

STAPLES Advantage

STAPLES[®]

Staples Advantage 2013.

UK Environmental Performance Report.



Intro from our Managing Director.

I am delighted to introduce this Environmental Performance Report for 2013. It demonstrates our commitment to being open and transparent, being accountable for our actions and continually improving our environmental performance. Our environmental strategy incorporates a multi-faceted approach with programmes that reach all levels throughout every area of our business. We do this because it is right for our planet, our customers, and the future of our business.

Staples has set out a plan, not only for today, but for many years to come. We have created a set of Environmental Commitments that demonstrate our vision for a Sustainable Staples:

My vision for Staples Environmental programmes are:

- **We will be recognised as a global sustainability leader**
- **We will minimise our carbon emissions and help customers do the same**
- **We will minimise our waste and help customers do the same**
- **We will offer our customers a complete range of sustainable products and services**

Environmental opportunities form part of our business reviews with all our customers. We will continue to support our customers and help them achieve their environmental targets by providing innovative solutions.

As Staples continues to grow, I look forward to seeing increasing commercial success, further underpinned by strong environmental performance.

Marty Robertson



Managing Director, Staples Advantage UK

We will be recognised as a global sustainability leader.

Our vision is to develop and implement an operational strategy that defines us as a Global Sustainability Leader. We must be able to identify the best sustainable practices for our business and for our customers, by implementing a process that offers continuous improvement. Effective environmental management systems allow us to monitor, review, and adapt our operations in accordance with the changes in our industry and the wider environment.



Our accreditations

ISO14001

We continue to demonstrate the accountability of our operations by certifying our environmental management systems to the ISO14001 standard, something we have held at our Central Distribution Centre since 2006. By investing in the stringent criteria for the independent, internationally standardised

and recognised certification process, ISO14001 helps us to manage our facilities, minimising how our operations negatively affect the environment, complying with applicable laws and regulations, and working to improve upon these processes.

The continual improvement process developed as part of this programme has resulted in key initiatives like 'Zero Waste to Landfill', and stimulated UK Advantage specific objectives relating to moving towards sustainable energy and reducing emissions.

"Staples Advantage in the UK believes it has an important duty to ensure good environmental performance in its business operations. We believe ISO14001 accreditation has assisted in focusing our efforts in improving our environmental performance".

Alan Reeves - Regional HSEQ Manager
Staples UK & Ireland

Carbon Trust

Staples UK has been awarded the Carbon Trust Standard, a mark of excellence publicly recognising carbon emission reduction efforts. The UK operations of Staples, which include Retail, Online, and Advantage, have all worked to make business more environmentally sustainable. These efforts resulted in a 14.4% reduction in carbon emissions between 2010 and 2012 and prove Staples' dedication to sustainability. Our solar installation, electric vehicle delivery fleet, LED lighting in our facilities and zero waste to landfill are just some of the programmes that helped Staples achieve this standard, reinforcing our commitment to be an environmental leader in corporate social responsibility within the office products industry.

What's next?

Our efforts to succeed as a global sustainability leader also extends to our own brand Sustainable Earth product range; leading the way with innovative environmental solutions like our bio-degradable cups certified by BPI. We will continue to expand our eco-conscious product ranges to ensure that we offer all that a business needs to succeed.

Our global corporate responsibility goals.

Environment

- We will sell more sustainable products and services.
 - Continue to improve sourcing, identification, and promotion of greener products to customers.
 - Reduce the use of packaging materials in the United States by 20 percent by 2020 from a 2011 baseline.
- We will offer easy customer recycling solutions.
 - By 2020, recycle 100 million ink and toner cartridges each year across all operations.
 - By 2020, recycle 40 million pounds of eWaste each year globally.
- We will eliminate operational waste.
 - Reduce waste to landfill by 25 percent globally by 2020 with 2010 as a baseline.
- We will maximise energy efficiency and renewable energy.
 - Reduce the electrical intensity of our global operations by 25 percent by 2020 from a 2010 baseline.
 - Ensure that 50 percent of our active locations in the United States achieve ENERGY STAR® registration by 2020.
 - By 2020 reduce global carbon emissions by 75% when including carbon offsets and 25% before carbon offsets, from a 2010 baseline.

Ethics

- We will maintain a governance structure that ensures sound practice to protect investors, associates, and suppliers.
- We will conduct business ethically to retain the trust of our customers, investors, and other stakeholders.
- We will offer our customers products that not only meet or exceed performance expectations, but are also manufactured responsibly.
- We live Our Values through our interactions with customers and each other: own it, say it like it is, be caring, keep it simple, and work together

Community

- We will create employment opportunities in our local communities while attracting, developing and retaining the best talent
- We will give back to our local communities in support of education and job skills training
- We will encourage associate engagement in our local communities

Diversity & Inclusion

- We will embrace diversity and inclusion by embedding it into our business and our company culture
- We will promote an inclusive work environment where all associates are respected and valued for their unique knowledge, skills and abilities.
- We will focus on attracting and retaining diverse associates across our global operations, specifically with regard to gender and minority diversity in our management and executive levels

We will minimise our carbon emissions and help customers do the same.

The nature of our business means we naturally produce waste that must be dealt with responsibly; by effectively minimising waste and maximising recycling, we can improve conditions for the planet, our customers and for our distribution network. Excessive waste negatively impacts our own costs and efficiency, but it also has impacts on our customers, so we have implemented numerous programs to minimise waste and continue to look for new developments in this field.

Carbon Trust & Carbon Reduction Commitment

The Carbon Trust Standard inspires us to minimise our emissions, allowing us to transparently identify key areas for development. In addition, the Carbon Reduction Commitment (CRC) is a national program requiring the measurement and public disclosure of our operational emissions. Carbon Trust and the Carbon Reduction Commitment program are two key drivers for addressing carbon emissions.

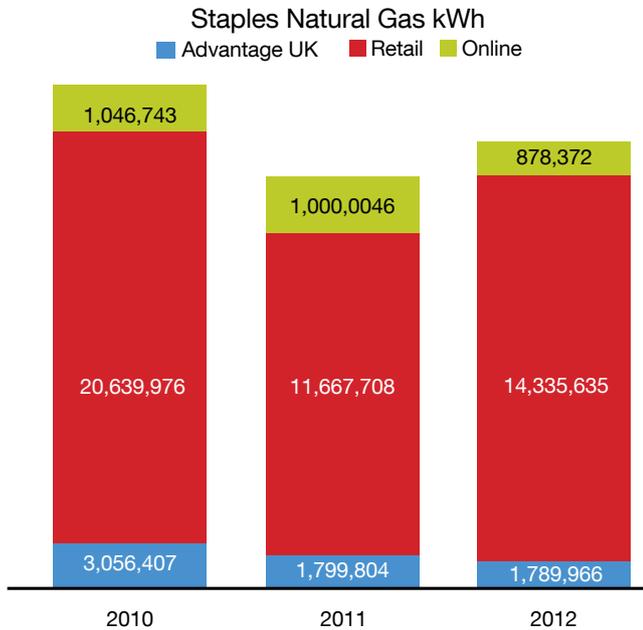
Carbon Trust and CRC require reporting on all Staples UK Business units (Retail and Online business, in addition to our Advantage business), as demonstrated in our performance figures. It is our aim to go beyond compliance and drive improvements in our performance. Staples Advantage has developed specific objectives to complement our global goals which have driven specific programs, outlined above.

2012 Objectives

& performance figures for electricity, gas & fuel.

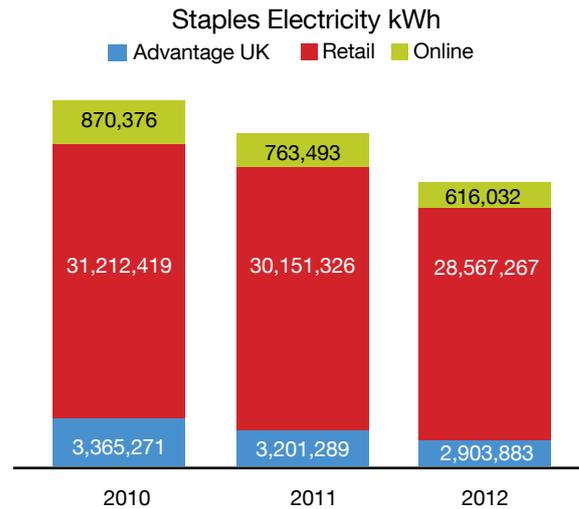
Staples UK Natural Gas consumption reduced by 31.3%

Objective: 2% reduction in UK Advantage natural gas consumption by 2012 (2010 baseline)



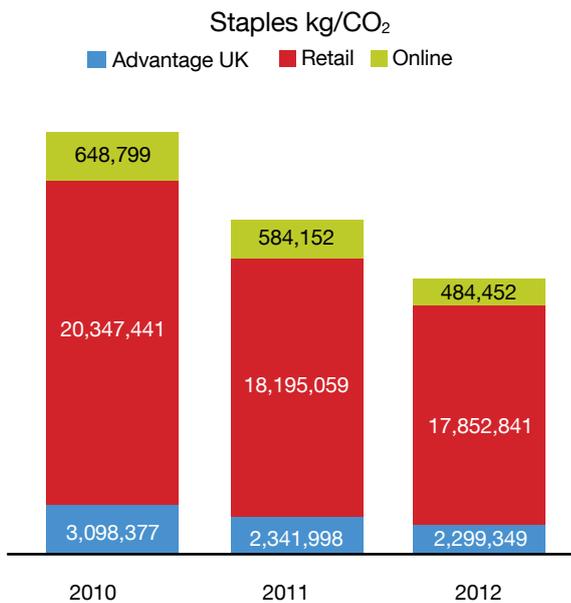
Staples UK Electricity consumption reduced by 9.5%

Objective: 5% reduction in UK Advantage electricity consumption by 2012 (2010 baseline)

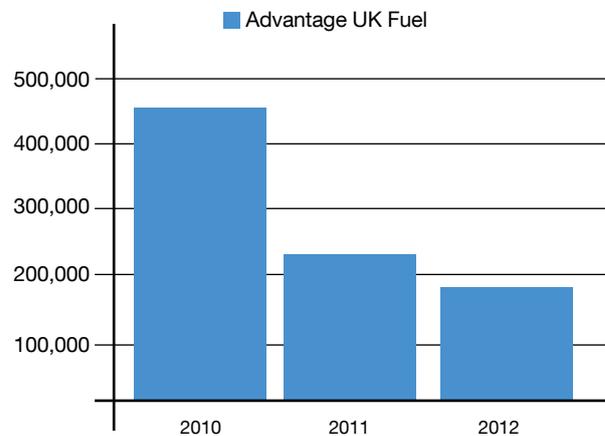


Staples UK Carbon emissions reduced by 14.4%

Objective: 5% Reduction in UK Advantage carbon emissions by 2012 (2010 baseline)



Advantage fuel use litres



Please note, this is Staples company car fuel consumption. As we use TNT, a third party, for all of our deliveries, delivery fleet fuel consumption is not applicable to Staples Advantage UK.

Staples Advantage set out ambitious objectives to drive our environmental performance improvements. Not only have Staples Advantage exceeded each of these objectives, since 2010 our entire UK operations have decreased consumption of electricity, gas, and carbon emissions. We have reached these objectives by investing heavily in time and resource on programmes such as solar panels & LED lighting.

Solar panels & LED lighting.



Our Corby Distribution Centre

In 2011, Staples completed a brand new solar panel installation at our Corby Distribution Centre.

The solar installation:

- Covers the entire roof with a surface area of over 9000 m².
- Is capable of generating around 75% of the building's energy consumption during the day.
- Generates enough energy to supply around 125 family households per year.
- Will reduce CO₂ by approximately 200 tonnes a year.

Since the installation, our solar panels have generated over 938,000kWh of renewable energy (up to end of FY2012) with over 512,000 kWh being exported back into the national grid

Furthermore, we have installed new efficient LED lighting throughout six of our UK facilities - a long term programme to green our operations.

Greener logistics - leading the way.

We are committed to helping our customers take action to protect the environment for future generations. Our logistics partnership with TNT marks a significant step in bringing this commitment to life for Staples Advantage customers. Staples and TNT continuously seek new, innovative solutions and technologies that will create value for money services whilst ensuring continued sustainability.

Our sustainable transport strategy:

- Our partner TNT is committed to becoming the world's first zero-emission transport company.
- Our sustainable transport solution allows for fewer vehicles on the road overall.
- In the City of London, Staples Advantage has a dedicated electric 7.5 ton vehicle.
- Staples Advantage customers have direct access to the world's largest fleet of electric 7.5 ton vehicles— including 50 electric vehicles making deliveries across the length and breadth of the UK.
- Our extensive delivery platform of 57 regional delivery depots and 5 sort centres means efficient and fast delivery, meaning our vehicles travel fewer miles for their respective delivery areas. Our unique delivery solution means fewer miles per delivery than any of our UK competitors.
- Staples reduced their carbon impact per parcel delivered more than any of our UK competitors, from 1.66kg per parcel in 2010 to 1.02kg per parcel in 2011.
- Staples will continue to research additional reductions regarding carbon emission per parcel delivered.

Small Order Reduction advice.

We introduced the Small Order Reduction Initiative to reduce our customers' and our own environmental footprint.

Our Small Order Reduction Initiative focuses on:

- Ordering behaviour and awareness to encourage customer understanding of the environmental impact of deliveries.
- Consolidating multiple small orders into less frequent, larger orders, reducing the average amount of packaging we use and the number of deliveries made.

To support this initiative, we use a Small Order Calculator, allowing us to work together with our customers to reduce the number of orders below £50 by looking at direct customer savings and benefits due to consolidating multiple small orders into one. With new features launched in mid-2012, we

hope to report a direct impact in the number of Small Orders, which can be calculated as a reduction in carbon emissions as a result of lower transport demand.

We pride ourselves on assisting our customers in greening their office. As part of this vision, we strive to offer customers advice and information to improve the day to day functioning of their offices, such as helping set up printers in an efficient manner to reduce the use of electricity and paper. During our customer service conversations, we help advise our customers on areas like sustainable IT, canteen practices and much more:

- Consolidated ordering
- Paperless billing
- Online ordering
- Plus greener office advice tools, such as:

Office tips -
[download](#)

Calculators -
[download](#)

Glossaries -
[download](#)

Customer Reporting.

We make it easy for our customers to measure the current impact of their sustainable purchasing through clear, detailed reporting and quarterly business reviews.

Through paper calculator tool data, we can demonstrate the benefits of our customers' recycled paper product use in terms of energy, trees, and water saved, carbon emissions avoided, and other metrics important to their sustainability efforts.

What's next?

While we will continue to develop our internal processes, we see helping our customers green their office as the area we can provide a real impact. We are now focused on expanding the ways that we can assist our customers from product selection decisions to developing sustainable internal processes- all designed to make it easy for our customers to be more sustainable.

We will minimise our waste and help customers do the same.

Being a distribution company, our operations naturally produce waste that must be dealt with responsibly. By effectively minimising waste and maximising recycling, we can reduce the environmental impact of our operations - for ourselves and our customers.

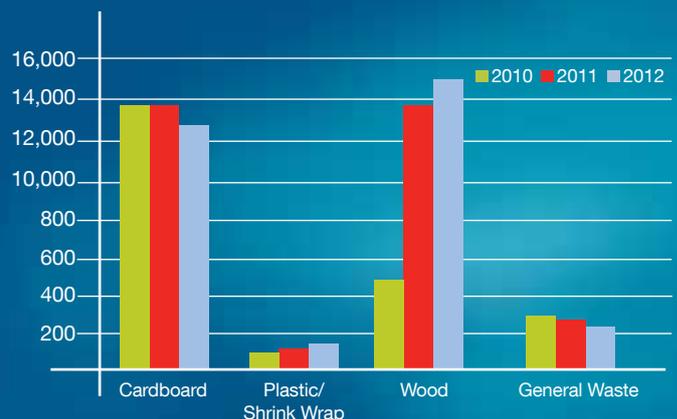
Objective & Performance figures for waste.

As part of our ISO14001 continuous improvement commitment, we set objectives in place that have been supported by new processes, equipment and partnerships.

Waste Recycling.

Objective: Central Distribution Centre operations will process zero waste to landfill by the end of 2012

Internal Recycling - zero waste to landfill.



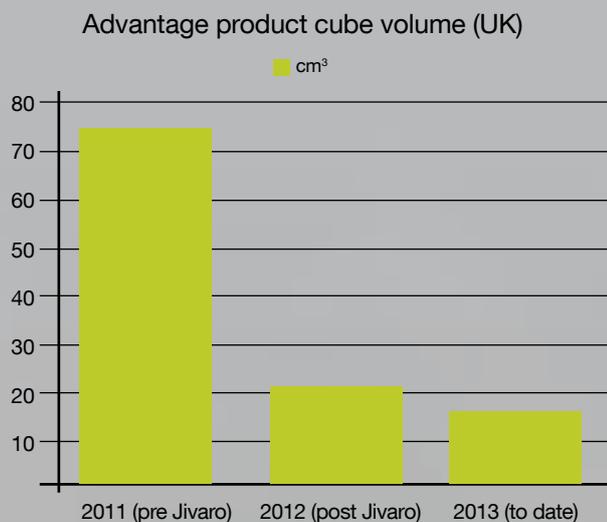
In 2012, Staples Advantage UK achieved our objective of zero waste sent to landfill from our Central Distribution Centre, which has supported our Carbon Trust efforts. We engaged in a new and extensive partnership with SAICA Natur to efficiently and sustainably process all our waste. This recycling partnership improves internal processes that affect our environmental impact.

The partnership enables non recyclable residual wastes to be turned into RDF - "Refuse Derived Fuel" - which is accepted at energy from waste plants.



Jivaro machine.

Staples Advantage has engaged with packing engineering specialists in the UK and across Europe to source the very best packaging specifications and solutions. In 2012, Staples Advantage made a significant investment in new packaging machinery. The Jivaro machine consistently produces secure packaging with no wasted space or costly and avoidable plastic filling materials. This results in a 30% average reduction in shipping volumes, translating into fewer vehicles required to move the product to customers.



The Jivaro solution guarantees:

- A package adapted to the fill volume, reducing internal plastic air packaging received by customers.
- Secured box contents by the adapted fold height of the carton; increased box strength for a more secure delivery, reduced damage to stock.
- More cartons in the trucks, so less trucks on the roads.

The Jivaro solution perfectly complements our four pillars of Customer Excellence:

Value, Flexibility, Service and Environment.

Customer Recycling.

To further help our customers reduce their environmental impact, Staples offer specific customer recycling services for our Advantage and Retail customers. We partner with a third party to facilitate recycling of all ink and toner cartridges, using a collection service direct from customer facilities. We also offer ink and toner recycling at all Staples Retail stores as well as battery take-back recycling.

What's next?

Staples continues to strive for improvement and we are investigating extending our customer recycling programs to incorporate safe and secure technology recycling solutions with our recycling partners.





We will offer our customers a complete range of sustainable products and services.

From the products we source to the way we do business, we make it easier for our customers to achieve their sustainability goals. One of the largest environmental impacts we can make is by offering sustainable products and services. Our Ethical Sourcing program and sustainability reporting ensures a transparent supply chain so that customers can be confident the products they buy are sourced responsibly.

Supplier Code of Conduct.

We strive to work with suppliers who treat their workers with dignity and respect, adhere to applicable laws and regulations, and make their products in an environmentally sustainable manner. As a result, we have developed a detailed Supplier Code of Conduct modelled after the Social Accountability 8000 (SA8000) standard that is presented to all European suppliers. To ensure compliance, we have the right to monitor factories through audits by third parties and visits by Staples personnel. Suppliers must meet all applicable environmental laws and regulations in their country to manage hazardous materials and all waste and emissions. In addition, suppliers are encouraged to have environmental policies, and environmental management systems containing goals with targets that are focused on the continuous improvement of overall environmental performance.

Before a product is considered 'Easy on the Planet,' the supplier must first agree to the Supplier Code of Conduct. Upon agreement with this Code, individual products are then reviewed against the appropriate criteria.

[Download Staples Supplier Code of Conduct PDF.](#)

Sustainable product range.

We pride ourselves on the environmentally conscious products we offer customers. These can be easily identified by our Staples Easy on the Planet icon as products that we believe demonstrate reduced environmental impacts compared to other products in their category. Within our Easy on the Planet portfolio is our exclusive Sustainable Earth by Staples™ product range.

Easy on the Planet.

Our Easy on the Planet symbol helps identify a group of carefully-selected products that meet our specific environmental criteria. We recognise that our customers may have different definitions or ideas of what makes an eco-conscious product; which is why we always seek to detail the eco-features of our products so our customers can decide which product meets their definition of “green.”



A product is considered Easy on the Planet if it has one or more of the following certifications:



Also, a product may qualify for Easy on the Planet if it meets one or more of the following criteria specific to product category:

Paper, Notebooks, Writing Pads, Calendars, Labels, Printing and Forms:

- Must contain at least 30% post-consumer recycled content

Filing and Storage:

- Paper: Must contain at least 30% post-consumer recycled content
- Non-Paper: Must contain at least 20% post-consumer recycled content or 40% total recycled content

Desk Accessories, Conference and Presentation Products:

- Paper: Must contain at least 30% post-consumer recycled content
- Non-Paper: Must contain at least 20% post-consumer recycled content or 40% total recycled content

Writing Instruments and Drafting Supplies:

- Pens: Must contain at least 50% recycled content and must be refillable
- Pencils: Must contain at least 50% recycled content and must be refillable and non-toxic
- Markers and Highlighters: Must be refillable
- Lead Refills, Correction Products and Drafting Supplies: Must contain at least 50% recycled content

Office Essentials and Postroom Supplies:

- Adhesives, Scissors, Staplers, Punches and Office Clips: Must contain at least 20% post-consumer content or contain 40% total recycled content
- Envelopes: Must contain at least 20% post-consumer content
- Shipping and Packaging Supplies: Must contain at least 30% post-consumer content

Technology Products:

- Business Machines: Must be remanufactured or solar powered
- Batteries: Must be rechargeable
- Computer Accessories: Must contain at least 50% post-consumer recycled content

Ink, Toner and Ribbons:

- Must be remanufactured or contain at least 50% post-consumer recycled content

Breakroom

- Must contain at least 30% post-consumer recycled content

Business Cases and Accessories:

- Must contain at least 20% post-consumer recycled content or 40% total recycled content

Business Interiors:

- Chairs and Chair Mats: Must contain at least 30% post-consumer recycled content
- Other: Must contain at least 50% post-consumer recycled content

Sustainable Earth products.

Our exclusive Sustainable Earth by Staples™ eco-conscious products are made with the environment in mind. These eco-preferable products are made with renewable resources and/or recycled materials and are third-party certified to validate their environmental attributes. Choose from remanufactured toner cartridges, sustainable office supplies and paper supplies and eco-preferable breakroom products. From the breakroom to the boardroom, these products help to lessen our customers' impact on the environment and as with all Staples brand products, they can rely on exceptional quality at great value.

Breakroom.



In an effort to lessen our impact on the environment, we've developed eco-preferable alternatives to conventional paper and plastic cups, plates, bowls and cutlery.

These Sustainable Earth by Staples™ products are made from renewable resources, recycled and/or compostable materials. And as always, with our name on the package you can be confident that you're getting high-quality products.

Refuse Sacks and Drawstring Refuse Sacks.



These products are made from 100% post-consumer plastic and the printing on each sack is water based. Both the production facilities and raw-material sources are located within Europe.

Besides Staples own Sustainable Earth branding, all products in the series meets the requirements of RAL-UZ-30a, standard for products made from recycled plastics, and are environmentally-certified through The Blue Angel.

Office.



Our Sustainable Earth brand notebooks and paper products are made from sugar cane based paper, saving trees and creating a positive impact on the environment.

Writing Instruments.



Sustainable Earth by Staples retractable low viscosity pens are made with 71% recycled plastic.

These pens are specifically designed to help reduce your impact on the planet and give you a more comfortable, smooth and sustainable choice when it comes to writing.

What's next?

Managing the environmental risks associated with paper sourcing, for example, illegal logging and deforestation, is something that the office supplies industry as a whole must take seriously and we are certainly committed to doing this at Staples Advantage, as we look to produce and implement our Sustainable Paper Procurement Policy.