

Océ
Sustainability
Report
2011



Canon
CANON GROUP

Contact information

The Océ Sustainability Report 2011 and other corporate publications can be accessed via the Océ corporate website (www.global.oce.com) or the dedicated sustainability website (www.sustainability.oce.com).

Océ welcomes any comments or suggestions relating to the contents of this report. These comments, as well as requests for additional information, should be addressed to:

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Reference documents

- Annual Report 2011 Océ N.V., published in March 2012 (www.sustainability.oce.com/downloads.asp)
- Océ Sustainability Report 2010, published in April 2011 (www.sustainability.oce.com/downloads.asp)
- GRI G3 Guidelines, released in October 2006, GRI publication (www.globalreporting.org)
- Océ GRI Reference Document, published in April 2012 (www.sustainability.oce.com/downloads.asp)
- GHG Protocol Corporate Standard, published in April 2004 (www.ghgprotocol.org)

Océ N.V.

Sustainability Report

for the financial year

running from 1 January 2011

to 31 December 2011

Océ enables its customers to manage their documents eco-efficiently and eco-effectively by offering innovative print and document management products and services for professional environments, while acting as a responsible corporate citizen.



Contents

6	Management summary	52	7 Employer of choice
9	Key figures	52	Reaching our Potential
10	Highlights 2011	53	International human resources policy
12	1 Letter from the Chairman	53	Training
14	2 Océ, a Canon Group company	55	(Pre)recruitment
14	Printing and beyond	56	Employee awareness
14	Océ and Canon: Stronger together	57	Diversity
14	Business model	58	Labor relations
18	3 Océ's sustainability policy	58	Health and safety
18	Kyosei meets Caring by Nature	59	Employer awards
20	Stakeholder engagement	60	8 Reporting principles
22	Targets	60	Scope
26	4 Océ's management systems	60	Reporting period
26	Corporate governance	60	Accuracy
26	The risk management and internal control system	60	Carbon footprint reporting
26	Sustainability governance	61	Verification
27	Sustainability management systems	61	Global Reporting Initiative
32	5 Eco-efficient and eco-effective products and services	61	Stakeholder feedback on reporting
32	Sustainability at the core of Océ products and services	62	9 Performance data
32	Paper	62	9a Economic performance data
34	Energy	64	9b Employee key figures
36	Reuse	68	9c Environmental performance data
38	Product responsibility	72	10 Assurance report
42	Recognition for sustainable products and services	74	11 GRI Performance Indicators
44	6 Setting a good example	80	Principal subsidiaries
44	Operational efficiency		
44	Paper		
45	Energy		
46	Reuse, recycling and reducing waste		
47	Supply chain management		
47	Sustainable partnerships		
49	Community involvement		
51	Operational recognition		
51	How Océ rated in 2011		

Management summary

This Sustainability Report 2011 describes Océ's sustainability strategy based on its five focal areas and presents the actions taken during the year to ensure the company meets the current requirements of its stakeholders, without compromising the needs of future generations. The company's inherent commitment to sustainable management practices and processes is clearly visible in product development and reuse, partnerships and specific achievements. This report is part of the ongoing dialogue with stakeholders regarding the sustainability of key aspects of Océ's operation.

As a Canon Group company, Océ has continued to work towards achieving more of the sustainability targets it had set itself whilst adding new and challenging targets to aim for. Further steps were made in 2011 towards embedding sustainability throughout the organization. The company was again placed in the Leading Group of companies in the Dutch Transparency Benchmark.



Paper

The Océ policy with respect to paper is based on the three Rs: Reduce, Recycle and Renewable. This policy has been adopted throughout the organization, from the conception of a new innovative product or service to the sale of recycled and sustainable paper.

Reduce Minimizing paper waste through misprints is an important part of Océ's R&D activities. In March 2011, Canon and Océ launched the first product integrating Océ PRISMA®sync workflow controller with Canon cutsheet production printers.

The Canon imagePRESS®C7010VPS significantly reduces misprints due to incorrect paper usage or color settings.

Recycle Océ began sales of the first Cradle to Cradle paper in 2011, developed in close cooperation with waste processing partner Van Gansewinkel. Océ also set a new target to stimulate the use of recycled paper among customers by increasing the Océ recycled A4 range in Europe to five different grades by 2013.

Renewable Océ continued its efforts to supply paper from sustainable sources. By the end of 2011, a total of nine countries in which Océ operates, were FSC/PEFC Chain-of-Custody certified. The UK, Austria and France joined the list in 2011.



Energy

Smart heating New products launched in 2011 included the energy-efficient Océ VarioPrint® DP Line which, thanks to Océ HeatXchange® technology, has the lowest TEC¹ value in the mid-production market and can be plugged into a standard power outlet.

ENERGY STAR® Following the updated requirements of the ENERGY STAR program, Océ has implemented a certification program for the ENERGY STAR label in close cooperation with UL-Environment. Now, the energy efficiency claims for Océ products are verified by a certified and reputed third party organization.

In-house achievements In addition to reducing the energy consumption of its products, Océ also worked to further improve the energy efficiency of its own operations. Compared with 2010, the carbon footprint of Océ decreased by 13%.

1 Typical Energy Consumption





Reuse

Océ's R&D engineers design parts and modules that are not type-specific and so can be used and reused in a range of printing systems. The Océ Prémia Class remanufactured product line provides an attractive and sustainable alternative to new equipment. Customers are also becoming increasingly interested in Océ's policy and facilities for reusing end-of-life products. The Océ Prémia Class Certificate, introduced in 2011, describes the remanufacturing process and guarantees that the products perform as newly built printing systems. With regard to in-house achievements, Océ reached its target on waste going to landfill one year ahead of schedule.



Product responsibility

In 2011, Océ furthered efforts to increase the sustainability of its product offering and maximize benefits to its customers. In addition to the launch of the energy-efficient Océ VarioPrint DP Line, Océ introduced two new additions to the Océ Arizona® 360 printer series. The Océ Arizona 360 printer series uses UV curable inks that emit significant fewer VOC (volatile organic compounds) than solvent-based inks. In the year under review, Océ also developed the Océ HeadSafe concept for the Océ ColorStream® 3500 to save ink and prevent unnecessary cleaning procedures.



Employer of choice

A number of teams worked hard on preparing for the integration with Canon. Joint product roadmaps, Research & Development programs and the future top structure have been defined as Canon and Océ move towards creating the overall number one presence in the printing industry. The Océ Reaching our Potential program is aimed at increasing the efficiency of Océ operations worldwide. It has already achieved good results in the European operating companies, and in 2011 was started in the US with the roll-out of the various projects to improve the commercial processes. The program also includes projects focusing on Research & Development and Manufacturing & Logistics. For the fourth consecutive year, Océ-Nederland was awarded the "TOP employer" of the year certificate in research accredited by the Dutch Ministry of Economic Affairs, Agriculture and Innovation.

Targets and dilemmas

Addressing the challenges posed by sustainability dilemmas remained a priority for Océ in 2011. These dilemmas are outlined in this report. Progress made on the targets Océ set itself across its five focal areas during the year under review is also reported in this Sustainability Report. In 2011, Océ formulated new targets across all focal areas.

Key figures

		2011 (12 months)	2010 (13 months)	
Economic	Total revenues	2,597	2,860	€ million
	Net income	-119	-165	€ million
	■ Net income attributable to shareholders	-121	-167	€ million
	Employee wages and benefits	1,172	1,266	€ million
	Financial income and expenses	-18	-72	€ million
	Balance sheet total	2,070	2,142	€ million
Employee	Number of employees	19,798	20,531	FTE
	Men	71	70	%
	Women	29	30	%
	Men in management	79	79	%
	Women in management	21	21	%
	Training rate	15.9	16.1	hours/FTE
	LTI-rate	0.53	0.56	cases/100 FTE
Environment	Material usage	9.8	9.7	kilotons
	■ Metals and plastics	6.5	6.3	kilotons
	<i>of which reused parts</i>	14	17	%
	■ Chemicals and solvents	3.3	3.4	kilotons
	Energy consumption	664	738	TJ
	■ Derived from renewable sources	29	17	%
	Greenhouse gas emissions	70.3	87.6	kilotons CO ₂ e
	■ Scope 1 emissions	46.4	48.0	kilotons CO ₂ e
	■ Scope 2 emissions	23.9	39.6	kilotons CO ₂ e
	Waste production	10.8	12.9	kilotons
	■ Hazardous waste	0.3	0.4	kilotons
	■ Non-hazardous waste	10.5	12.5	kilotons
	Waste processing (manufacturing sites only)			
	■ Recycling	84.4	83.4	%
■ Incineration	13.7	14.4	%	
■ Landfill	1.9	2.2	%	

More figures can be found in chapter 9a (economic performance data), chapter 9b (employee key figures) and chapter 9c (environmental performance data).

Highlights 2011



Energy-efficient Printing with HeatXchange Technology

The Océ VarioPrint DP Line launched in 2011 is based on highly sustainable technologies that help customers reduce their environmental impact. The printer has the lowest TEC (Typical Energy Consumption) value in the mid-production market. [See page 38.](#)



Océ-France headquarters goes green

Océ-France moved into a new and highly sustainable building. The green building is designed to reduce the overall impact on human health and the environment by using energy, water and other resources more efficiently. [See page 45.](#)



Océ in Leading Group of transparent Dutch companies

For the fourth consecutive year Océ has been included in the Leading Group of Dutch companies in the annual Transparency Benchmark. [See page 51.](#)



Sustainability important selection criterion for worldwide contract Océ - GDF SUEZ

"Green IT" was a key selection criterion for the contract to supply the multinational utility company GDF SUEZ with over 9,000 multifunctional devices, plotters and supporting services over the coming years. [See page 51.](#)



Océ-Nederland Employer of the year

For the fourth consecutive year, Océ-Nederland was awarded the "TOP employer" of the year certificate in research accredited by the Dutch Ministry of Economic Affairs, Agriculture and Innovation. [See page 59.](#)



Substantial energy savings with new Océ Arizona printers

In April 2011, Océ introduced two new additions to the Océ Arizona printer series. Among other sustainable features, the Océ Arizona 360 GT and Océ Arizona 360 XT consume less than half of the energy of many competing systems. [See page 40.](#)



Introduction of the first Cradle to Cradle paper

Waste management services provider and supplier of raw materials Van Ganswinkel brought its own brand of office paper "Van Ganswinkel Office Paper" on the market with Océ in 2011. The 100% recycled office paper is certified by the scientific Cradle to Cradle institute, EPEA. [See page 33.](#)



Océ North America plants thousands of trees on behalf of its customer

Océ North America planted thousands of trees on behalf of its customer, Jeppesen, to help offset carbon emissions. [See page 36.](#)

**GREEN
MAGAZINE
TELEVISION**

Océ selected for "Green Magazine TV"

Green Magazine TV produced by Worldwide Digital Communications Corporation, is a television series featuring ecology and energy conscious companies and organizations. Océ was featured in the topic "Industry Leaders Pioneering the Future of Environmental Sustainability." [See page 49.](#)

1 | Letter from the Chairman



Anton Schaaf,
Chairman of the
Executive Board
of Océ N.V.

Dear Reader,

In 2010, Océ joined the Canon Group of companies with headquarters in Tokyo, Japan, to create the global leader in the printing industry. At the beginning of 2012, Canon's ownership in Océ was brought to 98.83 per cent of the entire issued share capital. On 16 January 2012 it was announced that the delisting of the shares of Océ from NYSE Euronext Amsterdam will be effective 14 February 2012.

With 98.83 per cent of the shares of Océ held by Canon, our compelling combination will accelerate further the integration of Océ into the Canon Group, following which we can realize the benefits for all stakeholders involved.

In 2011, Océ and Canon made progress in combining their printing activities, moving toward the aim of creating the overall number one presence in the printing industry. The year under review saw the first results in our enhanced customer offering, with the launch of three co-developed production printing

systems, the Canon imagePRESS® C7010VPS, the Océ VarioPrint® DP Line and the Canon imageRUNNER® ADVANCE C9000S PRO series.

The decentralization of work hierarchies is here to stay and users are increasingly embracing the flexibility and savings digital technology brings, both in terms of cost and the environment. In response to the growing user trend of multi-channel communication, the management structure of Océ Business Services (OBS) was strengthened in 2011. Océ's ability to innovate beyond hardware and software will ensure we are able to provide sustainable document services to meet the future needs of our customers.

During 2011, we saw increased interest from customers in our sustainability efforts and in key markets sustainability is becoming a prerequisite. Océ's response is to offer choices that reduce energy consumption, minimize paper waste and create a safe office environment for customers, while providing a profitable and efficient operation.

As customer interest in People, Planet and Profit increased, we took various opportunities during the year to share our expertise and experience as an ecology and energy conscious company. Our knowledge sharing activities included participating in series for Green Magazine TV and Global Sustainability TV, as well as organizing and attending conferences and other events.

Our continued efforts in the focal areas of Paper, Energy, Reuse and Product responsibility enabled us to make further progress in reducing the carbon footprint of our own activities and those of our customers. In our fifth focal area, Employer of choice, we work to ensure that Océ continues to attract the best employees and provides new and enriched career opportunities as part of the Canon Group.

Throughout 2011, work continued to further embed sustainability at the heart of our activities, raising awareness so that more employees think and act in a sustainable way. Various initiatives resulted in increased employee awareness for sustainability and more employees took part in our third Sustainability Week than in previous years.

In the second year of the Reaching our Potential (RoP) program, the focus continued to be on increasing the efficiency of Océ operations worldwide. RoP has already achieved good results in the European operating companies, and has recently also been started in the US with the roll-out of the various projects to improve the commercial processes. In addition, the program also includes projects focusing on Research & Development and Manufacturing & Logistics.

Caring by Nature has been at the heart of Océ's activities since the company's origins in 1877. The commitment and hard work of our employees and partners forms the foundation for our future. I would therefore like to thank everyone who has contributed to ensuring that Océ's history of sustainability continues in our new setting as a Canon Group company, as we work together to create the overall number one presence in the printing industry.

26 April 2012



Anton Schaaf,
Chairman of the Executive Board of Océ N.V.

Printing and beyond Océ is one of the leading providers of document management and printing for professionals. The Océ offering includes office printing and copying systems, high speed digital production printers and wide format printing systems for both technical documentation and color display graphics.

Océ is also a foremost supplier of document management outsourcing. Many of the Fortune Global 500 companies and leading commercial printers are Océ customers. The company was founded in 1877. With headquarters in Venlo, The Netherlands, Océ is active in over 100 countries and employs about 20,000 people worldwide. Total revenues in 2011 amounted to € 2,597 million. In 2011, Océ was listed on NYSE Euronext in Amsterdam.

Océ and Canon: Stronger together

In 2010, Océ joined the Canon Group of companies with headquarters in Tokyo, Japan, to create the global leader in the printing industry. Canon develops, manufactures and markets a growing line-up of copying machines, printers, cameras, optical and other products that meet a diverse range of customer needs. The Canon Group comprises more than 198,000 people worldwide. Global net sales in 2011 were more than USD 45.6 billion. Together Canon and Océ are well positioned to optimize the servicing of their customers and become the undisputed market leader. By enhancing the Océ portfolio with Canon products and technologies and selling Canon products through Océ distribution channels and vice versa, customers will continue to benefit from an enlarged range of high quality products and services through an extended global sales and service network.

Business model

Océ is active in the entire value chain of printing systems: from development via manufacturing, sales, services and maintenance to the provision of business services and financing. In a number of countries and market segments where Océ has only a limited market presence, part of the product range is made available via specialized distributors. Through its own Research & Development (R&D) Océ develops core technologies and the majority of its own product concepts. Direct customer feedback serves as an important source of inspiration for new products. In the Océ business model, cooperation with partners plays a major role in numerous fields. These partnerships cover areas such as R&D, manufacturing, sales (OEM), distribution and financing. Sustainability is a constantly present factor in the conduct of the Océ business.

Commercial organization



Océ's commercial organization is coordinated by three Strategic Business Units (SBUs): Digital Document Systems (DDS) for small format printing, Wide Format Printing Systems (WFPS) which also offers a broad range of media supplies, and Océ Business Services (OBS) for document management outsourcing.

Digital Document Systems focuses on document flow and printing management solutions for small format - maximum A3. In the office segment, Océ drew up go-to-market strategies jointly with Canon. In 2011, Océ increasingly sold Canon office printers through its own distribution channels worldwide.



The Océ Arizona
318 GL printer.

DDS customers include financial institutions and legal services providers, telecom and utility businesses as well as industry, the public sector and education. Services provided by DDS include consultancy, maintenance and financing (rental and leasing) as well as workflow and output management software. For the print room environment in business, government and educational markets, DDS addresses the full-color and black & white requirements of print professionals. The SBU also supplies a range of high-volume continuous feed and cutsheet printing solutions for the graphic arts industry, transactional printing sectors and direct mail markets. In the high-volume market, the rise of digital technology continued and an increasing number of Océ customers benefited from this trend. In 2011, more readers gained access to an individualized color newspaper, for example, and Océ high-speed printers produced millions of on-demand books.

Following the successful launch of its Managed Print Services offering in The Netherlands, UK and USA, in 2011, Océ consolidated its document management capabilities Europe-wide. Océ Managed Print Services enable customers to control the costs and the environmental impact of their enterprise-wide printing activities and benefit from best practices in print and document workflows.

Wide Format Printing Systems supplies a broad range of printing systems, software services and media for technical applications and graphics communication. In technical applications, customers include governmental bodies, manufacturers, architectural and engineering offices, construction companies, industrial corporations, utility and telecom companies. For graphic arts customers in the commercial print and advertising industry, WFPS high-productivity applications produce indoor and outdoor advertising such as full-color posters, banners, billboards, scaffolding sheets and retail promotional material. Throughout 2011, Océ WFPS cooperated with Canon in the distribution and after sales service of low volume inkjet systems.

Océ also supplies a wide selection of print media, both bulk and specialties, for its printing systems in small and wide format. The majority of these imaging supplies consist of plain or coated and recycled paper, including the Océ Black Label Zero carbon-neutrally produced paper and the Van Gansewinkel Cradle to Cradle paper.

Océ Business Services is an important provider of document-related services and technology for the public and private sector. OBS enables its customers to increase efficiency, reduce cost, mitigate risk and enhance operational performance by improving their critical document management processes.

Océ's on-site specialists also advise customers on how to cut costs by maximizing throughput and minimizing downtime and reduce the impact of their operations on the environment. Tools such as energy consumption reports, support Océ Business Services staff as they help customers minimize the number of printing systems per site, reduce unnecessary prints and monitor energy consumption. Services provided include copying, printing, e-discovery, records management and mail processing.

In 2011, OBS customers benefited not only from Océ's advanced technology, but also from the professionalism and in-depth knowledge OBS staff has of Océ's and, increasingly, Canon's products and services. OBS worked further on creating a joint back office system throughout Europe. Océ's European OBS organization enabled its sales companies to sharpen their customer focus while expanding the service portfolio.

Research & Development

Sustainability considerations are at the core of Océ's approach to R&D. These include working to reduce energy consumption, unnecessary prints and emissions. Other key aspects of Océ's R&D strategy are to create innovative products based on existing technologies, both those developed within Océ, by Canon and by strategic partners. In the areas of embedded hardware systems, nanotechnology and mechatronics, Océ works closely with partners within the PrintValley consortium. The grant for the PrintValley project came to an end in 2011. A closing symposium was organized by Océ and the Dutch Organization for Applied Scientific Research (TNO) in June 2011 (see page 47 for more information). The partnerships set under the PrintValley project will continue. In 2011, Océ established the DigiNova European network of partners in the same field (industrial printing and beyond).

Since the initial announcement of the combination with Canon in November 2009, there has been more and more cooperation between R&D specialists from Océ and Canon. In 2011, teams worked together to jointly create new products, and integrate existing technologies in each other's equipment. The first jointly developed product, the Canon imagePRESS C7010VPS, combining Océ PRISMAsync operation management and Canon imagePRESS technology, was launched in March 2011.

Innovation in centrally coordinated document services took place within the context of Document Services Valley, established with the help of Dutch government grants. Document Services Valley is a combination of an Open Innovation Center and a business services school. It provides housing and financing to support entrepreneurs – large and small – with ideas for new services propositions in terms of inspiring and connecting to international markets and to knowledge sources. In September 2011, the Document Services Valley Open Innovation Center was officially opened during a symposium at Océ headquarters in Venlo (see page 48 for more information).

Manufacturing

During 2011 Océ products were manufactured in locations across the globe, including Océ's own facilities in Venlo (The Netherlands), Poing (Germany), Prague (Czech Republic) and Vancouver (Canada). These Océ factories manufactured products that originated from the company's own development work. Important materials from a strategic perspective such as toners, photoconductors, silicone materials, print heads, LED arrays and process drums were produced by Océ.

Océ continued to work towards reducing the impact of its manufacturing activities on the environment. Asset recovery and reuse activities were streamlined and more models were added to the Océ Prémia Class remanufactured product line. Océ's asset recovery facilities created a constant stream of reconditioned parts and units suitable for reuse as service parts and in new machines.

Global logistics and CO₂ emissions

In 2011, Océ continued its efforts to optimize the efficiency of its global transportation activities and to increase local sourcing in the Asia-Pacific region. In all activities related to outsourcing manufacturing, Océ tries to find the right balance between economic considerations (costs, lead-time) and environmental and social aspects. In 2011, Océ with Canon began harvesting synergy in their joint global and regional distribution networks.



As part of the “Factory of the Future” program, important steps were taken in 2011 towards increasing manufacturing quality. Self-managing teams and Six Sigma played a key role in the ongoing drive to realize operational excellence. Océ manufacturing teams also began to share best practice with respect to production methods with Canon.

Global Logistics Organization

The aim of the Global Logistics Organization is to increase the efficiency of Océ’s distribution activities worldwide. In 2011, smarter distribution procedures resulted in optimized efficiency of truck journeys and reduced total transport kilometers within Europe. This will be further rolled out across Europe in 2012. Also several warehouses have been combined with Canon, resulting in better site occupancy, fewer truck journeys and fewer kilometers.

Service

After-sales customer service is key to the long-term relationship Océ has with its customers. A professional Océ Service & Support team combines with effective and efficient processes to meet the customers’ after-sales requirements and reduce customer downtime. During 2011, the service force was trained to support the Canon portfolio within the Océ customer base.

Service & Support programs focus on:

- customer self help, supported by the Océ Knowledge Base;
- call screening (either centrally or by the field force) supported by remote services;
- optimized routing of the Field Service technicians;
- enhanced service parts field stock management;
- machines and field force performance management.

3 | Océ's sustainability policy

Kyosei meets Caring by Nature Océ is focused on creating value for its stakeholders by realizing profitable, sustainable growth. The Océ strategy is aimed at optimizing business processes, strengthening product portfolio and boosting distribution power. The Canon corporate philosophy of Kyosei (living and working together for the common good) fits well with Océ's Caring by Nature. Both companies have a long track record in the field of sustainability.

To exchange information on sustainability policy and performance, Canon and Océ started a series of meetings in 2011, in which common ground, strengths and best practices are shared. The ongoing meetings result in cooperation between Océ and Canon in the broad spectrum of sustainability.

Océ's sustainability mission is linked to Océ's inherent aim to combine its own sustainable business strategy with helping customers achieve their strategic and sustainable objectives with respect to document management. The end goal of this approach is the overall reduction of the environmental footprint of Océ's products and activities.

Océ Sustainability Mission

Océ enables its customers to manage their documents eco-efficiently and eco-effectively by offering innovative print and document management products and services for professional environments, while acting as a responsible corporate citizen.

Océ uses the term eco-effectively to indicate that the business strives ultimately to achieve a closed cycle for industrial products (Cradle to Cradle philosophy). The materials used in Océ products should be developed in such a way that they can be fully reused and/or recycled, and the energy used in all Océ activities should be derived from sustainable sources. For activities where eco-effectiveness is not yet feasible, Océ works eco-efficiently to minimize any undesirable impact Océ products may have on the environment.

Océ has structured its sustainable strategy in five clearly defined focal areas, with targets for the short, medium and long term. Each focal area plays an important role in Océ's efforts to make a positive contribution to People, Planet and Profit. They have been taken into account throughout the value chain from product design, purchasing and manufacturing through to product use by the customer, servicing, remanufacturing, end-of-life recycling and disposal.

Sustainability Focal Areas

- Paper
- Energy
- Reuse
- Product responsibility
- Employer of choice

Océ also contributes to a low-carbon economy. The first four focal areas combined help minimize Océ's direct and indirect carbon footprint.

Océ Sustainability Vision

Océ wants to be best in class regarding minimizing its environmental footprint and maximizing the well-being of people. Océ shows the world that documents can be managed eco-efficiently and ultimately eco-effectively.



Océ can only realize this objective by working closely with its stakeholders. This is why the company has drawn up not only an overall sustainability strategy, but also specific strategies for each of the five key stakeholder groups.

Océ Sustainability Strategy

Océ builds a competitive advantage by working together with its stakeholders to implement eco-efficient and eco-effective document management and printing.

Customers

Océ helps its customers to develop further toward eco-efficient and eco-effective document management and does so by setting a good example.

Employees

Océ offers an attractive place to work by challenging its employees to come up with ideas that go beyond the ordinary.

Investors

Océ attracts investments from green investment funds by bringing its sustainability strategy into line with their criteria as much as possible.

Partners

Océ requires its partners to adopt the same norms and standards with regard to sustainability as the company applies to its own activities, and challenges them to inspire Océ with new ideas.

Society

Océ aims to combine economic growth with a reduced environmental footprint and increased well-being of people.

Océ participated as a topic partner in the National Sustainability Conference.



Stakeholder engagement

Océ topic partner National Sustainability Conference

In November 2011, over 600 participants - from government, business, non-profit organizations and education - attended the annual National Sustainability Conference in 's-Hertogenbosch (The Netherlands). Océ participated in this, the largest sustainability event in The Netherlands, as a topic partner. In addition to having its own stand, Océ also organized an interactive session on working digitally versus on paper and the need for reuse.

Participants stressed the need for solutions for both working digitally and for printing on sustainably produced paper. The audience particularly appreciated the steps Océ is taking in this area, for example, with the Cradle to Cradle paper, developed in cooperation with waste processing partner Van Gansewinkel. Reuse was the second central topic of the Océ session, and the majority of the participants agreed on its necessity and thought it was essential to encourage businesses to reuse.

The White Papers *All in the balance* and *A class above the rest* contain more information about working digitally versus on paper, and Océ's position in relation to reuse.

www.sustainability.oce.com/downloads.asp

Customer survey on sustainability

To obtain insight in the expectations and concerns from customers, Océ carried out an international customer survey on sustainability in 2011. Questions focused on the sustainability performance of Océ's products, services and operation, as well as on the customer's own organization.

The survey was completed by 550 customers, 72% of whom have had a relationship with Océ for more than 5 years. Key results were:

- On a scale of 1 (unimportant) to 10 (very important), 55% of customers responded with an 8 or higher to the question on how important sustainability is for their own company;
- With regard to customers' key buying criteria, the quality and price of Océ's products and services were scored higher in importance than the environmental aspects of Océ's products and services. For each of the aspects, customers could select the degree of importance in their decision to buy Océ products and/or services: 52% of customers selected "very important" for the aspect quality, 42% selected "very important" for the price and approximately 18% selected "very important" for the environmental aspects of Océ's products and services;

- For the question “What environmental aspects of Océ’s products do you value the most?”, reduced energy consumption and the use of environmentally friendly toner/ink were valued the highest (28% for each of the two aspects);
- With respect to Océ’s services, customers showed the greatest interest in Océ’s tools and advice to reduce their energy and paper consumption;
- In Océ’s operation, 35% of customers valued the reduction in the company carbon footprint the most, 27% selected reduced waste in manufacturing and 19% selected ISO 14001 certification;
- 70% of customers rated Océ as equally or more sustainable than its competitors;
- In response to the question of how Océ could help customers become more sustainable, several customers said Océ should provide a company-wide service to collect and recycle empty toner/ink containers;
- When asked how Océ could improve its own sustainability performance, one of the recommendations was that Océ could more pro-actively communicate its sustainability message to the industry and customers.

Key stakeholders

In addition to the customer survey on sustainability and the interactive session with various stakeholders during the National Sustainability Conference, Océ engaged regularly with its key stakeholders in 2011.

Customers

Sales and service staff use their daily contacts with customers to channel back customer experiences and feedback to the organization.

In 2011, Océ continued to use its Customer Experience Survey to measure customer satisfaction and obtain feedback on products and services. The survey is conducted on three key process elements: satisfaction with the Océ Service Technician, the maintained Océ System, and overall satisfaction with Océ.

In 2011, Océ’s sustainability efforts led to it welcoming the multinational utility company GDF SUEZ as a customer, for whom sustainability was a key selection criterion.

Employees

In 2011, Océ held structured consultations with employees and their representatives, with the aim of stimulating communication between top level management and staff. Océ also monitored employee satisfaction using a variety of methods.

In October 2011, nearly 4,400 employees responded to the Reaching our Potential survey of European Océ employees to voice their opinion on working with the program, the impact they feel it has made and how Océ has communicated its progress.

Sharing knowledge Via the company intranet, blogs and microblogging platform Yammer, Océ employees are able to share information, knowledge and best practices. Employees from across the world are invited to share their experience on a wide variety of topics, including sustainability.

Océ continued to communicate with potential employees in the framework of pre-recruitment and recruitment events. For further information on these events, see chapter 7 (page 55).

Partners

Across its business, Océ works with national and international partners. These partners are an essential part of Océ’s operation. Further details of Océ’s various partnerships can be found in chapter 6 (page 47).

Society

Océ’s dedicated sustainability website provides a central portal for information and feedback for stakeholders on the company’s sustainability policy and performance.

 www.sustainability.oce.com

Targets

Océ formulated a clear sustainability strategy, including targets for the short, medium and long term as long ago as 2008. The status of these targets is presented here. As the short term targets passed their target term in 2011, new targets¹ were formulated. They are also presented here. More information can be found in the relevant chapters of this Sustainability Report.

Focal Area Paper



Target term	Target definition	More info:
2011-2013	To stimulate the use of recycled paper among customers, Océ will increase the Océ recycled A4 assortment in Europe to five different grades by 2013 (NEW) . Status 2011: Three grades.	Page 34
	By 2013, Océ will launch a paper eco-selection tool for the IS web shop (NEW) . Status 2011: First pilots started.	Page 34
2014-2016	Océ will work with media suppliers to explore the possibilities for marketing an alternative, more sustainable printing medium than recycled paper for digital printing by the year 2015. Status 2011: Ongoing investigation.	Page 34

Focal Area Energy



Target term	Target definition	More info:
2011-2013	By 2012, 100% of the electricity purchased for the production sites will be renewable electricity. Status 2011: 78% (2010: 45%). On schedule.	Page 45
	By 2012, all newly introduced Océ print engines are equipped with an on-board remote service solution (NEW) . Status 2011: Océ VarioPrint DP Line, Océ PlotWave® 900, Océ JetStream® and Océ ColorStream 3500 equipped with remote service solution.	Page 35
	By 2012, average emissions for European lease cars will be reduced to 130 g CO ₂ /km in line with the EU strategy. Status 2011: 138 g CO ₂ /km (2010: 143 g CO ₂ /km). On schedule.	Page 46
	By 2013, average emissions for lease cars in the United States and Australia will be reduced to 200 g CO ₂ /km. Status 2011: US: 271 g CO ₂ /km (2010: 242 g CO ₂ /km). Behind schedule. Australia: 227 g CO ₂ /km (2010: 227 g CO ₂ /km). Behind schedule.	Page 46
Permanent target	100% of newly introduced eligible product platforms will be ENERGY STAR qualified. ² Status 2011: All newly introduced eligible product platforms are ENERGY STAR qualified.	Page 35

Focal Area
Reuse



Target term	Target definition	More info:
2011-2013	By 2012, the amount of waste landfilled from the production sites will be reduced to 2% of these sites' total waste. Status 2011: 1.9% (2010: 2.2%) Target achieved ahead of schedule.	Page 47
	By 2013, Océ will add at least two products to the Prémia Class remanufacturing program (NEW) . Status 2011: Océ Prémia Class program includes six products.	Page 37
2014-2016	By 2014, the recovered value of remanufactured parts supplied by Océ's centralized remanufacturing facilities ³ will be doubled over 2010 (NEW) . Status 2011: Recovered value increased by 75% over 2010.	Page 37

Focal Area
Product
responsibility



Target term	Target definition	More info:
2011-2013	By 2012, Océ will introduce a new green flagship product. ^{4,5} Status 2011: Océ VarioPrint DP Line launched. Target achieved ahead of schedule.	Page 40
	All products introduced by 2012 will improve on at least two of the four product-related focal points when compared to their predecessors. ⁵ Status 2011: On schedule.	-
	All products developed at one of the Océ R&D centers and based on Océ proprietary technology will be developed according to the Océ Eco Code from 2012 onwards. Status 2011: Océ Eco Code will be harmonized with Canon standards. On schedule.	-
	By 2013, Océ will stop shipping digital media carriers with information and tools relating to Océ equipment (NEW) . ⁶ Status 2011: Approximately 40,000 CDs shipped for TDS equipment.	Page 40
	By 2013, Océ will introduce its first EPEAT-compliant imaging product (NEW) . ⁷ Status 2011: On schedule.	Page 40
2014-2016	By 2015, Océ will market two applications that will enable specific markets to become more eco-effective in their document management. Status 2011: On schedule.	Page 40

Focal Area
Employer of
choice



Target term	Target definition	More info:
2011-2013	By 2013, Océ will implement a core values alignment program, explaining and celebrating the strength of the Canon and Océ combination (NEW) . Status 2011: Océ uses seven core values as guideline for employees.	Page 57
	By 2013, 80% of the learning offering of the Océ International Training Centre will be based on an integrated learning concept (NEW) . ⁸ Status 2011: 40% (estimate).	Page 54
	In 2013, the percentage of women in TOP positions will be at least 5% in The Netherlands. ⁹ Status 2011: 6% (2010: 6%). Target achieved ahead of schedule.	Page 57
	In 2013, the percentage of women in SUBTOP positions will be at least 9% in The Netherlands. ¹⁰ Status 2011: 8% (2010: 9%). Behind schedule.	Page 57
2014-2016	In 2015, the percentage of women in management positions will be 30%. ¹¹ Status 2011: 21% (2010: 21%). Behind schedule.	Page 57
	By 2015, 50% of the European OBS site staff will have successfully completed a vocational education and training program to become a document specialist (NEW) . Status 2011: 0%.	-

- 1 Following Canon's acquisition of more than 98.83% of Océ's shares, full integration will take place in the coming years which may affect the definition and scope of the targets.
- 2 In the case of OEM products the policy of the manufacturer will be respected. Excluded are remanufactured models or Factory Produced New Models (FPNMs).
- 3 In The Netherlands and Czech Republic.
- 4 A green flagship product is a product that sets a new benchmark within its own product category in the market in at least two of the four product-related focal points.⁵
- 5 Product-related focal points are:
 - (1) Minimize incorrect and unnecessary prints;
 - (2) Minimize energy consumption per print;
 - (3) Maximize reuse of materials and minimize landfill;
 - (4) Minimize emissions of ozone, dust, toner and noise.
- 6 Information and tools will be made available online as far as legislation allows.
- 7 Provided that EPEAT 1680.2 label for Imaging Equipment is available.
- 8 A blend of formal and self-managed learning to maximize the effectiveness of competence development.
- 9 The TOP has been defined as the Board of Executive Directors and Senior Management. Senior Management refers to the two levels below the Board of Executive Directors.
- 10 The SUBTOP has been defined as middle management and professionals who are expected to reach the top. It comprises the third level below the Board of Executive Directors.
- 11 A management position is any position in which the employee leads one or more employees.



4 | Océ's management systems

Corporate governance Océ's corporate governance structure during 2011 was based on the fact that it was still a publicly listed company during this period. In 2010, approximately 90% of the shares of Océ N.V. were acquired by Canon. At the beginning of 2012, Canon acquired the ordinary shares held by Orbis Funds in Océ, bringing Canon's ownership to 98.83% of the entire issued share capital of Océ N.V. (including cumulative preference shares).

On 16 January 2012 it was announced that the listing of the shares of Océ from NYSE Euronext Amsterdam will be terminated effective 14 February 2012.

On 22 January 2012 it was announced that Canon had initiated the squeeze out procedure to obtain the remaining shares in Océ N.V.. Consequently the legal requirements for publicly listed companies will no longer be applicable for Océ N.V..

The Annual Report 2011 of Océ N.V. has therefore been adapted to the new applicable publication requirements.

The risk management and internal control system

In 2011, the Executive Board was responsible for the structure and functioning of the system of risk management and internal control that is applied within Océ. This system is focused on identifying and controlling the strategic, operational and financial risks and risks in the area of legislation and regulations so as to enable the Company's objectives to be achieved.

The system is based on the first reference model of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). As regards information technology the reference model of the Information Technology Governance Institute (CobIT, Control objectives for Information and related Technology) has been applied.

Océ applies the structure of these models in the measures that have been taken to control its business processes and in the principal objectives for financial reporting. The details of the models are worked out centrally and are applied as consistently and clearly as possible in the various parts of the organization and legal entities. An overall risk analysis is anchored in the strategic business plans.

During the year under review, no material weaknesses were found in the internal structure for risk control.

Sustainability governance

Corporate Sustainability Forum

The task of the Océ Corporate Sustainability Forum is to advise the Executive Board on a range of sustainability issues, including organization, policies, procedures and reporting systems. Forum members, each with their own specific knowledge and experience, come from a cross-section of disciplines within Océ. These include Manufacturing & Logistics, Research & Development and the Strategic Business Units. The forum reports directly to the Chairman of the Executive Board on the progress of implementing actions in the sustainability strategy. The Senior Vice President Corporate Public Affairs & Sustainability is the Chairman of the forum and manager of the Corporate Sustainability Department, and has overall responsibility for Océ's corporate sustainability policy.

In the year under review, the Corporate Sustainability Forum met seven times to discuss various sustainability issues. The most important recurring topic on the agenda was the formulation of new sustainability targets for the short and medium term. These targets can be found in chapter 3.

The members of the
Océ Corporate
Sustainability Forum.



Sustainability management systems

Product safety and the environment (PS&E)

The PS&E policy of Océ is aimed at contributing to the sustainable development of society by continuous improvement of the total life cycle of products to ensure that they are safe and do not harm the health and well-being of people, flora and fauna. This includes the development, manufacture, marketing, transport and distribution, maintenance, take back, reuse, recycling and disposal of products. The applicable laws and regulations form the minimum basis to which all products and activities must comply. However, within its capabilities, Océ takes measures beyond those laws and regulations to provide additional protection to its stakeholders and the environment. In order to achieve this, Océ applies its own set of requirements (Océ Standards) for product and process quality. Through Product Lifecycle Management the safety and environmental performance of products during their whole technical lifetime remains under control of Océ. In 2011, corporate responsibility for product safety and the environment rested with the Chief Technology & Operations Officer (member of Executive Board).

www.sustainability.oce.com/pse-policy.asp

Human Resources Management

In the year under review, the Chairman of the Executive Board was responsible for overall Human Resources Management (HRM) policy. The Senior Vice President of Corporate Personnel and Organization oversees operational aspects of corporate HRM. In the Océ supply centers, responsibility for HRM has been delegated to the Chairman of the local executive committee, and in the operating companies the Managing Director is in charge of the local HR operation.

Human rights

With its Corporate Human Rights Policy Océ is committed to making all reasonable effort to integrate human rights into day-to-day activities and to respect the laws of the countries in which it operates. In 2011, corporate responsibility for human rights rested with the Chairman of the Executive Board. Managing Directors of the Océ operating companies are requested to report any incident concerning the enforcement of the Universal Declaration of Human Rights (UDHR) in the annual Letter of Representation. In 2011, no incidents were reported.

www.sustainability.oce.com/human-rights.asp

Health, safety and environmental protection (HS&E)

The aim of Océ's corporate HS&E policy is to conduct all business activities in a socially responsible way, preventing health, safety and environmental risks, and to achieve sustainable and profitable growth. In 2011, corporate responsibility for HS&E rested with the Chairman of the Executive Board. For each operating company or manufacturing site, this responsibility has been delegated to the local Managing Director. At each company, responsibility for HS&E is regarded as an integral part of site management. In the major operating companies a steering committee, reporting directly to local management, has been appointed to oversee the definition and implementation of HS&E policy. This steering committee is made up of operational managers for all relevant disciplines, with support staff specializing in key sub-themes.

 www.sustainability.oce.com/hse-policy.asp

Fraud risk management

Océ has a formal Fraud Risk Management Policy in place. With this policy, Océ implemented an extensive set of control guidelines, procedures and measures to prevent, discourage and detect fraud, with respect to the reliability of the annual financial statements and other important processes within the company. A fraud risk assessment program is performed annually. Each local company has assigned independent assessors trained in risk management. In 2011, the fraud risk assessment program maintained 95% coverage of the Océ companies. Under the Whistleblower Policy, no complaints were filed for 2011.

Supply chain management

In 2009, Océ joined the Electronic Industry Citizenship Coalition (EICC), a partnership established in 2004 with more than 40 global companies in the electronics and ICT industry and their suppliers in their membership database. The EICC promotes an industry Code of Conduct for global supply chains. This Code of Conduct outlines standards to ensure that working conditions in the supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible.

During 2011, supply chain management formed part of discussions between Océ and Canon regarding aligning policy and implementing a combined approach. In December 2011, Océ decided to end its applicant EICC membership as of January 2012, to align with Canon's Green Procurement Policy and Standards. In the year under review, corporate responsibility for supply chain management rested with the Chief Technology & Operations Officer.

Certificates

Certificates on quality (ISO 9001) and environmental (ISO 14001) management provide assurances on the management of these areas. The table below presents an overview of Océ's current certificates.

Océ site	ISO 9001	ISO 14001
Océ-Ceská republika	x	x
Océ-France	x	x
Océ-Hungária	x	x
Océ-Iberia (Spain, Portugal)	x	x
Océ Printing Systems (Germany)	x	x
Océ-Slovenská republika	x	x
Océ-Technologies (The Netherlands)	x	x
Océ UK ¹	x	x
Océ-Belgium	x	
Océ-Deutschland	x	
Océ-Italia	x	
Océ-Poland	x	
Océ-Nederland	x	
Océ-Nordic Holding (Norway, Denmark, Sweden, Finland)	x	
Océ-Österreich	x	

¹ Océ UK is also OHSAS 18001 certified, a certificate on occupational health and safety management.

Anti-competitive practices

The general business principles for Océ are laid down in the Océ Policy Principles. Specific guidelines as regards dealing with competition in a fair and legally accepted way are set forth in the Océ Antitrust and Competition Law Handbook. Corporate responsibility for the compliance with the applicable anti-trust laws by members of the Océ group rests with the Chief Legal Officer.

With respect to intellectual property (IP) rights, Océ has an Intellectual Property Policy in place. One of the principal starting points of Océ's IP Policy is that Océ respects all valid IP rights of third parties. The Océ IP Policy provides guidelines and instructions for the protection of the Océ intellectual property and proprietary information and licensing (in and out) policies. In 2011, corporate responsibility of IP matters rested with the Chief Technology & Operations Officer.

To prepare for the integration with Canon, these policies formed part of discussions between Océ and Canon during 2011. In the future, alignment of policies will take place.

Corporate Public Affairs

The main focus of Corporate Public Affairs is to create new avenues for innovative technology projects in close cooperation with appropriate partners. Involving government authorities in innovation helps accelerate the progress of these projects. In addition, selected technology spin-off projects are being initiated, coordinated and supported by Océ.

In 2011, relationships with governmental authorities were further intensified. The Corporate Public Affairs Department was proactively involved in legislation development processes on a local, national and European level. The department represented Océ in meetings, including VNO/NCW, LWV, Business Europe and DIGITALEUROPE. Collaboration with NGOs also took place in 2011, to discuss community related topics.

In combination with the official opening of the Document Services Valley Open Innovation Center in September 2011, the Corporate Public Affairs Department organized a symposium "Excellence through Document Services Innovation", including lectures, workshops and a platform for co-creation and idea generation. Within the company, the subsidy process was further structured and optimized.

United Nations Global Compact

Since 2002, Océ has subscribed to the United Nations Global Compact (UN GC). The UN GC is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

As a member of the UN Global Compact, Océ is committed to reporting annually on the steps taken to achieve progress on (one of) the Global Compact principles. In 2011, Océ qualified for the GC Advanced level, which was recognized by a coalition of global investors (signatories to the UN-backed Principles for Responsible Investment) representing over USD 3 trillion of assets.

In the year under review, Océ made progress with regard to the development and diffusion of environmentally friendly technologies by launching the Océ VarioPrint DP Line. This printer is based on sustainable technologies that help customers reduce their environmental impact. For detailed information on this product, see page 38.

 www.unglobalcompact.org







5 | Eco-efficient and eco-effective products and services

Sustainability at the core of Océ products and services

For Océ, developing innovative and sustainable products and services is becoming an increasingly important success factor for its business. The company's product offering is based on Océ's sustainability mission to support customers in their own efforts to become more sustainable by developing eco-efficient and eco-effective products and services. This two-pronged approach to product development ensures that Océ systems, software and print media provide an attractive solution for businesses and organizations striving to introduce and maintain their own sustainable processes in all aspects of their document management operation.

This chapter outlines in more detail the specific activities in the first four focal areas of Océ's sustainability strategy relating to eco-efficient and eco-effective document management: paper, energy, reuse and product responsibility. The fifth focal area, employer of choice, is covered in chapter 7.



Paper

Océ's policy with respect to paper is based on the three R's: Reduce, Recycle and Renewable. This policy has been adopted throughout the organization, from the conception of a new innovative machine to the sale of highly sustainable and recycled paper.

Reduce

Reducing paper use is one of the key aims of Océ R&D engineers. By developing reliable printers they avoid paper wasting jams. Alongside printing systems, they also develop workflow software that helps customers avoid misprints. Additional ways to reduce paper use include ensuring duplex as the standard setting for Océ printers, so paper is printed on both sides. Mailbox printing allows prints to be sent to the mailbox before they are actually printed, preventing wasted prints. Océ Imaging Supplies (IS) is also working to reduce paper use, by promoting lower grammages, such as 75 g or 60 g instead of 80 g, and by promoting reamless boxes or unboxed papers that reduce packaging.

Test lab The Supplies Knowledge Center (SKC) is the media test lab for Océ Imaging Supplies. The SKC has a wide variety of Océ printers on which all Océ media are tested. In addition, in the paper lab, various physical properties of Océ media are tested and measured, to check that the papers are produced to specification. The SKC enables Océ Imaging Supplies to advise the customer on which media fits best with the Océ equipment, avoiding errors and waste.

Printing books on-demand

Océ-España helped Spanish book printer Impulso Global Solutions reduce waste with the Océ JetStream 1000. Traditional analog book printing typically produces large runs of several thousand copies of each title as a way of lowering the price per copy. Thousands of these titles do not become as successful as hoped, and as a result, millions of books go unsold and are eventually scrapped. Océ digital printers allow publishers to produce short runs of books on-demand for a moderate price without waste. The Océ JetStream 1000 is popular with publishers looking to reduce their eco-footprint while increasing flexibility and performance. The reduction in the numbers of unsold copies by printing on-demand is making an important contribution to helping reduce waste from the industry. Océ offers a range of continuous feed and cutsheet products for printing books on-demand.

Océ TrueProof Océ TrueProof is an important tool within the Océ PRISMA software suite for high performance production printing with minimum wastage. The software enables customers and Océ service staff to accurately simulate a continuous feed production printer, predicting the look and feel of prints. By being able to analyze the behavior of a printer with a particular application prior to printing, Océ TrueProof contributes to a reduction in consumables consumption, including paper, toner and ink.

Recycle

In January 2011, Océ started with the sales of the first Van Gansewinkel Cradle to Cradle office paper, taking recycling a step further. With Cradle to Cradle, office paper is recycled for reuse as new recycled paper: from paper making, to sales, to using the paper, to recycling and closing the loop by making new paper again.

Océ Imaging Supplies also introduced new qualities in recycled paper. The main difference is in the degree of whiteness, to meet consumer expectations of recycled paper across Europe.

Before the paper fibers can be used again, the ink must be removed. In order to improve this, Océ works together with various partners. As a member of the Digital Print Deinking Alliance (DPDA), Océ supports research into practical and cost-effective solutions for recycling inkjet printed paper.

In the year under review, executives from the DPDA and INGEDE (International Association of the Deinking Industry) together signed a Letter of Intent for collaboration to investigate the deinking of inkjet prints. The primary objective of this collaboration is to identify new solutions suitable for combined recovered paper streams with analog and digital prints. The target is to enable inkjet manufacturers as well as deinking mills to better anticipate their commercial and environmental requirements as inkjet print volumes become more significant.

In February 2011, the Océ ColorWave® 600 received a deinkability certificate from INGEDE in recognition of the fact that its prints are very good to recycle. This demonstrates that the Océ CrystalPoint® technology, used in the Océ ColorWave 600, makes a positive contribution to the paper recycling process.

Renewable

For many years, Océ has been committed to promoting paper from renewable and sustainable sources.

In 2011, Océ Imaging Supplies renewed its FSC certification for a further five years. By the end of 2011, a total of nine countries in which Océ operates, were FSC/PEFC Chain-of-Custody certified:

The Netherlands, Belgium, Germany, France, the UK, Spain, Portugal, Austria and Canada.

For The Netherlands, both the headquarters in Venlo and the sales office in 's-Hertogenbosch are certified.

For FSC, the source of the fibers is important. Energy and water use, the emissions of pollutants and waste management are monitored by means of the EU Ecolabel. Almost 100% of Océ uncoated papers is sourced from mills holding one or more of the following sustainability certifications: FSC, PEFC, EU Ecolabel, SFI, and Blue Angel.



Common workflow leads to fewer errors and less waste

In 2011, Océ integrated the Océ PRISMAsync workflow controller with Canon cutsheet production printers. The first jointly developed digital production press was the Canon imagePRESS C7010VPS, launched in March 2011. The result is significantly reduced misprints due to incorrect paper usage or color settings. In addition, in combination with Océ PRISMAprepare software, users have the option of onscreen previewing when programming the most complex documents. Previews represent precisely what is printed, thus eliminating hard copy proofing and further reducing waste.

Paper targets

Short term (2011-2013)

- To stimulate the use of recycled paper among customers, Océ will increase the Océ recycled A4 range in Europe to five different grades by 2013 (NEW).
- By 2013, Océ will launch a paper eco-selection tool for the IS web shop (NEW).

Status

Océ currently has three grades of recycled A4 paper in its paper portfolio: Océ Recycled Label, Océ Recycled White and Océ Recycled Extra White.

Depending on the available stocks in warehouses and the production lead times from the paper mills, Océ hopes to finalize the renewal by the end of 2012.

The paper eco-selection tool target adds to the functionality of the IS webshop.

In 2011, Océ further rolled out the IS webshop in several operating companies and started the first pilots with the eco-selection tool.

Medium term (2014-2016)

- Océ will work with media suppliers to explore the possibilities for marketing an alternative, more sustainable printing medium than recycled paper for digital printing by 2015.

Status

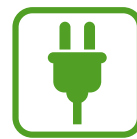
In 2011, Océ R&D continued its research into a new concept in which printed media can be cleaned and reused locally many times. This clean and reuse concept can contribute significantly to lowering the eco-footprint of printed media.

Reducing CO₂ emissions

Acknowledging the role CO₂ emissions play in causing global warming, Océ became the first printer manufacturer to market a carbon-neutrally produced paper. Océ Black Label Zero is produced in an integrated pulp and paper mill. The mill's own pulp making process produces part of the energy needed for the paper production. Remaining energy required comes from bio-fuels and no fossil fuels are used. In 2011, an increasing number of Océ's European operating companies began using this unique product. This addition to the Océ range of sustainable paper is certified with the EU Ecolabel, FSC and the Nordic Swan.

Expanding green newspaper printing and publishing

The decentralized printing concept is the key business model for digital newspaper production on Océ inkjet presses. In national and international markets, distributing newspaper production close to the place of demand avoids transportation costs and minimizes the carbon footprint. As newspapers are printed on demand, maculation, waste and energy are reduced significantly.



Energy

Smart heating

In product design, Océ takes into account the total energy footprint of printing. Studies have revealed that approximately 80% of the energy footprint of each printed page comes from producing the paper. The remaining 20% of the energy footprint is related to the printing equipment, where energy consumption during use is the main contributor. Smart heat transfer processes, low energy consumption between prints and short warm-up times are therefore key sustainability factors in product development. In 2011, Océ launched the new Océ VarioPrint DP Line with its innovative Océ HeatXchange technology, that reduces energy consumption. For more information on this technology and other environmental benefits of the Océ VarioPrint DP Line, see page 38.

Product Carbon Footprint

The Product Carbon Footprint (PCF) helps customers make sustainable purchasing decisions by providing an indication of greenhouse gas emissions associated with products over their lifecycle. Océ supports the development of universal environmental disclosures that are scientifically underpinned and easy for

Energy targets

Short term (2011-2013)

- By 2012, all newly introduced Océ print engines will be equipped with an on-board remote service solution (NEW).

Status

The Océ Remote Service program focuses on increasing device uptime, reducing service response time and reducing the number of unnecessary service visits. The program supports Océ staff in solving problems remotely and improving visit preparation, by making sure technicians have the right parts and skills should a visit be unavoidable.

As part of the Océ Remote Service program, Océ devices are equipped with secure communications connections with Océ's service back office systems. The Océ VarioPrint DP Line, the Océ PlotWave 900, the Océ ColorStream 3500 and the Océ JetStream are equipped with the remote service solution.

Permanent target

- 100% of newly introduced eligible product platforms will be ENERGY STAR qualified.

Status

ENERGY STAR is a joint program between the US Environmental Protection Agency (EPA) and the US Department of Energy. For many years Océ is a partner of the US-EPA ENERGY STAR Program and applies the ENERGY STAR label to Document Printing and Wide Format Printing Systems, indicating the energy-efficient design. This voluntary label has now gained global recognition and is part of customers' green procurement policies.

Following the updated requirements of the ENERGY STAR program, Océ has implemented a certification program for the ENERGY STAR label, in close cooperation with UL-Environment. The energy efficiency claims for Océ products are now independently verified by a certified and reputed third party organization. All newly introduced products, developed by Océ and in the scope of ENERGY STAR requirements, are ENERGY STAR qualified.

consumers to understand. Given the increased complexity of IT products and the wide variances in assessment methods and assumptions, it is necessary to develop internationally recognized standards before carbon footprint labels for comparison of IT products in the marketplace are viable.

International standards developing organizations (SDOs) have been active in finalizing the development of methodology standards for calculating the carbon footprint of complex IT products and services, as well as for companies offering such products and services. The European Commission intends to lay down ambitious targets for the carbon footprint of the IT sector as a whole, as part of their policy to create a sustainable and resource-efficient Europe. Océ plays an active role within the DIGITALEUROPE framework to promote convergence of the carbon footprint methodologies suitable for target setting for IT products, IT services and IT companies.

Helping customers become greener

Océ-Nederland launched the New Way of Printing in November 2011 in a new partnership with the Amsterdam University of Applied Sciences (HvA). Océ took over the entire printing, copying and scan facility, as well as the paid printing service of the HvA. Working closely with the HvA and other technology partners, Océ developed a completely new printing concept "The New Way of Printing" under which the entire machine park was modernized, based on an assessment of the old situation, including identifying energy usage. This enabled older, less energy-efficient machines and smaller desktop machines to be replaced by a new energy-efficient uniform machine park with fewer printers. A further major sustainable improvement has been achieved through a significant reduction in waste from unused toner and cartridge stocks.

Océ UK helped customer Southend Borough Council win a top accolade in the UK e-Government National Awards with its effort to reduce the council's carbon footprint by over 600 tons per year. The local authority was highly commended for its ICT Strategy 2010-2013 in the section, e-Government excellence: Sustainable, "Green IT" or "carbon-efficient" services. It was among the winners of the event in London, which is the UK's most closely watched public technology awards event.

Southend council upgraded its print and software systems through Océ, as part of ways to reduce expenditure for its 165,000 residents and improve its environmental credentials.

Océ North America planted thousands of trees in 2011 on behalf of its customers under the Océ Eco Start Carbon Offset Program established in partnership with Trees for the Future in 2010. The program uses an Eco-calculator to predict the carbon emissions related to the electricity consumption of any Océ production printing system and calculates the number of trees that must be planted to offset its emissions. Océ helps customers get started with a full year of carbon offset.

Rewarding customers

Océ North America presented its fourth annual "Green Reprographer of the Year" Award to ARC-Southern California at the IRgA 2011 Convention and Trade Show, in April 2011. This award attracts numerous entries and in offering this award Océ shows its commitment to supporting reprographers continually striving to reduce their impact on the environment by providing eco friendly, sustainable equipment capable of producing high quality prints. ARC-Southern California's entry stood out for many reasons, but most of all its ability to spread recycling efforts to customers and the company's clever re-routing of its delivery system, which resulted in dramatic fuel consumption savings.



Reuse

Océ has a leading position in the industry in relation to reuse and recycling. In its efforts to balance People, Planet and Profit, Océ prefers reuse over recycling. In the hierarchy of waste in manufacture, reuse is regarded as being preferential to recycling. With reuse, (elements of) discarded items are used again for their original purpose, enabling the highest level of material reuse, whether it is a machine, a module or a part. With recycling, discards are separated and processed into raw materials, to be used (mostly) for another purpose. Poorly separated materials can lead to downcycling: a reduced quality in the physical properties of the material. Océ practices its reuse philosophy in terms of design for reuse, asset recovery and the Océ Prémia Class



remanufactured product line. In the face of challenges such as legislative rulings and the resistance of public opinion towards reuse in the past, Océ established its policies for reuse and recycling several years ago and has maintained them for more than two decades.

Asset recovery and remanufacture of whole machines have been a best practice within Océ since the 1990s. The company was one of the first to establish a complete Asset Recovery factory.



Green benefits of machine reuse

Remanufacturing machines, units and parts has significant environmental benefits. In remanufacturing, 80 - 90% (in weight) of the parts maintain their originally designated function, saving energy and lowering CO₂ emissions. In 2011, about 2,500 machines and nearly 47,000 parts and modules were remanufactured in Europe. This approach underlines Océ's commitment to applying the Cradle to Cradle philosophy.

Océ Prémia Class

Océ Prémia Class has been a clear demonstration of Océ's commitment to design for reuse since 2009. Océ Prémia Class products are fully remanufactured from end-of-use products to give them a new lifecycle and reduce waste. Every Océ Prémia Class system is built to order and undergoes a rigorous multi-point certification process, at the component and system level, by engineers and technicians. Each system is individually inspected, measured, calibrated and checked for compliance with original specifications. This process guarantees the same quality as a newly-manufactured Océ product. The Océ Prémia Class offers a wide range of remanufactured products from copiers and production printers to wide format printing systems.

New additions to the Océ Prémia Class range in 2011 were the Océ TDS320 FPNM (Factory Produced New Model) and the Océ VarioPrint 1075 FPNM.

In 2011, Océ introduced the Océ Prémia Class Certificate. The certificate describes the remanufacturing process and guarantees that the products perform as newly built products.

Reuse targets

Short-term (2011-2013)

- By 2013, Océ will add at least two products to the Océ Prémia Class remanufacturing program (NEW).

Status

By the end of 2011, the Océ Prémia Class product line included six products. With the Océ Prémia Class remanufacturing program, Océ extends the market accessibility to high quality reused equipments.

Medium-term (2014-2016)

- By 2014, the recovered value of remanufactured parts supplied by Océ's centralized remanufacturing facilities will be doubled over 2010 (NEW).

Status

By the end of 2011, the recovered value showed an increase of 75% over 2010.

End-of-Life Management

When remanufacturing is no longer feasible from a quality or economic point of view, machines are completely disassembled. Waste material is carefully sorted and offered for recycling to Océ's certified waste processing partners. Sorting at source is an important process. By keeping impurities low, these waste materials result in high quality recyclates preventing downcycling as they can be used to produce high quality products again. Not only does recycling save valuable resources and energy, it also minimizes landfill waste.

Dilemma customer expectations regarding collection of empty toner containers

The majority of Océ developed products utilize toner containers instead of toner cartridges. The plastic used for the containers is of a high quality and can be recycled. Océ promotes local recycling of empty toner containers as the most environmentally friendly solution. However, customers often expect Océ to offer a company-wide collection and recycling scheme for the empty containers (see customer survey on sustainability, page 20).

To deal with this dilemma, clear information on the various options for disposing empty toner containers is published on the Océ sustainability website. Regarding local recycling, several operating companies including Océ-France, Océ-Nederland and Océ UK have developed partnerships to offer customers a local collection and transport service.

 www.sustainability.oce.com/care-and-dispose.asp



Product responsibility

Product safety and environment

The product target for safety and environmental quality is set at the level “appreciated in the market, now and in the future”. Compliance is primarily focused on laws and regulations applicable in the countries in which the products are marketed, as well as the recognized international standards with the objective to supply safe products that:

- do not cause any exposure to danger or serious nuisance;
- are not carcinogenic, mutagenic or reproduction-toxic to humans;
- do not lead to contamination of the environment with hazardous substances.

Océ products are verified and approved by independent experts and recognized certification bodies. Where appropriate, the products are qualified to carry leading eco-labels, which Océ regards as a benchmark of responsible sustainable product development.

In order to achieve this, Océ sets high requirements for the product and process quality via its Océ Standards. In general terms these internal standards anticipate pro-actively legislative updates and external standards and norms which include consideration of:

- applicable legislation and standards in force in countries served by Océ;
- eco-efficient and energy-efficient labels;
- current thinking regarding future market requirements.

The Océ Standards are continuously updated, based on the most recent views and insights.

Océ products are accompanied by appropriate health, safety and environmental information for customers and authorities. In addition to user manuals, Océ also supplies product safety data sheets on equipment and material safety data sheets on consumables and supplies that offer a condensed overview of its safety and environmental performance.

Emissions

Océ systems often share the workplace with people. This poses challenges, especially in heavily populated office environments. Océ designs are focused on convenient and safe use and avoiding hindrances and discomfort.

This is demonstrated by quiet operation and low emissions of ozone, odor, dust and toner particles of its printers.

Océ’s self-developed electrophotographic printers use Océ Copy Press® technology with a low-temperature fusing process and without electrostatic transfer, therefore producing far less ozone than comparable printers. To prevent any ozone from entering the workplace, relevant Océ printers are additionally equipped with highly effective filters. In addition, the Océ Copy Press technology also effectively prevents emissions of dust particles.

Océ is well-aware of public concern and media attention regarding the emission of ultrafine dust from printing equipment within the office environment. Océ will continue to proactively follow new scientific developments with respect to emissions and will take the necessary actions needed to ensure the safety of customers. In order to achieve this, the latest measuring methods have been implemented in line with the most recent international standards, including ISO/IEC. Products are designed to keep concentrations of emitted substances well below internationally accepted Occupational Exposure Limits, when used as intended.

Cleaner B&W Printing with No-Ozone Imaging Technology

In September 2011, Océ launched the Océ VarioPrint DP Line, based on highly sustainable technologies that help customers reduce their environmental impact.

■ Cleaner work environment

Océ DirectPress® technology uses no electrical charge, so there are no ozone emissions. Toner efficiency is 100%. There’s no toner waste and the toner reservoir can be filled without spilling. This results in a cleaner work environment without the need for additional air filters and ventilation.

■ Closing the energy loop

Océ HeatXchange technology saves energy by transferring the heat used to fuse toner onto paper from printed sheets to new sheets entering the print path. By recycling the heat in this way, the TEC (Typical Energy Consumption) is reduced by up to 30% compared to other systems in its class. The Océ VarioPrint DP Line has the lowest TEC value in the mid-production market.



In September 2011, Océ launched the Océ VarioPrint DP Line.

■ **Smart allocation of heat and power**

Océ EnergyLogic® technology matches the power requirements of a print job with the available power in the system. It ensures that the system starts printing quickly after a cold start, reducing the reactivation time from sleep mode by more than 50%.

■ **First-time-right output**

Easy operation, reliable media handling and Océ Paper Logic® are just some of the features that ensure first-time-right prints without waste.

■ **Long productive working life**

The system's parts are designed for a long life. Some parts will even last a lifetime. This saves resources, reduces waste and limits the environmental impact of logistics and service.

■ **Maximum machine uptime**

The Océ Printer Operation Care (POC) concept allows operators to replace certain parts without Océ service intervention. This ensures high machine uptime and lowers the need for service visits and travel, thereby reducing the overall carbon footprint.

The Océ VarioPrint DP Line is also equipped with the on-board remote service solution, supporting Océ staff in solving problems remotely and improving visit preparation.

■ **Compliance with the latest regulations**

In recent years, the number of regulations from bodies such as the European Commission and the US Government has increased. A team of Océ Product Safety & Environment specialists is engaged full time in researching new developments and representing Océ in international consultations with governing bodies and industry representatives.

Océ complies with all relevant international directives, regulations and guidelines on sustainability such as RoHS, WEEE, REACH and the Classification Labelling and Packaging (CLP). Océ adopts a proactive approach, for example by restricting or even banning the use of Substances of Very High Concern well ahead of formal deadlines. The presence of Substances of Very High Concern that cannot yet be avoided are communicated through Océ's Safety Data Sheets, where applicable. More information on these directives, as well as on Océ's involvement in public and private bodies regarding product safety and environmental aspects can be found on the sustainability website.

www.sustainability.oce.com/regulations-overview.asp

Product responsibility targets

Short term (2011-2013)

- By 2012, Océ will introduce a new green flagship product.
- By 2013, Océ will stop shipping digital media carriers with information and tools relating to Océ equipment (NEW).
- Océ will introduce its first EPEAT compliant imaging product (NEW).

Status

In 2011, the Océ VarioPrint DP Line was introduced as a new green flagship product (see page 38).

With regard to the shipping of digital media carriers, the objective is to minimize resources and energy in the distribution of CDs and to prevent waste of outdated CDs when up-to-date information is available online. In 2011, approximately 40,000 CDs were shipped for TDS equipment.

Océ is on schedule to reach the target to introduce its first EPEAT-compliant imaging product by 2013. EPEAT is the US green public procurement label, the set of criteria used by public institutions' purchasers across the US, to ensure they buy environmentally friendly imaging equipment.

Medium term (2014-2016)

- By 2015, Océ will market two applications that will enable specific markets to become more eco-effective in their document management.

Status

At the Dutch trade show "Government & ICT" in April 2011 in Utrecht, Océ presented the Océ DossierFlow software program. As one of the first initiatives of Document Services Valley, Océ DossierFlow is leading Océ's drive to become a global leader in eco-efficient digital file management.

Communication on product safety and environment

Océ acknowledges that customers and other stakeholders increasingly require transparency from manufacturers regarding environmental policies and product requirements. Océ communicates information about environmental performance of the company and its products in various ways:

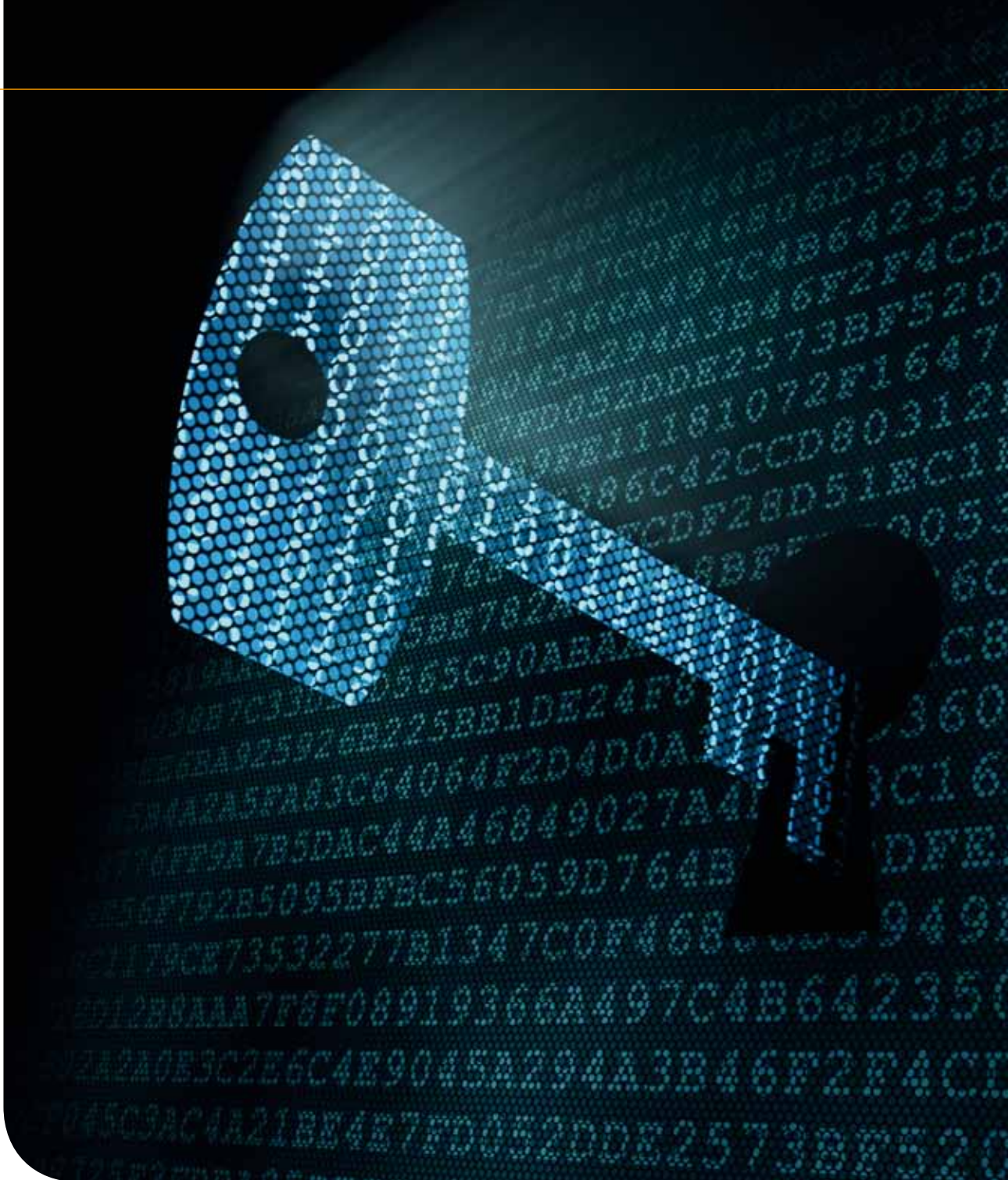
- Data on product safety and environment (PS&E) is made available on the internet. In 2011, safety datasheets for both new products and new consumables were added to the site.
www.global.oce.com/support
- In 2011, Océ drew up guidelines on the content of product safety datasheets to support and train employees directly involved in PS&E-related customer contact. This is one of the steps to improve communication to end-users on the product safety and environmental specifications of Océ products.
- Throughout 2011, PS&E experts presented Océ's PS&E policy and its implementation in lectures to students at the Technical University of Delft and to occupational health experts.
- An overview of Frequently Asked Questions was added to the REACH (Regulation for Registration, Evaluation, Authorization and Restriction of Chemicals) information on the Océ Sustainability website.

www.sustainability.oce.com/regulations-overview.asp

Additions to Océ Arizona 360 printer series

In April 2011, Océ introduced two new additions to the Océ Arizona 360 printer series:

Océ Arizona 360 GT en Océ Arizona 360 XT. The Océ Arizona 360 printer series uses UV curable inks that emit significant fewer VOC (volatile organic compounds) than solvent-based inks. The printer series also features maximum sustained electricity consumption of only 5,100 Watts for the Océ Arizona 360 GT and 6,200 Watts in the case of the Océ Arizona 360 XT, which, in both cases, is less than half that of typical competitive systems. Finally, it does not require an external source of compressed air, reducing energy consumption even further.



IT security

Océ in-product security policy

Océ is committed to providing customers with a secure printing environment. As a result, Océ R&D has formulated internal security standards. These standards ensure that all newly-developed products have state-of-the-art security features. Océ also has processes in place to safeguard the security of customers' printing environments, during and after installation.

Security support for Machines In Field (MIF)

Measures to ensure Océ customers have up-to-date security of their printing environment include:

- security Web pages for addressing Operating System issues relevant for Océ printers and for deploying security patches to the market;
- the Océ Security Manual containing detailed technical information, tips, FAQs and security procedures to configure the required security settings on Océ systems;
- a Security Officer in each operating company for any local questions, problems or advice.

IEEE P2600 security standardization

In 2011, Océ continued to actively participate in the IEEE P2600 Hardcopy Device and System Security taskforce. This group has defined industry standards for the security requirements for printers, copiers and multifunctional devices. The standards address security requirements including authorization, privacy, integrity, device management, physical security and information security.

Recognition for sustainable products and services

Print.IT Editor's Choice Award for the Océ VarioPrint DP Line

The Océ VarioPrint DP Line received the prestigious Editor's Choice Award from the English magazine Business Info Print.IT. This award is presented to products that are seen as both innovative and functional.

The article in Print.IT outlining the reason behind the choice for the Océ VarioPrint DP Line commented: *"All-in-all the print quality, consistency, energy-efficiency and productivity of the Océ VarioPrint DP Line make a competitive contribution to the B/W production printing market."*

The Océ VarioPrint DP Line had earlier received a "5-Star" Award from Buyers Laboratory Incorporated for print quality, job delivery, ease of use and job preparation.

Océ positioned in Challengers Quadrant of leading analyst firms' Managed Print Services report

In November 2011, Océ was placed by Gartner Inc. in the Challengers Quadrant of the 2011 Magic Quadrant for Managed Print Services (MPS) Worldwide. Gartner is a world leading information technology research and advisory company.

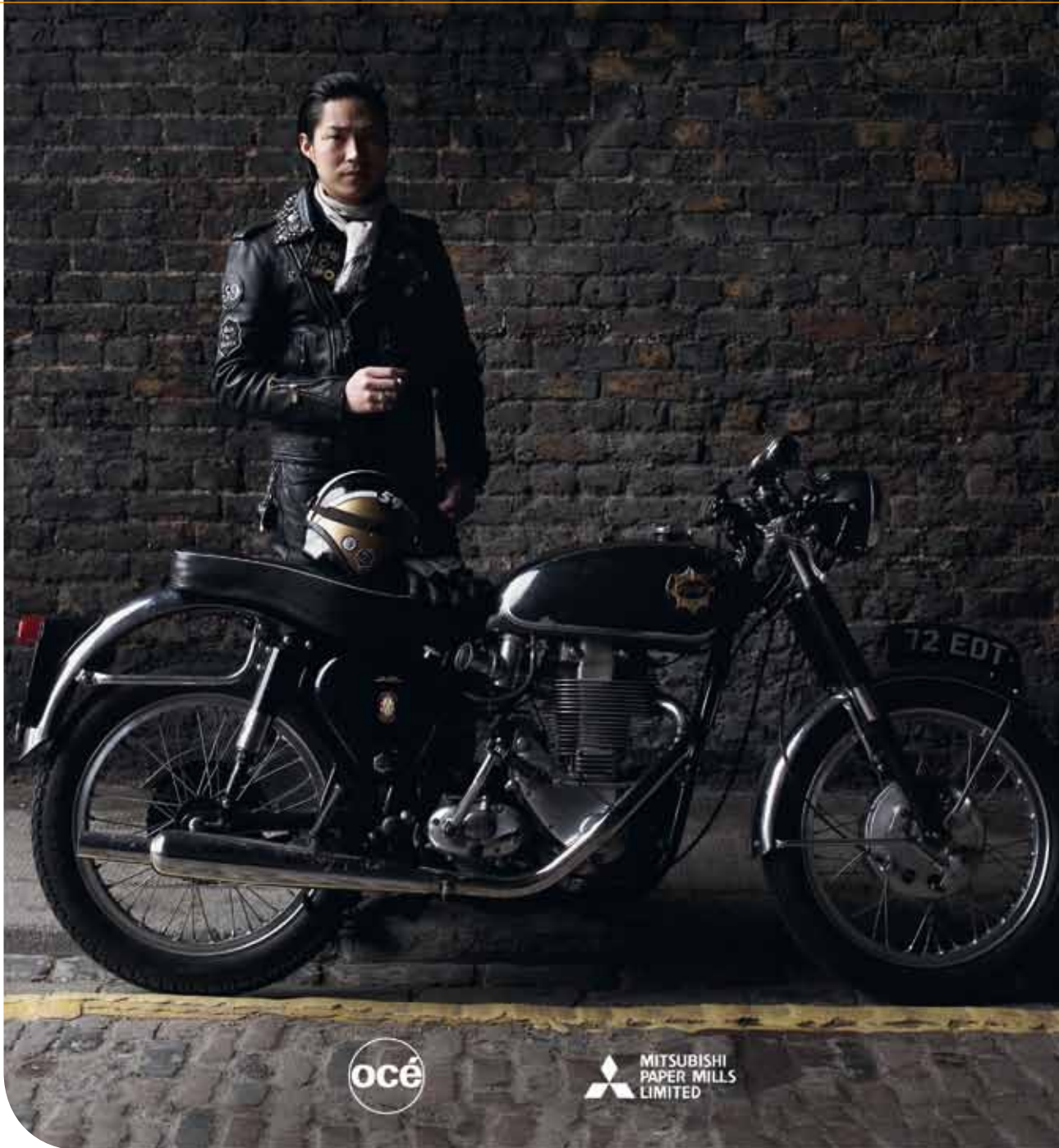
MPS comprises an integrated bundle of services, consulting and equipment for managing an organization's complete print/copy output process. According to the 2011 Magic Quadrant, MPS can help save organizations between 10-30 per cent of their print costs.

Prestigious Gold Ink Award for Océ JetStream 1000

In September 2011, the Océ JetStream 1000 full-color inkjet digital printing system received the North American Publishing Company's Gold Ink Award in the category Digital Printing Calendars. The award represents a milestone for inkjet printing, because the category included competitors with technologies other than inkjet. The Océ JetStream 1000 is particularly popular with Transactional and Direct Mail printers as well as book publishers looking to reduce their eco-footprint while increasing flexibility and performance (see page 32: Printing books on-demand).

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The award-winning
calendar "21st Century
Mods Versus Rockers".

6 | Setting a good example

In-house achievements In 2011, Océ operating companies around the world took further steps to embed sustainability in their operation and educate staff and customers in key sustainability topics. In addition to eco-efficient and eco-effective solutions for its customers, this embedded approach led to further improvements in Océ's own operation and activities across various aspects of sustainability. This chapter covers some of the achievements in the areas of operational efficiency, paper consumption, energy, waste, and sustainable partnerships.

Operational efficiency

Lean Manufacturing

As part of its "Lean Philosophy" in the drive towards Operational Excellence, Océ focused on reducing waste: primarily waste of space and waste of time. This philosophy is at the heart of the Lean Manufacturing projects which apply the Six Sigma method in the Innovation and Industrial Excellence theme of the Reaching our Potential program. In 2011, Lean Manufacturing began to help boost the efficiency of current working methods. The next steps in the project are to optimize the workplace organization and standardize work procedures.

Optimizing the efficiency of the service operation

Sustainable operational improvements made by Océ extend beyond the Océ machines themselves. In 2011, in the Service Excellence Program - part of the Reaching our Potential program - the Océ Knowledge Base tool played a key role in supporting call screening

personnel in efforts to reduce the number of unnecessary service visits, and increase the efficiency of those made. This improvement in the service organization helped cut costs and lower CO₂ emissions from the service fleet. In a 12 month comparison with 2010, the number of service visits decreased by 7% and the total number of kilometers driven by the service team decreased by 5%.

Océ-Nederland Sustainability Action Plan

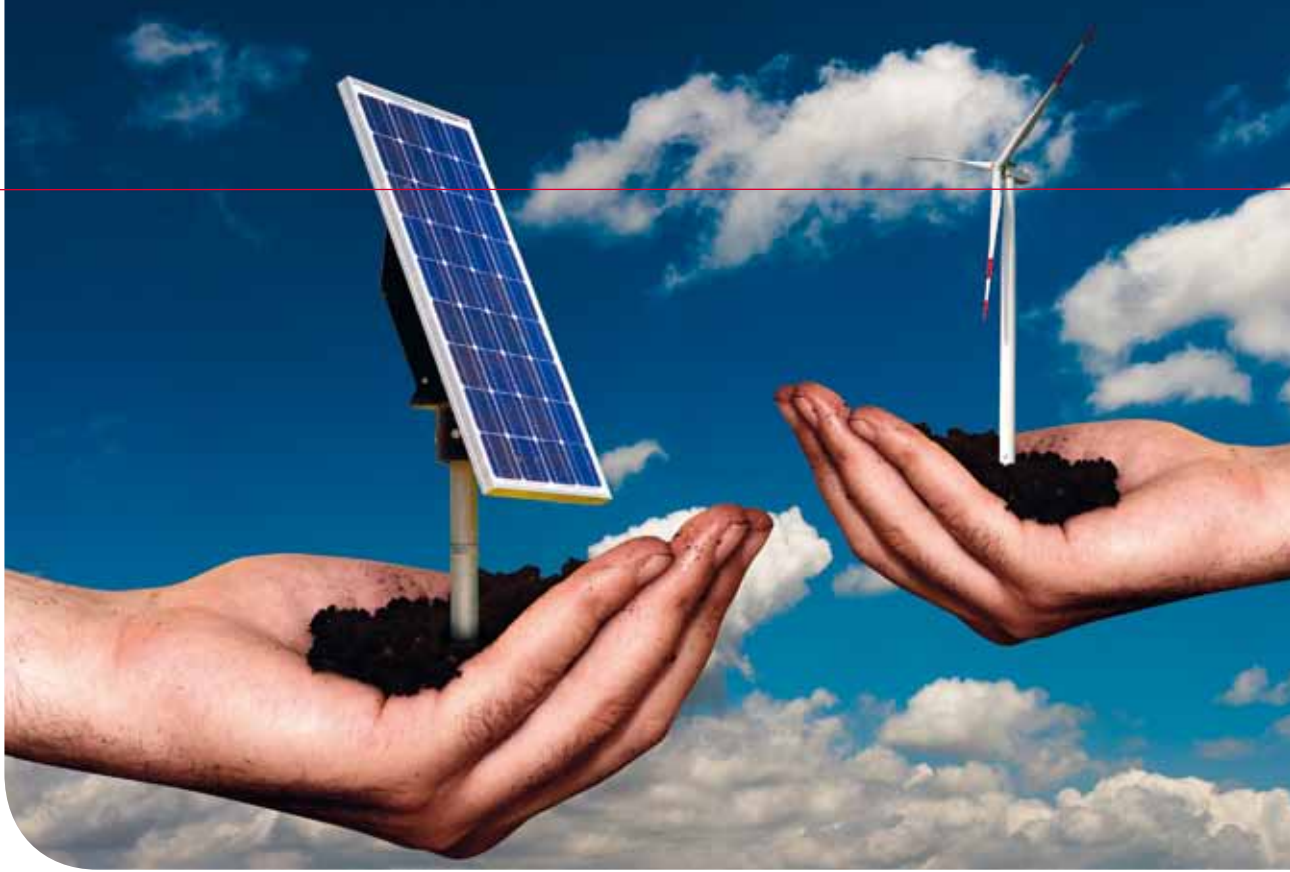
In Océ's Dutch operating company sustainability became an increasingly important topic in 2011. Customers in The Netherlands frequently asked how Océ could help them in sustainable document processing and how Océ is meeting general sustainability goals. In addition, the sustainability strategy of Océ as a potential supplier was a critical issue in tenders and offers. In order to meet this demand, a Sustainability Team was formed with members crosscutting the organization: facility management, HR, Communication and all business units. The team came together several times to discuss actions to reduce Océ's own ecological footprint and to develop green propositions for the customers. An extended list of new ideas evolved during 2011 and formed the main input for the Sustainability Action Plan 2011-2012.



Paper

Reducing, recycling and renewable paper are at the heart of offices throughout the Océ operating companies.

Océ-Nederland continued to use Océ Black Label Zero in all its black & white printers and the HR department moved to Van Gansewinkel Cradle to Cradle paper for the majority of its internal and external communication. Black & white machines were set as standard to duplex printing in line with the policy previously set for copying.



Océ Display Graphics Systems integrated the project to bundle waste paper among various customers. What started as a pilot in 2009, became a regular program in 2011 and discussions began on how to make this an overall Océ business unit wide activity.

Océ North America kept its pledge - as part of its Certified Green Partners certification - to use certified paper from well-managed forests, purchase petroleum free products, use 100% recycled or certified paper and recycle paper waste for all office products.



Energy

There are various examples of energy saving measures and improvements during 2011 at the Océ sites.

Océ-France moved into a new and highly sustainable building. The green building is designed to reduce the overall impact on human health and the natural environment by efficiently using energy, water and other resources. The facility received the HQE environmental certification and HPE label, and is qualified as a "High Energy Efficiency" building. French headquarters are located just outside Paris within easy reach of national and international rail links.

Océ-Nederland achieved a reduction in energy consumption in the IT department through its efficient datacenter. The operating company also continued the CO₂ neutral mail delivery service certified by PostNL. Money generated is invested in The Gold Standard, an award winning certification standard for carbon mitigation projects.

Renewable electricity target

Short term (2011-2013)

- By 2012, 100% of the electricity purchased for the production sites will be renewable electricity.

Status

The percentage of renewable electricity used by Océ production sites increased to 78% in 2011 (2010: 45%).

Throughout 2011, Océ Printing Systems and the manufacturing facility in Prague continued to use 100% renewable electricity. Océ-Technologies in The Netherlands has adopted a phased approach to moving to 100% renewable electricity as part of its Energy Efficiency Plan (EEP).

Océ-Czeská republika started a project in cooperation with its landlord in Prague, VGP, to gain LEED certification (Leadership in Energy and Environmental Design) for the building.

Océ Printing Systems concluded discussions to transfer its energy contract from 2012 to the newly constructed geothermal facility of heat energy supplier EON Bayern Wärme (EBYW).

Océ-Technologies achieved a reduction in energy consumption in the OPC (Organic Photo Conductor) factories. The complex processes involved in making OPCs demand a considerable amount of energy. One of the Six Sigma projects towards Operational Excellence involved reducing energy consumption in the production of these OPCs.

Reducing CO₂ emissions

In 2011, gains in reducing CO₂ emissions totaled 13% relative to 2010, and were mainly achieved by

increasing the use of renewable energy which now accounts for 78% of electricity used by Océ production sites and by energy efficiency initiatives at individual Océ locations around the world.

Encourage cycling to work

In October, Océ-Technologies won a national competition organized by the Dutch Cyclists' Union to encourage cycling. The competition was aimed at getting companies to encourage their employees to cycle to work rather than taking the car. "Heel Nederland Fietst" (All of The Netherlands is Cycling) stressed both the health and the environmental benefits of cycling. More than 50 companies took part. At Océ, 90 employees cycled 6,864 km in eight working days, giving Océ the first place!



Reuse, recycling and reducing waste

Throughout 2011, Océ continued to work with new and existing partners to actively reduce waste.

CO₂ emissions targets

Short term (2011-2013)

- By 2012, average emissions for European lease cars will be reduced to 130 g CO₂/km in line with EU strategy.
- By 2013, average emissions for lease cars in the United States and Australia will be reduced to 200 g CO₂/km.

Status

In 2011, Océ made further progress in lowering the average CO₂ emissions of its European carfleet to 138 g CO₂/km (2010: 143 g CO₂/km). Océ UK was the first to reach the target with average emissions of 127 g CO₂/km.

Océ made no progress in reducing the average carfleet emissions in the US and Australia. The average emissions for lease cars in Australia remained 227 g CO₂/km (2010: 227 g CO₂/km) and the average emissions for lease cars in the US even increased to 271 g CO₂/km (2010: 242 g CO₂/km). More attention for this target will be needed to ensure it will be reached.

Océ-Technologies focused on waste reduction as part of the Six Sigma approach to improve manufacturing processes. As one of the Six Sigma projects towards Operational Excellence, yield loss was identified and documented, so that steps could be taken to minimize the loss.

Océ North America continued to focus on reusing materials and minimizing landfill by using resources effectively and efficiently and reducing the amount of waste generated in the office, warehouse, and at customer locations. Reducing waste obviously reduces materials going to landfill, but reducing waste also reduces costs - both in terms of conserving supplies and resources (which is paid for by the company) and by reducing the cost of hauling the waste away.

Océ production site in Prague (Czech Republic)

continued to work with waste disposal partner Prazske Sluzby as an important part of the company's waste reduction strategy. Several meetings were held in 2011 to optimize waste separation in the plant.

Océ Display Graphics Systems established and implemented a recycling program for incoming and outgoing paper and introduced an electronics recycling drive.

Landfill target

Short term (2011-2013)

- By 2012, the amount of waste landfilled from the production sites will be reduced to 2% of these sites' total waste.

Status

In 2011, the amount of waste from the production sites going to landfill was 1.9% (2010: 2.2%). This means Océ reached its target one year ahead of schedule. Océ Display Graphics Systems made good progress with a dedicated waste reduction program, started in 2011, toward achieving this target. The production sites in Venlo (The Netherlands), Poing (Germany) and Prague (Czech Republic) already met the target in 2009.

Supply chain management

In 2009, Océ joined the Electronic Industry Citizenship Coalition (EICC) as an applicant member and adopted the Electronic Industry Code of Conduct. This Code of Conduct outlines standards to ensure that working conditions in the supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible.

During 2011, supply chain management formed part of discussions between Océ and Canon regarding aligning policy and implementing a combined approach. In December 2011, Océ decided to end its applicant EICC membership as of January 2012, to align with Canon's Green Procurement Policy and Standards.

In June 2011, Océ-Technologies invited Professor Bart Vos of Tilburg University to give an interactive presentation on sustainable supply chain management. Professor Vos is an expert in supply chain management. In his presentation, he emphasized the importance of sustainable supply chain management for society as a whole. He also highlighted the challenges faced by several other companies, discussed their approach to sustainability and presented the results of their efforts. The purpose of the session was to increase internal awareness in Océ for sustainable supply chain management.

Sustainable partnerships

PrintValley

In June 2011, over 160 delegates and guests attended the closing symposium of the Dutch High Tech Top Project PrintValley, organized by Océ and the Dutch Organization for Applied Scientific Research (TNO). The project started in 2009, when 23 prominent partners joined forces to develop and position advanced printing technology as a new center of growth for the Dutch high-tech manufacturing industry. Based on 14 practical business cases, PrintValley focused on technology and innovation drivers that increase the chance of successful printing applications for manufacturing. Examples of this include increasing speed, improving reliability, lowering costs, reducing waste, enabling cost effective small production series, contactless material deposition, fast and reliable substrate handling, sensors and actuators, and the ability to produce micron sized structures at high productivity rates.

During the PrintValley symposium promising and exciting results of collaborative open innovation efforts were presented: new materials, technologies, devices, products and whole production lines. The spotlight was put on the newly created ecosystem for industrial printing technologies and facilities, with a strong commitment extending it throughout Europe.



In 2011, Professor Jos Lemmink of Maastricht University was installed as holder of the Canon-Océ Endowed Chair in Business Services Innovation.



Open Innovation Center in Document Services Valley

On 15 September 2011, approximately 200 guests attended a symposium organized by Océ to mark the opening of the Document Services Valley Open Innovation Center, a joint initiative powered by Océ, Maastricht University and Exser, the Dutch center for service innovation. The Open Innovation Center (OIC) is established with the help of a Dutch Pieken-in-de-Delta grant of € 1.2 million¹. In the OIC, companies, governments, intermediate organizations and educational institutions work together in developing new document services, benefiting from shared facilities and knowledge. The ambitious OIC objectives are:

- to create a knowledge network of document-related partners (companies and educational institutions);
- to share knowledge and ideas on document services and document technology with the community of Océ's partners;
- to start open innovation projects in new document services;

- to offer shared facilities and services to companies and open innovation projects;
- to guide open innovation collaboration projects from the idea phase through to revenue generation.

At the symposium, Professor Jos Lemmink of Maastricht University was installed as holder of the Canon-Océ Endowed Chair in Business Services Innovation by Ryoichi Bamba, President & CEO Canon Europe, Middle East & Africa. The chair, which will be jointly financed by Canon and Océ for a period of five years, is aimed at promoting innovation and knowledge development in Océ's home city Venlo.



¹ Granted by the Ministry of Economic Affairs, Agriculture and Innovation and the Province of Limburg.

Sharing best practices and insights

- In May 2011, the Competence Centre Project Management of the Océ Global ICT department organized and chaired the first Dutch Microsoft Project User Group at the request of Microsoft NL and several project management consultancy firms. During the interactive event, participants were invited to discuss the main challenge of optimizing scarce resource capacity and timely delivery of project results and Océ presented its experiences in implementing and using the central planning system.
- Sustainability is an economic necessity. This is the basic principle of the Meuse-Rhine Center for Sustainable Design (REcentre²). Océ was included in their publication of Sustainable Success Stories. Companies from diverse sectors out of the Meuse-Rhine Euregion told their story on how sustainability can open the road to success. REcentre invited professional journalists and photographers to register unique stories to inspire other companies to follow the sustainable path.
- Green Magazine TV is a television series featuring ecology and energy conscious companies and organizations, produced by Worldwide Digital Communications Corporation. Océ was selected to take part in the series highlighting some of the newest and greenest technologies. One of the topics addressed was "Industry Leaders Pioneering the Future of Environmental Sustainability". Océ provided content and was featured for its reuse activities, green technologies and commitment to environmental sustainability. A video crew visited Océ offices and plants in Boca Raton, Poing and Venlo. The Océ sustainability story was aired in August 2011 on Discovery Channel, CNBC, and TLC.
- In November 2011, Océ was featured on Global Sustainability TV, a cutting-edge series that features ecology- and energy-conscious companies and organizations. Global Sustainability TV informs consumers and businesses about the efforts of both individuals and companies to improve the environment. The magazine-style format showcases real people, companies and organizations making a difference through sustainable practices, along with some of the newest and "greenest" technologies. After reviewing Océ's sustainability programs and a series of interviews, Océ was chosen to be featured on the show that was aired on the AMC Network on 3 November.

 www.globalsustainabilitytv.com

- Océ contributed to the Dutch Sustainability Compass (Duurzaamheidskompas). Saving energy is a major topic for the technology sector, but sustainability on the whole is becoming increasingly important. This is why FME³ worked with leading companies such as Océ, to produce a sustainability manual for their members. It addresses four areas: strategy, product development, chain management, and HR policy. The manual was launched in April 2011 and is designed to help companies in the technology industry use sustainability to not only save but also to earn money.

Community involvement

Océ supports cultural, charitable and sporting initiatives through sponsorship, by holding board- and/or advisory positions and making donations. In 2011, Océ donated € 378,000 to various organizations and charities worldwide. In addition to financial donations, Océ supported printing activities for a variety of public events and associations. Where possible, Océ also donated used equipment to schools, sports clubs and hospitals.

Océ and Canon donate children's books Together with Canon and a number of publishers, Océ donated over 300 children's books to the Dutch Reading Express initiative "VoorleesExpress". The project invites volunteers to read to children with a language impairment every week. At the joint Canon-Océ stand, books were printed on demand on the Océ VarioPrint 6320 Ultra system.

Océ's contribution to rapid mapping In March 2011, the aid charity MapAction deployed response teams to assist with the humanitarian crisis in Libya. The charity used an Océ ColorWave 600 system to print wall maps for the team to take the same evening. In addition, Océ donated £ 20,000 to MapAction under a scheme whereby money was given for each new placement of the Océ ColorWave 600 printer installed in a GIS/Mapping environment in 2011.

- 2 The REcentre for sustainable design is a knowledge and promotion centre propelling the development of sustainable design in the Meuse-Rhine Euregion, consisting of Belgian and Dutch Limburg, Regio Aachen and Liège.
- 3 FME is the largest association in The Netherlands representing employers and businesses in the technological industry.

An enthusiastic reception by some of the Costa Rican school children who benefited from the Océ social outreach program.



Social outreach program

Top performers from Océ North America, Océ-Canada and Océ Mexico celebrated their 2010 accomplishments with a trip to Costa Rica in April 2011. For the first time, the Océ sales incentive trip included a social outreach program.

Océ supplemented the donations of the winners and their guests with 200 backpacks filled with notebooks, folders, pencils, crayons, rulers and calculators. The backpacks and supplies were delivered to the school during the trip.

Abacuses for African Océ Digital Printing asked users who still monitored their print counts manually, by writing them on paper and sending them to Océ, to transfer to the Océ MeterManager automatic meter reading system or to entering counts on the website. For every customer taking this digital step, Océ donated an abacus to a school in Africa. In this project Océ worked with the Edukans Foundation for education in developing countries.

Donation to Child Protection Association

(Kinderschutzbundes) Océ Printing Systems donated € 3,000 to support the Open Café of the Ebersberg Child Protection Association.

Charity Policy Océ UK developed a Charity Policy in 2011 that outlines the framework for the sponsorship budget to be allocated quarterly to various charity initiatives throughout the business. Océ was also closely involved in the local business committee that discusses issues in the area and surrounding community. Charities supported in 2011 include Little Havens Children's Hospice, Comic Relief and Macmillan Cancer Support. Sport and fitness are an important part of Océ's sponsorship activities. In 2011, Océ UK sponsored the under 8's Football team. Support also continued for top cyclists from the local Glendene Cycling Club training for their Olympic dream. Océ has been a long term sponsor of the club, providing vital funds for travel, accommodation and other costs for the club's acclaimed Academy Program.

Bone marrow donors Over 100 employees from Océ Printing Systems responded to a call to volunteer as potential bone marrow donors.

Operational recognition

Sustainability as selection criterion

Sustainability as part of "Green IT" was an important selection criterion for the worldwide contract between Océ and multinational utility company GDF SUEZ agreed in 2011. The contract covers over 9,000 multifunctional devices, plotters and supporting services over the coming years. A 16-page questionnaire about different sustainability aspects had to be completed. Océ sustainability experts gave several presentations about the company's sustainability policy, outlined Océ's reuse activities and answered additional questions. The GDF SUEZ Sustainability and Communication Director visited the Océ remanufacturing plant and the Océ TonerPearl production facility in Venlo, as well as the Canon remanufacturing plant in Giessen (Germany). The global contract between Océ and GDF SUEZ organizations applies to more than 20 countries around the world.

NarrowCoach Award for Océ-Nederland

The Management Institute of The Netherlands (MIN) presented the 2011 NarrowCoach Award to Océ-Nederland in recognition of the company's innovative use of customer research and results from it to evaluate and improve the service and products provided. The jury rapport praised the way Océ-Nederland made use of the NarrowCoach instrument, as a multifunctional and digital dashboard to convert data immediately into up-to-date, useable management information. In addition to traditional customer satisfaction surveys and service evaluations, Océ-Nederland also set up a customer satisfaction survey for customers to assess their own service. Results were discussed in detail with the customer and were used as the basis for improvement plans. Océ also used the results for its own benchmark, to further improve the internal service operation. Customers are also invited to add their own questions to the survey to maximize the potential benefits from the results at all levels.

How Océ rated in 2011

In 2011, Océ participated in two relevant sustainability benchmarks.

Transparency Benchmark

The Transparency Benchmark is an initiative of the Dutch Ministry of Economic Affairs, Agriculture and Innovation to assess companies' transparency in terms of corporate social responsibility (CSR). Each year, the Ministry reviews the financial statements and sustainability reports of the 500 largest companies in The Netherlands. Criteria include CSR strategy, corporate governance and management approach, economic, social and environmental performance, relevance, reliability and stakeholder engagement. In 2011, 469 companies participated in the benchmark. Although Océ's score improved from 162 points in 2010 to 173.6 points in 2011, the relative position on the Transparency Ladder fell to a 19th position in 2011 (10th in 2010). The average score of all of the companies increased significantly: from 69 points in 2010 to 92 points in 2011. As in the previous year, the main topic for improvement is transparency with regard to responsible supply chain management.

Carbon Disclosure Project

In 2011, Océ responded to the Carbon Disclosure Project (CDP) Investor request for the fourth year. The CDP is an independent not-for-profit organization holding the largest database of corporate climate change information in the world. CDP represents more than 550 institutional investors, with combined assets under management in excess of USD 71 trillion. In 2011, the CDP approached the largest public companies in the Benelux region with their request. Océ attained a score of 73 (2010: 79). This is well above the average of 71 scored by the 300 largest capitalized Information Technology Sector companies in Europe.

 www.cdproject.net

7 | Employer of choice

Employees are key Océ employs a motivated and talented team of research engineers, designers, manufacturing engineers, sales and marketing specialists and support staff. Over the years these individuals have combined their skills to develop and produce products and manage the processes which determine the effectiveness and profitability of the company. Building on the start made in 2010, Océ implemented measures throughout the organization as part of the Reaching our Potential program to maximize the potential of its employees and therefore of the company as a whole.

The difficulties experienced by Océ, its customers and its employees over recent years continued throughout 2011. Following redundancies in the past, Océ was able to limit the number of job positions that needed to be eliminated in 2011. The ongoing cost-saving programs continued to focus on maximizing operational efficiency across the organization. At year-end Océ employed about 20,000 people (full-time equivalents).

Strengthening Océ-Canon combination

The completion of the acquisition of 98.83% of Océ shares by Canon at the beginning of 2012 will give additional impetus to the changes already underway throughout the organization. A key internal objective of Océ as a Canon Group company is to provide new and enriched career opportunities for employees involved. The Océ-Canon combination offers not only compelling business opportunities, but also possibilities for Océ employees to develop and access new career paths.

Reaching our Potential

In 2011, 14 Reaching our Potential (RoP) projects took place throughout Océ. Combined with increased cooperation with colleagues at Canon, the RoP program enabled Océ to take further steps to becoming the global leader in the printing industry. The positive effect on the business is demonstrated in terms of financial savings, the early stages of employee appreciation of the progress made and the contribution individuals can make towards improving the operational efficiency of the company.

Reaching Our Potential is based on four main themes

- **Commercial Excellence:** improving sales, marketing and service activities, enhancing customer focus and thus improving return on investment;
- **Innovation and Industrial Excellence:** improving product development, manufacturing and logistics in collaboration with SBUs and strategic partners;
- **Lean Support and Infrastructure:** harmonizing support services while optimizing service levels;
- **Performance Culture:** creating End-to-end ownership for results.

RoP survey results

In October 2011, nearly 4,400 employees responded to the Reaching our Potential survey of European Océ employees to share their experience of working with the program, the impact they feel it has made and how Océ has communicated its progress. 75% of respondents were familiar with the RoP program and 24% felt that it had already led to an improvement in Océ's skills, knowledge and processes. Interest in being part of the program was high and participants said they are benefiting from the knowledge, skills and exposure that they gain. However, respondents pointed out that the financial impact of RoP was not clear to them. This has become a focus for communication.

International human resources policy

In 2011, Océ's international human resources policy continued to support local efforts to identify individuals, anywhere in the world, who have the potential to make a greater contribution to the company. This policy is based on developing talent at all levels: from early career promise, high potentials and senior managers to top executives. The Océ Global Consulting Initiative developed internal consultants to exploit knowledge in-house and reduce the cost of external consultants. It also provided a unique opportunity for talented individuals to grow.

New World of Work

In 2011, an increasing number of Océ employees began to benefit from Océ's approach to the "New World of Work". Although most employees still work in the office every day, the situation is changing. Under the New World of Work initiative, employees can work wherever and whenever they want. Congestion problems in the urban agglomerations (near major cities such as Amsterdam and Rotterdam in The Netherlands) have forced companies to move more quickly toward the New World of Work. In order to reduce CO₂ emissions, the Dutch government extended support for employees working from home. For Océ, the cooperation with Canon has also led to Océ adopting the New World of Work ethic more quickly to avoid unnecessary journeys to Canon offices in Amstelveen, London and Tokyo.

Océ Reaching our Potential

Reaching our Potential
Printing for Professionals

Global program to structurally improve the performance of Océ
Canon

"Reaching our Potential has contributed €84M to our bottom line in 2011"

TARGET	RESULT

www.oce.com

Training

Regular appraisals formed the basis for managers to identify and develop core competencies among Océ employees. The Océ International Training Center (ITC) in Venlo (The Netherlands) hosted numerous workshops and training events where thousands of sales staff, in particular, were trained on both Océ and Canon equipment.

Employability scan

Under its collective labor agreement for 2011, Océ added the Employability scan to its range of tools to support employees in developing their skills and competencies. The easy-to-use online tool provides employees with a better view on their employability and skills to mobilize themselves in the organization. The scan is aimed at identifying an individual's competencies and external influences. Upon completion of the on-line scan, employees receive a personal report in the form of a SWOT-analysis. This can then form the basis of a discussion with the Océ Employability Coach, a direct manager or HR-manager.

Re-engineering Sales

At Océ North America the Sales Force Productivity project was set up to boost sales. The challenge was adopted at multiple levels within the organization. The first step was to provide training to the current sales force in SPOTlight, a new tool aimed at allowing sales staff to make better use of all the information available. The second step involves more thorough training of new members of the sales team. The third and final step is aimed at improving sales management by better accessibility to available sales data and improved interaction with the sales representatives. SPOTlight is still under development, but in 2011 was already able to display information about active sales processes. The tool enables managers and sales representatives not only to get a quick snapshot of the active sales processes, but also to take a deep dive into the data of the different phases of the sales cycle.

Lean Six Sigma Black Belt for Manufacturing & Logistics

Many M&L engineers already hold Green Belt certification level. In September 2011, the first employees from M&L received their Black Belt certificate from Océ's Lean Six Sigma partner CQM. For M&L this marked a crucial milestone in the further development of the internal improvement program based on Lean Six Sigma.

Training target

Short term (2011-2013)

- By 2013, 80% of the learning offering of the Océ International Training Centre will be based on an integrated learning concept (NEW).

Status

Research indicates that employees acquire approximately 80% of their work-related knowledge and skills on the job, rather than in formal training. Océ has interpreted this to mean that employees should be supported whenever they need knowledge. The Océ approach to performance support adds an informal, self-directed approach to learning that is perfectly suited for upgrade learning because of it is given in context. Key to performance support is sharing knowledge and experience, using open-source applications such as blogs, wikis, a Community-of-Practice and social media. Job-specific resources ensure employees perform effectively on the job. Océ uses a system of "blended learning". This combines classroom training, virtual classes, e-learning and learning via social media. Océ virtual classrooms continue to play an important role in efforts to maximize training opportunities, while reducing the need for employees to travel to Venlo.

At the end of 2011, an estimated 40% of the learning offering was based on the integrated learning concept. ITC will adapt its management system in 2012, to include more accurate monitoring of this target.

Océ-Nederland participated in the Jet-Net Career Days held in November 2011 at Eindhoven University of Technology.



(Pre) recruitment

Jet-Net Career Days

Océ-Nederland participated in the Jet-Net Career Days held in November 2011 at Eindhoven University of Technology. The “Youth and Technology Network Netherlands” is a joint venture between Dutch companies and pre-college schools in The Netherlands. Jet-Net companies help schools enhance the appeal of their science curriculum by engaging in a wide variety of activities. Participating organizations also allow students to gain a better understanding of their future career prospects in industry and technology. A total of 1,200 pre-college students visited 30 stands, to learn about technological developments and meet the companies that make it happen. At the Océ stand, the students played a quiz that challenged them to think about several technical aspects of the Océ ColorWave 600.

Take your Child to Work Day

Océ-Italia organized a “Take your Child to Work Day” with sustainability as the central theme. Children of Océ employees had the opportunity to witness first-hand what it takes to work for a leader in digital document management and to learn more about sustainability. One of the highlights of the day was a magician explaining the importance of recycling paper.

Attracting the best

In February 2011, 42 interns and graduates within Océ Technologies were invited to a presentation of Océ products and activities and a tour to the Organic Photo Conductor and Océ TonerPearl factory, followed by a social gathering. The event gave students seconded to Océ a broader picture of the company’s activities and enabled them to network with each other.

Sales Traineeship

The Océ Sales Traineeship is a joint initiative of the Océ business units and the Océ Academy. Participants begin with an intensive one-month course. This is followed by on-the-job experience provided by the Océ Academy, during which the trainees are supported by their manager, mentor and personal coach. Throughout the trainee year, set modules provide repetition and further deepening of the knowledge and expertise acquired. The varied and comprehensive course comprises presentations, lectures, practical exercises, role-play and internships.

Corporate-wide “Go Green, Be Social” poster contest

Employees were asked to design a poster to celebrate the 2011 Sustainability Week theme that was fun, motivational, informative and/or inspiring. More than 60 participants from 12 different operating companies participated in the contest.



Employee awareness

Third Sustainability Week: Go Green, Be Social

From 21 to 28 April 2011, staff at Océ sites across the world celebrated the third Océ Sustainability Week. The week began with the publication of the 2010 Sustainability Report. Linking up with the Year of the Volunteer in 2011, the emphasis was extended from environmental sustainability to also include social sustainability: volunteering and sustainable relations. Under the motto: Go Green, Be Social, Océ employees were asked to submit ideas on how awareness could be raised among employees, as well as send in ideas for voluntary work related to the Océ business areas. The resulting awareness and involvement initiatives were promoted in specially developed resources, including videos, competitions and through posters, banners, a brochure and news articles.

Below are just a few of the numerous activities held during the third Océ Sustainability Week. The high number of projects in 2011 demonstrates the increase in involvement as employees around the world demonstrate their commitment to sustainability.

- **Océ UK** organized a Go Green Day; employees wore sustainable and green clothes and donated money to the local wildlife trusts which the company matched pound for pound. Daily newsletters full of information on sustainability topics were published, inviting employees to discuss and share ideas on a special sustainability blog.

- **Océ-Italia** published a green staff magazine and several news features on its local intranet, and served a green menu in its restaurant.
- **Océ-Nederland** put a flip chart at the staff entrance on which employees could write down their personal actions to make the world more sustainable. Employees were also invited to attend various walk-in-presentations about sustainability.
- **Océ-France** served sustainable lunches in its restaurant and, like Océ UK, held a Go Green Day where employees could dress in green.
- **Océ-Österreich** published a list of “Top 10 Environmental Tips” on the intranet in an earlier campaign. “Lights out!” signs were put next to light switches, messages on the intranet and on bulletin boards promoted duplex printing, all waste streams were separated and much emphasis was laid on the recycling of products and packaging.
- **Océ-Technologies** organized a drawing competition for its employees’ children. The drawings will showcase their hopes for the planet with regard to protecting flora, fauna and culture.
- **Océ North America** published daily postings on the intranet. Each day articles on various sustainability topics, Océ sustainability facts, and information regarding Océ’s US Sustainability Council were featured. Employees in selected offices could participate in a Jeans’ Day and a Green Day Festival for the promotion of sustainability awareness and to celebrate the week’s events.

Diversity

Océ strives towards creating a balanced organizational culture that allows the development of talent irrespective of gender, age, nationality or background.

Girlsday

In April 2011, Océ-Technologies held its first "Girlsday". The Océ event was part of a European initiative to attract young girls between 10 and 15 years of age into science, technology, engineering and mathematics. The event was coordinated by VHTO, the Dutch national expert organization on girls/women and science/technology. Océ employees were encouraged to bring their daughters to work for the day. Almost 100 young girls donned large white coats and safety glasses for a tour that included Océ Design, Ecodesign, Creative Services, and the Ithaka Science Center.



Core values target

Short term (2011-2013)

- By 2013, Océ will implement a core values alignment program, explaining and celebrating the strength of the combination Canon and Océ (NEW).

Status

In the upcoming integration between the Canon and Océ organizations, an internal program will explain to Océ employees the added value both companies can achieve in their markets and communities. The program will introduce the core values, celebrating the combined organization. The program is targeted at the internal Océ community.

Our values

Driven Seek for quality at all times

Pragmatic Be result driven

Involved Put the customer first
Behave ethically
Show respect for human values

Eigenzinnig Be entrepreneurial
(Dutch for "independent thinking")
Be innovative

Diversity targets

Short term (2011-2013)

- In 2013, the percentage of women in TOP positions will be at least 5% in The Netherlands.
- In 2013, the percentage of women in SUBTOP positions will be at least 9% in The Netherlands.

Status

In 2011, the percentage of women in TOP positions remained unchanged (6%). The percentage of women in SUBTOP management decreased to 8% in 2011 (2010: 9%). Increased focus on embedding awareness within local and HR management is needed. In order to achieve both objectives, a toolkit and strategic framework, developed in 2011 to support (HR) management, will be made available in 2012.

Medium term (2014-2016)

- In 2015, the percentage of women in management positions will be 30%.

Status

In 2011, the worldwide percentage of women in management positions remained unchanged (21%).

Attractive employer for the older workforce

Under the New World of Work, Océ began to offer opportunities to all employees to work flexibly. One of the aims behind this scheme is to retain older employees by providing the balance between work and free time. With an aging population, talent will become more sought after in the future and Océ is keen to compete by remaining an attractive organization for all generations of the working population.

Benchmarks for behavior

The Océ corporate culture is built around basic values and principles, and it unites employees from different backgrounds in over 30 countries. Océ believes that by incorporating these values in its daily operations the company can meet the needs of its stakeholders. The values and principles also help Océ to achieve its company goals and guide the organization towards a sustainable future.

Labor relations

Structured and open dialogue with employees via their representatives played an important role in Océ in 2011. Where appropriate, constructive and professional consultation took place with the local and pan-European Works Councils and trade unions. The year 2011 can be characterized as the year in which significant steps were taken to prepare for the integration of Océ into the Canon organization. The sound relationship Océ has with its employees helped create the foundation needed to build the company's future with Canon.

In operating companies without Works Councils, employees were able to express their concerns and wishes through direct contact with management or the HRM department. Other methods of interaction include the corporate intranet, weblogs and online surveys, employee feedback boxes, team and bilateral meetings.

Employee survey

In 2011, steps were taken to implement action plans that resulted from the conclusions of the employee survey held by Océ-Technologies in 2010. The survey asked employees their opinion on Océ's performance culture. Results showed that employees were not fully aware of the company's goals and the role specific goals play.

To improve the performance and to realize 'end-to-end ownership of results' a dashboard was developed consisting of four themes; engagement, strategy into action, behavior and leadership. A base measurement was taken to determine the starting point and to define areas of success and potential improvement on a departmental basis. The results were discussed with (senior) management and the input generated was used to help define specific directions and actions in the departments. Océ monitored progress by taking pulse measurements in the form of quarterly employee questionnaires.

Health and safety

A safe and healthy workplace is a prerequisite to any operation. Océ believes its health and safety policy should be based on more than just the minimum standards required by law (statutory regulations). Most Océ entities have their own health and safety committee to oversee the local situation. Health and safety (H&S) is an integral part of everyday activities across the Océ organization. In 2011, the company continued to carry out regular risk inventories and evaluations, and provide regular updates and reminders to keep safety awareness at a high level.

The Health, Safety & Environment guide, issued by Océ-Technologies to its employees in 2010 was provided as standard to new employees in 2011. The brochure provides useful information and suggestions for a safe and healthy working environment. As H&S is the joint responsibility of employer and employee, the guide also includes the obligations of both parties.

Medical checks

Prevention is the most effective way of avoiding sickness. The majority of Océ entities offer employees free medical check-ups to prevent and detect potential health problems. Special programs aimed at sports or lifestyle improvement also helped not only those affected by poor health. Existing initiatives were continued, such as the extensive fitness program where employees received a significant reduction in fees for their chosen sporting activity.

Data on Lost Time Injuries can be found in chapter 9b (page 67).



Océ-Nederland was elected as "Top Employer" of The Netherlands.

Employer awards

"Top Employer" award for Océ-Nederland

For the fourth consecutive year, Océ-Nederland achieved the highest ranking and was elected as "Top Employer" of The Netherlands. The annual prize is awarded to organizations that distinguish themselves in conditions of employment, education and training, internal promotion opportunities, working environment and company culture. The research was carried out by the independent research institute CRF, and accredited by the Dutch Ministry of Economic Affairs, Agriculture and Innovation.

Best Sales Traineeship award for Océ Academy

The Océ Academy was awarded Best Sales Traineeship by Nobiles Media, a publisher with almost 20 years' experience in employment market communication for graduates and young professionals.

The winners are decided by the public, who vote via a website on which participating organizations outline their traineeship.

Océ Business Services in prestigious Global Outsourcing 100 list

For the fifth consecutive year, Océ Business Services was named in the top-ranked Leaders Category of the International Association of Outsourcing Professionals® (IAOP) Global Outsourcing 100® list. This list defines the standard for excellence in business process outsourcing service delivery. The Global Outsourcing 100 list includes companies from around the world that provide the full spectrum of outsourcing services, from document management and business process outsourcing, to facility services, real estate and capital asset management, manufacturing and logistics. Océ's official ranking is 24th on the list of 75 Leaders.

8 | Reporting principles

Scope This report covers the activities of all of Océ's sites for research & development and manufacturing. Océ's manufacturing facilities are located in Venlo (The Netherlands), Poing (Germany), Prague (Czech Republic) and Vancouver (Canada). In addition, the major operating companies responsible for sales and service activities are also included.

In line with previous years, the decision on which operating companies should be included in the Océ Sustainability Report was based on the following selection criteria for Océ's 2010 financial year:

- revenues of the entity >1% of total Océ revenues;
- number of employees >1% of total Océ workforce (in full-time equivalents).

In June 2011, Océ sold Océ Schweiz A.G. and Océ-Japan Corp. to Canon Group companies. As a result, Océ Schweiz and Océ-Japan are not included in the key figures presented in chapter 9b (employee key figures) and chapter 9c (environmental performance data).

The selection criteria resulted in coverage for this report of 90% of Océ's employees worldwide and 86% of Océ's total revenues for the financial year 2011.

The economic performance data in chapter 9a and the employee key figures in chapter 9b are an exception to the above-mentioned scope. These data cover 100% of Océ's activities. They were collated by Océ's Group Controlling Department. The environmental performance data in chapter 9c were collated by Océ's Corporate Sustainability Department.

Reporting period

This report describes the activities of the Océ group over the period from 1 January 2011 through 31 December 2011, Océ's financial year. In its Sustainability Report 2010, Océ applied a 13 month reporting period to align with Canon's financial reporting period. This has implications for the comparability of the information included in this report. The 12 month figures presented in the tables and bar graphs for 2010 in chapter 9c were calculated on the basis of the 13 month figures multiplied by 12/13.

Accuracy

Due to their nature, the data used in this report are subject to a degree of uncertainty as a result of limitations in measuring and estimating data. Océ has in some cases been obliged to make estimates to ensure that all data cover the same scope. For the environmental performance data in chapter 9c, these estimates are based on comparisons between the various operating companies, or comparisons between years. In the energy consumption figures, 91% of electricity consumption and 86% of natural gas consumption are based on actual measurements. The same applies to 77% of drinking water consumption. In the waste figures, 100% of the hazardous waste volume and 95% of the non-hazardous waste volume are based on measurements.

In this report, tons are metric tons (1 metric ton = 1,000 kg).

Carbon footprint reporting

Carbon emissions are reported in accordance with the accounting and reporting standards defined by the Greenhouse Gas (GHG) Protocol. The GHG Protocol is a multi-stakeholder partnership of business, governments, NGOs and other organizations convened by the World Resources Institute and the World Business Council for Sustainable Development.

The GHG Protocol recognizes three types of carbon emissions, all expressed in kilogram CO₂ equivalents (kg CO₂e):

- **Scope 1** emissions cover all direct emissions occurring from sources that are owned or controlled by the company;
- **Scope 2** emissions cover all indirect emissions from the generation of purchased heat or electricity;
- **Scope 3** emissions refer to indirect emissions that are a consequence of the company's activities but occur from sources not owned or controlled by the company.

In calculating emissions, Océ uses conversion factors that are made available by internationally recognized organizations, such as the GHG Protocol, and information reported by the energy suppliers.

 www.ghgprotocol.org

Verification

The information contained in this report represents the outcome of systematic data gathering and analysis. The process of aggregating the sustainability data reported by the selected sites and operating companies was verified by Océ's Internal Audit Department and subsequently reviewed by the external assurance provider.

This report has been reviewed in full by the management responsible and by the Corporate Sustainability Forum. The final version was approved by the Océ Board of Executive Directors.

Océ asked the external assurance provider Ernst & Young Accountants LLP to provide assurance on this Sustainability Report. The scope of the assurance, the tasks carried out and the results of the external assurance process can be found on page 72.

In this Sustainability Report, Océ reports on its efforts and the achievement of objectives in 2011. In addition, the company outlines its plans and vision for the future. This future-oriented information can be recognized by the use of words such as: continue, want, envisage, predict, expectation, goal, objective, vision, planning, ambition, scenario and intention.

The outcome of future expectations is inherently subject to risks and uncertainties and their realization is not certain. Ernst & Young Accountants LLP therefore provides no assurance concerning the realization of future-oriented information.

Global Reporting Initiative

Since 2002, Océ has reported on sustainable development in accordance with the Global Reporting Initiative (GRI) Guidelines. GRI promotes a standardized approach to reporting, to stimulate demand for sustainability information, benefiting both reporting organizations and report users. The GRI Reporting Framework is intended to serve as a generally accepted framework for reporting on an organization's economic, environmental and social performance.

In the process to define the content of this report, Océ's five focal areas - Paper, Energy, Reuse, Product responsibility and Employer of choice - were leading. These focal areas structure Océ's sustainability-related activities. They have been taken into account throughout the value chain, from product design, purchasing and manufacturing through to product use by the customer, servicing, remanufacturing, end-of-life recycling and disposal. Chapters 5, 6 and 7 provide information on each of the five focal areas.

In chapter 11, an overview is given of the GRI Performance Indicators covered in this report. With respect to the GRI Application Levels system, Océ is of the opinion that its Sustainability Report 2011 is positioned at the B⁺ level.

 www.globalreporting.org

Stakeholder feedback on reporting

As in previous years, the Océ sites included in Océ's sustainability reporting were asked to provide feedback on the Océ Sustainability Report 2010. Overall their reaction was positive. The report was considered an important tool in underpinning Océ's commitment to sustainable business practices and a useful reference when responding to tenders. The look and feel of the report was mentioned as an area for further improvement. This feedback has resulted in an improved version of the report for 2011.

9a | Performance data

Economic performance data

This section provides selected information on Océ's economic performance based on the structure laid down in the GRI Guidelines. Full details of Océ's financial performance can be found in the Océ Annual Report 2011. The 2011 figures have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Changes in 2011 regarding size, structure or ownership

In June 2011, Océ sold Océ Schweiz A.G. and Océ-Japan Corp. to Canon Group companies. On 9 March 2010, Canon had acquired 77.41% of the share capital of Océ. As of that date, Canon obtained the power to govern Océ's financial and operating policies. At the beginning of 2012, Canon had acquired 98.83% of the share capital of Océ.

For the changes in equity, reference is made to the Consolidated Statement of Changes in Equity as disclosed on page 9 of the Océ Annual Report 2011.

Revenues

In 2011, Océ earned revenues of € 2,597 million (2010¹: € 2,860 million) and its net income was -€ 119 million (2010¹: -€ 165 million).

Operating costs

The cost of all goods, materials and services purchased in the financial year 2011 can be estimated by adding the cost price of Océ's products, the company's selling and marketing expenses, R&D expenses, general and administrative expenses and other income, and then deducting total payroll expenses. In 2011, this sum totaled € 1,449 million (2010¹: € 1,666 million).

¹ The figures for the year 2010 cover a 13 month period (including December 2009).

Employee wages and benefits

Employee wages and benefits in 2011 totaled € 1,172 million. These expenses were made up of the following elements:

	2011 (12 months)	2010 (13 months)	x € 1,000
Wages and salaries	- 948,310	- 1,021,220	
Social security	- 170,462	- 185,376	
Pension costs for:			
■ defined contribution plans	- 13,214	- 16,894	
■ defined benefit plans	- 40,353	- 43,340	
Share-based compensation:			
■ change in fair value outstanding share-based compensation	-	4,641	
■ settlement of share-based compensation	-	- 3,687	
Total	- 1,172,339	- 1,265,876	

Financial income and expenses

Financial expenses (net) as recognized in net income in 2011 totaled € 18 million. These were made up of the following elements:

	2011 (12 months)	2010 (13 months)	x € 1,000
Financial income (interest income)	2,482	4,820	
Interest expenses	- 18,801	- 29,425	
Other financial expenses	- 1,989	- 47,805	
Total	- 18,308	- 72,410	

Payments to shareholders

The table shows the proposed appropriation of net income attributable to shareholders.

	2011 (12 months)	2010 (13 months)	x € 1,000
Preference dividend	2,553	2,765	
Cash dividend interim	-	-	
Cash dividend final	-	-	
Added to retained earnings:			
■ retained earnings	- 123,352	-169,737	
Total net income attributable to shareholders	- 120,799	-166,972	

Total capitalization

The table shows the balance sheet total, broken down in terms of debt and equity.

	2011 (12 months)	2010 (13 months)	x € million
Equity	376.1	488.1	
Liabilities	1,693.5	1,653.6	
Balance sheet total	2,069.6	2,141.7	

Community investments

In the financial year 2011 the formally registered donations to the community amounted to € 378,000. Additional information can be found on page 49.

9b | Performance data

Employee key figures

This section provides selected employee key figures, based on the structure laid down in the GRI Guidelines. For additional information on the figures reported in this section, see chapter 7.

Employee distribution

Distribution of employees by geographical area (in full-time equivalents (FTE))

	2011 (12 months)		2010 (12 months)		2010 (13 months)	
	number	as %	number	as %	number	as %
	United States	7,962	40	8,314	40	8,182
The Netherlands	3,440	17	3,556	17	3,556	17
Germany	2,198	11	2,307	11	2,301	11
France	1,343	7	1,354	6	1,357	6
United Kingdom	1,032	5	953	5	950	5
Rest of Europe	2,496	13	2,833	14	2,808	14
Countries outside Europe and the United States	1,327	7	1,391	7	1,377	7
Total	19,798	100	20,708	100	20,531	100

Employee distribution

Distribution of employees by type of function (in FTE)

	2011 (12 months)		2010 (12 months)		2010 (13 months)	
	number	as %	number	as %	number	as %
	Business Services	6,524	33	6,723	32	6,716
Marketing and Sales	3,997	21	4,243	20	4,189	21
Service	3,767	19	4,062	20	3,976	19
Manufacturing & Logistics	1,640	8	1,776	9	1,722	8
Research & Development	1,619	8	1,565	8	1,562	8
Finance and Administration	850	4	894	4	899	4
Other	1,401	7	1,445	7	1,466	7
Total	19,798	100	20,708	100	20,531	100

**Employee
diversity**

Age distribution by geographical area (in FTE)

	2011 (12 months)			
	FTE		headcount	
	< 30 years as %	30-40 years as %	40-50 years as %	>50 years as %
United States	15	20	29	36
The Netherlands	7	23	31	39
Germany	8	16	44	32
France	15	30	34	21
United Kingdom	12	26	33	29
Rest of Europe	16	30	32	22
Countries outside Europe and the United States	20	37	27	16
Océ group average	13	24	32	31
Océ group average 2010 (13 months)	14	25	32	29

**Employee
diversity**

Gender distribution by geographical area (in FTE and headcount)

	2011 (12 months)			
	FTE		headcount	
	men as %	women as %	men as %	women as %
United States	66	34	66	34
The Netherlands	83	17	80	20
Germany	81	19	80	20
France	56	44	56	44
United Kingdom	71	29	70	30
Rest of Europe	67	33	65	35
Countries outside Europe and the United States	70	30	70	30
Océ group average	71	29	70	30
Océ group average 2010 (13 months)	70	30	70	30

Employee diversity

Gender distribution of management positions¹ by geographical area (in FTE)

	2011 (12 months)			
	men in mgt	women in mgt	women in mgt	women total
	number	number	as %	as %
United States	951	276	22	34
The Netherlands	274	37	12	17
Germany	258	32	11	19
France	103	48	32	44
United Kingdom	136	48	26	29
Rest of Europe	236	62	21	33
Countries outside Europe and the United States	131	69	35	30
Total	2,089	572	21 ²	29 ²
Total 2010 (13 months)	2,363	642	21 ²	30 ²

Employee training and development

Training hours and training rate by type of function

	2011 (12 months)		2010 (13 months)	
	training hours	training rate ³	training hours	training rate ³
Business Services	68,537	10.5	63,462	9.4
Marketing and Sales	78,763	19.7	75,027	17.9
Service	92,823	24.6	97,624	24.6
Manufacturing & Logistics	10,853	6.6	18,962	11.0
Research & Development	21,370	13.2	30,351	19.4
Finance and Administration	25,478	30.0	18,733	20.8
Other	17,943	12.8	26,047	17.8
Total	315,767	15.9 ²	330,206	16.1 ²

**Occupational
health and safety**

Reported accidents resulting in injury and lost workdays by geographical area

	2011 (12 months)				2010 (13 months)			
	number of Lost Time Injuries (LTI)	number of workdays lost	workdays lost per LTI	LTI-rate ⁴	number of Lost Time Injuries (LTI)	number of workdays lost	workdays lost per LTI	LTI-rate ⁴
United States	25	1,341	54	0.31	37	1,007	27	0.45
The Netherlands	7	56	8	0.20	16	100	6	0.45
Germany	29	493	17	1.32	17	233	14	0.74
France	18	292	16	1.34	11	200	18	0.81
United Kingdom	1	8	8	0.10	5	20	4	0.53
Rest of Europe	19	237	12	0.76	26	304	12	0.93
Countries outside Europe and the United States	5	229	46	0.38	4	317	79	0.29
Total	104	2,656	26 ²	0.53 ²	116	2,181	19 ²	0.56 ²

In 2011, a total of 2 cases of occupational illness were reported, resulting in 129 workdays lost.

1 A management position is any position in which the employee is responsible for one or more employees.

2 Océ group average.

3 The training rate measures the number of training hours per FTE per financial year.

4 The Lost Time Injury rate measures the total number of occupational accidents resulting in days away from work per 100 FTEs per financial year.

9c | Performance data

Environmental performance data

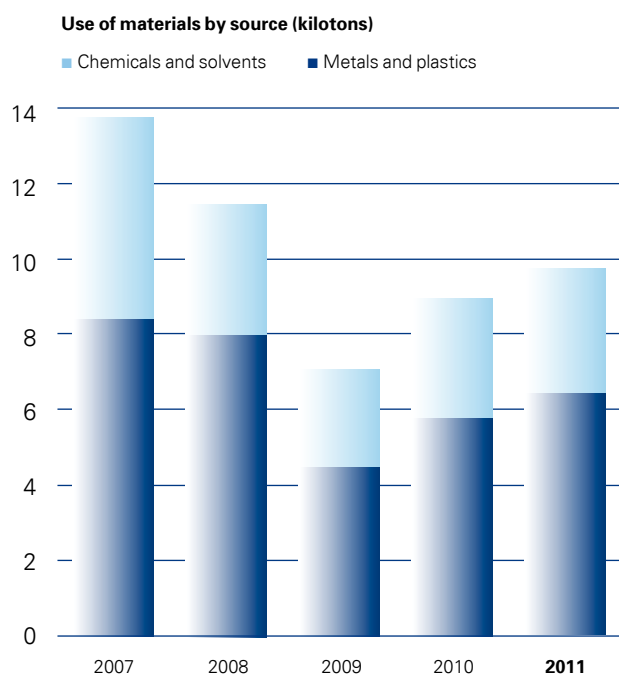
This section provides quantitative information on the environmental impact of Océ's operations. The figures presented here cover the four Océ manufacturing facilities, which are located in Venlo (The Netherlands), Poing (Germany), Prague (Czech Republic) and Vancouver (Canada). In addition, data have also been compiled from the major operating companies responsible for sales and service activities.

Océ reports on its environmental performance using the structure laid down in the GRI Guidelines. This section contains information on materials, water, energy, emissions and waste, as well as on compliance and environmental incidents.

Materials

An estimate has been made of the total quantity of materials used at the Océ manufacturing sites in Europe and North America for the production of printers, copiers and consumables. Printers and copiers are made primarily from metals and plastics, while chemicals and solvents are used for the production of photoconductors, toners, silicone products, process drums and inks.

	2011 (12 months)	2010 (12 months) ¹	2010 (13 months)
Metals and plastics (kilotons)	6.5	5.9	6.3
■ of which reused parts (%)	14	17	17
Chemicals and solvents (kilotons)	3.3	3.2	3.4



Water

Water is used predominantly for domestic purposes within Océ. Water consumption is not a part of Océ's core business and is therefore not considered a material issue. Groundwater used for cooling or heat/cold storage purposes is infiltrated back into the aquifer and is therefore not considered to be actually consumed water.

	2011 (12 months)	2010 (12 months) ¹	2010 (13 months)
Water withdrawal			
■ drinking water (m ³)	120,000	150,000	160,000
■ groundwater for industrial and domestic purposes (m ³)	16,000	12,000	13,000
■ groundwater for cooling or heat/cold storage purposes (x million m ³)	1.0	0.9	1.0
Water discharge (manufacturing sites only)			
■ industrial and cooling water discharged to the sewer (m ³)	20,000	13,000	14,000
■ Chemical Oxygen Demand (tons)	7.1	5.2	5.6

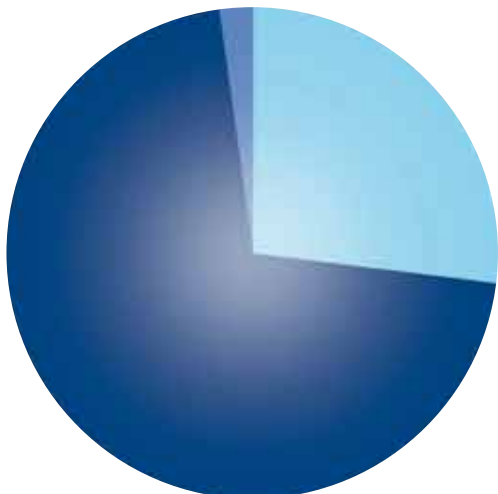
Energy

In view of the emissions of greenhouse gases caused by the burning of natural gas and other fossil fuels, the use of energy is an important environmental indicator.

	2011 (12 months)	2010 (12 months) ¹	2010 (13 months)
Total energy consumption (TJ or 10¹²J)			
■ derived from renewable sources (%)	29	17	17
Electricity purchased (GWh or 10⁶ kWh) <i>(manufacturing sites only)</i>			
■ sourced from renewable sources (%)	78	45	45

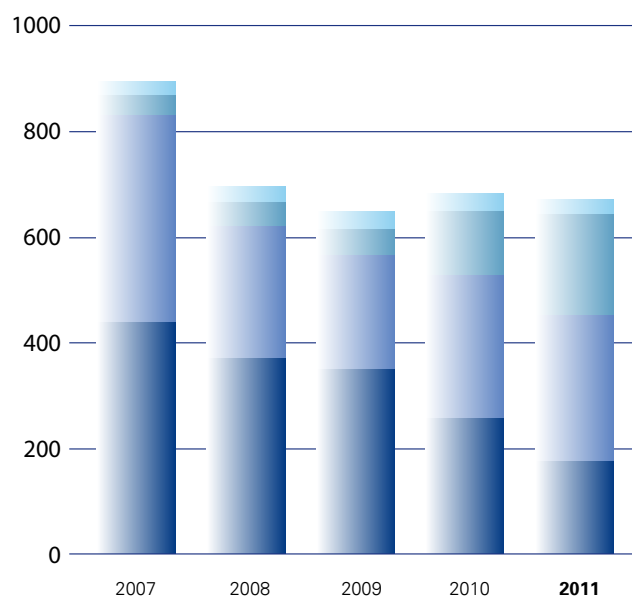
Total energy consumption by geographical area (in TJ)

- United States (27%) ■ Europe (71%)
- Countries outside Europe and the US (2%)



Energy consumption by source² (in TJ)

- District heating ■ Sustainable energy
- Natural gas & fuel oil for heating ■ Electricity



Emissions

The Océ carbon footprint is reported in accordance with the Greenhouse Gas Protocol. See chapter 8 page 60 for more information.

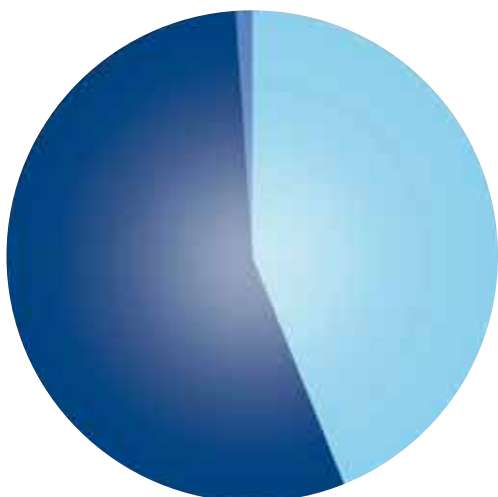
	2011 (12 months)	2010 (12 months) ¹	2010 (13 months)
Greenhouse gas emissions			
■ scope 1 emissions (kilotons CO ₂ e)	46.4	44.3	48.0
- from combustion (kilotons CO ₂ e)	15.2	15.1	16.4
- from lease car fleet (kilotons CO ₂ e)	31.2	29.2	31.6
Number of lease cars worldwide	4,500	-	4,500
Number of kilometers driven by service employees (x million km)	32	34	37
■ scope 2 emissions (kilotons CO ₂ e)	23.9	36.6	39.6
■ scope 3 emissions (kilotons CO ₂ e)	not monitored	not monitored	not monitored
Total carbon footprint (kilotons CO ₂ e) (scope 1 & 2)	70.3	80.9	87.6
Solvent emissions			
■ solvent emissions to air (tons)	14	14	15

Ozone-depleting substances and NO_x / SO_x emissions

Océ's manufacturing facilities in Venlo and Poing have programs in place to replace ozone-depleting substances with hydrogen fluorocarbons in cooling units. With these programs Océ complies with statutory regulations. Océ's manufacturing processes do not cause NO_x or SO_x emissions. NO_x is only emitted due to the use of natural gas (directly) and electricity (indirectly).

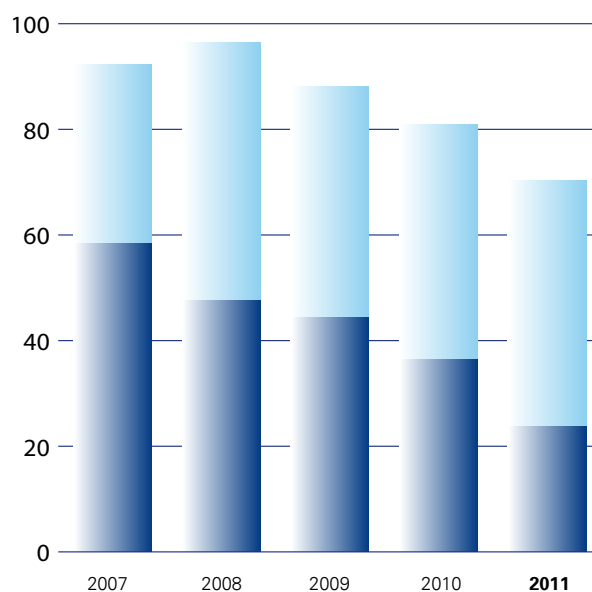
Total CO₂e emissions by geographical area

■ United States (44%) ■ Europe (55%)
■ Countries outside Europe and the US (1%)



CO₂e emissions by scope (in kilotons)

■ Scope 1 emissions ■ Scope 2 emissions



Waste	2011 (12 months)	2010 (12 months) ¹	2010 (13 months)
Waste production			
■ Hazardous waste (kilotons)	0.3	0.4	0.4
■ Non-hazardous waste (kilotons)	10.5	11.5	12.5
Total waste (kilotons)	10.8	11.9	12.9
Waste processing (<i>manufacturing sites only</i>)			
■ Recycling (%)	84.4	83.4	83.4
■ Incineration (%)	13.7	14.4	14.4
■ Landfill (%)	1.9	2.2	2.2
Total (%)	100	100	100

Compliance and environmental incidents

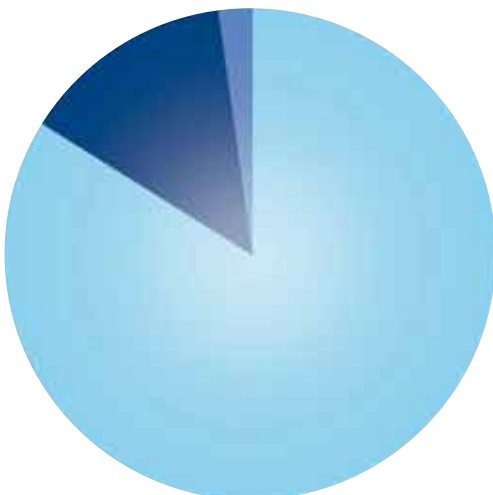
In the financial year 2011, no significant environmental incidents were reported, nor were any formal notices of non-compliance received concerning the provision and use of Océ products and services.

1 The 12 month figures for financial year 2010 are calculated by multiplying the 13 month usage by 12/13.

2 For the United States the figures over the years are not comparable due to differences in the data gathering process.

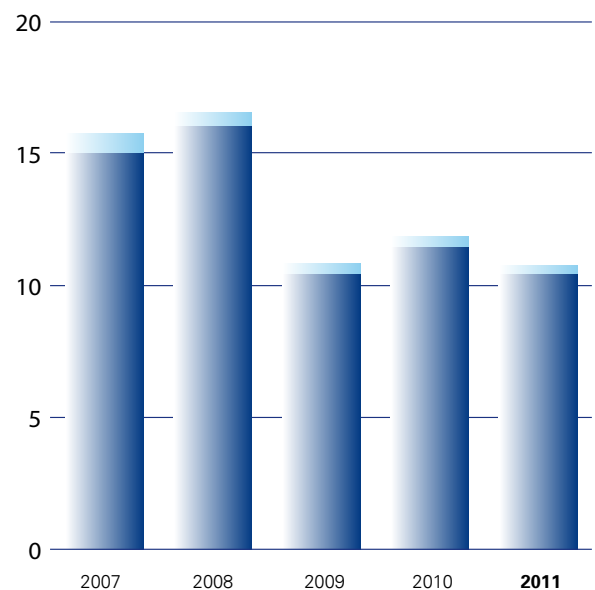
Waste processing at the manufacturing sites

■ Recycling (84%) ■ Incineration (14%) ■ Landfill (2%)



Total waste by type (in kilotons)

■ Hazardous waste ■ Non-hazardous waste



To the Board of Executive Directors of Océ N.V.

Engagement

We performed an assurance engagement on the following chapters of the Sustainability Report 2011 of Océ:

- Chapter 3: Océ's sustainability policy;
- Chapter 4: Océ's management systems;
- Chapter 8: Reporting principles;
- Chapter 9: Performance data.

Our assurance engagement is aimed to obtain limited assurance that the information in the chapters 3, 4, 8 and 9 in the Sustainability Report 2011 is, in all material respects, a reliable and adequate representation of the policy, business operations, events and performance with respect to Corporate Social Responsibility (hereafter CSR) during 2011.

In relation to the information regarding ISO certification as presented on page 28 and the economic performance data as presented on pages 62 and 63 (excluding community investments) our assurance engagement was extended to obtain reasonable assurance that this is, in all material respects, a reliable and adequate presentation of these aspects of corporate social responsibility (during 2011).

Inherent limitations of our assurance engagement

Chapter 3, 4, 8 and 9 in the Sustainability Report 2011 of Océ contains forward-looking information in the form of ambitions, strategy, plans, forecasts and estimates. The fulfillment of such information is inherently uncertain.

For that reason, we do not provide assurance relating to future information such as estimates, expectations or targets, or their achievability.

Management's responsibility

The management of Océ is responsible for the preparation of the Sustainability Report 2011 that provides a reliable and adequate representation of the policy, business operations, events and performance with respect to CSR of Océ in accordance with the criteria applied. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of a CSR report that is free of material misstatements, selecting and applying appropriate reporting policies and using measurement methods and estimates that are reasonable in the circumstances. The choices made by management, the scope of this report and the reporting policy, including any inherent limitations that could affect the reliability of information, are set out in chapter 8 "Reporting principles".

The auditor's responsibility

We performed our procedures in accordance with Dutch law, including Standard 3410 "Assurance standard relating to social reports". This law prescribes, among other things, requirements relating to independence of the assurance team member. We assessed chapter 3, 4, 8 and 9 in the Sustainability Report 2011 against the Sustainability Reporting Guidelines issued by the Global Reporting Initiative, the social reporting guide of the Dutch

Accounting Standards Board (Raad voor de Jaarverslaggeving) and the reporting policy of Océ, of which a summary is given in chapter 8 "Reporting principles". We believe that these criteria are suitable for our assurance-engagement.

We performed all the procedures deemed necessary to obtain the evidence that is sufficient and appropriate to provide a basis for our conclusions.

Our main procedures with regards to the information for which limited assurance was provided, were:

- assessing the acceptability of the reporting principles used and its consistent application, and the significant estimates and calculations made in preparing chapter 3, 4, 8 and 9 in the Sustainability Report 2011;
- obtaining an understanding of the sector, the organization and the relevant social responsibility issues specific for the organization;
- obtaining an understanding of the design and existence of systems and methods used to collect, process and consolidate the reported information, including the consolidation process;
- assessing the plausibility of the information in chapter 3, 4, 8 and 9 in the Sustainability Report 2011 of Océ through the substantiation of the information in the report by a combination of analytical procedures and inquiries. For this purpose interviews with responsible company officers were conducted and relevant documents and external sources are reviewed;
- evaluating the overall presentation of chapter 3, 4, 8 and 9 in the Sustainability Report 2011 against the criteria mentioned above.

In order to obtain a reasonable assurance on the information regarding ISO certification as presented on page 28 and the economic performance data as presented on pages 62 and 63 (excluding community investments) we additionally performed the following procedures:

- examining the existence and validity of the ISO certificates mentioned on page 28;
- reconciling the economic performance data on pages 62 and 63 (excluding community investments) to Océ's 2011 financial statements dated, February 14, 2012 on which an unqualified Auditor's Report was issued.

The procedures performed in order to obtain a limited assurance aim to verify the plausibility of information and are less extensive than those performed for assurance engagements aimed at obtaining reasonable assurance and therefore less assurance is provided. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Conclusions

Based on our procedures we conclude that nothing came to our attention that causes us to believe that the information in chapter 3, 4, 8 and 9 of the Sustainability Report 2011, in all material respects, does not provide a reliable and sufficient representation of the policy, business operations, events and performance with respect to corporate social responsibility during 2011, in accordance with the Sustainability Reporting Guidelines issued by the Global Reporting Initiative, the sustainability reporting guide of the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving) and the documented reporting policy of Océ.

With respect to

- the information regarding ISO certification as presented on page 28 and the economic performance data as presented on pages 62 and 63 (excluding community investments) we conclude that this information is in all material respects, a reliable and adequate representation of these aspects of corporate social responsibility (CSR) during 2011, in accordance with the Sustainability Reporting Guidelines issued by the Global Reporting Initiative, the sustainability reporting guide of the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving) and the documented reporting policy of Océ.

Zwolle, April 26th 2012

Ernst & Young Accountants LLP

signed D.A. de Waard

11 | GRI Performance Indicators

	Indicator	Page(s) ¹
Strategy and Analysis	1.1 Statement from the CEO about the relevance of sustainability to the organization and its strategy	12-13
	1.2 Description of key impacts, risks and opportunities	12-13,18-24
Organizational Profile	2.1 Name of the organization	2
	2.2 Primary brands, products and/or services	14-17
	2.3 Operational structure of the organization	14-17
	2.4 Location of organization's headquarters	14
	2.5 Number and names of countries where the organization operates	14, 80-81
	2.6 Nature of ownership and legal form	26, AR 3
	2.7 Markets served	14-17
	2.8 Scale of the reporting organization	14, 62-63, 64-67
	2.9 Significant changes during the reporting period regarding size, structure or ownership	62
	2.10 Awards received in the reporting period	42, 51, 59
Report Parameters	<i>Report profile</i>	
	3.1 Reporting period for information provided	60
	3.2 Date of most recent previous report	2
	3.3 Reporting cycle	2, 60
	3.4 Contact point for questions regarding the report or its contents	2
	<i>Report scope and boundaries</i>	
	3.5 Process for defining report content	18-24, 60-61
	3.6 Boundaries of the report	60
	3.7 Specific limitations on the scope or boundary of the report	60-61
	3.8 Relevant changes in basis for reporting on joint ventures etc	62
	3.9 Data measurement techniques and the bases of calculations	60-61
3.10 Explanation of the effect of any restatements of information provided in earlier reports	not applicable	
3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods	60	
<i>GRI content index</i>		
3.12 Table identifying the location of the Standard Disclosures in the report	74	
<i>Assurance</i>		
3.13 Policy and current practice with regard to seeking external assurance for the report	61, 72-73	

Indicator	Page(s) ¹
Governance, Commitments and Engagement	
<i>Governance</i>	
4.1 Governance structure of the organization	26, GRD 2
4.2 Indicate whether the Chair of the highest governance body is also an executive officer	GRD 3
4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	not applicable
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	21, 58, 61, GRD 3
4.5 Linkage between compensation for members of the highest governance body, senior managers and executives and the organization's performance	GRD 3
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	GRD 4
4.7 Process for determining the qualifications and expertise of the board members for guiding the organization's strategy on economic, environmental and social topics	GRD 4
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance and the status of their implementation	18, 27-29, 57, GRD 4
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance	26
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	GRD 4
<i>Commitments to external initiatives</i>	
4.11 Explanation of whether and how the precautionary approach is addressed by the organization	27-29, 38-42, 58
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	29, 60-61
4.13 Memberships in associations and/or participation in national/ international advocacy organizations	29, 33, 39, 47-49
<i>Stakeholder engagement</i>	
4.14 List of stakeholder groups engaged by the organization	19
4.15 Basis for identification and selection of stakeholders with whom to engage	19-21
4.16 Approaches to stakeholder engagement	19-21, 61
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	19-21, 61

	Indicator	Page(s) ¹
Economic Performance Indicators	<i>Disclosure on Management Approach</i>	
	DMA	Policy 26, GRD 5
	DMA	Goals and performance GRD 5
	DMA	Additional contextual information GRD 6
	<i>Economic performance</i>	
	EC1	Direct economic value generated and distributed 62-63
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change 32-37
	EC3	Coverage of the organization's defined benefit plan obligations AR 34
	EC4	Significant financial assistance received from government 48, AR 34
	<i>Market presence</i>	
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation not tracked	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation not tracked	
<i>Indirect economic impacts</i>		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement not tracked	
Environmental Performance Indicators	<i>Disclosure on Management Approach</i>	
	DMA	Policy 18-19, 27, 28
	DMA	Responsibility 26, 27, 28
	DMA	Goals and performance 22-23, 32-40, 44-47, 68-71
	DMA	Monitoring 68-71
	DMA	Training and awareness 56
	<i>Materials</i>	
	EN1	Materials used by weight or volume 68
	EN2	Percentage of materials used that are recycled input materials 68
	<i>Energy</i>	
	EN3	Direct energy consumption by primary energy source 69
	EN4	Indirect energy consumption by primary source 70
	<i>Water</i>	
	EN8	Total water withdrawal by source 69
	<i>Biodiversity</i>	
	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas none
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas not applicable	

	Indicator	Page(s) ¹
Environmental Performance Indicators (continued)	<i>Emissions, effluents and waste</i>	
	EN16	Total direct and indirect greenhouse gas emissions by weight 70
	EN17	Other relevant indirect greenhouse gas emissions by weight 70
	EN19	Emissions of ozone-depleting substances by weight 70
	EN20	NO _x , SO _x , and other significant air emissions by type and weight 70
	EN21	Total water discharge by quality and destination 69
	EN22	Total weight of waste by type and disposal method 71
	EN23	Total number and volume of significant spills none
	<i>Products and services</i>	
	EN26	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation 32-40
EN27	Percentage of products sold and their packaging materials that are reclaimed by category not tracked	
<i>Compliance</i>		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations none	
Social Performance Indicators	Labor Practices and Decent Work	
	<i>Disclosure on Management Approach</i>	
	DMA	Policy 18-19, 27, 53, 57
	DMA	Responsibility 27
	DMA	Goals and performance 24, 52-59, 64-67
	DMA	Monitoring 53, 64-67
	DMA	Training and awareness 53-56
	<i>Employment</i>	
	LA1	Total workforce by employment type, employment contract and region 64-66
	LA2	Total number and rate of employee turnover by age group, gender and region 64-66
<i>Labor/management relations</i>		
LA4	Percentage of employees covered by collective bargaining agreements not tracked	
LA5	Minimum notice period regarding operational changes, including whether it is specified in collective agreements not tracked	
<i>Occupational health and safety</i>		
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region 67	
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases 58	
<i>Training and education</i>		
LA10	Average hours of training per year per employee by employee category 66	

Social Performance Indicators (continued)		
	<i>Diversity and equal opportunity</i>	
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	65-66, GRD 6
LA14	Ratio of basic salary of men to women by employee category	not tracked

Human Rights

Disclosure on Management Approach

DMA	Policy	27
DMA	Responsibility	27
DMA	Goals and performance	27
DMA	Monitoring	27
DMA	Training and awareness	27, 57

Investment and procurement practices

HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	not tracked
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	not tracked

Non-discrimination

HR4	Total number of incidents of discrimination and actions taken	no incidents
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Freedom of association and collective bargaining

HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	none
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Child labor

HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	none
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Forced and compulsory labor

HR7	Operations identified as having significant risk for incidents of forced or compulsory labor and measures to contribute to the elimination of forced or compulsory labor	none
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Society

Disclosure on Management Approach

DMA	Policy	19, 28-29
DMA	Responsibility	28-29
DMA	Goals and performance	28-29, 49-50
DMA	Monitoring	28-29
DMA	Training and awareness	28-29

Community

SO1	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting	not tracked
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Indicator	Page(s) ¹
Social	
<i>Corruption</i>	
Performance Indicators, (continued) SO2	Percentage and total number of business units analyzed for risks related to corruption 28
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures 28
SO4	Actions taken in response to incidents of corruption no incidents
<i>Public policy</i>	
SO5	Public policy positions and participation in public policy development and lobbying 29
<i>Compliance</i>	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations none
Product Responsibility	
<i>Disclosure on Management Approach</i>	
DMA	Policy 27, 38-41
DMA	Responsibility 27
DMA	Goals and performance 38-41
DMA	Monitoring 38-41
DMA	Training and awareness 38-41
<i>Customer health and safety</i>	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures not tracked
<i>Products and service labeling</i>	
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements 38, 40
<i>Marketing communications</i>	
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship not tracked
<i>Compliance</i>	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services none

¹ Page numbers preceded by "AR" refer to pages in Océ Annual Report 2011, referenced on page 2.

Page numbers preceded by "GRD" refer to pages in the Océ GRI Reference Document, referenced on page 2.

Principal subsidiaries¹

February 2012

Europe

<i>Austria</i>	Océ Österreich GesmbH	Vienna
<i>Belgium</i>	Océ-Belgium N.V./S.A.	Brussels
	Océ Software Laboratories Namur S.A.	Gembloux
<i>Czech Republic</i>	Océ-Ceská republika, s.r.o.	Prague
<i>Denmark</i>	Océ-Nordic Holding ApS	Copenhagen
	Océ-Danmark a/s	Copenhagen
<i>Finland</i>	Océ-Finland Oy	Helsinki
<i>France</i>	Océ-France S.A.	Montévrain
	Océ Print Logic Technologies S.A.	Créteil
	Océ Business Services S.A.	Montévrain
<i>Germany</i>	Océ-Deutschland G.m.b.H.	Mülheim/Ruhr
	Océ Printing Systems G.m.b.H.	Poing
	Océ-Deutschland Business Services G.m.b.H.	Mülheim/Ruhr
<i>Hungary</i>	Océ-Hungária Kft.	Budapest
<i>Ireland</i>	Océ-Ireland Ltd.	Dublin
<i>Italy</i>	Océ-Italia S.p.A.	Milan
<i>Netherlands</i>	Océ-Technologies B.V.	Venlo
	Océ-Nederland B.V.	's Hertogenbosch
<i>Norway</i>	Océ-Norge A.S.	Oslo
<i>Poland</i>	Océ-Poland Limited Sp. Z o.o.	Warsaw
<i>Portugal</i>	Océ-Portugal Equipamentos Gráficos S.A.	Lisbon
<i>Romania</i>	Océ-Software S.R.L.	Timisoara
<i>Slovakia</i>	Océ-Slovenská republika s.r.o.	Bratislava
<i>Spain</i>	Océ-España S.A.	Barcelona
<i>Sweden</i>	Océ Svenska AB	Stockholm
<i>United Kingdom</i>	Océ (UK) Limited	Brentwood

¹ Where holdings are less than 95% of total equity, the percentage of capital held is stated. A list of affiliated companies is available for public inspection at the Chamber of Commerce Limburg in conformity with the provisions of Article 2:379 of the Dutch Civil Code.

February 2012

North America

<i>United States</i>	Océ North America, Inc. Océ Business Services, Inc. Océ Reprographic Technologies, Corp. Onyx Graphics, Inc.	Trumbull, CT New York, NY Phoenix, AZ Salt Lake City, UT
<i>Canada</i>	Océ-Canada Inc. Océ Display Graphics Systems Inc.	Toronto Vancouver
<i>Mexico</i>	Océ Mexico S.A. de C.V.	Mexico City

Asia/Pacific

<i>Australia</i>	Océ-Australia Ltd.	Clayton
<i>China</i>	Océ Office Equipment (Shanghai) Co., Ltd.	Shanghai
<i>Hong Kong</i>	Océ (Hong Kong China) Ltd.	Hong Kong
<i>Malaysia</i>	Océ Malaysia Sdn. Bhd.	Petaling Jaya
<i>Singapore</i>	Océ (Singapore) Pte. Ltd. Océ Technologies Asia Pte. Ltd.	Singapore Singapore
<i>Thailand</i>	Océ (Thailand) Ltd.	Bangkok

Other countries

<i>Brazil</i>	Océ-Brasil Comércio e Indústria Ltda.	São Paulo
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Financing companies

<i>Australia</i>	Océ-Australia Finance Pty. Ltd.	Clayton
<i>France</i>	Océ-France Financement S.A.	Montévrain
<i>Germany</i>	Océ-Deutschland Financial Services G.m.b.H.	Mülheim/Ruhr
<i>Spain</i>	Océ-Renting S.A.	Barcelona
<i>United States</i>	Océ-Financial Services, Inc.	Boca Raton, FL

Minority holdings

<i>Netherlands</i>	MuTracx B.V. (37.3%)
<i>Netherlands</i>	Fabaliz B.V. (70.0%)

Colophon

Copywriting and text consultants

Cumlingua, Velp (NB)

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Carmen Arends, Arends Design, Venlo

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