



ESG Scorecard

Arjobex



Reporting 2022

Activity	Synthetic paper manufacturer	Revenue (M€) Data as of 12/31/2022	82.40	Contact	Mark Grimbley, Corporate Sustainability manager
Location	France, United Kingdom, Germany, USA, India, China	Employees Data as of 12/31/2022	279	Reporting scope	100% of the revenue

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.

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

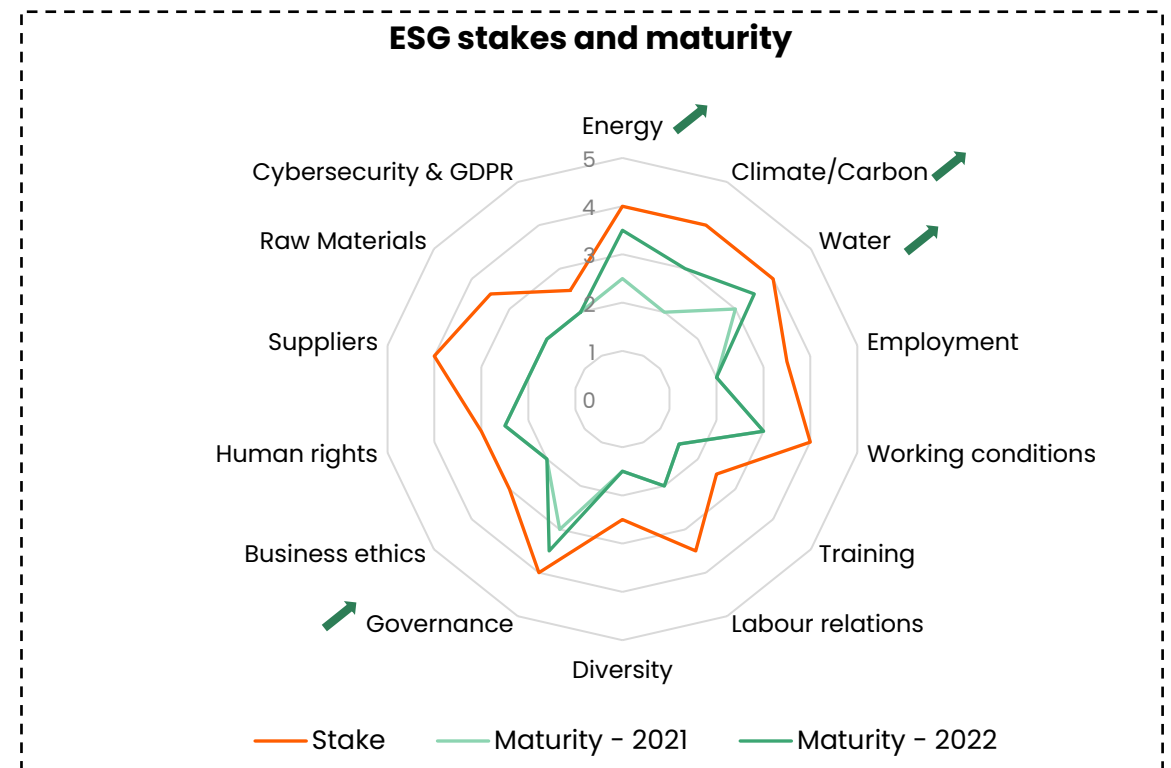
SR:

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

ESG stakes well addressed



* 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 term of corruption 	<ul style="list-style-type: none"> CSR risks have been identified by Arjobex Appointment of a CSR manager ★ Ecovadis Gold medal (Arjobex Polyart) ★ Ecovadis Silver medal (Arjobex SAS, America, MDV, Technoflien) ★ Ecovadis Bronze medal (Reisewitz) ISO 9001 (Polyart, SAS, MDV, Techfolien) ISO 14001 (Polyart, SAS, America, MDV) ISO 45001 ((Polyart, SAS, America) 	<ul style="list-style-type: none"> Deployment of the actions identified by Ecovadis action plan Harmonisation of the different code of ethics to have one global code of ethics 	<ul style="list-style-type: none"> Consolidate ESG data at group level Harmonize governance practices among the group Formalise and harmonise IT security policy between entities
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"> Carbon footprint assessment for scope 1 and 2 Environment policy has been drafted Monitoring of energy consumption Monitoring of the water consumption Water treatment plants and discharge consents in place where wastewater from the production process is discharger into local rivers 	<ul style="list-style-type: none"> Measurement of the scope 3 is planned for 2025 Validation of the trajectory with SBTi is planned once the emissions breakdown will be well understood Implementation of actions to preserve the biodiversity 	<ul style="list-style-type: none"> Implement eco-design 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 unit level in the employee handbooks Training of employees 		<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

Arjobex - 2022 ESG Data

GOVERNANCE

Shareholder governance	2021	2022	Δ vs n-1	Benchmark ¹
Number of board members	9	8	↓	
% de women at the board	11	0	↓	21.7
% of independant at the board	0	0		
Operational governance				
Number of members	17	16	↓	
% of women	6	13	↑	21.5

Details about governance

Each business units of the group has its own code of conduct, and Arjobex, with a view to harmonizing practices, started to compile all the codes of conduct in 2023 to only have one at the Group level.

An important work has been done with the Ecovadis evaluation in 2022. The next steps of its evaluation is to implement actions to reach new objectives, it will be the focus of 2023.

	2021	2022	Δ vs n-1
Code of Ethics	No	No	
Ethical litigation	Yes	No	↑
Certifications	Yes	Yes	
CSR at the board	No	Yes	↑
CSR Charter/KPIs	Yes	Yes	
CSR Manager	Yes	Yes	
Data protection policy	Yes	Yes	
GDPR Manager	Yes	Yes	
Information system security	No	No	
Activities in corruption risk countries	Yes	Yes	

ENVIRONMENT

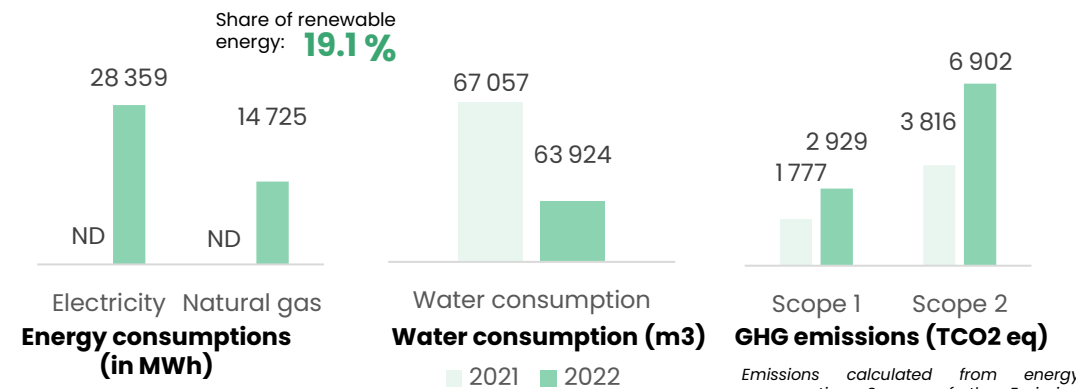
	2021	2022	Δ vs n-1
Environmental policy	Yes	Yes	
Carbon Footprint	No	No	
Environmental impact reduction measures	No	No	

Details about environmental data

Between 2021 and 2022, Arjobex has implemented a system to monitor and control energy consumption.

The Group raises awareness about energy consumption in each entity.

The share of renewable energy consumptions has been estimated by Arjobex on the basis of the information given on energy bills.



Emissions calculated from energy consumption. Source of the Emission Factors: ADEME

Arjobex - 2022 ESG Data

SOCIAL

	2021	2022	Δ vs n-1	Benchmark ¹		2021	2022	Δ vs n-1	Benchmark ¹
Headcount (data as of 12/31/2022)	277	279	➔		Working accident frequency rate	N/A	N/A		22.5
Permanent (% of headcount)	277	279	➔		Working accident severity rate	N/A	N/A		1.4
Absenteeism (% of worked hours)	N/A	N/A		5.41	Security/Safety Policy	No	No		
Turnover (% of headcount)	22.74	29.57	➔		Training budget (% of payroll)	N/A	N/A		
Net job creation	N/A	+1			Profit sharing scheme beyond legal requirements	Yes	Yes		
Diversity charter/KPIs	No	No			Social litigation	Yes	No	➔	
Unadjusted Gender Pay Gap	N/A	N/A							
Share of women in the 10 highest paid profiles	N/A	N/A							

Details about social data

Some profit-sharing schemes are deployed but only for the French entities, such as productivity bonuses, individual performance bonuses.
As in 2021, the accidentology KPIs are followed by some entities but not consolidated at Group level.
This represents an area for improvement for the Group.

Geographic breakdown



Share of women



SUPPLY CHAIN

	2021	2022	Δ vs n-1
Origins of the suppliers	Europe, USA, Asia, Middle East	Europe, USA, Asia, Middle East	
Control of the Supply Chain	Yes	Yes	
Responsible purchasing Charter	Yes	Yes	
Identification of Supply Chain risks	Yes	Yes	
Number of countries with high Human Right risk in which the company has suppliers	0	1	➔

Details about Supply Chain

Arjobex has identified its main raw materials risks. The main one is the delay of delivery due to weather conditions, political uncertainty and economic factor (increase of the price of raw material, etc.). These risks are managed by Arjobex in particular thanks to the diversity of suppliers in the supply chain, allowing to supply from different suppliers if needed.

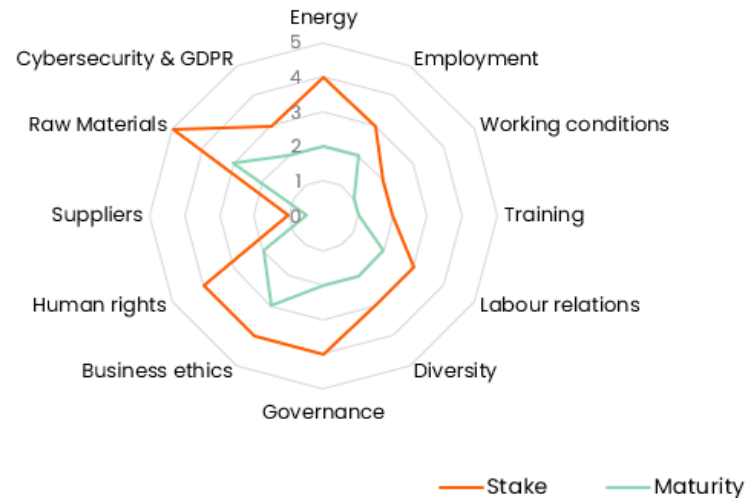
*The sign "-" means that the data isn't available for 2022
1Methodology in appendices

Appendices

ESG stakes and maturity analysis grid

The collected data allowed SIRSA to identify the company stakes and maturity level on the following 12 areas:

ESG stakes and maturity



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

3 conclusions are possible:

- Few to no ESG stakes
- ESG stakes sparsely addressed
- ESG stakes well addressed

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.

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

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



Business Model & Innovation

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

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

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

- 2021 average for France – Source : *Ayming, 13th Absenteeism and Engagement Barometer, 2022*

Sector	2021 value
All sectors	6.19 %
Services	6.74 %
Health	7.35 %
Industry – Construction	5.41 %
Trade	5.92 %

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 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 %