



# PATH TO POSITIVE IMPACT

## Office DEPOT

2014 Corporate Citizenship Report



# Table of Contents

|                                                     |    |
|-----------------------------------------------------|----|
| Path to Positive Impact                             | 03 |
| About Us                                            | 04 |
| Past Citizenship Reports                            | 06 |
| <b>Business</b>                                     |    |
| The Positive Impact of Doing Business the Right Way | 07 |
| Ten Years of Positive Impact on Business            | 08 |
| Customers First                                     | 09 |
| Customer Testimonials                               | 10 |
| Supply Chain Diversity                              | 11 |
| Private Brand/Supplier Compliance                   | 13 |
| California Transparency in Supply Chain Disclosure  | 14 |
| Supplier Compliance Metrics                         | 15 |
| Governance                                          | 17 |
| Ethics                                              | 18 |
| <b>People</b>                                       |    |
| Focusing Positive Impact on People                  | 19 |
| Ten Years of Positive Impact on People              | 20 |
| Foundation                                          | 21 |
| National Backpack Program                           | 22 |
| Be The Difference                                   | 23 |
| Empowering Nonprofits                               | 24 |
| Disaster Recovery                                   | 25 |
| Diversity & Equality                                | 26 |
| Diversity/Inclusion                                 | 27 |
| Health & Safety                                     | 28 |
| Opportunity & Training                              | 29 |
| <b>Planet</b>                                       |    |
| Why Green                                           | 30 |
| Buy Green                                           | 31 |
| Ten Years of Buying Greener                         | 32 |
| Be Green                                            | 34 |
| Ten Years of Being Greener                          | 35 |
| Sell Green                                          | 37 |
| Ten Years of Selling Greener                        | 38 |
| Tell Green                                          | 40 |
| Environmental Dashboard                             | 41 |



## EVOLUTION:

Combining efforts to accelerate our path to positive impact.

2013 was a year of EVOLUTION highlighted by the merger of Office Depot and OfficeMax to form one, larger, more efficient, and stronger company known as Office Depot, Inc. By combining the efforts of two committed and influential organizations, Office Depot will not only be able to accelerate our path to positive impact on businesses, people and the planet, but also better define our purpose. Whether through advancing supplier guidelines for the health and safety of workers in factories around the world, launching award-winning community outreach programs through the Office Depot Foundation, or growing our greener product sales, Office Depot's commitment to sustainability remains strong, and will be strengthened further in the combined organization.

Read on to meet the people, hear the stories and uncover the data that shows how Office Depot is managing the increasingly important area of corporate sustainability.

# About Us



Formed by the merger of Office Depot and OfficeMax, Office Depot, Inc. is a leading global provider of products, services, and solutions for every workplace – whether your workplace is an office, home, school, or car.

Office Depot, Inc. is a resource and a catalyst to help customers work better. We are a single source for everything customers need to be more productive, including the latest technology, core office supplies, print and document services, business services, facilities products, furniture, and school essentials.

The company has combined pro forma annual sales of approximately \$17 billion, employs more than 60,000 associates, and serves consumers and businesses in 57 countries with more than 2,000 retail stores, award-winning e-commerce sites and a dedicated business-to-business sales organization – all delivered through a global network of wholly owned operations, joint ventures, franchisees, licensees and alliance partners. The company operates under several banner brands including Office Depot, OfficeMax, OfficeMax Grand & Toy, Reliable and Viking. The company's portfolio of exclusive product brands include TUL, Foray, DiVOGA, Ativa, WorkPRO, Realspace and HighMark.

Office Depot, Inc.'s common stock is listed on the New York Stock Exchange under the symbol ODP. Additional press information can be found at:

<http://news.officedepot.com>.

Additional information about the recently completed merger of Office Depot and OfficeMax can be found at <http://officedepotmaxmerger.com>.

Office Depot aligns its business along three segments: North American Retail Division, North American Business Solutions Division and International Division. Following the date of the merger, the former OfficeMax U.S. Retail business is included in the North American Retail Division. The former OfficeMax United States and Canada Contract business is included in the North American Business Solutions Division. The former OfficeMax businesses in Australia, New Zealand and Mexico are included in the International Division.

A complete description of our operations and facilities can be found in the Company's **2013 10-K Report**.

We operate through three business segments:

## **North American Retail Division**

The North American Retail Division sells a broad assortment of

merchandise through our chain of office supply stores throughout the United States, including Puerto Rico and the U.S. Virgin Islands. We currently offer office supplies, technology products and solutions, business machines and related supplies, facilities products, and office furniture from national brands as well as our own brands. Most retail stores also offer copy and print services.

At the end of 2013, the North American Retail Division operated 1,912 office supply stores, including 823 stores resulting from the merger. The count of open stores may include locations temporarily closed for remodels or other factors. We have a broad representation across North America with the largest concentration of our retail stores in Texas, Florida, California and Illinois.

## **North American Business Solutions Division**

The North American Business Solutions Division sells nationally branded and our own brands' office supplies, technology products, cleaning and breakroom supplies, office furniture, certain services, and other solutions to customers in Canada and the United States, including Puerto Rico, and the

# About Us

U.S. Virgin Islands. Office Depot customers are served by a dedicated sales force through catalogs, telesales, eCommerce sites and limited store locations in Canada. The North American Business Solutions Division also offers copy and print services.

Our contract sales channel employs a dedicated inside and field sales force that services the office supply needs to small, medium and enterprise-sized businesses. Our contract business is also partners with various schools, local, state and national governmental agencies. We also work with consortiums to sell to other governmental and nonprofit entities for non-exclusive buying arrangements.

Our direct sales channel is tailored to serve small- to medium-sized

customers. Direct customers can order products from our catalogs, by phone or through our public websites ([www.officedepot.com](http://www.officedepot.com) and [www.officemax.com](http://www.officemax.com)), in addition to our public website devoted to technology products ([www.techdepot.com](http://www.techdepot.com)).

### International Division

The International Division sells office products and services through direct mail catalogs, contract sales forces, Internet sites and retail stores, primarily through company-owned operations, but also through joint ventures, and to a lesser extent, licensing and franchise agreements, alliances and other arrangements. We also offer copy and print services to our customers in Europe through our e-commerce business and certain retail locations.

As of December 28, 2013, Office Depot sold to customers in 57 countries, including Europe, Asia/Pacific, and Latin America. Outside of North America, the company operates wholly-owned entities, majority-owned entities or participates in other ventures covering 30 countries and has alliances in an additional 25 countries. The International Division operates, through wholly-owned or majority-owned entities, 237 retail stores in France, South Korea, Sweden, New Zealand, Australia and Mexico. In addition, we participate under licensing and merchandise arrangements in South Korea, Israel, Dominican Republic and the Middle East.

### Materiality assessment to help us develop a broader sustainability strategy

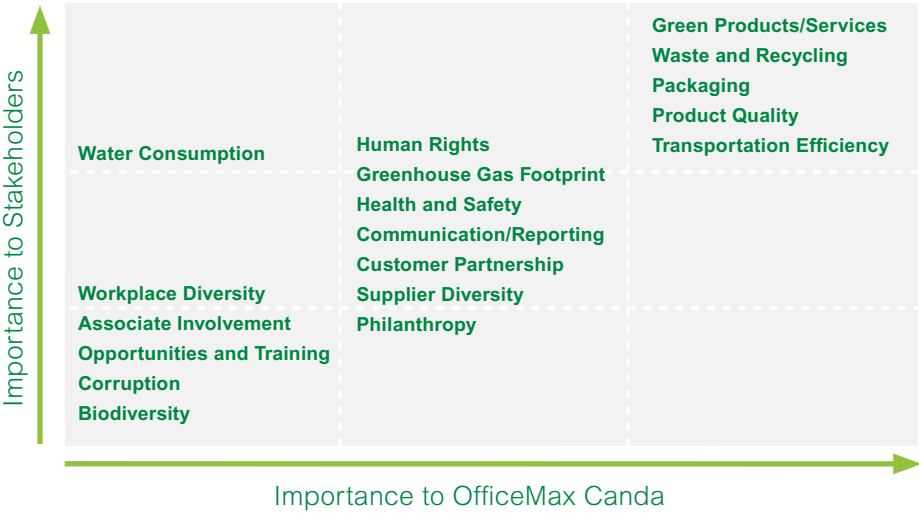
While there are clear strengths to both Office Depot and OfficeMax’s historical approaches to sustainability, as a combined organization, we plan to inform our future priorities by conducting a formal materiality assessment (or research study/survey on what matters most to our various stakeholders).

In doing this we will build on the approach initiated by OfficeMax Canada which has already defined its own sustainability priorities by surveying and obtaining 600 responses from associates, customers and vendors.

The matrix below reflects stakeholder priorities for OfficeMax Canada alone, but the process to create it is a best-practice we will use in the future. This is just one example of how the merger is already making us better together.

“As we move through the integration, we will create a new approach to Corporate Sustainability – one with clearly defined steps we commit to on our path to positive impact on prosperity, people and the planet.”

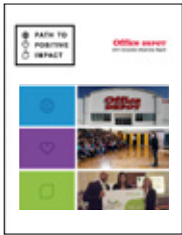
OfficeMax Canada Sustainability Materiality Matrix



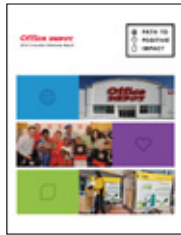
\*The OfficeMax Canada Materiality Assessment revealed that stakeholders in Canada have a strong preference for our company to prioritize providing high quality greener products and services that are optimally packaged, and delivered on efficient vehicles.

These may well be the same priorities in other countries, but we plan to do the research to find out for certain.

# Past Corporate Citizenship Reports



**2014 CCR**  
Reporting  
2013 data



**2013 CCR**  
Reporting  
2012 data



**2012 CCR**  
Reporting  
2011 data



**2011 CCR**  
Reporting  
2010 data



**2010 CCR**  
Reporting  
2009 data



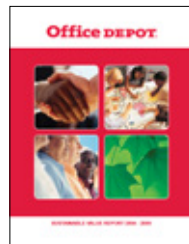
**2009 CCR**  
Reporting  
2008 data



**2008 CCR**  
Reporting  
2007 data



**2007 CCR**  
Reporting  
2006 data



**2006 CCR**  
Reporting  
2005 - 2004 data



**2004 CCR**  
Reporting  
2003 data



**2003 CCR**  
Reporting  
2002 - 2001 data

# The Positive Impact of Doing Business the Right Way

At Office Depot, we know that we win only when our customers, suppliers and other key stakeholders win. Exceeding customer expectations and building strong partnerships with the vendors, suppliers and communities we serve is the foundation of our continued success.

We fulfill our commitments and stand behind our products and solutions every day. Adhering to the highest ethical standards is vital. We ensure the relevance and effectiveness of our Ethics Policy through training, education and internal monitoring.

We are committed to helping build prosperity in the communities we serve. Core to that effort is our industry-leading, multidimensional initiative to help our small business partners flourish. Our Supply Chain Diversity Program assists Historically Underutilized Businesses (HUBs) by helping them build relationships with the community, business and customers that can take them to the next level of success.

We are also focused on ensuring our products are sourced from suppliers who provide safe, healthy and legally compliant work environments. We clearly communicate our standards to suppliers and dedicate a global team of specialists to review and audit compliance.



Our Code of Ethical Behavior serves as our moral compass for decision making. It shows our associates, customers, stakeholders and business partners what we stand for and sets the expectation for how we should conduct ourselves and our business globally.

Michelle Lowry  
Senior Manager, International Compliance

## Awards & Recognition

|                                                                                                                                                                         |                                                                                                    |                                                                                                           |                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                        |                   |                        |                                                     |
| <b>Best Places to Work</b>                                                                                                                                              | <b>2012 Top 50 Organizations for Multicultural Business Opportunities</b><br>DiversityBusiness.com | <b>"Top 40 Corporations Impacting Supplier Diversity"</b><br>MBN (Minority Business News)<br>USA Magazine | <b>2012 List of America's Top Corporations for Women's Business Enterprise</b><br>Women's Business Enterprise National Council (WBENC) |
|                                                                                      |                 |                      |                                                   |
| <b>eCommerce Customer Service Award &amp; Telesales Team of the Year</b><br><br>Silver Stevie® Award in the seventh annual Stevie Awards for Sales and Customer Service | <b>Best in Delivery Time</b><br><br>STELLAService Research                                         | <b>Partner of Choice Award</b><br><br>David Weekley Homes                                                 | <b>OfficeMax named one of 2013 World's Most Ethical Companies by the Ethisphere Institute for second consecutive year.</b>             |
|                                                                                      |                 |                      |                                                   |
| <b>Office Depot recognized by the National Gay and Lesbian Task Force with the 2013 Corporate Leadership Award.</b>                                                     | <b>Top Supplier Diversity Programs</b>                                                             | <b>Top Veteran-Friendly Company</b>                                                                       |                                                                                                                                        |

# Ten Years of Positive Impact on Business

|      |                                                                                                                                                                                                           |                                                                                                                                                                                                                 |                                                                                                                                                                      |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2013 | OD Releases 5th annual catalog dedicated to products from Historically Underutilized Businesses; 2013 catalog highlights 1800 products.                                                                   |                                                                                                                                |                                                                                                                                                                      |
| 2012 | Office Depot co-chairs Women's Business Enterprise National Council (WBENC) 2012 National Conference & Business Fair<br> | OfficeMax is certified by U.S. Customs and Border Protection (CBP) as a Customers-Trade Partnership Against Terrorism (C-TPAT) Tier III trade partner – the highest security status that a company can receive. | 426 global factories inspected for Office Depot Supplier Code of Conduct compliance<br><br>OfficeMax's diverse spend increases to \$190 million                      |
| 2011 | Enhanced domestic hotline program enabling associates to anonymously text ethics concerns or violations                                                                                                   |                                                                                                                                                                                                                 |                                                                                                                                                                      |
| 2009 | HUB Catalog launched with more than 25 vendors and 1,400 products<br>                                                   | OfficeMax hosts first annual OfficeMax Opportunity Exchange                                                                                                                                                     |                                                                                                                                                                      |
| 2008 |                                                                                                                                                                                                           |                                                                                                                                                                                                                 |                                                                                                                                                                      |
| 2007 | OfficeMax receives SPARC (Supplier Performance Awards by Retail Category) Award from Retailing Today.                                                                                                     |                                                                                                                                                                                                                 |                                                                                                                                                                      |
| 2006 | OfficeMax receives Retail Advertising and Marketing Association – Peter Glen Cause Marketing Award and Halo Awards.                                                                                       | OfficeMax celebrated for best practices in areas of risk management with Business Insurance Magazine Honor Roll                                                                                                 | OfficeMax's Canadian subsidiary, Grand & Toy, Receives International Customer Service Association "Contact Center Employer of Choice® Certification.                 |
| 2004 | 391 overseas factories inspected for compliance with the Office Depot Supplier Code of Conduct                                                                                                            | Office Depot Information Security Awareness Program introduced                                                                                                                                                  | 1st HUB Supplier of the Year Award presented to Smead Manufacturing Company<br> |
| 2003 | 800+ HUB items listed in Office Depot product catalogs                                                                                                                                                    |                                                                                                                                                                                                                 |                                                                                                                                                                      |
|      | CSR launch for all Office Depot products                                                                                                                                                                  |                                                                                                                                                                                                                 |                                                                                                                                                                      |

# Customers First



**By changing toners we'll not only have a positive impact on the environment by recycling cartridges, but also save the business around £160,000 per year.**

Steve Redman  
DLG Contract Manager

## Customers First

At Office Depot our customer focus leads us to anticipate and listen to consumers' needs while passionately delivering on our promises. We continue to be recognized for these efforts.

Office Depot was honored with a Gold Stevie® Award for Innovation in Customer Service in the eighth annual international competition, which recognizes excellence in disciplines that are crucial to business success, and honors the accomplishments of sales, customer service, and call/contact center professionals worldwide. Office Depot was recognized for satisfying its customers through improved customer service representative quality. The company dedicates time, energy and resources to proactively measure the "voice of the customer" through hourly, daily, and weekly measurements taken randomly from the thousands of customer interactions that occur throughout Office Depot's service delivery network.

Office Depot provides customers with world class service through its customer contact centers, answering calls in less than 10 seconds.

## Exceeding Expectations Online

As more Office Depot customers shift their purchases to the Web,

the company has implemented new initiatives to provide the same high level of customer care to its e-commerce customers through live chat, with their inquiries being answered in under 12 seconds.

## Earning "Wows" By Recovering From The Most Difficult Service Challenges

At the very tip of the customer service funnel is Office Depot's Executive Consumer Relations (ECR) team. These customer care experts handle our most complicated and highest-profile service challenges in North America. In addition to issues that arrive through internal call transfers, email and letters, the team proactively leverages social media to monitor and respond to comments. Posts on Facebook, Twitter and blog sites are immediately acknowledged, inviting posters to email the ECR team. A customer advocate contacts the customer within two hours and works to address the issue.

**80%**

**of calls answered within only six seconds – over four times better than the average**



# Customer Testimonials

## **Diane, I wanted to thank you very much for helping me get the refund back to my credit card.**

After weeks of confusion and frustration you were able to clear up the problem within a week. The full amount is back on the credit card now.

I was so tired of trying to get this resolved I wasn't going to ever buy from Office Depot ever again. You changed my mind, I appreciate you and the extra effort you made to help me.

Best Wishes!

Office Depot Customer

## **I am an Office Depot customer. This letter is written to inform you of Dale Wells' excellent handling of my problem.**

I order some printer ink from your company but received the incorrect color of ink. I needed black but received color instead. I was very upset because this had created a problem for me. I could not complete my task at home and I live 30 miles from Office Depot. Staples and Office Max is also just as far. I live in the country not the city.

My first contact was with an online representative. She could not solve my problem therefore, I asked for the corporate office. When I called, Dale Wells, Senior Customer Advocate answered the phone, listened to my problem and started assisting me.

I must admit I was upset for the following reasons:

1. I received the wrong item
2. I would have to pay again to receive the correct one
3. I live in an area where next day delivery is not offered by Office Depot.
4. None of this is my fault
5. I would have to go to the church to complete my programs for Sunday.

During my conversation with Dale, I even said I would not shop at Office Depot any more! We had a long conversation and as upset as I was, she was able to calm me down, help me obtain my item and keep me as a customer. She even told me to call her when I received my item. I forgot to call but she followed up and called me! I was impressed. Normally, after a customer service rep. gets you off the phone, they sure don't want to hear from you again.

Dale is a jewel of a customer advocate! She knows her job, does it well and is able to maintain control of the situation. I just had to write you and let you know how well she handled my problem. I am a very satisfied customer.

Office Depot Customer

**I would just like to pass along some information as to the character and management skills of Marghi.**

When I got Marghi on the phone, she put me at ease, and then proceeded to address the problem in the most straightforward simplified manner that she could. It took her 5 minutes to address something that 45 minutes could not with someone else.

Having someone of that caliber in your customer relations department is surely a positive way to keep the good name.

Office Depot Customer

## Supply Chain Diversity



OutSmart Office Solutions' Tier One Partnership with Office Depot has been instrumental in the growth of our organization. We are proud to represent the LGBT business community, and honored to be the National Gay & Lesbian Chamber of Commerce Supplier of the Year.

Dawn Ackerman  
President, OutSmart Office Solutions

### Supply Chain Diversity

Office Depot is committed to the economic development of the communities in which we work and live. This commitment is highlighted by our comprehensive Supply Chain Diversity model, in which we expand opportunities for Historically Underutilized Businesses (HUBs) and provide these businesses with the chance to grow and prosper. Our support for HUBs, defined as certified minority-, women-, disabled-, LGBT- and veteran-owned businesses, is advanced through a wide range of initiatives, including programs that have set a new standard for effectiveness within our industry. Our strategy achieves results. The proof is found in the numbers: Since forming the supply chain diversity team and later a formal program, Office Depot has accumulated spending with HUBs of more than \$2.5 billion. In 2013, \$250 million in HUB sales were generated at Office Depot. Product offerings from our HUB vendors are diverse, ranging from toner and paper to banking supplies, security cameras and safety equipment.



1,800

products our current  
HUB Catalog

# Supply Chain Diversity Continued

Efforts to expand HUB opportunities include ensuring that they are well represented in our product assortment, are afforded visibility in our national full-line catalog and have an equal opportunity in the vendor selection process. While we work to create visibility and market opportunity for HUBs, we are also focused on ensuring they have the broadest possible opportunities to grow sales and market share.

## 1 Seek out HUBs through fairs, tradeshow and an enhanced vendor management process.

We are involved as sponsors and participants in events such as the Women's Business Enterprise National Council's (WBENC) National Conference, the National Minority Supplier Development Council's Annual Conference, and annual events hosted by the Institute for Supply Management (ISM) and DiversityBusiness.com. We also host a HUB Vendor Showcase at our Corporate Headquarters, where the Office Depot Merchandising team was able to get to know our diverse vendors better to help discover opportunities for them within the Company. More than 20 vendors participated in the event, which included a reception with Office Depot merchants and executives.

## 2 Offer HUBs an equal opportunity in the vendor selection process.

Efforts to expand HUB opportunities include ensuring that they are well represented in our product assortment, are afforded visibility in our national full-line catalog and have an equal opportunity in the vendor selection process. While we work to create visibility and market opportunity for HUBs, we are also focused on ensuring they have the broadest possible opportunities to grow sales and market share.

## 3 Form partnerships with diverse businesses and HUB member organizations.

We work collaboratively with a wide range of national organizations, including the National Minority Supplier Development Council (NMSDC), the Women's Business Enterprise National Council (WBENC), the National Gay and Lesbian Chamber of Commerce (NGLCC) and the United States Small Business Administration (SBA), as well as other organizations that share our goal of making a positive impact on economic development through supplier diversity.

## 4 Market HUBs nationally through catalogs, websites and diversity-oriented media outlets.

Ours was the first and remains the only catalog of its kind in the office products industry. This initiative not only fuels growth in sales, inventory turnover and market expansion for these enterprises – it also provides a simple, easy-to-use mechanism for our business customers, helping them meet their diversity purchasing goals. The sixth annual edition of the HUB Catalog features more than 1,800 products offered by certified minority-, women-, disabled-, LGBT- and veteran-owned businesses. The broad assortment includes items ranging from writing instruments and binders, picture frames, and eco-friendly cleaning products

## 5 Empower HUBs by raising their capabilities.

Office Depot works with its Tier One Partners, HUBs that are third-party resellers of Office Depot products, to help them compete more effectively in the marketplace. A unique component of the Office Depot Tier One Program is mentor-protégé support. We make available training and capabilities development that contribute to long-term growth and economic viability of our HUB partners to give Tier One Partners a superior position in the marketplace and maximum opportunity for profitable growth. Office Depot provides product, order fulfillment and a shared services package (customer service, sales and marketing support, etc.) that positions our partners for strong marketplace performance.

# Private Brand/Supplier Compliance

Office Depot continues to work extensively with an independent, accredited third-party audit partner to conduct onsite supplier audits to ensure that our sourcing factories for our branded products are operating in accordance with our **Supplier Guiding Principles**.

Our Social Compliance team continues to actively reviewing and approving corrective action plans and, based on an internal grading system, re-audits are required and performed by the third-party audit partner. Office Depot takes a zero tolerance stance on certain breaches of our policies in which noncompliance by the supplier will result in termination of the relationship. We also ensure that factories receiving repeat “needs improvement” grades are monitored for corrective action through our continuous improvement process.

Office Depot continues to proactively train our vendors and factories on local laws, regulations and quality-of-life issues for their employees. During 2013, Office Depot conducted ten vendor trainings in our Shenzhen and Hangzhou offices. Empowering our partners to do the right thing and be accountable for social compliance is a cornerstone of Office Depot’s Corporate Social Responsibility Program.

## OfficeMax Update

OfficeMax GSO has an internal compliance team to coordinate all third-party audits between vendors and service provider, review SCAR (Supplier Corrective Action Record) and monitor third-party performance. For all new vendors, the GSO team sends initiative letter and pre-audit notice to them to ensure all vendors understand and accept OfficeMax audit policy and will expedite OfficeMax audit policy implementation throughout the business process. A qualified third-party has been selected as the audit service provider. The GSO team also implements on-site monitor or sends surveys to make sure third-party performance and operations are in compliance with the SOP between OfficeMax and the third-party. In addition, a monthly meeting is scheduled with the third-party for reviewing the performance, challenges and opportunities. For the audit findings, the reviews the SCAR and completes on-site checks.

In 2013, OfficeMax used a scoring system for the audit result evaluation. The scoring system evaluates if the factory can reach OfficeMax compliance requirements in the social, health, environment and safety categories. A low score (<60%) or any critical violation will result in the factory failing the audit; a follow-up audit would then be required as well. If a factory fails the second audit, it would be considered inactive or suspended until the corrective actions are acceptable. For OfficeMax private brands products, the GSO compliance team must ensure that vendors and/or factories keep an active status through all steps in the order/shipment journey.

## Supplier Guiding Principles

Office Depot expects the suppliers who produce goods and services for our Company to adhere to our Supplier Guiding Principles. The Supplier Guiding Principles are essentially our supplier code of conduct and represent Office Depot’s commitment to source goods and services from suppliers that strive to fully comply with all applicable laws and regulations.

Office Depot seeks to partner with suppliers who meet internationally recognized standards in dealings with their workers, the environment in which products are made, and their supply chain operations. Office Depot requires our suppliers to uphold the Office Depot Guiding Principles as a requirement for doing business with our Company.



Supplier guiding principles set requirements for:



**Labor Standards and Human Rights**



**Health and Safety**



**Environment**



**Bribery and Corruption**



**Standard Enforcement**



**Supplier Attestation**



**Security**

# California Transparency In Supply Chains Act Disclosure

The California Transparency in Supply Chains Act took effect in the State of California on January 1, 2012. The purpose of the Act is to eliminate slavery and human trafficking in product supply chains, and to provide transparency to consumers so they may make more educated purchasing decisions.

Office Depot continues to fully support this Act, which requires companies to disclose their efforts to ensure that their supply chains are free of slavery and human trafficking. We continuously seek ways to enhance our processes to ensure that high standards of safety, quality and human rights are upheld throughout our supply chain.

Since the implementation of the Office Depot social and vendor compliance program in 2003, we have made value-based management the framework around which our global business strategy is constructed. We have committed to uphold the highest ethical, social and environmental standards in the conduct of our business and the operation of our supply chain. Fulfilling this commitment requires a comprehensive set of policies and programs integrated throughout our business operations.

We ensure our compliance with the California Transparency in Supply Chains Act by communicating our Supplier Guiding Principles and working to ensure these Principles are upheld by our business partners who manufacture, assemble and distribute our products. We require verification and certification as a condition of vendor purchasing agreements or purchase order items from each of our direct suppliers. These agreements require that these suppliers comply with applicable laws and regulations, including prohibitions on forced or child labor, slavery and human trafficking. Suppliers and their factories producing Office Depot's private label and direct import products are selected for a vendor compliance audit. These audits are performed or evaluated by an independent third party to verify compliance with our requirements.

# Supplier Compliance Metrics

Through Office Depot's continuous improvement program and in collaboration with our suppliers, we have both enhanced our supply chain business model and addressed potential issues. This process includes ongoing training, education visits, and assessments. During 2013, Office Depot's vendor compliance team selected key vendors and factories for special attention through a Continuous Improvement Program. As a result, 92% of vendors with a Needs Improvement grading prior to starting the program improved their grading to a Minor Progress Needed or a Satisfactory.

The vendor compliance program will continue to expand in those regions where we are sourcing Office Depot products currently or plan to in the future. The Continuous Improvement Program was successfully globalized in 2010, and those efforts continued throughout 2013. Built on a foundation of integrity, the program continues to drive improvement through process, collaboration, training and transparent data reporting.

## Factory Inspections 2012 Global vs. 2013 Global

|  | 2012 - Global | 2011- Global | Change | Total since program inception in 2002 |
|-----------------------------------------------------------------------------------|---------------|--------------|--------|---------------------------------------|
| Total Audits                                                                      | 376           | 426          | -50    | 3939                                  |
| Initial Audits                                                                    | 90            | 103          | -13    | 1397                                  |
| Follow-up Audits*                                                                 | 286           | 323          | -37    | 2542                                  |

\*This number includes Annual & Re-Audit

## Grade

|  | Global - 2013 | Global - 2012 | % Improvement |
|-------------------------------------------------------------------------------------|---------------|---------------|---------------|
| Zero Tolerance**                                                                    | 1%            | 4%            | 3%            |
| Needs Improvement                                                                   | 69%           | 69%           | 0%            |
| Satisfactory                                                                        | 26%           | 27%           | -1%           |

\*\*Zero Tolerance includes Denied Access graded as Zero Tolerance

# Supplier Compliance Metrics

During 2013, Office Depot reported our Global metrics via the Office Depot Corporate Citizenship Report and the Dow Jones Sustainability Index, as part of our Global Audit Transparency. During 2013 two Office Depot Social Compliance team members achieved the following Industry Certifications: OSHAS training Advance Auditor Training and SA8000 Auditor Certification respectively.

## Factory Inspections – OfficeMax Global – 2012 Global vs 2013 Global

|  | 2013 - Global | 2012- Global | Change | Total since program inception in 2011 (SGS) |
|-----------------------------------------------------------------------------------|---------------|--------------|--------|---------------------------------------------|
| Total Audits                                                                      | 231           | 213          | 18     | 653                                         |
| Initial Audits                                                                    | 31            | 57           | -26    | 139                                         |
| Full Audits*                                                                      | 103           | 104          | -1     | 323                                         |
| Follow-up Audits*                                                                 | 97            | 52           | 45     | 191                                         |

\*This number includes Annual & Re-Audit

## Grade\*

|  | Global - 2013 | Global - 2012 | % improvement |
|-------------------------------------------------------------------------------------|---------------|---------------|---------------|
| Total Audits                                                                        | 27%           | 24%           | 3%            |
| Initial Audits                                                                      | 12%           | 28%           | -16%          |
| Full Audits*                                                                        | 45%           | 17%           | 28%           |
| Follow-up Audits*                                                                   | 16%           | 31%           | 15%           |

\*The analysis is only for Initial Audits and full audits, not include Follow up audit.

# Governance

Office Depot is a publicly traded corporation listed on the New York Stock Exchange (NYSE) under the ticker symbol “ODP.” We are committed to open, transparent and ethical corporate governance that is responsive to our shareholders. Our 11-member Board of Directors represents the highest governing body of the Company. The majority of our Board of Directors are independent directors who have no material relationship with Office Depot. Our Board of Directors met eleven (11) times during fiscal 2012.

## Board Independence

The Board Chairman also serves as Chief Executive Officer of Office Depot. All other Board members are independent Directors of the Corporation who meet the qualifications of “independence” in accordance with the New York Stock Exchange and United States Securities and Exchange Commission (SEC) requirements. Office Depot is committed to maintaining a Board that has a majority of independent Directors.

## Board Committee Independence

All Board Members who serve on the Audit, Compensation, and Corporate Governance and Nominating Committees are independent Directors. Certain members of the Board’s Audit Committee qualify as “Audit Committee Financial Experts” within the definition of applicable regulations of the SEC, promulgated pursuant to the Sarbanes-Oxley Act of 2002.

## Lead Director

The non-management Directors on our Board select a Lead Director who chairs the Corporate Governance and Nominating Committee, also referred to as the “Governance Committee.” The Lead Director works with the Governance Committee to set agendas for Board meetings and presides over meetings of non-management Directors in executive session. The Lead Director must be an Independent Director as defined by our Corporate Governance Guidelines.

## Governance Practices

Office Depot is committed to maintaining an independent Board that is responsive to our shareholders. The Board regularly meets in executive sessions at which the CEO is not in attendance. Under the leadership of the Governance Committee, the Board engages in periodic self-evaluation of its work as a whole. In addition, each Committee conducts evaluations of its own work, and the individual Directors conduct a self-evaluation of their performance.

## Executive Compensation

The Compensation Committee reviews and reports to the Board of Directors on all forms of compensation paid (or payable in the future) to executives.

Three standing Board committees – Audit, Compensation, and Corporate Governance and Nominating – are comprised entirely of independent Directors. The Company also has a Finance Committee.

# Ethics

Office Depot is committed to the highest standards of ethics and transparency in its operations. We believe organizations that remain loyal to their beliefs and have mechanisms in place to fulfill these goals build a foundation for long-term sustainable success.

The Global Compliance Office provides education and training to build awareness of our ethical business practices and compliance policies among our associates worldwide. Our compliance team's efforts reach every global market each year through a combination of instructor-led and computer-based Code of Ethical Behavior and the Anti-Corruption and Bribery training along with and awareness communications. In 2013, the Global Compliance Office conducted ethics and compliance training in 17 countries to reinforce our commitment to doing what is right. Our ethics and compliance program was further strengthened through live instructor-led Anti-corruption and Bribery Policy training to associates in six markets.

In addition, Office Depot conducted numerous other trainings on topics such as Anti-Harassment, Anti-Money Laundering, and Insider Trading to further exemplify our commitment to compliance initiatives and educating our associates on the laws in which we must operate under. We also expanded the reach of our Whistleblower Program and Financial Compliance Policy to include our global operations.

Office Depot regularly evaluates our internal compliance programs against industry standards and validates their effectiveness by engaging outside legal, audit and ethics compliance partners in this evaluation.

## Office Depot Hotline

The Hotline is our global ethics and compliance communications forum for associates to voice their concerns or report violations pertaining to financial integrity or our Company policies. Operated by an independent and impartial third party, our Global Compliance Office administers the program to ensure that concerns are thoroughly investigated and routed to the correct investigation team.

We offer an international case reporting solution available in 20 languages via phone and Web, and our domestic hotline program enables associates to anonymously text concerns on ethics matters. Office Depot's reporting mechanisms are designed in accordance with local data privacy requirements, allowing all global associates to communicate any violations of the law, our Code of Ethical Behavior or other relevant Company policies.

## OfficeMax: Leadership in Ethical Business Practices

Our focus on integrity has led OfficeMax to be named as one of 2013's World's Most Ethical Companies by Ethisphere Institute. This honor is based on our code of ethics, sustainable business practices, corporate citizenship, and nominations from senior executives, industry peers, suppliers and customers. It's the second consecutive year OfficeMax has received the ethics award.

OfficeMax was also honored with Ethisphere Institute's Ethics Inside Certification (EIC) for 2012-2013, as a result of our strong ethics and compliance program, culture of ethics, reputation and leadership, corporate citizenship and responsibility initiatives, and governance systems.

As part of our strong compliance

program, OfficeMax trained associates globally on our Code of Business Conduct. This course served as the foundation of our ethics program and was one of the many compliance courses offered to our associates in 2013. Through the use of computer-based training and the support of our executive leadership team, we were able to train our associates throughout all levels of our organization which demonstrated our commitment to upholding company values and global compliance initiatives.

## OfficeMax Tipline

The OfficeMax Tipline was our independent hotline program staffed by an outside company with operators capable of communicating in more than 100 languages. This program created a self-governing way for associates to voice their concerns about violations with applicable laws, internal policies, and circumstances of dishonesty or theft within the company. We value the voice of our associates and offered this program with the capability for the reporter to remain anonymous. We investigated all reports to the fullest extent possible in an effort to ensure our workplace was free from conflicts and retaliation.

# Focusing Positive Impact on People

Throughout our 25-plus-year history, a focus on people has been at the heart of Office Depot's culture. Our organization is aligned to ensure that all associates have opportunities to pursue their full potential, and we invest in initiatives that benefit the communities we serve worldwide.

We recruit, hire and promote a diverse workforce and provide many opportunities for all associates to grow their skills and advance their careers. We are proud that our commitment to equal opportunity and an inclusive work environment has earned recognition from esteemed organizations.

The Office Depot Foundation continues to demonstrate leadership in addressing some of society's most pressing needs, especially those of children. The Foundation's work to strengthen non-profit (civil society) organizations, and its programs to help communities prepare for and recover from natural disasters, also contribute to its award-winning program approach.



## A Journey to Caring...

One of the greatest aspects of the work we do at the Office Depot Foundation is that we are constantly on a journey. We reach destinations, but at the same time we always see new goals on the horizon. I am exceptionally fortunate to have the opportunity to help chart this course as well as enjoy the scenery along the path to fulfilling our mission – Listen Learn Care.

Mary Wong  
Office Depot Foundation President

## Awards & Recognition



**Corporate Equality Index and Best Places to Work**



**2012 Top 50 Companies for Executive Women**

National Association for Female Executives (NAFE)



**2012 "Champion for Drug Free Kids Award"**

Mary Wong, Office Depot Foundation President



**Special thank you in Little Red Wagon closing credits**

A feature film about inspiring young philanthropist Zach Bonner and his efforts to raise awareness of youth homelessness



**2011 Winner in the Social Responsibility Category PRNews Nonprofit PR Awards competition**

The National Backpack Program, referred to as "an iconic corporate social responsibility program"



**2012 Business Partnership Award**

Florida Commissioner of Education, Gerard Robinson



**"Heart of a Woman" Award**



**2013 Edington Next Practice Award (OfficeMax)**



**International Association of Business Communicators (IABC)**  
Silver Quill award of merit (central U.S. region) and Bronze Quill award of excellence (Chicago area) (OfficeMax)

# Ten Years of Positive Impact on People

|      |                                                                                                                                                                          |                                                                                     |                                                                                                                                                 |                                                                                                                         |                                                                                     |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| 2013 | Office Depot honored with National Gay and Lesbian Task Force Corporate Leadership Award                                                                                 |    | Office Depot Foundation "Be The Difference. Speak Up Against Bullying!" Program launched                                                        | Three millionth backpack donated by Office Depot Foundation                                                             |  |
| 2012 | Weekend in Boca attracts record participation                                                                                                                            |                                                                                     | Office Depot finalized agreement with U.S. Army Partnership for Youth Success (PaYS) Program                                                    |                                      |                                                                                     |
| 2011 | Office Depot earns a perfect score on Human Rights Campaign Corporate Equality Index                                                                                     |    |                                                                                                                                                 |                                                                                                                         |                                                                                     |
| 2010 | 10th anniversary of Office Depot Foundation's award-winning National Backpack Program, donating approx. 300,000 backpacks to U.S. children, 2 millionth backpack donated |                                                                                     | Dream UP! Career Exploration Program begins                                                                                                     |                                     |                                                                                     |
| 2007 | Barry Kaye College of Business at Florida Atlantic University (FAU) broke ground on the Office Depot Center for Executive Education                                      |  | Launch of interactive, single-stop benefits web portal                                                                                          | National Disaster Help Desk for Business launched; first Weekend in Boca Civil Society Leadership Symposium takes place |                                                                                     |
| 2006 | Office Depot Foundation established as primary philanthropic arm of Office Depot, Inc.                                                                                   |                                                                                     | Office Depot earned Community Anti-Drug Coalition of America's Drug-Free Kids Campaign's Humanitarian of the Year with \$800,000 in fundraising |                                    |                                                                                     |
| 2005 | Extended company benefits to domestic partners of Office Depot associates                                                                                                |                                                                                     | Pledged \$1 million to the American Red Cross for Hurricane Katrina relief efforts before the storm hit the Gulf Coast                          |                                                                                                                         |                                                                                     |
| 2004 | Received Corporate Stewardship Award for Large Business from U.S. Chamber of Commerce                                                                                    |                                                                                     |                                                                                                                                                 |                                                                                                                         |                                                                                     |
| 2003 | Diversity incorporated into the Company's Global Learning and Leadership Development initiatives                                                                         |                                                                                     | 1st Diversity Recruitment Guide for hiring new Office Depot employees                                                                           |                                                                                                                         |                                                                                     |

# Foundation

Donating backpacks with essential school supplies and speaking up against bullying were prominent among the ways in which the independent, nonprofit Office Depot Foundation made a difference in 2013. The Foundation, which serves as the primary charitable giving arm of Office Depot, Inc., serves children, families and communities around the world in support of its mission, Listen Learn Care.

The Foundation has played a vitally important role in Office Depot's corporate citizenship endeavors for two decades. Its strategic priorities, which together are characterized as "The Caring Agenda," focus on:

- ♥ Giving children tools to succeed in school ... and in life.
- ♥ Building the capacity of nonprofit organizations through collaboration and innovation.
- ♥ Helping communities prepare for disasters, as well as recovering and rebuilding afterwards.

## Awards & Recognition



**2013 Best Corporate Steward Award – one of four finalists, U.S. Chamber of Commerce Business Civic Leadership Center.**



**Best Company-Related Foundation Program,**  
League of American Communications Professional's 2012 Impact Awards Strategic Communications Competition. Honor received two consecutive years.



**"GuideStar Exchange Seal" acknowledgement, GuideStar USA** (awarded to nonprofits that meet high standards for accountability and transparency).



**Honorable Mention 2012 Annual Report CSR Awards to the Foundation's 2011 Report to the Community,** PRNews.



**Multiple awards to the Foundation's 2012 Report to the Community – Connecting the Dots, League of American Communications Professionals 2012 Vision Awards Annual Report Competition:**



**Honorable Mention 2012 Nonprofit PR Awards for External Publications to the Foundation's 2011 Report to the Community,** PRNews.



**Platinum Award Overall in Nonprofits category** (outranking Montefiore Medical Center and University of Texas MD Anderson Cancer Center)



**Silver Award for Most Engaging Report – Americas Region**

**Top 50 Annual Reports –**  
Worldwide, Americas Region and America



**Silver Award Overall,**  
foundation reports category

**Top 50 Annual Reports,**  
foundation category – Americas Region



**Honorable Mention 2012 Nonprofit Communicator of the year to Foundation Director of Communications**  
– Leon Rubin, by PRNews.

# National Backpack Program

## Giving Hope to Deserving Children

The award-winning Office Depot Foundation National Backpack Program celebrated an extraordinary milestone in 2013. Since the program began in 2001, Office Depot and the Office Depot Foundation have donated more than 3 million backpacks and sackpacks. During the year, the Foundation gave away approximately 300,000 colorful, kid-friendly sackpacks containing essential school supplies across the United States and internationally. The sackpacks not only help kids prepare for school, but truly bring hope to children whose families couldn't otherwise afford to equip them for success in the classroom.



*Thanks to a donation from the Office Depot Foundation, Food For The Poor was able to provide sackpacks containing essential school supplies to children in Jamaica and a number of other countries in the Caribbean and Latin America.*



**3 million kids outfitted for success since 2001**



We know that if we're ever going to break the cycle of poverty, it will come through education. This beautiful donation allows children to enter the school year with supplies that can potentially change their lives. Through this gift, these children are offered the chance at dignity, success and hope for the future.

Angel Aloma  
Executive Director, Food For The Poor

## Be the Difference



**Brooks Gibbs, one of the speakers who made anti-bullying presentations to students across the country as part of the Office Depot Foundation's "Be The Difference. Speak Up Against Bullying!" Program.**

## Speaking Up Against Bullying

Bullying has become alarmingly prevalent in our society – and our children are all too frequently its victims. With support from Office Depot and the popular band One Direction, the Foundation established the "Be The Difference. Speak Up Against Bullying!" program in 2013 to help create safe, bully-free schools by empowering students to speak up against bullying. The program, which featured engaging and compelling school assemblies presented by nationally known speakers, sought to give students the confidence and courage to be resilient and to use the Golden Rule as a strategy for reducing bullying.

## Dream UP



## Preparing Students for Career Success

In collaboration with the USA TODAY Charitable Foundation, the Office Depot Foundation's Dream UP Career Exploration Program enables middle school students to start thinking about the future, set realistic and achievable personal goals – and believe their dreams can be fulfilled. Since 2010, nearly 90,000 students across the U.S. have researched job possibilities, written essays about their chosen careers and had the chance to experience "dream jobs" ranging from fighter pilot to chemist... and many more. By inspiring young people to dream BIG dreams today, the Foundation is giving them hope for the future.

**Photo: As a winner of the Office Depot Foundation Dream UP Career Exploration Program Essay Challenge, Courtney Taylor, a student at Plaza Middle School in Virginia Beach, Va., had the opportunity to experience a day in the life of a television journalist.**

90,000

middle school students  
encouraged to dream

## Empowering Nonprofits – Weekend in Boca Civil Society Leadership Symposium



### Inspiring Nonprofit Innovation and Collaboration

Supporting the Foundation's commitment to building the capacity of nonprofit organizations through innovation and collaboration, it hosts its annual Weekend in Boca Civil Society Leadership Symposium in Boca Raton, Florida. Participants in Weekend in Boca, which is presented free of charge, gain insight and knowledge from nationally prominent speakers, enjoy extensive opportunities to network with other nonprofits, and learn about best practices and how to incorporate them into the important work they do every day. Since it began in 2007, approximately 900 participants from across the country have benefited from the Weekend in Boca experience.



**nonprofit professionals, board members & volunteers empowered by innovation, collaboration & sustainability strategies**

# Disaster Recovery



## Stepping Up When Disasters Strike

When a devastating tornado cut a swath through the community of Moore, Oklahoma, the Office Depot Foundation quickly stepped up to help by donating food and essential relief supplies in collaboration with Oklahoma City-based Feed The Children. Subsequently, the Foundation donated 3,000 backpacks for schoolchildren in Moore and convened a “Conversation on Community Renewal” at Feed The Children’s headquarters that brought together individuals from a wide array of nonprofit organizations and government agencies that were involved in helping Moore’s residents and businesses to recover and rebuild.

The Foundation continued as the primary sponsor of the National Disaster Help Desk for Business, which is managed by the U.S. Chamber of Commerce Foundation Corporate Citizenship Center. The Help Desk – a 24-hour, toll-free hotline (1-888-MY-BIZ-HELP) staffed by disaster relief and recovery professionals – provides essential information, expert guidance and connections to invaluable resources at times when people feel overwhelmed.

# Diversity & Equality

Office Depot is committed to an inclusive work environment that values and respects the talents and contributions of every associate. We recruit a workforce that reflects the diversity of the communities we serve, recognizing that our organization only flourishes when we hire, promote and create paths to leadership for women and men of every background.

Our commitment to equal opportunity is driven by Office Depot's values, which include teamwork and respect. Diversity is intrinsic to our values and contributes to our success in the global markets we serve. In addition to our company values, we also live by the following diversity values:

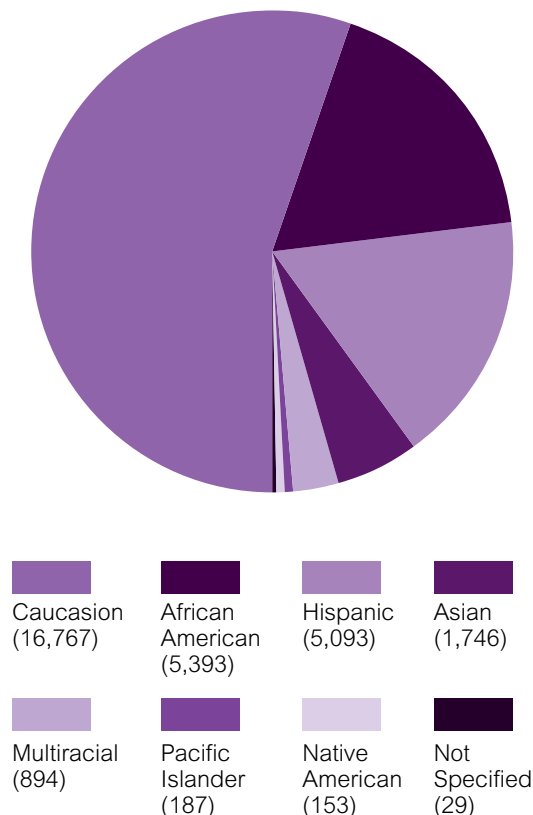
- ♥ We employ a diverse workforce that reflects the communities in which we do business.
- ♥ We offer equal opportunities for advancement and encourage all employees to develop to their full potential.
- ♥ We appreciate the importance of a diverse workforce at the highest levels of management.
- ♥ We embrace new ideas and perspectives and respect individual differences.
- ♥ We do not tolerate harassment of any kind.

To help achieve our inclusion and diversity goals, we engage a broad range of community stakeholders. We reach entire communities through our corporate citizenship efforts. Our outreach and involvement focuses on the health, education and welfare of all children. We support diverse organizations and causes with financial contributions, product donations and volunteer support.

## Diversity is Intrinsic to Our Core Values

**Integrity**  
**Accountability**  
**Innovation**  
**Teamwork**  
**Respect**

## Demographics – U.S. Associates



## Diversity/Inclusion



### OfficeMax Joined Forces with Aspire and the Kessler Foundation to Expand Employment Programs for People with Disabilities

### New Aspire CareerLink Training Center in Suburban Chicago to Provide Real-World Training for Careers for People with Disabilities

In mid-2013, OfficeMax joined the Kessler Foundation, Aspire of Illinois, the Association of People Supporting EmploymentFirst (APSE), the Rehabilitation Institute of Chicago and the Illinois Division of Rehabilitation Services in launching **Aspire CareerLink**, a work training facility in Hillside, Ill. for people with disabilities.

The innovative partnership, facilitated through a two-year grant from Kessler Foundation – a nonprofit organization dedicated to changing the lives of people with disabilities through rehabilitation research and funding disability employment initiatives – utilizes a real-world work environment and specialized curriculum to train people with disabilities for meaningful careers within OfficeMax’s distribution and retail centers.

This program is one of many that has helped OfficeMax create a diverse and inclusive workplace culture that can attract qualified associates of all abilities and backgrounds to create innovative business solutions.

### Ongoing Commitment to Diversity

OfficeMax’s support for the Aspire CareerLink work training facility is just the latest in OfficeMax’s ongoing commitment to working with veterans and people with disabilities. As part of the company’s Maxing Out Diversity project, under the Kessler Foundation grant OfficeMax is working with the Council of State Administrators of Vocational Rehabilitation (CSAVR) and local organizations to create career-training facilities in other markets nationwide, including Las Vegas, Dallas and Columbus, Ohio. OfficeMax was awarded the National Employment Team 2013 “Private Sector Business of the Year” by the CSAVR for its commitment to employing veterans and people with disabilities, including OfficeMax’s PowerMax distribution center in McCalla, Alabama, which has employed more than 35 people with disabilities. Additionally, OfficeMax has partnered with the Turning Pointe Autism Foundation to develop a work training facility for young adults with autism.

Watch the program come alive and meet some of the participating professionals here: <http://chicagotonight.wttw.com/2014/04/01/aspire-illinois>

# Health & Safety

Education and prevention are fundamental components of our goals for a healthier and safer workforce for associates. Our comprehensive program of health screenings and preventive care play a leading role.

At our headquarters we provide regular testing and biometric screenings for a variety of health concerns including leg veins, vision, bone density, hearing, and skin and breast cancers. We also offer free biometric screenings to all full-time U.S. associates (and their spouse/ domestic partner if enrolled in an Office Depot medical plan). Free seasonal flu shots, available to all U.S. associates, help them – and the customers they serve – stay healthy.

## Vitality Health &

### Wellness, est. 2012

Vitality Health & Wellness is a fun and unique personalized wellness program with many tools and resources that help associates live healthy. The program includes rewards to keep associates engaged all year long.

## HealthyWage “Matchup”

A new associate weight loss challenge, HealthyWage “Matchup” motivates associates by team competition with cash prizes.

## Safety

Creating and sustaining a safe work environment is a top priority at every Office Depot facility. Many of our facilities worldwide have

earned OHSAS certification via an international assessment structured to help organizations reduce occupational health and safety risks.

## Wellness

### Organic Produce

In 2013, we partnered with Endlessly Organic, an organic produce buying club, offering a variety of pre-selected organic produce box subscriptions and healthy additions. The produce is delivered every other Wednesday and associates have a number of ordering options based on their individual preferences.

### Fitness Trainer

A fitness trainer was added to the wellness team in 2013 to provide associates with discounted, one-on-one personal training. The program has been well received with a number of associates signing up for sessions.

### Weight Watchers

Office Depot offers a discount to associates who would like to join Weight Watchers, a leading provider of weight management services. Weight Watchers meetings are also held weekly at the company’s corporate headquarters. In 2013, 68 Office Depot associates joined the program, losing a total of 1,013 pounds.

## Participate & Earn Points

- ♥ Fitness Activities
- ♥ Prevention Screenings
- ♥ Healthy Eating Plans

## Redeem Points for Cool Stuff

- ♥ Bicycles
- ♥ Vacation Packages
- ♥ Big Screen TVs



224 associates  
in groups of 5

VS.



co-workers,  
other departments,  
and companies

= Loss of nearly 1,900 pounds

## Opportunity & Training

Our comprehensive training and leadership development programs ensure that every associate has a path to achieve professional growth. Our extensive course offerings and educational partnerships strengthen associate effectiveness in their current positions while expanding their prospects for career growth. These programs include comprehensive, in depth curricula for frontline associates as well as leaders at every level, from newly promoted managers to Company officers.

### Personal Productivity

In 2013, Learning & Development launched its new instructor led class, Personal Productivity. Participants learn how to identify workplace stressors that are barriers to productivity and how to manage them. They discover various approaches to prioritizing tasks, setting goals, and working more purposefully on tasks and projects. Participants also learn how breaking low productivity habits and replacing them with high-focus habits can transform the way they accomplish work tasks.

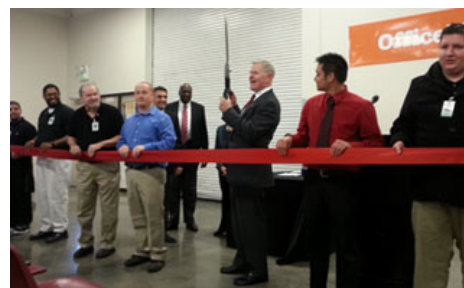
### Thriving Through Change

Learning & Development designed and facilitated an instructor-led class called Thriving Through Change to provide leaders with important skills

to support their teams through the merger, specifically the “people side of change.” The critical role the immediate manager plays in associates’ responses, reactions, and actions during change cannot be understated. By developing behaviors that facilitate dialogue and a trusting environment, managers can have a significant and positive influence on their team’s engagement and performance during times of uncertainty. Nearly 1500 corporate and field leaders attended this training.

### Lominger Competencies

In 2013, Office Depot incorporated and rolled out the Lominger Competencies. HR Business Partners, Organizational Development consultants, recruiters, and trainers all became certified in “Leadership Architect 101®,” a comprehensive, integrated set of tools that give executives, managers and HR professionals the ability to put research-based leadership and organizational development best practices into action. Leadership Architect 101 establishes a common “competency” language helpful in identifying critical skills needed for individual and organizational success.



**The program has reinforced my belief that for any leader to succeed, you need to develop the strengths of your team and have a strategic plan for the future. As individuals we may be strong, but as a team working as one unit you can do the impossible.**

Melissa Barry  
Senior Manager, IT

## Why Green?



In 2013, we started a new chapter in our environmental journey with the merger of Office Depot and OfficeMax. Our green commitment is as strong as ever, and we believe the merger will help drive significant environmental synergies in addition to the economic ones.

Yalmaz Siddiqui  
Senior Director, Environmental & Supplier Diversity Strategy

The merger between Office Depot and OfficeMax brings opportunity for reflection on joined company's environmental strategy

The merger presents Office Depot, Inc. an opportunity to reflect on and renew our environmental goals, strategy and commitments. The environmental team began this reflection process by asking which approaches of each legacy company we would keep and which would evolve.

The legacy OfficeMax environmental framework had three themes:

- Product Stewardship,
- Energy Management, and
- Transportation.

The legacy Office Depot strategy was built on the broad value chain concepts of

- Buying greener
- Being greener, and
- Selling greener

The future approach to environmental strategy will be influenced by these two sets of themes, but will be developed primarily as part of a formal Corporate Sustainability Materiality Assessment, as described here.

## Key Awards & Recognition 2012 - 2013

|                                                                                     |                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <b>Greenest large retailer in America – Newsweek Green Ranking</b>                                                                                                                                                                                               |
|  | <b>Environmental Protection Agency's (EPA) ENERGY STAR® Leader</b><br>For leadership in Reducing Greenhouse Gas Emissions                                                                                                                                        |
|  | <b>LEED for Commercial Interiors (CI)</b><br>Newville, PA Distribution Center                                                                                                                                                                                    |
|  | <b>Climate Leadership Goal Achievement Award for Excellence in Greenhouse Gas Management</b><br>US Environmental Protection Agency, ACCO, C2ES and The Climate Registry.                                                                                         |
|  | <b>Forest Stewardship Council (FSC) Australia honored OfficeMax Australia with two awards – Retailer of the Year 2012 and the Responsible Procurement Award 2012</b><br>for the subsidiary's ongoing support of sustainability and responsible forest management |

# Buy Green

## What is a green product?

The lack of a standard on what constitutes a green product has forced Office Depot's new environmental team (post Office Depot and OfficeMax merger) to revisit some difficult questions, including: "What makes a product green?" "Is green binary or are there shades of green?" "Which certifications are 'good enough'?" and "Is the Forest Stewardship Council forest certification preferable to the Sustainable Forestry Initiative?" These questions (and more) need to be discussed in order to formulate a consistent approach and strategy for buying greener for internal purchasing as well as resale.

For the moment, the environmental purchasing policies and greener product definitions that Office Depot has followed over the past number of years will suffice, implying an FSC preference in wood and paper products. However, we are closely watching the development of the new Sustainable Forestry Initiative (SFI) standard for wood and paper and hope to see the improvements that major environmental groups have been advocating for.

## New office supply standards to inform future definition of "green"

We are also excited to learn of a collaboration to develop new

standards for office supplies, copy paper and toner. These were created by a group of environmentally preferable purchasing (EPP) leaders in cities and states across the U.S. We plan to review our system in light of the new standards, and will aim for more alignment in the future.

## Purchasing Council gains prominence with Office Depot support

Office Depot was instrumental in helping form the Sustainable Purchasing Leadership Council (SPLC); with Yalmaz Siddiqui, Senior Director of Environmental and Supply Chain Diversity Strategy, Office Depot, serving as the Founding Chair. SPLC members include some of the world's largest B2B buyers, and is focused on accelerating the world's transition to sustainability. Learn more about the SPLC by visiting [sustainablepurchasing.org](http://sustainablepurchasing.org) or by watching this overview video.



As we look to the future, Office Depot plans to both grow our assortment of environmentally preferable products and build a new sustainable brand to better serve the needs of our large segments of eco-conscious buyers in all channels.

Ron Lalla  
EVP Merchandising

# Ten Years of Buying Green\*

|      |                                                                                                                                    |                                                                                                                                                          |                                                                                     |
|------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| 2013 | OfficeMax achieves 94% greener purchasing of marketing papers; Office Depot 86%                                                    | Yalmaz Siddiqui named Chair of Sustainable Purchasing Leadership Council                                                                                 |  |
| 2012 | Grow greener product assortment by 419% over 10 years                                                                              | Finalize work with World Wildlife Fund on new Greener Paper Purchasing Policy                                                                            | Become first company to help fund Sustainable Purchasing Leadership Council         |
| 2011 | Reach milestone of 10,000 greener products for resale                                                                              | 48% of greener products in Europe have a third party ecolabel                                                                                            | Start process to obtain signed affidavits for all green claims by vendors           |
| 2010 | Join World Wildlife Fund's Global North America Forest & Trade Network, building on Office Depot Europe's long-standing membership | Greener purchasing policies for supplies, technology, furniture & cleaning products for LEED Existing Buildings Certification of our Global Headquarters | Launch Office Depot GreenerOffice™ brand identity                                   |
| 2009 | Receive Responsible Purchaser of the Year Award from Responsible Purchasing Network                                                | Hire Zulema Ledesma as Senior Analyst, Environmental Products, to verify vendor environmental claims                                                     | Develop system to rate products as light, mid or dark green                         |
| 2008 | Design icons for greener attributes, beyond 'recycled'                                                                             | 52% of marketing papers are FSC certified                                                                                                                |                                                                                     |

\*Unless otherwise stated, achievement and data is for Office Depot North America. If achievement is from Europe, only main markets are included: Austria, Belgium, Czech Republic, France, Germany, Italy, Netherlands, Switzerland, Spain, UK & Ireland

# Ten Years of Buying Green\* Continued

|      |                                                                                                                                         |                                                                                                                                                                 |                                                                                                                                  |
|------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| 2007 |                                                                                                                                         |                                                                                                                                                                 |                                                                                                                                  |
|      | Source 4,300 products with greener attributes or ecolabels in Europe                                                                    | Source 5,200 products greener attributes or ecolabels in North America                                                                                          | Launch Office Depot Green™ range of products  |
| 2006 |                                                                                                                                         |                                                                                                                                                                 |                                                                                                                                  |
|      | Launch global environmental policy and strategy to 'buy greener, be greener and sell greener'                                           |                                                                                |                                                                                                                                  |
| 2005 |                                                                                                                                         |                                                                                                                                                                 |                                                                                                                                  |
|      | Achieve 30% average post consumer recycled content for copy paper use in the U.S.                                                       | 68% of wood-based furniture components in Office Depot UK are FSC certified  |                                                                                                                                  |
| 2004 |                                                                                                                                         |                                                                                                                                                                 |                                                                                                                                  |
|      | Release first Environmental Paper Purchasing Policy  | Publicly cut contracts with selected paper suppliers due to environmental concerns                                                                              | 35% recycled copy paper becomes default for Black & White printing in Copy Centers                                               |
| 2003 |                                                                                                                                         |                                                                                                                                                                 |                                                                                                                                  |
|      | Establish Forest & Biodiversity Conservation Alliance – a 5-year, \$2.2 million partnership with Conservation Science Groups            |                                                                             |                                                                                                                                  |

\*Unless otherwise stated, achievement and data is for Office Depot North America. If achievement is from Europe, only main markets are included: Austria, Belgium, Czech Republic, France, Germany, Italy, Netherlands, Switzerland, Spain, UK & Ireland

## Be Green



Our North American retail stores have helped Office Depot achieve a recycling rate of 47%. As we look to increase our positive impact on the planet, it is my goal to increase our internal recycling rate and simultaneously offer new and innovative recycling solutions for our retail customers.

Troy Rice  
Executive Vice President, North American Retail

### Combined company recycling rate reaches 47%

In 2013, the combined waste footprint of legacy Office Depot and OfficeMax in North America was 37,200 metric tons, which equates to 4,800 tons more than materials recycled. As such, our combined recycling rate was 47%, helped by legacy OfficeMax's attainment of a 51% recycling rate, which could be seen as a net positive impact based on recycling more than what was wasted.

As a combined company, we also earned over \$1.6 million from our recycling - a figure we would like to grow to help drive both economic and environmental value.

### Multiple delivery packaging options to be evaluated to help reduce waste

Another big part of Office Depot's waste footprint is the packaging used to ship orders. Both legacy organizations have innovated to dramatically reduce the volume of cardboard used. At legacy OfficeMax, the 'Boomerang Box' was very successful. At legacy Office Depot the GreenerOffice Delivery Bag received much positive feedback from customers. The task for 2015 is to determine the best packaging for delivery, thereby achieving cost savings, waste footprint reduction and customer satisfaction.

### Major carbon footprint reduction opportunities

In 2013, legacy OfficeMax had a carbon footprint of 280,000 metric tons based on energy use at 899 stores and distribution centers in North America. In the same year, legacy Office Depot had a carbon footprint of just 236,000 metric tons of CO<sub>2</sub> in a portfolio of 1,204 stores and distribution centers in North America.

Following the merger, Office Depot announced plans to close 400 stores and consolidate distribution centers, which will reduce carbon emissions overall. Further, as the Office Depot real estate portfolio stabilizes, we plan to share energy efficiency measures across the chain which will continue to reduce our carbon footprint, and costs.



**Legacy Office Depot  
GreenerOffice Delivery Service**



**Legacy OfficeMax Boomerang Box**

# Ten Years of Being Green\*

|      |                                                                                                                                                                           |                                                                                                                                                                                 |                                                                                                                      |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| 2012 |                                                                                                                                                                           |                                                                                                                                                                                 |                                                                                                                      |
| 2012 | Office Depot reduces carbon for 5th consecutive year; OfficeMax achieves 51% recycling rate                                                                               |              | Office Depot featured as climate leader in Showtime TV series.                                                       |
| 2011 | Facilities carbon footprint drops to 246,400, down 43% from 2003, helping win EPA Climate Leadership Award for achieving carbon reduction goal one year ahead of schedule |                                                                                                                                                                                 | Store fixtures reuse program keeps nearly 3,800 tons of fixtures out of landfills since re-launch in 2010            |
| 2010 | 91% of waste is recycled in Europe* and most facilities in Europe become ISO14001 certified                                                                               | 1.7 million square feet of buildings are LEED certified                                                                                                                         | Start delivering orders by bicycle in Portland, Oregon                                                               |
| 2009 | Global Headquarters achieves LEED for Existing Buildings Gold Certification                                                                                               | GreenerOffice™ Delivery Service, revolutionize office supply delivery                                                                                                           | Pilot office supply bicycle delivery in London, UK                                                                   |
| 2008 | New UK Headquarters achieves BREEAM 'Very Good' rating for innovative green building design                                                                               | Complete reflector retrofit project – removing 1 out of 3 bulbs in American stores, achieving 84% Internal Rate of Return and substantial energy and carbon footprint reduction | Office Depot LEED Gold store in Austin, TX receives Chain Store Age Magazine's Environmental Store of the Year award |
|      | Open world's first LEED certified retail prototype store in Austin, TX                                                                                                    |                                                                                                                                                                                 | Earn \$4.8 million from recycling of operational waste from stores, distribution centers, and headquarters           |

\*Unless otherwise stated, achievement and data is for Office Depot North America. If achievement is from Europe, only main markets are included: Austria, Belgium, Czech Republic, France, Germany, Italy, Netherlands, Switzerland, Spain, UK & Ireland

# Ten Years of Being Green\* Continued

|      |                                                                                                                                                                                                   |                                                                                                                                  |                                                                                    |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| 2007 | Win US EPA Smartway Excellence Award for fuel efficiency and carbon measurement                                                                                                                   | 71 % of waste recycled in Europe                                                                                                 | Announce comprehensive Greenhouse Gas reduction strategy                           |
| 2006 | Complete \$20 million investment in energy efficiency, focused on T5 lights and Energy Management Systems                                                                                         | Join US EPA Smartway Transportation Program<br> | Install balers to recycle cardboard in stores across America                       |
| 2005 | Switch to fuel-efficient Sprinter Vans<br>                                                                      |                                                                                                                                  | Pilot programs to recycle shrink wrap, metal and plastic from distribution centers |
| 2004 | Save over 1 million gallons of fuel by switching from truck to intermodal for long-distance transportation<br> |                                                                                                                                  | Start energy efficiency pilots at stores and distribution centers                  |
| 2003 | Implement recycling program targeting 80% of waste stream at Headquarters and Distribution centers                                                                                                | Provide reusable mugs to Associates at Global HQ                                                                                 |                                                                                    |

\*Unless otherwise stated, achievement and data is for Office Depot North America. If achievement is from Europe, only main markets are included: Austria, Belgium, Czech Republic, France, Germany, Italy, Netherlands, Switzerland, Spain, UK & Ireland

# Sell Green



With 2013 sales of products with eco-attributes near \$3 billion in North America for Office Depot, it is clear that the market for environmentally preferable products is maturing. No longer a niche, greener options are now a major part of our business portfolio.

Steve Calkins  
Executive Vice President, Contract Sales

## Tracked green sales in North America and Europe near \$3.2 Billion

One of the defining characteristics of the Office Depot environmental strategy has been a focus on the marketplace. While many environmental programs focus on greening suppliers, we have preferred to focus on greening customers. Our approach has been based on the philosophy that if we can move the marketplace, the supply chain will respond.

Our efforts seem to have borne fruit. In 2013, green sales in our main markets in North America and Europe neared \$3.2 Billion, proving that green is no longer a niche in the office products marketplace. This shift was supported in no small way by The Green Book catalog.

As well as selling greener products in general, Office Depot has a strong focus on selling greener paper as it is one of our most material environmental impacts. In 2013, 27% of Office Depot paper sales (by weight of fiber) were environmentally-preferable in some way – the majority being FSC certified virgin fiber.

Lastly, our effort to sell greener extends to taking back products for 'closed loop recycling' - most notably through Office Depot's ink/toner and technology recycling programs. In 2013, we took back 5,300 total tons of these products for recycling, including 18.3 million ink/toner cartridges.

## Greener Purchasing Awards

One of the unique ways we sell greener is by celebrating our customers who buy greener. As shown in this **video**, in 2013, we presented Leadership in Greener Purchasing Awards for high overall green spend vs. peers to:

American Realty  
Advisors

Best Western  
Cate School

City of Fort  
Collins

Comerica

Cottingham &  
Butler

DLA Piper

Google

General Service  
Administration

Home Box Office

JM Family  
Enterprises

M&T Bank

Merced Union  
School District

Metropolitan  
Community  
College

Missouri Dept. of  
Mental Health

Pizza Fusion

Saatchi & Saatchi  
NA

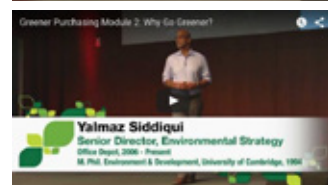
Screen Actors  
Guild

State of  
Washington

Western Michigan  
University

## Training modules on greener purchasing

As part of our effort to 'sell greener' Office Depot has created this series of educational modules to help customers understand and deliver on the promise of greener purchasing:



We also presented Special Recognition Awards for these customers who excelled in one aspect of greener purchasing:

Anixter  
Henry Schein

Hillsborough  
County Schools

Hilton Worldwide  
JPMorgan Chase

Pine Jog  
Elementary  
School

Southwest  
Airlines

University of  
Pennsylvania

# Ten Years of Selling Green\*

|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2013 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 2012 | <div> <div>Tracked green sales in North America and Europe near \$3.2 Billion</div> <div>Release 10th Green Book catalog; 18.3 million ink &amp; toner cartridges recycled from customers</div> </div>                                                                                                                                                                                                                                                                                                                                                                       |
| 2011 | <div> <div>Green attribute product sales reach nearly \$2 Billion in North America and over €300 million in Europe</div> <div>33.6% of all copy paper sold is recycled or FSC certified</div> <div>Release 9th Green Book Catalog</div> <div>  </div> </div>                                                                                                                                                                                                                              |
| 2010 | <div> <div>Launch Green Select Cart to 'nudge' online shoppers to greener choices</div> <div>Ring NYSE closing bell to announce partnership with ICLEI to roll out Green Business Challenge in cities across America</div> <div>Host 5th annual Leadership in Greener Purchasing Awards – recognize Google, Facebook, State of Washington City of Portland and others for greener purchasing</div> <div>  </div> </div>                                                                     |
| 2009 | <div> <div>Release 8th Green Book</div> <div>Work with ICLEI and the City of Chicago to launch the Chicago Green Office Challenge – a friendly competition to encourage greener practices among private and public sector organizations</div> <div>Launch Recycling Rules, which gives schools gift cards for free supplies for returning empty ink &amp; toner cartridges</div> <div>   </div> </div> |
| 2008 | <div> <div>Release 7th Green Book</div> <div>Launch European Greener Office Guide to educate customers and prospects on greener choices</div> <div>Launch nationwide tech recycling service</div> <div>  </div> </div>                                                                                                                                                                                                                                                                    |
|      | <div> <div>Release 6th Green Book</div> <div>Launch European Greener Office Guide to educate customers and prospects on greener choices</div> <div>Create Greener Alternatives Tool to show contract customers economic savings of high volume greener purchases, helping facilitate switch to greener products</div> <div>  </div> </div>                                                                                                                                                |

\*Unless otherwise stated, achievement and data is for Office Depot North America. If achievement is from Europe, only main markets are included: Austria, Belgium, Czech Republic, France, Germany, Italy, Netherlands, Switzerland, Spain, UK & Ireland

# Ten Years of Selling Green\* Continued

|      |                                                                                                                                                                                                            |                                                                                                                                                                                   |                                                                                        |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| 2007 | Release 5th Green Book<br>                                                                                                | Announce 1st Green Customer Awards – Recognize JPMorganChase, MIT, Southwest Airlines and others for greener purchasing                                                           | Start tracking The Green Book product revenue – green sales baseline is \$1.35 Billion |
| 2006 | Release 4th Green Book<br>                                                                                                | Launch officedepot.com/greeneroffice website to showcase over 4,000 greener products online<br> | Launch Green Book catalogs in 7 countries in Europe                                    |
| 2005 | Release 3rd Green Book<br>                                                                                               | Implement search functionality online to help customers find 'recycled' and remanufactured products                                                                               |                                                                                        |
| 2004 | Host one of world's largest tech recycling drives in partnership with HP and U.S. EPA, collecting over 10.4 million<br> |                                                                                                                                                                                   |                                                                                        |
| 2003 | Release 2nd Green Book<br>                                                                                              | Launch Ink & Toner recycling program to encourage customers to return empty cartridges                                                                                            |                                                                                        |
| 2003 | Release 1st ever Green Book as the Recycled Products catalog<br>                                                        | Establish Forest & Biodiversity Conservation Alliance – a 5-year, \$2.2 million partnership with Conservation Science Groups                                                      |                                                                                        |

\*Unless otherwise stated, achievement and data is for Office Depot North America. If achievement is from Europe, only main markets are included: Austria, Belgium, Czech Republic, France, Germany, Italy, Netherlands, Switzerland, Spain, UK & Ireland

## Tell Green



We have a long history of environmental transparency at Office Depot – notably in North America and Europe. We are committed to continually evaluating the right metrics and openly sharing our environmental performance with our stakeholders.

Shela Fletcher, Senior Manager,  
Corporate Sustainability Europe

### Long-standing commitment to transparency and accuracy

A hallmark of Office Depot's environmental strategy has been a commitment to transparency and accuracy. For the last seven years we have provided best-in-class transparency on our environmental performance in North America as well as key markets in Europe.

Our approach in the past has been to provide a comprehensive dataset of environmental metrics from our main market in the U.S, a limited dataset from Europe, and no data from other countries. This is driven by the fact that North America and Europe represent the bulk of our global revenue and because we have dedicated resources to track and manage this wide dataset in these regions.

### Globalizing our environmental dashboard and adding targets

Going forward, Office Depot will attempt to replicate the environmental dashboard for more countries across our global portfolio; and in the future, we plan to establish formal targets for environmental performance improvement.

### Telling green for our customers and ourselves

We recognize that just as we want to 'tell green' and showcase our environmental programs and wins, many of our customers want to do so the same.

As such, we have started a formal program to capture customer testimonials focused on environmental sustainability. Click below on to see a recent example from an Office Depot customer.



*Maryland Stadium Authority pursues sustainable purchasing for LEED certification*



*SKLAR furnishings saves big and shines bright with LEDs from 3M*