

Green Grades 2009

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

SUMMARY OF STAPLES

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. Staples agreed to actively participate in the evaluation process. Staples has been mostly transparent with ForestEthics and Dogwood Alliance; however, some gaps remain. 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.

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Staples' Environmental Performance in Seven Crucial Forest-Related Categories:

CHAIN OF CUSTODY: Staples' CoC system, which has been in place since 2003, and pertains to its operations globally, has some significant gaps but is also undergoing revision. While the company currently tracks an estimated 70% of their office paper products, they rely on FSC CoC for paper that originates from non-integrated mills. Thus the portion of paper from the untracked 30% that is not FSC certified is at risk of being unknowingly sourced from endangered forests. This same system is used to track their marketing papers. Staples also asks their suppliers to document their fiber's origins as well as detail some of its environmental attributes. Suppliers' claims are not currently third-party verified, however, a system for 3rd party verification is being established. Staples has contracted with Smartwood to develop and implement a CoC system that will track all of Staples' paper from forest to store. This partnership with Smartwood will also provide a third-party certification of suppliers' claims.

Additionally, Staples has also instituted a procurement/inventory computer system allowing the company to track products' environmental attributes such as FSC content, PCR, etc. The percent of product this system covers and when the system was implemented has not been shared with ForestEthics and Dogwood Alliance, but Staples has stated their intention to do so when it becomes available.

In 2008, Staples and Corporate Express merged to become one company. Corporate Express' sourcing has not yet been fully integrated into Staples' current CoC systems, which leaves some paper products untracked and at risk of being unknowingly sourced from endangered forests, plantations, or other controversial sources.

ENDANGERED FORESTS: Staples has good policies and procedures for avoiding paper containing fiber from EF sources. Staples' policy, which has been in place since 2002, defines EFs as High Conservation Value Forests (HCVFs) and Old-Growth. This definition is relatively strong; however more language to define HCVFs within their policy would be a good step forward as well as better implementation language and the addition of phase out deadlines for products that do not meet the policy requirements. The Staples' paper procurement policy also covers all former Corporate Express operations.

Staples has taken important actions in the past to eliminate EF sources from its supply chain. Prior to September 2007, Staples eliminated from its supply chain all fiber originating in the Albertan Foothills of Canada's Boreal Forest. The company also took action to address some other Boreal EF sources, e.g., fiber from caribou habitat and proposed protected areas being logged to supply Abitibi-Bowater's Laurentide mill. Also in 2007, after consulting with other stakeholders, Staples stopped purchasing paper directly from Asia Pulp & Paper (APP). Additionally, Corporate Express, in conjunction with its merger with Staples, committed to phasing out all papers sourced from APP.

While Staples has a decent track record on EF issues, the company may still be carrying some products that are sourced from endangered forests. As noted above, there are currently some gaps in Staples' CoC system including, but not only with regard to, the former Corporate Express units. While the company is working on closing these gaps, there is currently some uncertainty about whether EF fiber is in this part of the Staples supply chain.

Staples also sells Day Runner brand paper products. Some of these products are produced by a fully owned subsidiary of Asia Pulp and Paper. Products manufactured by this subsidiary are likely to contain fiber originating from APP.

The company also sources some of the paper for its marketing materials from the Sappi Somerset mill, which indirectly obtains some of its fiber from caribou habitat and intact forests in the Canadian Boreal.

Staples also sources paper from an AbitibiBowater mill. The specific mill and relative quantities were not identified to ForestEthics or Dogwood Alliance, however AbitibiBowater is involved in the logging of endangered forests including caribou habitat in the Canadian Boreal forest.

Hammermill branded cut sheet paper is also carried by Staples. This paper is produced by International Paper, a company known for controversial sourcing in the U.S. Southeast¹. Staples has not taken any actions to eliminate papers sourced from this company, nor has IP corrected its practices.

1 International Paper's Southern Presence. Dogwood Alliance. <http://www.dogwoodalliance.org/content/view/38/94/>

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PLANTATIONS AND OTHER CONTROVERSIAL SOURCES: Staples does not have a consistent policy on sourcing paper from plantations established at the expense of natural forests, nor does the policy address sourcing from companies that convert forests to non-forest land uses. However, Staples has an ambitious preference for FSC certified papers, and a strong offering of FSC papers—and the FSC's standards prohibit the conversion of forests to other uses and the certification of plantations established through conversion post-1994. Staples also eliminated APP as a direct supplier, due to APP's connection to forest conversion, illegal logging, and other controversial practices. However, as noted above, Staples still sells Hammermill branded cut sheet paper produced by International Paper—and forest conversion is one of the practices that makes IP a controversial source in the US Southeast² and elsewhere.

RESPONSIBLE FORESTRY/FSC CERTIFICATION: Staples' environmental paper procurement policy per se does not state a preference for FSC certified papers. However, the company's questionnaire response re-affirmed Staples' 2007 goal of increasing the company's FSC paper offerings to include at least 50% of all paper purchased by the company by 2010. This goal now also applies to the former Corporate Express units. This is a laudable objective that currently is a leading goal for the industry.

In 2006, the company added a new 100% FSC Staples brand paper to its offerings, and plans to make further FSC certified additions to their product line in 2009. Staples indicates having already achieved FSC content at the following percentages in 2009: 30% of all cut-sheet paper by SKUs; 50% of cut-sheet paper used internally; 15% of all marketing papers; and <10% of packaging papers and paperboard. These figures do not fully include the former Corporate Express operations. As the companies become fully integrated then tracking will become more accurate.

At Staples' copy centers the default paper offering is a 50% PCR FSC certified sheet. This is the greenest default offering in the industry and meets the high standard of an "environmentally superior" paper set by the Environmental Paper Network.

Staples is also working to increase the availability of FSC paper in the marketplace through the company's participation in the Southern Forest Carbon Project, which it has been involved in since 2007, and through a small-landholder FSC pilot project with Georgia-Pacific.

RECYCLING AND REDUCTION: Staples' policies and procedures give a clear preference to paper manufactured with post-consumer recycled fiber. Staples also has set ambitious goals for average PCR content of paper sold by weight. The company has already achieved a 30% by weight average PCR of all office papers sold and has now set a new goal of 50% by weight average PCR of all office papers sold. This is an industry leading goal.

The company also has more specific goals for its individual product categories. Staples has achieved a 30% minimum PCR goal for cut-sheet paper, and has also achieved an average of 50% PCR content for Staples branded paperboard, cardboard, and packaging. For its marketing papers, the company has achieved an average of 15% PCR content. Corporate Express' operations have not yet been factored in to the above results, however Staples PCR goals will now apply to all of its future operations, including the addition of Corporate Express. .

Staples has taken steps to reduce paper consumption. Since 2006 it has offered an online version of its catalogs as an alternative to printed versions. The paper savings from this initiative has not been tracked. Also in 2006, the company began "actively working with [their] customers for the last several years to consolidate their small orders and bundle deliveries to improve carbon efficiencies associated with deliveries and reducing the amount of packaging waste that would be generated as a result of small average orders." Staples estimates it has reduced packaging paper use by 20% through this effort.

CLIMATE AND FORESTS: Staples is involved with the Southern Forests Carbon Project, which "creates economic incentives for landowners to improve forest practices on the ground and sequester more carbon in carbon sinks and sustainably managed forests in the Southeastern US." They have participated in this project since 2007. For more information on this project see www.dogwoodalliance.org/content/view/267/122/. The company is not taking any other actions to reduce its forest products related carbon footprint beyond the paper reduction efforts noted above.

2 International Paper's Southern Presence. Dogwood Alliance. <http://www.dogwoodalliance.org/content/view/38/94/>

