

Corporate Responsibility Report 2017

GRI Performance Review 2017

Huhtamaki



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About this report

This Huhtamaki GRI Performance Review 2017 is prepared in accordance with the Core option of the Global Reporting Initiative (GRI) G4 Guidelines. It explains our corporate responsibility agenda and includes GRI G4 indicators related to our most material corporate responsibility aspects. The report has been externally assured by DNV GL Business Assurance. Individual articles and business cases about our corporate responsibility themes can be found in our Insights 2017 report.

Our purpose

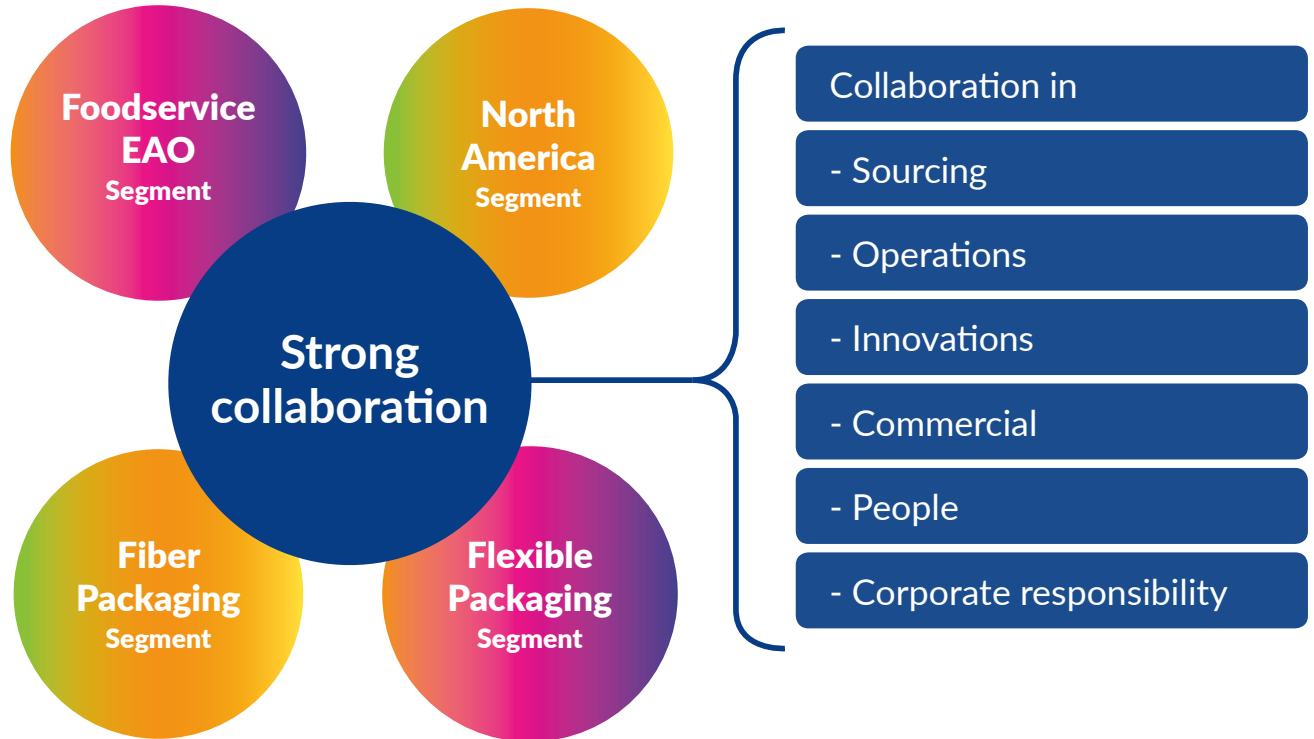
Helping great products reach more people, more easily

Our ambition

To become the preferred global food packaging brand

Our business segments

We develop and make food and drink packaging using three distinctive technologies managed by our segments. We strive for excellence and collaboration between segments to benefit our customers.



Our values

We know our business

We treat our world with respect

We like to get it done

Life tomorrow



8.6 billion people by 2030

More life

The world's population is estimated to keep growing until 2100. As the global population grows, food consumption patterns are changing, creating more demand for packaged food and drink products.

New packaging innovations



Sustainable life

All natural resources are under pressure from the growing global population and its needs. Across industries, consumers are showing increasing interest in sustainability. In packaging, this relates to a stronger emphasis in material efficiency, renewable materials and increased recycling.

3.2 billion in middle class



Wealthier life

The growth of the middle class is faster than expected. In a few years, we might see a tipping point where – for the first time ever – a majority of the world's population lives in middle-class or rich households. The smaller size and higher purchasing power of urban households increases the demand for new, diverse food experiences.

55% urban population



City life

The number of megacities with more than 10 million inhabitants is over 40 and is expected to grow. As products are bought in supermarkets rather than as fresh produce, more efficient packaging and delivery of food is needed.

Corporate responsibility at Huhtamaki

Developing our corporate responsibility agenda

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.

In 2017 our corporate responsibility agenda was strengthened in several ways. We created the new role of Head of Corporate Responsibility, and we advanced corporate responsibility-related

themes in a new team in which all business segments and relevant global functions are represented. This team will be instrumental in continuing the integration of corporate responsibility into our business. The main task of this team in 2017 was to review and update our corporate responsibility agenda.

Material aspects

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

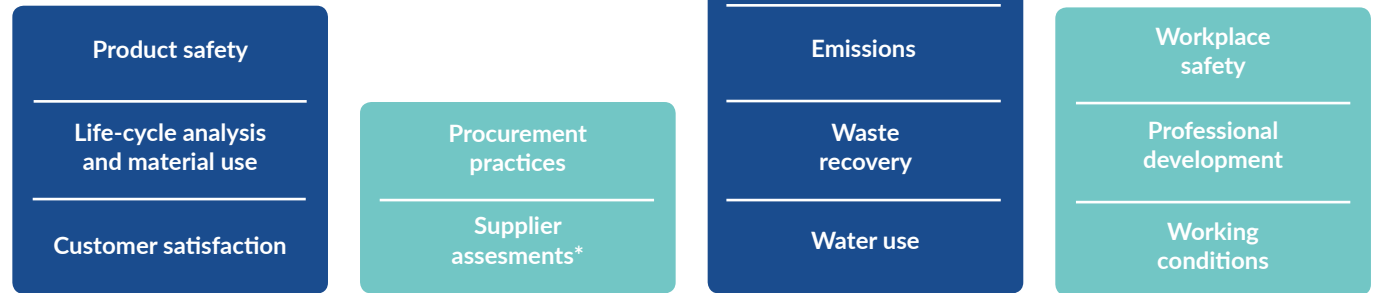
identified in a materiality assessment and are consistent with those reported for last year. We have a stated ambition for each theme and measure our performance against related key performance indicators (KPIs).

The most recent major update of our materiality assessment was completed in 2015-2016. This assessment was validated with our key stakeholders, including customers, suppliers and shareholders, in one-on-one telephone interviews conducted by a third party. The assessment was approved by our Global Executive Team.

Our materiality matrix G4-19

Foundation

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



Our corporate responsibility agenda and achievements in 2017

THEME	DESCRIPTION	AMBITION	KPI	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%
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 the Code of Conduct for Huhtamaki Suppliers**	2/3
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: 1) Material and energy recovery ratio >90% 2) Material recycling ratio >80%	1) 88 2) 81
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.	2.4

*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

** Change in the reporting boundaries. The indicator includes ten most important suppliers from each segment ranked by annual spend

Stakeholder engagement

In an increasingly connected world it is more important than ever to engage in dialogue with stakeholders. Stakeholder engagement helps us to stay abreast of the latest developments and expectations and to develop our operations and products. In other words, stakeholder engagement creates value.

Our key stakeholders include customers, investors, employees and suppliers of materials and services. In addition, we engage with local communities, public authorities, academia and research institutions, NGOs, trade unions, industry associations and media.

We acknowledge that Huhtamaki's economic, environmental and social performance may directly affect the assessments and decisions of our key stakeholders. Our approach and the key topics and concerns discussed with stakeholders in 2017 are represented in the table below.

OUR KEY STAKEHOLDERS G4-24	BASIS FOR IDENTIFICATION AND SELECTION OF STAKEHOLDERS WITH WHOM TO ENGAGE G4-25	OUR APPROACH TO STAKEHOLDER ENGAGEMENT G4-26	KEY TOPICS AND CONCERNS RAISED IN 2017 G4-27	OUR RESPONSE G4-27
Customers, consumers	<ul style="list-style-type: none"> • Packaging has a material role in minimizing food waste in the value chain • Safe, convenient and fit-for-purpose packaging creates value to our customers and consumers • Growing demand for food and drink packaging creates the foundation for our long-term value creation 	<ul style="list-style-type: none"> • Focus on innovations • Same Huhtamaki towards customers wherever we operate via enhanced collaboration between segments and units • Continuous investments in growth to meet consumer expectations 	<ul style="list-style-type: none"> • End-of-life options for used food and drink packaging, in particular paper cups • Product and food safety • Sustainable forest management; certified fiber products, use of recycled material in products • Plant-based plastics 	<ul style="list-style-type: none"> • Consumer and product life cycle research • Engagement with industry and governments • Collaboration commercially and in innovations across businesses • Common digital customer survey tool in use • Capital expenditure M€ 215 • 371 external audits of our manufacturing units by customers, authorities or certification bodies
Shareholders, banks and other investors	<ul style="list-style-type: none"> • Essential role in our long-term value creation by providing financial capital • Long-term, responsible overall value creation by efficient utilization of profitable growth opportunities and delivery of growing returns • Cash flow generation to finance growth investments and dividends 	<ul style="list-style-type: none"> • Active dialogue with investors, analysts and bankers • Reliable, accurate, transparent and timely financial information • Continuous development of our corporate responsibility disclosure 	<ul style="list-style-type: none"> • Risk and corporate responsibility assessments in relation to acquisitions and investments • Risks and opportunities related to climate change 	<ul style="list-style-type: none"> • Reliable, accurate, transparent and timely financial information provided • Active dialogue by CEO, CFO or IR officer with investors and analysts in meetings, teleconferences and seminars taking place in Europe and the United States. • Participation in third party responsibility surveys, including CDP and RobecoSAM Corporate Responsibility Assessment • Externally assured CR Report in accordance with GRI G4 Core published since 2015

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Employees	<ul style="list-style-type: none"> Retaining, developing and engaging our competent and knowledgeable pool of 17,400 employees Our employees expect good working conditions in a safe, fair and equal environment, professional development, and a stable income 	<ul style="list-style-type: none"> Global standards for working conditions Focus on standardizing occupational health and safety practices Employee feedback through engagement survey every second year Employee involvement in key development initiatives Continuous development of leadership capabilities Employee and management dialogue with local, national and regional set-ups 	<ul style="list-style-type: none"> Talent acquisition and retention Occupational health & safety in operations 	<ul style="list-style-type: none"> Embedding Huhtamaki Leadership Competencies in our employment processes Training and developing our managers and leaders Managers trained in Huhtamaki global working conditions requirements Creation of global occupational health & safety working group, policy and standard Employee engagement survey conducted in 2017
Suppliers	<ul style="list-style-type: none"> Raw material suppliers are an essential part of our value chain Through material development they help us improve the sustainability of our products Ensuring responsibility in our supply chain is an important part of our good citizenship and risk management 	<ul style="list-style-type: none"> Huhtamaki Supplier Code Increased collaboration between segments in sourcing Continuous improvement of our supply chain due diligence process 	<ul style="list-style-type: none"> Issues covered in Huhtamaki Supplier Code Increasing customer demand for certified fiber Repulpability, food safety and coating-related topics 	<ul style="list-style-type: none"> Huhtamaki Supplier Code Collaboration in sourcing across businesses Supply chain tool Navex RiskRate implementation started in all the business segments by the end of 2017 98% of all fiber used by Huhtamaki in 2017 is from recycled or certified sustainable sources

OUR KEY STAKEHOLDERS G4-24	BASIS FOR IDENTIFICATION AND SELECTION OF STAKEHOLDERS WITH WHOM TO ENGAGE G4-25	OUR APPROACH TO STAKEHOLDER ENGAGEMENT G4-26	KEY TOPICS AND CONCERNS RAISED IN 2017 G4-27	OUR RESPONSE G4-27
<p>Local communities</p>	<ul style="list-style-type: none"> Local communities are key in ensuring competent labor and reliable infrastructure to support business operations Local communities, in all locations in which we operate, expect responsible business conduct from us We create job opportunities for local people at all organizational levels We contribute to local welfare through our growing and profitable business 	<ul style="list-style-type: none"> Compliance with Huhtamaki Code of Conduct at all sites Hiring local people for open positions at all organizational levels Our sites collaborate with local communities to understand their concerns Collaboration with schools and universities 	<ul style="list-style-type: none"> Fruitful, proactive cooperation especially in relation to growth projects Enhancement of social welfare, education and entrepreneurship via local charity projects 	<ul style="list-style-type: none"> Proactive approach in presenting our growth initiatives to local authorities Unit-level co-operation with local schools and non-profitable organizations including e.g. donations of our own products and voluntary work of our employees
<p>Public authorities, trade associations</p>	<ul style="list-style-type: none"> Political decisions or policies on environmental issues, including climate change, and on circular economy 	<ul style="list-style-type: none"> Memberships in relevant industrial and trade associations 	<ul style="list-style-type: none"> Circular economy package (CEP) in EU Environmental Audit Committee (EAC) enquiry into coffee cups in the UK Plastics-related regulatory proposals, mainly in Europe 	<ul style="list-style-type: none"> Close follow-up of regulatory landscape related to packaging and circular economy Written and oral evidence offered to UK Environmental Audit Committee enquiry as member of Paper Cup Recovery and Recycling Group Engaging with trade associations Scoring at good level in Carbon Disclosure Project (CDP)

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

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 customers value our ability to provide safe, convenient and fit-for-purpose food and drink packaging with consistent quality around the world. Our approach for improving product safety and quality is based on systematic implementation of certified quality, product safety, environmental and wood origin chain of custody management systems. This way we can take into account requirements such as the choice of raw material, food contact regulations applicable in the end market, or laws and regulations concerning the disposal of the packaging after use.

G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Sites with certified quality and product safety management systems 2017:

	ISO 9001	BRC/AIB*
Group	71%	68%
Foodservice EAO	85%	100%
North America	25%	56%
Flexible Packaging	84%	60%
Fiber Packaging	91%	55%

* BRC/ IoP Global Standard for Packaging and Packaging Materials AIB Food Contact Packaging Manufacturing ISO 22 000 Food safety management system

G4-PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes

There were no significant incidents of non-compliance with health and safety, product information or marketing laws or regulations related to our products in 2017 and no significant fines were paid.

Life cycle analysis and material use

G4-EN27 Extent of impact mitigation of environmental impacts of products and services

Life cycle assessments provide us with information on the environmental impact of our products, from the sourcing of raw materials to the disposal of the used product. We use a Packaging Life Cycle Assessment tool that allows for systematic evaluation of the potential environmental impacts of products manufactured by us throughout their life cycle.

The system is attached to a database, allowing us to simulate the environmental impacts of different product recipes in given scenarios. We have used the tool since 2009 and continue to collaborate with our customers in assessing the environmental performance of our products in different life cycle scenarios. During 2017 we have updated the data in this system.

The primary goals of the life cycle assessments are:

- To evaluate the environmental performance of our products
- To provide reliable and up-to-date data to meet the information needs of our customers and internal stakeholders
- To help Huhtamaki and its customers reach their environmental goals through benchmarking products and production processes, and subsequently identifying targets for improvement

Customer satisfaction

Our understanding of customer needs starts with close and long-term relationships with our global and local key accounts. In addition to local customer satisfaction studies we aggregate and analyze the results on Group level to gain new insights, improve and learn from each other.

G4-PR5 Results of surveys measuring customer satisfaction

During 2017, we continued implementing our digital customer satisfaction survey tool. The permanent core of the study has four main areas: our products, our service, innovation, and sustainability. The survey is made in a digital format and allows us to run surveys in different areas in different languages and at different times, and combine the results.

During the year we conducted several separate customer studies for example in the Flexible Packaging segment and the Fiber Packaging segment. The feedback was collected and analyzed on segment level and used for continuous improvement. All feedback collected is anonymous.

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.

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

Suppliers of raw materials and services are an important part of our value chain. The main direct raw materials we use are recycled paper, paperboard, polymers, films, and aluminum. Indirect raw materials and services include logistics services, energy and protective packaging. The total value of purchases of direct and indirect materials and services in 2017 was approximately EUR 1.7 billion, of which raw materials make up approximately two thirds.

Our manufacturing units source their materials and services largely independently, following the guidelines set out by the Huhtamaki Group Code of Conduct. We work with a total of approximately 20,000 suppliers globally.

Procurement practices and supplier assessments

Huhtamaki's own KPI: Share of key suppliers covered by Huhtamaki Supplier Code

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. The Supplier Code requires our suppliers to follow standards related to the following topics:

Compliance with laws and regulations:

- Suppliers shall ensure that all specifications as well as quality and safety requirements and guidelines are met and that supplied materials and products are suitable and safe for their intended use.
- Competition for business shall be fair and honest; suppliers shall strictly comply with all anti-trust and competition laws and regulations.
- Bribes or other similar payments to uphold or contribute to business shall not be paid or accepted.

Fundamental rights of employees:

- A safe workplace in compliance with all applicable laws and regulations.
- Adequate occupational health and safety policies, and practices and measures to monitor health and safety performance.
- Respect for human rights and fair labor practices by following the United Nations' Universal Declaration of Human Rights; the Declaration of the Rights of a Child; and the ILO's Declaration on Fundamental Principles and Rights at Work.
- Compliance with all applicable wage and working hour laws and regulations.

Environmental impact:

- Compliance with all environmental requirements defined in applicable laws and regulations.
- Environmental policies in place.

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.

We are undertaking a policy review and taking steps to improve our supply chain due diligence system.

The first such step is to roll out the Navex RiskRate tool across our businesses. The tool allows us to assess risks in our supply chain and facilitates the implementation of the Huhtamaki Supplier Code. Our North America segment was the first to implement this tool, and in 2017 we started implementation in our other three segments. This change has implications on how accurately we can measure the KPI of the 'Our Supply Chain' theme. For this transitional year we therefore define 'key suppliers' as the top 10 suppliers per segment based on annual spend to ensure the reported data is accurate and covers a large proportion of sourcing spend.

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.	To 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.

Materials

The main raw materials used by Huhtamaki include recycled paper, paper board and plastic polymers.

Post-consumer recycled paper is used to manufacture molded fiber packaging, such as egg and fruit packaging and foodservice cup carriers.

Post-industrial recycled paper, such as cutting waste from our paper cup manufacturing, is used to manufacture molded fiber disposable tableware, such as Chinet® plates.

Virgin paper board is used to manufacture disposable tableware, such as hot and cold drink cups, plates, food containers and ice cream packaging.

Polymers, such as PS, PET, rPET and PLA, are used to manufacture disposable tableware, such as transparent cups, tumblers and containers as well as lids and cutlery.

Polymers, including PE, PET and PP, are main materials in multi-layer flexible packaging.

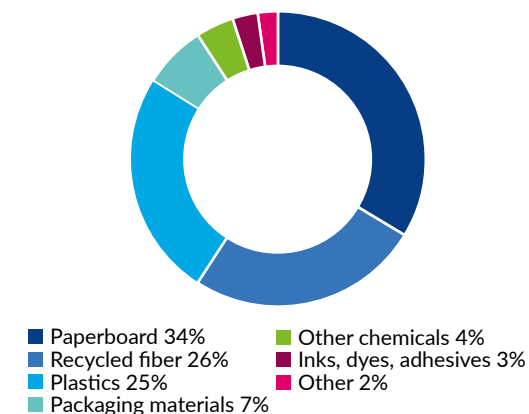
In addition to the main raw materials mentioned above, printing inks are used. The composition of printing inks varies based on the needs and features of the end product. Both solvent and water-based inks are used.

G4-EN1 Materials used by weight or volume

G4-EN2 Percentage of materials used that are recycled input materials

In 2017, the share of renewable materials of all raw materials used across Huhtamaki was 66% (2016: 65%). The majority of the renewable materials were wood fiber-based materials, either virgin fibers or recycled paper. The most used recycled raw material was post-consumer recycled paper. The majority of our manufacturing units using virgin fiber as the main raw material have PEFC™, FSC® or SFI® Chain of Custody certification, which guarantees that the fiber is traceable to sustainably managed forests.

Group's material use by volume in 2017 (%)



Group's total material use

1,000 metric tonnes	2017	2016	2015
Total material usage	1,380	1,222	1,027
Renewable materials used	910	800	735
Non-renewable materials used	470	423	292
Share of renewable materials, %	66	65	72

Energy

We are continuously looking for ways to improve our energy efficiency. Our approach is supported by the Lean Six Sigma toolset, which is used to identify opportunities for improvement. It also helps in increasing awareness of the importance of saving energy at manufacturing units.

G4-EN3 Energy consumption within your organization

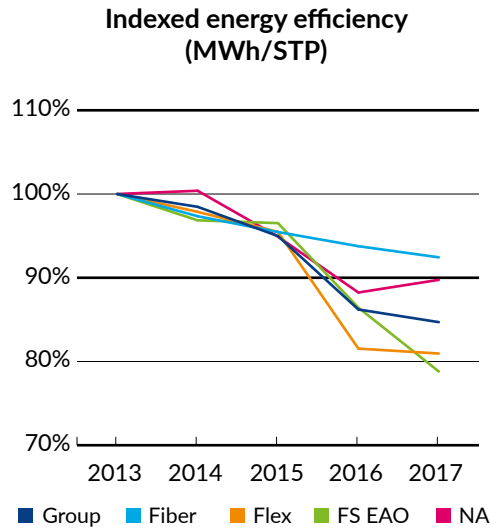
G4-EN5 Energy intensity

G4-EN6 Reduction of energy consumption

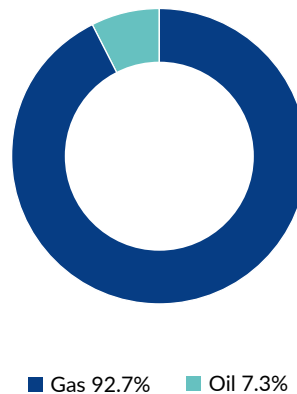
We use both primary energy sources (fuel) and secondary energy (electricity and heat) in our operations. In 2017, our energy efficiency improved by 2% compared to 2016. Energy consumption per sellable tonne produced (STP) was 2.10 MWh/STP (2016: 2.14 MWh/STP).

Driven by the organic and acquisitive growth of our business, our total energy consumption in 2017 increased to 2,177 GWh (2016: 2,069 GWh). Consumption of primary energy, which is mainly used in the drying process of post-consumer recycled fiber-based packaging, was 996 GWh (2016: 941 GWh). Consumption of secondary energy in 2017 was 1,181 GWh (2016: 1,128 GWh). The main source of secondary energy was electricity, which accounted for 98% (2016: 99%) of the total consumption.

Our energy efficiency in relation to production output has improved by 15% over the past five years.



Group's fuel consumption in 2017 (%)



Water

In our operations water is mainly used in the fiber packaging manufacturing and as cooling water. The amount of water used is fairly limited, but due to scarce water resources globally, we consider water as a material aspect in our corporate responsibility agenda. During 2017 we used Aqueduct, the World Resources Institute's water risk mapping tool to investigate the possible water risk at our manufacturing units. We found that three of our sites are located in the areas of the "highest physical risk", however when corrected for the relatively low volume of water consumed by these three sites, their overall water risk is low to medium.

G4-EN8 Total water withdrawal by source

Our fresh water intake in 2017 grew to 9.1 million m³ (2016: 9.0 million m³), driven by the organic and acquisitive growth of our business. At the same time, the water efficiency of the Group improved as water intake in relation to manufacturing output decreased 6%. Most of our water intake is surface water, 49%. The most water-intensive business at Huhtamaki is rough molded fiber packaging manufacturing; however, water is efficiently circulated in the manufacturing process.

Group's water withdrawal by source

million m ³	2017		2016		2015	
Groundwater	1.1	13%	1.2	13%	1.4	16%
Surface water	4.5	49%	4.4	49%	4.1	48%
Municipal supply	3.5	38%	3.4	38%	3.1	36%
Total	9.1	100%	9.0	100%	8.5	100%

Emissions

As greenhouse gas emissions are one of the main negative environmental impacts of our manufacturing operations, we continuously work to improve our energy efficiency to reduce emissions to air. Our manufacturing units are governed by applicable environmental permits, which set limits for emissions to air. Our most significant emissions to air are carbon dioxide (CO₂) and volatile organic compounds (VOC).

G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)

G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)

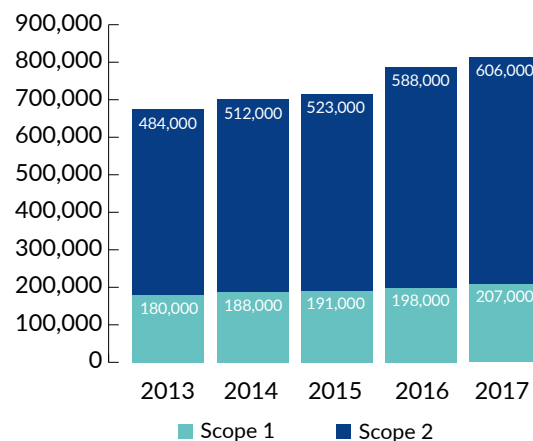
G4-EN18 Greenhouse gas (GHG) emissions intensity

G4-EN19 Reduction of greenhouse gas (GHG)

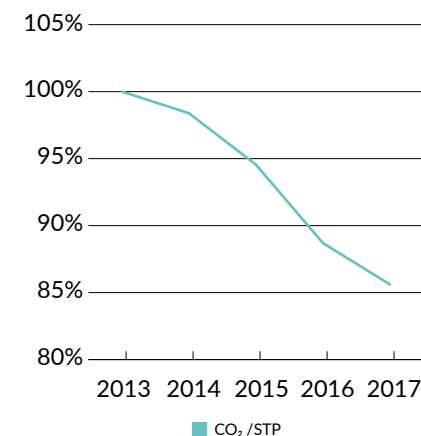
Two thirds of total greenhouse gas emissions generated from our operations originate from purchased electricity. The indirect CO₂ emissions are highly dependent on the mix of the energy sources available in the operating countries' national energy grids.

Our emissions of Volatile Organic Compounds (VOC) are mainly related to solvent-based printing inks. Our manufacturing units with recognizable VOC emissions have installed either a VOC incinerator or a VOC recovery unit. The recovery system enables

Group's total greenhouse gas emissions (metric tonnes CO₂ eqv)



Indexed CO₂ / STP



Our total CO₂ emissions per sellable tonne produced have decreased 14% during the last five years.

recycling and reuse of the solvent used in printing inks. We also use water-based printing inks, which are solvent free and do not result in VOC emissions. In 2017, 14% (2016: 11%) of printing inks used in the Group was water-based.

Waste

The main waste streams in our processes are cutting waste from paperboard packaging manufacturing as well as by-products from the fiber pulping process. Together they cover approximately two thirds of all our manufacturing waste. Cutting waste from our paperboard packaging manufacturing is either recycled as a raw material for fiber packaging inside the Group or sent for external recycling. In general, waste recovery is either internal or external recycling or incineration with energy recovery.

Group's weight of waste by type and disposal method

metric tonnes	2017	2016	2015	2014	2013
Landfill	22,000	19,000	19,000	20,000	18,000
Recycled	153,000	135,000	115,000	110,000	101,000
Energy recovery (incineration)	14,000	17,000	17,000	14,000	14,000
Total	190,000	171,000	151,000	144,000	133,000
Hazardous waste total, (% of total waste)	6,700 (4%)	5,400 (3%)	4,300 (3%)	4,500 (3%)	4,200 (3%)
Material recovery	81%	79%	76%	76%	76%
Material and energy recovery	88%	89%	87%	86%	87%

G4-EN23 Total weight of waste by type and disposal method

As a result of the organic and acquisitive growth of the Group, the total amount of waste increased 11%. The amount of hazardous waste represented 4% (2016: 3%) of the total waste amount. Hazardous waste was treated locally by dedicated hazardous waste handlers in line with local regulatory requirements.

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)

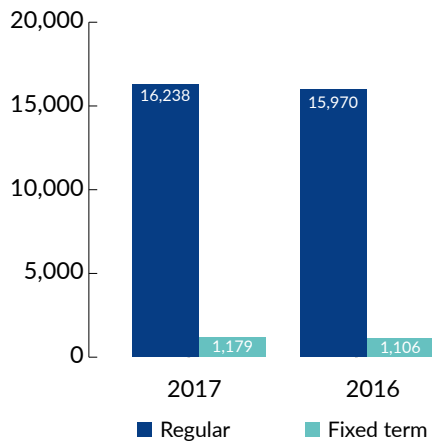
The foundation for our People strategy lies in our values, Code of Conduct and commonly defined Huhtamaki behaviors. The objective of the People Strategy is to support the execution

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,

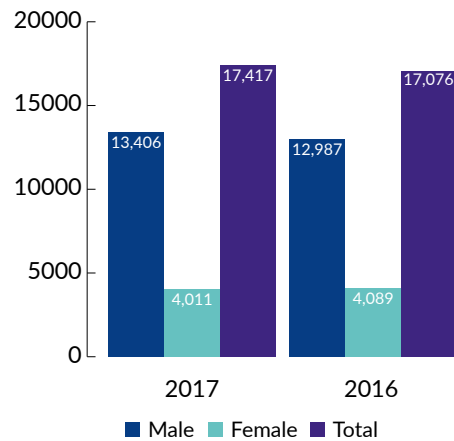
fostering excellent internal communications as well as ensuring systematic performance and talent management and succession planning.

G4-10 Total number of employees, Employees by employment contract type, Employees by gender

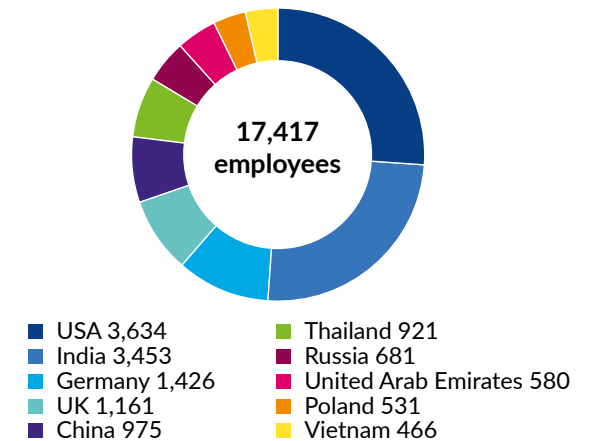
Employees by employment contract type



Employees by gender



Largest countries by number of employees in 2017



Workplace safety

All manufacturing units monitor safety on a monthly basis and performance is assessed against targets. The main occupational health and safety indicators include lost time injuries (LTI) and near misses. Incidents are reported within 24 hours from occurrence to the unit's Human Resources, Plant Manager, segment-level Health & Safety Manager and the Executive Vice President heading the segment. At Group level, health and safety data is consolidated through a globally implemented reporting tool, which is also used to upload incident reports. Group and segment health and safety KPIs are reported to the Board of Directors and the Global Executive Team on a quarterly basis.

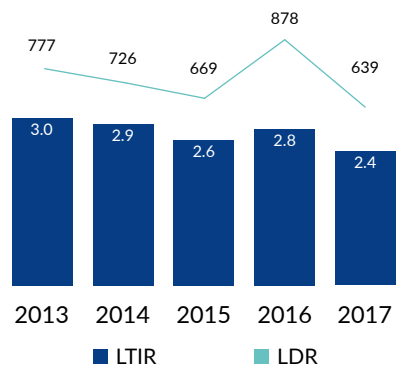
Our improved Lost Time Incident Rate shows we continue to make improvements in our health and safety practices. Despite this, we unfortunately experienced a workplace fatality of a contractor in India. As part of our updated corporate responsibility agenda, we have set up a cross-segment working group to strengthen occupational health and safety for all employees, contractors and visitors. This working group meets on a monthly basis and reports to the Global Executive Team.

Incidents or injuries are carefully investigated, including a root cause analysis and a plan for development actions. Findings from the individual incident reports and corrective measures taken are distributed across the segments for benchmarking purposes.

G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

The number of incidents or injuries at work resulting in an absence of at least one shift (the lost time incident rate, LTIR) improved to 2.4 (2016: 2.8) per one million hours worked. The number of incidents decreased to 81 (2016: 89) and the lost day (LDR) rate (hours lost for every million hours worked) decreased to 639 from 878 in 2016. Typical causes for incidents in 2017 were contact with moving machinery or equipment, as well as slips and lifting or carrying boxes.

Incident frequency and severity 2013-2017, Group



Incidents and fatalities, Group

	2017	2016	2015	2014	2013
LTIs	81	89	76	68	70
Fatalities	1	-	-	-	-

Incident rate and severity 2017, business segments

	FS EAO	NA	FLEX	FIBER
LTIR	3.3	4.1	1.1	3.4
LDR	708	1,193	239	1,433

LTI = Lost time incident, an accident or an incident that causes the employee a miss of at least one working shift.

LTIR = Lost time incident frequency per million hours worked

LDR = Lost day rate, hours lost per million hours worked

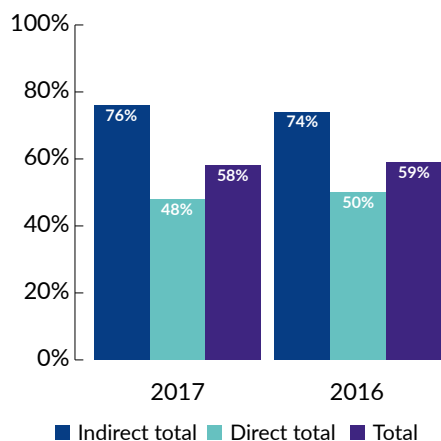
Professional development

Huhtamaki leadership competencies were defined in 2016 to determine leadership behavior that will best support achieving our strategic goals. During 2017, the competency model has been integrated into people practices and processes. The objective is to establish consistency and accountability for leadership behaviors across Huhtamaki. As a result, all leaders know what kind of leadership behavior is expected from them and can evaluate how well they perform on the different competency areas. We have also strengthened our management succession planning by identifying and developing internal candidates for leadership and other key roles.

G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

An annual process including objectives setting, performance review as well as training and development planning is mostly in place for indirect employees. For direct employees the target setting and review process is in place for 48% of the target population.

Performance reviews conducted



Working conditions

In 2016 we established Huhtamaki global working conditions requirements to cover ethics, employment and workplace health and safety practices. The requirements apply to all business units. In 2017 we arranged 11 regional workshops for local managers and HR and Health & Safety professionals. The workshop provided participants with knowledge and tools to begin implementing the continuous improvement program for working conditions in their business units.

G4-11 Percentage of total employees covered by collective bargaining agreement

In 2017, 43% (2016: 39%) of the Group's employees were covered by collective bargaining agreements. Huhtamaki recognizes employees' right to join or not to join organizations of their own choice, according to local laws.

G4-LA1 Employee turnover

The Group's turnover rate measured by employees left in relation to total number of employees was 21% (2016: 20%) in 2017. Turnover rate includes employees who have left due to voluntary resignation, dismissal, lay-off, closing of business, retirement or death.

G4- LA12 Composition of governance bodies and breakdown of employees per employee category according to gender and age group

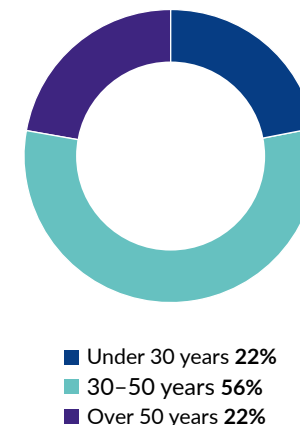
Composition of governance bodies – Gender

	MALE	FEMALE
Board of Directors	63%	37%
Global Executive Team	88%	12%

Composition of governance bodies – Age

	30-50 YEARS	OVER 50 YEARS
Board of Directors	-	100%
Global Executive Team	38%	62%

Breakdown of all employees – Age



Employee engagement

Our global employee engagement survey is conducted every second year to identify the key areas that affect the employee engagement at Huhtamaki. 80 % of our employees responded in the survey in September 2017 (the response rate being 76% in 2015). The index referring to employee engagement was 69% (65% in 2015), our ambition level being at 70%. Based on the survey, we feel encouraged to see that our activities have resulted positive impact to key engagement indices.

Economic responsibility

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.

Huhtamaki as a tax payer

Our aim is to run profitable business in all of the locations where we operate. We are committed to paying all taxes and complying with other related obligations according to local laws and regulations. Moreover, the Huhtamaki values, the requirements of our Code of Conduct and the Huhtamaki Supplier Code transcend national boundaries and complement the framework for our business operations. At the end of 2017 we published a global tax strategy, which is available on our website.

One part of our operating principles is to ensure the predictability and optimization of taxation. In addition to ensuring that taxes

are paid correctly in all locations, we also seek to ensure that we do not pay excess taxes and that we capitalize on tax deductions enabled by local tax regulations. The Group's tax expenses in 2017 increased to EUR 50 million (2016: EUR 48 million) and paid taxes were EUR 44 million (2016: EUR 51 million). The corresponding tax rate was 20% (2016: 20%).

In intercompany business transactions, we comply with the OECD guidelines on transfer pricing. Intersegment net sales were EUR 17 million (2016: EUR 18 million), less than 1% of the Group's net sales. Our business decisions are made keeping our strategy, financial ambitions and commercial environment in mind whilst at the same time aiming to serve our customers better. While taxation is one factor to be taken into account, it is not a dominant factor.

G4-EC1 Direct economic value generated and distributed

EUR million		2017	2016
Customers	Net sales	2,989	2,865
Suppliers	Purchases	1,744	1,646
Economic value generated		1,245	1,219
Personnel	Personnel expenses	616	596
Shareholders	Dividends	76	69
Debt investors	Net financial expenses	18	27
Public sector	Taxes	50	48
Economic value distributed		760	740
Economic value retained in the Group		485	479

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

OUR AMBITION : The preferred global food packaging brand

CREATING VALUE FOR STAKEHOLDERS

INPUTS

NATURE

- Main raw materials use in 2017:
 - Renewable 66%
 - Non-renewable 34%
- Energy 2,177 GWh
- Water 9.1 million m³

OPERATIONAL

- Global footprint: 76 manufacturing units in 34 countries

INTELLECTUAL

- Immaterial rights, patents
- Brand & reputation

HUMAN

- Competence and know-how of 17,400 employees

SOCIAL

- Key stakeholder relationships
- Collaboration with key customers & suppliers

FINANCIALS 2017

- Equity M€ 1.208
- Net debt M€ 698

OUR ACTIVITIES

CONVERSION TO PACKAGING

- Raw material sourcing
- Manufacturing
- Delivery

INNOVATIONS

- Packaging design and functionality
- New product development

RESOURCE EFFICIENCY

- Material usage
- Energy: 15% improvement in energy efficiency in 2013-2017

LEADERSHIP AND MANAGEMENT

- Strive for excellence and collaboration between our four segments and centralized functions to benefit our customers
- Workplace safety improved 21%* in 2013-2017
*Lost time incident rate decreased from 3.0 to 2.4 (2013-2017)
- Guiding principles and systems (e.g. Code of Conduct)
- Continuous improvement (Lean Six Sigma)

GROWTH INVESTMENTS 2013-2017

- Growing both organically and through acquisitions
- Capital expenditure M€ 809
- Acquisition spend M€ 473

OUTPUTS

SAFE, CONVENIENT AND FIT-FOR-PURPOSE CONSUMER PACKAGING E.G.

- Cups, plates, bowls and folded cartons for foodservice products
- Laminates, pouches and labels for food and personal care
- Molded fiber packaging for eggs and fruit

INTELLECTUAL

- Immaterial rights, patents
- Customer survey
- Net average selling price

EMISSIONS AND WASTE

- Relative GHG emissions reduced 14% in 2013-2017
- Process water discharges
- Waste in 2017
 - 88% for recovery
 - 12% to landfill

NEW MANUFACTURING ASSETS

- Through investments and acquisitions

ECONOMIC VALUE GENERATED IN 2017

- Gross profit M€ 506

IMPACTS

NATURE

- Reducing food waste with fit-for-purpose packaging
- Replacing non-renewable materials with alternative renewable materials
- Impact on climate change from
 - manufacturing operations
 - waste to landfill

CUSTOMERS

- Product and design innovations support our customers' future growth
- Extended shelf life and increased preservability

INTELLECTUAL

- Huhtamaki brand value

HUMAN

- Increased know-how through learning
- Job opportunities
- Employee engagement
- Value for local communities

SOCIAL

- Customer satisfaction
- 2/3 of suppliers covered by the Code of Conduct for Huhtamaki Group suppliers

FINANCIAL ECONOMIC VALUE DISTRIBUTED IN 2017

- Profit M€ 197
- Wages & benefits M€ 616
- Interests M€ 18
- Taxes and similar M€ 50
- Dividends M€ 76

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.

Managing corporate responsibility

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.

Our commitments

Respecting the environment and the communities where we operate is important for Huhtamaki, who is a signatory to the International Chamber of Commerce (ICC) Business Charter for Sustainable Development. We also follow the International Labor Organization (ILO) Principles and are committed to not using any child, forced or involuntary labor.

In 2017, Huhtamaki was a member of the following key associations:

- Confederation of Finnish Industries (EK)
- European Bioplastics
- European Moulded Fibre Association (EMFA)
- European Organization of Packaging and the Environment (EUROPEN)
- Flexible Packaging Europe
- Finnish Business and Society (FIBS)
- Foodservice Packaging Institute (FPI)
- Forest Stewardship Council (FSC)
- Industry Council for Research on Packaging and the Environment (INCPEN)
- Industrievereinigung für Lebensmitteltechnologie und Verpackung (IVLV)
- International Chamber of Commerce ICC
- International Foodservice Manufacturers Association (IFMA)
- International Molded Fiber Association (IMFA)
- Pack2Go Europe
- Programme for the Endorsement of Forest Certification (PEFC)
- Sustainable Forestry Initiative (SFI)

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.

In addition to management principles and systems, Lean Six Sigma methodology is used to implement business excellence primarily in manufacturing operations, but also in other functions throughout the Group since 2006. At the end of 2017, we had more than 105 trained black belts and more than 358 trained green belts working actively with Lean Six Sigma.

In 2017 we held a corporate responsibility-related workshop at Huhtamaki's annual Black Belt Trade Fair. The purpose of the workshop was to accelerate energy efficiency by identifying and disseminating best practices. The focus for 2018 will be on reapplying these learnings on the site level.

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.

More information on corporate governance, including a description of the governance structure and processes, can be found in the Corporate Governance Statement 2017 (part of the Annual Accounts 2017) and from our website www.huhtamaki.com.

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.

We are committed to high ethical practices and standards

The Huhtamaki Group Code of Conduct sets the standards for ethical behavior for all our employees whenever they act on behalf of our Group companies. The Code is designed to provide a broad and clear understanding of the minimum conduct standards expected of every employee wherever we do business. The Code is based on the Huhtamaki values and describes our company culture, commonly accepted practices and our commitment to comply with laws and regulations. Furthermore, the Code should encourage employees to think and discuss how to further develop and extend practices that reflect high ethical standards - to live up to the Huhtamaki values.

Our Code of Conduct covers, for example, topics related to compliance with laws, anti-corruption, conflicts of interest, fair competition, procurement and the rights of employees. The public summary of the Code is available on our website. The Code of Conduct was last amended in 2012-2013.

Huhtamaki is committed to complying with laws and regulations and to acting in accordance with commonly accepted best practices. Violations of any laws or regulations, including any participation in illegal acts or unethical business dealings, are not accepted. Although laws differ between countries, the Huhtamaki values and the requirements of our Code of Conduct transcend national boundaries. It is acceptable to adopt country-specific policies or other sets of rules or guidelines that are stricter than the requirements of the Code. Practices that fall short of the Code are not allowed.

Code of Conduct training

The Code of Conduct is an integral part of induction when new employees start to work at Huhtamaki. The aim of our Code of Conduct training is that all employees are exposed to and refreshed on the Code regularly. The forms of training include face-to-face training sessions, e-learning and campaigns. The e-learning training program on the Code was launched in 2015 and repeated in 2016. Huhtamaki follows the implementation of the Code of Conduct on a continuous basis.

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.

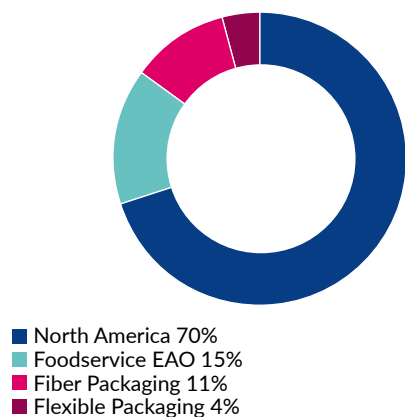
Huhtamaki's global compliance training program continued in 2017. During the year, face-to-face training sessions on anti-corruption and competition compliance were conducted for the employees in three manufacturing units in India, Poland and Saudi Arabia. The annual competition compliance e-learning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

Grievances reported through the whistle-blowing system

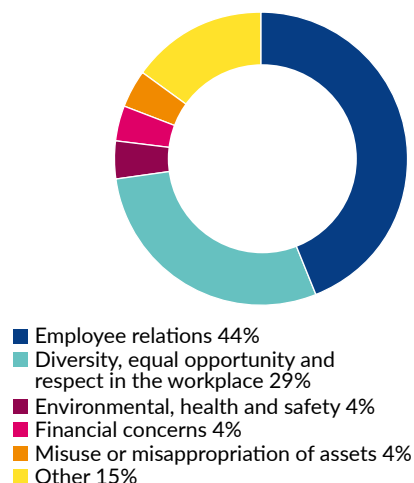
If an employee finds out that another employee has violated the Huhtamaki Code of Conduct, any other policies of Huhtamaki or any laws or regulations, the employee is expected to report the violation. As a preferred option, employees are encouraged to contact their manager, one-over manager or a local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

This Huhtamaki GRI Performance Review 2017 (GRI Review) is prepared in accordance with the Core option of the Global Reporting Initiative (GRI) G4 Guidelines. Based on our materiality analysis, we have reported GRI G4 indicators that are the most material to us and our stakeholders. The indicators listed in the GRI index in this report have been externally assured by DNV GL Business Assurance, an independent third party. The assurance report is attached to this report. The Global Executive Team will review the observations and recommendations related to the external assurance of this report.

This GRI Review provides information on Huhtamaki's corporate responsibility performance in the period January 1 – December 31, 2017. The previous report was published in April 2017. The corporate responsibility report, non-financial information report and financial statements are published annually by calendar year.

In addition to the externally assured GRI G4 indicators, this report includes certain information and data on our corporate responsibility performance that has not been assured externally.

Report boundaries

This GRI Review follows the same consolidation principles as Huhtamaki Financial Statements 2017 and covers all four reporting segments. To be aligned with the Group's financial reporting principles, the GRI indicators have not been reported based on geographical split, while certain indicators are reported per business segment.

HUHTAMAKI CORPORATE THEMES	IDENTIFIED MATERIAL ASPECTS	MATERIAL GRI ASPECTS G4-19	GRI ASPECT BOUNDARY G4-20, G4-21
Packaging we make	Product safety	Customer health and safety	Huhtamaki Group
	Life-cycle analysis and material use	Products and services	Huhtamaki Group
	Customer satisfaction	Product and service labelling	Huhtamaki Group
Our supply chain	Procurement practices and supplier assessment	Procurement practices	Group's Key suppliers
Our manufacturing operations	Material and energy efficiency	Materials	Huhtamaki Group manufacturing units, sales offices excluded
		Energy	Huhtamaki Group manufacturing units, sales offices excluded
	Emissions	Emissions	Huhtamaki Group manufacturing units, sales offices excluded
	Waste recovery	Effluents and waste	Huhtamaki Group manufacturing units, sales offices excluded
	Water use	Water	Huhtamaki Group manufacturing units, sales offices excluded
People	Workplace safety	Occupational health and safety	Huhtamaki Group
	Professional development	Training and education	Huhtamaki Group
	Working conditions	Employment	Huhtamaki Group
		Diversity and equal opportunity	Huhtamaki Group

The supply chain-related indicator covers the ten most important suppliers from each segment ranked by annual spend. Previously this indicator covered the Group's key suppliers for significant locations of operations, a total of approximately 20 suppliers. Thus, the figure for the comparison period is not comparable with the 2017 figure. Each key supplier may consist of several business and/or legal units in different locations.

For environmental indicators metric tonnes are used. The 2017 environmental efficiency indicators for energy (indicators G4-EN5 and G4-EN6), greenhouse gas (GHG) emission (indicator G4-EN18) and water consumption per sellable tonne produced (G4-EN8) exclude printing cylinder manufacturing and label units. Material usage (G4-EN1) indicator's scope has been enlarged to cover packaging materials. GHG -emissions (G4-EN 15, G4-EN 16 and G4-EN 18) calculation changed in 2017, 2013-2017 restated according the new calculation rule.

Social indicators have not been reported by gender where the difference between genders was not considered material. In addition, absenteeism is excluded from the consolidated data.

Data collection and measurement

For the indicators reported in this report, data collection practices have been reviewed and defined. Environmental as well as health and safety performance is monitored by a corporate responsibility management system built for the purpose, in which the manufacturing units regularly submit information. The reporting sequence varies from monthly to annual depending on the indicator.

The greenhouse gas emission calculations are based on guidelines provided by the Greenhouse Gas Protocol of the World Resource Institute and the World Business Council for

Sustainable Development. The emission factors used for scope 1 emissions are reported according to: GHG Protocol/IEA (2016), and for district heating/cooling GaBi (2016). Scope 2 emissions for purchased electricity are calculated using location based method with national emission factors provided by GHG Protocol/IEA (2016).

People-related data is collected separately from the business units and consolidated on Group level. Supply chain related data is monitored by a risk assessment system built for the purpose. Information related to the number of employees and the value of purchases originates from the financial reporting process.

Independent Limited Assurance Report to the Management of Huhtamaki Oyj

Scope of Engagement

Huhtamaki Oyj (“Huhtamaki”) commissioned **DNV GL Business Assurance Finland OY/AB** (“DNV GL”) to conduct a limited assurance engagement over the performance indicators presented in the Huhtamaki Corporate Responsibility Report, GRI Performance Review 2017 (“Report”) for the reporting period 1st January to 31st December 2017.

Selected Information

The scope and boundary of our work is restricted to the key sustainability performance indicators and metrics included within the Report (the “Selected Information”), listed below:

- G4-EC1 Direct economic value generated and distributed (€)
- Share of key suppliers covered by Group Supplier Code of Conduct (%)
- G4-EN1 Materials used by weight or volume (t)
- G4-EN2 Percentage of materials used that are recycled input materials (%)
- G4-EN3 Energy consumption within the organization (GWh)
- G4-EN5 Energy intensity (%)
- G4-EN6 Reduction of energy consumption (%)
- G4-EN8 Total water withdrawal by source (m3)
- G4-EN15 Direct greenhouse gas (GHG) emissions (scope 1) (tCO2e)
- G4-EN16 Indirect GHG emissions (scope 2) (tCO2e)
- G4-EN18 Greenhouse gas emissions intensity (%)
- G4-EN19 Reduction of GHG emissions (%)
- G4-EN23 Total weight of waste by type and disposal method (t)
- G4-EN27 Extent of impact mitigation of environmental impacts of products and services
- G4-10 Total number of employees (number of)
- G4-11 Percentage of employees covered by collective bargaining agreement (%)

- G4-LA1 Employee turnover (%)
- G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities (number of)
- G4-LA11 Percentage of employees receiving regular performance and career development reviews (%)
- G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender and age group (%)
- G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement (%)
- G4-PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning
- the health and safety impacts of products and services during their life cycle (number of)
- G4-PR5 Results of surveys measuring customer satisfaction.

The location of Selected information in the Report is specified in the GRI content index.

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used Global Reporting Initiative’s sustainability reporting guidelines (GRI G4) and Huhtamaki’s reporting principles and scope, (the “Criteria”, see pages 25-26).

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on Huhtamaki’s website for the current reporting period.

Our conclusions

Based on the procedures we have performed and the evidence

we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria. We believe that the Report is in line with the “Core” requirements of the GRI G4 Guidelines.

This conclusion relates only to the Selected Information, and is to be read in the context of this Assurance Report, in particular the inherent limitations explained below.

Standard and level of assurance

We performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV GL applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less detailed than those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the

assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Assessing the appropriateness of the Criteria for the Selected Information;
 - Conducting interviews with Huhtamaki’s management to obtain an understanding of the data management systems and processes used to generate, aggregate and report the Selected Information;
 - Site visits to review process and systems for preparing site level data consolidated at Head Office at:
 - Huhtamaki Flexible Packaging Czech;
 - Huhtamaki Molded Fiber Franeker in the Netherlands; and
 - Huhtamaki NA Waterville in Maine, US.
- DNV GL was free to choose the sites on the basis of materiality;
- Reviewing data at source and following this through to consolidated Group data;
 - Reviewing whether the evidence, measurements, and scope of the Selected Information is prepared in accordance with the Criteria; and
 - Reviewing the Report and narrative accompanying the Selected Information in the Report with regard to the Criteria.
 - Evaluation of the disclosed information in the Report - both General and Specific Standard Disclosures – for ‘in accordance’ – Core reporting requirements of GRI G4.

Inherent limitations

Our assurance relies on the premise that the data and information provided by Huhtamaki to us as part of our review procedures have been provided in good faith. Because of the selective nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities may not have been

detected. Energy use data utilized in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for determining such data. Finally, the selection of different but acceptable measurement techniques may result in materially different measurements.

DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Report.

Our competence, independence and quality control

DNV GL established policies and procedures are designed to ensure that DNV GL, its personnel and – where applicable – others are subject to independence requirements (including personnel of other entities of DNV GL) maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals, whose members have not been involved in the development of any of the Criteria. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Responsibilities of the Management of Huhtamaki and DNV GL

The Management of Huhtamaki have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has

been prepared in accordance with the Criteria and to report to Huhtamaki in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

For and on behalf of DNV GL Business Assurance Finland OY/AB Espoo, Finland

19th March 2018

Mikael Niskala

Lead Auditor
DNV GL –
Business Assurance

Shaun Walden

Principal Consultant and
Reviewer DNV GL –
Business Assurance

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GRI Index

G4 GRI index		Reference
General Standard Disclosures		
STRATEGY AND ANALYSIS		
G4-1	Statement from the most senior decision-maker	Insights 2017 p. 3
G4-2	Key impacts, risks, and opportunities	Managing corporate responsibility
ORGANIZATIONAL PROFILE		
G4-3	Name of the organization	Huhtamäki Oyj
G4-4	Primary brands, products, and services	Corporate responsibility at Huhtamaki, Our purpose
G4-5	Location of the organization's headquarters	Espoo, Finland
G4-6	Countries where the organization operates	Reporting principles and scope; Annual Accounts 2017, p. 22
G4-7	Nature of ownership and legal form	Publicly listed company
G4-8	Markets served	Corporate responsibility at Huhtamaki, Our purpose
G4-9	Scale of the organization	Economic responsibility
G4-10	Total number of employees, Employees by employment contract type, Employees by gender	People
G4-11	Percentage of total employees covered by collective bargaining agreement	People, Working conditions
G4-12	Supply chain	Our supply chain
G4-13	Changes in size, structure, ownership or supply chain	Reporting principles and scope; Annual Accounts 2017, p. 23
G4-14	Precautionary approach	Managing corporate responsibility
G4-15	Endorsement of external initiatives	Managing corporate responsibility
G4-16	Memberships of associations	Managing corporate responsibility
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	Entities included in consolidated financial statement	Annual Accounts 2017, p. 47-48

G4 GRI index		Reference
G4-18	Process for defining report content and Aspect boundaries	Corporate responsibility at Huhtamaki, Material aspects
G4-19	Material aspects	Corporate responsibility at Huhtamaki, Material aspects, Reporting principles and scope
G4-20	Aspect boundary within the organization	Reporting principles and scope
G4-21	Aspect boundaries outside the organization	Reporting principles and scope
G4-22	Effect of any restatements of information provided in previous reports	Reporting principles and scope
G4-23	Significant changes from previous reporting periods	Reporting principles and scope
STAKEHOLDER ENGAGEMENT		
G4-24	Our key stakeholders	Stakeholder engagement
G4-25	Basis for identification and selection of stakeholders with whom to engage	Stakeholder engagement
G4-26	Our approach to stakeholder engagement	Stakeholder engagement
G4-27	Key topics and concerns raised in 2017	Stakeholder engagement
REPORT PROFILE		
G4-28	Reporting period	Reporting principles and scope
G4-29	Date of the most recent previous report	Reporting principles and scope
G4-30	Reporting cycle	Reporting principles and scope
G4-31	Contact point	Back cover
G4-32	GRI content index	GRI Index
G4-33	External assurance	Independent assurance statement
GOVERNANCE		
G4-34	The governance structure and committees	Managing corporate responsibility
G4-56	Values, principles, standards and norms of behavior	Managing corporate responsibility, Corporate responsibility at Huhtamaki, Our purpose

G4 GRI index		Reference
Specific Standard Disclosures		
ECONOMIC RESPONSIBILITY		
G4-EC1	Direct economic value generated and distributed	Economic responsibility
Procurement practices		
DMA	Management Approach on Procurement Practices	Managing corporate responsibility
Own KPI	Share of key suppliers covered by Group Supplier Code of Conduct	Our supply chain, Procurement practices and supplier assessments
ENVIRONMENTAL RESPONSIBILITY		
Materials		
DMA	Management Approach on Materials	Managing corporate responsibility
G4-EN1	Materials used by weight or volume	Our manufacturing operations, Materials
G4-EN2	Percentage of materials used that are recycled input materials	Our manufacturing operations, Materials
Energy		
DMA	Management Approach on Energy	Managing corporate responsibility
G4-EN3	Energy consumption within your organization	Our manufacturing operations, Energy
G4-EN5	Energy intensity	Our manufacturing operations, Energy
G4-EN6	Reduction of energy consumption	Our manufacturing operations, Energy
Water		
DMA	Management Approach on water	Managing corporate responsibility
G4-EN8	Total water withdrawal by source	Our manufacturing operations, Water
Emissions		
DMA	Management Approach on emissions	Managing corporate responsibility
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Our manufacturing operations, Emissions
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Our manufacturing operations, Emissions
G4-EN18	Greenhouse gas (GHG) emissions intensity	Our manufacturing operations, Emissions
G4-EN19	Reduction of greenhouse gas (GHG)	Our manufacturing operations, Emissions

G4 GRI index		Reference
Effluents and waste		
DMA	Management Approach on Effluents and Waste	Managing corporate responsibility
G4-EN23	Total weight of waste by type and disposal method	Our manufacturing operations, Waste
Products and services		
DMA	Management Approach on Products and Services	Managing corporate responsibility
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Packaging we make, Life cycle analysis and material use
SOCIAL RESPONSIBILITY		
Labor practices and decent work		
Employment		
DMA	Management Approach on Employment	Managing corporate responsibility
G4-LA1	Employee turnover	People, Working conditions
Occupational health and safety		
DMA	Management Approach on Occupational Health and Safety	Managing corporate responsibility
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	People, Workplace safety
Training and education		
DMA	Management Approach on Training and Education	Managing corporate responsibility
G4-LA11	G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	People, Professional development

G4 GRI index		Reference
Diversity and equal opportunity		
DMA	Management Approach on Diversity and Equal Opportunity	Managing corporate responsibility
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender and age group	People, Working conditions
SUB-CATEGORY PRODUCT RESPONSIBILITY		
Customer health and safety		
DMA	Management Approach on Customer Health and Safety	Managing corporate responsibility
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Packaging we make, Life cycle analysis and material use
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcome	Packaging we make, Product safety
Product and service labeling		
DMA	Management Approach on Product and Service Labeling	Managing corporate responsibility
G4-PR5	Results of surveys measuring customer satisfaction	Packaging we make, Customer satisfaction

Huhtamaki is a global specialist in packaging for food and drink. With our network of 76 manufacturing units and 24 sales offices in 34 countries, we're well placed to support our customers' growth wherever they operate. Mastering three distinctive packaging technologies, approximately 17,400 employees develop and make packaging that helps great products reach more people, more easily.

In 2017 our net sales totaled EUR 3.0 billion. The Group has its head office in Espoo, Finland and the parent company Huhtamäki Oyj is listed on Nasdaq Helsinki Ltd.

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