

A black and white photograph of a person sitting on the grass under a tree, reading a book. A laptop, a smartphone, and a tablet are also on the grass nearby. The person is wearing a white shirt, shorts, and a hat.

# Global Corporate Social Responsibility Report 2017

OUR CONTRIBUTION TO THE FUTURE



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In a world where the only constant is change, principled action endures.

LSC Communications both shapes and follows industry trends and, as you will read in the pages of our Global Corporate Social Responsibility Report, it also follows principles.

Those principles extend beyond being fair in business transactions and being compliant with industry standards. Rather, they aim to inspire our employees, improve our communities, and ensure the sustainability of our operations in an increasingly threatened environment.

Our principles apply wherever we do business. With operational bases in the US, Canada, Mexico, and Europe, we have a wide scope to make a difference.

The consistency of our corporate standards, irrespective of location, mean that we lead from the front in the fields we target: ethics and compliance, environmental health and safety, employee healthcare and benefits, diversity, inclusion and community relations, and sustainability.

With strong roots in our past, our commitment to corporate social responsibility is firmly oriented to the future.

Thomas J. Quinlan III  
President & Chief Executive Officer



## PREFACE

With a presence on three continents, a workforce of over 20,000 employees, and a history spanning over 150 years, LSC Communications connects the past with the future of print and related services. A sense of responsibility lies at the heart of what we do, and the desire to contribute to the greater good informs our actions.

Our corporate responsibility extends beyond our employees, suppliers and customers to the communities they are a part of and the environment we share. On the basis of a strong ethical vision backed by rigorous compliance, we take principled action in the areas where we can make a difference: environmental health and safety, employee healthcare and benefits, diversity, inclusion, community relations, and – through sustainability – the future.

Our employees drive our success, and we support theirs. We invest time and resources into making a difference to their lives and, by extension, to their communities. This involves fostering an environment that encourages individuals to take actions that create a positive model for others, whether by following safety precautions, providing outstanding customer service, empowering colleagues, or volunteering in the community.

The chapters in our story outline the areas that we have targeted to make a difference.

Mike Manzella  
Senior Vice President of Environment, Health, Safety,  
and Quality & Chief Sustainability Officer





# CHAPTER I

## ETHICS AND COMPLIANCE

*"Ethical behavior is the cornerstone of LSC's culture, and a building block for every element of our operations. The strength of a good name, and the unwavering trustworthiness it represents, has sustained our organization since its origin more than 150 years ago. That strength resonates with our employees and with our clients, and those who lead our organization are astutely aware of its value. Together, we shape and sustain a culture with demanding ethical standards."*

Sue Bettman

Chief Administrative Officer & General Counsel

**L**SC is very proud of having earned a reputation for providing top quality printing and related services. We believe that doing business honestly, ethically, and in compliance with all laws is one of the foundations of our success.

Our commitment to integrity is expressed in our Principles of Ethical Business Conduct, executed through our Ethics & Compliance Program,

overseen by our Ethics & Compliance Committee, and ultimately by the Corporate Responsibility and Governance Committee of our Board of Directors. Instilled in employees worldwide, our Principles inform our policies and procedures for ethical and lawful behavior across a wide range of activities which impact the company, its stakeholders, and the broader community.

These policies cover a broad range of topics including antitrust and competition, securities laws and confidentiality, financial reporting, conflicts of interest, corruption, environmental laws, discrimination, working conditions, environmental health and safety, computer systems, records management, privacy, and the monitoring and reporting of violations.

We routinely educate our employees about the importance of these policies and the impact of their behaviors. Moreover, through our Ethics Hotline and Open Door Policy, we encourage open communication between our employees, throughout the organization.



## CHAPTER II

# ENVIRONMENTAL HEALTH AND SAFETY

*"A leading indicator of well-managed facilities, environmental health and safety compliance ensures the safety of employees and reflects LSC's commitment to its core principles. Our taking good care of employee safety allows our employees to take good care of quality and service delivery. By energetically pursuing and promoting a culture of safety, we build trust, accountability, and ownership at all levels of our organization – and between them."*

Mike Manzella

Senior Vice President of Environment, Health, Safety, and Quality & Chief Sustainability Officer

The importance placed on the safety of our employees is reflected in our goal of zero injuries and zero environmental incidents. We have put programs, practices and resources in place to provide safe working environments worldwide, building trust and promoting accountability throughout all levels of the organization.

Our commitment to safety benefits everyone: in addition to protecting our most valuable assets – our employees – high safety standards ensure minimal disruption, create a better working environment, and translate into better performance for our customers.

To implement our environmental health and safety (EHS) policy we have established a series of interrelated standards which define how EHS performance should be managed across our global operations. Adherence to these standards ultimately results in both a safer work setting and improved environmental conditions. The Corporate Responsibility & Governance Committee of our Board of Directors annually reviews and approves the structure and design of our EHS policy, and oversees its implementation.

Deriving from our core principles, each standard is developed on the basis of country, state and local regulations, wherever we operate. The standards are then elaborated into descriptive procedures and supplemented with training tools and implementation guidelines.



These sets of standards, tools and guidelines are communicated to our operational centers and facilities on a regular basis.

Communication between our facilities ensures that best practices are established and that lessons learned are shared throughout the organization. As a result, best practices from individual facilities have a chance to be implemented across the entire organization.

LSC Communications also has dedicated EHS teams whose sole purpose is to aid our facilities and employees with ongoing improvement in worker safety. They assess current practices, identify and evaluate trends and results, draw up plans for further improvement, and develop meaningful metrics to ensure that improvement is taking place.

*"It makes sense to involve employees in day-to-day efforts to increase workplace safety: they believe that their health and safety is their shared responsibility, so they have a stake in the success of our programs. After all, our employees are the ones who are exposed to the hazards of operating equipment, using tools and performing various tasks. Without their involvement, we can't establish a strong foundation for safety."*

Dirk Hiler

Senior Vice President of Operations - Book and Directory







## CHAPTER III

### EMPLOYEE HEALTHCARE AND BENEFITS

*"The strength and future of our company is not in the iron of our presses, but in the wellness of our employees. Programs and benefits that support and enable our employees' health allow them to give their best every day -- to each other, their teams, our customers, and ultimately our stockholders."*

Scott Bigelow  
Chief Human Resources Officer

LSC recognizes the value of its employees by providing them with health and benefits packages and employee-centered initiatives at all locations, in a way which meets or exceeds local standards and regulatory requirements. We do our best to ensure that, wherever they are, those who work for us feel their very best.

**In the US**, we put a premium on ensuring our employees and their families receive high quality and effective programs. These include in-network preventive care coverage, cost-effective

blood pressure and cholesterol medications, and personalized support such as condition and case management. We also go the extra mile to provide our employees with additional life and wellness support.

Our Life & Wellness Resource Center helps with tobacco cessation and alcohol control, resiliency and stress management, nutrition education, and weight loss and fitness advice.

**Around the world**, LSC employees are covered by medical and life insurance and enjoy location-specific benefits. For example, our employees in Poland have access to health-club cards, and our employees in Mexico participate in health campaigns focused on the prevention, identification, and reduction of common health problems.

LSC further looks after the interests of employees by managing benefit vendors, holding them accountable for service levels, tracking their financial and performance metrics, and analyzing the data they provide to better direct programs to their recipients.



## CHAPTER IV

### DIVERSITY, INCLUSION, AND COMMUNITY RELATIONS

*"An insightful company recognizes the diversity of its employees; a wise one celebrates that diversity by fostering a culture of inclusion and collaboration to maximize each individual's contribution and create synergies from collaboration. At LSC Communications, we recognize that we're part of a bigger picture. Therefore, we actively encourage diversity in our workforce and the representation, support and growth of the communities from which it comes."*

Scott Bigelow  
Chief Human Resources Officer

LSC promotes and fosters an actively inclusive culture, where all of its employees can feel that they belong and are accepted. We also strive to provide our employees with access to the resources and tools they need to advance their careers.

With the support of our Diversity, Inclusion, and Community Relations team, we create an inclusive organizational culture that focuses on productivity,

innovation, and advancement among employees. The team is behind our mentoring program, identifies learning opportunities for employees, develops and shares cultural competence training, and oversees the work of our Inclusion Councils.

Our Inclusion Councils are groups of employees that are sponsored and supported by site business leaders, local HR, and Diversity, Inclusion, and Community Relations teams. The Councils advocate for and promote an inclusive culture by sharing resources and implementing programs and activities that address workplace culture, career development, relationship-building, and community outreach. They operate like other business teams: they build strategies, set goals, identify and implement activities to achieve the goals, monitor progress, report back on the results, and are recognized for their accomplishments.





Three pillars underpin our Inclusion Councils::

**Care** - be aware of, understand, appreciate, and acknowledge the differences and contributions of all employees.

**Connect** - bring together diverse people to share their ideas and talents; provide an environment of belonging for all employees.

**Communicate** - facilitate open and honest discussions. Such conversations present opportunities to gain knowledge and build relationships that enable career advancement.

The organizational steering committee for the Inclusion Councils aims to represent the needs and desires of all LSC employees and make recommendations to support inclusion efforts.

The Councils create initiatives based on these inputs and implement them throughout the company.

LSC also participates in many local programs aimed at promoting diversity and inclusion in its various locations. In the US, we partner both with Ability Links and the Illinois Diversity Council.

Ability Links is the leading US web-based community for job seekers and inclusive employers. Their programs include virtual job fairs, career counseling, resume and interview preparation, and coaching.

In 2016, LSC assisted in the design and testing of the new Ability Links website. We also helped them celebrate the 15th anniversary of their valuable service to individuals with disabilities. We hold a leadership role on the Ability Links Steering Committee.

LSC's Community Outreach Committee connects with multiple organizations that allow us to participate in events and build connections with the public. For example we co-hosted the 2016 Turning Pointe Autism Foundation Career College graduation ceremony in Warrenville, IL. LSC has provided mentorship and coaching to students in this program for the past three years.







We are also teaming up with SkillsUSA, a partnership of students, teachers, and industry members working together to develop and support a skilled workforce. LSC supports student achievement and recognition at the National Conference and has provided oversight and facilitation of both the Offset Press and Digital Workflow Operations examinations.

These partnerships are crucial in developing a strong pipeline for our future, as they allow us to partner with local high schools and colleges to attract students to careers in the field of print. LSC supports similar educational initiatives in Poland, where it funds scholarships for talented young students of print technologies in the Krakow and Starachowice technical colleges, and offers work to successful graduates.

Further endeavors by the Community Outreach Committee to promote diversity and inclusion in the US are involvement with Project Linus, the Human Race, clothing drives, blood drives, senior chores days, school supply drives, and employee resource groups for women and people of color.

Meanwhile, in our Mexico facilities, a program is underway to train key staff in sign language and to hire people with hearing disabilities. Charitable actions include cooperation with organizations helping children with cancer, migrants, orphans, and senior citizens. In Poland, our employees participate in a variety of charitable activities, ranging from supporting orphanages to providing materials for technical schools.





## CHAPTER V

### SUSTAINABILITY

*"Our future depends on the sustainability of our business practices, both for our operations and for the environment. Technology and innovation continue to equip us with tools and solutions to shape a sustainable path into the future, and we know how to make the most of them."*

Maciej Traczyk  
Head of Strategy and Innovation Europe

At LSC, a strong environmental consciousness informs our business activities, especially in our print-related activities. Our EHS policy sets out practices that protect both our employees and the environment. By utilizing resources (raw materials and energy) more efficiently, reducing emissions, and identifying opportunities to recycle and prevent pollution, we create a work environment that leaves the smallest possible footprint on the natural one.

Our Sustainability Leadership Committee, an internal multi-discipline team, is responsible for reviewing and approving initiatives to meet our sustainability goals across our organization.

The Committee focuses on 4 areas - **Resource Efficiency, Supply Chain, Waste Minimization, and Stewardship**. This targeted approach to environmentally sustainable business practices brings positive results wherever we operate.

**Resource Efficiency** - LSC utilizes several programs aimed at increasing energy efficiency in our plants worldwide to reduce our energy usage.

For example, LSC participates in several local utilities' electrical demand response programs. These require large industrial users to reduce consumption during peak demand periods such as hot summer months. This allows the utilities to manage demand while avoiding brownouts and forced investment in costly generation capacity.

For our print operations, LSC invests in oxidizer technology to control emissions from the printing process, use significantly less natural gas, and achieve better overall performance. LSC also employs a proprietary process for heat capture and reuse, rather than allowing that heat, which is a byproduct of nearly every industrial process,





to simply dissipate. This allows us to reduce ambient heating needs, dry printing inks more effectively, and improve boiler operations. The benefits to the environment match those to our business.

Within our premises, we are expanding our deployment of Energy STAR compliant computer equipment, and making use of energy efficient ballasts and light bulbs. We also use a PC software solution that automatically monitors computer systems and switches to lower energy consumption levels when not in use. These simple actions reduce computer and lighting energy use, saving both money and the environment.

**Supply Chain** - Leveraging our deep expertise in our supply chain and our influence across it, we encourage sustainable practices amongst our suppliers and make such practices possible for our clients too.

As far as the origin of paper products is concerned, we are committed to responsible forestry management, and hold certifications globally for The Forest Stewardship Council® (FSC®), sustainable

Forest Initiative® (SFI®) and Programme for the Endorsement of Forest Certification (PEFC) chain-of-custody standards. These certifications reflect our commitment to responsible forest management, reforestation and continuous improvement in standards and practices. As a result, our customers are always provided with supply options that protect forests and their ecosystems.

LSC also continues to explore product substitutions that allow for the use of more sustainable materials. These include using inks partly made up of soy, vegetable, or other renewable content, making alcohol replacements in fountain solutions, and presenting customers with a range of recycled paper options.

Contracts with our vendors, suppliers, and contractors contain Regulated Products and Materials Safety Specifications. These ensure compliance with all applicable national and international environmental requirements and regulations, for all materials purchased by and finished products provided by LSC. Such regulations include but are not limited to the Consumer Product







Safety Information Act (CPSIA), Endangered Species Acts, the Restriction of Hazardous Substances Directive, the Toxics in Packaging Prevention Act, Ozone Depleting Substances Regulations and the EU Ecolabel.

**Waste Minimization** - To minimize waste throughout the supply chain, we apply the principles of reuse, repair, repurpose, and recycle. Examples of such efforts include: returning wood pallets to vendors for reuse, reusing bubble wrap received as wrapping around thermal papers, using end-of-roll paper as packing material, reclaiming silver from spent photo fixes, as well as recycling copper from cylinders, paper trimmings, oil, plastic wrap, aluminum printing plates, forklift batteries, office paper, and more.

**Stewardship** - At LSC, we use education, communication, and demonstrations to share what we know about best-in-class sustainability practices. We take pride in our certifications that reflect such efforts, including ISO 14001, OHSAS 18001, and SASST.





## CHAPTER VI

### FUTURE: FORWARD THINKING

Since the invention of the printing press, our industry has been a forward-looking one, acutely aware of the potential of its technologies to affect the communities it touches and inextricably bound to their development.

Over recent decades, that awareness has sharpened to focus on issues which affect the environment in which the industry operates and the communities of which it is an integral part. LSC's concern with ethics and compliance, diversity and inclusion, the health, safety and well-being of our employees, and the ecological sustainability of our operations is a decisively long-term one, rooted in the past and oriented to the future.

Despite a story that goes back over 150 years, LSC is only a short part of the longer history of print. Our staying power is based on a reputation for quality – quality in what we do, and in how we behave. We have become a lasting and significant element of the landscape not only through our competitive effectiveness but through our high ethical standards.

As this 2017 report illustrates, our standards are built on our culture of respect for our people, care for and contribution to our communities, and positive orientation to social and technological changes. We understand sustainability because we have always been a part of it, just as we have always practiced corporate social responsibility.

Recent developments in technology have allowed us both to develop our business and to further strengthen the alignment of our activities with our values. With targeted goals for measurable impacts, LSC looks forward to and beyond the next 150 years of supporting our employees, their communities, and the broader environment while delivering best-in-class print, digital, and related services to our clients.





We recognize that our ongoing evolution has been made possible by our excellent reputation. Our deep-rooted ethical practices aim to be an example for other companies to follow when it comes to compliance, environmental health and safety, diversity and inclusion, and environmental sustainability. Our continued progress in all these areas is in the interest of our employees, their communities, and the environment.

Our commitment to social responsibility goes beyond our products and services. It is a wide net over our employees, our facilities, our communities, and our customers and investors. Continuing to make a positive impact in these areas going forward remains critical to our growth and success. And it's simply the right thing to do.





