

STAPLES[®] Advantage

Advancing Green Chemistry Practices in Business:
6th Annual GC3 Innovators Roundtable

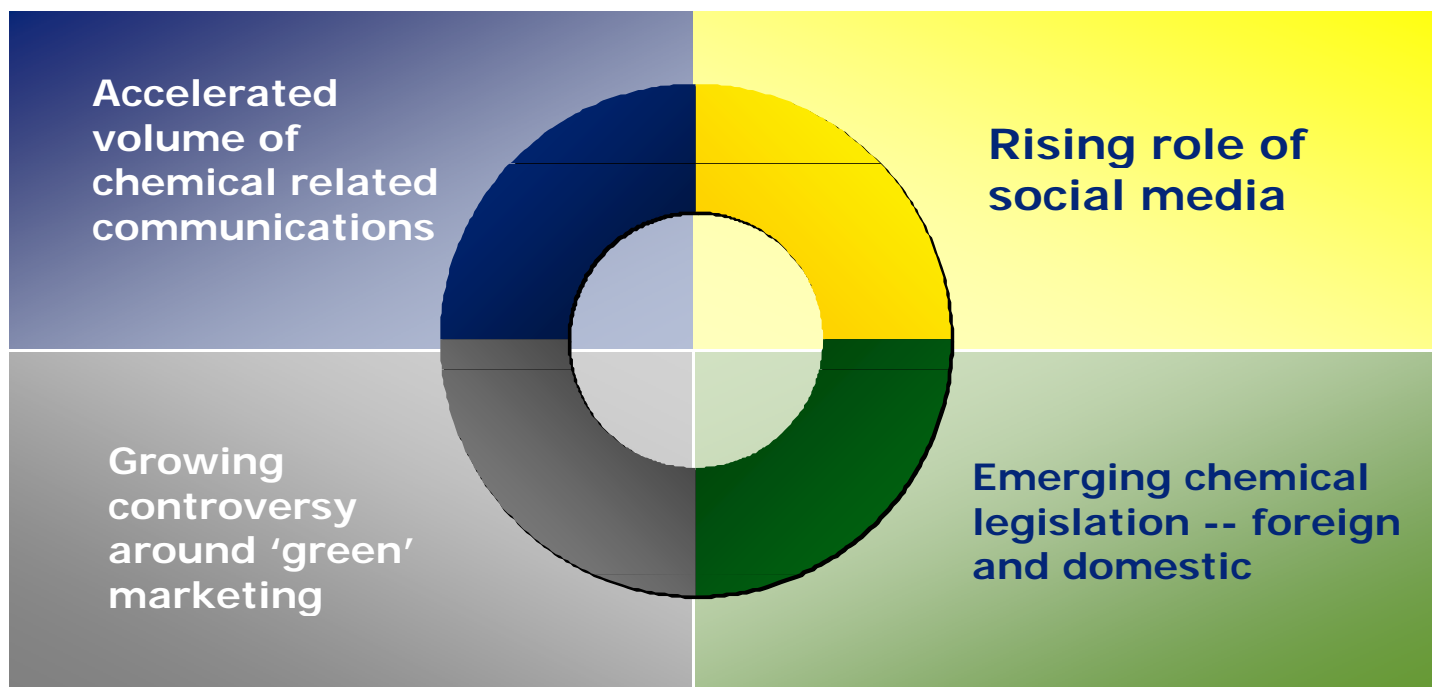
Driving Safer Product Innovation Through Communication of Chemical Data in Supply Chains

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Staples Advantage

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Growing demand for safer alternatives



Common Sustainability Goals

Organizations of all sizes are now actively exploring opportunities to reduce their environmental impact and gain operational efficiencies. These opportunities fall into a number of areas:



Transportation



C02 Intensity



Energy Efficiency



Waste Reduction



Green Buildings



Green Supply Chain

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Greening the Supply is one of our sustainability goals at Staples

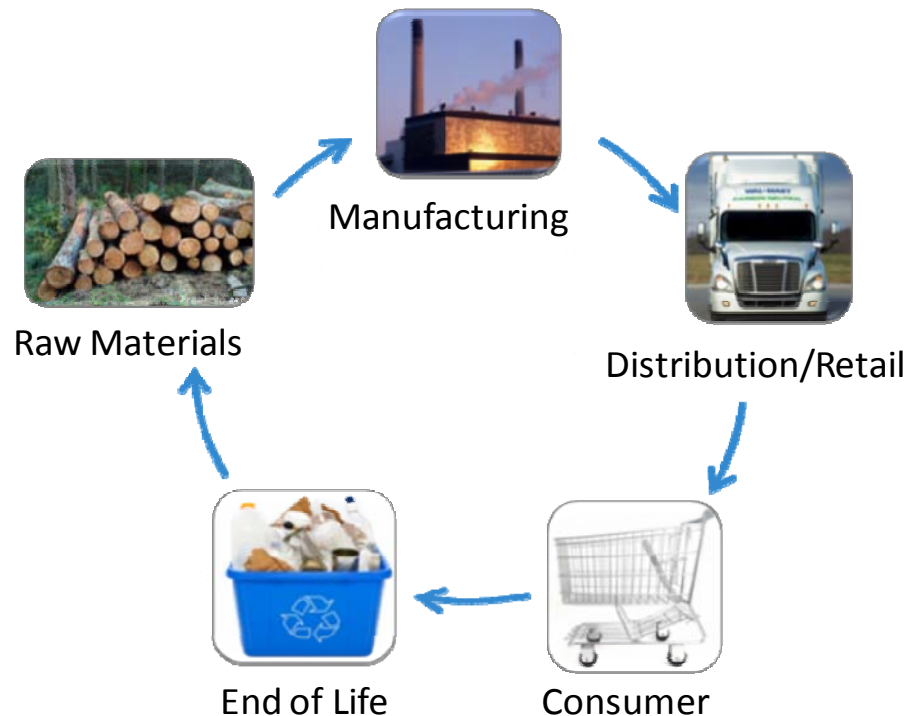
- Sustainability is increasingly important to our customers.
- Customers are expecting more transparency.
- Growing demand for more sustainable packaging and elimination of chemical hazards in products and packaging.
- **>90% of environmental impact is embedded in the products and packaging we provide to customers.**



Staples needed a scaling mechanism...

Key environmental challenges vary by product and lifecycle stage

It is impractical for one business to take part in all product innovations



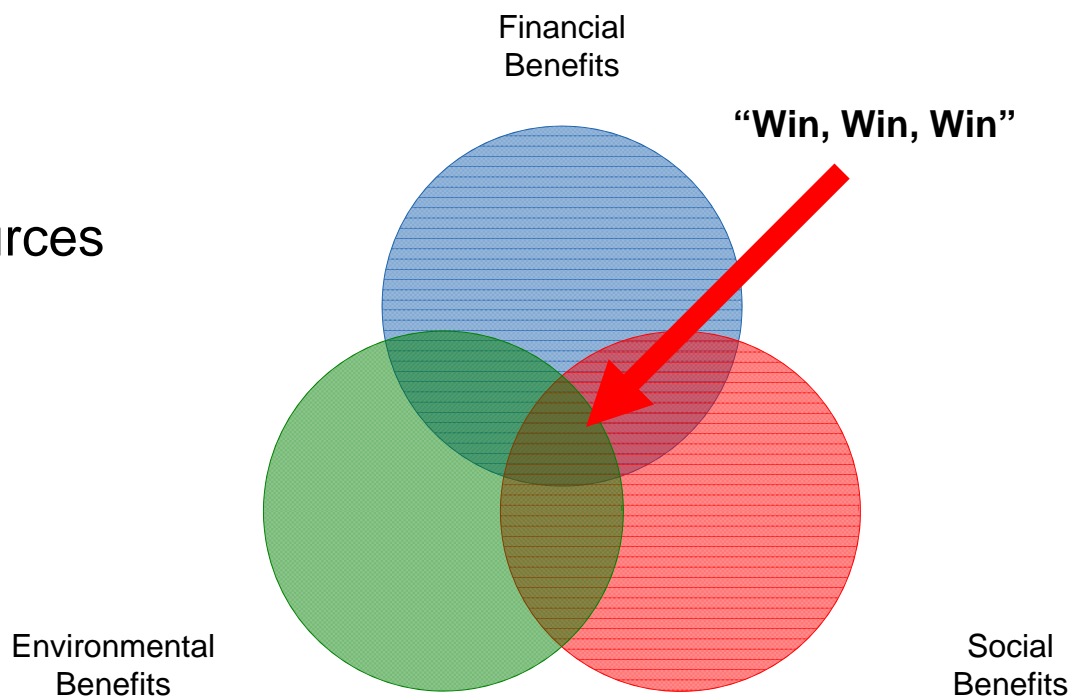
> 500K Products
> 20K Ingredients

> 2000 Suppliers

The text is overlaid on a collage of supplier logos, including Fellowes, International Paper, and Dell.

Green chemistry will help meet our goal of a greener supply chain

- Green Chemistry is not *just* a nice thing to do for the environment - it's important to do for a business
- Creates shared values
 - Commercially viable (Financial benefits)
 - Preserve our natural resources (Environmental benefits)
 - Look after our workforce and communities (Social benefits)
- Better long-term business performance
- Competitive advantage



Key challenges to implementing green chemistry through the supply chain?

- Complex multi-tier supply chain
- Lack of information about chemicals
- Fear of regrettable substitution
- Risk of green washing
- Gaining senior business leaders support

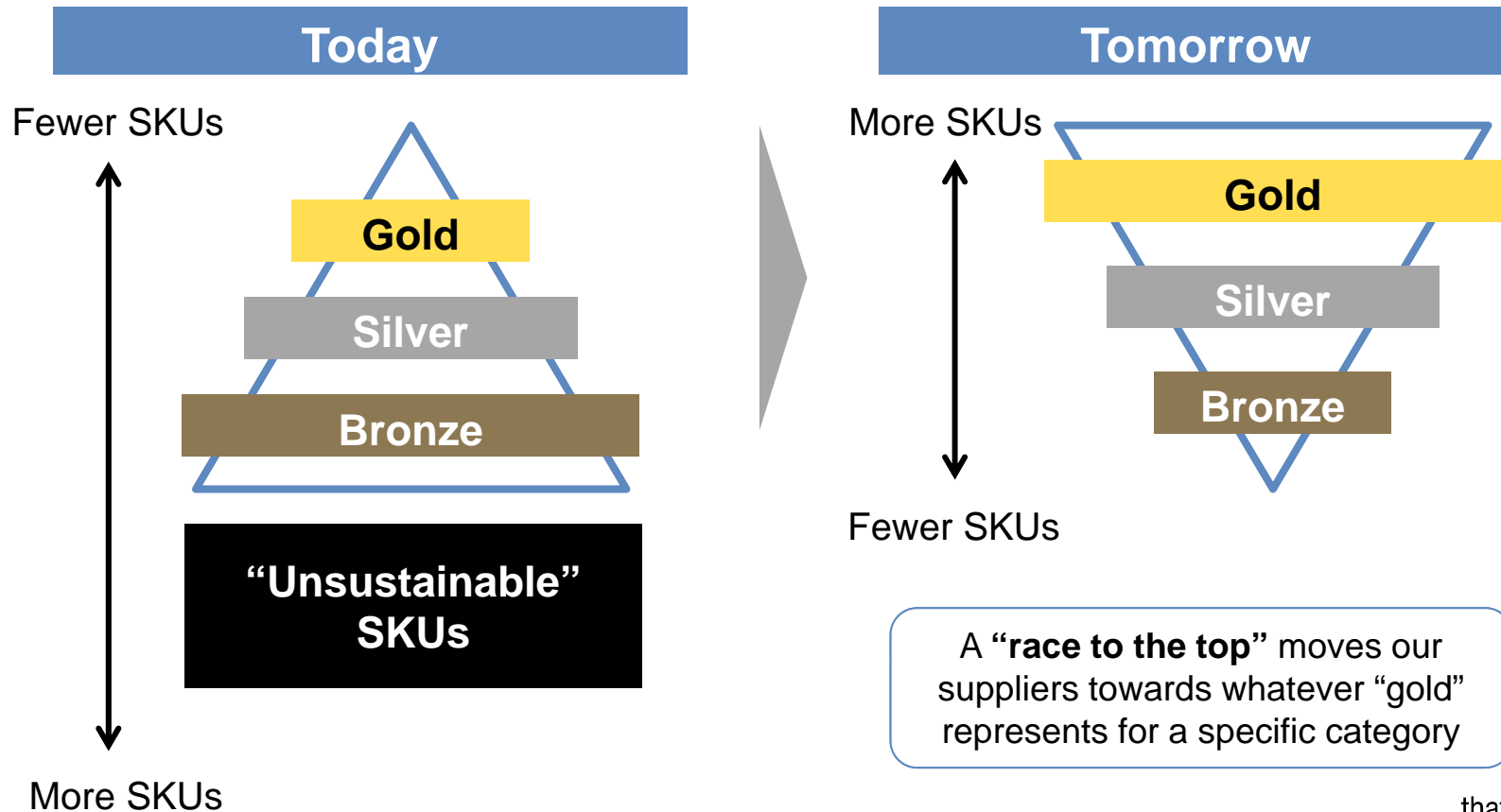
Staples Sustainable Future

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Challenging our suppliers for sustainable products and elimination of “bad actor” chemicals

In 2010 Staples launched an initiative to partner with suppliers to increase the number of environmentally preferred skus that it makes available to it’s customers. We are using our size to drive the office products industry to a more sustainable future.

The “Race to the Top” aims at profitably pushing our offering into the “gold” tier of sustainability



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We needed a prioritization strategy to identify a chemical and product of “high priority”

- Credible evidence that chemical is of high concern,
- Intentionally added to the product,
- Chemical is detected in public drinking water, cord blood, mother’s breast milk,
- Product intended or likely to be used by or marketed to sensitive populations including children, women of childbearing age or the elderly,
- Applied directly or indirectly to the human body,
- Applied as a spray or aerosol into the air,
- Applied to hard surface where there is likelihood that it would run off or enter streams, waterways, storm drains or sewers,
- And when there are readily available safer alternatives that are functionally equivalent to current product then this **chemical and product is made a “High Priority”**.

Staples Race to the Top Sustainability Strategy Includes a “bad actor” chemicals list

- Aniline
- Benzidine dyes
- Bis (2-ethylhexyl)phthalate (DEHP)
- Bisphenol A
- Cadmium
- Dibutyl phthalate
- Diethyl phthalate
- Ethylene glycol monobutyl ether; 2-butoxyethanol
- Ethylene glycol monoethyl ether
- Ethylene glycol monomethyl ether
- Formaldehyde
- Heptane
- Hexane
- Hexavalent chromium
- Lead and lead compounds
- Mercury
- Nonylphenol ethoxylates
- Paradichlorobenzene
- Perfluorooctanoic acid (PFOA)
- Permethrin
- Polyvinyl chloride
- Propoxur
- Safrole
- Trichloroethylene
- Triclosan
- Trisodium nitrotriacetate

How did we engage suppliers?

- Communicated clear policy (CPA Guidelines)
 - Know and understand chemicals of concern in products
 - Assess and avoid chemical hazards
 - Commit to continuous improvement
 - Transition to safer chemical and product alternatives
- Took a collaborative approach
- Framed disclosure as a compliance expectation
- Set attainable expectations, deliverables and timelines
- Offered implementation guidance

Why Staples is asking suppliers for extended chemical information?

- To inform decision making
- To manage risks and costs
- To meet sustainability objectives
- To identify safer alternatives
- To meet our customer's request for disclosure



Global benefits of promoting green chemistry in State of Washington?

- Inspire suppliers to pursue green chemistry
- Meet the demand for safer materials and products
- Meet the demand for sustainable product designers and chemists with a basic knowledge of toxicology
- Meet the demand for more transparency
- Create shared values for company, customer and community

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Thank You

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