



GRAND&TOY®

living values

2007 Corporate Social Responsibility Report

Executive Summary: Canada



OfficeMax®

Grand & Toy is a wholly owned, independently operated subsidiary of OfficeMax Incorporated.

welcome.

"Living Values reflects our progression from the initial planning of Grand & Toy's multi-year Sustainability Vision to implementation on a number of our 15 company-wide sustainability priorities."

– Gary D'Andrea, Chief Operating Officer, Grand & Toy

Thank you for your interest in our company's Corporate Social Responsibility (CSR) performance. This Executive Summary focuses primarily on the activities of Grand & Toy, which is a wholly owned, independently operated subsidiary of U.S.-based OfficeMax Incorporated.

The document both consolidates information from the OfficeMax 2007 CSR Report, entitled "Living Values," and provides additional insight on Grand & Toy. The full OfficeMax report, along with a separate Executive Summary featuring our U.S. and global operations, can be found at <http://about.officemax.com/csr>. Unless otherwise stated, all information in this Executive Summary pertains to Grand & Toy.

Company profile

Grand & Toy is the largest commercial office products company in Canada and a wholly owned, independently operated subsidiary of OfficeMax Incorporated. We provide office supplies, technology, interiors, imaging, and professional services. Our home office is in Toronto, Ontario, we employ 2,200 associates and operate 26 commercial sales offices, seven distribution centers, and over 40 retail locations throughout Canada.

OfficeMax is a leader in both business-to-business office products solutions and retail office products. Headquartered in Naperville, Illinois, United States, OfficeMax is a publicly traded company (NYSE: OMX) with nearly \$9 billion in annual sales, approximately 36,000 associates, over 1,000 stores worldwide, and a range of business services.

In 2007, we selected KidsFest as the primary beneficiary for our community outreach efforts, to support quality education for financially disadvantaged Canadian school children.



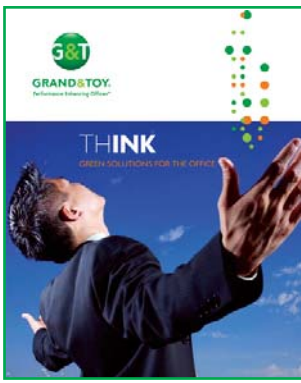
Governance and strategy

Grand & Toy is governed by the OfficeMax Code of Business Conduct and Ethics, which sets forth the ethical and legal guidelines to which all officers, employees, associates and agents of OfficeMax and of each of its subsidiaries and other companies that it controls throughout the world, must subscribe.

In 2007, to achieve greater business synergies and efficiencies, and better align with OfficeMax's CSR efforts, Grand & Toy took the following measures:

- Restructured our organization so that Business Development, Sales, Marketing, and Supply Chain operate as a combined Canadian unit, while Finance, Human Resources and Information Technology report directly into the corresponding OfficeMax corporate teams.
- Re-focused our community outreach efforts on future generations to align with our ongoing Grand & Toy sustainability efforts.
- Introduced a multi-year Sustainability Vision, guiding our commitment to creating environmental and social policies that nurture, support and inspire people, and enabling us to continue leading the way for the solutions Canadian businesses depend upon.
- Implemented programs to reduce costs and environmental impacts.

For consistency, this document is organized along OfficeMax's five CSR themes: **Community and Education, Natural Environment, Diversity and Inclusion, Working Environment, and Customer Value.**



In 2007, our THINK Ink & Toner Cartridge Recycling Program facilitated the recycling of over 230,000 cartridges.

Corporate Social Responsibility themes

Community and Education

KidsFest

In selecting the KidsFest organization as the primary beneficiary of our community outreach resources, we supported the OfficeMax Corporate focus on education and the "Impacts on Communities" pillar of the Grand & Toy Sustainability Vision.

KidsFest partners with businesses, schools and communities to improve academic achievement, physical fitness and social interaction for financially disadvantaged Canadian children.

Grand & Toy assisted KidsFest in the following ways:

- Donated over \$132,000 (in-kind or financial) to the organization (inclusive of the figures provided below).
- Sponsored the KidsFest backpack program, collecting school supplies from our vendors then hand-filling and distributing 4,000 backpacks (\$125 value each).
- Provided warehousing facilities.
- Helped raise over \$22,000 in donations.

Other Grand & Toy community outreach

- Provided more than \$100,000 in associate donations and matching funds to United Way organizations throughout Canada.
- Provided financial or in-kind donations to more than 50 organizations.

Outreach around the world

- Our U.S. Operations sponsored *A Day Made Better*, honoring and rewarding 1,000 public school teachers on the same day.
- Our 51 percent-owned joint venture in Mexico began upgrading a school in one of Mexico City's most economically disadvantaged areas.
- Our operations in Australasia launched "Max e Grants," a small grants program to assist children with basic school needs.

Natural Environment

Sustainability Vision

While the Grand & Toy Sustainability Vision extends beyond environmental considerations, the first three of the Vision's seven "pillars" are environmental in nature, and each contains an environmental component.

In executing against the Vision, much of the early focus has been on the environmental objectives.

2007 Grand & Toy environmental advances

- Integrated two cartridge recycling programs into the reinvigorated THINK Ink & Toner Cartridge Recycling Program, facilitating the return of 237,000 cartridges and averting the equivalent poundage of plastic from the waste stream.
- United our Supply Chain, Logistics and Retail Sales functions in halting production of unnecessary or duplicate packing slips, saving money and paper.
- Implemented a value-added Web-based invoice presentment solution, resulting in a first-year 6 percent reduction in paper and a \$90,000 savings.
- Began using corrugated shipping containers made with 85 percent post-consumer fiber.
- Recycled more than 80 percent of the corrugated containers and paper used in our operations.
- Added Boise Cascade® Forest Stewardship Council (FSC) certified office paper grades to a product line that bears internationally recognized forest and manufacturing environmental certifications on 97 percent of our paper sales.

2007 U.S. Operations environmental advances

- Cut CO₂ emissions by 9 percent, despite opening a net 65 new stores.
- Issued U.S. Operations Paper Procurement Policy.
- Reduced distance traveled by its business-to-business sales and delivery fleet by 32 percent, thanks to logistics changes developed in 2006.

Overview: Grand & Toy Sustainability Vision

Environmental Footprint
Minimize environmental footprint in supply-chain carbon intensity, packaging, recycling and waste, and facilities footprint.

Products Stewardship
Develop the most successful line of environmentally friendly offerings.

Sustainable/Ethical Sourcing
Accelerate market penetration of more sustainable paper; embed CSR in supply chain.

Customer Partnerships
Be recognized as the partner in progress towards a sustainable office model.

Impacts on Communities
Empower local communities toward sustainability.

Employment Practices
Develop internal capability and expertise to deliver on sustainability objectives.

Communications and Reporting
Be recognized by our key stakeholders as the most progressive sustainable office supplies company in Canada.

Diversity and Inclusion

Grand & Toy is committed to the principles of Employment Equity.

Through our Employment Equity program, Grand & Toy works in a proactive manner to ensure that aboriginal peoples, persons with disabilities, visible minorities and women are equitably represented at all levels of employment within the company. We strive to ensure that our workforce reflects the communities in which we operate.

In 2007, we advanced our Employment Equity program through the following activities:

- On-going planning processes to eliminate barriers in the workplace that may prevent the full participation of current and potential associates.
- Collection of Employment Equity information through a new-hire survey that new associates self-complete at the time of hire.
- Began the process of joining the Canadian Aboriginal and Minority Supplier Council (CAMSC), the leading organization in Canada dedicated to the economic empowerment of socially and economically disadvantaged communities through business development and employment.

Working Environment

Grand & Toy strives to hire and promote our associates based on their abilities, to eliminate any systemic discrimination in the workplace, and to provide a favorable climate where equality in employment can flourish. The company prefers building and maintaining associate trust directly, but honors and upholds their rights to join or form a union for the purposes of collective bargaining, or to refrain from that association. Currently, approximately 22 percent of our workforce is covered by collective bargaining agreements.

In 2007, the following advances were made:

- Increased the potential financial benefit of our annual Brian Brydges associate scholarship program by 60 percent.
- Earned the prestigious *Contact Center Employer of Choice Certification*, making us the first office products company in Canada to do so.



GRAND&TOY.

This document features an overview focusing on the Grand & Toy portions of the OfficeMax 2007 Corporate Social Responsibility Report. To conserve resources, we have published our full report on the Web at <http://about.officemax.com/csr>.

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- Launched two new professional training programs: *Sales Pinnacle* and *Leader's Edge*. *Sales Pinnacle* educates sales associates about our business strategy and the role they play in it. *Leader's Edge* teaches our sales leaders how to better understand and direct our sales team and drive the success of our strategy.

Customer Value

Grand & Toy offers long-term, sustainable product and procurement solutions for companies of all sizes. Over the past couple of years, Grand & Toy has developed a new business-to-business model involving strategic supply sourcing to better serve our customers, and underwent a complete re-branding program.

In 2007, we achieved the following:

- Launched an educational and promotional campaign to encourage customers to make simple process changes to benefit both themselves and the environment.
- Instituted significant enhancements to our already robust e-business service by making significant upgrades to our Web site, with more planned for the future.
- Began working with findings from the Grand & Toy Customer Satisfaction Study, conducted in December 2006. The study was conducted to track the impact of our current relationship with our customers, understand customer needs, identify issues and opportunities, and measure customer satisfaction.
- Contracted with an expert third-party resource to conduct exhaustive research and analysis to help determine Grand & Toy's position regarding business sustainability within the office products industry. This effort helped shaped our Sustainability Vision and supports our goals to lead the market, provide value to our customers with "greener" offerings, and help customers become more sustainable.

Stakeholder engagement

Grand & Toy engages with a wide variety of stakeholders, mainly in the areas of environmental stewardship. We also dialogue with non-governmental organizations on productive requests for engagement.



Grand & Toy became the first office products company in Canada to earn the prestigious Contact Center Employer of Choice Certification.



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