

**2023**

**SUSTAINABILITY  
REPORT UPDATE**

Quad Europe

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# About Sustainability Report update

How much can happen in a thriving company in a year? It turns out that a lot!

In 2023, we at Quad Europe strived relentlessly, week after week, to achieve our goals, implemented further changes and reacted to what the dynamically shifting environment brings. We took care of the social, environmental and economic aspects to generate value in a suitable manner.

To summarize our activities to date, we have prepared an update of the Sustainability Report, and we would like to present the latest data and achievements of our company in 2023. First up – a comment from President of Quad Europe, Jean-Michel Gaffé.

**Enjoy reading!**

# One Quad

**„In the industry, in which we operate, we recognize the fundamental importance of supporting the forests and environmental protection”.**



In 2023, our company continued its efforts towards sustainable development, focusing on balance between social, environmental and economic aspects. Meeting ESG (Environmental, Social, Governance) goals remains our priority, and our strategy is strongly focused on creating value in sustainable and responsible manner.

In the industry in which we operate, we recognize the fundamental importance of supporting forests and environmental protection. We hold numerous environmental certificates that confirm that our operations comply with the highest standards of nature protection and responsible sourcing of raw materials.

A key aspect of our strategy is to minimize the negative impact on the environment by reducing waste and greenhouse gas emissions. We obtain electricity only from renewable sources, optimize production processes and implement efficient technologies that allow us to reduce our carbon footprint.

We see sustainable development as the process of pursuing long-term growth and progress while respecting ecosystems and the well-being of present and future generations. Our activities are aimed not only at achieving business success, but also at protecting the environment, supporting community development and building lasting relationships with our customers and partners.

In this report, we provide an update on our activities in 2023, highlighting the progress we made in implementing our sustainability strategy and our goals we have set for the future.

*Jean-Michel Gaffé*

**Jean-Michel Gaffé**  
President of Quad Europe Management Board



## About us

QUAD (NYSE: QUAD) is an international company specializing in end-to-end marketing solutions, helping brands reach consumers more effectively, efficiently and easily in global markets. The three pillars lie at the heart of Quad's strategic priorities:

- **The excellence of the integrated marketing platform**
- **A relentless pursuit of innovation**
- **Company culture and employees' social commitment**

Key areas of expertise such as strategy and consulting, data analysis, technological solutions, media services, creative content creation and service management are responsible for the strength of our marketing platform.

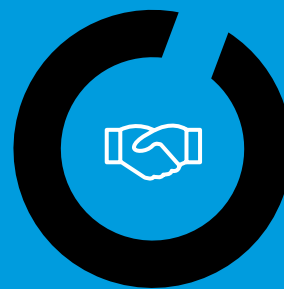
## Quad in numbers:



15 000 EMPLOYEES



14 COUNTRIES



2900 CUSTOMERS

## Quad Europe in numbers

Quad Europe is the European  
branch of the company



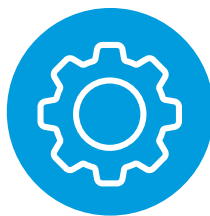
700 CUSTOMERS



1700 EMPLOYEES



5 COUNTRIES



2 FACTORY  
UNITS



8 SALES  
OFFICES



2 CREATIVE  
CENTERS

Quad Europe's services include printing solutions,  
POS materials: **Quad POS**, and advertising  
solutions: **Peppermint powered by Quad**.



## Environment

In 2023, we made progress in reducing CO<sub>2</sub> emissions and sustainably managing resources, as well as implemented innovative green initiatives. Here are the details!

### Commitment to environmental protection

„For a company that has printing on paper in its DNA, trees are a real treasure. That’s why we treat them with great respect.”

We only purchase paper from producers who ensure sustainable forest production. This way, we know that each tree that is cut down is replaced with the right seedlings. We consistently strive to use sustainably sourced, certified paper.

Sustainable forest management is crucial both for our customers and for us. That is why we were PEFC and FSC® certified. These guarantee that the wood used to make the paper comes from well-managed FSC® certified forests, as well as recycled and other controlled sources.

By adapting the processes and materials we use to the requirements of the EU Ecolabel environmental certification, we can provide our customers with products that comply with the one of Europe's strictest environmental standards.





## Sustainable production and circular economy

We do care about upcycling and recycling. Reducing consumption and recycling all leftovers is an important step in our production process.

Full recycling efforts play important part of our sustainability strategy, and we proudly emphasize our commitment to protecting the environment through proper waste management.



**99% of our waste does not end up in landfill. We recycle it – up to 7 times!**

## Energy and pollutant emissions

We focus our activities on reducing greenhouse gas emissions, thus remaining in line with the goals set by the European Green Deal, which aim to make Europe's climate neutral by 2050.

### We use our own carbon footprint calculator

The calculator was developed in accordance with the internationally recognized GHG Protocol (GreenHouse Gas Protocol), thanks to which we obtain accurate and reliable data on emission levels in our company. This allowed us to develop a strategic, greenhouse gas emission reduction plan.



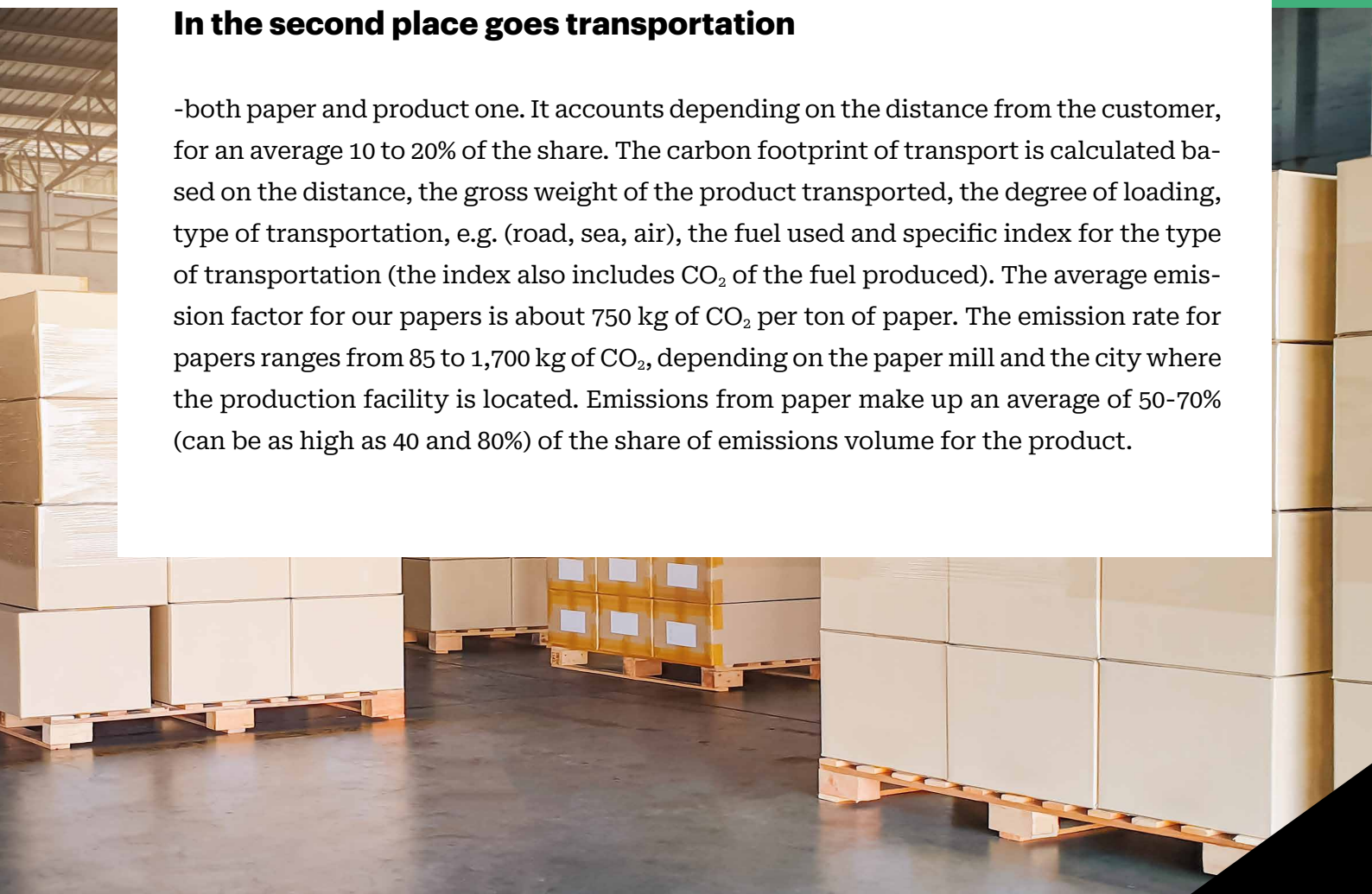
**A product's carbon footprint, on the other hand, takes into account all the emissions created throughout its life cycle.**

### **The biggest contributor to the carbon footprint of our products is paper**

The average carbon footprint for our papers is about 750 kg of CO<sub>2</sub> per ton of paper. The emission volume for papers varies from 85 to 1,700 kg of CO<sub>2</sub>, depending on the paper mill and the city where the production facility is located. Emissions from paper make up an average of 50-70% (can be as high as 40 and 80%) of the share of emissions for the product.

### **In the second place goes transportation**

-both paper and product one. It accounts depending on the distance from the customer, for an average 10 to 20% of the share. The carbon footprint of transport is calculated based on the distance, the gross weight of the product transported, the degree of loading, type of transportation, e.g. (road, sea, air), the fuel used and specific index for the type of transportation (the index also includes CO<sub>2</sub> of the fuel produced). The average emission factor for our papers is about 750 kg of CO<sub>2</sub> per ton of paper. The emission rate for papers ranges from 85 to 1,700 kg of CO<sub>2</sub>, depending on the paper mill and the city where the production facility is located. Emissions from paper make up an average of 50-70% (can be as high as 40 and 80%) of the share of emissions volume for the product.





### **The carbon footprint of transportation can be reduced by:**

- Alternative HVO fuels (biofuel): reduction vs diesel by about 88%, LNG (gas): reduction vs diesel by about 15%.
- Intermodal transport, e.g. railway: reduction vs. diesel approx. 45%, maritime: reduction vs diesel approx. 4% (values for the entire route).
- Use of double-deck cars, road trains (special requirements regarding standards of packaging and logistics operations).
- Optimization of cargo space.

### **What activities in the paper production area have we implemented in 2023?**

- Preparation a system for recording the carbon footprint created during the transport of paper from suppliers for Core Business.
- Preparation of an evaluation system of paper and cardboard suppliers.
- Preparation of a system to record data on the carbon footprint created by paper production for Core Business purchases.
- Preparation of a system to record data on the recycled fiber content of paper for Core business purchases.
- Continued purchases of PEFC, FSC and Eco Label certified paper (certified paper accounts for 90% of our purchases).

## **What activities in the area of paper production do we plan on implementing in 2024?**

- Recording the carbon footprint of paper transportation for printing services.
- Preparing a system for recording the carbon footprint generated during the transportation of cardboard and paperboard from suppliers for Quad POS.
- Introducing a paper and cardboard supplier evaluation system that includes environmental aspects and information on compliance with labor rights.
- Changes in processes and preparation of the system to meet the rules of regulation to prevent deforestation in 2025 in accordance with the EUDR directive.
- Preparing to implement in 2025 the ability to purchase paper produced using green energy.
- System registration of carbon footprint data for purchases for printing services.
- Preparing a system to record data on the carbon footprint of paper production for Quad POS purchases.
- System registration of recycled fiber content in paper purchased for printing services.

## **Our environmental projects for 2023 – 2024**

Thanks to our modernization and efficiency improving projects, in 2023 we achieved significant gains in sustainable resource management. The implementation of modern solutions in dryers has contributed to significant changes in the consumption of both electricity and natural gas which has a direct impact on reducing CO2 emissions. Projects improving energy efficiency in waste management and water cooling have resulted in measurable annual savings confirmed by audits. Innovations have also been introduced in silicone production, allowing the use of pure silicone oil, which significantly reduces its consumption. In addition, the production of paper bags as an alternative to plastic packaging helps us reduce plastic consumption, which supports our contribution to environmental protection. These actions confirm our commitment in the development environmentally responsible technologies and processes.





## REUSE OF POST-PRODUCTION WASTE

**Waste paper from packaging and pallet preparation processes** – we reused 473 tons of paper in 2023.

**Reusing pallet waste and repairing pallets** – in 2023, we repaired 25 666 pallets and produced 11,173 new ones, as well as wooden pallet covers using wood waste.

**100% of the electricity we use comes from renewable sources** (with zero greenhouse gas emissions), enabling us to reduce our emissions by 20%.

## OFFSETTING THE CARBON FOOTPRINT

In parallel with ongoing emission reduction programs, we help our clients offset the carbon footprint of their production and logistics. In this field we cooperate with ClimatePartner. This enables us to offer our customers a production with partially limited or zero carbon footprint.

We are keen to reduce our overall electricity consumption through the introduction of modern technologies, process optimization and conscious energy management.



## People

In the social area, we carry out activities that benefit both local communities and our employees and partners. We believe that we are not only contributing to a more informed society but also strengthening our position as a responsible employer in the industry.





## **Corporate Social Responsibility**

### **Employees**

At Quad Europe, we care about our employees - we know that each of them has a stake in our company's success. We work hard to ensure that each member of our team is fulfilled in their job, can grow, and that their needs are met.

### **Local communities**

Equally important to us are the local communities in the areas where we operate. We are involved in various initiatives for children and adults, invest in organisations, strengthen our relationships with residents - we work honestly for the trust we receive.



## **What happened in 2023?**

### **We participated in the following initiatives:**

- Operation Clean River – Quad employees’ participation and donation of kayaks enabling to clean the riverbed.
- Giving paper to schools, kindergartens and community center.
- Printing of materials regarding the „Bug with us” competition for the benefit of the “Mr. „Hillary” Skills Academy.
- Charity book collection among employees (as part of the Quad’s Volunteering activities) for Pediatric Ward of the Hospital in Wyszaków.
- Support for the UKS Loczki soccer club (in 2023, in the field of printing materials and purchasing sports equipment).
- Purchase and installation of educational boards for the Nature Education Path
- „Into the Forest”, created in cooperation with the Wyszaków Forest District. Part of the funds came from a charity collection organized during the Quad 2022 Picnic by the Quad Volunteers (the path was officially opened in February 2024).



## Employees' well-being

We build our culture based on the Code of Professional Ethics and the Quad Values Circle. Respect for employees, care for their safety, and creating a friendly workplace are our priorities. We care about the well-being of our employees, enable them to develop professionally, as well as pursue their interests and passions – our people can join sports sections, corporate volunteering program and the Quad Band music group.

Within the company, there is the Quad Academy which offers various training, workshops and development programs. We also fund external courses and training.

In 2023, we continued to provide our employees with upskilling opportunities.

Our company attaches particular importance to the Code of Conduct, which was updated in 2022. This Code covers a wide range of areas, such as fair business practices, protection of company's interests, transparency of business transactions, involvement in local communities and ensuring a safe and fair workplace. Our employees receive relevant training on the Code of Conduct.

In addition, our company has an Employee Rights Policy, which includes rules on the prohibition of child labor, forced labor, discrimination, freedom of association, paying at least the minimum wage, keeping records of working hours and ensuring safe and healthy working conditions.





## Corporate governance

In 2023, we have pursued our goals in key areas for corporate sustainability with full commitment and responsibility. These actions included adhering to the principles of transparency, building relationships based on trust through the highest standards of business ethics, and implementing effective risk management strategies that allowed us to anticipate and minimise potential risks in a rapidly changing market environment.

## Social governance

Our Management Board is committed to acting in the long-term interest of the company's stakeholders and reviews company strategy and policies with this interest in mind. It also takes into account evolving best practices in corporate governance and risk oversight. We implement formal risk management programmes, including robust data security and privacy policies and procedures, as well as physical security of our offices and production facilities.

We remain in constant contact with our customers and are committed to offering them the best solutions. We hold discussions, analyses, and satisfaction surveys that confirm our commitment to continuously improving the solutions we offer. Transparency of our operations and clear reporting is an integral part of our customer and stakeholder engagement.





## Health and safety

People who are hired receive a New Employee Guide. It contains detailed information about Quad Europe and working conditions - this includes our company mission and vision, information on how we protect the environment, how we ensure team safety, organizational information, technical issues, insurance details, medical care, sports cards, training, development opportunities and employee referral programs. The guide also outlines our company's communication tools, equal opportunities policy (including anti-discrimination and anti-bullying procedures) and information on our whistleblowing system.

## H&S

A Health and Safety at Work Committee (H&S), has been established in our company and has jurisdiction over all our sites. Health and safety procedures and instructions are available via individual electronic access, including chemical safety data sheets. Regulatory updates are supported by the EcoMS portal and our organization's legal department. In 2023, we implemented a new fire safety program. All employees have received the required health and safety training and hold the necessary permits and licenses.

## Anti-bullying procedures

At Quad, we have introduced and implemented several internal regulations counteracting discrimination and work harassment. Newcomers already learn about them in the New Employee Guide, and, in addition, we have introduced the Employee Rights Policy, which includes rules on preventing discrimination in the workplace. We have also implemented Anti-bullying Policy, which aims to prevent and combat harassment at work.





## **Sustainable supply chain and supplier assessment**

We operate in accordance with the principles of Lean Management - using processes and methods to analyze workflows, reduce waste and eliminate errors. We require our contractors to meet certain criteria related to systems management – including being certified or meeting environmental requirements.

In our supplier selection process, we make special efforts to support those who adhere to higher standards of business ethics and sustainability.

### **Environmental assessment of suppliers**

As a socially responsible company, we require suppliers to hold up-to-date certifications that prove that supplies comply with certain standards. In this way, we can build our customers' trust and enhance our reputation as an ethical and responsible entity.

### **Responsible sourcing**

Since the largest part of printing's carbon footprint is paper, we always encourage our customers to make responsible choices and use the certified papers we offer. We can also measure the carbon footprint of production and provide customers with support in offsetting it.





## Transport

We offer our customers any type of transport and calculate its carbon footprint. We have implemented a new cargo space optimization management program – currently its average utilization is at the level of 87%. Following the European Emissions Standard, we strive to meet standards that minimize harmful emissions. Our goal is to have at least 80% of our vehicles met co-country's rigorous EURO 5 and 6 emissions standards. We are also committed to achieving 100% compliance with EURO 5 and 6 standards for all our international shipments.

**In June 2023, the work on the new fire protection system was completed and commissioned in the Slitting Mill, Paper Warehouse and Production, and Warehouse Hall number 1.**

## Ethics and compliance

Our company has an Employee Rights Policy that regulates issues such as: prohibition of child labor, prohibition of forced labor, prohibition of discrimination, freedom of association, company's obligation to pay at least the minimum wage, the need to keep records of working hours and to ensure safe and hygienic working conditions.

In addition, our commitment to environmental protection is addressed in our Policies.

As mentioned, we are also responsible for supervising our supply chain - here we also expect companies to adhere to certain standards. For materials purchased from smaller suppliers, we prefer to work with local companies.

In addition, we have implemented a social responsibility management system that complies with the principles of the ETI Base Code. This system is based on various internal regulations, such as: an employee handbook, a guide for the new employees, an employee rights policy, an anti-bullying policy, a code of conduct and a code of conduct for suppliers.



Our company has been undergoing regular SMETA audits for years, demonstrating our commitment to social and ethical practices and concern for good working conditions and the sustainability of our business.



Furthermore, in the context of social governance, according to our requirements, maintaining high standards of compliance with laws and regulations relating to the company's operations is the key element. Social governance refers to the organization's social responsibility and its impact on society, including employees and local communities and stakeholders.

We maintain high standards of legal compliance and strive to implement the best practices, such as codes of ethics or company policies that define expected standards of conduct for employees and business partners.



## Achieving the sustainable development goals

We regularly set further targets that we intend to achieve in the upcoming months. In our planning, we combine the UN sustainable development goals, the European Green Deal and the Global Reporting Initiative standards. Here, we also take into account the opinions of our stakeholders. Currently, our assessment process has identified 9 main development paths. We have chosen them because we believe they are the most relevant for our business and at the same time our company's contribution to them may be the greatest.



# ENVIRONMENT



Maintaining 100% renewable electricity: we consistently obtain electricity from renewable sources, such as solar, wind and hydro.



Maintaining 100% sustainably sourced, certified paper: we strive to use 100% paper sustainably sourced, with relevant certificates. By choosing sustainable paper, the company supports protection of forests and the environment.



Quad is committed to minimizing its carbon intensity: through the introduction of modern technologies, process optimization and conscious energy management, we aim to reduce greenhouse gas emissions and its carbon footprint.



Reducing electricity consumption: we focus on increasing the energy efficiency of our operations, striving to reduce overall electricity consumption. Through the introduction of modern technologies, process optimization and conscious energy management, Quad aims to reduce its environmental impact.



Maintaining a high waste recycling rate: by properly separating and processing waste, the company strives to minimize the amount of waste going to landfill and promotes sustainable resource management, maintaining a 99% recycling rate for all waste.



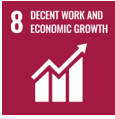


# PEOPLE



By 2030, Quad is committed to improving gender representation in management. By actively seeking and promoting gender diversity in decision-making structures, the company aims to ensure a representative and inclusive approach.

# SOCIAL GOVERNANCE



Maintaining safe and healthy working conditions for employees: including protection against hazardous substances and implementing ergonomic solutions.



Ensuring appropriate ethical and compliance standards in the supply chain: continuously monitor suppliers' activities and require them to comply with sustainability standards (e.g. current certifications, environmental initiatives).



Maintaining high standards of legal and regulatory compliance for the company's operations: we maintain high standard of operations in line with applicable regulations, as a company that exemplifies an honest business partner to both our stakeholders and the community in which we operate.





# GENERAL OVERVIEW OF COMMITMENTS

Below you can find the overview of Quad's progress towards its commitments by the end of 2023.

## ESG commitments

## Status

## SDG

### ENVIRONMENT

Maintaining 100% of electricity from renewable sources.



Maintaining 90% of the paper from sustainable sources with relevant certifications.



Maintaining a high recycling rate of 99% of all waste.



Reduction in carbon footprint 1+2 by 10% per year by 2030.



Quad is committed to improving energy efficiency by 10% per ton of paper by 2030.



### PEOPLE

By 2028, Quad is committed to improving gender representation in management staff.



### SOCIAL GOVERNANCE

From 2024, we plan to implement a new transport management system that will help achieve the goal of optimizing cargo space to a minimum of 70%.



By 2024, in domestic transport, we aim to have at least 80% of our vehicles compliant with EURO 5 and 6 standards. In addition, we are committed to achieving 100% compliance with Euro 5 and 6 standards for all our international shipments.



Maintaining high compliance standards with law and regulations, verified by appropriate audits.



completed



in progress



not started

## About the report

Actions we take for the environment, people and social governance are our commitment, which we carry out daily, continuously, and with full engagement. A well-thought-out action plan and its consistent implementation is our way to create a better future – we know that we have an impact on the reality around us. And we won't stop – there are more challenges ahead. We are ready to face them!

### **Bartłomiej Cymer**

Director of Comm Strategy & Marketing

Email: [bcymer@quad.eu](mailto:bcymer@quad.eu)



## Reporting period: 2023

The presented Sustainability Report for the 2023 reporting period provides a comprehensive summary of company's activities over the past year. This crucial document presents key data and information regarding our achievements and actions taken towards growth and sustainability. We are proud of our company's achievements, and this report is a way to transparently and honestly present to our stakeholders the activities undertaken, the results achieved and our future goals.