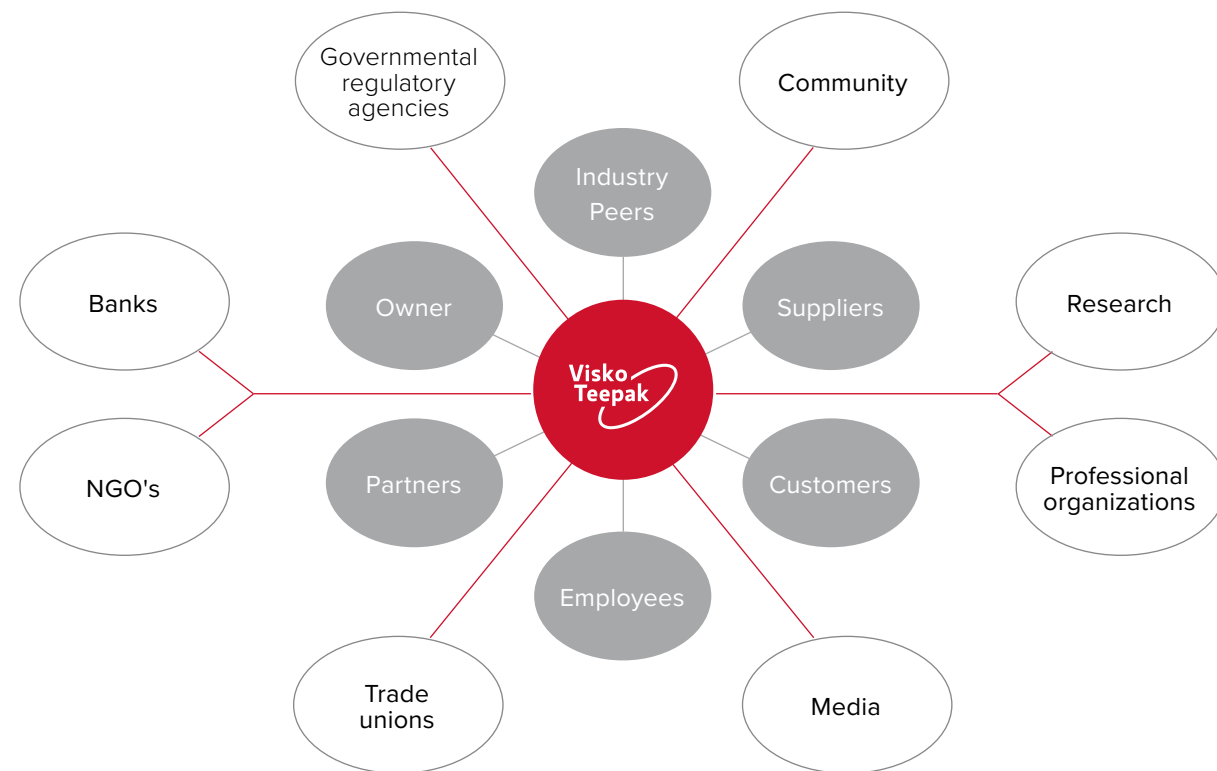
"The Spirit of Excellence is a prestigious supplier award presented annually to a select group of business partners who have contributed to the success of Hormel Foods Corporation. ViskoTeepak's partnership and commitment to excellence, supports Hormel to be a continued leader in the food industry by providing a balanced portfolio of innovative and quality products. ViskoTeepak was the only casing producer to receive the award."

95% of Partner Days participants felt their participant was worth the time and expense.

Facts from survey September 2018

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.



| | 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 |



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 it 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 operates. 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.

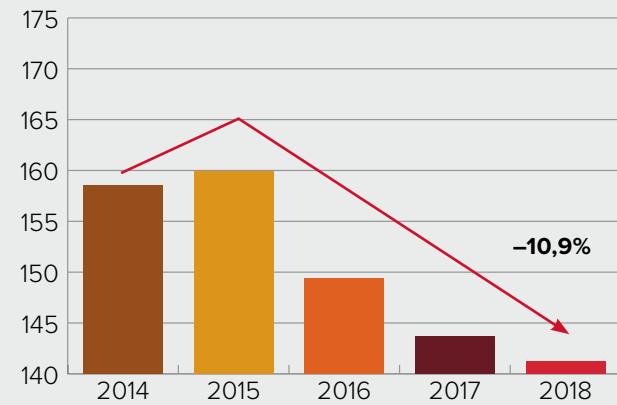
Finnish national energy initiative

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. NO_x and SO_x 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 NO_x 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 NO_x burners in 2019 and 2020 the plant reduces NO_x emissions with more than 50%. The new installation is therefore fully compliant with the strictest European standards

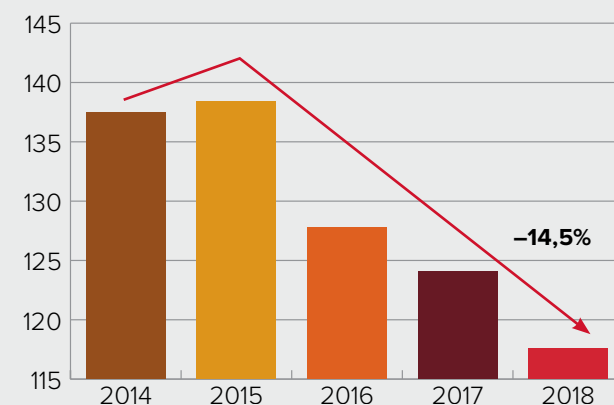
Sustainability in numbers.

Five year trend for Hanko and Lommel plant

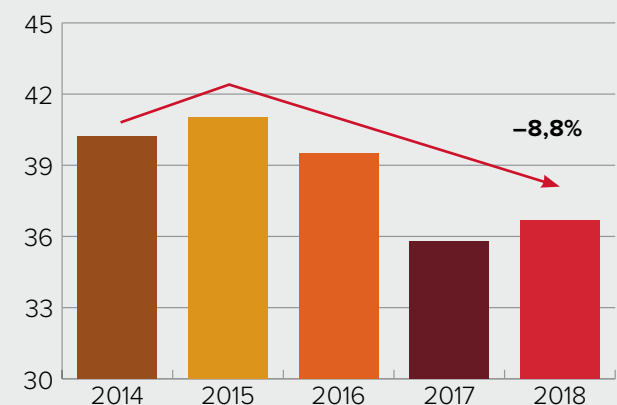
Freshwater m3 / ton cellulose



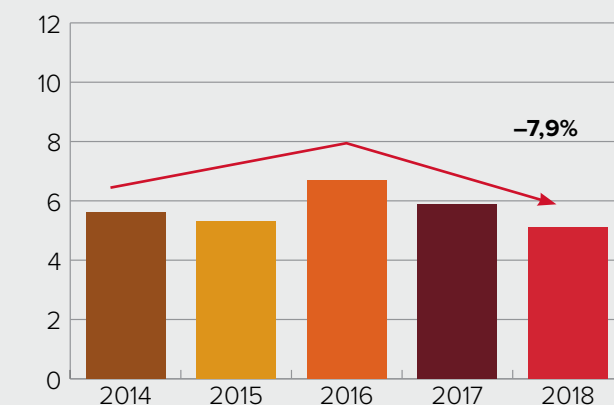
Wastewater m3 / ton cellulose



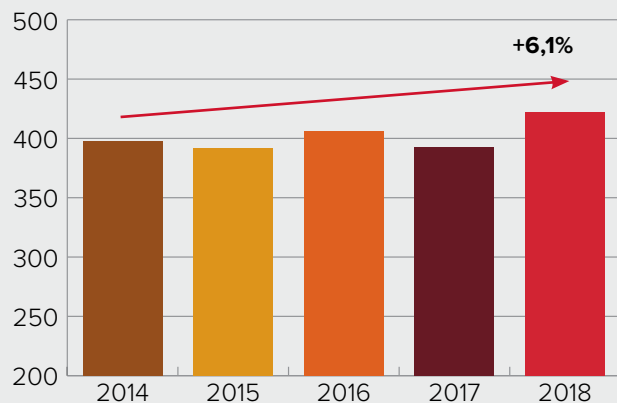
Total energy MWh / ton cellulose



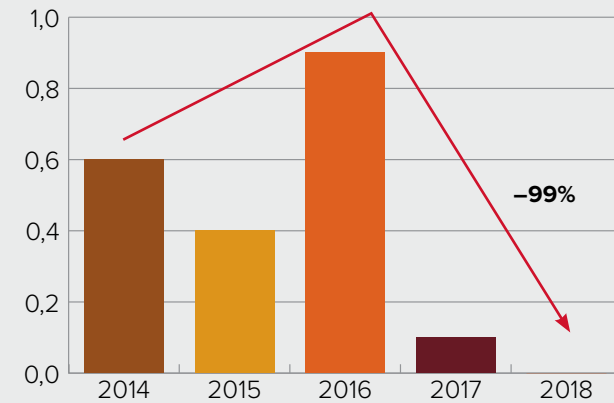
NOx emissions kg / ton cellulose



Solid waste kg / ton cellulose



SOx emissions kg / ton cellulose



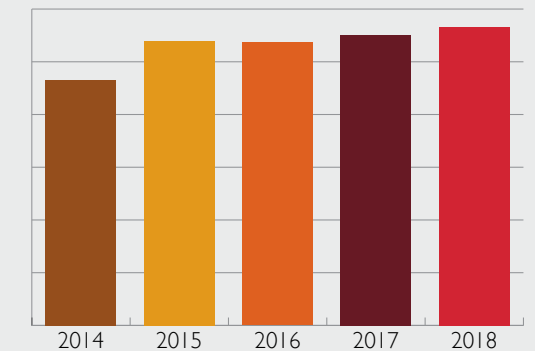
Finance and environment.

Performance, protection and expenditures

Economic performance

Sales Revenue

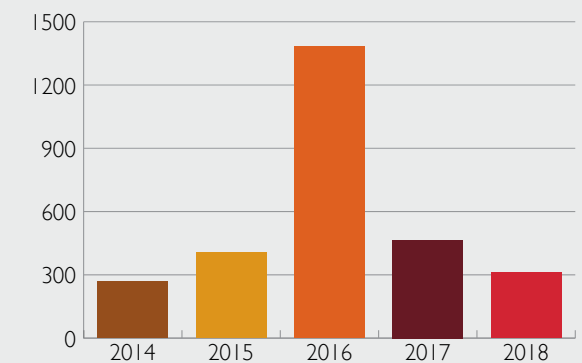
Full year sales value 2018 increased compared to 2017.



Environmental protection

Environmental Investments

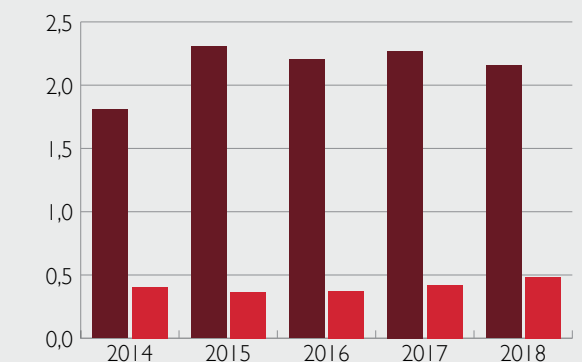
| | |
|------|----------|
| 2018 | €310 k |
| 2017 | €465 k |
| 2016 | €1,384 M |
| 2015 | €407 k |
| 2014 | €269 |



Environmental expenditures

Environmental Expenditures

| | |
|------------------------------------|----------|
| 2018, Disposal & Treatment cost | €2,155 M |
| 2018, Preventive & Management cost | €484 k |



2018 Sustainability projects.

The following list sums up the projects and their completion phase for 2018 in all our production and converting plants around the world.

| Location | Project | Status | Comments |
|----------|--|--------|--|
| Brno | LED lighting project | 50% | Second phase in progress |
| Brno | Efficient control of test kitchen air conditioning system | 100% | Completed |
| Brno | Heat exchanger between air compressor and demineralized water unit | 100% | Completed |
| Brno | Waste reduction from test kitchen | 30% | Study started |
| Brno | Outside oil application, reduction of waste of oil | 10% | Study started |
| Brno | Usage of the adiabatic moisturizing of air in air condition system | 40% | Testing of the system in progress |
| Delfzijl | LED lighting project | 90% | One department remaining |
| Delfzijl | Reuse of cardboard reel-stock packaging | 90% | Packaging materials is sent back to the production plant or used in Delfzijl |
| Delfzijl | Study shirring cap back into 2 shifts | 100% | Study completed |
| Hanko | Actions to save heat energy according to energy efficiency survey | 50% | Project in progress |
| Hanko | More efficient handling of process side streams | 75% | Looking for alternative partners |
| Hanko | OHSAS 18001 | 100% | Certification in March 2018 |
| Hanko | Survey of solar energy usage | 100% | In corporation with our energy supplier. Survey completed |
| Hanko | LED lighting project | 80% | In the warehouse and production area |
| Hanko | Securing the supply of good quality fresh water | 20% | Survey completed |
| Hanko | Water safety plan for ground water | 0% | Starts 2019 |
| Kenosha | LED lighting project | 75% | Second phase, moisturizing room and office area |
| Kenosha | Program for cardboard-core recycling | 100% | Completed |
| Lommel | Major upgrade of the cogeneration plant. The new installation is fully compliant with the strictest European standards | 100% | Completed |
| Lommel | Fresh water reduction program | 80% | Will be finalized in 2020 |
| Lommel | Replace low-NOX burners in boiler house | 25% | Equipment is ready. Installation in 2019 and 2020 |
| Lommel | Replace lightning fixtures by energy-efficient types | 90% | Lower energy cost |
| Lommel | Replace current evaporator by multistage evaporator | 100% | Became operational in 2017 |
| Lommel | Energy-assessment projects | 20% | New projects started, completed by 2022 |
| Lommel | A 10-year study to explore geothermal technology | 10% | Study started |

For a more detailed description of some of these projects, refer to the chapter "Beyond Compliance."

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.

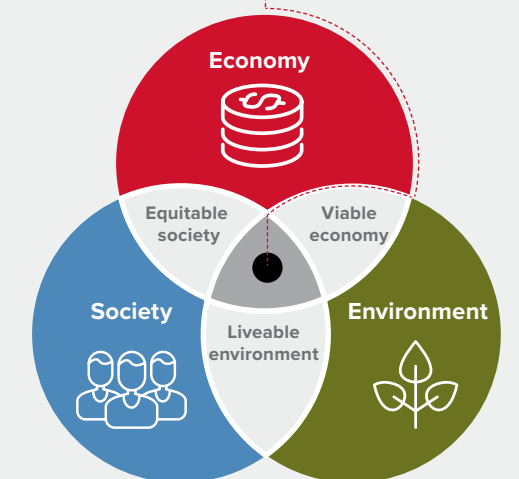
Although hunger and poverty still exist, no previous generation has enjoyed a higher standard of living than we do today. Let us nurture and build on this. Technological development is the main driver and this is only the beginning. In other words, "We ain't seen nothing yet." Ironically, the modern 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.

"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.





**We operate in accordance with
ISO 9001, BRC and HACCP**

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. An overview of the BRC Packaging certifications can be found in chapter *Principles and guiding values*.

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.



Being a good employer.

We strive to be a good employer in every aspect and location of our business, and accordingly we adhere to all fair-labor codes and practices. We want our employees to enjoy their work and be proud to say they work for ViskoTeepak. The success of our activities is mainly determined by our ability to employ and retain competent and engaged employees. So, 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.

From Vision & Mission to tactics

The company's Vision and Mission collectively give us our direction. To translate this to more concrete plans, all locations are regularly requested to define and review their view on their current strengths and weaknesses in a SWOT analysis. The outcome of the SWOT's from all locations is discussed in the Senior Management Team which adds the business perspective. Based on current priorities, annual targets are defined that will serve as focus areas throughout

the coming year. These targets are translated to objectives for the local management teams and staff, forming a triangle of mutually supporting objectives.

Employee surveys

ViskoTeepak has developed an own Internet-based employee survey that is sent out every second year. The questionnaire is the same for all locations and allows comparing the scores. The scoring will be discussed in the

local management team which will communicate the result to the organization and define an improvement plan. In other words, the local management team has the responsibility to act on the employee feedback and regularly discuss the status with the employees.

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

We at ViskoTeepak want to build our business and our culture on 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.



More than 47,000
Training hours in 2018



8 languages
Spoken in the company

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.

Video conference system

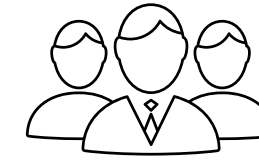
In 2017 ViskoTeepak installed a new video conference system. Not only saving time and money, video conferencing is also a helpful tool to save the environment when avoiding unnecessary travelling between plants. We are proud of the high usage so far.



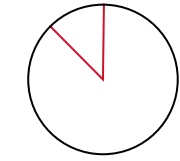
Calls made in 2018
3,850 phone calls

Total minutes 2018
145,644 minutes

Employee statistics.



1,083
Employees



87%
Fulltime employees

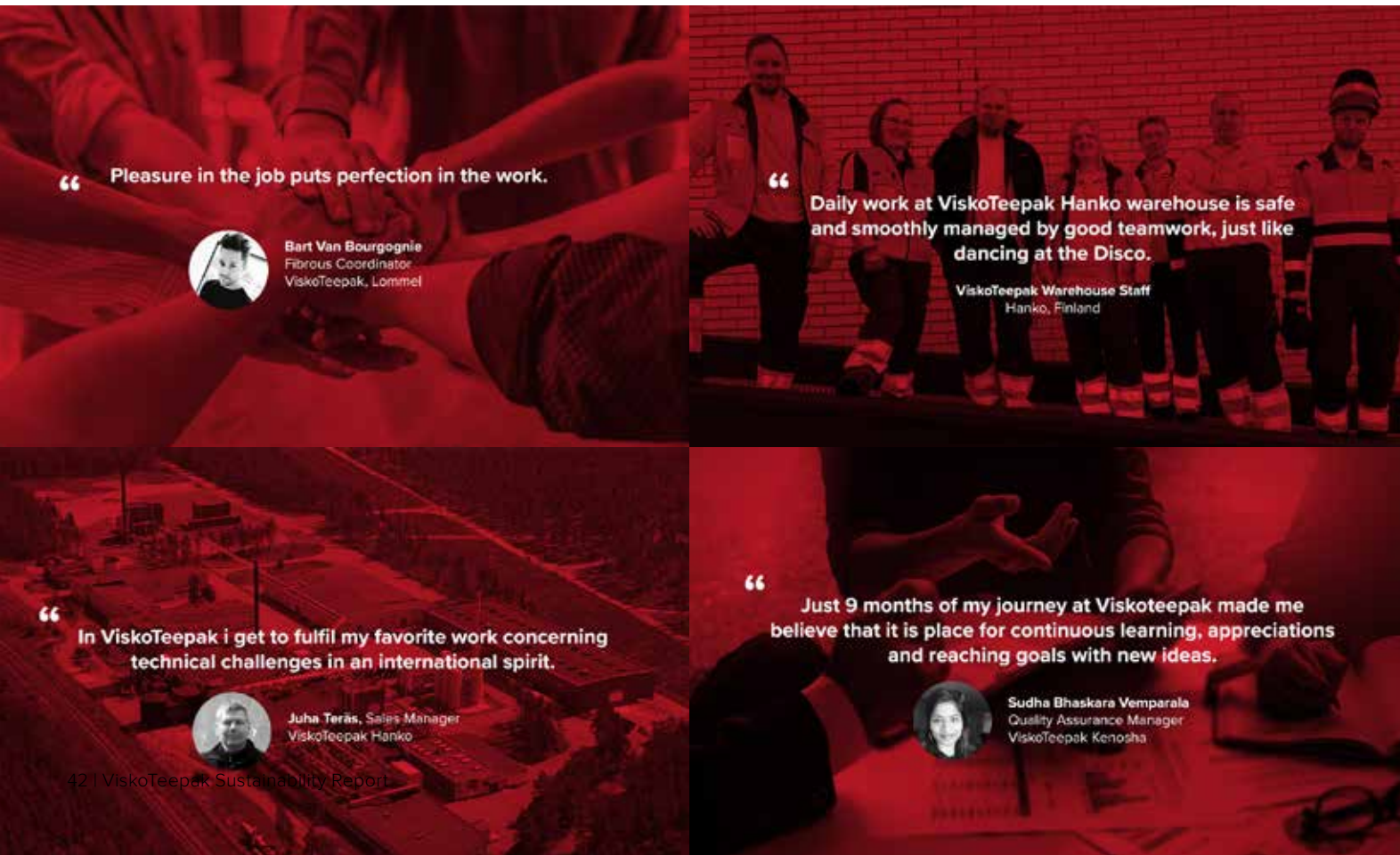


29,2%
Women



70,8%
Men

Employer branding, social media campaign



Employment Statistics: Total Headcount Analysis as of December 31, 2018

| Location | Permanent contract | | | | Temporary contract | | | | Total | % covered by collective bargaining agreement |
|------------------------|--------------------|------------|-----------|-----------|--------------------|-----------|-----------|----------|-------------|--|
| | Full-Time | | Part-Time | | Full-Time | | Part-Time | | | |
| | Male | Female | Male | Female | Male | Female | Male | Female | | |
| Hanko, Finland | 124 | 30 | 0 | 2 | 2 | 1 | 0 | 0 | 159 | 100 |
| Mariehamn, Finland | 6 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 0 |
| Lommel, Belgium | 272 | 13 | 22 | 5 | 36 | 0 | 0 | 0 | 348 | 100 |
| Delfzijl, Netherlands | 44 | 7 | 0 | 7 | 0 | 0 | 0 | 0 | 58 | 100 |
| Hamburg, Germany | 18 | 5 | 0 | 4 | 1 | 0 | 0 | 0 | 28 | 0 |
| Moscow, Russia | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 0 |
| Kuala Lumpur, Malaysia | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| Kenosha, USA | 40 | 71 | 0 | 0 | 0 | 1 | 0 | 1 | 113 | 0 |
| Nueva Laredo, Mexico | 65 | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 84 | 0 |
| Brno, Czech Republic | 118 | 103 | 1 | 2 | 15 | 40 | 0 | 1 | 280 | 100 |
| Total | 690 | 252 | 23 | 20 | 54 | 42 | 0 | 2 | 1083 | |



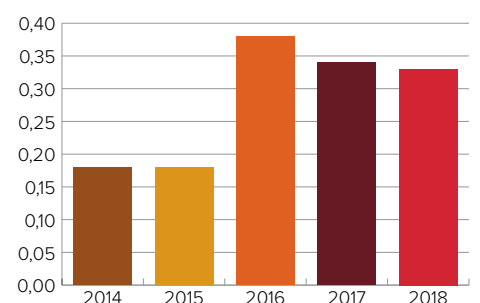
Health & safety.

Safety

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.

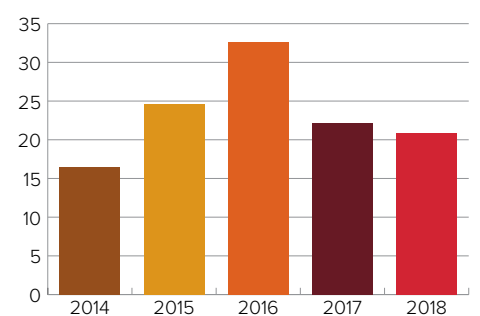
Occupational safety is given the highest priority at all plants. Consequently, ViskoTeepak Lommel and Hanco plants are certified under OHSAS 18001. Line management does monthly safety observation tours and safety talks continuously. The occupational health committee coordinates risk assessments and is a forum for employees to raise questions about safety and practices in the plant. All recordable and lost-time accidents are reported and reviewed. Our goal is to do all necessary measures to prevent accidents from happening again or even better, prevent them happening altogether.

Accident severity grade



Lost workdays x 1,000 / total hours worked

Accident frequency grade



Total number of lost workday accidents x 1,000,000 / total hours worked



Continuous development of occupational safety

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.

ViskoTeepak has set group-level targets for key safety indicators, i.e., numbers of injuries and injury frequency. We're committed to reaching zero accidents. Our employees are also encouraged to do safety observation reports of all incidents that they feel are unsafe and suggest safety improvements to the workplace and working methods. Safety observation reports are reviewed every other week, and actions taken are permanent. The foundation of safety development at the plant is built on safety observations and the corrective actions thus taken.

The Delfzijl plant was accident-free for a second consecutive year. In Hanco, we had more than 230 accident-free days in a row, which set a record. Hanco had one LWDI in 2018, which corresponds to an accident frequency rate of 4, and the record has been celebrated with pizza days at the plant.

Health

ViskoTeepak's goal is to keep every employee in good condition and maintain the required ability to work. ViskoTeepak's health-care program involves the entire organization. All employees are categorized in a health care program according to physical efforts and exposures of their work. Health checkups are performed once every year to every five years. Employee welfare is important to ViskoTeepak. We endorse sport activities for our employees, and we support local teams.

Health challenge

As previous years, we also this year organized ViskoTeepak Health challenge where we together, as one company, did health exercises. The challenge lasted for 8 weeks between middle of April to middle of June in 2018. Every Monday during this period 5 new challenges appeared on our intranet and on TV-monitors on our plants. The participants could perform these challenges during the entire time of 8 weeks but the suggestion was to do some challenges every week instead of leaving everything to the last day. When accomplished a challenge employees could simply log in to their intranet account, and checkmark what they had accomplished. Instead of only traditionally "Physical challenges" we also include other wellness areas:

Week 1 Physical Challenge, week 2 Emotional Challenge, week 3 Environmental Challenge, week 4 Intellectual Challenge, week 5 Occupational Challenge, week 6 Social Challenge, week 7 Spiritual Challenge, week 8 FIFA World Cup Challenge.



Beyond compliance.

The control of emissions is occasionally seen as a process that is separate from the core manufacturing process. We prefer to view the handling of our emission as a part of the supply chain, not something treated on the sidelines. Continuously trying to minimize our raw material usage, increasing the recycling degree and minimizing the effluents isn't just environmentally correct but is also sound from an economical point of view. So, the effort to find value-added solutions in the material flow helps keep us in business.

Fresh water

The Hanko and Lommel plants don't have surface water available in proximity for use as freshwater in the production process. However, we do have good-quality ground water that is suitable for usage in the manufacture of food contact material. We monitor the usage of the water and report the usage and related KPI's to the authorities to make sure it's on a sustainable level.

The Hanko plant has increased the freshwater-related cooperation with the local community and industry, mainly through the monitoring and sharing of results. Occasionally we have experienced dryer periods that put a strain on our freshwater wells. Because of this we started some years ago project to optimize the rinsing water usage in the casing machines. The project was finished in 2017 and resulted in total water usage reduction of 15%. The qualitative KPI

follow-up is done 12 times a year for the groundwater, whereas the quantitative follow-up is by the minute. The Hanko plant has 4 groundwater wells in use.

The Lommel plant uses water from 3 different wells. The quality and the quantity is measured permanently and reported to the government yearly. All levels are in line with the permits and there were no penalties over the last 20 years.

The strategic plan is to reduce the water usage with 25% compared to 2016, related to production volumes. We defined a multi-year water reduction plan and we have a proactive water-reduction team working on continuously reducing our water consumption. Each year we want to reduce our water consumption with 5% compared to the previous year.

Waste water

The Hanko plant is part of the Hanko Peninsula sea water monitoring zone. There is a yearly survey that is prepared by Länsi-Uudenmaan vesi ja ympäristö ry for the authorities. According to this report the Hanko plant's nitrogen load is in the range of 2-3 % of the total load in the monitored area.

In 2014, Oy ViskoTeepak Ab signed an agreement with Hanko City on a joint handling of the wastewater. The main point is that there are synergies between the various effluent streams that makes it more efficient to treat them together rather than having every individual actor cleaning their wastewater on their own. In 2017, the city of Hanko made maintenance works to the transfer pipeline. Planned and unplanned interruptions in the transfer line from the plant to waste water treatment facility are handled by using intermediate storage tanks. Thunder storms can cause electrical failures in the pumping stations in the transfer line. In these situations, the waste water is stored in intermediate tanks, no effluent water is led to the surroundings. The ViskoTeepak Lommel wastewater is treated by Aquafin after the water is collected with the city of Lommel and other companies. In the semiannual compliance audit, all measurements are reviewed by the external auditor. All overruns must be reported to the government, but for the past 15 years there has been no overrun to report.

Energy

Energy and water company Adven has been a long-term partner of ViskoTeepak in the Hanko plant. A heating plant that uses biofuels was built in the factory area in 2012-2013, and since then Adven has taken the responsibility for operation and maintenance of the heating plant as well as its 24/7 surveillance according to a partnership model. The aim of Adven is to provide ViskoTeepak with trouble-free round-the-clock thermal production.

"Operations are developed in close cooperation with ViskoTeepak and for instance the emissions of energy production are followed systematically", says sales manager Teemu Kivimäki from Adven. "Earlier the thermal energy required by the Hanko plant was produced using heavy fuel oil. Taking the heating plant into operation six years ago replaced it almost completely with biofuels."

In 2018, 96% of the thermal energy required by the ViskoTeepak Hanko factory was produced with domestic biofuels. The remaining 4% was produced with liquid petroleum gas, and its use is primarily limited to the yearly maintenance break of the heating plant.

We realize there are many aspects to consider when calculating the CO₂ net emissions. A general and simplified view says that the CO₂ released when wood is burned is consumed by the biomass when it is growing, hence CO₂ neutrality. More detailed studies go into indirect CO₂ emis-

sions related to burning wood. We estimate that the CO₂ emissions of the thermal plant in Hanko were down 90% compared to 2012, when it became operational (moving away from heavy fuel oil to forest residues, wood). Annual usage of 8500 tonnes of heavy fuel oil has been replaced by 280 tonnes of biofuel.

The total output of the heating plant serving the ViskoTeepak Hanko factory is 12 MW, consisting of a 6 MW boiler for solid fuels and a 6 MW peak power boiler. The operation of the heating plant is allocated to a named plant operator, who takes care of fuel availability and continuous energy production. Additionally, the Hanko heating plant is under continuous remote surveillance from the Adven central control room in Vantaa.

In 2015, ViskoTeepak's Hanko plant performed its latest energy efficiency audit with the help of an external consultant. The outcome of the audit was a list of actions that could be taken in order to ensure energy-savings. The Hanko plant joined the Finnish energy-saving initiative Motiva in 2017.

In our ViskoTeepak Lommel plant the energy consumption will reduce according the plans we made up and together with the investments made in 2017-18. In 2018 we did a major upgrade of the cogeneration plant. An increased efficiency in the cogen plant gives us more heat and electricity when we convert natural gas. Together with the improved efficiency the plant reduces Nox emissions with more than 50%. The new installation is therefore fully compliant with the strictest European standards. After the installation of new, low-NOx burners in our steam boilers in 2019 and 2020, heavy fuel will be replaced by light fuel and gas.

In 2018 we did a major upgrade of the Cogen plant



90% CO₂ reduction of the thermal plant
Since 2012 when it became operational



8500 tons heavy fuel has been replaced by 280 tons of biofuel since 2012

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Always around



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