

# Staples Inc. Sustainable Paper Procurement Policy

## Overview

Staples is committed to operating our business in a sustainable manner and to making it easy for our customers and associates to make a difference for the environment. We seek to work with suppliers that share our commitment to responsibly managing natural resources, supporting local communities, and producing sustainable products. This policy specifies our commitments for increasing the sustainability of the paper products we source.

Staples defines “sustainable paper products” as those that are designed, harvested, and manufactured to minimize environmental impacts across the entire life-cycle, promote responsible forest management, and protect the rights and needs of local communities.

For the purposes of this policy, “paper products” are defined as products wholly composed (except for minor, incidental parts) of any grade of paper including uncoated paper, coated paper, corrugated cardboard, paperboard, and kraft paper.

Staples seeks to implement this policy in a phased approach to all paper product suppliers. The first phase involves implementing these commitments in our North American markets. The second phase will focus on our European markets. The third phase will involve extending this to other international markets over time. We will prioritize our implementation to address potential risk based on country of origin, fiber source, and supply chain transparency.

## Our Commitments

The commitments described below provide the framework for continually improving the sustainability of our paper products while taking into account market conditions (i.e. existing and expected future product availability and demand) and the constraints of good business practices. As described in more detail in the rest of the policy, our long term goals are to only procure paper products that are:

- Certified under the Forest Stewardship Council (FSC) standard, or if market conditions do not support sourcing of FSC certified paper products, certified to an alternative certification standard listed in this policy;
- Made with post-consumer recycled or sustainable alternative fibers where market conditions allow, and;
- Harvested, manufactured, and distributed to minimize life-cycle environmental and social impacts.

We will annually report on our progress toward achieving the commitments described below within the environmental section of our web site(s) and in our corporate responsibility reporting.

### **1. *Protect Global Forest Resources and Forest Dependent Communities***

Staples is implementing this policy in a step-wise approach to progressively increase the proportion of paper products we sell that are certified under the FSC standard.

Step 1: We will ask our suppliers to confirm the sources of their fiber, and indicate if the wood fiber they use has been legally harvested and traded.

Step 2: We will seek to have our suppliers demonstrate that they provide paper products from non-controversial sources, meaning:

- Wood that is not harvested in violation of traditional and civil rights;
- Wood that is not harvested in forests where high conservation values are threatened;
- Wood that is not harvested in forests being converted to plantations or non-forest use;
- Wood that is not harvested in forests that contain species that have been genetically modified.

Our goal is to source all paper products from non-controversial sources. In those cases where suppliers use wood fiber from forest areas or regions that have been identified as potentially controversial by appropriate national or international science-based organizations (such as the FSC, United Nations Environment Programme (UNEP), Food and Agriculture Organization of the United Nations (FAO), International Union of Conservation of Nature (IUCN), World Wildlife Fund (WWF), and/or Rainforest Alliance), we will ask suppliers to

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demonstrate through credible third party certification that their sourcing practices are non-controversial and work with them to achieve our goals.

Step 3: Staples will show preference for paper products that are certified to the FSC standard whenever market conditions and good business practices allow.

Where market conditions and good business practices do not support sourcing of FSC certified product, we will seek paper products from suppliers that meet the requirements of Step 1 and 2 of this policy and are either actively pursuing FSC certification (preferred) or meet one of the other specific forest certification standards listed below:

- Programme for the Endorsement of Forest Certification schemes (PEFC)
- Sustainable Forestry Initiative (SFI) Standard
- Canada's National Standard for Sustainable Forest Management (SFM) CAN/CSA-Z809

To implement these commitments, we will survey our paper product suppliers to confirm the sources of the fiber they supply and the certification standards that their products meet. Staples will have a third party assess the supplier information provided in light of this policy. A third party will also conduct audits on a random sample of our suppliers to confirm the validity of the information they have provided. We will prioritize the surveys and audits to best meet the goals of this policy.

### **2. Reduce Demand for Virgin Wood Fiber**

Staples seeks to increase the percentage by weight of all paper products sold containing post-consumer recycled or sustainable alternative fiber content. We will review the information we collect from suppliers through surveys as well as credible life-cycle based studies in an effort to avoid sourcing recycled or alternative fiber paper products that may have greater environmental impacts than available substitutes. We will also seek to confirm with our suppliers that any alternative sustainable fiber content in the paper products we offer comes from non-controversial sources.

### **3. Source From Paper Mills Committed to Environmental Excellence**

We seek to work with suppliers who not only comply with all environmental and forestry laws and regulations, but also demonstrate a commitment to environmental innovation and continuous improvement, have certified their environmental management systems, and use pulping and papermaking technologies that minimize raw material utilization and emissions. As part of our supplier evaluation process, we will request information about mill-specific operations and practices.

We will ask the top suppliers of paper products by dollar or unit sales to periodically report the environmental performance of their mills or the mills from which they purchase paper to Staples. Suppliers will report using either a widely recognized format like the Environmental Performance Assessment Tool (EPAT) developed by the Paper Working Group and Metafore, or an acceptable alternative format that allows Staples to make fair performance comparisons between mills.

### **Ongoing Review and Reporting On Progress**

We will periodically review the information provided by our suppliers to verify their progress and the reliability of their data. We will regularly seek to have our suppliers provide us with information that supports each of our key initiatives.

We will review our policy and commitments on a regular basis to ensure that they reflect the current state of the industry and are based on the best available scientific evidence to help minimize the environmental and social impacts of our paper sourcing decisions across the entire paper lifecycle. We will update suppliers of new developments affecting our policy and commitments.

We believe that reporting on our environmental progress is integral to understanding our impacts, driving results, and communicating the successes of – and challenges to – our policy and commitments. We will report on our progress with respect to this Paper Product Procurement Policy annually, within the environmental section of our web site(s) and in our corporate responsibility reporting.