

Building a Sustainable Supply Chain

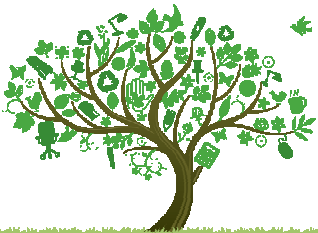
Jennifer Levasseur
Corporate Social Responsibility Manager



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Agenda

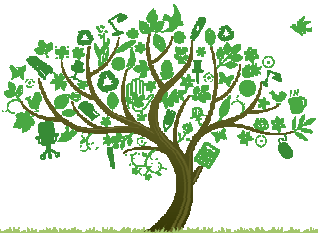
- Why is this important?
- Identifying CSR risks in your supply chain
- Implementing the right ethical sourcing framework
- Influencing suppliers
- Case Study
- Results



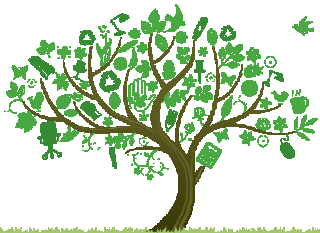
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Corporate Express

- A leading supplier of:
 - Office Products, IT Solutions, Business Furniture, Promotional Marketing, Print Management, Facility Supplies, Canteen & Catering, and Education Essentials
- 40 branches around Australia and New Zealand
- Objective: offering a sustainable supply chain



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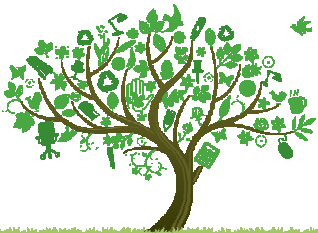
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Sustainability at Corporate Express

‘Belief in a Better Way’

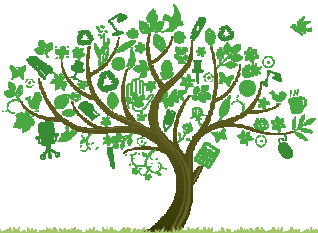
We create sustainable supply chain partnerships through **the products we source** and **the way we choose to operate**, to **protect our planet** and **care for our community**.



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Risk Management

- There is risk in products we supply:
 - Environmental risk
 - Ethical risk
- Our customer's sustainability strategy is positively or negatively impacted by our supply chain
- Reputation Risk




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Ethical Sourcing Policy

- Labour Standards
- Environmental Standards
- Ethical Conduct
- Compliance

Ethical Sourcing Policy

Building a sustainable supply chain



At Corporate Express, we're committed to taking a leadership role in our industry, by subscribing to high standards of ethical conduct. We recognise that our corporate and social responsibilities reside as much in our supply chain as they do in our own activities. Therefore we continually seek to ensure that the products and services we source are ethically produced. We will do this by working with all of our suppliers to positively influence our social, ethical and environmental performance.

Preferred suppliers are those who respect, comply with or interpret at the organisational level relevant laws, regulations treaties, covenants or other agreements, such as the International Labour Organisation (ILO) standards. We look for suppliers who demonstrate a commitment to implementing policies and practices consistent with and complementary to, our own. We believe these considerations to be the platform from which responsible behaviours can be built.

Labour Standards

We expect suppliers to adopt sound labour practices: we expect them to treat their employees fairly, in accordance with local laws and regulations relating to labour and employment. We expect suppliers to adhere to the following requirements:

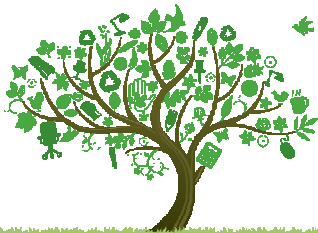

Employment is freely chosen
Suppliers will not use forced, bonded or involuntary prison labour. Workers must not be required to lodge 'deposits' or their identity papers with employers; they must be free to leave once their shift ends, or after giving their employer reasonable notice.

Child Labour
Suppliers shall not use child labour. 'Child' is defined as a person who is younger than the local legal age for completing compulsory education. Suppliers shall verify the age of their workers and maintain copies of their workers' proof of age. Suppliers shall follow all applicable laws, regulations and the ILO standards regarding working hours and conditions for all employees.

Involuntary Labour
Suppliers shall not use involuntary labour. 'Involuntary Labour' is defined as work or services extracted from any person under threat or penalty of its non-performance, and for which the worker does not offer himself or herself voluntarily. It includes all manner of prison, bonded, indentured and forced labour. Workers must be free to leave once their shift ends and free to leave their employment after reasonable notice.

Immigration Law Compliance
Suppliers shall only employ workers who have a legal right to work, including workers obtained through an employment agency. Workers' legal rights to work must be validated by reviewing original documentation prior to commencement of work.

Non Discrimination or Harassment
Suppliers shall employ workers solely on the basis of their ability to do the job and shall not discriminate on the basis of age, gender, racial characteristics, maternity or marital status, pregnancy, sexual orientation, disability, national, cultural, religious or personal beliefs in relation to hiring, wages, benefits, termination or retirement. There shall be no inappropriate medical testing used in determining employment. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.



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EarthSaver Classification

Supplier must have signed Ethical Sourcing Policy



Recycled content

- 20%+ recycled materials



End of Life Management

- 70%+ recyclable; biodegradable, degradable or compostable



Low Ecological Footprint (organic, biodynamic)

- Products that are certified organic and/or biodynamic

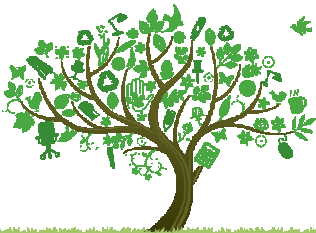


Sustainable Source

- FSC, PEFC and AFS Certified; Fairtrade, Rainforest Alliance & UTZ



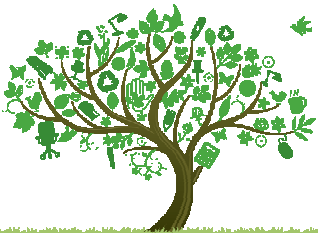
Energy Efficient / Greenhouse Benefits



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Case Study: Manilla Folders (1)

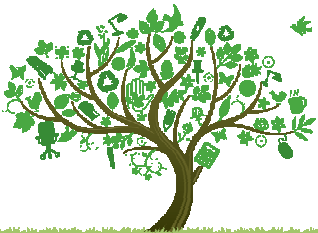
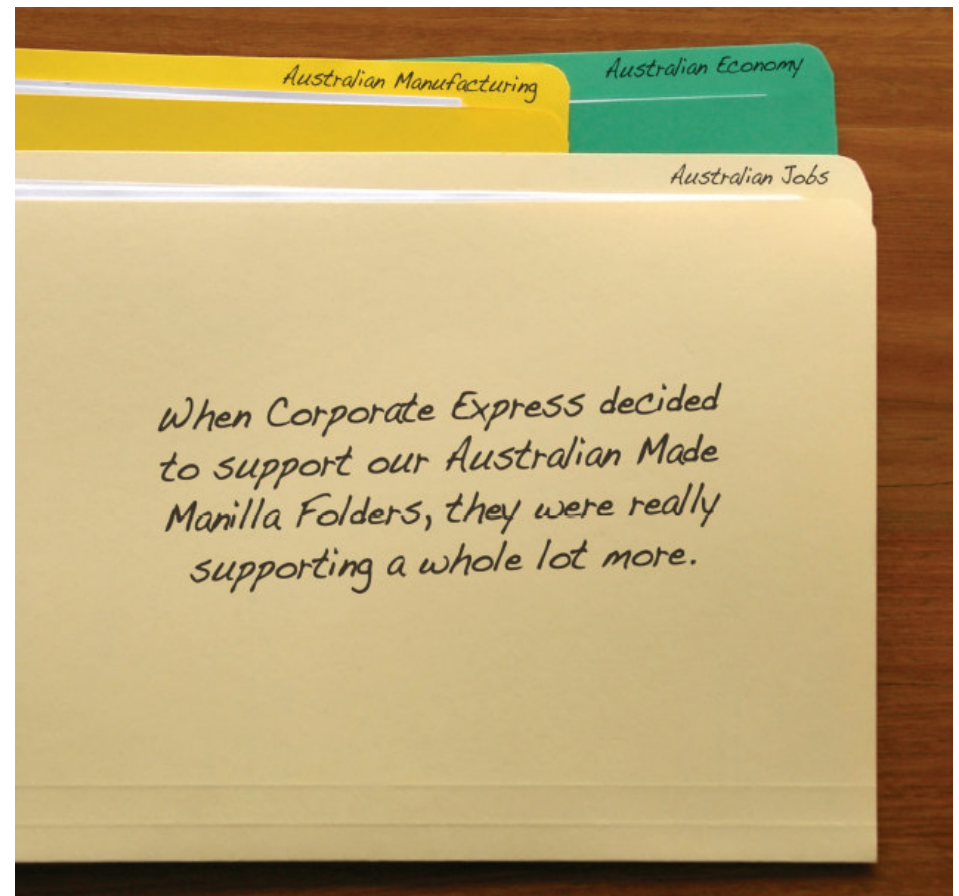
- Key private label (EXP) category
- Small industry in Australia; sourced from Asia
- Key sourcing considerations:
 - Achieve most cost effective position
 - Reflect our core values of sustainability and Australian made or supplied
- Identified key local supplier w/ same objectives
- Challenge: price point / competitiveness



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Case Study: Manilla Folders (2)

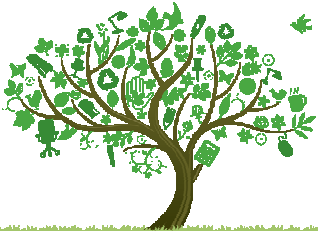
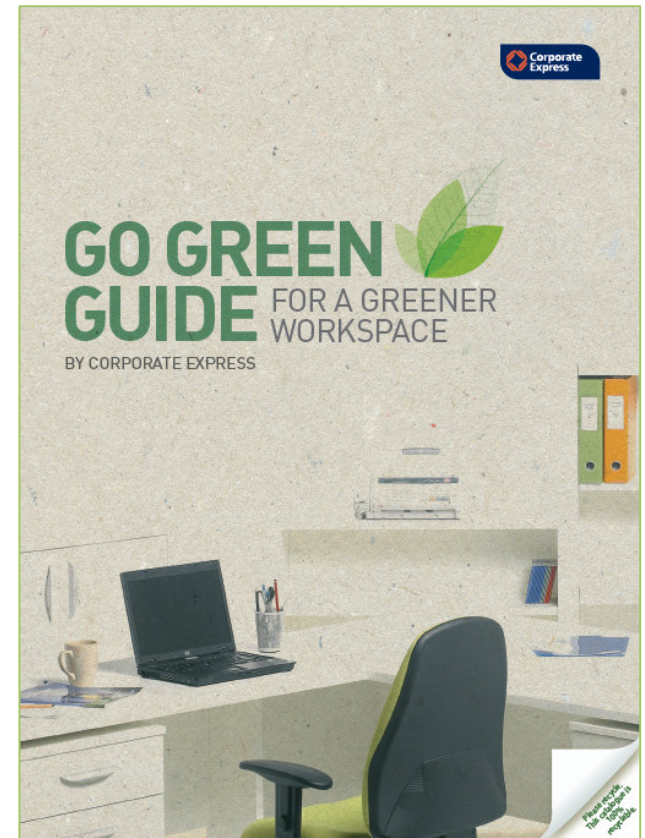
- Solution:
 - Collaborated with local supplier to take cost out
- Outcomes:
 - Launched a product range of **higher standard** at **same price**
 - Our commitment provides solid base for supplier to grow business in Australian market
 - Supports Australian manufacturing and jobs



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Results

- Ethical Sourcing Compliance
 - Top 100 suppliers (2007)
 - Top 200 (2008)
 - Top 300 (2009)
 - Integrated in business process (2010)
- EarthSaver Growth
 - Growth of EarthSaver product range increased 7-fold since 2008
 - 12.4 million EarthSaver products sold in 2009
 - Number of customers buying EarthSaver products has grown by 21% since 2006



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Sustainability Journey



2010: Go Green Guide

2010: Develop EMS

2010: Business Woman of the Year Award program

2009: Fair Trade Workplace

2009 Sustainability Report

2008: Indigenous Support Program

2008 Sustainable Co of the Year

2008: New Sustainable Designed Facilities

2008: Women in Leadership Council

2008: Green IT

2007: Appoint CSR Mgr

2007: Ethical Supplier Program

2005: OH&S Strategy

2006: Employee Engagement

2004: ASX Governance Principles

2001: Launch GreenXpress

2002: Sign up to Greenfleet

2001: Community Support Program

1998: Environmental Products Launch

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