



OFFICEMAX NEW ZEALAND

Supplying,
Servicing,
Supporting,
Sustaining.

SUSTAINABILITY REPORT 2019



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About this report

Welcome to OfficeMax New Zealand's third sustainability report, which seeks to communicate the economic, social and environmental impacts of its operations to stakeholders.

This report covers the operations of OfficeMax New Zealand Ltd., for the period January 1, 2019 to December 31, 2019.

In terms of scope, the report focuses on the sales and distribution of imported products to New Zealand but does not extend to the supply chain of that imported product. This is recognised as something that could and should be examined in the next 12 months.

The organisational boundaries include the importation of product to OfficeMax's head office in Highbrook.

This report has been prepared in accordance with the GRI Standards: Core option. A table of performance indicators can be found on page 37.

About OfficeMax New Zealand

OfficeMax New Zealand Ltd. is owned by Platinum Equity, a US based private equity firm with a global portfolio of companies across diverse industries.

OfficeMax New Zealand traces its roots back to 1871 with the establishment of Coulls Somerville Wilkie, a printing and publishing company. Through various changes of ownership, mergers and acquisitions, the company honed its office and school supplies focus, and grew its national network.

In New Zealand, OfficeMax operates from more than 16 locations offering distribution in Auckland and Christchurch, retail from Whangarei to Invercargill, sales across the country and shared service activities in Auckland and Christchurch. OfficeMax is a progressive provider of office supplies, solutions and services, as well as workplace products and furniture; its product range extends to more than 24,000 products.

OfficeMax's dedicated account managers and product specialists support businesses of all sizes, plus schools and families throughout the country. Orders are taken online, by phone or email, or through a store visit. OfficeMax's account team and courier partners provide highly reliable, extensive rural and urban delivery.

Letter from our MD



Kia ora and welcome

Last time we caught up, I was pleased to report we had introduced TechCollect e-waste recycling, reduced fuel consumption by using GPS, gave back \$817,000 through School Rewards and eliminated single-use plastic bags in our retail stores. I promised we'd continue to pursue sustainable improvements in 2019, and I'm proud to announce updates on those improvements here.

This time last year, I wrote about how impressed I was that our staff are committed to sustainability as management and consumers are. We're off to a great start in our sustainability story, but there is always room for improvement as people remind us how we can stay fresh and innovative.

This year I can report we've started working toward completion of a warehouse extension in Auckland to provide us with significant capacity and storage improvement as well as solar panels on the roof which should provide 22.5% of the energy needs for our largest Distribution Centre in the country along with our national office.

Another development I can announce is that customers have continued to let us know they want the best in sustainability certification for the paper we sell, and they're interested in Forest Stewardship Council® (FSC®) and PEFC certification. At the time of reporting we had recently launched New Zealand's first copy paper range which has 100% recyclable wrappers where previously the coating applied to the wrappers, to protect the contents from moisture ingress, had a plastic film applied which meant that the wrappers could not be recycled (our research suggests that at current sales levels this should divert over 4 million ream wrappers a year from landfill¹ across the country).

Mindful consumers have also told us the number one wasteful packaging they'd like to see changed is the plastic pillows which we use to protect products from getting damaged during delivery. In response, we're innovating to deliver a new packaging system which will remove plastic pillows and instead crimp boxes closed around the shape of the product inside, ensuring the content of each parcel doesn't move around. In turn this will enable us to fit more parcels into each delivery van which will increase efficiency and reduce our carbon footprint – this change will take place in 2021. Meanwhile we'll continue to recycle all soft plastic pallet wrap and strapping.

Our business continues to be focused on the consolidation of demand as we extend the range of products on offer to cover the key items used in every business. This enables us to consolidate deliveries for our customers so that there are reduced separate delivery streams, reduced administrative burden and more efficient freight movements with an associated reduction in carbon footprint.

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Sustainability, to us, isn't just recycling, nor is it a one-off token gesture. It's a gradual and dedicated ethos of improvement to people, packaging and performance.

”

¹ Assumes copy paper wrap is recycled 100% of the time

In terms of corporate social responsibility, we continue our ninth year of working with Barnardos, funding students through Max e-Grants to enable them to have the basics they need and feel more complete in their school lives. Since 2011, we've donated over \$924,000 via these grants, helping over 14,000 Kiwi kids enjoy funding for school books, stationery, uniforms, equipment, special tuition, excursions and camps.

Meanwhile, we've recently chosen to work with Altus Enterprises. Altus employs people with mental disabilities and aims to help them towards financial independence. Altus provides contract manufacturing services to business clients, providing – amongst other things – eco-cleaning products with packaging made from 100% recycled New Zealand milk bottles. Altus' Return to Sender recycling programme provides a zero waste solution, and their Will&Able range is the only eco range of cleaning products in NZ using 100% recycled NZ milk bottles filled and packed by people with disabilities. The profit made from their sales goes directly to creating more jobs for people with disabilities.

To stay true to our sustainability stance, in 2019 we continued to use OfficeMax audits based on UL LLC's Responsible Sourcing Workplace Assessment (RSWA) to monitor and measure the compliance of our overseas suppliers, especially factories in China. UL visits the sites and runs through an extensive checklist. Ever vigilant, UL identified some non-compliant health and safety practices at one particular factory, which was then asked to correct its fire doors or fail the audit. Another factory was asked to improve the way employees' personal documentation was stored. We cease buying our products from sources who are non-compliant and if the issue is not remedied quickly we permanently delete the supplier from our providers.

Sustainability, to us, isn't just recycling, nor is it a one-off token gesture. It's a gradual and dedicated ethos of improvement to people, packaging and performance. As Fred Rogers so simply and eloquently put it, "Often when you think you're at the end of something, you're at the beginning of something else."



During the year our long-term health and safety / sustainability manager left the business after 19 years of service and we are taking the opportunity to assess our current position and have employed an external sustainability consultant to help us plan strategically into the future. This will enable us to set meaningful targets for the material impacts of the business so that is something we look forward to sharing with you in next year's report.

For now, please enjoy a brand-new sustainability report full of excellent progress and some interesting new initiatives.

Regards

Kevin Obern
Managing Director
OfficeMax New Zealand

OfficeMax's Value Chain

What we depend on

Our people

Over 650 talented people give their skills and time in OfficeMax offices and warehouses across New Zealand – increasingly working in more flexible ways.

Our suppliers

Over 150 suppliers in 18 countries source over 24,000 products and provide critical services to workplaces.

Our partners

Our relationships with the New Zealand government, customers, NGOs and community partners help us to continue to evolve and to increase our impact beyond our own doorstep.

Our products

The products we source use large volumes of raw and recycled materials in their production, packaging and shipment to New Zealand. 95%* of our product purchases are from suppliers based in New Zealand.

Our financial resources

Capital from our owner enables us to invest for the future.

Our tangible assets

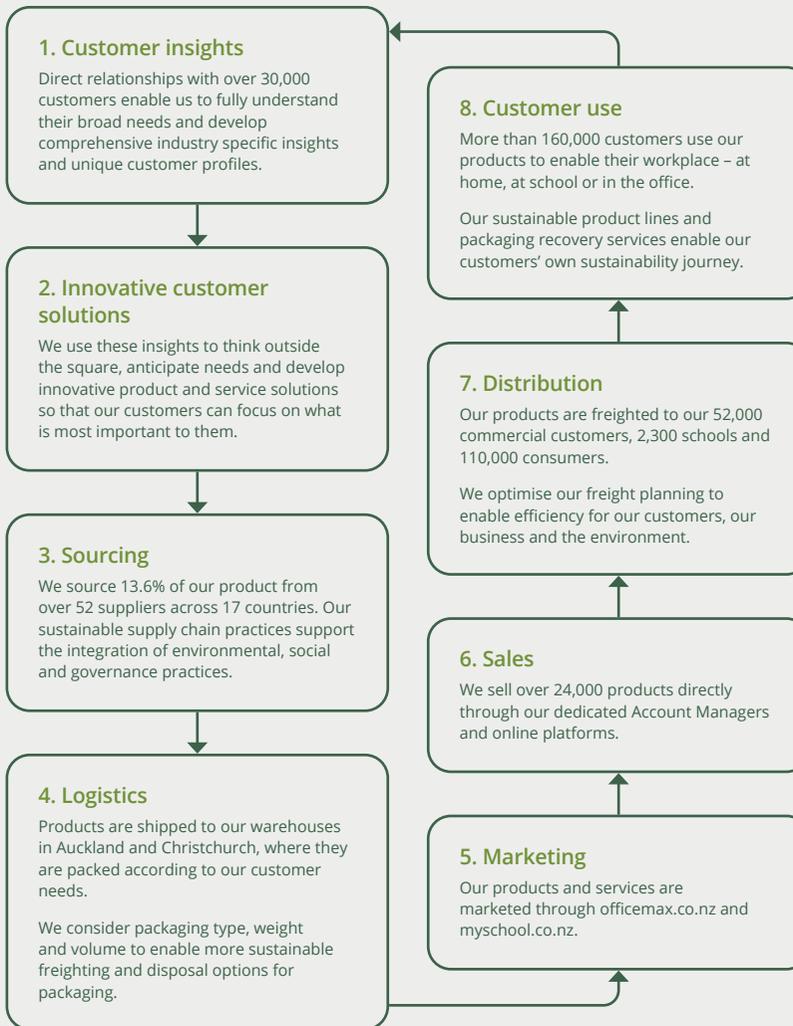
We occupy 2 modern, semi-automated Distribution Centre's, with office accommodation at multiple sites.

Our intangible assets

The strength of our culture, brand and reputation, as a company that New Zealanders have entrusted to enable their workplaces for over 150 years.

** Calculated on NZ dollar value of 2019 OfficeMax purchases from NZ based suppliers.*

What we do



Value we create

Our customers

We provide flexible product and service solutions, enabling diverse workplaces across New Zealand.

Our people

We focus on an inclusive, fair workplace and provide our people with opportunities, enabling them to develop and grow their individual capabilities through OfficeMax.

Our community

We're helping thousands of Kiwi families and kids who are 'doing it tough', through our community partnerships, grants and rewards programmes.

Our environment

From sourcing to end-of-life, we take action to provide environmental solutions through our value chain, proactively addressing systemic issues such as packaging, plastic, waste and climate change.

Our economy

We aim to contribute to growing New Zealand's economy responsibly, by growing talent within our business, evolving with our customers, improving environmental outcomes, and delivering strong financial performance.

Material issues

The business is set to undertake a fulsome materiality process in 2020, to shape its future sustainability strategy.

Our key stakeholders are our customers, our people, our suppliers, our shareholders and the communities we operate in. We also interact with NGOs that administer sustainability programmes or movements that we choose to align with.

The six topics outlined in this 2019 report - Waging a war on waste; Managing freight efficiently; Keeping our supply chain ethical; Putting our customers first; We couldn't do it without our people; and Caring for our community - are those that stakeholders

identified in 2017 as being most relevant and important to the sustainability of the OfficeMax business.

The process for developing the content for the 2019 Sustainability Report has involved testing the existing materiality topics set against global and peer trends.

The purpose of this approach is to focus the tone and content of the six material areas of focus for OfficeMax, as opposed to changing or introducing new subject areas.

Reference documents included: the 2019/20 World Economic Forum Global Risks Report, GRI Materiality topics and peer reviews of office products industry reports.

Based on this testing, we have expanded the topics covered within each of the material issues:

- ① **Waging a war on waste and Managing freight efficiently has been bundled into "Addressing climate change"**
 - Understanding the impact of climate change
 - Operational efficiencies
- ② **Keeping our supply chain ethical**
 - Sustainability certifications
 - Progressing a sustainable supply chain
- ③ **Putting our customers first**
 - Data privacy and security
 - Reputation and trust
- ④ **We couldn't do this without our people**
 - We have explored new topics within this section including diversity and inclusion, conduct and culture, future of work and building capability
- ⑤ **Caring for our community**
 - Focused on the alignment of community investments to the core business purpose

Emerging topics identified as potentially being material will be explored further as part of OfficeMax's 2020 materiality assessment which will involve stakeholder engagement.



How we've made a difference in 2019

- > Developed a business case for the introduction of automated packaging machines to reduce the need for plastic pillows in our freighted deliveries.
- > Started work on our major warehouse extension at Highbrook which will provide an additional 7,350 sqm, taking the total Distribution Centre to 26,250 sqm. It will feature a solar array on the roof estimated to generate in the order of 374 MWh per annum which will reduce the environmental impact of our operations. We expect annual electricity savings to be close to \$35,000 for the first year. The solar array will offset power usage at the Highbrook site, predominately offsetting consumption from lights, air conditioning and mechanical equipment operating in the DC.

- > Consolidation of elements of Croxley's business into OfficeMax – significant reductions in the number of internal freight transfers required.

“

Sustainability is meeting the needs of the present without compromising the future

”

- > Maintained TechCollect, New Zealand's first free dedicated e-waste recycling service, hosted at OfficeMax locations across the country. TechCollect gives households and small businesses a recycling option for out-of-date and unused office technology products such as computers, tablets, mice, keyboards and more.

- > Donated over \$120,000 through Max e-Grants in 2019, helping over 800 kiwi kids (working in partnership with 11 preferred suppliers).
- > Gave back more than \$929,000 through our School Rewards programme for the 2019 back to school season, bringing our total School Rewards giving to more than \$5.8 million in the last thirteen years.
- > Off the back of investment in our EV fleet, we have introduced EV re-charging for staff at our Highbrook head office.
- > Maintained a mental health programme as part of our broader wellness initiative.
- > For our own OfficeMax branded products, we conducted social compliance audits on our factories overseas to ensure they meet our stringent ethical standards.





Addressing climate change

Listening to our customers' sustainability concerns is important. Here's why.

In a November 2019 publicly available perception survey 'In Good Company'¹ shared at a Sustainable Business Council event, participants say they care about sustainability. The conclusions were that sustainability is the second most important factor (behind quality) for New Zealanders to consider when choosing a large retailer to shop at. It also found that 78% of New Zealanders do active research to assess the sustainability of a large retailer prior to purchasing. Furthermore, large retailers were perceived by survey respondents as doing less than retailers in other industries to become more sustainable.

We take the public's feedback seriously, so we listened closely as they told us the following:

"I don't like the amount of plastic used in online orders."

"Most products are over packaged. Not enough environmentally better options are available."

This corresponds with attitudes found in Colmar Brunton's 'Better Futures Report'² released February 2020, which surveyed 13-17-year olds for the first time. Climate change, sustainability and waste were key concerns for New Zealanders. New Zealanders (76%) felt businesses don't do enough to reduce their environmental impact, with a quarter saying businesses should lead the way on climate change.

Despite businesses - including OfficeMax - eradicating plastic shopping bags, 69% said they are still highly concerned about the build-up of plastic in the environment.

The report found a broader awakening on waste, with household shoppers becoming more astute, and consumers caring about waste, pollution, recycling and plastic build-up.

Almost half, 48%, said they had deliberately switched to some brands because those brands were more sustainable.

Also - good news for OfficeMax, which is a Sustainable Business Council member - the report found companies that have sustainability embedded in their strategy are starting to see their bottom line improve.

“

Sometimes there's packaging overkill when it's only a tiny item and it's put into a big box.

”

CUSTOMER

¹ https://www.perceptive.co.nz/hubfs/Resources_and_Articles/News_Resources/Reports/In%20Good%20Company%20Research%20Report.pdf

² <http://www.colmarbrunton.co.nz/latest-thinking/better-futures/>

We're listening and innovating next year with a solution to reduce plastic packaging

“

Reduce waste. I would like to see packaging i.e. paper that has been re-used / re-purposed. We are all responsible for reducing waste. ”

CUSTOMER

Plastics are of increasing concern to New Zealanders and to people around the world. At OfficeMax, we do not use single-use plastic bags in our retail stores and we are working towards packaging solutions that will see a significant reduction in our plastic packaging materials.

During the year we received more and more criticism about plastic pillow void fillers.

“Packaging. You use too much, and it's a lot of plastic to dump.”

“Stop using plastic as a filler in the packages...”

“Amount of packaging – sometimes only one small item and is packaged in a much larger box with a lot of protective plastic...”

Choosing suitable void fill is important to us for OfficeMax's Environmental Planning, so we can avoid damaged stock returning to us. Until now, our boxed deliveries have come with too much 'baggage' in the form of 'void filler' plastic pillows. These were recyclable plastic and were the best we could do at the time. However, these simply make packages larger, and larger packages necessitate more vehicle trips. Customers have told us they don't like plastic pillows, so we're responding to that.

OfficeMax is currently preparing for a new initiative that will be launched next year, to further reduce our use of plastic packaging.

We are moving away from hard plastic (e.g. glue stick holders), which are now being diverted from landfill and recycled.

Understanding the impact of climate change through operational emissions

As a business we are seeking to develop clarity on the physical and transitional risks that climate change poses to OfficeMax and our value chain over the short, mid and long term.

We are aware of the importance of climate risk and are committed to further understanding the impact in due course.



in GHG emissions per FTE against 2016 levels

Managing carbon emissions just got easier

Climate change is arguably the biggest issue of our time. As a large company, OfficeMax has a role to play in limiting our contribution to global warming through minimising the greenhouse gases we generate. In 2016, with the assistance of carbon specialists Catalyst Ltd, we embarked on a journey of measuring, monitoring and mitigating the carbon we emit.

How we're going to get to our carbon emissions reduction target (20% reduction in GHG emissions per FTE by 2026 against 2016 levels):

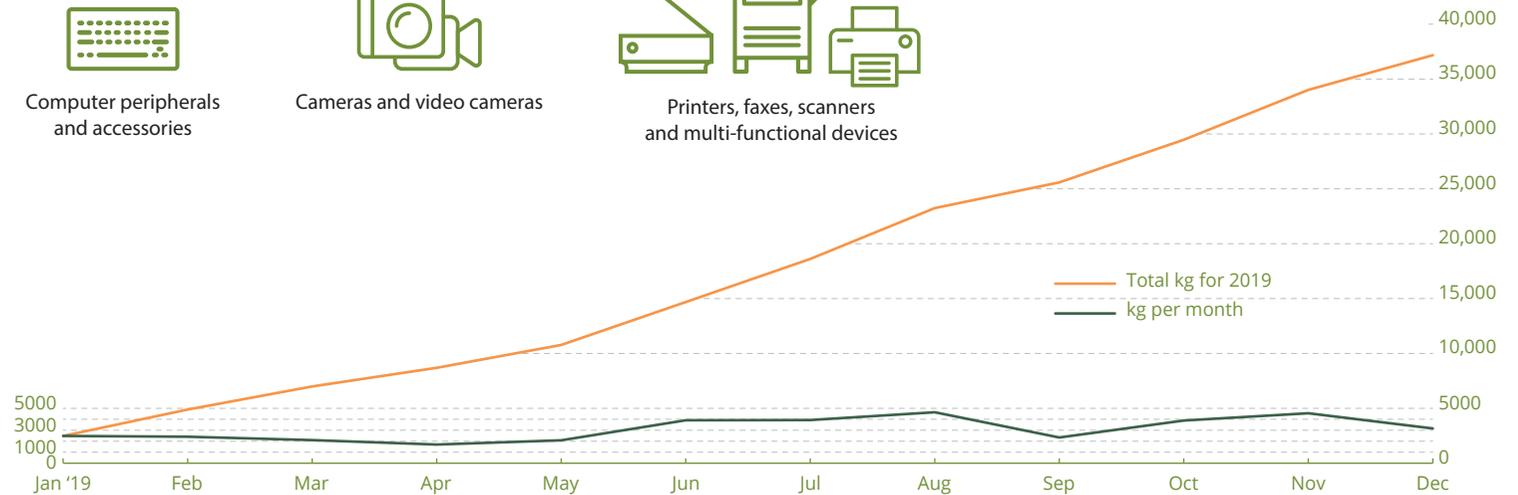
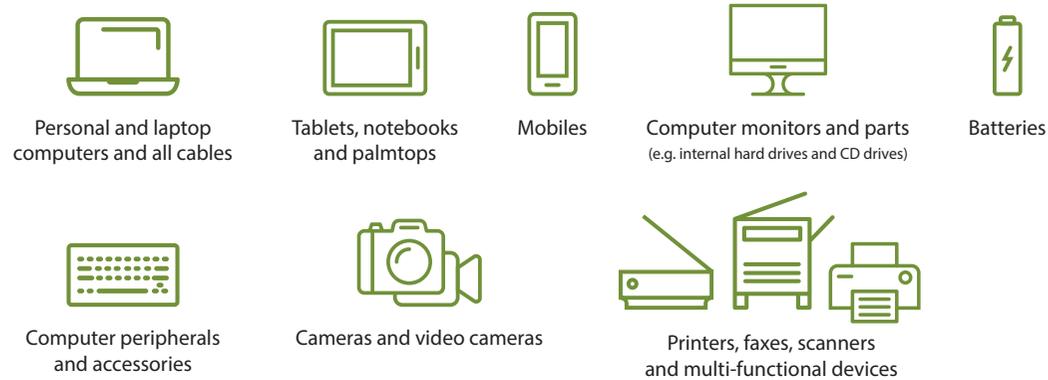
- 1 Diverting organic waste from landfill by recycling all cardboard packaging and paper, composting kitchen waste and reusing or repurposing unwanted wooden pallet bases.
- 2 Reducing travel for meetings where practical.
- 3 Improving energy efficiency in offices, distribution centres and stores through an LED light replacement policy and the possible installation of solar panels for selected distribution centres and/or office buildings. Our journey to lowering emissions is already underway, with waste and energy audits in place at all of our sites (as described in this report).
- 4 Reducing vehicle carbon emissions. We'll achieve this by converting to virtual meetings whenever possible, converting to a fleet of electric cars (began in 2018, continued in 2019), enabling staff to use an EV charging station, and converting our gas operated forklifts to electric engines.

TechCollect

Launched in November 2018, we're proud to be the initiator of TechCollect, New Zealand's first free dedicated e-waste recycling service. This new service has already proven popular with communities, our employees and with our customers.

TechCollect offers drop-off recycling points for technology products at OfficeMax's retail locations across New Zealand. TechCollect is funded by technology brands including Dell, Epson, Canon, Microsoft, Toshiba and HP.

Our goal is to work with New Zealanders to divert thousands of kilograms of e-waste from landfill. TechCollect accepts and recycles the following items:



In 2019 we extended TechCollect with a broader commercial service offer, designed to attract larger companies to utilise the service.

In its first full year of operation we collected 2,439 kilograms of electronic waste at our retail stores nationwide. This year OfficeMax diverted more than 37,174 kilograms nationwide.

Warehouse Waste Management

We're proud of our waste reduction accomplishments, which are driven by our enthusiastic and diligent employees. We provide regular training to ensure staff understand the recycling options available to them.

Internally, OfficeMax conducts regular waste audits and works with Waste Management to measure waste generation. Our rubbish bins are collected only when they are full, which reduces fuel consumption and carbon emissions.



At OfficeMax, we are committed to playing our part in building a circular economy; our recycling partners will ensure at least 90% of commodities recovered are used as raw materials in the manufacture of new products.



In 2019, we achieved our target of 5% reduction in power, dropping our usage by 11%.



In 2019, we exceeded our targets by 19% and managed a 33.4 tonne reduction in waste going to landfill. OfficeMax recycled 338 tonnes of cardboard, 121 tonnes of paper, 30 tonnes of soft plastic and 208 tonnes of recyclable items including; plastics, timber, metal, food waste, and polystyrene.



In 2019 OfficeMax, liaised with All Heart NZ to divert written off stock from landfill, All Heart NZ provides these goods to families in need, charities and low decile schools. In 2019 OfficeMax donated over 30 tonnes of goods.



OfficeMax composts food waste from its Highbrook cafeteria and Wiri cafeteria, which serves up to 200 people per day. In 2019 we diverted over 12 tonnes from landfill.

Energy Consumption

During 2019 we prepared a business case that was subsequently approved to install a solar array on the roof of the warehouse extension at our Highbrook site. This system will generate in the order of 374 MWh of electricity per annum which will power lights, air conditioning and mechanical equipment operating in the distribution centre, all while shaving approximately \$35,000 off our electricity bill in year one.

OfficeMax's energy consumption strategy guides employees to make easy changes that save energy.

This year, a number of energy-saving initiatives were put in place at our head office in Highbrook, our biggest site. We introduced sensors to automatically turn off lights when rooms are empty, we also installed data loggers to identify opportunities for savings.

All OfficeMax sites receive a monthly report on energy efficiency progress. Each site team reviews this data and identifies ways to reduce energy consumption.



Managing Freight Efficiently

We want to lead in office products supply efficiency. This means the wider our product offering, the more a customer can buy from one place, meaning one delivery, one courier, one invoice. It's more cost effective and more sustainable. Still, we can't forget that currently a lot of the product we sell comes from other places in the world and has travelled a long way even before we put it in a courier van. So, the impact we're having from consolidation of demand on the supply chain is just a start. Measured locally, it's a great start, though.

Carbon Emissions

In 2015, OfficeMax introduced a carboNZero Compatible Freight Carbon Emissions Calculator for customers to use to track freight carbon emissions from orders. Using the tool, customers can accurately predict carbon monoxide emissions associated with each order.

Understanding and managing our carbon emissions

As a large company, OfficeMax has a role to play in limiting our contribution to global warming through minimising the greenhouse gases we generate.

In 2016, with the assistance of carbon specialists Catalyst® Ltd, we embarked on a journey of measuring, monitoring and mitigating the carbon we emit.

We had our emissions independently audited in 2019 and will do so again in 2020.



When we set our 2026 target, we aimed high

As part of OfficeMax's carbon management plan, we have set ourselves a 2026 target of a 20% reduction in GHG emissions per FTE (against 2016 levels).

OUR 2026 TARGET

20%
reduction

Our 2026 target

So, how are we tracking?

Against our baseline, after three years we have decreased our intensity emissions by 20% meaning we have already hit our 2026 target. Given this early success, we will be reviewing our carbon management plan and reduction target this year to see how we can build on this great outcome.

In 2019, our organisation's carbon footprint was 1,298 tonnes CO2e.

- > This equates to 1.80 tonnes CO2e Per Full Time Equivalent (FTE), the hours worked by one employee on a full-time basis; this latter figure is referred to as our intensity carbon footprint.

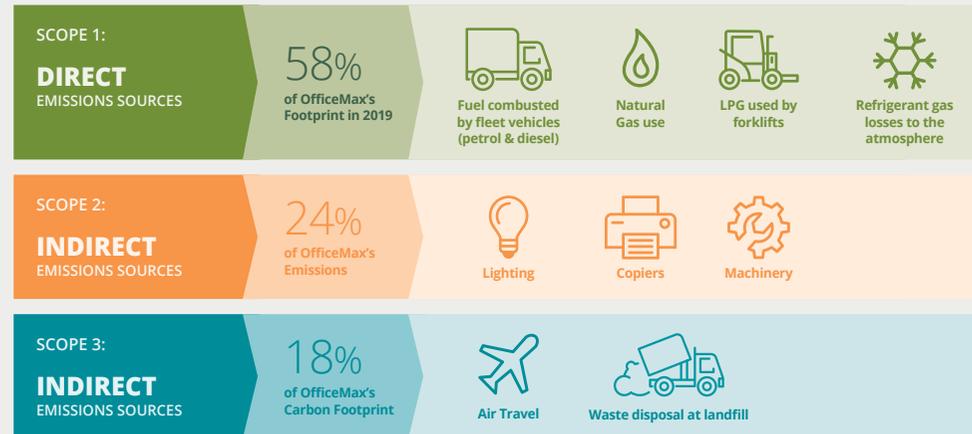
In 2017 we achieved a 2.7% reduction in intensity emissions and a reduction in absolute emissions of 4.1%.

In 2018, however, intensity emissions grew by 4.1% and absolute emissions increased by 14.5%.

In 2019 we saw a large reduction in both absolute emissions and intensity emissions. Intensity emissions were down 21% and absolute emissions were 24% lower.

2019 GHG Emissions

BY SCOPE: 1,298 TONNES CO2e

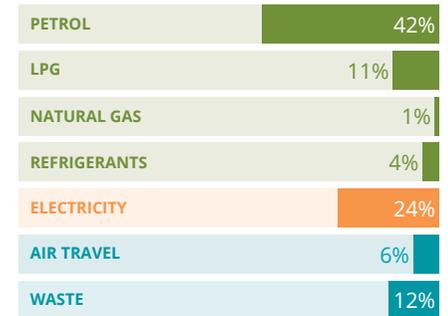


- > The dramatic reduction can be attributed to a mix of things:
 - More accurate waste data (actual weight provided by the service provider for the first time)
 - Company policy to eliminate all non-critical air travel
 - A reduction in the emission factor for electricity (as a result of more renewable energy in the electricity mix)
 - The closure of retail stores in Auckland (Glenfield), Palmerston North and Christchurch (Tuam Street)
 - The closure of Waiwhetu Christchurch (an acquisition).

Direct emissions sources:

58% of OfficeMax's Footprint in 2019 were scope 1 direct emissions such as fuel combustion on site, air conditioning leaks, fleet vehicles, 24% were scope 2 from purchased electricity and 18% were scope 3 such as business travel, waste and water.

BY SOURCE



The head office and sales offices accounted for 42% of all carbon emissions.

Retail stores accounted for 33% and distribution centres 25%.

In 2018, OfficeMax introduced four electric vehicles that are engaged for short trips within the Auckland region. The Hyundai Ioniq cars charge at our Highbrook site each evening and are a popular choice with drivers and our broader stakeholder community. This year the charging stations were made available for all staff commuting in an EV to work.

The electric vehicles have been used by OfficeMax as proof of concept. We are now looking into other options for electrification. In the warehouse we have transitioned 10 forklifts from gas to electric.

Indirect emissions sources from the generation of purchased electricity:

24% of OfficeMax emissions in 2019 was down to electricity used for lighting, copiers, machinery and air conditioning.

18% of OfficeMax's Carbon Footprint in 2019 was from air travel and waste disposal at landfill.

- > The head office and sales offices accounted for 42% of all carbon emissions.
- > Retail stores accounted for 33% and distribution centres 25%.

Fleet and driver behaviour

With almost 140 vehicles on the road at any given time we have a duty of care to ensure our employees are safe and use their vehicles in an environmentally responsible manner.

Mobile sales staff and managers are educated to reduce idling, which consumes an average of two litres of fuel an hour; reduce speed; and, improve transitions between accelerating and braking.

Our GPS tool, LogbookMe, is now installed in all our fleet vehicles, allowing us to improve health and safety. In emergencies or natural disasters, we are now able to alert our fleet drivers directly and know where people are and ensure they are safe.

LogbookMe is also used to monitor driver behaviour and safety: measured indicators include hard acceleration, hard braking, speeding and sudden deceleration. Driving safely also reduces fuel consumption. If speed limits are exceeded, the driver and safety officer at OfficeMax are alerted by email. The system also measures drivers' hours to determine if they have driven for too long. The parameters are four hours maximum trip time for a single journey;

the minimum break after that period is 15 minutes.

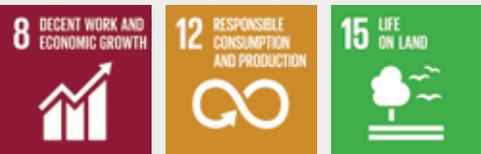
The GPS system has shown that only a small percentage of drivers ever exceed speed limits and that percentage has diminished over time. Driver behaviour can be improved and where appropriate, OfficeMax considers driver improvement options such as a Driver Development programme for its employees.

Sustainable procurement guidelines

OfficeMax adheres to the Sustainable Business Council Freight Efficiency Guidelines, which seek to shift freight choices from a lowest transportation cost model to mutually beneficial outcomes linked to improved health and safety, driver wellbeing, better economic and environmental performance, reduced emissions, and a more resilient sector.

These guidelines enable us to lead conversations and include sustainability as a core objective with our transport providers.





Keeping our supply chain ethical

Ethical sourcing is core to who we are and what we do. In 2019, we continued to hold ourselves and our suppliers accountable to maintain high standards in this important area.

Ethical sourcing was maintained throughout the integration of Croxley during the first half of the year. We transitioned 100% of Croxley suppliers and 100% of the global exports' customers to OfficeMax without compromising on our ethical supply expectations.

We know our customers want environmental choices

We know many of our customers are beginning to prioritise sustainable procurement initiatives. More and more customers are placing an emphasis on sustainability and ethical sourcing.

- > We've seen in customer searches an increasing desire to make wiser environmental/sustainable choices in what they buy. When we interrogate

our search data, we find that people are looking to hold an environmental position by choosing more sustainable, social and ethical products. We're responding by adding better information to existing products, widening our EcoMax range of products, and adding new ranges (such as Will&Able).

- > There is a growing trend towards sustainable procurement of stationery supplies. This is evidenced by a range of environmental and societal topics featuring in tenders, RFPs, and in discussions we're having with procurement professionals.

- > Government customers are tracking metrics, and looking for guidance, to support them to make tangible changes in the way government spending can be used to source fit-for-purpose business consumables as well as broader outcomes that will benefit New Zealand. These 'Broader Outcomes' include the reduction of waste, supporting jobs, and helping grow the local economy. OfficeMax is a 'tier 1' All-Of-Government supply partner with more than 16% of our sales revenue related to central and local government agencies, and schools. Currently OfficeMax continues to work through multiple initiatives, directly with MBIE, to support the New Zealand Government to deliver on these ambitions.



Sustainability audits to ensure we're ethically sourcing

OfficeMax's range of 24,000 stocked products fall into 140 categories.

For our own OfficeMax branded products, we conduct annual social compliance audits on our factories overseas to ensure they meet our stringent ethical standards.

For other brands, we carefully choose to only work with reputable organisations, who share our values both in New Zealand and internationally.

Supplier contracts

OfficeMax has in place formal contracts which ensure our suppliers adhere to stringent rules related to working conditions, employee rights, pay and environmental outputs.

Our Business Partner Standards are publicly available at officemax.co.nz/business-partner-standards and include Supplier Guiding Principles covering our standards around conditions for the people employed by our suppliers.



Social compliance case study:

During a routine annual social compliance audit in October 2019 of a supplier's factory, UL identified three unsubstantiated claims during an employee's interview. We found that an employee's pay was withheld for over two months, which was in violation of OfficeMax Supplier Guiding Principles. The findings were shared with the management of the supplier in Australia and South East Asia. The supplier conducted an internal investigation and made changes to their internal processes to address the issue within 7 weeks. The investigation and evidence of the process changes were reviewed and accepted by UL and OfficeMax.

OfficeMax and our suppliers do not support unethical and unfair employment policy. Collaborating together, we rectified the issue and further identified a process gap in our supply chain. This has resulted in a fairer and more ethical treatment to all employees producing our brands.

OfficeMax own-brand products

More than 1,200 of our 24,000 products are OfficeMax own-brand products.

When a consumer picks up an OfficeMax pen or file folder, they can be assured these products have been through an extensive vetting process.

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

OfficeMax gathers information on a potential product's packaging, safety, recyclability, disposal and end-of-life prospects, as well as its social impact before we decide on its suitability. We also request a copy of the supplier's environmental policy and evidence of its commitments.

Our OfficeMax procurement managers also meet suppliers in person to ensure mutual commitment to ethical practices, and work with factory management teams to correct any violations, large or small.

Our sourcing process:

- ① Our sourcing team starts with thorough research to determine if the supplier has a good reputation. In doing so, we check existing accreditations such as ISO 9001:2015 on quality, Business Social Compliance Initiative (BSCI), or the Forest Stewardship Council® (FSC®) certification. We also investigate whether the supplier already works with large, recognised international brands who are known to have high ethical standards.
- ② Next, we initiate a factory audit carried out by our specialist auditors - usually SGS or UL, two of the world's leading inspection, factory audit, verification, testing and certification companies. Our suppliers are located all over the world, so our auditors will visit factories from cities in China to small towns in Brazil to assure compliance.
- ③ The auditors will ask between 25 and 50 employees of the factory up to 100 questions each about working conditions, health and safety, general HR, environmental practices and more.
- ④ If the factory passes, and the auditors and OfficeMax in New Zealand are satisfied with the report, we set the supplier up in our system and start trading.
- ⑤ Our auditors will return to the factory every year to ensure ongoing compliance.



Any Zero Tolerance violations, such as employment of child labour, withholding passports, lack of fire escapes or attempted bribery, leads to supply being cancelled immediately. Non-critical violations must be fixed within a prescribed time period.

Manufacturers that are unable to meet our requirements, or show proof of improvement, will no longer be able to supply to OfficeMax.

- > In the year 2019, OfficeMax affiliates conducted audits on 56 suppliers and 95 factories.
- > Of those audited, two had Zero Tolerance-level violations and were removed from the supply chain (they no longer produce or supply goods to OfficeMax).

Non-OfficeMax brands

More than 95% of OfficeMax products are supplied through local New Zealand businesses and distributors, rather than being manufactured specifically for OfficeMax. OfficeMax chooses to work with manufacturers and global brands that are already known to have high ethical and environmental standards.

For OfficeMax branded products only a Global Self-Assessment Survey (GSAS) is mandated for supply chain partners with evidence required to back up their claims. The GSAS is diligently reviewed prior to being accepted by OfficeMax.

Legal compliance

OfficeMax has an active directory of Environmental Legislation, Council Bylaws, Standards and Relationships with Other Acts Register (Register of Legislation and Other Requirements plus Compliance Procedures) that lists all the legalisation, bylaws, product compliance (standards) that the business needs to meet. This is audited annually and reviewed for compliance of procedures.



Our paper, all sustainable

As a significant importer and seller of cut-sheet paper in New Zealand, we know how vital it is that we play a lead role in ensuring our products are sustainably sourced.

Every single sheet of our paper is environmentally certified; we simply only sell paper that meets stringent environmental standards.

This means, no matter where in the world our paper is supplied from, our customers can be confident in buying from us.

We accept two major certifications:

- > Forest Stewardship Council® (FSC®): FSC® certification guarantees that the product has been grown in a sustainably managed forest and that the supply chain is managed responsibly. OfficeMax NZ Limited holds a Chain of Custody (Certificate Code: SCS-COC-006720) and FSC® license (License Code: FSC-C147711).
- > Programme for the Endorsement of Forest Certification (PEFC): PEFC best practice standards promote

environmentally sound, socially just, and economically viable management of forests globally.

Our paper suppliers range from small mills in developing countries to large operations owned and run by European and/or local entities. Our most trusted suppliers have impressed us with their on-site educational facilities; clean water management practices; and dedication to sustainable tree farming, including educating local populations on the value of native forests.

OfficeMax branded paper - our biggest seller - is carbon neutral. Audited by the Carbon Reduction Institute, we pay per-unit carbon emissions, and invest those charges in clean wind power generation.

We're also introducing a fully recyclable wrap for each ream of paper and working through how we transition existing government agencies and other volume users from the paper they were buying to this new paper, managing issues around the pricing of the paper. Ensuring there's a strong take-up is a focus.



The mark of responsible forestry



Putting our customers first

OfficeMax has 14 stores from Whangarei to Invercargill and offers free, next-day delivery for orders over \$50 excl. GST to most of New Zealand. Our sales team - the largest business-to-business team in our industry, in New Zealand - is available to customers by phone or in person.

While service and price continue to be important priorities for our customers, OfficeMax is increasingly expected to have a sustainability strategy and value credentials ready to explain to our customers. By making sure our operating model aligns with customer needs, we'll have a competitive advantage moving forward.

Customer Feedback

OfficeMax uses the Net Promoter Score methodology to gain customer insight to enable us to continually improve our customer experience. Our NPS scores in 2019 was 51 - this is considered to be a very high score for a business in our sector, with 30 being the benchmark for a well-performing business. Clearly, the care we give customers creates mutual reward.

NPS feedback in 2019 also told us packaging and plastics continue to be of interest to our customers, especially our large commercial and government customers. In Quarter Four of 2019 feedback about sustainability had a -1 impact on the NPS score of large commercial and government customers, with 1% of respondents in that segment providing feedback on this topic.

Our customers are becoming increasingly interested in the lifecycle of products and services they purchase. An example of the change in sentiment: OfficeMax sold more paper bags across NZ in 2019 than previous years as our customers moved away from plastic in response to the ban of single-use plastic shopping bags.

Website sales - serving our customers on the net

In 2019, we were focused on creating the most effective digital marketing experience for customers. This paid off, with an 8% year on year increase through website sales, and small business and casual sales up around 17%.

- > 782,000 customers ordered through the website
- > The percentage of total OfficeMax sales for 2019 was almost 70% through the website, including email and fax.

Added retail availability to the site

We systematically improve online ordering and frequently come up with ways to give the customer the best user experience (UX). Improved promotional ribbons help let the customer know what's available, and which retail stores might offer what the customer needs. Working on improved UX helps to keep functionality and speed optimised so our customers can order what they need quickly, efficiently and digitally.

We're also bolstering the Help function on the website, creating the most relevant videos about key product and technical issues customers may encounter. The top issues identified so far causing problems for online customers include things like forgetting passwords. With better help on offer, we've seen the top three reasons to call the helpline reduce by 39%.

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The criteria for keeping customers happy can be surprisingly simple: a happy customer is one whose order turns up in full on time, well-packaged and competitively priced, with help and support available around the purchase.

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Optimising the experience for our largest customers

Asking our largest customers for feedback at the right time and in the right context gives us useful information. Research groups have been undertaken with our largest customers to understand what functionality is most useful for them in the way they want to manage their business relationship. OfficeMax has consequently developed a suite of recommended improvements.

Learning from our most impressed and least satisfied customers

Being a sustainable, progressive business means we grow from both negative and positive feedback.

Our sales team measure customers' satisfaction through their feedback and work out how to use the information to make improvements. We report monthly around the performance on the net promoter score and at a high level around the key issues influencing detractors, and the key factors around our most happy customers too. We set KPIs accordingly.

The criteria for keeping customers happy can be surprisingly simple: a happy

customer is one whose order turns up in full on time, well-packaged and competitively priced, with help and support available around the purchase.

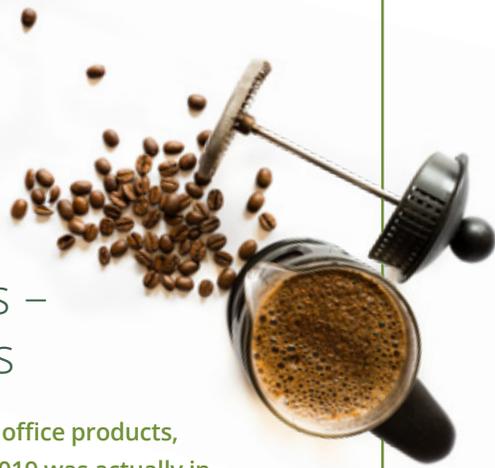
We work towards identifying pain points and streamlining solutions for both internal OfficeMax staff and customers, especially around product returns and credits, handling of dangerous goods, and tracking deliveries.

We don't forget about detractors - in fact, we have a dedicated team in OfficeMax's contact centre to review detractor customers and put in place proactive activity with that customer. This involves getting in touch, following up with the account manager and doing everything possible to make sure the issue is successfully resolved.

Creating customer centricity

In 2019 OfficeMax introduced a new account management structure which was more customer-focused, better organised and had vertically aligned portfolios enabling the sales team to better understand the needs of the industry their customers are in. This account restructure helped to effectively retain customers, with positive feedback recorded in customer surveys.





Products and Offerings – Expanding our Services

While our largest product category remains office products, the biggest sales in terms of sales value in 2019 was actually in kitchen, not stationery. This was a first for OfficeMax, in a climate in which we're selling a million litres of milk alongside paper.

Over the years, customers of various sizes have asked us to provide them with things we haven't done before, and we always listen to demand. Consequently, we have had a significant increase in demand for fruit and milk delivery services and cleaning. If we're not the expert in these fields, we outsource to other organisations and then send our customers a single bill.

The value proposition to these customers is why don't we consolidate all your business management and supply needs for you?

EcoMax range

OfficeMax EcoMax products must have a minimum of 30% recycled content, and/or are made from recyclable plastics, and feature one or more environmental accreditations. These products are highlighted in green in the OfficeMax catalogues. There were 1937 products available in the EcoMax range in 2019.

To ensure customers are well informed about a product's environmental and social footprint, OfficeMax will investigate any accreditations during the procurement phase. They will then assign labels, such as Fair Trade or Chlorine Free, to ensure a product meets the accreditation standard.

Taking care of the incoming digital generation of customers

Making Science and Tech products accessible

It's estimated that 65% of children entering primary school today will ultimately end up working in completely new jobs that don't exist yet¹. To support this, STEAM is an educational approach which integrates learning across the disciplines of Science, Technology, Engineering, Arts and Mathematics via 'interdependent' learning units based on real world applications.

- > OfficeMax continues to enable STEAM learning for children by offering a complete catalogue of products to connect school children with digital technologies, offering products under electronics, robotics, coding, construction and game making

¹ Source: McLeod, Scott and Karl Fisch, "Shift Happens"



- > Our [officemax.co.nz/steam](https://www.officemax.co.nz/steam) website additionally offers videos with insights and tips for how to understand, adopt and build confidence with STEAM.

The education category of our products continues to grow and we're pleased to see strong take up of STEAM products. We've been working towards supplying teacher resources (not just stationery) and strengthening school business partnerships. We are delivering workshops with teachers showcasing key elements of our extensive range and lesson plans.

Customer data and privacy

With the increasing sophistication of hackers, computer viruses, and proliferation of data mining, it is even more important than ever that organisations can give their customers assurance that their data is safe and secure.

OfficeMax takes customers' data protection seriously. It's part of building trust and loyalty with our customers to ensure our customer base is sustainable into the future. OfficeMax maintains a privacy policy, letting customers know how their information is received over the internet and stored. Personally identifiable information ("PII") or aggregated information is collected in line with the guidelines of the NZ Privacy Act 1993 and The Office of the Privacy Commissioner (privacy.org.nz).

We honour customers' right to access and correct information held about them under the New Zealand Privacy Act of 1993 and we encourage our customers to email us to let us know their needs.

Being open and honest about what we use personally identifiable information for

We utilise information from online customers for the following purposes:

- 1 To verify a customer's identity if the customer needs help with a forgotten password or is having login problems with one of our site services.
- 2 To process any transactions the customer might make on our site.
- 3 To help provide any other services that the customer has requested.
- 4 To offer the most relevant information suitable to the customer's interests.
- 5 For any marketing, promotional, publicity, direct marketing or market research that we might undertake.
- 6 For any other purposes for which the customer has given permission.

Our sites use Google Analytics, a web analytics service provided by Google, Inc. ("Google"). Google uses cookies to help the website analyse how users utilise the site. The information generated by the cookie will be transmitted to and stored by Google on servers. Google will use this information for the purpose of evaluating a customer's use of the website, compiling reports on website activity and internet usage. Google may also transfer this information to third parties where required to do so by Law.

A number of Google Analytics Advertising Features, such as Remarketing and Interest-based Advertising, may also be used from time to time on our websites. OfficeMax and third-party vendors, including Google, use

first-party and third-party cookies together to inform, optimise, and serve advertising based on visits to our websites. Customers can prevent their data from being used by Google Analytics by using the Opt-out Browser Add-on.

Some of our websites also utilise the Custom Audience and Conversion Tracking Pixel services of Facebook, Inc. ("Facebook"). This allows Facebook to collect or receive information from our websites to provide measurement services and target advertisements. The collected data will remain anonymous; however, it may be used by Facebook for their own advertising purposes in accordance with Facebook's Data Use Policy.



Ethical reputation and trustworthiness

A trustworthy reputation is earned over time. It is the organisation's social licence to operate. We strive to grow our reputation by carefully evaluating what we promise and then working hard to honour each promise, no matter how challenging.

OfficeMax has had acknowledgement of its ethical outlook, particularly in 2012 and 2013 when our US-based parent was named one of the World's Most Ethical Companies by the Ethisphere Institute in 2012. Locally, we have ISO 14001 certification.

Being a member of the Sustainable Business Council allows OfficeMax to sit alongside organisations who like us, have fought hard to achieve a strong reputation.

The Sustainable Business Council requires members to commit to the balanced pursuit of economic growth, ecological integrity and social progress within a business context.

Ethical business, social and environmental practices are as important to OfficeMax as our bottom line. Every year we assess our current and potential impact on the environment and concentrate on reducing that impact. We also aim to work with our suppliers, employees and customers to be partners in sustainability - and customers tell us that they value us taking this seriously.

Our transparent business practices don't just look good on paper, they reduce risk, decrease overall environmental impact and operational costs, create good public relations and boost employee health, morale and productivity.

Our customers represent all facets of New Zealand society. From the education products we provide to families and teachers, to café, packaging, technology, safety, hygiene, furniture and cleaning solutions for large businesses and government departments, we support New Zealanders with our products from early childhood through education, work and even in aged care.

Our business strategy reflects the changing needs of our customers. As office product volumes such as paper, envelopes and traditional items decline in use, other categories such as health, safety and cleaning are growing. We are concentrating on expanding these growing categories and providing products and services that provide solutions for our customers as their needs evolve.

Again, customer feedback identified packaging as a major focus area for us - and one we are taking action to enhance. Our customer-first culture is deeply embedded in what we do and how we provide our services.

We focus on particular segments and spend a lot of time on our high value customers. We're going to invest our time in organisations where we believe that we can deliver value through all the things we just talked about. Still, at the end of the day, our objective - to a reasonable extent - is to communicate that we are open to all people.





We couldn't do it without our people

They're at the heart of OfficeMax. Our 650+ employees serve customers from Northland to Southland, ensuring customers receive a friendly and efficient service.

Through times of major change, such as the change of ownership in 2018 and the partial consolidation of Croxley into OfficeMax during 2019, our people have remained resilient and engaged. In fact, many ideas for sustainability improvements routinely come from employees and are implemented across our business.

Engagement

We did not conduct a traditional engagement survey in 2019, as we wanted to review and assess the survey / measurement tool we were using with a view of introducing an updated, more relevant cultural survey in 2020.

In the meantime we found other ways to focus on having more effective, open and transparent communication across the organisation through initiatives such as: Face-to-face Quarterly Company Updates for all employees led by the Managing Director and the Executive Leadership

Team, implementing an Ask Me Anything (AMA) forum with our Managing Director, where employees can ask the MD their burning questions, a Weekly Update sent to all, filled with content developed by our employees, for our employees, and implementing "Feedforward" workshops to support us all to have more open and effective conversations where we focus on the promises of the future, rather than the mistakes of the past.

Employee Value Proposition (EVP)

We conducted research with over 400 of our employees to find out the tangible and non-tangible benefits people get from

working for an employer. We then worked with an independent agency to build on and develop that EVP into a new employer brand called 'MAXimise Me'. MAXimise Me links into all facets of the employee lifecycle and creates a dialogue about recruitment, learning and development, and wellbeing and benefits. We recognise the utility of our team members having greater ease of access to some of the things that OfficeMax offers. In 2019, we rolled out a mobile application that employees can use to access employee benefits, career opportunities in the Company, and the Payroll system, on the go.





You made a difference

Shout Out - Staff recognition programme

Recognising our employees is pivotal for a positive and supportive culture. In 2019 we redefined and rebranded our employee recognition program to further reinforce behaviours that create and sustain a strong, positive organisational culture. Our recognition programme is based around our values and celebrates individuals and teams who go above and beyond in demonstrating and living these values in their work and service delivery - they are nominated by their peers.

The selection process for choosing winners is through a panel of peers - employees from across functions and locations in OfficeMax. The rebrand/changes to this programme was as a result of feedback provided by our staff as to the type of recognition programme they would want.

Contact centre staff engagement initiatives

Staff engagement initiatives can have a number of benefits for our employees and for our customers. Our Customer Contact Centre (located in Christchurch), implemented a number of initiatives in 2019. One initiative is the '100 Club' - for each 100% quality score evaluation a Customer Service Representative attains, they are presented with a Golden Ticket, a la Charlie and the Chocolate Factory, which gives them the opportunity to win a voucher at the end of the month. This also reinforces the value that OfficeMax places on providing a great customer experience.



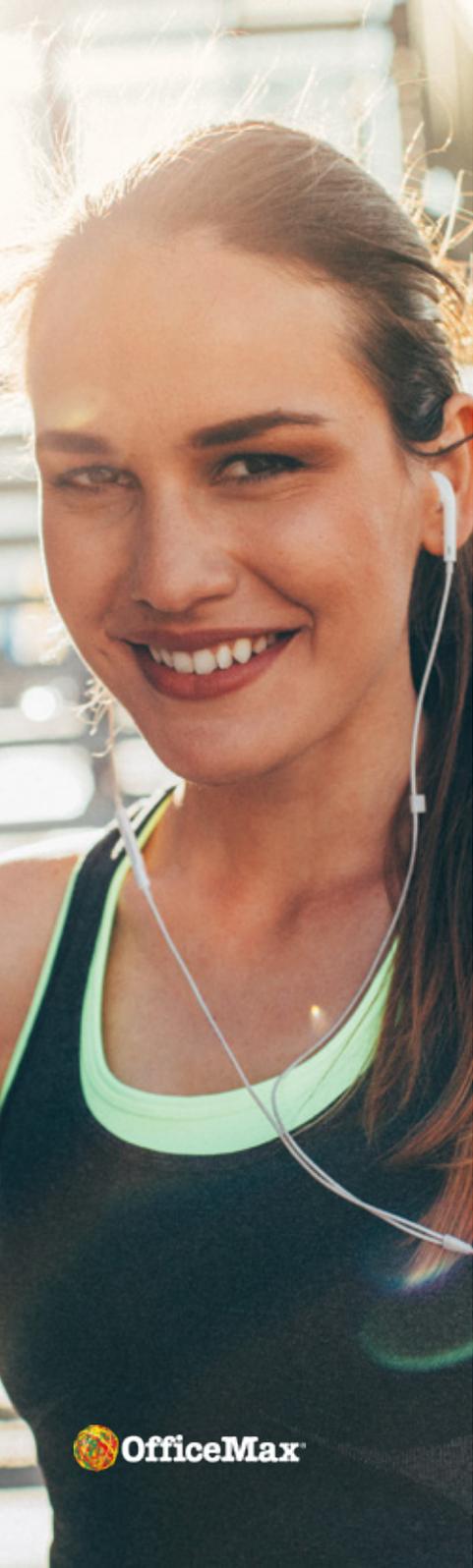
Diversity and inclusion

Te Wiki O Te Reo Maori

In 2019, OfficeMax organised activities and initiatives supporting cultural diversity including Te Wiki O Te Reo Maori to encourage our people to learn and use te reo at work. We used competitions, quizzes, online tutorials and translations of common items/areas to help promote the use of one of our national languages across the Company.

Pasifika cultural weeks

We also celebrated Pasifika cultural weeks, which showcased cultures such as Cook Island, Samoan and Tongan, to enable our people to learn about traditional Pasifika food, dress and customs. These weeks (organised by the employees, for the employees) started simply, with common phrases shared amongst employees through noticeboards, team briefings, or email. Employees also share interesting and important facts about their culture and homeland, which provides others with a unique perspective on another country and its people. The act of coming together to break bread and celebrate together plays a big part in many Pasifika cultures, so our cultural weeks peak on a Friday with food and performances. Team members brought in traditional food to celebrate their heritage, wear traditional clothing, and decorate our main staff café in Highbrook with mats and artwork.



Employee wellbeing

Our people enjoy getting behind good causes and during 2019 a range of activities were conducted, including:

- > Pyjamas and socks were donated to the Middlemore Foundation in winter 2019. We contributed over 70 items of clothing in 2019 to help keep kids warm and healthier during the winter period. At Christmas we collected small gifts and food items to be distributed by the Middlemore Foundation/Kidz First Hospital and the Salvation Army.
- > We've also enabled staff over the past year to do fundraising around SPCA Cupcake Day and Highbrook Fun Run/Walk (sponsored participation in the Highbrook Rotary Walk/Run for 40 entrants. OfficeMax also provided hydration to all participants for the Rotary walk/run by sponsoring water and compostable cups for the event).

- > We liaised with NZ Blood to provide employees the opportunity to donate blood at local mobile blood drives or donation centres. Employees at Highbrook actively participated in the bi-annual local blood donations held at Highbrook at various times during the year.
- > For anti-bullying Day, Pink Shirt Day, our employees across the country wear pink to show our support for people always feeling safe, valued and respected.

We have been participating in the Tracksuit-Inc wellness initiative since 2017. Tracksuit-Inc gives our employees personalised access to holistic health resources, activities and goals, including fitness, diet, sleep, social connections and team competitions.



Wellness highlights:

- > Flu vaccines or vouchers were provided to 350 employees in 2019
- > Employees were able to participate in and self-fund evening yoga classes on site
- > All employees have Death in Service Benefit Insurance
- > Health and Safety Representatives hold monthly meetings to evaluate progress on various initiatives. The meetings ensure OfficeMax meets its legal obligations and embeds a culture of safety, focusing on all aspects of health and wellbeing.

Conduct and culture

At the heart of our culture and conduct is our Code of Ethical Behaviour, the foundation of which is our values of Integrity, Accountability, Innovation, Teamwork and Respect. The code and related policies, provides clarity on expectations of our employees and together with our values, guides our employees' decision making and behaviour.

Leaders are provided with extra information about their responsibilities to foster a culture where employees feel free to ask questions and raise concerns. Our HR team are also readily available to assist our employees with any concerns they may have and are continuously updating their professional practice to support this. OfficeMax also makes available an independent third party hotline which, is available 24 hours a day, 7 days a week, as an alternative line of communication.

Flexible work practices

We are supportive of flexible work practices to accommodate our employees' preferred ways of working to suit their individual circumstances including family responsibilities and commitments.

We have employees in nearly all areas of the business that have informal flexibility in working arrangements. These arrangements include:

- > Ad hoc earlier or later start and/or finish times
- > Taking time out during normal working hours (for example, to attend appointments) and making up for the time earlier or later on in the day or week
- > Different location of work from time to time, such as different OfficeMax locations or from home.

In addition, OfficeMax recorded 30 employees in 2019 with formal flexible or remote working arrangements with formally varied work patterns and/or locations.



Opening the door to meaningful conversations

Building capability

We recognise that effective communication is essential to continuous organisational improvement. In 2019 OfficeMax developed and implemented 'feed-forward' training, in the form of its 'Let's Talk' workshops to help managers and employees give, receive and ask for feedback to drive change and improvement.

In terms of developing leadership, we also ran two-day workshops for team leaders and assistant team leaders, utilised external consultants to run initiatives to develop management and leadership capability and ran leadership workshops for our senior leaders.

We also supported staff to attend skills workshops to assist their confidence and effectiveness when presenting to external or internal stakeholders, provided productivity training in Outlook and Intermediate and Advanced training for Excel to nearly 30 employees in Auckland and Dunedin, and put two Retail staff



members through the New Zealand Certificate in Retail to qualify the skills and experience they gained at OfficeMax with a nationally-recognised qualification.

In 2019 we held our annual 'Kick-start' conference for sales and retail staff, with the launch of new products and OfficeMax systems and processes to bring staff up to speed with recent or upcoming changes and re-orienting and motivating them for the new sales year. We also recognise high achievers with awards. This event was attended by over 200 sales and retail representatives from across the country.

We hold a supplier expo for sales and merchandising team members. At the expo, our suppliers run exhibitions to bring our team members up to speed on the latest products and services. We also hold an awards dinner where we recognise our best suppliers. This was attended by over 200 members from our sales and merchandising teams.



Health and Safety

OfficeMax has a fully integrated Health and Safety management system, working towards an accident-free, hazards-controlled, physically and emotionally safe environment.

Each site has a nominated Health, Safety & Sustainability Representative (HS&S Rep) who leads OfficeMax's safety and sustainability work programme. During our annual HS&S Representative conference, we confer HSS Representative of the Year and Highly Commended awards for outstanding leadership in health, safety and sustainability.

Highly Commended HSS Representative

– Martina Keene

HSS Representative of the Year

– Amanda Jones

In 2019, the HS&S team focused on reducing waste, and improving safety and staff wellness.

As part of its wellness initiative, the team developed a mental health programme, with the aim of creating a culture of acceptance and helpfulness. With our partner St John

New Zealand, we supported a further nine managers to participate in a programme to initiate conversations around mental health with their colleagues (120 did the training in 2018.) We also provided advice so that managers would know what to do if an employee needed help.

During our annual Health, Safety and Sustainability Week, we held lunchbox talks with experts from 0800 What's Up, the Barnardos helpline for young people that OfficeMax sponsors, to help our employees talk with children about mental health issues.

Risk Management

OfficeMax has a fully integrated system to proactively identify hazards and risks in the workplace. We conduct annual health monitoring, to check employees for exposure to health hazards. Employees can raise hazards through our 'Find It Fix It' form or when an accident or incident has occurred. We also conduct regular reviews and monitor critical hazards and environmental issues in our Health and Safety Hazards & Risk Register.

Health & Safety Incident History

Disappointingly, our Lost Time Injuries increased in the last 12 months from two to six in 2019, resulting in 30 days of employee absence compared to 14 days the year prior.

During 2019, there were 57 accepted ACC claims which was a disappointing increase on the year prior, however our Lost Time Injury frequency rate is still well within industry standards. Manual handling training is ongoing and continually reviewed to ensure team members are adhering to their training.

The number of formal complaints for driving doubled from four in 2018 to eight in 2019 involving company cars. This may be because we had more cars on the road or better monitoring. It doesn't really tell a picture of improvement or decline however we continue to monitor this closely.

OH&S Audits and Compliance

We participate in external audits and have gained certifications for our systems to comply with legislative requirements. OfficeMax is independently audited by the following organisations:

- > AS/NZS 4801 Health and Safety
- > Ministry for Primary Industry, to maintain compliance with food safety requirements
- > Environmental Protection Authority (EPA), to maintain requirements under the Hazardous Substances and New Organism Act. All distribution centres are certificated for the management of dangerous goods, test location certificates and stationery certificates
- > ISO14001 for its Environmental Management System.

Site H&SS Internal audits

All of our sites participate in an annual onsite Health, Safety and Sustainability audit conducted by the HS&S Manager & Coordinator. The audit includes a gap analysis around strengths, weaknesses, opportunities and areas of improvement. We also request employee feedback. Sites must achieve 85 percent to pass the requirement.

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

Legislation Registers - Compliance

OfficeMax has an active register for Environmental Legislation, Council Bylaws, Standards and Relationships with Other Acts Register (Register of Legislation and Other Requirements Plus Compliance Procedures). These are reviewed during each internal audit and annually to ensure compliance.





Caring for our community

The 'protection of New Zealand children' was highlighted as a top concern for Kiwis in Colmar Brunton's Better Futures 2019 report¹. It's an issue we know well: for more than a decade, OfficeMax has played a part in improving the lives of young New Zealanders who are doing it tough.

In the last decade, OfficeMax's support of Max e-Grants, in partnership with Barnardos, has improved the lives of thousands of children who are going without the basics.

Barnardos is also the facilitator of the 0800 What's Up helpline, which we help fund. This service gives kids a person to talk to when they have nowhere else to turn.

We have been considered in our approach to community investment to ensure the alignment with our core business purpose.

Our School Rewards programme provides much needed funds for schools all over New Zealand and aligns directly to the education channel of our business. It's also another way we can help Kiwi kids - and their teachers - thrive.

¹ <http://www.colmarbrunton.co.nz/latest-thinking/better-futures/>

Max e-Grants

OfficeMax's Max e-Grants programme provides grants of up to \$5,000 per child for basics such as uniforms, stationery and school trips. The extra help also prevents boys and girls from feeling isolated or left out due to economic disadvantage.

In the year to December 2019, we supported over 800 Kiwi kids, donating over \$120,000.

In total over nine years, we have provided much needed support to over 14,000 children and their families, donating more than \$924,000 in partnership with 11 preferred suppliers.

0800 What's Up

We are an official sponsor of 0800 What's Up, a free phone counselling helpline and web-chat service for kids to talk confidentially to trained counsellors.

Also facilitated by Barnardos, 0800 What's Up takes approximately 30,000 calls per year from children as young as 5-years-old. The service has been helping young people across New Zealand for the past 14 years.

0800 What's Up is available 7 days a week, 365 days a year, from 12pm to 11pm (and 12pm to 10pm for the online chat service).

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We really value our relationship with OfficeMax. They make such a large contribution via supporting Max e-Grants and 0800 What's Up, and through this the lives of many New Zealand children in need are changed for the better every single day.

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DR CLAIRE ACHMAD, MANAGER - ADVOCACY, BARNARDOS



School Rewards

School Rewards enables parents who shop online or in-store for student supplies to nominate a school to receive rewards. Schools report that the rewards are often used for technology and new furniture, as well as sporting equipment and other teaching resources.

Since the programme began 13 years ago, OfficeMax has given \$5.8 million to schools. In 2019, more than \$929,000 was donated and used by schools for resources or improving facilities.



Education Sponsorship & Business Partnerships

OfficeMax also supports businesses and organisations that contribute to the education community, including the following:

- > Association of Integrated Schools - Business Managers
- > Association of Integrated Schools New Zealand
- > Canterbury Primary Principals' Association
- > Hawke's Bay Primary Principals
- > Marlborough Principals' Association
- > National Association of Principals of Catholic Secondary Schools
- > National Association of Secondary Deputy and Assistant Principals
- > Nelson Principal's Association
- > New Zealand Area Schools Association
- > New Zealand Association for the Teaching of English
- > New Zealand Association of Maths Teachers
- > New Zealand Catholic Primary Principals' Association
- > New Zealand Principals' Federation
- > New Zealand Social Sciences
- > School Business Managers' Association
- > Secondary Principals Association of New Zealand
- > Tai Tokerau Principals' Association

OUR SUSTAINABILITY TIMELINE

Moving forward every year

2001

We formalised our Health, Safety & Environment work programme and assigned representatives to encourage these initiatives.

2004

We joined the Packaging Council of New Zealand, which promotes a whole-of-life approach to balancing environmental, health and safety impacts/outcomes and economics throughout a product's lifecycle.

2005

We introduced our EcoMax Range of nearly 800 products with environmental credentials, including descriptions agreed upon by the Ministry for the Environment.

2007

We received an Enviro-Mark® NZ Gold certification for our three main operations. This was upgraded to Enviro-Mark® NZ Diamond across our entire organisation in 2009.

2010

We initiated a fleet car replacement programme and promoted video conferencing between NZ and Australia offices as well as locally to minimise fuel emissions; we reduced trans-Tasman flights by two-thirds. Our Power Savers programme reduced energy consumption by 5% and landfill programmes reduced landfill waste by 10%.

2009

Our Promise Tree Project was launched amongst three South Auckland schools, teaching Year 5 students' ways to cultivate a clean and green future.

Health, Safety & Sustainability Manager, Julie Roberts, won Employee of the Year in the Sustainability category at the annual Packaging Council Awards. OfficeMax was presented the Manukau Business Excellence Award in both the Sustainability category and the Health & Safety category.

2008

We expanded our range of Fair Trade products and launched Paper Pig reusable cardboard recycling trays. For every tray purchased, we donate a percentage of the sales to CCS Disability Action.

2011

We gained ISO 14001 accreditation, which we still hold.

Launched Max e-Grants, a small grants programme which provides a grant of up to \$5000 per child for basics such as uniforms, stationery and school trips.

2012

OfficeMax was named one of the World's Most Ethical Companies by the Ethisphere Institute and our Director of Merchandise, Richard Meares, was nominated into the executive committee of the Packaging Council of New Zealand as a representative of Distribution & Sales for Wholesale.

2013

OfficeMax joined the Sustainable Business Council (SBC), which is a group of CEO-led companies that have a leading role in creating a sustainable future for business, society and the environment. We were named one of the World's Most Ethical Companies by the Ethisphere Institute for the second year in a row.

2014

Packaging Buyer, Bruce Campbell, was nominated into the executive committee of the Packaging Council of New Zealand as a representative of Distribution & Sales for Wholesale.

OfficeMax became an official sponsor of 0800 What's Up, a free phone counselling helpline and web-chat service facilitated by Barnardos for kids to talk confidentially to trained counsellors.

2019

In the nine years to December 2019, over 14,000 disadvantaged New Zealand children and their families have had their lives changed for the better, thanks to OfficeMax's Max e-Grants programme which has donated over \$924,000 to date.

Invested in new packaging machines to remove the need for void fill plastic pillows, as well as technology to reduce finished carton sizes and improve transport efficiency to reduce our carbon footprint.

2018

Introduced TechCollect, New Zealand's first free e-waste recycling service for households and small businesses.

2016

OfficeMax introduced recyclable AirPlus Air Pillows and a wider variety of cartons to increase packaging efficiency and effectiveness, and reduce waste.

2015

OfficeMax introduced a carboNZero Compatible Freight Carbon Emissions Calculator for customers to use to track freight carbon emissions from orders.

GRI content index

| GRI Standard Disclosure | Disclosure | Description and Page # | Omission |
|-------------------------|-------------|------------------------------------|---------------------------------|
| Organisational profile | 102-1 | Name of the organisation | OfficeMax New Zealand, 3 |
| | 102-2 | Operations | 4 – 5 |
| | 102-3 | Head office | 3 |
| | 102-4 | Location | 3 |
| | 102-5 | Legal form | Limited liability company |
| | 102-6 | Markets served | 4 – 5 |
| | 102-7 | Scale of the organisation | 3 |
| | 102-8 | Workforce | 23 |
| | 102-9 | Supply chain | 18 – 22 |
| | 102-10 | Business changes | 3 |
| | 102-11 | Precautionary principle | 18 – 22 |
| | 102-12 | Charters | 19, 21, 25, 26, 31 |
| 102-13 | Memberships | 9 | |
| Strategy | 102-14 | Managing Director statement | 4 – 5 |
| Ethics and integrity | 102-16 | Values, principles, standards | 6, 27 |
| Governance | 102-18 | Governance | Private company – Not disclosed |
| Stakeholder engagement | 102-40 | Stakeholders | 7 |
| | 102-41 | Collective agreements | Not applicable |
| | 102-42 | Stakeholders - basis | Not applicable |
| | 102-43 | Approach to stakeholder management | 7, 23, 28 |
| | 102-44 | Key topics | 7 |

| GRI Standard Disclosure | Disclosure | Description and Page # | Omission | |
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| Reporting practice | 102-45 | Entities included | 3 | Single entity |
| | 102-46 | Basis of report content | | Partially disclosed |
| | 102-47 | Material topics | 7 | |
| | 102-48 | Restatement of information | | Not applicable |
| | 102-49 | Changes | 8 | |
| | 102-50 | Report period | 12 months to 31 December 2019, 3 | |
| | 102-51 | Report date | 2019 | |
| | 102-52 | Reporting cycle | Annual | |
| | 102-53 | Contact | Back cover | |
| | 102-54 | GRI compliance | 3 | |
| 102-55 | GRI context index | 37 | | |
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| Economic performance | 205-1 | Operations assessed for risks related to corruption | 18 – 22 | |
| Environmental | 302-1 | Greenhouse gases (GHG) Scope 1 emissions | 15 – 17 | |
| | 302-2 | GHG Scope 2 | 15 – 17 | |
| | 302-3 | GHG Scope 3 | 15 – 17 | |
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| | 413-1 | Operations with local community engagement, impact assessments and development programmes | 34 – 35 | |
| | 413-1 | Community engagement | 34 – 35 | |
| Management Approach | | | | |
| | 103-1 | Explanation of material topics | 7 | |
| | 103-2 | Management approach | 7 | |
| | 103-3 | Evaluation of management approach | 5 and 7 | |

Let's get it done 



We encourage feedback - share your thoughts with us at
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