



SUSTAINABILITY REPORT 2021

SUSTAINABILITY REPORT

Whatever we can measure, we can manage



TABLE OF CONTENTS

Message from the management body	2
At a Glance	3
Our Company	5
Our Activity	7
Our Governance	9
Our Strategy	10
Our Processes	12
Stakeholders Engagement	13
Material Topics	14
Impacts on the Economy	16
Impacts on the Environment	20
Impacts on People	25

MESSAGE FROM THE MANAGEMENT BODY

2021 was a year marked by many socioeconomic challenges in the global landscape, with uncertainty and health being the center of attention. All those challenges did not only test our company's resilience and steadiness towards external pressures, but also our internal preparation and readiness against those moments.

From day one of the ongoing crisis, our most significant priorities were to keep our people (employees and partners) safe, healthy, and secure. And we made it better, stronger, and more united! Despite all those circumstances, 2021 was a year of corporate growth and evolution for us! We managed to almost double the size of our precious crew of employees, while we introduced numerous new initiatives.

All those initiatives focus on robustizing and securing our organization from the fast-paced environment and altering situations, with a strong orientation towards the preservation of the planet and the empowerment of our people and local communities.

We believe that by engaging further in Sustainability and aligning our strategies with international developments in ESG, we will keep on creating positive externalities. Our drive for growth and inclusion has led us from a service-oriented company to a purpose-oriented one.

By paying essential attention to innovative thinking, corporate capabilities, supply chain optimization, and business partnership enhancement, we strive to deliver new value to the industry we belong to and keep on leveraging our competitive edge, supremacy, and trust.

We would like to thank our devoted employees, who with their hard work and dedication, operate as a family, reach their highest potentials, and deliver the greatest results. Through proactive teamwork, we overcame together all the challenges of the year, while appearing fearless to counteract any difficulties that might occur onwards. We endured, achieved, and thrived during a tough year, and we owe that to our precious team!

Thank you!



Marc Ehrlich, CEO Vipac Group

AT A GLANCE

About us



1,059
Suppliers
worldwide



980
Customers
worldwide



5.3M mt
materials
traded



In 100
countries
presence

AT A GLANCE

Our Team



319
employees
in our family



54%
women
employees in
the office



29%
women
in governance
bodies



39%
youth in
employment



OUR COMPANY

In few words

VIPA Group is a privately held company, trading recovered, non-hazardous, waste materials, and paper and board products. Our organization's headquarters are located in Lausanne, Switzerland. It is the administrative and financial center with the overall control of all trading operations. At present, we count five different affiliated companies located in Greece, Italy, the USA, Japan, and the UK, while there are two branches, one in Switzerland and one in the Netherlands. Under VIPA Group's umbrella, Retripa is providing all the solutions in terms of recycling and recovery of materials in French-speaking Switzerland. To expand our Group's presence, VIPA Recycling was also founded in Athens, Greece, specializing in developing and applying systems for processing, managing, and recycling solid, non-hazardous, and recyclable materials. Under VIPA HELLAS, an additional depot at Eleusis was also established.

The entities included in the sustainability report are our headquarters and all the prementioned entities, except the Japanese office, as it was established later in the reporting period. To preserve the consistency of data, Retripa will be included in future reports. In terms of materiality, all the relevant topics are determined for the Group as a total, for retaining more efficient governance during the assessment and determination.

This sustainability report constitutes the first sustainability report ever published by VIPA Group. It refers to the year 2021 and considers that year as the baseline of the company's sustainable development. VIPA Group created a sustainability department to conduct the report and accelerate the company's sustainable development. Since the sustainability department was a late addition to the company, the sustainability report was a later publication compared to the financial report. However, one of the company's main objectives is to eventually line up both reports. The report is in accordance with the Global Reporting Initiative (GRI) Standards.

For any questions about the report, the contact point is the sustainability department. As 2021 is the first reporting period for VIPA Group, the company has no restatements for this particular reporting period. The same stands for following disclosures that require reporting any additional changes. Any future restatement will be included in the next reports.

OUR COMPANY

Our Principles

01 — Our Values



We are a family business to the core. Our proactive and agile teams are handling our business partners with care and attention. We encourage innovation by supporting open dialogues and freedom of expression. We strive to become better in multiple aspects, day-by-day, so we promote sustainable development, while our partnerships are based on respect and mutual understanding

02 — Our Mission



Our mission is to turn the tide in the fight to preserve the environment, by enhancing the recycling process through the circulation of materials, and by increasing product and procedural quality through the adoption of relevant laws and standards

03 — Our Vision



Our vision is to embrace innovative thinking by constantly assessing our business environment for new opportunities. With our champions' state of mind, we strive to pursue a circular economy, while we both engage with and benefit our customers, suppliers, and stakeholders

OUR ACTIVITY

Our Circular Business Model

VIPA Group operates in the trading and waste management sectors. Globally, our Group conducts business with numerous suppliers and customers.

The circular business model of VIPA includes the totality of the value chain in the material market. The company purchases recovered waste materials, including paper, metals, and plastics, from waste suppliers on a global scale, and trades them to the relevant mills, converters, and recycling facilities correspondingly.

Then, it purchases end products like paper and board, pulp, and recycled plastic granules and trades them to packaging converters and manufacturers. To close the circle, the company also collects and recovers the waste materials of its final customers, de novo.



OUR ACTIVITY

Employment

Our family consists of 319 employees. VIPA Group employs only permanent, full-time individuals. Data were retrieved at the end of the reporting period, as an average of that period.

The elimination of discrimination is one of our core beliefs. We are proud of the feminine presence at our offices worldwide. On that note, our office force internationally consists of 53.5% women. In the meantime, we are strong advocates of the UN's Sustainable Development Goal (SDG) 8th: Decent work and Economic Growth, as 46% of our employees are under 30 years old. We strive to support the local communities we are operating in and hiring local talents it's a large part of our achievements.

Employees in our Offices



OUR GOVERNANCE

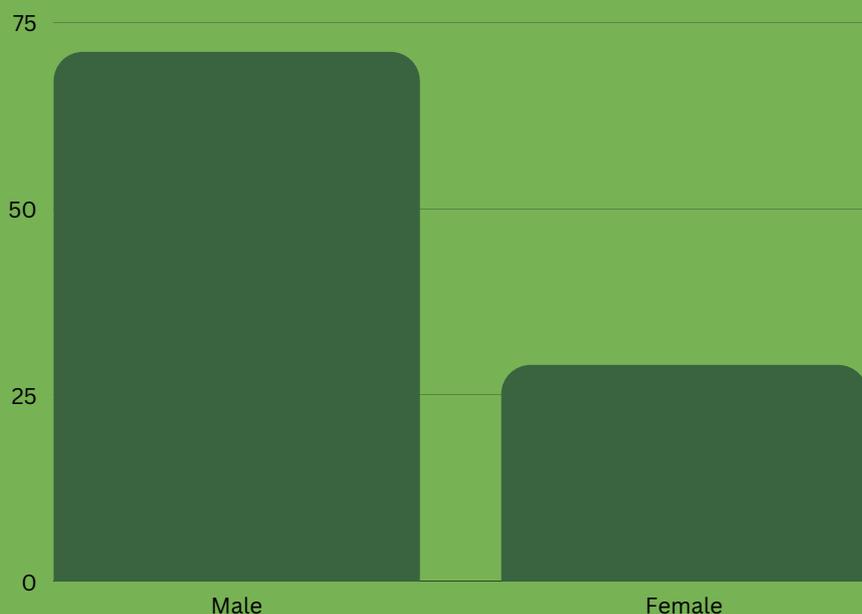
Governance Body

We have a strong trading history of wastepaper, dating back to the 1960s, at Lausanne, Switzerland. Since then, we have established a competitive experience of over 60 years. We are a family-owned company with a global presence.

Our governing body consists of members who are the managers of departments and/or regions, and employees of our organization. The nomination of the governance body is based solely on competencies relevant to the organization. The highest governance body's role is to oversee, navigate, and manage their relevant teams in the execution of daily businesses. Moreover, it is responsible for approving purpose, value, or mission statements, strategies, policies, and goals related to sustainable development.

Delegation of responsibility for managing the organization's impacts on the economy, environment, and people has been allocated to the sustainability department, whose role includes both the identification and mitigation of the organization's impacts, informing the governance body every quarter.

Governance Body
Composition



OUR STRATEGY

Our Sustainability Strategy

We believe that attention and respect are essential ingredients for any business to be concluded, especially ours! Our values dictate respecting all national and international laws and regulations in the jurisdictions we conduct business in. During the reporting period, no incidents of non-compliance were reported for the Group.

To solidify our values and corporate beliefs, we orchestrated a sustainability strategy based on such beliefs. Our strategy spins around five core activities: Assess, Identify, Report, Manage, and Reduce.

We call our framework "VIPA Fifty-Five" (VFF). VFF already assisted in recognizing gaps and spaces for action in our existing strategy. During the reporting period, VIPA Group conducted its first Code of Conduct and Sustainability & CSR Policy.

The development of such policies has set the basis of our due diligence processes. VIPA Group understands the necessity of developing such processes for preventing, managing, and mitigating its impacts accurately.

The company has committed to developing due diligence processes for numerous aspects of its business operations, including timber and human rights and environmental protection.

The function in the organization with the day-to-day responsibility for the development and monitoring of each of the relevant policies' commitments is the sustainability department.

VIPA Fifty-Five Framework



OUR STRATEGY

Our Sustainability Performance

VIPA Group's circular business model provides a breeding ground for the company to create positive externalities for the economy, environment, and society. VIPA assists the circular economy to thrive, by reducing the amount of waste and increasing the circulation of raw materials.

To even robust this contribution, VIPA Group has aligned its strategy with the Sustainable Development Goals (SDGs) by the United Nations. During the reporting period, the company has associated its strategy with four of the SDGs, namely, gender equality, decent work & economic growth, climate action, and life on land. Those SDGs portray not only the aspects we believe we contribute to the most, but also the orientation we want to focus on and get even better! Yes, we already do a lot, but there is still work to be done! For more insights on VIPA's contribution to SDGs, please check our Sustainability & CSR Policy.

5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



13 CLIMATE ACTION



15 LIFE ON LAND



OUR PROCESSES

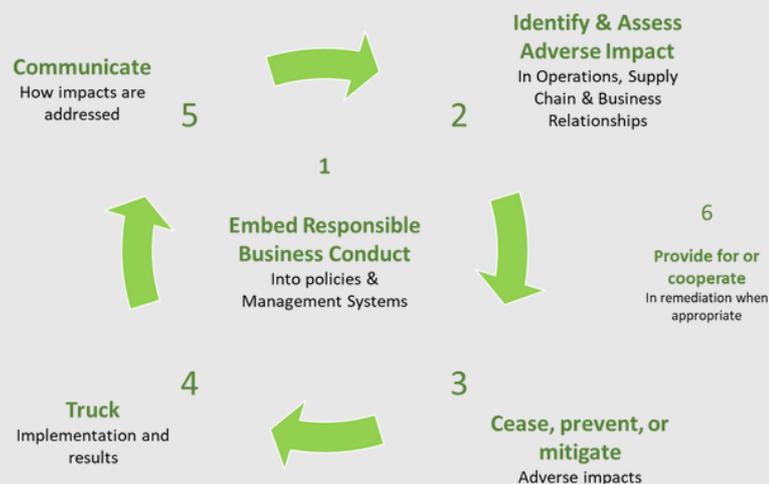
Our Policies

Sustainability had always been the norm for VIPA Group. We believe that responsible business conduct is one of our most significant duties. In consequence, we developed and established our due diligence framework, based on OECD Due Diligence guidelines for responsible business conduct, and incorporated it into our Sustainability & CSR Policy, to commit further to our core values and corporate mentality.

These processes entail our respect for human integrity and the Universal Declaration of Human Rights (UN). Our statement on Human Rights, along with our Code of Conduct and Sustainability & CSR Policy set the basis of how we perceive and conduct our business.

To align our network of partners with our sustainability commitments, we developed internal and external measurements of engagement which include our suppliers' code of conduct, a summarized version of our CoC, and our Sustainability training. The main purpose of this training is to inform our staff not only about VIPA's sustainability commitments and performances but also to engage them further in the sustainability context.

To enhance governance and diminish relevant issues, our Group established the "Open Communication Form". The OCF represents our organization's grievance mechanism and it refers to both internal and external partners. Any associate, from an employee to a supplier or customer can register any violation of the CoC or concern regarding the relevant topics, anonymously. Our organization investigates those incidents and assesses potential mitigation measurements based on the issue's severity. For our materials, we have an established "Claim Procedure". All claims on our materials are recorded, investigated, and assessed by the relevant Quality Department. For both mechanisms, registrations are communicated to the governance body, with special attention to the most severe and urgent concerns.



STAKEHOLDERS ENGAGEMENT

We believe that engagement is the key to great success. Hence, we are contently striving to expand our network and provide to our partners and the communities we do business with, as much as we can. This is why, we developed our Materiality survey, to allow all our stakeholders to express their perspectives on how we should proceed next and keep on creating positive externalities for us and our surroundings. Further:



Partnerships with
educational institutions



Inform, educate and empower crew of
employees



Partnerships with
NGOs



Landscape cleanings

MATERIAL TOPICS

Materiality Assessment

We are connected to Circular Economy to a high extent, while we strive to commit to Sustainable Development more and more every day. However, we understand that despite all our positive contributions, our operations may generate negative impacts as well.

To identify our material topics, we conducted a thorough assessment, including both primary and secondary data. Since there are no Sector Standards, for the sector we belong to, available by the GRI organization as of yet, we consulted other available standards to conduct our materiality assessment. We also run a desktop analysis of the industries we associate with, to increase credibility.

Our first analysis led us to a pool of topics, which were assessed based on their significance. To prioritize the topics for reporting, the materiality pool was handed to the governance body and after deliberation, with the sustainability officer, the annual materiality list was finalized.

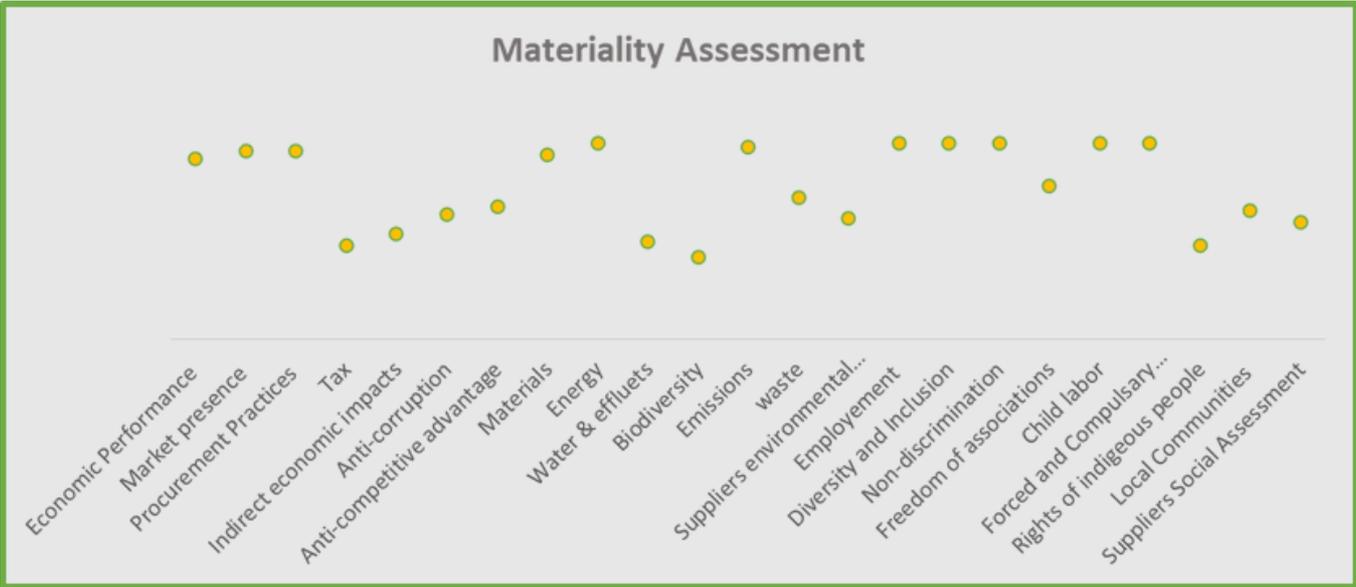
Prioritization and the deliberation process were focused on the severity of the topics for us and our operating environment. Moreover, the accuracy and availability of data were essential for our main prioritization objectives.

We are truly committed to keeping on assessing our material topics for any new challenges and opportunities arising. We work on establishing corporate procedures while enhancing the involvement of our network of stakeholders. To achieve so, we developed and established our Materiality survey, our way to engage all our stakeholders with our materiality assessment.

The Materiality Matrix below depicts the most significant material topics for VIPA Group for the reporting period.

MATERIAL TOPICS

Materiality Assessment



IMPACTS ON ECONOMY

Market Presence

We, at VIPA Group, consider ourselves a fair and trustworthy employer. For us, it is a high priority to increase our people's quality of life as much as possible. Hence, we strive to provide all our employees with higher than the average domestic wages, and we seek to eliminate discrimination, by constantly working on balancing any inequality that might occur. All our people are full-time employees and their work is being controlled by our organization.

Despite being a global organization, all of the senior management team members are coming from the local communities. Senior managers are the individuals responsible for the final decision-making process of each department.

Our geographical definition of a local senior manager includes any individual born nationally, or individuals with the legal right to reside indefinitely in the country.



Ratios of standard entry-level wage compared to local minimum wage globally

IMPACTS ON ECONOMY

Procurement Practices

VIPA Group strives to support not only the national economies conducting business but also the local communities of our facilities, directly and indirectly.

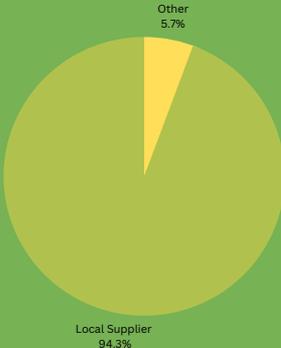
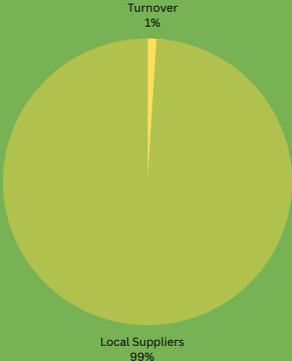
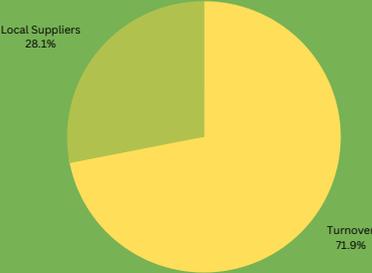
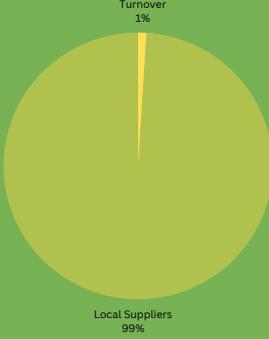
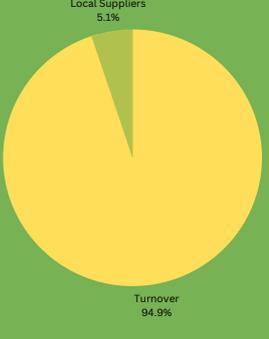
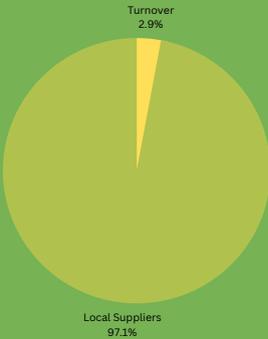
Despite our international presence and network of business partners, the majority of our procurement practices involve local suppliers in every facility's national area. That's why we consider ourselves leaders in our markets!

All of our domestic and non-domestic suppliers are required to submit their operational and other relevant licenses before any business partnership is conducted.

Supporting domestic suppliers, and reinforcing local economies, enable us to thrive in our business, and increase resilience, not only for our organization but for the environment we operate in.

IMPACT ON ECONOMY

Procurement Practices



Local Suppliers per entity



Other Locations

IMPACTS ON ECONOMY

Anti-Corruption

In 2021, we managed to externalize our corporate mentality and develop our Code of Conduct. This Code implies how we expect our employees and business partners to behave and interact.

From our point of view, we constantly try to inform our crew about our Code and core principles. All our new hires are informed about those important issues on their first day, to be completely on board!

To holistically armor the effectiveness of the Code, during the same year, we managed to develop our grievance form as well. We call it, the "Open Communication Form" (OCF), and it was developed to maintain anonymity and to ensure that all potential incidents will be covered. OCF applies both to our internal and external business partners.



IMPACT ON THE PLANET

Materials

≈ **30K mt**
waste materials
recovered
from landfill

≈ **2.5M mt**
waste materials
supplied

≈ **5.3M mt**
materials
traded

We assist in the circulation of recovered materials on a global scale. In particular, during 2021, we trade approximately 5.3 million metric tons of materials! On that note, we supplied approx. 2.5 million metric tons of recovered materials, while approx. 30 thousand mt were recovered in our Depots. Our waste material categories include waste paper, waste plastic, and waste metal. All recovered materials that we trade is complying with the European Green Waste Catalogue.

Our prime final paper products are FSC and PEFC-certified, while we handle only recycled plastic granules and flakes. Our Quality Policy covers all our materials, and includes among others the recording and monitoring of the received claims.

We strive to incorporate more recycled content into our product portfolio and deliver innovative solutions to our clients. For our full list of products, please visit our website.

IMPACT ON THE PLANET

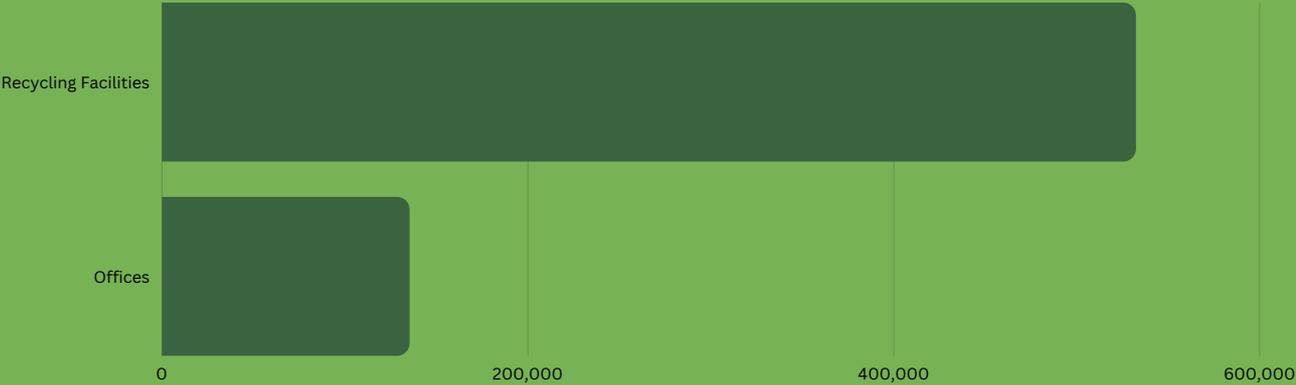
Energy Consumption

We believe that energy will play a key role in the acceleration of the Circular Economy. Hence, we seek to invest in this area both internally and externally and pursue a greener future for all.

On the first level, we started monitoring our annual energy consumption in our facilities to identify opportunities and areas for improvement. The system sets as the base year 2021, and will allow us to develop and integrate more advanced processes for tracking and improving our energy consumption in our facilities. During the reporting period, our Group consumed 667K kWh, with 20% of that consumption coming from the offices and the rest from our recycling facilities, with an average electricity intensity ratio of 2.09.

On the second level, we decided to engage more with green and clean energy, and invested in a biogas production plant, in Greece, which will convert organic waste into electricity. We believe that such projects not only assist in the holistic alignment with the Circular Economy at a micro level, but also, in a wider level, foster the development of local communities and economies.

Total Energy Consumption Per Main Locations



IMPACT ON THE PLANET

GHG Emissions

VIPA Group strives to align with Sustainable Development. That's why we paid significant attention to our carbon footprint. Such indicators are important to us important, for managing our impacts as efficiently as possible.

Our analysis sets boundaries using the operational approach, hence accounting 100% of emissions coming from operations over which VIPA Group has operational control. Moreover, it is based on the Green House Gas Protocol and includes all our main facilities, in Switzerland, Greece, Italy, and the USA, and our branches in Switzerland and the Netherlands.

Our carbon footprint analysis takes the base year of the reporting period and constitutes the foundation for our next steps and targets toward a carbon-neutral future. Data accuracy and consistency play an essential role for us and it was the core criteria for the whole process.

The following graph depicts our total carbon footprint per scope for VIPA Group in total. At a glance the emitting categories include, in scope 1 our stationary and mobile combustion emissions, in scope 2 the emissions coming from our electricity consumption, and in scope 3 our corporate flights, employees' commute, and waste emissions.

IMPACT ON THE PLANET

GHG Emissions

We seek to engage in more vigorous reporting and integrate more emitting categories in all our scopes, with a priority in scope 1 and 2, while perusing a carbon-neutral future, in the long run.

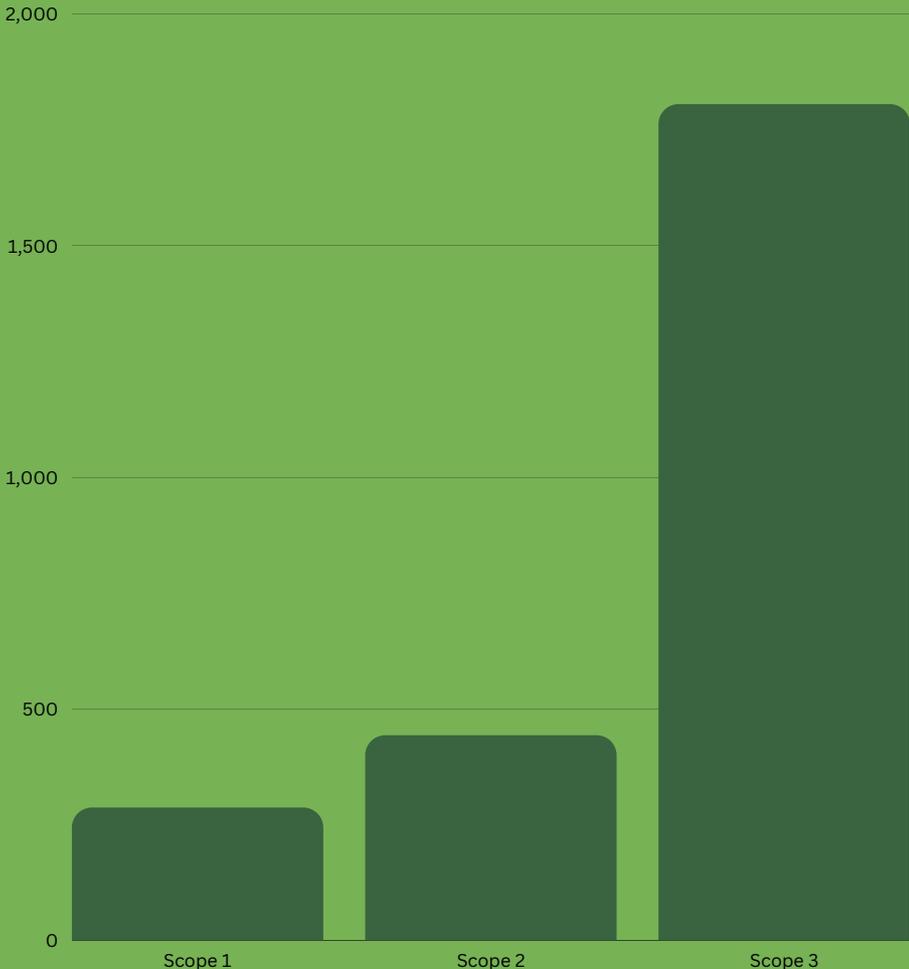
In Scope 1, stationary and mobile combustions are included as emitting categories, with a reported amount of 7.87 and 277.88 mt CO₂e accordingly. Most of our facilities are heating and cooling with the use of electricity. In mobile combustion, both corporate cars and heavy equipment using fossil fuel are included. In Scope 2, we include the electricity consumption per office and main locations, with a total emission of 441.90 mtCO₂e in 2021. For the first two scopes, the GHG emissions intensity ratio is 4.08.

Accordingly in Scope 3, we include emission categories relevant to our operations, such as the corporate flights, employees commuting, and waste. We want to expand that scope by including further emitting categories playing a significant part in our carbon footprint, now in the future. However, due to data availability, those categories were not included during this reported period.

IMPACT ON THE PLANET

GHG Emissions

2.8K
mt
CO₂e



IMPACT ON THE PLANET

Waste

Our waste-related impacts are mostly related to our industrial facilities, therefore VIPA Recycling. As a recovery company, we both strive and also thrive in processing and treating the vast majority of the materials delivered to us. We are proud of the low quantities we manage to send to landfill, which doesn't exceed 0.5% of the annually received materials.

Those materials are included in categories that can not be processed by our organization and are handled by a third party, under national legislation.

Waste generated in our office facilities was excluded from the analysis. For multiple of our offices, recycling initiatives have been established, with an ultimate focus on paper and plastic materials. However, to prevent data inaccuracies among the offices, the amount of waste from such initiatives was omitted.

<1%

of our industrial material sent to landfill

IMPACT ON THE PLANET

Avoided Emissions

Our innovative thinking and deep understanding of the Circular Economy, have allowed us to generate positive externalities, enhancing our sustainable development.

VIPA RECYCLING, and the Eleusis sorting plant, are recycling tons of non-hazardous waste materials every day. We strive to increase this number by exploring new possibilities with which will enhance our circular business model.



12K
avoided emissions

IMPACTS ON PEOPLE

Employment

2021 was a year of growth for us in terms of our human force. And that makes us happy! We managed to increasingly expand our crew of employees, with 82 new hires on a global scale. We are also very proud for not only engaging young people in our family but also for supporting young women as well. In particular, 68% of the new hires belonged in the "under 30 years" category, while 64% of them were females.

We provide all our employees with a private health insurance package. All of them are entitled to parental leave according to national legislation. All of our employees are receiving performance and career development reviews quarterly. Operational changes are planned and executed within a six-month timeline. All employees are properly informed within that period, immediately after the need analysis is developed and approved.

Moreover, we celebrate the knowledge and education of our people, thus we provide our employees, with training depending on their expertise. In 2021, nine different training programs took place, while the average training time for females was 29 hours and for men 28.8 hours. Training hours are focused on improving our employees' skills and leveraging their performance in their relevant fields.



68%

**of new hires
under 30y old**



64%

**of them
females**

IMPACTS ON PEOPLE

Diversity & Inclusion

We embrace equal opportunities, as numbers speak for themselves! More than half of our employees at VIPA Group are women, while we support youth in employment.

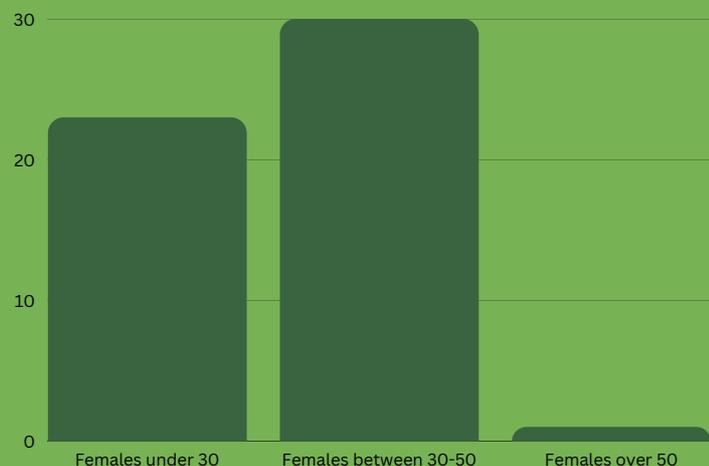
Our governance bodies consisted of 29% of women during the reporting period. The majority of members constituting those bodies belong to the "30-50 years old" category. For us, no remuneration differences are tolerated between male and female employees sharing the same role and responsibilities.

VIPA Group values its people and our people respect each other. Our Human Right Department is trained in human rights procedures. During the reporting period, no incidence of discrimination was reported to us, and we are glad about it! The "Open Communication form" represents our recording and tracking system of such potential unpleasant incidents.

Ratio of basic salary and remuneration of women to men



% Female employees per age category



IMPACTS ON PEOPLE

Occupational Health & Safety

We want our people to feel safe and secure in our working space. All our facilities comply with the national laws on occupational health and safety, while we are certified with ISO 9001. We also fully respect our business partners' privacy, and it is represented through our GTPR policy. Risk assessment and hazardous identification are performed by an external partner, and our corporate doctor visits our facilities regularly.

Nonetheless, our organization provides our employees with health care, life insurance, and disability coverage packages, different for each facility in every country.

All employees are informed about their benefits on their first day. On top of that, we encourage our crew to personally contact our insurance associate for any issue occurring.

Also, we try to arrange informative presentations, open to our employees, with our relevant associates to keep them in the loop. We are proud to say that our occupational health & safety management system works efficiently, while during the reporting period, no incidents or accidents of that kind took place.

We commit to engaging deeper in that area, and providing the maximum to our precious teams.

