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# Socially Responsible Procurement Policy Directly Imported Products



## OUR PRINCIPLES

**The Respect of Human and Workers' rights is a key issue in Lyreco's Values.** Lyreco refuses to purchase merchandise that may be manufactured in an inhumane, cruel or degrading environment. We strongly demand our vendors to ensure that their factories and **their vendors are in compliance with the principles in the SA8000 (Social Accountability) standard.**

Lyreco makes on-site visits to all of the factories from which it sources directly to ensure principles in the SA8000 standards are not violated.

An audit is carried out EACH year to all vendors.

A supplier must pass the audit without any major non conformance in order to continue business with Lyreco. **Before a supplier is eligible for our social audit, it must have signed our Lyreco Business Supplier Agreement (BSA) and Code of Ethics.**

Should Lyreco find any major violation at the vendors'

factories, Lyreco will immediately terminate any cooperation with such vendors.

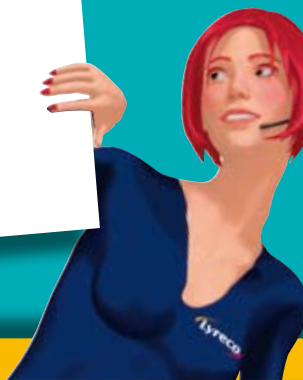
## SA8000 STANDARDS

SA8000 is an internationally accepted social compliance standard and we audit all of our direct from Asia vendors based on the principles of SA8000 standard.

**The seven areas we focus on are child labour, forced labour, health and safety, discrimination, disciplinary practices, working hours and compensation.**



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### THE SOCIAL COMPLIANCE AUDIT

Each audit is carried out by Lyreco employees, who have completed the SA8000 lead auditor training course provided by the international certification body SGS.

During the audit, the audited site:

- must be represented **by a senior officer**, such as the safety manager or plant manager. This person must be **familiar with all areas of the audited topics** and be able to answer, or find the answers, for any relevant questions arise from the audit.
- is expected to **provide full access to information which is reasonably believed to be linked to the compliance of the above standards.** A walk-through inspection at the production area also takes place during the audit in order to deal with the health and safety aspect of the audit. Random interviews of the workers are sometimes taken to verify the authenticity of the documents and information provided. Below are examples, but not limited to, of lists of original documents Lyreco lead auditor will check during the audits.

#### Child labour

Workers ID copies, employment records.

#### Forced labour

On site security level. Whether any items are required to lodge "deposit" at the site. Contract termination record. Random interviews with workers.

#### Health and Safety

Training records. Machine maintenance records. Fire drill records. Availability of relevant safety equipment such as gloves and masks. Availability of fire fighting equipment. Availability of first aids boxes etc.

#### Discrimination

Employment records. Employment records per line/per department. Payroll records.

#### Disciplinary records

Interviews. Payroll records against attendance record. Dismissal records. Overtime record.

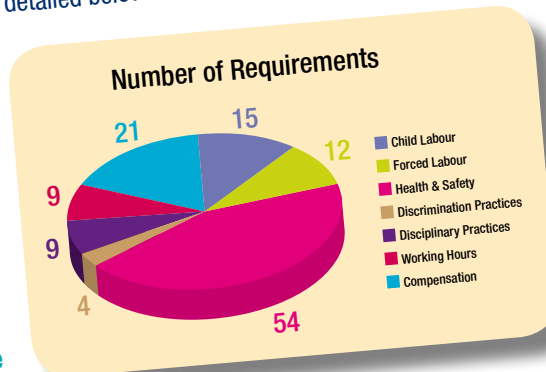
#### Working hours

Time card. Payroll records. Attendance records. Interviews.

#### Compensation

Payroll records. Overtime records. Attendance records.

The audit consists in checking up to 124 requirements as detailed below:



Based on the findings on the site, a formal audit report is prepared by Lyreco.

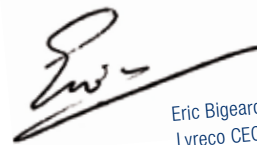
In the report, areas that are satisfactory and unsatisfactory will both be recorded.

**A final result will be given based on the findings. Each and every audit report is reviewed by the Lyreco Group QSE Director.**

Should there be areas that are not of major problem but nevertheless deserve to be dealt with in a better manner, Lyreco will record such area as "improvement". The supplier will then take time to make improvement on such areas and such topics will be revisited in subsequent audits as a priority.

### THE FUTURE

The intention of the Lyreco import audit is for Lyreco to take its social responsibility and use its influence to ensure its suppliers are in compliance with the principles behind the SA8000 standard. More importantly, Lyreco recognizes that some areas of the standard may require time to allow the suppliers to be in complete compliance, Lyreco would like to use its influence to help the suppliers to make continuous improvement of working condition in the developing countries its sources from.

  
Eric Bigeard  
Lyreco CEO



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