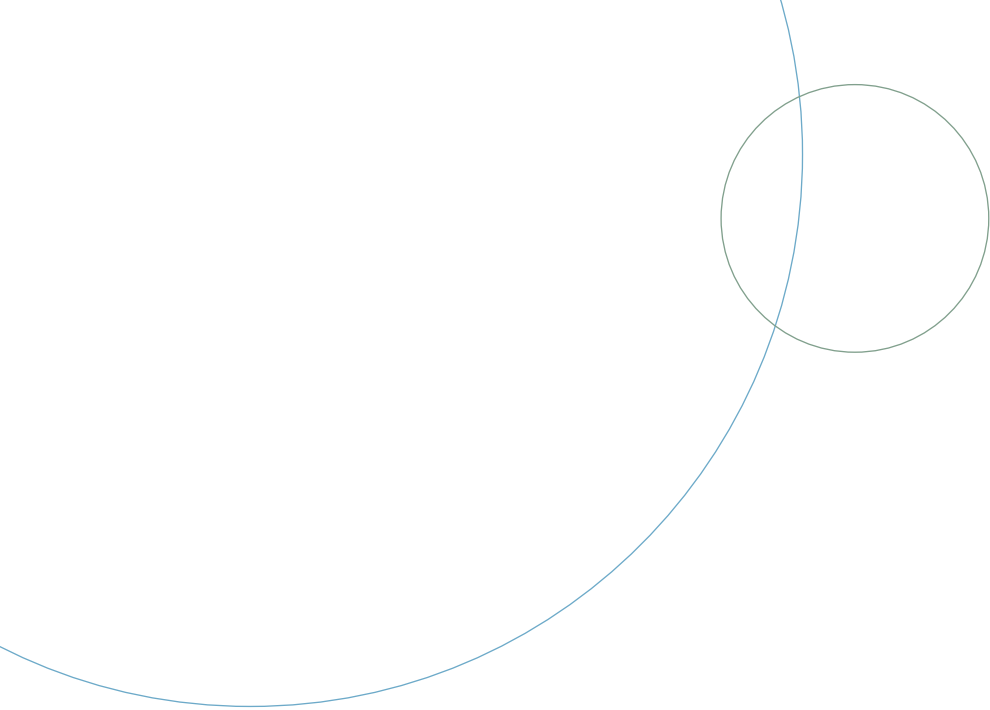


# Sustainability Booklet 2020

Our circular approach to business









# Message from the CEO

**Inside this Booklet you will find clear data and information about the great work RDM Group performs every day, strengthening what is the core of our business, producing recycled fiber-based coated cartonboard in a sustainable way.**



This year allow me to add a touch of extra pride that comes from the establishment of the ambitious 2020-2030 Sustainability Plan with the long-term Sustainability Goals outlined in this Booklet. 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 of the Group. Indeed, we believe that companies like ours, which have a long and positive legacy in terms of sustainability, must lead the way in setting ambitious goals”.

We are aware of the magnitude of the challenges ahead. And for this reason, we strongly support the circular economy of which we are contributors and at the same time 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, indeed, sustainability.

RDM Group CEO  
**Michele Bianchi**

A handwritten signature in black ink, which appears to read 'Michele Bianchi', is positioned below the printed name and title.





# 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.





# Who we are

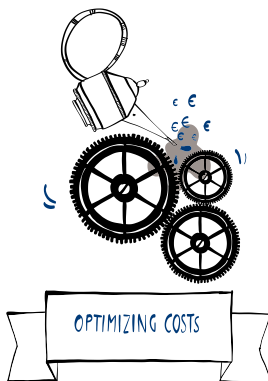
**RDM Group is the second largest producer of coated recycled cartonboard in Europe and the leader in Italy, France and the Iberian Peninsula. The Group is listed on the Star segment of Milan Stock Exchange and on the Madrid Stock Exchange.**

Our cartonboard is mainly used as primary or secondary packaging for consumer goods. It can indeed become packaging for foodstuffs and pharmaceuticals, but also for household appliances, cosmetics and personal care products. Our cartonboard is so versatile that it can also be used in the publishing sector or for the creation of commercial displays and toys.

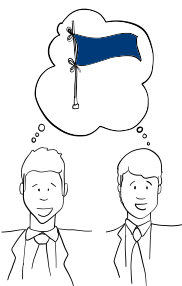


# Our Vision

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

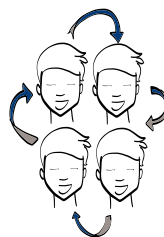


# Our Values



## 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

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

# Our market segments

RDM Group operates in 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

\* On April 30, 2021, RDM Group finalized the agreement for the sale of La Rochette mill. As a result, the Group left the Folding Box Board segment from May 2021.



# Where we operate

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

## REVENUES PER GEOGRAPHICAL AREA

€ 679 MIO

RDM Group

€ 202 MIO

ITALY

€ 118 MIO

FRANCE

€ 43 MIO

GERMANY

€ 104 MIO

IBERIAN PENINSULA

€ 122 MIO

REST OF THE EU

€ 90 MIO

REST OF THE WORLD

PRODUCTION UNIT

SALES OFFICE

HQ

SHEETING CENTER



**Paprinsa**

The mill is expected to be acquired by June 2021.



**La Rochette**

The mill was sold on April 30, 2021.

# Circular business model

## 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.

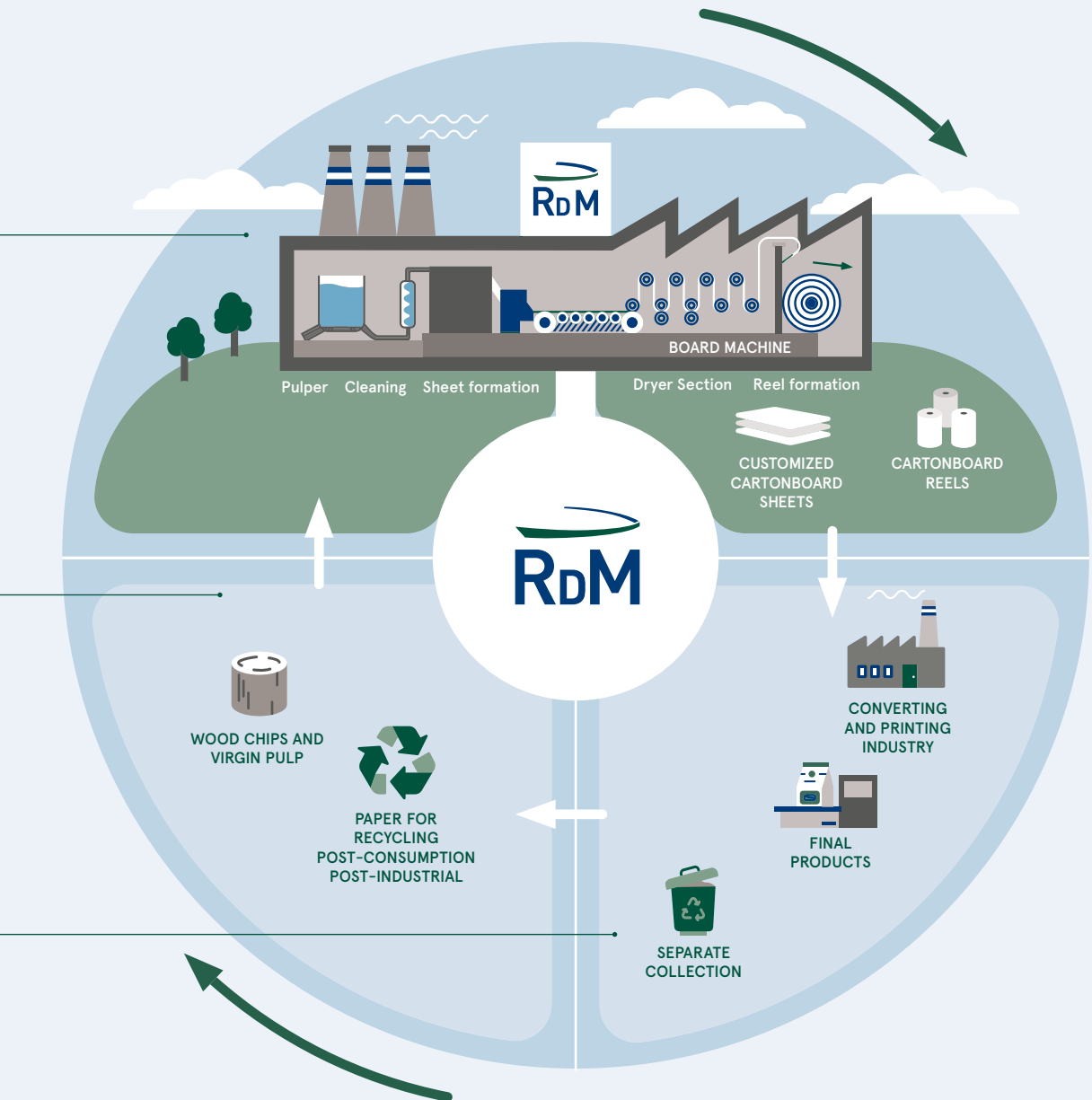
## DOWNSTREAM

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.



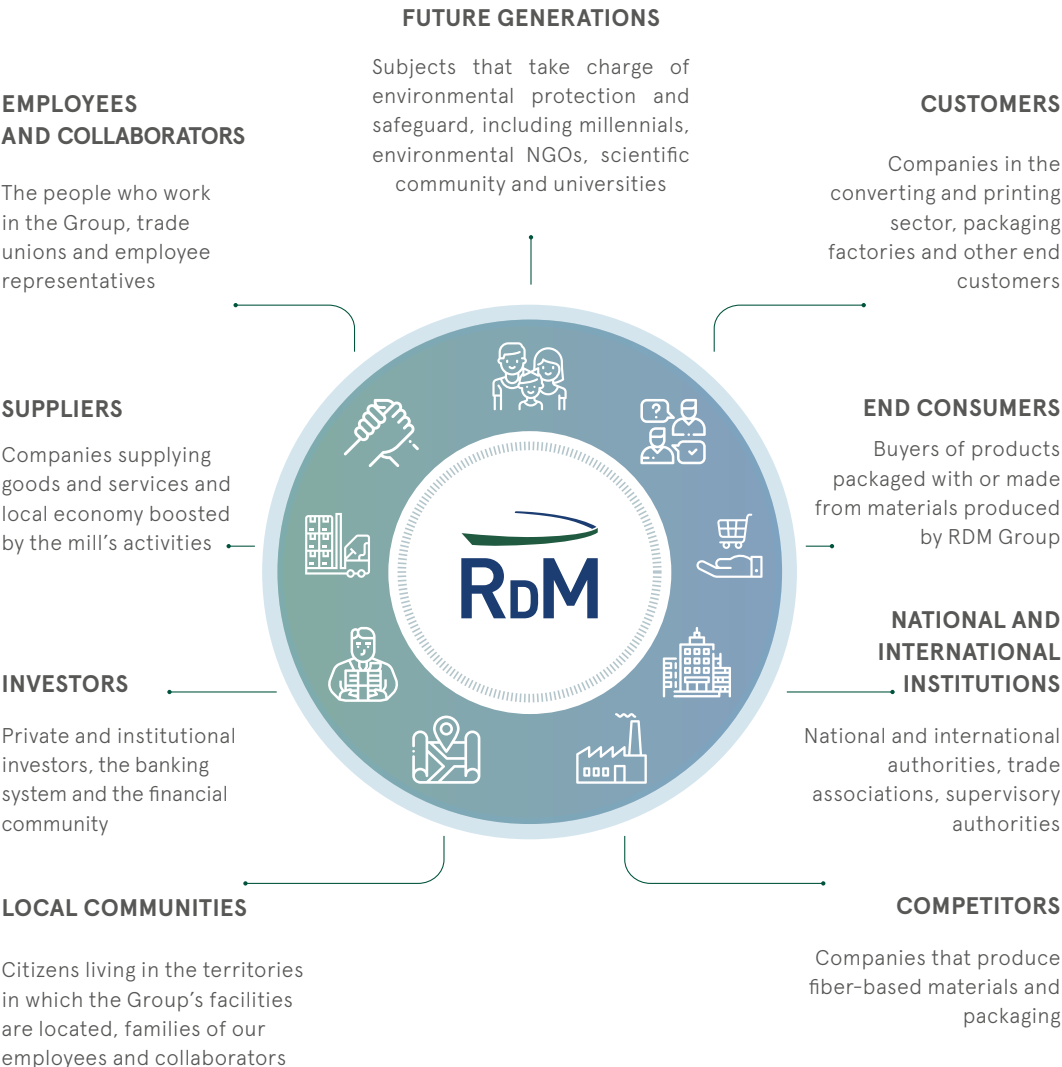
Our business model follows a circular economy model. Adopting a circular approach means looking beyond the mere production cycle and embracing greater responsibilities to our society and environment.

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 Stakeholders

A constant and effective dialogue with internal and external Stakeholders is a decisive tool for RDM Group. It allows us to better address the challenges posed by the external context and make better decisions regarding business development and the management of our impacts on the environment and society.










# Materiality Matrix

The Materiality Matrix is the result of an engagement activity through which we 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. The Materiality Matrix was used as the baseline to establish RDM Group's long-term sustainability goals 2020 – 2030.







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.

# Our long-term Sustainability Goals 2020 – 2030

	Goal	Baseline 2020	Target	
	Reduce scope 1 and scope 2 CO <sub>2</sub> equivalent emissions per ton of net saleable production	0.50 tCO <sub>2</sub> 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 <sup>3</sup> /ton	-20% by 2030	

RDM Group defined its long-term sustainability goals, with 2030 as a time horizon. 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.

	Goal	Baseline 2020	Target	
	Key suppliers assessed and qualified according to ESG criteria for all relevant product categories	New assessment to be started	100% by 2025	
	Implementing 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	



# Our commitment for sustainable development

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



## PROMOTE OCCUPATIONAL HEALTH AND SAFETY

How we contribute: we adopt a “Zero Accidents” policy and work towards continuous improvement of injury rates.



## PROMOTE LEARNING AND SKILLS DEVELOPMENT

How we contribute: we invest in training, enhancing knowledge sharing and informal learning tools.



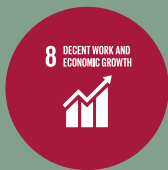
## PROTECT WATER ECOSYSTEMS

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



## INCREASE ENERGY EFFICIENCY OF OPERATIONS

How we contribute: we pursue a strategy of reducing energy consumption per ton of cartonboard produced.



## PROMOTE FULL EMPLOYMENT AND DECENT WORK

How we contribute: we offer employment opportunities to over 1,800 people, adopting collective bargaining agreements whenever possible.

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## MODERNIZING INDUSTRIAL PROCESSES AND MAKE THEM MORE SUSTAINABLE

How we contribute: in the past 10 years, we have invested over 190 million euros in plant and technological modernization.

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## ADOPT SUSTAINABLE PATTERNS OF PRODUCTION AND CONSUMPTION

How we contribute: we have developed a production system based on a circular economy model where 78% of fiber-based raw materials comes from recycling and where all products are fully recyclable.

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## TAKE ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

How we contribute: we are reducing greenhouse gases and polluting emissions per ton of production through energy efficiency programs, energy mix revisions and emission mitigation efforts.

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## PROMOTE SUSTAINABLE MANAGEMENT OF FOREST-RELATED RESOURCES

How we contribute: for our virgin pulp supplies, we choose raw materials from sustainable supply chains. Overall, 73% of all wood chips and virgin market pulp purchased is certified according to FSC® or PEFC or FSC® controlled wood.

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## STRENGTHEN PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

How we contribute: 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.

# Our circular approach to business

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

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## RDM GROUP'S CARTONBOARD IS

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



**ecological and biodegradable** if accidentally left in the environment

In 2020 we used over **950,000 tons** of paper and cartonboard at the end of their life cycle, which is equivalent to the amount consumed by 13.4 million European inhabitants.

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



**78%**  
Paper for recycling



**14%**  
Wood chips



**8%**  
Virgin market pulp



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



**84%**

of the total material used is made up of renewable materials

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



**73%**

of all wood chips and virgin market pulp is FSC® or PEFC certified, or FSC® controlled wood



**100%**

of the purchased virgin market pulp comes from certified and/or controlled sources



**58%**

of wood chips comes from local certified sources

# Environmental protection and performance

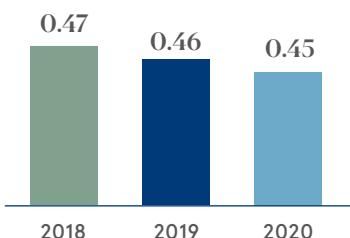
We have set ambitious long-term goals to improve our environmental performances by 2030. We are thus committed to continuously upgrade our processes to ensure the efficient management of our energy resources, and to use cleaner fuels to reduce GHG emissions. We work on our production process to optimize the use of water and to reduce the amount of waste generated per ton of production.

## AIR EMISSIONS



**-5%** OF CARBON INTENSITY REDUCTION SINCE 2018

### CARBON INTENSITY (tCO<sub>2</sub>e/ton)



### KEY PILLARS

- Goal of **reducing carbon intensity** by 30% by 2030
- 14% of indirect scope 2 emissions neutralized through **green electricity** amounting to 11,186 tCO<sub>2</sub>e
- **EU-ETS emission** allowances system
- **Carbon storage** through our fiber- based products

### OTHER ATMOSPHERIC EMISSIONS (ton)



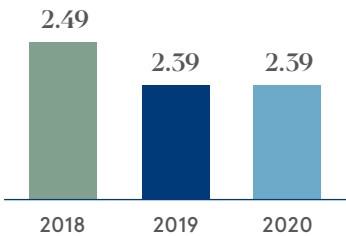
## ENERGY



**-4%**

REDUCTION OF ENERGY  
INTENSITY SINCE 2018

### ENERGY INTENSITY (MWh/ton)



### KEY PILLARS

- **Investments** in more efficient equipment and machinery
- Use of **high efficiency cogeneration plants**
- Transition towards **cleaner energy fuels**
- Centralized **energy management** and monitoring

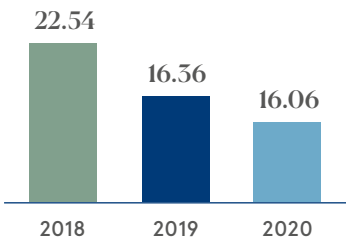
## WATER



**-29%**

REDUCTION OF FRESHWATER  
WITHDRAWALS SINCE 2018

### WATER WITHDRAWALS PER TON OF PRODUCTION (m<sup>3</sup>/ton)



### KEY PILLARS

- Goal of **reducing specific water discharges** by 20% by 2030
- **Monitoring** of withdrawals and quality of water discharges
- **Reuse of process water** in multiple production cycles
- **91% of water withdrawn** is returned to the environment

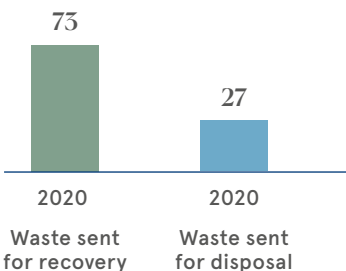
## WASTE



**99.5%**

OF THE WASTE PRODUCED  
IS NON-HAZARDOUS (2020)

### WASTE BY DESTINATION (PERCENTAGE)



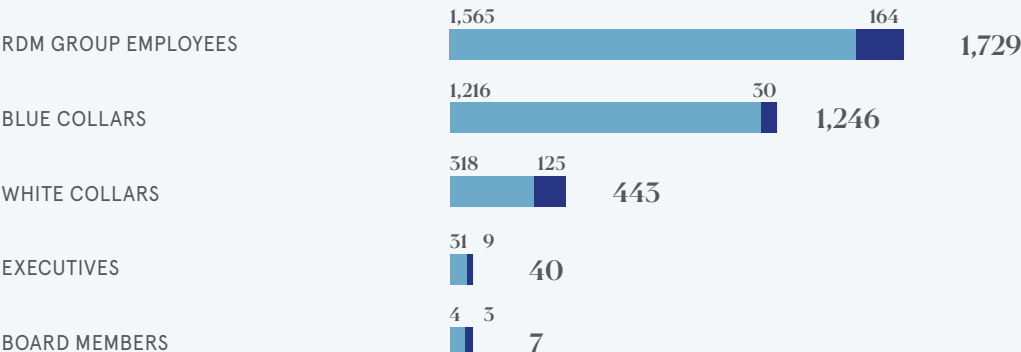
### KEY PILLARS

- Goal of **increasing the proportion of waste sent for recovery** from 73% to 90% by 2030
- Goal of **reducing the total amount of waste generated** by 20% by 2030
- Use of technologies to **maximize** the use of raw materials and **minimize** waste and production rejects



# Our people

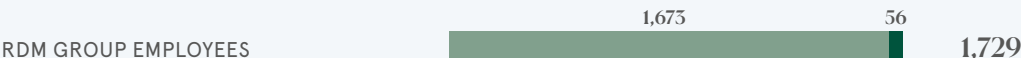
● MALE ● FEMALE



● MALE ● FEMALE



● PERMANENT ● TEMPORARY



## GEOGRAPHICAL DISTRIBUTION OF OUR EMPLOYEES

- 38% — ITALY
- 29% — FRANCE
- 14% — IBERIAN PENINSULA
- 19% — GERMANY AND REST OF EUROPE





## Training

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

In the last three years we have provided on average 20,000 hours of training, corresponding to 12 hours per capita and 2.2 million euros invested.



## Change Management

We stimulate teamwork, the collaboration between different generations and cultures, and the sharing of experiences and opinions. To facilitate this, we have created:

- **“Change Management Steering Committee”** to promote positive change at all organizational levels and in any business area.
- **“Youth & Restyling Committee”**, to put forward proposals on how to integrate the vision of millennials into the Group’s management style.



## Digitalization

RDM Group has embarked on an ambitious path of digitalization with a rich agenda of medium and long-term initiatives, covering the entire Group perimeter, both in terms of mills and corporate functions. This program is meant to support a strong digital environment capable of enabling our employees’ potential and increasing business productivity.

# Safety first!

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

### FREQUENCY RATE (FR)

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

### SEVERITY RATE (SR)

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

	RESULTS 2020				RESULTS 2019			
Plant	Accidents	Lost days	FR	SR	Accidents	Lost days	FR	SR
Arnsberg	12	158	4.9	64.8	8	117	3.2	47.1
Barcelona	5	191	2.4	92.7	4	181	2.0	90.6
Blendecques	12	856	7.1	506.3	11	381	6.6	227.1
La Rochette	12	306	5.3	135.4	8	65	3.6	28.9
Magenta	2	143	5.6	403.2	0	0	0.0	0.0
Ovaro	1	37	0.8	29.0	2	42	1.4	29.8
PAC Service	0	0	0.0	0.0	0	0	0.0	0.0
Santa Giustina	7	352	4.0	199.9	7	279	3.9	154.1
Villa Santa Lucia	0	0	0.0	0.0	4	161	2.8	113.9

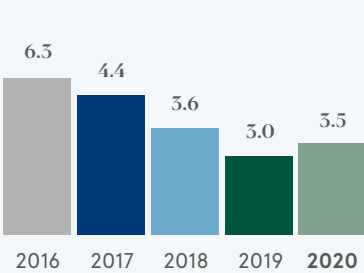
The health and safety of our employees is a priority for us. Thanks to everyone's commitment, over the last few years, RDM Group has substantially reduced the frequency and severity of injuries. The Group is working harder than ever to address the main causes of accidents and further reduce the injury rates.

**In 2020 the mill of Villa Santa Lucia and the sheeting center PAC Service achieved a "Zero Accident" safety performance.**



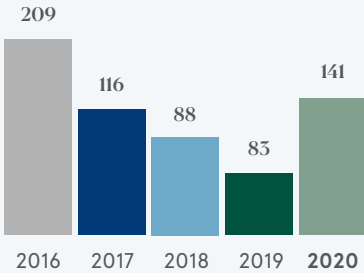
**FREQUENCY AND SEVERITY OF ACCIDENTS  
OF RDM GROUP EMPLOYEES AND INTERIM WORKERS**

All Group Companies. OSHA methodology.



**-45%**

REDUCTION OF THE **FREQUENCY**  
**RATE** WITH RESPECT TO 2016



**-33%**

REDUCTION OF THE **SEVERITY**  
**RATE** WITH RESPECT TO 2016



# Safety culture

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

Therefore, in 2020 we launched a pilot **Behavior-based safety program** in Santa Giustina mill to strengthen the process of safety improvement. We have committed to implement this program in all plants by 2023.



## GOVERNANCE AND MANAGEMENT

- Transition toward ISO 45001 management system for all production sites
- Monthly meetings of the Group safety network
- Sharing of best practices between mills
- Education and training
- Risk assessment and pre-job assessment
- Safety meeting and audits
- Multi-channel safety communication

## PROJECTS AND INITIATIVES

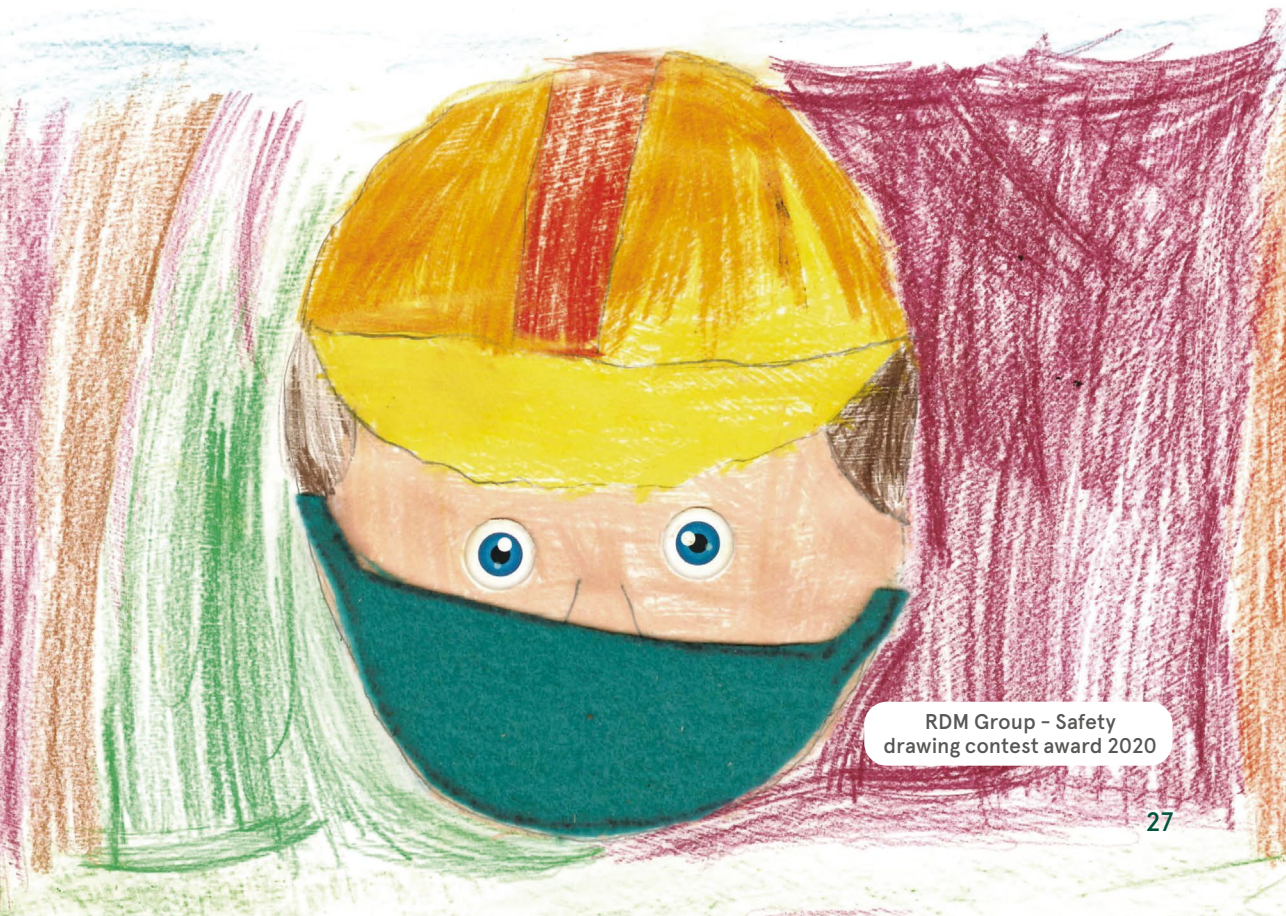
- New safety inspection program launched in 2020
- Cross-mill safety audit program
- Health & Safety manager network
- Safety standards improvement
- Safety Champion awards
- Health promotion campaigns



## HEALTH & SATETY AND ENVIRONMENT DRAWING CONTEST FOR 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.



RDM Group - Safety  
drawing contest award 2020

# Management systems

The Group promotes continuous improvement and implements management systems certified by independent third-party bodies to guarantee a rational and efficient use of all our resources. The ambition of the Group is to extend the current range of certifications in the coming years.

Reported below are the management systems active in 2020-2021 in our plants, with indication of the year of first certification.

## ACTIVE CERTIFIED MANAGEMENT SYSTEMS WITH INDICATION OF THE YEAR OF FIRST ACHIEVEMENT

	ISO 45001	ISO 9001	ISO 14001	EMAS	BLAUER ENGEL	ISO 50001	FSC®	PEFC	BRC EN 15593 ISO 22000
<b>Arnsberg</b>	-	1992	1997	1997	-	-	2010	-	-
<b>Barcelona</b>	2021	1996	1998	2000	-	2020	2015	-	2010
<b>Blendecques</b>	-	1995	-	-	-	2014	2008	-	-
<b>La Rochette</b>	-	1996	-	-	-	-	2014	2006	-
<b>Magenta</b>	-	1996	-	-	-	-	2010	-	-
<b>Milan (HQ)</b>	2019	1996	-	-	-	-	-	-	-
<b>Ovaro</b>	2020	1996	2004	-	2015	2015	2009	2017	-
<b>PAC Service</b>	-	1997	-	-	-	-	2010	2009	2018
<b>Santa Giustina</b>	2020	1996	2001	-	-	2015	2010	2016	2020
<b>Villa Santa Lucia</b>	2020	1996	2005	-	-	2015	2010	-	-

# Covid-19

The coronavirus crisis turned our daily lives upside-down in a way that was unpredictable. As a company, we have implemented rigorous safety measures in accordance with the health and government authorities' recommendations.

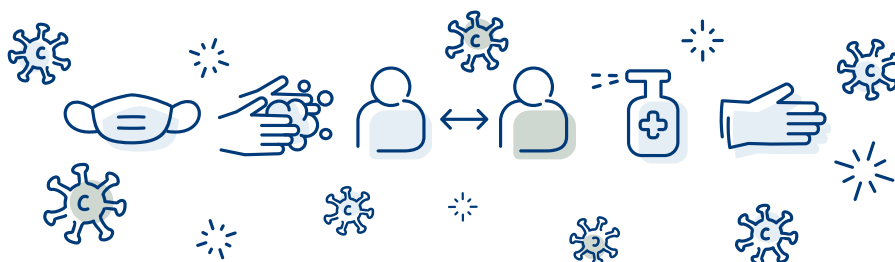
Thanks to this way of managing the COVID-19 emergency, no Group mill or site has seen an outbreak of Coronavirus infection.

## HEALTH AND SAFETY OF OUR PEOPLE

- Strict internal rules to prevent close interactions between workers and with external partners
- Distribution of Personal Protection Equipment to prevent contagions
- Smart working for all employees with tasks and responsibilities that could be managed remotely
- Compliance with current legislation and adoption of the latest international best practices, also during the phase of ease of lockdown measures

## SUPPORT OUR CUSTOMERS AND KEEP THE SUPPLY CHAINS MOVING

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







# Contacts

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

For more information about RDM Group's sustainability performance, please download our Sustainability Report 2020.





[www.rdmgroup.com](http://www.rdmgroup.com)