

2021

# DPEF

Non-financial  
Performance  
Declaration



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EXACOMPTA CLAIREFONTAINE

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# FOREWORD

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This document sets out the way in which the Exacompta Clairefontaine Group takes account of the social and environmental impacts of its activities.

This statement of non-financial performance (*Déclaration de Performance Extra-Financière* or *DPEF* in French) is an integral part of the management report. The reporting period covers the year 2021 (1 January to 31 December), during which the Group generated consolidated revenue of €726,789,000.

All the Group's activities are included within the scope of this declaration, albeit with a particular focus placed on paper production operations, the business line to which the majority of the non-financial elements correspond.

In 2021, the Group:

- acquired **Loca Pub Imprimerie**: design and production of calendars;
- created **Digital Valley Portugal**: IT development services.

Due to the ongoing COVID-19 pandemic, the collection of 2021 data was disrupted as in the previous years. Some sites were unable to provide data on time or could provide only partial data. However, this does not impact the quality of this report as a whole.

The Group encourages measures designed to promote responsible food choices, prevent food insecurity and improve animal welfare, although it does not have direct responsibilities in these areas. These issues are therefore excluded from this report, as is the promotion of physical and sports activities.

In France, in companies with more than 11 employees, the social and economic committee (SEC) is the staff representative body.

For a number of years, dialogue with social partners, in particular trade union representatives, has enabled the conclusion and implementation of collective agreements in order to ensure the continuation of good working conditions and equal treatment.

At 31 December 2021, 121 agreements in force were recorded relating to issues including salary, working hours, health scheme funding and professional gender equality.

Site managers are responsible for implementing Group policy to ensure that their activities guarantee employee health and safety, help preserve the environment and promote regional development.

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# GROUP PRESENTATION

The Exacompta Clairefontaine Group engages in both the production and processing of paper, enabling it to control the quality of its products at each stage of the manufacturing process.

Its guiding principle is “make what you sell and sell what you make”. Apart from a few exceptions, the Group does not engage in resale or contract manufacturing.

Its strength lies in its reliance on iconic brands to win the loyalty of consumers and businesses through the Group’s quality policy.

## PRINCIPAL BUSINESS ACTIVITIES

### PRINTING AND WRITING PAPERS

**Papeteries de Clairefontaine** have manufactured printing and writing papers since 1858. With five machines operated across four sites, the Group produced around 279,000 tonnes in 2021 (gross tonnage). The qualitative positioning of these papers intended for office use, printing and the manufacture of stationery and filing items is overwhelmingly high-end.



*Since 2008, the consumption of paper and stationery has fallen due to the development of digital methods for recording and transferring data, as well as environmental campaigning. Due to the COVID crisis, European deliveries of printing and writing papers in 2021 were still 7% lower than in 2019.*

The main raw materials used by **Clairefontaine**, **Mandeure** and **Schut** consist of virgin or recycled pulp sourced on the world market. For its part, **Everbal** employs technology that enables it to produce 100 kg of paper from just 106 kg of waste paper.



*The Group’s papers compete with those produced by the large manufacturers who also produce their own pulp. These manufacturers have a structural advantage in terms of cost price and are not affected by fluctuations in commercial pulp prices.*

## STATIONERY

Production began in the late nineteenth century at the **Papeteries de Clairefontaine** site and in 1930 at **Exacompta**. This activity accounts for over 66% of the combined revenue of these two business sectors, making it a European leader in this field. Notebooks, notepads, prints, envelopes, registers and diaries - over the past 30 years production has been extended to include filing items, fine art and craft accessories and calendars. The Group's expertise also facilitates a service offering in printing.

Since 2014 the Group has worked to diversify its offer through the development of digital photos and associated services through the acquisition of **Photoweb**, **Invaders Corp (Lalalab)** and, most recently, **Fizzer**. It became a major player in the wrapping paper segment with the acquisition of **Eurowrap** in 2019.



*A significant proportion of stationery purchases are seasonal, resulting in variable costs for workshops and overstock that is costly in terms of space and cash flow.*

## MARKETS

The Exacompta Clairefontaine Group sells to paper resellers, printers and processing firms, office suppliers, retailers and supermarkets. These distribution operations are confined to the papers and stationery produced by the Group. The Group does not sell its products directly to consumers, with the exception of digital photography products.



*To maintain operations in the workshops whilst meeting customer requirements, it is necessary to manufacture an increasing number of product references, and the Group now lists more than 20,000. Cost-effective production series are decreasing, leading to an increase in the cost price.*

With regard to businesses and consumers, the Group prioritises the sale of products bearing its own brands, of which the best known cover multiple product categories such as:

- **Clairefontaine** - papers, notebooks, envelopes, fine art accessories;
- **Exacompta** - registers, snap-out sets, office articles and filing items.

Similarly, the **Quo Vadis** range of diaries and the **Rhodia** range of notepads are increasingly extensive.



## INDUSTRIAL ASSETS

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Quality is the backbone of the Group's paper production business and the factor that guarantees the long-term viability of its products, whether unprocessed paper sold in reels or reams or paper transformed into stationery at its own workshops with the same high standards.

The Group invests an average of almost €32 million per year (4-5% of revenue) in the development and/or renewal of its production, processing and distribution equipment.

In France, it engages in the skills development of its workforce with 1.3% of payroll allocated to continuous training.

Its research and development policy has a specific focus on the uniformity, brightness and coating of paper used for printing or specialised packaging; multiple tests are carried out on the five machines. The use of recycled fibres is a priority. The Group is also engaged in the development of new ranges of paper.

With regard to stationery, one of the workshops develops specialised equipment, while the design studios create innovative products. Finally, the **Photoweb** laboratory has cutting-edge customised digital applications.

## COMMERCIAL ASSETS

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Consumers are loyal to the Group's brands, which are a mark of the high quality of the products on which they appear. Effective communication campaigns further promote brand awareness. They account for 2.4% of the Group's consolidated revenue.

The Group operates sales networks dedicated exclusively to the sale of stationery and papers to supermarkets and stationery stores. The departments have sales delegates for visiting key accounts.

Exacompta Clairefontaine also has an online store, **Exaclair Shop**, dedicated to listed resellers.

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**EXACLAIR** *Shop*

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The Group operates five high-performance logistics platforms supporting delivery to its customers throughout Western Europe:

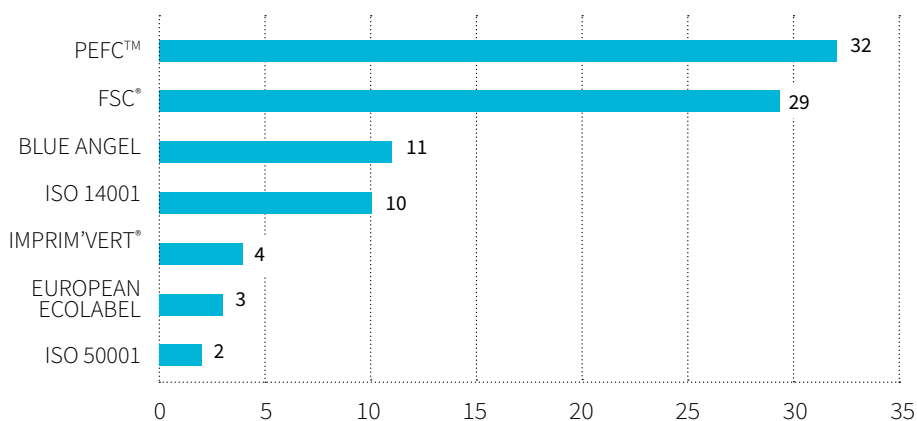
- Vémars (northern Paris) - **Exacompta**
- Ottmarsheim (Alsace) - **Clairefontaine Rhodia**
- Etival-Clairefontaine (Vosges) - **Papeteries de Clairefontaine**
- Carquefou (Loire-Atlantique) - **Quo Vadis**
- Wizernes (Pas-de-Calais) - **Papeteries Sill** with sale to the supermarket sector.

## ENVIRONMENTAL ASSETS

Special attention is paid to protecting the environment. In addition to compliance with regulatory obligations, a number of Group sites have obtained environmental certification:

- FSC® and PEFC™: chain of custody for the use of cellulose fibres from sustainably managed forests;
- Blue Angel: use of recycled plastic or fibrous materials limiting the use of dangerous substances;
- European Ecolabel: limiting water and atmospheric emissions in production, restricting the use of dangerous substances and greater energy efficiency;
- Imprim'Vert®, ISO 14001, ISO 50001: implementation of a structure to improve overall environmental production at its sites.

***Number of certified sites by standard***



*A number of costs borne by the Group have a negative impact on it vis-à-vis its European competitors. For example, for 2021 **Papeteries de Clairefontaine** paid almost €1.3 million to the extended producer responsibility (EPR) scheme as a seller of graphic paper on the market. This mandatory contribution does not exist in any other European country and foreign producers selling in France pass the cost on to distributors.*

## A LONG-TERM POLICY

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Etablissements Charles Nusse SA holds more than 80% of the capital of Exacompta Clairefontaine. The family holding company manages and controls the Group, enabling it to set a consistent long-term policy.

In a capital-intensive industry, the Group posts around three quarters of its consolidated earnings to reserves. Despite having a satisfactory cash flow situation, major internal and external investments are financed by long-term loans.

Exacompta Clairefontaine has a policy of fully owning all its subsidiaries, whether direct or indirect, in order to avoid the involvement of minority interests.

The Group is decentralised, with its five departments run by managers who share the same values and are capable of making quick decisions in line with the global policy.

With more than 160 years of history, the decisions taken thus far are testimony to the relevance of its strategic guidelines, which take particular account of its social and environmental responsibilities.

However, this does not stop the Exacompta Clairefontaine Group from approaching the issues described below as challenges to be met in order to safeguard its long-term viability:

- consumer trends and the increasing importance of digital technology, recently compounded by the COVID-19 pandemic,
- sustainable forest management, in terms of the use of resources, the preservation of biodiversity and support for the local population,
- the significant amount of energy consumed by paper production operations at a time when energy and climate transition is becoming increasingly important,
- the need to enhance control of water consumption and improve wastewater quality,
- safeguarding employee health and safety and managing and developing employee skills.

These priority issues, which do not comprise an exhaustive list, were identified in 2018 through a combination of:

- industry studies,
- benchmark studies conducted on identified best practices,
- industry questionnaires prepared by stakeholders (in particular the WWF),
- the support of an independent expert.



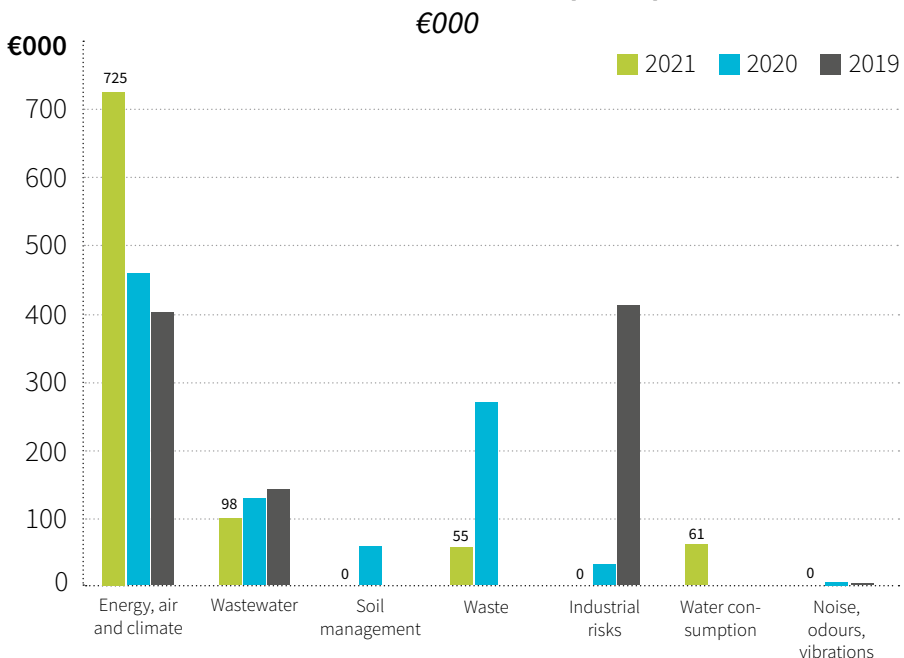
# ENVIRONMENTAL INFORMATION



# INVESTMENTS TO PROMOTE ENVIRONMENTAL PROTECTION

Each year, the Group invests in improving the environmental performance of its plants and supports a number of environmental protection initiatives. In 2021, the Group's main environmental investments amounted to €938,000. Over the last three years, the proportion of expenditure allocated to energy-saving measures has increased sharply. In 2021, it accounted for 77% of total investment. This highlights the Group's commitment to reducing its greenhouse gas emissions in order to protect the climate.

## ***Breakdown of investments per topic***



2021 case studies:

- energy savings and reduction of atmospheric emissions
  - **Claircell, Ernest Stadelmann, Exacompta, Falken, Quo Vadis:** replacement of old-generation lighting with LED;
  - **Papeteries de Clairefontaine:** replacement of the vacuum production system used by the envelope production workshop with less energy-intensive equipment, insulation work to limit heat loss;
  - **Falken:** use of 100% green power in 2021;
  - **Rainex:** new compressed air production plant with electronic speed control and heat recovery;
  - **Everbal:** control of paper machine dryer ventilation depending on the moisture of the air extracted;

- **Ernst Stadelmann:** installation of 100 kW of solar panels, purchase of a more energy-efficient plastic injection machine;
- wastewater treatment
  - **Papeteries de Clairefontaine:** replacement of the aeration turbines at the wastewater treatment plant to improve oxygenation in the biological treatment tank;
- waste management
  - **Exacompta, Rainex, Rolfax:** purchase of baling pressers to compact waste, streamline transport and facilitate recycling;
  - **Clairefontaine Rhodia:** purchase of collection equipment to facilitate sorting as close as possible to the workstations;
- water consumption
  - **Papeteries de Clairefontaine:** recovery and reuse of cooling water from a steam turbine, installation of smart meters to improve consumption monitoring.



*LED lighting in a warehouse*

# FINANCIAL PROVISIONS AND GUARANTEES

Since 1 July 2014, two of the Group's French paper mills have been required to provide financial guarantees for ensuring plant safety in the event of a shut-down. The amount of these guarantees is currently €233,000. This sum could be used, among other things, to cover residual environmental risk prior to site rehabilitation.

## RAW MATERIALS

The papers produced by the Group are primarily composed of cellulose fibres. The virgin pulp we use is produced from timber originating from sustainably managed forests. This policy is principally aimed at protecting biodiversity, ensuring the health and vitality of forests and preserving their socio-economic function.

Recycled fibres are also used to produce certain papers and **Everbal** has its own recycling technology.

The Group has obtained FSC® and PEFC™ certification for its chain of custody in order to guarantee the traceability of fibre sources.



La marque de la gestion forestière responsable



Promouvoir la gestion durable de la forêt  
pefc-france.org



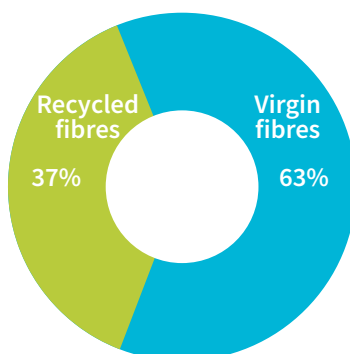
2025 target

*PAPER MILLS: Purchase 100% certified virgin fibre pulp.*

*→ Situation at 31/12/2021: 92.2%*

In 2021, the paper mills consumed 185,374 tonnes of virgin and recycled pulp fibre, compared to 211,186 tonnes in 2020. Process water at these plants is filtered to ensure that a maximum amount of fibres is recovered and fed back into the production circuit.

### Types of fibres used in paper production



Paper production also requires the use of starches, mineral fillers and various additives, which provide the colouring and commercial properties (e.g. printing, writing) that are expected of our manufactured products.

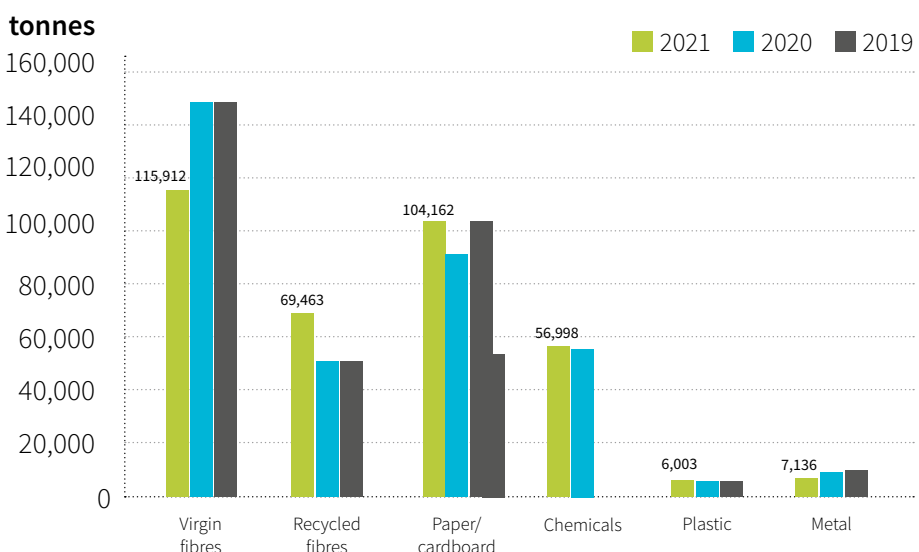
Retention agents are also used to improve the binding of additives to the fibres and thus reduce additive consumption.

A proportion of these papers are then used by the Group’s processing factories, where they are combined with other materials - card, greyboard, metal parts (eyelets, binder mechanisms, etc.), glues and inks - to make thousands of different types of exercise books, notepads, notebooks, diaries and filing items.

The Group also uses plastics, to which great attention is paid. By way of example, **Ernst Stadelmann** consumed around 1,700 tonnes of polystyrene (PS) and polypropylene (PP) granules in 2021 for manufacturing office equipment (drawer units, letter trays, etc.). Recycled granules accounted for 56% of supplies, thereby reducing the company’s environmental footprint.

Besides the important role it plays in ensuring customer satisfaction, quality control also provides a number of environmental benefits. Checking products at all stages of the production process allows us to identify quality issues at an early stage, avoid excessive consumption of raw materials and limit the amount of waste.

**Main raw materials\* (excluding packaging)**  
**used by the production sites**  
**(tonnes)**



\* Not all raw materials have been included due to differences in the unit of measurement (per unit, per m, per m<sup>2</sup>). Purchased finished items, generally multi-material, are not taken into account.

# “WASTE” MANAGEMENT

The development of the concept of the circular economy should ultimately lead to the replacement of the notion of “waste” by that of “secondary raw materials”, i.e. recovered materials that can be used as a partial substitute for virgin raw materials. In this sense, the paper industry is one of the drivers of the circular economy.

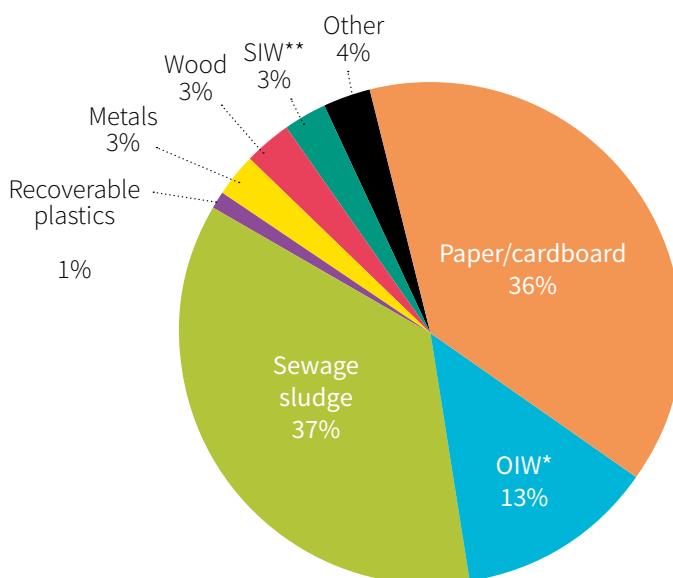
This principle is also applied by the Group. A large portion of the paper scrap collected by the processing plants is sent to the **Everbal** plant, which specialises in producing recycled paper.

By sorting other types of waste (plastic, metal, etc.), the Group promotes the recycling of these materials by specialised firms.

Sludge emanating from the paper mill water treatment plants is used for farming purposes whether or not it is subject to composting or methanisation operations. When collected waste cannot be recycled, it is sent to an energy recovery facility. As a last resort, waste products that cannot be reused are sent to specialised treatment centres for disposal. Our staff are regularly made aware of the importance of sorting waste in order to optimise our performance.

In 2021, a total of 38,638 tonnes of waste was generated by the Group’s activities, most of which was recovered.

**Waste - Breakdown per category**



\* OIW: Ordinary industrial waste (non-recyclable)

\*\* SIW: Special industrial waste (e.g. chemical residues)

## COMBATING FOOD WASTE

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Few Group companies have a collective catering service. Employees who eat lunch on site are personally responsible for their food. During the COVID-19 pandemic, a number of companies hired catering services offering daily delivery of ready meals in individual portions. In both cases, the risk of food waste is extremely low.

# ENERGY CONSUMPTION

The paper production process is relatively energy-intensive:

- fuel used to produce the steam required to dry paper,
- electricity used in fibre refining, the pumping of liquids and the operation of machinery.



*Energy price fluctuations may have a significant impact on the cost price.*

Paper mills have therefore long been taking steps to limit energy consumption (insulation of dryer hoods, using heat recovery for heating process water and premises, installing variable speed drives on engines, etc.).

The processing sites are also working on these issues by purchasing more energy-efficient equipment or by seeking ways to optimise the lighting and heating of premises.

The energy management systems implemented by **Papeteries de Clairefontaine** and **Falken** are ISO 50001 certified.

## FUEL (FIXED FACILITIES)

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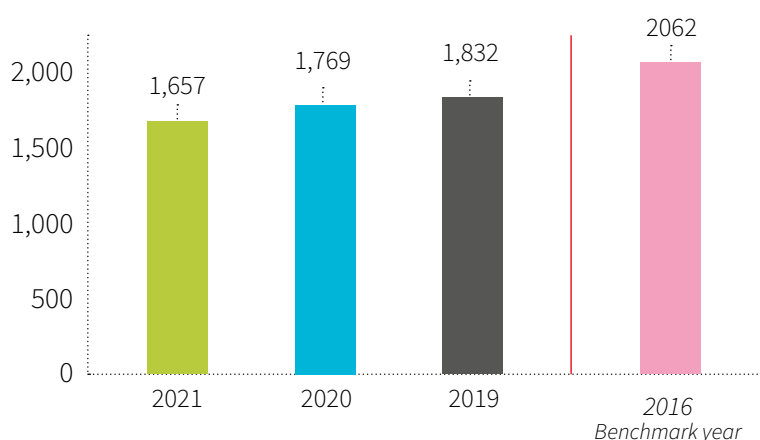
In 2021, the paper mills alone accounted for 98% of total Group fuel consumption.

Natural gas is the primary fuel consumed by our facilities. It is the fossil fuel that emits the least amount of pollutants during combustion.

With its two biomass boilers, **Everbal** only uses heavy fuel oil when the main boilers are undergoing maintenance.

For its part, the **Papeteries de Clairefontaine** thermal power plant operates on the basis of co-generation, enabling the simultaneous generation of steam and electricity. For this purpose, the plant is fitted with one gas turbine and two steam turbines.

**Average consumption at the paper mills**  
(NCV kWh/tonne of gross paper production)



**2025 target**

**PAPER MILLS:** Reduce the fuel consumption of fixed facilities by 20% compared to 2016.  
→ **Situation at 31/12/2021: -19.6%**

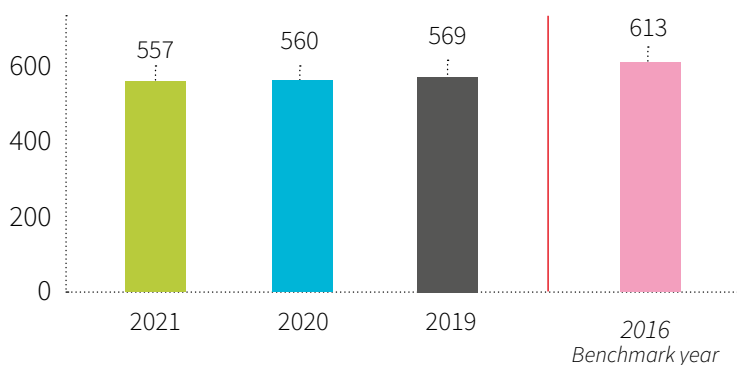
## ELECTRICITY

Only a few Group sites produce electricity (**Exclair Limited, Schut Papier, Ernst Stadelmann and Papeteries de Clairefontaine**).

As such, most of the electricity consumed comes from the national power grid.

In 2021, the Group's paper mills absorbed 86% of all the electricity consumed by the Group.

**Average consumption at the paper mills**  
(kWh/tonne of gross paper production)



**2025 target**

**PAPER MILLS:** Reduce electricity consumption by 10% compared to 2016.  
→ **Situation at 31/12/2021: -9.2%**



## USE OF RENEWABLE ENERGY

The Group uses renewable energy whenever possible in order to reduce the environmental impact of its activities, particularly with regard to climate change.

For this it uses:

- 2 biomass boilers (**Everbal**),
- the heat produced by an external biomass boiler (**Ernst Stadelmann**),
- geothermics (**Photoweb**),
- 1 hydroelectric turbine (**Papeteries de Clairefontaine**),
- solar panels (**Exclair Limited**, **Schut** and Ernst Stadelmann).

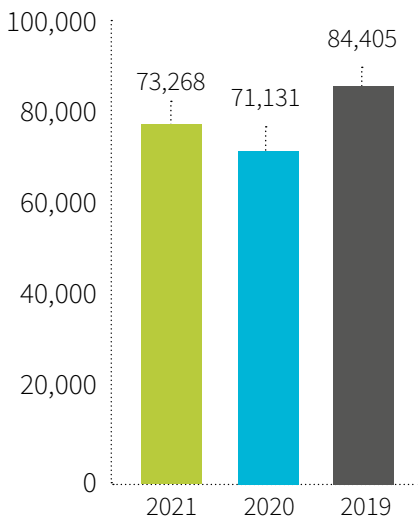
## ATMOSPHERIC EMISSIONS

### GREENHOUSE GASES

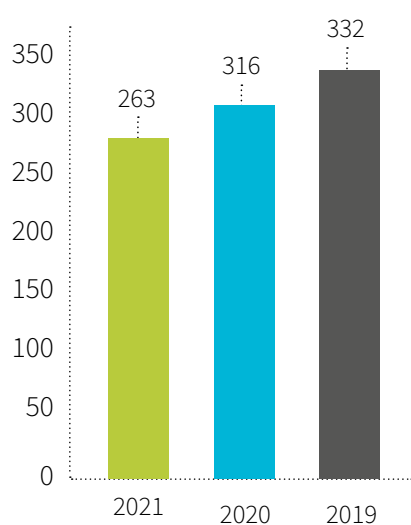
#### CARBON DIOXIDE (CO<sub>2</sub>)

Only the Group's three paper mills in France are subject to the European Union Emissions Trading System (EU ETS).

**Total CO<sub>2</sub> emissions declared as part of the EU ETS framework**  
(tonnes of CO<sub>2</sub>)



**Average emissions**  
(kg CO<sub>2</sub>/tonne of gross paper production)



*The free allowances of CO<sub>2</sub> received by the Group were reduced from 74,155 in 2013 to 57,919 in 2021. The missing emissions allowances are purchased on the European exchange market. The price increased from €4/allowance in December 2016 to €96/allowance in February 2022.*

One of the Exacompta Clairefontaine Group’s objectives is to reduce its CO<sub>2</sub> emissions from fossil fuels by investing in renewable energy and taking action to limit energy consumption.

**Papeteries de Clairefontaine** sends a portion of the CO<sub>2</sub> contained in the smoke generated by its boilers to a precipitated calcium carbonate (PCC) production facility. In 2021, as such 11,421 tonnes of CO<sub>2</sub> was consumed during the process and not emitted into the atmosphere. Following a change in the regulations, this exported CO<sub>2</sub> has been deducted from our emissions since 2020, which explains the sharp reduction seen in the charts on the previous page.

## MAIN CO<sub>2</sub> EMITTERS

Direct CO<sub>2</sub> emissions from fixed sources (including steam-generating combustion systems, heating of buildings and electricity production), mobile sources (handling equipment, company vehicles, trucks controlled by Group companies), as well as indirect emissions relating to mains electricity consumption, were taken into account.

Due to lack of data, emissions generated by the transportation of raw materials and finished products and by employee travel could not be assessed. Fixed combustion facilities are the main CO<sub>2</sub> emitters.

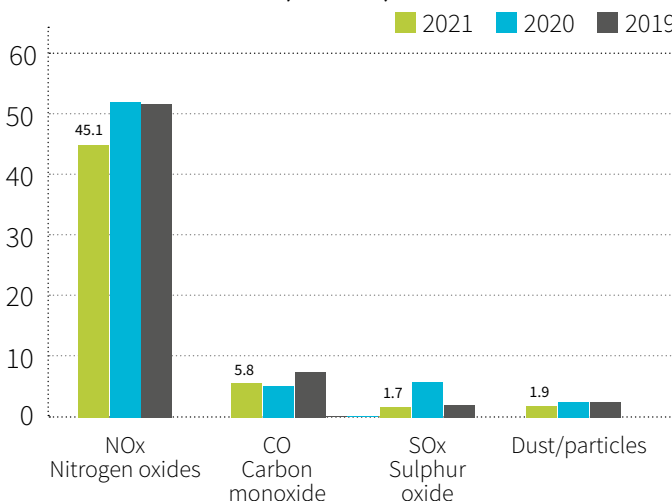
## OTHER GREENHOUSE GASES

Refrigerants used in the air-conditioning systems of four sites were responsible for releasing 194 kg of fluorinated gases into the atmosphere in 2021 (54.7 kg in 2020). The other Group companies did not identify any leaks or were unable to provide precise data on the matter.

## OTHER ATMOSPHERIC EMISSIONS

Only the Group’s three paper mills in France are required to regularly measure emissions from their boilers.

***Other atmospheric emissions from paper mills***  
(tonnes)



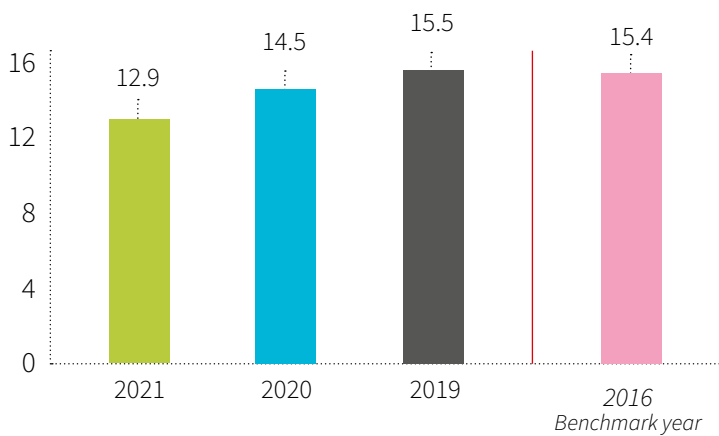
# WATER CONSUMPTION

Water is indispensable to the paper industry and it is essential that the supply of this resource is sustainable. Accordingly, the Exacompta Clairefontaine Group makes every effort to preserve the water supply and reduce its consumption.

The paper mills are the Group's biggest consumers of water. In 2021, they collectively accounted for 97% of total surface water and groundwater consumption, including drinking water. However, the vast majority of extracted water is returned to the natural environment after treatment.

The Group's plants have never been subjected to water restrictions, except for paper mills during severe droughts.

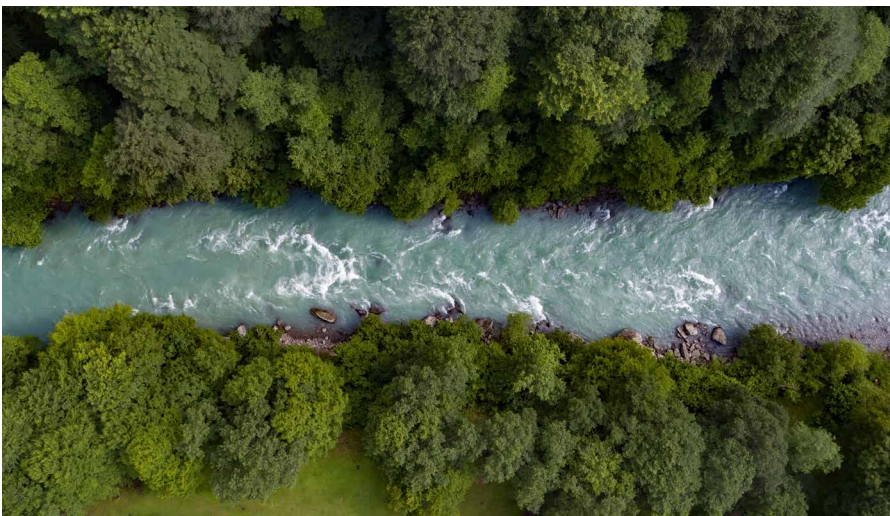
**Average water consumption at the Group's paper mills**  
(m<sup>3</sup>/tonne of gross paper production)



2025  
target

*PAPER MILLS: Reduce water consumption by 20% compared to 2016. (15.4 m<sup>3</sup>/tonne of gross paper production)*

**→ Situation at 31/12/2021: -16.3%**



# WATER DISCHARGE

The Group's paper mills are equipped with wastewater treatment plants enabling them to limit the amount of pollutants discharged into the natural environment.

They are the only sites that measure wastewater quality on a very regular basis, either daily or continuously for certain parameters.

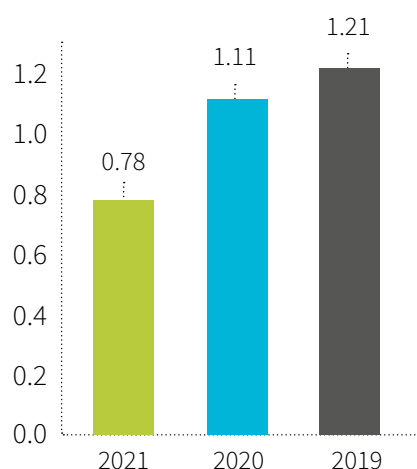
As the Group's other entities consume only a very small quantity of water, they are connected to municipal wastewater treatment plants or treat their effluent as special industrial waste.

## Paper mill emissions

**Volumes of discharged effluents**  
(m<sup>3</sup>/tonne of gross paper production)



**Discharge of COD\***  
(kg COD/tonne of gross paper production)



\* COD: Chemical Oxygen Demand

# SOIL MANAGEMENT

## AGRICULTURAL RECYCLING OF SEWAGE SLUDGE

The sludge generated by the treatment of effluent produced during the paper production process is generally directly reused in farming or previously converted into standardised compost (French standard NF U44-095). **Papeterie de Mandeuire** and **Papeteries de Clairefontaine** also use methanisation.

Paper mill sludge contains elements that have agronomic value which means that it can be used as a partial substitute for traditional chemical fertilisers.

The sludge is mostly recycled in agriculture as:

- organic soil amendment: rich in cellulose fibres, this type of sludge has a beneficial effect on soil structure;
- calcium soil amendment: one application provides on average a little over 2.5 tonnes of lime per hectare.

The concentration of metal trace elements (MTE) and trace organic compounds (TOC) in the sludge are well below the limits set by the regulation.

## SOIL MANAGEMENT AT GROUP SITES

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The average rate of soil sealing at the Group's industrial sites is around 52%.

These sealed surfaces include the buildings, thoroughfares and car parks. Open spaces consist of green areas, lagoon-type areas and land reserves.

Regulations require that all potentially hazardous products or waste at these sites be stored on retention shelving so that any spills can be contained, thereby reducing the risk of soil pollution.

Only two soil pollution surveys have been carried out on operational Group facilities, both in 2003. The first survey was conducted following an accidental break in an oil pipeline, while the second was carried out in relation to a former coaling station to assess potential pre-existing pollution.

## NOISE AND OTHER TYPES OF POLLUTION

Plant operations are conducted within closed buildings, thus limiting noise disturbance for local residents. Some sites are fitted with noise reduction systems (silencers and soundproof booths for high-noise machine sections).

Given that the paper mills have their own water treatment plants, unpleasant smells may very occasionally arise in the nearby areas.

Night lighting on Group sites is limited to facilities involving work in shifts (morning, afternoon, night). Unused areas are not lit. In these factories, exterior lighting is also maintained to reduce the risk of accidents, in thoroughfares and car parks in particular.

# ENVIRONMENTAL INCIDENTS

In 2021, no material environmental incidents were flagged at the Group's industrial sites.

## BIODIVERSITY

The Exacompta Clairefontaine Group sponsors various initiatives in favour of biodiversity.

### OceanoScientific

In 2021, **Papeteries de Clairefontaine** donated €50,000 to OceanoScientific. Since 2014, the company has donated €394,000 to this association dedicated to ocean protection. In particular, it studies the causes and consequences of climate change at the ocean/atmosphere interface.

In 2021, a pivotal year between the “OceanoScientific Contaminants Méditerranée 2020” expedition and the 2022-2027 expeditions, scientists studied the samples taken in October 2020 and reported on their assessment. The main finding is that chemical surface pollution is sometimes several times higher than scientific model estimates. This is the case, for example, in the Marine Protected Area between Corsica and Sardinia, although theoretically it is a protected maritime area.

The next expeditions are under preparation and will be directed to the Scattered Islands, a group of French territories located in the middle of the Indian Ocean, in order to conduct a bioprospecting study of coral reefs.

2021 also saw the creation of the OceanoScientific Academy, with the particular aim of promoting and developing the French BIMer ocean initiation certificate introduced in secondary schools by the Ministry of National Education.



*Collection of samples to identify and measure chemical surface pollution*



**Papeteries de Clairefontaine** and Conservatoire d'Espaces Naturels de Lorraine (CEN) entered into a management agreement in 2005. This agreement relates to the preservation, on the land belonging to the company, of hay meadows inhabited by a butterfly included on the French list of protected insect species: Dusky Large Blue.



Due to the presence of habitats and species of European Community interest, this nature reserve was made into a Natura2000 site.

## THE EFFECTS OF CLIMATE CHANGE

For the time being, the consequences of climate change have not had a material impact on the activities of the Exacompta Clairefontaine Group.

However, the paper industry may be impacted by this phenomenon on multiple levels.



*Prolonged periods of drought have tended to be more frequent and more severe over recent years. Water usage restrictions may limit paper mill production capacity.*



*During low-water periods, i.e. when a water stream is at its lowest level, the self-purification capacity of the natural environment is weaker. During this period, any malfunction at wastewater treatment works may result in a discharge having a harmful impact on aquatic fauna and flora.*



*A number of the raw materials used by paper mills are sourced from the agricultural sector, such as starches from wheat, corn and potatoes. Climate disturbances may impact the availability of these resources, a significant proportion of which is used in human and animal foods.*

# EMPLOYEE INFORMATION



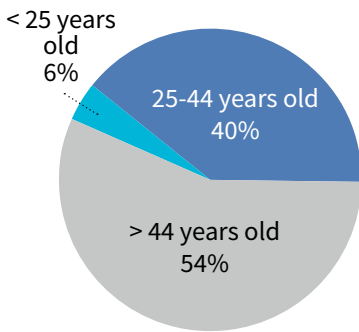


# THE GROUP'S HUMAN CAPITAL

At the end of 2021, Exacompta Clairefontaine employed more than 3,500 people, 71% of whom were based in France. Based on available data, women represented 41% of employees and men 59%. The vast majority of employees (94%) held permanent employment contracts.

With regard to staff turnover, most departures were related to contract expiration (52%), reflecting the seasonal nature of part of the Group's activities. The use of fixed-term or temporary workers at certain times of the year allows the Group to cope with fluctuations in its manufacturing business, in preparation for the start of the school year, the manufacture of products linked to the annual cycle (diaries, calendars, etc.) or festival or holiday periods (photo books).

## Breakdown of workforce by age group



*54% of the employees included in the study were over 44 years old. However, numerous business activities require knowledge and expertise that must be handed down before older generations retire.*



**2025 target**

**PAPER MILLS:** *Achieve an employment rate of managers and technical and supervisory employees of at least 35%*

**→ Situation at 31/12/2021: 28%**

## SKILLS DEVELOPMENT

In response to an ever-changing market and new technologies, the Group's companies must be flexible in order to adapt quickly to demand. This means supporting and anticipating the transformation of business activities and the way in which work is structured.

As such, the human resources teams and business line managers work closely together and are committed to ensuring that employees' skills match the companies' requirements on a continuous basis. Once these requirements have been identified, training programmes are prepared and carried out.

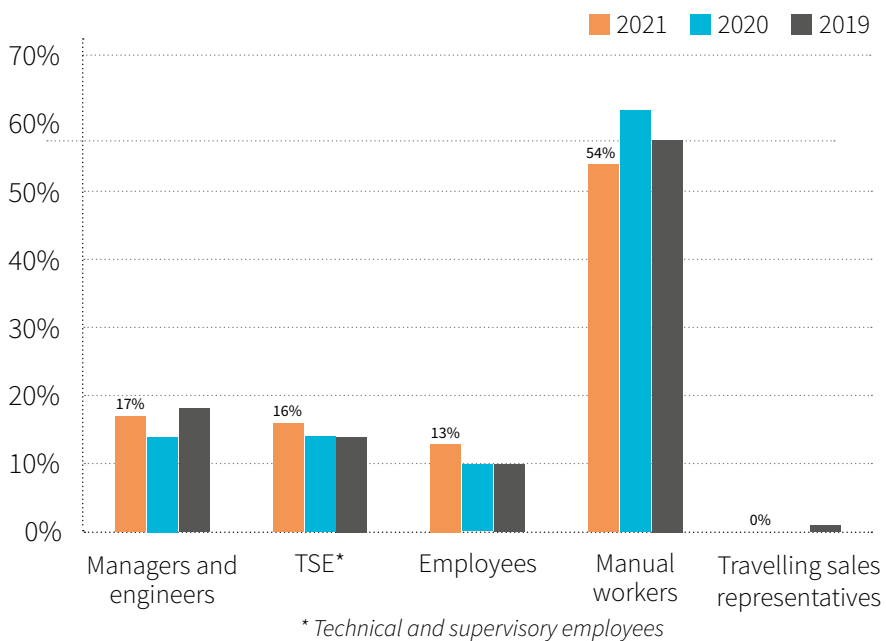
Within this fluid environment, the acknowledgement and transfer of expertise is essential and proper planning for retirement is paramount.

In order to achieve this, the Group's companies encourage employees to formalise recognition of their specific or transferable skills through professional qualification certificates.

Some companies also operate a mentor system in order to transfer the know-how of experienced staff members before they retire and to promote staff versatility.

In 2021, the companies included in the study delivered a total of 27,087 hours of training (15,690 hours in 2020), either in-house or through certified training organisations, at a total cost of €1,702,000 (€3,312,000 in 2020).

**Breakdown of total hours of training received  
by professional category**



## **EQUAL OPPORTUNITIES AND DIVERSITY**

Equal opportunities, non-discrimination and diversity are fundamental values which the Exacompta Clairefontaine Group is committed to upholding.

Gender and ethnicity play no part in recruitment and career development, as the Group gives precedence to skills and professional merit.

Occupational training is a major lever for eliminating inequalities in the career paths of men and women.

The Group also employs people with disabilities (at least 130 at the end of 2021), adapting workstations as necessary.

# EMPLOYEE HEALTH AND SAFETY

## PREVENTIVE MEASURES

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Another of the Group's concerns is ensuring optimum working conditions in order to guarantee employee health and safety.

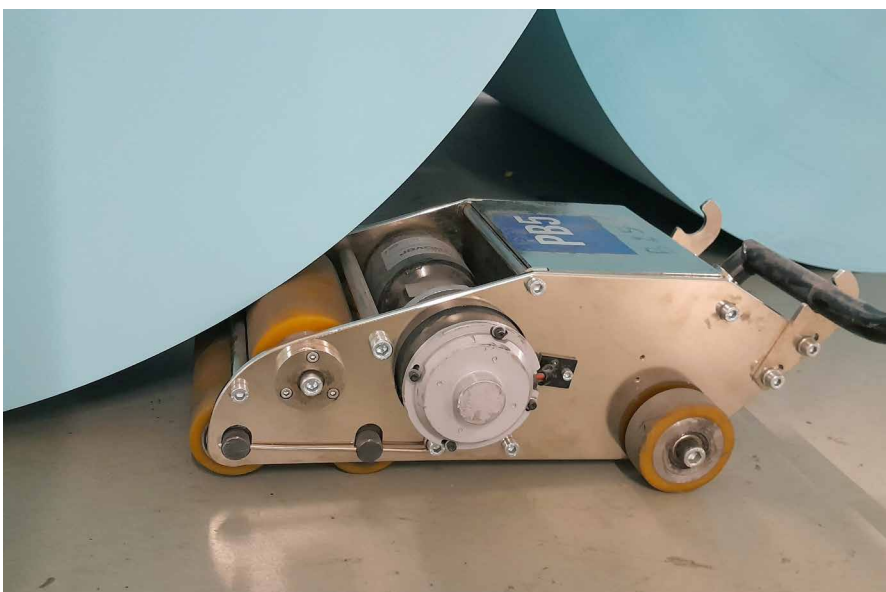
To achieve this goal, all production and logistics sites have a safety officer.

Action plans based on occupational risk analysis are implemented in order to eliminate risks or mitigate those that cannot be completely avoided.

In 2021, over €692,000 was invested to improve employee safety (€2,367,000 in 2020). This amount does not include expenditure related to COVID risk prevention (purchase of masks, hand sanitizers, disinfectants, etc.).

An overview of the measures taken is presented below:

- support for handling tasks and reduction in load carrying
  - **AFA**: purchase of 10 stackers and 10 scissor lift tables for packaging
  - **Papeteries de Clairefontaine**: upgrading of handling equipment: 1 gripper forklift, 1 reel mover, purchase of 3 reel pushers, one trimmer with automatic pallet destacker and stacker to reduce load carrying



*Electric reel pusher for effortless moving of loads*

- reduction of repetitive tasks and ergonomic improvement
  - **AFA, Papeteries de Clairefontaine:** purchase of chairs with synchronous tilting mechanism allowing simultaneous forward and backward tilting of the seat and backrest while the body remains supported throughout the movement
  - **Claircell, Papeteries de Clairefontaine:** installation of anti-fatigue matting for workstations where staff work upright for extended periods
  - **Claircell, Manuclass:** acquisition of high-lift pallet trucks
  - **Everbal:** purchase of an automatic pallet strapping machine
- work equipment safety and improvements
  - **Raynard:** replacement of pallet racks in the delivery area and installation of an air extractor in the lamination section
  - **Manuclass:** modification of several production machines to reduce the risk of jamming
  - **Papeteries de Clairefontaine:** purchase of 2 walkways to ensure safety during the changing of paper machine clothing

## INDUSTRIAL ACCIDENTS AND OCCUPATIONAL ILLNESSES

In the companies reviewed, 2,510 days were lost due to industrial accidents (including commuting accidents) in 2021, compared to 3,660 in 2020.

	2021	2020	2019
<b>Frequency rate</b>			
Number of lost time industrial accidents per 1,000,000 hours worked	20.9	23.0	25.2
<b>Severity rate</b>			
Number of working days lost per 1,000 hours worked	0.5	0.8	1.0

With regard to reported illnesses, nine were deemed occupational illnesses at the Group's French sites, compared to 17 in 2020.

The Exacompta Clairefontaine Group continuously enhances its health and safety policy in order to work towards achieving the lowest possible accident rate.



2025 target

*GROUP: Achieve a frequency rate lower than 15.*

**→ Situation at 31/12/2021: 20.9**

# REGIONAL INVOLVEMENT



# IMPACT ON THE LOCAL ECONOMY

All Exacompta Clairefontaine subsidiaries play a vital role in their local economies, both as employers and in terms of their commitment and contribution to local communities. Recruitment is typically drawn from people living in the vicinity of factories and other operational centres, but a wider scope is also applied for specific skills.

For example, **Papeteries de Clairefontaine** has been present in the village of Etival-Clairefontaine (Vosges) since 1858 and employs nearly 550 people. Over time, close bonds have been formed with the surrounding cities and villages.

Over the past thirty years, the Group's growth has in part been due to acquisitions of other companies. They are most often kept in the same location with a focus on pursuing their core business. As such, in France, 83% of employees work at sites located outside the greater Paris region.

Since its inception, the Group's majority shareholders have been members of the same family. For employees, the tradition of going to work in the same factory as one's parents is still alive today, at times spanning several generations.

## TAX POLICY

The Group has little exposure to tax evasion risk due to its structure. None of the Group entities are located in a 'tax haven'.

All French companies except Fizzer are consolidated for tax purposes with intercompany transactions eliminated for such purposes.

Risks related to proceedings, tax audits and litigation are presented in the Group management report.

Tax returns, the payment of taxes and duties and accounting records are prepared and submitted in each country in which the subsidiaries are established.

Transactions involving foreign subsidiaries are carried out in accordance with the OECD principles on transfer pricing.

## FAIR PRACTICES

The prevention of active and passive corruption and money laundering is a key concern of senior management. A code of conduct was circulated to all Group employees in 2017. This code specifically meets the requirements of the 8 November 2016 French Sapin II law for the prevention and detection of corruption and influence peddling and is available on the Group's website.

# PROCUREMENT AND SUBCONTRACTING

Exacompta Clairefontaine is a French group with a European mindset. Social and environmental issues are taken into account through the certifications required by our customers or as part of the Group's QSE policy.

Fibrous raw material suppliers (pulp and paper) generally have FSC®, PEFC™ or Blue Angel certification.

Printing suppliers are generally Imprim'Vert® certified. For a supplier or product to be selected, it must be deemed environmentally friendly. Supporting documentation may be requested and checked, particularly in the case of products carrying European Ecolabel certification.

The Group seldom subcontracts and, when it does, subcontractors are mainly locally based. The operations concerned may also be performed in-house.

## PRODUCT SAFETY

The health and safety of our consumers is paramount. Some product lines must comply with standards and regulations regarding toy safety or hygienic requirements for materials and packaging in contact with food.

For example, all products in the **Avenue Mandarine** range bear CE marking for toys.

## PARTNERSHIPS

The Group is strongly committed to encouraging young people to practice sport. All kinds of sport contribute towards a child's growth and development by instilling values of respect, drive, performance, ambition and equality.



*Olympique Lyonnais*

Exacompta Clairefontaine sponsors a number of French youth teams practising various sports, including football, basketball, rugby, handball (PSG), hockey and cycling.

In addition to supporting amateur and leisure sports, **Clairefontaine Rhodia** is also the main sponsor of boys' and girls' youth teams (aged 7-19) for a number of highly respected French football clubs. In 2021, the Group invested €369,000 to support the following teams: Olympique Lyonnais, FC Nantes, OGC Nice, RC Lens, RC Strasbourg, SM Caen, AS Nancy Lorraine, Football Club Sochaux-Montbéliard and AJ Auxerre.

The Group also provides assistance in the cultural field for the restoration of historic buildings.

Group companies are also committed to the local communities.

## HUMAN RIGHTS AND EDUCATIONAL INITIATIVES

The Exacompta Clairefontaine Group is particularly attentive to compliance with human rights and fundamental principles and rights at work.

Education is the central pillar on which Group initiatives in support of these principles are based. Exacompta Clairefontaine is committed to helping children to successfully complete their education and has set up a number of projects to promote education and raise public awareness of children's rights.

### SUPPORT FOR UNICEF

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In 2021, **Clairefontaine Rhodia** made a €150,000 donation to UNICEF to support the "Education in Togo" programme. The sale of licensed products also helped raise nearly €143,000 for UNICEF to enable it to continue its mission of supporting the most vulnerable children around the world. Since 2004, the Group has donated almost €4,610,000 to the association.

The coronavirus pandemic that broke out in Togo in 2020 continued to severely hit the educational sector in 2021.





The 12 new nursery classrooms UNICEF began building in 2020 became operational in 2021. Also in 2021, construction work started on sixteen more classrooms in the Plateaux, Centre and Savanes regions.

At the end of the 2020-2021 school year, the 182 trained educators conducted community mobilisation campaigns in their localities to sensitise parents on the importance of preschool education and to prepare for the enrolment of children aged 3 to 5 living in the communities for the new school year (2021-2022).



To enhance the quality of preschool learning, educational materials including 450 picture book kits, 600 tables and 4,000 chairs were provided to 4,000 children in 87 nurseries.

158 schools were also provided with teaching materials for teachers during the year and over 30,000 children received school supply kits.

## COMBATING BULLYING AT SCHOOL

Since 2019, Clairefontaine has also been committed to raising awareness among young people about the scourge of bullying at school. According to the French Ministry of National Education, on average 10% of pupils are victims of bullying at school.

In 2021, Clairefontaine sponsored the production of a documentary on bullying at school entitled: “*À bonne école - Les enfants contre le harcèlement*” [The good school - Children against bullying]. Six second year pupils at lower secondary school in Viry-Chatillon (Paris) set off to explore the methods implemented in other schools: virtual reality, theatre-forum, response, emotion management, meditation and mediation. They were accompanied by a patron, comedian Inès Reg, who came from the same region and also faced bullying during her childhood.

# SUMMARY OF THE MAIN ISSUES



Issue	Policy	Indicator	2025 target	Outcome at 31/12/2021
Sustainable forest management	Purchase of FSC- and PEFC-certified virgin pulp	<b>Purchase rate of certified fibres</b>	100%	92.2%
Control of energy consumption	Research into sources of energy savings and implementation of action plans	<b>Fuel consumption</b> (NCV kWh/tonne of gross paper production)	20% reduction versus 2016	-19.6%
		<b>Electricity consumption</b> (kWh/tonne of gross paper production)	10% reduction versus 2016	-9.2%
Preservation of water resources	Research into sources of water savings and implementation of action plans	<b>Water consumption</b> (m <sup>3</sup> /tonne of gross paper production)	20% reduction versus 2016	-16.3%
Employee health and safety	Application of the occupational risk assessment document, implementation of action plans	<b>Industrial accident frequency rate</b> Number of lost time industrial accidents per 1,000,000 hours worked	<15	20.9
Employee skills development and management	Identification of existing skills to be maintained and new skills to be developed, implementation of action plans	<b>Employment rate of managers and technical and supervisory employees</b>	≥ 35%	28%

Data collection was disrupted in 2021 due to the ongoing COVID-19 pandemic. In the table above, the first four indicators concern only paper mills with a 100% coverage rate. For the last two, all sites are included with a 95% coverage rate.

# VERIFICATION REPORT

## ON THE STATEMENT OF NON-FINANCIAL PERFORMANCE

To the shareholders,

In our capacity as an independent third-party body accredited by Cofrac under the number 3-1103 (scope available at [www.cofrac.fr](http://www.cofrac.fr)), we hereby present our report on the statement of non-financial performance relating to the fiscal year ended 31/12/2021 (hereinafter the “Statement”), as presented in the management report in accordance with the statutory and regulatory requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

### RESPONSIBILITY OF THE ENTITY

The Board of Directors is responsible for preparing a Statement in accordance with statutory and regulatory provisions, including the presentation of the business model, a description of the principal non-financial risks, the presentation of the policies applied with regard to those risks and the effects of these policies, including key performance indicators.

The entity’s internal procedures were applied in the preparation of the Statement (hereinafter the “Procedures”), the key features of which are presented in the Statement.

### INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulations and the French Code of Ethics for statutory auditors included in the decree of 30 March 2012 on the practice of accountancy and takes into account the provisions of Article L. 822-11-3 of the French Commercial Code. Furthermore, we have implemented a quality control system comprising documented policies and procedures designed to ensure compliance with applicable rules of conduct, professional standards, laws and regulations.

### RESPONSIBILITY OF THE INDEPENDENT THIRD-PARTY BODY

It is our responsibility, on the basis of our work, to formulate a reasoned opinion expressing a conclusion of moderate assurance on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;

- the accuracy of the information provided pursuant to Article R. 225-105 I (3) and II of the French Commercial Code, namely the effects of the policies, including key performance indicators, and actions relating to the main risks, hereinafter the “Information”.

However, we are not responsible for issuing an opinion on:

- the entity’s compliance with other applicable statutory and regulatory provisions, including with regard to the vigilance plan, anti-corruption and tax evasion;
- compliance of products and services with applicable regulations.

## NATURE AND SCOPE OF THE ASSIGNMENT ---

Our work as described below was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, which determine the methods to be used by the independent third-party body in conducting its assignment, and pursuant to the professional policies of the *Compagnie nationale des commissaires aux comptes* (National Institute of Statutory Auditors) relating to this assignment.

We conducted work so as to assess the Statement’s compliance with regulations and the accuracy of the Information:

- we reviewed the activity of all the companies included in the scope of consolidation, the report on the main social and environmental risks related to the activity and, where appropriate, the impact of these activities as regards human rights, anti-corruption and tax evasion, as well as the related policies and their effects;
- we assessed the appropriateness of the Procedures in terms of their relevance, completeness, reliability, neutrality and understandability, taking industry best practices into consideration as applicable;
- we verified that the Statement covers each category of information referred to in Article L. 225-102-1 III of the French Commercial Code in relation to social and environmental matters;
- we verified that the Statement presents the business model and the main risks related to the activity of all the entities included in the scope of consolidation, including, where relevant and proportionate, the risks generated by their business relations, products or services as well as their policies, measures and their effects, including key performance indicators;
- we verified that the Statement presents the information referred to in Article R. 225-105 II of the French Commercial Code where relevant to the main risks or policies presented;
- we assessed the process of selecting and validating the main risks;
- we enquired about the existence of internal control and risk management procedures implemented by the entity;

- we assessed the consistency of the results and key performance indicators selected with the main risks and policies presented;
- we verified that the Statement includes a clear and reasoned explanation of the reasons for the absence of a policy on one or more of these risks;
- we verified that the Statement covers the scope of consolidation, namely all the companies included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code, subject to the limits set out in the Statement;
- we assessed the information-gathering procedures applied by the entity to ensure the completeness and accuracy of the Information;
- in the case of key performance indicators and the other quantitative effects that we considered to be the most significant<sup>1</sup>, we implemented:
  - analytical procedures involving verification of the proper consolidation of the data collected as well as the consistency of changes in said data;
  - detailed checks by means of sample tests in which we verified the correct application of the definitions and procedures and compared the data provided with the supporting documentation. This verification work was carried out on a selection of contributing entities and covers between 3.18% and 18.51% of the consolidated data selected for these checks;
- we consulted the documentary sources and conducted interviews to corroborate the qualitative information (actions and effects) that we considered to be the most significant;
- we assessed the consistency the Statement as a whole with regard to our knowledge of all the companies included in the scope of consolidation.

We believe that the work we conducted using our professional judgement allows us to formulate a limited assurance conclusion; a higher degree of assurance would have required more extensive verification work.

## MEANS AND RESOURCES ---

Our work was carried out by three people in March and April 2022 over a total period of around one week.

We consulted our experts in sustainable development and corporate social responsibility to assist us in the conduct of our work.

We conducted ten interviews with the persons responsible for preparing the Statement in departments responsible for information-gathering processes and, where appropriate, with the persons responsible for internal control and risk management procedures.

## CONCLUSION

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**On the basis of our work, we found no significant irregularity that would call into question the compliance of the statement of non-financial performance with the applicable regulatory provisions and the fact that the Information, taken as a whole, is presented accurately in accordance with the Procedures.**

## OBSERVATIONS

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Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comments:

- A more documented approach must be taken in identifying the main risks. The current process for analysing non-financial risks does not fully guarantee that all issues have been assigned the right level of relevance;
- The related policies and measures are sometimes stated briefly in conjunction with insufficiently tangible commitments that lack visible and precise targets supported by documented means and dedicated risk-mapping and reporting systems;
- Lastly, we encourage you to raise your standards in terms of the robustness of information-gathering processes and documentation using the supporting documents provided.

Niort, 15 April 2022

THE INDEPENDENT THIRD-PARTY BODY  
GROUPE Y Audit

Arnaud Moyon  
Partner, Sustainable Development Department

**<sup>1</sup> Employee information:**

*Safeguarding employee health and safety through the "Industrial accident frequency rate" indicators; Employee skills development and management through the "Employment rate of managers and technical and supervisory employees" indicator*

**Environmental information:**

*Preservation of water resources: "Water consumption"; Control of energy consumption: "Fuel consumption", "Electricity consumption"; Sustainable forest management: "Purchase rate of certified fibres"*



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# EXACOMPTA CLAIREFONTAINE

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