



ESG Scorecard

Arjobex



Reporting 2021

Activity	Synthetic paper manufacturer	Revenue (M€) Data as of 12/31/2021	73	Contact	Mark Grimbley, Corporate Sustainability manager
Location	France, United Kingdom, Germany, USA, India, China	Employees Data as of 12/31/2021	277	Reporting scope	France, Germany, UK and USA

ACTIVITY

Arjobex is an international producer of synthetic paper, mainly used by clients for marketing purposes on product containers and packaging. The production plants are located in France, the UK and the US. Arjobex has integrated new sites in Germany in 2021.

TOP SECTORIAL ESG STAKES – SASB*



- **Sector:** Containers & Packaging
- **Stakes:** Greenhouse gas emissions, air quality, energy management, water management, waste management, product safety, product lifecycle management, supply chain management

SUSTAINABILITY RISKS (SR) AND PRINCIPAL ADVERSE IMPACTS (PAI) OF THE COMPANY IDENTIFIED BY SIRSA

SR:

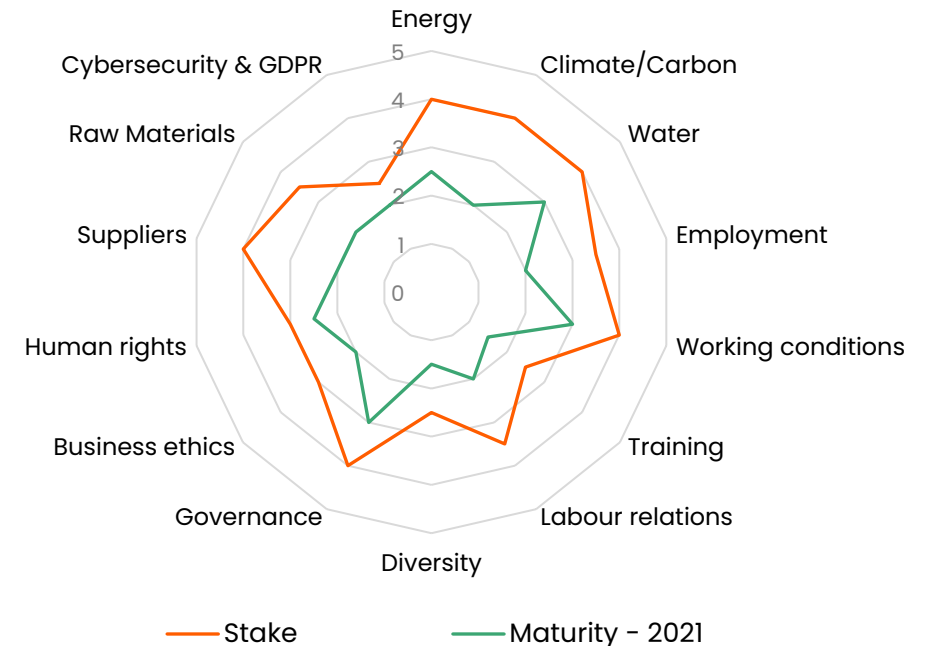
- Operational risks linked to non-harmonization of governance and social practices among the group
- Operational risk linked with employees' recruitment, and working conditions (health and safety, trainings)

PAI:

- Environmental impact of the production
- Environmental impact of the product during their lifecycle
- Risk of unethical practices of suppliers located in countries at risk
- Working conditions in the facilities

ESG stakes well addressed

ESG stakes and maturity



* See appendices for methodology

Arjobex - Best practices and recommendations

ESG Dimension	Main ESG stakes	Good practices/ Actions implemented	Actions planned or being implemented	ESG recommendations
Governance	<ul style="list-style-type: none"> Harmonization of practices among the company's entities Business ethics in the country at risk in terms of corruption 	<ul style="list-style-type: none"> CSR risks has been identified by the company Appointment of a CSR manager ISO 9001 (Arjobex Polyart Limited, Arjobex SAS, Arjobex America, MDV) ISO 14 001 (Arjobex Polyart Limited, Arjobex SAS, Arjobex America, MDV) ISO 45 001 (Arjobex Polyart Limited, Arjobex SAS, Arjobex America) BRC certified (Techfolien) EcoVadis assessment RGPD measures (DPO, register) and employees' training 	<ul style="list-style-type: none"> CSR will be discussed at the shareholder governance body meeting An ethics code will be formalized 	<ul style="list-style-type: none"> Consolidate ESG data at group level Harmonize governance practices among the group
Environment	<ul style="list-style-type: none"> Product lifecycle Waste generation Energy used in the production process Transport of goods to customers Raw Materials used in production Development of new sustainable offers 	<ul style="list-style-type: none"> An environment policy has been implemented Water treatment plants and discharge consents in place where waste water from the production process is discharged into local rivers. 	<ul style="list-style-type: none"> Carbon footprint will be assessed on scope 2 Project initiated to develop a methodology to use coated waste in the production of uncoated base films Energy efficiency projects and renewable energy consumption are considered by the company 	<ul style="list-style-type: none"> Report on energy consumption by type of energy and on waste production Implement eco-design measures Assess the carbon footprint on scope 1, 2 and 3, and implement carbon reduction measures
Social	<ul style="list-style-type: none"> Health and safety Social dialogue Working conditions of the employees 	<ul style="list-style-type: none"> Health and safety policies are implemented at business units level in the employee handbooks Employees are trained 		<ul style="list-style-type: none"> Consolidate HR data at group level Report on accidentology KPIs and implement measures to reduce them Implement a Health and Safety policy at group level Consider implementing a diversity charter
Supply Chain	<ul style="list-style-type: none"> Selection of suppliers according to ESG criteria Localization of suppliers 	<ul style="list-style-type: none"> According to the management, the suppliers are chosen by the company to be located near the facilities for every countries of production Paper purchased is FSC or PEFC certified 		<ul style="list-style-type: none"> Implement a responsible purchasing policy Audit suppliers regarding ESG aspects such as work conditions and health and safety

GOVERNANCE

Shareholder governance	2020	2021	Δ vs n-1	Benchmark ¹
Number of board members	-	9	N/A	
% de women at the board	-	11	N/A	21.7
% of independant at the board	-	0	N/A	
Operational governance				
Number of members	-	17	N/A	
% of women	-	6	N/A	21.5

Details about governance

The company has activities in India and China (sales representatives), which are considered a risk country in terms of corruption.
A code of ethics will be formalised in 2022.

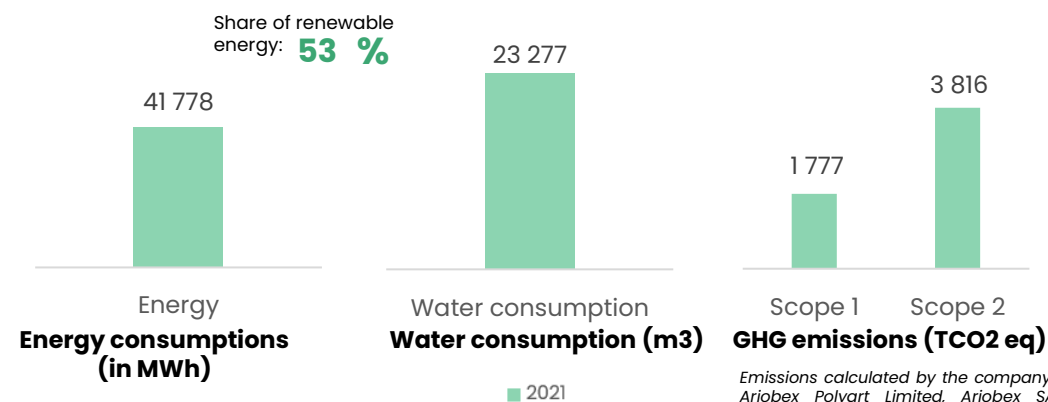
	2020	2021	Δ vs n-1
Code of Ethics	-	No	N/A
Ethical litigation	-	Yes	N/A
Certifications	-	Yes	N/A
CSR at the board	-	No	N/A
CSR Charter/KPIs	-	Yes	N/A
CSR Manager	-	Yes	N/A
CSR Management System	-	No	N/A
Data protection policy	-	Yes	N/A
GDPR Manager	-	Yes	N/A
Information system security	-	No	N/A
Activities in corruption risk countries	-	Yes	N/A

ENVIRONMENT

	2020	2021	Δ vs n-1
Environmental policy	-	Yes	N/A
Carbon Footprint	-	Yes	N/A
Environmental impact reduction measures	-	No	N/A

Details about environmental data

The company has assessed its carbon footprint on the scope 1 and 2 of some of its entities.
The total energy consumption was reporting directly in MWh, without a breakdown per energy type.
Water consumption does not cover the site in America.



Emissions calculated by the company on Arjobex Polyart Limited, Arjobex SASS, Techfolien, MDV, and Reisewitz.

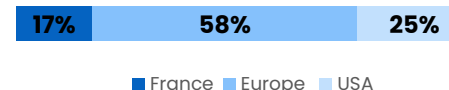
SOCIAL

	2020	2021	Δ vs n-1	Benchmark ¹		2020	2021	Δ vs n-1	Benchmark ¹
Headcount (data as of 12/31/2021)	-	277	N/A		Working accident frequency rate	-	N/A	N/A	22.5
Permanent (% of headcount)	-	100	N/A		Working accident severity rate	-	N/A	N/A	1.4
Absenteeism (% of worked hours)	-	6.75*	N/A	4.26	Security/Safety Policy	-	N/A	N/A	
Turnover (% of headcount)	-	N/A	N/A		Training budget (% of payroll)	-	N/A	N/A	
Net job creation	-	N/A	N/A		Profit sharing scheme beyond legal requirements	-	No	N/A	
Diversity charter/KPIs	-	No	N/A		Social litigation	-	Yes	N/A	
Unadjusted Gender Pay Gap	-	N/A	N/A						
Share of women in the 10 highest paid profiles	-	11.7*	N/A						

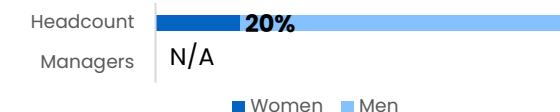
Details about social data

Accidentology KPIs are followed by some entities but not consolidated at group level.

Geographic breakdown



Share of women



SUPPLY CHAIN

	2020	2021	Δ vs n-1
Origins of the suppliers	-	Europe, USA, Asia, Middle East	N/A
Control of the Supply Chain	-	Yes	N/A
Responsible purchasing Charter	-	No	N/A
Identification of Supply Chain risks	-	Yes	N/A
Number of countries with high Human Right risk in which the company has suppliers	-	0	N/A

Details about Supply Chain

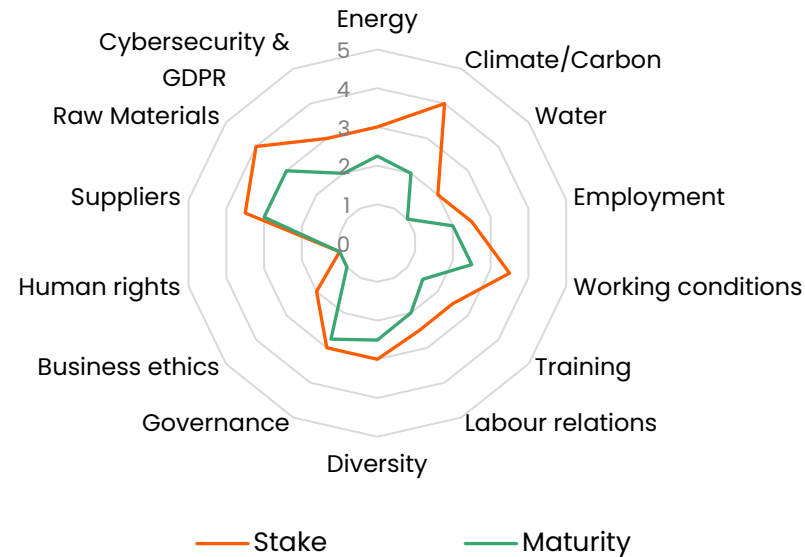
The suppliers are chosen by the company to be located near the facilities for every countries of production according to the management. The company has implemented CSR criteria into the selection of suppliers and products (mainly paper certification such as FSC or PEFC sources).

The sign "--" means that the data isn't available for 2021
1Methodology in appendices

Appendices

ESG stakes and maturity analysis grid

The collected data allowed SIRSA to identify the company stakes and maturity level on the following 14 areas:



This chart is not representative of Indigo's portfolio stakes and maturity levels

For each area evaluated, the stake and maturity levels are rated out of 5

Stake: 0 = no stake; 5 = significant stake

The stake is rated in relation to the size of the company, its sector of activity, the countries in which it operates, the data reported, and to a lesser extent, in relation to the other companies in the portfolio.

Maturity: rated in relation to the stake level and the following elements :

- ✓ Is the company aware of the stake?
- ✓ Does the company have policies in place to deal with this stake?
- ✓ Does the company track quantitative data on this stake?
- ✓ Are the results satisfying (in absolute value, in intensity, compared to the benchmark, and in evolution over time)?
- ✓ Has the company done everything in its power to respond to the stake, and is there no potential room for improvement?

The more important the gap between the stake level and the maturity level is, the higher the ESG risk is.

The Sustainable Finance Disclosure Regulation (SFDR) is a European regulation that requires financial services firms to disclose information on:

- **Principal adverse impacts on sustainability factors:** negative impacts of investment decisions on sustainability factors ('sustainability factors' mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters')
- **Sustainability risks:** risk of significant negative impact on the value of an investment

Methodological limits

- The graph above is designed for presenting a synthetic picture of the company's most salient ESG footprint and stakes. This synthetic representation is only an aid allowing to visualize the company's ESG stakes in its sector and market and should be supported by the quantitative and qualitative elements from the following pages.
- The ESG analysis is carried out based on the quantitative and qualitative data provided by the company on Reporting 21 and information collected during a telephone interview with the management. SIRSA's point of view (and therefore the representation of the ESG stakes) may be rendered incomplete or biased due to partial, erroneous or unavailable information.
- By definition, this graphical summary contains analysis methodological biases.
- In order to provide materiality in the portfolio level analysis, the analysis results of each portfolio company are also harmonized and made consistent with those of the other companies in the portfolio.

Sustainability Accounting Standards Board



The Sustainability Accounting Standards Board is a US not-for-profit organization engaged in the development and dissemination of accounting standards for ESG and sustainable development.

Founded in 2011, SASB offers a benchmark of more than 195 ESG stakes spread over 77 business sectors and classified, sector by sector, according to their degree of materiality.

To establish its standards in terms of information to be provided on sustainable development, the SASB takes into account the following five dimensions : environment; share capital; human capital; innovation and business model; leadership and governance.



Environment

- GHG Emissions
- Air Quality
- Energy Management
- Water & Wastewater Management
- Waste & Hazardous Materials Management
- Ecological Impacts

Leadership & Governance

- Business Ethics
- Competitive Behavior
- Management of the Legal & Regulatory Environment
- Critical Incident Risk Management
- Systemic Risk Management



Social Capital

- Human Rights & Community Relations
- Customer Privacy
- Data Security
- Access & Affordability
- Product Quality & Safety
- Customer Welfare
- Selling Practices & Product Labeling

Human Capital

- Labor Practices
- Employee Health & Safety
- Employee Engagement, Diversity & Inclusion

Business Model & Innovation

- Product Design & Lifecycle Management
- Business Model Resilience
- Supply Chain Management
- Materials Sourcing & Efficiency
- Physical Impacts of Climate Change

Severity rate of work accidents

- ✓- $1,000 * \text{Number of lost days due to work accidents} / \text{Number of annual theoretical working hours}$

Frequency rate of work accidents

- ✓- $1,000,000 * \text{Number of work accidents} / \text{Number of annual theoretical working hours}$

Turnover rate

- ✓- $(\text{Number of hires} + \text{Number of departures}) / 2 / \text{Physical headcounts at the end of the year}$

Net job creation

- ✓- $\text{Total of hires} - (\text{Total of departures} - \text{all types})$

Absenteeism rate

- ✓- $100 * \text{Number of hours of absence} - \text{all types of absence} / \text{Number of annual theoretical working hours}$

Proportion of budget devoted to training

- ✓- $100 * \text{Training budget} / \text{Payroll}$

Absenteeism rate

- 2020 average for France – Source : *Ayming, 12^{ème} Baromètre de l’Absentéisme et de l’engagement, 2020*

Sector	2018 value
All sectors	5.10 %
Services	5.26 %
Health	5.62 %
Industry – Construction	4.26 %
Trade	5.06 %

Share of women in the operational and shareholder governance bodies

- 2018 average per company size – Source : *KPMG, Parité dans les entreprises françaises. Focus sur les sociétés non cotées, 2019*

	Group	2018 values
Board	50-250 employees	22.6 %
	250-500 employees	21.7 %
	500-2500 employees	43.8 %
Executive Committee	50-250 employees	21.2 %
	250-500 employees	21.5 %
	500-2500 employees	23.4 %

Severity and frequency rate

- 2018 average per sector – *Caisse Nationale d’Assurance Maladie (CNAM), « Statistiques sur la sinistralité de l’année 2018 »*
Quand il n’y avait pas de secteur pertinent dans la liste de la CNAM, nous avons pris les taux globaux du rapport de la CNAM (TF = 20,7 et TG = 1,4).

Share of disabled employees

- 2016 average for France – Source : *Agefiph, Emploi et chômage des personnes handicapées, N°2019-2*