

Océ

Sustainability

Report

2009



Contact information

The Océ Sustainability Report 2009 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).

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Océ N.V.

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Reference documents

- | Océ Annual Report 2009, published in February 2010 (www.investor.oce.com/reports/reports/annual-report/default.aspx)
- | Océ Sustainability Report 2008, published in April 2009 (www.sustainability.oce.com/downloads.asp)
- | GRI G3 Guidelines, released in October 2006, GRI publication (www.globalreporting.org)
- | GHG Protocol Corporate Standard, published in April 2004 (www.ghgprotocol.org)



Océ N.V.

Sustainability Report for the financial year

running from 1 December 2008

to 30 November 2009

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.



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Management Summary

This report underlines Océ's commitment to sustainability and presents the actions taken during the year to ensure the company meets current needs, without compromising the needs of future generations. It is also intended to promote a dialogue with stakeholders regarding all sustainability aspects of Océ's activities.

After adopting a clear sustainability strategy in 2008, complete with targets for the short, medium and long term, Océ worked diligently in 2009 to put that strategy into practice. This report demonstrates how Océ has been able to tailor products and practices to meet not only these and other internal standards but also external requirements. In addition, it covers the Océ organization and how the company has involved stakeholders during 2009. The company's performance in its five sustainability focal areas¹ is also given in detail as well as how Océ set a good example. The five focal areas are paper, energy, reuse, product responsibility and employer of choice.



The Océ PlotWave 300 uses only 50% of the electricity of comparable printers on the market.



Paper Paper sourcing and paper saving were important aspects of Océ's sustainability policy during 2009. The company made good progress on its short-term target with respect to certification labels for sustainable paper. Océ Imaging Supplies gained PEFC™ (Programme for the Endorsement of Forest Certification schemes) sustainability certification for a large portion of its product range. Worldwide, the percentage of sustainable paper sourced increased to 70%. Océ's Research & Development department in Germany made major inroads in saving paper at a local level. The team embarked on a program to reduce paper consumption that resulted in a paper reduction of 650 tons.



Energy In 2009, the Océ PlotWave® 300 system was launched, a printer that has set a new benchmark in energy efficiency. The printer uses only 50% of the electricity of comparable printers on the market. Océ also ensured that all eligible products launched in 2009 complied with rigorous new ENERGY STAR® specifications.

To set a good example, Océ UK made significant energy savings in 2009. In the Brentwood office, the company reduced electricity consumption by 23% compared with 2008.

In only its second year participating in the Carbon Disclosure Project, Océ was ranked among the top five listed companies in the Dutch Carbon Disclosure Leadership Index. A high score indicates good internal data management and an understanding of the climate change-related issues which affect the company.

¹ To broaden the scope of Océ's communication and reporting on sustainability, the five focal points defined in 2006 were embedded into five focal areas in 2009.



Reuse Reusing materials and minimizing landfill continued to be an important consideration for Océ in 2009. The Océ Prémia Class is an example of the company's commitment to design-for-reuse. Prémia Class products are fully remanufactured from end-of-life products to give them a new lifecycle and reduce waste. Océ reached its short-term target on reused parts ahead of schedule.

During the year, most Océ divisions participated in waste separation programs. Employees' attitudes to separating waste changed for the better and further improvements were made throughout Océ offices around the world.



Product responsibility Reducing emissions of ozone, dust, toner and noise were integral parts of Océ product development throughout 2009. All office products introduced in 2009 complied with the German "Blaue Engel" program. The Blue Angel is the world's first and best-known eco-label. It is awarded to companies for products that reflect their commitment to environmental protection.



Employer of choice Océ-Nederland was voted best employer in The Netherlands in research accredited by the Dutch Ministry of Economic Affairs. The company also received the Best Sales Traineeship Award. The introduction of Océ virtual classrooms and online collaboration tools offered new learning opportunities for both trainers and trainees, and removed the environmentally-unfriendly need to travel.

Targets and dilemmas While achievements were made in each of the focal areas, sustainability dilemmas have also been identified and are reported on. One specific dilemma follows from the decision to outsource manufacturing to countries with a lower cost structure. This is resulting in more shipments and consequently higher CO₂ emissions. Océ took several measures in 2009 to counter this dilemma by improving the efficiency of shipments from Asia and focusing on local sourcing in the Asia-Pacific region. To conclude, this Sustainability Report 2009 also covers the status on each of the sustainability targets set in 2008 for the year under review.



1 | Letter from the Chairman



R.L. van Iperen
Chairman of the Board
of Executive Directors
of Océ N.V.



Dear reader,

From an economic perspective, 2009 was a difficult year for Océ. The global crisis impacted strongly on employment, revenues and margins. Such turbulent conditions forced the company to revise expectations and increase efforts to reduce costs. However, amid the economic turmoil, Océ's commitment to sustainability did not waver.

One of the challenges for any company, particularly during an economic downturn, is not to lose sight of targets for the short, medium and long term. In 2008, Océ introduced sustainability targets for each of its five focal areas: paper, energy, reuse, product responsibility and employer of choice. In 2009 there were some positive results, such as the increase of sustainably sourced paper to 70% and landfill reductions. However, more work is required to meet all the corporate targets we have set.

During the year, Océ and Canon announced a conditional agreement to combine activities with a view to creating the number one presence in the printing industry. Importantly, both companies are committed to sustainability and reduced environmental impact of their products and operations. Canon has adopted the Kyosei philosophy that aspires to have a society in which all people, regardless of race, religion or culture, harmoniously live and work together for the common good. A philosophy that closely matches the Océ approach to sustainability.

The year also saw existing trends continue and new ones set. We saw a persistent shift towards document flow software that keeps documents in electronic format as much as possible, without the need to print. In the high-volume printing market, digital technology continued to replace analog systems. Flexible, low energy footprint systems provide an excellent alternative to offset in short-run, on-demand printing. Short-run printing reduces the number of newspapers and books printed and transported unnecessarily.

Document outsourcing was another Océ growth area in 2009 that had a positive impact on sustainability. Océ Business Services staff are increasingly responsible for document flows at customer sites, advising customers on how to improve efficiency, cut costs and reduce the environmental impact of their operations.

Reuse continued to be an important focal area. Océ Prémia Class, launched in 2008, is the epitome of Océ's commitment to design-for-reuse. Océ Prémia Class products are fully remanufactured from end-of-life products. In 2009, more models were added to the range.



New products can also make a difference. In 2009, the Océ PlotWave 300 system was launched, a printer that sets a new benchmark in energy efficiency. The printer uses only 50% of the electricity of comparable printers. The compact, all-in-one, large format system represents the next wave in green technology.

In addition to progress made towards realizing corporate targets, local achievements throughout the year highlight Océ's commitment to sustainability across the whole organization. The key driver of moves to increase awareness of sustainability issues within Océ was undoubtedly the Océ Sustainability Week. You will find some examples of how Océ employees put our sustainability principles into practice in this report.

In a difficult year, when we have had to eliminate 1,550 job positions, it was more important than ever to stay close to our employees. Communication, encouragement and training continued to help us maintain our drive to be an employer of choice. We are grateful to everyone within Océ and our partners who has worked so hard during 2009 to support our efforts to be a responsible corporate citizen.

Corporations can play a leading role in making a difference, even during difficult economic conditions. I encourage everyone to join us in addressing today's sustainability challenges and contributing to long-term solutions.

15 April 2010



Rokus van Iperen,
Chairman of the Board of Executive Directors



2 | Océ, the company

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



Océ is active with its own direct sales and service organizations in more than 30 countries. The company has its own research and manufacturing facilities in Europe, the United States, Canada and Singapore.

Océ's commercial organization

Océ's market-oriented structure consists of 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.



Océ is also a foremost supplier of document management outsourcing. Many of the world's Fortune 500 companies and leading commercial printers are Océ customers. The company was founded in 1877 and is one of the oldest players in the industry. With headquarters in Venlo, The Netherlands, Océ is active in around 100 countries and employs some 22,000 people worldwide. Total revenues in 2009 amounted to € 2.6 billion. Océ is listed on NYSE Euronext in Amsterdam.

Océ N.V.		
DDS	WFPS	OBS

Digital Document Systems

Océ sells small format (up to A3 size) equipment via its Strategic Business Unit Digital Document Systems. DDS also supplies unique software and services such as workflow and output management software, consultancy services, maintenance service and financial services (rental and leasing). It addresses a broad range of users, including reprographic companies and companies (mostly print-for-pay) that specialize in producing high print volumes. In the office market, customers range from financial institutions and legal services providers to telecom and utility businesses, public sector services and education. DDS customers also include industrial, trading and consultancy companies.



Océ headquarters in Venlo, The Netherlands.



Customers that use high to very high volume printing systems include direct mail businesses, commercial printers, digital print providers, reprographics businesses (quick printers and copy shops) and specialized transaction statement printers.

In the high-volume market, digital technology is quickly replacing analog systems, and provides an excellent alternative to offset in short-run printing. The quality of prints has improved while the price per print has decreased. Over recent years Océ customers have been able to capitalize on these trends and currently produce, for example, short-run color newspapers and millions of on-demand books on high-speed Océ printers.

Wide Format Printing Systems

The business unit Wide Format Printing Systems supplies a broad range of printing systems and media for technical applications, as well as signage and display graphics for indoor and outdoor advertising. In technical applications, customers include construction companies, architectural and engineering offices, industrial corporations, utility and telecom companies. For graphic arts customers in the advertising industry, WFPS solutions produce indoor and outdoor advertising such as full-color posters, banners, billboards and other forms of (wide format) graphics communication.



Through its own R&D, Océ develops core technologies and the majority of its own product concepts.

Océ also supplies a broad range of selected and tested print media for all its printing systems in small and wide format. The majority of these imaging supplies consist of plain or coated and recycled paper.

Océ Business Services

Océ Business Services is an important provider of document-related services and technology for the public and private sector. Tasks such as copying, printing, mail processing, records management and e-discovery are outsourced to OBS. This allows customers to make the most of Océ's advanced technology, professionalism and depth of knowledge. OBS helps customers to save time and money and to make effective use of knowhow, products and services from the entire Océ organization.

Océ's on-site specialists also advise customers on how to improve the sustainability of their processes, for example, by minimizing the number of printing systems per site or reducing unnecessary prints.

Océ's 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 addition, Océ uses selected technology and products from other producers to ensure that customers have access to a comprehensive product portfolio.

In the Océ business model cooperation with partners plays a major role in numerous fields. Cooperation with strategic partners helps strengthen innovation, as each company has its own specific area of expertise. In 2009, Océ continued to locate, access and share information with external partners across all aspects of its business. These partnerships cover areas such as R&D, manufacturing, sales, distribution and financing.

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. Key aspects of Océ's current R&D strategy also involve creating innovative products based on existing technologies, both those developed within Océ as well as by strategic partners.

The R&D open innovation strategy is based on close cooperation with partners. This approach not only avoids reinventing the wheel but is also providing access to areas where existing technology can be used in completely new applications. This is precisely what is happening in the Océ-led PrintValley consortium, where 23 high-tech partners are working on new developments in fields such as solar panels, health care and food and nutrition.

Manufacturing

During 2009 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 all produced by Océ.

Océ continued to work towards reducing the impact of its manufacturing activities on the environment. Asset recovery and reuse played an important role in Océ's

manufacturing activities in 2009. The Océ Prémia Class, launched in 2008, meets the need for refurbished systems. In 2009 more models were added to the range.

Océ's asset recovery facilities created a constant stream of parts and units suitable for reuse as service parts and in new machines. Very high-volume machine parts were regularly exchanged for reconditioned components.

Global Logistics Organization

The Global Logistics Organization was set up in 2008 to increase the efficiency of Océ's distribution activities worldwide. Starting in Europe, in 2009, the company began to make the shift from each country having its own transport partner, or partners, to a centrally managed European logistics operation. Coordinated logistics and smarter distribution procedures are helping to maximize the efficiency of truck journeys and reduce handling. These preparations to optimize Océ's European distribution network include measures to reduce total transport volumes within Europe.

Service

After-sales customer service is key to the long-term relationship Océ enjoys with its customers. A professional Océ Service & Support team combines with effective and efficient processes to meet the customers' after-sales requirements. In 2009, reducing service visits, and increasing the efficiency of those made, began to help lower CO₂ emissions from the service fleet.



Asset recovery and reuse played an important role in Océ's manufacturing activities in 2009.

New Service & Support programs introduced in 2009 focused 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.

Joining forces

In November 2009, Océ and Canon announced a conditional agreement to combine their printing activities, with a view to creating the number one presence in the printing industry. Both companies share a commitment to sustainability. Each has a strong history and proven track record of innovative R&D and customer focus.

Canon officially submitted the Offer Memorandum on 28 January 2010. On 4 March 2010, Canon declared its offer unconditional.

Dilemma CO₂ emissions

Cost reduction through outsourcing manufacturing may lead to a negative impact on the environment. Increased pressure on the cost price, due to international competition, has made it necessary for Océ to outsource manufacturing to countries with a lower cost structure. However, manufacturing goods in Asia brings with it increased transport for modules and machines as well as frequent travel for employees. A positive aspect is the better spread of employment to emerging economies.



Océ continued to outsource manufacturing to Asia.

Several measures were undertaken in 2009 to improve the efficiency of shipments from Asia. One of these has been to direct intercontinental transport from Océ's centralized Asian warehouse to Océ's centralized warehouse in Los Angeles. For finished products and service parts, this eliminates transport via Venlo to North America. Another ongoing measure, started in 2009 but mainly involving new product introductions in 2010 and onwards, is to increase sourcing levels in the Asia-Pacific region. In addition to these direct steps, a number of indirect measures are being introduced that will reduce the need for airfreight transport. These include increasing flexibility in the supply chain and enhancing forecast accuracy.

Ambitions and strategy

Océ's strategy is aimed at optimizing its business processes, strengthening its product portfolio and expanding its distribution power. The current economic crisis continues to have an impact on Océ.

As a result, the strategic pillars remain of high importance.

Strategic objectives

Customers

- To build and strengthen leading positions in heavy production segments in regular format environments.
- To expand the existing position in outsourcing services toward document management services with high added value.
- To strengthen the leading position in Technical Document Systems.
- To build a leading position in Display Graphics Systems in selected markets.
- To be a supplier of print media that makes total solutions possible.
- To enable customers eco-efficient and eco-effective document management.

Employees

- To be an attractive employer worldwide and establish Océ as the employer of choice.
- To challenge employees to come up with ideas that go beyond the ordinary.

Shareholders

- To achieve a Return on Capital Employed of at least 13%.
- To realize an average annual organic growth in revenues of 5%.
- To maintain the relative gross margin.
- To maintain sound balance sheet ratios.
- To further expand a constructive dialogue with shareholders.
- To attract investments from green investment funds.

Partners

- To cooperate in the technology sector with the top specialists in the industry.
- To cooperate with high value suppliers of components, modules and machines.
- To cooperate with market partners that make a substantial contribution toward boosting distribution power.
- To cooperate with leading vendor lease partners.
- To require partners to adopt the same norms and standards with regard to sustainability as Océ itself adopts.
- To challenge partners to inspire Océ with new ideas.

Society

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



Océ seeks to create value for all stakeholders by realizing profitable growth. The combination with Canon offers the possibility of safeguarding business continuity over the medium and long-term as well as achieving growth in the future.

Achievements in 2009

Customers	<p>Continued successful cooperation with Konica Minolta and further strengthened sales in cutsheet color via Konica Minolta's systems.</p> <p>Océ PlotWave 300 and Océ VarioPrint® 4000 series confirm Océ's leadership.</p> <p>Expanded successful Océ Arizona® series and bolstered top position in flatbed UV-curable ink.</p> <p>Concentrated on selling additional services to customers of Océ Business Services and developing value added services.</p> <p>Increased print media coverage on Océ machines.</p> <p>Customer satisfaction survey in the United States showed continued high levels of satisfaction for Océ products, services and interaction with customers.</p> <p>Océ Business Services developed a toolbox that substantially reduces the use of paper and energy at the customer.</p>
Employees	<p>Océ-Nederland B.V. voted best employer in The Netherlands and honored for providing the Best Sales Traineeships.</p> <p>Océ celebrated its first global Sustainability Week.</p>
Shareholders	<p>Net income - € 47 million, RoCE - 1.0% and organic growth revenues - 9.0%, strongly influenced by the economic downturn.</p> <p>Business processes and balance sheet further optimized:</p> <ul style="list-style-type: none"> optimization of logistics, purchasing and IT systems; € 154 million in cost savings achieved, versus a target of € 124 million; number of jobs reduced by 1,550; balance sheet total decreased to € 2,207 million (2008: € 2,549 million); free cash flow increased to € 82 million (2008: € 19 million).
Partners	<p>Extended technology partnerships:</p> <ul style="list-style-type: none"> initiated and leading PrintValley; introduced Knowledge Specialist program. <p>Cooperation with OEM (Original Equipment Manufacturer) partners continued; cooperation with Konica Minolta extended in R&D.</p> <p>Expansion of Océ JetStream® series developed together with Miyakoshi.</p> <p>Konica Minolta and Fujifilm continued to sell substantial numbers of Océ systems.</p> <p>Océ joined the Electronic Industry Citizenship Coalition (EICC). The EICC promotes an industry Code of Conduct for global supply chains to improve working and environmental conditions.</p>
Society	<p>Océ Imaging Supplies gained PEFC sustainability certification for a large part of its product range.</p> <p>Océ organized its second international stakeholder dialogue.</p> <p>Océ among the top five listed companies included in the Dutch Carbon Disclosure Leadership Index.</p>



3 | Océ's sustainability policy



Caring by nature Océ is focused on creating value for all stakeholders by realizing profitable, sustainable growth. The Océ strategy is aimed at optimizing business processes, strengthening its product portfolio and boosting distribution power. Sustainability underpins these strategic aims. A strong performance in sustainability contributes to operational efficiency as well as generating stronger product propositions and a more powerful market image. It is no coincidence that Océ embraced sustainability as part of its core proposition decades ago.

Océ's proposition to the market is to support customers in their efforts to increase the efficiency and effectiveness of their document management processes. By doing this, Océ not only helps customers achieve their business objectives, but also reduces their environmental footprint. Planet and profit go hand-in-hand. This is why Océ's sustainability mission is only a slight rephrasing of Océ's corporate mission statement.

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 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 impacts Océ products may have on the environment.

Océ aims to be a leader in sustainability. In 2006, the company defined five focal points¹ to structure its sustainability-related activities. In 2008, a clear sustainability strategy was formulated including targets for the short, medium and long term.

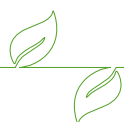
In order to broaden the scope of Océ's communication and reporting on sustainability, in 2009 the five focal points were incorporated into five focal areas.

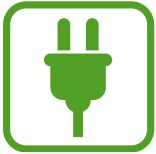
Sustainability Focal Areas

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

1 Focal points:

- (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;
- (5) Establish Océ as the employer of choice.





These focal areas help create a positive impact on people, planet and profit. This is why 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. Océ also wants to contribute to the worldwide objective of avoiding global warming by minimizing CO₂ emissions. 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 as regards 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. It has therefore defined not only an overall sustainability strategy but also specific strategies for each stakeholder group.

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.



Stakeholder engagement

In dialogue with stakeholders

Following feedback from the first stakeholder dialogue in 2008, Océ formulated a clear strategy with measurable targets. Océ also improved its reporting by expanding the scope and transparency of information provided in accordance with Global Reporting Initiative (GRI) guidelines that address the people-planet-profit dimensions of sustainability.

After the success of the 2008 stakeholder dialogue, in November 2009, Océ hosted its second annual international multi-stakeholder dialogue in cooperation with the Dutch Association of Investors for Sustainable Development (VBDO). Some 40 stakeholders were invited to corporate headquarters in Venlo to comment on the company's sustainability strategy and targets. During a day-long event customers, employees, shareholders, partners, vendors and NGOs (non-governmental organizations) discussed issues ranging from being an employer of choice and carbon savings to responsible supply chain management.

Prior to the event, stakeholders had been asked to complete a survey with questions on Océ's sustainability policy, performance and reporting. The findings of this survey formed the starting point for the discussion.

The event was considered a success. It generated useful and positive feedback on Océ's sustainability policy and resulted in a range of sustainable ideas.

Key findings

Stakeholders appreciated the efforts Océ made to reduce the impact on the environment. They agreed that Océ's sustainability focal points were relevant to the sector in which the company operates. They found that Océ had made good progress in improving the sustainability of its business activities and that reporting was now clearer. Stakeholders recognized improvements Océ had made during the year on supply chain management. They also pointed out further opportunities for improvement. These included:

Employer of choice Océ has developed only one target related to employer of choice. Additionally, stakeholders expressed the view that employee development is crucial, particularly in the current economic downturn. Moreover, Océ should be seen to measure and communicate employee satisfaction levels.

Employee awareness Océ should continue to focus on developing a responsible attitude among employees towards sustainable behavior by promoting environmental engagement and embedding a sustainability mindset in everyday work.

Carbon savings Océ would benefit from communicating more explicitly on the carbon savings it has generated through the launch of the series of remanufactured printing systems.

Supply chain management Stakeholders suggested that Océ should report more clearly on its responsible supply chain management program and requested a clear set of supply chain management targets. They urged Océ to make more use of knowledge from outside the electronics industry. They also requested a greater insight into the geographic spread of suppliers and advised Océ to help suppliers improve processes and comply with the EICC Code of Conduct (for more info on Océ's EICC membership, see chapter 4, page 29).

The key findings from the stakeholder dialogue are on the agenda of the Océ Corporate Sustainability Forum. They are to be addressed during the course of 2010.



In November 2009, Océ hosted its second annual stakeholder dialogue on sustainability.

Engagement per stakeholder group

Apart from the annual multi-stakeholder dialogue, in 2009 Océ engaged regularly with key stakeholders.

Customers

Océ's sales and service organization enabled the company to keep in close contact with customers and to react to their needs and wishes. In addition, Océ used a web-based communication tool, the Merlin Tracking System, to follow-up on remarks and questions from customers about functionality issues.

A Customer Experience Survey was used to measure customer satisfaction. In 2009, the web-based survey system was further improved and a new reporting tool developed. The reports provided detailed customer feedback and enabled Océ to make an analysis of the performance of technicians and Océ products.

In 2009, customer inquiries on sustainability increased, especially in public tenders, where sustainability is now an important buying criterion. Customers were interested in the sustainability aspects of Océ products, as well as Océ's internal sustainability programs. They wanted to make sure that both Océ equipment and operations met stringent environmental standards.

Employees

In 2009 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, such as an employee satisfaction survey and evaluation cycles on an individual basis.

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.

In 2009 Océ implemented several interactive communication tools that enabled employees to collaborate and share information:

Busting rumors To create transparency and to counter rumors regarding the severe cost-cutting measures needed as a result of the global economic crisis, Océ introduced "Rumorbuster". Questions and answers were published on the intranet. The Rumorbuster site was a success as it directly addressed the rumors, which then quickly diminished.



The Océ Home of Color event attracted almost 500 visitors.

Océ Home of Color

In March 2009, Océ organized a Home of Color event at its Poing (Germany) facility. During this four-day event, almost 500 visitors (customers, prospects, media and business analysts) from some 30 countries witnessed presentations and live demonstrations of state-of-the-art printer technology. Building on the success of the first Océ Home of Color event, two international VIP customer events took place at the Poing supply center in October 2009. Delivering on a promise made during the spring edition, a broad range of new products was presented live. The extensive product exhibition was complemented by a seminar program covering innovative business topics, technology presentations and industry trends.

MoneyTalks blog The company's Chief Financial Officer also looked for ways to spread the message that cash is crucial and every employee needed to make savings. A blog where employees provided money-saving ideas, called MoneyTalks, was created. The blog generated over 60 money-saving ideas that are being evaluated for possible implementation.

Yammer Océ also introduced Yammer, a secure internal, microblogging platform, comparable with Twitter. It connects hundreds of people and ideas, linking employees that may not normally share ideas.

Sustainability Wiki A special Sustainability Wiki was set up, where sales and service staff can find answers to questions about the sustainability aspects of Océ's products and operations. The resource helped employees source and share important sustainability knowledge and exchange best practices.

This internal communications approach led to the company being nominated for two European Excellence awards in the categories Technology & Consumer Electronics and International Communication. The awards honor outstanding achievements in communications.

Investor Relations

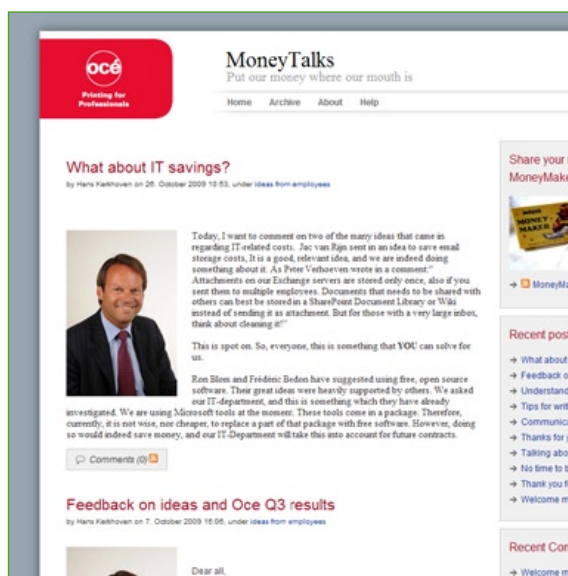
By maintaining regular and direct contact with (potential) investors, Océ continued to monitor their wishes and ideas. The company strove to provide timely and effective information about ongoing developments. More detailed information on Océ's Investor Relations policy and communication with shareholders can be found in the Océ Annual Report 2009, page 155.

Océ continued its cooperation with the Dutch Association of Investors for Sustainable Development (VBDO), by co-organizing the annual stakeholder dialogue on sustainability for the second consecutive year.

Partners

To help Océ address the challenges posed by the economic crisis, the company made extensive use of partners' expertise and skills throughout 2009. For these partnerships to be successful, it was paramount for partners to be in tune with the sustainability practices that Océ had adopted for its products, services and operations.

Open innovation Through Océ's open innovation model, R&D worked closely together with many partners on research projects and related activities. In the manufacture of Océ printers a selected number of suppliers were involved as co-developers of parts or modules of Océ products.



A blog where employees provided money-saving ideas, called MoneyTalks, was created by the company's Chief Financial Officer.

Distribution partners The company continued to monitor partners from countries where Océ is represented by independent local channel partners and resellers. This cooperation took the form of a true two-way relationship with Océ advising and supporting partners in the development of their business. To strengthen relationships with those partners Océ managed an International Océ Certified Partner Program.

Waste disposal and recycling Océ cooperated with organizations such as INGEDE and DPDA on paper recycling and de-inking. See page 43 for further details. To control quality as well as waste disposal costs, Océ opted for close cooperation with a small number of professional partners.

Society

Océ's dedicated sustainability website (www.sustainability.oce.com) provides a central databank of information for stakeholders. Readers are welcome to submit any questions to Océ. Océ also invites comments on the company's sustainability policy and its performance.

At a local level, in 2009 Océ continued to hold regular talks with authorities.



The Océan of Colors event, held in February in Venlo, was attended by 25 distributors from 15 countries.

Océ Direct Export Events

Working closely with partners, Océ organized various joint shows and workshops for distributors in 2009. One of these was the Océan of Colors 2009, for the pre-launch of the Océ Arizona 350 XT printing system, held in February in Venlo. The event was attended by 25 distributors from 15 countries.

Workshops included the Océ Direct Export Academy 2009, a graphic arts event with a range of activities, attended by 20 distributors from various Océ markets.

At the company's Key Distributor Meeting, CEOs and managing directors of Océ's seven largest distributors were invited to take part in brainstorming sessions on how to tackle the economic crisis and improve cooperation.

Targets

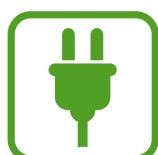
In 2008 Océ formulated a clear sustainability strategy, including targets for the short, medium and long term. The status on these targets is presented here. More information can be found in the relevant chapters of this Sustainability Report.

Focal Area Paper



Target term	Target definition	More info on page
2009-2010	A minimum growth of 50% in the sourced volume of Océ recycled paper for the European market will be realized over 2008. Status 2009: Sourced volume decreased by 3%. Not on schedule.	32
	By 2010, more than 90% of the paper volume sourced will carry a certification label for sustainable paper. ² Status 2009: 70% (2008: 59% (Europe only)). On schedule.	32
>2014	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 2009: Investigation phase.	32

Focal Area Energy



Target term	Target definition	More info on page
2009-2010	100% of newly introduced eligible product platforms will be ENERGY STAR qualified. ³ Status 2009: Qualification obtained for all eligible products launched in 2009.	34
2011-2013	By 2012, 100% of the electricity purchased for the production sites will be renewable electricity. Status 2009: 12% (2008: 9%). On schedule.	41
	By 2012, average emissions for European lease cars will be reduced to 130 g CO ₂ /km in line with the EU strategy. Status 2009: 152 g CO ₂ /km (2008: 156 g CO ₂ /km). On schedule.	41
	By 2013, average emissions for lease cars in the United States and Australia will be reduced to 200 g CO ₂ /km (NEW). Status 2009: 245 g CO ₂ /km (US), 284 g CO ₂ /km (Australia).	42



Focal Area Reuse



Target term	Target definition	More info on page
2009-2010	<p>By 2010, the amount of reused parts in Océ developed products will be more than 20%.</p> <p>Status 2009: 22% (2008: 16%). Target achieved ahead of schedule.</p>	36
2011-2013	<p>By 2012, the amount of waste landfilled from the production sites will be reduced to 2% of these sites' total waste.</p> <p>Status 2009: 2.2% (2008: 3.6%). On schedule.</p>	42

Focal Area Product Responsibility



Target term	Target definition	More info on page
2009-2010	<p>100% of newly-introduced eligible product platforms developed by Océ will have a toner/ink packaging for dust-free filling and environmentally friendly disposal at customer sites.</p> <p>Status 2009: All eligible products introduced in 2009 complied.</p>	37
	<p>100% of newly-introduced office products will comply with the Blue Angel eco-labeling program.³</p> <p>Status 2009: All office products introduced in 2009 complied.</p>	37
2011-2013	<p>By 2012, Océ will introduce a new green flagship product.^{4,5}</p> <p>Status 2009: On schedule.</p>	37
	<p>All products to be introduced by 2012 will improve on at least two out of the four product-related focal points when compared to their predecessors.⁵</p> <p>Status 2009: On schedule.</p>	37
	<p>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.⁶</p> <p>Status 2009: On schedule.</p>	37
>2014	<p>By 2015, Océ will market two applications that will enable specific markets to become more eco-effective in their document management.</p> <p>Status 2009: Investigation phase.</p>	37



Focal Area Employer of Choice



Target term	Target definition	More info on page
2009-2010	An employee awareness program will be rolled out. Status 2009: Océ Sustainability Week organized in April 2009. Target achieved.	48
	100% of sales and service employees will be educated on how to advise customers to operate more eco-efficiently and eco-effectively in document management. Status 2009: Training program started. Slightly behind schedule.	48
2011-2013	In 2013, the percentage of women in top positions will be at least 5% in The Netherlands. ⁷ Status 2009: 3% (2008: 3%). Programs to be implemented. Behind schedule.	50
	In 2013, the percentage of women in sub-top positions will be at least 9% in The Netherlands. ⁸ Status 2009: 7% (2008: 6%). Programs to be implemented. Slightly behind schedule.	50
>2014	In 2015, the percentage of women in management positions will be 30%. ⁹ Status 2009: 21% (2008: 19%). Programs to be implemented. Slightly behind schedule.	50

2 Sustainable paper is paper originating from certified sustainable sources. The following certification labels apply: FSC, PEFC, SFI, EU Ecolabel. Recycled paper is not included.

3 In the case of OEM products the policy of the manufacturer will be respected. Excluded are remanufactured models or Factory Produced New Models (FPNMs).

4 A green flagship product is a product that sets a new benchmark within its own product category in the market on at least two out of the four product-related focal points.⁵

5 Product-related focal points are:

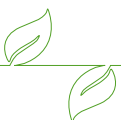
- (1) Minimize incorrect and unnecessary prints;
- (2) Minimize energy consumption per print;
- (3) Maximize reuse of materials and minimize landfill;
- (4) Minimize emissions of ozone, dust, toner and noise.

6 The Océ Eco Code will be finalized in 2010.

7 The top has been defined as the Board of Directors and its Senior Management. Senior Management refers to the two levels below the Board of Directors.

8 The sub-top has been defined as middle management and professionals who are expected to reach the top. The sub-top comprises the third level below the Board of Directors.

9 A management position is any position in which the employee leads one or more employees.



Highlights 2009



Official launch of
Océ Green Services
See page 34.



Creating global leader in
printing industry
See page 13.



Océ among frontrunners in
Transparency Benchmark
See page 46.



Eco-Label award for
Océ-Österreich
See page 39.



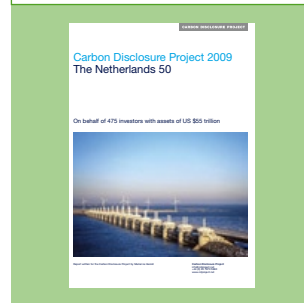
Océ UK and Océ-Hungária
receive ISO 14001
certification
See page 40.



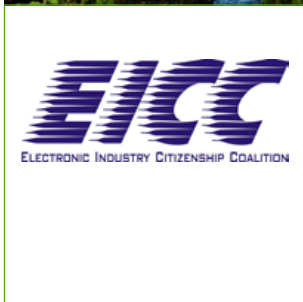
PEFC certification granted
to Océ Imaging Supplies
See page 31.



Océ celebrates first global
Sustainability Week
See page 48.



Océ commended for
climate change disclosure
See page 46.



Responsible supply
chain management:
Océ joins EICC
See page 29.



Océ-Nederland
"Top employer in
The Netherlands"
See page 51.



Stakeholder dialogue on
sustainability
See page 18.

The full sustainability track record can be found on
www.sustainability.oce.com/trackrecord-overview.asp.



4 | Océ's management systems

Corporate governance The following description of Océ's corporate governance structure is based on that of an independent and publicly listed company. The completion of the conditional offer by Canon Inc. that was announced on 16 November 2009 means that the Company's governance structure will undergo changes in a number of respects. This future structure is not described here. For the rest no major changes were made in the governance structure during 2009.



Structure, policy and compliance

Océ N.V. is an international holding company within the meaning of Article 2:153, para. 3b of the Dutch Civil Code. This implies that shareholder rights are not restricted by the regulations applicable in The Netherlands to companies subject to what is known as the "structure regime".

Océ's corporate governance structure is based on the Dutch legislation, jurisdiction and codes of best practices. In The Netherlands, the Dutch corporate governance code (the Dutch Code) has been applicable since December 2003. It consists of 21 principles and 113 best practice provisions. The Dutch Code was given legal status with effect from 1 January 2005. As from the 2003 financial year Océ has included in its annual report a paragraph on corporate governance matters explaining the way in which the company applies the Dutch Code.

The Board of Executive Directors and the Supervisory Board of Océ subscribe to the basic principle that was applied when drawing up the Dutch Code: a company is a long-term collaboration between the various parties involved. These parties, the stakeholders, are the groups and individuals that directly or indirectly influence (or are influenced by) the achievement of the company's objectives and they include employees, shareholders and other providers of capital, suppliers and customers, but also government and civil society.

The Board of Executive Directors and the Supervisory Board have overall accountability for achieving the right balance between the interests of the stakeholders so as to safeguard value creation and ensure the continuity of the business.

The Board of Executive Directors and the Supervisory Board believe that the governance structure currently in place at Océ fits in with the present times, is in line with the Dutch Code and strikes the right balance between the rights of shareholders on the one hand and the interests of the Company, its affiliated businesses and other stakeholders on the other.

The risk management and internal control system

The Board of Executive Directors is 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.

For more details on corporate governance and risk management see the Océ Annual Report 2009, pages 52-67, and the Océ website (www.investor.oce.com) under the heading corporate governance.



The Board of Executive Directors of Océ N.V.
From left to right:
A.H. Schaaf,
R.L. van Iperen, *chairman*
and H.A. Kerkhoven.



Sustainability governance

Corporate Sustainability Forum

Helping determine the way Océ manages sustainability, the Océ Corporate Sustainability Forum advised the Board of Executive Directors 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 Board of Executive Directors on the progress of implementing actions in the sustainability strategy. The forum also provides advice throughout the organization on a range of sustainability issues.

The main issue for the forum in 2009 was to embed all sustainability targets, defined in 2008, into Océ's business operations. To support this process, implementation plans for each target were developed.

Sustainability management systems

Product safety and the environment

Océ continuously focuses on compliance and structure with regard to international and local regulatory obligations as minimum standards for its operations, products and services. To ensure optimum safety for customers using its equipment, Océ applies its own set of technical regulations (Océ Technical Standards)

during the design processes. Corporate responsibility for product safety rests with the Chief Technology & Operations Officer, who is a member of the Board of Executive Directors. The Chief Technology & Operations Officer has delegated this responsibility to the R&D directors.

Human Resources Management

The Chairman of the Executive Board is 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 (www.sustainability.oce.com/human-rights.asp) 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. Corporate responsibility for human rights rests 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) or to report on compliance with the Corporate Human Rights Policy in the annual Letter of Representation. In 2009, no incidents were reported.

Health, safety and environmental protection

Corporate responsibility for health, safety and environmental protection (HS&E) rests with the Chairman of the Board of Executive Directors. 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.



The Océ Corporate Sustainability Forum advised the Board of Executive Directors on a range of sustainability issues.



Certificates

Certificates on quality (ISO 9001), environmental (ISO 14001) and occupational health and safety (OHSAS 18001) management provide assurances on the management of these areas. The table below presents an overview of Océ's current certificates.

Océ site	Certificate		
	ISO 9001	ISO 14001	OHSAS 18001
Océ UK	x	x	x
Océ-Ceská republika	x	x	
Océ-France	x	x	
Océ-Hungária	x	x	
Océ-Iberia (Spain, Portugal)	x	x	
Océ Printing Systems	x	x	
Océ Schweiz	x	x	
Océ-Slovenská republika	x	x	
Océ-Technologies	x	x	
Océ-Belgium	x		
Océ-Deutschland	x		
Océ-Italia	x		
Océ-Nederland	x		
Océ-Nordic (Norway, Denmark, Sweden, Finland)	x		
Océ-Österreich	x		

Fraud risk management

Since 2007, Océ has had 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 all other processes within the company.

A fraud risk assessment program is performed annually. Each local company has assigned independent assessors trained in risk management. In 2009, the fraud risk assessment program covered 95% of Océ companies. No major issues were reported. Under the Whistleblower Policy, none of the complaints filed during 2009 resulted, after investigation, in the identification of any infringement.

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 (www.eicc.info). 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.

With this membership Océ commits to progressively aligning its own operations with the provisions of the EICC Code of Conduct and to support and encourage its own first-tier suppliers to do the same. For specific information on Océ's approach in this, see chapter 6, page 44. Corporate responsibility for supply chain management rests with the Chief Technology & Operations Officer.



Anti-competitive practices

The guiding principles for Océ's dealing with competition are laid down in the Océ Policy Principles. The aim of the policy is to increase the market value of the company and to generate a solid return on capital through honest competition with other companies in the global marketplace. Furthermore, Océ Policy Principles state that "the company must carry out its activities in accordance with all applicable legislation and regulations in the countries concerned as a responsible corporate citizen, and that it must never deliberately contravene such legislation". Corporate responsibility for the prevention of anti-competitive practices by members of the Océ group rests with the Company Secretary & Chief Legal Officer. Following the publication of Océ's Antitrust and Competition Law Handbook in 2008, internal presentations were made in 2009 to increase awareness of anti-competitive arrangements. As a result, Océ's legal department received more questions on anti-competitive practices and at an earlier stage.



With respect to intellectual property (IP) rights, Océ renewed its Intellectual Property Policy in 2008. This policy provides guidelines and instructions for the protection of the Océ intellectual property and proprietary information, licensing practices and how to deal with the intellectual property rights of others. Corporate responsibility of IP matters continued to reside with the Chief Technology & Operations Officer in 2009.

Competition and intellectual property issues are now embedded within the organization.

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 to accelerate the progress of these projects. In addition, selected technology spin-off projects are being initiated, coordinated and supported by Océ. With regard to the involvement of government organizations, the focus in 2009 was on policy development to strengthen Océ in the credit crunch and to accelerate sustainable innovation. Océ, at executive level, actively took part in strategic and tactical decision discussions that governments and enterprises (jointly) needed to take to build sustainable growth. The Corporate Public Affairs Department was instrumental in gaining the support of governmental authorities in terms of policy, loans and subsidies.



The Dutch Minister of Economic Affairs Maria van der Hoeven is a solid partner for Océ's innovative technology projects.

Given the natural fit between Corporate Public Affairs and Sustainability, the Senior Vice President Corporate Public Affairs was appointed Chairman of the Corporate Sustainability Forum and manager of the Corporate Sustainability Department in 2009. Responsibility for Océ's corporate sustainability policy rests here.

United Nations Global Compact

Since 2002, Océ has subscribed to the United Nations Global Compact (www.unglobalcompact.org). The compact is a policy platform and a practical framework for companies committed to sustainability and responsible business practices. The compact asks companies to embrace, support and enact, within their sphere of influence, a set of 10 universally-accepted principles in the areas of human rights, labor standards, the environment and anti-corruption.

Each year, Océ meets one of the commitments it assumed when joining the compact. It is required to report on the steps taken to achieve progress in (one of) the 10 principles.

In 2009, Océ made progress in each of the stipulated areas by joining the Electronic Industry Citizenship Coalition (EICC). The UN Global Compact principles were instrumental in the preparation of the EICC Code of Conduct. For specific information on the implications of this membership, see chapter 6, page 44.



5 | Eco-efficient and eco-effective products

Serving the customers sustainably It is Océ's strategy to

help its customers to develop further toward eco-efficient

and eco-effective document management. Océ systems,

software and print media ensure a smooth and productive

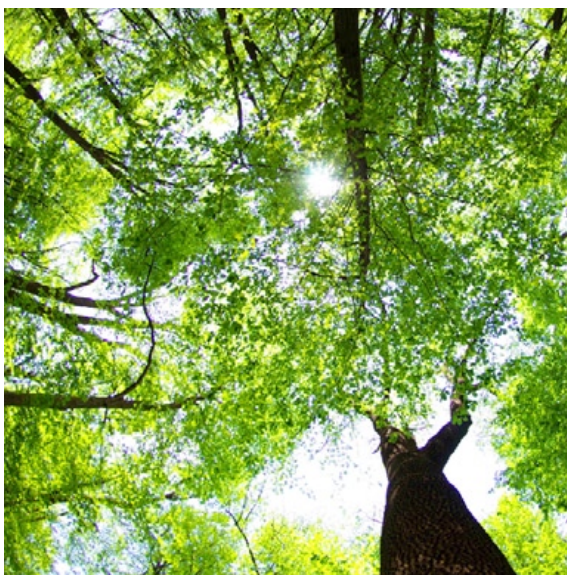
workflow that supports efficiency at customers' sites.

Moreover, Océ systems are built with sustainability in mind,

so they actively support customers' policies on improving

sustainable business.

As mentioned in chapter 3, Océ's sustainability strategy comprises five focal areas: paper, energy, reuse, product responsibility and employer of choice. The first four relate to eco-efficient and eco-effective document management and are elucidated in this chapter.



The Océ Imaging Supplies business group set up an Océ Paper Sustainability Program, concentrating on sustainable forestry, paper recycling, paper waste and energy.

Paper



Paper is an essential part of all our lives. It is also a vital aspect of Océ's business as a printer manufacturer. Given the volume of paper Océ equipment handles, it is important for the company to find sustainable ways of doing business. For that reason Océ has made paper a focal area in its sustainability strategy.

The Océ Imaging Supplies business group, one of the world's largest converters of both plain paper and Computer Aided Design (CAD) media, set up an Océ Paper Sustainability Program. This program concentrates on sustainable forestry, paper recycling, paper waste and energy (CO₂ emissions).

Supporting sustainable forestry

Océ was one of the first printer manufacturers to sell FSC® (Forest Stewardship Council) certified office paper in Europe. Océ Imaging Supplies was one of the first to be FSC Chain of Custody certified.

In 2009, Océ Imaging Supplies gained PEFC (Programme for the Endorsement of Forest Certification schemes) certification for 75% of Océ wide format plain paper media. The PEFC is a global umbrella organization that promotes sustainable forest management. It is supported by 149 governments worldwide and covers 85% of the world's forested areas. The certification provides a number of important assurances on the legality and sustainability of the paper, from the forest to final use. Océ is now entitled to use the PEFC label and logo on its packaging.



Océ also offers EU Ecolabel-certified paper. This European certification system covers the total production process, from the fibers used, to energy usage, emissions of pollutants and waste management.

Promoting paper recycling

In addition to sustainable forestry, recycling is an important aspect of sustainability when it comes to paper. The Océ Recycled Label has been in the company's product range for many years alongside Océ white recycled papers.

One of the steps in the production of recycled paper is the removal of ink from the paper pulp. Océ cooperates with various partners in the field of de-inking. More information on these partnerships can be found in chapter 6, page 43.

Paper sourcing targets

Short term (2009-2010)

A minimum growth of 50% in the sourced volume of Océ recycled paper for the European market will be realized over 2008.

By 2010, more than 90% of the paper volume sourced will carry a certification label for sustainable paper.

Long term (2014 and beyond)

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

While the company continued to promote the use of recycled paper, customer acceptance is lagging behind. At the same time, as a consequence of the economic crisis, the total global market for paper decreased. As a result, the demand for Océ recycled paper decreased by 3% in 2009.

On the other hand good progress was made regarding certification labels for sustainable paper. Worldwide, the percentage of sustainable paper sourced amounted to 70%.

Océ also consulted media suppliers and contacts in media industry associations regarding the possibilities offered by alternative media. User needs, such as the ability to write on the media, toner adhesion, finishing options were aspects considered during this research phase.

Reducing paper waste

Océ Imaging Supplies is continuously improving the way it uses packaging. Many of Océ's papers are now shipped in 2,500-sheet boxes instead of separately wrapping 500 sheet packs of paper. Unboxed rolls of paper are now fitted on a single pallet, greatly reducing superfluous packaging. As a result of advanced logistics software, staff can pack approximately 15% more onto each shipping pallet. This reduces the number of pallets and shipments.

Reducing misprints is also an important consideration. All the different types of Océ media are put through a thorough testing procedure at the company's Supplies Knowledge Center to help customers get the best possible performance. This reduces the chance of misprints and paper jams, thus reducing paper waste at customers' sites.

In addition, Océ's print workflow software helps customers avoid misprints: The award-winning Océ PRISMA®prepare pre-production software allows users to visually inspect finished documents fully on a computer screen, before sending them to the printer. This "WYSIWYG" (what-you-see-is-what-you-get) visualization eliminates waste caused by wrongly finished documents.

Reducing CO₂ emissions

CO₂ emissions are one of the important causes of the greenhouse effect. Océ is the first to market a paper, Océ Black Label Zero, produced carbon neutrally. Produced in an integrated mill, the energy used for making the paper comes from the mill's own pulp making process. All the other fuels used in the process are biofuels. The Océ Black Label Zero paper has a zero CO₂ rating.

Océ, pioneering green newspaper publishing

Faced with a rapidly changing industry, newspaper publishers have searched for new ways to generate revenues and improve service. Publishers have introduced the concept of "smart publishing". With the Digital Newspaper Network (DNN), Océ was a pioneer in "smart publishing" even before the expression was born. The DNN is a global web of high performing printshops that deliver short-run digital production of a variety of newspaper titles at locations far from the publishers' home markets.

The DNN has improved services to readers and has had a positive impact on the environment. Readers are now able to receive newspapers on the day they are produced, at or near their place of demand. There is now no need to fly newspapers half way around the world. This reduces distribution costs and paper's eco-footprint. Only newspapers that are needed are printed. A reduced or eliminated return rate means less paper and less pulping. In the future, this sustainable form of newspaper production is expected to be extended to national newspaper markets.

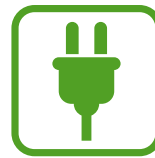
New high-speed full color inkjet presses, such as those in the Océ JetStream family, are able to profitably produce short runs in remote locations. This has a positive impact on the environment, particularly in international markets and in large countries with vast distances between metropolitan areas, such as Australia.

Printing books on-demand

Digital printing, especially printing on-demand can also save substantial volumes of paper. Traditional (analog) book printing typically produces large runs of several thousand copies of each title as a way of lowering the price per copy.

Many thousands of these titles do not become as successful as hoped, and as a result, millions of book copies go unsold. The unsold books are mostly placed in warehouses until they are eventually scrapped. In 2009, digital printing on Océ printers such as the Océ VarioPrint 6320 Ultra and the Océ ColorStream® 10000 allowed publishers to produce short runs of books on-demand for a moderate price without the waste.

Energy



Smart heating

Océ is keen to reduce the total energy costs of printing. Approximately 80% of the energy cost of each printed page comes from producing the paper. The energy used in the manufacture of the machine, toner/ink and consumables is relatively low, considering the average volumes printed per printer. Using remanufactured parts, modules or completely remanufactured systems further reduces energy consumption in the production process.

The remaining 20% of total energy consumption is mainly used during the fusing process (heating). As printers are not in continuous use, low energy consumption between prints and short warm-up times are key sustainability factors. This is especially important in wide format printing in engineering environments, where for many years Océ has had various models with instant technology. With Océ Radiant Fusing technology no warm-up time is required and immediately after finishing a job, the printer automatically goes into a low energy mode. Application of this instant technology is very energy efficient and consumes less energy than conventional fusing methods.

Smart products

In 2009, the Océ PlotWave 300 system was launched, a printer that has set a new benchmark in energy efficiency. The printer uses only 50% of the electricity of comparable printers. The compact, all-in-one, large format system represents the next wave in green technology and is ideal for businesses looking to save money and space.

Océ Eco-efficient printing guidelines

Caring by Nature

Printing for Professionals

Thirteen ways to save cost and the environment

1. Print duplex
2. Use recycled or certified paper
3. Print on a workgroup instead of a desktop printer
4. Pre-proof your document on screen
5. Send print jobs to the mailbox
6. Print multiple pages per page side
7. Reduce your print to a smaller media size
8. Make sure the printer's energy-saving mode is turned on
9. Scan-and-mail instead of copy
10. Use old prints as note or scratch paper
11. Throw obsolete prints in the recycling bin
12. Turn off document headers
13. Buy paper and toner in bulk to save on transportation

OBS offers its customers 13 eco-efficient printing guidelines that can provide sustainable and financial benefits.

The Océ PlotWave 300 printing system is purpose-built to provide the most efficient way to fuse toner onto paper. Thin metallic tiles, made up of highly-durable alloy, are used to efficiently radiate heat so they heat-up and cool-down quickly. The system also fits into small, confined spaces and does not require additional ventilation.

In 2009, Océ also developed the Océ ColorWave® 300 multifunction printer that combines productivity with improved energy efficiency. The inkjet technology of the Océ ColorWave 300 printer consumes considerably less energy compared to conventional black & white systems. The printer was officially launched in January 2010.

Tightened energy targets

When developing new systems, Océ applies its own set of Océ technical standards that must be met at release onto the market. Here, strict maximum levels for energy consumption are laid down. These internal energy targets align with the latest ENERGY STAR specifications that became effective on 1 July 2009.

Energy target

Short term (2009-2010)

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

Status

Océ is a partner of US ENERGY STAR for energy-efficient ICT products. ENERGY STAR is a joint program between the US Environmental Protection Agency (EPA) and the US Department of Energy. While ENERGY STAR threshold levels for qualification went down by as much as 20%, all newly-introduced models in 2009 qualified for these new specifications.

The EuP (Energy-using-Products) Standby regulation 1275/2008, setting strict limits on power levels in off-mode and standby mode, became effective in January 2010. During 2009, Océ ensured that all models were compliant with this significant energy-saving regulation.

Green services

During 2009, OBS in the UK officially launched its Green Services, prepared and tested in 2008. The concept supports OBS clients' own green business goals. Océ Green Services are designed for companies that work with Océ on long-term contracts for outsourced on-site document management services. The main goal of Green Services is to minimize the environmental impact of Océ-supplied services with a particular focus on energy consumption. OBS aims to measure and evaluate energy efficiency periodically and report back to the client on a quarterly basis. An Océ Green Services package also includes the option of offsetting remaining carbon emissions through selected projects. Océ can facilitate a suitable offsetting scheme, via strategic partner Shining Earth, the sustainability division of environmental consultants Delta-Simons.

Océ Carbon Positive Plus+

Océ UK set up a long-term strategic alliance with Delta-Simons in 2007. The environmental consultants have been working with Océ on a wide range of environmental stewardship issues in some groundbreaking initiatives. One such program, the world-first Carbon Positive Plus+ program, involves benchmarking the energy consumption and operational CO₂ emissions of Océ VarioPrint 6000 series printing systems. The program offers the customers the opportunity to offset 200% of the CO₂ generated from the operation of each of its Océ VarioPrint 6000 systems.

Through the offsetting program, Océ UK supported woodland creation in Lincolnshire to protect the Lincolnshire Limewoods, an important nature reserve. Internationally, the offset scheme supported electricity-generating wind turbines and power stations in China, as well as methane capture systems in the Rhine and Ruhr valleys of Germany.

A similar program has been set up in Spain, where Océ-Iberia collaborated with Tree Nation, an organization working towards preventing worldwide deforestation.

Reuse



The ability to reuse materials, particularly in the manufacturing sector, is an integral part of the Océ sustainability strategy. Not only does reusing save precious resources, it minimizes waste. Océ products are typically built for long, intensive use under difficult circumstances. Designers at Océ develop products with a total life cycle in mind. When a lease period for a machine (often between three to five years) expires, a machine does not end up as scrap, but is rejuvenated ready for reuse. Parts and modules are designed that are not type-specific and used in a broad range of different printing systems. The company was one of the first in the industry to establish a complete Asset Recovery factory for this purpose.

During the year, Océ's asset recovery facilities created a constant stream of parts and units suitable for reuse as service parts and in new machines. At Océ's Poing factory, very high-volume machines were returned for refurbishing, updating and remarketing. They left the factory almost as good as new with higher speed, state-of-the-art software and improved print quality.

Green benefits of machine reuse

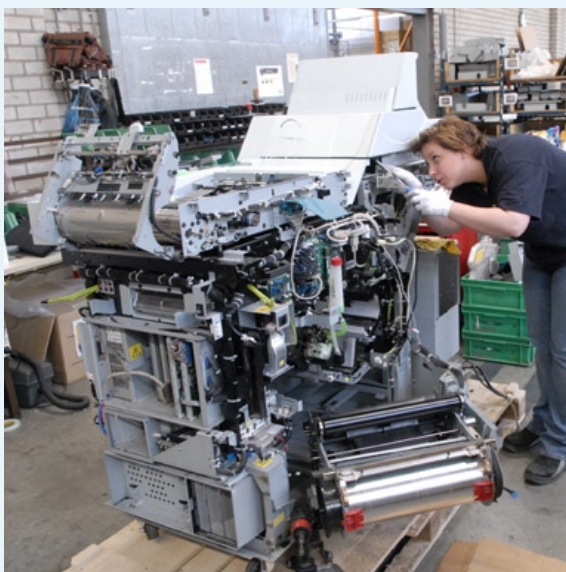
Remanufacturing machines, units and parts has significant environmental benefits. When a machine is remanufactured, approximately 85% of the weight of the machine is reused. The Océ policy is focused on reusing original parts, which means there is less need for virgin materials.

Reusing parts is beneficial to the environment as less energy is needed in its production. An Océ study in 2009 revealed that the CO₂ footprint for producing a typical remanufactured system is almost half that of a newly-produced system.

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 the source is an important process. By keeping impurities low, these waste materials result in high-quality recyclates preventing downcycling¹ as they can be used to produce high-quality products again. This approach underlines Océ's commitment to applying the cradle-to-cradle philosophy.

¹ Downcycling is the recycling of a material into a material of lesser quality.



Océ was one of the first in the industry to establish a complete Asset Recovery factory.

Dilemma reuse

Increased sales through resellers implies a reduction in the number of leased systems. As a result, fewer systems return to Océ and the opportunities for reclaiming parts and remanufacturing diminishes.

To deal with this dilemma, Océ introduced an active policy in direct sales to promote the leasing of systems rather than purchasing outright. This policy enables Océ to retrieve the system after a lease period has expired and to reclaim parts as well as remanufacture the machines.



Océ Prémia Class

Océ Prémia Class is the epitome of Océ's commitment to design-for-reuse. Océ Prémia Class products are fully remanufactured from end-of-life 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 printers. The range of products in the series is continuously growing.



Recyclable toner bottles

Most toner bottles that Océ develops are 100% recyclable. The plastic used for the bottles is of a high quality and can be easily recycled into new plastic material. The Océ sustainability website www.sustainability.oce.com/care-and-dispose.asp provides information about the most environmentally friendly method of toner bottles disposal.



The Océ sustainability website provides information about the disposal of empty toner bottles.

Reuse target

Short-term (2009-2010)

By 2010, the amount of reused parts in Océ developed products will be more than 20%.

Status

In 2008 Océ set a corporate target for the reuse of materials. In 2009 the total use of materials for products that Océ developed amounted to 4.5 kilotons, 22% of which consisted of reused materials. This meant Océ reached its target ahead of schedule. Additionally Océ refurbished approximately 12,000 service parts (150 tons). The increase in reuse is a result of optimizing Océ's remanufacturing activities. In 2010, this will be continued by shifting several local remanufacturing activities, such as workshops, to centralized asset recovery facilities.

In 2009 the popular Océ Prémia Class program was enhanced with the addition of new models. This extension of the range is another driver in Océ's efforts to improve reuse levels.

Product responsibility



Product safety and environment

To ensure optimum safety for customers using its equipment, Océ applies its own set of technical regulations (Océ Technical Standards) during the design processes. These are generally much stricter than official regulations. These standards include the latest information on health, safety and environmental impacts of materials and substances used by Océ, as well as ergonomics. Updates of legislation, regulations and global industry standards are taken into account. Before being released for sale, Océ products are assessed and approved by independent experts and testing institutes such as TÜV and Cetecom in Germany, UL in the United States and CSA in Canada. Océ products are accompanied by adequate 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 always share their work space with people. This poses challenges, especially in heavily populated office environments. For decades Océ has been aware of the physical and psychological impact of copying and printing systems in multifunctional work environments. As a result, Océ designs are focused on convenient and safe use and avoiding hindrances and discomfort. This is demonstrated by the 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 workspace, most Océ printers are additionally equipped with highly effective filters.

The Océ Copy Press technology also effectively prevents emissions of dust particles.

Océ is well-aware of public concern and media attention on the emission of ultra-fine dust from printing equipment within the office environment. Therefore, together with other printer manufacturers, Océ actively participates in the German BITKOM-Fraunhofer WKI project to analyze and define the emissions of ultrafine particles from office printers.



The Océ VarioPrint 6320 Ultra, launched in 2009, uses the Océ Copy Press technology.

Product responsibility targets

Short term (2009-2010)

100% of newly-introduced eligible product platforms developed by Océ will have a toner/ink packaging for dust-free filling and environmentally friendly disposal at customer sites.

100% of newly-introduced office products will comply with the Blue Angel eco-labeling program.

Status

The German "Blaue Engel" (Blue Angel) is the world's first and best-known eco-label. Since 1978, it has set the standard for eco-friendly products and services selected by an independent jury according to defined criteria. The Blue Angel is awarded to companies for products that reflect their commitment to environmental protection.

All office products introduced in 2009, including the Océ VarioLink® 2221, Océ VarioLink 2821, Océ VarioLink 3622 and the Océ VarioLink 4522c systems, are Blue Angel-compliant.

With regard to the toner/ink packaging target, continuous feed products launched in 2009 were all equipped with dust-free filling technology. All Océ products to be introduced in 2010 are on schedule to meet these targets.

Medium term (2011-2013)

By 2012, Océ will introduce a new green flagship product.

All products to be introduced by 2012 will improve on at least two out of the four product-related focal points when compared to their predecessors.

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.

Long term (2014 and beyond)

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

Status

All Océ products to be introduced by 2012 are on schedule to meet the medium-term targets. The long-term target on eco-effective document management is still in investigation phase.

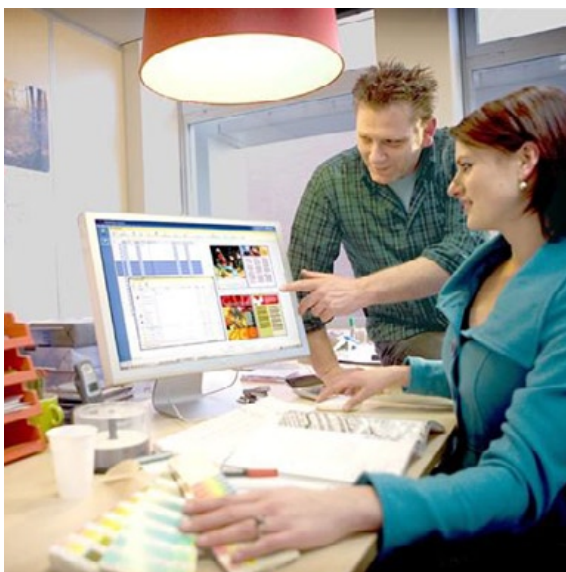
Product Carbon Footprint

During 2009, the demand for sustainable products has grown significantly and there is an increasing need for information to enable potential customers to make sustainable purchasing decisions. In many cases, greenhouse gas emissions associated with products over their lifecycle have been proposed as an indicator, known as the Product Carbon Footprint (PCF).

There is a broad range of existing and forthcoming measures and initiatives at EU and national level to foster energy efficiency and environmental performance of ICT products. Océ supports the development of universal environmental disclosures that are scientifically underpinned and easy for 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.

Regulations

In recent years the number of regulations from bodies such as the European Community and the US Government has increased. It is of course imperative for Océ to comply with these regulations, but Océ also takes an active role during the development of these regulations by anticipating the outcome. A team of product safety and environment specialists is engaged full-time in researching new developments and representing Océ at international consultations with governing bodies and industry representatives.



The Océ PRISMA workflow software ensures state-of-the-art security.

Océ complies with major international directives, regulations and guidelines on sustainability such as RoHS, WEEE, EuP and REACH. 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).

IT security

Océ 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 are regularly updated based on changing market and technological requirements. The standards ensure that all newly-developed products have state-of-the-art security. Océ also has processes in place to safeguard the security of customers' printing environments, at and also after installation.

Support

To ensure that Océ customers have up-to-date security of their printing environment, Océ has implemented:

- | Security Web pages for addressing Operating System issues that are relevant for Océ printers; this is also used 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

Océ actively participates in an IEEE P2600 Hardcopy Device and System Security taskforce. This group has defined industry standards for the security requirements for printers, copiers and multifunctional devices. This puts Océ at the forefront of developing technologies related to these requirements. The standards address security requirements including authorization, privacy, integrity, device management, physical security and information security.



Data security is not the only aspect of IT security. Another main component is the handling of obsolete data media. In 2009, a facility-wide initiative was launched in Poing to collect and safely dispose of old data volumes and other media. A total of over 2.3 tons of old data volumes and media, including confidential documents, has been sustainably disposed of. The response was so overwhelming that the initiative is being continued into 2010. In addition, employees now have a permanent collection container available for safe disposal.

Awards for sustainability

Océ quality and reliability honored with three BLI "Pick of the Year" awards

In January 2009, Buyers Laboratory Inc (BLI) presented Océ with the Fall 2008 "Pick of the Year" award. BLI is a world-leading independent evaluator of document imaging products and solutions.

The award winners in the Océ product portfolio included the Océ TDS700 wide format black & white Multi Function Printer (MFP) for architectural and engineering drawings. The system's eco-design has resulted in the lowest energy consumption in its class and low noise and ozone emissions. The Océ TDS700 printer is compatible with recycled media and, like all Océ systems, its components have been designed for reuse and recycling to minimize landfill. Both the Océ ColorStream 173 and Océ ColorStream 193 systems also received awards, ranking among the best in their segments for office and business color MFPs. The Blue Angel-compliant Océ ColorStream 193 is typical of how Océ color systems are designed with sustainability in mind: low power consumption and low toner usage, through toner-save mode. Not only are the parts in the system more durable, the plastic parts used in the exterior can be made from recyclable plastics.

OBS in Black Book of Outsourcing

OBS was ranked one of the top-50 outsourcing service providers for environmental stewardship by the Black Book of Outsourcing in the US. Making the list for the third successive year, Océ was ranked number 17. The Black Book of Outsourcing is an internationally bestselling business book and outsourcing resource manual written by Doug Brown and Scott Wilson. Brown and Wilson's annual Green Survey solicits information from more than 440,000 global outsourcing users. OBS was recognized for its commitment to the environment and dedication to achieving social goals.

The odorless, ozone-free and toner powder-free Océ ColorWave 600 system

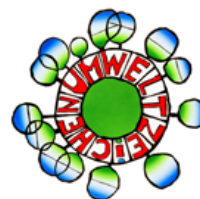
In May 2009, the Océ ColorWave 600 system was presented with an EDP best emerging technology award. The EDP is an independent European association for the digital print industry. One key reason for the award was the fundamentally new technology applied in the Océ ColorWave 600 printer, the Océ CrystalPoint® technology, developed in-house by Océ. There is no toner powder, no odor and no ozone. The printer minimizes waste disposal, and because the technology does not require coated media, it also reduces the environmental impact of paper coatings.

Innovative and green

The new Océ JetStream printer with Magnetic Ink Character Recognition (MICR) capability led to Océ being named Xplor International's² 2009 Innovator of the Year. The award honors individuals or organizations that have developed an original concept that has led to a significant advance in the industry. From an environmental standpoint, the printer uses less power and takes up a smaller footprint than multiple systems used for separate full-color printing and MICR imprint. The award was presented at the Xplor Global Conference and Exhibition at St Pete Beach, Florida.

Océ-Österreich awarded Eco-Label

In October, Océ-Österreich was awarded the "Österreichisches Umweltzeichen" (Austrian Eco-Label) by Austria's National Ministry for the Environment. The label provides information on the environmental impact of a product's manufacture, its use and end-of-life disposal. Each of the product groups for which the label is awarded has its own criteria that need to be met. In Austria, the federal government, regional governments and municipalities are favoring more and more products using the Eco-Label in public procurement processes.



2 Xplor International, also known as Xplor® and as The Electronic Document Systems Association®, is the worldwide association of users and suppliers of the products and services that create, modify, and deliver customized information using a variety of document technologies.

6 | Setting a good example

In-house achievements While Océ continued to strive to implement eco-efficient and eco-effective document management and printing to serve its customers, the company also worked to further set a good example itself by minimizing its own environmental footprint. In-house achievements were made in the areas of energy (CO₂ emissions), waste, paper consumption and environmental certifications.

Océ UK and Océ-Hungária gain ISO 14001 certification

A growing awareness of sustainability in business led to an increase in questions to Océ about its sustainability certifications. The ISO 14001 certificate gives customers an assurance of the validity of both management and control instruments put in place to safeguard a sustainable business. The standard is designed to provide organizations with the elements of



In January 2009, Océ UK was presented with ISO 14001 environmental standard certification.

an effective environmental management system that helps achieve environmental as well as economic goals. These instruments are transparent and verifiable by outside auditors.

In January 2009, Océ UK was presented with ISO 14001 environmental standard certification for both the UK and Ireland. In June Océ-Hungária achieved its ISO 14001 certification.

Saving paper



Océ's R&D department in Germany made major inroads in saving paper at a local level. The team embarked on an active saving program to reduce paper consumption that resulted in a reduction of 650 tons in 2009. This represents a 30% saving in total paper consumption for the department. In Océ-Australia, posters helped promote paper recycling in the office. As part of their ISO 14001 certification, Océ-Ceská republika and Océ-France defined a plan to reduce unnecessary prints. Océ-Iberia configured its PCs and laptops to print duplex as standard.

Energy



Océ is committed to lowering energy consumption throughout its own operations. In addition, in 2008 the company set a target for renewable electricity for its manufacturing facilities.

Renewable electricity target

Medium term (2011-2013)

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

Status

In 2008, the percentage of renewable electricity used was 9%¹. This figure increased in 2009 to 12%. All production facilities were prepared for implementation plans to achieve the 100% target. Océ expects to make significant progress in 2010.

Saving energy around the world

Océ Printing Systems The servers in the data centers in Poing and Munich handle all of Océ's European operations. Following a number of initiatives introduced by the company, they now form a single virtual "Green Data Center". The team saved significant levels of power by applying geothermal cooling (using groundwater for air conditioning) and by using modern and effective technologies wherever wise and cost efficient. Geothermal cooling led to estimated annual savings, compared to conventional cooling with chillers, of about 405,000 kWh or approximately 99 tons of CO₂ based on 2008 power consumption figures. Océ has a long-term contract for cost-free groundwater usage at Poing.

The Océ Prague manufacturing facility collated data on energy consumption, particularly from those areas with the highest consumption. After analyzing the data, the Prague team planned to use the results to allocate efforts concentrating on reducing consumption.

Océ-Iberia was able to reduce electricity and fuel consumption on 2008 figures. Coordinated awareness campaigns were conducted on the reduction of internal consumption as well as eco-driving skills. PCs and laptops were configured to save energy while low-consumption fluorescent lights and globes were fitted in the Barcelona office. During summer, the company implemented a casual dress policy for employees to reduce energy consumption, having programmed the air conditioning to 25 degrees Celsius in all offices.

¹ In Océ Sustainability Report 2008, a figure of 7% of renewable electricity was reported. It became clear in 2009 that the electricity for the production site in Vancouver contains 94% hydro energy. This increased the percentage of renewable electricity in 2008 to 9%.

Océ UK made significant energy savings in 2009. In the Brentwood office, the company reduced electricity consumption by 380,000 kWh or 23% on 2008 levels. This reduction was partly as a result of efforts to obtain ISO 14001 standards certification, and by doing the simple things, such as turning off lights when rooms are not in use (including "out of hours" times), changing light fittings to low voltage/eco-friendly and slight alterations to air conditioning temperature settings.

Océ Display Graphic Systems As a part of the Océ Sustainability Week (see page 48 for more information), Océ Display Graphic Systems introduced daily themes. These included a carpooling to work/lunch day; an awareness day when the movie "An Inconvenient Truth" was played; a bike-to-work day and a reduce-your-printing day.

Greening the car fleet

The fleet of cars driven daily for Océ by mostly service technicians and sales personnel all over the world is impressive. It is clear that whatever savings in fuel consumption can be made will help to lower the carbon footprint. To this end Océ set a target on CO₂ emissions for European lease cars in 2008.

CO₂ emission target

Medium term (2011-2013)

By 2012, average emissions for European lease cars will be reduced to 130 g CO₂/km in line with the EU strategy.

Status

In 2008, average emissions were 156 g CO₂/km. This figure was slightly reduced in 2009 to 152 g CO₂/km. CO₂ emission targets for Europe were implemented in Océ's local car policy for participating countries. The extension of lease contracts however, whilst financially beneficial to Océ, had a negative impact on short-term CO₂ reductions. Lease vehicles will be in use longer before they can be exchanged for more CO₂ friendly vehicles.

Océ operating companies were asked to adapt implementation plans to ensure they reach the corporate target on CO₂ emissions.

In 2009 the car fleet CO₂ emission reduction program was extended to the United States and Australia. Figures for the 2009 financial year should be seen as a baseline for both entities.

New CO₂ emission target

Medium term (2011-2013)

By 2013, average emissions for lease cars in the United States and Australia will be reduced to 200 g CO₂/km.

Status

Zero measurement 2009: United States 245 g CO₂/km; Australia 284 g CO₂/km.

Tender process includes sustainability In 2009, a tender process was introduced to find the most suitable car manufacturers for Océ. Sustainability elements (including CO₂ emission levels) were a prominent part of the selection criteria.

Sealing the deal

As a participant in the UN Global Compact in October 2009, Océ announced its support for the United Nations' Seal the Deal campaign. The campaign was an initiative calling for a fair, balanced and effective post-Kyoto climate agreement at the UN Climate Change Conference in Copenhagen, Denmark, held two months later. The campaign attracted over 450,000 signatories.



In 2008, Océ set a target on CO₂ emissions for European lease cars.

Reducing waste



In 2009, small improvements across Océ's key manufacturing facilities began to have a significant effect on reducing total waste going to landfill.

Landfill target

Medium 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 2009, management at manufacturing facilities were asked to develop plans to optimize waste processing. The results of this saw landfill in 2009 reduced to 2.2%. This improved on the 2008 percentage of 3.6%. Reasons for this improvement were:
The Océ Prague manufacturing facility made inroads into minimizing landfill agreeing on a contract with its waste disposal company under which all non-reusable waste is incinerated. Energy from this process is used for Prague district heating. Further optimization of the waste processing at Océ-Technologies and Océ Printing Systems was achieved. Together, these two facilities account for 94% of Océ's total waste, so any improvements have a significant effect.

Waste separation

During 2009, most Océ divisions participated in waste separation programs. Employees' attitudes to separating waste changed for the better and further improvements were made throughout Océ offices around the world. In Océ's San Francisco office, staff participated in a landfill diversion program, where recyclable and compostable materials were kept out of the office waste. Waste was separated into three different groups. At Océ's UK headquarters in London, recycling bins were placed throughout the office. A scheme was devised with the local government authority, Brentwood Council, for full separation of waste to reduce landfill and maximize recycling opportunities.



Sustainable partnerships

In 2009, partnerships continued to help Océ expand its competitive strength in product portfolio and distribution power. At the same time partners in recycling and waste processing became increasingly important in Océ's efforts to improve its sustainability performance.

Combining knowledge to advance digital printing

In 2009, Océ led a consortium of 23 knowledge institutes, universities and high-tech companies of all sizes working on advanced digital printing applications. The Dutch government has provided over € 20 million grant over two years for this initiative, known as PrintValley. Within PrintValley, Océ is reinforcing the development of new printing platforms based on advanced inkjet technology for fields as varied as displays, solar cells, packaging and security tags. Some 180 FTEs (full-time equivalents) research positions were created within PrintValley, including 80 Océ FTEs.



Sharing best practices and insights

Océ-France joined a new sustainability working group, called Defi 3D, organized by a local chamber of commerce for 24 companies in its area. The aim behind participation in Defi 3D for Océ is to satisfy customers' new sustainability requirements, increase the company's value, enable it to better anticipate risks and to save money.

Océ also took part in International Center for Sustainable Excellence (ICSE) displays in Eindhoven, The Netherlands. The aim of the center, which opened in May 2009, is to make sustainability real and tangible for visitors. Participants are also encouraged to cooperate in sharing new developments and insights.

Participants at the ICSE consist of local, national and international companies, organizations and centers of knowledge. The ICSE is the first center of its kind in North West Europe.

Solving the de-inking quandary

In 2009, Océ continued to cooperate with INGEDE, the international de-inking industry association which works to improve the recyclability of graphic printed products. It supports research in the field of de-inking, utilizing the work of well-known research institutes to fulfill the needs of its members.

A wide variety of Océ digital printers and toner proof prints were tested in mid-2009 by Darmstadt Technical University (Germany) using INGEDE Method 11. The results showed "good de-inkability" i.e. a test score of more than 71 points. Océ products regularly scored between 85 and 100 points.

Océ also continued its work in 2009 with the Digital Print De-inking Alliance (DPDA). The alliance, which it helped establish, was set up to support research into recycling inkjet-printed paper and look for cost-effective and practical solutions.

Waste processing partners

The Océ Prague manufacturing facility cooperated with specialists from its external waste disposal partner, Prazske Sluzby, to find better disposal opportunities. Through this relationship, Océ has gone from disposing all waste into landfill to trying to reuse as much waste as possible. Océ has partnered with Prazske Sluzby since 2001. Twice a year the company meets with Prazske Sluzby to discuss new disposal and recycling opportunities. An example of this is plastic covers. Historically they had to be disposed through landfill. The plastics are now grained into small pieces and reused.



Saving water

Due to lower than average rainfall, much of south eastern Australia was gripped by a severe drought. In 2009, Océ-Australia played its part to save water by introducing a number of government and company initiatives. The subsidiary, located in Scoresby, an outer suburb of Melbourne, installed water flow restrictors and other water saving devices, such as new shower heads. Posters and signage in targeted areas such as kitchens and bathrooms help communicate to Océ-Australia employees the importance of saving water.

The subsidiary actively targeted usage of less than 155 liters per person per day. Océ-Australia was recognized by sustainability assessors, Village Green Environmental Solutions, for its participation in the Vic 1000 South East Business Management Program. The Melbourne water authority, South East Water, also recognized Océ's participation in the Support 155 Business Program, which concentrated on water use reduction.



Océ UK joined forces with eReco to recycle print consumables such as toner bottles and printer cartridges. The purpose of this offer was to give customers a commercially attractive solution to collect and transport items to a certified contractor.

Océ-France continued to organize the collection of office and IT consumables with French not-for-profit organization Conibi. This free-of-charge service is an initiative of major office and IT equipment manufacturers including Océ.

Océ becomes founder supporter of print environmental researcher

In August 2009, Océ announced it had become a founder supporter of not-for-profit, print environmental researchers, Verdigris. The organization provides the graphic arts, printing, publishing industries and print buyers with information on the print media's environmental impact. Verdigris aims to raise the positive aspects of print's environmental impact and create a dialogue with different markets worldwide, sharing environmental issues at local level and carrying out market research and producing articles to help environmental awareness. The project also provides a common reference site for trade associations and environmental organizations.

Supply chain management

In June 2009, Océ joined the Electronic Industry Citizenship Coalition (EICC) and adopted the Electronic Industry Code of Conduct.



Océ staff in Poing spread Christmas cheer to children from the Augustinum Special Education center.

Océ is committed to progressively aligning itself with the provisions of the EICC Code of Conduct. In moves to encourage and support first-tier suppliers to also become aligned with the Code of Conduct provisions, Océ sent suppliers declarations on the code and invited them to show their commitment by signing and returning these to Océ. The three principal Océ manufacturing sites in Venlo, Poing and Vancouver included their major suppliers, covering 78% of their total supply base expenditure. By the end of 2009, half of the suppliers targeted had returned a signed declaration. Together they represent 47% of the total supply base expenditure.

Although the EICC specifically addresses the electronics industry supply chain, the standards outlined in the Code of Conduct are universally recognized and applicable. They cover the areas of labor, health and safety, the environment and business ethics. In 2009, Océ set up a scheme in Venlo with non product-related (NPR) suppliers, who together represent 20% of the total NPR supply base expenditure. Under the scheme, which is serving as a pilot for NPR suppliers worldwide, the suppliers were asked to sign a declaration on standards. By the end of the year, 40% of the suppliers targeted had done so.

Community involvement

Océ supports a number of cultural, charitable and sporting initiatives through sponsorship, purchasing works of art and making donations. In 2009, Océ donated € 238,000 to various organizations/charities worldwide. In addition to financial donations, Océ also supports printing activities for various public events and associations. Used equipment is donated to schools, sports clubs and hospitals where possible.

Granting a Christmas wish

Christmas 2008 was a chance for Océ staff in Poing to spread Christmas cheer to children from the Augustinum Special Education center close to Munich. Not only did staff send cards to the children, but members of staff were personally responsible for fulfilling each child's Christmas wish. For the parents of the children, the presents were a welcome addition particularly during hard economic times.

Working together to secure educational testing

In partnership with other institutions, Océ Direct Export helped the West African Examinations Council (WAEC) secure educational testing throughout the region, where examination fraud is said to be widespread. In the past, examinations were printed in the UK, flown into the countries and distributed by police escort. The availability of email and SMS text messaging makes transmitting digital versions of examinations particularly vulnerable. To reduce risk, Océ used contemporary encryption software and bar code readers to register every page and ensure that exams were printed only once. Two Océ VarioPrint 5140 systems were installed in undisclosed locations in Ghana and now print a major share of the high school examinations.

Helping students in Africa

Schools in Burkina Faso, one of the poorest countries in the world, often lack basic resources. Average class sizes in Burkina are about 100 children. The Dutch foundation MOET, a charity by students for students, initiated a project to build a crafts school in Bobo Dioulasso. Océ supported this project by offering remanufactured multifunctionals from the Océ Prémia Class range, laptops and supplies. The MOET students raised € 80,000 and also donated nine four-wheel-drive vehicles, which they drove to Africa themselves.



The Dutch foundation MOET initiated a project to build a crafts school in Bobo Dioulasso. Océ supported this project by offering remanufactured multifunctionals, laptops and supplies.

Pedaling for a good cause

In September, 10 Océ-Technologies employees took part in a "Spieren voor Spieren" (Muscles for Muscles) spinning (exercise bike) marathon in Venlo, The Netherlands. The Muscles for Muscles Foundation is a fundraising charity for children with muscular disorders.

Océ support for missing children

By printing posters and flyers, Océ-Belgium supported Missing Children Europe with a campaign to report missing children. Missing Children Europe is the European Federation for Missing and Sexually Exploited Children. It is active in cases of missing and/or sexually exploited children and assists with prevention and support for victims.



Océ-Belgium supported Missing Children Europe with a campaign to report missing children by printing posters and flyers.

How Océ rated in 2009

Transparency Benchmark

Since 2004, the Dutch Ministry of Economic Affairs has organized an annual Transparency Benchmark to assess companies' transparency in terms of corporate social responsibility (CSR). The primary sources for this benchmark are the companies' annual reports and sustainability reports.

In 2009, the reports of 84 listed companies, 85 non-listed companies and 14 Dutch universities were examined. Compared to the previous year, Océ's score increased from 73 to 75 (100 points being the maximum score). This improvement is due in part to the fact that Océ devoted explicit attention in its 2008 Sustainability Report on how stakeholder feedback influenced the design of the report and the choice of subjects to report on. Océ also reported more transparently on results and targets.

With a score of 75, Océ is among the frontrunners on the "transparency ladder" and improved from 16th to 11th place. In its own sector (Technology), Océ scored the highest ranking.

Responsible Supply Chain Management Benchmark

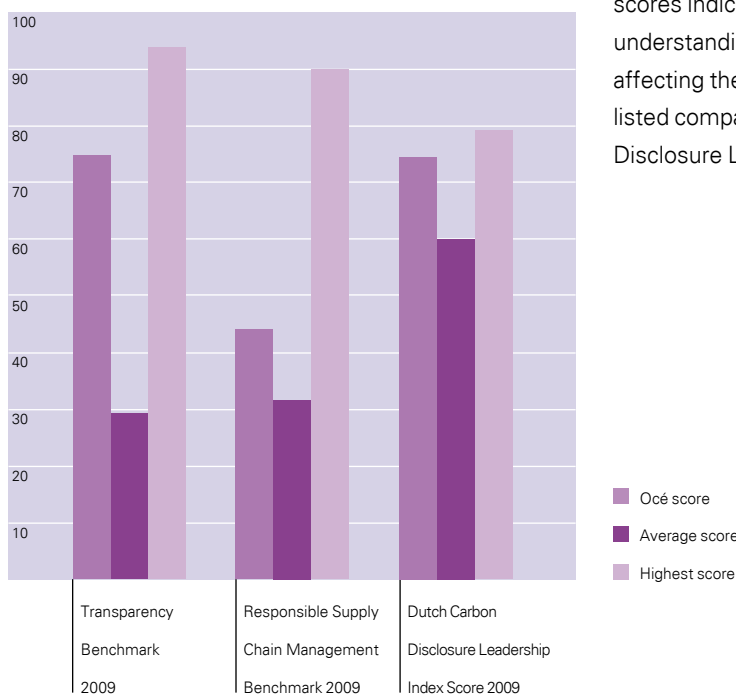
Since 2006, the Dutch Association of Investors for Sustainable Development (VBDO) has annually examined the publicly available information of Dutch listed multinationals to assess these companies' transparency with regard to supply chain management.

The Supply Chain Management Benchmark comprises a list of 23 indicators. In 2009, 40 companies were examined. Océ was ranked 13th with a score of 44%. VBDO recognizes that Océ shows continuous improvement regarding sustainability. Océ also reports on its relationship with the different actors in the supply chain. It is however unclear whether Océ performs supplier audits according to the VBDO. With respect to responsible supply chain management, VBDO hopes to find more information on monitoring and non-compliance policies and practices in future reports. In this report Océ devoted explicit attention to the topic of responsible supply chain management (see pages 29 and 44).

Carbon Disclosure Leadership Index

In 2009, Océ was commended by the Carbon Disclosure Project (CDP) for its approach to climate change disclosure. The CDP is an independent not-for-profit organization holding the largest database of corporate climate change information in the world. CDP represents some 475 institutional investors, with combined assets under management in excess of \$ 55 trillion (www.cdproject.net).

The CDP approached the 50 largest companies by market capitalization in The Netherlands (AEX 25 and AMX 25) for the second consecutive year. All respondents were scored on the quality of their disclosure using a standardized methodology focusing on greenhouse gas emissions, emission reduction targets and risks and opportunities associated with climate change. The 10 highest scoring companies form the Carbon Disclosure Leadership Index. High scores indicate good internal data management and understanding of climate change-related issues affecting the company. Océ was among the top five listed companies included in the Dutch Carbon Disclosure Leadership Index.



7 | Employer of choice

Human resources are key Employees are a valuable resource and form the backbone of the Océ organization. All employees perform their day-to-day work for the benefit of customers. The year 2009 was a difficult year for customers, for Océ and for its employees. Océ was forced to eliminate 1,550 job positions as part of strategic cost-saving measures necessary to improve efficiency across the organization. Despite the unprecedented economic downturn, however, regard for human value remained at the heart of the company's core values. At year-end Océ employed 21,635 people (full-time equivalents) in over 30 countries.



International human resources policy

In 2009, 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. As part of the "Reaching our Potential" program, competence monitoring and internal talent identification were structurally embedded in the corporate HR approach.

Océ: Reaching our Potential

In September 2009, Océ's Board of Executive Directors introduced a two-year program, Reaching our Potential, to improve the performance of both the company and its employees. A series of team meetings was held to drive the initiative. Team members gathered information aimed at enhancing performance and assimilating the best ideas.

Reaching our Potential is based on four main themes:

- | Commercial Excellence: Maximize the value from delivering products and services to customers;
- | Innovation and Industrial Excellence: Develop and build the most competitive products and services;
- | Lean Support and Infrastructure: Optimize the quality of support functions and related cost structure;
- | Performance Culture: Create end-to-end ownership for results.

Competencies management and leadership

In spite of the difficult economic climate, Océ continued to organize a limited number of "leadership labs" in 2009. These were established in 2004 to develop specific leadership competencies in managers as a starting point for further management development. The Océ competencies management program continued to ensure that staff across the organization had the skills and competencies necessary for their job.

Executive development, succession planning and talent development

Specific performance monitoring by corporate HR management helped in the selection of key individuals to ensure Océ has sufficient management capacity at all times and all levels. In 2009, around 250 managers were appraised by senior management as part of the overall HR focus on encouraging and retaining top performers.



Training

In 2009, the challenging economic climate placed high demands on Océ employees to develop their skills and competencies. Although Océ froze various employee development initiatives, managers continued to work on identifying and developing core competencies through regular appraisals. The Océ International Training Center in Venlo also hosted numerous workshops and training events where thousands of sales staff, in particular, were trained.

Océ continued to use a system of “blended learning”. This combines practical training (for some 90% of the time), computer-aided courses (Océ LearnLink) and training sessions in the group companies.

Training target

Short term (2009-2010)

100% of sales and service employees will be educated on how to advise customers to operate more eco-efficiently and eco-effectively in document management.

Status

Increased awareness of sustainability issues in the marketplace meant Océ sales and service staff had to adapt accordingly. Sustainability continued to evolve from a seemingly less important consideration to a major factor influencing purchasing behavior. Océ sales organizations and sales staff were increasingly asked to explain the environmental advantages of Océ products and services. In 2009, a training program was started in close cooperation with the Océ International Training Center.

The Virtual Classroom

In 2009, Océ virtual classrooms provided easy access to training for employees across the globe. This approach to training staff removed the environmentally-unfriendly need to travel to a classroom. The introduction of online collaboration tools in 2009 offered new learning opportunities for both trainers and trainees. The virtual classroom methodology was evaluated as a mature and cost-effective alternative to traditional classrooms. Areas such as level of interactivity and speed, as well as effectiveness of training received high evaluation grades.

Océ also ran courses to develop trainers, with a focus on creating learning-oriented interaction within a virtual classroom, as well as how to design and conduct a classroom.

Green light for knowledge specialists projects

In September 2009, the Dutch Ministry of Economic Affairs approved an Océ application to an initiative promoting the retention of knowledge specialists. Seven projects involving 100 R&D employees received the go-ahead. The Océ projects are conducted in partnership with various universities and knowledge institutes, namely the Technical University of Eindhoven, Twente University, the Technical University of Delft, the Free University of Amsterdam and the Embedded Systems Institute.

The company is proud of the close ties it has with these institutions. The funding helps grow these partnerships and retain and expand the company's knowledge base.

Part-time working at Océ

As part of ongoing cost cutting measures, Océ implemented part-time unemployment benefit arrangements for employees of Océ-Technologies, Océ Printing Systems and Océ-Italia. The arrangement for Océ-Technologies, facilitated by the Dutch Government, allowed the company to reduce working hours of approximately 1,200 employees by 20% for a minimum period of 26 weeks. In-house training was a mandatory element of this part-time unemployment benefit scheme. At Océ Printing Systems, 600 employees worked 20% fewer hours for nine months. Océ-Italia worked a four-day week for part of the year.

Employee awareness target

Short term (2009-2010)

An employee awareness program will be rolled out.

Status

In April 2009, Océ organized its first Sustainability Week, a corporate campaign to create employee awareness for sustainability. Océ employees across the world participated in a variety of activities. These included serving green menus in lunchrooms, distributing newsletters and magazines full of information on sustainability topics, and inviting discussions on a special sustainability blog. A sustainability contest was organized in which employees sent in their ideas on how to make Océ more sustainable.

Attracting the best

Active participation in career events helped the company attract excellent candidates for its 2010 intake of sales staff. In late October 2009, Océ took part in an annual Career Event in the Dutch city of Utrecht. The event, focused on highly-educated students, saw Océ recruitment and training consultants staffing booths looking out for potential candidates and offering advice. Océ was also able to point suitable candidates to the company's research competition. Océ's participation at the Utrecht Career Event saw the company awarded "Best Sales Traineeship Stand". In addition, the company was honored for providing the Best Sales Traineeships in The Netherlands.

Océ also participated in a Talent Quest business course for highly-talented Dutch university students. During the four-day course, the best 27 masters' students in finance, ICT, marketing and supply chain management became acquainted with multinational companies, including Océ, researching their business challenges and career prospects.

Students visited Océ's headquarters, were presented with several assignments and given a tour of the Océ TonerPearls® factory. Participation in the course gave Océ the opportunity to strengthen its employer brand.

Training young for a career in process engineering

In the manufacture of consumables (toners, photoconductors, process drums etc.), Océ needs skilled process operators and maintenance technicians. In the 1990s, a trend developed among students to steer away from technical professions. This meant that many schools closed their process operator training courses. Through the "Maak het in de Techniek" (Make it in Engineering) foundation, Océ has worked for many years with 25 other companies to promote process engineering for young people.

"Maak het in de Techniek" includes the following initiatives:

- | "Choose Engineering". A technology playground for children aged 11-12 years to participate and make products to take home;
- | "Workplace Process Engineering". Special lessons in process technology aimed at 13-14 year olds;
- | "Week of Process Technology". Students spend a day covering all aspects of producing a pot of hair gel;
- | When the children turn 16, they experience a day with an operator or service engineer.



Nobel prize winner Professor George Smoot visited Océ headquarters in Venlo.

Nobel prize winner welcomed by Océ

Professor George Smoot, winner of the 2006 Nobel Prize for Physics, visited Océ headquarters in Venlo for a "Scientific Talent Development" conference. The conference, organized by the Ithaca Science Center, revealed the results of the last three years of the "POVO-project". The project's aim was to improve cooperation between primary and high schools in science education and to motivate youngsters to choose a career in science and engineering.

Working closely with the local Arcus College, in 2009, Océ set up an “Operator Class” to train a new generation of operators. Together with other partners, Océ covered the training costs for each student. Once qualified, students are offered a job with one of the participating companies. For 2010, Océ has set itself the goal of doubling the number of new students.

Diversity

The economic crisis meant that limited progress was made on efforts to increase the number of women in management positions. Nevertheless, Océ continued to strive towards creating a balanced organizational culture that allows the development of talent irrespective of gender, nationality or background.

Diversity targets

Medium 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 sub-top positions will be at least 9% in The Netherlands.

Long term (2014 and beyond)

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

Status

In 2009 the percentage of women in top and sub-top positions in The Netherlands were respectively 3% and 7% (2008: 3% and 6%). The worldwide percentage of women in management positions increased from 19% in 2008 to 21% in 2009. The increase came despite a restructuring program in 2009 and also a hiring freeze. Operating companies did not have the chance to incorporate the targets into hiring activities. Moving forward, Océ has embedded the topic into daily HR business and in 2010 will continue efforts to place women in management positions.

Benchmarks for behavior

Océ’s established core values reflect the organization’s DNA. They form the yardstick against which internal and external behavior is judged. In 2009, four employees were honored the Océ Core Values Award, after being nominated by colleagues for outstanding achievements in one or more of the core value areas.

Océ core values

Focus	Put the customer first Be result driven
Attitude	Seek quality at all times Be entrepreneurial Be innovative
Style	Behave ethically Show respect for human values

Labor relations

During a difficult year, structured and open consultation with employees via their representatives played an important role. Discussions with the local and pan-European Works Councils and trade unions took place where appropriate throughout the year. The good foundation Océ has with its employees, and the constructive and professional relationship with their representatives enabled Océ to implement the necessary reductions in the number of employees and introduce other cost-saving measures smoothly and on target.

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

Open dialogue In Germany, Océ management introduced the Poing 2011 program as a reaction to the current economic situation. The program aims to improve operating profit and introduce various cost-saving programs including staff reductions. The announcement was accompanied by several town hall meetings where employees could express their concerns.

Health and safety

Océ believes its health and safety policy should be based on more than just the minimum standards required by law (statutory regulations). Health and safety is an integral part of everyday activities across the Océ organization. This is why most Océ entities have their own health and safety committee to oversee the local situation. In Océ North America, this role is fulfilled by the Environment, Health and Safety (EHS) Council.



In 2009, 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. For data on Lost Time Injuries, see page 60.

Medical checks

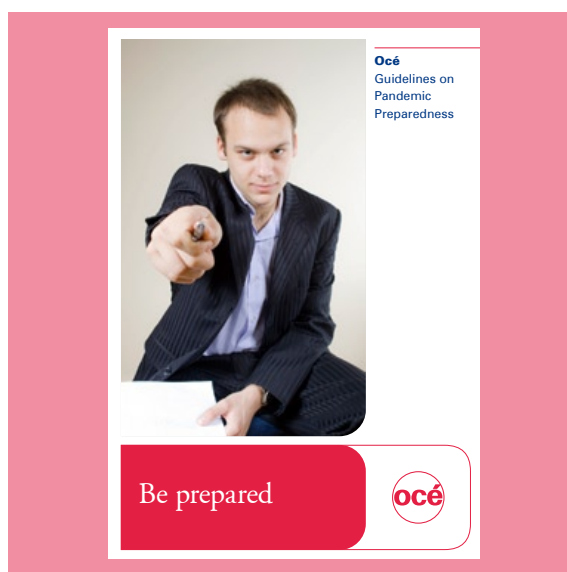
Prevention is the most effective way of avoiding sickness. The majority of Océ entities continued to offer employees free medical check-ups to prevent and detect potential health problems. Special programs aimed at sports or lifestyle improvement also helped not only those affected by poor health. In 2009, Océ launched an extensive fitness program where employees received a significant reduction in fees for their chosen sporting activity. Océ-Nederland changed its health and safety partner. The aim of the move was to shorten the time employees need to return to work and also to help prevent future health issues.

More defibrillators

In Venlo, Océ increased the number of automatic external defibrillators (AEDs). These portable electronic devices automatically diagnose and treat potentially life-threatening cardiac problems. All designated first-aiders have been trained to resuscitate and to operate AEDs.

Anticipating the H1N1 flu pandemic

In August, Océ's Executive Board decided that Océ should anticipate the possible impact of the H1N1 virus (also known as Mexican flu) could have on employee health, customer care, daily operations and business



Pandemic precaution guidelines were drawn up by Océ to anticipate the H1N1 flu.

continuity. The initiative resulted in three preventive measures being implemented:

- | At each Océ site a person and/or team was appointed to coordinate staff, inform the managing director and management team of any outbreaks, advise on measures taken to prevent further contamination and ensure customer care and services are continued;
- | A corporate pandemic team was formed to coordinate all actions, report to the Corporate Executive Board on measures taken at other Océ sites and provide feedback on best practices elsewhere in the organization;
- | Pandemic precaution guidelines were drawn up. The contents address issues such as vaccines, the use of anti-viral drugs, hygiene precautions, travel restrictions, pandemic preparedness, absenteeism, employee screening and business continuity planning.

Business continuity was not negatively impacted by the H1N1 flu pandemic, that turned out to be milder than originally expected.

Employer of choice awards

Océ-Nederland was voted joint "Top employer in The Netherlands 2009". The annual prize is awarded to organizations that distinguish themselves as good employers, especially in the field of 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. Important factors in Océ-Nederland's favor were its innovative HR strategy and its strong focus on employee development.

In December 2008, Océ was ranked 39th in employee satisfaction in the top-200 Dutch companies in an online survey conducted by InCompany magazine along with Blauw Research and communication consultants, Hill & Knowlton.

In the 2009 reputation ranking of Dutch companies, Océ came 10th, with a score of 69.8 out of 100. The survey is part of global reputation research carried out by Reputation Institute which examined 32 countries. Corporate reputations are measured by examining people's feelings towards companies, based on seven reputation drivers: products & services, workplace, innovation, corporate governance, citizenship, leadership and financial performance.

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 2008 financial year:

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

These selection criteria resulted in a coverage for this report of 90% of Océ's employees worldwide and 89% of Océ's total revenues for 2009.

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 gathered by Océ's Group Controlling Department using the same reporting system as for the Océ Annual Report 2009.

Reporting period

This report describes the activities of the Océ group over the period from 1 December 2008 through 30 November 2009, Océ's financial year.

Accuracy

Due to their very nature, the data used for this report are subject to a degree of uncertainty caused by limitations in measuring and estimating data. Océ has in some cases been obliged to make estimates in order 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, 83% of electricity consumption and 82% of natural gas consumption are based on actual measurements. The same applies to 73% of drinking water consumption. In the waste figures, 98% 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 = 1000 kg).

Carbon footprint reporting

Carbon emissions are reported in accordance with the accounting and reporting standards defined by the Greenhouse Gas (GHG) Protocol (www.ghgprotocol.org). 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 refers 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.

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.

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

Océ asked the external assurance provider PricewaterhouseCoopers to provide assurance on this Sustainability Report, as it had done in previous years. The assurance covers chapters 3, 4, 8 and 9. Océ considers these chapters to be the most important, as they contain information on Océ's policies and targets, its management approach and its sustainability performance. The other chapters provide further detail on these areas. As these are not vital to a correct understanding of Océ's sustainability policies and performance, they have been excluded from the assurance scope.

The scope of the assurance, the tasks carried out and the results of the external assurance process can be found in chapter 10.

Global Reporting Initiative

Since 2002, Océ has reported on sustainable development in accordance with the Global Reporting Initiative (GRI) guidelines (www.globalreporting.org). In chapter 11 an overview is given of the GRI Performance Indicators covered in this report.

One of the GRI reporting principles for defining content is completeness. In order to broaden the scope of Océ's communication and reporting on sustainability, Océ's five focal points, defined in 2006, were embedded into five focal areas. Chapters 5, 6 and 7 provide information on each of the five focal areas. To further improve the clarity and transparency of Océ's sustainability reporting, Océ decided to include all disclosures on the management approach in one chapter: chapter 4.

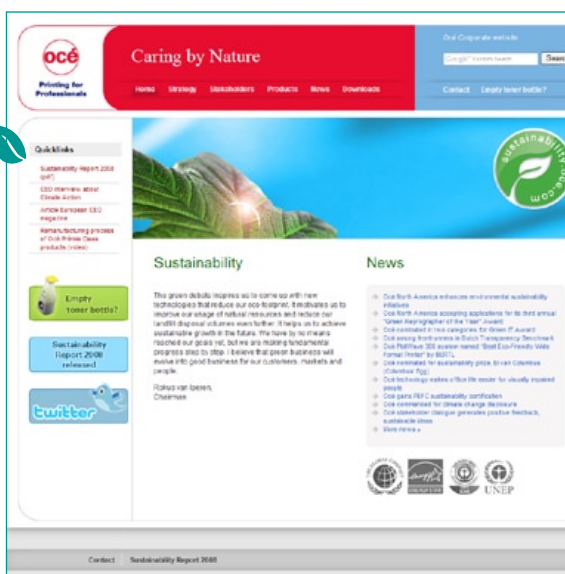


With respect to the GRI Application Levels system, Océ is of the opinion that the Océ Sustainability Report 2009 is positioned at the B+ level.

Stakeholder feedback

Sustainability reporting was one of the topics discussed at Océ's annual stakeholder dialogue on sustainability. For specific information on feedback given by the stakeholders present, see chapter 3, page 18.

In 2009, the Océ sites included in Océ's sustainability reporting were also asked to review the Océ Sustainability Report 2008. In general, they reacted positively to the presence of a clear sustainability strategy with measurable targets. Suggestions for improvement were to produce a more concise report and to consider an online version only. The last suggestion has been implemented for this year's report (except for a limited number printed for specific audiences). To address the first suggestion, Océ decided to publish a brochure in addition to the Océ Sustainability Report 2009, summarizing Océ's sustainability policy and performance in 2009.



In addition to the annual Sustainability Report, Océ's sustainability website provides a central data bank of information for stakeholders.

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 2009.

Figures presented here relate to the Océ financial year from 1 December 2008 to 30 November 2009. The 2009 figures have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

price of € 8.60 per ordinary share. Canon officially submitted the Offer Memorandum on 28 January 2010. On 4 March 2010, Canon declared its offer unconditional.

Additional information regarding organizational changes can be found on pages 138 and 139 of the Annual Report 2009.

For the changes in equity reference is made to the Consolidated Statement of Changes in Equity as disclosed on pages 76 and 77 of the Annual Report 2009.

Changes in 2009 regarding size, structure or ownership

On 16 November 2009 Océ N.V. and Canon Inc. announced that they had reached a conditional agreement to combine their printing activities through a fully self-funded public cash offer by Canon for all the issued and outstanding ordinary shares of Océ for a

Revenues

In 2009, Océ earned revenues of € 2,648 million and its net income was - € 47 million. The table gives a breakdown of total revenues by geographical area.

	2009		2008		
	x € million	as %	x € million	as %	
United States	930		35	1,066	36
The Netherlands	294		11	310	11
Germany	292		11	312	11
France	199		8	201	7
United Kingdom	172		6	192	7
Rest of Europe	519		20	579	19
Countries outside Europe and the United States	242		9	249	9
Total	2,648		100	2,909	100



Operating costs The cost of all goods, materials and services purchased in 2009 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 2009, this sum totaled € 1,450 million (2008: € 1,597 million).

Employee wages and benefits Employee wages and benefits in 2009 totaled € 1,213 million. These expenses were made up of the following elements:

	2009	2008	x € 1,000
Wages and salaries	- 978,646	- 1,047,530	
Social security	- 184,552	- 184,158	
Pension costs for:			
defined contribution plans	- 13,617	- 13,280	
defined benefit plans	- 31,337	- 27,288	
Share-based compensation:			
change in fair value outstanding share-based compensation	- 4,250	7,720	
settlement of share-based compensation	- 655	- 1,273	
Total	- 1,213,057	- 1,265,809	

Financial income and expenses Financial expenses (net) as recognized in net income in 2009 totaled € 37 million. These were made up of the following elements:

	2009	2008	x € 1,000
Financial income (interest income)	13,731	11,264	
Interest expenses	- 42,198	- 51,672	
Other financial expenses	- 8,698	- 7,496	
Total	- 37,165	- 47,904	



Payments to shareholders

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

	2009	2008	x € 1,000
Preference dividend	2,553	2,553	
Cash dividend interim	-	12,743	
Cash dividend final	-	-	
Added to retained earnings:			
Retained earnings	- 51,482	- 13,328	
Total net income attributable to shareholders	- 48,929	1,968	

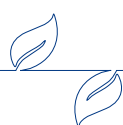
Total capitalization

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

	2009	2008	x € million
Equity	579.2	680.5	
Liabilities	1,628.0	1,868.4	
Balance sheet total	2,207.2	2,548.9	

Community investments

In 2009 the formally registered donations to the community amounted to € 238,000.
Additional information can be found on page 44.



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))

	2009		2008	
	number	as %	number	as %
United States	8,746	40	9,684	42
The Netherlands	3,668	17	3,789	16
Germany	2,501	12	2,692	12
France	1,363	6	1,306	6
United Kingdom	1,001	5	1,068	4
Rest of Europe	3,011	14	3,206	14
Countries outside Europe and the United States	1,345	6	1,403	6
Total	21,635	100	23,148	100

Employee distribution

Distribution and turnover of employees by geographical area (in headcount)

	2009		2008		turnover	
	number	as %	number	as %	number	rate ¹
United States	8,864	40	9,773	41	2,602	0.29 ²
The Netherlands	3,887	18	4,023	17	316	0.08
Germany	2,546	12	2,746	12	326	0.13
France	1,371	6	1,307	6	263	0.19
United Kingdom	1,009	5	1,083	5	171	0.17
Rest of Europe	3,108	14	3,317	14	561	0.18
Countries outside Europe and the United States	1,350	6	1,412	6	219	0.16
Total	22,135	100	23,661	100	4,458	0.20 ³

1 The turnover rate is calculated using the total headcount at the end of 2009.

2 The high turnover rate in the United States is attributable to the nature of the business group located there (Océ Business Services, see page 11).

3 Océ group average turnover rate.



Employee distribution

Distribution of employees by type of function (in FTE)

	2009		2008		
	number	as %	number	as %	
	Business Services	7,004		32	7,016
Marketing and Sales	4,421		21	5,184	23
Service	4,328		20	4,616	20
Manufacturing & Logistics	1,923		9	2,183	10
Research & Development	1,559		7	1,665	7
Finance and administration	924		4	1,012	4
Other	1,476		7	1,472	6
Total	21,635		100	23,148	100

Employee diversity

Gender distribution by geographical area (in FTE and headcount)

	2009			
	FTE		headcount	
	men as %	women as %	men as %	women as %
United States	66	34	66	34
The Netherlands	83	17	80	20
Germany	82	18	80	20
France	60	40	60	40
United Kingdom	71	29	71	29
Rest of Europe	68	32	68	32
Countries outside Europe and the United States	74	26	74	26
Océ group average	71	29	71	29
Océ group average 2008	72	28	71	29



Employee diversity

Age distribution by geographical area (in FTE)

2009

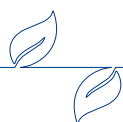
	< 30 years as %	30-40 years as %	40-50 years as %	>50 years as %
United States	18	21	29	32
The Netherlands	9	26	32	33
Germany	8	19	42	31
France	16	32	31	21
United Kingdom	15	29	32	24
Rest of Europe	17	28	33	22
Countries outside Europe and the United States	18	39	26	17
Océ group average	15	25	31	29
Océ group average 2008	17	25	31	26

Employee diversityGender distribution of management positions⁴ by geographical area (in FTE)**2009**

	men in mgt	women in mgt	women in mgt	women total
	number	number	as %	as %
United States	1,053	347	25	34
The Netherlands	308	36	10	17
Germany	293	27	8	18
France	104	51	33	40
United Kingdom	142	45	24	29
Rest of Europe	336	76	18	32
Countries outside Europe and the United States	163	57	26	26
Total	2,399	639	21⁵	29⁵
Total 2008	2,559	611	19 ⁵	28 ⁵

4 A management position is any position in which the employee leads one or more employees.

5 Océ group average.



Employee training and development

Training hours and training rate by type of function

	2009		2008	
	training hours	training rate ⁶	training hours	training rate ⁶
Business Services	70,628	10.1	56,097	8.0
Marketing and sales	72,697	16.4	45,257	8.7
Service	80,749	18.7	67,252	14.6
Manufacturing & Logistics	8,835	4.6	4,020	1.8
Research & Development	11,693	7.5	10,514	6.3
Finance and administration	15,414	16.7	8,837	8.7
Other	10,474	7.1	7,846	5.3
Total	270,490	12.5⁷	199,823 ⁸	8.6 ⁷

Occupational health and safety

Reported accidents resulting in injury and lost workdays by geographical area

	2009				2008 ⁹			
	number of lost time injuries (LTI)	number of workdays lost	workdays lost per LTI	LTI-rate ¹⁰	number of lost time injuries (LTI)	number of workdays lost	workdays lost per LTI	LTI-rate ¹⁰
United States	60	1,255	21	0.69	56	1,965	35	0.59
The Netherlands	2	12	6	0.05	6	47	8	0.16
Germany	16	366	23	0.64	14	163	12	0.52
France	13	193	15	0.95	9	141	16	0.76
United Kingdom	5	68	14	0.50	0	-	-	-
Rest of Europe	35	381	11	1.16	35	391	11	1.53
Countries outside Europe and the United States	8	136	17	0.59	3	79	26	0.83
Total	139	2,411	17⁷	0.64⁷	123	2,786	23 ⁷	0.59 ⁷

A total of four cases of occupational illness were reported, resulting in 119 workdays lost.

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

7 Océ group average.

8 In the Sustainability Report 2008, a total of 230,000 training hours were reported. Due to a correction in the database, this figure had to be restated.

9 The 2008 figures cover 90% of Océ's employees worldwide.

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



9c | Performance data

Environmental performance data

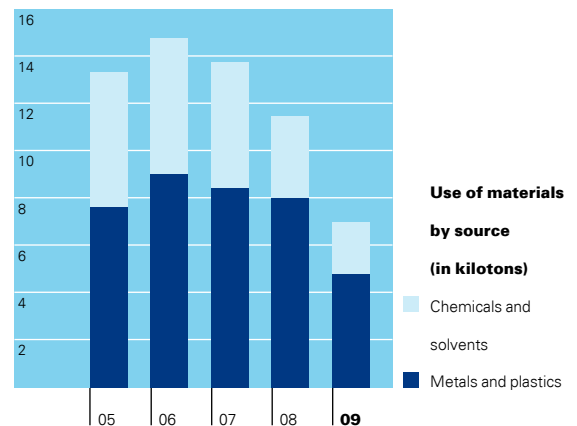
This section provides quantitative information on the environmental impact of Océ's operations. The figures presented here cover all of the four Océ manufacturing facilities, which are located in Venlo (The Netherlands), Poing (Germany), Prague (Czech Republic) and Vancouver (Canada). In addition, data has 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. The following sections contain information on materials, water, energy, waste, emissions, compliance and environmental incidents.

Use of 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.

In 2009, the use of metals and plastics amounted to 4.5 kilotons, 22% of which consisted of reused parts. The total use of chemicals and solvents amounted to 2.6 kilotons. The significant decrease in materials usage is explained by the decrease in production volume due to the global economic crisis.



Water

In 2009, Océ consumed an estimated 140,000 m³ of drinking water (2008: 150,000 m³) and approximately 9,000 m³ of groundwater for industrial and domestic purposes (2008: 12,000 m³). As water is used predominantly for domestic purposes within Océ, water consumption is not a part of its core business. It is therefore not considered a material issue for Océ. Océ used approximately 1.2 million m³ of groundwater for cooling or heat/cold storage purposes in 2009 (2008: 1.2 million m³). This groundwater was infiltrated back into the aquifer and is therefore not considered as actually consumed water.

Discharge of water

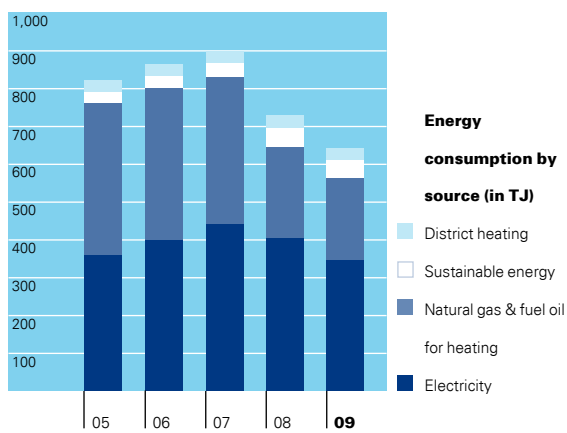
The industrial and cooling water from the Océ manufacturing sites discharged to the sewer totaled 12,000 m³ in 2009 with a total Chemical Oxygen Demand (COD) of approximately 0.7 tons.



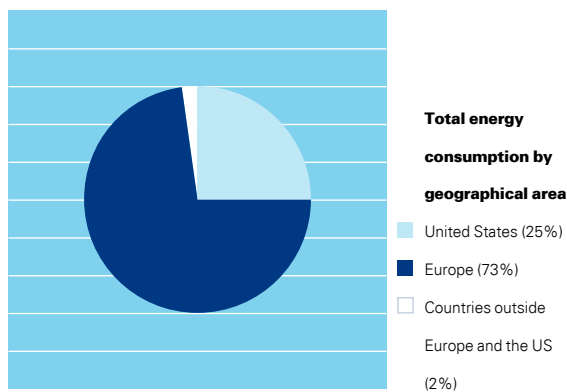
Energy

In view of the emissions of greenhouse gases caused by the burning of natural gas and other fuels, the use of energy is an important environmental indicator. The total amount of energy (electricity, gas and heat) used for housing and manufacturing purposes by the Océ companies covered in this report was 640 TJ (10^{12} J). Of the total amount of energy consumed by Océ, 7% was derived from sustainable sources (renewable electricity, heat/cold storage, etc).

In 2009, the total amount of electricity purchased for the Océ manufacturing sites totaled 60 GWh (10^6 kWh), 12% of which was sourced from renewable sources.

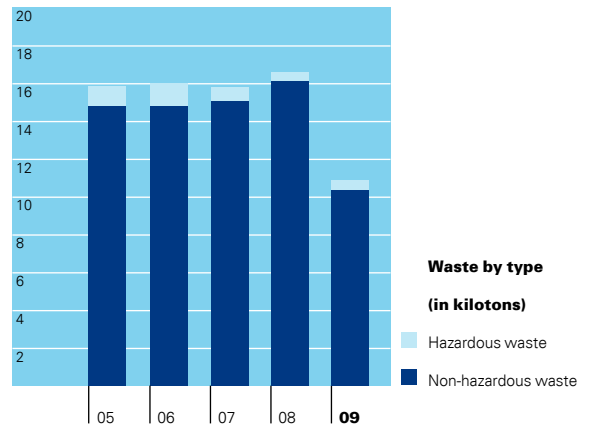


Note: For the United States the figures over the years are not comparable due to differences in the data gathering process.



Waste

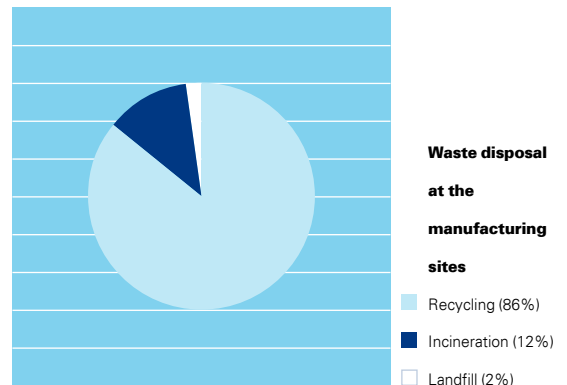
The total hazardous waste and non-hazardous waste in 2009 amounted to approximately 10.8 kilotons.



Note: Due to difficulties in collecting reliable data, the figures in the graph of total waste do not include non-hazardous domestic waste from outside Europe for the years 2005 through 2007.

Waste disposal

The graph below shows the waste disposal at the Océ manufacturing sites.



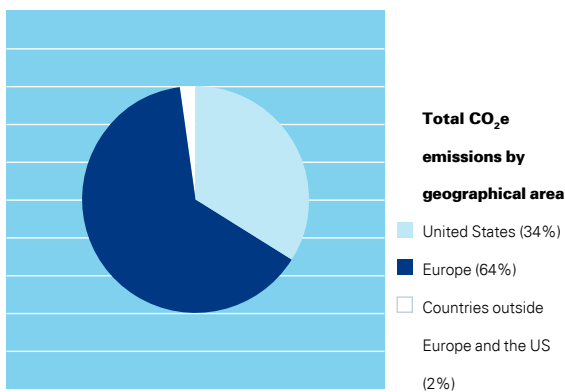
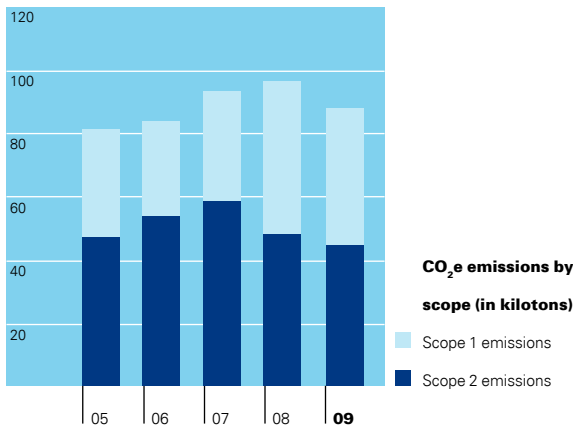
Emissions

Greenhouse gas emissions

The Océ carbon footprint is reported in accordance with the Greenhouse Gas Protocol. See chapter 8, page 52 for more information.

In 2009, the scope 1 (direct) emissions totaled 43.7 kilotons CO₂e. The direct emissions from combustion (for example natural gas) totaled 12.1 kilotons CO₂e, and the emissions from the Océ lease car fleet totaled 31.6 kilotons CO₂e. The company's worldwide lease car fleet consists of approximately 5,000 vehicles. The number of kilometers driven by Océ service employees in company cars around the world was approximately 36 million.

In 2009, the scope 2 (indirect) emissions totaled 44.5 kilotons CO₂e. Océ did not collect data on scope 3 emissions.



NO_x and SO_x emissions

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).

Solvent emissions

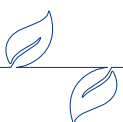
The emission of solvents is an important environmental factor. In 2009, solvent emissions to air totaled 25 tons (2008: 29 tons).

Ozone-depleting substances

Océ does not use ozone-depleting substances in its manufacturing processes. With regard to cooling units, the manufacturing facilities in Venlo and Poing have programs in place to replace ozone-depleting substances with hydrogen fluorocarbons. With these programs Océ complies with statutory regulations.

Compliance and environmental incidents

In 2009, 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.



10 | Assurance report

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

Scope and responsibilities

We have been engaged by the Board of Executive Directors of Océ N.V., Venlo ("Océ") to examine the content of Océ's Sustainability Report for the financial year December 1, 2008 to November 30, 2009 (hereafter referred to as the Report). Our examination consisted of the following combination of audit procedures and review procedures:

- | audit all information related to:
 - | ISO certification as presented on pages 25, 29 and 40;
 - | economic performance data on pages 54, 55 and 56 (excluding community investments).
- | review the information in:
 - | Chapter 3: Océ's sustainability policy;
 - | Chapter 4: Océ's management systems;
 - | Chapter 8: Reporting principles;
 - | Chapter 9: Performance data (except for the economic performance data on pages 54, 55 and 56).

Audit work focuses on obtaining reasonable assurance, substantiated by sufficient supporting evidence. Review work focuses on obtaining limited assurance which does not require exhaustive gathering of evidence, therefore providing less assurance than audit work. Consequently we have reported our conclusion with respect to the audit and review procedures separately. We believe these combined procedures fulfil a rational objective.

We do not provide any assurance on the assumptions and achievability of prospective information (such as targets, expectations and ambitions). Furthermore the chapters in the Report other than chapters 3, 4, 8 and 9 are excluded from our assurance scope. We have accepted this limitation in scope, because we consider providing assurance on the other chapters in the Report not to be necessary for our examination to be viable in relation to the intended users.

The Report has been prepared under the responsibility of the company's management. Our responsibility is to draw a conclusion on the Report based on our examination.

Reporting criteria

Océ developed its reporting criteria on the basis of the G3 Guidelines of the Global Reporting Initiative (GRI) as explained in the "Reporting principles" section of the Report on pages 52 and 53. These reporting criteria include certain inherent limitations that can influence the reliability of the information.

The Report does not cover all of Océ's entities, because the reported data is obtained from selected sites and operating companies. For further details on the reporting scope, refer to the "Scope" section in the Report on page 52. We consider the reporting criteria to be relevant and sufficient for our engagement.



Work performed

We planned and performed our work to obtain a basis for our conclusions in accordance with Dutch law, including the Assurance Standard 3410N "Assurance Engagements relating to Sustainability Reports".

Audit procedures

With regard to the audited information, we have gathered audit evidence as follows:

- | examining the existence and validity of the ISO certificates mentioned on pages 25, 29 and 40;
- | reconciling the economic performance data on pages 54, 55 and 56 (excluding community investments) to Océ's 2009 financial statements, dated January 27, 2010 on which an unqualified Auditor's Report was issued.

Review procedures

In addition to our audit procedures, we reviewed the information in chapters 3, 4, 8 and 9 of the Report.

Our most important review procedures were:

- | updating our understanding of the Océ organisation and the business;
- | assessing the acceptability and consistent application of the reporting criteria, in relation to the information requirements of Océ's stakeholders;
- | conducting interviews with responsible officers aimed at understanding the progress made by Océ in the data gathering and reporting process and at evaluating the completeness, accuracy and adequacy of the qualitative and quantitative information in the Report;
- | reviewing the systems and processes for data capturing, collation, consolidation and validation, including the methods used for calculating and estimating performance data;
- | reviewing internal and external documents to evaluate the completeness, accuracy and adequacy of the reported information;
- | performing analytical procedures on a sample basis on the reported data and accompanying notes;
- | assessing the stated application level according to the G3 Guidelines of the GRI;
- | evaluate the overall format and presentation of the Report, including evaluating the consistency of the information, in line with Océ's reporting criteria.

We believe that the evidence obtained from our examination is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our audit procedures, we conclude that:

- | the ISO certificates mentioned on pages 25, 29 and 40 exist and are valid;
- | the economic performance data on pages 54, 55 and 56 (excluding community investments) is accurately derived from Océ's 2009 financial statements, dated January 27, 2010.

Based on our review procedures with regard to the information in chapters 3, 4, 8 and 9 of the Report, we have no reason to conclude that in accordance with Océ's reporting criteria:

- | the reporting principles are not acceptable or have not been applied consistently;
- | the events described did not take place during the reporting period or are not presented fully, accurately and timely;
- | the information is not presented completely, accurately and adequately in all material respects.

Recommendation

Our assurance engagement has led to recommendations for improvement which are reported to management. Without qualifying our conclusion presented above, we would like to draw the readers' attention to the following. In the Report Océ reports against the targets it defined last year for its focal areas. To monitor further progress in the coming year, we recommend Océ, like last year, to increase the internal reporting frequency. This will allow management to periodically evaluate the effectiveness of its chosen sustainability strategy and to readjust its management actions if necessary or if prompted by new circumstances.

Amsterdam, April 15, 2010

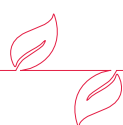
PricewaterhouseCoopers Accountants N.V.

Originally signed by W.J. van der Molen RA



11 | GRI Performance Indicators

	Indicator	Page(s)
Strategy and Analysis	1.1 Statement from the CEO about the relevance of sustainability to the organization and its strategy	8-9
	1.2 Description of key impacts, risks and opportunities	8-9, 16-25
Organizational Profile	2.1 Name of the organization	2
	2.2 Primary brands, products and/or services	10-13
	2.3 Operational structure of the organization	10-13
	2.4 Location of organization's headquarters	10
	2.5 Number and names of countries where the organization operates	10, 72-73
	2.6 Nature of ownership and legal form	26, AR 6
	2.7 Markets served	10-11
	2.8 Scale of the reporting organization	10,54-56
	2.9 Significant changes during the reporting period regarding size, structure or ownership	54
	2.10 Awards received in the reporting period	39, 51
Report Parameters	<i>Report profile</i>	
	3.1 Reporting period for information provided	52
	3.2 Date of most recent previous report	2
	3.3 Reporting cycle	2, 52
	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	16-25, 53
	3.6 Boundaries of the report	52
	3.7 Specific limitations on the scope or boundary of the report	52-53
	3.8 Relevant changes in basis for reporting on joint ventures etc	54
	3.9 Data measurement techniques and the bases of calculations	52
	3.10 Explanation of the effect of any restatements of information provided in earlier reports	41, 60
	3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods	52
<i>GRI content index</i>		
3.12 Table identifying the location of the Standard Disclosures in the report	66-71	
<i>Assurance</i>		
3.13 Policy and current practice with regard to seeking external assurance for the report	53, 64-65	



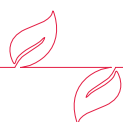
	Indicator	Page(s)	
Governance, Commitments and Engagement	<i>Governance</i>		
	4.1	Governance structure of the organization	26, AR 52-61
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer	AR 150
	4.3	For organizations that have a unitary board structure, state 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	19, 20, 50, AR 155
	4.5	Linkage between compensation for members of the highest governance body, senior managers and executives and the organization's performance	AR 54-57
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	AR 52-67
	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	AR 53
	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	16, 28, 50, AR 63
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance	AR 62-67
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	AR 53-59
	<i>Commitments to external initiatives</i>		
	4.11	Explanation of whether and how the precautionary approach is addressed by the organization	28-30, 36-38, 43, 50-51
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	29, 30, 52
	4.13	Memberships in associations and/or participation in national/international advocacy organizations	38, 43-44
	<i>Stakeholder engagement</i>		
	4.14	List of stakeholder groups engaged by the organization	17
	4.15	Basis for identification and selection of stakeholders with whom to engage	26
	4.16	Approaches to stakeholder engagement	18-21, 53
	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	18-21, 53



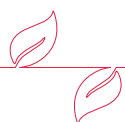
	Indicator	Page(s)	
Economic Performance Indicators	<i>Disclosure on Management Approach</i>		
	DMA	Policy	26-27, AR 11-13, AR 16-19
	DMA	Goals and performance	14-15, AR 7
	DMA	Additional contextual information	AR 66-67
	<i>Economic performance</i>		
	EC1	Direct economic value generated and distributed	54-56
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	32-34, 40-42, 46
	EC3	Coverage of the organization's defined benefit plan obligations	AR 127-129
	EC4	Significant financial assistance received from government	AR 107-108
	<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	16-17, 28-29, 31-38, 40-44
	DMA	Responsibility	28-30
	DMA	Goals and performance	22-23, 31-44, 61-63
	DMA	Monitoring	61-63
	DMA	Training and awareness	48
	<i>Materials</i>		
	EN1	Materials used by weight or volume	61
	EN2	Percentage of materials used that are recycled input materials	61
	<i>Energy</i>		
	EN3	Direct energy consumption by primary energy source	62
	EN4	Indirect energy consumption by primary source	63
	<i>Water</i>		
	EN8	Total water withdrawal by source	61
	<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)	
Environmental Performance Indicators (continued)	<i>Emissions, effluents and waste</i>		
	EN16	Total direct and indirect greenhouse gas emissions by weight	63
	EN17	Other relevant indirect greenhouse gas emissions by weight	63
	EN19	Emissions of ozone-depleting substances by weight	63
	EN20	NO _x , SO _x , and other significant air emissions by type and weight	63
	EN21	Total water discharge by quality and destination	61
	EN22	Total weight of waste by type and disposal method	62
	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	31-37
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	17, 28, 47, 50
	DMA	Responsibility	28
	DMA	Goals and performance	24, 47-51, 57-60
	DMA	Monitoring	47, 50, 57-60
	DMA	Training and awareness	48
	<i>Employment</i>		
	LA1	Total workforce by employment type, employment contract and region	57-59
	LA2	Total number and rate of employee turnover by age group, gender and region	57
<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	60	
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases	not tracked	
<i>Training and education</i>			
LA10	Average hours of training per year per employee by employee category	60	



Indicator	Page(s)
Social Performance Indicators (continued)	
<i>Diversity and equal opportunity</i>	
LA13 Composition of governance bodies and breakdown of employees according to gender, age group, minority group membership and other indicators of diversity per category according to gender, age group, minority group	58-59, AR 148-152
LA14 Ratio of basic salary of men to women by employee category	not tracked
Human Rights	
<i>Disclosure on Management Approach</i>	
DMA Policy	28
DMA Responsibility	28
DMA Goals and performance	28
DMA Monitoring	28
DMA Training and awareness	28, 50
<i>Investment and procurement practices</i>	
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
<i>Non-discrimination</i>	
HR4 Total number of incidents of discrimination and actions taken	no incidents
<i>Freedom of association and collective bargaining</i>	
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
<i>Child labor</i>	
HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	none
<i>Forced and compulsory labor</i>	
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
Society	
<i>Disclosure on Management Approach</i>	
DMA Policy	17, 29-30
DMA Responsibility	29-30
DMA Goals and performance	29-30, 44-45
DMA Monitoring	29-30
DMA Training and awareness	29-30
<i>Community</i>	
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



	Indicator	Page(s)	
Social Performance Indicators, society (continued)	<i>Corruption</i>		
	SO2	Percentage and total number of business units analyzed for risks related to corruption	29
	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	29
	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	30
	<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	28, 36-39	
DMA	Responsibility	28	
DMA	Goals and performance	36-39	
DMA	Monitoring	36-39	
DMA	Training and awareness	36-39	
<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	36	
<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	

Page numbers preceded by "AR" refer to pages in Océ Annual Report 2009, referenced on page 2.



Principal subsidiaries*

January 2010

Europe			
<i>Austria</i>	Océ-Österreich Ges.m.b.H.	Vienna	www.oce.at
<i>Belgium</i>	Océ-Belgium N.V./S.A.	Brussels	www.oce.be
	Océ Software Laboratories Namur S.A.	Gembloux	www.osl.be
<i>Czech Republic</i>	Océ-Ceská republika, s.r.o.	Prague	www.oce.cz
<i>Denmark</i>	Océ-Nordic Holding ApS	Copenhagen	www.oce.dk
	Océ-Danmark a/s	Copenhagen	www.oce.dk
<i>Finland</i>	Océ-Finland Oy	Helsinki	www.oce.fi
<i>France</i>	Océ-France S.A.	Noisy-le-Grand	www.oce.fr
	Océ Print Logic Technologies S.A.	Créteil	www.oce-plt.com
	Océ Business Services S.A.	Noisy-le-Grand	www.oce.com/fr/services
<i>Germany</i>	Océ-Deutschland G.m.b.H.	Mülheim/Ruhr	www.oce.de
	Océ Printing Systems G.m.b.H.	Poing	www.oce.de
	Océ-Deutschland Business Services G.m.b.H.	Mülheim/Ruhr	www.oce.de
<i>Hungary</i>	Océ-Hungária Kft.	Budapest	www.oce.hu
<i>Ireland</i>	Océ-Ireland Ltd.	Dublin	www.oce.ie
<i>Italy</i>	Océ-Italia S.p.A.	Milan	www.oce.it
<i>Netherlands</i>	Océ-Technologies B.V.	Venlo	www.oce.com
	Océ-Nederland B.V.	's-Hertogenbosch	www.oce.nl
<i>Norway</i>	Océ-Norge A.S.	Oslo	www.oce.no
<i>Poland</i>	Océ-Poland Limited Sp. Z o.o.	Warsaw	www.oce.pl
<i>Portugal</i>	Océ-Portugal Equipamentos Gráficos S.A.	Lisbon	www.oce.pt
<i>Romania</i>	Océ-Software S.R.L.	Timisoara	www.oce.ro
<i>Slovakia</i>	Océ-Slovenská republika s.r.o.	Bratislava	www.oce.sk
<i>Spain</i>	Océ-España S.A.	Barcelona	www.oce.es
<i>Sweden</i>	Océ Svenska AB	Stockholm	www.oce.se
<i>Switzerland</i>	Océ (Schweiz) A.G.	Glattbrugg	www.oce.ch
<i>United Kingdom</i>	Océ (UK) Limited	Brentwood	www.oce.co.uk

* 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 Commercial Registry Limburg in conformity with the provisions of Article 2:379 of the Dutch Civil Code.



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	North America		
<i>United States</i>	Océ North America, Inc.	Trumbull, CT	www.oceusa.com
	Commercial Printing Division	Boca Raton, FL	www.oceusa.com
	Corporate Printing Division	Trumbull, CT	www.oceusa.com
	Wide Format Printing Division	Chicago, IL	www.oceusa.com
	Océ Business Services, Inc.	New York, NY	www.oceusa.com
	Océ Reprographic Technologies, Corp.	Phoenix, AZ	www.oceusa.com
	Onyx Graphics, Inc.	Salt Lake City, UT	www.onyxgfx.com
<i>Canada</i>	Océ-Canada Inc.	Toronto	www.oce.ca
	Océ Display Graphics Systems	Vancouver	www.oceusa.com/odgs
<i>Mexico</i>	Océ Mexico S.A. de C.V.	Mexico City	www.oceusa.com
	Asia/Pacific		
<i>Australia</i>	Océ-Australia Ltd.	Scoresby	www.oce.com/au
<i>China</i>	Océ Office Equipment (Shanghai) Co., Ltd.	Shanghai	www.oce.com.cn
<i>Hong Kong</i>	Océ (Hong Kong China) Ltd.	Hong Kong	www.oce.com/hk
<i>Japan</i>	Océ-Japan Corporation	Tokyo	www.cejapan.co.jp
<i>Malaysia</i>	Océ Malaysia Sdn. Bhd.	Petaling Jaya	www.oce.com/my
<i>Singapore</i>	Océ (Singapore) Pte. Ltd.	Singapore	www.oce.com/sg
<i>Thailand</i>	Océ (Thailand) Ltd.	Bangkok	www.oce.com/th
	Other countries		
<i>Brazil</i>	Océ-Brasil Comércio e Indústria Ltda.	São Paulo	www.oce.com/br-pt
	Direct Export/Emerging Markets		
<i>Netherlands</i>	Océ Direct Export/Emerging Markets	Venlo	www.ocedirectexport.com
	Financing companies		
<i>Australia</i>	Océ-Australia Finance Pty. Ltd.	Scoresby	www.oce.com/au
<i>Belgium</i>	Océ-Interservices N.V./S.A.	Brussels	www.oce.be
<i>France</i>	Océ-France Financement S.A.	Saint-Cloud	www.oce.fr
<i>Germany</i>	Océ-Deutschland Financial Services G.m.b.H.	Mülheim/Ruhr	www.oce.de
<i>Spain</i>	Océ-Renting S.A.	Barcelona	www.oce.es
<i>United Kingdom</i>	Océ (UK) Finance Ltd.	Brentwood	www.oce.co.uk
<i>United States</i>	Océ-Financial Services, Inc.	Boca Raton, FL	www.oceusa.com
	Minority holdings		
<i>Cyprus</i>	Heliozid Océ-Reprographic (Cyprus) Ltd.	25.0%	
<i>Netherlands</i>	MuTracx B.V.	19.9%	
<i>Singapore</i>	Datapost Pte. Ltd.	30.0%	



Colophon

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