



2011 CORPORATE SOCIAL RESPONSIBILITY REPORT



LETTER FROM THE COO

For nearly 130 years, Grand & Toy has been one of the leading providers of office solutions in Canada. Today, our customers look to us for solutions to help them operate their business more sustainably. Helping our customers become sustainability leaders in their own right is at the core of our sustainability vision, and we are proud of everything we have accomplished together.

Achieving our vision starts by integrating sustainability into our business strategy and making it a natural part of the way we do business. The results are greater operational efficiencies plus knowledge and expertise, which enable us to lead by example. Sharing our lessons and partnering with our customers helps us to build strong partnerships for sustainability and innovation.

In 2010, we were successful in putting our commitments into action and demonstrating how Grand & Toy adds value. Thank you – to our customers for encouraging us to be better and for partnering with us, to our Associates and sales force for demonstrating true leadership in integrating sustainability throughout our business, and to our parent company, OfficeMax, for supporting us along the way.

I invite you to learn more by reviewing our 2011 Online CSR Report at grandandtoy.com/csr2011, and I hope you will be encouraged to join our partners and us as we work together towards an even better future.



GARY D'ANDREA
Chief Operating Officer





BE BETTER

Grand & Toy has made a company-wide commitment to be a leader and a partner on the journey towards sustainability. We've demonstrated just how much can be accomplished when we work together to be better for the environment, our communities and business. And we've learned that being better isn't a finish line – it's just the beginning.

BE BETTER FOR THE ENVIRONMENT

Grand & Toy thinks about the environment with every product, purchase and delivery. We work to find solutions that are better for the environment and we continuously strive to lead by example.

By eliminating nearly 120 Information Technology machines in favour of a virtual operating environment, **we reduced energy consumption by 749,279 kWh – the equivalent of planting 2,400 trees or taking 85 cars off the road.**

In 2010, we initiated the replacement of old light fixtures with high-efficiency lighting in our Vaughan Customer Fulfillment Centre and sales office, which will **conserve over 500,000 kWh of electricity each year.**

More environmentally preferable products and solutions mean it's easier to make the right procurement decisions for the environment. Revised criteria for our "environmentally preferable" product designation enabled Grand & Toy to identify **26% of all products in our ordering guide as environmental alternatives to traditional products.**

Grand & Toy customers made a choice for the environment by selecting our paperless invoicing option. In 2010, the number of our customers in e-invoicing programs **increased by 52%, saving nearly 250,000 pages of paper annually.** (For more information, visit grandandtoy.com/einvoicing.)



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The Purchasing Management Association of Canada (PMAC) recognized Grand & Toy's 48-hour delivery program as an innovative, environmentally preferable procurement solution with their Supply Chain Excellence Award.

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Grand & Toy was awarded for “Highest Customer Satisfaction” in the retail/service industry and “Highest Customer Interactive Voice Response Navigation to the Right Associate” in all industries. (2010 Service Quality Measurement (SQM) Group Awards)

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BE BETTER FOR OUR COMMUNITIES

Helping communities to be better requires more than just a financial commitment. Grand & Toy donates time, products, solutions and tools for building better communities that will help sustain future generations.

Teachers play an important role in every community, and, in Canada, they spend about \$453 a year of their own money on essential supplies for their classrooms. Through the A Day Made Better program, **Grand & Toy was proud to surprise and recognize 12 deserving teachers across Canada with a new chair and office supplies valued at about \$2,000.**

(For more information, visit grandandtoy.com/betterday.)

Our Associates volunteered their time to fill and **deliver over 7,000 backpacks for START2FINISH**, a charity that provides underprivileged children with a backpack filled with school supplies.

Grand & Toy partnered with Boise Inc. for the Quarter per Carton Campaign. In June, every carton of recycled Boise paper sold resulted in a 25-cent donation to Learning for a Sustainable Future (LSF). **A total of \$15,000 was raised for sustainable education programs.**



BE BETTER FOR BUSINESS

Sustainable businesses are those that have vision, courage and strong partnerships. By working together with our customers and piloting new programs, we are helping Canadian businesses to solidify their environmental commitment. By sharing our knowledge of procurement behaviours and impacts, Grand & Toy is helping our customers make smarter choices.



A unique collaboration with McMaster University led to our first large-scale reusable tote pilot, eliminating approximately 20,000 corrugated boxes and reducing Grand & Toy's carbon footprint specific to McMaster deliveries.



A Right Day delivery program with BMO Financial Group consolidated orders, reduced total deliveries and increased delivery efficiency. The result was a reduction in emissions and shipping materials. A good idea is worth sharing and we are proud that 5,875 customer accounts have adopted this program since 2009.

2011 GRI HIGHLIGHTS

EN14 – REDUCING ENVIRONMENTAL IMPACT

Initiatives to reduce the use of paper in Grand & Toy's business transactions have helped to reduce our impact on forests and natural resources. In 2010, the company reduced the number of printed ordering guides by 25% and continued to encourage customers to order online. An increase in the use of e-invoicing by customers contributed to a 35% increase in paper savings in 2010 over 2009.

EN16 – GREENHOUSE GAS (GHG) EMISSIONS

Total emissions from all activities were 6,739.8 tonnes of CO₂e in 2010 compared to 7,316.8 tonnes in 2009. The reduction was achieved through decreased fuel consumption resulting from better optimized distribution routes and some store closures, and decreases in natural gas and electricity consumption as a result of efficiency improvements and energy conservation practices.

EN26 – ENVIRONMENTAL IMPACT OF PRODUCTS

In 2010, we increased the percentage of environmentally preferable products we purchase for our own needs to 22.5% of our total spend on internal office supplies. Environmentally preferable products have at least one of the following features: a minimum of 30% post-consumer waste; a third-party environmental certification; or another sustainability attribute.

EN22 – WASTE DIVERSION

72.8% of waste was diverted from landfill through recycling initiatives in 2010, compared to 71% in 2009. This includes corrugate, shrink wrap, scrapwood and mixed recycling (plastic, glass and paper) in our seven Customer Fulfillment Centres.

LA10 – EMPLOYEE TRAINING

In 2010, we invested in training to help our Associates work safely and improve skills. The total hours of training for all Grand & Toy Associates increased by 79% to 5,066 hours.

SO1 – ENGAGING COMMUNITY AND STAKEHOLDERS

Grand & Toy reached 500 people through the popular Lunch and Learn program to educate customers on environmentally preferable products and practices. This represents 31% more people reached in 2010 than in 2009.

EC8 – COMMUNITY INVESTMENTS AND DONATIONS

The monetary value of ad hoc donations given in support of charitable organizations was \$237,119.92 in 2010 – an 8% increase over 2009. During the year, Grand & Toy streamlined its social outreach strategy to focus on two key areas: education for underprivileged children and the environment.

BE EVEN BETTER

Grand & Toy is helping Canadian businesses make progress on Corporate Social Responsibility initiatives, and we are powering their potential to lead the journey towards sustainability. By embracing this role, we are also transforming the way Grand & Toy does business.

By working together, we can be even better for our environment, communities and businesses.

To learn more about Grand & Toy's Corporate Social Responsibility progress and goals, visit
grandandtoy.com/csr2011

