

2015

Social and Environmental Responsibility



EXACOMPTA CLAIREFONTAINE



Presentation of the **Exacompta Clairefontaine Group**

Over the years, the Exacompta Clairefontaine Group has managed to stand out in the European market on the basis of product quality, brand reputation and environmentally friendly industrial resources.

The Group, whose registered office is located at Etival-Clairefontaine in the Vosges region of France, employs over 3,000 people and is one of Europe's leading high-end paper and stationery manufacturers. The Group markets its products all over the world and has subsidiaries in Germany, Belgium, Spain, UK, Italy, Canada, Japan, USA and Morocco.

Exacompta Clairefontaine distributes its products via all of the distribution channels used by the industry. The Group has formed close ties with all stakeholders in its industrial activities.

In an increasingly competitive market, customers are demanding a top quality, comprehensive and diversified product range, as well as a firm social commitment with regard to future generations.

Backed by its human, industrial, business and logistical resources, Exacompta Clairefontaine is today fully committed to a social and environmental policy based on respect for every individual's work, shared values and the conservation of natural resources.

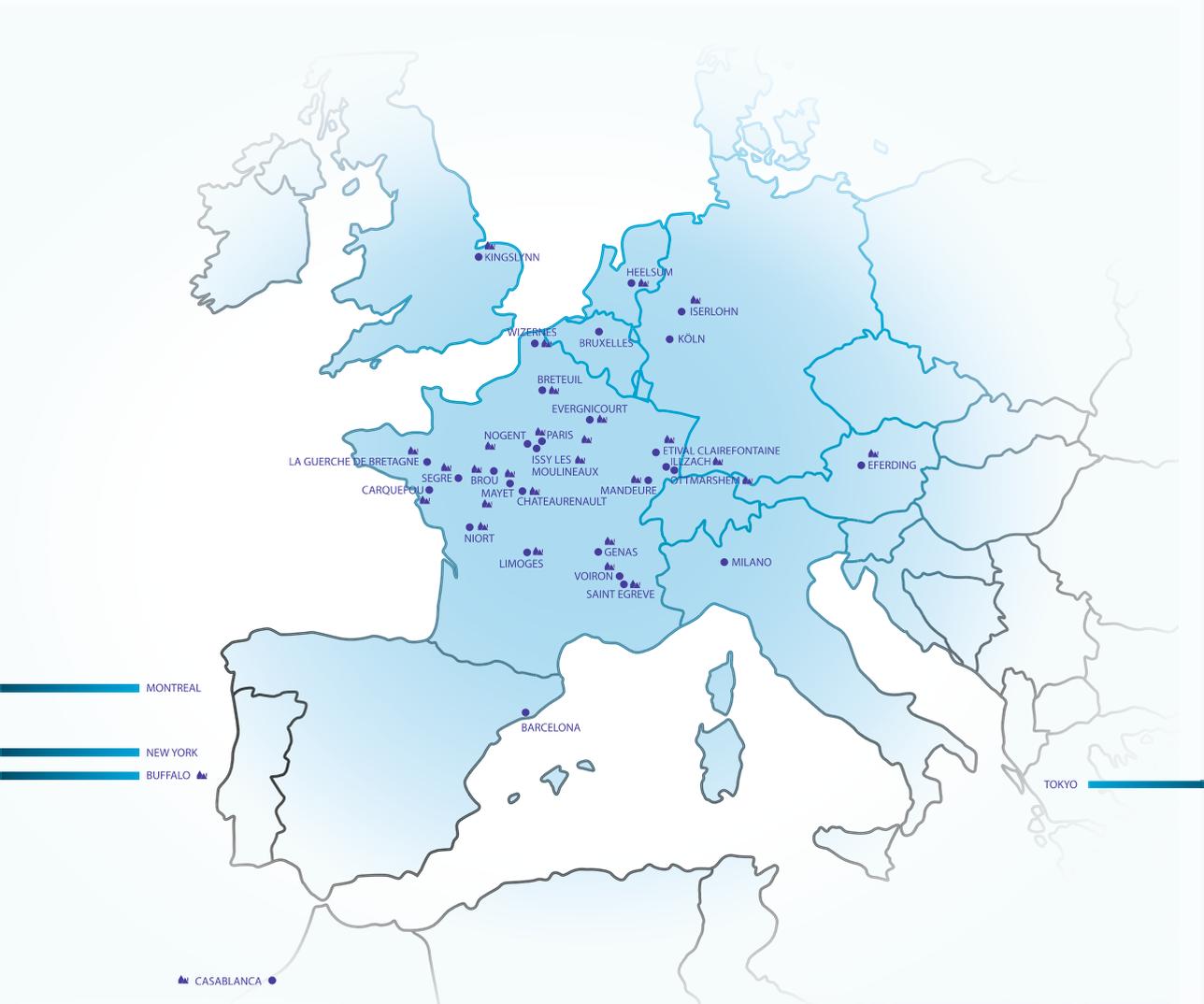
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De grandes marques de Papeterie, naturellement





Environment

Environmental policy

In the European market, the quality image associated with its graphics paper and stationery requires Exacompta Clairefontaine to be a leading contributor to sustainable development.

In this area, the Group's key commitments are to:

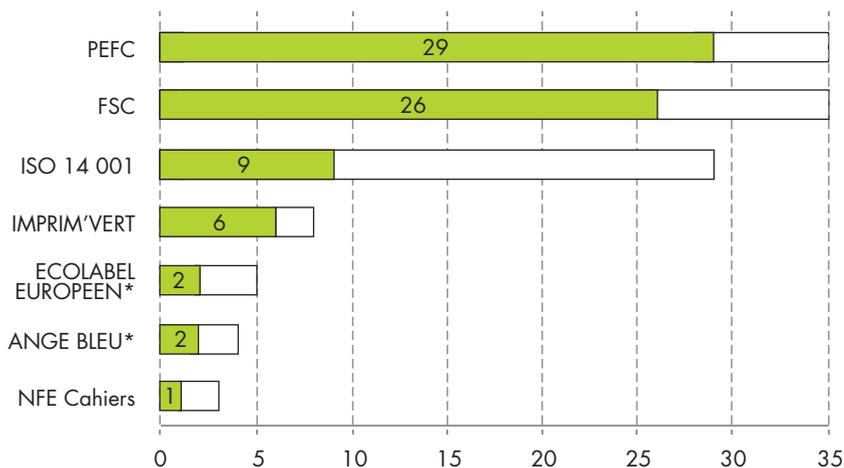
- use certified pulp to ensure sustainable forest management,
- favour material recycling over waste disposal,
- reduce water consumption,
- reduce fossil-based CO₂ emissions,
- prevent pollution risks.

The implementation of the Group's environmental policy has been widely recognised through the numerous certifications obtained by its production and processing sites.

The Exacompta Clairefontaine Group also seeks to provide its customers with products that are ever more environmentally friendly. Indeed, environmental labels have been awarded to a wide range of its products.

Overview of environmental certification obtained by our production and processing sites

Example: PEFC - 29 certified sites out of 35 eligible for certification



ISO 14001



* Exclusively paper production sites

Environmental labelling of convenience goods

Exacompta Clairefontaine is a member of SOfEA (Sustainable Office European Association). Within the framework of this European association, office supplies manufacturers and resellers have joined forces to establish an eco-rating system for products.



In order to be applicable, the system proposed by SOfEA must establish an order of priority for the main environmental certifications and generate a product rating system that can be understood by consumers.

Training and awareness-raising

In order to ensure a high level of environmental awareness among staff, the Group regularly organises training sessions.

In 2015, 277 people took part in such training, which focused on the following key areas:

- FSC and PEFC forest certification schemes,
- fire hazards and use of fire extinguishers,
- chemical hazards.

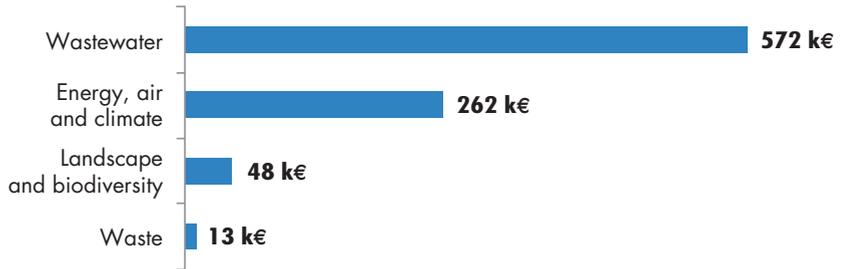
Moreover, 17 employees received special training on boiler operation and industrial boiler wastewater treatment.

Information on environmental certification (FSC, PEFC, ISO 14001, Imprim'vert), waste management and environmental performance indicators was also disseminated at several sites.



Investments promoting environmental protection

Each year, the Group invests in improving the environmental performance of its plants and supports a number of environmental protection initiatives. Group environmental expenditure for 2015 amounted to €895,000, which may be broken down as follows:



Case studies:

- **Claircell**: main boiler fitted with a modulating burner;
- **Papeteries Sill**: retention basin installed for accidental water pollution;
- **Everbal**: fungal bioaugmentation of wastewater lagoons to increase effluent treatment efficiency;
- **Editions Quo Vadis**: thermal insulation of administrative building;
- **Imprimerie Raynard**: installation of variable speed drives on the paper trim scrap removal system to reduce power consumption;
- **Exaclair Limited**: upgrading of lighting system using more energy-efficient technology;
- **Papeteries de Clairefontaine**: installation of a new sludge press to improve the operation of the water treatment plant.

Around €48,000 was spent on environmental analyses: energy audit, survey of dangerous substances in water, permit reconsideration request and baseline report on the state of soil and groundwater contamination pursuant to the EU Industrial Emissions Directive (IED).

Financial provisions and guarantees

Since 1 July 2014, two French paper mills have been required to provide financial guarantees for ensuring plant safety in the event of a shutdown.

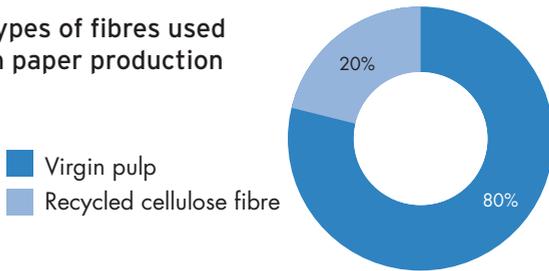
€323,000 has been budgeted and could be used in particular to address a residual environmental risk before the rehabilitation of the sites.

Raw materials

Paper contains around 70% cellulose fibres. To preserve the ecosystem, the pulp we use is produced from timber originating exclusively from sustainably managed, FSC and PEFC certified forests. This policy is principally aimed at protecting biodiversity, ensuring the health and vitality of forests and preserving their socio-economic function.

In line with this year's increase in production, consumption of virgin and recycled pulp fibre rose from 178,621 tonnes in 2014 to 187,949 tonnes. To optimise consumption, the Group's paper mills filter their process water to recover and reuse as much of this fibre as possible.

Types of fibres used in paper production

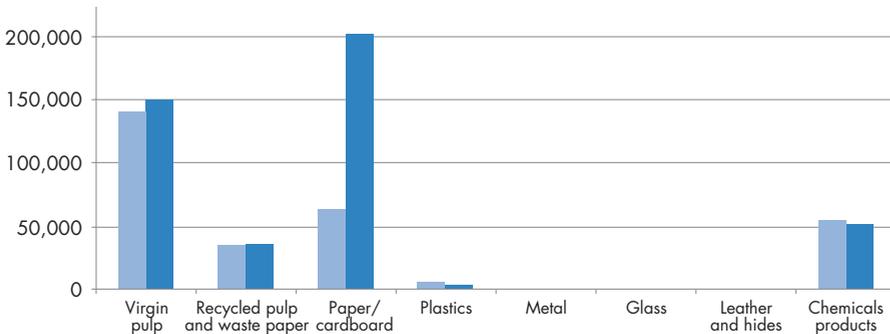


Paper production also requires the use of starches, mineral fillers and additives, which provide the colouring and commercial properties (e.g. printing, writing) that are expected of our manufactured products.

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, plastics, metal parts (eyelets, binder mechanisms etc.), glues and inks - to make thousands of different types of exercise books, note pads, notebooks, diaries and filing items.

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



	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	
Virgin pulp	141,929	150,617	Recycled pulp and waste paper	36,692	37,332	Paper/cardboard	64,371	203,078	Plastics	6,478	4,369
Metal	1,631	1,868	Glass	10	14	Leather and hides	3	6	Chemicals products	55,348	53,011

Not all raw materials have been included due to differences in the unit of measurement (per unit, per m, per m²).

The sharp rise in paper and cardboard tonnage is due to the fact that data not accounted for in 2014 has been included in the 2015 figures.

The environmental benefits of quality control

Besides its importance 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 minimise waste.

“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.

Moreover, Papeteries de Clairefontaine, as a seller of paper on the market, contributes to the extended producer responsibility (EPR) scheme. In 2015, the plant paid a contribution of €1,674,000 to the ECOFOLIO environmental organisation. This contribution was used to finance the equivalent of collecting waste paper from 2,084,000 people and the production of 28,800 tonnes of recycled paper.

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

Sewage sludge emanating from the paper mill water treatment plants is partially composted and then used for farming purposes.

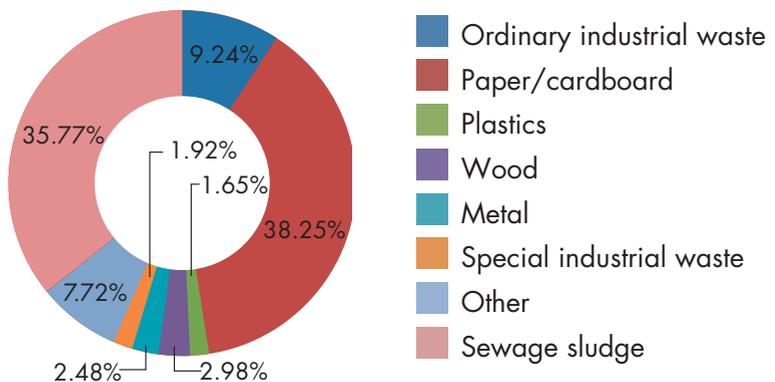
When collected waste cannot be recycled, it is sent to an energy recovery facility.

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 2015, a total of 31,116 tonnes of waste was generated by the Group's activities, compared to 28,630 tonnes in 2014. The pie chart below shows a breakdown of waste by category.

Breakdown of waste by category



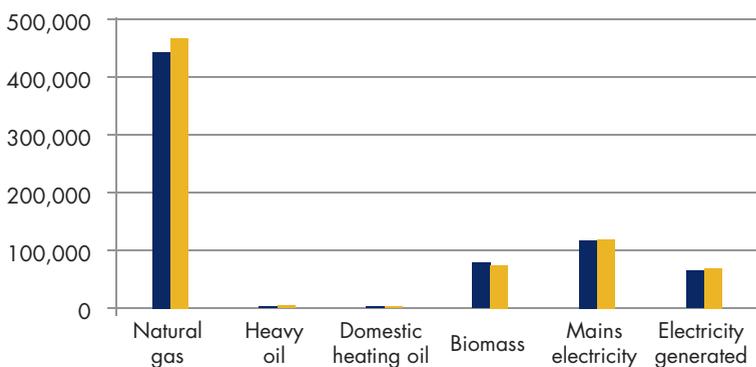
Energy consumption

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

The use of heavy oil has been almost entirely phased out. With its two biomass boilers, Everbal now only uses this fuel as a backup when the main boilers are undergoing maintenance.

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. It also has one hydroelectric turbine. It is currently the only site of the Group to produce electricity.

**Energy consumption in MWh
(Net calorific value for fuels)**



■ 2014	443,334	2,344	482	78,754	117,545	64,023
■ 2015	469,400	4,367	451	73,610	119,638	67,948

The paper mills are the biggest consumers of heat and power. They 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 buying more energy-efficient equipment or by trying to optimise the lighting and heating of premises.

Use of renewable energy:

- 2 biomass boilers (Everbal)
- Purchase of heat produced by a biomass boiler (Ernst Stadelmann)
- Geothermics (Photoweb)
- 1 hydroelectric turbine (Papeteries de Clairefontaine)

Atmospheric emissions

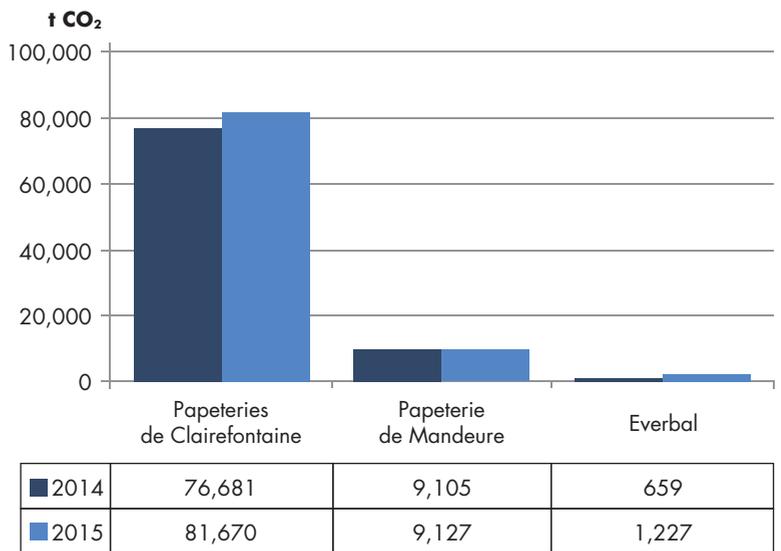
Greenhouse gases

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

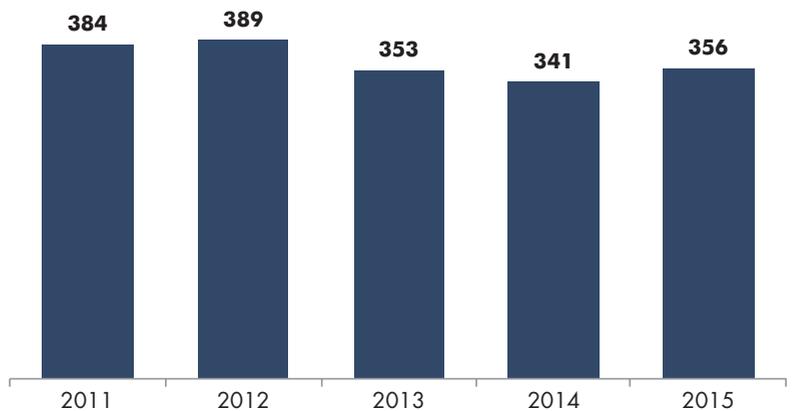
One of the Exacompta Clairefontaine Group's objectives is to reduce fossil-based CO₂ emissions by investing in renewable energy.

Two biomass boilers are currently in operation at the Everbal site.

CO₂ emissions declared as part of the EU ETS framework



Average specific emissions of the 3 French paper mills (kg CO₂/tonne of gross paper production)



The Papeteries de Clairefontaine site exports CO₂ to a precipitated calcium carbonate (PCC) production facility. The CO₂ contained in the smoke generated by boilers is used in the production of PCC. In 2015, this transformation prevented over 10,000 tonnes of CO₂ from being released into the atmosphere.

In 2015, the French sites generated 9,277 tonnes of indirect CO₂ emissions related to mains electricity consumption, compared to 8,708 tonnes in 2014.

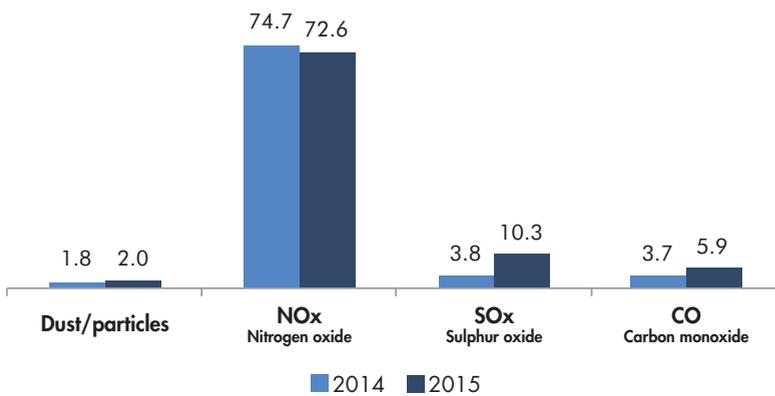
Owing to refrigerant leaks in their air-conditioning systems, two sites were responsible for releasing 22.2kg of fluorinated gases into the atmosphere. The other Group companies did not identify any such leaks or were unable to obtain precise data on the matter.

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

Other emissions

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

Other atmospheric emissions (in tonnes)



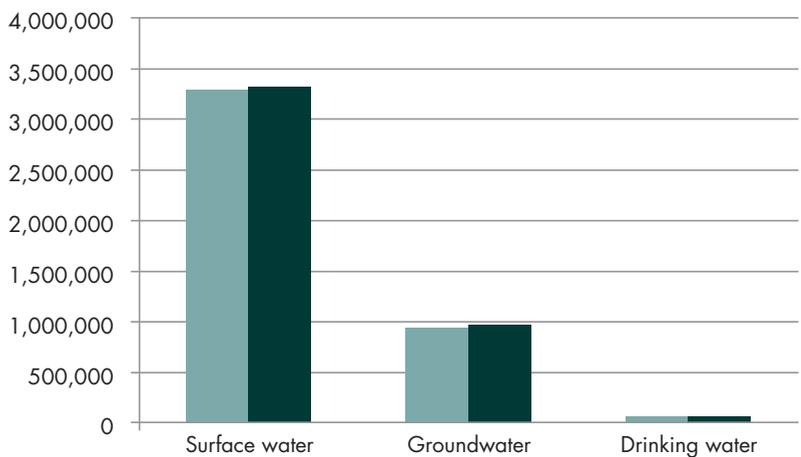
Water consumption

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 consume a relatively large volume of water (surface water or groundwater), but most of the water withdrawn is returned to the environment after treatment.

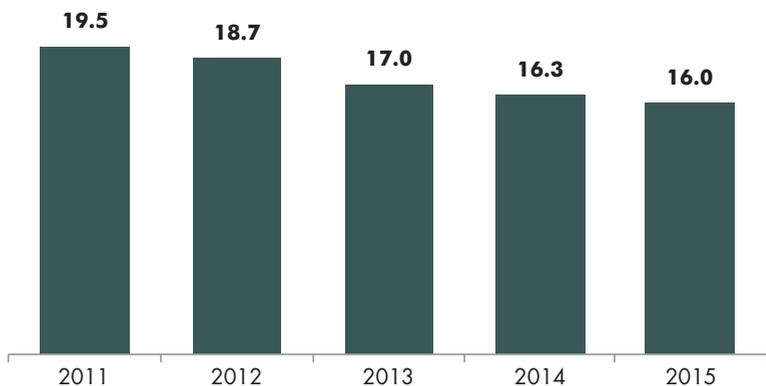
The Group's units have never been subjected to water restrictions, except for paper mills during severe droughts.

Water consumption (m³)



2014	3,294,062	945,513	64,204
2015	3,323,314	974,058	59,451

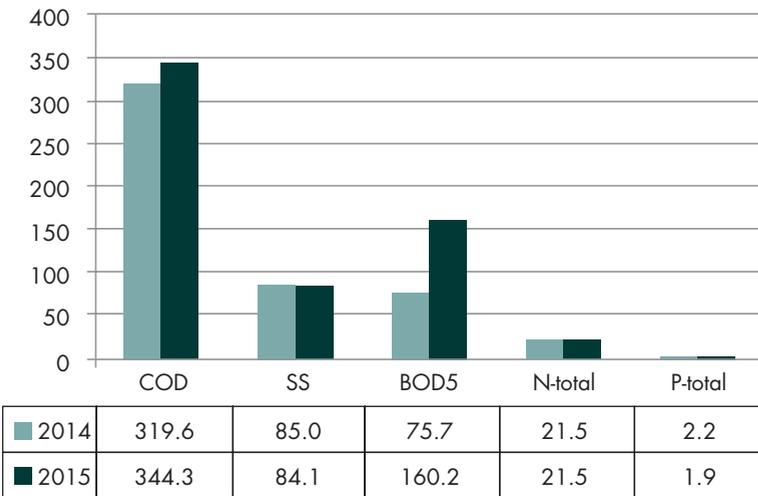
Water consumption of the 3 French paper mills (in m³/tonne of gross paper production)



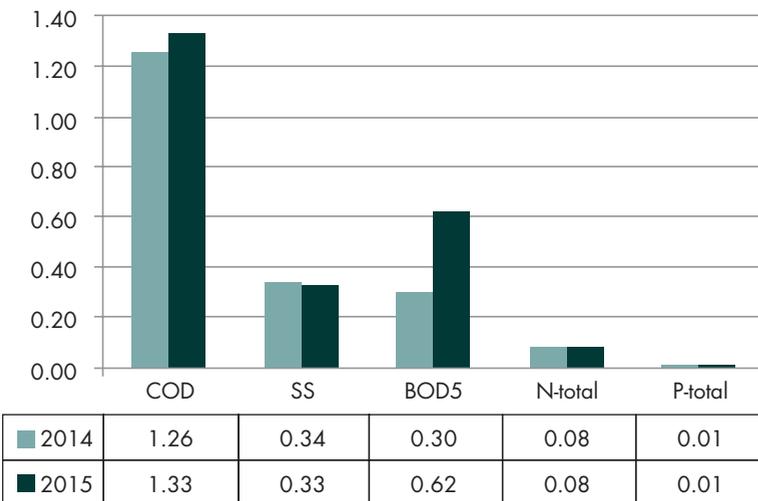
Discharge of wastewater

The paper mills are equipped with wastewater treatment plants enabling them to limit the amount of pollutants discharged.

**Main discharges from the French paper mills
(in tonnes)**



**Main discharges from the French paper mills
(in kg/tonne of gross paper production)**



COD: Chemical Oxygen Demand

SS: Suspended Solids

BOD5: 5-day Biochemical Oxygen Demand

N-total: Total nitrogen

P-total: Total phosphorus

The processing units are either connected to municipal wastewater treatment plants or treat their effluent as special industrial waste.

Soils

Agricultural recycling of paper mill sludge

The sludge generated by the treatment of effluent produced during the paper production process is either directly reused in farming or converted into standardised compost (French standard NF U44-095).

Paper mill sludge contains elements that have agronomic value (including organic matter, nitrogen, phosphorus, lime and potassium) 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 on average provides 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.

Condition of the soil at production and processing sites

The average rate of soil sealing at the Group's industrial sites is around 54%.

These sealed surfaces include buildings, thoroughfares and car parks. The open spaces are green areas, lagoon-type areas or land reserves for future extensions.

Regulations require that all potentially hazardous products or waste at these sites be stored on retention shelving so that any spills can be contained.

To date, only two diagnostic tests of soil pollution have been carried out in the Group, both in 2003. The first test was conducted following an accidental break in an oil pipeline, while the second was carried out in relation to a former cooling station to assess potential pre-existing pollution.

Environmental incidents

Despite the extensive precautions taken to prevent risks of harm to the environment, a few incidents unfortunately occurred in 2015.

Papeteries de Clairefontaine

During the summer, an above-average concentration of organic matter in the water treatment plant effluent due to high surrounding temperatures and a very low water level twice led to the development of filamentous bacteria in the river bed. These incidents lasted only a few days and had no major impact on flora and fauna.

Everbal:

In June, a fire broke out in the waste paper store. The fire was not serious and was quickly put out by the fire brigade.

Noise and other forms of pollution

Plant operations are conducted within closed buildings, thus limiting noise disturbance for local residents.

Further measures are taken to reduce noise, for example at Papeteries de Clairefontaine, where some equipment has been fitted with noise reduction devices. In particular, silencers have been installed on a high-pressure steam circuit valve and on the ventilation system in paper machine hall 6.

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

Biodiversity

The Exacompta Clairefontaine Group is also committed to preserving biodiversity.

Since 2014, Papeteries de Clairefontaine has paid an annual donation of €48,000 to the OceanoScientific general interest association.

The main highlight of the association's work in 2015 was a scientific expedition undertaken by its exploration vessel, the "Boogaloo", which covered a distance of around 2,200 miles leaving from Monaco and arriving in Brest. The expedition made observations of the air-sea interface under the oversight of three French institutions, IFREMER (French oceanographic institute), Meteo-France (French met office) and CNRS (scientific research institute).

The association was also involved in the "Climate Solutions Tour de France", an awareness-promoting sea voyage leaving Monaco on 1 April and arriving in Ouistreham on 23 June. This expedition provided an opportunity to meet a large number of young people, company directors and local representatives to raise awareness of the importance of the sea with regard to the climate and the need to protect it.



Stopover in Nice. Photo Allyson Noll - Innovations Bleues

A number of our facilities are located near areas or have their own land harbouring a range of protected flora and fauna.

In 2005 Papeteries de Clairefontaine signed a 15-year management agreement with the Lorraine natural spaces conservatory (Conservatoire d'Espaces Naturels de Lorraine) for the preservation of habitats and species of community interest. The site has now been incorporated into a Natura 2000 protected area.

It consists of hay meadows inhabited by the Dusky Large Blue butterfly and its host plant, the Great Burnet (*Sanguisorba officinalis*). This butterfly has a remarkable life cycle. It lays its eggs only on the flower of this plant. When the eggs hatch, the caterpillars leave the flowers and are carried underground by a peculiar species of ant of the genus *Myrmica*. The caterpillars

hibernate in the ants' nest, where they continue to live until the following year, feeding on the brood. The larva is transformed into a chrysalis inside the nest, from which the butterfly emerges and flies off.





Staff

Foreword

The Exacompta Clairefontaine Group had 3,130 employees in 2015. Given the absence of some data, the analysis presented in this section covers 2,984 employees.

Employment

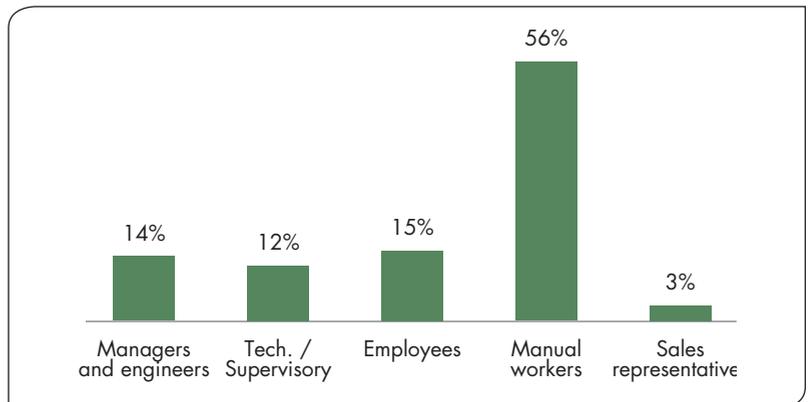
In 2015, the 2,984 employees included in the scope of this report comprised 1,221 women and 1,763 men.

2,838 employees were under a permanent employment contract. Only 4.9% of staff were under temporary employment contracts, including apprenticeships and professional training contracts.

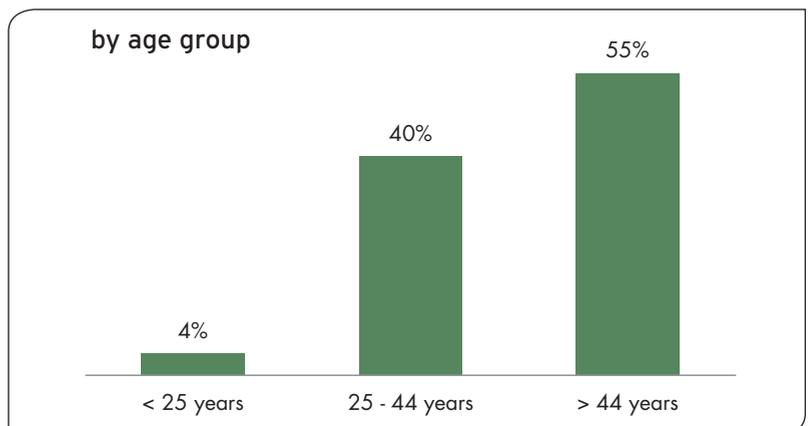
The majority of these jobs are based in France. Know-how and process management are, for the Group, essential components of its strategy of manufacturing quality products. For this reason, the Group has made the decision to minimise its use of subcontractors.

Control of the production process is a priority for the Group. The need to ensure the qualifications and quality of its workforce has led the Group to establish most of its manufacturing plants in France.

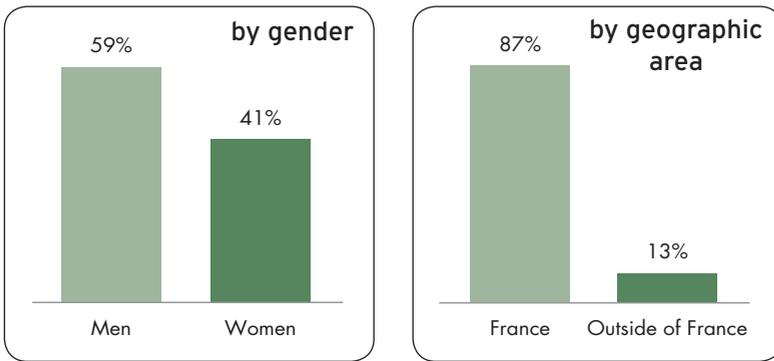
Breakdown of permanent workforce by professional category



Breakdown of the total workforce



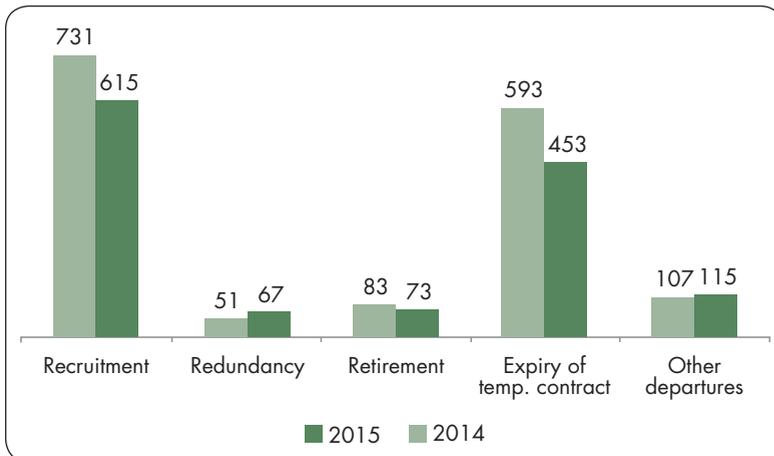
Breakdown of the total workforce



The vast majority of employees leaving the Group did so due to the expiry of temporary employment contracts. This is an entirely normal phenomenon in the paper industry, as the Group needs to employ temporary workers at certain times of the year in order to cope with fluctuations in its manufacturing business, in preparation for the start of the school year, and for products linked to the annual cycle, such as diaries and calendars.

The Group is determined to retain the skills of its workforce. 16 of the Group's 30 production sites have introduced a mentor system in order to transfer the know-how of experienced staff members before they retire and to promote staff versatility.

Staffing changes





Remuneration

In 2015, payroll expenses including social security contributions amounted to over €145 million.

The Group is committed to ensuring that the spread between the different levels of pay remains reasonable. In France, the average salary of managers and engineers is 2.6 times that of manual workers.

Equal pay for men and women is another of the Group's objectives. This is formalised, for example, through the signing of company agreements to that effect.



Work organisation

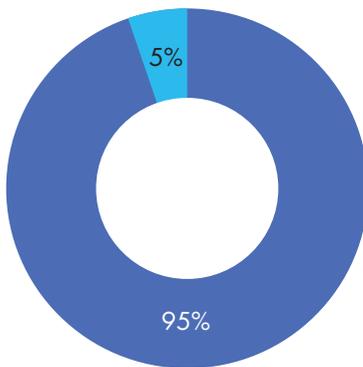
Working hours and patterns

The Group complies with the legal obligations relating to working time for each of its subsidiaries. Working hours are determined in accordance with the laws of the country in which the subsidiary is located and with the nature and seasonal character of some of our operations.

The Group reviews the requests of employees who wish to work part-time. Whether this option is made available depends on the requirements of the employee's department. Similarly, the Group allows employees to resume full-time work when they wish to do so, provided that there are positions available.

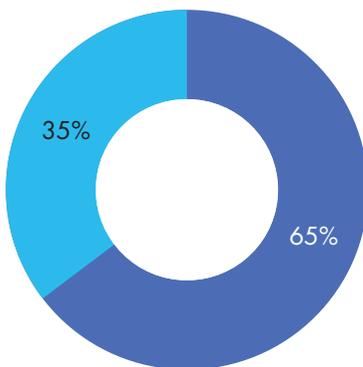
The continuous operation of our paper machines and the amount of work required for certain processing or finishing jobs means that some night-shift work is unavoidable.

Breakdown by full-time/part-time work



■ Full time
■ Part time

Breakdown by working patterns



■ Daytime work
■ Night and shift work

In 2015, employees worked 88,155 hours of overtime, compare to 95,707 in 2014. This was completed over periods of peak activity during which, in view of the quality expected of our products by customers, we opted to rely on current staff who already have training rather than using an external workforce. If we do have to employ temporary workers, they are required to complete an induction/training course so that they can perform the requisite operations in full compliance with safety and security requirements.

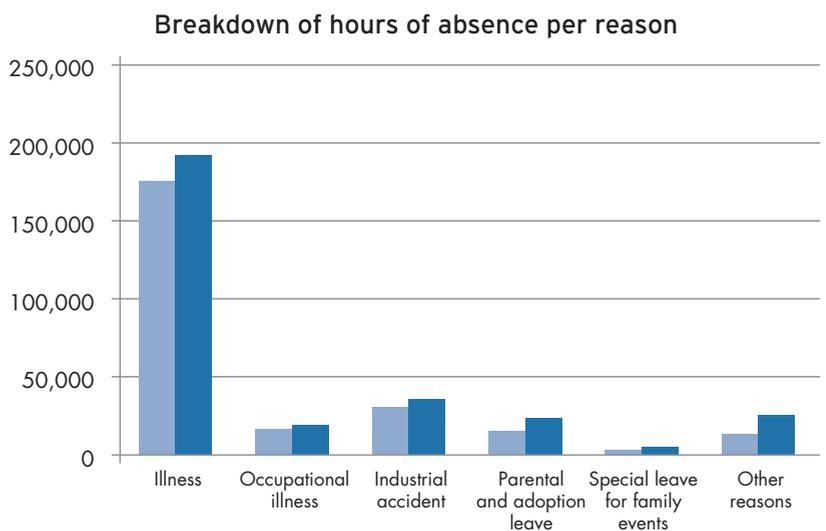
At the French plants, in 2015, 1,360 hours were lost through employee downtime, down 70% from 2014.

The Exacompta Clairefontaine Group endeavours to minimise employee downtime by scheduling training courses or cleaning work during these periods. Employee versatility and flexibility also contribute towards reducing temporary lay-offs.

Absenteeism

Exacompta Clairefontaine Group strives to minimise absenteeism in all Group subsidiaries. In particular, this objective requires preventive measures designed to reduce the number of industrial accidents and occupational illnesses. Furthermore, the Group prioritises a hands-on management style that is attentive to employees' concerns. It also relies on the preventive work carried out by company doctors. However, it is difficult for companies to control absences due to sickness, despite flu vaccination campaigns organised every year at some sites.

In 2015, despite the steps taken, the Group posted 305,172 hours of absence, up 18% from 2014.



■ 2014	175,965	17,773	30,473	16,388	4,274	14,195
■ 2015	193,159	19,668	35,929	24,526	5,366	26,524

* Authorised and unauthorised absences, sanctions, lateness, industrial action.

Industrial relations and trade unions

Staff representation

The major trade union organisations are represented within our various French subsidiaries. Within the Group there are 199 elected staff representatives and designated trade union representatives.

12 companies have opted to set up a single staff representative body ("délégation unique du personnel" or DUP) bringing together staff delegates, the works council and the health and safety committee.

Discussions between management and staff representatives have led to the signing and introduction of a number of collective agreements aimed at ensuring that proper working conditions are maintained, that employees are given adequate skills development opportunities and that there is no discrimination in the workplace.

In France, 107 collective agreements were identified in 2015 covering the following issues:

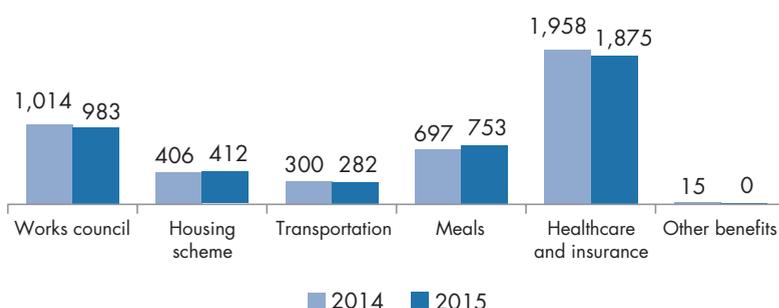
- Salaries and bonuses,
- Profit-sharing, incentive schemes and other annual benefits,
- Health scheme funding,
- Working hours,
- Prevention of arduous work,
- Gender equality,
- Management Planning for Jobs and Skills agreement - GPEC,
- French inter-generational contract,
- Other specific agreements.

Staff benefits

Group employees enjoy a number of benefits awarded either directly by their employer or indirectly, mainly via the works council where this body has been set up.

In France, the Group awarded staff benefits and subsidies amounting to €4,306,000 in 2015, compared to €4,390,000 in 2014.

Amounts paid in employee benefits (€000)
(France only)



Health and safety at work

Preventive measures

Health and safety at work are of vital importance to the Exacompta Clairefontaine Group.

At sites which have a large workforce, coordinators have been appointed to assist directors in the implementation of occupational risk prevention measures. The health and safety committee (CHSCT) or, in companies which do not have one, the staff delegates also contribute actively to these initiatives.

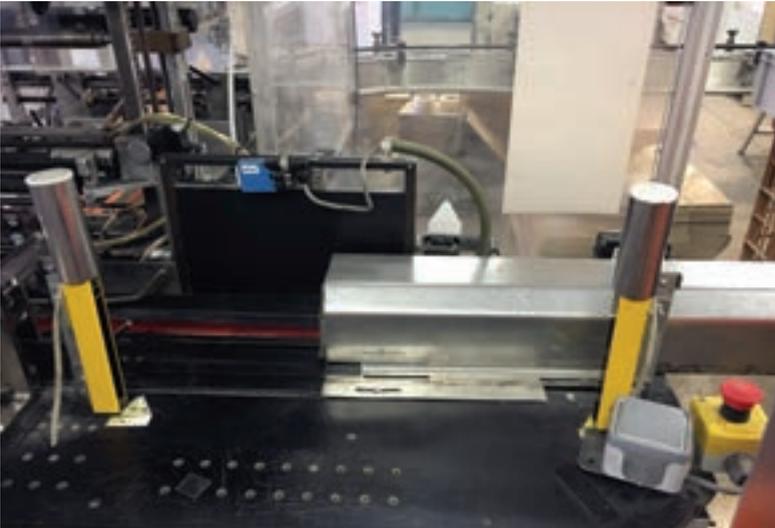
In 2015, the Group invested over €1,214,000 in the following health and safety measures, compared to €430,000 in 2014:

- **Claircell, Clairefontaine Rhodia, Editions Quo Vadis, Facimprim, Imprimerie Raynard, Manuclass, Photoweb:** purchase of handling equipment to improve work postures and reduce the incidence of musculoskeletal disorders;



- **Papeterie de Mandeure:** installation of an automatic pulp bale dewiring system to reduce repetitive tasks;
- **AFA, Clairefontaine Rhodia, Editions Quo Vadis, Manuclass, Papeteries Sill:** sound insulation work to reduce the noise level for operators;
- **Exacompta, Manuclass, Rolfax:** systematic provision of moulded ear plugs to operators exposed to high noise levels;
- **Exaclair limited:** purchase of an anti-fatigue floor mat for staff who must work upright for long periods at a time;

- **Cartorel, Exacompta, Manuclass**: machine safety improvements designed to restrict access to dangerous areas;



- **AFA**: purchase of automated external defibrillators (AED) to help staff first aid officers to treat an employee who suffers a cardiac arrest.
- **Editions Quo Vadis, Papeterie de Clairefontaine**: alterations and purchase of equipment to secure areas in which explosive atmospheres (ATEX) may occur;



- **CFR, Publiday Multidia**: renovation of staff facilities (canteen, changing rooms, toilets);
- **Editions Quo Vadis, Registre Le Dauphin**: optimisation of heat conditions in the buildings;
- **Papeteries de Clairefontaine**: new system for the protection of employees working in isolation.

Industrial accidents

In 2015, 3,163 days were lost due to industrial accidents, compared to 4,084 in 2014. Although still too high, the number and severity of accidents decreased in 2015 compared to the previous year.

Chart of industrial accidents reported for the entire Group



	2014	2015
Frequency rate Number of lost time industrial accidents per 1,000,000 hours worked	30.9	25.4
Severity rate Number of days lost per 1,000 hours worked	0.9	0.7

Occupational illnesses

In 2015, 10 reported illnesses were recognised as occupational illnesses in the Group's French sites, compared to 7 in 2014. They are included in Table 57 of the general French social security scheme, which lists joint disorders caused by some working movements and postures.

Workstations are optimised in order to mitigate the risk of recurring occupational illnesses (see section above entitled 'Preventive measures').

When these illnesses lead to incapacity, job reassignments are systematically offered to the employees concerned.

Training

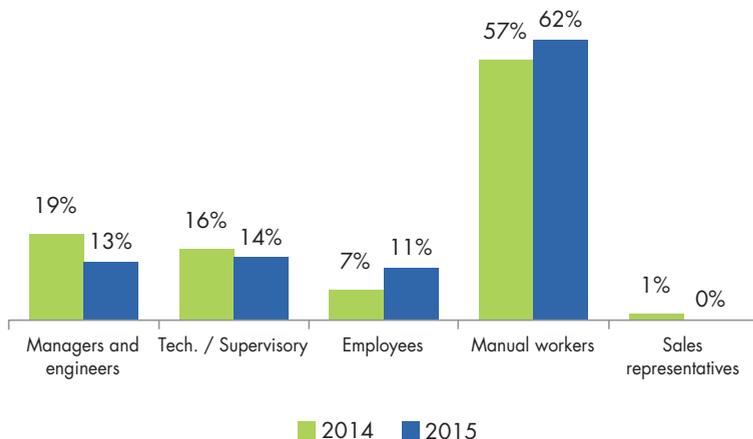
Training officers identify the skills requirements of company departments with regard to the objectives set and the strategy adopted by management.

In France, at their annual performance reviews, employees have the opportunity to specify any training they would like to receive. The information collected is used to prepare the training plan for each Group company according to its specific needs.

Staff representatives are consulted about the training plan, which is subsequently adopted by company management. Individual training courses are then organised in accordance with the plan.

In 2015, the Exacompta Clairefontaine Group provided a total of 21,845 hours of training, either in-house or through certified training organisations, at a total cost of €1,400,000 (21,278 hours and €1,430,000 in 2014).

Breakdown of total hours of training received by professional category



Equality

Equal opportunities, non-discrimination and diversity are fundamental values which the Group is committed to upholding and promoting. Recruitment and career development are not based on considerations of gender, and the Group gives precedence to skills and professional merit.

Throughout the Group, occupational training is used as a lever to help eliminate any inequalities in the career paths of men and women.

The Group is determined that each of its employees should enjoy a suitable work-life balance, so that they can best fulfil their responsibilities.

Apprentice and trainee placements

In France, in 2015, the Group took on and trained 32 people under apprenticeship contracts (27 in 2014) and 21 under professional training contracts (22 in 2014).

In 2015, 141 trainees (132 in 2014) had the opportunity to discover the Group's plants and the different types of career that the Group can offer.

These placements help to identify and potentially hire young people who know the various processes we operate, and to whom retiring employees may pass on their knowledge and expertise.

Several subsidiaries have set up partnerships with training institutions such as the PAGORA paper industry school in Grenoble and the specialised apprentice training centre in Gérardmer, which is just a few miles away from the original Papeteries de Clairefontaine plant.

Disabled employees

Expenditure related to disabled employees corresponds to the applicable national insurance contributions, subcontracting to the sheltered sector and workstation adaptation. In 2015, expenditure on 121 disabled employees in France amounted to €2,253,000, compared to €2,171,000 on 109 employees in 2014.

There are also four disabled employees working in Group companies abroad.

Compliance with the International Labour Organisation's fundamental conventions

In 2015, the Group had no operations and made no material purchases in countries suspected of resorting to forced or child labour.

Likewise, all of the countries in which the Group has subsidiaries respect freedom of association, the right to organise and the right to collective bargaining.



Society

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. 78% of the Group's jobs are located away from major cities.

The Exacompta Clairefontaine Group companies generally employ people living in the vicinity of their factories and other operational centres. Recruitment is carried out directly in the region concerned.

Papeteries de Clairefontaine, for example, has been located in Etival Clairefontaine (a village in the Vosges, France) since 1858 and currently employs 562 people. The company is a significant contributor to the local economy.

Over time, close bonds have been formed with the cities in which the Group operates and the surrounding villages.

Since 1858, the Group's majority shareholders have been members of the same family. A number of families of current employees have had members working for the Group over six or seven generations. The tradition of going to work in the same factory as one's parents is still alive today.

The Group comprises 38 companies, of which 25 are based in France and 13 abroad.



Fair practices

The prevention of active and passive bribery is incorporated into the standard practices observed by senior management. In addition, fraud verification in respect of all Group companies is included in the statutory auditors' assignment.

The Group is relatively unaffected by specific provisions regarding consumer health and safety. Nevertheless, some product lines must comply with standards and regulations regarding toy safety or hygienic requirements for materials and packaging in contact with food.

Procurement and subcontracting

The Exacompta Clairefontaine Group 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.

Partnerships

Group companies have set up a large number of partnerships with sports and cultural organisations.

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

Clairefontaine strives to support younger generations in their sports activities. All kinds of sport contribute towards a child's growth and development by instilling values shared by Clairefontaine: respect, drive, performance, ambition and equality.

Besides promoting amateur sport and leisure activities, Clairefontaine has also set up partnerships with top-ranking national football clubs by becoming the main shirt sponsor for their youth teams (boys and girls aged 7-19). Clairefontaine also sponsors clubs in the French Ligue 1 (Lyon, Montpellier, Lorient, Bordeaux and Caen) and Ligue 2 (Sochaux-Montbéliard, Nancy and Auxerre).

In terms of cultural activities, the Group supports several festivals and Group companies get involved in local community initiatives linked to their employees.

In 2015, for example, Papeteries de Clairefontaine provided financial support for two festivals:

- the Festival International de Géographie (FIG) in Saint-Dié des Vosges, and
- the Festival des Abbayes in Lorraine.

Moreover, Group employees work closely with educational establishments (schools, polytechnics and apprentice training centres).



Human rights and environmental initiatives

Education is the central pillar in the actions taken by the Group in support of human rights.

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.

For over ten years, Clairefontaine has supported UNICEF and has contributed to the education of underprivileged children in Bangladesh, the Philippines, Morocco and Niger.

In 2015, Clairefontaine donated €200,000 to UNICEF to support its efforts to promote education, particularly for girls, in Niger's rural communities.

Over the last two years, Clairefontaine's contribution has helped fund the building and equipping of over 135 classrooms able to accommodate over 9,000 pupils, as well as the provision of educational materials for over 160 pre-school centres for around 5,000 children. UNICEF has also been able to train over 100 teachers and provide continued education to over 11,000 refugee children in Niger despite their forced displacement.

Since 2004, the Group has paid around €2,994,000 to this humanitarian association.

Quo Vadis launched a reforestation campaign in Niger in 2010. The long term aim of this project is to establish a forest of 100,000 trees on the Dosso plantation located 150km east of Niamey. The Quo Vadis Forest planters' community also contributes to economic development within the region.



© Credit: © UNICEF/UN03392/Fleury
03/12/2015

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Niger -2015

© Credit: © UNICEF/UN03394/Fleury
Niger -2015

Verification report on the accuracy of reporting related to corporate transparency requirements in respect of social and environmental matters

The information we reviewed relates to the fiscal year ended 31 December 2015.

Request, responsibilities and independence

In response to a request from the Exacompta Clairefontaine Group and pursuant to the provisions of Article L.225-102-1 of the French Commercial Code, as an independent third-party body certified by COFRAC under number 3-289 (the list of offices and scope may be consulted on www.cofrac.fr), we have conducted an examination of the social and environmental information published by the Exacompta Clairefontaine Group in its 2015 social and environmental report.

The Exacompta Clairefontaine Group is required to publish information pertaining to the items listed in Article R.225-105-1 of the French Commercial Code. The collection of this information was coordinated by the Executive Vice President of the Exacompta Clairefontaine Group in accordance with:

- questionnaires for the collection of social and environmental information and data aggregation tools for processing this information;

hereinafter referred to as the "reporting procedures", available for consultation at the Exacompta Clairefontaine Group's registered office.

It is our responsibility, pursuant to Article R.225-105-2 of the French Commercial Code, to carry out the work required to establish this verification report.

The findings of this report include:

- certification of the inclusion of the social, environmental and staff information stipulated in Article R.225-105-1 of the French Commercial Code;
- a justified opinion on the accuracy of the published information and, where applicable, a justified opinion on the explanations concerning the absence of specific information.

We hereby certify that this verification report has been drawn up independently and objectively and that our work was performed in compliance with the professional standards of the independent third party. Furthermore, we have established a Bureau Veritas Code of Ethics to be applied by all consultants.

Nature and scope of the assignment

Our work was conducted between 21 March 2016 and the signing of our report, over a period of about two weeks, by a team of two auditors. We held around a dozen meetings for this assignment.

We made certain that the social, environmental and staff information provided corresponded to the consolidated scope as defined in Articles L 233-1 and L 233-3 of the French Commercial Code. Changes to this scope for the purposes of reporting social, environmental and staff data are specified in the 2015 social and environmental report.

We took the following measures to certify the inclusion of the required information:

- we familiarised ourselves with the Group's sustainable development objectives, which are based on the social and environmental impact of its activities and its commitments to society;
- compared the information contained in the 2015 social and environmental report with the list set out in Article R 225-105-1 of the French Commercial Code;
- verified that there were explanations for any omissions of information.

For the justified opinion on the accuracy of the publication, we conducted our assessment pursuant to the French decree of 13 May 2013, which determines the methods to be used by the independent third-party body in the conduct of its assignment, and our own internal procedure.

We implemented the following procedures in order to conclude that the information is free from any material misstatements that could call into question the accuracy of such information, in all material aspects, in accordance with the reporting procedures:

- assessment of the relevance, reliability, comprehensibility and exhaustiveness of reporting procedures;
- identification of Group personnel in charge of information collection and, where applicable, internal control and risk management procedures;
- verification of the adoption of a consistent and exhaustive data collection, compilation, analysis and control process;
- familiarisation with the internal control and risk management procedures related to the information presented;
- interviews with personnel responsible for reporting social, environmental and staff information;
- selection of consolidated information to be tested⁽¹⁾ and determination of the nature and scope of the tests to be conducted in light of their importance in terms of the social and environmental consequences of the Group's operations and its social commitments;

⁽¹⁾**Staff information:** total headcount and breakdown by gender, age, geographic area and breakdown of permanent employment contracts by professional category; number of new hires; number of departures by reason for departure; payroll/workforce; proportion of full-time and part-time employees; proportion of employees by working patterns, number of overtime hours, number of hours of employee downtime, rate of absenteeism; number of collective agreements signed in France; amounts paid out for employee benefits and other subsidies; industrial accident frequency and severity rates; occupational illnesses; total hours of training provided (per professional category); number of disabled employees and expenses related to disabled staff; number of trainees and apprentices.

Environmental information: Environmental protection expenditure (€000) 32.39%; financial guarantees (€) 38.71%; NOx (T) 72.54%; CO (T) 96.14%; particles/dust (T) 65.00%; SOx (T) 7.08%; COD (T) 52.96%; suspended solids (T) 59.81%; BOD5 (T) 77.78%; N total (T) 43.43%; P total (T) 71.11%; total waste (T) 55.09%; consumption of: mains water 52.43%, surface water 75.81%, virgin pulp (T) 80.96%, paper and cardboard (T) 74.40%, plastics (T) 9.13%, metal (T) 54.64%, chemicals (T) 81.38%; energy consumption: natural gas (kWh GCV) 86.42%, mains electricity (kWh) 46.53%, domestic heating oil (L) 6.47%; total power generation (MWh) 100.00%; paper mill CO₂ emissions (T CO₂) 88.75%; paper mill production (figure used to calculate water consumption and CO₂ emissions per tonne produced) 70.49%; refrigerant leaks (kg) 91.62%.

Social information: impact on local economy, human rights, environmental initiatives.

- We performed the following tasks on what we considered to be the most important quantitative information:
 - we conducted an analytical review of the information and carried out verifications, by means of sample tests, of the calculations and compilation of this information by the Group and by the entities verified;
 - we selected a sample of sites ⁽²⁾, in accordance with their activity and contribution to Group consolidated data, their location, the results of work carried out during previous years and a risk assessment.
- for each of the sites selected, we carried out the following procedures:
 - interviews to verify the correct application of reporting procedures;
 - detailed checks by means of sample tests in which we verified the calculations performed and compared the data provided with the supporting documentation.

The selected sample represents a coverage rate of about 34% of the workforce and between 6% and 100% of the values reported for the most significant environmental information.

- For qualitative information that we considered to be important, we carried out interviews and analysed the source documents and, where necessary, public records.
- We assessed the adequacy of explanations given for non-disclosure of certain information.

Comments on reporting procedures and data

We have the following comments to make on the reporting procedures and practices applied by the Exacompta Clairefontaine Group:

- The Group must continue to improve the information collecting process by creating or updating definitions for the information to be collected, in particular information related to staff and, in the environmental section, raw materials. These definitions must in particular reflect the international character of the Group;
- Introduce a training programme for personnel in charge of collecting CSR data from the sites;
- Strengthen the internal control of data reported by the sites and internal control linked to the data consolidation phase.

Certification of inclusion of information

On the basis of our work, and within the scope defined by the Group, we hereby certify that the social, environmental and staff information has been included.

We have noted the fact that, as stated in the social and environmental report, some information applies to a limited scope.

Opinion on accuracy

We express the following reservations:

Discrepancies were identified in the information collected on amounts assigned to training, which affects the reported data and gives rise to inconsistency with the reported number of training hours.

To conclude, barring the foregoing reservation, we have not detected any material misstatements that could call into question the accuracy of the information provided by the Exacompta Clairefontaine Group in its 2015 report on social and environmental responsibility.

Puteaux, 20 April 2016

For Bureau Veritas

Jacques Matillon
Vice-President



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