

Environmentally Preferable Products



Packaging/Delivery



Community/Associates

# 2012 CORPORATE SOCIAL RESPONSIBILITY REPORT

PARTNERS IN PROGRESS

**GRAND&TOY®**

An **OfficeMax** Company



## REPORT OVERVIEW

Sustainability has long been an important part of our business. We launched our sustainability pillars in 2007 and our commitment to those pillars remains as strong as ever.

That commitment includes our determination to “get it right”. In conducting our annual materiality study in 2011, it became apparent that there were some gaps in understanding when it comes to sustainability. Our customers needed more information to help them understand what really defines an environmentally preferable product. Our Associates needed a better understanding of our strategy and there were gaps with our suppliers when it came to promoting sustainability across our value chain. We are working to close these gaps, though we have learned through experience that putting sustainability into practice is not an easy task.

Operating a successful and sustainable business requires the ability to make realistic assessments. 2011 was a difficult year for our industry. It led us to look carefully at how we operate, and we recognized that we had to significantly streamline our operations. Unfortunately, this meant closing some of our branch offices and saying goodbye to many valued Associates. We now have a leaner, more efficient structure, one that positions us for success this year and in years ahead.

While we faced many challenges last year, we can also be proud of our many achievements. In 2011, we successfully launched our environmentally preferable shipping solution, the Boomerang Box, leading to a national launch in 2012. We acknowledged 17 teachers across Canada with A Day Made Better and helped get 8,000 children get ready for school through Start2Finish. Most importantly, we engaged more customers in our sustainability vision and strategy than ever before.

Success in sustainability depends on partnerships through our value chain. Thank you to our partners – to our customers for their encouragement and inspiration, to our Associates and sales force for their commitment to making sustainability a part of our business and to our parent company, OfficeMax, for supporting our sustainability journey.

### ABOUT THIS REPORT

#### REPORTING PERIOD:

January 1, 2011 to December 31, 2011

Utilizes GRI G3 guidelines; only material key performance indicators have been disclosed

We welcome your questions and feedback; please send to: [CSR@grandandtoy.com](mailto:CSR@grandandtoy.com).

### MATERIALITY STUDY

In our materiality study we interviewed customers, suppliers, NGO partners, government representatives, OfficeMax personnel and Associates to determine the important questions that matter to them.

#### Their questions included:

- What are environmentally preferable products?
- What are you doing to make your packaging more sustainable?
- What are you doing to support your communities?
- How are you encouraging your Associates to be more sustainable/building a culture of sustainability?

Answers to these questions are covered in different sections of this executive summary.

This report is a supplement to OfficeMax's CSR report, available at [www.about.officemax.com/csr2010](http://www.about.officemax.com/csr2010), which covers our parent company and all of its subsidiaries.



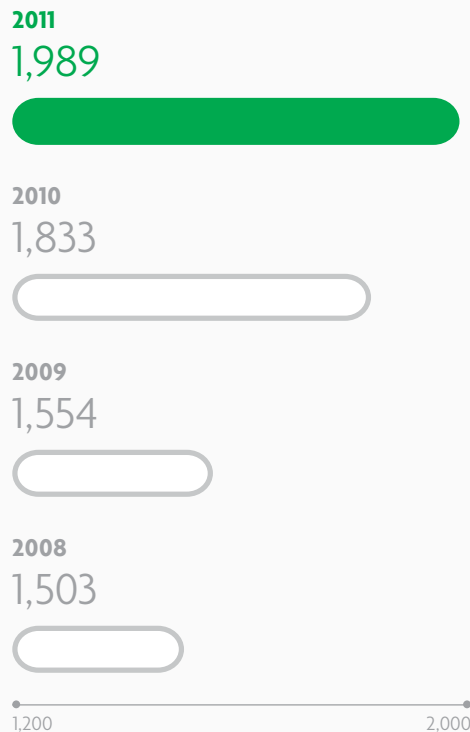
## ENVIRONMENTALLY PREFERABLE PRODUCTS

There is a lot more to environmentally preferable products than just the products themselves. We look at how products are packaged and shipped, how products are used and how they can be recycled at the end of their life.

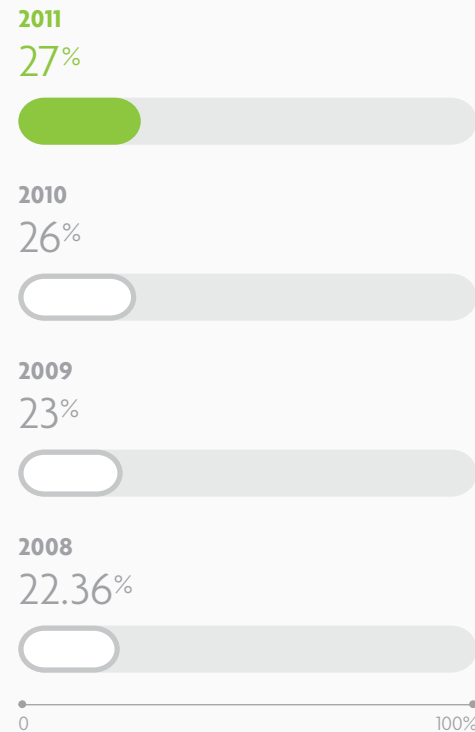
### WE DEFINE ENVIRONMENTALLY PREFERABLE PRODUCTS AS:

- Products that have a minimum of 30% post-consumer waste
- Products that carry a recognized third-party environmental certification such as EcoLogo™ or Fair Trade
- Products that have a traditional attribute that makes them better alternatives to standard products

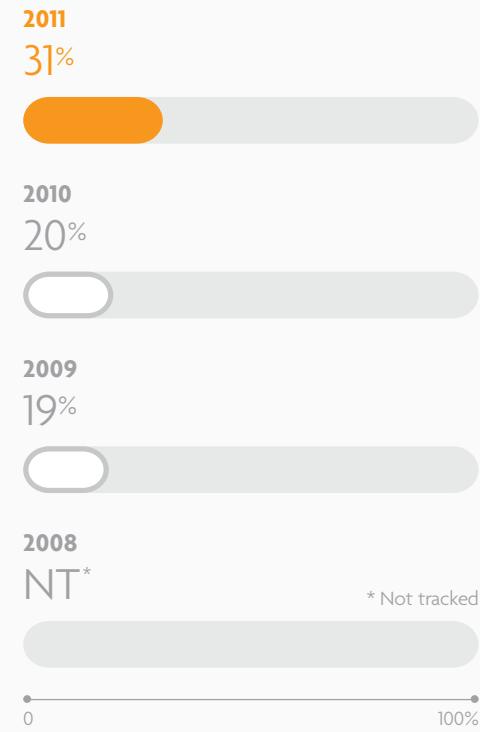
#### Number of products in ordering guide identified as environmentally preferable



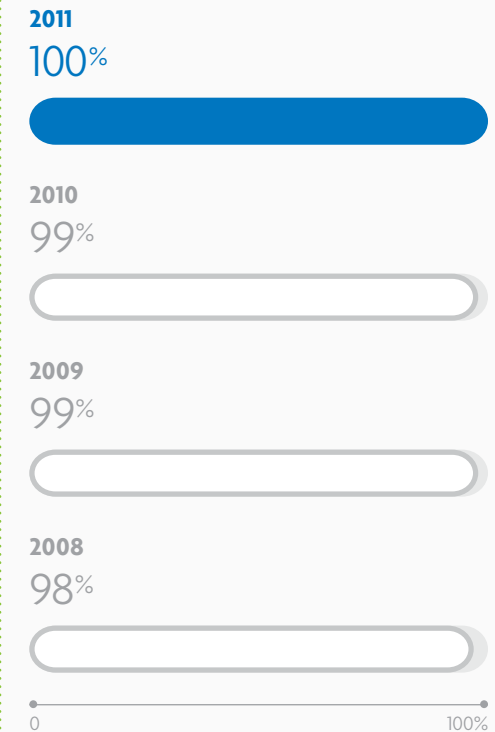
#### Percentage of products in ordering guide identified as environmentally preferable



#### Percentage of sales of environmentally preferable products



#### Percentage of copy paper sold that was sourced from paper mills that hold internationally recognized manufacturing certifications for sustainable forest management





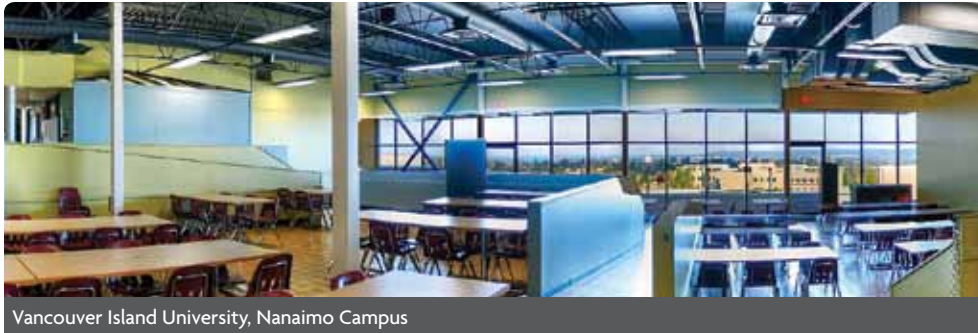
## RECYCLING INITIATIVES

### PEN RECYCLING PROGRAM

What do you do with an old pen? Bring it to the best place for getting new pens and writing implements. In 2011, Grand & Toy took part in an innovative pen recycling program with eco-products leader, TerraCycle, and one of our major suppliers, Newell Rubbermaid. At our branches and through our customers' places of work, people were invited to drop off their old, unwanted pens and markers. These were sent to TerraCycle and "upcycled" into quality consumer goods. Every Newell Rubbermaid brand writing instrument collected generated a two-cent donation towards a charity of choice.



Grand & Toy is TerraCycle's exclusive partner in Canada and to date we have collected more than 50,000 pens and markers for recycling and made charitable donations in excess of \$1,000.



Vancouver Island University, Nanaimo Campus

### THE WRITE PATH AT VIU

Located in an area renowned for its spectacular natural beauty and rich ecological diversity, Vancouver Island University (VIU) is strongly committed to sustainable development. VIU welcomed the opportunity to become part of Grand & Toy's pen recycling initiative. In 2011, VIU purchased 16,000 pens, markers and whiteboard markers from Grand & Toy. Starting in 2012, collection boxes for used writing instruments were placed near the entrance of the VIU Bookstore and in the Welcome Centre of the Nanaimo campus.

People were also invited to send in old pens through the VIU's interoffice mail system. As part of the program, for each recycled Sharpie, uni-ball, Papermate, and Expo writing instrument, two cents is donated to the VIU Foundation.

*"An individual pen may not seem like much but when you add them up, it makes a difference."*

— Margot Croft, Environment and Sustainability, Infrastructure and Ancillary Services, VIU

### PILOT ELECTRONICS PICK UP PROGRAM LAUNCHED IN ONTARIO

Grand & Toy facilitated the ability for our customers to recycle a variety of end-of-life electronics including monitors, desktop computers, laptops and mobile phones. We partnered with the provincially approved handler of e-waste (Ontario Electronic Stewardship) who collected the products directly from our customers then recycled or responsibly disposed of them according to provincial standards. The pilot was launched in March 2012 with pickups in Kitchener-Waterloo, Mississauga and Sudbury.

### ANSWERING THE CALL2RECYCLE

Last year, in partnership with Call2Recycle®, North America's only free rechargeable battery and cell phone collection program, Grand & Toy launched an initiative through which battery collection containers were provided to our customers for use at their offices and locations. Each container comes with a prepaid shipping label, plastic bags to contain the batteries that are dropped off and guidelines for safe handling. Through Grand & Toy's program, Call2Recycle collects rechargeable and single-use household batteries, and to date has recycled 198,000 kg of batteries.

### SMART THINKING

**THINK,** Grand & Toy's Ink and Toner recycling program for the office, continues to be a great success driven by its simplicity and convenience. Customers can go online to sign up and arrange pickups. Grand & Toy collects the used cartridges and, working with Clover Technologies, either remanufactures the cartridges when possible or arranges for responsible recycling. The remanufactured cartridges meet industry standards and are available for sale on our website. Since 2007, we have remanufactured or recycled more than 1.5 million ink and toner cartridges.



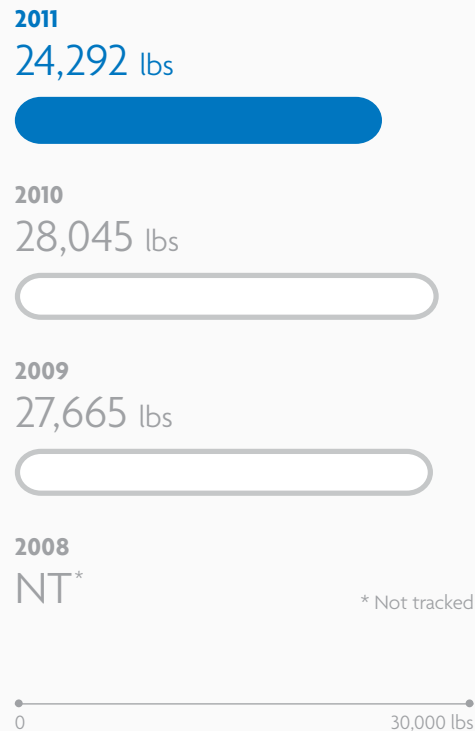
## PACKAGING/DELIVERY

Grand & Toy has made significant strides in reducing the amount of packaging we use to ship our products, while adopting more environmentally responsible forms of packaging, such as 100% recyclable courier envelopes used for shipping smaller orders. We eliminated packing peanuts in favour of recyclable air pillows, and our corrugated cardboard boxes are now made from 85% post-consumer content.

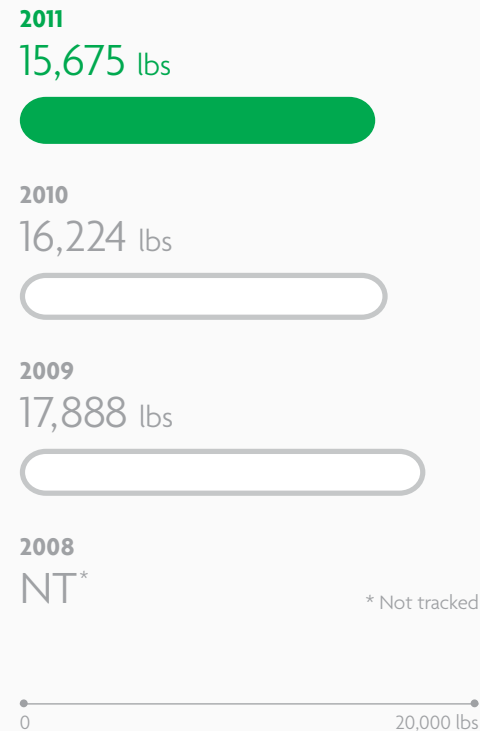
### Corrugate purchased for customer orders for the year



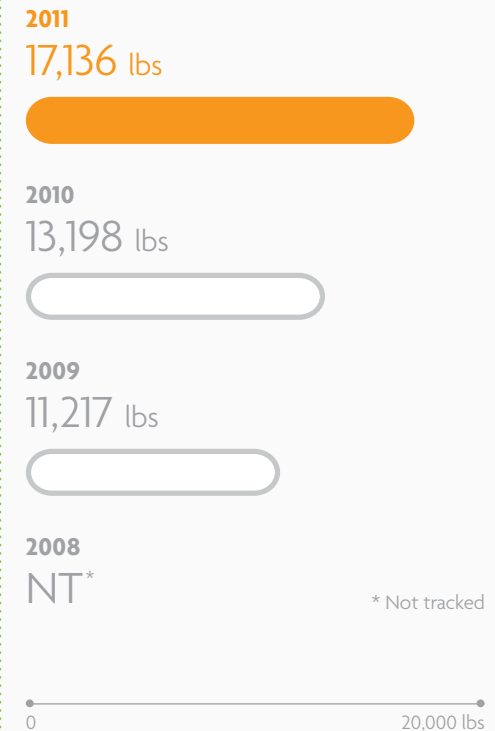
### Shrink wrap purchased for customer orders for the year



### Air pillows purchased for the year



### Courier envelopes purchased for the year





## PACKAGING/DELIVERY INITIATIVES

### BOOMERANG BOX

#### A STEP FORWARD IN SUSTAINABLE SHIPPING

At Grand & Toy, thinking outside the box also means thinking *about* the box. In 2011, we introduced a pilot program built around the Boomerang Box, a redesigned, rugged and 100% recyclable corrugated cardboard delivery box that can be used many times before it needs to be recycled. Instead of having to break down and fold up corrugate shipping boxes for recycling, customers keep the Boomerang Box, which features a tapered design for easy stacking and storage, for their Grand & Toy driver to pick up and reuse. Launched in Vancouver, the Boomerang Box was a tremendous success and will become available to all eligible customers across Canada in 2012.



A tapered design makes the Boomerang Box simple to stack and store.



### INSIDE THE BOX SOLUTIONS

Every day, Grand & Toy receives thousand of boxes from our many vendors. Instead of simply recycling these containers, we have found some innovative and helpful ways to reuse them. In British Columbia, we provide these large boxes to the Canadian Red Cross, who has found them to be perfect for shipping medical equipment, including wheelchairs, to families and children in need across Canada and around the world. Previously the CRC had to shrink-wrap materials, instead of putting them in sturdy boxes, and parts were often damaged or lost during shipping.



### ONE FOR THE BOOKS

Last year, on turning 78 years old, a long-standing and valued Grand & Toy customer decided to sell his house and move into a retirement community. Naturally, the move called for some downsizing, but in this case there was a particular challenge. Chris was a collector of old and rare books and had arranged to donate his collection to the University of Toronto. However, he lived in Ottawa. So, Chris called his friends at Grand & Toy and we were glad to help. Using old G&T boxes he had saved over the years, Chris packed the books up and we picked them up, hand-loading the boxes onto three fully packed skids. The books were then delivered to U of T, at no charge to Chris, on one of our regular Ottawa to Toronto runs.

Adding hybrid vehicles to our fleet shows our commitment to reducing our environmental footprint, one of Grand & Toy's Seven Pillars of Sustainability.

### HYBRID VEHICLES

One of the ways Grand & Toy is meeting the challenge of reducing emissions is through innovative technology. Last year we added three new hybrid trucks to our fleet. We estimate that our new trucks will produce 10–30% less greenhouse gas emissions than diesel or gas alternatives.



### ORDER CONSOLIDATION AND ROUTE RATIONALIZATION

Since 2004, Grand & Toy has been working to streamline operations by using fewer trucks to deliver more goods. We have succeeded thanks to the cooperation of our customers. They have embraced our goal and helped us improve the programs we have developed to consolidate their orders. With their support, we have been able to significantly reduce the number of owned and third-party trucks used in deliveries. Reducing the size of our fleet means that we must get more from our remaining trucks, which led to a 4% increase in emission from distribution activities.



Last year we went  
from 198 trucks  
to 167, a reduction  
of 15%.





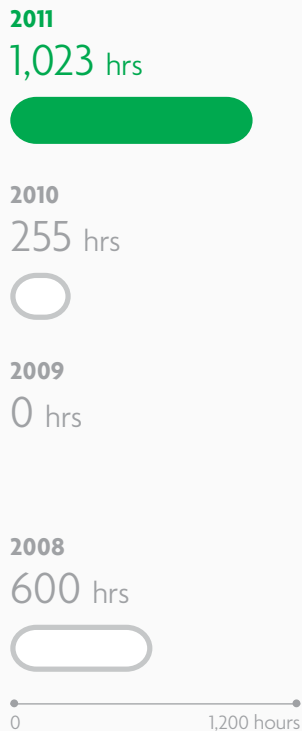
## COMMUNITY/ASSOCIATES

Our Associates are the face of Grand & Toy in their communities; they are ambassadors and play a key role in all of our community outreach efforts. By getting out into their communities, our Associates generate essential support for our two corporate causes: protecting the environment and helping to provide and support educational opportunities for underprivileged children.

### Total Associates (excluding contractors)



### Hours of employee training on policies and procedures related to aspects of human rights that are relevant to operations



### Number of charitable organizations supported through donations of service, products or money



### Monetary value of ad hoc donations given in support of charitable organizations



### Backpacks sponsored by G&T and suppliers for the Start2Finish backpack program



### Teachers surprised through A Day Made Better



\* Not available



## COMMUNITY/ASSOCIATES INITIATIVES

### EVERY CHILD DESERVES A CHANCE

#### ANNUAL BACKPACK PROGRAM

More than 1.2 million Canadian children live at or below the poverty line. The struggle their families face to make ends meet often means that there is no money available for essential school supplies. To help address that need, Grand & Toy, generously supported by several of our vendors and customers, partnered with *Start2Finish* (formerly KidsFest), a non-profit organization committed to closing the gap between the haves and the have-nots among Canada's children.

Last year, Grand & Toy Associates donated over 30,000 hours of their time to pack backpacks with essential school supplies. Since 2007, our associates have filled over 28,000 Start2Finish backpacks. Our Associates also contributed to the *Start2Finish Running & Reading Clubs* where children in need participate in a 32-week program created to provide regular fitness activities, mentorship and literacy support.



Our partner on "A Day Made Better" is Learning for a Sustainable Future, a non-profit committed to integrating sustainability education into Canada's education system.

### A DAY MADE BETTER FOR TEACHERS

Every day across Canada, extraordinary teachers are helping kids learn the lessons that will make them the leaders of tomorrow. Faced by budget shortfalls and a lack of resources, teachers often spend their own money to ensure that their students have the resources they need to learn.

*A Day Made Better* is our way of thanking outstanding teachers for their hard work with a little support for their classrooms. Last year, we recognized 17 teachers from coast-to-coast. Each one received a prize package worth \$1,500 that includes school supplies and a new ergonomic chair from Safco. More than 90 Associates from 12 Grand & Toy branches contributed to making a better day for some remarkable teachers.



### BOOK BAGS FOR KIDS PROGRAM WINS CALGARY MAYOR'S EXCELLENCE AWARDS

On January 30, 2012, Grand & Toy was honoured along with the Calgary Board of Education (CBE) and the CBE's other partners for participating in Book Bags for Kids, a program that provides books to children who may have limited access to books in their homes. We have been part of the program since 2009, providing resources and financial support in addition to the time our Associates donate to pack 1,000 bags with three new books, a stuffed animal, a hat, gloves and socks as well as various school essentials.

### BBB HONOURS G&T

In 2011, Grand & Toy was honoured to receive the Better Business Bureau Marketplace Torch Award (Retail Category), given each year to regional businesses that go "Above and Beyond" in promoting trust in the marketplace. Grand & Toy was nominated by our customers based on our commitment to ethical business practices and customer service excellence. Our Ottawa branch is a BBB A+ Accredited business, a designation based on a review of 16 factors.





STREAMLINING  THE RESPONSIBLE CHOICE

---

[GRANDANDTOY.COM/CSR](http://GRANDANDTOY.COM/CSR)