



CARING AND...  
**Making a  
Difference**

**Office DEPOT**

2002 Community Annual Report

Philanthropic Partnerships  
Environmental Sustainability  
Diversity Initiatives  
Local Support



# Message from Bruce Nelson

One of the ways we measure success is by how well we demonstrate our commitment to the principles of good corporate citizenship, positive social impact and environmental sustainability.

What makes a company successful? Sound business practices, of course, and prudent financial management. Wise use of resources, and intelligent decision-making.

But to achieve *true* success, there must be more. While a company is not a living being, it must demonstrate the human characteristics of caring and sensitivity in the policies it establishes, the actions it takes and the roles it plays in the world community.

We firmly believe that Office Depot is an extraordinarily successful company, and we are proud to say that our commitment to our core values is one of the critical factors that enables us to make this statement.

Office Depot is a global company, but we touch lives very close to home. Through our philanthropic partnerships, we help nonprofit organizations serve their communities in countless ways. Through our concern for the environment, we work to protect the world for those who will inherit it from us. Through our programs to support education, we make a positive impact on children and schools. Through our diversity initiatives and the opportunities we provide for women and minority entrepreneurs, we help to build economic vitality and personal success.

Our bottom line at Office Depot focuses on much more than financial results. We also measure success by how well we demonstrate our commitment to the principles of good corporate citizenship, positive social impact and environmental sustainability.

We are pleased to share this inaugural Community Annual Report with you. Thank you for your interest, and thank you for Caring and Making a Difference.

Warm regards,

Bruce Nelson,  
*Chairman and Chief Executive Officer*

# Mission statement

Office Depot seeks to enhance quality of life in the communities in which we operate and to serve humanity by supporting and inspiring involvement with causes that make a profound social impact. We are committed to Caring and Making a Difference, with particular emphasis on "Taking Care of Kids."

# Company values

## Respect for the Individual

- We value diversity across the Company.
- We praise publicly and provide constructive feedback privately.
- We listen, we understand and we are responsive to each other.
- We treat every employee, customer and supplier with honesty, dignity and respect.
- We provide a safe environment to work and shop.
- We are committed to the principles of good corporate citizenship, positive social impact and environmental sustainability.

## Fanatical Customer Service

- We impress our customers (internal and external) so much that they want to buy again.

- We give higher priority to people than to tasks.
- We do it right the first time, but "wow" our customers on recovery when we miss.

## Excellence in Execution

- We are committed to grow shareholder value.
- We consistently involve employees at all levels toward the relentless improvement of our business.
- We hold ourselves and our teammates accountable for results.
- We strive for perfect execution every day.
- We reward innovation and intelligent risk taking.
- We celebrate the wins.





# Philanthropic partnerships



With the support of employees, customers, vendors and the communities in which we operate, Office Depot makes a huge impact and reinforces its fundamental belief in the importance of Caring and Making a Difference.



Through partnerships with organizations as diverse as Junior Achievement, City of Hope, Toys for Tots, America's Second Harvest, the Canadian Association of Food Banks and Gifts in Kind International, Office Depot provides our more than 40,000 employees worldwide with opportunities to support one of our primary corporate ideals – *Caring and Making a Difference*. We further focus these efforts by investing in the future of our children through our commitment to "Taking Care of Kids." A critically important component of our charitable mission is, simply stated, to enhance quality of life for children everywhere.

The men and women of the Office Depot family support these goals generously and selflessly. They demonstrate, on a daily basis, how much they care about the communities in which they live and work as well as the world at large.

To cite just a few examples of what we accomplish through our Community Relations programs:

- Office Depot's annual City of Hope Campaign is embraced by employees everywhere. They dedicate their time and energy to raising funds through everything from car washes and bake sales to such creative projects as "Change for the Future" collection bottles and a "Cooking for Hope" Cookbook. Thousands of employees contribute \$2 apiece to City of Hope so they can wear jeans to work for a day. In hundreds of small ways, they support the Company's efforts to raise millions of dollars for City of Hope's vitally important medical research programs, which help to save lives threatened by cancer, diabetes and other potentially devastating illnesses. At the same time, Office Depot consistently plays a leadership role in the National Office Products Industry's unified campaign to support City of Hope. In 2002, this effort raised a record-breaking \$7.5 million for this life-altering organization.
- The Company's North American partnership with Junior Achievement makes it possible for representatives of JA to reach approximately 100,000 teachers with information about programs they can use in their classrooms. Office Depot invites JA representatives to participate in our annual Teacher Appreciation Breakfasts, providing the organization with unprecedented access to one of its primary audiences. This exposure leads to countless new opportunities for JA to introduce its programs into local schools. In addition, Office Depot invites employees to host middle school and high school students through the National Job Shadow program. The Company awards six \$10,000 college scholarships and makes it possible for each recipient to attend the Junior Achievement Student/Business Leader Forum, which coincides with the Junior Achievement National Business Hall of Fame event each year. Office Depot also is a continuing sponsor of this event.
- The Company contributed \$100,000 to America's Second Harvest in 2002 in the form of a challenge grant, which the organization was able to leverage to generate an additional \$200,000 in contributions. To promote support of America's Second Harvest and its affiliated feeding programs on the local level, Office Depot created the "Hunger Has a Face" campaign, which was supported by brochures, posters and a point-of-purchase contribution program that enabled retail store customers to support the organization financially. The campaign also encouraged Office Depot employees and customers to volunteer their time at local food programs and shelters around the country. In Canada, Office Depot contributed \$25,000 and carried out a similar partnership with the Canadian Association of Food Banks.



- Through the creation and sale of an Office Depot Stuffed Bear during the 2002 holiday season, the Company generated \$100,000 in contributions for the U.S. Marine Corps Reserve's Toys for Tots program. For every bear sold, Office Depot donated \$2 to Toys for Tots. At the same time, Office Depot made it possible for customers to make monetary donations in our retail stores and encouraged employees and customers alike to support local toy drives in their areas. These efforts helped the Marines bring holiday cheer to children in every corner of the U.S.
- During the past two years, Office Depot's partnership with Gifts in Kind International helped to place more than four million products worth tens of millions of dollars in the hands of approximately 1,000 deserving nonprofit organizations. These organizations, in turn, made an impact in countless communities and neighborhoods.
- Office Depot employees extend a helping hand to their colleagues and neighbors through their contributions to the Office Depot Foundation. Their gifts are used to help Office Depot employees, outside nonprofit organizations and local communities during times of extreme hardships, such as fires, floods or other natural disasters. In times of national or large-scale disasters, these funds may be contributed to the American Red Cross.
- Employees of the Company's International Division are committed to strengthening local communities and helping to improve quality of life through support and partnerships with such organizations as Caritas, CliniClowns, Dunkelziffer e.V., Jeugdorp de Passant, Red Cross, Pro Juventute, SOS Kinderdörfer, UNICEF and Warchild. The Office Depot Charity for Children Foundation has been established in Venlo, The Netherlands, to expand the Company's charitable activities in Europe.



- Among other far-reaching partnerships, Office Depot supports the Dream Foundation, a unique organization that grants dreams to adults battling terminal illnesses; the Arnold Palmer Hospital for Children & Women in Orlando, Florida, whose Neonatal Intensive Care Unit (NICU) is capable of the highest level of care for high-risk newborns; and the National Alliance for Autism Research, a nonprofit organization dedicated to finding the causes, prevention, effective treatment and, ultimately, cure for autism and related disorders.

We here at Office Depot are deeply committed to corporate social responsibility and the underlying values that support this philosophy. We firmly believe that the bottom line of our Community Relations programs is how much awareness and enthusiasm we can generate through our messaging for the missions and purposes of the vitally important nonprofit organizations with which we partner.

With the support of employees, customers, vendors and the communities in which we operate, Office Depot makes a huge impact and reinforces its fundamental belief in the importance of Caring and Making a Difference.

To learn more about Office Depot's philanthropic partnerships and the organizations we support, please visit our Community Relations web site at [www.community.officedepot.com](http://www.community.officedepot.com).



# Environmental sustainability



Office Depot is deeply committed to sustainability – the principle of meeting today's needs without compromising the earth's ability to provide for our children and future generations. Office Depot takes environmental responsibility and energy efficiency very seriously. We are working not only to improve our record, but to provide our customers with the products and knowledge they need to become more sustainable.

## Environmental Initiatives

Office Depot believes that environmental sustainability is good for our communities and essential for our future.

### Providing Customers with Greener Products

Office Depot's commitment to sustainability begins with providing a wide range of environmentally friendly products. We sell an unparalleled selection of recycled and energy-efficient items.

- Our catalog includes more than 2,000 products – with Post-it notes to computer disks – that are made from recycled material or are otherwise environmentally preferable. These items range from copy paper, legal

pads, file folders and pencils to plastics, cardboard and even paper clips. Products containing recycled content are noted in our catalog and online to help our customers make more environmentally aware choices.

- Office Depot offers a large selection of computers, copiers, and printers that have been certified by the Federal Energy Star program as being among the most energy efficient in the market.
- Our Office Depot-brand recycled copy paper (EnviroCopy) contains 35% post-consumer recycled content, which is higher than the standard required by the federal government.
- In an effort to encourage more customers to utilize our capability to recycle their empty ink and toner cartridges while simultaneously encouraging them to try our 35% post-consumer waste content recycled paper, Office Depot has announced a program to provide a free ream of paper (500 sheets) for each ink or toner cartridge returned to our stores.
- Office Depot sells a wide range of remanufactured toner cartridges and also operates a national program to collect used laser and inkjet cartridges for remanufacture.

### Helping Businesses Improve Sustainability

The key to driving demand for sustainable products is helping businesses understand how these products can contribute to broad corporate goals such as reducing waste, pollution and greenhouse gas emissions. We are proud to be the first in our industry to offer sustainability audits to our corporate customers. These audits – conducted by GreenOrder, an independent consulting firm – benchmark and project environmental performance, generate customized recommendations about alternative products that are recycled or energy efficient and show companies how easily and cost-effectively they can make the switch.

Office Depot also helps companies close the loop by facilitating the take-back, for reuse and recycling, of products such as toner cartridges and batteries.

### Sustainability at Office Depot

Office Depot is committed to sustainability throughout the Company, both behind the scenes and in very public ways. Our Annual Report and collateral materials contain post-consumer waste recycled paper, for example. With 70,000 - 80,000+ reports printed annually, this is an important step that is making a positive contribution toward reducing Office Depot's environmental footprint.

### Office Depot Recycles

Office Depot has launched a new, expanded waste prevention and recycling program at our corporate headquarters that targets more than 80% of our waste stream. Every additional ton of paper this program recovers will conserve 17 to 24 trees, and each extra ton of aluminum cans and plastic bottles we recycle will conserve more than 2,000 gallons of gasoline. We are dedicated to achieving equally comprehensive waste prevention and recycling efforts at all of our locations.

### Reducing Paper Usage

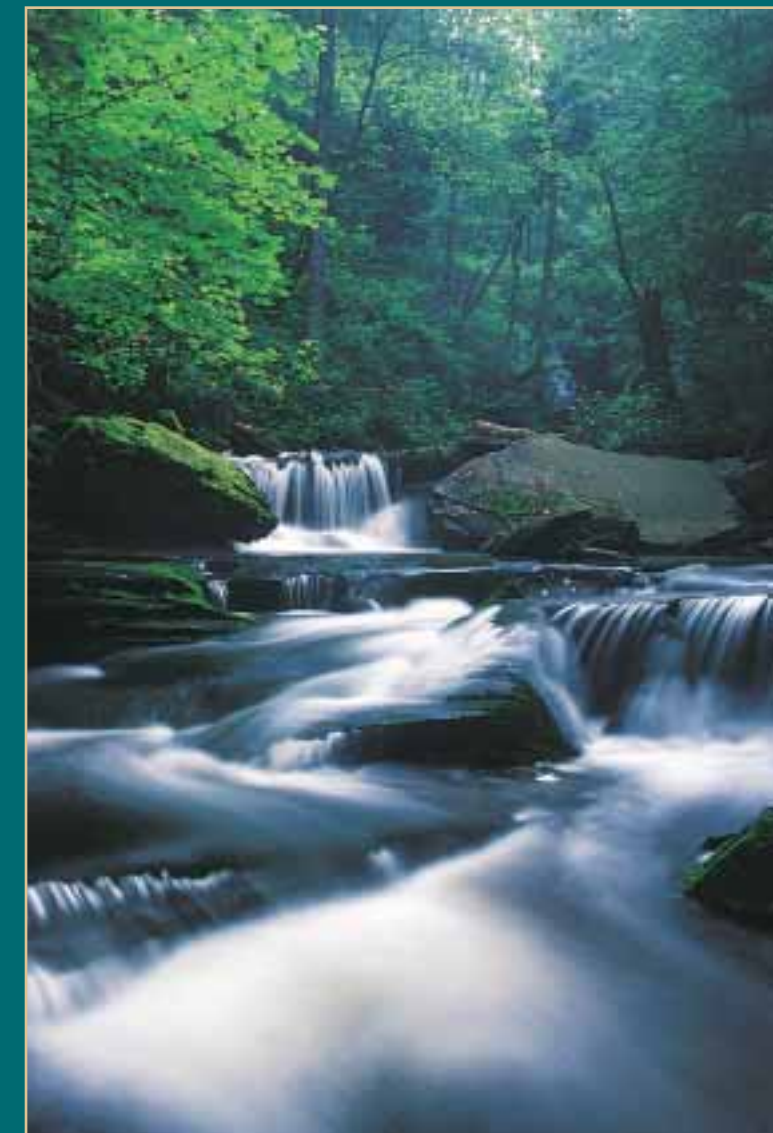
Office Depot has focused on reducing the amount of paper we use in everyday transactions.

- In September 2001, we launched an Intranet-based store portal for our retail employees. By utilizing our Corporate Intranet to allow store employees to access information in new ways, we have been able to eliminate the large paper-intensive reports and operations manuals that used to be distributed chain-wide, allowing us to eliminate the use of millions of sheets of paper over the 18-month period since the roll-out.
- We have implemented an on-line procedure to enable employees to "receive" their paycheck stub evidencing the direct deposit of their earnings without the need for actually providing every person a paper receipt. Employee payroll information is available through the Corporate Intranet instead.
- We have implemented an Intranet-based bill paying and receipt management program, moving to an online-based office systems management approach that virtually eliminates paper from these photocopy and paper intensive processes.

### Partnership with Earth Day Network

Office Depot is proud to partner with Earth Day Network (EDN), an international organization with a network of 5,800 groups in 184 countries, more than 1,200 groups in the United States and 95,000 teachers and educators. Together, these individuals and organizations organize millions of people each year to learn about the environment and find ways to protect it. Earth Day is the only event celebrated simultaneously by hundreds of millions of people. Founded by the organizers of the first Earth Day in 1970, Earth Day Network promotes environmental citizenship worldwide.

Office Depot's involvement with Earth Day Network helps to educate young people about the environment and their



role in creating a sustainable future. In support of the United Nations Year of Freshwater and Earth Day Network's "Water for Life" program, Office Depot distributes water testing kits to Earth Day Coordinators in schools across North America. In addition, we provide EDN's "What's in your Water" educational curriculum materials to more than 250,000 teachers in the United States and Canada.

Through informational materials such as brochures and posters in our stores, Office Depot encourages support for the "Water for Life" program and helps people learn how to make "Earth Day Every Day" at home, in the office and in their communities. Visit [www.earthday.net](http://www.earthday.net) for more information on how you can make Earth Day Every Day.



# Diversity initiatives

## Diversity: A Business Imperative

### "Embracing Differences, Valuing Strengths, Creating Success"

Diversity is the model for how we do business now and in the future.

At Office Depot, we've taken "Respect for the Individual" as a core value to the next level to create an environment that values all employees without wavering in our commitment to drive shareholder value and enhance brand equity.

As the market leader, we have an obligation to lead by example. We are in a position as never before to cultivate the richness of our workforce and expand into new territories. Statistics show that a diverse workforce is better able to penetrate new markets, captivate new customers and attract the best and brightest talent in the world.

#### *Diversity, therefore, is our single most valuable resource.*

Each employee brings a unique perspective, experience and skill set that, taken as a whole, affords us a unique competitive advantage. By unleashing the potential of each employee, we invigorate our environment with fresh, innovative ideas that make Office Depot an even greater place to work, shop and invest.

#### *Our commitment to Diversity is evident in all we do.*

Our hands-on ethic shows itself in our recruitment and retention practices; our philanthropy and volunteerism; in our marketing outreach; and among our supplier and vendor networks. Our culture of inclusion enables us to better reflect and serve the communities in which we work and live.

At Office Depot, we put our differences to work for us.

#### *Embracing Diversity.*

*Office Depot makes significant investments in the major metropolitan communities where we maintain a dominant U.S. presence. These organizations include, but are not limited to, traditional civil rights and affinity advocacy groups that promote Diversity as a core element of their agenda. We believe that by contributing to the communities in which we live, work and shop, we are investing in the posterity of Office Depot, and everybody wins.*



## Workforce Diversity

Over the last decade, demographics have shifted as never before. By 2008, women will make up nearly half of the U.S. workforce, while ethnic minorities will comprise 31 percent, according to the Bureau of Labor Statistics.

Hispanics will grow to 47 percent of the workforce over the next 20 years, African Americans will account for 22 percent and Asians and other people of color will make up 18 percent, while Caucasians will account for only 13 percent. According to the U.S. Department of Labor's Report on the American

Workforce, 2001, these and other statistics indicate that by 2050, non-whites will outnumber whites, thus nullifying the term "minority" as a meaningful descriptor.

This demographic evolution has had a corresponding impact on the U.S. labor market. By 2006, available jobs will reflect a five percent decrease from a decade earlier – creating a *skilled labor* shortage – that is currently estimated at 54 percent.

# Diversity initiatives

## Workforce Diversity



A tight labor market and increased competition for talent creates its own compelling argument for including non-traditional candidates as a part of the workforce equation. According to Diversity expert Dr. John Fernandez, author of *The Diversity Advantage*, "Businesses that learn to use Diversity as an asset will stride ahead of those that don't. The payoff will be increased productivity, higher quality, more adaptability to change, more innovation and increased job tenure."

Office Depot recognizes these benefits of Diversity and strives to foster an environment in which all individuals can reach their full potential. The Company has built its business case by aligning Diversity and corporate operating goals to increase its global competitiveness. Diversity is intrinsically linked to Office Depot's strategic vision. We embrace Workforce Diversity as not only a moral imperative, but as our competitive advantage.

Trust, respect and open, honest communication are at the heart of Office Depot's Diversity values. The Company has undertaken a number of practical measures that underline its commitments:

- Communicating shared values throughout the organization to support the Company's Diversity vision
- Promoting diverse leadership, on the board of directors and throughout the workforce
- Doing business with minority-owned businesses through the vendor-supplier network
- Promoting minority-owned business and cultivating multicultural consumers through advertising and events aimed at their specific needs
- Contributing to and participating in organizations that serve ethnic minorities in key metropolitan markets where Office Depot has a dominant presence, and that encourage individual and group leadership.

At Office Depot, Diversity training provides work-based learning for our new and continuing employees that enables them to attain the skills and knowledge that help the Company to manage Diversity effectively and achieve its Workforce Inclusion goals.

Workforce Inclusion is ultimately about ensuring appropriate race and gender representation. That means defining measurable means for attracting and retaining underrepresented groups among the corporate elite and in key roles at every level throughout the organization.

It also means applying metrics based on empirical data that increase accountability, ensure that the workplace accurately reflects the broader communities and make certain that qualified candidates are identified, developed and advanced. Career advancement is a true measure of Workforce Inclusion.

Office Depot's Diversity charter also mandates:

- Developing a diverse mix of qualified candidates to ensure that the workforce mirrors the communities in which we live, work and shop;
- Creating an organizational structure to support the Company's commitment to Diversity by integrating Diversity goals with organizational goals and rewards systems;
- Implementing and monitoring policies and practices that support the Company's commitment to Diversity;
- Providing employees with the skills needed to perform in a high-performance, culturally diverse environment;
- Instituting mentoring, team building and leadership training to move qualified candidates, in number, through the ranks.

Office Depot's Diversity vision and values permeate the organization and the broader community. We recognize that our continued growth and future competitiveness depend on the recruitment, employment, retention and promotion of diverse workers.

Ours is an organizational culture that incorporates mutual respect, acceptance and teamwork to see the rich dimensions of Diversity realized. It includes, but is not limited to, age, class, culture, disability, education, ethnicity, family structure, gender, ideologies, political beliefs, race, religion, sexual orientation, style and values.

Diversity at Office Depot means *embracing differences, valuing strengths and creating success.*

# Diversity initiatives

## Vendor/Supplier Diversity and Diversity Outreach

At Office Depot, Diversity extends well beyond economic indicators. It is a vital measure of our success. Our goal is to empower the companies with whom we work by raising their capabilities and making them the best sources from which to buy. Between 1999 and 2002, our minority business partners increased revenues nearly two-fold to \$420 million through our multiple sales channels: stores, domestic contract network, Internet sites, catalog and delivery operations.

We contribute to the success of our partners by proactively supplying the enhanced customer support they need. Through this stance, Office Depot not only personifies its values of Respect for the Individual, Fanatical Customer Service and Excellence in Execution, but also creates a distinguishable world-class brand and delivers exceptional value to our customers.

Office Depot's commitment to Minority, Women, and Disabled Veterans Enterprises (MWDVE) is realized in a five-prong plan:

**Seek:** Identify potential suppliers through key regional and national business expos, events and seminars.

**Offer:** Provide equal opportunity in the supplier selection process through a single point of access:  
[vendordiversity@officedepot.com](mailto:vendordiversity@officedepot.com)

**Partner:** Leverage the strengths of the Office Depot-MWDVE partnerships to meet customers' needs.

**Market:** Promote products manufactured by minority- and women-owned businesses through the catalog and targeted ad campaigns.

**Empower:** Increase revenue and exposure through Office Depot's extensive sales channels.

Corporate partnerships are the building blocks for the Vendor Diversity process:

- National Minority Supplier Development Council
- Florida Regional Minority Business Council
- Florida Minority Supplier Development Council
- Women's Business Enterprise National Council
- Women's Business Development Center of Florida
- Diversity Information Resources
- Institute for Supply Management, Minority & Women Business Development Group

Office Depot also serves on the board of directors for FRMBC, FMSDC, WBENC, WBDC, DIR and ISM-MWBBDG.

We extend scholarships to top industry and educational forums:

- Women's Business Enterprise National Council – Attendance scholarships to women-owned businesses
- National Minority Supplier Development Council – Attendance scholarship to National Convention to minority-owned businesses
- Tuck Executive Education, Dartmouth's Minority Business Executive Program – Annual sponsorship of one minority business owner

Our commitment to MWDVE companies is evident in our new Tier 1 program. This channel allows our customers to meet their own supplier Diversity objectives by purchasing directly from MWDVE companies.

For our efforts, we have received a number of awards and accolades:

- **Women's Business Enterprise National Council**  
"Elite Eight" – 'Top Corporation for Women's Business Enterprises' – two years in a row
- **Div2000.com**  
Top 50 American Corporations for Women- and Minority-Owned Enterprises – three years consecutively
- **Florida Regional Minority Business Council**  
President's Award (2000)  
Advocate of the Year (2001)
- **Florida Minority Supplier Development Council**  
Corporation of the Year (2002)
- **Bank of America**  
Supplier Diversity & Development, Corporate Advocate of the year (2000 to 2001)

At Office Depot, the success of our MWDVE partners is its own reward.

# Diversity initiatives

## Multicultural Marketing

Office Depot recognizes access to new and emerging markets as a critical source of vitality and continued market growth. As part of its ongoing commitment to corporate responsibility, Office Depot makes concerted efforts to deliver culturally relevant programs to the burgeoning multicultural markets.

According to the Census Bureau, ethnic minorities are poised to surpass the majority population by 2010. Between 2000 and 2050, these groups will account for 90 percent of the total U.S. population growth. During that same period, the numbers will increase to 178 million – adding more than 100 million new consumers.

Likewise, the combined purchasing power of African Americans, Hispanics, Native Americans and Asians has also increased 96 percent. According to the Selig Center for Economic Growth, African, Hispanic and Asian Americans spend more than \$1 trillion each year – nearly double that of a decade ago.

The goal of the multicultural marketing effort is to empower this culturally rich and diverse sector through targeted media and community-based outreach programs that meet the unique needs of consumers and small businesses.

We understand that ours is a competitive market and that consumers have choices for where they purchase goods and services. Our goal, therefore, is to differentiate our offering by providing targeted programs and promotional visibility to these markets.

Office Depot designs print advertising for leading ethnic newspapers and magazines across North America that mirror the consumer buying patterns of its targets, including language and culturally sensitive imagery. Ads are also placed in select radio and broadcast markets.

Office Depot demonstrates its commitment to the multicultural marketplace through direct-to-the-customer pipelines. One such channel is "Office Depot *en Español*" – one of the first E-Commerce portals to deliver office products directly to the Spanish language consumer.

Studies show that the Hispanic-owned business market is one of the fastest growing segments – a trend that is expected to continue over the next decade. Our goal is to deliver the tools that help our Spanish-speaking consumers support the growth of their businesses.



Hands-on involvement at the grassroots level is another means of impacting the various communities.

### Small Business Outreach

The multicultural market is alive with entrepreneurship. The Small Business Administration reports that minority-owned businesses are the fastest growing segment of the U.S. economy – increasing at twice the rate of the mainstream.

According to the most comprehensive data collected every five years by the Survey of Minority-Owned Business Enterprises (SMOBE), 3.25 million minority-owned businesses were created in the U.S. in 1997, generating \$495 billion in revenues and employing nearly four million workers. Statistics from ten years earlier show a 343 percent increase in new business over that period and a corresponding 362 percent increase in employment.

Having recognized this phenomenon, Office Depot has designed a number of business-to-business success strategies to enable small business owners to increase market share.

One program, called "*Spotlight on Success*," pairs print advertorials in top markets with "how-to" stories that assist owners with peer-to-peer tips and problem-solving tools. These stories bring a greater focus on minority entrepreneurs through anecdotes that showcase their successes and create a path for other small businesses to follow.

The Company also partners with the Small Business Administration to offer in-store seminars, training, counseling and other services tailored to the specific needs of minority business owners.

Positive market feedback and strong liaisons within the small business community have encouraged Office Depot to continue to seek new ways to partner with the minority entrepreneur.



# Women's initiatives



- Debbi Fields, Founder, Mrs. Fields Cookies
- Robin Roberts, ESPN and ABC sports commentator
- Alexis Herman, former U.S. Secretary of Labor
- Susan Taylor, Chief Content Officer, *Essence* Magazine
- Maya Angelou, best-selling author and poet

Recognizing the impact women have in today's marketplace, Office Depot honors six women during the annual conference with the Office Depot Visionary Award; categories include Pioneer, Business, Non-Profit, Sports, Corporate America and a Special Honoree. These awards are presented to women whose extraordinary vision, leadership, perseverance and commitment make a difference in their businesses, industries or communities.

Office Depot is committed to addressing the growing global needs of today's businesswomen. We have superior products, services and business solutions that all businesswomen need. More importantly, Office Depot provides women with what they need to know. By partnering with leading women's organizations and hosting annual conferences and events, Office Depot has become a trusted source to which women turn to find help in successfully growing and managing their businesses.

### A Significant Presence

Women-owned businesses have a significant presence in today's marketplace; their influence continues to grow year after year. According to the Census Bureau and Center for Women's Business Research, in 1997 there were 5.4 million majority-owned, privately held women-owned businesses in the U.S., generating \$819 billion in sales and employing 7.1 million workers. The Center estimated that the number of majority-owned, privately held women-owned firms would grow by 14 percent to stand at 6.2 million in 2002.

Office Depot is proud to support women in business through a variety of initiatives and partnerships.

### Success Strategies for Businesswomen Conference

Office Depot, as an expert partner providing knowledge and products, is committed to supporting women and helping them succeed in business. Annually, we host the Office Depot Success Strategies for Businesswomen Conference, which provides a forum for women in business to learn from today's foremost leaders as they share their successes and challenges.

The Office Depot Success Strategies for Businesswomen Conference was created with a vision to educate businesswomen, offering them success strategies and solutions for their businesses, while creating an opportunity for women to network and build lasting business relationships. This conference creates content that is relevant to the current market and delivered by "best in class" speakers. Speakers have included:

- Dr. Madeleine Albright, U.S. Secretary of State, 1997-2001
- Suze Orman, best-selling author and Personal Finance Editor for CNBC
- Linda Ellerbee, journalist, award-winning television producer and best-selling author



Women who attend the Success Strategies for Businesswomen Conference are greeted with a welcoming environment, world-class speakers and invaluable networking opportunities. For more information on Office Depot's businesswomen's conference, visit [www.officedepotsuccess.com](http://www.officedepotsuccess.com).

### Partnerships with Leading Women's Associations

Office Depot is an active partner with a variety of organizations that support women in business. These organizations also offer outstanding resources for women who are seeking support and knowledge in running their businesses.

- **American Business Women's Association**  
Provides opportunities for women to grow through leadership, education, networking and national recognition.
- **Center for Women's Business Research**  
The premier source of knowledge about women business owners and their enterprises worldwide.
- **Count-Me-In for Women's Economic Independence**  
A nonprofit organization that raises money from individuals and organizations in order to make small business loans to women across the country.
- **Executive Women's Golf Association**  
Fosters a spirit of acceptance, dignity and respect for career-oriented women golfers.
- **International Association of Administrative Professionals**  
Helps administrative professionals enhance their skills and become more effective contributors to their employers.
- **National Association for Female Executives**  
The largest women's business and women's business owners' organization in the United States.

- **National Association of Women Business Owners**  
Provides education, resources, networking and advocacy for women business owners.
- **Women Impacting Public Policy**  
A bi-partisan public policy organization that advocates for and on behalf of women in business.
- **Women's Business Enterprise National Council**  
Dedicated to enhancing opportunities for women's business enterprises in major business markets.

Office Depot also is proud to offer the innovative Web Cafe series, created by the E-Commerce department. The Office Depot Web Cafe is a free, web-based seminar series focused on "What You Need to Know" about successful business strategies. You can access Web Cafe by visiting [www.officedepot.com/links/womeninbiz](http://www.officedepot.com/links/womeninbiz).





# Educational programs



As part of its commitment to "Taking Care of Kids," Office Depot recognizes the importance of starting off the school year on the right foot. The Company supports children, parents and teachers through several key programs designed to make a difference in households, classrooms and communities throughout the United States and Canada.

In these days of bare-bones budgets and pinched pennies, every dollar counts to parents and teachers as they get ready for kids to go back to school. Many parents have trouble finding the money to buy basic school supplies for their children, while some teachers have been known to spend as much as \$1,000 per year out of their own pockets to make sure their classrooms are well equipped.

Office Depot, as part of its commitment to "Taking Care of Kids," recognizes the importance of starting off the school year on the right foot. The Company supports children, parents and teachers through several key programs designed to make a difference in households, classrooms and communities throughout the United States and Canada.

### **"5% Back to Schools" Program**

Office Depot provides credits for free supplies to schools through the "5% Back to Schools" Program. Back to School shoppers at any of the Company's retail stores in the U.S. and Canada can select a local school to receive a credit of 5% of qualifying back to school merchandise purchases. In 2003, the program takes place from May 1 through December 31. Since the launch of the "5% Back to Schools" Program in 2000, Office Depot has donated millions of dollars to thousands of schools across North America. By providing credits for free school supplies in the communities where it does business, this program underscores Office Depot's dedication to making a positive impact on children's lives.

### **Star Teacher Program**

To recognize teachers for the difference they make in so many lives every day, Office Depot offers the Star Teacher Program throughout the United States and Canada. The program includes everyday discounts on purchases and a variety of special events and promotions during the year. Office Depot's popular Teacher Appreciation Breakfasts, which take place in the weeks prior to the opening of school, provide a welcoming atmosphere in the Company's retail stores where teachers have an opportunity to network with their colleagues and take advantage of special discounts. In addition, teachers can learn about classroom programs available to them through Junior Achievement as part of Office Depot's North American partnership with the organization.

The Company believes that the importance of teachers in our society cannot be understated and is pleased to help them in any way possible. Through our Star Teacher Program, Office Depot has an opportunity to thank teachers for their tireless efforts and extraordinary dedication throughout the school year.

### **National Backpack Program**

In 2001, Office Depot began a national community outreach program that provides more than 100,000 underprivileged schoolchildren with a new backpack and school supplies for the upcoming school year. Each of the Company's retail stores in the United States and Canada donates backpacks and



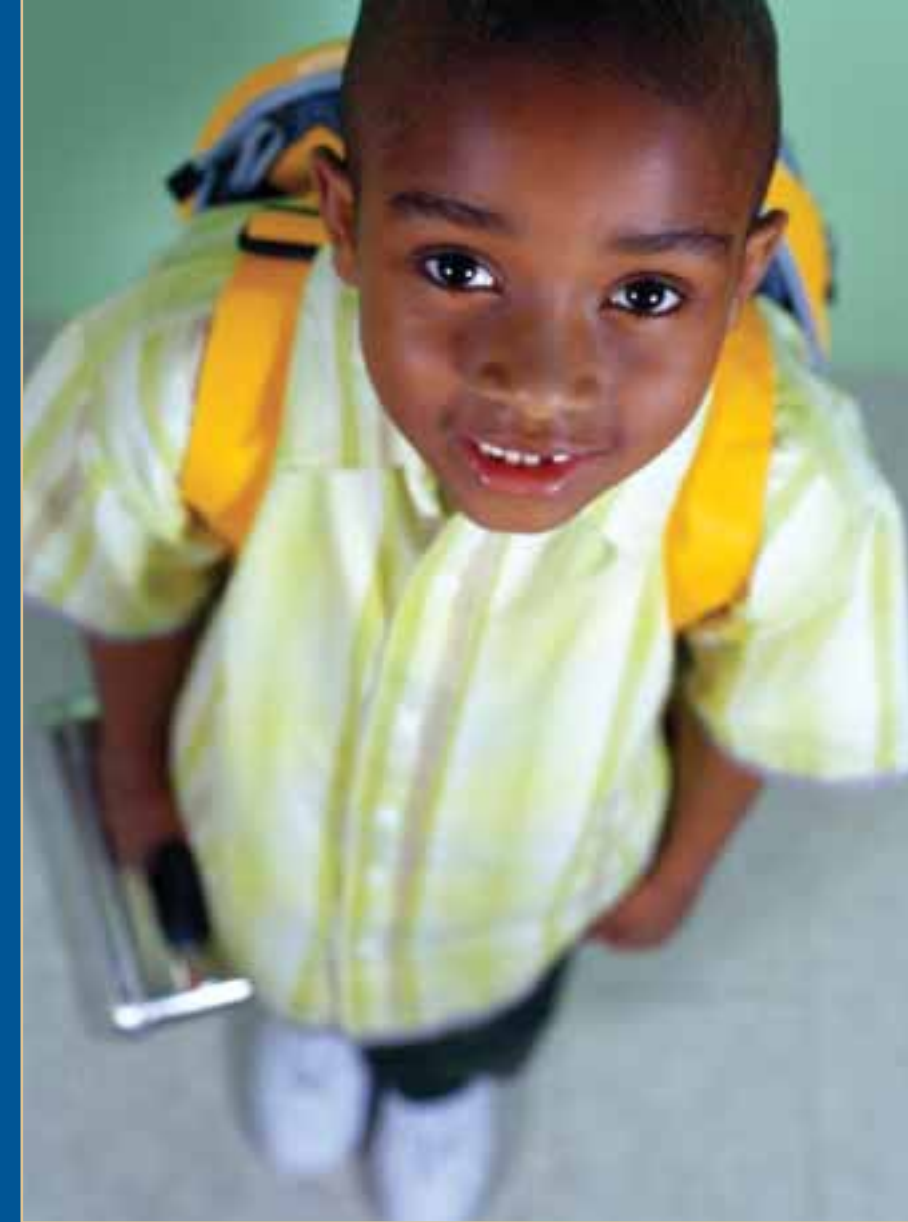
basic school supplies to schools serving underprivileged children as well as nonprofit organizations. These schools and organizations, in turn, put the backpacks and school supplies in the hands of children who need them most.

Given the essential role that education plays in the future of every child, Office Depot is pleased to help remove some of the obstacles that underprivileged children face each year as they get ready to go back to school.

### **College and University Partnerships**

As corporations compete to recruit the best and the brightest graduates from colleges and universities, they recognize the importance of initiating relationships long before the strains of "Pomp and Circumstance" are played at commencement ceremonies. Through its College Relations department, Office Depot maintains high visibility on 14 campuses in Florida and elsewhere around the United States: Florida A&M, Florida Atlantic University, Florida State University, the University of Florida, Brigham Young University, California State University at Fullerton, Georgia State University, Michigan State University, Morgan State University, Texas A&M, Texas Tech, the University of Arizona, the University of South Carolina and the University of Southern California. Office Depot executives visit these campuses regularly to speak to classes and student groups, while College Relations representatives offer workshops, seminars and critiques on resume writing, interview techniques and other essential skills.

The Company is committed to identifying talented students while they are still in school in the hope of recruiting them to come to work for Office Depot after they graduate. In a typical summer, more than 70 college students participate in Office Depot internships in retail management as well as a variety of corporate departments. Office Depot is a national sponsor of



SIFE (Students in Free Enterprise), which encourages budding entrepreneurs on more than 1,400 college and university campuses in more than 33 countries. The Company is a national sponsor of INROADS, a career development organization committed to developing and placing talented minority youth in business and industry and helping to prepare them for corporate and community leadership.

The Company also has made a number of financial contributions to colleges and universities. In 2002, for example, Office Depot established an endowment at the University of Florida to support its nationally respected annual Retailing Smarter Symposium and also formed a partnership with Florida Atlantic University to create an Eminent Scholar Chair in Small Business Research and to initiate the development of the Office Depot Institute for the Study of Small Business. Office Depot supports a scholarship fund at Florida State University and is a sponsor of the School of Business and Industry at Florida A&M University.



# Local programs

Look through any issue of Office Depot's Company magazine, and you will quickly gain a sense of the vast amount of time, energy and resources that our employees invest in their communities.

For example, our four stores in Spokane, Wash., sponsored a "Safe Summer Saturday" program. Our store in Clarksville, Tenn., hosted a visit from Miss Wheelchair Tennessee 2002, while employees at our store in Round Rock, Texas, pounded the pavement in a "Shoes for Kids" fun run. More than 200 South Florida employees participated in the National Conference for Community and Justice's "Walk as One" event, while our team members and their Business Services Division colleagues in Loveland, Colo., entered two decorated Office Depot trucks for the annual Loveland Corn Roast Parade.

Our store in Owasso, Okla., gets behind its local "Save Our Schools" program, enabling customers to donate much-needed supplies. Employees at the Viking Connecticut Contact Center joined 6,000 other volunteers for the annual Rays of Hope Walk, which raises funds for breast cancer research. In Delray Beach, Fla., 40 Call Center employees pitched in to help with a landscaping project for the Drug Abuse Foundation of Palm Beach County, and in Trotwood, Ohio, our store sponsored a successful Children's Identification Fair where members of local police and fire departments helped to photograph and fingerprint young people.



In the United Kingdom and Ireland, Office Depot employees have invested time and energy in supporting BBC Children in Need and the National Society for the Protection of Cruelty to Children, while Office Depot Italy has supported the Association for the Development of Information Technology for the Handicapped. Office Depot locations around Europe have raised funds and donated products to children's hospitals, schools, the Red Cross and many other worthwhile causes.

Countless similar examples can be found throughout the world, as members of the Office Depot family reach out to serve their neighbors and friends.

Some of these programs are Companywide. In conjunction with new store openings, Office Depot donates a \$1,000 Office Depot Money Card to the local chapter of the National Urban League to be used in support of children's programs. It also invites a local high school band to participate and donates \$500 to the band. In addition, through Gifts In Kind International, every Office Depot store and warehouse has local charitable partners to which product donations are made.



Other representative examples of Office Depot's broad-based community impact include:

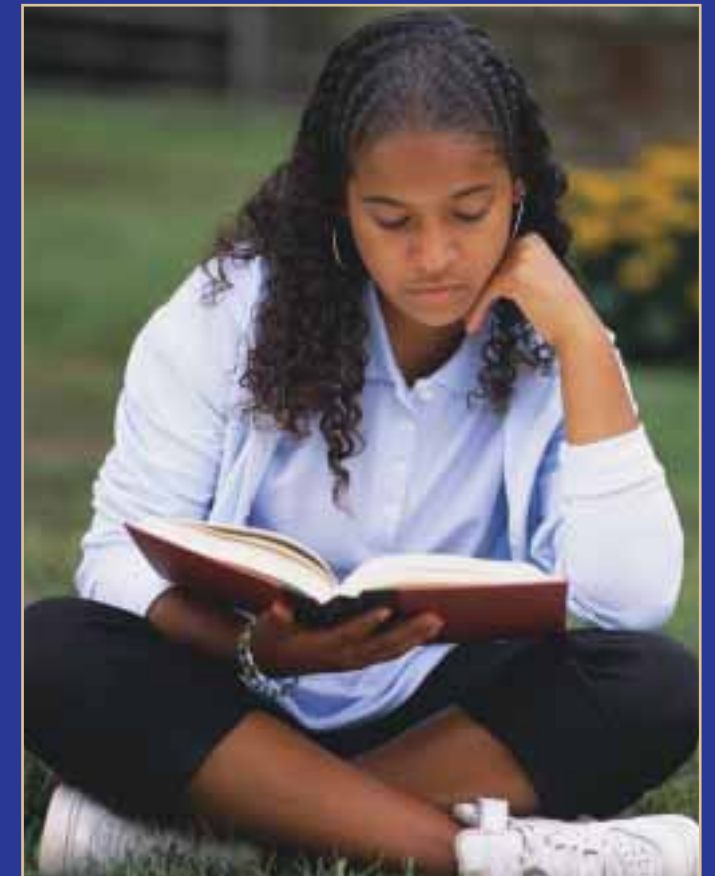
**Code Adam** – Established in memory of Adam Walsh, the National Center for Missing and Exploited Children in Alexandria, VA, provides assistance to parents, children, law enforcement agencies, schools and communities in recovering missing children while simultaneously raising public awareness designed to prevent child abductions. The Center's Code Adam program is one of the country's largest child-safety awareness initiatives. In 2001, Office Depot introduced Code Adam in its retail stores throughout North America. Office Depot store employees are trained in the six-step Code Adam program.



**SHOPA Kids in Need Resource Centers** – Office Depot established, maintains and supplies the SHOPA (School, Home, and Office Products Association) Resource Center in South Florida, where teachers and needy families can get free teaching and school supplies. Since its inception in 1997, SHOPA's Kids In Need program has opened 11 Resource Centers to serve disadvantaged communities across the United States.

**CHARLEE** – Office Depot established the CHARLEE Children's Depot, a distribution and warehouse system for donated goods that are made available to Florida Department of Children and Families-licensed foster homes throughout Miami-Dade County, FL. The company helped the CHARLEE warehouse set up an inventory control system to track receipt and distribution of donated goods. Established in 1983, CHARLEE makes a positive impact on the lives of hundreds of abused and neglected children each year through its group homes, independent living program, network of foster homes and other support services. It is viewed as a model for similar programs across the country.

**Principal for a Day** – Bruce Nelson, Office Depot's Chairman and CEO, and a number of other Company volunteers visit S.D. Spady Elementary School in Delray Beach, FL, each year to participate in its "Principal for a Day" program. In partnership with Junior Achievement, the Office Depot representatives help to create a day filled with rich educational value for the students.



Numerous other efforts might be less formalized, but are no less important. The impact that Office Depot's employees make in their communities is truly immeasurable. They lend helping hands to those in need. They donate food and clothing at the holidays and organize food drives to help feed the hungry. They mentor, they teach and they offer guidance. They unselfishly dedicate their time and energy in innumerable ways.

In every community in which they live and work, they exemplify the values that are embodied in the phrase *Caring and Making a Difference*.





# Corporate responsibility

Office Depot's Community Relations mission statement captures the essence of its commitment to corporate responsibility.

The Company's core values of "Taking Care of Kids" and "Caring and Making a Difference" are simple, yet powerful. Office Depot believes that children are our country's future; therefore it seeks to play a significant role in improving their quality of life, educational opportunities, health and welfare.

Office Depot's Community Relations programs serve to demonstrate to employees, customers, shareholders and communities at large that Office Depot has a heart, a soul and a conscience. In today's world, it is essential for major corporations to demonstrate that they care and are willing to make a difference by giving back and getting involved. Office Depot's Community Relations programs lie at the core of our corporate value system. Each philanthropic partnership is designed to involve all Company locations and to share information about the vitally important roles played by the nonprofit organizations we support. Each local program is designed to make a difference in the communities in which our employees live and work – and in which we do business. The feedback we receive from many of our employees offers testimony to how important our Community Relations programs are to everyone.

While fundraising for worthy causes is important, a critical objective is to educate as many people as possible about the mission that drives each program and the wonderful work that each organization does in support of that mission. Using a variety of communications channels – including brochures, posters and other collateral materials in Company locations; the Community Relations web site; articles in the Company's internal magazine; and other strategies – Office Depot seeks to make as many people as possible aware of these programs as well as to inspire them to find out how they can become involved as volunteers and leaders.

Indeed, volunteerism is one of the most important aspects of Office Depot's Community Relations mission. Throughout the Company, it is common to find individuals who commit their personal time as they work to make a difference through volunteer service to nonprofit organizations and community institutions.

Office Depot greatly values its partnerships with nonprofit organizations and is dedicated to communicating the importance of their extraordinary accomplishments on a consistent basis. These efforts indicate to employees and customers alike that Office Depot is determined to meet the highest possible standards for outstanding corporate citizenship.



## A Leadership Role

Office Depot further demonstrates its commitment to corporate responsibility and accountability through a variety of external affiliations and internal practices.

### Center for Corporate Citizenship

Office Depot is proud to be a supporting member of the Center for Corporate Citizenship at Boston College. Established in 1985, the Center provides leadership in establishing corporate citizenship as a business essential, so all companies act as economic and social assets to the communities they impact.

According to the Center, corporate citizenship refers to the way a company integrates basic social values with everyday business practices, operations and policies. A company that engages in good corporate citizenship understands that its own success is intertwined with societal health and well-being. As a result, it takes into account its impact on all of its stakeholders, including employees, customers, communities, suppliers and the natural environment. Office Depot embraces this philosophy enthusiastically.

### Points of Light Foundation

In an effort to enhance the impact that Office Depot and our employees make in the community, we are partnering with the Points of Light Foundation and Volunteer Center National Network in Washington, DC. This national, nonprofit, nonpartisan organization is committed to engaging people in volunteer service that helps

# & Accountability

to address social problems. Through its efforts each year, millions of volunteers are connected to opportunities to serve.

Office Depot is participating in the Points of Light Foundation's Connect America program, which offers business, nonprofit and government members extensive networking opportunities and access to volunteerism resources. Connect America partners work together to mobilize volunteers in more effective ways that help to create meaningful solutions to issues in their communities.

Through this partnership, Office Depot is expanding its efforts to encourage employees to volunteer by providing information about specific opportunities available throughout the United States. At the same time, we are helping to build awareness about the Points of Light Foundation and the importance of volunteerism. This collaboration provides the entire Office Depot family with important new opportunities to put their commitment to Caring and Making a Difference and Taking Care of Kids into action on a daily basis.

### Business Strengthening America

Office Depot is a member of this national program, which was created in response to President George W. Bush's call to national service. Following an initial meeting at the White House with the President, business leaders have worked collaboratively to define a national, business-driven effort to engage everyone from Fortune 500 corporations to small, locally owned businesses in a campaign to strengthen American society.

These companies share the belief that increased commitment to volunteering and civic responsibility builds a stronger society and will enable businesses to "do well by doing good." By partnering with the nonprofit community to focus business expertise and resources in a campaign to encourage civic engagement, the business community can leverage current efforts by government and nonprofit institutions to inspire Americans to serve their communities.

### Corporate Accountability

A *Washington Post*-ABC News Poll conducted in June 2002 found that public confidence in corporations was remarkably low in the wake of the highly publicized financial problems of Enron, WorldCom, TYCO and other large firms. Only 23 percent of the people surveyed at that time said they



had a "great deal" or "quite a lot of confidence" in large corporations.

In response to these concerns, the Securities and Exchange Commission required 947 large public companies to confirm – under oath – that their recent financial statements were accurate to the best of their knowledge. The SEC set a deadline of August 14, 2002, for submission of those affidavits. Office Depot submitted its statements – without qualification – 12 days in advance of that deadline. Indeed, the Company was among the first to comply with the SEC order, which was designed to help restore public trust and confidence in corporations. We believe it is extremely important for the public to see that the corporations they know and trust are taking a public stand on their commitment to integrity.

At Office Depot, we believe business should be conducted with uncompromising honesty and integrity. Our Company was founded on this guiding principle, and we have succeeded because we adhere to it strictly. Integrity is one of our most cherished principles. It underlies every one of our core values – Respect for the Individual, Fanatical Customer Service and Excellence in Execution.

... *And, it is good for business.*

At Office Depot, we also understand the importance of investing in the future of our communities and their citizens as a means of investing in our own future. The leaders of tomorrow will include the *business* leaders of tomorrow. By fostering programs that benefit communities, families and the organizations who provide for their needs, we are building a future together. We believe that as the people, communities and organizations we support as part of our Community Relations mission grow and prosper, they will remember the support Office Depot provided to them when they had a need. So, not only are we doing the right things for our communities and service organizations, we are also doing the right things for the people who invest in our Company. We are pleased and indeed proud to provide this report on our efforts. We want to do more – and we will. But we are building on a heritage of which all of us at Office Depot can justifiably be proud.



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