

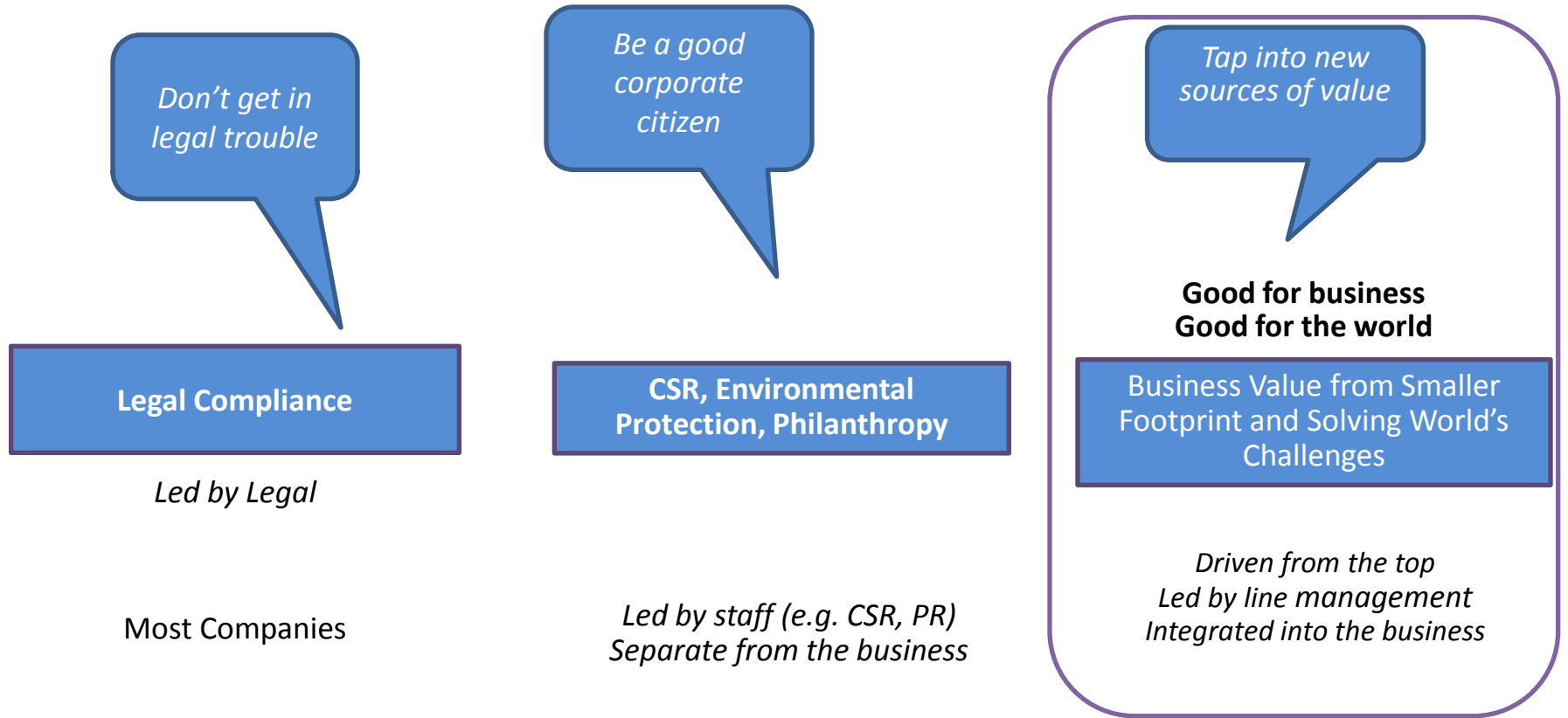


# Drivers for Safer Chemicals and Products in the Retail Sector and Key Leverage Points for Change

GC3 National Summit for Retailers

May 7, 2013

# Sustainable Business Approach

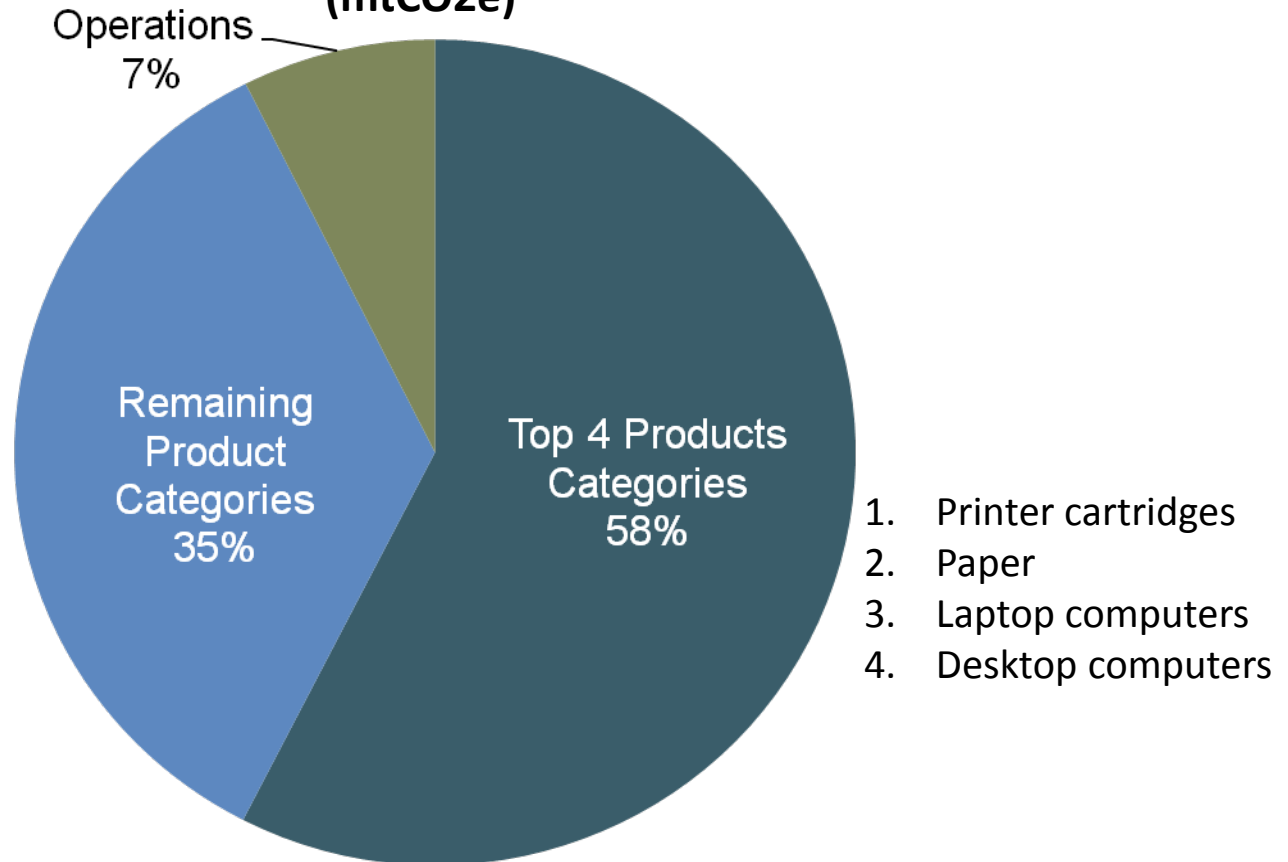


STAPLES

easy on the planet

# 93% of the GHG footprint<sup>1</sup> is embedded in the products we sell

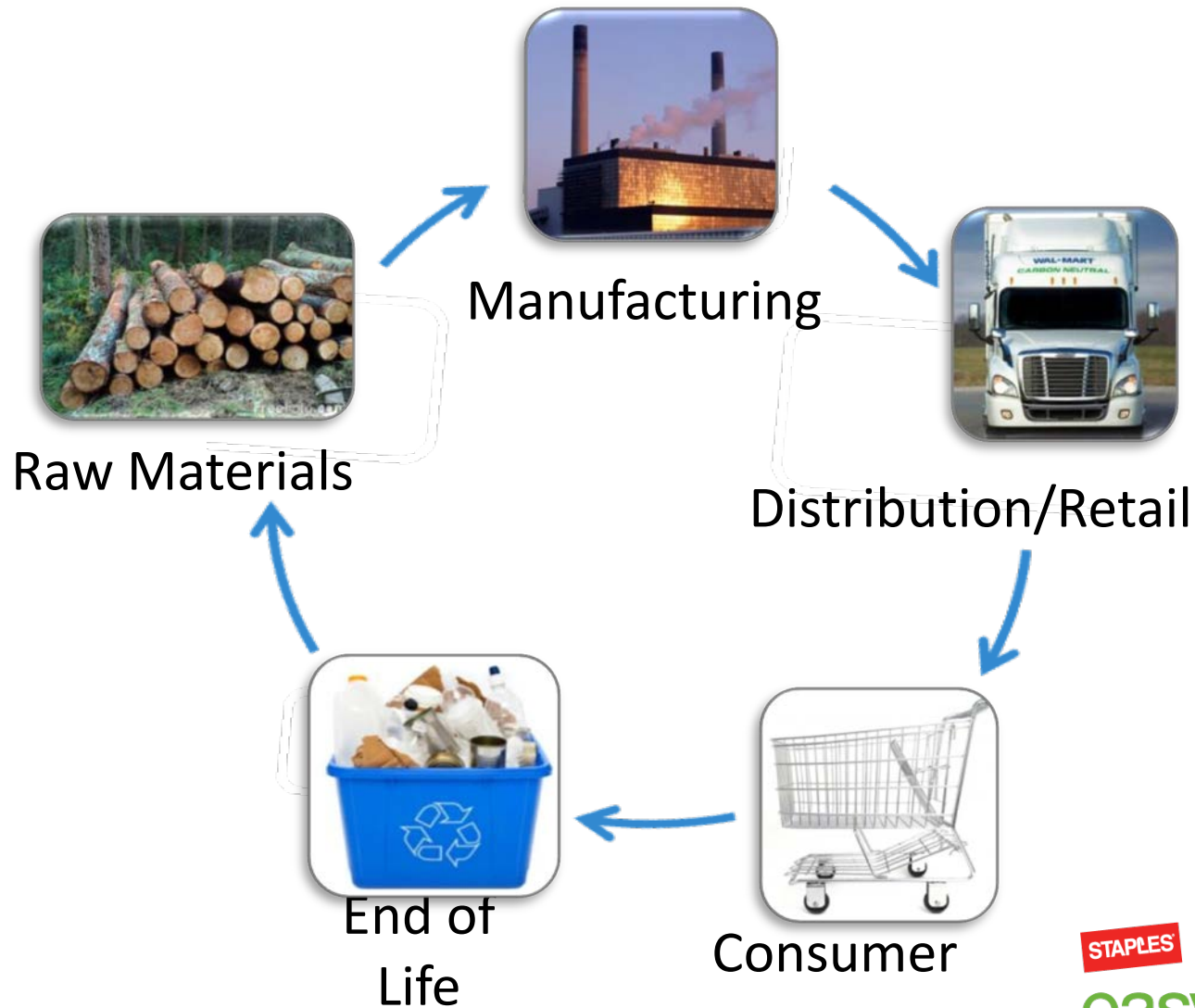
Greenhouse Gas (GHG) Environmental Footprint<sup>1</sup>  
(mtCO<sub>2</sub>e)



**Note:** Product footprint analysis is based on an economic input-output (EIO) life-cycle assessment (LCA) model that provides order-of-magnitude comparisons; further analysis using a hybrid LCA model would likely result in refined and adjusted figures

**Source:** (1) Product footprint based on Climate Earth's Comprehensive Environmental Data Archive (CEDA), Climate Earth analysis, and Blu Skye analysis of 2009 US COGS (excludes US Corporate Express Contract data) by product department; Operations footprint based on Blu Skye analysis of 2009 US electricity, natural gas, diesel (based on mileage), business travel (rental car, commercial air, corporate jet), and HQ employee commuting

# Retail sustainability leadership requires examining the entire value chain



# Lifecycle assessments help retailers understand where the major environmental impacts are

ILLUSTRATIVE



Raw Materials



Manufacturing



Distribution/  
Retail



Consumer



End of Life

Greenhouse gases  
and air pollution



Soil and Land Use



Water



Natural resources,  
waste & recycling



Harmful substances



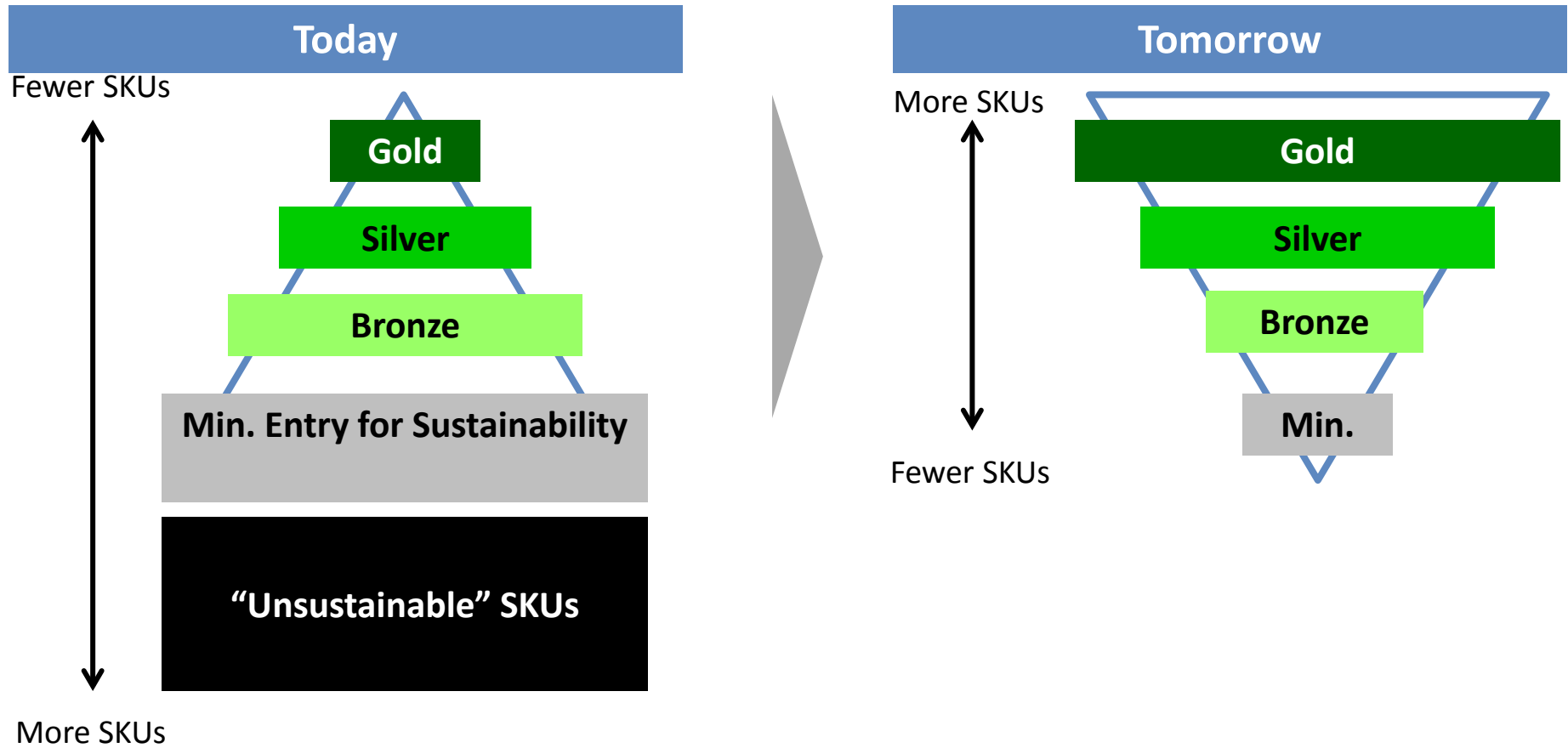
Biodiversity



STAPLES

easy on the planet

Staples is developing category specific scorecards for all products categories and committed to removing chemicals of concern and reduce the life cycle impacts for all products beginning with Staples Branded Products



# Why are retailers working on safer chemical alternatives?

- Compliance: REACH, RoHS, Proposition 65, EPR, TSCA, Haz Mat, DOT along with other product related compliance concerns such as Lacey Act, EUTR, Conflict Minerals and others
- Stepped up enforcement
- Increased media attention on human health risks posed by wide array of consumer products
- Risk mitigation
- Brand protection
- Customer, stakeholder, NGO and shareholder pressure
- Supply chain transparency as a component of broader sustainability initiatives and market transformation

# What is working and why ?

- Private label reformulation and redesign is allowing retailers to work with contract manufacturers and develop products eliminating chemicals of concern and choosing safer alternatives
- Engaging OEMs and enroll them in this work to innovate and bring safer products to market more quickly
- Uncommon collaboratives like GC3, BizNGO, Sustainability Consortium and others building broad capabilities across an interdependent supply chain
- Sets of universally accepted standards and approaches are emerging



# What are barriers to retailers ?

- Retailers are at the end of the proverbial pipeline and have difficulty influencing product designers/formulators
- Lack of a common language and standards across interdependent global supply chains particularly within product merchant communities
- Proliferation of sector specific scorecarding tools and company specific data collection efforts that do not always translate across industries . They lack harmonization

# What will retailers gain from their efforts to create products using safer chemicals?

- Increased supply chain transparency
- Reduced costs associated with compliance training and disposal
- Improved worker safety and minimized health risk to customers
- Build long term brand value, brand equity and trust with their customers
- Transform and build new markets and sources of value for their business.

# What will this approach mean for Staples?

- Aspire to become our “customer’s trusted business sustainable solutions provider”
- Identify and eliminate waste, inefficiency and toxins in our own branded products and extended supply chain
- Use this approach to become more innovative and bring better and more sustainable products to market sooner
- Create a positive impact on the planet through better understanding the life cycle impacts of our products in an interdependent global supply chain