

SUSTAINABILITY HIGHLIGHTS 2017

Sustainability is a prime focus for our team at OfficeMax. We believe sound ethical, social and environmental practices underpin our business success.

In recent years we've worked hard to achieve ISO 14001 certification, and our unique Environmental Management System enables us to control documentation, encourage continuous improvement, and help us better understand the impact of our operations.

Our sustainability focus is on the environment, especially reducing waste, and on supporting our communities, primarily through our School Rewards and Max e-Grants programmes and our sponsorship of 0800 What's Up.

Our 2017 Sustainability Report focused on six material topics:

- Our People
- OfficeMax in the Community
- Dealing with Waste
- Freight Efficiency and Delivery
- Serving our Customers
- An Ethical Supply Chain.

Our People

We promote a healthy, supportive and flexible workplace; we run multiple employee wellness programmes and have a fully integrated Health and Safety management system.

To support our Health and Safety initiatives, OfficeMax is independently audited by the following organisations:

- Accident Compensation Corporation (ACC)
- Ministry for Primary Industry (MPI) – food safety requirements
- Environmental Protection Authority (EPA) - the Hazardous Substances and New Organism Act (HSNO). All distribution centres are certificated for the management of dangerous goods, test location certificates and stationery certificates
- ISO 14001 for its Environmental Management System.

All OfficeMax sites participate in an annual onsite Health, Safety and Sustainability audit conducted by the Health, Safety and Sustainability Manager & Coordinator. Sites must achieve a mark of 80% in the audit to pass the requirement.

In addition, employees complete an online or in-person training programme to review Health and Safety policies and legislation; the programmes are reviewed at least bi-annually.



OfficeMax in the Community

OfficeMax's Max e-Grants and School Rewards programmes, and its sponsorship of the 0800 What's Up helpline, have helped create better lives for thousands of children.



Developed with Barnardos, Max e-Grants provides grants of up to \$5,000 for disadvantaged Kiwi children for basics such as uniforms, stationery and school trips.

In the seven years to December 2017, we provided 13,094 children with grants totalling \$755,000, in partnership with 11 preferred suppliers.



Proudly
brought
to you by
Barnardos



OfficeMax is an official sponsor of 0800 What's Up, a free counselling helpline and web-chat service for children. The service takes approximately 50,000 calls a year from children as young as five.

In 2016, we developed a Colour-Me-In Bag to raise awareness of 0800 What's Up, with \$5 from each sale supporting Barnardos. To date, we have sold 3,000 bags and raised more than \$15,000.



School Rewards enables parents who shop online or in-store for student supplies through OfficeMax MySchool to nominate a school to receive a financial credit.

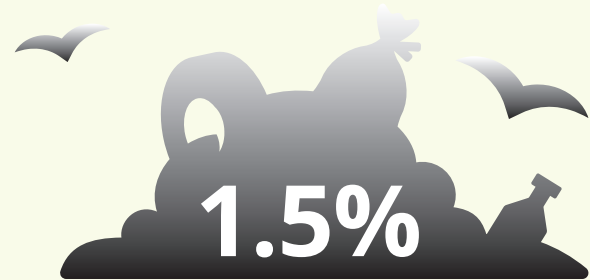
In the 2016/17 Back to School season alone, more than \$713,000 was donated and used by schools for resources or improving facilities.

We have given \$4 million to schools since School Rewards began 11 years ago.

Dealing with Waste

Reducing waste is a critical sustainability focus for OfficeMax. In 2017, 8.9% less waste went to landfill than in 2017, considerably exceeding our target of a 1.5% reduction.

In 2017, OfficeMax set a target to
reduce waste to landfill by



The final result

8.9%
DIVERSION
Surpassed all
expectations!

OfficeMax recycles more than 269 tons of cardboard every year. Warehouse staff also recycle plastic, including strapping, void fill, bubble wrap and air pillows.

Energy consumption

In 2016, OfficeMax partnered with Energy Solution Providers, Ltd. to reduce energy consumption at OfficeMax's largest facility, Highbrook, where 450 people work.

In 2017, we set a target of 15% reduction of energy use against 2016 baseline; we achieved a 12% reduction.

In 2017, smart meters were installed at 14 OfficeMax locations, adding to the three meters already in place; a further two are scheduled for installation in 2018.

OfficeMax's fleet of moving machinery, such as forklifts and high reach vehicles, are monitored for emission compliance and output. In 2017, we replaced a LPG forklift with an electric forklift; we will move to more electric vehicles in 2018.

Food and Rubbish

In 2017, we reviewed our waste systems and began composting food waste from our Highbrook cafeteria, which serves up to 200 people per day.

OfficeMax



Freight Efficiency and Delivery

OfficeMax mobile sales people are part of a fuel and emissions reduction programme that has seen fuel use drop by 20,664 litres since 2016.

OfficeMax aimed for a 3% reduction in fuel consumption in 2016 and achieved a 4.5% saving. The goal for 2018 is a further 1% reduction.

Our fleet runs on Bridgestone's Ecopia tyres, the world's first carboNZero tyres.

As standard practice, our RFP and tender processes for freight incorporate Sustainable Business Council national guidelines, which we helped to develop.

Modified warehouse management system

In 2017, OfficeMax updated its warehouse management system to recognise that if a customer ordered non-food items, those items could be packaged with a liquid, reducing packaging waste and increasing freight efficiency.

Automation also enables selection of the smallest possible carton for each order.

Void fill

In 2016, we changed our void fill solution from recycled paper to AirPlus Air Pillows. AirPlus Air Pillows reduce waste, can be reused or recycled, and are made of renewable raw materials. AirPlus Air Pillows offer better product protection; use of the Pillows reduced returns of damaged stock by 4% in 2016.

Serving our Customers

Carbon Emissions Calculator

In 2015, OfficeMax introduced a carboNZero Compatible Freight Carbon Emissions Calculator, which allows customers to accurately predict carbon monoxide emissions associated with their orders.

Recycling services for customers

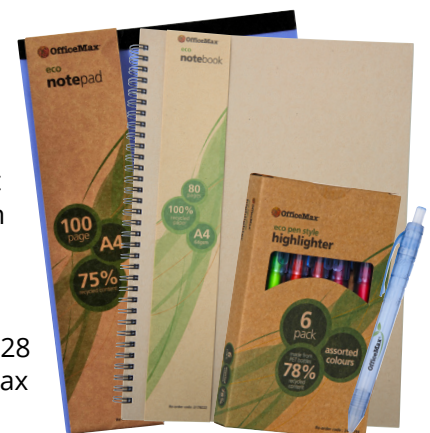
OfficeMax partners with Croxley Recycling, which operates a nationwide collection service for empty toner and inkjet cartridges. Copiers and other office machines from selected manufacturers can also be recycled.

EcoMax range

OfficeMax EcoMax range products must have a minimum of 30% recycled content and/or be made from recyclable plastics, and feature one or more environmental labels. There were 1728 products in the EcoMax Range in 2016.

Customer Feedback

In late 2017, OfficeMax introduced Net Promoter Score (NPS), a metric designed to measure customer satisfaction. NPS insights enable us to continually improve customers' experience.





An Ethical Supply Chain

We choose to work with suppliers and manufacturers that are committed to sustainability. Every OfficeMax supplier contract contains significant detail on worker conditions, rights, pay and environmental outputs related to its product or products.

OfficeMax own-brand products

For OfficeMax own-brand products, a comprehensive manufacturer's agreement includes audits that are completed on the lifecycle of products, with checks including manufacturing processes, packaging, labelling and end-of-life options.

Each manufacturer is assessed and scored on health and safety, housing, working hours, ethics, freedom of association, environmental compliance and remuneration.

Auditors reference International Standard SA8000, the International Labour Organization Convention, and other international instruments.

Manufacturers that can't or won't meet our requirements, or provide proof of improvement, are no longer able to supply to OfficeMax.

- In the years 2015, 2016 and 2017, OfficeMax commissioned audits on 233 suppliers and 112 factories
- Of those audited, 13 had Zero Tolerance-level violations, meaning concerns were such that the suppliers could be indefinitely suspended.

- Of the 13, six were retained after the suppliers agreed to work through the issue with OfficeMax.
- Seven were exited and no longer produce or supply goods to OfficeMax.



Other brands

For other brands (not OfficeMax own-brand), we choose to work with New Zealand-based manufacturers and global brands, such as 3M, that are known to have high ethical and environmental standards.

OfficeMax assesses the sourcing company's reputation, standards and values, in addition to requiring a supplier contract. New Zealand-owned companies are required to complete a self-assessment and show evidence to back up claims.