

Re-think

Creating a sustainable
future for business

OFFICEMAX NEW ZEALAND

Sustainability
Report 2020

Contents

Front cover:

Situated in Lee Bay on Stuart Island (Rakiura), the giant chain runs from the bush to the beach, disappearing under the Foveaux Strait. Te Puka – the anchor stone sits beside it. It is said in Maori legend that Maui pulled it from the sea floor to act as the anchor for the great ancestral canoe Te Waka o Aoraki (South Island). Today it reminds us of the spiritual and physical connection between Stewart Island and Bluff (Motu Pohue).

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ABOUT THIS REPORT

Welcome to OfficeMax New Zealand's fourth sustainability report, which follows on from our 2019 report and seeks to communicate the economic, social and governance impacts of its operations to its stakeholders.

The report covers the operations of OfficeMax New Zealand Limited, for the period January 1 2020, to December 31 2020.

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, Auckland.

This report has been prepared in accordance with the GRI Standards: Core option. A table of GRI index references can be found on page 42.

ABOUT OFFICEMAX NEW ZEALAND

OfficeMax New Zealand Limited 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 has honed its business and school supplies focus, and grew its national network.


In New Zealand, OfficeMax has distribution centres in Auckland and Christchurch, sales across the country and shared service activities in Auckland

and Christchurch. OfficeMax is a progressive provider of workplace supplies, solutions and services, as well as workplace products and furniture; its product range extends to 25,711 stocked products.

We serve our 30,000 regular account customers across New Zealand in a range of ways, adapted to suit the markets we operate in. 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. OfficeMax's account team and transport partners provide highly reliable, extensive rural and urban delivery.



HOW WE'VE MADE A DIFFERENCE IN 2020



\$112,000
MAX E-GRANTS PROVIDED IN 2020
> \$1 million
OVER THE PAST DECADE

60,000
SCHOOL HOME KITS DEPLOYED, TO ENABLE CHILDREN TO LEARN REMOTELY DURING LOCKDOWN



12,680
CHILDREN HELPED THROUGH 0800 WHAT'S UP, A PHONE COUNSELLING HELPLINE WE SPONSOR




\$880,000
SCHOOL REWARDS PROVIDED IN 2020
\$6.7 MILLION OVER THE PAST 13 YEARS

\$1,257,848
COMMUNITY INVESTMENT REPRESENTING >1% PRE-TAX PROFIT



66%
REDUCTION IN OUR TOTAL RECORDABLE INJURY FREQUENCY RATE



13%
REDUCTION IN OUR SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS

NPS 48
OUR NET PROMOTER SCORE
(NPS 30 = INDUSTRY STANDARD)



100%
ELECTRIC MECHANICAL HANDLING EQUIPMENT NOW USED IN OUR DISTRIBUTION CENTRES

3,179
AUDITED, ETHICALLY SOURCED OFFICEMAX OWN BRAND PRODUCTS



45,000kg
FURNITURE AND UNSALEABLE STOCK DIVERTED FROM LANDFILL



ISO 14001
THREE YEAR RECERTIFICATION ACHIEVED



Kia ora and welcome

A MESSAGE FROM OUR MD

This has been a year like no other. For us and many New Zealand businesses, dealing with the COVID-19 pandemic was initially about survival. Though challenging, we collectively worked through this event and have become more acutely aware of the things that matter the most to our business and our stakeholders. This has enabled us to sharpen our focus and set an ambitious 2025 Sustainability Strategy, which I am proud to share with you in this report. 2020 has been a real rollercoaster, but it has served to strengthen who we are and our commitment to empowering sustainable, successful workplaces.

When New Zealand went into its first lockdown this year, our immediate priority was keeping our people safe and protected. Although we were already set up for operating remotely,

we had to work quickly to ensure every one of our call centre and office-based staff was technically enabled. As an essential business supplier, we also had to rapidly establish the appropriate distancing protocol and PPE requirements for our distribution centre staff, to ensure they could continue to work safely to fulfil our customers' requirements.

At the same time, our customers' product and service needs were evolving fast. With less people in offices, orders for items such as coffee and stationery supplies reduced significantly, while demand for health, technology, safety and hygiene products increased exponentially. Online ordering grew rapidly during COVID-19 and this has been sustained with around 40 percent of new customers who discovered us during lockdown continuing to order online.

People now feel more comfortable and confident in using this method to shop. Although we expected this to happen in time, COVID-19 served to significantly accelerate adoption of digital and online platforms. Unfortunately, this meant we made the difficult decision to close our retail stores. Over the past decade we had noticed a decrease in customers coming through the doors along with incremental costs to support the retail model. With the sudden change in consumer behaviour due to the lockdowns, the stores became extremely unprofitable and undermined the sustainability of our business. It was incredibly painful to lose our people, many who were long-serving staff and we worked hard to redeploy as many as possible into new roles within the business and carefully support those who left us.

Simplifying our business has given us a sharper focus for the future. Our vision is to empower sustainable, successful workplaces. We recognise that our customers seek solutions, not just products and so we launched our

first customer experience showroom in Highbrook, Auckland this year. This brings different product categories together to visually recreate the spaces and solutions our customers have frequently asked us to help them with.

Although sustainability has been a part of who we are for almost two decades, this year we took the opportunity to review and reset our approach. We undertook a materiality assessment to understand what our customers, suppliers, regulators, industry and community partners care about. This informed the development of our 2025 Sustainability Strategy which is presented in this report, and we've outlined our progress against its three ambitious impact goals:

- 1. Foster a safe, healthy and inclusive society**
- 2. Provide solutions for a rapidly changing world**
- 3. Drive a low carbon circular economy**





“Addressing the circular economy should not just be about sustainability, but for bettering New Zealand as a whole.”

Kevin Obern

These goals are embedded in our value chain and further integrate our core business activities to drive sustainable outcomes. Our new strategy builds on what we have already achieved and raises the bar on our ambition to drive sustainable outcomes for New Zealand.

While 2020 was certainly a tough year, there have also been many highlights which are discussed in this report. We went into COVID-19 expecting a significant number of negative outcomes but actually we found that

it brought about revised thinking and behaviour. It also brought about some tension which forced us to make some tough decisions that we may otherwise have prolonged, and it’s seen a refocusing of our business in a really positive way.

I’ve recognised how resilient and agile our people are in the face of adversity and I truly value the pride they have in stepping up to deliver innovative solutions for our customers when they need us most.

COVID-19 has also made me recognise more than ever, the importance of businesses working together on common goals. As an island nation, we must improve our self-sufficiency. This includes tackling big issues such as sourcing more locally made products and recycling and repurposing ‘waste’ on our own shores. Addressing the circular economy challenge should not just be about sustainability, but for bettering New Zealand as a whole. These are just some of the bold areas we are looking forward to collaborating with others on to help New Zealand reach its potential.

Kevin Obern

WHAT WE DEPEND ON

Our people

Over 500 talented people give their skills and time in OfficeMax offices and warehouses across New Zealand – increasingly working in more flexible ways.

Our suppliers

Over 500 suppliers in 16 countries source over 25,000 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. 91%* 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 2020 OfficeMax purchases from NZ based suppliers.

WHAT WE DO

1. Customer insights

Our direct relationships with over 30,000 commercial and education entities enable us to fully understand their broad needs and develop comprehensive industry specific insights and unique customer profiles.

2. Innovative customer solutions

We use these insights to think outside the square, anticipate needs and develop innovative product and service solutions so that our customers can focus on what is most important to them.

3. Sourcing

We source 9% of our product from over 66 suppliers across 15 countries. Our sustainable supply chain practices support the integration of environmental, social and governance practices.

4. Logistics

Products are shipped to our warehouses in Auckland and Christchurch, where they are packed according to our customer needs.

We consider packaging type, weight and volume to enable more sustainable freighting and disposal options for packaging.

8. Customer use

Hundreds of thousands of end users, in business, in schools and in homes, use our products to enable their workplace.

Our sustainable product lines and packaging recovery services enable our customers' own sustainability journey.

7. Distribution

Our products are freighted to 160,000 delivery points.

We optimise our freight planning to enable efficiency for our customers, our business and the environment.

6. Sales

We sell over 25,000 products directly through our dedicated Account Managers and online platforms.

5. Marketing

Our products and services are marketed through flyers, catalogues, emails, internet, website marketing, social media, showrooms and more.

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

Our stakeholders help us to shape and prioritise our sustainability activities and in 2020 we undertook a materiality assessment to understand the issues that matter most to our customers, our people, our suppliers, our shareholders and the communities we operate in.

This is one step in our ongoing engagement with these groups and it has helped to define our 2025 Sustainability Strategy presented in this report.

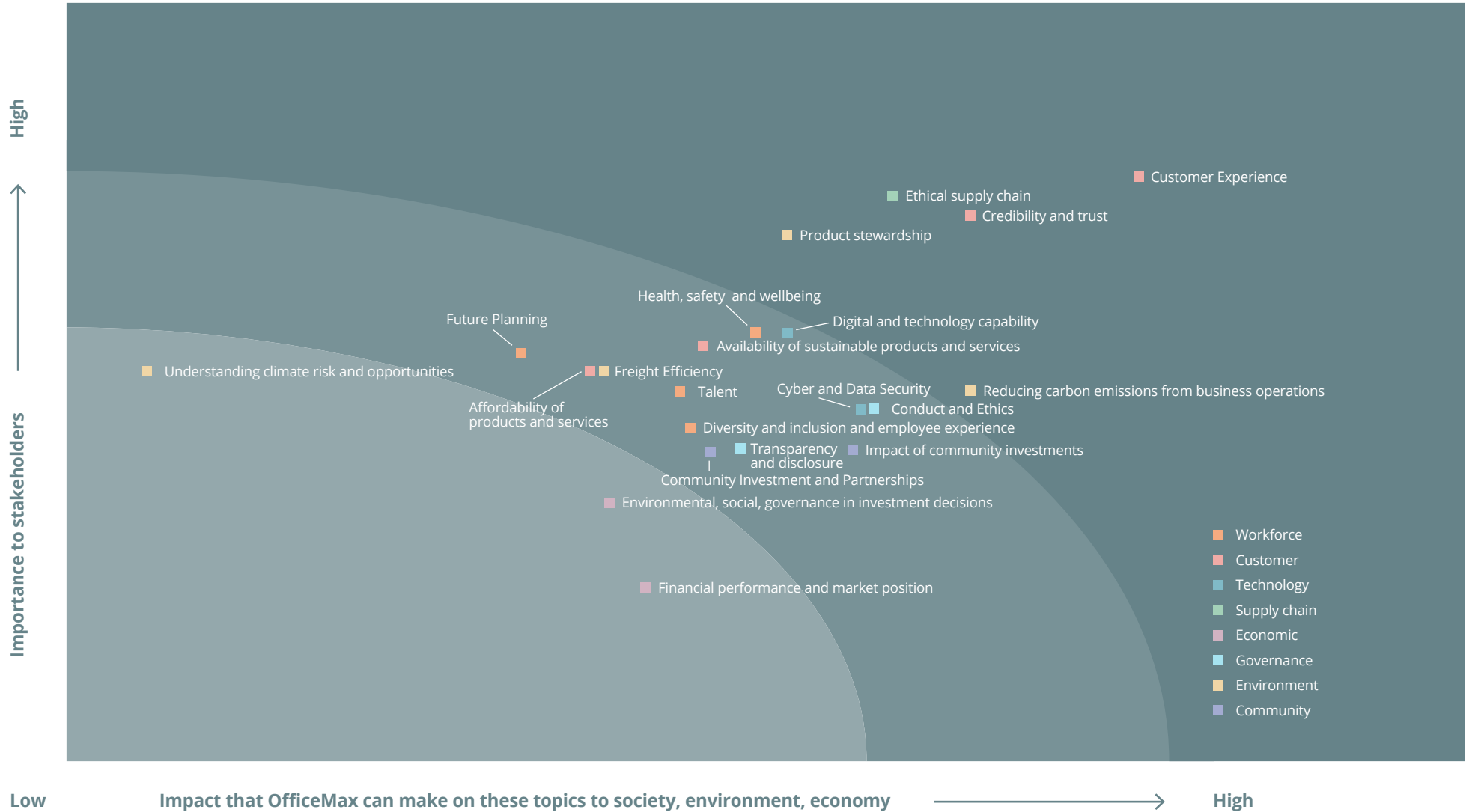
In 2020 our materiality assessment process involved developing a long list of material topics and stress testing these against external reports, such as the World Economic Forum Global Risks, and industry peers. These topics were then reviewed internally by our Executive team.

We interviewed and surveyed a group of customers representing our key portfolios, as well as industry partners, suppliers, community and sponsorship partners and government agencies, to establish their view on how important they felt the material topics were.

Finally, we identified a large group of internal stakeholders based on their engagement, subject area expertise, experience or interest in the materiality topics to act as our governance group and help us embed sustainable improvements in our business. We used a mix of online surveys and workshops to assess and rate the impact of OfficeMax on the material topics gathered.

The materiality matrix below summarises the topics which are of most importance to OfficeMax and where it can make its biggest impact.

OFFICEMAX 2020
MATERIALITY ASSESSMENT



Top 5 Highly Material Topics

These highly material topics form the basis of the three core pillars of our 2025 Sustainability Strategy and ensure we focus our efforts in the right places to generate long term social, environmental and economic value creation.



1. Customer experience

Provide a positive customer experience by understanding customer needs, listening to customer feedback and acting upon it to resolve immediate issues and continuously improve their experience. Ensure products are what customers want and provide fast and accurate delivery of products.

2. Ethical supply chain

Ensuring supply chain practices are transparent and traceable, address social, environmental and governance risks and opportunities, such as human rights and labour practices, fair pay, environmental performance, supplier diversity and inclusion.

3. Credibility and trust

Ensuring the reputation of the organisation by demonstrating and maintaining credibility with customers and earning their trust, being transparent and authentic.

4. Product stewardship

Taking responsibility to address the environmental impacts of products, from their sourcing and their packaging through to their disposal.

5. Reducing emissions from business operations

Managing operational environmental impacts stemming from resource use e.g. travel, energy and waste to help reduce emissions.

2025 Sustainability Strategy

Sustainability is part of the overall vision at OfficeMax and has been integrated throughout our business strategy to help deliver our vision to 'Empower sustainable and successful workplaces'.

Our 2025 Sustainability Strategy demonstrates our commitment to helping New Zealand reach its potential over the long term. It establishes a framework for our core focus areas, goals and targets, to help us achieve our three aspirational strategic goals:

FOSTER A SAFE, HEALTHY AND INCLUSIVE SOCIETY

We want to contribute to making New Zealand a great place to live, where people are confident to be all they can, without limitation.



PROVIDE SOLUTIONS FOR A RAPIDLY CHANGING WORLD

We want to seamlessly enable New Zealanders with the tools they need for their success and prosperity.



DRIVE A LOW CARBON CIRCULAR ECONOMY

We want to speed up New Zealand's transition to a low carbon future and the circular use of resources.



These goals are aligned to the United Nations Sustainable Development Goals (SDGs), which aim to help build a better future for all. We have identified the SDGs that most closely align with our strategy where we believe we can make a positive contribution.



2025 SUSTAINABILITY STRATEGY*

<p><u>PURPOSE</u></p>	<h2 style="text-align: center;">Help New Zealand reach it's potential</h2>		
<p><u>STRATEGIC GOALS</u></p>	<p><u>FOSTER A SAFE, HEALTHY AND INCLUSIVE SOCIETY</u></p> <p>We want to contribute to making New Zealand a great place to live, where people are confident to be all they can, without limitation.</p>	<p><u>PROVIDE SOLUTIONS FOR A RAPIDLY CHANGING WORLD</u></p> <p>We want to seamlessly enable New Zealanders with the tools they need for their success and prosperity.</p>	<p><u>DRIVE A LOW CARBON CIRCULAR ECONOMY</u></p> <p>We want to speed up New Zealand's transition to a low carbon future and the circular use of resources.</p>
<p><u>FOCUS AREAS</u></p>	<p>Support health, safety and wellness</p> <p>Promote inclusivity and equal opportunity</p>	<p>Provide flexible product and service solutions</p> <p>Empower the future of work</p>	<p>Improve the environment through our value chain</p> <p>Support local solutions</p>
<p><u>ENABLERS</u></p>	<p style="text-align: center;">Partnerships and collaborations Inclusiveness Innovation & Adaption Communication Reporting & Transparency Advocacy</p>		
<p><u>MATERIALITY</u></p>	<ul style="list-style-type: none"> ■ Community Investment / Impact ■ Conduct and Ethics ■ Credibility & Trust ■ Customer Experience ■ Diversity and Inclusion & Employee Experience ■ Emergency Response ■ Ethical Supply Chain ■ Health, Safety & Wellbeing 	<ul style="list-style-type: none"> ■ Affordable Products & Services ■ Credibility & Trust ■ Conduct and Ethics ■ Customer Experience ■ Cyber & Data Security ■ Digital & Technology Capability ■ Future Planning ■ Talent 	<ul style="list-style-type: none"> ■ Credibility & Trust ■ Ethical Supply Chain ■ Freight Efficiency ■ Product Stewardship ■ Reducing Carbon Emissions ■ Sustainable Products & Services ■ Transparency & Disclosure

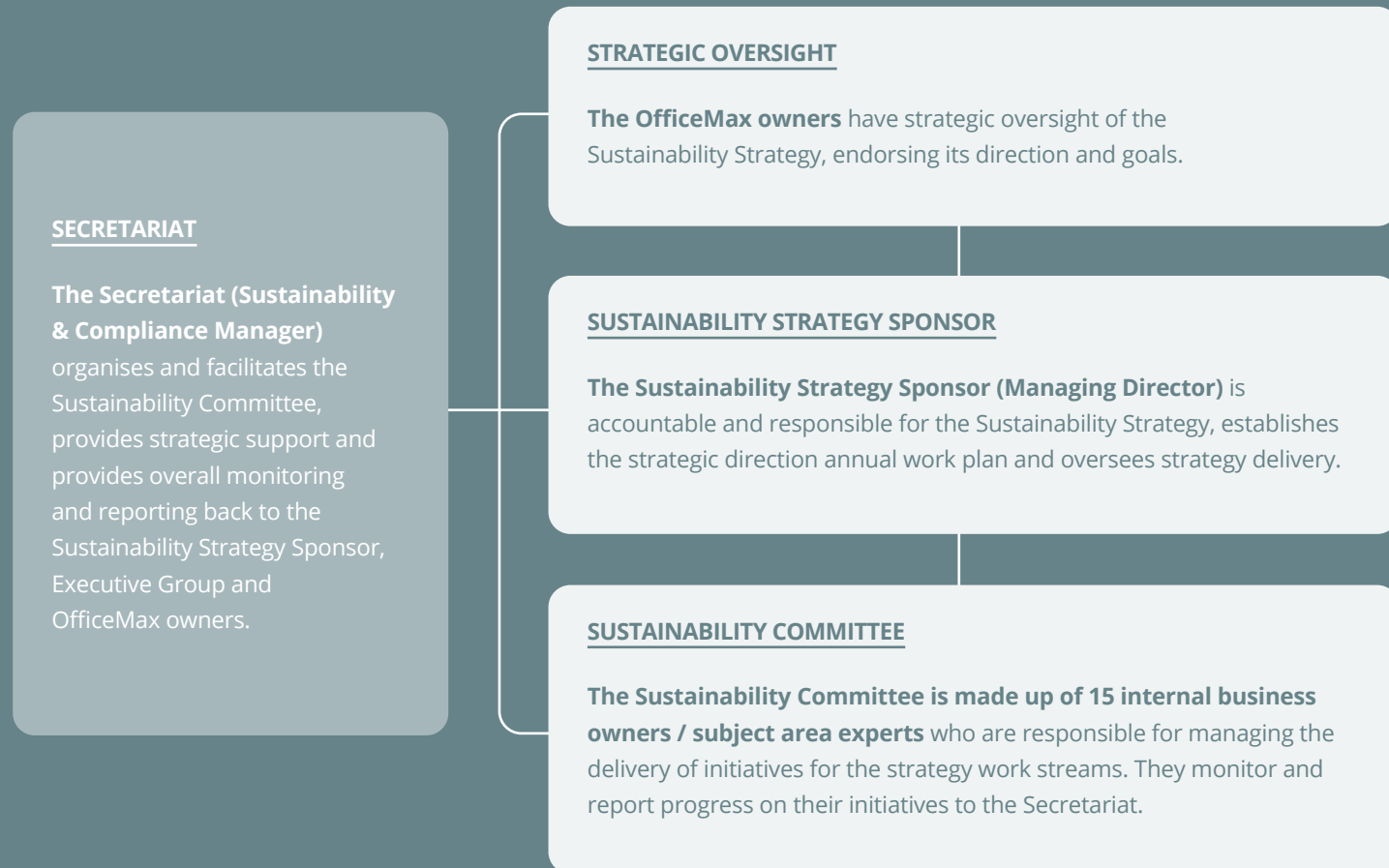
* Emboldened are top-ranked highly material topics

SUSTAINABILITY GOVERNANCE STRUCTURE

Having strong governance means OfficeMax can implement its 2025 Sustainability Strategy effectively, ensure robust reporting processes and manage overall accountability.

Our sustainability governance structure sets out the roles and responsibilities for managing our 2025 Sustainability Strategy.

We will regularly monitor and track our performance against this strategy to ensure we are meeting the goals we have set for 2025.



Collaborating on solutions

We are members of the Sustainable Business Council and the Packaging Council NZ. These organisations enable us to benchmark and continuously improve our services, standards and expertise and to collaborate with others on solutions that will enable our collective industry and sustainability goals.



Foster a safe, healthy and inclusive society

Our aspiration

We want to contribute to making New Zealand a great place to live, where people are confident to be all they can, without limitation

- Community Investment / Impact
- Conduct and Ethics
- **Credibility & Trust**
- **Customer Experience**
- Diversity and Inclusion & Employee Experience
- Emergency Response
- **Ethical Supply Chain**
- Health, Safety & Wellbeing



Why this matters

The impact of COVID-19 has emphasised the importance of having strong health and safety measures in place, to ensure our people, business, customers and all those who are connected with them are protected and can operate with maximum continuity and minimal disruption.

We also recognise the important part that business has to play in supporting equality and in celebrating diversity within our workplaces and communities.

What we're doing

OUR GOALS:

1. Support health and safety and wellness

Enable thriving societies, where people live better every day and are prepared for tomorrow.

Through our own health, safety and wellness practices we recognise that thriving people support thriving workplaces. We take this into our supply chain practices, our product and service portfolios and our business continuity planning, so that we are ready to help when people need us the most.

2. Promote inclusiveness and equal opportunity

Create a positive social impact for everyone across OfficeMax's value chain.

Our principle is that 'no one is left behind'. We believe everyone should be treated fairly and given equal opportunity. This extends through our workforce, our responsible supply chain practices and into our communities, partnering with others to play a part in helping the lives of others and especially young New Zealanders who are doing it tough.

Our progress

SUPPORTING OUR PEOPLE THROUGH COVID-19

Employees are at the heart of OfficeMax. Over 500 employees service customers from Northland to Southland, ensuring they receive a friendly and efficient service.

Throughout an extremely tough year in 2020, our staff have remained resilient and focused. As an essential service provider, we are proud of our team, their adaptability and ability to rally together to continue delivering the best service possible for our customers.

Keeping people in work

The COVID-19 pandemic disrupted our day-to-day operations and forced us to adapt quickly to changing circumstances. With a 65 percent downturn in sales resulting from business shutdowns, our goal was to safeguard as many jobs as we could, for as long as we could.

Following consultation, from 1 April to 1 September 2020, our employees agreed

to a reduction in salary as a temporary measure with the arrangement reviewed on monthly basis. Members of our Executive Leadership Team (ELT) led the initiative with a 20 percent reduction in salary, and their direct reports had a 10 percent salary reduction, all while continuing to work their normal work hours.

All other employees, excepting those in our distribution centres, reduced their working hours and salary by 10 percent. There was no change for our distribution centre employees, who, as essential workers, came in to work throughout the pandemic.

Like many other businesses in New Zealand, we were fortunate to have access to the employers' government wage subsidy assistance, COVID-19 employer support, which was vital in keeping our employees in work for the duration of the subsidy. In such exceptional and unprecedented circumstances, we knew our employees would be worried or anxious about their income.

To try and lessen the stress, we supported our staff by paying wages for any employee who couldn't work while waiting for test results. In addition, all

staff excluding distribution centre and the majority of retail, were set up to work remotely during lockdown.

A kind transition

Throughout the pandemic we focussed on keeping our people front of mind and being kind. The July redundancies of approximately 20 team members, and retail closures impacted staff across all our sites and we ensured we communicated respectfully and with care to those affected.

On the day of the retail stores' closure announcement OfficeMax arranged, where possible, to have a representative attend the location in person or by video call or phone to support each retail store manager and team.

The company worked with Five, an external provider of outplacement support and career coaching services, where staff could access one-on-one tailored support to help come to terms with the change, update their CV, enhance their LinkedIn profile and network, with the aim of securing a job. Of the 35 employees who accessed Five, 25 people secured new roles, four set



up their own business ventures, two entered education to retrain, and one is still being supported as at the end of 2020. Two further retail employees were redeployed within the business.

All employees, regardless of the length of their service, received redundancy compensation. We also went over and above our OfficeMax policies with leaving gifts and functions for all leaving staff members.

Ensuring safety and wellbeing

The pandemic had a significant impact of how we interacted with others and went about our daily life, and work. At this time of increased pressure, we knew we had a role in keeping our people safe and we prioritised the welfare and wellbeing of our employees.

To promote a supportive environment during this trying time, care packages were sent to all employees, including those on parental leave. The packages contained hand sanitiser, protective masks, chocolates and other treats. Flu vaccinations were also offered to employees in May.

Prior to New Zealand's borders being

closed all employees who were travelling overseas (whether for business or personal reasons) were asked to complete a travel declaration with key information. As the COVID-19 pandemic was unfolding we were able to have an overview of people returning into our workplaces and manage any potential risk accordingly.

We could also quickly identify who was away prior to and immediately after borders closed. When the borders did close and two of our staff members were caught overseas, we paid discretionary leave so they could self-isolate at home as required.

The start and finish times of our distribution centre employees were adjusted as part of our social distancing measures which also included teams accessing the cafeteria at specific arranged times. So that our distribution centre staff in Auckland did not have to spend unnecessary time outside of work queueing at supermarkets, we also provided meals to all shifts through Alert Levels 3 and 4, averaging 110 meals each day. In Christchurch, where we do not have an onsite cafeteria, every staff member received a \$50 Countdown voucher each week through Alert Levels 3 and 4.



With so many of our staff working from home during the pandemic, we conducted our Safely Back to Work and Transitioning Back to Work surveys to transition them back into our fully serviced offices. The comprehensive plans set out our requirements for staff returning back to the office and for our field staff when preparing for customer site visits.

TASI, STORE PERSON **DISTRIBUTION CENTRE, AUCKLAND**

"I work in the distribution centre picking and packing boxes to send to customers and have been working for OfficeMax as a permanent employee for the past two years.

I am proud to work for OfficeMax, especially when they prioritised employee health and safety and our mental wellbeing when COVID-19 broke out. They supported us through this time and made sure we felt safe to come to work. I felt very looked after during the pandemic.

I felt comfortable and safe coming to work during the lockdowns as OfficeMax provided us with masks, gloves and sanitising products and made sure we were socially distanced from other employees. We were never pressured to come into work if we didn't feel safe, and the leaders were very approachable to discuss any issues or worries we had.

OfficeMax provided us lunches and extra supplies to take home during the lock down, which was also a bonus."



Staying connected and supported

In the two to three weeks prior to the first lockdown, our IT team had to provision all OfficeMax call centre staff to work from home. This required sending monitors and desktop computers for approximately 30 people from Auckland to Christchurch. Also, immediately prior to the first lockdown, employees were able to take home IT equipment, office chairs, and footstools to enable them to work from home as comfortably as possible.

Following the lockdown periods, most office-based employees were not required to return to work until the end of June 2020. When they did return, it was to a hybrid flexible working model, with employees working between two and three days a week at home which formed the basis of the company's Smart Working initiative, due to be launched in 2021.

The pandemic also saw more collaborative working within OfficeMax. At the start of the pandemic OfficeMax set up a COVID-19 PPE taskforce to ring-fence some safety products for essential customers and source products from alternative suppliers/markets. The collaborative taskforce

involved the company's merchandise, sales, marketing, customer services, operations, security and IT teams. The group worked together to identify impacted stock and protect it, spotting unprecedented demand sources, and established customer prioritisation criteria. Working alongside Ministry of Business, Innovation and Employment (MBIE) we were able to direct the supply of scarce products to front line essential providers.

How the business communicated and kept staff informed was an important factor in managing the COVID-19 crisis and responding to the changes quickly. Frequent, at times daily communications from Managing Director, Kevin Obern, during the start of the pandemic kept everyone informed - over 50 emails were sent out between February and June 2020.

The wide range of topics included emerging details on the pandemic, COVID-19 etiquette, protecting jobs through salary reductions, returning safely to work, wellness tips and advice and much more.

Keeping the basics in place

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

Each department and location has a nominated Health, Safety & Sustainability Representative (HS&S Rep), who leads OfficeMax's safety and sustainability programme.

Our focal point for 2020 was to implement new and innovative safety initiatives in our distribution centres but the focus was altered due to COVID-19. We shifted our resources to protecting the health and wellbeing of our employees and ensuring our office staff were able to work safely from their own homes and our staff in the distribution centre's felt safe to come to work.

Managing our risks

In 2020 we reached our lowest recorded Total Recordable Injury Frequency Rate (TRIFR) of 6.09, down from 17.97 2019. This is an internationally recognised measurement of injury rates in a workplace and OfficeMax is aiming to

continue reducing this number to reach the world class score of 3 or below.

Maintaining our credentials

In 2020 OfficeMax gained its tri-annual recertification of ISO 14001 for its Environmental Management System. This recertification involves a deep and comprehensive review of our systems and processes to manage our sustainable business. COVID-19 made this audit difficult throughout Alert Levels 3 and 4, and part of the audit was conducted remotely.

OfficeMax is also independently audited by the following organisations:

- **AS/NZS 4801 Health and Safety**
- **Ministry for Primary Industries to maintain compliance with food safety and imported goods requirements**
- **Environmental Protection Authority (EPA), to maintained requirements under the Hazardous Substances and New Organism Act.**

All distribution centres are certified for the management of dangerous goods and test location certificates.



**OUR TOTAL RECORDABLE
INJURY FREQUENCY RATE IS
DOWN ON LAST YEAR BY**

66%

**SUPPORTING AN EQUAL,
INCLUSIVE COMMUNITY**

Education plays a vital part in the journey to enabling societal equality, financial inclusion and a productive economy. Our community programme is all about supporting education and in particular helping kids doing it tough. COVID-19 has brought even greater focus to this programme as it highlighted the inequalities in Aotearoa, especially for children.

Through our existing relationships with schools and their communities, we saw many already disadvantaged children struggling during and after lockdown. There was a significant increase in Max e-Grants applications for devices to enable remote learning during lockdown. We also saw an increase in applications for teacher support after lockdown, to help kids with learning difficulties who were experiencing higher levels of anxiety. Our partner Barnardos saw a 50 percent increase in call volumes to 0800 What's Up – a counselling helpline that gives kids a person to talk to when there is no one else. We have been moved by the stories we received from our community over the past year and it

helped us realise the importance of continuing to work with our partners to support equality and inclusivity through education.

We have targeted our support through three key areas to help make a positive, system impact: kids in need; schools, and; the education community.



Max e-Grants

In 2020, OfficeMax supported 514 kids, through 99 grants, donating \$112,439.

Over the past decade, OfficeMax has distributed over \$1million from 998 grants, helping support 15,551 children.

The Max e-Grants programme provides grants of up to \$5,000 per child (aged 4-18) for the basics such as uniforms, stationery and school trips. Schools apply for these grants on the child's

behalf, stating what the grant will be used for. These grants help children feel included and remove the stress of the social or economic disadvantage they may suffer.

Due to the closure of schools during COVID-19 and the restrictions placed on school activities, not all grants were able to be used for the purpose they were initially granted for. OfficeMax's partner Barnardos helped schools work through this process to ensure the funds were still used to benefit the children, even if it was for a different purpose.

The move to online learning saw more applications for devices for students in families facing hardship. The applications in the second round of funding for 2020, were requests for teacher support, who were noting an increased level of anxiety, particularly in children who may already have learning challenges. There were also a number of applications granted to support students whose families had been directly impacted by COVID-19, commonly through either reduction in work or loss of jobs.

Max e-Grants wouldn't be possible without the generous support from our suppliers over the last decade.

2020 SUPPORT

KIDS IN NEED

Max e-Grants donated

\$112,439

0800 What's Up kids helped

12,680

SCHOOLS

School Rewards provided

\$880,000

**EDUCATION
COMMUNITY**

5 School associations supported

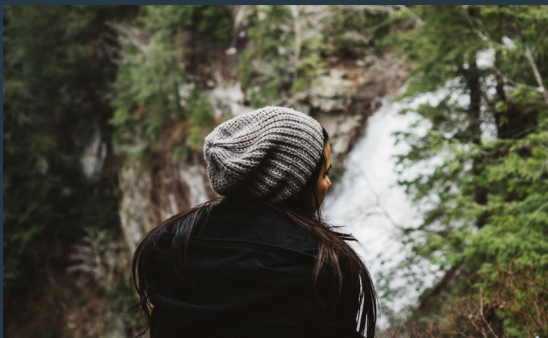
Max e-Grants - Equal opportunities

"We have three sisters attending our school who come from a challenging background. We identified that their family would not be able to support each of the girls to attend their year group school camps.

The camps involve tramping, staying in cabins and tents, kayaking, abseiling, tubing and walking through our native forests. All are experiences that these three girls have not had before.

Thankfully, support from Max e-Grants meant these sisters were able to attend their camps and participate with their peers! It was wonderful for them to experience hands-on challenges, collaborative with their peers and experience success. Since returning from camp we have also seen a flow-on effect in terms of their positive interactions within their classrooms and the wider school environment"

– Max e-Grants School recipient



Max e-Grants - Social inclusion

"Our College introduced a new school uniform, with the expectation that all Year 7s would wear the new uniform from the start of the year.

One of our Year 7 students had an older brother who had already graduated from our school. He arrived at the start of this year wearing the old uniform as the family didn't have the resources to purchase the new uniform. He was the only student in Year 7 not wearing the new uniform. We noticed he started to become more and more withdrawn.

Thankfully our successful application to Max e-Grants meant that we were able to fund a new uniform. When he came to get his new jacket, he thought he would need to return it at the end of the day. When he was told it was his to keep the look on his face was pure delight. We have noticed such a transformation since he received his new uniform. Not only is he dressed the same as all his friends now, his confidence has grown and he is engaging more in class and with classmates."

– Max e-Grants School recipient



Barnardos 0800 What's Up

OfficeMax has been a corporate sponsor of Barnardos 0800 What's Up line since 2014. This is a free phone counselling helpline and web-chat service for kids to talk confidentially to 22 trained counselors.

Prior to COVID-19, Aotearoa had already been facing a youth mental health crisis, having the highest rate of youth suicide in the OECD, with almost 1 in 5 young New Zealand children living with an anxiety disorder and/or depression. Kids are struggling and often don't have anyone else to talk to and COVID-19 has made this issue worse.

In 2020, 0800 What's Up answered 12,680 calls and chats, helping children as young as 5. This service has been especially important during 2020, as call volumes increased 50 percent during the lock down period.

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



Proudly
brought
to you by
Barnardos



“The School Rewards programme has allowed our school to undertake funding devices for needy students. It really aids our school in being able to provide extra support for staff and students.”

**Katrina Bromell,
Business Manager
Sacred Heart Girls' College,
New Plymouth**

School Rewards

School Rewards is our way of showing appreciation for the orders parents place with us at back to school time and throughout the year via myschool.co.nz. It enables parents who shop online for school supplies to nominate a school to receive the associated rewards.

School's report that the rewards are often used for technology and STEAM products as well as new furniture and other teaching resources.

In 2020, OfficeMax has provided \$880,000 in School Rewards. Since the programme began 13 years ago, OfficeMax has raised \$6.7 million for schools.

Education community partners

OfficeMax also supports businesses and organisations that contribute to the education community, to boost the wrap-around support for schools and education for kids in need. OfficeMax supported the following organisations in the education community in 2020:

- **NZPF - New Zealand Principals' Federation (Gold Sponsor Business Partner)**
- **SBM - School Business Managers' Association (Gold Sponsor)**
- **AISNZ - Association of Integrated Schools, New Zealand (Silver Sponsor)**
- **NZCEO - New Zealand Catholic Education Office Ltd (Sponsor)**
- **NZCPPA - New Zealand Catholic Primary Principals' Association (Bronze Sponsor)**



Provide solutions for a rapidly changing world

Our aspiration

We want to seamlessly enable New Zealanders with the tools they need for their success and prosperity

- Affordable Products & Services
- Conduct and Ethics
- **Credibility & Trust**
- **Customer Experience**
- Cyber & Data Security
- Digital & Technology Capability
- Future Planning
- Talent



Why this matters

The future of work is ever changing, with the impacts of COVID-19 and rapidly changing technology affecting where and how people work. We recognise the role we have to play in enabling others to embrace this transition to succeed in a changing world.

What we're doing

OUR GOALS:

1. Provide flexible product and service solutions

Every New Zealander has access to affordable, flexible solutions supporting their workplace needs.

No matter who you are, where you are, or how you like to work, we are committed to delivering exceptional customer solutions.

This means working with our customers directly to understand their needs. We leverage the depth of our expertise and the scale of our diverse product and services to design accessible, affordable solutions for every customer.

2. Empower the future of work

Enable our people to enable our customers to enable their business.

We are helping our talented people be all that they can today, and tomorrow.

We are embracing the digital transition to invest in the integrity of our systems and the technologies that will empower New Zealanders to succeed in local and global workplaces.

We will provide flexible solutions that support sustainable outcomes for society, environment and economy.

Our progress

DELIVERING THE ESSENTIALS

As an essential provider to businesses and schools, 2020 gave us the opportunity to test and enhance our customer-led approach. We prioritised being adaptable to our customers changing needs driven by the pandemic, ensuring clear, timely and transparent communication and by providing the right products at the right time.

Our strong supplier relationships were crucial, as we adjusted to rapidly changing and volatile customer demand. We worked to keep a strong pulse on what products our customers required and on-boarded new suppliers for certain products that our customers were asking for such as hand sanitiser, chalk, and webcams.

Our product mix changed dramatically as we started selling large quantities of products that were not usually our top sellers. Unexpectedly chalk became our number one selling product for a period during the pandemic. Our agile teams banded together and worked quickly to ensure we had enough product for

our customers to keep up with their changing needs and with Ministry of Business, Innovation and Employment (MBIE) who directed us with the supply of scarce products to front line essential providers.

We also worked with Ministry of Education to provide 60,000 school home kits and enable children to continue their learning remotely during Alert Levels 3 and 4. The packs required us to work collaboratively with other suppliers and consolidate their products and included coloured pencils, crayons, cards, scissors, sharpeners and chalk.

EVOLVING TO MEET CUSTOMER NEEDS

We are constantly looking into ways to adapt and improve our business model for customers.

COVID-19 saw a rapid increase in remote working and online shopping, both of which were sustained post-lockdown. It meant that we reviewed our business model and made the difficult decision to close our retail stores to ensure we could meet our



customers' changing preferences and remain relevant in today's market.

After a thorough consultation process with everyone involved, the stores closed on the 1st July 2020. Our people were supported through this transition and several were transitioned into other roles within the business. We employed an outside agency to provide counselling, assistance and tools to help staff migrate to their next role or chosen activity.

OfficeMax was a proud supporter of the TechCollect eWaste programme by providing drop off points utilising our retail network. With the closure of our retail network we are now working through new opportunities to be a part of the future circular economy

in managing the whole of life for the products which we sell.

Our customers can now place orders in a number of ways:

- **A fully integrated ordering system via Mulesoft**
- **Online shopping 24/7 via our website**
- **Contact centre open between 8:30am and 5pm where customers can order or call for support**
- **Account holders can also send orders by email**
- **We offer our customers free delivery with orders over \$50 excl. GST.**



EMPOWERING OUR CUSTOMERS FOR THE FUTURE

Showcasing the future

Enabling our customers means we have to continually look forward and create the solutions now that will take our customers into the future.

Construction of our first showroom in Auckland began in late 2020. The showroom concept enables our customers to visually see how our product and service solutions come together in real-life, including open-plan and remote work formats, adaptive breakout spaces, education spaces, and industrial solutions such as cleaning, safety and packaging.

These showrooms create an enhanced, interactive customer experience, including product demonstrations with a real focus on holistic solutions that will meet our customer's needs now and into the future.

We are currently the only business-to-business provider in our industry offering this experience and the positive feedback from our customers has reinforced our plans to launch showrooms in Wellington and Christchurch in 2021.

Enabling faster access to more solutions

We know our customers will need more choice, greater flexibility and speed of delivery. We have a goal to increase our product range from 25,000 to 1,000,000 by 2025 and to provide customers with a one-stop-shop for all their workplace needs, through our direct shipping option. Direct shipping means that some products will be shipped to customers directly from the suppliers, instead of coming into our distribution centre and then being shipped from us, resulting in not only a broader offer but also faster delivery times and reduced carbon emissions associated with freighting.

Supporting a sustainable future

Providing customers with more information on our products will enable our customers to make more informed choices. Increasingly, people want to better understand the environmental credentials of the products they are choosing. This includes things like the raw materials they are made from, their recyclability, product stewardship, and ethical or environmental certifications. While we provide as much information as we can about the sustainability of our products, we recognise that we have a part to play in making this easier for customers to access, interpret and make choices that support their own sustainability goals.

Getting and keeping current, information for the 25,711 products we already sell is no easy task and we will be seeking input from sustainability professionals and the Sustainable Business Network (SBN), to ensure we are providing relevant data for our customers. We will be deploying new technology to help us stay more up to date with sustainable and other product attributes during 2021.

Staying focused on the experience

OfficeMax uses Net Promoter Score (NPS) methodology to gain customer insight to enable us to continually improve our customer experience. Through this, we can better understand what we are doing well, identify any pain points and streamline our solutions.

2020 was a roller-coaster year for customer feedback and our NPS score for 2020 was 48, down 3 points from 2019. This is still considered to be a strong score for our industry with 30 being the benchmark for a well-performing business. Our negative NPS feedback for 2020 was largely around delivery delays and orders coming in separate deliveries, due to suppliers being unable to keep up with the demand and issues with shipping.

A key part of our customer communications therefore focused on keeping our customers informed of these delays, why they were happening and providing as much information as we could on when they could expect to see their products arrive.

75 percent of customers told us they felt supported by OfficeMax during COVID-19, with 50 percent of customers who answered this question feeling there was nothing more OfficeMax could do during this time to support them.

Customers have also shown increased interest in products that are sourced and manufactured in NZ, especially as COVID-19 impacted freight coming into New Zealand. Providing more local solutions for our customers is therefore a key focus in our 2025 Sustainability Strategy.

75%

**OF CUSTOMERS TOLD US
THEY FELT SUPPORTED BY
OFFICEMAX DURING COVID-19**



Maintaining resilient cyber security and data protection

Cyber security remains a global challenge across all industries, and the pandemic has intensified the risks and threats for everyone.

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. Our privacy policy lets customers know how their information is received over the internet and stored. Personal information or aggregated information is collected in line with the guidelines of the NZ Privacy Act 2020 and The Office of the Privacy Commissioner (privacy.org.nz).

Our customers have a right to access information held about them under the New Zealand Privacy Act of 2020 and we encourage them to contact us to let us know their needs.

No substantiated complaints concerning breaches of customer privacy were received in 2020.

Online customer information allows us to:

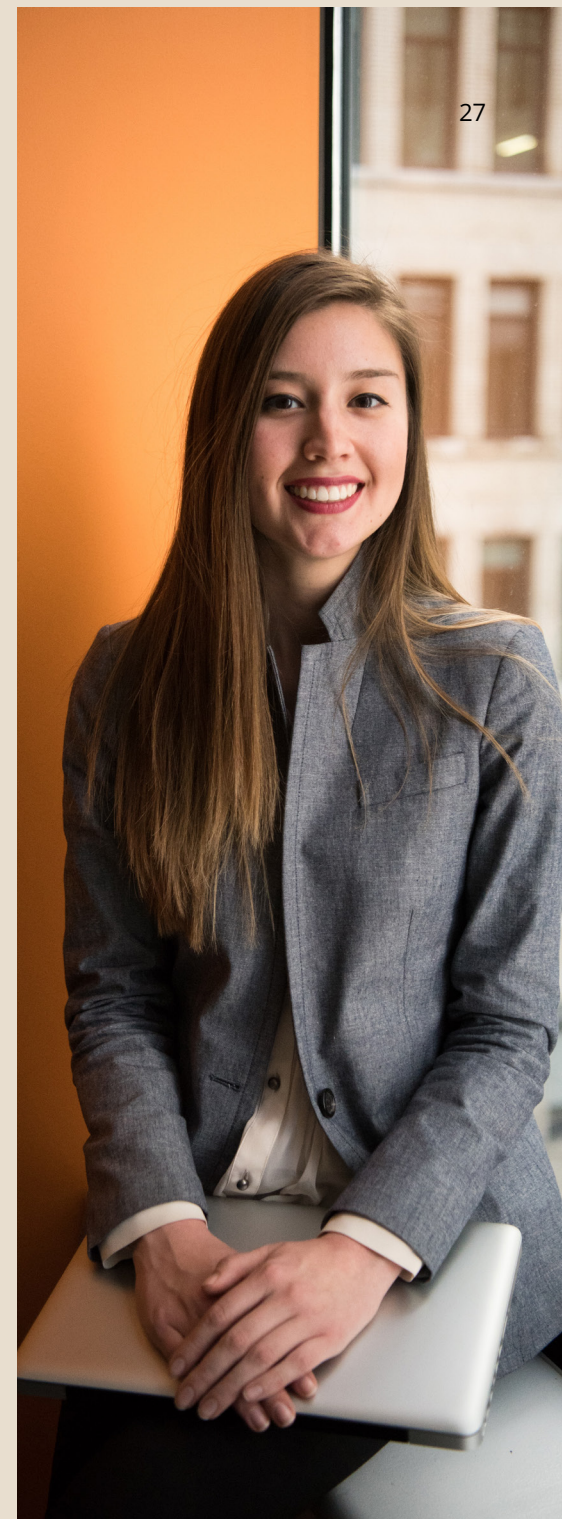
- 1. Verify a customer's identity if the customer needs help with a forgotten password or is having login problems with one of our site services.**
- 2. Process any transactions the customer might make on our site.**
- 3. Help provide any other services that the customer has requested.**
- 4. Offer the most relevant information suitable to the customer's interests.**
- 5. Provide any marketing, promotional, publicity, direct marketing or market research that we might undertake.**
- 6. Check with customers for their permission to use this information for any other purpose.**

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.



Drive a low carbon, circular economy

Our aspiration

We want to speed up New Zealand's transition to a low carbon future and the circular use of resources

- **Credibility & Trust**
- **Ethical Supply Chain**
- **Freight Efficiency**
- **Product Stewardship**
- **Reducing Carbon Emissions**
- **Sustainable Products & Services**
- **Transparency & Disclosure**



Why this matters

We recognise climate change is a major threat to our environment, economy, and wellbeing. It also presents opportunities for new products and services, technologies, and jobs. We believe business has a part to play.

What we're doing

OUR GOALS:

1. Improve the environment through our value chain

Create a positive environmental impact for everyone across OfficeMax's value chain.

We include environmental criteria in our supplier code, manage the environmental impact of our operations, and enable our customers own sustainability with access to a range of environmentally preferable products, information on the carbon impact of their order, and access to our product and packaging recycling, recovery and re-use services.

2. Support local solutions

Increase the local supply and innovation of low carbon, circular solutions.

We source New Zealand made, sustainable products and packaging innovation where possible. We provide solutions to recover or recycle end of life product and packaging, in our own backyard. By partnering with other Kiwi businesses, we can continue to grow sustainable product and service solutions that have a lower carbon impact, eliminate waste, and reduce resource consumption.

Our progress

RAISING THE BAR ON OUR ENVIRONMENTAL COMMITMENT

2025 GREENHOUSE GAS EMISSIONS TARGET

25% reduction

in our Scope 1 and 2 emissions
(base 2019)*

** Supports a 1.5 degree emissions pathway*

Our Environmental Footprint

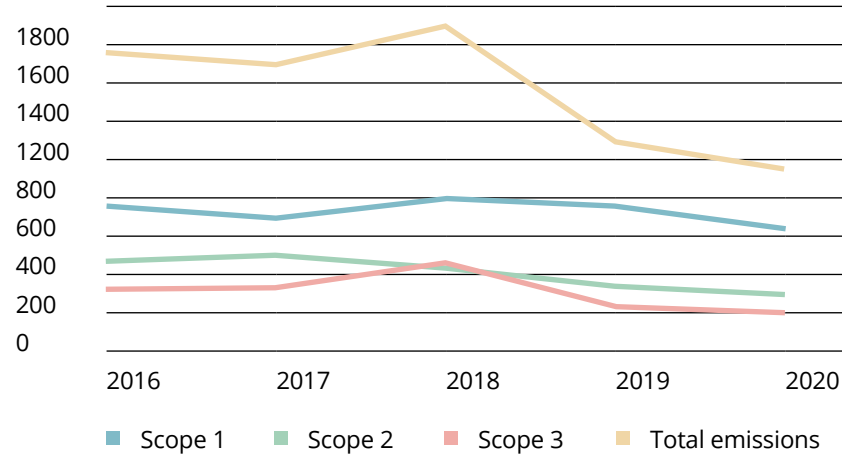
COVID-19 has not stopped the climate crisis and climate change remains one of the biggest issues of our time, as climate-related weather events continue to escalate around the globe.

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

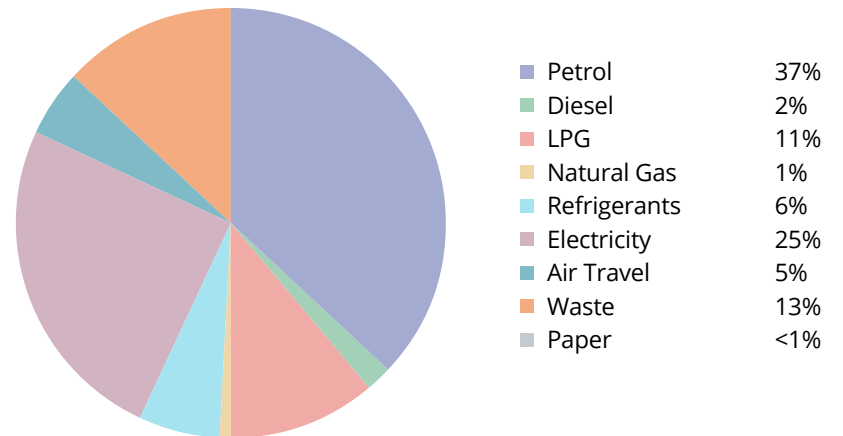
We have been tracking our environmental footprint since 2016, when we embarked on a journey with Catalyst to measure, monitor and mitigate the carbon emissions that we emit. Measuring our environmental footprint has enabled us to understand the impact we make and target areas where we can make a difference.

We achieved our 2026 emissions target six years early in 2019, so we have set a new ambitious greenhouse gas emission reduction target of a 25 percent reduction in our Scope 1 and 2 emissions by 2025. This supports a science-based pathway that limits global warming to 1.5 degrees above pre-industrial temperatures.

OfficeMax Greenhouse gas emissions progress



OfficeMax Greenhouse gas emissions by source



In 2020 we have made good progress towards our 2025 target, with a 13 percent reduction in our Scope 1 and 2 emissions. This was largely due to the closure of our retail stores as well the COVID-19 lockdowns restricting business travel. However, we have also taken a range of actions during 2020 that have helped to make a measurable difference, such as installing solar panels, smart meters to manage our electricity, and upgrading to eco-energy lighting in our distribution centre extensions. Although we expect some bounce back in our emissions as normal business activity resumes, we are committed to continuing to take action to achieve our target.

We recognise the need to review what we measure in our indirect supply chain emissions (Scope 3). These include the emissions associated with the goods and services supplied to our business and to our customers. To date we have accounted for the emissions associated with our staff air travel and waste management and are looking to expand this in line with the availability of robust data for other material indirect emissions sources, such as our freighting.



**AUCKLAND
DISTRIBUTION CENTRE
SOLAR ARRAY**

Powering our future

Electricity use makes up 25 percent of our greenhouse gas emissions profile, so we are continually looking into ways we can reduce our consumption and become smarter in the way we operate.

Solar power arrays were installed at the Auckland distribution centre at the end of 2020, which are estimated to generate 374 MWh of electricity per annum. This will power lights, air conditioning and mechanical handling equipment operating in the distribution centre. These solar arrays will go live early 2021 and save us approximately \$35,000 from our electricity bill per year.

In 2020, we have also been working hard with our energy partner, ESPNZ, to come up with innovative ways to reduce our energy consumption. We have upgraded our power monitoring system, which breaks down our energy usage into 5 minute increments.

This allows us to monitor usage and segment specific areas so that we can form targeted energy reduction strategies, such as installing light sensors and LED lighting. This upgrade has resulted in a 25-30 percent reduction in electricity usage for the Auckland site alone.

Using Auckland as a benchmark, we have also installed power monitoring technology into our new distribution centre in Christchurch. This technology will send out an alert if power usage seems irregular and we will investigate how we can improve it.

In 2020 we extended our Auckland distribution centre, and upgraded all existing lighting to LED, minimising our electricity usage, and contributing to a 9 percent drop in overall electricity usage in 2020.

100%

ELECTRIC MACHINERY

At the end of 2020 OfficeMax transitioned 100 percent of its gas powered mechanical handling equipment to electric.

This significant change in our fleet has enabled a cleaner environment within the distribution centre and means we can also use some of the energy generated from the installation of our solar panels to power the electric machinery in the distribution centre.



SUSTAINABLE SOLUTIONS

FOR OUR CUSTOMERS

Improving our packaging

Packaging is a top concern amongst our customers and this year we have continued to receive questions about what else we can do to reduce the use of plastic in our packaging. Since closing our retail stores we have been able to turn our attention towards this.

Given our products are no longer displayed in stores, we can reduce the cosmetic appearance of packaging and focus on how we can improve the environmental impacts. Additionally, our business customers are progressively buying products in bulk, a step we can encourage to further reduce packaging.

We are reviewing the packaging of all our products and working with our suppliers on innovative ways they can reduce the use of plastics and unnecessary packaging for customers.

In 2020, we began a packaging review with OfficeMax branded products and have subsequently made changes to three lines of toilet tissue, transitioning from plastic wrap to an environmental recycled wrap and grown our sales of our fully recyclable copier paper, in a fully recyclable wrap.

Removing plastic void fill for good

In 2019, OfficeMax made a commitment to reduce the use of plastic void fill – the inflatable plastic ‘pillows’ used to protect products inside their box. Although they are made of recycled material and are 100 percent recyclable, we wanted to find an alternative to soft plastics.

To enable this, in 2020 we invested \$1 million in an innovative solution to significantly reduce the packaging of products for freighting, including the use of plastic void fillers.

Two automated carton packaging systems will use our product dimensions data and smart technology to cut a box that fits the size of the contents. This will reduce freight volume and the associated carbon footprint of shipping, by reducing the size of each package.





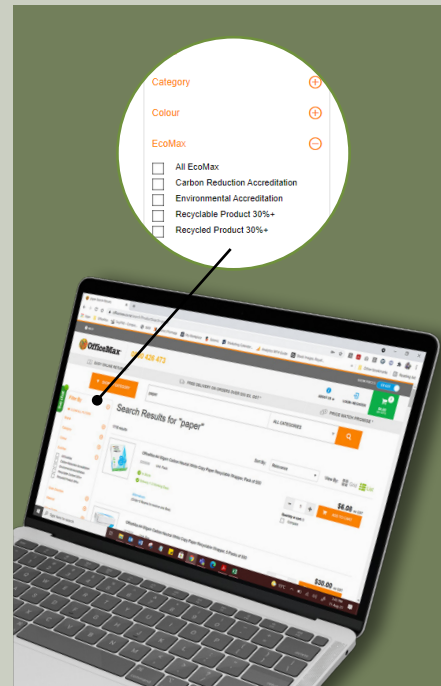
It will also mean less waste and have a positive impact on our operating costs. In addition, the packaging systems will create an internal fold within the box to support the package, therefore eliminating the need for most void fill and additional packaging materials. We are also exploring other sustainable options to enable us to totally eradicate the use of plastic void fill and utilise a sustainable void fill when there is a need.

COVID-19 has meant installation of these machines has been delayed, but the new launch date is planned for October 2021.

EcoMax products

OfficeMax EcoMax products must have a minimum of 30 percent recycled content, and/or are made from recyclable plastics, and feature one or more environmental accreditations. There were 1728 products available in the EcoMax range in 2020.

To ensure customers are well informed of our products' environmental and social footprints, OfficeMax investigates accreditations during the procurement



phase and assigns labels, such as 'Fair Trade' or 'Totally Chlorine Free' where a product meets a standard. This makes it easier for our customers who may be searching for products that meet these specific social or environmental requirements. In 2021 we intend to make these existing and other attributes more searchable on our website to enable customers to select sustainable products more readily at the point of order.

Carbon neutral paper

OfficeMax is a significant importer and seller of cut-sheet paper in New Zealand; therefore, we know it's vital for us to take a leading role in ensuring paper is sustainably sourced.

Every sheet of paper sold by OfficeMax is environmentally certified, allowing our customers to buy with confidence from us.

We only 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.**

In February 2020, we replaced our A4 and A3 Office Elements and A4 Eighty GSM copy paper with A4 and A3 Kiwi Copy, a Carbon Neutral, PEFC and AFS certified paper. With A4 white copy paper making up 20 percent of our contract with government agencies, we are able to support the government's own decarbonisation goals. By switching from these papers to Kiwi Copy, the half a million reams of paper we supply to these agencies will provide significant emissions reductions – equivalent to taking 899 cars off New Zealand roads for an entire year.



It's a wrap

One of the key questions our customers have asked is 'why does paper have to be wrapped in plastic?' Although this has historically been to protect the paper inside from being exposed to adverse climatic conditions in transit, in March 2020 we were first in New Zealand to launch a solution that meant we could discontinue plastic wrapping.

The OfficeMax Multipurpose Carbon Neutral copy paper now not only has zero emissions, is 100 percent recyclable and FSC® certified, but also has a plastic-free wrap.

This paper is by far our biggest seller and if our government agency customers switched all A4 80gsm White

Copy Paper purchases to our OfficeMax Multipurpose Carbon Neutral copy paper we estimate we will be able to divert over 20 tonnes* of waste from landfill each year.

* Assumes copy paper wrap is recycled 100 percent of the time.

Calculating the carbon cost of freight

Since 2015, OfficeMax has provided 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.



**INCREASING SOCIAL
IMPACT BY REDUCING
ENVIRONMENTAL IMPACT**

Our partnership with All Heart NZ Charitable Trust

OfficeMax has a strong relationship with All Heart NZ Charitable Trust which provides a method for businesses to re-direct and re-purpose their pre-loved office furniture to reduce waste and subsequently, by re-purposing the products, support communities across New Zealand and the Pacific.

In 2020, OfficeMax repurposed 43 items of furniture from Manukau Institute of Technology, weighing 1,405kg. This resulted in avoiding 1.67 tonnes of greenhouse gas emissions and created a \$3,610 social impact value, which is measured by the local community's ability to re-use, re-purpose and re-sell the items, with 100 percent of the benefit going to people in need.

In December 2020 All Heart NZ helped us dispose of unwanted office furniture in order for us to establish our showroom in Auckland. OfficeMax donated 299 items we no longer needed, weighing 11,840kg to communities in need. This resulted

in avoiding 14.09 tonnes of carbon emissions and providing a \$30,428 benefit to the community.

Giving stock a second chance





Every year we also donate expired, damaged, returned and unsaleable stock to a number of different charity partners. While this stock may not be perfect, we ensure that it is fit for purpose and suitable to get a second life before it is received by the individuals or groups who will benefit from the donation. By doing this we are helping charities in need and keeping these items out of the landfill.



577kg

OF UNSALEABLE FOOD ITEMS SUCH AS DENTED COFFEE TINS, TEA BAGS, CHOCOLATE WERE DONATED TO FAMILIES STAYING AT THE RONALD MCDONALD HOUSE

GIVING STOCK A SECOND CHANCE

<u>CHARITY</u>	<u>WEIGHT OF STOCK DIVERTED FROM LANDFILL</u>	<u>TYPE OF STOCK</u>	<u>DONATED TO</u>
	29,968kg	Damaged (non-repairable) stock, obsolete stock, diaries, damaged returned goods, unused equipment	Community groups, schools, All Heart NZ stores, Pacific Nations
	577kg	Unsaleable food items such as dented coffee tins, tea bags, chocolate	Families visiting and staying at Ronald McDonald house
	554kg	Unsaleable food items such as dented coffee tins, tea bags, chocolate	Families visiting and staying at Mercy Hospice
	666kg	Food items close to expiry – 232kg of cereal, 434kg of chips	Auckland City Mission distribution centre for their community

In September 2020, we also partnered with the NZ Food Network, whose aim is to collect the surplus supply of food and grocery items from producers, growers and wholesalers and to distribute it to food rescue organisations across the country.

IN 2020 OFFICEMAX MADE THE FOLLOWING CONTRIBUTIONS TO THE NZ FOOD NETWORK.



\$6,500
OF HAND SANITISER



\$140,000
OF DIARIES TO ISLAND NATIONS



\$4,500
OF SCHOOL SUPPLIES TO AWAPUNI SCHOOL IN GISBORNE

BRINGING OUR SUPPLIERS ON THE JOURNEY

Broader outcomes for all

Sustainable sourcing is becoming increasingly more important to our customers and to our own business.

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

Environmental, social and governance questions are increasingly featuring in tenders, RFPs and in discussions with prospective customers. 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 (AoG) supply partner with more than 23 percent of our sales revenue related to central and local government agencies, and state schools. Currently OfficeMax continues to work through multiple initiatives, directly with MBIE, to support the New Zealand Government to deliver on these ambitions.

We want to ensure that our suppliers uphold the same standards as we do on aspects such as working conditions, employee rights, pay and environmental performance.

This gives assurance to our customers that our products are sourced ethically and support their own sustainability requirements. Having a rigorous and transparent approach to our sourcing also enables us to expand the potential social and environmental impact we can make as a business, through our value chain.

OfficeMax has in place formal contracts which ensure our suppliers meet the standards of our Social Compliance Policy and procedures, and our Business Partner Standards. Our Business Partner Standards are publicly available at officemax.co.nz/business-partner/standards and include Supplier Guiding Principles covering our standards for the working conditions of our suppliers' employees.

We are committed to continuing to raise the bar on our sustainable sourcing process, which is why we will be developing a Responsible Supply Chain Code as part of 2025 Sustainability Strategy. Building on our existing policies and procedures, and what we have learned through our own brand audits, our Responsible Supply Chain Code aims to address social, environmental and governance risks across our full range of 25,711 products, in 140+ categories, sourced from over 500 suppliers.



OfficeMax own brand products

More than 3,741 of our 25,711 products are OfficeMax branded products. When a customer picks up an OfficeMax branded product, they can be assured it has been through an extensive audit process.

For our own OfficeMax branded products, we conduct annual social compliance audits on our factories overseas to ensure they meet our stringent ethical standards. Each factory is audited, assessed and given a score on health and safety, housing, working hours, ethics, freedom of association, environmental compliance and remuneration.

For the previous few years we have been requesting a copy of the supplier's environmental policy and evidence of its commitments, as well as gathering information on product packaging, safety, recyclability, disposal and the end-of-life prospects. Our process enables suppliers who do not meet our standards a period of time to rectify any non-compliance matters, however if they are unable to make the necessary change(s) we will discontinue using them and have done so in the past.

1. RESEARCH

We do thorough research to determine if the supplier has a good reputation.

We check for 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.

3. ESTABLISH

Suppliers complete a Global Self-Assessment Survey (GSAS) with evidence required to back up their claims. The GSAS is reviewed diligently prior to a supplier being accepted by OfficeMax and serves as a benchmark for future reference.

If the factory passes, and the auditors and OfficeMax in New Zealand are satisfied with the audit report, we set the supplier up in our system and start trading.

2. AUDIT

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.

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. CHECK

Our auditors will return to the factory every year to ensure ongoing compliance.





Managing supplier audits during lockdown

Conducting factory audits in 2020 proved to be a logistically challenging exercise due to COVID-19. OfficeMax had to change its approach to audits and spilt the factories up into high and low risk countries. Undertaking audits in China and South East Asia were manageable but Malaysia and Indonesia proved difficult, with audits being postponed multiple times as these countries went into various stages of lockdown.

During New Zealand's first lockdown, there was a shortage of PPE gear and OfficeMax had to on-board new suppliers for these products to ensure we could meet New Zealand's demand for these items at a critical time. Conducting the standard audit process was challenging, with numerous countries already in lockdown. OfficeMax reviewed the most recent third-party audits for these new suppliers and only on-boarded those that met our standards. Once restrictions were lifted, we were able to conduct our own thorough audits on these factories.

In August 2020, when the Government made wearing masks mandatory on public transport, OfficeMax ensured diligent auditing of supplier factories was undertaken so that we were satisfied that the large volumes needing to be supplied were ethically sourced.

Although COVID-19 made factory audits slightly more difficult in 2020, we undertook 66 audits and all factories passed our compliance standards.

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

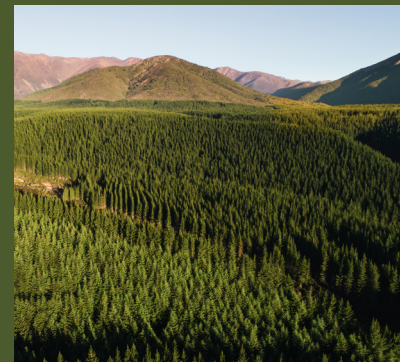
We received an Enviro-Mark® NZ Gold certification for our three main operations. This was upgraded to Enviro-Mark® NZ Diamond across our entire organisation in 2009.

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.

2009

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



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 5percent and landfill programmes reduced landfill waste by 10percent.

2011

We gained ISO 14001 accreditation, which we still hold.



2011

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.



2014

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.

2015

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

2016

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

2018

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

2019

OfficeMax 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.

2019

OfficeMax achieved our 2026 emissions reduction target six years early.

2020

OfficeMax transitioned 100 percent of our distribution centre manual handling machinery to 100 percent electric.

2020

OfficeMax achieved its ISO 14001 3-year recertification.

2020

OfficeMax donated over \$1 million through Max e-Grants, helping 15,551 disadvantaged children since the programme began.



PERFORMANCE DATA

Indicator	2020	2019
Headcount	531	657
Fulltime equivalent	504	616
Employee turnover rate	28.5%	23.4%
Woman in leadership	42%	44%
Male:Female ratio	4:6	4:6
Total Recordable Injury Frequency Rate	6.09	17.97
Community Investment (\$)	1,257,848	N/A
Net Promoter Score	48	51
OfficeMax brand products	3,179	1,200
Products from New Zealand-based suppliers*	91%	95%
Greenhouse gas emissions - Total CO₂e (T)	1,124	1,298
Scope 1	635	752
Scope 2	285	312
Scope 3	204	234
Fuel		
Petrol (L)	171,260	220,011
Diesel (L)	6,149	1,254
LPG (kg)	40,450	49,059
Natural gas (kWh)	32,669	32,309
Refrigerants (kg)	33	31
Electricity (kWh)	2,712,432	2,949,618
Air travel		
Domestic (km)	408,015	462,850
International (km)	86,954	126,731
Waste to landfill (kg)	110,753	106,783
Recycling (tonnes) – paper, plastics & cardboard	253	N/A

* Includes overseas suppliers with operations in New Zealand, as well as New Zealand-owned and operated suppliers, assemblers or manufacturers.



GRI Standard Disclosure	Disclosure	Description	Page	Omission	
Organisational profile	102 - 1	Name of organisation	1		
Strategy	102 - 2	Activities, brands, products, and services	3		
	102 - 3	Location of headquarters	3		
	102 - 4	Location of operations	3		
	102 - 5	Ownership and legal form	3		
	102 - 6	Markets served	3		
	102 - 7	Scale of the organisation	3; 8; 41		
	102 - 8	Workforce	16; 41		
	102 - 9	Supply chain	8; 31-32; 36;		
	102 - 10	Business changes	5-6; 8; 36; 40; 41		
	102 - 11	Precautionary principle	19		
	102 - 12	External initiatives	20-22; 32; 34-35;		
	102 - 13	Memberships of associations	14		
	Strategy	102 - 14	Statement from senior decision-maker	5-6;	
Ethics and integrity	102 - 16	Values, principles, standards	8; 13		
Governance	102 - 18	Governance structure	14		
Stakeholder engagement	102 - 40	List of stakeholder groups	8		
	102 - 41	Collective bargaining agreements	N/A	One collective agreement in place covering 20% employees	
	102 - 42	Identifying and selecting stakeholders	8-9; 36		
	102 - 43	Approach to stakeholder engagement	8-9;		
	102 - 44	Key topics and concerns raised	8-12;		
	Reporting practice	102 - 45	Entities included	3	
		102 - 46	Defining report content and topic boundaries	3; 5-6; 8-9	
102 - 47		Material topics	9-13;		
102 - 48		Restatements of information	41		
102 - 49		Changes in reporting	5-6;		
102 - 50		Reporting period	3		

GRI Standard Disclosure	Disclosure	Description	Page	Omission
	102 - 51	Date of most recent report	3; 41	
	102 - 52	Reporting cycle	3	
	102 - 53	Contact	44	
	102 - 54	GRI compliance	3	
	102 - 55	GRI content index	42-43	
	102 - 56	External assurance	N/A	Not undertaken
Management approach	103 - 1	Explanation of material topics	9 - 13	
	103 - 2	Management approach	15 - 38	
	103 - 3	Evaluation of management approach	14	
Material topics				
Economic	204 - 1	Procurement practices	3; 28; 41	
Environmental	302 - 1	Energy consumption within the organization	29 - 30; 41	
	302 - 4	Reduction of energy consumption	30; 41	
	305 - 1	Direct (Scope 1) GHG emissions	29 - 30; 41	Emissions factors are sourced from the New Zealand Ministry for the Environment (2020); An operational control consolidation approach has been used
	305 - 2	Energy indirect (Scope 2) GHG emissions	29 - 30; 41	Emissions factors are sourced from the New Zealand Ministry for the Environment (2020); An operational control consolidation approach has been used
	305 - 3	Other indirect (Scope 3) GHG emissions	29 - 30; 41	Emissions factors are sourced from the New Zealand Ministry for the Environment (2020); An operational control consolidation approach has been used

GRI Standard Disclosure	Disclosure	Description	Page	Omission
	305 - 5	Reduction of GHG emissions	29 - 30; 41	Emissions factors are sourced from the New Zealand Ministry for the Environment (2020); An operational control consolidation approach has been used
	306 - 2	Waste	31-35; 41	Includes waste to landfill from OfficeMax sites
	308 - 1	Supplier environmental assessment	8; 37; 38	
Social	401 - 1	Employment - New employee hires and employee turnover	41	Results are at an aggregate (organizational) level only
	403 - 1	Occupational health and safety management system	19	
	403 - 3	Occupational health services	19	
	403 - 6	Promotion of worker health	17; 19	
	403 - 7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	19	
	405 - 1	Diversity of governance bodies and employees	41	Age groups not measured
	413-1	Operations with local community engagement, impact, assessments and development programmes	13; 19-22; 41	
	414 - 1	Supplier social assessment	8; 36	
	418 - 1	Customer privacy	27	



LET'S GET IT DONE TOGETHER

We encourage feedback on this Sustainability Report. Please share your thoughts with us at sustainabilityreport@officemax.co.nz

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