



Our circular approach to business

Sustainability Booklet 2019



Together we shape
the Future



Who we are

RDM Group is the second largest producer of coated recycled cartonboard in Europe and the leader in Italy, France and the Iberian Peninsula. The Group is listed on the Star segment of Milano Stock Exchange and on the Madrid Stock Exchange.

Our cartonboard is mainly used as primary or secondary packaging for consumer goods. It can indeed become packaging for food or medicine, for household appliances, cosmetics and personal care products. Our cartonboard is so versatile that it can also be used in the publishing sector, to create stylish sales displays or for toys in high performance printed form.



Manifesto

“Together we shape the Future” is the claim that RDM Group has chosen to reflect its identity as a major group that won’t stop imagining, creating and rewriting its future. A future that is still waiting to be shaped. A sustainable future.

We are guided by the idea of **“together”** because we are aware that only by acting together as “one company” we can keep on improving what we do and how we do it.

In choosing to use **“we”**, we want to strengthen the sense of the bigger picture in our decision making, with the full awareness that our decisions affect both, our Stakeholders and our business.

“Shape” refers to our ability to give new form to our product – cartonboard – a material that is “simple” in itself, but to which you can give the most sophisticated forms. Just like origami.

The **“future”** seen as a commitment for future generations and the planet, as well as a business and sustainability challenge. It’s a perspective that we measure on the basis of the objectives we have achieved so far, and on our desire to create a virtuous circle where all our Stakeholders play an active part.

Together we shape the Future

Vision & Values

Our ambition is to be **Partner of Choice** of all our Stakeholders by...



**OFFERING SUPERB
PRODUCTS AND SERVICES**



**OPTIMIZING
COSTS**



**MAXIMIZING
STAKEHOLDERS'
SATISFACTION**

THESE ARE OUR VALUES:



GROUP-WIDE VISION

The ability to build a Group vision that leads to the success.



EMPATHY

The attitude of understanding others and being empathetic with them.



RESPONSIBLE DECISION-MAKING

The awareness that decisions have effects on others too.



TOGETHERNESS

The combination between a shared vision and sense of belonging.

CODE OF ETHICS OF THE GROUP AVAILABLE ONLINE AT:
www.rdmgroup.com/GOVERNANCE/CODE-OF-ETHICS/



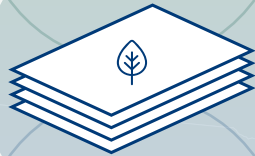
Our market segments

RDM Group operates in three main market segments



WLC – WHITE LINED CHIPBOARD

Coated cartonboard made of recycled fibers.



FBB (Folding Box Board)

Coated cartonboard for folding boxes made of virgin fibers.



SPECIALTIES (OG GK – UD – UT)

Coated cartonboard, often in high grammage qualities, well suited to specialty products, luxury packaging and the publishing market.

Where we operate

Our cartonboard travels the world. **We have 7 cartonboard mills, 2 specialized sheeting centers and 9 sales offices** that meet the many needs of our customers and ensure widespread coverage across Europe. We sell all over the globe thanks to a sales network which is active in more than **70 countries**.

REVENUES PER GEOGRAPHICAL AREA

702 MLN euros

RDM Group

203 MLN euros
ITALY

116 MLN euros
FRANCE

46 MLN euros
GERMANY

116 MLN euros
IBERIAN PENINSULA

124 MLN euros
REST OF THE EU

97 MLN euros
REST OF THE WORLD

● PRODUCTION UNIT ● SALES OFFICE ● HQ ● SHEETING CENTER

Business model

RDM GROUP'S TRANSFORMATION PROCESS

Paper for recycling is mixed with water to create a pulp of cellulose fibers. Through a complex treatment and cleaning system, unwanted elements (e.g. sand, metals and plastics) present in the raw materials are eliminated. The board machine uses an articulated sheet forming system, which presses and dries the pulp to remove the water present in the mixture. Depending on the type of cartonboard, a coating layer is applied.

The cartonboard, once produced, is rolled into reels for direct dispatch or sheeted and packaged in the desired sheet formats to be supplied to our customers.

UPSTREAM

We source paper for recycling from the industrial and commercial sectors, and from the municipal paper collection, such as cellulosic packaging, newspapers and magazines. For some types of cartonboard, such as the Folding Box Board (FBB), the Group uses virgin fibers from wood raw materials or market pulp.

DOWNSTREAM

RDM Group products are mainly intended for the converting industry that uses cartonboard to produce final product packaging. After use by the end consumer, more than 80% of the packaging is placed back into fiber material loop, maintaining and developing the sustainable business model of recycled cartonboard.



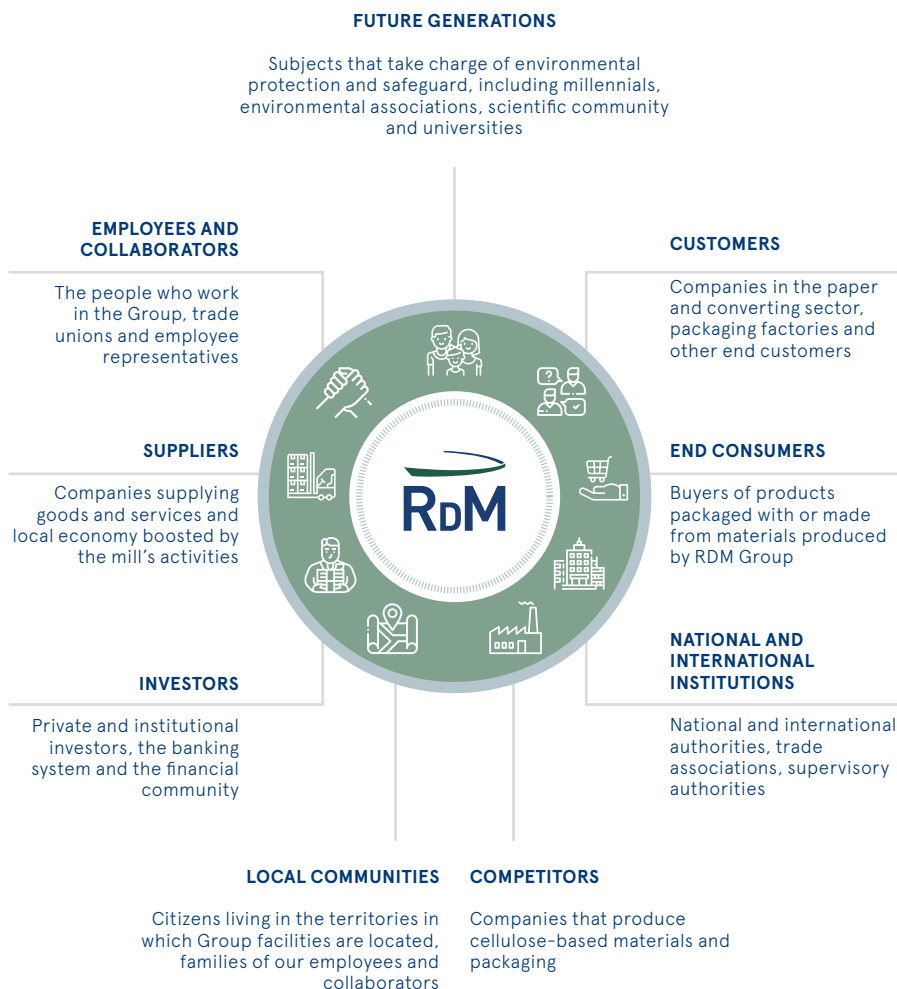
UPSTREAM

RDM Group is an integrated part of a wider virtuous circular economy through its business model. Adopting a circular approach means looking beyond the mere production cycle and embracing greater responsibilities to our society and environment.



Our Stakeholders

A constant and effective dialogue with internal and external Stakeholders is a decisive tool for RDM Group. It allows us to gather information on the present situation and the future, and to receive essential feedbacks regarding our impacts on the environment and society.



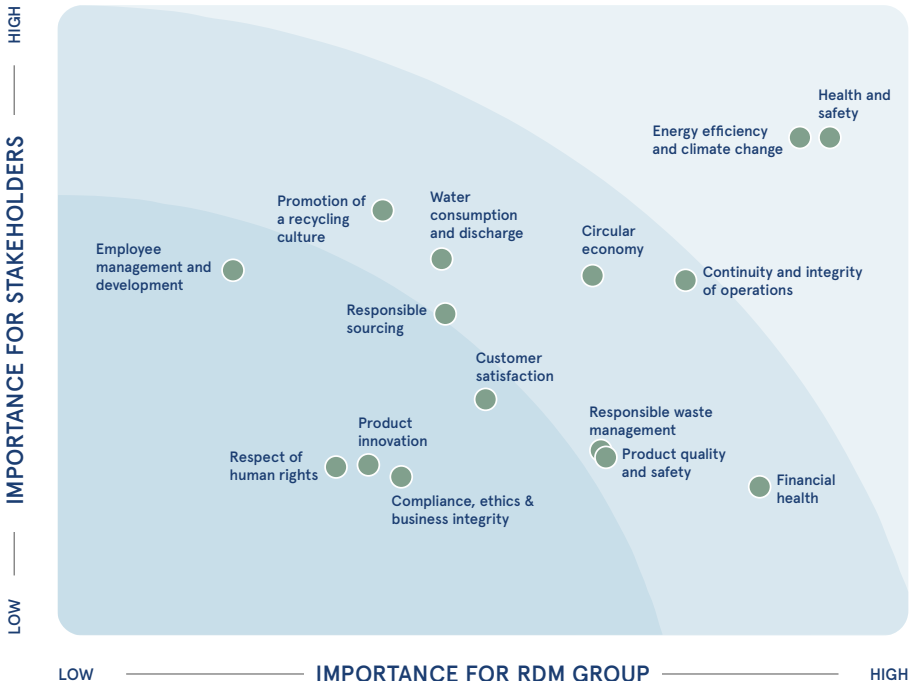
Materiality Matrix

STAKEHOLDER ENGAGEMENT

In 2019 we opened a line of direct dialogue with our key Stakeholders to improve our understanding of their current and future expectations and strengthen the quality of our mutual relationships. We embarked on an ambitious engagement program involving some of our most important customers, suppliers and investors.

MATERIALITY ANALYSIS

We launched an online survey for customers, suppliers and investors, asking them about the importance of a range of topics in their relationship with RDM Group. This survey, together with our internal and external Stakeholder engagement program, aimed at updating our materiality matrix. Overall, the Group's materiality analysis has led to the identification of the 15 most relevant topics for RDM Group and its Stakeholders.



Our commitment for sustainable development

The 2030 Agenda of the United Nations summarizes in a detailed program of “Sustainable Development Goals” (SDGs) the most urgent challenges at global level. With our business and way of working we contribute to their achievement. The following are the goals we know we can have a direct effect on.



PROMOTE OCCUPATIONAL HEALTH AND SAFETY

How we contribute: we adopt a “Zero Accidents” policy and constantly improve our accident rates



PROMOTE LEARNING AND SKILLS DEVELOPMENT

How we contribute: we invest in training and develop knowledge sharing and informal learning tools



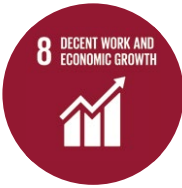
PROTECT WATER ECOSYSTEMS

How we contribute: we continue with water withdrawal reduction programs and monitor the quality of discharges



IMPROVE ENERGY EFFICIENCY OF PRODUCTION PROCESSES

How we contribute: we have implemented an energy consumption reduction strategy per ton of cartonboard produced



PROMOTE FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK

How we contribute: we offer job opportunities to over 1,800 people and adopt collective bargaining agreements whenever possible



UPGRADE INDUSTRIAL PROCESSES AND MAKE THEM MORE SUSTAINABLE

How we contribute: in the past 10 years, we have invested almost 190 million euros in engineering and technology upgrades of our plants



ADOPT A SUSTAINABLE CONSUMPTION AND PRODUCTION MODEL

How we contribute: we have developed a production system based on a circular economy model where 79% of fibrous raw materials comes from recycling and where all products are fully recyclable



TAKE ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

How we contribute: we are reducing greenhouse gases and other polluting emissions per ton of production through energy efficiency programs, changes to our energy mix and environmental impact reduction of emissions



PROMOTE A SUSTAINABLE MANAGEMENT OF FOREST-RELATED RESOURCES

How we contribute: for our virgin fiber supplies, we choose certified raw materials from controlled and sustainable supply chains



STRENGTHEN PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

How we contribute: we are members of various associations and working groups, locally and internationally, which support innovation and sustainable development of the fiber-based packaging industry and recycling sector

Circular Economy

Our business model follows a circular economy model, which replaces the idea of “waste” with the concept of “resource”. This regenerative system is based on the efficient use of raw materials and is conceived to give them a new lease of life.

RDM GROUP’S CARTONBOARD IS:



fully recyclable and designed to be reintroduced into the virtuous circular economy cycle after use



ecological and biodegradable if accidentally left in the environment

In 2019 we regenerated over 980,000 tons of fibrous raw materials at the of their life cycle, which is equivalent to the amount consumed by 13.8 million European inhabitants.

CONSUMPTION OF PAPER FOR RECYCLING, PULP VIRGIN FIBER AND WOOD



79%
Paper for recycling



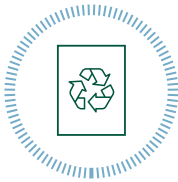
14%
Ground wood raw material



7%
Virgin fibers (pulp)

Along with local national institutions, we promote the culture of recycling. Every year hundreds of visitors tour our mills to understand and appreciate the value of recycled cartonboard.

Most of the raw materials that we use for our production, such as paper for recycling, ground wood, pulp virgin fibers and starches, come from natural and renewable sources.



84%

of the total material used is made up of renewable materials

All our mills are certified according to FSC® and/or PEFC™ standards. These are the two most widespread and globally recognized standards which safeguard that the raw materials come from a chain-of-custody controlled and sustainable supply chain. For our virgin fiber supplies, we choose only certified raw materials from controlled and sustainable supply chains.



74%

of all wood raw materials and market pulp is FSC® or PEFC™ certified



100%

of the purchased market pulp comes from certifies sources



59%

of ground wood raw materials comes from local certified sources

Management systems

The Group promotes continuous improvement and implements management systems certified by independent third-party bodies to guarantee a rational and efficient use of all our resources.

Below are reported the management systems active in 2019 in our plants, with indication of the year of first certification.

CERTIFIED MANAGEMENT SYSTEMS ACTIVE IN 2019 WITH INDICATION OF THE FIRST YEAR OF CERTIFICATION

	OHSAS 18001 / ISO 45001	ISO 9001	ISO 14001	EMAS	BLAUER ENGEL	ISO 50001	FSC®	PEFC™	BRC
Arnsberg	-	1992	1997	1997	-	-	2010	-	-
Barcelona	2009	1996	1998	2000	-	-	2015	-	-
Blendecques	-	1995	-	-	-	2014	2008	-	-
La Rochette	-	1996	-	-	-	-	2014	2006	-
Magenta	-	1996	-	-	-	-	2010	-	-
Milan (HQ)	2007	1996	-	-	-	-	-	-	-
Ovaro	2014	1996	2004	-	2015	2015	2009	2017	-
Pac Service	-	1997		-	-	-	2010	2009	2018
S. Giustina	2013	1996	2001	-	-	2015	2010	2016	-
Villa S. Lucia	2016	1996	2005	-	-	2015	2010	-	-



Environmental protection and performance

We are committed to continuously upgrade our processes to ensure an efficient management of our energy resources, improve the mills' energy performance and reduce GHG emissions. We constantly keep in mind our commitment to reduce the amount of process water used, guarantee the quality of our water discharges and responsibly manage the waste we generate.

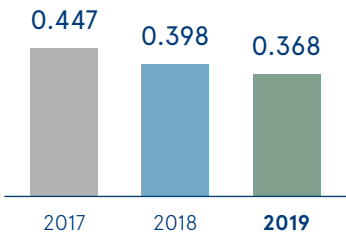
AIR EMISSIONS



-18%

OF CARBON INTENSITY
REDUCTION SINCE 2017

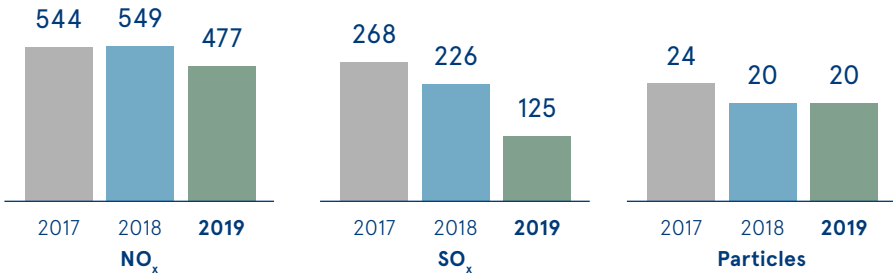
CARBON INTENSITY (tCO₂e/ton)



KEY PILLARS

- Transition towards **cleaner energy sources**
- **Reduction of air pollutants**
- **EU-ETS emission** allowances system
- **Carbon storage** through our cellulose based products

OTHER ATMOSPHERIC EMISSIONS (ton)



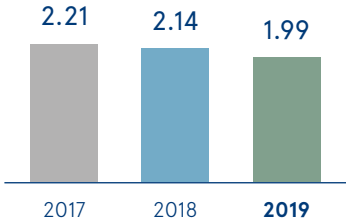
ENERGY



-10%

REDUCTION OF ENERGY
INTENSITY SINCE 2017

ENERGY INTENSITY (MWh/ton)



KEY PILLARS

- **Investments** in more efficient production processes
- Use of **high efficiency cogeneration** plants
- Centralized **energy management** and monitoring

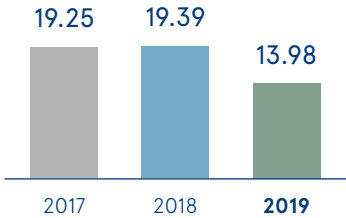
WATER



-27%

REDUCTION OF FRESHWATER
WITHDRAWALS SINCE 2017

WATER WITHDRAWALS PER TON OF PRODUCTION (m³/ton)



KEY PILLARS

- **Monitoring** of withdrawals and quality of wastewater
- **Reuse** of process water in multiple production cycles
- **91% of water withdrawn** is returned to the environment

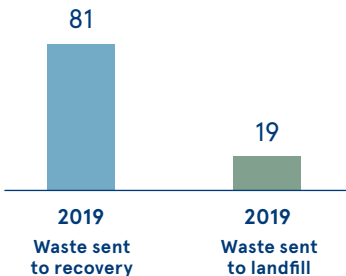
WASTE



99.8%

OF THE WASTE PRODUCED
IS NON-HAZARDOUS (2019)

WASTE BY DESTINATION (PERCENTAGE)

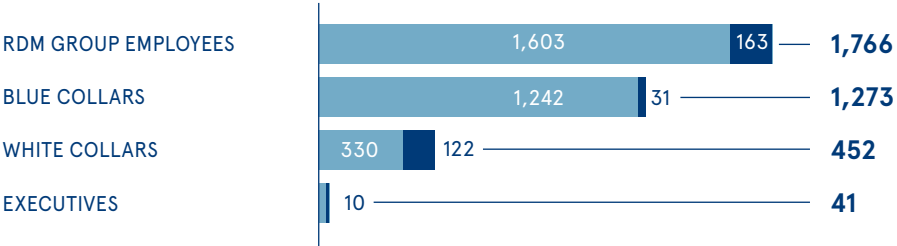


KEY PILLARS

- Use of technologies to **maximize** the use of raw materials and **minimize** waste and production rejects
- Use of **advanced treatment technologies** to eliminate all non-fibrous impurities from paper mixture

Our people

● MALE ● FEMALE



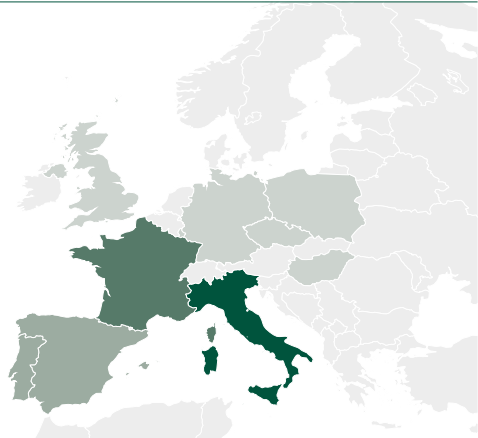
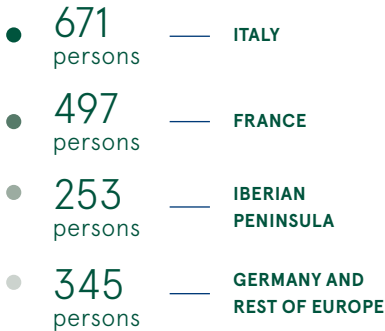
● MALE ● FEMALE



● PERMANENT ● TEMPORARY



GEOGRAPHIC DISTRIBUTION



Intellectual Capital

The skills and knowledge we have within the Group are a rich strategic resource for us and one of our most important assets. We provide appropriate training to all professional categories, including technical and soft skill training.



— **26,000 hours**

of training provided in 2019, with 1,400 hours of leadership training



— **€ 2.2 million**

invested in training in the last three years



— **1,183 people**

involved in training courses in 2019, equal to 67% of RDM Group employees



— **15 hours**

of training on average per capita in 2019

Safety first!

We adopt a “Zero Accidents” policy and promote a safety culture at all levels, in order to prevent dangerous situations and reduce the likelihood of accidents in all our facilities. We want all workers to be satisfied and work safely. To do so, we encourage collaboration between workers and management and empower our people to promote everyone’s well-being. RDM Group is proud of the safety results achieved in recent years.

FREQUENCY RATE (FR)

Ratio between number of accidents and hours worked, multiplied by 200,000 (OSHA methodology).

SEVERITY RATE (SR)

Ratio between lost days due to accidents and hours worked, multiplied by 200,000 (OSHA methodology).

	RESULTS 2019				RESULTS 2018			
Plant	Accidents	Lost days	FR	SR	Accidents	Lost days	FR	SR
Arnsberg	8	117	3.2	47.1	7	123	2.7	47.8
Barcelona	4	181	2.0	90.6	11	305	5.3	147.2
Blendecques	11	456	6.6	271.8	11	341	6.6	204.9
La Rochette	8	65	3.6	28.9	16	233	7.0	101.6
Magenta	0	0	0.0	0.0	3	104	5.6	192.7
Ovaro	2	42	1.4	29.8	3	196	2.3	148.9
Pac Service	0	0	0.0	0.0	1	6	4.4	26.5
S. Giustina	7	279	3.9	154.1	4	130	2.3	73.8
Villa S. Lucia	4	161	2.8	113.9	1	19	0.7	12.8

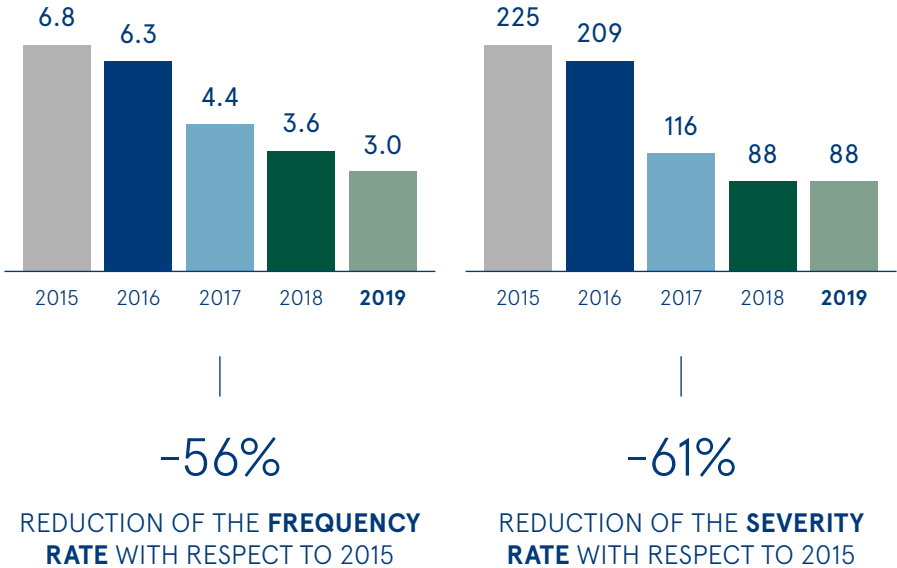
Thanks to everyone's commitment, over the last few years RDM Group has substantially reduced the frequency and severity of the accidents.

In 2019 the plants of La Rochette, Ovaro and Magenta achieved their best safety performance ever.



FREQUENCY AND SEVERITY OF ACCIDENTS OF RDM GROUP EMPLOYEES AND INTERIM WORKERS

All Group Companies. OSHA methodology.



Safety culture

We know how important a solid safety culture is in promoting safe behaviors. We support and encourage the diffusion of a safety culture as the driving force of our continuous improvement process.



GOVERNANCE AND MANAGEMENT

- Monthly meetings of the Group safety network
- Sharing of best practices between mills
- Education and training
- Risk assessment and pre-job assessment
- Safety meeting and audits
- Multi-channel safety communication

PROJECTS AND INITIATIVES

- Cross-mill audit program
- BBS Pilot program in Santa Giustina to implement a scientific behavior-based approach to safety
- Safety Champion awards
- Transition toward ISO 45001 management system
- Health promotion campaigns



H&S DRAWING CONTEST FOR CHILDREN

Our initiative to **promote a safety culture** continued in 2019 through the drawing competition for employees' children, grandchildren, nieces and nephews. The participation and creativity of the children reminded everyone that safety is an absolute priority for the Group. The best drawings in 2019 were featured in the Group's 2020 calendar, distributed to all employees.



Covid-19

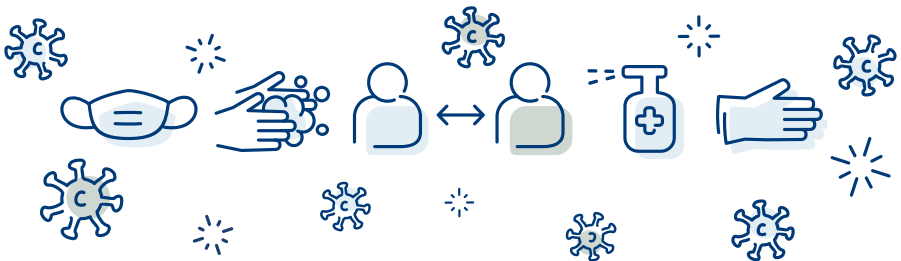
The coronavirus crisis turned our daily lives upside-down in a way that was unpredictable. As a company, **we embraced our responsibilities toward our colleagues, customer and society as a whole.**

HEALTH AND SAFETY OF OUR PEOPLE

- Implementation of strict safety measures according to the health and government authorities' recommendations
- New internal rules to prevent close interactions between workers and with external partners
- Distribution of Personal Protection Equipment to prevent contagions
- Compliance with current legislation and adoption of the latest international best practices, also during the phase of ease of lockdown measures

SUPPORT OUR CUSTOMERS AND KEEP THE SUPPLY CHAINS MOVING

- Our production has been deemed as essential by governmental authorities to support the food, hygiene and pharmaceutical sectors to deliver their primary products to citizens during the emergency
- All our mills across Europe embraced their responsibility and kept operating to support our clients



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The cover of this Sustainability Booklet is printed on Ovaro 755 cartonboard.

For more information about RDM Group's sustainability performance, please download our Sustainability Report 2019.



www.rdmgroup.com