

STAPLES

that was easy:

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What is Staples Soul?

Staples Soul recognizes the close connection between our success and our ability to make a positive impact on our customers, our associates and the planet. We believe Staples Soul helps to make us an employer and neighbor of choice, differentiates our brand and allows us to grow profitably and responsibly.



An Introduction from Staples Chairman and CEO Ron Sargent

As we celebrate Staples' 25th anniversary in 2011, the world and company are transforming.

We're growing globally and expanding our presence in international markets. We're also redefining our business beyond sales of office products. Our aim is to provide a fuller suite of services and solutions for all our customers.

We're investing in growth despite a continuing soft economy worldwide. Our challenge is to balance our commitment to innovation and growth with a disciplined approach to expense management and a sharp focus on results.

We've known for years that a focus on results includes a focus on Staples Soul. Soul is our desire to be a leader in environmental sustainability, business ethics, diversity and community engagement.

Staples Soul encompasses beliefs and objectives that are core to our culture. In fact, we've found that our stakeholders—customers and employees, investors, communities and others—look to us not only for strong performance on price, quality and value, but also for leadership in corporate responsibility.

In developing this report, we evaluated the impact of environmental, social and governance issues facing our company. As part of that analysis, we asked our stakeholders to tell us their priorities for Staples.

We learned a lot. Our stakeholders want us to do more than meet our numbers. They want us to sell safe products that help make the world more sustainable. They worry about climate change and want us to use less energy. They hold us accountable for ethical operations and the labor practices of our suppliers and partners. They believe, rightly, that we have a responsibility to foster the well-being of our customers and associates and of the communities where we all live and work.

Stakeholder input has helped shape our Staples Soul efforts and goals. As highlighted here and throughout the report, we're making progress in each of the Soul pillars:

Ethics. In 2010 the Staples Global Code of Ethics was rewritten to serve as a more useful, relevant day-to-day guide. Translated into 17 languages, the Code serves as a common foundation for the application of ethics



Ron Sargent, CEO Staples Inc.

principles across our global operations. Among our goals for 2011 is to further raise associates' engagement in creating a culture of ethics at Staples.

Also in 2010, we completed 290 Social Accountability factory certification audits. The audits, conducted at Staples Brand supplier facilities, monitor compliance with Staples' Supplier Code of Conduct.

Community. In 2010, we donated more than \$25 million to nonprofit organizations around the world. Through sponsored programs and activities, Staples associates helped donate \$1.5 million to organizations they care about. We also held a Community Service Day during which associates in nine countries participated in volunteer activities in their local communities.

In 2011, one of our goals is to encourage additional employees to volunteer more. We also plan to set up a system to accurately track volunteer hours.

Environment. In 2010, we completed the development of Staples' environmental sustainability strategy. The strategy outlines five pillars where we aim to excel:

- Selling green products and services
- Offering recycling solutions to customers
- Reducing operational waste
- Maximizing energy efficiency and the use of renewable energy
- Becoming a global sustainability leader

In October 2010, we launched a new supplier initiative in support of the strategy—the "Race to the Top". The program will drive innovation in sustainable product manufacturing, packaging and distribution. Suppliers are challenged to compete not only on superior quality and value but also on delivering product and packaging solutions that significantly reduce environmental impacts.

Diversity. During 2010, Staples was recognized for its continuing diversity efforts. DiversityInc named Staples as one of the 25 Noteworthy Companies in Diversity, and Diversity MBA Magazine ranked us #16 among the 50 Out Front Companies for Diversity Leadership, up from #29 in 2009. Despite these achievements, we need to continue building diversity within our leadership ranks, focusing on greater representation by women and minorities.

We also expanded our Associate Resource Group (ARG) program in 2010. These affinity groups facilitate networking and professional development among our diverse associate populations. They also help to build community and increase associate engagement and retention. We plan to expand the number and reach of ARGs to additional associate groups and geographic areas.

While we have achieved a great deal, we know that our journey to become a more responsible and successful company continues. I'd like to thank our associates for setting tough goals, honestly assessing where we're succeeding and where we're falling short, and taking the steps necessary to make Soul a part of our everyday operations. I'm proud of all that we've accomplished over the past 25 years, and I'm confident that the next 25 years will bring even greater success.



Ron Sargent
Chairman & CEO



The Pillars of Staples Soul

Ethics

We strive to model integrity in all that we do, and strictly adhere to our Code of Ethics and corporate governance practices. We seek to work with suppliers who share our values and expect them to follow our Supplier Code of Conduct.



Community

We reach out to and support the communities in which our customers and associates live and work. We do this by creating jobs (both through direct employment and indirectly through our supply chain), and also by providing support for educational important community initiatives through financial contributions, employee associate engagement in local causes and in-kind donations.

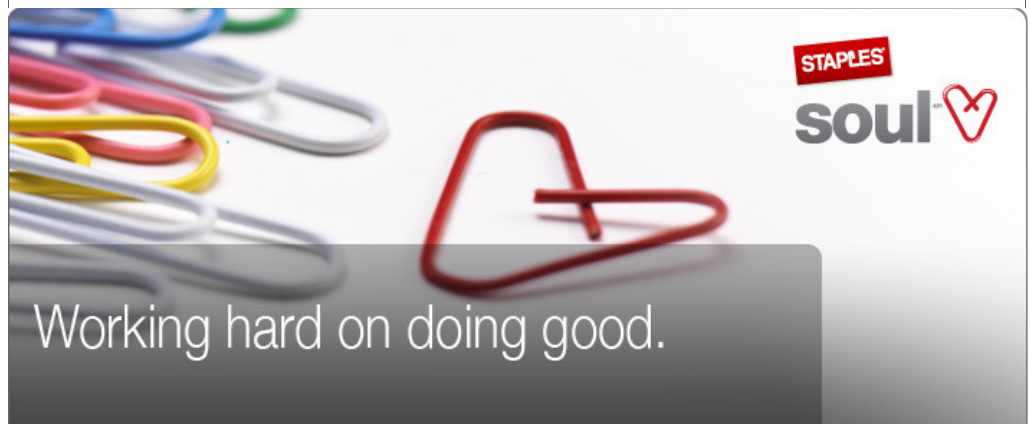
Environment

We generate business and environmental benefits — for ourselves, our customers and our communities — by leading the way in sustainable business practices. We focus on offering more sustainable products and services, providing easy customer recycling solutions, and operating our business in an environmentally efficient way.

Diversity

We seek to develop a workforce that reflects the diversity of the communities and customers we serve all over the world by embracing diversity in all its forms — race, gender, thought and experience. We promote a culture of inclusion within our workforce, and source products and services from diverse minority- and women-owned businesses.

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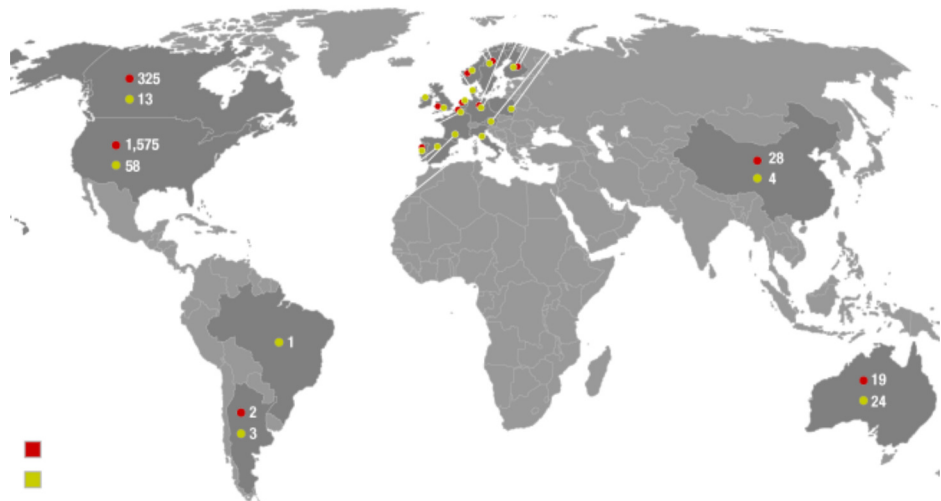


Overview

Staples is a global company focused on delivering strong financial results. As we celebrate Staples' 25th anniversary in 2011, we're proud of our achievements — not only in growing to reach customers in more than 26 countries worldwide, but doing so while operating with the highest levels of integrity, creating a strong culture of diversity and involvement, strengthening the communities where we live and work and continually improving our environmental performance.



As we look toward the next 25 years, we will continue to strive to understand and respond to the needs and concerns of our associates, customers, suppliers, investors and communities.



that was easy:

Staples, the world's largest office products company, is committed to making it easy for customers to buy a wide range of office products and services. Our broad selection of office supplies, electronics, technology and office furniture, as well as business services, including computer repair and copying and printing, helps our customers run their offices efficiently.

With 2010 sales of \$24.5 billion and 89,000 associates worldwide, Staples operates in 26 countries throughout North America, Europe, Australia, South America and Asia. Our associates serve consumers and businesses of all sizes through our three operating divisions: [North American Delivery](#), [North American Retail](#) and [International](#).

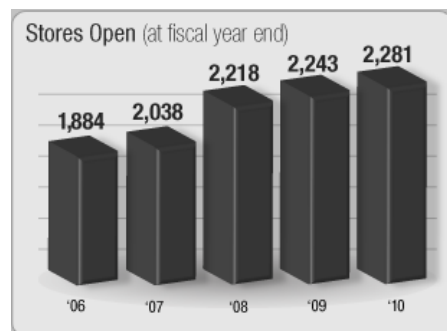
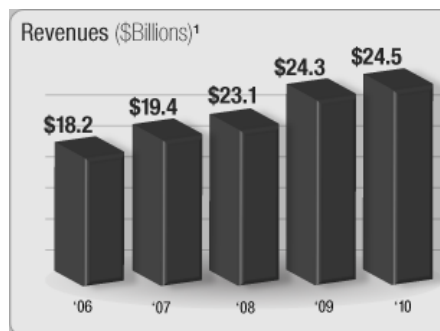
Staples invented the office superstore concept in 1986 and ranks second worldwide in eCommerce sales. The company is headquartered outside Boston.

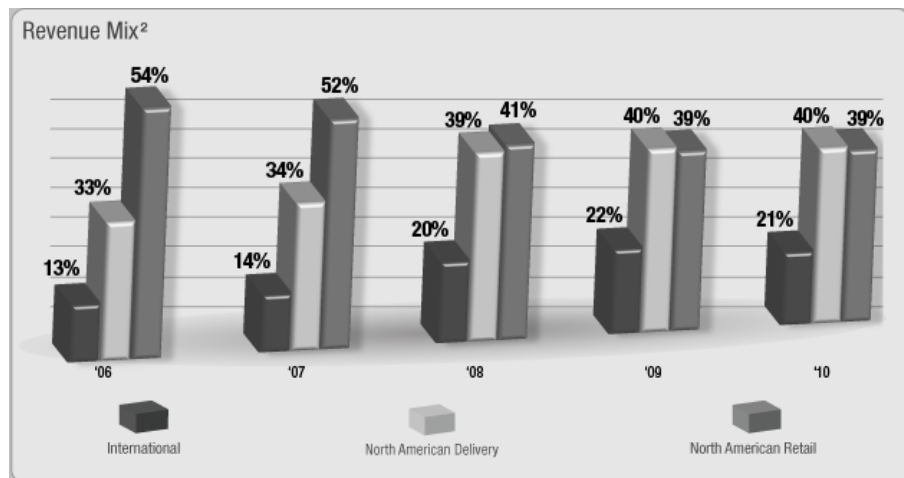
More information about Staples (Nasdaq: SPLS) is available at www.staples.com/media

Learn more:

Staples [Corporate Overview](#)

Staples [2010 Annual Report](#)





1 - 2008 revenues include \$4.2 billion of revenues from Corporate Express for the period July 2008—January 2009

2 - 2008 revenue mix includes \$2.3 billion of North American Delivery revenues and \$1.9 billion of International revenues from Corporate Express for the period July 2008—January 2009.

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Building relationships every day

Nothing is more important to Staples than the relationships we build as a company. Our key stakeholders include customers, associates, communities, non-governmental organizations (NGOs), investors and suppliers, as each of these groups has the potential to significantly influence our ability to run a successful business. We choose which specific stakeholders within each category to meet with based on a variety of factors, including the priority issues identified through the materiality analysis and previous stakeholder engagement, as well as individuals' and organizations' availability and desire to meet with Staples. Group specific-criteria are further discussed below.

We reach out to our stakeholders often, both with key information and messages about our values. We seek their comment and input on our activities and incorporate their feedback as we structure programs and initiatives and set corporate objectives. When and how we engage with stakeholders varies based on the group and topic, as detailed below.



Customers

Our mission is to bring easy to offices worldwide. Third-party mystery shoppers, as well as tens of thousands of customer satisfaction surveys each month, tell us whether we're getting it right. We also receive feedback from ratings services, such as BizRate, quality assurance monitoring programs and customer interviews.

Read more about our efforts to learn about our customers' needs and concerns and increase customers' overall satisfaction levels.

Associates

We engage with and support associates on an on-going basis in many ways beyond their daily interactions with coworkers and managers:

- Print, online and broadcast communications reinforce core Staples goals and values and encourage

associates to contribute to our company's ongoing success. For example, we launched a new biweekly eNewsletter called Behind the Button in November 2010. Initially distributed to the approximately 120 members of the European Management Team, the "opt-in" newsletter's distribution has since expanded to reach more than 1,000 associates in our European operations. In addition to engaging associates in key stories from across the business, the newsletter highlights at least one Staples Soul-related story per issue.

- Staples LearningXchange's live classes and online courses help associates develop needed jobs skills and expertise, growing them as valued associates.
- Employee surveys, including our first global associate survey held in 2010, reveal where Staples as an employer is serving its associates well and where the company can do better. Staples managers will use the 2010 survey results to improve workplace performance in areas identified by associates. Future pulse and global surveys—at least one each year—will include follow-up questions to track how well the company responded to associate concerns.

Internal focus groups consider key Soul topics

In 2010, we convened focus groups across Staples' European operations to assess the importance of various Soul topics and to determine priority areas for future efforts. Specifically:

- Thirteen representatives of the top European Leadership Team gathered to review and prioritize topics in environment; ethics; communications; certifications, standards and codes of conduct; strategic integration; community; stakeholder dialogue; diversity; and governance structure.
- Six participants representing sales teams from the UK, Belgium, the Netherlands and Germany were first surveyed on Soul issues and then provided direct feedback during an in-person focus group.
- Respondents identified internal awareness of Staples Soul as an issue of concern and recommended that management improve communication and engagement with associates about the Soul mission, approach and activities.
- "Bring Your Cup" focus groups are conducted on a regular basis in the Amsterdam office, with all associates invited to attend lively debates on current topics. In September 2010, associates discussed the appropriate role of business in addressing issues falling under the umbrella of "corporate social responsibility."

Attendees agreed that Staples should continue to invest in "Soul" and that both individuals and corporations have a duty to act responsibly. Associates also expressed a desire to more visibly see Soul values at work through better communication and stronger leadership.

As a result of this feedback, we launched the Staples Soul Internal Awareness Campaign across Staples International in February 2011. The campaign included the development and distribution of materials such as fact sheets, *Inspired Selling* podcasts, internal training presentations and external sales presentations in all languages.

Communities

We seek to be a valued and trusted member of the communities in which our associates and customers live and work. Staples works closely with all the non-profit organizations we support, whether they are long-term national partners such as Boys & Girls Clubs of America, or small grassroots groups receiving a Staples Foundation grant to fund a local program.

In 2010, the Staples community relations team surveyed customers, associates and partners to better define the optimal community outreach programs and efforts the company could offer. The results of the surveys will allow us to devote resources to those areas where we can have the most impact and also support those causes that are most relevant to our associates and customers.

We plan to continue to conduct outreach and surveys in the future among these stakeholder groups in order to track our progress and make further improvements in aligning programs, achieving coordination and sharing knowledge globally, both internally and externally.

Read more about our efforts in the "Community" section of this report.

Non-Governmental Organizations (NGOs)

Staples engages with NGOs that are considered leaders in their respective areas of expertise to help us enhance our performance across our four Soul pillars (Ethics, Community, Environment and Diversity). For example, we are engaged with:

- The [Rainforest Alliance](#), [GreenBlue](#) and the [World Resources Institute](#) to help drive further improvements in our sourcing practices for forest-based products, such as paper, and the [U.S. Environmental Protection Agency](#) in a variety of voluntary partnership programs related to energy efficiency and renewable energy, climate and waste reduction.
- The [Fellows Program](#) of the [Ethics Resource Center](#) is a select group of corporate, government, non-profit and educational leaders who promote and sponsor research, development and advocacy on issues of organizational ethics. Staples is also a member of the [Society for Corporate Compliance and Ethics](#) and has become a Sponsoring Partner of the [Ethics and Compliance Officers Association](#) (ECO).
- Diversity organizations, including the [Greater New England Minority Supplier Development Council](#), the [Chicago Minority Diversity Supplier Development Council](#), [WEConnect Canada](#), [WBENC](#) and its Boston affiliate, Center for Women & Enterprise. Our Director of Diversity Initiatives serves on the advisory board, board of directors or committees for each of these associations, allowing her to learn — and share — ideas on how to support minority- and women-owned businesses from various perspectives. We also partner with NGOs including the [Human Rights Campaign](#); the [Gay, Lesbian and Straight Education Network](#) (GLSEN) and the [Hispanic Scholarship Fund](#), among others.

Investors

As environmental, social and governance (ESG) issues make their way into mainstream investing, Staples is continuing its efforts to engage with both traditional investors and the socially responsible investment community. We respond to surveys that seek information about our corporate responsibility programs and performance, such as the [Carbon Disclosure Project](#) and the [Dow Jones Sustainability Indexes](#) questionnaire. We also meet with firms that include corporate responsibility information in their investment portfolio screening process.

As part of these efforts, in 2010 we conducted in-person and phone meetings with a variety of large and small shareholders to understand which corporate governance issues are most important to them. We also met with proxy advisory groups and proxy solicitors to understand how our corporate governance practices compare to those of our peers and companies with best practices.

Our discussions over the past year have helped us to understand which issues are important to Staples' shareholders. This outreach also made it clear that our shareholders have divergent and varied opinions and perspectives regarding governance, executive compensation, Dodd-Frank legislation and proposed SEC rules.

Suppliers

We engage with suppliers to promote ethics in the supply chain, environmental excellence and innovation and a diverse supplier base. Our outreach efforts, among others, include the following:

- Our [Supplier Code of Conduct](#) requires suppliers of Staples® brand products to adhere to all applicable environmental laws, as well as health, safety and labor standards. Factories in "at-risk" geographies are audited for compliance with those standards. We engage with our Staples® brand suppliers both in the United States and internationally to make sure they understand the provisions of the Supplier Code of Conduct. Read more about supply chain sustainability in the Ethical Sourcing section of this report.
- We also work closely with our key suppliers to identify opportunities to increase the efficiency of our collective operations from both a financial and environmental standpoint. In 2010, we announced a new corporate strategy to drive sustainability innovation in product manufacturing, packaging and distribution by challenging key suppliers to join us in a "Race to The Top." With this strategy, we're asking suppliers to compete not only in terms of product quality, cost and features, but in finding innovative solutions to reduce impacts on the planet. Read more about packaging and product initiatives in the "Environment" section of this report.
- In the United States, we meet with minority and women business owners during our annual Supplier Diversity Summit to learn how we can help them develop their businesses, and discuss ways to work together to better serve our customers.

Staples offers product classification training to suppliers

From September through December 2010, we held a stakeholder engagement exercise with our European suppliers focused on raising awareness of currently available third-party certifications. We worked hand in hand with suppliers to identify which products within their assortment would meet various certification criteria, and we provided suppliers with a toolkit of product certification resources. We also distributed the toolkit and provided training to our merchandising team so that the team can better assist suppliers with future certification questions.

Read more about our efforts to make Staples packaging more sustainable in the "Environment" section of this

report.

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Creating a great place to work

We rely on the talents, strengths and commitment of our associates at every level — retail, sales force, fulfillment centers, management and the executive team — to deliver on our company mission to make buying office solutions easy for customers. We understand that having an engaged workforce that can provide superior customer service is critical to our success.

Assessing global perceptions

To help us gain a comprehensive understanding of how engaged our associates are — and, more importantly, what opportunities we have to drive further engagement — we conducted the first Global Engagement Survey in October 2010. This survey marked a big milestone in the company's history by reaching out to Staples' 89,000 associates around the world.

To encourage full participation, we issued the survey in 19 languages in both online and paper formats. By the close of the survey, 65,105 associates — more than 71 percent — had responded, including statistically significant numbers of associates comprising demographic groups based on gender, age, ethnicity, tenure and location. We look forward to even greater participation during the second global survey (slated to be held in spring 2012) as many associates have expressed an interest in participating now that they understand how the results are being used to improve Staples' workplace.

U.S. Workforce



57% Full time
43% Part time

Global Workforce



59% Full time
41% Part time

Survey results

The survey found that a large majority of our associates would recommend and rate the company as a great place to work, and have confidence in the company and the leadership team. Associates also conveyed a high level of understanding and awareness of Staples Soul initiatives and the company's corporate responsibility efforts.

Through a business linkage analysis, we also found that engagement drives performance at Staples across most associate categories. While Staples associates as a whole are more engaged than the average for similar types of businesses, we are consistently focusing on engagement programs to place Staples in "best-in-class territory" — a truly great place to work!

We have identified the factors that most significantly affect associates' engagement levels, including:

- Perceived ability to contribute to company success and be individually recognized for efforts
- Job satisfaction and career development opportunities
- Confidence in Staples' strategy and leadership

With regard to associates' perceptions of their contribution to Staples' success, we need to do a better job on:

- Helping associates see their work matters. While associates generally understand Staples' vision and where the company is going, the relationship between that vision and their day-to-day work is not always clear. We want every associate to understand how their own work supports our vision and helps to drive our success.
- Ensuring that associates feel their ideas matter. We want every associate to know they have a voice — and can make a difference — whether it's offering a new idea or questioning a process. We will be focusing on creating an environment where associates not only feel excited to speak up but where they also feel safe to do so.

Taking the next step

We are using the results of the survey to develop action plans. Already, the management teams of every business unit and function have carefully reviewed their groups' results and are refining where to focus specific improvement efforts. These plans, to be put in place over the next several months, will lay the foundation for building the company — one that not only supports a growing business, but strongly supports a growing, thriving and truly global team of associates.

Survey results will also help the executive team better understand how associates understand diversity. Feedback from the survey will be used to create manager training programs that will teach managers how to listen better, respect differences and create a supportive environment that encourages associate input and innovation.

To hold ourselves accountable, we plan to conduct both near-term "pulse" surveys as well as another full global survey in spring 2012. Future surveys will ask associates whether they believe changes were made in response to their concerns.

Promoting employee engagement and Soul awareness

In February 2010, Staples Brazil held its annual TeamCARE Challenge — an event inclusive of associates at all levels of the company. The objectives of the day were to promote teamwork and reinforce the importance of the four pillars of Staples Soul: Community, Diversity, Environment and Ethics.



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Providing value to customers

At Staples, we strive to provide superior value to our customers. We do this by offering a combination of low prices, a broad selection of products including eco-conscious choices, high-quality and innovative Staples® brand products, convenient store locations, easy-to-use Web sites, reliable and fast order delivery and customer service that goes above and beyond.



Our overall objective is to become a close partner and trusted advisor to both our retail and business customers by better understanding — and meeting — their specific needs. As part of achieving this objective, we will continue to look for ways to provide value-added services beyond sales of basic office supplies. For example, in 2010, we made significant investments in copy & print, business technology and technology services across our North American Retail locations. We remodeled the technology area in about half of our stores and improved assortment and service capabilities. We also upgraded many of our Copy & Print Centers and expanded our sales force to better serve our customers.

Tracking progress and ensuring satisfaction

To make sure that we're doing a good job, we survey customers in our retail and delivery businesses, monitor quality assurance efforts, drop in on stores unannounced through "mystery shops" and interview customers directly. Each month, we conduct tens of thousands of retail customer satisfaction surveys and receive feedback from thousands of customers in our North American Delivery business.

In our retail operations we ask customers to rank helpfulness of associates, cashier courtesy, speed of checkout and associate product knowledge, among other factors. As a result of continued training and focus, we have seen an improvement in our overall retail customer satisfaction scores from 72.3 to 73.9 percent since 2009.

We use customer feedback and suggestions to identify and correct issues, refine our product and service offerings and set aggressive year-over-year customer service improvement targets, not only for retail but also for business customers.

For example, in the North American Delivery (NAD) business unit, we track and evaluate performance across various criteria, including:

- Overall satisfaction
- Ease of finding products
- Clarity of product descriptions
- Selection of merchandise
- Ease of checkout process
- On-time delivery
- Problem resolution satisfaction

Over the last two years, we have experienced some challenges in maintaining high levels of customer satisfaction in our Staples Advantage® business units within NAD due to the impacts of our integration with Corporate Express, which we acquired in July 2008. We are confident, however, that the steps we are taking to strengthen and align our eCommerce and order fulfillment capabilities, and complete the integration, will result in continued improvements.

Beyond tackling the customer satisfaction challenges incurred through this transition, we are also working to improve satisfaction in many other areas. For example, customers have told us that they would like to see additional product images alongside product descriptions to help them make more informed purchasing decisions. We're also focusing on developing packaging that more closely aligns with our customers' expectations, including minimizing empty space in the packages we deliver to customers.

Recognition and awards

Thanks to the collaborative effort of our leadership team and our associates globally to drive progress across all of our Soul pillars, several organizations recognized Staples in 2010 for excellence in corporate responsibility.

- For the seventh consecutive year, selected as a component of the Dow Jones Sustainability Indexes (DJSI) for 2010/11
- Ranked #2 among retailers and #23 overall in the Newsweek Green Rankings for 2010, which ranks the environmental efforts of the largest 500 companies in the United States
- Ranked #60 by Corporate Responsibility Officer (CRO) Top 100 companies in 2010. The CRO list ranks the corporate responsibility efforts of large-cap companies from the Russell 1000 index
- Ranked #17 out of 150 on Forbes' list of America's Most Reputable Companies
- One of Diversity Inc's Top 25 Companies to Watch for Diversity
- Named to the 2010 Top 50 Companies for Diverse Managers to Work by Diversity MBA Magazine
- Received 100 percent (a perfect score) on the Human Rights Campaign's Corporate Equality Index
- Received the Minority Corporate Counsel Association's Employer of Choice Award
- EPA Green Power Partner recognition: ranked #4 among all retailers, #6 among Fortune 500 companies and #8 in the United States
- 2011 EPA ENERGY STAR Partner of the Year for Energy Management



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Ensuring the success of our workforce

We know that Staples' success depends on the best efforts of our associates. We also realize that to be at their best, associates need



opportunities to develop their talents, sharpen their skills and receive feedback on their performance.



We have a strong team in place to oversee training and talent management for our global workforce. Staples' VP of Talent Management oversees global talent development and succession planning. Reporting to her are directors in charge of Staples LearningXchange and SellingXchange; management and leadership development functions; organizational development (including team restructuring and performance management); and sharing of best practices, training and tools across sales organizations within Staples.

Each associate in North America receives an annual performance review that is based on objectives and development plans established at the start of the year. We have also established an annual performance review cycle as Staples policy in our international locations.

Individual training and development teams are embedded within business units and are responsible for organization-specific and function-specific training. Training teams exist within U.S. Retail, Canada Retail, International and North American Delivery (contract sales, logistics and supply chain, customer service and telesales).

Associates can learn about development opportunities either directly through their managers or by contacting their respective human resources team. In North America and some international locations, associates can also access the company's intranet to see required courses and register for open enrollment classes. In some cases, associates are nominated for management and leadership training.

Associate training

We encourage associates at all levels of the business to reach their full potential through internal training and development, as well as external educational opportunities.

Through Staples LearningXchange, we offer hundreds of classes to expand associates' business skills and introduce them to new ideas. We are increasing our efforts to reach remote associates through virtual classroom training and are creating tools and processes to help associates focus on taking advantage of the most accessible opportunity for growth — on-the-job development.

Over the past year, hundreds of associates received management development training in China, across Europe and in Australia — some for the first time in their tenure at Staples. We also ran two sessions of IMXP, the International Manager Exchange Program. The program enables up-and-coming managers from our less-developed businesses to travel to the United States and develop strong relationships with their Staples headquarters counterparts. As part of the training, the managers learn established business practices and processes that they can adapt and implement upon their return to help accelerate their businesses.

In the past year, tens of thousands of associates have received training and Staples has invested more than \$10 million company-wide in training resources and support.

Advanced Manager Program team takes on sustainability data challenge

As part of our U.S. Advanced Manager Program, participating associate teams are asked to address a particular business issue. In the 2010/2011 cycle of the program, one associate team is tackling the challenge of how best to collate and communicate the sustainability best practices already in place across our global operations. Upon completion of the project, Staples management will assess and potentially implement the recommended solutions.

Additionally, we launched GEXP, our Global Expert Exchange Program, which takes North American associates and immerses them in other countries for several months at a time to support operational efforts and accelerate learning and effectiveness in areas like marketing and merchandising.

In 2011, we held the first Mid-Market Xchange Program: sales managers from Europe, South America and Australia came to the United States for several weeks to learn about mid-market selling directly from U.S. sales managers. Following the training, these associates returned to their countries and have launched mid-market sales efforts.

Blended training a big hit with new managers

In 2010, Staples conducted a pilot program that blended live and virtual training for more than 50 new managers. The managers were brought together from all parts of the Staples U.S. organization for a learning experience that combined virtual training and live classroom sessions. The program was well received and will be rolled out to

hundreds of managers in 2011 and beyond.

Staples' management development programs provide training across the entire career arc of our associates: from New Manager Programs for associates who recently entered management ranks, to Manager Certificate Programs for experienced managers, to the Advanced Manager Program for senior managers and directors. Each course provides broad-based development support, including training on delegation, coaching, project management and communication skills, among others.

Staples Australia holds successful leadership development program

We believe everyone deserves a great leader and that great leaders are the best way for us to continue to grow and manage our business effectively. Building on our work in developing a range of competencies for managers at all levels in 2009, we launched a new Leadership Development Program for Australia and New Zealand in 2010.

Around 100 of our senior leaders attended the program, which provides a framework for managers to create an environment where people can succeed. Participants received coaching based on a LifeStyles inventory, which provides insights into how they can enhance their individual effectiveness as leaders. We will continue to build on this work in 2011 by extending the program to an additional 30 leaders while leveraging more programs from Staples.

Launching a learning management system

Staples is implementing a global learning strategy to provide required and recommended training for associates and new and experienced managers. The Learning Management System (LMS) will be launched in 2011 to provide associates with a better understanding of their growth and development opportunities.

Retail associates in the United States will be the first group to have access to this system, with subsequent rollouts for corporate and international locations throughout 2012 and 2013. With the LMS, we expect to realize a faster "ramp-up" time for new associates (with those associates having prior retail experience being able to "test out" of training); greater clarity regarding the appropriate training for specific roles; and enhanced tracking and reporting capabilities.

Highlights of Staples LearningXchange

- 24/7 access to learning: every day, on the job
- Sharing ideas and best practices
- Learning from business leaders who facilitate formal learning sessions
- Leveraging social media and new technology to create and share content
- Developing a learning organization that sustains continuous growth and development



For those associates who would like to take advantage of external educational opportunities, we offer an annual scholarship program. In 2010, 1,586 associates received scholarships in amounts ranging from \$750 to \$2,000 to be applied to a course intended to improve current job performance, or to a degree program. Unlike many retailers, Staples offers this opportunity to part-time as well as full-time associates, requiring only that classes be taken at accredited universities, colleges or technical schools. In 2010, Staples invested a total of \$2.5 million in our associate scholarship program. We also have relationships with the University of Phoenix and Capella University, allowing Staples associates to receive a five percent discount on classes. To learn more about working at Staples, please visit our [careers page](#).



Choose well. Live well.



Staples is taking a fresh approach to healthcare to support associate health and well-being. While some benefits are available to full-time associates only, many are offered to all associates to encourage Peak Personal Performance in support of our culture of health.



Staples offers Personal Health Assessment (PHA) rewards to each full-time associate and their covered spouse or domestic partner. We encourage all participating associates to take advantage of the low- or no-cost annual physicals that are available through our healthcare plans. These plans even include coverage for vision and oral health exams.

In addition, Staples provides many other benefits that support associate well-being — now and in the future. These programs include:

- A "Healthy Choices" discount on paycheck contributions (for associates and covered spouse/domestic partners who either don't use tobacco or who register for a tobacco coaching program)
- Health dollars for associates' health accounts
- Cash reimbursements for fitness center participation, select fitness equipment and weight-loss programs
- 24-hour nurse line (allowing associates to speak with a registered nurse 24 hours a day, 7 days a week)
- Employee Assistance Program to help with life's everyday challenges
- Lifestyle-management programs, telephone coaching and online wellness portal
- Disease-management programs
- Cancer Second Opinion Program
- Wellness champions and fairs
- On-site biometric health screenings and flu shots
- Education sessions on topics such as nutrition, physical activity, stress management and financial wellness
- On-site walking programs, physical activity and weight-loss competitions
- Disability and leave programs

Read more about [Staples' approach to healthcare](#).



Staples Italy provides targeted health services for associates

Staples Italy has launched a program to provide internal health services for associates in the form of psychological health counseling and an anti-cancer campaign. In 2010, our Italian associates were able to consult a qualified psychologist who provided mental health advice and counseling. Additionally, we launched a cancer advice campaign that included smoking-cessation workshops, cancer-related health advice and on-site check-ups in partnership with [Fondo Edo Tempia](#). These check-ups enabled associates to receive advice from trained professionals regarding concerns related to skin, breast and throat cancer, and have resulted in early referrals to medical specialists.

Ensuring health and safety

Ensuring the health and safety of our associates is a core focus for the company. The management team at Staples is committed to conducting our business in a manner that is safe for our associates, our customers and the communities in which we operate. Core components of Staples' safety program include:

- Visible senior leadership support
- Accountability to results achieved through a cost-comparative chargeback program
- Behavioral-based training and awareness initiatives
- Progressive management response to safety violations
- Positive recognition and incentive programs for safe behaviors and results

In order to deliver on our goals of a safe working environment, we have Occupational Health and Safety (OHS)

plans that are reviewed and updated annually based on changes in the business and in local, state and federal regulatory requirements.

In 2011, Staples business units will implement business-specific behavioral-based safety programs such as "Safety In Action" (in U.S. stores), "STEP Into Safety" (U.S. Retail Distribution Centers) and "Focus 4" (North American Delivery). Each is designed to improve site safety by promoting behavioral observation of how associates are working in their job function and by recording correct and incorrect work techniques. Program compliance and feedback is tracked through internal safety audits conducted by field personnel and local safety committee members. Results are communicated and reviewed by management.

Managing occupational health and safety

Staples uses a data-driven approach to manage our occupational health and safety programs. The Risk Management department sends out weekly, monthly and quarterly reports to help inform and educate all associates on program results, injury trends and injury prevention techniques. Based on injury experience and regulatory requirements, we develop new action plans that include enhanced training, new tools and equipment and vendor-provided safety services. For example, we've instituted injury management training for supervisors, safety gloves for cutting and Medcor injury triage services.

Primary focus areas of our safety program include, but are not limited to:

- Proper lifting
- Safe use and handling of chemical products
- Proper selection and usage of personal protective equipment
- Safe operation of powered material handling equipment (such as forklifts) and delivery vehicles

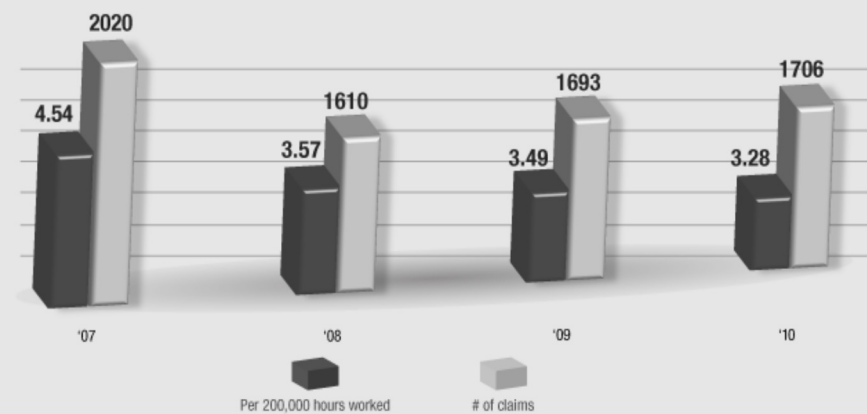
Each associate completes an annual safety certification. And interim training is provided by location management through individual safety training modules (job aids) that combine both classroom and practical training.

Occupational health and safety statistics

In the last several years our Lost Time Incident Frequency Rate (the number of lost time incidents per 200,000 hours worked) fell from 4.54 in 2007 to 3.28 in 2010. This has been a great achievement and an outcome of our continuous focus on safety improvements (see table below).

In 2010, Staples U.S. retail stores garnered a tremendous safety accomplishment, with more than 50 percent of store locations incident free throughout the year, resulting in zero workers' compensation claims for the year in these stores.

Claim Frequency Rate (CFR)



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Overview

At Staples, doing right is just as important as doing well. We know that a strong foundation of ethics and governance, not just spelled out but demonstrated in the daily actions and decisions of our associates around the world, is essential to build the trust of our customers, investors and other stakeholders. That's why we hold all Staples associates, from the boardroom to the store floor to the supply chain, to the highest standards of honesty, fairness and integrity — and why we work hard to ensure that all members of Staples' community know, understand and abide by our ethical standards.



Ethics begin at the top. Staples' Vice President of Global Business Conduct and Ethics is responsible for defining and monitoring ethical standards. The VP works in the General Counsel's office, which reports directly to the CEO. And the Governance and Audit Committees of the Board of Directors also oversee governance and ethics issues.

The Global Ethics Office, in turn, works closely with groups throughout the company. For example, they work with department heads in tailoring ethics communications and training to support daily operations, and with the finance group on compliance and controls. Senior leaders across the company are also accountable for implementing program requirements in their locations.

Our emphasis on ethical action extends to suppliers, particularly those who manufacture Staples® brand products. Staples' Supplier Code of Conduct outlines the company's expectations regarding labor standards, human rights and environmental performance, and is the basis for our monitoring and auditing programs.

2010 performance highlights

- We rewrote the Staples Global Code of Ethics to be a more globally relevant day-to-day guide, translated it into 17 languages and distributed it company-wide. The Global Code of Ethics now serves as a foundation for common understanding and application of ethics principles across all of Staples' worldwide operations.
- We developed and launched new online and instructor-led ethics training programs tailored to the needs of associates by level, function and geographic location. So far, these programs have been rolled out to thousands of associates in the United States, Canada, India, China, Taiwan, Argentina, Poland, the Netherlands, Italy, Spain and Portugal.
- We developed the Leader's Guide to Ethics at Staples to provide leaders with new tools and guidance materials. The use of the Leader's Guide will help managers drive accountability for ethics down through the organization and into individual business units.
- We continued to enforce Staples' Supplier Code of Conduct, designed to ensure that workers making Staples® brand products are treated with fairness and dignity and that supplier factories operate in an environmentally sustainable manner. We audit every Asian factory seeking to supply Staples® brand products for compliance with our Code; in 2010 we completed 290 Social Accountability factory certification audits.

Goals for 2011 and beyond

- In 2011, we will begin using scorecards to measure — globally by business unit — associates' completion rates for ethics trainings.
- We will also work to develop more sophisticated metrics and monitoring systems that go beyond simply tracking compliance or the number of trainings completed. These systems will allow us to track progress against specific desired ethics outcomes and ensure that associates are informed, engaged and using all of the ethics tools and resources available to them. Information obtained with these systems will also be used by the Global Ethics Office to identify new ways to drive and assess organizational improvements to help Staples meet its overall corporate objectives.
- In 2011, the Global Ethics Office will launch a program of quarterly Webinars with human resources personnel and other stakeholders globally to strengthen its ability to share information and best practices.
- In the fall, we'll issue a new Cultural Diagnostic Survey to a representative sample of associates worldwide, with the aim of better understanding associates' levels of awareness of ethical resources and their levels of engagement in speaking up and supporting a culture of integrity at Staples.
- We will launch a Code of Ethics refresher that will include an annual Conflict of Interest Disclosure. This program will reinforce our Code of Ethics and provide leaders with ways to evaluate how well they demonstrate ethical leadership.
- We are in the process of updating the content of our Social Accountability audit to support the new Supplier Code of Conduct and will be rolling out the updated audit provisions later in 2011.

Many ways to reach out

In 2010, we continued our corporate governance outreach program, which helps us understand and respond to shareholder concerns in a timely fashion. Through this initiative, senior management meets regularly with a variety of shareholders, proxy advisory groups and proxy solicitors to discuss the governance issues that are most important to them. Management then briefs the Board of directors and takes action as appropriate. To learn more about these discussions, please visit the [Stakeholder Engagement](#) section of this site.



We also continually monitor our business, our competition, legislative and regulatory changes and current developments in governance practices at other companies. When changes are in the best interest of Staples and our shareholders, we do not hesitate to update our practices. For example, in our [2011 proxy materials](#), we encouraged shareholders to vote for a proposal that would give them the right to cast a nonbinding advisory vote regarding executive compensation each year (rather than every two or three years). On the other hand, we openly oppose changes we believe are not in the best interests of our company or all our shareholders.

To learn more about our current corporate governance principles and to review our Corporate Governance Guidelines, committee charters, Corporate Political Contributions Policy Statement and other significant policies, please visit Staples' [Corporate Governance](#) Web page.

About the Staples Board of Directors

Composition:

Twelve members, including Chairman and CEO Ronald Sargent; three women; two Asian Americans and one African American.

Four directors have served on the Staples Board for more than fifteen years, while five Directors have served less than five years, creating a mix of individuals with long-term institutional knowledge, and new voices providing a fresh perspective.

With regard to age diversity, two Directors are in their 40s, five are in their 50s and five are in their 60s. Staples benefits from the variety of perspectives and experiences each Director brings.

Terms:

Elected annually for a term of office to expire at the next annual shareholders meeting (subject to the election and qualification of their successors).



Committees:

Audit, Nominating and Corporate Governance, Compensation, Finance and Executive.

Independence:

Other than the Chairman, all Board members are independent, including all members of the Audit, Nominating and Corporate Governance, Compensation and Finance Committees. The only compensation they receive is for service on the Board and its committees; no independent consulting fees or other payments are provided.

Leadership structure:

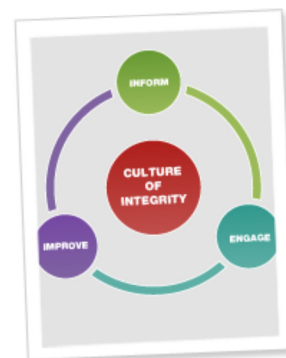
Every year, the Board evaluates its leadership structure and, based on a recommendation from the Nominating and Corporate Governance Committee, determines whether there should be an independent chairperson of the Board or an independent lead director. There is currently a combined CEO-Chairman and an independent lead director. There were no major changes to the Board structure in 2010.



Ethics at work

At Staples, we're committed to building a company culture of the highest integrity — one associate, one decision and one task at a time. It takes hard work and sustained focus. That's why we created our Global Ethics Office in 2004 and why we issued an updated, strengthened Global Code of Ethics in 2010.

The Global Code of Ethics empowers associates and holds them accountable by setting clear standards, describing the right way to do business and outlining a clear process for taking action when ethical questions or concerns arise.

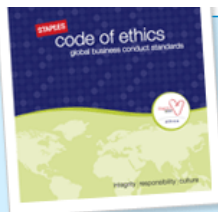


Staples uses a three-pronged approach to keep our culture of integrity alive:

<p>We regularly INFORM and educate associates about Staples' ethics policies and procedures so that everyone knows our expectations.</p>	➔	<p>WE DO THIS BY:</p> <ul style="list-style-type: none"> Providing ongoing awareness and training: <ul style="list-style-type: none"> • Ethics for new hires • Annual certification • Anti-corruption • Customized workshops Deploying common global policies and systems <ul style="list-style-type: none"> • Code of Ethics • Anti-Corruption • Gifts & Entertainment • Ethics helpline
<p>We continuously seek to learn from and IMPROVE ethics awareness and engagement and – where necessary – our business practices.</p>	➔	<p>WE DO THIS BY:</p> <ul style="list-style-type: none"> • Performing ongoing monitoring of the Ethics Helpline and investigating activities and trends • Conducting periodic surveys, focus groups and/or interviews with associates at all levels • Benchmarking with other companies • Monitoring new internal and external developments and performing periodic risk assessments
<p>We actively seek to ENGAGE associates by showing that Staples' commitment to ethics is more than a set of policies on paper.</p>	➔	<p>WE DO THIS BY:</p> <ul style="list-style-type: none"> • Using Helpline data and other common systems and practices to show that all ethics questions and concerns are taken seriously and that fair and appropriate follow-up occurs • Consulting with business leaders, managers and other business partners on tactics that make it feel safe for associates to speak up



The Staples Code of Ethics



Everyone working at or for Staples must follow our standards for ethical business conduct—all associates, officers, and directors of Staples and our affiliates worldwide, as well as agents, consultants, joint venture partners and other third-party representatives when they are acting on our behalf.

Everyone working at or for Staples must follow our standards for ethical business conduct — all associates, officers and directors of Staples and our affiliates worldwide, as well as agents, consultants, joint venture partners and other third-party representatives when they are acting on our behalf. — from the Staples Global Code of Ethics

The [Staples Global Code of Ethics](#) is the foundation of our commitment to ethical business practices and conduct. Newly updated and translated, the Code is available in all 17 major languages spoken by Staples associates worldwide. It explains core expectations regarding ethical conduct and business practices. It also includes guidelines to help associates deal appropriately with a broad range of issues, from insider trading to customer privacy to discrimination or harassment. The Code also explains the many options available for asking questions and voicing concerns about ethics issues and how reported violations are handled.

Previously organized according to legal risk areas, the Code has been restructured to serve specific functions in a more user-friendly and relevant way. Associates can identify what they need to know and do, quickly and easily, according to their job responsibilities. Additionally, we have developed streamlined versions of the Code for particular functional areas — such as fulfillment, distribution and call centers — with a more limited set of possible ethical issues and situations.

The Staples Code of Ethics can be [downloaded here](#).

Training, awareness and accountability

Associates receive ethics training early and often throughout their employment at Staples. New hires typically receive a copy of the Code of Ethics with their offer letter. In 2010, we also rolled out a live ethics training module as part of the new hire orientation. Managers across the company also receive additional training based on the particular situations they're most likely to face on the job.

Targeting training for maximum effectiveness

In 2010, we improved our ethics and compliance training programs for associates. We used a new risk-based approach to define minimum company-wide requirements based in part on the unique risks associated with particular geographies and levels within the organization. This approach enables us to focus the company's resources on the areas where we can have the greatest impact.

For example, we used [Transparency International's Corruption Perception Index](#) to identify those regions and operating areas that are most likely to face corrupt business practices. We now ensure that those locations and functional areas receive the most training in anti-corruption.

The importance of ethics and compliance is regularly reinforced company-wide through awareness campaigns, newsletters, internal Web sites and communications from company leaders. In 2010, we also developed the *Leader's Guide to Ethics at Staples* and an online ethics quiz to help executives and managers understand their roles in driving ethics awareness and accountability throughout the company. The guide concisely describes what leaders can do to instill an ethical culture at Staples.

In a global, multicultural organization like Staples, it's still an ongoing challenge to assess how thousands of associates from various backgrounds perceive and internalize the ethics training and information provided to them. To address this challenge, in 2011 we will develop and begin to roll out new, more detailed metrics and measurement systems to track our progress against specific benchmarks of an ethically informed, aware and engaged workforce.

Empowering associates to speak up

Company-wide ethics require company-wide accountability. Our approach to the challenge of ensuring consistent accountability is to make sure all associates feel comfortable speaking up; asking questions; and taking an active role in understanding, discussing and exploring ethics issues. In this way, we can be sure to flag and address minor issues or concerns before they grow into actual problems.

Additionally, open dialogue among associates and managers helps Staples to capture and act upon valuable ideas, suggestions and innovations. Speaking up benefits not only Staples' ethics performance, but also helps the

company meet its overall objectives and create a winning culture.

That's why, company-wide, we put a premium on open, honest communication and work hard to maintain a culture where each person can feel comfortable asking questions and raising concerns.

As a company, we must foster an environment where issues and concerns can be raised freely, no matter how small. Our Code of Ethics is designed to help associates make the right decisions when it comes to a variety of situations: how to handle a situation when the easy way out is wrong. Or speaking up, even when it's uncomfortable, to help protect Staples' best interest and our global brand. — from the Staples Code of Ethics

Staples EthicsLink

Our Ethics Helpline, Staples EthicsLink, is available in multiple languages in every Staples location worldwide, online and by telephone. Hosted by a third party but administered by our Global Ethics Office, Staples EthicsLink serves as a 24/7 "ethics resource" for Staples associates. Through the Helpline, associates can ask for guidance on ethical and compliance issues and report suspected ethics violations. All reports are relayed to the Global Ethics Office for follow-up.

Where it is legally permitted, including in the United States, associates can report concerns and contribute to investigations anonymously. Many European Union countries, however, limit both the types of issues that can be reported to Staples EthicsLink and the rights of reporting individuals to remain anonymous. Staples complies with all applicable requirements.

In the wake of rolling out the revised Code of Ethics in 2010 and enhanced training efforts, we plan to continue to monitor the volume of calls to Staples EthicsLink carefully in 2011 and beyond. We expect — indeed, we hope for — an increase in call volume as an indication that associates are becoming more comfortable about speaking up, especially with regard to seeking advice and guidance.

For more information, please visit [Staples EthicsLink](#).



To contact the Global Ethics Office Call:

**1-508-253-7960 or
1-303-664-2048**

Mail questions or concerns to:

**Global Ethics Office,
Staples, Inc.,
500 Staples Drive,
Framingham, MA 01702**

**Or go to:
staplesethicslink.com**

Anti-Corruption Policy and Programs

The Staples Anti-Corruption Policy is designed to prevent corruption and promote compliance with anti-corruption laws that apply to our global operations, including the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, the Organization of Economic Cooperation and Development (OECD) Convention Combating Bribery of Foreign Officials and many others. While some people believe that corruption is inevitable in certain countries, Staples does not accept this as an excuse for behaving unethically, failing to comply with our policy or violating the law. Staples prohibits all bribes and kickbacks, whether offered or accepted directly by our associates or indirectly using a third party — period.

We've conducted anti-corruption training in many of our overseas locations since 2006. In 2009, after identifying corruption as a strategic risk to Staples' international growth, we established a more comprehensive Anti-Corruption Program, including a formal anti-corruption policy, risk-based training requirements and stronger internal controls. In addition to educating all senior leaders on our anti-corruption policy, we provide online training and/or instructor-led workshops for more junior associates, as needed, depending on their role and geographic location. In general, extra training is provided to those associates who work in or travel to countries deemed by [Transparency International's Corruption Perception Index](#) to have higher levels of risk for corruption. In 2010, online anti-corruption training was rolled out to high-risk international locations and specific functions within the United States and Canada that have a heightened need to know our requirements.

Protecting customer information and privacy

In today's business world of vast networks and enormous volumes of data, confidential personal and financial information is a precious and invaluable



asset. As such, it must be carefully managed and guarded to preserve the trust of customers, employees and shareholders — and, of course, to comply with a growing number of laws and compliance regulations around the world. Our Global Privacy and Information Management (PIM) Policy governs how Staples handles and protects all customer, associate and business information.



To preserve our customers' confidential data (such as credit card numbers and contact information) from falling into the wrong hands, we continually educate and train all Staples associates in how to handle such information wherever it is held and whenever it needs to be transmitted. We recognize, however, that despite our best efforts, no system is 100 percent secure. Accordingly, we've developed a comprehensive plan for responding quickly and responsibly in the event of a security breach of any magnitude.

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Staples supplier code of conduct

Staples is committed to providing customers reasonably priced Staples® brand products that not only meet or exceed performance expectations, but are also manufactured responsibly.



To produce Staples® brand products, we partner only with factories that meet Staples' standards for cost and quality on the one hand and labor rights, safety and environmental standards on the other. Requirements for responsible operation are outlined in the [Staples Supplier Code of Conduct](#) and serve as the basis for the Social Accountability audits we undertake at supplier sites. If a current or potential partner consistently fails to meet either Staples' quality or ethical requirements, Staples discontinues the relationship. For all other products, Staples strongly recommends that its vendors comply with the [Staples Supplier Code of Conduct](#) (or a similar code of its own), and Staples may terminate its relationship with that supplier if the supplier fails to do so. Finally, Staples requires suppliers to comply with applicable international (in the countries in which the parties are doing business) and U.S. laws and regulations and industry standards when selling us products.

The Supplier Code of Conduct is included as an appendix to each manufacturing agreement and forms an integral part of every contract we enter into.

In general, the Code outlines for Staples' suppliers our expectation that workers making Staples® brand products are treated fairly and with dignity and respect. The Code also helps ensure that the factories with which we contract operate in an environmentally sustainable manner. The Supplier Code of Conduct was recently updated with the addition of standalone environmental and business ethics sections. Several existing sections were also reinforced with additional material.

The Director of Product Quality and Compliance, along with his team, oversees supplier screening, monitoring and auditing — in short, ensuring compliance with the Supplier Code of Conduct. Team members are trained on the application of the Code, with all audits carried out by external, independent third parties. The Director of Product Quality and Compliance works closely with the Vice President of Sourcing, Product Development and Manufacturing, who is in charge of producing goods, and with the Vice President of Import Supply Chain, who is in charge of shipping goods from the supplier to the end destination and maintaining compliance with all security provisions. Both individuals report up to the SVP for the Staples® Brand Group.

The processes Staples uses for ensuring compliance with the Code continuously evolve as the company gains a greater understanding of the risks it faces, how to best minimize those risks and which corrective actions are most effective. As a result, the scope of suppliers being audited annually has narrowed in some respects while expanding in others. For example, Staples no longer audits factories that produce Staples® brand products in the United States, Canada or Europe. The company does, however, audit every factory producing goods in countries deemed to be "at risk" for noncompliance (i.e., suppliers located in Asia or Africa).

All Staples® brand suppliers located in "at-risk" regions were audited in 2010. These suppliers constitute approximately half of all Staples' own brand suppliers (233 of 489 suppliers making Staples® brand products).

Suppliers failing to meet minimum requirements are required to sign a Letter of Commitment, stating their intent to continuously improve and requesting a probationary period to implement the necessary changes. They are also required to complete a Corrective Action Plan documenting the timeline for the necessary improvements.

Follow-up audits are scheduled at regular intervals to ensure suppliers stay on track while on probation. In addition to initial certifications, all suppliers in at-risk geographies are required to be recertified every year. We plan to continue expanding the audit program as we grow our international presence.

Results of 2010 inspections

233 supplier sites in "at-risk" locations were audited in 2010	Certified	On probation
(370 factory certification audits — initial, recertification and post-probation — were conducted in total)	200	33*
Facilities that required Social Accountability audits	233** in "at-risk" locations	
46 inactive suppliers (no Staples products are currently being produced there)		
Staples cut ties with 2 factories in 2010***		
Total # of Certified Facilities	489 in all locations	

*Suppliers on probation must complete corrective action to continue working with Staples. In addition to scheduled factory inspections, Staples conducts short-notice and unannounced audits.

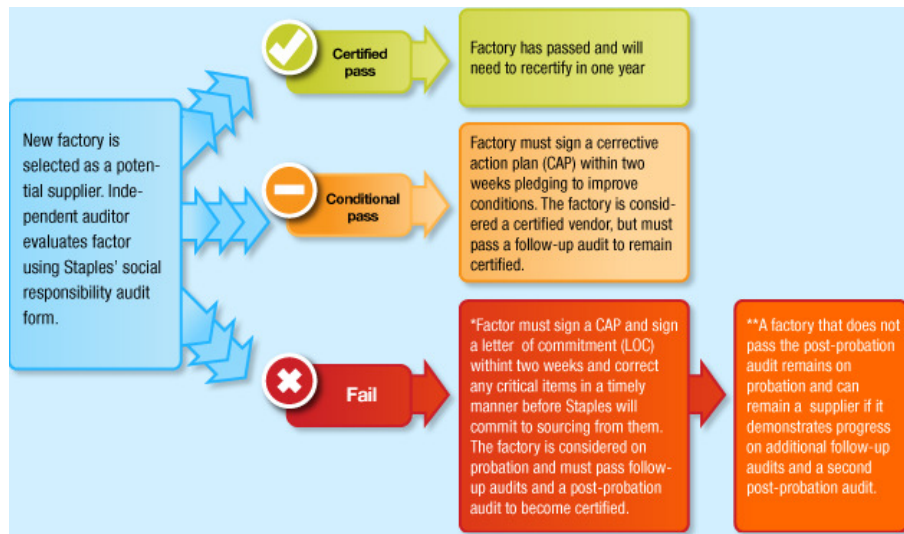
**A total of 290 Social Accountability audits were carried out, as some suppliers were audited more than once.

***Two supplier relationships were ended because of repeated violations of the Staples Supplier Code of Conduct, as discovered during audits conducted in 2010.

Overview of Audits Conducted

Business Unit	Products Delivered	Type of Audit Conducted
Staples stores and delivery worldwide	Staples® brand products	Suppliers in "at-risk" locations are audited.
Staples Promotional Products® (SPP)	Products bearing the customer's name and logo (e.g., hats, T-shirts)	Factories are reviewed on a "risk-management basis." Audits are completed on large suppliers that have long-term relationships with SPP, and when reviews are requested by the customer.

Factory certification audit and corrective action process



*Follow-up audits: These are half-day audits focusing on specific violations areas, typically conducted at 30–60-day intervals when a factory has conditionally passed or is on probation, to determine progress against required corrective action.

**Post-probation audits: Comprehensive audits of the factory occurring within six months of the initial violation.

Note: If a factory either refuses to participate or fails to demonstrate progress on implementing corrective action, we will end our relationship with the factory.

100% Satisfaction Guarantee

Prior to Staples placing an order for a Staples® brand product, the product must undergo performance, safety and regulatory compliance testing by an independent testing lab. All products must pass testing before mass production can begin.

Between the time a supplier manufactures and ships the products, Staples has an independent agency inspect the products by sampling them to ensure that they meet material and performance specifications and all other requirements.

Finally, we have an independent lab retest

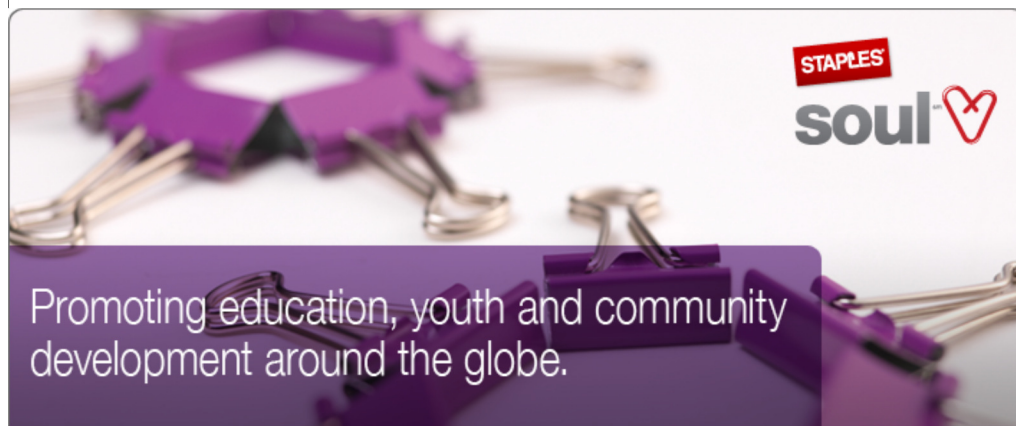
Staples® brand products one to four times a year to make sure they continue to meet specifications as well as safety and performance requirements.

As no system is perfect, we have an established product recall process. In 2010, Staples updated and implemented a North American product recall process for all products sold at Staples. The process centralizes communication within the company for the recall of any product sold by Staples through any channel. The process also provides for a prompt and timely investigation of issues with Staples® brand products. Recall facilitators have been appointed in each business unit to ensure product recalls are executed quickly. The facilitators are responsible for keeping records regarding the execution of the product recall.

Staples posts all recalls to its [Warranty & Recall Web page](#) so that consumers have information readily available regarding products that have been subject to a recall — no matter the reason. Staples plans to update recall procedures globally in 2011.



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Overview

Everywhere we do business, we take satisfaction in our contributions to local economies: selling products and services that business owners, households, educators, students and others use to thrive and succeed; employing local workers in dependable jobs; and purchasing products and services from local businesses. But we believe our role in these communities requires more of us than "business as usual."



Staples customers are also our fellow citizens, our neighbors and our friends. We reach out and contribute to community life in our local neighborhoods and beyond, through large-scale initiatives and smaller, less formal programs. Our focus is on educational and youth-oriented community efforts, from literacy and mentoring to environmental education and career skills development. We support these and other causes and activities through in-kind and cash donations, and we encourage our associates and customers to contribute their time and resources as well.

In the United States, our Community Relations team is composed of two full-time associates (a director and a manager). In addition, there is a Community Champion in each country where Staples operates who coordinates

with business units globally. The Community Relations team works closely with the country Champions to implement global initiatives, track partnerships and share best practices.

The team is part of the larger Public and Community Relations department, which is overseen by not only our Vice President of Public and Community Relations but also by our Senior Vice President of Global Brand and Marketing and Staples' President and Chief Operating Officer. Also responsible for ensuring that the Staples Foundation fulfills its mission, the Community Relations team works directly with the Foundation's President (also the company's President and Chief Operating Officer) and the Board of Directors.

2 Million & Change

In 2012, Staples Foundation changed its giving approach by launching the 2 Million & Change program. This unique program allows associate to direct \$2 million of Foundation funding to non-profit organizations focused on education and job-skills. The program brings associates into the giving process and encourages community involvement.



Performance highlights

Our focus now is on creating more opportunities for our associates to engage with their communities worldwide, and achieving more coordination, knowledge sharing — about outreach and best practices — and consistent reporting about community relations among all Staples business units worldwide.

To those ends, we conducted extensive research and analysis of our community relations programs. We surveyed both associates and customers about what matters most to them when it comes to community engagement and where and how we can have the most impact.

Among other achievements, we:

- Donated more than \$25 million to non-profit organizations around the world through the Staples Foundation, corporate charitable giving programs and cause marketing efforts
- Enabled associates globally to direct more than \$1.5 million to organizations they personally care about and support
- Held a Community (Service) Day where associates from nine countries participated in volunteer activities in their communities
- Increased the success of the annual back to school cause marketing program, the [Staples/Do Something School Supply Drive](#), by putting more than \$800,000 worth of school supplies into the hands of youth who need them
- Provided character and leadership development opportunities for nearly 20,000 youth — a five percent increase in the number of youth served over the previous year — by continuing our U.S. partnership with Boys & Girls Clubs of America

Goals

- Continue the evaluation of community initiatives to clarify and more strategically orient and align Staples' community relations investments
- Develop and implement a global system to improve tracking associate involvement in community service activities
- Develop and implement a system in 2012 to improve tracking of company-wide global charitable giving
- Establish a system to more effectively share community support knowledge across Staples' global operations and convene a global council to facilitate program alignment and the sharing of best practices



The goal: maximum impact

We believe Staples can achieve maximum community impact by partnering with organizations that "know the territory" — groups already active at the community level and focused on issues and causes consistent with corporate priorities — whether large or small. Every year, we provide grants to hundreds of organizations. Highlighting our work in 2010, we renewed our relationships and added to our shared record of achievement with five such long-term partners.

Boys & Girls Clubs of America ([BGCA](#))

We renewed our partnership with BGCA with a \$3 million, three-year grant in support of the organization's Torch Clubs — chartered, small-group leadership and service clubs for youth aged 11 to 13. Among other activities, the grant supported a Staples Torch Club Award for community service projects nationwide, as well as a "Linking Hearts & Hands" national service project in which club members competed for prizes.



Staples' support in 2010 also helped sponsor Torch Club Summits in Arlington, Texas, and Annapolis, Maryland, where club advisors and staff shared ideas and best practices for improving program offerings. And Staples' creative services associates redesigned, pro bono, the BGCA Torch Club logo now used across all Club communication materials.

As part of a new social media promotion to recruit Facebook fans, Staples donated \$1 to BGCA for every newly acquired fan. Overall, the campaign reached more than 120,000 Staples and BGCA Facebook fans and recruited 2,500 additional fans in two weeks (versus the typical rate of 250 new fans per week). At the grassroots level, Staples brought together associates from our U.S. Retail, North American Delivery and home offices with local BGCA clubs for volunteer activities.

Ashoka

In 2010, we provided [Ashoka](#), a global association of social entrepreneurs, with a \$500,000 grant in support of its Youth Venture programs in Europe, South America and North America. We also held the annual Staples/Ashoka Youth Social Entrepreneur Competition, which received 500 entries from more than 50 countries — the largest volume of submissions ever. Eight finalists received cash prizes, mentoring from Staples executives and a trip to a finale event hosted by Staples in Washington, D.C. During this event, the competition finalists shared stories of their social ventures with an audience of business, civic and community leaders and social entrepreneurs.



Finally, Staples hosted multiple Ashoka Youth Venture Panels at our Amsterdam offices where associates provided feedback to the teams on their business plans and ideas for growth and development. We also established five virtual mentorships through which Staples associates provided Youth Venture teams with guidance in marketing, finance and human resources. And in addition, we incorporated Ashoka Changemaker training into our various learning and development programs in Europe, and attendees participated in on-site virtual mentoring with Youth Venture teams around the world via Webcam.

Initiative for a Competitive Inner City ([ICIC](#))

We continued our partnership with this non-profit research and strategy organization, dedicated to developing inner city economies, with a \$200,000 grant in support of ICIC's Inner City 100 list and other inner city wealth-generation programs. We also presented the Staples Foundation-ICIC Hall of Fame Awards to six new Inner City 100 businesses who have appeared on the Inner City 100 list for five years or more. In addition, Staples presented the Staples Foundation Minority Business of the Year Award to the top minority-owned company on the Inner City 100 at an event bringing together thousands of business, civic and community leaders.



Also in 2010, Staples and ICIC developed Business Resource Guides focused on how small businesses can develop relationships with "anchor institutions" to obtain more funding and acquire new customers. The guides were distributed nationally through ICIC and third-party economic, inner city development and business leadership conferences.

Earth Force ([EF](#))

In 2010, Staples made a \$175,000 grant to this national non-profit youth organization that empowers kids to help solve local environmental problems. Among other activities, the grant supported the creation of the Urban Environmental Challenge, a national program enabling youth to lead environmental service projects that address climate change issues. In 2010, the program targeted youth, civic leaders and Staples associates in Atlanta, Georgia; Dallas, Texas; San Diego, California; Denver, Colorado; Seattle, Washington; Charlotte, North Carolina; Boston, Massachusetts; and Chicago, Illinois.



In Tampa, Florida; Arlington, Virginia; Denver, Colorado; Flint, Michigan; Grand Prairie, Texas and Charleston,

South Carolina, we presented Staples Earth Force Awards to youth and educators engaged in projects that addressed environmental needs in their communities.

TakingITGlobal (TIG)

In June 2010, Staples provided a grant of \$116,253 to support a second year of TIG's Tread Lightly program. Tread Lightly is a climate change education and engagement initiative designed to inspire teachers and youth to reduce their ecological footprints and take action on climate change.



The Tread Lightly program offers a number of teaching resources and online tools, including an interdisciplinary secondary school teacher toolkit, an ecological footprint challenge, an eco-art contest, a virtual classroom and international videoconferences. With renewed support from the Staples Foundation, TIG was able to expand Tread Lightly to reach more educators and youth worldwide. For example:

- In Portugal, Mariana Brandao made use of the Tread Lightly tools at her secondary school. "We were excited to participate in this project," she says. "We decided to adapt it to our own specific needs and I'm happy to report that it went very well." Mariana plans to expand her use of Tread Lightly next year. "With proper planning next year we will be able to start using the virtual classroom at full speed."
- In France, Camille Gil has had success introducing Tread Lightly to French youth involved in climate change events. Camille, who works with the French Youth Climate Coalition, says that "teachers in France need the Tread Lightly program because it fills a niche. Climate change issues are just starting to be an issue for youth, and the way Tread Lightly is presented is ideal for French youth."
- Meimei Shih, a secondary school teacher in Taiwan, also benefited from Tread Lightly. She appreciates the background of the program, acknowledging that "climate change has been a serious global issue since the late twentieth century. Scientists have examined the problem over the past fifty years, and corporations have also taken green actions to combat climate change." Her class participated in two Tread Lightly videoconferences in December 2010 to take part in the COP16 proceedings.

Overall, approximately 7,000 students were engaged globally, of whom 720 participated in videoconferences and 931 made an environmental pledge on the [Tread Lightly](#) Web-site. Among other achievements was the translation of all Tread Lightly materials — already available in English and French — into seven additional languages. These translations allowed us to increase the international relevance of the program and effectively engage with youth and educators in nine countries, including the United Kingdom, France, the Netherlands, Spain, Italy, Portugal, Sweden, Norway and Denmark.



Reaching out

We partner with many other organizations, both locally and globally, to best meet their needs, whether through one-day efforts or ongoing programs, or during crisis situations. Some of these outreach efforts include:

Local education and community development in and around our headquarters in Framingham, Massachusetts:

[Cradles to Crayons](#). Staples associates volunteered to sort and distribute resources and supplies to children throughout Massachusetts.

[Jumpstart Read for the Record](#). Staples sponsored this worldwide annual event and enabled associates to read to youth and share in literacy activities.

[1GOAL](#). The Staples Foundation created a partnership with the Global Campaign for Education's 1GOAL campaign through a \$100,000 donation, to cover activities in 2009 and 2010. With support from football/soccer and entertainment celebrities, the 1GOAL campaign sought to generate awareness and establish critical mass in support of the United Nations' Millennium Development Goal of "Education for All by 2015" through a signature collection program. Staples ran 10 weeks of internal and external 1GOAL activities in 21 countries, collecting thousands of signatures in support of education for all children. During the 2010 FIFA World Cup, 1GOAL cemented its status as the biggest cause-related football/soccer campaign in the sport's history.



Disaster relief

In response to the earthquake that struck Haiti in 2010, Staples donated \$100,000 to the International Red Cross's Haiti Relief and Development Fund to assist victims of the disaster. In addition, all Staples stores and Copy & Print Centers in the United States and Canada collected \$1 donations. Those efforts combined with contributions from European customers totaled nearly \$250,000 for the Red Cross.



Staples Australia and New Zealand: supporting community initiatives

Staples Australia and New Zealand support a large number of organizations at the local, regional and national level. Three of the organizations that were supported in the past year include:

- **Sydney Children's Hospital, Randwick — Child Protection Unit (CPU).** The CPU is a hospital-based and community-based service that provides counseling and medical services through the Group Work Program for children and young people who have been abused and neglected. Staples raised \$46,000 for the Group Work Program in 2010 through an annual Fete Day at the National Distribution Centre in Erskine Park, New South Wales. Donations from Staples have been funding this program since 2002.
- **Schools Spectacular.** Staples sponsored the New South Wales (NSW) Schools Spectacular for the first time in 2010 as part of a three-year partnership. This annual event showcases musical and dance talent from public schools in NSW and celebrates the teachers who nurture that talent. The event is presented by the New South Wales Department of Education and Training.
- **Ronald McDonald House.** In the second year of our three-year partnership with Ronald McDonald House, Staples associates cooked meals and served them to children at locations all around New Zealand.



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Staples associates: "We're in"

In 2010, Staples made a concerted effort to find out, through surveys and other forms of dialogue, what our associates would like us to do to help develop and improve the communities where they work and live. What we learned is that our associates want to get personally involved in community building efforts. Direct participation, they told us, is what really connects them not only to their communities, but to Staples as well.



As part of our 25th anniversary celebration, we'll strengthen our commitment to communities by launching a new worldwide effort, Community Matters. This initiative is focused on helping associates make a difference in their local communities by providing tools that make it easy to volunteer. We are communicating the program to all associates through global internal advertising, information kits and presentations and internal newsletter articles.

To make it easier for associates to volunteer, in every country and business unit we've provided tips and ideas for people who might want to get involved but don't know how, and we've distributed checklists and recruiting posters for associates to use in assembling volunteer teams. Combining top-down and grassroots energies, the initiative has gained advocates company-wide.

To show our support, through 2011, we will offer opportunities for associates to win donations for the organizations they work with. We have also introduced tools for associates to track, record and share their community engagement activities.

The following programs and initiatives illustrate the breadth of our efforts to formalize and extend our associate engagement:

Supply Chain Community Conference

In 2010, the Global Supply Chain team incorporated a volunteer activity into their annual conference. The group of 500 associates stuffed 20,000 backpacks with school supplies that were distributed to students around Massachusetts. The team worked with Cradles to Crayons (C2C), a non-profit organization that provides much-needed resources to children. By matching the core retail business and supply-chain knowledge of Staples

with C2C's volunteer management expertise, both organizations were able to leverage a global gathering to make a local community impact.

Choose a Charity International Associate Grants

This new program enabled Staples associates to nominate organizations to receive a portion of Staples funding. The launch of this program in 2010 marked the first time international associates had the opportunity to direct funds to organizations they support. Engaging associates worldwide, the program distributed \$85,000 to 85 community organizations across Europe, Asia, Latin America and Australia.

Volunteer Day International

Staples sponsored a 2010 Community Day, where more than 200 associates from nine countries — the UK, Ireland, the Netherlands, Belgium, Sweden, New Zealand, Australia, Brazil and India — participated in volunteer activities in their communities. Volunteer projects focused on a wide variety of causes, including children, the elderly, homeless and people with special needs, refugee students, animals and the environment.

Staples Brazil celebrates Community Day

Staples Brazil associates, including 81 members of the workforce, along with fundraising and volunteer coordinators, participated in the Staples Global Community Day on October 16, 2010. Associates worked on improvements to the buildings and grounds of the Projeto Aquarela Charity. Staples Brazil also contributed to a special day of activities for the 240 people supported by Projeto Aquarel, including 186 children.



Staples Advantage community involvement

This international program sponsors grassroots volunteer efforts by Staples associates to identify and meet local community needs. Standout efforts in 2010 included a donation from Staples Advantage Canada to Junior Achievement of Ontario, which enabled 50 associates to provide two days of mentoring and guidance to 720 middle school students in Mississauga, Ontario.

Regional youth mentoring

In cooperation with Ashoka in Europe and based on case studies from that organization's Youth Venture program, Staples associates in 2010 mentored young people as part of their own advanced management training programs.

In the United States, several Staples associates were honored by the John Mazie Foundation for their similar work in mentoring young people. This Wayland, Massachusetts-based organization promotes mentoring of at-risk youth. The associates spent more than one year in both formal and informal mentoring sessions with their youth partners. This hands-on involvement instilled confidence and enhanced the youth partners' hopes and expectations for a positive future.

Fitness fundraisers

Nearly 50 Staples associates from the Netherlands laced up their running shoes to participate in the annual Amsterdam Marathon and raise money for charity. Runners elected to participate either in the full marathon, a half marathon or an eight-kilometer run, all finishing at Amsterdam's Olympic Stadium.



The team raised over €2K for the Dutch organization Edukans, a development nonprofit with a unique focus on basic education in the Netherlands and in the countries where Edukans supports projects.

Similar Fitness Fundraisers also took place in France and Austria, among other locations, and will continue to be expanded in 2011.



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Working hard together

Listening to people is built into the way we do business at Staples, and caring about what our customers care about, and supporting causes they support, is a wonderful way to build customer loyalty. In fact, many of our community-oriented programs bring together Staples associates, customers and vendors in partnerships more enthusiastic and successful than the sum of their parts.



Support for educators

Staples enabled customers to celebrate and recognize the impact teachers have had in their lives through a "Teacher Call Out" program. Through this program, students contacted radio stations to nominate the teachers who have inspired, motivated and made a difference in their lives or communities. More than 90 radio stations around the United States provided teachers with on-air recognition. Each educator also received Staples gift cards to help purchase much-needed resources for their classrooms.

Cause marketing

We've found cause marketing to be a great way to bring together customers, associates and partners in community-building endeavors. In 2010, we conducted the third annual [Staples/Do Something 101 School Supply Drive](#) in partnership with DoSomething.org. This program empowers teens nationwide to host collection drives and donate much-needed school supplies to youth around the country. Staples retail customers are also invited to participate by donating new supplies or giving \$1 at checkout.



Another example in 2010 was the sale of the Pink Ribbon uni-ball 207 Breast Cancer Awareness pen. Staples associates encouraged customers to buy the pens and, together with Sanford (the pen manufacturer), donated \$100,000 to [City of Hope](#), a leading research, treatment and education center for cancer, diabetes and other life-threatening diseases.



Social media: cause for contributions

As our cause marketing campaigns demonstrate, small contributions can add up to make a big difference, and social media now offers us yet another way to engage our customers. In 2010, we asked the public to "vote" a donation to their favorite among our charitable partners by becoming a follower of [Staples on Twitter](#). The effort netted more than \$50,000 for our partners such as BGCA, Earth Force and Ashoka and highlighted their programs to a new audience.

Banco Escolar: back to school in Portugal

As part of their back to school campaign, Staples Portugal developed an innovative customer donation program called "School Bench." The initiative partnered with non-profit organization [Entrajuda](#) and ensured that disadvantaged students received a school kit filled with necessary school supplies.

For every customer that became a new Staples Portugal Facebook friend from August 23 to September 13, 2010, Staples donated €0.50 to the School Bench initiative. Customers were also invited to make in-store donations of €1 or €2. Staples Portugal set an ambitious target of donating 600 school kits worth €25 each. After enough new Facebook friends donated 275 kits, Staples contributed funds to donate the remaining 325 kits. Also, in recognition of the success of the program, Banco Escolar was accepted to [Facebook Studio](#), home of the best campaigns to run on Facebook.

In 2011, Staples will extend the program to allow customers in retail stores to make in-store donations of €1 or €2 to increase the impact of the initiative.

Staples Portugal also made sizable donations of obsolete stock to Portuguese educational charities that work with children. In 2010, Staples Portugal centralized its product donation process and was able to donate a large inventory of products, due in part to associates' volunteer efforts. In total, Staples made 39 donations to 32 institutions across the country, distributing products according to the needs and requests of each organization.



Gift cards, donations and more

In addition to Staples Foundation grants, Staples provides charitable donations to 501(c)3 non-profit organizations engaged in educational and youth-focused projects and events. If your organization fits within our focus area, stop by your local Staples store and speak with the general manager about how they can support your community organization. All requests are evaluated by your local Staples store and decisions are made at the discretion of store management.

Supporting non-profits in Argentina

In 2010, Staples Argentina identified community outreach as a key focal point for its corporate responsibility work. Knowing that many community-based non-governmental organizations (NGOs) turn to Staples for their office support and supply needs, Staples Argentina offered a 20 percent discount to all self-identifying NGOs. In the past year, more than 120 NGOs were supported by this initiative, amounting to a total of 150,000 pesos in Staples support.

In 2011, Staples Argentina will continue to offer a 20 percent discount to NGOs. Staples will also put in place more formal processes to verify the identity and NGO status of the participating organizations and promote their transparency and good practices.

We Care gift cards

Staples stores are able to support non-profit organizations making a positive difference in the local community through We Care gift cards. These gift cards enable non-profit organizations to obtain supplies from Staples needed to make a community event or program a success. In 2010, our U.S. stores donated more than \$330,000 in the form of We Care gift cards to nearly 4,500 non-profit organizations across the country.



In-kind product donations

Staples stores are able to donate eligible products to help an organization's administrative needs. Your local Staples store manager can answer any questions about product availability and your organization's eligibility.

Turning "obsolete" products into valuable resources

A warehouseful of perfectly usable office products might have ended up in local landfills but for the thoughtful action and "Soul" of Staples associates.

The products were rendered obsolete as they carried the Corporate Express logo and other legacy brands. Rather than throwing them away, Staples identified three organizations to which it donated tens of thousands of ring binders, mousepads, manuscript books and other products. The recipients were based in the Netherlands and the United Kingdom, and included:

- A local school in a disadvantaged area
- Biblionef, a local organization that provides aid to youth across the globe
- Borderline Books, a non-profit organization that distributes materials for free to those in need

Through these organizations, the donated products were distributed to children in need. As a follow-up to this important effort, Staples will distribute thousands of pens to the same organizations.



Cause marketing

Staples supports youth and education programs through a variety of cause marketing programs that enable our customers to show their support and make a difference.

We donate proceeds from sales of the Staples Easy Button®, up to \$1 million each year, to [Boys & Girls Clubs of America](#) in the United States. In Europe, proceeds support [TakingITGlobal's Tread Lightly program](#).

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Overview

At Staples, our vision is to generate business and environmental benefits — for ourselves, our customers and our communities — by leading the way in sustainable business practices.

We're working to achieve this vision through a continued focus on sourcing more sustainable products; improving our offering of recycling and other green services; maximizing our energy efficiency and renewable energy use; and eliminating waste.



Our strategy for sustainability

Over the course of 2010, we worked hard to develop and begin the implementation of a new overarching sustainability strategy. This strategy focuses on the ways we can have the greatest beneficial impact on the

environment while also meeting the needs of our customers and our business.

Five pillars constitute the foundation of Staples' sustainability program:

- Selling more sustainable products and services
- Offering easy recycling solutions for our customers
- Eliminating operational waste
- Maximizing energy efficiency and the use of renewable energy
- Becoming a sustainability leader in the global community

We have started to set goals and develop metrics to measure our progress in these areas. Our goals and progress to date are presented in this section, and we have also included a summary of our targets in the Goals section of this site.

Our sustainability efforts are managed by the Vice President of Environmental Affairs who oversees all environmental issues. In the past, this officer reported to Staples' General Counsel. In 2011, however, this officer began reporting to the Staples President of North American Delivery, a member of the Executive Committee who reports to the CEO.

The Vice President of Environmental Affairs has global responsibility for sustainability and provides periodic updates on environmental performance to the Board of Directors. The Environmental Affairs department collaborates with other associates in the U.S. and internationally, including associates in real estate and construction, energy management, merchandising, Staples brands group, supply chain, marketing, and internationally-based corporate responsibility and environmental colleagues..

The Environmental Department also works closely with the Supplier Collaboration department, which is responsible for implementing Staples' supplier sustainability partnerships and innovations in product packaging, manufacturing and distribution. Led by the Vice President for Transportation and Supplier Collaboration, the Supplier Collaboration department includes Lean Six Sigma Black Belts and a packaging engineer. The Supplier Collaboration team receives strategic direction on sustainability initiatives from a Sustainability Steering Committee composed of a cross-functional team of Staples senior executives from merchandising, environmental affairs, marketing, Staples® brand and supply chain.

Many of our International business units have devoted significant effort to obtain and maintain ISO 14001 certification. Sites across Germany, Denmark, Sweden, the UK, the Netherlands and, most recently in 2010, Portugal have all exceeded the stringent criteria required for certification in this independent, internationally standardized system for environmental management. We expect that our Australian and Norwegian operations will achieve this milestone in 2011.

Raising internal awareness

We seek to ensure our associates understand how we are working to make it easy for our customers and employees to make a difference for the environment. We provide regular highlights on environmental issues in various newsletters and internal communication vehicles, in North America as well as Europe, Australia and New Zealand.

Given the importance of ensuring that all Staples associates understand their role in contributing to meeting Staples' business and sustainability objectives, we are coordinating with the Human Resources department to develop global internal communications strategies for sustainability. We started to distribute presentations and other communications materials at the end of 2010, with the ultimate goal of reaching all salaried associates by the end of 2012. At the same time, we are developing hard copy materials for associates who may not have regular access to a computer. We have been receiving frequent requests for sustainability highlights and news items to be included in local and regional internal newsletters — an indication of rising associate interest in sustainability.

Staples Australia takes simple steps

In September 2010, Staples Australia introduced the Simple Steps Program, a monthly opt-in electronic newsletter that looks at different ways to be sustainable in the workplace. Covered topics range from sustainable cafeteria choices and sustainable printing to sustainable organizing and filing. The program also provides information that account managers can pass on to customers about sustainable product choices and the certifications that apply to them, as well as simple steps that customers can take to improve their own sustainability performance.

2010 performance highlights

- To accelerate our commitment to product sustainability, in October 2010 we launched a “Race to the Top” with key suppliers. Designed to drive eco-innovation in product manufacturing, packaging and distribution, this program challenges suppliers to compete not only in delivering superior product quality, cost and features, but also in finding innovative solutions for packaging, product design and manufacturing that significantly reduce environmental impacts.
- During the year, we recycled more than 63 million ink and toner cartridges and 10.4 million pounds of technology waste in the United States.
- Our U.S. electricity use per square foot decreased by 12 percent from 2007 to 2010 due to our ongoing energy conservation work.
- As of the end of 2010, 125 Staples facilities in the United States had received the ENERGY STAR® for buildings certification.
- Our work in 2010 earned Staples the coveted EPA ENERGY STAR Partner of the Year for Energy Management title for 2011, a distinction shared by only two other retail companies.
- Staples has 53 all-electric trucks making deliveries to customers in multiple markets in the United States. The trucks meet all of our performance requirements while reducing fuel costs and air pollution.

Environmental goals and progress

	Vision	Goal(s)	Progress
Sell more sustainable products and services	Offer our customers only sustainable product and service choices.	Develop and implement more robust systems to measure sales of greener products and report on sales starting in 2012.	We are working to improve our capabilities to consistently track and report this information both in the United States and internationally.
Offer easy customer recycling solutions	Recycle the equivalent of 100 percent of the technology products we offer.	By 2020, recycle 100 million ink and toner cartridges each year across all operations.	More than 65 million ink and toner cartridges were recycled in the United States and Canada in 2010. We are still finalizing international data to report a global figure.
		By 2020, recycle 40 million pounds of Waste each year globally.	More than 10 million pounds were recycled in the United States in 2010. We are still finalizing international data to report a global figure.
Eliminate operational waste	Achieve zero waste in our operations and help our customers to minimize their operational waste.	Reduce the use of packaging materials in the United States by 20 percent by 2020 from a 2010 baseline.	We are still working to baseline our 2010 packaging. Based on packaging assessments conducted to date, we believe there are significant opportunities for packaging reduction across a variety of product categories and in our outbound packaging.
		Reduce waste to landfill by 25 percent globally by 2020 with 2010 as a baseline.	Total waste to landfill in United States in 2010 was 31,200 tons. We are still finalizing international data to report a global figure.
Maximize energy efficiency and renewable energy	Achieve zero carbon emissions in our operations and help our customers pursue the same goal.	Improve Staples' U.S. fleet fuel economy from a 2010 baseline by 15 percent by 2015.	2010 fuel economy of U.S. truck fleet was 10.0 miles per gallon.
		Reduce the electrical intensity of our global operations by 25 percent by 2020 from a 2010 baseline.	Our current electrical intensity in the United States is 11.2 kWh per ft2. We are still finalizing international data to report a global figure.
		Ensure that 50 percent of our active locations in the United States achieve ENERGY STAR certification	As of the end of FY 2010, 125 locations, or 7 percent of our U.S. active locations, were ENERGY STAR

by 2020.	certified.
Reduce global carbon emissions by 50 percent by 2020 from a 2010 baseline.	Current U.S. emissions are 286,900 MtCO ₂ e. We reduced carbon emissions by 30 percent in the United States from our 2001 baseline. We are still finalizing international data to report a global figure.

Helping customers make greener choices

In our stores and online, Staples offers our customers more than 4,500 products with positive environmental attributes. These include recycled products, paper products from certified responsibly managed forests, recycled and refillable writing instruments, ENERGY STAR® qualified office technology products and eco-certified cleaning products that use safer and greener ingredients. When customers shop at staples.com® as well as our other online ordering platforms globally, they can filter by these attributes to find greener products that meet their needs.

Vision

Offer our customers only sustainable choices by building sustainability into all of our products and services.

Focus areas

- Sustainable packaging
- Staples® brand products and supply chain
- Vendor-branded products and supply chain

Goals for 2011 and beyond

- Reduce the use of packaging materials in the United States by 20 percent by 2020
- Improve capabilities to track and report on sales of more sustainable products and develop sales targets for specific product categories by 2012

Making it easier for customers to find greener products

Staples is making it easier for business customers everywhere to identify environmentally preferable products. In 2010, for example, Staples Australia launched the [Go Green Guide](#), which contains product information for more than 1,500 EarthSaver-classified products. The Guide also includes:

- Facts and figures demonstrating the effect businesses can have on the environment by using environmentally preferable products
- Certification labels throughout to help businesses identify certified products
- An action plan that provides Australian businesses with simple steps for creating a greener workspace



We've also invested in launching more sustainable products under various Staples® brand names. For example, we offer an assortment of Sustainable Earth by Staples™ products designed to integrate leading environmental features, such as cleaning products that reduce the use of harsh chemicals, and paper made from sugarcane waste.

Using eco-labels to identify sustainable products

We continually evaluate the criteria we use to identify products as more environmentally sustainable. For example, Staples Austria has integrated the consideration of the "Österreichisches Umweltzeichen" eco-label into its qualification criteria for sustainable

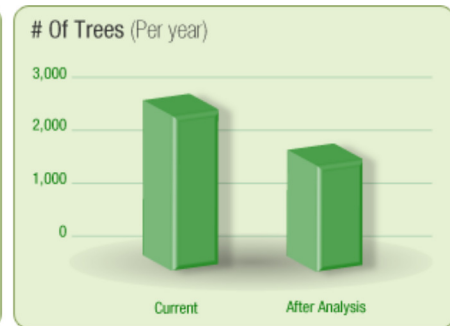
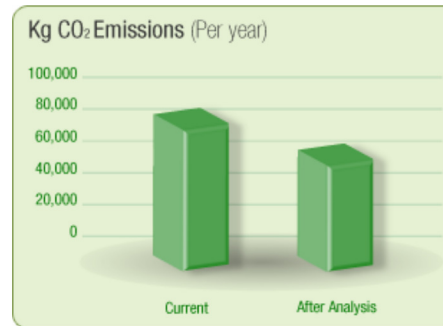


products. This prestigious eco-label is administered by the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management, and has high visibility and recognition within the Austrian market.



- By integrating this eco-label and preferentially sourcing products meeting its standards, Staples Austria supports locally sourced environmentally responsible goods and aligns to the national government-approved standards demanded by customers.

Helping “small order” customers reduce their environmental impact



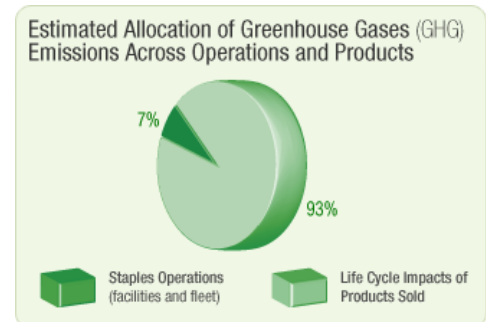
In 2010, Staples launched a Small Order Reduction Initiative with our International Account Team. Small orders are less profitable for Staples, more costly for customers and also highly inefficient as they increase ours and our customers' environmental impact through unnecessary packaging and deliveries. The Small Order Reduction Initiative helps customers consolidate multiple small orders into less frequent, larger orders. Our sales teams are equipped with informative tools such as a Small Order environmental calculator to show customers the benefits of consolidating orders, including minimized carbon emissions and waste.

In 2011, the Small Order Reduction Initiative is being expanded to a focused campaign rolled out across Europe. Specifically, Sweden, Poland, France, Germany, the UK and the Netherlands will implement the new approach with their Staples Advantage® customer base.

Taking the next step

While we've made many investments over the years in improving our sustainable product offerings, we realize we could do much more by engaging with our suppliers and addressing the impacts associated with our Staples® brand products:

- Through an analysis conducted for Staples in 2010, we discovered that more than 90 percent of our overall carbon footprint across our entire supply chain is embedded in the products we sell, with less than 10 percent resulting from our operations (e.g., facility energy use and fleet operations).
- At the same time, we modeled the potential benefits of packaging improvements across our key suppliers. We found that, together with our suppliers, we could realize significant financial and environmental savings by focusing on improving the packaging for the products we sell and the shipments we make.



Those findings, combined with continued evidence of increasing customer demand, led us to make the development of more sustainable products and packaging a central focus of our new sustainability strategy. We kicked off the strategy — the supplier “[Race to the Top](#)” — at our Retail Supplier Summit in Boston in October 2010.

The “Race to the Top” sustainability initiative challenges our suppliers to reduce the environmental impacts of what they produce through innovations in packaging, product design and manufacturing — including Staples® brand product lines.

“Today, Staples offers customers several thousand eco-conscious products that not only differentiate the Staples®

brand, but also allow us to grow profitably and responsibly. Last fall, we rolled out a new strategy to drive sustainability innovation in product manufacturing, packaging and distribution by challenging our key suppliers to join us in a 'Race to the Top.' Going forward, sustainability will join price, quality and service as the key factors driving purchasing and assortment decisions."

— Ron Sargent, Chairman and CEO, in the Staples 2010 Annual Report

As a first step, we've asked our top suppliers to make environmentally sustainable packaging a priority in 2011 and beyond. Excessive and unsustainable packaging drives up costs, wastes resources and burdens our customers with packaging waste that they then must either recycle or throw away. By reducing packaging volume and using more sustainable packaging materials, we're asking our suppliers to help us ease the burdens that our entire industry places on natural resources and the environment.

We recognize that there are a number of challenges to developing sustainable packaging in our industry. We are already working with our suppliers to overcome them. Such challenges include:

- Protecting the product from damage and theft, and ensuring that we can effectively market the product in stores while minimizing the amount of packaging.
- Lack of alignment and competing priorities across retailers regarding sustainable packaging directives for their suppliers.
- Overcoming concerns about loss of shelf space relative to competitors, and existing beliefs such as "the package has to sell the product."

"Working with Staples on the 'Race to the Top,' we have found innovative ways to reduce nonessential packaging and enhance sustainability while providing Staples' customers with quality packaging in the papers they have trusted for over 25 years."

— Ned Spangler, IP Packaging Manager for Staples® Brand and Jeff Metzgar, IP Sales Manager

Measuring product sustainability

Starting in late 2011, we will also work with several of our largest suppliers to drive increased sustainability in those product categories that we believe, based on previous analyses, have the greatest environmental impacts of all the products we sell to our customers. This collaboration will be a major effort, starting with the creation and implementation of scorecards and metrics for measuring product sustainability. We are committed to working through the many challenges of developing a more sustainable product assortment for Staples customers, including:

- Defining what makes a product more sustainable. Our intention is to focus on "what matters most" within specific product categories. This means taking a holistic approach to identify and focus on reducing the greatest environmental impacts of the product across its life cycle, from raw materials extraction and manufacturing to use and end of life.
- Establishing effective incentives to embed sustainability into our purchasing decisions.
- Finding cost-effective ways for our suppliers to integrate sustainability into the products we purchase so that we can offer customers more sustainable products at competitive prices.
- Ensuring that we are aligned with the interests and needs of customers, suppliers, emerging industry standards and other key stakeholders.
- Overcoming customer confusion about what makes a product "green."

Scorecards for accountability

During 2011 and in the years to come, we will develop and implement scientifically credible sustainability scorecards for packaging and products with input from suppliers and other relevant stakeholders. The scorecards will be quantitative and focused on "what matters most" to drive sustainability in packaging and specific product classes. As a result, the scorecards will give us a systematic way to evaluate progress among our suppliers, and factor in sustainability attributes when determining which products to offer to our customers.

Sustainable paper-based products

We source and sell millions of tons of paper products each year. It is important to us and our customers that these products not only perform well, but are also sourced and manufactured in a sustainable manner.



Our [Sustainable Paper Procurement Policy](#) establishes our commitment to increasing the sustainability of our paper products and defines our expectations for suppliers of paper-based products. We updated this policy in January 2010 to reflect our objective to increase our sourcing of products that minimize environmental and social impacts throughout their life cycle and that are certified to the Forest Stewardship Council (FSC) standard.

In 2010, we continued several initiatives to support the objectives in the policy. Through our partnership with [Rainforest Alliance's SmartSource](#) program, we supported the Alliance's efforts to develop a Web-based sustainability sourcing evaluation tool for wood and paper products. This online evaluation is based on existing analytical tools the Alliance had already developed, but is designed to be easier for larger companies to manage and track progress. We anticipate that the tool will be ready for launch in late 2011.

Internally, we're also working to improve our ability to more accurately measure and quantify the sales of paper products with particular sustainability attributes. We still can't report in detail on our paper sales, but we are working to implement a better, more comprehensive reporting system and have it in place starting in 2012.

What is FSC certification?

The [Forest Stewardship Council \(FSC\)](#) is a global non-profit standard-setting and certification organization whose mission is to promote environmentally appropriate, socially beneficial and economically viable management of the world's forests. Its chain-of-custody processes track certified material throughout the production process, from the certified, responsibly managed forest or recycling location to the consumer, including all successive stages of processing, transformation, manufacturing and distribution.



FSC-certified products are recognized globally as meeting the most stringent requirements for promoting the responsible management of the world's forests.



One of the challenges of shifting our paper purchasing to mostly FSC-certified stock is the difficulty of finding enough certified fiber in the areas where we source paper, particularly in the southeastern United States. In response to this challenge, Staples and the Dogwood Alliance announced a program called [Carbon Canopy](#) in October 2009. This multi-stakeholder effort engages other conservation groups, wood products companies and landowners to protect forests, combat climate change and help develop sources of FSC-certified paper and wood products. The goal is to create financial incentives for private landowners to increase forest conservation and restoration efforts and work toward FSC certification.

In 2010, Carbon Canopy made considerable progress in increasing membership and also in establishing a valid and credible carbon value for forest conservation and restoration efforts undertaken as part of the initiative. The group has identified a 20,000-acre pilot site that is currently undergoing an evaluation by the Pacific Forest Trust and FSC. Over the next year, members plan to hold initial meetings with carbon market specialists to evaluate opportunities to make an initial sale of carbon credits.

We're actively promoting sustainable paper sourcing in our supply chain as well. Paper products will be a focus of our product sustainability efforts under our "Race to the Top" initiative in 2011 and beyond. To help direct our merchants to more sustainable paper choices, we anticipate testing and launching a paper scorecard that leverages the work we've done with the [Environmental Paper Assessment Tool \(EPAT\)](#), a project of [GreenBlue](#). We believe that EPAT will enable us to evaluate one of the most important elements of "what matters most" for paper, which is environmental efficiency at the paper mill level.

Combined with our work with the Rainforest Alliance's SmartSource program, [WRI's Forest Legality Alliance](#) and the Carbon Canopy, we believe our improved paper procurement policy and "Race to the Top" initiatives position us to address the most important and globally relevant sustainability issues related to paper products.

We will continue to work closely with our suppliers to ensure they are taking action to improve their forest-management practices, protect endangered and high conservation-value forests, and develop more sustainable products.



Staples wins Swedish "Green Supplier" award

In March 2011, the Swedish government's export organization, The Swedish Environmental Management Council, recognized Staples Sweden AB with its Excellent Green Supplier award. The Council cited Staples for its "clear ambition and commitment to...environmental work,...environmentally conscious product choices in the purchasing process...[and a] product selection [that meets] customers' environmental demands."

This is the fourth time the award has been made by the Council.

Copy & Print services

We are also making it easy for Staples customers to make more sustainable copies. Since March 2008, Staples® Copy & Print Centers have used 50 percent post-consumer recycled FSC-certified paper as the standard offering for high-speed black & white copying. In fact, 64 percent of all copies produced at Staples in the United States in 2010 were made on FSC-certified paper, and 28 percent of copies were made on paper containing post-consumer recycled fibers.



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Providing easy technology recycling programs

Staples offers a variety of recycling solutions for our customers, including recycling of rechargeable batteries, ink and toner cartridges, mobile devices, laptop computers and other electronics.

Recycling programs are a win-win-win for our customers, the environment and Staples. Our customers enjoy a convenient and free or low-cost opportunity to responsibly dispose of used technology products; the refurbishing or recycling of products helps reduce the burdens of mining and prevents landfill waste; and, as a company, we build customer loyalty.

Vision

Recycle the equivalent of 100 percent of the technology products we sell.

Focus areas

- End-of-life technology solutions
- Continued leadership in ink and toner recycling

Goals for 2011 and beyond

- Annually recover and recycle 100 million ink and toner cartridges globally by 2020
- By 2020, collect 40 million pounds of eWaste for recycling each year across our global operations



Electronic waste recycling

Recycling electronic waste (eWaste) in a responsible manner helps capture metals, plastics and other recoverable materials while ensuring that hazardous components such as lead and mercury are properly managed. Staples works with electronics recycling vendors that are pursuing or have earned certification to the [E-Stewards Recyclers Program](#) standard or the [EPA Responsible Recycling](#) standard. Both standards seek to ensure that facilities responsibly handle and recycle eWaste. Vendors working with Staples have also certified their facilities to the ISO 14001 environmental management standard.



In 2010, Staples stores held several trade-in, trade-up events that focused on printers, shredders and several other devices. These events encourage customers to bring in a used product to be recycled at no charge while earning a coupon toward the purchase of a qualifying new device. We've found that these events drive recycling volumes and sales of new products. As such, we plan to continue to offer these trade-in recycling events.

Staples UK helps customers turn old computers into new

In November 2010, Staples UK introduced an initiative to allow customers to turn in their old computer in exchange for a £60 voucher toward the purchase of a new one from Staples. In order to qualify for the voucher, customers followed a simple process to request recycling, and a UK Staples store associate returned the computer to our partner, Anovo.

Anovo is a leading specialist in repair and regeneration of technology products; once products are received, they are refurbished and rebuilt for resale. Customer data security is ensured through the use of British government defense-certified "KillDisk" software to completely erase the hard drives. Any machines that are beyond repair are broken down and fully recycled.

Since the start of this initiative in November 2010, we have recycled a total of 3,200 computers, with 95 percent of customers using their vouchers for a new computer sale through the Staples UK business.

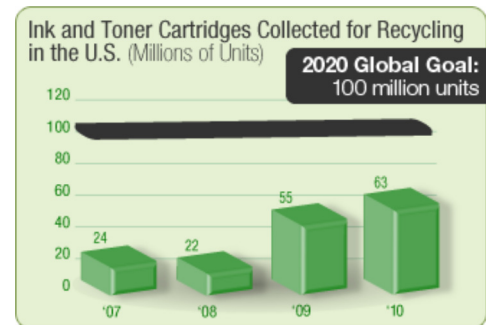
Ink and toner cartridge recycling

Staples encourages our customers to take advantage of our [ink and toner recycling services](#) and help protect the environment. In addition to reducing waste going to landfills, and saving resources, our retail customers in the United States receive \$2 back in Staples Rewards® for any brand of ink or toner cartridge they return to our stores, up to 10 cartridges per customer each month.

In 2010, we introduced our successful ink and toner recycling program to our Staples Advantage® customers. Launched in 2009, the program allows our drivers to pick up ink and toner cartridges for recycling directly from customers when delivering their office supplies.

Our customer-based recycling efforts extend across our global operations. A few examples are highlighted below:

- In Canada, we support a Recycle for Education campaign with each eligible ink and toner cartridge recycled in our retail stores. In 2010, more than 2 million cartridges were collected from retail locations. Since its inception in 2004, the program has raised more than \$2.7 million for public schools in Canada. We have a goal of collecting 2 million ink and toner cartridges in 2011 through the program. Staples also collects ink and toner cartridges from our Canadian Staples Advantage business customers through driver pickup programs.
- In the U.K. we support ChildLine, a non-profit organization that provides counseling services for children and young people, with £1 donated for each cartridge, plus a discount extended to customers for a future purchase.
- Staples Australia also has a program for delivery customers linking charitable donations to ink and toner recycling.



Recycling supports charities in Belgium and the Netherlands

Staples Belgium has partnered with Recyca, a printing supplies recycling company, to create a unique charity support scheme with [Beyond the Moon](#), an organization that provides and organizes vacations for seriously ill children and their families. The scheme helps Staples reduce the environmental impact of its own and its customers' operations by ensuring that customer waste, such as ink and toner cartridges, is recycled, reused or properly disposed of. Recyca provides this service for free but for certain products a small fee is charged to customers, which Staples in Belgium has decided to donate to the Beyond the Moon charity.



Similarly, Staples in the Netherlands operates a customer program that collects mobile phones and ink and toner cartridges. The proceeds from this recycling program are donated to UNICEF. Plans are being made to expand this program to retail stores in the months and years to come.

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Focusing on waste reduction and recycling

Just as we encourage customers to use eco-conscious products and recycle old equipment, we look to reduce, reuse and recycle in our stores and across our operations. These efforts benefit our bottom line as well as the environment.

In addition to having requirements and procedures in place at all our facilities for the recycling of cardboard, mixed paper, shrink wrap, pallets and other items, we continue to implement new initiatives to promote recycling by our associates. For example, Staples Australia developed and implemented the “@desk Waste Education and Management Program” in 2010 to help associates manage office-based waste. The program was implemented across all Staples Australia sites, and provided waste management options for “at-point-of-disposal” desk-based recycling accompanied by educational material.



Vision

- Achieve zero waste in our operations and help our customers minimize their operational waste.

Focus areas

- Zero-waste stores, warehouses and office facilities

Goals for 2011 and beyond

- Globally reduce the amount of waste we send to landfills 25 percent by 2020 from a 2010 baseline

Over the past several years, waste generation has continued to increase in the United States on an absolute basis despite efforts to increase our waste minimization and diversion efforts. Part of the increase is due to improved estimation of waste generation from sites not serviced by our largest waste providers. We recognize, however, that there is much more we could do to reduce waste across Staples.

To help understand and reduce waste generation, we kicked off a Lean Six Sigma Black Belt project in late 2009 to evaluate all sources of waste at our U.S. retail stores. The project has a goal of saving 10 percent in waste disposal costs compared to the 2009 baseline. After identifying several waste diversion and minimization opportunities and best practices, we started rolling out the program in a phased approach in 2010. So far we have found that in most cases, participating stores have been able to cut the pickup frequency of their waste containers in half through increased recycling diversion. These best practices will continue to be extended to more than 1,000 locations in 2011, and we expect to see an improvement in our waste reduction figures as a result.

In our North American Delivery distribution facilities, we've dramatically increased our focus on waste reduction and diversion. We have implemented a number of new and improved processes and have developed communication and reporting tools to drive improvement. For example, we:

- Established capacity utilization targets for both waste and recycling compactors and started to implement waste diversion metrics at all fulfillment centers to benchmark facilities and establish specific facility level goals.
- Conducted waste audits of all fulfillment centers and most service delivery operations (SDOs) to identify diversion challenges and improve recycling in those facilities.
- Made additional recycling equipment investments in



fulfillment centers that needed expanded equipment, which will provide necessary capacity to maximize their recycling activities.

- Developed monthly reporting to help the fulfillment centers manage their waste and recycling programs.

Finally, over the longer term, we fully expect to see benefits from the packaging initiatives implemented as part of our "Race to the Top" strategy with our 23 key suppliers. These additional reductions in materials to be recycled or disposed of will come from shrinking package sizes, allowing more items to fit into cases and optimizing outbound shipments to fit more items.

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Using energy wisely

Staples has been an ENERGY STAR® partner since 1999. A joint program of the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy, ENERGY STAR helps companies like Staples save money while protecting the environment through the use of energy-efficient products and practices.

EPA's ENERGY STAR partnership program offers companies a proven energy management strategy that helps in measuring current energy performance, setting goals, tracking savings and rewarding improvements. The EPA provides an innovative energy performance rating system that has been used with more than 130,000 buildings across the country.

Vision

- Achieve zero carbon emissions in our operations and help our customers pursue the same goal.

Focus areas

- Facilities, fleet and logistics energy efficiency and effectiveness

Goals for 2011 and beyond

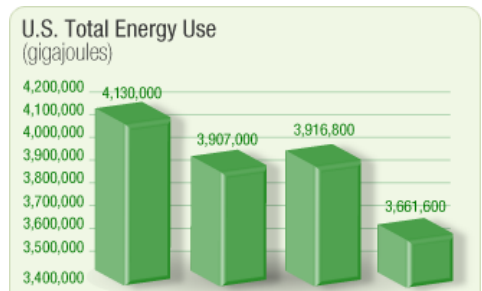
- Achieve ENERGY STAR for buildings certification for 50 percent of facilities in the United States by the end of 2020
- Reduce the electrical intensity in kWh per ft² of our worldwide operations from a 2010 baseline by 25 percent by 2020
- Improve Staples' U.S. fleet fuel economy from a 2010 baseline by 15 percent by 2015
- Reduce absolute greenhouse gas (GHG) emissions globally by 50 percent by 2020, using 2010 as a baseline

In 2010, working in partnership with ENERGY STAR, Staples once again made substantial progress toward sustainability.

- For our work in 2010, Staples was recognized as an ENERGY STAR Partner of the Year for Energy Management for 2011, a distinction shared by only two other retail companies in this awards cycle.
- Staples' ENERGY STAR goal, announced by CFO John Mahoney at the 2010 Edison Electric Institute Conference, is to have 500 facilities designated as ENERGY STAR locations by 2012. A total of 125 Staples stores, warehouses and distribution centers were awarded the ENERGY STAR rating by the end of 2010.

Reducing our energy consumption

Another focus of Staples' energy management effort is our commitment to continuously reduce energy consumption. We anchor these efforts in our KWh Reduction Initiative, which incorporates energy waste elimination, energy awareness training, energy usage metrics, outlier identification and store recommissioning



as fundamentals of superior energy management.

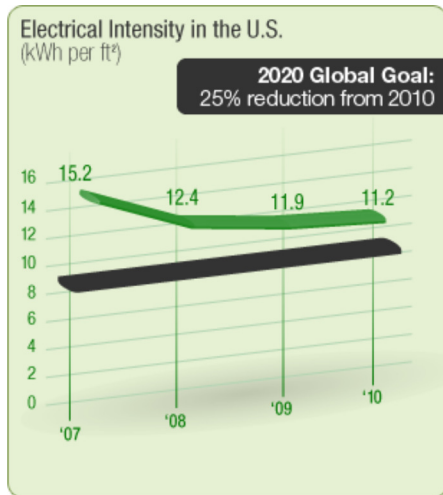
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Under the initiative:

- Since 2008, Staples has retrofitted lighting in more than 750 stores to upgrade from 32-watt T8 bulbs to 28-watt T8s with new electronic ballasts. Additionally, HID lights in our distribution centers have been upgraded with new T8/T5 lights and motion sensors.
- We launched a Lean Six Sigma program to expand the KWh Reduction Initiative to Staples distribution centers in the United States and Canada after pilot sites achieved more than 13 percent energy use reductions. This expansion is anticipated to cut Staples' energy expenses by more than \$2 million per year.
- We expanded our store energy controls monitoring and recommissioning program, a relatively new initiative to reduce electricity consumption by ensuring that the systems that control energy usage in our stores are operating properly.
- We expanded our participation in energy consumption demand response programs, resulting in the elimination of up to 5 MW of load from the grid during peak hours at a savings of \$800,000 in 2010.

Reducing energy intensity

Our goal is to reduce the electrical intensity of our global operations by 25 percent by 2020 from a 2010 baseline. From 2007 to 2010, Staples' energy conservation measures reduced our electricity intensity (kWh per ft²) by 12 percent across U.S. operations over the entire period from 2007 to 2010, saving the company nearly \$9.9 million per year. This energy conservation metric was tracked across sites active in the Staples portfolio as of 2007 and excludes sites added in 2008 as part of the acquisition of Corporate Express. When looking at the entire portfolio across those years, including Corporate Express sites, electrical intensity decreased at an even greater rate, due in large part to the non retail focus of Corporate Express in comparison to Staples, and the operating strategy in the fulfillment facilities that relies less on conveyors, lowering facility electricity use.



Promoting Leadership in Energy and Environmental Design (LEED)

The LEED® green building certification program promotes sustainable building and development practices through a rating system for building projects that implement strategies for better environmental and health performance. Staples was one of the first companies in the retail industry to participate in the LEED program, and in April 2010 we received the U.S. Green Building Council's LEED Gold certification at two of our distribution/sales facilities and two retail stores. We will continue to look to the LEED system (and our own LEED-accredited architects) to promote eco-conscious design at our facilities worldwide.



Our LEED Gold-certified store in Roslindale, MA, uses 35% less energy than the average Staples® store.

Reaching out to associates and communities

Staples spearheads many educational and community initiatives to inspire its employees and the members of the wider community to "think green" about saving energy, including:

- During Energy Awareness Month in 2010, Staples hosted a "Bring Your Green to Work" energy fair at the corporate headquarters. This educational program brought together Staples associates and vendors of energy-efficient products and services to help associates learn to save energy at home and at work.
- At 10 regional kick-off meetings across the United States and Canada during August 2010, we launched the Staples North American Delivery Energy Reduction Program. More than 1,200 employees at Staples

distribution facilities participated in the seminars and were provided with ENERGY STAR assessment tools and communication materials.

- The EEI/Staples Wake Up Kids school energy education program, staffed by Staples volunteers, helped educate more than 1,000 K–12 students last year about the necessity of energy efficiency.
- As a symbol of our commitment to superior energy and environmental management, Staples has developed its own icon of energy efficiency: Wattson. A six-foot-tall fluorescent light character, Wattson is designed to inspire ongoing exploration of new ways to save energy at work and at home. In 2010, Wattson appeared regularly at a variety of events to help educate employees, customers and school children about the importance of energy conservation.

Using alternative sources of energy

Staples uses a multipronged approach to ensure that the company is using energy as efficiently as possible. We also explore opportunities to take advantage of technologies that can reduce our environmental footprint. For example, we continuously evaluate the effectiveness of and adopt those processes and technologies that can lessen our dependence on fossil fuels.

Alternative energy sources

While Staples' energy reduction efforts are contributing substantially to reducing the company's carbon footprint, we're shrinking that footprint even further by increasing the proportion of renewable energy we produce and purchase — producing our own solar power, using fuel cell technology, and participating in the EPA's Green Power Partnership. By 2010, we had reduced our absolute carbon footprint by 30 percent against the 2001 baseline.



Solar

In 2010, Staples added six additional solar sites to its existing 28 sites hosting solar arrays in the United States. These 34 installations have provided more than 30 million kWh of clean energy for Staples' facilities.



Fuel cells

In addition to our aggressive application of solar power, Staples also uses fuel cell technology, of which we were an early adopter. Currently, we operate a 385 kW fuel cell that supplies an average of 80 percent of the base building electrical requirements for our 330,000-square-foot distribution center in Ontario, California. We're also in the planning stages of installing four fuel cells in our distribution center in Rialto, California. The fuel cells in both locations are complemented by solar installations.



Purchasing green power

In 2010, Staples purchased 146 million kWh of green power in the form of renewable energy certificates, equivalent to 20 percent of our total national electricity use. This quantity of green power helped offset more than 158,000 tons of carbon dioxide, equivalent to the annual electricity consumption of more than 13,000 average U.S. homes. We've significantly increased our green power purchase for 2011, with a commitment to buy nearly 339,000 renewable energy certificates, equivalent to an estimated 50 percent of our 2011 electricity use.

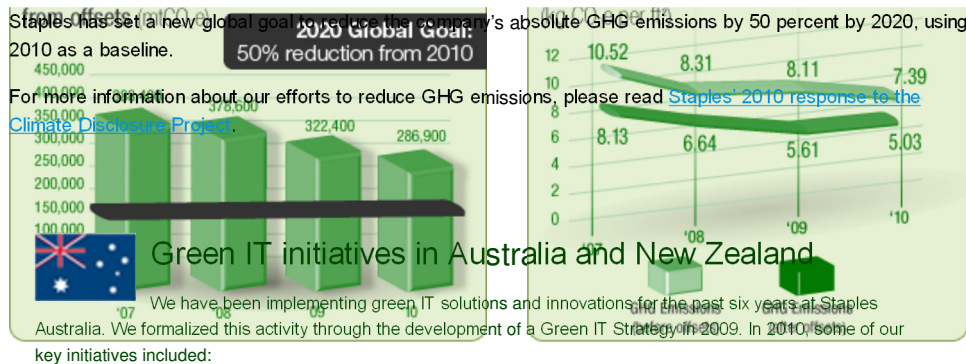


Reducing greenhouse gas emissions

Staples has made great strides in minimizing greenhouse gas (GHG) emissions resulting from our operations. Along with our adoption of renewable generation technologies, our reduction in energy use has been instrumental in helping Staples far exceed our commitment to cut our absolute carbon footprint by 7 percent, as measured against a 2001 baseline, by 2010. In fact, despite our significant growth and acquisitions in recent years, our energy conservation and green power investments have reduced our GHG emissions by 30 percent since 2001 —exceeding our goal by a comfortable margin.

Net GHG Emissions in the U.S. After Reductions

Greenhouse Gas Intensity in the U.S.



- Increasing the virtualization of our servers from 88 percent in 2009 to 96 percent in 2010 (an elimination of 30 servers). Our virtualization programs have reduced our annual CO₂ emissions by 667 tonnes (1,534,752 kWh/year).
- Implementing a hibernation trial for personal computers, reducing our annual CO₂ emissions by 835 tonnes (798,863 kWh/year), which equates to a reduction of 0.34 tonnes of CO₂ emissions per employee.
- Continuing our Green IT Champion program, in which designated associates meet once a month to brainstorm additional ways to reduce our environmental impact.

In recognition of our Green IT initiatives, we were awarded the "Best Green Architecture" award at the ICMG Architecture Excellence Awards in 2010.

Working toward Carbon Trust accreditation

Staples in the UK and Ireland is pursuing Carbon Trust accreditation. Our progress to date includes establishing a recorded carbon footprint across all business units for the past three years (as part of the statutory UK-based Carbon Reduction Commitment). All Staples facilities have exceeded expectations by installing devices to monitor and record electricity consumption every 30 minutes. This measurement aids in the management and accountability of Staples' energy consumption, and allows us to identify ways to increase our facility efficiency. The final step to accreditation will be to demonstrate an average carbon output reduction over a three-year period, a goal we will work to meet in 2011.

Fleet efficiency

We electronically limit the top speed of our delivery fleet trucks to 60 miles per hour and employ idle management technologies to shut off engines after three minutes of idle time. These and other initiatives have improved fleet fuel economy 18 percent since 2006. In 2010 we saved 724,000 gallons of fuel and reduced CO₂ emissions by 8,000 tons in the United States.



We are making fleet efficiency improvements across our global operations as well. For example, in Germany, Staples has taken measures to reduce the impact of its vehicle fleet by purchasing more efficient vehicles, training drivers on how to save gas, and incorporating vehicle maintenance and driving tips into regular internal communications.

Electrifying the Staples fleet

Staples ordered 53 electric delivery trucks in 2010 — the first of their kind to join our fleet. We were also one of the first major U.S. companies to do so. Ten of the trucks were placed in service in Ohio; 30 in California; six in the Atlanta, Georgia area; three in Texas; three in Portland, Oregon; and one in Kansas City, Missouri. The trucks cost about \$30,000 more than equivalent diesel-powered vehicles, but the extra expense will be quickly recovered; in fact, electric vehicles can provide greater savings to businesses than to consumers compared with diesel or gasoline models, in both fuel and maintenance costs. In addition, in May 2009, Staples applied for and was granted Federal Stimulus money through the Clean Cities Grant coalition. This funding will cover 50 percent of the actual cost of alternatively powered vehicles.



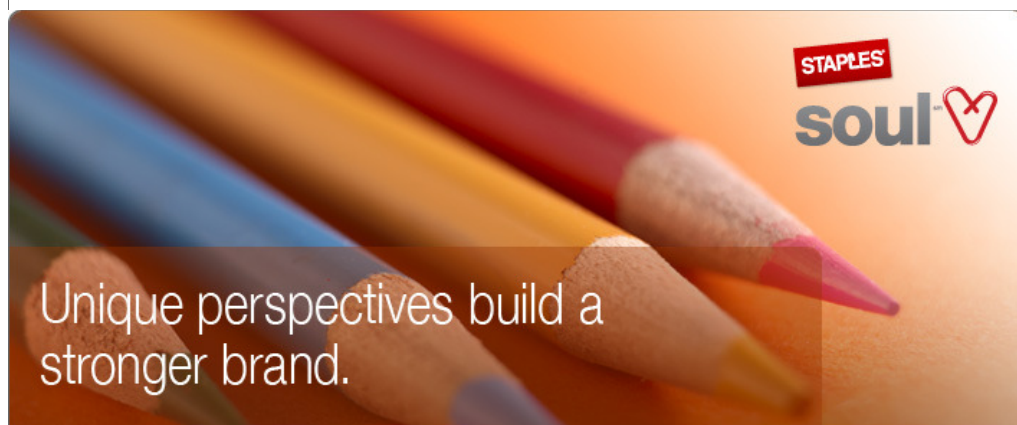
Each of the electric delivery trucks will run a daily route of less than 70 miles before recharging at night.

We are evaluating additional fleet efficiency initiatives, including:

- Additional hybrid vehicle testing (to begin in early 2011 in partnership with Eaton and BAE Systems)
- Installation of advanced idle-reduction technology
- Engine horsepower reduction to minimize fuel consumption
- Transmission change-over to a fuel-efficient double-overdrive transmission for all new trucks to reduce engine rpms and fuel consumption

Through better planning, we reduced truck miles traveled between warehouses and stores in the United States by 2.6 million miles in 2010, significantly reducing fuel use and associated CO2 and other emissions.

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Overview

Staples operates in 26 countries, each with a rich, unique history and culture. We are fortunate to be able to draw upon the global talent pool made accessible by this international reach, as we benefit greatly from the diverse backgrounds, perspectives and experiences of our associates and suppliers worldwide. We understand that their contributions are a major source of strength for our company and will position us for success for many years into the future.



Staples Diversity Statement

We've built a great company by embracing the differences of our associates, customers and the communities we serve. And our commitment to diversity will grow even stronger as we build the Staples of the future.

Our goal is to reflect the faces of our customers in every market where Staples has a presence. Only then will we achieve our vision of being the world's best office products company.

A handwritten signature in black ink that reads 'Ron Sargent'.

Ron Sargent
Chairman and CEO
June 22, 2010

In order to ensure that we're effectively managing for diversity at Staples, we have set up structures and functions to oversee and guide our diversity activities. Most of all, we're focused on attracting and retaining diverse associates across our global operations, specifically with regard to gender and minority diversity in our management and executive ranks. We seek to emulate the success we've already achieved in establishing a truly diverse board of directors.

In 2010, we created a Global Diversity Council composed of 15 business leaders representing business operations worldwide. The Council is chaired by Staples Chairman and CEO Ron Sargent and oversees company

diversity strategies and metrics. Day to day, our diversity programs and initiatives are managed by the Director of Diversity and Inclusion, who reports to the Executive Vice President of Global Human Resources.

As part of our systematic approach to increasing diversity, we have established processes to track our current performance and to identify areas of particular opportunity or concern. In the United States, for example, we monitor our progress on a quarterly basis using six key metrics for minorities and women, including:

- Percentage of total workforce
- External hires
- Percentage at leadership levels
- Internal movement
- Voluntary turnover
- Regretted turnover (turnover of associates falling into the top 50 percent of performance rankings)

We distribute a diversity scorecard reflecting these six metrics, broken down by functional areas and business units, to senior business leaders and the Global Diversity Council. The scorecard findings help shape our recruiting and retention strategy throughout the year.

In addition to tracking current performance and taking action in response to trends and opportunities, we proactively incorporate a focus on diversity and inclusion in Staples training activities. We include diversity information in programs ranging from the New Hire Orientation — required of all new associates — to Staples LearningXchange programs, which help prepare managers and senior executives to manage effectively in diverse workplaces.

2010 performance highlights

- One of 25 Noteworthy Companies in Diversity 2010 — DiversityInc
- Perfect score of 100 percent on the Human Rights Campaign corporate equality index
- Ranked #7 out of 100 companies in Massachusetts for female board representation and female executive representation
- Top 10 Best in Class for Board Diversity & Retention — Diversity MBA Magazine
- Ranked #16 on the "50 Out Front Companies for Diversity Leadership" (up from #29 in 2009) — Diversity MBA Magazine
- Employer of Choice Award (Diversity & The Bar) — Minority Corporate Counsel Association, December 2010
- 2020 Women on Boards Winning "W" Company
- Nominated for Corporation of the Year, Greater New England Minority Supplier Diversity Council

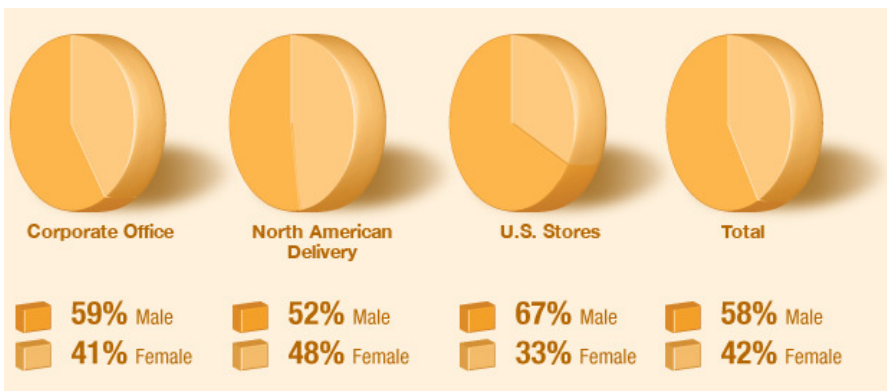
Goals for 2011 and beyond

- Expand the "Business Woman of the Year" competition, which originated in Australia, to the United States, Canada and the United Kingdom in 2011–2012
- Expand Associate Research Groups (ARGs) to additional groups and geographical areas, and promote participation in ARGs among associates based in the field
- Increase women and minority representation in the exempt employee, management, executive and senior leadership ranks
- Extend mentoring and other employee development programs to more locations worldwide

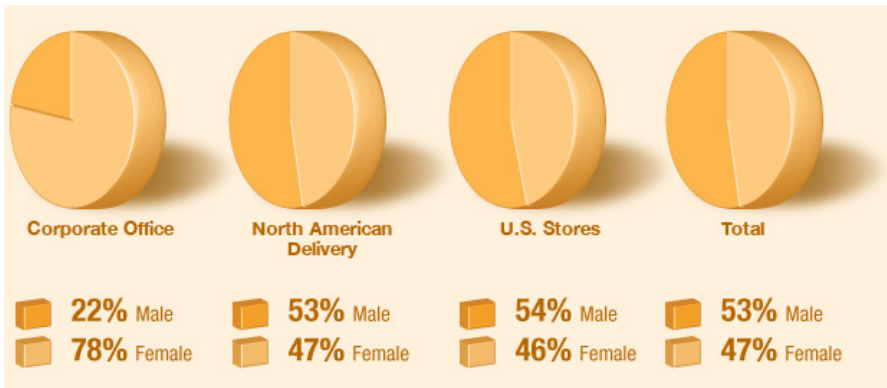
Ethnic and gender diversity in the United States

U.S. Gender Diversity

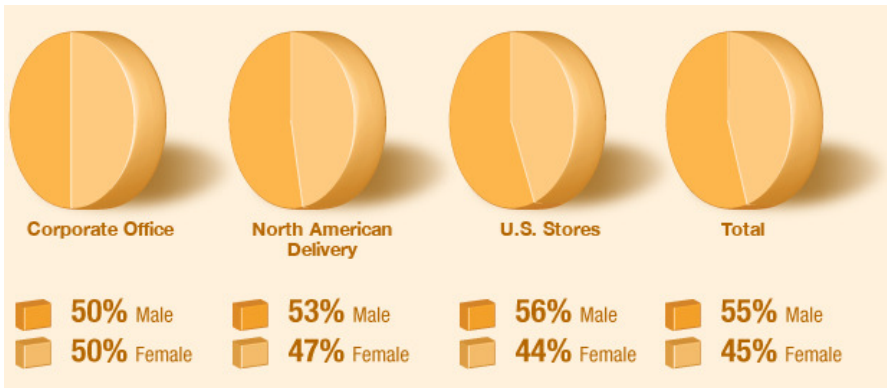
Salaried Associates



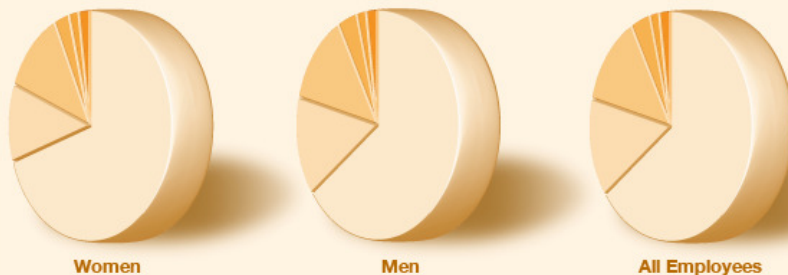
Hourly Associates



Combined Salary and Hourly Totals

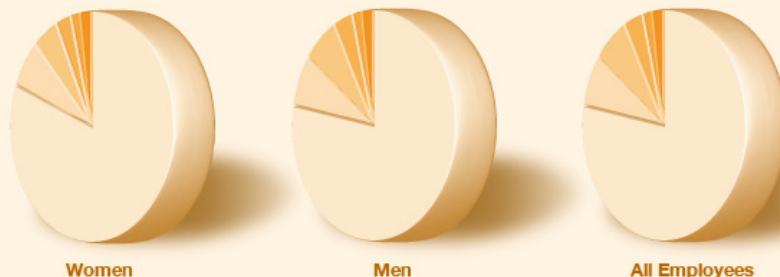


U.S. Workforce by Ethnicity and Gender



Ethnicity	Women	Men	% of All Employees
White (non-Hispanic)	69.34%	67.73%	68.44%
Black/African American	13.26%	13.94%	13.64%
Hispanic	13.43%	13.52%	13.48%
Asian	3.12%	3.91%	3.56%
American Indian/Alaskan Native	0.42%	0.43%	0.43%
Native Hawaiian/Pacific Islanders	0.43%	0.48%	0.46%

Staples U.S. Management by Race and Gender



Ethnicity	Women	Men	% of All Managers
White (non-Hispanic)	80.89%	78.55%	79.45%
Black/African American	7.49%	7.99%	7.80%
Hispanic	6.74%	7.80%	7.39%
Asian	4.10%	4.92%	4.61%
American Indian/Alaskan Native	0.38%	0.35%	0.36%
Native Hawaiian/Pacific Islanders	0.40%	0.38%	0.39%

Diversity Programs

In support of our diversity objectives, we have established programs, initiatives and resources to help all associates feel welcome and engaged at work, better connect and communicate with their peers and further develop their professional skills.

Associate Resource Groups

Associate Resource Groups (ARGs) are a tremendous asset for diverse associates who are seeking to develop

strong networks and hone their professional skills. At the same time, ARGs provide a mechanism for Staples to more deeply engage with associates and, in turn, increase the retention rates of diverse employees. ARGs also serve as important tools for the business, helping Staples to gain insights into our diverse customer segments.

ARGs offer members mentoring, skill development and internal and external networking opportunities. Group members themselves identify, select and pursue those activities they view as priorities.

In 2010, we established four new ARGs, bringing the total to six groups working to foster inclusion and promote professional development at Staples. In the coming year, we will focus on expanding the reach of ARGs beyond Staples' headquarters, as the vast majority of Staples associates are based in the field. We plan to support the creation of a Gender Equality group at our international headquarters in Amsterdam, an ARG at our shared services center in Columbia, South Carolina and a young professionals group in Framingham, Massachusetts.

Examples of specific ARGs and their 2010 activities include:

- Women Who Lead in the Rockies, located at our Broomfield, Colorado offices, offered training workshops in "executive presence" and other skills, and sponsored community events with career development organizations such as Dress for Success. The group also engaged speakers on topics of interest to working women, such as equal parenting, and advocated for more flexible work arrangements for Staples employees.
- Out at Work, an LGBT group, worked on developing a training curriculum for managers on understanding and supervising associates with diverse sexual orientations.
- Asian American, African American and Hispanic/Latino ARGs saw participation from more than 500 associates in 2010. As part of outreach and engagement activities, these ARGs partnered with Staples' Human Resources function to assist with recruiting events that targeted specific minority demographics.

Mentoring

In 2010 we inaugurated a mentoring program that pairs senior leaders with high-performing female and ethnically or racially diverse associates in close professional development partnerships. The pilot program involved 50 associates and took two forms: one-on-one mentoring at our Framingham office and small-group mentoring at our Broomfield facility. Some interested associates were referred by ARGs, others volunteered for the program; of these candidates, we selected actual participants via a formal talent management process. Currently we are evaluating the results of the pilot and plan to implement the program beyond the United States in 2011.

Staples Australia: "Businesswoman of the Year"

In 2009, Staples Australia worked to correct an imbalance of men and women in leadership positions. Under the direction of new Staples Australia CEO Paul Hitchcock and with the full support of the Human Resources group, management and employees, the company established Gender Diversity and Women in Leadership Councils and set ambitious gender diversity targets. To enable women to "move up the ladder" more readily, Staples Australia introduced more flexible working arrangements, such as later start times and leave-early options for parents with children, part-time and job-sharing positions and working from home.

The results were remarkable. By late 2010, 36 percent of leadership positions at Staples Australia were held by women, up from just nine percent three years earlier. Staples Australia now has a much easier time attracting and retaining female talent. Before the initiative, only one-third of women were returning to work after maternity leave; now it's more than 90 percent.

As a crowning achievement, 17-year veteran employee Melissa Rogers, the company's National Inventory and Planning Manager, was named 2010 "Businesswoman of the Year." The award, which drew national attention to the company's gender diversity initiatives, will be expanded in 2011 to Staples in the United Kingdom and the United States.

"I've always known that we have many great people in our business, but I left the Business Woman of the Year program feeling prouder than ever to work at Staples Australia. It's been a wonderful opportunity for me to develop valuable relationships with women from all parts of the business at different stages in their careers."

— Melissa Rogers, Business Woman of the Year 2010 and National Inventory and Planning Manager, Adelaide, Australia

Diversity Alliances

Staples is a member of and supports a wide range of diversity-focused professional organizations. For example, we have been a member of the [MetroWest Alliance for Workforce Diversity \(MAWD\)](#), an organization local to our Massachusetts headquarters, for six years.

As part of its activities, MAWD:

- Facilitates the sharing of best practices, mentoring and coaching among member organizations
- Helps member organizations hire and retain diverse candidates
- Supports the assimilation of diverse employees and their families into the community

Two Staples Human Resources associates currently serve on the MAWD's board of directors, and we have hosted MAWD meetings and supported its diversity job fairs and other events.

Staples also has an ongoing relationship with Simmons College for Women in Boston, Massachusetts. Staples associates regularly attend professional development conferences and other events for working women at the College.

In 2010, Staples formed two new relationships. The first is with the Hispanic Scholarship Fund, which will enable us to hire interns from the Fund as a way of creating a regular pipeline of talented associates of Hispanic heritage. The second relationship is a professional development program with The Partnership, a Boston-based organization that focuses on talent management solutions for professionals of color.

Diversity Partners:

- [Association of Latino Professionals in Finance and Accounting \(ALPFA\)](#)
- [Bottom Line](#)
- [Gay, Lesbian and Straight Education Network \(GLSEN\)](#)
- [Human Rights Campaign \(HRC\)](#)
- [InRoads](#)
- [MetroWest Alliance for Workforce Diversity \(MAWD\)](#)
- [Minority Corporate Counsel Association \(MCCA\)](#)
- [National Association of Black Accountants \(NABA\)](#)
- [National Black MBA Association](#)
- [National Gay & Lesbian Chamber of Commerce \(NGLCC\)](#)
- [National Minority Supplier Development Council \(NMSDC\)](#)
- [National Society of Hispanic MBAs \(NSHMBA\)](#)
- [Simmons College](#)
- [Small Business Administration \(SBA\)](#)
- [U.S. Business Leadership Network \(USBLN\)](#)
- [Women's Business Enterprise National Council \(WBENC\)](#)

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Diversity-oriented philanthropy

Much of Staples' and the Staples Foundation's philanthropy is dedicated to disadvantaged youth, regardless of ethnicity, but with a special emphasis on diverse populations. We support non-profit organizations that help promote diversity, including:

- [Hispanic Scholarship Fund](#)
- [Initiative for a Competitive Inner City](#)
- [Interise](#)
- [POINT Foundation](#)
- [Women's Vision Foundation](#)

Supplier Diversity

At Staples, we believe that our suppliers, like our associates, should



reflect the faces of our customers. By including and supporting diverse businesses in our supply chain, we create jobs, opportunity and growth for the diverse customers and communities we serve.



According to [Catalyst](#), a non-profit organization dedicated to creating workplaces that enable women and their employers to succeed, the buying power — that is, income available to spend after taxes — of women and minorities has increased dramatically since 1990. For example, women are working and earning more, with an increase in median income of 28.6 percent from 1990 to 2008.

With increased buying power comes an increased expectation on the part of consumers. It's important that the companies they buy from support not only employee diversity, but also the diversity of their supply chains. Staples' efforts to increase supplier diversity respond to these expectations and promote diversity across the company's entire value chain.

"Staples Soul reflects our commitment to corporate and social responsibility. It's an approach to business that recognizes the connection between our success and our desire to make a positive impact on our associates, communities and the planet. Developing a thriving supplier diversity program is consistent with our Staples Soul values and will continue to be part of our business strategy for years to come."

— Ron Sargent, Chairman and CEO

Our longstanding Corporate Supplier Diversity Program promotes the use of Historically Underutilized Businesses (HUBs) at all levels of our supply chain. Our program is designed to engage the very best diverse suppliers: those who share our commitment to community, integrity and quality.

In 2010, we saw continued program growth and achieved significant milestones. For example, we:

- Consolidated oversight of supplier diversity efforts and hired a senior manager of Corporate Supplier Diversity to enhance and formalize internal supplier diversity practices
- Expanded our diversity sales support team for our Staples Advantage® business
- Added new suppliers to our reseller program, with resulting organic sales growth continuing to improve year over year
- Grew spend with small businesses and diverse suppliers by three and a half percent

To promote professional and business development among diverse business enterprises, we inaugurated the Staples Diverse Mentorship Program with executive sponsorship from Joe Doody, President of Staples North American Delivery. Currently in a 12-month pilot stage, a senior associate from Staples mentors the CEO of a diverse business enterprise. At the end of 12 months, the diverse business enterprise will have enhanced organizational capabilities that will enable its future growth.

Also in 2010, we held our fifth annual Diversity Supplier Summit, and we were active in sponsorship, membership and participation in the National Minority Supplier Development Council, the Women's Business Enterprise National Council and the National Gay & Lesbian Chamber of Commerce.

To learn more, please visit our [Supplier Diversity Web site](#).

Supplier diversity down under

In Australia and New Zealand, we are committed to helping Indigenous suppliers distribute their products. For example, Staples offers Indigenous-owned print management services, as well as a range of corporate gifts and canteen products, from other suppliers certified by the Australian Indigenous Minority Supplier Council (AIMSC). In January 2011, Staples Australia introduced a variety of AIMSC-certified office products, including copy paper, notebooks, envelopes and manila folders, to our product assortment.



Going beyond supporting supplier diversity in our product offerings, in late 2010 we launched a program to help address the social and economic disadvantages faced by the Aboriginal and Torres Strait Islander peoples. Through a Reconciliation Action Plan (RAP), we are solidifying our commitment to integrating awareness and understanding of Indigenous peoples and cultures into our business practices in Australia.

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Take a look at how we're doing.

Overview

Tracking our performance is one of our most important functions. It gives our company and our stakeholders the information and tools needed to make critical decisions today and tomorrow.



Ethics

- Begin using scorecards in 2011 to measure associates' completion rates for ethics trainings, globally by business unit.
- Develop more sophisticated metrics and monitoring systems to track progress against specific desired ethics outcomes and ensure that associates are informed, engaged and using all of the ethics tools and resources available to them. Use the information obtained with these systems to identify new ways to drive and assess organizational improvements to help Staples meet its overall corporate objectives.
- Launch a program of quarterly Webinars in 2011 with human resources personnel and other stakeholders globally to strengthen the Global Ethics Office's ability to share information and best practices.
- Issue a new Cultural Diagnostic Survey in the fall of 2011 to a representative sample of associates worldwide, with the aim of better understanding associates' level of awareness of ethical resources and their level of engagement in creating a culture of ethics at Staples.
- Launch a Code of Ethics refresher that will include an annual Conflict of Interest Disclosure.
- Finalize the content of the updated Social Accountability audit to support the new Supplier Code of Conduct; roll out updated audit provisions in the latter part of 2011.

Community

- Continue the evaluation of community initiatives to clarify and more strategically orient and align Staples' community relations investments.
- Develop and implement a global system to improve tracking of associate involvement in community service activities.
- Develop and implement a system in 2012 to improve tracking of company-wide global charitable giving.
- Establish a system to more effectively share knowledge across Staples' global operations and convene a global council in 2011 to facilitate program alignment and best practice sharing.

Environment

- Sell more sustainable products and services.
 - Develop and implement more robust systems to measure sales of greener products and report on sales, starting in 2012.
- 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.
- Eliminate operational waste.
 - Reduce packaging material use in the United States by 20 percent by 2020 from a 2010 baseline.
 - Reduce waste to landfill by 25 percent globally by 2020 with 2010 as a baseline.
- Maximize 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.
 - Improve Staples' U.S. fleet fuel economy 15 percent from the 2010 baseline by 2015.
 - Reduce global carbon emissions by 50 percent by 2020 from a 2010 baseline.

Diversity

- Expand the "Business Woman of the Year" competition, which originated in Australia, to the United States, Canada and the United Kingdom in 2011 — 2012.
- Expand Associate Research Groups (ARGs) to additional groups and geographic areas, and promote participation in ARGs among associates based in the field.
- Increase women and minority representation in the exempt employee, management, executive and senior leadership ranks.
- Extend mentoring and other employee development programs to more locations worldwide.

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Economic — Global	2010	2009	2008	2007
Total sales (billions USD)	24.55	24.28	23.08	19.37
Sales by Business Segment (Billions USD)				
North American Retail	9.53	9.36	9.49	10.02
North American Delivery	9.85	9.64	8.93	6.61
International Operations	5.17	5.27	4.66	2.74
Sales by Geography (Billions USD)				
United States	16.46	16.34	15.79	14.16
Canada	2.92	2.66	2.63	2.47
Other International	5.17	5.27	4.66	2.74
Gross profit (billions USD)	6.61	6.47	6.25	5.55
Net income (millions USD)	881.95	738.67	805.26	995.7
Income tax payments (millions USD)	468	398.8	428.8	559.6
Number of countries in which Staples operates	26	26	25	22

Total retail stores	2,281	2,243	2,218	2,038
United States	1,575	1,555	1,523	1,440
Canada	325	316	312	298
Europe	332	328	335	300
Other international	49	44	48	32
Worldwide associates	89,000	91,095	91,125	75,588
Full time (% of total)	59	59	63	57
Ethics & Governance — United States	2010	2009	2008	2007
Number of Staples® brand product suppliers audited	233	281	282	339
Number and % of audited Staples® brand product suppliers that were required to take corrective action	33 (14.2%)	89 (31.6%)	156 (53%)	110 (30%)
Number and % of audited Staples® brand product suppliers with which Staples discontinued business relationships	2 (0.9%)	5 (1.6%)	0	0
Environment — United States	2010	2009	2008	2007
Sustainable Products¹				
Estimated sales of products containing recycled content material		1,290	n/a	n/a
Estimated sales of products meeting third-party environmental standards/certifications		969	n/a	n/a
Estimated sales of FSC-certified products		189	n/a	n/a
Estimated sales of ENERGY STAR® qualified products		190	n/a	n/a
Recycling Services				
Ink and toner cartridges (millions of units) ²	63	55	22	23.8
Electronics recycled for customers (millions of pounds)	10.5	7.7	6.2	2.5
Sustainable Operations				
Energy (calendar year)				
Total energy use (GJ)	3,661,600	3,916,800	3,907,000	4,130,000
Electricity use (MWh)	638,600	684,700	707,800	725,400
Electrical intensity across all locations (kWh per ft ²)	11.2	11.9	12.4	15.2
Number and percentage of active facilities certified to ENERGY STAR®	125 (7%)	n/a	n/a	n/a
Facility natural gas and propane use (MMBTU)	871,300	904,900	797,600	766,900
Diesel fuel for Staples fleet (MMBTU)	410,800	428,000	423,945	633,400
Greenhouse gas emissions (calendar year)				
Scope 1 (MtCO ₂ e)	79,000	84,300	79,900	90,600
Scope 2 (MtCO ₂ e)	342,300	381,700	393,900	412,200
Total Scope 1 and 2 emissions (MtCO ₂ e, before reductions from offsets)	421,300	466,000	473,800	502,800
Total reductions from RECs and green power purchase offsets (MtCO ₂ e)	134,400	143,600	95,200	114,400
Net GHG emissions (MtCO ₂ e, after reductions from offsets)	286,900	322,400	378,600	388,400

GHG emissions intensity before reductions from offsets (kg CO ₂ e per ft ²)	7.4	8.1	8.3	10.5
GHG emissions intensity after reductions from offsets (kg CO ₂ e per ft ²)	5.0	5.6	6.6	8.1
Facilities				
Total facility area (ft ²)	57,024,000	57,491,000	57,020,000	47,790,000
Retail area (ft ²)	34,897,000	34,688,000	34,342,000	32,775,000
Nonretail area (ft ²)	22,127,000	22,803,000	22,678,000	15,015,000
Waste and Recycling				
Waste to landfill or incinerator (short tons)	37,480	34,170	32,320	30,160
Percentage of waste to landfill	91%	n/a	n/a	n/a
Waste diverted to recycling (short tons)	37,110	34,010	37,110	35,670
Rate of waste diversion to recycling (%)	50%	50%	53%	54%
Waste generated per ft ² of facility area (pounds/ft ²)	1.31	1.19	1.13	1.26
Water				
Water use (millions of gallons)	223.65	225.34	272.10	312.25
Water use intensity (gallons/ft ²)	3.9	3.9	4.8	6.5
Community — Global				
	2010	2009	2008	2007
Total corporate giving, including Staples, Inc., Staples Foundation for Learning, global giving and in-kind giving (USD)	25,279,656	15,172,330	16,984,363	16,592,594
Value of in-kind donations (USD) ³	20,120,235	6,503,572	8,828,879	9,128,869
Cash donations (USD)	5,159,421	8,668,759	8,155,483	7,463,725
Diversity				
	2010	2009	2008	2007
% women in the U.S. workforce	44	44	46	46
% minorities in the U.S. workforce	32	32	32	32
Gender diversity in the United States and Canada (% women)	46	46	48	48
Average global annual employee turnover rate ⁴	33	31	42	55
Salaried associate turnover rate globally (%)	12	12	15	19
Hourly associate turnover rate globally (%)	43	41	55	65

¹ Figures for 2010 are still under review. Product sales are in millions of USD. Sales are based on United States sales of products to Retail, Staples Advantage® and Staples Business Delivery® customers for products that are currently identified in Staples' product systems as having one or more of the environmental attributes specified. Recycled content sales include sales of all products containing pre- or post-consumer recycled content. Sales information does not include Quill, Staples Promotional Products®, Business Interiors by Staples(sm), wholesaler-fulfilled items and certain other lines of business. Data for prior years is not available.

² The 2010 ink and toner recycling value was adjusted from what was originally reported in the Staples 2010 Annual Report (61 million) due to information arriving after the release date for the Annual Report.

³ Total giving for FY 2010 includes a one-time donation of excess inventory from the Corporate Express business

⁴ U.S., Canada, South America and India data do not include layoffs, location closures or seasonal employment. Other international locations may include such data.



Staples reporting approach.

Overview

This site contains corporate responsibility information for the 2010 fiscal year ending January 29, 2011. We conducted a materiality assessment to identify the most important corporate responsibility issues to report on in this site and have shared the process we used and the results of that assessment in the [Materiality Analysis](#) section. We also describe the scope of the report, any limitations, and our reporting approach in the [About this Site](#) section.



Focusing on what matters most

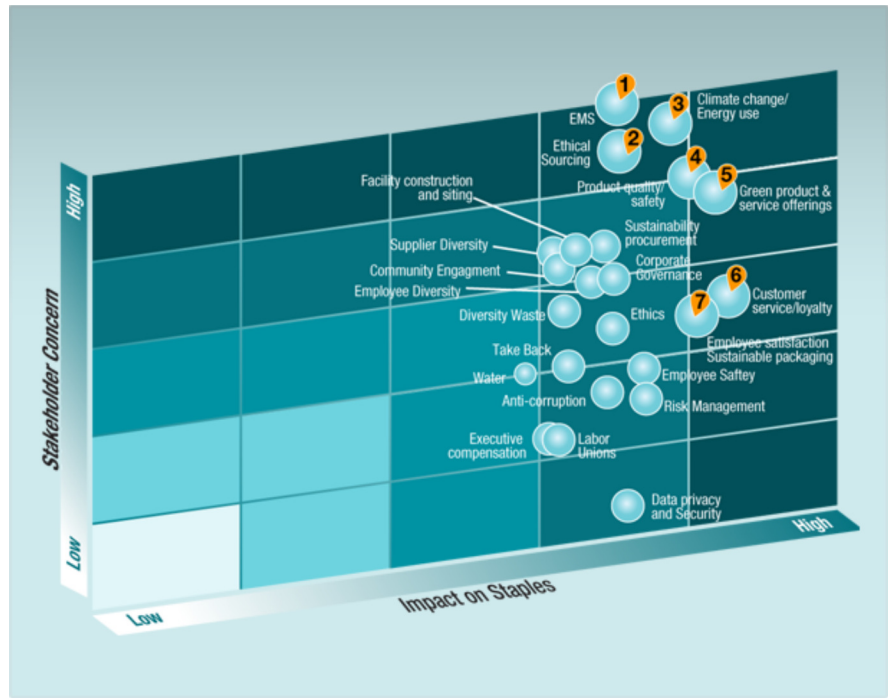
We completed a materiality analysis as part of the development of the 2010 Soul Report to ensure that our communications about corporate responsibility — and our strategic approach — focus on the issues that are most relevant to Staples and its stakeholders.

The materiality assessment process consisted of reviewing relevant internal and external documents and other resources; identifying and determining key financial, reputational and operational impacts on Staples; and then ranking those issues of concern to Staples and our stakeholders in an iterative manner.

As part of the analysis, we conducted a survey of Staples Soul leaders and other associates. The survey asked about internal perceptions of the potential impact of each issue on Staples business success. The survey highlighted the urgency of certain issues, namely:

- Our ability to provide green products and services to our customers
- Sustainable packaging and the importance of encouraging our suppliers to develop innovative and environmentally preferable packaging materials
- A continued focus on climate change and energy efficiency

The diagram below illustrates the results of the materiality analysis and the relative priority of various corporate responsibility issues. The most material issues fall into the upper right-hand portion of the matrix.



The results of this years materiality analysis are generally consistent with what we found in 2009, with environmental issues rising to a slightly higher position. The most material topics, including energy and eco-conscious products and services, align with Staples new sustainability strategy and the companys focus on establishing a leadership position in environmental performance.

Issues highly ranked by both stakeholders and Staples include:

- **Climate change and energy** — Impact of global demand for energy resources and actions to alleviate climate change on energy prices, supplier operations and operating and product costs
- **Environmental management systems (EMS)** — systems and processes in place to manage and track environmental performance across company operations
- **Eco-conscious products and services** — finding, sourcing and selling products that are easier on the environment and safe to use
- **Ethical sourcing** — ensuring to the greatest degree possible that our suppliers abide by the Staples Supplier Code of Conduct, which requires them to treat workers fairly and operate in a safe and environmentally sustainable manner
- **Product quality and safety** — ensuring that our products meet or exceed customers performance expectations and support Staples 100% customer-satisfaction guarantee

High-priority issues

- 1 EMS
- 2 Ethical Sourcing
- 3 Climate Change and Energy Use
- 4 Product Quality/Safety
- 5 Green Product and Service Offerings
- 6 Customer Service/Loyalty
- 7 Employee Satisfaction and Sustainable Packaging

Issues that were highly ranked by Staples itself also included:

- **Employee satisfaction** — treating associates with dignity and respect, abiding by all employment laws, and supporting our associates professional development
- **Sustainable packaging** — minimizing the amount of materials needed to pack and ship our products, as well as selecting packaging materials that are better for the environment
- **Customer service** — making it easy for customers to find and purchase the products and services that best meet their needs

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We have developed this Web site to share information about Staples' corporate responsibility efforts with our stakeholders, including customers, investors, associates, suppliers, community members and non-profit organizations.

Our 2010 Staples Soul Report is available for download, either as a customized Report or as a PDF. Our 2008/2009, 2007 and 2006 Reports are also archived on this site. As in years past, we have included a summary of Soul initiatives and progress in our [Annual Report](#).

This Web site contains corporate responsibility information for the 2010 fiscal year ending January 29, 2011. The current site reflects consolidated information from Staples and its global operations, to the degree available. We report data for leased facilities (our stores and warehouses) as well as for fully owned and/or operationally controlled buildings and operations. We exclude reporting on joint ventures, as these ventures represent an insignificant and non-material contribution to our overall impacts.

Over the past year, we have rolled out data collection and tracking software and continue to populate the software with U.S. and international data. Our expectation is that we will have more complete international data by 2012. At this point we will be able to include additional international data in our reporting. The charts and tables included in the site, as well as data in the performance summary section of the site, clearly indicate whether the information reflects global, U.S. or international data, and whether there have been any restatements to data reported in past years.

In 2010, we increased our ownership in Corporate Express Australia to 100 percent; data from those operations are included, and are noted in certain parts of this Web site.

We believe that the information presented in this site is accurate and fairly represents our corporate responsibility programs and results. We did not, however, seek external assurance or verification for this site.



We applied the [Global Reporting Initiative](#) Sustainability Reporting Guidelines (GRI G3) in the development of this site and are self-declaring an Application Level of B. As part of this process, we conducted a materiality analysis to determine the topics of highest relevance and value to our stakeholders, and have shaped the site content accordingly. Specific indicator references can be found in the GRI Content Index.

STANDARD DISCLOSURES PART I: Profile Disclosures

1. Strategy and Analysis

Profile Disclosure	Description	Full or partial	Location
1.1	Statement from the most senior decision-maker of the organization	Full	Soul Home Page
1.2	Description of key impacts, risks, and opportunities	Full	How We Operate/Materiality Analysis Soul Home Page

2. Organizational Profile

Profile Disclosure	Description	Full or partial	Location
2.1	Name of the organization.	Fully	About Staples
2.2	Primary brands, products, and/or services.	Fully	About Staples
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	About Staples Corporate Overview
2.4	Location of organization's headquarters.	Fully	About Staples
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically	Fully	About Staples Corporate Overview

Profile Disclosure	Description	Full or partial	Location
	relevant to the sustainability issues covered in the report.		Annual Report
2.6	Nature of ownership and legal form.	Fully	About Staples Annual Report
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	About Staples Corporate Overview Annual Report
2.8	Scale of the reporting organization, including number of employees, net sales, total capitalization, quantity of products or services provided.	Fully Annual Report	About Staples Page 117 of PDF
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	Annual Report
2.10	Awards received in the reporting period.	Fully	Recognition and Awards
3. Report Parameters			
Profile Disclosure	Description	Full or partial	Location
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	About this site
3.2	Date of most recent previous report (if any).	Fully	About this Site Report Archive
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Annual
3.4	Contact point for questions regarding the report or its contents.	Fully	Take Action Staplessoul@staples.com
3.5	Process for defining report content.	Fully	About this site Materiality analysis
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Fully	About this site
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	About this site
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	About this site
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to	Fully	About this site

Profile Disclosure	Description	Full or partial	Location
	apply, or to substantially diverge from, the GRI Indicator Protocols.		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	Performance
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	About this site
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	About this site

4. Governance, Commitments, and Engagement

Profile Disclosure	Description	Location	Full or partial	
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Corporate Governance	
			Proxy Statement	Pages 12-13 of PDF
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Ensuring Sound Governance	
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Ensuring Sound Governance	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Ensuring Sound Governance	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Proxy Statement	Pages 36-56 of PDF. No specific social or environmental criteria are applied.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Director's Corporate Governance Guidelines	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Fully	Director's Corporate Governance Guidelines	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Code of Ethics	
			Supplier Code of Conduct	

Profile Disclosure	Description	Location	Full or partial	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Ethics and Governance	
			Corporate Governance	
4.1	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Director's Corporate Governance Guidelines	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Culture of Integrity	
			Sustainable Products and Services	
			CDP Investor Response question 2.1	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	None	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	Non-Governmental Organizations (NGO's)	
4.14	List of stakeholder groups engaged by the organization.	Fully	Stakeholder Engagement	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Stakeholder Engagement;	
			Customer Satisfaction	
			Community	
			Diversity	
			Supplier Diversity	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Frequency of engagement varies greatly; some occurs on an ad-hoc basis while other engagements occur regularly. More detail is included in the following sections:	
			Stakeholder Engagement	
			Customer Satisfaction	

Profile Disclosure	Description	Location	Full or partial
			Understanding Associates
			Ensuring Sound Governance
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	Materiality Analysis

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3 DMA	Description	2010 Reported	Cross-reference/Direct answer	Further comments
DMA EC	Disclosure on Management Approach EC			
Aspects	Economic performance	Fully	Annual report	(Full Report)
			Community Section	
	Market presence	Fully	Annual report	Pages 76-79 of PDF
	Indirect economic impacts	Fully	Community Section Supplier Diversity	
DMA EN	Disclosure on Management Approach EN			
Aspects	Materials	Fully	Eliminating Operational Waste	
			Sustainable Products and Services	
			Recycling Solutions for Customers	
			Performance	
	Energy	Fully	Environment/Our Strategy	
			Environment/Goals	
			Performance	
	Water	Partially	Environment/Our Strategy	
			Total Water Use	
	Biodiversity	Partially	Environment/Our Strategy	
			Sustainable Paper-Based Products	
	Emissions, effluents and waste	Fully	Environment/Our Strategy	
Environment/Goals				
Performance				

G3 DMA	Description	2010 Reported	Cross-reference/Direct answer	Further comments
	Products and services	Fully	Environment/Our Strategy Sustainable Products and Services	
	Compliance	Fully	Environment/Our Strategy	
	Transport	Fully	Environment/Our Strategy Fleet efficiency	
	Overall	Fully	Environment/Our Strategy	
	DMA LA Disclosure on Management Approach LA			
Aspects	Employment	Fully	Understanding Associates	
	Labor/management relations	Not	No related indicators are reported	
	Occupational health and safety	Fully	Managing Occupational Health and Safety	
	Training and education	Fully	Talent Management	
	Diversity and equal opportunity	Fully	Diversity	
DMA HR Disclosure on Management Approach HR				
Aspects	Investment and procurement practices	Fully	Ethics and Governance	
			Supplier Code of Conduct	
	Non-discrimination	Partially	Ethics and Governance	
			Supplier Code of Conduct	
	Freedom of association and collective bargaining	Partially	Staples Global Code of Ethics	
			Supplier Code of Conduct	
	Child labor	Partially	Staples Global Code of Ethics	
			Supplier Code of Conduct	
	Forced and compulsory labor	Partially	Staples Global Code of Ethics	
			Supplier Code of Conduct	
	Security practices	Partially	Staples Global Code of Ethics	
			Supplier Code of Conduct	

G3 DMA	Description	2010 Reported	Cross-reference/Direct answer	Further comments
	Indigenous rights	Partially	Staples Global Code of Ethics Supplier Code of Conduct	
DMA SO	Disclosure on Management Approach SO			
Aspects	Community	Fully	Community	
			Community Goals	
			Performance	
	Corruption	Fully	Ethics and Governance	
			Culture of Integrity	
	Public policy	Fully	Political contributions approach	
	Anti-competitive behavior	Partially	Ethics and Governance	
Staples Global Code of Ethics				
Compliance	Fully	Ethics and Governance		
		Culture of Integrity		
DMA PR	Disclosure on Management Approach PR			
Aspects	Customer health and safety	Fully	100% Satisfaction Guarantee	
	Product and service labeling	Fully	Customer Satisfaction	
	Marketing communications	Not	No related indicators are reported	
	Customer privacy	Partially	Protecting customer information and privacy	
	Compliance	Not	No related indicators are reported	

STANDARD DISCLOSURES PART III: Performance Indicators

Economic

Performance Indicator	Description	Location	Full or partial
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	About Staples
			Impact on Communities
			Performance Summary/Economic
			Annual Report (Pages 2, 117, 134-136)
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	Staples CDP Investor response

Performance Indicator	Description	Location	Full or partial
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Annual Report (Pages 139-145)
EC4	Significant financial assistance received from government.	Not	Not reported
Market presence			
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Not	Not reported
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Not	Not reported
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Not	Not reported
Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Not	Not reported
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Impact on Communities Supplier Diversity
Environmental			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Materials			
EN1	Materials used by weight or volume.	Not	Not reported
EN2	Percentage of materials used that are recycled input materials.	Partially	Recycling Solutions for Customers Performance Summary/Sustainable Products
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	Energy Efficiency and Renewable Energy Performance Summary/Energy
EN4	Indirect energy consumption by primary source.	Partially	Energy Efficiency and Renewable Energy Performance Summary/Energy
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Fleet efficiency Energy Efficiency and Renewable Energy

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	Sustainable Products and Services Energy Efficiency and Renewable Energy
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Energy Efficiency and Renewable Energy
Water			
EN8	Total water withdrawal by source.	Partially	Performance Summary/Water
EN9	Water sources significantly affected by withdrawal of water.	Not	Not reported
EN10	Percentage and total volume of water recycled and reused.	Not	Not reported
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not	Not reported
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Partially	Sustainable Paper-based products
EN13	Habitats protected or restored.	Not	Not reported
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Partially	Sustainable Paper-based products
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	Not reported
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Reducing greenhouse gas emissions Performance Summary/Greenhouse gas emissions
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not	Not reported
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Sustainable Products and Services Using alternative sources of energy Performance Summary/Greenhouse gas emissions

Performance Indicator	Description	Reported	Cross-reference/Direct answer
EN19	Emissions of ozone-depleting substances by weight.	Not	Not reported
EN20	NOx, SOx, and other significant air emissions by type and weight.	Not	Not reported
EN21	Total water discharge by quality and destination.	Not	Not reported
EN22	Total weight of waste by type and disposal method.	Fully	Eliminating Operational Waste Performance Summary/Waste and recycling
			We do not report on total hazardous waste statistics as hazardous waste constitutes less than 1% of our total waste stream by weight.
EN23	Total number and volume of significant spills.	Not	Not reported
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not	Not reported
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	Not reported
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Sustainable Products and Services Sustainability strategy
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	Recycling Solutions for Customers Eliminating Operational Waste Performance Summary/Recycling Services
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Not	Not reported
Transport			
EN29	Significant environmental impacts of	Partially	Fleet efficiency

Performance Indicator	Description	Reported	Cross-reference/Direct answer
	transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.		
Overall			
EN30	Total environmental protection expenditures and investments by type.	Not	Not reported
Social: Labor Practices and Decent Work			
Performance Indicator	Description	Location	Full or partial
Employment			
LA1	Total workforce by employment type, employment contract, and region.	Partially	About Staples Performance Summary/Economic Understanding Associates
LA2	Total number and rate of employee turnover by age group, gender, and region.	Partially	Performance Summary/Diversity
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Employee benefits Working Here
Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Not	Not reported
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not	Not reported
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not	Not reported
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Partially	Occupational Health and Safety Statistics
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Health and Wellness
LA9	Health and safety topics covered in formal agreements with trade unions.	Not	Not reported
Training and education			
LA10	Average hours of training per year per employee by employee category.	Partially	Talent Management

Performance Indicator	Description	Location	Full or partial
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Talent Management
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	Talent Management
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Staples Board of Directors Diversity Performance
LA14	Ratio of basic salary of men to women by employee category.	Not	Not reported
Social: Human Rights			
Performance Indicator	Description	Location	Full or partial
Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not	Not reported
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Fully	Ethical Sourcing
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Partially	Ethical Sourcing
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.	Not	Not reported
Freedom of association and collective bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Not	Not reported
Child labor			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Not	Not reported
Forced and compulsory labor			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Not	Not reported

Performance Indicator	Description	Location	Full or partial
Security practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not	Not reported
Indigenous rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not	Not reported
Social: Society			
Performance Indicator	Description	Location	Full or partial
Community			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	Impact on Communities Providing Value to Customers Stakeholder Engagement
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Culture of Integrity The Staples Ethics and Compliance program is a risk-based program. 100% of businesses are analyzed for risks related to corruption.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Culture of Integrity 100% of employees in high risk geographies and job functions receive training.
SO4	Actions taken in response to incidents of corruption.	Fully	Staples Global Code of Ethics
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	Not	Not reported
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Political Contributions

Performance Indicator	Description	Location	Full or partial
Anti-competitive behavior			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not	Not reported
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not	Not reported
Social: Product Responsibility			
Performance Indicator	Description	Location	Full or partial
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	Ethical Sourcing
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not	Not reported
Product and service labeling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Partially	Sustainable Products and Services Performance Summary/Environment
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not	Not reported
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Customer satisfaction
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not	Not reported
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not	Not reported
Customer privacy			

Performance Indicator	Description	Location	Full or partial
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not	Not reported
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not	Not reported

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Overview

Transparency is an important part of Staples Soul. Our goal is to provide you with the information you need to understand what we're doing and why, the progress we've made so far and which issues continue to challenge us.

In this section you can review past reports, read Staples Soul policies and find related press releases.



A look back

Read and download our previous corporate responsibility reports here.

- [2010 Staples Soul Annual Report](#)
- [2008/2009 Staples Soul Annual Report](#)
- [2007 Staples Soul Annual Report](#)
- [2006 Staples Soul Annual Report](#)

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Setting standards

Read and download our corporate responsibility policies here.

- [Staples Code of Ethics](#)
- [Staples Supplier Code of Conduct](#)
- [Staples Sustainable Paper Procurement Policy](#)
- [Staples Policy on Community Giving](#)

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Staples Soul is making a positive difference

Date	Article name
06/22/11	Calling All Youth Social Entrepreneurs: Ashoka and Staples Launch Fifth Annual Global Competition
06/10/11	Staples Donates More Than \$135,000 of M by Staples™ Arc Customizable Notebook Systems to Benefit Dress for Success
05/26/11	Staples and DoSomething.org Team up with the Stars of ABC Family's Pretty Little Liars for their 4th Annual National School Supply Drive
04/22/11	Being Green Adds Up at Staples this Spring with Launch of New Recycled Calculator
04/13/11	ADDING MULTIMEDIA University of Cincinnati Team Wins \$25,000 Grand Prize in Staples Global EcoEasy Challenge
04/07/11	New Survey: Office Kitchens Key for a Happy Workforce
04/05/11	Experts from Business, Government and Academia to Decide Winners of the Staples 2nd Annual Global EcoEasy Challenge
04/04/11	Staples Announces Energy Conservation and Renewable Power Achievements
03/18/11	Five Boys & Girls Clubs Honored for Making a Positive Difference
03/01/11	Six University Teams from Across the Globe Showcase their Innovative Ideas to Win the Staples Global EcoEasy Challenge and \$25,000 Grand Prize
02/17/11	Time for an Ergonomic Touch-Up: Staples Survey Shows Office Ergonomics Can Improve Employee Productivity and Well-Being
02/09/11	Staples New Paper Products and Compostable Kitchen Items Help Businesses Reach Sustainability Goals
01/10/11	Earth Force Launches Staples Urban Environment Challenge with \$175,000 Grant from Staples Foundation for Learning
01/04/11	Staples and Mass Mentoring Partnership Team Up to Encourage Adults Throughout Massachusetts to Serve as Mentors for Local Youth
12/14/10	Project Learning Tree® GreenSchools! Program Expands With \$25,000 Grant from Staples Foundation for Learning
11/10/10	A Healthy You. A Healthy Office – Staples Survey Reveals Office Cleanliness Habits
11/08/10	Staples Releases Corporate Responsibility Report
10/25/10	Ashoka and Staples Announce Eight Winners of Annual Youth Social Entrepreneur Competition
10/19/10	The Staples 2nd Annual Global EcoEasy Challenge Expands to Include University Students Worldwide
10/13/10	Staples Announces New Sustainability Strategy for Products and Packaging
10/06/10	Third Annual Staples/Do Something 101 National School Supply Drive Raises More than \$807,000 for Underserved Youth.
09/10/10	Ashoka and Staples Announce First Four Winners of Annual Youth Social Entrepreneur Competition
08/20/10	Staples Foundation for Learning Awards \$640,000 in Grants to Support Youth Development Programs Nationwide

- 08/11/10 [Staples Foundation for Learning Appoints Mike Miles President](#)
- 08/09/10 [Staples and DoSomething.org Star-Studded Backpack Party Redefines the "Hollywood Gift Bag"](#)
- 07/28/10 [Finalist Announced in Annual Staples/Ashoka Youth Social Entrepreneur Competition](#)
- 06/14/10 [Ashoka and Staples Launch Fourth Annual Youth Social Entrepreneur Competition](#)
- 05/19/10 [Twilight's Nikki Reed Joins Staples and DoSomething.org to Promote the 3rd Annual Staples/Do Something 101 National School Supply Drive](#)
- 05/06/10 [Initiative for a Competitive Inner City and Staples Foundation for Learning Announce 2010 Minority-Owned Company of the Year](#)
- 05/05/10 [Staples and Entrepreneur.com Launch Green Your Small Business Challenge](#)
- 04/22/10 [Staples Advantage Launches New Online Catalog of Eco-Conscious Products for Business-to-Business Customers](#)
- 04/20/10 [Staples Announces Winning Team in its Search for the Next Green Office Product](#)
- 03/25/10 [Boys & Girls Clubs of America and Staples Foundation for Learning Announce Finalists of National Service Project](#)
- 03/24/10 [Staples Announces Finalists of Global Search for the Next Green Office Product](#)
- 02/09/10 [Staples Announces Inaugural Global EcoEasy Challenge](#)
- 01/20/10 [Staples, Inc. Accepting Donations in Stores to Support Haiti Earthquake Relief Efforts](#)
- 01/06/10 [Maryland's Largest Single Rooftop Solar Power Installation Unveiled at Staples Fulfillment Center in Hanover](#)

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Overview

Join us in making a change. We want to help you make a difference for your community and the planet. Check out the links and tips below and take action today.



Tell us what you think

We're proud of all that Staples Soul has accomplished so far. We also know that in some ways, our journey has just started. Let us know what else you think we could do to protect the environment, support our communities and suppliers and make Staples a great place to work.

[Give feedback now](#)

Building communities around the world

It feels good to help build a strong, safe, healthy community. That's why Staples encourages customers, associates and friends to reach out to local charitable organizations. No matter what you have to offer, there are so many ways to help.

If you'd like to get involved with one of the non-profit groups that Staples and Staples Foundation support, visit the [Do Something.org](#), and [Boys & Girls Clubs of America](#) and [Ashoka Youth Venture](#) Web sites.

You can also support our cause marketing efforts. These initiatives include the [Staples/Do Something 101 Staples for Students School Supply Drive](#), related efforts in International locations and Staples Soul campaigns on Twitter and [Facebook](#).

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A banner featuring a green line graph on a grid background. The text "Performance Summary" is displayed in a grey box on the right, with a red "Learn more" button below it.

Performance Summary
[Learn more](#)

A banner with a red background and the word "easy" in white, stylized lowercase letters. To the right, the text "It's easy to take action." is shown in a grey box, with a red "Learn more" button below it.

easy
It's easy to take action.
[Learn more](#)

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