

Huhtamaki Non-Financial Information 2017

Our corporate responsibility agenda and achievements in 2017

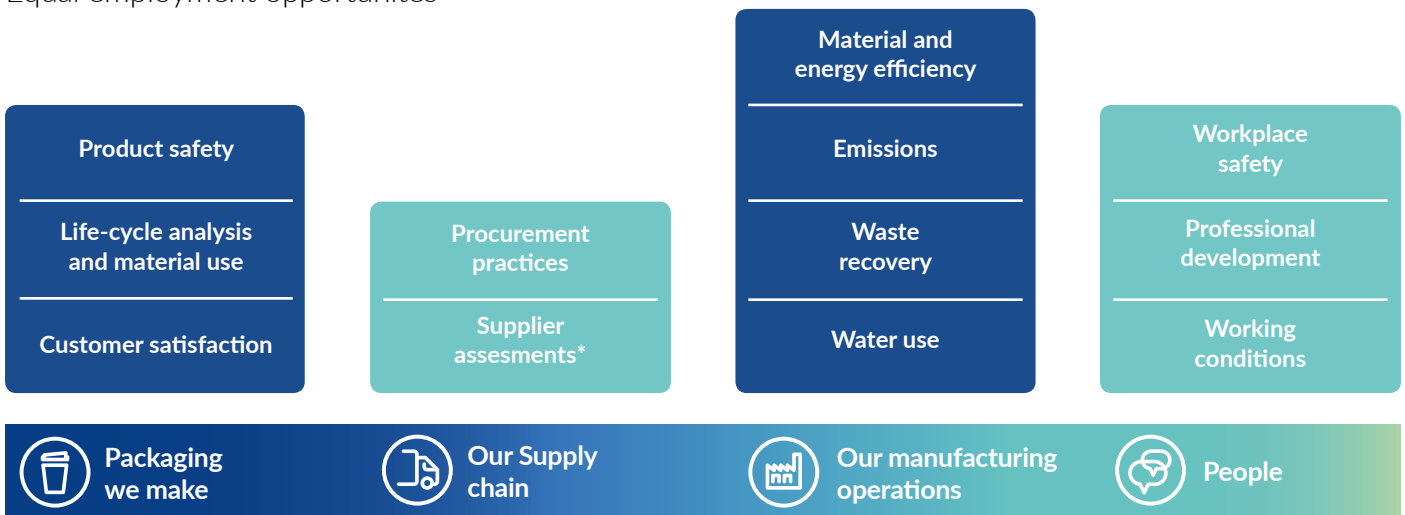
Huhtamaki's approach to corporate responsibility is rooted in our company values: 'Treating our world with respect', 'We know our business' and 'We like to get it done'. Our packaging products create value by protecting food and drink, and by helping people to eat and drink safely and hygienically wherever they are.

Our corporate responsibility agenda focuses on 'themes', or clusters, of the most material corporate responsibility-related aspects for our business and our stakeholders. These were identified in a materiality assessment and are consistent with those reported for last year. We have a stated ambition for each theme and measure our performance against related key performance indicators (KPIs).

Our materiality matrix G4-19

Foundation

- Financial health and competitiveness
- Ethical operating standards and practices
- Good governance
- Respect for human rights
- Equal employment opportunities



* Environmental and social practices

Packaging we make

THEME:	DESCRIPTION:	AMBITION:	KPI:	PERFORMANCE 2017:
Packaging we make	We help our customers meet their sustainability goals by providing safe, fit-for-purpose and environmentally optimal packaging.	To continuously improve the environmental performance of our packaging without compromising safety, hygiene or suitability for its intended purpose of use.	All manufacturing units have an externally certified* hygiene or product safety system in place.	68% of manufacturing units have a certified hygiene or product safety system in place (2016: 66%).

* Certification according to one of the following standards: BRC/ IoP Global Standard for Packaging and Packaging Materials AIB Food Contact Packaging Manufacturing ISO 22000 Food safety management system.

Product safety and quality are the most important benefits of food and drink packaging. One could say that packaging has fulfilled its main purpose when it has successfully protected

the quality and safety of the food or drink it contains until consumed.

Our supply chain

THEME:	DESCRIPTION:	AMBITION:	KPI:	PERFORMANCE 2017:
Our supply chain	We work to enhance environmental sustainability, social responsibility and ethical business practices in our supply chain.	To identify our supply chain in detail and standardize sourcing practices across the Group.	All key suppliers covered by Huhtamaki Supplier Code*.	2/3 of key suppliers covered by the Supplier Code.

* The indicator includes ten most important suppliers from each segment ranked by annual spend.

We expect all our suppliers to comply with the Huhtamaki Supplier Code. At the end of 2017, approximately 2/3 the Group's key suppliers have confirmed their adherence to the Supplier Code.

Suppliers can also anonymously report any non-compliance to Huhtamaki via the whistle-blowing hotline. Suppliers are also responsible for their subcontractors' compliance with the Supplier Code. The Huhtamaki Supplier Code is available on our website.

Our manufacturing operations

THEME:	DESCRIPTION:	AMBITION:	KPI:	PERFORMANCE 2017:
Our manufacturing operations	We continuously work to reduce the negative environmental impacts of our operations.	To continuously improve our resource efficiency.	Improve manufacturing waste recovery performance Material and energy recovery ratio > 90% Material recycling ratio > 80%	1) 88% (2016: 89%) 2) 81% (2016: 79%)

We continuously look for ways to reduce the use of energy and improve the recycling ratio of production waste in our operations. As greenhouse gas emissions and production waste are the main negative environmental impacts of

our manufacturing operations, investments in continuous improvement of our energy and waste efficiency are an integral part of our annual capital expenditure.

	2017	2016	2015	2014	2013
Material recovery	81%	79%	76%	76%	76%
Material and energy recovery	88%	89%	87%	86%	87%

People

THEME:	DESCRIPTION:	AMBITION:	KPI:	PERFORMANCE 2017:
Our people	We value and develop our people and want to offer them equal opportunities for professional growth.	We promote fair, healthy and safe working conditions.	Our long-term ambition is zero incidents. Continuous improvement in Lost Time Incident Rate.	LTIR 2.4 (2016: 2.8)

The foundation for our People strategy lies in our values, Code of Conduct and commonly defined Huhtamaki behaviors. The objective of the People Strategy is to support the execution of our business strategy and to achieve our short and long-term business targets. This will be achieved by providing all of

our employees with a safe workplace, developing our people, fostering excellent internal communications as well as ensuring systematic performance and talent management and succession planning.

INCIDENTS, GROUP	2017	2016	2015	2014	2013
Lost time incident rate (LTIR)	2.4	2.8	2.6	2.9	3.0

Our long-term value creation model

We see overall value creation as a dynamic process where our inputs are aligned with our impacts. The way our performance is valued by our stakeholders and how sustainably we use various resources is fundamental to our future success.

From the perspective of the external business environment, the global population is growing, along with the number of people with middle class purchasing power. We expect parallel growth in packaged food and drink products. Urbanization increases the need for convenient and safely packaged food. From an environmental perspective, packaging plays an important role in protecting food products, thus contributing to minimizing food waste. These megatrends support growth in food packaging, which offers stable growth opportunities over cycles. Food contact requirements create a higher entry barrier for new competitors in our industry. Via innovations we create more sustainable and easy-to-use packaging. Based on our good positions in the markets where we operate, we believe we have a strong competitive edge in food and drink packaging. Our positions support our growth strategy.

We aim for growth via:

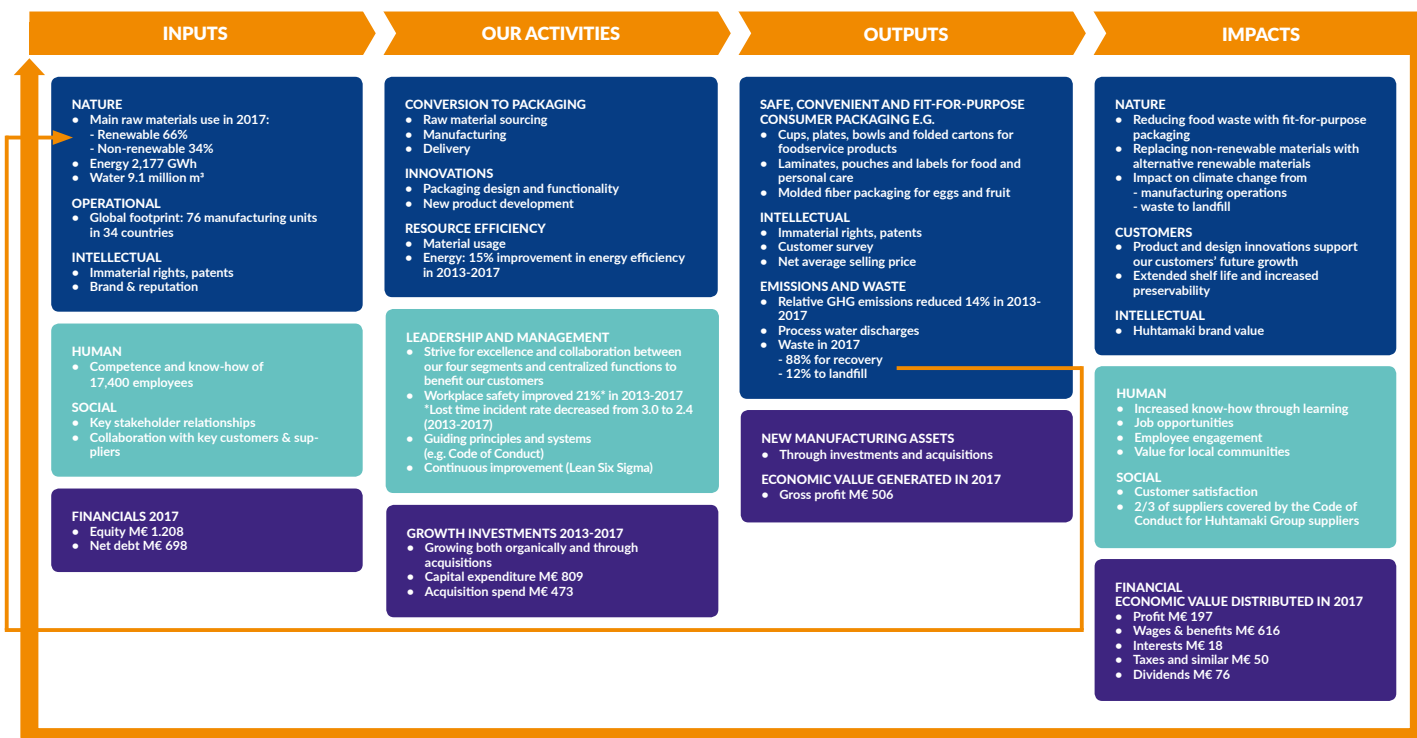
- our focus on consumer food and drink packaging
- product portfolio and innovations
- our key customers who are major brand owners with high growth ambitions and quality expectations
- expanding our geographic footprint

Our long-term ambition is to achieve 5+% comparable growth, complemented by 5+% growth through acquisitions. Along with growth, we aim for steadily improving returns, and for assuring cash generation to finance our growth initiatives as well as predictable and growing dividends. Our solid financial performance contributes both directly and indirectly to the economic welfare of our stakeholders. Our operations create jobs and wealth in countries where we operate. To implement our growth strategy, we invest in new capacity and innovations, as well as acquire interesting businesses to grow and develop them. When we make business decisions, we take environmental, social and economic impacts into account.

OUR PURPOSE : Helping great products reach more people, more easily

OUR AMBITION : The preferred global food packaging brand

CREATING VALUE FOR STAKEHOLDERS



In addition to what is presented in the model, there are essential factors that may have an impact on Huhtamaki's value creation over time. These factors may be related to e.g. megatrends, business environment, strategy, performance, risks and opportunities, as well as governance. To gain more in-depth understanding of our performance, please read our Annual Accounts 2017, Non-financial Information 2017, Insights 2017 and GRI Performance Review 2017, all available at www.huhtamaki.com.

Our values guide us to work in a responsible way

We are committed to conduct our business in a responsible and sustainable way and expect the same commitment from our business partners. We comply with local laws and regulations in the countries where we operate, and act in accordance with commonly accepted best practices. Violation of any laws or regulations or unethical business dealings is not accepted.

We take systematic actions to manage our material corporate responsibility aspects and their environmental, social and economic impacts. Our aim is to minimize the negative impacts and maximize the positive impacts on both our business and the societies around us. Our approach is based on our corporate values and our Code of Conduct, which sets out standards for ethical behavior for all employees. All employees are expected to familiarize themselves with the Code, and an online training has been implemented. A public summary of the Code of Conduct is available on the Huhtamaki Group website.

Principles and policies are based on our values

All our manufacturing units are governed by the same overarching policy framework. Huhtamaki's policies and principles are based on our purpose and values. These policies and principles are supported by management systems that lead to consistent actions. The systems provide a basis for continuous improvement and regular performance assessment at the manufacturing unit, business segment and Group levels.

Our key guiding principles

THEME	GUIDING PRINCIPLES AND MANAGEMENT SYSTEMS	MANAGEMENT BODIES
Foundation	Huhtamaki Group Code of Conduct Finnish Corporate Governance Code Group CG Policy for Subsidiaries Huhtamaki Group Policy on Compliance with Competition and Antitrust Laws Group Claims Policy Group Disclosure Policy Group Insider Policy Group risk management Internal audit	Board of Directors Chief Executive Officer Global Executive Team Global functions
Packaging we make	Huhtamaki Group Code of Conduct Quality management system ISO 9001 Food safety management systems (BRC/Iop.AIB) Group food contact management	Global Executive Team Business segments Manufacturing units Global functions
Our supply chain	Huhtamaki Group Code of Conduct Huhtamaki Supplier Code	Global Executive Team Business segments Manufacturing units Global functions
Our manufacturing operations	Huhtamaki Group Code of Conduct Group Environmental Policy Group Property Risk Control and Business Continuity Policy ISO management systems 14001, 50001	Global Executive Team Business segments Global functions
People	Huhtamaki Group Code of Conduct OHSAS 18001 Global Employment Guidelines Huhtamaki Working Conditions Requirements Huhtamaki Human Trafficking and Modern Slavery Statement Group Performance Management Policy Performance Review Guidelines Group Compensation and Benefits Policy	Global Executive Team Business segments Manufacturing units Global functions

Our governance structure

Board of Directors: The highest body to approve the guiding policies for corporate responsibility and to outline corporate responsibility principles in relation to the Group's strategy. Approves the annual corporate responsibility and non-financial information reports.

Global Executive Team: Monitors corporate responsibility performance and revises corporate responsibility targets.

Business segment and unit management teams: Responsible for integrating corporate responsibility subjects into daily business decision-making and practices, and ensuring that the required processes are in place.

Corporate Responsibility collaborative team: Develops corporate responsibility strategy and projects and submits these to the Global Executive Team for approval. Members represent all business segments, various geographies as well as relevant Global functions and expertise. The team is sponsored by the EVP Fiber Packaging and led by the Head of Corporate Responsibility.

Global functions: The Global functions support the business segments and units in corporate responsibility matters, identify Group-level corporate responsibility opportunities and risks, promote responsible operating practices throughout the value chain, and are responsible for publishing the Group's annual corporate responsibility report.

Risks related to corporate responsibility are assessed and managed actively

Risk management at Huhtamaki aims at identifying and managing potential events that may affect the achievement of the Group's objectives. In order to systematize and facilitate the identification of risks they are categorized as strategic, operational, financial or information risks. These categories are closely aligned with our strategic, operational, financial and compliance objectives.

An annual risk review process is conducted parallel to the strategic planning process at the business unit, segment and Group levels. Once the key business risks have been identified and assessed, risk treatment actions are defined to reach acceptable risk levels. The acceptable risk levels associated with appropriate risk management efforts are approved by the Board of Directors.

Huhtamaki's annual risk review involves assessment of risks relating to corporate responsibility in business environment, production, human resources, crime and fraud as well as reputational risk categories. Corporate responsibility relating to business environment is considered in terms of risks of bans on materials used in products as well as new environmental or sustainability requirements affecting our products, plants or processes.

Corporate responsibility relating to production is reviewed in terms of risks concerning occupational health and safety, product safety and quality and environmental impacts. Corporate responsibility relating to human resources is considered in terms

of human resources risks in general, labour relations risks and human rights risks. Crime and fraud risk review involves the risk of fraudulent activity, including corruption and bribery. Corporate responsibility is also considered in connection with reputational risks relating to products, workplace, governance and citizenship.

Human resources, together with product safety and quality, represent the most significant of Huhtamaki's corporate responsibility-related risks and opportunities. Both were among the top fifteen risks in the 2017 annual risk review. Human resources risk management focuses on attracting, retaining and developing competent personnel, strengthening of a culture aligned with our values and the implementation of a standardized working conditions framework. Product safety and quality risk management involves strict quality controls and regular audits at our manufacturing plants.

Occupational health and safety, labour relations, human rights, new environmental or sustainability requirements affecting our products, plants or processes as well as bans on materials used in products are considered medium risks to the Group. Risk management relating to environmental and occupational safety as well as social responsibility is integrated with our day-to-day business processes and standard practices. These must comply with applicable laws and regulations, as well as the ethical and societal responsibilities set out in our Code of Conduct. Risk prevention also involves continuous training and action programs as well as adherence to international standards. We measure our progress and monitor our compliance by regular audits.

Reputational risks relating to corporate citizenship and products are considered to pose a medium risk to the achievement of our objectives, whereas reputational risks relating to workplace and governance are seen as a relatively low risk. Reputational risk management focuses on managing the potential root causes to the risks.

The risk of fraudulent activity, including corruption and bribery, is considered low due to stringent controls and continuous high level communications of our Code of Conduct to our employees and supply chain partners.

None of the risks identified in connection with the 2017 risk assessment are considered to be of a magnitude that could not be managed or would endanger the implementation of the Group's strategy. More information on our risk management can be found in the Directors' Report 2017 of the Annual Accounts.

Global compliance training

During the past years, the anticorruption and competition compliance program has covered a wide scope of white-collar employees who are in contact with our stakeholders in their day-to-day work, including unit management, finance and control, sales, and purchasing functions. In addition to face-to-face sessions used mostly in units that have recently joined the Group, we continued our e-learning program.

Huhtamaki's global compliance training program continued in 2017. During the year, face-to-face training sessions on anti-corruption and competition compliance were conducted for the employees in three manufacturing units in India, Poland and Saudi Arabia. The annual competition compliance e-learning was also rolled out to a selected group of employees.

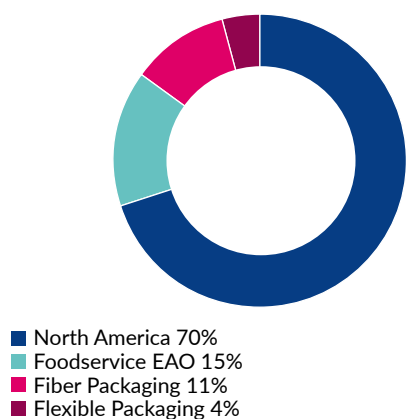
Grievances reported through the whistle-blowing system

If an employee finds out that another employee has violated the Huhtamaki Code of Conduct, any other policies of Huhtamaki or any laws or regulations, the employee is expected to report the violation. As a preferred option, employees are encouraged to contact their manager, one-over manager or a local human

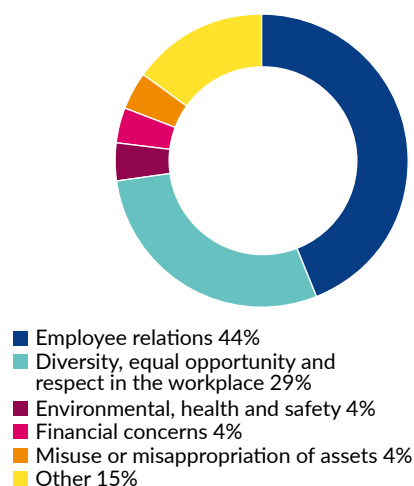
resources representative. Alternatively or additionally, employees can report any suspected violations through our global whistle-blowing system by phone or e-mail, anonymously if needed. Any negative actions against an employee who reports a possible violation are explicitly prohibited.

In 2017, 27 (2016: 20) incidents in six different countries were reported through the whistle-blowing system. Most of these were reported in the US as in previous years. Incidents have been investigated internally by the Group and necessary actions have been taken. The Audit Committee of the Board of Directors follows the reported incidents. No material incidents of corruption were reported in 2017 (2016: 0).

Reported incidents by business segment 2017



Reported incidents by type 2017



Reporting framework

Huhtamaki Non-Financial Information 2017 is adapted from the Huhtamaki GRI Performance Review 2017 that is prepared in accordance with the Core option of the Global Reporting Initiative (GRI) G4 Guidelines.

To gain more in-depth understanding of our performance, please read our Annual Accounts 2017, Insights 2017 and GRI Performance Review 2017, all available at www.huhtamaki.com.

Signatures for the Huhtamaki Non-Financial Information 2017

Espoo, April 24, 2018

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