

# **Social and Environmental Responsibility**

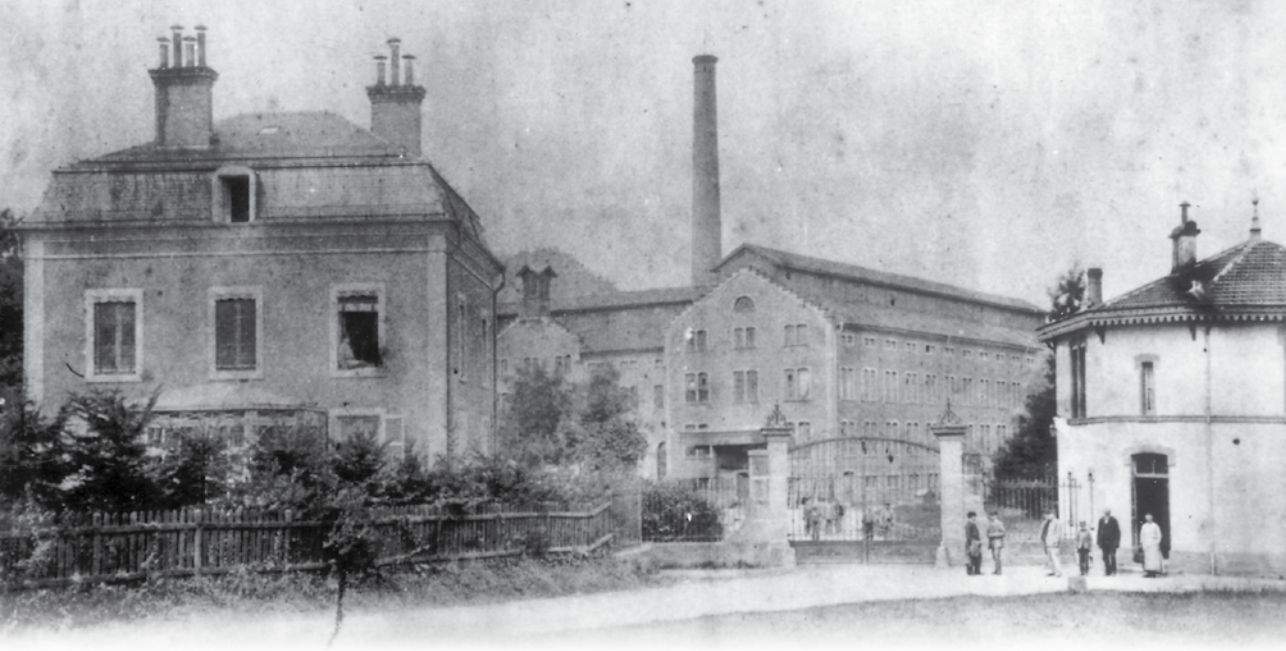


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**EXACOMPTA CLAIREFONTAINE**

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## 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, had 3,080 employees at the end of 2014 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, Poland, 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 top quality, a comprehensive and diversified product range and a firm social commitment with regard to future generations.

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

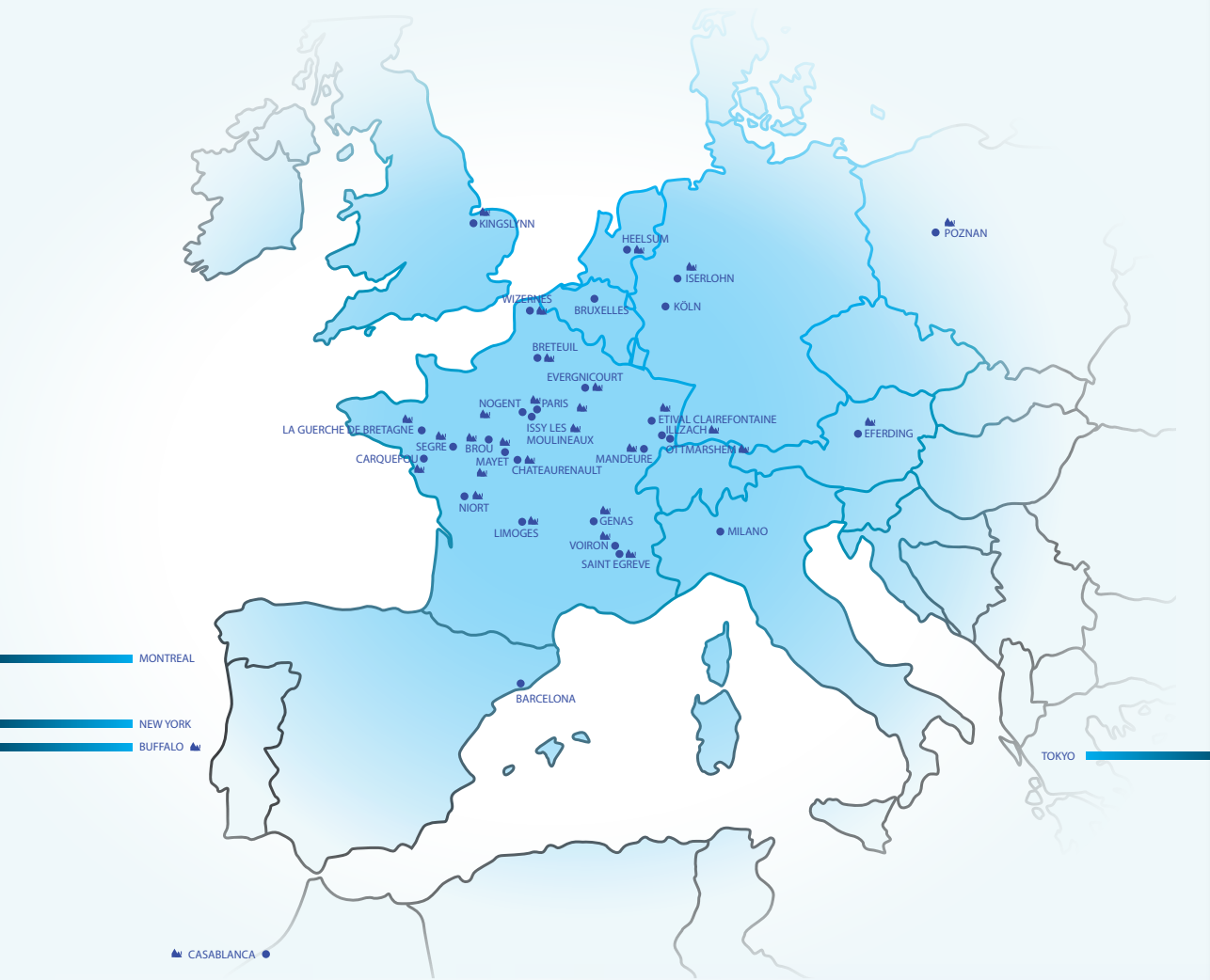
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**EXACOMPTA CLAIREFONTAINE**



De grandes marques de Papeterie, naturellement







Environmental

**responsibility**



# 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:

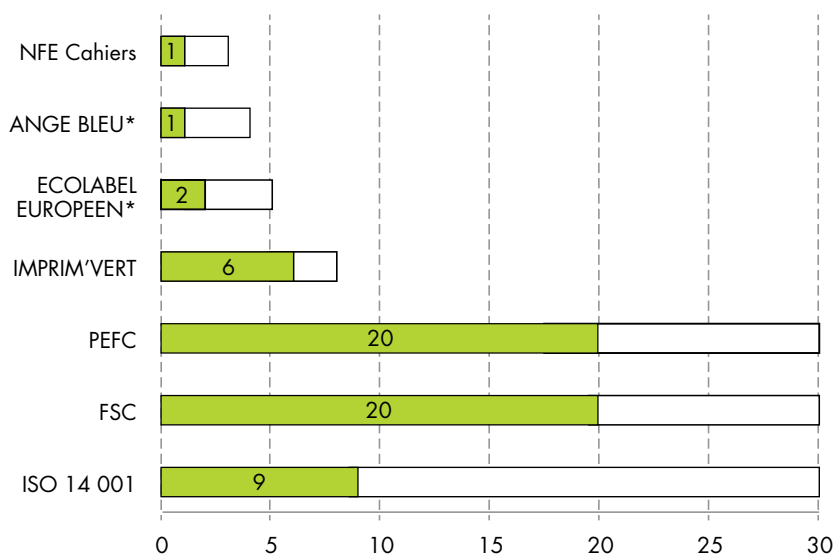
- use certified pulp to ensure sustainable forest management,
- favour material recycling over waste disposal,
- reduce water consumption,
- reduce fossil-based CO<sub>2</sub> emissions,
- prevent pollution risks.

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. As such, a large range of our products have been awarded environmental labels.

## Overview of environmental certifications obtained by our production and processing sites

Example: ISO 14001 - 9 certified sites out of 30 eligible for certification



\* Exclusively paper production sites

\*\* French environmental standard for exercise books

## Environmental labelling of convenience goods

Exacompta Clairefontaine has decided to become a member of SOFEA (Sustainable Office European Association). Within the framework of this European association, office supplies manufacturers and resellers have come together to establish an eco evaluation and rating system for products.

The new system proposed by SOFEA will work as follows:

- environmental information is entered into a secure database,
- the information collected is analysed and products are rated according to a methodological framework controlled by an independent scientific committee.
- the data used to rate products is audited and certified by an independent third party,
- the results of the product rating are uploaded and displayed by resellers involved in the project.

## Training and sensitisation

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

In 2014, 302 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,
- environmental impact.

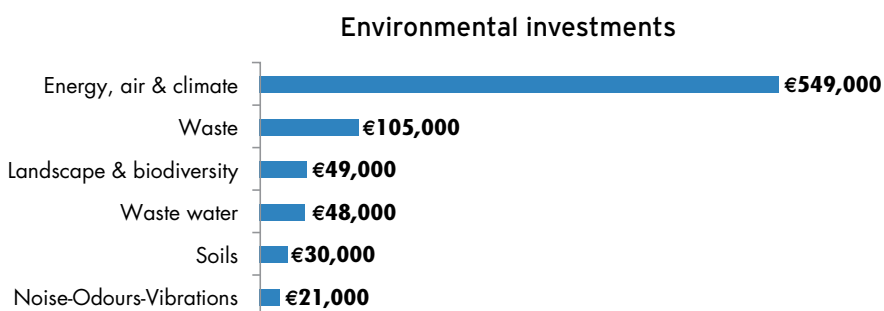
Two people also undertook specific training leading to qualifications, as follows:

- qualification in radiation protection,
- safety adviser for the transport of dangerous goods.

Information on waste sorting, chemical hazards and environmental indicators was also disseminated at several sites.

## Investments promoting environment protection

Each year, the Group invests in improving the environmental performance of its manufacturing and processing plants. In 2014, these expenses exceeded €802,000, which breaks down as follows by area of improvement.



Case studies:

- **Everbal**: cleaning of wastewater lagoons and maintenance of aeration devices in order to improve wastewater quality;
- **Papeterie de Mandeuire**: installation of a tank for the bulk storage of mineral filler to reduce the quantity of packaging waste for disposal (containers) and contain the loss of raw materials, creation of a canopy for protection against bad weather during the storage of waste awaiting disposal (prevents runoff of dirty water);
- **Papeteries de Clairefontaine**: replacement of an air compressor, insulation of a condensate tank and a hot water cylinder in order to reduce energy consumption;
- **Photoweb**: the company has moved to new BBC classified premises (French classification for low-energy consumption building) including in particular a geothermal heating and cooling system;
- **Raynard**: translucent roof tiles have been replaced in order to increase natural lighting and reduce energy consumption.

These improvements all aim at controlling the environmental impacts of our industrial activities.

## Financial provisions and guarantees

Since 1 July 2014, two French paper mills are required to provide financial guarantees for ensuring the safety of the plants if operations were to be discontinued.

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

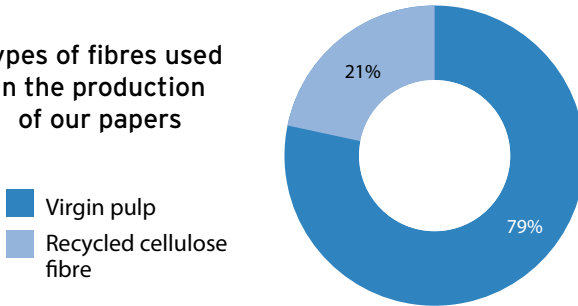


# Raw materials

Paper contains 70% cellulose fibres. To preserve the ecosystem, the pulp we use is produced from timber originating exclusively 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.

Fibre consumption in 2014 amounted to 178,621 tonnes. To limit consumption, the Group's paper sites filter their process water to recover and reuse as much of this fibre as possible.

**Types of fibres used in the production of our papers**



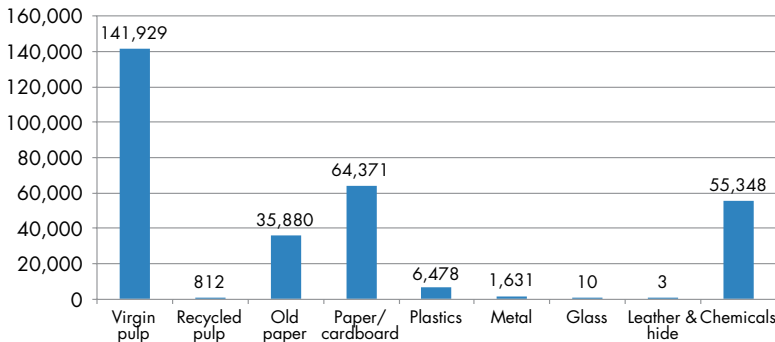
Paper production also requires the use of starches, mineral fillers and additives, which provide the colouring and commercial properties (e.g. printing, writing) that are expected of our products.

Among the additives used, retention agents help improve the fixing of secondary materials, thereby limiting their consumption.

A proportion of these papers is then used by the Group's processing factories, where they are combined with other materials: card, cardboard, plastics (in particular polypropylene), steel (metal eyelets, binder mechanisms) to make thousands of types of exercise books, note pads, notebooks, diaries and filing items.

**Main raw materials used by production site (in tonnes)**

*Only part of raw materials has been accounted for due to the variety of units of measurements (per unit, per m, per m<sup>2</sup>).*



Quality control of our products at all stages of production allows us to identify quality issues early and thus minimise scrap. This control is carried out, not only for quality and economic reasons, but also for environmental reasons, as it helps preserve natural resources by reducing raw material consumption.

# Waste management

Waste recycling is one of the most important measures implemented by the Group.

Recycling materials is the preferred option. The Everbal site, which specialises in the manufacture of recycled paper, collects a significant proportion of the Group's paper waste.

Other materials (plastic, metal, wood) are sent to specialised recycling firms.

Sewage sludge is generally composted and then used for farming purposes.

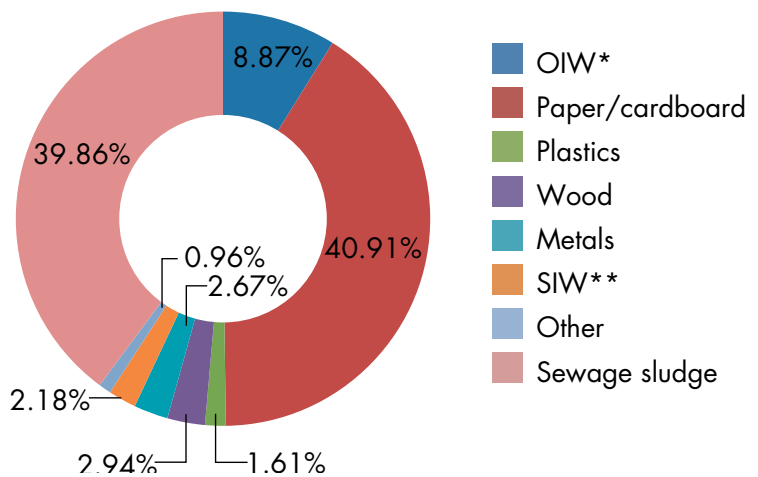
When collected waste cannot be recycled, it is sent to an energy recovery facility.

As a last resort, waste products that cannot be reused are sent to treatment centres for disposal.

Our staff are regularly made aware of the importance of sorting waste in order to optimise our performance.

In 2014, a total of nearly 28,630 tonnes of waste was generated by the Group's activities.

Breakdown of waste by category



# Energy consumption

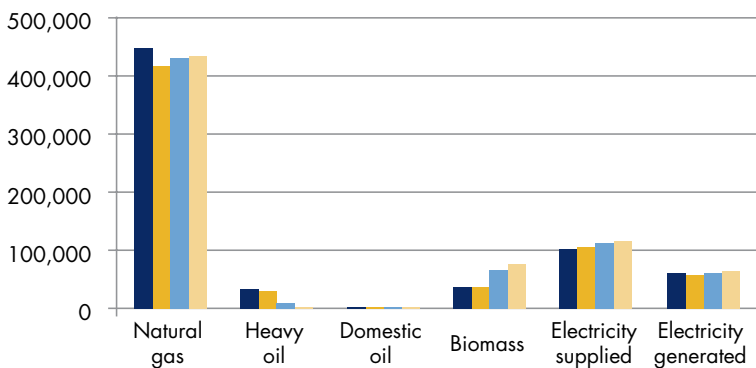
Natural gas is the primary fuel consumed by our facilities. It is the fossil fuel that emits the least amount of pollutants during combustion.

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 (NCV\* for fuels)



	2011	2012	2013	2014
Natural gas	449,868	419,087	431,764	436,697
Heavy oil	34,011	32,756	10,378	2,344
Domestic oil	847	989	939	482
Biomass	37,112	37,635	65,774	78,754
Electricity supplied	103,745	106,400	112,667	117,545
Electricity generated	62,467	58,587	63,694	64,023

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 (Ersnt Stadelmann)
- Geothermics (Photoweb)
- 1 hydroelectric turbine (Papeteries de Clairefontaine)



\* NCV: Net Calorific Value



# Atmospheric emissions

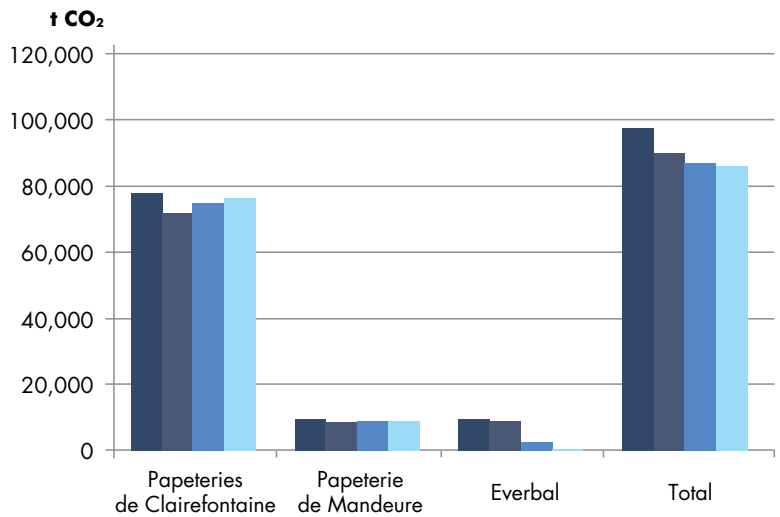
## Greenhouse gases

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

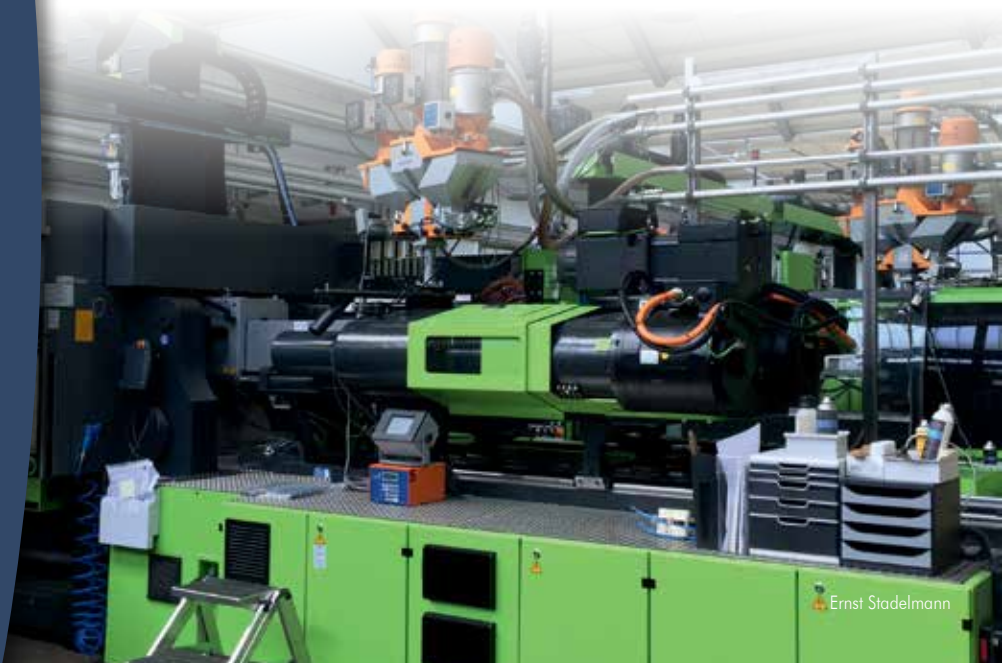
One of Exacompta Clairefontaine Group's objectives is to reduce fossil-based CO<sub>2</sub> emissions by investing in renewable energy.

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

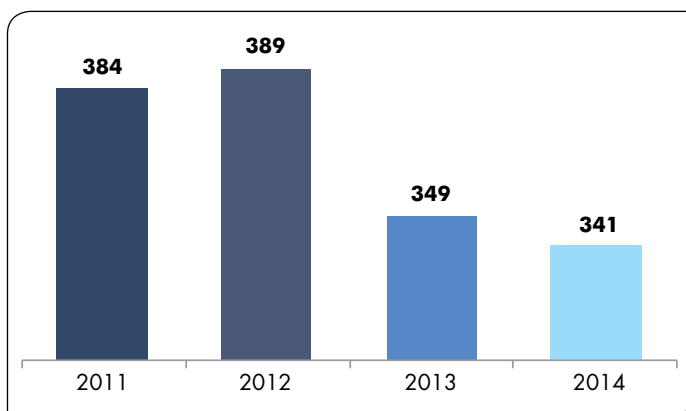
CO<sub>2</sub> emissions declared as part of the EU ETS framework



■ 2011	78,291	9,914	9,553	97,758
■ 2012	72,224	8,863	9,141	90,228
■ 2013	75,357	9,070	2,918	87,345
■ 2014	76,681	9,105	659	86,445



### Average specific emission for the 3 French paper mills (in kg CO<sub>2</sub>/tonne of gross paper production)



Papeteries de Clairefontaine exports CO<sub>2</sub> to an on-site precipitated calcium carbonate (PCC) production facility. The CO<sub>2</sub> contained in the smoke generated by boilers is used in the production of PCC.

This transformation prevents approximately 11,000 tonnes of CO<sub>2</sub> from being released into the atmosphere each year, i.e. a net emission of 65,506t in 2014.

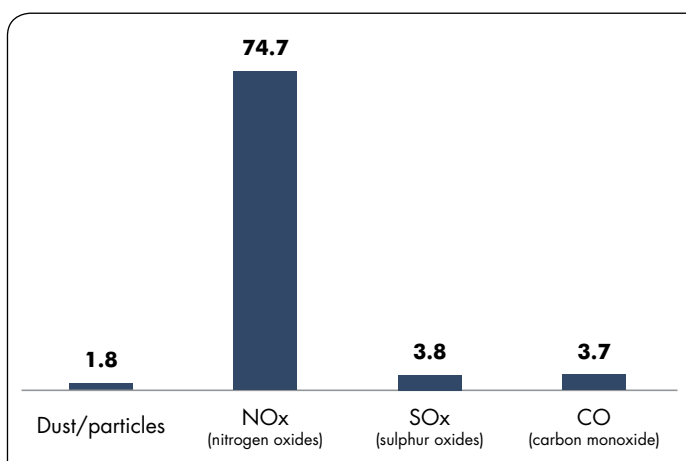
At the same site, 42kg of fluorinated gases have been released into the atmosphere. This emission is due to refrigerant leaks in air-conditioning systems. Other Group companies are not concerned by this problem or have not obtained precise data on the matter.

For the moment, we have not identified any significant impact of climate change 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) - 2014



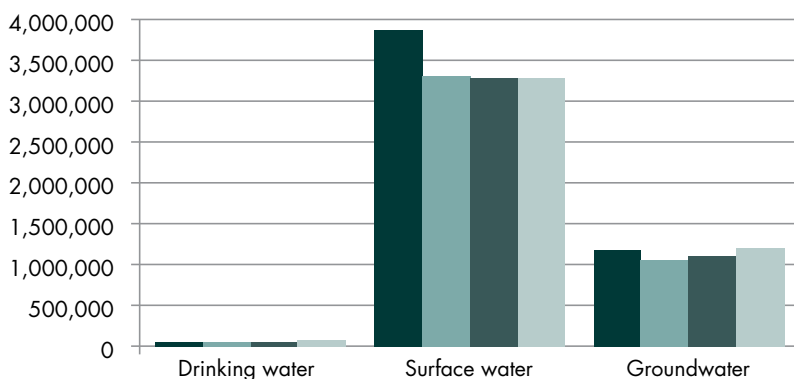
# Water consumption

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.

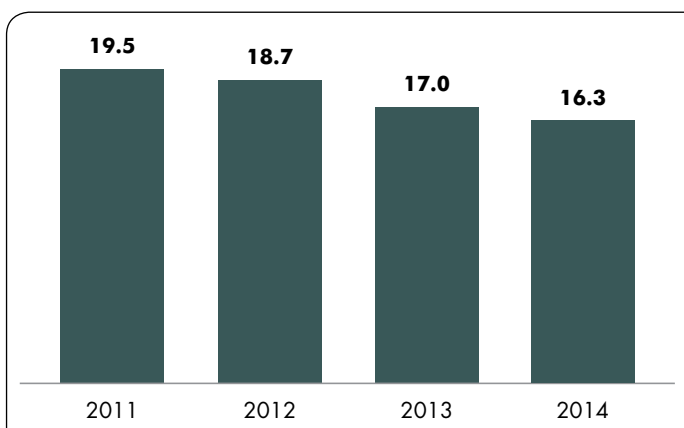
Water consumption (m<sup>3</sup>)



	2011	2012	2013	2014
Drinking water	42,022	41,277	46,805	64,204
Surface water	3,874,135	3,310,158	3,290,569	3,294,062
Groundwater	1,164,417	1,039,559	1,097,525	1,207,637

The increase in drinking water consumption is linked to the inclusion of new processing sites in the 2013 and 2014 data.

Water consumption of the 3 French paper mills.  
(in m<sup>3</sup>/tonne of gross paper production)





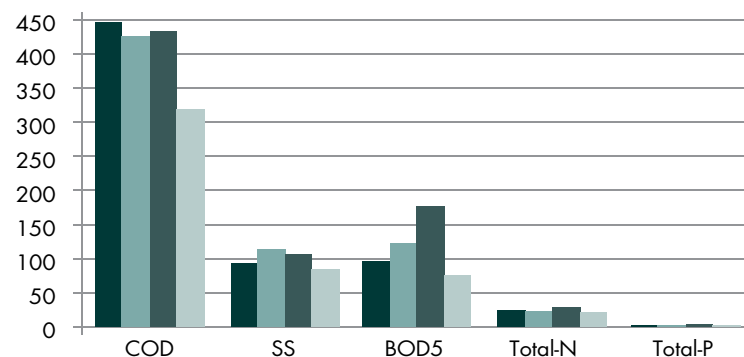
# Discharge of wastewater

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

The quality of wastewater discharges improved markedly in 2014 following improvement measures undertaken at treatment plants.

## Quality of wastewater discharges at French paper mills

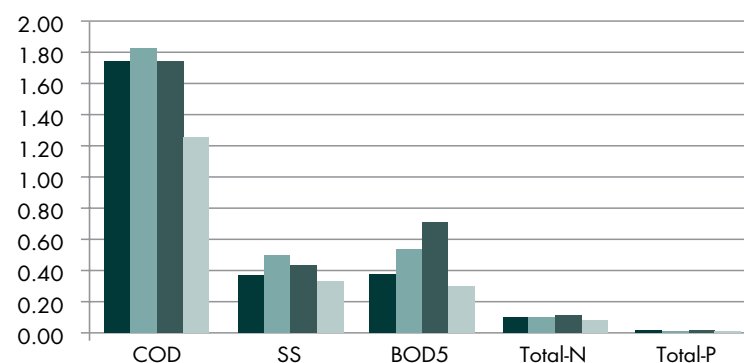
tonnes



■ 2011	447.7	94.7	97.1	24.8	2.8
■ 2012	426.6	115.7	123.6	23.1	2.3
■ 2013	434.6	108.5	177.5	27.8	4.7
■ 2014	319.6	85.0	75.7	21.5	2.2

## Average discharges for the 3 French paper mills as a ratio of production

kg / tonne  
gross paper production



■ 2011	1.76	0.37	0.38	0.10	0.01
■ 2012	1.84	0.50	0.53	0.10	0.01
■ 2013	1.75	0.44	0.72	0.11	0.02
■ 2014	1.26	0.34	0.30	0.08	0.01

COD: Chemical Oxygen Demand

SS: Suspended Solids

BOD5: 5-day Biochemical Oxygen Demand

Total-N: Total nitrogen

Total-P: Total phosphorus

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

In 2014, an overflow of the pulper at the Everbal site led to an accidental discharge into the neighbouring stream. No impact on the fauna or flora has been observed. Corrective measures have been taken to ensure that a similar accident does not occur again.

# 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 agriculture 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 our industrial sites is about 53%

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.

No incidents that could have resulted in soil contamination have been recorded at our sites in 2014.

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

Recent regulatory developments, the transposition into French law of the IED (Industrial Emissions Directive) and the publication of conclusions on best available techniques (BAT) in the paper industry, require paper mills to prepare documents for the review of their authorised conditions of operation before the end of September 2015.

These documents must include, amongst others, a baseline report setting out soil and underground water pollution at time t.





# Biodiversity

The Exacompta Clairefontaine Group is also committed to preserving biodiversity.

Since 2014, Papeteries de Clairefontaine has been supporting the general interest association OceanoScientific, under the auspices of UNESCO, whose role is to contribute to the protection of the natural ocean environment by raising awareness and educating the public about the causes and consequences of climate change, based on observations of the air-sea interface in maritime areas where there has been little or no scientific exploration.



In 2014, Papeteries de Clairefontaine also provided financial support to the Conservatoire d'Espaces Naturels de Lorraine for the organisation of the 27<sup>th</sup> national congress of the Conservatoires d'Espaces Naturels (Natural Spaces Conservatories).

Some of our sites are located close to or include lands where the fauna and flora are protected.

Thionville  
accueille le 27<sup>e</sup>  
congrès des  
Conservatoires  
d'espaces naturels

Espèces et espaces sans frontières  
Arten und Lebensräume ohne Grenzen  
Aarten a Liewesräim ouni Grenzen

DU 27 SEPTEMBRE AU 5 OCTOBRE 2014  
À THIONVILLE

Animations • Expositions • Films/débats  
Conférences • Rallye nature • Salon du livre • Kayak...

27<sup>e</sup> CONGRÈS  
2014  
des Conservatoires  
d'espaces naturels  
en LORRAINE

Conservatoire  
d'espaces naturels  
Lorraine

Coopéra organisé  
par la Ville de Thionville

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

# responsibility

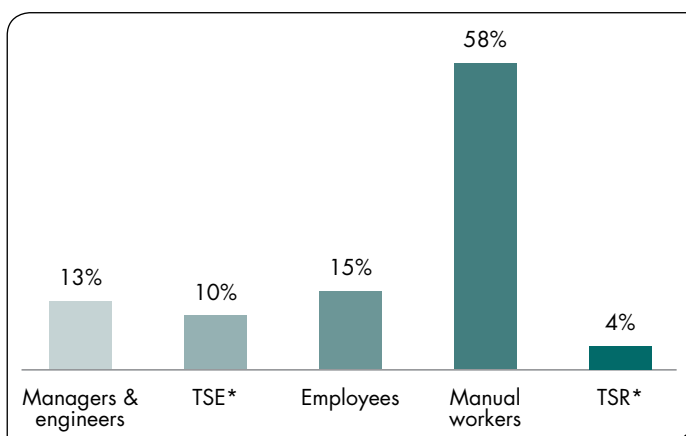
# Employment

At 31 December 2014, the Exacompta Clairefontaine Group had 3,080 employees - 1,271 women and 1,809 men. 2,905 employees were hired under permanent employment contracts.. Only 5.7% of staff were hired under temporary employment contracts.

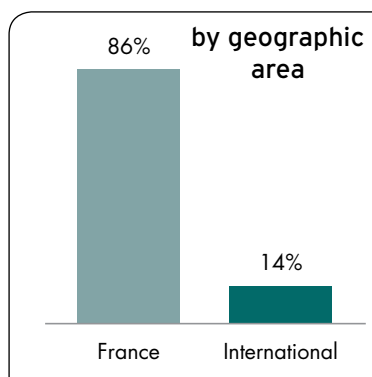
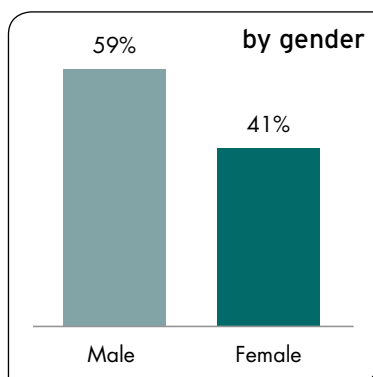
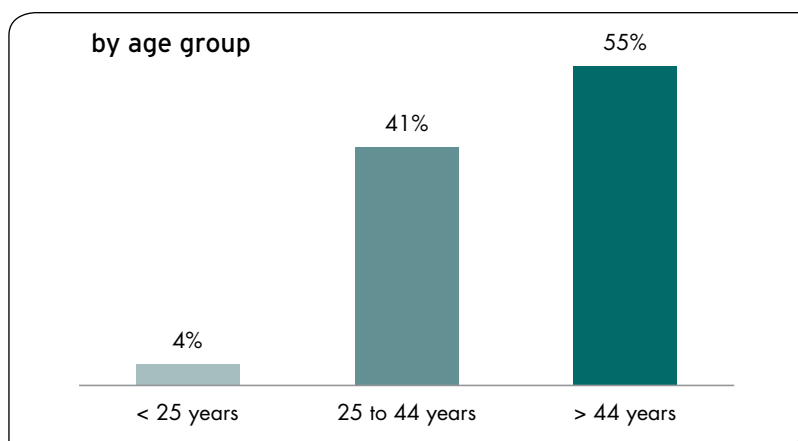
The majority of these jobs are based in France. Know-how and process management are essential components of the Group's strategy to manufacture quality products. For this reason, the Group has made the decision to minimise its use of subcontractors.

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**



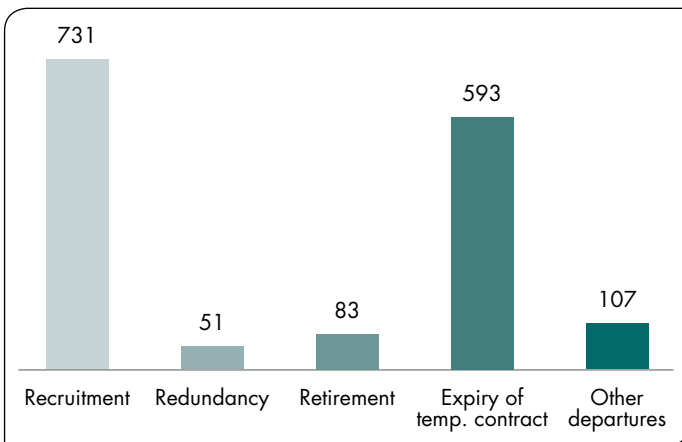
\* TSE - Technical and supervisory employees; TSR – Travelling sales representatives



The vast majority of employees leaving the Group did so due to the expiry of temporary employment. 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. For example, Papeteries de Clairefontaine has introduced a mentoring system whereby retiring employees' know-how is passed on to new recruits.

### Staffing changes





In 2014, pay-related personnel expenses, including social security contributions, amounted to almost €147 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

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

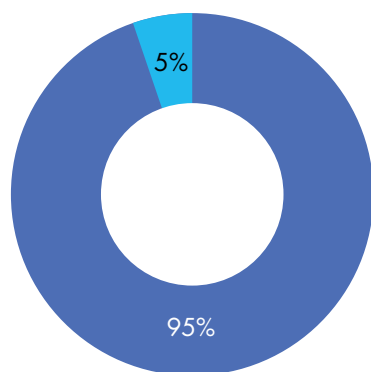
The continuous operation of our paper machines and the amount of work required for certain processing or finishing jobs means that some night-shift work is unavoidable.

The law of 20 January 2014 to ensure the future and fairness of the retirement system provides for the creation of an arduous work prevention account to be enforced in phases: Four risk factors will be taken into account as of 2015, six others will be added in 2016.

The factors taken into account in 2015 include the work pattern, such as night work and work in successive rolling teams.

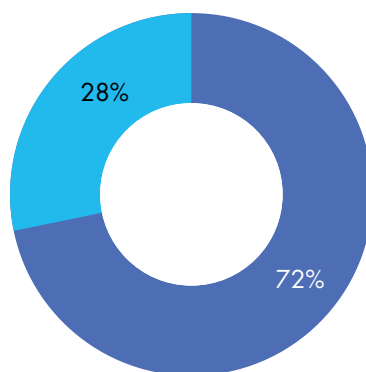
Some companies have already planned to change working hours to reduce personal exposure to night work, mainly for morning teams.

**Breakdown by  
full-time/part-time work**



■ Full time  
■ Part time

**Breakdown by  
working patterns**



■ Daytime work  
■ Night shift or rotation



Papeteries de Clairefontaine

In 2014, employees worked almost 95,707 hours of overtime. This was completed over periods of peak activity during which, in view of the quality expected of our products by clients, we opted to use current staff who already have training rather than relying on 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 2014, 4,702 hours were lost through employee downtime, compared to 4,766 hours the previous year.

The Exacompta Clairefontaine Group endeavours to minimise employee downtime by scheduling training courses or cleaning work during these periods. Versatility and flexibility on the part of our employees also contribute towards reducing temporary lay-offs.



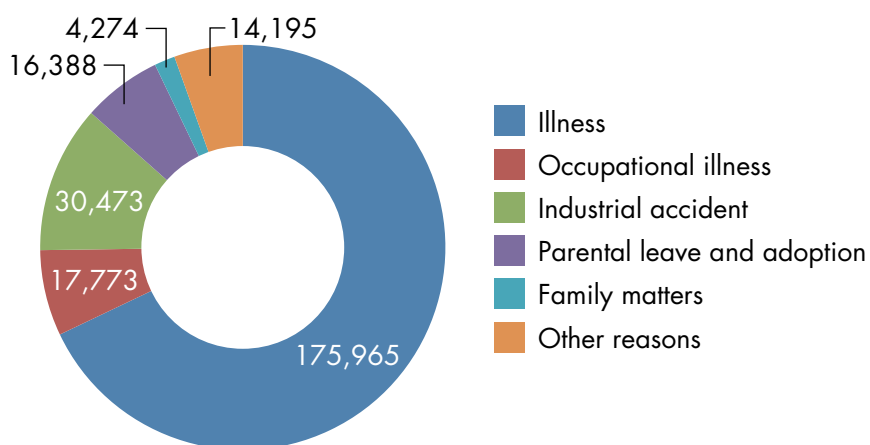
Exacompta Clairefontaine Group strives to minimise absenteeism in all Group subsidiaries. The Group takes steps to prevent the occurrence of industrial accidents and musculoskeletal injuries. In France, Group companies are working on a system to measure the arduousness of work. As a result of these initiatives, agreements or action plans for the prevention of harmful working conditions have been or will be implemented. In order to minimise short-term work stoppages, 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 through sickness, despite flu vaccination campaigns organised every year at some sites.

### Absenteeism

Illness	3.7%
Occupational illness	0.4%
Industrial accident	0.6%
Parental leave and adoption	0.3%
Special leave for family events	0.1%
Other reasons	0.3%
<b>Total absenteeism</b>	<b>5.4%</b>

### Breakdown of hours of absence





# Industrial relations and trade unions

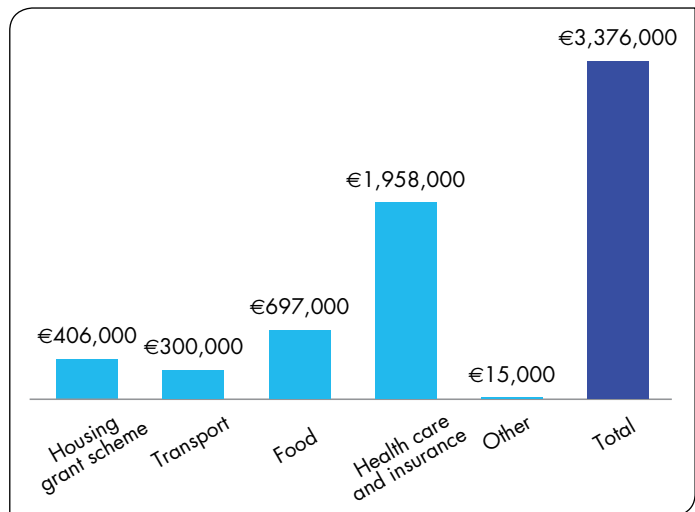
The major trade union organisations are represented within our various French subsidiaries. Within the Group there are 184 elected staff representatives and/or designated trade union representatives.

Discussions between management and staff representatives have led to the signature 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.

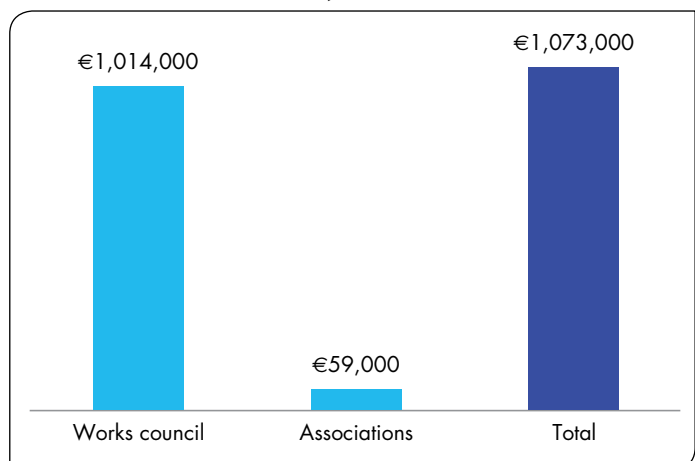
In France, 103 collective agreements were identified in 2014.

- Salaries and monthly bonuses (14)
- Profit-sharing, incentive schemes and other annual benefits (18)
- Health scheme funding (20)
- Working hours (20)
- Arduous work prevention (4)
- Gender equality (7)
- Management Planning for Jobs and Skills agreement - GPEC (1)
- French inter-generational contract (13)
- Other agreements (6)

Amounts paid in employee benefits in France



Subsidies paid in France



# Health and safety at work

## Preventive actions

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 site managers in the implementation of occupational risk prevention measures. Health and safety committees (CHSCT) or staff delegates, for small French organisations also contribute actively to these initiatives.

Over €430,000 has been invested in health and safety measures in 2014. An overview is given below:

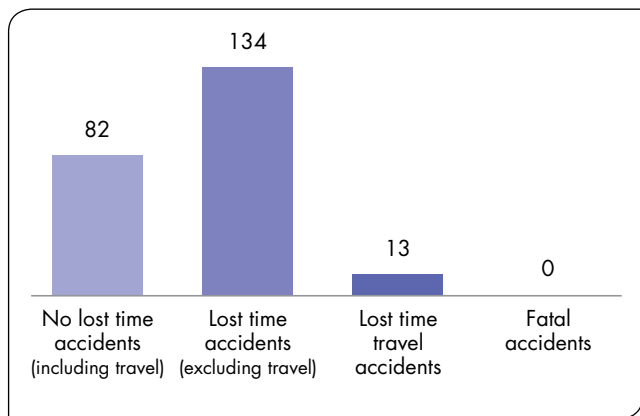
- **Manuclass, Claircell, Papeteries de Clairefontaine, Madly:** Adaptation of workstations in order to improve ergonomics;
- **Exacompta:** "Zero Accident" poster campaign;
- **Clairefontaine Rhodia:** reduction of the weight of cardboard carried by operators, relocation of order preparation areas to reduce movements of people;
- **CFR:** application of the 5S method in the production area;
- **Registres Le Dauphin, Everbal:** introduction of measures for the protection of lone workers;
- **AFA:** registration for the TMS pro programme of CRAMIF in order to reduce the risk of musculoskeletal disorders in the company;
- **Raynard:** enhancing the safety of a loading platform;
- **Lavigne:** training for sales staff on road-related risks and particularly those due to fatigue, loss of driver alertness, night driving, driving in urban areas;
- **Publiday Multidia:** setting-up of a first-aid room.



## Industrial accidents

In 2014, industrial accidents led to 4,084 days of absence.

Chart of industrial accidents reported for the entire Group



### Frequency and severity rates

#### Frequency rate: 30.9

(Number of industrial accidents with absence from work pour 1,000,000 hours worked)

#### Severity rate: 0.9

(Number of days lost per 1,000 hours worked)

## Occupational illnesses;

In 2014, 7 reports of illnesses were recognised as occupational illnesses in the Group. They are included in Table No. 57 of the general French social security scheme which lists joint disorders caused by some working movements and postures.

Improvement measures are taken with regard to potential occupational illnesses on workstations in an attempt to prevent their recurrence. When these illnesses lead to incapacities, job reassignments are systematically offered to the concerned employees.

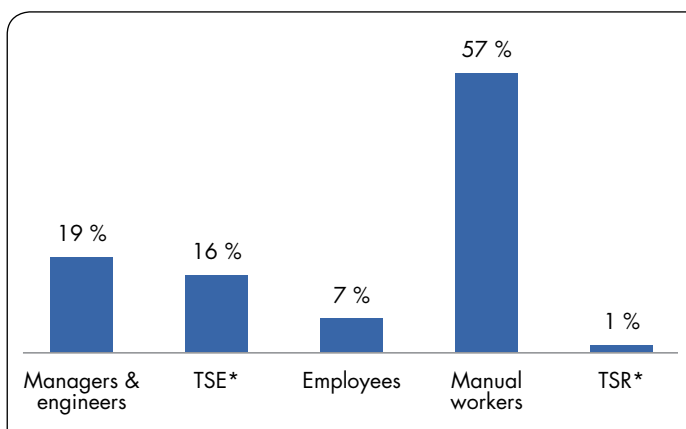
# Training

The training officers define 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, and it is then adopted by the company management. Individual training courses are then organised in accordance with the plan.

In 2014, the Exacompta Clairefontaine Group provided a total of 21,278 hours of training, either in-house or through certified training organisations, for a total cost of €1,430,000.

**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 be able to reconcile their working time with the demands of their private lives, so that they can best fulfil their responsibilities.

\* TSE - Technical and supervisory employees; TSR – Travelling sales representatives



# Apprentice and trainee placements

In France, in 2014, the Group took on and trained 27 people under apprenticeship contracts, 22 under professional training contracts and 132 interns.

The Group uses training as a means of hiring young people who know the various processes we operate and will serve as a receptacle for the knowledge and expertise passed on by retiring employees.

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 2014, expenditure was close to €2,171,000 for 109 disabled employees employed in France.

There are also 6 disabled employees working in companies of the Group abroad.

## Compliance with the International Labour Organization's fundamental conventions

In 2014, 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.



Social

responsibility

# Impact on the local economy

All Exacompta Clairefontaine subsidiaries play a vital role in their local economies, both as an employer and in terms of their commitment and contribution to local communities. 75% of the Group's jobs are situated outside major cities.

The Exacompta Clairefontaine Group companies 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 Étival-Clairefontaine (a village in the Vosges region, France) since 1858 and today employs 564 employees. 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.

Like the Group's majority shareholders, who are 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.

In the Group, 3,080 people are employed in 39 companies, of which 25 are based in France and 14 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' audit assignments.

Apart from the relevant applicable legislation, the Group is little affected by specific provisions regarding consumer health and safety. Certain product ranges must comply with French toy safety standards.

# 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 clients 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.

The criterion of environment friendliness is applied to the selection of each of the Group's suppliers. Proof of the required certifications and labels may be requested.

The Group seldom subcontracts and subcontractors are mainly locally based.

In 2014, Papeteries de Clairefontaine drew up a draft Code of Ethics in business which should be applicable in 2015.



*Companies of the Exacompta Clairefontaine Group have partnerships with local sports clubs and other associations.*

## Partnerships

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

The Exacompta Clairefontaine Group supports tomorrow's talent by sponsoring boys' and girls' youth teams for a number of highly respected French clubs.

The Group sponsors various sports:

- football (in Ligue 1 - 1<sup>st</sup> Division: Lyon, Montpellier, Lorient, Lille and Caen; in Ligue 2 - 2<sup>nd</sup> Division: Sochaux and Nancy; plus numerous lower division clubs)
- basket,
- handball,
- ice hockey,
- rugby,
- cycling,
- sailing.

In terms of cultural activities, the Group supports several festivals, including the International Geography Festival (Festival International de Géographie - F.I.G) in Saint-Dié des Vosges.

Group companies support the local communities of their employees. 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.

The Group 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.

The Group has set up schemes in a number of villages in Morocco aimed at reducing the school drop-out rate, especially amongst girls. The aim is also to combat violence in schools through concrete actions: Consultation Committee, Children's Charter, mailboxes for the anonymous reporting of acts of violence (as a witness or victim). This programme has been implemented in several schools with major social problems.

In 2014, Clairefontaine and UNICEF celebrated ten years of partnership.

Since 2004, the Group has paid close to €2,837,000 to this humanitarian association.

The allocated funds have contributed to the restoration of schools, training of teachers and purchase of school equipment for children in developing countries. Clairefontaine's support for the development of quality education for all girls and boys was focused mainly in Morocco, Bangladesh, the Philippines and Niger. In 2014, these funds contributed directly to financing the "Child-Friendly School" programme in Niger.

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/PFPG2014P-0864/Lynch Niger / 2014.

© Credit: © UNICEF/PFPG2014P-0877/Lynch Niger / 2014.

# 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 financial year ended 31 December 2014;

## 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, we have conducted an examination of the social, environmental and staff information published by Exacompta Clairefontaine Group in the 2014 social responsibility 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 gathering of this information was coordinated by the Executive Vice President of Exacompta Clairefontaine 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 fairness 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 30 March 2015 and the signature of our report, over a period of about two weeks, by a team of two auditors. We held 13 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 for the 2014 social and environmental responsibility 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 2014 social and environmental responsibility 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 fairness 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 social, environmental and staff information is free from any material misstatements that could call into question the fairness 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 people within the Group in charge of collecting the information and, where applicable, responsible for 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 people responsible for reporting social, environmental, and staff information;
- selection of consolidated information to be tested<sup>(1)</sup> 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.

<sup>(1)</sup>**Social information:** total headcount and breakdown by gender, age, geographic zone and breakdown of open-ended 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, amount 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; rate of severity and frequency of industrial accidents; occupational illnesses; total hours of training provided (professional category); number of disabled employees and expenses related to disabled staff; number of trainees and apprentices.

**Environmental information** Training on Environment (17.22%); Investments for environment protection (11.05%); Emissions of NOx (88.10%), CO (98.14%), Dust (100.00%), SOx (100.00%), Chemical Oxygen Demand (83.84%), Suspended Solids (87.31%), 5-day Biochemical Oxygen Demand (84.88%), Total nitrogen (82.85%), Total phosphorus (96.86%); Total waste production (54.34%); Water consumption (56.36%); Energy consumption: natural gas (87.75%), electricity (99.35%), domestic oil (6.02%); quantity of electricity produced (100%); CO2 emissions from paper mills (89.47%); Fibre consumption (83.82%).



- 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 certified entities;
  - we selected a sample of sites <sup>(2)</sup>, 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 25% of the workforce and between 11% 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 information

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

- Photoweb, which joined the Group recently, has reported on its social and environmental data;
- The information collection process will have to be strengthened by providing definitions for the information to be collected, in particular the staff information. These definitions must be made to reflect the international character of the Group;
- The Group must identify the persons responsible for collecting information and those responsible for the internal control of such information at subsidiary level, in order to improve the quality of reporting this information to the head office; these persons must be instructed in the data reporting process, in particular as regards the definition of indicators to be reported;
- Strengthen the internal control of data reported by the sites and those 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 all of the required social, environmental and staff information has been presented, omitted information has been explained with the exception of information concerning "Measures against noise pollution and all other forms of pollution specific to a particular activity", for which no explanation has been given.

## **Opinion on the fairness and assurance**

We express the following reservations:

The method for calculating absenteeism is not reliable enough and affects the final data substantially, due to differences noted at site level as regards the calculation method for theoretical hours worked and the recording of hours of absence.

The calculation of the amount allocated to training is not considered reliable due to discrepancies in the calculation of this figure by the sites.

To conclude, except for the above reservations, we have not detected any material misstatements that could cast doubt on the fairness of the information provided by the Exacompta Clairefontaine Group in its 2014 report on Social and Environmental Responsibility.

Puteaux, 15 April 2015

For Bureau Veritas

Jacques Matillon  
Branch director



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