

# *Green Grades 2009*

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

### **SUMMARY OF FEDEX OFFICE**

*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.*

FedEx Office (formerly FedEx Kinkos) was contacted in December, 2008, and asked to participate in the third edition of the ForestEthics and Dogwood Alliance Office Sector Scorecard. The following summary of the company's policies and performance are based on information collected from a variety of sources, including the company's responses to the questionnaire, additional communications between the company and ForestEthics and Dogwood Alliance, and additional independent research conducted by ForestEthics and Dogwood Alliance. FedEx Office has been transparent with ForestEthics and Dogwood Alliance in all seven survey areas.

## Green Grades Report Card:

### FedEx Office's Environmental Performance in Seven Crucial Forest-Related Categories:

**CHAIN OF CUSTODY:** FedEx Office has commitments and procedures that currently track chain of custody information for an estimated 90% of their paper products with a future goal of 100% coverage of all paper products.

Their CoC system is based upon a comprehensive questionnaire that asks sufficient questions to identify if the paper is sourced from endangered forests, converted plantations, or other controversial sources. This questionnaire process began in 2003 and has since been improved.

The questionnaires are augmented by periodic random audits conducted by FedEx. The audits seek to identify the sources of wood down to a county level. The audits were introduced in 2008.

The supplier information is not 3rd party verified. Although this has been previously stated as a goal of FedEx, so far no independent verification of suppliers' claims has occurred.

**ENDANGERED FORESTS:** FedEx Office has strong and effective commitments and procedures for avoiding paper containing fiber from EF sources. Their paper procurement policy maintains an unequivocal commitment to not knowingly purchase paper derived from "old-growth, endangered or high conservation value forests." The written commitment is one of the strongest in the industry.

The company has taken action as early as 2002 and as recently as 2007 to remove from its supply chain papers sourced from endangered forests. In 2002, the company stopped sourcing from Boise due to concerns with Boise's logging of old growth ecosystems. In 2007, FedEx Office stopped sourcing from another company responsible for logging threatened caribou habitat, old growth, and other EF values in British Columbia. FedEx Office has also taken action to avoid sourcing from Asia Pulp & Paper (APP). The company confirmed that they have not been sourcing directly from APP since 2007, and in 2008 the company stopped selling another brand of paper that included APP fiber at the time. It is not clear whether the company has taken steps to identify and eliminate other potential indirect sources of APP fiber; however, we are not currently aware of any APP sources in FedEx's supply chain.

In 2008, FedEx Office conducted an extensive and detailed audit of a supplier to address concerns regarding the supplier's logging of EFs in the Cumberland Plateau in the Southeastern United States, and confirmed that fiber from the controversial operations was not entering FedEx Office's supply chain.

We are not aware of any significant EF issues with FedEx Office's supply chain at this time. This is the only company in the Scorecard for which we can make this statement.

To varying degrees, all of the office companies need to be more proactive in identifying and phasing-out EF sources. FedEx Office's questionnaire and mill audit program suggest the company is being more proactive than the norm; however, there is likely still room for improvement.

**PLANTATIONS AND OTHER CONTROVERSIAL SOURCES:** While FedEx Office's recently updated policy is no longer explicit about avoiding paper from converted plantations, the company has stated they will screen all non-FSC certified paper using the FSC's language prohibiting the conversion of natural forests to plantations, and that these requirements are explicitly incorporated into guidance for procurement staff and suppliers.

The company took action in 2007 to eliminate a supplier in Indonesia who was engaged in forest conversion. Currently, FedEx is not known to be sourcing paper from controversial plantations and in fact has made significant strides in eliminating papers sourced from converted plantations in the U.S. Southeast.

**RESPONSIBLE FORESTRY/FSC CERTIFICATION:** FedEx Office's paper policies and procedures have long stated a clear preference for paper from forests credibly certified as environmentally and socially well-managed. Although it recognizes other certification schemes, the company's 2003 policy states a clear preference for FSC certified papers over others, and "recognizes the Forest Stewardship Council (FSC) as having the highest certification standard available today." The company's new policy, released in 2009, maintains their preference for FSC certified papers.

## Green Grades Report Card:

### FedEx Offices's Environmental Performance in Seven Crucial Forest-Related Categories:

FedEx Office currently offers 14 FSC certified papers from its total of 73 paper offerings. The company has plans to increase this to 24 varieties of FSC certified paper in 2009.

FedEx Office has set a goal of making its main copying paper an FSC certified sheet by the end of 2009. FedEx Office has begun migrating its sourcing of uncoated cut sheet paper away from a supplier due to that company's unsatisfactory progress in moving towards using FSC certified fiber. As of publication, the company has shifted their default paper offering to a 100% FSC certified sheet. This is true for both their black and white and color self service copiers.

FedEx Office is currently achieving the highest percentage of FSC sales of any company in the report card, as currently over 70% of the paper they sell is certified by the FSC.

**RECYCLING AND REDUCTION:** FedEx Office's paper policies and procedures give a clear preference to paper manufactured with post-consumer recycled fiber. The company's 2003 policy set a goal of 30% PCR for all paper used and sold by the company. The company has fallen short of that goal, though only by a few percentage points. The Environmental Paper Network (EPN) set a minimum goal of 30% PCR content for "Environmentally Improved Paper."<sup>1</sup> While FedEx Office has nearly achieved the first step of the EPN's "Paper Steps," there is still room for improvement.

FedEx Office's policy also sets minimum PCR contents for some specific types of paper used and sold by the company. Packaging, for example, is to be at least 50% - 70% PCR. FedEx has exceeded this goal and achieved 85% PCR content in its packaging and paperboard products and has even achieved 100% PCR for many of the mailers used by the parent company, FedEx.

Additionally, FedEx Office has "developed a digital network and provided customer access, thereby improving operational efficiency, minimizing waste, and providing a digital alternative to forest-based products."

**CLIMATE AND FORESTS:** The company is not currently taking any action on reducing its forest product related greenhouse gas footprint, beyond commitments in other contexts to use recycled content and avoid paper from old growth and endangered forests. They do offer some paper that makes a claim to be "carbon neutral" by the purchase of carbon offsets; however, we have not evaluated the credibility of these offsets. FedEx currently has some other initiatives to help deal with global warming, but none currently to address forest products related emissions.

**OTHER FOREST ECOSYSTEM CONSERVATION LEADERSHIP:** FedEx Office has a strong track record of being an advocate for endangered forest protection and the resolution of endangered forest conflicts. In both 2008 and 2009, FedEx Office contacted the Ontario Provincial Government to urge the Province to better protect threatened caribou habitat, including in the interest of improving the environmental performance of paper produced there. In 2008, FedEx Office also contacted a supplier to encourage the company not to invest in Indonesia, due to the intractable controversies with forest management there. In 2009, the company contacted other suppliers, encouraging them to further improve their environmental performance.

<sup>1</sup> Paper Steps: Taking the Steps to Environmentally Responsible Paper. Environmental Paper Network. [http://www.environmentalpaper.org/documents/WIYP\\_thepapersteps\\_PrintFriendly.pdf](http://www.environmentalpaper.org/documents/WIYP_thepapersteps_PrintFriendly.pdf)