

2016

# CSR

Social and  
Environmental  
Responsibility



EXACOMPTA CLAIREFONTAINE



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, the Netherlands, 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 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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# **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.

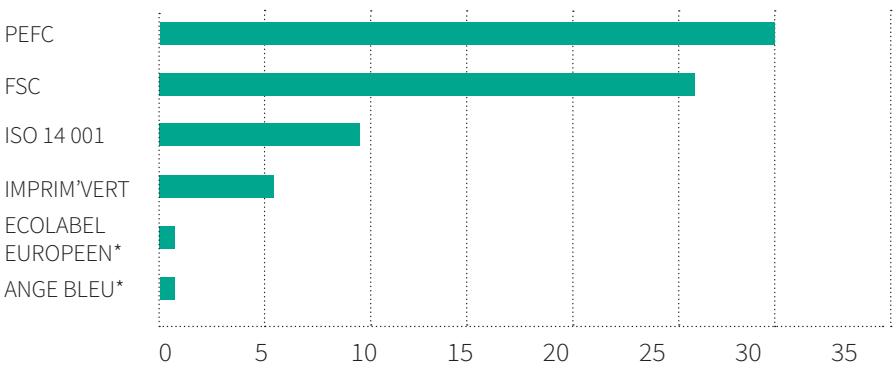
In this area, the Group's key commitments are to:

- 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. Exacompta Clairefontaine also seeks to offer its customers products that are ever more environmentally friendly.

Indeed, environmental labels have been awarded to a wide range of its products.

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



*\* Exclusively paper production sites*

Papeteries de Clairefontaine also obtained ISO 50 001 certification in 2016.





## ■ 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 come together to establish an eco evaluation and rating system for products.

## ■ Training and awareness-raising

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

187 employees participated in these sessions in 2016 (compared to 277 in 2015). The main themes covered were:

- FSC and PEFC forest certification schemes,
- fire hazards and use of fire extinguishers,
- chemical hazards,
- wastewater treatment,
- annual environmental training.

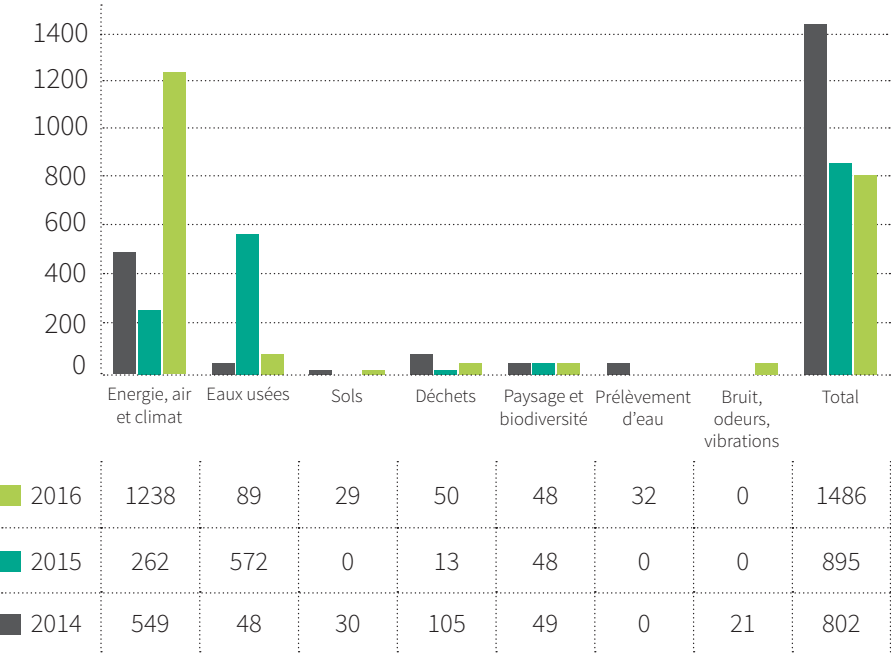
One employee also attended a training session to become an industry energy manager, in application of the ISO 50 001 certification.

Information on environmental certification (FSC, PEFC, ISO 14 001, ISO 50 001 and Imprim'vert), waste sorting and environmental performance indicators was also disseminated at several sites.



## Investments to promote environmental protection

Each year, the Group invests in improving the environmental performance of its plants and supports a number of environmental protection initiatives. In 2016, the Group's main investments exceeded €1,486,000. The table below presents the change and breakdown of capital expenditure over the last three years.



### Case studies:

- **Schut Papier:** purchase of a new screw press to improve sludge dewatering (€30,000);
- **Papeteries de Clairefontaine:** replacement of the Pack boiler burners with low-NOx burners in order to reduce atmospheric emissions (€156,000);
- **Papeterie de Mandeure:** roof insulation to reduce energy loss (€182,000);
- **Editions Quo Vadis:** installation of thermal destratifiers and implementation of a technical facility management system to manage energy consumption and control heating and air conditioning systems in the various buildings (€71,000);
- **Exaclair Limited:** installation of LED lighting in the logistics area in order to reduce power consumption (€24,000);
- **Papeteries Sill:** upgrading of wastewater and rainwater networks (€72,000).

Over €301,000 was spent on environmental studies covering areas such as hydroelectricity, vulnerability to flood risks, fire prevention and water and atmospheric emissions diagnostics.



## ■ 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.

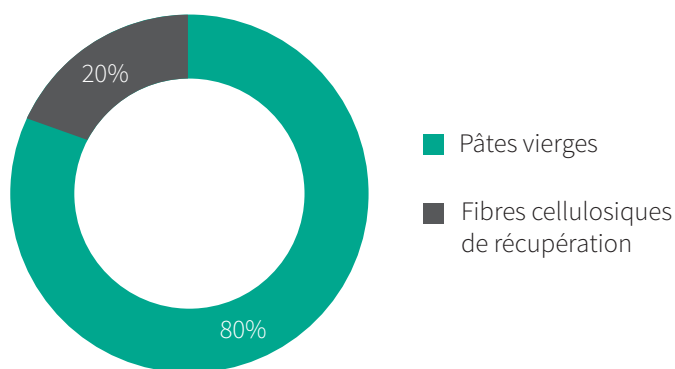
The estimated cost of €323,000 could be used, among other things, to cover residual environmental risk prior to site rehabilitation.

# 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.

The consumption of virgin and recycled pulp fibre amounted to 188,515 tonnes in 2016, a very slight increase from 187,949 tonnes in 2015. 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 the production of papers

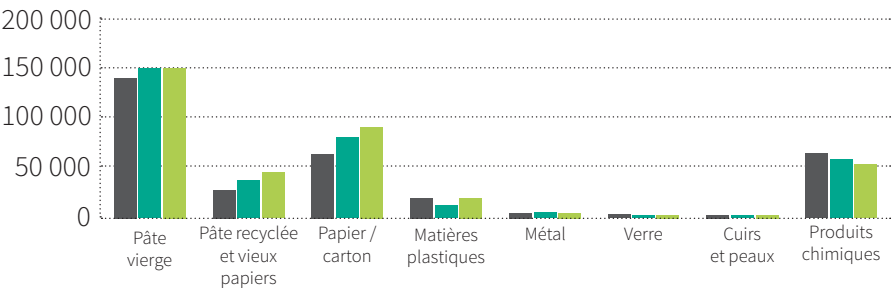


Paper production also requires the use of starches, mineral fillers and various additives, which provide the colouring and commercial properties (e.g. printing, writing) that are expected of our manufactured products.

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

A proportion of these papers are then used by the Group’s processing factories, where they are combined with other materials - card, greyboard, 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)



■ 2016	150 562	37 952	85 715	5 548	1 895	18	6	52 372
■ 2015	150 617	37 332	81 465	4 369	1 868	14	6	53 011
■ 2014	141 929	36 692	64 371	6 478	1 631	10	3	55 348

Not all raw materials have been included due to differences in the unit of measurement (per unit, per m, per m<sup>2</sup>). The paper/cardboard consumption figure for 2015 has been adjusted in accordance with data corrections.

The environmental benefits of quality control

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

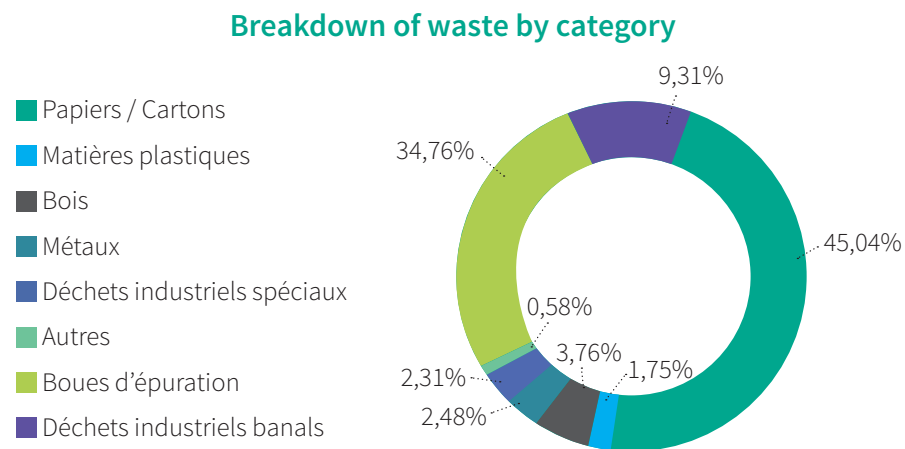
This principle is also applied by the Group. A large portion of the paper scrap collected by the processing plants is sent to the Everbal plant, which specialises in producing recycled paper.

Papeteries de Clairefontaine, as a seller of paper on the market, contributes to the extended producer responsibility (EPR) scheme. In 2016, the plant paid a contribution of €1,619,000 to the ECOFOLIO environmental organisation. This contribution was used to finance the equivalent of collecting waste paper from 1,279,200 people and the production of 21,560 tonnes of recycled paper.

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

Sludge emanating from the paper mill water treatment plants is 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 2016, a total of 29,255 tonnes of waste was generated by the Group’s activities, compared to 31,116 tonnes in 2015. The pie chart below shows a breakdown of waste by category.



## ■ COMBATING FOOD WASTE

No Group company has a collective catering service.

Employees who eat lunch on site are personally responsible for their food.

Only one entity offers its employees daily delivery of individually prepared meals.

In both cases, the risk of food waste is extremely low.

# 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.

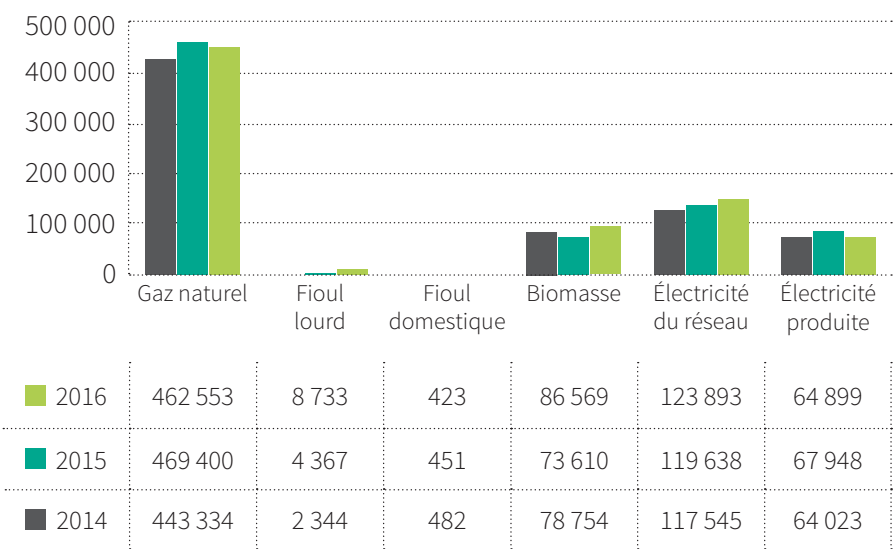
The use of heavy oil has been almost entirely phased out. With its two biomass boilers, Everbal now only uses this fuel as a backup when the main boilers are undergoing maintenance.

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.





### Energy consumption in MWh (net calorific value for fuels)



*Reported biomass consumption for 2014 and 2015 corresponds to biomass-produced heat. The 2016 figure corresponds to real biomass consumption before combustion.*

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.). In 2016, Papeteries de Clairefontaine implemented an ISO 50 001-certified energy management system. The processing sites are also working on these issues by purchasing more energy-efficient equipment or by seeking ways to optimise the lighting and heating of premises.

#### 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)
- Photovoltaic panels (Exaclair Limited)

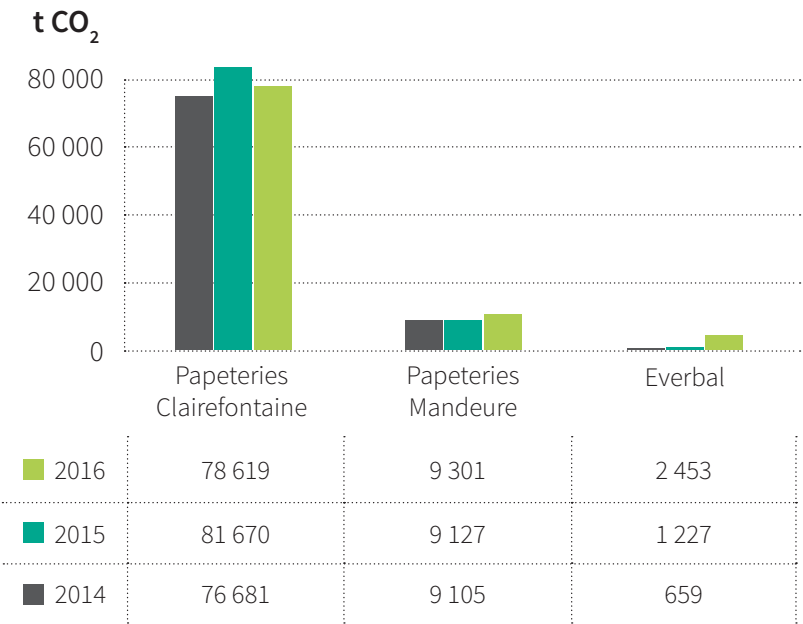


# ATMOSPHERIC EMISSIONS

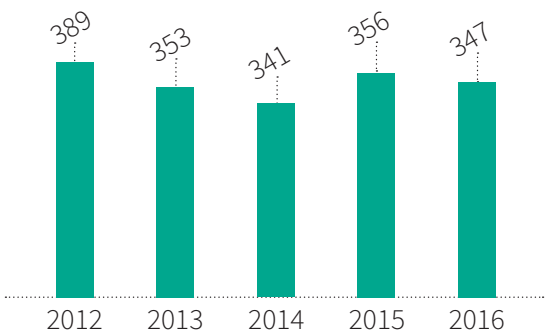
## Greenhouse gases

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 CO<sub>2</sub> emissions by investing in renewable energy.

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



### Change in average specific emissions of the three French paper mills (kg of CO<sub>2</sub> / gross tonne of paper produced)



Papeteries de Clairefontaine exports a portion of the CO<sub>2</sub> contained in the smoke generated by boilers to a precipitated calcium carbonate (PCC) production facility. In 2016, almost 11,500 tonnes of CO<sub>2</sub> was consumed during the process and was not emitted into the atmosphere.

Owing to refrigerant leaks in their air-conditioning systems, two sites were responsible for releasing 19.5 kg of fluorinated gases into the atmosphere in 2016 (22.2 kg in 2015). The other Group companies did not identify any such leaks or were unable to obtain precise data on the matter.

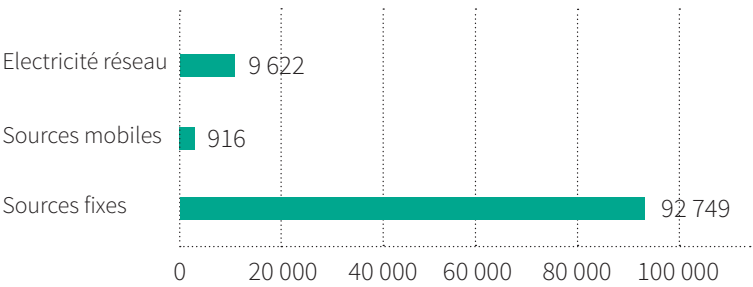
## ■ Main CO<sub>2</sub> emitters

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

Due to a lack of data, emissions generated by the transportation of raw materials and finished products and by employee travel could not be assessed.

As shown in the diagram below, at French plants, fixed combustion facilities generated the most CO<sub>2</sub> emissions.

**Breakdown of CO<sub>2</sub> emissions generated by French plants, by source\*** (in tonnes)

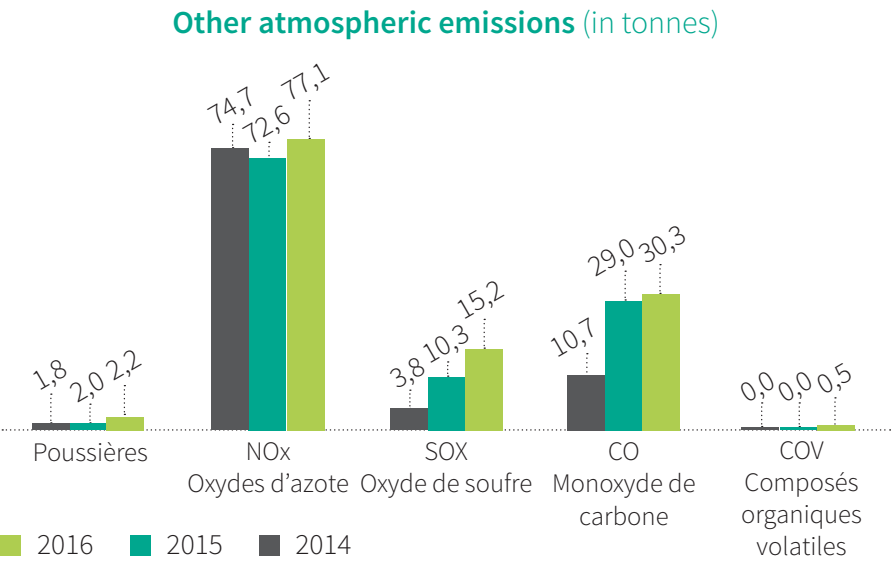


\* Excluding emissions generated by biomass combustion, which are considered neutral

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.



The 2014 and 2015 figures for carbon monoxide emissions have been adjusted in accordance with data corrections.



New low-NOx burners on one of the Papeteries de Clairefontaine boilers.



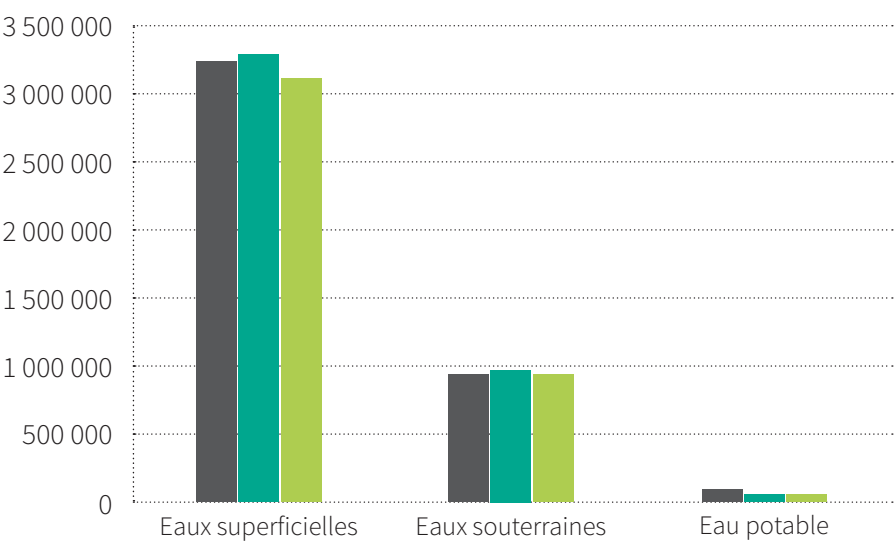
# WATER CONSUMPTION

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.

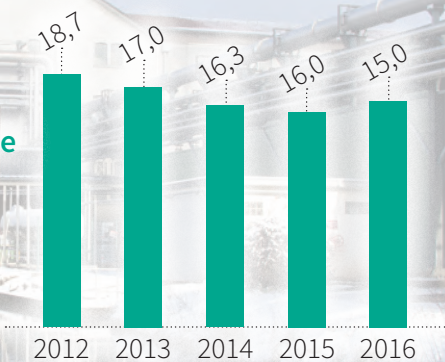
The Group's units have never been subjected to water restrictions, except for paper mills during severe droughts.

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



2016	3 135 622	965 460	59 567
2015	3 323 314	974 058	59 451
2014	3 294 062	945 513	64 204

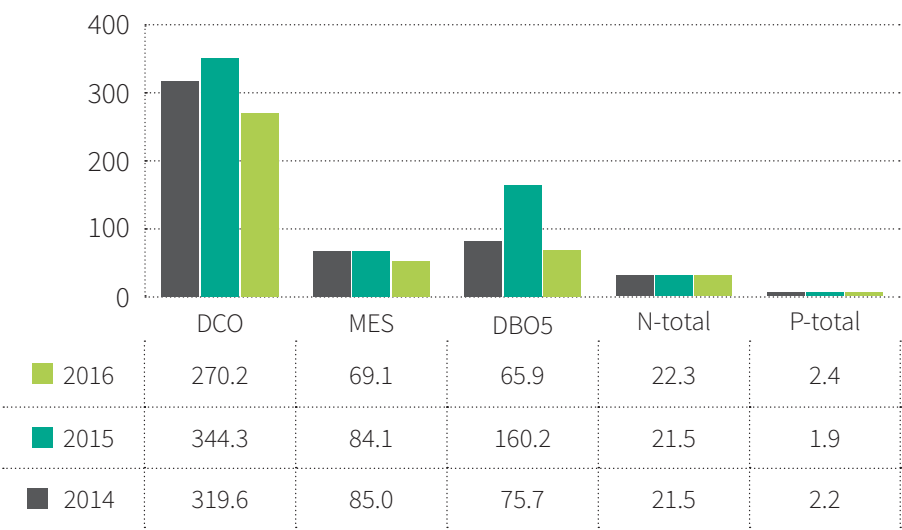
Gross water consumption for the 3 French paper mills (m<sup>3</sup> / tonne of gross paper production)



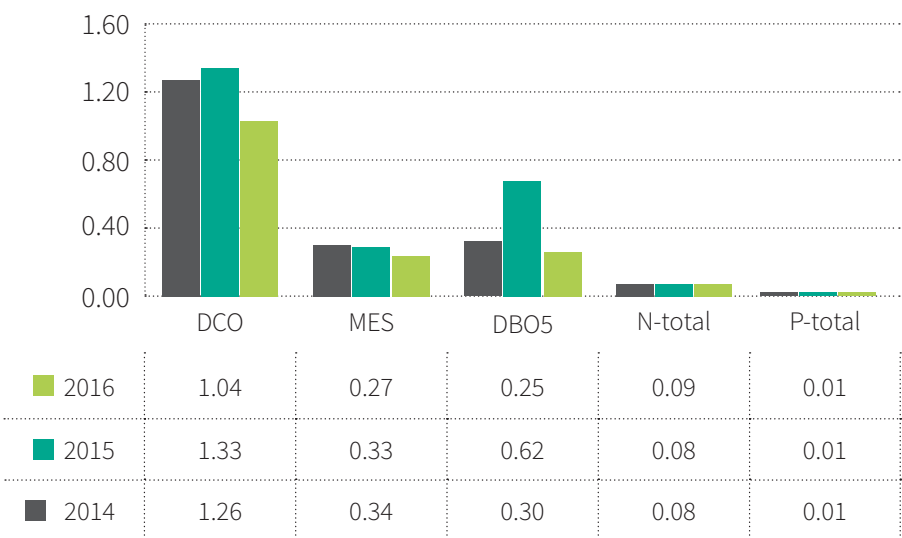
# DISCHARGE OF WASTEWATER

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 (tonnes)



Main discharges from the French paper mills (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 provides on average a little over 2.5 tonnes of lime per hectare.

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

## ■ Condition of the soil at the production and processing sites

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

These sealed surfaces include the 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 coaling station to assess potential pre-existing pollution.

# ENVIRONMENTAL INCIDENTS

In 2016, no material environmental incidents were recorded by the Exacompta Clairefontaine Group.

## 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 a paper machine hall.

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 association. This philanthropic general interest organisation works to protect the ocean and observe the causes and consequences of climate change on the air/sea interface.

In 2016, the association continued the development of the OSC System, its unique data collection tool developed in conjunction with IFREMER and Météo-France.

On 17 November 2016, the carbon neutral oceanographic sailing expedition to Antarctica was launched from Monaco, where the OceanoScientific Explorer moorings were released by Prince Albert II himself.

At the same time, OceanoScientific and Institut Océanographique signed a partnership agreement. The association's head office is now located at Maison des Océans in Paris, where it holds a large annual conference.



© Yvan Griboval OceanoScientific

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, consisting of hay meadows inhabited by the Dusky Large Blue butterfly and its food 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 particular species of ant. The caterpillars hibernate in the ants' nest, where they continue to live until the following year. The larva is transformed into a chrysalis inside the nest, from which the butterfly emerges and flies off.



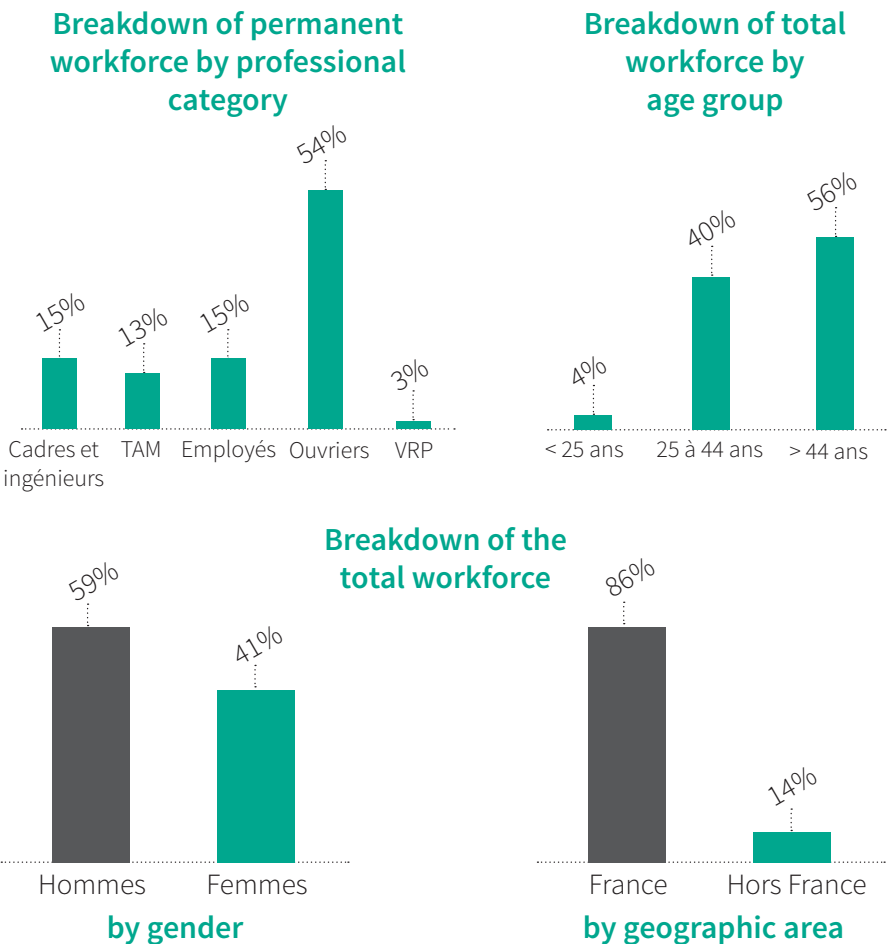
# **EMPLOYER RESPONSIBILITY**

# EMPLOYMENT

In 2016, the 3,071 employees included in the scope of this report comprised 1,248 women and 1,823 men. 2,916 employees held permanent employment contracts. Only 5% 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 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.

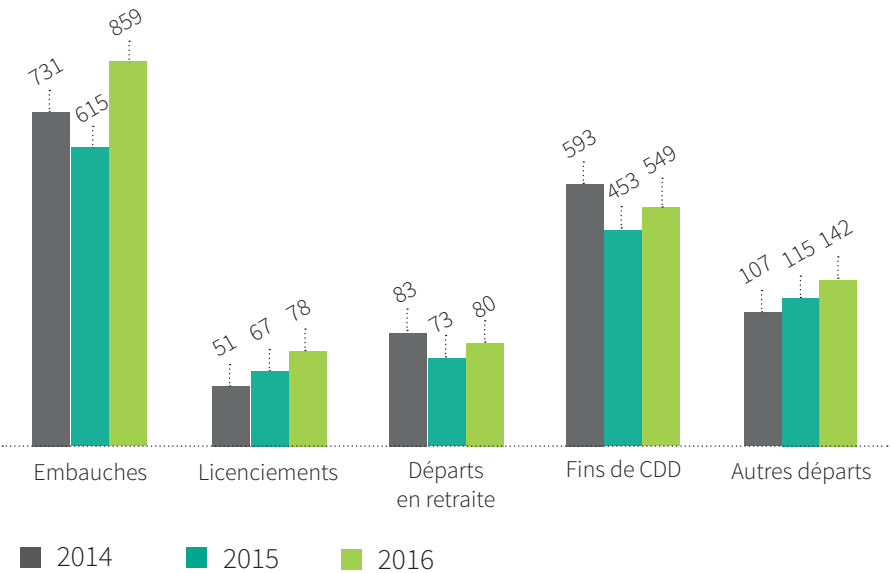
Control of the production process is a priority for the Group. The need to ensure the qualifications and quality of its workforce has led the Group to establish most of its manufacturing plants in France.



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 our 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. 11 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 2016, payroll expenses including social security contributions amounted to almost €152 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 a stable 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

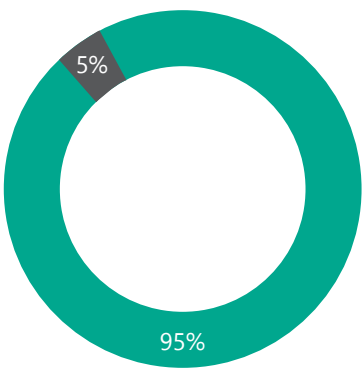
## ■ Working hours and patterns

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 listens to 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.

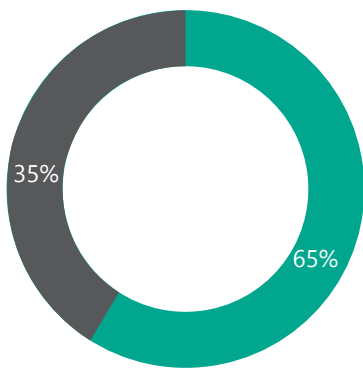
The continuous operation of our paper machines and the amount of work required at certain processing or finishing workshops means that some night-shift work is unavoidable.

Breakdown between full-time/part-time contracts



■ Temps partiel  
■ Temps plein

Breakdown by working patterns



■ Travail de nuit ou alternant  
■ Travail de jour

In 2016, employees worked 96,772 hours of overtime, compared to 88,155 in 2015. 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, trained staff rather than using an external workforce. When we do have to employ temporary workers, they are required to follow an induction/training course so that they can perform the requisite operations in full compliance with safety and security requirements.

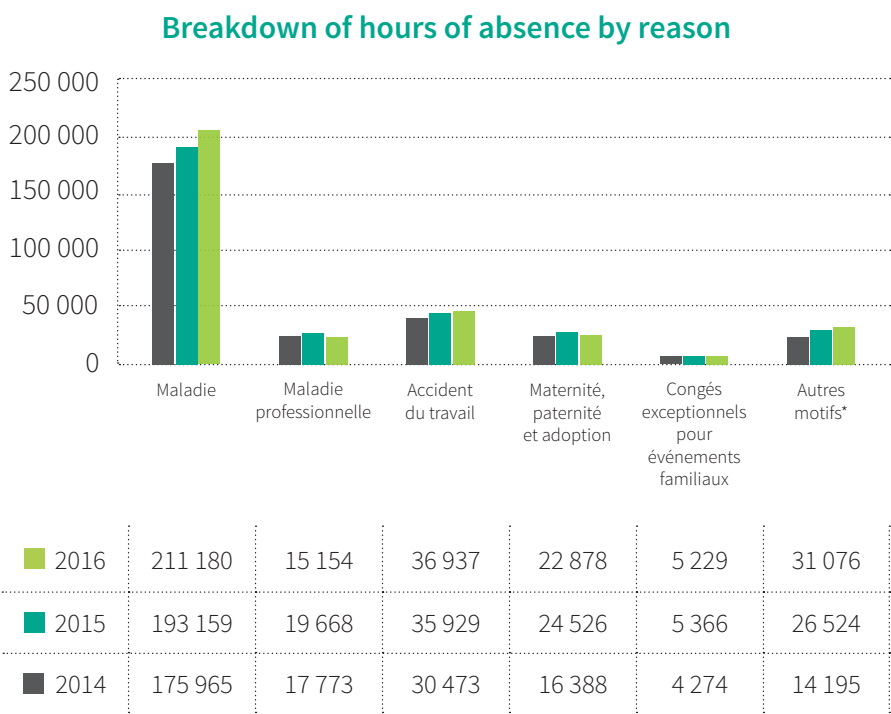
At the French plants, in 2016, 463 hours were lost through employee downtime, down 66% from 2015.

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 reduce absences due to sickness, despite flu vaccination campaigns organised every year at some sites.

In 2016, despite the steps taken, the Group posted 322,454 hours of absence, up 6% from 2015.



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

# INDUSTRIAL RELATIONS AND TRADE UNIONS

## ■ Staff representation

The major trade union organisations are represented within the various French subsidiaries. The Group has 193 elected staff representatives and/or designated trade union representatives. 13 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 (CHSCT).

Discussions between management and staff representatives resulted in 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 2016 covering the following issues:

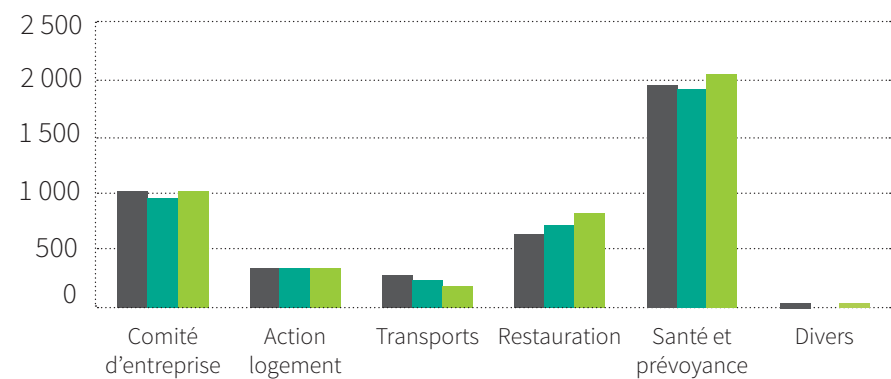
- Salaries and bonuses,
- Profit-sharing, incentive schemes and other annual benefits,
- Health scheme funding,
- Working hours,
- Prevention of arduous work,
- Gender equality,
- Management Planning for Jobs and Skills agreement - GPEC,
- French inter-generational contract,
- Other specific agreements.

## 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 €4,527,000 in 2016, compared to €4,305,000 in 2015.

Amounts paid in employee benefits in France  
(€000)



2016	1 009	410	252	833	2 014	10
2015	983	412	282	753	1 875	0
2014	1 014	406	300	697	1 958	15

# HEALTH AND SAFETY AT WORK

## ■ Preventive measures

Health and safety at work are fundamentally important for the Exacompta Clairefontaine Group. At sites with a large workforce, coordinators have been appointed to assist directors in the implementation of occupational risk prevention measures. The health and safety committee (CHSCT), if one exists, or the staff delegates also contribute actively to these initiatives.

Almost €1,094,000 was devoted to health and safety measures in 2016, compared to €1,214,000 in 2015.

An overview is given below:

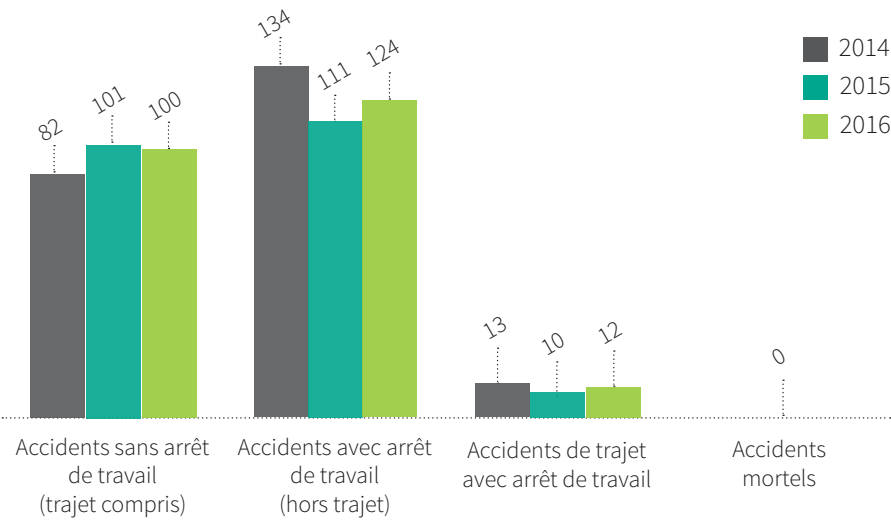
- **CFR, Clairefontaine Rhodia, Registres Le Dauphin, Claircell, Papeteries Sill, Manuclass, Papeteries de Clairefontaine, Photoweb, Quo Vadis, AFA:** purchase of handling equipment or modification of facilities in order to improve working postures and minimise musculoskeletal disorders;
- **Exacompta, Claircell, Photoweb, Cartorel, Manuclass:** ongoing safety upgrade of machines via the installation of railings, protective casing or light curtains;
- **Papeterie de Mandeure, AFA, Exacompta:** noise prevention measures via the introduction of a sound-proofed driving cabin and the provision of moulded ear plugs;
- **Publiday Multidia, Papeteries Sill, Papeteries de Clairefontaine:** reduced exposure to dangerous substances via the capture of emissions in one printing workshop, solder fumes and wood dust;
- **Everbal, Clairefontaine Rhodia:** mitigation of risks relating to operating areas shared by vehicles and pedestrians, by creating paths and redirecting traffic routes.
- **AFA, Exacompta, Papeterie de Mandeure:** improvement of protection systems and evacuation plans in the event of a fire.



## Industrial accidents

In 2016, 3,848 days were lost due to industrial accidents, compared to 3,163 in 2015.

### Overview of industrial accidents reported Group-wide



	2014	2015	2016
<strong>Frequency rate</strong> Number of lost time industrial accidents per 1,000,000 hours worked	30.9	25.4	28.0
<strong>Severity rate</strong> Number of days lost per 1,000 hours worked	0.9	0.7	0.8

## Occupational illnesses

In 2016, 12 reported illnesses were deemed occupational illnesses in the Group’s French sites, compared to 10 in 2015. 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 examine the training plan, which is subsequently implemented by local management. Individual training courses are then organised in accordance with the plan.

In 2016, the Exacompta Clairefontaine Group provided a total of 27,613 hours of training, either in-house or through certified training organisations, at a total cost of €1,712,000 (21,845 hours and €1,400,000 in 2015).

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. Gender plays no part in recruitment and career development, as 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 2016, the Group took on and trained 33 people under apprenticeship contracts (32 in 2015) and 23 under professional training contracts (21 in 2015). In 2016, 125 trainees (141 in 2015) 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.



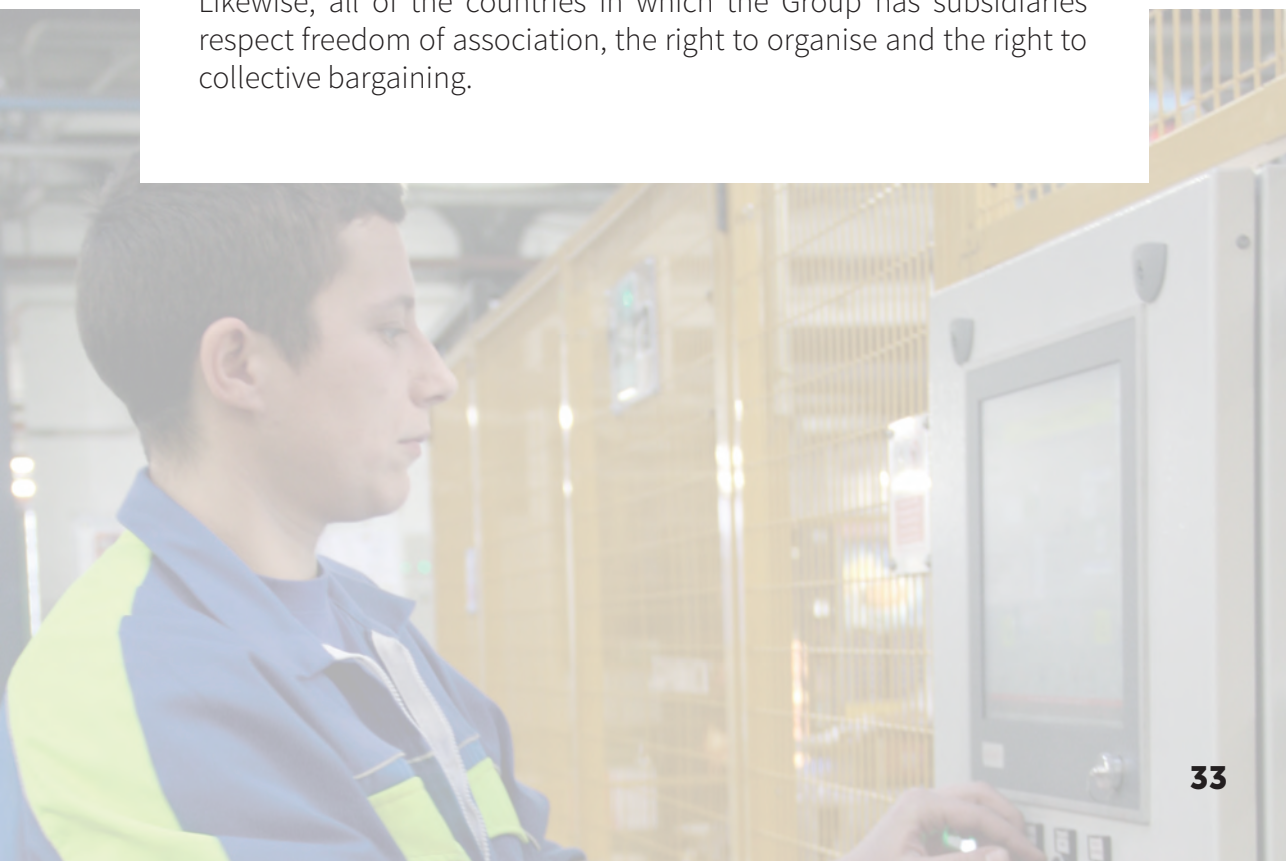
# DISABLED EMPLOYEES

Expenditure related to disabled employees corresponds to the applicable national insurance contributions, subcontracting to the sheltered sector and workstation adaptation. Expenditure amounted to €2,211,000 in 2016 (compared to €2,253,000 in 2015) for 112 disabled employees in France (121 in 2015). There are also five disabled employees working in Group companies abroad.

## COMPLIANCE WITH THE INTERNATIONAL LABOUR ORGANIZATION'S FUNDAMENTAL CONVENTIONS

In 2016, 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 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 nearly 600 people. The company is a significant contributor to the local economy.

Over time, close bonds have been formed with the surrounding cities and villages.

Since 1858, the Group's majority shareholders have been members of the same family. The Group also comprises a number of sixth or seventh-generation employees. The tradition of going to work in the same factory as one's parents is still alive today.

The Group comprises 39 companies accounted for in this report, 26 of which 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' audit assignments.

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 the Environment 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.

In addition to supporting amateur and leisure sports, Clairefontaine is also the main sponsor of boys' and girls' youth teams (aged 7-19) for a number of highly respected French football clubs. Clairefontaine also sponsors clubs in the French Ligue 1 (Lyon, Montpellier, Lorient, Bordeaux, Nancy and Caen) and Ligue 2 (Sochaux-Montbéliard 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 2016, for example, Papeteries de Clairefontaine provided financial support for two festivals:

- the *Festival International de Géographie (FIG)* in Saint-Dié des Vosges.
- 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.

In 2016, Clairefontaine donated €200,000 to UNICEF in support of initiatives in Togo aimed at combating violence in schools.

As major players in the education system, teachers must be made aware of their responsibilities regarding children's rights to be protected from violence, as well as their obligations as adults and educators to provide the pupils in their care with a safe and fulfilling learning environment.

To achieve this, 1,132 primary school teachers from the country's six regions were trained in the prevention of violence. 319 education sector employees (inspectors and educational advisers) were also trained in order to monitor teachers' compliance with a violence-free learning environment.





Thanks to the support of UNICEF’s French committee, 180 early childhood education centre coordinators in Togo were also trained in preschool management and the manufacture of educational games using local materials. They were provided skills in areas such as the proper learning framework for children, child psychology, teaching small children and learning through play.

Thanks to UNICEF’s support throughout the training programme, 15 early childhood education centres (CEPEs) now have educational games that contribute to children’s learning and discovery. Items used by students on a daily basis, such as mats, buckets and cups, were provided for 90 such education centres.

Since 2004, the Group has paid around €3,194,000 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.





# VERIFICATION REPORT

## ON THE FAIRNESS OF REPORTING RELATED TO CORPORATE TRANSPARENCY REQUIREMENTS IN RESPECT OF SOCIAL AND ENVIRONMENTAL MATTERS

The information reviewed relates to the fiscal year ended 31 December 2016.

### ■ 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 3289 (the list of offices and scope may be consulted on [www.cofrac.fr](http://www.cofrac.fr)), we have conducted an examination of the social and environmental information published by the Exacompta Clairefontaine Group in its 2016 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 preparation 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, hereafter referred to as the “reporting procedures”, which may be consulted at the Exacompta Clairefontaine Group 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 social and environmental 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 14 March 2017 and the signing of our report, over a period of around two weeks, by a team of two auditors. We held around a dozen meetings for this assignment.

We verified that the social, environmental and staff information provided corresponded to the consolidated scope as defined in Articles L 2331 and L 2333 of the French Commercial Code. Changes to this scope for the purposes of reporting social, environmental and staff data are specified in the 2016 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;
- we compared the information contained in the 2015 social and environmental responsibility report with the list set out in Article R 225-105-1 of the French Commercial Code;
- we verified that explanations had been provided for any missing information.

For the justified opinion on the fairness of the published information, 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 conducting its assignment, and in accordance with 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 the individuals 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;
- interviewing people responsible for reporting social and environmental 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> See next page

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>, based on 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 sample selected represents a coverage rate of over 26% of the headcount and between 17% and 100% of the values reported under the environmental information that was tested.

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

<sup>(1)</sup> Staff information: total headcount and breakdown by gender, age, geographic zone and breakdown of permanent 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; industrial accident severity and frequency rates; occupational illnesses; total training hours provided (professional category); number of disabled employees and expenses related to disabled staff; number of trainees and apprentices.

Environmental information: Environmental protection expenditure (€000) 18.29%; financial guarantees (€) 100%; NOx (T) 100%; particles/dust (T) 42.18%; SOx (T) 95.36%; COD (T) 48.51%; suspended solids (T) 38.44%; BOD5 (T) 38.39%; N total (T) 68.09%; P total (T) 36.42%; total waste (T) 62.64%; Consumption of: mains water 49.85%; surface water 24.81%; groundwater 80.67%; virgin pulp (T) 17.90%; recycled pulp and waste paper (T): 99.55%; chemicals (T) 18.34%; Energy consumption: natural gas (kWh GVC) 94.76%; mains electricity (kWh) 36.91%; domestic heating oil (L) 70.92%; total power generation (MWh) 99.94%; paper mill CO2 emissions (T CO2) 100%; paper mill production (figure used to calculate water consumption and CO2 per tonne produced) 29.62%.

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

<sup>(2)</sup> For the social and environmental information: Papeterie Everbal in Evergnicourt, Papeterie de Mandeure in Mandeure and Papeteries de Clairefontaine in Etival.

## ■ Observations on reporting procedures and data

The reporting procedures and practices applied by the Exacompta Clairefontaine Group gave rise to the following comments:

- continue to improve the data collection process by defining or updating definitions of information to be collected, in particular relating to staff and, in the environmental section, raw materials. These definitions must reflect the Group's international character;
- introduce a training programme for employees tasked with collecting CSR data from the sites;
- the late compilation of data impacts the detail of internal controls covering data reported by the sites and the data consolidation phase, making external verification quite restrictive and fragmented.

## ■ 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 report on social and environmental responsibility, certain information covers a limited scope.

## ■ Opinion on accuracy

Our concerns in respect of the 2016 publication are as follows: 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 2016 report on social and environmental responsibility.

Puteaux, 24 April 2017  
For Bureau Veritas  
Jacques Matillon  
Vice-President



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