



Together for a sustainable future



ENVIRONMENT



SOCIAL



ECONOMIC

→ Sustainable Development Report 2010/2011



eco.lyreco.com



→ A WORD FROM THE CEO



Dear Stakeholders,

When I joined Lyreco early in 2011, I was first impressed by its core values: commitment to sustainability, management through diversity and respect for people. This is something I personally feel very close to and will work to strengthen.

2010 was a new year of development for Lyreco with the acquisition of office supplies companies in Finland, Switzerland, Spain and Portugal: this, for sure, cements our GROW strategy. At the same time, we remain convinced that this growth must take a sustainable approach to create long-term value.

As a result, a Group Sustainable Development strategy has been formalised, documented and now published within a dedicated website for the first time. This key change took our longstanding Group Policies and core values and created a targeted approach for the principles which had for years been part of Lyreco's culture.

The aim of this Sustainable Development report is to share our key initiatives. We have accomplished many good things, but we still have to work to continue earning your trust and keeping our promises to you and the communities we serve. We are dedicated to upholding those promises every day.

If I have to select from all our initiatives the 3 most important ones; they would be as follows:

- The 2010 "**Lyreco for Education**" program, highly exceeded our expectations as the collection result was above 277 K€ while the target was 150 K€. Keeping in mind children are **our future and the future starts with proper access to education, we are going to support** the education of children in Brazil - in one

of the poorest suburb of Rio de Janeiro called Duque de Caxias - by promoting reading, environmental education, and investigation of local history.

The Lyreco for Education program remains at a high level for the coming years with "Together for Togo 2011-2013" which aims to help 32,000 children in Africa. We also have dedicated plans to better involve our customers in the program.

- Our "**Socially Responsible Procurement Policy**" for the directly imported and own-branded products, which was made official in October 2010. Ensuring respect for human rights in our supply chain, Lyreco carries out Social Audits to appraise the conformity of our suppliers on the basis of the international standard SA 8000 (Social Accountability 8000). SA8000 focuses on child labour, forced labour, health & safety, discrimination, disciplinary practices, working hours and compensation.

- The implementation of the **Lyreco Code of Ethics**, we have formalised the ethical principles that we want to see applied by Lyreco employees and our suppliers. In a rapidly changing environment and in an ever-growing business, we would like to demonstrate our leadership and our sense of responsibility towards individuals directly or indirectly affected by Lyreco policies.

Last but not least, I would like to thank all our stakeholders for their continued cooperation and actions so that we can together contribute for a sustainable future.

Sincerely yours

Philippe Martinez



→ OUR VALUES

Businesses, like families or countries, need values to work to. Sharing our values makes all of us stronger as a team. Our values are simple enough, but are very important. They are:



PASSION



EXCELLENCE



PROFESSIONALISM



RESPECT

→ SUSTAINABLE DEVELOPMENT WEBSITE & IDENTITY

Making Lyreco's Sustainable Development approach and strategy better known.

Known as “Lyreco Eco”, our Sustainable Development Website aims at providing a common platform to interested parties. It endeavours to showcase practical elements of our initiatives and actions, and especially the Environmental, Social and Economic ones. The main goal is to increase the awareness of our stakeholders on sustainability issues. Visiting our website eco.lyreco.com on a regular basis you will get our latest news, awards and recognitions, as well as an up-to-date assessment of our certification body. At the same time, in order to strengthen and make consistent our communications linked to “Sustainable Development”, Lyreco has defined a dedicated “Corporate Sustainable Development Identity”.



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→ THE BUSINESS

«Your office... our world»

28 countries, one Lyreco

Lyreco has a global vision and the appropriate competitive advantages that large international companies are looking for when it comes to the management of global purchasing portfolios of office supplies.

Lyreco is one of the largest worldwide distributors of office supplies. Active in 28 countries (36 with our partners), on 5 continents, Lyreco believes in offering every Customer the same superior quality of products and services wherever they are.

One of Lyreco's assets lies in the organisation and management model. The same policies, organisation and management rules apply to all Lyreco subsidiaries. A unique information system facilitates the sharing and consolidation of all these elements worldwide.

Continuous improvement is the rule

All subsidiaries contribute to the continuous improvement of the group model by sharing new ideas and best practices.

Sustainable Development takes advantage of these synergies from all areas of the business and group experts help by improving the group best practices.



■ Lyreco

Lyreco Partners:

- Askul
- OfficeMax
- Officepro
- Office Product Depot
- Waltons
- Speedsend

6 strategic alliances

that strengthen Lyreco's worldwide coverage with presence in Southern Africa, Egypt, New Zealand, Mexico, United States, Taiwan and Japan.



→ KEY FIGURES

SALES FORCE

Sales force Indicators

- 5,000 sales people
- 2,900 cars

Areas for improvement

- Increase communication on Sustainable Development with customers
- Reduce environmental impacts due to travelling



CUSTOMER



CUSTOMER SERVICE

Customer Service Indicators

- 25,000 calls/day
- 58,000 orders/day
- 293,000 lines/day

Areas for improvement

- Reduce environmental impacts due to hard copy orders



ORDER PREPARATION

Order Preparation Indicators

- 31 Distribution Centres:
- 390,000 m²
- 232,000 parcels prepared/day

Areas for improvement

- Reduce Health & Safety risks
- Increase waste recycling
- Energy savings initiatives



DELIVERY

Delivery Indicators

- 1,050 vans and drivers
- 61,000 deliveries every day

Areas for improvement

- Reduce Health & Safety risks
- Reduce environmental impacts due to transportation



PRODUCT SELECTION

Product selection Indicators

- An average of 6,000 products offered by each country
- 15 product families
- 790 'green' products i.e. 16.3% of the International common range
- 100 ergonomic products i.e. 2.3% of the International common range

Areas for improvement

- Continue to develop environmentally friendly products in our offering
- Continue to raise consumer awareness on Sustainable Development and pay special attention to certified suppliers
- Define strict and formalised criteria for qualification as «green» product.





→ SUSTAINABLE DEVELOPMENT POLICY

For Lyreco, Economical Development, Social Development and Environment Preservation are interdependent components which strengthen one another.



The key change Lyreco brought early in 2011 to our Group policies (applicable to all our subsidiaries) is the clarification of our Sustainable Development Policy. This is now formalised although the principles were already for years a part of Lyreco's culture and values.

Lyreco places Sustainable Development (SD) principles – that embrace sustainable economic growth, social inclusion and environmental aspects – at the centre of its management, daily operations and projects.

In the delivery of our Sustainable Development vision and policy Lyreco aims at:

Economic

- Support and push sustainable economic growth in all our countries.
- Promote innovation and adopt a pragmatic approach to sustainability, targeting efforts on priority issues which have meaningful benefits for the environment, community and economy.

Work ethically with our suppliers and partners, and encourage them to apply a Sustainable Development strategy.

- Adopt a sustainable procurement & product approach.

Social

- Develop equality and social inclusion principles, ensuring for instance internal mobility and internal promotion.
- Develop our people thanks to a proper work environment in terms of Health and Safety, and human resources programs (e.g. Lyreco University, Lyreco Campus, Internal Opinion Barometer, and Training Plans).
- Contribute to the progress of our community, carrying out Lyreco for Education, Charity and Supplier Social Audit actions.

Lyreco has always considered people as the FIRST STRENGTH of the group. For us social development has always been a major stake.

Environment

- Identify and evaluate opportunities to reduce environmental impacts in serving our customers and take opportunities to enhance the environment.
- Ensure our operations and projects are managed in accordance with accredited quality (ISO 9001) and environmental management (ISO 14001) systems to include sustainability priorities.



All these actions clearly show the ambition of LYRECO:

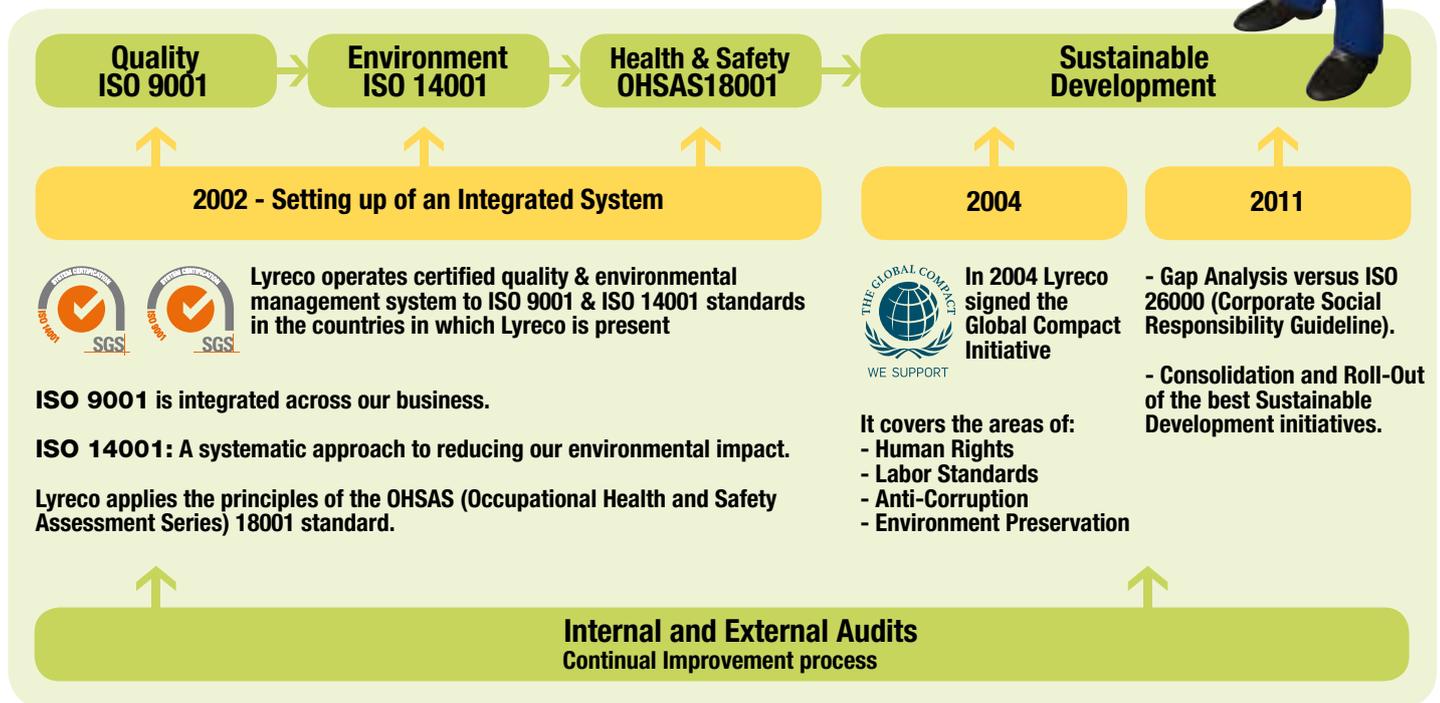
Together for a Sustainable Growth



Sustainable Development

→ MANAGEMENT SYSTEM

Sustainable Development is the logical continuation of our long term consideration for Quality, Environment, Health and Safety matters.



Sustainable Development

→ INTEGRATED SYSTEM

To ensure the effective implementation of Lyreco's organisation in all subsidiaries, Lyreco uses existing international standards in the areas of quality and environment. It is critical for our customers that Lyreco is certified for quality and environment management system (ISO 9001 and ISO 14001) in all the countries where Lyreco operates.



The Lyreco Quality, Security and Environment management system is totally integrated.

Health and Safety

In line with our quality and environmental management system, the H&S organisation is based on Lyreco's guidelines referring to the OHSAS 18001 standard. Integrated quality, environmental and health & safety audits ensure organisation efficiency, in accordance with the local regulations. THE RULE is a preventative attitude.

A unique certification body

To ensure the consistency of the external audits and maintain unity, Lyreco has chosen SGS as the unique certification body for all its subsidiaries. Audit feedbacks are shared with all subsidiaries and used for internal benchmarking and continuous improvement.

Lyreco – SGS: a partnership for continuous improvement

SGS certifies the Lyreco subsidiaries on standards ISO 9001 and ISO 14001 and attests that LYRECO is working with a risk management system at all levels: head office, subsidiaries and distribution centres.

In 2010, Benelux was the 1st country certified by SGS on the FSC CoC (Forest Stewardship Council - Chain of Custody) standard. This system allows the tracking of the FSC certified material through the production process - from the forest to the consumer, including all successive stages of processing, transformation, manufacturing and distribution.



→ DAILY MANAGEMENT



In Lyreco, it is the responsibility of every employee to take Sustainable Development into account in their daily activities. Lyreco uses its international organisation to ensure that all these actions are well organised, co-ordinated and consolidated, and that all the objectives are measured and achieved.

Our Sustainable Development structure

Sustainable Development is co-ordinated by the Quality, Security and Environment function (Q.S.E.) in each subsidiary.

In line with the importance Lyreco puts in these areas:

- there is a Q.S.E. Manager in each Lyreco subsidiary
- the Q.S.E. Manager reports to the Managing Director

Monthly coordination

In 2010, Lyreco sets up a dedicated Sustainable Development coordination in order to better gather, analyse, follow and share throughout the Group the experiences and best practices in terms of environment / Sustainable Development.

86 items have been identified in the first release, which concerned a wide range of topics.

Among all those initiatives, Lyreco identified a “Top 10” list / key initiatives to implement in all our countries.

Of those 10 projects, one leader has been appointed and given the following assignments:

- Gather advices / recommendations / tips to ease the implementation of the initiative.

- Share his/her own / local experience within the QSE Community.
- Support the countries as part of the implementation of the initiative.

Regular Group Quality, Security and Sustainable Development management meetings

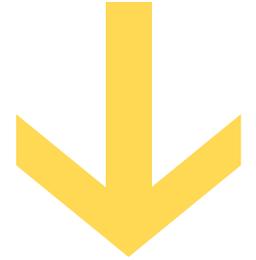
Regular Group Directors’ management meetings are held to analyse Quality, Security and Sustainable Development projects, actions, results and to make decisions whenever necessary.

A Sustainable Development report committee

To manage the Sustainable Development Report, a Sustainable Development report committee has been created and is in charge of:

- Collecting and consolidating the information from the subsidiaries
- Checking the reliability of the information
- Producing the Sustainable Development report.





OUR ENVIRONMENTAL ACTIONS

In the delivery of our Sustainable Development vision and policy, Lyreco aims at:

- Identify and evaluate opportunities to reduce environmental impacts in serving our customers and take opportunities to enhance the environment.

- Ensure our operations and projects are managed in accordance with accredited quality (ISO 9001) and environmental management (ISO 14001) systems to include sustainability priorities.

This means dedicated actions and programmes on Products, Packaging, Delivery, Waste Management, Carbon Footprint and Infrastructures.

As examples, the following pages give you concrete Environmental actions either achieved in 2010 or that are scheduled to be done in 2011.

→ OUR ENVIRONMENTAL APPROACH

Initiatives span across our business.

Our Products

- Sustainable credentials
- Green Product
- Material Safety Data Sheet



Our Packaging

- Transit packaging



Our Delivery

- Environmentally Friendly Vans
- Eco-Driving
- Optimized Delivery Programmes



Our Waste

- Recycled cartridges
- Recycled batteries
- Sorting & Recycling



Our Infrastructures

- Power Savings
- Our Buildings



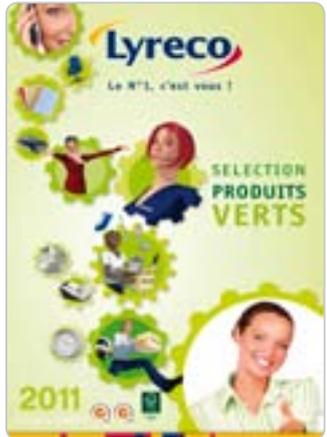
INITIATIVE 2010

BENELUX

→ GREEN MINI-CATALOGUE FOR INTERNAL CONSUMPTION OF OFFICE PRODUCTS



As part of our sustainable purchasing policy, Lyreco decided to set up a green mini-catalogue for the internal consumption of office products last year. In doing so, Lyreco wanted to further promote the purchase of sustainable office supplies amongst our buyers in all departments. Lyreco set up a working group to analyse the technical aspects and identify the need for authorised exceptions. The working group defined the content of the green catalogue: the complete catalogue with a mandatory substitution list was uploaded. This means our buyers are automatically directed to compulsory green alternatives of our catalogue in OLO. Only if no alternative exists, the original product may be ordered. Communication was an important aspect in this, as it increases the understand-



ing of the employees in how they contribute to our sustainable policy.



INITIATIVE 2010

→ GREEN PRODUCTS ASSESSMENT

In 2010, Lyreco launched the project to formalise the accreditation that we give to products that have an environmental preference, assessing our products portfolio in line with criteria laid down in ISO 14021. Lyreco has selected ISO 14021 as being an international standard that brings a level of clarity to claims made about environmental benefits. It is this standard that Lyreco will use going forward to assess if a product is environmentally preferable to another one. ISO 14021 identifies 12 criteria that can be used to make a claim that a product is preferable:



compostable	degradable	designed for disassembly
extended life product	recovered energy	recyclable
recycled content	reduced energy consumption	reduced resource use
reduced water consumption	reusable and refillable	waste reduction



Those claims raised by the suppliers can be:

- independently assessed and therefore are supported by a certificate evidencing the claim
- self-declared and therefore require evidence proofs

In 2011, Lyreco will finalise this assessment by checking all the suppliers' claims and work on the identification of those products in our 2012 catalogues.



INITIATIVE 2010

BENELUX

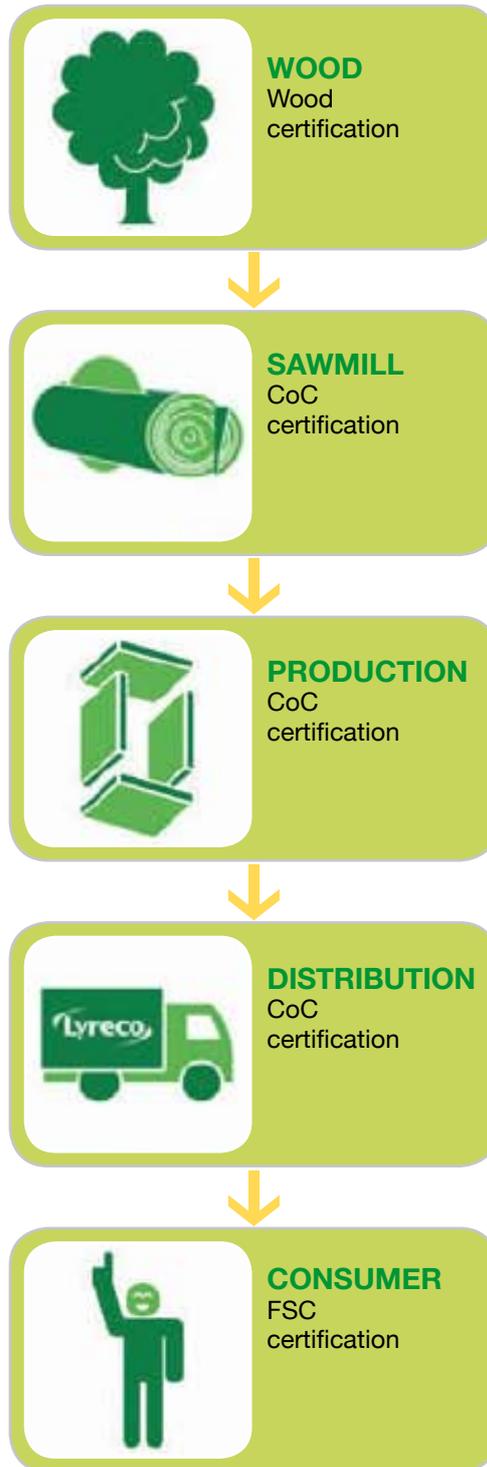
→ FIRST SUBSIDIARY TO OBTAIN FSC CERTIFICATION

Lyreco is the first distributor in the Benelux market to be certified.

In September 2010, Lyreco in Benelux obtained the FSC **Chain of Custody** certification following a certification audit by SGS (world's leading inspection, verification, testing and Certification Company). For this, we implemented new procedures, mainly consisting of supplier certification and supplier documents (delivery notes, invoices) checks by our product management, goods receiving and replenishment departments. On the other hand, developments were made in our IT system in order to put the FSC information on the Benelux delivery notes and invoices to our customers.

The certification means Lyreco can guarantee our customers that the FSC products they buy from us originate from a well-managed, certified FSC forest. All FSC products and streams through the organisation are traceable and recognisable. Our customers will find this guarantee on the invoice: the FSC claim per product and Lyreco's CoC (Chain of Custody) number will be mentioned.

Lyreco is the first distributor in the Benelux market to be certified. More and more customers are already requiring the FSC information to appear on their invoices. A wide external communication plan further ensures our certification is a commercial advantage in the market.



→ 3 EXAMPLES OF SUPPLIER TESTIMONIALS



Lyreco, first distributor across Europe for ecological cleaning

Lyreco is the first and sole Office Supplies distributor to offer Ecover’s ecological washing and cleaning products across Europe.



In 2007, Ecover opened its second ecological factory in France...



...with its green roof.



Ecover’s fantastic new plastic
Ecover is once again leading the way with its green innovations. For its packaging, the company will switch to a 100% renewable, reusable and recyclable plastic made from sugarcane and Ecover is the first cleaning brand to use it.

At Ecover, strict criteria are employed along the way as guidelines for all business operations, from selecting suppliers and raw materials, through production methods to full decomposition of the end products. With more than 30 years of experience Ecover proves that sustainable entrepreneurship is a feasible way to operate. Lyreco is following their lead to a bright future.

Effective washing and cleaning products

Lyreco offers a wide range of effective and ecological cleaning products to keep your offices spick and span. Doing your bit for the environment can’t be made easier.

What makes Ecover products special?

- effective cleaning with the power of nature;

- plant based ingredients and minerals;
 - quick and complete biodegradability;
 - minimum impact on aquatic life.
- Ecover scientists are constantly innovating and pushing boundaries to create new and more effective products that have a minimum impact on the environment.

Ecological factories

Ecover products are manufactured in their clean running, unique and world-famous ecological factories in Belgium and France. The factories are crowned with a green roof where plant vegetation grows creating a temperature regulating and noise-dampening insulator throughout the year. Both production sites comply with the external audited ISO 14001 international environmental standard.





Lyreco supports the launching of innovative sustainable products

3M makes sure to integrate sustainability into the evolutions of their products, as they successfully did with the Post-it® and Scotch® brands. This is why Lyreco decided to leverage these opportunities to the fullest extent.

Post-it® and Scotch® ranges: product lines that embody 3M environmental commitment

Both the paper used to make Post-it® notes, as well as the wood pulp used to make Scotch® Magic™ tape are sourced from paper mills that are certified for sustainable forest management.

Post-It® Notes and Scotch® Magic™ tapes are primarily manufactured locally for the European market in an ISO14001 certified factory with on-going pollution prevention actions and programs.

In 2011, as part of our on-going sustainability improvement program, the Post-it® brand is complementing its range of recycled products with a dedicated “renewable resource” range of recycled notes coming with a totally unique adhesive made of 67% plant based raw material.

Scotch® Magic™ 900: taking sustainability a step further

This new product range was launched with Lyreco in 2010, and at the beginning of 2011 was recognized by the European Office Products Industry (OPI), winning the award for ‘Best Product: Environmental friendly category’.

2011 also saw the launch of a new innovation in the range: a hand dispenser made out of 100% recycled plastic, of which 30 to 50% comes from post-consumer recycled compact disk cases.

3M’ long-term pledge to environmental stewardship is a perfect match to Lyreco’s sustainable commitment.





Lyreco and BIC, a strong commitment to sustainability

As one of the 4 permanent stakeholders selected by BIC, Lyreco contributes to the evolution of BIC's Sustainable Development strategy.



Since the very beginning of the BIC Sustainable Development program, Lyreco is part of the stakeholders. BIC has an annual meeting at Group levels between SD and QSE experts from both companies to share BIC results, future improvements to work on & vision on SD prospective. It's an opportunity to define how BIC can better answer to Lyreco customers' expectations on that growing subject. In France, we are launching a pilot project to see how we could optimize the shipments & then to reduce the GHG (Greenhouse gas) emissions. We have also shared some Lyreco customer's visits to better understand their actual and future needs. So far, the main conclusion is to ease Lyreco's customer choices in terms of responsible offer. Third-party certifications remain an interesting solution.

nement label help consumers to develop responsible behavior. It's a tool to recognize high quality product with less impact on the environment than the others. BIC receives this official eco-label mainly as a result of the company's limited use of raw materials, the use of recycled materials, the long-lasting performance of its writing instruments, and the resistance of its leads.

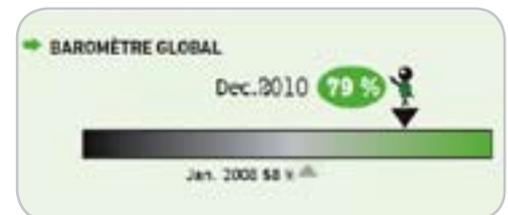
A barometer to measure our improvements

About our Sustainable Development program, Mario Guevara (CEO BIC) says: "It is a part of our strategy and is fully integrated, with a cross-functional approach, into the hearts of each Company division and department team. Our Sustainable Development "barometer" provides a pragmatic way to monitor the Company's commitment and also allows for fluid communications between all of our teams. The barometer gives us direction, a 3-year outlook and precisely reflects our progress."



A range of BIC® products is awarded

Recently, some BIC® products obtained the official eco-label, NF Environnement, which is delivered by the French national organization for standardization, AFNOR. Using products that carry the NF Environ-



This indicator is an average of 10 other indicators (3 for our products, 3 for our operations & 4 for our social responsibility).





INITIATIVE 2011

→ SMALL PACKAGING



Small packaging: before...



... and after.

In all distribution centers, thousands of orders are received everyday. Most of them are prepared on conveyor belts and are packed in standard cardboard boxes.

However some of them represent small volumes. Therefore the target is to use a more environmentally friendly packaging.

At the same time, a dedicated solution will be set up so that the goods are kept well protected during the delivery process.

5% of the parcels are concerned.

For one year in most of our European facilities, this represents more than **760,000 m² of cardboard saved**, corresponding to **350 tons of CO₂**.

The advantages will be numerous and immediate:

- ecological impact with reduction of the carbon footprint on the cardboard, using less packaging material;
- ecological impact with reduction of the carbon footprint on the transportation, using less room in the trucks and vans;
- rational packaging - adapted to volume - delivered to the customer (better image);
- less waste.

This project will be operational simultaneously in most of the Lyreco subsidiaries.



INITIATIVE 2010

GERMANY

→ A WRAPPING MACHINE FOR PALLETS

As already existing in number of our locations, a wrapping machine for pallets has been settled at the Barsinghausen distribution center (Lyreco in Germany).

On top of an improvement of the productivity, this new equipment offers numerous advantages:

- social aspect with best working conditions for the shipping operators
- better impact on the Environment with a lower consumption of polyethylene film
- better constitution of the pallets allowing safer transfers
- limited risks of pallet dislocation while transporting
- less waste when de-filming process

When Logistics emphasises Social and Environmental aspects.





INITIATIVE 2011

→ ENVIRONMENTALLY FRIENDLY VANS

Studies are currently made on two directions

100% ELECTRIC

One ecological possibility is the use of electrical vans using batteries recharged during the night.

Those vehicles would only be used for dedicated urban deliveries, as the batteries allow driving no more than 100 km per day.

The main advantages are a zero emission process, and no noise running movement.

However a key point is to take into account the way the electricity is produced in some countries.

A successful test has been made in Brussels for 2 weeks (end February/early March 2011) with a Daily Electric van.

For 2011, the target is to add 6 electrical vans in our European fleets:

- 2 in Benelux: 1 for Brussels, 1 for Utrecht
- 2 in UK, for London city center
- 2 in France, for Paris



Iveco Daily Electric in Brussels (Belgium)
(Design in test, not the final one).



100% GAS

The other ecological possibility is the use of NGV vans. NGV means Natural Gas Vans, therefore the same gas used at our homes. The main advantages are less pollution, less noise, and an available energy for many decades.

A positive test has been made in north of France in March 2011. During one month, one Sprinter NGV has delivered orders for customers located in city centers but also in extra urban areas.

This option could only be developed in countries where gas refill stations are numerous, like they are in Italy or Germany.



Natural Gas Van in Valenciennes (North of France).





→ 4 CONCRETE EXAMPLES OF CAR AND VAN FUEL REDUCTIONS

BENELUX

Transport being one of our significant aspects that have an impact on the environment, we define actions with our fleet coordinator and transport managers on a yearly basis in order to continuously reduce the pollution in the atmosphere.

In 2010, we launched an awareness campaign amongst our sales people, a campaign that is linked to an incentive and which has two objectives:

- the reduction of the number of damages;
- the reduction of the fuel consumption.

We launched the campaign on the Marketing sales days in April 2010: our fleet coordinator presented the damage statistics of our fleet to create awareness, and the QSE manager made a presentation on eco-driving.

The best 5 drivers (those with no damages and the best fuel consumption compared to the theoretical norm of the car), will be awarded with an incentive mid 2011.

As part of this action, we included in the car policy that it is the responsibility of the driver to check their tyre pressure once every 3 months. An optimal tyre pressure can reduce **the fuel consumption up to 7% and the CO² emissions up to 4.6 g/km.**

On a regular basis, the fleet coordinator sends out awareness mails with eco-driving tips to those drivers with a significantly higher consumption than the theoretical average.



An intermediate measurement at the end of 2010 shows a general reduction of the fuel consumption by our sales fleet of almost 8% compared to the year before.

Apart from the awareness campaign, the fleet coordinator closely follows the developments on the market and does a yearly review of our fleet list, where the cars with lower CO² emissions are preferred. In 2009, the average CO emission of our car fleet was 138 g/km; in 2010 we closed the year on 131.7 g/km: a reduction of 4.5%. Every year we set a new objective in order to keep close to the market evolutions.





SWITZERLAND AND POLAND

The Eco Driving programme started a couple of years ago has been subject to ongoing continuous improvement.

So far, it has consisted of:

- Presenting monthly statistics displaying the fuel consumption depending on the turnover and the number of deliveries.
- Providing dedicated support highlighting the golden Eco Driving rules that must be followed by all drivers.
- Achieving detailed awareness campaigns with dedicated training for the drivers of our sales and/or delivery forces.
- Delivering regular refresher awareness campaigns.
- Involving the Managers in the awareness process and also when the individual fuel consumption is higher than a reference per car type.
- Communicating our actions and plans in our Internal Newsletter, and also in external Local Environmental Newspaper (Switzerland).

SWITZERLAND



Our on-going actions provide on-going savings.

- 2009 versus 2008: in average, 7% fuel saving per car fleet.
- 2010 versus 2009: in average, 5% fuel saving per car fleet.



INITIATIVE 2011

In 2011

Actions go on as Mid of March Field Sales Representatives of Switzerland followed a dedicated Eco Driving Training.

The key figures are as follows:

- 50 Field Sales Representatives were involved;
- The expected consumption saving is 3% to 5%;
- The ROI (Return On Invest) would be reached in 2 months max.



POLAND



Our on-going actions provide on-going savings.

- 2009 versus 2008: in average, 5 % fuel saving per car fleet.
- 2010 versus 2009: in average, 8 % fuel saving per car fleet.



INITIATIVE 2011

In 2011

We are going to promote eco-driving by awarding people who save the most fuel/money.

FRANCE

During the last 3 years, the fuel consumption of our delivery van fleet has been reduced by 20%.

This is not only due to the technical evolutions of the new diesel engines, but this good performance is also attributable to:

- Our ambitious investment plan to keep quite new number of van fleet;
- Dedicated eco driving sessions;
- The key coaching of our delivery managers;
- The setting up of “driving challenges” which reward the most safer and careful with fuel consumption.

We also consider the simple reminder of the common sense eco driving rules which enables us to achieve 3% additional saving. Thanks to all those actions, our drivers are effective players of our environmental programmes.



GERMANY

→ NEW ENVIRONMENTALLY FRIENDLY HEAD OFFICE

Lyreco Germany moved into a brand new building with modern, environmental friendly technology.

The decision to move from a more than 20 year old building into a building with state of the art design has some enormous positive impacts on the environment.

Ventilation System in the offices

The ventilation system is one important innovation that saves energy. The new system measures constantly the CO²-concentration in the building. As long as there is sufficient oxygen in the office air, the system only controls the circulation while heating or cooling the air. This is more efficient than filling in fresh air during the whole day.

Ventilation System in the kitchen/restaurant

In the canteen there is an intelligent ventilation system too. It does not just turn on and off but regulates its power to a needed level. It measures the quality of the air and increases or decreases its power. As a kitchen does not always contain the freshest air this is a useful and energy saving solution.

Light concept



The whole new German headquarter was built with big windows to use the daylight. The whole building contains **1419 m² glass**. The reason behind it is to reduce the energy needed for light.

In the whole building modern lights were installed which use more energy-saving bulbs. The new bulbs use 4 W less than the old ones.

The lighting also adjusts the brightness to the daylight and has a time controlled turn off and at some places a motion sensor to make sure that it is on only when needed.



With these actions, the energy consumption was reduced by **20%**.

In addition to the investment in some technical equipment to reduce the impact of the environment, we have also set up some programs related to the employees.

Public Transfer

In Germany the employees have the option to use a so called "Job-Ticket". As a lot of Lyreco staffs use public transportation it is a way to save CO² and to benefit them by letting them use this ticket for half of the normal price. And at weekends they are allowed to take an additional person for free. As a result of this great offer there are at the moment nearly **45% of the employees** using this ticket.





INITIATIVE 2011

NORWAY

→ NEW WAREHOUSE AND INTEGRATED OFFICE

Lyreco plans to move into our brand new building in Norway: a new warehouse and offices of a total of 7,891 m². As part of that, Lyreco is committed to build this new building taking into account the 3 magnitudes of the Lyreco Sustainable Development approach: the environmental aspects, the social aspects and the economic aspects.

In accordance with the Norwegian Environmental regulation (one of the most demanding in the world), a lot of technical equipments and techniques will be used to reduce and optimise our energy consumption.

Here are couple of examples:

- Heating of the building will be ensured by using **wooden pellet** (*) for 80%, which will in addition come from a local sourcing. The remaining 20% will be from electricity mainly produced from water power stations: the “**greenest source**” to produce electricity.
- The setting up of a “**double flow ventilation system**” will enable to reduce heat loss to renew ambient air.
- Lighting, heating and external fenestration windows will be automatically adjusted thanks to a dedicated “**building management system**” so that the power consumption is optimised.
- The use of “**best in class**” **building materials and equipments** (e.g. innovative glass windows / architecture: see the picture) to improve the insulation and be smarter footprint on the environment.

Generously installed windows will provide daylight in offices and the warehouse, making it possible to both save energy as well as giving the employees natural lighting.

On social aspects, our new building will provide - in addition to a new working atmosphere - improved working conditions to our staffs as they will especially get:

- a **proper cafeteria** equipped with the new equipments to make breaks more pleasant.
- a **suitable and bigger cloakroom** sticking



(*) Wooden pellets are a renewable fuel made of ground, low-grade green and dry wood and other biomass by-products and wastes compressed into wood pellets. Wood pellets are considered to be “CO² neutral” by many environmentalists, which basically means that even though they do produce CO² when burned, the material was once part of a tree that lived on CO², so the two factors cancel each other out.

to our “health & safety” requirements.

- A **conveyor particle** between the mezzanine and the ground floor in order to minimise manual handling of goods.

At last, on the economic point of view, Lyreco expects to reduce operation and maintenance costs thanks to our new sustainable building.

We are now eager to have it operational.





→ 5 EXAMPLES OF POWER SAVINGS

SWITZERLAND

In the previous few years, the Energy Consumption of our Head Office has been reduced by 40%.

Quick Win

Many employees don't know how much electricity is consumed by a PC or a screen in a stand by mode.

Thanks to a measure-device for electricity, it is very easy to show the electrical consumption of the electrical-equipments.

And with this “practical measure”, it was easier to make employees aware and to encourage them paying attention to their consumption.

The most common examples given are:

- energy-saving light bulb = 12 W;
- PC & terminal in stand-by mode = 6 W.

Other “explaining fields” are: copy machines, printers, coffee machines, local air conditioning equipments.

Other actions

Other Actions achieved in Switzerland:

- Install a building control system, which

turn off all lights some times during the 'night-period';

- Make a dedicated focus on the over used lighting;
- Reduce the running hours of the air-compressor machine located at the Coffee activity technical room;
- Reduce the cooling at the IT Computer room level: 1 less degree saves 6% energy;
- Forbid heating-systems at the employees office workplaces;
- Set up “automatic turn-off” switches for all copy-machines and coffee-machines, so that the electricity is switched off from 8.00 p.m. to 6.00 a.m.”

All in all, these actions enabled us to **save 40% of Energy Consumption** in our Head Office.





INITIATIVE 2010

CANADA

New lighting system enabling to save more than 30 % of energy consumption.

Following a complete upgrade of our facilities in Dartmouth (Canada), an independent Lighting & Energy Consultants company has audited our new lighting systems and provided the following outcomes:

- Upgrading hardware has significantly improved overall light quality.
- The energy consumption (kWh) has been significantly decreased as stated in the below figures:
 - Previous Annual energy consumption: 228,880 kWh;
 - After upgrade: 150,391 kWh;
 - Annual energy savings: 78,489 kWh/year;
 - CO² reduction: 65,616 kg/year (equivalent to driving a fuel efficient mid-size car 305,052 km/year).



Before...



...And After the Upgrade.



INITIATIVE 2010

BENELUX

As part of our energy reduction programme, we decided to rebuild the lighting system of our Distribution Centre in 2010.

The action was fairly simple: we divided the lighting system in 3 zones. For each of these lighting zones, we added 2 extra lighting switches. This gives us the possibility to only switch on one or two thirds of the lighting, depending on the specific needs and the situation during the working day.

Since the conversion, it has been noted that we have rarely found it necessary to activate all 3 zones. Of course, this action also involved some imperative measurements, in order to ensure each work station was sufficiently illuminated at all times.

We have succeeded in **reducing our electricity consumption in 2010 by 11%** compared to the year before.



INITIATIVE 2010

SPAIN

The new LED Technology is an important step in the quest for a green and brighter future. It is now used by Lyreco and will consequently strengthen our power saving programme.

LED Technology – Pilot Phase

Classical Neon tubes have been replaced by LED tubes at the Warehouse.

Why LED tubes versus Neon Tubes?

LED technology brings the following advantages:

- Less energy consumption;
- Long life lights (LEDS tube life is 10 times longer than neon tubes life);
- Lower maintenance cost;
- Less waste (thanks to the long life of LEDS);
- No hazardous waste (as LEDS don't contain mercury).

In 2010, 205 neon tubes have been substituted by 205 LEDS tubes in a 900 m² over a 25,000 m² surface of our warehouse.

We have the measured lighting in 20 points (in absence of natural light) before and after LED tubes installation.

The result was 4% loss in lighting, but we are above standards required by regulation.

Now we are evaluating to expand the pilot test to all warehouse surfaces.

If we substitute all the lights in a period of 4 years, we will:

- Reduce the energy consumption of 70%;
- Save 200,000 kWh/year (12% of total energy consumption in the warehouse);
- Avoid 4,700 kg of hazardous waste;
- Reduce the CO² emissions of 1,700 tons of CO².



Replacement of part of the roof with new skylights

In 2010, we have also replaced the roof of a part of the warehouse.

The advantages are:

- More natural Light;
- Energy saving;
- Improvement of work environment;
- Better lighting levels.

Moreover, the new roof has allowed us to install a fire-break system.

As this programme is quite recent, the saving figures will be provided in our next Sustainable Development Report.





SCANDINAVIA

To describe what Lyreco has done in Scandinavia in short words, it is as simple as common sense: when building the warehouse in Denmark we actually took for given that it was well planned for efficiency and electrical house holding. This was not fully the case.



Warehouse lights

In the warehouse we have analyzed the lighting and since we have daylight from windows in the roof we found out that most of the time we do not need all the lights that we had installed so we have actually divided the lights in the warehouse into sections of 6 « rows ». Every section is divided into 3 smaller sections. With an easy press of a button we can change from having just 2 rows per section lit, which is mostly the case during summer. During winter we often have 4 of 6 rows lit and on days where we need to have extra strong light, for example during maintenance we have all 6 rows lit.

Parking

In our parking lot we have of course several lamps lighting up the area. The light bulbs in these lamps have been changed to « environmental » bulbs, which gives good enough light but saves us a large amount of energy and money.

Office sensors

We have in our new building in Denmark sensors that light up the rooms when someone enters it. These sensors have been modified so that they take just a little longer to light up and they turn off the light a bit quicker after you have left the room then before. Quick fix, but efficient.

Plans

The future plans is to change all the fluorescent lights to more environmental friendly, but it is a large investment and it will be done in portions.

All-in-all, these “small” adjustments along with communication to the staff about the importance to turn off the computers when they leave, turn off the desk lamps and so on, we have actually saved about **24% energy per year**, compared to our first year in our new building in Denmark.’





INITIATIVE 2011

→ WASTE: PRINT PRODUCTS ECO FEATURES



Lyreco promotes the use of print products ECO features in the offices. Although today information is most commonly captured electronically, paper remains an active part of a document's lifecycle.

Whenever printed documents are needed, easy steps can be taken to reduce the amount of paper used:

- "Think before you print" attitude;
- Use double-sided printing on printers that have duplex capabilities;
- Enable Toner Save mode for drafts or

internal documents.

Enabling the Toner Save mode can result in more than 50% increase of printing capacity by cartridge, compared to standard printing mode.

Because Lyreco is committed to reducing its environmental footprint, Lyreco encourages its employees to be more efficient in the way they use paper, ink and toner.

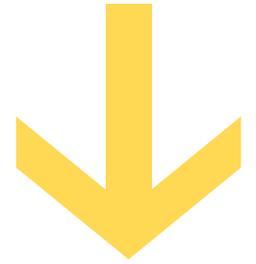


→ 457 TONS OF PAPER SAVED IN CATALOGUE PRODUCTION

Lyreco decided to print its 2011 catalogue in small format, the equivalent of 87.6% of a standard A4 format. A more convenient size to dispatch, carry and store, but also... tons of paper saved.

457 tons of paper saved in the last 2 years representing more than 600 tons of CO2





OUR SOCIAL ACTIONS

In the delivery of our Sustainable Development vision and policy, Lyreco aims at:

- Develop equality and social inclusion principles, ensuring for instance internal mobility and internal promotion.
- Develop our people thanks to a proper work environment in terms of Health and Safety, and human resources programs (e.g. Lyreco University, Lyreco Campus, Internal Opinion Barometer, and Training Plans).
- Contribute to the progress of our community, carrying out Lyreco for Education, Charity and Supplier Social Audit actions.

As examples, the following pages give you concrete Social actions either achieved in 2010 or that are scheduled to be done in 2011.



→ OUR SOCIAL APPROACH

Initiatives span across our business.





→ THE EMPLOYEES

With almost 10,000 employees worldwide in 2010, Lyreco is present on 5 continents.

Offering not only a job but a career

From the first day a new employee joins Lyreco, he/she is supported by a comprehensive framework for training and learning.

- Personal development programme;
- Leadership development programme;
- Specific training for employees identified as high potential.

Lyreco has its own business programme called Lyreco University. The objective of Lyreco University is to identify the top potentials among employees in every subsidiary and help them grow by granting them access to extra training through a very dedicated programme.

Very Lyreco People: only the best deserve the best

The Very Lyreco People programme rewards the best employees worldwide. Each year, Lyreco recognises the best sales people in the group as well as the employees that best represent the Lyreco values of Passion, Respect, Excellence and Professionalism. In 2010, about 200 VLP from 29 countries had the great opportunity of being part of a trip to Vietnam. In 2011, the VLP have discovered Brazil.

INITIATIVE 2010

Launching Lyreco Campus

Lyreco has launched successfully in 2010 an international program called Lyreco Campus. Lyreco Campus gathers the best students of each local Lyreco University and offers them an Executive Education program in one of the top French Business Schools.



Lyreco Campus





Internal promotion: a reality

All job opportunities are initially first displayed to Lyreco employees before external recruitment is sought. In 2010, 275 employees have been promoted and more than 500 have been upgraded in their Job. Lyreco also has a number of programmes designed to help develop employees, for example:

- High potential programme: to detect future managers or future Managing Directors;
- Replacement programme: to assist the supervisor in preparing promotions and managing turnover.



EMPLOYEES Repartition men/women 2010

Managers

Men 71 %	Women 29 %
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Other categories

Men 56 %	Women 44 %
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Health and safety: a permanent concern

In addition to the development of manual material handling training for our employees of distribution centres, Lyreco has also put in place delivery and road safety campaigns which are now basic actions. LYRECO acts proactively with the health and safety of its employees and visitors as a number one priority.

INITIATIVE 2010

Training for Managers

In 2010, 300 managers at Lyreco participated in a new training program especially designed for them. 200 days have been fully dedicated to them.



This training reinforces our willingness to have the managers in the heart of our organizations and successes. Lyreco ensures that its managers have all the tools needed to efficiently fulfil their role within their teams. Over the next years, this dedicated program will also be opened to all employees who have a short term project to become a manager.
At Lyreco, to manage is a real Job.



→ LISTENING TO OUR EMPLOYEES



Communicate and share

There are a number of communication channels at Lyreco to maintain employee well being, and to ensure that all employees are aware of what is happening in the whole company.

- Internal magazines allow all staff to be informed and involved.
- Each month, an individual meeting between the manager and his/her direct report is highly recommended.
- Once a year a personal meeting is organized between the manager and each of his/her direct report for the annual appraisal review.
- In the countries where the law does not organize the election of a group of representatives from each department, Lyreco encourages the “Voice of Lyreco” programme. This programme gives employees the opportunity to raise issues that affect them and gives a forum to provide suggestions for improvement to our processes, policies and procedures on a quarterly basis.
- International meetings are regularly organised to share the best practices of each country

Internal opinion barometer

Every two years each member of staff has the opportunity to anonymously express their thoughts on Lyreco, particularly on issues relating to work environment, communication and management. All results are analysed and handled by an external consultant to ensure anonymity and action plans are then put in place to make Lyreco an even better place to work.





→ SUPPLIER SOCIAL AUDITS

Every year, Lyreco makes on-site audits to all of the factories from which Lyreco sources directly to ensure principles of the SA8000 standards are well applied.

SA8000 is an internationally accepted social compliance standard.

The seven areas Lyreco focuses on are:

- Child labour;
- Forced labour;
- Health and safety;
- Discrimination;
- Disciplinary practices;
- Working hours;
- Compensation.

Ultimately, lyreco wants to use our influence to help our suppliers to make continuous improvement of working condition in the developing countries.

Focus on 2010

- Lyreco made official our “Sustainable Procurement Policy” for our Directly Imported Products.
- 100 % of the factories producing our Directly Imported Products have been audited.
- Minor non conformities have been found for 23% of the suppliers. Their sorting out will be checked during the next Lyreco audit.
- Opportunities for improvements have been suggested for 47% of the suppliers.

An opportunity for improvement is either an enhancement so that the social level of the supplier can improve (e.g. to stick to the best practices existing in the Market / Country) or a preventive action in order to prevent the arising of a non conformance.



Working Conditions

The check points corresponding to the above “Working Conditions” pictures are for instance:

- Has the factory taken adequate steps to prevent accidents and injury to health?
- Are systems in place to prevent workers

being put at health or safety risks (fire safety and electrical, mechanical and structural safety)?

- Are there personal protective equipment used to undertake any aspect of the work safely?

The check points corresponding to the above



Health & Safety Conditions

“Health & Safety Conditions” pictures are for instance:

- Is there an early warning system in case of emergency?
- Are there fire alarms on each floor and emergency lighting above exits?
- Are the aisles clearly marked and passable?
- Are emergency exit routes posted throughout the facility?
- Are there fire extinguishers or other equipment on each floor and are they thoroughly inspected?
- Are there emergency fire fighting procedures?
- Are first aid boxes supplied and trained personnel available in the facility?
- Are there any procedures in place to deal with serious injuries requiring medical attention?



Lyreco for Education

Children are our future and the future starts with proper access to education. Having proper access to schooling ensures that children enter the education system, and benefit from appropriate care and nutrition, giving them a better chance to succeed in life.

Mission

To develop projects which improve education for children in developing countries.

Commitments

Lyreco carefully selects and supports a non-government organisation (NGO) fully dedicated to that cause. Lyreco For Education supports at least one project during the year.

Together with our employees

All over the world, Lyreco gives the freedom to our employees to organise internal events for Lyreco For Education. With great enthusiasm, our employees involve themselves concretely in this fascinating project and set numerous fund-raising actions throughout the year.



LFE in 2010

In 2010, Lyreco partnered with CARE. Together, we had a project for education in Duque de Caxias, a suburb of Rio de Janeiro in Brazil.

The objective was to not only give the children an opportunity to go to school and learn but also bring the Duque de Caxias community together with a sense of pride.

Thanks to the fund-raised, we were able to give **3,000 children access to 4 nurseries and 7 primary schools. 64 teachers** have been trained and parents are now aware of the importance of education.

In addition, 3 kitchen gardens and 20 library spaces have been created. A selective waste collection mechanism has been set up. More than 85 reading circles and 75 games sessions about environmental issues have been organised with teenagers that have been specially trained to lead them. By training young people, they become the role models within their neighbourhoods.



LFE in 2011

In 2011, Lyreco For Education decided to support a 3 year educational project in Togo with the Non-Governmental Organization AEA.

AEA (Aide & Action) is a Non-Governmental Organization focused on advancing access to quality education throughout the world. Free from any and all political or religious affiliations, AEA has over 120 ongoing projects in more than 20 countries.

Lyreco chooses the Togo because:

- One of the poorest countries in the world: 62 people out of 100 live on less than 1.25\$ per day;
- 86 people out 100 live with less than 1.25\$ per day in this region "les Savanes" in Togo;
- Inefficient academic system;
- Lack of teachers, equipment and instructional tools.

Our program

To ease the access to the education for children and improve its quality in the region of "Les Savanes" in Togo.

Our Objectives

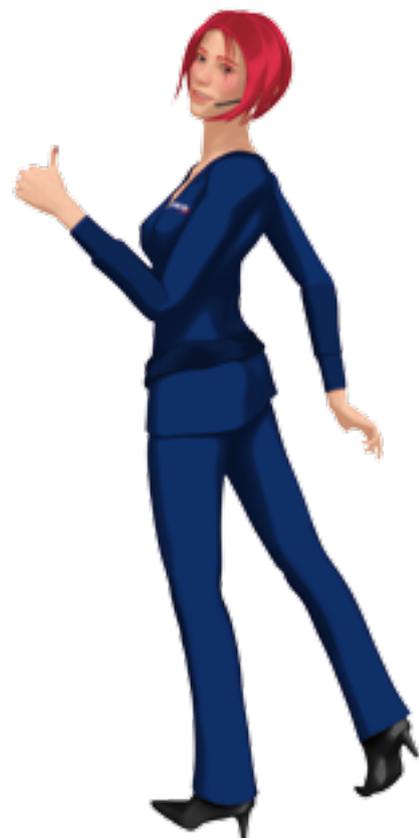
- To train teachers and school directors and to raise parental awareness about the importance of scholarships;
- To build schools and toilets and to provide academic equipment and material;
- To plan tutoring sessions and to organize sports events, pedagogical and instructional activities.

We'll strive to raise enough funds in 2011 to finance **165 Education Projects** in 165 villages for 32,000 children aged from 7 to 12.

If a child goes to school, a Nation grows.



«If a child goes to school, a Nation grows.»





INITIATIVE 2011

→ 4 EXAMPLES OF CONTINUOUS IMPROVEMENTS OF WORKING CONDITIONS

SALES FORCE MOBILITY

2011 is the year when Lyreco Field Sales Representatives will finally be able to work in a completely paperless environment.



By the end of 2011, Lyreco Field Sales representatives will be able to count on a complete system that will allow them to access, key in and organize the information of all their customers' portfolios. In this way, they will be able to work even more professionally, to organize their activities in a more effective way and to react even faster to their customers' needs.

In addition to this, the time spent on administration up until now (usually in the evenings) will be greatly reduced and there will no longer be a heavy bag to carry around.

The project started last year and the benefits are already being felt:

- Price Offer tool: price offers can be created and sent directly to prospects and customers;
- Partner Card tool: information can be completed and consulted while with the customer;
- Cycle Planner/ Activity Management tool: daily activity and objectives can be managed and consulted at a glance;
- Offline tool: prospect price offers and cards can be created offline.





FRANCE

An ongoing action plan covering warehouse and office activities.

Warehouse

More than ever Lyreco wants to keep our employees motivated and look for ways to make their everyday tasks easier. This is the reason why we launched in 2010 an analysis about the ergonomic aspects of the workstations in our warehouses. It was done in close connection with an external / specialised company. Suggested recommendations will be set up along 2011.

Sales

The working conditions for our internal sales staffs was also a key concern in 2010. This led us to start a 3 year plan to completely renovate the office spaces. This large scale project is planned to bring higher levels of motivation and added efficiency.

Customer Service

Dedicated soundproofing devices were installed in our Customer Service offices. The aim was to reduce the level of noise pollution and make the work environment more enjoyable.



GERMANY

A dedicated occupational safety specialist.

In 2010, Lyreco Germany tendered the position of external specialist for occupational safety and made sure that there would be only one reference person for all locations in Germany. Once this specialist was announced there were several issues to be taken care of.

First we had our non-stationary equipment (everything with a plug) checked and registered with a code for each of them. That was performed not only in our headquarters but in every German location.

Also, the RDCs (regional distribution centres) were included in the examination of occupational safety.

Another innovation is the introduction of a

new structure ensuring regular committee meetings for occupational safety at all locations as well as regular inspections by our occupational safety specialist.

As a result of this new concept, DEKRA (the company responsible for our occupational safety) stated in their annual report the following: "With respect to occupational safety, Lyreco Germany is managed in an exemplary manner. Deficiencies noted by the specialist for occupational safety are rigorously followed up and corrected which can be recognized by the safe, organized and clean appearance of the company."





POLAND

Lyreco supports the World Day and Initiatives for Safety and Health at Work.



April 28th is declared the World Day for Safety and Health at Work in Poland and many other countries. The events of the Day form part of an international campaign for worldwide promotion of safe, healthy and dignified work.

The campaign is especially designed to raise social awareness of ways to ensure health and safety at work.

April 28th also has a long international tradition as a day on which employees and employers commemorate those who died or were injured during accidents at work, or came down with job-related illnesses.

- The objective of Lyreco in Poland's activities on that day is to raise employee awareness concerning promotion and establishment of safe work culture, ergonomics, and the need to reduce the number of accidents at work.
- For Q2 2011, we have planned to organise training for warehouse staff employed in Sokolow. A film screening will be organised on that day in the training room, devoted to safety during manual handling work and forklift operation. Our employees will also become familiar with occupational risks for such positions as quality controller and warehouse worker. Finally, all attendees of the session will have a chance to take part in a quiz and answer questions on health and safety and ergonomics at work. The best contestants will be awarded with special prizes prepared for the occasion.



We have also scheduled a training session for Q3 2011, which is entitled "Office work – threats and prophylaxis", addressed to office workers performing administration, office and managerial jobs in Sokolow.

Our employees will find out how to organise an ergonomic workstation equipped with a desktop and laptop computer, what body posture is correct for computer work, as well as what mistakes workers make when using the computer. One of the training's focuses will be prophylaxis, namely swimming, bike riding, and physical exercise. The practical part of the training will tackle the topic of correct position when doing computer work, and exercises during work breaks. A quiz for attendees will be organised after the training concerning topics covered on that day. Best competitors will win prizes, such as fitness club and swimming pool season tickets.





UNITED KINGDOM

Re-carpeting and decorating at Head Office in Telford.

During 2010, the QSE department lead the project to have the offices refitted with carpet and freshly painted.

The criteria for carpet selections were based around sustainability criteria as follows:

- Environmental credentials of the product, supplier and fitter.
- Disposal of the old carpet in an environmentally less damaging and legally compliant way
- Adhesive with least environmentally damaging aspects possible and least odour, as employees would be back working very quickly in the newly carpeted areas.

- Health & Safety of all employees and contractors during the refit

The first area to be completed was Customer Service Administration.

Since then, many other departments have been completed in the same way, with incredibly positive feedback from all employees. Employees have fantastic new spaces in which to work. The worn out carpet is gone, the walls are repainted and the office layouts changed, maximising light and space throughout.



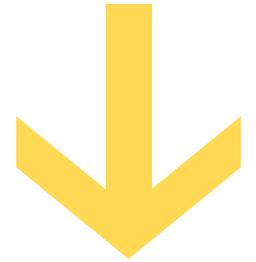
The first area to be completed was Customer Service Administration.



The first tiles are down!



And finally, the first department is up and running again...



OUR ECONOMICAL ACTIONS

In the delivery of our Sustainable Development vision and policy, Lyreco aims at:

- Support and increase economic growth in all our countries, in a sustainable fashion.
- Promote innovation and adopt a pragmatic approach to sustainability, targeting efforts on priority issues which have meaningful benefits for the environment, community and economy.
- Work ethically with our suppliers and partners, and encourage them to apply a Sustainable Development strategy.
- Adopt a Sustainable Procurement & Product Approach.

As examples, the following pages give you concrete Economic actions either achieved in 2010 or that are scheduled to be done in 2011.



→ OUR ECONOMICAL APPROACH

Initiatives span across our business.



Our Customers

- Delivery Excellence
- Working Ethically
- Electronic Trading
- Providing Solutions



Our Marketplace

- Supplier Relationship
- Sustainable Procurement

Our Profitability

- Financial Integrity
- Common Platform



Continual Assessment

- Group Business Brochure (GBB)
- Customer Satisfaction Survey (CSS)





→ CUSTOMER TESTIMONIAL ACCOR



Carole Laville - Purchasing Department France.



Sustainable Procurement has been one of Accor first priorities regarding Sustainable Development. Accor Procurement Sustainable Development strategy is based on two types of actions:

- Actions with suppliers by sharing with them our principles through Accor SD Charter and evaluating their SD performance.
- Actions in Accor business operations.

In 2011, a pilot has been implemented between Accor and Lyreco, in France, with the clear objective to reduce environmental impacts when office products are purchased.

A “Green Catalogue” was implemented consisting in proposing product alternatives based on the environmental credentials of the products, and a “Minimum Order Value”, in order to gather small orders with the bigger ones, was decided.

Considering employees’ awareness is a key driver, different and complementary actions have been done to support the launching and success of those programs e.g. statistic consumptions have been analysed in order to identify the hotels where a dedicated support may be needed; a dedicated information has been set up on the Lyreco OLO welcome page.

Lyreco has also provided its “Logistics Calculator” tool to show the environmental benefits of gathering small orders.

Should the pilot be conclusive, Accor intends to extend these programs in other countries starting 2012.





→ CUSTOMER TESTIMONIAL

SOCIÉTÉ GÉNÉRALE

Through the neutral carbon project, Société Générale committed in 2007 to reduce its CO₂ emissions by 11% per person over the period 2008-2012 (with the same scope excluding Rosbank), and to offset them.

2 additional approaches have been implemented:

- A dedicated Carbon Action Plan per business area, with long-term objectives relating to energy, buildings, business travels and paper. Those objectives depend on the business area to better take into account their specificities.
- Cross Functional Projects aiming to answer the shared expectations of the business areas. A joint management is set up between the Group CSR department and experts of the area (e.g. Property Management for the energy and building aspects, Innovation Management for the Green IT, etc).

In 2005, a dedicated reporting tool designed for Société Générale to assist with answering different legal requirements was rolled-out. In order to allow for effective management and follow-up of our environmental policy, this tool has evolved through the adjustment of the indicators since 2008.

Using the "GHG Protocol" methodology, Société Générale has since added more than 100 indicators to assist with the assessment of the CO₂ emissions.

As the CO₂ emissions have been reduced by 14.2 %, these actions have contributed to results that at the end of 2010 have exceeded objectives defined in 2007.

Société Générale also committed to offset its whole CO₂ emissions by 2012.

This is done gradually: Headquarters in 2008 and France in 2009 before reaching in 2012 effective carbon neutral.

The cost of the 1st year was taken in charge at the Group level to show the Top Management commitment.

Since 2009, in order to bring awareness the



cost is covered by the business areas via an internal invoicing system and direct purchasing of the certificates for the biggest entities.

Sustainable Development actions with the Office Supplies category:

Société Générale would like to integrate a Sustainable Development approach in the management of the Office Supplies category.

A number of initiatives have consequently been achieved in collaboration with our service provider Lyreco.

- Setting up of a "Minimum Order Value". On a practical point of view, it is no longer possible to place an order having an amount below 50 €. Those small orders are grouped together with bigger ones to reach the required minimum value. This action had a direct impact on the carbon footprint linked to the Lyreco deliveries.

■ Increase the number of "Green Products" in the mini-catalogue of Société Générale. Several sections of the mini-catalogue are now made up of a large part of green products. This is especially the case in the section "Writing & Correction". Also, the consumption of Green Products increased to 22% in 2010.

- Setting up of an "Electronic Mini-Catalogue" to replace the paper one that was previously distributed to all the assistants. This action allowed for the cancelling the annual printing of 4,500 paper catalogues and saved more than 500,000 pages representing 1,395 tonnes of papers.





INITIATIVE 2011

→ CUSTOMER ORIENTED TOOLS

In 2011, Lyreco is going to provide Group tools that may help our customers to reduce their environmental impact when purchasing office supplies.



Together for a sustainable future

ECO-TOOLS for Canvassing & Customer Awareness

We expect to develop and provide 2 tools: one "Logistics Calculator" and one "Paper Calculator" for customer awareness purposes.

ECO-ORDER The ECOlogic On Line Ordering

The aim is to provide an environmental guide & features in our On Line Ordering platform. The development phase will be achieved depending on the analysis that is going to be carried out.



ECO-TOOLS for Customer Management

Here, the objective is to provide 1 advanced "Logistics Calculator" for personalised calculations. It will be used face to face with the lead buyer of the customer. The goal is to build a common action plan taking into account Business and Environmental aspects. By the way, both environmental & business Key Performance Indicators will be the inputs / outputs of the calculator.





DEVELOPMENT OF VIRTUAL SERVICES

→ E-DOCUMENTS TO REDUCE PAPER CONSUMPTION

The aim of Lyreco Documents-on-Demand service (DoD) is to provide customers with an easy access to electronic documents either online or by subscription for later email delivery.

In 2010, Price Lists and Delivery Notes of the field were made available as pdf downloadable files.

With a volume higher than 4,000 requested documents a month, the Delivery Notes extension exceeds by more than three times the initial expected volume, confirming customers' growing interest for dematerialized documents.

In 2011, the offer will be enriched with



additional documents, of which, Signed Proof of Deliveries, Invoice duplicates and Open items List.



INITIATIVE 2011

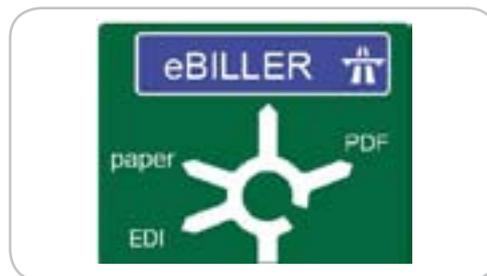
→ PREPARING THE FUTURE LYRECO e-BILLER

Electronic invoicing will drastically reduce the group's ecological footprint by reducing consumption of paper, and thus of wood and water, and avoiding pollutant emissions caused by mail transport.

The dematerialization of documents also allows:

- Better flowing trade and thousands of trees saved;
- Reduction of invoicing costs;
- Reduction of sending and archiving expenses;
- Optimization of the controls within the concerned services;
- Innovation driven services for the customers.

Based on 6,000,000 paper invoices created annually, Lyreco, with the help of customers, will save:



- **15,000,000 sheets of paper**, resulting in 1,850 trees;
- Enough fuel to run the average car for **160,101 kilometers**;
- **51 tons of CO²**.

Calculation bases: 1 invoice + 1 double archiving + 1 invoice copy + 1 stamped envelope = approximately 25g (either 5g by sheet)





INITIATIVE 2011

→ RECYCLING SERVICES TO CUSTOMERS



Lyreco would like to support its customers as part of their waste management process.

As a leader in the office supplies industry, Lyreco already proposes recycling services for some items (Laser cartridges, Ink jet cartridges, Batteries) and in some countries.

To strengthen and extend our services, a best practice will be issued in 2011 in order to:

- provide guidelines so that the best approach is used in the countries,
- possibly extend the scope of the items that can be recycled through Lyreco (e.g. light bulbs),
- propose recycling services in more countries.

On a practical point of view, and depending on the local legal constraints, the Lyreco offer consists in:

Providing “waste containers” to collect the waste to recycle



Picking-up “waste containers” when they are full



Arranging the transport of the “waste containers” from the customer office to the dedicated recycling plant



Ensuring the remanufacturing through a dedicated Recycling Partner with relevant certificate given on demand (see below)



Supplying recycling certificates (if applicable)





→ FINANCIAL INTEGRITY

Redistributing values to stakeholders in 2010

SALES € 2,032m:

The chart below summarises the main financial flows between Lyreco and Stakeholders.



You're our number One !



Financial Integrity

As a private group, Lyreco takes pride in providing the highest standard of financial transparency and reliability for its stakeholders.

Its financial transparency is ensured by a worldwide accounting and reporting tool allowing access to all accounting entries in the world from its head office.

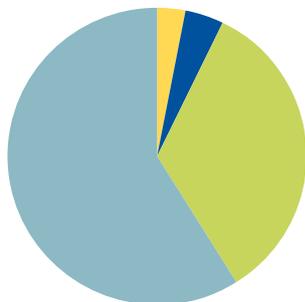
Financial reporting is performed in conformity with IFRS standards.

The financial reliability is structured around two controlling arms:

- Internal audit ensuring a strict application of our financial policies and procedures;
- A prime external audit firm certifying its financial statements. Lyreco ensures the full independence of its auditor by excluding it from any consulting function in the Group.

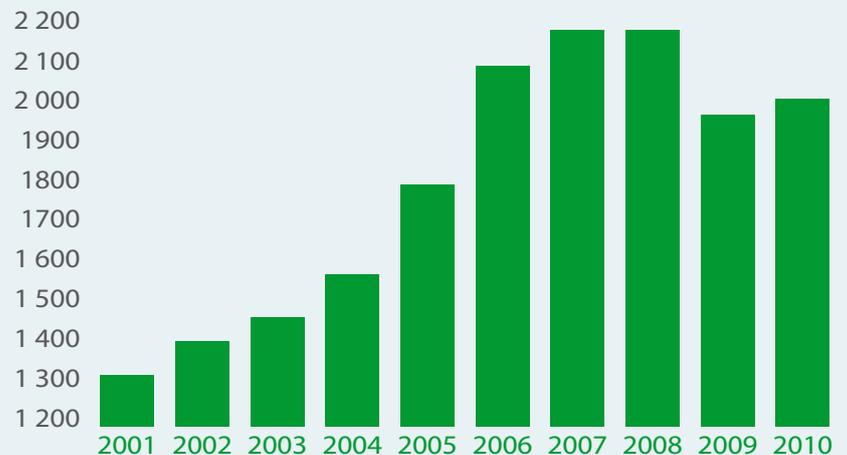


SALES PER REGION



- 59% Europe Euro Zone
- 34% Europe other countries
- 4% North America
- 3% Asia Pacific

SALES IN MILLION EURO



→ OUR AWARDS



FRANCE

Lyreco in France has received two awards within a few days of one another for its Sustainable Development actions.

The first award “Trophée Alliances” was received by our CEO October, 20th 2010. In addition, Lyreco obtained a special prize for the consistency of its overall actions in terms of Sustainable Development.

The second award “Trophée Horizon” was presented to Christophe Chambre (Managing Director France) October, 28th 2010. The analysis of the files was done by an independent committee including the leading research centre in France on Corporate Social Responsibility (Novéthic) and the Sustainable Development Purchasing Department of Credit Agricole (Corporate Bank).

Employees are incredibly proud of the awards as it is with their daily contribution to our sustainable development strategy that have helped to achieve these awards.



GERMANY

Lyreco in Germany was awarded “Sustainable Retail Company 2010”, an important award supported by the Federal Environment Ministry and the Federal Environment Agency.

The announcement of the organization ‘Die Verbraucher Initiative’ includes the statement that there is a lack of transparency regarding sustainability in the office products industry.



GERMANY

Lyreco won the "Hannover Prize 2010" for large companies.

This Award is granted every 2 years by the Hannover business community. This year's theme was "Sustainable and Value Oriented Management". Lyreco was awarded for the value based company culture, its sustainable focus and the clear code of ethics. Lyreco received 1,500 € which were donated to "Lyreco for Education".



GERMANY

As in 2005, Lyreco Germany again in 2011 was awarded “Top Job” employer.

St. Gallen University surveyed more than 150 mid-sized companies by analyzing the personnel instruments applied and having 80% of the employees answer a questionnaire. The seal of approval was presented by Germany's former minister of economy and social affairs.





Together for a sustainable future

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