Citeo, to respond to ecological emergency and accelerate the transition into a CIRCULAR economy

CITEO
Together, let’s give a new life to our products.
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The 2019 Pacte law introduced the concepts of social interest, purpose and corporate mission to encourage companies to adopt an environmentally and socially responsible approach. Citeo wanted to be part of this approach by incorporating its purpose into its articles of association in November 2020.

Pioneer of sustainable development since the early 1990s in France, Citeo has developed its expertise by creating a new future for household packaging and graphic papers. Citeo has developed eco-design, collection, sorting and recycling services within the framework of Extended Producer Responsibility (EPR), thanks to the joint action of its corporate customers who are at the heart of its development, as well as in partnership with local authorities along with sorting and recycling professionals.

**Its purpose**

To respond to ecological emergencies and accelerate required changes, Citeo wants to engage and support economic stakeholders to produce, distribute and consume while protecting our planet, its resources, biodiversity and the climate.

In order to clarify collective choices and commit everyone into taking action, Citeo mobilizes and brings together different stakeholders with whom it confronts and shares its analyses, vision and strategies for action.

**Its objectives**

Citeo pursues 5 social and environmental objectives, within the framework of its activity:

1. **Reduce the environmental impact of Citeo’s customers’ products**, by embedding a circular economy and eco-design in their practices and strategies.

2. **Creating conditions to build solutions for today and tomorrow** that combine environmental and economic performance.

3. **Provide consumers with the means to reduce the impact their consumption has on the environment.**

4. **Co-build and promote Citeo’s solutions and positions**, from local to international levels.

5. **Cultivate the commitment of Citeo’s teams** as part of its purpose.
Extended Producer Responsibility

Nearly 30 years ago, the local authorities and consumer goods companies that founded Citeo and Adelphe, organized themselves to implement the principle of Extended Producer Responsibility (EPR).
This approach engages the market of packaged products and graphic papers to finance and organize the lifecycle of packaging and papers. This mission has been expanded to support stakeholders to help fight against littering.

EPR has made it possible to reduce the environmental impact that packaging and paper have on the planet, and to integrate sorting and recycling into our daily lives. It has also prioritised a locally-based activity by encouraging the development of a decentralised and sustainable industrial sorting and recycling facility.

Citeo is the result of the merger, in 2017, of two companies approved under the Extended Producer Responsibility schemes for household packaging (Eco-Emballages, created in 1992) and graphic papers (Ecofolio, created in 2007).

Adelphe, a subsidiary of Citeo, assists companies in the wine and spirits and pharmaceutical sectors in meeting their specific technical and regulatory requirements. Adelphe is certified in the sector of household packaging.

Citeo's governance

28,000 companies have entrusted Citeo with the management of their packaging and paper’s life cycles. Its governance is representative of these companies and of the materials sectors involved in both the production and marketing of packaging and paper, as well as in the recovery of recycled materials.

Citeo's shareholders

It is divided into 6 colleges.
4 colleges bring together representatives of all marketers concerned by EPR graphic papers and EPR household packaging:

- Industry
- Trade, distribution and distance selling
- Papers and publishers
- Services

The 2 other colleges are: the Non-taxable college and the Packaging college.

Citeo's Board of Directors

The Board of Directors has 18 directors representing the colleges of shareholders and subsidiaries, as well as a State censor.

The Mission Committee

The Mission Committee brings together stakeholders committed to supporting Citeo in the performance of its mission. It brings together representatives of clients, operators, environmental associations, local authorities, qualified individuals and employees. It is made up of 10 members and its role is to assess the implementation of Citeo’s objectives, as well as to provide information and make recommendations to its Board of Directors.

Consultation

The EPR sector is part of a logic that involves daily consultation with a variety of stakeholders (representatives of local authorities, producers, waste prevention, management operators, environmental and consumer associations, etc.). This consultation is organised particularly around stakeholder committees led by Citeo and Adelphe, and specialised committees provided for in this specification.
The circular economy’s ecosystem

With its subsidiary Adelphe, Citeo works closely with a variety of stakeholders, all of whom are committed to the development of the circular economy:

- **Client companies**, accompanied by Citeo in their search for eco-design, re-use, recycling and recovery solutions for their packaging and paper.

- **Start-ups**, in order to detect, test and deploy innovative and high-performance solutions to reduce the impact of packaging and paper on the environment.

- **Industrial operators**, in order to make recycling channels more competitive and adaptable.

- **Citizens**, with the aim of mobilising French people in the sorting process, starting at a very young age.

- **Local authorities**, in order to develop more efficient selective collection systems and reduce littering.

- **Stakeholders and public authorities**, whose dialogue is aimed at accelerating the ecological transition.
Citeo has set four main lines of action:

1. **To provide eco-design, re-use, recycling and recovery solutions for all packaging and paper**
   - Offering all its customers tools and support (generic or tailor-made) to eco-design their packaging and paper, and thus limit their environmental impact.
   - Anticipating and innovating to invent new materials, new recycling channels and technologies as well as tomorrow’s re-use systems.

2. **To make the selective collection sector more competitive and adaptable**
   - Optimize and harmonize the collection organization in France and develop innovative systems, particularly in cities.
   - Modernise and rationalise sorting centres in France.
   - Develop efficient and sustainable recycling material loops, in particular through the creation of new channels and the search for high value-added outlets.

3. **To mobilize French people around the process of sorting**.
   - To simplify the sorting process in order to allow French people to sort all their packaging and paper by the end of 2023.
   - To work with companies and support them in informing and mobilizing consumers.
   - To mobilise the French in favour of sorting and recycling by improving information and knowledge of the sorting gesture and its benefits.
   - To raise awareness among young people as early as elementary school via the Club Citeo program and partnerships.
   - To work with local authorities and associations close to the field.

4. **To act in order to speed up the ecological transition alongside French and European institutional stakeholders**.
   - To get involved in public debates and regulatory dynamics and share its solutions, positions and expertise.
   - To strengthen interaction with its stakeholders in order to find the best solution to their shared challenges.
   - To involve all stakeholders within the territory to find synergies and develop solutions that serve the circular economy.
   - To co-build projects and analyze them with European and national stakeholders in working groups and technical commissions.
Eco-design

Citeo experts train and advise companies and manufacturers on the issues, methods and practices to produce packaging and paper sustainably. R&D is a central element in its strategy to find solutions.

What is the right amount of packaging?

Too much packaging = excessive raw material and waste
Not enough packaging = risk of food loss

The right amount of packaging means maintaining the packaging’s functionality and avoiding product waste, while minimizing its effects on the environment.

4 key actions for eco-designed packaging & papers

- Reduce through lightening, unit deletion and/or re-use
- Improve recycling
- Work with the origin of the raw material
- Raise consumer awareness on the sorting process

Innovation

At Citeo, innovation is about sharing knowledge, thinking ahead and investing in circular solutions. Its flagship programs, such as Circular Challenge, Citeo Prospective and its Plastics Solutions Forum, calls for R&D projects and Calls for Expression of Interest (CEI), provide technical and financial support for innovations in eco-design, re-use, collection and recycling.

In 2020, at the 5th edition of the all-digital Circular Challenge, Citeo gave an award to “Hipli” for its parcel service solution which can be mailed and re-used 100 times for distance selling.

Eco-contribution

For more than 25 years, Citeo has been helping companies reduce the impact that packaging and paper have on the environment by developing recycling and by preserving the planet’s natural resources. The rates for recycling packaging and paper are designed to encourage circular economy:

- Favorable to source reduction and recyclability,
- Designed to limit the use of recycling disruptors and encourage the use of recycled material,
- Incentives to encourage the sorting process.

2021 paper rate - Eco-modulation

<table>
<thead>
<tr>
<th>CRITERION 1: RESPONSIBLE AND RENEWABLE MATERIAL (e.g. origin of the fibre)</th>
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<tbody>
<tr>
<td>Recycled paper (&gt; 50% recycled fibres)</td>
</tr>
<tr>
<td>Paper from sustainably managed forests</td>
</tr>
<tr>
<td>Non-renewable or non-sustainably managed materials</td>
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</tbody>
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2021 packaging rate - Calculation method

<table>
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<tr>
<th>CONTRIBUTION</th>
<th>TOTAL UVC</th>
</tr>
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<tbody>
<tr>
<td>Weight contribution per material</td>
<td>UC Contribution</td>
</tr>
<tr>
<td>Incentive to reduce packaging weight and improve its recyclability</td>
<td>Incentive to reduce the number of packages</td>
</tr>
<tr>
<td>Eco-modulation to limit the disruptive effects of recycling and encourage the sorting process</td>
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<tr>
<th>CRITERION 3: DISPLAY</th>
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<tr>
<td>Triman’s logo display</td>
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<table>
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<th>CRITERION 4: REDUCTION RECYCLING OPPORTUNITIES</th>
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<tbody>
<tr>
<td>The fiber’s colour</td>
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<tr>
<td>+10% malus (+20% in 2022)</td>
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Press publications are not affected by this criterion.
Re-use

Reusable packaging is cleaned after use, so that it can be used again for the same function. Very often, this requires the establishment of a full system: recovery from consumers, transport, industrial cleaning process and redistribution to manufacturers or retailers for filling. Re-use makes it possible to reduce the environmental impacts of production and consumption patterns when certain conditions are met (proximity of consumption, washing and packaging sites; adapted packaging allowing a good number of rotations; high return rate; reverse logistics, etc.). Citeo provides technical and financial support for the development of re-use solutions.

For example, Citeo and the ADEME (French Environment and Energy Management Agency) have joined forces in the framework of a Call for Expression of Interest in order to test and support the development of high-performance local systems for reusing glass.

What packaging is re-used in France?

Household packaging

- 7,000 tonnes of glass per year
  - of which 42% is for the Météor brewery.

Non-household packaging

- Cafés, hotels and restaurants
  - 220,000 tonnes of glass per year

- Industry and commerce
  - 1.7 M tonnes of pallets per year

What will the law on the fight against waste and the circular economy change?

Passed in February 2020 within the framework of the law on the fight against waste and the circular economy, several measures concerning re-use will be progressively applied from 2021 in order to reach 5% of re-used packaging placed on the market in 2023 and 10% in 2027. For example, Citeo and Adelphé will have to invest 2% of their eco-contributions in re-use projects.

Committed and aware of environmental issues, the French have adopted sorting as a daily habit. And yet it is systematic for only half of them. In order to make sorting a reflex, Citeo is taking action in order to make it more practical, simpler and to reinforce the idea that it is a useful act to preserve the planet.

Its methods of action include: national and local mobilization campaigns; services and programs to improve understanding of environmental issues related to consumption and to improve awareness of sorting instructions as well as the benefits of recycling and re-use, from a very young age.

The citizen movement "Trier, c'est donner" (To sort is to give) allows us to appreciate the commitment of the sorting community. Its platform triercestdonner.fr offers sorting challenges in order to better understand how sorting and recycling work. A Citeo partnership with Goodeed also makes it possible, from time to time, to transform responses to sorting challenges into donations for eco-solidarity projects. More than 70,000 people have already taken part in the sorting challenges. And more than 100,000 € was donated to eco-solidarity projects.

The Marseille sorting Challenge is a digital and on-the-spot mobilization program designed with and for the residents and communities of the Marseille metropolitan area. #MarseilleTri2020

Dedicated to educational relays (school teachers, extra-curricular activities leaders, parents, etc.), Club Citeo brings together environmental education programs and educational resources to promote eco-citizenship and develop reflection and action in favour of biodiversity preservation. Each year, more than 1.5 million children are educated on how to sort and recycle packaging and paper.

The resources are available free of charge on clubciteo.com.
Actions taken with local communities...

To implement its actions, Citeo works with all stakeholders in its territories: communities are at the forefront. To manage the transformation of the collection and sorting process in the field more effectively, its territorial management division has five regional teams in mainland France, with representatives in each French overseas department and region.

Territorial performance plan

Through its regional performance plan, Citeo is implementing actions to improve recycling performance: simplifying sorting (today more than one out of two French people can now sort their packaging; 100% of the French population should be involved by the end of 2023), optimizing collection and modernizing sorting centres.

For the 2018-2022 approval, up to 190 million € in investment aid will be allocated to local authorities and sorting operators via calls for projects.

Out-of-home collection

More than 300,000 tonnes of packaging are thrown away each year in areas of nomadic consumption. Bottles, cans: many are recyclable but few are sorted, due to a lack of bins or sorting points. Citeo provides solutions through studies and experiments. For example, new sorting points have been installed in 160 parks and gardens in the city of Paris. Citeo has also launched Quitri, a free digital platform. It brings together event organizers and managers of sites open to the public with the local communities and waste collection as well as treatment service providers to set up sorting, collection and recycling. quitri.com

Communities and Financing of the Waste Management Utility

In France, household waste is handled by the public waste management service (SPGD), which is provided by the inter-municipalities. These local authorities finance the waste management service through different tax levers (taxes, fees or via the the local authorities’ general budget) and collect different types of income:

- Financial support within the framework of EPR sectors,
- Income from the resale of materials to recyclers,
- Public aid.

The full cost of this service, which includes all charges (structure, collection, transport, etc.) is estimated by ADEME (French Environment and Energy Management) for packaging and paper at 24.10 € per resident. After deductions from revenues or public aid, the average national aided cost* amounts to 11.80 €/ per resident**.

* The subsidized cost includes all expenses (structure, collection, transport, etc.) minus industrial products (material and energy sales, services to third parties), support from the EPR sector and public aid.

** Source: ADEME, Waste Key figures - Edition 2020

...and the European Union

Since 2018, a new European dynamic, notably with the circular economy package and the plastics strategy, has led to major advances such as the recognition of EPR, the implementation of the eco-modulation principle and the methodology standardization used to calculate recycling rates.

Beyond these examples, Europe and France, relying on citizen’s expectations, have a strong ambition for the circular economy and the environment preservation through the development of re-use and recycling, the reduction of packaging and the prevention and clean-up of littering.

Citeo brings its expert contribution and commitment to these dynamics.
All papers are sorted and recycled, including this document too!

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