



We're proud that many of our team members, along with our customers, suppliers, partners and local communities, do great things to help us make a positive difference, every day.



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Making a positive difference

As Australia's leading retailer and supplier of office products and solutions, we exist for one simple purpose: to help make bigger things happen. We are the one-stop shop for mirco, small and medium sized businesses, students from kinder to university, and households. We have an extensive national footprint of 166 stores, an online platform, a national call centre and a team of business specialists. The Officeworks team consists of approximately 8,000 team members, and our revenue for the 2017 - 2018 financial year was \$2,142 million.

We understand the importance of operating a responsible and sustainable business that supports the communities where our customers, suppliers, and team members live and work.

This is all part of our Positive Difference Plan, which outlines our goals to;

- 1. Reduce our environmental impact
- 2. Source products in sustainable and responsible ways
- 3. Support the aspirations of our team and our communities

Our Positive Difference Plan was developed by talking to our customers, team, suppliers and other interest groups, as well as looking at global best practice to ensure we're helping make bigger things happen for all of our stakeholders and the environment. This research informs the priorities in our Positive Difference Plan, and helped us to develop our three pillars of Environment, Responsible Sourcing and People, that align with the Sustainable Development Goals as indicated on the page opposite.

This document will take you through what we have achieved throughout the 2017 – 2018 financial year. It will touch on unique initiatives like 'Restoring Australia' 2-for-1 tree planting and look at how we are progressing with our waste and recycling programs. It will explore how we are working at reducing our environmental impact, and the role we play to support our team members and local communities.

We are committed to making a positive difference everyday, and will continue to achieve this through our Positive Difference Plan and the actions from all of our stakeholders.



Our Positive Difference highlights



200,000

Trees planted across Tas, Vic, NSW and SA for Restoring Australia



68%

Of all paper products sold either FSC certified or made from 100% recycled materials



1/3

Of the energy needed for North Lakes Old store is supplemented by a 100-kilowatt solar system



3%

Overall reduction of energy use (despite the opening of six new stores)



75.6%

Operational recycling rate (up from 64%) resulting in 4,359 tonnes of waste diverted from landfill



41.2%

The female representation in leadership across all levels of the business



10.2

Injuries per million hours worked - a 14.1% improvement on last year



692 tonnes

E-waste diverted from landfill through our customer recycling programs



802

Students supported through Learning for Life sponsorships (through customer donations of \$461,764)



All suppliers must be compliant with the Officeworks Ethical Sourcing Policy. With regular audits we work with suppliers to implement corrective action plans where required

Restoring Australia

Two-for-one tree planting



Our commitment to the sustainable sourcing of wood-fibre products has enabled us to launch Restoring Australia, an Australian first initiative which helps make bigger things happen for the environment and local communities.

Launched in July 2017, Restoring Australia helps customers make a positive difference to the environment simply by purchasing paper products at Officeworks. Partnering with Greening Australia, we committed to planting two trees for every one used, based on the weight of paper-based products purchased by Officeworks customers. Encompassing over 8,000 products, the initiative set out to re-establish native plants across landscapes to revegetate bushland, help wildlife flourish, support threatened species, and increase the water quality in these regions.

Since the launch, we worked closely with Greening Australia to plant 200,000 trees across sites in Tasmania, Victoria, New South Wales and South Australia. These projects have seen the establishment of up to twenty species of native trees on each site, along with appropriate protection, such as fencing, to ensure that the plants survive. The current projects are targeting areas that are home to seven threatened species, including the Tasmanian Devil, the Eastern Spotted Quoll and the Glossy-Black Cockatoo.

Working with over thirty landholders, established trees also provide benefits to farmers, in the form of shade and shelter for cattle and helping with issues such as weed control.

Throughout the first three years, seedlings face many challenges, including the threat of flooding and drought, being used as a source of food for wildlife, or from the spread of disease. On inspection at the Ross site in Tasmania in March 2018, it was evident that some of the seedlings had been impacted by grazing, resulting in a number of trees dying. On further investigation, it was discovered that sheep entered the area for a short period when a fence was down. To address the issue, Greening Australia improved the fence structure and replanted the trees. In order to maintain a high survival rate, processes are in place for such challenges and planting sites are continually monitored, with issues addressed as they arise.

As Restoring Australia enters the second year, Officeworks expects to plant a further 220,000 trees, bringing the total trees planted by June 2019 to over 400,000.



Restore woodland ecosystems

Plant up to 20 native seeds and seedlings into each planting site



Improve habitats for threatened species

Provide a new home for local wildlife like the Eastern barred bandicoot



Rejuvenate existing bushland

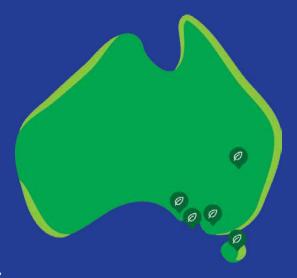
Reconnect key areas of habitat to help foster biodiversity



Our planting sites

Our aim is to help regions across Australia where 85% of the natural landscape has been lost and endangered wildlife face further threat. Together with our customers, we can re-establish native plants, increase water quality and revegetate bushland. In turn, helping local wildlife flourish.







Tasmanian Midlands

Tasmania is the last refuge in Australia for many small mammals, such as the adorable Eastern barred bandicoot, Eastern quoll and Eastern bettong. These were once common across south eastern Australia, but their Tasmanian habitat is now in decline. Working on private land in partnership with the local farmers and graziers, this project will plant trees and shrubs to improve existing habitat and recreate new habitat for these species.



By June 2019, we expect to plant a further

220,000

trees, bringing the total trees planted to over

400,000





Victorian Volcanic Plains

The Victorian Volcanic Plains grassy woodlands between Melbourne and Hamilton in western Victoria have been over cleared. These areas offer potential for reviving the habitat for the Corangamite Water Skink and Brolgas. There is great interest from private landholders around Colac in restoring grassy woodlands on their properties for both biodiversity and stock shelter.



Kangaroo Island, South Australia

The North Cape Revegetation Project on Kangaroo Island, about 100km south west of the Adelaide CBD, will primarily focus on increasing the abundance of the endangered Glossy Black-Cockatoos through the establishment of feeding habitat. This project will restore habitat and mitigate key threatening processes to a host of threatened fauna species on Kangaroo Island, and will also benefit the Kangaroo Island Echidna, Kangaroo Island Narrow-leaf Mallee, Southern Brown Bandicoot and Eastern Osprey and Whitebellied Sea Eagle.







Environment



Our commitment is to reduce our environmental impact

Initiatives include:

- Reducing our operational energy consumption
- · Reducing our operational waste to landfill
- Assisting customers to recycle more electronic waste

Reducing our energy consumption



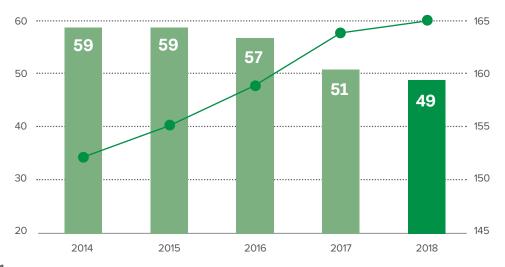
In the past 12 months, we opened six new stores while at the same time reducing total energy consumption by 3% from 58,627MWh to 56,793MWh. This has been achieved through investment in a variety of energy reduction initiatives.

Energy reduction initiatives:

- · 33 existing stores retrofitted with Light Emitting Diode (LED) lighting.
- 146 stores now have energy efficient lighting across the selling floor.
- 92 stores had a Building Energy Management System (BEMS) installed to enable lights and the heating/air-conditioning to be automatically turned on and off at certain times.
- Queensland's North Lakes store was opened with a 100-kilowatt solar system which has supplemented over a third of the store's energy requirements.

Greenhouse gas emissions

- Thousand tonnes CO₂e: '000
- Store network









Reducing our operational waste to landfill

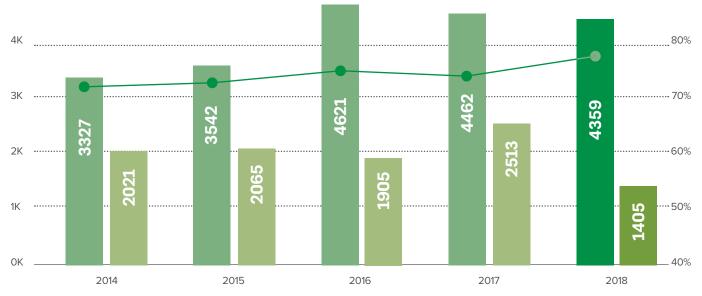
We have long understood the importance of recycling, offering free recycling services to customers, along with an internal focus to continue to increase the amount of waste recycled. For the 2017 - 2018 financial year we set an ambitious target to recycle at least 80% of the company's waste, which included waste generated at stores, distribution centres and support offices.

We worked closely with our waste provider, Cleanaway, and all team members, to lift recycling rates from 64% as at 30 June 2017, to 75.6% as at 30 June 2018, diverting a total of 4,359 tonnes from landfill. While this was short of the full year target, there were some positive results. A quarter of Officeworks stores, 39 in total, achieved recycling rates above 80% for the full year. The two largest distribution centres in Victoria and Sydney, also achieved the target, with Laverton increasing their monthly average recycling rate from 69% in July 2017 to 85% in June 2018.

To increase recycling rates at the support office, we implemented new recycling streams such as coffee cup recycling, organic waste collection and soft plastic recycling. To assist underperforming stores, we reduced the collection frequency of general waste services which helped to encourage team members to dispose of waste in the correct bins, resulting in an increase in recycling rates of 5% at these sites. Our target for the 2018 - 2019 financial year is to achieve 85% recycling rates across our business.

Waste and recycling

- Recycled (thousand tonnes)
- --- Recycled (percentage)
- Disposed (thousand tonnes)



Assisting our customers to recycle more e-waste



We take a holistic approach when considering the environmental impact of the products we sell, which includes how they are disposed of at the end of their life. Our free electronic waste recycling services allow customers to responsibly dispose of unwanted items, ensuring that the raw materials can be used again.

This year, we set a target to collect 10% more e-waste from customers than was collected in the prior year. This resulted in 692 tonnes of ink and toner cartridges, computers and accessories, and mobile phones being diverted from landfill.

We achieved this by continuing to raise awareness of the services, which included online enhancements, launching a new shopping bag that reminds customers to recycle, and incorporating messages into our advertising campaigns. The MobileMuster phone recycling program was rolled out to another 78 stores, and a new recycling station was trialled which included a battery recycling service.

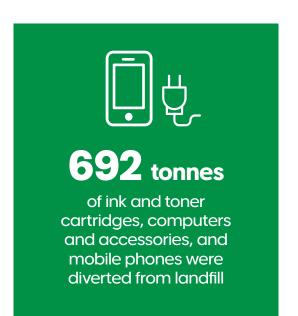
We will continue to work with all stakeholders including our government accredited partners to identify ways more electronic waste can be diverted from landfill and recycled safely and appropriately.

Giving old tech a new life.

Our customers can recycle the following items for free:

- ✓ Computers and laptops
- ✓ Monitors
- Keyboards
- ✓ Printers
- **✓** Mice
- ✓ Hard drives
- ✓ Mobile phones and accessories
- ✓ Cables and charges
- ✓ Ink and toner cartridges
- **DVDs** and CDs







Recycle here.

Make a difference Together we are making a positive difference.

For more information visit officeworks.com.au/recycle

Please drop off large items to the counter



Ink & toner

cartridges

Cardboard boxes to be recycled separately in the commission recycling slot





Cables & chargers











Computers & Accessories







Responsible sourcing



Initiatives include:

- Sourcing wood-fibre responsibly and sustainably
- Ensuring all suppliers are compliant with our Ethical Sourcing Policy

Sourcing wood-fibre responsibly and sustainably



As a leading retailer of office supplies, we understand the importance of sustainable sourcing of products that contain wood-fibre. We require suppliers of paper and wood-based products to disclose detailed information, including timber species, before products can be ordered to ensure that no illegal timber enters our supply chain. In addition, we support FSC certified products, which promotes responsible and sustainable management of the world's forests, providing traceability via the chain of custody process to the origin of the raw materials.

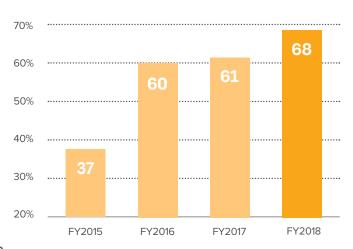
For furniture suppliers who cannot provide FSC certified products, a third party undertakes a chain of custody audit to verify the legality of timber sources. All suppliers of timber and wood-based products to Officeworks are required to adhere to the Officeworks Sustainable Wood-Fibre Sourcing Policy.

We phased out single-use plastic bags in 2008, and in June 2018 relaunched our customer shopping bag, which is now 100% recycled and FSC certified.

"During 2017/18, 68% of all paper products sold were either FSC certified or made from 100% recycled materials."

Office Supplies products either FSC certified or made from 100% recycled materials

% of Office Supplies products sold







"The Forest Stewardship Council provides an internationally recognised global certification scheme, ensuring that forests are managed responsibly. By choosing products with the FSC logo, customers can be sure that the materials have been sourced sustainably."



Ensuring all suppliers are compliant with our Ethical Sourcing Policy



To ensure our goods and services are ethically sourced, all of our suppliers are required to adhere to the Officeworks Ethical Sourcing Policy. The policy is built upon the standards set by the International Labour Organisation and the principles of the Ethical Trading Initiative, and we are a member of Sedex, the world's largest collaborative platform for sharing responsible sourcing data on supply chains.

With over 40,000 products ranged, our end-to-end supply chain is global and complex. To ensure that the products sold are ethically sourced, we have a comprehensive approach built on the values of transparency, integrity, collaboration and continuous improvement, aiming to protect workers' rights throughout the supply chain.

To ensure suppliers are complying to the Ethical Sourcing Policy, a threefold approach is taken. Firstly, we seek to understand what policies and mechanisms suppliers have in place to ensure they are adequately monitoring and addressing human rights within their own supply chain, and that it aligns to the Officeworks Ethical Sourcing Policy. Secondly, if these policies don't meet the same standards and requirements, suppliers are required to register with Sedex, and complete the self-assessment questionnaire. This gives us an insight into the working conditions at the site where the goods are produced. Finally, Officeworks may then request third party audits that provide an independent detailed assessment of the conditions in the factory. Upon review of these audits, we seek to work with the

suppliers and factories to address any issues through a remediation process, which involves a follow-up audit to ensure that corrective actions have been implemented.

There are currently 1,015 manufacturing sites registered on Sedex that supply products to Officeworks. During the 2018 financial year we reviewed audits from 441 of these sites, issuing supplier ratings and approval periods, based on the working conditions identified in the audits. Where infringements are identified, such as inadequate personal protective equipment, we worked with suppliers to implement corrective action plans, which are closely monitored to ensure they are addressed in a timely manner—the timeliness of which is based on the severity of the issue.

We recognise that ethical sourcing is a journey that is underpinned by transparency, integrity, collaboration and continuous improvement. We remain committed to working with all suppliers to improve the working conditions of the people throughout our supply chain.

"We work with suppliers to implement corrective action plans where required."

^{*} Our Ethical Sourcing Policy guides us to source goods and services in a responsible manner while working with suppliers to improve their social and environmental practices. Read a copy online here: www.officeworks.com.au/images/pdf/Officeworks-Ethical-Sourcing-Policy.pdf









People



Initiatives include:

- Balanced leadership
- Investing in developing a strong and diverse team
- Keeping team members safe
- Building even stronger local community partnerships

Our team members Balanced leadership, career pathways and focus on diversity



Balanced leadership

We believe that balanced leadership makes good business sense and delivers better business outcomes. This is achieved from the diversity of thinking and insight brought by both men and women.

This year we set a goal to achieve 40% female representation in leadership across all levels of the business. Through focused recruitment practices and targeted career development pathways we achieved 41.2% by the year's end, up from 37.4% in the prior year.



AIM: 46% female leadership representation by 30 June 2019 through:

- Recruitment initiatives
- Career development, progression and retention
- Flexible work arrangements

Investment in career pathways

We believe a diverse culture that supports balanced hiring decisions and opportunities for career growth makes good business sense.

We undertook a career aspirations survey to help us understand team member ambitions and to guide leadership program development. The survey prompted us to develop three new leadership programs designed to support development and growth through a variety of learning activities.



RESULT: 58% of program graduates promoted to new leadership positions.

Focus on diversity in employment strategies

Our Hiring for Leadership process supports hiring the best person for the job based on technical, leadership, and cultural factors. This in turn ensures the strengths of both men and women are considered throughout the recruitment journey.

At Officeworks, we have introduced interview guides that shift the focus away from experience to leadership attributes. We place emphasis on balanced candidate pools, and ensure careful consideration of non-traditional candidates.



Diversity provides

- Greater alignment to customer needs
- More balanced business decisions
- Creativity and innovation in teams





Our team members Team safety



Making Officeworks safer than ever

The strategic goal of making 'Officeworks safer than ever' requires all team members to practise safety every day, both at work and at home.

That's why we introduced 'Safety FIRST' as a way to communicate how team members can live and work safely. Safety FIRST is a mindset and an acronym:

- Follow safe work practises
- Identify and act on hazards
- Report all incidents and injuries
- Stop and think before acting
- Take care of self and others

Safety FIRST has been:

 Integrated into processes such as incident investigations.

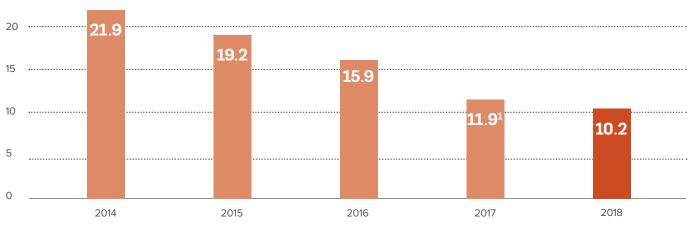
Safety performance

Lost time and medical treatment injuries per million hours worked

- Incorporated into the safety leadership training program, 'Safety starts with you'.
- Incorporated into the 'Stay Safe' system which is our health and safety management.

At the end of the year more than 80% of all team members had completed the 'Safety starts with you' training program, including making a personal commitment to safety.

"At Officeworks, a safety mindset is not about being able to avoid all risk or not doing an activity. It is about being able to see the risks involved and then choosing the safest way of doing the activity."



¹Restated due to the maturation of data.

Communities



Stronger local community partnerships

We believe that supporting the communities in which our stores operate and our team members live, is an important part of doing business. To ensure that Officeworks maximises the positive impact in those communities, we focus on partnerships centred on education and the environment.



Part of our campaign to raise money for ALNF

Officeworks Back to School Appeal supporting The Smith Family

Team members and customers donated \$461,764 resulting in more than 800 students being supported through Learning for Life sponsorships.

The Australian Literacy and Numeracy Foundation (ANLF)

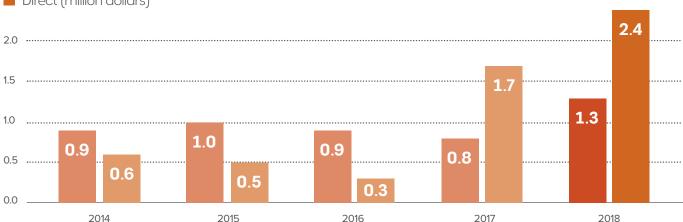
Team members and customers donated \$250,000 during the Wall of Hands appeal in September.

'Round Up to Make a Difference' Appeal
 Team members raised \$225,955 through
 customer donations, supporting more than
 160 community groups.

Community contributions

Indirect (million dollars)

Direct (million dollars)





Communities



Recognising National Reconciliation Week

Officeworks recognised National Reconciliation Week this year with our long-term partner, The Australian Literacy and Numeracy Foundation (ALNF). An event was held to highlight the work ALNF and Officeworks do and how ALNF is impacting the communities they work with. ALNF Ambassador and Board Member, Adam Goodes, spoke about how ALNF is progressing towards its goals with the support of Officeworks and our customers by supporting their Indigenous programs.

ALNF runs programs across Queensland, Northern Territory, Victoria, New South Wales and South Australia through schools, preschools, early learning centres and community centres. Officeworks has partnered with ALNF for six years with the purpose of 'helping make bigger things happen' for Indigenous communities through education, specifically ALNF's Early Language and Literacy Program.



Adam Goodes, ALNF Ambassador and Board Member, talks to our team about what reconciliation means to him





Our Partners



We are committed to making a positive difference everyday, and recognise this can't be achieved without the collaboration and support of some of our key partners.

Reducing environmental impact



Greening Australia greeningaustralia.org.au

We partner with environmental not-for-profit Greening Australia on our Restoring Australia initiative which is a commitment to planting two trees for every one used, based on the weight of paper-based products purchased by Officeworks customers. The program helps customers make a positive difference to the environment.



Planet Ark

planetark.ora

Planet Ark is one of Australia's leading environmental behaviour change organisations. Since 2005, we have been involved in their Cartridges 4 Planet Ark program. To date, we have collected over 10 million cartridges for recycling, making us the largest retail partner to the program.



APCO

packagingcovenant.org.au

The Australian Packaging Covenant
Organisation (APCO) is a co-regulatory,
not-for-profit organisation that partners
with government and industry to reduce
the harmful impact of packaging on the
Australian environment. We are one of 50
Australian businesses to have committed to
the 2025 National Packaging Targets, and
a new labelling system to help consumers
better understand how to recycle packaging.



MobileMuster

mobilemuster.com.au

We are a proud partner of MobileMuster, a free recycling service which aims to keep old mobile phones, batteries and accessories out of landfill, and recycle them to the highest environmental standards.

Responsible sourcing



Sedex

sedexglobal.com

Sedex is home to one of the world's largest collaborative platforms for sharing responsible sourcing data on supply chains, used by more than 50,000 members in over 150 countries. Over 1,000 of our suppliers are now Sedex members.



Forest Stewardship Council

au.fsc.org

The Forest Stewardship Council (FSC) is a global not-for-profit organisation that sets the standards for what a responsibly managed forest is, both environmentally and socially. The trusted FSC logo can be found all around the world and guarantees that the paper or timber in a product has come from responsibly managed forests. We currently have over 7,000 products that are FSC certified.

Supporting our team and communities



The Smith Family thesmithfamily.com.au

We are one of the major national partners of The Smith Family and share a strong mutual belief in the importance of education. We support The Smith Family through our Back to School Appeal - a national in-store and online fundraising appeal to give children in need the tools and resources they need to succeed in their education and break the cycle of disadvantage.

We also have a long standing commitment to helping raise funds for the Learning for Life sponsorships, which are proven to help disadvantaged students improve their educational outcomes and create better futures for themselves.



AFL SportsReady aflsportsready.com.au

AFL SportsReady is committed to providing employment opportunities to Aboriginal and Torres Strait Islander people. As a partner, we offer entry-level positions that are full-time, part-time and school-based traineeships to provide valuable work experience and on-the-job training.



The Australian Literacy and **Numeracy Foundation** alnf.ora

The Australian Literacy and Numeracy

Foundation (ALNF) are pivotal in helping raise language, literacy and numeracy standards in Indigenous communities across Australia. Through our partnership with ALNF we have been able to help provide funds for vital programs. This year will be the sixth year we have supported ALNF.



The Clontarf Foundation clontarf.ora.au

across Australia.

We are a supporter of the Clontarf Foundation, which exists to improve the education, discipline, self-esteem, life skills and employment prospects of young Aboriginal men and by doing so, equip them to participate more meaningfully in society. The first Academy for 25 boys opened in 2000, and the Foundation has since grown to cater for about 4,700 bous in 84 schools

Our priorities for financial year 2018 - 2019



As we reflect on the achievements we've made this year, we turn to the future and make further commitments to the sustainability of our business through our Positive Difference Plan.

- Restoring Australia by planting two trees for every one used, based on the weight of paper products purchased by Officeworks customers.
- · Sourcing wood-fibre responsibly.
- Increase our community contributions by focusing on education and environment.
- Ensuring all suppliers are compliant with the Ethical Sourcing Policy.
- Investing in resources to reduce energy consumption.
- · Increasing the volume of waste recycled in stores.
- Assisting customers to recycle more electronic waste.
- · Reducing impacts from product packaging.
- · Improving balanced leadership at all levels.
- Keeping team members safe.
- Attract and retain more Indigenous team members.









