

Sustainability Report 2020



Consolidated Non-financial Statement pursuant to the
Articles 3 and 4 of the Legislative Decree n. 254/2016



Sustainability Report 2020

Reno De Medici S.p.A.

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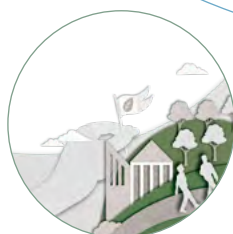


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Message from the CEO

Dear All,

**presenting the RDM Group
Sustainability Report is always
a source of great pride and
satisfaction for me.**



Inside this Report you can find clear information about the great work that the whole Group performs every day, strengthening what is the core of our business, producing recycled fiber-based coated board in a sustainable way.

This year, allow me to add a touch of extra pride that comes from the Company's response to the COVID-19 emergency. The efforts of all employees have made it possible to protect the health of our workers with no coronavirus outbreaks, while creating the conditions for the achievement of extraordinary economic results. RDM Group, and in general the sector to which it belongs, were indeed included in the essential supply chain, since cartonboard was considered crucial for food and pharmaceutical packaging.

In addition, RDM Group now presents the ambitious 2020-2030 Sustainability Plan with the long-term Sustainability Goals outlined in the Report.

We have defined our goals on the basis of the Materiality Matrix, which has allowed us to analyze the priorities of our main Stakeholders. Disclosing our goals publicly means that we can be evaluated over time thanks to targets that are specific and measurable. Our goals will also serve as a clear guideline for future developments. As you will see, the areas of these goals are of great relevance to our business and to society as a whole. Indeed, we believe that companies like ours, which have a long and positive legacy in terms of sustainability, should set the course and act as a leader raising the bar higher and higher.

We are aware of the magnitude of the challenges ahead. However, we are confident in the Group's capabilities and, above all, in its people to take on these challenges.

At the same time, the reality around us requires us to make decisions that are both courageous and imperative. We have decided to step up to the challenges and stand by what we do and how we do it, being aware that how we respond to these challenges will determine our common future. For this reason, innovation is considered to be essential to strengthen the circular economy of which we are contributors and beneficiaries, in such a way as to create a continuous, virtuous and sustainable production cycle for the long-term.

After all, a long-term perspective is essential to be able to actively ride, rather than being overrun by, the wave of megatrends: digitization, automation and sustainability.

We decided to focus on concrete goals both for our business and society at large, and indeed we believe that their pursuit can lead to the achievement of other environmental, social, ethical and economic goals as well. This will be possible through a clear and dedicated investment plan, which aims to propose a long-term partnership to our Stakeholders.

Indeed, we like to say that for RDM Group sustainability is past, present and, above all, future because "Together we shape the future"!

CEO RDM Group
Michele Bianchi

A handwritten signature in black ink, which appears to read "Michele Bianchi".

Manifesto

Together we shape the Future

Is the motto that we, RDM Group, have adopted for ourselves to represent what we do and how we do it.

"Together" is RDM Group's baseline: we operate according to the "One Company culture" principle. This means all entities of the Group share one brand and one strategy. The word "together" also refers to the all-important relationships with our reference stakeholders. This is why "Togetherness" was chosen as one of the four Group Values.

"We" reinforces the concept of an overall vision which is so clearly represented by the other three values as well: "Empathy", "Group-wide Vision" and "Responsible decision-making", acknowledging that the decisions we make also affect others.

"Shape" alludes to what we make, cartonboard, a material that is simple in itself but can be given the most sophisticated forms.

"The Future" is the direction RDM Group looks towards, conscious of its role and responsibility to all Stakeholders.

RDM Group at a glance

We are the second largest European producer of coated recycled cartonboard, the first in Italy, France and the Iberian Peninsula.

Our cartonboard can be used as both primary and secondary packaging. In fact, it can become packaging for foodstuffs and pharmaceuticals, but also for household appliances, cosmetics and personal care products; it can be used in the publishing sector or for the creation of commercial displays and toys. The Group is listed on the Star segment of the Milan Stock Exchange and on the Madrid Stock Exchange.



€ 679 mio

revenues
as of 12.31.2020



1,160

tons of
cartonboard produced



1,831

employees and
collaborators in RDM Group

THREE MAIN MARKET SEGMENTS:



WHITE LINED CHIPBOARD (WLC)

coated cartonboard
for packaging made
of recycled fibers.



FOLDING BOX BOARD* (FBB)

coated cartonboard for folding
boxes made of virgin fibers.



SPECIALTIES (OG GK – UD – UT)

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

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED (Mio EUR)

683 mio

Economic value generated



651 mio

Economic value distributed



32 mio

Economic value retained

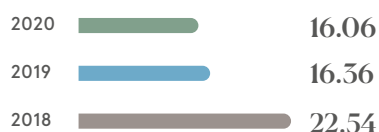


* In February 2021, RDM Group accepted a binding offer to sell the mill of La Rochette. As a result, the Group will exit the Folding Box Board segment.



SPECIFIC WATER WITHDRAWALS

(m³/ton)



Cubic meters per metric ton of net saleable production



ENERGY INTENSITY

(MWh/ton)



Energy consumption in MWh per metric ton of net saleable production



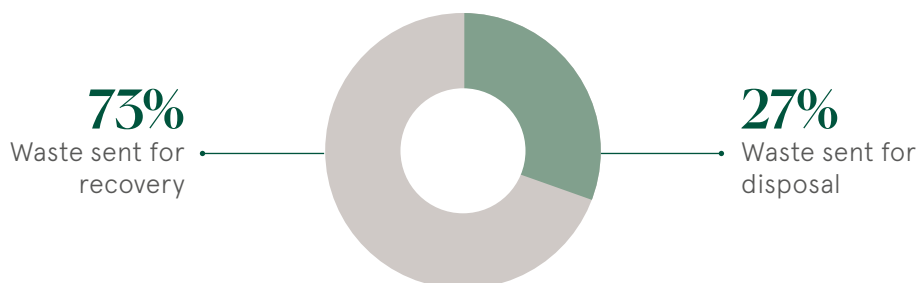
EMISSION INTENSITY

(tCO₂e/ton)



Emissions of tCO₂e per metric ton of net saleable production

WASTE BY DESTINATION



78%
paper for recycling out of total amount of fibers used

84%
renewable materials out of total materials used

3.5
Frequency rate (FR)

SAFETY

140.6
Severity rate (SR)

FR = (number of injuries * 200,000) / hours worked; SR = (lost days * 200,000) / hours worked.
OSHA methodology applied to employees and collaborators.

The Vision and Values that guide us

Our identity is built on a clear **Vision** that guides all our activities, today and tomorrow, and that represents the optimal combination between our business and the expectations of our Stakeholders.

Our ambition is to be **Partner of Choice of all key Stakeholders** with **three strategic goals** in mind: to offer excellent products and services, to optimize costs and to maximize the satisfaction of our key Stakeholders.



**OFFERING EXCELLENT
PRODUCTS AND SERVICES**



**OPTIMIZING
COSTS**



**MAXIMIZING OUR
STAKEHOLDERS'
SATISFACTION**

The ability of the entire Group to pursue the Vision we have adopted and thus achieve the goals we have set for ourselves, is the result of the deep-rooted values that guide the actions of all of us. We work together, sharing our best practices in order to achieve the Group's full potential.

As a multinational Group, our activities create sustainable value for our Stakeholders and the communities in which we operate: we want to be the partner of choice in the development of sustainable products and activities.

OUR VALUES ARE:



GROUP-WIDE VISION

The capacity to build a vision that leads to the success of the Group



EMPATHY

The attitude of understanding others and being empathetic with them



RESPONSIBLE DECISION-MAKING

The awareness that decisions have effects on others also



TOGETHERNESS

The mix between a shared vision and a sense of belonging

GROUP CODE OF ETHICS AVAILABLE ONLINE AT
<https://rdmgroup.com/governance/code-of-ethics/>

Global presence

Our cartonboard travels around the world. **We have seven board mills, two sheeting centers and nine sales offices** that address the multiple needs of

the customers and ensure sales all over the world thanks to a sales network active in more than **70 countries**.

- HQ
- SALES OFFICE
- BOARD MILL
- SHEETING CENTER



REVENUES PER GEOGRAPHICAL AREA


€ 679 mio
 RDM Group

ITALY
€ 202 mio
 FRANCE
€ 118 mio

GERMANY
€ 43 mio
 IBERIAN PENINSULA
€ 104 mio

REST OF EUROPE
€ 122 mio
 REST OF THE WORLD
€ 90 mio

Business model: our virtuous circle

Our business model follows a circular economy model, which replaces the concept of waste with that of a resource, aiming to optimize with increasing efficiency the use of materials. RDM Group cartonboard is fully recyclable and is designed to be returned to the virtuous circle of the circular economy through recovery and recycling after its use.

Our model starts with a process of sourcing paper for recycling (PfR). Our technologies and production systems transform the paper for recycling giving the recycled fibers a new life, whether they come from urban recycling or from industrial and commercial sectors.

THE RDM GROUP PROCESS

Fiber-based raw materials are mixed with water to create a cellulose fiber suspension. Through a complex purification system, the impurities (e.g. sand, metals and plastics) present in the raw materials are eliminated. The board machine consists of a linear consecutive system of sheet forming, pressing and drying intended to remove the water from the fiber suspension. Depending on the type of cartonboard, a coating layer is applied. Once produced, the cartonboard is rolled into special reels for direct dispatch or cut into sheets and packaged onto pallets.

UPSTREAM

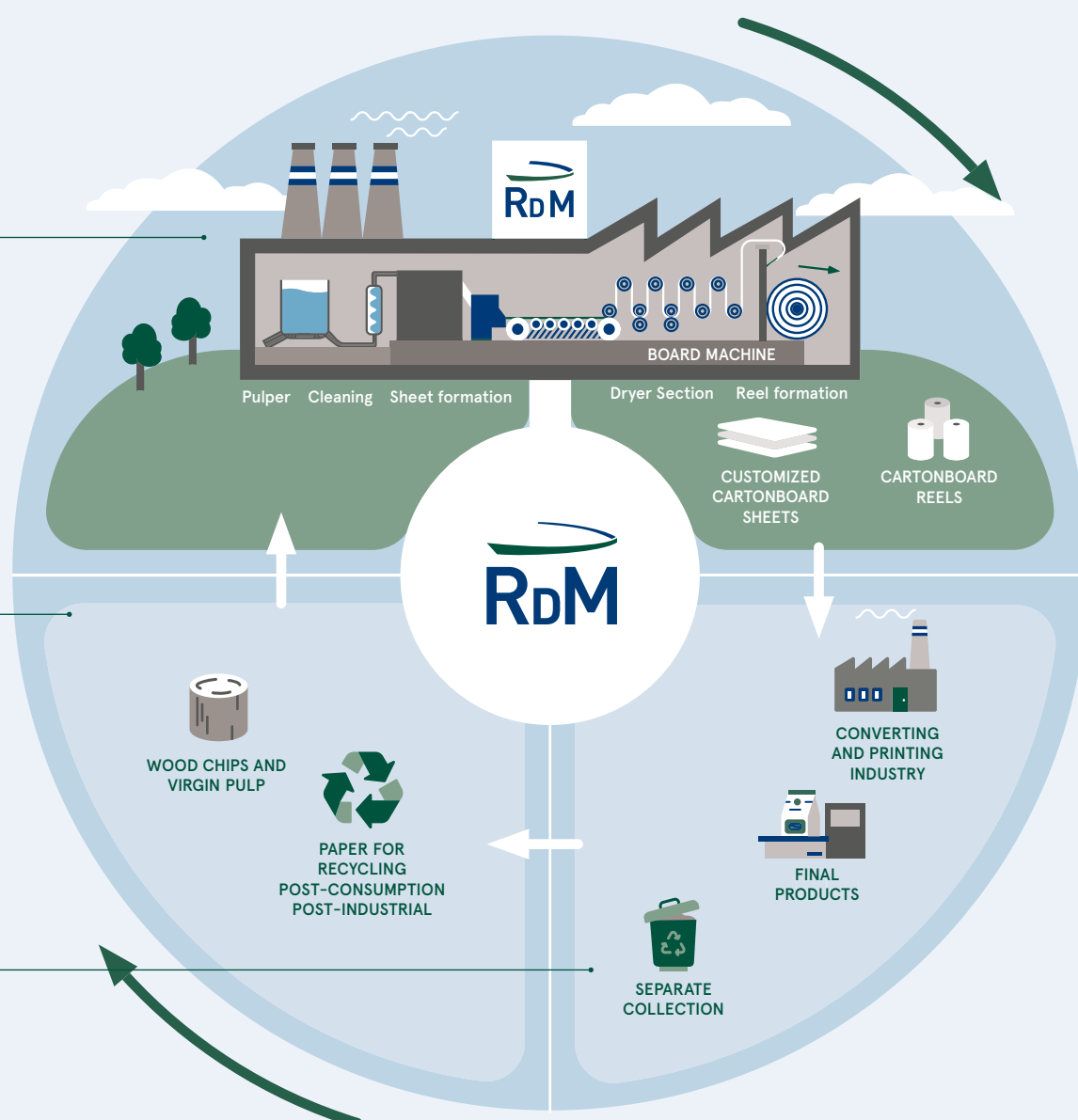
We purchase paper for recycling (PfR) from the industrial and commercial sectors and, from city collections, such as fiber-based packaging, newspapers and magazines. For some types of cartonboard, such as Folding Box Board (FBB), the Group uses virgin fiber pulp purchased from third parties or produced internally on site from ground wood raw materials.

DOWNSTREAM

RDM Group products are mainly intended for the converting and printing industry that use cartonboard to make the packaging of products placed on the market. Clipping and scraps of the converting and printing processes are collected and delivered back to the mill directly or through sorting facilities as raw materials. For products put on the market, after use by the end consumer, more than 80% of the packaging is reintroduced into the virtuous cycle of recycling, thus feeding the sustainable business model of recycled cartonboard.

Overall, **78%** of the fiber-based raw materials used in our production comes from paper and cartonboard for recycling and over **84%** of all materials used is made up from renewable materials. Our products are designed to be renewable, recyclable and are in the end actually recycled!

RDM Group is currently active also in the virgin fiber cartonboard (FBB) market, supplied for end product packaging mainly intended for the food and pharmaceutical sectors. Virgin fibers are sometimes also used to supplement recycled fibers to give cartonboard specific physical and mechanical characteristics.



CHAPTER .01

Sustainability is our present and future



Unlike other trends that, by their very definition, come and go over time, sustainability is a phenomenon that is here to stay.

What's more, it is set to have a profound impact on us all, be that personally, or in a work or social context.

For RDM Group, sustainability is much more than something to simply opt in or out of depending on the latest fad. In fact, since our foundation it has been at the very heart of our business model. This makes sustainability RDM Group's past, present and, most importantly, future.

Our orientation towards the future

We transform and give new life to materials by producing recycled cartonboard that can assume the most diverse shapes in a process that is continuously oriented towards the creation of sustainable value.

Our business strategy includes in its very DNA the concept of sustainability, with the awareness and willingness to build an economy in harmony with the environment and society, based on circular economy.

Ours is a virtuous circle, within which we propose ourselves as “Partner of Choice” of all our Stakeholders in order to weave long-lasting, far-sighted and sustainable relationships. We undertook this mission by bringing together a group of companies, skills, and expertise to be one of the leading cartonboard producers in Europe, with a clear focus on coated recycled cartonboard. Our products are designed to be re-introduced into the circular economy cycle after use as a valuable resource capable of perpetually feeding our business model.

Thanks to the optimization of our asset portfolio, we have achieved significant results and financial strength in recent years that allow us to sustain a stable external growth process. Among the most recent transactions, an agreement was signed in 2020 to acquire the Spanish company Papelera del Principado S.A. (“Paprinisa”), a leading European player in the coated cartonboard industry, and three smaller companies operating in related businesses and based on the same site: Fergerdell S.L., Cogeneració del Pla S.A. and Ondupacart S.A. The goal is to further strengthen RDM Group’s positioning in the WLC segment – White Lined Chipboard. In line with this acquisition, the Group plans to continue the process of expanding its business boundary.

We are also relying on an internal growth strategy that allows us to invest in the greater efficiency of production facilities, digitalization and operational excellence. 2020 was a particularly relevant year in

terms of digital transformation with projects of great importance and relevance to the future of the Group and its efficiency. Projects to improve the energy efficiency of some of our plants also continued, thus maintaining a strong focus on environmental themes.

The pursuit of our Vision is also realized through the strengthening of the European asset base and the proximity to customers through the adoption of the so-called “multi-mill concept”.

The “multi-mill concept” is the principle according to which most strategic products can be manufactured in multiple plants, so that we can ensure supplies to our customers regardless of the production site, in a flexible and timely manner. This allows RDM Group to strengthen its product portfolio, guarantee greater proximity to the customer and ensure continuity of production despite changes in market demand and economic cycles in individual countries. Thanks to the “multi-mill concept”, the Group was able to react promptly to the Covid-19 pandemic, showing great resilience in an exceptional year, characterized by major changes in market dynamics.

In this regard, it is necessary to highlight one of the most significant events that occurred after the close of the 2020 financial year, namely the acceptance of a binding offer for the La Rochette mill’s sale, the only mill focused on the production of virgin fiber-based cartonboard. The impossibility of making the mill part of the “multi-mill” dynamic, together with the substantial investment plan required in the near future, led the Group to leave this market segment in order to concentrate exclusively on recycled fiber-based cartonboard business.



Our Sustainability Plan 2020 – 2030

In RDM Group we are of course aware that the world is experiencing a crucial phase characterized by numerous global challenges. The ability of a company to respond to these challenges is a sign of both resilience and vision.

Our way of approaching the present with a view to the future finds its foundation in our circular economy model. Starting from this model, at the beginning of 2021 RDM Group defined its long-term sustainability goals. Today's megatrends – sustainability, digitalization and automation – require courageous choices characterized by a long-term vision. Therefore, RDM Group has defined 2030 as the time horizon of its sustainability long-term goals.

We have decided to focus on precise objectives of great relevance to our business and society as a whole. We believe that their pursuit can bring the achievement of other environmental, social, ethical and economic objectives. This is possible through a dedicated and clear investment plan that has the ambition to propose to our Stakeholders a long-term partnership centered on a sustainable development agenda.

SUSTAINABILITY GOAL-SETTING PROCESS

The process of defining long-term sustainability goals had as a basis for analysis RDM Group's materiality matrix, defined for the first time for the last reporting cycle with the engagement of our major Stakeholders. The material topics and the analysis of the external context allowed together the identification of the areas of commitment for RDM Group.

The process also saw the involvement of our "youth and restyling committee", the committee that represents the coming generations. The latter expressed its views on what should be RDM Group's role in the society of the future and its contribution towards a successful and sustainable economic model. Top management validated, with the engagement of all key functions, the results of the committee and defined the goal setting work on that basis.



SUSTAINABILITY GOALS TO 2030

	Goal	Baseline 2020	Target
	Reduce scope 1 and scope 2 CO ₂ equivalent emissions per ton of net saleable production	0.50 tCO ₂ e/ton	-30% by 2030
	Increase the proportion of waste sent for recovery	73%	90% by 2030
	Reduce the total amount of waste generated per ton of net saleable production	181 kg/ton	-20% by 2030
	Reduce water discharges per ton of net saleable production	11.06 m ³ /ton	-20% by 2030
	Key suppliers assessed and qualified according to ESG criteria for all relevant product categories	New assessment to be started	100% by 2025
	Implement a behavior-based safety program in all production sites	1 site	all sites by 2023
	Increase the employee advocacy rate	3.98	4.50 by 2030
	Increase the percentage of women employed by RDM Group	9.5%	+30% by 2030

The baselines for climate change, water and waste targets do not include the mill of La Rochette, as it is part of a sale agreement in 2021.

Innovation and Sustainability

The world of packaging is evolving within a context of true transformation. RDM Group is deeply involved in innovation and product development activities required by Stakeholders.

The packaging industry is going through a phase of strong innovation that regards both the design of materials and the identification of new applications for conventional products.

Consumer awareness of limited natural resources and environmental impacts of products as well as the role of corporate social responsibility is growing. This megatrend, together with new environmental policies, regulations and economic incentives, pushes the most important brands and large retailers to look for increasingly sustainable solutions, able to reduce the environmental impacts of packaging. Great attention is paid to the supply chain: in fact, many companies are focusing more and more on renewable packaging solutions, that are recyclable and made with recycled materials.

Our Group's innovation processes aim to strengthen our product portfolio by focusing on renewable, recyclable and actually recycled solutions.

In line with the latest market trends, we are directing our development activities toward replacing solutions made of plastic materials. We also focus our efforts towards the development of renewable and recyclable barrier solutions fully integrated with the fiber-based material structure of the

cartonboard. All this with the aim of promoting and preserving the integrity of the packaged product, while maintaining the recyclability of the coated cartonboard after its use.

For recycled cartonboard, an important aspect is the guarantee of product quality, especially from the food safety perspective. On this issue, we have been promoting for years a proactive and open approach to research and innovation, in collaboration with trade associations, food safety authorities and all other Stakeholders, starting with coating and ink manufacturers and the printing and converting industry.

Another front on which RDM Group is focusing its innovation efforts is the development of lightweight cartonboard for the manufacturing of packaging solutions able to reduce the environmental impacts of production and logistics, and optimizing the overall performance of the cartonboard.

In the implementation of this strategy, we rely on collaborations with universities and external research centers. At the same time, we continue to develop new methods for controlling incoming raw materials, improving material sorting to better identify potential contaminants.

RDM GROUP IS PART OF 4EVERGREEN ALLIANCE

4evergreen Alliance is an initiative created with the aim of increasing awareness on the advantages of using fiber-based packaging to facilitate more environmentally friendly choices, and to support the development of new solutions through product innovation and design, as well as the development of adequate recycling infrastructure and collection systems.

RDM Group joined the initiative from the beginning, which strives to connect the entire value chain of fiber-based packaging, including paper and cartonboard producers, converters, major brands, retailers, technology and raw material suppliers, as well as collection operators.

The stated goal is to increase the overall recycling rate of fiber-based packaging to 90 percent by 2030, targeting four interim goals by 2025:



Industry-wide adoption of the recyclability assessment protocol and associated guidelines on circularity by design for fiber-based products



Availability of separate collection streams for all types of fiber-based packaging



Selection of recovered fiber-based raw materials according to the different categories of paper and cartonboard indicated by EN643 standard



Recycling of all fiber-based packaging, particularly that from household, non-household and take-away consumption.

Our contribution to the UN 2030 Agenda

Through our activities and the way we work, we contribute to the achievement of the United Nations Sustainable Development Goals (SDGs), among which we have identified the goals on which we know we can have a direct effect on. For each of the chosen SDGs, we have clarified our contribution.



SDG 3 PROMOTE OCCUPATIONAL HEALTH AND SAFETY

We adopt a "Zero Accident" policy and work towards continuous improvement of injury rates



SDG 4 PROMOTE LEARNING AND SKILLS DEVELOPMENT

We invest in training, enhancing knowledge sharing and informal learning tools



SDG 6 PROTECT WATER ECOSYSTEMS

We continue water withdrawal reduction programs and monitor discharge quality



SDG 7 INCREASE ENERGY EFFICIENCY OF OPERATIONS

We pursue a strategy of reducing energy consumption per ton of cartonboard produced



SDG 8 PROMOTE FULL EMPLOYMENT AND DECENT WORK

We offer employment opportunities to over 1,800 people, adopting where possible national collective bargaining agreements



SDG 9 MODERNIZING INDUSTRIAL PROCESSES TO MAKE THEM MORE SUSTAINABLE

We have invested over 190 million euros in the last 10 years in plant and technological modernization



SDG 12 ADOPT SUSTAINABLE PATTERNS OF PRODUCTION AND CONSUMPTION

We have developed a production system based on the circular economy model where 78% of fiber-based raw materials comes from recycling and all products are fully recyclable



SDG 13 TAKE ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

Reduce emissions of greenhouse gases and other pollutants per ton of production through energy efficiency programs, energy mix revisions and emission mitigation efforts



SDG 15 PROMOTE SUSTAINABLE MANAGEMENT OF FOREST RESOURCES

For the procurement of virgin fibers we choose certified raw materials from controlled and sustainable supply chains. Overall, 73% of all ground wood raw materials and virgin pulp purchased are certified according to FSC® or PEFC or FSC® controlled wood. 100% of virgin market pulp purchased externally comes from certified and/or controlled sources

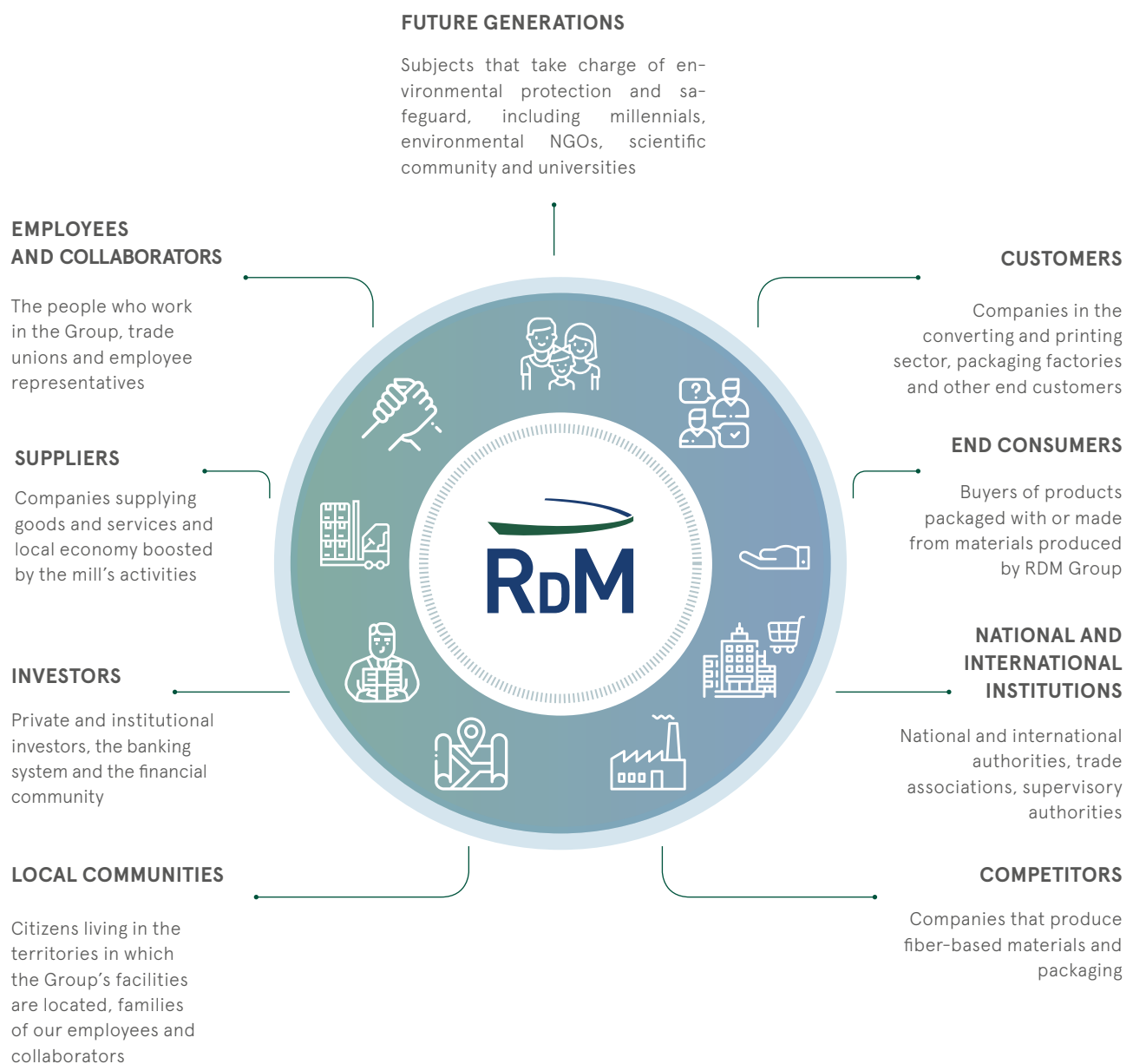


SDG 17 STRENGTHENING PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

We join several associations and working groups, locally and internationally, that support innovation and sustainable development of the fiber-based packaging industry and recycling sector

The circle of our Stakeholders

The constant and effective dialogue with our Stakeholders, internal and external, is crucial to better address the challenges posed by the external context.



Our memberships

We are members of various associations, initiatives and working groups, at both local and international level, supporting the development of the fiber-based packaging and recycling industry as a system that promotes the progress of the sector and sustainable innovation. The most important ones are reported below:

At international level

	· 4evergreen Alliance
	· CEPI – Confederation of European Paper Industries
	· CEPI CARTONBOARD / CEPI CONTAINER BOARD
	· ECMA – European Carton Makers Associations
	· EPPA – European Paper Packaging Alliance
	· PRO CARTON
	· WCO – World Containerboard Organization

A livello locale

	· ACOGEN – Asociación Española de Cogeneración
	· ASPAPEL – Asociación española de fabricantes de pasta, papel y cartón
	· ASSOCARTA
	· ASSOGRAFICI
	· Assolombarda, Unione degli Industriali e delle Imprese di Roma, Frosinone Latina, Rieti e Viterbo, Confindustria Belluno, Confindustria Udine
	· Aspack – Asociación Española de Fabricantes de Envases, Embalajes y Transformados de Cartón
	· ATICELCA
	· CAP Fédération – Cartonnage et articles de papeterie
	· CLUB M.C.A.S.
	· Comieco – Consorzio Nazionale Recupero e Riciclo degli Imballaggi a Base Cellulosica
	· COPACEL
	· Federazione Carta e Grafica
	· Foment Treball Nacional
	· MEDEF
	· GAS INTESIVE GIFCO – ASSOGRAFICI
	· GIPSE
	· Syndicat Régional des Fabricants de Papier du Nord de la France
	· VDP – Verband Deutscher Papierfabriken

Materiality Matrix

The Materiality Matrix is the result of an engagement activity that analyzed the current and future expectations of our Stakeholders including key customers, suppliers and investors. The assessment process included several factors, such as risks, opportunities, strategy and market trends, in order to build a balanced analysis able to reflect the topics of greatest relevance and priority. This dialogue, along with the engagement of the company's top management, resulted in the identification of fifteen material topics.



The most recent update of the Matrix was in December 2019. In light of the Covid-19 emergency and its related impacts, the Materiality Matrix was reviewed by our CEO, who confirmed its validity, pointing out that the most important topics were also those of greater centrality in the management of the pandemic.

Priorities according to our Stakeholders

BUILD ALLIANCES

to optimize the value chain

DEVELOP RELATIONSHIPS

oriented to the concept of "strategic sourcing"

PROMOTE KNOWLEDGE

and raise public awareness on paper and paperboard recycling

DEVELOP NEW SOLUTIONS

and applications for fiber-based packaging

Risks and Opportunities

At RDM Group we manage complex activities every day that, by the very nature of our business, involve risks as well as opportunities.

Risk management is cutting across the whole business and therefore also concerns sustainability matters. We adopt tools for the identification, assessment and monitoring of risks to support the Group in strategic and operational decisions. The risk management team manages these issues enabling the Group to respond to increasing complexities in an ever-changing environment.

SUPPLY RISKS

The management of large quantities of incoming raw materials exposes us to problems related to their quality and availability.

To counter the sourcing risk of virgin market pulp coming from uncontrolled or potentially unsustainable sources, we rely only on the internationally recognized certification schemes FSC® and PEFC. Only certified suppliers who sustainably manage their operations and comply with our environmental and safety requirements are approved for supply. For the wood chips that we use to produce our pulp internally, we rely on suppliers operating in the wood processing materials chain that are able to provide us with PEFC certified raw materials, for a share that reached 58% in 2020. In order to counter price volatility and ensure the continuity of raw material purchases, we adhere to contractual and geographical diversification of supplies.

ENVIRONMENTAL RISKS

Although board production is known to use a significant amount of water resources, our chemical, physical and biological water treatment processes, as well as the systems for monitoring quality of water discharges, allow us to manage this precious resource responsibly and in compliance with legal requirements. We are engaged in a dedicated program to reduce water withdrawals through improved production processes, including more closed water loops. This allows us to be prepared

for the introduction of stricter constraints on withdrawals, especially in water-stressed areas.

Moreover, the impact on the environment is reduced thanks to the use of technologies that significantly limit the volume of production waste, and the possibility of reusing some of the waste generated as secondary raw materials in the production processes of other organizations. 99.5% of the waste produced on site is non-hazardous and has a low level of environmental concern. We adopt environmental management systems (ISO 14001) for several Group companies, certified by accredited third-party bodies.

RISKS RELATED TO CLIMATE CHANGE

The paper manufacturing process is energy intensive and contributes to the emission of greenhouse gases, the main cause of climate change. We adopt energy management systems (ISO 50001) for several of the Group's mills, certified by accredited third-party bodies. We are particularly sensitive to these issues and have therefore started a process of transition towards production processes and energy sources with a lower environmental impact. The use of high-efficiency cogeneration plants, greater energy efficiency and the use of cleaner fuels also enable us to contain the risks of volatility in the purchase price of emission allowances under the Emission Trading System (EU-ETS).

The presence of mills in locations potentially

subject to climate change events, such as rising river flows and increased frequency and intensity of storms, exposes us to potential risks of disruption to operations.

To reduce the impacts associated with the occurrence of natural disasters, including fires, we have implemented a prevention program that involves third-party audits to assess exposure to this type of risk and identifying specific action plans for each of the Group's board mills.

RISKS RELATED TO PRODUCT QUALITY AND SAFETY

Compliance with quality standards, a distinctive feature of our products, has a major impact on the Group's reputation.

We have adequate facilities to meet customer requirements and an effective product quality control system which, through specific equipment, laboratory analysis and testing, ensures compliance with board specifications and significantly reduces the risk of defects.

Where necessary or requested, we apply appropriate barrier solutions that reduce the risk of migration of, for example, mineral oils. All RDM Group board mills and sheeting centers adopt ISO 9001 quality management systems, certified by independent third-party organizations. Most of the Group's products are already certified for direct food contact.

RISK RELATED TO OCCUPATIONAL HEALTH AND SAFETY

The production process of the board mills is based on the use of automated technologies that also require manual intervention and constant supervision by operators.

For this reason, we ensure our workforce the appropriate training and safe equipment, by investing in the constant updating of equipment and machinery, as well as in the provision of appropriate personal protective equipment.

We rely on the principle of empowering people to take care of their own safety and that of their colleagues. RDM Group is strategically investing in a behavior-based safety program to enhance the safety culture of the organization and foster safe behaviors.

We adopt ISO 45001 management systems and rely on dedicated safety teams, both a Group and mill level. The dialogue on safety solutions and cross-analysis among H&S managers allow each plant to benefit from important synergies for continuous improvement. In addition, through a system of regular meetings, audits and inspections in departments and between mills, the Group aims to strengthen the preventive approach to safety

management. Centralized coordination of health and safety includes the adoption of improvement plans based on objective, measurable goals and ongoing monitoring of each mill's performance.

RISKS RELATED TO EPIDEMICS AND PANDEMICS

In recent years, the world has had to deal with an increasing number of epidemics and infectious diseases. Given the absence of a true comprehensive emergency response plan, countries have had to deal with the Covid-19 crisis in a reactive manner. RDM Group responded promptly to governmental indications, assessing risks, preparing all necessary protocols to prevent contagion and setting up vigilance committees on the correct application of internal procedures.

Thanks to this way of managing the Covid-19 emergency, no Group mill or site has seen an outbreak of Coronavirus infection. The proper management of the emergency allowed the Group to define emergency rules and procedures for possible future epidemiological or pandemic crises. This has allowed RDM Group to reliably play the role of "essential" player providing a continuous support to the food and pharmaceutical supply chain, the two key sectors in emergency management and most served by RDM Group board mills.

RISKS RELATED TO THE COMMISSION OF UNLAWFUL ACTIVITIES AND VIOLATION OF HUMAN RIGHTS

We have defined and adopted within RDM Group's Code of Ethics rules of conduct and prohibitions in the conduct of business to prevent corrupt practices, illegitimate favors and collusive behavior. The Code of Ethics of RDM Group is disseminated within all Group Companies and brought to the attention of all RDM Group employees. The same code is disseminated to Stakeholders, and in particular it must be accepted and signed by suppliers who intend to work with us; they are required to behave ethically and with integrity in their relations with the Group. All the Italian companies have also adopted their own organization and management model (pursuant to Italian Legislative Decree no. 231/01) which, as part of the internal control system, defines roles, responsibilities and protocols for preventing possible offenses.

The presence of RDM Group in countries with a low risk of human rights violations, the adoption - where possible - of national collective bargaining agreements and the fight against all forms of professional discrimination allow the Group

to operate within the framework of the United Nations Universal Declaration of Human Rights and the fundamental ILO Conventions. With reference to the supply chain, the purchase of FSC® and PEFC certified or controlled raw materials represents a safeguard to reduce the risks linked to the exploitation of the workforce and the violation of the rights of indigenous populations.

RISKS RELATED TO BREAKDOWNS AND PRODUCTION INTERRUPTIONS

The production process for making cartonboard, relying on board machines working 24/7, is potentially subject to failures related to the perpetual stresses of the machinery.

We run a prevention program based on third-party assessments of the condition of machinery, buildings, and Combined Heat and Power plant (CHP) to assess exposure to risks of disruption to the continuity of operations.

The implementation of action plans, together with investments in the modernization of facilities, the availability of essential spare parts in the event of breakdowns and preventive maintenance protocols, allow the entire Group to fully control this matter. The “multi-mill concept”, moreover, sets RDM Group as a network of board mills that, in case of need, is able to balance and supplement the needs of individual production sites.

CYBERSECURITY

Cybersecurity has been a global priority area for several years. Cybersecurity risks also have a potentially significant effect on the Group and are continuously monitored.

The migration of IT infrastructures to the cloud as well as the scale of cyber-attacks, the nature of which is constantly changing, not only affect IT infrastructures and business operations but can lead to possible breaches or theft of sensitive and personal data.

To ensure business continuity, we have implemented an IT security management and control system to prevent the loss of relevant and personal data and information across the Group – also through backup systems and cloud servers – and adopted advanced systems to prevent unauthorized access to corporate databases.

RISKS RELATED TO THE LOSS OF KNOW-HOW AND SKILLS

We use mentoring to pass on skills and know-how from senior to junior employees so that the company’s skills and values can be handed down and remain within the Group.

Through dedicated training plans, the verification of their effectiveness and a process of competence assessment, we map the talents present in the company and convey training investments in a targeted manner.

In addition, through talent attraction and retention strategies, we have competitive tools to attract young talent and retain the most strategic resources, including programs to facilitate work-life balance, like smart-working.



CHAPTER .02

Our circular approach to business



The desire to make the best use of raw materials and enhance their recovery process lies at the core of the circular economy. Raw materials are indeed the basis upon which a continuous, virtuous and sustainable production process can be created.

This is a mission that we undertook with courage and for the long term. It is a mission that has been successful to the point that it now constitutes the basis of all our productive processes.

Our fibers are made of sustainability

WHAT IS CIRCULAR ECONOMY?

"Circular economy" is used to define an economy designed to regenerate itself, an economic system planned to reuse materials in subsequent production cycles and minimizing waste. It represents a comprehensive and radical rethink of the linear "take-make-use-throw" model.

Adopting a circular approach means reviewing all production stages and paying attention to the entire supply chain involved in the production cycle.

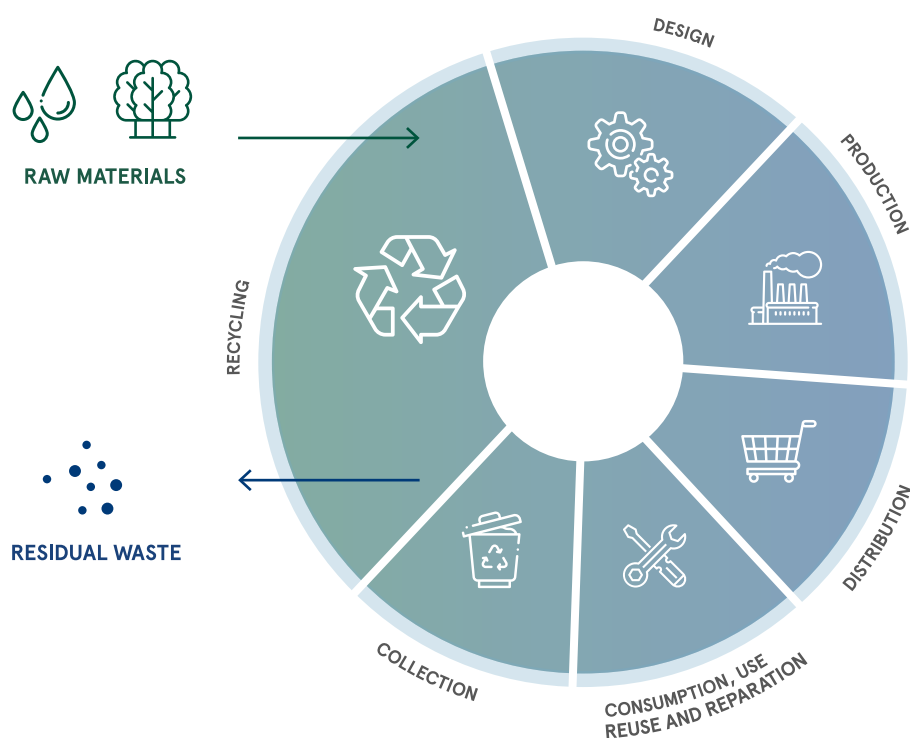
In a context where raw materials are precious resources, this model is based on a **regenerative system capable of enhancing materials' value**. The different phases of the production process

are reprogrammed to recycle as much material as possible.

It is estimated that up to 80% of the environmental impacts of products are determined at the product design stage.

The **recyclability** of the materials used therefore plays a crucial role in developing sustainable consumption patterns.

The separate collection of paper and cartonboard has a significant impact on the materials' transformation process, both from a quantitative and qualitative point of view. Promoting a culture of recycling is a critical step in ensuring the success of the circular economy model.



The circular economy is currently the primary trend in the packaging sector and is a central theme in European environmental policy. In March 2020, the European Commission approved the Circular Economy Action Plan as part of the European Green Deal. The various areas of attention include strengthening the essential requirements for packaging, reducing excessive packaging and packaging waste, and establishing a harmonized EU-wide model for waste separation and environmental labeling of packaging.

According to CEPI (Confederation of European Paper Industries), the recycling rate of all types of paper and cartonboard in Europe is **72%**, one of the highest among packaging materials. This means that the amount of paper and cartonboard sent for recycling, net of imports and exports, exceeds the quota of 7 out of 10 with respect to consumption: a remarkable result considering that not all fiber-based products, such as tissues, can currently be effectively recycled.

Again, according to CEPI, but regarding fiber-based packaging only, a recycling rate of **85%** has already been achieved in Europe.

RDM Group is an integral part of the circular economy through its Business Model. All our products are fully recyclable, which is how we create the conditions for our product to eventually become packaging again.

Therefore, recycling is the preferable option for our cartonboard as it is the only one that feeds the circular economy. After use, end-users dispose of packaging made with RDM

Group cartonboard. The environmental impact of packaging produced with our cartonboard is particularly low, both because it is a **recyclable** resource used to produce new cartonboard, and because the materials used are to the absolute majority **renewable**. They would not have a harmful impact if accidentally dispersed into the environment, as they are **naturally biodegradable**.

OVARO'S VIRTUOUS EXAMPLE

Ovaro board mill (Italy) has completed trials and begun production of a cartonboard type which uses the by-product generated by a paper mill located in the same region (Friuli Venezia Giulia) operating in the graphic papers sector. For us at RDM Group, supporting these initiatives means engaging with other actors and exploiting existing synergies, knowing that all resources represent a valuable asset, especially in the circular economy perspective.



Virgin market pulp procurement

A circular business model must be put together in such a way as to use raw materials that, once processed, can then be recycled in subsequent production cycles. For such a model to be fully sustainable, all stages of the process must be sustainable, starting with the raw materials' origin.

Although RDM Group primarily uses recycled paper and cartonboard as raw material, we purchase a range of materials that include chemicals, mineral fillers and, most importantly, virgin fiber-based raw materials i.e. chemical and mechanical market pulp.

All our virgin market pulp is either certified according to FSC® and/or PEFC standards or FSC® controlled wood. These standards are most widely used and recognized globally and ensure that the raw material comes from sustainable supply chains

with a controlled chain of custody. They aim to ensure proper forest management and traceability along the supply chain. We regularly undergo external audits by independent bodies that verify and certify our management systems' compliance with the FSC® and PEFC standards.

CHEMICAL AND MECHANICAL MARKET PULP

Virgin pulp is an indispensable raw material in papermaking processes. Both the type of product and the specific product recipe determine its use. Among the main variants are mechanical pulp, obtained by defibrating the wood mechanically, and chemical pulp obtained by cooking the wood chips with chemicals.

WHY DO WE TALK ABOUT VIRGIN FIBERS FOR THE PRODUCTION OF RECYCLED CARTONBOARD?

Although cellulose fibers can typically be recycled between 5-7 times, the paper and paperboard recycling process requires input of virgin fibers. In fact, after several recycling cycles, the fibers become too short and/or damaged to be able to deliver a finished product with the physical-mechanical characteristics necessary for its use as packaging. This results in the need for new virgin fibers entering the circular economy circle. Therefore, there is a fundamental balance between recycled and virgin fibers that allows the circular economy of fiber-based products to be maintained: a truly symbiotic system.

Raw material use

Recycled cartonboard could be seen as a “simple” product, but its production requires implementing a complex manufacturing process that combines fiber-based raw materials with other materials.

TOTAL AMOUNT OF RAW MATERIALS AND OTHER MATERIALS USED



98%

Raw materials used for the production of cartonboard and coating layers



1.5%

Materials used for product packaging



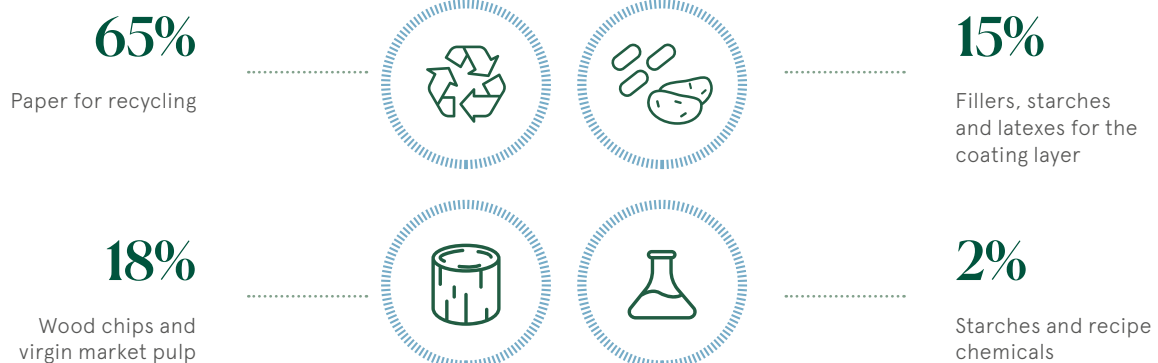
0.5%

Other auxiliary materials not intended for cartonboard



Renewable materials account for **84%** of the Group's total consumption

Overall, the raw materials used by RDM Group for the production of cartonboard and the coating layers are composed of:



COMPOSITION OF PAPER FOR RECYCLING, WOOD CHIPS AND VIRGIN MARKET PULP CONSUMPTION

All Group production units / 2020

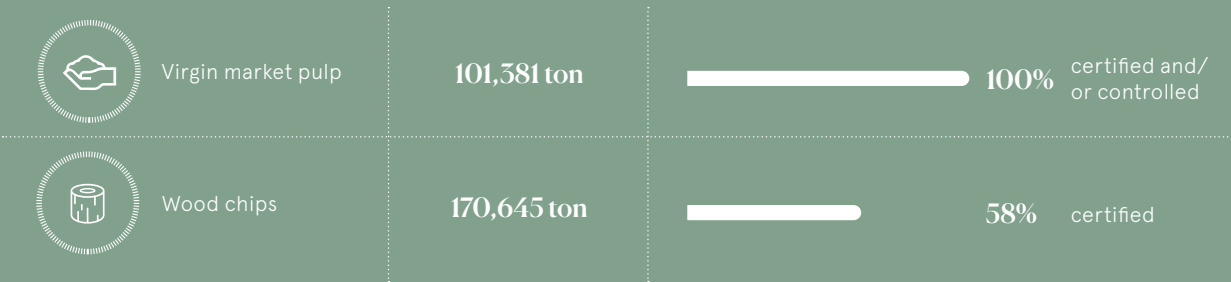


Each year, the Group consumes an average of more than 270,000 tons of wood chips and virgin market pulp, both chemical and mechanical. Mills use paper for recycling and virgin pulp to produce recycled cartonboard, combining them according to the recipe for each product. Externally purchased virgin pulp are always FSC® and/or PEFC certified, or FSC® controlled wood for all products in our range. Wood chips are used by the La Rochette mill (France) for the production of mechanical pulp

used internally for its own virgin fiber board. The wood chips used are the by-product of local wood processing companies. The use of this resource covers about 80% of the mill’s annual consumption of virgin fiber, 58% of which is PEFC certified. The remaining 20% is purchased from external suppliers and is 100% certified according to FSC® and/or PEFC standards. All these raw materials, both certified and uncertified, come from suppliers regularly audited by our due diligence system and are considered low risk.

USE OF VIRGIN MARKET PULP AND WOOD CHIPS ACCORDING TO FSC® AND/OR PEFC STANDARDS, OR FSC® CONTROLLED WOOD

All Group production units / 2020



950,000 tons
of paper and cartonboard recycled in 2020

If we consider that an average European citizen consumes about 71 kg of paper and cartonboard per year, in 2020 RDM Group’s mills have given new life to the volume generated by more than 13.4 million inhabitants. This is equivalent, for example, to more paper and cartonboard packaging generated in 2020 than the entire population of Austria and Croatia combined.

Selection, qualification and management of suppliers

THE EVOLUTION OF EUROPEAN LEGISLATION

Globalization has long favored the development of sourcing systems on a global scale. In addition to the many benefits we are all familiar with, this process has also brought many negative impacts on human rights violations, corruption, and environmental disasters. For this reason, the traceability and transparency of supply chains are today more than ever a topic of high interest. Consumers are increasingly aware of their consumption choices and favor companies that can manage, produce and communicate their environmental and social impacts. The European Union argues that the voluntary approach to responsible supply chain management has not delivered the expected results. Therefore, the European Commission has taken the first steps towards a possible “sustainable corporate governance” directive that would include mandatory due diligence on human rights and environmental issues. It is foreseeable that the legislation will accelerate the process, already underway, towards a greater safeguard of the most at-risk subjects and increasing transparency for the benefit of end consumers in the near future.

Our Sourcing and Procurement function is managed from the Headquarters and provides all manufacturing sites with a systematic approach to purchasing goods and services. Local purchasing functions work closely with the group function, where the focus is on the work done by category managers and buyers in setting purchasing standards for the product categories under their responsibility.

Responsible and transparent sourcing from reliable business partners who share our values is necessary to ensure high quality and safe products and is a qualifying practice of our processes.

We source materials and services only from companies that share the Group’s commitment to conducting business responsibly as a way of ensuring that the development we generate is sustainable over time, supporting a healthy economy.

In its supply contracts, the Group sets out its expectations concerning integrity in the conduct of business activities, requiring compliance with

the values and good practices detailed in our Code of Ethics, in terms of integrity, respect of human rights and environmental impact reduction. The Group reserves the right to terminate the business relationship should it become aware of conducts that do not comply with the law or the Code of Ethics.

Depending on the product category to which they belong, **suppliers undergo a pre-qualification and qualification process** that includes screenings of specific social and environmental requirements.

The lawful hiring of workers and the employer’s compliance with social security obligations are also verified, along with the presence of any disputes regarding health and safety, the environment and corruption.

This screening focuses on all relevant product categories, including service contractors. Virgin market pulp suppliers are subject to a specific qualification process concerning the FSC® and PEFC certification schemes.

NEW RELEVANT SUPPLIERS UNDERGOING SOCIAL AND/OR ENVIRONMENTAL SCREENING

All Group companies / 2020



Entities from which the Group made purchases for the first time in 2020 in an amount equal to or greater than 5,000 euros are considered new suppliers. Suppliers of non-strategic product categories are excluded. Out of 70 new suppliers, 61 were screened according to socio-environmental criteria and 9 according to social criteria.

The location of nearly all suppliers is in countries which, based on both the annual “Freedom in the World 2020” report drawn up by Freedom House and the latest “The State of the World’s Human Rights” report by Amnesty International, are considered to be at low risk of human rights violations. The purchase of virgin market pulp, both chemical and mechanical, from FSC® or PEFC certified sources is an essential guarantee of these raw materials’ sustainable origin.



Final product quality

RDM Group's cartonboard has a variety of end application possibilities: it can be used as primary packaging for non-fat dry solid foods such as pasta, rice, salt and sugar, or as secondary packaging material for pharmaceuticals, food and beverages, luxury goods, home appliances, cosmetics, toys, personal care and household cleaning products.

The Group's utmost goal is to guarantee food safety and the traceability of the raw materials used.

PRIORITY TO PRODUCT SAFETY

RDM Group manufactures its products in compliance with the safety requirements for products intended for contact with food. The Group follows a strict quality control process to prevent possible direct impacts on product protection, preservation as well as on the characteristics of the contents and their perception by end consumers. We have therefore developed a precise monitoring system of quality and food safety requirements throughout the production cycle. Our internal procedures cover all stages, from procurement to production and shipping of our cartonboard.

» ANALYSIS AND CONTROL OF RAW MATERIALS

We perform analyses on the raw materials used and specific controls regarding various potential inorganic contaminants and the absence of pollutants or biological contaminants.

» TREATMENT AND CLEANING OF RAW MATERIALS

The treatment and cleaning process of raw materials and the subsequent production phase are designed to ensure that the cartonboard intended for food applications, under normal or foreseeable conditions of use, does not transfer components in quantities that may constitute a danger to human health or deteriorate the organoleptic properties of the food.

» VERIFICATION OF CHEMICAL-PHYSICAL CHARACTERISTICS

Through laboratory analysis, the chemical-physical characteristics of products intended for food contact and other important properties such as odor are verified downstream in the production process.

» VERIFICATION OF SUITABILITY FOR STORAGE AND TRANSPORT

The materials used for our products' packaging, mainly polypropylene, are checked for their suitability for use. Lastly, specific procedures for storage in the warehouse and the control of means of transport ensure conditions that guarantee the quality of products even in the final stages of the distribution process, before delivery to customers.

» CERTIFICATION AND COMPLIANCE

All RDM Group products intended to become food packaging are certified by the authoritative ISEGA laboratory, attesting to their food safety and compliance with EU Directive 1935/2004. For the Italian market, all products intended for contact with food are also compliant with the Ministerial Decree of 21 March 1973. In all mills, we adopt the Good Manufacturing Practices (GMP) established by the EC Regulation 2023/2006 for materials and articles intended for food contact.

» TRANSPARENCY WITH CUSTOMERS

We verify the compliance of our products with customers before any purchase decision. We provide our customers with all necessary product safety information through declarations of conformity.

We ensure our compliance with the legislation that protects the health of our workers, our customers and the environment: all our products are compliant with the EU Regulation 1907/2006 REACH, containing substances suspected of being carcinogenic, mutagenic, toxic for reproduction, PBT (persistent and bioaccumulative and toxic) or vPvB (very persistent and very bio-accumulative) well below the legal permitted concentration.

UNI EN 15593 CERTIFICATION

Santa Giustina mill earned the UNI EN 15593 certification in 2020, relating to hygiene management in the production of packaging for food products.

ZERO RECALLS

OF RDM GROUP PRODUCTS
FOR FOOD SAFETY RISKS



Our customers' satisfaction

Dialogue with customers

The Group's ability to pursue economic growth objectives and strengthen its competitive position depends primarily on its ability to satisfy its customers.

Therefore, it is essential to precisely understand how well our commercial products and services meet customer expectations to work continuously on enhancing our offerings. At RDM Group, we systematically measure our customers' satisfaction through dedicated customer surveys twice a year.

RESULTS OF THE LATEST SURVEY

The latest survey results confirmed the "customer service" factor as the main positive element associated with RDM Group.

1,125 customers contacted

57% response rate, **+3%** compared to the last survey of 2019

7.70/10 customer rating (**7.57/10** in the latest 2019 survey)

Quality management system

RDM Group's quality management system is structured to address critical issues in an effective and timely manner, quickly activating diagnostic and corrective actions. An essential element in this sense is the system of traceability of supplies, which allows the prompt identification and withdrawal of any defective lots. The Group's systems and procedures make it possible to identify the raw materials, substances and products that have been used for the processing for each supply.

We pay meticulous attention to the systematic collection and management of all reports and complaints from our customers. Any feedback

gathered on quality and customer satisfaction is tracked, documented and managed according to detailed and specific procedures. The analysis of the information, combined with an examination of the main reasons for the complaint, aims to identify improvement actions. These are shared with clients to account for internal actions taken.

All production facilities have a quality management system certified in accordance with the **ISO 9001** standard.

Through this certification, RDM Group takes a systematic approach to continuous quality improvement for customers.

CLAIMS

In 2020, the Group worked on improving its products and services by strengthening quality management. Compared to 2019, we have reduced the number of complaints by 19%. This was made possible also thanks to the strengthening of the **Technical Customer Service** function, whose primary objective is to guarantee ever greater clarity in assessments, completeness and timeliness in responses.



Rate of complaints: number of complaints per 100 tons of net saleable production. All Group companies / 2018, 2019, 2020 (PAC Service included from 2020)

CHAPTER .03

Our attention to the environment



For us, sustainability is a broad area that involves the efficient use of raw materials, as well as the responsible use of resources like water and energy.

We are undeniably part of one single system that is fragile and interconnected, where sustainability and ethics must represent the guiding principles of doing business.

The long term is the timeframe we look at and the basis upon which we make our choices, in full awareness of the necessity to responsibly manage our current environmental impacts.

Energy: efficiency and consumption

EUROPE IS MOVING TOWARD CARBON NEUTRALITY

According to the "Global Risk Report 2020" of the World Economic Forum, climate change related issues are among the global threats with the highest level of probability and impact.

This is a global emergency will soon have a likely impact in terms of laws for all Countries.

In December 2019, the European Commission presented the so-called "Green Deal", a new growth strategy that aims to transform the EU into a society with zero net greenhouse gas emissions by 2050. In March 2020, the European Commission also published a proposal for a regulation to transform this political commitment into a legal obligation: the "European Climate Law". Through this regulation, the European Commission is establishing the legal framework to achieve climate neutrality by 2050.

The cartonboard manufacturing process requires rapid dewatering and drying of the formed paperboard sheet: in less than two minutes, the water content goes from 99% to about 7% of the finished product.

It is a process that requires significant energy resources. We know that efficient resource management is not only necessary from an economic point of view, but also critical in environmental terms: we pay great attention to the external effects of our activities, including those arising from the use of fossil fuels for energy generation.

Our energy policy provides for maximizing the efficiency of our mills through the use of high-efficiency cogeneration plants. There is an energy cogeneration plant in each of our mills where we use the best energy conversion technologies in order to simultaneously produce electrical and thermal energy, while at the same time reducing inefficiencies to a minimum. Thanks to the effective recovery of heat, the yields obtained are far higher than EU standards. The operational results of cogeneration plants are subject to periodic performance certification by government agencies according to procedures established at EU level. In order to meet the mills' energy needs,

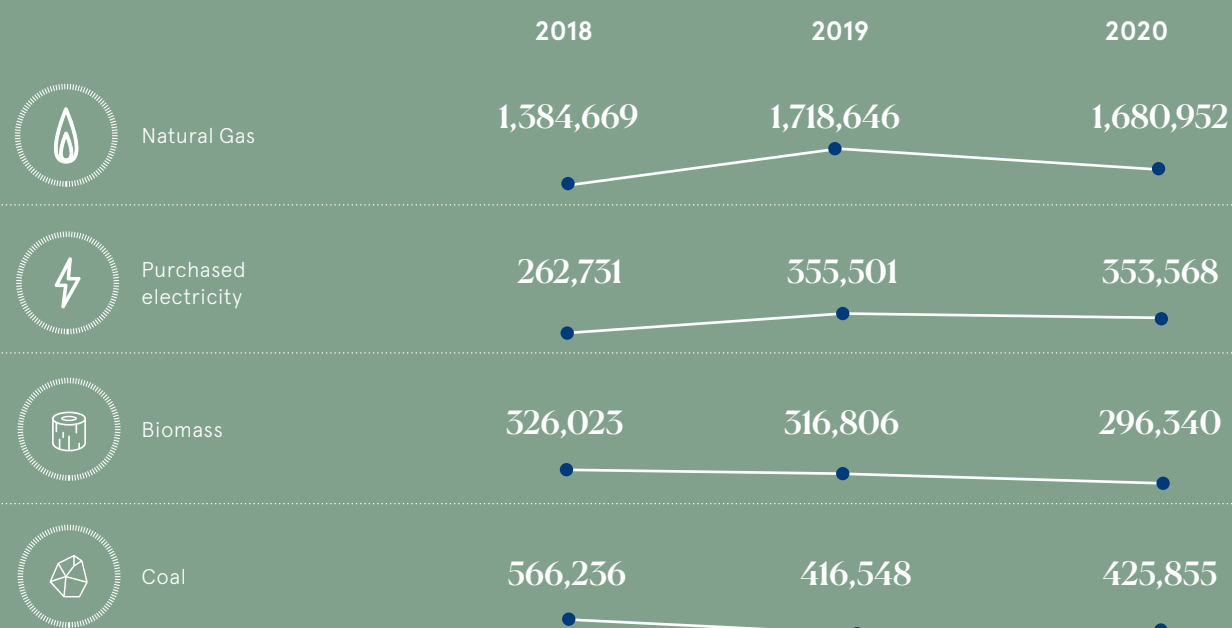
self-produced electricity is supplemented with purchased electricity from the national grid, if necessary.

The other main sources of fuels, in addition to natural gas, are wood biomass and coal. In this regard, at the mill in Arnsberg (Germany), there is an **energy-transition program that is underway that will lead to the installation of a new high-efficiency cogeneration plant powered by natural gas, replacing the current coal-powered one.** We expect to complete this important project by **2024**, as soon as the upgrading of the local natural gas distribution network is completed. Moreover, RDM Group has already launched a program to reduce this only remaining coal consumption: the first step has already been completed, with a reduction in consumption of 25% compared to 2018. This led to a clear benefit from the point of view of direct emissions, although it was necessary to supplement energy needs with external electricity supplies.

With regard to other fuels, the role of liquefied petroleum gas (LPG), fuel oil and diesel used for internal handling, remains marginal. In 2020, the total consumption of the fuel used did not have significant variations compared to the previous year.

MAIN ENERGY SOURCES BY TYPE (MWh)

All the Group's production units / 2018, 2019, 2020



The natural gas figures of 2019 were restated due to an improved allocation of natural gas consumptions of the Barcelona mill for steam production and electricity generation for the grid. The 2018 figures include the Barcelona mill's consumption as of November 2018, i.e., since its acquisition by RDM Group

To guarantee an efficient management of energy and to ensure the reinforcing of the continuous improvement process, RDM Group's Energy Management Department works constantly to improve the energy performance of the mills. This goal is pursued by focusing on process optimization, the upgrading of existing plants and the application of the best available technologies on the market.

In 2020, at the mill of Villa Santa Lucia (Italy), the first step of the project comprising the revamping of the cogeneration plant was completed. This

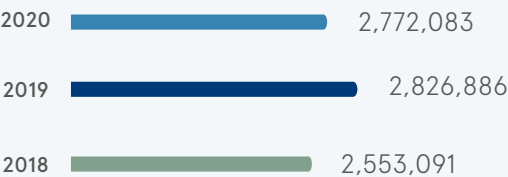
first phase included the installation of a new gas turbine with greater efficiency and reduced NO_x emissions. The second step involves the revamping of the heat recovery boiler that will be completed in the second half of 2021. These investments aim to increase the mill's energy efficiency, meeting almost all of its electrical and thermal energy requirements. Among the other important ongoing investments is also the installation of a new boiler at the mill of Santa Giustina (Italy) that will allow for the more efficient production of the steam necessary for the manufacturing process while, at the same time, lowering the environmental impact.

At the group level, over 2.4 million MWh of thermal energy and over 340 thousand MWh of electricity from the grid were consumed in 2020. Overall, we reduced total consumption by 2%, keeping the specific consumption per ton of net saleable production unchanged.

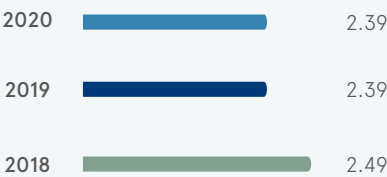
ENERGY PERFORMANCE

All Group production units, 2020, 2019, 2018.

TOTAL CONSUMPTION (MWh)



SPECIFIC CONSUMPTION (MWh/ton)



The natural gas figures of 2019 were restated due to an improved allocation of natural gas consumptions of the Barcelona mill for steam production and electricity generation for the grid. The 2018 figures include the Barcelona mill's consumption as of November 2018, i.e., since its acquisition by RDM Group



Energy Management

We adopt systems to continuously monitor energy consumption and to systematically identify efficiency improvements.

Our policy requires, in case of purchase of new technologies for the revamping of existing plants or the design of new processes, to always take into account the expected consumption as a binding parameter to finalize the purchase contract. In doing so, we give priority to equipment belonging to the best energy class.

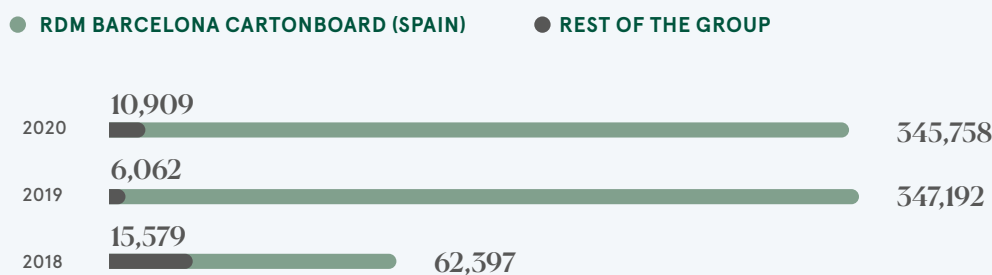
We also believe that certifications are a very important tool to efficiently manage energy resources and optimizing costs. In addition to the four board mills that already hold the ISO 50001 certification, from 2020 there is now also the Barcelona mill that has successfully completed its certification process, also with reference to the activity of electricity production. The other mills adopt management tools aligned with the requirements of ISO 50001 standard. We have an energy policy that formalizes the commitment

to energy consumption reduction and resource conservation, as well as the recovery of secondary thermal energy.

We actively cooperate with national grid security systems. The Group mills adhere on a national basis to the electrical load regulation and interruptibility services, giving their availability for disconnection in case of imbalances between demand and supply of electricity in the grid.

In the three-year period 2018-2020, RDM Group supplied more than 30,000 MWh of electricity into the national grids, produced by its power plants in excess of the mill consumption profiles. In addition to these volumes are those supplied into the grid by the cogeneration power plant of Barcelona (Spain) that produces electricity exclusively for the national grid, which equals to 345,758 MWh in 2020.

ELECTRICITY SUPPLIED TO THE NATIONAL GRIDS (MWh)



Air: emissions and monitoring

The paper industry is an energy-intensive sector that needs significant amounts of energy, both electrical and thermal. At the beginning of 2021, RDM Group has committed to a long-term goal of reducing greenhouse gas emissions of its operations.

- 30%
of CO₂e scope 1 and scope 2 emissions per ton of net saleable production by 2030.

We will pursue this goal with the use of high efficiency technologies, with interventions to improve the performances of existing plants and the use of energy sources with a lower environmental impact. Starting from 2020, the Group has decided to compensate the emissions corresponding to electricity purchased from the national grid by purchasing guarantees of origin for its Italian board mills, as well as for the Magenta sheeting center and the Headquarters in Milan. Overall, as

of July 2020, the electricity consumption of these sites was carbon free. This program will continue in 2021 with the purchase of 100% of electricity from renewable sources (solar, wind and hydroelectric power) for the same sites with the possibility of extending it to other Countries where the Group operates. The electricity purchased is certified "green" according to EU standards by the Italian agency for energy services (GSE).



of the electricity purchased in 2020 by the Group is certified from 100% renewable sources corresponding to 11,186 tCO₂e

THE GREENHOUSE GAS EMISSIONS WE REPORT ARE:



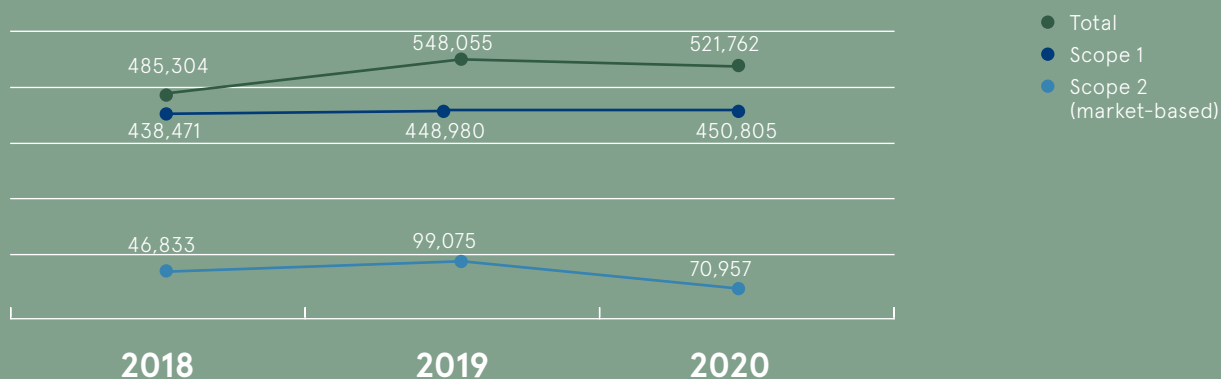
Direct emissions of CO₂ equivalent deriving from operations that we directly own or control (**Scope 1**).



Indirect emissions of CO₂ equivalent related to the electricity we purchase externally (**Scope 2**).

TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS (tCO₂e)

All Group production units / 2018, 2019, 2020.



The natural gas figures of 2019 were restated due to an improved allocation of natural gas consumptions of the Barcelona mill for steam production and electricity generation for the grid. Indirect scope 2 market-based emissions are net of the emissions neutralized through green electricity, amounting to 11,186 tCO₂e. For more information about direct and indirect emissions, please refer to the appendix.

SPECIFIC DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS (tCO₂e/ton)

All Group production units / 2018, 2019, 2020.

Unit of measure: tCO₂e per ton of net saleable production.**Specific emissions calculated with market-based indirect emissions**

For more information about direct and indirect emissions, please refer to the appendix.

The use of renewable materials in our manufacturing process allows us to make a significant contribution to the green economy.

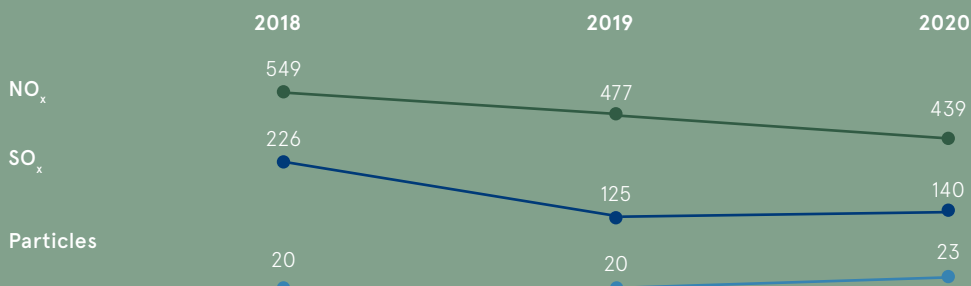
Fiber-based products are able to store CO₂ (carbon storage) thanks to their natural growth process, thus reducing its concentration in the atmosphere.

Carbon dioxide is therefore incorporated into recycled products which reiterate the circular process of fiber recovery and recycling.

With our cellulose-based products, we offer our customers and end consumers sustainable alternatives with better environmental performance than products made with fossil or non-renewable products.

OTHER EMISSIONS TO THE ATMOSPHERE (ton)

All Group production units / 2018, 2019, 2020



The figures are derived either from continuous measurement systems or from single periodic measurements. For more information on pollutant emissions, please refer to the tables in the appendix.

Some of the emissions generated by our processes, such as Sulphur Oxides (SO_x), Nitrogen Oxides (NO_x) and particles, directly affect air quality and are therefore subject to precise limitations by environmental protection authorities. As a Group, we monitor on a continuous basis all atmospheric emissions, ensuring that they are in compliance with all the legal provisions of the Countries in which we operate.

Thanks to the use of a single coal-fired boiler in our power plant in Arnsberg (Germany), we have reduced the use of coal by 25%, allowing a reduction in NO_x of -8%¹. The SO_x emissions and particles remain well below the limits provided

for by the environmental permits of the mills, although higher compared to 2019 (+12% of SO_x and +14% of particles).

The accurate monitoring of emissions, the development of a system for continuous improvement of energy efficiency and regular emission mitigation interventions have enabled the Group to reduce greenhouse gas emissions and atmospheric pollutants per ton of production over time. Being part of the **EU ETS** system, we offset a part of the greenhouse gas emissions released into the atmosphere also through the purchase of certificates that finance interventions to reduce or contain emissions.

1. The figure excludes emissions from natural gas combustion of the Barcelona mill for the electricity supplied to the grid.



Water: reuse and responsibility

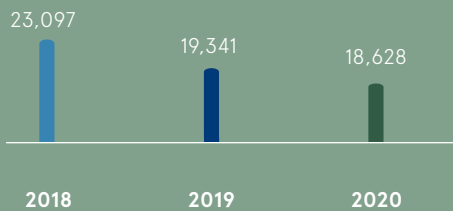
Water withdrawals and discharges

The production processes of our board mills use large amounts of water, needed to clean the raw materials, prepare the mixture for cartonboard production, raise steam and cool the equipment. However, **91% of the water withdrawn by our mills is returned to the environment in surface water bodies after appropriate treatment**. The remaining part evaporates during production processes.

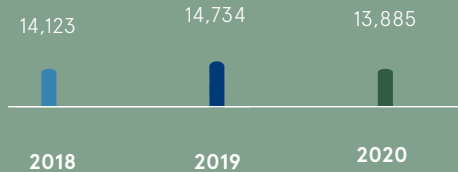
WATER WITHDRAWALS AND DISCHARGES (megaliters)

All Group production units / 2018, 2019, 2020

Withdrawals



Discharges



Water withdrawals include cooling water. 2019 and 2018 discharges have been restated to exclude discharged cooling water, when kept physically separated from process water. This cooling water in megaliters equals to 3,135 (2020), 2,870 (2019) and 7,272 (2018). 1 megaliter corresponds to 1,000 m³.

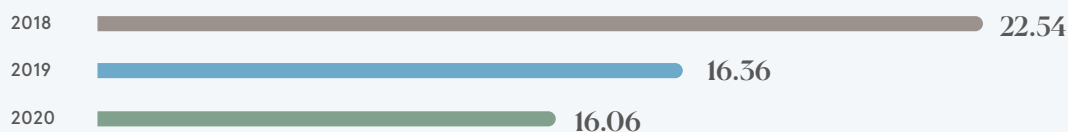
Our board mills need to be located near surface and groundwater bodies to ensure the continuity of the water supply for the production process, either through direct withdrawal or through access to aquifers.

55% of our total withdrawals comes from rivers, 44% from groundwater and only the remaining part (1%) from the municipal water supply.

In 2020, we recorded a significant reduction in specific water withdrawals, which is however not comparable to the reduction recorded in 2018, which was possible thanks to the extraordinary operation of discontinuing the use of one coal-fired boiler at the Arnsberg mill (Germany).

SPECIFIC WATER WITHDRAWALS (m³/ton)

All Group production units / 2018, 2019, 2020.



Cooling water is included. Specific water withdrawals are calculated with tons of net saleable production.

While our mills have not experienced restrictions due to water shortage, we recognize that water stress is a major factor in the environmental impacts of our operations and that discharge regulations and withdrawal limits are becoming more stringent.

RDM Group is aware of the risks associated with water stress and takes them into account in its investment decisions. We are committed to considering these challenges also as an opportunity for the entire Group, both to increase efficiency in the use of this resource and to reduce costs. Thus, optimizing water use is a critical factor by which we measure our ecological footprint, but also our efficiency.

Minimizing the amount of process water is one of our key focus areas. For this reason, we have decided to make a long-term commitment to **reduce the volume of water discharged per ton of net saleable production by 20% by 2030.**

A special focus group has been created to map possible efficiency measures across all of our mills. It will play a role in coordinating and directing the project activities needed to achieve this ambitious goal of responsible and efficient water resource management.

Recycling and reuse

In pursuit of our goals of reducing water use, we adopt technological and engineering solutions that allow the **recycling of process water and its reuse in several production cycles.** We are constantly committed to further closing of the process water loops, optimizing water use and maintaining the quality and safety of the final product.

Depending on the technology adopted cooling water is also used, making it possible to reduce both the quantities withdrawn upstream and the energy required to heat the process water. Moreover, over the years the existing systems have been improved by using heat exchangers for the recovery of condensed steam. RDM Group has thereby been able to reduce the specific freshwater withdrawal per ton of production over time.

Therefore, recycling and reuse remain the two key criteria with which RDM Group intends to pursue its goals of reducing water withdrawals.

According to WWF’s Water Risk Filter, our mills are located in geographical areas with varying levels of water stress. Our water withdrawals come from:



Process water treatment

The implementation of our water reuse strategy across multiple production cycles goes hand in hand with the water monitoring and treatment systems adopted by the Group. The management of process water discharges is also a challenging issue for the paper industry: production generates discharges containing suspended solids, organic residues, including dissolved fibers, woody materials, and inorganic salts.

All the mills are equipped, to different degrees, with wastewater treatment plants that, through chemical, physical and biological treatment processes, reduce the content of organic and inorganic substances, making them suitable to be returned to the environment or to be conveyed to external treatment plants for subsequent and further purification. The Arnsberg plant is an exception, as it relies directly on the local consortium system to treat its process water. In 2020, there were no non-compliances with respect to discharge limits.

WATER DISCHARGE QUALITY



Chemical Oxygen Demand (COD)
1,263 tons · 2.21 kg/ton



Total suspended solids
191 tons · 0.34 kg/ton



Nitrogen
21.9 tons · 38.4 g/ton



Phosphorus
3.9 tons · 6.8 g/ton

The figures include all Group production units with internal water treatment plants. Therefore, plants that discharge their process water, in whole or in part, to external treatment plants are excluded. The data refer to 2020. Specific values are determined based on tons of net saleable production.

The Group always reuses the cooling water from its plants. However, when this water exceeds production requirements, it is returned directly to the environment, provided that it has not come into contact with process water. In these cases, the only impact on the receiving water body is a temporary increase in temperature, which is always compatible with the characteristics of the river ecosystem. In 2020, the external water treatment plant of the Villa Santa Lucia (Italy) mill, owned by the

“Consorzio per lo Sviluppo Industriale del Lazio Meridionale”, which treats the process water that had been partially treated by the plant, was subject to seizure by the judicial authorities. The measure caused the temporary interruption of the board mill’s production activities, which, however, resumed after three weeks following the repossession of the mill ordered by the Frosinone Re-examination Court. The mill was then able to restart its production activities at full capacity.

Waste: reduction and recovery

Our vision of circular economy is based on some key elements, like the minimization of scraps, maximization of waste recovery and efficient use of materials.

99.5% of the total waste generated by the Group is **non-hazardous** and consists primarily of plastics, glass, sand and metals.

As part of our 2020 – 2030 Sustainability Plan, we set a goal to **reduce the total amount of waste generated per ton of net saleable production by 20%**. This is an important and ambitious goal, which shows the Group's commitment to environmental protection.

RDM Group uses of state-of-the-art technologies aimed at eliminating all non-fibrous impurities e.g. plastics, metals and sand from the raw material mix. By optimizing these technologies, we are able to reduce the share of fibers included in the pulper waste from approximately 20% to 5%. We are committed to extending the use of this technology to all of the Group's mills as one of the levers for achieving our 2030 target.

Currently, the majority of our waste (73%) is sent for recovery and can be further exploited, for example, as a source of energy. We constantly strive to use our waste in a sustainable way: we are part of a circular system in which other stakeholders can recover or recycle our waste as a secondary raw material in their production processes, for example in the construction industry or in agriculture. Furthermore, at our mill in La Rochette (France) we use the residues from our production, such as dried sludge and fibrous waste, as fuel for our biomass power plant.

By 2030, we have set a goal of **increasing the share of waste sent for recycling out of the total waste generated from 73% to 90%**.

Waste management

We have an integrated quality, environment and safety policy which, in addition to underlining the management's commitment to continuous improvement on environmental matters, constitutes the master framework from which all the Group's procedures, guidelines and operating instructions on these topics are derived.

Our procedures and quality standards require numerous controls on incoming raw materials, thus preventing materials containing impurities and unwanted materials from entering the production cycle. By carefully selecting raw materials during the acceptance phase, we are able to limit the amount of waste in the production process from the very beginning.

ISO 14001 ENVIRONMENTAL CERTIFICATION

Our mills implement environmental management systems that include rigorous waste management procedures to ensure compliance with applicable regulations. Five of our mills already adopt a certified management system in accordance with the ISO 14001 standard.

Two of our board mills are also certified according to EMAS (Eco-Management and Audit Scheme), a voluntary instrument created by the European Commission to which companies can voluntarily adhere to assess and improve their environmental performance.

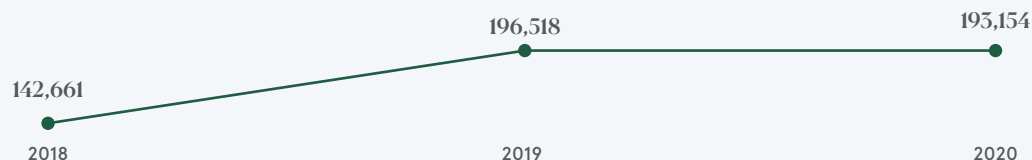
WASTE

All Group production units / 2018, 2019, 2020

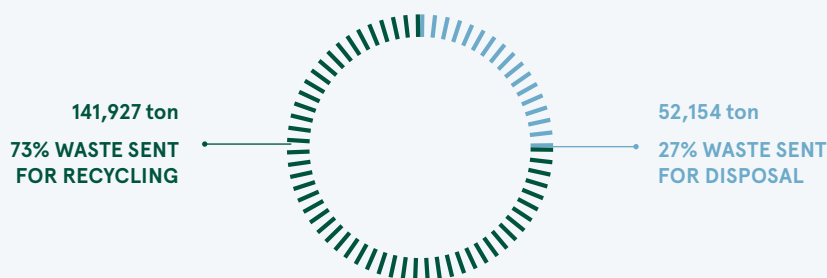
HAZARDOUS WASTE (ton)



NON-HAZARDOUS WASTE (ton)



The increase in non-hazardous waste in 2019 is primarily due to the full integration of RDM Barcelona Cartonboard into the reporting scope. The increase in hazardous waste volume in 2020 was caused by water contamination of a tank containing fuel oil at the mill of La Rochette. This made the fuel unfit for use requiring its disposal.



The figures of 2019 have been restated due to an adjustment made by a waste handler concerning the destination of non-hazardous waste.

We make sure that all our wastes are handled safely within our facilities before being handed over to specialized and authorized operators for subsequent treatment and/or safe disposal. The total amount of waste produced by the board mills is obviously also dependent on the quality of incoming raw materials

which, in turn, is the result on the efficiency of the paper and paperboard collection system. For this very reason, RDM Group together with the national consortiums for the recovery and recycling of fiber-based packaging, promotes the development and improvement of separate collection.

CHAPTER .04

People at the center



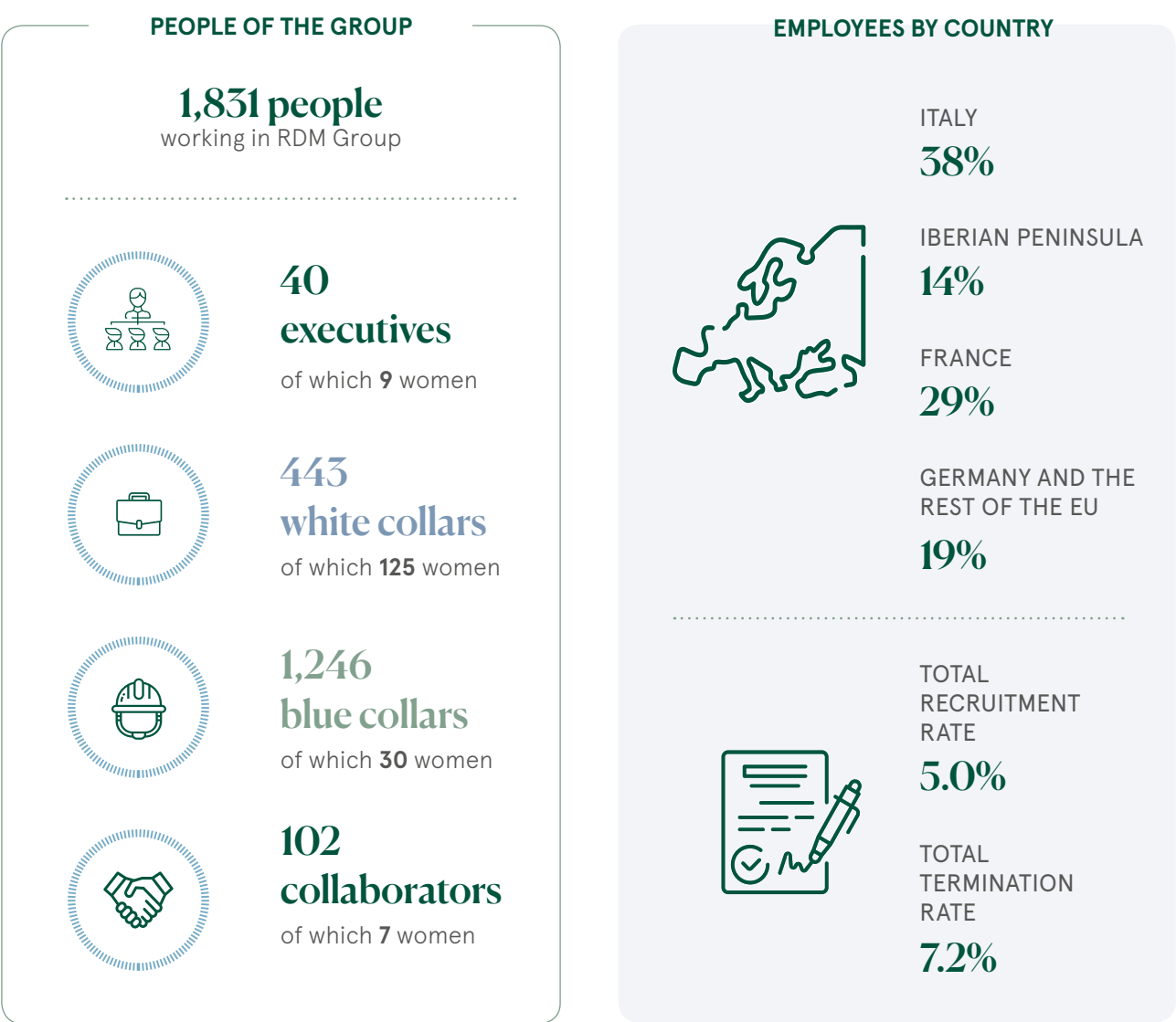
The abilities and skills of the people that make up RDM Group are our backbone. This is why we strive to ensure that work within RDM Group is managed ethically and in full compliance with legal and safety regulations.

The health and safety of our employees is a priority for us including (and above all) during the Covid-19 emergency that has characterized the last twelve months.

Our people

We believe that the skills and diversity of our people are a key asset for the growth of the Group.

RDM Group employs more than **1,800** employees and collaborators in **nine European countries**. We are committed to engaging people and maximizing their potential. We ensure that the work is handled ethically, in full compliance with legal and safety requirements.



Covid-19 emergency management

As a company, our duty is to ensure the Health and Safety of our colleagues, which have always been a priority for the Group. Even more so today.

During 2020, we responded rigorously and promptly to the Coronavirus emergency, meticulously implementing all measures recommended by health and government authorities, both globally and locally. We continue to monitor all scientific, medical and governmental sources to ensure that all of our measures comply with current legislation and are up-to-date with the latest international practices.

We have updated existing protocols to include additional and more specific hygiene provisions reminding both employees and external personnel of the importance of compliance with health and safety measures.

The application of procedures and controls – such as measuring temperatures at the entrance to the premises, prompt notification of possible contacts at risk, the possibility of free testing in case of suspected contagion and the establishment of vigilance committees – have ensured that **there have been no outbreaks in any of the Group's facilities**. Thanks to an intensive and extensive internal communication campaign, the new rules and provisions have been widely disseminated in all mills and sites of our operations. Where possible, smart working has been promoted for all employees who can perform their work remotely. All of this has allowed our people to work safely and, at the same time, our mills to continuously serve the Group's customers, including those in the food and pharmaceutical industries, on the front lines of the Covid-19 emergency response.

Also this year, the traditional flu vaccination campaign was renewed, promoted with a major communication campaign throughout the Group. The goal was also to prevent any symptoms of seasonal flu from being confused with those of the more serious Coronavirus infection, thus avoiding the inconvenience associated with voluntary isolation. In RDM Group we also adopt a well-established system of health surveillance that, through preventive medical examinations and assessments of suitability for the job, protects the health conditions of workers.

SAFETY AND ENVIRONMENTAL PROTECTION AS SEEN BY CHILDREN

In 2020, our initiative to **promote a culture of safety and care for the environment** continued through the contest that awarded prizes for the best drawings made by the children and grandchildren of employees. This year they were asked to represent how the people of RDM Group are committed to environmental protection and occupational health and safety.

The children's participation and creativity served as a reminder of the importance of these aspects for the Group. The best drawings became the images of the 2021 Group calendar that was distributed to all employees.

Safety First

Our most important asset are the people who work for RDM Group. Ensuring the well-being and safety of all those who are part of the Group is a basic ethical principle that we firmly pursue.

We want all workers to be satisfied and work safely, because that also translates into taking better care of the workplace and in a healthy and positive sense of belonging to the company. This is why we pursue a policy based on a **"Zero Accident"** vision. To achieve this ambitious objective the **Group set the goal to implement by 2023 a Behavior-based safety system in all its production sites.**

SAFETY MANAGEMENT SYSTEM

We believe that the leadership of our people is a key factor in achieving our ambitious goal of zero injuries. Our safety governance is based on a unified Group-level safety team that includes the CEO, all mill managers, safety managers and other key corporate managers. In addition to this, there are local safety teams coordinated by mill safety managers which rely on supervisors as professionals of great operational responsibility. Members also include employee representatives, who are therefore regularly involved in the mill safety decision-making process.

This structure is designed to facilitate coordination and exchange between mills and accelerate the growth of safety culture with a vertical "top-down" process, but most importantly through a horizontal process between mills.

The Group safety team meets twice a month to discuss about H&S projects and improving safety practices. Each injury, in addition to being investigated internally, is shared with all mills within 24 hours and investigated further within the next 24 hours with a dedicated meeting of the Group Safety Team. The close exchange allows all plants to benefit from constructive peer analysis facilitating thus the identification of root causes and corrective actions to be implemented for risk reduction.

On top of the entire H&S procedural architecture there is the **Integrated Quality, Environment**

and Safety Policy, which reaffirms management's commitment to continuous improvement.

All of the Group's mills rigorously manage the organizational and operational aspects related to safety, not only for the benefit of their own workers, but also for the benefit of all collaborators and other individuals who work in our mills.

The safety management systems adopted are organized according to the principles outlined by the ISO 45001 standard. Four mills are certified to this standard by independent third-party bodies, and voluntarily undergo periodic external auditing processes.

The mills of Santa Giustina and Ovaro (Italy) completed the transition from OHSAS 18001 to ISO 45001 standard in 2020. The Barcelona mill (Spain) completed the transition in March 2021. Due to the Covid-19 emergency, the path towards certification of the two sheeting centers has been slowed down, but the Group's commitment remains that of completing ISO 45001 certification for all its plants in the coming years.

Our system of risk analysis and accident prevention is based both on the adoption of tools for continuous comparison and on the sharing of best practices between mills. Each mill identifies the specific hazards to which workers are exposed and provides them with adequate information. Through "pre-job assessments", workers assess the risks associated with performing various activities and identify the necessary preventive measures.

The collection of suggestions and proposals for improvement from the workers represents for us an essential aspect of the H&S system which enables it to be up-to-date and dynamic. In addition, a **new safety inspection program** was defined in 2020 to bring together all of the inspection plans already carried

MORE THAN 600

safety suggestions were collected from workers, in 2020

MORE THAN 500

internal and third-party audits were conducted, in 2020

out by the mills. The program, launched in January 2021, requires the active role of mill management, starting with mill managers.

In addition to these inspections, there are also **cross-mill audits**, i.e., inspection visits conducted with the objective of deepening the operational and organizational best practices, and sharing safety management solutions between mills. In January 2020, the first audit cycle was completed with all safety managers participating in at least one exchange. In the second half of 2021, we expect to restart the program after being halted due to the pandemic.

In 2020, more than 600 safety suggestions were collected from workers and more than 500 inspections were conducted, internally and by third-parties.

CULTURE OF SAFETY

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

As part of our “Zero Accidents” vision, along with effective management of H&S systems, we foster widespread accountability and the embedding of an accident prevention culture at all levels. It is a culture that encourages collaboration between workers and management to safeguard the safety and well-being of all.

In this regard, an important pilot project was launched in 2020 in the Santa Giustina mill (Italy): it is a **Behavior-Based Safety** system founded on a scientific protocol that represents a milestone for us in the evolution of our safety system. The

promotion of safe behavior is the core principle of this system and we intend to make the most of it by extending it to all the other mills and plants of the Group by 2023. The implementation of the BBS protocol in Santa Giustina mill required the creation of safety checklists, the training of all workers involved and the engagement of the local safety team in defining rules. Peer-to-peer safety observations, which are the focus of the methodology, began in January 2021.

EDUCATION AND TRAINING

The pillars of our H&S system obviously include education and training. Prior to any work activity, each employee must undergo appropriate safety training, both general and job-specific, which is periodically updated as required by law.

All contractors providing services at the mill shall be admitted only after demonstrating that they have completed safety training. These are requirements that RDM Group does not compromise with.

On-the-job mentoring and coaching by senior staff to junior staff is another part of our safety system and a means by which safety practices become the common asset of all workers.

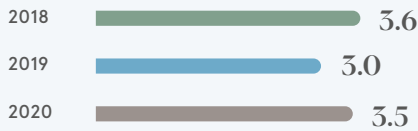
SAFETY RESULTS

Although significant results have been achieved in recent years, including in terms of safety culture and awareness among workers, the 2020 results do not reflect the efforts made during the year.

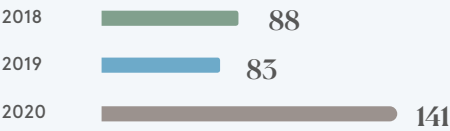
From 2019 to 2020, the injury frequency rate increased from 3.0 to 3.5 and the severity rate from 83 to 141. This is an overall deterioration in contrast to the great improvements made in recent years (in 2015, the frequency rate was 6.8 and the severity rate 225). However, it remains a source of great satisfaction **to have achieved the ambitious goal of “Zero Accidents” for the Villa Santa Lucia board mill and the Pac Service sheeting center.**

Frequency and severity of injuries

FREQUENCY RATE (FR)



SEVERITY RATE (SR)



FR = (number of injuries * 200,000) / hours worked; SR = (days lost * 200,000) / hours worked.
OSHA methodology applied to employees and contractors. The 2019 injury rates have been restated. For more information, please refer to the appendix.

From the analysis of injuries of 2020, 78% were related to human and behavioral factors, 13% to technical factors, and 9% to organizational factors. Hence also the decision to focus on enhancing the behavioral safety program.

We also monitor the injury rates of our key external contractors, who are primarily engaged in internal logistics activities. If this additional category of workers is included, the frequency rate is 3.3, while the severity rate decreases to 133.

SAFETY CHAMPIONS AWARD

Each year, all individuals who have been injury-free for the past 10, 20, 30 and 40 years on the job receive a special award, recognition for their commitment to their own and their co-workers' safety.



We value talents and skills

Training and development

We believe that human resources are a crucial element for our business: we could not create lasting value without the qualified work of the personnel of plants and offices. It is in the interest and commitment of the entire Group to create and maintain the necessary conditions so that the skills and knowledge of each employee can be further enhanced.

To this end, we use forms of mentoring to transfer skills and know-how from senior to junior employees, so that the skills and values of the company are passed on and remain within the Group. At the same time, we provide specific programs aimed at the acquisition of new skills to ensure the strategic development of the Group and enhance the potential of individuals. Through training plans, the verification of their effectiveness and a process of competence assessment, we map the talents present in the company and convey training investments in a targeted manner. In turn, training plans benefit from the input of our performance appraisal system which allows our employees to point out the training needs and desired areas of professional development.

Despite the difficulties associated with Covid-19, RDM Group has continued to invest in technical training, using, wherever possible, digital platforms to deliver online courses. In general, there was still a contraction in training activities due to the

impossibility of holding in-person courses or the difficulty of suppliers to provide distance training. Overall, average hours of training per capita dropped from 14.8 to 7.3.

Priority was given to mandatory training, such as safety training, to ensure compliance with local regulations.

In 2020, we continued to invest in developing our leaders with the leadership training program that involved particularly the second level of managerial area of the Group on topics such as leadership effectiveness and teamwork management.

The Group has continued its language training and soft skills improvement programs in 2020.

TIPS FOR SUCCESSFUL LEADERSHIP

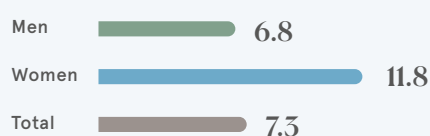
At RDM Group, we have introduced a periodic communication dedicated to leadership with the aim of providing employees with useful tips and suggestions for managing working relationships and their own career path. Monthly, articles and scientific publications on topics such as productivity, creativity, motivation, time management are collected, synthesized and shared.



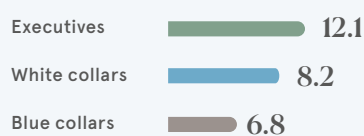
OVER THE LAST THREE YEARS **MORE THAN 2 MILLION** EUROS HAVE BEEN INVESTED IN TRAINING ACTIVITIES, INCLUDING **MORE THAN 570,000** EUROS IN 2020

AVERAGE HOURS OF TRAINING

BY GENDER



BY EMPLOYEE CATEGORY



PERFORMANCE MANAGEMENT

In order to promote a dynamic and meritocratic work environment, we adopt a performance incentive system based on the recognition of monetary rewards linked to the achievement of objective and measurable company objectives.

Our performance appraisal system is based on formal appraisal mechanisms that extend to second-level management areas.

The effective implementation of the sustainability strategy is also taken into account in the evaluation of performance and in the related systems for recognizing remuneration bonuses.

With particular reference to the CEO's incentive system, criteria on safety improvement are provided.

EMPLOYEE ENGAGEMENT

We believe that involving people and sharing about what happens in the Group is essential to increase the sense of belonging to the "One Company".

In addition to the intranet portal, which has been further improved in 2020, we use the periodic newsletter "MeetUp" to reach all Group employees. The newsletter is written in five languages (English, Italian, French, Spanish and German) and is distributed to employees via e-mail and in printed format. We want all the workers in our mills to be informed in their own language about the activities and initiatives promoted within the Group. Employees are also constantly updated through company information monitors and bulletin boards.

In 2020, the new "people survey" was launched. It is a strategic tool to measure the level of staff satisfaction and their sense of belonging to RDM Group. Online participation increased from the previous survey, while offline return was lower. The results showed a good percentage of employee engagement (42.9%), while only 12.3% felt unengaged. The HR team presented the results of the survey at the Group's "Leadership Event" and subsequently through a dedicated newsletter addressed to each plant. The same HR team is working to integrate the ambitious work

plan defined in 2018 with the results of the latest survey.

To understand and better respond to the sudden changes due to the pandemic, a specific survey was launched to gather feedback on Covid-19 management and smart working. The latter solution was already introduced in 2019 on an experimental basis in some of the Group's offices as a welfare and work-life balance tool.

We are committed to promote organizational well-being for the benefit of all RDM Group people. We have set the goal of **achieving by 2030 an advocacy rate of 4.5** compared to a rate of 3.98 in 2020. The advocacy rate measures the willingness of employees to recommend RDM Group as a good employer to friends and relatives.

CHANGE MANAGEMENT

The ongoing process of integration among the various entities of the Group is characterized by an increasingly strong impulse to exchange, compare and share experiences and best practices among colleagues from all over Europe.

We are "One Company" and that is why we stimulate teamwork, the comparison between different generations and cultures, the sharing of experiences, vision and strategies.

During 2020, the work of the two committees we formed to drive change continued. It is the "Change Management Steering Committee" which aims to facilitate positive change at all organizational levels by identifying factors that are resistant to change and identifying the necessary corrective action - and the "Youth & Restyling Committee", which instead aims to put forward proposals on how to integrate the vision of *millennials* into the Group's management style. The latter, representing the younger generation, played a central role in the process of defining our long-term sustainability goals with its analyses and proposals addressed to the Group's senior managers. The members of both committees were appointed to represent the geographical and cultural presence of RDM Group in order to share experiences, points of view and sensitivities that for us constitute an asset to be valued.

Diversity and Equal Opportunities

RDM Group's vocation for internationality means that we are present in nine countries in Europe with production units and sales offices, operating in territories and contexts with very different languages, traditions and socio-cultural habits.

Our Group has 1,831 employees and collaborators, with 9% women and 91% men. **Fairness and respect are two indispensable principles that are deeply embedded in our DNA. We take care of our people and protect their rights, ensuring stable employment and fair working conditions.**

Our hiring, development and staff management policies are designed to promote equal opportunity and non-discrimination on the basis of personal considerations, including nationality, gender, age or religion. We foster these principles by drawing our resources from an international talent pool and putting expertise first. We look for young talents by accompanying them in their studies with scholarships for specific paper business education.

In consideration of the type of the activities performed at the mills, we apply a process of evaluation and selection of candidates based on the principles of fairness and transparency that ensures a balanced selection between genders.

To promote and foster gender diversity, we have set the goal to **increase the proportion of women employed by RDM Group by 30% by 2030.**

RDM Group strives for a transparent dialog with the trade union representatives and adopts, where applicable, national collective bargaining agreements. We are present in countries known to be at low risk of human rights violations, which allows us to operate within the framework of the United Nations Universal Declaration of Human Rights and the ILO Fundamental Conventions.

During 2020, no cases of discrimination or harm to personal dignity and rights involving employees or collaborators of RDM Group were brought to our attention.



1,831

EMPLOYEES AND COLLABORATORS
OF WHICH **9% WOMEN**
AND **91% MEN**



9

EUROPEAN COUNTRIES OF
PRESENCE WITH OPERATION SITES
AND SALES OFFICES

CHAPTER .05

Governance and business ethics



Integrity is the corporate principle that governs and shapes our choices, as we are mindful of their significant effect on others too.

In this sense, our objective is to create value over the medium-long term, for the Group as well as all its main Stakeholders. This is also thanks to our Corporate Governance system and the actual implementation of the ethical principles and values that guide our relations with the Group's Stakeholders.

Corporate Governance

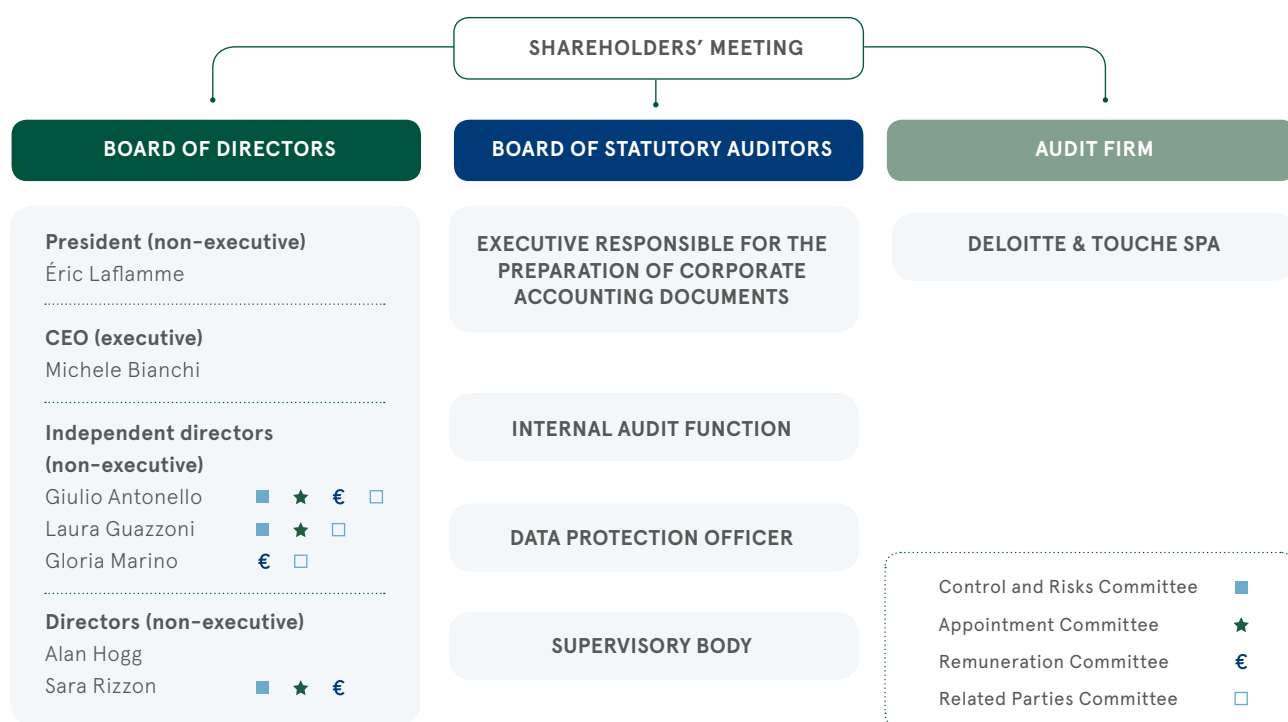
Our Corporate Governance system is an essential means to ensure effective and efficient management of all the business activities carried out to create value for the Shareholders and for all the other Group's Stakeholders, over the medium and long term.

We are aware of the social relevance of our activities and need to consider all the interests involved. The Governance of RDM Group complies with the traditional administration and control model which provides for the presence of a Board of Directors and a Board of Statutory Auditors, both appointed by the Shareholders' Meeting. The composition of the Board of Directors reflects a balanced integration of managerial and professional profiles, including international ones, while respecting the principle of diversity. The Board Committees are composed by a majority of Independent and non-executive Directors, except for the Related Parties Committee, which is composed exclusively of Independent and non-executive Directors. The Board of Directors of the Parent Company was renewed in 2020 with the confirmation of all directors until the approval of the Consolidated Financial Statements 2022.

Our Governance system is in line with the recommendations of the Italian Corporate Governance Code for Listed Companies. Also this year, the Board of Directors carried out the self-assessment process concerning its size, composition and functioning, also with regard to the Board Committees.

The results showed a general level of adequacy of the elements subject to self-assessment, also with reference to the number of independent directors. All information relating to RDM Group's Governance model can be found in the Report on Corporate Governance and Ownership Structure.

Our Governance will undoubtedly take into account, starting from the 2021 financial year, the innovations introduced by the new Corporate Governance Code of Borsa Italiana, which reinforces the ethical and social responsibility requirements. RDM Group will give appropriate notice to the market of its alignment with the new code through the publication of the Corporate Governance and Ownership Structures Report in 2022.



Business Integrity

One of the core principles, that lies at the heart of all our choices and actions, is the awareness that our decisions affect others too.

Our decision-making process is based on the concept of responsibility as a principle that guides the daily activities of all employees and requires all people to act within the framework of legality.

We have adopted several tools designed to ensure effective, efficient and transparent management of business integrity.

CODE OF ETHICS

Our Code of Ethics, approved by the Board of Directors, is addressed to all the Stakeholders of the Group and clarifies the set of shared values, principles and rules of conduct. Responsibility and compliance are considered essential elements for each person who in various capacities represents RDM Group, works within it or carries out activities in the interest and on behalf of the Group itself.

It is the responsibility of the Directors, the Supervisory Board, the Internal Audit function and all company management to ensure and verify the actual application and implementation of the Code of Ethics.

Recipients, on the other hand, are required to comply with the principles of the Code and are obliged to report any violations or suspected violations to the Supervisory Body, through the channels of our “whistleblowing” system (see also the “reporting mechanisms” section).

ANTI-CORRUPTION

RDM Group adopts the most suitable measures to ensure compliance with regulations, setting up a risk assessment process and developing suitable control tools, as well as organizational, decision-making and operational measures. To prevent the commission of corrupt practices and protect the principles of RDM Group and its reputation, in 2020, we adopted the Code of Conduct to manage relations with

the Public Administration and third parties (Anti-Corruption Code).

This code is part of the Organization, Management and Control Model, pursuant to Legislative Decree number 231/01, which is approved and adopted by each Italian entity of the Group. The model contains rules, principles of conduct and a system of sanctions aimed at preventing the commission of specific offenses, including environmental, occupational health and safety and corruption offenses. The substantial application of the Models adopted is constantly monitored by the competent bodies.

These Models are also periodically updated following changes in the corporate structure and when new crimes are introduced within Decree 231/01. A new risk assessment was carried out in 2020 due to the introduction of specific tax-related offences into Legislative Decree no. 231/01. The Model was subsequently updated and approved by the Board of Directors in March 2021.

A RESPONSIBLE TAXPAYER

In its approach to taxation, the Group pursues a number of fundamental principles that guide its overall tax management. These include compliance with national and international laws and regulations to fulfill all the requirements of the fiscal authorities, and the development of transparent relations with public administrations based on collaboration and mutual trust. The decision taken internally by RDM Group to operate in a particular country is strictly related to business and therefore independent of the tax regimes of the countries where the Group operates.

Following the introduction of criminal liability for legal entities that take advantage from criminal conduct on tax matters, Reno De Medici S.p.A. has prepared a new Special Section in the Model. The purpose is also defining a tax strategy meant to determine a new internal control system for managing tax risks in accordance with the

international standards endorsed by the OECD and the tax authorities of the countries where the Group operates.

HUMAN RIGHTS

Ensuring and developing sound business practices is important to us. This importance is not limited to the scope of activities but extends to the entire supply chain. Almost all suppliers are in fact located in countries which, on the basis of both the annual "Freedom in the World 2020" report drawn up by Freedom House and the latest "The state of the World's human rights Report" by Amnesty International, are considered to be at low risk of human rights violations. With particular reference to the procurement of virgin market pulp, the purchase of raw materials certified according to FSC® standard is also a guarantee of respect for human rights and indigenous peoples, being these aspects amongst the requirements of the standard.

Integrity in the conduct of business activities is an essential prerequisite in managing relations with suppliers, who are required to comply with the principles contained in the Code of Ethics of RDM Group, including respect for human rights. In addition, where applicable, we always secure national collective bargaining agreements to provide appropriate working standards and conditions. To date, the various measures have shown their effectiveness. The Group has not received any reports, nor has been aware of any violations of human or workers' rights by suppliers or collaborators who have had relations with the Group.

ANTITRUST PROGRAM

As part of the Group's Antitrust program, specific training sessions continued, aimed primarily at the Group's salesmen who are most interested and involved in this matter.

The strengthening of the Antitrust policy aims to prevent and reduce the potential risk of violation of the relevant regulations, and in particular, to ensure a prompt reaction in case of critical situations, strengthening the culture of compliance within the Group.

GRIEVANCE MECHANISMS

In order to guarantee the reporting of irregularities or violations of the Group's Code of Ethics and of the Organization, Management and Control Model, as well as the occurrence of possible anomalies or weaknesses in the internal control system, we have adopted an appropriate "Whistleblowing" system. This system, structured in such a way as to ensure the protection of the reporter and the confidentiality of the information reported, allows the timely reporting and analysis of all possible violations and irregularities that do not comply with the standards of conduct. **During 2020, no reports were sent to the Supervisory Body via the channels envisaged by this system.** Moreover, there were no reported cases of non-compliance with laws, regulations, or standards of business ethics, antitrust or environmental regulations, cases of discrimination, or violations of the Code of Ethics, legal actions for anti-competitive behavior or monopoly practices.

AS RDM GROUP WE ALSO ADHERE AND COMMIT TO:



CEPI Code of Conduct
for the European Paper Industry



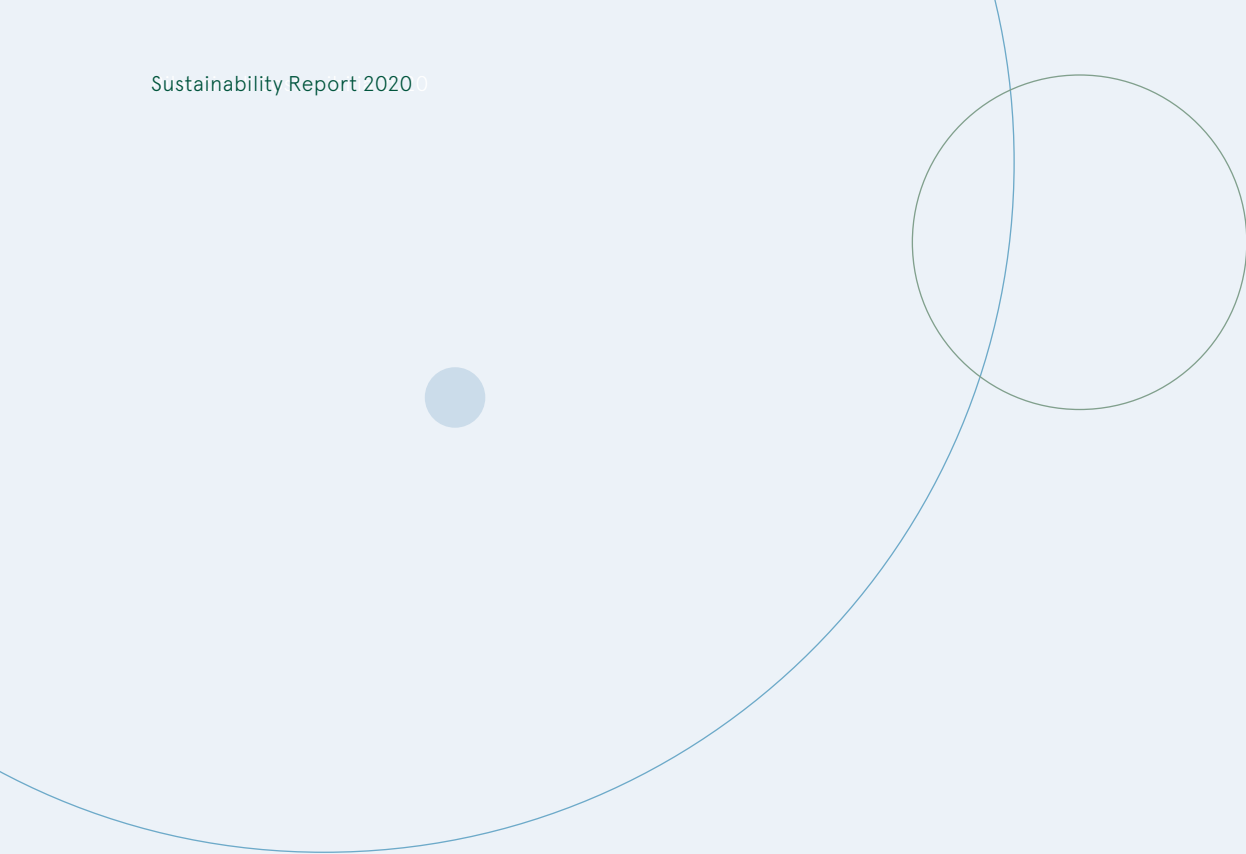
Code of Ethics and Charter
of Values of Confindustria

MANAGEMENT SYSTEMS

Efficient management of business processes is a key aspect of long-term success. For this reason, we have long adopted management systems certified according to the main voluntary standards, which are internationally recognized. RDM Group intends to extend the certifications to companies that are currently lacking, although the management of their processes is in fact already in line with the principles outlined by these standards.

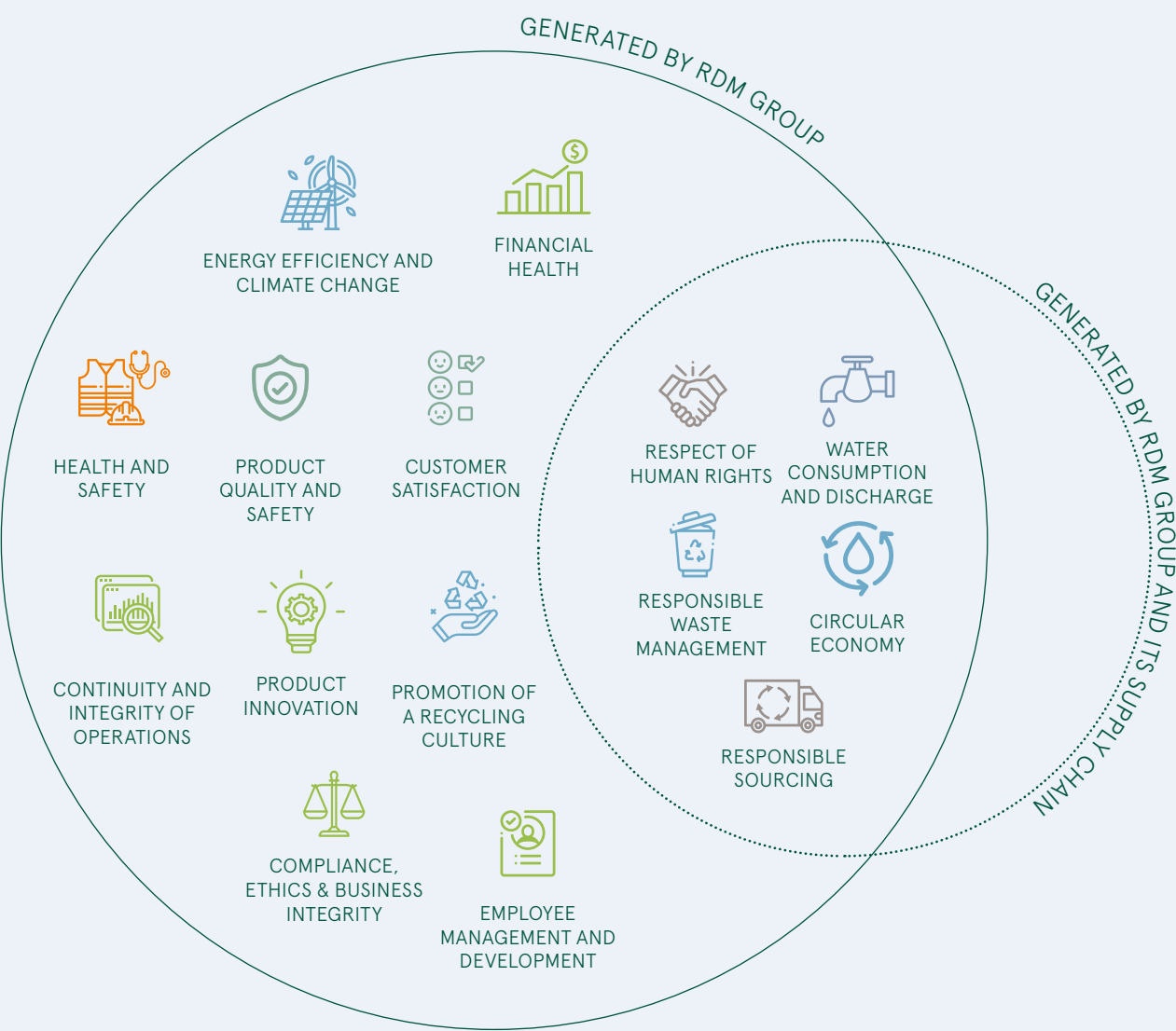
CERTIFICATIONS OF MANAGEMENT SYSTEMS ACTIVE WITH INDICATION OF THE YEAR OF FIRST ACHIEVEMENT

	ISO 9001	ISO 14001	ISO 45001	ISO 50001	EMAS	BLAUER ENGEL	FSC®	PEFC	BRC/ EN 15593
Arnsberg	1992	1997			1997		2010		
Barcelona	1996	1998	2009	2020	2000		2015		
Blendecques	1995			2014			2008		
Milan (Headquarters)	1996		2007						
La Rochette	1996						2014	2006	
Magenta	1996						2010		
Ovaro	1996	2004	2014	2015		2015	2009	2017	
PAC Service	1997						2010	2009	2018
Santa Giustina	1996	2001	2013	2015			2010	2016	2020
Villa Santa Lucia	1996	2005	2016	2015			2010		



APPENDIX

Material topics and impact boundaries



WHERE THE IMPACTS OCCUR IN THE VALUE CHAIN:

- RDM Group
- RDM Group and external environment
- RDM Group, clients and end consumers
- RDM Group and external contractors
- RDM Group and its supply chain

About this report

Compliance and methodology

RDM Group's Sustainability Report 2020 (also known as the Consolidated Non-financial Statement) is a communication and compliance document designed to inform the Group's main Stakeholders about the most important aspects related to sustainability. It is a document capable of representing current performances as well as future perspectives.

RDM Group's Sustainability Report 2020 is prepared in accordance with Legislative Decree 254/2016 in the form of a separate Report. The contents of this document were identified in accordance with the provisions of Legislative Decree 254/2016 and based on the results of the materiality analysis, aimed at identifying the areas of greatest importance in a perspective of long-term growth and value creation for all Stakeholders.

The Sustainability Report covers the period from 1st January to 31st December 2020 and has been prepared in accordance with the GRI Standards "Core" option, published by the GRI - Global Reporting Initiative. Consistently with the principles set out by the reporting standard, the Sustainability Report has been prepared to offer a balanced, accurate, exhaustive and transparent representation of the results achieved, considering the expectations of the Stakeholders involved and

the impacts generated by the Group's activities.

The "GRI Content Index" section in the appendix highlights, for each material topic for the Group, the GRI disclosures and the correspondent page of reference. Also, this year the "Sustainability Performances" section has been prepared in the appendix, which contains all data in a table format, in order to facilitate the reader's search and analysis of key data.

Wherever possible, the information contained in the Sustainability Report has been provided with a comparison to previous years, to provide the reader with the tools needed for the proper understanding of the Group's performance.

In order to ensure a correct representation of performance and the reliability of data, the use of estimates has been limited as much as possible, which, if present, are based on the best available methodologies and appropriately reported.

With regard to comparative data, the environmental performances reflect the integration of RDM Barcelona Cartonboard within the reporting boundary for 12 months, compared with 2 months in 2018. Moreover, the units of measure used for weights are metric tons and, for the purposes of this report, the category of people identified as "collaborators" corresponds to interim workers.

Reporting boundary

The scope of the economic data is the same as in the Group's 2020 Consolidated Financial Statements; the scope of economic, social and environmental data and information includes the Parent Company and the companies consolidated on a line-by-line basis in the Consolidated Financial Statements.

Environmental data do not include, however, information relating to offices, as they are considered to be non-material. Any further exceptions to the scope of consolidation are appropriately explained throughout the Sustainability Report. The restatements of comparative data published in previous Reports are clearly indicated as such.

Reporting approval and assurance

The Consolidated Non-financial Statement was approved by the Board of Directors on 19 March 2021.

The entity appointed to perform the legal audit of this Consolidated Non-financial Statement is Deloitte & Touche SpA, which expresses, with a separate report, an attestation regarding the compliance of the information provided pursuant to Article 3, paragraph 10, of the D. Lgs. 254/2016.

For information or comments on the Report please contact the Group at:
sustainability@rdmgroup.com



Sustainability performances

PRODUCTION	U.o.M.	2020	2019	2018
Gross Production	ton	1,348,311	1,383,213	1,191,366
Net saleable Production	ton	1,159,913	1,182,120	1,024,792

RAW MATERIALS AND OTHER MATERIALS	U.o.M.	2020	2019	2018
Total raw materials and other materials used	kton	1,508	1,541	1,365
of which renewables	kton	1,265	1,290	1,146
of which non-renewables	kton	243	251	219
Total fiber-based raw materials	kton	1,223	1,246	1,107
Paper for recycling	kton	951	980	859
Market virgin pulp	kton	101	95	72
of which certified FSC®/PEFC or FSC® controlled wood	%	100%	100%	100%
Wood chips	kton	171	171	176
of which certified FSC®/PEFC or FSC® controlled wood	%	58%	59%	59%

ENERGY	U.o.M.	2020	2019	2018
Total energy consumption ⁽¹⁾	MWh	2,772,083	2,826,886	2,553,091
Energy consumption from fossil fuels	MWh	2,133,084	2,157,062	1,979,613
of which natural gas ⁽²⁾	MWh	1,680,952	1,718,646	1,384,669
of which diesel	MWh	8,285	8,841	6,455
of which LPG/propane	MWh	642	556	566
of which coal	MWh	425,855	416,548	566,236
of which fuel oil	MWh	17,350	12,471	21,687
Consumption of energy from renewable sources	MWh	320,345	320,385	326,326
of which Biomass	MWh	296,340	316,806	326,023
of which hydroelectric	MWh	0	3,580	303
of which electricity from renewable certified sources	MWh	24,005	0	0
Electricity purchased (incl. from renewable sources)	MWh	353,568	355,501	262,731
Electricity sold ⁽³⁾	MWh	10,909	6,062	15,579
Energy intensity ⁽⁴⁾	MWh/ton	2.39	2.39	2.49

⁽¹⁾ Electricity generated by cogeneration plants is not included to avoid double counting.

⁽²⁾ Does not include natural gas used for the generation of electricity supplied to the Spanish national grid amounting to 660,439 MWh (2020), 641,130 MWh (2019), 120,779 MWh (2018). 2019 data have been restated due to an improved allocation of the amount of natural gas used in the mill of Barcelona for steam production and electricity generation for the grid.

⁽³⁾ Does not include electricity supplied to the Spanish national grid amounting to 345,758 MWh (2020), 347,192 MWh (2019) and 62,397 MWh (2018).

⁽⁴⁾ Energy intensity is calculated as the ratio between total energy consumption and net saleable production.

GHG EMISSIONS ⁽¹⁾	U.o.M.	2020	2019	2018
Direct emissions (Scope 1) ⁽²⁾	tCO ₂ e	450,805	448,980	438,471
Indirect emissions (Scope 2) (location based)	tCO ₂ e	64,756	73,433	35,761
Indirect emissions (Scope 2) (market based) ⁽³⁾	tCO ₂ e	70,957	99,075	46,833
Emissions neutralized with green certificates (market based)	tCO ₂ e	11,186	-	-
Emissions from biomass combustion	tCO ₂ e	119,425	127,673	131,387

Emission intensity (location based)	tCO ₂ e/ton	0.44	0.44	0.46
Emission intensity (market based) ⁽³⁾	tCO ₂ e/ton	0.45	0.46	0.47

⁽¹⁾ Gases included in the calculation: CO₂, CH₄, N₂O, HFC. 2020 emission factor sources: EU Guidance Document Biomass issues in the EU-ETS; UK 2020 Government GHG conversion factors for company reporting; AIB 2019 Residual mix results v 1.2; Terna - confronti internazionali 2018. Indirect emissions are expressed in metric tons of CO₂; the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂e) as per technical literature.

⁽²⁾ Emissions of corporate fleet are excluded as they are not material; emissions from renewable sources (biomass) are excluded and correspond to 119,425 tCO₂ (2020), 127,673 tCO₂ (2019), 131,387 tCO₂ (2018); emissions from natural gas combustion for the generation of electricity supplied to the Spanish national grid are excluded and correspond to 121,435 tCO₂e (2020), 117,872 tCO₂e (2019) and 22,218 tCO₂e (2018). 2019 data have been restated due to an improved allocation of the amount of natural gas used in the mill of Barcelona for steam production and electricity generation for the grid.

⁽³⁾ Indirect scope 2 market-based emissions are net of the emissions neutralized through green electricity, amounting to 11,186 tCO₂e.

OTHER EMISSIONS⁽¹⁾	U.o.M.	2020	2019	2018
NO _x ⁽²⁾	ton	439	477	549
SO _x ⁽²⁾	ton	140	125	226
Particles	ton	23	20	20
Volatile organic compounds (VOC)	ton	3.4	7.4	n/a

⁽¹⁾ Do not include emissions from the generation of electricity to the Spanish national grid which equal to 43 tons of NO_x and 33 tons of CO. Carbon monoxide emissions are not reported in the table above and equal to 211 tons (2020), 224 tons (2019) and 114 tons (2018). The latter derive from annual measurements in accordance with the environmental permits of the plants. By also including emissions related to the electricity supplied to the grid by RDM Barcelona Cartonboard, CO emissions for 2020 would be 244 tons. Emissions of other substances are not reported as their measurement is not required by the existing environmental permits.

⁽²⁾ NO_x and SO_x emissions from biomass combustion are calculated with the emission factors provided by the French authority (GEREP).

WATER⁽¹⁾	U.o.M.	2020	2019	2018
Water withdrawals	megaliters	18,628	19,341	23,097
of which from surface waters	megaliters	10,137	9,958	14,998
of which from groundwater	megaliters	8,271	9,175	7,870
of which from municipal water supply	megaliters	220	208	229
Water discharges	megaliters	13,885	14,734	14,123
of which to external treatment plants	megaliters	4,483	4,436	3,231
of which towards surface waters	megaliters	9,402	10,298	10,892
Water withdrawal intensity ⁽²⁾	m³/ton	16.06	16.36	22.54
Water discharge intensity ⁽³⁾	m³/ton	11.97	12.46	13.78

⁽¹⁾ Water withdrawals include cooling water. 2019 and 2018 discharges have been restated to exclude discharged cooling water, when kept physically separated from process water. This cooling water in megaliters equals to 3,135 (2020), 2,870 (2019) and 7,272 (2018) and is discharged into river in a low water stress area. 1 megaliter corresponds to 1,000 m³.

⁽²⁾ Total water withdrawals per ton of net saleable production.

⁽³⁾ Total water discharges (excluding cooling water when physically separated from process water) per ton of net saleable production.

WATER STRESS	U.o.M.	2020	2019	2018
Withdrawals from low water stress areas	megaliters	4,275	4,146	8,649
of which from surface waters	megaliters	3,678	3,319	7,805
of which from groundwater	megaliters	579	813	827
of which from municipal water supply	megaliters	18	15	17
Withdrawals from moderate water stress areas	megaliters	12,226	13,030	12,324
of which from surface waters	megaliters	4,351	4,493	5,102
of which from groundwater	megaliters	7,691	8,362	7,043
of which from municipal water supply	megaliters	183	174	180
Withdrawals from high water stress areas	megaliters	2,126	2,165	2,123
of which from surface waters	megaliters	2,107	2,146	2,091

of which from groundwater	megaliters	0	0	0
of which from municipal water supply	megaliters	19	19	32
Discharges to low water stress areas	megaliters	976	978	1,011
Discharges to moderate water stress areas	megaliters	10,859	11,703	11,105
Discharges to high water stress areas	megaliters	2,049	2,053	2,007

EMISSION TO WATER ⁽¹⁾	U.o.M.	2020	2019	2018
COD (Chemical Oxygen Demand)	ton	1,263	n/a	n/a
Total suspended solids	ton	191	n/a	n/a
Nitrogen	ton	22	n/a	n/a
Phosphorus	ton	4	n/a	n/a

⁽¹⁾ The figures include all the Group's production units with an internal water treatment plant. Therefore, mills which discharge process water, totally or partially, to external treatment plants are excluded.

WASTE	U.o.M.	2020	2019	2018
Total waste generated	ton	194,082	196,839	143,547
Total non-hazardous waste	ton	193,154	196,518	142,661
Total hazardous waste	ton	928	321	887
Total sent for disposal ⁽¹⁾	ton	52,154	49,230	n/a
Total sent for recovery ⁽¹⁾	ton	142,927	147,609	n/a

⁽¹⁾ The figures of 2019 have been restated due to an adjustment made by a waste handler concerning the destination of non-hazardous waste.

SAFETY (EMPLOYEES)	U.o.M.	2020	2019	2018
Fatalities	n.	0	0	1
Total injuries	n.	47	36	43
Total high-consequences injuries	n.	3	2	1
Total lost days	n.	1,990	1,151	1,073
Total worked hours	n.	2,725,008	2,762,428	2,469,150
Frequency rate (n. injuries*200,000 / hours worked)	Ratio	3.4	2.6	3.5
Severity rate (lost days*200,000 / hours worked)	Ratio	146.1	83.3	86.9
Fatality rate (n. fatalities*200,000 / hours worked)	Ratio	0.0	0.0	0.1
Rate of high-consequences injuries (n. high-consequences injuries*200,000 / hours worked)	Ratio	0.2	0.1	0.1

The injury rates of 2019 have been restated following the rejection of an injury by the French authority and the internal reclassification of an accident.

SAFETY (COLLABORATORS)	U.o.M.	2020	2019	2018
Fatalities	n.	0	0	0
Total injuries	n.	4	8	4
Total high-consequences injuries	n.	0	0	0
Total lost days	n.	53	75	83
Total worked hours	n.	180,812	205,167	143,963
Frequency rate (n. injuries*200,000 / hours worked)	Ratio	4.4	7.8	5.6
Severity rate (lost days *200,000 / hours worked)	Ratio	58.6	73.1	115.3
Fatality rate (n. fatalities*200,000 / hours worked)	Ratio	0.0	0.0	0.0
Rate of high-consequences injuries (n. high-consequences injuries*200,000 / hours worked)	Ratio	0.0	0.0	0.0

SAFETY (MAIN EXTERNAL CONTRACTORS)	U.o.M.	2020	2019	2018
Fatalities	n.	0	0	n/a
Total injuries	n.	0	3	n/a
Total high-consequences injuries	n.	0	1	n/a
Total lost days	n.	0	327	n/a
Total worked hours	n.	162,845	200,073	n/a
Frequency rate (n. injuries*200,000 / hours worked)	Ratio	0.0	3.0	n/a
Severity rate (lost days *200,000 / hours worked)	Ratio	0.0	326.9	n/a
Fatality rate (n. fatalities*200,000 / hours worked)	Ratio	0.0	0.0	n/a
Rate of high-consequences injuries (n. high-consequences injuries*200,000 / hours worked)	Ratio	0.0	1.0	n/a

SAFETY (EMPLOYEES AND COLLABORATORS)	U.o.M.	2020	2019	2018
Frequency rate (n. injuries*200,000 / hours worked)	Ratio	3.5	3.0	3.6
Severity rate (lost days *200,000 / hours worked)	Ratio	140.6	82.6	88.5
Fatality rate (n. fatalities*200,000 / hours worked)	Ratio	0.0	0.0	0.1
Rate of high-consequences injuries (n. high-consequences injuries*200,000 / hours worked)	Ratio	0.2	0.1	0.1

For 2020, the cumulative severity and frequency rates for employees, collaborators and main external contractors are respectively 133.2 and 3.3.

The injury rates of 2019 have been restated following the rejection of an injury by the French authority and the internal reclassification of an accident.

PEOPLE	U.o.M.	2020	2019	2018
Number of employees	n.	1,729	1,766	1,744
of which males	n.	1,565	1,603	1,588
of which females	n.	164	163	156
of which executives	n.	40	41	38
of which white collars	n.	443	451	444
of which blue collars	n.	1,246	1,273	1,262
of which permanent employees	n.	1,673	1,712	1,663
of which temporary employees	n.	56	54	81
of which full-time employees	n.	1,699	1,739	1,711
of which part-time employees	n.	30	27	33
of which in Italy	n.	652	671	653
of which in France	n.	499	497	505
of which in the Iberian Peninsula	n.	239	253	236
of which in Germany and rest of the EU	n.	339	345	350
of which covered by national collective bargaining agreement	%	97.3%	97.1%	97.1%
Number of collaborators	n.	102	73	80

2020 employees: full-time males 91% and females 9%; part-time males 53% and females 47%; permanent males 91% and females 9%; temporary males 84% and females 16%; permanent employees Italy 39%, France 29%, Iberian Peninsula 14%, Germany and the rest of the EU 18%; temporary employees Italy 16%, France 25%, Iberian Peninsula 4%, Germany and rest of the EU 55%. For details about 2019 and 2018 please refer to Sustainability Report 2019.

EMPLOYEES HIRED AND DISMISSED ⁽¹⁾	U.o.M.	2020	2019	2018
Total employees hired	n.	87	164	97
of which males	n.	71	128	85
of which females	n.	16	36	12
of which < 30 years	n.	45	50	39
of which 30 – 50 years	n.	32	88	48
of which > 50 years	n.	10	26	10
of which in Italy	n.	27	70	36
of which in France	n.	36	38	37
of which in the Iberian Peninsula	n.	5	32	n/a
of which in Germany and rest of the EU	n.	19	24	24
Total employees dismissed	n.	124	142	104
of which males	n.	109	113	87
of which females	n.	15	29	17
of which < 30 years	n.	7	25	12
of which 30 – 50 years	n.	42	40	39
of which > 50 years	n.	75	77	53
of which in Italy	n.	46	52	40
of which in France	n.	34	46	44
of which in the Iberian Peninsula	n.	19	15	n/a
of which in Germany and rest of the EU	n.	25	29	20

⁽¹⁾ The figures of 2018 do not include the employees hired and dismissed from RDM Barcelona Cartonboard. Employees hired and dismissed by RDM Marketing Spain in 2018 are included in the geographical area "Germany and rest of the EU".

EMPLOYEE RECRUITMENT RATE ⁽¹⁾	U.o.M.	2020	2019	2018
Total recruitment rate	%	5%	9%	6%
Recruitment rate males	%	5%	8%	6%
Recruitment rate females	%	10%	22%	9%
Recruitment rate < 30 years	%	29%	35%	31%
Recruitment rate 30 – 50 years	%	4%	10%	6%
Recruitment rate > 50 years	%	1%	4%	2%
Recruitment rate in Italy	%	4%	10%	6%
Recruitment rate in France	%	7%	8%	7%
Recruitment rate in the Iberian Peninsula	%	2%	13%	n/a
Recruitment rate in Germany and rest of the EU	%	6%	7%	7%

⁽¹⁾ Rate calculated as the number of recruitments within each age group, geographical area or gender. The figures of 2018 do not include the employees hired by RDM Barcelona Cartonboard. Employees hired by RDM Marketing Spain in 2018 are included in the geographical area "Germany and rest of the EU".

EMPLOYEE TERMINATION RATE ⁽¹⁾	U.o.M.	2020	2019	2018
Total termination rate	%	7%	8%	7%
Termination rate males	%	7%	7%	6%
Termination rate females	%	9%	18%	13%
Termination rate < 30 years	%	4%	18%	10%
Termination rate 30 – 50 years	%	5%	4%	5%
Termination rate > 50 years	%	11%	11%	8%
Termination rate in Italy	%	7%	8%	6%
Termination rate in France	%	7%	9%	9%
Termination rate in the Iberian Peninsula	%	8%	6%	n/a
Termination rate in Germany and rest of the EU	%	7%	8%	6%

⁽¹⁾ Rate calculated as the number of terminations within each age group, geographical area or gender. The figures of 2018 do not include the employees dismissed from RDM Barcelona Cartonboard. Employees dismissed by RDM Marketing Spain in 2018 are included in the geographical area "Germany and rest of the EU".

DIVERSITY	U.o.M.	2020	2019	2018
Total number of executives	n.	40	41	38
of which males	%	78%	76%	79%
of which females	%	22%	24%	21%
of which < 30 years	%	0%	0%	n/a
of which 30 – 50 years	%	40%	37%	n/a
of which > 50 years	%	60%	63%	n/a
Total number of white collars	n.	443	452	444
of which males	%	72%	73%	74%
of which females	%	28%	27%	26%
of which < 30 years	%	7%	7%	n/a
of which 30 – 50 years	%	47%	45%	n/a
of which > 50 years	%	46%	48%	n/a
Total number of blue collars	%	1,246	1,273	1,262
of which males	%	98%	98%	97%
of which females	%	2%	2%	3%
of which < 30 years	%	10%	9%	n/a
of which 30 – 50 years	%	52%	53%	n/a
of which > 50 years	%	38%	38%	n/a
Total number of Board members	n.	7	7	7
of which males	%	57%	57%	57%
of which females	%	43%	43%	43%
of which < 30 years	%	0%	0%	0%
of which 30 – 50 years	%	29%	29%	57%
of which > 50 years	%	71%	71%	43%

TRAINING	U.o.M.	2020	2019	2018
Average hours of training for employees	n.	7.3	14.8	12.7
Average training hours males	n.	6.8	13.0	12.5
Average training hours females	n.	11.8	32.2	14.4
Average training hours executives	n.	12.1	13.4	13.7
Average training hours white collars	n.	8.2	27.5	17.4
Average training hours blue collars	n.	6.8	10.3	10.9
Employees trained	n.	888	1,183	907
of which executives	n.	32	33	23
of which white collars	n.	290	387	282
of which blue collars	n.	566	763	602

CLAIMS	U.o.M.	2020	2019	2018
Withdrawal from the market for food safety	n.	0	0	1
Recall from the market for food safety	n.	0	0	0
Rate of complaints ⁽¹⁾	Ratio	0.35	0.43	0.38

⁽¹⁾ Number of claims per 100 tons of net saleable production.

GRI Content Index

The following GRI Content Index is prepared in accordance with GRI Standards: Core option. Omissions are reported as notes to the individual indicators, where applicable.

GRI Standard	Disclosure	References and notes
GRI 102: GENERAL DISCLOSURES (2016)		
ORGANIZATION PROFILE		
102-1	Name of the organization	Back cover
102-2	Activities, brands, products, and services	p. 6
102-3	Location of headquarters	Back cover
102-4	Location of operations	p. 9
102-5	Ownership and legal form	Report on corporate governance and ownership structure
102-6	Markets served	pp. 6 – 9
102-7	Scale of the organization	pp. 6 – 9, Consolidated Financial Statements
102-8	Information on employees and other workers	p. 56; pp. 77 – 79
102-9	Supply chain	pp. 35 – 36
102-10	Significant changes in the organization and its supply chain	No significant changes compared to 2019
102-11	Precautionary Principle or approach	pp. 24 – 26
102-12	External initiatives	pp. 19, 68
102-13	Membership of associations	p. 22
STRATEGY		
102-14	Statement from senior decision-maker	p. 4
102-15	Key impacts, risks, and opportunities	pp. 24 – 26
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	pp. 8, 67 – 68
102-17	Mechanisms for advice and concerns about ethics	pp. 67 – 68
GOVERNANCE		
102-18	Government Structure	p. 66; Report on corporate governance and ownership structure
102-22	Composition of the highest governance body and its committees	p. 66; Report on corporate governance and ownership structure
102-23	Chair of the highest governance body	p. 66; Report on corporate governance and ownership structure
102-24	Nominating and selecting the highest governance body	p. 66; Report on corporate governance and ownership structure
102-25	Conflicts of interest	Report on corporate governance and ownership structure
102-26	Role of the highest governance body in setting purpose, values, and strategy	p. 66; Report on corporate governance and ownership structure
102-28	Evaluating the highest governance body's performance	p. 66; Report on corporate governance and ownership structure
102-31	Review of economic, environmental, and social topics	pp. 72 – 73; Report on corporate governance and ownership structure
102-32	Highest governance body's role in sustainability reporting	pp. 72 – 73
102-33	Communicating critical concerns	p. 68

102-34	Nature and total number of critical concerns	p . 68
102-35	Remuneration policies	p. 62; Remuneration report
102-36	Process for determining remuneration	Remuneration report
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	p. 21
102-41	Collective bargaining agreements	97% of employees is covered by national collective bargaining agreements
102-42	Identifying and selecting stakeholders	p. 21
102-43	Approach to stakeholder engagement	pp. 25, 39
102-44	Key topics and concerns raised	p. 23
REPORTING PRACTICES		
102-45	Companies included in the Consolidated Financial Statements	Consolidated Financial Statements
102-46	Defining report content and topic Boundaries	pp. 23, 71
102-47	List of material topics	p. 23
102-48	Restatements of information	pp. 72 – 73
102-49	Changes in reporting	No significant changes in the list of material topics and topics' boundaries
102-50	Reporting period	p. 72
102-51	Date of most recent report	The previous Sustainability Report was published in April 2020
102-52	Reporting cycle	Sustainability Reports are published annually
102-53	Contact point for questions regarding the report	sustainability@rdmgroup.com
102-54	Claims of reporting in accordance with the GRI Standards	pp. 72 – 73
102-55	GRI content index	pp. 80 – 87
102-56	External assurance	pp. 88 – 90

Topic-specific standards

MATERIAL TOPIC: FINANCIAL HEALTH		
GRI TOPIC: ECONOMIC PERFORMANCE		
GRI-201: Economic Performance (2016)		
201-1	Direct economic value generated and distributed	p. 6
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	Consolidated Financial Statements 2020
103-2	The management approach and its components	Consolidated Financial Statements 2020
103-3	Evaluation of the management approach	Consolidated Financial Statements 2020
MATERIAL TOPIC: COMPLIANCE, ETHICS AND BUSINESS INTEGRITY		
GRI TOPIC: ANTI-CORRUPTION		
GRI-205: Anti-corruption (2016)		
205-3	Confirmed incidents of corruption and actions taken	No charges of unlawful conduct for active or passive corruption in the three-year period
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 25, 26, 67, 68
103-3	Evaluation of the management approach	pp. 25, 26, 67, 68
MATERIAL TOPIC: COMPLIANCE, ETHICS AND BUSINESS INTEGRITY		
GRI TOPIC: ANTI-COMPETITIVE BEHAVIOR		
GRI-206: anti-competitive Behavior (2016)		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 68
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 25, 26, 68
103-3	Evaluation of the management approach	pp. 25, 26, 68
MATERIAL TOPIC: COMPLIANCE, ETHICS AND BUSINESS INTEGRITY		
GRI TOPIC: TAX		
GRI-207: Tax (2019)		
207-4	Country-by-country reporting	Consolidated financial Statements 2020 (being this a new indicator, the Group is reviewing its processes to report the information with the details required by the GRI. This disclosure is expected to be prepared for the next reporting cycle).
GRI-207: Management approach disclosures (2019)		
207-1	Approach to tax	pp. 67 – 68
207-2	Tax governance, control, and risk management	pp. 67 – 68
207-3	Stakeholder engagement and management of concerns related to tax	pp. 67 – 68
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 67 – 68
103-2	The management approach and its components	pp. 67 – 68
103-3	Evaluation of the management approach	pp. 67 – 68

MATERIAL TOPIC: COMPLIANCE, ETHICS AND BUSINESS INTEGRITY		
GRI TOPIC: ENVIRONMENTAL COMPLIANCE		
GRI-307: Environmental compliance (2016)		
307-1	Non-compliance with environmental laws and regulations	No significant fines or non-monetary sanctions for violations of environmental laws and regulations were reported in the three-year period
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 24, 51 – 53, 68
103-3	Evaluation of the management approach	pp. 24, 51 – 53, 68
MATERIAL TOPIC: RESPECT OF HUMAN RIGHTS		
GRI TOPIC: NON-DISCRIMINATION		
GRI-406: Non-discrimination (2016)		
406-1	Incidents of discrimination and corrective actions taken	pp. 63 – 68
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 25 – 26, 36, 68
103-3	Evaluation of the management approach	pp. 25 – 26, 36, 68
MATERIAL TOPIC: COMPLIANCE, ETHICS AND BUSINESS INTEGRITY		
GRI TOPIC: SOCIOECONOMIC COMPLIANCE		
GRI-419: Socioeconomic Compliance (2016)		
419-1	Non-compliance with laws and regulations in the social and economic area	No significant fines or non-monetary sanctions for violation of social and economic laws and regulations were reported in the three-year period
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 24 – 26, 32, 67 – 68
103-3	Evaluation of the management approach	pp. 24 – 26, 32, 67 – 68
MATERIAL TOPIC: CIRCULAR ECONOMY		
GRI TOPIC: MATERIALS		
GRI-301: Materials (2016)		
301-1	Materials used by weight or volume	pp. 33, 74
301-2	Recycled input materials used	pp. 33 – 34, 74
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 24, 32 – 36
103-3	Evaluation of the management approach	pp. 24, 32 – 36
MATERIAL TOPIC: ENERGY EFFICIENCY AND CLIMATE CHANGE		
GRI TOPIC: ENERGY		
GRI-302: Energy (2016)		
302-1	Energy consumption within the organization	pp. 43 – 44, 74
302-3	Energy intensity	pp. 44, 74

GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 24 – 25, 42 – 48
103-3	Evaluation of the management approach	pp. 24 – 25, 42 – 48
MATERIAL TOPIC: ENERGY EFFICIENCY AND CLIMATE CHANGE		
GRI TOPIC: EMISSIONS		
GRI-305: Emissions (2016)		
305-1	Direct (Scope 1) GHG emissions	pp. 47, 74 – 75
305-2	Energy indirect (Scope 2) GHG emissions	pp. 47, 74 – 75
305-4	GHG emissions intensity	pp. 47, 74 – 75
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	pp. 48, 74 – 75
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 24 – 25, 46 – 48
103-3	Evaluation of the management approach	pp. 24 – 25, 46 – 48
MATERIAL TOPIC: WATER CONSUMPTION AND DISCHARGE		
GRI TOPIC: WATER AND EFFLUENTS		
GRI-303: Water and effluents (2018)		
303-3	Water withdrawal	pp. 49, 75 – 76 (information on total dissolved solids will be available with the Sustainability Report 2021)
303-4	Water discharge	pp. 49, 75 – 76 (information on total dissolved solids will be available with the Sustainability Report 2021)
GRI-303: Management approach disclosures (2018)		
303-1	Interactions with water as a shared resource	pp. 49 – 50
303-2	Management of water discharge-related impacts	p. 51
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 24, 49 – 51
103-3	Evaluation of the management approach	pp. 24, 49 – 51
MATERIAL TOPIC: RESPONSIBLE WASTE MANAGEMENT		
GRI TOPIC: WASTE		
GRI-306: Waste (2020)		
306-3	Waste generated	pp. 53, 76
GRI-306: Management approach disclosures (2020)		
306-1	Waste generation and significant waste-related impacts	pp. 52 – 53
306-2	Management of significant waste-related impacts	pp. 52 – 53
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 24, 52 – 53
103-3	Evaluation of the management approach	pp. 24, 52 – 53

MATERIAL TOPIC: RESPONSIBLE SOURCING		
GRI TOPIC: SUPPLIER ENVIRONMENTAL ASSESSMENT		
GRI-308: Supplier environmental assessment (2016)		
308-1	New suppliers that were screened using environmental criteria	p. 36
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 24, 35 – 36
103-3	Evaluation of the management approach	pp. 24, 35 – 36
MATERIAL TOPIC: RESPONSIBLE SOURCING		
GRI TOPIC: SUPPLIER SOCIAL ASSESSMENT		
GRI-414: Supplier social assessment (2016)		
414-1	New suppliers that were screened using social criteria	p. 36
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 24, 35 – 36
103-3	Evaluation of the management approach	pp. 24, 35 – 36
MATERIAL TOPIC: HEALTH AND SAFETY		
GRI TOPIC: OCCUPATIONAL HEALTH AND SAFETY		
GRI-403: Occupational Health and safety (2018)		
403-9	Work-related injuries	pp. 60, 76, 77
GRI-403: Management approach disclosures (2018)		
403-1	Occupational health and safety management system	pp. 58 – 59, 69
403-2	Hazard identification, risk assessment and incident investigation	pp. 58 – 59
403-3	Occupational health services	p. 57
403-4	Worker participation, consultation and communication on occupational health and safety	pp. 58 – 59
403-5	Worker training on occupational health and safety	p. 59
403-6	Promotion of worker health	pp. 58 – 61
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp. 25, 58 – 60
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 25, 58 – 60
103-3	Evaluation of the management approach	pp. 25, 58 – 60

MATERIAL TOPIC: EMPLOYEE MANAGEMENT AND DEVELOPMENT		
GRI TOPIC: EMPLOYMENT		
GRI-401: Employment (2016)		
401-1	New employee hires and employee turnover	p. 78
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 26, 63
103-3	Evaluation of the management approach	pp. 26, 63
MATERIAL TOPIC: EMPLOYEE MANAGEMENT AND DEVELOPMENT		
GRI TOPIC: TRAINING AND EDUCATION		
GRI-404: Training and education (2016)		
404-1	Average hours of training per year per employee	pp. 26, 79
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 26 - 61
103-3	Evaluation of the management approach	pp. 26 - 61
MATERIAL TOPIC: EMPLOYEE MANAGEMENT AND DEVELOPMENT		
GRI TOPIC: DIVERSITY AND EQUAL OPPORTUNITIES		
GRI-405: Diversity and equal opportunities (2016)		
405-1	Diversity of governance bodies and employees	pp. 63, 66, 79
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 63 - 66
103-3	Evaluation of the management approach	pp. 63 - 66
MATERIAL TOPIC: PRODUCT QUALITY AND SAFETY		
GRI TOPIC: CUSTOMER HEALTH AND SAFETY		
GRI-416: Customer health and safety (2016)		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	pp. 39, 79
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 25, 37 - 38
103-3	Evaluation of the management approach	pp. 25, 37 - 38
MATERIAL TOPIC: CUSTOMER SATISFACTION		
GRI TOPIC: N/A		
GRI-103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 37 - 39
103-3	Evaluation of the management approach	pp. 37 - 39

MATERIAL TOPIC: CONTINUITY AND INTEGRITY OF OPERATIONS**GRI TOPIC: N/A****GRI-103: Management approach (2016)**

103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 25 – 26, 32, 35, 67 – 68
103-3	Evaluation of the management approach	pp. 25 – 26, 32, 35, 67 – 68

MATERIAL TOPIC: PRODUCT INNOVATION**GRI TOPIC: N/A****GRI-103: Management approach (2016)**

103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 18 –19
103-3	Evaluation of the management approach	pp. 18 –19

MATERIAL TOPIC: PROMOTION OF A RECYCLING CULTURE**GRI TOPIC: N/A****GRI-103: Management approach (2016)**

103-1	Explanation of the material topic and its Boundary	pp. 23, 71
103-2	The management approach and its components	pp. 30 – 34
103-3	Evaluation of the management approach	pp. 30 – 34

**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND
ART. 5 OF CONSOB REGULATION N. 20267/2018**

**To the Board of Directors of
Reno De Medici S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Reno De Medici S.p.A. and its subsidiaries (hereinafter "Reno De Medici Group" or "Group") as of December 31, 2020 prepared on the basis of art. 4 of the Decree and approved by the Board of Directors on March 19, 2021 (hereinafter "NFS").

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "*Global Reporting Initiative Sustainability Reporting Standards*" established in 2016 by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art. 3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Reno De Medici Group;
4. understanding of the following matters:
 - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
 - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
 - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report;

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Reno De Medici S.p.A. and with the employees of R.D.M. Ovaro S.p.A., R.D.M. Arnsberg GmbH, R.D.M. Blendecques S.A.S. and R.D.M. Barcelona Cartonboard S.A.U. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for the following subsidiaries and sites, Milan Headquarter and Santa Giustina mill for Reno De Medici S.p.A., Ovaro mill for R.D.M. Ovaro S.p.A., R.D.M. Arnsberg GmbH, R.D.M. Blendecques S.A.S. and R.D.M. Barcelona Cartonboard S.A.U, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out remote calls, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Reno De Medici Group as of December 31, 2020 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Amelio
Partner

Milan, Italy
April 7, 2021

This report has been translated into the English language solely for the convenience of international readers.

Credits

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