Office DEPOT

2004 Corporate Social Responsibility Report

Caring... and making a difference

Mission Statement

Office Depot seeks to enhance quality of life in the communities in which we operate and to serve humanity by supporting and inspiring involvement with causes that make a profound social impact. We are committed to Caring and Making a Difference, with particular emphasis on "Taking Care of Kids."

COMPANY VALUES

Respect for the Individual

- We value diversity across the Company.
- We praise publicly and provide constructive feedback privately.
- We listen, we understand and we are responsive to each other.
- We treat every employee, customer and supplier with honesty, dignity and respect.
- We provide a safe environment to work and shop.
- We are committed to the principles of good corporate citizenship, positive social impact and environmental sustainability.

Excellence in Execution

- We are committed to grow shareholder value.
- We consistently involve employees at all levels toward the relentless improvement of our business.
- We hold ourselves and our teammates accountable for results.
- We strive for perfect execution every day.
- We reward innovation and intelligent risk taking.
- We celebrate the wins.

Companies That Care
HONOR ROLL 2004

Fanatical Customer Service

- We impress our customers (internal and external) so much that they want to buy again.
- We give higher priority to people than to tasks.
- We do it right the first time, but "wow" our customers on recovery when we miss.

Message from Bruce Nelson

BRUCE NELSON
Chairman and Chief Executive Officer

When it comes to assessing a company's commitment to its principles, a popular gauge is whether it "walks the talk." In Office Depot's case, I can tell you that we most assuredly do.

Our commitment to Corporate Social Responsibility in its broadest possible definition is unequivocal. It encompasses our rapidly expanding environmental stewardship initiatives, our exceptionally compassionate corporate philanthropy program, our highly visible efforts to champion diversity in every aspect of our business and our important progress in ensuring that our global vendors and suppliers meet the very highest standards for the quality of their working conditions.

Office Depot's philosophy of Corporate Social Responsibility is reflected in the phrase with which we brand our Corporate Philanthropy programs: Caring and Making a Difference. We are dedicated to enhancing quality of life for every one of our stakeholders, today and in the future. In some cases, the impact is immediate, as when we hand a new backpack filled with school supplies to a child in a poor neighborhood. In other cases, such as our efforts to protect rare and vulnerable forests, the true benefit might not be fully realized until our grandchildren's generation – or beyond.

We address the full spectrum of our commitment in this – our second annual report on Corporate Social Responsibility at Office Depot. We invite you to review our accomplishments and initiatives and to contact us with your comments and suggestions. Thank you for your interest, and thank you for Caring and Making a Difference.

Kind Regards,

Bruce Nelson
Chairman and Chief Executive Officer

On A Global Scale

Office Depot's Corporate Social Responsibility initiatives reach across the oceans and into the deepest forests.

ENVIRONMENTAL STEWARDSHIP

At Office Depot, we take our commitment to environmental responsibility and energy efficiency so seriously that we established an *Office for the Environment* to champion the principles of environmental stewardship throughout our global operations and to develop procedures for reporting environmental performance. Its very name indicates an advocacy role on behalf of the environment and signals our proactive approach to involving our suppliers, employees, customers, shareholders and environmental groups in promoting and advancing environmental stewardship.

These principles include:

- Sustainable management of renewable resources,
- Reducing pollution and wasteful consumption of natural resources and energy,
- Conserving biological diversity, and
- Creating economic benefits from improved environmental outcomes.

The creation of the Office for the Environment was a logical step in the evolution of Office Depot's commitment to environmental stewardship, which we support on many fronts:

- We began working with our suppliers more than three years ago to increase the amount of recycled content in our paper products. Office Depot led the office products industry in developing our own high-quality EnviroCopy Premium Recycled Copy Paper, made from 35% post-consumer waste (PCW) recycled fiber.
- Office Depot is the only major national retailer to offer a recycled content paper that exceeds government guidelines of 30% – and is independently certified by Green Seal – as a basic offering to large and small retail customers. We offer this paper at a price level very competitive with non-recycled content papers. Today, Office Depot is the world's largest reseller of recycled paper.
- Beyond paper products, Office Depot currently sells more than 2,000 different environmentally preferable products, ranging from file folders to pencils, cardboard, remanufactured ink and toner cartridges and even recycled paper clips.
- We developed and published Office Depot's Environmental Paper Procurement Policy and Vision Statement in 2003 and updated it in 2004, confirming our commitment to environmental stewardship. We support the conservation and protection of forests and the biodiversity they contain by working with suppliers to phase out products sourced from forests that are rare, vulnerable and at risk.
- We encourage our suppliers to increase the use of products made with unbleached paper and paper made with advanced processes or technologies that reduce or eliminate the use of chlorine compounds.
- Office Depot is proud to be the first in our industry to offer Sustainability Audits to our corporate customers.

Office Depot's approach is one of inclusion and consultation for the mutual benefit of the environment and our stakeholders. We actively promote the responsible use of our natural resources by working with our stakeholders in the ongoing pursuit of improvements and innovations that promote and advance the principles of environmental stewardship.

Please visit Office Depot's environmental website at *www.community.officedepot.com/environment.asp* to learn more about our environmental initiatives, including our Environmental Paper Procurement Policy and Vision Statement.

Office Depot's Environmental Stewardship Initiatives are Wide-Ranging and Far-Reaching.

In 2003, Office Depot publicly declared its commitment to environmental stewardship, responsible sourcing and the conservation of natural resources with the publication of Office Depot's Environmental Paper Procurement Policy and Vision

Statement, composed of ten guiding principles that serve as a framework for Office Depot and its stakeholders.

First published on Earth Day (April 22) 2003, these principles address three core aspects of environmental performance:

1. Recycling and Pollution Reduction,
2. Issue Awareness and Market Development for environmentally preferable products, and
3. Responsible Forest Management and Conservation.

In 2003, Office Depot accomplished a number of its environmental objectives – related primarily to the first two points – targeting issues within Office Depot's direct control. In keeping with our Company's approach of inclusion and consultation for the mutual benefit of the environment and stakeholders, Office Depot established various "Corporate Initiatives" and "Project-Partnerships" to foster improvements and innovation that promote the principles of environmental stewardship while achieving material results. The following overviews profile some of the environmental initiatives undertaken during 2003 and demonstrate Office Depot's commitment to implement its policies in ways that produce tangible, measurable and reportable results.

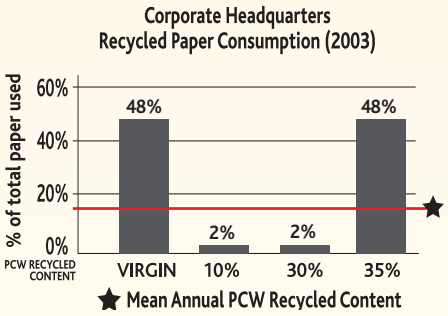
Using Recycled Paper – A corporate initiative to promote recycling and pollution reduction at Office Depot's global corporate headquarters

In April 2003, Office Depot introduced a policy establishing Office Depot brand EnviroCopy paper – elemental chlorine-free, 35% post-consumer waste (PCW) recycled content paper – as the default paper for standard black-and-white copies and printing at our Company's global headquarters.

The policy is accompanied by a quantified goal and a timeline for achieving tangible, measurable and reportable results – specifically, that "Office Depot corporate operations will continue the transition towards using paper made with PCW recycled fiber in 100% of all suitable applications and, based on current trends, foresees achieving the goal of an average of 20% PCW recycled fiber content by weight in all copy and print paper by the end of 2004."

Implementation of the environmental policy in May 2003 has produced significant results. For 2003 in its entirety, employees at Office Depot's global corporate headquarters:

- Used elemental chlorine-free PCW recycled content paper in approximately 52% of all copy and print applications; and
- Achieved an annual average PCW recycled content by weight of 17.5%.



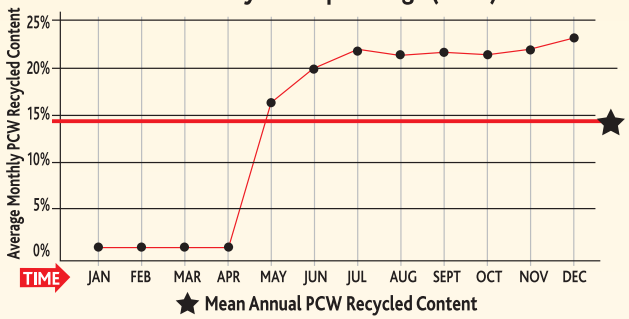
Compared to using standard copy paper, the use of elemental chlorine-free PCW recycled content paper by the employees at Office Depot's headquarters created the following environmental benefits during 2003:

- A 17.5% reduction in the number of trees used,
- A 7.7% reduction in the amount of energy used,
- A 6.5% reduction in greenhouse gas emissions,
- A 16.2% reduction in hazardous air pollutants,
- An 8.5% reduction in solid waste, and
- An 8.7% reduction in water pollution.

Copy & Print Centers – An international initiative to increase the use of recycled paper

In April 2003, Office Depot established policy requiring its in-store Copy & Print Centers (CPCs) to use elemental chlorine-free, 35% post-consumer waste (PCW) recycled content paper. In May, all CPCs – more than 870 in North America – were converted to use Office Depot's EnviroCopy paper as the default

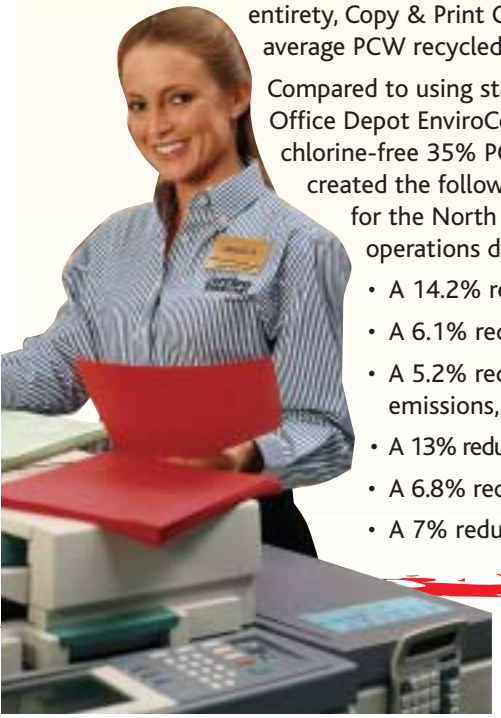
Copy & Print Centers:
PCW Recycled Paper Usage (2003)



type for black-and-white copies in all high-speed and self-service copy machines.

The policy established a quantified goal and a timeline for achieving tangible, measurable and reportable results – specifically, that "Office Depot Copy & Print Centers would continue the transition towards using paper made with post-consumer waste fiber in 100% of all suitable black-and-white applications and, based on current trends, foresees achieving the goal of an average of 20% PCW recycled fiber content for the paper used in all high-speed and self-service copy machines by the end of 2004."

Implementation of the environmental policy produced tremendous results. In December, the CPCs achieved an average PCW recycled content of 24% by weight. For 2003 in its entirety, Copy & Print Centers achieved an annual average PCW recycled content of 14% by weight.



Compared to using standard copy paper, the use of Office Depot EnviroCopy paper – elemental chlorine-free 35% PCW recycled content paper – created the following environmental benefits for the North American Copy & Print Center operations during 2003:

- A 14.2% reduction in trees used,
- A 6.1% reduction in energy used,
- A 5.2% reduction in greenhouse gas emissions,
- A 13% reduction in hazardous air pollutants,
- A 6.8% reduction in solid waste, and
- A 7% reduction in water pollution.

Advertising Inserts in Canada – An initiative to promote the use of environmentally preferable paper in marketing

In September 2003, Office Depot's Print Production Group began piloting a program in Canada to increase the environmental performance of the advertising insert program by using paper made primarily with environmentally preferable fiber – that is, paper that is certified as being sourced from responsibly managed forests, or paper made of post-consumer waste (PCW) recycled content fiber.

The pilot established an industry-leading goal and a timeline for achieving tangible, measurable and reportable results – specifically, that "Office Depot's Canadian advertising insert program would continue the transition towards using environmentally preferable paper in 100% of all suitable applications and, based on current trends, foresees achieving an average of 50% certified fiber content by weight or 50% PCW recycled fiber content by the end of 2004."

Although the pilot was not implemented until the end of the Third Quarter (September 20, 2003), the average annual results for the year in its entirety are outstanding:

- Approximately 26% of the advertising insert initiatives undertaken in Canada during 2003 were printed on paper made with a minimum of 75% post-consumer recycled content paper;
- In total, the 2003 Canadian advertising insert program achieved an average environmentally preferable fiber content of 18.51% by weight.

Compared to publishing the inserts on virgin paper, printing the advertising inserts on 75% post-consumer recycled paper created the following environmental benefits for the entire 2003 Canadian advertising insert program:

- An 18.5% reduction in the number of trees used,
- A 7.5% reduction in the amount of energy used,
- A 9.7% reduction in greenhouse gas emissions,
- A 15.7% reduction in hazardous air pollutants,
- A 10.4% reduction in solid waste, and
- A 3.6% reduction in water pollution.

Ink and Toner Cartridge Recycling – An international initiative to increase recycling and the use of recycled products

Industry analysts estimate that a spent ink and toner cartridge can be reused between four and seven times. Despite this, by some estimates, nearly eight ink or toner cartridges are thrown away in the U.S. every second. This equates to approximately 98% of ink jet cartridges ending up in the solid waste stream.

To address this situation, Office Depot launched Companywide initiatives in January 2003 designed to encourage the recycling of ink and toner cartridges and the use of recycled paper. Targeting retail consumers, participating retail stores implemented a program providing a free ream of Office Depot's EnviroCopy paper – elemental chlorine-free 35% post-consumer waste recycled content paper – when an eligible used ink or toner cartridge is returned for recycling.

Office Depot complemented the retail program by establishing convenient ways for our Business Services Division customers and corporate headquarters employees to recycle their used ink and toner cartridges. Business customers are provided with a free, postage-paid envelope to return used cartridges for recycling, and employees now have easy access to ink and toner recycling boxes, distributed throughout the corporate headquarters.

The results of the 2003 initiatives to encourage the recycling of used ink and toner cartridges are outstanding. Office Depot employees and customers:

- Collected a total of 3,540,824 ink cartridges – a 175% increase compared to the collections in 2002, during which time 1,285,474 ink cartridges were collected for recycling;
- Collected a total of 1,073,178 laser cartridges in 2003 – a 68% increase compared to the collections in 2002, during which time 636,984 laser cartridges were collected for recycling;
- Conserved approximately 127,286.4 million BTUs of process-based energy – the energy required to manufacture the plastic cartridges, and
- Conserved approximately 614,487 million BTUs of embedded energy – the oil and natural gas resources embedded within the cartridges' styrene resin shell.

The environmental benefits of the embedded energy conserved (about 615,000 gallons) would fuel the average midsize car over 17 million miles! And these benefits don't include hundreds of thousands of cubic feet of landfill space conserved by using remanufactured cartridges.

Auditing and Verification Policy and Green Seal Certification – Demonstrating environmental leadership and an increasing reliance on independent auditing and verification of environmental performance

In October 2003, Office Depot established its new Auditing and Verification Policy to increase the auditing and third-party verification of our Company's suppliers and their paper products. The new policy emphasizes the increasing reliance on independent auditing and verification of the environmental performance of products and environmental attributes, such as the amount of post-consumer recycled content in paper products.

Leading by example, later that month Office Depot became the first major retailer to have a house brand of paper certified by Green Seal, a nonprofit organization that establishes standards for environmentally preferable products. Green Seal certified that Office Depot's EnviroCopy paper contains 35% post-consumer waste (PCW) recycled content – exceeding the standard of 30% required by the U.S. government and most state procurement programs.

The independent Green Seal certification was based on a rigorous audit and evaluation process, including a site visit to the mill where the paper is fabricated. This milestone marked the first demonstration of Office Depot's initiative to increase the auditing and verification of the Company's paper products. Green Seal called the certification "a major step forward by the office products industry," adding "Office Depot has taken a leadership position in environmental products retailing by earning third-party certification of its high recycled-content copy paper."

As a result of the independent audit and Green Seal certification, Office Depot can now state with confidence that compared to standard paper, Office Depot's EnviroCopy:

- Requires 35% fewer trees to produce,
- Is 15% more energy-efficient,
- Results in 13% fewer greenhouse gas emissions,
- Produces 32% fewer hazardous air pollutants, and
- Releases 17% less solid waste and water pollution.

The Green Book – An initiative to promote environmentally preferable products and the use of recycled paper in marketing

During the last quarter of 2003, Office Depot began developing a catalog of environmentally preferable products for its Business Services Division customers. Environmentally preferable products are those that are equal in performance but save natural resources, conserve energy or are manufactured in ways that reduce or prevent the emissions of toxic chemicals.

On December 22, Office Depot launched The Green Book – the industry's first catalog consisting solely of environmentally preferable products that is printed on elemental chlorine-free, 100% post-consumer waste (PCW) recycled content paper. The Green Book catalog contains more than 1,300 products – ranging from paper and filing to storage, dated goods and machine supplies. Publication of The Green Book establishes Office Depot as the industry leader in environmental stewardship by communicating the scope of Office Depot's environmentally friendly product offerings to our customers in an easy-to-use, streamlined and environmentally responsible vehicle.

Compared to catalogs printed on virgin paper, using elemental chlorine-free 100% PCW recycled content paper:

- Is 44% more energy efficient;
- Resulted in 37% fewer greenhouse gas emissions;
- Generated half as much solid waste and water effluent; and
- Required no new trees to be cut down.

Forest & Biodiversity Conservation Alliance – Harnessing conservation science and business ingenuity to conserve forests and the biodiversity they contain

The pursuit of "positive social change and environmental stewardship" is a core value at Office Depot. As the world's leading reseller of paper, the conservation of forests and the diversity of life they contain are of considerable importance to Office Depot, yet beyond the Company's immediate and direct control. Nonetheless, forest and biodiversity conservation is a global imperative – an issue of extreme significance that Office Depot may advance by working with our suppliers, the conservation science community, and other stakeholders.

In March 2004, Office Depot launched a five-year, $2.2 million strategy to develop the information, standards and tools needed to advance the Company's forest and biodiversity conservation policies. The project is expected to help reduce the environmental footprint of Office Depot's forest and paper product suppliers while contributing to global biodiversity conservation.

To achieve these objectives, Office Depot is collaborating with NatureServe, Conservation International and The Nature Conservancy – three of the world's most respected science-driven conservation organizations – to form the Forest & Biodiversity Conservation Alliance, a cooperative working framework that will coordinate the complementary strengths and resources of each organization to address forest and biodiversity conservation issues within the Supply Chain.

The Alliance, and the integration of its objectives within Office Depot's Environmental Paper Procurement Policy and Vision Statement, is the product of more than 10 months of collaboration, during which time the conservation science organizations worked with Office Depot to:

- Identify the challenges to forest and biodiversity conservation faced by landowners, managers and Office Depot's own sourcing and vendor compliance personnel; and
- Develop pilot projects that would address these challenges, while facilitating the implementation of Office Depot's policies on Rare and Vulnerable Forests and Forests Containing Exceptional Biodiversity Values.

To meet Office Depot's goal of being responsible, transparent and accountable, Alliance members have committed to annually review and publicly communicate the progress and results of its efforts. For information on the Forest & Biodiversity Conservation Alliance, please visit *www.community.officedepot.com/alliance.asp*.

The Nature Conservancy
SAVING THE LAST GREAT PLACES ON EARTH

CONSERVATION INTERNATIONAL

NatureServe

Business & Biodiversity Council members Fisk Johnson, Chairman of SC Johnson (right), Peter Seligmann,Chairman and Chief Executive Officer of Conservation International (center) and Tyler Elm, Director of Environmental Affairs, Office Depot (left) along with SC Johnson staff, examine live specimens at the SC Johnson Entomology Center in Racine, Wisconsin. Office Depot was one of eight founding members of the Council in 2003.

SUPPLIER SOCIAL COMPLIANCE

When Office Depot looks overseas for products to offer to our customers, the cautionary phrase "let the buyer beware" has evolved into "let the buyer be proactive." Our Company is driven by what one of our private brand operations professionals calls a "triple bottom line." Success is measured not only by financial results, but also by our consideration for the environment and the social impact we make.

In 2003, Office Depot developed and implemented a Corporate Social Responsibility Policy that applies to all parties that manufacture, assemble or distribute any product or package bearing the Office Depot logo, as well as all products that are directly imported into the United States by Office Depot. This policy and its related practices provide a framework for us to use in upholding the highest ethical, social and environmental standards in the conduct of our business and the operation of our Supply Chain. That means we will balance the needs and concerns of our stakeholders – those who impact, are impacted by or have a legitimate interest in Office Depot's actions and performance.

In basic terms, our standards require our suppliers to conduct themselves in a way that reinforces our Core Values: We will not tolerate forced labor or child labor. We require that an employee must be paid properly for working overtime. We mandate safe and healthy working conditions. We set benchmarks – and we will not do business with a supplier until we are comfortable that our requirements have been met.

At the same time, we recognize that progress toward achieving such standards might not come easily or rapidly in some parts of the world. In such cases, Office Depot often becomes involved in working with suppliers to help them improve their business practices and working conditions. If we can contribute to the well-being of workers and their families in a particular area, then we are truly making progress.

Office Depot has demonstrated leadership in these areas within the office products industry as well as on a broader scale. One significant example is our Company's certification by the U.S. government under its Customs Trade Partnership Against Terrorism (C-TPAT) program, which is designed to ensure the safe passage of products from the place where they are manufactured all the way into the hands of our customers. Office Depot took the initiative to seek this certification when the program was relatively new – making an important statement about our commitment to the safety and security of our employees, customers and communities. Another example is our sponsorship of regular conferences around the world to explain and reinforce our Corporate Social Responsibility programs.

Office Depot Quality Assurance Manager Joe Romeo (left) reviews reports from factory visits.

In short, Office Depot is an active participant in the social responsibility arena – taking the initiative, setting high standards and making a difference.

A quality inspection team visits a factory in China as part of Office Depot's Corporate Social Responsibility program.

North America

In the United States and Canada, Office Depot's focus on Corporate Social Responsibility is clearly evident in the community and the workplace.

PHILANTHROPIC PARTNERSHIPS

Yes, Office Depot contributes money to worthwhile causes. Unquestionably, Office Depot gives products to deserving nonprofit organizations; in fact our Company was listed among the most philanthropic in America by *BusinessWeek* as a result of our in-kind donations.

But in our view, the messages we communicate about the missions and goals of the organizations with which we partner are much more important than the numbers and the nice things people might say about us. If we can generate awareness and build enthusiasm that result in increased volunteerism and a broader base of donors, then the impact of our role is magnified immeasurably.

Through our national and international philanthropic partnerships, we focus on areas that encompass both social and economic interests as we apply our distinctive corporate resources to helping to solve social challenges. We have specific goals in mind for each of our partnerships – goals that truly reinforce our commitment to corporate citizenship.

Our dedication to Caring and Making a Difference is realized through the measurable impact we are able to make in partnership with a number of highly effective nonprofit organizations:

Through the sale of a commemorative Office Depot stuffed bear, we benefit the U.S. Marine Corps Reserve's Toys for Tots Program, which distributes toys to about six million needy children at the holidays. Office Depot's efforts are specifically designed to provide toys to children 10 and older, who often are not considered when people give to toy drives across the country.

"Office Depot is one of our most loyal and dedicated corporate sponsors. We are proud to partner with them; they are truly a role model for corporate philanthropy and make such a difference in the lives of children each and every day."

– Major William Grein, Vice President, Marine Toys for Tots Foundation

We partner with America's Second Harvest and the Canadian Association of Food Banks, which together help to feed more than 26 million hungry people each year. Our focus is on helping to provide meals for children during the summer, when school-based lunch programs are not in effect.

"Fortunately for us, Office Depot recognizes the chronic problem of hunger and is successfully reaching out in the community to help resolve this problem. We are grateful for their tremendous support, generosity and genuine commitment to eliminating hunger for children."

– Robert Forney, President and CEO, America's Second Harvest

Office Depot makes extensive product donations through our partnership with Gifts In Kind International, which matches

Office Depot's commitment to Caring and Making a Difference focuses on enhancing quality of life for children.

every one of our stores and warehouses with a nonprofit partner. During the past two years, we have placed more than four million products worth tens of millions of dollars in the hands of approximately 1,000 widely diverse organizations that serve their communities in many important ways.

Gifts In Kind International

"We appreciate the office and school supplies as we use them directly in our program and in our training classes and also distribute to families in distress. A recent donation of storage bins was greatly appreciated as they were perfect for storing classroom toys. We congratulate Office Depot on this enlightened decision to contribute to the needy of Kane, Grundy, DeKalb, Boone and Kendall Counties of Northern Illinois."

– Lois Harris, Two Rivers Head Start Agency, Illinois

We support Dream Foundation, which grants last wishes to adults battling terminal illnesses. One of the most meaningful aspects of this innovative partnership is a program that provides dreams to Office Depot employees. We already have helped a number of employees to create gifts of timeless memories for their loved ones.

dream foundation

"I want to thank Office Depot and Dream Foundation and my friends who have supported me and my wife, Debbie. And I can't thank everyone enough for fulfilling my dream and providing hope and encouragement to others too."

– Dream Recipient Kenneth Colpean, Long Beach, California

Office Depot assists the National Alliance for Autism Research in its efforts to raise funds for research into the causes and cures for this puzzling condition. In 2003, we hosted a "Walk F.A.R. for NAAR" event on our corporate campus, which proved to be the most successful event of its kind that the organization had ever presented.

"We are excited to be partnering with Office Depot in this important initiative that educates the general public about autism spectrum disorders. We are grateful for the outstanding support Office Depot has given to NAAR as we continue to search for answers to this devastating disorder."

NAAR
NATIONAL ALLIANCE FOR AUTISM RESEARCH

– Prisca Chen Marvin, Esq., Chair, NAAR Board of Trustees

In concert with our commitment to women in business, we are helping the National Ovarian Cancer Coalition as it provides educational resources, referrals and emotional support to women who have ovarian cancer, or who are at particular risk for the disease. In partnership with AT&T, we are supporting NOCC's vitally important messaging program to inform women about hereditary cancer risks.

"The opportunity to launch a public information campaign represents a vitally important enhancement to NOCC's ability to serve and educate women about ovarian cancer. We are grateful to Office Depot and AT&T for their investment in this critically important campaign."

– Maria Ciesla, NOCC President

The Arnold Palmer Hospital for Children & Women in Orlando is the only hospital in the Southeast – and one of only six in the nation – dedicated exclusively to serving the special needs of children and women. Arnold Palmer Hospital makes an especially important impact through its Neonatal Intensive Care Unit, which is a Level III unit capable of the highest level of care for high-risk newborns.

Arnold Palmer hospital FOR CHILDREN + WOMEN

"At Arnold Palmer Hospital for Children & Women, we care for the well-being of families across America. We could not do this without consistent support from Office Depot and organizations like them. Thanks to Office Depot's investment of time and resources we are better able to accomplish our mission and accomplish it well."

– John Bozard, President, Arnold Palmer Hospital Foundation

Office Depot awards $10,000 college scholarships to six high-achieving Junior Achievement students each year. We also make it possible for each recipient to attend the Junior Achievement Student/Business Leader Forum, which coincides with the annual Junior Achievement National Business Hall of Fame event.

Junior Achievement®
Let Their Success Be Your Inspiration!℠

"We are pleased to partner with Office Depot to award these scholarships. These outstanding JA students are a shining example of how hard work and determination lead to success in a student's educational career and later in life in their professional career."

– David S. Chernow, President and CEO, Junior Achievement

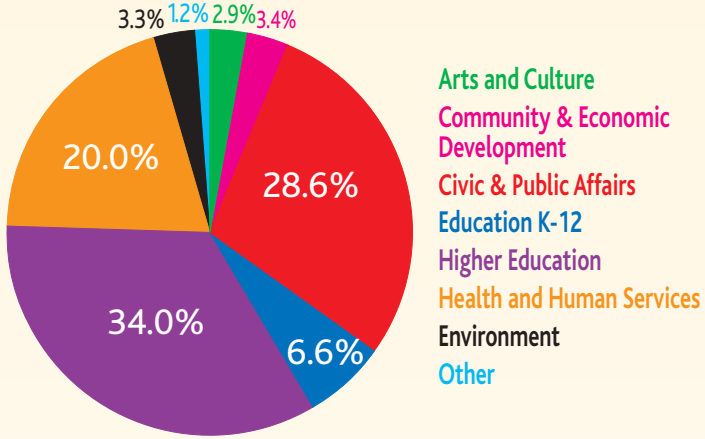
One of Office Depot's most far-reaching philanthropic partnerships involves City of Hope National Medical Center and Beckman Research Institute in California. Among the most advanced biomedical research and treatment facilities in the world, this remarkable organization is dedicated to the prevention, treatment and cure of cancer, diabetes, HIV/AIDS and other serious illnesses. Office Depot plays a key role in supporting breakthroughs achieved by City of Hope's world-class physicians and research scientists.

Office DEPOT
City of Hope
the road to hope

"The generous support of the employees of Office Depot allows City of Hope to conduct state-of-the-art research and cutting-edge treatment programs that are saving lives every day. Office Depot's contributions to these critical efforts have helped boost survival rates of children with cancer to 80% today, from just 10% to 20% 20 years ago. Every dollar raised brings us one step closer to making the survival rate 100%. On behalf of the patients, doctors and researchers at City of Hope, thank you."

– Dr. James S. Miser, Chief Medical Officer, City of Hope National Medical Center

Office Depot Cash Giving – 2003



Office Depot's environmental stewardship initiatives are a key component of our commitment to Caring and Making a Difference. Across the Company, we encourage employees and customers to make recycling a high priority, helping to conserve precious natural resources. In 2003, we supported environmental education efforts in classrooms by distributing Earth Day Network educational materials to more than 250,000 teachers in the U.S. and Canada. As we continue to promote the idea of making "Earth Day Every Day" at home and at work, we announced partnerships with Keep America Beautiful and Earth Share in conjunction with Earth Day 2004.

KEEP AMERICA BEAUTIFUL INC.

"Keep America Beautiful is proud to establish a partnership with Office Depot that will focus on how we can help to inspire environmental stewardship through the power of education. Our relationship is yet another demonstration of Office Depot's deep commitment to caring for its customers while assuming the mantle of leadership in corporate sustainability."

– G. Raymond Empson, President, Keep America Beautiful

Office Depot sponsors a beach clean-up activity at Sandoway House Nature Center in Delray Beach, Florida.

Affiliations

Office Depot recognizes that Corporate Social Responsibility is an ever-changing concept and one that is gaining an increasingly higher profile with the public.

In an opinion piece published in 2003, Bradley Googins, Executive Director of the Center for Corporate Citizenship at Boston College, and Barbara Dyer, President and CEO of The Hitachi Foundation, noted that, "Over the past year, 86% of companies have invested more or kept their investment levels in corporate citizenship the same and 90% have either increased or kept level their commitment to helping distressed communities." These and other data were gleaned from a survey of American businesses on "The State of Corporate Citizenship in the U.S." The findings also made clear, the authors noted, "that American business does accept the notion that corporations are citizens with responsibilities and obligations that go beyond making money, paying taxes and providing jobs."

Office Depot is proud to be a member of the Center for Corporate Citizenship at Boston College; it is among a number of important affiliations and relationships our Company maintains in order not only to stay abreast of trends in Corporate Social Responsibility, but to have a seat at the table for the discussion.

Chairman and Chief Executive Officer Bruce Nelson is a member of the Committee to Encourage Corporate Philanthropy (CECP), which seeks to raise the level and quality of strategic corporate giving nationally and globally by identifying, educating, promoting and recognizing best practices and measurements of corporate philanthropy. In 2003, our Company became one of just 50 sponsors of *The Corporate Giving Standard*, a comprehensive measurement framework that allows companies to effectively report and communicate their contributions to society, and was one of 33 companies to participate in the 2002 survey.

According to CECP, "The survey is designed to capture inputs for direct cash, foundation cash, non-cash and volunteerism. This program moves corporate philanthropy beyond the corporate foundation. Its unique framework encourages companies to identify, collect and report data from all business units. It categorizes giving based on motivation: charitable, strategic or business intent. It demonstrates the value of well-managed strategic corporate community programs." CECP reports that the 33 survey participants accounted for $2.61 billion in corporate giving, or approximately 21.4% of the estimated $12.19 billion in total corporate giving in the United States for 2002.

Additionally, Office Depot is a member of:

- **Business Strengthening America** – a national effort to engage thousands of America's business leaders in a campaign to encourage civic engagement and service, developed in response to President George W. Bush's call to national service.
- **Business for Social Responsibility** – a global organization that promotes collaboration and contributes to global efforts to advance the field of Corporate Social Responsibility.
- **Donors Forum of South Florida** – a regional association of over 100 grantmakers that offers professional support to foundations and corporations active in grantmaking in South Florida and general information about philanthropy to the public.
- **Points of Light Foundation Connect America Program** – a national partnership of diverse organizations and businesses working collaboratively to address community problems through volunteer service.
- **United States Chamber of Commerce** – Office Depot's Chairman and Chief Executive Officer, Bruce Nelson, serves on the board of directors of the U.S. Chamber.

Office Depot's Executive Vice President of E-Commerce, Monica Leuchtefeld (right), joins U.S. Small Business Administration officials at the opening of the SBA Expo.

Valuing Diversity ... In the Workplace

Built upon the foundation of our core value of Respect for the Individual, Office Depot's commitment to Diversity is becoming stronger – and its value more fully recognized – with each passing year. We understand that Diversity is everyone's responsibility. We are weaving Diversity into the fabric of our organization and transforming it from "something that we do" to "something that we are."

Diversity is an essential component of Corporate Social Responsibility. As a global company, we continually face issues that emanate from our differences. Through the policies we make and the strategies we pursue in embracing the differences in our workforce, communities and marketplace, Office Depot believes firmly that we are helping to set the agenda and influence the arena in an extremely proactive way.

In the two years since we created the position of Vice President of Diversity at Office Depot, we have made measurable progress in infusing Diversity into our corporate culture.

- Every member of the Company's leadership team has developed a Diversity Business Plan with clear and definable expectations.
- Diversity has been incorporated as an integral part of the Company's Global Learning and Leadership Development initiatives, ensuring that new generations of managers are prepared to succeed in Office Depot's highly diverse environment.
- Through our annual Employee Engagement Survey, we measure the attitudes of our workforce in ways that very few other employers do – in our own industry and elsewhere.
- We continue to evolve our Companywide Diversity training initiatives, adapting our methods and content in ways that get the message across effectively while celebrating Diversity within the special context of each work environment.
- We have deployed web-based training opportunities that have been very well accepted by employees as well as management.
- We produced a Diversity Recruitment Guide for use in hiring new Office Depot employees.

The Core Values we have accepted as a Company are part of who we say we are; they are part of our DNA. Although our journey continues, we are pleased with our progress.

Honors and Recognition

- **National Conference for Community and Justice –** Corporation of the Year
- **Hispanic Unity of Florida –** Contributors Award
- **National Urban League –** Co-Chair, National Conference
- **Martin Luther King Jr. South Florida Celebration Committee** – Leadership Award
- ***South Florida Business Journal*** – Diversity Corporation of the Year Finalist
- **Minority Corporate Counsel Association** - Employers of Choice Award

Office Depot employees participate in the NCCJ "Walk as One."

Valuing Diversity ... In Business Relationships

From inner-city neighborhoods to the national stage, Office Depot is committed to establishing and nurturing relationships that demonstrate our commitment to the communities in which we operate. In the heart of Broward County, Florida's, Latino neighborhoods, Office Depot sponsors a classroom at Hispanic Unity – a community-based social service agency. In Pittsburgh, Pennsylvania, last June, our Chairman and Chief Executive Officer, Bruce Nelson, served in the role as co-general chairperson of the National Urban League's 2003 National Conference.

Through Office Depot's Diversity Relations initiatives, we make our presence known and extend a hand of support in diverse communities and demographic groups throughout the United States. These relationships provide numerous Office Depot employees with meaningful opportunities to demonstrate the Company's commitment to our core value of Respect for the Individual and our dedication to giving back to the communities that we serve.

We focus our efforts in a number of key business markets across the country as well as with a wide range of affinity and advocacy groups. A partial list includes:

- **The Able Trust**
- **American Association of People with Disabilities**
- **Anti-Defamation League**
- **Chicago Council on Urban Affairs**
- **The East Los Angeles Community Union**
- **Human Rights Campaign**
- **League of United Latin American Citizens**
- **National Association for the Advancement of Colored People**
- **National Association of Asian American Professionals**
- **National Conference for Community and Justice**
- **National Council of La Raza**
- **National Urban League**

These relationships represent much more than simply writing a check for membership dues. Office Depot is helping to build bridges of understanding and structures of support in communities where advantages may be scarce – or unknown altogether.

Through our efforts, the underrepresented gain a little more representation. And more barriers to opportunity fall.

Officials from the City of Cerritos, California, welcome a new Office Depot store with a proclamation.

(From left) 2003 National Urban League Conference Co-general Chairpersons James Rohr of PNC and Bruce Nelson of Office Depot visit with Marc Morial, CEO and President of the National Urban League.

Valuing Diversity ... In Our Supply Chain

Office Depot is proud to say that we are far ahead of the curve in the office products industry in our approach to Supply Chain Diversity.

Our commitment to Supply Chain Diversity is embodied in our unique three-dimensional approach to small business development. Through our Vendor Diversity, Supplier Diversity and Tier I programs, we are creating productive and collaborative relationships that enable us to provide our customers with a broader range of diversity solutions and a superior level of service. Our Vendor Diversity initiatives focus on products that Office Depot purchases for resale, while our Supplier Diversity efforts concentrate on goods as well as services that we use internally. Tier I – our newest priority area – enables customers to satisfy their "direct" HUB (Historically Underutilized Business) spend requirements by purchasing Office Depot products directly from independently owned HUB firms.

Since we introduced our focused approach to Supply Chain Diversity five years ago, we have significantly expanded our definition of the companies with which we partner, the number of products we bring into our Supply Chain and the volume of business we conduct. What began as a program to work with MBEs (Minority Business Enterprises), quickly evolved into one that focused on MWDVEs (Minority, Women and Disabled Veteran Enterprises). Most recently, the net has been cast even wider to encompass HUBs, which include Minority, Women, Disabled, Veteran, Disabled-Veteran and Small (SBA 8(a), SDB and HUB Zone) enterprises to ensure equal opportunity in the Office Depot supplier selection process.

Through a mentor-protégé approach with current and potential HUBs, Office Depot's Supply Chain Diversity team helps to raise their capabilities from primarily local or regional players to roles as potential competitors for national and international business. Office Depot is dedicated not only to seeking out and retaining these businesses as vendors, but, more importantly, to the establishment of mentoring and training relationships that ensure HUBs are equipped to grow and prosper in today's marketplace. Through these efforts, Office Depot makes a significant contribution to the prosperity of the communities in which we do business.

Office Depot's mentoring role comprises a number of different facets.

We serve in leadership capacities with key organizations that deal specifically with Supplier Diversity. These include:

- **National Minority Supplier Development Council**
- **Florida Regional Minority Business Council**
- **Florida Minority Supplier Development Council**
- **Women's Business Enterprise National Council**
- **Women's Business Development Center of Florida**
- **Diversity Information Resources**
- **Institute of Supply Management Minority Business Development Group**

We make it possible for small business owners to take advantage of important growth opportunities by offering annual scholarships to attend such programs as:

- **Women's Business Enterprise National Council Annual Conference**
- **National Minority Supplier Development Council Annual Conference**
- **Tuck Executive Education at Dartmouth, Minority Business Executive Program**
- **NMSDC Advanced Management Education Program at Kellogg School of Business**
- **WBENC Advanced Management Program**

Furthermore, our partnerships with the National Industries for the Blind and the National Industries for the Severely Handicapped offer expanded opportunities to people with disabilities. Office Depot's General Services Administration catalog supports the Javits-Wagner-O'Day Act by enabling government agencies to comply with the mandate to purchase certain products and services from companies that employ people who are blind or severely disabled.

The business community has taken notice of Office Depot's proactive efforts to create opportunities for Historically Underutilized Businesses. The Women's Business Enterprise National Council has named Office Depot to its list of Top Corporations for Women's Business Enterprises for three consecutive years, while DiversityBusiness.com has recognized our Company among its *Div50* Top Corporations for Multicultural Business Opportunities for four years in a row.

Office Depot clearly and firmly believes that by focusing on Supply Chain Diversity, we are helping our partners succeed. Our efforts to enhance the economic development and long-term viability of Historically Underutilized Businesses are truly best-in-class.

DIVERSITY BUSINESS PROFILES

American Product Distributors is an NMSDC-certified African-American-owned distribution company organized in 1992 in Charlotte, North Carolina, as a Joint Venture Minority Enterprise by the principals of three established minority-owned companies. APD sells and distributes consumable imaging products to corporations and institutions nationwide, providing large dollar minority purchasing credit for Corporate America from one single source. APD has some 100 SKUs being sold through Office Depot with another 300 items available for distribution.

Kleenslate Concepts, LLC, located in the foothills of the Sierra Nevada, is a WBENC-certified woman-owned product development company whose focus is to identify solutions and products that simplify and improve how businesses and educators work. Founded in 2001 by Julia Rhodes, a former educator, Kleenslate Concepts found immediate success with its first patented product: the Kleenslate Attachable Eraser for dry-erase markers. In 2003, Office Depot helped launch the retail sales of Kleenslate Erasers in Office Depot stores nationwide.

Officemate International Corporation is an NMSDC-certified Asian-American-owned company with more than 23 years of industry experience. Originally formed as an importing company, OIC has since grown to be a major manufacturing company with a large percentage of its volume manufactured in the U.S. OIC holds a leading market share in a number of categories including binder clips, paper clips, staples, clipboards, plastic desktop accessories and others. Over 60 of its SKUs are featured in our product lines, including Office Depot brand paper clips, prong fasteners and pushpins.

Office Depot's Weston, Florida, Customer Service Center celebrates diversity.

Women's Initiatives

Office Depot's fourth annual Success Strategies for Businesswomen Conference in early 2004 was its most successful to date. Keynote speakers included The Honorable Hillary Rodham Clinton, U.S. senator and former First Lady, and Katie Couric, co-anchor, *Today,* and contributing anchor, *Dateline NBC*. They addressed a sold-out audience of more than 1,000 women business leaders, while another 3,000 viewed via webcasts. Vendor participation in the conference's business expo increased by one third, providing increased opportunities for small business owners to learn about new office products and solutions.

But assessing the value of the Success Strategies Conference based only on quantifiable measures does it an injustice, for it is the quality of the experience that truly makes it stand out. "I am thankful you had the vision to foster such a positive learning environment for women," wrote Amy Arnold of Henkel Consumer Adhesives in Cleveland, in a thank you letter. "What a wonderful opportunity!" Women have told conference organizers how the event has changed the direction of their businesses or their careers.

In addition to its prestigious keynote speakers, Office Depot's Success Strategies for Businesswomen Conference offers an intimate environment that fosters interaction between attendees and experienced women entrepreneurs. The overall goal is to provide women business owners with tools, solutions and insights that will positively impact their business long after the conference is over. The conference features "matchmaker" sessions that enable women business owners to meet with potential corporate customers. Through panel discussions, keynote addresses and extensive informal networking opportunities, Office Depot creates a high-energy experience designed to foster enthusiasm, creativity and optimism. If one person walks away with a new sense of opportunity, growth or success, the conference will have been worth it – for that person will touch other people, and the transformation will continue.

A key component of the Success Strategies Conference is a silent auction that raises funds for Count-Me-In for Women's Economic Independence, a nonprofit organization that assists women in obtaining loans to help start their businesses. Office Depot contributed $75,000 to the organization as a result of the auction. A portion of the proceeds has been allocated to enable a number of loan recipients to attend the conference in 2005. "Office Depot appreciates what women need to be successful in business – access to credit and capital, networks and markets. Its support of Count-Me-In for Women's Economic Independence tells us that Office Depot gets it!" says Nell Merlino, president of Count-Me-In.

Dawn Hudson, President, Pepsi-Cola North America, addresses more than 1,000 attendees at the 2004 Office Depot Success Strategies for Businesswomen Conference.

The conference also was the occasion for the presentation of a $50,000 grant from Office Depot and AT&T to the National Ovarian Cancer Coalition (NOCC). The funds will help NOCC launch a national public education campaign focused on hereditary ovarian cancer risks during National Ovarian Cancer Month in September.

In recognition of the fact that women are starting businesses at twice the rate of other minorities, Office Depot is involved in a wide range of initiatives designed to understand the particular needs of women business owners, and then to provide tools and strategies to help them succeed.

- Office Depot's Women's Business Council includes 16 prominent women business leaders from diverse professional backgrounds who provide a touchstone for the Company, helping us to gauge and understand trends, developments and critical issues among women in business.
- Ongoing strategic alliances with leading women's business associations accomplish similar goals. Current partners include the Business Women's Network, the Executive Women's Golf Association, the National Association for Female Executives, the National Association of Women Business Owners, the Women's Business Enterprise National Council, Women Impacting Public Policy, Women Presidents' Organization, eWomenNetwork and the Association of Women Business Centers.
- In an initiative designed to help develop the next generation of women business owners, Office Depot is developing educational partnerships with Babson College and Simmons College in Massachusetts, both of which have exceptionally strong programs for encouraging women entrepreneurs.

Office Depot's commitment to women is evident within our organization as well as in our external relationships. Three members of Office Depot's senior executive team are women – our Chief Information Officer, Executive Vice President of Global E-Commerce and Executive Vice President of North American Delivery Sales – while three women serve on our Board of Directors. Furthermore, 40 percent of our domestic managers are women.

Through our continuing focus on enhancing success in a world that's constantly changing, Office Depot demonstrates our commitment to making a positive difference in the lives of women in business.

Honors and Recognition

National Association of Women Business Owners –
Office Depot was named "National Corporate Partner of the Year" in 2003.

Association of Women Business Centers –
Office Depot received the Corporate Award in 2003.

National Association for Female Executives –
Office Depot was recognized among the "Top 30 Companies for Executive Women" in 2003 and 2004.

Alexis M. Herman, former U.S. Secretary of Labor, served as emcee of Office Depot's 2004 Success Strategies for Businesswomen Conference.

Conference Panel Moderator Karen Gibbs, Co-Anchor, Wall $treet Week with Fortune, introduces panelists Phyllis Hill Slater, President and Owner, Hill Slater Inc.; Debi Davis, Founder, COO, BioDietetics Inc.; and Dr. Kathleen A. Hall, Founder and CEO, Alter Your Life, LLC.

Work/Life Balance and Employee Engagement

Office Depot recognizes that our employees are faced with the challenge of balancing work and life responsibilities relating to caring for children, parents, grandparents, other family members and themselves. Office Depot makes a variety of programs and services available to employees to enable them to balance these responsibilities.

Office Depot has a dedicated Work/Life position in order to provide a centralized focus for this critically important aspect of our Company's Human Resources programs. In October 2003, we asked employees to complete a confidential and anonymous Work/Life survey. Utilizing these results, we strategically planned our 2004 Work/Life programs to meet the needs of employees throughout the United States and Canada. A number of new programs have been or are being introduced in direct response to employee preferences and suggestions expressed through the survey. Office Depot's Work/Life initiatives include the following:

- **Employee Assistance Program –** Offered through MagellanAssist, the plan offers counseling sessions to help employees clarify the issues they are facing, identify options and then develop a plan involving further counseling or other treatment options.
- **Child Care and Elder Care Resources –** Through a partnership with LifeCare, we reach out to all of our employees and their household members with resources and referrals for assistance with daily life events, including child care issues and concerns about elder care, whether it relates to a parent, friend, neighbor or other relative.
- **Lactation Program –** Many employees have offered appreciation for the private pumping rooms for working mothers at corporate headquarters and other large Company locations. Office Depot received an award from the Palm Beach County, Florida, Breast Feeding Task Force in recognition of its proactive approach to assisting nursing mothers.
- **Wellness Services –** Office Depot seeks to help employees practice healthy lifestyles through a wide range of programs, including subsidized fitness center memberships, a flu shot program, parenting programs, mammograms, nutrition education and access to toll-free, nurse-staffed medical information and referral lines offered by our health insurance providers.

At the policy level, Office Depot's Manager of Work/Life Initiatives is an active member of the Alliance for Work-Life Progress (AWLP), the National Retail Federation WorkLife Forum and the Wellness Council of America. As a member of AWLP, Office Depot was invited to support the new National Work-Life Initiative – a multi-year national campaign to provide education and heighten awareness of work-life effectiveness as a key business issue. Office Depot is proud to sponsor the National Work-Life Initiative's website. Launched in late 2003, the Initiative is a partnership of three key stakeholders: AWLP, *Fortune* magazine and the American Business Collaboration for Quality Dependent Care (ABC). A primary goal of the Initiative is the promotion of October as National Work and Family Month.

"Take Your Child to Work Day" is a much-anticipated annual event at many Office Depot locations.

The statements supporting Office Depot's Core Value of "Respect for the Individual" – along with those reinforcing the Core Values of Fanatical Customer Service and Excellence in Execution – are printed on a "Value Badge" that is distributed to all employees to be worn with each person's ID badge. Employees wear their Value Badges with pride, helping to provide constant reinforcement of our Company's commitment to dignity and respect in the work environment.

Further examples of Office Depot's concern for our employees include:

- We maintain an Open Door Philosophy in recognition of the belief that our employees are the most important assets of our Company. Employees who have a suggestion, problem or concern are encouraged to communicate through the appropriate channel.
- Office Depot has a policy of ZERO tolerance for harassment or discrimination, which is clearly stated in a booklet, "Code of Ethical Behavior and Corporate Compliance Policies and Procedures," which is given to all employees.
- Through our *Stay@Work* Program, we work closely with employees who are injured on the job in order to help them regain their productivity – and their earnings – as quickly as possible. Office Depot is viewed as an industry leader for this caring and innovative approach.
- Office Depot offers the ultimate flexibility, enabling employees to arrange their work weeks according to their individual situations, based on business needs.
- Using the capabilities of our PeopleSoft Human Resources system, Office Depot launched a national job-posting system called eRecruit, which provides the opportunity for any employee to learn about and, if qualified, apply for positions anywhere in the Company. The system is viewed as an excellent tool for promoting and retaining outstanding employees.

Children of Office Depot employees have a great time on "Take Your Child to Work Day."

One of the key ways in which Office Depot demonstrates our commitment to our guiding principles is through our efforts to listen to employees – and to give them a meaningful role in the development of policies and programs that affect them. In 2003, Office Depot conducted our third annual Companywide "Employee Engagement Survey" to assess opinions of our workforce. By seeking – and listening to – every employee's input, our Company gains valuable feedback that helps to reinforce our commitment to our Core Values. Results of the survey are communicated throughout the Company, helping managers to gain valuable feedback and awareness of opportunities to improve the work environment.

Companies That Care

In recognition of our accomplishments in these important areas, Office Depot was named to the 2004 Companies That Care Honor Roll by the Center for Companies That Care, a national not-for-profit organization established to encourage and celebrate businesses that value their employees and are committed to ongoing community service. We are honored that others have recognized our commitment to treating every member of the Office Depot family with dignity and respect at all times.

Office Depot employees are excited about the Company's Work/Life initiatives.

In Our Communities ...

Through our Corporate Social Responsibility initiatives on the local level, Office Depot touches the lives of students and teachers, people who are homeless and hungry and countless others.

PRIMARY AND SECONDARY EDUCATION

Recognizing that the future of our world lies in the hands of our children, Office Depot is strongly committed to helping students, teachers and schools. Through two extremely successful programs, we make it possible for schools to stretch their budgets and provide opportunities for teachers to access valuable resources while also saving money when they use their personal funds to ensure the best educational experience for their students.

"5% Back to Schools" Program

Underscoring our Company's commitment to schools and the communities in which we conduct business, Office Depot's "5% Back to Schools" Program allows schools to get credit for free school supplies year-round. The program previously was in effect only during the back to school shopping period.

In 2003, the "5% Back to Schools" Program awarded nearly $2.5 million in credits for free school supplies to more than 35,000 schools across the United States and Canada. Every time parents, teachers and school supporters use their school's "5% Back to Schools" ID number when buying school supplies at Office Depot, their school receives credits equal to 5% of the qualifying purchases to use for free supplies.

Office Depot stores throughout the United States and Canada say "thank you" at each year's Teacher Appreciation Breakfasts.

Schools participating in the program have the potential to earn thousands of dollars toward free school supplies. The highest earning school in 2003, Annapolis Senior High School in Annapolis, Maryland, received more than $5,300. "We are really fortunate that our local Office Depot in Annapolis goes out of their way to support Annapolis High School and we are grateful to them and the community for their support," notes Principal Deborah Williams. "It's a fantastic program."

The "5% Back to Schools" Program enables Office Depot and our customers to support schools within our communities when they shop and helps the Company to demonstrate our commitment to Caring and Making a Difference on a daily basis.

"5% Back to Schools" Program Top 10 Earning Schools in 2003

Annapolis Senior High School - Annapolis, Maryland
Duncan U. Fletcher Middle School - Jacksonville Beach, Florida
South River Senior High School - Edgewater, Maryland
St. Louise School - Bellevue, Washington
Alamo Elementary School - Baytown, Texas
Southern Senior High School - Harwood, Maryland
Sprague High School - Salem, Oregon
Tyler Heights Elementary School - Annapolis, Maryland
Ramona Boulevard Elementary School - Jacksonville, Florida
Broadneck Senior High School - Annapolis, Maryland

Schools throughout the United States and Canada benefit from the "5% Back to Schools" Program.

Star Teacher Program

Office Depot recognizes Pre-K through 12th grade classroom teachers for the difference they make in so many lives every day by offering our Star Teacher Program throughout the United States and Canada. Star Teachers receive everyday discounts on purchases, free gifts, special events and promotions during the year. More than half a million teachers enrolled in the Star Teacher Program get an instant 5% discount on in-store purchases and an instant 15% discount on Copy & Print Center services. Star Teachers can also get Advantage Rewards of up to 10% back based on qualifying purchases made in our stores, over the phone or online. Membership is free and teachers can enroll by visiting their local Office Depot store.

Star Teachers receive a quarterly newsletter containing special offers as well as helpful educational and classroom resources from trusted companies, such as Crayola, Purell and Scholastic. The goal of the newsletter is to help teachers enhance their productivity while showing appreciation for their tireless efforts.

In addition to the Star Teacher Program, Office Depot hosts a website, *www.school.com,* which provides lesson plans and a host of other educational resources for teachers as well as students and parents.

The Company annually sponsors Teacher Appreciation Breakfasts in the weeks leading up to the beginning of school. These events include networking opportunities, special gifts and discounts on purchases. Now in their 11th year, these programs represent another way in which Office Depot says "thank you" to those individuals who do so much to provide a bright future for our most precious resource – our children.

COLLEGES AND UNIVERSITIES

While Office Depot's support for students and teachers at the elementary, middle and high school levels represents a long-term investment in our children and education, more immediate benefits are being realized through our Company's involvement with colleges, universities and programs designed to create opportunity for students from traditionally underserved populations. Through the relationships that we have established with more than a dozen colleges and universities as well as with nationally recognized student-focused programs, Office Depot is opening the doors of opportunity within our Company to a new generation. We have active partnerships with Florida A&M, Florida Atlantic University, Florida State University, the University of Florida, Brigham Young University, California State University at Fullerton, Georgia State University, Michigan State University, Morgan State University, Texas A&M, Texas Tech, the University of Arizona, the University of South Carolina and the University of Southern California. Our executives regularly visit these schools to speak to classes and interact with students, while Company representatives offer workshops, seminars and critiques on resume writing, interview techniques and other essential skills. Additionally, Office Depot invests in University Retail Centers at the University of Arizona, Texas A&M University, Brigham Young University and the University of Florida. Within the State of Florida, Office Depot:

- Created an Eminent Scholar Chair in Small Business Research and initiated the development of the Office Depot Institute for the Study of Small Business at Florida Atlantic University.
- Established an endowment at the University of Florida to support its nationally respected annual *Retailing Smarter Symposium.*
- Is a sponsor of the School of Business and Industry at Florida A&M University.
- Is expanding our relationship with Florida State University's College of Human Sciences and its Department of Textiles and Consumer Sciences.

We also support multicultural student programs, such as Black History Month at the University of Florida and Florida Atlantic University's Multicultural Affairs Office's IMPAC (Individuals Making Personal and Academic Contributions) Awards Dinner.

More broadly, Office Depot supports the Students in Free Enterprise program at a national level. We sponsor regional as well as national competitions that give students the opportunity to put their learning into practice as they develop leadership, teamwork and communication skills. Guided by distinguished faculty, SIFE students learn about market economics, entrepreneurship, personal and financial success and business ethics.

Office Depot invests even more directly in students through our support for INROADS, a national program designed to develop and place talented minority youth in business and industry and prepare them for corporate and community leadership. Each year, a number of INROADS interns spend the summer working at Office Depot. We also are a charter member of the Retail Management Institute, a new extension of INROADS designed to develop and train outstanding ethnically diverse students for executive careers in the retail industry.

Students in a Lapeer, Michigan, classroom display their new backpacks from Office Depot.

As a company, Office Depot invites approximately 100 students to work for us each year as interns at our corporate headquarters, in our stores and elsewhere. Interns gain experience through their work on specific projects and learn about our Company's culture and values through interactions with senior management. The process has proven to be extremely valuable for the participants as well as Office Depot, as a number of former student interns now are rising through our ranks in increasingly more senior positions.

NATIONAL BACKPACK PROGRAM

As children across the United States and Canada prepared to go back to school in the late summer and early fall of 2003, more than 200,000 of them were given a very special gift from Office Depot – a backpack filled with school supplies.

For the third consecutive year, Office Depot made the donations in hundreds of communities – from New York City, where Chairman and Chief Executive Officer Bruce Nelson made a presentation of 10,000 backpacks at the New York Stock

A Seattle, Washington, Office Depot store welcomes community representatives for its backpack presentation.

Office Depot supports festivals and other local events in many communities.

Exchange, to St. Joseph, Missouri, where 72 backpacks made a distinct difference in the lives of the special needs students at Helen Davis State School. Since 2001, Office Depot has donated more than 350,000 backpacks to thousands of nonprofit organizations and schools. In 2003 alone, this in-kind program was valued at more than $5 million.

"We understand that the back-to-school season can be particularly stressful for children, parents and teachers," Bruce Nelson states. *"We designed this program with a specific goal in mind: to prepare children to be successful in school."*

In collaboration with Office Depot's Companywide Back to School initiatives, our National Backpack Program is carried out through a variety of channels. Each of our retail stores in the United States and Canada received an allocation of 120 backpacks filled with school supplies, which in turn were donated to nonprofit organizations and/or schools that serve underprivileged children and their families.

Nearly 50,000 additional backpacks filled with school supplies were distributed to some 250 organizations and schools that submitted requests through Office Depot's Community Relations website. Requests were fulfilled in 35 states and more than 100 different cities. The balance of the backpacks was donated in conjunction with special events in local communities, frequently to organizations with which Office Depot has longstanding relationships.

Children in the Independence, Missouri, and Overland Park, Kansas, areas received backpacks from Office Depot.

At the New York Stock Exchange, Office Depot donated 5,000 backpacks filled with school supplies to New York State's Council on Children & Families and 5,000 to America's Promise, the national organization dedicated to improving the lives of children and youth. Through these recipients, the backpacks were distributed to a number of New York communities for use by children from low-income families.

"Office Depot's commitment to children and youth, demonstrated by this generous contribution, is an inspiration to us and a model for all businesses," observes Peter A. Gallagher, president and CEO of America's Promise. *"Every organization has something to offer young people, whether it be backpacks filled with school supplies, computer equipment donated to a neighborhood youth center, or time allotted for employees to mentor and teach local students."*

When the backpacks are donated, each one contains a pencil pouch, a pen and pencil, a spiral notebook, a glue stick, two large erasers, tissues and two pocket folders. In addition, backpacks distributed through Office Depot stores were accompanied by bookmarks and book covers that carried environmental and recycling tips to help kids make "Earth Day Every Day."

In St. Joseph, Missouri, Office Depot Store Manager Sally Tremain tells how a representative of Helen Davis State School requested help for its 72 students. He noted that all the students have special needs and, because of the cost factor of specialized care needed for every child, any donation would be appreciated.

"The process was the most fulfilling experience that we have ever encountered. The staff of Helen Davis met us at the parking lot and asked us if we would personally deliver the backpacks to each student," Tremain recalls. *"As we walked into each room, we were greeted with hugs, smiles, cheers as well as thank you cards and banners. Some of the children could not talk, walk or sit on their own, but their eyes said it all! Our reward came from knowing that, because of Office Depot's donation of backpacks, we made a difference in the lives of each of these wonderful students."*

Local Programs and Volunteerism

Office Depot's Rob Tucker (center) was on the front lines fighting California wildfires.

Office Depot is strongly committed to Caring and Making a Difference in the communities in which our employees work and live. We support nonprofit organizations at the local level with donations of products, contributions of funds and efforts to encourage employees and customers to become involved through volunteer service.

Every Office Depot Grand Opening – whether it is for a new store, a remodeled store or a relocation – features a Community Relations component, helping to show customers and area residents that Office Depot is truly a member of their community that is strongly committed to Caring and Making a Difference. In each case, contributions are made to nonprofit organizations that reach out to underprivileged children and families.

Office Depot's North American retail stores also participate in the Code Adam child-safety awareness initiative. A program of the National Center for Missing and Exploited Children in Alexandria, Virginia, Code Adam provides assistance to parents, children, law enforcement agencies, schools and communities in recovering missing children while it works to raise public awareness to prevent child abductions.

In 2004, Office Depot is expanding our efforts to encourage employees to volunteer in their communities. Through partnerships with the Points of Light Foundation and VolunteerMatch, we are working to understand our employees' interests in volunteering and provide easy-to-use resources for learning about volunteer opportunities close to home or work. When the new program is implemented, it will utilize the online services of VolunteerMatch to help employees identify volunteer opportunities in their local communities.

The Office Depot team from a Clarksville, Tennessee, store joined local seniors for a Halloween activity.

Office Depot employees in Southern California helped deliver school supplies to fire victims.

Pepperdine University students prepare to send donated Office Depot supplies to schoolchildren in Iraq.

Honors and Recognition

Office Depot has been honored to receive a number of important awards in recognition of our Corporate Social Responsibility initiatives. These include:

- Companies That Care Honor Roll, Center for Companies That Care (2004)
- Pride in Excellence Award, Employer of the Year, presented by Project Equality (2004)
- Global Forest Preservation Award, Grassy Waters Preserve, West Palm Beach, Florida (2004)
- Top 30 Companies for Executive Women, National Association for Female Executives (2004 and 2003)

Susan Corrigan, President and Chief Executive Officer of Gifts In Kind International (left) presents the Light of Hope Award to Office Depot Store Manager Don Hissler as Tom Dowling, Chairman of the Board of Gifts In Kind International, looks on.

- Top Corporations for Women's Business Enterprises, Women's Business Enterprise National Council (2004, 2003 and 2002)
- Top Corporations for Multicultural Business Opportunities, **DiversityBusiness.com** *Div50* (2004, 2003, 2002 and 2001)
- Recognition as one of America's most philanthropic corporations, *BusinessWeek* Magazine (December 2003)
- Light of Hope Award, Gifts In Kind International (2003)
- Outstanding Corporate Sponsor Award and Dream Maker's Circle Award, Dream Foundation (2003)
- Social and Community Development Award, Center for Technology, Enterprise and Development, Delray Beach, Florida (2003)
- Hunger Hero, America's Second Harvest (2003)
- Bruce Nelson, Chairman and CEO, served as co-general chairperson of the National Urban League's National Conference in Pittsburgh (2003)
- Bruce Nelson, Chairman and CEO, was honored as Hispanic Marketer of the Year by the Greater Miami Chamber of Commerce (2003)
- Bruce Nelson, Chairman and CEO, was honored with the "Applause Award" from the Women's Business Enterprise National Council (2003)
- Business of the Year Award, *South Florida Business Journal* (2003)
- Partner of the Year Award, Broward County, Florida, Public Schools (2003)

The City of Santa Ana, California, recognized Office Depot on the occasion of the opening of a new store in its community.

Caring... and making a difference

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