Sustainability “Values that move us”

GC3 Meeting
Broomfield, CO
May 4, 2009
• $27 Billion reseller of office products/supplies/services
• Created office superstore concept in 1986 Brighton, MA
• Approximately 94,000 associates worldwide
• 2,000 stores+ worldwide
• North American Retail
• North American Delivery
• Operations 27 countries
Formalized Sustainability Commitment

- Forest Ethics/ Dogwood Alliance Campaign
- Industry-first Environmental Paper Procurement Policy 2002
- Develop Staples “point of view” on broader global issues and our position
Sustainable Business

• Triple Bottom Line...Global Supply Chains....... Global Impacts
• Economic
• Social
• Environmental
Staples Environmental Focus

- Development of environmentally preferable products
- Waste reduction and recycling
- Energy and climate
- Environmental education and benchmarking
Easy....to make a difference

- Office Products that make a positive difference in the environment
- Services that make it easy to do the right thing
- Doing business with a company that shares your commitment to the environment
For those engaged in a sustainability strategy, the reasons are very strategic, very critical to the business.

Objectives of a Corporate Sustainability Strategy
(Total = 954; Scale 1 = Critically Important, 3 = Moderately Important, 5 = Not Important)

<table>
<thead>
<tr>
<th>Objective</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancing Brand Reputation</td>
<td>1.84</td>
</tr>
<tr>
<td>Increasing Revenues</td>
<td>1.91</td>
</tr>
<tr>
<td>Compliance with Regulatory and Legal Obligations</td>
<td>1.97</td>
</tr>
<tr>
<td>Generating Shareholder Value</td>
<td>2.06</td>
</tr>
<tr>
<td>Managing Risks</td>
<td>2.13</td>
</tr>
<tr>
<td>Reducing Costs</td>
<td>2.26</td>
</tr>
<tr>
<td>Differentiating Products</td>
<td>2.32</td>
</tr>
<tr>
<td>Attracting/Retaining Customers</td>
<td>2.44</td>
</tr>
</tbody>
</table>

Notes:
1. Survey Results from "The Economist" – Question 1a: if you have or are developing a strategy for corporate sustainability, how important is it to your company that this strategy meets the following objectives? Rate from 1-5, where 1 = Critically important and 5 = Not important; A.T. Kearney Analysis

Source: A.T. Kearney
How do these global trends impact our business?

- Resource depletion raw materials, energy resources
- Regulation REACH, RoHS, carbon tax, cap and trade etc.
- Supply chain risks...climate, social/ civil conflict
- Increased transparency in reporting and corporate governance
- Non traditional customers and suppliers
Environmentally Preferable Products... Beyond Recycled

- Environmentally preferable means more than just recycled content:
  - Sustainably managed raw materials for products and packaging
  - Clean production/Restriction of Hazardous Substances (RoHS)
  - REACH
  - Energy/Carbon intensity
  - Logistics
  - Recovery/Waste Electrical and Electronics Equipment (WEEE)
  - End of life solutions

Staples Brand Products
- Our environmental commitment builds brand equity.
  - Recycled content
  - Alternative materials: agricultural waste, PLA, post industrial waste, biocomposites, low VOCs
  - Source reduction – lighter basis weight materials

Quality
Price
Sustainable = Attributes
Waste Reduction and Recycling

- Internal operations, stores, DCs, electronic versus paper based processes, virtual catalogs, redesign packaging
- Responsible recycling of cell phones, PDAs, digital cameras, chargers, rechargeable batteries since 2003
- Industry first electronics recycling program
- Ink and toner
How can we operate in a Carbon Constrained World?

- Set targets and goals
- Identify and quantify energy/carbon intensive processes
- Reduce consumption
- Challenge the current operations model
- Effectively communicate to stakeholders
- Invest in new technologies and finance models
- Identify supply chain as well as operational impacts
Green Building Design
LEED Gold
Green Building Design

- Conveyor controls
- Daylight harvesting
- Off peak battery charging
- Reflective roofs
- Recycled materials
- Low VOC paints and finishes
Renewable Energy Purchases

- 130 million kWh from green-e certified sources
  wind, solar, landfill gas and biomass
Onsite Renewable Energy
Solar

SunEdison Solar Program

- 25 projects completed to date
- 4.5 MW
- 150+ projects under consideration
Onsite Renewable Energy

Wind

- Gresham, OR

600 KW
Reprogram delivery fleet to 60 mph Max
540,000 gallons diesel saved 2007
New Technologies

- Bloom Energy Fuel Cell
- Isuzu Diesel/Electric Hybrid Trucks
<table>
<thead>
<tr>
<th>Environmental Impact</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Paper Purchases</td>
<td>102,123 lbs.</td>
</tr>
<tr>
<td>Total Post Consumer Recycled Content</td>
<td>31,254 lbs.</td>
</tr>
<tr>
<td>Average Post Consumer Recycled Content</td>
<td>30.6 %</td>
</tr>
<tr>
<td>Green house gas emission reduced (CO2)</td>
<td>32,941 lbs.</td>
</tr>
<tr>
<td>Equivalent number of average US cars not driven per year</td>
<td>2.99</td>
</tr>
<tr>
<td>Water saved</td>
<td>136,735 gals.</td>
</tr>
<tr>
<td>Trees saved</td>
<td>375 trees</td>
</tr>
<tr>
<td>Wood resources saved</td>
<td>93,761 lbs.</td>
</tr>
<tr>
<td>Total energy (BTUs) saved</td>
<td>2,660,000,000 BTUs</td>
</tr>
<tr>
<td>Energy equivalent to oil saved</td>
<td>1,898 gals.</td>
</tr>
<tr>
<td>Equivalent number of average US homes heated per year</td>
<td>6.83</td>
</tr>
<tr>
<td>Energy equivalent to electricity saved</td>
<td>75,642 kWh</td>
</tr>
<tr>
<td>Equivalent number of average US homes powered per year</td>
<td>6.67</td>
</tr>
</tbody>
</table>

Environmental impact estimates were made using the Environmental Defense Paper Calculator and publicly available US. DOE data. For more information visit: [www.papercalculator.org](http://www.papercalculator.org)
Sugar Cane Paper
The importance of Green Chemistry

- All “Sustainability” starts at the molecular level
- Sustainable product design
- Life Cycle Accounting
- Green Chemistry will produce processes and solutions to solve some of our most pressing global problems
- Lead the way for a “restorative” versus sustainable model
Transformational sustainable business behaviors

- Business opportunity versus risk mitigation
- Resource management versus waste management
- Lifecycle Accounting (LCA) versus Return on Investment (ROI) ...total cost of ownership
- Quality versus compliance
- Supply chain impacts versus operational impacts
- Link environmental, social and business benefits and performance within core business strategies.
- SUSTAINABLE BUSINESS IS GOOD, SMART BUSINESS... FOR THE WAY BUSINESSES DO BUSINESS IN THE 21st CENTURY!!!
Questions??