

CORPORATE SOCIAL RESPONSIBILITY



> Circular economy

Renewable energy

Responsible traceability

Employee development

Territorial solidarity

2015 Report
2014 activity

Anchoring **our products** within a logic of **sustainable** resources and reduction of **environmental impacts** throughout their whole **life cycle**, from production to recycling.



EDITORIAL
Hubert de Boisredon
Chairman and Chief
Executive Officer
of Armor Group



Corporate innovation at the heart of strategy. Many companies are talking about it.

At Armor, our goal is to make this vision a reality through **shared actions**, and to measure their impact. This CSR report reflects this **drive for progress and openness**, in line with our commitment to both the United Nations Global Compact and the International Council of Chemical Associations' Responsible Care initiative.

What emblematic actions have been undertaken since the last report?

- The opening up of our capital to almost 300 employees, following the acquisition of the majority of the capital by the management team
- The creation of three new subsidiaries (South Africa, Mexico and India) to offer our customers improved service in Thermal Transfer ribbons, consolidating a record-breaking customer satisfaction level of almost 97% worldwide
- The launch of the OWA remanufactured cartridges offer, combined with a free collection service and ecological processing that promotes the circular economy
- The first sales of En'Safe current collector films, which improve the performance of electrical batteries.

This really is our raison d'être: **to serve our customers** products that meet the **challenges of tomorrow's world**.

ARMOR

INDUSTRY FOR PEOPLE

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

CSR Ethics and Governance

Ethics

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

CSR management and transparency

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

Awareness-raising

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

Stakeholder involvement

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

Renewable Energy

Greenhouse gas emissions

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

Energy consumption

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

Transport and logistics

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

Renewable energy

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

Circular Economy

Collection

- 22 Launch a test phase for the REC'PET Partners recycling service for French customers: collection and processing of used rolls (AICP) > 2014 100%
- 23 Launch a circular economy product offer (AOP) > 2015 20%
- 24 Increase the volume of empty cartridges collected from our customers by ourselves, in accordance with our commitments to the French Ministry of Ecology, Sustainable Development and Energy (AOP) > 2013 100%

Recovery

- 25 Source suitable recycling processes for all significant waste, ensuring traceability and recovery (AICP Brazil) > 2013 50% (AOP Poland) > 2015
- 26 Bring the material waste recovery rate of end-of-life cartridges up to 100% (AOP) > 2013 100%
- 27 Recycle waste from inked PET film (AICP USA) > 2013 75%
- 28 Recover organic waste from the company restaurant (AICP France) > 2013 100%

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

Employee Development

Health and safety

- 29 Organise a confidential, periodic medical check-up for all employees, adapted to their role (AICP USA, Singapore / AOP Morocco, Poland) > 2013 100%
- 30 Deploy the SAFE Com' training programme on behavioural safety (AICP France) > 2014 68%
- 31 Set up a health and safety management system and gain OHSAS 18001 certification (AOP Morocco) > 2015 75% (AICP Brazil, China, Singapore) > 2015 60%

Non-discrimination

- 32 Create an employee welcome booklet in the languages of the nationalities represented (AICP Brazil, China, Singapore) > 2013 70%
- 33 Measure equality of promotion opportunities (France) > 2013 100%

Competences

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

Quality of life at work

- 36 Comply with the ILO C183 convention on 14-week maternity leave (AICP USA) > 2013 100%
- 37 Analyse the impact of becoming compliant with the ILO C132 convention on paid leave (3 weeks) (AICP Singapore) > 2013 100%
- 38 Measure and analyse compliance with the SA 8000 standard on overtime: a maximum of 12 hours per week and 1 day of rest, i.e. 24 consecutive hours per week (AICP Brazil, USA, Singapore / AOP Morocco) > 2013 88%
- 39 Improve the workplace environment: staff room, meal area, company restaurant, social area, workshops, lockers (AICP France, USA / AOP Morocco) > 2013 100%

Responsible Traceability

Reduction of impacts

- 40 Set up an environmental management system and gain ISO 14001 certification (AICP Brazil, China, Singapore) > 2015 60%
- 41 Conduct Product Life Cycle Analysis (AICP France) > 2016

Labelling and raising public awareness

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

Territorial Solidarity

Responsible purchasing and suppliers

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

Disability

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

Local involvement

- 52 Join a local association of companies for sustainable development (AICP Brazil, China, USA, Singapore / AOP Morocco, Poland) > 2013 30%
- 53 Contribute to a local community development project which involves employees (Group) > 2015 20%
- 54 Facilitate childcare for employees of Armor, activity zone companies and the local authority (France) > 2015 30%

*French fund for the professional inclusion of disabled people

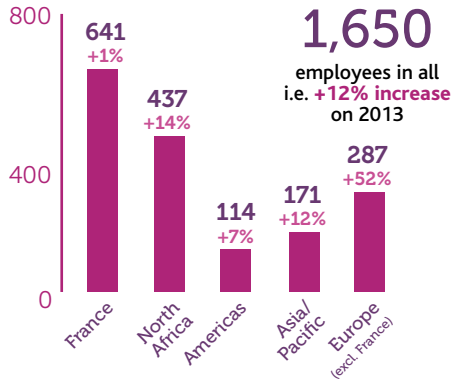
WORKFORCE - GENDER BALANCE - DIVERSITY

Workforce*

1,782

Armor Group workforce

Workforce breakdown within report scope



- Revalis, which is responsible for the collection, sorting and dismantling of laser cartridges in Morocco, was acquired by Armor in 2014, and is included within the report scope.
- Excluded from the scope of previous reports, Artech Moravia's remanufactured inkjet cartridges activity was transferred to the Polish site in 2014. As a result, Artech Polska's workforce has fluctuated (up 54% in 2014), using fixed-term contracts.

Gender balance



2014 objective: 50%

Proportion of women in the workforce



- Recruitment in Poland has mainly favoured women, slightly increasing their representation within the group's workforce.
- Women are also better represented within our growing management team, thanks to significant progress in France.
- On average, in France, 18% of corporate board members are women.

33%
of management posts are occupied by women

Disability



Proportion of employees having a disability in France

5.8%

2013: 6.1%

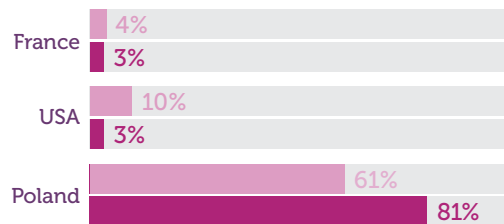


2014 objective: 6%

35

employees with a disability:
2.4% of the group's workforce
down by 10% in comparison with 2013

Proportion of services purchased entrusted to organisations employing mainly disabled people (exclusive of technical services)



2013 ■ 2014

The workforce has been growing since 2011 (up 25%) despite a decrease in 2014, which was related, in part, to work-study contracts coming to an end. Armor has however developed a partnership with an ESAT (sheltered employment centre for disabled people), relating to a packaging service at one of its sites, so that the beneficiary units* are deducted for the benefit of its customers.

*One beneficiary unit is the equivalent of one full-time disabled worker.

Action plans
49, 50, 51

- The volume of these purchases has grown overall (up 46%) thanks to the efforts of the Polish subsidiary (purchase of cleaning services), compensating for the reduced involvement of the French and American sites.
- The other subsidiaries do not buy this type of service for the time being.

Report scope: all of the group's production sites with the exception of Armor India, Armor Mexico and Armor Africa.

HEALTH AND SAFETY

Workplace accidents ☹️

19

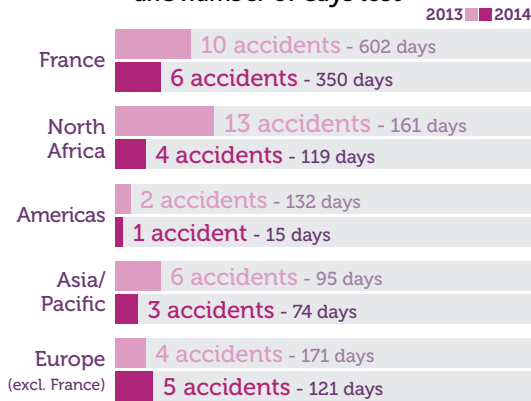
Accidents
2013: 35



2014 objective: 0 accident

Action plan
30, 31

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



- The drive to foster a safety culture, in particular by setting up a management system across all the sites, has contributed to a reduction in the number of accidents (down 46%) and the resulting number of days off (down 42%).
- The average number of days off per accident is 35.7. This last figure remains high in France (58.3 vs 61.4 in comparable sectors of activity*) following one employee's serious accident in 2012, who was off until October 2014.

*source UIC (2013 data)

Check-ups 😊

Proportion of the workforce offered regular medical check-ups

100%

2013: 100%



2014 objective: 100%

In line with the commitment made by management in 2013, all of the group's employees can now take advantage of regular medical check-ups commensurate with their professional role.

Action plan
29

SOCIAL DIALOGUE 😊

Proportion of workforce covered by a Health and Safety Committee

96%

2013: 91%



2014 objective: 95%

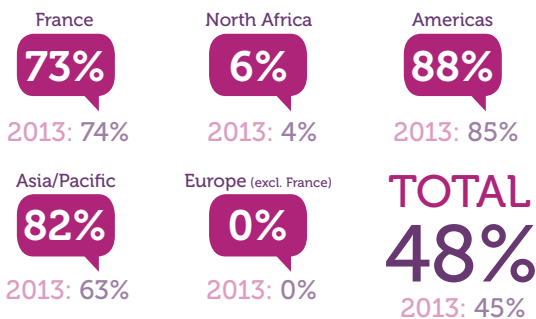
Revalis, newly integrated to the group and to the scope of the report, does not yet have a Health and Safety Committee.

Action plan
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COMPETENCES

Individual interviews ☹️

Proportion of workforce having benefited from an individual interview



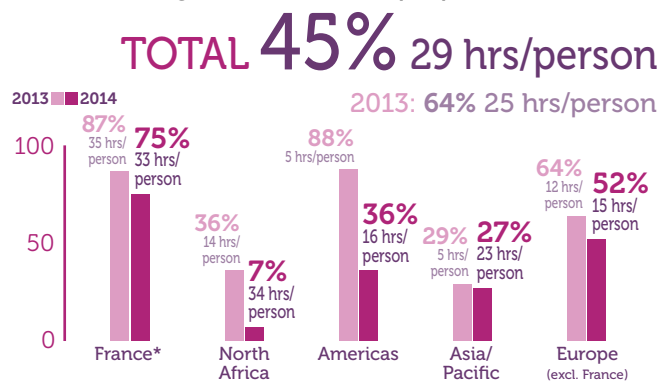
2014 objective: 55%

Action plan
34

In Poland, training for new recruits was prioritized over interviews. In Morocco, Human Resources is gradually taking shape, with the creation of a skills framework that will ultimately allow interviews to be conducted for production staff.

Training courses ☹️

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




The 19,000 hours dispensed were concentrated on individual rather than group courses, such as those offered to three safety delegates in China, as part of the OHSAS 18001 certification project, or those in Morocco, where the Human Resources Department has been reorganized. In France, the Armor University has awarded qualifications to 119 people since 2011 (that is, to 43% of operators).

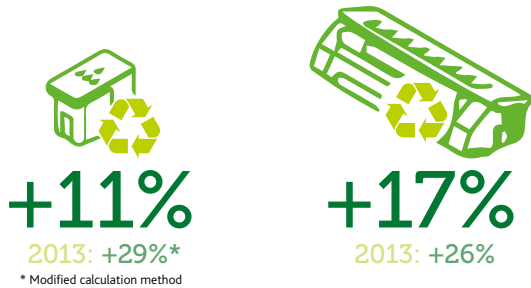
Action plan
35


* training courses of more than 4 hours

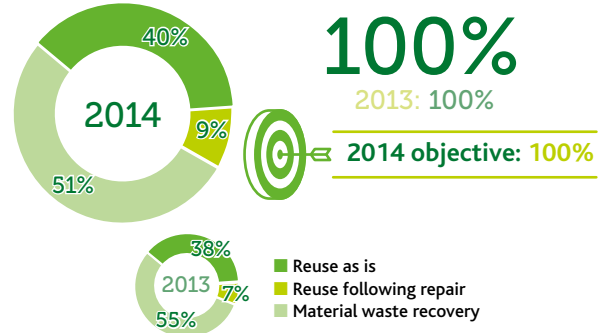
PRODUCT IMPACTS


Circular economy

Growth in the volume of cartridges collected by us 



Reuse and material waste recovery for the cartridges collected 



 **2013 Objective: +5% (companies) and +10% (general public)** according to the voluntary collection agreement signed in 2011

Action plans
23, 24, 26, 43

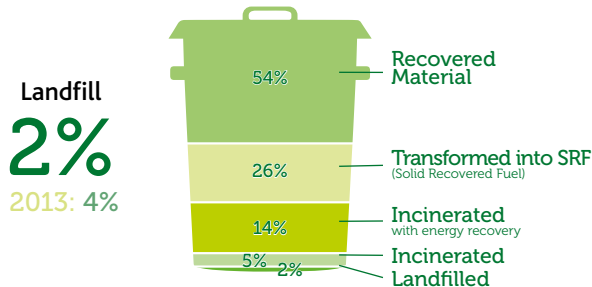
+1.5%  **1,937 t**
waste avoided (in metric tons) 2013: 1,908 t

The integration of Revalis to the group in 2014 was the first stage in the 2015 launch of the OWA offer, providing the collection, 100% recovery and personalized traceability of remanufactured laser cartridges.

SITE IMPACTS

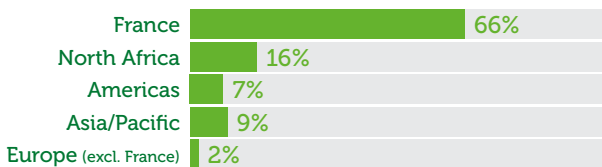
Waste

Breakdown of waste by treatment type



 **2014 objective: 0% landfill**

Breakdown of waste, by zone



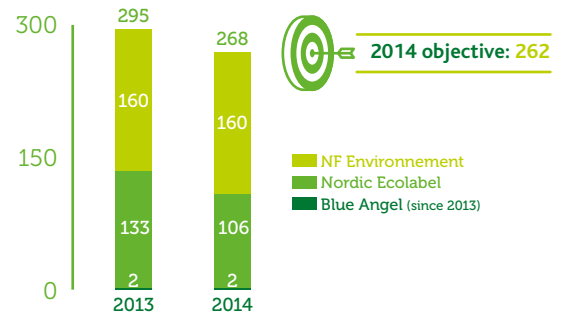
Quantity of waste generated per metric ton produced
264 kg/t
2013: 285 kg/t

The rate of material waste recovery is rising with the integration of Revalis as well as the efforts made by each site. In the same way, recovery of inked film in CSR is developing at international level (USA, Singapore). Only the Polish site still sends a proportion of its waste to landfill.

Action plans
25, 27, 28, 40

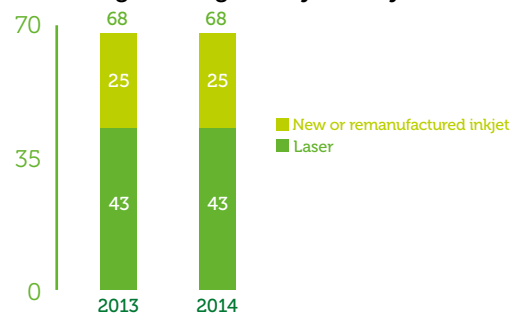
Eco-labelled references

Number of laser cartridges references bearing an eco-label



Environmental labelling

Number of cartridges references bearing environmental labelling following a life-cycle analysis



Top priority has been the renewal of our Nordic Ecolabel licence, which entails meeting the new standards published in 2014. Because of this, the volume of eco-labelled articles (which has fallen since 2013) explains the stagnation in the number of references having benefited from environmental labelling.

Action plans
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ENERGY SAVING

Electricity consumption ☺

Evolution of consumption per metric ton produced

-6%*

* -2% on a like-for-like basis in comparison with 2013

2014 objective: **-5%**

Gross consumption
25,448 MWh
2013: 24,250 MWh

Although overall consumption is increasing (up 5%), electricity usage is more efficient, with the exception of the Polish and French sites.

In France, overconsumption can, for the most part, be attributed to the growing demand of new activities relating to renewable energies, in test phase at industrial level.

Action plans
13, 14, 40

Gas consumption ☹

Evolution of consumption per metric ton produced

+9%*

* +14% on a like-for-like basis in comparison with 2013

2014 objective: **-5%**

Gross consumption
28,787 MWh
2013: 23,771 MWh

As with electricity, the new activities account for around half of the additional consumption.

Furthermore, a malfunction on the energy recovery exchanger had to be compensated for over a period of two months by complementary gas consumption of 3.5 GWh to meet demand.

FIGHTING GLOBAL WARMING

Carbon audit, France ☹ (under the Grenelle II law)



27,216
metric tons of CO₂ equivalent

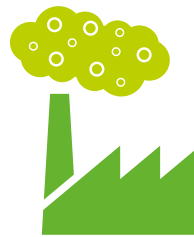
+10% 2013: +3.8%

This increase is mainly due to gas consumption at the La Chevrolière site. An initial carbon audit (scopes 1 and 2*) conducted at group level brought this impact to light at 50% of emissions, followed by electricity and VOCs (10% each). The La Chevrolière site alone represents 80% of emissions.

Action plans
14, 15, 16, 17

* Scope 1: emissions from the combustion of gas, of fuel for owned vehicles, refrigerant gas leaks and VOC production. Scope 2: emissions from electricity production

VOC emissions ☺ (Volatile Organic Compounds)



2014 objective: **14.6**

13.8
VOC/m² produced
at the La Chevrolière site
(index base 100, year 2003)
2013: 12.9

The increased emissions level remains within the regulatory limits, in spite of the scheduled shutdowns necessary to maintaining optimal incinerator operation.

INVOLVEMENT WITHIN THE COMMUNITY

STAKEHOLDERS

New Customers ☺

AICP customer satisfaction rate

Region	Highly satisfied	Satisfied	Dissatisfied or Unsatisfied
Europe/Africa/Middle East	48%	50.9%	1.1%
Americas	43.5%	51.8%	4.7%
Asia/Pacific	16.4%	79.3%	4.3%

Proportion of customers satisfied and highly satisfied **96.9%** 2012: 93.7%

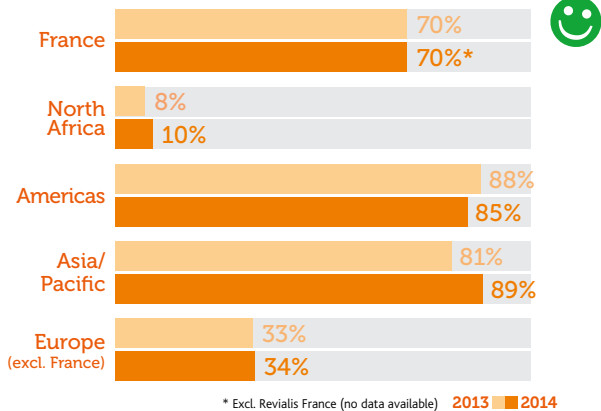
2014 objective: **96%**

The AICP customer survey has been conducted worldwide every two years over more than ten years, now achieving its best ever satisfaction scores throughout the world and in Europe in particular.

STAKEHOLDERS

Suppliers

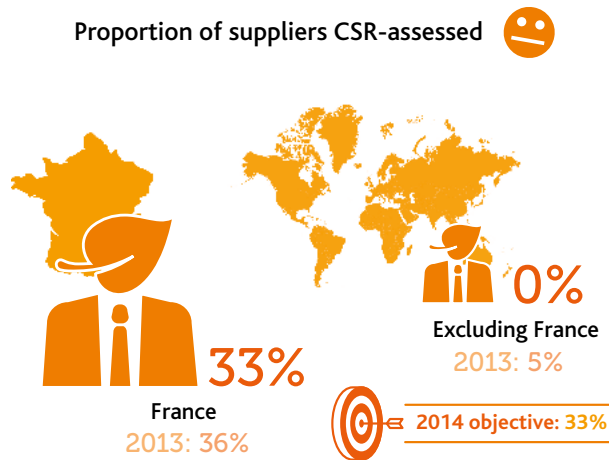
Proportion of local purchases⁽¹⁾ (excl. intra-group purchases)



Following a significant fall in 2013 (73%), the proportion of local purchases by the Chinese subsidiary has once again exceeded 90%. The indicator remains stable.

(1) Local purchases = purchases made within the country

Proportion of suppliers CSR-assessed



Because of the increased number of strategic suppliers, the evaluation rate has not evolved much in France, although CSR awareness has still risen from 54% to 61%. Moreover, this necessitates additional support to the supplier and purchasing teams for the rest of the group.

Action plans # 44, 45

CSR ambassador

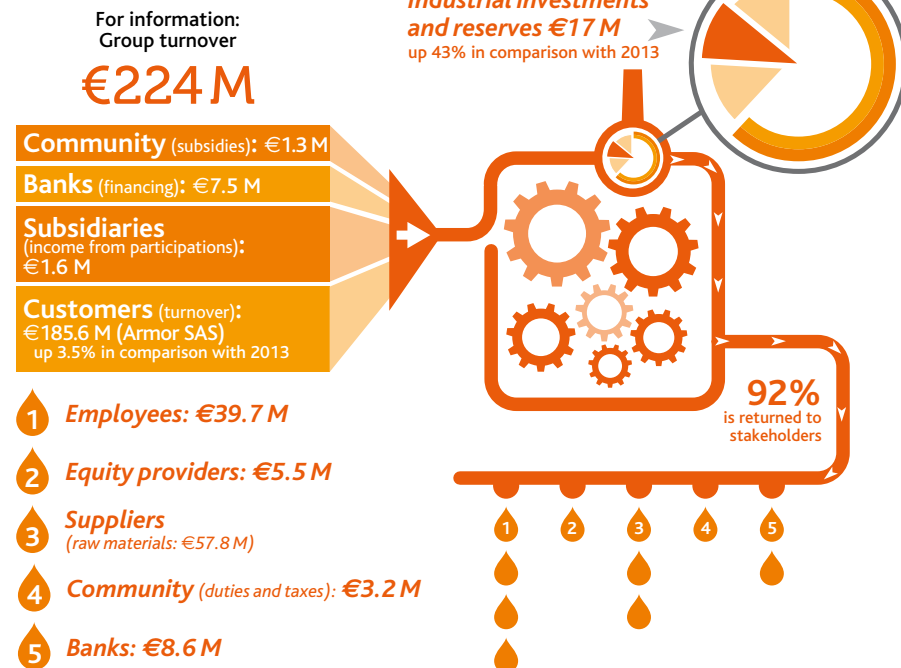
100

CSR promotion actions
2013: 106

These are visits organised at various sites (schools, entrepreneurs, local communities, etc.), forum participation (employment, training, etc.), interventions at trade fairs and events relating to sustainable development and to CSR.

Action plans # 44, 52, 53

Economic value created and distributed (Armor SAS scope)



Further information at:
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