CSR VISION & GOVERNANCE .05
Lyreco at a glance .06
Responsible partner wherever we operate .07
Fostering responsibility in the workplace .08
An integrated sustainable customer journey .09
Invest, grow and innovate .10
Global compact commitment .11
Sustainable Development Goals .12
Certifications .14
An integrated management system .16
Stakeholder’s voice .18
Materiality matrix .20

ECO FUTURE 2012-2018 STRATEGY .21
Introduction .22
Results overview .23
Environment .24
Green products .25
Waste recycling .28
CO2 emissions .29
Economics .31
Supplier sustainability performance .32
Factory audits & supplier assessments .33
Social .34
Working conditions .35
Training .38
Lyreco For Education Togo and Madagascar .39
Local charity commitments actions .41

NEW CSR STRATEGY 2019-2024 .42
6 guiding principles .43
Economics .44
Building an omnichannel customer experience .45
Governance .46
Risk management process .47
Environment .48
EU Product Environmental Footprint .49
Supply chain .51
Vigilance plan .52
People .53
Developing talents .54
Community .56
Lyreco For Education Cambodia 2019-2022 .57

Some of the results are particularly noticeable. For instance, we have decreased our CO₂ emissions by 17% compared to 2010 and increased our sales of green products which represent now 45% of our products sales at Group level.

These achievements directly benefit the numerous Lyreco customers striving for more responsible purchasing processes, greener workplaces and willing to deal with a trusted partner in terms of sustainability.

In line with our Company’s promise to act as a responsible partner with all our stakeholders, our ambition is to anchor our Corporate Social Responsibility commitment even deeper into all of our activities, wherever we operate.

Our new CSR vision expands the scope of our commitments:

_ By moving from 3 to 6 guiding principles: Risk management, Supply Chain and Community are now specific domains along with Economics, Environment and People,
_ By integrating an always more customer-centric approach in all of our actions,
_ By reinforcing our contribution to major sustainability levers such as the Circular Economy.

It is also an integrated core element of our business strategy deployed across 3 strategic pillars: to diversify and develop sharp expertise, to build the greatest customer experience, and, finally, to invest, grow and innovate.

At a time when our customers give a growing critical importance to Corporate Social Responsibility, we continue to make a difference by delivering, year after year, an ever more sustainable preferred value proposition.

Georges Gaspard
Chairman
CSR VISION
RESPONSIBLE PARTNER

ALWAYS AT YOUR SIDE

In all our activities, wherever we operate, at Lyreco we always support our customers’ daily life in the workplaces and business successes, both now and for the future.

Lyreco ranks among the first worldwide distributors of workplace supplies solutions to businesses.

With 9,500 employees across 15 subsidiaries and an extended network of strategic distribution partners, we accompany companies and organisations in 42 countries on 4 continents.

We put our Corporate Social Responsibility at the core of our strategic decisions and operations.

We act as a responsible partner in all our activities and for all our stakeholders, to accompany the development of their workplaces and working methods, and support their contributions to a sustainable world.

From product sourcing to product afterlife, we deliver value to our clients on a daily basis.

LYRECO AT A GLANCE

FAMILY OWNED COMPANY SINCE 1926

9,500 EMPLOYEES

HEADQUARTERED IN FRANCE

LONG TERM COMMITMENT

99.8% SERVICE RATE

€2.2B+ TURNOVER
Lyreco Group CSR strategy

WHEREVER WE OPERATE

15 SUBSIDIARIES & 1 SAFETY EXPERTISE CENTER IN 25 COUNTRIES

- Cascading and adapting to local rules
- Lyreco Group CSR strategy

EUROPE
- Austria, Belgium, Czech Rep., Denmark, France, Finland, Germany, Hungary, Ireland, Italy, Luxembourg, The Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, UK

ASIA
- Hong-Kong, Korea, Malaysia, Thailand, Singapore

15 DISTRIBUTION PARTNERS IN 17 COUNTRIES

- Dialoguing and fostering commitment to CSR tangible actions

NORTH AMERICA
- Canada, United States

EUROPE
- Estonia, Latvia, Lithuania, Romania, Russia, Turkey

ASIA-PACIFIC
- Australia, China, India, Japan, New Zealand, Taiwan

SOUTH AMERICA
- Argentina, Brazil, Mexico
RESPONSIBLE WORKING ENVIRONMENT
WORKPLACE MULTI-SPECIALIST

FOSTERING SUSTAINABLE PRACTICES IN THE WORKPLACE

As a multi-specialist, we cover 4 components that make our customers’ working environment a lever of business performance and sustainable business practices: people efficiency, connectedness, safety and well-being in the workplace.

We believe that workplaces and working methods play a key role in supporting sustainability in business practices. Our 4 categories are developed in deep cooperation with our suppliers and manufacturers. We integrate sustainability at each step of the product selection process.

BALANCING DISPOSABILITY AND RESOURCE-EFFICIENCY

Paper, files, pens... Office supplies are generally disposable and therefore resource-consuming. As office supplies distributor, we have a special responsibility to provide our customers with products that are resource-efficient, renewable and ethical.

SMARTER MEANS GREENER

Print technologies need to be ever smarter and greener. Our Tech and Print category continues to support digital transformations in the working environment and addresses the primary concerns for sustainable and smart printing solutions.

WELL-BEING IN THE WORKPLACE AS A LEVER OF GLOBAL PERFORMANCE

We support our customers in their employer commitment to enhance personal well-being in the workplace: comfort and ergonomics, health and hygiene, coffee breaks, collaborative practices...

SUPPORTING OUR CUSTOMERS’ HEALTH AND SAFETY COMPLIANCE AND COMMITMENT

Our industrial customers face an overwhelming and complex legal environment in terms of safety in the workplace. Beyond providing Personal Protection Equipment, we offer sharp expertise to help them comply with increasingly strict regulations.

45% GREEN PRODUCTS (GROUP SELECTION)

CERTIFICATIONS

9001 14001

AUDITS

CIRCULAR ECONOMY RECYCLING SERVICES

45%

SHARP EXPERTISE

CSR VISION & GOVERNANCE

CSR VISION & GOVERNANCE
AN INTEGRATED RESPONSIBLE CUSTOMER JOURNEY

CREATE THE GREATEST CUSTOMER EXPERIENCE

From the first contact to delivery, our ambition is to balance the highest level of customer satisfaction with the need to develop a responsible and sustainable service value chain.

A “PHYGITAL AND SEAMLESS” CUSTOMER EXPERIENCE

Proximity and trusted relationships are our main assets. Our teams have always been and will remain a primary support to customer satisfaction.

Our transformation project allows our 9,500 talents to strengthen our customer-orientated culture and to adopt new processes that provide the best quality of service to our customers.

We empower our 8,000 sales advisers, customer care agents, logistics and delivery people and 1,500 support functions representatives to make the best decisions in their daily challenge to deliver the greatest customer experience at the best service rate.

We combine customer focus and expert teams with best of breed digital solutions and responsible data analytics. We are building a true omnichannel seamless and unique experience for each of our customers along their journey with us.

SUSTAINABLE THROUGHOUT THE CUSTOMER JOURNEY

Customer satisfaction is more than on-time delivery. It is about providing sustainable products, ensuring ethics and compliance, minimising packaging, developing climate neutral processes... from ordering to delivery and beyond.

SELECTING
GREEN PRODUCTS
QUALITY AND ENVIRONMENTAL CERTIFICATIONS AND LABELS
SUPPLIERS AUDITS
SPECIALIST/EXPERT ADVICES

ORDERING
WEBSHOP
RECYCLED PAPER CATALOGUES
DEMATERIALISED SERVICES
E-INVOICING

DELIVERY
ENERGY-EFFICIENT WAREHOUSE
ADAPTED/REDUCED OR RE-USED PACKAGING
END-TO-END ZERO EMISSIONS
ENVIRONMENTALLY FRIENDLY VANS
ELECTRONIC SIGNATURES

PRODUCTS AFTERLIFE
RECYCLING SERVICES
CIRCULAR ECONOMY PROJECTS
INVEST, GROW AND INNOVATE TODAY AND TOMORROW

Our strategic and operational decisions are always driven by a customer-centric approach that takes into account their current expectations while anticipating the trends that will shape the future of workplaces.

Innovation and investments infuse all our activities with the special responsibility to continue developing a nearly century old family company.

ALIGNING CORPORATE RESPONSIBILITY WITH A LONG-TERM BUSINESS VISION
Driven by a genuine commitment to corporate responsibility and a long-term business vision:
- we support continuous improvement for our existing operations,
- we consolidate our geographical operations,
- we develop new ones,
- we open up our innovation to start-ups and suppliers.

INVESTING IN PEOPLE: RETAINING, DEVELOPING AND ATTRACTING TALENT
We empower each of our 9,500 employees to embrace of our customer-centric strategic vision and transformation plan. This ambition is supported by the digital transformation which brings new efficient process and solutions, training and talent programmes.

BUILD A CENTRE OF EXCELLENCE DEDICATED TO SAFETY
In January 2019, Lyreco acquired Intersafe, a PPE leading actor in France and Benelux, with sharp expertise in High Level Risk, and Elacin, a pioneer in custom-made hearing protection. The ambition is to develop a European centre of excellence dedicated to personal safety in the workplace.

REINFORCE OUR POSITION IN ASIA
In June 2019, Lyreco acquired DeskRight, a leading office supplies business in Singapore market. The move puts Lyreco in a leadership position on the Singapore market and represents the first step in its new development strategy for the Asian region.

SUPPORT OUR CUSTOMER EXPERIENCE STRATEGY THROUGH INNOVATION
In January 2019, Lyreco Group joined the Partech Entrepreneur III fund. Partech has strong connections with start-ups across Europe and the US. This partnership enables Lyreco to develop further its innovation strategy.

A customer-centric vision driving IMPROVEMENT, INNOVATION AND INVESTMENTS

4 STRATEGIC INVESTMENTS IN 2019

CSR VISION & GOVERNANCE
In 2004, Lyreco was the first company in the Office Supplies industry to join the UN Global Compact Initiative, demonstrating the company’s long term commitment to sustainability.

By joining UN Global Compact, Lyreco commits to integrating 10 principles in the areas of Human Rights, labour, environment and anti-corruption into its strategy, policies and procedures to establish a culture of integrity.

This document is Lyreco’s COP 2019 and can be found both on the UN Global Compact and Lyreco’s website.
In 2015, United Nation has defined 17 Sustainable Development Goals (SDGs) to end poverty, fight inequality and injustice and tackle climate change by 2030.

1. **End poverty in all its forms everywhere.**
   - **LYRECO INITIATIVES:**
     - Lyreco Community Programmes, e.g. Food Bank Donations

2. **End hunger, achieve food security and improved nutrition and promote sustainable agriculture.**
   - **LYRECO INITIATIVES:**
     - Lyreco Community Programmes, e.g. Food Bank Donations

3. **Ensure healthy lives and promote well-being for people of all ages.**
   - **LYRECO INITIATIVES:**
     - Health & Security programmes
     - Health & Security certification

4. **Ensure an inclusive and equitable quality education and promote lifelong learning opportunities for all.**
   - **LYRECO INITIATIVES:**
     - Lyreco for Education
     - Training plans
     - Internal mobility

5. **Achieve gender equality and empower all women and girls.**
   - **LYRECO INITIATIVES:**
     - Code of Ethics
     - UN Global Compact / Human Rights Club Membership

6. **Ensure availability and sustainable management of water and sanitation for all.**
   - **LYRECO INITIATIVES:**
     - Lyreco for Education
     - Code of Ethics

7. **Ensure access to affordable, reliable, sustainable and modern energy for all.**
   - **LYRECO INITIATIVES:**
     - Energy Efficiency in Buildings Programme, e.g. Solar Panels,
     - ISO 50001
     - Renewable Energy Certificates Purchase

8. **Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.**
   - **LYRECO INITIATIVES:**
     - Supplier Sustainability Assessment
     - Supplier Audits
     - Code of Ethics
     - Employee Satisfaction Survey
     - Customer Satisfaction

9. **Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.**
   - **LYRECO INITIATIVES:**
     - Innovation structure
     - Transformation project

Nasser Kahl | Lyreco QSS Director
United Nations Campus
Bonn - COP 23 - November 2017
OUR COMMITMENTS TO SUSTAINABLE DEVELOPMENT GOALS

10. Reduced inequalities

- Lyreco Initiatives:
  - Lyreco for Education
  - Supplier Sustainability Assessment
  - Code of Ethics

11. Make cities and human settlements inclusive, safe, resilient and sustainable

- Lyreco Initiatives:
  - Lyreco Community Programmes, e.g. World Environmental Day, Planting of Staghorn Corals.
  - Lyreco for Education
  - Energy Efficiency in Buildings Programmes
  - Renewable Energy Certificates Acquisition

12. Ensure sustainable consumption and production patterns.

- Lyreco Initiatives:
  - Green Products
  - Environmentally Friendly Fleet

13. Take urgent action to combat climate change and its impacts.

- Lyreco Initiatives:
  - Carbon & Environmental Footprint Initiatives
  - CO2 Emissions Reduction target

14. Not applicable

15. Protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and loss of biodiversity.

- Lyreco Initiatives:
  - Lyreco Community Programmes e.g. Biodiversity Garden, Installation of Beehives

16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels.

- Lyreco Initiatives:
  - Code of Ethics
  - EU PEF (Product Environmental Footprint) Membership
  - UN Global Compact Membership

17. Strengthen the means of implementation and revitalise the global partnership for sustainable development.

- Lyreco Initiatives:
  - Supplier Sustainability Assessment
  - Customer Sustainability Awards
  - UN Global Compact Membership
Because of the variety of activities and operations, Lyreco communicates with organisations on several levels: regional, national, European and international.

Below are mentioned group certification and labels. Additional national and regional initiatives are managed by the local Lyreco subsidiaries.

**EU ECOLABEL**

Since 2009, Lyreco promotes the EU Ecolabel for its own branded products.

The EU Ecolabel or EU Flower is a voluntary ecolabel scheme established in 1992 by the European Commission.


The EU Ecolabel meets the ISO 14020 Type 1 requirements for ecolabels. The EU Ecolabel criteria have been formulated for more than 30 non-food and non-medical product groups that are reviewed every 3–5 years.

**SEDEX**

In 2013, Lyreco selected SMETA (Sedex Members Ethical Trade Audit) as a validated standard for the social accountability audits of the factories that manufacture Lyreco branded products.

Furthermore, in 2017 the 4 pillars of SEDEX were chosen for the social and environmental audits of all factories working with the ‘Lyreco Import structure’.

SEDEX is the world’s largest collaborative platform to share responsible sourcing data on supply chains, used by more than 43,000 members in over 150 countries.

Tens of thousands of companies use Sedex to manage their performance around labour rights, health & safety, the environment and business ethics.

SMETA (Sedex Members Ethical Trade Audit) is a compilation of best practices in ethical audits, established by the Sedex Associate Auditor Group (AAG). It is not a separate standard or certification process, but a protocol for high-quality audits, to be used in conjunction with current ethical audit practices.

SMETA audits use the ETI Base Code, founded on International Labour Organization conventions, as well as relevant local laws. SMETA audits can be conducted against two or four auditing pillars. The two pillars required for any SMETA audit are Labour and Health & Safety standards. The two additional pillars of a 4-pillar audit were introduced to further deepen the social responsibility aspect of SMETA audits.

A SMETA 2-pillar audit consists of the following modules:
- Labour Standards
- Health and Safety
- Additional Elements:
  - Management Systems
  - Entitlement to Work
  - Subcontracting and Homeworking
  - Environmental assessment (shortened)

A SMETA 4-pillar audit covers the above elements, plus:
- Environmental assessment (extended)
- Business Ethics

**UN GLOBAL COMPACT**

In 2004, Lyreco was the first company in the Office Supplies industry to join the UN Global Compact demonstrating the company’s long-term commitment to sustainability.

Launched in 2000, the United Nations Global Compact is both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices.

As a multi-stakeholder leadership initiative, the initiative seeks to align business operations and strategies with ten universally accepted principles in the areas of Human Rights, labour, environment and anti-corruption, and to catalyse actions in support of broader UN goals.

With 7,000 corporate signatories in 135 countries, it is the world’s largest voluntary corporate sustainability initiative.

**UN GLOBAL COMPACT/HUMAN RIGHTS CLUB**

In 2017, Lyreco joined the ‘Human Rights’ Club of the UN Global Compact, strengthening its commitment towards the Global Compact principles of the United Nations (six of them directly cover the theme).

The ‘Human Rights’ Club is a place of exchange and expertise for the members to jointly progress on this theme.

The objectives of the Club will evolve according to the needs of the members:
- Preventing, controlling and managing Human Rights risks,
- Better mapping the stakeholders,
- Supporting companies in their approach to Human Rights,
- Developing appropriate tools,
- Collectively building a place of influence.
They work with 150,000 smallholders around the world and one of their "new focuses" is the increased focus on working with indigenous groups around the world. FSC membership shows the company’s commitment to improving the management of the world’s forests.

EU PEF
In 2014, Lyreco joined the EU PEF (Product Environmental Footprint) pilot phase. The objective of the EU PEF initiative is to develop a harmonised methodology for the calculation of the environmental footprint of products, based on a transparent methodology. The European Commission, working closely with the Joint Research Centre, has developed a proposed methodology for the calculation of product environmental footprints.

The methodology is based on the life-cycle assessment technique and the International Reference Life Cycle Data System (ILCD) handbook as well as other existing standards and guidance documents, including ISO 14040-44, PAS 2050, BP X30 and the WRI/WBCSD GHG Protocol. In total, 14 different impact categories are assessed. In addition, rules have been developed for individual product categories to enable specific details to be taken into account at the product level.

BSCI
In 2013, Lyreco selected BSCI as a validated standard for the social accountability audits of the factories that manufacture Lyreco branded products. The Business Social Compliance Initiative (BSCI) is a leading supply chain management system that supports companies in their drive towards social compliance and to make improvements at the factories in their global supply chains.

BSCI implements the primary international labour standards that protect workers’ rights such as International Labour Organisation (ILO) conventions and declarations, the United Nations (UN) Guiding Principles on Business and Human Rights and guidelines for multinational enterprises of the Organisation for Economic Co-operation and Development (OECD).

BEPI
In 2016, Lyreco selected BEPI as a validated standard for the environmental audits of the factories that manufacture Lyreco branded products. The Business Environmental Performance Initiative (BEPI) is a business-driven service provided by the Foreign Trade Association (FTA) for retailers, importers and brands committed to improving environmental performance at supplying factories and farms worldwide. BEPI provides a practical framework that can support all product sectors in all countries to reduce their environmental impact, business risks and costs through improved environmental practices.

BEPI uses industry best practices alongside practical technical expertise to support companies in the development of supply chain visibility and to meet the increasingly stringent environmental regulatory and stakeholder requirements.

The basis of the BEPI Framework is built on the Global Social Compliance Programme (GSCP), environmental reference tools, and it is also aligned with leading environmental standards such as the Global Reporting Initiative (GRI).

FSC
In 2018, Lyreco became a member of FSC International. FSC is the world’s strongest certification system in terms of global reach, robustness of certification criteria and the number of businesses involved in the system. They have more than 20 years experience. FSC has 28,000 certificate holders in 81 countries worldwide.

FSC membership shows the company’s commitment to improving the management of the world’s forests.
SUSTAINABILITY GOVERNANCE
AN INTEGRATED MANAGEMENT SYSTEM

GOVERNANCE BODIES

Sustainability management is fully integrated in the organization of the Group Operations, led by a Group Chief Operating Officer. The strategic execution of the Corporate Responsibility policy is led by a Group QSS director.

Each of Lyreco’s 15 subsidiaries includes a QSS director.

At the Group level, the mission of the Group QSS director is:

- To define and implement a CSR strategy that ensures that key business decisions include Quality, Environment, Health, Safety, Sustainability and Ethics aspects.
- To ensure the Group standards are respected by our internal and external operating stakeholders.
- To manage international best practices, action plans and internal communications.

CERTIFICATION PROCESS

To ensure a common qualitative and environmental practice across our 15 subsidiaries, Lyreco uses the recognised international standards ISO 9001 and ISO 14001 to which the Integrated Management Systems are certified.

This ensures that quality and environmental matters are handled at a level trusted by interested parties and understood by employees. Aligned with the Quality & Environmental Management System, Health & Safety management is based on Lyreco’s guidelines referring to the OHSAS 18001 standard and local legislation, applied in the subsidiaries by the Senior Management Teams.

In 2012, ISO 26000, the guideline for Corporate Social Responsibility, was adopted to provide structure to the sustainability journey. In addition, some countries have also chosen to obtain further certifications.

ECOVADIS

EcoVadis is an independent, non-financial rating agency that monitors the sustainability ratings at global organisations. Its methodology is based on international Sustainable Development standards such as ISO 26000, the Global Reporting Initiative and the United Nations Global Compact. It is overseen by a scientific committee of CSR and Supply Chain experts to ensure a reliable third-party CSR assessment. Lyreco is now part of the top 1% of companies evaluated by EcoVadis.

WORLDWIDE CERTIFICATION

ISO 9001
ISO 14001
ISO 26000 guidelines (not subject to certification)

CERTIFICATION DEPENDING ON THE COUNTRY

OHSAS 18001/ISO 45001 (Occupational Health & Safety Management System)
ISO 50001 (Energy Management Standard)
FSC CoC Certification (Forest Stewardship Council – Chain of Custody)
AEO (Authorized Economic Operator): The AEO status is an internationally recognized quality mark. It indicates that the company’s role in the international supply chain is secure, and that customs controls and procedures are efficient and compliant.
WORKING TOGETHER for TOMORROW

HOW DO WE ENGAGE WITH OUR STAKEHOLDERS?

Engaging our stakeholders over the long-term in our Corporate Responsibility strategy and actions is essential to reach our sustainability goals and to support continuous improvement across all of our activities.

OUR CUSTOMERS
- Omni-channel Customer Service
- Satisfaction surveys
- Thematic events and meetings
- Environmental calculation tools
- Sustainable days and Sustainability awards

9,500 EMPLOYEES
- Dialogues with social partners
- Annual performance reviews
- Internal, change and M&A communication
- CSR actions involvement
- Internal Opinion Barometer (IOB) for continuous improvement
- International meetings with all subsidiaries

COMMUNITIES
- Lyreco For Education programme in partnership with NGOs
- Local communities programme
- Partnership with social entreprises

INNOVATION ECOSYSTEM
- Hackathon
- Circular economy think tank

MULTI-STAKEHOLDERS INITIATIVES
- Global compact membership
- Human Rights Club membership

GOVERNMENTS & LEGAL AUTHORITIES
- Secretariat member to EU Product Environmental Footprint pilot phase

CERTIFICATION BODIES, ESG RATING AGENCIES
- Audits
- Assessments
- Ecovadis \cdot BSCI \cdot SEDEX

97 BRAND NAME PRODUCTS
- INTERNATIONAL SUPPLIERS
- International continuous improvement programme
- Suppliers’ Day and awards
- Purchasing policy
- Code of Ethics
- Green products
- Sustainability due diligence

40 LYRECO OWN BRAND SUPPLIERS
- Sustainability audits
- Social audits
- Continuous improvement programme
- Code of Ethics

OUR LOGISTICS PARTNERS & SUPPLIERS
- Co-development of low-emission projects
- Sustainability clauses in contracts

15 DISTRIBUTION PARTNERS
- Dedicated Lyreco coordinator
- CSR policy review
- Yearly progress monitoring

OUR KEY STAKEHOLDERS and the way we engage with them
STAKEHOLDER’S VOICE

LYRECO EMPLOYEES

“Day after day, I thrive on shaping a team and leading them towards a common goal. I feel motivated every morning by the warm atmosphere, care and commitment that my teams convey. Every day, this atmosphere that we have been creating drives up to deploy all our energy to ensure the success of our products.”

Jérôme Ciszewski
Digital Channels Director Lyreco

LYRECO SUPPLIER AWARDS WINNER

CLOVER
2018 Sustainable performance improvement programme winner

Clover is a worldwide leader of high-quality, environmentally friendly remanufactured cartridges and sustainable imaging solutions. Greener print media and printing practices are key ingredients to increase sustainability in the workplace.

Since 2017, this major partner has been working with Lyreco to continuously improve its contribution to customers’ sustainability ambitions both through products and services. Clover is the winner of the 2018 International Suppliers Awards in the Tech&Print Category and has also been ranked number one out of the 97 Group suppliers.

“With Lyreco, we commit to recycling, to help our customers have greater workplace sustainability and to deliver those products in an ever more sustainable way to your customer. This is the future for us.”

Mark Perry
Clover Managing Director

CUSTOMERS

MTU
Aero Engines AG is the leading German engine manufacturer. With approximately 9,000 employees, they develop, produce and support civil and military aircraft engines.

«Sustainability» is firmly established in the company’s goals and means assuming entrepreneurial responsibility for the company’s economic performance without neglecting ecological and social components.

Since 2013, MTU has been presenting its commitment every summer in a sustainability report. Sustainability is an elementary central idea of the engine industry, and even though MTU makes the greatest contribution to sustainable development through eco-efficient engine technologies, it is important to us to spread this idea to all other areas of MTU.

“After MTU was able to achieve third place last year, we are particularly pleased that our joint efforts have led to a further improvement, gaining the first place. Supported and motivated for improvement right up to the MTU Board of Management.

Thank you for this award. The close cooperation between MTU and Lyreco is enabling this progress. Smooth processing, lean processes and sustainable products ensure high level of acceptance within the MTU organization.

Having this in mind, I would like to encourage everyone to do their utmost to improve sustainability in their own companies.”

Andreas Regnier
Purchasing Manager indirect materials (Leiter Einkauf- indirektes Material)
Since 2010, thanks to Lyreco’s support, CARE has developed education projects in Brazil, Madagascar and now Cambodia. Our common objective is to provide better quality education to increase student enrollment over the long term. Together, we have already achieved a lot! Thank you, Lyreco Group and your teams for your lasting commitment!

Nathalie Rosselot
Partnership Director, CARE France
The strategic issues on which Lyreco focuses its corporate responsibility are based on the most relevant matters to stakeholders and the company itself.

The fundamental environmental, social and economic challenges that are linked both to the way Lyreco manages its business and to the changes in our customers’ working environment have long been integrated into our sustainability strategy. These main issues are reflected in our 2012-2018 ECO FUTURE strategy and the related data monitored over the last 7 years (see p. 22 and 23 for data and key facts).

In 2017, a materiality matrix involving our main stakeholders has raised additional challenges that have led us to extend our responsibility and sustainability commitments.

11 SHARED PRIORITIES

11 priorities issues have been identified. They are the foundation of our new corporate responsibility guiding principles and strategy that have become effective in January 2019 (see p. 42 New CSR strategy).

Based on these priorities, we have defined 6 guiding principles driving our new CSR strategy launched in January 2019.

**ECONOMICS**
Create the greatest customer experience in an omnichannel environment.

**ENVIRONMENT**
Act responsibly to minimize Lyreco’s environmental impacts, across the entire value chain, from our suppliers to our customers.

**PEOPLE**
Offer the greatest employee experience.

**SUPPLY CHAIN**
Develop a preferred and responsible supply base that enhances Lyreco’s competitiveness and innovation, and bolsters the success of our customers.

**COMMUNITY**
Place education as the core of the Lyreco Charity Programme at the global and local levels.

**GOVERNANCE**
Conduct risk and compliance management programmes as an integrated part of our CSR activities.
3 GUIDING PRINCIPLES

In 2012, Lyreco launched a midterm sustainability strategy named “Eco Future”. In 2018, Lyreco opened a new chapter of its CSR strategy.

ECO FUTURE GUIDING PRINCIPLES
ENVIRONMENT PROTECTION
ECONOMIC SUCCESS
SOCIAL RESPONSIBILITY

The Eco Future strategy lasted 7 years and allowed Lyreco to improve its CSR legitimacy, both internally and externally. The impact of the strategy is apparent by way of a comparison between the start of the strategy and last year’s achievements.
## Our Results

### Environment

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Green Products</strong></td>
<td>26%</td>
<td>31.6%</td>
<td>34.20%</td>
<td>34%</td>
<td>36%</td>
<td>42%</td>
<td>45%</td>
</tr>
<tr>
<td><strong>CO₂ Emissions</strong></td>
<td>-1.82%</td>
<td>-6.4%</td>
<td>-14%</td>
<td>-15.54%</td>
<td>-16.27%</td>
<td>-18%</td>
<td>-17% (VS 2010)</td>
</tr>
<tr>
<td><strong>Waste Recycled</strong></td>
<td>89.13%</td>
<td>90.5%</td>
<td>91.43%</td>
<td>91.12%</td>
<td>91.35%</td>
<td>91%</td>
<td>90%</td>
</tr>
</tbody>
</table>

The “Lyreco Green Products Assessment” has been reviewed by SGS and was found to be in general compliance with the principles of the ISO 14020 standard and the ICC (International Chamber of Commerce) Framework for Environmental Claims.

### Economics

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supplier Sustainability Assessment</strong></td>
<td>+1.7%</td>
<td>+1.7%</td>
<td>-4.80%</td>
<td>-4.80%</td>
<td>+9.8%</td>
<td>+9.8%</td>
<td>+2% (VS 2017)</td>
</tr>
<tr>
<td><strong>Factors Audited</strong></td>
<td>52%</td>
<td>81.3%</td>
<td>100%</td>
<td>89%</td>
<td>97%</td>
<td>98%</td>
<td>98%</td>
</tr>
</tbody>
</table>

### Social

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Working Conditions</strong></td>
<td>81%</td>
<td>81.0%</td>
<td>78%</td>
<td>78%</td>
<td>78%</td>
<td>78%</td>
<td>N/A* *</td>
</tr>
<tr>
<td><strong>Lost Working Days</strong></td>
<td>N/A</td>
<td>+4.9%</td>
<td>+6%</td>
<td>+6%</td>
<td>-10%*</td>
<td>+8%*</td>
<td>+8%</td>
</tr>
<tr>
<td><strong>Training</strong></td>
<td>82%</td>
<td>89.0%</td>
<td>82%</td>
<td>82%</td>
<td>82%</td>
<td>82%</td>
<td>N/A**</td>
</tr>
<tr>
<td><strong>LFE</strong></td>
<td>+11%</td>
<td>+8%</td>
<td>+7%</td>
<td>+7%</td>
<td>+7%</td>
<td>+4%</td>
<td>N/A**</td>
</tr>
</tbody>
</table>

**Excluding France evolution – due to inconsistencies**

**A new Group HR strategy was launched in 2018; on the basis of new KPIs that are still under construction**

## Our Goals

**25%** of Sales (common range products) are made with “green products”

**-20%** CO₂ Emissions decrease by 20% from a 2010 base year

**90%** of the Waste coming from Lyreco activities is recycled

**10%** Supplier Sustainability Assessment average mark increases by 10% per year.

October 2018: objective reviewed from 10 to 5% (based on more demanding criteria) – See p. 32 for more details.

**100%** of the factories producing Lyreco products in the developing countries are subject to social and environmental audits

**90%** of all employees responding to the bi-annual Internal Opinion Survey answered positively when asked how they felt about their working conditions.

**10%** the number of lost working days due to workplace accidents has decreased by 10% based on the 2011 figures.

**90%** of all employees responding to the bi-annual Internal Opinion Survey will answered positively when asked if they considered themselves properly trained to do their job.

**+4%** is the internal collection target for the “Lyreco For Education” charity programme for 2017
ENVIRONMENT
GOALS & KPI

In the delivery of its sustainable development vision and policy, Lyreco aims to:

- Identify and evaluate opportunities to reduce environmental impacts.
- Ensure that our operations and projects are managed in accordance with accredited quality (ISO 9001) and environmental management (ISO 14001) systems to include sustainability priorities.

This means dedicated actions and programmes on products, carbon footprint, delivery, packaging, consumables & waste and infrastructure.

OUR MAIN GOALS

REDUCE OUR ECOLOGICAL FOOTPRINT
SUPPORT OUR CUSTOMERS AND SUPPLIERS IN THEIR AMBITION TO DO SO.

OUR MAIN ACTIONS

PRODUCE AND SELL GREEN PRODUCTS
In 2018, 45% of sales (common range products) are made with "green products".

Since 2012, the part of green products in sales has been growing, especially because of the increase in eco-responsible or certified characteristics applied to the most sold products such as PEFC and FSC certifications.

REDUCE OUR CARBON FOOTPRINT
In 2018, CO₂ emissions have decreased by 17% from a 2010 base year.

- Improvement of logistics installations and buildings (solar panels)
- Increase of natural gas/electric vans and cars
- Power savings actions (LED lightning)
- CO₂ neutral delivery process
- Electronic Delivery signature
- Vertical storage solutions

INCREASE OUR GREEN FLEET
170 environmentally friendly cars for sales people
108 environmentally friendly vans for delivery people

STRENGTHEN WASTE MANAGEMENT
90% of the waste coming from Lyreco activities is recycled.

Since 2012, we have developed systematic and ‘simple’ processes, such as:

- Packaging optimisation
- Recycled delivery boxes

RESULTS 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>GREEN PRODUCT SALES</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>WASTE RECYCLING</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>CO₂ EMISSIONS*</td>
<td>-17%</td>
<td></td>
</tr>
</tbody>
</table>

*vs 2010
A UNIQUE GREEN PRODUCT ASSESSMENT USED BY ALL SUBSIDIARIES

The “Lyreco Green Product Assessment” has been reviewed by SGS and was found to be in general compliance with the principles of the ISO 14020 standard and the ICC (International Chamber of Commerce) framework for environmental claims.

THE CONTENT OF ISO 14020

1. LYRECO MARKETING TEAMS
   Detailed check of the self-claims in accordance with the qualifications described in ISO 14021.

2. SUPPLIERS
   Filling in the “Green Assessment File” with:
   - CERTIFIED CLAIMS
   - SELF-CLAIMS
   - ADDITIONAL CRITERIA
   - EVIDENCES

3. LYRECO QSS TEAMS
   DETAILED CHECK OF THE CERTIFIED CLAIMS (E.G. SCOPE, VALIDITY PERIOD)
   EXCHANGES WITH SUPPLIERS TO DEAL WITH POTENTIAL DISPUTES
   SCORING RATE CIRCULATION
MITIGATING CLIMATE CHANGE AND RESOURCE SCARCITY IN THE PAPER INDUSTRY

With wood being the main raw material for the paper industry, forest management is a key sustainability issue. Raw material scarcity is a global sustainability challenge.

UPM is one of our most performant suppliers in terms of sustainability, producing paper with the highly performing environmental standards.

“...”

When selecting suppliers for the Lyreco paper range, our intention is to always provide our customers with value for money while providing environmentaly friendly products. Sustainability is as key for them as they are for us.

“...”

Julia Ko
Lyreco Group Category Director

REDUCING CO₂ EMISSIONS AND PRESERVING WOODS RESOURCES

Päivi Rissanen | UPM Director, Sustainability

HOW DOES UPM REDUCE ITS CARBON FOOTPRINT?

Paper production requires energy. In order to reduce energy consumption and fossil carbon emissions, UPM has put a lot of effort into energy efficiency, reducing energy consumption by 14% per ton of paper over the past 10 years. Energy is still needed and CO₂ emissions from energy generation can be reduced by using non-fossil fuels. UPM has invested over €1 billion in the generation of CO₂ neutral energy in the last 10 years. About 80% of the energy UPM generates produces no fossil CO₂ emissions. Sustainably managed forests act as carbon sinks and UPM is sustaining these forests and their biodiversity, owning close to 1 million hectares of forests.

HOW DOES UPM ENSURE A BALANCE OF FOREST USE AND GROWTH?

Taking care of the main raw material, wood, is a top priority. Our business is based on the continuous growth of forests and the long-term availability of wood. To make sure that more trees grow than are harvested, we plant 50 million trees a year - 100 trees a minute. Forest certification schemes are good tools to demonstrate sustainable forestry practices. UPM has helped European forests expand by 11 million hectares over the last 20 years, for example by supporting the development of forest certification schemes and purchasing from certified sources.

HOW DOES UPM WORK WITH LYRECO IN THIS FIELD?

We share information about sustainability with Lyreco on a regular basis and help each other progress in that area. We also work together to supply the relevant regions from the closest mills (Nordic from Kymi, Central Europe from Nordland) to minimise transport. The recyclability of packages is a topic that we are discussing: UPM barrier wrapper is already used for UPM’s New Future brand. We definitely want to continue in that development.
1. Easy identification
In Lyreco’s catalogue and webshop, green products assessed by Lyreco are identified by a specific icon, a green tree, indicating that Lyreco’s assessment methodology is applied. Certified claims such as Ecolabel, FSC, PEFC are also specified.

2. Sales force advice
Through advise and selection, our sales force plays a key role.

3. Carbon footprint calculator
This tool provides the customers with up-to-date direct and indirect Lyreco CO₂ emission evaluation.

4. Dedicated green catalogue
In some countries, our subsidiaries have published dedicated green products catalogues.

5. Online eco-filters
Lyreco webshop brings intuitive functions such as an eco-filter aiming at finding green items among a pre-selection of products, and replacing classic items with green ones in the customer shopping cart.

Purchasing environmentally friendly products requires the provision of clear information that eases identification and selection. Over the years, Lyreco has improved its visibility in its catalogues and webstore. The advisory role of our sales forces is also key in this field.

I always suggest green products to my clients, and they are sensitive to the issue. When it comes to the environment, Lyreco is a company focused on the future. We always stood as a true initiator compared to our competitors. Now we have to show that we act responsibly in everything that we do.

Nadia Arib
Lyreco France SMB sales representative
Lyreco offers recycling services to customers in all relevant markets. More than 10 product categories are covered: Laser Cartridges, Ink Jet Cartridges, Batteries, Light Bulbs, Electronics & Electronics, Paper, Cardboard, Cups, Plastics bottles, Aluminium Cans & Coffee Capsules.

In some subsidiaries, Lyreco also adds a ‘social magnitude’ category by involving solidarity organisations. For instance, since March 2017, we have worked with ‘Ateliers du Bocage’ (a subsidiary of the Emmaus Group), which handles printer cartridges collected by Lyreco.

With the growing importance of the ‘circular economy’, this trend has a bright future. Last year, we collected more than 1,200,000 empty printer cartridges.

Lyreco also developed tools such as the Logistics Calculator and the Environmental Balance to raise customer awareness and help them reduce their environmental impacts when buying office supplies.

Lyreco has developed a high quality, environmentally friendly range of remanufactured cartridges that applies the circular economy principles to printing.

Our customers strive for sustainable printing practices. Cartridges play a key role in this field. Combining sustainability with a quality product and integrated services is a winning combination.

Lyreco develops environmentally friendly products in partnership with manufacturing suppliers who use the Circular Economy as a lever to tackle this challenge.

Lyreco toner cartridges are recycled to produce new cartridges. They are collected, reshaped, cleaned, have parts replaced and are refilled with toner, so they can be used again. This means that fewer raw materials are used.

Circular Economy is truly the future: it is about making sure that we can give Lyreco products a second or a third life.

Beyond the products, it is also about how to deliver it and develop services around it, such as the collection of used cartridges.

Lyreco sees this as a key element of its company vision: offering products and services with the most environmentally sound methods.

Lyreco Toner cartridges launched in 2018 meet the highest standard with regards to the environment, quality and health.
**ENVIRONMENT**

**CO₂ EMISSIONS**

CO₂ EMISSIONS REDUCTION 2012 - 2018 vs 2010

```
<table>
<thead>
<tr>
<th>Year</th>
<th>Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>-1.82%</td>
</tr>
<tr>
<td>2013</td>
<td>-6.40%</td>
</tr>
<tr>
<td>2014</td>
<td>-14%</td>
</tr>
<tr>
<td>2015</td>
<td>-15.54%</td>
</tr>
<tr>
<td>2016</td>
<td>-16.27%</td>
</tr>
<tr>
<td>2017</td>
<td>-18%</td>
</tr>
<tr>
<td>2018</td>
<td>-17%</td>
</tr>
</tbody>
</table>
```

**A FULL VALUE CHAIN APPROACH**

- **WAREHOUSE & OFFICES**
  - Waste Management
  - Eco-friendly buildings
  - Picking-fault reduction process to limit ‘return deliveries’
  - Stock/Replenishment management
  - If possible, merge order-requests to one order by the supplier
  - Near-zero backorder rate
  - Energy Saving programmes
  - Renewable energy sources
  - Vertical storage
  - Green printing
  - E-trading and dematerialisation of documents

- **SALES & CUSTOMER SERVICE**
  - One-stop solution: one delivery
  - Optimisation of order behaviours
  - Hybrid and electric fleet: 170 eco-friendly cars in 2018
  - Recycling: capsules, PET (plastic), toner cartridges, battery, ink cartridges, etc.
  - Customer visit planning: minimising travel distances
  - Eco-drive behaviors
  - Dematerialisation & E-invoicing: more than 3,000,000 e-invoices issued in 2018
  - Development of video conferencing

- **DELIVERY**
  - Less transport kilometers thanks to optimised tour planning
  - E-Rickshaw delivery in Switzerland
  - EcoDrive driver training
  - Green fleet: 108 eco-friendly vans (electric, natural gas) in 2018

- **MARKETING**
  - Development of green product ranges
  - Consistent use of recycling paper for all printed material
  - Optimisation of package sizes

- **PACKAGING**
  - Reduction of stuffing box material
  - Use of resource-conserving materials
  - Reuse of cardboard boxes

**LYRECO RICKSHAWS: RESPONSIBLE IN THE CITY**

Urban air pollution is a major issue all over the world. By equipping three Swiss cities (Zurich, Bern and Basel) with electric rickshaws, Lyreco Switzerland is actively involved in reducing CO₂ emissions in the city centres.

This new Asian-inspired transportation has several logistical advantages: in addition to a nearly zero carbon footprint, enables client deliveries in car-free areas and enriches the customer experience with an original touch.

**A SUCCESS STORY**

In 2018, the rickshaw electric fleet achieved impressive results:

- 47,321 DELIVERIES
- 90,098 PACKAGES DELIVERED
- 686,664 kg OF MERCHANDISE
SUSTAINABLE LOGISTICS IN THE UK

In 2015, Lyreco WISE, our UK and Ireland subsidiary, installed 14,000 solar panels on the roof of a Lyreco warehouse in Telford. Comparing their carbon footprint before and now, let us have a look at the impact of this initiative.

Solar power is the conversion of the energy from the sun to usable electricity. The most common source of solar power utilises photovoltaic cells to convert sunlight into electricity.

IT DOESN’T POLLUTE
Solar energy is a non-polluting, clean, reliable and renewable source of electricity.

IT’S LONG LASTING
Solar cells are fully silent and they do not contain new moving parts, which makes them long lasting and require very little maintenance.

IT’S RENEWABLE
Solar energy is a renewable source of energy and will continue to produce electricity as long as sun exists.

THEY’RE EASY TO INSTALL
Solar panels are easy to install and do not require any wires, cords or power sources. Unlike wind and geothermal power stations, solar panels do not need drilling machines and can be installed on rooftops, which means no new space is needed.

BEFORE

2010
18% of Lyreco UK & Ireland’s carbon footprint comes from energy sources

Group target: 3% reduction per year (not reached from 2010 to 2014)

AFTER

2015
14,000 Solar panels installed

2018
6% of Lyreco UK & Ireland’s carbon footprint comes from energy sources

-24% reduction of carbon footprint compared to 2010 (8% per year)

TELFORD HEADQUARTER ENERGY MIX IN 2018

From January to June 2018, Lyreco UK & Ireland ran the business using...

5% TESLA BATTERY STORAGE
40% SOLAR PANELS
55% ELECTRICITY FROM THE GRID
Lyreco considers sustainability as a responsibility to be fully shared with its suppliers. The Economics portion of our Eco Future strategy 2012-2018 has been primarily focused on developing shared continuous improvement in this area.

**OUR MAIN GOALS**

To build lasting customer relationships by providing solutions to their sustainability issues.

**OUR MAIN ACTIONS**

**SUPPLIER PERFORMANCE IMPROVEMENT PROGRAMME**

100% of the 97 international Group suppliers evaluated

**EARLY PAYMENT SYSTEM**

**FACTORIES AUDITS & SUPPLIERS ASSESSMENT**

98% of the factories producing Lyreco products are subject to social and environmental audits.

Supplier sustainability performance initiatives in the on rooftops, which means response to increasing requests all over the years from customers on that matter.

<table>
<thead>
<tr>
<th>RESULTS 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>+2%</strong> 98%</td>
</tr>
<tr>
<td>SUPPLIER SUSTAINABILITY ASSESSMENT</td>
</tr>
<tr>
<td>FACTORIES AUDITED FOR LYRECO OWN BRAND</td>
</tr>
</tbody>
</table>
Beyond the fundamental environmental and ethical dimensions of Corporate Responsibility, we have developed balanced and fair relations with our suppliers.

As a company headquartered in France, one of the guidelines adopted by Lyreco purchasing and marketing teams to support this engagement is the “Charter for responsible supplier relations” co-defined by the French Ministry of Economy and the French purchasing association.

Among the 10 guiding principles, Lyreco pays particular attention to guaranteeing the equitable financial treatment of suppliers.

**EARLY PAYMENT SYSTEM**

Strict compliance with the contractually agreed upon terms of payment is a key ingredient of a trusted relationship between Lyreco and its suppliers.

Lyreco has always met its financial commitment towards its suppliers.

To further improve its financial relationships with suppliers, Lyreco has implemented an early payment system. It allows suppliers to be paid early by offering approved discounts on their invoices. Lyreco makes cash available to create liquidity for them. A mutually-beneficial way to collaborate on margin improvement and sustainability.

**What is the importance of sustainability in the suppliers evaluation programme?**

Formerly operating as a standalone evaluation, the sustainability assessment has been fully integrated in the Supplier Performance Improvement Programme. It accounts for 20% of the evaluation and covers 4 major dimensions that reflect our customers’ expectations:

- CSR governance and ethics
- Supply chain
- Green product assessment
- Management systems: HSE & Social Accountability

**How do you support suppliers commitment to this programme?**

Based on the results of these evaluation tools, the ambition is to build an annual individual improvement action plan in unison. This plan will be implemented and coordinated throughout the year by the Lyreco Product Category, QSS and Logistics teams.

An internal transversal process and continuous dialogue with our suppliers are the keys to ensure progress from both parties.

**Mélanie Merciris**
Lyreco Group Project leader

Supplier Award 2018 winners: Exacompta (Office supplies), Clover (Tech&Print), Tesa (Industrial workplace), Greenspeed (Life@Work)
Lyreco has developed an extensive range of its own brand products. More than 1,500 items are now offered to our customers with the objective to align good value for money with sustainability along the supply chain.

As one of the first distributors of workplace supplies across the world, Lyreco has a special responsibility to ensure that our suppliers are socially, ethically, environmentally and legally compliant.

To ensure that our responsibility and sustainability standards are constantly met or exceeded, the Lyreco 2012 - 2018 Eco Future strategy has allowed the continuous improvement of Lyreco manufacturing suppliers practices. The strategy places a specific focus on risk countries*.

* Sustainability audits in risk countries cover all Lyreco brand products directly or indirectly imported, whether sourced at the Group or local level.

### DEVELOPING AND CONTROLLING A CHAIN OF RESPONSIBILITY

Nasser Kahlil | Lyreco Group QSS Director

What have been the main developments regarding Lyreco own brand manufacturers over the last 6 years?

The first change was the implementation of our Supplier Sustainability Assessment in 2015. This concerns not only Lyreco’s own brand product manufacturers but also any Group supplier.

In terms of factory audits, we extended its scope in 2016 by integrating environmental aspects. At the same time, we decided to systematically involve a duly accredited third party to arrange our SEDEX 4-pillar audits. In addition, shadow/complementary audits have been implemented to strengthen the reliability of the process. This is performed by the Lyreco QSS team.

In addition to these tools, we may also perform dedicated Supplier Sustainability Due Diligence. The goal is to make sure that we capture all the relevant sustainability aspects, depending on the product category, the location of the supplier and its context. This is a thorough analysis, launched for the complex situations.

How do you ensure mutual cooperation along the whole supply chain?

Our priority is to work with our direct suppliers, usually called ‘first third’ suppliers. At the same time, we ask them to ‘cascade down ‘ throughout their own suppliers sustainability principles.

Depending on ‘risk management’ criteria, with a particular focus on risk countries, we may also apply our auditing programme to providers of the 2nd and 3rd thirds of the supply chain.

### 6 YEARS OF CONTINUOUS REINFORCEMENT OF OUR COMPLIANCE AND SUSTAINABILITY ASSESSMENTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>New supplier sustainability involvement programme</td>
</tr>
<tr>
<td>2013</td>
<td>Dedicated Social Compliance Assessment for all indirectly imported products. The programme now applies to the 1st, 2nd and 3rd thirds of the supply chain</td>
</tr>
<tr>
<td>2014</td>
<td>Launch of shadow audits by Lyreco QSS team on 20% of the factories producing Lyreco brand products in risk countries</td>
</tr>
<tr>
<td>2015</td>
<td>Dedicated sustainability due diligence depending on the product category and covering CSR aspects</td>
</tr>
<tr>
<td>2016</td>
<td>Extension to wider environmental aspects assessed by external independent auditors using the SEDEX 4 pillars</td>
</tr>
<tr>
<td>2017</td>
<td>Publication of vigilance plans</td>
</tr>
<tr>
<td>2018</td>
<td></td>
</tr>
</tbody>
</table>
In the delivery of its Social Responsibility policy, Lyreco aims to:
- Focus on human relationships and development
- Reinforce our long-term relationships

This means dedicated actions and programmes on working conditions, lost working days due to injuries, training levels and charitable contributions.

**OUR MAIN GOALS**

- Focus on human relationships and development
- Reinforce our long-term relationship

**OUR MAIN ACTIONS**

**TRAINING PLAN AND TALENT DEVELOPMENT PROGRAMME**
18.3 hours of training per employee

**HEALTH, SAFETY AND WELL-BEING**
Quality of worklife activities
- New solutions to increase training levels (LinkedIn learning)
- Lost working day measurement
- Our priority is to work with our direct suppliers, usually called ‘first third’ suppliers

**CODE OF ETHICS**

**INTERNAL MOBILITY AND PROMOTIONS**

**LYRECO FOR EDUCATION**
2 million euros raised in 8 years for Togo and Madagascar
- More local communities supported all around the world
- Huge employees involvement in LFE actions
- Fundraising target achieved
- Supporting local communities and charities

---

**RESULTS 2018**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>WORKING CONDITIONS*</td>
<td>78%</td>
<td>+8%</td>
</tr>
<tr>
<td>LOST WORKING DAYS</td>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>TRAINING*</td>
<td>+7%</td>
<td></td>
</tr>
</tbody>
</table>

* A new Group HR strategy started in 2018, based on new KPIs, which are still under construction
EQUAL SALARY CERTIFICATION IN SWITZERLAND

The gender pay gap is the difference between the average male and female income. It depends on some elements including sector, occupation, age, country and family responsibilities. At Lyreco, we want all our people to be treated equitably and without any discrimination.

The equal salary methodology was designed to allow companies around the world, in every field, to address the issues of inequality and discrimination to ensure that all employees are paid equally for the same work.

The equal salary certification is a process that allows companies to verify and communicate that they pay their female and male employees equally for the same job or for jobs of the same value.

Since April 2015, Lyreco Switzerland achieved this certification, underscoring its commitment to social equality among Lyreco employees.

GENDER PAY GAP REASONS IN SWITZERLAND

- **40%** Direct or/and indirect discrimination
- **60%** Objective factors

Differences in education, training and work experience
Occupational gender segregation
Part-time vs. full-time work
Company size
Union presence

Source: Federal Office of statistics Switzerland

GENDER PAY GAP REASONS IN SWITZERLAND

- **40%** Direct or/and indirect discrimination
- **60%** Objective factors

Differences in education, training and work experience
Occupational gender segregation
Part-time vs. full-time work
Company size
Union presence

Source: Federal Office of statistics Switzerland

EQUAL SALARY CERTIFICATION PROCESS

SALARY ANALYSIS
The Equal Salary Foundation collects all employee salary data securely and anonymously. It is then analysed to see if the wage difference is less than or equal to 5%, and if the R-squared value is greater than or equal to 90%. If all goes well, the analysis moves to Step 2.

ON-SITE REVIEW
Following international quality standards, the auditing team makes sure that equal salary requirements are met while assessing the following:
- CEO/top management’s commitment to equal pay for all
- How well equal pay strategies are integrated into the HR processes and policies
- Employees’ perception of the company’s pay practices

CERTIFICATION
Depending on the audit results, the company is awarded with the Equal Salary Certificate from the Equal Salary Foundation. It is then free to promote the certification through company communications, to prove that it supports and provides equal pay in the workplace.

MONITORING REVIEWS
The certification is valid for 3 years. During this period, two monitoring reviews are conducted to show the ongoing commitment to a fair and non-discriminatory wage policy.

ECONOMY: SWITZERLAND

DIRECT OR/AND INDIRECT DISCRIMINATION

- Differences in education, training and work experience
- Occupational gender segregation
- Part-time vs. full-time work
- Company size
- Union presence

Source: Federal Office of statistics Switzerland

ECONOMY: SWITZERLAND

OBJECTIVE FACTORS

- Differences in education, training and work experience
- Occupational gender segregation
- Part-time vs. full-time work
- Company size
- Union presence

Source: Federal Office of statistics Switzerland

SOCIAL WORKING CONDITIONS

GENDER PAY GAP IN SWITZERLAND

- **40%** Direct or/and indirect discrimination
- **60%** Objective factors

Differences in education, training and work experience
Occupational gender segregation
Part-time vs. full-time work
Company size
Union presence

Source: Federal Office of statistics Switzerland

GENDER PAY GAP IN SWITZERLAND

- **40%** Direct or/and indirect discrimination
- **60%** Objective factors

Differences in education, training and work experience
Occupational gender segregation
Part-time vs. full-time work
Company size
Union presence

Source: Federal Office of statistics Switzerland
Employee satisfaction has always been a priority for Lyreco. Benelux took a step forward, launching its Lyreco Cares programme. Lyreco Cares is an interdepartmental collaboration coordinated by HR, QSS and Marcom that is concerned with the well-being of all Lyreco employees through a combination of individual and collective initiatives and a dynamic communication around four pillars:

**MENTAL RESILIENCE**
In times when we are flooded with impulses and opportunities through various channels, it is crucial to mentally arm ourselves against the challenges that we have to face on a daily basis, both in our private and professional lives.

**STRESS REDUCTION**
Stress often unwittingly creeps into our system. Healthy pressure causes no harm, but excessive stress is a problem. Stress, for example, is at the root of various physical ailments, which in the long run can be detrimental to your health. An adapted way of working can prevent falls into the ‘stress trap’.

**PHYSICAL HEALTH**
A healthy mind is inextricably linked to a healthy body. A job that involves a lot of physical labour, however, requires a different approach than a desk job.

**SAFETY@WORK**
Safety on the shop floor is a top priority. Here, too, the diverse needs of our colleagues must be taken into account.
Social
Lost Working Days

How Lyreco Thailand commits for its employees

When working conditions are optimised, employees work better and collaborate more effectively for the success of the business. Lost working days are a good indicator for measuring the status of working conditions within a company.

Since these lost days are calculated based on employees in work stoppage conditions, it is essential for Lyreco to anticipate any potential risky situation by implementing solutions for the health and well-being of our employees.

Lyreco Thailand teams have also understood this, and have focused on two recently implemented actions that have already proven their effectiveness.

Yoga classes

Last year, HR teams in Thailand noticed that office syndrome had become more common among employees who worked all day in front of a computer.

In 2018, the Thailand Welfare Committee (consisting of representatives from all departments) offered yoga classes as a solution to combat this problem. Since January 2019, they can enjoy yoga as after-work activity.

The main objective of these classes is to boost and maintain employee happiness and wellness. Yoga classes take place twice a week from 6 to 7 pm and welcome up to 15 people.

After the first year, all of the employees provided positive feedback and asked to renew the contract with the instructor.

Speed limitation system

In January 2019, Lyreco Thailand integrated a speed limitation system in all of their vehicles.

Noticing a sharp increase in speeding fines for their drivers, Lyreco Thailand teams decided to implement a tangible prevention policy, integrating three speed limitation devices in three 1-ton trucks.

The purpose of this new system is to avoid serious accidents and protect employees by raising awareness of the importance of driving at a suitable and safe speed.

Its installation in Lyreco vehicles is already considered as a success since the number of speeding tickets dropped to zero and no lost working days due to driving accidents have thus far been reported.
Lifelong learning is a strong conviction at Lyreco... We believe in a training policy tailored to the needs of our employees that meets our customers’ needs and the expectations of our markets. At all of our subsidiaries, we spread our culture of learning and continuous improvement to ensure that everyone has access to knowledge.

**A SALES FORCES TRAINING JOURNEY AT LYRECO SPAIN**

In order to enhance customer satisfaction in the SMB market in Spain, Iberia has developed a training journey for its sales forces based on:

- Consultative Sales Programme for Corporate to develop new competences in Key and Strategic Account Management.
- Transformation of the Account Sales Manager role in order to reinforce the new business model.
- New role for reps and new visits.
- Inside Sales Programme to improve hunter skills.
- Onboarding programme for new hires.
- Specific programme to support the marketing team in its new role as Category Manager.
- Leadership Development Programme for new managers.
- Team coaching for SMB to build a high performance team.

---

**Middle Management Programme based on the «ADKAR® Model» (Awareness Desire Knowledge Ability Reinforcement), Agile Management and Project Management**

- Transformation to improve new competences for all the staff.
- English training for the entire staff.
- Supply Chain Programme to support teams in their new roles.
- LinkedIn learning for the entire staff.

The objective is to integrate new sales methods and improve the staff’s long-term trusted and professional relationships with customers.

**KEY FIGURES**

- **AVERAGE TRAINING INVESTMENT PER PERSON**: €363
- **HOURS OF TRAINING PER EMPLOYEE IN 2019**: 20

---

**CROSS TEAM OPEN DAYS AT LYRECO ITALY**

At Lyreco Italy, employees have the opportunity to register for the Open Days. During this event, a specific department presents itself to other colleagues in the company. This helps people open their minds and improve their knowledge about the company’s projects, processes and strategies.

Expertise derives from a dynamic training policy, in line with the evolution of our markets. In this context, every week Lyreco Italy employees have access to a video training dedicated to the Industrial world (hygiene or PPE) on the Office 365 video app.

**KEY FIGURES**

- **87% OF ALL ITALY EMPLOYEES PARTICIPATED IN A TRAINING SESSION IN 2018**
- **HOURS OF TRAINING PER EMPLOYEE IN 2019**: 16
When a child goes to school, a nation grows

**SOCIAL**

**LYRECO for EDUCATION**

Committing our 9,500 employees to devote time to charitable operations is part of the company culture. At each of our subsidiaries, Lyreco employees commit to taking actions to raise money through 3 majors ways:

1. **Internal events:**
   - breakfast stands,
   - books sales, cake sales, challenges and games

2. **Specific “buy and give back” sales operations with the involvement of our customers and suppliers**

3. **Individual donations by Lyreco employees**

---

**RAISING FUNDS TOGETHER**

The Lyreco For Education programme raises funds from the 25 countries in which Lyreco operates to give children living in poor conditions better access to education.

Each project has been developed in partnership with an international NGO focusing on children’s education. A specific action plan is defined based on objectives that respond to local challenges:

- Building school facilities or renovating classrooms, boarding houses, sanitary infrastructures or playgrounds
- Training of teachers and school directors, including, e.g., initial training and pedagogy
- Learning equipment such as books, chalkboards and teaching supplies
- Raising the awareness and involvement of parents
- Equal access to education
- The final goal of each project is to maintain our actions over a lifetime by increasing child enrollment in the long term.

---

The Lyreco For Education programme raises funds from the 25 countries in which Lyreco operates to give children living in poor conditions better access to education.

Each project has been developed in partnership with an international NGO focusing on children’s education. A specific action plan is defined based on objectives that respond to local challenges:

- Building school facilities or renovating classrooms, boarding houses, sanitary infrastructures or playgrounds
- Training of teachers and school directors, including, e.g., initial training and pedagogy
- Learning equipment such as books, chalkboards and teaching supplies
- Raising the awareness and involvement of parents
- Equal access to education
- The final goal of each project is to maintain our actions over a lifetime by increasing child enrollment in the long term.

---

**Lyreco subsidiaries**

**Countries supported by LFE**
SOCIAL
LYRECO for EDUCATION

RESULTS 2011-2018

During the 6 years covered by the Eco Future 2012-2018 Strategy, our 9,500 employees have been committed to raising funds internally for 2 major projects:
- Togo, launched in 2011 in partnership with Agence Française de Développement (AFD)
- Madagascar, launched in 2014 in partnership with the NGO CARE

<table>
<thead>
<tr>
<th></th>
<th>2011-2014</th>
<th>2015-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funds Collected</strong></td>
<td>€1.2M</td>
<td>€1M</td>
</tr>
<tr>
<td><strong>Beneficiary Children</strong></td>
<td>72,800</td>
<td>19,138</td>
</tr>
<tr>
<td><strong>Schools Built or Renovated</strong></td>
<td>49</td>
<td>11</td>
</tr>
<tr>
<td><strong>Schools Supported</strong></td>
<td>200</td>
<td>47</td>
</tr>
<tr>
<td><strong>Teachers Trained</strong></td>
<td>165</td>
<td>269</td>
</tr>
</tbody>
</table>

MADAGASCAR
2015-2018

<table>
<thead>
<tr>
<th></th>
<th>2011-2014</th>
<th>2015-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funds Collected</strong></td>
<td>€1M</td>
<td></td>
</tr>
<tr>
<td><strong>Beneficiary Children</strong></td>
<td>19,138</td>
<td></td>
</tr>
<tr>
<td><strong>Schools Built or Renovated</strong></td>
<td>11</td>
<td></td>
</tr>
<tr>
<td><strong>Schools Supported</strong></td>
<td>47</td>
<td></td>
</tr>
<tr>
<td><strong>Teachers Trained</strong></td>
<td>269</td>
<td></td>
</tr>
</tbody>
</table>
SOCIAL LOCAL CHARITY COMMITMENTS ACTIONS

LYRECO KOREA

In 2017 and 2018, more than 30 Lyreco Korea employees donated about 130 books to the Nanoom Children Foundation in Korea.

LYRECO ITALY

Thanks to full employee involvement, Lyreco Italy launched numerous donation initiatives, such as collecting and offering delisted products to local associations and donating products for the benefit of Dynamo Camp (a non-profit organisation that organises activities for ill and handicapped children).

LYRECO SPAIN & PORTUGAL

Lyreco for Education allowed Lyreco Iberia to involve their employees and suppliers in the project and achieve a +143% euros collected versus target.

LYRECO UK & IRELAND

In 2016, Lyreco Wise launched a local Lyreco UK charity scheme that gives the Lyreco UK and Lyreco Ireland employees the opportunity to support national charities (with local impact), local charities, individuals, local communities, social clubs, leisure clubs and sports clubs.

Thanks to this, Lyreco Wise has received 100 internal charity applications submitted by employees. Based on these, Lyreco has supported 35 different community projects across UK and Ireland territory.

LYRECO EAST & CENTRAL EUROPE

In Slovakia, everyone can be part of national Days of Volunteering. They are days when corporate employees help beautify, clean and improve the city/surroundings where they live. Lyreco CASH, our East and Central European subsidiary, has joined 3 times.

During these days, Lyreco values are developed among employees as people working in a non-standard situation enhance their ability to communicate, train, manage crises and work effectively as a team.

Finally but importantly, employees have the pleasure of actively working for a good cause, bringing them a sense of self-satisfaction.

Lyreco mobilises local resources and is able to be part of the change that we all want to see in the world.

From 2016, Lyreco CASH has been proudly helping:

2018 Pezinok House of Seniors - beautification of the campus
2017 Pezinok-Castle Park - Painting of Metal Fence
2016 Pezinok-Nursery - Painting and renovation of the playground

ECO FUTURE

2012 2018
NEW CSR STRATEGY
2019 · 2024
INTRODUCTION

6 GUIDING PRINCIPLES

A STRATEGY BASED ON THE LYRECO MATERIALITY MATRIX

When a significant change occurs in our company policy, it is important to include all of our stakeholders. By adopting the materiality matrix process (see p. 20 for detailed results), we engaged them in the definition of our CSR strategy and in our decision-making process.

OVERVIEW OF THE SCHEME
The priorities that appeared after using the materiality matrix are the basis of Lyreco new CSR strategy, which now includes six major principles.

ECONOMICS
Create the greatest customer experience in an omnichannel environment

SUPPLY CHAIN
Develop a preferred and responsible supply base that enhances Lyreco’s competitiveness and innovation, and the success of our customers

GOVERNANCE
Conduct a risk and compliance management programme as an integrated part of CSR activities

PEOPLE
Offer the greatest employee experience

ENVIRONMENT
Act responsibly to minimise Lyreco’s environmental impacts across the entire value chain, from our suppliers to our customers

COMMUNITY
Make Education the core of the Lyreco Charity Programme at global and local levels
ECONOMICS
CREATE THE GREATEST CUSTOMER EXPERIENCE

Create a personal Lyreco experience by improving our customer knowledge

KEY ACTIONS

- DIGITAL TRANSFORMATION
- NEW LOGISTICS MODEL
- PRODUCTS & SERVICES IN LINE WITH NEW DATA MANAGEMENT AND USAGE

KPI

- A NET PROMOTER SCORE APPROACH
- CUSTOMER SERVICE LEVEL

“...

Our customer satisfaction starts with a deep knowledge of their expectations and the ability to anticipate their development.

...”

Christophe Chambre
COO, Lyreco Group
CUSTOMER-CENTRICITY & TRANSPARENCY

Our business model is based on:
- A deep understanding of our customers expectations
- A transparent business model that integrates corporate social responsibility into all Lyreco activities

Customer satisfaction is the first priority identified by both our internal and external stakeholders in the Lyreco Materiality Matrix.

The core principle of this programme is a deep customer-centric approach that prioritises a merger of the best of human talent and commitment with the best-in-class digital solutions.

BEST OF BREED TECH SOLUTIONS such as a modernised webshop, new digital tools aimed at supporting our teams to better understand customer needs

PROXIMITY AND COMMITMENT of our local sales, customer care, logistics and delivery teams in the 25 countries in which we operate, supported by more efficient process, digital solutions, training and incentives.

INNOVATION to develop new products and services in partnership with start-ups and investment funds.

THE RESULT IS A TRUE SEAMLESS, OMNICHANNEL AND "PHYGITAL" CUSTOMER JOURNEY BASED ON THE CONVERGENCE OF CUSTOMER DATA.

#FRICITIONLESS SUPPLIES: 24H TO REINVENT REPLENISHMENT

1st Lyreco Hackathon, December 2018, Paris

In December 2018, Lyreco organised an Hackathon gathering 12 European start-ups.

The challenge posed to participants was to reinvent replenishment using predictive data, IoT and image recognition.

NumeriCube, a French start-up was awarded for its stock management system using Artificial Intelligence.

A Proof of Concept is now in development at a Lyreco customer in Poland.

Pierre-Julien Grizel, CTO NumeriCube with the Lyreco Innovation Team ©BeMyApps
GOVERNANCE
RISK AND COMPLIANCE
AS AN INTEGRATED PART OF CSR ACTIVITIES

Implement global guidelines that are locally shared by all of our subsidiaries to reinforce our risk management processes

KEY ACTIONS
RISK MANAGEMENT ORGANISATION
RISK MATRIX
RISK & OPPORTUNITIES TRAINING & AWARENESS

KPI
#OF AREAS COVERED WITH A RISK MANAGEMENT APPROACH

"Being responsible is all about defining the right balance between risk and opportunity. We need to train people to integrate this matrix and put CSR at the heart of all our activities."

Tina Kempf
Marcom - Lyreco Switzerland
With 15 subsidiaries directly operating in 25 countries, 15 partners accompanying us in 17 additional markets and a global supply chain, the international dimension of Lyreco’s business model requires a solid quality and environmental risk management system covering all our operations.

Beyond our business operations, it is a vital necessity to protect one of our most important assets: namely, our reputation as a responsible partner, which is at the core of our relation of trust with all of our stakeholders.

Lyreco Risk Management process covers quality and environmental aspects.

In 2019, in the context of the new CSR 2019-2024 strategy, Lyreco will extend the risk management process to new areas, such as:
- Corruption
- Social risks in our internal activities
- Cyber-criminality

This new project will capitalise on our current risk management methodology.

LYRECO POLAND AWARDED AS A LEADER IN BUSINESS ETHICS

On November 28th, 2018, the Executive Club organised its «Responsible Business Awards» ceremony to honour companies who have achieved exceptional results in the domain of prosocial activities and CSR.

Lyreco Poland was recognised among 120 of the biggest and most mature companies in Poland, such as Siemens, Unilever, PKO Bank, BASF, Schneider Electric, Bosch or ING.
ENVIRONMENT

MINIMISE ENVIRONMENTAL IMPACTS ACROSS THE ENTIRE VALUE CHAIN

From supplier to consumer, we continually optimise our value chain to minimise our environmental impact.

KEY ACTIONS

- GREENER FLEET/BUILDINGS
- WASTE MANAGEMENT
- RECYCLING SERVICES TO CUSTOMERS
- EU PEF DEVELOPMENT/CIRCULAR ECONOMY

KPI

- CO₂ EMISSIONS
- # OF PRODUCT CATEGORIES WITH PEF/CIRCULAR ECONOMY
For many years now, Lyreco had adopted circular economy principles to support its customers in their sustainability objectives, for example, by deploying recycling services and selecting products that emphasise a lifecycle approach.

In 2019, this ambition will be taken to the next level by making the Circular Economy a priority trend to both leverage innovation and develop new products and services.

A major step has already been taken in June 2019: Lyreco was the first BtoB company to officially assess the environmental footprint of its own brand products through a new method that takes into account the whole lifecycle of a product: the EU Product Environmental Footprint (EU PEF).

Our ambition is to make the EU PEF a new criterion of choice for consumers and a lever of development and innovation for the ecological transition. Retailers have a major role to play in this new ecosystem. They are the links between consumers and brands. Lyreco is the first European player to enter this new era of sustainable development by publicising the environmental performance that is rigorously evaluated by Yukan according to the PEF method.

Our ambition is to make the EU PEF a new criterion of choice for consumers and a lever of development and innovation for the ecological transition. Retailers have a major role to play in this new ecosystem. They are the links between consumers and brands. Lyreco is the first European player to enter this new era of sustainable development by publicising the environmental performance that is rigorously evaluated by Yukan according to the PEF method.

Christophe Girardier
Yukan CEO & Co-Founder

---

**EU PRODUCT ENVIRONMENTAL FOOTPRINT**

Since 2015, Lyreco has been involved in a European project initiated by the European Commission: the EU Product Environmental Footprint (EU PEF)

The objective of the EU PEF is to define a common European evaluation methodology for different types of consumer products aimed at:

- Measuring the environmental impact of the product across its lifecycle
- Improving customers awareness and information
- Encouraging companies to pursue the continuous improvement of its brands

The introduction of the EU PEF methodology is a major step in the fields of environmental impact measurement and consumer information. It will definitely support European purchasers and end-users to prioritise a green and sustainable approach in their purchasing practices.

The EU PEF methodology measures the environmental performance of products throughout the entire lifecycle: from materials sourcing to the end-of-life of the product.

---

**ASSESSING THE ENTIRE PRODUCT LIFECYCLE**

By measuring the environmental performance of products at each step of the lifecycle through 16 criteria, the EU PEF provides a new and comprehensive assessment aimed at harmonising the information provided to customers across all EU member countries.

The EU PEF methodology measures the environmental performance of products throughout the entire lifecycle: from materials sourcing to the end-of-life of the product.

---

**YuKan**

The environmental performance of the Lyreco brand detergent product was calculated and analysed using the Yukan technology platform, the first digital assessment, analysis and ecodesign platform, in line with the EC’s PEF method. The compliance of the Yukan platform with the PEFCR detergent has been established by the trusted third party EY.

The introduction of the EU PEF methodology is a major step in the fields of environmental impact measurement and consumer information. It will definitely support European purchasers and end-users to prioritise a green and sustainable approach in their purchasing practices.
Lyreco Laundry Liquid is a product in the Lyreco Hygiene range.

**SCORING METHODOLOGY**

A PEFCR for the Laundry Liquid detergents products category was designed by a committee of industry experts and validated by a steering committee chaired by the EC. This PEFCR makes possible to evaluate the environmental performance of a Laundry Liquid detergent, according to a defined functional unit. This score is the results of the weighted impact evaluation of all environmental indicators at each stages of the product lifecycle.

The score is defined on a common usage basis: 1 dose of product per 1 wash. It is expressed in micropoints (µpt) and compared with the score of a representative Laundry Liquid detergent (with EU average characteristics). The closer this score is to zero, the less impact it has on the environment.

**ENVIROMENTAL INDICATORS**

In a detailed evaluation, Climate change, Resource usage (fossils) and Particulate matter are the most impacted environmental indicators.

**KEY ENVIRONMENTAL PERFORMANCE FACTORS**

LESS DETERGENTS REQUIRED TO WASH 4.5 kg OF TEXTILES

LOWER AMOUNT OF CHEMICAL CHEMICAL USED ARE LESS IMPACTING

**LIFECYCLE ASSESSMENT**

Except for the End-of-life, Lyreco Laundry Liquid performs better than the representative product at each stage of the lifecycle. For the Raw material stage, which is one of the most important one, Lyreco product particularly performs in comparison with the average product. This is also the case for the Manufacturing process.

50% less impact in the Raw Material category: 4.58 vs 8.10 µpts/dose

30% less impact on the Manufacturing process category: 0.30 vs 0.46 µpts/dose

**LIFECYCLE COMPARED RESULTS (in µpt/dose)**

<table>
<thead>
<tr>
<th></th>
<th>Lyreco Detergent</th>
<th>Representative Product</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RAW MATERIAL</strong></td>
<td>4.58</td>
<td>8.1</td>
</tr>
<tr>
<td><strong>PACKAGING</strong></td>
<td>0.77</td>
<td>2.05</td>
</tr>
<tr>
<td><strong>MANUFACTURING</strong></td>
<td>0.3</td>
<td>0.46</td>
</tr>
<tr>
<td><strong>DISTRIBUTION</strong></td>
<td>0.69</td>
<td>1.22</td>
</tr>
<tr>
<td><strong>END-OF-LIFE</strong></td>
<td>6.24</td>
<td>6.13</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>12.88</strong></td>
<td><strong>17.95</strong></td>
</tr>
<tr>
<td><strong>USE PHASE</strong></td>
<td>20.65</td>
<td>20.65</td>
</tr>
</tbody>
</table>

The detailed results of the environmental performance of the Lyreco product (“PEF report” certified by trusted third party EY) can be asked at: group.qss@lyreco.com

**NEXT STEPS**

**CONTINUOUS IMPROVEMENT**

To improve the environmental performance of the Lyreco Laundry Liquid, Lyreco will work with Greenspeed to even further optimise the raw material stage by using alternatives to surfactants and fatty acids or more environmentally friendly ones.

**ENCOURAGE OUR SUPPLIERS TO ADOPT THE EU PEF METHODOLOGY**

Lyreco will use this first ever EU PEF evaluation as a ‘demo’ to our suppliers and get more industries and producers on board.

**PROMOTE EU PEF TO OUR CUSTOMERS**

The EU PEF will be communicated to our European customers in each of the EU member countries.
Together with our suppliers, we are building the most responsible and sustainable supply chain possible.

**KEY ACTIONS**

- BUSINESS SUPPLIER AGREEMENT FOLLOW-UP
- SUPPLIER SUSTAINABILITY ASSESSMENT
- SUPPLIER EDUCATION AND AWARENESS
- INTERNAL EDUCATION AND AWARENESS

**KPI**

- SUPPLIER SUSTAINABILITY SCORE
- AWARENESS ACTIONS & PROGRAMMES

"We share our responsibility with our suppliers; by connecting to them through a dialogue based on international standards and SDGs, we gain confidence and credibility."

— Patricia Blanco
MARCOM · Iberia

Suppliers audit China February 2019
SUPPLY CHAIN
2019 · HIGHLIGHTS

VIGILANCE PLAN


BACKGROUND

In accordance with Article L. 225-102-4 of the French Commercial Code, the vigilance plan aims to set forth the reasonable measures implemented at the Group. The objective is to identify the risks and prevent severe impacts on human rights and fundamental freedoms, human health and safety and the environment resulting from:

- The activities of the Company
- The activities of the companies that it controls, directly or indirectly
- The activities of subcontractors or suppliers with which it has an established commercial relationship, where such activities are linked to this relationship.

LYRECO APPROACH

Even before these new legal requirements (applicable from 2018), Lyreco set up from 2010 dedicated programmes to deal with the aforementioned issues.

The Lyreco Vigilance Plan consists of the following elements:

- RISK MAPPING
- EVALUATION PROCEDURES & PREVENTIVE ACTIONS
- ALERT AND REPORTING MECHANISMS
- A SYSTEM TO MONITOR THE MEASURES IMPLEMENTED AND TO EVALUATE

“Thanks to Lyreco’s participation in organisations such as the ‘UN Global Compact’ and the ‘UN Human Rights Club’, best practices are shared with best-in-class companies that have the same goals in terms of Supply Chain & Risk Management.”

Nasser Kahil
QSS Director, Lyreco Group
PEOPLE
BUILDING THE GREATEST EMPLOYEE EXPERIENCE TO SUPPORT CUSTOMER SATISFACTION

We strive to offer our employees the best possible experience in a work environment that is respectful of their values and attentive to their well-being and aspirations.

KEY ACTIONS

ACT FOR A RESPECTFUL ENVIRONMENT: EQUALITY & DIVERSITY
EFFECTIVE WELLBEING AT WORK

KPI

RECRUITING TIME AND TURNOVER
ABSENTEEISM (INJURIES, BURNOUT)
GENERATIONAL AND GENDER DIVERSITY
#OF TRAINEES AND APPRENTICES
DEVELOPING A POOL OF LOCAL DIGITAL TALENT WHILE FOSTERING SOCIAL INCLUSION

Digital transformation is at the heart of Lyreco Group’s commitment to providing the best customer experience. Benefitting from an expert workforce in specific IT and e-commerce fields is key to achieve this ambition. This business engagement is a lever for fulfilling Lyreco social and economic responsibility at local level by elevating young talents.

The Lyreco Group partners with Pop School, a local social impact company who conducts digital and technology trainings aimed at young persons, jobseekers and people in vocational conversion.

Lyreco and Pop school have initiated a new 7 month training for 15 people. Focusing on JAVA EE, the standard technology used in the development of web applications, the training content has been specifically designed to address Lyreco digital customer experience projects.

From April to November 2019, the students will benefit from 3 months of intensive courses at Popschool, 2 months of apprenticeship and 2 months of internship at Lyreco. Students are recruited focusing first on their motivation and states of mind.

We have launched an important digital transformation plan in which innovation is crucial. More than 40 projects are under way which represents 4,000 working days of web development. Partnering with Popschool to train local talents offers a sustainable solution to support our recruitment needs for passionate people with sharp digital skills while contributing locally to social inclusion and economic development.

Julien Bremard
Head of Digital Workplace, Lyreco Group
In January 2019, Lyreco has accelerated the implementation of e-learning solutions by adopting LinkedIn Learning.

LinkedIn Learning provides a permanent access to quality on-line courses.

The solution covers all aspects of Lyreco’s business: strategic management, marketing, logistics, customer experience, innovation and advanced technologies (IOT, block chains, Artificial Intelligence, etc).

It is aimed at supporting our teams in their desire to enhance their current competences and acquiring new ones in a context of the fast evolution of our markets and the rapid digitalisation of our business operations.

**KPI**

From January to June 2019:
- 5250 PEOPLE ENROLLED
- 2671 ACTIVE USERS
- 35 870 VIDEO COURSES VIEWED
- 1800 TRAINING HOURS
- 13 COURSES TAKEN PER ACTIVE USERS

> Providing our teams with permanent access to state-of-the-art knowledge and the most recent business trends is fundamental to continue making a difference.

Grégory Liénard
CEO, Lyreco Group
COMMUNITY
EDUCATION AT THE CORE OF LYRECO’S CHARITY PROGRAMME

We believe that as a responsible company, we can have a positive impact on the world around us. Thanks to the commitment of our employees, we place education at the heart of our charity programme. Together we enable children and teenagers to access education.

KEY ACTIONS

—
SCHOOL INFRASTRUCTURES
TEACHERS TRAINING
HEALTH & HYGIENE EDUCATION
SCHOLARSHIPS
CHILD PROTECTION TRAINING

KPI

—
LFE FUNDS
LOCAL INITIATIVES
After Bangladesh, Brazil, Vietnam, Togo, and Madagascar, the next country that Lyreco For Education will support is Cambodia.

From January 2019 and over the next 4 years, our 9,500 employees will take action to raise 1 million euros to directly support around 11,000 children and teenagers enrolled in 8 primary and 18 secondary schools in North-Eastern Cambodia.

The objective of this new programme is to increase school enrolment and reduce school drop. In partnership with CARE, we will improve the quality of education and learning conditions, in particular for ethnic minorities.

- Build a boarding house for 60 students
- Support scientific and digital education by training 92 teachers and implement laboratories and IT equipment in 3 schools
- Develop health and hygiene education, and build and renovate the sanitary infrastructures of 8 primary schools and 3 high schools
- Fund 60 scholarships
- Support child protection training and awareness programmes
## A PATH FORWARD

With this new CSR strategy, Lyreco opens a new era in terms of sustainability and responsibility.

Throughout the years, we have implemented concrete and tangible actions, praised by a wide range of CSR awards and third party assessments.

We strive now to expand them by implementing dedicated guiding principles to key areas of our activities such as Supply Chain and Risk management.

We will commit further to pursuing opportunities offered by major trends such as Circular Economy and Smart Cities to improve further our footprint.

And we will obviously keep on continuously improving in domains deeply invested for many years such as Environment and Contribution to the community.

This new strategy is more than ever a shared journey in which our key stakeholders are strongly involved. Together with them, we are working to develop even more trustful relationship with our customers.

### NEW CSR STRATEGY 2019 - 2024

<table>
<thead>
<tr>
<th>KPI</th>
<th>KEY ACTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ECONOMICS</strong></td>
<td>NPS approach and improvement Customer Service level</td>
</tr>
<tr>
<td><strong>ENVIRONMENT</strong></td>
<td>CO₂ Emissions Product Categories with EU PEF/Circular Economy</td>
</tr>
<tr>
<td><strong>SUPPLY CHAIN</strong></td>
<td>Supplier Sustainability Score Awareness Actions &amp; Programmes</td>
</tr>
<tr>
<td><strong>PEOPLE</strong></td>
<td>Recruiting time and turnover Absenteism (injuries, burnout)</td>
</tr>
<tr>
<td><strong>GOVERNANCE</strong></td>
<td>Areas covered with a Risk Management Approach</td>
</tr>
<tr>
<td><strong>COMMUNITY</strong></td>
<td>Lyreco For Education funds Local Programmes</td>
</tr>
</tbody>
</table>

---

**Nasser Kahil**  
QSS Director, Lyreco Group