



You're our Number One !



SUSTAINABLE DEVELOPMENT REPORT

2007

A WORD FROM THE C.E.O.



«We want to be the reference that the business community turns to for office supplies solutions»

Welcome to this second edition of our sustainable development report.

In this document, we aim to share the progress we have made in our commitment for sustainable development.

2007 was a busy year for sustainable development in Lyreco as all our new subsidiaries have been integrated in to our sustainable development management. All our teams are now covered by the U.N. Global Compact principles, as well as the Lyreco environment and quality management system. Indeed, I am proud to inform you that during the last year we have been accredited with the ISO 14001 and ISO 9001 certifications in Switzerland, Czech Republic, Austria, Slovakia and Hungary.

All our teams are clearly working to achieve our commitments in the environmental, social and economy areas.

But as said last year, social development does not stop with Lyreco. To enhance the efficiency towards charitable organisations we decided to structure our actions better throughout the Group.

As a result I am able to announce that we finalised a unique global partnership with UNICEF in 2007.

We are working with UNICEF to communicate internally and externally on a project called ELFD ("Early Learning for Development") being implemented in Bangladesh. The objective of ELFD is to make easier for young children to access to school, enabling better control over their health but also making sure they enter the education system.

Our commitment is concrete: by August 31st, 2008 our collections / contribution will have benefited at least 8,400 children.

As sustainable development encompasses all our stakeholders, I would be happy to share with you your ideas and suggestions to still go further.

ERIC BIGEARD





THE VALUES

Businesses, like families or countries, need values to work to. Without values people don't know where they stand. Our values are simple enough, but are very important. Here they are:



PASSION



PROFESSIONALISM



EXCELLENCE



RESPECT

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*GLOBAL
COMPACT
PRINCIPLES

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* NUMBERS REFER TO THE 10 GLOBAL COMPACT PRINCIPLES



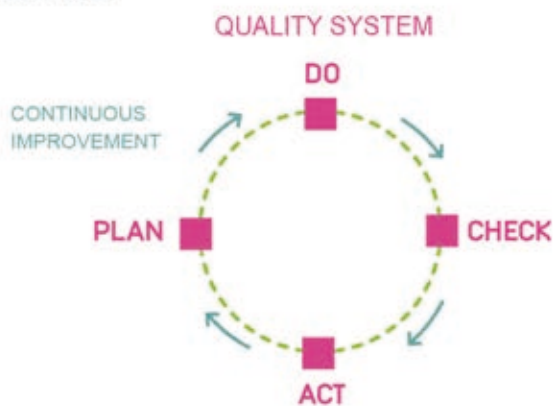
THE POLICIES

«THE MISSION OF THE LYRECO GROUP IS TO BE THE REFERENCE THAT THE BUSINESS COMMUNITY TURNS TO FOR OFFICE SUPPLIES»

THIS POLICY APPLIES TO ALL OUR SUBSIDIARIES. LOCAL POLICIES MAY BE WRITTEN TO TAKE LOCAL LEGAL, ECONOMICAL AND ENVIRONMENTAL CONTEXT INTO ACCOUNT, HOWEVER, THEY ALWAYS INCLUDE THE GROUP POLICIES.

QUALITY

The mission of the Lyreco Group is to be the reference that the business community turns to for office supplies. This goal necessitates a quality policy that encompasses the same objectives as those of the overall company policy. For Lyreco, to be **THE reference** means fully **satisfying ALL its customers**.



Full satisfaction requires that all the associates in the company take part in achieving the results. Our customers' satisfaction means the following for every employee:

- Mastering the organisation.
- Following up the objectives on a daily basis.
- Continuously looking for ways to improve our performance.

➤ MASTERING THE ORGANISATION

The Lyreco process model links the organisation to the management of the company. Each employee must know his/her impacts on the organisation to be involved in the continuous improvement of the business. Everybody makes an impact on the global result.

➤ FOLLOWING UP THE OBJECTIVES

The Lyreco objectives are consistent with the policy. They need to be adopted and shared by all associates in the company.

Each employee should be able to clearly identify what his/her contribution will be, to meet the objectives.

➤ LOOKING FOR WAYS TO IMPROVE OUR PERFORMANCE

This means efficiency in our preventive and corrective actions.

Measuring the customers' satisfaction is essential in this respect. This provides Lyreco with valuable elements to perfect its operations.

Lyreco takes up this challenge in line with the values which drive all employees:

RESPECT, EXCELLENCE, PASSION AND PROFESSIONALISM.

➤ ENVIRONMENTAL PRESERVATION

We cannot consider social development without taking into account our impact on the environment and on sustainable development.

Lyreco began an ambitious project to preserve the environment several years ago.



ETHICAL

For Lyreco, Economical development, Social development and preservation of the Environment are interdependent components which strengthen one another.

➤ SOCIAL DEVELOPMENT

Lyreco has always considered people as the **BIGGEST STRENGTH** of the group.

For Lyreco, social development has always been a major priority.

Lyreco commits itself on the following principles:

- respect of human rights (especially children)
- respect of legislation and regulation, especially for health and safety at work
- no discrimination in hiring, compensation, access to training or promotion

These commitments are extremely important to our business and we look for partners and suppliers who share these views.

➤ ANTI CORRUPTION

Lyreco commits itself to work against corruption in all its forms, including extortion and bribery.



This project consisted of obtaining the ISO 14001 certification for all the subsidiaries in the Lyreco Group.

This international certification:

- guarantees a well mastered organisation which takes into account all environmental aspects
- guarantees a continuous improvement of our impact on the environment
- involves our suppliers in the preservation of the environment (respect of environmental regulation),
- is given by an independent body after a complete audit of our environmental management system

All these actions clearly highlight Lyreco's ambition:

To promote social development and environmental preservation in the group and with our partners.





THE BUSINESS

«At your service worldwide»

» AT YOUR SERVICE WORLDWIDE 29 COUNTRIES, ONE LYRECO

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

Lyreco is one of the largest worldwide distributors of office supplies. Active in **29 countries** (35 with our partners), on **5 continents**, Lyreco believes in offering every Customer the same superior quality of products and services wherever they are.



THE ACTIVITIES

ONE OF LYRECO'S ASSETS LIES IN THE ORGANISATION AND MANAGEMENT MODEL. THE SAME POLICIES, SAME ORGANISATION AND MANAGEMENT RULES APPLY TO ALL LYRECO SUBSIDIARIES. A UNIQUE INFORMATION SYSTEM FACILITATES THE SHARING AND CONSOLIDATION OF ALL THESE ELEMENTS WORLDWIDE.

» CONTINUOUS IMPROVEMENT IS THE RULE

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

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



PRODUCT SELECTION

PRODUCT SELECTION INDICATORS

- An average of **6,000** products offered by each country
- **15** product families
- **535** 'green' products i.e. **13%** of the International common range
- **99** ergonomic products i.e. **2,3%** of the International common range

AREAS FOR IMPROVEMENT

- Continue to develop environmentally friendly products in our offering
- Continue to raise consumer awareness on sustainable development and pay special attention to certified suppliers



SALES FORCE

SALES FORCE INDICATORS

- **5,000** sales people
- **2,870** cars

AREAS FOR IMPROVEMENT

- Increase communication on sustainable development with customers
- Reduce environmental impacts due to travelling



CUSTOMER



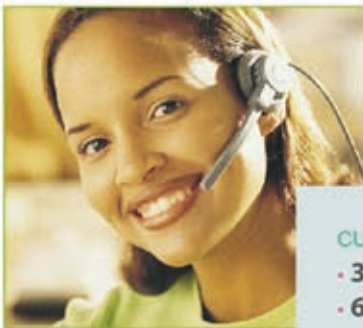
CUSTOMER SERVICE

CUSTOMER SERVICE INDICATORS

- **30,000** customer contacts/day
- **66,000** orders/day

AREAS FOR IMPROVEMENT

- Reduce environmental impacts due to hard copy orders



ORDER PREPARATION

ORDER PREPARATION INDICATORS

- **32** Distribution centres: **400 000 m²**
- **235,000** parcels prepared/day

AREAS FOR IMPROVEMENT

- Reduce Health & Safety risks
- Increase waste recycling



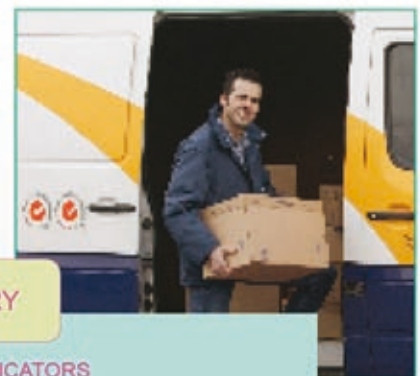
DELIVERY

DELIVERY INDICATORS

- **980** vans and drivers
- **235,000** parcels delivered every day

AREAS FOR IMPROVEMENT

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





SUSTAINABLE

DEVELOPMENT QUALITY AND SECURITY



TO ENSURE THE EFFECTIVE IMPLEMENTATION OF LYRECO'S ORGANISATION IN ALL SUBSIDIARIES, LYRECO USES THE EXISTING INTERNATIONAL STANDARDS IN THE AREAS OF QUALITY AND THE ENVIRONMENT.

THIS MEANS THAT IT IS ESSENTIAL FOR ALL OUR SUBSIDIARIES TO BE CERTIFIED FOR OUR QUALITY AND ENVIRONMENTAL MANAGEMENT SYSTEM (ISO 9001 AND ISO 14001).

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

➤ HEALTH AND SAFETY

In line with our quality and environmental management system, the H&S organisation is based on Lyreco's guidelines referring to the OHSAS 18001 standard.

Integrated quality, environmental and health & safety audits ensure organisation efficiency, in accordance with the local regulations. Preventive attitude is THE RULE.

➤ A UNIQUE CERTIFICATION BODY

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

➤ LYRECO – SGS:

A PARTNERSHIP FOR CONTINUOUS IMPROVEMENT

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



180 INTERNAL AUDITORS





THE SUSTAINABLE DEVELOPMENT MANAGEMENT



IN LYRECO, IT IS THE RESPONSIBILITY OF EVERY EMPLOYEE TO TAKE SUSTAINABLE DEVELOPMENT INTO ACCOUNT IN THEIR DAILY ACTIVITIES.

LYRECO USES ITS INTERNATIONAL ORGANISATION TO ENSURE THAT ALL THESE ACTIONS ARE WELL ORGANISED, CO-ORDINATED AND CONSOLIDATED AND THAT ALL THE OBJECTIVES ARE MEASURED AND ACHIEVED.

➤ OUR SUSTAINABLE DEVELOPMENT STRUCTURE

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

According to the importance Lyreco puts in these areas:

- there is a **Q.S.E. Manager** in each Lyreco subsidiary
- the **Q.S.E. Manager** reports to the **Managing Director**
- the **group Q.S.E. Director** reports to **Eric BIGEARD, Lyreco C.E.O.**



ERIC BIGEARD
C.E.O.

MANAGING
DIRECTOR

GROUP
Q.S.E. DIRECTOR

Q.S.E. MANAGER

➤ MONTHLY CO-ORDINATION

Every month the sustainable development projects and actions are consolidated at group level and shared with all the subsidiaries and the group Directors.

➤ A QUARTERLY GROUP QUALITY, SECURITY AND SUSTAINABLE DEVELOPMENT MANAGEMENT MEETING

Every quarter a Group Directors' management meeting is held to analyse Quality, Security and Sustainable Development projects, actions and results and to take decisions whenever necessary.

➤ A SUSTAINABLE DEVELOPMENT REPORT COMMITTEE

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

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





GLOBAL COMPACT



WE SUPPORT

2008 INITIATIVE

CONTINUE TO PROMOTE
GLOBAL COMPACT IN ALL
SUBSIDIARIES



«Lyreco supports the Global Compact»

We take our responsibility to the community at large extremely seriously. Eric BIGEARD signed the Global Compact initiative from the United Nations in 2002 to promote sustainable development in the company and towards its stakeholders.

All our employees have been informed about the Global Compact initiative and its objectives and participate in continuous improvement in environment and social development areas.

Lyreco keeps on promoting Global Compact in all its subsidiaries and encourages all stakeholders to join the initiative to ensure a more sustainable and inclusive economy.

» WHAT IS THE GLOBAL COMPACT?

Through the power of collective action, the Global Compact seeks to promote responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation. In this way, the private sector – in partnership with other social actors – can help realise the United Nations' vision:

A MORE SUSTAINABLE AND INCLUSIVE GLOBAL ECONOMY.

» THE GLOBAL COMPACT 10 PRINCIPLES COVER THE AREAS OF:

- HUMAN RIGHTS
- LABOUR STANDARDS
- ENVIRONMENT AND ANTI-CORRUPTION

These principles are totally in line with Lyreco's social and environmental policies and help us to strengthen our communication about Sustainable Development.

» THE GLOBAL COMPACT IS A PURELY VOLUNTARY INITIATIVE WITH TWO OBJECTIVES:

- Mainstream the ten principles in business activities around the world
- Catalyse actions in support of UN goals

For more information: <http://www.unglobalcompact.org>





REDUCING OUR IMPACT ON THE ENVIRONMENT

ENVIRONMENT PRESERVATION HAS BEEN A PRIMARY CONCERN FOR A NUMBER OF YEARS AT LYRECO. ALL ENVIRONMENTAL ASPECTS OF THE BUSINESS ARE IDENTIFIED AND ASSESSED IN ORDER TO IDENTIFY THE MAJOR IMPACTS.

«A day to day commitment»

2008 INITIATIVE

- LAUNCH A GROUP COMPANY VEHICLES POLICY INCLUDING ENVIRONMENT AND SAFETY ASPECTS.
- PROMOTE SAFE DRIVING IN ALL OUR SUBSIDIARIES.



➤ OUR MAIN IMPACTS ON THE ENVIRONMENT ARE:

- **Cars and vans**
Gas/diesel consumption and air pollution
- **Distribution Centres**
Cardboard and plastic waste (see "Our logistics", page 18)

All our subsidiaries focus on these main impacts and endeavour to reduce them as much as possible.

➤ COMPANY FLEET VEHICLE

When buying new vehicles environmental criteria are taken into account. Regular maintenance to minimise air pollution and optimise the fuel consumption is a must in all Lyreco subsidiaries (air pollution, consumption).

Most of Lyreco's subsidiaries have a company vehicle policy. To strengthen the actions to reduce our impact on the environment, a group car company policy will be made official this year (see initiative 2008).

Green Highlights

BENELUX

An incentive programme has been launched on the sales force in order to reduce the number of car damages (damages have an indirect impact on the environment).

During the annual health month, actions to preserve the environment are taken! Employees are encouraged to come to work by bike. For each cycled kilometre Lyreco donated to a charitable cause.





OTHER IMPACTS

➤ POWER CONSUMPTION

Power consumption is a daily concern and objectives to reduce power consumption are in place in most of the subsidiaries.

➤ HAZARDOUS WASTE RECYCLING

Lyreco generates very little hazardous waste. All such waste is recycled in accordance with the local regulations and records are kept.

➤ 2008 INITIATIVE

POWER MANAGEMENT ON COMPUTERS

CURRENTLY IDLE MONITORS ARE POWERED DOWN AFTER 20 MINUTES ON ALL LYRECO'S COMPUTERS WORLDWIDE (4,000 WORKSTATIONS), THE PLAN IS TO REDUCE THIS TIME TO 10 MINUTES.

DOUBLE SIDE PRINTING

TO BE ABLE TO PRINT OFFICE AUTOMATED DOCUMENTS ON DOUBLE SIDED, THE NEW PRINTERS WILL INCLUDE BY DEFAULT THE DOUBLE SIDE PRINTING OPTION.

MAIL SERVICE AND OFFICE AUTOMATION DOCUMENTS "GREEN MESSAGES" THE IT CHARTER WILL BE UPDATED TO INCLUDE RECOMMENDATIONS AND ADVICE.

Green Highlights

GROUP

PRINTING OF POST INVOICING DOCUMENTS

Whenever possible, printing is done in a double sided format.

Around 1.25 million pages have been printed on 2007 in a double sided format.

This corresponds to **2500 reams of paper saved per year**, more than twice the Eiffel tower height if we line up those reams!

PRE-PRINTED DOCUMENTS COMING FROM SUSTAINABLE DEVELOPMENT FORESTS

Our pre-printed documents (e.g. invoices) come from suppliers having certificates from the outstanding international organisation promoting viable management of the world's forests.

SUBSIDIARIES

AUSTRALIA

The education actions to reduce Lyreco's impact on the environment were successful.

Energy usage has been **reduced by almost 32%**.

The new Distribution Centre, designed to use natural light to full effect enabled energy consumption to be reduced by 37%.

FRANCE

We have stimulated our customers to use interactive ordering means (+ 15 % in 2 years).

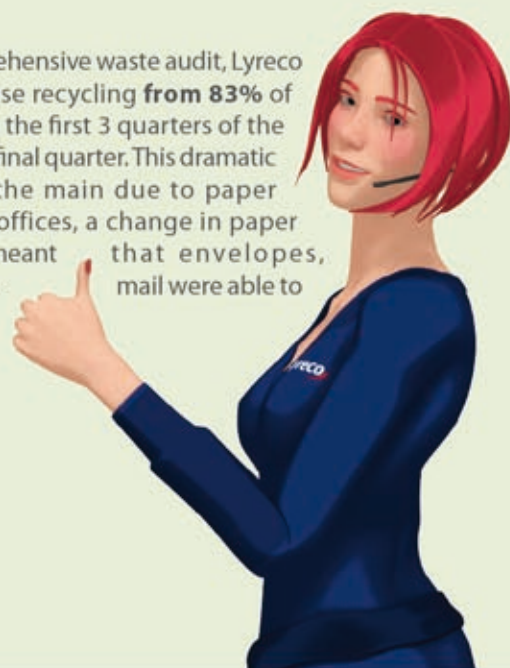
The goal in 2008 is to reduce of 50 % the number of customised paper catalogues for corporate customers.

In that way, we advise our customers to favour some medias like OLO, our ordering website but also customised electronic catalogues.

99.7 % of the French materials have been printed on recycled paper for 2 years.

UNITED KINGDOM

Following a comprehensive waste audit, Lyreco was able to increase recycling **from 83%** of total waste during the first 3 quarters of the year **to 91%** in the final quarter. This dramatic increase was in the main due to paper recycling. In the offices, a change in paper recycling partner meant that envelopes, leaflets and junk mail were able to be included.





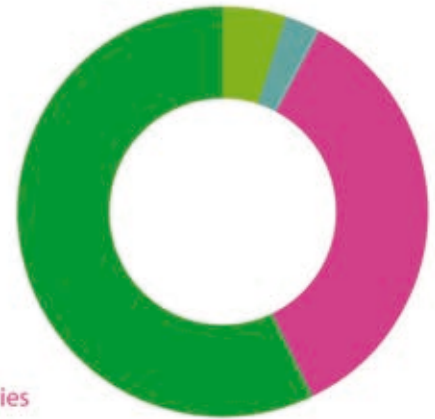
INTEGRITY FINANCIAL



«Redistributing values to stakeholders in 2007»



➤ **CUSTOMERS €2,185M:**
The chart below summarises the main financial flows between Lyreco and Stakeholders.



56% Europe Euro Zone
36% Europe other countries
4% North America
3% Asia Pacific



Consolidated sales came to € 2 185m in 2007 showing a growth of 5% compared to last year.

➤ FINANCIAL INTEGRITY

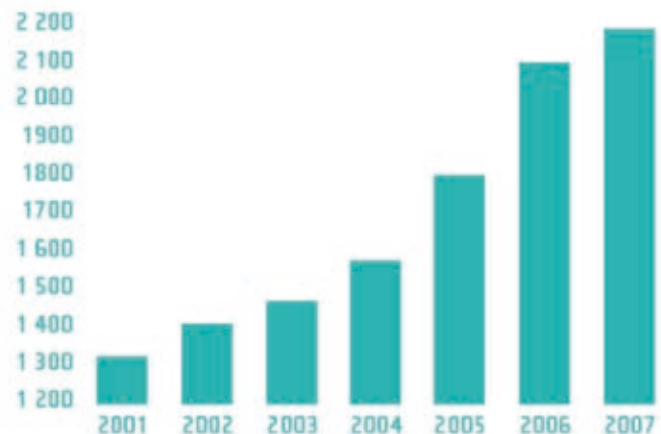
As a private group, Lyreco takes pride in providing the highest standard of financial transparency and reliability for its stakeholders.

Its financial transparency is ensured by a unique worldwide accounting and reporting tool allowing access to all accounting entries in the world from its head office. Financial reporting is performed in conformity with IFRS standards.

The financial reliability is structured around two controlling arms:

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

Sales in million euro





THE OFFERING



«Customers' needs are at the heart of our product offering»

Each Lyreco country has approximately 6,000 stationery products which are stocked and sold through an annual catalogue and via our online ordering facility OLO.

Over 4,000 products have been selected to match local customer requirements and are made available in the 29 countries in which Lyreco operates.

All these items are selected with the active participation of each and every country, according to the local customers needs and according to the product market trends. The common products are displayed in our International Catalogue and can be ordered in most countries with the same product codes.

- Average number of products in the local catalogues
= 6,000 products
- Number of International common products
= over 4,000 products
- 15 product sections common to all the countries





➤ 'GREEN' & 'ERGONOMIC' PRODUCTS

As Lyreco is dedicated to operating its business in an environmentally friendly way, we also inform our suppliers about our environmental care and encourage them to develop and produce **more environmentally friendly and ergonomic products**.

These products are clearly identified by a symbol in the catalogue to make it easy for our customers to identify them.

➤ OUR OWN BRAND: IMPEGA

From paper to office stationery through to a range of remanufactured cartridges, Impega products offer an alternative choice endorsed with our quality guarantees and product warranties.

Special attention is provided to our own brand products in terms of environment and ergonomics (See case studies)

Total of 'Own brand' products = around **1000** SKUs ie 24% of the common range out of which:

- **21%** are 'green' items.



'GREEN PRODUCTS'

= **535** products ie **13%** of the International common range

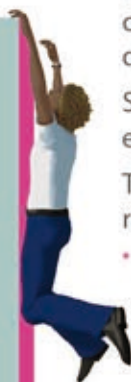


'ERGONOMIC PRODUCTS' =

99 products ie **2,3 %** of the International common range

A product is qualified as a '**green**' item, if it satisfies at least one of the following criteria:

- International eco label (Blue Angel, Nordic Swan, Fairtrade Labelling Organisation, ...) and/or,
- Made from material which is less harmful to the environment (polypropylene instead of PVC, ...) and/or,
- Made from re-used paper or from water based materials in order to conserve natural resources (re-manufactured toner cartridges, recycled papers, ...)



CASE STUDIES



IMPEGA



NEW IMPEGA 75GSM COPY PAPER

Lyreco will launch during 2008 a 75GSM Impega budget paper. 75GSM paper has significant environmental benefits over a standard 80GSM paper as paper suppliers save more than 6% on raw material. Production of 75GSM paper means less water usage, less wood and water consumption and results in less post consumer waste.

We have to take into consideration that we will only launch this product for the moment in Benelux, France, Germany and Italy. The discussion with the other countries is still on going...

TONER COLLECTION PROGRAMME

Lyreco offers a range of Laser and Inkjet cartridges including branded and our own label. As we are dedicated to sustainable development and protection of the environment, we have introduced collection boxes that our customers can return via our own delivery drivers. Cartridges are disassembled and all usable components will be reused in the production process again and non usable parts will be recycled.

Boxes for laser cartridges are delivered in all our subsidiaries.



FELLOWES R-KIVE BOXES

A strong example of how Lyreco works with leading brand manufacturers in developing products and solutions to systematically reduce our environmental impact can be seen with the addition of the R-Kive range of products from Fellowes to our international Common Range. This full range of filing and storage products is made from 100% recycled board, is 100% recyclable and all inks used are water-based. The range was introduced in January 2008 and is now available for sale in all European countries.

2008 INITIATIVE

GREEN PRODUCTS DATASHEET

GREEN PRODUCTS ARE QUALIFIED IN ACCORDANCE WITH CRITERIA DEFINED ON PAGE 15. AS IT IS IMPORTANT FOR LYRECO FOR OUR CUSTOMERS TO BE WELL INFORMED OF "GREEN PRODUCTS" AND ALSO TO ENABLE US TO ANSWER QUESTIONS MORE EFFICIENTLY WE PLAN TO DEVELOP A MORE QUALIFIED CRITERIA FOR ALL "GREEN" PRODUCTS. THE PURPOSE IS FOR EACH PRODUCT TO HAVE AN ACCURATE AND DETAILED DESCRIPTION OF THE GREEN CRITERIA WITH SPECIFIC LABEL, MATERIAL...



IMPEGA DISPOSABLE CARDBOARD WASTE BIN

In 2008 we have launched a new Impega product to help our customers sort their waste and recycle their paper. This cardboard recycling bin is made from recycled card and is very easy to assemble.



Green Highlights

BATTERY HIGHLIGHTS FRANCE

- Our French subsidiary developed for our customers a container to recycle batteries. For customers who request this, we offer to send an electronic CD which describes all elements regarding our processing of treatment and the compulsory legal permission needed. This action is a big success in France with an increase of 77% of the volume of collection of batteries which represents 20.67% of the volume of batteries sold.

BATTERY HIGHLIGHTS CANADA

- In spring 2007, Canada launched the Alkaline battery recycling programme. This programme is available to all of our customers in our dedicated delivery areas.



OUR CATALOGUE PRODUCT SUPPLIERS



«Encourage them to develop and produce more environmentally friendly and ergonomic products»

➤ SUPPLIER PARTNERSHIP & ETHICS

The business relationship we have with our suppliers is consistent throughout all countries.

By constantly taking care of the consistency of the product quality we offer to our customers, Lyreco develops partnerships with its suppliers. Every year the best suppliers are rewarded during our supplier day.

➤ SUPPLIER AGREEMENT

All suppliers (local and Group) working with Lyreco have to sign the same Business Agreement, in which special attention is given to ensure the social impact of our sourcing practices is taken into consideration.

➤ SPIP (SUPPLIER PERFORMANCE IMPROVEMENT PROGRAMME)

- The supplier performance assessment done at Lyreco targets the achievement of an increased control over our supply base, which is key to further obtain business excellence and to achieve overall corporate goals. A specific tool has been designed to give an outline on 2 areas: Marketing and Logistics. This tool and therefore the measurements are identically used throughout all the countries on an annual basis.

The criteria taken into account go from accreditations that the suppliers have (i.e. ISO 9001, 14001, ...) to service levels and delivery lead times.

Lyreco also continues to monitor its supplier base to ensure that environmental issues are addressed and that the product portfolio is developed with these issues in mind.

- All suppliers in all the countries (local and Group) who provide us with goods during the year are included in the SPIP.



GROUP BUSINESS SUPPLIER AGREEMENT EXTRACT:

- 3.1 The SUPPLIER ensures that products selected:
- 3.1.1 Are of merchantable quality and fit for any purpose held out by the SUPPLIER or made known to the SUPPLIER at the time the orders are placed.
 - 3.1.2 Comply with the local regulations and/or standards of the markets in which they will be sold.
- Comply with the safety regulations of the markets in which they will be sold.
 - Meet the regulations in force in matter of environmental protection in all countries in which they will be sold.
 - Shall be labelled and packed in compliance with the regulations in force in the European Union and in any other country to which the Products are to be supplied and that all necessary information about the use for which the Products are commonly supplied shall be provided to the Customers with the Products.
 - Are manufactured or sourced from companies respecting recognised ethical trading standards. Companies must comply with local legislation on including but not limited to minimum wages, health, safety at work and no children work.



As a manufacturer committed to proactively developing products and solutions to systematically reduce our environmental impact, Fellowes appreciates and fully supports the stringent procedures, evaluations and supplier audits implemented by Lyreco.

Our environmental strategy is a key focus for our business and we share in Lyreco's strategic approach to promoting sustainable business. Our aim is to achieve the implementation of ISO 14001 for our European Head Quarters by April 2009 and to continue the regular and continuous review of the potential environmental impact of our products, processes and general activities.

Our R-Kive® range of filing and storage products is a strong example of how Fellowes and Lyreco can offer consumers a strong and reliable solution for records management which is made from 100 % recycled board and is 100% recyclable.





THE LOGISTICS



2008 INITIATIVE

NEW BOX DESIGN

IN ORDER TO REDUCE OUR CARDBOARD CONSUMPTION, WE WILL LAUNCH A NEW PROJECT THAT COULD ALLOW US TO SAVE UP TO **18%** OF RAW MATERIAL ON OUR BIGGEST BOX. IF ALL INTERNAL TESTS ARE POSITIVE (RESISTANCE, QUALITY, PROCESS) WE MAY SAVE EACH YEAR A CARDBOARD AREA EQUIVALENT TO **570.000 M²** OR **70** SOCCER GROUNDS, THAT REPRESENTS **350 TONS**!

- **13.000 M²** OF NATIONAL DISTRIBUTION CENTRE EXTENSION TO REPLACE **2** OLD DISTRIBUTION CENTRES IN BELGIUM AND THE NETHERLANDS, WE WILL BUILD **13.000 M²** OF BRAND NEW WAREHOUSE SPACE. THIS MODERN BUILDING, RESPECTING THE LATEST ENVIRONMENTAL AND HEALTH AND SAFETY RULES, WITH UP TO **5%** OF NATURAL LIGHTING, WOULD GIVE A TOTAL OF **233.000 M²** SPACE TO LYRECO.

«32 Distribution Centres 400,000m² 6,000 products»

➤ NO OUTER PACKAGING

More than 50% of deliveries are sent to our customers with no additional packaging. They receive the goods exactly as our suppliers send them to us. This simple way of handling paper, toners, envelopes... saves a huge amount of cardboard.

For other goods, the system automatically indicates the smallest box possible to fit all items. The boxes are then cut to size, saving up to 10% of truck space. More than 80% of our boxes are made with recycled paper.

➤ ENERGY REDUCTION

50.000m² of brand new warehouse space has been built in 2007 in 3 different countries. Now up to 220.000m², that means 55% of our total distribution centres area, is less than 5 years old. Those buildings have been built with modern materials, are well isolated and have up to 5% natural lighting allowing us to decrease our electrical and gas consumption.

➤ SOLID WASTE REDUCTION

Compared to the previous release of the sustainable development report, Lyreco wanted to go deeper in the analysis of waste recycling. Recycled wood has been added.

HERE ARE THE DETAILED FIGURES FOR YEAR 2007

In tonnes			
Paper and cardboard	Plastic	Wood from broken pallet	Wood Pallets in t (excluding pallets on a deposit like EURO or CHEP Pallets)
3,962	240	383	923

Green Highlights

FRANCE:

The Lyreco French subsidiary buys yearly about 1200t of cardboard for packaging and recycles the same tonnage!



«57,000 Deliveries/Day
235,000 Parcels/Day
99.5% Service Level»

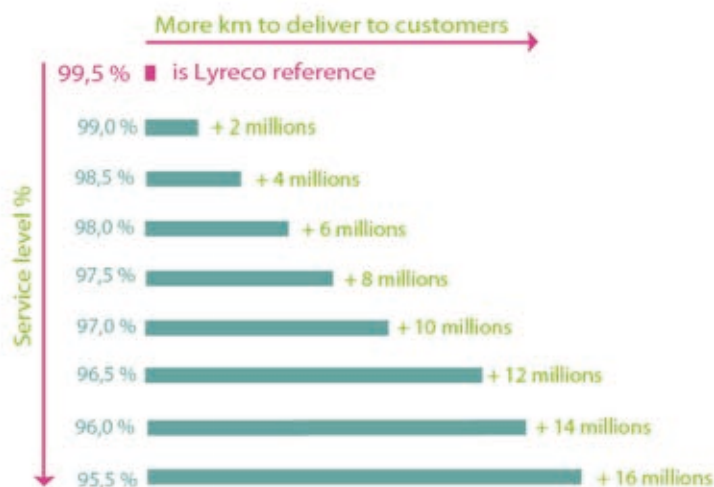
➤ FUEL REDUCTION

Focusing on a very high **99.5%** service level means that Lyreco saves millions of km every year and tons of CO₂.

2008 INITIATIVE

SAFE MANUAL HANDLING

A LYRECO GUIDE TO SAFE MANUAL HANDLING AND ANOTHER CONCERNING HAND PALLET TRUCK USE (BOTH EDITED BY OUR UK SUBSIDIARY), WILL BE TRANSLATED AND IMPLEMENTED IN ALL OUR SUBSIDIARIES. IT SHOULD HELP US PREVENTING ACCIDENTS AT WORK.



Example: with 98,5% service level, we would use 4 millions of kilometers more per year to deliver to customers (to deliver the back orders)

Green Highlights

SWITZERLAND:

More than 30% of the boxes are delivered by train (CARGO) over the night to 4 regional hubs. This is a volume of more than 20.000 pallets p.a. - which saves about 1250 lorry trips for about 450.000 km or 110.000 litre diesel/year.

They use a special type of «reusable boxes» made with recycled cardboard. More than 30% of them are used more than once to deliver the goods to the customer. By this way, more than 107 tons are saved per annum.



THE CUSTOMERS

"YOU ARE OUR NUMBER ONE" REFERS NOT ONLY TO OUR CUSTOMERS BUT IS A REAL FOCUS FOR EVERY LYRECO EMPLOYEE.

«You are our number one!»

2008 INITIATIVE

CONTINUE TO ENCOURAGE OUR CUSTOMERS TO CONTACT OUR CUSTOMER SERVICES EXPERTS OR TO USE OUR ONLINE ORDERING TOOL TO SEND THEIR ORDERS (INSTEAD OF USING FAX).



CUSTOMERS' TOTAL SATISFACTION

More than **7000** of our customers from all around the world are **surveyed annually** to ensure that our products and services meet our customers' expectations.

The surveys are systematically followed up by an action plan to adapt our products and services to customers' needs. Continuous Improvement!

We are more than happy to see that Sustainable Development becomes an even greater customer concern.

35	43	43	35	5	39	47	53	44
39	45	46	34	14	41	47	53	47
33	43	40	12	13	38	46	51	41
29	44	38	4	14	22	45	52	43
40	46	44	20	18	40	52	53	46
3	6	8	-34	-44	-21	27	28	19
100								
64	66	67	64	65	70	63	67	67
45	56	51	47	53	48	46	57	52
56	62	68	55	65	64	57	62	69
65	68	73	65	71	68	66	67	74
47	53	59	52	61	57	47	51	59
50	55	50	47	59	46	54	54	50
CONSEILLERS COMMERCIAUX FAX								
36	58	48	37	40	41	33	57	52
63	63	65	66	65	68	62	61	63
25	51	46	20	47	43	25	55	47
44	53	54	49	59	48	40	49	57
LOGISTIQUE								
65	69	69	66	66	67	66	70	71
60	60	63	60	59	61	60	61	64
63	66	64	61	68	64	65	65	63
58	64	63	57	59	61	58	66	64
65	66	68	62	68	69	68	65	67
65	67	64	62	67	59	68	67	66
INCIDENTS								





ENCOURAGE CUSTOMERS TO PRESERVE THE ENVIRONMENT

We endeavour to share our policies and best practices to preserve the environment with our customers and encourage them to use:

- Our catalogues with the green products range
- Recycling processes (empty toner cartridges, old batteries, ...)
- Global Compact initiative (see «Global Compact», page 10)
- Meetings with customers to share best practices...

All these small gestures represent an important result once consolidated on a global scale.

REDUCING FAX ORDERS

We encourage customers who use faxes to send their order to contact our Customer Services experts or to use the Lyreco online Ordering tool (O.L.O.) A faxed order results in one page of paper being used by the customer and one page of paper used by Lyreco.

By using our electronic solutions our customers helped save 1,993,000 sheets of paper in 2007.

This represents around **4,000 reams of paper (20 pallets)**.



Since 2006, Société Générale Group has been developing a socially responsible sourcing policy with the implementation of a plurianual program called "Ethical Sourcing Program".

Through this initiative, based on the ongoing and dynamic mobilisation of our supplier base, we are asserting our ambition: to contribute, with our suppliers and thanks to them, to the Group's operational risk management by integrating CSR issues in our day to day sourcing processes.

The program relies on a map of CSR risks regarding the products and services we purchase, and a methodology for assessing and managing suppliers.

Over the 2006/2007 period, we decided to move from intent to operational action in collaboration with motivated suppliers on the one hand and trained buyers on the other. The conclusive results we obtained both in the CSR considerations for purchased products and services and as regards the assessment criteria for proposals and supplier profiles (systematic inclusion of a CSR rating in assessing the responses to the requests for proposals), led us to go on in 2008/2010.

In close collaboration with leading suppliers, we would like to build up step by step the solutions and proposals which offer alternatives that are both financially competitive and compliant with our commitments. Therefore, we are focusing on the relations with SME's (we signed the "Pacte PME" in December 2007), handicap and the Carbone Neutral plan. We want to give sense to our action by putting CSR concerns at the core of the sourcing process, by focusing on categories "at risk" and by sharing experiences of all the stakeholders and more specifically: our suppliers.

You, Lyreco, are one of them and thus, one of us in this forward motion. Through your commitment to a global policy focused on quality, safety and sustainable development, you are matching the objectives of Société Générale Group. By your range of green products, your recycled paper catalogue, your collection services for consumables, you provide us with a concrete way to progress!

Lyreco Online Catalogue

Product Search:

Advanced search:

Quick Order:

Shopping cart: Direct add to cart

Product code	Item qty	Price (EUR)	Qty	Amount (EUR)
401.442	1	45.38	1	45.38
1.57.736	2	42.55	2	85.10
1.57.737	5	44.65	5	223.25
1.878.156	2	11.13	2	22.26
1.26.988	1	15.58	1	15.58
Net Total:				391.57

Buttons: Save list, Empty shopping cart, Submit order



THE EMPLOYEES

**«With more than 10 000 employees worldwide
In 2007, Lyreco is present on all 5 continents»**



➤ LYRECO, A GREAT PLACE TO WORK

2007: another year for Lyreco to be recognised by its employees in France as a "Best Place to work"!

We take part in this survey annually because our employee satisfaction is as important as our customer satisfaction. It is an opportunity for Lyreco staff to express their opinion about working conditions and the Lyreco environment.

➤ VERY LYRECO PEOPLE: ONLY THE BEST DESERVE THE BEST

Very Lyreco People rewards the best Lyreco employees world-wide. Each year, Lyreco recognises the best sales people in the group and non sales staff who represent the Lyreco values.

In 2007, 190 VLPs from 24 countries had the amazing opportunity to discover India for a week.

➤ OFFERING NOT ONLY A JOB BUT A CAREER

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

- Personal development programme
- Leadership development programme
- Specific training for employees identified as high potential
- Training passport allowing each employee to keep track of his/her training record

INTERNAL PROMOTION: A REALITY

All job opportunities are initially first displayed to Lyreco employees before external recruitment is sought.

Lyreco also has a number of programs designed to help develop employees, for example:

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

HEALTH AND SAFETY: A PERMANENT CONCERN

As well as the development of manual handling training for employees of distribution centres and delivery and road safety campaigns which are basic actions, LYRECO has specific actions to act positively for the health and safety of its collaborators.

LYRECO innovated with the creation of the box of 3 reams for A3 (instead of 5) paper which is lighter and easier to carry. This innovation in marketing meets a "health and safety" need.





➤ HAVING FUN

There are number of communication channels at Lyreco to maintain employee well being, but also to ensure all employees are aware of company developments:

- **Internal magazines** allow all staff to be informed and involved
- Once a year (at least), a **face to face meeting** is organized between the manager and each of his/her direct report (annual appraisal review)
- In the countries where the law does not organize the election of a group of representatives from each department, LYRECO runs the **"Voice of LYRECO"** programme. This programme gives employees the opportunity to raise issues that affect them or gives a forum to provide suggestions for improvement of our processes, policies and procedure on a quarterly basis.
- **International meetings** organised to share the best practices of each country (in Marketing for example)

➤ INTERNAL OPINION BAROMETER...

Every two years each member of staff has **the opportunity to anonymously express their thoughts on Lyreco**, particularly on issues relating to work environment, communication and management.

All results are analysed and handled by an external consultant to ensure anonymity and action plans are then put in place to make Lyreco an even better place to work.



LYRECO COMMUNITIES



LYRECO'S OBJECTIVES:

- Help and support more than **8,400 children** in 2008
- Train **100 teachers**
- Help and support **50 early learning centres**

«Think globally, act locally»

LYRECO: INTERNATIONAL PARTNERSHIP WITH UNICEF IN 2008

In line with its corporate values, Lyreco aims to enhance its social and charity initiatives.

This is why Lyreco has decided to support a large UNICEF project called «Early Learning For Development» in Bangladesh.

The aim is to make it easier for one million young children aged 3-5 to access schools, ensuring children enter the school system as early as possible so that they can benefit from appropriate care, vaccination, nutrition and have an equal chance to continue and succeed in their education and life.

All Lyreco countries will concentrate their actions during 2008 to make this project a great success. Actions already completed at the end of 2007 are:

- Sale of UNICEF products during the Christmas period – head office
- Promotion of the programme internally and externally to raise funds
- Special UNICEF booths during the supplier trade fairs



For every
1 euro donated
by a Lyreco employee,
1 extra euro
is donated by Lyreco.



18 EUROS:
the cost for 1 child
to enter and follow
the entire
ELFD project

2007 INITIATIVES AND ACHIEVEMENTS

GLOBAL COMPACT

TO ENCOURAGE LOCAL SUSTAINABLE DEVELOPMENT ACTIONS AND PROMOTE GLOBAL COMPACT.

- Local actions to reduce our impacts on the environment have been taken in all the countries in which Lyreco operates (ISO 14001 requirements).
- Global Compact initiative is now promoted in our international common products catalogue as well as in all Lyreco subsidiaries' catalogue (2,900,000 samples).



SOCIAL

MORE COUNTRIES TO APPLY FOR THE "BEST PLACE TO WORK" ASSESSMENT.

- Lyreco in Canada applied for the "Best Place to work" competition in 2007 and we keep on working on it with other countries.

IN 2007, THE "VERY LYRECO PEOPLE" WINNERS WILL DISCOVER INDIA.

- The VLPS winners spent 10 days in the Rajasthan discovering Indian culture.

EXPAND THE PERSONAL AND LEADERSHIP DEVELOPMENT PROGRAMME ACROSS THE LYRECO SUBSIDIARIES.

- Canada, France, Wise, Benelux and Switzerland propose personal and leadership development programmes for their employees.

ENVIRONMENT

TO START THE CERTIFICATION PROCESS IN OUR NEW SUBSIDIARIES: SWITZERLAND, CZECH REPUBLIC, AUSTRIA, SLOVAKIA AND HUNGARY.

- These subsidiaries are now certified for environment (ISO 14001) and Quality (ISO 9001).

ALL EUROPEAN CATALOGUES TO BE PRINTED ON RECYCLED PAPER FOR 2007.

- All European catalogues have been printed on recycled paper.

MORE DOCUMENTATION PRINTED ON RECYCLED PAPER FOR 2007.

- In Lyreco in France 99.7% of the materials have been printed on recycled paper for two years.

THREE DISTRIBUTION CENTRES WILL BE BUILT OR EXTENDED AMOUNTING TO 50,000 M² OF MODERN INSTALLATION. THESE DEVELOPMENTS WILL BE BUILT TAKING THE LATEST ENVIRONMENTAL AND HEALTH AND SAFETY RULES INTO ACCOUNT.

- Lyreco has built or extended 3 national distribution centres in Canada, Germany and Denmark (50,000 m²). The latest environmental and health and safety rules have been taken into account.

OBJECTIVE IS TO LAUNCH A NEW PROJECT FOR THE IMPLEMENTATION OF ALTERNATIVE ENERGY VEHICLES.

- An international tender has been launched to select our 1st level of cars, the smallest ones, including vehicles running with Natural Gas. According to the result of the study the solution was not retained.



CUSTOMERS

INCLUDE OUR NEW SUBSIDIARIES IN THE CUSTOMER SATISFACTION MEASUREMENT.

- Switzerland, Czech Republic, Austria, Slovakia and Hungary did their first customer satisfaction survey.

CONTINUE TO ENCOURAGE OUR CUSTOMERS TO CONTACT OUR CUSTOMER SERVICES EXPERTS OR TO USE OUR ONLINE ORDERING TOOL TO SEND THEIR ORDERS (INSTEAD OF USING FAX).

- In 2007 customers helped save 1,993,000 sheets of paper more by using our electronic ordering solutions.



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