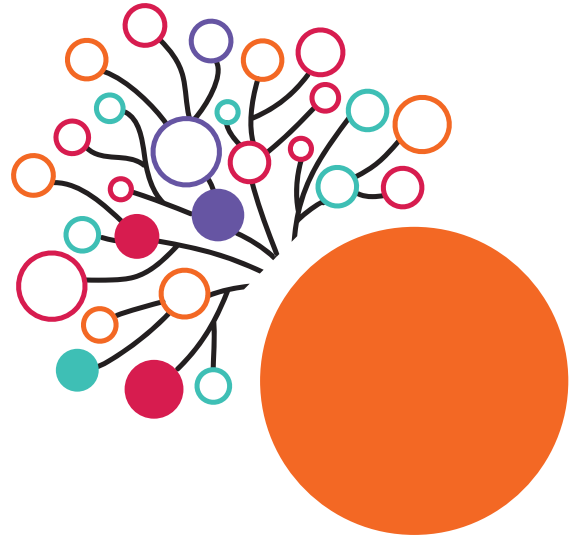




NON-FINANCIAL PERFORMANCE STATEMENT

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MESSAGE FROM THE CHAIRMAN



DIDIER LAMOUCHE

CHAIRMAN OF THE BOARD

"AFTER THE SUCCESSFUL COMPLETION OF THE FIRST PHASE OF THE TRANSFORMATION, THE BOARD HAS FULL CONFIDENCE IN THE SUCCESS OF THE SECOND PHASE OF THE BACK TO GROWTH PLAN."

To the Shareholders,

The health crisis suddenly interrupted a series of seven consecutive quarters of organic revenue growth. From the very start of the pandemic, every effort was immediately made to protect our employees while ensuring business continuity. In this dramatic and unprecedented context, the Board of Directors promoted and recognized the outstanding agility demonstrated by the Company in order to mitigate the financial impact from the crisis as much as possible. Beyond the resilience of the business, Quadient maintained strong profitability through cost control, generated strong free cash flow and preserved its solid financial position.

In parallel, Quadient continued to invest in the future and implement its Back to Growth strategic plan. The Board supported a number of initiatives aimed at continuing the transformation of the Company and taking full advantage of the acceleration of the shift to digital and booming e-commerce: divestments, acquisition of two North American FinTechs, implementation of new distribution partnerships and further development of the parcel locker business.

The first phase of the plan enabled to conduct an in-depth transformation of the organisation, refocus the business portfolio and implement a number of synergies. However, half-way through this plan, it was necessary to review our major orientations and take into account the effects from COVID-19.

To this end, the Board supervised the preparation of the second phase of Back to Growth. After reviewing the various options available to us, we set a bold new target for the next three years, with the aim of creating sustainable value for Shareholders. In keeping with our deleveraging objectives and maintaining our dividend policy, we will allocate excess cash between organic investments, acquisition opportunities and share buybacks.

By becoming a signatory of the United Nations Global Compact, Quadient also confirmed its CSR commitments. As a responsible company, the Board is very proud of the recognition granted to the Company by non-financial rating agencies, with the renewal of the "Prime" status by ISS ESG, the "Gold" medal awarded by EcoVadis or its sixth place in the overall ranking of Gaïa Research.

Lastly, the Board is very pleased with the closer dialogue engaged with our shareholders, especially during the "Governance" roadshow organized at the end of the year: this increased communication, which is ever more necessary in this turbulent time, enabled us to explain the relevance of our strategic choices and address topics representing major areas of concern for some of our shareholders. After the successful completion of the first phase of the transformation, the Board has full confidence in the success of the second phase of the Back to Growth plan.

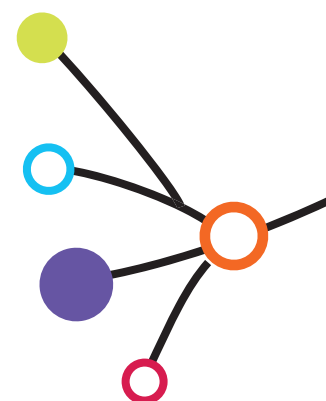
Didier LAMOUCHE

THREE QUESTIONS⁷ TO THE **CHIEF EXECUTIVE OFFICER**



GEOFFREY GODET

CHIEF EXECUTIVE OFFICER



"OUR OBJECTIVES ARE NOW EXCLUSIVELY BASED ON ORGANIC GROWTH, WHICH MARKS A SIGNIFICANT SHIFT IN OUR DEVELOPMENT STRATEGY."

How did Quadient make it through the crisis this year?

Our revenue proved relatively resilient. At a little over €1 billion, it recorded a 7.3% organic decline in 2020. The high proportion of recurring revenues enabled us to mitigate the decrease in hardware and license sales. We also saw a strong rebound as soon as the economy started to recover: after a decline of around 13% in the first half of the year, our sales fell by only 2% in the second half, with even better profitability compared to the second half of 2019. Strict cost optimization measures enabled us to save €46 million in operating expenses and record a high EBITDA margin of almost 24% in 2020. We posted current EBIT of more than €150 million and net income of €40 million. We generated free cash flow of €167 million, allowing us to further reduce our debt and end the year with a strong liquidity position. In parallel, we maintained our investment efforts, particularly in R&D, and preserved our workforce, especially sales teams, in order to be ready for the recovery in 2021.

What is the outcome of the first phase of your Back to Growth plan?

We have profoundly changed and streamlined our organization. From a holding company comprising around fifteen independent units, we have become a unified Company, now focused on three strategic activities. Alongside our traditional mail-related business –which is in structural decline but where we are still gaining market share and generating significant cash flows–, we have expanded into two fast-growing activities which represented 27% of our sales in 2020 compared to 18% only two years before. Our relevant

and recognized software offer enables us to support our customers in the digitization, automation and personalisation of their communications. A portfolio that is now complemented by the acquisitions of YayPay and Beanworks, two FinTechs that enable us to offer solutions for managing invoicing flows. In addition, our parcel locker business benefits from booming e-commerce and provides a compelling last mile delivery solution. These two growth engines also generated strong commercial, R&D, back office and supply chain synergies with our mail-related business, of around €100 million in 2020.

What are your goals for the second phase of Back to Growth?

Our objectives are now exclusively based on an organic growth trajectory, which marks a significant shift in our development strategy. We have now reached a point where the increased weight of our growth engines will enable us to more than offset the decline in our mail-related business while improving our profitability. The health crisis has accelerated the need for SaaS and Cloud software solutions for intelligent communication automation. And we aim to double the number of our parcel lockers installed worldwide within three years. Over the 2021-2023 period, we target average organic revenue growth of at least 3% per year, and at least mid-single digit organic growth in current EBIT. To achieve this, we are going to step up our R&D investments and accelerate the launch of new products. Also, with a highly cash-generative business, we should be able to continue deleveraging the Company while maintaining our dividend policy.

PROFILE & ACTIVITIES

Quadient helps companies simply and efficiently create meaningful, personalized interactions with their customers.

There is always something important for the customer behind every interaction, whether the interaction involves mailing a contract, confirming a reservation via text message, receiving a parcel, paying a bill, or communicating through a mobile or web app.

Quadient aspires to be among the leaders in each of its key areas of business.



3 areas of business

INTELLIGENT COMMUNICATION AUTOMATION

An intelligent set of integrated technologies to automate business-critical customer communications and processes, save time, reduce costs, drive better customer experience and high level of engagement from internal and external constituents

- A true end-to-end cloud-based global business communications platform to manage over a billion customer-facing communications and critical business interactions each and every day.
- Supporting businesses in Customer Communications Management (CCM) and Customer Experience Management (CXM), including customer journey analytics and orchestration, as well as Accounts Receivable (AR) and Accounts Payable (AP) automation.



USD c.1.2 billion
CCM market

USD c.3.0 billion
CXM market

USD c.1.0 billion
AR market

USD c.1.5 billion
AP market

CUSTOMER EXPERIENCE MANAGEMENT

Quadient Inspire, a software solution that helps large businesses design, manage and send personalized, omnichannel communications in large volumes and on demand (statements, invoices, etc.), and that helps customize the digital experience they offer their customers through bespoke mobile and web applications:

- The compliance of communications is vital in strictly regulated industries, such as financial services, insurance and healthcare;
- Quadient's products and services are shifting toward SaaS and subscriptions.



Sales⁽¹⁾

€126 million
-8.5%⁽²⁾

BUSINESS PROCESS AUTOMATION

SaaS and cloud-based software solutions to automate communication for small & medium-sized enterprises, streamline and digitize the management of their documents and processes

- Quadient Impress: multichannel outbound document management platform that automates the customer communication workflow.
- YayPay: Accounts Receivable process automation solution, from invoice lifecycle management to cash collection, credit risk assessment and order-to-cash process.
- Beanworks: Accounts Payable solution automating error-prone manual processes like data entry and approval follow-ups, reducing risks and cutting invoice processing costs.



Sales⁽¹⁾

€70 million
+7.6%⁽²⁾

(1) 2020 sales.

(2) Organic change compared to 2019.



A fragmented,
diversified customer
base in terms
of industry
and location



Sales



Organic change⁽³⁾



Countries where
Quadient's products
are distributed



Employees

MAIL-RELATED SOLUTIONS

Extensive line of hardware and software for preparing and sending mail (franking systems and folders/inserters suitable for both low and high volumes):

- Mail processing remains a major market despite the structural decline in letter volumes;
- A market with high barriers to entry;
- North America represents approximately 50% of the global market.



>€ 2.9 billion
excluding
production mail

PARCEL LOCKER SOLUTIONS

This solution, which consists of lockers integrated with software to automate the tracking of parcel drop-off and pick-up, helps optimize the management of last-mile parcel delivery and simplifies parcel retrieval, whether that happens in public places, at retailers' sites or at residences:

- The only proven automated solution as of today, offering notably contactless delivery;
- A fledgling, multi-local market suited to the increasing number of parcels with the boom of e-commerce.



More than 2 million
boxes⁽⁴⁾

⁽³⁾ Excluding currency and scope effects.

⁽⁴⁾ Quadient's estimate of the installed base across its key markets (including the United States, Japan, France and the United Kingdom).

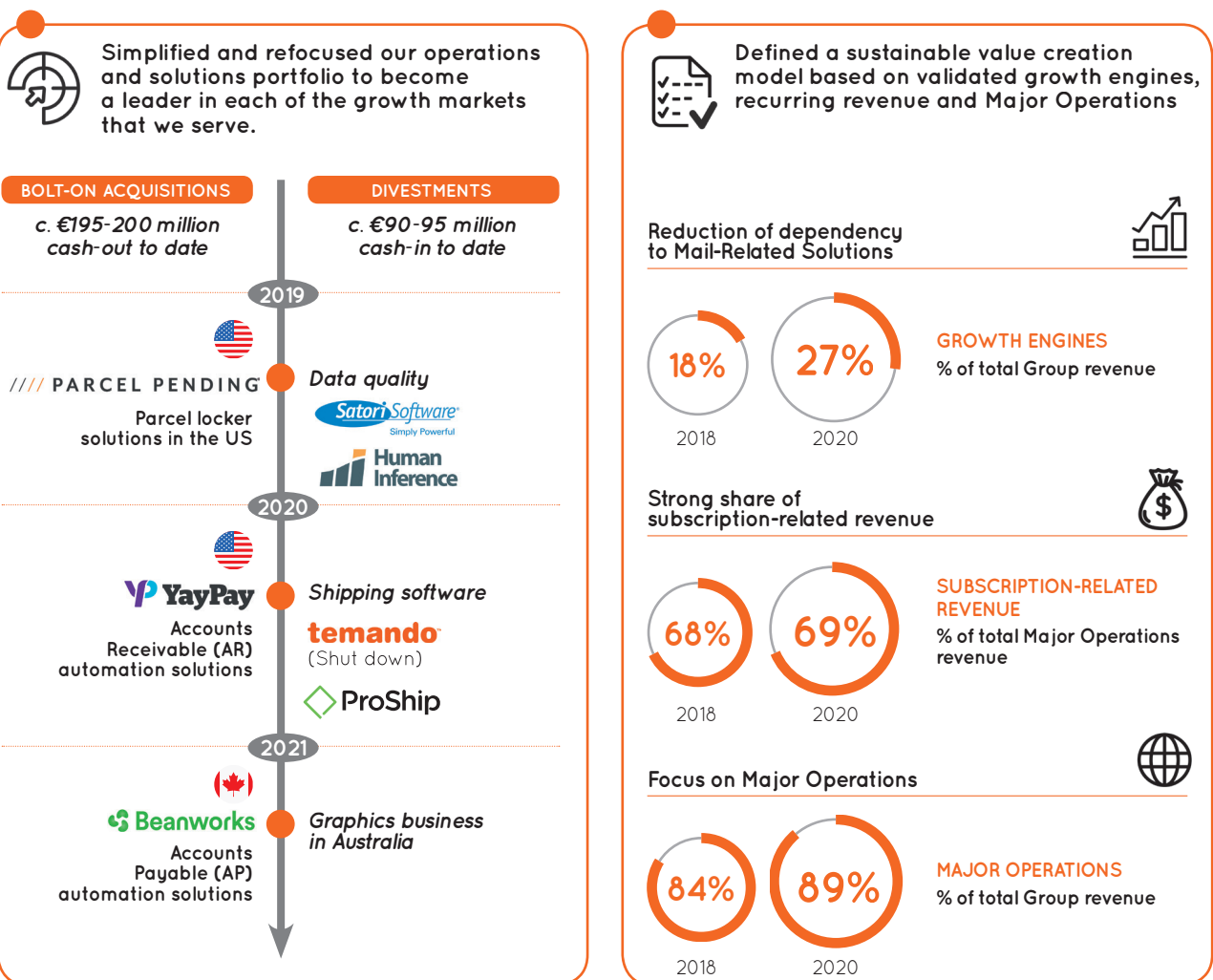
“BACK TO GROWTH” STRATEGY

“Transform”
2019-2020

Implemented early 2019, the “Back to Growth” strategic plan involved both a strong refocus of Quadient’s solutions portfolio and a major transformation of its operating model.

Quadient aimed at building leading market positions in highly growing businesses that are synergistic with its foundational mail-related activities. Customer communication and experience management, business process and document workflow automation, as well as automated parcel locker solutions were selected to be the Company’s growth engines while continuing to benefit from Quadient’s strong position in the highly profitable and cash generative mail-related business.

In the meantime, Quadient has profoundly changed its organization to simplify its operating model, gain efficiency and unite the entire company under a unified brand and a strong common culture. The executive team has been renewed with new talents hired to lead the transformation, leaner management layers were put in place with a strong regional focus, and centers of excellence were established to streamline internal tools and processes, and better leverage the teams’ expertise.



In March 2021, Quadient announced the phase two of “Back to Growth”.

Going forward, we will continue building on our strengths and executing our strategy with a clear ambition.



Accelerate convergence software strategy with Intelligent Communication Automation (ICA) to best meet customer requirements, in line with market drivers

In a context of acceleration of digital tools adoption, the needs for customer communications management, customer experience management, Accounts Receivable and Accounts Payable automation solutions are increasingly converging. Quadient has combined its Customer Experience Management and Business Process Automation solutions into a true end-to-end cloud-based global business communications platform, named “Intelligent Communication Automation”. This more holistic, integrated and simplified value proposition will benefit both clients and partners, driving further revenue synergies within each customer segment.



Continue generating more synergies between solutions and operations, powered by being a unified Company



Additional synergies



- Customer synergies
- Cost synergies
- Operational capabilities

Further cross-selling opportunities thanks to an end-to-end communication software offering within ICA portfolio, and between MRS and ICA

Growing pipeline of cross-selling opportunities (UK, France, Japan, Canada)

Further supply chain/ service/call centers synergies (integration and scaling of Parcel Pending in Europe)

Centralized G&A (IT, RH, finance, transformation...) and marketing functions



Define forward-looking objectives to measure impact of CSR activities, starting in 2021, by now being a signatory member to UN Global Compact

BUSINESS MODEL

A portfolio of solutions with a significant share of recurring revenue and commonalities between the business models

INDUSTRY TRENDS

Digitalization, a major catalyst in the change of communication and business process automation

Despite its structural decline, the mail market remains large

Customer experience, the playing field where companies can differentiate themselves

Management of last-mile parcel delivery, a priority as e-commerce surges

STRENGTHS

An integrated company

- New organizational structure and a representative brand for all activities. New tagline: "Because connections matter."
- Focus on the main growth drivers in **three** major geographic regions: **North America / Main European Countries / International**
- Direct or indirect distribution network covering **90** countries

High-performing industrial assets

- **3** production centers
- **5** logistics centers
- **100%** of industrial sites are certified ISO 14001, OHSAS 18001/45001

A culture of R&D and innovation

- **5.3%** of sales dedicated to R&D
- More than **660** engineers
- **7** R&D centers
- A team dedicated to digital innovation

Expert teams

- **5,235** employees
- Diverse backgrounds: expertise, origins, skills, cultures, outlooks
- **80%** of employees completed a training session in 2020; **28%** of these training sessions were about digital technology

A strong financial structure

- Robust liquidity position: **€514 million** in cash and **€400 million** of undrawn credit lines at end-January 2021
- Debt backed by future cash flows from rental operations and leasing portfolio (**€512 million** net debt)
- Leverage excluding leasing: **0.4x** EBITDA⁽¹⁾

(1) Net debt excluding leasing / EBITDA excluding leasing.

SMART HARDWARE

BUSINESS MODEL (underlying factor)

Subscription-related revenue

- **Rental / leasing** (installed base)
- **Support / maintenance** (installed base / charging for maintenance services)
- **Supplies** (Mail-Related Solutions: use / mail volumes)
- **Subscription / use** (Parcel Locker Solutions: based on usage rate in certain cases)

Revenue not related to subscriptions

- **Equipment sales** (number of units sold x per-unit price)
- **Installation services** (Parcel Locker Solutions)

MAIL-RELATED SOLUTIONS



PARCEL LOCKER SOLUTIONS



CUSTOMERS

- Small and medium-sized enterprises
- Large accounts

- Residential
- Universities
- Corporates
- Retailers
- Carriers

SUBSCRIPTION-RELATED REVENUE

Approx.
70%

Approx.
50%

SOFTWARE/
DIGITAL SOLUTIONSBUSINESS MODEL
(underlying factor)

Subscription-related revenue

- **Subscription (SaaS)** (installed base)
- **Use** (usage rate)
- **Maintenance** (installed base / charging for maintenance services)

Revenue not related to subscriptions

- **License sales** (number of units sold x per-unit price)
- **Professional services** (invoiced on a time spent basis)

INTELLIGENT
COMMUNICATION
AUTOMATIONBUSINESS
PROCESS
AUTOMATIONCUSTOMER
EXPERIENCE
MANAGEMENT

CUSTOMERS

- Segment of largest small & medium-sized enterprises
- 70% of Business Process Automation customers are Mail-Related Solutions customers

- Large accounts
- 10% of sales are generated by Mail-Related Solutions customers

SUBSCRIPTION-
RELATED REVENUE

Approx. 60%

2020 RESULTS

- SALES: **€1.0 billion**
- RECURRING REVENUE: **71%**
- MAJOR OPERATIONS: **89%** of sales, of which:
  - NORTH AMERICA: **55%**
  - MAIN EUROPEAN COUNTRIES: **40%**
  - INTERNATIONAL: **5%**
- CURRENT EBIT⁽²⁾: **€152 million**⁽³⁾

(2) Before acquisitions-related expenses

(3) Incl. earn-out reversal related to Parcel Pending acquisition for €6.5 million

VALUE CREATION



CUSTOMERS

- Circular economy: **34.6%** of hardware marketed are produced through a remanufacturing process
- **97%** customer satisfaction rate



PEOPLE

- **€430 million** paid in employee wages, bonuses, commissions and payroll charges
- **97.2%** of permanent contracts to support local jobs
- **33.3%** of women in the Group
- **29%** of managers are women



SUPPLIERS

- **€85 million** in production purchases
- **89.2%** of suppliers assessed comply with the requirements of the Suppliers' Code of Conduct



STATES AND REGIONS

- **€33 million** in taxes
- **9.2%** reduction in CO₂ emissions compared to 2019 (scopes 1, 2 and 3)
- **86.4%** of waste recycled
- Employees involved in many volunteering initiatives in their local communities



SHAREHOLDERS

- **€12 million** in dividends paid for fiscal year 2019

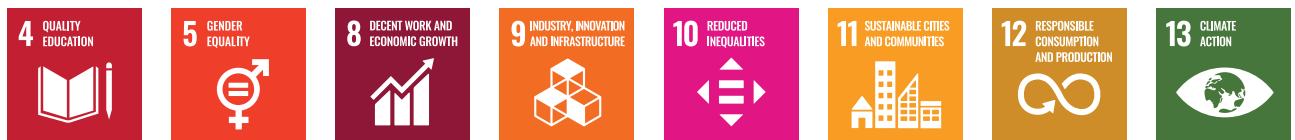
QUADIENT, A RESPONSIBLE COMPANY

Quadient runs its business with the greatest integrity, offering its customers innovative and sustainable solutions while working to limit its impact on the environment. Quadient has defined a CSR program, aligned with its operations and strategy, around five pillars.

Signatory of the United Nations Global Compact

By joining the **UN Global Compact** in 2021, Quadient asserts its commitment to respecting, supporting and promoting the 10 Principles of the Global Compact on human rights, labor, environment and anti-corruption within its sphere of influence.

Quadient will also undertake actions to advance the following Sustainable Development Goals (SDGs):



Our 2021-2023 objectives



- >80% of employees benefiting remote working 2 days or more per week
- >30% of women among managers and Senior Leaders
- Being recognized “Best Places to Work” with score greater than 70



- All employees endorsed the **Code of Ethics** and completed the training
- All employees completed one or more **compliance training programs**
- All our strategic suppliers endorsed the **Supplier Code of Conduct**



- **Reduce our carbon emissions** by:
  - (i) 28% for scope 1 & 2 between 2018 and 2030
  - (ii) 40%/€m revenue for targeted categories, for scope 3 between 2018 and 2030
- **Remanufacturing** to account for more than 50% of mail-related products placed on the market



- Achieve overall **customer satisfaction** above 95%
- Pursue **investments in R&D** above 4.5% of our consolidated revenue



- **5,000 annual hours +** contributed by Quadient’s employees supporting communities
- **25% of employees involved** in volunteering & sponsorship projects

A strategy recognized by non-financial rating agencies



54% overall score
(+2 points vs. 2018)



Ranked 6th out of 230
(+3 places vs. 2019)



EcoVadis “Gold” for
3 consecutive years



B grade for last
3 consecutive years

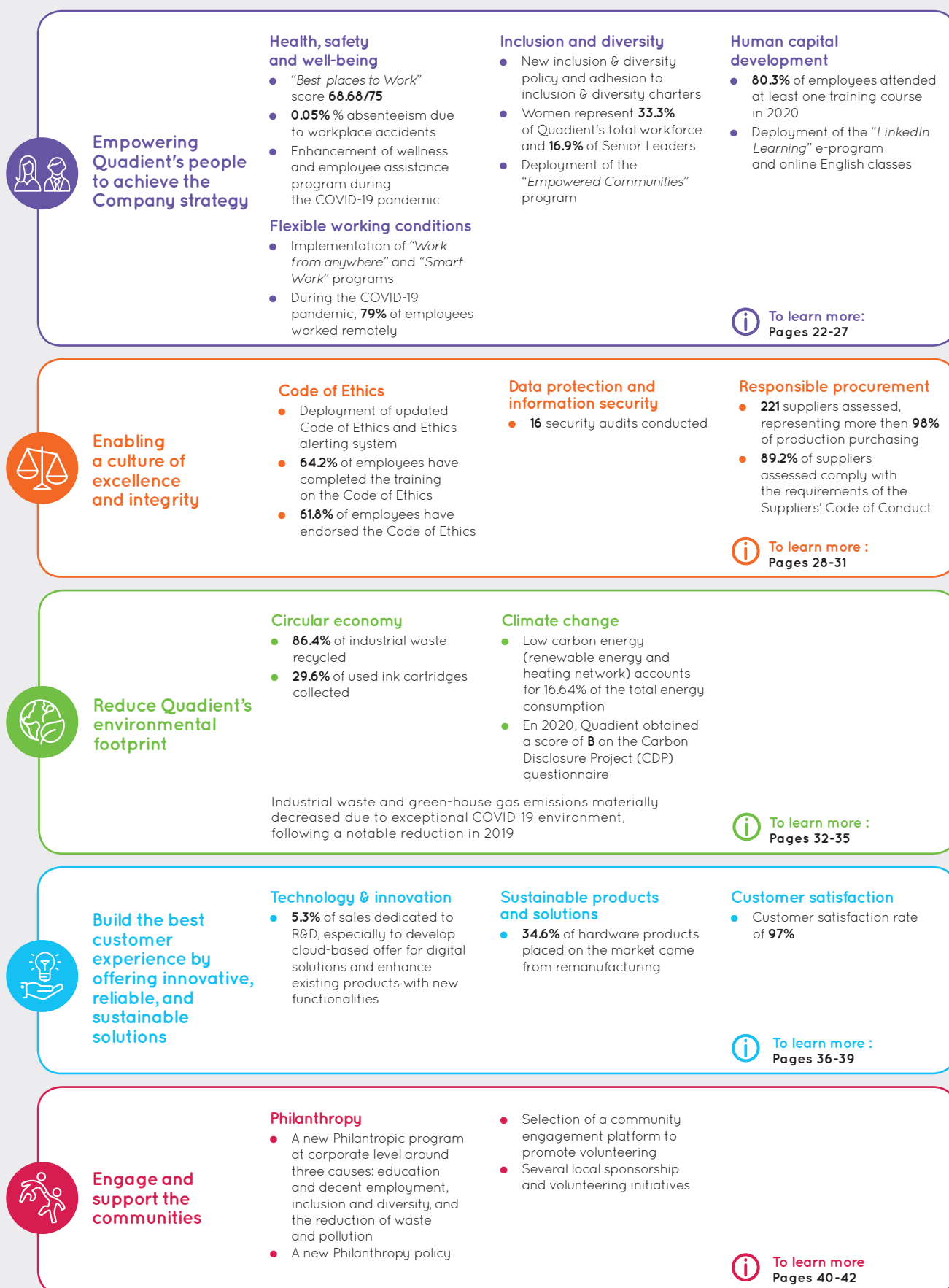


Maintained
“Prime” Status



Included in 2020 Ethibel
EXCELLENCE & Ethibel
PIONEER Investment Register

Main events



A LARGELY INDEPENDENT BOARD OF DIRECTORS



DIDIER LAMOUCHE
Chairman
of the Board



GEOFFREY GODET
Chief Executive Officer



MARTHA BEJAR
Since June 2019



HÉLÈNE BOULET-SUPAU
Since June 2017



ERIC COURTEILLE
Since July 2012



VIRGINIE FAUVEL
Since July 2016



NATHALIE LABIA
Employee representative
director
Since August 2020



CHRISTOPHE LIAUDON
Employee representative
director
Since August 2019



WILLIAM HOOVER JR.
Since July 2013



VINCENT MERCIER
Since July 2009



RICHARD TROKSA
Since July 2016



NATHALIE WRIGHT
Since June 2017

The Board of Directors has 12 members, who provide their expertise notably in the fields of digital, e-commerce, new technology and corporate governance.

It has approval power over Quadient's strategic guidelines and decisions, and checks the proper execution of the strategy, including new project launches, investments, divestments and acquisitions.



12
Number
of meetings



91%
Average
attendance



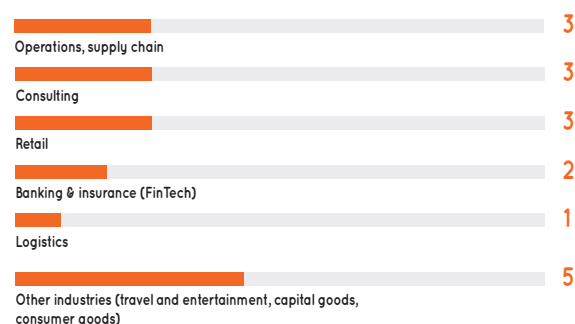
80%
Independence
of Directors*



40%
Women*

● Audit Committee ● Strategy and Corporate Social Responsibility Committee ● Remuneration and Appointments Committee ★ Chairman of a committee

MAPPING OF THE BOARD'S EXPERTISE



(*) In accordance with French law and the AFEP-MEDEF Code, employee representative directors are not counted when determining the percentage of Independent Directors or the proportion of women on the Board of Directors.

AN INTERNATIONAL MANAGEMENT TEAM



GEOFFREY GODET
Chief Executive Officer

The management team is composed of the leaders from each support function, along with the business leaders within each of our major solutions, R&D and operations by geographic region.

During the fiscal year 2020, Quadient continued to streamline the management team as part of a further integrated organization. The Company today takes advantages of new types of expertise as well as more international and more specialized background.

SUPPORT FUNCTIONS



**STÉPHANIE
AUCHABIE**
Human
Resources



**BRANDON
BATT**
Transformation



**LAURENT
DU PASSAGE**
Finance



**STEVE
RAKOCZY**
Digital



**TAMIR
SIGAL**
Marketing

OPERATIONS



**BENOIT
BERSON**
France & Benelux



**DROR
ALLOUCHE**
Germany, Austria,
Switzerland & Italy



**DUNCAN
GROOM**
United Kingdom
and Ireland



**IAN
CLARKE**
International and
Additional Operations

SOLUTIONS



**CHRIS
HARTIGAN**
Intelligent
Communication
Automation



**ALYNA
WNUKOWSKY**
Business Process
Automation



**ALAIN
FAIRISE**
Mail-Related
Solutions



**DANIEL
MALOUF**
Parcel Locker
Solutions



**ZBINEK
HODIC**
Software
Technology



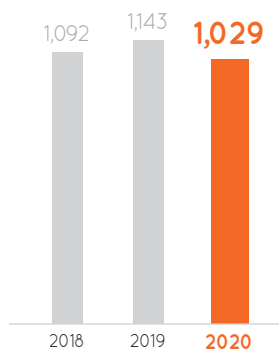
**THIERRY
LE JAUDOUR**
Hardware
Technology

FINANCIAL PERFORMANCE

INCOME STATEMENT

SALES

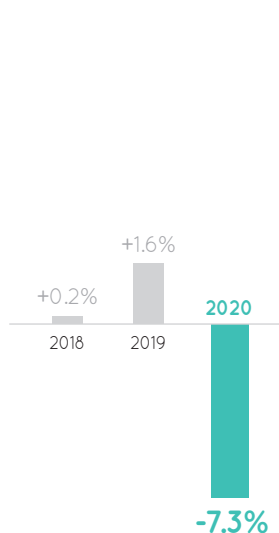
(in million euros)



In 2020, recurring revenue accounted for 71% of the Group's total sales.

ORGANIC CHANGE⁽¹⁾

(annual growth rate)



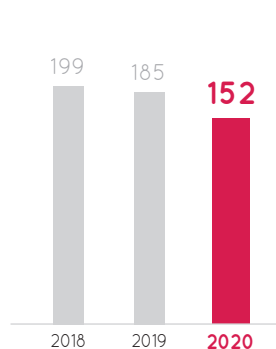
In 2020, the Group's business model proved resilient, with solid recurring revenue performance in spite of difficult trading and economic conditions, leading to a contained decline in total sales.

⁽¹⁾ Change excluding currency and scope effects

⁽²⁾ Before acquisitions-related expenses

CURRENT EBIT⁽²⁾

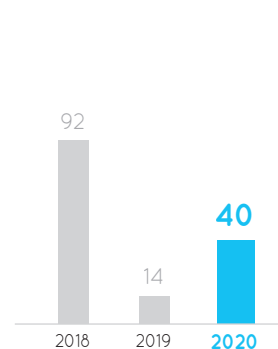
(in million euros)



Current EBIT mainly reflected the revenue decrease and active cost management in both cost of sales and operating expenses. It included a €6.5 million earn-out reversal of related to Parcel Pending acquisition.

NET INCOME

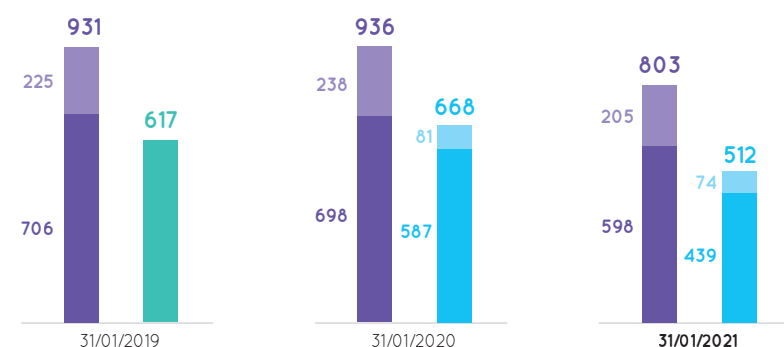
(in million euros)



Net attributable income amounted to €40 million in 2020 compared to €14 million in 2019. Earnings per share stood at €0.92 in 2020.

FINANCIAL STRUCTURE

(in million euros)



Net debt was reduced by €156 million to €512 million as at 31 January 2021, with an improved leverage ratio⁽¹⁾ of 2.1x compared to 2.4x as at 31 January 2020. The Group's net debt is backed by future cash flows generated from its rental and leasing activities and other financing services. Excluding leasing, the leverage ratio remained low at 0.4x as at 31 January 2021.

Future cash flow from rental operations

Leasing portfolio

Net financial debt

IFRS 16 impact

Net financial debt excluding IFRS 16 impact

⁽¹⁾ Net debt / EBITDA ratio.



INVESTOR RELATIONS⁷



2021 financial agenda

Q1 2021 sales: **26 May 2021***

Annual General Meeting: **1 July 2021**

Second quarter 2021 sales and first half-year 2021 results: **27 September 2021***

Q3 2021 sales:
23 November 2021*

(*) Publication after the close of trading on the Euronext Paris stock exchange.



Listing information quadient

Listing: **Euronext Paris**

Market: **Compartment B**

ISIN Code: **FR0000120560**

Ticker: **QDT**

Indices: **CAC® Mid & Small and EnterNext® Tech 40**



Investors met in 2020

Institutions met: **78**

Investors met: **115**

Investor meetings: **105**

e-roadshows & e-conferences: **13**

GEOGRAPHIC DISTRIBUTION OF THE CAPITAL OF THE COMPANY⁽¹⁾



(1) Based on institutional ownership.



Social, societal, and environmental information

PREAMBLE

For more than a decade, Quadient has been actively building a culture that conducts its business with the utmost integrity, offers innovative and sustainable solutions, and limits the Company's impact on the environment. Quadient believes that these continuous efforts will ultimately result in a better future for the Company's customers, employees, and the communities it serves. Quadient also believes that conducting business in an ethical and responsible manner is essential to its sustainable growth and success. As the world faces rapidly evolving environmental, social and economic dynamics, Quadient is prepared to face these challenges as a leader in its field.

As a result of the Company's strategy announced in January 2019, Quadient has also adjusted its CSR (Corporate Social Responsibility) strategy and organization

to meet the needs of its future. Quadient's CSR strategy is guided by an in-depth materiality analysis, which was updated in 2019 and is summarized in this document. In terms of organization and governance, the CSR & Compliance team has joined the Transformation department, which is in charge of driving the strategic initiatives and transformation of the Company. The Strategy and Corporate Social Responsibility Committee of the Board of Directors, created in September 2018, now reviews the Company's progress on CSR matters regularly and offers its advice and support for future improvements.

This chapter explains some of the non-financial risks, challenges and opportunities that have been incorporated into Quadient's CSR strategy, as well as the main results in 2020⁽¹⁾.

CSR STRATEGY AND POLICY

Quadient has deployed a CSR strategy that is in line with the Company's business and meets the environmental, social and societal challenges the Company faces. To achieve these objectives, the CSR strategy is built around five pillars:

- empower Quadient's employees to achieve the company strategy;
- enable a culture of excellence and integrity;
- reduce Quadient's environmental footprint;
- build the best customer experience by offering innovative, reliable and sustainable solutions; and
- engage within local communities and support them.

Quadient believes that anticipating environmental and social issues, together with the management of risks and opportunities, are important drivers of operational performance.

The CSR strategy takes into account the specific challenges of Quadient's activities as identified through the materiality analysis following consultation with internal and external stakeholders. This approach allows those stakeholders to participate in building a sustainable future while ensuring the Company's performance and stability.

⁽¹⁾ In accordance with the order of 19 July 2017 and the decree of 9 August 2017, the other elements constituting the non-financial performance statement such as the value creation model and the materiality analysis of Quadient can be found in the introduction book of this document.

A CSR ambition defined with stakeholders

In 2019, Quadient reviewed its materiality analysis, taking into account the transformation initiated by its new strategy, the evolution of the Company's activities and organizational changes. This assessment, aimed at identifying emerging material challenges with a horizon of three to five years, also provides insight into the Company stakeholders' expectations and informs them about the importance of sustainability. In order to focus its efforts on the most material challenges, the Company conducted this assessment using the four-step process described below.

IDENTIFICATION OF CSR CHALLENGES

To meet the Company's sustainability and CSR challenges, Quadient benchmarked sector best practices, international standards such as ISO 26000, the United Nations Sustainable Development Goals, the Global Reporting Initiative (GRI), and the issues raised by the Environment Social and Governance (ESG) agencies rating Quadient's non-financial performance. In total, 52 topics have been considered and classified into five areas (People, Solutions, Ethics & Compliance, Environment, and Philanthropy).

CONSULTATION OF INTERNAL & EXTERNAL STAKEHOLDERS

This consultation was the opportunity to spark open discussions with Quadient's stakeholders to better understand their perception of the performance, risks and opportunities, and their expectations of the Company's CSR strategy. In addition, they were asked to rate each of

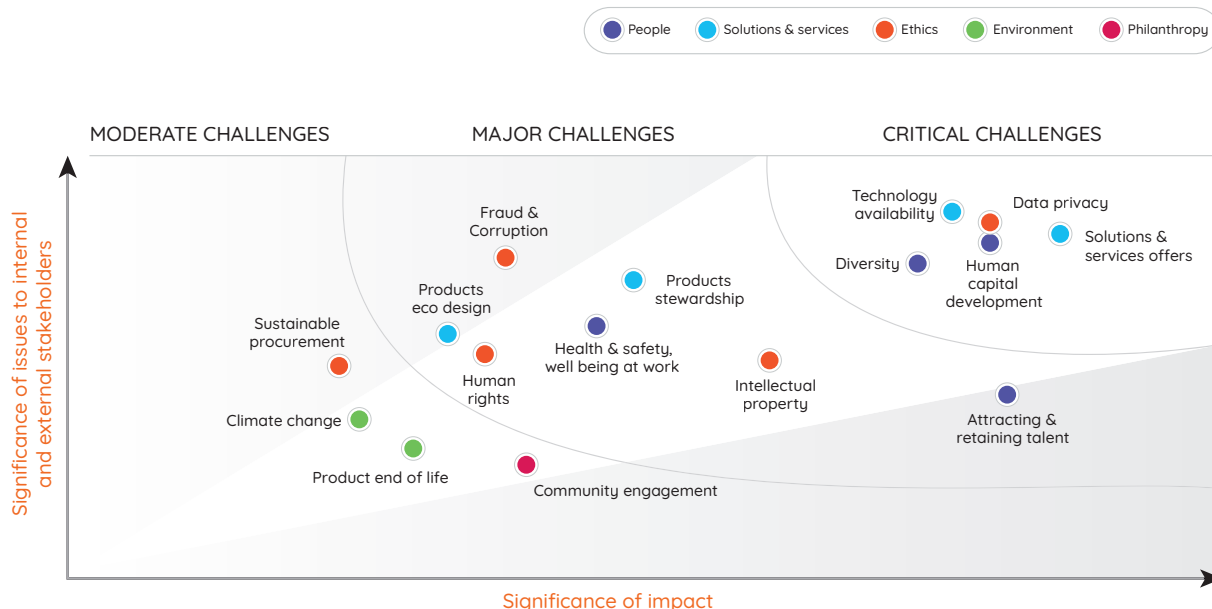
the non-financial challenges according to three criteria: importance level for the stakeholders, importance level for the Company's business, and maturity level of the Company on these topics.

CONSOLIDATION AND MATERIALITY MATRIX

To design the materiality matrix, internal and external scores were averaged using equal weighting between the different categories of stakeholders. The challenges retained were plotted on a materiality matrix. Stakeholder ratings were reported on the y-axis, with ratings based on importance to the business reported on the x-axis. The Company classified CSR challenges into three groups: critical, major, and moderate.

ANALYSIS OF MATERIALITY RESULTS IN 2018 AND 2019

Quadient retained 18 sustainability and CSR challenges from its materiality assessment. Of these challenges, six are considered critical, eight as major, and four as moderate. Critical challenges correspond to the main issues related to the transformation of the Company: new strategy, new digital business and organizational changes. Major challenges are historical in nature for Quadient; they were previously assessed and are still being carried out. Moderate challenges are still relevant, but only minimally affect the Company's performance and are well under control due to existing programs.





Non-financial risks

The non-financial risk mapping has been built in accordance with the Company's global risk mapping introduced in chapter 4, "Risk Factors and Internal Control", of this universal registration document. Each risk has been assessed according to the same methodology and criteria. All Executive Leaders were asked to list all

risks relevant to them and rate them on their likelihood (from "Improbable" to "Probable/Very Likely") and their impact (from "Low" to "Very High") for the Company. Consolidated results were presented and validated by Quadient's risks committee.

Presentation of the main non-financial risks

Main CSR risk/ opportunity	Risk description	Risk value
People		
Human capital development, talent attraction and retention	Anticipate problems with the transmission, transfer and acquisition of key or rare skills. Provide expert advice to employees and ensure they use it effectively to provide the highest quality of service. Prevent any risk related to recruiting and retaining key people and qualified staff.	...
Diversity and inclusive workplace	Promote equal opportunities in terms of recruitment, pay and benefits, promotion, access to leadership programs, training and career management. Prevent any risk of discrimination in general (age, race, gender, ethnic or social origin, nationality, language, religion, health, disability, marital status, sexual orientation, political or philosophical opinion, veteran status or otherwise, trade union membership or other characteristics protected by applicable laws and regulations).	..
Health & safety and well-being at work	Promote work/life balance (flexible work, parental leave, teleworking, etc.). Prevent the risk of deterioration of working conditions and the working atmosphere within the Company leading to an increase in accidents and harming physical and mental health (especially during COVID-19 pandemic).	..
Ethics & Compliance		
Breach of ethical rules	Adopt transparent communication regarding the company's policies on fraud, corruption and anti-competitive practices. Act in accordance with the legal requirements of the host country on the implementation of anti-corruption and anti-fraud policies, including third party whistle-blower programs.	..
Data privacy & integrity	Protect data integrity against cyber-attacks, negligence or illegal access resulting in the corruption, theft, loss, leak of the Company's data or personal data or disruption of business.	..
Sustainable procurement & human rights	Prevent the risk of human rights violations and abuse in the supply chain and operations by applying reasonable due diligence to both direct and indirect subcontractors and suppliers. Prevent the risk of failure to reduce the environmental footprint of products by acting with suppliers.	...
Environment		
Circular economy	Incorporate the principles of a circular economy (ecodesign, waste recycling, reuse, remanufacturing) when defining Quadient's solutions and services and in their business models.	..
Climate change	Reduce Quadient's carbon footprint and seize opportunities to reduce operational costs at a time when climate change regulations are becoming more restrictive and carbon taxes a reality.	.
Solutions		
Ecodesign and sustainable products and solutions	Offer the best customer experience through innovative, competitive and sustainable solutions and services launched on the market at the right time.	..
Intellectual property rights	Respect and enforce Quadient' intellectual property rights to avoid patent litigation, statutory fines and regulations associated with anti-competitive practices.	...
Philanthropy		
Community engagement	Encourage employees to support local communities and embody Quadient's values.	.

Legend: ... High risk, .. Medium risk, . Low risk

Quadient's CSR strategy

Quadient's CSR strategy is built around 5 pillars, which establishes a link between the Group's strategic vision and its main non-financial risks and challenges. In 2020, the Company has outlined its CSR Roadmap 2021-2023 and defined clear objectives and targets intended to be reached by the end of 2023. In addition, Quadient has set ambitious 2030 targets to reduce the carbon footprint of its activities and solutions.

This roadmap is structured around 12 ambitions and 14 objectives, in line with the United Nations' Sustainable Development Goals (SDGs). For each of them, initiatives, programs and monitored annual targets have been developed. The table below illustrates the CSR pillars and ambitions, the main objectives and the results achieved in 2020.

CSR challenges/ Non-financial risks	Ambitions	Objectives	2020 Results	SDG	Section
People: Empowering Quadient's people to achieve the Company strategy					
Talent attraction and retention Health & safety and well-being Inclusion & Diversity Human capital development	- Provide great working conditions empowering all Quadient employees to perform at their very best. - Create an inclusive and diverse culture indicative of Quadient's equal opportunity employer philosophy. - Give all employees the opportunity and the means for personal and career development and empower them to contribute to the Company's success.	>80% of employees benefiting remote working 2 days or more per week	79% ^(a)	 	5.1.3
		Being recognized "Best Places to Work" with score greater than 70	68.68/75		
		>30% of women among managers	29.1%		
		>30% of women among Senior Leaders	16.9%		
Ethics & Compliance: Enabling a culture of excellence and integrity					
Data privacy Breach of ethical rules Responsible procurement Human Rights Corruption & bribery	- Promote a culture of integrity and ethical conduct through. Quadient's compliance program. - Protect privacy and integrity of data entrusted to Quadient against internal and external threats. - Engage with partners and suppliers who observe standards similar to those of the Company.	>95% employees endorsed the code of ethics	61.8% ^(b)		5.1.4
		>95% employees completed the training on the code of ethics	64.2% ^(b)		
		>95% our strategic suppliers have endorsed the Supplier code of conduct	N/A ^(c)		
Environment: Reduce Quadient's environmental footprint					
Circular economy Climate change	- Take actions to combat climate change and support global transition to a low carbon economy. - Foster circular economy principles in Quadient's operations and solutions to lower the Company's environmental footprint.	Reduce CO ₂ emissions by: (i) 28%, for scope 1 & 2 between 2018 and 2030 (ii) 40%/€m revenue for targeted categories, for scope 3 between 2018 and 2030	32% ^(d) compared to 2018	 	5.1.5
		Mail-Related Solutions (MRS) equipment remanufacturing to account for more than 50% of MRS products placed on the market	5.2%/€m compared to 2018 34.6%		



CSR challenges/ Non-financial risks	Ambitions	Objectives	2020 Results	SDG	Section
Solutions: Build the best customer experience by offering innovative, reliable, and sustainable solutions					
Customer satisfaction Innovation, technology availability Intellectual property Eco design and low carbon products and solutions Product stewardship	• Leverage technology to consistently innovate and improve Quadient's portfolio of solutions. • Design cutting-edge sustainable solutions to help Quadient's customers fulfil their needs while contributing to sustainable development. • Deliver high quality, reliable and secure solutions to Quadient's customers.	Achieve overall customer satisfaction above 95%	97% overall customer satisfaction	 	5.1.6
		Pursue investments in R&D above 4.5% of consolidated revenues	5.3%		
Philanthropy: Engage and support local communities					
Community engagement	• Embody the Company's values by supporting local communities in the fields of Education & Decent Employment, Inclusion & Diversity and, the Reduction of Waste and Pollution.	5,000 annual hours + contributed by Quadient's employees supporting communities	150 hours ^(e)	   	5.1.7
		25% of employees involved in volunteering & sponsorship projects	NC ^(e)		

- (a) In 2020, the lockdown due to the COVID-19 pandemic in different countries accelerated the rollout of teleworking within the Company.
- (b) Endorsement and training programs were launched during the last quarter of the financial year, thus performance does not represent full year efforts.
- (c) The updated version of the supplier Code of Conduct will be launched in 2021.
- (d) Green-house gas emissions materially decreased due to the COVID-19 pandemic, following notable improvements in 2019.
- (e) Due to the COVID-19 pandemic, a significant level of charity actions and events have been postponed to 2021 or replaced by online events that have not been tracked. A new platform is being implemented in 2021 to better monitor the Company's efforts.

Quadient commits to the Sustainable Development Goals (SDGs) as a signatory member of the UN Global Compact

By joining the UN Global Compact in 2021, Quadient asserts its commitment to respecting, supporting and promoting the 10 Principles of the Global Compact on human rights, labor, environment and anti-corruption within its sphere of influence. Quadient will also undertake actions to advance the broader development goals of the United Nations, and already intends to contribute to the achievement of the following eight Sustainable Development Goals (SDGs):

- Goal 4: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all". Indeed, Quadient is involved in education matters, mainly through its philanthropic initiatives (in kind donation of devices to schools, financial donations) and also through partnerships with schools or universities in France, UK and Czech Republic for instance. The Company also regularly builds effective learning programs to enhance skills and capabilities of employees and recently invested in e-learning solutions such as LinkedIn Learning, English courses online, and Ignite program for Senior Leaders.

Main targets: employees and communities;

- Goal 5: "Achieve gender equality and empower all women and girls." Quadient is committed to gender equality and, as far as possible, it wants to not only recruit more women but also allow them to access management positions through internal promotion. In this respect, a women's leadership program has been developed. Sponsored by Quadient's CEO and the Executive Management team, the program delivers practical insights and skills focused on both the challenges and opportunities for women in leadership. Women leaders will build a powerful learning network and in turn empower other women and be part of their success story.

Main target: employees;

- Goal 8: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all." In accordance with its code of ethics and supplier code of Conduct, Quadient is particularly vigilant as to the working conditions of all its suppliers and partners, and is committed to respecting the fundamental principles set out in the United Nations' Universal Declaration of Human Rights and the conventions of the International Labour Organization. Moreover, it helps boost employment in the different regions of the world in which it operates.

Main targets: partners and employees;

- Goal 9: "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation." As a committed and innovative player in the fields of digital communication (Customer Communication and Experience Management solutions, paperless

digitalization) and the value chain for parcels (automated packing systems, parcel lockers), Quadient's business naturally dovetails with this goal.

Main targets: partners, customers and communities;

- Goal 10: "Reduce inequality within and among countries". Quadient aims to create an inclusive and diverse culture indicative of the Company's equal opportunity employer philosophy. The Company give all employees the opportunity and means for personal and career development worldwide. Quadient also strives to provide the same good working conditions and advantages (mutual insurance, paid holidays, decent salary) to all its employees working in around 30 countries. Quadient hires local employees whenever possible. For example, the relocation of the Memphis logistics center to Byhalia created 75 local jobs. Finally, Quadient supports its local communities mainly in the fields of Education & Decent Employment, Inclusion & Diversity, and the reduction of waste and pollution.

Main targets: employees, partners and communities;

- Goal 11: "Make cities and human settlements inclusive, safe, resilient and sustainable". Quadient leverages technology to consistently innovate and improve its portfolio of high-quality, reliable and secure solutions for customers. The Company develops cutting-edge sustainable solutions to help its customers fulfill their needs while contributing to sustainable development. For example, in cities facing higher volumes of e-commerce deliveries as a result of consumers shopping online, traffic congestion from delivery trucks continues to grow, leading directly to increased CO₂ emissions. Parcel lockers solutions help to reduce missed deliveries and therefore reduce CO₂ emissions related to the re-delivery of parcels.

Main targets: communities, partners and customers;

- Goal 12: "Ensure sustainable consumption and production patterns." Quadient is a player in the circular economy through its remanufacturing approach. Furthermore, the Company deploys collection processes for its end-of-life products and consumables.

Main target: customers;

- Goal 13: "Take urgent action to combat climate change and its impacts." Quadient participates in initiatives to reduce energy consumption, optimize upstream and downstream freight transport, and reduce the carbon footprint of its products, detailed in the environmental section below.

Main targets: communities, partners and customers.



Evaluation of the Company's CSR performance by independent third parties

In 2020, as in previous years, Quadiant's CSR initiatives were recognized by non-financial rating agencies, in particular Vigeo Eiris, with an overall score of 54/100, and by the Gaïa Research agency with a score of 87/100, placing it sixth (6/230) in the Gaïa Index, moving up three places compared to the previous year.

As part of its environmental strategy, Quadiant has been part of the Carbon Disclosure Project (CDP) since 2009. The CDP is an independent international organization that provides a global system for measuring and publishing environmental information. In particular, it assesses companies' management and performance in relation to climate change and ranks them from "D" (lowest) to "A" (highest). In 2020, Quadiant obtained a score of "B" corresponding to "Management level", positioning Quadiant above the average of companies in general in France and Europe (average score of "B-").

The EcoVadis rating agency certifies companies' commitment to sustainable business development, specializing in assessing suppliers for global supply chains. In November 2020, Quadiant retained the "Gold" certification awarded by EcoVadis for its Corporate Social Responsibility commitment and performance for the third year in a row. Quadiant's initiative received an overall rating of 69/100 and ranked among the top 1% of suppliers in its industry sector.

ISS ESG, one of the world's leading rating agencies for sustainable investments, granted a "C+" score to Quadiant that was rated as a "Prime" Company. This status is given to companies with an ESG performance above the sector-specific prime threshold.

EMPOWERING QUADIANT'S PEOPLE TO ACHIEVE THE COMPANY STRATEGY

Quadiant firmly believes that its employees are the key to success. Their talents, ideas and actions shape the future of the Company's business on a daily basis. This is especially important as part of the Company's transformation. To sustain its operations around the world and get ready to grasp the opportunities generated by its strategy, Quadiant conducts a review each year of the conditions needed for a reciprocal, lasting and loyal commitment between the Company and its employees.

Quadiant is committed to supporting its employees in changing its business by providing the means and opportunity to grow and help fulfil the Company's strategy. Quadiant cares about the well-being of its employees and is committed to improving working conditions, enhancing their professional skills, promoting diversity and an inclusive culture, and ensuring health & safety at work for all.

Ambitions & targets 2021-2023

Ambitions	Key Performance Indicators (KPIs)	2020 Results	Targets 2021-2023
Provide great working conditions where all employees perform at their best	% of employees benefiting 2 days or more per week of remote working	79% ^(a)	>80%
	"Best Places to Work" score	68.68/75	>70
Create a diverse and inclusive culture and be an equal opportunity employer	% of women among managers	29.1%	>30%
	% of women among Senior Leaders	16.9%	>30%
Give all employees the opportunity and means for personal development and to contribute to the Company's success	% of employees having received at least one training course over the year	80.3%	>90%
	Number of training hours per FTE	16.4	N/A
	% of employees having received a regular performance and career development review during the year	81%	>90%

^(a) Employees telecommuting/teleworking during the COVID-19 pandemic.

Provide great working conditions where all employees can perform at their very best

As a responsible employer, Quadient prioritizes the well-being of its employees, encourages professional and personal development, and fosters a culture of collaboration. These commitments are formalized in the Company's code of ethics, implemented across the organization. The Company focuses on issues such as work/life balance by increasingly allowing employees to work remotely at least 2 days per week, the right to disconnect, the prevention of psycho-social risks notably through training, and regularly monitoring employee commitment. Quadient provides its employees with safe, risk-free workplaces, and does not tolerate any form of

harassment, intimidation, threat or violence. These commitments protect employees' quality of life based on the health and safety of each individual. This philosophy is a fundamental duty, driven by all entities within the Company and is essential during the COVID-19 pandemic.

In 2020, 14 collective agreements were signed with workers' representative bodies. 90 collective agreements are currently effective and cover, for example, work arrangements, work/life balance, health and safety, and quality of life at work.

Initiatives	2020 Results
Flexible working	Over 50% of sites offer their employees teleworking (excluding industrial sites). During the COVID-19 pandemic, 79% of employees worked remotely/teleworked. Widespread introduction of the right to disconnect.
Health and safety prevention	- OHSAS 18001/ISO 45001: 45.4% of Company staff are covered by these certification programs. - Training sessions on psycho-social and occupational health and safety are offered to employees every year. - The absenteeism rate for work-related accidents with time off: 0.05%.

Some initiatives were taken locally to improve work-life balance. For example, Quadient DOPIX in Germany offered additional parental leave and flextime to its employees and Quadient Technologies UK Ltd gave additional parental, maternity and paternity leaves. Through an internal platform, Quadient Inc. provides employees with wellness, fitness, and stress management challenges. Through these challenges, participating employees receive resources, education, and guides on how to take steps to make lifestyle changes to improve their health and wellness. Employees who participate in these challenges receive points that they can exchange for items through the company-wide Rewards program. They can earn additional incentives by participating daily in the challenges.

FOCUS ON TELEWORKING

For several years now, the Company has offered employees the option of working remotely (teleworking) and adopting flexible work hours, as long as this remains compatible with the nature and purpose of their duties and complies with local laws. This approach is part of a process to improve the quality of life at work. To do so, Quadient provides employees with the digital tools necessary to work remotely. Most employees are equipped with laptops and mobile phones. The migration to Office 365 and a connection through the Company's VPN (Virtual Private Network) enables access to all applications and collaboration tools employees need for remote work. Furthermore, the introduction of teleworking plays an important role in the Business Continuity Plan implemented by the Company in the context of the COVID-19 pandemic. Some agreements regarding teleworking are under negotiation, mainly in France.

In December 2020, a survey was launched in regard to the future organization of work within Quadient. Survey questions focused on topics such as telecommuting, the environment and work styles. In this context, a new program called "Work from Anywhere" will be launched in 2021 to provide employees with more flexible and agile working conditions (teleworking and/or work at the office, reorganization of working spaces, etc.).

FOCUS ON SMART WORK PROGRAM

Smart Work is a skills development program launched in October 2020, which defines Quadient's approach to flexible and agile work. It combines digital transformation with new ways of working and offers employees more choice in how they do their work. The main aim of this program is to lead change within Quadient's internal community. The Company provides employees with a toolkit containing self-study kits, exercises, and additional resources (on LinkedIn Learning, for example) that introduce the principles and ideas of flexible and agile work. This toolkit also guides employees through a range of activities and help them to expand their knowledge in the following three areas: self-care, empathy and the way we work. All these tools are used to create team engagements that allow employees to work better together. The first results will be available in 2021.



WELLNESS AND EMPLOYEE ASSISTANCE PROGRAM

In 2019, the Company implemented an Employee Assistance Program to help employees deal with challenges and prepare them to be more effective and perform better at work and in life in general. Through this Program, employees and their families can access practical information and advice on a broad range of topics, from financial advice to addiction. Information can be provided over the phone or *via* meetings arranged at the employee's convenience. The support is provided by Workplace Options, an independent company specializing in the provision of wellness offerings and employee assistance programs. In France, the program is managed by its French subsidiary Réhalto, and in the United States and Canada by Cigna. Employees can benefit from six consulting sessions per subject and per year.

For several years, the Quadiant Wellness Program in the United States received the Platinum award from the Fairfield Business Council in Connecticut as a Healthy Workplace. This program provides many resources and activities to help employees live healthier lives including wellness, health, and fitness seminars, webinars, and mental and physical challenges. In 2020, Quadiant's U.S. operations have also once again received a Gold award from the American Heart Association as a Heart Healthy Workplace.

ORGANIZATION AND FACILITIES SET UP TO SUPPORT EMPLOYEES DURING THE COVID-19 PANDEMIC

During the COVID-19 pandemic, Quadiant implemented measures to ensure the well-being of its employees and maintain social connections despite teleworking, which concerned up to 79% of staff worldwide. Among other measures, the Company provided masks and hydroalcoholic gel to all its employees and made them regularly aware of the safety precautions. Quadiant also proposed daily reminders to employees of how to care for their well-being while telecommuting, such as taking active

breaks and stretching, to stay fit and healthy and preserve their mental health during the health crisis. For employees working on industrial sites and those whose positions were not eligible for telework, part-time and short-time working arrangements or flexible working hours were put in place wherever possible. Virtual coffees breaks were also organized with the Executive Committee and senior management but also within different teams to maintain links between employees, and several Town Halls provided an opportunity to gather virtually the different teams worldwide.

Additional initiatives have also been taken to try to make life easier for employees during this difficult time. As a gesture of solidarity, the Company has ensured that health coverage and pension contributions were maintained for all employees, including in countries where this is not a legal requirement. The "Gift of time" program allows Quadiant's executives (Executive Committee and Senior Leaders) to donate their unused vacation days (days off) to other Quadiant employees worldwide. This initiative is designed to help those who need more time to care for family members who are ill or who are struggling with the stress of balancing telecommuting and family responsibilities. The program aims to provide a practical solution by providing additional time off, without taking away pay, and has benefited colleagues directly affected by COVID-19.

In addition, Quadiant has made a medical teleconsultation service available to its employees in France: MédecinDirect. It can be used in case of symptoms of coronavirus or other health issues. MédecinDirect is accessible 24/7 from France and abroad, and is entirely covered by the insurer; employees are not required to pay to use the service. During lockdowns, which occurred at different times in different countries, and according to the local measures applied, international and domestic travel were not permitted for all employees until further notice.

Create an inclusive and diverse culture indicative of Quadiant's equal opportunity employer philosophy

Quadiant's growth is intrinsically linked to the diversity and complementarity of the skills of its workforce. The Company is proud of the multiculturalism of its teams, and relies on them to encourage innovation, creativity and collaboration. Quadiant adheres strictly to a fair and equitable hiring process. By respecting all cultures and fostering an inclusive work environment, every employee is empowered to do inspired, passionate work and help the Company succeed. Quadiant offers equal employment opportunities to all employees and applicants.

The Company does not tolerate discrimination on the basis of age, race, gender, ethnic or social origin, nationality,

language, religion, health, disability, marital status, sexual orientation, political or philosophical opinion, veteran or other status, trade union membership or other characteristics protected by applicable laws and regulations. All employees, regardless of job title or level, must be treated fairly in matters relating to promotion, training, hiring, compensation and termination.

Quadiant has set high ethical standards for everyone who acts on behalf of Quadiant, and strictly prohibits any acts of violence, harassment and bullying, whether carried out by an employee or a non-employee.

Initiatives	2020 Results
Feminization of the governing bodies	- Board of Directors: 41.6% women at the end of 2020^(a). - At 33.3%, the number of women in Quadient up 1.42% compared with 2019. - At the end of the 2020 full-year, female managers accounted for 29.1% of the total number of managers.
Gender equality	Women represented 16.9% of Senior Leaders.
Adhesion to inclusion & diversity charters	Quadient has signed charters in France, UK, Germany, Austria, Italy and Switzerland.
Employment of people with disabilities	- Employment rate of people with disabilities at Company level: 1.83%. - Employment rate of people with disabilities in France: 3.8%.
Employment of seniors	Staff over 55 years of age account for 22% of the Company's total workforce.
Employment of young generation (<25 years old)	Employees under the age of 25 represent 2% of the workforce in 2020.

(a) In accordance with French law and the Afp-Medef code, employee-representative directors are not taken into account when determining the proportion of women on the Board of Directors.

EMPOWER WOMEN PROGRAM

Quadient believes that greater gender balance at the leadership level is a real lever for the Company's business performance. The Empower Women Program is a virtual learning series to help women navigate the complexity of attaining leadership roles. The program is designed to deliver practical insights and skills focused on the challenges and opportunities for women in leadership. Women leaders will build a powerful learning network and in turn, empower other women and be part of their success story. The Empower Women Program is sponsored by Geoffrey Godet, Chief Executive Officer, and Quadient's management team.

INCLUSION & DIVERSITY PROGRAM

Creating a diverse and inclusive culture indicative of Quadient's equal opportunity philosophy is one of the objectives of Quadient's HR policy and CSR approach. In 2020, to consolidate existing programs across all entities of the Company, Quadient presented to its employees a new policy and pledge for Inclusion & Diversity and launched the "Empowered Communities" project.

Quadient's employees actively participate in inclusion and diversity initiatives. For example, employee volunteers created the "Empowered Communities" project, which is open to all employees. The project is designed to facilitate opportunities for development through education and knowledge sharing, raise awareness and celebrate uniqueness through events and partnerships, and regularly bring together enable small groups for support. These groups act as safe places for discussions and ideas around inclusion and diversity developments regarding women, origins and ethnicity, sexual orientation and gender identity, as well as disabilities. The groups also assist in outreach programs with charitable and non-profit organizations involved in the company's philanthropic activities.

Alongside launching the Inclusion & Diversity program, Quadient has signed charters and committed to inclusion objectives of local support organizations in France, the United Kingdom, Germany, Austria, Italy, and Switzerland. For example, Quadient has signed the French Diversity Charter, joining more than 4,200 signatories to fight discrimination and promote diversity within the Company. In France, members of the Management team and employee representatives signed the LGBT+ Engagement Charter of L'Autre Cercle, an association that fosters the inclusion and visibility of LGBT+ people in the professional world.

QUADIENT SUPPORTS DIVERSITY IN THE WORLD OF INFORMATION TECHNOLOGY

In the Czech Republic, Quadient has partnered with Czechitas, a non-profit organization that helps women, girls and children to explore the world of information technologies. The organization teaches them to code in various programming languages, tests software, and analyzes complex data. As a regional Partner of Czechitas, Quadient will offer mentoring skills on requalification courses for women during a one-year period and offer expertise to support other local workshops throughout the year.

QUADIENT SUPPORTS PEOPLE WITH DISABILITIES

Quadient continues to support people with disabilities, now having formed an "Empowered Community" for this impacted group where employees can discuss together and drive positive change on this topic. This Empowered Community is employee-led and sponsored by the Chief Transformation Officer. For example, in Switzerland, it has outsourced certain tasks, such as consumable order fulfilment or certain warehousing tasks to the ESPAS Foundation. This foundation works to promote the social and economic integration of people whose health prevents them from playing a full role in the workplace. Its primary aim is the successful integration of women and men with a physical or mental disability. ESPAS offers commercial and industrial outsourcing opportunities for companies, institutions and other organizations.



In France, Quadient has partnerships with ESAT (assistance and service centers helping disabled people into work) organizations. The company outsources activities such as providing offices with supplies and manual packaging or administrative and mechanical tasks.

Quadient accounts 94 employees with disabilities as part of the workforce. The Company seeks to facilitate their hiring and integration by offering adapted workstations where necessary.

Give all employees the opportunity and the means for personal development and to contribute to the Company's success

Employees are essential to Quadient's success and are the main driver of its performance. To recruit and retain the best talent in its key business areas, the Company aims to provide employees with an attractive work environment that encourages them to take initiative and work together to fulfil its mission: achieving sustainable growth for Quadient's internal and external stakeholders.

Developing talent and skills is central to Quadient's human resources policy. A particular challenge exists in terms of the transfer and acquisition of key or rare skills, specifically in the digital sector, which is highly competitive and constantly changing.

Initiatives	2020 Results
Recruitment of new staff	454 people joined the Company under permanent contract and 65 under fixed-term contracts during the 2020 financial year.
Retention of staff	- As of 31 January 2021, 97.2% of staff have a permanent contract. - Employees on temporary contracts accounted for 1.7% of the Company's total workforce.
Increase staff commitment	- Employee Net Promoter Score moved from 3 to 18 in 2020. - The staff turnover rate^(a) is 10.2%. - The absenteeism rate was 5.4% in 2020.
Pay and recognition	- This year the Company maintained a pay-increase campaign despite the COVID-19 pandemic. - Wages and payroll charges represent 429.8 million euros.
Training plans	80.3% of employees attended at least one training course in 2019. 4,128 employees trained and 16.4 hours of training on average per Full Time Equivalent (FTE). - Budget of 2.03 million euros allocated to staff training.
Focus on digital training	81,903 hours of training including 36.6% on digital. 61% e-learning hours. 867 hours delivered on the LinkedIn Learning platform.
Annual appraisal interviews	81% of staff had an annual appraisal interview.
Internal mobility	146 employees benefited from internal promotion.

(a) Arithmetic average of the number of employees who left and the number of new hires, divided by the initial number of employees at the start of the period.

ATTRACTING TALENTS AND INCREASING EMPLOYEE'S COMMITMENT

The energy and motivation of Quadient's staff is a key link in its value creation chain. The Company measures the commitment of its employees and develops action plans as necessary to strengthen its employer identity and nurture loyalty within the business.

Recruiting future talents

Quadient is in regular contact with local schools and universities. For example, Quadient s.r.o. regularly cooperates with universities and local high schools in the Czech Republic where Quadient staff have taught classes, organized IT events and BarCamps (participatory workshops related to new technologies where content is proposed by participants); this has occurred mainly at the University of Hradec Králové. Quadient works in particular

to attract young people to developer functions as part of its digital activities.

Employee engagement survey

Quadient attaches importance to the opinions of its employees. To assess staff engagement and identify areas for improvement, the Company launched a new engagement survey in 2017, in partnership with start-up Supermood. Quadient sends an anonymous questionnaire to employees each quarter to gauge employee perception of the Company's policies and work environment. The resulting Employee Net Promoter Score (NPS) ranges from -100 to +100. According to Supermood, an NPS in the -100 to -30 range is considered "low", a score from -30 to zero is "medium", a score from zero to 10 is "good", and above 10 is "excellent".

In 2020, the NPS increased from three to 18, placing Quadient's employee engagement in the "excellent" range. These surveys are a vital component of the dialog established within the organization, helping management identify and understand employee motivations and drivers of engagement. This data provides insight that guides the creation of action plans promoting employee well-being and daily engagement.

Workday

In 2020, Quadient has started to deploy Workday, a new global human capital management system across all legal entities. This user-friendly technology tool, which is an important part of Quadient's new ways of working and digital transformation, provides a better employee experience, reliable and real-time data for decision making, and helps managers lead their teams more effectively. Workday allows employees to access Quadient's organizational charts and to see internal vacancies with links from the Workday home page; other useful Company portals such as LinkedIn Learning and Career hub, the Company internal mobility portal. Employees can also update their personal information directly through Workday and have more control over their data. The deployment of this new tool has been planned in two phases, the first phase took place in 2020 and the second phase will be deployed in 2021.

BUILDING EFFECTIVE LEARNING PROGRAMS AND EMPOWERING EMPLOYEES TO GROW IN THEIR CAREER

Developing talent and skills is at the heart of Quadient's human resources policy. The Company aims to provide employees with the resources necessary to ensure they play an active role in developing their skills and careers through innovative training content, appropriate and varied formats (e-learning), and personalized training modules. In 2020, the Company invested in 63,831 hours of training, 38.2% of which was carried out in the classroom, 61% via e-learning, and 0.8% over the phone, in particular as part of foreign language courses.

Focus on digital-based training and e-learning

Digital-based training has risen sharply in line with Quadient's digital activities.

In 2020, 29,976 hours were dedicated to digital training accounting for 36.6% of the total number of training hours. This allows the Company's employees to acquire new skills and improve their expertise in the face of competition and rapidly evolving technologies. In 2019, Quadient introduced the LinkedIn Learning platform, providing thousands of

training resources in multiple languages with recommendations personalized to employees' skills and interests. The platform is accessible at any time from any device for faster, smarter learning. LinkedIn Learning includes varied and personalized learning pathways to support employees' development, from business line knowledge to soft skills such as leadership, communication, and management. It also offers certifications recognizing the skills acquired. In 2020, 4,100 employees completed at least one course on the LinkedIn Learning platform.

Online English course

Quadient is committed to creating a culture of inclusion across the organization and offers an online English course to interested employees to facilitate their collaboration with colleagues and customers worldwide. This six-month program supports employees for whom English is not a first language, from beginner to advanced level. Lessons are based on real situations, using interactive exercises, role plays and videos, making it relevant and easy to apply. The course is entirely online and can be accessed at any time from any device so that each employee can learn at their own pace. In 2020, 1,214 employees, or 22.6% of Quadient's headcount, participated in this course.

Ignite Leadership Program

In 2020, Quadient launched an innovative leadership development program that focuses on developing a critical mindset and skill set to be an effective leader. Ignite is designed to help employees perform at the caliber necessary to drive and deliver Quadient's Back to Growth strategy. Employees are encouraged to meet their managers to set their learning goals, share key insights and plan for action. This learning experience is a major investment in employees' growth and development as a leader. To deliver this innovative program, Quadient has partnered with Harvard Business Publishing.

Promotion of internal mobility

The diversity of career paths brings a wealth of human and technical experiences. It enables the sharing of ideas, breaks down departmental siloes, and nurtures cohesion and creativity by forming teams of professionals with varied profiles. Quadient encourages employees to grow their career and achieve their full potential. In 2019, the Company launched an internal mobility portal called Career Hub. This platform allows employees to view all internal vacancies across all departments around the globe and receive personalized job recommendations based on their preferences.



ENABLING A CULTURE OF EXCELLENCE AND INTEGRITY

Quadiant expects each of its employees to act with honesty and integrity, and to comply with applicable laws, rules and regulations governing all aspects of the business including research, development, manufacturing, marketing, sales and distribution of products and associated services and

solutions. Beyond the regulatory obligations, Quadiant has defined the ethical standards it wishes to encourage among its employees and as part of its dialogue with external stakeholders.

Ambitions & targets 2021-2023

Ambitions	KPIs	2020 Results	Targets 2021-2023
Promote a culture of integrity and ethical conduct through Quadiant's code of ethics and compliance program	% of employees that endorsed the code of ethics	61.8%	>95%
	% of employees that completed the training on the code of ethics	64.2%	>95%
	% of employees having completed compliance and business ethics training program ^(a)	NC	>95%
Protect privacy and integrity of data entrusted to us against internal and external threats	% of employees having completed data privacy training program	NC ^(b)	>95%
	% of employees having completed information security training program	NC ^(b)	>95%
	% of newly delivered digital services compliant to Quadiant's Digital security Standards ^(c)	NC	>95%
Engage with partners and suppliers who observe ethical standards like those of the company	% of strategic suppliers that endorsed the Suppliers code of conduct ^(d)	N/A	Updated supplier code of conduct to be endorsed in 2021
	% of evaluated suppliers compliant with Quadiant's Suppliers code of conduct requirements ^(d)	89.2%	>85%
	% of buyers trained on responsible procurement	NC ^(e)	>90%

(a) New compliance training programs will be launched in 2021.

(b) New training programs launched in February 2021.

(c) Digital Security Standards have been developed in 2020.

(d) Scope to extend starting in 2021 to non-production strategic suppliers.

(e) Training program for purchasing teams will be launched in 2021.

Promote a culture of integrity and ethical conduct through Quadiant's compliance program

THE CODE OF ETHICS

Designed to promote ethical behavior among employees and external stakeholders, Quadiant's code of ethics sets the framework for its requirements and practices, a framework on which it relies to make its decisions and carry out its activities. It was updated in July 2020 and covers a broad range of crucial topics: Human Rights; Employees (health & safety at work, diversity, fairness and respect, employee development, open dialogue, and representative bodies); Business Ethics (anti-trust laws and fair competition, corruption, political engagement, communication); Business Relationships (customers and partners); Company assets and third parties (protection of the Company assets, confidential information and data protection, respect for intellectual property rights); Citizenship and responsible engagement (environmental

protection and societal commitment). The new version also includes useful recommendations for how to anchor the code of ethics in Quadiant's corporate culture and takes into account Quadiant's new values.

Quadiant asks every employee, regardless of their role, function or entity, to follow the code of ethics when working for or representing Quadiant. It also expects and encourages its business partners and suppliers to act in a way that is consistent with this code. The code is available in the following languages: French, English, Dutch, German, Italian, Spanish, and Czech. Each legal entity makes the code available to its employees on their regional Intranet or by distributing a printed version. It is also available on the new corporate website: <https://www.quadiant.com/about-us/corporate-responsibility>.

Also in the last quarter of 2020, mandatory training regarding the code of ethics was launched on LinkedIn Learning, which included a video, a short quiz (passed with a score of at least 80%), and an endorsement form to be completed by all employees. 64.2% of employees have completed the online training and 61.8% have endorsed the code of ethics as of end of January 2021.

PREVENTION OF AND FIGHT AGAINST FRAUD AND CORRUPTION

In accordance with its code of ethics, Quadient complies with the anti-corruption laws of the countries in which it operates and has a zero-tolerance policy for corrupt practices, including in particular giving or accepting bribes, either by an employee or a third party acting on behalf of the Company. Quadient rejects all forms of corruption and prohibits demanding, accepting, offering or giving bribes, gifts or other benefits, either directly or indirectly. It also raises awareness and provides training to its employees on the prevention of fraud and corruption. Quadient's Board of Directors has 9 independent members. The Board's rules of procedures, establishment of a Conflict-of-interest policy, and a fraud prevention procedure minimize the risk of abuse and misdeeds. In addition, the managers concerned are required to sign an annual conflict of interest form for internal controls.

ANTI-TRUST LAWS AND FAIR COMPETITION

Quadient does not tolerate anti-competitive practices, including price fixing, the rigging of tenders and responses to tenders, or sharing customers, markets or territories. Accordingly, Quadient forbids its employees from entering into any agreement with competitors intended to restrict the nature or quantity of products and services offered, as well as any agreement with suppliers or other partners to obstruct fair competition or the exchange of information with competitors regarding corporate strategy on products or pricing.

WHISTLE-BLOWING PROCEDURES

Quadient has implemented a corporate whistleblowing procedure to facilitate the reporting of any possible breach of its code of ethics. Different escalation channels are available to raise concerns. Employees are encouraged to report through the management line first. However, if an employee considers that informing their direct line

manager could cause difficulties (for example, if the direct line manager was involved in the alleged misconduct) or that the alert notified may not be properly followed-up, they may directly contact one of the following departments: Human Resources, Compliance, Legal or Internal Audit.

To complement this process, the Quadient Ethics line was launched in May 2020. It is a comprehensive and confidential reporting tool, hosted and operated by third-party provider NAVEX Global, which assists employees to report anonymously any concerns related to Ethics & Compliance (e.g. fraud, abuse, and other misconduct in the workplace), via a form online (website) or a hotline, available 24 hours a day, 365 days a year. This corporate platform also allows employees to ask questions about the code of ethics and other corporate policies. In a second step, this ethics line will also be available for Quadient's third parties (e.g. customers, suppliers, partners). All escalated or identified ethic breaches are analyzed by the Ethics & Compliance committee composed of the Chief People Officer, General Counsel, Vice President of Internal Audit and Vice President of CSR & Compliance.

HUMAN RIGHTS

By joining the UN Global Compact in 2021, Quadient asserts its commitment to supporting and promoting respect of human rights within its sphere of influence,

Quadient runs its business in accordance with the fundamental principles outlined in the United Nations Universal Declaration of Human Rights and conventions of the International Labour Organization. The Company strongly condemns the following: modern slavery and the trafficking of human beings; all forms of illegal, forced or compulsory labor, in particular child labor; discrimination in respect of employment and occupation; restriction of freedom of association and the right to collective bargaining. Quadient supports these principles in its code of ethics, its position on labor relations, hiring practices and its relationships with partners, suppliers and customers. The Company ensures that its operations comply with its code of ethics through its procedures and internal control systems including regular operating reviews, risk management, internal audits and supplier assessments.

Protect privacy and integrity of data entrusted to Quadient against internal and external threats

In an increasingly connected world, with ever-increasing amounts of electronic mail and parcel volumes growing in line with the growth of e-commerce, Quadient has made a firm shift to digital. In addition to smart machines to process traditional mail, the Company's offering now includes solutions and software either dedicated to digital communications management or aimed at facilitating parcel processing.

Quadient handles a lot of sensitive information every day and protecting such information has always been of very high concern for the Company, including the protection of postal transactions, customer's data, and the Company's data. Aware of the consequences of a security failure in its operations, the Company is committed to safeguarding the confidentiality, integrity and availability of all physical and electronic information assets to ensure that regulatory, operational and contractual requirements are fulfilled.



Initiatives	2020 Results
Establishment of a new global quarterly Information Security Board	Analysis of security incidents, security performance and the progress of security-related projects during quarterly security reviews.
New global Security Incident Management Process improving reporting, aligned to DPO requirements	- Incorporation of crisis management and corporate communications. - Selection of a third party Security Incident Managed Service to increase efficiency of incident response, incorporating expert incident analysis and forensic investigation capability.
ISO 27001 certification program	4 entities are ISO 27001 certified (covering 20% of staff), Inspire cloud-based solution have ISO 27017 and ISO 27018 certification (cloud) and meet the OpenSAMM security standards.
Program of internal and external audits in 2020 on the Company's systems and applications	16 security audits carried out in 2020 covering MRS, CXM and BPA.
Personal data protection program complying with the data regulation	- Implementation of a Data Council comprised of stakeholders across the organization. - Expanding practices beyond GDPR^(a) and CCPA^(b) to new legislation that require additional attention and compliance (i.e. new laws in the United States, United Kingdom, Ireland and Brazil).

(a) General Data Protection Regulation.

(b) California Consumer Privacy Act.

A NEW INFORMATION SECURITY OPERATING MODEL

The Company has defined security policies that detail the requirements for correct and secure use of its own data and data entrusted to Quadiant by its stakeholders such as staff, customers, suppliers, and other partners. These security policies have been rolled out in all countries in which Quadiant operates. They are mandatory and apply to all legal entities, employees, service providers and consultants working on company sites or to anyone with access to company systems.

As part of its ongoing transformation, Quadiant has implemented a new global Information Security operating model. Core to this new operating model is a specialist focus, ensuring that the Company has dedicated capabilities where security matters most: in protecting its customers, its employees and personal data that is entrusted to Quadiant. The Company's holistic approach means it consistently focuses on areas of biggest risk with the means to effectively recover from security events should they happen.

Quadiant's policies are practicable and designed to drive the right behaviors in its people and partners, complemented by effective global operating standards. The Company certifies to ISO standards to underpin its practices.

The Director of Information Security chairs a Corporate Information Security Board to govern corporate information security activities. The Security Board meets quarterly and includes representation from Solutions Security teams, the Data Protection Organization,

Corporate Compliance, Digital Organization and Corporate Information Security. This is the overarching Information Security technical governance authority within Quadiant, reporting to the Quadiant Executive Committee. Its role is notably to establish global information security objectives and priorities, perform global information security risk assessments, maintain Information Security policies, and create global awareness of Information Security Policies and safe working practices.

ISO 27001 CERTIFICATION PROGRAM

Quadiant is currently rolling out a certification program based on the ISO 27001 standard, primarily covering sites whose business is the development of software solutions, infrastructures and their support. In 2020, four entities were ISO 27001 certified, and the cloud-based Inspire solution is also ISO 27017 and ISO 27018 certified.

COMPLIANCE WITH DATA PRIVACY REGULATIONS

Quadiant is committed to processing personal information in accordance with applicable data privacy laws and regulations. Quadiant's also remains focused on reinforcing its foundation in data privacy areas to ensure the proper security, handling and disposal of data and personal information. According to its data privacy policy, Quadiant collects, uses, and retains personal data when it is necessary to ensure the effective operations of the Company. Moreover, Quadiant protects confidential and personal information entrusted by its customers, suppliers, and other business partners as carefully as it protects its own information.

Additionally, a Data Council was established in the first half of 2020, led by the Company's Data Protection Officer and Chief Digital Officer and comprised of stakeholders across the organization to provide the proper governance, transparency and guidance related to these important issues.

In 2020, a cross functional data protection team has worked to accomplish the data privacy objectives. Notable achievements include: implementation of a single record of processing to inventory and manage all Quadient processing activities; creation and update of critical

policies related to information security and data privacy; generalization of the usage of tools that could detect phishing; and finalizing the implementation of a global data incident management process. In addition, the Company has secured its relationships with its subcontractors and implemented a process to respond to data subject access requests where applicable.

Various privacy impact assessments and audits for new products and newcomers, like Parcel Pending and YayPay, have been initiated and completed to ensure safe integration and commercialization of Quadient's products.

Engage with partners and suppliers who observe standards similar to those of the Company

Quadient extends its CSR and ethical commitments to all its partners, who must comply with applicable laws and regulations, International Labour Organization conventions and the Company's responsible procurement policy.

To this end, since 2016 the industrial partnership and procurement department, in collaboration with CSR and Compliance management, has rolled out its supplier code of conduct and its responsible procurement policy across its entire range of manufacturing suppliers. The policy against modern slavery and human trafficking complements the measures taken by the Company to support human rights. Quadient has also disclosed its conflict minerals policy to its electronic suppliers and requested them to provide evidence that they do not use conflict minerals in the manufacturing of components they deliver to Quadient.

Quadient seeks to establish mutually beneficial partnerships with its suppliers and to conduct business with them in a responsible, ethical and sustainable manner. The Company, therefore, endeavors to work only with partners who share its values and have similar ethical rules to its own.

Quadient is also committed to choosing its suppliers carefully, fairly and with integrity. They are selected using the established procurement strategy or by invitation to tender based on their ability to meet the Company's requirements in terms of quality, price, service, reliability, technology, safety, the environment, and ethics. The Company also endeavors not to create a situation of mutual dependence in terms of revenue, technology, and know-how.

Quadient ensures that its suppliers comply with its requirements through dialog, visits, audits, and performance assessments carried out by its teams. Over and above contractual matters and supplier selection audits, since 2017 the industrial partnership and procurement department has launched CSR assessment campaign for its suppliers. Those who do not fulfil the Company's assessment are asked to provide an action plan.

In 2020, Quadient reviewed its responsible procurement approach to extend it progressively to all Quadient's purchases. The Company has also updated its Supplier Code of Conduct in early 2021.

Initiatives	Main achievements
Assessment of suppliers' CSR performance	221 suppliers assessed since 2017, representing more than 98% of the total manufacturing purchases from the plants at Le Lude and Drachten and from Quadient's OEM partners in 2020. 89.2% of suppliers assessed obtained a score in keeping with the Company's requirements. An action plan is required from suppliers who do not comply with the supplier code of conduct.
Supplier CSR audits	Eight CSR audits carried out with tier-two suppliers in Asia (China and Malaysia) completed in 2018 and 2019.
Staff involvement and training in responsible procurement	- CSR and ethics training over two days for purchasing and supplier quality teams present in Asia (Hong Kong). These teams cover all of the relationships with the Company's suppliers in China and Malaysia. - Discussions with the team of buyers to jointly define the CSR criteria relevant to different types of suppliers, particularly on social issues.
Involvement of suppliers and responses to non-financial rating agencies	- Listed according to the criteria defined by the Company. - The Company was awarded "Gold" status (69/100) at the latest assessment conducted by EcoVadis in 2020. It shares its profit with its customers (selection criterion in certain cases) and suppliers and invites its suppliers to complete the EcoVadis questionnaire.



REDUCING QUADIANT'S ENVIRONMENTAL FOOTPRINT

For several years, Quadiant has been committed to protecting and preserving the environment. Given its activities, the Company's main environmental challenges relate to its carbon footprint and the impact of its products and solutions throughout their life cycle.

Quadiant's environmental policy, formalized in the Company's code of ethics, focuses on innovation and the

ecodesign of products, their remanufacturing and the recycling of waste generated by the industrial sites and products at the end of their life, thus encompassing circular economy principles. This code also defines a framework for all Quadiant's entities that are committed to reducing their carbon footprint.

Ambitions & targets 2021-2023

Ambitions	KPIs	2020 Results	Targets 2021-2023
Take action to combat climate change and support global transition to a low carbon economy	% of reduction of CO ₂ emissions related to scope 1 & 2 compared to 2018 (Energy consumption and company vehicles)	32% ^(a)	28% by 2030 ^(b)
	% of low carbon energy (renewable energy and heating network)	16.6%	25%
	% of reduction of CO ₂ emissions related to scope 3 for targeted categories compared to 2018	5.2%/€m revenue	40% by €m revenue or 30% in absolute by 2030 ^(c)
Foster circular economy principles in Quadiant's operations and solutions to lower the Company's environmental footprint	% of industrial waste recycled	86.4%	>90%
	% of hardware units remanufactured	34.6%	>40%

(a) High reduction of scope 1 & 2 emissions due to COVID-19 situation in 2020.

(b) Reduction target of 28% between 2018 (baseline year) and 2030 for scope 1 & 2 based on scenario of 1% growth to 3% growth per year.

(c) Reduction target of 40% per €m revenue for scope 3 on targeted categories between 2018 and 2030: use of sold product, purchase of goods and services, business trips and employee commuting.

Take actions to combat climate change and support global transition to a low carbon economy

Aware of the consequences of climate change, Quadiant is committed to reducing its carbon footprint and has set targets in line with the "well below 2°C" trajectory.

RISKS RELATED TO CLIMATE CHANGE

Quadiant has analyzed the potential effects of climate change on its activities. Three risks that could have a medium- or long-term impact have been identified and are described below:

- risk linked to the intensification of natural disasters and events: on account of their geographic location, some Quadiant sites and some industrial partners and suppliers are exposed to natural disasters or events such as earthquakes, or to climatic phenomena such as hurricanes, cyclones, typhoons, floods and tidal waves, which will occur increasingly often. The logistics center in Byhalia, the production site in Drachten and Quadiant offices in Hong Kong appear to be the most exposed. These events are likely to affect the availability of parts and components necessary for the manufacturing of products, and to damage production facilities, slow the supply chain, temporarily interrupt production and

distribution, and potentially threaten the safety of employees;

- risk linked to changes in regulations to reduce greenhouse gas emissions: Quadiant is mindful of the development of such rules, existing or future, the increased severity of which could have a negative impact on its future sales and activities, thus increasing its operational costs and reducing profitability;
- risk linked to behavioral changes of stakeholders: regulatory changes and the common aim of customers, investors and shareholders to reduce CO₂ emissions are becoming increasingly important for companies whose product offerings and activities have minimal impact on the environment. Most public or private calls for tender include criteria on environmental performance and particularly on the carbon footprint of the products or services delivered. Article 173 of the French energy transition law requires institutional investors to transparently disclose how environmental, social and governance criteria are considered in their investment decisions.

LOW-CARBON STRATEGY

Every year Quadient measures its carbon footprint according to the Greenhouse Gas (GHG) Protocol methodology. Until now, all emissions linked to energy consumption on company sites (scope 1 and 2), business trips of employees, downstream and upstream goods that are transported and use of hardware products (scope 3) were taken into account. In 2020, to further develop its approach, Quadient conducted a life cycle analysis for the main category of its hardware and software solutions and achieved a complete inventory of its scope 3 emissions. The Company has excluded several categories that are not relevant for the calculation of scope 3 emissions such as downstream leased assets, investments and franchises. The scope 3 results must be considered as orders of magnitude, the level of uncertainty remaining high.

The Company's total emissions (scope 1, 2 and 3) were estimated, for 2018, at approximately 121,300 teq CO₂: 11,105 teq CO₂ for scope 1 emissions (9%), 6,516 teq CO₂ for scope 2 and 103,700 teq CO₂ for scope 3 emissions. The Company's main scope 3 emissions come from the following categories: purchases of goods and services (around 44%), use of sold products (around 21%) business trips and employee commuting (around 8% and 9% respectively).

In 2020, Quadient set its targets (baseline 2018) to reduce its GHG emissions at a pace that meets the "well below 2°C" trajectory requirements. As part of its low-carbon strategy, the Company has committed to two relevant and ambitious long-term targets:

- reduce its absolute CO₂ emissions related to scope 1 and 2 by 28% by 2030, i.e. an absolute reduction of 5,020 teq CO₂ compared to 2018, which implies a reduction at constant scope of 6% each year;

- reduce its intensity CO₂ emissions per €m revenue by 40% by 2030 compared to 2018 for targeted scope 3 categories: use of sold products, purchase of goods and services, business trips and employee commuting. This implies an intensity reduction at constant scope of 4% per €m of its CO₂ emissions each year.

Reducing CO₂ emissions related to scope 1 and 2

Several initiatives have been taken to reduce the total energy consumption and improve energy efficiency such as replacement of equipment by more efficient equipment, replacement of bulb lights by LED lights, renovation of buildings, and virtualization of servers. Wherever possible, air conditioning systems are replaced with refrigerant gas having a lower global warming potential. Some legal entities have also taken measures to optimize their vehicle fleet and implemented a car fleet policy. Quadient UK is implementing a dynamic call scheduling software for field service engineers to allow less driving time on the road through efficiency planning, optimized travel time and less fuel consumption. CO₂ emissions related to Scope 1 and 2 materially decreased by 36.7% and 23.7% respectively between 2018 and 2020, due to exceptional COVID-19 environment, following notable improvements in 2019.

Reducing CO₂ emissions related to business trips and employee commuting

In 2020, business trips account for 2,118 teq CO₂, down by 78% compared with 2019. In addition to the reduction in travel and commuting as a result of COVID-19, Quadient is continuing its action plans aimed at promoting teleworking and fostering low carbon transportation. In 2020, the health crisis and lockdown in different countries accelerated the rollout of teleworking within the Company. During 2020, approximately 79% of employees worked entirely from home.

Initiatives	Main achievements
Reduce consumption and improve energy efficiency	• 43% of the Company's entities are ISO 14001 certified, including 100% of its industrial sites. • Use of high-energy-efficiency or BREEAM certified premises: Bagneux, Rueil-Malmaison (France), Stratford (UK), Milford (United States); reduction of 2.25% in the surface area occupied by the Company compared to 2019. • Replacement of obsolete equipment, investment in higher performance and approved equipment (boilers, heat pumps, heat recovery compressors), renovation of buildings (external insulation), installation of presence sensors, LED lighting. • Increased awareness of eco-friendly ways of working amongst employees. • Virtualized operation of IT servers. • Drop in energy consumption of 16.8% compared to 2019 at the same perimeter (21,803 MWh in 2020 compared to 26,200 MWh in 2019).



Initiatives	Main achievements
Reduce the impacts of freight transport	• Ecodesign of products: reduced product weight and optimized packaging volume in relation to product size. • Operation to bring some Asian production activities back to Europe (Le Lude and Loughton), at the same time reducing the effects of international deliveries. • Optimized planning and procurement systems: checking the fill rate of containers, monitoring transport methods between sea and air freight. • Selection of carriers with eco-friendly logistics (optimized delivery runs, fuel economy).

LOW CARBON ENERGY

Quadiant Canada has a multi-year agreement with Bullfrog Power, the leading green energy supplier in Canada. This partnership reduces Quadiant's carbon footprint by supporting renewable energy projects. The principle involves supplying the Canadian electricity grid with a quantity of renewable energy equivalent to that consumed by all Quadiant sites in the country. The initiative helps to reduce energy generation by facilities that use fossil or nuclear fuels. Every kWh of power consumed is matched by the supply of one kWh of energy from a renewable source. The green electricity generated by wind or hydraulic power is considered to be non-polluting sources that emit no CO₂. Biogas comes from methane recovered from landfill waste sites and is also considered as not emitting CO₂. In addition to the organization's emissions, Quadiant Canada is also considering emissions related to the use of its products by its customers. Each postage meter and mailing system model was tested to determine the total annual power consumption. Based on this calculation, Quadiant Canada is committed to injecting the same amount of green electricity to the power grid on an annual basis, for

the duration of the initial lease or rental agreement. Several other Quadiant entities have made the choice to use renewable energy such as Quadiant Sverige in Sweden, Quadiant Switzerland, Quadiant UK and Quadiant DOPiX Germany. In France, geothermal energy is used to heat part of the Company's headquarters. In 2020, low carbon energy (renewable energy and heating network) accounts for 16.6% of the total energy consumption.

PARTICIPATION IN THE 2020 CDP

Since 2009, the Company has completed the CDP questionnaire. CDP is an organization that manages a global information publication system allowing businesses to assess and compare their environmental policies. It evaluates companies' management and performance in terms of climate change and ranks them from D (lowest) to A (highest). In 2020, Quadiant obtained a score of 'B' for the third consecutive year, corresponding to Management level and thus positioning Quadiant above the average of companies in general in France and Europe (average score of 'B-').

Foster circular economy principles in Quadiant's operations and solutions to lower the Company's environmental footprint

Circular economy refers to a set of practices enabling the protection, better use and less waste of natural resources. It is a global initiative that aims to change the paradigm concerning the so-called linear economy. At Quadiant, it translates into the following actions:

ECONOMICS OF FUNCTIONALITY

The economics of functionality is the offering or sale of the use of goods or a service rather than the goods itself. The aim is to develop integrated solutions for goods and services with a view to sustainable development. This way, trade is no longer based on the transfer of ownership of goods, which remain the property of the manufacturer throughout its life cycle, but on the consent of users to pay a use-value.

Quadiant's business model is in keeping with this rationale. It is based on the provision of mail handling services (rental or leasing) such as envelope inserting and franking rather than the sale of equipment. Services usually include maintenance management and the supply of print cartridges. In this way, the products used to provide these services to customers still belong to Quadiant and are recovered at the end of the contract or at the end of their life. There is the opportunity to place these products back on the market once they have been remanufactured.

ECODESIGN OF PRODUCTS

Quadiant's ecodesign policy aims, in particular, to improve energy efficiency, use of hazardous substances, longevity, recyclability, modularity and the upgradability of its products to minimize their impact on the environment throughout their life cycle.

The high level of sustainability and reliability of the parts and components employed enables the Company to adhere to the principles of the circular economy. This virtuous loop promotes the repair, re-use and eventual recycling of materials rather than disposal. To that end, Quadiant has incorporated strict ecodesign rules into its design and development processes. These allow the Company to identify the product life cycle phases, technologies and components that have the greatest impact on the environment. Furthermore, the efforts made have yielded very encouraging results concerning the environmental gains of new generations of products, demonstrating at the same time significant economic benefits.

Today, all franking machines and folders/inserters ranges benefit from this ecodesign approach.

PRODUCTS REMANUFACTURING

Remanufacturing marks a new stage in Quadient's environmental strategy, as part of a global circular economy approach. This is an industrial process in which a product is recovered from the field (e.g. product at the end of a contract, demonstration, exchange) and then inspected, dismantled, cleaned, and upgraded in terms of functionalities (hardware and software). Worn parts are replaced with new parts or parts that have been remanufactured. Once reassembled, the product is tested and packaged. These remanufactured products are therefore equivalent to new products offering the same technical characteristics and reliability. They are then placed back on the market with the same warranty as new product.

In 2020, Quadient carried out life cycle assessments on a range of postage meters and folder inserters. This study, conducted by independent experts, showed that a remanufactured machine results in an environmental gain of up to 50% in terms of greenhouse gases (GHG) generated

throughout its life cycle when compared with a new machine.

Over and above environmental impacts and raw material savings, product remanufacturing is part of a virtuous approach that allows Quadient to keep workers in jobs at the Company's production plants and gives the Company greater control over the quality of machine products installed in customers' premises.

WASTE MANAGEMENT

The waste generated by the Company comes mainly from manufacturing and logistics operations as well as the products it places on the market. This includes packaging waste, used consumables, spare parts and end-of-life products. As a responsible producer of hardware products, Quadient strives to reduce waste at the source, throughout its manufacturing operations, and ultimately avoid its products ending up in landfill. To this end, the Company has implemented take-back programs for equipment and consumables.

Initiatives	Main achievements
Ecodesign of products	• Ecodesign policy rolled-out within project and R&D teams for franking and inserting machine product lines.
Remanufacturing of products	• Introduction of global reverse logistics to collect end-of-lease/ rental, end-of-life products. • 24,072 products remanufactured in 2020.
Reuse and recycling waste	• 972.84 tons of non-hazardous industrial waste in 2020 (vs. 1,230.03 in 2019). • 18.54 tonnes of hazardous industrial waste in 2020. • 97.7% of industrial waste valorized (vs. 95.6% in 2019) of which 86.4% recovered for material in 2020 (in 2019 material recovery represented 90%). • 706 tons of WEEE (Electrical and electronic equipment waste) in 2020. • Implementation of a franking machine consumables collection process in the United States, Canada, France, United Kingdom, Ireland, Benelux and Germany. • 29.6% of franking machines supplies collected from customers.



BUILD THE BEST CUSTOMER EXPERIENCE POSSIBLE BY OFFERING INNOVATIVE, RELIABLE AND SUSTAINABLE SOLUTIONS

Quadiant is part of a sector that is facing many challenges such as a decline of the mail market, digitalization, and management of the last-mile parcel delivery as e-commerce surges. In light of these trends, the Company is committed to building the best customer experience by offering reliable and secure solutions and creating value for customers with sustainable and innovative solutions.

Quadiant's main challenges in terms of its customers and partners include customer satisfaction and innovation, as well as reliability, availability, solutions, services and safety of those solutions and services. These challenges are addressed from the design of solutions and services offers and are reflected in ambitious objectives, which are monitored regularly.

Ambitions & targets 2021-2023

Ambitions	KPIs	2020 Results	Targets 2021-2023
Deliver high quality, reliable and secure solutions	Overall customer satisfaction	97%	>95%
Leverage technology to consistently innovate and improve Quadiant's portfolio of solutions	% of revenue invested in R&D	5.3%	>4.5% of annual revenue

Leverage technology to consistently innovate and improve Quadiant's portfolio of solutions

Innovation is at the heart of Quadiant's strategy. In 2020, the Company devoted 5.3% of its revenue to research and development. An Innovation team is dedicated to studying and building new technologies and assets that will become the foundation of new activities or transform existing activities. Among the leading trends expected to have the largest impact in the coming years are artificial intelligence, virtual and augmented reality, and machine learning technology.

Regular user conferences and workshops enable Quadiant to present new technologies and updates to its customers and partners and discuss their needs and expectations. The Company is the owner of its trademarks and has 304 families of patents published. Quadiant registered eight patents in 2020.

Initiatives	Main achievements
Innovation with and for partners	• Organization of several innovation workshops with partners each year.
Innovation culture disseminated among employees	• Organization of internal workshops and hosting information on the Internet raises employees' awareness of innovation.
Investments in innovation and R&D	• Quadiant invested 54,9 million euros in R&D in 2020.
Intellectual property management policy and organization	• Dedicated in-house intellectual property team. • Patent committee. • Policy rolled-out across all R&D sites.
Patent filling	• Portfolio of 304 patent families and 8 patent applications filed in 2020.

FOCUS ON DIGITAL SOLUTIONS

Business Process Automation solutions

Quadiant's Business Process Automation solutions, a core pillar of the company's Back to Growth strategy, provide small and medium businesses (SMBs) access to digital capabilities and automation tools previously available only to large enterprises. In 2020, Quadiant took a leap forward in executing its strategic plan with the launch of Quadiant Impress, a cloud-based multichannel document automation platform for SMBs. Quadiant Impress brings together many independent product capabilities and the results of years of

investment in omnichannel communication technologies. This innovation delivers customers a comprehensive solution to help automate their business processes, gain operational efficiencies, and provide a better customer experience. The Quadiant Impress platform takes SMBs to the next level, accelerating companies in their transition to more digitalized and automated processes. This launch was followed by the release of Quadiant Impress Distribute, a document delivery solution that enables automation and distribution of mail from virtually anywhere, without ever touching a piece of paper, freeing up employees to focus on core business and higher-value tasks.

Customer Experience Management solutions

In February 2020, the Company announced the general availability of Quadient Inspire Release 14 (R14), its most advanced and comprehensive release to-date. This Customer Communications Management (CCM) platform helps organizations create and deliver personalized, compliant customer communications across digital and traditional channels, from one centralized hub. Quadient Inspire has over 1,100 enhancements and new features built around four fundamental issues: simplifying the user experience; enhancing the personalization of communications; improving interoperability for more robust integration of data and content; and scaling capabilities in-cloud and on premise to enable communications to get to market faster with greater flexibility and highly scalable performance. In 2020, Quadient also announced the following partnerships to nurture and develop innovations:

- Duck Creek Technologies, a global provider of SaaS solutions for the insurance industry. This collaboration will boost the digital transformation initiatives of insurance companies thanks to the integration of Quadient's Customer Experience Management solutions with Duck Creek's Claims management software.
- Infosys, a global provider of next-generation digital services and consulting. This partnership aims to leverage and supply Quadient solutions to provide businesses with the leading omnichannel Customer Communication Management (CCM) platform and the capability to meet complex communication needs, while being aligned to their customer experience strategy. Additionally, Infosys and Quadient will jointly develop innovative solutions in the Customer Experience Management space, making demonstrations available at Infosys technology and innovation hubs.
- Quadient has partnered with Kitewheel, a Leader in The Forrester Wave™: Journey Orchestration Platforms Q2 2020, to offer an enriched solution for managing the most important steps and interactions within a customer's journey. The new solution, Quadient Customer Journey Explorer, developed by Quadient's Customer Experience Management team, provides unified management of vital customer communication touchpoints, making it possible to understand, measure and optimize each journey to increase customer acquisition, satisfaction and retention.

Design cutting-edge sustainable solutions to help our customers fulfil their needs while contributing to sustainable development

PRODUCT ECODSIGN

In 2006, Quadient introduced an ecodesign policy to reduce the impact of its products throughout their life cycle. This policy is now an integral part of the corporate strategy. The Company gives careful consideration to energy efficiency, use of hazardous substances, longevity, recyclability, modularity and the upgradability of its products. The high level of sustainability and reliability of

FOCUS ON SMART HARDWARE SOLUTIONS

Mail-Related Solutions

In June 2020, Quadient announced the launch of the iX-Series Mailing Systems and SMART Mail Center software in the US, designed to meet the needs of small, medium and large businesses across a variety of industry verticals. The new series brings customers additional features and technology updates while meeting the latest requirements of the United States Postal Service. This development initiative is part of Quadient's objective to extend its leadership in the mail industry in the US, as outlined in the frame of its Back to Growth strategy.

Parcel Locker Solutions

Parcel Locker Solutions provide an automated workflow to facilitate the package delivery and return process from home delivery and click & collect for retailers, to pick-up and drop-off (PUDO) automation for carriers. Quadient delivered many innovative projects related to Parcel Lockers, focusing on smart lockers, user experience, mobile apps, security and simplicity. Combining the expertise of US-based Parcel Pending, acquired in 2019, with its long-standing global leadership in Parcel Locker Solutions for carriers, retailers, commercial buildings or universities, Quadient has adopted the "Parcel Pending by Quadient" brand across its entire parcel locker portfolio in North America and Europe since June 2020.

In June 2020, Quadient announced the simultaneous launch in France, Japan, the UK and the US of Parcel Locker Lite™, a new series of compact and modular parcel lockers, designed to facilitate the roll-out and accelerate the adoption of Parcel Locker Solutions at an affordable cost by customers with smaller floor areas and lower volumes of parcels.

In 2020, Quadient also announced the launch of Parcel Pending by Quadient for multi-tenant residential buildings across the UK. The customizable parcel locker systems provide seamless management of incoming packages through an automated parcel process, securing delivery, storage, and pick-up, enhancing resident satisfaction, and improving operational efficiency.

parts and components enable the Company to adhere to the principles of a circular economy. This virtuous loop promotes the repair, re-use and eventual recycling of materials rather than their disposal.

Today, all new office franking machines and folder/inserters benefit from this ecodesign approach.



INNOVATIVE AND SUSTAINABLE SOLUTIONS

Quadiënt continually strives to propose innovative solutions that respect the environment. The boom in e-commerce and its impact on the use of cardboard and packaging materials have led the Company to design and create innovative solutions for market players.

SHIPPING INNOVATION

As consumers grow more conscious about the environmental impact of their purchasing decisions, a sustainable order fulfilment process becomes an integral part of minimizing a company's negative environmental impacts.

The Company has designed and developed automated packaging solutions that make made-to-measure parcels in real-time. Those solutions, named the CVP Automated Packaging Solutions, have significantly reduced the ecological impact of the supply chain by reducing the empty space in both packages and trucks.

In 2020, Packaging by Quadiënt launched the high-velocity CVP Everest, a cutting-edge solution that creates fit-to-size packages. It reduces package volumes by up to 50%, enables savings of up to 20% of packaging materials and completely eliminates void fill. The corrugate package can also be more easily recycled compared to taped packages. By creating the smallest parcel possible, more orders can fit in each trailer, greatly reducing a retailer's carbon footprint.

Since 2016, Quadiënt has been singled out among logistics and packaging professionals, being awarded prizes in France and the US. In 2020, the CVP Automated Packaging Solution received several awards including:

- Green Supply Chain Award: this award recognizes companies which make sustainability one of their strategic priorities and who work tirelessly to obtain quantifiable environmental results for their own operations and supply chain. This award also recognizes providers of supply chain solutions and services that assist customers in conducting quantifiable sustainable development activities.

- Inbound Logistics' Green Supply Chain Partner Award: this award highlights companies that are dedicated to developing sustainable innovations with measurable results that are socially and environmentally friendly.
- Sustainability Awards program: Quadiënt's CVP Everest was named a 2020 Sustainability Product of the Year by Business Intelligence Group. This award honors organizations that have made sustainability an integral part of their business practice or overall mission.
- Parcel and Postal Technology International Award: the CVP Everest was selected as the Sorting and Fulfillment Technology of the Year by the 2020 Parcel and Postal Technology International, which recognizes the latest developments in the postal sector.

ANSWERING TO THE ISSUES OF THE LAST MILE DELIVERY AND RE-DELIVERY

E-commerce expansion led to a swift uptick in delivery volumes as e-commerce sales steadily rose during 2020. This increase had already placed enormous strain on cities, which struggled with increased pollution and road congestion from delivery trucks. Post-COVID-19, this upward trend will continue, meaning that many urban centers will need to put in place scalable, smart infrastructure to help combat the negative implications of soaring parcel volumes. Parcel lockers answer several infrastructural difficulties modern cities are facing due to higher volumes of e-commerce deliveries, by reducing missed deliveries and reducing the CO₂ emissions related to the re-delivery of parcels.

Parcel lockers are installed around the city at places with high levels of foot traffic, such as train stations, metros, or popular shopping areas. Parcel lockers create a centralized pick-up point where multiple deliveries are made to it by the carrier for collection by recipients. This effectively eliminates delivery drivers from having to make multiple stops, as well as the potential for failed first delivery attempts. In addition, parcel lockers can also act as a drop-off point, where consumers can make returns or send other personal parcels.

Deliver high quality, reliable and secure solutions to customers

RELIABILITY OF PRODUCTS

Quadiënt ensures the quality, reliability and availability of its products and solutions delivered to customers. All of the Company's R&D, manufacturing and logistic sites are ISO 9001 certified. This means that from design to after-sales service, operating procedures are deployed, and rigorous controls are applied to ensure a high level of product performance.

PRODUCT SAFETY FOR USERS

Quadiënt takes great care in assessing the safety of the products it places on the market and complies with all European and international regulations. These requirements are taken into account during product development. Approval and qualification tests are first carried out internally before being confirmed by independent external laboratories. Externally conducted tests make it possible to ensure product safety. Tests mainly cover compliance with UL ("Underwriters Laboratories") requirements, Russian GOST-R regulatory

requirements and EC requirements regarding electromagnetic compatibility (directive 2004/108/EC), limiting the voltage used in electrical equipment (directive 2006/95/EC "Low voltage") and the restriction of the use of certain hazardous substances (directive 2011/65/EC "RoHS").

Other external tests make it possible to check compliance with electromagnetic compatibility (EMC) requirements, with US Federal Communications Commission (FCC) requirements and with the Australian c-tick label guaranteeing low exposure to electromagnetic fields. Tests are also conducted on product sound emissions, on drop tests and on compliance with "Energy Star" requirements. "Energy Star" is a label created by the US Environmental Protection Agency (EPA) and recognized by the European Union. It sets out energy consumption criteria to improve the energy efficiency of office equipment. This efficiency depends on electricity consumption of products in use and in sleep mode.

The regulatory guidance regarding electrical and electronic equipment regularly evolves at both European and international levels. Quadient's active participation in the professional organizations of the French Information Technology Industry Union (AFNUM) and the working meetings of the National Authority in France allows the Company to follow these developments and anticipate future changes. Among the regulatory texts with which the Company must comply, particular attention is paid to the RoHS and WEEE EU directives, the French decree on the use of nanomaterials (now applicable) and the REACH regulation.

MEASURING CUSTOMER SATISFACTION

Every year, Quadient conducts a series of customer satisfaction surveys for Mail-Related Solutions (MRS), Business Process Automation (BPA) and Customer Experience Management (CXM) activities.

For MRS, the last wave was conducted among 1900 Quadient customers several months after the pandemic started. This survey was performed over the phone in the Company's main countries (USA, UK, France), working with an independent market research agency. The purpose was to evaluate customer base trends regarding Mailing and Document Systems and to propose action plans to continue to satisfy customers. In total, more than 40 criteria were evaluated on a satisfaction scale of 1 to 5, and the impact of each criterion is calculated according to its contribution to overall satisfaction, allowing to improve the most important areas on which customers express expectations. For CXM and BPA activities, yearly surveys are usually conducted due to smaller base of customers. In

October 2020, around 250 customers were interviewed for CXM and also for BPA. Also, many criteria of satisfaction are assessed with scrutiny by the Group's customers.

Through these surveys, Quadient assesses its strengths and weaknesses, as well as their importance for the customer, to determine priority areas for improvement. Actions plans are then prepared and managed both at corporate level (mainly R&D) and at the "operations" level. These plans focus on two complementary areas: the product range and all customer-facing processes.

To complement these surveys, on-the-spot surveys are conducted just after an interaction with a customer (e.g. maintenance intervention, a request managed by the call center) to measure customers' satisfaction in real time, to deep dive into transactional key processes and to respond quickly to any customer dissatisfaction. Regarding the Parcel Lockers, Parcel Pending (operating in the United States) runs post-interaction surveys to evaluate customer service; for almost all the business lines, post-maintenance surveys are conducted following the support provided to customers. Survey results are shared with employees. According to the most recent surveys, the overall customer satisfaction rate was 97% in 2020.

Regarding the perception of the brand by MRS and CXM customers, Quadient is seen as a trusted partner, a company caring about its customers and a CSR compliant company. In 2020, new survey questions regarding CSR topics have been introduced to understand if Quadient is perceived as a socially responsible company towards employees, customers and communities and as a Company that seeks to limit its impact on the environment.

Initiatives	Main achievements
Customer satisfaction	• 97% of customers were satisfied in 2020. • 97% for Customer Experience Management (CXM). • 97% for Mail Related Solution (MRS). • 93% for Business Process Automation (BPA).



ENGAGE AND SUPPORT LOCAL COMMUNITIES

In 2020, Quadiant continued to undertake volunteer and corporate philanthropy initiatives to support local communities. A total of 74,939 euros were collected for projects of general interest in sectors such as education, health and social assistance, and inclusion & diversity. These reflect the many sponsorship and volunteering actions identified in qualitative questionnaires sent to

Quadiant's different subsidiaries. Indeed, some of the subsidiaries have been giving their employees time to support charitable projects for several years. Furthermore, despite the COVID-19 pandemic making it difficult to hold in-person events, virtual charity events and challenges were organized.

Ambitions & targets 2021 - 2023

Ambitions	KPIs	2020 Results	Targets 2021 - 2023
Embody the company's values by supporting our communities in the fields of Education and Decent Employment, Inclusion and Diversity and the reduction of waste and pollution	Hours spent by employees supporting communities	150 hours ^(a)	>5,000 hours
	% of employees involved in volunteering & sponsorship projects	NC ^(a)	>25% of employees
	Total amount of financial donations to Non-Profit organizations	€74,939	>€100,000

(a) Due to the COVID-19 pandemic, a significant level of charity actions and events have been postponed to 2021 or replaced by online events that have not been tracked. A new platform is being implemented in 2021 to better monitor the Company's efforts.

Embody the Company's values by supporting communities in the fields of Education & Decent Employment, Inclusion & Diversity and the reduction of waste and pollution

BUILDING A PHILANTHROPIC PROGRAM AT CORPORATE LEVEL

In May 2020, the CSR team ran a global survey to understand how to best increase Quadiant's engagement in its communities. Quadiant received 660 replies, which represents around 10% of its employees among 26 countries mainly in the USA, France, UK, Germany, and Czech Republic. Five top causes came out of the survey and three were finally adopted in the fields of Education & Decent Employment, Inclusion & Diversity and the Reduction of Waste and Pollution. Furthermore, the most popular types of engagement reported were volunteering and skills-based sponsorship, followed by donations and fundraising.

Over 80% of respondents said they would be interested in supporting local communities.

Based on the strong interest shown by employees, Quadiant decided to take the next steps to build a unified philanthropy program at corporate level. In 2021, this program will take shape with the support and sponsorship of the Strategy & CSR Committee, the Board of Directors and the Executive Committee. In this context, a call for tenders was launched in September 2020 to find a Community engagement platform that allows employees to engage in volunteering or sponsorship projects and tracks engagement towards communities at corporate level. This platform will be progressively deployed worldwide from April to the Summer 2021.

At the end of 2020, Quadiant also began to define a philanthropy policy aligned with its values and to identify an international community network to deploy the program and to train employees on the platform. The main objective is to deploy a philanthropic program with charity events at local or corporate level but also skills-based sponsorship, in-kind donations, financial donations, volunteering, but also to develop a dialogue with communities and to start measuring the social impact of the Company.

ORGANIZING FUNDRAISING EVENTS IN HONOR OF INTERNATIONAL WOMEN'S DAY 2020

Quadiant held celebrations and fundraising events in over 20 countries in honour of International Women's Day 2020, raising money for local women's charities, in line with its values and the cause of Diversity & Inclusion.

Quadiant raised 5,000 euros and received numerous donations of clothing and shoes for local associations that support women. The Company supplemented this fundraising effort with a donation of 5,000 euros to Dress for Success, in anticipation of a growing urgency for services given the rise in unemployment due to the COVID-19 pandemic. Dress for Success is a global-non-profit organization that empowers women to achieve economic independence as economies reopen and organizes solidarity initiatives to support employees during the crisis. The structure provides a network of professional support and development tools to help women thrive in work and in life.

Also, as part of International Women's Day, Quadient employees in Canada came together to support Red Door Shelter, a local shelter for women and children in the community. In the USA, the Milford office held a hygiene item donation drive for New Reach, an organization dedicated to helping women and children facing homelessness or at risk of becoming homeless. While the effort was slowed down by the COVID-19 lockdown, employees still managed to gather dozens of items for donation. Also, during an International Women's Day event in the Company's headquarters in Munich, employees raised 1,000 euros for local organization Frauenhilfe München (Women Help Munich). Frauenhilfe München has been providing information, advice, protection, and support to women who experience violence in their relationship since 1978. The women's shelter and advice center are open to women in their different life situations. Quadient will pursue these philanthropic initiatives in 2021, as part of its new "Empowered Communities" program.

DEPLOYING SPECIFIC SPONSORSHIP AND VOLUNTEERING INITIATIVES DURING THE COVID-19 PANDEMIC

In 2020, Quadient also contributed to initiatives related to emergencies such as the COVID-19 pandemic.

Quadient donated various equipment, supplies, and services, together with 12,500 euros in financial support, to multiple organizations in the US, France and the UK that are fighting social isolation faced by the elderly and enabling senior residents to maintain a correspondence with their loved one with the help of volunteers.

For instance, the Company supported the following three operations to support the elderly and vulnerable: "1 lettre 1 Sourire": words of love, photos or drawings were created by volunteers to light up the hearts of visit-deprived senior residents living in facilities in France, Belgium, Luxembourg, Switzerland and Canada. Quadient donated 2,500 euros to cover the association's printing and administrative costs.

"Love for the elderly": the organization's "Letters of Love" campaign collects cards and letters written by volunteers at a central hub in Cleveland, Ohio, and then mails them to senior communities across the United States. Quadient's donation included the following: a letter opener IM-16C, one Installation and two years of service, 2,500 euros to cover the cost of sending batches of mail and 2,500 euros to cover administrative costs.

"Omega's A Letter from Louise": volunteer letter writers are matched with an elderly recipient in the UK. A freepost envelope is included so the recipient can write a return letter. Quadient's donation included the following: one IN-360 franking machine, its installation and two years of service, eight ink cartridges, 2,500 euros of postal funds included in the machine and 2,500 euros to cover administrative costs.

These initiatives are just several of many efforts undertaken by Quadient's employees during this difficult time. In the Czech Republic, Quadient's team of software professionals dedicated their time and skills to develop

software on a pro bono basis for University Hospital Hradec Králové. The team built a resource planning and optimization application for COVID zone at the hospital, in response to an urgent request from the hospital given rapidly changing staff availability. Quadient's local team delivered the application in just 96 hours.

In the United Kingdom, Quadient provided 3D printing of thousands of protective masks and raised funds for National Health Service charities via a run/walk event. Also, when schools initially closed in March 2020, BBC helped members of the public to donate thousands of old devices to schoolchildren across the country via the "Give a laptop" initiative. Companies throughout England, including Quadient, supported this campaign by donating old devices, which has made a massive difference for the pupils concerned. In France, Quadient Shipping and Quadient Industrie France provided masks to different organizations and structures. In Norway, a Quadient employee leveraged his expertise in 3D printing to help frontline workers. With his ingenuity, he was able to 3D print the plastic outline of a visor, which attaches to a translucent folder divider, to create a protective visor. As a result, he created more than 8,000 protective visors for healthcare workers. His time represented five hours and 5,000 euros.

PURSUEING SPONSORSHIP AND VOLUNTEERING INITIATIVES WORLDWIDE

For many years, Quadient in the USA has offered its employees the opportunity to participate in the fight against cancer through the Community committee, with charity walks such as the "Breast Cancer Walk" or "Making Strides against Breast Cancer", the largest network of breast cancer events in the United States. These initiatives bring communities together in the fight against this deadly disease and raise funds for the American Cancer Society, which conducts breast cancer research and provides patient services such as free travel to chemotherapy sessions, free places to stay near treatment centers and a 24/7 helpline. Unfortunately, the majority of these events were cancelled in 2020 due to the COVID-19 pandemic. However, Quadient supported various fundraising initiatives in other ways.

In the USA, Quadient raised money for New Reach, a social agency that helps thousands of vulnerable people and households achieve stability and self-reliance. The agency provides a wide range of housing and services that meet the varying and complex needs of homeless families, young people and individuals. Quadient Inc. also organized a virtual event called "Thank a front-line worker".

Since 2007, Quadient France has supported the SOS Children's Villages association through a product-sharing operation with Neotouch. In 2020, Quadient France renewed its support for the association by donating 20,000 euros to help finance renovation work in various reception areas. In addition, Quadient S.A. made an exceptional donation of 10,000 euros to support international educational programs.



In France, some employees had the possibility to support the French Red Cross by donating some of their Edenred "Tickets-restaurants" to help people in social isolation during lockdown or curfew. This operation will be extended in 2021.

In Germany, as in 2019, several employees joined the Health Day in Munich in partnership with DKMS, the German bone marrow donor file, an organization working to defeat blood cancer. Some Quadient employees registered as donors on the day and were educated about workplace health. Quadient CXM Germany also organized a Community Day in Haar. Given COVID-19 restrictions, the Day was organized differently to previous years. For example, colleagues were called upon to carry out 'good deeds' in everyday life within their immediate surroundings. In addition to donation boxes for the board and animal welfare association Ingolstadt, other forms of engagement were encouraged. Colleagues' ideas were diverse and ranged from simple, everyday neighborhood assistance in the form of "Share the Meal" donations to tiger sponsorships at WWF and far-reaching social commitments such as filling out organ donation cards.

Quadient Ireland is also committed to the fight against cancer by supporting the Irish Cancer Society. In Dublin, employees took part in "Run in the Dark 2020" to benefit the Mark Pollock Trust. The Trust's mission is to find and connect people with spinal cord injuries around the world to accelerate the development of a cure for paralysis. Some employees participated in the "Great Pink Run Ireland", a virtual and socially distanced 5 km run in Dublin, raising much needed awareness and funds. Quadient Finance Ireland and the Management team donated their free time to organize a coffee morning and cake sale. The team raised just under 3,000 euros for sponsored charity Tallaght Cancer Support Group. Quadient Ireland also supported the Capuchin Day Centre for Homeless People and all Quadient Ireland employees made a donation of clothes, food, toys, toiletries to the center. In addition, Quadient Ireland organized a mobile phone sale, whereby they sold returned company mobile phones to employees. Money raised was donated to the Irish Cancer Society.

Money raised via a raffle amongst staff members was donated to the charity ALONE, which supports older people to age at home. It does this by providing befriending services, age-friendly housing and technology and community supports to create connections between older people and the support organizations they need.

Quadient Canada has been part of Canadian Blood Services' Partners for Life program since 2014. This is a national, independent, not-for-profit organization that manages Canada's blood supply system. Other charitable initiatives are undertaken by Quadient Canada employees, such as the Red Door Shelter, a fundraising event to help families in need, and the Helping Hands Food Shelter, a food drive. In England, Quadient Technologies Limited supports the "Make a Wish" initiative. This charity grants wishes for children with critical illnesses. Several fund-raising activities were organized raising a total of 5,114 pounds sterling. Quadient Technologies UK Limited also supported Charity Little Sparks, fundraising for children and young people with complex medical conditions, or who are deemed as having a short life expectancy. The main aim is to provide access to a range of activities and offer a safe place for children and young people to talk, feel included and express themselves through play and craft activities. They also provide support via bereavement work with children and young people at home and in school, as well running a bereavement group during school holidays. All 160 staff were encouraged to participate in fundraising events. Due to the COVID-19 situation, Quadient Technologies UK Limited will extend this charity work to 2021.

As part of an Internship program, Quadient UK and Quadient International Supply worked in association with "Career Ready" and a local school called Sacred Heart, as in 2019. One of the students' objectives was to coordinate events to raise money for charities of their choice. As part of this collaboration, there is also an apprenticeship program for graduates in place as well as a policy that allows employees to take up to two days for voluntary work within the community, including working on community projects and with local charities.

OTHER NON-FINANCIAL INFORMATION

The 2020 reporting scope does not include ProShip and Quadiant Oceania data, which were divested in 2020 and YayPay acquired in July 2020.

Social data	2020	2019	2018
Headcount by gender^(a)			
Women	1,711	1,687	1,717
Men	3,426	3,731	3,829
TOTAL NUMBER OF EMPLOYEES (TEMPORARY/CASUAL EMPLOYEES ARE EXCLUDED)^(b)	5,137	5,418	5,546
Headcount by type of contract			
Permanent contracts	5,077	5,325	5,443
Fixed-term contracts	60	93	103
Temporary/casual employees	87	111	207
Breakdown of recruitments and departures^(c)			
Recruitments	454	668	704
Departures	646	710	878
Training			
Number of employees involved in one or more training courses in the year	4,128	4,640	4,716
Total number of training hours	63,831	114,350	122,232
Diversity			
Women managers	293	271	281
Men managers	715	756	775
Disabled employees	94	92	80
Absenteeism^(d)			
Related to workplace accidents with time off work	0.05	0.12%	0.15%
Related to workplace accidents while commuting	0.03	0.04%	0.04%
Related to occupational illnesses	0.07	0.01%	0.00%
Related to illness (excluding maternity and paternity leave)	5.23%	4.63%	3.59%
AVERAGE GROUP ABSENTEEISM RATE	5.38%	4.8%	3.77%
Workplace accidents			
Number of workplace accidents	78	91	90
Workplace accidents resulting in time off work	21	30	35
Number of days lost through accidents resulting in time off work	403	1,175	1,824
Frequency rate of workplace accidents	3.1	4.2	4.7
Severity rate of workplace accidents	0.06	0.16	0.25

(a) Workforce present as of 31 January with an employment contract with an entity of the Company (excluding temporary employees and interns).

(b) Total headcount as of January 31, 2021 without the headcount of the legal entities not included in the scope of the CSR reporting as described in the methodological note in the section 5.1.9.

(c) Hires and departures within the internal mobility are not taken into account.

(d) Absenteeism rate has been calculated in working days.



Environmental data	2020	2019 ^(a)	2018 ^(a)
Water (in m ³)	33,025	41,789	47,402
Energy (in MWh)			
Electricity consumption	12,728	16,055	17,224
Gas consumption	6,757	8,897	10,981
Heating network consumption	2,259	2,352	1,555
Fuel oil consumption	59	140	147
TOTAL ENERGY CONSUMPTION (IN MWH)	21,803	27,444	29,909
Scope 1 direct emissions (in teq CO ₂)			
Emissions related to company vehicles	5,146	7,713	8,313
Emissions related to natural gas combustion	1,039	1,430	1,745
Emissions related to refrigerant gas	843	1,088	1,081
Emissions related to fuel oil combustion	14	33	34
TOTAL SCOPE 1 (IN TEQ CO ₂)	7,042	10,264	11,173
Scope 2 indirect emissions (in teq CO ₂)			
Emissions related to electricity purchased	4,360	5,921	6,353
Emissions related to urban heating purchases	612	575	404
TOTAL SCOPE 2 (IN TEQ CO ₂)	4,972	6,496	6,757
Scope 3 other indirect emissions (in teq CO ₂)			
Emissions related to upstream and downstream freight transportation ^(b)	2,675	2,834	3,447
Emissions related to business travels	2,118	9,574	9,202
Emissions related to employees commuting ^(c)	6,115	8,555	Not available
Emissions related to the purchase of goods and services ^(d)	47,132	42,973	45,754
Emissions related to the use of sold products ^(e)	20,979	18,482	22,035
Waste related to industrial activities (in tons)			
Non-hazardous industrial waste	972.8	1,230.0	1,356.9
Hazardous industrial waste	18.5	10.3	18.8
TOTAL INDUSTRIAL WASTE (IN TONS)	991.3	1,240.3	1,357.7
% of waste recovered^(f)	97.7%	95.6%	99.6%
Electrical and electronic equipment waste (in tons)	706	766	782
% of waste recovered^(g)	75%	75%	78%

(a) The 2018 and 2019 data were revised downwards due to the adjustment of certain values and emission factors.

(b) The data concern upstream and downstream transport managed by the Company. Transportation managed by Quadiant entities locally was not taken into account.

(c) In 2019, a survey was conducted at Company level to evaluate the greenhouse gas emissions generated from employee daily journeys between home and work. The results of this survey were scaled to estimate global commuting emissions for Quadiant. In 2020, the emissions were estimated based on the results of the 2019 study by country, the number of days of lockdown for each country and the percentage of employees working entirely from home during the lockdown. The data is overestimated and should be treated with caution. Due to the health crisis, the majority of employees were teleworking even between the lockdown periods.

(d) The data related to our hardware solutions were extrapolated from the Life Cycle Analysis conducted in 2020. The emissions relative to corporate functioning were calculated by multiplying the spend data for each categories of services by the corresponding conversion emission factors as outlined in the Base Carbone®.

(e) The data were extrapolated from the LCA conducted in 2020 on the main hardware and software solutions. The calculation is based on the annual consumption of hardware solutions during its use, multiplied by the number of machines placed on the market during the year in a given country. For the software solutions, the calculation is based on the emissions generated by sending email and mail, multiplied by the number of mail and email sent during the year.

(f) The data relate to all companies involved in industrial activities: QIF, QTF, QTL, QTN, QISL Byhalia and Parcel Pending.

(g) Material recovery and energy recovery.

NOTES REGARDING METHODOLOGY AND THE CSR REPORTING SCOPE

CSR reporting scope

The information presented below concerns the consolidated entities of Quadient as at 31 January 2021 included in the CSR reporting scope. The reporting scope was established pursuant to articles L.233-1 and L.233-3 of the French commercial code and covers all the company's activities in accordance with the rules defined below. The reporting scope includes all entities under the company's operational control at 31 January of the reporting year and meeting one of the following two conditions:

- all entities with activities related to the supply chain (manufacturing, assembly, customization, purchases and logistics);
- all entities exercising R&D, retail or finance activities, and having more than 25 employees (with the exception of the consolidated reporting scopes for Quadient s.r.o, Quadient Norge, Quadient Germany and Quadient Inc.).

The following are therefore excluded from the scope of reporting: Quadient India, Quadient Finance Ireland Ltd, Quadient Finance France, Quadient Mailing Logistic Systems, Quadient Global Services Ltd, YayPay and Packcity Japan. Thus, 98 people are excluded, representing 1.9% of the total employees of the company. The scope of CSR reporting therefore represents 98.1% of the global workforce. In addition, during the 2020 financial year, ProShip and Quadient Oceania were divested.

When one of the Company's entities is not able to provide data for one specific indicator, and no estimation can be made, the entity is excluded from the indicator in question and an explanatory note specifies the scope or calculation method used for each indicator.

Changes in the scope of reporting or calculation methodologies do not always make it possible to draw a relevant comparison of data for the 2020 and 2019 financial years. These changes are mentioned and specified for the indicators whenever they have occurred in order to facilitate the correct interpretation of the indicators.

Furthermore, some indicators have not been mentioned in this report since they were deemed not relevant to the activity exercised by Quadient. This information concerns the environment with the indicator relating to land use and biodiversity, food waste and sustainable food.

Reporting process

The reporting process for 2020 was set forth in detail in a CSR reporting protocol for the collection of the necessary quantitative and qualitative information. This protocol was deployed in English in all Quadient entities and is also available on the secured CSR website. It was used to clarify the definitions and calculation methods for each indicator and to detail the steps of the reporting process, as indicated below:

- planning, collection, consolidation of qualitative and quantitative data and consistency check;
- data verification: in accordance with regulations, Quadient submitted the information contained in this CSR report for audit.

In January 2021, as it has been the case every year since 2015, specific "web meetings" were also proposed to entities that wanted to develop certain aspects of the reporting further. Quantitative data was collected from the entities using dashboards and the qualitative data was collected through online questionnaires accessible on the secured website dedicated to CSR benchmarks in the various countries.



■ **CROSS-REFERENCE TABLE WITH THE INFORMATION REQUIRED IN THE NON-FINANCIAL PERFORMANCE STATEMENT**

Theme	Pages	Cross-reference with the 2020 universal registration document
Overview of the business model	8 to 9	Introductory booklet
Description of the main non-financial risks related to the Group's activity	18	CSR strategy and policy
Description of policies designed to prevent, identify and mitigate the occurrence of non-financial risks and the outcomes of these policies, including key indicators	19 to 42	With reference to the mapping of CSR risks, cross-referencing with the eleven priority risks: • Human capital development, talent attraction and retention; • Diversity and inclusive workplace; • Community Engagement; • Health & safety and well-being; • Ecodesign and sustainable products and solutions; • Intellectual property rights; • Data privacy and integrity; • Breach of ethical rules; • Sustainable procurement & Human rights; • Circular economy; • Climate change.
Respect for Human Rights	29	Human Rights
Anti-corruption	29	Prevention and fight against fraud and corruption
Climate change (contribution and adaptation)	32 to 34	Reducing Quadiant's carbon footprint
Circular economy	34 to 35	Foster circular economy principles in Quadiant's operations and solutions to lower the Company's environmental footprint
Food waste, fight against food insecurity, respect for animal welfare, responsible, fair and sustainable food	45	Given the nature of its activities, the Company considers that these topics do not constitute a significant CSR risk and do not justify a development in this document
Collective agreements and impacts	23	Provide great working conditions where all employees perform at their very best
Fight against discrimination and promotion of diversity	24 to 26	Create a diverse and inclusive culture and be an equal opportunity employer
Societal commitments	40 to 42	Engage and support local communities
Fight against fraud		Tax evasion matter is presented in chapter 4 related to Risk Factors and Internal Control

Independent third party's report on consolidated non-financial statement presented in the management report

Year ended the 31st January 2021

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under the number n°3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on the 31st January 2021 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of articles L.225 102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*Code de commerce*).

THE ENTITY'S RESPONSIBILITY

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement (or which are available online or on request from the entity's head office).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the requirements of article L.822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R.225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R.225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

NATURE AND SCOPE OF THE WORK

The work described below was performed in accordance with the provisions of articles A.225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000⁽¹⁾.

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L.225-102-1 III of the French Commercial Code as well as information set out in the second paragraph of article L.22-10-36 regarding compliance with human rights and anti corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under article R.225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (anti-corruption and tax avoidance, personal data protection, responsible procurement, etc.), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities: Quadient Shipping, Quadient DOPIX Germany, Quadient Technologies UK Ltd, Quadient International Supply Ltd and Quadient UK Ltd;
- we verified that the Statement covers the scope of consolidation, *i.e.* all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 11% and 18% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (11% of Waste Electrical and Electronic Equipment, 15% of headcount, 18% of energy consumption);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

⁽¹⁾ ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

MEANS AND RESOURCES

Our verification work mobilized the skills of five people and took place between December 2020 and April 2021 on a total duration of intervention of about 5 weeks.

We conducted seven interviews with the persons responsible for the preparation of the Statement including in particular the Human Resources, Environment, Innovation and Intellectual Property, and Purchasing departments.

CONCLUSION

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, the 5th of May 2021

French original signed by:

Independent third party

EY et Associés

Laurent Vitse

Partner

Éric Duvaud

Partner, Sustainable Development

APPENDIX 1: THE MOST IMPORTANT INFORMATION

Social Information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
Part of headcount with permanent contract.	Employment (attractiveness, retention).
Retention rate.	Increasing commitment of employees.
Training hours.	Human capital development.
Rate of employees having received at least one training.	Quality of life and well-being in the workplace.
Absenteeism rate linked to work accident.	Diversity and equal treatment.
Share of women in the Group.	Employees' personal data security.
Share of women managers and Senior Leaders.	
% of employees benefiting 2 days or more per week of remote working.	
Environmental Information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
Quantity of hazardous / non-hazardous waste produced.	Eco-design and products remanufacturing.
Share of recycled materials used.	Waste recycling.
Quantity of waste from electric and electronic equipment (WEEE).	Actions to reduce carbon footprint.
Energy consumption.	
Greenhouse gas emissions (scope 1 and 2).	
Societal Information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
Clients satisfaction rate for Customer Experience Management, Mail-Related Solutions, and Business Process Automation activities.	Local impact (employment, development, local residents, dialogue...).
R&D and innovation investment.	Engagement with local communities (donations and philanthropic policy).
% of employees that endorsed and completed the training on the Code of Ethics.	Subcontracting and suppliers (environmental and social issues).
Number of entities ISO 27001 certified.	Measures taken for the health and safety of consumers.
Rate of suppliers assessed meeting the needs of the supplier's Code of conduct.	Innovation and conception of sustainable products.
Hours spent by employees supporting communities.	Reliability of products of the range of mailing and enveloping machines.
% of employees involved in volunteering & sponsorship projects.	Availability of digital solutions.
Total amount of financial donations to non profit organizations.	Clients satisfaction.
	Actions engaged to prevent corruption and tax evasion.
	Actions to be compliant with GDPR requirements.
	Responsible procurement policy.
	Respect of intellectual property rights.

quadient



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