

CARAN D'ACHE

Genève

COMMUNICATION ON PROGRESS 2023

UN GLOBAL COMPACT



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A WORD FROM CAROLE HUBSCHER

President of Caran d'Ache

“By encouraging the younger generations to express their creativity, Caran d'Ache contributes to both artistic development and individual freedom.”

As a responsible company and a signatory to the United Nations Global Compact since 2018, Caran d'Ache reasserts its principles focussing on sustainable development. Caran d'Ache therefore links its activities to the ten principles of the Compact, founded in particular on human rights, employment rights, environmental protection and the fight against corruption.

We therefore express our desire to communicate and to drive these principles forward in our sphere of influence, and we undertake to continue to incorporate them into our strategy and corporate culture as well as into our operating procedures and business methods.

With passion and innovation, Caran d'Ache produces high-performance drawing and writing instruments.

Each product is manufactured in Geneva and proudly bears the Swiss Made label. Our mission is to manufacture environmentally-friendly products of the highest quality in order to enable each and every individual to develop and freely express their creativity by envisaging a respectful, social and sustainable world.

“From the very outset, Caran d’Ache has placed the respect of each and every human being and the protection of the environment at the very heart of its commitments.”

This report presents the specific actions that we have implemented as well as the next goals we have set ourselves in order to comply with and promote these guiding principles. I undertake to promote and provide the resources within Caran d’Ache required to achieve these goals.

This year’s report examines the results achieved and presents a catalogue of actions that we will pursue in the coming years.

Carole Hubscher
President of Caran d’Ache



Caran d'Ache

Since 1915, Caran d'Ache, a family-run Swiss company, has designed, manufactured and distributed writing and drawing instruments, enabling people of all ages to express their creativity with passion.

Passion & emotions since 1915

- 107 years of existence in Geneva
- A wholly Swiss family-run business
- Products distributed in 90 countries
- 280 employees
- More than 90 professions under one roof
- An average of 14 years of service among the workforce

Strong values

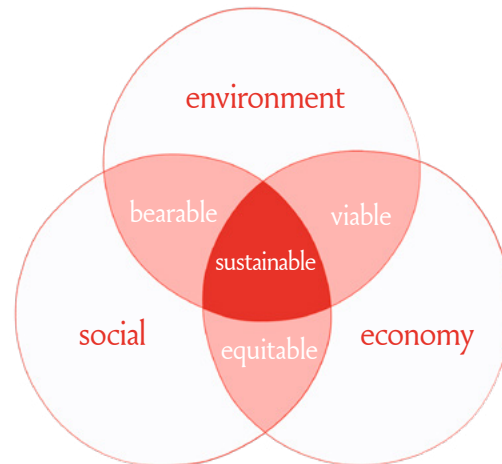
- Foster excellence
- Embody responsibility
- Share passion
- Dare to be original

Caran d'Ache's CSR mission

A company committed to sustainable manufacturing

Visualising our activities in terms of their impact and sustainability is a responsibility; but it is also something that we do willingly at every level of our company. That is why Caran d'Ache puts people, both employees and consumers, at the heart of all of its decisions.


Our company also takes numerous measures to protect the environment, and coordinates its action around the following three principles:



Among the recommendations of the UN Global Compact, Caran d'Ache undertakes in particular to target the following sustainable development goals:



In this report, Caran d'Ache lists the sub-themes of each sustainable development goal (SDG) for which the company's activities are impacted and sets itself new goals.



SUSTAINABLE MANUFACTURING

Commitment

As a Swiss Made icon, Caran d'Ache strives for Swiss manufacturing excellence while pursuing corporate responsibility on a daily basis by placing short production and supply chains at the heart of its strategy.

For decades, Caran d'Ache has committed to reducing the carbon footprint of its production processes and making its activity as sustainable as possible, in particular thanks to its 800 m² of solar panels which boast naturemade star certification. Installed on the roof of the current manufacturing

facility, they save 20-plus tonnes of CO₂ equivalent per year. Every year, heating by means of briquettes made from wood shavings derived from the process of cutting Caran d'Ache pencils leads to a reduction of 38,800 litres of heating oil and 102 tonnes of CO₂. This saving represents the equivalent of 25 round-the-world trips by car (global CO₂ kg)

In order to pursue our commitment in the long term, we have updated the list of our goals and the corresponding actions.

Actions

1. Reduce and optimise waste processing

For a number of years, Caran d'Ache has implemented selective sorting (cardboard, paper, metals, plastics, etc.) and has recycled or recovered its waste. We want to pursue these efforts to continue developing our waste management.

2. Reduce water consumption and the use of chemical products (*solvents, cleaning products, cryogenics*)

We have considerably reduced – by 20% in total – the amount of water used for cleaning the production machines.

We have developed new solutions which use neither water nor chemical products:

- By continuing to replace solvent-based varnishes for the caps of our pencils with water-based varnishes.
- By changing the cleaning process in the pad-printing facility.
- By using cryogenics to clean the rolling mills.
- By investing in automatic washing machines.



New goals to go even further

Reduce and optimise waste processing

By 2025:

- Recycling and recovery of 50% of our waste.
- Implementation of training courses and awareness campaigns for our employees.

Reduce water consumption and the use of chemical products (solvents, cleaning products, cryogenics)

By 2025:

- Further 30% reduction in our use of chemicals for varnish production and cleaning.



A new production site by 2027

Caran d'Ache has taken the strategic decision to build a new production facility, which will be at the heart of the development of our activities in the decades to come. Strongly attached to its roots in Geneva, our family business has endeavoured to find a new production site within the canton, in Bernex.

These new premises will replace the current buildings dating back to 1974, enabling us to make a leap forward in reducing our environmental impact. Caran d'Ache is currently appraising the energy profile of this new building and identifying the renewable energies which will be given priority with a view to reducing our consumption and emissions even further and improving mobility.



SUSTAINABLE PRODUCTS

Commitment

The quality of our products is at the heart of Caran d'Ache requirements. Our products are designed and manufactured on a single site in Canton Geneva, Switzerland. This facilitates monitoring in line with the stringent demands and regulations inherent in the Swiss Made label. Every Caran d'Ache product is subject to thorough controls applied to the raw materials and their sourcing as well as to the processes used by the company. Furthermore, Caran d'Ache makes every effort to prioritise local suppliers and purchasing.

As a responsible company, eco-design is also one of our permanent commitments. Our Research and Development department works continuously on

developing new formulae incorporating organically sourced materials and recycled products.

Since 2018, we have produced pencils using certified Swiss wood. This Bois Suisse label guarantees a sustainable forestry economy while limiting supply distances. The aim is to continue increasing this type of production over time with new product ranges. This finds Caran d'Ache reasserting its mission to prioritise short production and supply chains.

The life cycle analysis of our products enables us to confirm that our product choices are adapted to our needs and to study alternatives with a view to minimising our global impact.

Actions

1. Prioritise locally sourced goods

Since 2018, we have increased the number of our suppliers located in Switzerland by 5% and stabilised the list of our European suppliers. At present, 44% of our suppliers are located in Switzerland with a further 33% in Europe.

One measure we have taken to achieve this was to relocate the production of the packaging material.

2. Prioritise eco-design

Our Research and Development department is developing new solutions so that our products systematically incorporate environmental, social and economic aspects into every step of the process – from design to marketing.

The 825 Wood Chips pen

In 2020, we developed a new 825, a retractable ballpoint pen made with wood shavings from Caran d'Ache pencil production. The latter was made of 60% renewable and organically sourced materials such as wood cellulose with 6% wood shavings included recovered from the manufacture of our pencils.

Caran d'Ache + Nespresso

The creation of our various limited editions in partnership with Nespresso illustrates the importance we attach to upcycling. Launched in 2018, this collaboration aims to encourage coffee fans to recycle as many of their used Nespresso capsules as possible by showing them the potential of recycled aluminium, which can be melted down and reused. Launched in 2022, the 5th edition offers a set of three graphite pencils made of FSC™ certified wood, boasting a lead consisting of recycled coffee grounds for a collection combining elegance and eco-responsibility.

The holder of the iconic 849 is now recyclable

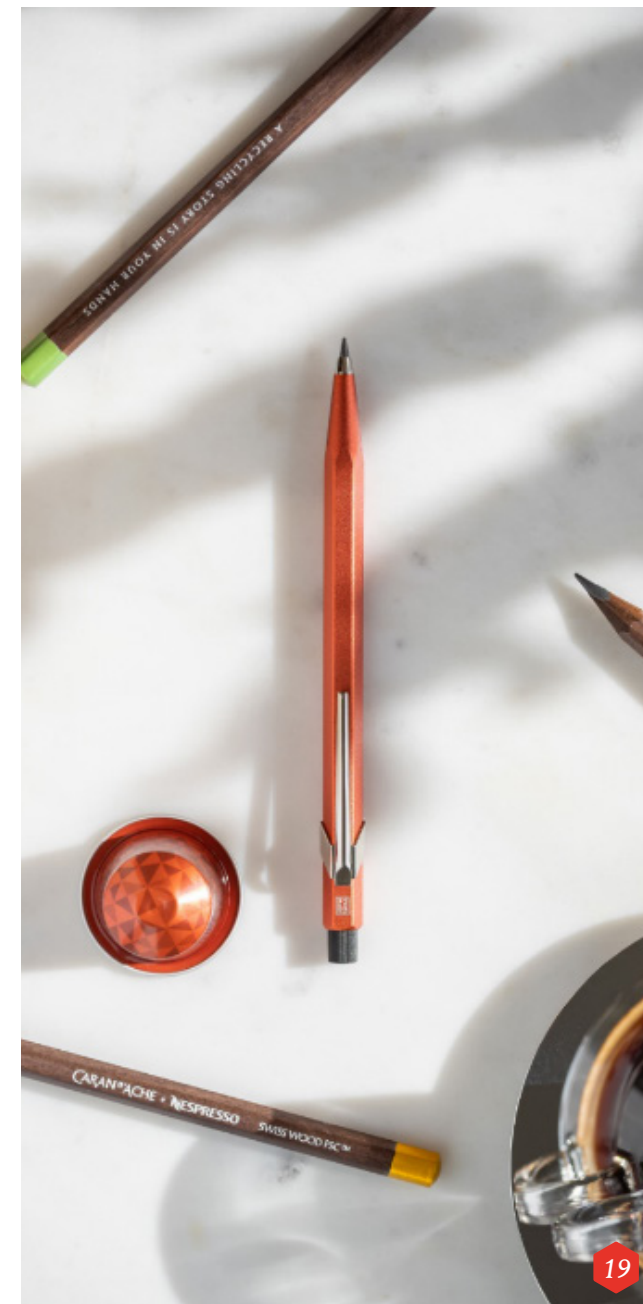
Finally, the metal used for the box of our iconic 849 pen can now be recycled with other metals such as cans. This has been made possible by reducing the percentage of plastic in the formula and ensuring the constituent parts can be separated.

100% recyclable bags

We have also replaced the plastic bags used in certain stores by 100% recyclable bags fashioned from 80% recycled paper. They are made from chlorine-free kraft paper printed with water-based inks containing no solvents.

Packaging in 100% recycled cardboard for specialised orders

Furthermore, our B2B packaging – previously in plastic – is now made from 100% recycled and recyclable cardboard.





3. Use of Swiss wood in our production

As a flagship of Swiss industry, Caran d'Ache in 2015 took an additional step towards sustainable development by including Swiss wood in its production: a local commitment for a large-scale impact. This commitment is based on a collaboration with the BFH Higher Technical School of Wood Biel to identify and introduce new species into the production of our pencils.

The Swiss Wood collection

The studies conducted have enabled us to develop and launch a range of graphite pencils made from Scots pine, Swiss stone pine and Jura beech sourced from Swiss forests.

4. Conduct a life cycle analysis of our products

The commitment of Caran d'Ache to designing sustainable products involves a desire to conduct life cycle analyses of our flagship products in order to measure the environmental, social and economic impacts of their production. We have therefore introduced a software package enabling us to collect this data and trained our employees in its use. Thanks to this tool, we will be able to study and analyse the life cycle of a certain number of our products.

New goals to go even further

Prioritise locally sourced materials

By 2025:

- Centralise 80% of our suppliers in Europe.
- Continue to prioritise local suppliers in all our new developments.

Prioritise eco-design

By 2025:

- Produce all our standard luxury cases and boxes using 100% recycled and recyclable materials.

Conduct a life cycle analysis of our products

By 2025:

- Continue our life-cycle analyses of our products following the completion of these analyses for our 825 and 849 pens.

Set up a carbon footprint

By 2025:

- Implement a carbon footprint in order to set ambitious CO2 reduction targets and measure our actions in terms of CO2 reduction, with a view to identifying areas for improvement in the future.



TRANSPARENCY AND TRACEABILITY OF OUR SUPPLY CHAIN

Commitment

As a family business, our local commitment is very important. All our products are developed and designed in our manufacturing facilities in Geneva. Our ethical supply charter defines the terms of our relations and lists the principles to be respected within the CITES framework (the Convention on International Trade in Endangered Species of Wild Fauna and Flora). Our suppliers undertake to

warrant the use of gold mining methods which do not damage the environment, and are encouraged to obtain FSC™ ou PEFC™ certification for their wood. From a social standpoint, our suppliers – by signing this charter – also undertake to respect the principles of the Universal Declaration on Human Rights and the International Labour Organisation (ILO) declaration.

Actions

1. Maximise the transparency and traceability of suppliers outside Europe

We implement performance indicators in this field, including regular audits of our sensitive or at-risk suppliers and the development of the number of suppliers who have signed our ethical charter. Since 2017, we have included questions around CSR in our supplier surveys and we conducted 30 supplier visits between 2022 and 2023.

Furthermore, we analyse the sensitivity to and management of risks linked to sustainable development when selecting our new suppliers. Every single one of these new suppliers has signed our ethical charter, thereby ensuring that all our partners share our values and meet our environmental criteria, as well as those relating to human and employment rights.



New goal
to go even further

Maximise the transparency
and traceability of
suppliers outside Europe

By 2025:

- Audit 100% of our strategic and at-risk suppliers.

A close-up photograph of a person's hands, wearing a red shirt and a black apron, pouring a large quantity of small, bright blue beads from a worn, cylindrical metal container into a blue bag. The beads are densely packed and spill out of the container's opening. The background is dark and out of focus.

COMMITTED EMPLOYEES

Commitment

Because the men and women at Caran d'Ache are our main asset, we make every effort to provide a work environment that promotes performance as well as well-being: a balancing act founded on the fact that our company is a family business. We place our employees at the heart of our strategy, their personal development and well-being underpinning the success of us all.

Actions

1. Give the employees the means to be leaders when it comes to sustainability

As sharing common values is a core element of our discussions, this year we have included a section relating to societal responsibility (environment, security, social) in our employee performance reviews.

Furthermore, we include questions relating to sustainable development in the annual surveys that we conduct among our employees.

2. Encourage and facilitate soft mobility

The transition towards our new site in 2024 will enable us to introduce new procedures facilitating and encouraging the use of soft mobility among our employees. We help finance our employees' public transport season tickets.

New goals to go even further

Encouraging and facilitating soft mobility

2024-2025:

- Continuer les réflexions ainsi que les audits
- auprès de nos collaborateurs sur les mesures
- à prendre pour la mobilité de notre nouvelle
- manufacture, à Bernex.





REDUCTION OF INEQUALITIES AND PROTECTION OF MINORITIES

Commitment

At Caran d'Ache, we firmly believe that encouraging and promoting diversity at work is essential. Our values as a family business naturally encourage us to value each employee as an individual while developing an inclusive environment in which each individual can make their contribution and achieve their potential.

Caran d'Ache also combats discrimination, and our policy of openness and integration fosters diversity and develops our creativity.

Actions

1. Reduce inequalities

Since 2016, we have formalised a global ethical charter intended for all our employees in order to confirm the fundamental principles of our company. This charter draws inspiration from the Universal Declaration of Human Rights and the declaration relating to the fundamental employment rights and principles. The employees thereby undertake to respect others in order to ensure a healthy working environment. In addition, our regularly updated collective agreement applies these employment law requirements.

Caran d'Ache also applies a policy of equal pay. We are committed to equality through tangible actions, such as conducting self-analyses of our salary practices.

In 2019, Caran d'Ache was awarded the Cercle Suisse des Administratrices prize, which rewards the increase in the proportion of women among management staff. Caran d'Ache is proud to have 50% female representation on its Executive Committee and 37.5% on its Board of Directors.

In 2022, we organised specific training for Caran d'Ache managers in order to enhance awareness of the issues around diversity and inclusion within the company.



New goal
to go even further

Reduce inequalities

By 2025:

- Further training for Caran d'Ache managers in order to enhance awareness of the issues around diversity and inclusion within the company.

A woman with long brown hair, wearing a light grey sweater, is seated behind a reception desk. She is holding a black telephone receiver to her ear with her left hand. A young boy with dark hair, wearing a brown long-sleeved shirt and yellow pants, is riding a red and yellow tricycle towards the desk. He is reaching up with his right hand towards the woman. The reception desk is white and decorated with colorful murals of hands and plants. The background wall is also decorated with similar murals. A metal paper tray is on the desk. The floor is light-colored and polished.

SOCIAL RESPONSIBILITY

Commitment

Caran d'Ache shares its values by working closely with important cultural, humanitarian and social figures and institutions. We are also committed to passing on expertise by offering free training to hundreds of teachers of the visual arts each year throughout Switzerland.

Actions

1. Promote integration and health

Caran d'Ache is a founding member of the Service Social Inter-Entreprises (inter-company social service, SSIE). Launched in 1970, this innovative initiative is devoted to addressing the difficulties that some employees might encounter and promoting their well-being. A person of trust within the SSIE but from outside the company can, in complete confidentiality, help employees in situations involving conflict or negotiation, a change of job or employer, or personal problems.

Our integrated workshops accommodate between 10 and 12 disabled people, thus perpetuating our partnership with Établissements Publics pour l'Intégration (EPI, a socio-educational initiative promoting integration).

We are also pursuing our collaborations with the SUVA (national accident insurance fund) and the disability insurance fund with a view to adapting our workstations following an accident and with the various institutions and associations promoting equality, reintegration and self-determination such as IPT, OSEO, Realise, Jeunes@Work, Réseau femmes and Esprit nomade.

2. Develop apprenticeships

With a view to promoting the integration of young people into the world of work, Caran d'Ache regularly trains apprentices and interns from different backgrounds (end-of-study, introductory and reintegration placements).

We use success as an indicator and are delighted to observe that since 2019, every single one of the individuals concerned passed their exams.

3. Support communities, associations and NGOs

Since 2020, we've been running the "COLOURFUL DAYS" operation. In 2022 and 2023, we donated 20% of profits from the sale of a selection of products to Paint a Smile, an association we support throughout the year.

Caran d'Ache and the International Committee of the Red Cross (ICRC) have signed a partnership that breaks new ground in terms of humanitarian work. To mark the 70th anniversary of the Geneva Conventions, we have created a limited edition pen. The proceeds from the sales of this instrument will contribute to funding the humanitarian interventions of the ICRC. The aim of this collaboration is to support the mission of the ICRC to re-establish family ties by helping family victims of the Syrian conflict find their loved ones.

Furthermore, between 2023 and 2024, we donated 120,000 pencils to charity and aid projects throughout Switzerland.

New goals to go even further

Promote integration and health

In 2024:

- Continue our collaboration with an ergonomics expert to implement the measures identified in our internal survey.

Develop apprenticeships

2024

- Maintain a 100% success rate for our apprentices.

Support for communities, associations and NGOs

2024 and beyond

- As these collaborations are extremely rewarding, we will make every effort to continue developing them as opportunities present themselves.



SUPPORT IN TERMS OF EDUCATION AND CREATIVITY

Commitment

For more than 100 years, Caran d'Ache has respectfully perpetuated the art of writing and drawing. Creativity and imagination guide our know-how, as can be seen in the numerous patented inventions developed by our company.

For Caran d'Ache, passing on our heritage and passion is a true vocation, be it by sharing with our young craftsmen, encouraging further training or promoting the regenerative power of writing and the visual arts through our creative workshops. Caran d'Ache makes every effort to hand on its knowledge and passion for creativity.

Actions

1. Partnerships with universities

Since our last COP, we have pursued our commitment to education by continuing our partnerships with Swiss universities.

For the past 11 years, we have been awarding the Prix Caran d'Ache x HEAD (Geneva, University of Art and Design). Every year, this prize is awarded to a young graduate in Visual Arts or Visual Communication / Illustration for the quality and originality of his/her work. We are delighted to support young talents by contributing to the development and success of artists from this centre of excellence.

Since 2019, Caran d'Ache awards the Caran d'Ache x ESBDI - Ecole Supérieure de Bande Dessinée et Illustration prize, which honours a 2nd-year student for the quality and creativity of their work.

In 2022, we opened the Caran d'Ache «Espace créatif» at Plateforme 10 in Lausanne. The former workshop-boutique became an exhibition and residency forum for young artists, offering them visibility and a space to create.

Furthermore, we collaborate with the following universities and schools for specific projects:

- Bern University of Applied Sciences (HESB)
- Geneva University of Art and Design (HEAD)
- Higher Technical School of Wood Biel (BFH)

2. Develop aids for creation and education

Our passion for creativity and the transmission of knowledge pushes us to promote both continuing education and the regenerative power of writing and the visual arts through our creative workshops. We provide all ages with free creative content (pictures to colour in, tutorials, etc.) via our social networks and newsletters.

In schools, we provide teachers with educational workshops in accordance with Switzerland's Lehrplan21 initiative with a view to training them in the various techniques and applications offered by our products.

As the period we are currently living through has made human contact more complicated, we have nevertheless maintained our creative aids and teaching support materials by digitising them through over 100 workshops organised between 2022 and 2023.

New goals to go even further

Partnerships with universities

2024 and beyond

- Pursue the existing collaborations and prizes introduced over a number of years and remain creative to develop new ones.

Develop aids for creation and education

2024 and beyond

- Develop new educational initiatives promoting creativity.



Our certifications

UN Global compact
ISO 9001
ISO 14001
BOIS SUISSE
FSC™