

Green Grades 2009

A Report Card on the Paper Practices of the Office Supply Sector

SUMMARY OF OFFICEMAX

The ForestEthics and Dogwood Alliance Office Sector Scorecard assign grades for the forest-related environmental performance of corporate paper sourcing in the following areas:

- 1) Chain of Custody Systems**
- 2) Endangered Forests**
- 3) Plantation Conversion and Other Controversial Sources**
- 4) Sustainable Forestry**
- 5) Recycled and Reduction**
- 6) Climate and Forests**
- 7) Other Forest Ecosystem Conservation Leadership**

Scope of survey: all office and marketing papers bought and sold by the company, including office papers used for internal operations.

In December, 2008 a questionnaire was mailed to companies that were selected to be included in the 2009 ForestEthics and Dogwood Alliance Office Sector Scorecard. OfficeMax agreed to actively participate in the evaluation process. The following summary of the company's policies and performance are based on information collected from their responses to the questionnaire, additional communications between the company and ForestEthics and Dogwood Alliance, and additional independent research conducted by ForestEthics and Dogwood Alliance. OfficeMax has been transparent regarding all of their papers on all of the seven categories that are covered in the survey.

Green Grades Report Card:

OfficeMax's Environmental Performance in Seven Crucial Forest-Related Categories:

CHAIN OF CUSTODY: OfficeMax instituted its CoC system in 2006. CoC information is provided by the supplier companies and in some cases their suppliers' auditors as well as any information provided by a certification system. However, the company's CoC system is not as robust as some of its competitors. The company does use a supplier questionnaire, but it is considered confidential and could not be evaluated by ForestEthics and Dogwood Alliance; to our knowledge, it does not adequately screen-out fiber from endangered forests. Certification schemes other than the FSC are also not sufficient to ensure that no fiber from endangered forests is entering the product stream. OfficeMax does have plans to improve and partially automate their CoC tracking, and to also seek third-party verification of suppliers' claims at some future date. No specifics about these planned improvements were shared with Dogwood Alliance or ForestEthics.

ENDANGERED FORESTS: OfficeMax adopted its current paper policy in 2006. The policy merely mentions "endangered areas" and does not include a working definition of endangered forests. However, OfficeMax stated in its survey response that its working standard is the Forest Stewardship Council definition of a High Conservation Value Forest (HCVF). While this is a useful definition of EFs, it is of very limited value if not coupled with a commitment to avoid and eliminate fiber from these endangered areas. OfficeMax's policy merely states that the company "expects" suppliers to not source fiber from endangered forests. The policy does not expressly commit OfficeMax to stop sourcing from a supplier if they are found to be sourcing from endangered forests, converted plantations, or other controversial sources.

OfficeMax currently buys and sells paper that is likely sourced from EFs. OfficeMax is likely sourcing large quantities of paper from threatened woodland caribou habitat and intact forests in the Canadian Boreal. The company is currently sourcing from at least three paper manufacturers that likely receive fiber from endangered forests in the Canadian Boreal: Boise (International Falls), Abitibi-Bowater (various mills), and Appleton Coated (Combined Locks),

OfficeMax also purchases and sells paper originating from International Paper (IP), which is known for controversial sourcing in the U.S. Southeast, including for endangered forest issues. The company sells Hammermill and other branded papers that are at least in part sourced from IP's Courtland mill. This mill currently sources fiber from the ecologically important Cumberland Plateau region in the U.S. Southeast.

OfficeMax has taken action in the past to eliminate some EFs in its supply chain. In 2008, OfficeMax declined to purchase paper from a prominent company implicated in illegal logging, the logging of endangered forests, and plantation conversion in Asia.

PLANTATIONS AND OTHER CONTROVERSIAL SOURCES: OfficeMax's 2006 paper purchasing policy includes language regarding a commitment to not purchase fiber from plantations converted from natural forests, however the commitment is vague and equivocal. Furthermore, the policy is heavily reliant on various certifications systems, of which only the FSC offers protection from sourcing from converted plantations.

The company's supplier questionnaire inquires about plantations and forest conversion; however the suppliers' claims are not independently verified, except where the product is FSC certified. OfficeMax states however that they have additional controls in place in order to insure that products are not sourced in violation of their policy regarding papers originating from plantations converted from forests.

OfficeMax still currently purchases and sells two brands of paper that are at a high risk of containing fiber from controversial plantations and other high risk areas in the U.S. Southeast. Both of these papers are produced by International Paper. International Paper is a company known to source fiber from plantations that were converted from natural forests in the U.S. Southeast and elsewhere. OfficeMax has taken action to eliminate some of these types of controversial sources in its supply chain.

Beginning in 2006, OfficeMax engaged a supplier to aid in settling a dispute in the Canadian Boreal involving logging companies and indigenous peoples claims to land. OfficeMax has been transparent with ForestEthics and Dogwood Alliance in regards to plantation conversion and other controversial sources.

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RESPONSIBLE FORESTRY/FSC CERTIFICATION: OfficeMax's 2006 paper purchasing policy does not state a preference for any single forest certification system, nor does it contain any goals and timelines for uptake of FSC certified products. However OfficeMax has stated they have a 2009 goal of achieving FSC certification for 50% of its total business paper offerings. The 50% goal is for half of all products offered for sale and is not based on volume. In 2008, 30.47% of products offered for sale were FSC certified. OfficeMax is registered for use of the FSC logo when promoting FSC products.

OfficeMax also indicates it is using "some" FSC content in its marketing papers, but the specific amount is unclear, and the company does not have any specific goals or timelines for increasing use in these papers.

RECYCLING AND REDUCTION: OfficeMax's 2006 paper policy does state a clear preference for recycled paper use for both retail and internal operations. However, the policy preference is dependent upon market conditions, product availability, consumer demand, and profitability, and does not specify post-consumer recycled fiber. The policy contains a sound goal of 30% average postconsumer recycled content for all paper products offered for sale, but only "within the constraints of good business practices and market conditions, including product availability, consumer demand and profitability." This 30% goal is unchanged from OfficeMax's 2006 policy, and is based upon the number of products offered for sale, not volume, meaning that much less than 30% of the actual product content may be recycled.

Currently the company has achieved the following PCR amounts for 2008: Average 15% PCR for all cut-sheet paper offered for sale by the company (2008 was first year achieved); average 30% PCR for paper used internally by the company at its headquarters; and average 30% PCR for all packaging papers and cardboard used by the company. Marketing papers contain a negligible amount of PCR content. Future goals for PCR content are essentially unchanged from current levels of PCR content.

OfficeMax has made significant progress reducing their consumption of marketing papers. They have worked to reduce the page count on their marketing catalogs, with varying degrees of success (20%-38%). Paper sizes and basis weights have also been changed on their catalog. They also have reduced retail inserts. Additionally they regularly purge their mailing lists to reduce returned catalogs. Between 2005 and 2008 OfficeMax estimates that their marketing paper consumption was reduced by 20% and the overall amount of virgin fiber used in marketing papers was reduced by 22%.

OfficeMax is also working to encourage electronic shopping and ordering. For internal operations, full duplex printing has been set as the default on copiers at headquarters. In 2010 OfficeMax has planned to begin using 10% PCR in their largest catalog.

CLIMATE AND FORESTS: The company does not have any commitments or procedures to reduce its forest products' related greenhouse gas footprint.

OTHER FOREST ECOSYSTEM CONSERVATION LEADERSHIP: Other than the supplier conversations noted above, we are not aware that OfficeMax has taken any actions to encourage governments, their suppliers, and other companies to improve forest ecosystem protection and restoration.