

## OCÉ STAKEHOLDER DIALOGUE

Date: 5 November 2009  
Place: Océ Headquarters, Venlo

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### INTRODUCTION

For Océ a structural dialogue with its stakeholders is essential for the continuous review of Océ's sustainability policy. Therefore Océ asked the VBDO, the Dutch Association of Investors for Sustainable Development, for the second time to facilitate the dialogue and the organization process prior to the meeting. VBDO coordinated the invitations to the stakeholders, developed a survey and facilitated the meeting itself.

### PRESENTATION MR LOOZEN

The meeting started with a presentation by Mr. H. Loozen, Senior Vice President Corporate Public Affairs & Sustainability at Océ. He extended the invitation to the stakeholders to help Océ to go further on sustainability. Mr Loozen explained that Océ had incorporated sustainability into the company mission, placing the emphasis on eco-effectiveness en eco-efficiency. Mr Loozen said that by focussing on eco-effectiveness, Océ is moving towards cradle-to-cradle solutions. This is something that is already happening in the asset recovery plant that participants could visit after the meeting, where products are being remanufactured and parts are being reused.

Some milestones for Océ in 2009 were the organization of Océ's first sustainability week to create awareness among the employees, the formulation of a clear sustainability strategy and the joining of EICC (Electronic Industry Citizenship Coalition). Mr Loozen addressed the results of last years' dialogue and what Océ had done with the suggestions made at that time. Most suggestions made during last years meeting have been implemented. However, one of the suggestions made by stakeholders was to increase the number of assembly sites, but it turned out not to be economically viable to put this into practice. On the remuneration topic, the members of the board have one non-financial target and the company is looking into ways of linking this target to sustainability. A question concerning that subject was also asked by VBDO during the last annual shareholder meeting.

### PRESENTATION ON VISION FROM VBDO

VBDO takes notices of the improvement Océ has made during the past year and is glad to see that the reporting is clearer and that targets have been included. One of the VBDO's focal points is responsible supply chain management. On this point VBDO sees room for improvement for Océ. It is unclear whether Océ performs audits with suppliers that are part of the Approved Supplier list, but the report states that the process of choosing a new supplier includes an inspection of the supplier's factories by Océ employees. VBDO hopes to find more information on monitoring and non-compliance policies and practices next year in Océ's reporting. The targets Océ has currently formulated show the number of improved products Océ plans to develop. It remains unclear to what extent customers ask for these kinds of products and how Océ's focus on these products also provides the company with business opportunities. Finally, Océ is going through a rough time financially. VBDO hopes that the company will be able to uphold the current sustainability activities regardless of this economic reality.

### Survey results

In preparation for the dialogue, VBDO drafted a survey. This survey gives stakeholders the opportunity to think about the sustainability issues at Océ prior to participating in the dialogue. This also means that participants are familiar with the material and the discussion can go directly into detail on some of the important points. All survey results are shared with Océ so it can learn from it as well.

The survey highlighted the following positive points; Océ has made progress on sustainability and the focal points are relevant. Points for improvement had to do with the completeness of the sustainability policy and the ambition on sustainability, especially in the medium and the long term. This ambition could especially be improved in terms of the strategy, focal point 2 (minimize energy consumption per print), focal point 3 (maximize reuse of materials and minimize landfill) and focal point 5 (establish Océ as employer of choice)

### **DISCUSSION ROUND I**

The first discussion round was focused on the strategy and targets. In this discussion round, stakeholders were asked to look at how Océ could improve on its ambitions related to the topics mentioned above, taking into account that the current financial reality may affect the targets set for the short, medium and long term. Where should Océ go and how can it realistically get there?

#### **Focal point five**

On the discussion on focal point five (Establish Océ as employer of choice) stakeholders brought forward that Océ should focus on employee development and a good work-life balance. A yearly satisfaction survey among employees would be a good way to provide Océ with information on possible points of improvement on this focal point. Stakeholders considered the target on this focal point as limited. Diversity is more than just gender; age and culture are also important aspects of diversity. In order for Océ to realize the targets set for this focal point the board should be involved. The members of the board should become more visible and create an Océ feeling through core company values. In order to get employees involved in the sustainability activities, Océ needs to improve internal communication on the sustainability initiatives and show that it is a driver of innovation.

#### **Focal point three**

The discussion on focal point three (maximize reuse of materials and minimize landfill) the completeness was questioned in the sense that it is currently unclear whether this focal point applies to all materials and consumables such as toner bottles. Stakeholders indicated that the targets for this focal point could be more specific and explicit. There are opportunities for Océ to move to cradle-to-cradle products. Targets should be specified per business or product, making it easier to see where the opportunities and quick wins are and what areas need extra attention. The target for this focal point is a 20 % reuse, but it this focal point is not new for Océ, making unclear whether this is an easy or difficult target. Océ should be clearer about this. It would also be helpful to cooperate more with partners in the supply chain and in the sector. Océ should look at the sphere of influence and could perhaps draft different targets for different spheres.

In addition to this, the stakeholders made clear that the report was vague about the level of inclusion; it should include all companies. Communication can also be improved. Océ should be a good corporate citizen and report this. Finally, it would be helpful if customer advantages would be made explicit, such as how much CO<sub>2</sub> emission is saved by the reuse of materials.

#### **Focal point two**

A third group looked at focal point two (minimize energy consumption per print). The first conclusion was that this focal point also requires Océ to look towards the supply chain. Energy consumption is not just influenced by how Océ makes the machine but also by the use of the client. Efficiency needs to be defined so the cost savings due to energy savings can be made explicit in communication with customers. Océ could also focus more on the existing machines and make technical changes to machines that are already with customers, improving the energy use of these machines. Customers need to receive more information on how to save energy. Finally, Océ should look at more complete solutions besides printing to facilitate customer demand.

### Strategy

For the strategy to be more complete and more ambitious it would be good if an external target were included, such as performance on internationally recognized benchmarks. At the same time, Océ has to be careful that sustainability does not become something the company is just doing to look good. It needs to be integrated in core company activities. There should be more explicit targets on business services and the report can be clearer. It is good that Océ has set targets now but the company needs to continue to think about setting new targets. It is also important to engage employees in this process and there also needs to be commitment from the board. Another thing that stakeholders would be interested to see is how Océ is different from its peers.

### DISCUSSION ROUND II

Océ wants to look ahead to responsible supply chain management and sustainability initiatives as a business case. In the second round of discussion, the first group discussed vertical responsible supply chain management and how Océ should deal with suppliers, both current and new. The second group discussed horizontal responsible supply chain management. Océ recently joined the EICC, an industry standard to improve working and environmental conditions in the global supply chain by promoting an EICC Code of Conduct. Is this good or should Océ do more? Are there other ways in which Océ can cooperate within the sector to improve its responsible supply chain management? Some suggestions in the survey related to sustainability initiatives as business case had to do with how Océ communicates with its customers. The third group looked at the demand and how can Océ match this with supply. The last group looked at what 'green products' Océ could adapt as sustainability business case. Are there other opportunities?

### Suppliers

Océ joined the EICC in 2009 and has recently started sending out a *Supplier Declaration on EICC* to its suppliers to ask them to adhere to this Code of Conduct. Currently the company is waiting for a response. Once suppliers have committed to the standards Océ will first initiate a self-assessment trajectory and will eventually also include third party auditing.

Stakeholders agreed that Océ should help suppliers be compliant with the set standards. The basic approach should be the same towards current and new suppliers. Océ should also cooperate with suppliers and customers to minimize costs, environmental impact and create value as partners. When looking at the process of cooperating with and checking suppliers it would be interesting to know how Océ deals with the different suppliers in different locations where different sustainability issues are relevant. Does Océ differentiate in its approach towards critical and non-critical suppliers? From the discussions, stakeholders learned that Océ is looking for a shared vision with suppliers and also makes a commitment to improve sustainability with suppliers when necessary. In general the clarity on this topic needs to be improved, by providing more information on the process and the progress. It would be a great start if the progress related to the process of dealing with suppliers in relation to the EICC would be made explicit in the next report. In addition, it would be nice if this topic could be put in perspective by, for example, comparing Océ with its peers.

### Cooperation within the sector (EICC)

In the discussion on the cooperation of Océ within the sector stakeholders wondered about the geographical spread of suppliers and the coverage. What is Océ planning to do with monitoring and non-compliance? It would be helpful to have more information on this. By signing the EICC, Océ is cooperating with the electronics sector, but it would also be good to look at other companies outside of the sector to cooperate with and extend its boundaries. In addition to this, stakeholders recommended that Océ look at regional codes and standards and clarify what signing the EICC means in terms of formulating and complying with a code. What happens if no

steps are taken? Moreover stakeholders suggested Océ would cooperate with other regional or local organisations for example on the issue of child labour.

#### **Communication with customers**

The discussion started with the question of how customers look at Océ and the group came to the conclusion that sustainability is not the first thing. The main message of the group was that communication needed to be improved. In order to make sure the information that is given is useful for the customers Océ should ask itself questions such as what does it want to communicate? How does Océ want to be seen by customers? How does Océ create value for its customers? What is important for customers? This could be done through a dialogue with the customers where key sustainability issues are discussed that are relevant for the customer and for Océ. Currently, different communication channels send out a different message, and this should be aligned. The group also wondered what Océ is currently doing to realise its strategy.

#### **Green products**

Stakeholders suggested that Océ should focus on greener products. These greener products reduce consumption, reduce emissions, use more local resources, increase local use and remote services, use IT as enabler, change and simplify processes, use alternate biobased materials and focus on reuse at time of R&D. Océ could offer these greener products in different roles. Océ provides products and services and could help customers by life cycle management, R&D, and the encouragement of upgradeability. By recognising its own strength, Océ can help to create demand. Stakeholders added that Océ should look critically at its needed resources to ensure they will be around for a long time.