

Redefining SUCCESS

Helping people, communities
and businesses thrive

A word from our CEO

At Office Depot, our goal is to provide our customers the tools and resources they need to focus on their passion of starting, growing and running their business. To do this effectively, we incorporate our **5C Culture in everything that we do, focusing on Customer, Commitment, Change, Caring and Creativity**. Our sustainability efforts touch on every one of these 5Cs, through innovative environmental sustainability programs, nationwide community investment initiatives, diversity in our people and our supply chain, and other programs and initiatives implemented throughout Office Depot, CompuCom and Grand & Toy.

Our established **GreenerOffice™ program** helps our customers minimize and assess their impacts on the planet while the **#depotdifference** community investment program supports nonprofit and community organizations through volunteer and philanthropic initiatives primarily impacting education, minority-led entrepreneurship, and strengthening communities.

Last year we announced our first set of public-facing sustainability goals, and I am happy to share that we are making significant progress on meeting, and in some cases, exceeding those goals.

We are committed to decreasing the company's environmental impact

through waste diversion programs, greener packaging, transportation innovations, and product solutions that extend throughout the lifecycle.

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.



Gerry P. Smith, Chief Executive Officer, Office Depot

everyday
is
EARTH[🌿]
DAY



The business of sustainability

Sustainability in the business world has evolved a great deal over the years. Previously relegated to a small team or department, many companies are now weaving sustainability into the fabric of their operations. Shifting consumer demands means success is more explicitly tied to how companies navigate environmental and social challenges in today's rapidly changing world.

Office Depot, Inc. – which includes banner brands Office Depot®, OfficeMax®, CompuCom® and Grand&Toy®, as well as others – has substantially evolved over the years to keep up with these shifting demands.

What began as a small sustainability team has grown into an entire organization focused on implementing programs that support Office Depot's sustainability vision and mission.

We believe business can – and should – be part of the solution for creating a better future. Since what we offer to the market is a reflection of our company, we choose to offer high-quality, sustainable, and ethically sourced products and services. By creating greater internal efficiency around our sustainability efforts, we are able to pass these benefits down through our supply chain to the consumer level and help our customers achieve their own sustainability goals.

**Sustainability is not a nice-to-have feature.
It is embedded in how and why we do business.**



In 2019, we launched our first joint sustainability report with information gathered from Office Depot, Grand & Toy, and CompuCom, signifying our commitment and purpose towards achieving our vision of company-wide sustainability. An inaugural Sustainability Summit was also held, to cultivate our shared purpose by connecting the dots between all three banner brands and prioritizing key material topics and actions to achieve our joint goals.

Office DEPOT

Office Depot's Sustainability Governance Council continues us to embed, enhance, and improve our sustainability program and practices across and between all areas of our organization – allowing us to better serve our customers, our associates, our planet, and our communities.

G&T GRAND&TOY.

Grand & Toy developed a cohesive strategy to proactively guide year-round sustainability programs. We focused on embedding the triple bottom line mindset across all functional areas and relaunched our external Corporate Sustainability page with that approach. Our sustainability initiatives and awareness campaigns have enabled us to be more environmentally and socially accountable in tandem with business needs.

CompuCom.

As part of CompuCom's Sustainability Champions program, aimed at educating associates and creating excitement about sustainability, three working groups launched, focusing on research for our fleet; educating associates about the importance of good physical and mental health; and recycling awareness, education and compliance.

**We believe business can
AND SHOULD BE part of the solution
for creating a better future.**



PLANET

In 2019, Office Depot launched public-facing goals around energy consumption, transportation emissions, and local communities for the first time, and released the company's Sustainability Commitment Statement and Commitment to Safer Chemicals Policy.

Grand & Toy refreshed the company's tools and resources both internally and externally to align with the triple bottom line (people, planet and prosperity) framework, and officially recognized sustainability as a business value proposition. Additionally, we strengthened our commitment with Partners in Project Green to collaborate and turn waste management initiatives into bottom-line results.

CompuCom became ISO 14001 certified, which provides third-party independent assurance that the company has a system in place to evaluate, measure and improve upon its environmental management system. This ensures all orders processed through our Advanced Integration Center follow sound environmental practices.

4,250,000

LBS OF BULK E-WASTE

recycled for customers in 2019

Office Depot

**Sustainable
Purchasing
Leadership Council
Case Study Award**

for Sustainability Integration

Office Depot

**2019 NAV Canada
Corporate Social
Responsibility Award**

for responsible environmental practices
and outstanding commitment to
resource conservation

Grand & Toy

**There's
- NO -
Planet
= B =**

Procurement

Whether our customers are looking to meet their own sustainability targets or just reduce their environmental footprint, we offer a variety of high-quality products and services to meet their greener business needs.

Over 20% of our company sales are products with greener attributes, and through CompuCom we offer business solutions and hardware that are energy efficient and long-lasting – therefore requiring fewer transportation emissions, less energy associated with manufacturing new devices and fewer environmental risks associated with disposal.



35

CUSTOMERS AWARDED

with Greener Purchasing Awards

22 Office Depot

13 Grand & Toy

We celebrate customers for their commitment to greener procurement through our Greener Purchasing Awards.

In 2019, we awarded 35 customers – each representing a different business category – to recognize them for achieving their sustainability goals, making greener purchasing decisions, and inspiring others to do the same.





28%

CUSTOMER PURCHASES

were greener products

28% Office Depot

32% Grand & Toy



**DO
SOMETHING
GREEN
TODAY**

More than

19,000

PRODUCTS

in our assortment with green attributes

14,000 Office Depot

5,000 Grand & Toy



Waste disposal

At Office Depot, Inc., our companies take a “cradle to grave” approach with our products and services. We begin by offering several high-quality, long-lasting products with reduced life cycle costs, and when those products have met the end of their useful life, we assist with the correct disposal in an environmentally responsible way.



45%

OF OUR WASTE
was recycled in 2019

Office Depot



204

MT WASTE
diverted from landfill in 2019

Office Depot
Grand & Toy
CompuCom

Closed loop recycling

In 2019, Grand & Toy made improvements to our closed loop recycling services – a process that reduces waste and the need for new raw materials by offering recycling programs for manufactured goods – and increased customer awareness of closed loop recycling for products such as ink and toner cartridges, batteries, cell phones, coffee capsules, and other office supplies. Grand & Toy achieved an **84% waste diversion rate** through our waste service provider Waste Management, banned the use of plastic stirrers, and participated in material diversions throughout the year.

Grand & Toy continues its strong partnership with Partners in Project Green through their Material Exchange program,

which facilitates the exchange of material between businesses and non-profit organizations to divert waste from landfill, support local communities, and move closer to a circular economy.

In 2019, **Grand & Toy diverted 8.3 MT of material waste from landfill.**

ITAD

Previously considered a “nice to have” service, IT Asset Disposition (ITAD) – is now seen as a critical service for companies. ITAD provides the vital service of wiping sensitive data from devices before reuse, resell or disposal, and if done improperly can cost a company millions of dollars. While this is an important security component, it also provides brand protection as consumers begin to understand the significant environmental impact of electronics built for obsolescence.

Device performance

CompuCom has partnered with Intel on several initiatives to reduce emissions and e-waste through Intel’s latest cloud management software. These initiatives include remote remediation for end user devices to reduce on-site technician dispatch and device shipments, increasing battery performance for longer battery life cycle, and optimizing power settings on devices to ensure they are on “powered on” when needed.

CompuCom’s ITAD services manage thousands of devices and e-waste each year.

In 2019 our Paulsboro Integration Center acquired a shredder that not only increases security prior to disposal, but also significantly decreases pallet volume and the subsequent number of truckloads that are transferred to our R2 certified recyclers.

306,894

LBS BULK E-WASTE

recycled for
customers in 2019

CompuCom

212,368

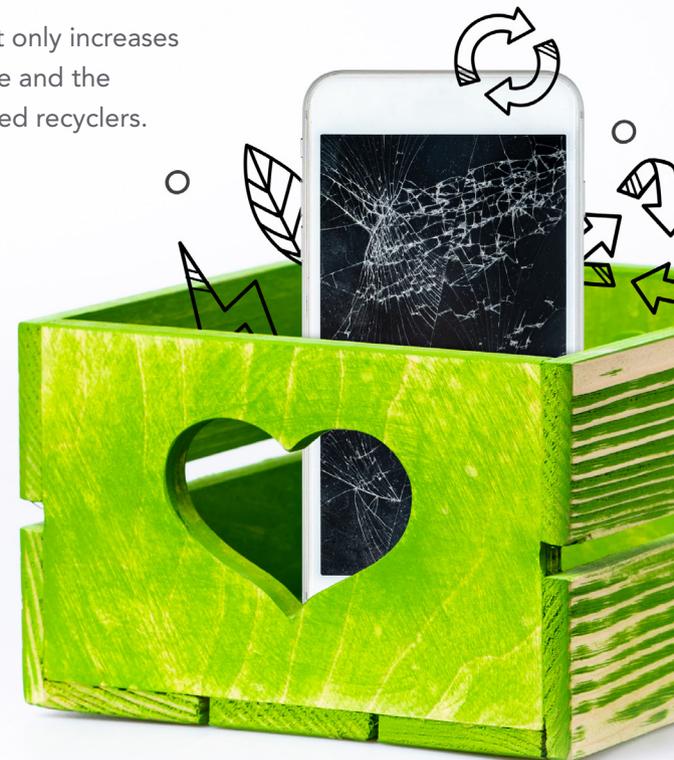
SERIALIZED DEVICES

diverted from landfill
for customers in 2019

CompuCom

Live Green

CompuCom launched Live Green, an end-to-end sustainability-focused program that emphasizes how CompuCom can assist customers with their sustainability goals.



Emissions

At Office Depot, our aim is to deliver products quickly and efficiently, with the fewest emissions possible. Because our emissions come primarily from our facilities and fleet, we continuously look for new ways to enhance and streamline our operations to reduce emissions while maintaining the level of service our customers expect.

With a focus on reducing carbon emissions, Grand & Toy began to evaluate potential partnerships and investments in greener

energy sources to reduce our energy-related emissions footprint, and to help improve the overall impact on Canada's energy system.

We are also looking at new ways to decrease the cost and footprint of our transportation services as demand increases. By replacing older vehicles with fuel-efficient models that include route optimization tools, we have already seen a measurable decrease in our overall fuel consumption.

18%

REDUCTION

in GHG emissions
(MT CO₂e) since 2018

19% Office Depot

06% Grand & Toy

19%

DECREASE

in energy consumption
(kWh) since 2018

19% Office Depot

18% Grand & Toy

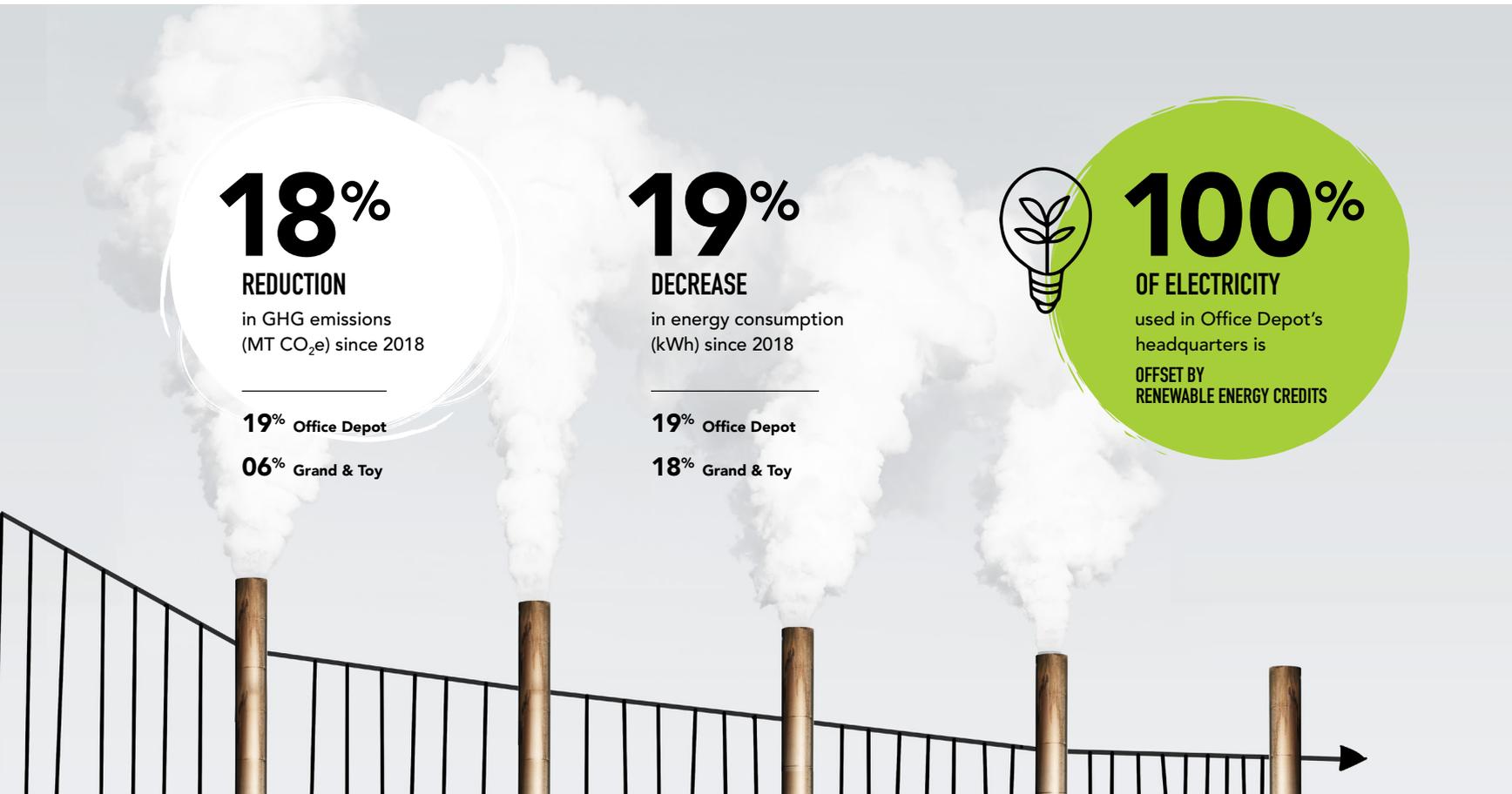


100%

OF ELECTRICITY

used in Office Depot's
headquarters is

**OFFSET BY
RENEWABLE ENERGY CREDITS**



To decrease tailpipe emissions and replace the need for large trucks on already-busy city streets, Office Depot partners with B-Line Urban Delivery, a tricycle delivery company in Portland, Oregon.

Cargo tricycles specifically designed for efficient and sustainable delivery

are peddled around the city, delivering supplies to offices throughout the downtown area.



Goal updates

GOAL

10%

DECREASE IN FACILITY
ENERGY CONSUMPTION

by 2021

baseline year 2016



EXCEEDED!

36%

DECREASE IN FACILITY
ENERGY CONSUMPTION

since 2016

GOAL

15%

INCREASE IN
MILES PER GALLON

in our private fleet
by 2021

baseline year 2018



ON TRACK

10.4%

INCREASE IN MILES
PER GALLON

in our private fleet
since 2018

GOAL

10%

IMPROVE CUBE
UTILIZATIONS

by 2021

baseline year 2018



BEHIND

0%

CUBE UTILIZATIONS
IMPROVEMENT

While we have not seen an increase in cube utilization, we are working to make progress and aim to report improvements next year.



PEOPLE

While sustainability is typically thought of as reducing impacts on the environment, it also encompasses human impacts. A sustainable business is one that helps people thrive – employees, customers, and communities – and actively creates good in the world.

Embedded in our 5C culture is a commitment to fostering an inclusive and supportive workplace, giving back to our communities, and ensuring vendors and factories that produce our branded products comply with fair labor standards. We are transparent in our practices and publicly disclose our efforts to eliminate slavery and human trafficking in our direct supply chain.

A sustainable business is one that helps people thrive.



Top Employer

on Black EOE Journal's
2019 Best of the Best List

Office Depot



Top Employer

on Hispanic Network
Magazine's 2019 Best
of the Best List

Office Depot



2019 Company of the Year

"Humanitarian Award"
from the Florida State
Minority Supplier
Development Council

2019 Outstanding Philanthropic Corporation

for National Philanthropy Day
by the Association of Fundraising
Professionals, Palm Beach
County Chapter

Office Depot

100%

SCORE

on Corporate Equality
Index for the 9th
consecutive year

Office Depot

Recognized as

Best Place to Work

for LGBT Equality
by the Human Rights
Campaign Foundation

2019 Corporate Partner of the Year

Award from Broward Education
Foundation, Broward County
Public Schools

Office Depot



Diversity and inclusion

Diversity is fundamental to the transformation and sustainability of our business, across all levels of our organization. We offer employees an inclusive culture that recognizes, respects and appreciates the different backgrounds, perspectives and cultures of our people.

In 2019, we expanded our formal Diversity & Inclusion program across all companies, helping to build a culture that embraces diversity, inclusion and belonging in the workplace,

marketplace and community. Our Diversity & Inclusion Council supports all three of our companies as they work to establish a higher level of inclusion for ourselves and our vendors. We also saw the expansion of our employee-led Associate Resource Groups (ARGs) and Affinity Groups, which drive a culture of belonging. Five new ARGs were established at Office Depot, two Affinity Groups were launched and reinforced at Grand & Toy, and three new Affinity Groups were implemented at CompuCom.

OFFICE DEPOT'S 5 NEW ARGs INCLUDE:



Office Depot's SOMOS Associate Resource Group was presented with special recognition from LATINA Style Inc. during their award ceremony for the best Hispanic Employee Resource Groups (ERGs) in the country.

Engagement is an outcome achieved by integrating diversity and inclusion into every facet of our business – from the way programs are designed, to the way our leaders lead. We have implemented company-wide

engagement surveys as part of our listening strategy since 2018; the results are leveraged to inform action plans around engagement, development, and recognition programs to attract and retain top talent.

38%

FEMALE
board members



Top 25 Women in Power Impacting Diversity

by DiversityPlus Magazine

Office Depot

56%

ENGAGEMENT SURVEY
RESPONSE RATE

with an engagement
index score of 68



38%

POC
board members



COMPUCOM'S 3 NEW
AFFINITY GROUPS

Veterans

Women
in Tech

LGBTQA+

CompuCom entered 2019 with a strengthened focus on creating a culture of diversity and inclusion, ensuring women are represented in leadership, and that employees represent the faces of our communities. As a result, three new Affinity Groups (Veterans, Women in Tech, and LGBTQA+) were created and implemented to promote an environment of diversity and inclusion. When the LGBTQA+ affinity group was announced to the company, two associates began to dress to the gender they identify with and specifically cited the formation of the affinity group as the reason they **felt comfortable and supported enough to show their true selves.**

Opportunity

People are truly at the heart of our business, and we aim to provide ample opportunities for our existing associates as well as those who may one day become part of our teams.

Training and development

The nature of work within the digital economy is changing. To support this effort, we partner with premier educational institutions to deliver customized leadership training with a focus on transformation, driving profitable growth and leading with strategic intent. In collaboration with Harvard, our L.E.A.D. program received the highest satisfaction of all Harvard Business programs in 2019.

96%

OF LEADERS

were "likely to take action"
and apply their key learnings
to the business

Student engagement

Our companies help build future sustainability leaders by engaging with students onsite and in classroom settings. In 2019, **50 interns** joined us to explore jobs at our facilities, and an additional **89 students** were engaged in our work as they developed Capstone projects related to waste, circular economy, and keeping Office Depot relevant to younger generations.



139

STUDENTS

engaged in 2019

Job shadowing

CompuCom established a new job shadow program in our Paulsboro facility focused on hiring individuals with disabilities. In partnership with the Adult Center for Transition (ACT) and Rowan College of South Jersey, CompuCom offers job sampling – a type of volunteer/ intern work that allows students with disabilities to sample different jobs related to their chosen career track. This is a fantastic way to increase our job applicant pool with individuals who are excited to work.



46

JOB SHADOW

students hosted in 2019

LaunchAbility

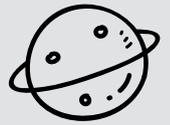
Office Depot and Launchability continued their program in 2019, supporting disabled high school students' transition into the mainstream workforce. This year eight sessions were conducted with a total of **36 participants**.

21

INDIVIDUALS

hired through
LaunchAbility

DREAM



Community investment

With our philosophy of “Associate-Led Philanthropy” and our Caring culture, Office Depot associates are excited to roll up their sleeves and contribute to helping their communities be healthier, stronger and better every year.

The **#DepotDifference** program, launched in 2018, more than doubled in its second year. With 550 associate Community Ambassadors representing Office Depot, we supported nonprofit and community organizations through volunteer and philanthropic initiatives aimed at strengthening communities, education, and minority-led entrepreneurship in 15 U.S. markets.

Our Depot Day of Service volunteer celebration was a major success in 2019.



3,400

ASSOCIATE VOLUNTEERS

up from 2,000 in 2018

CompuCom Cares

CompuCom continued to offer all associates a day off to volunteer with their favorite nonprofit organization through its CompuCom Cares program. An impressive **5,094 associates** used their CompuCom Cares day in 2019, up from 1,010 in 2018.

Start Proud!®

Office Depot’s signature back-to-school philanthropic program was extremely successful in its second year. Developed to give students, parents and teachers in low-income communities the supplies they need to start the new school year prepared and proud, we donated fully-stocked backpacks to **18,000 underserved youths in 2019**, up from 10,000 in 2018.

Pause and Affect

Grand & Toy’s volunteer program saw employees volunteer more than **650 hours** to activities centered around “Building Healthy Communities.”

Goal updates



GOAL

15,000
ASSOCIATE VOLUNTEERS
in 2019



MISSED

13,000+
ASSOCIATE VOLUNTEERS
in 2019

While we did not quite meet our target, we saw a major increase in community involvement – **up from 5,620* associate volunteers in 2018.**



GOAL

30,000
HOURS OF SERVICE
in 2019



EXCEEDED!

40,000+
HOURS OF SERVICE
in 2019

We far exceeded our goal by **100% over 2018.**

**baseline of associate volunteers has been adjusted to reflect final end-of-year calculations*

\$20
MILLION

worth of in-kind products donated to community organizations



18

EXEMPLARY TEACHERS honored throughout the nation with Office Depot's "All-Star Teacher Award"

providing nearly **\$40,000** in deluxe teaching equipment

100+
COMMUNITY PROJECTS

with **125+**
COMMUNITY PARTNERS completed

Volunteer sign-up

PHONE

Supplier diversity

We believe Supplier Diversity is an imperative business practice in today's economic environment. It helps us identify and deliver quality products and services across all business channels, while driving value and economic development in the communities we serve.

We are committed to supporting diverse suppliers and are proud to offer an exceptional choice of innovative products and services to

our customers through our Supplier Diversity program. We work hard to increase sourcing opportunities with diverse businesses – including certified minority-, women-, disabled-, LGBT-, veteran-owned and small businesses. In 2019, we integrated CompuCom into Office Depot's Supplier Diversity Program to ensure supplier diversity is a company-wide focus.



CHOICE



COLLABORATION

Office Depot was recognized as America's Top Corporation for Women's Business Enterprises

by Women's Business Enterprise National Council (WBENC). WBENC celebrates honorees who successfully drive the sustainable inclusion of women-owned businesses within corporate and government supply chains and empower local communities through economic growth and job creation.

**Best of the
Decade**

by MBN

**MBN
Supplier All
Star Award**

BEST

**Best of the Best
Top Supplier
Diversity Program**

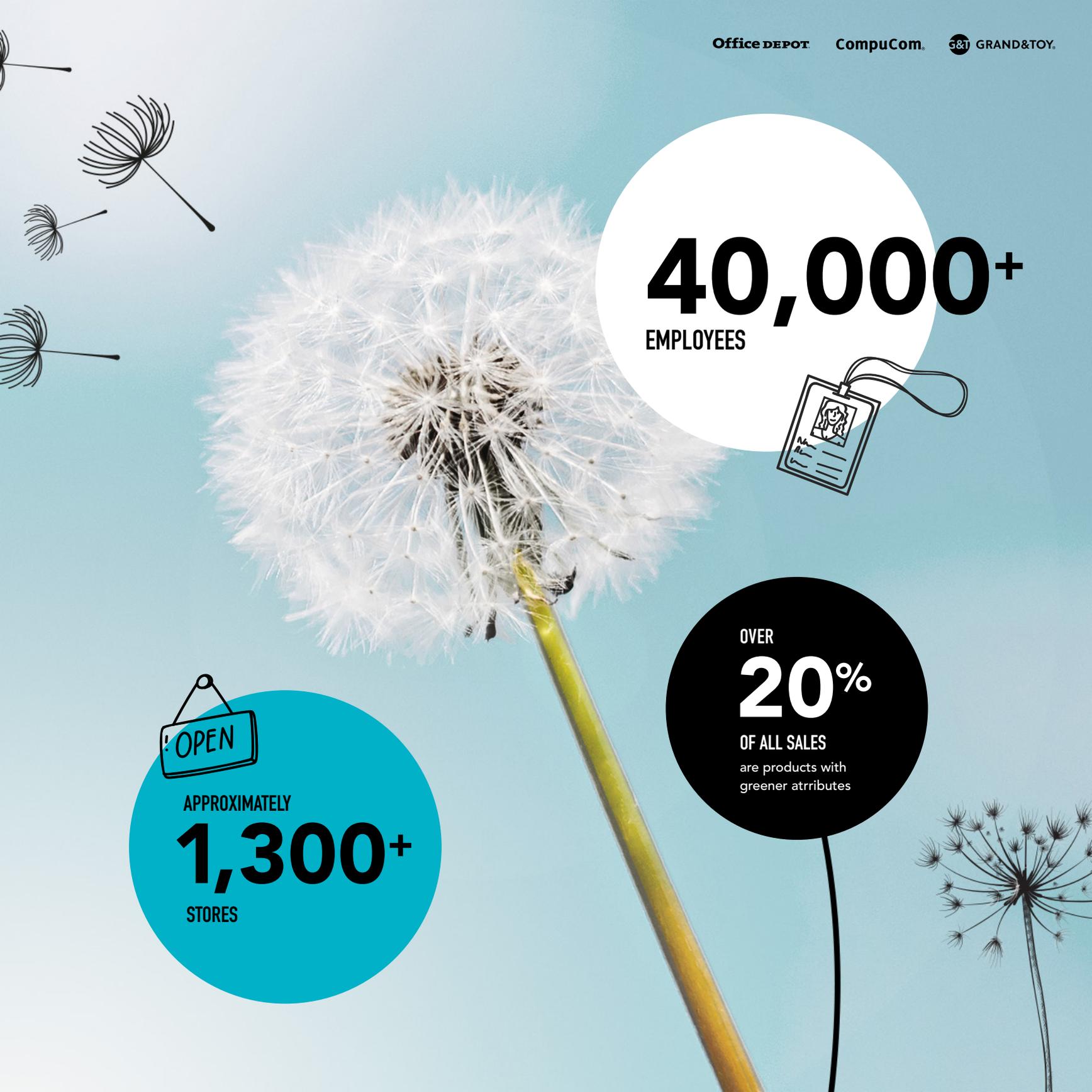
by Professional Woman's Magazine



PROSPERiTY

The term 'prosperity' has evolved tremendously over the past decade. Beyond focusing on profits, prosperity encompasses our ability to help people, communities, and the environment thrive. This renewed focus has meant we continue to experience profit as a result of innovative solutions, sustainable products and socially responsible business practices.

Additionally, our CompuCom business is uniquely positioned to elevate the workplace experience through best-in-breed IT services and solutions to its customers wherever they choose to work – at home or in the office – all while striving to minimize its customers' environmental footprint through sustainable technology practices and socially responsible policies.



40,000+
EMPLOYEES



APPROXIMATELY

1,300+

STORES

OVER

20%

OF ALL SALES

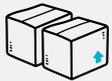
are products with
greener attributes

Sales

Part of our nimble, customer-first business model is that we offer what people need most, in a sustainable way. While greener product sales continue to provide a valuable portion of our sales performance, we've seen a shift away from retail and towards more contracted services, allowing the business and technology solutions we provide through CompuCom to bolster our capabilities and reach new markets and customers.

While greener product sales continue to provide a valuable portion of our sales performance, we have also seen increased participation in the greener programs our companies offer. These programs help customers integrate greener solutions into all areas of their business, from beginning to end, no matter what their own sustainability goals might be.

GreenerOffice™ programs



GreenerOffice™
delivery service



**E-waste
recycling & ITAD**
services



**Products with
green attributes**
and eco labels



Green spend reports
for customers



**Ink, toner
and tech**
recycling

Office Depot
Grand & Toy



**Upcycled
office supplies**
and more

Grand & Toy



**Battery and
cell phone recycling**
services

Grand & Toy



Reforestation
based on paper
consumption

Office Depot
Grand & Toy

\$10,647

MILLION

total annual sales

41%

retail

50%

business solutions

9%

CompuCom

2019 Magic Quadrant Leader

for Managed Workplace
Services in North America

CompuCom

Home
Sweet
Office



Supply chain

Office Depot endeavors to partner with suppliers who meet internationally recognized standards in dealing with workers, the environment in which products are made, and their supply chain operations. As an important part of our corporate responsibility framework, our Supplier Guiding Principles are essentially our supplier code of conduct and represent Office Depot's commitment to source our private brand products from suppliers who comply with all applicable laws and regulations.

We work extensively with an independent, accredited third-party audit partner to conduct onsite supplier audits to ensure that our sourcing factories are operating in accordance with our social responsibility, security and environmental standards. We actively train and work with our suppliers to ensure sustainably responsible solutions are implemented, and to identify and address the root cause of any detected violations during factory inspections.

In 2019, we diversified our sourcing strategy and relocated approximately 11% of our Direct Import factories out of China to keep product costs neutral.



This meant extensive scrutiny to ensure efficiencies were not compromised, new factories and suppliers are compliant with health and safety standards, our products come from reputable sources, and that those products are still top-quality. We continually monitor factory audit performance and expanded our continuous improvement efforts by implementing a special training program for relocated factories during the onboarding stage.

249

ACTIVE FACTORIES

74%

audited by an independent
3rd party audit provider

26%

have approved Certification,
Collaboration, or Shared audit
waivers in our continued effort
to reduce factory audit fatigue

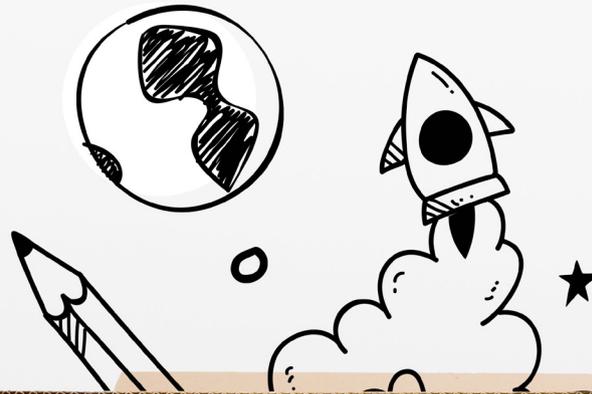
100%

of Direct Import Private Brand
factories are compliant

78%

OF FACTORIES

sustained results following
completion of the Continuous
Improvement Program



273

SOCIAL COMPLIANCE AUDITS conducted

78%

satisfactory/minor progress

22%

needs improvement*

**We actively train and work with our suppliers
to identify and address the root cause of any
detected violations during factory inspections.*

133

CTPAT SECURITY AUDITS conducted

67%

preferred

24%

subject to improvement

9%

needs improvement*

GreenerOffice is a trademark and Office Depot is a registered trademark of The Office Club, Inc. Start Proud and OfficeMax are registered trademarks of OMX Inc. Grand & Toy is a registered trademark of Grand & Toy Ltd. CompuCom is a registered trademark of CompuCom Systems, Inc. Intel and the Intel Logo are trademarks of Intel Corporation or its subsidiaries in the U.S. and/or other countries. ©2020 Office Depot Inc. All rights reserved.

thank you

Office DEPOT.

CompuCom.

G&T GRAND&TOY.