



# Championing our Values

## 2006 Corporate Social Responsibility Report

Welcome to OfficeMax® Incorporated's first Corporate Social Responsibility (CSR) Report.

Come inside to find substantive information, data and examples regarding OfficeMax's commitment to operating our business in a socially responsible manner, while balancing the needs of our customers, shareholders, associates, suppliers, the communities in which we operate, the natural environment, and society at large.

For a concise overview of our CSR efforts and strategy, we recommend you start by reviewing the Senior Management Statement.

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**Sam Duncan**

Chairman and Chief Executive Officer

## Senior Management Statement

### Dear Stakeholder,

It is with great pleasure that I introduce OfficeMax's first Corporate Social Responsibility (CSR) Report.

In order to understand where we are going as a company, it is essential to understand our history. For five decades (prior to 2003), our company was an integrated forest products company called Boise Cascade®. In 2003, we acquired the retailer OfficeMax, and began to combine it with our existing business-to-business office products distribution company. One year later, in 2004, we sold all of our manufacturing assets and timberlands, and renamed the company, OfficeMax. As these very different companies and cultures meshed over time, so too have our CSR priorities, approaches and challenges evolved.

We continue to build upon the achievements of our legacy companies, which include the office product industry's first national marketing program for products from diverse suppliers, and the first nationally distributed copier paper made from 100 percent post-consumer fiber, among others.

But it is really within the past couple of years that much of the foundation has been laid for the way OfficeMax will approach CSR moving forward. We recognize that operating in a socially responsible manner is not only the ethical thing to do, it is vital to fulfilling our business strategy of growth, cost control, simplicity, and improved associate and customer experiences.

Our CSR initiatives revolve primarily around five interrelated themes, as does the structure of our report: Diversity and Inclusion, Working Environment, Community and Education, Natural Environment, and Customer Value.

### CSR Themes

#### Diversity and Inclusion

Our common goals are best served by our complementary strengths. Not only must we embrace the diversity of our associates, suppliers and customers, we must employ it as a competitive advantage.

As a company that relies upon nearly 30,000 U.S.-based, full- and part-time associates, we must ensure a tolerant and nurturing work environment that enhances our ability to recruit, retain and develop top talent representative of the communities in which we do business. We must continue to improve our well-established Supplier Diversity Program, which gives us a competitive edge by providing customers with innovative product choices that help them more easily fulfill their own "diverse spend" policies.

We have made significant strides toward achieving our Diversity and Inclusion objectives. Since 2005, we have done the following:

- Established a Diversity Council, comprising senior-level executives from all areas of the company, including myself.
- Established the Office of Diversity and Inclusion, the leader of which reports directly to me.
- Developed new tools and enhancements for our Supplier Diversity Program.

#### Working Environment

We deliver on our business objectives one associate at a time. An engaged, well-trained workforce helps differentiate OfficeMax in an increasingly competitive marketplace, spurs innovation, and enhances productivity.

We must offer competitive pay and benefits along with excellent training, career path development and advancement opportunities. We must ardently maintain a culture of two-way communication in which associates have a voice and feel empowered to discuss ideas or issues with their managers. We must provide a healthy, safe working environment that protects individual rights and assists associates with critical personal needs.

Our efforts to ensure workers are treated fairly don't stop with our associates. Many of our OfficeMax private label products are manufactured in China and other overseas locations. While these suppliers are independent businesses, we must hold them to certain internationally recognized standards or take our business elsewhere. This helps ensure a successful global sourcing strategy, which is essential to achieving our business objectives.

While much of the infrastructure for providing a quality work experience has been in place for some time, since 2005 we have done the following:

- Established new channels through which associates can express their ideas.
- Developed an enhanced associate Performance Management Process.
- Began development of our associate Safety and Health Organizational Practices Plan.
- Reinstated a tuition reimbursement program.
- Instituted a Social Accountability Audit Program for all overseas direct import product vendors.

#### Community and Education

Our business, especially on the retail side, is only as strong as the communities in which our customers and associates live and work. Maintaining good community relationships also impacts our ability to operate successfully and deliver on growth plans that include opening new stores and remodeling selected existing stores.

We must provide effective, meaningful support to the community in ways that also augment our long-term viability in the marketplace. We believe that our newly refined focus on education is the best way to achieve this. We must also support and encourage our associates in fundraising and volunteer efforts that are important to them and their communities.



## Senior Management Statement

Since 2005, we have done the following:

- Reengineered our OfficeMax Giving Program, the company's primary charitable vehicle, to focus on assisting teachers in providing quality education.
- Enhanced the benefits educators can receive through our popular MaxPerks™ customer loyalty program.
- Continued supporting numerous local and national charitable and fundraising efforts that have existed for decades.

### **Natural Environment**

Operating in an environmentally responsible manner is part societal imperative, part business opportunity. As an office products distributor, we have the ability to influence not only our own environmental footprint, but, to some extent, that of our suppliers and customers.

We must continue to provide customers with environmentally preferable product choices, and support them with services and systems that make these purchases easier. We must factor environmental impacts into the products, services and processes we use in our own operations. And, although no longer a natural resources company, we must do whatever practicable to ensure that our paper comes from sources practicing responsible forestry.

We have made considerable progress working toward these objectives. Since 2005 we have:

- Issued the OfficeMax Environmental Policy.
- Developed the OfficeMax U.S. Paper Procurement Policy (issued in early 2007).
- Established ink and toner cartridge choices that help our customers save money, while reducing their environmental impact.
- Offered the first nationally distributed color copier paper manufactured using electricity derived from wind power and with 100 percent post-consumer fiber.
- Integrated recycling incentives and processes into our popular MaxPerks customer loyalty program for both educators and small businesses.

### **Customer Value**

Virtually everything we do impacts the value we bring to our customers. The contribution of our CSR activities has been outlined above. What may be less obvious, however, are how efforts designed to enhance customer value also positively impact our CSR performance.

A very simple example is the in-store instant rebate program we began in 2006. When a customer no longer has to mail in a receipt and wait for a rebate check, it makes the customer happy, while directly reducing paper consumption. More examples follow in the body of the report.

### **Challenges**

While we witnessed many CSR achievements during the 2005-2006 period, we also faced some challenges. Store closings resulted in a loss of jobs, as did the consolidation of two headquarters facilities into one for those associates who chose not to relocate. Additionally, the company continues dialogue with forestry activist groups that seek to further shape our paper procurement practices beyond the input they've had on our Paper Procurement Policy. Challenges moving forward are outlined within the report.

### **A Bright Future**

All of us at OfficeMax are excited about the foundations that have been laid over the past couple of years. It is a great time to be an OfficeMax associate, with opportunities to grow professionally and contribute to the good of society and the environment.

I hope you enjoy reading this first installment chronicling our CSR journey. Please let us know what you think.

Sincerely,

Sam K. Duncan

Chairman and Chief Executive Officer



## About this Report

### Report Scope

This is OfficeMax Incorporated's first public report on our Corporate Social Responsibility (CSR) performance. It is based on the Global Reporting Initiative G3 Sustainability Reporting Guidelines (<http://www.globalreporting.org/ReportingFramework/G3Online/>). It is our belief that the information contained within represents a G3 guideline application level "C," while containing many elements of application level "B."

We have included a GRI Index to provide the reader with a quick reference to the GRI indicators on which we have reported.

Unless otherwise indicated, the information and metrics pertain to OfficeMax's wholly owned companies located in the United States, Puerto Rico and the U.S. Virgin Islands (collectively referred to within the Report as our "U.S. operations"). This market represents approximately 85 percent of total sales, as expressed in U.S. dollars (see Corporate Profile for more information). The content focuses primarily on calendar year (CY) 2006, but includes key CY 2005 information metrics to help establish a baseline for comparing future performance, as well as other relevant 2005 information. References to both historical and early CY 2007 events are included where they aid understanding of our CSR history and near-term strategy.

### Basis for Reporting Boundary

A company's first CSR report is a major undertaking. Our commitment to providing a substantive and informative document is underscored by our G3 application-level aspirations. To ensure that we deliver on this commitment, we have limited our reporting scope to the operations within the United States and Puerto Rico. Future reports may begin to integrate information and data from additional operations.

### Forward-Looking Information

This publication may contain forward-looking statements within the meaning of federal securities laws. In light of the risks and uncertainties involved, we invite you to read the Risk Factors and Forward-Looking Information sections of OfficeMax's Form 10-K for FY 2006 (<http://investor.officemax.com/edgar.cfm>).

## Corporate Profile

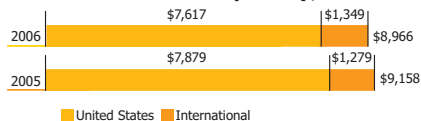


### Corporate Profile

A very simple mission drives everything we do at OfficeMax Incorporated: Help our customers *do their best work*. This relentless focus on the customer helps us deliver superior products and service, time savings, and value. The pursuit of our mission is both advanced and governed by a defined set of guiding principles. Chief among these are our Code of Business Conduct and Ethics, designed to foster a strong ethical climate within the company; and our five Core Values: *Integrity & Accountability, Think Company & Customer First, Teamwork & Trust, Focus & Discipline, and Sense of Urgency*.

Headquartered in Naperville, Illinois, United States, OfficeMax is a leader in both business-to-business office products solutions and retail office products. We are a publicly traded company (NYSE: OMX) with nearly \$9 billion in annual sales (\$7.6 billion from our U.S. operations); over 36,000 associates (29,000 in our U.S. operations); almost 900 stores in the United States; and a range of business services.

#### OfficeMax financial snapshot (\$ in millions)



For the sake of brevity and consistency, detailed financial information is made available through the Investor Relations section of the OfficeMax Web site at <http://investor.officemax.com>.

### Company Structure, Markets and Brands

From the largest global corporations to individual households, OfficeMax is dedicated to our customers' success. We serve them through two primary business segments: OfficeMax Contract and OfficeMax Retail. Each of these business segments accounts for roughly half of our revenues, both worldwide and in our U.S. operations.

**OfficeMax Contract** is our business-to-business division, which distributes a broad line of office supplies, paper, technology products, and office furniture; and provides print and document services directly to businesses and governmental entities in the United States, Canada, Australia, and New Zealand.

**OfficeMax Retail** sells office supplies, paper, technology products, office furniture, and print and document services from retail stores. Our Retail business segment has operations in the United States, Puerto Rico, and the U.S. Virgin Islands, as well as a 51 percent-owned joint venture in Mexico.

These business units work in concert to satisfy the needs of our various customer segments. These include the following:

**Large Enterprise Businesses**, large multi-location companies and governmental entities for which OfficeMax provides expert enterprise-wide coordination with the procurement process.

**Mid-Size Businesses**, regional and local companies with 20 to 249 employees for which OfficeMax offers personalized service and effortless ordering.

**Small Businesses and Home Offices and Individuals**, which are served by retail stores and <http://www.OfficeMax.com>.

OfficeMax offers a wide variety of national brands and private-label products and services. For a list of OfficeMax brands, see Appendix A: Additional Corporate Information.

#### Changes in Operations

During 2006, the company relocated our headquarters from Shaker Heights, Ohio and Itasca, Illinois to a new location in Naperville, Illinois. In conjunction with that move, the company entered into tax incentive agreements with the City of Naperville, Illinois, and the state of Illinois, valued at up to \$17 million over 10 years. As part of our 2006 business strategy to focus on profitable sales and implement comprehensive cost controls, OfficeMax Retail closed 109 stores during the first quarter of 2006, and opened 44 U.S. stores throughout 2006. The strategy moving forward calls for continued store openings and remodels in key markets.

### Corporate Governance Overview

#### Code of Business Conduct and Ethics

The OfficeMax Code of Business Conduct and Ethics sets forth the ethical and legal guidelines that must be followed by all officers, employees, associates, and agents of OfficeMax and each of our subsidiaries, and other companies that we control. To help ensure adherence to the Code and all applicable laws and regulations, the company has also established a comprehensive corporate compliance program that incorporates the Code. Ultimate responsibility for Code enforcement lies with the chief compliance officer who reports both to the CEO and the chair of the Audit Committee of the board of directors. The chief compliance officer is supported by our Corporate Compliance Committee, comprising senior executives that represent a cross-section of the company, as well as subject matter experts. The corporate compliance committee meets quarterly to review compliance metrics and trends, and to set direction and priorities for compliance policies and related training. The Corporate Compliance Committee also regularly conducts a compliance risk assessment.



## Corporate Profile

The Code addresses the following areas:

- OfficeMax corporate policy
- Conflicts of interest
- Receipt of gifts and entertainment
- Suppliers and vendors
- Customers
- Competitors/competitive practices
- Environmental, health and safety compliance
- International business
- Company property, records and confidential information
- Employment practices
- Code enforcement and waivers

### **Corporate Governance Guidelines**

The OfficeMax board of directors adopted the Corporate Governance Guidelines (<http://investor.officemax.com/corp-governance.cfm>) to assist the board in exercising its responsibilities, enhance our ability to achieve company goals and long-term success, and assist us in increasing shareholder value. The Guidelines provide detailed direction in the areas of board responsibilities, board composition, board operation, committee matters, leadership development, and other company policies.

### **Board of Directors**

The fundamental responsibility of our board of directors is to exercise their business judgment in a manner they reasonably believe to be in the best interests of the company and our shareholders. An overview of our board of directors is provided below. More detailed information on board committees and practices can be found in Appendix A: Additional Corporate Information.

The board comprises 10 directors, nine of whom are independent based on New York Stock Exchange independence standards. The current chairman of the board of directors, Sam Duncan, is also the chief executive officer of the company. This structure enables the board of directors to be led by an individual with the requisite breadth of day-to-day company knowledge.

At each of the five regular board meetings per year, management provides the board of directors with a detailed report on financial performance; material legal matters, including environmental compliance with applicable regulatory requirements; and compliance with the company's Code of Business Conduct and Ethics. The board is immediately notified of any potential material violation of the Code. To the extent any such violation might require remediation, the board of directors receives ongoing progress reports until the remediation is complete.

Standing committees of the board of directors include the Governance and Nominating Committee, Executive Compensation Committee, Audit Committee, Executive Committee, and Committee of Outside Directors. The charters for each committee (<http://investor.officemax.com/corp-governance.cfm#cm1>) are available for review on the OfficeMax Web site.

### **Commitments to External Initiatives**

Understanding the value that transparent multi-stakeholder collaboration brings to performance verification, measurement and improvement, OfficeMax often looks to externally developed standards to inform our efforts. Some examples are as follows:

- Our Information Security Program borrows from International Organization for Standardization (ISO) 17799 and Control Objectives for Information and related Technology (COBIT), both internationally accepted guidelines for information technology governance.
- Our Social Accountability Audit for direct import product vendors is based on the best practices of the Social Accountability 8000 (SA8000) Standard.
- We belong to the World Resource Institute Business Climate Change Collaborative and embrace its mission to build strategies for companies to thrive in a carbon-constrained economy.
- By association, we adhere to the principles of the following groups/initiatives:
  - National Minority Supplier Development Council (NMSDC)
  - Women's Business Development Council (WBDC)
  - Women's Business Enterprise National Council (WBENC).

## Business Strategy and Outlook

When a company truly commits to innovation, the results can be remarkable. In December 2006, OfficeMax spurred a pop culture phenomenon when an average of 10 people per second were "elfing" themselves or others, creating customized singing and dancing elves on our <http://www.elfyourself.com> holiday Web site. This was one of 20 holiday Web sites launched to distinguish OfficeMax from our competition.

The Web site garnered significant media coverage at outlets such as ABC News *Good Morning America*, *USA Today*®, *C/NET*, *VH1 Best Week Ever*, and *About.com*® *Funny Site of the Day*. The site has been used by millions to create messages, promote events and more.



## Corporate Profile

Around that same time period, some less visible but more fundamental innovations were also coming to fruition. Year one of OfficeMax's Turnaround Plan for Higher Performance was coming to a close, and, by all accounts, meeting its primary objectives of strengthening our corporate infrastructure; improving our gross margins and cost structure in our Contract and Retail operating segments; and improving financial performance.

While excited about the progress we have made, OfficeMax still has significant opportunities for improvement. We are confident that our renewed emphasis on disciplined growth will allow us to build on the momentum we established in 2006.

### **2006 Operational Highlights**

#### *Focus on Profitable Sales.*

- Contract business segment: Renewed and added customers in our U.S. large market business, grew our higher-margin middle market business, and improved bottom-line profitability in our small market.
- Retail business segment: Adopted a more effective promotional sales strategy, which contributed to significant Retail gross margin expansion.

#### *Successful Reorganization of U.S. Contract business segment, separating Sales and Operations.*

- Completed the structural reorganization of our U.S. Contract business segment by creating a dedicated sales organization stressing leadership and accountability and moving all regional office, warehousing, and delivery activities into our Supply Chain organization.

#### *Improved Merchandising and Marketing Strategy*

- Continued to expand sales of private label products, which provide value and quality to our customers at typically higher margins for the company.
- Launched an in-store rollout of our Ink Refill Station Program, helping customers act in an environmentally responsible manner and save money.
- Launched OfficeMax ImPress™, the new identity for our print and document services operations, which was our fastest growing major category in 2006. In conjunction with this effort, we invested in new equipment and associate training.
- Introduced an instant rebate program that eliminates mail-in rebates, a decision met with enthusiasm by our customers.

#### *Strengthened Real Estate Strategy*

- Completed the closure of 109 underperforming domestic stores.
- Opened 44 new stores featuring our customer-focused Advantage store format.
- Completed full store remodels for the first time in the company's history.

#### *Comprehensive Cost Controls*

- Contract segment operating expense benefited from more efficient marketing, improved organizational structure, and improved expense leverage due to consolidation of distribution centers.
- Retail benefited from a more targeted and productive approach to marketing spending and reduced store expenses.

#### *Infrastructure Improvements: Supply Chain and Information Technology*

- Achieved improved merchandise availability, inventory productivity, and delivery efficiencies.
- Refocused information technology processes to better align with the needs of our businesses, by introducing robust, reliable and secure systems.

OfficeMax also received external recognition for a variety of our business initiatives, with some notable awards listed below. More information can be found in Appendix C: External Awards and Recognition.

- Achieved a first-place award in the Chain Store Age® 24th annual Retail Store of the Year design competition for our new Advantage store format.
- Received national recognition for the efforts of our e-Commerce Integration Team at the American Business Awards™.

Moving forward, our near-term business strategy in 2007 centers on five core priorities: growth, simplicity, cost control, improved customer experience and improved associate experience. Our CSR efforts are critical in supporting these foundational business goals. Likewise, our business goals are largely synergistic with CSR performance. For example, the environmentally preferable ink and toner choices we offer our customers also save them money, helping to improve their experience and fuel our growth.

Our CSR Strategy Overview Grid (see Appendix E) offers an overview of the linkages between our business priorities and our CSR efforts and performance. The section on Customer Value provides more detailed information on our customer-focused initiatives.



## Corporate Profile

### Direct and Indirect Economic Impacts

OfficeMax contributes economic and social value to society in many ways. Our business helps other businesses run more efficiently and cost-effectively, thus indirectly supporting overall economic development. Our payments to employees, suppliers and governments and our financial charitable contributions provide direct economic value. Because our stores are often destination outlets for essential products, they also tend to help build traffic for other nearby retail establishments.

Our systematic approach to diversity provides economic opportunity to associates and suppliers that may otherwise have a more difficult time achieving their goals. Our commitment to associate engagement provides training, empowerment and development opportunities that advance their employability at OfficeMax or elsewhere. At the retail level, especially, we often provide associates with some of their first opportunities in the workforce. We are active in the communities in which we operate, assisting educators and educational institutions with products, services and employee volunteerism.

While the potential for large stores to displace smaller, privately-owned community businesses has received a good deal of media and civic attention in the general merchandise sector, this generally has not been the case for OfficeMax or the retail office products industry overall. Our specialized focus may be less directly competitive with local businesses.

### Risks Associated with Climate Change

OfficeMax is mindful of our carbon footprint, which we define as the total amount of carbon dioxide (CO<sub>2</sub>) and other greenhouse gases emitted over the full life cycle of a product or service at a company. As a distributor of office products and services that does not engage directly in manufacturing, OfficeMax is not an energy-intensive business, and, therefore, our direct risks associated with climate change are moderate to low. Our carbon footprint is derived from the total electricity, natural gas, gasoline, diesel fuel, and bio-diesel fuel we use on an annual basis. Potential associated risks may include the costs and availability of these fuels, potential regulatory carbon caps or taxes, and the general effects of climate change.

Over the past several years, OfficeMax has made a concerted effort to reduce our carbon footprint through energy-efficiency and transportation initiatives, and greater reliance on bio-diesel fuel. This, along with a net reduction in the number of our stores, helped us reduce greenhouse gas emissions by more than 32,000 metric tons from 2005 to 2006.

Additionally, our participation in the World Resource Institute Business Climate Change Collaborative provides us opportunities to share best practices and solutions with a diverse set of peers.





## Engaging with Stakeholders



### Engaging with Stakeholders

OfficeMax encourages dialogue and, where applicable, collaboration with a wide variety of stakeholders. Our priorities for engagement include both stakeholders that can and do have a direct impact on the financial return we deliver to our shareholders, and stakeholders who are most directly impacted by our operations. Below please find an overview of some of our stakeholders and associated activities. More detail, as applicable, is provided in relevant sections of this report.

**Associates** have many formalized avenues for expressing their ideas and concerns, and for influencing the direction of the company. These include regularly scheduled dialogue sessions, work councils, an anonymous hotline number and the re-introduction of our All-Associate Engagement Survey planned for 2007.

**Shareholders** can contact OfficeMax management with any inquiries through the Investor Relations department via e-mail at [investor@officemax.com](mailto:investor@officemax.com) or via telephone at 630-864-6800. Shareholders can also contact the board of directors through the corporate secretary, or by sending an e-mail to a specially designated address. Any shareholder wishing to make a formal proposal to the board of directors can utilize the company's shareholder resolution process.

OfficeMax was in the early planning stages of this report when a shareholder resolution was proposed to compel the issuance of a CSR report in 2007. After engaging directly with this institutional shareholder and agreeing to broaden the report content somewhat, the proposed resolution was withdrawn.

In 2006, in response to input from shareholders, management proposed to declassify our board of directors, recommended a vote to support a resolution to remove supermajority voting requirements, and recommended a vote against a resolution to establish an engagement process with proponents of shareholder resolutions, because a process was already in place.

**External stakeholders** include governmental and regulatory bodies, industry associations, nongovernmental advocacy organizations (NGOs), the communities in which we operate, customers, and suppliers.

OfficeMax takes a relatively hands-off approach to lobbying activities intended to influence legislative decision-making. OfficeMax associates are forbidden from engaging in lobbying efforts, and are not allowed to donate to politicians or campaigns on behalf of the company. The company does not employ a full-time lobbyist, and does not sponsor a political action fund or political action committee. We retain the services of an independent lobbyist to help the company keep abreast of national legislative issues primarily related to government contracting. We also belong to some general industry associations that include lobbying as part of their activities.

Our collaboration with industry associations and NGO initiatives is focused mainly in the areas of diversity and environmental stewardship. We are a founding and active member of the National Minority Supplier Development Council and active members of the Women's Business Development Council and the Women's Business Enterprise National Council.

Our director, Environmental Practices, served as the vice chair of the Buy Recycled Business Alliance (part of the National Recycling Coalition) and sits on the board of NAEM, a professional association dedicated to advancing the knowledge and practice of environmental, health and safety management. We are also members of the World Resource Institute (WRI) Business Climate Change Collaborative.

OfficeMax has collaborated with the American Forest and Paper Association, Forest Stewardship Council, Sustainable Forestry Initiative, and the Abundant Forest Alliance to promote responsible forestry practices and education.

We dialogue with NGOs on productive requests for engagement. The primary focus of these requests has been on the subject of paper, beginning with forestry considerations associated with our natural resources-based legacy company, and continuing now with our paper procurement practices. Discussions with the Rainforest Action Network contributed to our legacy company's decision to discontinue accepting contracts for old growth harvesting in 2002. More recently, groups such as Forest Ethics and the Dogwood Alliance have worked with us in the development of our recently issued Paper Procurement Policy.

At the community level, we engage with local school boards on educational initiatives and are involved with local Chambers of Commerce. We interact regularly with our customers and suppliers on a number of levels, as discussed in the appropriate sections of this report.

As a company, we are proud of the proactive measures we have taken and of the productive outcomes resulting from stakeholder engagement requests. We also understand that stakeholder engagement is an evolving process with opportunities for continuous improvement.



## Diversity and Inclusion



*When the CEO of a multinational corporation spends a full day each month engaging with other senior managers around a single issue, it is most certainly a high priority for the enterprise. Such was the case for much of 2006, when OfficeMax convened our Diversity Council, comprising leaders from all areas of the company, including our CEO, Sam Duncan. The Diversity Council is charged with identifying opportunities to capitalize on workplace, workforce, and marketplace growth related to diversity and inclusion.*

*From the Council's work came OfficeMax's Office of Diversity and Inclusion, established in October 2006, as well as other important milestones. This latest step in our company's long history of supporting and promoting diversity – most notably through supplier initiatives – marks a broader, more integrated approach that extends to associates and customers.*

***“Accepting all differences, in age, background, education and beliefs, removes limits and allows even greater innovation in the solutions we can develop for our company and our customers.”***

*– Carolynn Brooks,  
Vice President, Diversity and Inclusion*

## Management Approach

The rights of diverse OfficeMax associates have long been protected by our Code of Business Conduct and Ethics ([http://about.officemax.com/html/officemax\\_code\\_ethics.shtml](http://about.officemax.com/html/officemax_code_ethics.shtml)), which prohibits discrimination on the basis of race, color, religion, sex, age, national origin, sexual orientation, disability, veteran status, or any other factor prohibited by U.S. federal, state or local laws.



*Carolynn Brooks, Vice President,  
Diversity and Inclusion*

Opportunities for diverse suppliers have been formally in place at OfficeMax for decades. More than 30 years ago, we implemented a Supplier Diversity Policy without any government, competitive or customer mandates. When we launched our Supplier Diversity Program in 1992, it was the office product industry's first marketing program for minority, women and service-disabled veteran-owned enterprises (MWBES) products.

To achieve our near- and long-term business objectives, however, we knew we had to be even better. Which is why, in 2006, we established the Diversity Council and the Office of Diversity and Inclusion, whose leader – the vice president, Diversity and Inclusion – reports directly to our CEO.

Housed within the Office are: the director, Community Affairs, director, Workforce Diversity, director, Equal Employment Opportunity, and the director, Supplier Diversity. This reporting structure represents a streamlined organization that will help the company embrace the opportunities presented by diversity and community outreach.

With input from the Diversity Council, the Office of Diversity and Inclusion developed a Mission Statement and identified areas of influence that will be used to further our Diversity and Inclusion Mission. Additionally, a new corporate Supplier Diversity Policy was developed.

## Diversity and Inclusion Mission Statement

OfficeMax promotes an inclusive culture that embraces the diversity of our associates, business partners and customers. This environment fosters innovation and creates a competitive advantage that drives shareholder value.

## Areas of Influence

The company identified eight areas through which we can further our commitment to OfficeMax's Diversity and Inclusion Mission: recruitment, retention, education/training, governance/metrics, marketing/branding, community relations, communications, and supplier diversity.

For 2007, the Diversity Council set strategic objectives for five areas of influence, against which some activity began in 2006:

### Communications

- Develop a marketing and communications strategy to reach internal and external customers.

### Education/Training

- Develop and deliver diversity awareness education, and ensure diversity and inclusion messaging is included in all company training materials.

### Governance/Metrics

- Develop quantitative and qualitative tools that will allow us to measure progress toward our diversity commitment.

### Recruitment/Retention (Workforce)

- Ensure that OfficeMax recruits, develops and retains top talent that is representative of the communities where we conduct business.

### Supplier Diversity

- Develop a strategy to grow diverse business enterprises.

## Diversity and Inclusion

### Supplier Diversity

As one of the leading U.S. distributors of office products from diverse suppliers, OfficeMax continues to make innovative strides that strengthen our Supplier Diversity Program, and benefit our customers and suppliers alike. This follows a rich history of supporting economic development for diverse suppliers.

In 2006 we developed our Supplier Diversity Mission Statement and re-issued an updated Supplier Diversity Policy.

#### Supplier Diversity Mission Statement

Develop and implement new and innovative strategies that foster and promote value-added business partnerships with certified diverse suppliers, which include businesses owned and operated by minority, women, gay/lesbian/bi-sexual/transgender, and service-disabled veterans; and those firms employing persons who are developmentally or physically challenged.

#### Supplier Diversity Program Overview

There are three primary components to our Supplier Diversity Program:

- Products from diverse suppliers that we purchase, inventory, and re-sell to our customers.
- Products and services that we purchase to operate our business.
- Products and services that are used by our suppliers.

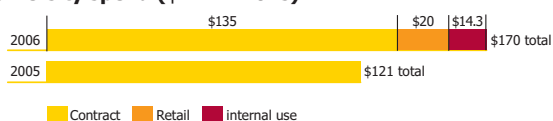
A new software-based analytic tool, developed in 2006 and implemented in 2007, will help us track "diversity spend" by channel and diversity classification. Currently, about 2 percent of our purchases come from certified diverse suppliers. This new tool complements an automated Web-based tool that was already in place, which enables us to provide customers with "net usage" reports that track their total diversity spend, and to deliver the reports in a choice of formats.

Our Supplier Diversity team's strategy includes targeting viable sourcing categories for diverse supplier participation and implementing a "Second Tier program," which obligates our primary suppliers to purchase from diverse sources.

With our new analytic tool, strategic focus, and implementation of a Second Tier program, we are confident that we can achieve the following diversity goals:

- Increase overall diversity percentage of total spend to 5 percent by 2012.
- Increase diversity spend by 10 percent from 2006 to 2007.

#### diversity spend (\$ in millions)



\*Note: Diversity spend was tracked only for our Contract business segment in 2005.

Our Supplier Diversity Program provides tangible value to our customers, our company, the economy and the community at large. The Program offers customers one-stop shopping for quality, competitively priced office products made by diverse companies to help customers meet their federal spending mandates and their own internal targets. We verify all certifications, purchase inventory manufactured by these enterprises, and market it for resale.

Our Program gives our suppliers access to a broad, high-quality clientele that may otherwise have been difficult or impossible for them to reach. This is achieved not only through the products we purchase from them and offer for sale, but also through the networking activities we sponsor or co-sponsor. For example, in 2006, OfficeMax exhibited at the Entrepreneurial Woman's Conference and Buyers Mart trade show, inviting diverse suppliers to share our booth space. Other networking opportunities are in development for 2007 and beyond. OfficeMax also engages with suppliers in development activities, helping them to grow and expand business through mentoring and business coaching.

Program enhancements currently in development include the following:

- Customer workshops that introduce customers to diversity buying at OfficeMax.
- Corporate-wide internal training for our buyers, category managers, and Contract business segment sales staff.
- An annual networking event that brings our category managers, and Contract and Retail business segment buyers together with diverse suppliers prior to product selection, so that they have early access to new innovations and ideas that may be of value to our customers.
- Promotion to vertical markets, such as government, education and health care.

While most of our diversity spend comes through the products we offer others, OfficeMax is also committed to using the products and services of diverse suppliers for our own business needs. Additionally, we encourage and promote diversity spend from our suppliers, both informally and contractually.

The economy benefits from the innovation and diversity our Program supports in the marketplace, and the community at large benefits as diverse populations are afforded the chance to develop and grow their skills and businesses.

## Diversity and Inclusion

### ***A History of Dedication to Supplier Diversity***

In 1972, we became a founding member of the National Minority Supplier Development Council (NMSDC) and remain a member today. Not long after, we implemented our first Supplier Diversity Policy. Then, in 1992, we introduced our Supplier Diversity Program, a first of its kind. We are active members in 26 regional purchasing councils of the NMSDC, with six associates, five of whom are general managers serving on council boards of directors. We are also active members of the Women's Business Development Council (WBDC) and the Women's Business Enterprise National Council (WBENC).

### **S P O T L I G H T**

#### ***Diverse Supplier Profile***

Master Manufacturing Company, Inc. is a certified Woman Business Enterprise (W.B.E.), owned by Iris Rubinfield.

Founded in 1951, the company is located in an economic "Enterprise Zone" of Cleveland, Ohio. Master Manufacturing is committed to providing jobs for inner city residents and maintaining its long-standing reputation for quality and customer service excellence. A leader in office furniture safety and floor protection products, Master Manufacturing is supported by office furniture and supply dealers nationwide. The Master Caster Company, a division of Master Manufacturing, is the largest supplier of quality replacement casters for office furniture and equipment.

Master Manufacturing was recently honored by DiversityBusiness.com® as one of Ohio's top 50 Diversity-owned Businesses and one of the top 500 in the nation. Of this 500, Master Manufacturing was one of 14 companies to receive special recognition for its achievements at the publication's Fourth National Multicultural Business Conference in the spring of 2007.

Master Manufacturing is a member of the National Association of Business Owners, the Business Products Industry Association, The School Home Office Products Association, the International Facility Managers Association, The National Housewares and American Hardware Associations, and The Wholesale Stationers Association. Master is certified as a W.B.E. by The Woman's Business Enterprise Initiative; National Minority Business Council; North Central Texas Regional Certification Agency; Ohio, New Jersey and Texas; and the cities of Winston-Salem and Raleigh, North Carolina and Columbus, Ohio; as well as many others.



*Iris Rubinfield, Master Manufacturing Company, Inc.*

### **Associate Diversity**

Among our key business strategies moving forward is to improve the associate experience. Diversity and inclusion efforts are critical to achieving this important goal, while also having broader societal implications.



OfficeMax has three main objectives regarding associate diversity: recruit, retain and develop associates reflective of the communities where we conduct business. The efforts undertaken in 2006 were the first, but significant, steps in a long journey for OfficeMax to embrace the full benefits and opportunities of diversity.

Moving forward we plan to develop and deliver diversity awareness education, and ensure diversity and inclusion messaging is included in all company training materials.

### **Challenges Associated with Diversity and Inclusion**

OfficeMax is striving to help make the composition of our management, senior management and board of directors more diverse. Our Diversity and Inclusion Mission sets the foundation for this. Some of our challenges include effectively communicating and educating all associates about diversity, developing a mentoring and succession plan to develop high potential associates, and creating a workforce and culture that reflects the communities we serve.

Challenges to supplier diversity at OfficeMax are related primarily to our business goals of Simplicity and Cost Control, which call for supplier consolidation and increased global sourcing. In order to address this, we have to be prepared to assist our suppliers in reducing their own costs, and to educate our customers on the true value of choosing products provided by diverse suppliers. While consolidation could potentially reduce the number of smaller, local diverse suppliers with whom we work directly, OfficeMax can and often does contractually require our direct suppliers to purchase specified levels of products and services from diverse suppliers. Increased global sourcing may reduce the percentage of our products that come from U.S.-based suppliers overall, but our increased globalization as a company is opening up worldwide markets to the diverse suppliers with whom we do work.



## Working Environment

*It's mid-morning, and for the associates at OfficeMax's Naperville corporate headquarters, the anticipation has been building for hours. Quarterly earnings are about to be released, and that means, of course ... an old-fashioned "Town Hall" meeting.*

*Groups of associates begin congregating in the atrium areas of their respective floors, ringing the first-floor lobby below like a towering theater-in-the-round. The chatter and speculation echo throughout the facility. Then, CEO Sam Duncan enters the first-floor lobby area in clear view of the associates above. He steps up to the microphone.*

*Sam shares quarterly earnings data, provides updates regarding our Turnaround Plan for Higher Performance and discusses upcoming plans. He then opens the floor up to the entire body of 1,300 associates for questions, ideas, and suggestions. Taking advantage of the opportunity, a gentleman from Human Resources on the fourth floor steps over to the microphone on his floor (one provided on each floor) and begins, "Mr. Duncan, Sam, I would like to know why ..."*

*Similar meetings are held around the country by other OfficeMax business leaders in our field locations to communicate corporate strategy, local initiatives and process improvements.*

*OfficeMax Town Hall Meetings are indicative of the innovation strides we are making in stimulating communications and dialogue with our associates.*



***"This is an exciting time to be an OfficeMax associate, with enhanced opportunities for career development, education, two-way communications and community service."***

*– Perry Zukowski,  
Executive Vice President, Human Resources*

## Management Approach

In 2006, OfficeMax set important foundations for guiding associates in achieving our shared objectives, and for shaping our company culture in the years to come. We established our company Mission and Core Values, defined the OfficeMax Brand Essence, piloted a new Associate Performance Management Process, opened up a number of new associate-focused communications channels, and began development of a new Safety and Health Organizational Practices plan.

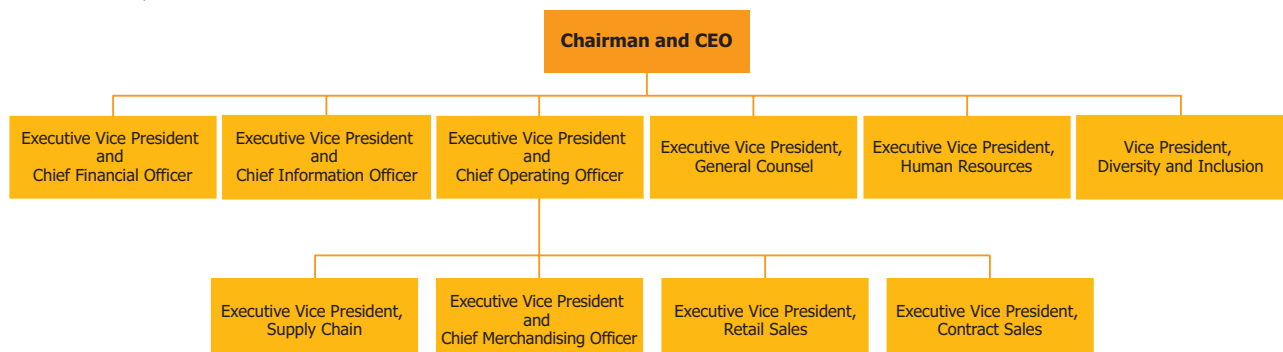
These developments build upon the structures already in place to provide a safe, nurturing and rewarding work environment, including the expectations and protections set forth in the OfficeMax Code of Business Conduct and Ethics, and the OfficeMax Human Resources Policies.

Additionally, we introduced a Social Accountability Audit Program and other measures for our overseas direct import product vendors, to strengthen our commitment to responsible sourcing of our private label brand products.

## OfficeMax Organizational Structure

OfficeMax's corporate structure is organized along functional lines, as represented by the senior management team graphic below. The graphic represents our current reporting structure, which is slightly different than in 2006.

The Human Resources department at OfficeMax is headed by the executive vice president, Human Resources. Housed within this department are: the vice president, Learning and Development; vice president, Compensation and Benefits; director, Talent Acquisition; senior director, Corporate Human Resources; vice president, Human Resources Field Operations; and the director, Safety and Health. This reporting structure helps OfficeMax ensure that our associates have the knowledge, tools, resources and assistance they need to be successful in their careers at OfficeMax.





## Working Environment

### ***Mission and Core Values***

A very simple mission drives everything we do at OfficeMax: Help our customers do their best work. This highly focused charge was introduced to all associates in 2006 through a variety of means. To provide associates with the vision and direction they need to help fulfill this mission, we also introduced five company Core Values. And to ensure that these Core Values are more than just rhetoric, associate performance reviews, and hence compensation, reflect consideration of how well associates live the Core Values.

*Our Core Values are:*

**Integrity & Accountability.** Every associate will aspire to achieve the highest level of integrity and accountability. They will take responsibility for personal actions and ownership of results, even when no one is looking.

**Think Company & Customer First.** Do what is right for the company, not for yourself. Above all, that means taking care of the customer. The “customer” is the Contract customer; the Retail customer; and the internal customer, the associate. People who take care of the customer keep our company in business.

**Teamwork & Trust.** Create synergy in the company by respecting and valuing new ideas. Win by working as a team and building the team by earning each other's trust.

**Focus & Discipline.** Have a clear sense of what needs to be done, and then work with a specific goal in mind until it is accomplished. Produce measurable results.

**Sense of Urgency.** Time is of the essence; move business forward rapidly whenever you see opportunity. Take action to resolve problems quickly.

### ***Code of Business Conduct and Ethics***

The OfficeMax Code of Business Conduct and Ethics ([http://about.officemax.com/html/officemax\\_code\\_ethics.shtml](http://about.officemax.com/html/officemax_code_ethics.shtml)) outlines specific protections and expectations for all of our associates. The Code prohibits discrimination and harassment of any kind. Not only are such activities illegal, but they are in direct conflict with our Core Values. It also protects those who have filed complaints in these areas.

As the Code stipulates, all associates have an affirmative responsibility to report any issue or practice that involves a potential violation of a federal, state, local or foreign law, or of any provision of the Code. The Code is enforceable through associate discipline, up to and including termination of employment.

The Code also spells out proper conduct regarding our associates' interactions with the community and other external stakeholders, as discussed in Conducting Business in an Ethical Manner in the Community and Education section.

Also protected under the law is the right for associates to exercise freedom of association to join or form a union for the purposes of collective bargaining or to refrain from that association. OfficeMax, of course, honors this right, but we do believe that we can be more responsive to associates' needs when interacting directly with them. Associates always have access to our toll-free tip line to anonymously raise any issues that they don't feel comfortable addressing directly with their management. Currently none of our domestic stores or facilities are represented by unions or collective bargaining agreements.

## Associate Communications

As part of our effort to improve the associate experience and enhance overall communications within OfficeMax, we launched or re-instituted a number of channels in 2006 through which the company and our associates dialogue.

### ***Communications Vehicles***

#### ***Advantage Magazine***

In 2006, OfficeMax launched Advantage Magazine. This associate-focused publication has played an integral role in uniting the company. Advantage Magazine provides coverage of companywide initiatives and issues, and gives associates an inside view of what's happening in areas of the company other than their own. The publication is distributed in hard copy to all associates in our U.S. operations, and is available on the OfficeMax Intranet site as well.



#### ***All-Associate Engagement Survey***

Active two-way communication is critical to a thriving corporate culture, and OfficeMax is committed to facilitating a strong dialogue with our associates as we continue to evolve. To this end in 2006, we began planning an All-Associate Engagement Survey to determine how well the company is performing in the areas of professional development, associate communication and management leadership. Management will use this information to drive associate-focused initiatives and to keep associates in mind when making decisions.

## Working Environment

### *"Town Hall" Meetings*

Also implemented in 2006 was our own variation on the old "town hall" meeting. Based on the philosophy that in-person communication is still the most meaningful and immediate way to exchange information and ideas, our CEO initiated OfficeMax Town Hall Meetings for our Naperville, Illinois corporate headquarters.

Just after company results come in each quarter, all Naperville headquarters associates gather in the atrium area of their respective floors, each with a clear view of the first-floor lobby below. From the lobby, our CEO relays the company results and other pertinent information to the group of approximately 1,300 associates. Then the floor is open to associates who want to ask questions of the CEO or provide insight and ideas.

There are also similar meetings, conducted by other OfficeMax business leaders at Contract and Retail business segment locations throughout the year to communicate corporate results, local initiatives, and process improvements.

### *Open Door Policy*

OfficeMax has long embraced an Open Door Policy, in which associates can feel free in approaching their supervisors or other members of management – including various Human Resources personnel – with concerns or ideas. Supervisors are obligated to honor and encourage the Policy. Our Open Door Policy was communicated to OfficeMax associates in 2005, through the Associate Handbook. Additionally, posters describing the Policy were placed in store and facility break rooms and/or other common areas.



### *Associate Tip Line*

Sometimes company employees simply do not feel comfortable reporting certain issues directly to management. For OfficeMax associates, we have set up an anonymous toll-free tip line. Additionally, the tip line, as well as a dedicated e-mail address, are provided to help associates fulfill their affirmative responsibility to report violations of the OfficeMax Code of Business Conduct and Ethics.

## Associate Compensation and Benefits

More than 29,000 full- and part-time associates derive all or some of their livelihoods from our U.S. operations. OfficeMax offers competitive compensation and benefits. Our entry-level associates start at a wage that is well above the U.S. minimum wage, but varies due to geography and local market wages.

As of December 31, 2006, our corporate services function consisted of just over 1,600 people; all but 20 of them were full-time. Our Contract business segment employed nearly 7,000 people; the vast majority also full-time associates. Our Retail business segment comprised nearly 20,000 associates, split more or less equally between full- and part-time employees.

### *Programs*

#### *Insurance Coverage*

Full-time associates receive comprehensive medical, dental, and vision insurance; prescription drug coverage; flexible spending account; short- and long-term disability insurance; basic life insurance (and optional additional coverage for associate and family); and basic accidental death and dismemberment insurance (and optional family coverage). Similar benefits are also available for part-time associates through a separate provider.

#### *Savings Plan*

Both full- and part-time associates are eligible to participate in the OfficeMax Savings Plan, our qualified tax deferred 401(k) savings program, which features a matching corporate contributions feature. Associates may contribute from 1 to 50 percent of their eligible compensation (salary, bonus and commission) to the Savings Plan on a pre-tax basis. Associates with one year of service are eligible for OfficeMax Cash Match, our corporate funds matching program. Under this program, eligible associates receive \$0.50 on each \$1.00 they contribute to the Savings Plan, up to 6 percent of their eligible compensation.

#### *Important Non Financial Help: The Employee Assistance Program (EAP)*

OfficeMax believes that helping our associates in times of personal need or struggle is not only the right thing to do, but it makes good business sense. Employees that are distracted by serious personal issues are likely to be less productive and more prone to mistakes. For these reasons, OfficeMax offers a full-range of expert services to full-time associates through our EAP. The EAP is also available to part-time associates under special circumstances, such as life-changing events.

The EAP is completely confidential, and is administered by a third-party resource that specializes in behavioral health and wellness services. It is designed to provide associates with the information, resources, referrals and discounts they need to help them through trying times, such as work-related stress or conflicts, marital or relationship problems, mental health issues, and legal and/or financial worries.

## Working Environment

Through the EAP, associates can access the following without charge:

- **Expert counseling.** Professional counselors are available for immediate advice over the phone, or an associate may be referred to work with a counselor face-to-face.
- **Legal assistance.** Associates receive a free initial 30-minute phone or in-person consultation with a local attorney or mediator, for each separate legal matter. Additional services are available at a 25 percent discount with in-network attorneys and mediators.
- **Financial services.** Associates receive up to 60 minutes of no-cost phone consultations per financial issue with credentialed financial professionals from a variety of specialties.
- **Workplace training programs.** Associates can request seminars on popular topics, such as team building and problem solving, plus management consultations and other workplace resources.
- **Online resources.** Associates can visit our third-party vendor Web site to discover wellness articles, self-assessment tests, health tools, calculators, preventive health programs, medication information, legal information, common forms, and more.

## Associate Development and Performance

Over the past several years, we set the foundations and readied plans to enhance the associate experience and focus more on developing talent from within our organization. Our CEO has expressed the need for succession planning and career path development, especially in relation to our diversity goals. See the Diversity and Inclusion section for more information.

### **Associate Performance Management Process Pilot Program**

In 2006, OfficeMax piloted a new associate Performance Management Process at our corporate headquarters that emphasizes dialogue between managers and associates. The Process was later expanded to include our Contract Sales associates and Customer Fulfillment Center personnel, with plans in the works for further expansion.

Performance Management at OfficeMax is a series of conversations between managers and associates that provide associates with feedback on their job performance and coaching on how to improve in the future. The Performance Management Process also helps communicate and reinforce our Core Values by setting expectations for how they should be lived on the job every day.



The Process comprises three distinct components: goal setting, mid-year performance review, and annual performance review. Associates initiate each stage by submitting goals or self-appraisals to their managers for review. The managers meet with the associates to refine goals. The managers also submit mid-year and annual performance reviews, and meet with the associates to discuss them.

To help ensure that associates integrate the company's Core Values into everything they do on the job, the Performance Management Process includes a defined rating scale for how well associates embody the OfficeMax Core Values: "Champions Core Values," "Lives Core Values," and "Does Not Live Core Values." Associates can easily reference the Performance Management Process Manual for specific behavioral examples within each level of performance for each value.

### **Expanded Training**

Training has long been a priority at OfficeMax. In 2006, the average Retail business segment associate received approximately 20 hours of training, much of it geared toward helping customers select the products and services they need. Retail business segment managers received about 26 hours of training, consisting of sales coaching, ImPress sales and operations, and training that supports the business launch of in-store products and services. Some corporate staff, involved in product selection and management, averaged about 25 hours of training with a focus on merchandising and inventory management, and training topics encompassing immersion, value chain, and enterprise planning.

Looking forward, we plan to launch a number of proactive training initiatives that will help our associates help the company reach our goals. These will include companywide topics, such as Diversity, Economic Value-Added Analysis, Equal Employment Opportunity Compliance, Leadership Development, Respect in the Workplace, Manager and Supervisor Training, and Code of Business Conduct and Ethics. Additionally, programs with very specific objectives will be introduced to help ensure, for example, that our merchants are knowledgeable of our Diverse Supplier Program and the opportunities and innovation the Program brings to our company.

### **Tuition Reimbursement Pilot Program**

In 2006, OfficeMax brought back the Tuition Reimbursement Program that was previously in place at Boise Cascade. The Program was tested at our corporate headquarters, and our plan is to roll it out to the rest of the company in 2008. The Program provides associates with a reimbursement of a percentage of their tuition expenses up to a predetermined cap.

## Working Environment

### S P O T L I G H T

#### ***New Internship and University Relations Program***

While OfficeMax has long been supportive of hosting college interns, the process of recruiting and developing them was done on a relatively informal basis, with varying degrees of intern satisfaction and success.

In support of our mission to recruit world-class talent, and recognizing that a well-strategized internship program is one viable means for doing so, OfficeMax established an Internship and University Relations Program in 2006.

This nine-week Program is designed to provide interns with a comprehensive introduction to our company culture and operations. Interns are assigned relevant business projects with clearly stated expectations and outcomes. The OfficeMax Internship Program Committee, also established in 2006, will ensure that interns are engaged in worthwhile projects that are of measurable value to the organization, and that support the overarching goals and objectives of our business.

Interns receive equitable and competitive wages, based on national data compiled by our Compensation department.

The OfficeMax University Relations and Human Resources functions have partnered to recruit undergraduate and graduate-level students, primarily, but not exclusively, from partner institutions. For 2007, the partner institutions include: Northern Illinois University, Northwestern University, Portland State University, Texas A & M University, and University of Notre Dame.

Through cross-functional learning opportunities, interns develop leadership skills, gain first-hand exposure to strategic operational methodologies, and obtain competitive business knowledge for career achievement while contributing to the success of OfficeMax. They engage in a community service project and have weekly Retail and Contract business segment field trips.

A formal luncheon commemorates the interns' achievements, followed by a full afternoon of intern project presentations to all of the senior leadership, including the CEO.

#### **Associate Safety and Health**

The safety and health of our associates is a top priority at OfficeMax. Our Code of Business Conduct and Ethics ([http://about.officemax.com/html/officemax\\_code\\_ethics.shtml](http://about.officemax.com/html/officemax_code_ethics.shtml)) explicitly states that our operations shall be conducted in strict conformance with all applicable state and federal laws and regulations, as well as with all OfficeMax corporate policies and best practices pertaining to workplace safety. The existence of unsafe workplace conditions must be immediately reported to a supervisor or the Corporate Compliance Officer.

Our commitment to associate safety and health is yielding positive outcomes. Our overall performance, as measured by U.S. Occupational Safety and Health Administration (OSHA) data, compares favorably with the key sectors that constitute our business (see Safety and Health Metrics for more information).

While we are pleased with this performance, OfficeMax is dedicated to continuous improvement in this critical aspect of our business and our associates' lives. In 2006, OfficeMax launched two important initiatives designed to approach safety and health from a more proactive perspective: The Associate Safety and Health Organizational Practices Plan, which is an enhancement to our overall Safety and Health Management process; and a Corporate Safety Committee (U.S. operations).

#### ***Associate Safety and Health Organizational Practices Plan***

Historically, OfficeMax's approach to safety and health management was audit and compliance driven. As part of a three-year strategic initiative that commenced in 2005, we plan to introduce an enhanced, systems-based Safety and Health Management Process, driven by organizational practices considered leading indicators of effective safety and health management.

Our Associate Safety and Health Organizational Practices Plan takes into consideration OfficeMax priorities, and compliance with all applicable safety and health regulations and requirements. Over a three-year period, we will focus on six major areas: Management Commitment, Associate Ownership, Risk Management, Training/Education, Documentation/Recordkeeping, and Continuous Improvement. This new structure is being introduced incrementally throughout OfficeMax, and will be fully implemented in our U.S. operations by the end of 2008.



## Working Environment

### **Corporate Safety Committee**

In 2006, OfficeMax formed a Corporate Safety Committee, charged with helping to ensure the physical safety of our headquarter associates. The Committee comprises a cross-section of associates from our corporate staff and our product fulfillment and customer support centers.

One of the Corporate Safety Committee's first projects was to examine the state of emergency preparedness at our corporate headquarters. In May 2006, the Committee identified several areas for improvement. The headquarters needed to improve the availability of first aid kits and automated external defibrillators (AEDs) (portable devices used to restore normal heart rhythm to patients in cardiac arrest) throughout the facility. There was also an opportunity to improve emergency communications via a public address system and two-way radios. An emergency evacuation process was developed for the location, and plans for a trained Associate Incident Response Team were drafted.

The Committee began implementing headquarter emergency preparedness improvements and training in early 2007.

### **Pandemic Risk Control Team**

Another important component of our commitment to associate well-being and business continuity is our Emergency Preparedness Task Force, established in 2006, with representation from such functions as Loss Prevention, Facilities, Human Resources, Risk Management, Safety, Information Technology, Inventory Management, Customer Service, Sales, Finance, and Transportation.

A subcommittee of the Task Force has identified the areas of key concern, and potential impact on our operations and people in the event of a pandemic outbreak, which is a rapid spreading of a disease over a large geographic area.

While specific details are confidential, procedures have been developed for each of our facilities, which have also been stocked with emergency response kits and supplies to accommodate a prolonged state of disruption. In addition, third-party support has been enlisted to provide an allocation of product for the continuity of business operations, alternate servicing sites, and supplementary transportation.

### **Other Associate Wellness Support**

Associates have access to free mental health and relationship counseling, whether personal or work-related, through the OfficeMax Employee Assistance Program, as described in that section of this report. Additionally, our headquarters and, from time to time other facilities, sponsor associate/family health fairs and provide flu shots.

### **Safety and Health Metrics**

Our operations encompass a range of functions, with varying degrees of associated injury and illness risks and rates. Our overall performance compares favorably with industry averages. We are confident that over the long-term our performance will continue to improve as we implement new measures, and reinforce associate safety and health as fundamental to living and championing our Core Values.

#### **total incident rate (TIR)**



The TIR includes all reportable illnesses or injuries, whether or not they resulted in lost time.

#### **days away, restricted or transferred (DART) rate**



The DART Rate is a better indicator of the severity of reportable illnesses or injuries, as it factors in incidents that resulted in one or more lost or restricted days, or an employee requiring transfer to a different job within the company.





## Working Environment

### Responsible Direct Import Product Sourcing

Increasingly, in our efforts to control costs and expand the globalization of our supply chain, many of our supplier-branded and private label products are imported from Asia, including China.

To help ensure that OfficeMax awards business only to suppliers that meet internationally recognized standards for social responsibility and safety, we introduced a Social Accountability Audit Program and a Customs Trade Partnership Against Terrorism (C-TPAT) Audit Program, and we enhanced our Direct Import Product Testing approach for all of our direct import vendors in 2006.

While we believe our approach is effective, it is not without its challenges. The demand for lower-cost foreign-sourced products has fueled rapid growth among manufacturers who themselves are challenged to both meet their customers' standards and achieve their own financial objectives.

Limitations aside, the audit and testing programs are essential to ensure responsible foreign product sourcing.

#### **Direct Import Products Social Accountability Audit Program**

OfficeMax implemented our Direct Import Products Social Accountability Audit Program in 2006, in response to our growing reliance on overseas manufacturing for our private label products. Based on the internationally recognized Social Accountability 8000 (SA8000) Standard and verification system, our social accountability audits are administered entirely by third-party consultants with the requisite skills and regional knowledge, and examine the following 11 areas of performance:

- Local employment laws
- Work permits and employee contracts
- Child and forced labor violations
- Health and safety
- Working environment
- Food preparation services
- Fire safety
- Protective equipment
- Dormitories
- Discrimination
- Disciplinary practices

The Audit Program commenced in 2006. To date, all of our private label manufacturers have been audited at least once; and all new private label vendors now undergo an audit before a business relationship is established.

How frequently a vendor is audited depends on the quality of its audit score. While weeding out noncompliant suppliers is certainly one of the goals of the program, just as important is helping vendors achieve compliance. Through our third-party consultant, OfficeMax works with promising and motivated companies to implement the changes and measures needed to do business together. In this scenario, everybody wins, especially the workers whose lives are likely to improve in some fashion.

Audits are conducted unannounced within a previously determined two-week timeframe. Based on these audits, OfficeMax has rejected a number of suppliers for reasons ranging from refusal to complete an audit to child labor violations (our third-party consultant reports any violations of law to local authorities). With other vendors, we are considering exit strategies or compliance attainment plans.

Exemplary companies with proven long-term track records may be audited as little as every other year. For most companies, however, audits will be conducted at least once a year.

#### **Customs Trade Partnership Against Terrorism (C-TPAT) Audit Program**

In 2006, OfficeMax began requiring C-TPAT Audits of our overseas direct import products vendors to guard against acts of terrorism. C-TPAT is a joint government-business initiative to build cooperative relationships that strengthen overall supply chain and border security. Many C-TPAT elements are widely adopted by customs departments around the globe to secure their own countries' borders and homelands against terrorism.

Our C-TPAT audit examines a variety of security criteria, including the following:

- Business partners requirements
- Container security
- Physical access controls
- Physical security
- Procedural security
- Personnel security
- Information technology security
- Security education and awareness

## Community and Education

*They come from as far as 20 miles away on 12 buses, which travel over 1200 miles each day to pick them up and drop them off. They often arrive at school early in the morning without a proper meal. Some show up in clothes that are torn and dirty. Some with only one shoe. Many are in need of health care. Sometimes, by the end of their school day, the location of their nighttime residence has changed.*

*These are the students of The Pappas Schools, elementary and middle school-age children without a permanent residence. For these kids, The Pappas Schools – located in Phoenix and Tempe, Arizona – are a haven for stability, learning, and basic needs like clothing, health care and food. The schools operate strictly on the donations and volunteerism of their benefactors.*

*The Pappas Schools also represent the 2006 first place recipient in the OfficeMax Volunteer Awards Program, which empowers associates at the local level to work for eligible causes of their choosing. The important, ongoing work that local OfficeMax executives and other associates are doing at The Pappas Schools exemplifies our commitment to supporting both education and diversity.*



***“A single teacher can impact more than 3,000 lives over the course of a career, fueling literally every profession in our society.”***

*– Ryan Vero,  
Executive Vice President, Chief Merchandising Officer*

## Management Approach

Being part of a community means proactively contributing to its well-being while acting as an ethical and responsible member. OfficeMax and our legacy companies have a long history of corporate philanthropy and associate volunteerism, as well as a reputation for conducting ourselves in a principled manner.

### **Charitable Contributions**

Our charitable efforts feature our primary corporate giving program and other corporate-level funding, as well as supporting associate volunteerism and fundraising efforts.

In 2006, we formed a Corporate Contributions Committee, comprising associates from many different business units, and representing both headquarter staff and field associates. The Committee was charged with reviewing our primary corporate giving program and identifying ways in which the funds could be used more effectively. With the integration of our two legacy companies also came charitable relationships, contributing to a varied philanthropic agenda.

Based on this review, a substantial redesign of our primary giving program began in 2006 and continued into 2007, narrowing our focus exclusively on education and, more specifically, assisting teachers. More information can be found in the Charitable Contributions Review section. All of our charitable contributions are governed by the OfficeMax Charitable Contributions Policy, which will be amended to accommodate the refocused program.

Charitable activities are managed by our Community Affairs function, which was integrated into the Office of Diversity and Inclusion after being part of the Human Resources communications group.

This change in structure represents our commitment to supporting diversity beyond the borders of our company. While education is the focus of our primary program, diversity considerations underpin the choice of educational bodies with which we will engage. The director, Community Affairs, oversees this function and reports directly to the vice president, Diversity and Inclusion, who, in turn, reports directly to the CEO.

In addition, OfficeMax engages in cause marketing in an effort to educate the public about important causes and to drive tangible business results back to the company. The senior director, External Relations oversees this function and reports to the senior vice president, Marketing.

### **Ethical Corporate Behavior**

A good corporate citizen must be honest, fair, and law-abiding in its actions. The OfficeMax Code of Business Conduct and Ethics ([http://about.officemax.com/html/officemax\\_code\\_ethics.shtml](http://about.officemax.com/html/officemax_code_ethics.shtml)) sets forth specific requirements for the way in which we interact with society, government and other businesses. Some of the topics covered include the following: bribes, kickbacks and rebates; receipt of gifts; conflicts of interest; interaction with law enforcement and other governmental agencies; insider trading; and the Foreign Corrupt Practices Act, among others. Built within the Code is an enforcement provision and a stipulation that all OfficeMax employees have an affirmative responsibility to report violations either to their manager or to the corporate compliance officer.

More information on how we ensure ethical social performance is found in a section entitled, Conducting Business in an Ethical Manner, which follows the Charitable Contributions Review section.



## Community and Education

### Charitable Contributions Review

At OfficeMax, we take a comprehensive approach to charitable giving. There are systems in place that facilitate both corporate-level and local giving; that engage employees to support the charities important to them; and that accommodate both financial participation and associate volunteerism.

In 2006, OfficeMax's donations and fundraising efforts provided over \$1.3 million to nonprofit organizations and schools in the United States.

#### ***Primary Corporate Giving Program: A Refined Focus on Teachers and Education***

As OfficeMax cultivates a culture of efficiency and effectiveness, we look to get the most from all of our investments. Charitable contributions, of course, are investments in the community.

In 2006, we conducted an extensive review of our primary corporate contributions program. The existing program outlined four broad categories eligible for funding: Education, Health and Human Services; Support of Diversity; and the Environment. Even with narrowing eligible recipients to these four categories, we were providing support to a large number and wide variety of organizations. It became clear to us that we were spreading ourselves too thin to make a real difference in any one area. It was hard to identify tangible sustainable benefits arising from our actions.

In determining how we could best focus our community outreach efforts, we weighed two primary considerations: how could we retain and advance our support for diversity communities, and what was in the best long-term interest of our company and our shareholders.

We determined that education and, more specifically, assistance to kindergarten through twelfth-grade public school teachers, were the best way for OfficeMax to charitably engage with the communities in which we operate, and with society at large. Education enriches individual lives, the community and, ultimately, the economy. Well-educated children help ensure our sustainability as a company by better preparing them to become consumers of our products and associates in our operations.

Not only are teachers a great conduit to the community, but as the quote that opened this section indicated, they touch many young lives over the course of their careers. Education enriches individual lives, the community and, ultimately, the economy. Well-educated children help ensure our sustainability as a company by better preparing them to become consumers of our products and associates in our operations.

It's no secret that educational funding is stretched thin in many schools and school districts across the country. To help compensate, many teachers spend their own money on classroom supplies. In fact, teachers across America spend an average \$1,200 of their own money each year, amounting to a \$4 billion out-of-pocket annual expense.

Since OfficeMax carries many of these needed supplies, we knew we were in a position to help lessen the impact of this particular problem, at the very least. To this end, we significantly enhanced our MaxPerks loyalty program for teachers, a description of which is provided in the sub-section.

Our primary charitable contributions program is currently under development, with the upgraded MaxPerks for Teachers program representing but one initial step. During the evaluation and development processes, all corporate-level funding was put on hold, except for a handful of charities with which we had long-term commitments. Local programs went on uninterrupted and the OfficeMax Volunteer Awards Program (piloted in 2006) yielded heartening results.

Additionally in 2006, we began a research process to identify how our charitable contributions and sponsorship could help our company achieve our diversity goals.



## Community and Education

### **MaxPerks for Teachers**

OfficeMax revamped the MaxPerks loyalty program in 2003 for both businesses and educators. The program has been in place since 1992. The MaxPerks for Teachers program provides program members \$10 in MaxPerks rewards every time they purchase \$75 in qualifying merchandise. The minimum reward is \$10 per calendar quarter, and they can receive up to \$100 in MaxPerks rewards annually. Teachers can also earn an additional 2 percent credit on ink and toner purchases. The MaxPerks rewards spend like cash at any OfficeMax retail store, on our Web site, or by over-the-phone orders.

This program was significantly expanded in 2007 to help provide more resources to teachers.



### **Innovative, School-Themed Marketing**

Breaking from traditional back-to-school advertising, OfficeMax partnered with DDB Chicago, Hollywood Records and Jesse McCartney, and ABC Family to create an original content back-to-school television special. The resulting television show, "Schooled®," featured Jesse McCartney, joined by parents and school officials, pranking a class of eighth graders into believing that they must put their summer vacations on hold and pass grueling oral and written exams to be allowed to proceed to high school as they expected. Schooled® aired in August 2006 on ABC Family. After the airing, OfficeMax retail stores offered an exclusive, limited edition DVD of the show Schooled® that featured McCartney performing songs from his September 2006 album launch, as well as behind-the-scenes footage.



To thank the school faculty, staff and students for their sense of humor and understanding, Jesse McCartney treated them to a live performance. In addition, OfficeMax donated \$80,000 to the school to support programs and clubs that were threatened due to budget cuts.

## S P O T L I G H T

### **The Naperville OfficeMax Teacher Innovator Award**

When OfficeMax moved our corporate headquarters to Naperville, Illinois, we wanted to find a way to establish roots in the community. In the fall of 2006, OfficeMax launched the OfficeMax Teacher Innovator Award with the Naperville Community Unit School District 203 and its nonprofit fundraising arm, the Naperville Education Foundation.



Once a month, a review committee selects a teacher who demonstrates innovation and creativity in the classroom that ties in with the school district's professional development goals. The nominations come from community members, fellow teachers, administrators, parents, and students over the age of 13. The review committee includes representation from OfficeMax headquarters, local OfficeMax stores, the Naperville Education Foundation, and School District 203.

Early each month, while class is in session, a winning teacher is surprised by his or her principal and 20 to 30 strangers bearing gifts, flowers and balloons. The principal tells the class that they have visitors from OfficeMax. An OfficeMax representative walks to the front of the class to bestow the OfficeMax Teacher Innovator of the Month Award, which typically includes an HP digital printer and digital camera and a \$400 OfficeMax gift certificate.

The program has helped OfficeMax establish roots in our new hometown, and has served as one of the inspirations for several 2007 programs.



## Community and Education

### ***Other Corporate-Level Activity***

#### ***American Red Cross***

OfficeMax has a strong history with the American Red Cross that deepened during our involvement with them in 2004 following Hurricanes Katrina and Wilma. We increased our assistance to the organization's relief efforts, donating truckloads of products, as well as making financial contributions.

In 2006, in recognition of our contributions to hurricane relief efforts, the American Red Cross awarded OfficeMax the Circle of Humanitarians Award, which is given to companies that have demonstrated substantial commitment to disaster relief.

#### ***The Jeff Sluman and OfficeMax Drive for Hope Program***

PGA Tour golfer Jeff Sluman and OfficeMax teamed up to create The Jeff Sluman and OfficeMax Drive for Hope Program. Under the partnership, OfficeMax donated \$500 for each birdie and \$1,000 for each eagle that Sluman recorded on the 2004, 2005 and 2006 PGA Tours. OfficeMax donated \$184,000 in 2004, \$166,000 in 2005 and \$183,500 in 2006. The 2006 program raised more than \$665,000 in all, half of which went to the City of Hope and half of which was split among Sluman-designated charities.

#### ***The Kids in Need Foundation***

This organization provides free school supplies to teachers at Title I (underperforming) schools through its 21 Resource Centers around the United States. OfficeMax supports this organization with the donation of product, direct financial contributions, and the sponsorship of its Chicagoland and Cleveland Resource Centers.

### ***Associate Volunteerism and Fundraising***

OfficeMax is committed to fostering a corporate culture of charitable giving. Our associates receive company support for participating in charitable works through two main vehicles: the OfficeMax Volunteer Awards Program, piloted in 2006, and the OfficeMax Associate Giving Campaign.

#### ***OfficeMax Associate Giving Campaign***

Held annually, our Associate Giving Campaign provides associates with opportunities to make their charitable donations go twice as far through payroll deductions to eligible charities that are matched by the company. The eligible charities to which they made pledges in 2006 included all local United Way affiliates; the American Red Cross Disaster Relief Fund; and Adopt-A-Classroom, a program that provides moral and financial support on a classroom-by-classroom basis.

#### ***OfficeMax Volunteer Awards Program***

The OfficeMax Volunteer Awards Program, piloted in 2006, empowers associates at the local level to work for eligible causes of their choosing, about which they care deeply. Putting the choice of charities in the associates' hands not only enhances their overall employment experience, but leaves this important decision to people who live in the communities and know its needs.

The Program provides recognition and rewards for innovative volunteer programs undertaken by OfficeMax associates. Associates can nominate their volunteer program(s) to receive up to a \$5,000 (first place) donation from the company. The OfficeMax Corporate Contributions Committee judges an initiative on several primary characteristics, including whether it addressed a dire need, required a strong commitment, created positive visibility for the company, and improved team relations with fellow OfficeMax associates.

#### ***2006 First-Place Winner: T.J. Pappas Schools, Maricopa County Schoolhouse Foundation***

The winning program for 2006 was both a heart-warming and heart-wrenching tale. The T.J. Pappas Schools serve elementary and middle school-age children who are without a permanent residence; many of them minorities. The Schools were excited to receive the much-needed \$5,000 first-place award.

Located in Phoenix and Tempe, Arizona, the two elementary schools and one middle school, provide these children with much more than an education. Here they are fed, given clothing on an ongoing basis, receive health care services, celebrate their birthdays, and much more. Some come from up to 20 miles away and may be returning to a different nighttime residence (if any at all) than the one they left that morning. The schools' 12 buses cover 1,200 miles a day to pick up and return the children.

The project involved an ongoing effort from a group of OfficeMax, stores known collectively as OfficeMax District 32, in Phoenix, Arizona. Volunteers included senior management, directors, district managers, and support staff.

The District 32 team supported the schools in a variety of ways. OfficeMax sponsored a "Pack a Backpack for Back to School" day, where we provided the kids with new backpacks filled with school supplies, which were subsequently replenished. The team cleaned the playground, rotated food in the pantry, painted and papered the front entry of the school, organized events, and much more.

Our territory senior vice president, as well as other senior managers, provided half-day teacher support sessions in the classrooms.

OfficeMax District 32 is dedicated to continuing its work with the T.J. Pappas Schools. This local effort is wholly consistent with our refocused corporate approach. It is a prime example of how we are focusing on aiding education, through volunteerism.



## Community and Education

### 2006 Second-Place Winner: Junior Achievement Day at Kepner Middle School, Denver Colorado

Our Mountain/Central Territory team, made up of the retail district managers, ImPress district managers, senior management, and the local Denver team partnered with the local Junior Achievement (JA) chapter to sponsor "OfficeMax and Kepner Middle School: JA for a Day."

Kepner Middle School serves a 90 percent Hispanic student body, 94 percent of which participate in the school's free or reduced lunch program. The goal of the initiative was to provide value and inspiration to the students, show the teachers and staff at Kepner that they are heroes of the community, inspire and educate the volunteers, and ensure that OfficeMax was represented with the highest level of professionalism.

The students were exposed to a great deal of new ideas, practiced leadership skills, and participated in many fun and educational activities. The OfficeMax volunteers used the curriculum supplied by Junior Achievement of Rocky Mountains to teach the students about a variety of subjects including personal economics, job interviewing skills, and civic responsibilities. The event required a lot of commitment, preparation, and coordination by the team in the Mountain/Central Territory. The event was so inspirational that at least five district managers created a "JA in a Day" experience in their own communities.

### Conducting Business in an Ethical Manner

Integrity is one of OfficeMax's Core Values. OfficeMax works hard to build and maintain a reputation reflective of our high standards of business conduct and ethics in dealing with customers, suppliers, vendors, government authorities, and local communities. Included in our Code of Business Conduct and Ethics ([http://about.officemax.com/html/officemax\\_code\\_ethics.shtml](http://about.officemax.com/html/officemax_code_ethics.shtml)) are a number of principles that guide our conduct in our interactions with the community.

#### *Principles*

##### *Antitrust and Trade Practices*

The OfficeMax Code of Business Conduct and Ethics ([http://about.officemax.com/html/officemax\\_code\\_ethics.shtml](http://about.officemax.com/html/officemax_code_ethics.shtml)) requires not only compliance with applicable regulations, but goes further to proscribe activity that has the appearance of impropriety. The company's Antitrust Compliance Training Program has operated continuously for over 30 years, and requires regular training for all executives, senior managers, and other associates who control costs or prices, or who may come into contact with competitors in the course of their duties. More than 1,000 of our U.S. associates are enrolled in the Antitrust Compliance Training Program. The Program, in concert with our corporate culture, has been quite effective. The company has not been named as a defendant in an antitrust action since the inception of the program.

##### *Political Activities*

OfficeMax believes in a relatively hands-off approach to lobbying and political activity on behalf of the company. We discontinued the legacy political action committee and political action fund in 2004 when the company divested our forest products assets. Currently, OfficeMax engages directly in lobbying activities designed to influence public or legislative policy only on a very limited basis. While we do employ a single independent third-party lobbyist, the lobbyist's role is primarily to help OfficeMax keep abreast of legislative developments related to government contracting. Some of the general trade associations to which we belong may conduct lobbying activities, but OfficeMax associates are not directly involved in those efforts.

## Community and Education

Associates are prohibited from making any political contribution on behalf of the company and from using corporate funds to do so. As individuals acting on their own behalf, associates are encouraged to participate in civil and political activities, so long as such activities are on the associate's own time, are at his or her own expense and do not otherwise interfere with the conduct of OfficeMax's business. Additionally, no OfficeMax property or facility, or the working time of any OfficeMax associate may be used for any political activity.

### *Fair Business Practices*

The OfficeMax Code of Business Conduct and Ethics

([http://about.officemax.com/html/officemax\\_code\\_ethics.shtml](http://about.officemax.com/html/officemax_code_ethics.shtml))

prohibits associates from offering, giving, or transferring anything of value to, or accepting anything of value from, any official, employee, or agent of any governmental entity with which the company does business, is seeking to do business, or has a regulatory relationship. Associates are also strictly prohibited from offering, authorizing, giving or promising anything of value to a governmental official that could be perceived as an inducement or bribe to help OfficeMax in our business.

The company does not condone, under any conditions, the offering or payment of "kickbacks," "under-the-table" payments, illegal rebates or other similarly improper or inappropriate payments to actual or potential customers, or their representatives in exchange for business. All sales to customers must be based upon price, terms, and the type and quality of service to be provided to the account, as well as similar relevant and lawful factors.

Associates and their families shall not accept any form of "under-the-table" payment, "kickback," bribe, rebate or other improper payment in connection with any corporate purchase or sale of goods or services. The Code also sets forth very specific standards on the receipt of gifts or entertainment by associates, which prohibit them from soliciting such items or activities, and sets strict limits on the value and nature of gifts and/or entertainment they may accept if offered.

OfficeMax regularly monitors compliance with the anti-corruption practices contained in our Code through our ongoing internal audit processes and quarterly management representation letter process, and compliance is further supported by monitoring the company toll-free telephone tip line and business ethics electronic mailbox.

### *Legal Compliance*

The OfficeMax Code requires that all associates act in accordance with all laws applicable to our operations. OfficeMax has an excellent record with regard to legal compliance. During the reporting period, OfficeMax received no material sanctions for noncompliance with laws and regulations, and the total amount of all proposed monetary sanctions was approximately \$2,100. These included a Notice of Proposed Penalty from the U.S. Federal Aviation Administration for an alleged improper air shipment of hazardous materials, and a citation from the U.S. Occupational Safety and Health Administration.



## Natural Environment

*Combining product stewardship with customer value is a powerful strategy for achieving multiple positive outcomes: reduced environmental impact, cost savings and customer satisfaction. OfficeMax is dedicated to putting this strategy into action. One such example is the OfficeMax Ink Refill Station Program.*

*Throughout the world, consumers throw out approximately 300 million ink cartridges per year. The materials used in these cartridges can take 1,000 years or more to decompose in a landfill. Add to that the oil and energy it takes to manufacture and ship new cartridges, and it's easy to understand the environmental implications of this situation.*

*To help address this problem and, in the process, save our customers money, OfficeMax kicked-off one of the most ambitious service launches in our history during 2006: the OfficeMax Ink Refill Station Program. Ink Refill Stations were installed at 422 stores, enabling customers to have their empty ink cartridges refilled at up to a 50 percent savings over buying a new cartridge.*



***"Minimizing environmental impacts throughout our business system, especially in the areas of product stewardship and energy management, is a key component of our success as a company."***

*– Sue Mills,  
Director, Environmental Practices*

## Management Approach

The OfficeMax Code of Business Conduct and Ethics ([http://about.officemax.com/html/officemax\\_code\\_ethics.shtml](http://about.officemax.com/html/officemax_code_ethics.shtml)) requires that we conduct our business in strict accordance with all applicable state and federal laws and regulations, as well as with all OfficeMax corporate policies and best practices pertaining to the protection of the environment. To help ensure that the Code is enforced and to set the foundation for reducing our overall environmental footprint beyond that which is required by law, we recently introduced two important policies: the companywide OfficeMax Environmental Policy and the OfficeMax U.S. Paper Procurement Policy.

A number of associates address environmental concerns within the company. These include the director, Environmental Practices and representatives from our Legal, Strategic Sourcing, and Transportation functions.

As a distributor not directly involved in manufacturing, OfficeMax's primary opportunities for managing our environmental impacts are in the areas of product stewardship and energy conservation and efficiency. Our stewardship efforts are organized around five operational elements: product offerings, ordering mechanisms, packaging and delivery practices, business and consulting services, and internal usage and operations.

At OfficeMax, we believe it is important to engage with external stakeholders on the topic of environmental stewardship. To this end, our director, Environmental Practices, served as the vice chair of the Buy Recycled Business Alliance (part of the National Recycling Coalition), and sits on the board of NAEM, a professional association dedicated to advancing the knowledge and practice of environmental, health and safety management. We are also members of the World Resource Institute Business Climate Change

Collaborative. OfficeMax has collaborated with the American Forest and Paper Association, Forest Stewardship Council, Sustainable Forestry Initiative, and the Abundant Forest Alliance to promote responsible forestry practices and education.

We have also engaged with nongovernmental environmental groups (NGOs) such as the Rainforest Action Network, Forest Ethics and the Dogwood Alliance. These engagements were part of the development of our recently issued U.S. Paper Procurement Policy.

Additionally, OfficeMax maintains a dedicated e-mail address through which the public may contact us with any questions they have concerning the environment.

### **OfficeMax Environmental Policy**

Through our legacy company, Boise Cascade, OfficeMax introduced our first Environmental Policy more than 20 years ago. Following the finalization of the new company structure and identity in October 2004, we made significant changes to the legacy policy to address the needs of the new entity, and released the current OfficeMax Environmental Policy in 2005. In the course of developing the new policy, we reached out to environmental advocacy groups and our customers for input.

The OfficeMax Environmental Policy ([http://about.officemax.com/html/officemax\\_environmental\\_policy\\_env.shtml](http://about.officemax.com/html/officemax_environmental_policy_env.shtml)) sets forth tenets for promoting environmental sustainability and minimizing the adverse environmental impacts of our operations and products in a manner responsive to the needs of our customers, shareholders, associates, suppliers, the communities in which we operate, and the public. The policy covers such topics as compliance, communications and stakeholder engagement, product selection, operations, and continuous improvement.



## Natural Environment

### **OfficeMax U.S. Paper Procurement Policy**

Like other companies that distribute paper, OfficeMax must be sensitive to the forestry practices of our suppliers. Of all areas of our operations, this is the only one that has received attention from external environmental advocacy groups. In 2004, as we began engaging in dialogue with two such groups, we began to develop a formal OfficeMax U.S. Paper Procurement Policy ([http://about.officemax.com/html/officemax\\_environmental\\_policy\\_paper.shtml](http://about.officemax.com/html/officemax_environmental_policy_paper.shtml)).

In addition to the input we received and integrated from these two advocacy groups, we also consulted with customers, suppliers, and other companies with similar issues, as well with the American Forest and Paper Association, the Forest Stewardship Council, the Sustainable Forestry Initiative, and other forestry certification groups. The U.S. Paper Procurement Policy was completed in the second quarter of 2006, and officially released in early 2007. While it was not practicable to incorporate each and every suggestion we received, we did integrate many best practices to arrive at a Policy that we believe addresses the responsible procurement of our paper products.

The OfficeMax U.S. Paper Procurement Policy complies with our Environmental Policy, and applies to our U.S. operations, including the sourcing for our products for these operations. The Paper Procurement Policy establishes how we are to manage supply chain and sourcing decisions to help safeguard biodiversity and other important ecological values, within the context of good business practices and market conditions – including product availability, consumer demand, and profitability.

We expect our suppliers to: maintain legal/regulatory compliance; eliminate the sourcing of products from endangered areas and from industrial forest suppliers that convert natural forests to industrial plantations; and track the source of the paper to the country, region and mill of origin or beyond when practicable and data is available.

Within OfficeMax, the U.S. Paper Procurement Policy requires that we give purchasing preference to paper products from certified forests whenever feasible, continue to identify and support recycled-content paper and paper products, and purchase recycled-content paper for our internal usage.

In 2006, to help operationalize our U.S. Paper Procurement Policy, we began developing a chain of custody verification program that will include third-party audits of our suppliers' chain of custody certifications. A chain of custody certification traces the source of paper products back to the forest of origin, thus helping ensure that the products we purchase do not come from endangered areas or industrial forest suppliers that convert natural forests to industrial plantations.

In conjunction with our U.S. Paper Procurement Policy, we set a goal of 30 percent average post-consumer fiber content in the business papers (e.g., cut-size printer/copier paper) we offer for sale. In 2006, 37 percent of the business paper products we offered contained at least 30 percent post-consumer fiber. Nearly all the business paper we purchased for internal use in 2006 contained 30 percent post-consumer fiber. In addition, we use paper salvaged from our operations that is not suitable for sale to customers due to damaged packaging.

### **Product Offerings That Promote Environmental Stewardship**

Our Merchandising function is constantly seeking products with environmentally preferable qualities that offer value to our customers. Some of the characteristics that Merchandising looks for include recycled content, ease of recyclability, energy-efficiency, and smaller-sized materials. As these products are selected, they are marked in our database and their product attributes noted in our catalog descriptions.

In addition to our previously-stated goal of helping to ensure that the business paper products we offer contain post-consumer fiber, we also offered and stocked over 1,800 products containing recycled content in 2006, representing almost 16 percent of the products in our Maxi catalog. We can also access thousands more products with recycled content for our customers. Other milestones of our commitment to offering recycled/recyclable products include the following:

- The first nationally distributed 100 percent post-consumer copier paper (developed by our legacy company and offered in 2002).
- The first nationally distributed 100 percent post-consumer color copier paper manufactured using electricity derived from wind power (introduced in 2005).
- Ink and Toner Products and Services with environmentally-preferable properties.

## Natural Environment

### *Ink and Toner Products and Services*

OfficeMax offers our customers a number of ink and toner cartridge choices that help them both save money and reduce their environmental impact. These include purchasing OfficeMax brand remanufactured ink and toner cartridges, which generally provide savings of up to 15 percent compared with national brands; returning their own cartridges for remanufacturing, often with incentives from OfficeMax and/or the manufacturer; and taking advantage of our latest innovation, our Ink Refill Station Program, which is available through our Retail business segment.

In 2006, OfficeMax installed Ink Refill Stations in 422 of our stores, enabling customers to bring their empty cartridges and have them refilled for up to 50 percent less than the cost of purchasing a new cartridge. Because cartridges can be refilled between four to 10 times before being recycled, and given that most computer users replace their printer's ink cartridge four to six times a year, we expect this program to help eliminate thousands of pounds of plastic waste from public landfills, while saving our customers hundreds of thousands of dollars.

A diagnostic test is performed on every cartridge brought to the Ink Refill Stations to ensure that the cartridges are suitable for refilling. After the cartridges are refilled to the end of their useful life, they are disassembled into their constituent parts, and sent to recyclers for re-use or recycling.

### **Ordering Mechanisms That Promote Environmental Stewardship**

The OfficeMax Maxi catalog is offered in electronic format, thus reducing paper and the need to transport paper catalogs. Electronic ordering also reduces the need for paperwork for both customers and OfficeMax.

Our account teams work closely with our customers to set up purchasing options that help them achieve their own environmental stewardship goals. For example, if there is a recycled alternative that corresponds to a product that a customer has ordered, the customer can designate in advance that the product is to be automatically substituted with the recycled alternative.

### **Packaging and Delivery Practices That Promote Environmental Stewardship**

OfficeMax packages and ships products in a manner that supports our commitment to quality. We minimize the amount of shipping materials we use, while ensuring that products get to our customers safely and undamaged. Some examples include using re-usable plastic bins and recycled content envelopes instead of boxes. We also will take back our shipping packaging if the customer doesn't have its own recycling program.

Our delivery schedule keeps the needs of the customers in mind, but delivery routes are mapped to maximize fuel efficiency and minimize the total number of miles driven. Our drivers also have standard operating procedures regarding truck idling.

### **Business and Consulting Services That Promote Environmental Stewardship**

OfficeMax offers a variety of consulting services that help our customers manage their business and reduce their environmental footprint. One of these services, unique to OfficeMax, is our ability to perform paper audits for our customers. The audits are performed by paper specialists who examine operations in which large volumes of paper are used. Frequently, the audits focus on opportunities to use recycled-content papers. It is common to recommend that printers be set to duplex mode so that less paper is used overall, with the associated cost savings being used to purchase paper with additional recycled content. Since paper is traditionally one of the largest office supply purchases, these changes are good ways for our customers to demonstrate their environmental commitment.

Our account teams also conduct business reviews for our customers, which often include customer insight reports. These reports can be tailored to review recycled content product usage, right down to individual ordering patterns. It can also be used to compare environmentally preferable purchasing to other (unnamed) companies in the customers' industry as designated by Standard Industry Classification (S.I.C.) code. This management tool is also unique to OfficeMax in the office products industry.



## Natural Environment

### S P O T L I G H T

#### Helping Customers Recycle Obsolete Electronics

Obsolete electronic equipment is one of the fastest growing waste streams in the United States. This is a serious issue because such equipment contains lead, mercury, and other toxic materials, which can seep into groundwater if not properly handled.

While many states have laws and regulations regarding electronic asset disposal, there is no consistent policy in the United States. Computers and electronics are also becoming less expensive, and users may be more easily tempted to "dump" their old models.

OfficeMax helps our customers find environmentally and socially responsible ways to shed unneeded electronics. In some cases, that means arranging for the equipment to be donated to a charitable organization or remarketed to their employees, after being scrubbed of the customer's data. We can also help customers get their equipment disassembled into its component parts and then recycled, as we do with our internal obsolete electronics.



#### Internal Usage and Operations That Promote Environmental Stewardship

The environmental issues most central to OfficeMax's internal operations are product stewardship and the energy usage associated with our facilities and transportation operations. Reducing our environmental footprint in these areas also supports our business goal of cost control. We are also committed to complying with all federal and local environmental laws and regulations. We achieve this, in part, by conducting environmental audits of our distribution facilities. Additionally, our Legal Department is involved in all significant business transactions having environmental components or implications.

#### Internal Product Stewardship

Our internal product stewardship efforts focus on the use of damaged paper or the purchase of recycled-content paper products, as well as the recycling of products and materials that have reached the end of their useful lives in their present form. The majority of the paper (60 percent) we used for our 2006 printed catalog contained 10 percent post-consumer recycled content. Additionally, before purchasing recycled content business paper for our internal operations, stores and facilities in support of our U.S. Paper Procurement Policy, we use paper that was intended for resale but was somehow damaged and determined to be un-sellable. All OfficeMax facilities also recycle toner and ink cartridges, paper, plastic film, cell phones, pallets, rechargeable batteries and electronics.

#### materials disposition (U.S. operations)

2006 material and disposition method

Inkjet cartridges recycled (OfficeMax and customer materials)	5,401,779 units	Old corrugated cardboard recycled (OfficeMax materials)	5,459 tons
Laser toner cartridges recycled (OfficeMax and customer materials)	1,240,407 units	Plastics and film recycled (OfficeMax materials)	71 tons
Rechargeable batteries recycled (OfficeMax and customer materials)	1,227 pounds	Electronics recycled (OfficeMax materials)	541,547 pounds
Cell phones recycled (OfficeMax and customer materials)	1,122 units	Trash sent to landfill (OfficeMax materials)	20,106 tons

■ OfficeMax & customer materials ■ OfficeMax materials

#### Energy Initiatives

Nowhere is the relationship between cost control and environmental stewardship more evident than in our efforts to reduce our energy consumption through efficiency and conservation measures. These efforts contributed to the 32,000 metric ton reduction in greenhouse gas (GHG) emissions from 2005 to 2006. A net reduction in the number of facilities we had in operation in 2006 also contributed to GHG reductions.

To further the cause of reducing overall GHG emissions, OfficeMax is active in the World Resource Institute Business Climate Change Collaborative, which builds strategies for companies to thrive in a carbon-constrained economy. Partners develop GHG management systems, share energy management practices and invest in clean energy.



## Natural Environment

### Better Managing In-Store Energy Consumption

In October 2006, the OfficeMax Strategic Sourcing Group put in place an Energy Management System (EMS) that gave our third-party energy management group centralized, around-the-clock monitoring and control of the heating, ventilation and air conditioning (HVAC) and lighting systems at approximately 70 percent of our stores. By February 2007, 99 percent of our stores were on this system and today, they all are. This has enabled us to better track energy consumption, ensure that we use energy wisely, and prioritize efficiency upgrades. Store and facility managers can contact our energy management vendor to make any needed changes to lighting and HVAC schedules, and they are instructed to ensure that lights do not automatically stay on all night in unoccupied buildings. Managers are also directed to keep overhead dock doors closed unless receiving deliveries. A major energy-efficient lighting retrofit is planned for our stores in 2008.

### Better Managing Transportation-Fuel Consumption

As a company that logged some 1.5 million miles in 2006, we recognized that there would be opportunities to enhance our transportation logistics and fuel purchases. That same year, every aspect of our transportation operations was reviewed for opportunities to save time and energy consumption. Delivery routes were remapped and time-shifted to ensure that trucks were traveling in the most efficient manner possible. We changed the way in which our stores are replenished from our warehouse and distribution facilities: from a system that was structured along business segment lines (i.e., Contract and Retail) to one based on geographic proximity. And, where feasible and practicable, we shifted our purchases of diesel fuel to bio-diesel, which results in lower CO<sub>2</sub> emissions across the lifecycle of the fuel from production to consumption.



### Looking Toward the Future

OfficeMax is researching the viability of alternative energy sources, energy-efficient building techniques, and construction changes that reduce the demand for energy. While most of our stores and facilities are leased, these latter two points would apply to build-to-suit lease arrangements.

### Energy-Related Performance Metrics

All emissions data have been determined from our actual energy and fuel usage. There were no direct emissions from OfficeMax resulting from manufacturing process, as we do not directly manufacture products. Energy and fuel usage metrics were determined by electricity and natural gas usage data obtained through our third-party utility payment resource, Cass Information Systems, Inc. Data are for U.S. operations only. Energy used to power our facilities is expressed both in total usage and on an energy-usage-per-square-foot basis. CO<sub>2</sub>, SO<sub>x</sub>, and NO<sub>x</sub> emissions are calculated from direct sources only, including natural gas, diesel fuel, bio-diesel fuel and propane. Indirect emissions from electricity usage are not included.

#### total CO<sub>2</sub> emissions (in metric tons)



#### total SO<sub>x</sub> emissions (in metric tons)



#### total NO<sub>x</sub> emissions (in metric tons)



#### total natural gas consumption (in Mcf)



One Mcf equals 1,000 cubic feet of natural gas.

#### total electricity consumption (in kWh)



#### total diesel fuel consumption (in gallons)



The reduction in diesel fuel consumption from 2005 to 2006 is a result of delivery and shipping route optimization efforts, store closings, and displacing diesel fuel with bio-diesel fuel.

#### total bio-diesel fuel consumption (in gallons)



The sharp increase in bio-diesel fuel consumption from 2005 to 2006 is a result of efforts to displace diesel fuel with environmentally preferable bio-diesel when feasible and practicable.

## Natural Environment

### Environmental Auditing and Compliance

Because OfficeMax does not operate manufacturing facilities, our environmental impact is relatively low, especially beyond the topics already discussed in this report. We take the steps necessary to ensure that we are in compliance with all federal, state and local laws and regulations.

OfficeMax has an ongoing environmental audit program for all of our distribution facilities. The program is intended to review facility compliance with statutory and regulatory requirements, as well as evaluate environmental management practices with financial and compliance implications. Audits currently are conducted internally by personnel with significant environmental auditing experience. If compliance issues are identified, facility managers are required to correct the issues within a reasonable time. Audit reports are shared with senior management. Routine audit follow-ups are conducted to ensure that issues get resolved. Additionally, distribution facility personnel are advised of compliance trends.

OfficeMax's facilities generally are considered conditionally exempt from regulation as hazardous waste generators because they generate very low volumes and weights of hazardous waste. As a rule, most of the waste materials that could be classified as hazardous waste are recycled and not disposed. To our knowledge, no hazardous waste was shipped internationally.

Also, to our knowledge, our discharges of domestic wastewater and storm water runoff do not significantly affect any water bodies and their related habitats. Only storm water runoff and domestic wastewater are discharged from our facilities. No industrial process water is discharged. Storm water is discharged from relatively small areas and generally is mixed with the storm water from many other commercial properties. Domestic wastewater is discharged to wastewater treatment plants.

During 2006, the company experienced no spills of an environmentally significant nature. An OfficeMax retail location received a Notice of Proposed Penalty from the Federal Aviation Administration for an alleged improper air shipment of hazardous materials associated with the company's contract with DHL. Both liability for the shipment and the penalty were contested, and the company settled the case for \$1,500.00.

An OfficeMax distribution center received a Notice of Violation from a local environmental health agency for failing to submit a required Hazardous Materials Business Plan. The plan was prepared and submitted as required. No penalty was assessed, and the matter is closed.

### Other Environmental Considerations

To our knowledge, none of our facilities are on or adjacent to land of high biodiversity value. And, with the potential exception of our purchased paper products as addressed in our U.S. Paper Procurement Policy, we are not aware of any direct significant impacts to biodiversity from our products or services.

OfficeMax produces no ozone-depleting substances. Any such substances that may be used by OfficeMax facilities generally would be contained within facility cooling units that are serviced by trained and certified technicians. All service is done in accordance with federal, state, and local laws and regulations, to prevent the loss of ozone depleting chemicals from these appliances.



# OfficeMax®

## Customer Value

*\*Sipping her cup of complimentary coffee†, the busy professional sits comfortably for a moment checking her e-mail via the free WiFi service. She has already finished shopping because the boutique-style stations made it easy and appealing to find what she needed. The presentation and the quality of the products even inspired her to pick up a few items she hadn't planned on. She especially liked her stylish new Tul® pen, a brand she had not encountered before, but now admired. She intended to finish her coffee and pick up the printer ink cartridges she brought in to be refilled at the Ink Refill Station. But just then she got an urgent e-mail from her office asking if she could get a large color poster over to a local event ASAP.*

*She replied in the affirmative and instructed them to e-mail the file for printing to the OfficeMax ImPress station. In just a few minutes, she stepped over to the ImPress counter and picked up the poster. Moments later, poster, refilled cartridges and supplies in hand, she headed toward the exit when the aroma of freshly brewed coffee wafted over her. "Mmm," she thought, "I'll be back."*

*\*(A DRAMATIZATION). †Not all OfficeMax Cafés provide coffee due to local ordinances.*

*The office products shopping experience dramatized above is representative of what a real OfficeMax customer might experience at one of our new award-winning Advantage format stores. It also demonstrates our relentless focus on helping our customers do their best work.*



***"To create this prototype we not only talked with customers, but we also watched them shop. That insight helped us create a new store concept that is truly 'built by customers.'"***

*— Sam K. Duncan,  
Chairman and Chief Executive Officer*

## Management Approach

Delighting our customers means bringing them the products and services they want and need, making the experience quick and simple, providing value-added consultation, assisting them in their supplier diversity and environmental stewardship goals, and safeguarding the information they supply to us. It also means honoring their trust that we are conducting our business in a safe and socially responsible manner.

OfficeMax's Code of Business Conduct and Ethics

([http://about.officemax.com/html/officemax\\_code\\_ethics.shtml](http://about.officemax.com/html/officemax_code_ethics.shtml)) governs all operations and activities pertaining to bringing our customers the value they've come to expect, without compromising our integrity or compliance with applicable laws. The Code strictly prohibits the use of false or misleading statements to customers made in an effort to market OfficeMax products and services. It also discourages associates from disparaging competitors or their products or services.

Our Code also places a great deal of emphasis on information security, which is operationalized by our Companywide Information Security Program. This Program is designed to foster customer trust and protect shareholder value by managing information security risks. The executive vice president and chief information officer oversees our information security efforts and reports directly to the CEO.

Most other customer-focused functions, such as marketing, communications, merchandising, product development, customer knowledge, and branding, fall within the purview of our executive vice president and chief merchandising officer, who reports to our COO.

The combined efforts of these internal functions and individual associates are critical to meeting our business goals, especially our commitment to growth, simplicity, cost control, improved customer experience and improved associate experience.

## Delivering on Our Mission to Help Our Customers Do Their Best Work

OfficeMax is determined to enhance the customer experience regardless of the channel through which they purchase. This is evidenced by our award-winning new Advantage retail store format and e-Commerce efforts, our world-class customer service achievements, and the value-added supply management and consulting services we provide to our customers.

Additionally, throughout this report we have described the ways in which our commitment to diversity, associate empowerment, environmental stewardship, and community and education bring value to our customers, and in return, to our company and shareholders. The reader is asked to keep these linkages in mind while reviewing this section dedicated to customer value.



## Customer Value

### S P O T L I G H T

#### **Award-Winning Retail Design**

In October 2006, OfficeMax opened the first of our Advantage store formats. The basic concept behind this innovative design is to make our stores a resource for customers rather than simply a warehouse for products. In developing this new format, we employed a hands-on technique known as ethnographic research.



Relatively new to the business world, ethnographic research has been used by anthropologists for years. This methodology relies on participant observation, in-depth interviews, and visual analysis to immerse the researchers in a culture or subculture so that they gain a deeper understanding of behaviors and customs. In this case, the subculture was OfficeMax retail store customers.

A group of third-party researchers observed how people shopped and how they used the products in their offices. Following the observations, they conducted a series of in-depth interviews with these customers. Their findings were quite enlightening and played a major role in developing the new store format. The design subsequently won the first-place award in Chain Store Age's 24th annual Retail Store of the Year design competition in the "Hard Lines 15,000-100,000 square feet" category. Judges included designers, architects, and other retailers.

As customers enter the new stores, a central technology hub creates a striking focal point and immediately helps customers orientate themselves. Whimsical photographic banners direct shoppers to their destinations, and improved sight lines make other shopping categories visible from across the store.

Understanding today's busy mobile professionals, the new store design features a community area, called OfficeMax Café, where customers can sit comfortably, use free WiFi connectivity and enjoy complimentary coffee (not available in certain areas due to local ordinances).

#### **Innovative Ink Refill Stations**

In 2006, OfficeMax rolled out an innovative new service in 422 stores. As part of our overall ink and toner solutions portfolio, these refill stations enable customers to bring in their used printer ink and toner cartridges, and have them refilled at up to a 50 percent savings over the cost of a new cartridge. The customer can drop the cartridges off and do their shopping, relax in an OfficeMax Café (Advantage store formats only) or come back later to pick them up.



This option saves our customers money and helps them practice environmental stewardship. For more information on the environmental benefits, see Ink and Toner Products and Services in the Natural Environment section of this report.

#### **Award Winning e-Commerce Efforts**

OfficeMax is dedicated to providing world-class e-Commerce tools to help business customers streamline and gain greater control of their office products purchases. In 2006, OfficeMax was selected as a finalist in the Best Support Team category for our e-Commerce efforts at The American Business Awards, which is recognized as the only national, all-encompassing business awards program honoring great performances in the workplace.

Our e-Commerce efforts excel at providing customers with easy search capabilities and streamlined ordering processes. Of particular note is an online assistance innovation, known as "Web collaboration," available to both our enterprise and mid-size business customers. This tool provides two options for contact, based on the customer's preference. They can either click on the "live chat" icon to begin an immediate, real-time, interactive chat session with one of our Web support associates, or the customer can enter their phone number in a dedicated field to receive a call back from OfficeMax.



## Customer Value

### ***World-Class Customer Call Center Performance***

In an age of seemingly endless voice mails and on-hold music, we pride ourselves on our ability to respond to customers quickly, and get any problems or issues resolved fast. We have a metric we call “Done in One,” which captures the percentage of customer requests (orders, product questions, returns, etc.) that are resolved during a customer’s first interaction with us. Performance in excess of 80 percent is generally considered world-class by Service Quality Measurement Group, Inc., a leading third-party call center measurement company. In 2005 and 2006, OfficeMax scored no less than 95 percent during any individual quarter.

Another metric, known as “Service Level,” captures the percentage of customer calls that are answered within a set time period. Our target is to answer at least 70 percent of our calls within 20 seconds, and to average overall an average speed of answer of less than 20 seconds. During 2005 and 2006, we never averaged less than 80 percent in any given quarter, with our highest performance reaching over 90 percent.

### ***Value-Added Business and Consulting Services***

#### *OfficeMax ImPress*

In 2006, we launched OfficeMax ImPress, the company’s new identity for our print and document services, as well as invested in some new equipment and additional associate training. For large business customers, OfficeMax ImPress streamlines the document management process, and improves tracking and control for greater cost savings. Consumers and mid-to-small businesses will find quality and value through the OfficeMax ImPress online submission and in-store printing, copying, binding, and document-production services.

#### *Technology Solutions*

OfficeMax provides an array of technology products, including printers, multifunction devices, laptops, servers, data center media, and software. However, we do more than just sell the equipment. OfficeMax provides total technology solutions for our customers, including end-to-end printer fleet management, data center support, identification and management of software-licensing agreements, and assistance in finding environmentally and socially responsible ways for our customers to shed unneeded electronics. See Helping Customers Recycle Obsolete Electronics in the Natural Environment section, for more information.

#### *Furniture Solutions*

OfficeMax offers in-stock options from over 50 manufacturers, including ergonomic solutions and custom pieces available in a large variety of fabrics and finishes. We also provide custom workspace design and project management, including complete space planning and design; assembly, installation and project management; and financing for large and small purchases.

#### *Framed Art Solutions*

OfficeMax offers simple and affordable wall décor solutions for our customers, from the executive conference room to the individual workspace. A convenient Web site allows them to choose from hundreds of print designs, create their own custom matting and framework, and place their orders – all online.

## **Honoring the Trust of Customers and the Community**

Our customers need to know that they can trust the information and representations in our promotional materials, and on our product labels, and feel confident using our products. OfficeMax has the processes in place to help ensure that this is the case.

### ***Marketing and Media Communications***

At OfficeMax, we believe in truth in advertising – and in all of our corporate communications. We follow a nine-step development and approval process for all external communications, which includes proofreading in three of the stages and a review by high-level business owners, such as subject matter experts and legal representatives, before being finalized. This helps ensure accuracy and legal compliance. To the best of our knowledge, there have been no incidents of noncompliance with applicable regulations concerning our external communications, and labeling efforts or practices.

## Customer Value

### **Information Security**

OfficeMax understands that information security is of major concern, especially when systems between companies are being integrated and confidential information is being shared. To address this issue, OfficeMax has implemented a comprehensive corporate-wide Information Security Program that is used to manage information security risks.

OfficeMax provides the appropriate level of security throughout the environment based on our customer and business requirements. The Program was established utilizing industry standards such as International Organization for Standardization (ISO) 17799 and COBIT, both internationally accepted sets of guidelines for information technology governance.

The Information Security Program provides the rules for governing the security of information and technology assets throughout OfficeMax. The company has had no substantiated complaints regarding breaches of customer privacy and/or loss of customer data. However, the company invested substantial time and capital during 2006, in order to achieve compliance with the Payment Card Industry (PCI) standards, which less than 40 percent of major retailers in the United States have achieved.

Our Information Security Manual addresses the following security areas:

- Information security policy
- Privacy and acceptable use
- Third party management
- Asset classification and control
- Personnel security
- Physical and environmental security

### **Direct Import Product Testing**

Our strategy to increase our volume of imported products, including private label products, has led to increased globalization of our supply chain. This will better enable OfficeMax to offer our customers functional and/or unique and stylish products at competitive prices and at favorable margins for the company.

With globalization come some challenges. The majority of imported products being added to our mix are manufactured in China and other Asian countries, regions that are industrializing at an incredibly fast pace. Recent, high-profile recalls involving products made in China, and past-reported sub-standard working conditions, underscore the need to prioritize certain controls in these countries and in all overseas product sourcing.

In support of our supplier globalization initiative, OfficeMax instituted yearly product testing and social responsibility audits for manufacturers. We also implemented Customs Trade Partners Against Terrorism (C-TPAT) audits. See Responsible Direct Import Product Sourcing in the Working Environment section for more information.

OfficeMax employs the services of third-party experts to perform two types of testing services: Product Quality Tests and Pre-Shipment Inspections. OfficeMax had been requiring Product Quality Tests at the very beginning of the product lifecycle for a number of years.

**Product Quality Tests** explore dozens of attributes pertaining to the safety and durability of the products and vary according to category. For example, it can take as much as five weeks to test one particular chair model. Following Business and Institutional Furniture Manufacturer's Association (BIFMA) standards, a machine will put the chair through its paces, leaning it backwards thousands of times to gauge the integrity of the chair back – testing for both durability and safety. A similar method is used on the gas cylinder that raises and lowers the chair vertically.

Quality testing on writing instruments measures both safety and performance. Chemical tests are conducted on the paint from the pen's barrel, the plastic of the barrel, and the ink in the pen. Each component must meet government regulations and industry standards. Pen caps are tested to ensure that air can pass through if a child accidentally swallowed the cap. Functional tests include ink writing performance on various materials, performance in different heat and pressure conditions, strength of the pen barrel, and analysis of skipping, among others.

Product Quality Tests have identified health and safety issues in a few cases. In each instance, OfficeMax's Import Quality Department has worked with the supplier to resolve the issue before the product reaches the intended customer. To the best of our knowledge, no incidents of noncompliance for health and safety regulations occurred in 2006 on products shipped to the United States.

**Pre-Shipment Inspections** occur each time a private label product is shipped from an overseas vendor. These are primarily visual, quality-oriented tests to make sure our customers receive the best products possible. For example, a master carton of products may be dropped several times from prescribed heights, then opened and inspected to ensure that the tested product still matches the control sample.

## Appendices

### Appendix A: Additional Corporate Information

#### **Board of Directors**

##### *Board Committees*

OfficeMax has five standing committees: the Committee of Outside Directors and the Executive, Executive Compensation, Audit, and Governance and Nominating committees. The committees' respective duties are outlined in their charters. The board reviews the committees' duties from time to time, and may form new committees, revise a committee's structure, or disband committees, depending on the circumstances. A brief overview of each committee is provided below. For more detailed information, visit <http://investor.officemax.com/corp-governance.cfm#cm1>.

##### **Committee of Outside Directors**

The board established this committee – consisting of all members of the board of directors who are not officers, employees, or former officers of the corporation or one of our subsidiaries – to review and evaluate the performance of the chief executive officer of the corporation; establish individual and corporate goals and strategies relating to the corporation's chief executive officer; and review other matters as it, in its discretion, considers appropriate, including but not limited, to the performance and processes of the board of directors and the flow of information to and from the board of directors, the corporation's management, and the corporation's shareholders.

##### **Executive Committee**

The board established this committee – consisting of each of the chairs of the other standing committees plus the chairman of the board – to take full board action primarily in the event board review and approval is needed on short notice when it is impossible or impractical to effect a full board quorum on short notice.

##### **Executive Compensation Committee**

The board established this committee to discharge the board's responsibilities relating to compensation of the company's chief executive officer and each of the company's executive officers. The committee shall have overall responsibility for approving and evaluating all compensation plans, policies, and benefit programs of the company as they affect the CEO and executive officers.

##### **Audit Committee**

The board established this committee to oversee the company's accounting and financial reporting processes, system of internal controls, and the audits of the company's financial statements. The committee shall also assist the board in the oversight of the company's compliance with legal and regulatory requirements; the independence, performance, and qualifications of the independent auditor; and the performance of the company's internal audit function.

##### **Governance and Nominating Committee**

The board established this committee to assist the board in identifying qualified individuals for board membership, to recommend the composition of the board and its committees, to monitor a process to assess board effectiveness, and to develop and implement the company's corporate governance guidelines.

##### *Board Criteria*

A Director must be free from any conflicts of interest that would interfere with his or her loyalty to the company or our shareholders. If any actual or potential conflict of interest arises for a director, he or she shall promptly inform our general counsel. If a significant conflict exists and cannot be resolved, the director should resign. All directors will excuse themselves from any discussion or decision affecting their personal, business, or professional interests.

##### **Evaluation**

Our directors perform a self-evaluation of the board and its committees on an annual basis. The assessment includes a review of our board's overall effectiveness and the areas in which the directors believe the board can make an impact on the company. The Governance and Nominating Committee coordinates the evaluation. The purpose of this evaluation is to increase the effectiveness of our board and its committees.

##### **Compensation**

Our nonemployee board members only receive compensation (including equity compensation) for their board service. Employee directors, if any, do not receive compensation for this service. We believe our director compensation should be competitive. We also believe it should encourage ownership of the company's common stock, thereby aligning the directors' interests with those of our shareholders. In light of that goal, each nonemployee director receives a form of long-term equity compensation (e.g., stock options or restricted stock). Our nonemployee directors can also elect to receive part or all of their compensation in stock options rather than cash. The Governance and Nominating Committee reviews our directors' compensation and recommends any changes to the full board. Our Executive Compensation Committee oversees the administration of the directors' compensation plans.

##### **Qualifications**

The board of directors has established qualifications for directors, including the ability to apply good and independent judgment in a business situation, and the ability to represent the interests of all of our shareholders and constituencies. In evaluating board candidates, the Governance and Nominating Committee considers these qualifications, as well as several other factors, including but not limited to the following:

- Demonstrated maturity and experience.
- Geographic balance.
- Expertise in business areas relevant to OfficeMax.
- Background as an educator in business, economics, or the sciences.
- Diversity.



## Appendices

### ***Private Label Brands***

OfficeMax develops and markets a number of licensed and private label brands for which we contract with third-party manufacturers to produce. These include the following:

- Control Center™
- OfficeMax®
- Office Editions®
- Sharper Image Office®
- Tech Solutions™
- TUL®

## **Appendix B: Corporate Policies**

### ***Code of Business Conduct and Ethics***

The OfficeMax Code of Business Conduct and Ethics ([http://about.officemax.com/html/officemax\\_code\\_ethics.shtml](http://about.officemax.com/html/officemax_code_ethics.shtml)) represents our foundational governing principles. The Code can be accessed by clicking the highlighted link, or by copying the following Web address into your browser window:  
[http://about.officemax.com/html/officemax\\_code\\_ethics.shtml](http://about.officemax.com/html/officemax_code_ethics.shtml).

### ***Environmental Policy***

The OfficeMax Environmental Policy ([http://about.officemax.com/html/officemax\\_environmental\\_policy\\_env.shtml](http://about.officemax.com/html/officemax_environmental_policy_env.shtml)) was issued in 2005 and operationalizes our commitment to minimizing the adverse environmental impacts of our operations and products in a manner responsive to the needs of our customers, shareholders, associates, suppliers, the communities in which we operate, and the public. The Policy can be accessed by clicking the highlighted link or by copying the following Web address into your browser window: [http://about.officemax.com/html/officemax\\_environmental\\_policy\\_env.shtml](http://about.officemax.com/html/officemax_environmental_policy_env.shtml).

### ***U.S. Paper Procurement Policy***

The OfficeMax U.S. Paper Procurement Policy was developed with input from various stakeholders and issued in 2007. The Policy complies with our Environmental Policy and applies to our U.S. operations. It operationalizes our commitment to responsible sourcing of our paper products. The U.S. Paper Procurement Policy can be found by clicking the highlighted link, or by copying the following Web address into your browser window: [http://about.officemax.com/html/officemax\\_environmental\\_policy\\_paper.shtml](http://about.officemax.com/html/officemax_environmental_policy_paper.shtml).

### ***Information Security Policy***

The OfficeMax Information Security Policy was first issued in 2001 and updated in 2006, and establishes management direction and support for the implementation and maintenance of the OfficeMax Information Security Program. For security purposes, public dissemination of the policy is prohibited.

### ***Human Resources Policies***

OfficeMax has issued a number of Human Resources Policies, governing the following areas:

- Standards of business conduct
- Employment
- Working at OfficeMax
- Compensation and benefits
- Time off/leaves of absence
- Awards and gifts
- Information and technology

Associates can access our Human Resources Policies on our Intranet site. Associates without on-the-job computer access can ask their managers or Human Resources representative for assistance.

### ***Charitable Contributions Policy***

The OfficeMax Charitable Contributions Policy is undergoing revisions in accordance with the refined focus of our primary charitable giving program.

### ***Supplier Diversity Policy***

The OfficeMax Supplier Diversity Policy was updated in 2006. It operationalizes our commitment to stimulating economic growth in the diverse supplier sector. The Policy is reproduced below:

It is OfficeMax's intention to stimulate the economic growth of the diverse supplier sectors by:

- Pursuing purchase opportunities from these business enterprises.
- Encouraging companies with which OfficeMax is associated, including contractors and suppliers, to implement similar policies and programs.
- Cooperating with government and private sector programs.
- Supporting requests from small, minority and women business enterprises for technical assistance in areas that are essential to business development and growth.

## Appendices

### Appendix C: External Awards and Recognition

OfficeMax takes pride in being recognized by industry professionals, our peers and, above all, our customers. Below are some of the awards we received in 2006.

#### Featured Awards

##### *Chain Store Age's 24th Annual Retail Store of the Year Design*

Awarded for our new Advantage store formats in the "Hard Lines - 15,000 - 100,000 square feet" category.

##### *UJA-Federation Richard Karasik Humanitarian Award*

Awarded to OfficeMax VP, Merchandising, Frank Virella, for numerous years of dedicated support and commitment to charitable efforts on behalf of the office products industry.

##### *The American Business Awards Finals Best Support Team*

Awarded to our e-Commerce Integration Team for training and process improvements to our e-Commerce integration team.

#### Customer Awards

##### *U.S. Postal Supplier Council Excellence Awards*

Awarded to OfficeMax Government Solutions for our positive impact on the success of the U.S. Postal Supplier Council's efforts.

##### *Masco Corporation's Supplier Team Award Recognition (MASTAR) Award*

Awarded to OfficeMax as an outstanding supplier for cost and timesaving systems by Masco, a leading manufacturer of kitchen and bath cabinetry brands.

#### Marketing Awards

##### *Hermes Creative Awards Publicity Campaign Platinum Award*

- OfficeMax "Elf Yourself" interactive online campaign.
- OfficeMax "World's Largest Rubber Band Ball" publicity campaign.

##### *Hermes Creative Awards Special Event Gold Award*

- OfficeMax "World's Largest Rubber Band Ball" publicity campaign.

##### *Hermes Creative Awards Outdoor Advertising Gold Award*

- OfficeMax "Save Money On Ink" campaign.

##### *Retail Advertising and Marketing Association 4th Quarter Innovation RACies Gold Award*

- OfficeMax "World's Largest Rubber Band Ball" publicity campaign.

### Appendix D: Memberships and Affiliations

#### Diversity and Inclusion

##### *National Minority Supplier Development Council*

Founding member and active in 26 regional purchasing councils with six associates, five of whom are general managers serving on the Council's boards of directors.

##### *Women's Business Development Council*

Active member.

##### *Women's Business Enterprise National Council*

Active member.

#### Environmental

##### *World Resource Institute Business Climate Change Collaborative*

Active member.

##### *Buy Recycled Business Alliance (part of the National Recycling Coalition)*

An OfficeMax executive served as vice chair.

NAEM, a professional association dedicated to advancing the knowledge and practice of environmental, health and safety). Our director, Environmental Practices, serves on the board of directors.

### Appendix E: CSR Strategy Overview Grid



## Corporate Social Responsibility Strategy Overview Grid

[illegible]



## Corporate Social Responsibility Strategy Overview Grid

CSR focus and achievements (2005-2006), and linkages to business priorities.	Growth	Simplicity	Cost Control	Improved Customer Experience	Improved Associate Experience	Short- and mid-term CSR direction and activities, and linkages to business priorities.	Growth	Simplicity	Cost Control	Improved Customer Experience	Improved Associate Experience
<b>Working Environment</b>						<b>Working Environment</b>					
Established and communicated company mission, Core Values and Brand Essence.	•	•	•	•	•	Execute on company mission, Core Values, and Brand Essence.	•	•	•	•	•
Established new associate communications channels, emphasizing two-way communications.	•	•	•		•	Conduct companywide Associate Engagement Survey.	•	•	•	•	•
Piloted new Associate Performance Management Process Program.	•	•	•	•	•	Roll out new Associate Performance Management Process Program in 2007.	•	•	•	•	•
Piloted a reinstituted tuition reimbursement program.	•				•	Roll out reinstituted tuition reimbursement program, partially in 2007, and fully in 2008.	•				•
Developed new Internship and University Relations Program.	•	•			•	Implement new Internship and University Relations Program.	•	•			•
Began planning enhanced associate training and career path development initiatives.	•	•	•	•	•	Implement enhanced associate training and career path development initiatives beginning in 2007.	•	•	•	•	•
Began development of Associate Safety and Health Organizational Practices Plan.	•	•	•		•	Roll out Associate Safety and Health Organizational Practices Plan in 2008.	•	•	•		•
Improved overall safety performance.	•	•	•		•	Continue safety performance improvements.	•	•	•		•
Established Corporate Safety Committee.	•	•	•		•	Implement corporate headquarters safety and health improvements; explore opportunities in other facilities	•	•	•		•
Researched and planned corporate headquarters safety and health improvements.		•	•		•						
Instituted a Social Accountability Audit Program for all overseas private-label suppliers.	•	•	•								





CSR focus and achievements (2005-2006), and linkages to business priorities.	Growth	Simplicity	Cost Control	Improved Customer Experience	Improved Associate Experience
Natural Environment					
Issued the OfficeMax Environmental Policy (2005).	•	•	•	•	•
Developed the OfficeMax U.S. Paper Procurement Policy (2006).	•	•	•	•	•
Offered minimum 30% post-consumer fiber content in 37% of business papers.	•				•
Implemented centralized facility energy management measures in all of our stores.	•	•	•		•
Displaced diesel fuel with bio-diesel fuel where feasible and practicable, increasing bio-diesel usage nearly eight-fold.	•			•	•
Reduced CO <sub>2</sub> emissions by 32,000 metric tons (2005 to 2006).	•			•	•
Remapped and time-shifted truck delivery routes to maximize efficiency.		•	•		•
Introduced ink and toner cartridge choices that help customers save money and reduce environmental impact.	•		•	•	
Offered the first nationally distributed color copier paper manufactured using electricity derived from by wind power using 100 percent post-consumer fiber.	•			•	

Short- and mid-term CSR direction and activities, and linkages to business priorities.	Growth	Simplicity	Cost Control	Improved Customer Experience	Improved Associate Experience
Natural Environment					
Issue the OfficeMax U.S. Paper Procurement Policy (2007).	•	•	•	•	•
Increase post-consumer recycled content of the paper we purchase for internal use.	•			•	
Expand the use of energy-efficient lighting in our stores.			•	•	•
Continue to increase our use of bio-diesel fuel, when practicable and feasible.	•			•	•
Research the viability of alternative energy sources, energy-efficient building techniques, and construction changes.	•		•	•	•
Integrate recycling incentives into our MaxPerks customer loyalty program for educators and small business.	•		•	•	

CSR focus and achievements (2005-2006), and linkages to business priorities.	Growth	Simplicity	Cost Control	Improved Customer Experience	Improved Associate Experience	
	Customer Value					
	Introduced award-winning customer-centric Advantage store formats.	•	•	•	•	•
	Introduced a new instant rebate system that eliminates the need to mail-in a rebate form.	•	•	•	•	•
	Achieved and maintained world-class customer call center performance.	•	•	•	•	
	Continued to expand sales of private-label products, which provide value and quality to our customers.	•	•	•	•	
	Enhanced product testing for private-label product suppliers.	•		•	•	
	Introduced an emphasis on design-oriented private-label products.	•		•	•	
	Offered the first nationally distributed color copier paper manufactured by using electricity derived from wind power using 100 percent post-consumer fiber.	•			•	
	Introduced ink and toner cartridge choices that help customers save money and reduce environmental impact.	•		•	•	
Relaunched our print and document services as ImPress, and invested in new equipment and associate training in support.	•	•	•	•	•	

Short- and mid-term CSR direction and activities, and linkages to business priorities.	Growth	Simplicity	Cost Control	Improved Customer Experience	Improved Associate Experience	
	Customer Value					
	Redesign a more user-friendly web OfficeMax.com.	•	•	•	•	•
	Promote diversity suppliers to vertical markets such as government, education and health care.	•	•		•	•
	Provide OfficeMax diversity buying workshops for customers.	•	•		•	•
	Enhance educator benefits in our MaxPerks customer loyalty program.	•	•	•	•	•
	Continue to expand our focus on design-oriented private label products	•		•	•	
	Integrate recycling incentives into our MaxPerks customer loyalty program for educators and small business	•	•		•	•

Because many of our CSR efforts positively impact customer value, a number of CSR focus and achievements, direction and activities items are repeated in this section.

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### Strategy and Analysis

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2.3	Operational structure.	Company Structure, Markets and Brands, page 5
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2.6	Ownership and legal form.	Corporate Profile, page 5
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2.8	Company scale.	Corporate Profile, page 5 SEC Filings, <a href="http://investor.officemax.com/edgar.cfm">http://investor.officemax.com/edgar.cfm</a>
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3.4	Contact.	Contact Information, page 48
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3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities.	Report Scope, page 4
3.12	GRI Index.	GRI Index, page 44

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4.2	Board chairperson as CEO.	Corporate Governance Guidelines, page 5 Appendix A: Additional Corporate Information, page 36
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4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the board of directors.	Stakeholder Engagement, page 9
4.5	Compensation linkages.	Appendix A: Additional Corporate Information, page 36
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Corporate Governance Guidelines, page 5 Appendix A: Additional Corporate Information, page 36
4.7	Board qualifications.	Appendix A: Additional Corporate Information, page 36
4.8	Internally developed statements of mission or values, codes of conduct, and principles.	Appendix B: Corporate Policies, page 37 Mission and Core Values, page 14
4.9	Board oversight.	Appendix A: Additional Corporate Information, page 36
4.10	Board evaluation.	Appendix A: Additional Corporate Information, page 36





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4.11	“Precautionary principle.” (As defined by Article 15 of the Rio Principles; established at the United Nations Conference on Environment and Development, Rio de Janeiro, 1992.) Many of our CSR initiatives align with the spirit of Article 15 of the Rio Principles – that a company should take precautionary measures to protect human health and the environment, whether or not the risk has been proven imminent.	Risks Associated with Climate Change, page 8 Direct Import Products Social Accountability Audit Program, page 19 Customs Trade Partnership Against Terrorism (C-TPAT) Audit Program, page 19 Direct Import Product Testing, page 35 Associate Safety and Health Organizational Practices Plan, page 17 Pandemic Risk Control Team, page 18
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EC2	Financial implications and other risks and opportunities due to climate change.	Risks Associated with Climate Change, page 8
EC3	Defined benefit plan obligations.	SEC Filings, <a href="http://investor.officemax.com/edgar.cfm">http://investor.officemax.com/edgar.cfm</a>
EC4	Significant financial assistance received from government.	Changes in Operations, page 5
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LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	Associate Compensation and Benefits, page 15
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LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	Safety and Health Metrics, page 18
LA10	Average hours of training per year per employee, by employee category.	Expanded Training, page 16
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LA12	Percentage of employees receiving regular performance and career development reviews.	Associate Performance Management Process Pilot Program, page 16

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HR6	Child labor.	Direct Import Products Social Accountability Audit Program, page 19
HR7	Forced or compulsory labor.	Direct Import Products Social Accountability Audit Program, page 19

### Social Performance: Society

	Management approach.	Working Environment: Management Approach, page 13 Direct Import Products Social Accountability Audit Program, page 19
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Community and Education: Conducting Business in an Ethical Manner, page 24
SO4	Actions taken in response to incidents of corruption.	Community and Education: Conducting Business in an Ethical Manner, page 24
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### Social Performance: Product Responsibility

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# OfficeMax®

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