

2016 REPORT
2015 RESULTS

Circular economy

Renewable energy

→ **Responsible traceability**

Employee development

Territorial solidarity

Supporting responsible **identification**, in particular by using solutions that are more **respectful** of the environment, more reassuring for their users, and **which guarantee** that consumer **health and safety** information is both legible and sustainable.



EDITORIAL

Hubert de Boisredon
Chairman and Chief
Executive Officer
of Armor Group



"Industry for people": building an industry that is useful to people and makes society more humane - this is the very essence of what drives us

With **social innovation** placed at the heart of our strategy, Armor's ambition is to bring sustainable solutions to societal concerns, for the benefit of both our customers and local communities, while improving living conditions for our employees.

Responsible traceability is one of the levers to this:

- Our Thermal Transfer printer consumables guarantee clear product identification, especially where it is sensitive (foodstuffs, pharmaceuticals, etc.),
- Because the environmental impact of our remanufactured cartridges is clearly marked on their packaging, users are encouraged towards more responsible consumption,
- Our OWA laser cartridges, which are 100% green and traced within a circular economy system, comply with the CSR requirements of our customers.

Ever since 2008, we have been determined to **promote the ten principles of the Global Compact** - based on human rights, workers' rights, environmental protection and the fight against corruption. Our resolution remains intact. This sits alongside other commitments such as Responsible Care® and the Charter for Responsible Supplier Relations - whose label we were awarded in late 2015.

... continued on Page 2

ARMOR

INDUSTRY FOR PEOPLE

In this way, ARMOR is helping create a society that is both more humane, and primed for sustainable growth. And as an **established industrial company**, we are constantly reinventing ourselves as the decades roll by. Our latest innovations include:

- En' Safe® coated current collectors to improve battery performance,
- Innovative industrial inks for multiple applications,
- ASCA® - the first micro-fine 3rd generation photovoltaic film to be mass produced, making energy accessible to as many people as possible.



This report only concerns the quantitative aspect of our CSR performance, our ambitions and the progress we have made. Group governance on CSR and our associated principles of responsibility, expressed in the 2013 CSR report, are anchored in the way we work. In the same way, our best practice continues, and is constantly refreshed. All of this is communicated via our website.

ENVIRONMENT

ENERGY SAVING

Electricity consumption



Evolution of consumption per metric ton produced

+6%



Gross consumption

27,669 MWh

of which **70%** was at the La Chevrolière site

2014 : 25,448 MWh

The fall in energy efficiency can be partially explained by growth of the new activities developed at the La Chevrolière site, some of which are yet to be commercialised. The new subsidiaries affect the results by half a percentage point. Please note: the Chinese and American subsidiaries, as well as Revalis in Morocco, are reaching the target of a 5% reduction.

Action plans
13, 14,
40

Gas consumption



Evolution of consumption per metric ton produced

+18%



Gross consumption

34,681 MWh

of which **95%** was at the La Chevrolière site

2014 : 28,787 MWh

In addition to the impact of the new activities at La Chevrolière, the increase in gas consumption is due to the VOC incinerator, which needed a comprehensive optimisation process. The first positive effects of this were seen at the year end. Moreover, as a result of integrating the remanufactured inkjet activities, consumption at the Polish site increased by 54%.

FIGHTING GLOBAL WARMING

Carbon audit, France (under the Grenelle II law)



27,663

metric tons of CO₂ equivalent

+1.6% 2014 : +10%

Action plans
14, 15,
16, 17

This increase in gas consumption (see above) is counterbalanced by a drop in VOC emissions, for which emission factor is higher than that of gas.

VOC emissions (Volatile Organic Compounds)



13.7

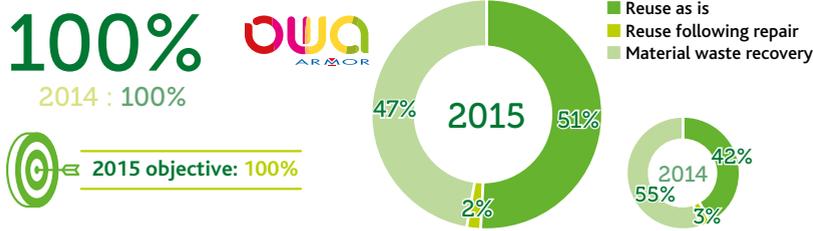
VOC/m² produced at the La Chevrolière site (index base 100, year 2003)

2014 : 13.8

The emissions level remains within regulatory limits, in spite of planned outages which are necessary to maintaining optimal incinerator operation.

CIRCULAR ECONOMY

Reuse and material waste recovery of OWA laser collected cartridges

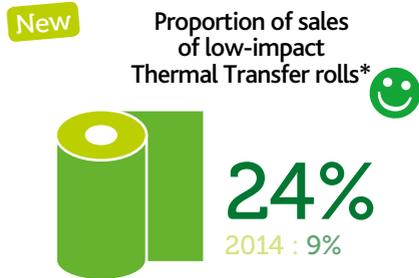


Our collection volumes decreased in 2015, but the empty cartridges collected were of higher quality, which enhances their reuse potential. In parallel, Armor is working to improve inkjet cartridge recyclability.

Action plans # 23, 24, 26

RESPONSIBLE TRACEABILITY

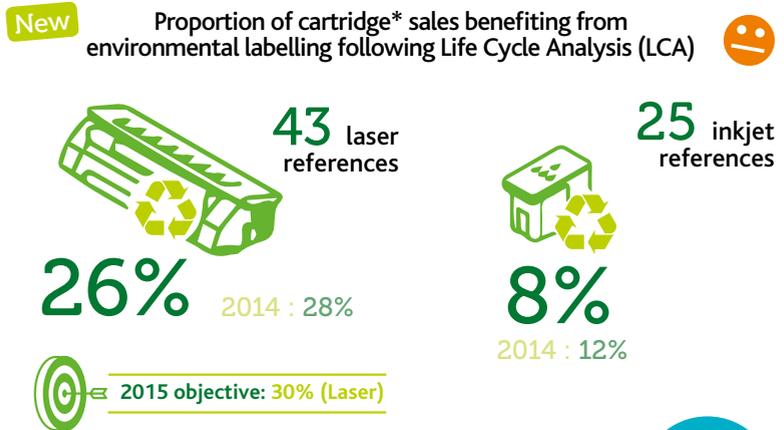
Low impact products



Since 2009, the proportion of ribbons having a lower impact on the environment continues to grow (e.g.: the SolFree® range).

* in comparison with a standard roll.

Environmental labelling and ecolabels



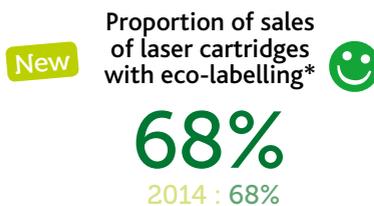
Armor is now developing environmental labelling and ecolabels for OWA-branded cartridges.

Action plan # 42

Natural resources preserved



This is made up of remanufactured cartridges brought to market and material waste recovery.



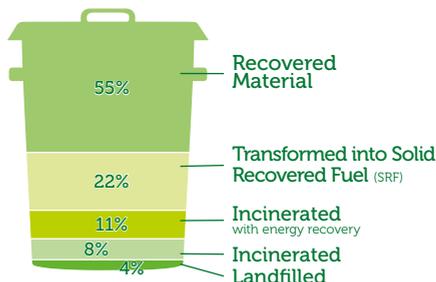
Number of references with eco-labelling



*not including own-brands

SITE WASTE

Breakdown of waste by treatment type



Quantity of waste generated per metric ton produced



- The amount of waste is rising faster than production because of a 2015 operation destocking waste that had accumulated at some sites
- Since October 2015, the Polish site has been recycling waste that used to go to landfill, or using it to produce energy. In America, however, recourse to landfill has increased.

Action plans # 25, 27, 28, 40

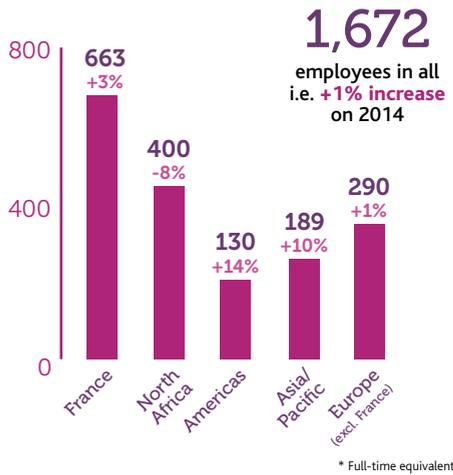
Report scope: all production sites including:
 · Integration of new subsidiaries: India, Mexico and South Africa
 · Closure of the Czech site (not integrated to the report scope) and relocation of its activities (sorting, dismantling, and inkjet cartridge remanufacturing) to the Polish site.

WORKFORCE - GENDER BALANCE - DIVERSITY

Workforce*

1,768
Armor Group workforce

Workforce breakdown within report scope



- Due to reduced activity in 2015, the Moroccan sites shrank their workforces (through both compulsory and voluntary redundancies, and by ending temporary employment contracts).
- The Asia/Pacific and Americas zones have benefited from the extension of the report's scope as well as from increased staffing levels - necessitated by the development of their activities.

Gender balance



2015 objective: 50%

Proportion of women in the workforce



- The reduction in Moroccan staffing levels has mainly impacted low-skilled labour - in this instance, women.
- More women are reaching management levels, thanks to significant progress made in both France and Asia.
- In France, 12% of corporate board members are women.

36%
of management posts are occupied by women

Disability



Proportion of employees having a disability in France

5.8%
2014 : 5.8%



Number of direct jobs

33
that is, 1.8% of staff within the group
2014 : 35



Number of indirect jobs (full-time equivalent)

24



2015 objective: 6%

In all, 57 disabled people work for Armor, either directly or indirectly. Employment within the group is slightly down. Nevertheless, the Polish subsidiary calls upon service companies (for safety and cleaning), which send 17 disabled employees to the site. The packaging service used in France, in partnership with an ESAT (sheltered employment centre for disabled people) and for the benefit of customers, has allowed us to employ 4.6 people full time.

Action plans #49, 50, 51

Report scope: all production sites including:
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HEALTH AND SAFETY

Workplace accidents

28

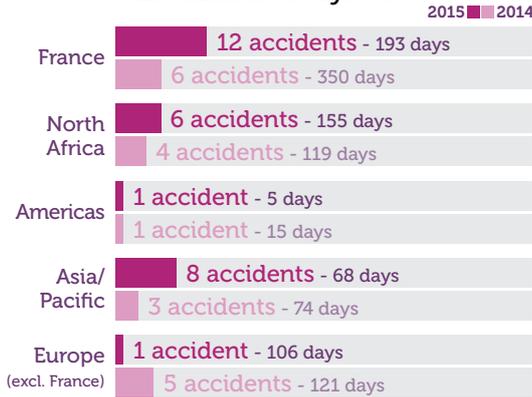
Accidents
2014 : 19



2015 objective: 0 accident

Action plans
30, 31

Number of workplace accidents with days off, and number of days lost



Most of these accidents were minor, and the average number of days taken off as a result has fallen (-20%). Analysis of the three accidents occurring in China (0 in 2014) has given rise to significant improvements in terms of machine safety and staff accountability. In Morocco, investments aimed at improving working conditions continue (workstations, new warehouse, installation of dust extractors).

Check-ups

Proportion of the workforce offered regular medical check-ups

97%

2014 : 100%



2015 objective: 100%

Armor India and Armor Africa employees, who became part of the group in 2014, do not yet benefit from regular occupation-related medical monitoring.

Action plan
29

SOCIAL DIALOGUE

Proportion of workforce covered by a Health and Safety Committee

97%

2014 : 96%



2015 objective: 95%

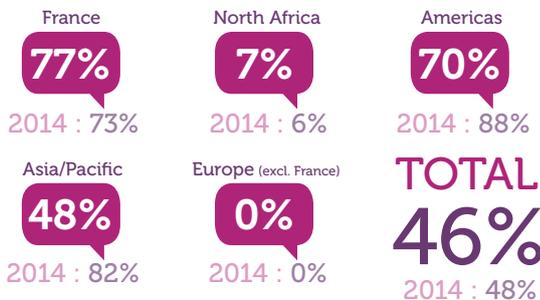
In 2015, Revalis set up a Health and Safety Committee. However, no such committee yet exists at Armor India or Armor Africa.

Action plan
31

COMPETENCES

Individual interviews

Proportion of workforce having benefited from an individual interview



2015 objective: 55%

Despite good progress being made at the French sites, the trend remains downward. Individual interviews are rarely used in the new subsidiaries, and only sporadically in Brazil and China. Deployment plans for Morocco and Poland have been delayed as a result of strong fluctuations in the activity.

Action plan
34

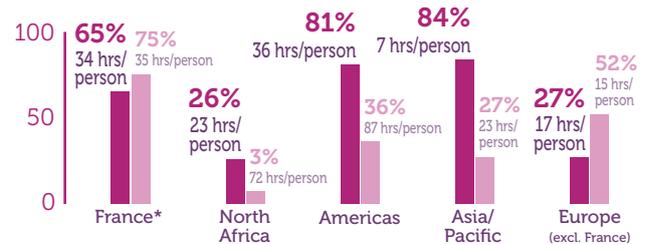
Training courses

Proportion of employees having undertaken training, and average number of hours per person trained

TOTAL 54% 26 hrs/person

2014 : 45% 29 hrs/person

2015 ■ 2014



Training efforts continue across all zones. However, the mainly female Moroccan workforces are less likely to access training because technical jobs, occupied by men, are prioritised.

In France, a production-dedicated facilitator has, since 2015, been coordinating in-house training - for which statistics were not previously recorded. Since 2011, Armor University has awarded 158 certificates - 41% of operators are now certified.

Action plan
35

*amended data



Throughout the following pages you will find numbered references to the details of this action plan.

CSR Ethics and Governance

Ethics

- 1 Formalise the group's culture and values in an ethics and human rights charter (Group) > 2013 **100%**
- 2 Publish this ethics and human rights charter in both the employee welcome booklet and the internal rules and regulations (Group) > 2014 **75%**

CSR management and transparency

- 3 Assess the CSR maturity of newly-integrated subsidiaries, to draw up their own CSR action plan (Group) > 2016 **60%**
- 4 Create a pertinent CSR scorecard setting out the Key Performance Indicators (Group) > 2014 **75%**
- 5 Achieve United Nations Global Compact Advanced status (Group) > 2015 **100%**

Awareness-raising

- 6 Include the Group's CSR news in monthly and quarterly information: newsletters and meetings (AICP USA) > 2013 **100%**
- 7 Offer Sales Representatives training in Armor's CSR strategy (AOP France) > 2013 **100%**
- 8 Raise awareness of sustainable development and the group's CSR strategy among employees (Group) > 2015 **0%**

Stakeholder involvement

- 9 Conduct a further personnel satisfaction survey, and measure the progress made (France) > 2016
- 10 Open up shareholding to employees (France) > 2014 **100%**
- 11 Conduct a fresh customer satisfaction survey (AICP) > 2014 **100%**

Renewable Energy

Greenhouse gas emissions

- 12 Conduct a carbon audit within the group (AOP) > 2013 **100%**

Energy consumption

- 13 Measure and analyse energy consumption and set a reduction objective (AICP Brazil, China, USA, Singapore / AOP Morocco, Poland) > 2013 **100%**
- 14 Set up Centralized Energy Management for the utilities (AICP France) > 2014 **100%**

Transport and logistics

- 15 Set up rail freight (AICP France) > 2013 **100%**
- 16 Replace the existing company vehicles fleet with hybrid or electric vehicles (France) > 2014 **100%**
- 17 Use the 'Motorway of the Sea' between France and Morocco (AOP France) > 2015 **0%**
- 18 Study the establishment of 2 subsidiaries per year that are local to customers (AICP) > 2016 **50%**

Renewable energy

- 19 Succeed in mass production of Organic PhotoVoltaic (OPV) thin film (ASE) > 2015 **30%**
- 20 Test out the first OPV films in concrete applications and in real conditions (ASE) > 2013 **100%**
- 21 Create test spaces for OPV products and applications within Armor establishments worldwide (ASE) > 2016

Circular Economy

Collection

- 22 Launch a test phase for the REC'PET Partners recycling service for French customers: collection and processing of used rolls (AICP) > 2014 **100%**
- 23 Launch a circular economy product offer (AOP) > 2015 **100%**
- 24 Increase the volume of empty cartridges collected from our customers by ourselves, in accordance with our commitments to the French Ministry of Ecology, Sustainable Development and Energy (AOP) > 2013 **100%**

Recovery

- 25 Source suitable recycling processes for all significant waste, ensuring traceability and recovery (AICP Brazil) > 2013 **80%** (AOP Poland) > 2015 **20%**
- 26 Bring the material waste recovery rate of end-of-life cartridges up to 100% (AOP) > 2013 **100%**
- 27 Recycle waste from inked PET film (AICP USA) > 2013 **100%**
- 28 Recover organic waste from the company restaurant (AICP France) > 2013 **100%**

Caption: **XXX%** Action plan completion percentage at 31st December 2015.



Throughout the following pages you will find numbered references to the details of this action plan.

Employee Development

Health and safety

- 29 Organise a confidential, periodic medical check-up for all employees, adapted to their role (AICP USA, Singapore / AOP Morocco, Poland) > 2013 **100%**
- 30 Deploy the SAFE Com' training programme on behavioural safety (AICP France) > 2014 **76%**
- 31 Set up a health and safety management system and gain OHSAS 18001 certification (AICP Morocco, Brazil, China, Singapore) > 2015 **100%**

Non-discrimination

- 32 Create an employee welcome booklet in the languages of the nationalities represented (AICP Brazil, China, Singapore) > 2013 **80%**
- 33 Measure equality of promotion opportunities (France) > 2013 **100%**

Competences

- 34 Set up annual individual interviews (AOP Poland) > 2015 **0%**
- 35 Develop an accredited training programme in the field of logistics, within the Armor University (France) > 2014 **100%**

Quality of life at work

- 36 Comply with the ILO C183 convention on 14-week maternity leave (AICP USA) > 2013 **100%**
- 37 Analyse the impact of becoming compliant with the ILO C132 convention on paid leave (3 weeks) (AICP Singapore) > 2013 **100%**
- 38 Measure and analyse compliance with the SA 8000 standard on overtime: a maximum of 12 hours per week and 1 day of rest, i.e. 24 consecutive hours per week (AICP Brazil, USA, Singapore / AOP Morocco) > 2013 **100%**
- 39 Improve the workplace environment: staff room, meal area, company restaurant, social area, workshops, lockers (AICP France, USA / AOP Morocco) > 2013 **100%**

Responsible Traceability

Reduction of impacts

- 40 Set up an environmental management system and gain ISO 14001 certification (AICP Brazil, China, Singapore) > 2015 **100%**
- 41 Conduct Product Life Cycle Analysis (AICP France) > 2016 **Cancelled**

Labelling and raising public awareness

- 42 Extend environmental labelling to 30% of the product range (AOP) > 2013 **100%**
- 43 Fight clone and counterfeit cartridges (AOP) > 2015 **100%**

Territorial Solidarity

Responsible purchasing and suppliers

- 44 Raise supplier awareness of CSR (Group) > 2015 **0%**
- 45 Develop a CSR questionnaire for suppliers, applicable in the subsidiaries (Group) > 2013 **100%**
- 46 Raise employee awareness of the Responsible Supplier Relationships Charter (France) > 2013 **100%**
- 47 Study the impact of a Responsible Supplier Relationships quality label (France) > 2016 **100%**
- 48 Conduct a supplier satisfaction survey (AICP France) > 2013 **100%**

Disability

- 49 Study use of a protected workshop for delayed packaging of laser cartridges (AOP France) > 2014 **100%**
- 50 Sign the AGEFIPH* convention for a period of 2 years (France) > 2013 **100%**
- 51 Implement the commitments made in the AGEFIPH convention (France) > 2015 **95%**

Local involvement

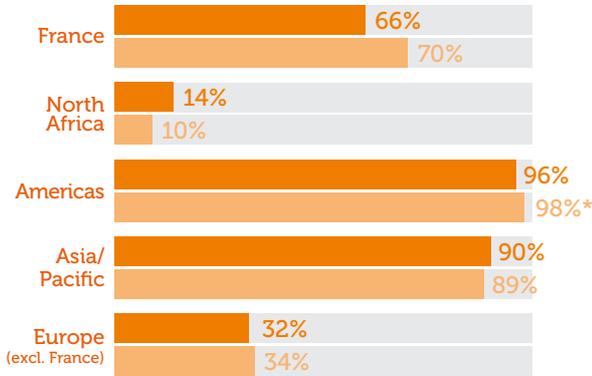
- 52 Join a local association of companies for sustainable development (AICP Brazil, China, USA, Singapore / AOP Morocco, Poland) > 2013 **60%**
- 53 Contribute to a local community development project which involves employees (Group) > 2015 **45%**
- 54 Facilitate childcare for employees of Armor, activity zone companies and the local authority (France) > 2015 **100%**

*French fund for the professional inclusion of disabled people

STAKEHOLDERS

Suppliers

Proportion of local purchases⁽¹⁾ (excl. intra-group purchases) 



*amended data 2015 ■ 2014

(1) Local purchases = purchases made within each country

The proportion of local purchases remain stable.

Proportion of suppliers CSR-assessed



CSR supplier assessments are carried out every two years. There are, therefore, no results for 2015. In France, Armor has been awarded the Responsible Supplier Relations Label, which distinguishes French companies having proved that they have sustainable and balanced relations with their suppliers (fair financial treatment, transparency, taking into account the total cost of the purchase, territorial integration, etc.).

Action plans # 44,45

CSR ambassador

81

CSR promotion actions
2014 : 100

2015 objective: 50

These actions include organised visits to sites (schools, companies, local communities, etc.) as well as interventions at conferences and events related to Sustainable Development and CSR.

Action plans # 44, 52, 53

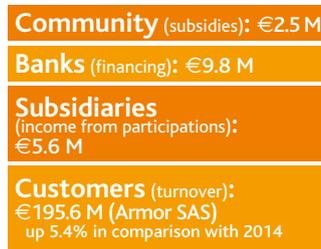
311

employee investors at Armor

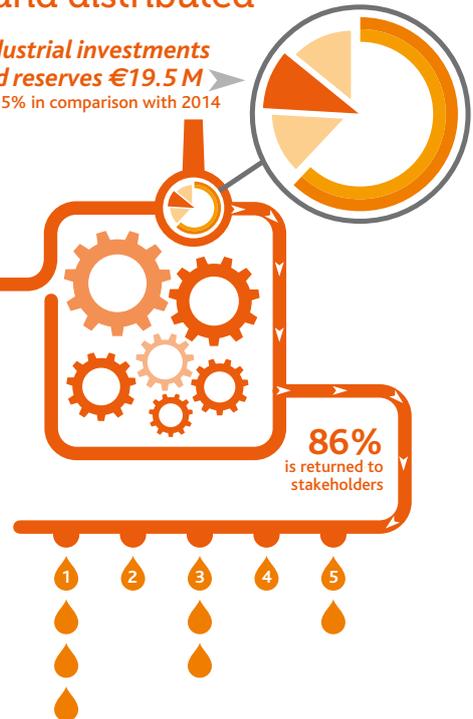
Economic value created and distributed (Armor SAS scope)

For information:
Group turnover
€240 M

Industrial investments and reserves **€19.5 M**
up 15% in comparison with 2014



- 1 Employees: €40.8 M
- 2 Equity providers: €0 M
- 3 Suppliers (raw materials): €55.8 M
- 4 Community (duties and taxes): €1.8 M
- 5 Banks: €18 M



Further information at:
www.armor-group.com



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