

CORPORATE SOCIAL RESPONSIBILITY

REPORT 2014



EDITORIAL

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Officer of Armor Group



2013 ACTIVITY - INDICATORS

Armor's commitment to sustainable development is now, more than ever, at the very heart of our strategy, through:

- our five top priorities: responsible traceability, circular economy, renewable energy, employee development and territorial solidarity
- our values, which guide our professional behaviour: humanism, innovation, commitment, customer service
- our CSR action plan, which drives our everyday activity

Since our principles of action are stabilised with a long term horizon, this year we have decided to publish an update to the 2013 CSR report for 2014, including:

- revised performance indicators, complete with a few insightful and succinct remarks
- a progress report on actions initiated in 2013, and a presentation of the 2014-2016 plan of actions

This 2014 report restates our support for the United Nations Global Compact and reflects the progress made in 2013 on its 10 principles, concerning such areas as: human rights, employment law, the environment and the fight against corruption.

Within the pages of this report, it is my hope that the men and women of the group will find both meaning, and the energy to take steps - as of now, and for tomorrow - to build a company that is ever more effective, ever more human, and ever more engaged.



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 **75%**
- 2 Publish this ethics and human rights charter in both the employee welcome booklet and the internal rules and regulations (Group) > 2014

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
- 5 Achieve United Nations Global Compact Advanced status (Group) > 2015

Awareness-raising

- 6 Include the Group's CSR news in monthly and quarterly information: newsletters and meetings (AICP USA) > 2013 **75%**
- 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
- 11 Conduct a fresh customer satisfaction survey (AICP) > 2014

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

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
- 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

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
- 23 Launch a circular economy product offer (AOP) > 2015
- 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 **New**
- 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%**

Caption: **XXX %** Action plan completion percentage at 31st December 2013.

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%**
- New** 30 Deploy the SAFE Com' training programme on behavioural safety (AICP France) > 2014
- 31 Set up a health and safety management system and gain OHSAS 18001 certification (AOP Morocco) > 2015 **60%** (AICP Brazil, China, Singapore) > 2015 **New**

Non-discrimination

- 32 Create an employee welcome booklet in the languages of the nationalities represented (AICP Brazil, China, Singapore) > 2013 **50%**
- 33 Measure equality of promotion opportunities (France) > 2013 **100%**

Competences

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

Quality of life at work

- 36 Comply with the OIT C183 convention on 14-week maternity leave (AICP USA) > 2013 **100%**
- 37 Analyse the impact of becoming compliant with the OIT C132 convention on paid leave (3 weeks) (AICP Singapore) > 2013 **50%**
- 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 **75%**
- 39 Improve the workplace environment: staff room, meal area, company restaurant, social area, workshops, lockers (AICP France, USA / AOP Morocco) > 2013 **75%**

Responsible Traceability

Reduction of impacts

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

Labelling and raising public awareness

- New** 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

- New** 44 Raise supplier awareness of CSR (Group) > 2015
- 45 Develop a CSR questionnaire for suppliers, applicable in the subsidiaries (Group) > 2013 **75%**
- 46 Raise employee awareness of the Responsible Supplier Relationships Charter (France) > 2013 **100%**
- New** 47 Study the impact of a Responsible Supplier Relationships quality label (France) > 2016
- 48 Conduct a supplier satisfaction survey (AICP France) > 2013 **100%**

Disability

- New** 49 Study use of a protected workshop for delayed packaging of laser cartridges (AOP France) > 2014
- 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 **42%**

Local involvement

- 52 Join a local association of companies for sustainable development (AICP Brazil, China, USA, Singapore / AOP Morocco, Poland) > 2013 **50%**
- New** 53 Contribute to a local community development project which involves employees (Group) > 2015
- New** 54 Facilitate childcare for employees of Armor, activity zone companies and the local authority (France) > 2015

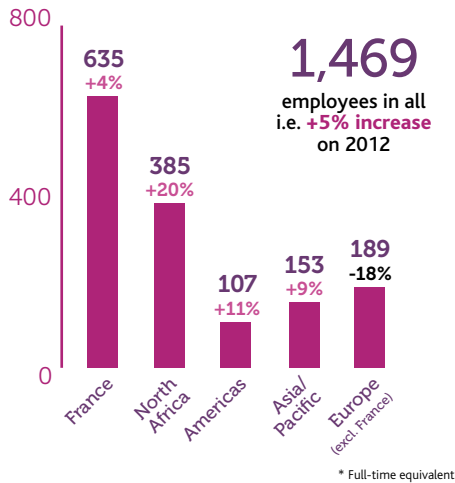
*French fund for the professional inclusion of disabled people

WORKFORCE - GENDER BALANCE - DIVERSITY

Workforce*

1,758
Armor Group workforce

Workforce breakdown within report scope

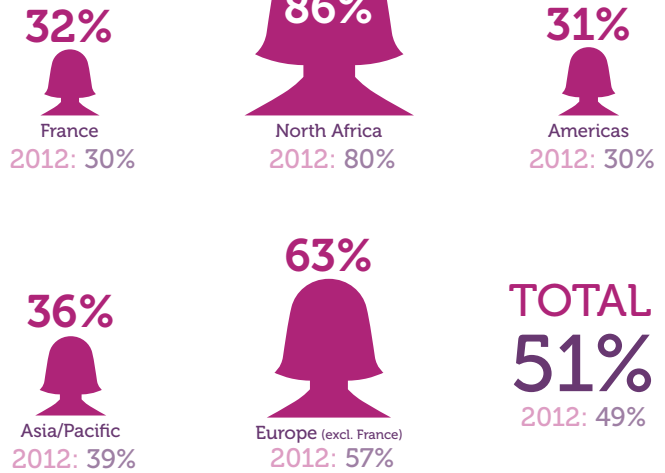


Workforce reduction in Europe, outside France, is linked to the lower activity level of the Polish site in 2013.

→ See page 10 of the 2013 report

Gender balance

Proportion of women in the workforce



- In 2013, recruitment reinforced the high level of women among the workforce in Morocco.
- In Europe, outside France, downsizing has affected women only slightly.
- Representation of women in the group's governance bodies did not move forward in 2013.

32%
of management posts are occupied by women

→ See page 8 of the 2013 report

Disability



Proportion of employees having a disability in France

6.1%
2011: 4.1%



2013 Objective: 6%

39

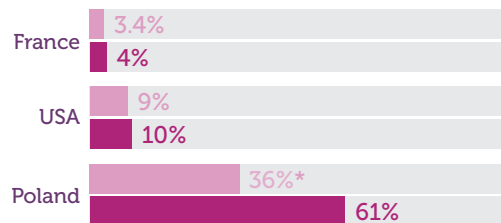
employees with a disability:
2.8% of the group's workforce
up by 22% in comparison with 2012

Following Armor's signature of a 2-year convention (in France) with AGEFIPH in 2013, the company benefits from financial support and guidance in the implementation of actions within its disability policy: recruitment, raising awareness among managers. Moreover, it is important to stress the high number of disabled worker recognition among existing employees.

Action plans
49, 50,
51

→ See page 13 of the 2013 report

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



* Corrected value 2012

- 2/3 of the amounts committed to these purchases of services are made by French sites.
- The Polish and American sites are making particular progress (up by 68% and 24% respectively).
- For the time being, other subsidiaries do not purchase this type of service.

HEALTH AND SAFETY

Workplace accidents

35

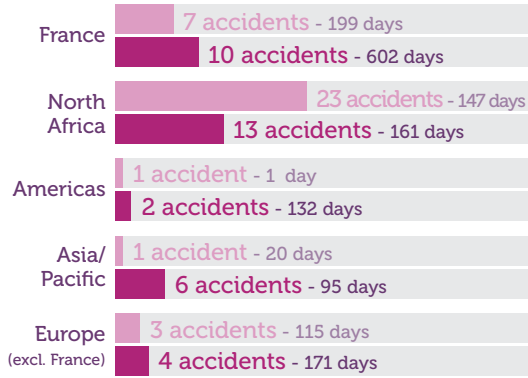
Accidents



2013 Objective: 0 accident

Action plans 30, 31

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



- The rise in the number of days lost (1,161 days, up 140%) can be partially explained by the absence over the year of a single employee in France, following a serious accident which occurred in late 2012.
- In Morocco, implementation of a Health and Safety Management system with a view to OHSAS 18001 certification is beginning to pay off.

→ See page 11 of the 2013 report

Check-ups

Proportion of the workforce offered regular medical check-ups

100%

2011: 59%



2013 Objective: 100%

In compliance with the undertaking made by Management in 2012, all group employees now benefit from regular medical check-ups in line with their professional activity.

Action plan 29

→ See page 9 of the 2013 report

SOCIAL DIALOGUE

Proportion of workforce covered by a Health and Safety Committee

91%

2011: 52%



2013 Objective: 90%

Only the Asiatic sites are yet to have formal representation.

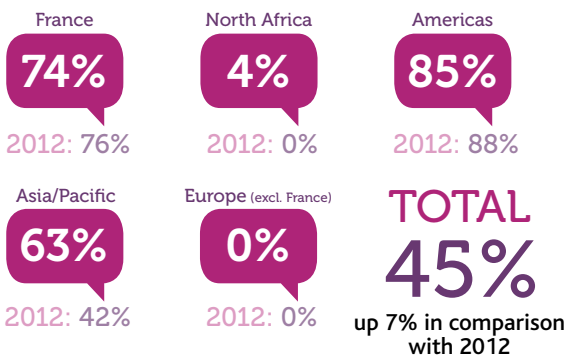
Action plan 31

→ See page 10 of the 2013 report

COMPETENCES

Individual interviews

Proportion of workforce having benefited from an individual interview



2013 Objective: 55%

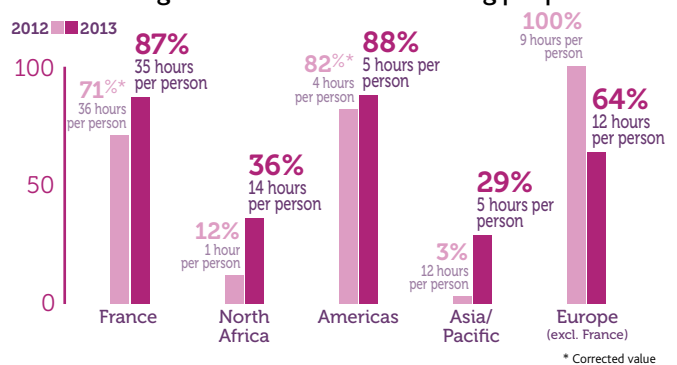
Action plan 34

The annual interview process was only set up in 2013 in China and Morocco.

→ See page 13 of the 2013 report

Training courses

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



Training concerns a growing proportion of the workforce in Morocco and Asia, particularly in terms of first aid, OHSAS 18001 and ISO 14001 frameworks and human resources management. In France, the Armor University has awarded diplomas to 92 people since 2011 (that is, 34% of operators). This is why it has won awards.

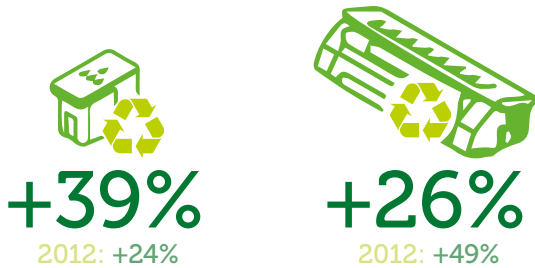
Action plan 35

→ See page 13 of the 2013 report

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

+6%



waste avoided (in metric tons)

1,908 t
2012: 1,806 t

Deterioration in the quality of the printer cartridges collected is compensated by their repair and dismantling for material waste recovery. Armor uses only those used cartridges that respect patents and prioritises the fight against clones and counterfeits.

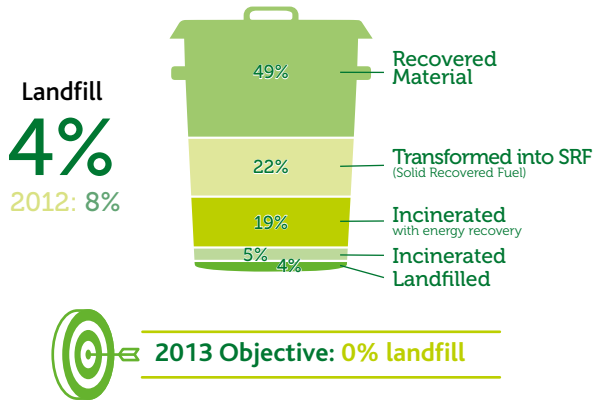
→ See page 17 of the 2013 report

SITE IMPACTS

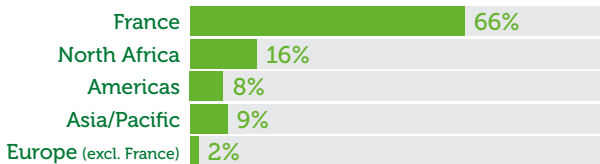
Waste



Breakdown of waste by treatment type



Breakdown of waste, by zone



The increased volume of waste (up 5%) is counterbalanced by efforts to encourage their recovery as material waste or SRF, like inked films in France, project currently being extended to international level.

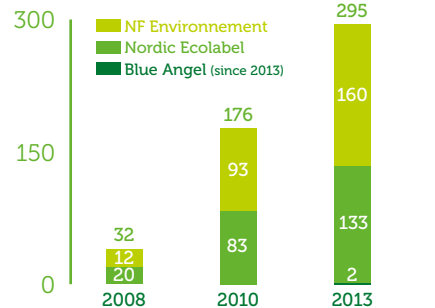
Action plans
25, 27, 28, 40

→ See page 15 of the 2013 report

Eco-labelled references



Number of eco-labelled references

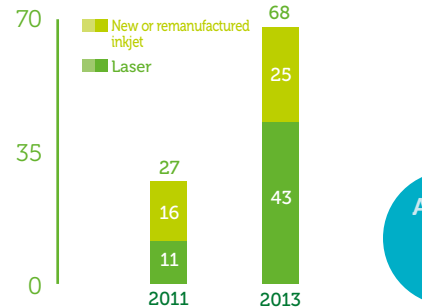


→ See page 16 of the 2013 report

Environmental labelling



Number of references bearing environmental labelling following a lifecycle analysis




Action plan
42

→ See page 16 of the 2013 report

ENERGY SAVING

Electricity consumption

Gross consumption patterns

 **+7%**
24,250 MWh
 2012: 22,726 MWh




Electrical consumption is increasing, due to: bringing machines into service in Asia; relocation of the Brazilian subsidiary to bigger premises, and ASE investments (premises and machines) in France.

Action plans
13, 14, 40

→ See page 14 of the 2013 report

Gas consumption

Gross consumption patterns

 **+26%**
23,771 MWh
 2012: 18,883 MWh

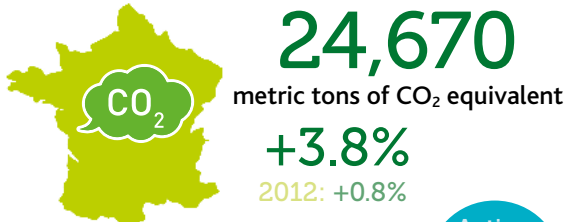


The increase in gas consumption, especially in France (95% of total volume), is explained by extra gas used to improve incinerator output, in compensation for the fall in VOC emissions (see indicator below).

Also to be taken into account: the extension of USA premises, coupled with a hard winter.

FIGHTING GLOBAL WARMING

Carbon audit, France (under the Grenelle II law)

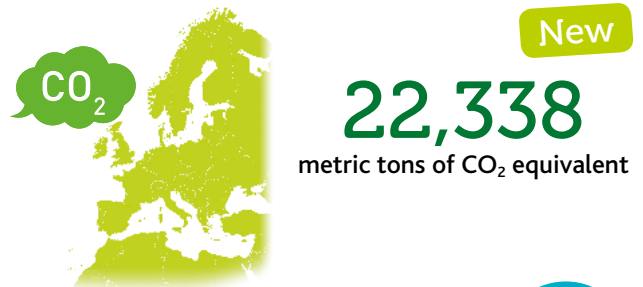


Action plans
14, 15, 16, 17

The increase in CO₂ emissions is mainly due to gas consumption at 'La Chevrolière' site (see corresponding indicator).

→ See page 18 of the 2013 report

2012 AOP Group carbon audit

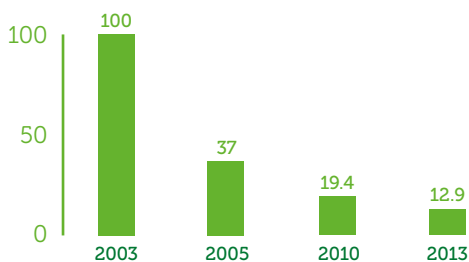


Action plan
17

78% of emissions are from inputs (raw materials and packaging), followed by freight (11%) from Morocco in particular, and energy (9%), especially in Poland.

VOC emissions (Volatile Organic Compounds)

VOC emissions produced per m² at La Chevrolière
 (index base 100, for the year 2003)



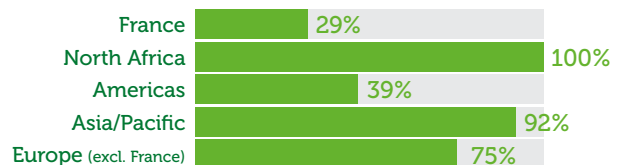
Since 2009, new manufacturing processes have been implemented to limit solvent consumption, and the associated VOC emissions.

→ See page 18 of the 2013 report

Employee transportation

Proportion of staff regularly using alternative modes of transport to the car, including car-sharing

62%

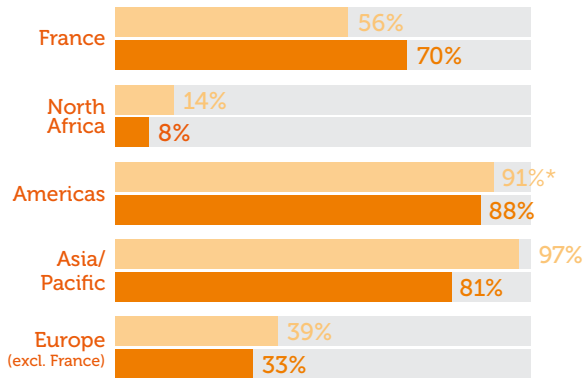


Shared transport is made available to employees in Morocco, Singapore and China and, since 2013, in Brazil.

STAKEHOLDERS

Suppliers

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

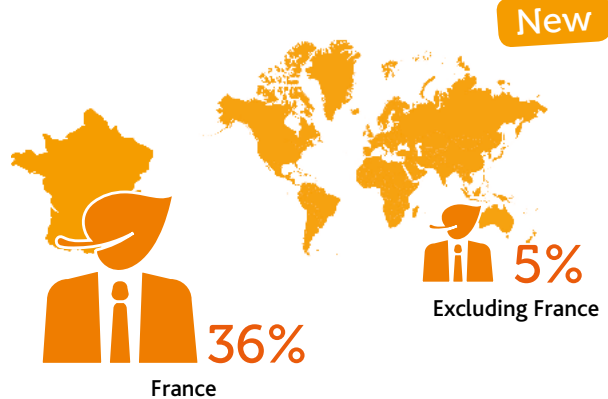


The local purchase of high-volume components has strongly influenced this indicator in France. Conversely, the Chinese subsidiary has imported raw materials it is used to source via a national network of distributors.

(1) Local purchases = purchases made within the country

→ See page 21 of the 2013 report

Proportion of suppliers CSR-assessed



A supplier questionnaire on CSR was tested in October 2013 in France, which was then deployed in the subsidiaries, which explains the low percentage outside France. We can thus note that 54% of the suppliers surveyed are CSR-sensitive.

Action plans 44,45

CSR ambassador

New

106

CSR promotion actions in France

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 45,46

Economic value created and distributed (Armor SAS scope)

For information :
Group turnover

217 M€

Industrial investments and reserves €11.9 M
up 7% in comparison with 2012

Society (subsidiaries): €0.4 M

Banks (financing): €5.1 M

Subsidiaries (income from participations): €5.4 M

Customers (turnover): €179.4 M (Armor SAS)
up 0.8% in comparison with 2012

1 **Employees**: €37.2 M

2 **Equity providers**: €5.5 M

3 **Suppliers** (raw materials): €55.3 M

4 **Society** (duties and taxes): €2.3 M

5 **Banks**: €9.4 M

87%* is returned to stakeholders

* Modified calculation method

→ See page 23 of the 2013 report

Further information at:
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