sustainability

A WAY OF BUSINESS
FOR US

A RESOURCE
FOR YOU

Growing Our Impact In 2018

Office DEPOT

OUR CUSTOMERS CARE ABOUT THE SOCIAL AND ENVIRONMENTAL IMPACTS OF THEIR BUSINESSES, AND SO DO WE.

Office Depot® was founded in 1986 to provide customers with the office supplies they need to run their businesses. Since then, a strong culture of innovation has led to the refinement of our corporate strategy and objectives to better serve our customers' growing enterprise requirements. Today we are shifting into a new, more solutions-oriented model that will expand our offerings to provide our customers with the tools and resources they need to focus on their passion for starting, growing, and running their business.

Our sustainability initiatives have followed the same path: we started with an internal commitment to reduce our environmental impacts, build a great place to work, and support our communities, but soon recognized that our customers care as much as we do and face similar challenges in understanding how to measure and manage their impact for the better. This is why our sustainability efforts extend beyond an internal focus: we look at sustainability as another challenge we can help our customers address. And by supporting the social and environmental values of our customers, we are able to significantly scale our impact beyond our walls and into the workplace of every customer.

We are grateful to our customers for allowing us to serve them in this unique capacity, and excited for how our offerings and impacts will continue to grow!

planet

WE TAKE A LIFECYCLE APPROACH TO OUR PRODUCTS AND SERVICES, AND DELIVER THEM WITH EFFICIENCY IN MIND.

In our efforts to be good stewards of the planet, we focus on the lifecycle of the products we use in our operations and the ones we provide to our customers – from procurement to disposal. Our **GreenerOffice™** Rating System helps us define our purchasing priorities and creates a relatively simple method for customers to compare similar products and make purchasing choices that could be considered greener for one or more reasons. After use, our recycling programs begin to close the loop as we focus on ways to avoid sending waste to the landfill.

We also pay attention to the carbon footprint of our operations: our energy use and carbon footprint reduction efforts make sense from both a business and environmental perspective, since increasing our operational efficiency often delivers both cost and emissions savings. Our customers benefit from these efforts as well, primarily through our GreenerOffice Delivery Service.

procurement

FOR US

The lack of formal standards on what constitutes a green product led to one of our most prominent innovations in the office product industry: our Office Depot® GreenerOffice™ Rating System. This rating system looks at a variety of attributes and eco-labels to formulate a consistent approach and strategy for buying progressively greener office products.

37 PERCENT
OF PRODUCTS
have at least one meaningful green attribute or eco-label

28 PERCENT
OF THOSE PRODUCTS
used internally were mid- or dark green on our GreenerOffice Rating System

FOR YOU

The GreenerOffice Rating System allows us to support our customers with their environmental purchasing practices and policies. The Green Book® catalog from Office Depot makes it easy for customers to purchase greener products, and our Green Business Review helps customers track their green purchasing progress and meet their goals.

27 PERCENT
OF CUSTOMER PURCHASES
in the U.S. were products with at least one meaningful green attribute or eco-label

39 PERCENT
OF THOSE PURCHASES
were mid- or dark green on our GreenerOffice Rating System

disposal

FOR US

Waste is one of the most relevant measures of our environmental impact. In 2017, we incorporated office paper with baled cardboard to increase recycling rates and conducted waste services evaluations across the country to eliminate unnecessary trips to the landfill. We also conducted waste audits at our supply chain locations and made recommendations to increase recycling.

48
PERCENT
OF WASTE
diverted from landfill

27.6K
METRIC TONS
OF WASTE
diverted from landfill

FOR YOU

We know waste is a challenge for our customers as well, which is why we are proud to offer take-back programs for closed-loop recycling. We provide a range of options for recycling everyday office items such as ink & toner cartridges, batteries, and technology.

6M
POUNDS
OF TONER AND INK
recycled for customers

3.6M
POUNDS
OF TECHNOLOGY
recycled for customers

1.5K
POUNDS
OF CELL PHONES & BATTERIES
recycled for customers

footprint

FOR US

Our facilities' carbon footprint is driven by three main sources: our stores, distribution centers, and headquarters. In 2017, we made upgrades to HVAC systems, lighting systems, and Energy Management Systems, and began a partnership with ENTOUCH, the industry-leader of dynamic smart building solutions, to reduce our footprint. We also began implementing strategies to increase the fuel efficiency of our fleet.

19
PERCENT
GHG EMISSIONS REDUCTION

11
PERCENT
ENERGY CONSUMPTION REDUCTION

56K
METRIC TONS
OF CO_2
equivalent or $MtCO_2e$ (Scope 1) and 234,500 $MtCO_2e$ (Scope 2)

100
PERCENT
OF ELECTRICITY USED AT BOCA-RATON
Headquarters is offset by 7,800 $MtCO_2e$ Renewable Energy Credits

FOR YOU

Our GreenerOffice™ Delivery Service helps our customers reduce their carbon footprint. Orders are delivered in paper bags instead of corrugated boxes because they use significantly less wood to produce and contain 40% postconsumer recycled content; and the reusable plastic totes that protect the bags during transportation contain 60% postconsumer recycled plastic.

3.8M
POUNDS
OF CO_2 AVOIDED
through efficiency planning and sustainable packaging

OUR PAPER BAGS CONTAIN
40
PERCENT
POSTCONSUMER RECYCLED CONTENT

PEOPLE

people

WE SUPPORT DIVERSITY AND OPPORTUNITY IN EVERY TRANSACTION.

At Office Depot®, we recognize that the scale of our operations allows us to have a tremendous impact on the lives of our associates, suppliers, customers, and community members. Internally, we strive to support our stakeholders by focusing on diversity among our associates and suppliers. We provide employment opportunities for community members and safe working conditions for our suppliers, and we contribute to and engage with our local communities. We make sure these values extend to our offerings for our customers – and support their inclusion goals – through our Diverse Supplier Catalog and our Supplier Guiding Principles.

In addition, we have a legacy of giving back that only continues to grow. The strategy for our philanthropic and volunteer engagement programs began to pivot in 2017, as we shifted our focus to a new relationship-based model: Our new community relations program is an associate-centric, philanthropic department in Office Depot, designed to provide big, bold, and energizing opportunities for our employees to engage directly with our local communities and establish stronger and further-reaching relationships in the future.

diversity

FOR US

Office Depot® is committed to an inclusive work environment that values and respects the talents and contributions of every associate. We attract and hire associates of all abilities and backgrounds in order to create a diverse and inclusive workplace culture.

0 **100** PERCENT **SCORE** *on Human Rights Campaign Foundation's Corporate Equality Index for the 7th consecutive year*

38 PERCENT **OF BOARD MEMBERS** *are female*

BEST OF THE BEST **OF EMPLOYERS** *by Black EOE Journal and Hispanic Network Magazine*

FOR YOU

Our customers are equally committed to diversity and inclusion, so we created our Diverse Supplier Catalog to help our customers succeed in their own supplier diversity initiatives: the catalog features over 1,800 items from certified diverse vendors.

750 PRODUCTS **WITH RECYCLED CONTENT** *featured in the Diverse Supplier Catalog*

$4.6M IN BUSINESS **FOR SMALL, WOMEN, MINORITY, AND VETERAN-** *owned businesses*

Office DEPOT

IN THE TOP **100** CORPORATIONS **FOR WOMEN'S BUSINESS ENTERPRISES** *list from Women's Enterprise Magazine*

opportunity

FOR US

Given the nature of our business, the variety of roles we need to operate, and the scale of our company, we are proud to leverage our employment opportunities to provide jobs and careers for individuals entering the workforce.

20 INDIVIDUALS **WITH DISABILITIES**
trained through our partnership with LaunchAbility in 2017

20 INTERNSHIPS **OFFERED IN HR, MARKETING, ACCOUNTING AND FINANCE**
through our College and University Engagement program

FOR YOU

Office Depot® customers can rest easy knowing all our Private Brand supply chain partners are required to meet internationally-recognized standards for labor and environmental working conditions by passing our extensive third-party auditing process to confirm compliance with local laws, regulations, and our Supplier Guiding Principles.

179 OUT OF **231** ACTIVE PRIVATE BRAND OR DIRECT IMPORT VENDORS **WERE AUDITED**
by Office Depot's independent 3rd party provider and the remaining 52 qualified for a waiver through approved alternative certification options

8 PERCENT **IMPROVEMENT**
over 2016 audit results thanks to ongoing factory training programs and support provided by our Social Compliance team

community

FOR US

Our commitment to community investment was stronger than ever in 2017. We continued supporting our traditional philanthropic venues and also established the new DepotDifference community relations program. We set new philanthropic priorities – Education, Entrepreneurship, and Strengthening Communities – developed new goals and strategies, and made the first few investments in our new model.

42 PALLETS **OF SURPLUS SUPPLIES**
donated to the Education Foundation of Palm Beach County Red Apple Supplies Store for Title 1 school teachers

OVER **1000** TOYS **COLLECTED**
for the Boys and Girls Club of Palm Beach County over the holidays, more than double our goal

FOR YOU

Our new "Community Ambassador Teams" provide more direct and personalized support where our stores and customers are located. Made up of Office Depot® associates, these teams serve as resident corporate philanthropists – providing leadership in their communities with support, coaching, guidance, and resources from the Office Depot headquarters.

150 ASSOCIATES **AT OFFICE DEPOT**
formed our first "Community Ambassador Committees"

REACHING **11K** PEOPLE

profit

OUR SCALE DRIVES ECONOMIC GROWTH AND DEEPENS OUR IMPACT.

2017 was a year of transition in many ways, as we redefined our strategic direction and pivoted to become an omni-channel business services platform, providing end-to-end solutions for businesses of all sizes. One major milestone in this process was the acquisition of CompuCom®, which combines world-class IT service capabilities, an extensive customer base, and a nationwide footprint to create a powerful omni-channel growth opportunity. CompuCom is not only a good match for our new direction, but also fits well into the Office Depot® family because of their well-established commitment to sustainable technology.

"Greener sales" continue to be a significant portion of our sales and a key success metric of our sustainability programs, capturing not only how well we are sourcing greener products, but also how well we are attracting and supporting customers who demand greener products. As we continue to grow and move in an innovative new direction, with a relentless focus on our customers, we look forward to extending our sustainability efforts to our customers in even more ways.

sales

FOR US

$10B
TOTAL
ANNUAL SALES
Resulting in $326M in Free Cash Flow and $1.5B in total liquidity

48.5
PERCENT
RETAIL

49.9
PERCENT
BUSINESS SOLUTIONS

1.6
PERCENT
COMPUCOM® AND OTHER

FOR YOU

12,000+
SKUS
AVAILABLE
in our GreenerOffice™ assortment to support our business customers' sustainability efforts

reach

FOR US

POE

The CompuCom® acquisition included the first digital building in the world exclusively powered by Power-Over-Ethernet (POE) interior lighting technology, which, combined with other efficiencies, creates a campus that is

16
PERCENT
LESS EXPENSIVE PER SQUARE FOOT
to operate than their original headquarters

FOR YOU

Office Depot®
OfficeMax®,
CompuCom®
Grand & Toy®

4
BANNER BRANDS

1400
STORES

51
DISTRIBUTION FACILITIES

power a vast
ONLINE
BUYING EXPERIENCE

by providing
NEXT-DAY DELIVERY

employment

FOR US

45K
PEOPLE
EMPLOYED
by Office Depot®

FOR YOU

174K
BUSINESS SERVICES
ACCOUNTS

including small- to medium-sized businesses, large enterprises, public sector agencies, and educational institutions (Higher Ed, K-12)

Greener
PURCHASING AWARD

20
BUSINESS SERVICES DIVISION
CUSTOMERS AWARDED
with the Office Depot "Leadership in Greener Purchasing Award" for their commitment to green procurement (based on annual green spend)

thank you

100% post-consumer recycled content paper

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