

Sustainability Booklet 2021

On the Road to the Future





Message from the CEO

Dear All,

The acquisition of RDM Group by the affiliates of funds managed by Apollo Global Management is yet another confirmation for us that sustainability is not only a means, but the key to RDM Group's success. Underlying this is the belief that sustainability is essential to the success of any business.

In 2021, RDM Group issued a "Sustainability-Linked Bond", the terms of which provide for a correlation between the interest rate that the Company will pay to its lenders and the achievement of three specific sustainability targets by 2025. Namely, a 15% reduction in specific CO₂ emissions, an increase in the proportion of waste sent for recovery to 81.5%, and a 10% reduction of specific wastewater discharges.

These are clearly ambitious targets that the Group intends to achieve as milestones toward the Long-Term 2030 Sustainability Goals. The latter were set in 2021 based on the Materiality Matrix and thus reflect our strategic priorities and those of our main Stakeholders.

Let me also highlight the importance of Safety, that for RDM Group represents a concrete objective that translates into a "Zero Accidents" goal and into the Behavior-Based Safety (BBS) program, built to promote safe behaviors in all workers. In this regard, I am pleased to point out that not only has RDM Group achieved its best safety performance ever in 2021, but also that the Group won the PPI Award 2022 in the "Risk & Safety" category.



RDM Group CEO
Michele Bianchi

A handwritten signature in black ink, which appears to read "Michele Bianchi". The signature is fluid and cursive, written over a light gray background.



Manifesto

Together We Shape the Future

"Together We Shape the Future" is the motto that we, RDM Group, have adopted to represent what we do and how we do it.

"Together" is RDM Group's starting point we operate according to a "One Company" culture. This means that all of the Group's entities share one Vision and one strategy. The word "together" also refers to the important relationships we share with our Stakeholders. This is why "Togetherness" was chosen as one of the four Group Values.

"We" reinforces the concept of an overall Vision that is 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" refers to what we make cartonboard, a material that can be seen as "simple" in itself but which can take the most sophisticated forms and shapes.

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





Who we are

RDM Group is the leading producer in the recycled cartonboard business in Europe and the largest producer in Italy, France, the Netherlands and the Iberian Peninsula. While coated board is mainly supplied to the European market, solid board is representing a leading segment worldwide including US and Asia.

Our coated cartonboard can be used as both primary and secondary packaging. It can be made into 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. Our solid board primarily serves the luxury packaging market for the fashion industry, cosmetics, high-end beverages, books, notebooks and puzzles.



Vision and Values

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

Our Vision is to be the **Partner of Choice** for all key Stakeholders with three strategic goals in mind: offering excellent products and services, optimizing costs and maximizing the satisfaction of our key Stakeholders in a sustainable way.



We operate as a multinational and multicultural Group, focusing our activities on creating 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 services.

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.



Responsible decision-making

The awareness that decisions also have effects on others.



Togetherness

The mix between a shared Vision and a sense of belonging.

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

Our market segments

RDM Group operates in two main market segments



WHITE LINED CHIPBOARD (WLC)

COATED CARTONBOARD FOR
PACKAGING MADE FROM
RECYCLED FIBERS



SOLID BOARD

HIGH-GRAMMAGE RECYCLED
CARTONBOARD THAT IS
WELL SUITED FOR SPECIALTY
PRODUCTS, LUXURY PACKAGING
AND THE PUBLISHING MARKET



Our operations

The acquisitions made in 2021 have allowed RDM Group to further expand its operations in Europe and beyond.

Our cartonboard travels around the world more than ever, with nine board mills, five sheeting centers, and sales and representative offices in Europe, North America and Asia. With its strong network and global presence, RDM Group serves clients all over the world.

EUROPE

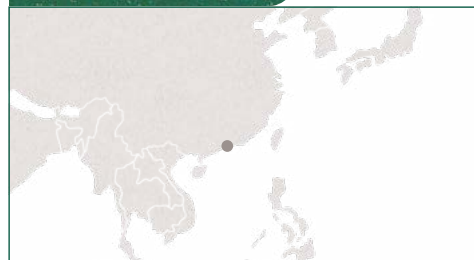
- HEADQUARTERS
- SALES OFFICES
- BOARD MILLS
- SHEETING CENTERS



NORTH AMERICA



ASIA



Our Business Model: a virtuous circle

Our business model is based on a circular economy model that replaces the concept of waste with that of a resource, aiming to optimize the use of materials with increasing efficiency. 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 intended use.

PRODUCTION 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 sorted out. 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 for delivery.

UPSTREAM

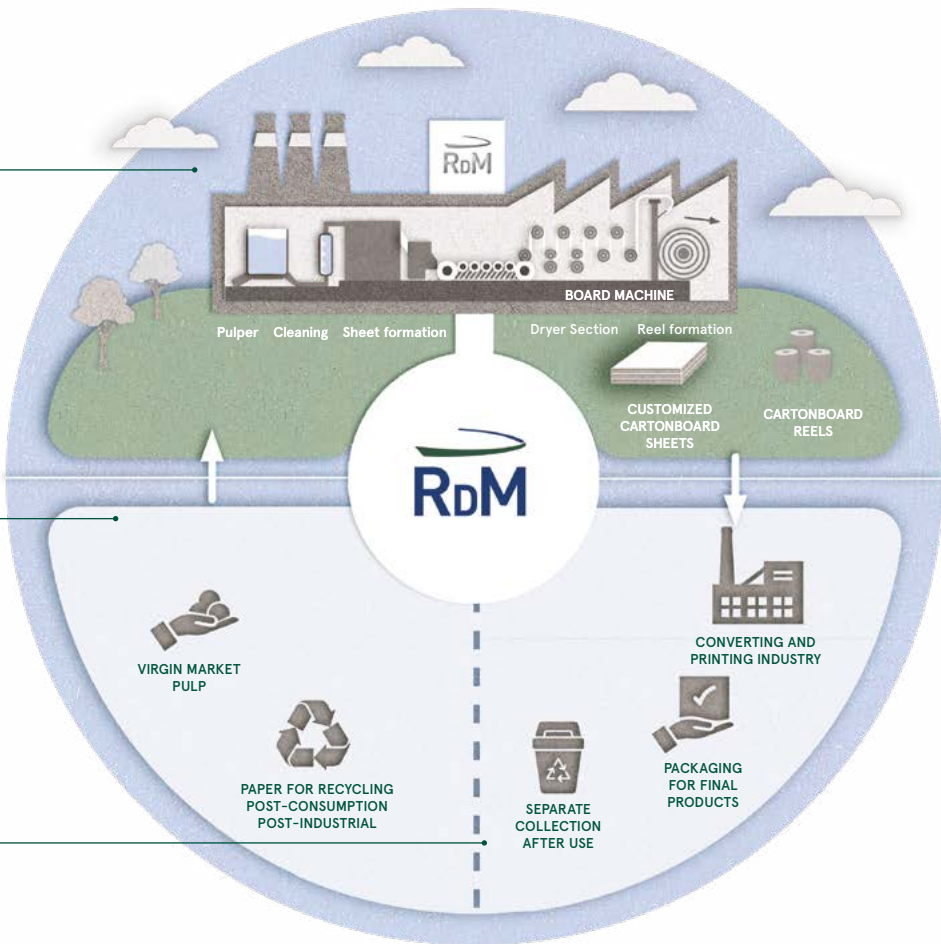
We purchase paper for recycling from the industrial and commercial sectors and from city collections, such as fiber-based packaging, newspapers and magazines. The Group uses a limited amount of virgin fiber pulp, which is purchased externally from third parties. Virgin pulp is used to supplement recycled fibers to give cartonboard specific physical and mechanical characteristics.

DOWNSTREAM

RDM Group products are mainly intended for the converting and printing industry, which uses cartonboard to make the packaging of products placed on the market. Clipping and scraps from the converting and printing processes are collected and delivered back to the mills, directly or through sorting facilities, as raw materials. For fiber-based packaging products put on the market, more than 82% (Eurostat 2019) of the packaging is reintroduced into the positive cycle of recycling by the end consumer after use, thus feeding the sustainable business model of recycled cartonboard.

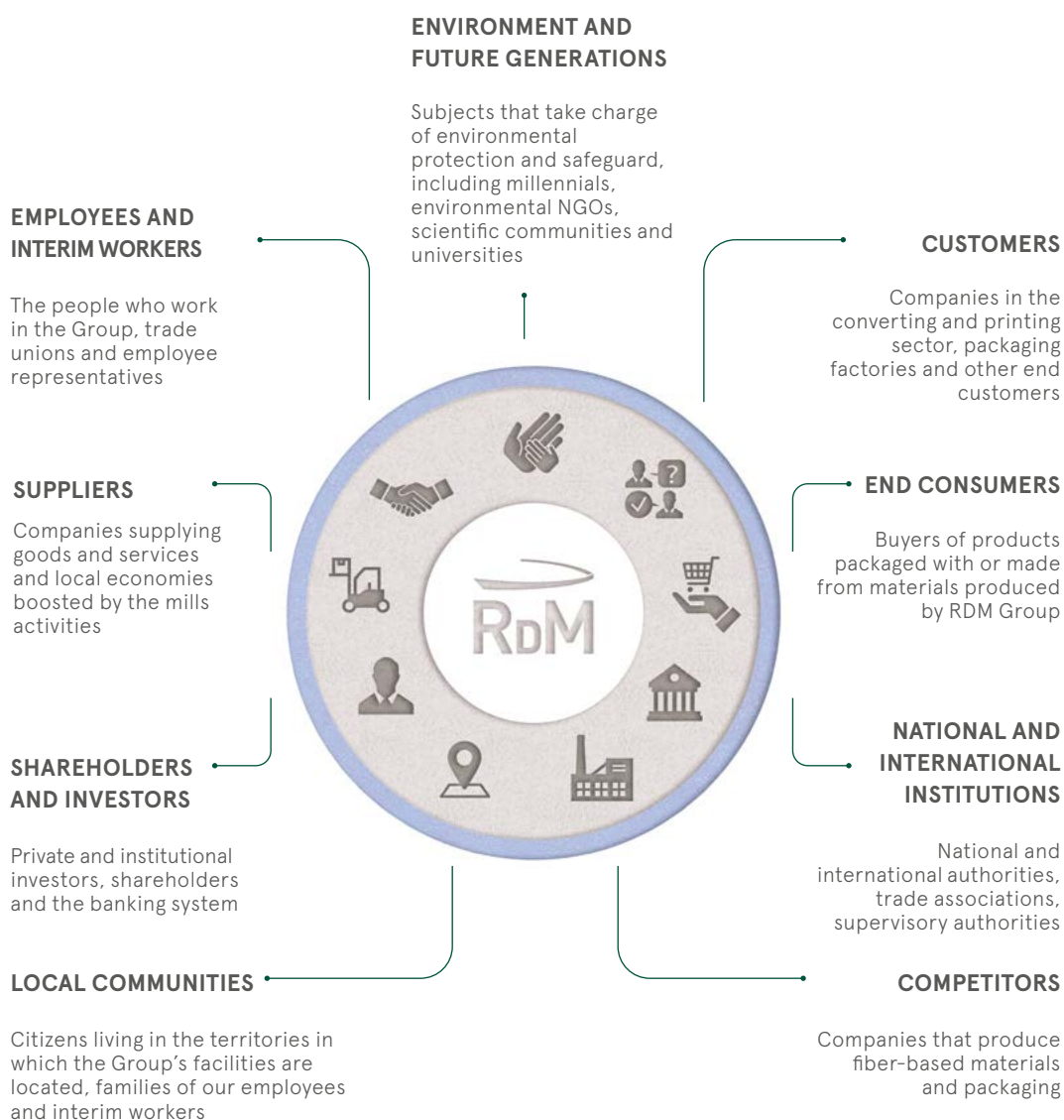
Everything starts with the sourcing of paper for recycling. Our technologies and production systems transform paper for recycling, giving the recycled fibers a new life, whether they come from urban recycling or from industrial and commercial sectors.

Within RDM Group, 90% 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 from renewable materials. Our products are designed to be renewable, recyclable and are actually recycled in the end!



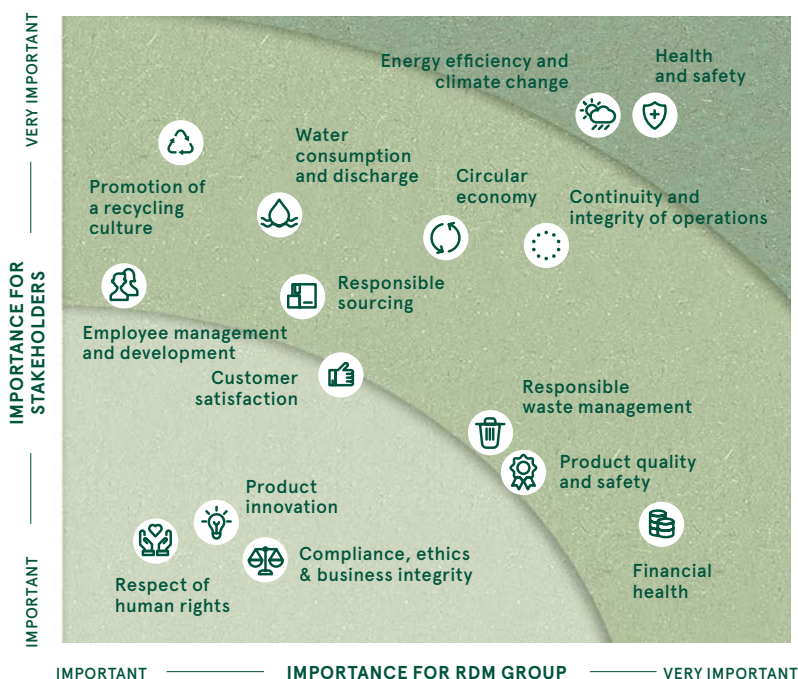
Our Stakeholders

The continuous and effective dialogue with our Stakeholders, both internal and external, is crucial for better addressing the challenges posed by external context.



Materiality Matrix

The Materiality Matrix is the result of an engagement activity that analyzed the current and future expectations of our Stakeholders. The assessment process included the involvement of and interaction with some of our most important customers, suppliers representatives of the financial markets and the Company's top management, analyzing the importance of a range of topics concerning their relationship with RDM Group. In order to build a balanced analysis capable of reflecting the topics of greatest relevance and priority, the matters were investigated through several dimensions, including risks, opportunities, strategy and market trends. The combination of the internal and external perspectives resulted in the identification of 15 material topics.



The Materiality Matrix was used as the baseline to establish RDM Group's long-term sustainability goals 2020 – 2030.

Priorities emerged during the Stakeholder engagement process

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

Our Sustainability Plan 2020 – 2030

At RDM Group we are aware that the world is experiencing a massive change characterized by global megatrends, including sustainability, digitalization and automation. The ability of a company to respond to these trends is a sign of both resilience and vision.

Goal	Baseline 2020	Progress	Target 2030	
Reduce Scope 1 and Scope 2 CO ₂ equivalent emissions per ton of net salable production	0.50 tCO ₂ e/t	0.46 tCO ₂ e/t (-8%)	-30% by 2030	
Increase the proportion of waste sent for recovery	73%	69% (-4%)	90% by 2030	
Reduce the total amount of waste generated per ton of net salable production	181 kg/ton	163 kg/t (-10%)	-20% by 2030	
Reduce wastewater discharges per ton of net salable production	11.06 m ³ /ton	10.19 m ³ /t (-8%)	-20% by 2030	

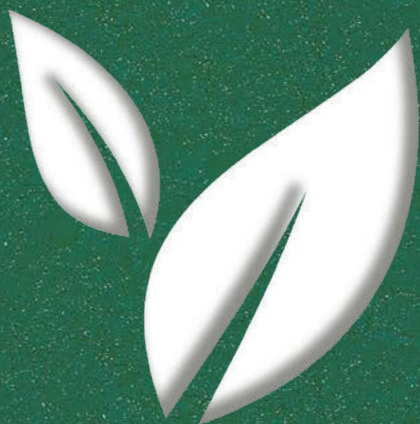
The process of defining our long-term Sustainability Goals began with developing RDM Group's Materiality Matrix, which was created through the engagement of our management team and key external Stakeholders.

	Goal	Baseline 2020	Progress	Target 2030
	Key suppliers assessed and qualified according to ESG criteria for all relevant product categories	New assessment to be started	New assessment platform identified	100% by 2025
	Implement a Behavior-Based Safety program at all production sites	1 site	2 sites	All sites by 2023
	Increase the employee advocacy rate	3.98	4,16	4.50 by 2030
	Increase the percentage of women employed by RDM Group	9.5%	10.4% (+9%)	+30% by 2030

The former mill of La Rochette is excluded from the 2020 baseline. For further information on calculations, baseline and reporting boundary, please refer to the Sustainability Report 2021.

Apollo Global Management

The acquisition of RDM Group by the affiliates of funds managed by Apollo Global Management truly represents a milestone in the Group's growth path.



The journey that lies ahead sees a clear shift from being a publicly listed company to a privately owned organization, backed by one of the largest alternative asset managers worldwide. Apollo is a high-growth, global alternative asset manager with approximately USD 498 billion of assets under management as of December 31, 2021.

In 2020, within private equity, Apollo launched the Apollo Impact Platform to differentiate itself within the market by seeking impact at scale via opportunities in later-stage companies that align with specific UN Sustainable Development Goals (SDGs).

As the inaugural investment led by the Apollo Impact Platform, RDM Group reflects Apollo's strategy to partner with good businesses where financial and impact performances can be driven together to increase their beneficial effects on society and the planet.



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.



PROMOTE OCCUPATIONAL HEALTH AND SAFETY

How we contribute: -66% severity rate and -43% frequency rate in 2021 compared to 2020, paired with the adoption of a “Zero Accident” policy.



PROMOTE LEARNING AND SKILLS DEVELOPMENT

How we contribute: € 700k invested in 2021 invested in technical and vocational training and skill development to promote continuous learning and personal growth.



PROTECT WATER ECOSYSTEMS

How we contribute: 14.1% reduction of specific water withdrawals since 2020 to reduce the impact on water sources, and continuous monitoring of discharges to protect aquatic ecosystems.



INCREASE ENERGY EFFICIENCY OF OPERATIONS

How we contribute: 6.1% reduction of specific energy consumption since 2020 thanks to efficiency improvements in operations.



PROMOTE FULL EMPLOYMENT AND DECENT WORK

How we contribute: 2,246 people have found employment opportunity with us. We adopt whenever possible national collective bargaining agreements that guarantee good working conditions.

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.



MODERNIZING INDUSTRIAL PROCESSES AND MAKE THEM MORE SUSTAINABLE

How we contribute: During 2021, 2 mills have successfully launched the Lean Manufacturing Project to modernize industrial processes and make them more sustainable.



ADOPT SUSTAINABLE PATTERNS OF PRODUCTION AND CONSUMPTION

How we contribute: 90% of fiber-based raw materials is made from paper for recycling. Our products are all renewable, recyclable and actually recycled.



TAKE ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

How we contribute: 1.1% reduction of specific CO₂ emissions since 2020 thanks to energy efficiency programs, energy mix revisions and emission mitigation efforts.



PROMOTE SUSTAINABLE MANAGEMENT OF FOREST-RELATED RESOURCES

How we contribute: 100% of virgin market pulp from certified and/or controlled sources to sustain sustainable management of forests.



STRENGTHEN PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

How we contribute: RDM joined more than 30 associations locally and internationally to support innovation in our sector and strengthen partnerships for sustainable development.

Our circular approach to business

We travel the road of circular economy, emphasizing the value of our raw materials and the importance of recycling. A journey that we share together with all our Stakeholders.

RDM Group's commitment is fundamental to the entire value chain, both upstream and downstream. A virtuous path that starts with renewable materials and culminates with recycled and recyclable products.

RDM GROUP'S CARTONBOARD IS



fully recyclable

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



ecological and biodegradable

if accidentally left in the environment

In 2021 we used over **1,220,000 tons** of paper and cartonboard at the end of their life cycle, which is equivalent to the amount consumed by more than 17 million European inhabitants.

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



90%

Paper for recycling



5%

Virgin market pulp



5%

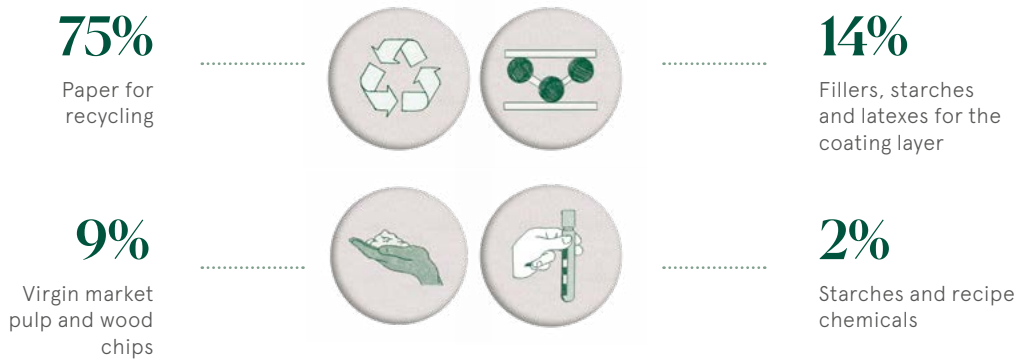
Wood chips



FOCUS ON OUR FINISHED PRODUCTS

Recycled cartonboard could be seen as a “simple” product, but its production requires the implementation of complex manufacturing processes, production skills and the combination of natural fibers with other types of raw materials. Our products are designed to be renewable, recyclable and are actually recycled in the end!

The overall composition of RDM Group cartonboard and the coating layers can be described as follows:



FOCUS ON OUR FIBER-BASED RAW MATERIALS



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 understand how well our commercial products and services meet customer expectations in order to work continuously on enhancing our offerings. Within RDM Group, we systematically measure our customers' satisfaction through dedicated customer surveys twice a year.

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Complaints

In 2021, the Group worked on further improving its products and services by strengthening quality management.

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.

The system of traceability for supplies is an essential element in this sense, as it 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 processing in each supply

822

customers
contacted



56%

response rate, **+1%**
compared to the last
survey in 2020

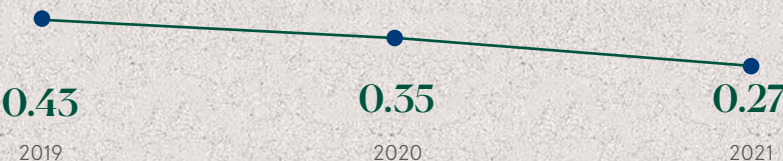


7.18/10

customer rating
(7.18/10 in the last
survey in 2020)

CLAIMS

In 2021, the Group worked on further improving its products and services by strengthening quality management. Compared to 2020, we have reduced the number of complaints by 22%.



Rate of complaints: number of complaints per 100 tons of net salable production.

Management Systems

Efficient management of business processes is a key element of long-term success. For this reason, we have implemented management systems certified according to ISO standards, which are internationally recognized.

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.

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

	ISO 45001	ISO 9001	ISO 14001	EMAS	BLAUER ENGEL	ISO 50001	FSC®	PEFC	BRC/ EN15593/ ISO 22000
Arnsberg	–	1992	1997	1997			2010		
Barcelona	2021	1996	1998	2000		2020	2015		2010
Blendecques	–	1995	–			2014	2008		
Headquarters Milan	2019	1996	2021			2021			
Hoogezand	–	1997	2014			2020	2018	2017	
Magenta	–	1996	–				2010		
Ovaro	2020	1996	2004		2015	2015	2009	2017	
PAC Service	2021	1997	–				2010	2009	2018
Paprinza	–	–	–				2012		
S. Giustina	2020	1996	2001			2015	2010	2016	2020
Sappemeer	–	1997	2014			2020	2018	2017	
Villa S.Lucia	2020	1996	2005			2015	2010		

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.

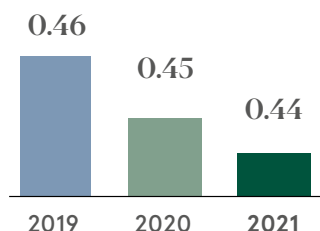
AIR EMISSIONS



-4%

OF CARBON INTENSITY
REDUCTION SINCE 2019

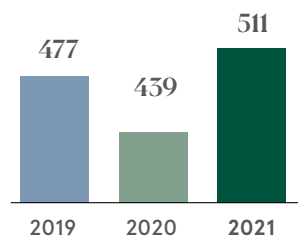
CARBON INTENSITY (tCO₂e/ton)



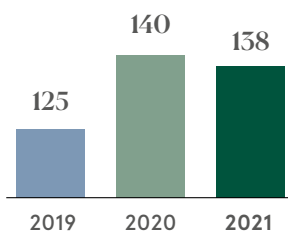
KEY PILLARS

- Goal of reducing carbon intensity by 30% by 2030
- 31% of indirect scope 2 emissions neutralized through **green electricity** amounting to 27,827 tCO₂e
- **EU-ETS emission** allowances system
- **Carbon storage** through our fiber-based products

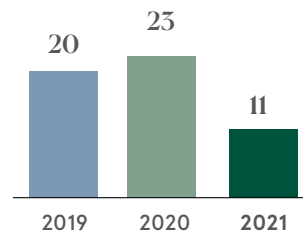
OTHER ATMOSPHERIC EMISSIONS (ton)



NO_x



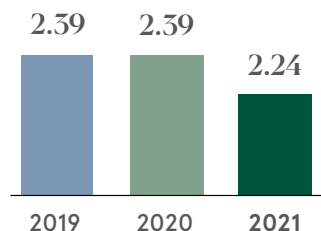
SO_x



Particles

ENERGY

ENERGY INTENSITY (MWh/ton)



-7%

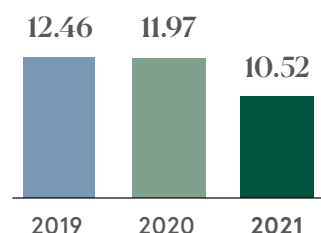
OF ENERGY INTENSITY
REDUCTION SINCE 2019

KEY PILLARS

- **Investments** in more efficient equipment and machinery
- Use of **high efficiency cogeneration plants**
- **Waste-to-Energy** plant in the Netherlands to reduce environmental impacts
- Centralized **energy management** and monitoring

WATER

WASTEWATER DISCHARGE INTENSITY (m³/ton)



-18%

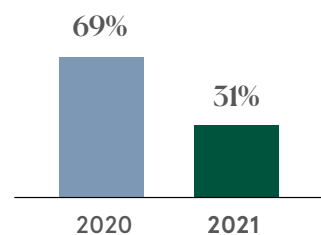
OF SPECIFIC
WASTEWATER
DISCHARGES SINCE 2019

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
- **90% of water withdrawn** is returned to the environment, after treatment

WASTE

WASTE BY DESTINATION (%)



99.4%

OF THE WASTE
PRODUCED IS
NON-HAZARDOUS
(2021)

KEY PILLARS

- Goal of **increasing the proportion of waste sent for recovery** 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

MAIN ENERGY SOURCES BY TYPE (MWh)

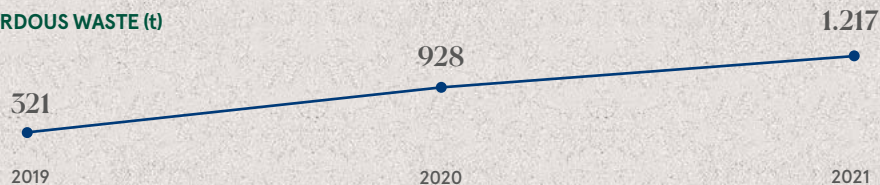


WASTE

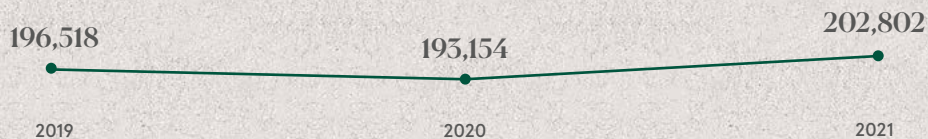
SPECIFIC WASTE (kg/t)



HAZARDOUS WASTE (t)



NON-HAZARDOUS WASTE (t)



The general increase in volume of waste, both hazardous and non-hazardous, is due to the full integration of the Paprinsa and Eska mills during the second half of 2021.

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 2,200 employees and interim workers in 12 countries in Europe, North America and Asia. 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.

PEOPLE OF THE GROUP

2,246 people

working at RDM
Group



44 executives
of which **13** women



561 white-collar employees
of which **164** women



1,401 blue-collar employees
of which **32** women



240 interim workers
of which **13** women

EMPLOYEES BY COUNTRY



ITALY	GERMANY
34%	16%
IBERIAN PENINSULA	REST OF EUROPE
20%	1%
FRANCE	REST OF THE WORLD
10%	2%
THE NETHERLANDS	
17%	



TOTAL RECRUITMENT
RATE
9%

TOTAL TERMINATION
RATE
6%

AVERAGE HOURS OF TRAINING 2021

9.0
men

13.3
women

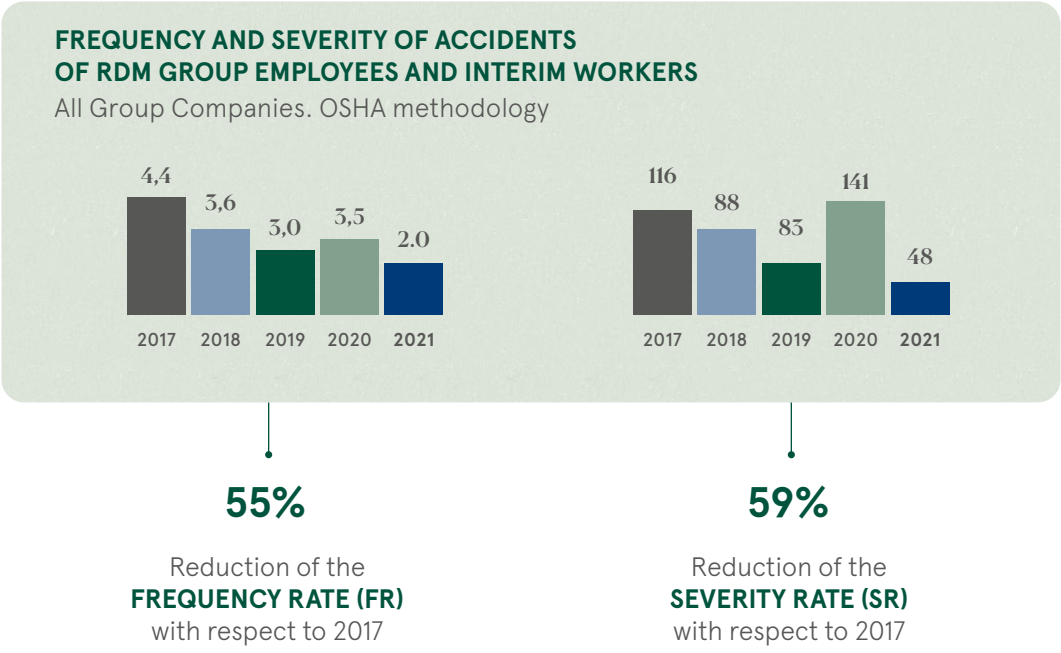
Safety First!

RDM Group operates with a clear strategic focus on safety. Our most important asset is the people who work for us. Ensuring the well-being and safety of 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, as that leads to taking better care of the workplace through a healthy and positive sense of belonging to the company.

FREQUENCY RATE (FR)
Ratio between number of injuries and hours worked, multiplied bxy 200,000 (OSHA methodology).

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



We pursue a policy based on a “**Zero Accident**” Vision. To achieve this ambitious objective **the Group has set the goal of implementing a Behavior-Based Safety (BBS) system at all of its production sites by 2023.**



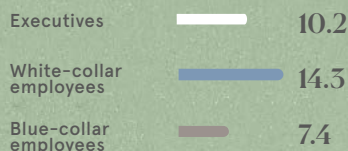
OVER THE LAST THREE YEARS **MORE THAN 2 MILLION** EUROS HAVE BEEN INVESTED IN TRAINING ACTIVITIES, INCLUDING **MORE THAN 700,000** EUROS IN 2021

AVERAGE HOURS OF TRAINING IN 2021

BY GENDER



BY EMPLOYEE CATEGORY



PERFORMANCE MANAGEMENT

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

Our performance appraisal system is based on formal appraisal mechanisms that extend to second-level management. The effective implementation of the sustainability strategy is also taken into account in performance evaluation and in the related systems for recognizing remuneration bonuses, including for our CEO and other top managers.

In particular, our remuneration schemes are consistent with our long-term sustainability goals. Starting from 2022, three of these goals (i.e. those that are the binding KPIs of the "Sustainability-Linked Bond" issued to finance the Company) are connected to the variable remuneration of RDM Group's management.

The connection between the financial bonus schemes and sustainability performance has thus been significantly tightened and aligned with the long-term improvement of the environmental performance of the entire Group.

EMPLOYEE ENGAGEMENT

We believe that involving people and sharing what happens within the Group is essential for increasing the sense of belonging to the Company.

In addition to the Intranet portal, which has been strengthened in the last years, we use the periodic "MeetUp" newsletter to reach all of the Group's employees. The newsletter is written in six languages and distributed to employees via email and in printed format. We want all of the workers at 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. This type of communication was intensified in 2021 to

ensure a more frequent circulation of news across the entire Group.

We promote teamwork, dialogue between different generations and cultures, and the sharing of experiences. We listen to our employees with periodic “people surveys” in order to define our management initiatives and improve our people’s well-being.

Following the 2020 “people survey,” the HR team updated the ambitious work plan defined back in 2018. In 2021, we particularly promoted initiatives on preventive health across all of our mills, including open-air refreshment areas for lunch, attention to nutrition, maintaining a work-life balance (working from home for HQ and the sales offices) and initiatives to spend time together outside of the workplace. In addition, we continued working on initiatives launched

in previous years for professional growth (e.g. training development plans and specific leadership coaching) and recognition and rewards (e.g. seniority awards and safety champion awards).

We are committed to promoting organizational well-being for the benefit of all of RDM Group’s people.

We have set ourselves the goal of **achieving an advocacy rate of 4.16 by 2030** 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 family and friends.





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Graphic design: Common

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

For more information about RDM Group's sustainability performance, please download our Sustainability Report 2021.



www.rdmgroup.com