

THE MAGAZINE WITH INSIGHT
BUSINESSFOCUS

VRANCART CHAMPION FOR THE CIRCULAR ECONOMY



VRANCART, THE ROMANIAN PAPER AND CARDBOARD MANUFACTURER, IS INTENSIFYING ITS FOCUS ON SUSTAINABILITY AND PAPER WASTE MANAGEMENT.

CHAMPION FOR THE CIRCULAR ECONOMY

PROJECT MANAGED BY: ANDREW BOURKE

With four decades of experience, Vrancart Group is one of the main players in Romania in the corrugated cardboard and tissue paper sector. The Group, listed on the Bucharest Stock Exchange, operates via its four companies: Vrancart SA, Rom Paper, Vrancart Recycling and Ecorep Group, all involved in the paper production and recycling circuit, promoting paper waste management.

The formerly state-owned company established in the 1970s was acquired by an investment fund in 1989, setting a new direction. However, the development was not without its hurdles, says Eduard Popolan, CEO of the company's corrugated cardboard business unit: "When the current Managing Director, Mr Ionel Ciucloi, joined the company in 2014, he came into a loss-making business. Only a year later, the financial performance had improved significantly, and the company has been in the black ever since, steadily increasing profits each year. The whole company culture and spirit have changed, and the basis for our present leading market position has been firmly established."

Mr Popolan, who joined the company in 2018 after 15 years working for a multi-national group, Vrancart's current competitor, further enhanced the drive by increasing focus on technical capability and environmental awareness.

Speaking about recent developments, he says: "There are three elements that have inspired us to grow into one of the largest paper and cardboard producers in Romania - the trust of our partners; investments in high-performance equipment; and the teamwork of our dedicated staff across all our production plants."

Close cooperation with the company's trusted suppliers is also an important factor that has further enhanced Vrancart's position. An example is a technical collaboration with Euroink Group, helping Vrancart to reach higher graphic printing levels.

"From the business point of view, our main advantage is a high degree of flexibility and fast decision-making. If we see a market opportunity, we make the investment quickly, something which takes much longer for a large international group. >>



Eduard Popolan, CEO,
Corrugated Business Unit,
Vrancart Group.





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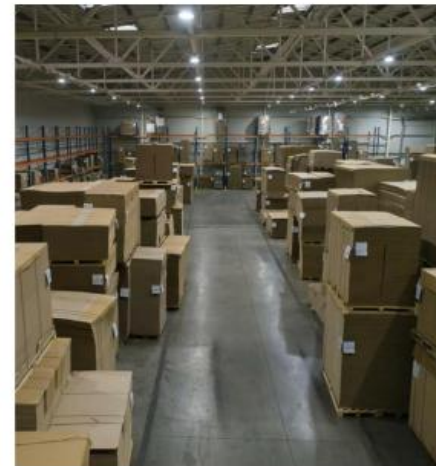
As such, we have been growing steadily in volume terms, heading towards Number One in the country, in line with Vrancart's mission to be the most important recycler of cellulose fibre-based materials in Romania.*

FOUR Pillars

The group companies are making the most of business synergies. Vrancart SA is the largest of the four, offering integrated services to bring packaging waste back to life, including collection, recycling, production and service.

The company operates via its three business units – a collection centre unit, managing 20 collecting points across Romania, specifically for paper and corrugated cardboard waste; a paper production unit with three paper plants; and a corrugated paper business unit.

The core products are corrugated paper made from cardboard waste; tissue paper from recycled materials and cellulose; cardboard and



corrugated packaging materials. The company also sells and services waste recycling equipment and is the only distributor in Romania of Kadant Paal and Presto technology used in the packaging sector.

Rom Paper, acquired in 2017 by Vrancart SA, is a major tissue paper processor in Romania, producing for private labels as well as selling its own brands nationally and internationally.

The most recent additions to the Group are Vrancart Recycling and Ecorep Group, both established in 2020 to further enhance Vrancart's environmental focus. Vrancart Recycling was founded to expand the core business of the recyclable waste collection division within Vrancart SA, and

Ecorep Group was set up with a view to helping the Group's customers meet extended producer responsibility (OIREP).

The entire Vrancart Group today employs some 1,200 people across its various plants and offices and is looking at increasing staff numbers to strengthen its two newest businesses. "We are one of the top three largest players in our sector in the local market, and the only 100% Romanian company, with the two other being multinational corporations," notes Mr Popolan.

GREEN INVESTMENT

The global shift towards a circular economy has increased in the past two years, in spite »



of the effects of the Covid-19 pandemic. Vrancart is one of the companies that have expanded their core businesses in line with this development.

This strategy continues in 2021 through greenfield investment, amounting to a total of €17 million, in waste collection and recycling capacity. About half of this will be funded by a government grant. The project will be placed in the new Vrancart Recycling company, with the aim of recycling plastic and wood, industrial ash and industrial waste – types of waste complementary to those currently recycled.

The new waste collection and recycling facility will be built in Adjud, on Vrancart's industrial platform, within two years. It is expected to employ 164 people and have an annual turnover of €8.5 million, and is set to benefit especially from the synergies within the group,



which owns, in addition to its production facilities, a network of collection centres in 17 cities.

According to Vrancart management, the investment will have a major impact on the local community by creating jobs, both within the production facility and for suppliers, and especially by increasing waste collection and processing capacity within the national recycling strategy, in line with European requirements.

"Vrancart is traditionally recognised as a paper and board maker but we are expanding the focus. The new facility

complements and expands the group's activity in this field in which Vrancart already has indisputable expertise. We appreciate the collaboration of the governmental authorities who, following the analysis of the financing request, decided to support this 100% Romanian project."

The investment will further boost Vrancart's already strong position in the domestic market, cementing its reputation as the operator of the largest national waste collection network, a leader in the paper industry, and a major contributor to the nation's circular economy. ♻️



LEADER IN PAPER AND CARDBOARD INDUSTRY

Over **four decades**
of experience in the field

KEY FIGURES:

- we **collect and recycle** over 40% of the paper and cardboard waste in Romania;
- over **100.000 tons** of paperboards per year;
- over **140 mil. sqm** of corrugated cardboard and corrugated cardboard packaging per year;
- over **30.000 tons** of tissue paper and tissue paper products per year;
- **service and sale** of waste collection equipment, we are the Romanian representative of the producers **PAAL** and **Presto**.



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VRANCART GROUP at a glance:



4 production sites:

Adjud, Târgu Mureș, Călimănești, Piatra-Neamț



6 lines of business:

paperboards, corrugated cardboard and corrugated cardboard packaging, tissue papers, waste collection, implementation of the producers extended liability, baling presses



>1350
employees



>72 mil eur
turnover in 2020



>2000
business partners



>30 awards
acknowledged
performance

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