

A top-down view of a rustic wooden desk. In the top right corner is a small potted succulent. Below it is a yellow sticky note. To the right of the center is a white coffee cup filled with dark liquid. Below the coffee cup are a pair of black-rimmed glasses. In the bottom right corner is a silver tablet with a black screen. The text 'sustainability' is written in large white letters across the upper left portion of the image.

sustainability

A WAY OF BUSINESS
FOR US

A RESOURCE
FOR YOU

Growing Our Impact In 2018



scalability

OUR CUSTOMERS ARE THE FOCUS OF EVERYTHING WE DO.



For over 135 years, Grand and Toy Limited has provided workplace products and solutions to Canadian businesses. Today our shift into a new, more solutions-oriented model has expanded our offerings and provided our customers with the resources they need to focus on starting, growing and running their business.

Last year we moved to a new energy-efficient head office in Vaughan, Ontario, upgraded our fleet to include more fuel-efficient vehicles and increased our greener product and service offerings. In addition, our long-standing culture of giving is highlighted through the Pause And Affect program, which focuses on the company's core philanthropic values. These are efforts fueled by a passion for doing better – for our planet, for our people and for our continued prosperity.

Our sustainability initiatives have followed the same path – we started with an internal commitment to reduce our environmental impacts, build a great place to work, and support our communities, but soon recognized that our customers share the same concerns on how to manage their impact for the better. This is why our sustainability efforts extend outward: by supporting the social and environmental values of our customers, we can significantly scale our impact beyond our own walls and into the workplace of every customer.

We are grateful to our customers for engaging us to serve them in this unique capacity and excited for how our offerings and impacts will continue to grow!

Stan Dabic
Vice President, Canada

The background of the entire page is a close-up photograph of various green plants, including ferns and broad-leafed species, creating a dense, textured pattern of green.

PLANET

planet

WE TAKE A LIFECYCLE APPROACH TO OUR PRODUCTS AND SERVICES, AND DELIVER THEM WITH EFFICIENCY IN MIND.

In our efforts to be good stewards of the planet, we focus on the lifecycle of the products we use in our operations and the ones we provide to our customers – from procurement to disposal. The GreenerOffice™ **Shades of Green** rating system – adopted from our parent company, Office Depot, Inc., – helps us define our purchasing priorities and creates a relatively simple method for customers to compare similar products and make purchasing choices that could be considered greener for one or more reasons. After use, our recycling programs begin to close the loop as we focus on ways to avoid sending waste to the landfill.

We also pay attention to the carbon footprint of our operations: our energy use and carbon footprint reduction efforts make sense from both a business and environmental perspective, since increasing our operational efficiency often delivers both cost and emissions savings. Our customers benefit from these efforts as well, primarily through our transportation efficiencies.

products

FOR US

Grand & Toy looks at a variety of attributes and certified eco-labels to formulate a consistent, credible and transparent strategy for buying progressively greener office products. We prioritize this green purchasing by focusing on specific product categories and environmental issues that are important and impactful to our society.

20 ENVIRONMENTALLY-CONSCIOUS ATTRIBUTES THAT HELP TO AVOID WASTE, EMISSIONS & CHEMICAL EXPOSURE



16 3RD PARTY-CERTIFIED ECOLABLES IN OUR PRODUCT OFFERINGS

including, but not limited to, Forest Stewardship Council, GreenGuard, GreenSeal, etc.



FOR YOU

The GreenerOffice™ Shades of Green rating system is a prominent innovation in the office product industry. It identifies each product's environmental benefits under a level of green indicator, making it easy for our customers to compare their green purchases and meet their goals.

66 PERCENT OF PRODUCTS

in our GreenerOffice assortment are mid- or dark green



4,497 NUMBER OF PRODUCTS

have at least one meaningful green attribute or ecolabel

disposal

FOR US

Waste is one of the most relevant measures of our environmental impact. In 2017, we partnered with Partners in Project Green & Waste Management to increase recycling rates, initiate waste awareness programs and conduct waste services evaluations across the country to reduce trips to the landfill. We also conducted waste audits at our head office, made recommendations to track organic waste and increase employee awareness.



81

PERCENT
DIVERSION RATE

340



METRIC TONS
OF RECYCLABLE WASTE
diverted from landfill

FOR YOU

We know waste is a challenge for our customers as well, which is why we are proud to offer take-back programs for closed-loop recycling. We provide a range of options for recycling everyday office items such as ink & toner cartridges, cellphones, batteries, coffee capsules and technology.



CARTRIDGES
OF TONER AND INK
*remanufactured
or recycled for
customers*



863

ZERO WASTE
BOXES
PLACED FOR CUSTOMERS
*in partnership with
TerraCycle*



OF TECHNOLOGY
(CELLPHONES & BATTERIES)
*recycled for customers
in partnership with
Call2Recycle*

footprint

FOR US

Our facilities' carbon footprint is driven by three main sources: our sales office, distribution centres and newly-relocated head office in Vaughan, Ontario. In 2017, we downsized a few facilities and made strategic renovations in others. We upgraded HVAC systems, lighting systems, interiors and energy management systems to reduce our footprint in the built environment.

6.9M

KILOWATT PER HOUR (kWh)
OF ELECTRICITY
consumed*

3.1K

TONNES
OF CO₂
(Scope 2 &
3 emissions)

662.6K

METRIC CUBE (m³)
OF NATURAL GAS
consumed*

* Data derived from available G&T owned & leased facilities 2017

FOR YOU

Our transportation service made bold changes by reducing the number of vehicles on the road, drastically improving fuel efficiency with a the new fleet, and optimizing delivery routes. We also reduced the amount of waste in our process by eliminating packing peanuts, switching to recyclable air pillows, using corrugate boxes made from 85% post-consumer waste and courier envelopes made of 100% recycled material.



49

PERCENT
FUEL CONSUMPTION
reduction



65

FUEL EFFICIENT
DELIVERY VEHICLES



PEOPLE

people

WE SUPPORT EMPLOYMENT EQUITY AND OPPORTUNITY IN EVERY TRANSACTION.

At Grand & Toy, we recognize that the scale of our operations allows us to have a tremendous impact on the lives of our customers, suppliers, employees, and community members. We provide growth opportunities for employees and safe working conditions for our suppliers, and we contribute to and engage with our local communities. We make sure these values extend to our offerings for our customers – and support their inclusion goals – through our parent company Office Depot Inc.'s Diverse Supplier Catalog and our Supplier Guiding Principles.

In addition, we have a legacy of giving back to our community. The strategy for our philanthropic and volunteer engagement programs began to pivot as we shifted our focus to a theme of "Building Healthy Communities." Our reinvigorated Pause And Affect volunteer and community relations program is an associate-centric, philanthropic commitment, designed to provide our associates with big, bold, and energizing opportunities in the communities where we do business.

engagement



PAUSE AND AFFECT

OUR PROGRAM PROVIDES ASSOCIATES WITH THE OPPORTUNITY TO ENGAGE WITH OUR COMMUNITIES AND OUR CUSTOMERS THROUGH VOLUNTEERISM AND CORPORATE COMMUNITY INVESTMENTS.

COMMUNITY PARTNER WORK EXPERIENCE PROGRAM

In 2017, Grand & Toy facilitated a program with Brighton School, a local high school in Ontario, Canada, to provide an immersive work experience and develop social skills for 14-21 year old students diagnosed with Autism Spectrum Disorder.

"The staff were incredibly patient, understanding and went to great lengths to provide an enriching learning experience for our students. This in turn helped increase their self-confidence and prepare them for future work opportunities."

Marianne Hitz

Head Secondary Programs Brighton School

BILL RIVNEY HUMANITARIAN AWARD

Bill Rivney, for whom this award is named, worked at Grand & Toy for almost 40 years, and was an exemplary company ambassador both in the workplace and in the community. In 2017, this award recognized the great work of 5 associates whose volunteer activities made a significant impact on their community through our Pause And Affect Program and provided \$5,000 in financial rewards to charities of their choice.

"It is a special workplace culture that enables us to do this good work in our community and we are proud of carrying Bill's legacy forward through our associates."

Marla Allan

VP, Human Resources

community

FOR US

Our commitment to community investment was stronger than ever in 2017. We continued emphasizing volunteerism and established a relationship with Partners in Project Green. We also set new philanthropic priorities focused on building healthy communities - developed new strategies and made the first few investments in our new direction.



400+

HOURS
OF VOLUNTEER
TIME DONATED



58

**PALLETS
OF OFFICES SUPPLIES & TECHNOLOGY**

donated to partners like Creative Zone, ArtsJunktion, Diabetes Canada, Keewaytinook Okimakanak Board of Education and Big Brothers Big Sisters of Canada



8

HOURS
OF PAID VOLUNTEER
TIME AVAILABLE

*for each employee
at Grand & Toy*

FOR YOU

Our Pause And Affect Committee provides direct support where our customers are located and encourages participation in over 15 programs across the country. Made up of Grand & Toy associates, these champions serve as resident corporate philanthropists providing leadership in their communities with support, coaching, guidance and resources from our head office.



30

ASSOCIATES
FROM ACROSS
CANADA

**VOLUNTEERED 200
HOURS WITH ROBIN
DE BOIS RESTAURANT**

*to prepare and
serve meals, with
proceeds supporting
four local charities*



4,200

DOLLARS
**RAISED THROUGH THE
HEART AND STROKE BIG
BIKE RIDE**

*with Grand & Toy
and CompuCom
associates together
for the first time*

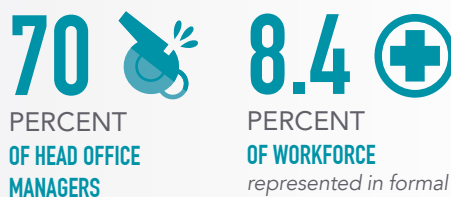
opportunity

FOR US

Given the nature of our business, the variety of roles we need to perform, and the scale of our company, we are proud to leverage our employment opportunities and training to provide careers for individuals entering the workforce, and self-development programs for employees within the organization.



participated in Insight Discovery™ – a leadership development training program



participated in The Coach Approach workshop focused on coaching skills for managers

represented in formal Health and Safety Committees, though all associates, regardless of role, take responsibility for a safe workplace

FOR YOU

G&T customers can rest easy knowing all our Private Brand supply chain partners are required to meet internationally-recognized standards for labor and environmental working conditions by passing our extensive third-party auditing process to confirm compliance with local laws, regulations, and our Supplier Guiding Principles.



by Office Depot's independent 3rd party provider and the remaining 52 qualified for a waiver through approved alternative certification options



8 PERCENT IMPROVEMENT over 2016 audit results thanks to ongoing factory training programs and support provided by our Social Compliance team

* Based on US Office Depot, Inc. Data 2018

A photograph of a person sitting on a brown couch, with two laptops on a wooden table in front of them. The person is wearing a black top. The background is a light-colored wall.

PROSPERITY

prosperity

OUR SCALE DRIVES ECONOMIC GROWTH AND DEEPENS OUR IMPACT.

2017 was a year of transition in many ways, as we redefined our strategic direction and took steps to become a services-driven company. One major milestone in this process was the acquisition of CompuCom, which combines world-class IT service capabilities, an extensive customer base, and a nationwide footprint to create a powerful omni-channel growth opportunity. CompuCom is not only a good match for our new direction, but also fits well into the Office Depot, Inc. and Grand & Toy Ltd. family because of their well-established commitment to sustainable technology.

“Greener sales” continue to be a significant portion of our sales and a key success metric of our sustainability programs, capturing not only how well we are sourcing greener products, but also how well we are attracting and supporting customers who demand greener products. As we continue to grow and move in an innovative new direction, we look forward to extending our sustainability efforts to our customers in even more ways.

sales

FOR US

Our parent company, Office Depot, Inc. currently operates under several brands in the United States and utilizes other proprietary company and product brand names, including Grand & Toy in Canada.



**TOTAL
ANNUAL SALES**
reported in
consolidation with
Office Depot, Inc. 10-K



49.9
PERCENT
BUSINESS
SOLUTIONS



48.5
PERCENT
U.S. RETAIL

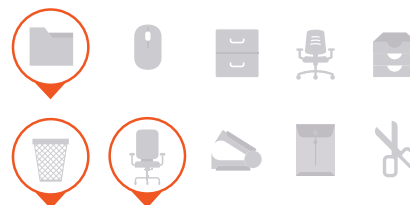


1.6
PERCENT
COMPUCOM®
AND OTHER

* Based on US Office Depot, Inc. Data 2018

FOR YOU

Economic prosperity and sustainability go hand-in-hand for us. Projections show that this shift towards sustainability will continue to gain momentum and become an expectation from the consumer side, as well as other stakeholders.



28

PERCENT
OF TOTAL CUSTOMER SPENDING

in Canada was on products with at least one
meaningful green attribute or eco-label

reach

FOR US



The acquisition of CompuCom by our parent company, Office Depot, Inc., includes the first digital building in the world exclusively powered by Power-Over-Ethernet (POE) interior lighting technology, which, combined with other efficiencies, creates a campus that is

16

PERCENT

LESS EXPENSIVE PER SQUARE FOOT

to operate than their original headquarters

* Based on US Office Depot, Inc. Data 2018

FOR YOU

Our dedicated sales force, catalogues, tele-sales and internet stores continue to provide you with products and services that are in line with our corporate vision and sustainability goals.



BANNER BRANDS



CUSTOMER
FULFILLMENT
CENTRES AND
CROSS DOCK
FACILITIES
in Canada



power a vast

ONLINE

BUYING
EXPERIENCE



by providing
48-HOUR DELIVERY

accolades

FOR US

What motivates our Grand & Toy's associates...



CUSTOMER SATISFACTION

"Customers are backbone of everything we do. We have dedicated resources, ease of ordering through our e-commerce website, and customer service is proactive & engaging in getting issues solved. It is great to be appreciated for all that hard work and when it comes from the customer's perspective, it's the perfect icing on the cake!"

Raj Chanda, Senior Ergonomics Specialist



SOURCING REAL SOLUTIONS

"Any time we are able to source a unique product for a customer, which is not an in-line product that we carry makes me really proud. This is because we are able to go outside the box and find the right fit for our customer. This shows we are dedicated and willing to do our best!"

Valerie Freeman, Category Manager



ON-TIME DELIVERY

"I am one of the front-line workers that prides myself in offering our customers first class service. We learn to improve what is right for our customer because at the end of the day, we have to make sure the items are ready to go on the trucks in time. This makes us as employees feel better."

Nafeesa Singh, Warehouse Associate

FOR YOU

BELL CANADA

LEADERSHIP IN GREENER PURCHASING
TECHNOLOGY & TELECOM SECTOR



PPG ARCHITECTURAL COATINGS CANADA INC.

LEADERSHIP IN GREENER PURCHASING
MANUFACTURING SECTOR



CHARLES RIVER LABORATORIES

LEADERSHIP IN GREENER PURCHASING
PHARMA & BIOTECH SECTOR



14


BUSINESS SERVICES

CUSTOMERS AWARDED

the Grand & Toy® "Leadership in Greener Purchasing Award" for their commitment to green procurement (based on annual green spend)

thank you



 100% post-consumer recycled content paper

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