

Summary of 2008 Staples Soul Accomplishments

Staples Soul is our commitment to making a difference and our belief that doing the right thing will make our company stronger. Staples Soul recognizes the close connection between Staples' success and our ability to make a positive impact — on our associates, our customers and the planet. Over the long term, we believe Staples Soul will help us to be an employer and neighbor of choice, differentiate our brand, and grow profitably and responsibly.

In 2008, we made clear progress in all four of the Staples Soul cornerstones — **environment, community, diversity and ethics**.

2008 KEY ACCOMPLISHMENTS

BE AN EMPLOYER AND NEIGHBOR OF CHOICE

Made it easy for customers to recycle eWaste. We collected more than 5 million pounds of technology waste from customers in the U.S. for responsible recycling in 2008. We also launched a first-ever trade-in event in India, with special discounts on new technology items when recycling old technology products.

Built green buildings. We have three facilities that are LEED Gold certified in the U.S. and we will be pursuing LEED certification for several other facilities in 2009, including retail stores and fulfillment centers. In Australia, the new Corporate Express headquarters was designed to the Green Building Council of Australia's Green Star standards. Additionally, Staples has solar power arrays on 25 facilities in the U.S. and one facility in Germany.

Achieved ISO certification for environmental management. Business sites in France, Germany, Ireland, the Netherlands, Sweden and the U.K. have achieved ISO 14000 certification for their environmental management processes.

Grew worldwide community giving. We increased our community giving globally by two percent to nearly \$17 million, providing support to hundreds of nonprofit organizations around the world through Staples Foundation for Learning®, charitable giving programs and cause marketing efforts.

Provided hometown support. We increased community engagement in Greater Boston by continuing our role as the sole supporter of the Early Words literacy campaign. To increase public awareness of this campaign, we produced a Public Service Announcement with Boston Mayor Thomas Menino, conducted a series of workshops that taught parents how to foster communication skills, and distributed information about the impact of the program through local and national media outlets.

Supported charities that are important to our associates. We provided associates with opportunities to secure support for charities they are personally involved with through nearly \$450,000 in donations, impacting close to 200 educational organizations around the country. We also encouraged associates to serve as community ambassadors by enabling them to support organizations like Boys & Girls Clubs of America, Ashoka, and Earth Force.

Increased the diversity of our workforce. Despite a slowdown in hiring opportunities, we continued to invest in a work environment that is diverse and inclusive. In 2008 in the U.S., 46 percent of Staples' external hires and 43 percent of promotions were females. Similarly, 36 percent of external hires and 31 percent of promotions were minorities.

Developed leaders with global perspective. We hosted a summit at our headquarters for HR leaders in emerging markets such as Argentina, Brazil and China to share company best practices. We also hosted the seventh session of our International Management Trainee Program (IMTP), which brings associates from around the world to our headquarters for 12 weeks of intensive training and an energetic exchange of best practices and innovations. Additionally, three of our Staples University management programs include diversity training to help prepare future leaders of Staples to manage diverse cultures.

Expanded the global reach of our ethics program. We continued to build a global culture of integrity by holding live interactive workshops with hundreds of managers in Argentina and India. In addition, we implemented customized online ethics training in 10 languages, reaching associates in 13 countries across Europe.

DIFFERENTIATE OUR BRAND

Supported responsible forestry practices. We continue to work toward our goal of moving the majority of paper products we offer in the U.S. to Forest Stewardship Council (FSC) certification by the end of 2010, based on availability of supply and market conditions. As of March 2008, all of our Copy & Print Centers in the U.S. use 50 percent post-consumer recycled FSC certified paper as the standard offering for high-speed black and white copies.

Provided environmentally responsible solutions for world events. As the official furniture supplier of the 2008 Beijing Summer Olympics, we developed an eco-preferable line of furniture including desks, chairs and cabinets made of recycled steel. Staples was also the official office supply provider of the Denver 2008 Democratic Convention Host Committee. We provided the host committee and convention attendees with eco-preferable office products and copy and print services.

Recycled more than 22 million ink and toner cartridges in the U.S. As we strive to become the world's largest recycler of ink and toner cartridges, we also launched the Million Cartridge Challenge in Canada with the goal of recycling 1 million cartridges by April 2009. In the U.K., we raised more than £150,000 for the nonprofit organization ChildLine through ink recycling programs.

Encouraged customers to DoSomething. We teamed with DoSomething to conduct a cause marketing program, which resulted in Staples customers and local teens collecting thousands of school supplies at Staples stores nationwide. These supplies were given to youth from low-income families just in time to head back to school. Additionally, our customers supported the cause with \$150,000 in donations.

Created an emotional connection with new communities. In 2008, we gave nearly \$1 million to nonprofits in strategic markets where Staples was looking to grow its presence. When entering a new market, Staples engages charitable and civic leaders, as well as our customers, to ensure we create an emotional connection with the community and support the local needs of each neighborhood where we do business.

Created new business opportunities for diversity suppliers. We integrated one additional diversity supplier onto the eDiversity platform and approved the integration of four more diversity suppliers. We also provided one-on-one mentorship in key areas of business operations to Tejas Office Products, Inc., resulting in a new multimillion dollar account win for them.

Took a stand against corruption. We updated our global anticorruption policy, combining it with company-wide gift and entertainment guidelines to make it easy for associates to recognize and responsibly handle situations that could result in unethical or illegal business practices. In addition, we conducted live anticorruption training in India and Argentina.

Expanded the global reach of our ethical sourcing program. In 2008, we conducted comprehensive social accountability audits at the more than 350 active factories in Asia that make Staples® brand products for our business units in Australia, Asia, Europe, and North America.

Improved our product testing program. We increased our investment in Staples® brand product quality and safety programs. In 2008, we updated our product testing protocols to comply with all future requirements of the new Consumer Product Safety Improvement Act. Additionally, Staples continued to commission independent third-party inspectors to examine more than 8,000 shipments of Staples® brand products for safety and quality.

GROW PROFITABLY AND RESPONSIBLY

Deepened our commitment to environmentally preferable products. Catalogs featuring environmentally and socially responsible products are offered to customers across nine countries in Europe. In Argentina, we offer paper made from 90 percent sugarcane waste and 10 percent FSC certified wood pulp. In the U.S. and Canada, we offer more than 3,000 eco-preferable products, including Staples® brand notebooks and pads made from 80 percent sugarcane waste. As a result of our acquisition of Corporate Express, we now offer Sustainable Earth® brand cleaning products, which are Green Seal™ certified and EPA Design for the Environment (DfE) approved.

Saved energy. Our energy efficiency programs in the U.S. have resulted in a 10 percent reduction in electricity use per square foot since 2001. Our European operations have committed to reduce energy costs by five percent through energy conservation, with hundreds of thousands of dollars already saved. We've extended fuel saving technologies implemented at Staples to delivery trucks formerly operated by Corporate Express, which, when complete, should result in a 15 percent improvement in fuel economy.

Optimized shipment boxes. We implemented a new efficiency program in the U.K. in 2008 that is expected to reduce delivery box use by 148 tons and carbon emissions by 208 tons per year. In the U.S. we're using logistics software to optimize box sizes with the goal of eliminating unnecessary packaging and maximizing available truck space for deliveries.

Strengthened our charitable partnerships. Through our continued work with Boys & Girls Clubs of America, Ashoka, Earth Force, Initiative for a Competitive Inner City, Hispanic Heritage Foundation, ReadBoston and DoSomething, we helped enable these organizations to expand their community footprints and impact more youth throughout the world.

Advanced social entrepreneurship. We conducted the second annual Staples Youth Social Entrepreneur Competition with our global nonprofit partner, Ashoka. The competition recognized more than 100 young social entrepreneurs around the world for their innovation in, and commitment to, serving their communities. The winning entrepreneurs founded Gardens for Health International, which provides nutritional support and economic empowerment to individuals with HIV throughout Rwanda.

Registered new prospective diversity suppliers. Through enhancements to our supplier diversity Web site and supplier registration portal (StaplesSupplierDiversity.com), we registered 751 prospective diversity suppliers and increased awareness of Staples' supplier diversity initiatives within our organization.

Streamlined operations for our diversity supplier program. We consolidated financial and reporting processes to help limit exposure to risk, and improve working capital management for both Staples and our diversity suppliers. Improvements help diversity suppliers reconcile payments made by credit card, set up new billing and shipping locations faster, and expedite responses to invoice questions.

Expanded diversity product selection. Through the acquisition of Corporate Express, we have increased our product line to include an own brand diversity product offering, which includes office supplies, remanufactured toner and paper.

Expanded the global reach of our privacy policy. We adapted our Privacy & Information Management Program to meet the needs of our European businesses, translated the policy into 10 languages, and have started rolling out the program in 13 countries.

Improved the transparency of our process for handling ethics-related concerns. We deployed new procedures to have all ethics concerns escalated to a single point of contact and recorded in a central database no matter where in the world they are identified or reported. We also clarified the types of information that need to be tracked for each case.

Trained associates to safeguard customer and company information. We launched a customized training program for all U.S. retail associates to better prepare them to protect credit card and other sensitive information used to run our business.

AWARDS

We are proud of our accomplishments in 2008. We took many steps forward and continued making a positive impact for our customers, associates and communities where we operate. We are pleased that our efforts were recognized by the following organizations.

- Ranked 20th in "America's Top Organizations for Multicultural Business Opportunities" by DiversityBusiness.com in 2008.
- Ranked 30th in Corporate Responsibility Officer's Top 100 Companies for 2008.
- Named to the 2008 Sustainable Business 20 (SB20) List by SustainableBusiness.com.
- For the fifth consecutive year, selected as a component of the Dow Jones Sustainability Indexes (DJSI) for 2008/2009.

- Corporate Express, a Staples company, was named the 2008 “Sustainable Company of the Year” in the eighth annual Australian Sustainability Awards.
- Ranked 4th among 35 retail sector companies and 40th among 541 global companies evaluated in the 2008 Covalence Ethical Ranking.
- EPA Green Power Partner recognition: ranked 4th among all retailers, 12th among Fortune 500 companies and 26th nationwide as of the end of 2008.
- Selected as one of the “Top 60 companies for Hispanics” in 2008 by Hispanic Business Magazine.
- Ranked 25th on “America’s Top 50 Corporations for Multicultural Business Opportunities” by DiversityCareers.com in 2008.

STAPLES SOUL GOALS

ENVIRONMENT

- Move the majority of paper products offered for sale to FSC certified paper by the end of 2010, based on availability of supply and market conditions.
- Develop improved Web site functionality and catalog offerings in 2009 and beyond to make it easier for customers to find and shop for eco-preferable products and services.
- Recycle more than 7 million pounds of electronic waste in the U.S. in 2009 through technology recycling programs.
- Complete, or start construction on, 20 new rooftop solar installations in our retail and nonretail locations in 2009.
- Expand environmental information collection and reporting capabilities to the majority of our international locations by 2010.

COMMUNITY

- Expand the footprint of Staples’ community giving in the countries where we operate.
- Grow associates’ understanding and awareness of community relations programs, with an emphasis on global associates.
- Meet or exceed established metrics of success with each nonprofit partner to maximize impact of investment.
- Engage our customer base in Staples-supported community causes and giving.

DIVERSITY

- Roll out diversity strategy and reporting capabilities globally.
- Continue to infuse diversity and inclusion in training initiatives.
- Develop diversity supplier capabilities to offer customers diversity solutions for other lines of business.
- Continue the development of our diversity suppliers to assist them with developing their businesses.
- Improve efficiencies in supporting our supplier diversity program.

ETHICS

- Introduce new resources to help our managers develop as ethical leaders.
- Launch online ethics training in Argentina, China, India and new locations added through our acquisition of Corporate Express.
- Continue to build awareness of our global anticorruption policy and gift and entertainment guidelines, with a particular focus on associates in our high-growth markets, purchasing and sales.
- Increase monitoring of working hours for associates at factories that make Staples® brand products.
- Enhance testing protocols to meet the new requirements set forth by the recently passed Consumer Product Safety Improvement Act.

To learn more about Staples Soul, please visit staples.com/soul. In 2010 we intend to publish a Staples Soul Report, which will include information about the 2008 and 2009 corporate responsibility efforts of both Staples and Corporate Express.