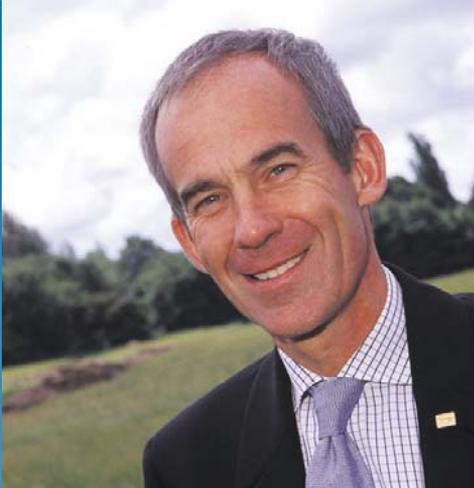




You're our number One !



SUSTAINABLE  
DEVELOPMENT  
REPORT N°1



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

## EDITO

I am very proud to issue our first sustainable development report which gives us the opportunity to consolidate all the actions we took during previous years and to review our objectives for the coming years.

For Lyreco, economical development, social development and environment preservation are interdependent components which strengthen one another.

Economic development means all the companies within the Lyreco Group growing and making profits. It is very important to us as it is fundamental to give our employees secure and stable employment, to hire new employees, to generate more business with our suppliers and subcontractors...

Economic development also means sustainable growth in a sustainable world. That is what we endeavour to share with our employees, our partners and stakeholders every day. To strengthen these commitments I signed the Global Compact Initiative in 2004 which aims to share and apply these values all over the world.

### ENVIRONMENT PRESERVATION

Earth resources are not unlimited and it is every company's responsibility to master its impacts on the environment in order to ensure a harmonious future in a preserved world for our children.

Our mission statement reads "we want to be THE REFERENCE that the business community turns to for office supplies solutions". This also applies to the way we strive to preserve the environment.

A number of years ago our business decided to take environment preservation into account as a major stake in all actions and projects worldwide. To ensure this is always adhered to it has been included in all our policies. The Lyreco Environment Management System has been fully integrated into our organisation for a number of years.

Despite our efforts and actions to minimise our impact on the environment we are conscious of what still needs to be addressed in this area in Lyreco, as well as with our partners and our stakeholders.

### SOCIAL EQUITY

The world cannot exist without people. At Lyreco people have always been considered our biggest strength.

For years we have strived to provide our employees with the very best working conditions for them to achieve the best results everyday, offering our customers the very best services.

Our values, training programs, health and safety at work, Internal Opinion barometers and other important social aspects are now fully integrated in our organisation and implemented in all our subsidiaries.

But sustainable development does not stop with Lyreco. As stated in our ethical policy "We endeavour to seek partners and suppliers which share and apply the same values".

I hope that this global picture of our management of Sustainable Development gives you a better understanding about Lyreco. I know that nothing can be taken for granted and several initiatives have been identified for the coming years.

I would be happy to receive your feedback and suggestions. Together we can do more at Lyreco in the future.

Eric Bigeard  
C.E.O.





## OUR VALUES

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



**PASSION**



**PROFESSIONALISM**



**EXCELLENCE**



**RESPECT**

## SUMMARY

P2	INTRODUCTION FROM ERIC BIGEARD, CEO
P4 - P5	OUR POLICIES - QUALITY - ETHICS
P6 - P7	OUR BUSINESS OUR ACTIVITIES
P8 - P9	SUSTAINABLE DEVELOPMENT - OUR INTEGRATED SYSTEM - OUR SUSTAINABLE DEVELOPMENT MANAGEMENT
P10	THE GLOBAL COMPACT
P11 P12	REDUCING OUR IMPACT ON THE ENVIRONMENT OTHER IMPACTS
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P18 - P19	OUR LOGISTICS
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P24	OUR COMMUNITIES





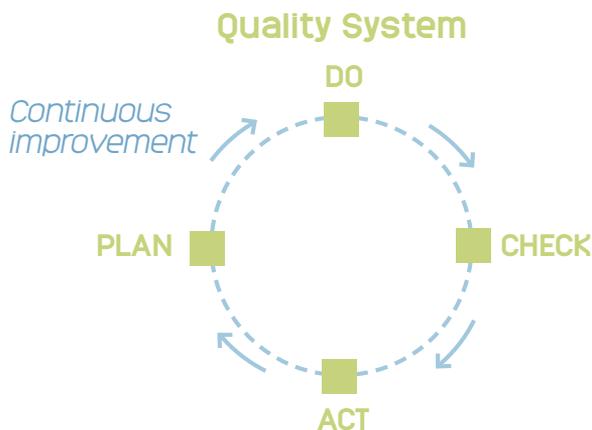
## OUR POLICIES

«The mission of the Lyreco Group is to be the reference that the business community turns to for office supplies»

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

### Quality

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



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

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

#### ■ MASTERING THE ORGANISATION

The Lyreco process model allows linking the organisation to the management of the company.

Each employee must know his/her impacts on the organisation to be involved in the continuous improvement of the business.

Everybody makes an impact on the global result.

#### ■ FOLLOWING UP THE OBJECTIVES

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

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

#### ■ LOOKING FOR WAYS TO IMPROVE OUR PERFORMANCE

This means efficiency in our preventive and corrective actions.

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

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

**RESPECT, EXCELLENCE, PASSION AND PROFESSIONALISM.**



## ENVIRONMENTAL PRESERVATION

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

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



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

This international certification:

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

All these actions clearly show the ambition of Lyreco:

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



## Ethical

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

## SOCIAL DEVELOPMENT

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

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

Lyreco commits itself on the following principles:

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

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





## OUR ACTIVITIES

ONE OF THE LYRECO'S ASSETS LIES IN THE ORGANISATION AND MANAGEMENT MODEL. THE SAME POLICIES, SAME ORGANISATION AND MANAGEMENT RULES APPLY TO ALL LYRECO SUBSIDIARIES.

A UNIQUE INFORMATION SYSTEM FACILITATES THE SHARING AND CONSOLIDATION OF ALL THESE ELEMENTS WORLDWIDE.

### CONTINUOUS IMPROVEMENT IS THE RULE

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

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

## OUR BUSINESS

«At your service worldwide»

### AT YOUR SERVICE WORLDWIDE 29 COUNTRIES, ONE LYRECO

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

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



### PRODUCT SELECTION INDICATORS

#### PRODUCT SELECTION INDICATORS

- An average of **6,000** products offered by each country
- **15** product families
- **545** 'green' products i.e. **14%** of the International common range
- **175** ergonomic products i.e. **5%** of the International common range

#### AREAS FOR IMPROVEMENT

- More environmentally friendly products in our offering
- Raise consumer awareness on sustainable development.
- Work together with suppliers to develop environmentally friendly products



### SALES FORCE INDICATORS

#### SALES FORCE INDICATORS

- **5,000** sales people
- **2,600** cars

#### AREAS FOR IMPROVEMENT

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



### CUSTOMER



### CUSTOMER SERVICE INDICATORS

#### CUSTOMER SERVICE INDICATORS

- **30,000** customer contacts/day
- **55,000** orders/day

#### AREAS FOR IMPROVEMENT

- Reduce environmental impacts due to hard copy orders



### ORDER PREPARATION INDICATORS

#### ORDER PREPARATION INDICATORS

- **36** Distribution centres: **400 000m2**
- **225,000** parcels prepared/day

#### AREAS FOR IMPROVEMENT

- Reduce Health & Safety risks.
- Increase waste recycling



### DELIVERY INDICATORS

#### DELIVERY INDICATORS

- **950** vans and drivers
- **225,000** parcels delivered every day

#### AREAS FOR IMPROVEMENT

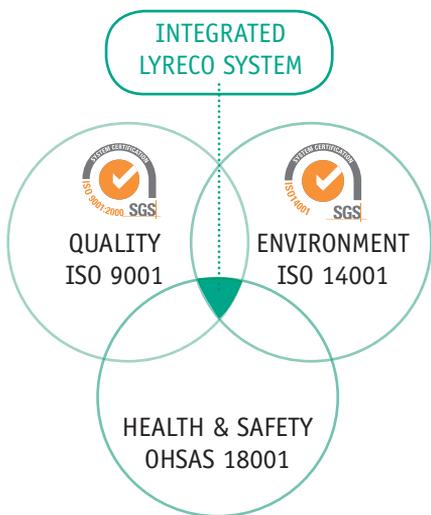
- Reduce Health & Safety risks
- Reduce environmental impacts due to transportation





# SUSTAINABLE

DEVELOPMENT QUALITY AND SECURITY



180 INTERNAL AUDITORS

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

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

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

## HEALTH AND SAFETY

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

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

## A UNIQUE CERTIFICATION BODY

To ensure the consistency of the external audits and to use synergy effects, Lyreco has chosen **SGS** as the unique certification body for all its subsidiaries.

Audit feedbacks are shared with all subsidiaries and used for internal benchmarking and continuous improvement.

## LYRECO - SGS:

### A PARTNERSHIP FOR CONTINUOUS IMPROVEMENT

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



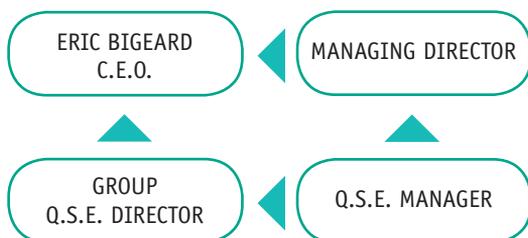
To start the certification process in our new subsidiaries: Switzerland, Czech Republic, Austria, Slovakia, Hungary





## OUR SUSTAINABLE DEVELOPMENT MANAGEMENT

IN LYRECO, IT IS THE RESPONSIBILITY OF EVERY EMPLOYEE TO TAKE SUSTAINABLE DEVELOPMENT INTO ACCOUNT IN THEIR DAILY ACTIVITIES. LYRECO USES ITS INTERNATIONAL ORGANISATION TO ENSURE THAT ALL THESE ACTIONS ARE WELL ORGANISED, CO-ORDINATED AND CONSOLIDATED AND THAT ALL THE OBJECTIVES ARE MEASURED AND ACHIEVED.



### ■ OUR SUSTAINABLE DEVELOPMENT STRUCTURE

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

According to the importance Lyreco puts in these areas:

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

### ■ MONTHLY CO-ORDINATION

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

### ■ A QUARTERLY GROUP QUALITY, SECURITY AND SUSTAINABLE DEVELOPMENT MANAGEMENT MEETING

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

### ■ A SUSTAINABLE DEVELOPMENT REPORT COMMITTEE

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

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





## THE GLOBAL COMPACT



THE GLOBAL  
COMPACT



### «Lyreco supports the Global Compact»

We take our responsibility to the community at large extremely seriously. Eric BIGEARD signed in 2004 the Global Compact initiative from the United Nations to promote sustainable development in the company and towards its stakeholders. All our employees have been informed about the Global Compact initiative and its objectives and participate in continuous improvement in environment and social development areas. A number of projects are currently in progress in the Lyreco subsidiaries.

Lyreco encourages all stakeholders to join the Global Compact initiative to ensure a more sustainable and inclusive economy.

#### ■ WHAT IS THE GLOBAL COMPACT?

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

**A MORE SUSTAINABLE AND INCLUSIVE GLOBAL ECONOMY.**

#### ■ THE GLOBAL COMPACT 10 PRINCIPLES COVER THE AREAS OF:

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

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

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

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

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



2007  
initiative

To encourage local sustainable development actions and promote Global Compact.



## REDUCING OUR IMPACT ON THE ENVIRONMENT

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

### «A day to day commitment»

#### ■ OUR MAIN IMPACTS ON THE ENVIRONMENT ARE:

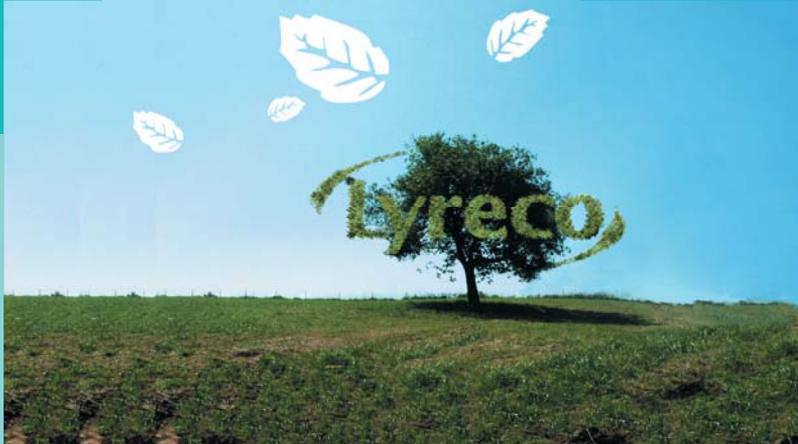
- **Cars and vans**  
Gas/diesel consumption and air pollution
- **Distribution Centres**  
Cardboard and plastic waste (see "Our logistics", page 18)

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

#### ■ COMPANY FLEET VEHICLES

Regular maintenance of vehicles to **minimise air pollution and optimise the fuel consumption** is a must in all Lyreco subsidiaries.

As with all the company requirements, this point is checked during our internal audit processes. Several subsidiaries have already taken local actions to further reduce the impact of our fleets on the environment.



### GREEN HIGHLIGHTS

#### ACTIONS TO REDUCE FLEET VEHICLE IMPACTS ON THE ENVIRONMENT

Numerous actions have already been taken to reduce cars and vans impacts on the environment (Australia, Benelux, France, Germany, Scandinavia, Spain, Switzerland and U.K.)

##### BENELUX

Trade down policy in place, the list of company cars has been reviewed to take CO2 emissions into account, hybrid cars are encouraged, awareness and training of "environmentally friendly driving", all employees are encouraged to travel to work by public transport, bicycle or with a colleague in car share.

##### FRANCE

Creation of a communication campaign named "road hazards management" and a vehicle charter. "Small gestures to preserve the environment" have been communicated to all employees. Statistics about diesel consumption are followed up on the whole population.

##### SPAIN

Best environmental practices in place for drivers. Haulage companies were sent a mailing to encourage the reduction of noise, air pollution and fuel consumption; trolley cases for reps (to avoid using a car), new company car policy with environmental criteria.

##### U.K. & IRELAND

Trade down policy, delivery vehicles using LPG fuel on trial in London, hybrid vehicles in the company car selection list.

# OTHER IMPACTS

## CATALOGUES

- **Reduction of the catalogue weight** by reducing the paper grammage: -11% in 3 years, i.e. around 300 tons saved.
- **200,000 catalogues** printed with **100% recycled** paper in the UK in 2006; All catalogues (100,000 units) in Japan printed on recycled paper
- **e-business solutions to minimise the impact** on the environment by using less paper (see "Our Customers")



On Line Ordering

Number of catalogues:

- 2006 : **2,300,000** catalogues in 23 countries
- 2007 : **2,900,000** catalogues in 29 countries

## POWER CONSUMPTION

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

## HAZARDOUS WASTE RECYCLING

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

## 2007 initiative

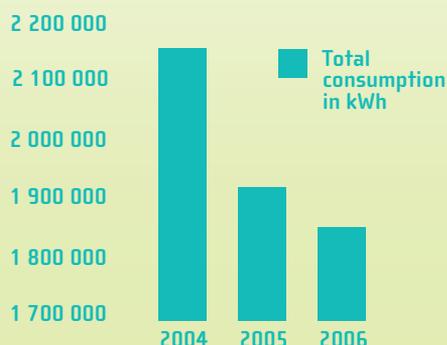
- All European catalogues to be printed on recycled paper for 2007
- More documentation printed on recycled paper (flyers,...)

## GREEN HIGHLIGHTS

### GERMANY

Information to employees, permanent monitoring and optimisation of the buildings controls allowed the significant reduction of electricity consumption.

Total electric power consumption per years (kWh)



### FRANCE

The weight of recycled waste for 2006 was as follows: Total weight: 1,010 tons  
Hazardous waste: 5 tons (10.5 % of total waste).

### AUSTRALIA

#### Using synergies

Every employee is encouraged to reduce our impacts on the environment. Every employee can have a major impact as the solutions can be shared and implemented in all subsidiaries. And that is what Denis Jurczak did some months ago! He came up with the idea of programming the computers to minimise their power consumption. Denis sent his idea to the group for general implementation...

#### Result

**3500** computers concerned;  
**984 KWh saved/year**  
Pollution prevented (per year):  
**270 tons of CO2 or 47 cars off the road** or 74 acres of trees planted.

### Case study: Benelux Printed Materials :

Benelux completed research to reduce paper used by marketing services. Although the number of sales people continues to grow, significant results were achieved:  
- the number of catalogues has been reduced by 8,3%.  
- the paper used for promotions, Diary catalogues, New Business Flyers was reduced by more than 10%.  
A big monetary saving, but also a big saving in waste of paper!  
**Very good news for everyone.**

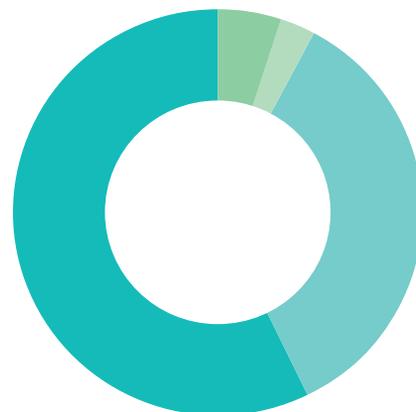


# FINANCIAL INTEGRITY

## «Redistributing values to stakeholders in 2006»

### CUSTOMERS €2,080M:

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



57% Europe Euro Zone  
 35% Europe other countries  
 5% North America  
 3% Asia Pacific



Consolidated sales came to **€2 080m** in 2006 showing a **growth of 16.6%** compared to last year.

2005 acquisitions and start ups contributed to the great performance of 2006 (acquisitions in Switzerland, Finland, Belgium, Netherlands and Germany; start ups in Malaysia, Singapore and Korea).

Lyreco continues its worldwide expansion in 2006 with creation of start ups in Czech Republic, Austria, Slovakia and Hungary.

The financial reliability is structured around two controlling arms:

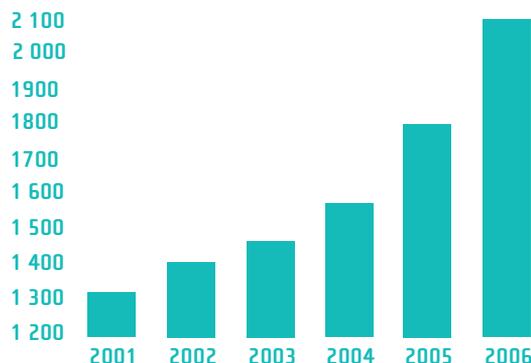
- Internal audit ensuring a strict application of our financial policies and procedures
- A prime external audit firm certifying its financial statements. Lyreco ensures the full independence of its auditor by excluding it from any consulting function in the Group.

### FINANCIAL INTEGRITY

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

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

Sales in million euro





## OUR OFFERING

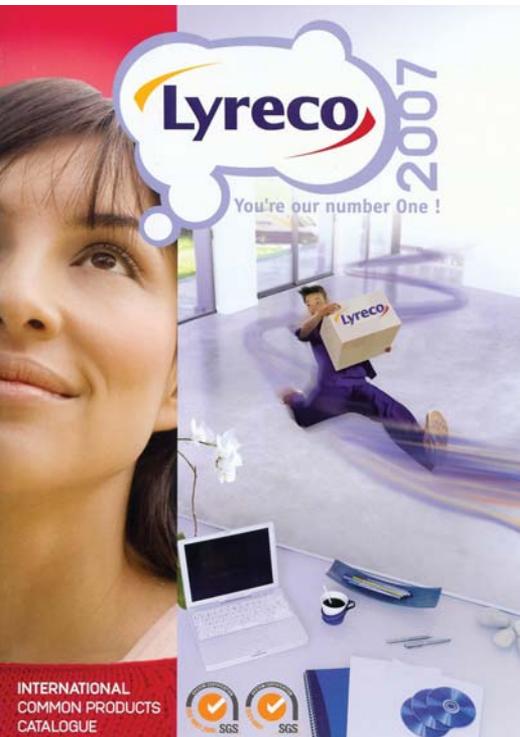
«Customers' needs are at the heart of our product offering»

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

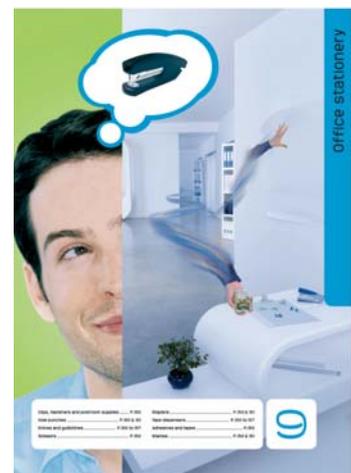
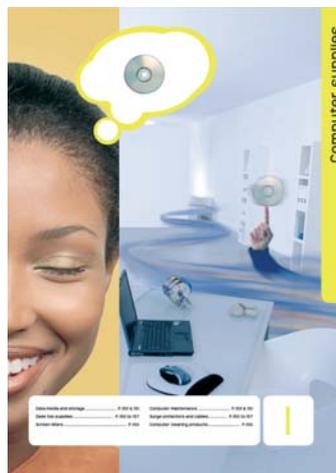
Over 4,000 products have been selected to match local customer requirements and are made available in the 29 countries in which Lyreco operates.

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

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



INTERNATIONAL  
COMMON PRODUCTS  
CATALOGUE





### ■ 'GREEN' & 'ERGONOMIC' PRODUCTS

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

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



'GREEN PRODUCTS' = **545** products ie **14%** of the International common range



'ERGONOMIC PRODUCTS' = **175** products ie **5%** of the International common range

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

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

### ■ OUR OWN BRAND: IMPEGA

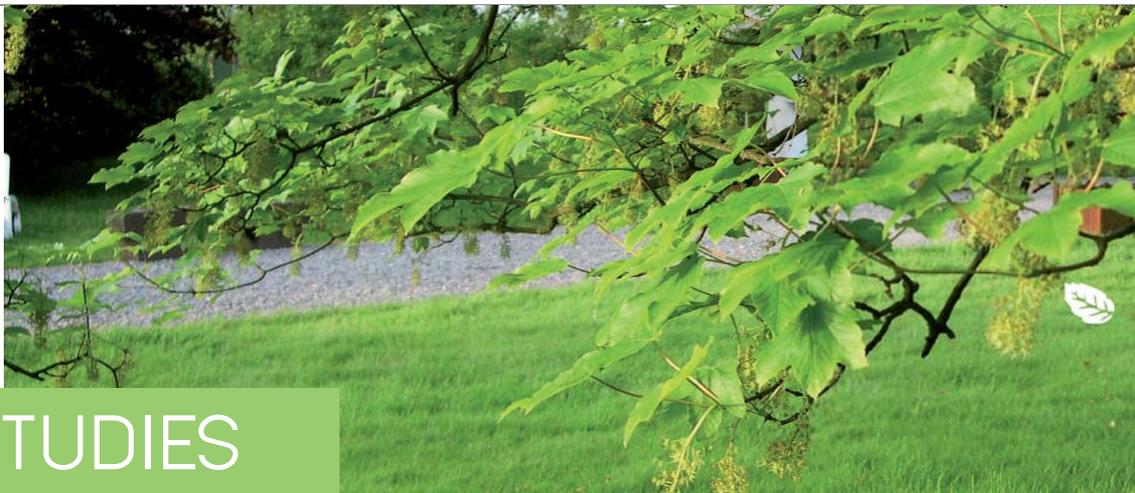
From paper to office stationery through to a range of remanufactured cartridges, Impega products offer an alternative choice endorsed with our quality guarantees and product warranties.

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

Total of 'Own brand' products = around **900** SKUs ie **23%** of the common range out of which:

- **28%** are 'green' items,
- **2%** are 'ergonomic'.





# CASE STUDIES



## ■ IMPEGA A3 PAPER IN BOXES OF 3 REAMS: A LYRECO INITIATIVE TO MEET A “HEALTH AND SAFETY” NEED

Because “You’re our Number 1”, Lyreco takes special care to optimise the day-to-day use of your supplies. That is why we have introduced a brand of new reference in the paper industry, by providing all our Impega A3 papers in boxes of 3 reams instead of 5, which reduces the weight of the box from 25 to 15kgs!



## ■ PAPER PRODUCTS

It is important to Lyreco, when sourcing any paper based product, that the supplier conforms to the best possible environmental practices and thus we ensure the paper is sourced from sustainable forests. We request that each of our paper suppliers produce sustainability reports and have recognised environmental accreditations i.e. FSC, PEFC, Blue Angel, Nordic Swan, ISO 14001, etc. Therefore, all the Impega office paper products are sourced from mills where environmental issues are a real priority.



## ■ TONER AND BATTERY COLLECTION PROGRAMME

Lyreco offers a range of toner cartridges which include branded and our own brand ‘Impega’. Our customers have the opportunity to use a collection service to return all empty cartridges and/or batteries. Empty cartridges are then used for remanufacturing. 61% of cartridges sold are recycled (2006 figures for laser cartridges)

## ■ WEEE\* AND ROHS\*\*

Lyreco, in line with the European Union, aims to encourage the re-use, recycling and recovery of waste (WEEE) and the prevention of the use of certain hazardous substances (RoHS). To ensure compliance to this process, a declaration form has to be completed by all the suppliers working with Lyreco and concerned by such products.  
\*Waste Electrical and Electronic Equipment  
\*\*Restriction on Hazardous Substances



## ■ MATERIAL SAFETY DATA SHEETS

Lyreco ensures that all elements regarding health and safety information related to any hazardous contents in our stationery products are made available to customers on our Lyreco web sites in local languages.



OUR CATALOGUE

# PRODUCT SUPPLIERS

«Encourage them to develop and produce more environmental friendly and ergonomic product»



### Group Business Supplier Agreement extract:

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

### HAMELIN FILING

Lyreco has always had a fair behaviour even when we perceived the decisions made as tough. The same approach led Lyreco to set up a strict assessment of its suppliers. Based on objective facts, it provides Lyreco with the possibility to rank its suppliers. A good way to push us to improve our performance. We share a common and strong commitment for a sustainable development. We target to get the ISO 14001 certification for all our Books & Pads factories. Each time an eco-label is available, we adopt it whatever the constraints are. We have set up a special team to be instrumental in developing the first European eco-label, expected end of 2007. Our common concern is such that, while visiting together – Hamelin and Lyreco – several points of sale far away from Europe, the idea to create an environmental friendly range of filing products popped up. After fruitful discussions with Lyreco, the Touareg range is born!

Francis Werner  
Managing Director

## ■ SUPPLIER PARTNERSHIP & ETHICS

The business relationships we have with our suppliers are consistent throughout the Group.

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

## ■ SUPPLIER AGREEMENT

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

## ■ SPIP (SUPPLIER PERFORMANCE IMPROVEMENT PROGRAMME)

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

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

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

- ALL suppliers (local and Group and Lyreco Import) providing us with goods during the year, in all the countries, are concerned by the SPIP.



## OUR LOGISTICS



«36 Distribution Centres  
400,000m<sup>2</sup>  
6,000 products»

### ■ NO OUTER PACKAGING

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

For other goods, the system automatically indicates the smallest box possible to fit all items. The boxes are then cut to size, saving 10% of truck space.

Since 2005, our delivery boxes have been made from **100% recycled** cardboard of the smallest possible thickness. This has meant that we use **22% less trucks** from suppliers to deliver us our boxes.

### ■ ENERGY REDUCTION

All our most recent distribution centres have up to **5% of natural lighting to decrease electrical consumption. On many summer days we don't have to switch the light on at all!**

### ■ SOLID WASTE REDUCTION

Distribution Centres sort cardboard, plastic and wood. In 2006 we recycled nearly **4.000 t** of cardboard and **500 t** of plastic.

### 2007 initiative

3 distribution centres will be built or extended amounting to **50,000 m<sup>2</sup>** of modern installations. These developments will be built taking the latest environmental and health and safety rules into account. They will also have optimised natural lighting.



### GREEN HIGHLIGHT

#### SWITZERLAND

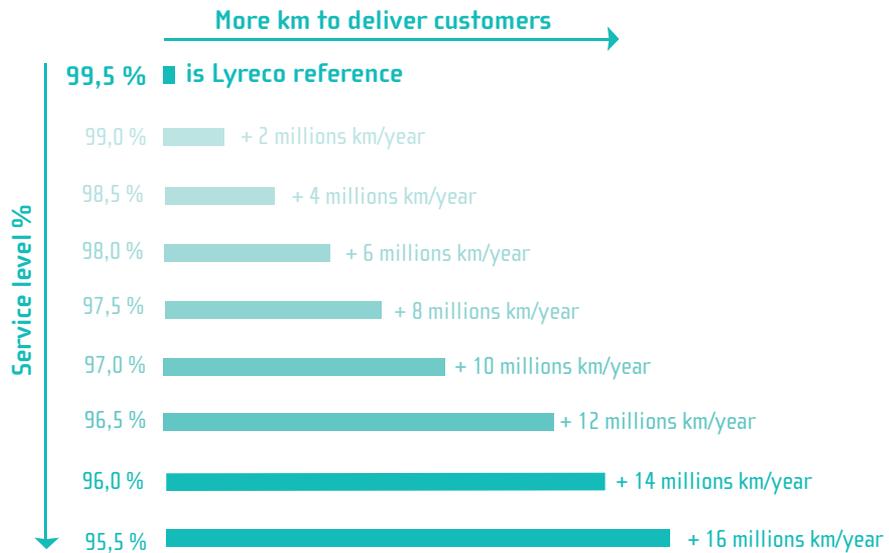
Boxes are reused. They are collected when we deliver other goods.



«55,000 Deliveries/Day  
225,000 Parcels/Day  
99.5% Service Level»

### FUEL REDUCTION

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



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

### 2007 initiative

Objective is to launch a new project for the implementation of alternative energy vehicles



### GREEN HIGHLIGHTS

#### SWEDEN

Stockholm vans are equipped with particle filter exhaust pipes

#### UNITED KINGDOM

London vans are LPG  
Double deck trailers are used to increase the number of pallets per truck by 35%

#### SWITZERLAND

Business Coffee Solution department uses 12 bi-fuel gas vehicles. 50% of the pallets are transported by train

#### FRANCE

24 regional distribution centres are powered by renewable energy



# OUR CUSTOMERS

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

«You are our number one!»

## CUSTOMERS' TOTAL SATISFACTION

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

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

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

ATTACHE COMMERCIAL									
15	43	42	35	5	39	42	53	44	
19	45	46	34	14	41	47	53	47	
13	43	40	12	13	38	46	51	41	
9	44	38	4	14	32	45	52	43	
10	46	44	30	13	40	52	53	46	
7	0	0	-34	-44	-21	27	36	19	
100									
14	66	67	61	65	70	63	67	67	
19	56	51	49	53	48	46	57	52	
16	62	68	55	65	64	57	62	69	
15	68	71	65	71	68	66	67	74	
17	53	59	52	61	57	47	51	59	
10	55	50	47	59	46	54	54	50	
DRETLERS COMMERCIAUX FAX									
16	58	48	37	60	41	33	57	52	
13	63	65	66	65	68	62	61	63	
15	51	46	38	47	43	35	55	47	
14	53	54	49	59	48	40	49	57	
LABORATOIRES									
15	69	69	66	66	67	66	70	71	
10	60	63	60	59	61	60	61	64	
13	66	64	61	68	64	65	65	63	
18	64	63	57	59	61	58	66	64	
15	66	68	62	68	69	68	65	67	
15	67	64	62	67	59	68	67	66	



Include our new subsidiaries in the Customer Satisfaction measurement.

Continue to encourage our Customers to contact our Customer Services experts or to use our online ordering tool to send their orders (instead of using fax).





## ENCOURAGE CUSTOMERS TO PRESERVE THE ENVIRONMENT

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

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

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

## REDUCING FAX ORDERS

We encourage customers who use faxes to send their order to contact our Customer Services experts or to use the Lyreco online Ordering tool (O.L.O.)

A faxed order results in one page of paper being used by the customer and one page of paper used by Lyreco.

In 2006, **8,000,000 sheets were saved** thanks to customers' involvement in the solutions proposed by Lyreco.

It represents **16,000 reams of paper (80 pallets)**.

## ELECTRONIC INVOICING IN CANADA

Our Customers in Canada now receive electronic invoices, which allows them to choose whether they should print them or not.



On Line Ordering

Lyreco  
 My Lists Order Order History Management  
 Latest : 126.000 ADOC A4 BURGUNDY DISPLAY ... x1 15.98  
 Product Search  
 Advanced search Index search Guides  
 Quick Order  
 Shopping cart  
 Direct add to cart  
 Product code Qty Line note Add to your shopping basket  
 Online Catalogue  
 Hide pictures Sort by  

Product code	Item qty	Price (EUR)	Qty	Amount (EUR)
0M001 L A4RALF.PAP.A4.1001M4				
469.442	[BOX (5)]	45.38	1	45.38
157.736	[BOX (5)]	42.55	2	85.10
187.207	[BOX (5)]	44.65	5	223.25
1.078.156	Each (1)	11.13	2	22.26
126.000	Each (1)	15.98	1	15.98
Net Total :				391.87

 Save list Empty shopping cart Submit order



**ACCOR**  
 Accor launched the « Earth Guest » program in 2006 in order to federate its actions within the social and environmental domains. Clear objectives have been fixed to reduce water and energy consumption, to promote balanced food, to support fair business and to train collaborators.

Accor also shares its commitments with more than 2000 business partners around the world. The "sustainable purchasing" charter developed by the Group permitted the involvement of all suppliers within a virtuous circle. Suppliers' assessment reveals a continuous progression taking into account social and environmental criteria.

By putting the environment in the heart of its activities Lyreco offers to its customers a wide range of products and services. The ability to select green products allows Accor the ability to progress in its "sustainable purchasing" approach. Finally Lyreco allows the Group to progress in the management of waste thanks to its wide network of collection and management of batteries and laser cartridges.

**Nathanaël MATHIEU**  
 Direction Développement Durable



## OUR EMPLOYEES



«With more than 10 000 employees worldwide in 2006, Lyreco is present on all 5 continents»

### ■ LYRECO, A GREAT PLACE TO WORK

2006: leading year for Lyreco regarding employee recognition as many of its countries were named **"Best Place to work"**: France, Germany, Belgium, Netherlands...

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

### ■ VERY LYRECO PEOPLE: ONLY THE BEST DESERVE THE BEST

Very Lyreco People rewards the best Lyreco employees worldwide.

Each year, Lyreco recognises the best sales people in the Group and the non sales staff who best represent the Lyreco values.

In 2006, **170 VLPs from 21 countries** had the amazing opportunity to experience the magic of South Africa for a week.



### ■ OFFERING NOT ONLY A JOB BUT A CAREER

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

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

#### Internal promotion: a reality

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

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

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

#### Health and Safety: a permanent focus

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

For example Lyreco innovates with the creation of the box of 3 reams for A3 paper much lighter and easier to carry. This innovation in marketing meets a "health and safety" need.



## 2007 initiative

More countries to apply for the "Best Place to Work" assessment (Canada, Italy, Poland, Spain, Scandinavia).

## 2007 initiative

In 2007, the VPL winners had the opportunity to discover India!

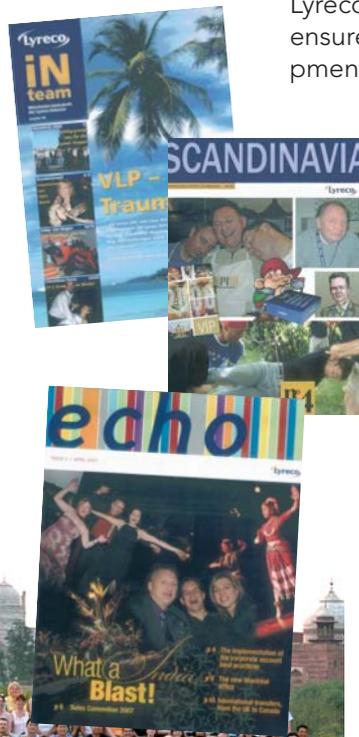
## 2007 initiative

Expand the personal and leadership development programme across the Lyreco subsidiaries.



## HAVING FUN!

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



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

## INTERNAL OPINION BAROMETER...

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

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



### WHAT ARE WE GOING TO DO?

A question and answer sheet is enclosed with this pack that asks for further information.

One side shows the Top 6 responses that you rated as Areas of Strength. Under each statement is a space for your comment(s) to explain why you think it is an area of strength.

The other side shows the Bottom 7 responses that you rated as Areas of Concern. Under each statement is a space for your comment(s) to explain why you think it is an area of concern.

So that we understand what we are doing well – and can keep doing it, and what we are not doing well and can do differently, it is very important that you tell us **why you think what you think**.

Please complete both sides – you don't have to give your name – and return it in the enclosed envelope.

Lyreco,  
a worldwide  
involvement

## OUR COMMUNITIES



«Think globally, act locally»

We support local actions and contribute in a positive way to community life. The actions towards communities are piloted by our subsidiaries according to the local opportunities.



contact: [sustainable.development@lyreco.com](mailto:sustainable.development@lyreco.com)