



that was easy:

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Our commitment to making a difference for our customers, associates and the planet.

## 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.



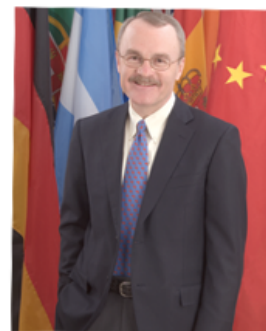
### CEO Letter

## An Introduction from Staples Chairman and CEO Ron Sargent

In 2012, we launched our Reinvention strategy to better serve the needs of our customers and to accelerate our growth. By focusing on our growth platforms, reshaping our business, and funding the future, we will achieve our vision: "Every product your business needs to succeed."

Our four Staples Soul pillars—Ethics, Community, Environment, and Diversity—demonstrate our commitment to corporate responsibility and directly support our Reinvention. We can better meet customer expectations and continue to grow by operating ethically and with integrity, making a positive difference in the communities where we live and work, increasing the sustainability of our products and operations, and ensuring a culture of inclusion and diversity.

This year, we appointed John Burke to the new role of Chief Culture Officer. John is responsible for ensuring increased associate engagement, driving awareness of Staples Soul, and embedding our culture throughout the organization as we continue to transform our business.



Ron Sargent, Chairman and CEO, Staples Inc.

We have a lot to be proud of as we look back at our Soul accomplishments in 2012. We've taken a key step by establishing corporate responsibility task forces in every country in which we operate, responsible for leading local initiatives focused on each Soul pillar. In addition to these task forces, here are some of the highlights of our accomplishments:

**Ethics.** A strong foundation of ethics and governance requires a clear and comprehensive Code of Ethics as well as an uncompromising commitment to that Code. This year, we created and launched an online Ethics and Compliance Community on our Intranet site to provide our associates with a single destination to access policies, training, and resources. We revised and streamlined our required ethics and compliance training to ensure that associates have easy access and provided live training to many business units around the world. We also continued implementing our Supplier Code of Conduct and performed more than 290 Social Accountability audits at supplier factories.

**Community.** This year, we donated more than \$14.6 million to non-profit organizations around the world through our Community & Giving programs and continued to drive engagement in the communities where our associates live and work. We launched 2 Million & Change, which gives associates the opportunity to direct funding to the organizations they care about most. Through this program we granted more than \$2.1 million to 470 organizations in the first year and supported our associates in community volunteering activities across our operations. We also piloted a Values Recognition and Rewards program in five countries so associates could acknowledge when colleagues demonstrate our values in their work and reward them with a donation to the charity of their choice.

**Environment.** In 2012, we continued to implement our sustainability strategy, and we're working hard around the world to achieve our goals. We are rolling out right-size packaging technology in the U.S. and Europe, with 50% of U.S. facilities already using this technology, which significantly reduces waste. We sourced more than 75% of our electricity in the U.S. from renewable sources in 2012, and we'll reach 100% in 2013. We have nearly 110 international facilities with environmental management systems certified to the ISO14001 standard, and more than 500 ENERGY STAR® verified facilities in the U.S. that meet strict energy performance standards set by the Environmental Protection Agency. In addition, we're helping our customers reach their sustainability goals through our technology and ink and toner recycling programs, and by offering more than 10,000 eco-conscious products globally.

**Diversity.** Our workforce diversity strategy in 2012 was centered on creating greater opportunities for inclusion in the workplace. We focused our efforts in three key areas: awareness, Associate Resource Groups (ARGs), and mentoring. We developed a robust communications plan to educate our associates about the importance and meaning of diversity and inclusion at Staples. We grew our ARG network to fourteen chapters, reaching associates across many of the facilities and countries where we operate. These groups have hosted a wide range of activities to raise awareness, build community, and foster professional development. We also developed a formal mentoring program that will roll out officially in 2013.

We're committed to engaging with our various stakeholder groups and appreciate feedback on our corporate responsibility efforts. I invite you to learn more about Staples Soul on our [website](#).



Ron Sargent  
Chairman & CEO

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## 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.

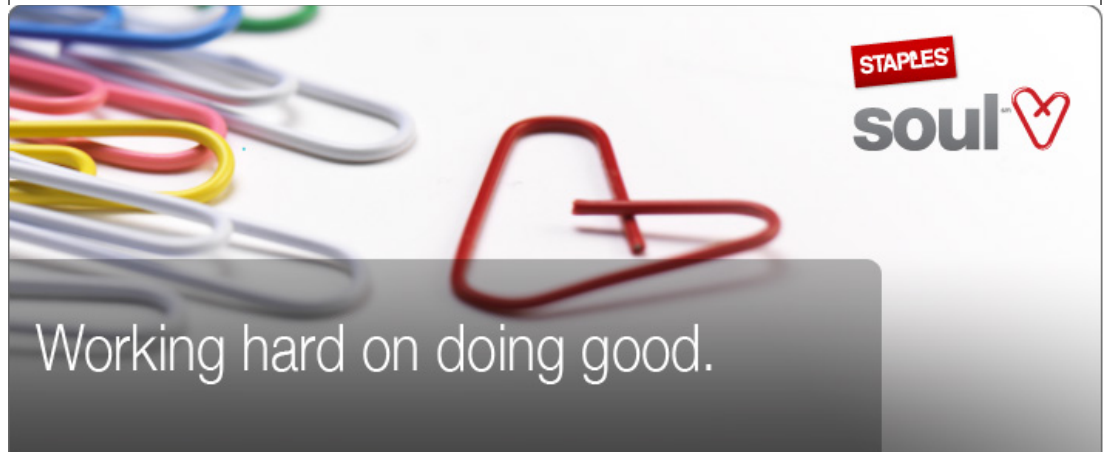
### Environment

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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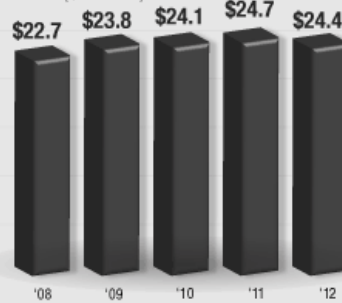


## Overview

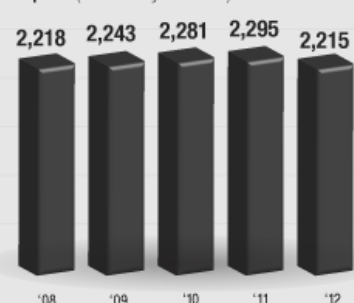
This past year, Staples announced a strategic plan to better serve the needs of our customers and to accelerate our growth. Successful execution of our strategy will help us achieve our vision: every product your business needs to succeed. Another key aspect of our success is our commitment to being a responsible corporate citizen, or what we refer to as Staples Soul. This holistic approach to business recognizes the close connection between our financial success and our desire to make a positive impact on our associates, communities and the planet.

Staples [2012 Annual Report](#)

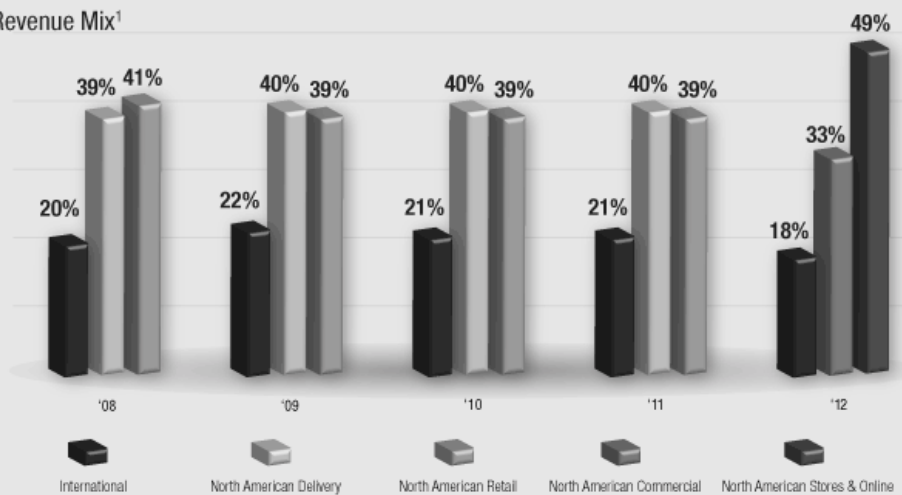
Revenues (\$Billions)



Stores Open (at fiscal year end)



Revenue Mix<sup>1</sup>



1 - In 2012, Staples realigned our organization to align with our new corporate strategy and the revenue mix shown here reflects the new organization.

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## Stakeholder Engagement

### 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

In 2012, Staples embarked on a strategic plan to better serve the needs of our customers, accelerate growth and achieve our vision: "Every product your business needs to succeed." 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 to increase customers' overall satisfaction levels in the "Customer Satisfaction" section of this report.

## Associates

We engage with and support associates on an ongoing 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. In 2011, Staples introduced a new intranet for our associates called "The Hub," which won a Nielsen Norman Group 2012 Intranet Design Award for the Year's 10 Best Intranets. Intended to connect our associates globally, The Hub continues to be rolled out to more associates internationally and adapted to best meet associates' needs.
- 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. 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.
- The company uses many strategies to understand how our associates are feeling about working at Staples. Starting in 2010, we utilized an outside vendor to conduct our first ever Global Engagement Survey where every associate was asked the same set of questions in their local language. We also conducted a Global Engagement Pulse survey in 2011, which was a more targeted subset of questions focusing on engagement and the most important drivers, and, in 2012, a subset of associates participated in a follow-up pulse survey.

Read more in the "Understanding Associates" section of this report.

## 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<sup>SM</sup> grant to fund a local program.

Our community and giving team has surveyed our stakeholders to gauge awareness and perception of Staples' community involvement, allowing us to continue defining the optimal community outreach programs. In fact, it was feedback from our associates that helped Staples Foundation decide on a new global giving strategy in 2012, one that is associate driven. The 2 Million & Change program allows associates to nominate organizations to receive a portion of Staples funding.

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 [Ethics and Compliance Officers Association \(ECOA\)](#). The only organization of its kind, ECOA's members represent the largest group of ethics and compliance practitioners in the world.



- Diversity organizations, including the [Greater New England Minority Supplier Development Council](#), the [Chicago Minority Diversity Supplier Development Council](#), [WEConnect Canada](#), and [WBENC](#) and its Boston affiliate, Center for Women & Enterprise. We also partner with NGOs including the [Human Rights Campaign](#), the [Gay, Lesbian and Straight Education Network \(GLSEN\)](#) and [ALPFA](#), a national nonprofit membership organization for Latino business professionals and students, 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 [CDP](#) 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 2012, as in prior years, we conducted in-person and phone meetings with larger institutional investors, labor unions, pension funds, corporate social responsibility investors and proxy advisory groups. We engaged in a constructive dialogue to hear their perspectives on various corporate governance matters, as well as our executive compensation program. The results were shared with our Nominating and Corporate Governance Committee and Compensation Committee, as well as our Board of Directors.

Our discussions over the past years have helped us to understand which issues are important to Staples' shareholders and how we can be responsive. This outreach also made it clear that our shareholders have divergent and varied opinions and perspectives regarding governance, executive compensation, and some of our other practices.

## 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 labor standards and health and safety regulations as well as environmental laws. 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 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. Over the last year, we have continued to partner with Staples® key suppliers on reducing packaging, particularly in top-moving categories such as paper. We've worked to replicate material reductions and changes across markets, have begun integrating more sustainable designs into Staples® brand products, and are working on a new packaging policy. Read more about packaging and product initiatives in the "Environment" section of this report.

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Understanding Associates

Creating a great place to work

We rely on the talents, strengths and commitment of our associates at every level — from the associates at the stores, picking product, making sales calls, answering customer questions to those in our senior management positions — to focus on executing our company vision of providing “every product your business needs to succeed.” Associates who believe in our vision, live our values and are engaged with their job and work environment are essential to provide our customers and our teams the best experience possible.



## Assessing global perceptions

The company uses many strategies to understand how our associates are feeling about working at Staples. Starting in 2010, we utilized an outside vendor to conduct our first ever Global Engagement Survey, in which every associate was asked the same set of questions in their local language. We needed to understand not only our current engagement levels, but more importantly what drives our associate engagement and where the company should focus on improving. The results were shared with the entire organization. But change is critical at all levels in the organization and we asked leaders to share their results with their teams and together build action plans against their most significant opportunities.

We also conducted a Global Engagement Pulse survey in 2011, which was a more targeted subset of questions focusing on engagement and the most important drivers. Again, this provided associates with a confidential way to share their feelings and experiences about working at Staples. In 2012, given the amount of change in our organization, only select groups participated in the pulse survey. In 2013, the entire organization will participate in our global survey.



U.S. Workforce



 **56%** Full time  
 **44%** Part time

Global Workforce



 **60%** Full time  
 **40%** Part time

## Implementing our new values

During 2012, we implemented a set of revised corporate values that guide our interactions with customers and each other. We have not only identified our five new values, but we have also articulated the behaviors that support or exhibit these values, with the goal of integrating these values into our culture and day-to-day operations. These values, critical to bringing our vision to life, represent what matters most at Staples and are: Own it; Say it like it is; Be caring; Keep it simple; and Work together.



Own it



Say it like it is



Be caring



Keep it simple



Work together

## Creating new communication channels

In 2011, Staples also rolled out a new intranet for our associates called “The Hub,” which won a Nielsen Norman Group 2012 Intranet Design Award for the Year’s 10 Best Intranets. The objective of The Hub is to connect our associates globally, so we can streamline communications, provide an easier method for accessing critical tools and resources, and allow associates to connect with and share ideas with each other. Through this global communication tool, our associates can now help and support one another, regardless of location. To date, The Hub has been rolled out to all U.S. associates and select associates in our international operations, and we will continue to improve our capabilities to reach more associates.

## Staples International expands associate engagement

Since late 2012, Staples International has been piloting a new associate Recognition & Reward program, based around our new values. The program allows associates to recognize each other for the great work they do and provide visibility to notable performance throughout the company. Select associates are then rewarded with the



donation of a small fund to a charity of their choice through Staples Foundation.

Furthermore, we have introduced new national Corporate Social Responsibility (CSR) taskforces to improve the effectiveness, communication and governance of our Soul programs — by being more inclusive and improving the engagement of our associates, we can make our programs more representative of our associates, improve our performance, focus on issues important to our stakeholders, and create a mechanism for providing suggestions on how we can improve



## Customer Satisfaction

### Providing value to customers



At Staples, we strive to provide superior value to our customers through a broad selection of products, easy-to-use Web sites, an integrated retail and online shopping experience and a wide range of copy & print and technology services. We are committed to providing superior value to our customers through a broad selection of products, easy-to-use Web sites, an integrated retail and online shopping experience and a wide range of copy & print and technology services.

Our vision is to provide our customers every product your business needs to succeed. In 2012, we announced a new strategy to achieve this vision and accelerate our growth. We are accomplishing this in multiple ways, for example we combined our North American retail stores and our public Web sites in the United States and Canada, staples.com®, to provide a more integrated and consistent shopping experience for our small business and home office customers. Our strategy for this new segment focuses on offering easy-to-shop stores and Web sites with quality products that are in stock and easy to find, and courteous, helpful and knowledgeable sales associates to support customers across all channels. In our North American Commercial segment, our focus includes expanding in categories beyond core office supplies and providing customers with a broad assortment of core office products, as well as serving our customers by continuing to improve our perfect order metric, which measures the number of orders that we fulfill on time and without error, and has led to establishing industry-leading customer service standards.

### Tracking progress and ensuring satisfaction

To make sure that we're doing a good job, we survey customers in our retail, online, and contract 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 customer satisfaction surveys across each of our North American business units and receive feedback from thousands of customers.

In our retail operations we ask customers to rank a variety of customer service factors, including customer engagement, cashier courtesy, speed of checkout, ease of finding merchandise, whether products are in stock, and associate knowledge. We monitor these factors against diverse dimensions of the shopping experience, such as time of day and week that customers shop, whether they are shopping for personal or business purposes, and what type of products they are purchasing. Due to our ongoing investment in training and focus on improving the customer experience, our overall retail customer satisfaction scores continued to increase, with the percentage of customers indicating they are extremely satisfied increasing from 74.5 percent at the end of 2011 to 76.5 percent at the end of 2012, a 2.0 percent increase.

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.

Much as we do for our retail business, we also track and evaluate the performance of our North American Contract business, and our Staples Online business, including Staples.com and Staples.ca. In addition to assessing our customers' overall satisfaction, we request feedback on specifics such as the ease of the shopping experience — online search capabilities, accuracy of product images and ease of checkout — as well as the packaging and delivery service, and satisfaction with any problem resolution. These indicators give us valuable insights into how our customers perceive their relationship with Staples. NAC CSAT performance has remained stable from FY'11 to FY'12, with 73.5% of customers indicating that they are extremely satisfied with their purchasing experience. Staples.com and Staples.ca consolidated performance has declined from 2011 to 2012 by 80 bps; however, satisfaction remains high with an overall score of 83.4%.

## 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 2012 for excellence in corporate responsibility.



- For the ninth consecutive year, Staples was selected as a component of the Dow Jones Sustainability Indexes (DJSI) for 2012/2013.
- Ranked #2 among retailers and #10 overall in the Newsweek Green Rankings for 2012, which ranks the environmental efforts of the largest 500 companies in the U.S.
- Included on CR Magazine's 100 Best Corporate Citizens 2012 list
- Named one of the 2012 Top 50 Companies for Diverse Managers to Work by Diversity MBA
- For the third straight year, earned 100% score on the Human Rights Campaign's Corporate Equality Index
- EPA Green Power Partner recognition: ranked #4 among all retailers, #6 among Fortune 500 companies and #6 in the U.S. (as of January 2013)
- In 2012, selected as EPA ENERGY STAR® Partner of the Year for Energy Management for second year in a row
- Selected as finalist for the 2012 Platts Global Energy Awards, in the Corporate Social Responsibility category
- Staples Australia received a 2012 Australian Business Award for Environmental Sustainability. This award recognizes organizations that implement policies and/or execute initiatives that demonstrate leadership and commitment to the enhancement, preservation and protection of the environment
- Shortlisted for the European Office Products Industry CSR Award for the third consecutive year in recognition of our comprehensive CSR offering
- For the third year in a row, Staples Advantage in Canada was awarded the prestigious Community Leadership Award of Excellence from the Canadian Office Products Association (COPA). Staples was recognized for exhibiting leadership, initiative, creativity, dedication and commitment to making a difference in the community



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### Talent Management

## 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 are committed to talent development for our global workforce. Staples' VP of Organizational and Executive Development oversees



success planning and organizational design efforts in addition to recruiting, coaching and developing senior leaders. The Director of Learning and Development leads management development efforts for all associates at Director level and below, including live and virtual programs for managers around the world.

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 Commercial (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.

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.

Staples' management development programs provide training across the entire career arc of our associates: from New Manager Programs like Leading at Staples 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.

## “Leading at Staples” training in North America

In North America, the Leadership Development team has continued the rollout of the Leading at Staples program, offering development on leadership competencies for all audiences based on the job level. The Foundations of Leadership program, focused on first-level supervisors and managers of individual contributors, is the initial offering under the Leading at Staples brand, with programs for Senior Managers/Directors and individual contributors to follow in 2014.

By August 2012, 20 sessions for supervisors and managers across every function within the United States were offered. The content of the program follows a very simple philosophy — that regardless of the function or location, there are vital leadership skills that can bolster managerial effectiveness and associate engagement. Topics include Emotional Intelligence, Selection & Hiring, Situational Leadership, Developing Associate Capabilities, and Project Planning. The training is delivered using a blended learning solution that includes virtual sessions, self-paced modules, classroom learning and on-the-job application through action plans.

Of particular importance is that in addition to professional trainers, the classroom sessions are facilitated by leaders from across Staples. This “Leaders Teaching Leaders” model offers developmental benefits for the participants as well as the leader-facilitators.

## Management training in Staples Europe

In 2012, Staples Europe graduated several associates from its manager training programs. Two new groups of senior managers graduated from the Advanced Manager Program (AMP), while three groups of first-time managers graduated from the New Manager Program (NMP). The AMP was created to better support seasoned managers in transitioning from leading others to leading managers, while the NMP provides the foundation for what it means to be a leader at Staples, and successfully prepares graduates for the responsibility of managing others. Both courses span an eight-month period, with combined classroom and online training, and give participants the opportunity to present their learnings and recommendations to address specific business questions to the European Leadership Team.

## Advanced Strategic Leadership Program in Staples Canada

In partnership with the University of Toronto, 22 Staples Canada associates identified as high potential talent graduated and obtained their certificate from a two-year Advanced Strategic Leadership program in 2012. Using current Staples business challenges, participants developed key competencies and acquired specific business knowledge to enable them to be more effective in their current roles and prepared them for assuming more senior leadership roles in the future. Program topics included Strategic Thinking, Emotional Intelligence, Building Business Cases and Leadership Techniques.

### U.S. Retail Talent and Development holds leadership development conference

U.S. Retail Talent and Development held a leadership development conference in 2012 to provide the team an opportunity to collaborate, learn and share best practices. The conference focused on how to analyze and evaluate current tools and metrics to identify the root cause of business problems and develop effective solutions quickly. In addition, a detailed action planning session was conducted to prepare our leaders with a definitive roadmap to drive their business forward.

## Global talent management system implementation

In 2012, Staples continued the process of launching our global talent management system, Talent Track. This system consists of three modules: a learning management system, used by associates to access and complete learning content; a performance management system, used to complete performance appraisals and other performance management components; and a succession planning system.

U.S. retail stores successfully launched the learning management and performance management systems in early 2012. In 2013, we will be launching our online performance management system for the large majority of our associates in the U.S. and large numbers of leaders in Canada and our International locations. This will allow managers to provide more consistent and more objective feedback. We will also continue to use our global online succession planning system, which will ensure that we build a strong bench for leaders of the future.

## Remote people management training

In 2012, the Learning and Development Team launched a new pilot training program for managers leading remote teams, with the goal of helping them face the challenge of managing people and performance at a distance. The program uses online training modules with a focus on an applied learning approach (experience sharing, individual case study work, coaching and mentoring). Participants gain an understanding of the principles of effective people management and the specific challenges of remote people management. They also develop key competencies of an effective remote manager, define effective solutions and apply best practices for their individual management situations.

### 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. 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. We also have relationships with the University of Phoenix and Capella University, allowing Staples associates to receive a discount on classes. To learn more about working at Staples, please visit our [careers page](#).

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## Health and Wellness

### Choose well. Live well.

Staples' approach to healthcare considers its associates' emotional, physical and financial well-being. While some benefits are available only to full-time associates, many are offered to all associates in support of our culture of health.

Staples offers Personal Health Assessment (PHA) rewards to full-time associates and their covered spouses or domestic partners. Through its health plans, Staples encourages all associates to take advantage of the low- or no-cost annual physicals, which may include 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 spouses/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
- A 24-hour nurse line (allowing associates to speak with a registered nurse 24 hours a day, 7 days a week)
- Employee Assistance Program, including free legal and financial counseling, to help with life's everyday challenges
- Lifestyle management programs, telephonic coaching and online wellness portal
- Disease management programs
- Cancer Second Opinion Program
- Wellness champions and health fairs
- On-site biometric health screenings and flu shots
- On-site health coaches
- Education sessions on topics such as nutrition, physical activity, stress management, parenting tips and financial wellness
- Scholarship program for associates and their dependents
- On-site meetings with financial planners
- Workplace banking programs
- Pay Card available to unbanked associates
- Financial Entertainment Game Portal to help educate associates and their families on money management and saving
- On-site walking programs, and physical activity and weight loss competitions
- Disability and paid and unpaid leave programs
- Free online tool for will preparation and healthcare proxies
- A health portal providing easy access to information and tools to help associates make the most of the benefits that Staples offers



- Many voluntary benefits, including legal and pet insurance, which can be conveniently deducted from an associate's paycheck
- Financial assistance with adoption expenses
- Company-paid life and accidental death insurance with additional voluntary features
- A retirement plan with auto-enrollment, auto-escalation and default investment features

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

## 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 2013 Staples business units will continue to implement business-specific behavioral-based safety programs such as "Safety In Action" (in U.S. stores), and "Focus 4 Safety" in U.S. Retail Distribution Centers and North American Commercial. Each is designed to improve site safety by promoting behavioral observation of how associates are working in their job functions and by coaching and promoting correct work techniques. Program compliance and feedback are 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, third-party injury triage services and active relief therapy (ART), and are currently testing pallet jack guards to help prevent foot injuries.

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. Interim training is provided by location management through individual safety training modules (job aids) that combine both classroom and practical training.

## Managing hazardous materials in our operations and products



Hazardous materials need to be safely managed across our operations, from handling in our warehouses to transportation on our fleet. Our compliance and safety teams stay abreast of all pertinent environmental, safety and transportation-related requirements to ensure we are compliant and our associates are safe.

In 2011, prompted by increasing growth in our facilities and breakroom categories, our North American Commercial department worked diligently toward completing a two-year project to streamline the management of all the products we sell — both existing and new — that are regulated by the U.S. Department of Transportation, U.S. Occupational Safety and Health Administration, U.S. Food and Drug Administration, and, in some cases, states or state consortia. By collecting and maintaining product data at the initial point of entry into our information management systems, we can easily share that information upstream and downstream to give our associates access to the information they need to properly package, mark and label all regulated products. The upgraded system also allows our customers to access important product information (Material Safety Data Sheets) directly from our ordering platforms.

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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 is comprised of both a clear and comprehensive Code of Ethics (the "Code") and conduct that demonstrates an uncompromising commitment to that Code. Both are 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 begins at the top. Staples' Chief Compliance Officer and Vice President of its Global Ethics & Compliance Office is responsible for defining and monitoring ethical standards. The VP works in the General Counsel's office, which reports directly to the CEO. The Governance and Audit Committees of our Board of Directors also oversee governance and ethics issues.

The Global Ethics & Compliance 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.

## 2012 performance highlights

- Created and launched online Ethics and Compliance Community (internal online site), providing associates with a single destination to access policies, training and resources.
- Revised and streamlined ethics and compliance training to ensure that associates have easy access to all of

their required training.

- Provided live training to business units both within and outside the United States to help ensure that associates are familiar with relevant laws and company policies.
- Continued to implement the Staples Supplier Code of Conduct, which is designed to ensure that workers making Staples® brand products are treated fairly, with dignity and respect, and that our suppliers operate in an ethical and environmentally sustainable manner. We audit every factory that supplies Staples® brand products for compliance to our Code if they are located in a designated “at risk” country. In 2012 we completed 291 Social Accountability factory audits at 230 factories.

## Future Goals

- Continue to increase the visibility and brand of the Global Ethics & Compliance Office and ethics program both domestically and internationally.
- Implement global training platform (online) that will provide easy access to existing and new training programs.
- Continue to strengthen our U.S. Foreign Corrupt Practices Act (FCPA)/Anti-Corruption Program with an emphasis on our High Growth Markets.
- Support the Chief Culture Officer in the successful implementation of his ethics-related objectives.

### Ensuring Sound Governance

## Many ways to reach out

In 2012 and 2013, 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 and proxy advisory groups to discuss the governance issues that are most important to them and also discuss our executive compensation program. Management then briefs the Board of Directors and its relevant committees 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 2012 we provided our shareholders with the ability to act by majority written consent. We also made several changes to our executive compensation program and updated our Corporate Political Contributions and Government Activity Policy Statement to include enhanced disclosures of the political activities of trade associations with which we are affiliated, and our lobbying activities. To learn more about our current corporate governance principles and to review our Corporate Governance Guidelines, committee charters, Corporate Political Contributions and Government Activity Policy Statement and other significant policies, please visit Staples' [Corporate Governance](#) Web page.

## About the Staples Board of Directors

### Composition:

Thirteen members, including Chairman and CEO Ron Sargent; three women; two Asian Americans, one Hispanic and one African American.

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

In 2012, Dr. Drew Faust, President of Harvard University, was elected to our Board of Directors and in 2013, Raul Vazquez CEO and Director of Progreso Financiero was elected to our Board. We believe that the composition of our Board of Directors, including our newest directors, combines institutional knowledge and understanding our business model, products and services and historical growth strategies and is balanced with an influx of new ideas and exposure to alternative approaches to business process, thereby promoting lively Board discussion and effective oversight and problem solving.

### Terms:

Elected annually for a term of office to expire at the next annual shareholders meeting.

### Committees:

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

### Independence:

Other than our 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. We currently have a combined CEO-Chairman and an independent lead director. The combined CEO-Chairman role allows for a single, clear focus for command to execute Staples' strategic initiatives and business plans. Our independent lead director has significant responsibilities and duties, including approving the Board agenda and schedules for meetings, presiding at executive sessions of independent directors, chairing the annual review of the CEO and many other duties as set forth under our Corporate Governance Guidelines.



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A Culture of Integrity

## 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 (now the Global Ethics & Compliance Office) in 2004, and why we issued an updated and 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:

We regularly **INFORM AND EDUCATE** associates about Staples' ethics policies and procedures so everyone knows what is expected.

BY:

**Providing ongoing awareness and training programs:**

- Ethics for new hires
- Anti-corruption training
- Customized workshops

**Deploying common global policies and systems**

- Code of Ethics
- Anti-Corruption Policy
- Gifts & Entertainment Guidelines
- Ethics helpline

We **FOLLOW UP AND RESPOND** to ethics and other related questions and concerns.

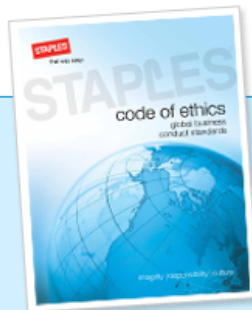
BY:

- Active monitoring of helpline
- Investigation of matters arising under the Code of Ethics
- Use of case tracking protocols
- Taking appropriate disciplinary and corrective action

We continuously monitor our ethics and compliance related activities so that we can **ASSESS and IMPROVE** our ethics awareness, engagement and to ensure compliance.

BY:

- Ongoing monitoring of the Ethics Helpline and investigation activities and trends
- Conducting periodic surveys, focus groups and/or interviews with associates
- Monitoring of new internal and external developments and performing periodic risk assessments



**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.**

## The Staples Global Code of Ethics

As set forth in our 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.

The [Staples Global Code of Ethics](#) is the foundation of our commitment to ethical business practices and conduct. Recently updated and translated, the Code is available in the 17 major languages spoken by Staples associates worldwide. It explains core expectations regarding ethical conduct and business practices and 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 in their employment at Staples and typically receive a copy of the Code of Ethics with their offer letter. They also participate in a live ethics training module as part of the new hire orientation. Managers across the company also receive additional training based on situations they're most likely to face on the job, and, in 2013, we will increase communications to associates to encourage them to speak up if they have ethics-related concerns or questions.

## Targeting training for maximum effectiveness

Our ethics and compliance training programs for associates are designed to focus the company's resources on the areas where we can have the greatest impact. We use a 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. For example, we use [Transparency International's Corruption Perception Index](#) to identify those regions and operating areas that are most likely to face corrupt business practices and 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, internal Web sites and communications from company leaders. We also use 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 2013, we will create a more targeted training curriculum, based on level and function, to ensure that associates continue to get appropriate training.

## Empowering associates to speak up

Company-wide ethics require company-wide engagement. Our approach to the challenge of ensuring proactive participation 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 can become more significant 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. Indeed, Staples' newly launched values encourage all associates to speak up to defend the company's values.

Our CEO, Ron Sargent, in his letter to all associates emphasized Staples' commitment to open and honest communication as follows:

"As a company, we must foster an environment where issues and concerns can be raised freely, no matter how small. And the Code of Ethics is designed to help you 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." – Staples' Global Code of Ethics

## Staples EthicsLink

Our Ethics Helpline, Staples EthicsLink, is available in multiple languages in Staples locations worldwide, online and by telephone. Hosted by a third party but administered by our Global Ethics & Compliance 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 & Compliance 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.

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

## 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. In 2011, we conducted additional anti-corruption training for key roles and locations and provided training to local ethics liaisons to increase awareness of potential ethics and compliance issues and help ensure they are escalated to the right people. We also continued to partner with Finance and Internal Audit to strengthen internal controls.



**To contact the Global Ethics and Compliance Office Call:**

**1-508-253-4218 or  
1-508-253-8461**

**Mail questions or concerns to:  
Global Ethics Office,  
Staples, Inc.,  
500 Staples Drive,  
Framingham, MA 01702**

**Or go to:  
[staplesethicslink.com](http://staplesethicslink.com)**

## Monitoring and reporting on our performance

We are confident that the programs we have in place — like our Code of Ethics, ethics and compliance training, and Staples EthicsLink — are helping to ensure that all of our associates throughout the company act in an ethical and responsible manner. In 2013, we will embed ethics questions into the HR global engagement survey and establish monitoring reporting tools to track how we are doing and communicate this information to our leadership team.

## 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 prevent 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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Ethical Sourcing

## 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, 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 ethical and environmentally sustainable manner and includes standalone environmental and business ethics sections. The Code is regularly reviewed and reinforced as business needs and requirements change.

The Director of Product Quality, 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 works closely with the Vice President of Product Development, Sourcing and Quality, who is in charge of producing goods, and with the Vice President of International 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 annual supplier audits has narrowed in some respects and expanded in other respects. For example, Staples no longer audits factories that produce Staples® brand products in the United States, Canada, Europe or Australia. 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 2012. These suppliers constitute approximately half of all Staples' own brand suppliers (230 of 507 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 2012 inspections

230 supplier sites in "at-risk" locations were audited in 2012	Certified	On probation
(291 factory certification audits – initial, recertification and post-probation – were conducted in total)	216	14*
Facilities that required Social Accountability audits	230** in "at-risk" locations	
56 inactive suppliers (no Staples® brand products are currently being produced there)		
Staples did not sever ties with any factories in 2012		
Total # of Certified Facilities	493 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 291 Social Accountability audits were carried out at 230 factories, as some suppliers were audited more

than once.

## 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- or 90-day intervals when a factory is on probation, to determine progress in the required corrective action.

\*\*Post-probation audits: Comprehensive audits of the factory occurring within 90 days of the passed follow-up audit.

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 producing a Staples® brand product, performance is validated, as well as safety and regulatory compliance. Staples conducts product qualification testing through an independent testing lab.

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 product samples pulled from the first shipment and then annually after that 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. 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. Fortunately in 2012, we did not need to conduct a product recall on any of the Staples® brand products sold.

Staples posts all recalls to its [Warranty & Recall Web page](#) so that consumers have information readily available regarding any brand of products we sell that have been subject to a recall – no matter the reason.

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## Overview

Everywhere we do business, we are proud of our contributions to local economies: selling products and services that help business owners, households, educators, students and others 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, both through large-scale initiatives and smaller, less formal programs. Our focus is on supporting educational and job skills community efforts with a primary focus on disadvantaged youth, from literacy and mentoring to career skills development. We support these causes through corporate contributions, in-kind donations and grants from Staples Foundation<sup>sm</sup>, our private charitable arm. We also encourage our associates and customers to contribute their time and resources as well. Through our global community and giving efforts, we have helped more than 6,500 organizations in local communities across 26 countries.

## 2012 Performance Highlights

Staples is dedicated to providing education and job skills opportunities to communities where our customers and associates live and work. We contribute through large-scale initiatives as well as local, grassroots programs that promote goodwill and build strong community ties globally. Among other achievements, we:

- Donated more than \$14.6 million to non-profit organizations around the world through Staples Foundation, corporate charitable giving programs, in-kind donations and cause marketing efforts
- Launched the 2 Million & Change program which enabled associates globally to direct more than \$2.1 million to 470 organizations they personally care about and support
- Led three successful school supply drives in U.S., Canadian and Portuguese stores, generating more than \$2 million in school supplies for local youth in need
- Enabled Boys & Girls Clubs of America to increase their number of Torch Club programs to 1,892, serving 22,627 youth
- Piloted an associate Recognition and Rewards program in five countries to allow associates to recognize each

others' performance and give selected associates the opportunity to donate to a charity of their choice through Staples Foundation

- Associates participated in community volunteering events in 16 countries and raised money for local organizations through fitness fundraisers in 12 countries

## Future Goals

- Deepen associate community engagement by increasing awareness of and participation in local volunteer opportunities
- Increase associate involvement
- Focus support on local organizations to maximize impact in communities

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Impact on Communities

## 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 support hundreds of organizations. Among other non-profit organizations, we partner with:

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

Staples supports the Torch Club program — chartered, small-group leadership and service clubs for youth aged 11 to 13 — and encourages associate engagement through local Clubs.



### City of Hope

As part of the National Office Product Industry, Staples supports cancer research, treatment and educational programs through sponsorship and participation in fundraising events and initiatives.



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

Our partnership supports the Inner City 100 program, which recognizes and provides resources to the fastest-growing urban businesses across the country.



### Junior Achievement Canada

Staples Advantage Canada supports business and diversity-related education programs for students aged 10 to 19. For the past three consecutive years, Staples Advantage Canada has received a community award from the Canadian Office Products Association for their partnership with Junior Achievement.



### Kinder Biennale

Staples Germany supports community services for children including participation in Kinder Biennale's annual children's festival.



### Junior Achievement China

Staples China supports career and education programs for students, engaging associates in teaching and leading career workshops in local schools.



## Beacon Foundation

Staples Australia supports programming to help disadvantaged students achieve academic engagement, employment opportunities and personal success.



## Disaster relief

In the wake of Hurricane Sandy, Staples and associates contributed more than \$150,000 of monetary and in-kind donations to support emergency relief efforts through the American Red Cross, and school supplies to devastated schools in New Jersey and New York. We also assisted 90 of our own associates personally affected by the disaster.

We quickly responded to Sandy Hook Elementary School's request for assistance in getting a new school up and running after the shooting tragedy. Staples provided more than \$32,000 of gift card and in-kind donations to support the students, teachers and setup of the new school location



### Associate Engagement

## Staples associates: "We're in"

Our associates are passionate about getting personally involved in our community efforts. The following programs and initiatives illustrate the breadth of our efforts to formalize and encourage associate engagement:

## 2 Million & Change

In 2012, Staples Foundation changed its giving approach by launching the 2 Million & Change program. This unique program allows associates around the world 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. In the program's first year, more than \$2.1 million was directed to 470 organizations that associates personally care about and support.



## Our associates engage in the community

Associates around the world dedicate their time and resources in several ways, including:

- Participating in a community day of service
- Leading school supply and holiday gift drives
- Mentoring and tutoring youth
- Sprucing up a local organization site
- Organizing a community event
- Sharing business expertise and knowledge with local youth
- Participating in fitness fundraisers in which Staples teams walk, run or bike to raise money for a local cause



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## How We Give

### Gift cards, donations and more

Staples supports 501(c)(3) non-profit organizations focused on education and job skills in a variety of ways:

#### Grants

Staples Foundation<sup>sm</sup>, our private charitable arm, awards grants through the new 2 Million & Change program, which allows associates to nominate organizations that they personally care about and support. We encourage non-profits to reach out to Staples associates to learn more about the program.

#### Eligibility guidelines:

- Registered 501(c)(3) non-profit organization
- Serving the following areas:
  - Education (examples: schools, GED program, mentoring, tutoring, college preparation)
  - Job skills (examples: job training/placement, résumé building, interview skills, career exploration)

#### Staples will not make donations to the following:

- Organizations that discriminate on the basis of race, religion, creed, national origin, gender, disability, age, sexual orientation or any other basis prohibited by law
- Political organizations
- Religious organizations, unless they are engaged in a significant project that benefits a broad base of the community
- Individual requests, including educational scholarships or medical or travel expenses.

#### Charitable Donations

If an organization fits within our focus area, a representative can visit their local Staples® store and speak with the



General Manager about support. All requests are evaluated by the local store and decisions are made at the discretion of store management.

## 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-kind product donations

Staples stores can donate eligible products to help an organization's administrative needs. Local Staples General Managers can answer any questions about product availability and organization eligibility.

## 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've found cause marketing to be a great way to bring together customers, associates and partners in community-building endeavors. As part of Staples' back to school initiatives, we led the following in-store campaigns:

The U.S. led their fifth annual Staples for Students National School Supply Drive, teaming up with Bella Thorne, teen actress from the hit Disney show *Shake It Up!*. The campaign included a kick-off backpack stuffing event at the Teen Choice Awards, promotions in all U.S. retail stores, and two shopping spree events for local Boys & Girls Clubs kids with baseball players Mike Avilés, formerly with the Boston Red Sox, and Jake Peavy of the Chicago White Sox. The campaign resulted in hundreds of thousands of dollars in school supplies going to local students in need across the country. Since the program began in 2008, Staples for Students has donated more than \$3 million in supplies.



All Canadian retail locations partnered with more than 250 organizations and school boards in their seventh annual Staples School Supply Drive, which raised more than \$1.3 million in school supplies for thousands of local students.

Staples Portugal developed an innovative customer donation program, called School Bench, in partnership with Entrajuda, to provide disadvantaged students with school supplies. The program included both social media and in-store elements to encourage customer participation. Together, Staples and their Portuguese customers donated more than £35,000 to students in need.

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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

Our sustainability 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 set a series of global and U.S.-specific goals to measure our progress in these areas, and track our progress against these goals. 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 the sustainability program. This executive reports to the Chief Culture Officer, 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, but not limited to, associates in real estate and construction, energy management, merchandising, the Staples® Brand Group, supply chain and marketing, and internationally based corporate responsibility colleagues.

Staples has a large global and interdependent supply chain that represents a significant portion of the environmental impacts associated with the products we sell. Due to an increased focus on identifying the environmental risks and opportunities in our supply chain, the Environmental department continues to engage closely with our Supplier Collaboration department. This team, led by the Vice President for Transportation and Supplier Collaboration, is responsible for implementing Staples' supplier sustainability partnerships and innovations in product packaging, manufacturing and distribution.

Internationally, 107 of our facilities have environmental management systems certified to the ISO 14001 standard. This provides a system for us to observe, control and improve our environmental performance, not only helping us to comply with relevant legislation, but also helping us to improve our performance through pollution prevention and resource conservation. Countries include Australia, Canada, China, Denmark, Finland, France, Germany, the Netherlands, New Zealand, Norway, Portugal, Sweden and the United Kingdom.

## Raising internal awareness

To ensure that our associates continue to learn more about what Staples is doing to increase our sustainability, and how they can personally contribute to these efforts, we are utilizing a wide range of internal communication vehicles to engage, educate and inform associates globally. These include the use of our intranet, quarterly management forums, special events and various internal newsletters, among other modes of communication. These ongoing communications build understanding throughout the Staples organization and increase our capabilities as a sustainability leader.

## Connecting with environmental initiatives in the community

At Staples, community involvement is an important component of our Staples Soul initiatives. Across our operations, we engage with our local and national communities to drive environmental improvement and infuse environmental

awareness, particularly with younger generations. Examples of our community engagement include:

- Staples Australia awarded \$75,000 AUD to 17 schools and community groups across the country to undertake educational environment projects. The funding was made available through the Staples Go Green Grants program in conjunction with Junior Landcare. The grants program will see a diverse range of projects come to life, helping children learn about sustainability and their local environment in a fun and interactive way.
- This year, Staples Canada donated 20 computer labs valued at \$25,000 each to environmentally responsible schools across Canada through its Recycle for Education Computer Lab Contest.
- Staples Advantage Canada contributed \$25,000 CAD to non-profit Evergreen's school ground greening program in 2012 — \$1 for every Sustainable Earth by Staples™ Brand remanufactured toner cartridge purchased by our customers.
- With their EasyTree program, Staples Advantage Germany is supporting the United Nations Environmental Program's (UNEP) Billion Tree Campaign for the sustainable development of forests. In 2012, 43,000 trees were planted across Germany, with an estimated value of €100,000. Staples Germany engaged over 5,500 customers and planted 18 hectares of trees.

## Performance highlights

- Globally, we offer more than 10,000 products (and counting) with environmental attributes in our stores and online. Staples' own eco-conscious product line — Sustainable Earth Brand — was launched across Europe and in Australia in 2012.
- Globally, we recycled more than 76.5 million ink and toner cartridges and more than 19.3 million pounds of technology waste for our customers in 2012. Staples Advantage in Canada expanded its customer recycling program to include technology recycling.
- We are actively rolling out right-size packaging technology in the U.S. and Europe. In the U.S., the technology has been launched at more than 50 percent of distribution centers. In Europe, we have 12 active machines across France, Germany, Italy, the Netherlands, Spain, Sweden and the UK.
- In the U.S., we sourced more than 75 percent of our electricity from renewable sources. To date, 34 of our U.S. locations host solar power arrays, which produced nearly 15 million kWh of renewable power in 2012. In 2012, Staples UK completed a brand-new solar panel installation at its Corby Distribution Centre.
- At the end of 2012, we had 513 Energy Star qualified facilities in the U.S., easily surpassing our goal to attain 500 by the end of the year. These facilities use 35 percent less energy than non-qualified facilities on average.
- Staples has obtained ISO14001 certification in China, adding to existing certifications across Australia and New Zealand, Canada, Denmark, Finland, France, Germany, the Netherlands, Norway, Portugal, Sweden and the UK. We now have 107 facilities with certified environmental management systems.
- In the U.S., we had 53 all-electric trucks making deliveries to our customers, and will be adding 5 more in mid-2013.
- In the UK, Staples was certified to the Carbon Trust Standard, a mark of excellence that publicly recognizes carbon emission reduction efforts. These efforts resulted in an 11.1 percent reduction in carbon emissions from the previous year.

## Environmental goals and progress

As reflected in our last report, we have gathered performance data to set a 2010 baseline for our 2020 global performance goals. With time, our data collection capabilities continue to improve, allowing us to report on a more complete picture of our environmental performance. As a result, we have gathered more complete data for 2011 as well as 2012, allowing us to report on our progress against our goals with more certainty. The performance data and progress reported below reflects the vast majority of our global business operations. We will update our progress as we fill any outstanding data gaps.

Vision		Goal(s)	Progress
Sell more sustainable products and services	Offer our customers only sustainable product and service choices.	Continue to improve sourcing, identification and promotion of greener products to customers.	In 2012, Staples had approximately \$2.47 billion in sales of products meeting our criteria for more advanced environmental features, globally, which represents about 11 percent of total sales.
		Reduce the use of packaging materials in the	In 2012, we implemented our "Smart-size Packaging"

		United States by 20 percent by 2020 from a 2011 baseline.	solution in 14 fulfillment centers. We also developed solutions for more than 300 Staples-branded products to reduce environmental impacts of products. Finally, we piloted a packaging scorecard to baseline packaging data and measure improvements of our supplier-produced products.
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.	Globally, we collected more than 76.5 million ink and toner cartridges in 2012, an increase of nearly 7 percent from 2011.
		By 2020, recycle 40 million pounds of e-waste each year globally.	Globally, we collected nearly 19.4 million pounds of e-waste in 2012, a decrease of 9.7 percent from 2011.
Eliminate operational waste	Achieve zero waste in our operations and help our customers to minimize their operational waste.	Reduce waste to landfill by 25 percent globally by 2020 with 2010 as a baseline.	Globally, we sent 34,020 tons of waste to the landfill in 2012, a less than 1 percent increase from 2011 (33,820 tons) and a 10 percent decrease from 2010 (37,810 tons).
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.	While fleet fuel economy did improve from 10.01 mpg in 2010 to 10.04 mpg in 2011, we experienced a decrease in 2012, to 10.01 mpg. This was due to running more miles and having to use blended fuel (which delivers lower BTUs per gallon and therefore lowers fuel economy) for a longer time due to cold weather conditions this year.
		Reduce the electrical intensity of our global operations by 25 percent by 2020 from a 2010 baseline.	In 2012, global electrical intensity (11.34 kWh/ft2) increased slightly from 2011 (11.28 kWh/ft2) but still showed a decrease from our 2010 global electrical intensity (11.56 kWh/ft2).
		Ensure that 50 percent of our active locations in the United States achieve ENERGY STAR® certification by 2020.	At the end of 2012, 29 percent (513) of our active U.S. facilities were designated as ENERGY STAR® certified. This represents an increase from 16 percent at the end of 2011.
		Reduce global carbon emissions by 50 percent by 2020 from a 2010 baseline.	In 2012, our global carbon emissions after offsets were 176,955 MtCO2e, an approximately 1 percent decrease from 2011 after-set emissions (178,710 MtCO2e) and a 56 percent decrease from our 2010 after-offset emissions (407,650 MtCO2e).
Sustainable Products and Services			

## Helping customers make greener choices

Staples seeks to make it easy for our customers to purchase more sustainable products and services that will reduce our collective impacts on the environment and society. To help pursue this objective, we collaborate with our suppliers and other stakeholders to reduce packaging and improve its environmental performance, identify and offer a broad assortment of greener products, develop tools and resources to guide our customers to find and choose greener products, and launch recycling and other services that meet the needs of our customers while reducing environmental burdens. Ultimately, the measure of success is how we're able to progress [against our goals related to packaging reduction](#), green product sales, and recycling and other services.

### Vision

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

### Focus areas

- Driving reductions in packaging volumes and the use of "greener" packaging material types
- Developing and implementing scorecards for use in driving sustainability improvements in packaging and products
- Realizing improvements in assortment and sales of more sustainable products
- Increasing the visibility and value of recycling and environmental services to our customers

### Goals for 2013 and beyond

- Continue to improve sourcing, identification and promotion of greener products to customers
- Reduce the use of packaging materials in the United States by 20 percent by 2020 from a 2011 baseline

## Developing more sustainable product packaging

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 environmentally sensitive packaging materials, we're asking our suppliers to help us ease the burdens that we collectively place on our customers and the environment.

Since we began this initiative, we have worked to identify, prioritize and pursue projects that will deliver the highest positive environmental impacts. Over the last year, we have continued to partner with Staples' key suppliers on reducing packaging, particularly in top-moving categories such as paper. We have replicated material reductions and changes previously made in the U.S. into our Canadian and Quill paper lines and are investigating new packaging material alternatives based on the latest technology available. We have also begun integrating more sustainable designs into Staples® brand products as part of the current repackaging initiative, as well as creating ongoing packaging standards for future products. In 2012, we developed solutions for more than 300 products that reduce the amount of packaging, improve cube utilization, and/or increase the use of recyclable materials. Several categories are in various stages of completion, including writing instruments, envelopes, and filing and business tools (e.g., staplers) with others scheduled to begin throughout 2013. We are currently piloting a Web-based packaging scorecard with several key suppliers that measures baseline packaging and provides the ability to track and report on improvements over time. Finally, we have completed a first draft of a new packaging policy and are working with internal and external experts to fully validate it prior to launch.

Our biggest challenges to date in making more progress on product packaging include:

- Overcoming concerns that packaging changes will negatively impact sales of product due to perceived customer preference for packaging that looks less "green;"
- Lack of alignment and competing supply chain priorities across retailers regarding sustainable packaging directives for suppliers that we share, making it difficult for suppliers to make changes to meet different needs
- Resistance to change due to initial costs associated with incorporating any changes in production processes required to implement sustainable packaging moves

Added to the above challenges is the need to balance improvements across both brick-and-mortar and eCommerce channels — the added complexity can add cost or limit the options currently available.

## Minimizing packaging waste in our shipments

Along with our efforts to reduce and improve packaging around products, we have developed new processes and systems to ensure that our shipments to customers are engineered to minimize packaging.



Recognizing that corrugated use in our outbound packaging has a significant impact, we have implemented Smart-size Packaging that custom builds a box based on the contents of each customer's order to largely eliminate the excess space in our delivery boxes. We have completed installation of this new packaging solution in 19 of our U.S. delivery fulfillment centers and are scheduled to complete the remaining 13 facilities by mid to late 2013. This new technology will reduce corrugated use by more than 15 percent and air pillow use by about 60 percent across our entire U.S. network. We also anticipate that when the solution is fully rolled out, the reduction in corrugated use will reduce carbon emissions by 25,000 metric tons annually.

In 2012, Staples used an estimated 45.1 million pounds of corrugated cardboard, as measured by volume of materials purchased. This represents an increase from our 2011 use (40.5 million pounds). As we finish transitioning our distribution centers to the Smart-size Packaging, and adjust our corrugated purchases accordingly, we anticipate our total volume used will start to decrease.

Staples Europe has invested in Jivaro technology in the Netherlands, the UK, Italy, France, Germany, Sweden and Spain, with 12 machines active across Europe. This technology adapts the height of the box to the contents inside before sealing the box, with the end result being a compact box that does not take up any more space than is strictly necessary. This has allowed for a cube improvement of up to 30 percent per customer order, which translates into fewer vehicles required to move the product to customers.

In the U.S., we have reduced the thickness of our air pillow plastic by 35 percent while maintaining performance standards. As a result, the weight of air pillows purchased decreased by nearly half between 2011 and 2012 (1.6 million pounds to 888,000 pounds). We have also developed several new outbound packaging solutions for products with unusual dimensions or high damage rates. In addition, we are currently piloting a systemic enhancement that will allow us to eliminate paper copies of packing slips and other shipping paperwork and deliver a customized solution electronically to our customers, as well as evaluating alternatives to our current packaging supplies, including higher recycled content and reusable options.

### Small Order Reduction initiative reduces environmental impacts

Through our Small Order Reduction initiative, we are encouraging Staples Advantage® customers globally to reduce their environmental impacts. Consolidating orders decreases packaging waste and reduces unnecessary delivery trips. To support this initiative, we use a Small Order Calculator, which allows us to work together with our customers to reduce the number of orders below a certain threshold by consolidating multiple small orders into one, less frequent order. This approach has been implemented in the U.S., Canada and Europe (namely, France, Germany, Norway, Poland, Sweden and the UK). Certain business units have also aligned this initiative with a tree-planting scheme, whereby they donate to a planting charity on behalf of customers.

## Offering our customers more sustainable products

In our stores and online, Staples offers our customers more than 10,000 products with environmental features. This includes everything from attributes common in the industry to products meeting some of the most stringent and holistic environmental certifications.

In 2012, our sales of products with any environmental features we track in the U.S. were \$2.51 billion, or approximately 15 percent of total U.S. sales. Meanwhile, U.S. sales of products meeting our criteria for more advanced environmental features were \$1.64 billion, or 10 percent of total sales. Globally, sales of these products with advanced features were \$2.47 billion in 2012, or approximately 11 percent of sales for reporting business channels. These more advanced products meet a higher standard for environmental performance, and include those containing 30 percent or more post-consumer recycled content; those adhering to a select group of third-party environmental standards and certifications (like ENERGY STAR®, Forest Stewardship Council, Green Seal™, and level®); and those containing 30% or more agricultural residues, rapidly renewable materials or bio-based plastics.



## Staples International launches Sustainable Earth by Staples™ products



In 2012, Staples launched the Sustainable Earth by Staples™ brand in European and Australian markets, to build on our existing assortment in North America. To learn more, [view our U.S. assortment](#).

Staples Australia's EarthSaver™ classification program, which makes it easy for customers to select environmentally preferable products, was significantly expanded during the year as the company launched a premium brand of eco-conscious products — Sustainable Earth by Staples™, making Staples the largest supplier of environmentally preferable products in Australia. In 2012, we increased the product offering with products like Sustainable Earth by Staples™ tissues. We now have more than 250 Sustainable Earth brand products available such as writing instruments, binders, desk accessories, notebooks and premium compatible toners.

In Europe, Sustainable Earth brand product ranges were launched in late 2011 starting with our range of cups, plates and bowls. From that time we have added to the assortment and now have a total of 67 products, ranging from recycled writing instruments to 100 percent recycled bin liners.

While we're glad to be able to offer this assortment of products today, we believe that our business and our customers need more visibility into which features, certifications and/or supplier performance metrics drive the greatest environmental improvements in different product categories. Gaining clarity on these will allow us to make more sustainable purchasing decisions as a retailer and help us guide our customers to make it easy for them to make truly greener choices.

We are approaching this in several ways. Our initial focus has been to leverage existing certifications and features such as recycled content to identify and track products that we believe lead to improved environmental performance compared to the "industry average". Our eco-conscious product criteria vary by market, but are typically characterized by 30 percent or more recycled-content materials and/or meeting specific third-party environmental standards.

## Making it easier for customers to find greener products

We continue to help our customers locate the green products they're looking for on staples.com®. Key improvements that we made in 2012 include:

- Updates to the product filtering logic on staples.com to enable customers to filter for products with recycled content, certifications or other environmental designs, as well as to find products above the industry standard, or ♦eco-conscious♦ products.
- Updated our product icons to view additional environmental attribute icons and to learn more about their significance.
- Launched a new shopping experience on the staples.com home page that allows customers to navigate directly to our ♦eco-conscious♦ products. Customers can also learn more about our greener products and sustainability initiatives at our [Easy on the Planet Learning Center](#).

## Measuring Product Sustainability

In the coming years, we plan to collaborate with our suppliers and existing multi-stakeholder groups to create and implement more holistic metrics for measuring product sustainability. We'll use these metrics to evaluate our success in offering and selling more sustainable products across key product categories over time, aligning with multi-stakeholder efforts where feasible. Our intention is to focus on "what matters most" within specific product categories. This means identifying and reducing the greatest environmental impacts of the product across its life cycle, from raw material extraction and manufacturing to usage and end of life.

We are committed to working through the challenges of developing a more sustainable product assortment for Staples' customers, including:

- Defining what makes a product more sustainable.
- Establishing 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.”

## Staples and RIT launch Sustainable Innovation Lab

The Staples Sustainable Innovation Laboratory (SSIL) within the Golisano Institute for Sustainability (GIS) at the Rochester Institute of Technology (RIT) was founded in 2012 by a gift from Staples. The mission of the SSIL is to serve as a high-impact research, outreach, training and education hub that accelerates the deployment of innovative and sustainable business practices in the following areas:

- Raw material choices and designs for products and packaging
- Manufacturing, supply chain and reverse logistics
- Retail store and warehouse distribution design
- Customer and employee engagement and awareness building
- Other areas of sustainable innovation relevant to business

## Sustainable paper-based products

Our [Sustainable Paper Procurement Policy](#) forms the foundation of our commitment to ensuring that the paper products we sell are sourced in an environmentally and socially responsible manner, and defines our expectations for suppliers of paper-based products. The policy focuses on four key areas:



1. Protect forest resources and communities
  - Ensure suppliers source paper products from noncontroversial sources, with a preference for products certified to the FSC standard.
2. Reduce demand for virgin wood fiber
  - Integrate recycled and alternative fiber content into paper products where it makes business and environmental sense, based on the best available science.
3. Source from paper mills committed to environmental excellence
  - Assess mill efficiency across our key suppliers and use it to inform purchasing decisions.
4. Report on our progress
  - Periodically discuss and report on how we are progressing on the key elements of our policy.

Several collaborations are helping us make progress across these focus areas.

Through our participation in [Rainforest Alliance's SmartSource](#) program, we supported the development of a Web-based sustainability sourcing evaluation tool for wood and paper products. The SmartSource 360 tool enables large paper and/or wood product buyers like Staples to trace the origins of these products through the supply chain to evaluate whether responsible sourcing practices have been used, with validation support provided by Rainforest Alliance staff. The SmartSource 360 initial version was completed and piloted at Staples in late 2011 into 2012. Staples is currently rolling out SmartSource 360 to key suppliers in a prioritized fashion and taking action based on what we learn.

## Recent developments in our eco-conscious paper products

The development and launch of Staples™ Carbon Neutral copy paper in Australia is a significant step in Staples' commitment to sustainability. It provides customers with the opportunity to reduce their organization's carbon footprint without having to sacrifice quality and performance or increase costs. Copy paper is Staples Australia's best-selling item, so the potential impact of this new offering is significant and we are already seeing strong increase in demand.

Staples has also introduced 100 percent recycled paper across Europe, giving customers a top-quality product while reducing the impact it has on the environment. The new paper is manufactured from waste paper, using advanced techniques that combine a cutting-edge technical approach with high environmental performance to save resources and reduce energy consumption.



Since late 2009, Staples has helped lead a multi-stakeholder effort called the [Carbon Canopy](#) in collaboration with the [Dogwood Alliance](#). This effort engages other conservation groups, wood product 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, thereby producing a stable supply of FSC-certified wood to forest product manufacturers and increasing the available supply of FSC-certified wood and paper products in the U.S. marketplace.

In 2012, two of the Carbon Canopy's three current pilot projects were moving toward completion, and the group aims to add multiple and diverse demonstration projects in the next few years to continue gleaning best practices and processes for expanding the volume of certified forests. Carbon Canopy members have also held meetings with carbon market specialists to evaluate opportunities to make an initial sale of carbon credits, to be traded in the spring of 2013. Over the next 20 years, the Carbon Canopy aims to catalyze the sustainable stewardship of an additional 20 percent of southern forests in the U.S.



In 2011, we became a founding member of the [Forest Products Working Group](#) (FPWG), a project of the non-profit [GreenBlue](#).

This group, consisting of paper manufacturers, large paper buyers and resellers, printers and others, is focused on developing innovative and sustainable solutions to support thriving forests and the forest products industry. One of the early focus areas of the FPWG was helping create the [Guidelines for Sustainable Paper Products](#), a framework for understanding sustainability issues related to paper products. The next major focus area will be on identifying and seeking to accelerate innovative models for increasing the amount of certified forests in the U.S. Future project work will likely focus on helping define the group's view of the appropriate use of recycled content across various grades of paper.

Staples also participates in [WRI's Forest Legality Alliance](#), an initiative aimed at eliminating illegal timber from entering global supply chains as well as the Boreal Business Forum, a group of businesses overseeing the implementation of the [Canadian Boreal Forest Agreement](#), the world's largest consortium agreement, covering over 76 million hectares of Canadian boreal forest.

We will continue to work closely with stakeholders and 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.

## Helping customers make sustainable copy & print choices

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.

## Committed to offering safer and more sustainable products

Staples recognizes that chemicals are a key element of the global economy. The introduction of new chemicals over the past few decades has provided significant value to product designers and can improve the quality, efficiency

and convenience of products in our workplaces, homes and communities. At the same time, Staples recognizes that not all chemicals, materials and products are created equal when it comes to their potentially adverse effects on human health and the environment.

As a result, Staples is committed to offering safer and more sustainable products to help maintain a clean, safe and healthy workplace and environment. We are accomplishing this in several ways:

- We offer our customers many products, including our Sustainable Earth by Staples™ cleaning product line, that are designed and/or certified to meet third-party standards for greener chemistry developed by credible, independent organizations like GreenGuard, Green Seal™ and EPA Design for the Environment.
- We are also part of several collaborative groups and organizations – like the [Green Chemistry Commerce Council \(GC3\)](#), [Clean Production Action](#), [GreenBlue](#), Pollution Prevention Resource Center (PPRC), Health Product Declaration Collaborative, [EPA Design for the Environment Safer Product Labeling Program](#), and the [Business NGO Working Group](#) – to collaboratively drive the advancement of green chemistry and more sustainable products in the marketplace. These groups and organizations provide a forum for leading businesses all along the supply chain to discuss and identify effective strategies, tactics, and assessment tools for conducting hazard assessments and applying greener chemistry principles in product development.
- We will be working in the coming years to provide guidance and resources to our suppliers to help advance the elimination of chemicals of concern in the products we sell, and to make an orderly transition to safer alternatives that are designed using the principles of green chemistry and that meet performance and cost requirements.



Safer and more sustainable products means global compliance, reduced risk, and meeting or adapting to the trends, needs and demands of downstream users. Everybody wins with safer products: the company and worker that make them, the retailer that sells them, the consumer that uses them and the environment that inherits them.

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## Recycling Solutions for Customers

### Providing easy technology recycling programs

Staples offers a variety of free recycling solutions for our customers, including office technology products like monitors, computers, printers, ink and toner cartridges, and rechargeable batteries. We offer customer recycling programs in many of our operations, including the U.S., Canada, Europe and Australia and New Zealand.

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.

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

#### Goals for 2013 and beyond

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



## Electronic waste recycling

In the U.S., Staples was the first retailer to offer a national electronics recycling program, in late 2007. In March of 2012 we evolved this service to make electronics recycling at Staples completely free. Customers can bring in up to six office technology items per day thanks to a new collaboration with [HP](#) and our recycler [Electronics Recyclers International \(ERI\)](#). More details about the office technology products we accept are available on our [Easy on the Planet](#) site.



To ensure that the electronic products Staples collects from customers are responsibly recycled, we work only with certified recyclers. ERI is certified both to the [e-Stewards Recyclers Program](#) standard and the [R2](#) 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.



Our commitment to working with certified recyclers recently earned Staples the e-Stewards Enterprise designation.

Staples continues to offer promotional events focused on technology products like mobile phones, printers and shredders that encourage customers to bring in an old product to be recycled at no charge while earning a coupon toward the purchase of a qualifying new product. We've found that these events drive recycling volume and sales of new products.

In 2012, Staples U.S. collected more than 12.7 million pounds of eWaste from our customers for recycling. This represents a decrease from the 13.9 million pounds collected in 2011, largely due to fewer promotional events held this past year. However, we are confident that with a renewed focus on driving customer awareness in 2013, we will significantly increase the volume collected in the future. Globally, Staples collected nearly 19.4 million pounds of eWaste, again showing a decrease from eWaste collected in 2011 (21.48 million pounds).

Of the total volume of e-waste Staples collected from our customers in the U.S., 1 percent by weight was refurbished and resold into the secondary market, while the other 99 percent was recycled. Laptop and desktop computers are the primary items eligible for refurbishment, and a total of 50 percent of the weight of these items were refurbished, with the remainder recycled for end of life.

Through the recycling process, our recycling partner ERI recovered several materials, including ferrous, non-ferrous and precious metals (approximately 60 percent of volume collected), plastics (26 percent), glass (5.5 percent), and other materials (8.5 percent).



## Staples Canada shows commitment to meeting custom recycling needs

Staples Canada is actively expanding its customer recycling programs. In 2012, our Canadian operations showed several noteworthy wins:

- Staples Advantage in Canada recently launched an eWaste recycling program for customers. This new program will allow for the return of computers, monitors, computer peripherals, desktop printers and office machines, other electronics and rechargeable batteries
- Staples Retail in Canada launched a writing instrument recycling program in every retail location, making it possible for Canadians to properly recycle old pens, pencils, markers and highlighters.
- And by the end of 2013, every Staples store in Canada will take back end-of-life electronics for recycling.
- Staples Canada collected 49,528 kg of batteries for recycling, a 100 percent increase over the previous year.

## Ink and toner cartridge recycling

In the U.S., 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 reusing valuable resources, our retail customers in the United States will receive \$2 back in Staples Rewards® for each ink or toner cartridge recycled (up to 10 cartridges per month) if they've spent at least \$30 on ink and toner over the previous 180 days.

Ink and toner recycling is also available to our Staples Advantage® customers. The program allows our drivers to pick up ink and toner cartridges for recycling directly from customers when we are delivering their office supplies.

In the U.S., Staples collected more than 72.46 million ink and toner cartridges in 2012, an increase of more than 7.5 percent from 2011 (67.36 million). Globally, we collected more than 76.5 million ink and toner cartridges from our customers for recycling in 2012, an increase of nearly 7 percent from those collected in 2011 (71.46 million).



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## Eliminating Operational Waste

### Focusing on waste reduction and recycling

Our commitment to reduce waste generation and increase waste diversion applies both to our own operations and to helping our customers do the same. We have programs in place in our stores, distribution centers and offices to recycle materials such as cardboard, mixed paper, shrink wrap and pallets, among other things. We also actively seek out new methods for attaining our waste reduction goals.

In 2012, we completed the second full year of a composting program in our Framingham corporate headquarters in the U.S. Since launching the program in late 2010, we have collected more than 120 tons of compost through our kitchen operations and associate disposal.



This year, we again saw a decrease in our total waste generation in the U.S. (from 29,910 tons in 2011 to 29,070 tons in 2012), reflecting our ongoing efforts to reduce the amount of waste generated at our facilities. The percentage of waste that goes to landfill compared to incinerator is approximately the same as in earlier years. Thus, our waste to landfill decreased between 2011 and 2012, from 27,060 tons to 26,600 tons.

Globally, our waste to landfill increased slightly (less than 1 percent), from 33,820 tons in 2011 to 34,020 tons in 2012. This does however represent a 10 percent decrease from 2010 (37,810 tons), putting us on track to achieve our goal of reducing waste to landfill by 25 percent by 2020.

### 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 2013 and beyond

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



To help understand and reduce waste generation, we launched a Lean Six Sigma Black Belt project in late 2009 to evaluate all sources of waste at our U.S. retail stores. After identifying several waste diversion and minimization opportunities and best practices, we started rolling out the program in a phased approach starting in 2010. In most cases participating stores have been able to reduce the frequency of waste pickup by half and, in many cases, recycling volumes have increased as a result. To date, the project has been rolled out to approximately 400 locations, or 25 percent of the retail chain.

Similarly to our retail stores, our North American Delivery (NAD) distribution facilities have an ongoing focus on decreasing waste generation, increasing our recycling recovery rates, and maximizing the overall efficiency of our waste management. Highlights of our NAD program initiatives in 2012 include:

- Expanded national programs for recycled fiber and pallets to our Canadian fulfillment centers. As part of this initiative, the Canadian locations will now be incorporated into our capacity utilization reporting to ensure that the locations are maximizing load sizes and minimizing hauls. Through the reporting, Staples will gain visibility to disposal and recycled tonnages, which will allow us to focus our efforts on lesser-performing facilities and track progress on diversion.
- Moved to a new service provider for our national recycling program, with a major benefit being the expansion of allowable materials to include materials like plastic banding, Styrofoam and beverage containers.
- Conducted multiple audits of waste composition at our facilities and identified several locations that had significant amounts of recyclable materials in their waste stream. These locations were able to repurpose their waste compactors for recycling corrugated cardboard or commingled stretch wrap and corrugated cardboard. The locations that participated in these programs moved to smaller front-load containers for waste and significantly reduced their waste tonnage. This initiative will be expanded in 2013.
- Performed multiple recycling equipment investments and relocations of existing equipment from closed locations. In addition to reducing expense, these equipment installations will improve efficiency and make it easier for associates to divert waste.

We continue to track our progress against the compactor capacity utilization targets and waste diversion metrics we established for our fulfillment centers, and provide monthly reporting to help the fulfillment centers manage their waste and recycling programs.

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## Energy Efficiency and Renewable Energy

### Using energy wisely

The Staples energy management program is a comprehensive organization of programs, projects, technologies and resources. We focus on energy reduction and conservation in our buildings and fleet, employing renewable energy resources, and reducing our carbon impact. We emphasize education and communication about our initiatives, and engage our associates and external stakeholders in our programs.



### 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 2013 and beyond

- Achieve ENERGY STAR® building certification for 50 percent of facilities in the United States by the end of 2020
- Reduce the electrical intensity in kWh per ft<sup>2</sup> 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

## Partnering with the ENERGY STAR® program

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. By the end of 2012, the ENERGY STAR program had certified more than 8,200 buildings and plants across the country, for a total of more than 20,000 facilities. ENERGY STAR buildings emit 35 percent fewer GHG emissions and use 35 percent less energy than average buildings.

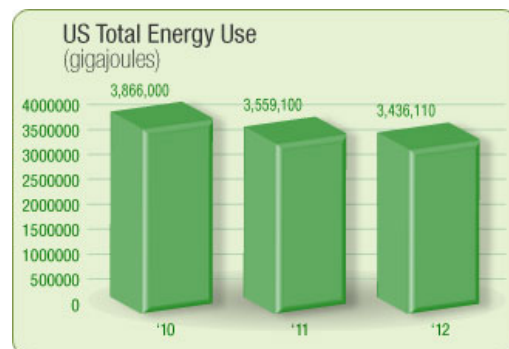
Working in partnership with ENERGY STAR, Staples continues to make substantial progress toward sustainability.

- In 2012, Staples was recognized as an ENERGY STAR Partner of the Year for Energy Management for our work in 2011. This is Staples' second year in a row receiving this award.
- Staples' ENERGY STAR goal, announced by then Vice Chairman John Mahoney at the 2010 Edison Electric Institute Conference, was to have 500 facilities designated as ENERGY STAR locations by 2012. By the end of FY 2012, Staples had 513 qualified facilities, easily surpassing our goal
- Staples has also set a long-range goal to have 50 percent of our active locations ENERGY STAR certified by 2020. The 513 facilities qualified at year's end represent 29 percent of our stores, warehouses and distribution centers, which is an increase from the 16 percent qualified at the end of 2011.
- Staples participated in the ENERGY STAR Battle of the Buildings program in 2012. We nominated five of our retail stores for the competition. The EPA recognized Staples for improving each store's performance.
- We also joined the U.S. Department of Energy's Better Buildings Challenge in 2012, committing to reduce energy intensity by 25 percent by 2020 and to reduce our carbon footprint by 50 percent by 2025.

## 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. Nationwide, in 2012, we invested \$1.6MM in energy projects at North American Commercial (NAC) facilities, and \$4.2MM at retail stores for lighting retrofits.

We retrofitted more than 200 stores, including over 40 HID conversions to new fluorescent lamps; washed and re-lamped more than 110 stores, reducing wattage in the process; and conducted HVAC coil cleans at more than 450 stores. We continued to expand our store energy controls monitoring and recommissioning program, an initiative to reduce electricity consumption by ensuring that the systems that control energy usage in our stores are operating properly. In 2012, we retrofitted 291 stores with variable frequency drives (VFD) on HVAC supply fans, and simultaneously added demand-control ventilation to minimize the heating and cooling of introduced outdoor air.



We also continued to expand our participation in energy consumption demand response programs. We upgraded our stores with operating systems to track energy consumption daily at our locations targeted for ENERGY STAR certification. There are more than 550 stores with the capability to use the smart grid or take daily energy reduction (demand response) actions, and we continued to expand these capabilities in 2012. As part of a pilot in Southern California, approximately 90 stores were able to reduce their HVAC and lighting energy consumption by 25 percent or more when reacting to the smart grid, under an automated demand response (ADR) program.

We performed energy efficiency projects at 22 NAC sites in 2012, with typical measures including:

- Lighting retrofits or conversions to lower wattage, more efficient fixtures lamps and ballasts
- Installing motion sensors of lighting for occupancy and daylight harvesting
- Installation of energy management systems for the control of lighting and HVAC
- Installation of variable-speed drives on motors on HVAC equipment, air compressors and conveyors

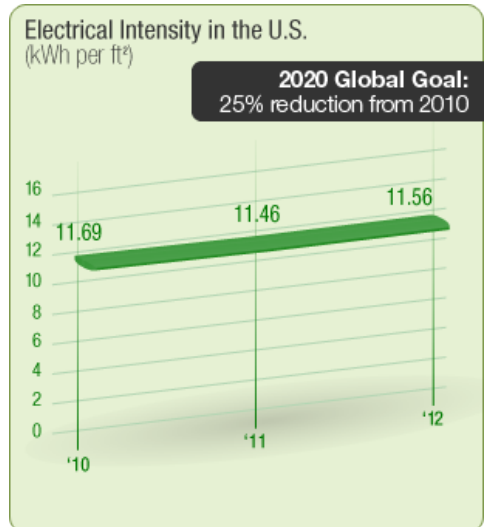
Over the past year, these efforts saved 5 million kWh of electricity. Over the three years prior to that, work at additional sites saved or avoided another 9.7 million kWh.

## Finding new ways to save energy

In 2012, we continued the “Energy Reduction Treasure Hunt” program that we launched in 2011, to identify energy reduction opportunities in our stores and distribution centers. The treasure hunt program is designed to help Staples identify ways to save energy, improve processes and seek ways of applying new technologies. The 3-day treasure hunt process focuses on lighting, battery chargers, conveyors, HVAC and the energy management system. It also incorporates employee engagement elements, such as an energy savings ideas contest, the use of posters to educate associates about the treasure hunt, and a rally with the associates and the energy team. This year, we performed 12 treasure hunts at our facilities, including the five retail stores that we entered in the ENERGY STAR Battle of the Buildings program. Each store improved its performance, including one that achieved a 20 percent overall energy reduction due to the measures we implemented.

## Reducing energy intensity

Our goal is to reduce the electrical intensity of our global operations by 25 percent by 2020 from a 2010 baseline, which Staples is pursuing through a proven record of energy-saving strategies executed over consecutive years. In 2012, our electrical intensity in the US was 11.56 kWh per ft<sup>2</sup>, an increase over our 2011 intensity (11.46 kWh per ft<sup>2</sup>), in part due to a refinement in our normalization calculation. Globally, our electrical intensity was 11.34 kWh per ft<sup>2</sup> in 2012, also an increase over our 2011 intensity (11.28 kWh per ft<sup>2</sup>). In both the U.S. and globally, we are still showing a positive trend towards our 2020 goals, as U.S. intensity has decreased by 1.2 percent since 2010 and global intensity has decreased by 1.8 percent since 2010.



## Staples UK Wins with Carbon Reduction Initiatives

In 2012, Staples UK was awarded the Carbon Trust Standard certification, a mark of excellence that publicly recognizes carbon emission reduction efforts. These efforts resulted in an 11.1 percent reduction in carbon emissions from the previous year.

Staples also completed a brand-new solar panel installation at our Corby Distribution Centre. The solar installation covers the entire roof with a surface area of over 9,000 m<sup>2</sup> and is capable of generating approximately 75 percent of the building's energy consumption during the day.

Finally, Staples has partnered with TNT to gain access to their fleet of electric vehicles. Currently, 50 electric trucks are making deliveries to Staples customers in the UK's major cities and towns.

## 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. To date, we have seven facilities with the U.S. Green Building Council's LEED certification.



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

## Educating and communicating about our energy management efforts

Staples spearheads many educational and community initiatives to inspire its employees and the members of the wider community to "think green" about saving energy, and develops communication materials to educate our associates about our work and how they can be involved. For example:

- Held several Webinars each month across the U.S. and Canada to reinforce the Staples North American Delivery Energy Reduction program. More than 1,200 employees of Staples distribution facilities participated in these seminars and were provided with ENERGY STAR tools as well as information about best practices for energy reduction.
- Developed new marketing and communication materials to increase awareness about our energy management and reduction initiatives videos, articles and associate communications. Each quarter, new energy saving tip posters are being developed to help associates do their part in energy reduction.
- Staples' energy team participated in the Green Apple Day of Service, through which advocates from across the country and around the world came together in support of healthy, sustainable schools by taking real action in their communities. Staples, in conjunction with the U.S. Green Building Council and the Center for Green Schools, joined forces with the fifth-grade class of the Point Webster Middle School in Quincy, Massachusetts for a tree planting, and Centennial High School's Environmental Club in Atlanta, Georgia, to build a sustainable outdoor classroom space.
- Held Earth Day activities. In the U.S., we held an Earth Day vendor fair and Energy Summit. In Canada, Staples Advantage employees are encouraged to have litter-less lunches, participate in a 20-minute cleanup of the areas surrounding the building, plant a garden, and participate in Earth Hour.



## 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. As of January 2013, Staples was ranked fourth among all retailers, sixth among Fortune 500 companies and sixth nationally on the Partnership rankings lists.

### Solar

Currently, Staples has 34 facilities hosting a total of 37 solar arrays in the United States. Recently, we added a 2.2 MW rooftop array on our London, OH facility, which will generate just over half of the facility's annual energy needs, as well as a 700 kW array on the top level of a newly constructed parking garage at the Staples corporate headquarters facility in Framingham, MA. Nearly 14 MW of solar installations have generated more than 50 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. We operate a 385 kW fuel cell that supplies an average of 90 percent of the base building electrical requirements for our 330,000-square-foot distribution center in Ontario, CA, and recently completed the installation of a fuel cell at our 740,000-square-foot distribution center in Rialto, CA that will provide 6.5 GWh of electricity. The fuel cells in both locations are complemented by solar installations.

### Purchasing green power

Staples continues to expand our commitment to purchasing green power. In the U.S., Staples increased its purchase of green power, primarily in the form of renewable energy certificates, from approximately 50 percent of national electricity needs in 2011 to approximately 75 percent of national electricity needs in 2012. Our 2012 purchase (more than 516 million kWh) is the equivalent of the annual electricity consumption of 45,650 U.S. homes, and more than 304,940 metric tons of CO<sub>2</sub>. In 2013, we further increased our commitment, and now purchase more than 636 million kWh of renewable power, or the equivalent of 100 percent of our U.S. electricity needs.



## Reducing greenhouse gas emissions

Staples has worked diligently to reduce our operational greenhouse gas (GHG) emissions footprint.

In 2012, our U.S. carbon emissions were 71,000 MtCO<sub>2</sub>e after offsets, which represents a 6.4 percent decrease from our 2011 after-offset emissions (75,860 MtCO<sub>2</sub>e) and a 76 percent decrease from our 2010 after-offset emissions (291,660 Mt CO<sub>2</sub>e). As a result of our increasing commitment to purchasing renewable power in the form of renewable energy certificates (RECs), and due to the emission factors associated with the region in the country where our purchased RECs are generated, we were able to offset all of our Scope 2 emissions (from purchased electricity) in 2011 and 2012. Note that we have adjusted our accounting for all three years to more accurately apply offsets from renewable energy purchases to only Scope 2 emissions (from electricity purchases) rather than Scope 1 and 2 emissions, resulting in some adjustments to earlier-reported numbers. Thus, the after-offset emissions reported here for 2011 and 2012 essentially reflect our Scope 1 emissions (from fuel use in our buildings and vehicles), and the decrease in energy use and emissions from this fuel use. In 2010, our offsets constituted a smaller percentage (less than 100 percent) of our Scope 2 emissions, and as a result, our after-offset emissions from that year were still reflecting some Scope 2 emissions and all Scope 1 emissions, and thus, the decrease from 2010 to 2011 and from 2010 and 2012 is more significant.

Globally, we are also demonstrating a sizeable decrease in our carbon emissions. In 2012, our global carbon emissions after offsets were 177,965 MtCO<sub>2</sub>e, a 1 percent decrease from 2011 after-offset emissions (178,710

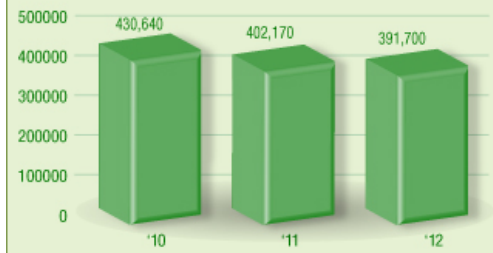


MtCO<sub>2</sub>e) and a 56 percent decrease from our 2010 after-offset emissions (407,650 MtCO<sub>2</sub>e). Because our U.S. emissions represent a large portion of our global emissions, we are seeing a similar trend in our global emissions: a significant decrease from 2010 to 2011 as renewable energy purchases increased to the point of offsetting almost all Scope 2 emissions, and then a smaller decrease from 2011 to 2012 as after-offset emissions are primarily reflecting Scope 1 emissions. In 2012, three countries in our European market purchased a portion of their total electricity as renewable energy, which further contributed to a decrease in emissions from 2011 to 2012.

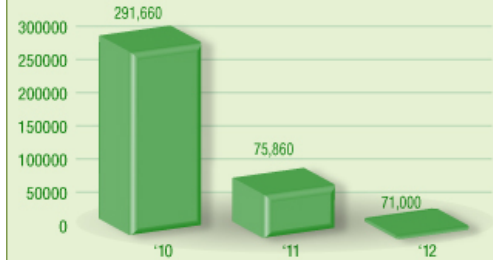
Despite greatly decreased emissions in the U.S. and globally, we will continue to focus on improving the energy efficiency measures we are continuously implementing in our facilities and in our transportation fleets. In addition, the emissions profile and trends in each country varies and thus these markets will continue to work on reducing their energy use and carbon emissions.

Recognizing that we have already made great progress toward our global goal to reduce after-offset carbon emissions by 50 percent by 2020 using 2010 as a baseline, we anticipate modifying our carbon goals accordingly in the near future.

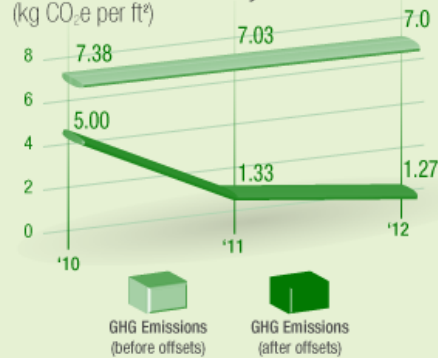
**Total GHG Emissions in the U.S. Before Reductions from Offsets (mtCO<sub>2</sub>e)**



**Net GHG Emissions in the U.S. After Reductions from Offsets (mtCO<sub>2</sub>e)**



**Greenhouse Gas Intensity in the U.S.**



For more information about our efforts to reduce GHG emissions, please read [Staples' 2011 response to the Climate Disclosure Project](#).



## Australia and New Zealand continue their Green IT initiatives

Staples Australia has been implementing Green IT initiatives over the past seven years. Example initiatives in 2011 included:

- Increasing the virtualisation density of our server platform to 98 percent, exceeding our goal by 2 percent, allowing the reallocation of unnecessary servers to different business units and reducing electricity consumption at our facilities.
- Implementing a PC hibernation initiative, that has resulted in an annual reduction of CO<sub>2</sub>-equivalent emissions of 0.34 tonnes per employee from reduced electricity usage.
- Extending the removal of CRTs from Northern Territory and New Zealand to include all sites, with the result being that Staples Australia is now completely CRT free.
- Further increasing the operating temperature of our Data Centre by one degree, resulting in reduced energy consumption.
- Ensuring all IT assets are gold-rated by the green electronics registry EPEAT.

## Improving our fleet efficiency



We electronically limit the top speed of our U.S. 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 allowed us to improve our long-term fuel economy trend. While overall fleet fuel economy improved from 10.01 mpg in 2010 to 10.04 mpg in 2011, we experienced a decrease in 2012, to 10.01 mpg. This was due to running more miles and having to use blended fuel (which delivers lower BTUs per gallon and therefore lowers fuel economy) for a longer time due to cold weather conditions this year.



## Electrifying the Staples fleet

Staples has 53 electric delivery trucks making deliveries to our customers in several markets, including Ohio; California; Atlanta, Georgia; Texas; Portland, Oregon; and Kansas City, Missouri. In 2013, we'll be adding 5 more electric trucks in Maryland. Purchased in 2010, 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. Staples was also awarded Federal Stimulus money through the Clean Cities Coalition, which covers 50 percent of the actual cost of alternatively powered vehicles

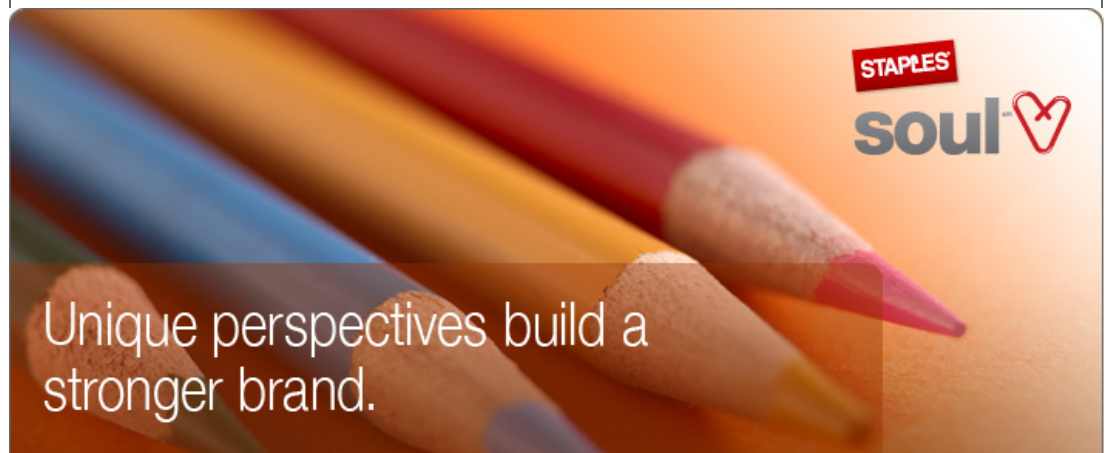
Each of the electric delivery trucks runs a daily route of less than 70 miles before recharging at night. These trucks produce zero on-road emissions. Though carbon emissions are released when charging the batteries to power the trucks, the total emissions associated with operating an electric truck are much lower than for a diesel truck. Carbon emissions from electric trucks vary depending on the carbon intensity of the electricity used to recharge the batteries. Based on assessing where our trucks operate and are recharged and the emissions rates in those areas, on average, Staples' electric trucks result in more than 56% lower carbon emissions than our diesel trucks.

Staples continues to evaluate and implement additional fleet efficiency initiatives, including:

- Hybrid vehicle testing in partnership with Eaton and BAE Systems, as well as Hino Motors
- Installation of advanced idle-reduction technology, which has been implemented for more than 140 trucks in our fleet
- 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
- Deployment of Compressed Natural Gas trucks in markets where they can be supported by fueling infrastructure

For several years, Staples has participated in the U.S. EPA's SmartWay Transport program, which aims to improve fuel efficiency and reduce greenhouse gas and air pollution from the transportation supply chain industry. Staples is a Shipper Partner of the program, which means a significant percentage of our freight shipments are made through carriers who are also partners of the program.

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# Overview

Staples' commitment to inclusion and diversity stems from our recognition that being a successful company requires people with a range of backgrounds and diverse perspectives. We know that differences in age, race, gender, gender identity, nationality, sexual orientation, physical ability, background and thinking style allow us to be more innovative as a company. We believe that attracting, developing and retaining an associate base that reflects the diversity of our customers is essential to our success. Our diverse workforce and network of suppliers strengthen relationships with our customers and give us the flexibility to adapt to the ever-changing global marketplace. At Staples, we recognize that, at every level, the best performance will come from people who understand and appreciate this commitment.



## Staples Diversity Statement

At Staples, we embrace and promote inclusion and diversity. We know how important it is for all associates to feel valued for who they are. We're continually evolving our inclusive company culture by celebrating associates' similarities and differences. We strive to create an environment in which the diversity of our workforce allows for diversity of ideas, so that all associates have the opportunity to be unique and innovative in their contributions.

But our commitment to diversity does not end with our associates. As we aim to provide every product a business needs to succeed, we also strive to strengthen the relationships we have within the diverse markets we serve and with the global suppliers and vendors with whom we do business.

I am proud of the progress we've made over the years and look forward to continuing our journey toward becoming an even more inclusive and diverse organization.

Ron Sargent  
Chairman and CEO  
March 27, 2013

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. We are 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. Day to day, our diversity programs and initiatives are managed by the Director of Global Inclusion & Diversity, who reports to the Senior Vice President of Human Resources. Additionally, our Global Diversity Council, created in 2010 and comprised of 15 dedicated, cross-functional associates, helps guide our company diversity strategies. The Council is chaired by Staples Chairman and CEO Ron Sargent, further highlighting our strong commitment to inclusion and diversity. 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 five key metrics for minorities and women, including:

- Percentage of total workforce
- External hires
- Percentage at leadership levels
- Internal movement
- Voluntary turnover

We distribute a diversity scorecard reflecting these five 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 emphasize inclusion and diversity in programs ranging from New Hire Orientation – required of all new associates – to Staples LearningXchange programs, which help prepare managers and senior leaders to manage effectively in today's diverse workplaces.

## Performance Highlights

- Received 100 (a perfect score) on the Human Rights Campaign Corporate Equality Index.
- Named one of the "Best Places to Work for LGBT Equality".
- Increased the number of Associate Resource Groups from 8 to 12
- Staples spent over \$303 million with small and diverse vendors, and the Staples Supplier Diversity program continued to engage with diverse suppliers, organizations and the larger community in several ways

## Diversity outreach

Staples is always looking to improve our diversity outreach and spirit of inclusion. To that end, we are focused on:

- Increasing under-represented minorities at our corporate headquarters. Our intention is to create a talent pipeline by hiring more diverse college interns and seasoned professionals to join the ranks of the talented team already in place at Staples.
- Creating strategic partnerships to employ more Veterans and to launch a Veterans Associate Resource Group to help us identify additional ways that Staples can support the heroic men and women who serve or have served in our Armed Forces.
- Scoring a 100 percent rating on the Corporate Equality Index administered by the Human Rights Campaign

### Diversity Performance

## Ethnic and gender diversity in the United States

### U.S. Gender Diversity

#### Salaried Associates



Corporate Office



North American Delivery



U.S. Stores



Total



#### Hourly Associates



Corporate Office



North American Delivery



U.S. Stores



Total



## Combined Salary and Hourly Totals



Corporate Office

**52%** Male  
**48%** Female



North American Delivery

**56%** Male  
**44%** Female



U.S. Stores

**56%** Male  
**44%** Female



Total

**56%** Male  
**44%** Female

## U.S. Workforce by Ethnicity and Gender



Women



Men



All Employees

Ethnicity	Women	Men	% of All Employees
White (non-Hispanic)	<b>68.70%</b>	<b>67.03%</b>	<b>67.78%</b>
Black/African American	<b>13.53%</b>	<b>13.99%</b>	<b>13.78%</b>
Hispanic	<b>13.79%</b>	<b>14.00%</b>	<b>13.90%</b>
Asian	<b>3.15%</b>	<b>4.04%</b>	<b>3.65%</b>
American Indian/Alaskan Native	<b>0.38%</b>	<b>0.36%</b>	<b>0.37%</b>
Native Hawaiian/Pacific Islanders	<b>0.45%</b>	<b>0.58%</b>	<b>0.52%</b>

### Staples U.S. Management by Race and Gender









Women



Men



All Employees

Ethnicity	Women	Men	% of All Managers
 White (non-Hispanic)	<b>80.41%</b>	<b>78.49%</b>	<b>79.25%</b>
 Black/African American	<b>7.34%</b>	<b>7.41%</b>	<b>7.38%</b>
 Hispanic	<b>6.83%</b>	<b>7.94%</b>	<b>7.51%</b>
 Asian	<b>4.65%</b>	<b>5.33%</b>	<b>5.06%</b>
 American Indian/Alaskan Native	<b>0.35%</b>	<b>0.37%</b>	<b>0.36%</b>
 Native Hawaiian/Pacific Islanders	<b>0.42%</b>	<b>0.46%</b>	<b>0.44%</b>

## Our 2012 Inclusion & Diversity Strategy

Our workforce diversity strategy in 2012 was centered on creating greater opportunities for inclusion in the workplace. This strategy tactically focused our efforts in three key areas:

- Awareness
- Associate Resource Groups
- Mentoring

### Awareness

For years, Staples has shown its commitment to diversity and inclusion. Yet in many parts of our organization, associates may have been unaware of the wonderful work and tremendous accomplishments we've made in this area. To create greater awareness, we developed a robust communication plan to educate/re-educate our associates about the Staples definition of diversity and inclusion. We strongly believe that diversity is no longer just a nice-to-have, but a business imperative. We shared our business case with our associate population – recounting many of our successes but also being candid about the challenges we face. Our call to action for increasing the spirit of inclusion at Staples has resulted in the greatest number of associates personally engaged in our efforts than ever before in our company's history.

Our new Values rollout also highlighted the sense of personal accountability to help build a more inclusive and diverse environment. A great online awareness workshop was developed by our Learning and Development team and will now become a required course in our new hire onboarding program.

Taking the time to "tell our story" has paid dividends beyond our expectations. People are talking about diversity, and that's a great thing!

### "Business Woman of the Year" recognizes talented women at Staples

One specific awareness initiative is our "Business Woman of the Year" contests, which are intended to recognize and



appreciate the talented women at Staples who positively impact our company, our customers and our communities. As well as focusing on leadership development for all our associates, we are conducting initiatives such as this to help address the current under-representation of females in management. Staples expanded on the very successful gender diversity initiative first launched in Australia and New Zealand in 2010 to include the U.S. and Canada. The program has been a great success for all female participants and has contributed to an increase of women in leadership roles.

## Staples Argentina Volunteers for Inclusion

Staples associates in Argentina spent a day working for a cause they deeply care about: empowering those with disabilities. For this event Staples partnered with CILSA, an organization working for the inclusion of people with disabilities who face financial hardships. More than 40 Staples associates, including Ewan McCulloch, Vice President HR, hosted an educational day and helped in giving away 35 wheelchairs.

Throughout the day, associates welcomed the beneficiaries and their families, delivered the wheelchairs, and participated in the training workshops, during which CILSA explained the rights of persons with disabilities. The day concluded with a speech from a Director in Staples Argentina, Carlos Nielsen, and with a performance from the renowned Argentine singer-songwriter Coti Sorokin.

Staples Argentina's commitment to the inclusion of people with disabilities began more than four years ago, with the hiring of blind people to the sales force, and with the recent hiring of people with intellectual disabilities to Staples stores. These important steps help to make Staples more diverse and dynamic.

## Associate Resource Groups (ARGs)

Associate Resource Groups (ARGs) are a formal community of committed associates who support Staples business results, our global diversity strategy, community involvement and associate engagement. ARGs are a tremendous asset for any associate seeking to develop strong networks and hone their professional skills. At the same time, these communities 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.



Proudly, Staples grew our ARG network from eight chapters to twelve. In addition to these chapter expansions, we created and launched internal community pages and email lists that allow any associate the ability to join the ARG(s) of their choice, regardless of work location. This remote access was a huge win for us in our effort to have a more inclusive workplace. In addition to the existing ARGs listed below, we plan to launch a Military Veterans ARG in 2013 and continue to launch chapters in various locations throughout the world.



Women Who Lead (Women)  
– U.S. (Massachusetts,  
Florida), Canada



BlackTies (Black and/or  
African American) – U.S.  
(Massachusetts)



Out At Work (LGBT Lesbian,  
Gay, Bisexual, Transgender  
and Allies) – U.S.  
(Massachusetts)



HOLA (Hispanic or Latino) –  
U.S. (Massachusetts,  
California)



## HOLA Celebrates Hispanic Heritage Month

To celebrate Hispanic Heritage Month, HOLA (Hispanic or Latino Associates) held several events that celebrated Hispanic culture, raised awareness and supported Staples® diversity and inclusion efforts. The month kicked off with a cultural fair where HOLA members educated fellow associates about their respective countries. It was a lively, colorful day filled with historical facts, native attire, local cuisine and loads of fun!



HOLA also hosted a viewing of HBO's documentary *The Latino List*, which consisted of 16 short interviews featuring successful and prominent Latinos ranging from Justice Sonia Sotomayor to Eva Longoria. The film is an "ongoing exploration of who we are, where we come from and what it means to be a Latino in the United States today," says narrator and interviewer Maria Hinojosa (source: HBO Latino).

Hispanic Heritage Month concluded with a live Latin band, Curubande, playing salsa and merengue for all to enjoy. Many HOLA members led by HOLA's own salsa instructor, Daniel Narcisse, conducted a live salsa dancing demo for all attendees to enjoy!

## Women Who Lead Framingham Dress for Success Clothing Drive

The Women Who Lead Resource Group held their third annual clothing drive to benefit the Dress for Success organization in which associates had the opportunity to clean out their closets for a great cause, network with colleagues, and get some great bargains on women's business clothing. Many took advantage of Clarins beauty experts on site offering mini-makeovers.

The successful event raised nearly \$3,000 and more than 1,200 pieces of clothing to benefit Dress for Success. As a result of the great effort and response, Staples received the Ultimate Drive Award: demonstrating exceptional commitment to volunteerism by helping with a special project or ongoing activity for Dress for Success Worcester. Staples is proud of the great work by our Women Who Lead Associate Resource Group.

## Women Who Lead Florida helps drive spirit of inclusion!

In an effort to promote a more inclusive work environment, associates throughout Central Florida gathered in the Maitland Telesales Center to kick off the One Staples Career Day.

This collaborative event provided an internal knowledge exchange and networking opportunity for 70+ associates from our various business units. Throughout the morning, these associates rotated throughout the business unit stations and gained a deeper understanding of the vast opportunities available within Staples. The feedback was phenomenal. One associate wrote:



*"It was almost even motivational to see how many different options we have for advancement within the company. It was nice to see the different areas we have throughout the building and Orlando area, and find out what they actually do. It was also nice to meet people you see every day in the building and don't know what they do."*

## BlackTies ARG helps to feed the hungry

A dedicated group of BlackTies associates spearheaded Staples' efforts to help feed people in their own backyard. Working at the Worcester County Food Bank in Shrewsbury, MA, this team loaded over three pallets of food that were shipped to various shelters and food pantries to help feed those in need.

Since that first visit, Staples has had over 120 associates from across all departments volunteer on a monthly basis. One associate commented, "We know that taking care of those in our community is the right thing to do — these

people are our neighbors, our customers and, in some cases, our families."

Staples is proud that our diverse ARG teams are dedicated to bringing value to the communities in which we work and live.

## SPARC (Staples Pan-Asian Resource Coalition) proudly displays their culture

In 2012, SPARC hosted its second annual Lunar New Year and Diwali (The Festival of Lights) Celebrations at the Home Office in Framingham, MA. Held in late January, the Lunar New Year Celebration featured a traditional lion dance performance as well as a martial arts demonstration. The Diwali Celebration took place in early November and treated the audience to a Bollywood-style "dance drama" by the SPARC Young Professionals Dance Troupe, a children's dance performance by the SPARC Kidz Dance Troupe, and a vocal performance of various songs from India. Both events were very well-received and attendance was high.



## Mentoring

Staples believes that mentoring relationships create a better company-wide understanding of diversity issues and expose leaders and associates alike to new ways of thinking and acting. Staples has grown the number of associates involved in mentoring relationships exponentially over the past year. We've expanded our program, which originally paired senior leaders with high-performing female and ethnically or racially diverse associates, to now be more inclusive of other associates committed to personal and professional development. Our formal program, Mentoring Made Easy, began development in 2012 and will roll out officially in 2013. It supports our retention and engagement strategies as well as providing a vehicle to develop our internal capabilities, cultural competence and leadership skills.

In addition to Mentoring Made Easy, Staples International will continue our Women's Mentoring Program aimed at assisting women in mid-management move up in the organization by overcoming any barriers that might exist when progressing into more senior management positions.

### Women's mentoring program gains momentum

In 2012, Staples International continued the International Women's Mentoring Program, aimed at allowing our associates new development opportunities with the support of mentors from our senior management team. 15 women participated in the initial test launch of the program in 2011, whose success saw the program continue through 2012 with a further 15 female associates taking part. One of the central aims of the program is to assist women in mid-management move up in the organization and overcome any barriers that might exist when progressing into the higher management positions of the company. By helping mentees to perform within our current working culture and practices, we hope to increase the number of women at the top of Staples and be more representative of our customers and society as a whole, thus producing a more dynamic working culture for the future. By allowing our senior management team to work closely with women mentees and develop emerging talent, we also create a better company-wide understanding of diversity issues and expose management to new ways of thinking and acting.

## 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 seven 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

One of our Human Resources associates currently serves 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, MA. Staples associates regularly attend professional development conferences and other events for working women at the College.

In addition, through our partnership with Bottom Line, a Boston-based organization that helps disadvantaged youth get into and graduate from college, Staples participates in and sponsors various events including career fairs and mock interviews. In addition, a member of Staples' recruiting team serves on an advisory board for the organization. We have also established a process for considering Bottom Line students for employment in our stores.

## Diversity Partners

- [Association of Latino Professionals in Finance and Accounting \(ALPFA\)](#)
- [Human Rights Campaign \(HRC\)](#)
- [MetroWest Alliance for Workforce Diversity \(MAWD\)](#)
- [National Gay & Lesbian Chamber of Commerce \(NGLCC\)](#)
- [Reaching Out MBA](#)
- [National Minority Supplier Development Council \(NMSDC\)](#)
- [Simmons College](#)
- [The Partnership](#)
- [John Lowell Mazie Mentoring Program](#)
- [Women's Business Enterprise National Council \(WBENC\)](#)
- [Supply Nation](#)
- [WeConnect](#)

## Diversity-oriented philanthropy

Much of Staples' and Staples Foundation's philanthropy is dedicated to disadvantaged youth, regardless of ethnicity, but with a special emphasis on diverse populations, including

- [Boys & Girls Clubs of America](#)
- [Initiative for a Competitive Inner City](#)
- [Year Up](#)
- [Inner City Scholarship Fund](#)
- [Perkins School for the Blind](#)
- [Bottom Line](#)
- [Build](#)
- [Facing History & Ourselves](#)
- [Greater Boston Morehouse College Alumni Association](#)

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## Supplier Diversity

### Supplier Diversity

We believe that strengthening diverse businesses contributes to the overall economic success in the communities where we live and work. The mission of our Diversity Supplier Program is to collaborate with diverse businesses to reduce supply chain costs and to increase revenues by bringing superior products to market.

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

In 2012, Staples spent over \$303 million with small and diverse vendors and the Staples Supplier Diversity program continued to engage with diverse suppliers, organizations and the larger community in several ways.

- Diverse Mentorship Program, now in its third year, promotes professional and business development among diverse business enterprises. Currently, the Staples Legal Department is partnered with a minority-owned law firm in a mentoring relationship, while the Contract Marketing organization is helping a local woman owned marketing consulting firm get to the next level of growth.



- Staples Treasury continued to utilize a minority-owned securities firm for the implementation of our share repurchasing program.

Staples is also an active supporter of national and regional organizations that promote minority- and woman-owned business development and is a corporate member of the National Minority Supplier Development Council (NMSDC) and Board Member of Women's Business Enterprise National Council (WBENC), WEConnect Canada and Diversity Information Resources (DIR).

## Diversity Two Program and DPS Products

Staples' business-to-business Supplier Diversity Program aims to help our customers achieve their corporate diversity goals while enabling the growth of small, minority- and woman-owned businesses in our communities. We strive to create vendor-buyer relationships that allow diverse organizations to continue to develop, while offering our customers a wider selection of quality products at competitive prices.

Staples offers products manufactured by diverse vendors through our Staples® Advantage Catalog and Web site. A key feature of our program is the assortment of office products available through Diversity Products Solutions (DPS) by Staples. DPS is Staples' own-brand line of products manufactured by diverse suppliers that offers our customers a unique opportunity to meet their diversity and environmental purchasing goals, while supporting the growth of small, minority- and women-owned businesses.

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

## Indigenous Programs in Australia

In Australia, 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 Supply Nation ([www.supplynation.org.au](http://www.supplynation.org.au)).

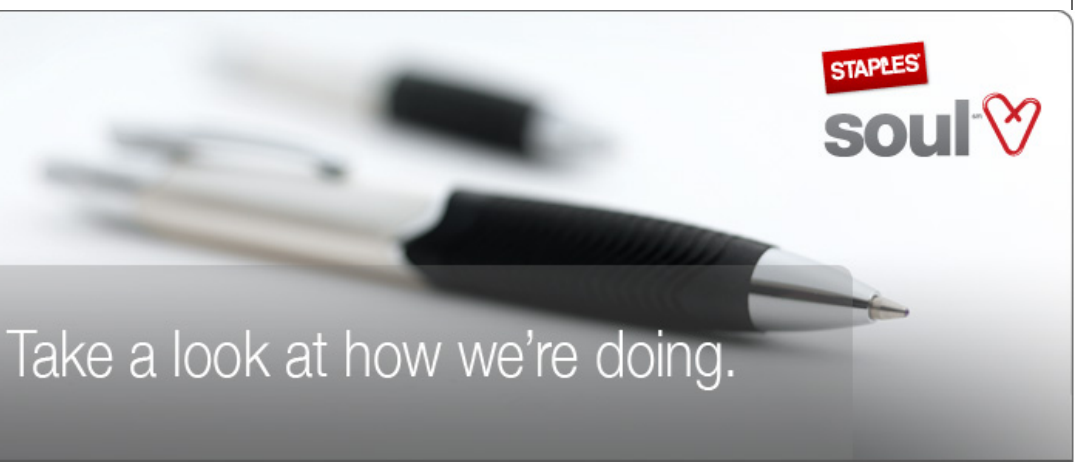
Going beyond supporting supplier diversity in our product offerings, in late 2010 we launched a program to help address the social and economic disadvantages faced by the Aboriginal and Torres Strait Islander peoples. Through a Reconciliation Action Plan (RAP), we are solidifying our commitment to integrating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

In 2012 we launched our second RAP and our Indigenous Employment Strategy. The strategy is about finding and creating opportunities to introduce Aboriginal and Torres Strait Islander people into real vacancies and encourages applications for genuine permanent positions.



Supply Nation (formerly AIMSC)

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## 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.



## Goals

### Ethics

- Continue to increase the visibility and brand of the Global Ethics & Compliance Office and ethics program both domestically and internationally.
- Implement global training platform (online) that will provide easy access to existing and new training programs.
- Continue to strengthen our FCPA/Anti-Corruption Program with an emphasis on our High Growth Markets.
- Support the Chief Culture Officer in the successful implementation of his ethics related objectives.

### Community

- Deepen associate community engagement by increasing awareness of and participation in local volunteer opportunities.
- Increase associate involvement in Staples' philanthropic initiatives.
- Focus support on local organizations to maximize impact in communities.

### Environment

- Sell more sustainable products and services.
  - Continue to improve sourcing, identification, and promotion of greener products to customers
  - Reduce the use of packaging materials in the United States by 20 percent by 2020 from a 2011 baseline.
- 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 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

- Staples is always looking to improve our diversity outreach and spirit of inclusion. To that end, we are focused on:
  - Increasing under-represented minorities at our corporate headquarters. Our intention is to create a talent pipeline by hiring

more diverse college interns and seasoned professionals to join the ranks of the talented team already in place at Staples.

- Creating strategic partnerships to employ more Veterans and to launch a Veterans Associate Resource Group to help us identify additional ways that Staples can support the heroic men and women who serve or have served in our Armed Forces.
- Scoring a 100 percent rating on the Corporate Equality Index administered by the Human Rights Campaign.

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## Performance Summary

<b>Economic — Global</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Total sales (billions USD) <sup>1</sup>	24.4	24.7	24.1
<b>Sales by Business Segment (Billions USD)</b>			
North American Stores & Online	11.83	11.74	11.54
North American Commercial	8.12	7.97	7.84
International Operations	4.44	4.95	4.76
<b>Sales by Geography (Billions USD)</b>			
United States	16.78	16.64	16.46
Canada	3.15	3.07	2.92
Other International	4.44	4.95	4.76
Gross profit (billions USD)	6.49	6.69	6.54
Net income (millions USD)	(210.71)	984.66	881.95
Income tax payments (millions USD)	426.3	477.2	467.6
Number of countries in which Staples operates	26	26	26
Total retail stores	2,215	2,295	2,281
United States	1,547	1,583	1,575
Canada	339	334	325
Europe	283	331	332
Other international	46	47	49
Worldwide associates	85,000	88,000	89,000
Full time (% of total)	59	59	59
<b>Ethics &amp; Governance — United States</b>			
Number of Staples® brand product suppliers audited	230	237	233
Number and % of audited Staples® brand product suppliers that were required to take corrective action	14(6%)	19 (8%)	33 (14.2%)
Number and % of audited Staples® brand product suppliers with which Staples discontinued business relationships	0	0 (0%)	2 (0.9%)
<b>Environment — United States</b>			
	<b>2012</b>	<b>2011</b>	<b>2010</b>



Sustainable Products <sup>2</sup>			
Estimated sales of products containing recycled content material	1,260	1,320	n/a
Estimated sales of products meeting third-party environmental standards/certifications	1367	1,599	n/a
Estimated sales of FSC-certified products	397	426	n/a
Estimated sales of ENERGY STAR® qualified products	384	608	n/a
Recycling Services			
Ink and toner cartridges (millions of units) <sup>2</sup>	72	67	63
Electronics recycled for customers (millions of pounds)	12.7	13.9	10.5
Sustainable Operations			
Energy			
Total energy use (GJ)	3,436,110	3,559,100	3,866,000
Electricity use (MWh)	646,478	655,585	682,800
Electrical intensity across all locations (kWh per ft <sup>2</sup> )	11.56	11.46	11.69
Number and percentage of active facilities certified to ENERGY STAR®	513(29%)	286 (16%)	125 (7%)
Facility natural gas and propane use (MMBTU)	712,800	796,910	940,430
Diesel fuel for Staples fleet (MMBTU)	336,040	331,080	410,800
Greenhouse gas emissions <sup>3</sup>			
Scope 1 (MtCO <sub>2</sub> e)	71,000	75,860	85,510
Scope 2 (MtCO <sub>2</sub> e)	320,700	326,310	342,130
Total reductions from RECs and green power purchase offsets (MtCO <sub>2</sub> e)	506,150	333,990	138,980
Total Scope 1 and 2 emissions (MtCO <sub>2</sub> e, before reductions from offsets)	391,700	402,170	430,640
Net GHG emissions (MtCO <sub>2</sub> e, after reductions from offsets)	71,000	75,860	291,660
GHG emissions intensity before reductions from offsets (kg CO <sub>2</sub> e per ft <sup>2</sup> )	7.00	7.03	7.38
GHG emissions intensity after reductions from offsets (kg CO <sub>2</sub> e per ft <sup>2</sup> )	1.27	1.33	5.00
Facilities			
Total facility area (ft <sup>2</sup> )	55,931,773	57,193,275	58,388,239
Retail area (ft <sup>2</sup> )	35,125,191	35,760,510	35,637,889
Nonretail area (ft <sup>2</sup> )	20,806,581	21,432,765	20,806,581
Waste and Recycling			
Waste to landfill or incinerator (short tons)	29,070	29,920	34,300
Percentage of waste to landfill	91.5%	90%	91%
Waste diverted to recycling (short tons) <sup>4</sup>	41,005	44,690	37,110
Rate of waste diversion to recycling (%)	59%	60%	51%
Waste generated per ft <sup>2</sup> of facility area (pounds/ft <sup>2</sup> )	1.25	1.30	1.31

Water			
Water use (millions of gallons)	224.77	240.26	223.65
Water use intensity (gallons/ft <sup>2</sup> )	4.0	4.2	3.9
Community — Global <sup>6</sup>			
	2012	2011	2010
Total corporate giving, including Staples, Inc., Staples Foundation for Learning, global giving and in-kind giving (USD)	14,699,079	22,330,225	25,279,656
Value of in-kind donations (USD) <sup>3</sup>	8,384,840	14,788,314	20,120,235
Cash donations (USD)	6,314,239	7,541,911	5,159,421
Diversity			
	2012	2011	2010
% women in the U.S. workforce	44	44	44
% minorities in the U.S. workforce	32	32	32
Gender diversity in the United States and Canada (% women)	45	46	46
Average global annual employee turnover rate <sup>4</sup>	40	36	33
Salaried associate turnover rate globally (%)	13	14	12
Hourly associate turnover rate globally (%)	46	42	43

<sup>1</sup> Sales for 2012 were \$24.38 billion, and include \$461.2 million of revenue related to the additional week in 2012.

<sup>2</sup>Complete data for 2010 is not available, and therefore will not be reported. For 2011, 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.

<sup>3</sup>We have adjusted our greenhouse gas accounting for 2010 to 2012 to more accurately apply offsets from renewable energy purchases to only Scope 2 emissions (from electricity purchases) rather than combined Scope 1 and 2 emissions. We have also made some adjustments to emissions factors. As a result, we are re-reporting emissions for earlier years to reflect these minor adjustments.

<sup>4</sup>The recycling tonnage shown here includes metals, mixed paper, cardboard, plastics, glass and compost. If we were to include lightbulb and pallet recycling, our recycling rate would be approximately 70 percent; however to enable year-over-year comparison, we did not include these materials as they were not captured in earlier years.

<sup>5</sup>The difference of in-kind donations made in FY2010 and FY2011 vs. FY2012 relates to Corporate Express product donations made after the acquisition.

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#### International Performance Summary

Environment - Global <sup>1</sup>					
Fiscal Year 2012 <sup>1,2</sup>	Global	North America	Asia Pacific	South America	Europe
Sustainable Products					
Sales of eco-conscious products (millions of USD) <sup>3</sup>	\$2,465.5	\$2,025.7	\$177.7	n/a	\$262.2
Recycling Services					

Ink and toner cartridges (thousands of units)	76,533.3	74,988.4	87.8	n/a	1,457.1
Electronics recycled for customers (thousands of pounds)	19,396.0	19,299.4	2.5	n/a	94.1
<b>Sustainable Operations</b>					
<b>Energy &amp; Greenhouse Gas Emissions</b>					
Total energy use (GJ)	4,923,250	4,180,430	92,140	3,020	647,660
Electricity Use (MWh) <sup>4</sup>	885,068	783,718	12,950	690	87,710
Scope 1 greenhouse gas emissions (MtCO <sub>2</sub> -e)	108,800	85,820	3,310	40	19,630
Scope 2 greenhouse gas emissions (MtCO <sub>2</sub> -e)	389,465	348,600	10,665	60	30,140
Scope 2 emissions offset by renewable energy purchases (MtCO <sub>2</sub> -e)	-	506,150	610	-	-
Total Scope 1 and 2 emissions (MtCO <sub>2</sub> -e)	176,955	113,720	13,365	100	49,770
<b>Waste and Recycling</b>					
Waste disposed (short tons)	44,190	33,550	1,940	160	8,540
Waste sent to landfill (short tons)	34,020	31,080	1,940	160	840
Waste diverted for recycling (short tons) <sup>5</sup>	65,810	48,270	4,740	90	12,710
<b>Water</b>					
Water use (thousands of gallons)	281,700	256,550	7,390	640	17,120

To see a detailed International Performance Summary, download the .pdf version by clicking [here](#).

<sup>1</sup> "N/A" indicates this metric is not currently applicable to the business channel(s) in this country, or that data is not currently available to report for this metric in this country.

<sup>2</sup> Historic emissions for select countries have changed slightly as we have updated our emissions factors to reflect most recently available emissions factors. Because we are using 2010 as our baseline for our global carbon goal, we applied the factors retroactively to ensure we are not misrepresenting any increases or decreases in emissions due to changes in factors, rather than actual activity data. Finally, we have adjusted our accounting to more accurately apply our renewable energy purchase offsets to our Scope 2 emissions (as opposed to total Scope 1 and 2 emissions); thus we are re-reporting our net emissions to reflect this adjustment.

<sup>3</sup> Our eco-conscious product criteria vary by market, but are typically characterized by 30% or more recycled content materials and/or meeting specific third-party environmental standards. In Europe, reported sales numbers generally cover Advantage and Online business channels, but not retail.

<sup>4</sup> In 2011 and 2012, select European countries started purchasing renewable, certified zero-carbon electricity directly from their utility providers. This is accounted for as zero-carbon electricity, rather than an offset.

<sup>5</sup> Recycling volumes include glass, cardboard, metals, organics, plastics and paper.

# Staples reporting approach.

## Overview

This site contains corporate responsibility information for the 2012 fiscal year ending February 2, 2013. While we did not conduct a new materiality assessment when developing this 2012 report, and therefore have not included a materiality section in this report, we believe the issues identified as most material by Staples and our stakeholders in an earlier assessment (details can be viewed in our 2010 and 2011 reports in the Report Archive) have not changed significantly, and we have thus continued to use findings from our earlier assessment to guide report development. We also describe the scope of the report, any limitations and our reporting approach in the [About this Site](#) section.



### About This Site

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 2012 Staples Soul Report is available for download, either as a customized Report or as a PDF. Our 2006 through 2011 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 2012 fiscal year ending February 2, 2012. 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.

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.

As our ability to collect environmental performance data across our global operations continues to improve, we are gathering more comprehensive and accurate data in more of our markets. For example, this year, we are able to report performance data for select countries in our high-growth markets for the first time. We are also gathering data across more metrics as data collection processes improve, to give us a more holistic view of our performance.

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.



### GRI Index

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. Click [here](#) to download GRI Index table.

## STANDARD DISCLOSURES PART I: Profile Disclosures

### 1. Strategy and Analysis

Profile Disclosure	Description	Reported	Cross-reference/Direct answer	Explanation
1.1	Statement from the most senior decision-maker of the organization	Fully	<a href="#">CEO Letter</a>	
1.2	Description of key impacts, risks, and opportunities	Fully	<a href="#">CEO Letter</a>	
			<a href="#">Performance</a>	
			<a href="#">Reporting Approach</a>	See 2010 and 2011 Soul reports for materiality analysis.

### 2. Organizational Profile

Profile Disclosure	Description	Reported	Cross-reference/Direct answer	Explanation
2.1	Name of the organization.	Fully	<a href="#">About Staples</a>	
2.2	Primary brands, products, and/or services.	Fully	<a href="#">About Staples</a>	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	<a href="#">About Staples</a>	
			<a href="#">Corporate Overview</a>	
2.4	Location of organization's headquarters.	Fully	<a href="#">About Staples</a>	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	<a href="#">About Staples</a>	
			<a href="#">Corporate Overview</a>	
			<a href="#">Annual Report</a>	Pages 84-85 of PDF;
2.6	Nature of ownership and legal form.	Fully	<a href="#">About Staples</a>	
			<a href="#">Annual Report</a>	Page 71 of PDF
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	<a href="#">About Staples</a>	Pages 73-76 of PDF
			<a href="#">Corporate Overview</a>	
			<a href="#">Annual Report</a>	Pages 73-76 of PDF
2.8	Scale of the reporting organization, including number of employees, net sales, total capitalization, quantity of products or services provided.	Fully	<a href="#">About Staples</a>	
		Fully	<a href="#">Annual Report</a>	Pages 76, 115 of PDF
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	<a href="#">Annual Report</a>	Pages 3-4, 73 of PDF

2.10	Awards received in the reporting period.	Fully	<a href="#">Recognition and Awards</a>	
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### 3. Report Parameters

Profile Disclosure	Description	Reported	Cross-reference/Direct answer	Explanation
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	<a href="#">About this site</a>	
3.2	Date of most recent previous report (if any).	Fully	<a href="#">About this Site</a>	
			<a href="#">Report Archive</a>	
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Annual	
3.4	Contact point for questions regarding the report or its contents.	Fully	<a href="#">Take Action</a>	
			<a href="mailto:Staplessoul@staples.com">Staplessoul@staples.com</a>	
3.5	Process for defining report content.	Fully	<a href="#">About this site</a>	
			<a href="#">Reporting Approach</a>	See 2010 and 2011 Soul reports for materiality analysis.
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Fully	<a href="#">About this site</a>	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	<a href="#">About this site</a>	
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	<a href="#">About this site</a>	
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 apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	<a href="#">About this site</a>	
3.10	Explanation of the effect of any re-statements of information provided in earlier	Fully	<a href="#">Performance</a>	



	reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).			
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	<a href="#">About this site</a>	
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	<a href="#">GRI Index</a>	
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	<a href="#">About this site</a>	
<b>4. Governance, Commitments, and Engagement</b>				
Profile Disclosure	Description	Reported	Cross-reference/Direct answer	Explanation
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	<a href="#">Corporate Governance</a>	Pages 10-13 of PDF
			<a href="#">Proxy Statement</a>	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	<a href="#">Ensuring Sound Governance</a>	
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	<a href="#">Ensuring Sound Governance</a>	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	<a href="#">Ensuring Sound Governance</a>	
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	<a href="#">Annual Report</a>	Pages 32-48 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	<a href="#">Director's Corporate Governance Guidelines</a>	

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	<a href="#">Director's Corporate Governance Guidelines</a>	
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	<a href="#">Code of Ethics</a>	
			<a href="#">Supplier Code of Conduct</a>	
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	<a href="#">Ethics and Governance</a>	
			<a href="#">Corporate Governance</a>	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	<a href="#">Director's Corporate Governance Guidelines</a>	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	<a href="#">Culture of Integrity</a>	
			<a href="#">Sustainable Products and Services</a>	
			<a href="#">CDP Investor Response question 2.1</a>	
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	<a href="#">Non-Governmental Organizations (NGO's)</a>	

4.14	List of stakeholder groups engaged by the organization.	Fully	<a href="#">Stakeholder Engagement</a>	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	<a href="#">Stakeholder Engagement</a>	
			<a href="#">Customer Satisfaction</a>	
			<a href="#">Community</a>	
			<a href="#">Diversity</a>	
			<a href="#">Supplier Diversity</a>	
			<a href="#">Understanding Associates</a>	
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:	
			<a href="#">Stakeholder Engagement</a>	
			<a href="#">Customer Satisfaction</a>	
			<a href="#">Understanding Associates</a>	
			<a href="#">Ensuring Sound Governance</a>	
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	<a href="#">Materiality Analysis</a>	

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

G3 DMA	Description	Reported	Cross-reference/Direct answer	Further comments
DMA EC	Disclosure on Management Approach EC			
Aspects	Economic performance	Fully	<a href="#">Annual Report</a>	(Full Report)
			<a href="#">Community Section</a>	
	Market presence	Fully	<a href="#">Annual report</a>	Pages 73-74 of PDF
	Indirect economic impacts	Fully	<a href="#">Community Section</a>	
			<a href="#">Supplier Diversity</a>	
DMA EN	Disclosure on Management Approach EN			
Aspects	Materials	Fully	<a href="#">Environment/Our Strategy</a>	Pages 73-74 of PDF
			<a href="#">Eliminating Operational Waste</a>	
			<a href="#">Sustainable Products and Services</a>	
			<a href="#">Recycling Solutions for Customers</a>	

			<a href="#">Performance</a>	
	Energy	Fully	<a href="#">Environment/Our Strategy</a>	
			<a href="#">Environment/Goals</a>	
			<a href="#">Performance</a>	
	Water	Partially	<a href="#">Environment/Our Strategy</a>	
			<a href="#">Total Water Use</a>	
	Biodiversity	Partially	<a href="#">Environment/Our Strategy</a>	
			<a href="#">Sustainable Paper- Based Products</a>	
	Emissions, effluents and waste	Fully	<a href="#">Environment/Our Strategy</a>	
			<a href="#">Environment/Goals</a>	
			<a href="#">Performance</a>	
	Products and services	Fully	<a href="#">Environment/Our Strategy</a>	
			<a href="#">Sustainable Products and Services</a>	
	Compliance	Fully	<a href="#">Environment/Our Strategy</a>	
	Transport	Fully	<a href="#">Environment/Our Strategy</a>	
			<a href="#">Fleet efficiency</a>	
	Overall	Fully	<a href="#">Environment/Our Strategy</a>	
DMA LA	Disclosure on Management Approach LA			
Aspects	Employment	Fully	<a href="#">Understanding Associates</a>	
	Labor/management relations	Not	No related indicators are reported	
	Occupational health and safety	Partially	<a href="#">Managing Occupational Health and Safety</a>	
	Training and education	Fully	<a href="#">Talent Management</a>	
	Diversity and equal opportunity	Fully	<a href="#">Diversity</a>	
DMA HR	Disclosure on Management Approach HR			
Aspects	Investment and procurement practices	Fully	<a href="#">Ethics and Governance</a>	
			<a href="#">Supplier Code of Conduct</a>	
	Non-discrimination	Partially	<a href="#">Ethics and Governance</a>	
			<a href="#">Supplier Code of Conduct</a>	
	Freedom of association and collective bargaining	Partially	<a href="#">Staples Global Code of Ethics</a>	
			<a href="#">Supplier Code of Conduct</a>	
	Child labor	Partially	<a href="#">Staples Global Code of Ethics</a>	
			<a href="#">Supplier Code of Conduct</a>	

	Forced and compulsory labor	Partially	<a href="#">Staples Global Code of Ethics</a>	
			<a href="#">Supplier Code of Conduct</a>	
	Security practices	Partially	<a href="#">Staples Global Code of Ethics</a>	
			<a href="#">Supplier Code of Conduct</a>	
	Indigenous rights	Partially	<a href="#">Staples Global Code of Ethics</a>	
			<a href="#">Supplier Code of Conduct</a>	
DMA SO	Disclosure on Management Approach SO			
Aspects	Community	Fully	<a href="#">Community</a>	
			<a href="#">Community Goals</a>	
			<a href="#">Performance</a>	
	Corruption	Fully	<a href="#">Ethics and Governance</a>	
			<a href="#">Culture of Integrity</a>	
	Public policy	Fully	<a href="#">Political contributions approach</a>	
	Anti-competitive behavior	Partially	<a href="#">Ethics and Governance</a>	
			<a href="#">Staples Global Code of Ethics</a>	
	Compliance	Fully	<a href="#">Ethics and Governance</a>	
<a href="#">Culture of Integrity</a>				
DMA PR	Disclosure on Management Approach PR			
Aspects	Customer health and safety	Fully	<a href="#">100% Satisfaction Guarantee</a>	
	Product and service labeling	Fully	<a href="#">Customer Satisfaction</a>	
	Marketing communications	Not	No related indicators are reported	
	Customer privacy	Partially	<a href="#">Protecting customer information and privacy</a>	
	Compliance	Not	No related indicators are reported	
STANDARD DISCLOSURES PART III: Performance Indicators				
Economic				
Performance Indicator	Description	Reported	Cross-reference/Direct answer	
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	<a href="#">About Staples</a>	
			<a href="#">Impact on Communities</a>	
			<a href="#">Performance Summary/Economic</a>	
			<a href="#">Annual Report (Pages 2, 5, 131-133, 138-140)</a>	
EC2	Financial implications and other risks and opportunities for the organization's	Fully	<a href="#">Staples CDP Investor response</a>	

	activities due to climate change.		
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	<a href="#">Annual Report (Pages 142-150)</a>
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	<a href="#">Impact on Communities</a>
			<a href="#">Supplier Diversity</a>
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	<a href="#">Recycling Solutions for Customers</a>
			<a href="#">Performance Summary/Sustainable Products</a>
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	<a href="#">Energy Efficiency and Renewable Energy</a>
			<a href="#">Performance Summary/Energy</a>
EN4	Indirect energy consumption by primary source.	Partially	<a href="#">Energy Efficiency and Renewable Energy</a>
			<a href="#">Performance Summary/Energy</a>
EN5	Energy saved due to conservation and efficiency improvements.	Fully	<a href="#">Fleet efficiency</a>
			<a href="#">Energy Efficiency and Renewable Energy</a>
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	<a href="#">Sustainable Products and Services</a>
			<a href="#">Energy Efficiency and Renewable Energy</a>
EN7	Initiatives to reduce indirect energy	Fully	<a href="#">Energy Efficiency and Renewable Energy</a>



	consumption and reductions achieved.		
Water			
EN8	Total water withdrawal by source.	Partially	<a href="#">Performance Summary/Water</a>
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	<a href="#">Sustainable Paper-based products</a>
EN13	Habitats protected or restored.	Not	Not reported
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Partially	<a href="#">Sustainable Paper-based products</a>
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	<a href="#">Reducing greenhouse gas emissions</a>
			<a href="#">Performance Summary/Greenhouse gas emissions</a>
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not	Not reported
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	<a href="#">Sustainable Products and Services</a>
			<a href="#">Using alternative sources of energy</a>
			<a href="#">Performance Summary/Greenhouse gas emissions</a>
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	<a href="#">Eliminating Operational Waste</a>
			<a href="#">Performance Summary/Waste and recycling</a>
			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	<a href="#">Sustainable Products and Services</a>
			<a href="#">Sustainability strategy</a>
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	<a href="#">Recycling Solutions for Customers</a>
			<a href="#">Eliminating Operational Waste</a>
			<a href="#">Performance Summary/Recycling Services</a>
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 transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Partially	<a href="#">Fleet efficiency</a>
Overall			
EN30	Total environmental protection expenditures and investments by type.	Not	Not reported
Social: Labor Practices and Decent Work			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
Employment			
LA1	Total workforce by employment type, employment contract, and region.	Partially	<a href="#">About Staples</a>
			<a href="#">Performance Summary/Economic</a>
			<a href="#">Understanding Associates</a>
LA2	Total number and rate of employee turnover by age group, gender, and region.	Partially	<a href="#">Performance Summary/Diversity</a>
LA3	Benefits provided to full-time employees that are not provided to temporary or	Fully	<a href="#">Employee benefits</a>

	part-time employees, by major operations.		<a href="#">Working Here</a>
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.	Not	Not reported
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	<a href="#">Health and Wellness</a>
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	<a href="#">Talent Management</a>
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	<a href="#">Talent Management</a>
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	<a href="#">Talent Management</a>
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	<a href="#">Staples Board of Directors</a>
			<a href="#">Diversity Performance</a>
LA14	Ratio of basic salary of men to women by employee category.	Not	Not reported
Social: Human Rights			
Performance Indicator	Description	Reported	Cross-reference/Direct answer

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	<a href="#">Ethical Sourcing</a>
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	<a href="#">Ethical Sourcing</a>
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
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			
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Performance Indicator	Description	Reported	Cross-reference/Direct answer

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	<a href="#">Impact on Communities</a>
			<a href="#">Providing Value to Customers</a>
			<a href="#">Stakeholder Engagement</a>
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	<a href="#">Culture of Integrity</a>
			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	<a href="#">Culture of Integrity</a>
			100% of employees in high risk geographies and job functions receive training.
SO4	Actions taken in response to incidents of corruption.	Fully	<a href="#">Staples Global Code of Ethics</a>
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	<a href="#">Political Contributions</a>
			<a href="#">Political Contributions</a>
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	Reported	Cross-reference/Direct answer
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	<a href="#">Ethical Sourcing</a>
PR2	Total number of incidents of non-compliance with regulations and	Not	Not reported

	voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		
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	<a href="#">Sustainable Products and Services</a>
			<a href="#">Performance Summary/Environment</a>
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	<a href="#">Customer satisfaction</a>
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			
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



# Staples document library.

## 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.



### Report Archive

## A look back

Read and download our previous corporate responsibility reports here.

- [2011 Staples Soul Annual Report](#)
- [2010 Staples Soul Annual Report](#)
- [2008/2009 Staples Soul Annual Report](#)
- [2007 Staples Soul Annual Report](#)
- [2006 Staples Soul Annual Report](#)



### Downloadable Policies

## 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](#)

## Staples Soul is making a positive difference

Date	Article name
6/3/13	<a href="#">Teen Actor Jake T. Austin Joins Staples and Boys &amp; Girls Clubs of America to Help Kids in Need This Summer</a>
4/25/13	<a href="#">Staples and SunEdison Unveil Solar Power Installation at Staples Global Headquarters</a>
1/16/13	<a href="#">Staples, Inc. Names John Burke Chief Culture Officer</a>
12/20/12	<a href="#">Staples Associates Direct \$252,500 in Community Grants Across Europe</a>
12/5/12	<a href="#">Staples Associates Direct More than \$1.4 Million in Community Grants Nationwide</a>
9/20/12	<a href="#">Fifth Annual "Staples for Students" National School Supply Drive Gives Kids in Need a Back to School Boost</a>
7/23/12	<a href="#">Staples, DoSomething.org and Actress/Singer Bella Thorne Team Up with Teen Choice Celebrity Attendees to Help Kids in Need</a>
6/6/12	<a href="#">Teen Actress Bella Thorne Joins Staples and DoSomething.org for "Staples for Students" National School Supply Drive</a>
5/10/12	<a href="#">Baltimore's Intellect Corporation Named the 2012 Inner City 100 Staples Diversity Leadership Award Winner</a>
5/8/12	<a href="#">Boys &amp; Girls Clubs of America and Staples Foundation Announce Winner of Second Annual Torch Bearer Award</a>
4/4/12	<a href="#">Staples in Seattle Makes it Easy to Recycle and Save with New Binder Recycling Program</a>
4/4/12	<a href="#">Staples in Cincinnati Makes it Easy to Recycle and Save with New Binder Recycling Program</a>
1/4/12	<a href="#">Staples and Mass Mentoring Partnership Announce Call to Action to Recruit Adults and Businesses in Massachusetts to Support Youth Mentoring</a>



## 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](#)



Get Involved

## 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 [Boys & Girls Clubs of America](#) Web site.

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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Performance  
Summary

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It's easy to  
take action.

[Learn more](#)

**STAPLES**

that was easy.

### Ways to Save

- Staples® Rewards
- Rebate Center
- Staples® Credit Center
- Corporate Customers
- Staples® Service Plans
- Email Signup

### Policies

- Delivery & Returns
- F.A.Q.'s
- Legal Terms & Conditions
- Privacy Statement
- Warranty & Recall Info
- Price Match Guarantee

### Corporate Information

- About Staples
- Corporate Responsibility
- Investor Information
- Media Information
- Community Relations
- International Sites
- STAPLES Center
- Affiliate Program
- Jobs