



Lyreco

WORKING TOGETHER
FOR TOMORROW

CSR REPORT

2019





CSR REPORT

2019

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EDITORIAL

“

Delivering, year after year, an always more sustainable-preferred value proposition

”

Launched in 2012, the Lyreco Eco Future Strategy ended in 2018.

It allowed Lyreco Group and its 15 subsidiaries to achieve remarkable improvements in each of the 3 domains covered: Environment, Economics and Social.

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 & GOVERNANCE

CSR VISION RESPONSIBLE PARTNER

CSR VISION &
GOVERNANCE



ALWAYS BY 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.

We are the European leader and the 3rd largest global actor in the distribution of products and services for the working environment.

With 9,500 employees across 16 subsidiaries and an extended network of strategic distribution partners, we accompany com-

panies 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 our 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





RESPONSIBLE PARTNER

WHEREVER WE OPERATE

15 SUBSIDIARIES & 1 CENTER OF EXCELLENCE 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, Luxemburg, 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

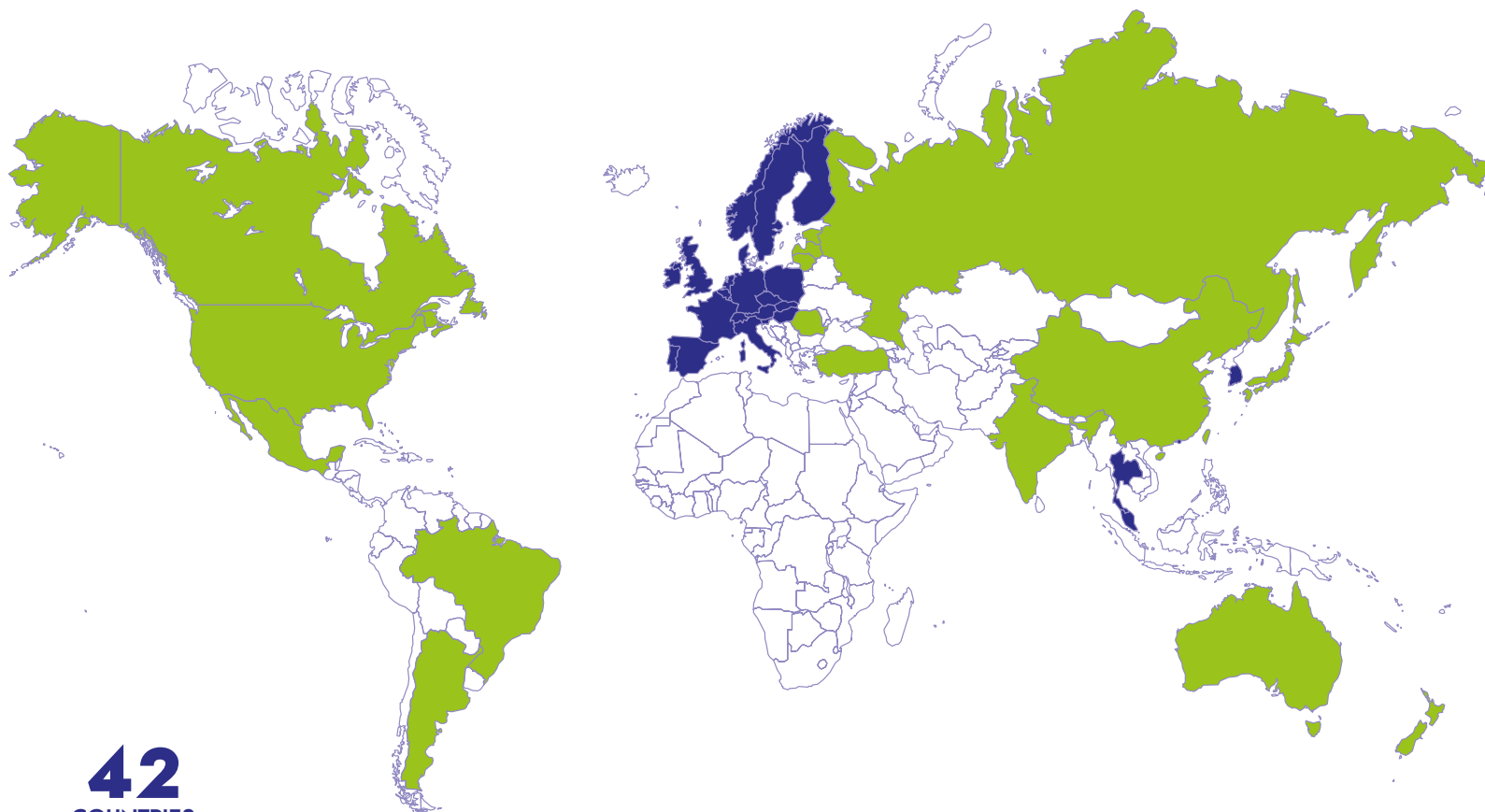
Estonia, Latvia, Lithuania, Romania, Russia, Turkey

ASIA-PACIFIC

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

SOUTH AMERICA

Argentina, Brazil, Mexico



42
COUNTRIES

4
CONTINENTS



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 designed and developed in deep cooperation with our brand suppliers and our brand product manufacturers, integrating sustainability at each step of the product selection process.



45%
GREEN PRODUCTS
(GROUP SELECTION)



SHARP
EXPERTISE



CERTIFICATIONS
9001
14001



AUDITS



CIRCULAR ECONOMY
RECYCLING SERVICES



OFFICE SUPPLIES

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 even more resource-efficient, renewable and ethical.



TECH&PRINT

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 address the primary concerns for sustainable and smart printing solutions.



LIFE @WORK

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 sanitation, coffee breaks, collaborative practices...



SAFETY & INDUSTRIAL ENVIRONMENT

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.



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.

By combining 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 in countries where our suppliers and manufacturing partners operate, minimising packaging to customers, developing climate and environmental 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
- DEMATERIALIZED 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 this century old family company.

ALIGNING CORPORATE RESPONSIBILITY WITH A LONG-TERM BUSINESS VISION

Driven by a genuine commitment to corporate responsibility purpose 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 take ownership 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, partnerships with centres of excellence and talent programmes.



A customer-centric vision driving
**IMPROVEMENT,
INNOVATION
AND INVESTMENTS**

4 STRATEGIC INVESTMENTS IN 2019



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.



GLOBAL COMPACT COMMITMENT A CONTINUED SUPPORT

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.



United Nations
Global Compact



HUMAN RIGHTS

Support and respect the protection of internationally proclaimed Human Rights

—
Make sure that they are not complicit in Human Rights abuses



LABOUR

Support and uphold the freedom of association and the effective recognition of the right to collective bargaining

—
Support the elimination of all forms of forced and compulsory labour

—
Support the effective abolition of child labour

—
Support the elimination of discrimination in respect of employment and occupation



ENVIRONMENT

Support a precautionary approach to environmental issues

—
Undertake initiatives to promote greater environmental responsibility challenges

—
Encourage the development and diffusion of environmentally friendly technologies



ANTI-CORRUPTION

Work against corruption in all its forms, including extortion and bribery



SUSTAINABLE DEVELOPMENT GOALS SDGs

In 2015, United Nation has defined 17 Sustainable Development Goals (SDGs) to end poverty, fight inequality and injustice and tackle climate change by 2030.



End poverty in all its forms everywhere.

LYRECO INITIATIVES:
Lyreco Community Programmes, e.g. Food Bank Donations



End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

LYRECO INITIATIVES:
Lyreco Community Programmes, e.g. Food Bank Donations
Lyreco for Education



Ensure healthy lives and promote well-being for people of all ages.

LYRECO INITIATIVES:
Health & Security programmes
Health & Security certification



Ensure an inclusive and equitable quality education and promote lifelong learning opportunities for all.

LYRECO INITIATIVES:
Lyreco for Education
Training plans
Internal mobility



Achieve gender equality and empower all women and girls.

LYRECO INITIATIVES:
Code of Ethics
UN Global Compact / Human Rights Club Membership.



Ensure availability and sustainable management of water and sanitation for all.

LYRECO INITIATIVES:
Lyreco for Education
Code of Ethics



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



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



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

LYRECO INITIATIVES:
Innovation structure
Transformation project

Nasser Kahil | Lyreco QSS Director
United Nations Campus
Bonn - COP 23 - November 2017





SUSTAINABLE DEVELOPMENT GOALS SDGs



Reduce inequality within and among countries.

LYRECO INITIATIVES:
Lyreco for Education
Supplier Sustainability Assessment
Supplier Audits
Code of Ethics



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



Ensure sustainable consumption and production patterns.

LYRECO INITIATIVES:
Green Products
Environmentally Friendly Fleet



Take urgent action to combat climate change and its impacts.

LYRECO INITIATIVES:
Carbon & Environmental Footprint Initiatives
CO₂ Emissions Reduction target



Not applicable



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



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



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





CERTIFICATIONS

COMMITMENTS & ACTIVITIES

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 is part of a broader EU Sustainable Consumption and Production and Sustainable Industrial Policy (SCP/SIP) Action Plan adopted by the European Commission in July 2008.

The EU Ecolabel meets the ISO 14020 Type 1 requirements for ecolabels. The EU Ecolabel criteria are developed and reviewed in cooperation with experts, industry, consumer organisations and environmental NGOs. 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.



CERTIFICATIONS

COMMITMENTS & ACTIVITIES



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).

(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).



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



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.

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 de-

veloped for individual product categories to enable specific details to be taken into account at the product level.



NORDIC SWAN

In 2017, Lyreco selected the 'Nordic Swan' ecolabel for its remanufactured toner cartridges.

The Nordic Ecolabel or Nordic Swan is the official sustainability ecolabel for the Nordic countries, introduced by the Nordic Council of Ministers in 1989. This is done by a voluntary license system where the applicant agrees to follow a certain set of criteria outlined by the Nordic Ecolabel in cooperation with stakeholders. These criteria include environmental, quality and health arguments. The criteria levels promote the most environmentally sound products and services and take into account factors such as free trade and proportionality (cost vs. benefits).

The Nordic Ecolabel now covers 67 different product groups, from hand soap to furniture to hotels. Products compliance must be checked using methods such as samples from independent laboratories, certificates and control visits. The label is usually valid for three years, after which the criteria are revised and the company must reapply for additional certification.



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 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 operating practice across our 15 subsidiaries based on qualitative and environmental matters, Lyreco uses the recognised international standards ISO 9001 and ISO 14001 to which the Integrated Management Systems are certified.

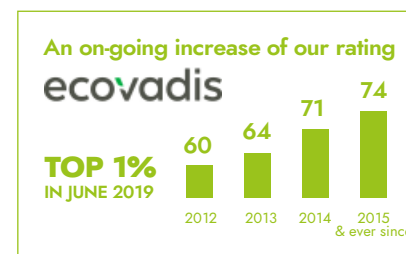
This ensures that quality and environmental matters are handled at a level trusted by interested parties and understood by employees. Aligned with the Quality & Environmental Management System, Health & Safety management is based on Lyreco's guidelines referring to the OHSAS 18001 standard and local 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 indicating that the company's role in the international supply chain is secure, and that customs controls and procedures are efficient and compliant.



OHSAS 18001
ISO 45001



FSC CoC



ISO 50001



AEO



CHIEF EXECUTIVE OFFICER

Chief People Officer

Chief Operating Officer

Chief Financial Officer

Group Communication Director

Chief of Transformation Officer

Europe Managing Directors

Asia Managing Director & Innovation



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



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



COMMUNITIES

Lyreco For Education programme in partnership with NGOs
Local communities programme
Partnership with social enterprises



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



CERTIFICATION BODIES, ESG RATING AGENCIES

Audits
Assessments
Ecovadis · BSCI · SEDEX

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'S OWN BRAND PRODUCT SUPPLIERS

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 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. The first place within Lyreco's sustainability competition 2018 will be considered again. 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)



From left to right:
Olaf Dubbert (QSS Lyreco Germany), Andreas Regnier (MTU), Wilma Ruhs (MTU), Marc Gebauer (MD Lyreco Germany)



STAKEHOLDER'S VOICE

BRAND SUPPLIERS

UPM

UPM Communication Papers is the world's leading producer of graphic papers. It has been a major supplier of Lyreco for many years, under its NEW FUTURE brand as well as for Lyreco's own brand paper. UPM is one of the most performing suppliers in terms of sustainability.



We share information about sustainability with Lyreco on regular basis and help each other progress in that area. We also work together to supply the relevant regions from the closest mills in order to minimise transport.

Päivi Rissanen

UPM Director, Sustainability



INTERNATIONAL DISTRIBUTION PARTNERS

PRINCIPADO, MEXICO

Principado is a Mexican business office supplies distributor and a Lyreco international partner since 2014. The company has since been committed to aligning its CSR policy and actions to Lyreco's engagements. In 2018, Principado invested in a fleet of hybrid trucks to make deliveries to its Mexico City-based customers. It's a tangible contribution in the fight against urban air pollution in a city where air quality is one of the worst in the world.



Beyond the business dimension of our partnership, working with Lyreco also supports our sustainability policy. Lyreco's Corporate Responsibility is clearly an inspiration for the implementation of concrete actions such as the definition of Principado Code of Ethics and the development of our green fleet in Mexico City.



Alejandro Torre
CEO Principado Mexico



© Nicolas Axelrod

NON-GOVERNMENTAL ORGANISATIONS



CARE, LYRECO for EDUCATION NGO PARTNER

Started 11 years ago, the Lyreco for Education programme raises funds to give children living in poor conditions better access to education.

Since 2008, more than 2.8 million euros have been raised through actions organised by our 9,500 employees and thanks to our suppliers and customers contribution. These funds finance educational projects such as building schools, sanitary infrastructures and training teachers.

To ensure the development of these projects in some of the beneficiary countries, Lyreco works in partnership with the NGO CARE.



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



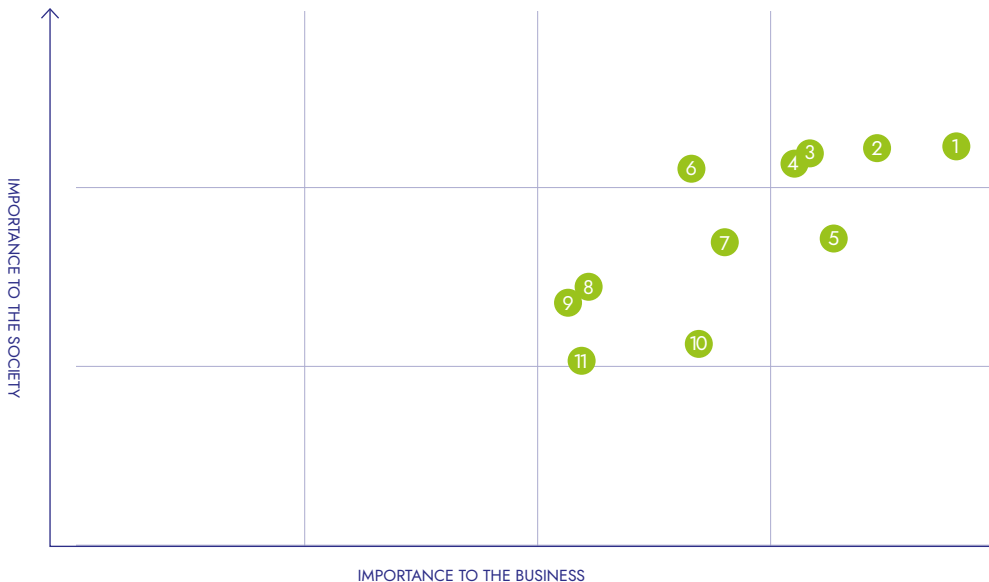


MATERIALITY MATRIX

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.



1. Customer satisfaction
2. Employee health and safety
3. Human Rights in the supply chain
4. Regulatory compliance
5. Ethical business practices
6. Product & service quality
7. Employee well-being
8. Environmental standards in the supply chain
9. Social standards in the supply chain
10. Human capital management
11. Customer partnership concerning on sustainability

11 SHARED PRIORITIES

11 priorities issues have been identified. They are the foundation of our new corporate responsibility guiding principles and strategy which 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.



PEOPLE
Offer the greatest employee experience.



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



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



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



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



ECO FUTURE
2012·2018
STRATEGY

INTRODUCTION ECO FUTURE 2012 · 2018

ECO FUTURE

2012
2018



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.

3 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.



ENVIRONMENT

2012 26%	2018 45%	GREEN PRODUCT SALES
2012 89%	2018 90%	WASTE RECYCLING
2012 -1.82%	2018 -17%	CO ₂ EMISSIONS**

**Vs. 2010



ECONOMICS

2012 +1.7%	2018 +2%	SUPPLIER SUSTAINABILITY ASSESSMENT
2012 52%	2018 98%	FACTORIES AUDITED



SOCIAL

2012 81%	2017 78%	WORKING CONDITIONS*
2013 +4.9%	2018 +8%	LOST WORKING DAYS
2012 +82%	2017 +82%	TRAINING*
AVERAGE GROWTH PER YEAR	+7%	LFE

*A new Group HR strategy was launched in 2018, based on new KPIs that are still under construction





RESULTS OVERVIEW

ECO FUTURE 2012 · 2018

OUR RESULTS



	2012	2013	2014	2015	2016	2017	2018
GREEN PRODUCTS*	26%	31.6%	34.20%	34%	36%	42%	45%
CO ₂ EMISSIONS	-1.82%	-6.4%	-14%	-15.54%	-16.27%	-18%	-17% (VS 2010)
WASTE RECYCLED	89.13%	90.5%	91.43%	91.12%	91.35%	91%	90%

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"

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 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



	2012	2013	2014	2015	2016	2017	2018
SUPPLIER SUSTAINABILITY ASSESSMENT	+1.7%	+1.7%	-4.80%	-4.80%	+9.8%	+9.8%	+2% (VS 2017)
FACTORIES AUDITED	52%	81.3%	100%	89%	97%	98%	98%



	2012	2013	2014	2015	2016	2017	2018
WORKING CONDITIONS	81%	81.0%	78%	78%	78%	78%	N/A**
LOST WORKING DAYS	N/A	+4,9%	6%	6%	-40.40%	+32%	+8% (VS 2017)
TRAINING	82%	89.0%	82%	82%	82%	82%	N/A**
LFE	+11%	+8%	+7%	+7%	+7%	+4%	N/A**

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



ENVIRONMENT

GOALS & KPI



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

- Identify and evaluate opportunities to reduce environmental impacts in serving customers and to take advantage of enhance the environment.
- 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 percentage of green products in sales has been growing, especially because of the increase in references with eco-responsible or certified characteristics applied to the most sold products such as PEF and FSC certifications (Lyreco is pioneer in the EU PEF process).

REDUCE OUR CARBON FOOTPRINT

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

- IMPROVEMENT OF LOGISTICS INSTALLATIONS AND BULDINGS (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 from coming from Lyreco activities is recycled
Since 2012, we have developed systematic and 'simple' processes, such as:

- PACKAGING OPTIMISATION
- VOICE PICKING

RESULTS 2018

45% GREEN PRODUCT SALES

90% WASTE RECYCLING

-17% CO₂ EMISSIONS*
*vs 2010





ENVIRONMENT

GREEN PRODUCTS



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





ENVIRONMENT

GREEN PRODUCTS



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.

Lyreco uses this supplier for their own branded paper so that they can offer the best option for their customers.



When selecting suppliers for the Lyreco paper range, our intention is to always provide our customers with value for money while providing environmentally 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.



The world's resources are limited and too much of these are being wasted. Raw material scarcity needs to be addressed and that's why we strive for a circular future. This is done, for example, by putting every fibre of wood that we harvest to good use, collecting enough recovered fibres to ensure a sustainable paper cycle and transforming waste into valuable products.

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, and possibly later on Lyreco's own brand. We definitely want to continue in that development.





ENVIRONMENT

GREEN PRODUCTS



FOSTERING GREENER WORKPLACES

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.



Green catalogue cover 2019

5 WAYS TO SUPPORT OUR CUSTOMERS IN THEIR GREEN PURCHASING

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

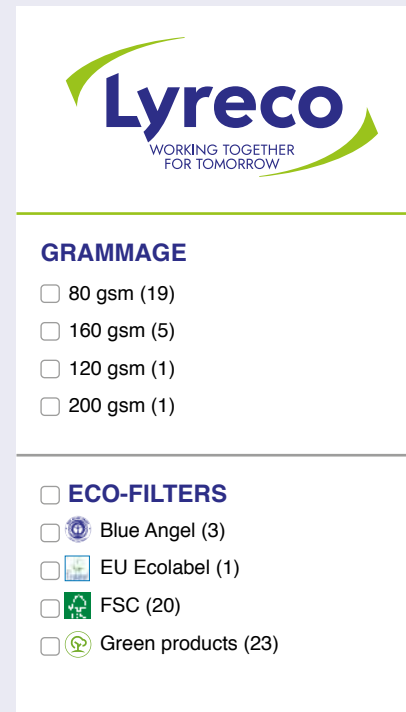
This tool provides the customers with up-to-date direct and indirect Lyreco CO₂ emission evaluation.

4. Dedicated green catalogue

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

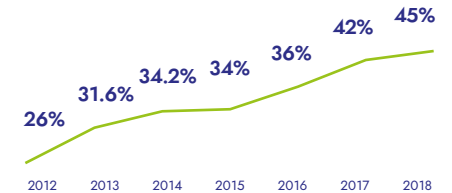
5. Online eco-filters

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.



Lyreco webshop ecofilter

GREEN PRODUCTS SALES GROWTH 2012-2018



“ 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





ENVIRONMENT

WASTE RECYCLING

CIRCULAR ECONOMY AS A SERVICE

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, Electrics & 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 te Emmaus Group), which handles printer cartridges collected by Lyreco.

With the growing importance of the 'circular economy', this business 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.



Beyond providing recycle bins, Lyreco also offers services of recyclable items.

RECYCLING IN HONG KONG

Lyreco Hong Kong recently joined Hong Kong government's computer recycling programme to recycle 100% of IT equipment. The objective is 100% recycling of all IT material.

MANAGING PRODUCTS LIFECYCLE BEYOND REGULATIONS

Mark Perry | Clover Managing director



As a worldwide leader of high quality, environmentally friendly remanufactured cartridges and sustainable imaging solutions, Clover develops a full range of cartridges for Lyreco that applies the circular economy principles to printing.

HOW DO YOU SEE YOUR PARTNERSHIP WITH LYRECO IN THE FUTURE?

Tech is going up but print is going down. People are printing less, but Clover works to recycle and repair, which is key to work with Lyreco and many other companies. We have a product R&D capability, which means we can bring Lyreco products very quickly to market. We also have a changing channel approach, which will help Lyreco move into other business areas that would historically not have been possible with remanufactured supplies.

We commit with Lyreco to participate in recycling activities combined with a managed product delivery approach that includes monitoring over the lifetime of the printer. That is the future for us: it is not about building the next product; it is about how to deliver it and develop services around it, and later be able to reuse it again and again.

The level of compliance in product safety and sustainability is increasing in Europe. Therefore, Lyreco needs Clover to provide new environmental solutions to meet upcoming legal requirements. Combining sustainability with a quality product, good branding and high quality service is a winning combination.

WHAT DOES IT MEAN TO BE A RESPONSIBLE COMPANY?

It always has to mean more than regulations, laws, and compliance. We operate in Europe where regulations are constantly increasing, which increases our cost of operations. It is important that the customer and the supplier understand that sustainability and responsibility consist of more than just compliance, and morals should also play a role. We cannot continue to have a product lifecycle that involves using things once. It is about making sure that you can give something a second or a third life. Lyreco sees this as a key element of its vision of the right range of products produced with the most environmentally sound methods. Clover is positioned to be a part of that increasing product portfolio.



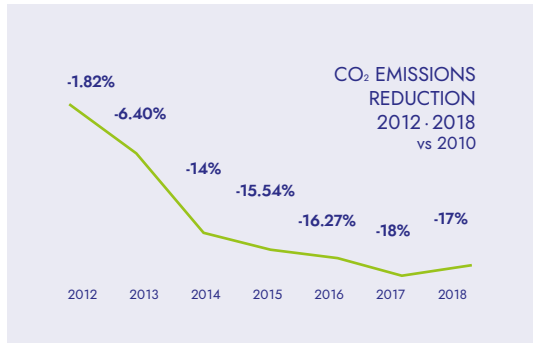
Lyreco Toner cartridges launched in 2018 meets the highest standard with regards to the environment, quality and health.





ENVIRONMENT

CO₂ EMISSIONS



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

A FULL VALUE CHAIN APPROACH



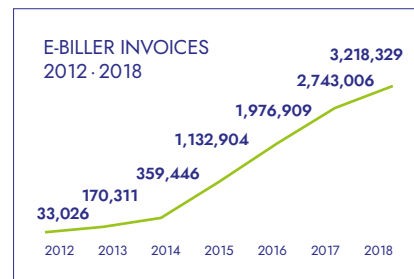
WAREHOUSE & OFFICES

- Waste Management
- Voice picking
- 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
- Reduction of the Backorder rate to limit 2nd deliveries
- 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



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





ENVIRONMENT

CO₂ EMISSIONS



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 at all 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)



2015
14,000
Solar panels installed

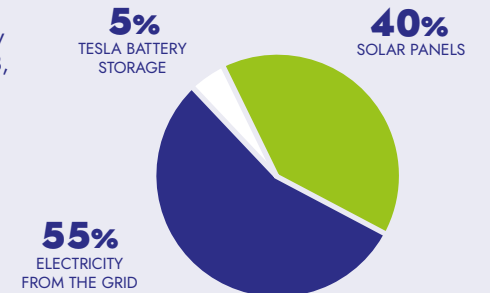
AFTER

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...





ECONOMICS GOALS & KPI



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

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.



RESULTS 2018

+2% SUPPLIER SUSTAINABILITY ASSESSMENT

98% FACTORIES AUDITED



ECONOMICS

SUPPLIER SUSTAINABILITY PERFORMANCE



BALANCED FINANCIAL RELATIONS WITH SUPPLIERS

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 in 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.



Supplier Award 2018 winners: Exacompta (Office supplies), Clover (Tech&Print), Tesa (Industrial workplace), Greenspeed (Life@Work)

How do you encourage mutual continuous improvement between Lyreco and suppliers?

As a responsible partner, we commit to shared improvement with our suppliers. Lyreco Group Marketing Division has developed 2 complementary mechanisms over the years to enhance continuous improvement from both sides.

- The Supplier Performance Improvement Programme (SPIP), whose assessment grid covers 4 performance criteria: Competitiveness, Category Management, Logistics and, of course, Sustainability. In 2018, 97 suppliers have been evaluated, 100% of our international supplier base.
- In the other direction, the Lyreco supplier survey aimed to identify room for improvement in Lyreco’s supplier management process.

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



ECONOMICS

FACTORY AUDITS & SUPPLIER ASSESSMENTS

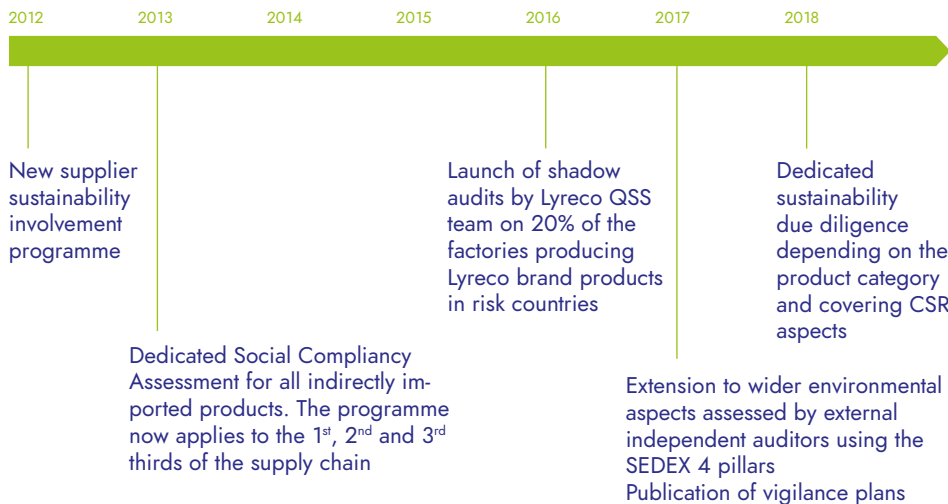
Lyreco has developed an extensive range of its own brand products. More than 1,500 items are now offered to our customers with the objective to align the highest quality and value for money with sustainability along the supply chain.

As one of the first distributors of workplace supplies across the world, Lyreco has a special responsibility to ensure that the business conduct of suppliers is 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 extension and strengthening of improvement processes of Lyreco manufacturing suppliers. The strategy also places a specific focus on risk countries*.

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

6 YEARS OF CONTINUOUS REINFORCEMENT OF OUR COMPLIANCY AND SUSTAINABILITY ASSESSMENTS



DEVELOPING AND CONTROLLING A CHAIN OF RESPONSIBILITY

Nasser Kahil | Lyreco Group QSS Director



What have been the main developments in terms of 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 our sustainability principles.



Supplier

Third three: companies are suppliers to third two firms.



Supplier

Third two: companies are the key suppliers to third one suppliers, without supplying a product directly to Lyreco.



Direct Supplier

Third one: companies are direct suppliers to Lyreco.



Lyreco Products

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.





SOCIAL GOALS & KPI



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.



RESULTS 2018

2017	78%	WORKING CONDITIONS*
VS2010 - 2018	+8%	LOST WORKING DAYS
2017	82%	TRAINING*
	+7%	AVERAGE GROWTH PER YEAR LFE

*A new Group HR strategy started in 2018, based on new KPIs, which are still under construction

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





SOCIAL WORKING CONDITIONS



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.

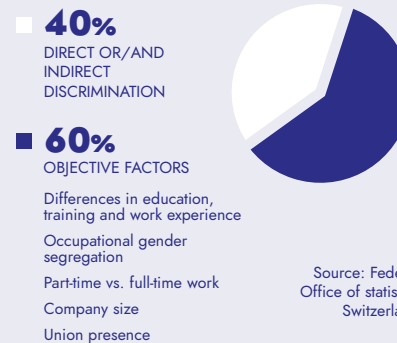
The equal salary methodology was designed to allow companies around the world, in every field, to address the issues of inequality and discrimination to ensure

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 their its commitment to social equality among Lyreco employees.

GENDER PAY GAP REASONS IN SWITZERLAND



Source: Federal Office of statistics Switzerland



Source and more information www.equalsalary.org

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.





SOCIAL WORKING CONDITIONS

ECO FUTURE

2012
2018



AT LYRECO BENELUX, WELL-BEING AND SAFETY ARE A LEVER OF PERFORMANCE

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 up 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.

EMPLOYEES WORK BETTER and collaborate more effectively

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 for 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.





SOCIAL TRAINING



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 KAM and SAM**

— **Transformation of the ASM role in order to reinforce the new business model**

— **New role for reps and new visits in order to reinforce the new**

— **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 (CATMAN)**

— **Leadership Development Programme for new managers**

— **Team coaching for SMB to build a high performance team**

— **Middle Management Programme based**

on the ADKAR Model, 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 which a specific department presents itself to other company colleagues in the company. During these days, 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 mar-

kets. 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





SOCIAL

LYRECO for EDUCATION

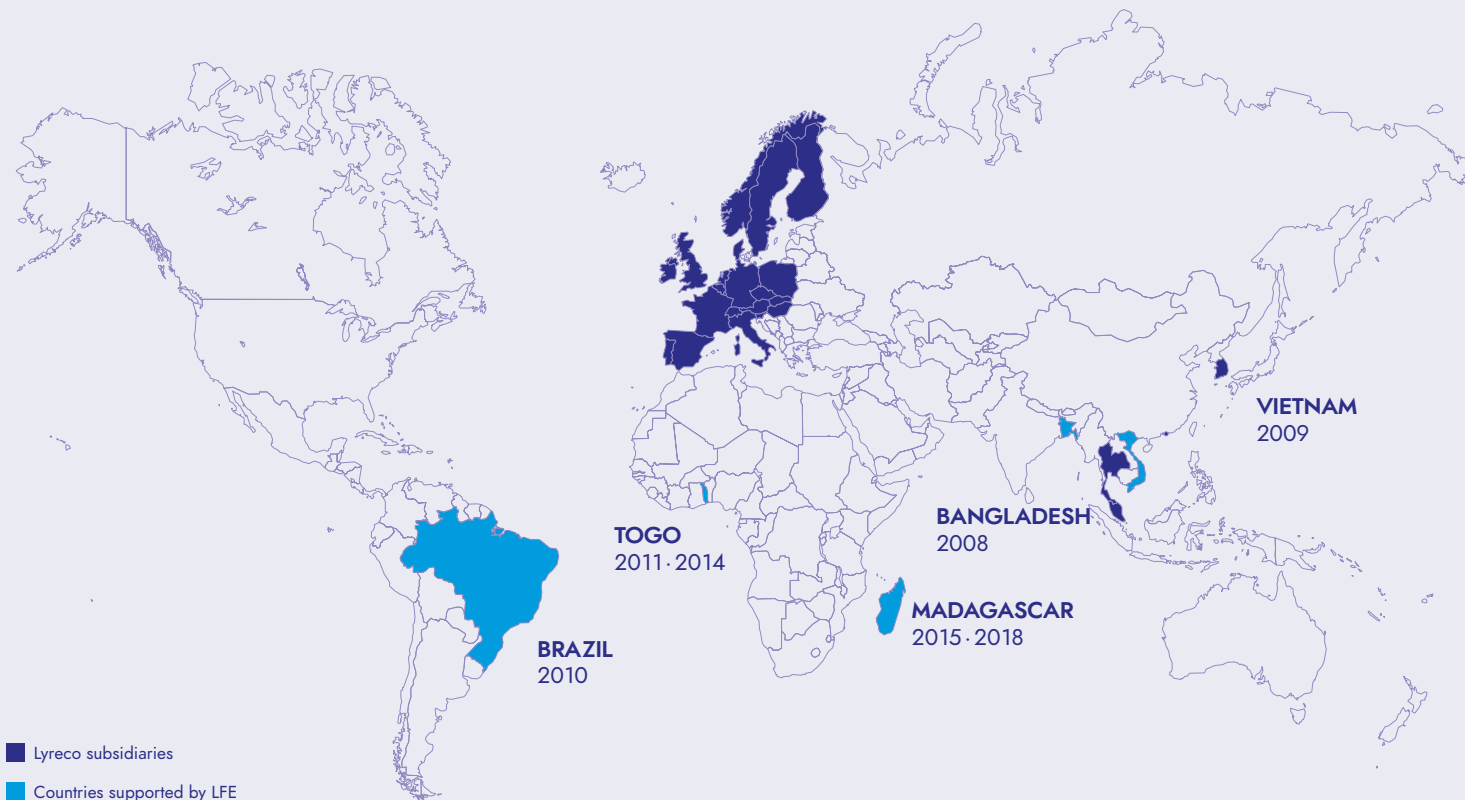


RAISING FUNDS TOGETHER

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.



when a child goes to school, a nation grows

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





SOCIAL






LYRECO for EDUCATION



RESULTS

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

	2011-2014 TOGO	2015-2018 MADAGASCAR
 FUNDS COLLECTED	€1.2M	€1M
 BENEFICIARY CHILDREN	72,800	19,138
 SCHOOLS BUILT OR RENOVATED	49	11
 SCHOOLS SUPPORTED	200	47
 TEACHERS TRAINED	165	269





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 GERMANY

For several years, Lyreco Germany has been working together with the Cluster Social Agency from Hildesheim as part of the Sales Convention organisation in Germany. The cluster implements projects for sponsors and companies from economic and social sectors as well as the public sector. Cluster has donated the rest of the samples of participating suppliers of the Sales Convention 2018 to charitable institutions.



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



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's new CSR strategy, which now includes six major principles.



ECONOMICS

Create the greatest customer experience in an omnichannel environment



GOVERNANCE

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



ENVIRONMENT

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



SUPPLY CHAIN

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



PEOPLE

Offer the greatest employee experience



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

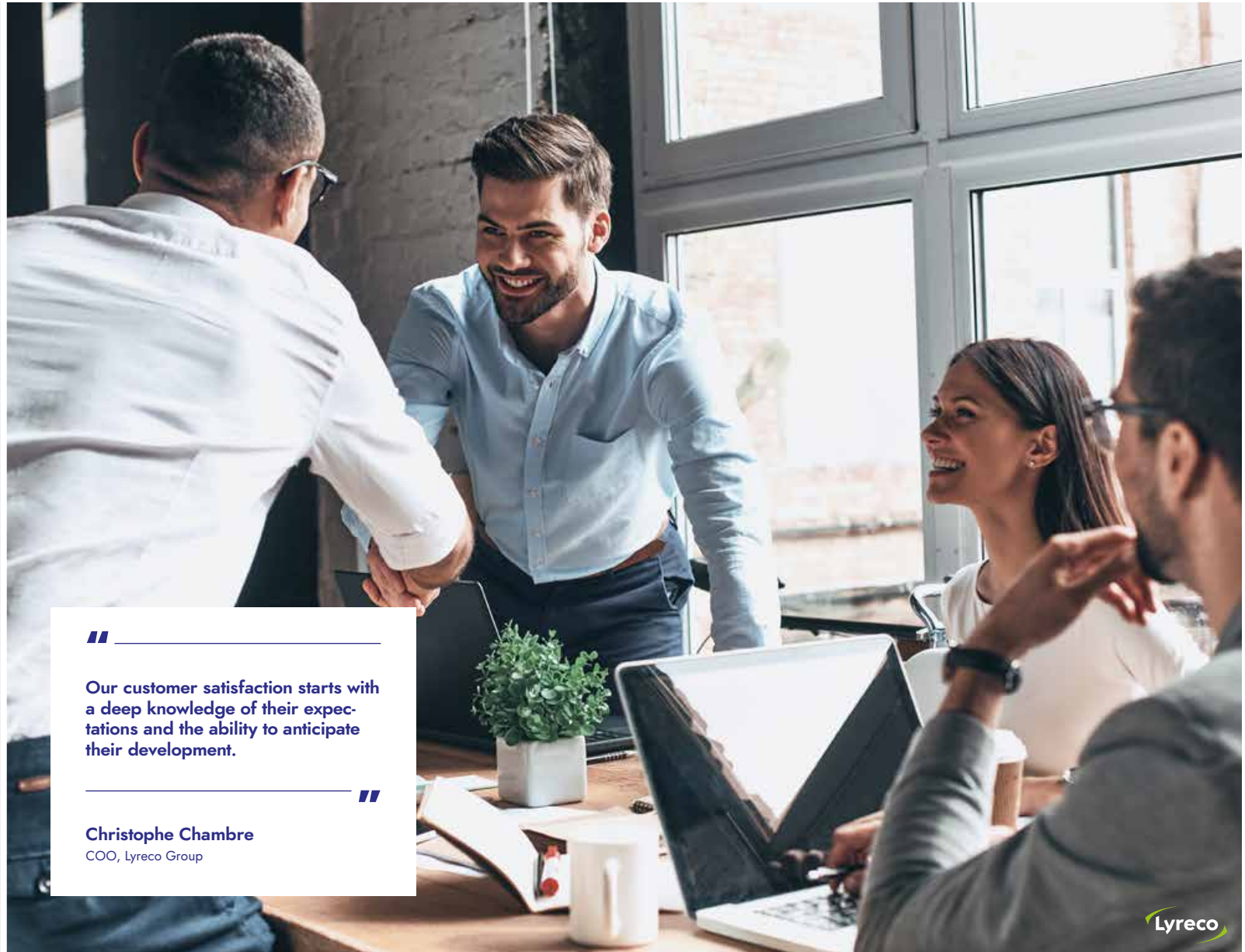
NEW LOGISTICS MODEL

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



ECONOMICS

2019 · HIGHLIGHTS



2 RESPONSIBLE PILLARS

Our business model is based on 2 responsible pillars:

- A Lyreco personal customer experience based on a better understanding of our customers
- A transparent business model that integrates corporate social responsibility into all Lyreco activities

Customer satisfaction was the first item identified by both our internal and external stakeholder in the Lyreco Materiality Matrix. Customer satisfaction has always been at the centre of Lyreco's business model.

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.



#FRICTIONLESS 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 €20,000 for its stock management system using Artificial Intelligence. Thanks to image recognition and IoT, the system automatically assesses supplies available in a cupboard or shelf and reorders missing products. 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



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.



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

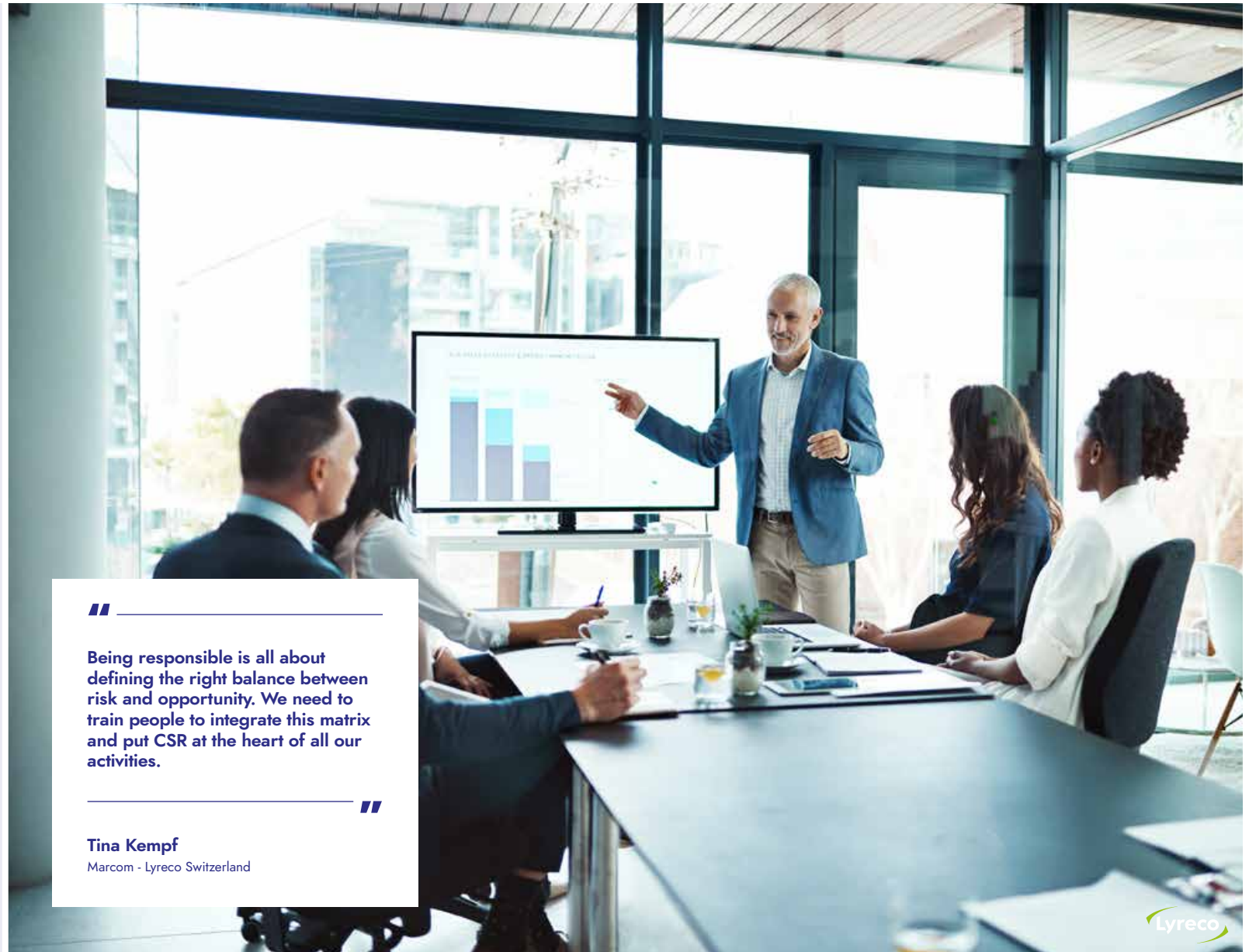
RISK MANAGEMENT ORGANISATION

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



GOVERNANCE

2019 · HIGHLIGHTS



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 asset: 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.

1. IDENTIFICATION EVALUATION

RISK ASSESSMENT SCALES
RISK MATRIXES

2. PREVENTION

AUDIT
CSR
INTERNAL CONTROL
PROCEDURES
ETHICS

QUALITY & ENVIRONMENTAL RISK MANAGEMENT PROCESS

4. ACTION REACTION

ACTIVATION OF BCP (BUSINESS CONTINUITY PLAN) ACTIVATION
ACTIVATION OF THE CRISIS MANAGEMENT SYSTEM

3. PROTECTION

RISK TRANSFER POLICY
CONCEPTION OF THE BCP
CONCEPTION OF THE CRISIS MANAGEMENT SYSTEM



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

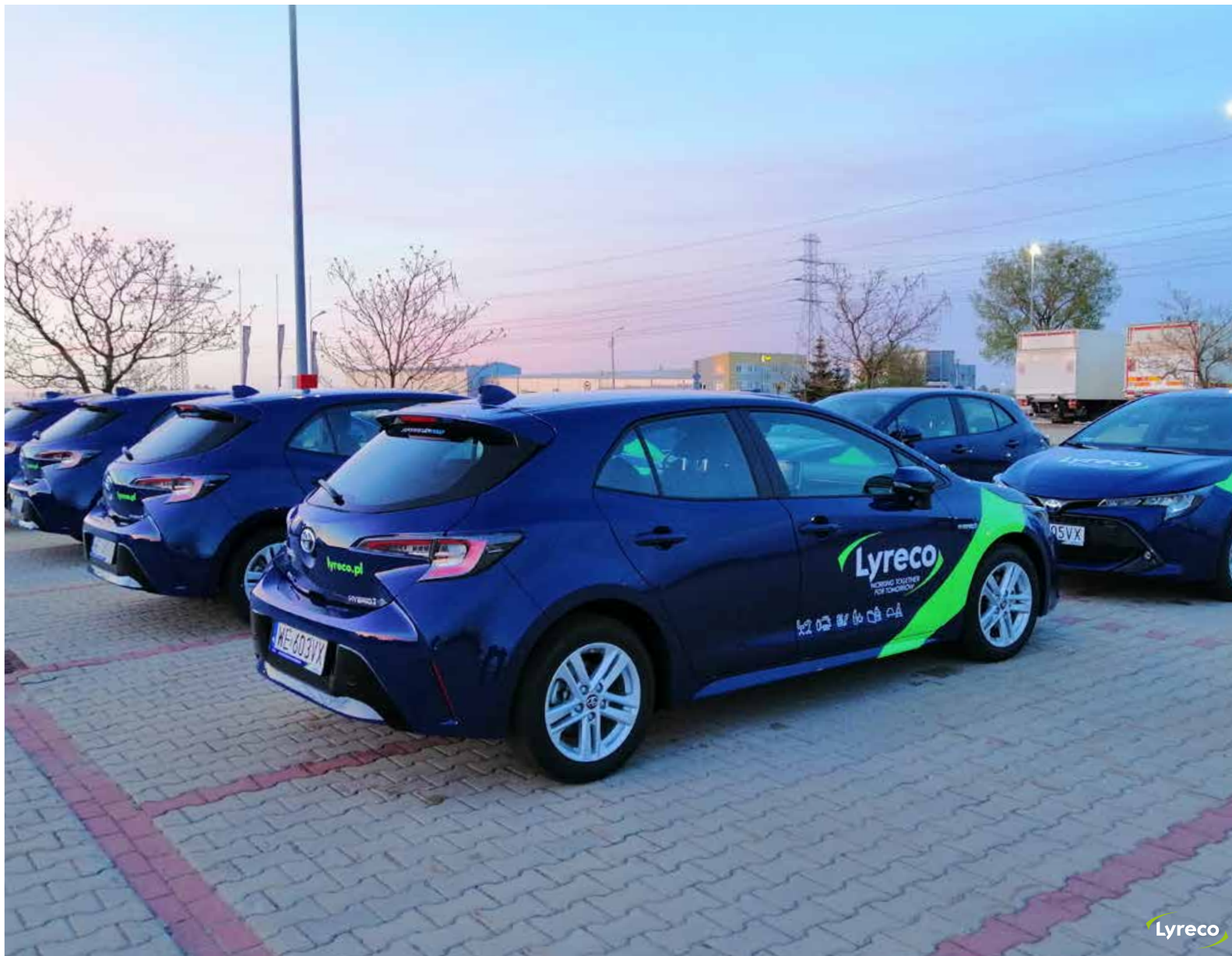
RECYCLING SERVICES TO CUSTOMERS

EU PEF DEVELOPMENT/CIRCULAR ECONOMY

KPI

CO₂ EMISSIONS

#OF PRODUCT CATEGORIES WITH PEF/
CIRCULAR ECONOMY





ENVIRONMENT

EU PEF: A STEP FURTHER IN THE 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.



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

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 PEF method has been established by the trusted third party EY.

ASSESSING THE ENTIRE PRODUCT LIFECYCLE

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.

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.





ENVIRONMENT

LYRECO LAUNDRY LIQUID EU PEF EVALUATION

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.



30% LESS IMPACT ON THE ENVIRONMENT than the average laundry liquid product.



ENVIRONMENTAL 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



LAUNDRY LIQUID ENVIRONMENTAL FOOT PRINT

Lyreco Laundry Liquid is more environmentally friendly that the average laundry liquid with a score of 12.6 vs 18 μpt /dose.

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)*

	LYRECO DETERGENT	REPRESENTATIVE PRODUCT
RAW MATERIAL	4.58	8.1
PACKAGING	0.77	2.05
MANUFACTURING	0.3	0.46
DISTRIBUTION	0.89	1.22
END-OF-LIFE	6.22	6.13
TOTAL	12.58	17.95
USE PHASE	20.65	20.65

Including water release from the washing machine.

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.

(*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





SUPPLY CHAIN

A PREFERRED RESPONSIBLE SUPPLY BASE



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

In May 2019, Lyreco produced its latest Vigilance Plan 2018 & 2019 covering on-going improvement & best practices process.

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 Lyreco has established dedicated programmes to deal with the aforementioned issues.

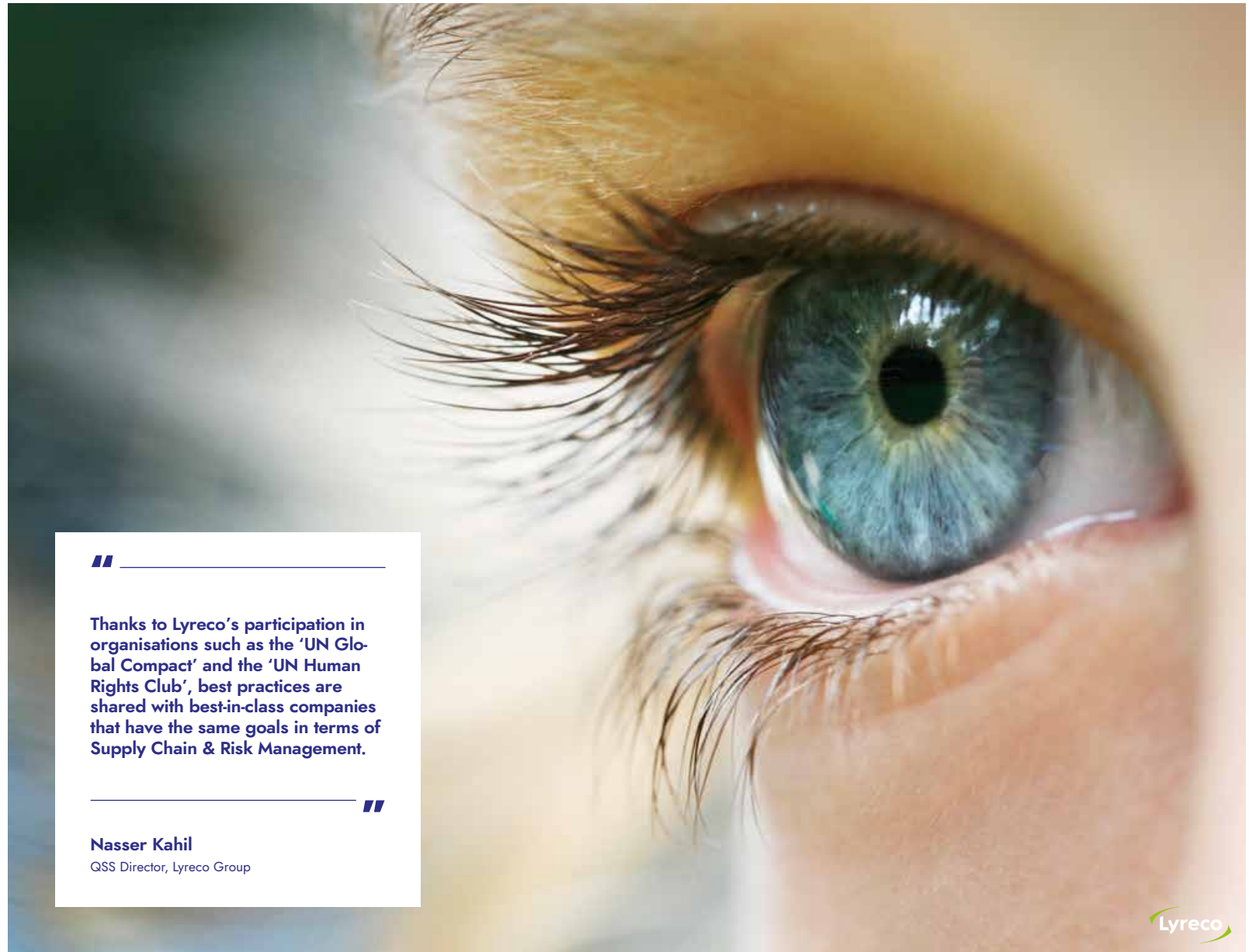
The Lyreco Vigilance Plan consists of the following elements:

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





PEOPLE

2019 · HIGHLIGHTS



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 underway 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



1st Lyreco Group/Pop School intake





PEOPLE

PROVIDING A PERMANENT ACCESS TO TRAINING

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.

”

Nicolas Arroum

CPO - 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 help people become change agents. By enabling children and young adults to access education, we are empowering the responsible workers of tomorrow

KEY ACTIONS

- FUNDRAISING THROUGH LOCAL INITIATIVES
- BUILDING SCHOOLS
- REPLENISHING SCHOOL SUPPLIES

KPI

- LFE FUNDS
- LOCAL PROGRAMMES



© Nicolas Axelrod



LYRECO for EDUCATION

NEW CHARITY PROGRAMME 2019 · 2022



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 the regions of Ratanak Kiri and Mondul Kiri in North-Eastern Cambodia

The objective of this new programme is to increase school enrolment and reduce school drop out by improving the quality of education and learning conditions, in particular, for ethnic minorities.

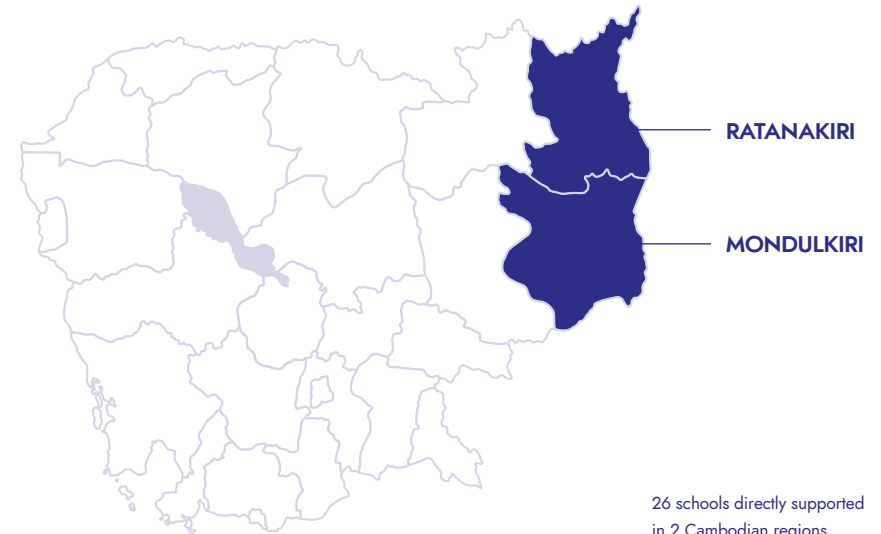
Build a boarding house for 60 students

— **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**

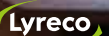
— **Support child protection training and awareness programmes**



26 schools directly supported in 2 Cambodian regions



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CONCLUSION

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.



Nasser Kahil
QSS Director, Lyreco Group

ECO FUTURE 2019 - 2024

	KPI	KEY ACTIONS
 ECONOMIC	NPS approach and improvement Customer Service level	Digital transformation New Logistics model Products & Services in line with new Data management and usage
 ENVIRONMENT	CO ₂ Emissions Product Categories with PEF/ Circular Economy	Greener Fleet/Buildings Waste Management Recycling Services to Customers EU PEF Development/Circular Economy
 SUPPLY CHAIN	Supplier Sustainability Score Awareness Actions & Programmes	BSA (Business Supplier Agreement) follow-up Supplier Sustainability Assessment Supplier Education and Awareness Internal Education and Awareness
 PEOPLE	Recruiting time and turnover Absenteeism (injuries, burnout)	Act for a respectful environment Equality & Diversity Effective Wellbeing at work
 GOVERNANCE	Areas covered with a Risk Management Approach	Risk Management organisation Risk Matrix Risk & Opportunities Training & Awareness
 COMMUNITY	LFE Funds Local Programmes	LFE collection Operations Frame for local programmes





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