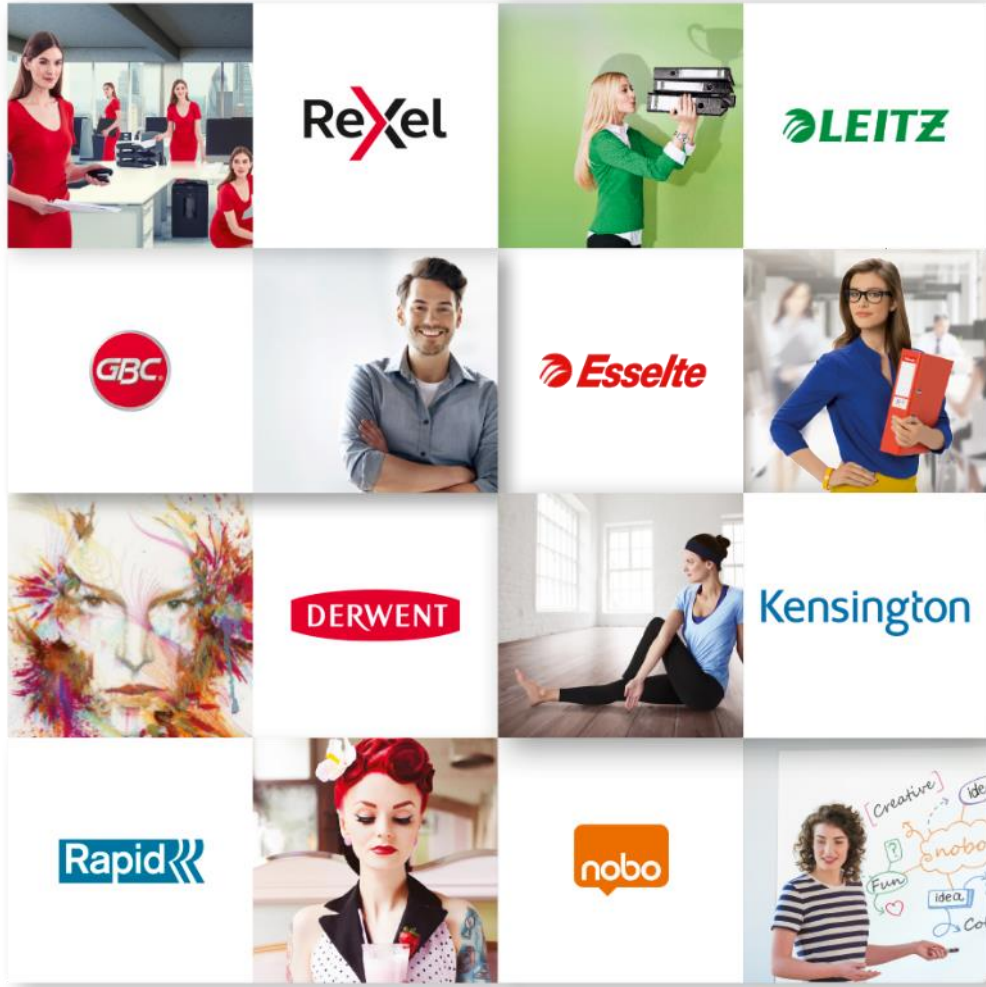


# ACCO BRANDS EMEA SUSTAINABLE DEVELOPMENT 2020





Simplifying and organizing modern work!

That is what we aim to do at ACCO Brands. And our portfolio of well established brands are at the very core of what we do. We aim to provide our end consumers with products which delight and fulfil the necessary tasks. And where they can feel confident, that all efforts are being made to work toward reducing their environmental impact and the impact on the communities and partners with which we work.

This report aims to provide some insight into our company, how we operate and how we work towards reducing those impacts.

**\$1.7 billion** company listed on NYSE, **\$500+ million** in EMEA

Products sold in more than **100** countries

**23** factories around the world, **10** in EMEA

**6 100** employees, **2 100** in EMEA



As of April 2021

## A TURNING POINT IN MANY RESPECTS



Dear Stakeholders,

2020 is a year that everyone will remember as a tough year and a turning point. Locked-down economies and shut-down offices affected us ACCO-Brands both personally and professionally. As we learned to work from home, so did many of our consumers and we experienced a complete shift in how people work and what and how they buy from us.

We also learned how such a shift can affect our environmental impact for example due to vastly reduced travel. But how long term will this effect be? And are those changes enough? It seems they are not. The environmental crisis is an even tougher and longer-term issue than Covid-19 and one we cannot afford to lose sight of.

At ACCO Brands we did not lose our focus in 2020 and we continued to monitor the same KPIs we have been monitoring for many years. It is difficult to assess our final five-year results in this extraordinary year but we believe we have made great progress on emissions and have certainly reduced our water consumption considerably. Achieving our goal on waste has proven to be more challenging due to changes in our company structure and the consolidation projects we had. But we will not give up! 2020 also proved to be a year where we made a great leap on products with impressive environmental credentials. We now offer a climate neutral binder option for consumers across Europe and the Leitz Recycle range offers the perfect option for supporting the circular economy with products made of recycled material and which are built to be recycled at the end of their long life! I am also pleased to see the improvements built broadly into our new shredder ranges, with vastly reduced packaging and improved electricity consumption.

We have progressed and improved in the past five years and we will set ourselves aggressive new targets for the next five! Because Taking Care of Tomorrow is more important than ever!

Yours,

Cezary Monko



*Cezary Monko*

EVP & President ACCO Brands EMEA

## STRATEGY & TARGETS 2016 - 2020

### Reducing our Environmental Impact

- We will reduce our scope 1 and 2 CO<sub>2</sub> emissions, at our manufacturing and warehouse sites by 25 percent.
- We aim to further reduce our total water consumption by 15 percent.
- We have the ultimate goal of achieving a Zero Waste Rate in our manufacturing and warehouse facilities.
- All of our sites will be ISO 9001 and ISO 14001 certified.
- We aim to increase our sales of Environmentally Preferable Products.

### Stewardship of Paper & Paper-based Materials

- We are committed to using recycled or responsibly sourced fibers, wherever possible.
- All of our manufacturing plants producing fiber-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 minimize 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 and suppliers, to customers and consumers.
- Our principles are based on the international standards set by the UN and the ILO Declaration of Fundamental Principles and Rights.
- We will establish a clear set of policies on health & safety, the environment and supply chain and create 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 this according to a set of specific metrics.

## KEY PRODUCTS:



Lever Arch Files & Binders



Staplers & Perforators



Computer Accessories & Security



Pockets, Folders, Indices & Dividers



Storage & Archiving



Binding & Lamination



Hanging Files & Presentation Folders



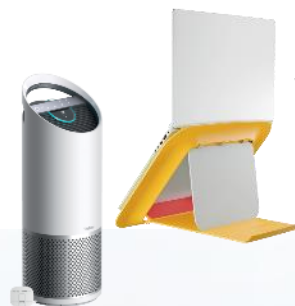
Paper Pads



Paper Shredders



Letter Trays/ Moulded Products



Ergonomics & Wellbeing



Visual Communication

## 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



Social Distancing

## Manufacturing & Distribution

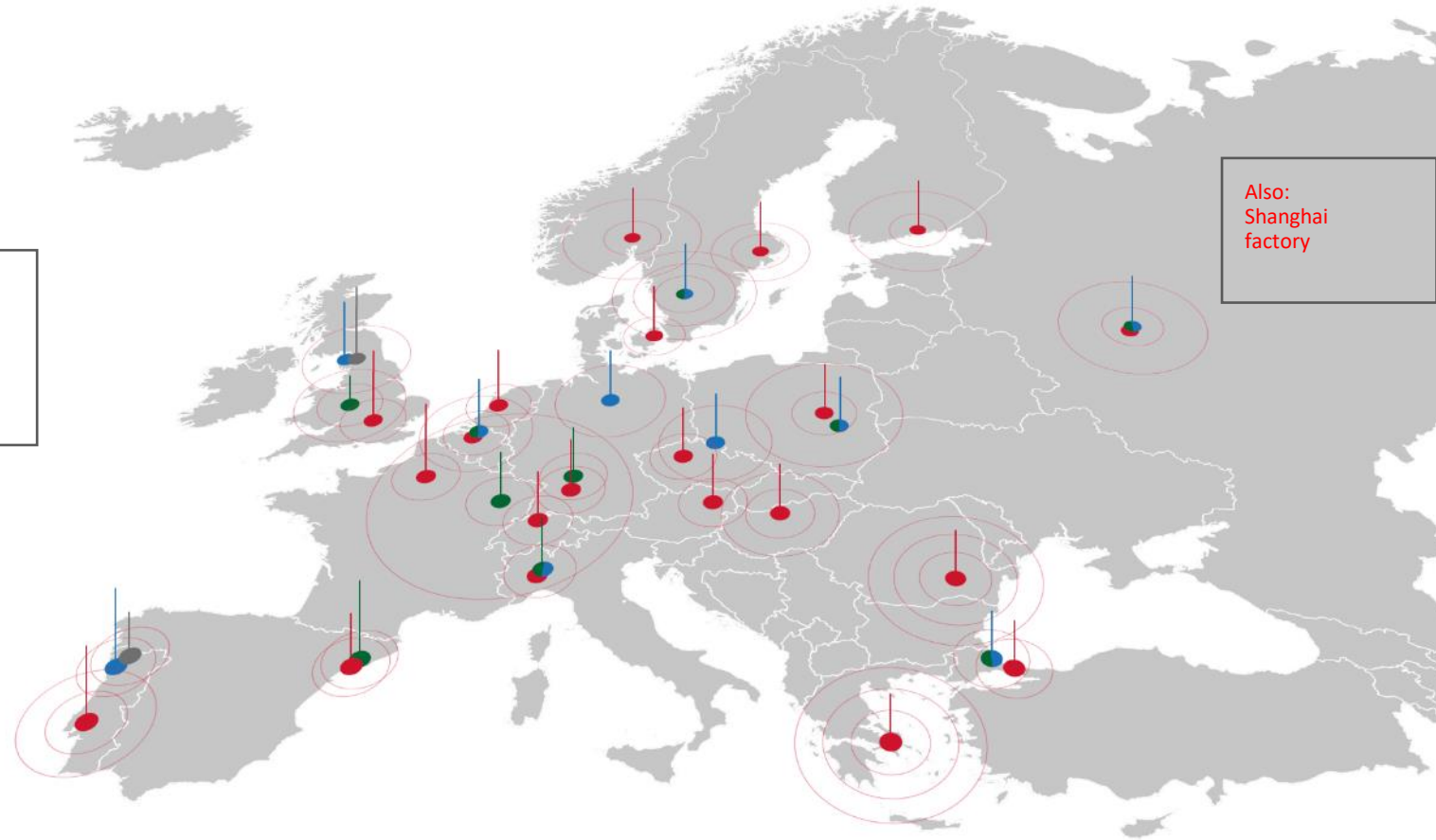
### Ten EMEA Factories plus Shanghai:

- Sint Niklaas, Belgium
- Arcos, Portugal
- Lillyhall, U.K.
- Uelzen, Germany
- Gorgonzola, Italy
- Hestra, Sweden
- Lanov, Czech Republic
- Kozenice, Poland
- Hotkovo, Russia
- Cerkezkoy, Turkey
- Shanghai, China

●	Sales Offices
●	Manufacturing
●	Distribution
●	Testing (ES), Museum (UK)

### Five Additional Distribution Centers:

- Halesowen, U.K.
- Barcelona, Spain
- St. Amé, France
- Heilbronn, Germany
- Prague, Czech Republic





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

Eight sites in Germany and the UK are also certified to ISO 50001 for Energy Management.



# ACCO Brands EMEA: Sustainable Foundations

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.



\* ISO 50001 for 8 sites in Germany and the UK only  
ISO 9001 and 14001 for all ACCO Brands EMEA sites

## SUSTAINABILITY STEERING COMMITTEE

We host a quarterly meeting to go over current position and plan future projects and goals attended by:

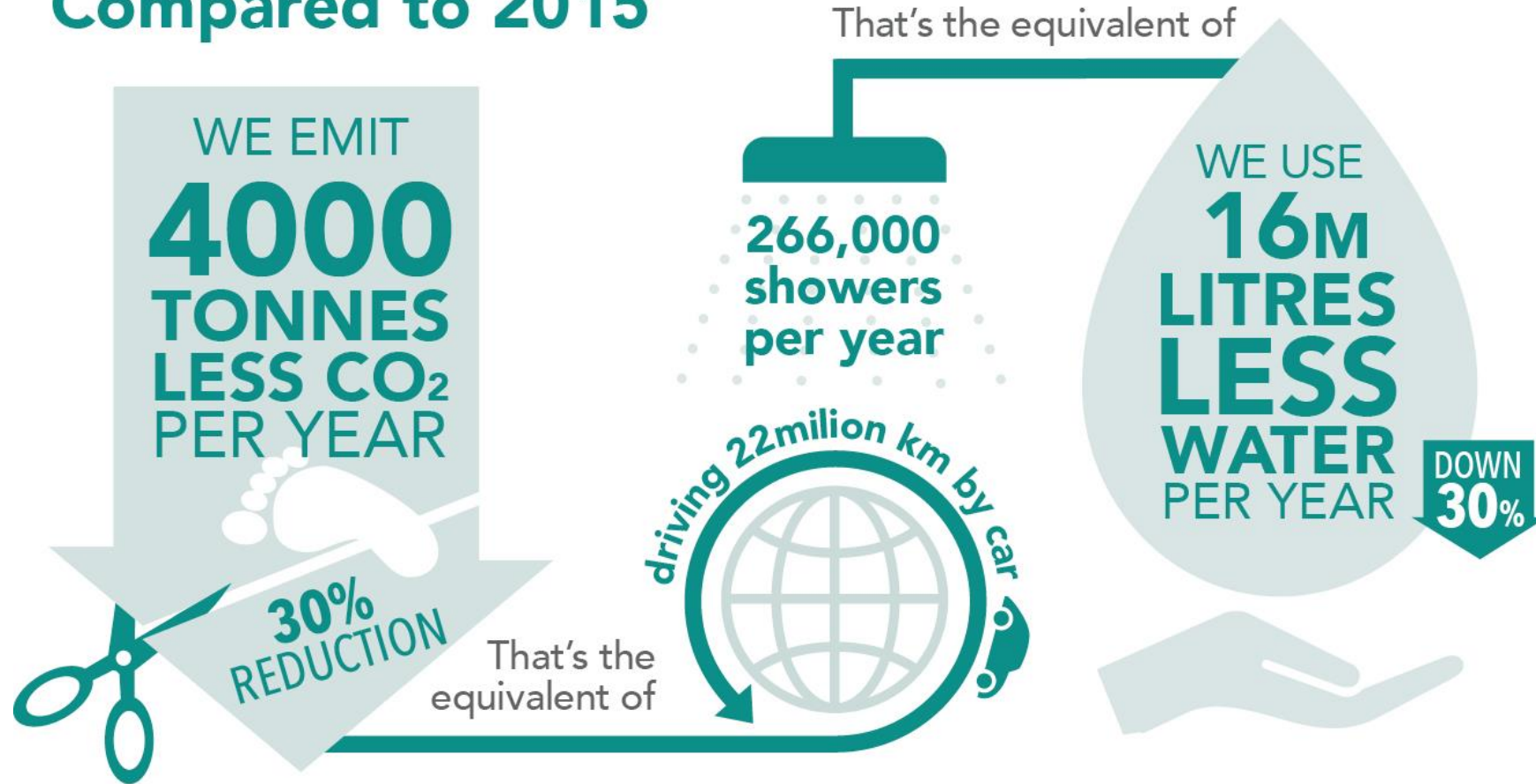
- Senior Vice President, Operations
- Senior Vice President, Marketing and R&D
- Vice President, Operations, Production
- Vice President, Procurement
- Vice President, Human Resources
- Vice President, Category Management
- Quality Production Europe and FSC® Central Office Manager
- Regulatory Product Compliance Manager
- Senior Sustainability Manager, Europe



# RESULTS



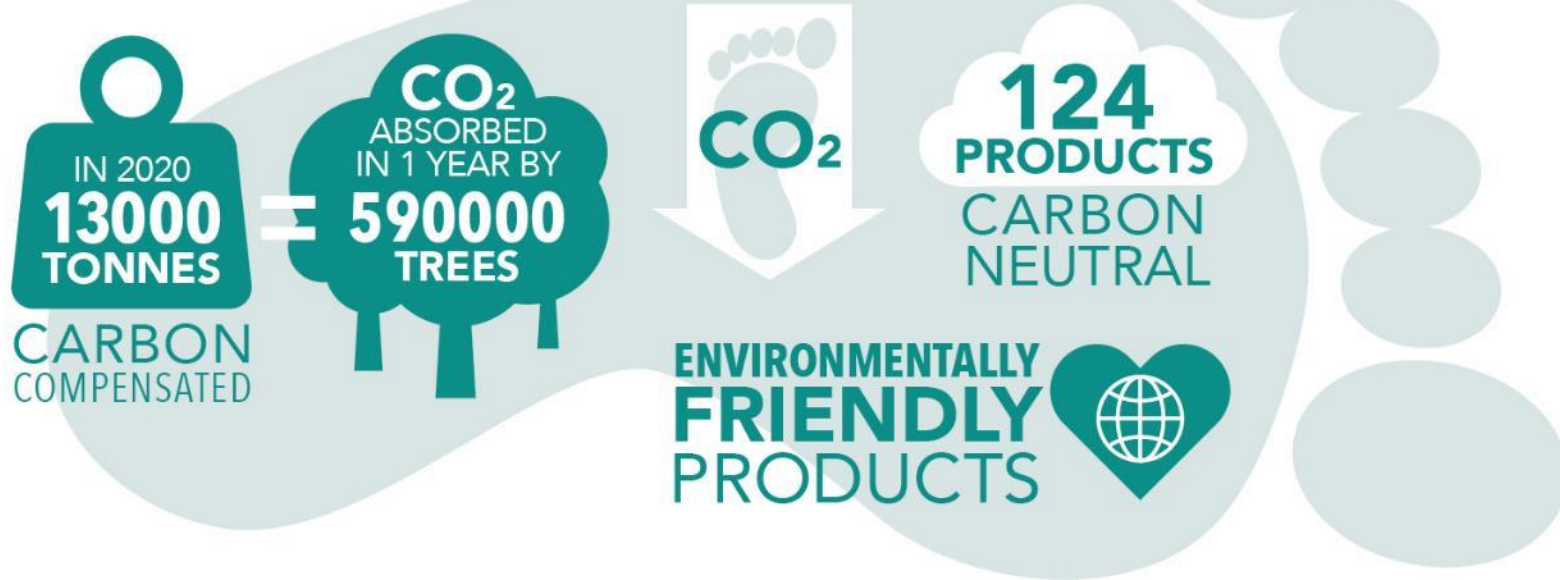
## Compared to 2015



Statistics taken from [www.eea.europa.eu](http://www.eea.europa.eu)

# 2015-2020: GREAT PROGRESS ON RECYCLING, PAPER AND ENVIRONMENTALLY PREFERABLE PRODUCTS

## Reducing our product carbon footprint





# CO<sub>2</sub> EMISSIONS





- Scope 1 (direct)
- 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 Lillyhall, U.K. (added in 2017). Lillyhall (pencil manufacturing) runs a biomass boiler to heat the plant using waste material. This has been classified as carbon neutral by the Carbon Trust and is therefore not included in the results.

We continue to report the Rapid Shanghai factory as most of the production is for EMEA and it is a key facility for us. The warehouse in Shanghai has been removed.

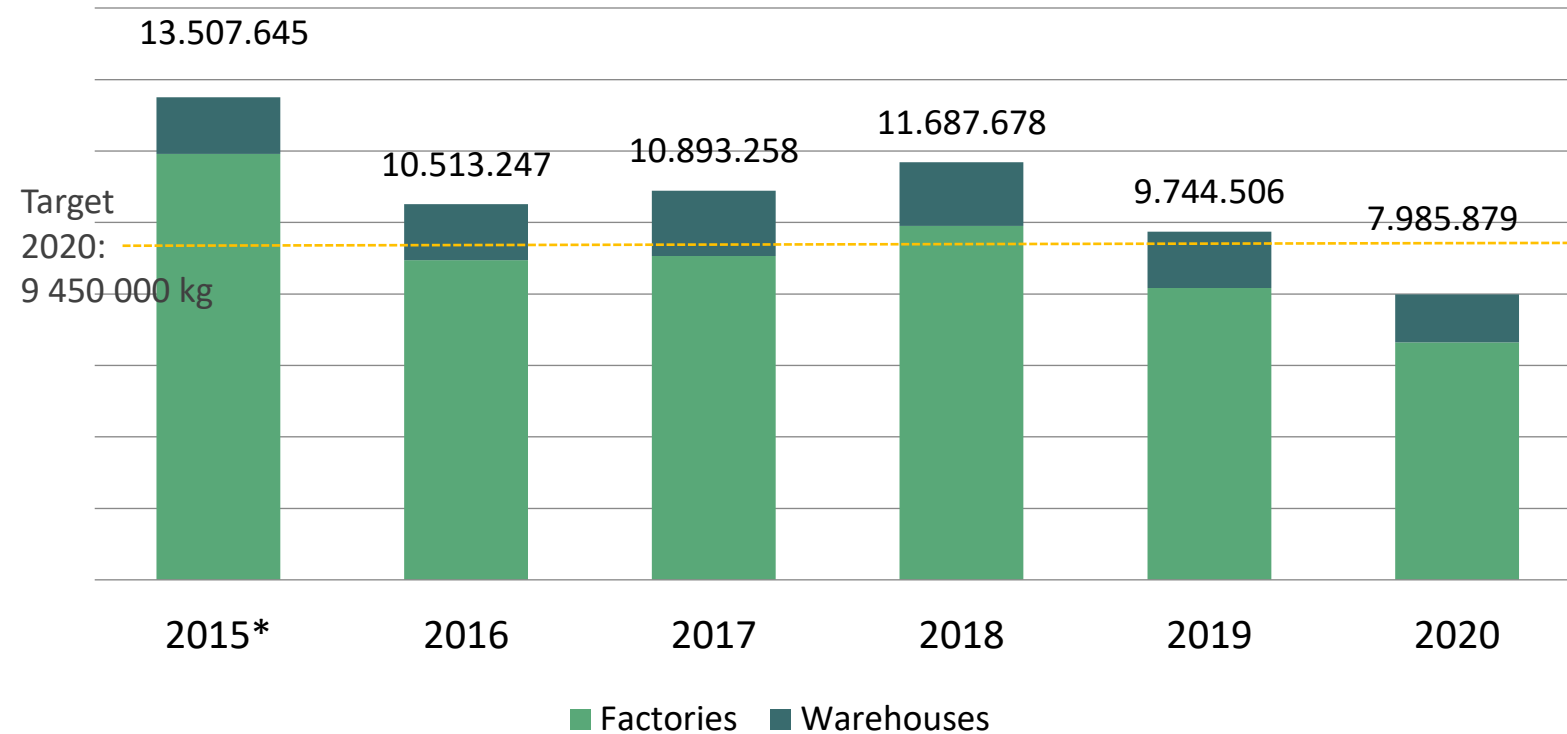
Warehouses have been included since 2016, except Halesowen added in 2017.

All facilities are listed on Page 8. Sales offices, which are not physically part of one of the listed facilities, are not included, as they are classed as immaterial.

Scope 3 emissions are not included to date (all other indirect emissions such as from raw materials, external logistics, outsourced activities etc.)



## CO<sub>2</sub> EMISSIONS: ACCO BRANDS EMEA FACTORIES AND WAREHOUSES (kg CO<sub>2</sub>)



\* 2015 is the base year for the 2020 goal of 30% reduction  
 3 ACCO sites added in 2017 (Arcos, Halesowen warehouse, Derwent), 2020 goal was not changed  
 2019 figure is slightly higher than reported at the time due to a correction of the Santa Perpetua data

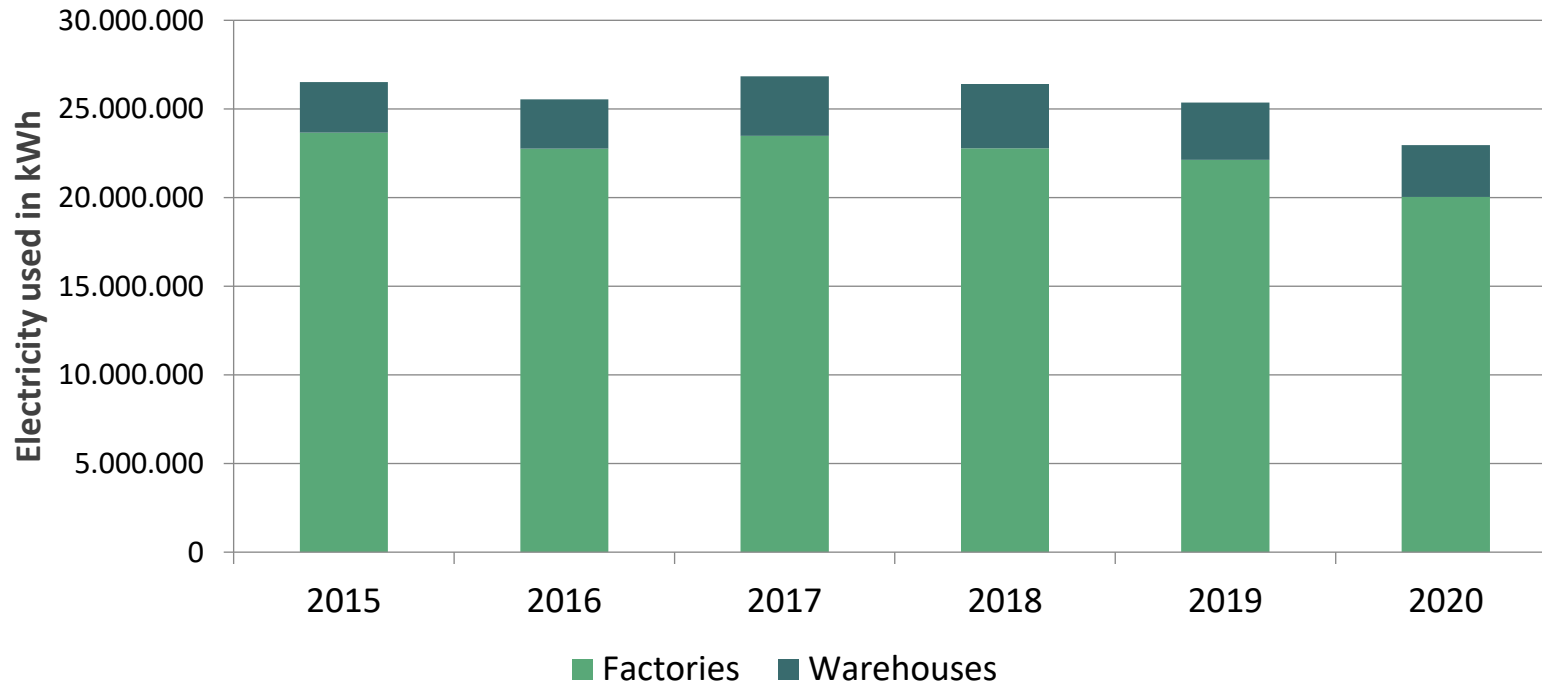
Total CO<sub>2</sub> emissions in 2020 (according to scope on page 16) were 7.99k tonnes, 18% lower than 2019. However, some of this reduction is connected to the Covid 19 pandemic. With sites partly running at low capacity or even closed, it is difficult to see what the real progress was in 2020.

We do know however, that we were already very close to achieving our goal in 2019 with 28% lower emissions than in 2015. We also know that in 2020 we gained the full extent of efficiency from the new compressors in our Uelzen plant and the LED lighting in our warehouses. We are therefore confident that we are on the right path and should have hit our target in a “normal” 2020.

We should also note that we added three sites in 2017 without adjusting the goal!

We still have much to do but we have made great progress in the last five years and intend to continue in this way!

## EMISSIONS: ELECTRICITY IN KWH



3 ACCO sites added in 2017 (Arcos, Halesowen warehouse, Derwent)

Total ACCO Brands EMEA electricity consumption (according to the scope on page 16) was 9.5 percent lower in 2020 than in 2019. Again some of this reduction is due to the Covid 19 pandemic, with some sites running at lower capacity during lockdowns.

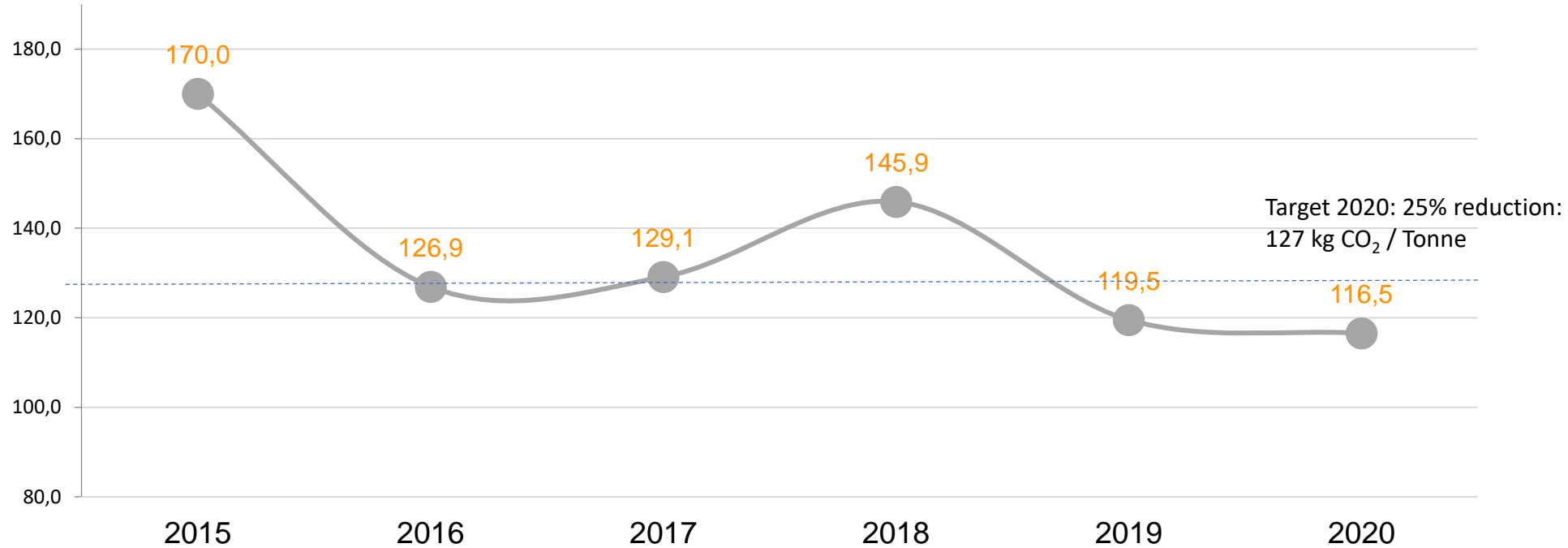
To get an idea of our progress in the past five years, if we compare the same sites in 2019 to 2015, electricity consumption is down 12%.

The focus and investment of the past years on energy reduction are showing through. The lighting has been steadily replaced by LEDs and investments made to reduce the energy needed for compressed air.

Finding ways to reduce further will become more challenging but we are learning that there are often hidden opportunities!

# ACCO BRANDS EMEA MANUFACTURING

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



\*Data points and target are higher than originally reported due to a correction in the tonnes produced figure.  
The original target of a 25% reduction has been maintained

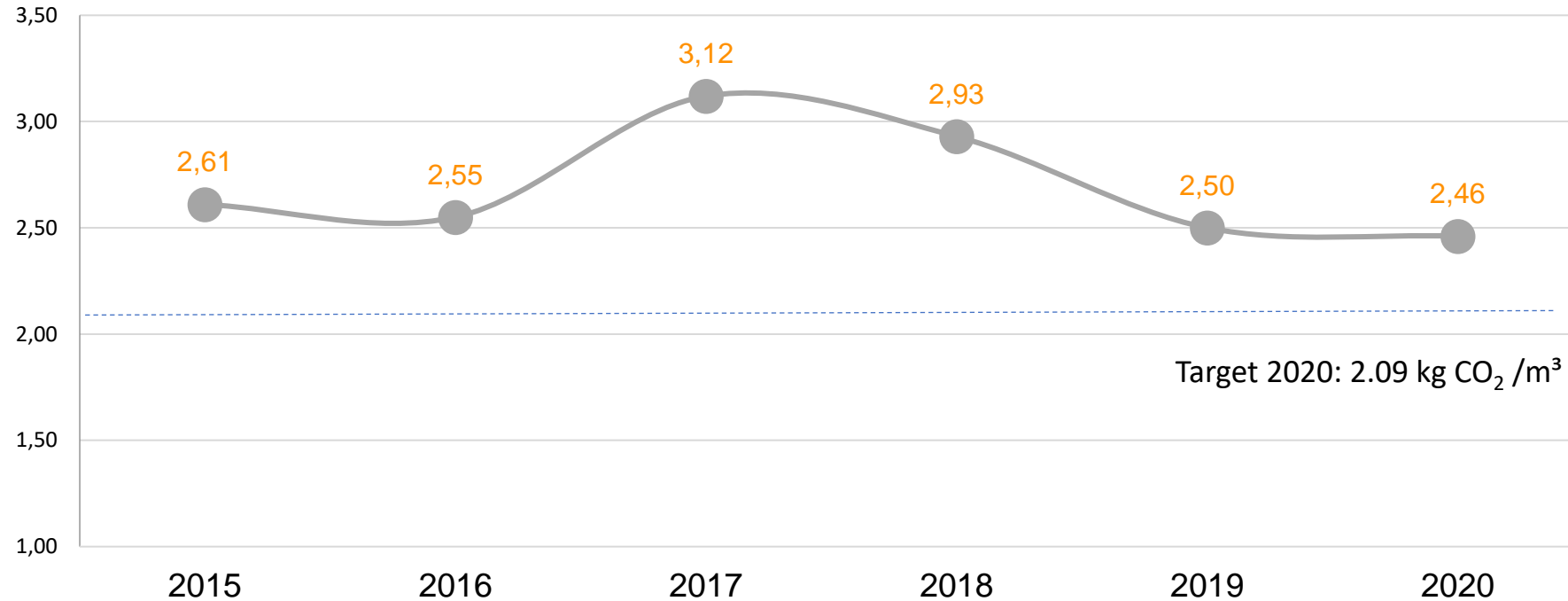
Our five year target of achieving a 25% reduction in emissions per tonne produced was achieved\*.

This shows that not only total emissions but our factory efficiency has improved greatly over the past five years.

Using less electricity, gas and oil to manage our production remains a constant focus and we aim to achieve more on this in the coming years to further reduce our CO<sub>2</sub> emissions.

# ACCO BRANDS EMEA WAREHOUSES

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



Although the pandemic meant a slow down of economies across the world, our warehouses remained open throughout the year and even slightly improved on their emissions efficiency.

Along with the energy reduction initiatives, the shift towards more larger and voluminous goods including business machines, white boards helps drive the improvements.

Some corrections to gas and electricity consumption in Halesowen in 2017 & 2018 and volumes shipped in Prague in 2018 mean that the figures for 2017 & 2018 are now slightly lower than reported in those years.



In the latter half of 2019, our Uelzen, Germany facility replaced three older compressors in the facility that are used for various production, maintenance and warehouse operations. The new compressors have updated technologies and include heat recovery systems which make them much more energy efficient. The site estimates that the new compressors save approximately 150 000 KWh per year in energy over the old compressors.



Machine in the Gorgonzola plant during a planned maintenance phase.

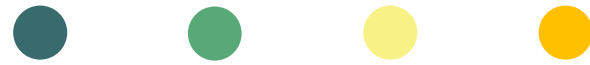
We are running a Lean philosophy across our company and an important part of this is TPM or Total Productive Maintenance – with the aim of achieving “near perfect production”. The goal here is no breakdowns, no small stoppages or slow running, no defects (less waste) and of course, no accidents.

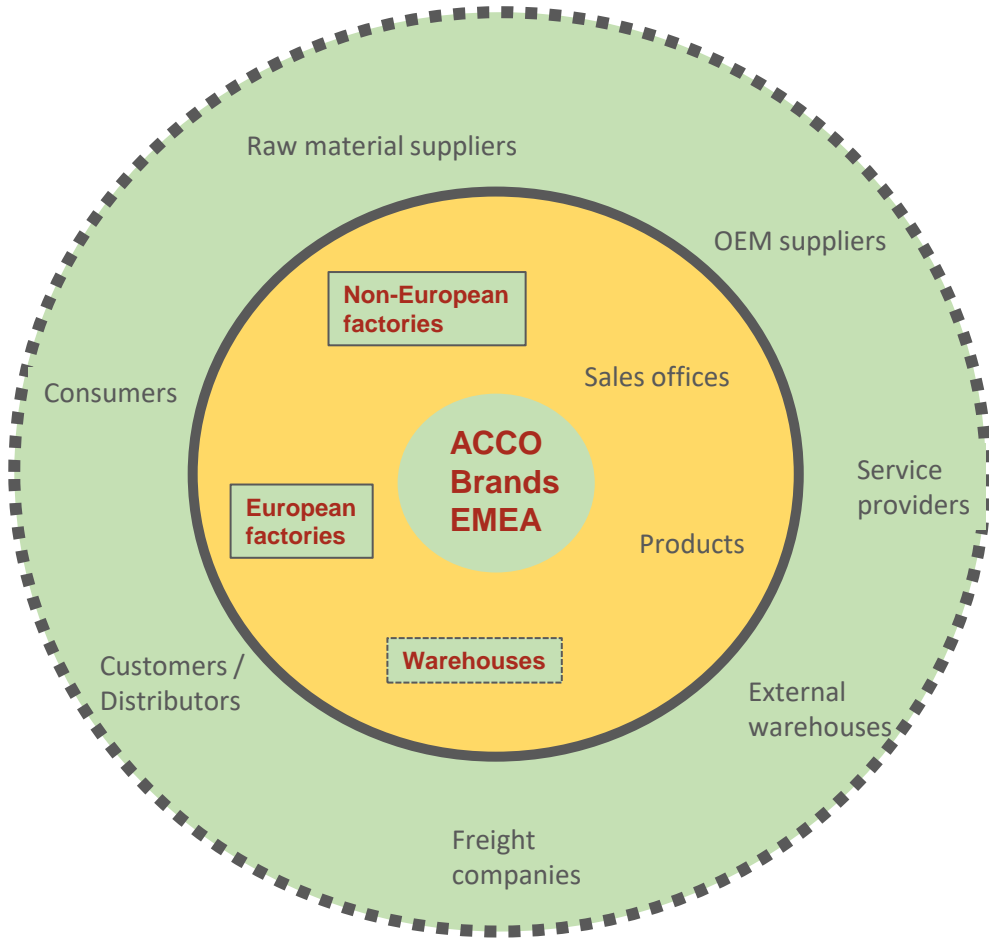
Constant monitoring and maintenance of the machines before issues arise and thorough checks of raw materials before they are used help to increase machine uptime and hence efficiency which all leads to lower energy use and lower carbon emissions as well as less waste.

The teams in all the factories are constantly working and improving on this which in turn leads to continual improvement on our sustainability goals!



# WATER CONSUMPTION





## SCOPE WATER CONSUMPTION

Total water consumption for all ACCO Brands EMEA plants and warehouses.

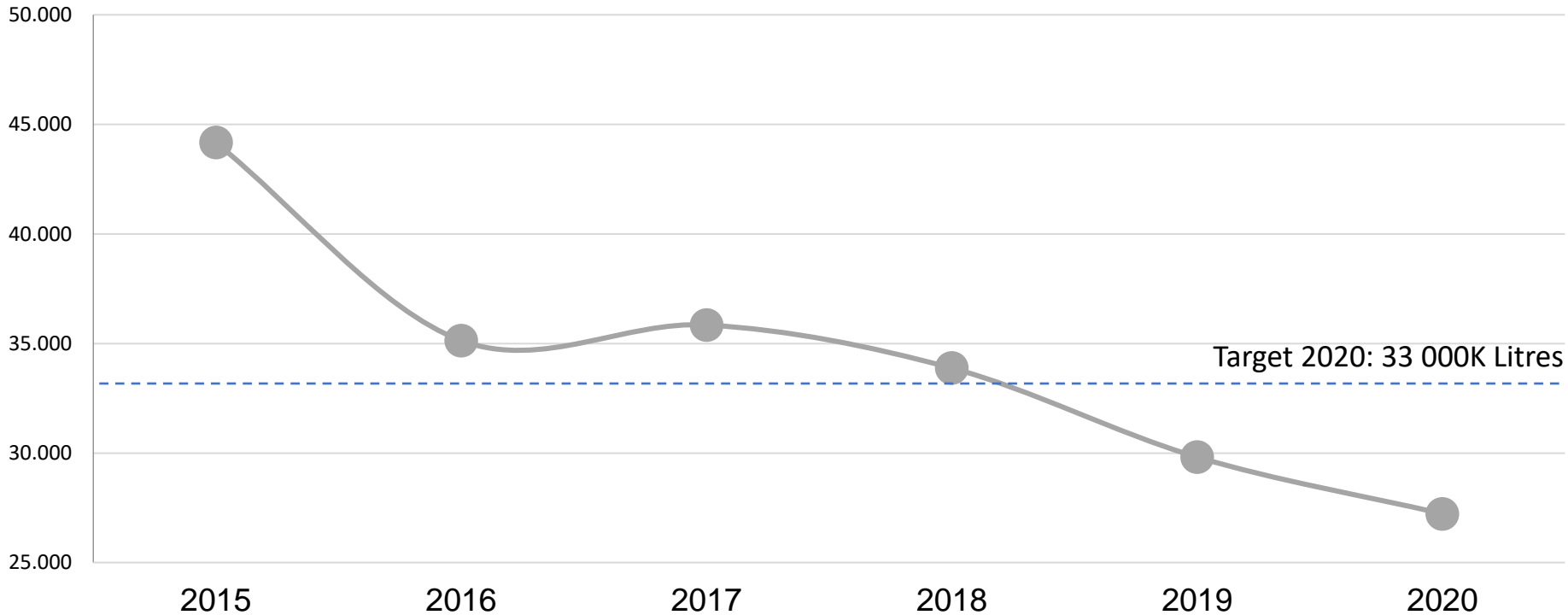
Data shown covers all ACCO Brands EMEA plants and warehouses plus the Shanghai factory. All facilities are listed on Page 8.

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 consumption in 000 L



2017: Arcos, Halesowen & Lillyhall (Derwent) added.

Some small corrections were made to the Lillyhall and Halesowen, U.K., figures for 2017 & 2018 means that the figure shown here is slightly different than reported at the time.

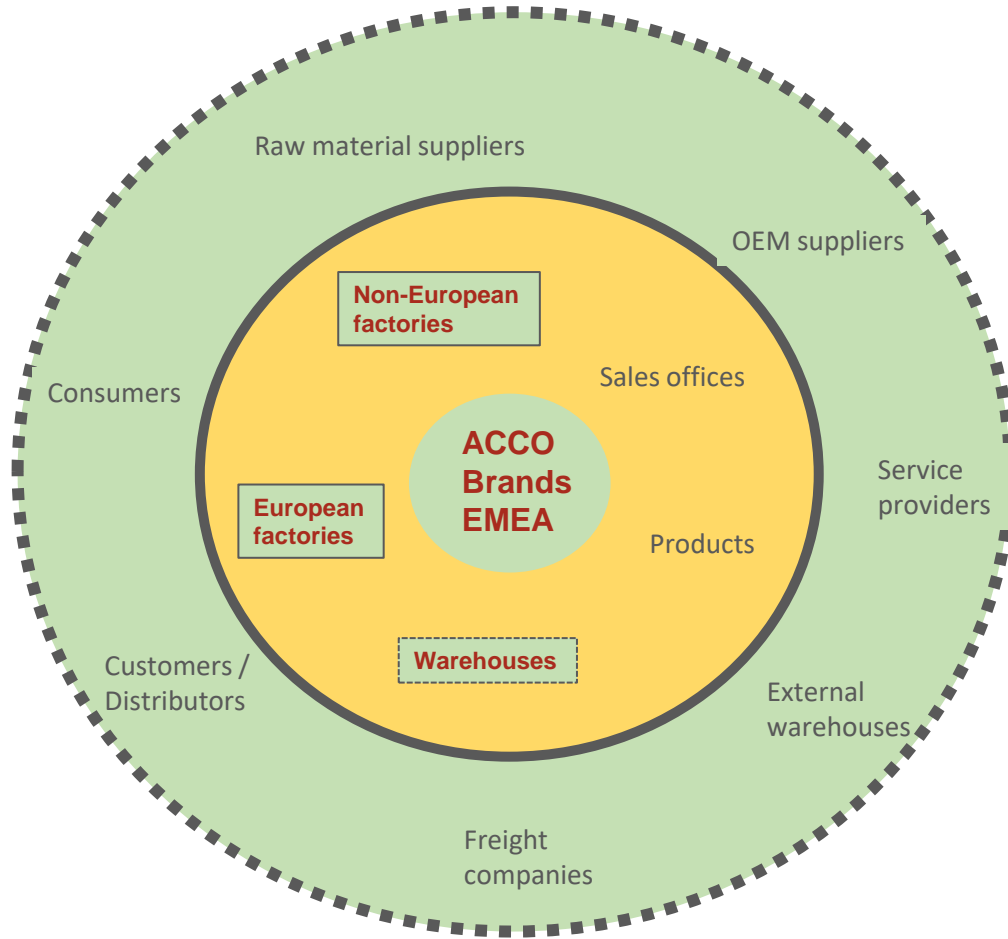
We were pleased and proud to have already achieved our 2020 target in 2019, in fact we over-achieved by almost 10% including the additional 3 sites from 2017! Some of the further reduction in 2020 is due to the Covid 19 pandemic and resulting slow-down in the factories.

We have mostly gained these savings by becoming more efficient, using less space for the same or higher levels of activity in the plants and warehouses and by changing our behaviour such as watering. Leaks and breakages in the fire prevention systems remain a key area of focus moving forward.



# WASTE REDUCTION & RECYCLING





## SCOPE WASTE MANAGEMENT

Aim: Zero Waste

Zero Waste is generally defined as 98 percent 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.

Data shown covers all ACCO Brands EMEA plants and warehouses plus the Shanghai factory. All facilities are listed on Page 8.

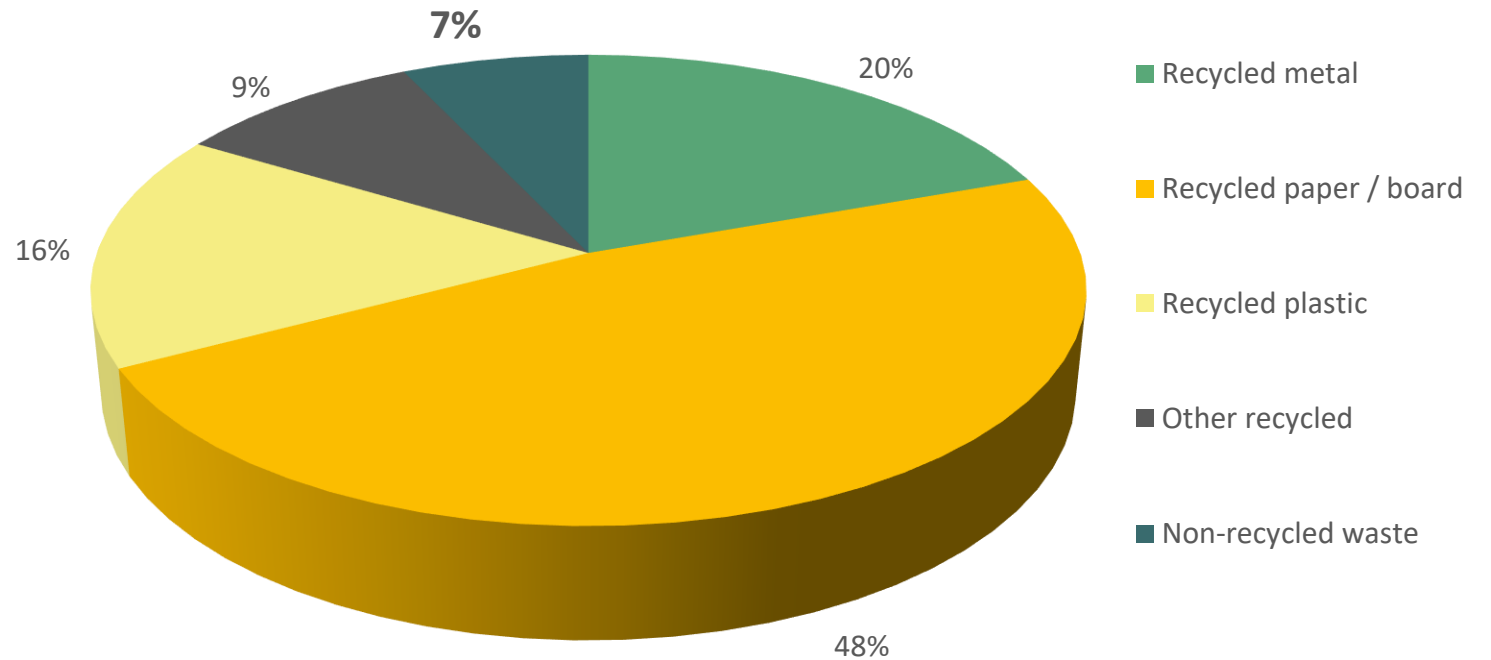
Local Sales offices, which are not physically part of one of the listed facilities, are also not covered, but waste volumes here are far smaller than at the plants and warehouses, meaning we can conclude that these would not have a material impact on the result.

**93%** of all waste (excluding hazardous waste) was recycled in 2020, which is a 3pp improvement on 2019 (Target 98%).

It is difficult to say how much of this might have been influenced by the pandemic conditions in the factories & warehouses. Total waste was down 12% (see next page) but nevertheless the mix of waste improved, resulting in more recycled and less non-recycled waste.

There was certainly a clear improvement in the warehouses, in particular in Heilbronn, our largest warehouse after the consolidation work has been finalized.

Waste in kg 2020

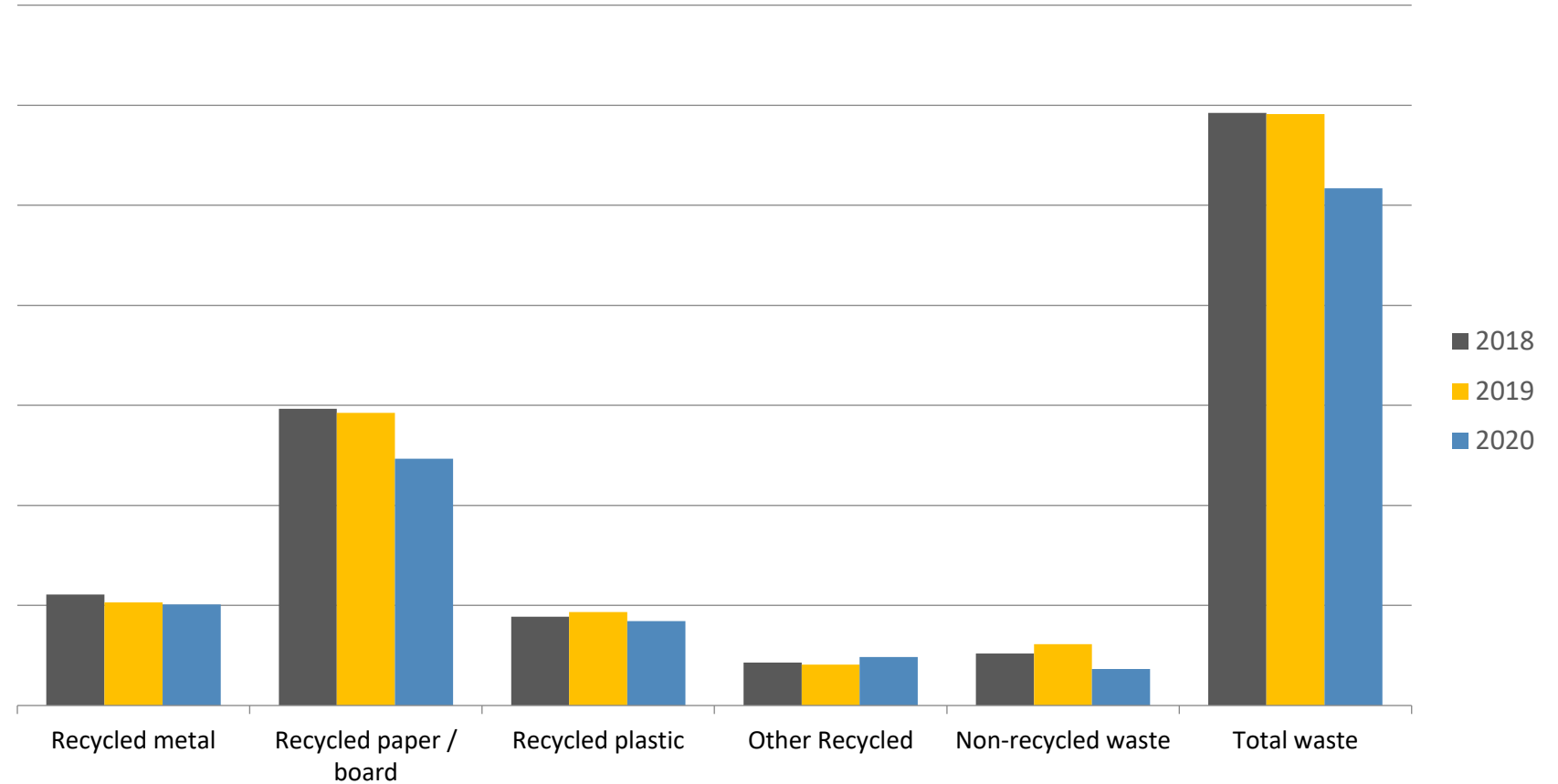


Total waste was 12% lower in 2020 than in 2019.

Some of this may be resulting from the pandemic conditions. But the warehouses in particular reduced total waste by 25% overall in 2020 compared to 2019 which we see as a clear improvement.

We have been striving to reduce waste for many years under our Lean philosophy and we will not lose our focus on this important topic. The Circular Economy (reduction of waste through re-using and recycling) is now a hot topic; consumer waste is often highlighted and a focus for our R&D teams. Managing industrial waste is however equally important for us as the volumes are much higher and we have direct control over where this waste ends up.

Waste in kg



## WASTE REDUCTION PROJECT EXAMPLES

### Sint Niklaas:

Big drop in cardboard waste after packaging Kaizen

### Kozenice:

Re-using waste from production for parcel packaging

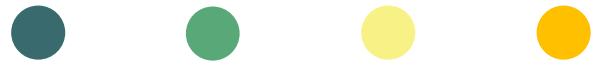
### Uelzen:

Continual reduction of residual waste through training, strict control on waste separation and more refined waste separation down to recyclable parts





# PAPER STEWARDSHIP





Forests cover 38 percent of the global habitable land area and are key to climate change and protecting biodiversity. In the 1700s, forests covered 57 percent of the habitable land area. The protection of forests and life on land has been declared a “Sustainable Development Goal” by the UN. At ACCO Brands, we understand the importance of protecting these landscapes and have made it a priority to help protect them.





## SUSTAINABLE DEVELOPMENT GOALS



Protecting life on land, forests in particular, has been identified by the UN as one of the 17 Sustainable Development Goals. At ACCO Brands, we are supporting this important goal through our Paper Stewardship strategy and targets. By using recycled and FSC® certified fibres, we are working toward SDG Goal 15 targets 15.2 and 15B.

Read on to find out more about how we are working toward these targets.

## ACCO Brands EMEA FSC® Certification

The Forest Stewardship Council® (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.

We continue to launch new products with FSC certification in 2020, including notebooks and binders in the new Leitz Cosy range and a range of FSC certified CO<sub>2</sub> neutral Lever Arch Files.

31.12.2020

FSC-certified factories and warehouses	11
FSC-certified sales offices (additional sites)	16
FSC-certified paper-based raw materials (by weight)	72%
FSC-certified products 31.12.20	1 578



The mark of responsible forestry

FSC® certified Leitz “Wow” notebooks



The mark of responsible forestry

## PAPER USAGE IN MANUFACTURING AND SHIPPING

	2018	2019	2020
Percent of paper purchased which is FSC®-certified, or recycled	99.5%	99.2%	99.1%
Paper/Board from non-FSC, virgin Fibres	0.5%	0.8%	0.9%
Paper types in use			
Recycled paper total*	96.2%	95.1%	93.3%
FSC-Certified paper*	80.1%	78.8%	71.7%

\* Paper can be both recycled and FSC-certified.  
2018 not including packaging in Lillyhall, U.K. (Derwent® products)

- 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 percent of our paper used in the production of our products from FSC-certified or recycled sources.
- Overall, over 99% of our paper & board is either recycled or FSC certified.



# ENVIRONMENTALLY PREFERABLE PRODUCTS



FSC® certification is one way to confirm that materials are sustainably sourced

Create products which can be disassembled into separate material types at end of life



Replacing broken or worn out products uses valuable material & energy resources

Using recycled materials saves resources and reduces the carbon footprint of the product

Reduce packaging as far as possible, use recycled materials where feasible, avoid complex mixes of materials to aid recycling

## 2533

Products with 3<sup>rd</sup> party labels

## 1677

Products with FSC® Certification



## 755

Products with Blue Angel Certification



## 204

Products with other Certification



## 124

Products with Climate Neutral Certification



As of 29.12.2020

Some products have more than one certification!

## BRANDED PRODUCTS WITH ENVIRONMENTAL LABELS

We aim to increase the environmental credentials of our products in line with the product philosophy outlined on page 38. Currently however, the only way to measure this precisely is to look at products awarded with a third-party label such as Blue Angel or FSC®. Not all products within a category can gain such a label and not all categories have applicable labels (e.g. computer accessories). We therefore view only categories where it is possible for labels to be gained.

2020 was an exception year. With many offices closed and people working from home the mix of products sold changed completely, away from more classic filing products and large office equipment towards computer accessories and notebooks. The labels in question are mostly for paper-based products such as binders or suspension files. The overall percentage therefore of products sold with an environmental label went down. But within the categories, the proportion of products sold with a label remained stable or even increased slightly, underlining the increasing interest in environmentally friendly products.

\* Please note that the goal of 54% on page 52 was set before the merger of ACCO Brands with Esselte in 2017. This led to a different mix of products in the relevant categories which changed the overall proportion of products with labels.

Product Categories	2018	2019	2020
Lever Arch Files & Binders	80%	80%	81%
Indices & Dividers	43%	41%	42%
Pockets & Folders	1%	1%	2%
Document Presentation & Organisation	31%	31%	33%
Archive Boxes & Storing	46%	47%	45%
Suspension Filing	48%	50%	49%
Paper Products (pads, forms and books)	61%	69%	73%
Desktop (Moulded)	0%	0%	0%
Lamination Machines % Suppliers	0%	0%	0%
Visual Communication	2%	2%	1%
General Office Articles	7%	6%	7%
<b>Total</b>	<b>45.5%</b>	<b>45.9%</b>	<b>42.2%</b>
Binding Machines & Supplies	0%	0%	0%
Shredders	0%	0%	0%
Drawing & Writing Instruments	0%	0%	0%



# LEITZ 1080 – NOW ALSO CLIMATE NEUTRAL

As of 2020: Blue Angel and FSC® Certifications as well as climate neutral production.



## FURTHER CLIMATE NEUTRAL PRODUCTS LAUNCHED

Following the Swedish Jopa binders in 2019, in 2020 we launched a range of Lever Arch Files so that we can now offer climate neutral binders across Europe. We continue with the maxim that we only consider environmentally sound products for this label which means: Quality products which last, made of recycled materials and which can be recycled. We started by taking the number one, million-selling, German Leitz paper Lever Arch Files. These files are made of recycled materials and Blue Angel, FSC® and now also climate neutral certified!

Much of Europe is used to using files covered with plastic, which makes them slightly more robust and are available in attractive colours. But it also means that they are not easily recyclable. To try and persuade consumers to consider a more eco-friendly version, we have now launched ranges of Esselte and Bene branded coloured paper-on-board files which are Blue Angel or Austrian Eco-label certified, FSC® certified AND climate neutral!

More details and the certification can be seen on the Climate Partner Tracking Pages: <https://fpm.climatepartner.com/tracking/11538-1902-1001/de>



	<p>Esselte - A brand from ACCO Brands Lowest CO<sub>2</sub> footprint 2022</p>	
	<p>1.563.547 kg CO<sub>2</sub> compensation</p>	<p>100% recycled paper Waldschütz Made in Dänemark Peru www.klimaneutral.com</p>
	<p>11177 ACCO Brands GmbH Co. KG (Frankfurt)</p>	

## LEITZ RECYCLE REFLECTS YOUR CHOICE FOR THE ENVIRONMENT

With the new Recycle range from Leitz you can improve both the global environment – and your own. Every product in the range is climate neutral, 100% recyclable and made from a high percentage of recycled materials. Built with Leitz premium quality and design excellence, the Recycle range truly reflects your choice for the environment.



The Leitz Recycle Lever Arch File can be dismantled into separate material types for easy recycling using the small tool provided behind the compressor bar. This philosophy runs throughout the whole Recycle range.



## SHREDDERS

Our new ranges of shredders under the Rexel and Leitz brands have many new and exciting features and look great in your office or home. But in addition to this, the products were improved to reduce their environmental footprint, compared to the previous models.

Firstly, the electricity consumption of all models was improved by an efficient stand-by mode which switches on after 30 minutes of non-use.

Secondly, the new autofeed Rexel Optimum and Leitz IQ models have been equipped with removeable rollers, which are available as spare parts and can be easily and quickly installed by an authorized service agent.

Finally, the team has designed an attractive yet robust box for the machines, which means that the additional brown carton previously needed to protect the product in transport is no longer needed. This technically challenging but effective solution will save around 125 tonnes of cardboard a year!



## PACKAGING IMPROVEMENTS

The best packaging is no packaging at all! But this is often not practical as products must be protected and information conveyed. In 2020 we explored different ways to improve our packaging. As well as the packaging savings on shredders featured on page 44, the Leitz Cosy range was launched with plastic-free packaging (pictured right) and the Leitz Recycle range was launched with recycled packaging including our first experience with lightweight pre-consumer recycled plastic bags.

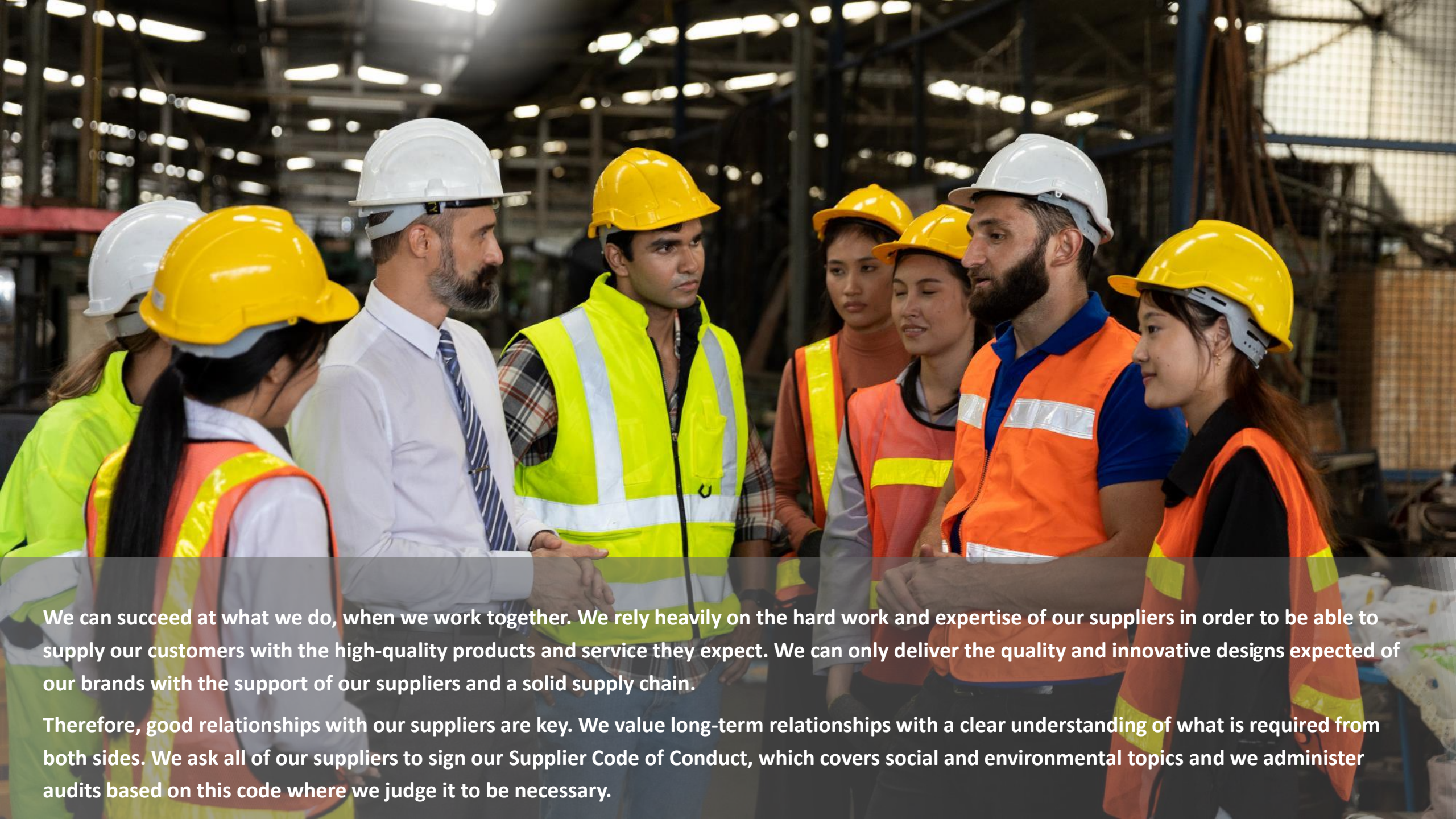


Kensington also launched a new packaging concept, with a brown-box approach for business customers and redesigned retail packaging which is easy to read, open and recycle. The roll-out is underway on existing products and of course all new products are packed in the new design. Read more here: <https://www.kensington.com/engb/solutions/sustainable-packaging/>



# GOOD WORKING RELATIONSHIPS





We can succeed at what we do, when we work together. We rely heavily on the hard work and expertise of our suppliers in order to be able to supply our customers with the high-quality products and service they expect. We can only deliver the quality and innovative designs expected of our brands with the support of our suppliers and a solid supply chain.

Therefore, good relationships with our suppliers are key. We value long-term relationships with a clear understanding of what is required from both sides. We ask all of our suppliers to sign our Supplier Code of Conduct, which covers social and environmental topics and we administer audits based on this code where we judge it to be necessary.

## Supply Chain Responsibility

### ACCO Brands-Owned Facilities

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

### Suppliers

- Focus on long-term relationships
- Must comply with REACH and are asked to comply with the ACCO Brands Restricted Substances List
- Suppliers in risk countries must sign Supplier Code of Conduct
- Finished goods suppliers in risk countries are risk segmented and audits covering social and environmental aspects are carried out and followed up on by a third-party service provider where required with close monitoring by the ACCO Brands Vendor Compliance and Sourcing teams.

### Products/Marketing

- Comply with REACH, RoHS, WEEE, packaging and all relevant EU regulations
- Environmental labels: FSC<sup>®</sup>, Blue Angel, Nordic Swan, UL Recycled Content, Climate Neutral certifications held for 2,500+ products
- Use FSC<sup>®</sup>-certified/recycled paper and board
- Honest and transparent communication.



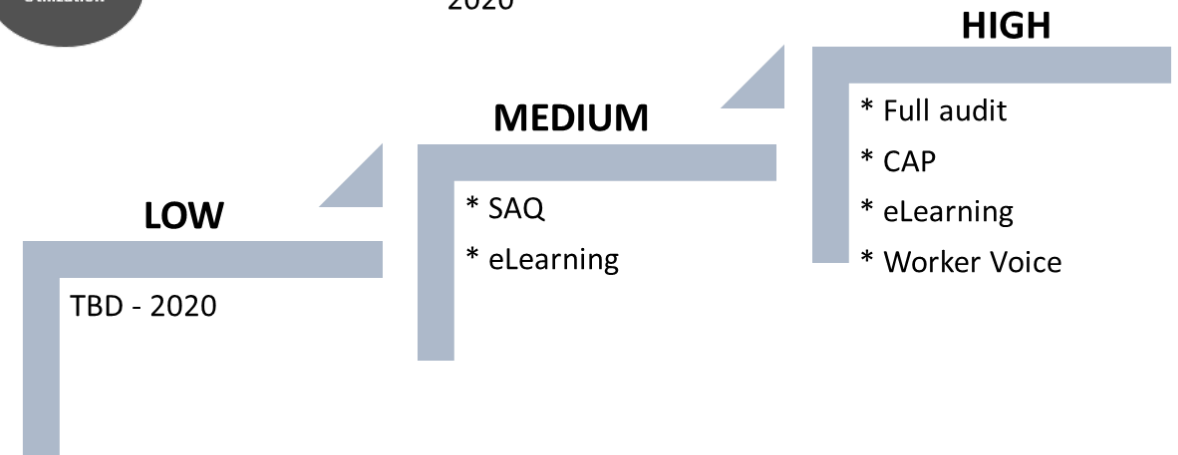
## SUPPLY CHAIN MONITORING

In 2020, we launched a new audit model to transition from a geographical risk model to a segmented approach. This new approach aims to better align risk, influence, action and investment. This robust segmentation approach has been applied to assess how to manage each supplier relationship. Suppliers falling in the high and moderate segments are required to pass an audit. If the pass level is not acceptable, further audits are required.

In addition, our third-party audit firm has begun incorporating Worker Sentiment Surveys into our audit process using Laborlink technology, a mobile platform that provides workers a way to share their viewpoints on topics such as grievance mechanism, work atmosphere, wages and hours, production efficiency, workforce stability and demographics. This survey offers insight to topics otherwise difficult to surface and provides workers' perspectives that help validate the progress made in factories. The Worker Sentiment Survey was completed at 30 EMEA suppliers in 2020.



- **High Risk:** Suppliers identified as “Priority and moderate” will be required to complete a Full audit assessment, CAP, eLearning lessons and worker voice.
- **Medium Risk:** Suppliers identified as “specialized” medium risk will be required to complete a SAQ and take eLearning lessons.
- **Lower Risk:** Suppliers identified as “minimum” low risk will not be required to complete an audit or SAQ in 2020




## SUPPLY CHAIN MONITORING: RESULTS

	Target	2020 Result	Highlights
In-scope suppliers attested to compliance with the ACCO Brands' Supplier Code of Conduct	100%	88%	Launched updated Code of Conduct campaign with third-party online platform
Percentage of Priority and Moderate level (>\$100K annual spend) supplier factories audited	100%	87%	38 EMEA suppliers determined to be in-scope for audits in 2020 using a risk-based supplier selection; 67% audited by our third-party auditors; 33% using other standards (SMETA,BSCI, RBA)
Social responsibility audit assessment overall performance	100%	98%	98% of all audit checklist points indicated conformance with applicable standards
Priority issue non-conformance rate	0%	0%	Priority non-conformances are defined as the highest severity of non-conformance
Other non-conformance rate	0%	2%	All other non-conformances



# HEALTH & SAFETY



At ACCO Brands, we are committed to pursuing continuous improvement in Health & Safety within all our locations and attaining our goal of zero accidents and incidents. This is our **MISSION ZERO** 

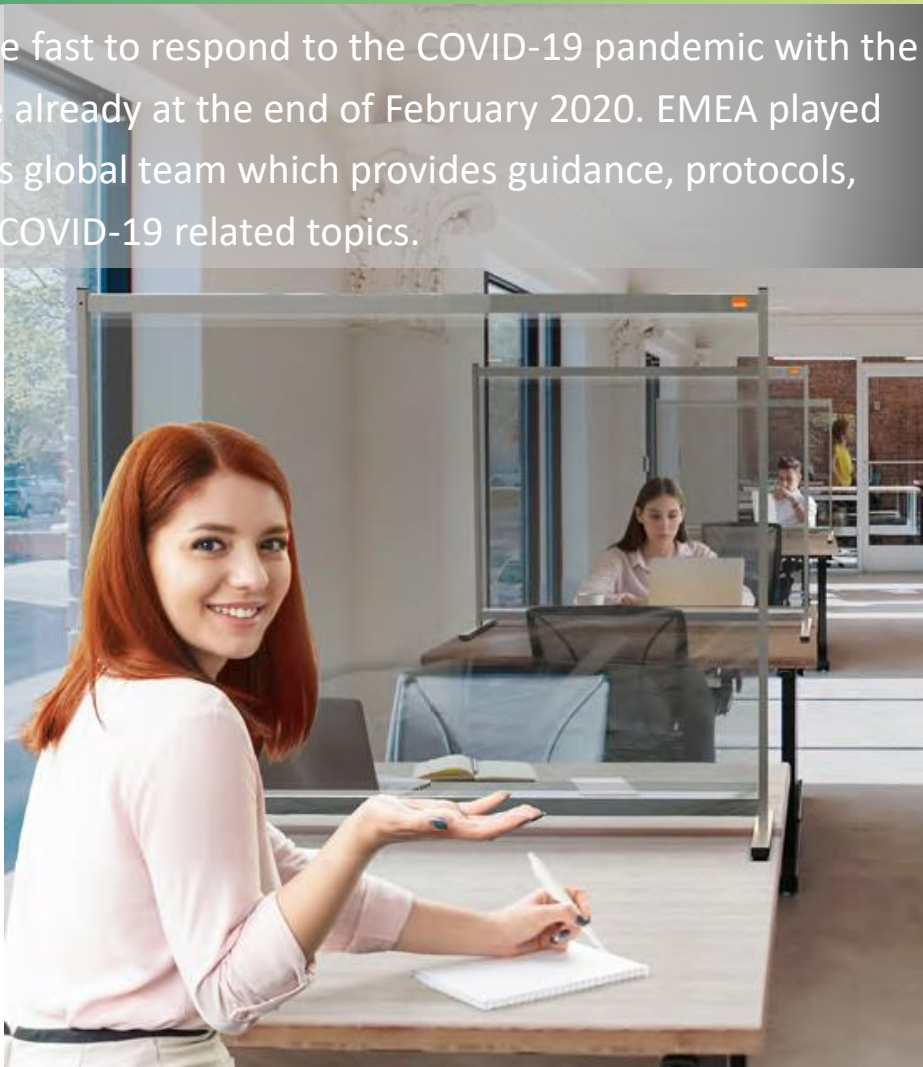
We strive to achieve a culture where all employees contribute and take ownership for creating and maintaining a safe working environment. Our Health & Safety management system is laid out in the “Comprehensive Environmental and Safety Management Plan,” which is activated in every ACCO Brands EMEA location.

We are proud to have been awarded the Royal Society for the Prevention of Accidents (RoSPA) gold medal for 24 years running and to hold the RoSPA Order of Distinction. RoSPA is a leading and well-respected Health and Safety organization with the aim of reducing accidents both in the workplace and at home. RoSPA present awards to organizations for their occupational health and safety excellence annually.



# COVID-19 RESPONSE

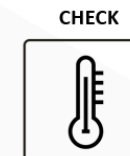
At ACCO Brands, we were fast to respond to the COVID-19 pandemic with the formation of a task force already at the end of February 2020. EMEA played an important part on this global team which provides guidance, protocols, signage and updates on COVID-19 related topics.



The team created a dashboard showing the situation across all our sites which is updated and reviewed by executive management weekly. We are proud of how our sites have responded to be able to keep running and keep our people safe at the same time. Office workers across Europe have been enabled to work from home since early in the pandemic and now the team is providing re-opening training and guidance where this is appropriate.



Clean your hands and surfaces



Check your temperature and symptoms



Cover your nose and mouth with a face covering



Commit to space and practice social distancing (2 m)



Coach each other and stay 200% accountable.

## HEALTHY AND SAFE WORK ENVIRONMENT

Total Statutory Reportable Accidents at Factories and Warehouses

Facilities EMEA	2018	2019	2020
Kozienice, Poland	3	3	3
Uelzen, Germany	0	0	2
St. Niklaas, Belgium	3	2	0
Gorgonzola, Italy	3	1	1
Cerkezkoy, Turkey	0	0	0
Lanov, Czech Republic	3	3	0
Hotkovo, Russia	0	0	0
Hestra, Sweden	2	1	1
Arcos, Portugal	0	0	0
Lillyhall, U.K.	0	0	0
Shanghai, China	1	1	3

Warehouses EMEA	2018	2019	2020
Heilbronn, Germany	7	7	4
St. Amé, France	3	2	0
Halesowen, U.K.	0	1	0
Barcelona, Spain	0	0	1
<b>Total Accidents</b>	<b>25</b>	<b>21</b>	<b>15</b>



# RESULTS & OUTLOOK








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

	Target 2020	Target change from 2015	2019 Result	2020 Result	Progress	
<b>Emissions:</b> Total CO <sub>2</sub> CO <sub>2</sub> Factories* CO <sub>2</sub> Warehouses	9 450 T CO <sub>2</sub> 127.5 kg/Tonne 2.09 kg CO <sub>2</sub> /m <sup>3</sup>	-30% -25% -20%	9 745 T CO <sub>2</sub> 119.5 kg CO <sub>2</sub> /T 2.52 kg CO <sub>2</sub> /m <sup>3</sup>	7 986 T CO <sub>2</sub> 116.5 kg CO <sub>2</sub> /T 2.46 kg CO <sub>2</sub> /m <sup>3</sup>	We made good progress in the past 5 years, reducing our CO <sub>2</sub> emissions by around 30%. The pandemic has blurred the picture a little. We will see the more stable picture in the coming 2-3 years.	😊
<b>Water Consumption:</b> All Factories & Warehouses	33 000K Litres	-25%	29 817K Litres	27 228K Litres	Target achieved!	😊
Zero Waste	98% of total waste recycled	+21pp	90% of total waste recycled	93% of total waste recycled	Factories and warehouses are pushing hard to improve. There is more to do!	😐
FSC® /recycled paper used in manufacturing	100%	+0.7%	99.2%	99.1%	New product ranges alter the result and need further focus (e.g. Viscom)	😐
Env. Preferable Products Percentage of sales of branded products which have an Eco Label in categories where label is available	54%	+2%	45.9%	42.2%	See note on page 40. The pandemic affected the mix of products sold but we sell more and more products with labels within the affected categories. A growing range of products with great environmental features!	😊

\* Amended due to a correction in the tonnes produced figure. Please see slide 19 for details



# ACCO Brands EMEA Sustainability Scorecard 2020: Good Working Relationships

	Target 2020	2020 Result	Progress	
In scope tier 1 suppliers signed up to the ACCO Brands Code of Conduct	100%	88 percent of non-European OEM suppliers have signed our Code of Conduct.	Although we are close, we are still missing the documentation on a few small suppliers. Our supplier base is continually changing, so we have to work hard to keep up!	
Percentage of Priority and Moderate level (>\$100k annual spend) supplier factories audited*	100%	87 percent	38 suppliers are defined as being in scope as explained on page 49. Covid-19 made audit planning difficult in some cases.	
Priority issue non conformance rate Other non-conformance rate	0% 0%	0% 2%	Of those suppliers audited, only 2% of audit lines were assessed as non-conforming and improvement plans were agreed on together with the suppliers.	
Supply Chain (tier 1) mapped in detail and risk assessed	100%	Finished goods and raw material suppliers for EMEA are known but not fully documented (mapped and risk assessed), although judged overall as low risk. Overseas suppliers have been thoroughly assessed.	This task has been strengthened via the new segmentation approach for the highest risk group of suppliers, non-European OEM. Fulfilling this target completely is currently challenging.	
Zero Accidents	0	15	A further reduction in the number of accidents. But we aim for zero!	

\* Due to the change in corporate strategy for risk assessing and auditing suppliers, these figures are different to pre 2019 reports and cannot be compared.



## CLOSING THOUGHTS

Working towards Taking Care of Tomorrow is at the heart of what we do at ACCO Brands. We know that it is what consumers expect of our brands and it is what we expect of ourselves. Our focus on continuous improvement and reducing our impact therefore remain at the core of what we do.

