

environment



Our environmental initiatives help us to operate our business in a more sustainable manner and make it easy for our customers to make a difference. We pursue these program goals by focusing our efforts across four major areas: environmentally preferable products, recycling, energy and climate, and environmental education. By sourcing and developing more environmentally preferable products, we reduce the ecological impacts of the products we offer and provide more eco-friendly product solutions for our customers. Our recycling efforts increase the usable life of our limited natural resources and provide opportunities for our customers to recycle products (like cell phones or ink cartridges) that they might otherwise discard. Our energy conservation efforts and renewable energy investments help us manage our operating costs and reduce the impact of our operations on air quality and climate change. Educating our associates, customers, suppliers and other stakeholders about our efforts and environmental issues encourages increased dialog and environmental awareness.

Reducing our environmental footprint is not only crucial to protecting the natural world and the ability of future generations to sustain themselves — it also creates operational efficiencies, meets the needs of our customers, sparks new business opportunities and reduces future business risks.

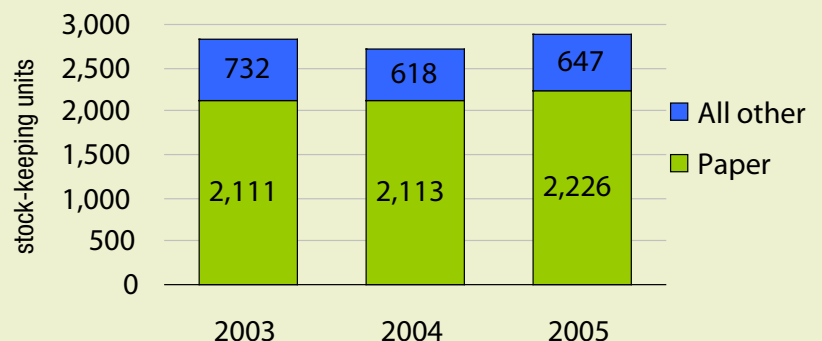
environmentally preferable products

Many of our customers, ranging from individual consumers and small businesses to Fortune 500 companies, seek to purchase environmentally preferable products (EPPs). In fact, a number of the requests for proposals related to office supplies contracts that we receive from large potential business customers include provisions related to EPPs. We strive to make it easy for our customers to find quality office products incorporating environmental benefits at a compelling price, by continually expanding our selection of environmentally superior Staples® brand products and offering a wide array of EPPs from other vendors.

EPPs currently offered at Staples include a large number of paper products with post-consumer recycled content, remanufactured ink and toner cartridges, ENERGY STAR® certified energy-efficient products, furniture with post-consumer recycled content steel, binders and organizers containing post-consumer recycled content plastic and reduced-impact alternative products such as nontoxic cleaners.

By the end of fiscal year 2005, Staples was offering more than 2,800 stock-keeping units (SKUs) containing at least some percentage of post-consumer recycled content. Of these SKUs containing post-consumer recycled content, more than 75% were paper based. Paper has been a major focus of Staples' efforts to date due to the number of products we carry made from paper and the significant environmental impacts of paper production.

active SKUs containing post-consumer recycled content



Across all sales channels in U.S. and Canada as of fiscal year end.

paper

The average office worker in the United States uses approximately 12,000 sheets of copy and printer paper annually, equivalent to more than 120 pounds.⁷ Paper production has major impacts on forest ecosystems and requires large amounts of energy and water. In fact, the pulp and paper industry is the single largest consumer of water used in industrial activities in Organization for Economic Cooperation and Development (OECD) countries, and is the third greatest industrial greenhouse gas emitter, after the chemical and steel industries.⁸



The nonprofit organization Environmental Defense, in their updated Paper Calculator tool, estimates that each and every ton of virgin copy or print paper consumed requires the following resources across the product life cycle (harvest, transportation, production, use and end of life):

- Three tons of wood, equivalent to 24 trees
- More than 41% of the energy used by an average U.S. home in a year
- More than 50% of the greenhouse gas emissions released by the average U.S. automobile annually
- More than 19,000 gallons of wastewater
- More than one ton of solid waste⁹

As a large buyer and seller of paper products, Staples is committed to reducing the significant impact that paper procurement and use have on ecosystems globally. For example, the impact of virgin paper use can be substantially reduced through substitution of post-consumer recycled content paper products. Based on the same Environmental Defense Paper Calculator tool, when compared to one ton of virgin paper, each ton of 30% post-consumer recycled content paper consumes seven fewer trees, uses 13% less energy, emits 11% fewer greenhouse gas emissions, creates 13% less wastewater and reduces solid waste by more than 14%.

While most of our efforts to date have focused on offering more post-consumer recycled content paper products, we are also actively exploring additional opportunities with our paper suppliers to substitute agricultural residues or other nontree fibers for virgin fiber and to source tree fiber from certified forests.

Staples' Environmental Paper Procurement Policy, available at www.staples.com/environment, drives many of our initiatives related to paper based EPPs. This policy was finalized in November 2002 after input from the nonprofit organizations ForestEthics and Dogwood Alliance — who helped us realize the major impact our sourcing decisions could have on forest ecosystems, as well as feedback from many of our paper manufacturers and other stakeholders.

⁷ Estimate from Worldwatch Institute, *Paper Cuts: Recovering the Paper Landscape*, 1999. Available at www.worldwatch.org. Does not include any other paper typically used in the office (cardboard, notebooks, etc.).

⁸ 2001 OECD Environmental Outlook, as cited on the Environmental Paper Network Web site, <http://www.environmentalpaper.org/PAPER-statistics.html>.

⁹ Environmental impact estimates made using the Environmental Defense Paper Calculator as of December 2005. Paper type assumed is uncoated freesheet, the type used to make copy, print, multiuse, laser and notebook papers, among others. National averages were used to generate stated environmental impact. For more information, visit <http://www.papercalculator.org>.

Environmental Paper Procurement Policy Goals

Our Environmental Paper Procurement Policy established three major environmental paper procurement goals against which we are measuring our performance. We also pledged in the policy to take a leadership role in promoting sustainable forestry and paper production and to annually report on our progress toward our goals.

Goal 1: Reduce demand for virgin wood fiber

Specifically:

- Increase to 30% the average amount of post-consumer recycled content and alternative-fiber paper products for sale in U.S. and Canada.
- In our internal operations, use only post-consumer recycled content paper products by the end of 2003.
- Pursue expansion into the range of 50% post-consumer recycled content and/or alternative-fiber paper products available for sale.

Goal 2: Protect endangered forests, including those with high conservation value

Specifically:

- Staples will continue engaging in dialogue with our paper suppliers and environmental leaders on the issue of forests.
- We will monitor the implementation of our Paper Procurement Policy and encourage suppliers to continuously improve the environmental attributes of the paper we offer.

Goal 3: Promote well-managed forests

Specifically:

- We will continue to monitor certification systems to ensure that the systems to which we give preference meet our environmental goals.
- By the end of 2006, Staples will offer only certified paper products or as many such products as possible within the constraints of market conditions, consumer demand and cost factors.

Results to Date: Environmental Paper Procurement Policy Goals

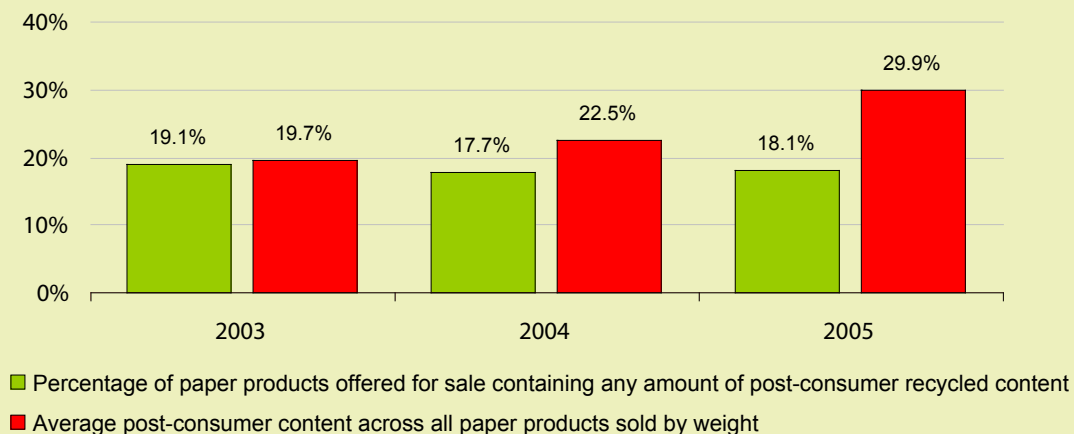
We have successfully expanded the amount of post-consumer recycled content fiber in our paper products over the past several years, both those sold to our customers and those that we use internally. We are working particularly hard to improve the environmental attributes of Staples® brand paper products, since we can often more readily control the sourcing and composition of these products compared to the other brand-name products we offer.

- Among all paper SKUs offered for sale in the U.S. and Canada, approximately 18% contained some percentage of post-consumer recycled content in 2005. We have increased the average post-consumer recycled content by weight of all paper products sold in the U.S. and Canada from 19.7% in 2003 to 29.9% in 2005.
- We used an average of 30% post-consumer recycled content paper in our internal operations in 2005, including paper used by our offices for letterhead, copy paper, envelopes, business cards and direct mailings.¹⁰ This is an increase of 2% since 2003.
- We have increased the average recycled content (post-consumer and de-inked pulp) in all catalogs and circulars from 14% in 2003 to 19% in 2005.

Many of the improvements made to increase post-consumer recycled fiber in our paper products have been made in Staples® brand products. For example, in 2004, the average post-consumer recycled content by weight of all Staples® brand paper products sold was 22%. As of the end of 2005, we had improved this ratio to 31%. Beyond recycled content, we seek to develop and promote Staples® brand paper products containing fiber from certified sustainably managed forests, agricultural residues and other environmentally preferable fiber sources.

¹⁰ This figure does not include paper used for our catalogs and circulars or paper used in our retail store.

post-consumer recycled content attributes of paper products in the United States and Canada



average post-consumer recycled content in internal office paper use

	2003	2004	2005
Internal office operations	27.9%	29.5%	30%

Fiscal year data for the United States only. Does not include paper used for catalogs and circulars or paper used in our retail stores.

paper continued

The products we sell with post-consumer recycled content are marked with the chasing-arrow recycled symbol in our catalogs and on our Web sites to make it easier for our customers to identify environmentally preferable products. Several of our catalogs include a specific directory for recycled content products, and our Web sites offer options for sorting or searching for paper products containing post-consumer recycled content. For our contract customers, we offer specific tools enabling procurement managers to automatically substitute environmentally preferable products for products not on their approved list, thereby ensuring that their corporate goals for sourcing these types of office products are met. We recognize that there is more we could do to highlight EPPs. In the future we plan to better identify and promote EPPs across all channels so it is easier for customers to find and purchase these products.

As part of Staples' commitment to protecting high conservation-value forests and to encouraging sustainable forestry, we require suppliers bidding on large-volume paper products (copy and print paper, multiuse paper, notebook filler paper, etc.) to complete an environmental survey. This survey asks suppliers for specific information related to their forest holdings, including percentage of virgin fiber from noncertified forests; average percentage of fiber certified by type of certification; and specific forest locations where fiber is sourced. The survey also requires specific information for each mill that will be producing the paper products for Staples, including bleaching processes and whether the mill is integrated or not. Finally, Staples also collects general information about the environmental policies and commitments of the overall company. These completed surveys are factored into Staples' paper procurement decision-making process to ensure that our environmental goals are met, along with our needs related to quality, cost, capacity and delivery.

Since April 2003, Staples has been a member of the Paper Working Group (PWG), a group of eleven major companies committed to conserving forests and increasing the availability of environmentally preferable paper products. Organized and facilitated by the nonprofit organization Metafore (www.metafore.org), the PWG is developing methods for evaluating the environmental performance of paper suppliers to help guide sourcing decisions. One of PWG's major projects to date has been the development of a comprehensive, Web-based environmental paper assessment tool (EPAT).

paper continued

The EPAT, which has been in a pilot phase since the fall of 2005, will be launched in 2006. The EPAT allows large paper purchasers to consider the major environmental impacts of specific paper products. It is based on standardized information provided by paper suppliers across a number of key indicators such as energy use, water use, post-consumer recycled content, certified fiber content and others. Paper buyers assign weights to specific indicators based on their priorities, and receive a total environmental score for each product. This environmental score then can be used as part of the purchase decision process, along with quality, price and other factors. We plan to use the EPAT once it is launched as part of our paper-procurement decision-making process. We will supplement the EPAT with additional surveys where necessary to ensure that our information needs are met.

Beyond our involvement in PWG, we are actively engaged with other global stakeholders in the Forests Dialogue, a multidisciplinary group convened through the Global Institute of Sustainable Forestry at Yale University. The Forests Dialogue addresses global sustainability of forests, illegal logging and forest products certification. We are also participating in forest mapping and assessment projects in Indonesia, the Canadian boreal forest and the southeastern United States — in cooperation with a variety of stakeholders — to develop a methodology for identifying high conservation-value forests.

beyond paper

Outside of paper, we continue to pursue other opportunities to incorporate environmental attributes into Staples® brand products, whether through the use of post-consumer recycled content plastic and steel, post-industrial waste fibers, bio-based alternatives or incorporating design for environment principles. We will continue to strive to expand our offering of Staples® brand EPPs across all product lines in the future.



recycling

We make it easy for our customers to recycle by offering free recycling options for ink and toner cartridges and electronic waste (eWaste) such as mobile phones, pagers and PDAs, as well as rechargeable batteries.

We are working to expand the computer recycling events we hold in various parts of the country to offer additional eWaste recycling opportunities to our customers. By diverting these resources from landfills, we are able to remanufacture or properly recycle items that often have remaining useful lives and contain valuable precious metals and/or dangerous heavy metals. Our progress to date in these areas is described in more detail on the following pages.

ink and toner recycling

Staples is proud to offer high-quality remanufactured cartridges that are fully compatible with new cartridges offered by original equipment manufacturers (OEMs) — and typically priced 5% to 15% less than new cartridges from the leading brands. Rather than discarding or recycling a cartridge after only one use, our ink and toner recycling program seeks to “close the loop” by reusing cartridge parts before finally recycling them when their useful life is over. Cartridge parts that are replaced during the remanufacturing phase, and all cartridges that cannot be remanufactured, are processed to recycle the recoverable materials (to produce products such as plastic pallets) and dispose of any nonrecyclable materials in a safe and proper manner. We have a number of programs in place designed to make it easy for our customers to recycle their used cartridges:

Store Drop-Off

Since 2003, customers have been able to bring in their ink and toner cartridges to any Staples store in the U.S. and Canada for recycling. In September of 2005, Staples started offering a \$3 coupon good toward any purchase at Staples for each ink or toner cartridge dropped off for recycling in our U.S. stores, regardless of whether we can remanufacture the cartridge.

Recycle for Education

Launched in 2003, Recycle for Education (www.StaplesRecycleforEd.com) is an ink and toner recycling program designed to benefit local schools across the United States. Interested schools sign up for the program, collect cartridges throughout the year and return them to Staples using our free mailing labels and boxes. In September of 2005, Staples started donating \$3 to participating schools for each eligible cartridge received, tripling the \$1 gift provided to schools in the past.¹¹



Contract Customers

Staples worked throughout 2005 to expand cartridge recycling options for interested contract customers. In the beginning of 2006, we launched a pilot cartridge-recycling program for one of our larger contract customers, with proceeds of the collections benefiting the Boys & Girls Clubs of America. We plan to continue to expand this program to other contract customers in the future.

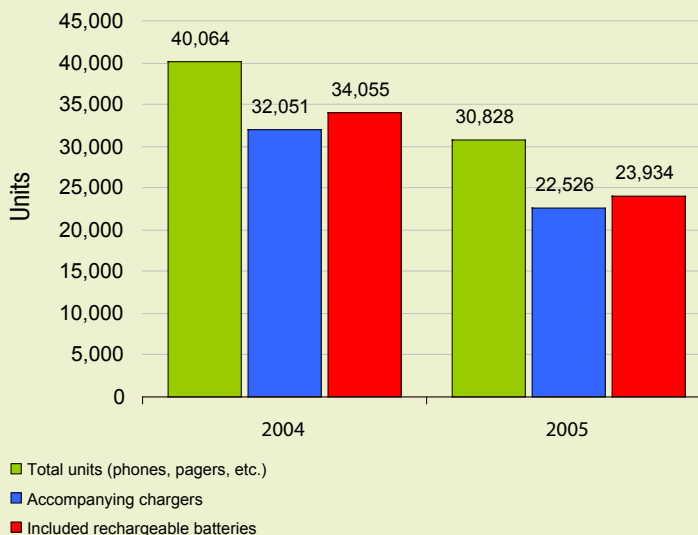
Through our various efforts to collect cartridges for remanufacturing or recycling, Staples has increased ink and toner cartridge returns from slightly more than 530,000 units in 2002 to more than 5 million units in 2005.

¹¹ Eligible cartridges are defined as those that can be remanufactured.

personal electronics

Mobile phones and other small personal electronic devices are a growing electronic waste (eWaste) problem. A National Safety Council report estimates that by 2005, mobile phones will be discarded in the United States at a rate of 130 million annually.¹² Since 2003, we have been offering an easy way for customers to ensure that their obsolete mobile phones, personal digital assistants (PDAs), pagers and digital cameras are either provided to people in developing countries who otherwise would be unable to afford this technology, or properly recycled if remanufacturing is not possible. Our nonprofit recycling and remanufacturing partner, Collective Good (www.collectivegood.org) has remanufactured or recycled more than 65,000 units for us over the past three years. Approximately 50% of the units received are remanufactured, with the proceeds donated to the Sierra Club. In 2005, Staples donated almost \$13,000 to the Sierra Club as a result of our partnership with Collective Good.

personal electronics recycling



The number of chargers accompanying mobile phones, pagers and other personal electronics are estimated based on sample data, as are the number of rechargeable batteries included with the units.

rechargeable batteries

In addition to the rechargeable batteries recycled through our personal electronics alliance with Collective Good, we also offer in-store rechargeable battery recycling for customers through our relationship with the Rechargeable Battery Recycling Corporation. Since 2003 we have recycled more than 5.7 tons of rechargeable batteries through collections in stores across the United States.

computer recycling

The National Safety Council estimated that more than 100 million computers and monitors would become obsolete annually by 2003, along with 20 million televisions. The same report predicted that 19 million computers, monitors and televisions, or roughly 17 percent, would be recycled in 2003. It is unclear how many of these items were actually recycled in 2003, but EPA and other sources estimate that the majority of these obsolete electronics are in storage.¹³

As part of our commitment to methods for reducing eWaste, we have held numerous computer recycling events over the past three years. We are a U.S. EPA Plug-In to eCycling partner, and have worked with EPA and Intel on several pilot computer recycling programs across the United States. In addition, we have partnered with the Take It Back Network for our eCycling programs in King and Snohomish Counties in Washington State. In 2005, we recycled more than 350 tons of computer equipment.

Computer Equipment Recycled for Customers (lb.)

	2004	2005
CPUs, monitors and peripherals	195,000	710,000

¹² National Safety Council, *Electronic Product Recovery and Recycling Baseline Report: Recycling of Selected Electronic Products in the United States*, 1999. As referenced in *Electronic Waste: Observation on the Role of the Federal Government in Encouraging Recycling and Reuse*, U.S. Government Accountability Office, July 2005. GAO-05-937T.

¹³ National Safety Council, *Electronic Product Recovery and Recycling Baseline Report: Recycling of Selected Electronic Products in the United States*, 1999. As referenced in *Electronic Waste: Observation on the Role of the Federal Government in Encouraging Recycling and Reuse*, U.S. Government Accountability Office, July 2005. GAO-05-937T.

internal recycling

Our retail stores in the U.S. recycle cardboard and mixed paper by back hauling these materials to our distribution centers. Our stores bale cardboard on site and then back haul it to our warehouses periodically. Cardboard is also recycled at our distribution, fulfillment and other delivery centers. In fiscal year 2005, Staples recycled more than 20,000 tons of cardboard.

We ask all stores to recycle mixed paper in addition to cardboard, and have an established process for collecting and back hauling mixed paper. However, our mixed paper recycling participation is lower than we would like to see. We are dedicated to improving the recycling of mixed paper from our Copy & Print Centers and thereby helping close the loop on recycled content paper. In 2006, we will be working to improve our internal communication and education on this issue. We also seek to develop returnable recycling containers that are easier for our stores to use.

Other items recycled in the U.S. include plastic shrink-wrap (recycled by our distribution facilities), mixed electronics, obsolete computers formerly used by our associates and fluorescent lighting. In 2005 we recycled more than 95,000 fluorescent lamps from facility relamping activities. We also internally recycled more than 29,000 pounds of mixed electronics and more than 1,900 obsolete CPUs, monitors and other peripherals.

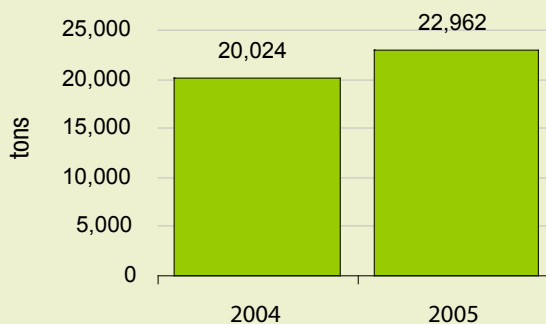
Internal Recycling	2004	2005
Corrugated cardboard (tons)	21,140	20,715
Mixed paper (tons)	357	203
Plastic shrink-wrap (tons)	265	219

Internal recycling data is limited to U.S. operations, and includes information from approximately 95% of retail stores, 70% of our distribution facilities, and our headquarters location. It does not include information from regional or sales offices.

waste

We have estimated our waste generation for our U.S. retail stores and our distribution facilities based on container sizes and frequency of pickup. We have also included waste data for our home office. Our waste generation has increased over time due to increases in the number of retail stores and other facilities we manage.

waste — U.S. operations



Internal waste data is limited to U.S. operations, and includes information from approximately 95% of retail stores, 70% of our distribution facilities, and our headquarters location. It does not include information from regional or sales offices.

energy and climate

By the end of fiscal year 2005, Staples was operating 1,260 retail stores in the United States and 1,780 globally. In addition, we are operating hundreds of distribution centers, fulfillment centers, regional offices and service delivery operations globally that support our retail, Internet and contract customers. Finally, Staples runs its own delivery fleet to meet part of our supply chain transportation needs. All of these operations consume a large amount of energy; our total energy use in 2005 in the United States was 2.88 million mmBtu, or 3.03 million gigajoules (GJ).



Currently, Staples only has reliable energy consumption data for its U.S. operations. We hope to have reliable energy data based on utility bills for our Canadian operations by the end of 2006. We plan to expand our energy management and tracking into Europe and globally over the next several years. Until our data collection systems are updated to include our Canadian and other international operations, we will only report on energy consumption and greenhouse gas emissions for our U.S. operations.

Staples is aggressively pursuing energy conservation efforts throughout our business as a method to reduce our operating costs and the environmental impact of our operations. We are committed to reducing the effects of our energy use on climate through an integrated approach including conservation, the adoption of renewable energy technologies where financially viable and the purchase of certified renewable-energy certificates. Renewable-energy certificates (RECs) represent the environmental attributes of the electricity produced by specific renewable-energy projects that are sold separately from the electricity generated by those projects. RECs enable anyone in the country to “green” a portion of their electricity, regardless of their location, and support renewable energy development.

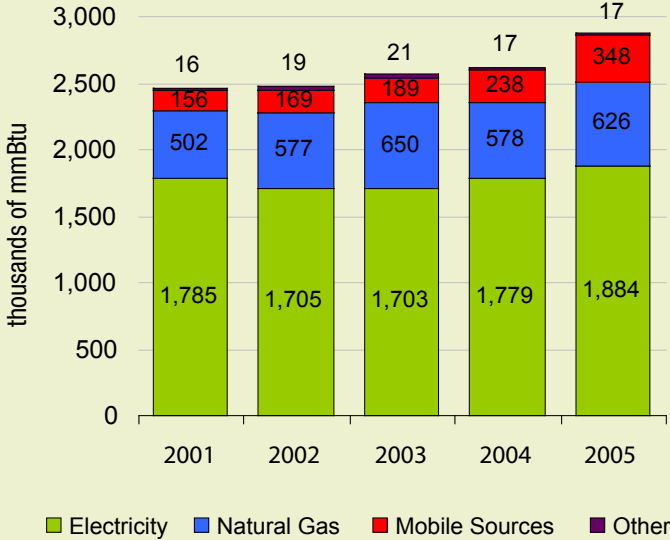
total energy use

Staples tracks the majority of its energy uses through an energy-management system database that compiles consumption and billing data directly from utility bills. Since we actively work to submeter our locations, more than 97% of our electricity data is contained in this system. More than 90% of our natural gas information is integrated into our energy-management system. Staples tracks our fleet mileage and uses average fuel economy figures to estimate fuel consumption annually. Finally, we also measure or estimate energy use for propane use, backup diesel generators, a time-share interest in a corporate jet and steam use at a few locations.

Our total energy use across all operations in the United States — including all of the above sources — increased by 17% from 2001 to 2005 due to the growth of our business and the addition of hundreds of retail and nonretail properties. However, despite the overall increase in energy use, our total energy use (including that from our fleet) per square foot across all properties decreased by nearly 5% from 2001 to 2005.

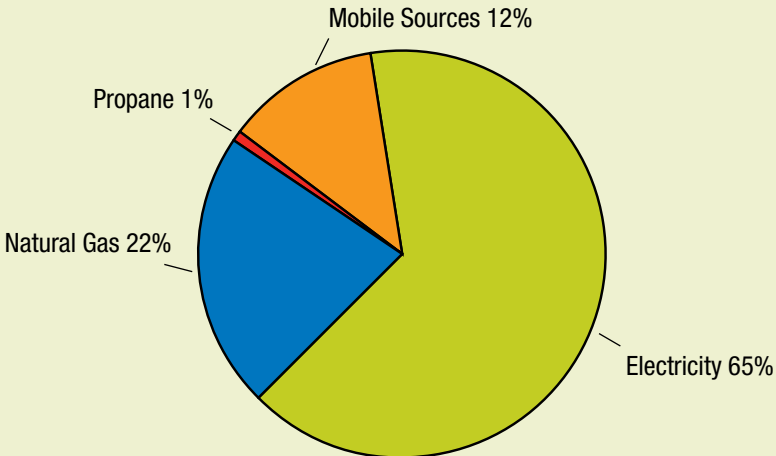
Our improvements in energy efficiency are due to the aggressive measures we are taking to conserve energy across our operations; including retrofitting lighting in our stores to use the most energy-efficient lamps and ballasts, installing efficient HVAC systems and using our energy management system to remotely monitor and control HVAC systems, installing motion-controlled lighting and conveyor systems in our distribution facilities, and incorporating more energy-efficient designs into our buildings.

total energy use



Fiscal year data for U.S. operations, including measured and estimated use. Other energy is primarily the use of propane, but also includes the use of diesel in backup generators and steam. Mobile sources include energy used by Staples delivery fleet and estimated corporate jet use.
 1 mmBtu = 0.2931 MWh, 1 mmBtu = 1.055 gigajoules (GJ)

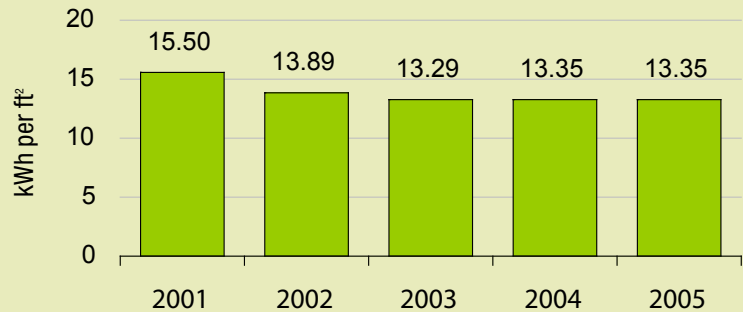
2005 energy use by type



electricity

While total electricity use increased more than 5% from 2001 to the end of fiscal year 2005, we reduced our electricity use per square foot across all properties by almost 14% from 2001 to 2005. This electricity savings occurred despite increases in our store electricity use from the launch of our Copy & Print Centers over the past several years. Much of the improvements in our electricity use per square foot have come from lighting retrofits and improvements in HVAC operation and efficiency.

electricity use per square foot



natural gas and propane

Staples facilities use natural gas and propane for heating, with propane typically used in those areas where natural gas is not available. Although total natural gas use increased by more than 24% from 2001 to 2005, our use of natural gas per square foot across all properties increased by less than 2% over that same time period. For propane, overall usage remained relatively flat from 2001 to 2005, with just a small increase of less than 1% over that time period.

fleet fuel use

The fleet of vehicles operated by Staples is entirely leased and consists almost entirely of diesel trucks, with a few gasoline trucks operating in Atlanta. As our Staples Business Delivery® business unit has continued to grow, so has the mileage traveled by our fleet and our fleet's fuel consumption. From 2001 to 2005, our estimated fleet fuel use increased by more than 120%. Estimated energy use for our delivery fleet in 2005 was approximately 345,000 mmBtu.

To improve our fuel efficiency and minimize emissions, Staples has been:

- Enforcing a no-idling policy at all times, which serves to reduce fuel use, emissions and costs.
- Piloting route optimization software in select markets.
- Periodically reviewing specifications with our leasing partners with regard to new technology and other items that serve to improve the fuel efficiency of our leased trucks, while meeting our delivery needs.
- Encouraging our contract customers to combine orders and establish minimum order amounts, which reduce our fleet fuel use, emissions and cost of delivery.



renewable energy

Renewable energy technologies offer opportunities for Staples to reduce the environmental impact of our energy consumption and to invest in energy technologies that offer a hedge against future price volatility, increases in fuel costs, peak demand charges and transmission and distribution charges. Our membership in the World Resources Institute's Green Power Market Development Group (www.thegreenpowergroup.org) has been instrumental in our efforts to learn more about the renewable energy field and the opportunities to incorporate renewable technologies into our operations. The group is currently composed of 12 large companies committed to expanding the development and availability of commercial cost-competitive renewable energy in the near term.

In 2005, Staples was ranked fourth out of the Top 10 Retailers purchasing green power through the U.S. EPA's Green Power Partnership. Through our purchases of certified Renewable Energy Certificates (RECs), we were able to "green" over 53 million kilowatt-hours of electricity in 2005, or approximately 10% of our total electricity use in the United States. Our purchases of RECs from 2003 to 2005 offset the equivalent of more than 95,000 metric tons of carbon dioxide equivalent (mtCO₂e).

We recently installed two 280kW solar arrays on two distribution centers in California (Rialto and Ontario) and one 120kW system on our Staples Contract home office in Englewood, New Jersey. We expect these systems to generate enough electricity to power the equivalent of approximately more than 90 homes in the United States annually.

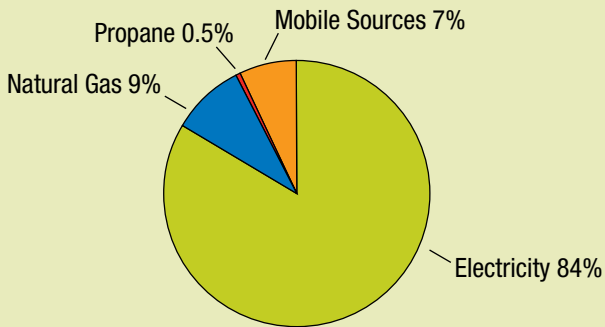
greenhouse gas emissions

As a partner in the U.S. Environmental Protection Agency's Climate Leaders program (www.epa.gov/climateleaders), Staples has committed to reduce our greenhouse gas emissions by 7% on an absolute basis from 2001 to 2010. We are tracking our greenhouse gas (GHG) emissions using the U.S. EPA's Climate Leaders Protocol, which is primarily based on the Greenhouse Gas Protocol Corporate Standard (revised edition), created by the World Resources Institute and the World Business Council for Sustainable Development.

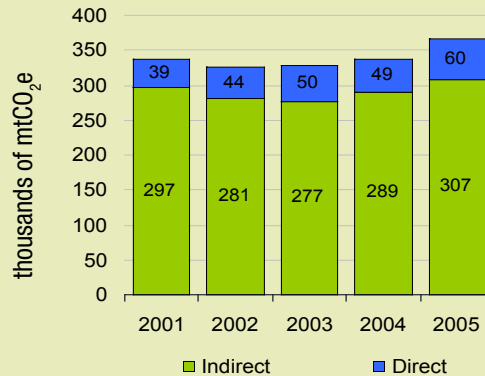
Through energy conservation, the purchase of certified RECs, and the installation of on-site renewable energy technologies, we have reduced our emissions by almost 5% from fiscal year 2001 to 2005, despite the fact that our total energy use increased 17% over this same time period. In 2005, approximately 84% of our total GHG emissions were from the use of electricity. Through the purchase of certified RECs from landfill gas and wind energy projects, we offset the environmental impacts of more than 53 megawatt-hours of conventional electricity with renewably generated electricity, resulting in a savings more than 46,000 metric tons of carbon dioxide equivalents (mtCO₂e) in 2005. Since 2001, we have decreased our net GHG emissions per square foot across all properties by more than 22%.



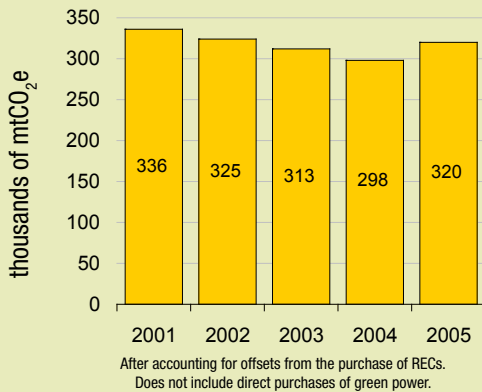
2005 contribution of energy source to greenhouse gas emissions



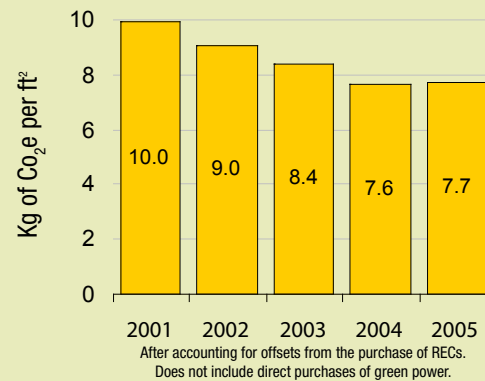
total greenhouse gas emissions, not including offsets



greenhouse gas emissions, net of offsets



net GHG emissions per square foot



Business Travel

We recognize that the air travel of our associates affects the use of fossil fuels and the climate. Due to our increased growth as a company, from 2003 to 2005 our air travel increased from 16.8 million miles traveled to 22.8 million miles traveled. That translates to an increase in greenhouse gas emissions from approximately 3,400 mtCO₂e in 2003 to more than 4,500 mtCO₂e in 2005.

Third-Party Transportation Carriers

Staples relies on a variety of third-party carriers to ship our products across the country. We do not track fuel use and emissions associated with these carriers. However, we are working to better understand the fuel use and climate impact associated with our supply chain transportation partners so that we can take action to reduce this impact. While we don't have direct control over these transportation partners, we recognize that we can have a positive impact on our supply chain through actively encouraging aggressive fuel-conservation measures. We believe that action on our part can lead to enhanced or new partnerships, which will result in fuel cost savings as well as environmental benefits.

environmental education

Staples believes in helping our customers run their businesses and live in a more sustainable manner. Our goal is to make it easy for our customers to make a difference through their interactions with Staples. Whether providing environmentally preferable products, making recycling easy or providing customers with useful environmental information, we strive to increase environmental awareness.



- We help sponsor the resource tool Earth 911 Business (www.earth911business.com) to provide helpful environmental resources, tools and information to businesses nationally, with a focus on waste reduction, recycling and purchasing environmentally preferable products.
- Staples Foundation for Learning® has partnered with the nonprofit organization Earth Force to help provide environmental education curriculum and program materials for teachers and students in several communities across the United States.
- In 2005, Staples was a national sponsor of America Recycles Day (www.AmericaRecyclesDay.org) for the fourth consecutive year, helping to raise awareness of how Americans can protect natural resources through recycling and buying recycled content products.
- We provide information to our associates, customers and other stakeholders through our annual reporting and Web site to keep them up to date on our progress. In 2006, we created a new Web site for our corporate responsibility information at www.staples.com/soul.
- In 2005, we embedded an environmental reporting tool into the systems used by account managers serving our contract customers, enabling customers to receive reports describing the environmental characteristics and effects of their purchases over time.