

The background of the slide is a warm, golden-yellow color with a bokeh effect of out-of-focus autumn leaves. In the center, there is a solid yellow rectangular area containing the title text.

# ACCO Brands EMEA Sustainable Development 2017

# Introduction

ACCO Brands Corporation has been one of the world's largest suppliers of business, consumer and academic products for more than a century. The company boasts a proud history of industry leadership, innovation and focus on delivering exceptional value for shareholders, customers and consumers by providing unique, leading-edge office products.

In Europe, the company is built on a unique heritage of brands such as Derwent (Est. 1832), Leitz (Est. 1871), Esselte (Est. 1913), Rapid (Est. 1936), Rexel (Est. 1939), GBC, Nobo and Kensington.

Our brands have been around a long time and we intend that to continue! With this heritage we understand what it means to create sustainable value. Quality and environmental responsibility play a key role in this and have hence long been a focus. We have held ISO certifications for over 15 years and these form a cornerstone of how we manage the business today.

With a large proportion of our business in paper-based office and filing products, we are very aware of our role in working towards the responsible management of forests and paper stewardship. This is reflected in our FSC® Chain of Custody certification, FSC® certified products and many Blue Angel certified products.

Since February 2017, ACCO Brands and Esselte have been one company. Together, our product ranges are broader and more diverse. We have more sites with different processes which lead to different results and even more opportunity to look for ways to improve our metrics and run our business in a more sustainable way.

Read on to discover how we are working with the heritage of two great companies to face the challenges and our continual search to run our processes in a lean and efficient way and to create innovative yet responsible products.



**TAKING CARE OF TOMORROW**

# Company Profile

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**\$2Bn** company listed on NYSE

Sold in **144** countries

**21** factories around the world (11 in Europe)

**6 600** employees



TAKING CARE OF TOMORROW



# Together we can make a Difference

## Cezary Monko: EVP & President ACCO Brands EMEA

Dear Stakeholders,

Working together makes us stronger. This is an experience which I believe many of us have made in life. Together we can combine resources, react with more strength and generate more ideas as to how to solve problems. The world has seen in the past few years that this is the only way we can approach the climate and natural resource issues facing us. Each country alone, each company alone and certainly each individual alone has no chance to make an impact. But if we all work to reduce our environmental impacts, think carefully about how we use the earth's resources, act fairly and responsibly towards our business partners, the sum of our efforts can really make a difference.

In the past year, we at ACCO Brands have seen how two strong companies which came together could also strengthen our efforts on sustainability. The sum of our various activities together make a comprehensive programme with many strengths: Setting metrics and measuring our impacts, running factories on a LEAN

basis and with ISO certifications as a firm foundation, FSC® and other environmental certifications which help to put more focus on materials and products, a strong social responsibility plan and process and a great health & safety programme which works to drive our accident levels down to the targeted zero!

We can already see the results of this combined effort. With accidents down by nearly 60%, audit rate up to nearly 90% and now almost all European facilities being covered by the environmental metrics we follow. We are pleased that we have made progress on our goal of zero waste and despite adding more sites than in the previous year's report, we have held our emissions and water consumption roughly flat. And we are very proud of the ROSPA order of distinction we were awarded for health and safety after receiving 21 consecutive gold awards.

There is much more to do to involve all sites in our measurements and to work on improvements. We now have a broader range of products and as such, a more complex supply chain to manage.



However, we have already seen how we can benefit from using our combined strengths and we will look to see how we can further put these opportunities to good effect.

Extending and improving on our sustainability efforts and "Taking Care of Tomorrow" remains a key part of what we do. Only together can we make the difference and I want to be sure that every one of us at ACCO Brands EMEA and hence our business as a whole, is making our contribution towards that difference.

Yours  
Cezary Monko

## Strategy & Targets 2016 - 2020

### Reducing our Environmental Impact

- We will reduce our scope 1 and 2 CO<sub>2</sub> emissions, at our manufacturing, warehousing and sales office sites by 25%
- We aim to further reduce our total water consumption by 15%
- We have the ultimate Goal of achieving a Zero Waste Rate in our manufacturing and warehouses facilities
- All of our sites will be ISO 9001 and ISO 14001 certified
- We aim to increase our sales of Environmentally Preferable Products and fully support the development of the SOFEA environmental assessment system to improve the quality of this assessment

### Stewardship of Paper & Paper-based materials

- We are committed to using recycled or responsibly sourced fibres wherever possible
- All of our manufacturing plants producing fibre based products have been FSC® Certified since 2011
- We aim to use FSC, Blue Angel or EU Eco label certified paper only in our offices
- We will design our products to minimise the use of packaging
- In addition, we will source other materials such as plastic and metal in environmentally responsible ways

### Good Working Relationships

- We aim to have a transparent and principled working relationship with all of our stakeholders, from employees to suppliers, customers and consumers
- Our principles are based on the international standards set by the UN and the ILO Declaration of Fundamental Principles & Rights
- We will establish a clear set of policies on Health & Safety, the Environment, Supply Chain and creating a Workplace based on high standards and fair working practices
- We will maintain a safe and healthy workplace with a target of zero accidents
- We require our suppliers to fulfil the same standards and monitor that according to a set of specific metrics

# ACCO Brands EMEA Company Profile

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## Key Products:



Lever arch files  
& binders



Staplers & Perforators



Computer & Mobile  
device accessories



Pockets, Folders,  
Indices & dividers



Storage &  
Archiving



Binding &  
Lamination



Hanging Files &  
Presentation folders



Paper pads



Paper shredders



Letter trays/ moulded  
products



Ergonomics &  
well being



Visual  
Communication

# ACCO Brands EMEA Company Profile

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## Key Products:



Manual tackers



Hot air guns



Print Finishing Solutions (PFS)



Hammer tackers



Glue guns



Xyron creative solutions



Electric tackers & nailers



Riveting



Fine Art supplies



Pneumatic nailers



Cassette stapling units  
printers & copiers

# ACCO Brands EMEA Company Profile

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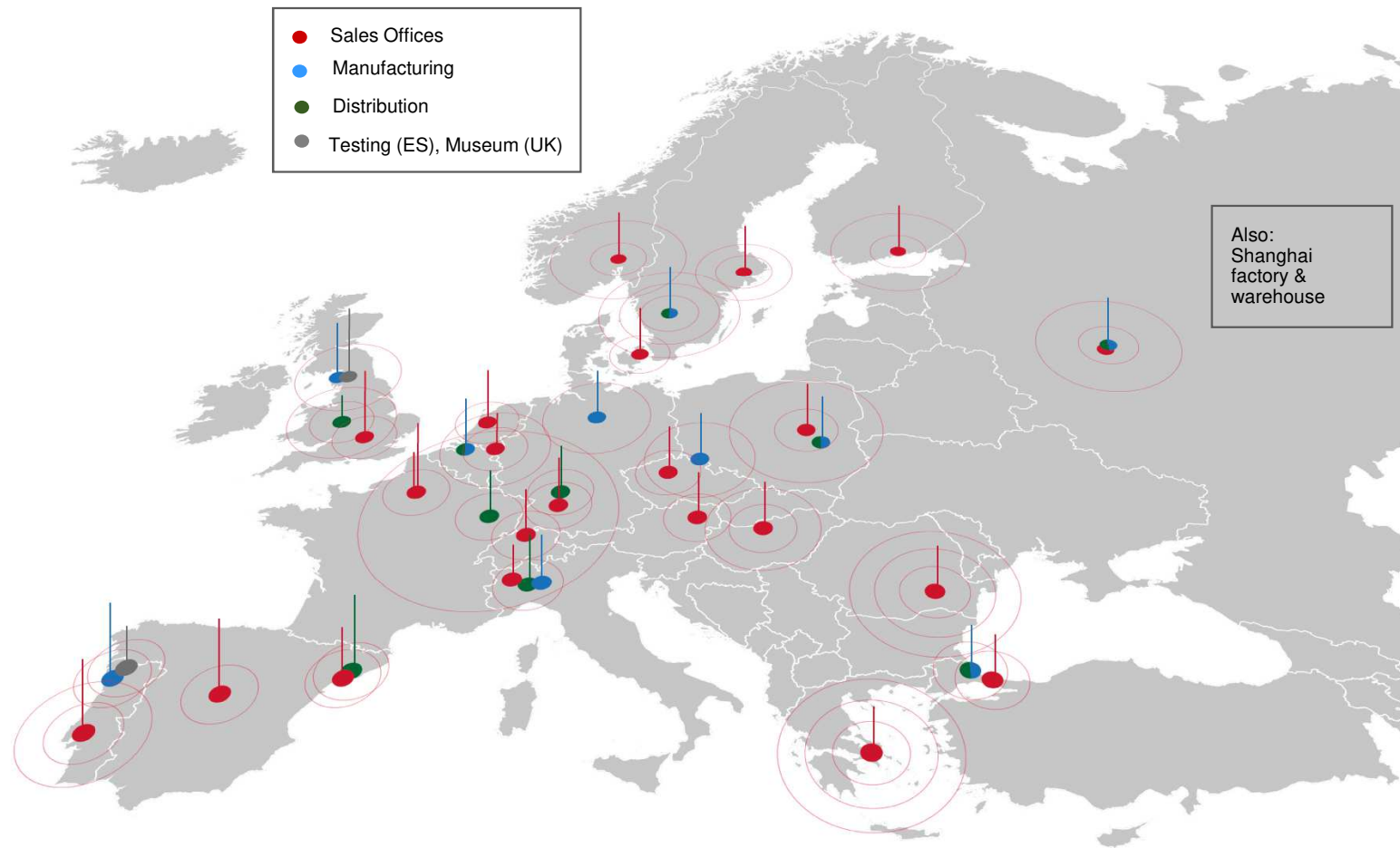
## Manufacturing & Distribution:

### 11 Factories:

- Sint Niklaas, Belgium
- Arcos, Portugal
- Lilyhall, UK
- Uelzen, Germany
- Gorgonzola, Italy
- Hestra, Sweden
- Lanov, Czech Republic
- Kozienice, Poland
- Hotkovo, Russia
- Cerkezkoy, Turkey
- Shanghai, China

### 7 Further Distribution Centres:

- Halesowen, UK
- Barcelona, Spain
- St. Amé, France
- Heilbronn, Germany
- Prague, Czech Republic
- Tornaco, Italy
- Born, Netherlands





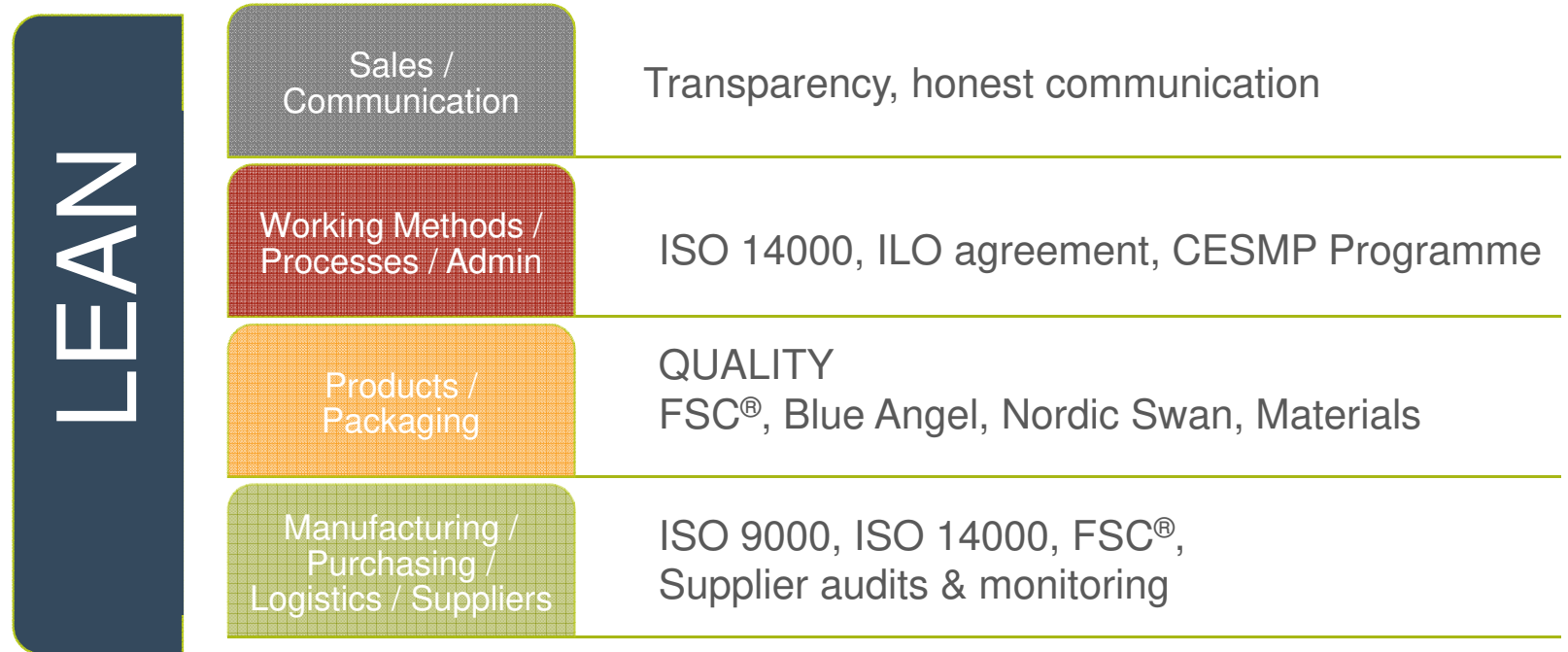
ACCO Brands is committed to maintaining internationally recognized quality and environmental standards across all of our production facilities. As such they are all ISO 9001 and 14001 certified. In addition, most warehouses and sales offices in Europe are also certified to these management systems.

We switched to the new, extended 2015 standards during our certificate renewal in 2016 already. This brought our ISO work even closer together with our sustainability work.

We also have the ISO 50001 Energy Management certification in 3 locations in Germany since 2016.



Working in a lean way is the foundation of all our sustainability efforts. Reducing waste in all areas and keeping processes simple and short help with many of our objectives. Our ISO 9001 and ISO 14001 certifications provide the framework and tools to help achieve this




## Sustainability Steering Committee

Quarterly meeting to go over current position & plan future projects & goals

Attended by:

- SVP Operations
- SVP Marketing & R&D
- VPs Operations & Logistics
- VP Procurement
- VP Human Resources
- VP Category Management
- Quality Production Europe & FSC Central Office Manager
- Sustainability Manager Europe



# Results



## Key Achievements in 2017



### Zero Waste

We made good progress towards our goal of zero waste with 89% of total waste recycled and total scrap in kgs down 5%

### Supply Chain Responsibility

Suppliers of finished goods in risk countries mapped and audits carried out at nearly all sites (89%)

### Zero Accidents

Good progress made with more sites in total than reported in 2016 but accidents almost halved to 28.



# CO<sub>2</sub> Emissions



## Scope Emissions:

Scope 1 (direct emissions) and scope 2 (indirect emissions from consumption of purchased electricity, heat or steam)

All European manufacturing facilities were monitored from the start in 2010, except Arcos, Portugal and Lilyhall, UK (added in 2017). Lilyhall (pencil manufacturing) also runs a biomass boiler to heat the plant using waste material. This is not yet included in the 2017 data.

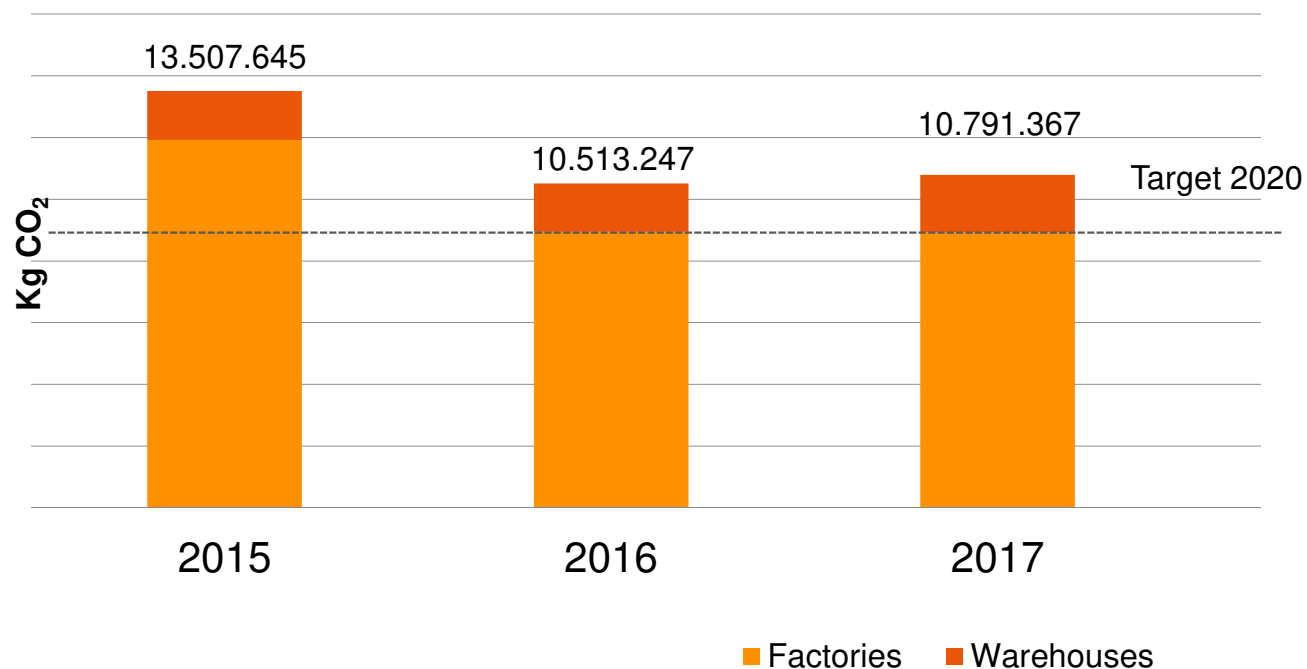
ACCO Brands EMEA also includes the Rapid Shanghai factory and warehouse.

\* Warehouses have been included since 2016, except Halesowen from 2017. The warehouses in Born and Tornaco are not included to date.

All facilities are listed on slide 7. Sales offices which are not physically part of one of the listed facilities are not included.

Scope 3 emissions from products are not included.

## CO<sub>2</sub> Emissions: ACCO Brands EMEA Factories & Warehouses\*



\* 2017 shows ACCO Brands EMEA, all previous years refer to legacy Esselte sites only  
Sites outside of EMEA removed from 2015 and 2016 for comparison. Hence figures are slightly different from previous year's reports.

Total CO<sub>2</sub> emissions in 2017 (according to scope on previous page) were 10.8k tonnes, 2.6% higher than 2016.

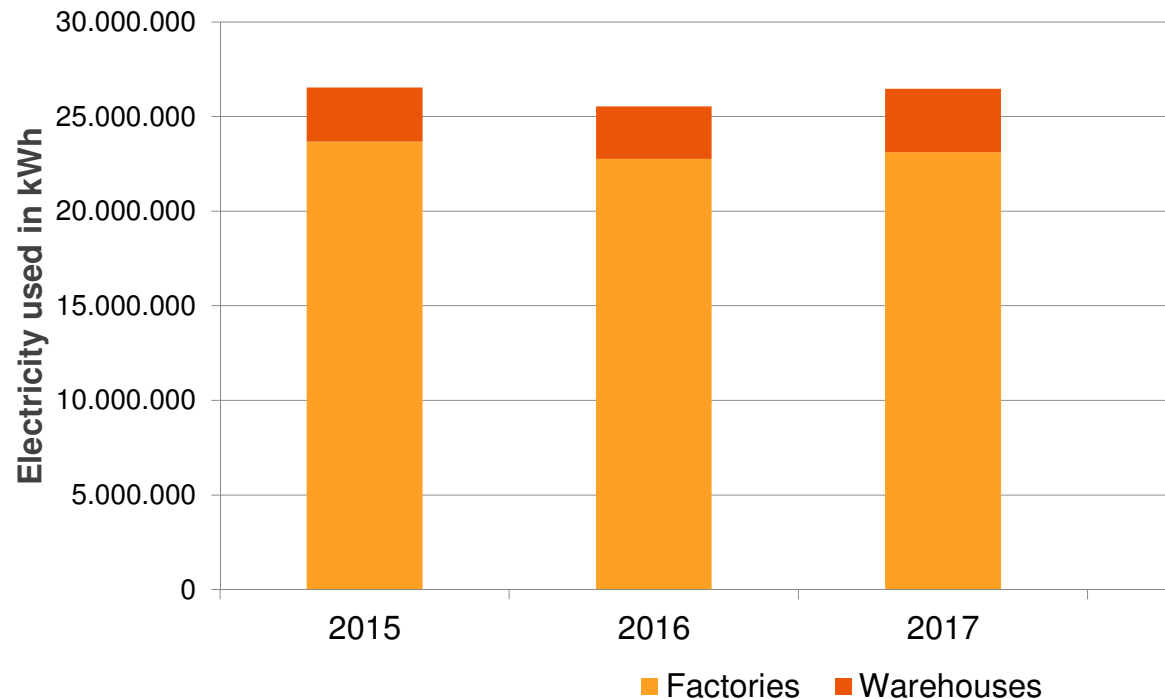
However, ACCO Brands EMEA and hence 2017 total includes two additional factories and one additional warehouse, which are not included in the 2015 and 2016 figures.

If we compare the same sites for 2017 and 2016, we have a 3% reduction in CO<sub>2</sub>.

Despite the additional sites, we hope to maintain our emissions goal of 9 450 tonnes of CO<sub>2</sub> by 2020, a 30% reduction on 2015 actual emissions or 33% on 2015 emissions plus the 2017 emissions of the additional 3 sites. However, in 2018 we must look into the biomass boiler in Lilyhall and how the emissions for this should be calculated.



## Emissions: Electricity in kWh\*



\* 2017 shows ACCO Brands EMEA, all previous years refer to legacy Esselte sites only  
Sites outside of EMEA removed from 2015 and 2016 for comparison. Hence figures are slightly different from previous year's reports.

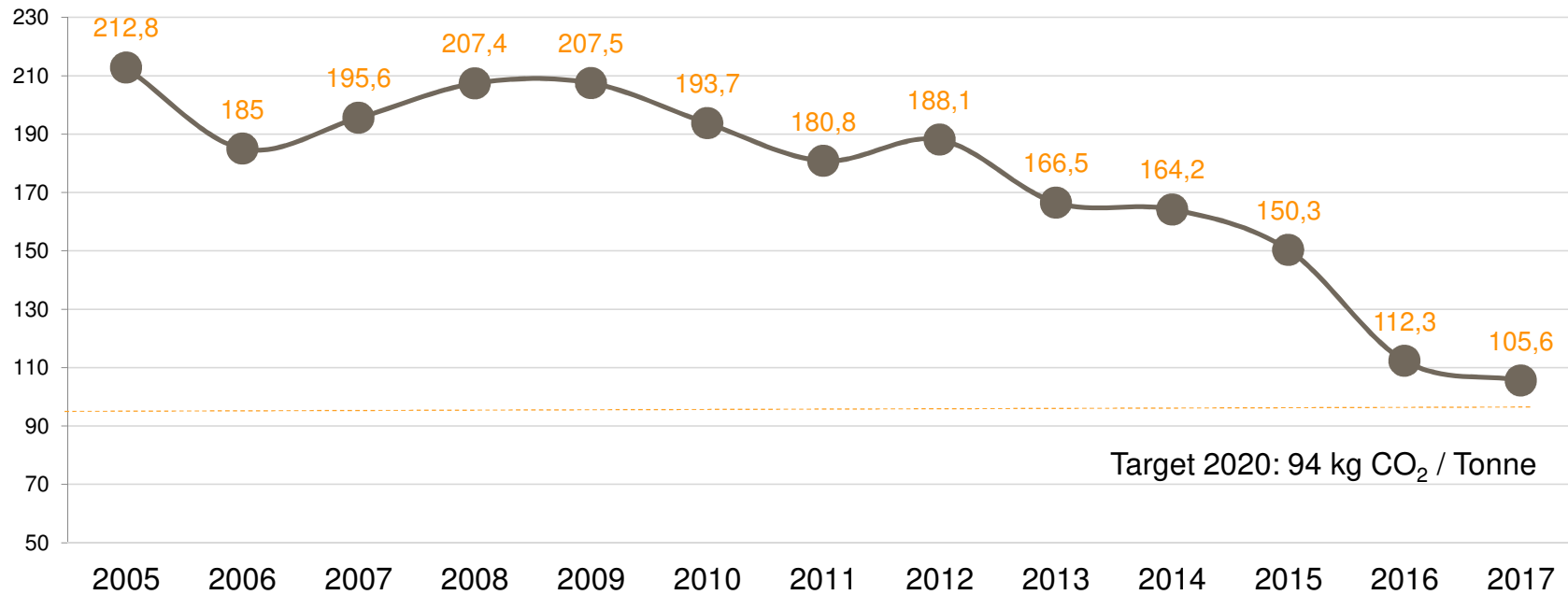
Total ACCO Brands EMEA electricity consumption (according to the scope on slide 15) was 3.6% higher in 2017 than in 2016. This was due to the addition of 3 additional sites (two factories and one warehouse) compared to the previous years.

If we compare the same sites for 2017 and 2016, we reduced electricity consumption by 4.6%.

Monitoring total electricity consumption helps us to focus on the key cause of measured emissions.

# ACCO Brands EMEA Manufacturing\*

## CO<sub>2</sub> Emissions in kg / tonne Production

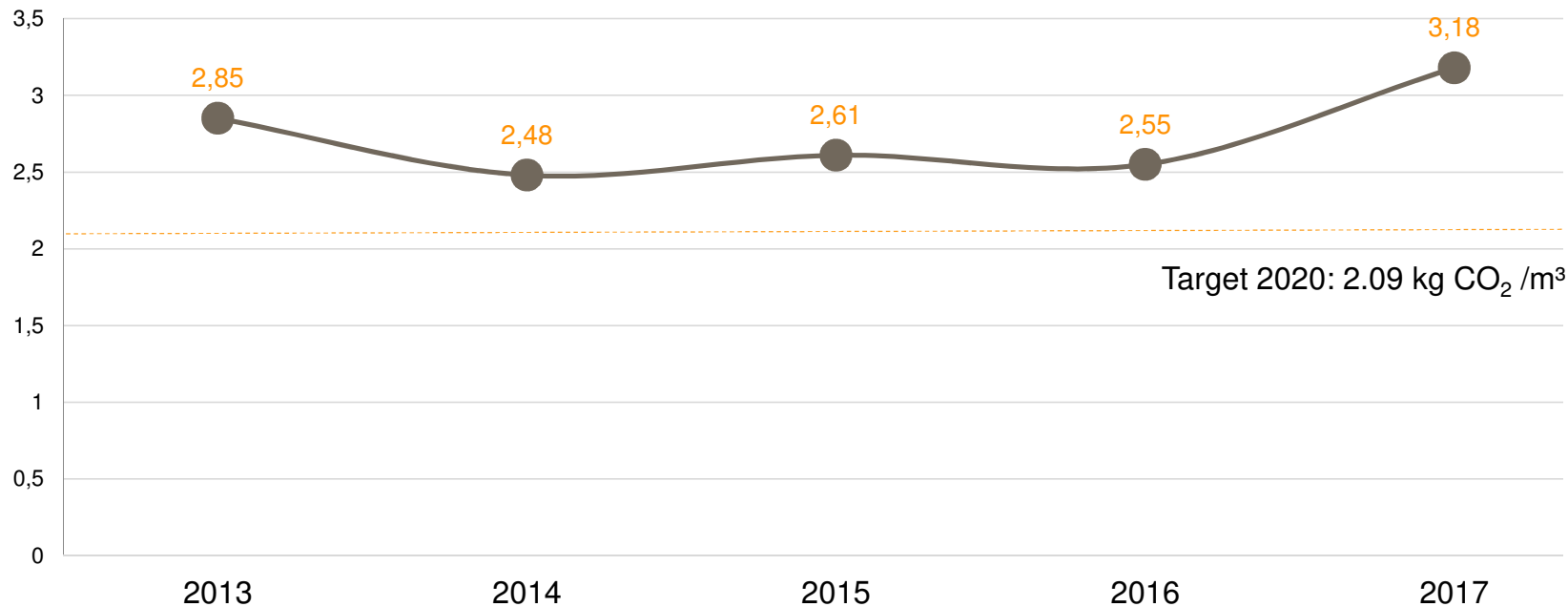


For the measured sites, the emissions / tonne produced has been further improved. 6 out of 9 sites which can be compared to the previous year improved. This result does however not yet include the Lilyhall site, which is a rather different set up to the other sites. We can therefore only draw final conclusions for the future, once that site is also included in the metric.

\* 2017, ACCO Brands EMEA according to scope on slide 15 but excluding Lilyhall. All previous years refer to legacy Esselte sites only  
Years can be compared as CO<sub>2</sub> is related to production volumes

## ACCO Brands EMEA Warehouses\*

### CO<sub>2</sub> Emissions in kg / m<sup>3</sup> Shipped



The warehouses require more heating than the factories, which use a lot of residual heat from machinery for heating. The winter was much colder than the previous year which required more heating in the buildings. This, plus a slight reduction in volumes going through some warehouses has lead to an increase in kg of CO<sub>2</sub> emissions / m<sup>3</sup> in 2017.

\* 2017, ACCO Brands EMEA warehouses except Born and Tornaco, all previous years refer to legacy Esselte sites only  
Previous years cover all sites reported in those years, comparable as CO<sub>2</sub> is related to volume shipped

## Reducing Emissions in the Sint Niklaas Warehouse & Offices

The heating system for the Sint Niklaas warehouse was replaced by a new high efficiency system in 2017. We expect to see the full effect of this in 2018.

In addition, a first wave of lighting in the warehouse has been switched from fluorescent lighting to LED. Each switched lamp uses around 60% less electricity. We plan to roll this out during 2018.







# Water Consumption



## Scope Water Consumption

2017: Total water consumption for all ACCO EMEA plants and warehouses except the \*warehouses in Born, NL, and Tornaco, IT, which are not included to date.

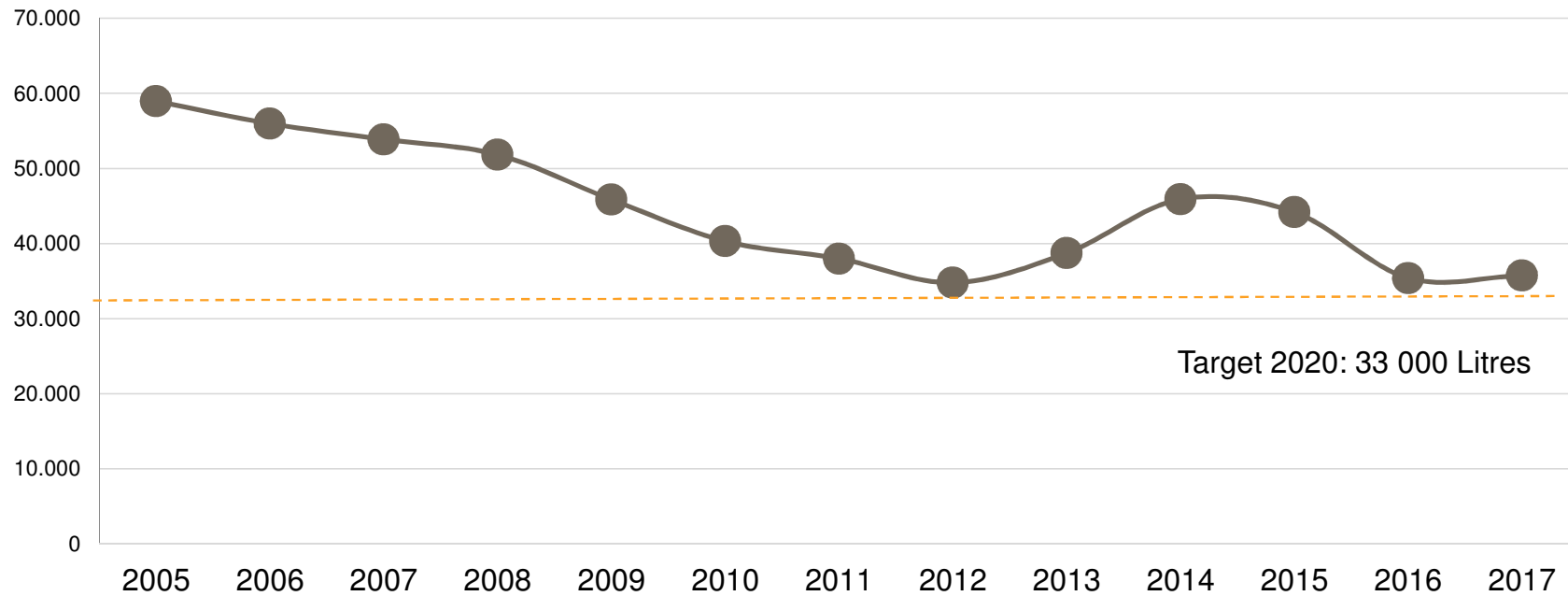
Previous years show the same scope of sites, except that data for Arcos, Portugal, Lilyhall, UK and Halesowen UK is not available.

All facilities are listed on slide 7.

Local sales offices which are not physically part of one of the listed facilities are also not covered but as these are generally small, we can conclude that these would not have a material impact on the result.

## ACCO Brands EMEA Water Consumption\*

Water consumer in 000 L



2017 includes water consumption for 3 additional sites which account for a total of 1 835 K Litres of water. This additional amount was almost completely evened out by savings in the other plants and warehouses meaning that in total in 2017, water consumption was only 123 K Litres more than reported in 2016.

This is a great result and we feel confident that we can still achieve the original target set of 33 000 Litres, despite the extra sites now being included.

- 2017, ACCO Brands EMEA, all previous years refer to legacy Esselte sites only  
2014 and earlier years show European manufacturing only, 2015 and 2016 also include the China factory & warehouse





# Waste Recycling





## Scope Waste Management

Aim: Zero Waste

Zero Waste is generally defined as 98% of waste being recycled. "Thermal recycling" (burning) is not counted as recycled and hazardous waste is not included.

Hence data for all types of waste is collected from all sites. We have some difficulties with recycling companies which do not disclose if waste has been "thermally recycled" but will work further to see if we can gain more knowledge on this.

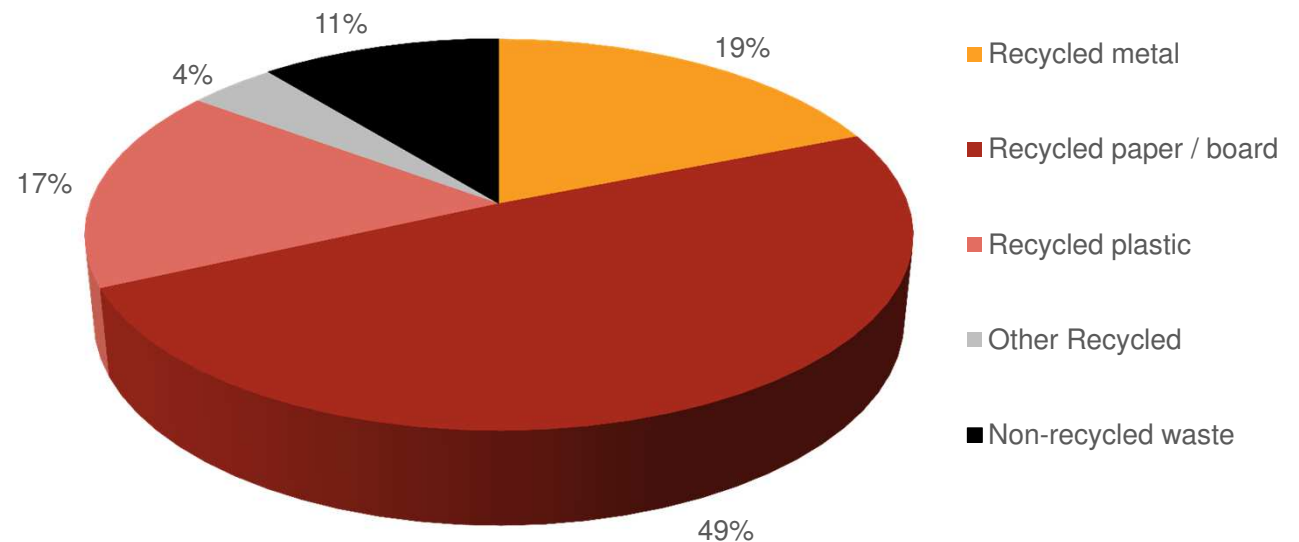
2017 data covers all ACCO EMEA plants and warehouses \*except the warehouses in Born, NL, and Tornaco, IT.

Previous years show the same scope of sites, except that data for Arcos, Portugal, Lilyhall, UK and Halesowen UK is not available. All facilities are listed on slide 7.

Local sales offices which are not physically part of one of the listed facilities are also not covered but waste volumes here are far smaller than at the plants and warehouses such that we can conclude that these would not have a material impact on the result.

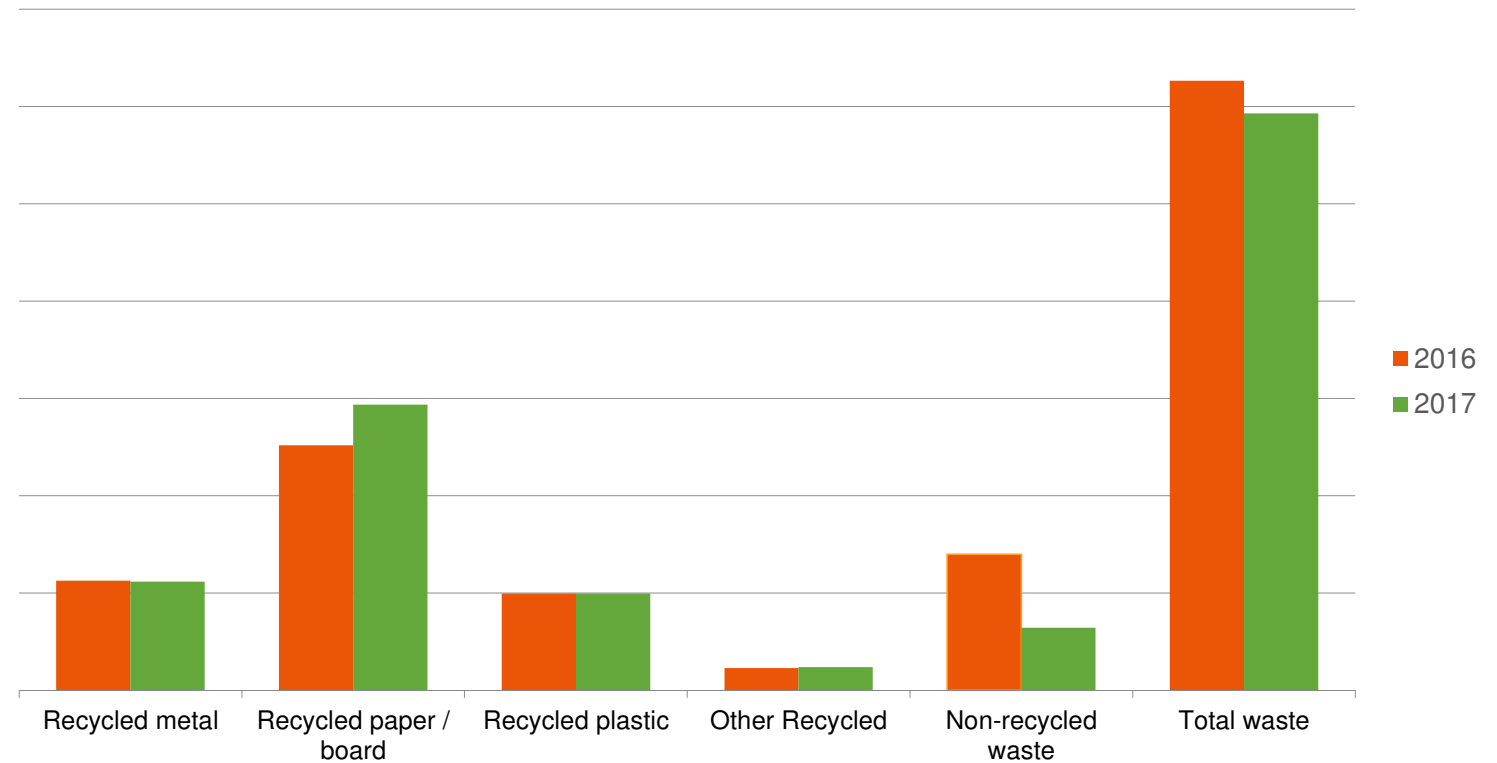
- 89% of all waste (excluding hazardous waste) was recycled in 2017 (Target 98%)
- This is already a big improvement on 2016, when only 77% of all waste was recycled.
- Some recycling companies do not report back as to exactly how much of the waste they collect from us is recycled back into materials and how much is “thermally recycled”. We need to look further into this.
- Key issue remains obsolete stock or scrap mixed-material products / parts which cannot be easily recycled
- Kaizen projects continue to focus on a reduction of total scrap.

Waste in kg 2017

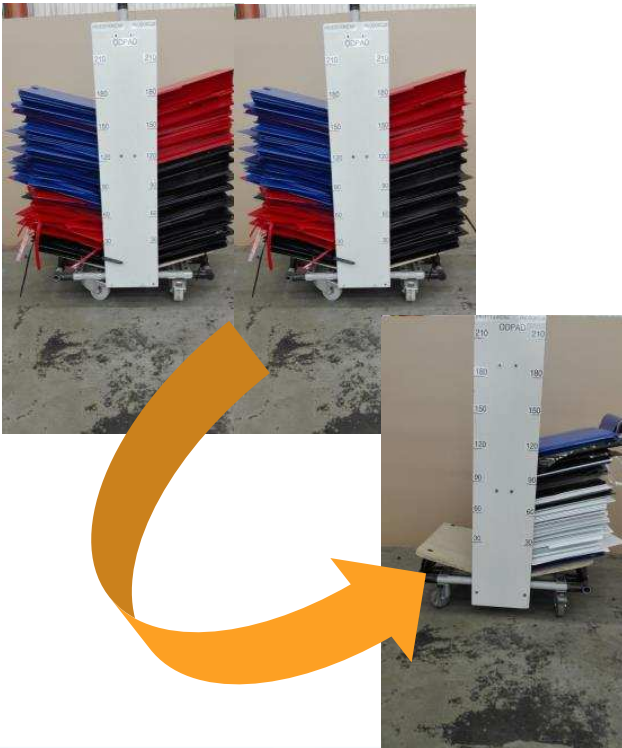


- Total scrap was down 5% in 2017, despite the addition of 3 further sites.
- If we compare the same sites for 2017 : 2016, scrap was down 12%

Waste in kg 2017



## Scrap Reduction Kaizen in Kozienice, Poland for Binders



### Aim

Aim to reduce scrap levels during machine set-up. Focus on areas such as raw materials, cleaning, machine issues

### Actions:

Implementation of Standard Work for quality and cleaning. New controlling procedures. Focus on maintenance. Focus on material damages to raw materials during storage and handling.

### Result:

83% reduction in scraps of flats during machine set up.



## Re-Using Binder Mechanisms



### Aim

To re-use mechanisms on files scrapped during production

### Actions:

Automatic drilling machine placed in line and mechanisms are removed from faulty files during production for re-use.

### Result:

By re-using the mechanisms we can save the scrapping of approx. 1.75 tonnes of steel every year.



# Paper Stewardship





Forests are the lungs of our earth, taking in carbon dioxide and “breathing” out oxygen. They provide us with fresh air; they give us space to spend our leisure time and revitalise ourselves; they provide a habitat for wildlife and a home for some. At ACCO, we understand the importance of protecting these landscapes and have made it a priority to help protect them.





## ACCO Brands EMEA FSC® Certification



The mark of  
responsible forestry

- The FSC® is dedicated to the promotion of responsible forest management worldwide. It helps take care of forests and the people and wildlife that call them home.
- ACCO Brands EMEA is proud to hold FSC® certification for our relevant manufacturing and administrative sites
- Our FSC® certified paper and board products are independently audited and help to promote and support the responsible management of forests.



## ACCO Brands EMEA FSC® Certification

- In 2017 we added a further manufacturing site and warehouse to our FSC® certification.
- Several new FSC® certified products were launched during the year, including notebooks, archive boxes and LAFs but after product phase outs, the net certified ACCO Brands branded products remained the same.
- The % of paper based raw materials which are FSC® certified is based on legacy Esselte sites as this information was not available from the legacy ACCO sites. However, we do know that the wood used for pencils at the Lilyhall (Derwent) factory is not FSC® certified which will have an impact on the result in coming years.

	31.12.2017
FSC certified factories & warehouses	8 (+2)
FSC certified sales offices	17 (+1)
FSC certified paper based raw materials*	80.75%*
FSC certified products 31.12.17.	1442

- Result for legacy Esselte sites. Data not available for remaining sites



The mark of  
responsible forestry

## Paper usage in Manufacturing & Shipping

	2015	2016	2017
% of paper purchased which is FSC® certified, or recycled	99.3%	99.4%	99.2%
Paper / Board from non-FSC, virgin Fibres	0.7%	0.6%	0.8%
Paper types in use:			
Recycled paper total*	95.4%	95.8%	96.4%
FSC® Certified paper*	83.6%	80.46%	80.75%

\* Paper can be both recycled and FSC certified  
Results for legacy Esselte sites. Data not yet available for remaining sites

- ACCO Brands is committed to the responsible use of paper and paper-based materials in the manufacturing of our products and used for our packaging.
- Our long term target is to source 100% of our paper used in the production of our products from FSC® certified or Recycled sources
- We need to work on gaining data from the additional sites which are missing this year.

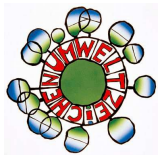


# Environmentally Preferable Products

## Product Philosophy

- **Quality lasts:** At ACCO, we firmly believe that the best way to reduce environmental impact, is to provide high quality, long lasting products. Having to replace broken or worn out products within a short space of time means the environmental impacts of raw material production, manufacture, transport of materials and finished goods and disposal of the old product are doubled or tripled. A study carried out in 2014\* showed, for example, that a Leitz stapler or hole punch is in use for approximately 10 years whereas a lower positioned model is used for only approx. 4 years. This means that in 10 years the user of a lower positioned model, causes roughly 2½ times the environmental impact than a user of a longer lasting model such as a Leitz Stapler or punch.

- **Recycled / Environmentally Responsible Materials:** Wherever we can, we use recycled materials. And when that is not possible, we aim to use responsibly sourced material, particularly when it comes to paper and board. We use externally awarded certificates and labels to validate these claims. Around 900 products carry the Blue Angel label for recycled paper (UZ14), cardboard (UZ56) and plastic (UZ30a). This includes the only transparent PP pockets & folders with a Blue Angel! Further products hold the FSC® Recycled label, the FSC® Mix label, the Nordic Swan label or the Austrian environment label.



Re-use before recycle:  
**Quality lasts**

**Reduce  
Packaging**



**Simple  
Materials  
Ease recycling**

**Sustainably  
Sourced  
Materials**

**Recycled  
Materials**

\* Total Cost of Ownership Study carried out for Esselte by Vocatus in 2014



# Environmentally Preferable Products

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## Branded Products with Environmental Labels

In 2016 we looked for a way to start to measure our product range and set a target for products which are environmentally preferable. Currently, we see no alternative for a non-subjective target than to measure the products which hold an environmental label awarded by a third party such as Blue Angel or FSC®. Of course, only certain products within a category can gain such a label and not all categories have applicable labels (e.g. computer accessories). We therefore hope in the future to use the SOFEA rating system, which provides a finer scoring, as a more accurate view on our products and progress.

With the merging of two companies in Europe in 2017, the product ranges naturally became broader and more complex. We now have some categories which were not reported previously, some categories are now broken down further and we have many additional products which historically did not have an eco label. It is our task in the coming years to increase the offer we have with an eco label where possible and search for further ways to offer customers an alternative in every category when they are looking for a lower impact product.

Product Categories	% Sales with Eco Label		
	2015	2016	2017
Lever Arch Files & Binders	81%	81%	79%
Indices & Dividers	47%	47%	42%
Pockets & Folders	1%	1%	1%
Document Presentation & Organisation	34%	35%	30%
Archive boxes & Storing	54%	54%	46%
Suspension filing	72%	72%	48%
Paper products (pads, forms and books)	84%	84%	64%
Desktop (Moulded)	0%	0%	0%
Lamination Machines % Suppliers	2%	0%	0%
Visual Communication	20%	19%	2%
General Office Articles	15%	15%	6%
<b>Total</b>	<b>52%</b>	<b>52%</b>	<b>52%</b>
Binding Machines & Supplies			0%
Shredders			0%
Drawing & Writing Instruments			0%

# Environmentally Preferable Products

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## Improved Packaging on Leitz Staplers & Punches



In the packaging for the New Nexxt range of Leitz Staplers & Punches, we have removed the PET “window” on the standard boxes. The boxes are now 100% paper based and made of approx. 90% recycled fibres.

By removing the window, we are saving around 10 tonnes of plastic!

Some retailers require a plastic clam pack. This makes up less than 5% of total sales and these have been switched from PVC to PET.

# The Office Products Industry: Working Together for more Sustainable Products

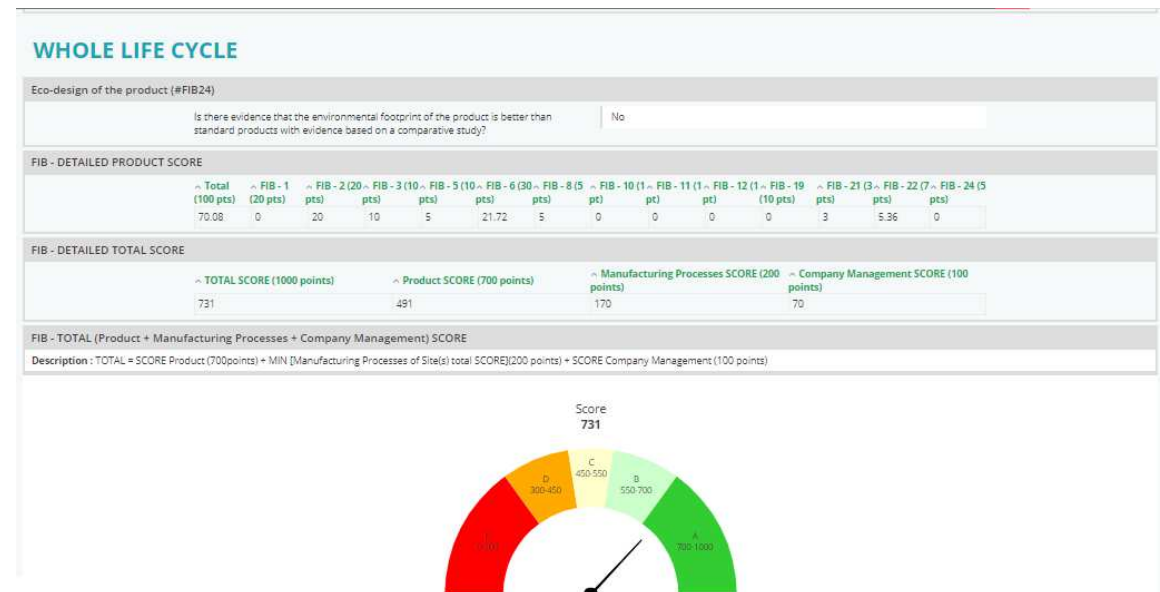


Work on the SOFEA rating system continued in 2017.

An online system has been developed for companies to enter their credentials, product details and evidence and to see what ratings their products will receive. The evidence is then checked by a third party auditor.

This system not only makes data entry for products very simple, it helps companies to see where their products score better or worse and hence where areas for improvement are. It also has the added benefit of storing documents such as certificates and declarations which could in the future then be directly accessed by customers. Customers could even be provided with standard reports regarding compliancy for product groups. This gives customers fast and accurate (audited!) product information.

As with all groundbreaking projects, there is a lot to do to get the system up and running and to convince some industry partners of the benefits of joining and dedicating time to this project! ACCO Brands continue to support SOFEA fully as a Founding and Board Member and member of various working groups.



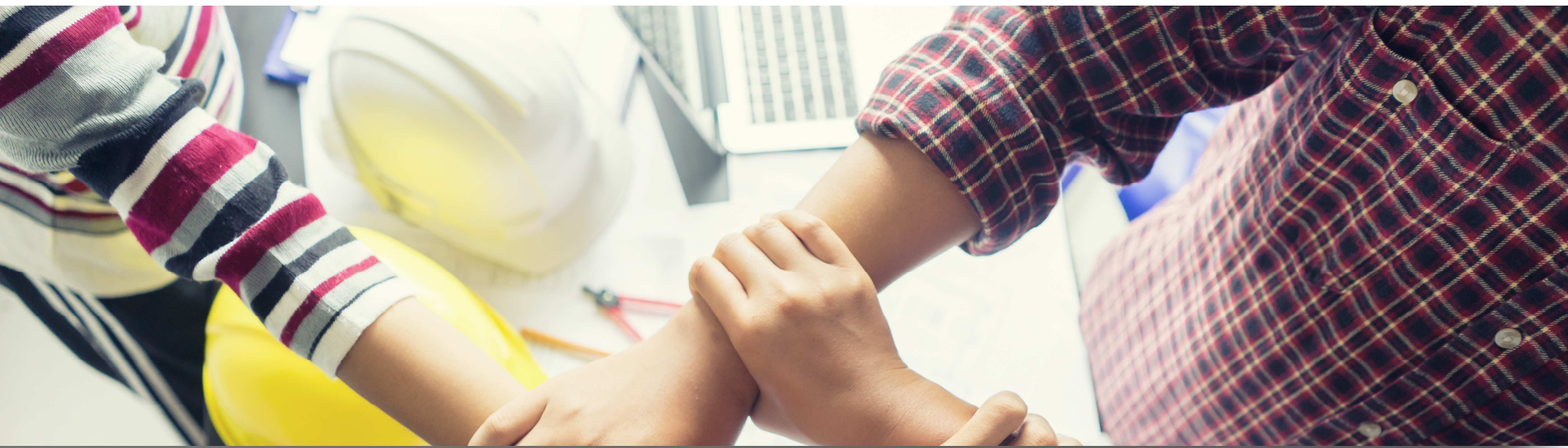
Simulation (not a real product / site)





# Good Working Relationships





Our customers trust in the brands they buy from us. They trust that they are buying good quality products made using good materials and manufactured under safe and fair working conditions. This is the promise that a brand makes and which we make to our customers. A stable and reliable supply chain is at the very core of a successful business. Without the hard and careful work of our suppliers, we cannot provide the high quality and innovative designs we promise. We therefore understand the importance of working together with our suppliers in order to fulfil this promise.

We value our suppliers and prefer to work with them long term to create benefits on both sides. Working according to the LEAN philosophy also requires this of our working relationships.

To ensure that our suppliers follow the same philosophy as we do, we ask them to sign our code of conduct. This is further strengthened by carrying out audits where we feel necessary and by continuing our work with FSC®, which demonstrates our commitment to responsible sourcing of pulp and paper.



## Supply Chain Responsibility

### ACCO Owned Facilities

- ISO 9001, 14001
- The ILO Declaration on Fundamental principles & rights at work forms the basis for social standards on every site.
- Follow the ACCO H&S policy and Comprehensive Environmental & Safety Management Plan with regular training
- Sustainability reporting: CO<sub>2</sub>, water, waste, paper & board use

### Suppliers

- Focus on long term relationships
- Must comply with REACH and are asked to comply with the ACCO Restricted Substances List
- Suppliers in risk countries: Must sign Supplier Code of Conduct
- Finished goods suppliers in risk countries: Audits covering social and environmental aspects carried out by UL and a strict follow up on the result is kept by the internal ACCO Vendor compliance team

### Products / Marketing

- Comply with REACH, RoHS, WEEE, packaging and all relevant EU regulations...
- Environmental labels: FSC®, Blue Angel & Nordic Swan certifications held for 2000+ products
- Use FSC® certified / Recycled paper & board
- Honest and transparent communication

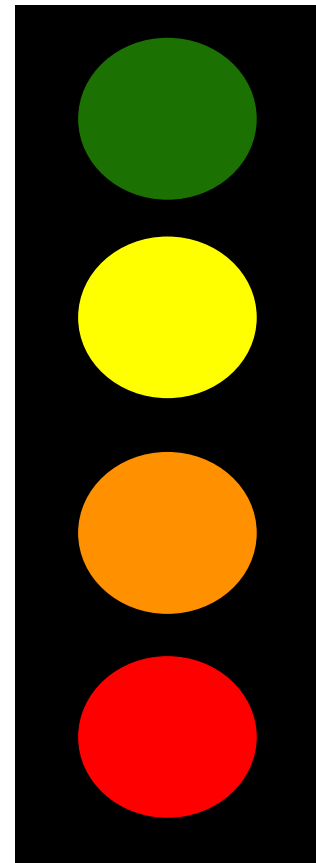
## Supply Chain Monitoring

We work together with our suppliers to ensure that our products are made in safe conditions, under fair working conditions and without damage to the environment.

In countries where the risk of a supplier not meeting our expectations is higher, we control this by carrying out regular (at least one per year) audits. The audits are carried out by a third party company and follow the a similar scheme to SMETA IV.

If non-conformances are found, then the ACCO compliance team sets a corrective action plan and works with the supplier on fulfilling it. The ACCO team also offers regular training for suppliers.

Suppliers also receive a numerical scoring (not published) which is used to measure progress from year to year.



### Acceptable

The factory complies with all applicable laws and regulations in the country in which it is doing business as well as the ACCO Brands Supplier Code of Conduct.

### Minor

ACCO provides the factory with a Corrective Action Plan and the factory must provide evidence of corrections.

### Major

Corrections are followed up according to deadlines set by ACCO Compliance Team. If a follow up audit is required, the supplier must pay.

### Zero Tolerance

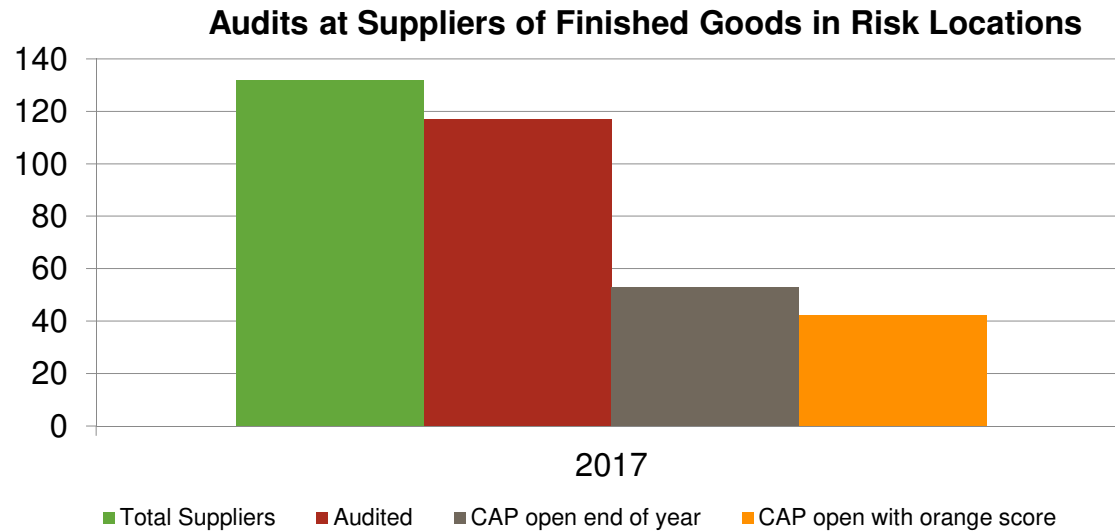
Unacceptable rating given for example due to child labour, prison / forced labour, physical/sexual punishment or abuse, life threatening health, safety, environmental issues, denied access

# Supply Chain Responsibility: Supplier CSR Ratings in 2017

In 2017, 89% of all suppliers were audited. No serious (zero tolerance) non-conformances were identified at any audits.

After each audit which does not result in a green rating, the ACCO compliance team sets a Corrective Action Plan with the supplier and works with them on the completion of that plan. By the end of 2017, 55% of all CAPs were completed (some audits also took place in November / December.)

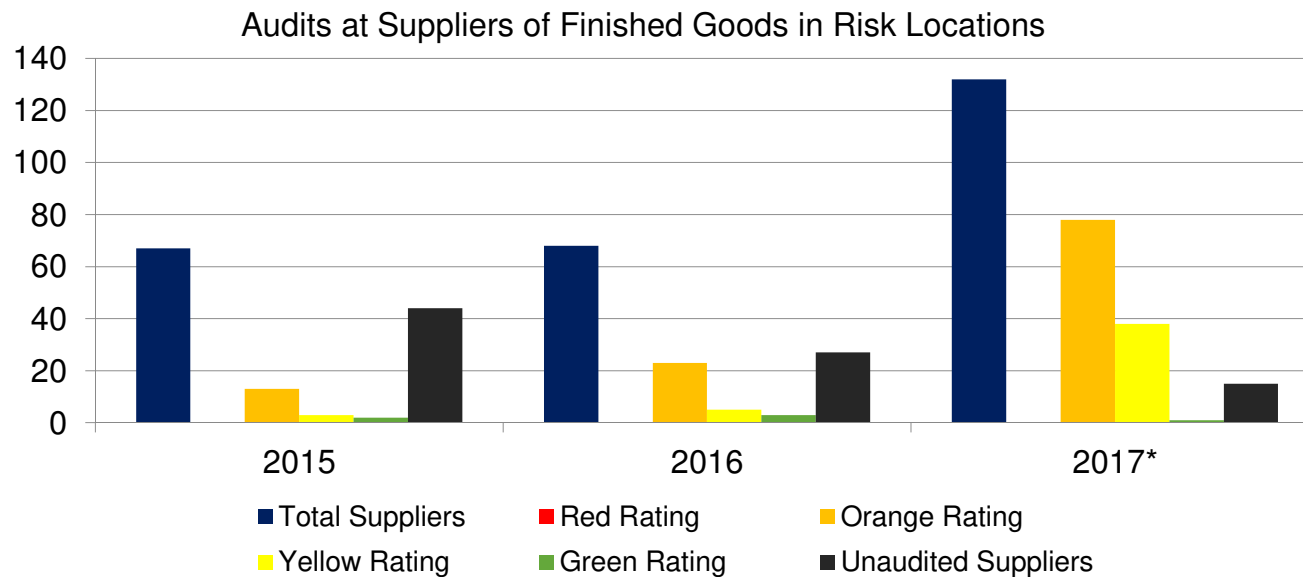
Of those audited, at the end of the year, 36% of suppliers still had “orange” level points to close on their CAP. The work on improving on this of course carries on into 2018.





# Supply Chain Responsibility: Supplier CSR Ratings in 2017

We have many more in scope suppliers since our two companies came together. In 2017 we audited almost all of these. The final few will be covered in 2018. On the whole, the supply responsibility programme is now broader and more intense than in previous years.



\* 2017 refers to all ACCO Brands EMEA suppliers. All previous years refer to legacy Esselte suppliers only



# Health & Safety



ACCO Brands EMEA is committed to pursuing continuous improvement in Health & Safety within all our locations and to attain our goal of zero accidents and zero incidents. This is our Mission Zero!

In order to achieve this, we have implemented the “Comprehensive Environmental and Safety Management Plan” as an overall management system. This plan is activated in every ACCO Brands EMEA location.

We strive to achieve a culture where all employees contribute and take ownership for creating and maintaining a safe working environment.





In 2017, ACCO Brands EMEA was awarded the ROSPA Order for Distinction for having received 21 consecutive Gold Medal Awards. This shows that our approach to providing safe and healthy workplaces for our employees is a sustainable one.

The RoSPA Awards are open to businesses and organizations of all types and sizes from across the U.K. and overseas. Judges consider entrants' overarching occupational health and safety management systems, including practices such as leadership and workforce involvement.







Teams look for areas of potential risk or react to “near misses” by looking for ways to prevent a re-occurrence of the event.



## Improving Ergonomics and Workplace Fatigue

Kaizens help to find ways to improve the flow of materials. In our Arcos factory, some large and complex machines with many parts are assembled. For example, a Kaizen carried out at the System 3 Cell, making the Velobind and Surebind machines, introduced a trolley for the assembly which is designed so that the operators no longer have to lift the 30kg product to assemble it. Walking distance to produce one unit was reduced from 222m to 50m.



# Healthy and Safe Work Environment

## Total Statutory Reportable Accidents at Factories & Warehouses

Facilities Europe	2014	2015	2016	2017
Kozienice, Poland	11	6	16	9
Stuttgart, Germany	1	0	0	0
Uelzen, Germany	3	6	2	2
St Niklaas, Belgium	4	5	1	2
Gorgonzola, Italy	3	5	4	0
Cerkezkoy, Turkey	3	1	0	1
Lanov, Czech Republic	2	12	7	4
Hotkovo, Russia	0	0	0	0
Hestra, Sweden	4	4	8	1
Arcos, Portugal	0	1	0	0
Lilyhall, UK	0	0	0	0
Shanghai, China	20	11	2	4

Warehouses	2014	2015	2016	2017
Heilbronn, Germany	13	9	4	1
St. Amé, France	3	7	4	3
Halesowen, UK	1	1	0	0
Barcelona, Spain	1	0	0	1
Other warehouses				0
<b>Total Accidents</b>	<b>69</b>	<b>68</b>	<b>48</b>	<b>28</b>





# Results & Outlook

## ACCO Brands EMEA Sustainability Scorecard 2020: Environmental Impact & Paper

	Target 2020	Target change from 2015	2016 Result	2017 Result	Progress	
<u>Emissions:</u> CO <sub>2</sub> Factories CO <sub>2</sub> Warehouses Total CO <sub>2</sub>	94 kg/Tonne 2.09 kg CO <sub>2</sub> /m <sup>3</sup> 9 450 T CO <sub>2</sub>	-25% -20% -30%	112.3 kg CO <sub>2</sub> /T 2.46 kg CO <sub>2</sub> / m <sup>3</sup> 10 544 T CO <sub>2</sub>	105.6 kg CO <sub>2</sub> /T 3.18 kg CO <sub>2</sub> /m <sup>3</sup> 10 791 T CO <sub>2</sub>	Results are satisfactory although scope must be broadened, for example to cover the Lilyhall Biomass boiler.	😊
<u>Water Consumption:</u> All Factories & Warehouses	33 000K Litres	-25%	35 646 K Litres	35 742 K Litres	Additional 3 sites using 1 834 K Litres of water compensated by savings at other sites!	😊
Zero Waste	98% of total waste recycled	+21%	77% of total waste recycled	89% of total waste recycled	Good progress, total scrap also down as well as recycling rate up!	😊
FSC® /recycled paper used in manufacturing	100%	+0.7%	99.4%	99.2%	Still very close to our target. However, 3 sites are missing from this result, a focus for 2018!	😊
Env. Preferable Products % sales of branded products which have an Eco Label in categories where label is available	54%	+2%	52%	52%	Few additional products with an Eco Label in 2017.	😐

## ACCO Brands EMEA Sustainability Scorecard 2020: Good Working Relationships

	Target 2020	2017 Result	Progress	
Tier 1 suppliers signed up to the ACCO Brands Code of Conduct	100%	93% of non-European OEM suppliers have signed our Code of Conduct.	This is higher than the % in previous years, despite having more suppliers. This gap arose from integration issues and will be covered asap.	😊
Suppliers of Finished Goods in Risk Countries audited	100%	89%	Up from 55% in 2016 and we now have about twice the number of suppliers in scope.	😊
Audited Suppliers on Level Green or Yellow	100%	Audit result yellow or green: 33% Total suppliers with closed CAP or on level yellow / green: 64%	Follow up ensures that NCs are closed off. Good progress but still more to do!	😊
Supply Chain (tier 1) Mapped in detail and risk assessed	100%	Finished Goods & Raw Material suppliers for EMEA are known but not fully documented (mapped & risk assessed)	This task has been carried out for the highest risk group of suppliers, non-European OEM. Covering all suppliers in detail will be a complex task.	😐
Zero Accidents	0	28	Drastic reduction in the number of accidents from 48 in 2016!	😊





Our Sustainability programme remains at the core of what we do.

We will continue to focus on our targets and key projects and monitor our progress to grow and strengthen our programme.

We are working to ensure that every consumer can continue to trust that the brands they buy from us are products which are developed and produced in a responsible way with as little environmental impact as possible.

**ACCO Brands EMEA**